

Global Markets Research

Fixed Income

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	1.67	6
5-yr UST	1.73	10
10-yr UST	1.92	9
30-yr UST	2.40	8

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.08	-2	3.11	-2
5-yr	3.27	0	3.30	0
7-yr	3.35	-8	3.39	-1
10-yr	3.47	2	3.92	0
15-yr	3.68	0	3.79	0
20-yr	3.81	0	3.93	0
30-yr	4.02	-3	4.10	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.32	-1
3-yr	3.33	-1
5-yr	3.37	0
7-yr	3.41	1
10-yr	3.46	3

Source : Bloomberg

Upcoming Government Bond Tender

Nil

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries pulled back amid signals on trade talk progressing further between US and China as both parties were considering removing existing tariffs in phases. The risk-on mode saw the curve shift higher with overall benchmark yields ended 6-10bps higher. The UST 2Y closed 6bps higher at 1.67% whilst the much-watched 10Y spiked 9bps to 1.92%. The \$19b 30Y auction saw average demand; drawing an average yield of 2.43% on a BTC ratio of 2.23x. Meanwhile investors are seen digesting the lower-than expected jobless claims for week ending 2nd November; which reaffirmed a tightening labour market. Also at the short-end, bond traders are doubting that the Fed will ease rates anytime soon following three (3) recent rate cuts since July.

MGS/GII

- Local govies recovered ground on Thursday following weakness earlier in the week as investors were seen searching values as views on BNM staying pat on interest rates going forward were being bandied about. Secondary market volume improved slightly to RM3.85b with interest still seen mainly in the shorter-tenured off-the-run 19-20's, and also benchmark 7Y MGS/GII bonds. Overall benchmark yields ended mostly unchanged-to-lower save for the 10Y MGS. The benchmark 5Y MGS 6/24 was untraded at 3.27% whilst the 10Y MGS 8/29 rose 2bps to 3.47%. GII trades dropped to form ~23% of overall trades. The latest foreign holdings of MYR bonds for October reveal a slight decrease in MGS by RM446m (37.5% overall) with an increase in GII holdings by RM55m (4.7% overall). Meanwhile the nation's latest foreign reserves slipped slightly to \$103.2b as at 31st Oct.

Corp Bonds/Sukuk

- Corporate bonds/sukuk space saw upbeat interest as secondary volume spiked to RM1.05b. Overall interest was seen across the GG to AA-part of the curve with overall yields however ended mostly mixed. The Govt-guaranteed bonds saw active trading with Turus Pesawat 28-32's leading the way with RM120m in nominal amounts traded between -25 to +23bps compared to previous-done levels at 3.76-93% area. The short-tenured PUNCAK Wangi 11/20 and Malaysia Steel Works 11/21 edged 1bps lower at 4.11% and 3.99% respectively.. The AA-space saw energy-related bonds like EDRA, TADAU and TBEI exchange hands at lower yields whilst YTL Power 5/27 spiked 9bps at 4.12%. The banking space saw Bank Islam 27NC22 close 8bps higher whilst CIMB Group Holdings 29NC24 edged a mere 1bps higher at 3.96%.

Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 11/19	2.938	403	3.003	06/11/2019	-6
MGS 03/20	2.925	1232	2.954	06/11/2019	-3
MGS 07/20	3.007	2	3.047	01/11/2019	-4
MGS 10/20	3.039	171	3.061	06/11/2019	-2
MGS 07/21	3.100	26	3.093	06/11/2019	1
MGS 09/21	3.099	1	3.105	06/11/2019	-1
MGS 11/21	3.107	52	3.101	06/11/2019	1
MGS 03/22	3.078	64	3.099	06/11/2019	-2
MGS 09/22	3.155	41	3.135	06/11/2019	2
MGS 04/23	3.213	3	3.194	06/11/2019	2
MGS 08/23	3.231	3	3.218	06/11/2019	1
MGS 07/24	3.326	2	3.321	06/11/2019	0
MGS 09/24	3.347	64	3.323	06/11/2019	2
MGS 03/25	3.346	29	3.367	06/11/2019	-2
MGS 07/26	3.349	619	3.433	06/11/2019	-8
MGS 11/26	3.417	3	3.434	06/11/2019	-2
MGS 11/27	3.467	14	3.425	06/11/2019	4
MGS 06/28	3.475	1	3.491	06/11/2019	-2
MGS 08/29	3.468	101	3.447	06/11/2019	2
MGS 06/31	3.633	17	3.649	05/11/2019	-2
MGS 04/33	3.706	1	3.720	06/11/2019	-1
MGS 11/33	3.744	20	3.745	06/11/2019	0
MGS 07/34	3.677	44	3.677	06/11/2019	0
MGS 04/37	3.703	41	3.776	06/11/2019	-7
MGS 09/43	4.018	14	4.000	06/11/2019	2
MGS 07/48	4.017	1	4.044	06/11/2019	-3
GII 03/22	3.106	12	3.125	06/11/2019	-2
GII 04/22	3.127	30	3.131	06/11/2019	0
GII 07/22	3.137	30	3.147	01/11/2019	-1
GII 07/23	3.226	61	3.249	05/11/2019	-2
GII 11/23	3.244	42	3.234	01/11/2019	1
GII 10/24	3.300	20	3.301	06/11/2019	0
GII 10/25	3.400	35	3.397	06/11/2019	0
GII 09/26	3.429	290	2.944	25/10/2019	49
GII 08/28	3.470	20	3.440	15/10/2019	3
GII 10/28	3.492	142	3.431	06/11/2019	6
GII 09/30	3.623	50	3.629	06/11/2019	-1
GII 06/33	3.821	114	3.837	06/11/2019	-2
GII 08/33	3.830	15	3.840	06/11/2019	-1
GII 08/37	3.943	20	3.961	06/11/2019	-2
		<u>3850</u>			

Securities		Rating	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bp)	Spread Against MGS*
MKD Kencana Sdn Berhad	04/25	GG	3.539	50	3.643	05/08/2019	-10	26
Prasarana Malaysia Berhad	09/27	GG	3.615	30	3.608	01/11/2019	1	20
Turus Pesawat Sdn Berhad	02/28	GG	3.756	20	3.829	07/08/2019	-7	34
Turus Pesawat Sdn Berhad	03/28	GG	3.757	20	3.728	18/10/2019	3	34
Prasarana Malaysia Berhad	09/28	GG	3.688	10	3.530	14/08/2019	16	25
DanaInfra Nasional Berhad	03/29	GG	3.709	30	3.450	06/09/2019	26	27
DanaInfra Nasional Berhad	07/29	GG	3.719	10	3.710	29/07/2019	1	27
Jambatan Kedua Sdn Berhad	05/30	GG	3.751	20	3.479	05/09/2019	27	31
Prasarana Malaysia Berhad	02/31	GG	3.789	10	3.788	04/11/2019	0	34
Turus Pesawat Sdn Berhad	03/31	GG	3.871	10	4.120	12/04/2019	-25	43
Jambatan Kedua Sdn Berhad	07/31	GG	3.789	50	3.529	21/08/2019	26	34
MKD Kencana Sdn Berhad	10/32	GG	3.828	80	3.739	17/10/2019	9	17
Turus Pesawat Sdn Berhad	11/32	GG	3.931	70	3.701	16/08/2019	23	27
Berjaya Land Berhad	12/19	AAA	3.651	46	4.330	18/04/2019	-68	61
Puncak Wangi Sdn Berhad	11/20	AAA	4.110	25	4.121	06/11/2019	-1	107
Malaysia Steel Works (KL) Berhad	11/21	AAA	3.989	10	3.995	06/11/2019	-1	90
GENM Capital Berhad	03/32	AAA	4.220	20	4.850	02/04/2019	-63	78
GENM Capital Berhad	07/33	AAA	4.273	20	4.254	30/10/2019	2	61
YTL Power International Berhad	05/27	AA1	4.119	10	4.028	17/10/2019	9	75
First Resources Limited	06/20	AA2	3.507	70	3.608	01/11/2019	-10	46
BEWG (M) Sdn Berhad	07/23	AA	4.082	20	4.058	22/10/2019	2	85
Anih Berhad	11/26	AA	3.927	50	3.947	23/09/2019	-2	56
CIMB Group Holdings Berhad	09/29	AA	3.959	60	3.947	30/10/2019	1	51
Tadaw Energy Sdn Berhad	07/21	AA3	3.949	10	3.957	06/11/2019	-1	86
IJM Corporation Berhad	06/22	AA3	3.838	50	3.852	29/10/2019	-1	74
Edra Energy Sdn Berhad	07/25	AA3	4.158	10	4.188	29/10/2019	-3	81
Tanjung Bin Energy Issuer Berhad	09/28	AA3	3.999	10	4.268	13/06/2019	-27	56
Bank Islam Malaysia Berhad	11/27	A1	3.771	40	3.694	30/08/2019	8	36
CIMB Group Holdings Berhad	05/16	A1	4.217	90	4.250	05/11/2019	-3	45
Bank Muamalat Malaysia Berhad	06/26	A3	4.415	40	4.468	18/10/2019	-5	105
Eco World International Berhad	04/23	-	5.914	2	5.916	06/11/2019	0	282
WCT Holdings Berhad	09/19	A	5.873	60			587	211
WCT Holdings Berhad	09/19	A	5.096	1	5.597	05/11/2019	-50	133
				<u>1053</u>				

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

Market/Corporate News: What's Brewing

Global passenger traffic results for September 2019 showing that demand (measured in revenue passenger kilometers or RPKs) climbed 3.8% compared to the same month last year, broadly unchanged from August's performance, according to the International Air Transport Association (IATA). In a statement Nov 7, IATA said capacity (available seat kilometers or ASKs) increased by 3.3%, and load factor climbed 0.4 percentage point to 81.9%, which was a record for any September. IATA director general and CEO Alexandre de Juniac said September marked the eighth consecutive month of below average demand growth. "Given the environment of declining world trade activity and tariff wars, rising political and geopolitical tensions and a slowing global economy, it is difficult to see the trend reversing in the near term," he said. (Source: *The EdgeMarkets*)

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

Source: RAM, MARC

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