

Global Markets Research

Fixed Income

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UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	1.35	1
5-yr UST	1.82	3
10-yr UST	2.26	4
30-yr UST	2.84	4

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.28	-2	3.57	0
5-yr	3.69	-1	3.81	0
7-yr	3.91	0	4.01	0
10-yr	3.99	0	4.10	-1
15-yr	4.40	0	4.53	-1
20-yr	4.56	0	4.74	-4
30-yr	4.74	0	4.93	0

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.49	0
3-yr	3.65	0
5-yr	3.77	0
7-yr	3.87	-1
10-yr	4.01	0

Source: Bloomberg

Fixed Income Daily Market Snapshot

US Treasuries

- UST yields headed north as US job data released last Friday was rather upbeat, reinforcing views the recovery for the US economy is gaining traction. NFP came in at 205K beating estimates for a 180K, whilst unemployment eased to 4.3% for the month of July. Prospects of tapering to be announced at early as upcoming September FOMC meeting remains on the card taking cue from positive data releases last week.

MGS/GII

- Trading volume for local govies was over RM1.3b transacted last Friday, with benchmark yields supported. Short to medium tenured 3-year and 5-year MGS ended tighter to close at 3.28% and 3.69% level respectively. Newly issued 20-year GII traded tighter to close at 4.74% level. Exports data released on Friday, moderated to 10% YoY gain versus estimates for a 18.3% gain. Focus to shift towards details on upcoming 3-year (new) MGS benchmark tender which we are penciling in a tender size of RM4b.

PDS/Sukuk

- In the corporate bonds/sukuk, we saw RM640m traded. In the GG segment, we saw a slew of Khazanah papers transacted with combined amount of RM165m. Meanwhile Duke 3 sukuk maturing 2031-2038 saw RM145m traded with '8/32 and '8/38 tranche ending at 5.400% and 5.07% level respectively.

Upcoming Government Bond Tenders

Nil

Daily Trades : Government Bonds

Securities	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bp)
MGS 02/18	3.106	4	3.123	03/08/2017	-2
MGS 03/18	3.078	20	3.082	02/08/2017	0
MGS 09/18	3.217	58	3.236	03/08/2017	-2
MGS 03/19	3.276	0	3.302	02/08/2017	-3
MGS 10/19	3.394	11	3.394	03/08/2017	0
MGS 10/20	3.491	7	3.507	03/08/2017	-2
MGS 07/21	3.604	81	3.637	03/08/2017	-3
MGS 11/21	3.687	17	3.745	03/08/2017	-6
MGS 03/22	3.690	30	3.700	03/08/2017	-1
MGS 08/22	3.815	10	3.859	31/07/2017	-4
MGS 09/22	3.794	0	3.824	03/08/2017	-3
MGS 08/23	3.903	41	3.909	03/08/2017	-1
MGS 07/24	3.981	24	3.973	03/08/2017	1
MGS 09/24	3.913	163	3.908	03/08/2017	0
MGS 09/25	4.079	3	4.088	03/08/2017	-1
MGS 11/26	4.066	8	4.108	02/08/2017	-4
MGS 11/27	3.988	67	3.994	03/08/2017	-1
MGS 04/30	4.378	0	4.363	03/08/2017	1
MGS 06/31	4.407	2	4.436	03/08/2017	-3
MGS 04/33	4.378	2	4.395	03/08/2017	-2
MGS 05/35	4.500	18	4.509	03/08/2017	-1
MGS 04/37	4.556	10	4.558	02/08/2017	0
MGS 09/43	4.790	50	4.823	01/08/2017	-3
MGS 03/46	4.736	25	4.736	31/07/2017	0
GII 11/17	3.089	200	3.101	03/08/2017	-1
GII 04/19	3.441	2	3.389	01/08/2017	5
GII 04/20	3.575	417	3.570	03/08/2017	1
GII 07/27	4.104	10	4.106	03/08/2017	0
GII 08/33	4.529	40	4.538	01/08/2017	-1
GII 08/37	4.743	10	4.780	03/08/2017	-3
		<u>1330</u>			

Daily Trades: PDS / Sukuk

Securities	Rating	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bp)	Spread Against IRS**	
Khazanah Nasional Berhad	07/18	GG	3.650	90	3.846	01/03/2017	-20	16
Khazanah Nasional Berhad	02/21	GG	4.040	45	4.057	03/08/2017	-2	34
Khazanah Nasional Berhad	08/23	GG	4.205	30	4.147	02/06/2017	6	38
Pengurusan Air SPV Berhad	06/21	GG	4.013	15	3.996	25/05/2017	2	31
Bank Pembangunan Malaysia Berhad	09/21	GG	4.010	5	4.021	31/07/2017	-1	31
Boustead Holdings Berhad	11/17	AAA	4.050	10	4.114	08/05/2017	-6	56
Senari Synergy Sdn Berhad	08/18	AAA	4.504	15	4.289	12/04/2017	22	101
TTM Sukuk Berhad	11/20	AAA	4.108	2	3.919	11/10/2016	19	46
Projek Lebuhraya Usahasama Berhad	01/23	AAA	4.277	20	4.276	02/08/2017	0	51
Malaysia Airports Capital Berhad	12/24	AAA	4.428	10	4.429	01/08/2017	0	55
TNB Western Energy Berhad	01/30	AAA	4.820	30	4.799	21/07/2017	2	82
TNB	03/32	AAA	4.950	5	4.930	03/08/2017	2	77
EKVE Sdn Berhad	01/36	AAA	5.158	10	5.160	02/08/2017	0	98
TNB	03/37	AAA	5.116	20	5.130	03/08/2017	-1	94
Sarawak Energy Berhad	07/19	AA1	4.225	20	4.196	21/07/2017	3	65
Sabah Credit Corporation	05/22	AA1	4.678	30	4.700	17/07/2017	-2	91
Sarawak Energy Berhad	08/25	AA1	4.619	20	4.621	28/07/2017	0	69
Sarawak Energy Berhad	06/26	AA1	4.668	4	4.658	03/07/2017	1	74
Hong Leong Bank Berhad	06/19	AA2	4.497	10	4.498	01/08/2017	0	92
Kimanis Power Sdn Berhad	08/23	AA-	4.611	10	4.449	06/10/2016	16	79
Konsortium Lebuhraya Utara-Timur (KL) Sdn Berhad	12/27	AA-	4.819	20	4.748	20/06/2017	7	81
MEX II Sdn Berhad	04/31	AA-	5.310	40	5.311	27/02/2017	0	113
Lebuhraya DUKE Fasa 3 Sdn Berhad	08/31	AA-	5.030	30	5.027	19/06/2017	0	85
Lebuhraya DUKE Fasa 3 Sdn Berhad	08/32	AA-	5.070	15	5.081	07/07/2017	-1	96
Lebuhraya DUKE Fasa 3 Sdn Berhad	08/33	AA-	5.110	30	5.080	07/06/2017	3	85
Lebuhraya DUKE Fasa 3 Sdn Berhad	08/37	AA-	5.340	40	5.360	03/08/2017	-2	90
Lebuhraya DUKE Fasa 3 Sdn Berhad	08/38	AA-	5.400	30	5.389	20/06/2017	1	98
Gamuda Berhad	10/18	AA3	4.193	10	4.219	24/07/2017	-3	70
BGSM Management Sdn Berhad	12/18	AA3	4.303	5	4.309	01/08/2017	-1	81
CIMB Thai Bank Public Company Limitec	07/19	AA3	4.523	0	5.027	03/08/2017	-50	95
BGSM Management Sdn Berhad	12/22	AA3	4.762	3	4.777	19/07/2017	-2	100
Tanjung Bin Energy Issuer Berhad	09/29	AA3	4.964	4	5.019	07/06/2016	-5	96
Tan Chong Motor Holdings Berhad	11/21	A1	5.955	5	5.954	03/08/2017	0	178
Bank Muamalat Malaysia Berhad	06/21	A3	5.783	2	5.810	11/07/2017	-3	208
Mah Sing	-	NR	6.279	5	-	-	-	-
			<u>640</u>					

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

Market/Corporate News: What's Brewing

Britain is prepared to pay up to 40 billion euros (US\$47bil) as part of a deal to leave the European Union (EU), the Sunday Telegraph newspaper reported, citing three unnamed sources familiar with Britain's negotiating strategy. The EU has floated a figure of 60 billion euros and wants significant progress on settling Britain's liabilities before talks can start on complex issues such as future trading arrangements. The government department responsible for Brexit talks declined to comment on the Sunday Telegraph article. So far, Britain has given no official indication of how much it would be willing to pay. The newspaper said British officials were likely to offer to pay 10 billion euros a year for three years after leaving the EU in March 2019, then finalise the total alongside detailed trade talks. Payments would only be made as part of a deal that included a trade agreement, the newspaper added. "We know (the EU's) position is 60 billion euros, but the actual bottom line is 50 billion euros. Ours is closer to 30 billion euros but the actual landing zone is 40 billion euros, even if the public and politicians are not all there yet," the newspaper quoted one "senior Whitehall source" as saying. Whitehall is the London district where British civil servants and ministers are based. A second Whitehall source said Britain's bottom line was "30 billion euros to 40 billion euros" and a third source said Prime Minister Theresa May was willing to pay "north of 30 billion euros", the Sunday Telegraph reported. (Source : The Star)

Rating Actions

Issuer	PDS Description	Rating/Outlook	Action
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Nil

Source: MARC and RAM ratings

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