

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	2.47	-2
5-yr UST	2.46	-5
10-yr UST	2.62	-6
30-yr UST	2.95	-6

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.57	-5	3.63	-5
5-yr	3.72	-3	3.81	-2
7-yr	3.96	-3	4.05	-2
10-yr	4.06	-1	4.23	-1
15-yr	4.41	-3	4.61	0
20-yr	4.60	-6	4.75	-2
30-yr	4.85	0	4.93	0

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.69	0
3-yr	3.71	-2
5-yr	3.82	0
7-yr	3.93	-2
10-yr	4.14	0

Source : Bloomberg

#### Upcoming Government Bond Tender

Nil

#### US Treasuries

- US Treasuries rallied whilst reversing into a flattening mode on yesterday as the long-end was richer as concerns emerge on increased possibility of a global growth slowdown. Overall benchmark yields ended 2-6bps lower with the 2Y edging 2bps lower at 2.47% whilst the much-watched 10Y ended 6bps lower at 2.62%. The current shutdown affects 25% of the Federal Government and some 800,000 federal workers. Even though the economy is currently not displaying nervous signs of recession, traders and market are seen to underprice the Fed's median dot of two (2) rate hikes for the whole of 2019. Investors are expected to monitor the yield curve closely in 2019 following the flattening trend for last year with some concerns seen over the parish-to-inversion stance of the 2Y, 3Y and 5Y.

#### MGS/GII

- Trading sentiment in local govies saw huge improvement with volume at RM4.66b on the first trading year of 2019 with interest scattered across the curve with special mention on the 21's, 25's and also benchmark 5Y and 10Y bonds. Overall benchmarks ended 1-6bps lower across the curve. The 5Y benchmark MGS 4/23 ended 3bps lower at 3.72% whilst the 10Y MGS 6/28 edged 1bps lower at 4.06% levels. GII trades formed a solid 42% of overall trades. The declining liquidity in December reversed with the return of portfolio managers and traders. Up next on the data front are the trade figures expected out tomorrow.

#### Corp Bonds/Sukuk

- Corporate Bonds/Sukuk also saw decent volume of RM404m with investors nibbling across the GG to single-A part of the curve. Govt-guaranteed Khazanah 2/21 ended sharply lower on yields at 3.94% compared to previous-done levels. AAA-rated CAGAMAS 21-22's saw several trades done mixed on yields between 4.11-15% levels. In the AA-space both energy-related bonds i.e. YTL Power 8/28 and SEB 12/32 ended 0-1bps lower at 4.93% and 4.88% respectively. The banking sector saw AmBank 39nc19 dominate trades with RM50m nominal amounts done 26bps lower at 4.36%. Expect healthy volume to maintain for now.

## Daily Trades : Government Bonds

Securities		Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bp)
MGS	03/19	3.253	84	3.260	31/12/2018	-1
MGS	07/19	3.409	50	3.450	19/12/2018	-4
MGS	10/19	3.464	4	3.438	31/12/2018	3
MGS	07/20	3.479	110	3.525	31/12/2018	-5
MGS	10/20	3.522	15	3.534	31/12/2018	-1
MGS	07/21	3.597	251	3.636	27/12/2018	-4
MGS	09/21	3.615	154	3.691	21/12/2018	-8
MGS	11/21	3.571	39	3.623	31/12/2018	-5
MGS	09/22	3.727	1	3.751	21/12/2018	-2
MGS	03/23	3.808	1	3.830	31/12/2018	-2
MGS	04/23	3.723	374	3.756	31/12/2018	-3
MGS	07/24	3.927	63	3.998	28/12/2018	-7
MGS	09/24	4.001	63	3.989	31/12/2018	1
MGS	03/25	3.955	522	3.988	31/12/2018	-3
MGS	09/25	4.014	50	4.023	31/12/2018	-1
MGS	04/26	4.092	1	4.122	27/12/2018	-3
MGS	11/26	4.124	24	4.139	28/12/2018	-2
MGS	03/27	4.200	1	4.218	20/12/2018	-2
MGS	05/27	4.208	70	4.251	31/12/2018	-4
MGS	11/27	4.131	112	4.150	31/12/2018	-2
MGS	06/28	4.063	180	4.070	31/12/2018	-1
MGS	04/30	4.375	51	4.401	28/12/2018	-3
MGS	06/31	4.411	66	4.465	26/12/2018	-5
MGS	04/33	4.494	20	4.499	28/12/2018	0
MGS	11/33	4.407	285	4.447	31/12/2018	-4
MGS	06/38	4.595	110	4.656	28/12/2018	-6
MGS	07/48	4.854	10	4.857	31/12/2018	0
GII	04/19	3.294	20	3.279	27/12/2018	2
GII	03/22	3.632	401	3.678	31/12/2018	-5
GII	04/22	3.698	1	3.785	19/12/2018	-9
GII	07/22	3.721	400	3.740	28/12/2018	-2
GII	11/22	3.746	24	3.865	19/12/2018	-12
GII	11/23	3.814	330	3.832	31/12/2018	-2
GII	08/24	4.032	29	4.014	21/12/2018	2
GII	08/25	4.049	220	4.065	31/12/2018	-2
GII	10/28	4.227	310	4.237	31/12/2018	-1
GII	08/37	4.747	210	4.771	28/12/2018	-2
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## 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*
Khazanah Nasional Berhad	02/21	GG	3.943	50	4.174	12/06/2018	-23	43
GovCo Holdings Berhad	02/24	GG	4.199	20	4.179	06/12/2018	2	47
Prasarana Malaysia Berhad	02/26	GG	4.258	10	4.307	18/12/2018	-5	28
Jambatan Kedua Sdn Berhad	07/26	GG	4.279	5	4.342	02/08/2018	-6	23
Cagamas Berhad	10/21	AAA	4.106	20	0.000	-	-	52
Cagamas Berhad	04/22	AAA	4.151	5	4.193	29/11/2018	-4	56
Cagamas Berhad	06/22	AAA	4.150	5	4.109	19/11/2018	4	56
Malaysia Steel Works (KL) Berhad	11/23	AAA	5.029	10	5.100	30/11/2018	-7	130
MBSB Bank Berhad (fka Asian Finance Bank Berl	12/20	AA1	4.446	5	0.000	-	-	93
YTL Power International Berhad	08/28	AA1	4.929	80	4.939	25/10/2018	-1	86
Sarawak Energy Berhad	12/32	AA1	4.879	50	4.878	19/12/2018	0	45
UMW Holdings Berhad	06/20	AA2	4.297	1	4.530	24/05/2018	-23	86
Krung Thai Bank Public Company Limited	07/25	AA2	4.612	10	4.596	10/12/2018	2	64
Fortune Premiere Sdn Berhad	09/25	AA	4.894	15	4.909	27/12/2018	-1	92
BGSM Management Sdn Berhad	08/25	AA3	4.630	20	4.671	12/09/2018	-4	65
WCT Holdings Berhad	10/21	AA-	4.901	5	5.080	22/06/2018	-18	131
MMC Corporation Berhad	11/25	AA-	5.440	7	5.488	23/10/2018	-5	146
Sinar Kamiri Sdn Berhad	01/26	AA-	5.550	1	5.599	24/04/2018	-5	157
Lebuhraya DUKE Fasa 3 Sdn Berhad	08/29	AA-	4.950	5	4.987	26/09/2018	-4	88
Bank Islam Malaysia Berhad	11/27	A1	4.749	5	4.817	10/10/2018	-7	68
Bright Focus Berhad	01/31	A1	7.203	5	5.411	26/06/2018	179	314
AmBank (M) Berhad	09/39	A1	4.360	50	4.619	19/06/2017	-26	-27
CIMB Group Holdings Berhad	05/16	A1	4.928	1	4.954	10/12/2018	-3	30
Serba Dinamik Holdings Berhad	10/28	AA-	5.238	20	0.000	-	-	117
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\*spread against nearest indicative tenured MGS (Source : BPAM)

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

**MyEG Services Bhd announced today its sub-subsidiary MyEG Alternative Payment Services Sdn Bhd has received a Letter of No Objection from Bank Negara Malaysia to the launch of its iPayEasy e-wallet.** "As such, the board is pleased to confirm that iPayEasy e-wallet will be launched in Quarter 2 of the financial year ending September 30, 2019," it said in a bourse filing. Last year on Jan 10, MyEG obtained BNM approval for the issuance of electronic money via its iPayEasy e-wallet with a maximum wallet limit of RM1,500 per customer. In order to go ahead with the project, MYEG Alternative would be required to comply with Section 11 of the Financial Services Act 2013 and all other relevant conditions and requirements issued by BNM as well as to be a member of an approved financial ombudsman scheme (FOS) pursuant to regulation 3 of the Financial Services (Financial Ombudsman Scheme) Regulations 2015. With the approval, the board of MyEG expects iPayEasy e-wallet to contribute positively to the performance of the group from financial year ending September 30, 2019 onwards. (Source: *The Edge*)

**Ekuiti Nasional Berhad (Ekuinas) has launched an RM1 billion Ekuinas Direct (Tranche IV) Fund (Fund IV) — with an option to increase to RM1.5 billion — for deployment to continue to accelerate the growth of local and high potential businesses.** The fund's geographical focus will be Malaysia, with emphasis on core sectors like education, oil & gas, fast moving consumer group (FMCG), retail and leisure, healthcare and services, as well as considerations in other sectors with positive prospects, it said in a statement today Following the closure of its maiden fund — Ekuinas Direct (Tranche I) Fund — Ekuinas said it has successfully realised RM2.3 billion from its divestment proceeds, dividends and interests, which has contributed to the setting up of the new fund. This brings Ekuinas' total funds under management (FuM) to RM4.1 billion. Ekuinas chief executive officer Syed Yasir Arafat Syed Abd Kadir said the launch of Fund IV is in line with its strategy and business plans for the next phase. "The 2019 Budget is seen to be facilitative and business-friendly, with a strong focus to spur the Fourth Industrial Revolution (4IR). The government's effort to drive greater intra-ASEAN collaboration and trade also creates a dynamic, regional business environment, which will have positive impact on the local companies as well as the economy. "We see these catalysts as factors that will support Malaysia's growth trajectory in 2019 and Ekuinas endeavours to continue delivering on its mandate in providing high-potential Malaysian companies with the building blocks to accelerate their next level of growth whilst contributing to Malaysia's wider economic development," he said. In May 2018, Ekuinas was reported as saying that its financial year 2017 saw the closure of its maiden fund that had reached full deployment with assets realised and recorded a gross portfolio return of RM476.7 million, translating into an annualised gross internal rate of return (IRR) of 10.1% and a net IRR of 6.5%. A government-linked private equity fund management company established in 2009 with a government endowment of RM5 billion, Ekuinas aims to create Malaysia's next generation of leading companies whilst promoting equitable, effective and sustainable Bumiputera economic participation.. (Source: *The Edge*)

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Gulf Investment Corporation G.S.C. (GIC)	Financial Institution rating	AAA/Stable/P1	Reaffirmed
	RM3.5 billion Sukuk Wakalah bi Istithmar Programme (2011/2031)	AAA/Stable	Reaffirmed
	RM400 million Senior Unsecured Bonds (2008/2023)	AAA/Stable	Reaffirmed

Source: RAM, MARC

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