

## Global Markets Research

### Fixed Income

#### Fixed Income Daily Market Snapshot

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	1.82	-1
5-yr UST	1.81	-2
10-yr UST	2.04	-4
30-yr UST	2.57	-4

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.27	0	3.32	0
5-yr	3.40	-2	3.45	1
7-yr	3.55	1	3.57	0
10-yr	3.59	-2	3.63	1
15-yr	3.80	0	3.83	0
20-yr	3.99	0	4.01	0
30-yr	4.25	1	4.24	0

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.36	-1
3-yr	3.37	0
5-yr	3.42	-1
7-yr	3.49	-1
10-yr	3.59	-2

Source : Bloomberg

#### Upcoming Government Bond Tender

Reopening of RM2.0b of 30Y MGS 7/48 on Friday, 26<sup>th</sup> July

#### US Treasuries

- US Treasuries ended stronger on Wednesday despite lower volume; largely led by the long-ends. This was following weak Markit manufacturing PMI data along with the soft 5Y auction that drew a yield of 1.824% on below average BTC ratio of 2.26x (previous 10 auctions: 2.36x). The curve bull-flattened and shifted lower as overall benchmark yields closed 1-4bps lower with both the UST 2Y at 1.82% whilst the much-watched 10Y closed 4bps lower 2.04%. The rebound in UST's came as traders looked ahead to the ECB's monetary policy decision on Thursday as well as next week's FOMC meeting. The ECB is expected to signal a dovish tilt while the Fed are expected to lower interest rates amid concerns about the impact of the US-China trade war on the global economy.

#### MGS/GII

- Local govies saw momentum ease slightly on lower secondary market volume of RM2.40b with interest seen mainly in the shorter-end i.e. off-the-run 19-21's and 30Y bonds ahead of tomorrow's 30Y auction. Overall benchmark yields ended mixed between -2 to +1bps from prior day's levels save for the odd-lot trade on the 3Y MGS. Both the benchmark 5Y MGS 6/24 and 10Y MGS 8/29 ended 2bps lower at 3.40% and 3.59% each on odd-lot trades. GII trades dropped to form 28% of overall trades. Meanwhile a senior BNM official said that while escalating trade tensions between the US and China will moderate the nation's economic growth, the global recession fear is overplayed for now.

#### Corp Bonds/Sukuk

- Corporate Bonds/Sukuk saw a surge in secondary market trades as volume notched RM1.02b with trades across the yield curve as prices continued its march upwards. Both gov-guaranteed DANA 5/23 and PRASA 3/28 closed 3bps lower compared to previous-done levels at 3.48% and 3.72% respectively. AAA-rated PUTRAJAYA 12/21 and 2025 tranches closed sharply lower on yields at 3.49% and 3.77% levels whilst TELEKOM 10/28 moved 4bps lower at 3.85%. AA-rated energy bonds i.e. SEB 24-35's and EDRA 36-38's saw decent investor interest closing mixed on yields whilst BENIH Restu 6/25 closed 7bps lower at 3.99%. The banking space saw both Krung Thai 25NC20 and CIMB 26NC21 close 2-3bps lower at 4.10% and 3.99% each.

## Daily Trades : Government Bond

Securities		Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bp)
MGS	10/19	3.054	86	3.041	23/07/2019	1
MGS	11/19	3.061	50	3.051	23/07/2019	1
MGS	03/20	3.137	416	3.137	23/07/2019	0
MGS	07/20	3.121	2	3.163	23/07/2019	-4
MGS	10/20	3.189	200	3.177	23/07/2019	1
MGS	07/21	3.230	284	3.252	23/07/2019	-2
MGS	09/21	3.257	111	3.267	22/07/2019	-1
MGS	11/21	3.260	2	3.243	23/07/2019	2
MGS	03/22	3.272	51	3.272	23/07/2019	0
MGS	08/22	3.345	1	3.345	22/07/2019	0
MGS	08/23	3.435	3	3.428	19/07/2019	1
MGS	03/25	3.530	116	3.521	23/07/2019	1
MGS	09/25	3.543	9	3.544	23/07/2019	0
MGS	07/26	3.552	49	3.542	23/07/2019	1
MGS	11/26	3.580	20	3.611	23/07/2019	-3
MGS	11/27	3.645	11	3.637	23/07/2019	1
MGS	06/28	3.646	77	2.254	23/07/2019	139
MGS	08/29	3.587	15	3.608	23/07/2019	-2
MGS	04/30	3.739	2	3.742	23/07/2019	0
MGS	06/31	3.803	36	3.811	23/07/2019	-1
MGS	04/33	3.841	1	3.839	23/07/2019	0
MGS	11/33	3.849	13	3.842	23/07/2019	1
MGS	06/38	3.993	7	3.996	23/07/2019	0
MGS	07/48	4.251	163	4.245	23/07/2019	1
GII	05/20	3.159	250	3.155	23/07/2019	0
GII	06/20	3.164	20	3.168	23/07/2019	0
GII	08/20	3.175	90	3.177	23/07/2019	0
GII	08/21	3.287	1	3.293	22/07/2019	-1
GII	03/22	3.315	70	3.320	23/07/2019	0
GII	10/24	3.450	30	3.443	23/07/2019	1
GII	08/25	3.554	2	3.540	23/07/2019	1
GII	10/28	3.670	1	3.676	23/07/2019	-1
GII	12/28	3.668	80	3.694	01/07/2019	-3
GII	07/29	3.632	65	3.626	19/07/2019	1
GII	06/33	3.862	20	3.860	23/07/2019	0
GII	08/33	3.868	20	3.865	23/07/2019	0
GII	08/37	4.017	20	4.020	23/07/2019	0
GII	09/39	4.010	10	4.011	22/07/2019	0
			<u>2402</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*
DanaInfra Nasional Berhad	05/23	GG	3.480	200	3.508	27/06/19	-3	9
Prasarana Malaysia Berhad	03/28	GG	3.723	20	3.750	03/07/19	-3	11
DanaInfra Nasional Berhad	05/28	GG	3.668	30	3.870	14/06/19	-20	5
Prasarana Malaysia Berhad	03/31	GG	3.803	20	3.980	13/06/19	-18	19
Lembaga Pembiayaan Perumahan Sektor Awam	04/33	GG	3.909	90	3.909	16/07/19	0	10
Prasarana Malaysia Berhad	03/34	GG	3.920	5	3.941	19/07/19	-2	11
Perbadanan Tabung Pendidikan Tinggi Nasional	07/41	GG	4.144	70	4.245	27/06/19	-10	14
Putrajaya Holdings Sdn Berhad	12/21	AAA	3.493	10	4.050	13/03/19	-56	24
Putrajaya Holdings Sdn Berhad	04/25	AAA	3.769	10	3.785	11/07/19	-2	26
Putrajaya Holdings Sdn Berhad	04/25	AAA	3.769	10	4.368	10/01/19	-60	26
Telekom Malaysia Berhad	10/28	AAA	3.846	40	3.887	05/07/19	-4	23
Projek Lebuhraya Usahasama Berhad	01/29	AAA	3.874	20	4.089	24/06/19	-22	26
Pengurusan Air SPV Berhad	06/29	AAA	3.830	10	-	-	-	22
Bakun Hydro Power Generation Sdn Berhad (fka Sarawak Hidro Sdn Berhad)	08/29	AAA	3.919	20	3.997	28/06/19	-8	31
Bakun Hydro Power Generation Sdn Berhad (fka Sarawak Hidro Sdn Berhad)	08/30	AAA	3.979	30	4.009	09/07/19	-3	37
Bakun Hydro Power Generation Sdn Berhad (fka Sarawak Hidro Sdn Berhad)	08/31	AAA	4.039	10	4.158	28/06/19	-12	43
Danga Capital Berhad	09/33	AAA	3.979	10	4.090	11/07/19	-11	17
Sarawak Energy Berhad	07/24	AA1	3.858	20	4.118	15/05/19	-26	43
Sarawak Energy Berhad	12/32	AA1	4.149	20	4.149	04/07/19	0	34
Sarawak Energy Berhad	08/35	AA1	4.399	20	4.399	16/07/19	0	59
Anih Berhad	11/26	AA	4.138	10	4.421	03/05/19	-28	59
Imtiaz Sukuk II Berhad	11/19	AA2	3.396	3	3.414	23/07/19	-2	24
Konsortium ProHAWK Sdn Berhad	06/24	AA2	4.008	20	4.677	20/12/17	-67	58
Benih Restu Berhad	06/25	AA2	3.990	70	4.058	02/07/19	-7	48
Konsortium ProHAWK Sdn Berhad	06/25	AA2	4.038	20	4.806	07/05/18	-77	53
Krung Thai Bank Public Company Limited	07/25	AA2	4.095	20	4.115	17/07/19	-2	59
CIMB Bank Berhad	08/26	AA2	3.992	10	4.021	10/07/19	-3	45
Bandar Serai Development Sdn Berhad	11/19	AA3	3.630	10	3.799	20/06/19	-17	47
Gamuda Berhad	11/22	AA3	3.987	10	4.010	18/07/19	-2	70
Bumitama Agri Ltd	07/24	AA3	4.053	10	-	-	-	63
Bumitama Agri Ltd	07/26	AA3	4.148	10	-	-	-	60
AmBank (M) Berhad	03/27	AA3	4.035	20	4.299	19/03/19	-26	44
Edra Energy Sdn Berhad	01/36	AA3	5.039	10	5.228	12/06/19	-19	123
Edra Energy Sdn Berhad	07/37	AA3	5.130	10	5.341	12/06/19	-21	113
Edra Energy Sdn Berhad	01/38	AA3	5.159	20	5.059	19/07/19	10	116
Quantum Solar Park (Semenanjung) Sdn Berhad	10/28	A+	5.509	10	5.597	23/07/19	-9	189
Quantum Solar Park (Semenanjung) Sdn Berhad	04/29	A+	5.579	10	5.612	17/05/18	-3	197
Quantum Solar Park (Semenanjung) Sdn Berhad	10/29	A+	5.648	10	5.737	23/07/19	-9	204
Lafarge Cement Sdn Berhad	12/20	A1	4.106	2	4.148	17/07/19	-4	95
MNRB Holdings Berhad	03/29	A1	4.698	20	4.954	20/06/19	-26	109
RHB Bank Berhad	12/39	A1	4.001	20	4.330	15/04/19	-33	0
Quantum Solar Park (Semenanjung) Sdn Berhad	10/24	A+	4.998	30	5.088	23/07/19	-9	157
				<u>1020</u>				

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

## Market/Corporate News: What's Brewing

**Tycoon Tan Sri Syed Mokhtar Albukhary may have already owned a 19.72% stake in Malaysia's oldest Malay daily Utusan Melayu (M) Bhd before the acquisition earlier this week by Nilam Setar Sdn Bhd that's linked to him.** In a filing with Bursa Malaysia on Monday, Utusan disclosed that Nilam Setar bought 5.5 million shares, or a 4.97% stake, on July 19 this year, raising its shareholding in the media group to 19.72% or 21.84 million shares. It is said that Nilam Setar is almost wholly-owned by Datuk Seri Ismail Yusof, a member of the board of trustees and the executive vice-chairman of Syed Mokhtar's Albukhary Foundation. Interestingly, the 5.5 million shares acquired by Nilam Setar tallied with the total amount of shares held by Aspirasi Sigma Sdn Bhd and Fasa Mahsuri Sdn Bhd. The shareholders of both companies appeared to be linked to Syed Mokhtar. According to Utusan's 2018 annual report, as at April 2 this year, Aspirasi Sigma had 3.5 million shares or a 3.16% stake in Utusan, while Fasa Mahsuri's shareholding stood at two million shares or 1.81%. The Companies Commission of Malaysia's (SSM) records showed Aspirasi Sigma is equally owned by Zuraini Jamallul Azi and Arsad Mat Jali, while Fasa

Mahsuri is equally owned by Mohd Fauzi Talib and Arsad Mat Jali. Both companies shared the same address. The two companies' common shareholder, Arsad, appeared in a news report in 2015 when Syed Mokhtar's DRB-Hicom Bhd had plans to acquire a 51% stake in Media City Ventures Sdn Bhd from Arsad's 50%-owned Enigma Permata Sdn Bhd. Zuraini, via Aspirasi Sigma, was once a substantial shareholder of Johor-based water treatment company Aliran Ihsan Resources Bhd. Currently, MMC Corp Bhd, majority owned by Syed Mokhtar, wholly owns Aliran Ihsan. Notably, the SSM records also showed Aspirasi Sigma only held a 0.32% stake in Utusan as at April 22 this year, meaning the company had divested some 2.84% stake in Utusan in 20 days. Syed Mokhtar has been in the spotlight since earlier this month after continuously increasing his shareholding in Media Prima Bhd. On July 11, it was announced that he emerged as Media Prima's largest shareholder with a 19.5% stake. Syed Mokhtar is also believed to wholly own TMR Media Sdn Bhd, the publisher of The Malaysian Reserve, according to The Edge Malaysia weekly. His other media assets include the concession for digital television transmission (MYTV Broadcasting Sdn Bhd), MPH Bookstores and Percetakan Nasional Malaysia Bhd. (Source: The Edge)

**Hibiscus Petroleum Bhd said it has struck first oil in North Sabah. The company, in a filing with Bursa Malaysia today, said wholly owned SEA Hibiscus Sdn Bhd on July 16 had safely and successfully drilled and completed the SJ105A well at the St Joseph oilfield.** This is the first of three infill wells being drilled at the St Joseph oilfield, which part of the 2011 North Sabah enhanced oil recovery production sharing contract (PSC). The SJ105A wellbore, Hibiscus said, was drilled as a horizontal well and encountered approximately 1,000 feet of oil in the targeted reservoir. The St Joseph infill drilling project, together the South Furious 30 (SF30) infill drilling project and SF30 early water injection project, is part of a seven well campaign being executed under the North Sabah PSC in 2019. Two more oil production wells are currently being drilled at St Joseph oilfield, which will be followed by three new oil production wells and one water injection well in the SF30 oil field. SEA Hibiscus assumed operatorship of the North Sabah PSC on March 31, 2018, as a 50% joint venture working interest partner with Petronas Carigali Sdn Bhd. (Source: The Star)

Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Quantum Solar Park (Semenanjung) Sdn Bhd	RM1.0 billion Green SRI Sukuk	A+IS/Stable	Maintained

Source: RAM, MARC

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