

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	1.32	6
5-yr UST	1.71	8
10-yr UST	2.13	8
30-yr UST	2.74	7

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.29	0	3.44	2
5-yr	3.47	0	3.69	2
7-yr	3.77	0	3.94	1
10-yr	3.83	0	4.07	9
15-yr	4.24	-4	4.49	0
20-yr	4.47	0	4.67	-5
30-yr	4.73	1	4.85	2

*Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.48	0
3-yr	3.59	0
5-yr	3.69	2
7-yr	3.78	0
10-yr	3.93	1

Source: Bloomberg

Upcoming Government Bond Tenders

RM4.0bn 5-year MGS 3/22 on 14-September

- UST lost ground with yields pushing higher by as much as 6-8 bps across most tenors on return of risk-on sentiments amid receding concerns over Hurricane Irma and a softer sanctions on North Korea. The 10-year yields jumped 8bps higher to close at 2.13%. US data front continues to look light for today until upcoming CPI & initial jobless claims Thursday, as well as retail sales and industrial production Friday.

MGS/GII

- Local govies saw volume halved to RM3.7b with MGS bond yields relatively unchanged at the belly; recovering from some selling in the morning session. However GIIs were seen weaker with 3-15 year benchmark GII's closing higher circa 1-9bps. 10-year benchmark MGS 11/27 closed untraded at 3.83% whereas GII 7/27 closed 9bps higher at 4.07%. Latest releases showed foreign holdings of MGS increased by RM2.1bn to RM151.0bn (40.3%) in August but foreign holdings of total debt securities were lower by RM0.8bn at RM190.7bn, as a result of a RM3.2bn decline in foreign holdings of GII. The performance of ringgit and the slight risk-on mode in the region will be closely watched today for leads in the local govies space.

PDS/Sukuk

- MYR corporate bonds also saw mere RM295m worth of trades (about 50% lower). However investors were seen looking for yields on both AAA & AA space with trades seen on BPMB 3/22 & infra-related stocks i.e. Sarawak Hidro 8/26, Malakoff Power 19-22; JEV 11/21 & ANIH 11/26. Interestingly, no GG trades were recorded as spreads to local govies were being re-assessed. We note that interest in longer dated papers was muted.

Daily Trades : Government Bonds

Securities	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bp)
MGS 09/17	3.092	80	3.032	07/09/2017	6
MGS 10/17	2.803	142	3.004	07/09/2017	-20
MGS 02/18	2.886	286	2.895	08/09/2017	-1
MGS 09/18	2.982	454	2.846	08/09/2017	14
MGS 03/19	3.097	27	3.055	08/09/2017	4
MGS 07/19	3.254	60	3.185	08/09/2017	7
MGS 10/19	3.286	45	3.218	08/09/2017	7
MGS 11/19	3.291	200	3.243	08/09/2017	5
MGS 03/20	3.335	20	3.265	08/09/2017	7
MGS 07/20	3.345	51	3.367	08/09/2017	-2
MGS 02/21	3.291	220	3.294	08/09/2017	0
MGS 11/21	3.516	12	3.485	08/09/2017	3
MGS 03/22	3.472	18	3.470	08/09/2017	0
MGS 09/22	3.650	43	3.633	08/09/2017	2
MGS 08/23	3.762	48	3.775	08/09/2017	-1
MGS 07/24	3.803	1	3.820	08/09/2017	-2
MGS 09/24	3.767	522	3.753	08/09/2017	1
MGS 09/25	3.853	0	3.845	08/09/2017	1
MGS 04/26	3.962	0	3.943	08/09/2017	2
MGS 11/26	3.841	1	3.847	08/09/2017	-1
MGS 09/28	4.185	0	4.180	08/09/2017	0
MGS 06/31	4.246	171	4.305	08/09/2017	-6
MGS 04/33	4.237	6	4.269	08/09/2017	-3
MGS 05/35	4.360	1	4.368	08/09/2017	-1
MGS 04/37	4.465	0	4.476	08/09/2017	-1
MGS 09/43	4.766	0	4.756	08/09/2017	1
MGS 03/46	4.730	11	4.723	08/09/2017	1
GII 08/18	3.128	50	3.137	06/09/2017	-1
GII 08/18	3.160	30	3.369	18/08/2017	-21
GII 04/19	3.302	300	3.195	08/09/2017	11
GII 08/19	3.349	100	3.361	08/09/2017	-1
GII 04/20	3.441	190	3.420	08/09/2017	2
GII 04/21	3.699	45	3.822	07/08/2017	-12
GII 04/22	3.686	150	3.666	08/09/2017	2
GII 08/24	3.936	230	3.925	08/09/2017	1
GII 07/27	4.065	170	3.974	08/09/2017	9
GII 08/37	4.673	60	4.700	08/09/2017	-3
GII 05/47	4.853	3	4.840	07/09/2017	1
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Daily Trades: PDS / Sukuk

Securities	Rating	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bp)	Spread Against IRS**	
Sarawak Hidro Sdn Berhad	08/19	AAA	4.042	5	4.168	08/08/2017	-13	50
Bank Pembangunan Malaysia Berhad	03/22	AAA	4.287	30	4.237	29/08/2017	5	66
Sarawak Hidro Sdn Berhad	08/26	AAA	4.529	20	4.609	15/02/2017	-8	70
YTL Power International Berhad	03/27	AA1	4.869	13	4.869	08/09/2017	0	94
Malaysia Airports Capital Berhad	08/20	AAA	4.200	10	4.261	05/05/2017	-6	62
Projek Lebuhraya Usahasama Berhad	01/20	AAA	4.077	10	4.086	06/09/2017	-1	54
Cagamas Berhad	11/20	AAA	3.939	6	4.041	03/07/2017	-10	35
Aman Sukuk Berhad	04/22	AAA	4.363	5	4.379	01/08/2017	-2	68
Projek Lebuhraya Usahasama Berhad	01/25	AAA	4.340	2	4.373	19/07/2017	-3	56
Public Bank Berhad	09/18	AA1	4.147	1	4.191	10/08/2017	-4	67
Public Bank Berhad	11/18	AA1	4.375	10	4.340	17/08/2017	4	90
CIMB Bank Berhad	08/21	AA+	4.661	10	4.667	08/09/2017	-1	104
UMW Holdings Berhad	02/19	AA2	4.373	10	4.381	08/09/2017	-1	89
Al Dzahab Assets Berhad	09/25	AA3	5.996	20	6.056	31/07/2017	-6	-
Jimah Energy Ventures Sdn Berhad	05/20	AA3	4.296	10	4.386	28/07/2017	-9	71
Perbadanan Kemajuan Negeri Selangor	05/20	AA3	4.720	2	4.757	28/08/2017	-4	114
Jimah Energy Ventures Sdn Berhad	11/21	AA3	4.459	20	4.539	14/08/2017	-8	83
Anih Berhad	11/26	AA	4.699	20	4.778	07/08/2017	-8	77
Malakoff Power Berhad	12/19	AA-	4.408	11	4.442	18/08/2017	-3	87
Malakoff Power Berhad	12/20	AA-	4.468	40	4.527	24/08/2017	-6	88
Malakoff Power Berhad	12/22	AA-	4.608	20	4.692	21/07/2017	-8	92
Jimah East Power Sdn Berhad	06/25	AA-	4.679	7	4.700	21/06/2017	-2	85
Konsortium Lebuhraya Utara-Timur (KL) Sdn Berhad	12/25	AA-	4.669	3	4.669	21/06/2017	0	84
MMC Corporation Berhad	04/27	AA-	5.377	10	5.394	06/09/2017	-2	145
CIMB Group Holdings Berhad	05/21	A1	4.824	0	4.825	07/09/2017	0	120
			<u>295</u>					

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

Market/Corporate News: What's Brewing

Ahead of the listing of its plantation and property divisions, Sime Darby has announced the full line-up of new boards and senior leadership for the two pure plays. The company said the boards of Sime Darby Plantation Bhd and Sime Darby Property Bhd would comprise 11 directors upon listing, a majority of whom will be independent non-executive directors. The corporate restructuring exercise, expected to be completed by the end of the year, aims at unlocking the value of these business divisions for the company and its investors. (Source: The Star)

Business at Malaysia's main shipping hub in Port Klang has taken a hit this year as major shipping companies shift their operations to Singapore under new alliance agreements, industry officials say. This has raised questions over the aggressive plans by Kuala Lumpur to build new harbours and rail links along the Strait of Malacca, one of the world's busiest maritime trade routes. Data compiled from Northport and Westports, the two operators in Klang, showed that after nearly four years of increasing loads, cargo throughput was down a sharp 8.4 per cent in the second quarter of this year to 3 million twenty-foot equivalent units (TEU). This followed a flat first quarter of 0.9 per cent growth. (Source: The Edge)

Rating Actions

Issuer	PDS Description	Rating/Outlook	Action
IGB REIT Capital Sdn Bhd	RM1.2b First Tranch MTN	AAA (Stable)	Assigned
Gas Malaysia Berhad	Islamic Commercial Papers (ICP) programme and Islamic Medium-Term Notes (IMTN) programme with a combined limit of up to RM700 million	MARC-1/AAA (Stable)	Reaffirmed

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