

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	1.62	-1
5-yr UST	1.54	-2
10-yr UST	1.67	-2
30-yr UST	2.11	-2

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.12	2	3.12	0
5-yr	3.24	2	3.21	-2
7-yr	3.32	0	3.37	1
10-yr	3.32	-7	3.40	-1
15-yr	3.55	-9	3.64	1
20-yr	3.63	-4	3.72	-12
30-yr	3.88	-3	3.97	0

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.28	1
3-yr	3.27	1
5-yr	3.31	2
7-yr	3.34	0
10-yr	3.37	0

Source : Bloomberg

#### Upcoming Government Bond Tender

Nil

#### US Treasuries

- US Treasuries ended higher during the last day of September; led by the belly; on a rather quiet trading day. The curve shifted lower as overall benchmark yields edged again between 1-2bps lower. The UST 2y closed at 1.62% whilst the much-watched 10Y moved 2bps lower at 1.67%. Despite data from Barclay US Treasury index having provided 7.7% returns YTD; the month of September saw a loss as yields rebounded from the lows seen during the first week; fueled by decent economic data, rising UK, Euro bond yields and also heavy US corporate bond issuance. The continued deadlock in US-China trade matters may still be a worrying factor for investors with the UST 2s10s yield spread remaining fairly tight at ~5bps. Meanwhile investors are expected to closely monitor the monthly jobs reports for September which will be out this Friday.

#### MGS/GII

- Local govies ended mostly stronger on Monday on lower secondary market volume of RM3.25b resulting from follow-through buying post-reports on the FTSE Russell WGBI news. Interest was mainly centred in the shorter off-the-run 20-22's, 27's, 33's and also benchmark 5Y GII bonds. Overall benchmark MGS/GII bond yields closed mostly lower between -12bps to +2bps across the curve. The 5Y benchmark MGS 6/24 eased 2bps higher at 3.24% whilst the 10Y MGS 8/29 rallied 7bps at 3.32%. GII bonds maintained at ~42% of overall trades. On the economic front are the August trade data which will be released this Friday. Separately both Malaysia and Singapore have delayed their decision on the the billion-dollar train project connecting Johor and the republic for another month.

#### Corp Bonds/Sukuk

- Corporate Bonds/Sukuk however saw secondary market volume maintain at ~RM402m with investors showing more interest in the AA-part of the curve. Govt-guaranteed PASB 9/25 closed 8bps lower at 3.49% compared to previous-done levels whilst the 2/26 tranche saw a reversal in fortunes by rising 15bps instead at 3.52%. AAA-rated Northern Gateway 8/31 similarly closed 21bps lower at 4.03% whilst CELCOM 8/24 and 8/27 closed between -4 to +4bps at 3.64% and 3.76% respectively. Northport 12/22 closed 10bps lower at 4.22%. Non-rated ECO World 12/22 saw RM30m in nominal amounts traded at 5.59%. In the banking space, MAYBANK 32NC20 moved 12bps lower at 3.43%.

## Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	10/19	3.060	65	3.018	27/09/2019	4
MGS	11/19	3.057	1	3.079	27/09/2019	-2
MGS	03/20	3.078	4	3.100	27/09/2019	-2
MGS	07/20	3.115	32	3.124	27/09/2019	-1
MGS	10/20	3.133	277	3.122	27/09/2019	1
MGS	02/21	3.123	1	3.147	26/09/2019	-2
MGS	07/21	3.129	11	3.149	27/09/2019	-2
MGS	11/21	3.132	160	3.113	27/09/2019	2
MGS	03/22	3.121	85	3.102	27/09/2019	2
MGS	08/22	3.105	201	3.095	27/09/2019	1
MGS	09/22	3.149	26	3.153	27/09/2019	0
MGS	03/23	3.218	3	3.221	27/09/2019	0
MGS	04/23	3.216	9	3.246	26/09/2019	-3
MGS	06/24	3.244	50	3.226	27/09/2019	2
MGS	07/24	3.270	15	3.241	27/09/2019	3
MGS	09/24	3.285	4	3.284	27/09/2019	0
MGS	09/25	3.363	9	3.446	27/09/2019	-8
MGS	04/26	3.403	1	3.434	19/09/2019	-3
MGS	07/26	3.325	166	3.325	27/09/2019	0
MGS	11/26	3.423	1	3.424	27/09/2019	0
MGS	03/27	3.493	80	3.570	26/09/2019	-8
MGS	05/27	3.502	20	3.524	27/09/2019	-2
MGS	11/27	3.491	268	3.517	27/09/2019	-3
MGS	06/28	3.480	11	3.529	27/09/2019	-5
MGS	08/29	3.316	44	3.381	27/09/2019	-6
MGS	04/30	3.563	30	3.671	26/09/2019	-11
MGS	06/31	3.595	2	3.601	27/09/2019	-1
MGS	04/32	3.666	1	3.701	19/09/2019	-4
MGS	04/33	3.600	99	3.626	27/09/2019	-3
MGS	11/33	3.652	31	3.638	27/09/2019	1
MGS	05/35	3.687	4	3.774	27/09/2019	-9
MGS	04/37	3.615	19	3.715	27/09/2019	-10
MGS	06/38	3.628	83	3.669	26/09/2019	-4
MGS	03/46	3.940	1	3.871	27/09/2019	7
MGS	07/48	3.882	74	3.908	27/09/2019	-3
GII	04/20	3.110	2	3.111	26/09/2019	0
GII	05/20	3.112	390	3.055	19/09/2019	6
GII	08/20	3.004	1	3.130	27/09/2019	-13
GII	03/21	3.122	1	3.124	27/09/2019	0
GII	08/21	3.110	2	3.121	26/09/2019	-1
GII	04/22	3.132	4	3.121	27/09/2019	1
GII	11/22	3.156	40	3.167	26/09/2019	-1
GII	07/23	3.236	3	3.238	27/09/2019	0
GII	11/23	3.277	1	3.264	27/09/2019	1
GII	08/24	3.283	20	3.284	27/09/2019	0
GII	10/24	3.215	211	3.228	27/09/2019	-1
GII	08/25	3.333	67	3.362	27/09/2019	-3
GII	10/25	3.363	30	3.390	27/09/2019	-3
GII	03/26	3.368	90	3.357	27/09/2019	1
GII	08/28	3.448	20	3.592	23/09/2019	-14
GII	10/28	3.459	26	3.514	27/09/2019	-5
GII	12/28	3.475	40	3.481	27/09/2019	-1
GII	07/29	3.402	140	3.410	27/09/2019	-1
GII	06/33	3.651	210	3.650	27/09/2019	0
GII	11/34	3.640	10	3.632	27/09/2019	1
GII	09/39	3.707	51	3.832	26/09/2019	-13
			<u>3245</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*
Perbadanan Tabung Pendidikan Tinggi Nasional	06/22	GG	3.241	15	3.225	17/09/2019	2	13
Pengurusan Air SPV Berhad	09/25	GG	3.490	15	3.570	05/08/2019	-8	18
Pengurusan Air SPV Berhad	02/26	GG	3.520	25	3.368	28/08/2019	15	21
Gulf Investment Corporation G.S.C	03/21	AAA	4.060	16	4.056	23/09/2019	0	97
Danum Capital Berhad	05/23	AAA	3.500	30	3.507	25/09/2019	-1	30
Putrajaya Holdings Sdn Berhad	07/24	AAA	3.525	10	4.307	07/02/2019	-78	29
Putrajaya Holdings Sdn Berhad	04/25	AAA	3.570	10	3.769	24/07/2019	-20	26
Malayan Banking Berhad	02/32	AAA	3.430	20	3.546	25/07/2019	-12	8
Sabah Development Bank Berhad	04/21	AA1	3.690	10	3.921	31/07/2019	-23	58
Danajamin Nasional Berhad	10/27	AA+	3.860	2	3.98	05/08/2019	-12	48
Northern Gateway Infrastructure Sdn Berhad	08/31	AA1	4.030	10	4.239	09/07/2019	-21	68
Sarawak Energy Berhad	12/32	AA1	3.860	10	3.738	19/09/2019	12	27
Celcom Networks Sdn Berhad	08/24	AA+	3.640	10	3.598	20/09/2019	4	40
Celcom Networks Sdn Berhad	08/27	AA+	3.760	10	3.798	23/09/2019	-4	38
Westports Malaysia Sdn Berhad	03/28	AA+	4.010	10	3.899	17/09/2019	11	62
Edra Energy Sdn Berhad	07/22	AA3	4.130	10	5.204	30/04/2018	-107	102
BGSM Management Sdn Berhad	12/22	AA3	3.770	20	3.999	14/08/2019	-23	66
RHB Investment Bank Berhad	04/25	AA3	3.770	4	3.804	18/09/2019	-3	46
Edra Energy Sdn Berhad	07/25	AA3	4.250	10	4.169	05/09/2019	8	94
UEM Sunrise Berhad	04/20	AA-	3.390	10	3.556	09/08/2019	-17	30
MMC Corporation Berhad	11/20	AA-	3.860	20	3.863	26/09/2019	0	77
WCT Holdings Berhad	10/21	AA-	4.270	26	4.267	26/09/2019	0	116
Northport (Malaysia) Berhad	12/22	AA-	4.220	5	4.318	09/08/2019	-10	111
Special Power Vehicle Berhad	11/20	A1	3.820	10	3.811	19/09/2019	1	73
Quill Retail Malls Sdn Berhad	03/24	A2	8.500	15	6.747	22/05/2017	175	530
Abu Dhabi National Energy Company PJSC	03/22	-	4.330	5	4.609	11/07/2019	-28	122
Eco World Capital Assets berhad	12/22	-	5.590	30	5.978	15/07/2019	-39	248
Mah Sing Perpetual	02/17	-	5.990	24	5.348	27/09/2019	64	234
Eco World International Berhad	04/23	-	5.610	1	6.089	26/09/2019	-48	-
Eco World Capital Assets berhad	08/24	-	6.100	1	6.098	27/09/2019	0	-
Tropicana Perpetual	09/19	-	6.640	2	7.000	24/09/2019	-36	-
AEON Credit Service Berhad	11/13	-	5.890	6	6.020	31/07/2019	-13	-
Bank Muamalat Malaysia Berhad	11/21	A	4.143	1	4.393	20/09/2019	-25	104
				<u>402</u>				

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

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## Market/Corporate News: What's Brewing

**ASNB said in a statement on Monday, ASM 3 -- the fixed price fund previously known as Amanah Saham 1Malaysia -- declared an income distribution of five sen per unit.** It would pay out a total income distribution amounting to RM670.5mil to 496,705 unit holders of ASM 3 who hold over 13.6 billion units. ASNB also declared an income distribution of 3.75 sen per unit for ASN Equity 5 amounting to a total distribution of RM15.10mil. This is a mixed asset conservative fund. As for ASN Sara 2, it was 4.20 sen per unit and the total distribution was RM46.60mil. "Despite the current market conditions, we continue to see an increase in the number of our units in circulation (UIC) across our 14 funds, with ASN Sara 2 successfully attracting 27,804 unit holders who subscribed for 1.1 billion units just one year after its launch. This is a reflection of the trust that the unit holders have placed in PNB, which we will always strive to uphold." The two variable price funds, ASN Equity 5 and ASN Sara 2 were introduced last year, to cater to different categories of investors with varied risk appetites. ASN Equity 5 is an equity growth fund that caters to the younger generation of investors that aim for higher growth in capital and net worth, seeking to generate a reasonable level of capital appreciation and income distribution through a diversified investment portfolio. ASN Sara 2 is a mixed asset conservative fund tailored for more mature and risk-averse investors who prefer a steady income stream with long-term growth potential. The computation for income distribution is based on average monthly minimum balance held throughout the financial year for ASM 3 while for ASN Equity 5 and ASN Sara 2 will be based on the units held at the end of the

financial year of the funds. Distribution declared will be re-invested as additional units into the accounts of unit holders and automatically credited on Oct 1 for ASM 3 and on Oct 2 for ASN Equity 5 and ASN Sara 2. PNB is one of the largest fund management companies in Malaysia with assets under management exceeding RM300bil. Public Bank's unit Public Mutual has declared distributions of more than RM43 million for six funds for the financial year ending Sept 30,2019. It said on Monday the gross distribution was 1.5 sen for Public Singapore Equity Fund, 0.5 sen each for Public Advantage Growth Equity Fund and Public US Equity Fund. For the Public Strategic Balanced Fund, the gross distribution was 0.75 sen, while for Public Enterprises Bond Fund it was 4.7 sen and PB Global Equity Fund one sen. Public Mutual has more than 140 unit trust funds under its management. **Separately, Public Bank's unit Public Mutual has declared distributions of more than RM43 million for six funds for the financial year ending Sept 30,2019.** It said on Monday the gross distribution was 1.5 sen for Public Singapore Equity Fund, 0.5 sen each for Public Advantage Growth Equity Fund and Public US Equity Fund. For the Public Strategic Balanced Fund, the gross distribution was 0.75 sen, while for Public Enterprises Bond Fund it was 4.7 sen and PB Global Equity Fund one sen. Public Mutual has more than 140 unit trust funds under its management. (Source: *The Star*)

**Twenty-one Malaysian companies will be participating in the upcoming Volga Investment Summit and World Halal Day 2019 which is set to take place from Oct 3 to 5, 2019 in Samara region, Russia.** They are Mofaz Dagang Sdn Bhd (representing eight of sister companies), GISB Holdings (representing 10 companies), IVM Group of Companies, MAI Q Consult & Services and Sinar Purnama Niaga Sdn Bhd. Kumpulan MOFAZ Sdn Bhd president and founder Mohamed Fauzy Abdul Hamid said their participation is geared towards developing business and investment relationships based on Islamic principles and practices in Russia, Commonwealth of Independent States' (CIS), Malaysia, ASEAN countries and other countries that have interest on halal. He also said several business matching sessions would be held, citing Malaysian companies stand a big chance of securing business agreements there, given Malaysia's well-known status in Islamic finance and halal markets. "This will be the first time for World Halal Day to be held in Russia. "I guess this is a positive sign (for us to reap the halal opportunities in Russia) as we know it is a shy country but we are ready to open its doors to the outside world," he told reporters today. In July 2019, Kumpulan MOFAZ's wholly-owned subsidiary MOFAZ Dagang inked a memorandum of understanding (MoUs) with the CIS' International Association of Islamic Business (IAIB) to explore the potential of the halal market in former Soviet Union countries. Following the deal, MOFAZ Dagang would act as a facilitator to bridge Malaysian industry players and Russian consumers. (Source: *The Edge/Bernama*)

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Cypark Ref Sdn Bhd	RM550 mil SRI Sukuk Murabahah Programme (2019/2040)	AA3/Stable	Assigned

Source: RAM, MARC

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