

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

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US Treasuries

- UST yields were higher as data from US pointed to tightening labor market. June non- farm payroll exceeded expectation, rising 222k after increasing 138k in May, while unemployment rate hovered around a sixteen year low of 4.40%. Benchmark two year yield was flat while five year and ten year yields were 1 and 2 bps higher at 1.95% and 2.39%. Long term 30 year yield rose 3 bps to 2.93%.

MGS/GII

- Total local govies transacted on Friday was RM 3.80 billion and MGS yields were mostly higher other the 30 years. Three, five and seven year yields were 3 bps, 6 bps and 2 bps higher at 3.40%, 3.75% and 3.94%. RM 450 million and RM 802 million MGS 2022 and MGS 2024 were transacted on Friday. Separately, only RM 32 million of GII was transacted.

PDS/Sukuk

- Trading volume for corporate bonds/sukuk remained thin with only RM45m changing hands. Financial papers issued by Public, CIMB and RHB were traded.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	1.40	0
5-yr UST	1.95	1
10-yr UST	2.39	2
30-yr UST	2.93	3

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.40	3	3.59	-2
5-yr	3.75	6	3.84	1
7-yr	3.94	2	4.01	0
10-yr	3.97	0	4.11	3
15-yr	4.46	1	4.08	0
20-yr	4.61	2	4.60	0
30-yr	4.75	-5	4.88	0

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.51	2
3-yr	3.67	2
5-yr	3.81	3
7-yr	3.89	0
10-yr	4.05	3

Source: Bloomberg

Upcoming Government Bond Tenders

Nil

Daily Trades : Government Bonds

Securities		Closing	Vol	Previous	Previous Trade Date (dd/mm/yyyy)	Chg (bp)
		YTM	(RM mil)	YTM		
MGS	10/17	3.069	2	3.103	06/07/2017	-3.4
MGS	02/18	3.115	56	3.254	04/07/2017	-13.9
MGS	02/18	3.115	56	3.254	04/07/2017	-13.9
MGS	09/18	3.281	272	3.29	06/07/2017	-0.9
MGS	09/18	3.281	272	3.29	06/07/2017	-0.9
MGS	09/21	3.647	44	3.712	05/07/2017	-6.5
MGS	09/21	3.647	44	3.712	05/07/2017	-6.5
MGS	11/21	3.666	0	3.749	06/07/2017	-8.3
MGS	03/22	3.693	176	3.693	06/07/2017	0
MGS	03/22	3.693	176	3.693	06/07/2017	0
MGS	09/22	3.741	99	3.783	04/07/2017	-4.2
MGS	09/22	3.741	99	3.783	04/07/2017	-4.2
MGS	08/23	3.818	481	3.926	06/07/2017	-10.8
MGS	08/23	3.818	481	3.926	06/07/2017	-10.8
MGS	07/24	3.91	2	3.991	06/07/2017	-8.1
MGS	09/24	3.92	400	3.922	06/07/2017	-0.2
MGS	09/24	3.92	400	3.922	06/07/2017	-0.2
MGS	09/25	3.926	170	4.031	06/07/2017	-10.5
MGS	09/25	3.926	170	4.031	06/07/2017	-10.5
MGS	11/26	3.925	79	4.029	06/07/2017	-10.4
MGS	11/26	3.925	79	4.029	06/07/2017	-10.4
MGS	04/30	4.151	42	4.452	06/07/2017	-30.1
MGS	04/30	4.151	42	4.452	06/07/2017	-30.1
MGS	04/33	4.43	1	4.448	06/07/2017	-1.8
MGS	04/37	4.591	63	4.591	06/07/2017	0
MGS	04/37	4.591	63	4.591	06/07/2017	0
Gil	05/18	70	4	3.228	08/06/2017	6677.2
Gil	05/18	70	4	3.228	08/06/2017	6677.2
Gil	04/20	33	4	3.606	06/07/2017	2939.4
Gil	04/20	33	4	3.606	06/07/2017	2939.4
Gil	04/22	40	4	3.829	06/07/2017	3617.1
Gil	04/22	40	4	3.829	06/07/2017	3617.1
Gil	07/27	40	4	4.078	06/07/2017	3592.2
Gil	07/27	40	4	4.078	06/07/2017	3592.2
			<u>3801</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**
RHB Islamic Bank Berhad	05/19	AA3	4.524	20	4.524	06/07/2017	0	92.9
Affin Bank Berhad	05/27	A1	5.052	10	5.052	06/07/2017	0	154.7
CIMB Bank Berhad	08/21	AA+	4.765	5	4.976	23/06/2017	-21.1	104.5
Krung Thai Bank Public Company Limited	07/20	AA2	4.484	1	4.785	06/07/2017	-30.1	81.4
Public Bank Berhad	08/17	AA1	3.88	0	4.441	30/06/2017	-56.1	37.5
CIMB Group Holdings Berhad	04/20	AA3	4.683	6	4.687	06/07/2017	-0.4	101.3
Mah Sing Berhad	99/99	-	-	3	6.478	07/06/2017	-	-
				<u>45</u>				

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

Market/Corporate News: What's Brewing

Felda Global Ventures Holdings Bhd's wholly-owned subsidiary Felda Prodata Sdn Bhd will provide private cloud software 'ProTruz Cloud', which is powered by SAP's digital core platform SAP S/4HANA, to Sinergi Perdana Sdn Bhd under a five year deal. In a media statement today, FGV said that Felda Prodata is an ICT-based system integrators and a SAP Certified Partner and 'ProTruz Cloud' will be powered by SAP's digital core platform SAP S/4HANA. "This private cloud deployment of SAP S/4HANA for Sinergi Perdana marks an exciting chapter for us. It has a direct impact on both our business and talent development strategy. "Our infrastructure, ProTruz Cloud is ready, and as SAP certified partner, Felda Prodata is fully committed to provide onsite and offsite support, system implementation, as well as support of SAP S/4HANA for five years," said Felda Prodata chief executive officer Azly Sham Kamaruddin. Sinergi Perdana is a consortium formed by three of Malaysia's biggest plantation agencies: Federal Land Development Authority (Felda), Felcra Berhad and The Rubber Industry Smallholders Development Authority (Risda). (Source: NST online)

Rating Actions			
Issuer	PDS Description	Rating/Outlook	Action
Tan Chong Motor Holdings Berhad	RM1.50 billion CP Programme (2014/2021) RM1.50 billion MTN Programme (2014/2034)	P1 A1	Reaffirmed Reaffirmed; Outlook revised to Negative
CIMB Thai Bank Public Company Limited	Financial institution ratings RM2 billion Tier-2 Subordinated Debt Programme	AA2/Stable/P1 AA3/Stable	Reaffirmed Reaffirmed

Source: MARC and RAM ratings

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