

Global Markets Research

Fixed Income

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Fixed Income Daily Market Snapshot

US Treasuries

- UST continue to trade on range-bound mode with yields inched 1-2 bps higher for 2-year, 5-year and 10-year benchmarks. Michigan sentiment index released last Friday was rather upbeat with a reading of 97.6, versus a prior level of 93.4. All eyes on PMI manufacturing, services and composite release this week as well as durable goods orders. Stronger prints may again reinforces views for Fed tapering plans to start relatively soon.

MGS/GII

- Local govies ended supported, with over RM2.1b worth changing hands. Most of the trading activities seen skewed towards 7-year benchmark MGS 9/24 with RM353m changing hands. Levels closed at 3.895, circa 1 bp tighter versus previous last traded levels. We also saw good amounts of RM470m changed hands for newly printed 3-year benchmark MGS with levels traded 1 bp inside to end at 3.40%. Levels have since tightened circa 4-5 bps versus tender results high for MGS 2/21. Meanwhile 2Q GDP released last Friday came in upbeat, reinforcing views of continued support for domestic growth outlook.

PDS/Sukuk

- MYR corporate bonds/sukuk saw trading volume improved to RM1b last Friday. Traded volume boosted higher due to RM420m transacted for Jambatan Kedua '7/41 with levels crossed at 5.12% level. Other notable trades emerging include Benih Restu '6/25 with levels crossed at 4.59%. Power sector credits Malakoff Power '12/19 meanwhile ended at 4.44% level.

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	1.31	2
5-yr UST	1.76	1
10-yr UST	2.20	1
30-yr UST	2.78	0

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.40	-1	3.53	0
5-yr	3.59	1	3.74	0
7-yr	3.89	-1	4.01	0
10-yr	3.98	-1	4.09	0
15-yr	4.36	-2	4.52	0
20-yr	4.56	-1	4.73	0
30-yr	4.74	-3	4.91	0

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.49	0
3-yr	3.64	0
5-yr	3.75	0
7-yr	3.85	0
10-yr	3.97	-1

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	3.007	43	3.045	14/08/2017	-4
MGS 10/17	3.050	11	3.062	15/08/2017	-1
MGS 03/18	3.047	20	3.079	16/08/2017	-3
MGS 07/19	3.342	50	3.384	15/08/2017	-4
MGS 10/19	3.356	0	3.361	16/08/2017	-1
MGS 11/19	3.384	2	3.385	17/08/2017	0
MGS 10/20	3.428	3	3.438	17/08/2017	-1
MGS 02/21	3.395	470	3.410	17/08/2017	-2
MGS 07/21	3.522	1	3.523	17/08/2017	0
MGS 03/22	3.594	110	3.577	17/08/2017	2
MGS 08/22	3.740	4	3.739	17/08/2017	0
MGS 09/22	3.768	46	3.762	17/08/2017	1
MGS 03/23	3.856	20	3.830	17/08/2017	3
MGS 08/23	3.885	102	3.870	17/08/2017	1
MGS 07/24	3.930	8	3.972	17/08/2017	-4
MGS 09/24	3.888	353	3.899	17/08/2017	-1
MGS 09/25	4.021	150	4.019	17/08/2017	0
MGS 04/26	4.046	20	4.080	16/08/2017	-3
MGS 11/26	3.984	114	4.036	17/08/2017	-5
MGS 11/27	3.975	232	3.974	17/08/2017	0
MGS 06/28	4.292	10	4.301	28/07/2017	-1
MGS 05/35	4.480	2	4.459	17/08/2017	2
MGS 09/43	4.788	10	4.789	16/08/2017	0
GII 08/17	2.987	40	3.139	28/07/2017	-15
GII 05/18	3.196	20	3.262	09/08/2017	-7
GII 08/18	3.369	10	3.328	14/08/2017	4
GII 04/20	3.526	150	3.528	17/08/2017	0
GII 08/20	3.728	12	3.659	08/08/2017	7
GII 10/25	4.179	130	4.187	17/08/2017	-1
GII 09/26	4.176	0	4.183	16/08/2017	-1
GII 09/30	4.499	0	4.532	14/08/2017	-3
		<u>2143</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	04/24	GG	4.260	5	4.274	16/08/2017	-1	50
Pengurusan Air SPV Berhad	02/21	GG	4.028	10	4.023	28/07/2017	0	39
Khazanah Nasional Berhad	02/21	GG	4.041	20	4.040	04/08/2017	0	36
Pengurusan Air SPV Berhad	06/21	GG	4.047	10	4.013	04/08/2017	3	37
DanaInfra Nasional Berhad	04/22	GG	4.029	10	4.052	03/08/2017	-2	29
Pengurusan Air SPV Berhad	02/23	GG	4.107	70	4.104	14/08/2017	0	37
DanaInfra Nasional Berhad	05/37	GG	4.990	20	4.984	14/08/2017	1	83
Jambatan Kedua Sdn Berhad	07/41	GG	5.119	420	5.180	22/06/2017	-6	96
DiGi Telecommunications Sdn Berhad	04/22	AAA	4.197	10	4.289	18/07/2017	-9	71
DiGi Telecommunications Sdn Berhad	04/24	AAA	4.359	10	4.419	05/07/2017	-6	87
DiGi Telecommunications Sdn Berhad	04/27	AAA	4.556	10	4.548	24/07/2017	1	107
Projek Lebuhraya Usahasama Berhad	01/18	AAA	3.790	40	3.792	17/08/2017	0	30
Perdana Petroleum Berhad (fka Petra Perdana)	04/18	AAA	4.298	5	4.428	07/02/2017	-13	81
Aman Sukuk Berhad	05/19	AAA	4.108	16	4.150	26/07/2017	-4	55
HSBC Amanah Malaysia Berhad	10/19	AAA	4.183	6	4.158	03/05/2017	2	62
Genting Capital Berhad	06/22	AAA	4.597	6	4.700	11/08/2017	-10	86
Sarawak Hidro Sdn Berhad	08/23	AAA	4.428	6	4.412	31/07/2017	2	64
Danga Capital Berhad	02/26	AAA	4.489	6	4.489	03/08/2017	0	61
YTL Power International Berhad	05/27	AA1	4.939	30	4.929	17/08/2017	1	145
Star Media Group Berhad	05/18	AA1	4.156	6	4.231	19/07/2017	-8	67
Malayan Banking Berhad	05/19	AA1	4.381	1	4.638	17/08/2017	-26	82
Sarawak Energy Berhad	06/21	AA1	4.356	5	4.347	20/07/2017	1	68
Lafarge Cement Sdn Berhad	01/20	AA2	4.504	6	4.562	05/07/2017	-6	101
Imtiaz Sukuk II Berhad	03/19	AA2	4.300	16	4.301	17/08/2017	0	74
PBFIN Berhad	06/19	AA2	4.548	0	4.869	28/06/2017	-32	99
UMW Holdings Berhad	10/19	AA2	4.547	6	4.577	08/06/2017	-3	99
Imtiaz Sukuk II Berhad	11/21	AA2	4.526	10	4.540	01/08/2017	-1	85
Benih Restu Berhad	06/25	AA2	4.585	150	4.613	08/08/2017	-3	71
Gamuda Berhad	10/18	AA3	4.197	6	4.193	04/08/2017	0	71
Bumitama Agri Ltd	03/19	AA3	4.474	6	4.516	28/07/2017	-4	91
Telekom Malaysia Berhad	12/24	AAA	4.329	6	4.319	14/06/2017	1	48
Bandar Serai Development Sdn Berhad	11/19	AA3	4.315	6	4.354	30/06/2017	-4	76
Mumtaz Rakyat Sukuk Berhad	06/21	AA3	4.737	6	4.728	08/08/2017	1	106
Lebuhraya DUKE Fasa 3 Sdn Berhad	08/37	AA-	5.349	10	5.348	17/08/2017	0	186
UEM Edgenta Berhad	04/22	AA-	4.718	6	4.739	01/08/2017	-2	123
Malakoff Power Berhad	12/19	AA-	4.442	20	4.436	16/08/2017	1	88
MMC Corporation Berhad	11/20	AA-	4.905	6	4.915	07/08/2017	-1	127
Malakoff Power Berhad	12/20	AA-	4.538	6	4.544	15/08/2017	-1	90
WCT Holdings Berhad	05/22	AA-	5.229	6	5.247	05/07/2017	-2	149
KESTURI	12/27	AA-	4.821	10	4.818	17/08/2017	0	85
Golden Assets International Finance Limited	08/19	A1	6.010	0	6.403	14/07/2017	-39	245
Tan Chong Motor Holdings Berhad	11/21	A1	5.965	3	5.962	16/08/2017	0	181
CIMB Group Holdings Berhad	12/21	A1	4.875	0	5.180	15/08/2017	-31	120
Mah Sing	-	NR	6.479	1	-	-	-	-
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*spread against nearest indicative tenured IRS (Source : BPAM)

Market/Corporate News: What's Brewing

Sarawak state-owned Brooke Dockyard and Engineering Works Corp has secured two offshore modules fabrication contracts worth RM479mil from Petroliam Nasional Bhd (Petronas). The first contract, valued at RM290mil, was for the provision of front-end engineering design and engineering, procurement, construction, installation and commissioning of three wellhead platforms for Bokor Phase 3 redevelopment project in Sarawak. The project, which is under Baram Delta enhanced oil recovery production-sharing contract (PSC), is to develop additional reserves. The PSC is operated by Petronas Carigali, a subsidiary of Petronas, in partnership with Sarawak Shell Bhd. The wellhead platforms are expected to be installed at the Bokor field, about 45km northwest of Lutong, Miri, in first quarter-2019. The second contract worth RM189mil was for the provision of engineering, procurement, construction and commissioning of one wellhead platform and jacket for Anjung gas development project, some 200km offshore Bintulu in the central Luconia gas field. The wellhead platform is also expected to be installed in first quarter-2019, and the first gas is expected in December-2019. The agreements for the two contracts were signed here last Friday. The signatories were Brooke Dockyard general manager Norhizan Sazali and Petronas vice-president of Malaysia assets, development and production, Mohd Jukris Wahab. The event was witnessed by Sarawak Chief Minister Datuk Amar Abang Johari Tun Openg and Petronas president and group CEO Datuk Wan Zulkflee Wan Ariffin. Meanwhile, Johari said he would announce the five board members of state-owned Sarawak oil and gas company – Petroleum Sarawak (Petros) – this week. Petros is set up to enable Sarawak to increase its participation in both the upstream and downstream activities in the oil and gas industry. (Source : The Star)

Rating Actions

Issuer	PDS Description	Rating/Outlook	Action
Nil			

Source: MARC and RAM ratings

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