



CIMB ASEAN Research Institute (CARI) in collaboration with
ASEAN Business Club (ABC) and Asian Development Bank (ADB)
presents roundtable on

“Broadening investor base in ASEAN bond markets”

Date: 24th November 2017, Friday

Time: 9:30 am - 12:30 pm

**Venue: Thanat Khoman Room, Level 31,
Menara CIMB, Jalan Stesen Sentral 2,
Kuala Lumpur Sentral, Kuala Lumpur.**

OVERVIEW

The Asian financial crisis (AFC) of 1997-1998 underlined the important role that local currency (LCY) bond markets can play in the region’s financial stability. LCY bonds help mitigate the maturity and currency mismatch that contributed to the AFC, and add to a more diverse and balanced financial system. They are also a vital source of financing for infrastructure and other long-term developmental priorities. Since the launch of Asian Bond Markets Initiative (ABMI) in December 2002, most ASEAN member states witnessed rapid expansion of their LCY bond markets. The aggregated LCY bond markets of six major ASEAN member states increased from US\$270 billion in December 2002 to US\$1,187 billion in June 2017. The rapid growth of bond markets helps to strengthen resilience of ASEAN economies to external shocks.

Despite policy makers’ efforts to foster broader, deeper and more liquid domestic bond markets, many ASEAN bond markets still face the challenge of relatively small and concentrated investor bases, which is partially due to limited regional financial integration. Active investor participation and well-balanced investor profiles promote market liquidity and help stabilise financial markets in case of external shocks. Different types of investors adopt different trading strategies and provide diversified demands for assets in the market due to divergent investment mandates and heterogenous risk aversion levels. Hence, broader investor profiles contribute to greater market depth and enhance market resilience to risks.

In 2017, the Asian Development Bank (ADB) study titled, Foreign and Domestic Investments in Global Bond Markets, examined determinants of foreign and domestic investors’ portfolio choices in global bond markets. The study found that foreign investors significantly overweigh bond markets that have higher but less volatile returns on bond market indexes. In contrast, domestic investors are not sensitive to the risk-return profiles of domestic bond markets. This evidence reveals significant differences in the investment motives and trading patterns of foreign and domestic bond market participants. Moreover, there is clear evidence that foreign participation is shaped by sovereign ratings and capital market openness.

The study’s findings give rise to policy implications. While higher foreign participation into domestic bond markets signals better risk-return profile as well as sound economic fundamentals, policy makers could encourage greater participation of domestic institutions, which would add to market depth and act as a buffer during external shocks.

During this roundtable, we will discuss the drivers of foreign and domestic investment in global bond markets, policies that may promote domestic participation, benefits of regional market integration, and how these discussions can be extended to the entire region for more integrated ASEAN bond markets.

SPEAKERS

Dr. Donghyun Park
Principal Economist,
Economic Research and
Regional Cooperation
Asian Development Bank

Dr. Shu Tian
Economist, Economic
Research and Regional
Cooperation Department
Asian Development Bank

Mr. Kamarudin Hashim
Executive Director,
Market and Corporate Supervision,
Securities Commission Malaysia

Datuk Chung Chee Leong
Chief Executive Officer,
Cagamas Berhad

Ms. Munirah Khairuddin
Chief Executive Officer,
CIMB-Principal Asset
Management Berhad

Dr. Joseph E. Zveglich Jr.
Director,
Asian Development Bank

CHAIR

Tan Sri Dr. Munir Majid
Chairman, CIMB ASEAN Research Institute
President, ASEAN Business Club

PROGRAMME*

09:30	Registration
10:00 - 10:10	Opening Remarks and Address by Tan Sri Dr. Munir Majid Chairman, CIMB ASEAN Research Institute President, ASEAN Business Club
10:10 - 10:25	Presentation on November Report Findings Dr. Donghyun Park , Principal Economist, Economic Research and Regional Cooperation, Asian Development Bank Ms. Maria Cynthia Petalcorin, Senior Economics Officer, Asian Development Bank
10:25 - 10:40	Presentation by Datuk Chung Chee Leong CEO, Cagamas Berhad
10:40 - 10:55	Presentation on Drivers of Domestic vs Foreign Investment Flows in ASEAN Bond Markets by Dr. Shu Tian Economist, Economic Research and Regional Cooperation Department, Asian Development Bank
10:55 - 11:10	Presentation by Ms. Munirah Khairuddin Chief Executive Officer, CIMB-Principal Asset Management Berhad
11:10 - 11:25	Presentation by Mr. Kamarudin Hashim Executive Director, Market and Corporate Supervision, Securities Commission Malaysia
11:25 - 12:10	Discussion
12:10 - 12:15	Remarks by Dr. Joseph E. Zveglich Jr. Director, Asian Development Bank
12:15 - 12:30	Asia Bond Monitor November 2017 Launch Photo Session
12:30	Programme Ends

* Subject to change



ABOUT DR. DONGHYUN PARK

Dr. Donghyun Park is currently Principal Economist at the Economic Research and Regional Cooperation Department (ERCD) of the Asian Development Bank (ADB), which he joined in April 2007. Prior to joining ADB, he was a tenured Associate Professor of Economics at Nanyang Technological University in Singapore. Dr. Park has a Ph.D. in economics from UCLA, and his main research fields are international finance, international trade, and development economics. His research, which has been published extensively in journals and books, revolves around policy-oriented topics relevant for Asia's long-term development, including population aging, financial sector development, and bond market development. Dr. Park plays a leading role in the production of Asian Development Outlook, ADB's biannual flagship publication on macroeconomic issues, and manages the team that produces Asia Bond Monitor, ADB's quarterly flagship report on emerging Asian bond markets.



ABOUT DR. SHU TIAN

Dr. Shu Tian is an Economist at the Economic Research and Regional Cooperation Department (ERCD) of the Asian Development Bank (ADB). Prior to joining ADB, she was an Associate Professor of Finance at Fudan University in China. Dr. Tian received her Ph.D. in finance from the University of New South Wales (Australia), and her research interests include financial services and institution, investments, and empirical asset pricing. Her research has been published in academic journals on topics relating to financial asset pricing, portfolio allocation and financial market development. Dr. Tian works in the teams that produce Asian Development Outlook and Asia Bond Monitor.



ABOUT MR. KAMARUDIN HASHIM

Market & Corporate Supervision (MCS) is responsible for the supervision of market institutions, and surveillance of corporate and secondary market activities. MCS also drives risk surveillance and management strategies for the SC.

Kamarudin is also the overall risk coordinator for the SC. He has been with the SC since 1993 and has experience in various areas including derivatives, bonds, fund management, Islamic capital markets and supervision. He had previously also served as Secretary to the Commission and was seconded to Citibank Bhd where he was involved in bonds and sukuk transactions while supporting regional Islamic finance business of the bank. Prior to joining SC, he was with Bank Negara Malaysia after obtaining a Bachelor of Arts degree majoring in Law from University of Kent, United Kingdom.



ABOUT DATUK CHUNG CHEE LEONG

Datuk Chung Chee Leong is currently the Chief Executive Officer and an Executive Director of Cagamas Berhad, Malaysia's national mortgage corporation, a post he held since 1 April 2012. He spearheaded Cagamas' entrance into the international bond market. Starting with the A3 Sovereign Equivalent International Rating by Moody's Investors Services, Datuk Chung was instrumental in establishing the company's USD5 billion Multicurrency EMTN Programme under which Cagamas' inaugural and South East Asia largest Offshore Renminbi bond was issued. Under his leadership, Cagamas also concluded the country's largest Sukuk issuance in 2013.

Datuk Chung served as the first Chairman of the Asian Secondary Mortgage Market Association in 2015. He is currently a member of the Bond Market Sub-Committee established by Bank Negara Malaysia focusing on development of the bond market in Malaysia.

Prior to his appointment, Datuk Chung has 29 years of experience in central banking focusing mainly on financial system stability and the financial sector. He has served as the Director of Bank Negara Malaysia's (BNM) Banking Supervision Department as well as the Risk Management Department. During his service with BNM, Datuk Chung also carried out assignments for the International Monetary Fund and the Islamic Financial Services Board.

He was involved in the development of Malaysia's Financial Sector Blue Print 2011- 2020, establishment of the deposit insurance scheme and the Malaysian Corporative Commission. He has previously served as a board member of the Credit Guarantee Corporation Berhad as well as a member of the Small Debt Resolution Committee.

Datuk Chung holds a Bachelor of Economics degree, majoring in Business Administration from the University of Malaya. He also attended the Summer School Programme at the University of Cambridge.



ABOUT MS. MUNIRAH KHAIKUDDIN

Munirah Khairuddin is the Chief Executive Officer ("CEO") of CIMB-Principal Asset Management Berhad ("CIMB-Principal"). She is the Executive Director and Board member for CIMB Principal Asset Management Berhad since 2012.

She joined CIMB-Principal in November 2006 and appointed as Deputy CEO in November 2008. Munirah was responsible for the development of institutional, corporate and international business opportunities and sales. She also served as the Director of CIMB-Principal and Commissioner of PT CIMB-Principal Asset Management in Indonesia. She previously worked as a G7 Economist and strategist for a Fortune 500 multinational oil and gas company. Prior to that, she was a fixed income portfolio manager for emerging markets at Rothschild Asset Management in London.

Munirah was appointed as CEO in August 2013. She has been instrumental in helping the company to grow its AUM through Institutional & Corporate business and deepening its retail leadership through extensive banking distribution with new focus in private retirement space. She has close oversight on investment, risk management, audit and compliance. Munirah also played an integral part in the strategic business development initiatives of CWA which was integrated into CIMB-Principal in August 2013 with an agency

sales force of more than 8,000 unit trust consultants today. Munirah also oversees both the retail and corporate businesses for Singapore.

Munirah is a Chartered Financial Analyst (“CFA”) charterholder and holds the Capital Markets Services Representative’s License (“CMSRL”) for fund management. She graduated with a Bachelor of Arts (Honours) in Accounting & Financial Analysis, University of Newcastle Upon Tyne UK.



ABOUT DR. JOSEPH E. ZVEGLICH JR.

Joseph E. Zveglic Jr. is Director of the Asian Development Bank. He manages the macroeconomics research division of the Economic Research and Regional Cooperation Department.

Dr. Zveglic oversees the preparation of the annual Asian Development Outlook and the Asian Development Outlook Update, ADB’s flagship publications forecasting economic trends in the region. He also chairs the Regional Economic Outlook Task Force, which advises ADB management on Developing Asia’s economic prospects.

Prior to this appointment, Dr. Zveglic was the Principal Planning and Policy Economist at ADB’s Strategy and Policy Department. He has also served as Senior Advisor to the President and as Deputy Country Director at the ADB’s Sri Lanka Resident Mission. Dr. Zveglic joined ADB in 1998.

Before ADB, Dr. Zveglic worked as a researcher and academic at the Harvard Institute for International Development as part of the team providing capacity building to government officials in macroeconomic policy and management. Dr. Zveglic earned his Ph.D. and Master of Arts degree at Harvard University. He graduated summa cum laude in economics with an emphasis on Asian studies at Arizona State University.



ABOUT TAN SRI DR. MUNIR MAJID

Tan Sri Dr. Munir worked in UK as a university tutor and research analyst in the City before returning to Malaysia at the end of 1978, to be leader writer for the New Straits Times. He progressed to the position of Group Editor before leaving in 1986 to become Chief Executive Officer of a small merchant bank Pertanian Baring Sanwa, whose name he changed to Commerce International Merchant Bankers (CIMB), which was then transformed into one of Malaysia's leading merchant banks. In 1993, he was invited by the Government of Malaysia to establish the Securities Commission, where he served as Executive Chairman for two terms until 1999. He was instrumental in shaping the legal and regulatory framework of the capital markets in Malaysia, particularly in establishing disclosure-based regulation. He was also responsible for drafting the country's first code of corporate governance in the aftermath of the Asian Financial Crisis of 1997-98. He was Chairman of the Emerging Markets Committee of the International Organisation of Securities Commissions during his term at Malaysia's Securities Commission. After leaving the Commission, he became Director of Telekom Malaysia Berhad, Chairman of Celcom (Malaysia) Berhad and Chairman of Malaysian Airline System Berhad. He was the Founder President of the Kuala Lumpur Business Club, established in 2003 and is a member of the Court of Fellows of the Malaysian Institute of Management. He is currently Chairman of Bank Muamalat Malaysia Berhad, CIMB Asean Research Institute, the Asean Business Advisory Council, Malaysia and The Financial Services Professional Board Malaysia (FSPB), as well as President of the Asean Business Club.

Tan Sri Dr. Munir obtained a B.Sc (Econ) and Ph.D in international relations from the London School of Economic and Political Science (LSE) in 1971 and 1978. He is an Honorary Fellow of LSE and continues the long association with his alma mater as Visiting Senior Fellow at the Centre of International Affairs, Diplomacy and Strategy. Tan Sri Dr. Munir is an associate of Southeast Asia Centre (SEAC) at LSE.

Limited seats available. Please RSVP by Friday, 17th November 2017.

This is an invitation-only event, for enquiries please contact us.

Please note that registration will be open between 9.30am - 10am.

The roundtable will begin at 10am sharp.

ENQUIRIES

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REGISTRATION

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