

Global Markets Research

Fixed Income

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	1.63	4
5-yr UST	1.66	7
10-yr UST	1.86	8
30-yr UST	2.34	8

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.09	-2	3.12	-1
5-yr	3.24	-2	3.31	4
7-yr	3.42	4	3.41	7
10-yr	3.44	2	3.92	48
15-yr	3.65	0	3.79	0
20-yr	3.76	2	3.92	-1
30-yr	4.03	3	4.10	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.34	4
3-yr	3.34	5
5-yr	3.38	5
7-yr	3.42	4
10-yr	3.44	2

Source : Bloomberg

Upcoming Government Bond Tender

Nil

Fixed Income Daily Market Snapshot

US Treasuries

US Treasuries fell again yesterday with the curve bear-steepening with longer-ends pressured due to better-than-expected ISM non-manufacturing data. Despite solid bidding metrics for \$38b of the short 3Y auction (BTC ratio: 2.60x versus 10 previous auctions with average BTC ratio of 2.47x), investors were nervous ahead of further deluge of 10Y and 30Y supply coming onstream this week. The UST 2Y closed 4bps up at 1.63% whilst the much-watched 10Y rose 8bps at 1.86%. Optimism over the potential US-China trade deal will continue to weigh on UST's with the US likely to scrap tariffs of ~\$156b worth of Chinese goods which asre to take effect from 15th of December. Meanwhile investors are expected to monitor the upcoming issuances of \$27b of 10Y notes today.

MGS/GII

- Local govvnies mostly sold-off (save for the shorter-ends) on Tuesday; led by a spike in IRS following BNM's decision to stay pat on the OPR in yesterday's MPC meeting. Secondary market volume jumped to RM5.46b with interest skewed mainly in the shorter-tenured off-the-run 19-21's, 25's and also 5Y MGS. Overall benchmark yields ended mostly higher between 0-4bps save for the 3-5Y and odd-lot trade on the 10Y GII. The benchmark 5Y MGS 6/24 closed 2bps lower at 3.26% whilst the 10Y MGS 8/29 saw fortunes reverse with the yield moving up 2bps instead at 3.44%. GII trades rose to form ~38% of overall trades. Meanwhile the government is seen satisfied with existing growth outlook with the economy relatively resilient to the fallout from escalating US-China trade war.

Corp Bonds/Sukuk

- Corporate bonds/sukuk space continued to see muted interest with volume slightly higher at RM297m. Overall interest was seen mainly in the AAA-part of the curve as overall yields ended mostly mixed-to-higher again. The longer-end Govt-guaranteed DANA 44-46's spiked between 13-30bps compared to previous-done levels between 4.18-21%. AAA-rated PUTRAJAYA 24-25's also rose between 7-19bps at 3.60-64% levels whilst TENAGA 8/27 and 8/38 closed 1-5bps higher at 4.06% and 4.09% respectively. The AA-space saw MMC Corp 11/27 edge 2bps higher at 4.90% whilst several unrated bonds like Eco World, YNH Prop and Genting RMTN notched odd-lot trades.

Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 11/19	3.029	218	3.000	04/11/2019	3
MGS 03/20	3.018	375	2.996	04/11/2019	2
MGS 10/20	3.058	109	3.048	01/11/2019	1
MGS 02/21	3.091	5	3.084	01/11/2019	1
MGS 07/21	3.102	106	3.093	04/11/2019	1
MGS 09/21	3.104	33	3.102	04/11/2019	0
MGS 11/21	3.090	2	3.086	01/11/2019	0
MGS 03/22	3.091	59	3.109	04/11/2019	-2
MGS 09/22	3.143	146	3.133	04/11/2019	1
MGS 03/23	3.210	335	3.242	04/11/2019	-3
MGS 04/23	3.232	3	3.227	01/11/2019	1
MGS 08/23	3.204	304	3.247	04/11/2019	-4
MGS 06/24	3.242	758	3.262	04/11/2019	-2
MGS 07/24	3.299	69	3.322	04/11/2019	-2
MGS 09/24	3.355	80	3.330	04/11/2019	2
MGS 03/25	3.347	2	3.351	04/11/2019	0
MGS 07/26	3.416	199	3.377	04/11/2019	4
MGS 11/26	3.410	25	3.418	04/11/2019	-1
MGS 11/27	3.439	26	3.418	04/11/2019	2
MGS 06/28	3.429	8	3.435	04/11/2019	-1
MGS 08/29	3.438	132	3.418	04/11/2019	2
MGS 04/30	3.584	2	3.573	04/11/2019	1
MGS 06/31	3.649	40	3.659	04/11/2019	-1
MGS 04/33	3.727	4	3.682	04/11/2019	4
MGS 11/33	3.732	125	3.746	04/11/2019	-1
MGS 07/34	3.650	80	3.653	04/11/2019	0
MGS 05/35	3.822	6	3.862	30/10/2019	-4
MGS 04/37	3.776	16	3.769	04/11/2019	1
MGS 06/38	3.764	115	3.743	04/11/2019	2
MGS 03/46	4.024	7	3.995	01/11/2019	3
MGS 07/48	4.033	6	4.001	04/11/2019	3
GII 04/20	3.061	445	3.039	04/11/2019	2
GII 05/20	3.001	10	3.079	16/10/2019	-8
GII 08/20	3.040	60	3.052	29/10/2019	-1
GII 03/21	3.093	240	3.082	01/11/2019	1
GII 08/21	3.109	3	3.120	30/10/2019	-1
GII 03/22	3.119	4	3.126	04/11/2019	-1
GII 04/22	3.131	21	3.154	04/11/2019	-2
GII 11/22	3.140	30	3.160	01/11/2019	-2
GII 07/23	3.249	20	3.252	04/11/2019	0
GII 08/24	3.331	200	3.313	04/11/2019	2
GII 10/24	3.312	70	3.268	04/11/2019	4
GII 08/25	3.402	403	3.399	04/11/2019	0
GII 10/25	3.409	90	3.404	01/11/2019	0
GII 03/26	3.410	31	3.341	04/11/2019	7
GII 07/27	3.470	4	3.469	04/11/2019	0
GII 07/29	3.917	3	3.438	04/11/2019	48
GII 09/30	3.635	10	3.640	04/11/2019	-1
GII 06/33	3.835	60	3.841	01/11/2019	-1
GII 11/34	3.790	183	3.794	04/11/2019	0
GII 08/37	3.945	70	3.950	01/11/2019	-1
GII 09/39	3.920	110	3.930	01/11/2019	-1
		<u>5460</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*
Lembaga Pembiayaan Perumahan Sektor Awam	10/28	GG	3.681	10	3.670	01/11/2019	1	24
DanaInfra Nasional Berhad	02/44	GG	4.179	10	3.879	12/09/2019	30	39
DanaInfra Nasional Berhad	05/46	GG	4.209	10	4.081	23/10/2019	13	42
Cagamas MBS Berhad	12/20	AAA	3.450	20	3.389	22/10/2019	6	39
GENM Capital Berhad	03/22	AAA	4.001	1	3.699	17/10/2019	30	91
Cagamas MBS Berhad	05/22	AAA	3.646	10	4.299	14/12/2018	-65	53
Cagamas MBS Berhad	08/22	AAA	3.654	10	4.329	14/12/2018	-68	54
Inverfin Sdn Berhad	02/24	AAA	4.410	1	5.088	19/02/2019	-68	117
Putrajaya Holdings Sdn Berhad	04/24	AAA	3.603	10	3.457	26/08/2019	15	36
Putrajaya Holdings Sdn Berhad	04/25	AAA	3.638	10	3.446	20/09/2019	19	35
Putrajaya Holdings Sdn Berhad	04/25	AAA	3.642	10	3.568	30/09/2019	7	35
Danum Capital Berhad	02/26	AAA	3.702	5	3.581	09/10/2019	12	34
DiGi Telecommunications Sdn Berhad	09/29	AAA	3.733	10	3.670	21/10/2019	6	30
Pengurusan Air SPV Berhad	10/29	AAA	3.898	10	3.900	30/10/2019	0	47
Putrajaya Bina Sdn Berhad	05/31	AAA	3.938	10	3.919	24/09/2019	2	51
Danum Capital Berhad	02/34	AAA	3.968	15	3.879	01/10/2019	9	31
Tenaga Nasional Berhad	08/37	AAA	4.059	55	4.049	25/10/2019	1	27
Tenaga Nasional Berhad	08/38	AAA	4.089	35	4.042	09/10/2019	5	30
Sabah Development Bank Berhad	09/20	AA1	3.801	1	3.899	15/10/2019	-10	74
Sabah Credit Corporation	07/29	AA1	4.208	1	4.298	26/07/2019	-9	78
Malakoff Power Berhad	12/19	AA-	3.379	3	3.177	16/10/2019	20	32
MMC Corporation Berhad	11/27	AA-	4.898	20	4.878	22/10/2019	2	148
Hong Leong Assurance Berhad	02/25	AA3	3.645	10	3.650	02/10/2019	0	36
SPR Energy (M) Sdn Berhad	07/27	AA3	4.290	1	5.004	30/10/2018	-71	87
CIMB Group Holdings Berhad	05/16	A1	4.052	1	4.302	27/09/2019	-25	26
UMW Holdings Berhad	04/18	A1	5.425	2	5.596	04/11/2019	-17	163
Eco World International Berhad	04/23	-	5.631	1	6.019	04/11/2019	-39	252
Eco World International Berhad	05/23	-	5.493	2	6.021	04/11/2019	-53	225
Genting RMTN Berhad	11/29	-	4.130	5	-	-	413	70
Genting RMTN Berhad	11/34	-	4.307	7	-	-	431	65
YNH Property Berhad	08/19	-	6.772	3	6.648	01/11/2019	12	298
Bank Muamalat Malaysia Berhad	11/21	A	4.202	1	3.938	08/10/2019	26	111
WCT Holdings Berhad	09/19	A	5.597	1	5.610	30/10/2019	-1	181
				<u>297</u>				

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

Market/Corporate News: What's Brewing

Westports Holdings Bhd's net profit rose 11.9% to RM159.24 million for the third quarter ended Sept 30, 2019 (3QFY19), from RM142.32 million a year ago, on increased container throughput and the implementation of a container tariff hike effective March. This resulted in higher earnings per share of 4.67 sen for 3QFY19, compared with 4.17 sen for 3QFY18. Revenue for the quarter also increased 10.3% to RM460.43 million from RM417.55 million a year ago. In a statement yesterday, Westports said it handled 2.77 million twenty-foot equivalent units (TEUs) of containers in 3QFY19. Trans-shipment containers increased to 1.85 million TEUs, while gateway boxes grew to 920,000 TEUs. The strong quarterly performance lifted the group's net profit for the cumulative nine months of FY19 (9MFY19) by 20% to RM465.46 million from RM387.93 million a year ago, while revenue was up 11.1% at RM1.33 billion from RM1.2 billion for 9MFY18. Westports handled 8.04 million TEUs in 9MFY19, up 16% from 9MFY18, accounting for 80% of Port Klang's overall container throughput. It attributed the higher container volume to trans-shipment containers, which improved to 5.39 million TEUs, while gateway volume expanded to 2.65 million TEUs. Westports group managing director Datuk Ruben Emir Gnanalingam expects its container throughput to register a double-digit percentage growth rate for FY19, handling a record of more than 10 million TEUs. "To support our clients' growth and the industry's trend of deploying ever-larger ultra-large container vessels, Westports is planning for a multibillion container terminal expansion that would double our total terminal handling capacity. The significant investment required would be funded by Westports with financing raised from the capital market," he said. (Source: *The EdgeMarkets*)

Shares in Velesto Energy Bhd traded up almost 7% in early trade Wednesday after the company secured a RM541mil from Carigali Hess Operating Company Sdn Bhd.

The oil and gas company rose 6.94%, or 2.5 sen to 38.5 sen. It is currently the most active counter on Bursa Malaysia with 25 million shares done. Velesto Energy said its unit has bagged a contract worth US\$131mil (RM541.17mil) from Carigali Hess, an oil and gas joint venture between PCJDA Ltd and Hess Oil Company of Thailand Ltd, is involved in gas production in the joint development area administered by the Malaysian-Thailand Joint Authority. Velesto said the contract, awarded to its indirect wholly-owned unit Velesto Drilling Sdn Bhd, is for the provision of a 10K jack up drilling rig. The contract is expected to commence in the second half of 2020, for a duration of three years with three extension options of six months each. (Source: Star)

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Lebuhraya Kajang-Seremban Sdn Bhd (LEKAS)	RM633 mil Junior Sukuk Istisna' (2007/2025).	C2/Stable	Reaffirmed

Source: RAM, MARC

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