

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

##### US Treasuries

- UST saw yields reversing higher after equities rebounded, paring appeal of safe haven flows. 10-year seen clawing back 5 bps higher to settle at 2.11% level. On the data front, ISM and PMI services and composite reading saw continue expansion suggesting that prospects of Fed tapering is still firmly on track with announcement of plans as early as September FOMC.

##### MGS/GII

- Local govies ended supported with benchmark yields generally lower from previous session close. 10-year benchmark MGS and GII seen easing lower in yields term to settle at 3.86% and 4.02% level respectively, with spreads of circa 16 bps difference. Total MGS/GII transacted yesterday was over RM4.9b transacted. Interest was skewed towards the 7-year space. All eyes on BNM MPC meeting today, with OPR expected to remain unchanged at 3.00%.

##### PDS/Sukuk

- In the MYR corporate bonds and sukuk space, RM702m seen changing hands with trades skewed towards the AAA/AA segment. AAA TNB '8/32 and '8/37 saw combined amount of RM20m, with levels traded at 4.78% and 4.05%. Also traded EKVE '1/33 and '1/35, with 4.99% and 5.12%. Cahaya Mata Sarawak '5/22 traded at 4.56% with levels dealt at 4.56%.

| UST       |             |           |
|-----------|-------------|-----------|
| Tenure    | Closing (%) | Chg (bps) |
| 2-yr UST  | 1.30        | 1         |
| 5-yr UST  | 1.69        | 5         |
| 10-yr UST | 2.11        | 5         |
| 30-yr UST | 2.72        | 4         |

| MGS    |             | GII*      |             |           |
|--------|-------------|-----------|-------------|-----------|
| Tenure | Closing (%) | Chg (bps) | Closing (%) | Chg (bps) |
| 3-yr   | 3.35        |           | 3.48        | 0         |
| 5-yr   | 3.56        |           | 3.73        | 2         |
| 7-yr   | 3.84        | -2        | 3.95        | -2        |
| 10-yr  | 3.86        | -1        | 4.02        | -2        |
| 15-yr  | 4.29        | -1        | 4.51        | 0         |
| 20-yr  | 4.49        | -3        | 4.85        | -2        |
| 30-yr  | 4.72        | 1         |             |           |

\*Market indicative levels

| MYR IRS Levels |             |           |
|----------------|-------------|-----------|
| IRS            | Closing (%) | Chg (bps) |
| 1-yr           | 3.49        | 0         |
| 3-yr           | 3.61        | -1        |
| 5-yr           | 3.70        | -1        |
| 7-yr           | 3.82        | -1        |
| 10-yr          | 3.95        | -1        |

Source: Bloomberg

#### Upcoming Government Bond Tenders

Nil

## Daily Trades : Government Bonds

| Securities |       | Closing<br>YTM | Vol<br>(RM mil) | Previous<br>YTM | Previous<br>Trade Date<br>(dd/mm/yyyy) | Chg<br>(bp) |
|------------|-------|----------------|-----------------|-----------------|--|-------------|
| MGS        | 09/17 | 3.007          | 616             | 3.033           | 05/09/2017                             | -3          |
| MGS        | 10/17 | 2.952          | 216             | 3.005           | 05/09/2017                             | -5          |
| MGS        | 02/18 | 2.966          | 216             | 3.036           | 05/09/2017                             | -7          |
| MGS        | 03/18 | 2.989          | 91              | 2.996           | 05/09/2017                             | -1          |
| MGS        | 09/18 | 3.036          | 278             | 3.094           | 05/09/2017                             | -6          |
| MGS        | 03/19 | 3.124          | 30              | 3.183           | 05/09/2017                             | -6          |
| MGS        | 07/19 | 3.270          | 12              | 3.289           | 05/09/2017                             | -2          |
| MGS        | 10/19 | 3.301          | 24              | 3.346           | 05/09/2017                             | -4          |
| MGS        | 11/19 | 3.322          | 156             | 3.354           | 05/09/2017                             | -3          |
| MGS        | 03/20 | 3.401          | 3               | 3.409           | 05/09/2017                             | -1          |
| MGS        | 07/20 | 3.405          | 30              | 3.449           | 05/09/2017                             | -4          |
| MGS        | 10/20 | 3.418          | 4               | 3.436           | 05/09/2017                             | -2          |
| MGS        | 02/21 | 3.347          | 243             | 3.357           | 05/09/2017                             | -1          |
| MGS        | 07/21 | 3.501          | 36              | 3.538           | 05/09/2017                             | -4          |
| MGS        | 09/21 | 3.545          | 21              | 3.568           | 05/09/2017                             | -2          |
| MGS        | 11/21 | 3.593          | 48              | 3.606           | 05/09/2017                             | -1          |
| MGS        | 03/22 | 3.555          | 61              | 3.579           | 05/09/2017                             | -2          |
| MGS        | 08/22 | 3.686          | 54              | 3.703           | 05/09/2017                             | -2          |
| MGS        | 09/22 | 3.683          | 25              | 3.715           | 05/09/2017                             | -3          |
| MGS        | 03/23 | 3.788          | 81              | 3.808           | 05/09/2017                             | -2          |
| MGS        | 08/23 | 3.813          | 28              | 3.821           | 05/09/2017                             | -1          |
| MGS        | 07/24 | 3.870          | 11              | 3.879           | 05/09/2017                             | -1          |
| MGS        | 09/24 | 3.827          | 265             | 3.842           | 05/09/2017                             | -2          |
| MGS        | 09/25 | 3.882          | 194             | 3.918           | 05/09/2017                             | -4          |
| MGS        | 11/26 | 3.835          | 1               | 3.873           | 05/09/2017                             | -4          |
| MGS        | 11/27 | 3.859          | 305             | 3.866           | 05/09/2017                             | -1          |
| MGS        | 06/28 | 4.115          | 43              | 4.162           | 30/08/2017                             | -5          |
| MGS        | 04/30 | 4.275          | 10              | 4.332           | 05/09/2017                             | -6          |
| MGS        | 06/31 | 4.287          | 88              | 4.329           | 05/09/2017                             | -4          |
| MGS        | 04/32 | 4.369          | 0               | 4.488           | 14/08/2017                             | -12         |
| MGS        | 04/33 | 4.293          | 174             | 4.332           | 05/09/2017                             | -4          |
| MGS        | 05/35 | 4.417          | 14              | 4.417           | 05/09/2017                             | 0           |
| MGS        | 04/37 | 4.487          | 20              | 4.529           | 05/09/2017                             | -4          |
| MGS        | 03/46 | 4.723          | 31              | 4.710           | 05/09/2017                             | 1           |
| GII        | 08/18 | 3.137          | 133             | 3.191           | 05/09/2017                             | -5          |
| GII        | 11/18 | 3.270          | 7               | 3.229           | 05/09/2017                             | 4           |
| GII        | 04/20 | 3.481          | 85              | 3.488           | 05/09/2017                             | -1          |
| GII        | 08/20 | 3.602          | 0               | 3.600           | 29/08/2017                             | 0           |
| GII        | 08/21 | 3.743          | 64              | 3.839           | 05/09/2017                             | -10         |
| GII        | 04/22 | 3.733          | 70              | 3.702           | 29/08/2017                             | 3           |
| GII        | 07/22 | 3.856          | 8               | 3.842           | 05/09/2017                             | 1           |
| GII        | 07/23 | 3.947          | 51              | 3.958           | 30/08/2017                             | -1          |
| GII        | 08/24 | 3.950          | 695             | 3.970           | 05/09/2017                             | -2          |
| GII        | 09/26 | 4.137          | 11              | 4.163           | 05/09/2017                             | -3          |
| GII        | 07/27 | 4.023          | 290             | 4.042           | 05/09/2017                             | -2          |
| GII        | 09/30 | 4.479          | 0               | 4.490           | 05/09/2017                             | -1          |
| GII        | 10/35 | 4.666          | 22              | 4.678           | 05/09/2017                             | -1          |
| GII        | 05/47 | 4.854          | 90              | 4.863           | 05/09/2017                             | -1          |
|            |       |                | <u>4955</u>     |                 |  |             |

## Daily Trades: PDS / Sukuk

| Securities                                   |       | Rating | Closing<br>YTM | Vol<br>(RM mil) | Previous<br>YTM | Previous<br>Trade Date<br>(dd/mm/yyyy) | Chg<br>(bp) | Spread<br>Against<br>IRS** |
|--|-------|--------|----------------|-----------------|-----------------|--|-------------|----------------------------|
| Khazanah Nasional Berhad                     | 07/18 | GG     | 3.521          | 40              | 3.650           | 04/08/2017                             | (13)        | 3                          |
| Pengurusan Air SPV Berhad                    | 06/21 | GG     | 4.033          | 5               | 4.047           | 18/08/2017                             | (1)         | 39                         |
| Prasarana Malaysia Berhad                    | 02/23 | GG     | 4.088          | 15              | 4.111           | 28/08/2017                             | (2)         | 38                         |
| Danainfra Nasional Berhad                    | 07/24 | GG     | 4.270          | 40              | 4.281           | 29/08/2017                             | (1)         | 46                         |
| Bank Pembangunan Malaysia Berhad             | 09/24 | GG     | 4.278          | 20              | 4.310           | 31/07/2015                             | (3)         | 47                         |
| Prasarana Malaysia Berhad                    | 09/27 | GG     | 4.490          | 10              | 4.483           | 10/07/2017                             | 1           | 55                         |
| Tenaga Nasional Berhad                       | 03/32 | AAA    | 4.781          | 10              | 4.779           | 24/08/2017                             | 0           | 129                        |
| Tenaga Nasional Berhad                       | 03/37 | AAA    | 5.050          | 10              | 5.070           | 05/09/2017                             | (2)         | 156                        |
| Aman Sukuk Berhad                            | 02/18 | AAA    | 3.878          | 10              | 4.010           | 26/07/2017                             | (13)        | 39                         |
| Public Bank Berhad                           | 04/18 | AAA    | 3.810          | 25              | 3.800           | 17/08/2017                             | 1           | 32                         |
| Cagamas Berhad                               | 11/18 | AAA    | 3.650          | 10              | 3.796           | 16/08/2017                             | (15)        | 16                         |
| Aman Sukuk Berhad                            | 04/19 | AAA    | 4.080          | 10              | 4.096           | 31/07/2017                             | (2)         | 53                         |
| GB Services Berhad                           | 11/19 | AAA    | 4.648          | 5               | 4.508           | 28/07/2017                             | 14          | 110                        |
| Impian Ekspresi Sdn Berhad                   | 11/19 | AAA    | 4.334          | 10              | 4.395           | 22/06/2017                             | (6)         | 78                         |
| Projek Lebuhraya Usahasama Berhad            | 01/20 | AAA    | 4.086          | 10              | 4.093           | 22/08/2017                             | (1)         | 54                         |
| HSBC Amanah Malaysia Berhad                  | 03/20 | AAA    | 4.197          | 40              | 4.234           | 16/08/2017                             | (4)         | 59                         |
| Aman Sukuk Berhad                            | 05/21 | AAA    | 4.334          | 10              | 4.339           | 01/08/2017                             | (1)         | 69                         |
| Danga Capital Bhd                            | 06/27 | AAA    | 4.490          | 70              | -               | -                                      | -           | 55                         |
| Rantau Abang Capital Berhad                  | 01/32 | AAA    | 4.850          | 40              | 4.878           | 24/08/2017                             | (3)         | 73                         |
| EKVE Sdn Berhad                              | 01/33 | AAA    | 4.989          | 10              | 5.009           | 16/08/2017                             | (2)         | 87                         |
| EKVE Sdn Berhad                              | 01/35 | AAA    | 5.115          | 10              | 5.118           | 25/08/2017                             | (0)         | 100                        |
| DiGi Telecommunications Sdn Berhad           | 04/27 | AAA    | 4.498          | 30              | 4.533           | 22/08/2017                             | (4)         | 55                         |
| Malaysia Building Society Berhad             | 12/17 | AA1    | 4.035          | 10              | 4.168           | 10/08/2017                             | (13)        | 54                         |
| Public Bank Berhad                           | 10/18 | AA1    | 4.347          | 20              | 4.324           | 07/06/2017                             | 2           | 85                         |
| Malayan Banking Berhad                       | 01/19 | AA1    | 4.671          | 20              | 4.718           | 15/08/2017                             | (5)         | 118                        |
| CIMB Islamic Bank Berhad                     | 09/19 | AA1    | 5.231          | 0               | 4.325           | 17/08/2017                             | 91          | 168                        |
| Sabah Development Bank Berhad                | 04/20 | AA1    | 5.000          | 0               | 4.850           | 30/08/2017                             | 15          | 139                        |
| Sarawak Energy Berhad                        | 01/22 | AA1    | 4.334          | 60              | 4.378           | 23/08/2017                             | (4)         | 69                         |
| YTL Power International Berhad               | 03/27 | AA1    | 4.894          | 10              | 4.901           | 05/09/2017                             | (1)         | 95                         |
| Celcom Networks Sdn Berhad [fka Celcom Trans | 08/27 | AA1    | 5.099          | 5               | 4.999           | 29/08/2017                             | 10          | 115                        |
| UMW Holdings Berhad                          | 10/21 | AA2    | 4.654          | 10              | 4.657           | 05/09/2017                             | (0)         | 101                        |
| Widad Capital Sdn Berhad                     | 09/18 | AA2    | 4.698          | 5               | 4.707           | 25/08/2017                             | (1)         | 101                        |
| MMC Corporation Berhad                       | 04/27 | AA     | 5.394          | 10              | 5.396           | 24/08/2017                             | (0)         | 145                        |
| Jimah East Power Sdn Berhad                  | 12/29 | AA     | 4.894          | 10              | 4.909           | 23/08/2017                             | (1)         | 95                         |
| BEWG (M) Sdn Berhad                          | 07/20 | AA     | 5.003          | 10              | 5.100           | 18/07/2017                             | (10)        | 101                        |
| RHB Bank Berhad                              | 11/17 | AA3    | 4.010          | 10              | 4.167           | 15/08/2017                             | (16)        | 52                         |
| RHB Investment Bank Berhad                   | 12/17 | AA3    | 4.393          | 10              | 4.394           | 28/08/2017                             | (0)         | 90                         |
| Perbadanan Kemajuan Negeri Selangor          | 08/18 | AA3    | 4.306          | 20              | 4.325           | 28/08/2017                             | (2)         | 81                         |
| Cahaya Mata Sarawak Berhad                   | 05/22 | AA3    | 4.558          | 10              | 4.583           | 24/08/2017                             | (3)         | 85                         |
| CIMB Group Holdings Berhad                   | 05/21 | A1     | 5.345          | 40              | 4.824           | 29/08/2017                             | 52          | 170                        |
| Tan Chong Motor Holdings Berhad              | 11/21 | A1     | 5.978          | 0               | 5.977           | 05/09/2017                             | 0           | 233                        |
| Mah Sing                                     | -     | NR     | 6.479          | 2               | -               | -                                      | -           | -                          |
|  |       |        |                | <u>702</u>      |                 |  |             |                            |

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

## Market/Corporate News: What's Brewing

U.S. services sector activity accelerated in August amid strong gains in new orders and employment, suggesting that a slowdown in job growth last month was probably temporary. The economic outlook received a further boost from other data on Wednesday showing only a modest rise in the trade deficit in July. The reports were the latest signs that the economy had gathered momentum early in the third quarter. The Institute for Supply Management (ISM) said its non-manufacturing activity index increased 1.4 points to 55.3 in August, rebounding from an 11-month low in the prior month. A reading above 50 indicates expansion in the sector, which accounts for more than two-thirds of U.S. economic activity. (Source : The Star)

## Rating Actions

| Issuer | PDS Description | Rating/Outlook | Action |
|--------|-----------------|----------------|--------|
| Nil    |                 |                |        |

Source: MARC and RAM ratings

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