

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.15	1
5-yr UST	0.90	1
10-yr UST	1.71	0
30-yr UST	2.37	-4

MGS		GII		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.11	-2	2.11	0
5-yr	2.67	5	2.74	-4
7-yr	3.10	0	3.05	-2
10-yr	3.32	2	3.39	-6
15-yr	3.88	-2	4.03	0
20-yr	4.25	-4	4.44	10
30-yr	4.43	1	4.62	11

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.01	0
3-yr	2.45	3
5-yr	2.76	3
7-yr	2.90	5
10-yr	3.24	7

Source : Bloomberg

Upcoming Government Bond Tender

Nil

- US Treasuries explored newer and higher levels on Tuesday before retreating as investors anticipate President Biden's next massive spending bill. The longer-end performed as the curve flattened with overall benchmark yields closing mixed between -4 and +1bps. The UST 2Y yield edged 1bps higher at 0.15% whilst the much-watched UST 10Y yield ended almost unchanged at 1.71%. Traders and investors are expected to monitor President Biden's potential announcement of a 2-part government spending package expected between \$2-4 trillion; less than a month after passing a \$1.9 trillion bill. The improving outlook on growth, fostering a reflation trade coupled with inflationary pressures have seen yields rise. Nevertheless expect some month-end indexing requirements and purchase interest to emerge today. Interest is expected to shift to the release of March manufacturing data tomorrow followed by the all-important monthly jobs report this Friday.

MGS/GII

- On Tuesday, local govies closed mixed following earlier euphoria and relief from FTSE Russell's decision to maintain Malaysia in the World Government Bond Index (WGBI) whilst removing it from the watchlist first accorded in April 2019. Overall benchmark govies closed between -6 to +11bps amid a sharp jump in secondary market volume of RM5.18b. The 5Y MGS 9/25 yield spiked 5bps at 2.67% whilst the 10Y MGS 4/31 yield edged 2bps up at 3.32%. Interest was mainly seen in the shorter off-the-run 21-22's, 29's and also the benchmark 5Y MGS, 10Y GII. GII bond trades rose to form ~35% of overall trades. Sentiment was also boosted by the strong bidding metrics for the new issuance of 20Y benchmark @ BTC ratio of 2.575x whilst awarded at 4.417%. Expect intermittent relief rally to continue in certain sectors as attention shifts to the release of Economic and Monetary Outlook by BNM today.

Corp Bonds/Sukuk

- The Corporate Bond/Sukuk space saw investor appetite centred across the GG-AA part of the curve on Tuesday amid a slight pullback in secondary market volume @ RM306m. Overall yields continued to end mostly mixed-to-higher on ~21 various bonds. The long-end govt-guaranteed DANA and PRASA 42's spiked 74-86bps compared to previous-done levels at 4.71%. AAA-rated PASB 2/24 rose 40bps at 2.94%. AA-rated CELLCO made its debut with the 2029-2031 tranches registering trades at 4.74%, 4.83% and 4.91% each. Konsortium PROHAWK which last traded one and a half years ago, closed 25bps lower @ 3.93%. Energy-related bonds i.e Southern Power 34-35's ended sharply higher on yields as well between 4.59-63% levels.

Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 07/21	1.771	128	1.769	29/03/2021	0
MGS 09/21	1.747	62	1.738	29/03/2021	1
MGS 11/21	1.806	41	1.804	29/03/2021	0
MGS 03/22	1.855	542	1.807	29/03/2021	5
MGS 08/22	1.948	18	1.983	29/03/2021	-4
MGS 09/22	2.006	7	1.986	26/03/2021	2
MGS 03/23	2.108	58	2.126	29/03/2021	-2
MGS 08/23	2.208	48	2.188	29/03/2021	2
MGS 06/24	2.347	112	1.738	29/03/2021	61
MGS 09/24	2.482	19	2.504	29/03/2021	-2
MGS 03/25	2.620	14	2.623	26/03/2021	0
MGS 09/25	2.669	815	2.618	29/03/2021	5
MGS 04/26	2.739	44	2.751	26/03/2021	-1
MGS 07/26	2.790	10	2.816	29/03/2021	-3
MGS 11/26	2.778	81	2.816	29/03/2021	-4
MGS 05/27	2.965	2	2.992	29/03/2021	-3
MGS 11/27	3.035	9	3.035	29/03/2021	0
MGS 06/28	3.101	250	3.104	29/03/2021	0
MGS 08/29	3.280	389	3.320	29/03/2021	-4
MGS 04/31	3.316	131	3.298	29/03/2021	2
MGS 06/31	3.533	108	3.586	29/03/2021	-5
MGS 04/33	4.002	89	3.991	29/03/2021	1
MGS 07/34	3.876	202	3.901	29/03/2021	-2
MGS 04/37	4.271	2	4.260	29/03/2021	1
MGS 06/38	4.304	53	4.352	29/03/2021	-5
MGS 05/40	4.249	7	4.293	29/03/2021	-4
MGS 09/43	4.467	44	4.451	25/03/2021	2
MGS 07/48	4.566	47	4.532	29/03/2021	3
MGS 06/50	4.432	55	4.427	29/03/2021	1
GII 04/21	1.734	10	1.728	04/02/2021	1
GII 08/21	1.753	21	1.780	25/03/2021	-3
GII 03/22	1.847	180	1.883	29/03/2021	-4
GII 11/22	2.004	10	2.034	29/03/2021	-3
GII 07/23	2.163	50	2.193	25/03/2021	-3
GII 11/23	2.173	49	2.120	29/03/2021	5
GII 03/26	2.735	99	2.777	29/03/2021	-4
GII 09/27	3.046	30	3.067	29/03/2021	-2
GII 10/28	3.248	21	3.282	29/03/2021	-3
GII 07/29	3.430	50	3.490	29/03/2021	-6
GII 10/30	3.385	875	3.446	29/03/2021	-6
GII 09/39	4.443	60	4.340	29/03/2021	10
GII 11/49	4.619	10	4.513	29/03/2021	11
GII 09/41	4.387	324	-	-	-
		<u>5175</u>			

Daily Trades : Corp Bonds/ Sukuk

Securities		Rating	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bp)	Spread Against MGS*
Prasarana Malaysia Berhad	02/26	GG	3.179	20	2.968	08/03/2021	21	51
Danainfra Nasional Berhad	11/33	GG	4.190	20	3.409	05/01/2021	78	31
Danainfra Nasional Berhad	02/36	GG	4.393	10	-	-	-	51
Danainfra Nasional Berhad	03/42	GG	4.709	20	3.849	25/06/2020	86	45
Prasarana Malaysia Berhad	09/42	GG	4.709	10	3.973	15/02/2021	74	45
Cagamas Berhad	07/21	AAA	1.956	30	-	-	-	12
Cagamas Berhad	10/21	AAA	1.929	10	2.112	23/03/2021	-18	9
Pengurusan Air SPV Berhad	02/24	AAA	2.938	10	2.539	03/03/2021	40	84
Abu Dhabi National Energy Company PJSC	03/22	AA1	3.274	60	3.278	17/03/2021	0	-
Sabah Development Bank Berhad	04/24	AA1	3.894	1	4.268	25/03/2021	-37	180
Konsortium ProHAWK Sdn Berhad	12/27	AA2	3.928	10	4.178	09/07/2019	-25	85
Cellco Capital Berhad	03/25	AA	3.920	10	-	-	-	148
Fortune Premiere Sdn Berhad	09/26	AA	3.859	1	3.259	27/01/2021	60	119
Cellco Capital Berhad	03/29	AA	4.740	10	-	-	-	153
Cellco Capital Berhad	03/30	AA	4.830	10	-	-	-	156
Cellco Capital Berhad	03/31	AA	4.910	10	-	-	-	164
Perbadanan Kemajuan Negeri Selangor	12/22	AA3	3.536	20	3.164	11/01/2021	37	153
WCT Holdings Berhad	10/21	AA-	3.837	4	3.693	29/12/2020	14	200
UEM Edgenta Berhad	04/22	AA-	3.020	10	2.655	16/02/2021	37	118
Southern Power Generation Sdn Berhad	10/34	AA-	4.591	10	3.910	15/12/2020	68	71
Southern Power Generation Sdn Berhad	04/35	AA-	4.629	20	3.820	16/11/2020	81	75
				<u>306</u>				

*spread against nearest indicative tenured MGS (Source : BPAM)

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Tanjung Bin Energy Sdn Bhd	Tanjung Bin Energy Sdn Bhd	AA3/Stable	Assigned

Source: RAM, MARC

Hong Leong Bank Berhad

Fixed Income & Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damanlela

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email: HLMarkets@hlbb.hongleong.com.my

DISCLAIMER

This report is for information purposes only and does not take into account the investment objectives, financial situation or particular needs of any particular recipient. The information contained herein does not constitute the provision of investment advice and is not intended as an offer or solicitation with respect to the purchase or sale of any of the financial instruments mentioned in this report and will not form the basis or a part of any contract or commitment whatsoever.

The information contained in this publication is derived from data obtained from sources believed by Hong Leong Bank Berhad ("HLBB") to be reliable and in good faith, but no warranties or guarantees, representations are made by HLBB with regard to the accuracy, completeness or suitability of the data. Any opinions expressed reflect the current judgment of the authors of the report and do not necessarily represent the opinion of HLBB or any of the companies within the Hong Leong Bank Group ("HLB Group"). The opinions reflected herein may change without notice and the opinions do not necessarily correspond to the opinions of HLBB. HLBB does not have an obligation to amend, modify or update this report or to otherwise notify a reader or recipient thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

HLB Group, their directors, employees and representatives do not have any responsibility or liability to any person or recipient (whether by reason of negligence, negligent misstatement or otherwise) arising from any statement, opinion or information, expressed or implied, arising out of, contained in or derived from or omission from the reports or matter.

Potential and actual conflict of interest may arise from the activities of HLB Group. HLB Group constitute a diversified financial services group. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and other activities for their own account or the account of others. In the ordinary course of their business, HLB Group may effect transactions for their own account or for the account of their customers and hold long or short positions in the financial instruments. HLB Group, in connection with its business activities, may possess or acquire material information about the financial instruments. Such activities and information may involve or have an effect on the financial instruments. HLB Group have no obligation to disclose such information about the financial instruments or their activities.

The past performance of financial instruments is not indicative of future results. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Any projections or forecasts mentioned in this report may not be achieved due to multiple risk factors including without limitation market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information. No assurance can be given that any opinion described herein would yield favorable investment results. Recipients who are not market professional or institutional investor customer of HLBB should seek the advice of their independent financial advisor prior to taking any investment decision based on the recommendations in this report.

HLBB may provide hyperlinks to websites of entities mentioned in this report, however the inclusion of a link does not imply that HLBB endorses, recommends or approves any material on the linked page or accessible from it. Such linked websites are accessed entirely at your own risk. HLBB does not accept responsibility whatsoever for any such material, nor for consequences of its use.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for the use of the addressees only and may not be redistributed, reproduced or passed on to any other person or published, in part or in whole, for any purpose, without the prior, written consent of HLBB. The manner of distributing this report may be restricted by law or regulation in certain countries. Persons into whose possession this report may come are required to inform themselves about and to observe such restrictions. By accepting this report, a recipient hereof agrees to be bound by the foregoing limitations.