

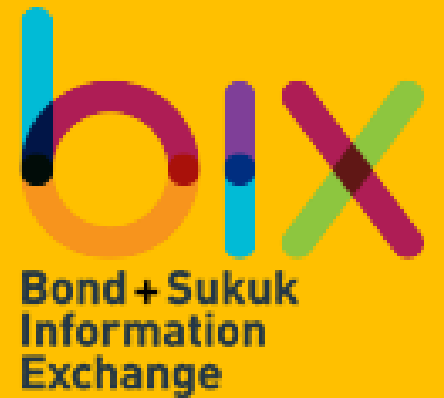
# **BOND+SUKUK INFORMATION EXCHANGE**

**BIXMALAYSIA.COM**

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## **NEWS UPDATE**

14 September 2020



# MARKET SUMMARY

US Treasury	Yield 11 Sep 20	Daily Change bps	Yield 10 Sep 20	Weekly Change bps	Yield 04 Sep 20	Monthly Change bps	Yield 11 Aug 20	YTD Change bps	Yield 31 Dec 19
3 YEAR	0.16	-1	0.17	-2	0.18	-2	0.18	-146	1.62
5 YEAR	0.26	0	0.26	-4	0.30	-1	0.27	-143	1.69
7 YEAR	0.45	-1	0.46	-5	0.50	-1	0.46	-138	1.83
10 YEAR	0.67	-1	0.68	-5	0.72	3	0.64	-125	1.92

MGS	Yield 11 Sep 20	Daily Change bps	Yield 10 Sep 20	Weekly Change bps	Yield 04 Sep 20	Monthly Change bps	Yield 11 Aug 20	YTD Change bps	Yield 31 Dec 19
3 YEAR	1.92	0	1.92	11	1.81	2	1.90	-106	2.98
5 YEAR	2.15	3	2.12	12	2.03	7	2.08	-100	3.15
7 YEAR	2.43	3	2.40	12	2.31	17	2.26	-87	3.30
10 YEAR	2.62	1	2.61	6	2.56	13	2.49	-68	3.30

GII	Yield 11 Sep 20	Daily Change bps	Yield 10 Sep 20	Weekly Change bps	Yield 04 Sep 20	Monthly Change bps	Yield 11 Aug 20	YTD Change bps	Yield 31 Dec 19
3 YEAR	1.95	2	1.93	14	1.81	3	1.92	-111	3.06
5 YEAR	2.10	8	2.02	9	2.01	7	2.03	-109	3.19
7 YEAR	2.34	0	2.34	1	2.33	3	2.31	-96	3.30
10 YEAR	2.60	3	2.57	3	2.57	11	2.49	-82	3.42

AAA	Yield 11 Sep 20	Daily Change bps	Yield 10 Sep 20	Weekly Change bps	Yield 04 Sep 20	Monthly Change bps	Yield 11 Aug 20	YTD Change bps	Yield 31 Dec 19
3 YEAR	2.40	1	2.39	1	2.39	-9	2.49	-115	3.55
5 YEAR	2.59	1	2.58	0	2.59	-8	2.67	-108	3.67
7 YEAR	2.80	1	2.79	3	2.77	0	2.80	-96	3.76
10 YEAR	3.06	1	3.05	2	3.04	3	3.03	-83	3.89

- 1 bps = 0.01%
- Increase in Yield = Decrease in the bond price/value

Source: US Treasury, BNM & BIX Malaysia

# NEWS UPDATE

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Today's headlines of interest and summaries as extracted from the international and local media.

## THE STAR

### *RHB Bank to raise RM10bil via Sukuk issue*

RHB Bank Bhd has announced a plan to raise up to RM10bil by issuing Sukuk.

The bank told Bursa Malaysia today that it has lodged the Sukuk Murabahah Programme with the Securities Commission. Proceeds from the multi-currency sukuk program will be used for working capital, general banking purposes of Islamic business activity and to refinance or redeem Islamic financing facilities, the bank said.

The Sukuk Murabahah Programme allows the bank to issue Senior Sukuk Murabahah in multi-currency including ringgit, from time to time, subject to the aggregate outstanding nominal amount not exceeding RM10bil.

RHB Investment Bank Bhd is the principal adviser, lead arranger and lead manager for the program and RHB Islamic Bank Bhd is the Shariah adviser.

[Read Bond and Sukuk issued by RHB Bank Berhad](#)

# NEWS UPDATE

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Today's headlines of interest and summaries as extracted from the international and local media.

## THE STAR

### *Dialog plans RM3bil sukuk programme*

Tank terminal operator Dialog Group Bhd has submitted to the Securities Commission a plan to raise up US\$3bil via the issuance of Sukuk.

The company is taking advantage of the strong demand in its oil and product storage business and investors' appetite for high-yielding quality debt issues. Dialog, in a filing with Bursa Malaysia today, said it plans to utilise proceeds from the proposed Sukuk programme to finance investments, acquisition, capital expenditure, working capital and repayment of borrowings.<sup>[1]</sup><sub>[SEP]</sub>

"The Sukuk Programme, which has a perpetual programme tenure, provides the company the flexibility to issue, from time to time, senior Islamic medium term notes (Senior Sukuk Wakalah) and/or subordinated perpetual Islamic notes (Perpetual Sukuk Wakalah)," it said.

The Senior Sukuk Wakalah under the Sukuk Programme has been accorded an initial rating of AA2 by RAM Rating Service Bhd, while the Perpetual Sukuk Wakalah under the Sukuk Programme has been accorded an initial rating of A1 by RAM.

Both ratings carry a stable outlook.

# NEWS UPDATE

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Today's headlines of interest and summaries as extracted from the international and local media.

## THE STAR

### *July industrial output up 1.2%, above forecast*

Malaysia's industrial output expanded by 1.2% from a year ago, exceeding a Bloomberg survey of 1%, as the growth was underpinned by the manufacturing sector.

The Statistics Department said on Friday the Industrial Production Index (IPI) returned to positive growth since February 2020 from a year ago. Chief Statistician Datuk Seri Dr Mohd Uzir Mahidin said the increase in the IPI in July 2020 was due to the 2.9% increase in the manufacturing index.

However, the indices of mining and electricity declined by 3% and 5.1%, he said. The manufacturing sector output based on year-on-year comparison increased by 2.9% in July 2020 after recording an increase of 4.7% in June 2020. The major sub-sectors contributing to the growth in manufacturing sector in July were electrical and electronics products (9.6%); transport equipment and other manufacturers (9%) and petroleum, chemical, rubber and plastic products (1.5%).

However, mining sector output dropped by 3% in July 2020 from a year ago. The deterioration was due to the decrease in crude oil and condensate index (-1.2%) and natural gas index (-4.4%). As for the electricity sector, output fell by 5.1% in July from a year ago.

# NEWS UPDATE

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Today's headlines of interest and summaries as extracted from the international and local media.

## REUTERS

### *Yields drop after supply passes, despite higher inflation*

Bond yields fell on Friday after the U.S. Treasury on Thursday completed \$108 billion in supply this week, and as investors remained doubtful that inflation will increase much even as consumer prices rose more than expected in August.

The supply has weighed on the market this week, with the Treasury selling a record amount of three-year notes as well as the largest reopenings of 10-year notes and 30-year bonds in history. Bond yields also fell after data showed an increase in consumer prices last month. The Labor Department said its consumer price index rose 0.4% in August, marking its third consecutive monthly increase. "You have to take (the data) with a grain of salt, because there's a lot of dislocation that's going on because of the virus and the lockdown," said Lou Brien, a market strategist at DRW Trading in Chicago. U.S. 10-year yields reflect pessimism that the Federal Reserve will be able to lift inflation to its target, despite fiscal stimulus and ongoing quantitative easing, Brien said.

The yields are "the dog that didn't bark," he said. "The last three consumer price index numbers were stronger than expected, and I think that it's interesting that in spite of that, the 10-year is still sitting right around 0.67%." The 10-year note yields US10YT=RR fell two basis points on the day to 0.669%.

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