

Global Markets Research
Fixed Income
Fixed Income Daily Market Snapshot
US Treasuries

- US Treasuries saw demand emerge out in the curve as news of the coronavirus outbreak on a cruise ship off Yokohama lent a bid. The curve flattened on Thursday in an otherwise quiet session. Traders were also seen reluctant to trade significantly ahead of January's jobs data expected out tonight. Overall benchmark yields ended between 0-3bps lower with the UST 2Y closing within 1bps at 1.45% whilst the much-watched UST 10Y inched 1bps lower at 1.65%. Expect ongoing updates on the flu contagion to impact markets for now despite the upcoming monthly jobs data tonight which is expected to be the main focus of traders and investors.

MGS/GIII

- Local govies saw traction intact despite slightly lower secondary market volume of RM5.56b as Interest Rate Swap levels continued to drift lower yesterday. Interest was mainly seen in the off-the-run 20's, 26's and also 3Y, 7Y and 10Y MGS/GII bonds. Overall benchmark yields ended mostly lower between 0-3bps. The benchmark 5Y MGS 6/24 edged 1bps lower at 2.95% whilst the 10Y MGS 8/29 edged 1bps higher instead 3.12% each. GII bonds spiked to form about ~ 55% of overall trades. Meanwhile the MYR continues to be weaker on concerns over the slump in oil prices and poor sentiment over the coronavirus outbreak. Reports have surfaced that the nation is expected to unveil a further stimulus plan to ensure a sustainable economic growth. Expect attention to shift to the upcoming December's industrial production and manufacturing numbers today.

Corp Bonds/Sukuk

- Corporate bonds/Sukuk space maintained strong appetite on Thursday amid high secondary market volume of RM788m with almost half of overall interest seen across the GG-segment led by DANA and PRASA names. This was followed by the AAA-AA part of the curve. Overall yields ended mostly lower on 41 various names traded. The longer end PTPTN and DANA 34's edged 1bps lower compared to previous-done levels at between 3.44-45%. The AAA-rated MANJUNG 21-22's closed between 9-20bps lower between 3.20-26% levels whilst PASB 24's similarly closed sharply lower on yields at 3.29%. Both the AA-rated IJM and GAMUDA 4/21 ended at 3.42% and 3.41% each whilst WCT 10/23 closed unchanged at 4.20. The banking space however saw CIMB Group and AmBank yields rise on odd-lot trades.

UST

Tenure	Closing (%)	Chg (bps)
2-yr UST	1.45	0
5-yr UST	1.46	0
10-yr UST	1.65	-1
30-yr UST	2.11	-3

MGS
GII*

Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	2.81	-2	2.84	-2
5-yr	2.95	-1	2.96	-2
7-yr	3.03	0	3.05	-3
10-yr	3.12	1	3.19	0
15-yr	3.29	0	3.35	-1
20-yr	3.43	0	3.47	-1
30-yr	3.76	-1	3.78	0

* Market indicative levels

MYR IRS Levels

IRS	Closing (%)	Chg (bps)
1-yr	3.02	-1
3-yr	3.01	-1
5-yr	3.05	-5
7-yr	3.11	-6
10-yr	3.22	-3

Source : Bloomberg

Upcoming Government Bond Tender

Nil

Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 03/20	2.810	71	2.799	05/02/2020	1
MGS 07/20	2.793	120	2.812	05/02/2020	-2
MGS 10/20	2.800	137	2.824	05/02/2020	-2
MGS 02/21	2.784	51	2.791	05/02/2020	-1
MGS 07/21	2.839	9	2.786	05/02/2020	5
MGS 09/21	2.807	10	2.809	05/02/2020	0
MGS 11/21	2.793	2	2.827	04/02/2020	-3
MGS 03/22	2.815	210	2.838	05/02/2020	-2
MGS 09/22	2.851	40	2.872	05/02/2020	-2
MGS 03/23	2.834	101	2.859	05/02/2020	-2
MGS 04/23	2.865	142	2.883	05/02/2020	-2
MGS 08/23	2.912	18	2.942	05/02/2020	-3
MGS 06/24	2.949	157	2.959	05/02/2020	-1
MGS 07/24	2.935	5	2.994	05/02/2020	-6
MGS 09/24	2.955	40	2.975	05/02/2020	-2
MGS 03/25	2.990	5	2.987	05/02/2020	0
MGS 09/25	2.953	40	2.959	05/02/2020	-1
MGS 04/26	3.054	76	3.069	05/02/2020	-2
MGS 07/26	3.031	242	3.034	05/02/2020	0
MGS 05/27	3.080	223	3.080	05/02/2020	0
MGS 11/27	3.117	34	3.132	05/02/2020	-2
MGS 06/28	3.130	116	3.131	05/02/2020	0
MGS 09/28	3.176	5	3.139	03/02/2020	4
MGS 08/29	3.115	220	3.104	05/02/2020	1
MGS 04/30	3.215	104	3.228	03/02/2020	-1
MGS 06/31	3.282	1	3.289	05/02/2020	-1
MGS 04/32	3.318	1	3.323	04/02/2020	0
MGS 04/33	3.350	75	3.330	05/02/2020	2
MGS 07/34	3.284	46	3.284	05/02/2020	0
MGS 05/35	3.406	20	3.386	05/02/2020	2
MGS 06/38	3.478	40	3.477	05/02/2020	0
MGS 09/43	3.721	3	3.726	04/02/2020	0
MGS 03/46	3.754	61	3.757	05/02/2020	0
MGS 07/48	3.755	50	3.768	05/02/2020	-1
GII 04/20	2.813	210	2.783	05/02/2020	3
GII 03/21	2.793	1	2.795	05/02/2020	0
GII 08/21	2.806	70	2.827	05/02/2020	-2
GII 03/22	2.844	20	2.866	05/02/2020	-2
GII 04/22	2.853	20	2.876	05/02/2020	-2
GII 07/22	2.894	1	3.086	22/01/2020	-19
GII 05/23	2.875	10	2.889	04/02/2020	-1
GII 10/23	2.935	40	2.950	05/02/2020	-2
GII 11/23	2.933	100	2.937	05/02/2020	0
GII 05/24	2.980	75	3.070	03/02/2020	-9
GII 08/24	2.991	80	3.006	05/02/2020	-1
GII 10/24	2.964	299	2.984	05/02/2020	-2
GII 03/26	3.049	250	3.078	05/02/2020	-3
GII 09/26	3.096	60	3.113	05/02/2020	-2
GII 06/27	3.139	14	3.169	05/02/2020	-3
GII 10/28	3.198	302	3.208	05/02/2020	-1
GII 12/28	3.196	80	3.211	30/01/2020	-1
GII 07/29	3.188	465	3.189	05/02/2020	0
GII 06/33	3.353	325	3.355	05/02/2020	0
GII 08/33	3.361	60	3.370	05/02/2020	-1
GII 11/34	3.347	241	3.356	05/02/2020	-1
GII 10/35	3.430	3	3.431	04/02/2020	0
GII 08/37	3.501	40	3.505	03/02/2020	0
GII 09/39	3.465	195	3.476	05/02/2020	-1
GII 05/47	3.799	121	3.802	05/02/2020	0
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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*
Pengurusan Air SPV Berhad	06/22	GG	3.011	10	3.267	13/09/2019	-26	18
DanaInfra Nasional Berhad	10/23	GG	3.035	110	3.036	05/02/2020	0	12
Lembaga Pembiayaan Perumahan Sektor Awam	10/28	GG	3.301	20	3.320	05/02/2020	-2	17
Prasarana Malaysia Berhad	09/29	GG	3.298	20	3.320	05/02/2020	-2	18
DanaInfra Nasional Berhad	11/33	GG	3.410	10	3.660	10/01/2020	-25	13
Perbadanan Tabung Pendidikan Tinggi Nasional	02/34	GG	3.451	30	3.461	30/01/2020	-1	17
DanaInfra Nasional Berhad	11/34	GG	3.438	100	3.450	05/02/2020	-1	16
DanaInfra Nasional Berhad	04/39	GG	3.609	10	3.631	05/02/2020	-2	18
DanaInfra Nasional Berhad	05/41	GG	3.650	40	3.681	05/02/2020	-3	22
Prasarana Malaysia Berhad	09/42	GG	3.771	5	3.799	29/01/2020	-3	34
DanaInfra Nasional Berhad	04/43	GG	3.751	5	3.900	22/01/2020	-15	32
Sarawak Energy Berhad	06/21	AAA	3.194	10	3.202	31/01/2020	-1	40
Telekom Malaysia Berhad	06/21	AAA	3.246	10	3.248	29/01/2020	0	45
Manjung Island Energy Berhad	11/21	AAA	3.204	20	3.298	21/08/2019	-9	38
Manjung Island Energy Berhad	11/22	AAA	3.255	10	3.455	02/01/2020	-20	40
GENM Capital Berhad	07/23	AAA	3.799	1	3.883	03/02/2020	-8	95
Pengurusan Air SPV Berhad	02/24	AAA	3.290	5	3.508	27/08/2019	-22	37
Pengurusan Air SPV Berhad	02/24	AAA	3.290	25	3.447	16/01/2020	-16	37
DiGi Telecommunications Sdn Berhad	09/26	AAA	3.399	10	3.668	18/12/2019	-27	31
Sarawak Energy Berhad	01/27	AAA	3.409	110	3.437	24/01/2020	-3	32
GENM Capital Berhad	03/27	AAA	3.730	10	3.902	13/01/2020	-17	65
Pengurusan Air SPV Berhad	10/29	AAA	3.420	5	3.450	05/02/2020	-3	30
Sabah Credit Corporation	05/20	AA1	3.309	9	3.680	20/09/2019	-37	51
Teknologi Tenaga Perlis Consortium Sdn Berhad	07/22	AA1	3.416	15	4.483	08/02/2018	-107	59
Celcom Networks Sdn Berhad	08/24	AA+	3.395	40	3.676	28/11/2019	-28	44
UMW Holdings Berhad	02/21	AA2	3.284	10	3.414	11/12/2019	-13	49
CIMB Group Holdings Berhad	12/25	AA	4.017	1	3.847	23/01/2020	17	98
IJM Corporation Berhad	04/21	AA3	3.423	10	3.666	12/11/2019	-24	62
Gamuda Berhad	04/21	AA3	3.414	10	3.586	17/12/2019	-17	62
BGSM Management Sdn Berhad	08/21	AA3	3.427	10	3.557	19/12/2019	-13	60
Mumtaz Rakyat Sukuk Berhad	06/26	AA3	3.575	2	3.740	11/12/2019	-17	54
AmBank (M) Berhad	03/27	AA3	4.494	1	3.373	05/02/2020	112	141
Edra Energy Sdn Berhad	07/33	AA3	4.159	40	4.278	24/01/2020	-12	88
WCT Holdings Berhad	10/23	AA-	4.198	30	4.196	03/02/2020	0	128
CIMB Group Holdings Berhad	05/16	A1	4.460	3	4.236	16/01/2020	22	103
CIMB Group Holdings Berhad	05/16	A1	4.279	1	4.276	04/02/2020	0	85
CIMB Group Holdings Berhad	05/16	A1	4.297	1	3.721	05/02/2020	58	87
DRB-Hicom Berhad	12/26	A+	4.349	20	4.398	04/02/2020	-5	126
DRB-Hicom Berhad	12/29	A+	4.903	1	4.903	05/02/2020	0	178
Mah Sing Group Berhad	04/17	-	5.500	2	5.738	03/02/2020	-24	207
Tropicana Corporation Berhad	09/19	-	6.780	8	6.247	08/01/2020	53	335
				<u>788</u>				

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

Market/Corporate News: What's Brewing

Touch 'n Go (TnG) is targeting to double the number of radio frequency identification (RFID) tag road users to two million by the end of 2020. "We would like to be more aggressive to actually get more people to use this RFID tag. It is a faster cashless environment with this. Hopefully with the numbers we can have more RFID lanes with the help of the government and the highway concession companies to increase the usage," Touch 'n Go Sdn Bhd chief executive officer Syahrnzam Samsudin (pic) said on the sidelines of the company's Chinese New Year media luncheon yesterday. Its pilot test phase for the programme had seen TnG deploying the RFID tag onto one million vehicles so far. It will also start charging for new RFID tag placements at a fee of RM35 from Feb 15 following the completion of its pilot test phase. Syahrnzam said he believes the RM35 price tag is competitive when compared to other countries' pricing for a similar product. "Right now, we are pricing it as being the most price competitive compared to the other countries as we want to ensure everyone has access to it at a reasonable price. I think this is a fair price but it is up to the consumers to judge that," he said. "The prices (for a similar product) ranges from RM400 plus in Singapore to RM58 in Taiwan, so there are different ranges. Generally it's priced because of country specific requirements or different services offered," he added. TnG said it aims to spearhead the country's mobility agenda through inclusive technology that addresses the needs of connected communities in smart cities of today. It noted in its press release that RFID is an important component of Intelligent Transport Systems (ITS) and propels Malaysia to the level of countries such as

Singapore, Taiwan and China. Moving forward, the company is eyeing an expansion of service offerings with the RFID tag to eventually deploy them for usage on other platforms. "Now it is time for us to move forward and continue to expand the use of RFID technology together with our partners across the mobility ecosystem. This includes fuelling, parking and retail drive-thrus," he said. "For petrol stations, we are targeting deployment by the end of the year as we have to do additional tests on safety but it is being done in Brazil and Europe as well. So it is not something new, but we just have to ensure that it will work well in our environment (weather)," he added. Syahrnzam said TnG is working with a partner for the time being but hopes to deploy this with more petrol dealers moving forward. It is targeting to deploy into selected mall's parking lots in the third quarter of this year and in the first quarter of next year for drive-thrus. "We expect the first announcement for deployments in parking lots by the third quarter. We are talking to the top ten malls which currently have the TnG access enabled," he said. He also assured that in the company's new plan, there would be no more additional 10% surcharges on top of the parking fee and a 15-minute grace period when using this RFID tag. "We will move away from the old plan and it is also a commercial arrangement that we will work on including the Consumer Affairs Ministry to ensure that the consumer will get the best service possible. We will have to impute all the business rules as at the end of the day, the car parks are also the companies' assets and we have to take into account their business rules," he said. "We want Malaysians to be part of a global RFID community. RFID technology will be a key enabler to access daily use-cases more conveniently, improve traffic enforcement and management capabilities, and support the government in providing better mobility services to Malaysians," Syahrnzam added. The introduction of RFID is aligned with the government's efforts towards multi-lane free flow and improving the highway experience for Malaysians, it said. Meanwhile commenting on the government's e-Tunai Rakyat initiative, Syahrnzam said TnG eWallet had attracted a bulk of eligible e-Tunai recipients to use its platform. "So far, we have attracted 72% of all eligible e-Tunai receivers. There is still another month to go and we want to ensure we reach out to as many people as possible," he said. "The prices (for a similar product) ranges from RM400 plus in Singapore to RM58 in Taiwan, so there are different ranges. Generally it's priced because of country specific requirements or different services offered," he added. TnG said it aims to spearhead the country's mobility agenda through inclusive technology that addresses the needs of connected communities in smart cities of today. It noted in its press release that RFID is an important component of Intelligent Transport Systems (ITS) and propels Malaysia to the level of countries such as Singapore, Taiwan and China. Moving forward, the company is eyeing an expansion of service offerings with the RFID tag to eventually deploy them for usage on other platforms. "Now it is time for us to move forward and continue to expand the use of RFID technology together with our partners across the mobility ecosystem. This includes fuelling, parking and retail drive-thrus," he said. "For petrol stations, we are targeting deployment by the end of the year as we have to do additional tests on safety but it is being done in Brazil and Europe as well. So it is not something new, but we just have to ensure that it will work well in our environment (weather)," he added. 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eligible e-Tunai recipients to use its platform. “So far, we have attracted 72% of all eligible e-Tunai receivers. There is still another month to go and we want to ensure we reach out to as many people as possible,” he said.. (Source: *The Star*)

The government saved some RM3.1 billion or 14% of the total cost of the Sarawak portion of the Pan Borneo Highway project, thanks to a new project funding agreement. Finance Minister Lim Guan Eng said the new agreement, which employs the “conventional” method compared with the previous project delivery partner (PDP) model, has brought down the total cost to RM18.846 billion from RM21.857 billion. He said the lower cost was due to the removal of a 5.5% service fees imposed by the PDPs in the previous agreement. “The reduction is significant, which we hope to channel back to the Sarawak people if there are no cost overruns,” Guan Eng said at a press conference yesterday. Earlier, Guan Eng, together with Works Minister Baru Bian, witnessed the signing of the new funding agreement between DanaInfra Nasional Bhd and the federal and Sarawak governments. According to Guan Eng, some RM5 billion of the project’s total cost will be borne by the government while the remaining RM11.12 billion will come from DanaInfra. Established in 2010, DanaInfra is a government-owned special purpose vehicle set up to finance the Mass Rapid Transit projects in the Klang Valley and subsequently the Sarawak portion of the Pan Borneo Highway. Commenting on the termination of the previous agreement, Guan Eng said the move has allowed the federal government to handle the project fully, by issuing tenders and allocation for construction, under the supervision of government-appointed representatives in the Sarawak public works ministry. He claimed that the old agreement, entered into during the previous administration, was not formulated based on national interest and was not conducted in a transparent manner.. (Source: *The Edgemarkets*)

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

Source: RAM, MARC

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