

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries





- UST yields ended lower sending bond to advance higher in price terms. 10-year yields shaved 6 bps lower to close at 2.04% as investors sought flight to safety amid concerns over Hurricane Irma and geopolitical tension from North Korea. On the data front, US initial jobless claims for the period ended Sep 2nd was reportedly higher at 298K, versus market expected level of 245K.














MGS/GII

- Local govies saw bond yields tightening further with 5-year benchmark MGS and GII closing at 3.53% and 3.70% respectively. Transacted volume was boosted higher prompted by rebound in local currency strength. As widely expected, OPR maintained at 3.00% at the BNM MPC. We expect the rebound in local currency this week to attract bargain hunting interest. All eyes on upcoming industrial production and manufacturing sales release next week.






PDS/Sukuk

- MYR corporate bonds saw RM535m worth of trades. Notable trades seen changing hands include, SEB '22 and '31 crossed at 4.32% and 4.98% level respectively. TNB '8/37 meanwhile saw levels changing hands at 5.07% level. With the pickup in MGS/GII traded volume, we expect positive vibes to potentially flow into the credit trading space.

UST			
Tenure	Closing (%)		Chg (bps)
2-yr UST	1.26		-4
5-yr UST	1.63		-6
10-yr UST	2.04		-6
30-yr UST	2.66		-6

MGS		GII*				
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)		
3-yr	3.35		0	3.48		0
5-yr	3.53		-2	3.70		-3
7-yr	3.81		-2	3.94		-1
10-yr	3.85		-1	4.01		-1
15-yr	4.28		-1	4.49		-3
20-yr	4.48		-1	4.85		-1
30-yr	4.72		1			

*Market indicative levels

MYR IRS Levels			
IRS	Closing (%)		Chg (bps)
1-yr	3.49		0
3-yr	3.60		-1
5-yr	3.70		0
7-yr	3.80		-2
10-yr	3.94		-1

Source: Bloomberg

Upcoming Government Bond Tenders

Nil

Daily Trades : Government Bonds

Securities	Closing	Vol	Previous	Chg
	YTM	(RM mil)	YTM	(bp)
			Previous Trade Date (dd/mm/yyyy)	
MGS 09/17	3.032	893	3.007	2
MGS 03/18	2.893	180	2.984	-9
MGS 09/18	2.905	353	3.035	-13
MGS 03/19	3.097	165	3.124	-3
MGS 03/20	3.347	155	3.401	-5
MGS 09/21	3.514	2	3.547	-3
MGS 11/21	3.555	10	3.593	-4
MGS 03/22	3.532	608	3.555	-2
MGS 08/22	3.664	8	3.686	-2
MGS 09/22	3.683	7	3.683	0
MGS 07/24	3.845	28	3.848	0
MGS 09/24	3.806	614	3.829	-2
MGS 09/25	3.867	26	3.882	-2
MGS 11/26	3.848	22	3.835	1
MGS 11/27	3.851	266	3.853	0
MGS 04/30	4.280	1	4.280	0
MGS 06/31	4.290	1	4.290	0
MGS 04/32	4.370	1	4.488	-12
MGS 04/37	4.484	272	4.487	0
GII 11/17	2.986	240	2.990	0
GII 04/19	3.341	420	3.361	-2
GII 04/20	3.477	321	3.489	-1
GII 05/20	3.614	3	3.739	-13
GII 04/22	3.700	270	3.733	-3
GII 07/23	3.928	10	3.924	0
GII 05/24	3.997	10	4.015	-2
GII 08/24	3.940	220	3.952	-1
GII 07/27	4.011	663	4.023	-1
GII 08/33	4.493	190	4.523	-3
GII 05/47	4.840	20	4.856	-2
		5979		

Daily Trades: PDS / Sukuk

Securities	Rating	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bp)	Spread Against IRS**	
Pengurusan Air SPV Berhad	2/23	GG	4.040	5	4.080	29/08/2017	-4	35
DanaInfra Nasional Berhad	7/24	GG	4.258	30	4.270	06/09/2017	-1	47
Prasarana Malaysia Berhad	9/24	GG	4.284	20	4.179	20/03/2017	11	49
DanaInfra Nasional Berhad	5/32	GG	4.805	20	4.846	23/08/2017	-4	69
Cagamas Berhad	3/18	AAA	3.450	190	3.447	29/08/2017	0	-4
Cagamas Berhad	11/18	AAA	3.651	10	3.650	06/09/2017	0	16
Aman Sukuk Berhad	4/19	AAA	4.077	10	4.080	06/09/2017	0	53
Aman Sukuk Berhad	5/19	AAA	4.083	5	4.107	24/08/2017	-2	54
Impian Ekspresi Sdn Berhad	11/19	AAA	4.334	10	4.334	06/09/2017	0	79
Aldhazab	9/22	AAA	5.106	5	-	-	-	142
Malaysia Airports Capital Berhad	12/22	AAA	4.318	20	4.369	28/08/2017	-5	63
Aldhazab	9/24	AAA	5.180	5	-	-	-	139
DiGi Telecommunications Sdn Berhad	4/27	AAA	4.470	5	4.499	06/09/2017	-3	54
Telekom	9/27	AAA	4.450	20	4.500	29/08/2017	-5	52
Danga	9/27	AAA	4.480	5	4.480	06/09/2017	0	55
Sarawak Hidro Sdn Berhad	8/30	AAA	4.809	10	4.848	25/08/2017	-4	69
Rantau Abang Capital Berhad	1/32	AAA	4.831	10	4.850	06/09/2017	-2	71
Tenaga Nasional Berhad	8/32	AAA	4.781	10	4.781	06/09/2017	0	66
Cagamas Berhad	10/33	AAA	4.941	20	4.750	31/10/2016	19	82
Projek Lebuhraya Usahasama Berhad	1/36	AAA	4.999	10	5.164	21/07/2017	-17	88
Tenaga Nasional Berhad	8/37	AAA	5.070	16	5.070	05/09/2017	0	95
Malayan Banking Berhad	1/19	AA1	4.566	0	4.671	06/09/2017	-11	108
Sarawak Energy Berhad	1/22	AA1	4.321	20	4.334	06/09/2017	-1	69
Sarawak Energy Berhad	4/31	AA1	4.981	20	4.994	30/08/2017	-1	86
CIMB Bank Berhad	9/18	AA+	4.223	10	4.276	17/08/2017	-5	73
AmBank (M) Berhad	3/19	AA2	4.190	10	4.227	31/07/2017	-4	65
Hong Leong Bank Berhad	6/19	AA2	4.997	1	-	-	-	145
KT Kira Sertifikalari Varlik Kiralama A.S.	3/20	AA3	5.458	3	5.525	28/07/2017	-7	186
CIMB Group Holdings Berhad	4/20	AA3	4.731	1	-	-	-	114
RHB Bank Berhad	5/20	AA3	4.675	10	4.686	21/07/2017	-1	108
Gamuda Berhad	4/21	AA3	4.386	10	4.398	17/08/2017	-1	75
CIMB Group Holdings Berhad	5/21	A1	4.825	1	-	-	-	119
Tan Chong Motor Holdings Berhad	11/21	A1	5.980	1	5.978	06/09/2017	0	235
Affin Bank Berhad	2/22	A1	5.026	10	5.027	25/08/2017	0	139
Bank Muamalat Malaysia Berhad	11/21	A	5.230	2	5.245	28/08/2017	-1	160
Mah Sing	-	NR	6.479	0	-	-	-	-
				535				

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

Market/Corporate News: What's Brewing

Mario Draghi said the European Central Bank is watching the euro's gains as policy makers edge toward settling the future of their bond-buying program. The recent volatility in the exchange rate represents a source of uncertainty which requires monitoring" for its impact on price stability, the ECB president told reporters in Frankfurt on Thursday. He said the decisions on QE are "many, complex, and always naturally one thinks about risks that may materialize in the coming weeks or months, so that is the caution behind not specifying a date -- probably the bulk of these decisions will be taken in October.". Still, Draghi said that there was "broad satisfaction" within the Governing Council that consumer prices will eventually converge with expectations for stronger growth. "Financial conditions have unquestionably tightened in the euro area, but they remain broadly supportive of the non-financial companies and enterprises," he said. "The economic expansion, which accelerated more than expected in the first half of 2017, continues to be solid and broad-based across countries and sectors." The ECB chief described the discussion on the path of QE as "very, very preliminary" and that the Governing Council considered the "trade-offs" between various scenarios related to the pace and duration of purchases. Policy makers want to see the work of ECB's technical committees before deciding, he said. (Source : Bloomberg)

Rating Actions

Issuer	PDS Description	Rating/Outlook	Action
Nil			

Source: MARC and RAM ratings

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