

## Global Markets Research

### Fixed Income

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.14	-1
5-yr UST	0.28	-1
10-yr UST	0.67	-2
30-yr UST	1.40	-4

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	1.89	4	1.91	0
5-yr	2.07	1	2.07	4
7-yr	2.24	3	2.33	-1
10-yr	2.48	-2	2.49	-1
15-yr	2.94	0	2.97	3
20-yr	3.26	1	3.37	0
30-yr	3.59	6	3.65	-4

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.85	0
3-yr	1.90	1
5-yr	2.09	0
7-yr	2.29	0
10-yr	2.53	3

Source : Bloomberg

### Upcoming Government Bond Tender

Nil

## Fixed Income Daily Market Snapshot

### US Treasuries

- US Treasuries maintained decent bids as the curve bull-flattened on Tuesday despite improved risk appetite that saw S&P 500 close at a record high as support continued to be derived from uncertainties over COVID-19 situation. Overall benchmark yields closed between 1-4bps lower with the UST 2Y which edging 1bps down at 0.14% and the much-watched UST 10Y closing 2bps lower at 0.67% levels. The long-end thrived in spite of a solid IG credit issuance that included Roper's \$2.7b four-part offering which led \$5.55b offerings overall by six various issuers. Separately, the amounts of US gov't debt held by foreigners grew to \$7.04 trillion in June. Expect attention to shift to the \$25b 20Y bond auction tonight along with the FOMC minutes.

### MGS/GIII

- Local gov'ts ended weaker on Monday on the back of a slight uptick in July CPI of -1.3% YOY which was as per consensus (prior month: -1.9%) in an otherwise quiet session ahead of the upcoming FTSE Russell's decision on the nation's WGBI weightage later this month. Overall benchmark yields ended mostly mixed-to-higher between -4 to +6bps; amid a continued slide in secondary market volume to RM2.47b. The benchmark 5Y MGS 9/25 edged 1bps higher at 2.07% whilst the 10Y MGS 8/29 ended 2bps lower at 2.48%. Interest was mainly seen in the off-the-run 20's and also benchmark 10Y, 15Y MGS. GII bond trades jumped to form ~42% of overall trades. We expect rangebound movements for today ahead of the holiday tomorrow.

### Corp Bonds/Sukuk

- Secondary market interest remained robust amid a spike in volume of RM1.14b with transactions seen across the curve as overall yields closed mixed-to-lower. Gov't-guaranteed PTPTN and DANA 23's closed 6-8bps lower compared to previous-done levels at 2.13-15% area whilst LPPSA 9/23 ended unchanged at 2.15% as well. AAA-rated PLUS 24-25's fell 11-38bps between 2.67-73% whilst the 2026 tranche edged 2 bps lower at 2.77%. AA-rated KEV and EDRA 7/22 closed a whopping 111-130bps lower at 2.71% and 2.99% each whilst EDRA 1/29 declined 5bps at 3.55%. The banking space was active with AFFIN 27NC22 spiking 74bps at 3.39% whilst AmBank 27NC22 edged 2bps lower at 2.80% on substantial RM80m in nominal amounts.

## Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 10/20	1.670	363	1.700	17/08/2020	-3
MGS 07/21	1.753	8	1.700	17/08/2020	5
MGS 09/21	1.709	20	1.696	17/08/2020	1
MGS 11/21	1.761	1	1.715	17/08/2020	5
MGS 09/22	1.847	1	1.852	17/08/2020	-1
MGS 03/23	1.889	21	1.852	17/08/2020	4
MGS 04/23	1.892	10	1.922	17/08/2020	-3
MGS 08/23	1.949	60	1.965	17/08/2020	-2
MGS 06/24	2.042	8	2.015	17/08/2020	3
MGS 07/24	2.023	8	2.013	17/08/2020	1
MGS 09/24	2.042	20	2.042	17/08/2020	0
MGS 09/25	2.071	22	2.059	17/08/2020	1
MGS 04/26	2.251	47	2.200	17/08/2020	5
MGS 07/26	2.250	42	2.217	17/08/2020	3
MGS 05/27	2.239	10	2.206	17/08/2020	3
MGS 11/27	2.314	2	2.308	17/08/2020	1
MGS 06/28	2.487	20	2.437	17/08/2020	5
MGS 08/29	2.482	275	2.505	17/08/2020	-2
MGS 04/33	2.982	69	2.976	17/08/2020	1
MGS 07/34	2.938	199	2.936	17/08/2020	0
MGS 05/35	3.218	41	3.141	17/08/2020	8
MGS 06/38	3.268	1	3.301	17/08/2020	-3
MGS 05/40	3.260	120	3.253	17/08/2020	1
MGS 09/43	3.641	1	3.670	17/08/2020	-3
MGS 06/50	3.593	73	3.531	17/08/2020	6
GII 03/21	1.723	160	1.746	17/08/2020	-2
GII 04/21	1.743	60	1.755	17/08/2020	-1
GII 03/22	1.809	2	1.806	14/08/2020	0
GII 04/22	1.824	21	1.768	14/08/2020	6
GII 07/23	1.948	60	1.935	17/08/2020	1
GII 11/23	1.946	2	1.943	17/08/2020	0
GII 10/24	2.070	50	2.034	11/08/2020	4
GII 03/26	2.154	90	2.158	17/08/2020	0
GII 09/26	2.244	60	2.240	17/08/2020	0
GII 09/27	2.325	69	2.333	17/08/2020	-1
GII 10/28	2.502	80	2.484	17/08/2020	2
GII 07/29	2.564	110	2.549	17/08/2020	2
GII 09/30	2.573	40	2.574	17/08/2020	0
GII 10/30	2.490	35	2.501	17/08/2020	-1
GII 06/33	3.002	60	3.005	17/08/2020	0
GII 11/34	2.966	20	2.941	17/08/2020	3
GII 10/35	3.280	50	3.285	13/08/2020	-1
GII 05/47	3.759	40	3.735	14/08/2020	2
GII 11/49	3.649	19	3.693	14/08/2020	-4
		<u>2469</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*	
Perbadanan Tabung Pendidikan Tinggi Nasional	07/23	GG	2.128	135	2.186	17/08/2020	-6	25
DanaInfra Nasional Berhad	08/23	GG	2.148	40	2.230	22/07/2020	-8	27
Lembaga Pembiayaan Perumahan Sektor Awam	09/23	GG	2.144	50	2.145	14/08/2020	0	27
DanaInfra Nasional Berhad	10/23	GG	2.149	50	2.554	03/06/2020	-41	28
PR1MA Corporation Malaysia	10/24	GG	2.170	50	2.351	22/07/2020	-18	16
DanaInfra Nasional Berhad	10/26	GG	2.376	70	2.599	15/07/2020	-22	19
DanaInfra Nasional Berhad	07/27	GG	2.458	60	2.450	06/08/2020	1	23
Khazanah Nasional Berhad	10/27	GG	2.548	40	2.549	13/08/2020	0	32
Lembaga Pembiayaan Perumahan Sektor Awam	04/28	GG	2.600	5	2.643	07/08/2020	-4	19
DanaInfra Nasional Berhad	07/29	GG	2.692	10	2.699	12/08/2020	-1	22
Prasarana Malaysia Berhad	09/29	GG	2.650	10	3.139	04/06/2020	-49	18
DanaInfra Nasional Berhad	11/29	GG	2.711	20	2.849	21/07/2020	-14	24
Cagamas Berhad	10/22	AAA	2.307	40	2.945	25/02/2020	-64	51
Cagamas Berhad	05/23	AAA	2.324	40	2.419	17/08/2020	-10	45
Projek Lebuhraya Usahasama Berhad	01/24	AAA	2.666	40	3.046	16/06/2020	-38	79
Projek Lebuhraya Usahasama Berhad	01/25	AAA	2.728	20	2.838	14/07/2020	-11	72
Danum Capital Berhad	02/25	AAA	2.507	20	2.638	30/07/2020	-13	44
Projek Lebuhraya Usahasama Berhad	01/26	AAA	2.768	20	2.789	04/08/2020	-2	70
Sarawak Energy Berhad	06/30	AAA	2.899	20	3.139	15/07/2020	-24	39
Sarawak Energy Berhad	04/31	AAA	2.979	20	2.979	13/08/2020	0	47
Bank Pembangunan Malaysia Berhad	03/32	AAA	3.241	1	3.330	27/07/2020	-9	73
Tenaga Nasional Berhad	08/33	AAA	3.100	30	3.119	03/08/2020	-2	16
Tenaga Nasional Berhad	08/35	AAA	3.259	10	3.239	14/08/2020	2	32
CIMB Group Holdings Berhad	04/25	AA1	2.763	15	2.733	30/07/2020	3	69
Kuala Lumpur Kepong Berhad	09/29	AA1	3.080	60	3.048	14/08/2020	3	61
United Overseas Bank (Malaysia) Berhad	08/30	AA1	2.719	1	2.869	17/08/2020	-15	21
Kapar Energy Ventures Sdn Berhad	07/22	AA+	2.708	10	4.010	12/06/2019	-130	91
CIMB Bank Berhad	12/25	AA+	2.310	10	2.428	05/08/2020	-12	24
Anih Berhad	11/21	AA	2.639	50	2.660	04/08/2020	-2	92
Edra Energy Sdn Berhad	07/22	AA3	2.987	10	4.094	01/10/2019	-111	119
Bumitama Agri Ltd	07/24	AA3	3.071	1	3.367	26/06/2020	-30	106
AmBank (M) Berhad	03/27	AA3	2.796	80	2.814	06/08/2020	-2	57
AEON Credit Service (M) Berhad	02/28	AA3	3.439	2	3.439	17/08/2020	0	121
Edra Energy Sdn Berhad	01/29	AA3	3.546	10	3.597	21/07/2020	-5	114
RHB Islamic Bank Berhad	05/29	AA3	3.009	20	3.025	17/08/2020	-2	54
Jimah East Power Sdn Berhad	06/25	AA-	3.248	1	4.663	11/12/2018	-142	118
UiTM Solar Power Sdn Berhad	04/31	AA-	4.430	1	4.549	27/07/2020	-12	192
Lebuhraya DUKE Fasa 3 Sdn Berhad	08/34	AA-	4.673	1	4.719	27/07/2020	-5	173
Affin Bank Berhad	02/27	A1	3.391	50	2.651	17/08/2020	74	120
IJM Land Berhad	03/19	A2	4.233	1	4.201	10/08/2020	3	97
MBSB Bank Berhad (fka Asian Finance Bank Berhad)	12/31	A3	4.017	10	3.599	06/08/2020	42	151
Malakoff Power Berhad	12/20	AA-	2.497	10	2.577	29/07/2020	-8	78
				1144				

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

## Market/Corporate News: What's Brewing

**Goldman Sachs Group Inc and Malaysia have signed an agreement to finalise the US\$3.9 billion settlement over the 1MDB scandal, according to people familiar with the matter.** The US bank formalised the deal on Tuesday and must make a US\$2.5 billion cash payment to Malaysia within 10 days, said the people, who asked not to be identified as the information is private. The pact reached in July was a major step toward resolving the scandal surrounding 1MDB, a Malaysian state fund that's at the centre of global investigations into corruption and money-laundering. It involved Goldman Sachs agreeing to pay US\$2.5 billion in cash and guaranteeing the return of US\$1.4 billion of 1MDB assets seized by authorities around the world, in exchange for Malaysia dropping charges against the bank. A representative for Goldman Sachs declined to comment. A representative for Malaysia's finance ministry couldn't immediately comment. The deal allowed the bank to move on from its worst scandal since the financial crisis, while the country gets to recoup much of the US\$4.5 billion that prosecutors said were lost from 1MDB at a time when it's seeking funds for its massive stimulus package. Goldman Sachs is set to face a case management hearing over its criminal charges at a Malaysian court on Sept 4, a date that was set before the deal was struck. (Source: *The EdgeMarkets*)

**Berjaya Sports Toto Bhd (BToto) incurred a net loss of RM43.27 million for the fourth quarter ended June 30, 2020 (4QFY20), compared with a net profit of RM48.61 million recorded in the preceding quarter, no thanks to the pandemic-driven lockdowns implemented in various countries, which caused it to temporarily halt its business operations.**

Revenue for the quarter was down 64.37% quarter-on-quarter to RM475.06 million from RM1.33 billion, the group said in a Bursa Malaysia filing. No comparison figures were provided with the corresponding quarter a year ago, following a change in its financial year end from April 30 to June 30. Its cumulative net profit for the 12 months ended June 30 came to RM134.24 million, on a revenue of RM4.65 billion. The group declared a third interim dividend involving a share distribution of about 13.5 million treasury shares on the basis of one treasury share for every 100 existing ordinary shares held on Sept 24. Based on the treasury share book cost of RM31.8 million, the share dividend is equivalent to approximately 2.4 sen per share. This will bring the total cash and share dividend distribution in respect of FY20 to 10.4 sen per share, versus the 16 sen it paid in the 14 months ended June 30, 2019 (FY19). In a press statement, the group said its subsidiary Sports Toto Malaysia Sdn Bhd (Sports Toto) saw 40 draws being cancelled, following the implementation of the MCO since March. The number forecast operator (NFO)'s business was only allowed to resume on June 17. In the United Kingdom (UK), the group's auto retailing business operated by H.R. Owen Plc (H.R. Owen) had to also shut its operations for over two months to comply with the UK's lockdown order from March 23 to May 31. It only resumed business operation on June 1. Moving forward, BToto's directors are cautiously optimistic on expectations that the group's businesses will gradually recover with the fairly resilient nature of the NFO business, as was seen in past economic crises and turbulent periods. (Source: *The EdgeMarkets*)

Rating Action			
Isuser	PDS Description	Rating/Outlook	Action
Nil	Nil	Nil	Nil

Source: RAM, MARC

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