

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

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US Treasuries

- UST ended on softer note yesterday with bond yields inched higher with 5-year and 10-year hovering at 1.77% and 2.20% level respectively. We expect continue range-bound trading for UST. Oil price meanwhile retreated lower, with levels hovering at \$50.8/barrel for Brent at time of writing. Bond yields seen pressured to head north yesterday as equities rebounded higher.

MGS/GII

- Local govies ended supported with RM2.8b worth changing hands. The newly printed 3-year MGS 2/21 garnered a BTC cover of 1.71x, with levels ending at 3.42%. Versus the current benchmark 5-year MGS, current MGS 3/22 is trading circa 20 bps above the new 3-year MGS benchmark. Meanwhile yields on the GII curve eased lower. Expect focus to shift towards upcoming 2Q GDP release for Malaysia, with Bloomberg consensus expecting a print of 5.3%.

PDS/Sukuk

- MYR corporate bonds/sukuk continue to see thinner traded volume with RM234m changing hands yesterday. Long-dated GG DanaInfra '5/42 and '5/47 ended at 5.11% and 5.16% level respectively. Other notable trades include Rantau '8/19 dealt at 4.05% level, whilst Anih '11/17 closed at 3.93% level.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	1.32	2
5-yr UST	1.77	3
10-yr UST	2.20	1
30-yr UST	2.81	2

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.42	16	3.54	-1
5-yr	3.62	-3	3.76	-1
7-yr	3.90	0	3.99	0
10-yr	3.99	0	4.10	0
15-yr	4.39	2	4.52	-1
20-yr	4.57	0	4.73	-1
30-yr	4.77	3	4.91	0

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.49	0
3-yr	3.63	-1
5-yr	3.75	-1
7-yr	3.86	0
10-yr	3.98	0

Source: Bloomberg

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	09/17	3.045	143	3.045	11/08/2017	0
MGS	03/18	3.090	133	3.110	10/08/2017	-2
MGS	09/18	3.256	130	3.194	11/08/2017	6
MGS	03/19	3.248	65	3.262	11/08/2017	-1
MGS	07/19	3.358	4	3.385	08/08/2017	-3
MGS	10/19	3.365	1	3.360	09/08/2017	1
MGS	11/19	3.370	220	3.387	11/08/2017	-2
MGS	03/20	3.398	100	3.451	10/08/2017	-5
MGS	07/20	3.444	100	3.460	09/08/2017	-2
MGS	10/20	3.456	34	3.446	11/08/2017	1
MGS	02/21	3.417	205	-	-	-
MGS	07/21	3.536	1	3.539	11/08/2017	0
MGS	09/21	3.587	1	3.626	11/08/2017	-4
MGS	03/22	3.618	156	3.647	11/08/2017	-3
MGS	08/22	3.750	110	3.783	09/08/2017	-3
MGS	09/22	3.755	146	3.773	11/08/2017	-2
MGS	03/23	3.881	1	3.871	10/08/2017	1
MGS	07/24	3.957	0	3.939	11/08/2017	2
MGS	09/24	3.903	150	3.906	11/08/2017	0
MGS	09/25	4.042	30	4.050	11/08/2017	-1
MGS	04/26	4.101	0	4.060	11/08/2017	4
MGS	11/26	4.061	6	4.043	11/08/2017	2
MGS	03/27	4.215	0	4.160	11/08/2017	5
MGS	05/27	4.211	0	4.178	08/08/2017	3
MGS	11/27	3.987	283	3.993	11/08/2017	-1
MGS	09/28	4.336	1	4.318	25/07/2017	2
MGS	04/30	4.363	51	4.378	09/08/2017	-1
MGS	06/31	4.456	1	4.426	11/08/2017	3
MGS	04/32	4.488	0	4.451	08/08/2017	4
MGS	04/33	4.391	0	4.372	11/08/2017	2
MGS	09/43	4.870	0	4.826	09/08/2017	4
MGS	03/46	4.768	11	4.742	07/08/2017	3
GII	08/18	3.328	140	3.429	09/08/2017	-10
GII	10/18	3.311	30	3.236	05/07/2017	7
GII	11/18	3.332	20	3.359	17/07/2017	-3
GII	08/19	3.538	50	3.538	11/08/2017	0
GII	04/20	3.538	250	3.548	11/08/2017	-1
GII	04/22	3.756	132	3.766	10/08/2017	-1
GII	09/30	4.532	38	4.471	20/06/2017	6
GII	08/33	4.523	40	4.529	04/08/2017	-1
GII	08/37	4.727	20	4.735	10/08/2017	-1
			<u>2803</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**
LPPSA	09/36	GG	5.000	10	5.043	19/07/2017	-4	152
Pengurusan Air SPV Berhad	02/23	GG	4.104	10	4.102	10/08/2017	0	35
Pengurusan Air SPV Berhad	06/24	GG	4.235	45	4.279	07/08/2017	-4	38
Danainfra Nasional Berhad	04/35	GG	4.945	10	4.609	10/11/2016	34	79
Danainfra Nasional Berhad	05/37	GG	4.984	20	5.010	09/08/2017	-3	82
Projek Lebuhraya Usahasama Berhad	01/38	GG	4.999	20	5.009	23/05/2017	-1	84
Danainfra Nasional Berhad	05/42	GG	5.105	20	-	-	-	95
Danainfra Nasional Berhad	05/47	GG	5.162	30	-	-	-	100
Boustead Holdings Berhad	11/17	AAA	4.001	10	4.050	04/08/2017	-5	52
Rantau Abang Capital Berhad	08/19	AAA	4.046	15	4.057	10/08/2017	-1	48
Sarawak Energy Berhad	06/18	AA1	4.083	10	4.088	03/08/2017	0	60
Anih Berhad	11/17	AA	3.929	10	4.159	09/01/2017	-23	44
First Resources Limited	12/17	AA2	4.217	10	4.238	08/08/2017	-2	73
UMW Holdings Berhad	06/20	AA2	4.601	1	4.602	11/08/2017	0	97
CIMB Thai Bank Public Company Limited	07/19	AA3	4.467	1	4.815	11/08/2017	-35	90
CIMB Thai Bank Public Company Limited	07/21	AA3	4.832	0	4.832	11/08/2017	0	115
Jimah Energy Ventures Sdn Berhad	11/21	AA3	4.539	0	4.598	08/05/2017	-6	86
CIMB Group Holdings Berhad	05/21	A1	4.899	1	4.828	11/08/2017	7	122
Affin Bank Berhad	02/22	A1	5.028	10	5.045	28/07/2017	-2	135
Mah Sing	-	NR	6.476	1	-	-	-	-
				234				

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

Market/Corporate News: What's Brewing

Eco World Development Group Bhd's (EW Bhd) unit Eco World Capital Assets Bhd has issued unrated medium-term notes (MTNs) with a nominal value of RM250mil. In a filing with Bursa Malaysia, the property developer said the bonds with a five-year tenure were issued yesterday. EW Bhd said the proceeds raised would be used by Eco World Capital for its general corporate purposes and/or to refinance any existing or for future financing of EW Bhd and/or its subsidiaries and/or joint ventures which the Eco World group is a party to.. (Source : The Star)

Media Prima Bhd reported a net loss of RM132.91mil for the second quarter ended June 30 against a net profit of RM27.92mil a year ago largely due to the impairment of its investment in Malaysian Newsprint Industries Sdn Bhd (MNI). The impairment of its 21.4% stake in MNI amounted to RM142.4mil. Media Prima's revenue, meanwhile, was down 5.9% to RM328.77mil for the quarter from RM349.55mil a year ago, as Television Networks was impacted by weak advertising expenditure (adex) that continued to affect its free-to-air (FTA) television segment. "Revenue for Television Networks declined by 15% compared with the previous corresponding period, as weak adex continues to affect the FTA television segment. "The decline in revenue led to Television Networks posting a loss of RM20.7mil against RM22.1mil in net profit in the previous corresponding period," the group noted. While Media Prima has ventured into new digital and consumer-based business initiatives to complement its traditional media segments, the initiatives are still in their gestation period. The performance of the print media remained challenging, as evidenced by a 20% decline in revenue in the first half of FY17 due to lower newspaper advertising and circulation revenue despite the encouraging performance of its digital properties. (Source : The Star)

Rating Actions

Issuer	PDS Description	Rating/Outlook	Action
Nil			

Source: MARC and RAM ratings

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