

**Global Markets Research**

**Fixed Income**

**Fixed Income Daily Market Snapshot**

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	2.34	1
5-yr UST	2.33	2
10-yr UST	2.53	1
30-yr UST	2.94	1

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.42	-2	3.47	-5
5-yr	3.62	-1	3.65	-3
7-yr	3.71	-4	3.73	-8
10-yr	3.78	-5	3.85	-5
15-yr	4.12	-4	4.15	-4
20-yr	4.35	-4	4.39	-3
30-yr	4.64	-4	4.67	0

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.54	0
3-yr	3.54	0
5-yr	3.59	-3
7-yr	3.68	-4
10-yr	3.90	-3

Source : Bloomberg

**Upcoming Government Bond Tender**

Re-opening of 7Y MGS 7/26 consisting of RM3.0b + RM0.5b Private Placement on Monday, 29<sup>th</sup> April

**US Treasuries**

- US Treasuries retreated yesterday, following weaker than-expected 7Y auction and strong durable goods orders in March. The belly underperformed the most. Overall benchmark yields edged 1-2bps higher with both the 2Y and 10Y closing higher by a mere 1bps at 2.34% and 2.53% respectively. The inverted yield curve which has been a reliable predictor of recession is largely being ignored for now. The auction of \$32b of 7Y saw an average yield of 2.426% on a weaker BTC ratio of 2.49x compared with 2.51x average for the past six (6) auctions. Meanwhile the futures market is currently pricing a potential 25bps rate cut despite decent US and Chinese economic data whilst money markets too may see lower rates in the year ahead. On the data front we have the US 1Q2019 GDP numbers expected out tonight.

**MGS/GII**

- Local govvnies saw follow-through demand for the 4th trading session on interest-rate cut speculation and safe-haven bids arising mainly from large institutional investors. Secondary volumes rose further to RM5.70b with interest seen in the belly and also in the off-the-run 10Y and 20Y bonds. Overall benchmark yields ended sharply lower between 1-8bps. The benchmark 5Y MGS 4/23 edged 1bps lower at 3.62% whilst the 10Y MGS 8/29 rallied another 5bps at 3.78%. GII bond trades rose to form 54% of overall trades. The prospects of a rate cut and abundant domestic liquidity is expected to provide support. Meanwhile investors are looking forward to the upcoming 7Y auction involving the reopening of MGS 7/26 on Monday.

**Corp Bonds/Sukuk**

- Corporate Bonds/Sukuk space saw steady secondary volume of RM613m with interest across the AA part of the curve followed by the GG-segment. Govt-guaranteed LPPSA 26-28's rose 2-4bps between 3.95-4.08% levels compared to previous-done levels whereas most other similar papers rallied instead. AAA-rated AMAN, PUTRAJAYA and MANJUNG 2025 tranches closed sharply lower on yields at around 4.05-06% whilst TELEKOM 10/28 edged 1bps lower at 4.32%. AA-rated space saw many various bonds traded with TBEI 29-31's closing 4-39bps llower between 4.45-52% area whilst both EDRA Energy 7/25 and JEP 12/29 closed 4bps lower at 5.24% and 4.49% respectively. Toll-concensionare bonds were also active with MEX and KESURI names notching RM70m in nominal amounts.

## Daily Trades : Government Bonds

Securities		Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bp)
MGS	07/19	3.318	60	3.336	24/04/2019	-2
MGS	10/19	3.320	110	3.329	24/04/2019	-1
MGS	03/20	3.389	68	3.380	24/04/2019	1
MGS	10/20	3.418	80	3.440	24/04/2019	-2
MGS	07/21	3.378	1	3.416	24/04/2019	-4
MGS	11/21	3.456	26	3.484	24/04/2019	-3
MGS	03/22	3.422	237	3.439	24/04/2019	-2
MGS	08/22	3.546	24	3.551	24/04/2019	-1
MGS	09/22	3.532	94	3.554	23/04/2019	-2
MGS	03/23	3.646	1	3.635	24/04/2019	1
MGS	04/23	3.617	10	3.640	24/04/2019	-2
MGS	08/23	3.647	82	3.698	24/04/2019	-5
MGS	07/24	3.685	71	3.755	24/04/2019	-7
MGS	09/24	3.693	113	3.730	24/04/2019	-4
MGS	03/25	3.757	108	3.795	24/04/2019	-4
MGS	09/25	3.782	174	3.803	24/04/2019	-2
MGS	04/26	3.831	112	3.848	24/04/2019	-2
MGS	07/26	3.714	45	3.762	24/04/2019	-5
MGS	11/26	3.823	127	3.892	24/04/2019	-7
MGS	03/27	3.906	63	3.956	24/04/2019	-5
MGS	05/27	3.909	10	3.954	24/04/2019	-5
MGS	11/27	3.843	94	3.935	24/04/2019	-9
MGS	06/28	3.901	210	3.949	24/04/2019	-5
MGS	08/29	3.784	198	3.843	24/04/2019	-6
MGS	04/30	3.999	80	4.065	24/04/2019	-7
MGS	06/31	4.087	40	4.095	24/04/2019	-1
MGS	04/32	4.127	10	4.208	23/04/2019	-8
MGS	11/33	4.117	210	4.161	24/04/2019	-4
MGS	05/35	4.280	50	4.306	24/04/2019	-3
MGS	04/37	4.355	2	4.304	24/04/2019	5
MGS	06/38	4.353	96	4.383	24/04/2019	-3
MGS	09/43	4.578	4	4.629	23/04/2019	-5
MGS	07/48	4.644	14	4.681	23/04/2019	-4
GII	04/20	3.468	4	3.423	17/04/2019	4
GII	05/20	3.418	100	3.400	23/04/2019	2
GII	03/22	3.470	120	3.518	24/04/2019	-5
GII	11/23	3.677	84	3.695	24/04/2019	-2
GII	08/24	3.688	240	3.726	24/04/2019	-4
GII	10/24	3.645	350	3.675	24/04/2019	-3
GII	08/25	3.776	225	3.837	24/04/2019	-6
GII	10/25	3.796	110	3.902	23/04/2019	-11
GII	03/26	3.726	230	3.808	24/04/2019	-8
GII	09/26	3.823	180	3.898	24/04/2019	-8
GII	07/27	3.837	150	3.911	24/04/2019	-7
GII	10/28	3.875	297	3.921	24/04/2019	-5
GII	12/28	3.898	70	3.977	23/04/2019	-8
GII	07/29	3.845	350	3.896	24/04/2019	-5
GII	06/33	4.149	140	4.185	24/04/2019	-4
GII	08/33	4.230	11	4.218	17/04/2019	1
GII	08/37	4.355	412	4.402	19/04/2019	-5
GII	09/39	4.388	7	4.414	18/04/2019	-3
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## 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*
PR1MA Corporation Malaysia	10/24	GG	3.839	5	3.910	04/04/2019	-7	22
Lembaga Pembiayaan Perumahan Sektor Awam	09/26	GG	3.952	5	3.931	19/04/2019	2	23
Lembaga Pembiayaan Perumahan Sektor Awam	10/28	GG	4.080	60	4.040	09/04/2019	4	26
Pengurusan Air SPV Berhad	02/29	GG	4.035	30	3.978	15/04/2019	6	21
Danalinfra Nasional Berhad	11/29	GG	4.061	10	4.103	24/04/2019	-4	24
Turus Pesawat Sdn Berhad	11/32	GG	4.294	30	4.449	08/03/2019	-16	15
Danalinfra Nasional Berhad	05/36	GG	4.439	20	5.071	28/05/2018	-63	30
Perbadanan Tabung Pendidikan Tinggi Nasional	03/37	GG	4.529	20	4.570	25/03/2019	-4	17
GB Services Berhad	11/19	AAA	3.947	10	3.950	15/04/2019	0	57
Genting Capital Berhad	06/22	AAA	4.297	10	4.658	20/03/2019	-36	86
Putrajaya Holdings Sdn Berhad	09/23	AAA	4.050	5	4.067	10/04/2019	-2	50
TNB Northern Energy Berhad	11/23	AAA	4.042	10	4.037	24/04/2019	0	43
Aman Sukuk Berhad	03/25	AAA	4.055	5	4.227	20/03/2019	-17	36
Putrajaya Bina Sdn Berhad	03/25	AAA	4.054	15	4.236	13/03/2019	-18	36
Manjung Island Energy Berhad	11/25	AAA	4.056	10	4.371	17/01/2019	-32	33
Bakun Hydro Power Generation Sdn Berhad (fka	08/27	AAA	4.218	10	4.499	14/11/2018	-28	43
Telekom Malaysia Berhad	10/28	AAA	4.319	30	4.329	04/04/2019	-1	50
Danum Capital Berhad	02/34	AAA	4.369	10	4.371	18/04/2019	0	23
Sabah Development Bank Berhad	04/24	AA1	4.907	37	5.050	24/04/2019	-14	129
AI Dzahab Assets Berhad	09/26	AA1	4.775	4	4.948	09/01/2019	-17	105
YTL Power International Berhad	08/28	AA1	4.611	5	4.632	17/04/2019	-2	80
TRIplic Medical Sdn Berhad	10/30	AA1	4.488	15	4.714	11/02/2019	-23	67
TRIplic Medical Sdn Berhad	10/31	AA1	4.531	15	4.499	12/04/2019	3	39
Sarawak Energy Berhad	11/33	AA1	4.499	20	4.659	27/03/2019	-16	36
Anih Berhad	11/24	AA	4.379	4	4.397	29/03/2019	-2	69
Anih Berhad	11/26	AA	4.460	2	4.439	11/04/2019	2	67
Jimah Energy Ventures Sdn Berhad	11/21	AA3	4.178	4	4.429	19/10/2018	-25	74
Gamuda Berhad	11/22	AA3	4.434	10	4.433	24/04/2019	0	89
Edra Energy Sdn Berhad	07/25	AA3	5.240	6	5.279	11/04/2019	-4	155
Tanjung Bin Energy Issuer Berhad	09/27	AA3	4.439	2	4.767	23/10/2018	-33	65
IJM Corporation Berhad	08/28	AA3	4.631	10	4.634	04/04/2019	0	82
Tanjung Bin Energy Issuer Berhad	03/29	AA3	4.449	10	4.838	10/10/2018	-39	63
Tanjung Bin Energy Issuer Berhad	09/29	AA3	4.459	10	4.633	05/03/2019	-17	64
Tanjung Bin Energy Issuer Berhad	09/31	AA3	4.524	20	4.559	09/04/2019	-4	70
WCT Holdings Berhad	10/22	AA-	5.088	10	4.948	25/02/2019	14	165
MMC Corporation Berhad	04/23	AA-	5.125	10	5.132	03/04/2019	-1	158
MMC Corporation Berhad	11/27	AA-	5.387	28	5.365	23/04/2019	2	157
Jimah East Power Sdn Berhad	12/27	AA-	4.440	10	4.439	11/04/2019	0	62
Konsortium Lebuhraya Utara-Timur (KL) Sdn Berh	12/28	AA-	4.577	20	4.588	23/04/2019	-1	76
Jimah East Power Sdn Berhad	12/29	AA-	4.489	10	4.528	01/04/2019	-4	67
MEX II Sdn Berhad	04/30	AA-	4.749	10	5.318	18/07/2018	-57	93
Konsortium Lebuhraya Utara-Timur (KL) Sdn Berh	12/30	AA-	4.629	10	4.649	26/03/2019	-2	81
MEX II Sdn Berhad	04/32	AA-	4.909	20	5.274	09/11/2018	-37	77
MEX II Sdn Berhad	04/33	AA-	4.989	10	5.461	09/08/2018	-47	85
Affin Bank Berhad	09/27	A1	4.739	2	4.466	05/04/2019	27	95
CIMB Group Holdings Berhad	05/16	A1	4.972	5	4.803	24/04/2019	17	61
				613				

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

## Market/Corporate News: What's Brewing

**Westports Holdings Bhd is poised to be one of the beneficiaries of the East Coast Rail Link (ECRL) once it is built and ready.** Westports group managing director Datuk Ruben Emir Gnanalingam said that the increased connectivity would help support demand for cargo at its port. "The added rail connectivity would see more industries being set up along the route, especially along the key stations or stops on the route," Ruben told StarBiz, we will benefit from the flourishing of industries and factories along the rail route that will help add to port cargo,". The revised alignment will cover Kota Baru-Mentakab-Jelebu-Kuala Kelawang-Bangi/Putrajaya-Port Klang. Meanwhile, commenting on its capacity, Ruben said that it is expecting capacity to grow by about 3%-8% this year from 9.5 million twenty-foot equivalent units (TEUs) last year. "We have the capacity for up to 14 million TEUs in the port. We are anticipating that cargo traffic would continue to be driven by transshipment demand in the South-East Asian region," he said. Commenting on its capital expenditure (capex), Ruben said that capex requirements this year were quite small and the company had more than enough container capacity at the moment. "Usually, we would spend about RM50mil-RM100mil on maintenance capex,"

he said. The company in a statement yesterday said its total container throughput improved to 9.5 million TEUs in financial year 2018 ended Dec 31 (FY18). “Gateway containers increased by 18% to 3.3 million TEUs, as our container terminal supported and reflected favourable domestic economic activities, while transshipment volume registered a slight increase to 6.2 million TEUs,” it said. Westports also said that it had invested RM2.5bil in recent years to purchase state-of-the-art terminal operating equipment. It had also invested to construct a contiguous linear berth with a deep draft that would enable its terminal to support clients’ plans of deploying even larger vessels. “In FY18, Westports accommodated 6,966 container vessels, and the company is berthing more and new ultra-large container vessels. The OOCL United Kingdom, which is the world’s largest container vessel, made its maiden call at Westports in FY18,” it said. Westports said its intra-Asia container volume grew by 14% to 5.9 million TEUs and this underpinned Westports’ overall throughput growth for FY18. Moving forward, Ruben said in the statement that the company last year saw favourable volume recovery after having transitioned successfully towards servicing container liners under their current global alliances. He said that the company would achieve higher overall container throughput in 2019, with growth coming from both gateway and transshipment containers. “Westports is also finalising the planning details for the multi-billion proposed container terminal expansion, which would strengthen the company and Port Klang’s role as the pre-eminent port for the nation’s gateway trade,” Ruben said. “The expansion would also reinforce the terminal as one of the key transshipment hubs in the South-East Asian region for international container shipping alliances,” he added. In FY18, Westports recorded a total revenue of RM1.61bil compared to RM2.09bil in FY17. Container operations remained the main revenue contributor, as it attained a turnover of RM1.3bil, the company said. Explaining this drop, Ruben said that there was a change in accounting standards as to how revenue was recognised, which explains the drop in revenue from FY18 from FY17. Its statement said that despite the higher depreciation charges due to the recently completed container terminal facilities and higher manpower costs for additional staffing requirements, the company attained a record-level pre-tax profit of RM701mil, while it posted a net profit of RM533mil in FY18. “Actually, we did make more money in FY18. There was also a drop in net profit for us last year (from RM651.51mil in FY17) because the effective tax rate in FY17 was lower after an investment tax allowance from the government,” he said. (Source: *The Star/Reuters*)

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

Source: RAM, MARC

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