

MALAYSIAN RATING CORPORATION BERHAD
(944001)

JANUARY 2019

Monthly Bond Market & Rating Snapshot

FINANCIAL VARIABLE	DEC-18	JAN-19	M-O-M CHANGE
OVERNIGHT POLICY RATE (%)	3.25	3.25	0 bp
3-YEAR BENCHMARK MGS (%)	3.62	3.60	-2 bps
10-YEAR BENCHMARK MGS (%)	4.07	4.07	0 bp
3-YEAR IRS (%)	3.72	3.67	-5 bps
10-YEAR IRS (%)	4.15	4.05	-10 bps
RINGGIT 3-YEAR AAA (%)	4.21	4.21	0 bp
RINGGIT 3-YEAR AA (%)	4.50	4.50	0 bp
RINGGIT 3-YEAR A (%)	5.85	5.85	0 bp
2-YEAR US TREASURY (%)	2.49	2.46	-3 bps
10-YEAR US TREASURY (%)	2.68	2.63	-5 bps
MYR/USD	4.13	4.10	0.9%
US DOLLAR INDEX	96.2	95.6	-0.6%
BRENT CRUDE (USD/BARREL)	53.8	61.9	15.0%
GOLD SPOT (USD/OUNCE)	1,282.45	1,321.20	3.0%
KLCI Index	1,690.58	1,683.53	-0.4%
S&P 500 Index	2,506.85	2,704.10	7.9%

Source: Bloomberg, MARC Fixed Income Research



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Global Markets

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Despite signs of a global growth slowdown, the US economy remained vibrant in January 2019, with the government shutdown having been resolved, employment increasing strongly, and the Federal Reserve (Fed) signalling that they are in no hurry to tighten monetary policy further. All these have boosted both US equities and bond markets in January.

Malaysian Government Bond Market

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Local govvnies ended the month of January on a more positive footing, in tandem with its global peers. Yields were broadly lower amid expectations that future US Treasury (UST) yields would be capped due to the dovish tone set by the Fed in its latest Federal Open Market Committee (FOMC) meeting. A stronger ringgit amid higher global crude oil prices and positive comments on Malaysia by global credit rating agencies helped buoy sentiment in the bond market.

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The local unit continued to strengthen against the US dollar in January, supported by stronger global crude oil prices, a firmer renminbi against the greenback and a weaker US dollar.

Global Markets

A quick review

In January, the US economy remained spirited despite signs of a global growth slowdown

Despite signs of a global growth slowdown, the US economy remained vibrant in January 2019, with the government shutdown having been resolved, employment increasing strongly, and the Fed signalling that they are in no hurry to tighten monetary policy further. These events have boosted both US equities and bond markets. As at end-January, the 10y and 2y UST yields were lower by five basis points (bps) and three bps when compared to the preceding month. The shape of the yield curve was relatively stable with the spread between the 10y and 2y UST yields ending the month at 17 bps from 19 bps previously.

In the euro zone, slowing growth, trade tensions and Brexit were among the worrying issues

Meanwhile, slowing growth, trade tensions and Brexit were among the worrying issues in the euro zone. These events led to a comment by the European Central Bank (ECB) President Mario Draghi that all policy tools would be available to support the European economy, including reinitiating a bond-buying program. It has been only one month since the ECB announced that it would officially end its purchase of new assets at end-December 2018. In the UK, Brexit impasse continued and showed no signs of breaking as UK Prime Minister Theresa May's Brexit plan was defeated in the British parliament. Parliament voted to force May to renegotiate the Brexit deal with the European Union (EU). However, the EU had quickly responded by refusing to reopen negotiations over the Brexit deal.

In China, disappointing economic data points continued amid continuing trade tensions with the US

In China, disappointing economic data points continued with the latest being a lower-than-expected Producer Price Index (PPI), which raised concerns about its impact to the global economy. As trade tensions with the US persist, Chinese President Xi Jinping indicated that he would like to resolve the dispute by March 1. Adding to the tensions were the recent criminal accusations against Huawei Technologies Co's Chief Financial Officer (CFO). People's Bank of China (PBOC) cut its reserve ratio by 1%, in response to the continued trade tensions and softening data.

Exhibit 1: Summary of US rates

US rates (%)	Dec-18	Jan-19	M-o-m change
Federal Funds Rate (Upper Bound)	2.50	2.50	0 bp
2-year UST	2.49	2.46	-3 bps
5-year UST	2.51	2.44	-7 bps
10-year UST	2.68	2.63	-5 bps
30-year UST	3.01	3.00	-1 bp

Source: Bloomberg, MARC Fixed Income Research

Exhibit 2: Summary of euro rates

Euro rates (%)	Dec-18	Jan-19	M-o-m change
European Central Bank Deposit Facility Rate	-0.40	-0.40	0 bp
2-year Bund	-0.61	-0.56	-1 bp
5-year Bund	-0.31	-0.32	-4 bps
10-year Bund	0.24	0.15	-7 bps
30-year Bund	0.88	0.75	-11 bps

Source: Bloomberg, MARC Fixed Income Research

Exhibit 3: Summary of UK rates

UK rates (%)	Dec-18	Jan-19	M-o-m change
Bank of England Official Bank Rate	0.75	0.75	0 bp
2-year Gilt	0.78	0.75	-3 bps
5-year Gilt	0.95	0.90	-5 bps
10-year Gilt	1.36	1.28	-8 bps
30-year Gilt	2.08	1.82	-26 bps

Source: Bloomberg, MARC Fixed Income Research

Exhibit 4: Summary of Japan rates

Japan rates (%)	Dec-18	Jan-19	M-o-m change
Bank of Japan Short-term Interest Rate	-0.10	-0.10	0 bp
2-year JGB	-0.13	-0.14	-1 bp
5-year JGB	-0.10	-0.14	-4 bps
10-year JGB	0.09	0.00	-9 bps
30-year JGB	0.82	0.72	-10 bps

Source: Bloomberg, MARC Fixed Income Research

Malaysian Government Bond Market

Primary market review

Total outstanding MGS/GII papers continued to grow on the back of higher gross issuances

Primary market in January was upbeat with the 10.5y GII recording the highest BTC ratio of 4.1x since 2005

In January, total outstanding Malaysian Government Securities (MGS) and Government Investment Issues (GII) amounted to RM726.0 billion, higher by RM13.0 billion (December 2018: RM8.3 billion) on a monthly basis. The increase was mainly attributed to higher gross issuance for both papers with most of the issuance coming from GII, similar to the previous month. GII comprised 69.2% of total MGS/GII gross issuance in January (December 2018: 100.0%). There were no matured papers recorded during the month.

There were three public offerings in January – the new issuance of RM3.5 billion 10.5y GII and the RM3.5 billion 7.5y MGS as well as the reopening of the RM4.0 billion 5y GII. The government received total bids of RM29.9 billion (December 2018: RM12.6 billion), the highest since May 2018. Demand for the 10.5y GII was overwhelming, garnering a bid-to-cover (BTC) ratio of 4.1x, the highest recorded since 2005. The issue was supported by the renewed strength in the ringgit during the week and anticipation that the 10y GII benchmark would be included in global indices. Meanwhile, public auction for both the 7.5y MGS and the 5y GII was fairly upbeat with BTC ratios of 2.2x and 2.0x. Nervous sentiment ahead of the FOMC meeting had curbed some of the demand for these papers.

Exhibit 5: Summary of Malaysian government securities statistics (RM billion)

	Gross issuance			Redemption			Net issuance			Total outstanding		
	MGS	GII	Total	MGS	GII	Total	MGS	GII	Total	MGS	GII	Total
Dec-18	-	8.3	8.3	-	-	-	-	8.3	8.3	380.3	332.7	713.0
Jan-19	4.0	9.0	13.0	-	-	-	4.0	9.0	13.0	384.3	341.7	726.0
2019 YTD	4.0	9.0	13.0	-	-	-	4.0	9.0	13.0			

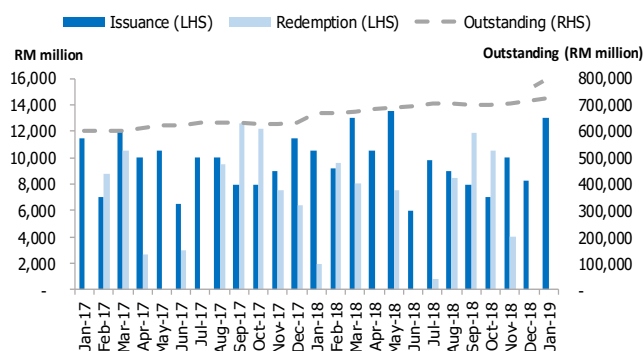
Source: BNM Bond Info Hub, MARC Fixed Income Research

Exhibit 6: Malaysian government securities auction results in January 2019

Issues	Tenure (years)	Issue date	Amount (RM mil)	BTC (x)	Average yield (%)
10.5y new issue of GII (Mat on 07/29)	10.5	9-Jan-19	3,500	4.07	4.130
7.5y new issue of MGS (Mat on 07/26)	7.5	15-Jan-19	3,500	2.22	3.906
5y reopening of GII 11/23 4.094%	5	31-Jan-19	4,000	1.97	3.862

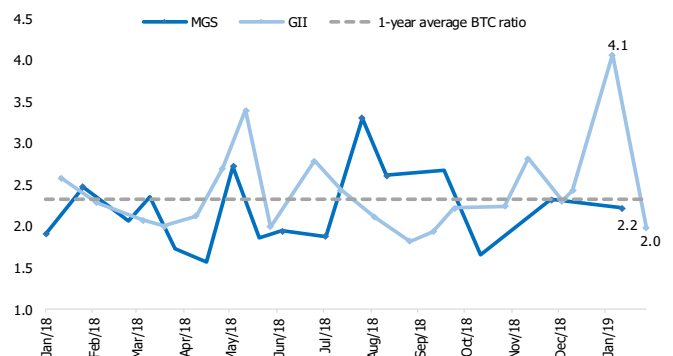
Source: BNM Fast, MARC Fixed Income Research

Exhibit 7: Total outstanding MGS/GII papers was higher in December amid no redemption being recorded



Source: BNM Bond Info Hub, MARC Fixed Income Research

Exhibit 8: BTC ratios of MGS and GII papers for the past one year



Source: BNM Fast, MARC Fixed Income Research

Secondary market review

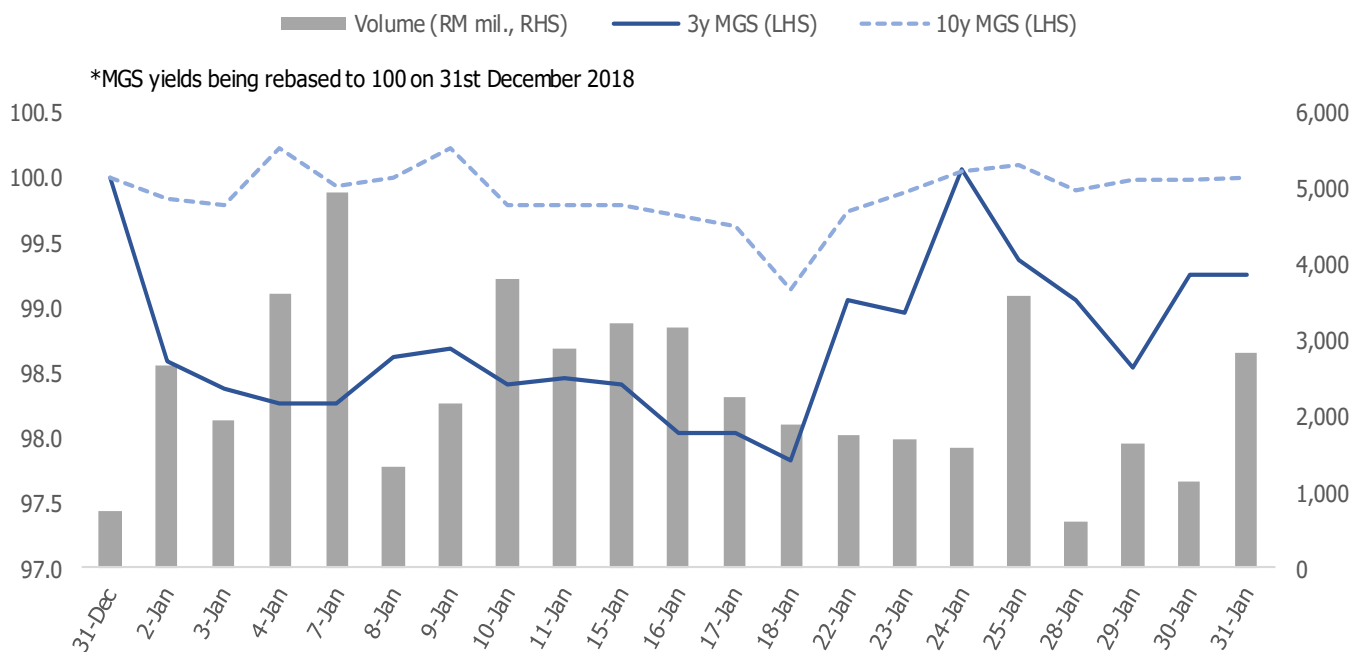
Local govies were firmer in January in tandem with its global peers

Local govies ended January 2019 on a more positive footing, in tandem with its global peers. Yields were broadly lower amid expectations that future UST yields would be capped following the dovish tone set by the Fed in its latest FOMC meeting. Sluggish global economic prospects, negative repercussions of the US government shutdown and rising concerns over the US economy have also buoyed local govies.

Benchmark MGS yields were broadly lower by one bp to nine bps

By end-January 2019, benchmark MGS yields were broadly lower by one bp to nine bps. However, the yield for the 10y MGS was unchanged at 4.07%. Both the 20y/3y and 10y/3y yield spreads came in at 97 bps and 47 bps in January compared with 104 bps and 45 bps registered in the previous month. Benchmark yield on the 3y MGS fell after surging in the previous week following the conclusion of Bank Negara Malaysia's (BNM) latest Monetary Policy Committee (MPC) meeting in January. BNM had maintained the overnight policy rate (OPR) at 3.25% and kept a dovish outlook on the global economy, hence increasing expectations of a rate cut in the near term.

Exhibit 9: Daily performance of three- and 10-year MGS yields throughout January 2019



Source: Bloomberg, BPAM, MARC Fixed Income Research

Exhibit 10: MGS benchmark yields

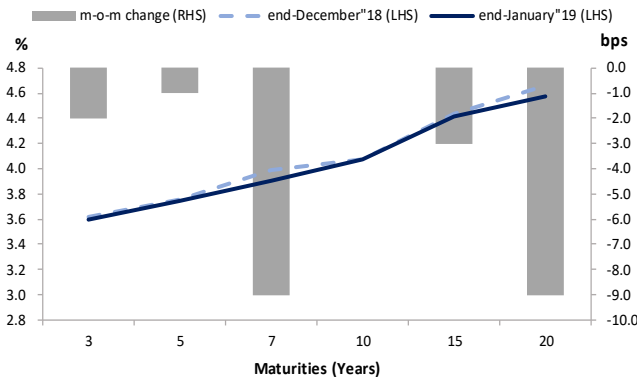
MGS yields (%)	Dec-18	Jan-19	M-o-m change
3-year MGS	3.62	3.60	-2 bps
5-year MGS	3.76	3.75	-1 bp
7-year MGS	3.99	3.90	-9 bps
10-year MGS	4.07	4.07	0 bp
15-year MGS	4.44	4.41	-3 bps

Source: Bloomberg, MARC Fixed Income Research

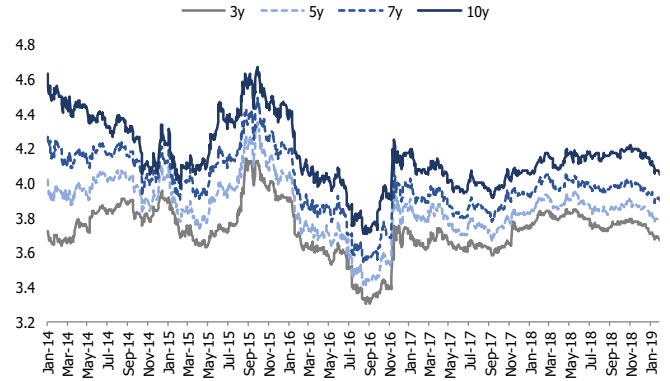
Exhibit 11: OPR and Interest Rate Swap (IRS) rates

Rates (%)	Dec-18	Jan-19	M-o-m change
Overnight Policy Rate	3.25	3.25	0 bp
1-year IRS	3.69	3.65	-4 bps
3-year IRS	3.72	3.67	-5 bps
5-year IRS	3.83	3.77	-6 bps
10-year IRS	4.15	4.05	-10 bps

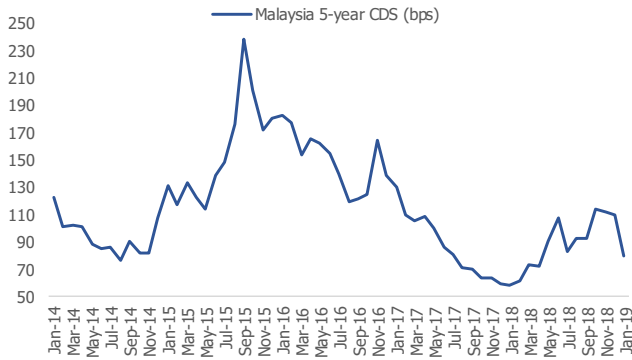
Source: Bloomberg, MARC Fixed Income Research

Exhibit 12: MGS yield curves


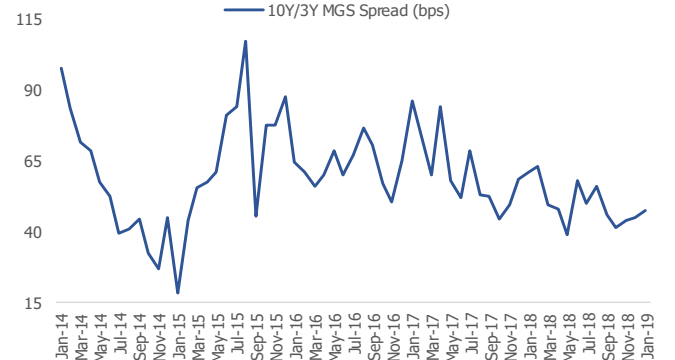
Source: Bloomberg, MARC Fixed Income Research

Exhibit 13: MYR IRS curves


Source: Bloomberg, MARC Fixed Income Research

Exhibit 14: Malaysia's 5Y Credit Default Swap (CDS) curve


Source: Bloomberg, MARC Fixed Income Research

Exhibit 15: 10Y/3Y MGS spread


Source: Bloomberg, MARC Fixed Income Research

Exhibit 16: Top five local govies trades for January 2019

Security	Traded amount (RM mil)	Issue tenure (Years)	Last traded yield (%)
GII MURABAHAH 1/2018 4.128% 15.08.2025	4,630	8	4.02%
MGS 2/2018 3.757% 20.04.2023	4,448	5	3.76%
GII MURABAHAH 2/2018 4.369% 31.10.2028	4,420	10	4.16%
MGS 5/2013 3.733% 15.06.2028	3,502	15	4.06%
MGS 4/2014 3.654% 31.10.2019	3,497	5	3.40%

Source: BPAM, MARC Fixed Income Research

Exhibit 17: Summary of MGS trading volume (RM million) based on maturity profile

	< 3M	3M - 6M	6M - 1Y	1Y - 2Y	2Y - 3Y	3Y - 5Y	5Y - 7Y	7Y - 10Y	> 10Y
Dec-18	2,411	-	3,914	1,658	2,521	3,454	2,421	4,159	3,422
Jan-19	17,609	15,701	37,973	55,934	31,334	95,873	53,831	74,213	63,966
M-o-m change	15,198	15,701	34,059	54,275	28,813	92,419	51,410	70,054	60,543

Source: BPAM, MARC Fixed Income Research

Malaysian Corporate Bond Primary Market

Local corporate bond issuances were higher in January amid an increase across all corporate bond segments except for the unrated GG and Cagamas segments

The corporate bond primary market saw slightly higher issuing activity in January 2019 compared with December 2018. Total gross issuance rose by RM0.1 billion or 2.0% m-o-m to RM5.9 billion. Most corporate bond segments registered an increase during the period except for the unrated government-guaranteed (GG) and Cagamas segments. Most of the issuances came from the rated corporate bonds segment. Gross issuances in the rated corporate bond segment was led by Malayan Banking Berhad which issued two tranches of Islamic Medium-Term Notes (IMTN) amounting to RM3.7 billion. Meanwhile, on an annual basis, the total gross issuance of corporate bonds decreased by 37.9% y-o-y or RM3.6 billion.

Exhibit 25: Summary of corporate bond issuance in January 2019 (RM billion)

Year	Unrated corporate bonds	Unrated government-guaranteed	Total unrated	Rated corporate bonds	Cagamas	Total rated	Total corporate bonds
Dec-18	1.1	2.0	3.1	0.9	1.9	2.7	5.8
Jan-19	1.5	-	1.5	4.3	0.1	4.4	5.9
M-o-m change	0.4	-2.0	-1.6	3.5	-1.8	1.7	0.1

Source: BPAM, MARC Fixed Income Research

Exhibit 26: Historical trend of bond issuance by category (RM billion)

Year	Unrated corporate bonds	Unrated government-guaranteed	Total unrated	Rated corporate bonds	Cagamas	Total rated	Total corporate bonds
2013	12.3	13.6	25.9	52.4	7.9	60.3	86.2
2014	8.0	21.9	29.9	52.7	3.3	55.9	85.9
2015	14.0	15.6	29.6	51.5	3.8	55.3	85.0
2016	13.2	28.1	41.3	39.3	4.1	43.4	84.8
2017	20.7	37.6	58.3	55.8	8.7	64.6	122.9
2018	13.9	28.7	42.6	52.4	9.0	61.3	103.9
2019 YTD	1.5	-	1.5	4.3	0.1	4.4	5.9

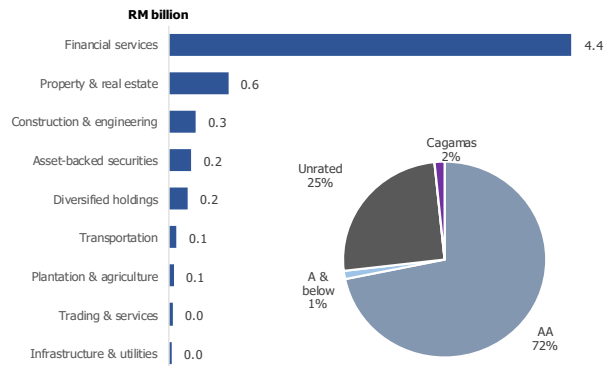
Source: BPAM, MARC Fixed Income Research

Note: Numbers may not necessarily add up to total due to rounding.

Exhibit 27: Top corporate bond issuers in January 2019 (issue size above RM1.0 billion)

Issuer	Industry	Category	Principle	No. of issues	Amount (RM bil)	Tenure (Years)	Coupon (%)
Malayan Banking Berhad	Financial services	AA rated	Islamic	2	3.7	10 - 12	4.63 - 4.71

Source: BPAM, MARC Fixed Income Research

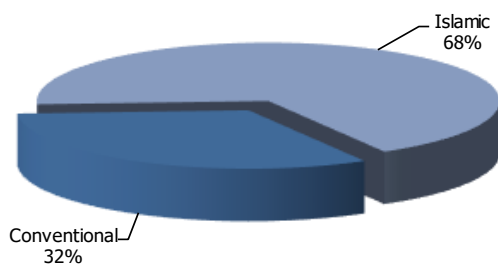
Exhibit 28: Corporate bond issuance composition by sector and ratings in January 2019


Source: BPAM, MARC Fixed Income Research

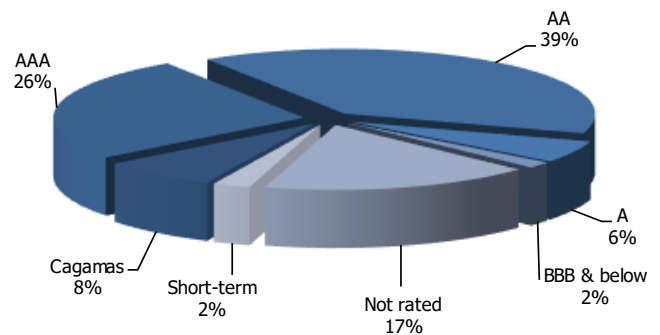
Exhibit 29: Outstanding size of Cagamas and corporate bonds as of January 2019 (RM billion)

Asset class	Conventional	Islamic	Total
Cagamas	21.0	14.7	35.7
Corporate Bonds	137.9	299.6	437.5
Corporate	55.1	218.5	273.6
Corporate guaranteed	19.5	47.8	67.3
Financial	56.6	29.3	85.9
ABS	6.7	4.1	10.8

Source: BPAM, MARC Fixed Income Research

Exhibit 30: Corporate bonds outstanding: Conventional & Islamic


Source: BPAM, MARC Fixed Income Research

Exhibit 31: Corporate bonds outstanding: Distribution by rating band


Source: BPAM, MARC Fixed Income Research

Exhibit 32: AAA corporate benchmark yields

AAA (%)	Dec-18	Jan-19	M-o-m change
3-year	4.21	4.21	0 bp
5-year	4.39	4.37	-2 bps
7-year	4.54	4.52	-2 bps
10-year	4.71	4.68	-3 bps

Source: Bloomberg, MARC Fixed Income Research

Exhibit 33: AA/AA2 corporate benchmark yields

AA/AA2 (%)	Dec-18	Jan-19	M-o-m change
3-year	4.51	4.50	-1 bp
5-year	4.69	4.67	-2 bps
7-year	4.86	4.85	-1 bp
10-year	5.06	5.04	-2 bps

Source: Bloomberg, MARC Fixed Income Research

Exhibit 34: A/A2 corporate benchmark yields

A/A2 (%)	Dec-18	Jan-19	Dec-18
3-year	5.95	5.88	-7 bps
5-year	6.48	6.34	-14 bps
7-year	7.06	6.85	-21 bps
10-year	7.90	7.56	-34 bps

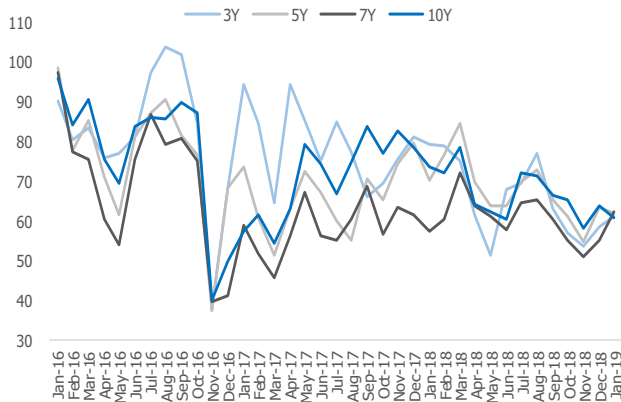
Source: Bloomberg, MARC Fixed Income Research

Exhibit 35: AAA, AA/A2, A/A2 blended credit spreads

AAA, AA/A2 & A/A2 (%)	Dec-18	Jan-19	M-o-m change
3-year	146	145	-1 bp
5-year	166	159	-7 bps
7-year	177	176	-1 bp
10-year	216	200	-16 bps

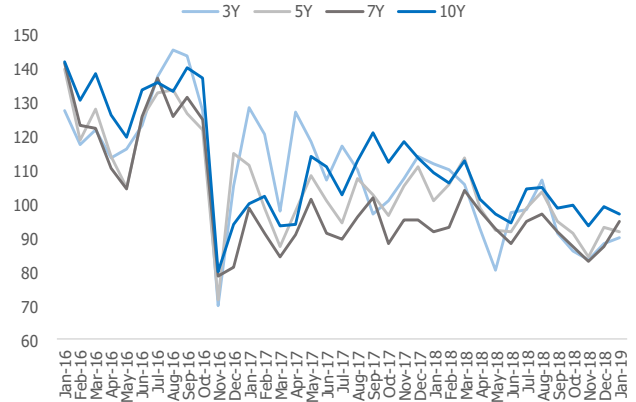
Source: Bloomberg, MARC Fixed Income Research

Exhibit 36: AAA corporate bonds yield spread (bps)



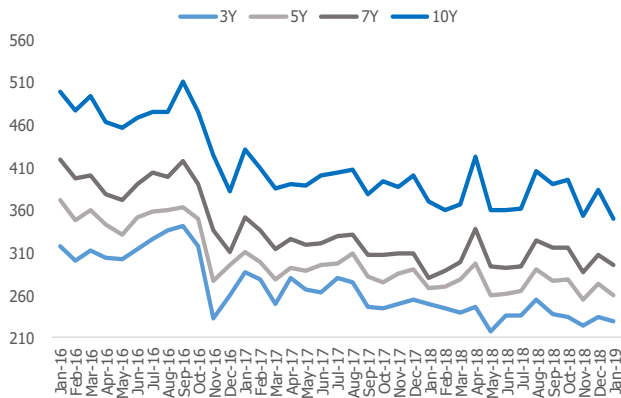
Source: Bloomberg, MARC Fixed Income Research

Exhibit 37: AA/AA2 corporate bonds yield spread (bps)



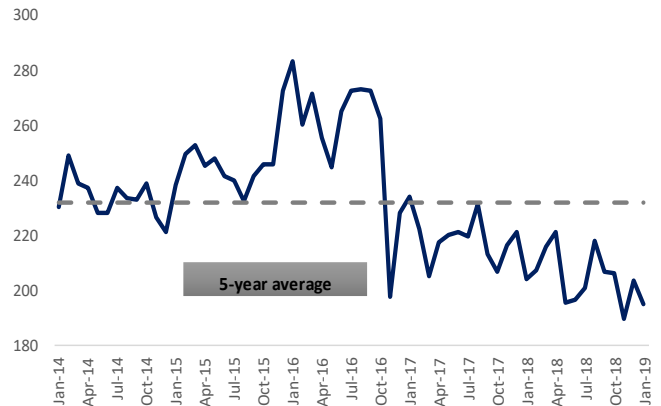
Source: Bloomberg, MARC Fixed Income Research

Exhibit 38: A/A2 corporate bonds yield spread (bps)



Source: Bloomberg, MARC Fixed Income Research

Exhibit 39: 5Y blended credit spread (bps)



Source: Bloomberg, MARC Fixed Income Research

Exhibit 40: Secondary market volume (RM billion)

Asset class	Dec-18	Jan-19	M-o-m change
MGS/GII	37.4	88.9	51.5
Cagamas	0.0	0.8	0.8
FI corporate	1.1	3.2	2.1
Non-FI corporate	5.6	7.0	1.4

Source: BPAM, MARC Fixed Income Research

Exhibit 41: Non-FI corporate traded by rating band (RM billion)

Rating band	Dec-18	Jan-19	M-o-m change
AAA	1.4	2.2	0.7
AA	3.9	4.2	0.3
A	0.2	0.3	0.2
BBB and below	-	-	-
Short-term	0.1	0.2	0.1

Source: BPAM, MARC Fixed Income Research

MARC Rating Activities

MARC affirmed 14 issue ratings and also affirmed its long-term and short-term counterparty credit ratings on CGIF

In January, MARC affirmed 14 issue ratings from eight different issuers. Out of these issue ratings, one issue had its rating outlook revised. MARC revised the rating outlook on Segi Astana Sdn Bhd's RM415.0 million ASEAN Green Medium-Term Notes (MTN) facility to negative from stable. The revised outlook mirrors that of its parent WCT Holdings Bhd (AA-/negative) which has provided a cash deficiency support undertaking. MARC also affirmed its AAA/MARC-1 counterparty credit ratings on Credit Guarantee and Investment Facility (CGIF) with a stable outlook.

MARC downgraded QSP Semenanjung's RM1.0 billion Green SRI Sukuk rating and concurrently placed it on MARCWatch Negative

Meanwhile, MARC downgraded Quantum Solar Park (Semenanjung) Sdn Bhd's (QSP Semenanjung) RM1.0 billion Green SRI Sukuk rating to A+_{IS} from AA-_{IS}/Negative and concurrently placed the rating on MARCWatch Negative. The downgrade reflects the heightened risk of termination of solar power purchase agreements (SPPAs) related to QSP Semenanjung's Merchang and Jasin solar power plant projects following the unlikely event of achieving commercial operation date (COD) at these plants by the walkaway event date of January 27, 2019.

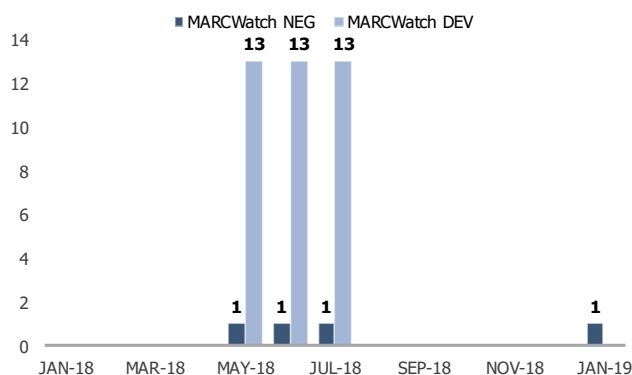
Exhibit 42: List of rating actions in January 2019

Principle	Category	Main sector	Issuer	Date announced	Rating action	Rating outlook	Long-term rating		Short-term rating		Issue size (RM mil)	Credit enhancement
							Before	After	Before	After		
Islamic	Corporate Debt	Infrastructure & Utilities	Malakoff Power Bhd	31-Jan-19	AFFIRMED	STA	AA-	AA-			5,400	
Islamic	Project Finance	Infrastructure & Utilities	TTM Sukuk Berhad	31-Jan-19	AFFIRMED	STA	AAA	AAA			600	
Islamic	Corporate Debt	Trading/Services	MMC Corporation Bhd	30-Jan-19	AFFIRMED	STA	AA-	AA-			2,500	
Conventional	Project Finance	Property	Segi Astana Sdn Bhd	30-Jan-19	AFFIRMED	NEG	AA-	AA-			415	
Conventional	Structured Finance	Construction	TRIplic Ventures Sdn Bhd	30-Jan-19	AFFIRMED	STA	AAA	AAA			240	fg
Islamic	Project Finance	Infrastructure & Utilities	Quantum Solar Park (Semenanjung) Sdn Bhd	25-Jan-19	DOWNGRADED		AA-	A+			1,000	
Conventional	Structured Finance	Property	Kinabalu Capital Sdn Bhd	18-Jan-19	AFFIRMED	STA	AAA	AAA			220	
Conventional	Structured Finance	Property	Kinabalu Capital Sdn Bhd	18-Jan-19	AFFIRMED	STA	AA	AA			40	
Conventional	Structured Finance	Property	Kinabalu Capital Sdn Bhd	18-Jan-19	AFFIRMED	STA	A	A			20	
Conventional	Structured Finance	Property	Kinabalu Capital Sdn Bhd	18-Jan-19	AFFIRMED	STA			MARC-1	MARC-1	280	
Unspecified	Counterparty Credit Rating	Finance	Credit Guarantee & Investment Facility	9-Jan-19	AFFIRMED	STA	AAA	AAA	MARC-1	MARC-1	-	
Islamic	Corporate Debt	Property	Putrajaya Holdings Sdn Bhd	9-Jan-19	AFFIRMED	STA	AAA	AAA			1,500	
Islamic	Corporate Debt	Property	Putrajaya Holdings Sdn Bhd	9-Jan-19	AFFIRMED	STA	AAA	AAA			3,000	
Islamic	Corporate Debt	Property	Putrajaya Holdings Sdn Bhd	9-Jan-19	AFFIRMED	STA	AAA	AAA			370	
Islamic	Project Finance	Infrastructure & Utilities	UITM Solar Power Sdn Bhd	9-Jan-19	AFFIRMED	STA	AA-	AA-			240	

Source: MARC Fixed Income Research

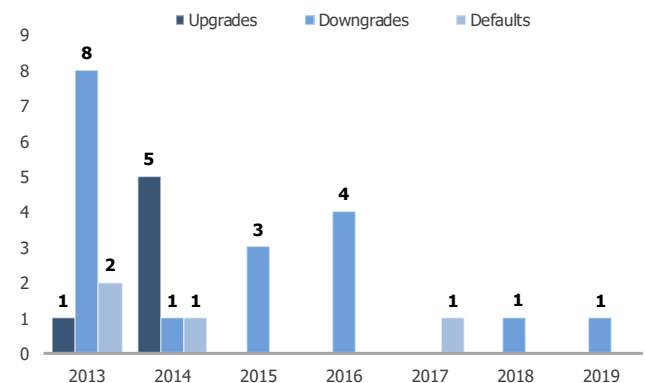
*fg – financial guarantee

Exhibit 43: MARCWatch placements, by issue count



Source: MARC Fixed Income Research

Exhibit 44: MARC rating migrations, by issue count



Source: MARC Fixed Income Research

Foreign Holdings of Local Bonds

Foreign investors shed their local bond holdings for the third consecutive month in January

Bulk of the net foreign outflows came from MGS and treasury bills

Foreign funds flowed out of the local bond market for the third consecutive month in January. The local bond market saw a foreign net outflow of RM2.4 billion (December 2018: -RM2.2 billion). Total foreign holdings of local govvnies fell to RM182.5 billion (December 2018: RM184.8 billion) and as a result, total foreign ownership as a percentage of total outstanding local bonds declined to 12.8% in January (December 2018: 13.1%).

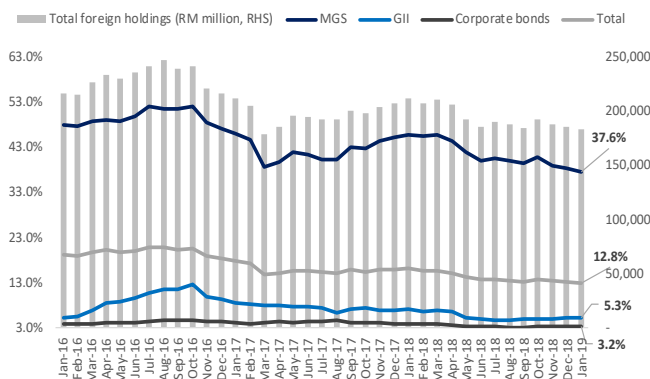
Similar to the previous month, most of the decline was attributed to the fall in foreign ownership in MGS and treasury bills. By end-January, foreign holdings of MGS and treasuries tumbled by RM1.7 billion and RM1.1 billion to RM144.4 billion and RM2.7 billion (December 2018: MGS, RM146.2 billion; treasury bills, RM3.7 billion). Foreign ownership of both MGS and treasury bills stood at 37.6% and 38.1% of their total outstanding amounts in January (November 2018: MGS, 38.4%; treasury bills, 57.4%). Foreign holdings of MGS fell on profit taking activities after rallying from the Fed's dovish outlook while foreign holdings of treasury bills fell on a high redemption value of about RM1.5 billion.

Exhibit 18: Summary of foreign holdings in local bonds

	Foreign holdings (RM mil)		Composition (%)		Foreign flows (RM mil)	
	Dec-18	Jan-19	Dec-18	Jan-19	Dec-18	Jan-19
MGS	146,152	144,413	38.4	37.6	-1,468	-1,739
GII	15,893	16,553	5.2	5.3	1,001	661
Treasury bills	3,733	2,665	57.4	38.1	-1,530	-1,068
BNM notes	5,000	5,000	26.0	29.4	-	-
Corporate bonds	14,048	13,844	3.3	3.2	-240	-204
Total	184,825	182,475	13.1	12.8	-2,237	-2,350

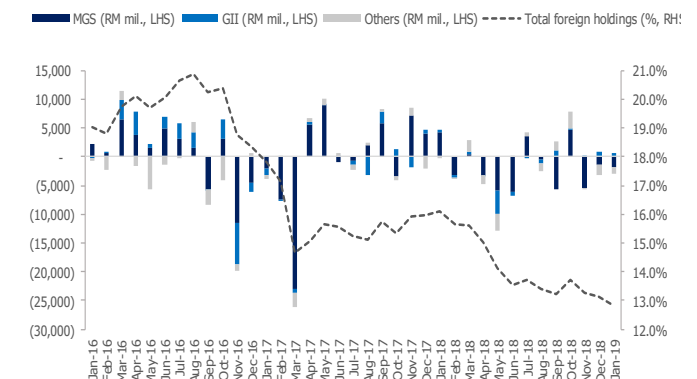
Source: BNM, MARC Fixed Income Research

Exhibit 19: Foreign holdings of ringgit bonds as percentage of total outstanding



Source: BNM, BPAM, MARC Fixed Income Research

Exhibit 20: Monthly foreign flows and total foreign holdings of local bonds



Source: BNM, BPAM, MARC Fixed Income Research

Ringgit

Against the US dollar

The ringgit closed slightly stronger against the US dollar

In January, the ringgit strengthened slightly against the US dollar and ended the month at its strongest level since August 2018 but remained above RM4.00 per USD for the eighth consecutive month. In comparison with end-December's RM4.1335, the ringgit was higher at RM4.0953. Throughout the month, the local unit was supported by stronger global crude oil prices, a firmer renminbi against the greenback and a weaker US dollar.

Against other major currencies

The ringgit was firmer against most other major currencies

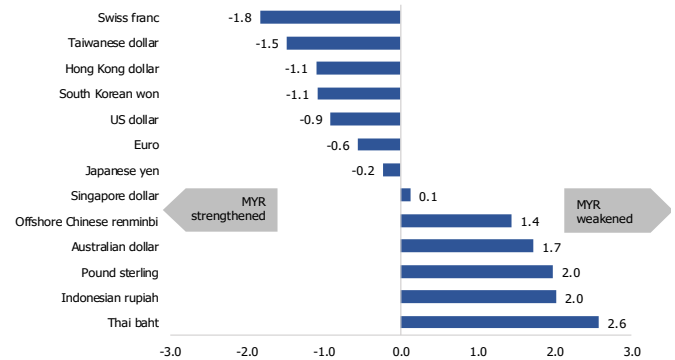
The ringgit ended the month mixed against several other major currencies. It was weaker against the Singapore dollar (RM3.0396) and the pound sterling (RM5.3719) but firmer against the Japanese yen (RM3.7620 per JPY100) and Euro (RM4.7027).

Exhibit 21: Asian currencies against USD (% m-o-m)



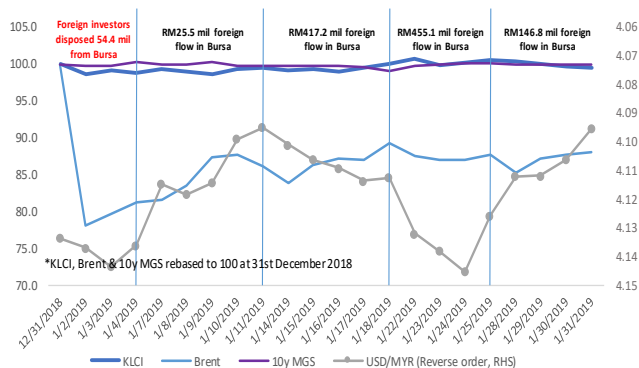
Source: Bloomberg, MARC Fixed Income Research

Exhibit 22: Major currencies against MYR (% m-o-m)



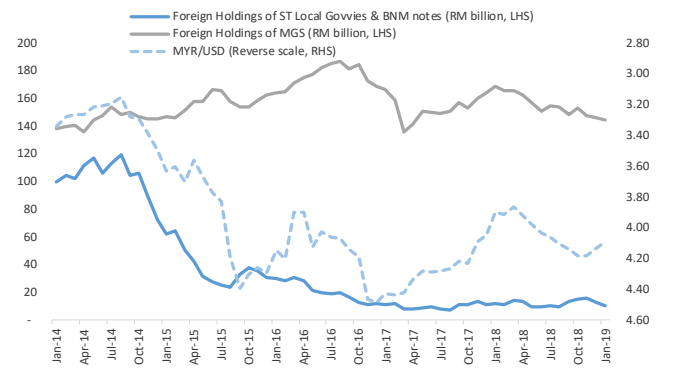
Source: Bloomberg, MARC Fixed Income Research

Exhibit 23: Daily performance of the ringgit versus FBM KLCI, BRENT crude and 10y MGS



Source: Bloomberg, MIDF, MARC Fixed Income Research

Exhibit 24: Monthly performance of the ringgit versus foreign holdings of short-term local govies & BNM notes and MGS



Source: Bloomberg, BNM, MARC Fixed Income Research

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