

02 May 2025

## Global Economics & Market Strategy

### Fixed Income AUM Moderated in February

- ◆ **Malaysia's fixed income assets under management (AUM) stood at MYR211.2bn in February.** Fixed income class declined on both MoM basis by MYR2.0bn (-0.9%) and YTD basis by MYR1.1bn (-0.5%). We note that the data can be volatile due to the high frequency of asset reclassifications. A MoM decline of MYR2.6bn (-1.9%) was also observed in the money market, while equities registered a marginal increase of MYR0.7bn (+0.2% MoM), in line with FBM KLCI movement for the month. Correspondingly, total domestic fund management AUM moderated to MYR713.0bn, representing a MoM decline of MYR4.0 billion (-0.6%); AUM fell by MYR11.6bn (-1.6%) on a YTD basis.
- ◆ **Malaysia:** Total government securities volume stood at MYR7,132mn with the top traded stock **MGS 3.955% 9/25** with MYR1,261mn traded on Wednesday. The implied 10YR MGS yield movement today is 0.61bps, given the trailing 30-day beta of 0.11 against UST 10YR (5.6bps). Bid-ask spreads fell broadly (Figure 3). The 30-day 10YR MGS/UST stood at 0.27. Corporate Bonds volume traded was MYR936mn, with the top traded stock **SCC 4/32** with a volume of MYR100mn. *\*Every 1 bps move in 10YR UST yield implies a 0.11bps move in 10YR MGS.*
- ◆ **US Treasuries (UST): Treasury yields gained as April ISM manufacturing print was stronger-than-expected.** UST losses was led by front-end with ISM manufacturing data was reported at 48.7; Bloomberg consensus estimates stood at 47.9. ISM new orders and employment prints also stood above expectation. The soar in UST yields was also supported by block sale of futures and decline in oil price following President Trump's threat of broader sanctions towards Iranian crude buyers. Separately, Secretary Bessent viewed that the Fed should make the rate adjustment given that the 2YR yield currently stood below FFR. Swap implied FFR cuts by Dec-2025 declined to 3.7 times from 4.1. UST yields for the 2YR/10YR/20YR moved by +9.6bps/+5.6bps/+4.3bps, respectively.
- ◆ **Key Events – Friday:** US Apr non-farm payroll, Eurozone Apr CPI, Indonesia Apr CPI

#### Global Economics & Market Strategy

##### RHB FIC Strategy

+603 92808858

[rhbficstrategy@rhbgroup.com](mailto:rhbfixstrategy@rhbgroup.com)

##### Fixed Income Return Snapshot

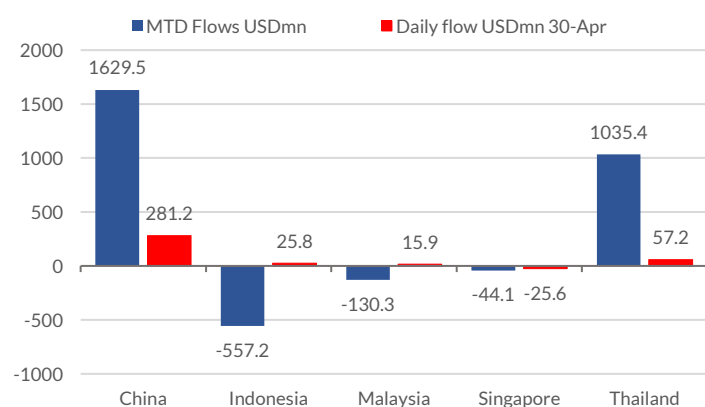
	1D Δ (%)	7D Δ (%)	1M Δ (%)
MGS 10YR	-	0.15	0.88
MYR Govt Bond	-	0.19	1.21
US Treasuries	-0.33	0.55	0.04
Global Bond	-0.53	-0.04	2.13
AxJ IG Bond	-0.26	0.55	-0.16

##### 2YR and 10YR Yields (%)

	1-May	1D bps Δ	7D bps Δ
China 2YR	1.456	0.0	-2.0
China 10YR	1.626	0.0	-3.3
Indonesia 2YR	6.358	0.0	-9.8
Indonesia 10YR	6.857	0.0	-7.5
Japan 2YR	0.621	-5.0	-4.7
Japan 10YR	1.251	-5.9	-6.5
Malaysia 3YR	3.250	0.0	-4.0
Malaysia 10YR	3.657	0.0	-1.6
Singapore 2YR	2.121	0.0	-3.0
Singapore 10YR	2.466	0.0	-5.8
Thailand 2YR	1.545	0.0	-0.9
Thailand 10YR	1.877	0.0	-6.2
US 2YR	3.699	9.6	-9.8
US 10YR	4.218	5.6	-9.7
MYR AAA 10YR	3.952	0.0	-0.1
MYR AA 10YR	4.102	0.0	-1.1
MYR A 10YR	4.979	0.0	-7.6

Source: Bloomberg, RHB Economics & Market Strategy.

Figure 1: Regional MTD/Daily Bond Fund Flows (USDmn)

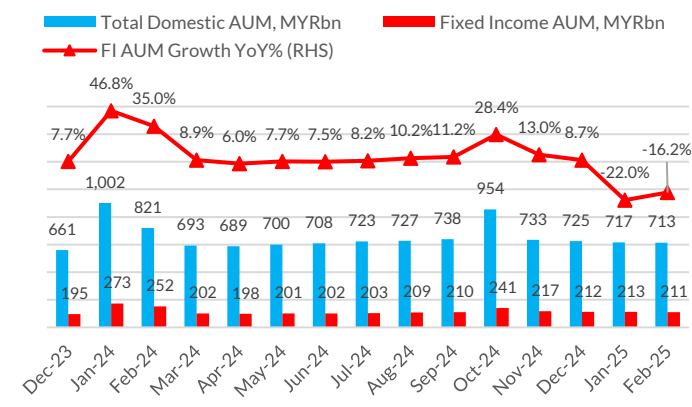


Source: EPFR, RHB Economics & Market Strategy.

See important disclosures at the end of this report

Market Dateline / PP 19489/05/2019 (035080)

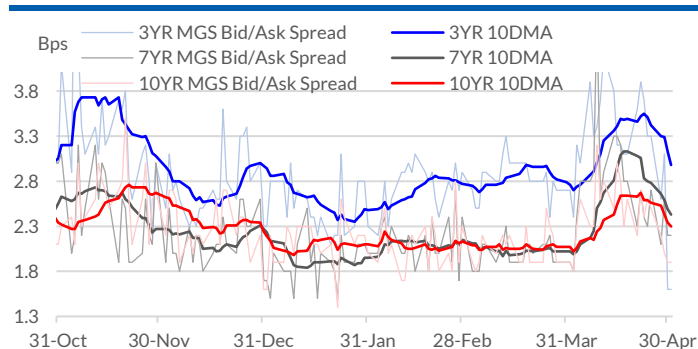
Figure 2: FI AUM stood at MYR211.2bn in Feb-2025



Source: SC, RHB Economics & Market Strategy.

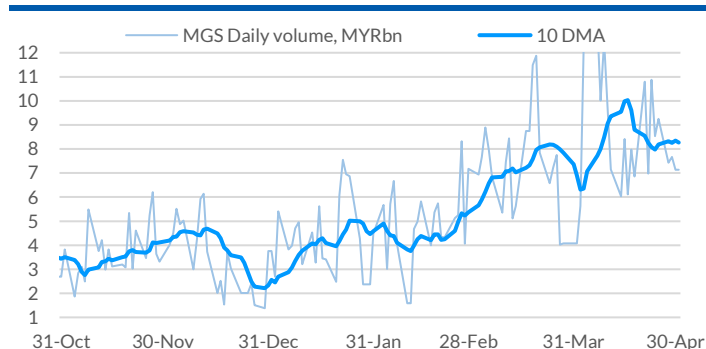
02 May 2025

Figure 3: Bid-ask spreads of key benchmarks



Source: Bloomberg, RHB Economics &amp; Market Strategy.

Figure 4: Daily MGS/GII Volume



Source: Bloomberg, RHB Economics &amp; Market Strategy.

## Trading Ideas

- ◆ **MYR Bond: (11/4/25) We keep Outperform on Tropicana Corporation Bhd (Tropicana, A) given the attractive yields, improved gearing levels and strong product pipeline.** Tropicana's strategic focus on divesting non-core assets and reducing its debt burden has yielded positive results. Gearing and net gearing improved to 0.43 and 0.27 respectively versus 0.55 and 0.43 a year ago. In FY24, the Group completed and handed over five development projects in the Klang Valley and Southern Regions, supporting its overall financial performance. For the full year, the Group reported revenue of MYR1.4bn, a 6.3% YoY decline and posted a profit before tax of MYR172.7mn, excluding one-off losses ([Read here](#)).
- ◆ **MYR Bond: (19/3/25) We are Outperform on the subordinated and perpetual securities of CIMB Group, CIMB bank and CIMB Islamic, given its attractive YTM relative to its AAA rated banking peers.** Domestic portfolio is expected to support the group's target loan expansion of 5-7% in FY25. Moving forward, the group's strategic target includes: revised ROE of 11.0%-11.5%, CIR of around 45%, dividend payout ratio of 40%-60%, CET1 ratio around 13.5% and lowering of its cost of funds by 10 to 20 bps by 2030 ([Read here](#)).
- ◆ **MYR Bond: (12/3/25) We are Outperform all tranches in Affin Bank Bhd (AA3) within the double-A banking space.** Its papers offer attractive relative value as well as decent liquidity across its tranches. The bank grew its loan book at 8% in 2024, above the industry's rate of 5.6%. Given the decent asset quality, high liquidity (LCR of 165%) and stable capital ratio, we perceive non-call risks for subordinated and perpetual tranches to remain low ([Read here](#)).
- ◆ Read the complete list of our bond coverage [here](#).

## MGS/GII

- ◆ Our expectations of an unchanged OPR of 3.00% in 2025 with the Fed Funds Rate normalisation to continue in 2Q25 means the 10YR MGS should trade at a slightly lower bound above the OPR versus recent averages at around 3.70% to 3.80% in 2025.
- ◆ Read our 2Q25 report here: [Global Outlook 2Q25: Stay OW on Fixed Income, MW Equities](#) and the [addendum](#)

### MYR Yields vs RHB Year-end Forecast

	Last Yield %	Forecast		Yield Changes (bps)				
		2025F	Pickup (bps)	1D	1W	1M	3M	YTD
MGS 3YR	3.250	3.30	-5	0.0	-4.0	-16.4	-20.8	-23.1
MGS 5YR	3.368	3.50	-13	0.0	-3.5	-19.7	-24.6	-25.6
MGS 7YR	3.548	3.60	-5	0.0	-1.1	-16.0	-22.6	-21.3
MGS 10YR	3.657	3.75	-9	0.0	-1.6	-11.4	-14.9	-15.3
MGS 15YR	3.803	3.90	-10	0.0	-0.7	-10.8	-16.6	-16.6
MGS 20YR	3.907	4.05	-14	0.0	-2.2	-8.7	-15.2	-15.7
MGS 30YR	4.056	4.15	-9	0.0	-0.8	-8.9	-12.4	-12.7
AAA 3YR	3.753	3.60	15	0.0	-0.5	-4.4	-8.9	-7.7
AAA 10YR	3.952	4.07	-12	0.0	-0.1	-4.4	-9.8	-11.3
AAA 15YR	4.095	4.20	-11	0.0	1.3	-2.4	-4.9	-7.2
AA 3YR	3.895	3.90	0	0.0	-0.3	-5.8	-13.8	-11.9
AA 10YR	4.102	4.40	-30	0.0	-1.1	-7.3	-12.0	-13.7
AA 15YR	4.250	4.60	-35	0.0	-0.4	-6.8	-9.3	-11.1
A 3YR	4.524	4.90	-38	0.0	-5.5	-28.1	-30.5	-33.3
A 10YR	4.979	5.60	-62	0.0	-7.6	-40.1	-46.4	-58.0
A 15YR	5.233	6.00	-77	0.0	-8.1	-45.0	-52.9	-64.6

Source: Bloomberg, RHB Economic &amp; Market Research. Constant maturity.

02 May 2025

## Daily Top 10 Trade

## Government

Name	Traded Amount (MYRmn)	Last Traded Yield	Previous Traded Yield	Δ Bps
MGS 1/2015 3.955% 15.09.2025	1261	3.036	3.091	-6
MGS 4/2019 3.828% 05.07.2034	569	3.657	3.651	1
MGS 2/2023 3.519% 20.04.2028	513	3.258	3.255	0
GII MURABAAH 3/2025 3.612% 30.04.2035	443	3.618	3.624	-1
MGS 2/2020 2.632% 15.04.2031	412	3.505	3.494	1
GII MURABAAH 1/2022 4.193% 07.10.2032	340	3.596	3.575	2
MGS 2/2019 3.885% 15.08.2029	308	3.330	3.345	-2
GII MURABAAH 2/2023 4.291% 14.08.2043	300	3.901	3.894	1
MGS 1/2019 3.906% 15.07.2026	290	3.130	3.139	-1
GII MURABAAH 2/2024 3.804% 08.10.2031	254	3.523	3.515	1

## Quasi-Govt

Name	Traded Amount (MYRmn)	Last Traded Yield	Previous Traded Yield	Δ Bps
CAGAMAS IMTN 3.890% 17.10.2025	50	3.444	3.636	-19
DANAINFRA IMTN 3.620% 26.09.2034 - Tranche 13	40	3.714	3.952	-24
PASB IMTN 4.060% 29.04.2039 - Issue No. 51	40	3.899	4.060	-16
PLUS BERHAD IMTN 4.440% 12.01.2028 -Sukuk PLUS T30	40	3.659	3.647	1
DANAINFRA IMTN 4.000% 09.03.2040 - Tranche No 154	30	3.859	3.969	-11
DANAINFRA IMTN 4.790% 27.11.2034 - Tranche No 28	30	3.731	3.935	-20
MRL IMTN 4.120% 23.07.2036	30	3.768	3.770	0
CAGAMAS IMTN 3.980% 28.06.2028	20	3.573	3.750	-18
LPPSA IMTN 4.020% 06.02.2040 - Tranche No. 4	20	3.859	-	-
MRL IMTN 4.010% 28.02.2040	20	3.859	3.865	-1

## Corporate

Name	Traded Amount (MYRmn)	Last Traded Yield	Previous Traded Yield	Δ Bps
SCC IMTN 23.04.2032	100	4.000	4.000	0
YTL POWER IMTN 4.740% 24.08.2038	60	3.932	3.958	-3
AISL IMTN 28.03.2033	40	3.855	3.907	-5
BENIH RESTU IMTN 28.07.2034	40	3.870	3.889	-2
MRCB20PERP IMTN 5.090% 18.10.2028	40	3.999	4.066	-7
YTL POWER IMTN 4.195% 26.08.2039	30	3.950	3.959	-1
YTL POWER IMTN 4.300% 11.10.2039	30	3.951	3.960	-1
BGSM MGMT IMTN 4.130% 03.12.2027 - Issue No 18	20	3.698	3.753	-6
BSN IMTN 4.000% 07.11.2031	20	3.832	3.849	-2
MAHB SENIOR SUKUK WAKALAH 4.02% 21.11.2031	20	3.768	3.791	-2

Source: BPAM, RHB Economic &amp; Market Strategy. Previous trading day.

02 May 2025

## RHB Credit Strategy Rating Definitions

Recommendation	Time Horizon	Definition
Outperform	6 to 12 months	A corporate bond's expected relative performance versus a reference (i.e. AA3 curve or sector peers)
Market perform	6 to 12 months	
Underperform	6 to 12 months	
Speculative	Indefinitely	The bond's repayment ability is highly uncertain
Not Rated (NR)	Indefinitely	Not under coverage

## Disclaimer Economics and Market Strategy

This report is prepared for information purposes only by the Economics and Market Strategy division within RHB Bank Berhad and/or its subsidiaries, related companies and affiliates, as applicable ("RHB").

All research is based on material compiled from data considered to be reliable at the time of writing, but RHB does not make any representation or warranty, express or implied, as to its accuracy, completeness or correctness.

Neither this report, nor any opinion expressed herein, should be construed as an offer to sell or a solicitation of an offer to acquire any securities or financial instruments mentioned herein. RHB (including its officers, directors, associates, connected parties, and/or employees) accepts no liability whatsoever for any direct or consequential loss arising from the use of this report or its contents. This report may not be reproduced, distributed or published by any recipient for any purpose without prior consent of RHB and RHB (including its officers, directors, associates, connected parties, and/or employees) accepts no liability whatsoever for the actions of third parties in this respect.

Recipients are reminded that the financial circumstances surrounding any company or any market covered in the reports may change since the time of their publication. The contents of this report are also subject to change without any notification.

This report does not purport to be comprehensive or to contain all the information that a prospective investor may need in order to make an investment decision. The recipient of this report is making its own independent assessment and decisions regarding any securities or financial instruments referenced herein. Any investment discussed or recommended in this report may be unsuitable for an investor depending on the investor's specific investment objectives and financial position. The material in this report is general information intended for recipients who understand the risks of investing in financial instruments. This report does not take into account whether an investment or course of action and any associated risks are suitable for the recipient. Any recommendations contained in this report must therefore not be relied upon as investment advice based on the recipient's personal circumstances. Investors should make their own independent evaluation of the information contained herein, consider their own investment objective, financial situation and particular needs and seek their own financial, business, legal, tax and other advice regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report.

RHB (including its respective directors, associates, connected parties and/or employees) may own or have positions in securities or financial instruments of the company(ies) covered in this research report or any securities or financial instruments related thereto, and may from time to time add to, or dispose off, or may be materially interested in any such securities or financial instruments. Further, RHB does and seeks to do business with the company(ies) covered in this research report and may from time to time act as market maker or have assumed an underwriting commitment in securities or financial instruments of such company(ies), may sell them or buy them from customers on a principal basis and may also perform or seek to perform significant banking, advisory or underwriting services for or relating to such company(ies), as well as solicit such banking, advisory or other services from any entity mentioned in this research report.

RHB (including its respective directors, associates, connected parties and/or employees) do not accept any liability, be it directly, indirectly or consequential losses, loss of profits or damages that may arise from any reliance based on this report or further communication given in relation to this report, including where such losses, loss of profits or damages are alleged to have arisen due to the contents of such report or communication being perceived as defamatory in nature.



## KUALA LUMPUR

## RHB Investment Bank Bhd

Level 3A, Tower One, RHB Centre  
Jalan Tun Razak  
Kuala Lumpur 50400  
Malaysia  
Tel : +603 9280 8888  
Fax : +603 9200 2216

## JAKARTA

## PT RHB Sekuritas Indonesia

Revenue Tower, 11th Floor, District 8 - SCBD  
Jl. Jendral Sudirman Kav 52-53  
Jakarta 12190  
Indonesia  
Tel : +6221 509 39 888  
Fax : +6221 509 39 777

## SINGAPORE

## RHB Bank Berhad (Singapore branch)

90 Cecil Street  
#04-00 RHB Bank Building  
Singapore 069531