

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	1.73	0
5-yr UST	2.04	0
10-yr UST	2.32	0
30-yr UST	2.74	0

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.39	2	3.45	0
5-yr	3.60	-4	3.82	0
7-yr	3.87	-1	4.09	0
10-yr	3.91	-3	4.24	-2
15-yr	4.46	-1	4.71	-5
20-yr	4.62	-2	4.79	0
30-yr	4.87	0	4.99	0

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.64	0
3-yr	3.73	0
5-yr	3.81	1
7-yr	3.93	1
10-yr	4.05	1

Source: Bloomberg

#### Upcoming Government Bond Tenders

Nil

#### US Treasuries

- The US Financial markets were closed yesterday due to Thanksgiving holiday. Data front is light for today with Markit PMI figures for Manufacturing, Services and Composite out later tonight. For the coming week US Treasury will sell 2Y (\$26b), 5Y (\$34b) and the 7Y (\$28b) nominal amount of notes.

#### MGS/GII

- Local govvnies volume traded was lower at RM4.33b as momentum slowed across most tenures. Yields overall continued to be lower by 1-4bps across most tenures save for the 3Y. The benchmarks 7Y MGS 9/24 and 10Y MGS 11/27 chalked gains; closing at 3.87% and 3.91% respectively. The 15Y MGS 4/33 rallied 10bps post-auction on huge volume. Interest continued to be centred on the short-end off-the-run MGS and GII 18' as some inter-bank players and offshore investors traded on strength of ringgit. After earlier focus on 7Y MGS and 10Y GII benchmarks; we now expect attention to shift towards the 15-20Y space, as investors continue to hunt for values in the yield curve. On the data front we have CPI numbers out at 12pm today.

#### PDS/Sukuk

- The momentum in Corporate bonds also slowed with total volume skidding to RM218m with almost half the trades done in the AAA-space. Danga 4/20 and RANTAU 19-20's saw decent interest with yields moving 0-8bps higher to close at 4.09% and 3.99-4.09% levels respectively. In the AA-space we saw BGSM 12/18 and 12/20 change hands at 4.20% and 4.49% compared to previous done levels. We expect investors to continue searching for yield-enhancement. Interestingly some interest was also seen in liquid AAA papers potentially for trading purposes.

## Daily Trades : Government Bonds

Securities	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bp)
MGS 02/18	2.503	470	2.482	22/11/2017	2
MGS 03/18	2.500	665	2.453	22/11/2017	5
MGS 09/18	2.623	436	2.570	22/11/2017	5
MGS 03/19	2.926	50	2.966	22/11/2017	-4
MGS 07/19	3.160	4	3.196	22/11/2017	-4
MGS 10/19	3.141	230	3.194	22/11/2017	-5
MGS 11/19	3.210	60	3.240	22/11/2017	-3
MGS 03/20	3.267	420	3.343	22/11/2017	-8
MGS 07/21	3.611	4	3.598	22/11/2017	1
MGS 09/21	3.639	120	3.669	22/11/2017	-3
MGS 03/22	3.602	137	3.640	22/11/2017	-4
MGS 08/22	3.767	3	3.849	21/11/2017	-8
MGS 09/22	3.815	80	3.815	22/11/2017	0
MGS 03/23	3.847	1	3.858	22/11/2017	-1
MGS 08/23	3.897	20	3.937	21/11/2017	-4
MGS 09/24	3.874	40	3.899	22/11/2017	-2
MGS 09/25	4.205	260	4.121	22/11/2017	8
MGS 04/26	4.206	8	4.263	21/11/2017	-6
MGS 11/26	4.155	23	4.168	22/11/2017	-1
MGS 11/27	3.911	31	3.923	22/11/2017	-1
MGS 04/30	4.513	5	4.498	21/11/2017	1
MGS 04/33	4.464	329	4.540	22/11/2017	-8
MGS 05/35	4.580	8	4.719	21/11/2017	-14
MGS 04/37	4.620	20	4.690	22/11/2017	-7
GII 08/18	3.037	200	3.066	22/11/2017	-3
GII 08/18	3.044	40	3.027	22/11/2017	2
GII 10/18	3.023	190	3.265	01/11/2017	-24
GII 04/22	3.822	20	3.822	22/11/2017	0
GII 07/23	3.937	80	3.988	22/11/2017	-4
GII 07/27	4.238	350	4.257	22/11/2017	-2
GII 08/33	4.706	27	4.754	09/11/2017	-5
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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 MGS*	
SME Bank	03/19	GG	3.674	10	3.901	24/03/2017	-23	86
Sarawak Hidro Sdn Berhad	08/19	AAA	4.050	1	4.042	11/09/2017	1	85
Rantau Abang Capital Berhad	08/19	AAA	3.990	10	3.924	02/11/2017	7	79
Danga Capital Berhad	04/20	AAA	4.090	45	4.094	22/11/2017	0	89
Rantau Abang Capital Berhad	12/20	AAA	4.090	10	4.015	05/10/2017	8	72
Projek Lebuhraya Usahasama Berhad	01/19	AAA	3.976	5	3.959	12/10/2017	2	116
TNB Northern Energy Berhad	05/22	AAA	4.380	5	4.321	16/08/2013	6	74
Putrajaya Holdings Sdn Berhad	05/26	AAA	4.556	1	4.503	13/09/2017	5	59
TNB Northern Energy Berhad	05/30	AAA	4.833	10	4.828	29/03/2017	0	36
HSBC Amanah Malaysia Berhad	03/20	AAA	4.200	5	4.256	14/11/2017	-6	100
CIMB Bank Berhad	05/24	AAA	4.605	6	4.600	16/05/2017	0	-
Sabah Development Bank Berhad	05/22	AA1	5.227	10	5.158	28/09/2017	7	168
Maybank Islamic Berhad	04/24	AA1	4.523	5	4.746	14/11/2017	-23	-
Malayan Banking Berhad	05/24	AA1	4.610	1	4.610	16/11/2017	0	80
YTL Power International Berhad	05/27	AA1	4.880	3	4.878	21/11/2017	0	-
UMW Holdings Berhad	10/23	AA2	4.747	2	4.773	31/10/2017	-3	93
Perbadanan Kemajuan Negeri Selangor	05/18	AA3	4.227	10	4.250	10/11/2017	-2	141
Besraya (M) Sdn Berhad	07/18	AA3	4.050	3	4.045	11/10/2017	0	124
BGSM Management Sdn Berhad	12/18	AA3	4.196	10	4.197	16/11/2017	0	138
BGSM Management Sdn Berhad	12/20	AA3	4.485	20	4.501	26/09/2017	-2	111
Cahaya Mata Sarawak Berhad	05/22	AA3	4.540	2	4.531	27/09/2017	1	99
BGSM Management Sdn Berhad	12/23	AA3	4.713	10	4.737	07/11/2017	-2	90
RHB Bank Berhad	09/27	AA3	4.860	4	4.820	26/09/2017	4	-
Tadau Energy Sdn Berhad	07/28	AA3	5.500	10	5.516	13/11/2017	-2	155
Malakoff Power Berhad	12/21	AA-	4.520	2	4.518	17/11/2017	0	97
Konsortium Lebuhraya Utara-Timur (KL) Sdn Berhad	12/22	AA-	4.590	2	4.595	27/07/2017	0	95
Jimah East Power Sdn Berhad	06/26	AA-	4.750	2	4.733	19/06/2017	2	78
Special Power Vehicle Berhad	05/20	A1	4.820	3	5.707	25/03/2016	-89	162
CIMB Group Holdings Berhad	05/16	A1	5.300	1	5.300	17/11/2017	0	66
Golden Assets International Finance Limited	08/18	A1	5.072	10	5.091	17/11/2017	-2	226
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\*spread against nearest indicative tenured MGS (Source : BPAM)

### Market/Corporate News: What's Brewing

**Genting Berhad** reported earnings of RM191.13mil for the third quarter (Q3) ended Sept 30, 2017, two-thirds lower than a year earlier. In a filing with Bursa Malaysia, the company said the lower earnings was due mainly to the lower group adjusted earnings before interest, taxes, depreciation and amortisation (Ebitda) and a reversal of previously recognised impairment losses recorded in Q3 2016 amounting to RM195.2mil (no reversal in the quarter under review). The previous reversal, which followed improved performance, was for a RM184mil loss on UK casino licences and a RM11.2mil loss on property, plant and equipment. Genting said revenue from Resorts World Sentosa in Singapore increased 13.7% in the quarter under review to RM1.97bil, supported by stronger VIP and premium mass business volume, while pre-tax profit surged 42.4% to RM1.02bil. In contrast, revenue from its Malaysian leisure and hospitality segment slipped 7.5% to RM1.35bil and profit fell 29.2% to RM453.9mil. Revenue from Resorts World Genting (RWG) decreased in Q3 due mainly to lower hold percentage from the mid to premium segments, although overall business volume grew, it said. RWG attracted 6.4 million visitors during the quarter, up 25% from the corresponding period in 2016. The leisure and hospitality segment, as a whole (which also include operations in the UK, US and Bahamas), recorded an 11.6% increase in pre-tax profit to RM1.58bil. Plantation, the second largest revenue and profit contributor to the Genting group, saw its pre-tax profit shrink 5.0% to RM143.5mil although revenue improved 10.8% to RM405.9mil. The contraction was due to lower fresh fruit bunches production in Malaysia and higher unrealised profit from intra-segment sales. As for Genting's other business segments, power's pre-tax profit grew 13.2% to RM109.0mil, while oil & gas, property, and investments & others all recorded a drop in profit. For the nine-month financial period, Genting boosted its earnings by 25.8% to RM1.24bil on 8.4% higher revenue of RM14.76bil. On the group's plans for the rest of the year, Genting said the Genting Malaysia group, in which it has a 49.3% stake, would remain focused on the development of the RM10.4bil Genting Integrated Tourism Plan at RWG as it prepared to roll out the 20th Century Fox World Theme Park as well as the new indoor theme park next year. At the Genting Singapore group level, it successfully raised 20 billion yen in a yen-denominated Samurai bond in Japan last month. The funds are earmarked for supporting its corporate activities in Japan, including preparatory works in anticipation of the passage of Japan's Integrated Resorts Implementation Bill and bidding for Japan gaming licences. (Source: The Star).

**The ringgit may be closely watched today** as investors anticipate Malaysia's October 2017 inflation numbers. This is because the inflation numbers may offer clues on Bank Negara Malaysia's interest rate decisions. Global central banks use their respective countries' economic growth and inflation figures to decide on the direction of interest rates. In practice, central banks raise interest rates to tackle inflation. Higher interest rates may lead to a stronger currency in anticipation of demand for a nation's higher-yielding assets. In Malaysia yesterday, the ringgit was traded at 4.1075 against the US dollar. At Bursa Malaysia, the FBM KLCI fell 2.27 points to close at 1,721.27 points. Today, Malaysia's Statistics Department will announce the country's October inflation numbers, as measured by the consumer price index (CPI) at 12 noon, the department said in a statement. The country's CPI rose 4.3% in September from a year earlier, according to the department. (Source: The Edge)

### Rating Actions

Issuer	PDS Description	Rating/Outlook	Action
Gas District Cooling (Putrajaya) Sdn Bhd (GDC Putrajaya)	RM300 million Al-Bai' Bithaman Ajil Islamic Debt Securities (BalDS)	AAA-IS	Affirmed
Medini Iskandar Malaysia Sdn Bhd's (MIMSB)	proposed 15-year RM1.5 billion Sukuk Murabahah Programme (Proposed Sukuk Programme)	AA3(S) / Stable	Assigned

Source: RAM Ratings; MARC

**Hong Leong Bank Berhad**

Fixed Income &amp; Economic Research, Global Markets

Level 8, Menara Hong Leong

6, Jalan Damanlela

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email: [HLMarkets@hlbb.hongleong.com.my](mailto:HLMarkets@hlbb.hongleong.com.my)**DISCLAIMER**

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