













## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	2.64	 -5
5-yr UST	2.65	 -5
10-yr UST	2.82	 -4
30-yr UST	3.07	 -5

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.66	 -1	3.74	 -1
5-yr	3.82	 -2	3.87	 -1
7-yr	4.00	 0	4.08	 0
10-yr	4.09	 -1	4.21	 0
15-yr	4.50	 -1	4.61	 0
20-yr	4.72	 0	4.78	 0
30-yr	4.91	 0	4.93	 0

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.71	0
3-yr	3.76	0
5-yr	3.86	0
7-yr	3.97	0
10-yr	4.17	0

Source : Bloomberg

#### Upcoming Government Bond Tender

Nil

#### US Treasuries

- US Treasury curve ended lower yesterday as bonds were well-bid amid continuing plunge in oil and slight recovery in equities. Overall benchmark yields ended 3-4bps sharply lower with the 2Y rallying 5bps at 2.64% and the 10Y at 2.82%; the lowest since August. Whilst the FOMC meets for the final time tonight for what is surely the 4<sup>th</sup> and final rate hike for this year; policy makers are aware that the financial landscape has altered as markets slump and global risks emanating from unresolved trade issues continue to linger. Hence, expectations of Fed rate hikes for 2019 are in limbo for now as doubts are cast over the sustainability of the economic cycle. Meanwhile the almost parish yield spreads between the 2Y, 3Y and 5Y may remain a concern. Up next on the data front include the all-important FOMC rate decision tonight.

#### MGS/GII

- Trading sentiment in local govies jumped to RM2.65b yesterday with interest focused again mainly in the off-the-run 19's and also the belly i.e.24-27's. Overall benchmark MGS and GII yields ended mostly 1-2bps lower amid several odd-lot trades dominating benchmark MGS bond closing prices. The 5Y benchmark MGS 4/23 ended 2bps lower at 3.82% whilst the 10Y MGS 6/28 edged 1bps lower at 4.09% levels. GII trades formed 31% of overall trades. Meanwhile the continued weakening of crude oil may temporarily dampen demand for Ringgit and financial assets for the trade-reliant nation. Up next on the data front is November's CPI data expected out at noon.

#### Corp Bonds/Sukuk

- Corporate Bonds/Sukuk saw volume improve to RM561m with interest across the GG-AA part of the curve. The Govt-Guaranteed PRASA 26's and 9/47 close mixed on yields at 4.31-34% levels and 5.12% respectively compared to previous-done levels. AAA-rated GENM 8/20 and 7/23 ended 1-15bps higher at 4.47% and 4.75% respectively whilst DANGA 9/27 and MANJUNG 11/31 closed unchanged at 4.55% and 4.66% each. Energy-related bonds dominated trades in the AA-space again with JEV, JEP, SPR Energy, MALAKOFF and Southern Power among the names traded. SPR Energy 33-35's ended 4-6bps lower between 5.28-46% levels whereas Southern Power 32-33's 12/32 and 8/35 closed 0-5bps lower between 4.76-96% levels. The banking sector was saw Amislamic 28NC23 rally 6bps lower at 4.82% levels.

## Daily Trades : Government Bonds

Securities		Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bp)
MGS	03/19	3.239	384	3.260	17/12/2018	-2
MGS	07/19	3.452	50	3.463	14/12/2018	-1
MGS	10/19	3.460	9	3.461	14/12/2018	0
MGS	11/19	3.470	429	3.475	17/12/2018	0
MGS	03/20	3.517	3	3.500	17/12/2018	2
MGS	10/20	3.531	4	3.508	17/12/2018	2
MGS	07/21	3.637	1	3.658	14/12/2018	-2
MGS	09/21	3.678	4	3.686	12/12/2018	-1
MGS	11/21	3.663	105	3.670	17/12/2018	-1
MGS	03/22	3.665	72	3.708	17/12/2018	-4
MGS	08/22	3.772	5	3.771	13/12/2018	0
MGS	04/23	3.824	17	3.842	17/12/2018	-2
MGS	08/23	3.854	1	3.851	14/12/2018	0
MGS	07/24	3.985	68	3.995	17/12/2018	-1
MGS	09/24	3.984	121	4.009	14/12/2018	-3
MGS	03/25	3.996	60	3.994	12/12/2018	0
MGS	09/25	3.964	128	4.065	14/12/2018	-10
MGS	04/26	4.112	30	4.141	14/12/2018	-3
MGS	11/26	4.168	67	4.168	17/12/2018	0
MGS	11/27	4.161	180	4.179	14/12/2018	-2
MGS	06/28	4.086	7	4.094	12/12/2018	-1
MGS	04/30	4.384	34	4.401	17/12/2018	-2
MGS	06/31	4.475	9	4.507	13/12/2018	-3
MGS	11/33	4.502	2	4.513	17/12/2018	-1
MGS	05/35	4.648	31	4.639	14/12/2018	1
MGS	04/37	4.700	1	4.696	17/12/2018	0
MGS	03/46	4.923	1	4.920	17/12/2018	0
GII	04/19	3.270	56	3.336	14/12/2018	-7
GII	09/19	3.337	110	3.340	13/12/2018	0
GII	04/20	3.513	2	3.539	14/12/2018	-3
GII	03/21	3.565	5	3.655	05/12/2018	-9
GII	04/21	3.677	20	3.496	12/12/2018	18
GII	04/21	3.677	5	3.615	12/12/2018	6
GII	03/22	3.744	200	3.757	14/12/2018	-1
GII	04/22	3.786	10	3.817	13/12/2018	-3
GII	11/23	3.870	20	3.874	17/12/2018	0
GII	05/24	3.999	100	4.001	13/12/2018	0
GII	08/24	4.018	110	4.064	13/12/2018	-5
GII	08/25	4.075	30	4.077	17/12/2018	0
GII	07/27	4.195	21	4.195	13/12/2018	0
GII	10/28	4.206	139	4.200	17/12/2018	1
GII	10/35	4.809	4	4.816	14/12/2018	-1
			<u>2653</u>			

## Daily Trades: Corp Bonds / Sukuk

Securities		Rating	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bp)	Spread Against MGS*
Malaysia Debt Ventures Berhad	03/23	GG	4.048	20	4.162	05/04/2018	-11	29
Prasarana Malaysia Berhad	02/26	GG	4.307	10	4.260	17/10/2018	5	31
Prasarana Malaysia Berhad	08/26	GG	4.342	15	4.357	14/12/2018	-2	27
Prasarana Malaysia Berhad	09/47	GG	5.117	40	5.049	17/10/2018	7	39
DanaInfra Nasional Berhad	02/48	GG	5.119	10	5.070	28/08/2018	5	39
GB Services Berhad	11/19	AAA	4.317	5	4.323	14/12/2018	-1	87
GENM Capital Berhad	08/20	AAA	4.465	20	4.459	17/12/2018	1	93
Cagamas Berhad	03/21	AAA	3.940	10	4.170	29/03/2018	-23	40
GENM Capital Berhad	07/23	AAA	4.745	60	4.599	29/11/2018	15	91
Projek Lebuhraya Usahasama Berhad	01/24	AAA	4.417	10	4.403	12/10/2018	1	58
AI Dzahab Assets Berhad	09/24	AAA	4.745	15	4.798	16/11/2018	-5	79
TNB Western Energy Berhad	07/25	AAA	4.469	10	4.672	27/06/2018	-20	47
Danga Capital Berhad	09/27	AAA	4.549	20	4.547	03/12/2018	0	44
Manjung Island Energy Berhad	11/31	AAA	4.659	10	4.659	14/12/2018	0	15
Sabah Development Bank Berhad	08/19	AA1	4.520	20	4.614	31/07/2018	-9	107
Samalaju Industrial Port Sdn Berhad	12/24	AA1	4.591	10	4.608	20/10/2017	-2	64
AI Dzahab Assets Berhad	09/26	AA1	4.953	10	4.950	29/11/2018	0	88
AmBank (M) Berhad	06/20	AA2	4.211	14	4.232	09/11/2018	-2	67
PBFIN Berhad	06/59	AA2	4.550	6	4.239	14/12/2018	31	-18
PBFIN Berhad	11/59	AA2	4.551	1	4.645	24/08/2017	-9	-18
Jimah Energy Ventures Sdn Berhad	11/19	AA3	4.177	15	4.241	09/02/2018	-6	73
AmBank Islamic Berhad	10/28	AA3	4.822	15	4.878	19/10/2018	-6	73
SPR Energy (M) Sdn Berhad	07/33	AA3	5.281	30	5.338	24/09/2018	-6	77
SPR Energy (M) Sdn Berhad	07/34	AA3	5.368	15	5.421	24/09/2018	-5	86
SPR Energy (M) Sdn Berhad	07/35	AA3	5.458	15	5.499	19/09/2018	-4	95
Malakoff Power Berhad	12/19	AA-	4.189	40	5.037	22/11/2018	-85	74
Malakoff Power Berhad	12/20	AA-	4.319	40	4.326	11/12/2018	-1	78
Jimah East Power Sdn Berhad	12/31	AA-	4.899	10	4.900	05/12/2018	0	39
Southern Power Generation Sdn Berhad	04/32	AA-	4.759	10	4.808	29/10/2018	-5	25
Southern Power Generation Sdn Berhad	10/32	AA-	4.839	10	4.860	29/11/2018	-2	33
Southern Power Generation Sdn Berhad	10/33	AA-	4.960	20	4.960	11/12/2018	0	45
Lebuhraya DUKE Fasa 3 Sdn Berhad	08/35	AA-	5.289	20	5.329	16/10/2018	-4	78
Alliance Bank Malaysia Berhad	10/25	A2	5.031	1	4.740	12/12/2018	29	103
Affin Islamic Bank Berhad	10/17	A3	5.429	4	5.507	22/11/2018	-8	70
				<u>561</u>				

\*spread against nearest indicative tenured MGS (Source : BPAM)

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

**CIMB Group Holdings Bhd is estimated to record a gain on disposal of RM200 million from the proposed transfer of its stockbroking business to Jupiter Securities Sdn Bhd.** In a filing with Bursa Malaysia, CIMB said the consideration in connection with the business transfer will be satisfied in cash. It was determined based on the future prospects and net asset value of the in-scope business as at Dec 31 2015, which amounted to RM565.6 million. The consideration is subject to closing audit adjustments, if any. The estimated gain on disposal of RM200 million is after taking into account the premium on the disposal of RM433 million and goodwill attributable to the business, CIMB added. CIMB Group Sdn Bhd (CIMBG), China Galaxy International Financial Holdings Ltd and CGS-CIMB Holdings Sdn Bhd today signed a share subscription agreement for the subscription of new shares in CGS-CIMB. CIMBG is a wholly owned subsidiary of CIMB while China Galaxy International Financial Holdings Ltd is a wholly-owned subsidiary of China Galaxy Securities Co Ltd (CGS). CGS-CIMB Holdings will function as the holding company for the Malaysia stockbroking business of the CGS-CIMB joint venture. At completion, CIMBG and CGI will be 50:50 shareholders in CGS-CIMB Holdings. Following the signing of the share subscription agreement, the parties will proceed to effect the transfer of the Malaysia stockbroking business of CIMB Group into Jupiter Securities. This will entail the sale of CIMB Investment Bank Bhd's (CIMB IB) cash equities business to Jupiter Securities, sale of CIMB Bank Bhd's equity financing services business and share margin financing granted in connection with the cash equities business to Jupiter Securities, and sale of CIMB IB's 100% equity interest in CIMB Futures Sdn Bhd to Jupiter Securities. Jupiter Securities is a wholly-owned subsidiary of CGS-CIMB Holdings and will be the operating company for the stockbroking business of the CGS-CIMB joint venture in Malaysia. Upon completion of the share subscription and the proposed business transfer, it will be renamed as CGS-CIMB Securities Sdn Bhd. (Source: *The Edge*)

**Malaysia Airports Holdings Bhd (MAHB) expects the passenger movement at the Kuala Lumpur International Airport's (KLIA) main terminal and klia2 to surge by 12 per cent and 21 per cent, respectively, this month, which is considered a super-peak travel period.** The airport operator projected a total of 6.9 million passengers travelling via KLIA during this school holidays and Christmas festive season. The super-peak period at the KLIA's main terminal, which is likely to last until Dec 23, 2018, is due to additional flights scheduled by airlines, MAHB said in a statement today. As for the second terminal, klia2, it said the peak travel period would remain until end of the month. Acting Group Chief Executive Officer Raja Azmi Raja Nazuddin said with the surge in passenger movement, MAHB would be taking extra measures and focusing on passenger-heavy touchpoints and facilities. This include the kerbside, check-in counters, security check points before boarding, terminal transfer system, trolleys and facilities, and baggage reclaim areas, he said. "All touchpoints will be put on high alert to ensure that the service level is at its optimum and congestions are minimised," he added. There will be 194 additional flights scheduled to cater to passengers flying to both international and domestic destinations during the long break that also coincides with the umrah (mini haj) season. (Source: *The Edge*)

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Nil	Nil	Nil	Nil

Source: RAM, MARC

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