

## Global Markets Research

### Fixed Income

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.15	-1
5-yr UST	0.39	-2
10-yr UST	0.91	-3
30-yr UST	1.65	-3

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	1.89	-1	1.99	2
5-yr	2.14	0	2.28	-2
7-yr	2.50	-3	2.58	2
10-yr	2.70	-3	2.74	-1
15-yr	3.31	-7	3.39	0
20-yr	3.56	-7	3.76	0
30-yr	4.00	-7	4.07	0

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.93	-1
3-yr	2.07	-2
5-yr	2.26	0
7-yr	2.42	0
10-yr	2.65	0

Source : Bloomberg

### Upcoming Government Bond Tender

Re-opening of RM4.0b 10Y GII 10/30 on Monday,  
7<sup>th</sup> Dec 2020

## Fixed Income Daily Market Snapshot

### US Treasuries

- US Treasuries advanced on Thursday with the longer-ends richer despite the absence of major leads whilst equities continued to soar on Wall Street. The pullback on vaccine roll-out by major pharma Pfizer due to supply-chain issues also lent bonds a bid. The curve was flatter as overall benchmark yields ended between 1-3bps across the curve from prior day's closing. The UST 2Y yield edged 1bps lower at 0.15% whilst the much-watched 10Y declined 3bps at 0.91%. The current lack of clues on policy changes by the Fed from the minutes of its 4<sup>th</sup>-5<sup>th</sup> November FOMC meeting may cause some investors to believe that adjustments to the Fed's bond-buying program will be announced eventually. Expect focus to shift to the US payrolls data for November which is due to be released tonight.

### MGS/GII

- On Thursday, local govies saw the 3rd consecutive day of strength on bargain-hunting activities especially in the mid-longer tenures for MGS despite slightly lower secondary market volume of RM1.97b. Overall benchmark saw yields lower mostly between 0-7bps across the curve save for the 3Y and 7Y GII. The 5Y MGS 9/25 yields closed unchanged at 2.14% whilst the 10Y MGS 4/31 yields declined 3bps at 2.70%. Interest was mainly seen in the off-the-run 21's, 26's and also benchmark 5Y and 15Y MGS. GII bond trades dropped to form a mere 12% of overall trades. Expect range-bound activities with intermittent profit-taking to emerge ahead of the weekend with potential switching between risk-on and off positions due to the fluidity of updates from COVID-19 updates and also NFP data out of US tonight. Meanwhile there is no major economic data for the day.

### Corp Bonds/Sukuk

- The Corporate Bond/Sukuk space did not see a follow-through from prior day's strong move as interest diminished amid a fall in secondary market volume to RM242m. Overall yields however closed mostly mixed-to-lower in trades involving 19 various bonds. The sole govt-guaranteed PRASA 3/34 trade saw yields spike 42bps compared to previous-done levels at 3.66%. AAA-rated TOYOTA 7/25 made its debut trade at its coupon of 3.10% whilst PLUS 37 rose 14bps at 3.92%. AA-rated CYPARK continued to see action with a slew of tranches totaling RM50m exchange hands. The 34-35's along with the 37's and 40's all closed unchanged between 4.37-47%, 4.65% and 4.94% respectively. Meanwhile, the banking space saw RHB 27NC22 close sharply lower on yields at 2.82% whilst BPMB 10/27 moved 3bps lower at 3.05. Elsewhere the national mortgage corporation, CAGAMAS BHD has announced RM2.0b of combined issuances of bonds and Sukuk; bringing the total YTD issuance to RM9.32b.

## Daily Trades : Government Bond

c	Closing	Vol	Previous	Previous	Chg	
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)	
MGS	07/21	1.610	130	1.654	02/12/2020	-4
MGS	09/21	1.552	102	1.671	02/12/2020	-12
MGS	11/21	1.689	9	1.700	02/12/2020	-1
MGS	03/22	1.779	11	1.714	02/12/2020	6
MGS	08/22	1.837	24	1.800	02/12/2020	4
MGS	09/22	1.772	27	1.801	02/12/2020	-3
MGS	03/23	1.888	83	1.901	02/12/2020	-1
MGS	04/23	1.890	22	1.948	02/12/2020	-6
MGS	08/23	1.944	31	1.962	02/12/2020	-2
MGS	06/24	2.052	14	2.060	02/12/2020	-1
MGS	07/24	2.066	37	2.103	02/12/2020	-4
MGS	09/24	2.083	50	2.118	02/12/2020	-3
MGS	07/25	2.175	1	2.169	26/11/2020	1
MGS	09/25	2.141	118	2.142	02/12/2020	0
MGS	04/26	2.305	35	2.380	02/12/2020	-7
MGS	07/26	2.377	42	2.362	02/12/2020	1
MGS	11/26	2.350	124	2.436	02/12/2020	-9
MGS	05/27	2.499	50	2.531	02/12/2020	-3
MGS	11/27	2.540	85	2.573	02/12/2020	-3
MGS	06/28	2.613	17	2.726	02/12/2020	-11
MGS	08/29	2.827	11	2.833	02/12/2020	-1
MGS	04/30	2.844	32	2.839	02/12/2020	0
MGS	04/31	2.699	17	2.727	02/12/2020	-3
MGS	06/31	2.928	3	2.943	02/12/2020	-2
MGS	04/33	3.327	38	3.347	02/12/2020	-2
MGS	11/33	3.391	10	3.421	02/12/2020	-3
MGS	07/34	3.312	455	3.384	02/12/2020	-7
MGS	05/35	3.375	2	3.461	02/12/2020	-9
MGS	04/37	3.450	16	3.561	02/12/2020	-11
MGS	06/38	3.623	11	3.680	01/12/2020	-6
MGS	05/40	3.556	86	3.627	02/12/2020	-7
MGS	03/46	4.037	10	4.037	02/12/2020	0
MGS	06/50	4.004	32	4.071	02/12/2020	-7
GII	03/21	1.760	3	1.701	02/12/2020	6
GII	08/21	1.760	2	1.660	26/11/2020	10
GII	03/22	1.729	6	1.722	01/12/2020	1
GII	04/22	1.750	1	1.720	02/12/2020	3
GII	07/22	1.795	10	1.800	02/12/2020	-1
GII	05/23	1.994	13	1.973	02/12/2020	2
GII	11/23	1.982	15	2.024	02/12/2020	-4
GII	10/24	2.099	1	2.156	01/12/2020	-6
GII	10/25	2.280	6	2.348	02/12/2020	-7
GII	03/26	2.279	71	2.298	02/12/2020	-2
GII	07/27	2.636	1	2.635	02/12/2020	0
GII	09/27	2.577	56	2.554	02/12/2020	2
GII	12/28	2.743	1	2.838	02/12/2020	-10
GII	07/29	2.826	10	2.831	02/12/2020	0
GII	10/35	3.451	40	3.567	01/12/2020	-12
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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*
Prasarana Malaysia Berhad	03/34	GG	3.661	10	3.241	19/11/2020	42	30
CIMB Bank Berhad	05/24	AAA	2.573	70	3.591	21/10/2019	-102	68
Toyota Capital Malaysia Sdn Berhad	07/25	AAA	3.100	10	-	-	-	95
Bank Pembangunan Malaysia Berhad	10/27	AAA	3.049	10	3.078	02/12/2020	-3	52
Projek Lebuhraya Usahasama Berhad	01/37	AAA	3.919	10	3.778	15/05/2020	14	55
BEWG (M) Sdn Berhad	07/24	AA	3.092	10	4.108	15/01/2020	-102	101
Edra Energy Sdn Berhad	07/27	AA3	3.638	10	3.450	22/10/2020	19	111
RHB Bank Berhad	09/27	AA3	2.816	55	3.885	26/03/2020	-107	28
Cypark Ref Sdn Berhad	06/34	AA3	4.371	5	4.372	02/12/2020	0	101
Cypark Ref Sdn Berhad	06/35	AA3	4.468	10	4.469	02/12/2020	0	110
Cypark Ref Sdn Berhad	06/37	AA3	4.647	5	4.648	02/12/2020	0	128
Cypark Ref Sdn Berhad	06/40	AA3	4.943	30	4.943	02/12/2020	0	133
Tan Chong Motor Holdings Berhad	11/21	A1	3.824	1	3.821	24/11/2020	0	215
UMW Holdings Berhad	04/18	A1	4.301	1	4.681	05/11/2020	-38	69
Dialog Group Berhad	11/20	A1	4.000	4	3.950	25/11/2020	5	39
Alliance Bank Malaysia Berhad	10/35	A2	3.777	1	3.650	25/11/2020	13	41
Tropicana Corporation Berhad	06/23	A+	5.049	1	4.950	30/11/2020	10	315
Tropicana Corporation Berhad	10/25	A+	5.199	1	5.303	12/10/2020	-10	305
Sunsuria Berhad	12/23	A+	5.600	1	5.400	30/11/2020	20	371
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\*spread against nearest indicative tenured MGS (Source : BPAM)

## Market/Corporate News: What's Brewing

**Astro Malaysia Holdings Bhd's net profit for the third quarter ended Oct 31, 2020 (3QFY21) rose 23.11% to RM164.53 million or 3.5 sen per share, from RM133.65 million or 2.56 sen in the immediate preceding quarter, thanks to improved margin and lower net finance costs.** The group's revenue for 3QFY21 grew 1.47% quarter-on-quarter (q-o-q) to RM1.11 billion, from RM1.09 billion, mainly due to increases in advertising revenue and sales of programme rights, offset by drop in merchandise sales and subscription revenue, its filing with Bursa Malaysia showed. The group declared a third interim single-tier dividend of 1.5 sen per ordinary share in respect of the financial year ending Jan 31, 2021 amounting to approximately RM78.22 million, to be paid on Dec 30. The entitlement date for the dividend payment is Dec 18. The group said its earnings before interest, taxes, depreciation, and amortisation (EBITDA) margin for the quarter increased by 2.2% mainly due to lower merchandise costs and licence, copyright and royalty fees, offset by higher impairment of receivables, as a percentage of revenue. "The increase in net profit was in tandem with the increase in EBITDA as mentioned above and lower net finance costs, offset by higher tax expenses," it said. Its television EBITDA increased by 3.1% to RM369.9 million, mainly due to higher revenue, lower licence, copyright and royalty fees, offset by higher content costs and impairment of receivables. Its radio division EBITDA also jumped 539% q-o-q to RM29.4 million, driven by revenue growth and ongoing cost reduction measures undertaken by the management. Its home shopping EBITDA, however, reduced by 47% to RM5.2 million, primarily due to lower revenue during the quarter. On a year-on-year basis, the group's net profit slipped 3.7% from RM170.85 million, while its revenue decreased by 8.91% from RM1.22 billion. For the cumulative nine months ended Oct 31, 2020, the group's net profit dropped by 27.96% to RM372.02 million or 7.13 sen per share, from RM516.38 million or 9.9 sen per share. Its revenue for the period also declined 11.81% to RM3.25 billion, from RM3.69 billion. The group remains cautious about the potential impact of the recently reimposed Conditional Movement Control Order (CMCO), which might be extended depending on external circumstances. It said further extension of CMCO may impact advertising and commercial revenue, amidst structural changes in the media industry and ongoing acts of piracy. "The group's agility in adapting to the new normal has allowed us to deepen our engagement with our customers, strengthen our value proposition and seize opportunities for adjacencies in commerce, broadband, digital and over-the-top (OTT). "The group is committed to be the entertainment destination for Malaysians, by aggregating more streaming OTT services amid the acceleration in digital, pushing

broadband bundles, producing more winning and compelling content and simplifying our products, packages and processes. "The group will continue to cost optimise, reprioritise capex and actively manage its capital to further strengthen its balance sheet," it said. (Source: *The EdgeMarkets*)

**After the Ministry of Finance (MoF) denied that it has invited Ranhill Utilities Bhd to undertake due diligence activities on Indah Water Konsortium Sdn Bhd (IWK), the company clarified that it has yet to receive a letter from the ministry.** "The company will make the necessary announcement in a timely manner to Bursa Malaysia, upon receiving the letter," it said in a brief filing this evening. In a statement earlier today, MoF and its wholly-owned Ministry of Finance Inc (MoF Inc) both denied issuing any offer letter or invitation to Ranhill for the latter to undertake the due diligence in relation to the proposed disposal of MoF Inc's interest in IWK. The ministry also stated that MoF Inc's wholly-owned unit Prokhas Sdn Bhd also did not issue any invitation to any parties for a due diligence to be undertaken on IWK, as claimed by Ranhill. In a stock exchange filing yesterday, Ranhill claimed it had received an invitation from Prokhas to undertake the due diligence, which the utility company said will enable it to access the information necessary for it to finalise its proposal to MoF Inc. It also said it had submitted a proposal for the restructuring of IWK to the MoF on June 26, and that the plan involved the disposal of MoF Inc's interest in IWK to Ranhill.. (Source: *The EdgeMarkets*)

Rating Action			
Isuser	PDS Description	Rating/Outlook	Action
Glacier Assets Berhad	Proposed RM630mil Senior Notes under the RM800 mil Asset-backed Medium-Term Notes facility	AAA/Stable	assigned

Source: RAM, MARC

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