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US : Biden's US\$1.9 trillion was passed by House of Reps at the end of February, adding on to the increasing optimism of a recovery. Powell on the other hand has been less exuberant stating that recovery is uncertain and patchy. He emphasises that labour market is Fed Reserves priority. That said he seem to lay foundation that low rates are still required. Hence, his **'low interest rates for longer' still holds and will likely stay till more evidence of inflation and strong employment data.**

Malaysia: Our policy makers have been striving for the balance between physical health and economic well being. It is hoped that the easing of restrictions do not come with increased incidence of infections which if reaches critical levels again will require reimposition of lockdowns. We hope that rate of vaccinations can accelerate which will help in mitigating fears of another wave. If recovery occurs in the second half of the year as projected, then the current upward yield correction is justified. **Policy rates; in the absence of threatening inflation will likely stay at current levels until end of third quarter.**