

Global Markets Research

Fixed Income

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	1.61	2
5-yr UST	1.65	2
10-yr UST	1.83	1
30-yr UST	2.31	0

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.04	1	3.10	0
5-yr	3.20	0	3.25	0
7-yr	3.34	-18	3.39	1
10-yr	3.43	-1	3.46	0
15-yr	3.67	0	3.80	0
20-yr	3.76	-5	3.93	0
30-yr	4.03	2	4.13	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.28	0
3-yr	3.29	0
5-yr	3.32	0
7-yr	3.35	0
10-yr	3.41	0

Source : Bloomberg

Upcoming Government Bond Tender

Nil

Fixed Income Daily Market Snapshot

US Treasuries

US Treasuries ended a tad weaker overall last Friday as the curve flattened on mixed data with higher-than-expected headline on October retail sales coupled with some disappointment in industrial production. Fed Chair Powell's recent testimony to the House Budget Committee revealing his bullish assessment on the US economy is being digested by traders as Fed policymakers are likely done making any changes in present monetary policy. The curve shifted lower as overall benchmark yields ended 0-2bps higher with the UST 2Y at 1.61% whilst the much-watched 10Y edged 1bps higher at 1.83%. Meanwhile both the White House advisor Larry Kudlow's and Commerce Secretary Wilbur Ross's comments that the US and China are done to the last details and headed close to a phase 1 deal in all likelihood is expected to add positive sentiments going forward.

MGS/GII

- Local govovies closed mostly uncanged-to-mixed last Friday mainly in a tepid trading session with minimal market leads with following prior day's new issuance of 3Y GII bonds which notched strong bidding metrics with a BTC ratio of 2.38x; averaging 3.151%. Secondary market volume dipped to below RM2.0b handler i.e. @ RM1.66b with some interest seen mainly in the off-the-run 20's, 23's and 30's. Overall benchmark yields ended mostly between -1 to +1bps save for the 7Y MGS. The benchmark 5Y MGS 6/24 was untraded at 3.20% whilst the 10Y MGS 8/29 edged 1bps lower at 3.43%. GII trades jumped to form ~64% of overall trades. Expect another quiet trading session for today.

Corp Bonds/Sukuk

- Corporate bonds/sukuk space saw improved secondary volume of RM403m last Friday with interest across the GG- AA part of the curve as yields ended mostly mixed again. The Govt-guaranteed DANAINFRA and LPPSA bonds dominated the GG space. Both LPPSA 4/25 and DANA 2/29 closed unchanged at 3.51% and 3.69% respectively whilst the the long-end DANA 10/46 spiked 17bps at 4.27% instead. AAA-rated PUTRAJAYA 25's too closed unchanged at 3.64% levels on RM100m in nominal trades. AA-rated IJM 6/23 closed 5bps lower at 3.87%. whilst the banking space saw PUBLIC Bank 28NC23 rally 15bps at 3.70%

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	11/19	3.171	65	3.043	14/11/2019	13
MGS	10/20	2.968	174	3.016	14/11/2019	-5
MGS	02/21	3.066	1	3.044	13/11/2019	2
MGS	07/21	3.098	46	3.069	14/11/2019	3
MGS	09/21	3.081	32	3.052	13/11/2019	3
MGS	03/22	3.035	75	3.023	14/11/2019	1
MGS	03/23	3.188	15	3.176	13/11/2019	1
MGS	04/23	3.119	3	3.151	14/11/2019	-3
MGS	08/23	3.166	1	3.172	14/11/2019	-1
MGS	07/24	3.293	5	3.259	14/11/2019	3
MGS	09/24	3.285	8	3.259	14/11/2019	3
MGS	03/25	3.324	3	3.290	13/11/2019	3
MGS	09/25	3.359	4	3.347	14/11/2019	1
MGS	04/26	3.403	2	3.387	12/11/2019	2
MGS	07/26	3.337	2	3.347	14/11/2019	-1
MGS	11/26	3.415	29	3.407	14/11/2019	1
MGS	05/27	3.472	2	3.492	14/11/2019	-2
MGS	11/27	3.425	1	3.438	14/11/2019	-1
MGS	08/29	3.428	106	3.434	14/11/2019	-1
MGS	04/30	3.559	1	3.538	13/11/2019	2
MGS	06/31	3.637	7	3.638	13/11/2019	0
MGS	11/33	3.756	3	3.718	14/11/2019	4
MGS	05/35	3.799	16	3.808	13/11/2019	-1
MGS	06/38	3.755	2	3.807	14/11/2019	-5
MGS	03/46	4.041	3	4.058	13/11/2019	-2
MGS	07/48	4.025	1	4.001	14/11/2019	2
GII	04/20	2.973	98	2.995	14/11/2019	-2
GII	08/21	3.110	2	3.058	13/11/2019	5
GII	03/22	3.101	4	3.101	14/11/2019	0
GII	04/22	3.095	1	3.117	11/11/2019	-2
GII	05/23	3.160	150	3.127	14/11/2019	3
GII	10/23	3.199	125	3.216	14/11/2019	-2
GII	10/24	3.254	40	3.255	14/11/2019	0
GII	03/26	3.391	40	3.382	14/11/2019	1
GII	09/26	3.427	40	3.420	13/11/2019	1
GII	07/27	3.466	21	3.452	14/11/2019	1
GII	10/28	3.453	120	3.454	13/11/2019	0
GII	07/29	3.462	54	3.466	14/11/2019	0
GII	09/30	3.595	210	3.606	14/11/2019	-1
GII	08/33	3.838	100	3.830	07/11/2019	1
GII	08/37	3.937	2	3.938	13/11/2019	0
GII	09/39	3.926	50	3.925	12/11/2019	0
			<u>1663</u>			

Daily Trades : Corp Bonds/ Sukuk

Securities		Rating	Closing	Vol	Previous	Previous	Chg	Spread
			YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)	Against MGS*
Prasarana Malaysia Berhad	12/23	GG	3.419	5	4.170	03/12/2018	-75	26
Lembaga Pembiayaan Perumahan Sektor Awam	04/25	GG	3.506	50	3.510	13/11/2019	0	30
Danainfra Nasional Berhad	02/29	GG	3.688	10	3.690	13/11/2019	0	25
Danainfra Nasional Berhad	04/35	GG	3.959	10	3.969	10/07/2019	-1	28
Lembaga Pembiayaan Perumahan Sektor Awam	09/46	GG	4.260	10	4.131	23/10/2019	13	46
Danainfra Nasional Berhad	10/46	GG	4.269	30	4.099	16/10/2019	17	47
Putrajaya Holdings Sdn Berhad	04/25	AA	3.642	90	3.638	05/11/2019	0	44
Putrajaya Holdings Sdn Berhad	04/25	AAA	3.638	10	3.642	05/11/2019	0	44
Zamarad Assets Berhad	11/26	AAA	4.350	4	-	-	-	98
GENM Capital Berhad	07/28	AAA	4.027	21	4.456	08/11/2019	-43	59
Pengurusan Air SPV Berhad	10/34	AAA	3.999	10	-	-	-	32
Public Bank Berhad	10/28	AA1	3.697	15	3.850	07/08/2019	-15	26
Celcom Networks Sdn Berhad	08/22	AA+	3.563	20	3.562	20/09/2019	0	50
Celcom Networks Sdn Berhad	08/27	AA+	3.817	20	3.819	12/11/2019	0	47
Imtiaz Sukuk II Berhad	11/19	AA2	5.831	5	3.240	04/10/2019	259	283
Premier Auto Assets Berhad	07/22	AA3	5.249	10	5.150	10/10/2019	10	219
IJM Corporation Berhad	06/23	AA3	3.867	70	3.917	02/10/2019	-5	71
AmBank Islamic Berhad	12/25	AA3	3.607	2	3.894	01/08/2019	-29	30
CIMB Group Holdings Berhad	04/60	AA3	3.719	1	5.380	11/11/2019	-166	-8
CIMB Group Holdings Berhad	05/16	A1	4.452	1	4.069	13/11/2019	38	65
Projek Lintasan Sungai Besi-Ulu Klang Sdn Berhad	11/27	A+	5.639	10	6.480	23/11/2018	-84	223
				<u>403</u>				

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

Market/Corporate News: What's Brewing

Dayang Enterprise Holdings Bhd (DEHB) has completed its issuance of RM682.5 million in nominal value of Sukuk Murabahah in two tranches. “Tranche 1 Sukuk Murabahah of RM455.0 million is secured by a list of specified securities while Tranche 2 Sukuk Murabahah of RM227.5 million is unsecured but is guaranteed by Danajamin Nasional Bhd,” it said in a filing with Bursa Malaysia today. DEHB said the proceeds shall be utilised to part finance the settlement sum, including the principal and profit/interest amounts due for certain specified financing facilities of DEHB and its group of companies. Maybank Investment Bank Bhd and United Overseas Bank (M) Bhd are the joint principal advisers, joint lead arrangers and joint lead managers for the Sukuk Murabahah Programme.. (Source: *The EdgeMarkets*)

The Sarawak government is expected to fund three new airport projects costing more than RM780mil to provide and enhance air accessibility in the rural areas. These are the new Lawas airport in northern Sarawak, for which RM480mil has been approved, and two short take-off and landing airports (STOLports). The proposed STOLports are Bebuling in Spaoh in the Betong Division (RM108.3mil) and Bukit Mabong, Tunoh in the Kapit Division (RM193.1mil), according to Sarawak Deputy Chief Minister and Infrastructure and Port Development Minister Tan Sri James Masing. He said the STOLports are currently being designed, with tenders expected to be called in first-quarter 2020. The two STOLports, which will both have a runway length of 780m, will cater to Twin Otter/Cessna 208 aircraft. Masing said the proposed Bukit Mabong STOLport is a new rural air service route approved by the Malaysian Aviation Commission for passengers. When operational, the two STOLports would help to facilitate cargo transportation too and boost tourism activities besides air travel. When ready, the new Lawas airport with a 1.5-km runway will serve the ART72 aircraft. Lawas currently has a STOLport. The development of the new airports is the focus of the Sarawak government, which has approved billions of ringgit for the upgrading of existing roads and the construction of new roads and bridges under the Sarawak Coastal Road and Sarawak Second Trunk Road projects to enhance land accessibility, and the Sarawak Water Supply Grid Programme and electricity extension projects. On the latest progress of the RM495.3mil new Mukah airport project funded by the federal government, Masing said the project was now about 60% completed. Ibraco Construction Sdn Bhd, a wholly owned subsidiary of property developer Ibraco Bhd, was awarded the project for RM302.63mil in July 2017. The contract period is for 36 months. Mukah, the heartland of the Melanau, is one of the growth nodes of the Sarawak Corridor of Renewable Energy. It is being developed as a Smart City, the digital centre and service hub of the fast-developing region in central Sarawak. On the development of the state ports, Masing told the state assembly last week that the Sarawak government had approved RM30.5mil to install a vessel traffic management system (VTMS) at the Kuching Port next year. The new system will enable the premier state port to manage the vessel traffic along the Sarawak River. “The VTMS is necessary in ensuring the safety and efficiency of our maritime navigation, which is crucial for the ports’ competitiveness and sustainability. “For the other Sarawak ports, this VTMS will be installed in phases under the 12th Malaysia Plan, ” he added. Masing said it was vital for the state government to strategise the development of ports in Sarawak. There are five state ports - Kuching, Rejang, Miri, Tanjung Manis and Samalaju - which have a combined designed cargo throughput of 36.6 million tonnes per annum. Last year, these state ports handled a total of 22.8 million tonnes of cargo or 62% of their designed capacity. The Samalaju Port was recently built to cater mainly for energy-intensive industries in the Samalaju Industrial Park in Bintulu. The biggest port in Sarawak is Bintulu Port, a federal port. Masing said with the exception of the Samalaju Port, the growth potential of the state ports is constrained by the shallow access channels, as they are riverine ports. (Source: *The Star*)

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
MBSB Bank Berhad	Proposed RM10.0 bil Wakalah Bi Al-Istithmar		
	Sukuk Programme		
	Senior Sukuk Wakalah	A2/Stable	Assigned
	Tier-2 Sukuk Wakalah	A3/Stable	Assigned
	Additional Tier-1 (AT-1) Capital Sukuk Wakalah	BBB2/Stable	Assigned
Manulife Holdings Berhad	Corporate Credit Rating	AA3/Stable/P1	Reaffirmed

Source: RAM, MARC

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