

Borneo Post

BPA Malaysia weekly bond market report 28 February 2016

February 28, 2016, Sunday

Top Ten Most Active Bonds and Sukuk for the week RM (million)

Stock Name	Last Trade Yield	Rating	Trade Amount
MGS 1/2006 4.262% 15.09.2016	2.746	NR(LT)	3680
BNMN-DB 8/2015 273D 05.07.2016	2.855	NR(ST)	2199
MGS 1/2013 3.172% 15.07.2016	2.768	NR(LT)	1716
MGS 2/2007 3.814% 15.02.2017	2.791	NR(LT)	1656
GII MURABAAH 2/2016 3.743% 26.08.2021	3.715	NR(LT)	1508
MGS 1/2016 3.800% 17.08.2023	3.777	NR(LT)	1460
GII MURABAAH 5/2015 3.508% 15.05.2018	3.345	NR(LT)	1322
BNMN-DB 10/2015 364D 11.10.2016	2.829	NR(ST)	1212
BNMN-DB 6/2015 210D 19.04.2016	2.966	NR(ST)	1071
MGS 1/2015 3.955% 15.09.2025	3.936	NR(LT)	1055

Glossary

Conv	- Conventional Principle
Islm	- Islamic Principle
N.A.	- Not available
NR(LT)	- No Rating (Long Term)
NR(ST)	- No Rating (Short Term)
MGS	- Malaysian Government Securities
GII	- Government Investment Issues

Quasi-Govt - Near-Government Entities e.g. Cagamas, Khazanah, ADB etc

Yield-to-Maturity (YTM) - Rate of return from holding a bond until maturity

AAA, AA, A and BBB YTM represent Corporate ratings consolidated from RAM and MARC

YTM is calculated in percentage (%)

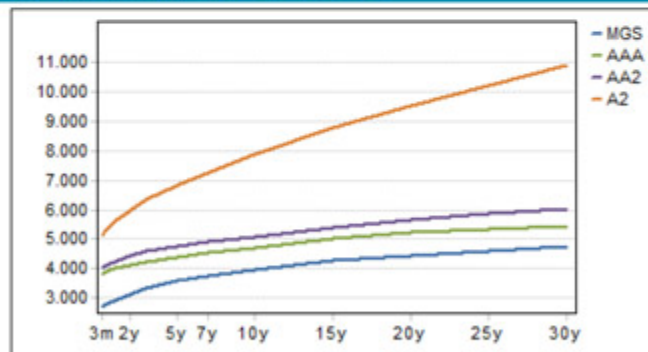
Thomson Reuters BPA Malaysia All Bonds Index

Date	Index Value	Week on week Change (%)
26/02/2016	145.24	-0.04
19/02/2016	145.3	

Thomson Reuters BPA Malaysia All Bonds Index as at 26/02/2016



Conventional Yield Curve as at 26/02/2016



New Bond and Sukuk Issues for the Week

Tender Date	Stock Name	Issue Date	Maturity Date	Actual Issue	Successful Yield	Successful Price
25/02/2016	GII MURABAAH 2/2016 26.08.2021	26/02/2016	26/08/2021	3500	3.743	100.001
25/02/2016	SABAHDEV CP 28D 25.03.2016 - Tranche No 37	26/02/2016	25/03/2016	120	4.067	99.689
25/02/2016	STSSB ICP Series 59/2016 31D 28.03.2016	26/02/2016	28/03/2016	150	3.955	99.665

Over the week, the TR BPAM All Bond Index ended the week marginally lower at 145.24 from

145.3 last week as MGS yields inched up by 1 to 16 bps across the board. Notably, the MGS curve flattened with short end climbing as much as 16bps while the long end saw little change.

On February 22, 2016, BNM reported that the international reserves stood at USD95.6 billion as at February 15, 2016, and the reserve position is said sufficient to finance 8.2 months of retained imports and is 1.2 times the short-term external debt.

On February 24, 2016, the Department of Statistics Malaysia reported that the CPI for January 2016 increased 3.5 per cent from 110.6 in the same month last year to 114.5. All twelve major groups recorded increases year-on-year.

The total trade volume for the top 10 most actively traded bonds increased from RM11.56 billion last week to RM16.88 billion. The off-the-run MGS maturing on September 15, 2016 emerged as the most actively traded bond with a total trade amount of RM3.68 billion.

On February 23, 2016, BNM announced the tender details for the new 5.5-year benchmark GII maturing on 26 August 2021. The issuance size for this new issue is RM3.5 billion.

The tender closed on February 25, 2016 with a robust bid-to-cover ratio of 2.846 times. The highest, average and lowest yields came in at 3.76, 3.743 and 3.727 per cent respectively.

On February 23, 2016, Alpha Circle Sdn Bhd issued a RM30 million IMTN maturing in 2021 at a profit rate of 5.3 per cent.

The IMTN is rated AA3 with a stable outlook by MARC.

On the same day, Danga Capital Bhd issued a RM1.5 billion 10-year IMTN at profit rate of 4.6 per cent. The IMTN is rated AAA with a stable outlook by RAM Ratings.

On February 25, 2016, Cagamas Bhd issued a one-year floating rate note amounted to RM300 million, of which the floating coupon rate was determined based on a 5bps spread on the three-month KLIBOR. The MTN is rated AAA with a stable outlook by RAM Ratings and MARC.

On February 26, 2016, Prasarana Malaysia Bhd issued five tranches of government guaranteed Murabahah sukuk with maturities between seven years and 25 years.

The total issuance size is RM3.055 billion and the profit rates range from 4.29 per cent to 5.07 per cent.

On February 24, 2016, MARC has revised its outlook on DRB-Hicom Bhd's Islamic Medium-Term Notes Programme of up to RM1.8 billion and Perpetual Sukuk Musharakah Programme of up to RM2 billion from stable to negative.

The outlook revision was premised on the increased challenges faced by the group's key automotive subsidiary, Proton Holdings Bhd, amidst increased competition and weakening

consumer sentiment in the domestic automotive industry as well as the weakening prospects for the group's non-automotive segments.