

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	2.35	-1
5-yr UST	2.31	-2
10-yr UST	2.50	-2
30-yr UST	2.91	-1

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.40	3	3.48	1
5-yr	3.56	1	3.67	-2
7-yr	3.69	0	3.80	0
10-yr	3.79	1	3.85	3
15-yr	4.09	3	4.11	0
20-yr	4.28	0	4.41	0
30-yr	4.58	2	4.62	0

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.54	0
3-yr	3.54	0
5-yr	3.62	1
7-yr	3.70	1
10-yr	3.89	0

Source : Bloomberg

Upcoming Government Bond Tender

Nil

US Treasuries

US Treasuries ended stronger on Monday with the curve shifting lower amid renewed concerns on global growth and trade tensions. The International Monetary Fund (IMF) has cut its global growth outlook to 3.3% from 3.5%; the lowest pace since 2008. Overall benchmark yields closed between 1-2bps lower. The UST 2Y edged 1bps lower at 2.35% whilst the much-watched 10Y closed 2bps down at 2.50%. Up next is Treasury's auction for \$38b of 3Y notes with WI yields in the middle of the YTD range. Meanwhile oil giant, Saudi Aramco's proposed 3-30Y debt issuance has drawn a record BTC ratio on 10x. Up next on the data front are the CPI figures due out today followed by the FOMC minutes and PPI data tomorrow..

MGS/GII

Local govies saw momentum improve on higher volume of RM5.23b despite earlier reports on Norwegian Sovereign Fund's reduction of EM Fixed Income weightings. Interest was mainly seen on the front-ends i.e 19-20's and also both the 10Y, 15Y benchmark MGS bonds. Overall benchmark yields however ended between 0-3bps higher save for the odd-lot trade on the 5Y GII. Both benchmarks i.e. 5Y MGS and 10Y MGS 4/23 edged 1bps higher at 3.56% and 3.79%. GII bonds dropped to form 37% of overall trades. The latest increase in March foreign holdings of MYR govies may be a positive sign that investors are confident in the nation's economy amid higher oil prices and China's stimulus measures.

Corp Bonds/Sukuk

Corporate Bonds/Sukuk space saw higher secondary volume of RM1.27b with demand still mainly across the GG-part of the curve. A slew of Govt-guaranteed DANAINFRA and PRASARANA bonds continued to dominate this space with yields closing lower. Long-end PRASA 9/42 and 9/47 saw RM340m in nominal amounts traded between 3-34 bps lower compared to previous-done levels at 4.55% and 4.66% respectively. AAA-rated MACB 2-24's ended 4-12bps between 4.10-15% levels whilst short CAGAMAS 19-21's also saw these tranches edge 1-3bps lower. AA-rated space saw late cycle rallies of between 22-38bps with the 2032-2033 tranches closing between 4.60%-72% area. Energy-related EDRA 29-30's and also 37-38's also drifted lower in yields to close between 5.64-70% and 6.13-17% respectively. The banking space saw Am Bank Islamic 25NC20 close at 4.36% whilst Public Islamic 24NC19 ended at 3.84%

## Daily Trades : Government Bonds

Securities		Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bp)
MGS	10/19	3.338	320	3.351	08/04/2019	-1
MGS	11/19	3.341	120	3.346	08/04/2019	0
MGS	03/20	3.359	100	3.354	08/04/2019	0
MGS	10/20	3.392	6	3.382	08/04/2019	1
MGS	02/21	3.406	53	3.406	01/04/2019	0
MGS	07/21	3.417	19	3.426	08/04/2019	-1
MGS	09/21	3.423	30	3.368	05/04/2019	6
MGS	11/21	3.433	70	3.439	05/04/2019	-1
MGS	03/22	3.398	75	3.370	05/04/2019	3
MGS	08/22	3.513	54	3.487	05/04/2019	3
MGS	09/22	3.508	166	3.496	05/04/2019	1
MGS	04/23	3.563	59	3.555	08/04/2019	1
MGS	08/23	3.624	119	3.562	05/04/2019	6
MGS	07/24	3.674	125	3.685	08/04/2019	-1
MGS	09/24	3.672	96	3.678	04/04/2019	-1
MGS	03/25	3.739	52	3.702	05/04/2019	4
MGS	09/25	3.725	21	3.712	05/04/2019	1
MGS	07/26	3.693	186	3.698	08/04/2019	0
MGS	11/26	3.778	82	3.725	08/04/2019	5
MGS	03/27	3.847	36	3.796	05/04/2019	5
MGS	11/27	3.796	41	3.796	08/04/2019	0
MGS	06/28	3.785	32	3.758	08/04/2019	3
MGS	08/29	3.785	761	3.783	08/04/2019	0
MGS	06/31	3.987	10	3.970	05/04/2019	2
MGS	04/32	4.037	7	4.057	03/04/2019	-2
MGS	04/33	4.104	121	4.080	08/04/2019	2
MGS	11/33	4.087	428	4.058	08/04/2019	3
MGS	05/35	4.215	5	4.206	08/04/2019	1
MGS	03/46	4.565	10	4.554	08/04/2019	1
MGS	07/48	4.577	90	4.554	08/04/2019	2
GII	09/19	3.318	250	3.359	22/03/2019	-4
GII	04/20	3.388	15	3.367	05/04/2019	2
GII	04/20	3.400	70	3.440	01/04/2019	-4
GII	05/20	3.405	200	3.417	02/04/2019	-1
GII	03/22	3.479	20	3.479	08/04/2019	0
GII	04/22	3.559	110	3.535	08/04/2019	2
GII	07/22	3.570	20	3.556	08/04/2019	1
GII	07/23	3.695	20	3.648	08/04/2019	5
GII	11/23	3.669	49	3.683	08/04/2019	-1
GII	05/24	3.717	51	3.712	05/04/2019	0
GII	08/24	3.722	10	3.712	04/04/2019	1
GII	08/25	3.802	272	3.802	08/04/2019	0
GII	10/25	3.810	40	3.815	08/04/2019	0
GII	03/26	3.750	50	3.734	08/04/2019	2
GII	07/27	3.865	41	3.846	08/04/2019	2
GII	10/28	3.907	180	3.892	08/04/2019	2
GII	07/29	3.850	240	3.823	05/04/2019	3
GII	09/30	3.982	80	3.972	08/04/2019	1
GII	06/33	4.106	120	4.101	08/04/2019	0
GII	10/35	4.276	80	4.289	04/04/2019	-1
GII	09/39	4.339	15	4.333	08/04/2019	1
			<u>5228</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*	
Pengurusan Air SPV Berhad	06/20	GG	3.600	20	3.899	29/01/2019	-30	25
Pengurusan Air SPV Berhad	06/23	GG	3.752	5	3.840	26/03/2019	-9	26
Khazanah Nasional Berhad	08/23	GG	3.849	65	3.949	07/03/2019	-10	36
Pengurusan Air SPV Berhad	02/26	GG	3.880	5	3.881	08/04/2019	0	18
Danainfra Nasional Berhad	04/26	GG	3.915	20	3.959	25/03/2019	-4	22
Prasarana Malaysia Berhad	08/26	GG	3.899	40	3.971	01/04/2019	-7	20
Lembaga Pembiayaan Perumahan Sektor Awam	10/28	GG	4.040	40	4.039	05/04/2019	0	26
Prasarana Malaysia Berhad	09/29	GG	4.000	15	3.980	05/04/2019	2	22
Danainfra Nasional Berhad	11/29	GG	4.000	25	4.030	28/03/2019	-3	22
Prasarana Malaysia Berhad	12/30	GG	4.033	10	4.270	18/03/2019	-24	25
Perbadanan Tabung Pendidikan Tinggi Nasional	03/32	GG	4.200	45	4.359	22/03/2019	-16	11
Danainfra Nasional Berhad	04/33	GG	4.171	5	4.231	02/04/2019	-6	8
Danainfra Nasional Berhad	11/39	GG	4.469	30	4.854	25/05/2016	-39	18
Danainfra Nasional Berhad	05/41	GG	4.504	20	4.509	05/04/2019	-1	21
Prasarana Malaysia Berhad	09/42	GG	4.549	200	4.579	04/04/2019	-3	26
Prasarana Malaysia Berhad	09/47	GG	4.659	140	5.000	29/01/2019	-34	37
Danainfra Nasional Berhad	02/49	GG	4.710	30	4.705	04/04/2019	0	42
Aman Sukuk Berhad	07/19	AAA	3.655	10	4.110	09/08/2018	-46	31
Cagamas Berhad	08/19	AAA	3.589	40	3.600	04/04/2019	-1	24
Putrajaya Holdings Sdn Berhad	10/19	AAA	3.641	20	3.751	18/03/2019	-11	29
Cagamas Berhad	10/21	AAA	3.796	10	3.829	05/04/2019	-3	40
Putrajaya Holdings Sdn Berhad	10/21	AAA	3.903	30	4.179	11/05/2016	-28	51
Malaysia Airports Capital Berhad	12/22	AAA	4.097	70	4.217	30/01/2019	-12	61
GENM Capital Berhad	07/23	AAA	4.400	1	4.421	08/04/2019	-2	91
Malaysia Airports Capital Berhad	12/24	AAA	4.147	25	4.192	20/03/2019	-4	48
Bakun Hydro Power Generation Sdn Berhad (fka	08/26	AAA	4.210	10	4.237	02/04/2019	-3	51
TNB Western Energy Berhad	07/30	AAA	4.279	10	4.405	28/03/2019	-13	50
YTL Corporation Berhad	06/19	AA1	4.073	15	4.342	11/04/2018	-27	72
Sabah Development Bank Berhad	09/20	AA1	4.817	2	4.213	02/04/2019	60	147
Public Islamic Bank Berhad	06/24	AA1	3.839	10	4.017	27/02/2019	-18	28
YTL Power International Berhad	05/27	AA1	4.552	35	4.586	05/04/2019	-3	81
Sarawak Energy Berhad	07/29	AA1	4.305	20	4.470	13/03/2019	-17	52
Northern Gateway Infrastructure Sdn Berhad	08/32	AA1	4.599	10	4.820	12/02/2019	-22	51
Northern Gateway Infrastructure Sdn Berhad	08/33	AA1	4.719	10	5.101	05/09/2018	-38	63
Sarawak Energy Berhad	04/36	AA1	4.680	20	5.019	28/12/2018	-34	59
Celcom Networks Sdn Berhad	08/19	AA+	3.944	10	3.913	03/04/2019	3	60
Malaysia Airport Holdings Berhad	12/14	AA2	4.652	1	4.661	28/03/2019	-1	36
Bandar Serai Development Sdn Berhad	11/19	AA3	4.044	10	4.245	21/12/2018	-20	69
AmBank Islamic Berhad	12/25	AA3	4.363	20	4.527	27/11/2018	-16	66
Mumtaz Rakyat Sukuk Berhad	06/26	AA3	4.433	40	4.430	04/04/2019	0	73
CIMB Thai Bank Public Company Limited	07/26	AA3	4.882	3	4.610	19/03/2019	27	118
Edra Energy Sdn Berhad	01/29	AA3	5.640	1	5.729	26/03/2019	-9	186
Tanjung Bin Energy Issuer Berhad	03/30	AA3	4.509	20	4.539	05/04/2019	-3	73
Edra Energy Sdn Berhad	07/30	AA3	5.700	10	5.759	28/03/2019	-6	192
Tanjung Bin Energy Issuer Berhad	03/31	AA3	4.543	10	4.715	25/02/2019	-17	76
Tanjung Bin Energy Issuer Berhad	09/31	AA3	4.559	10	4.759	17/01/2019	-20	78
Edra Energy Sdn Berhad	07/37	AA3	6.129	10	6.189	28/03/2019	-6	184
Edra Energy Sdn Berhad	01/38	AA3	6.169	10	6.298	21/03/2019	-13	188
CIMB Group Holdings Berhad	05/16	A1	4.683	1	4.586	08/04/2019	10	39
CIMB Group Holdings Berhad	05/16	A1	4.806	1	4.827	02/04/2019	-2	51
CIMB Group Holdings Berhad	05/16	A1	4.786	1	4.542	05/04/2019	24	49
Affin Islamic Bank Berhad	10/17	A3	4.828	10	4.837	04/04/2019	-1	54
Eco World Capital Assets Bhd	12/22	-	6.103	9	6.078	01/04/2019	2	261
Mah Sing Perpetual	-	-	6.100	1	6.101	03/04/2019	0	-
DRB-Hicom Berhad	12/14	A-	7.287	1	7.578	16/11/2018	-29	299
UEM Edgenta Berhad	04/22	AA-	4.367	6	4.569	29/11/2018	-20	97
MMC Corporation Berhad	11/27	AA-	5.404	20	5.499	21/02/2019	-9	164
				1267				

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

## Market/Corporate News: What's Brewing

**Genting Bhd said the construction of Resorts World Last Vegas is progressing well, with the casino and resort on track to open by end 2020.** The concrete works up to Level 57 of the West Tower and Level 54 of the East Tower are completed, and the hotel towers are scheduled to reach full height (Level 68) in the third quarter of 2019, said Genting. Genting chairman and chief executive officer Tan Sri Lim Kok Thay said this in the group's just-released 2018 Annual Report. Resorts World Las Vegas LLC is an indirect wholly-owned subsidiary of Genting. Lim said the total development and land costs incurred up to Dec 31, 2018 was about US\$1 billion. He added that the first phase is estimated to cost about US\$4 billion. "The resort property is being built on a premier location on the Las Vegas Strip adjacent to other exciting developments, including the new Las Vegas Convention Centre expansion." "The Resorts World Las Vegas team will

continue to work closely with contractors, engineers, materials suppliers and the local and state authorities to complete the project on schedule and within budget,” he said. Resorts World Las Vegas has become one of Nevada State’s largest construction employers and a key contributor to the economic growth in Las Vegas with the majority of its jobs generated for the local community, Lim added. Moving forward, Genting is “cautiously optimistic” for 2019 due to the uncertainty in the global economies, volatility in currency and commodity prices and the intensifying regional business competition given the challenging operating environment. “Regulatory changes such as the revision of casino duties and casino license fee in Malaysia with effect from 2019 onwards, will adversely impact the financial performance of Genting Malaysia [Bhd],” said Lim, adding that the group is actively monitoring, planning and implementing strategic measures to mitigate any key business risk. Lim said the group will continue to work diligently to ensure its existing businesses remain strong and deliver the best performance possible. “We are a leading multinational corporation committed to enhancing shareholder value and maintaining long-term sustainable growth in our core businesses,” he said. Turning to Genting Singapore Ltd, Lim said the company will continue to refine its marketing strategies to improve customer experience by refreshing the facilities and product offerings of Resorts World Sentosa. “With reference to Japan Integrated Resort opportunity, Genting Singapore is looking forward to the Japanese Government publishing detailed regulations for the establishment of integrated resorts,” said Lim. In the meantime, Genting Singapore is deploying significant resources on the ground, actively developing bid design and concepts and engaging with stakeholders to prepare for the formal bidding process, which is expected to commence in the second half of 2019, he added. (Source: *The EdgeMarkets*)

**The Government holds the view that the Sabah portion of Pan Borneo Highway should be under the purview of the Federal Government, namely the Ministry of Works, said Tun Dr Mahathir Mohamad.** This confirms the article published by The Edge Malaysia Weekly last month which reported that Putrajaya is seeking control of Pan Borneo Highway Sabah. The Cabinet, however, “has not discussed” the way forward for the Sarawak portion of the highway, the Prime Minister told reporters during a press conference outside the Dewan Rakyat today. “This [project] involves a lot of money. We are careful about how money is spent,” said Mahathir. “We thought the Sabah portion should be overseen, not by this agency, but by the Federal JKR (Malaysian Public Works Department). “That is as far as we have got,” said Mahathir, who was responding to a question on whether the Cabinet has come out with a decision on the implementation model of the project. It is likely that the agency mentioned by Dr Mahathir is the project delivery partner (PDP) for the 700km-long Sabah portion, Borneo Highway PDP Sdn Bhd (BHP), which was first appointed to implement Phase I of Pan Borneo Highway Sabah back in April 2016. The Edge Financial Daily on March 21 reported that the Ministry of Works will take over the RM29 billion Pan Borneo Highway project in light of cost overruns under the current implementation structure, quoting sources. According to the report, Putrajaya will replace the project delivery partner (PDP) model in favour of turnkey contractors to complete the remaining construction works for the 2,324km project. Mahathir’s comment hinted at yet another delay with regards to the changes in Pan Borneo Highway’s implementation model from the current PDP model. It was previously reported that the Government would decide on the implementation model by end-March, and later by April 5. Mahathir, however, did not provide a timeline for the decision on the Sarawak portion. As at March 27, the Sarawak portion is currently 38% complete, with original deadline set for June 30, 2021, whereas the Sabah portion is 12% complete to date with deadline set for Dec 31, 2021. (Source: *The EdgeMarkets*)

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Kenanga Investors Berhad (KIB)	Investment manager rating (IMR)	IMR-2	Affirmed
Kenanga Islamic Investors Berhad (KIIB)	Investment manager rating (IMR)	IMR-2	Affirmed
Export-Import Bank of Korea (KEXIM)	Financial Institution (FI) rating	AAA	Affirmed
Northport (Malaysia) Bhd	Islamic Commercial Papers (ICP) Programme Islamic Medium-Term Notes (IMTN) Programme. with combined limit of RM1.5b limit	MARC-1 IS AA-IS	Affirmed

Source: RAM, MARC

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