

BOND MARKET MONTHLY

August 2022



Long-term yields declined in July but started to climb soon after

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Abbreviations

BNIB	Bank Negara Interbank Bills	GII	Government Investment Issues
BNIB-i	Bank Negara Interbank Bills - Islamic	FOMC	Federal Open Market Committee
BNM	Bank Negara Malaysia	LCY	Local currency
BNMN	Bank Negara Monetary Notes	MGS	Malaysian Government Securities
BNMN-i	Bank Negara Monetary Notes - Islamic	MITB	Malaysian Islamic Treasury Bills
BPAM	Bond Pricing Agency Malaysia	MTB	Malaysian Treasury Bills
BTC	Bid-to-cover	OPEC	Organisation of the Petroleum Exporting Countries
CPI	Consumer Price Index	OPR	Overnight policy rate
ECB	European Central Bank	QE	Quantitative easing
EM	Emerging market	SPK	Sukuk Perumahan Kerajaan
EU	European Union	UST	US Treasury
FAST	Fully Automated System for Issuing/Tendering	YTD	Year to date
Fed	US Federal Reserve	YTM	Yield to maturity
FFR	Federal funds rate	MCO	Movement Control Order

¹ **Disclaimer:** Due to rounding adjustments, some figures in the document may not add up precisely to the totals, and percentages may not precisely reflect the absolute figures.

I. Key Data and Figures at a Glance

July 2022

Click on table titles to go to respective sections

Government Securities (RM bil)			BNM Securities (RM bil)		
	MGS/GII	MTB/MITB		BNMN/BNMN-i	BNIB/BNIB-i
Total Outstanding	976.9	44.0	Total Outstanding	0.0	1.8
Gross Issuance	15.5	9.5	Gross Issuance	0.0	0.9
Gross Issuance (YTD)	103.0	38.0	Gross Issuance (YTD)	0.0	1.8

MGS/GII issuance inched up in July



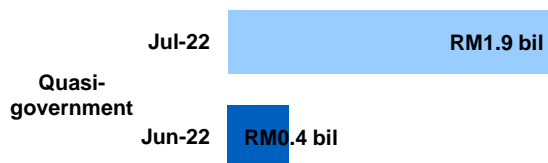
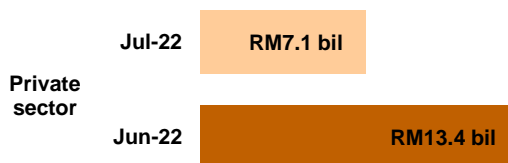
Continued BNM issuance in July



Corporate Bonds (RM bil)

	Private Sector	Quasi-Government	Total Corporate Bonds
Total Outstanding	504.1	277.4	781.5
Gross Issuance	7.1	1.9	9.0
Gross Issuance (YTD)	47.3	14.2	61.5

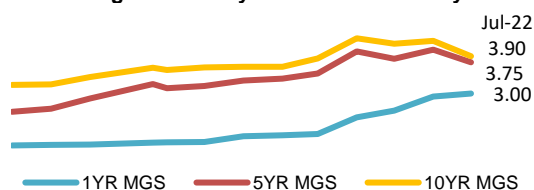
Private sector issuance decelerated in July



Yields (%)

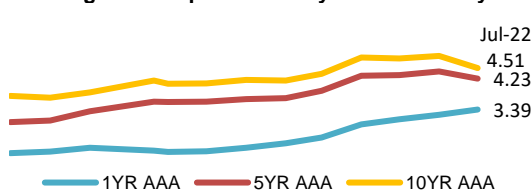
MGS	1-yr	3.00
	5-yr	3.75
	10-yr	3.90

Long-term MGS yields declined in July



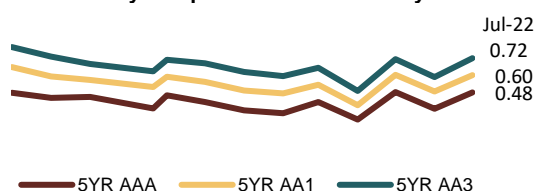
Corporate (AAA)	1-yr	3.39
	5-yr	4.23
	10-yr	4.51

Long-term corporate bond yields fell in July



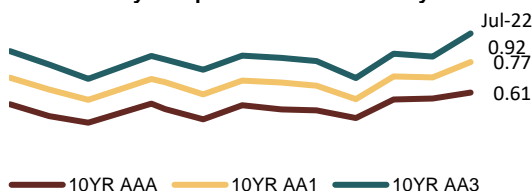
5-year Spreads	AAA	0.48
	AA ₁	0.60
	AA ₃	0.72
	A ₁	1.64

5-year spreads widened in July



10-year Spreads	AAA	0.61
	AA ₁	0.77
	AA ₃	0.92
	A ₁	2.07

10-year spreads widened in July



Foreign Holdings

	Govt Securities	Corporate	BNM
% share	23.2	1.7	0.0
% change (m-o-m)	(1.4)	(1.4)	0.0

Notable RAM-rated Issues > RM 0.5 bil (RM bil)

Sarawak Petchem Sdn Bhd

6.0

RAM Rating Actions (number)



25

Reaffirmations



0

Outlook changes (inc.
Rating Watch)



1

Upgrades



0

Downgrades

Note: Click on table titles to go to respective sections.

RAM Projections	2021	2022f
MGS/GII Gross Issuance (RM bil)	163.9	165-175
Corporate Bonds Gross Issuance (RM bil)	114.3	110-120
Real GDP (annual change)	3.1%	5.8%
OPR (year-end)	1.75%	2.50%
CPI (annual change)	2.5%	3.0%
USD/RM (avg)	4.15	4.20-4.30

Note: RAM forecasts are reviewed every quarter.

II. Key Trends and Analysis

Foreign investors continue to offload Malaysian bonds in July

- Foreign investors pulled out **RM3.5 bil** worth of funds from the bond market last month, although the outflow was slightly milder than June's RM4.1 bil.
- The retreat was mainly led by **MGS and GII**, the pullout of which **accelerated to RM4.7 bil** from RM4.3 bil in June.
- Corporate bonds** continued to flow out in July (**RM187.1 mil**; June: RM87.8 mil).
- MTB and MITB** extended their **inflow streak to six consecutive months** (July: 1,322.5 mil; June: RM233.1 mil).
- The **YTD-July cumulative fund outflow** rose to **RM6.8 bil**.
- The selloff came amid aggressive rate hikes by the **Fed** and **ECB**, which lifted policy rates by **75 bps** and **50 bps**, respectively.
- Growing recession fears** globally also dampen the appetite for EM assets.

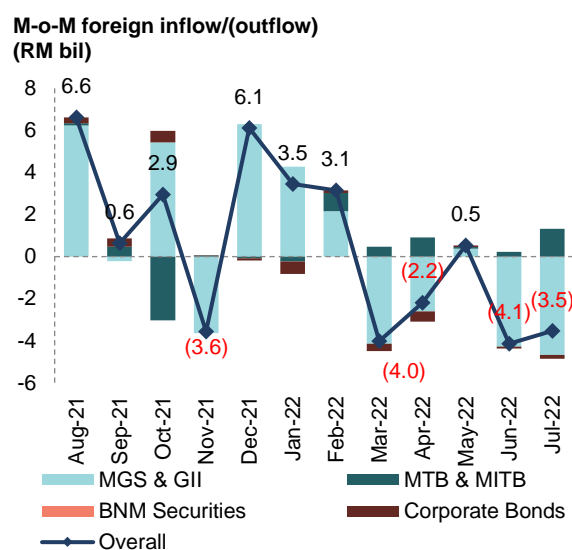
MGS and GII selloff largely attributed to non-sticky investors²

- Based on BNM's recently released **2Q 2022 statistics** on foreign holdings by type of investor, **non-sticky investors** were the largest net sellers (**RM5.7 bil**).
- Much of the outflow can be attributed to **foreign asset management firms** which offloaded **RM4.3 bil worth of MGS and GII** over the second quarter.
- Foreign banks** also turned net sellers in 2Q 2022 (**RM1.4 bil**; 1Q 2022: net purchases of RM2.6 bil).
- The decline in foreign holdings stemming from sticky investors³ was not as pronounced.

² Asset management firms and banks

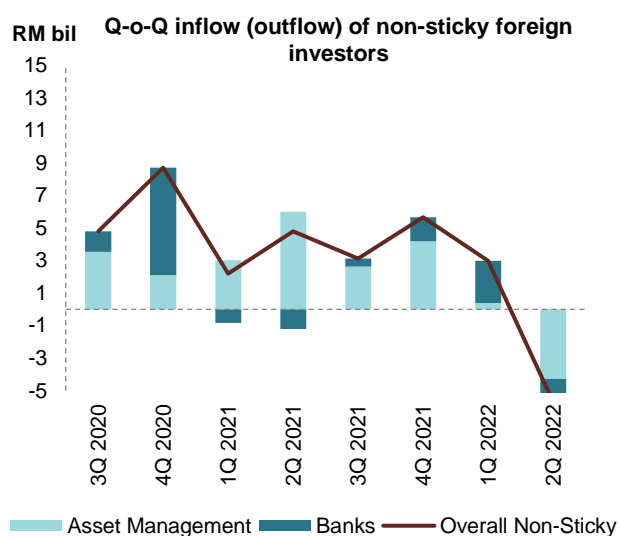
³ Central banks, governments, pension funds and insurance companies

Chart 1: Net foreign selling totalled RM3.5 bil in July

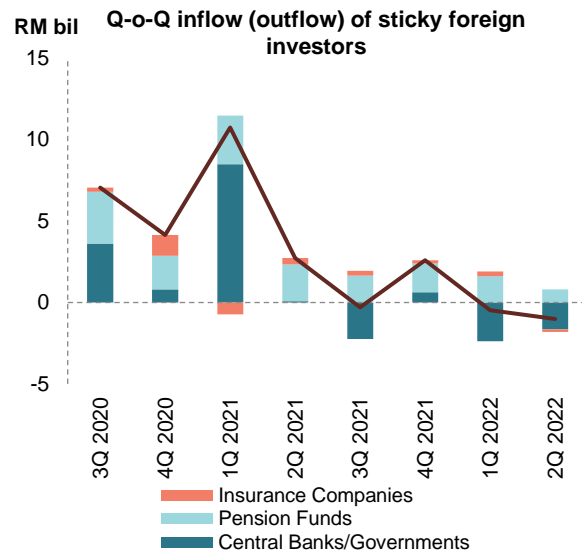


Sources: BNM and RAM

Chart 2: Asset management firms led outflow in 2Q 2022



- Overall outflows stood at **RM1.0 bil** q-o-q, led by **foreign central banks/governments (RM1.7 bil)** and **foreign insurance companies (RM0.2 bil)**.
- Only **foreign pension funds** bucked the trend, further **increasing their holdings by RM0.8 bil** q-o-q.

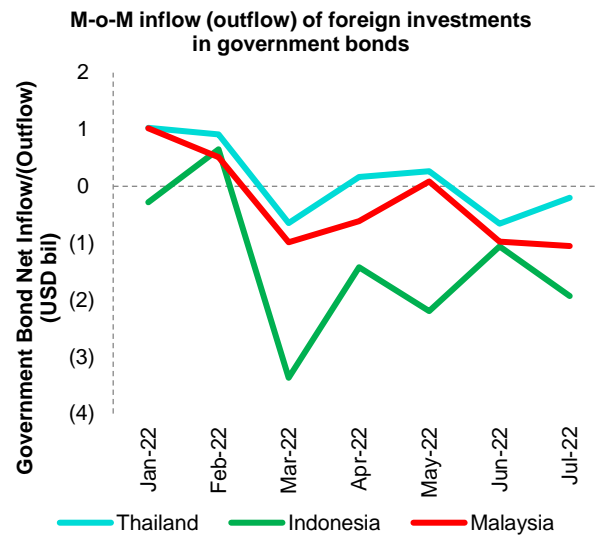


Sources: BNM and RAM

Broad fund outflow from EMs

- Weak interest in EM bonds led to a **broad investor pullout** in July.
- **Indonesian** government bonds charted foreign net sales of **USD1.9 bil in July**, up from USD1.1 bil in June.
- **Malaysia** recorded a slight acceleration in outflow to **USD1.1 bil** from USD1.0 bil the preceding month.
- Net foreign selling of **Thai** government bonds stood at **USD0.2 bil in July**, milder than June's USD0.7 bil.

Chart 3: Foreign selling persisted across regional EM peers

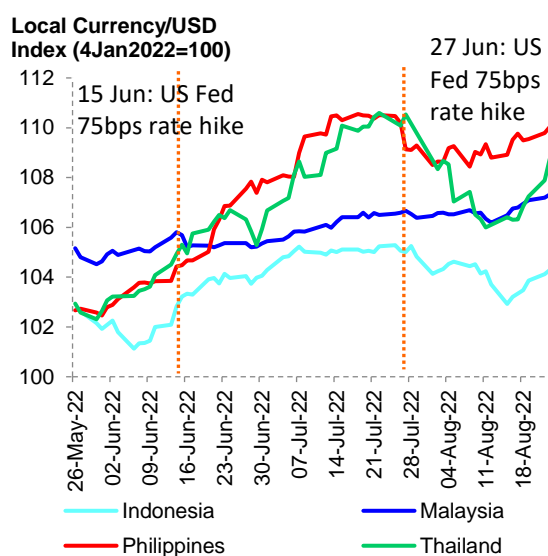


Sources: BNM, Bank of Thailand, Indonesia Directorate General of Budget Financing and Risk Management and RAM

EM currencies depreciated against the greenback as a result

- As a result of the foreign funds withdrawal, **EM currencies depreciated against the USD**.
- The ringgit (RM), Thai baht (THB) and Indonesian rupiah (IDR) respectively weakened to **4.45, 36.82 and 14,958** against the greenback as of **end-July** (end-June: 4.41, 35.29 and 14,848).
- The **downtrend eased heading into August**, with the RM settling at 4.49 and the THB and IDR respectively appreciating slightly to 36.16 and 14,893 against the USD as of 24 August.
- This followed from **investors paring bets on more aggressive US rate hikes** moving ahead, with inflation showing signs of easing.

Chart 4: USD strengthened against EM currencies in July

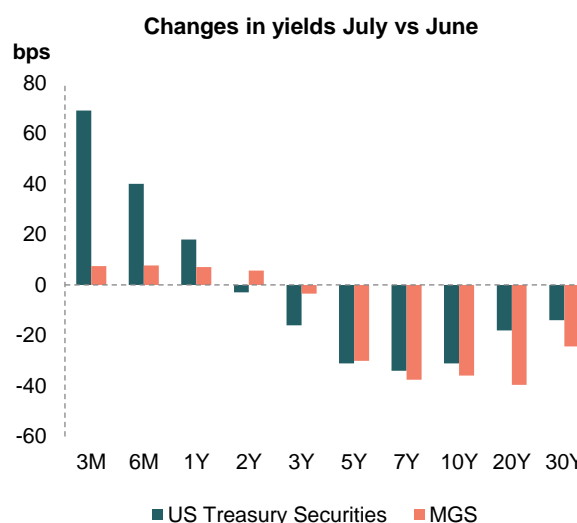


Sources: BNM, Bangko Sentral ng Pilipinas, Bank of Thailand, Bank Indonesia and RAM

Yield curve bull-flattened in July

- The selloff last month appears to be largely concentrated in **short- and medium-tenure** bonds.
- The short end of the **MGS** yield curve climbed m-o-m (**3-month yield: +7.5 bps; 1-year yield: +7.1 bps**).
- Short-term **UST** yields also jumped m-o-m (**3-month yield: +69 bps; 1-year yield: +18 bps**) as investors priced in the 75 bps policy rate hike on 27 July.
- However, **yields** on the **longer end** of the curve **trended down** last month, largely owing to **growing recession fears** and the potential for future interest rate cuts.
- The post-FOMC messaging last month of more moderate interest rate hikes moving ahead could have also **eased upward pressure on long-term yields**.
- 10-year MGS and UST** yields respectively declined **35.9 bps and 31.0 bps** m-o-m as of end-July.

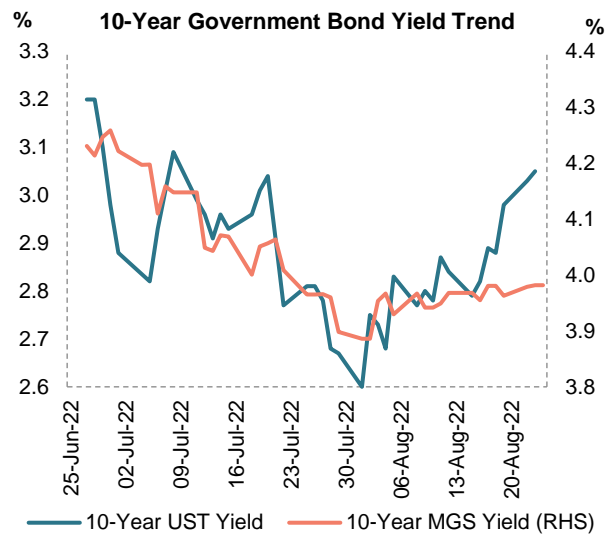
Chart 5: Shorter-tenor yields continued to climb while the long end of the curve fell



Sources: US Federal Reserve Board, BPAM and RAM

- The rally in long-term bonds, however, appears to have **eased in August** as yields trended up.
- 10-year MGS and UST respectively rose to **3.98% and 3.05% as of 23 August** from 3.90% and 2.67% as of end-July.

Chart 6: Yield started to climb in early August

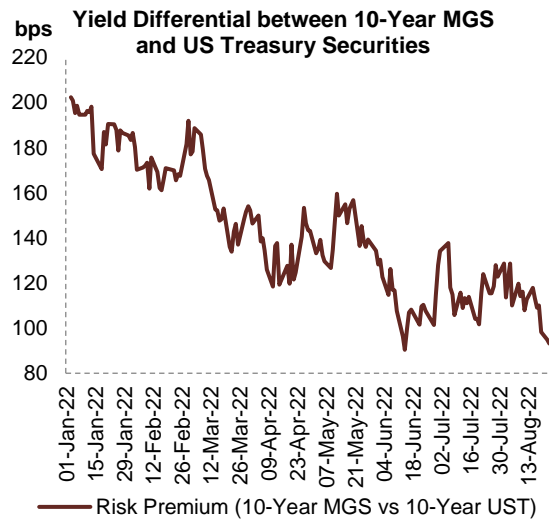


Sources: US Federal Reserve Board, BPAM and RAM

MGS-UST yield spread widened marginally in July

- The 10-year **yield spread between MGS and UST securities averaged at 116 bps in July**, a tad wider than the average of 112 bps in June.
- The yield spread averaged around **117 bps in 1H August**.

Chart 7: MGS-UST yield spread somewhat stabilised in July and August

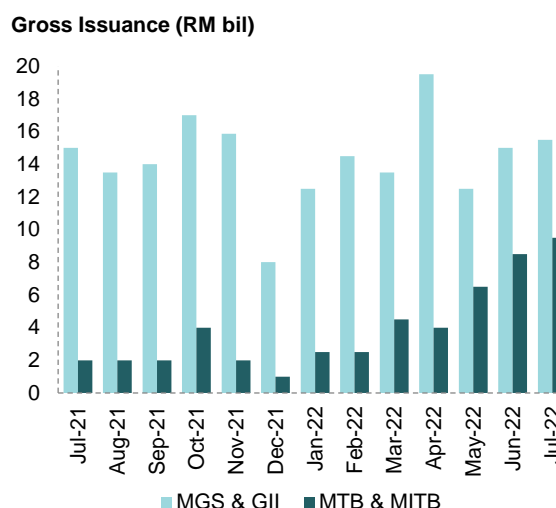


Sources: US Federal Reserve Board, BPAM, RAM

Slight acceleration in both long-term and short-term government issuance

- **MGS and GII issuance** totalled **RM15.5 bil** in July (MGS: RM5.0 bil; GII: RM10.5 bil), inching up from RM15.0 bil in June.
- Issuance of short-term government papers (**MTB and MITB**) climbed to **RM9.5 bil** (May: RM8.5 bil).
- Market reception was relatively favourable. **All three tenders** in July achieved **BTC ratios of at least 2 times**.
- The market reception to the **10-year GII** was the strongest, with a BTC ratio of **3.11 times**.
- **7-year GII and 20-year MGS** issues respectively achieved BTC ratios of **2.40 times and 2.66 times**.

Chart 8: MGS and GII issuance still robust in July

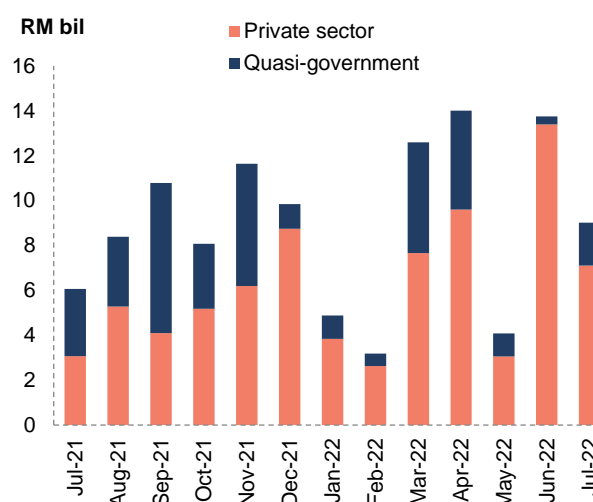


Sources: BPAM and RAM

Corporate issuance moderated in July

- Corporate bond issuance totalled **RM9.0 bil in July**, down from the bumper RM13.7 bil in June.
- **Private sector** issuance slowed to **RM7.1 bil in July** (June: RM13.4 bil), led by a lumpy issuance from **Sarawak Petchem Sdn Bhd (RM4.0 bil)**.
- **Quasi-government** issuance stood at **RM1.9 bil in July**, up from RM350 mil in June.
- There were only two issuers in the quasi-government segment last month, **Cagamas Berhad (RM1.4 bil)** and **PR1MA Corporate Malaysia (RM0.5 bil)**.

Chart 9: Corporate issuance slowed in July



Sources: BPAM and RAM

One upgrade and 25 reaffirmations in July

- In July, RAM **upgraded from AA₁ to AAA** the rating of the **Tranche 2 Structured Covered Sukuk** issued under **MBSB Bank Berhad's** RM2,295 mil Structured Covered Sukuk Murabahah Programme. The rating carries a stable outlook.
 - The upgrade of the Tranche 2 Sukuk rating reflects its fully cash-collateralised position under the second recourse. As at end-April 2022, accumulated cash balances in the designated accounts of Tranche 2 were more than sufficient to meet outstanding principal and remaining scheduled profit payments in respect of the sukuk. The issuer's ability to

meet obligations under Tranche 2 in the event of the Bank's default is no longer dependent on future collections of the Tranche Cover Assets.

- RAM **reaffirmed 25 ratings** in July.

III. Tables and Charts

1. Government Securities

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Table 1: Key statistics on government securities

Key government securities statistics (RM bil)	Jun-22			Jul-22		
	Conventional	Islamic	Total	Conventional	Islamic	Total
TOTAL OUTSTANDING	526.5	488.4	1014.9	531.5	489.4	1020.9
MGS/GII	518.0	462.4	980.4	523.0	453.9	976.9
MTB/MITB	8.5	26.0	34.5	8.5	35.5	44.0
GROSS ISSUANCE	13.0	10.5	23.5	5.0	20.0	25.0
MGS/GII	10.5	4.5	15.0	5.0	10.5	15.5
MTB/MITB	2.5	6.0	8.5	0.0	9.5	9.5
MATURED & OTHERS	3.5	3.0	6.5	0.0	19.0	19.0
MGS/GII	0.0	0.0	0.0	0.0	19.0	19.0
MTB/MITB	3.5	3.0	6.5	0.0	0.0	0.0
NET ISSUANCE	9.5	7.5	17.0	5.0	1.0	6.0
MGS/GII	10.5	4.5	15.0	5.0	(8.5)	(3.5)
MTB/MITB	(1.0)	3.0	2.0	0.0	9.5	9.5

Sources: BPAM, BNM

Table 2: Key statistics on BNM securities

Key BNM securities statistics (RM bil)	Jun-22			Jul-22		
	Conventional	Islamic	Total	Conventional	Islamic	Total
TOTAL OUTSTANDING	0.7	0.2	0.9	1.6	0.2	1.8
BNMN/BNMN-i	0.0	0.0	0.0	0.0	0.0	0.0
BNIB/BNIB-i	0.7	0.2	0.9	1.6	0.2	1.8
GROSS ISSUANCE	0.7	0.2	0.9	0.9	0.0	0.9
BNMN/BNMN-i	0.0	0.0	0.0	0.0	0.0	0.0
BNIB/BNIB-i	0.7	0.2	0.9	0.9	0.0	0.9
MATURED & OTHERS	0.0	0.0	0.0	0.0	0.0	0.0
BNMN/BNMN-i	0.0	0.0	0.0	0.0	0.0	0.0
BNIB/BNIB-i	0.0	0.0	0.0	0.0	0.0	0.0
NET ISSUANCE	0.7	0.2	0.9	0.9	0.0	0.9
BNMN/BNMN-i	0.0	0.0	0.0	0.0	0.0	0.0
BNIB/BNIB-i	0.7	0.2	0.9	0.9	0.0	0.9

Source: BNM

Table 3: Key YTD statistics on government securities

YTD government securities (RM bil)	Jul-21			Jul-22		
	Conventional	Islamic	Total	Conventional	Islamic	Total
GROSS ISSUANCE	56.0	74.0	130.0	57.5	83.5	141.0
MGS/GII	47.5	48.0	95.5	53.0	50.0	103.0
MTB/MITB	8.5	26.0	34.5	4.5	33.5	38.0
NET ISSUANCE	32.0	43.0	75.0	41.3	30.2	71.5
MGS/GII	30.5	26.0	56.5	42.3	13.2	55.5
MTB/MITB	1.5	17.0	18.5	(1.0)	17.0	16.0

Sources: BPAM, BNM

Table 4: Key YTD statistics on BNM securities

YTD BNM securities (RM bil)	Jul-21			Jul-22		
	Conventional	Islamic	Total	Conventional	Islamic	Total
GROSS ISSUANCE	0.0	0.0	0.0	1.6	0.2	1.8
BNMN/BNMN-i	0.0	0.0	0.0	0.0	0.0	0.0
BNIB/BNIB-i	0.0	0.0	0.0	1.6	0.2	1.8
NET ISSUANCE	(2.0)	0.0	(2.0)	1.6	0.2	1.8
BNMN/BNMN-i	(2.0)	0.0	(2.0)	0.0	0.0	0.0
BNIB/BNIB-i	0.0	0.0	0.0	1.6	0.2	1.8

Source: BNM

Table 5: Large MGS/GII issues (> RM1 billion)

	Size of issue (RM bil)	Maturity date	Successful yield (%)	Bid-to-cover ratio (times)	Amount applied/bid (RM bil)	Amount accepted/offered (RM bil)
MGS 2/2022 4.696% 15.10.2042	2.50	15-Oct-42	4.598	2.656	6.64	2.50
GII MURABAHAH 1/2022 4.193% 07.10.2032	3.50	07-Oct-32	4.117	3.105	10.87	3.50
GII MURABAHAH 1/2019 4.130% 09.07.2029	4.50	09-Jul-29	3.917	2.403	10.82	4.50

Source: BPAM

Chart 10: Total outstanding – MGS/GII vs corporate bonds

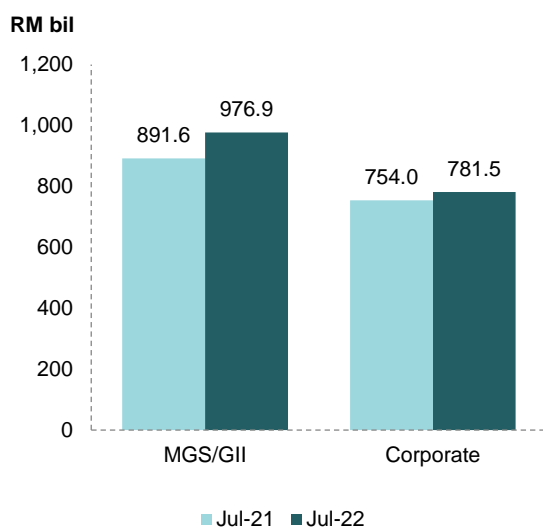
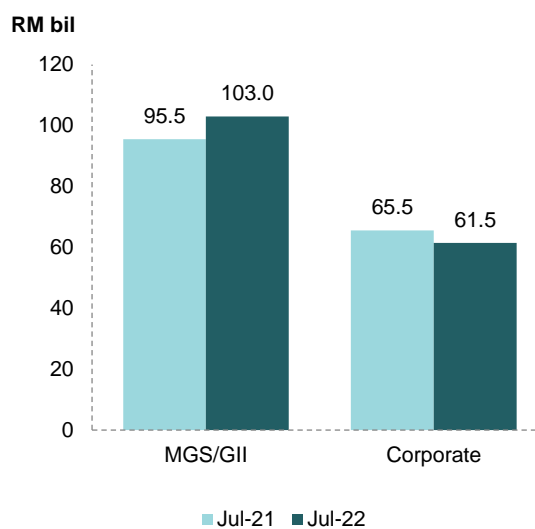


Chart 11: YTD issuance – MGS/GII vs corporate bonds



Sources: BPAM, RAM

2. Corporate Bonds

[back](#)
Table 6: Key statistics on corporate bonds

Key corporate bonds statistics (RM bil)	Jun-22			Jul-22		
	Conventional	Islamic	Total	Conventional	Islamic	Total
TOTAL OUTSTANDING	140.4	636.5	776.9	141.3	640.2	781.5
Private sector	124.9	374.8	499.7	125.4	378.6	504.1
Quasi-government	15.5	261.8	277.2	15.9	261.6	277.4
GROSS ISSUANCE	1.9	11.8	13.7	2.0	7.0	9.0
Private sector	1.8	11.6	13.4	0.6	6.5	7.1
Quasi-government	0.1	0.3	0.4	1.4	0.5	1.9
MATURED & OTHERS	1.9	10.6	12.5	1.2	3.3	4.5
Private sector	1.9	3.4	5.3	0.2	2.6	2.8
Quasi-government	0.1	7.2	7.3	1.0	0.7	1.7
NET ISSUANCE	(0.0)	1.2	1.2	0.9	3.6	4.5
Private sector	(0.1)	8.2	8.1	0.5	3.8	4.3
Quasi-government	0.0	(7.0)	(6.9)	0.4	(0.2)	0.2

Sources: BPAM, RAM

Table 7: Key YTD statistics on corporate bonds

YTD corporate bonds (RM bil)	Jul-21			Jul-22		
	Conventional	Islamic	Total	Conventional	Islamic	Total
GROSS ISSUANCE	11.5	54.0	65.5	14.6	46.9	61.5
Private sector	8.7	37.2	45.9	10.5	36.8	47.3
Quasi-government	2.9	16.8	19.6	4.1	10.1	14.2
NET ISSUANCE	2.1	17.6	19.8	(2.3)	10.9	8.6
Private sector	0.2	9.3	9.5	(1.5)	12.9	11.4
Quasi-government	2.0	8.3	10.3	(0.8)	(2.0)	(2.8)

Sources: BPAM, RAM

Table 8: Corporate bonds issuance (rated vs unrated)

	Jun-22			Jul-22			YTD 2022		
	Private debt	Quasi-Govt	Total Corp	Private debt	Quasi-Govt	Total Corp	Private debt	Quasi-Govt	Total Corp
Rated	12.0	0.4	12.3	6.5	1.4	7.9	40.0	7.0	47.0
Unrated	1.4	0.0	1.4	0.6	0.5	1.1	7.3	7.2	14.5
Total corporate bonds	13.4	0.4	13.7	7.1	1.9	9.0	47.3	14.2	61.5
Rated over total (%)	89.4	100.0	89.7	91.0	73.7	87.3	84.5	49.2	76.4
Unrated over total (%)	10.6	0.0	10.3	9.0	26.3	12.7	15.5	50.8	23.6

Sources: BPAM, RAM

Table 9: Key statistics on Commercial Papers

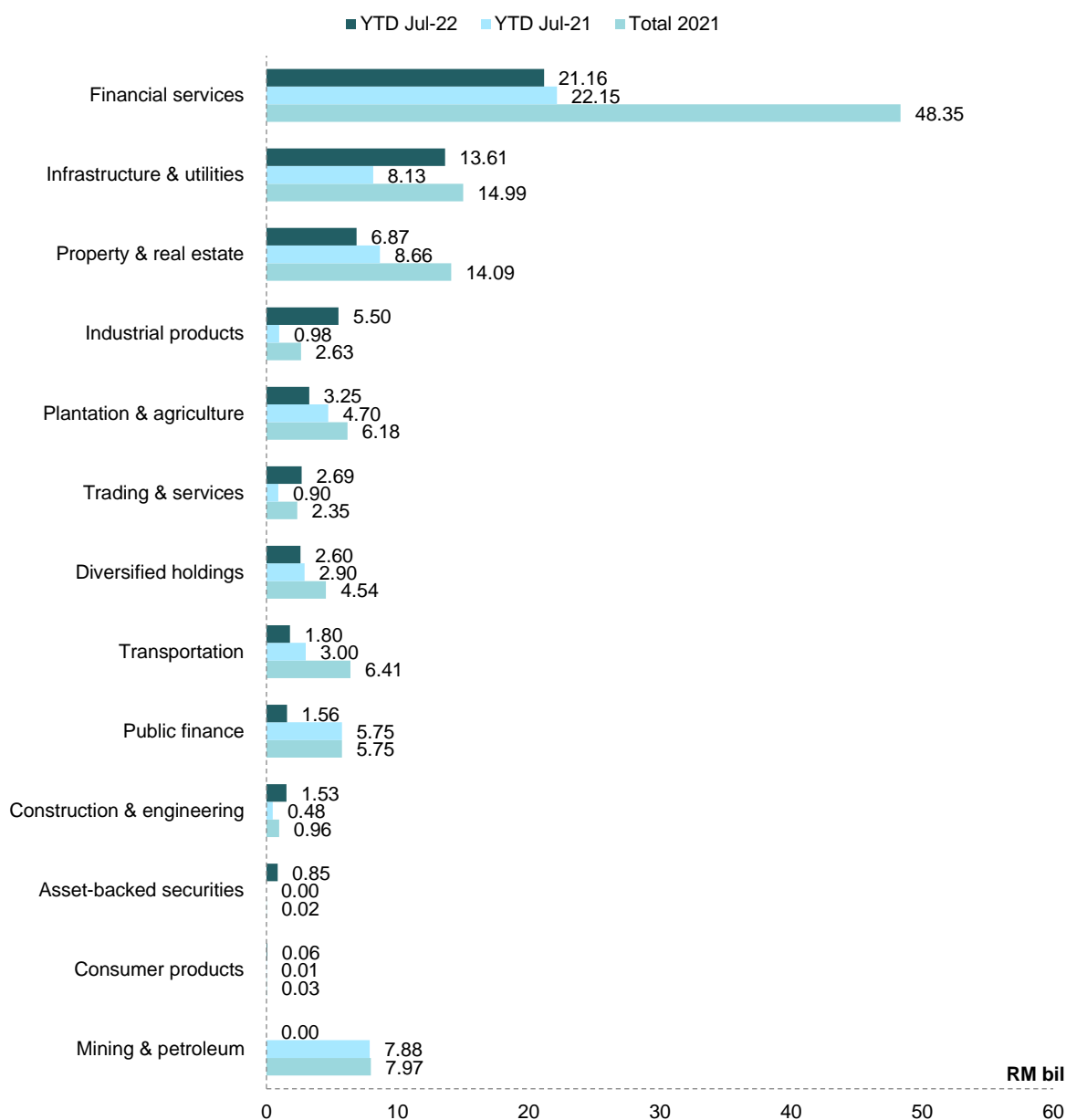
Key Commercial Papers statistics (RM bil)	Jun-22			Jul-22		
	Conventional	Islamic	Total	Conventional	Islamic	Total
TOTAL OUTSTANDING	1.7	15.6	17.3	1.6	15.9	17.4
Private sector	1.7	13.0	14.7	1.6	12.8	14.3
Quasi-government	0.0	2.6	2.6	0.0	3.1	3.1
GROSS ISSUANCE	1.1	3.6	4.7	0.4	3.3	3.7
Private sector	1.1	2.6	3.7	0.4	2.8	3.2
Quasi-government	0.0	1.0	1.0	0.0	0.5	0.5
MATURED & OTHERS	1.4	2.5	3.9	0.5	3.1	3.6
Private sector	1.1	2.5	3.6	0.5	3.1	3.6
Quasi-government	0.3	0.0	0.3	0.0	0.0	0.0
NET ISSUANCE	(0.2)	1.1	0.8	(0.1)	0.2	0.2
Private sector	0.1	0.1	0.1	(0.1)	(0.3)	(0.3)
Quasi-government	(0.3)	1.0	0.7	0.0	0.5	0.5

Sources: BPAM, RAM

Table 10: Key YTD statistics on Commercial Papers

YTD Commercial Papers (RM bil)	Jul-21			Jul-22		
	Conventional	Islamic	Total	Conventional	Islamic	Total
GROSS ISSUANCE	10.4	23.3	33.8	5.0	21.3	26.3
Private sector	8.7	19.8	28.6	4.0	18.6	22.5
Quasi-government	1.7	3.5	5.2	1.0	2.7	3.7
NET ISSUANCE	(2.2)	(0.2)	(2.4)	(1.2)	0.1	(1.1)
Private sector	(0.1)	0.5	0.4	0.1	0.6	0.7
Quasi-government	(2.1)	(0.7)	(2.8)	(1.3)	(0.5)	(1.8)

Sources: BPAM, RAM

Chart 12: Gross corporate bond issuance by sector

Sources: BPAM, RAM

Chart 13: Sectoral composition of corporate bond issuance (YTD-2022)

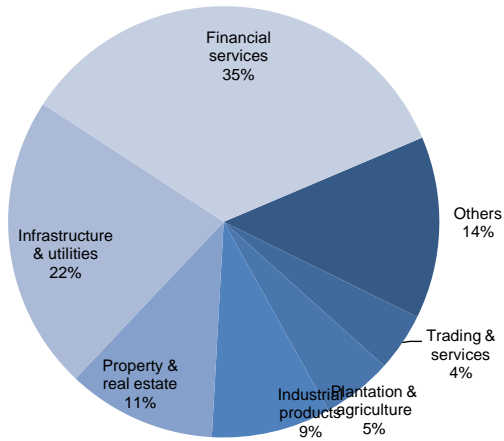
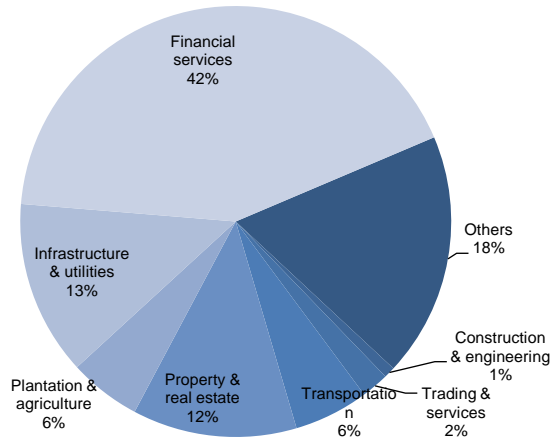


Chart 14: Sectoral composition of corporate bond issuance (2021)



Sources: BPAM, RAM

3. Yields

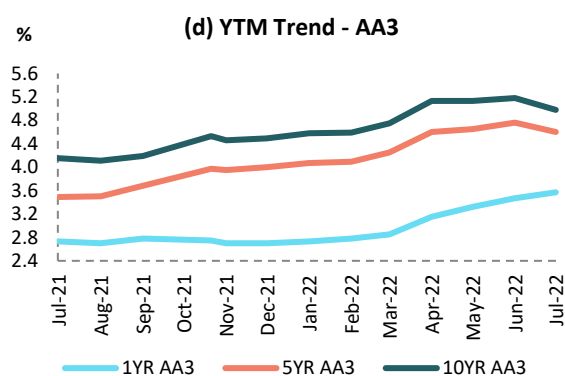
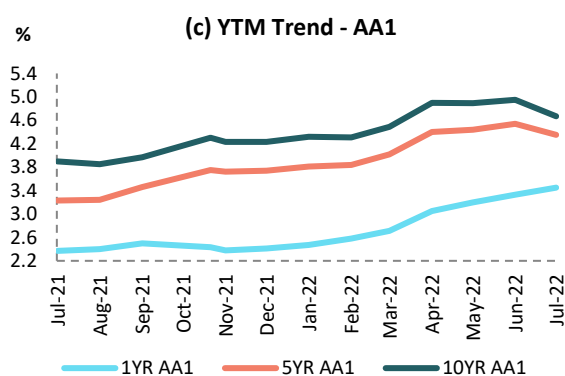
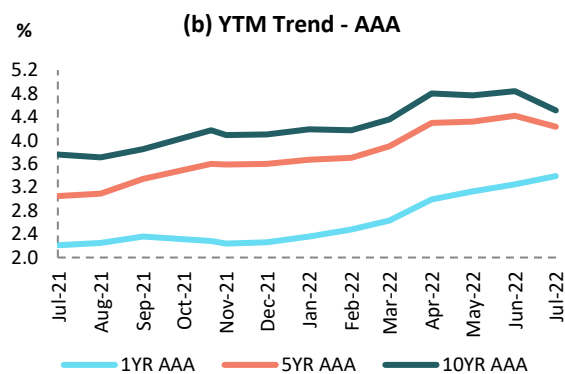
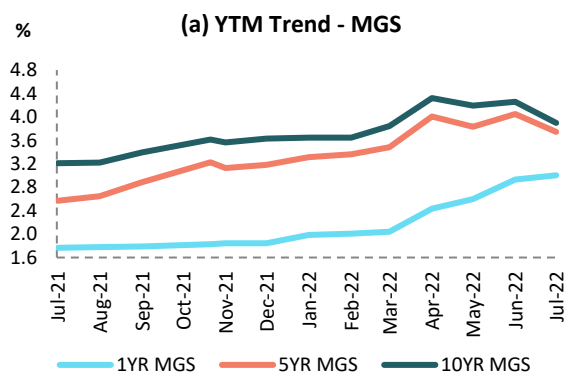
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Table 11: YTM as at end-July 2022

YTM as at end-July (%) - Conventional												
	3M	6M	1Y	2Y	3Y	5Y	7Y	10Y	15Y	20Y	25Y	30Y
MGS	2.58	2.72	3.00	3.34	3.58	3.75	3.86	3.90	4.25	4.41	4.50	4.61
AAA	2.93	3.11	3.39	3.72	3.99	4.23	4.41	4.51	4.83	4.96	5.08	5.20
AA ₁	3.00	3.18	3.45	3.80	4.08	4.35	4.56	4.67	4.97	5.10	5.25	5.38
AA ₃	3.14	3.30	3.57	3.94	4.25	4.60	4.85	4.98	5.26	5.39	5.58	5.77
A ₁	3.87	4.03	4.28	4.65	4.97	5.39	5.75	5.97	6.32	6.63	6.95	7.27
YTM as at end-July (%) - Islamic												
	3M	6M	1Y	2Y	3Y	5Y	7Y	10Y	15Y	20Y	25Y	30Y
GII	2.61	2.75	3.04	3.24	3.44	3.73	3.88	3.97	4.29	4.43	4.51	4.61
AAA	2.93	3.11	3.39	3.72	3.99	4.23	4.41	4.51	4.83	4.96	5.08	5.20
AA ₁	3.00	3.18	3.45	3.80	4.08	4.35	4.56	4.67	4.97	5.10	5.25	5.38
AA ₃	3.14	3.30	3.57	3.94	4.25	4.60	4.85	4.98	5.26	5.39	5.58	5.77
A ₁	3.87	4.03	4.28	4.65	4.97	5.39	5.75	5.97	6.32	6.63	6.95	7.27
Difference in yields (Conventional - Islamic)												
	3M	6M	1Y	2Y	3Y	5Y	7Y	10Y	15Y	20Y	25Y	30Y
GII/ MGS	(0.03)	(0.03)	(0.04)	0.10	0.14	0.02	(0.01)	(0.07)	(0.04)	(0.02)	(0.01)	(0.00)

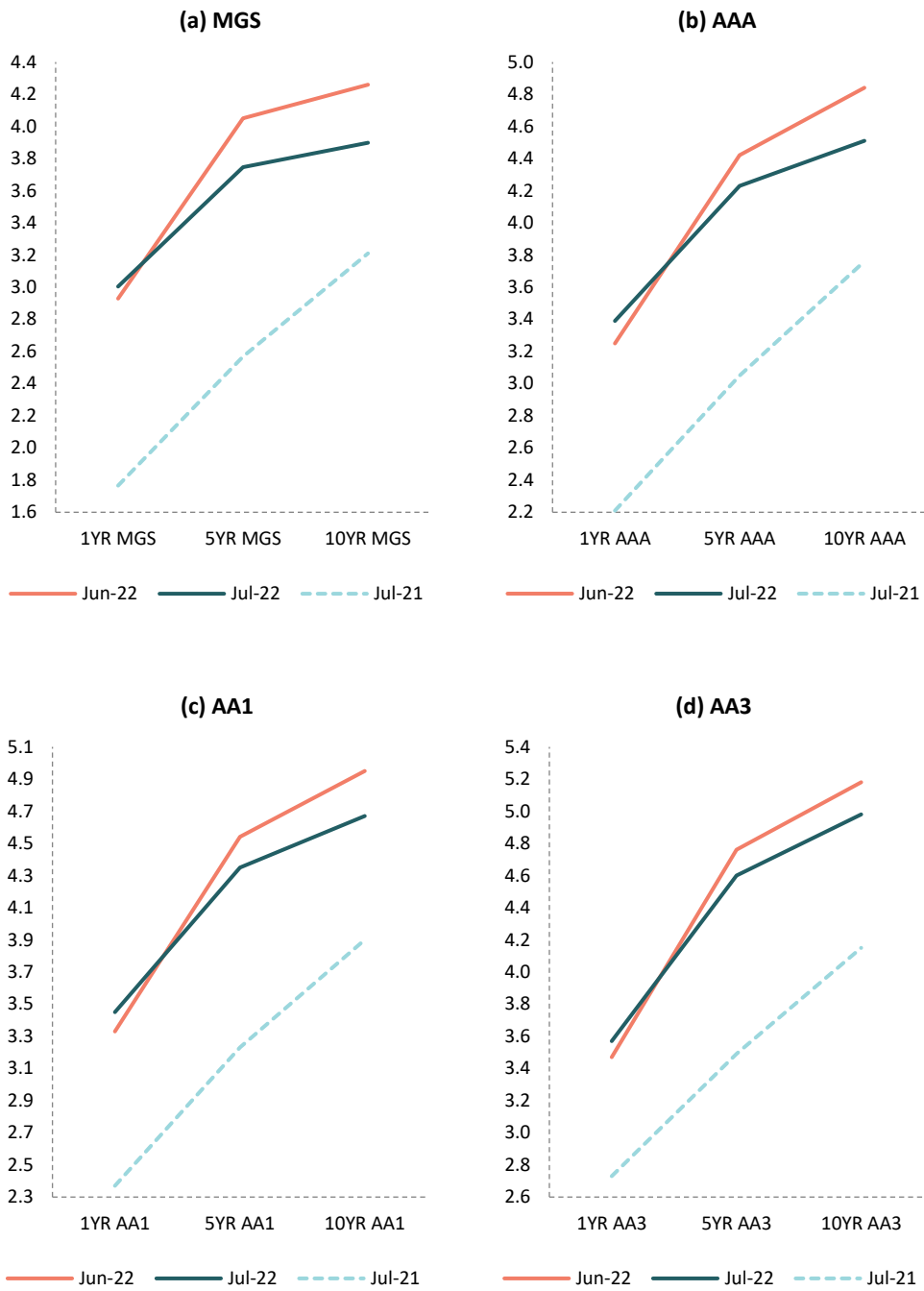
Source: BPAM

Charts 15(a)-(d): YTM trends of selected securities



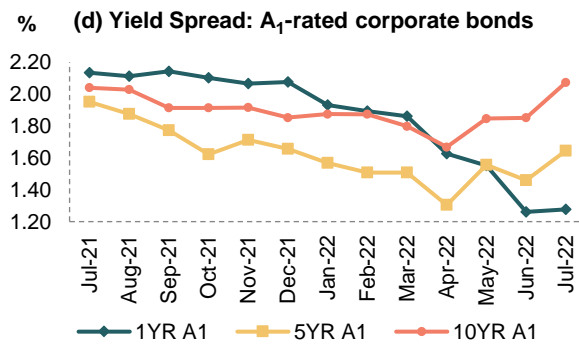
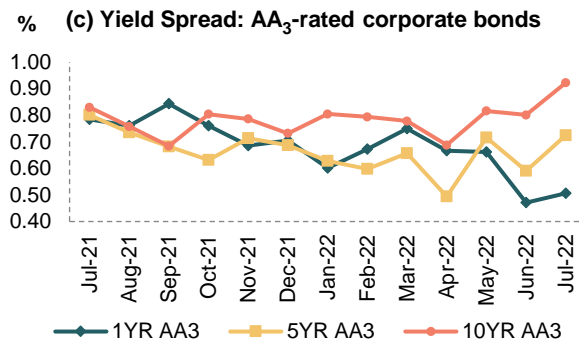
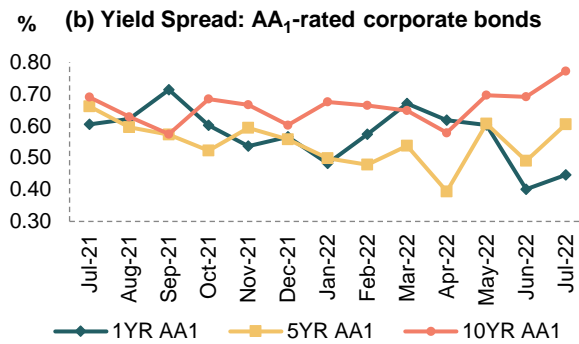
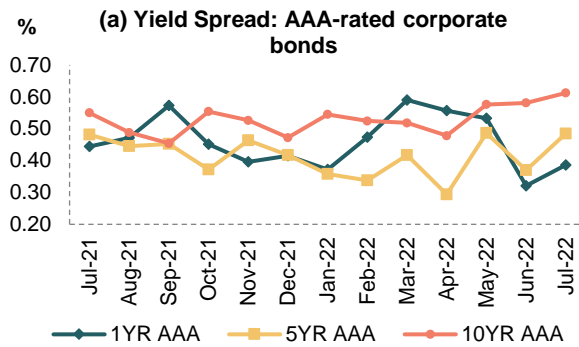
Source: BPAM

Charts 16(a)-(d): YTM curve movements of selected securities

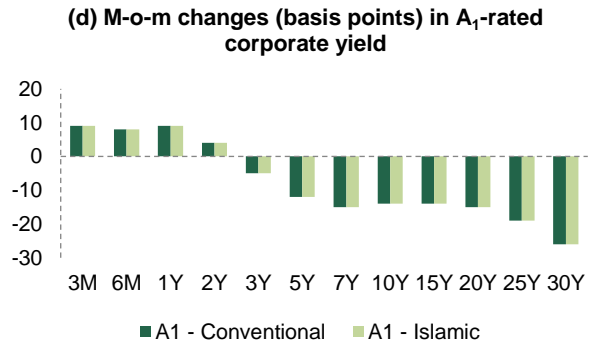
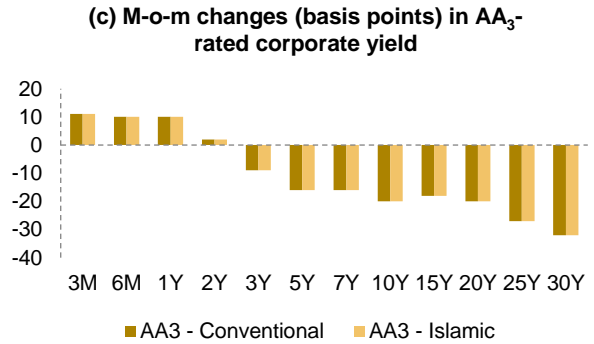
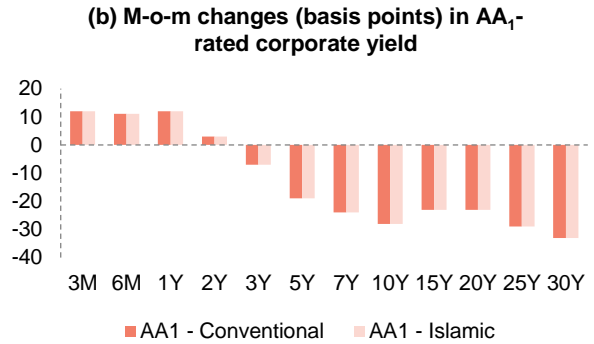
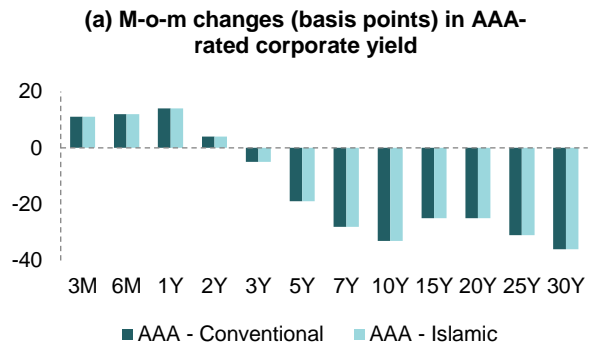


Source: BPAM

Charts 17(a)-(d): Yield spreads



Charts 18(a)-(d): M-o-m changes (basis points) in yields of selected securities

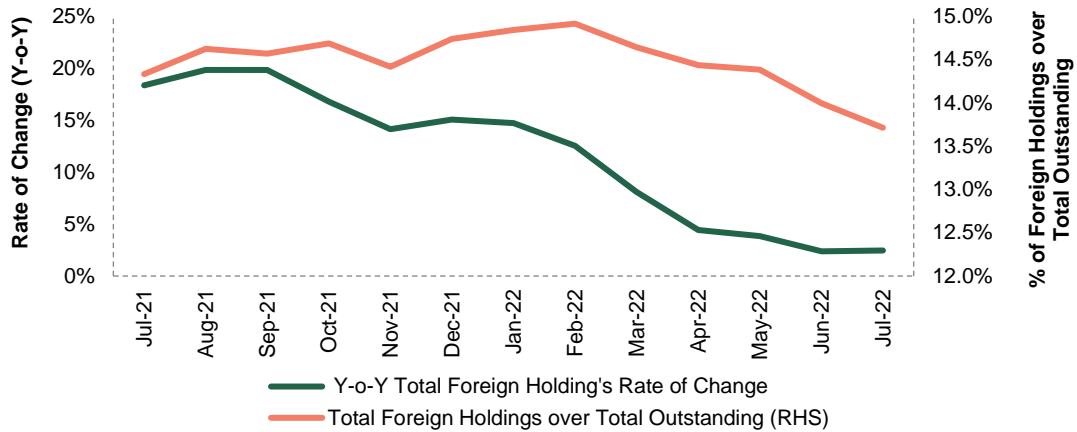


Source: BPAM

4. Foreign Holdings

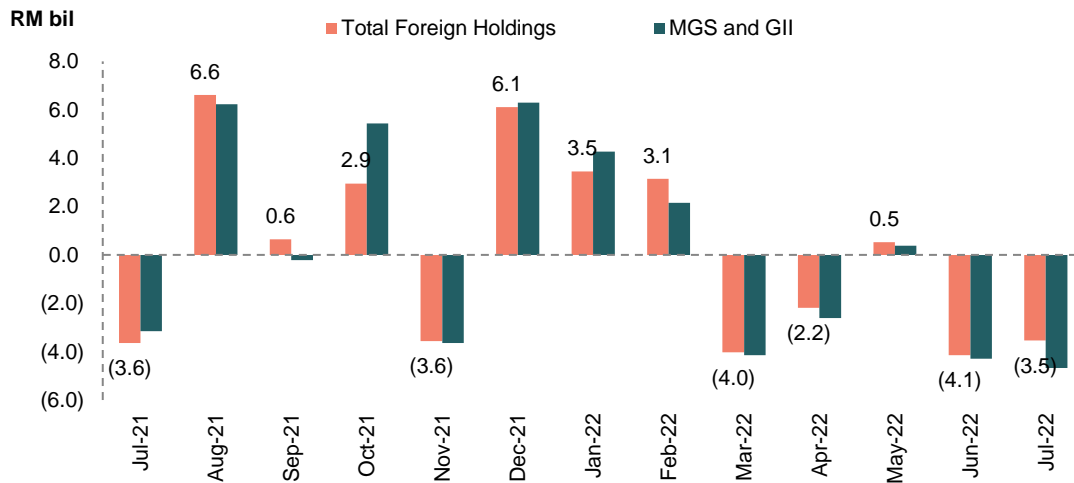
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Chart 19: Trend in foreign holdings



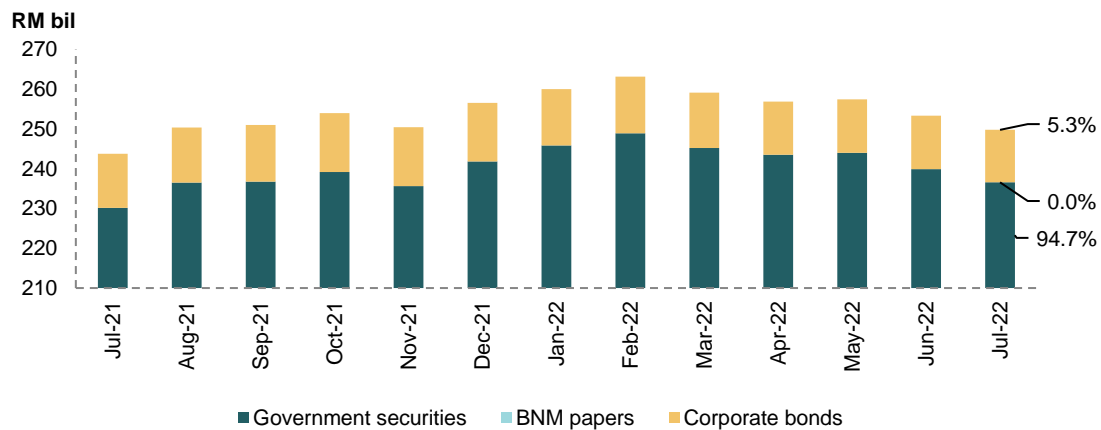
Source: BNM

Chart 20: Net inflow (outflow) of foreign holdings



Source: BNM

Chart 21: Composition of foreign holdings



Source: BNM

Table 12: Foreign investment trends in Malaysian debt capital market

(RM bil)	Jun-22	% change (m-o-m)	Jul-22	% change (m-o-m)
Government securities	239.9	-1.7%	236.6	-1.4%
Conventional	193.7	-1.0%	190.4	-1.7%
- MGS	188.9	-0.5%	185.7	-1.7%
- MTB	4.7	-17.6%	4.7	-0.2%
Islamic	46.3	-4.5%	46.2	-0.1%
- GII	40.8	-7.7%	39.4	-3.4%
- MITB	5.5	29.5%	6.8	24.3%
- SPK	0.0	0.0%	0.0	0.0%
BNM	0.0	0.0%	0.0	0.0%
Conventional	0.0	0.0%	0.0	0.0%
Islamic	0.0	0.0%	0.0	0.0%
Corporate	13.4	-0.7%	13.2	-1.4%
Conventional	6.6	-1.3%	6.5	-0.9%
Islamic	6.8	-0.1%	6.7	-1.9%
Total value of foreign holdings	253.3	-1.6%	249.8	-1.4%

Source: BNM

Table 13: Proportion of foreign debt holdings to total outstanding bonds

% of foreign holdings to total outstanding	Jun-22	Jul-22
MGS	36.5%	35.5%
BNM	0.0%	0.0%
Corporate	1.7%	1.7%

Source: BNM

Table 14: Proportion of foreign holdings of securities to total foreign holdings

% of foreign holdings to total foreign holdings	Jun-22	Jul-22
MGS	74.6%	74.3%
BNM	0.0%	0.0%
Corporate	5.3%	5.3%

Source: BNM

5. Details of RAM-rated Securities

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Table 15: Notable RAM-rated issues (> RM500 million) – YTD Jul 2022

Issuer	Programme Value (RM bil)	Maturity	Principle	Assigned Rating(s)
Mex I Capital Bhd	1.1	18 years	Islamic	A ₂ /Stable
Malaysia Debt Ventures Bhd ^{#1}	2.0 [#]	25 years	Conventional	AA ₃ /Stable
Malaysia Debt Ventures Bhd ^{#2}	0.5 [#]	7 years	Conventional	P1
Malaysia Debt Ventures Bhd ^{#3}	2.0 [#]	25 years	Islamic	AA ₃ /Stable
Malaysia Debt Ventures Bhd ^{#4}	0.5 [#]	7 years	Islamic	P1
Batu Kawan Berhad	1.0	21 years	Islamic	AA ₁ /Stable
Kuala Lumpur Kepong Bhd	2.0	30 years	Islamic	AA ₁ /Stable
Gamuda Bhd	2.0	7 years	Islamic	P1
Johor Corporation	3.5	n/a*	Islamic	AAA/Stable
Sarawak Petchem Sdn Bhd	6.0	30 years	Islamic	AAA(s)/Stable

*Perpetual bond/sukuk

#The four issues have a combined limit of RM2.0 bil

#1 Issuance from MTN programme

#2 Issuance from CP programme

#3 Issuance from iMTN programme

#4 Issuance from iCP programme

Sources: RAM, FAST

6. RAM's Rating Actions

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Table 16: Rating actions (July 2022)

	Issuer	Industry	Instrument	Current rating	Last rating
Reaffirmed ratings					
July	Agroto Business (M) Sdn Bhd	Diversified holdings	ASEAN Sustainability SRI Sukuk Programme	AA ₁ (bg)/Stable	AA ₁ (bg)/Stable
	Infracap Resources Sdn Bhd	Diversified holdings	Sukuk Murabahah Programme	AAA(s)/Stable	AAA(s)/Stable
	HSBC Amanah Malaysia Berhad	Financial services	Multi-Currency Sukuk Programme	AAA/Stable	AAA/Stable
	HSBC Bank Malaysia Berhad	Financial services	Tier 2 Subordinated Bonds	AA ₁ /Stable	AA ₁ /Stable
	MBSB Bank Berhad	Financial services	Additional Tier-1 Capital Sukuk Wakalah	BBB ₂ /Stable	BBB ₂ /Stable
			Tier-2 Sukuk Wakalah	A ₃ /Stable	A ₃ /Stable
			Senior Sukuk Wakalah	A ₂ /Stable	A ₂ /Stable
			Tranche 4 Structured Covered Sukuk Murabahah	AA ₁ /Stable	AA ₁ /Stable
	Orix Credit Malaysia Sdn Bhd	Financial services	Commercial Papers Programme	P1	P1
			Medium-Term Notes Programme	AA ₂ /Stable	AA ₂ /Stable
	ORIX Leasing Malaysia Berhad	Financial services	Medium-Term Notes Programme	AA ₂ /Stable	AA ₂ /Stable
	Pac Lease Berhad	Financial services	Commercial Papers	P1	P1
			Medium-Term Notes Programme	AA ₃ /Stable	AA ₃ /Stable
	Mercedes Benz Services Malaysia Sdn Bhd	Industrial products	Commercial Papers	P1	P1
			Medium-Term Notes Programme	AAA(s)/Stable	AAA(s)/Stable
			Medium-Term Notes Programme	AAA(s)/Stable	AAA(s)/Stable
	Tanjung Bin Power Sdn Bhd	Infrastructure and utilities	Sukuk Ijarah Programme	AA ₂ /Stable	AA ₂ /Stable
	Telekom Malaysia Berhad	Infrastructure and utilities	Islamic Medium-Term Notes Programme	AAA/Stable	AAA/Stable
			Islamic Commercial Papers Programme	P1	P1
			Islamic Medium-Term Notes Programme	AAA/Stable	AAA/Stable
	Tenaga Nasional Berhad	Infrastructure and utilities	Islamic Medium-Term Notes Sukuk Wakalah Programme	AAA/Stable	AAA/Stable
			Islamic Medium-Term Notes Sukuk Wakalah Programme	AAA/Stable	AAA/Stable
			Islamic Commercial Papers Sukuk Wakalah Programme	P1	P1
	Aquasar Capital Sdn.Bhd.	Public finance	Sukuk Murabahah Programme	AAA(s)/Stable	AAA(s)/Stable
Reaffirmed ratings with outlook changes					
	-	-	-	-	-
Rating upgrades					
July	MBSB Bank Berhad	Financial services	Tranche 2 Structured Covered Sukuk Murabahah	AAA/Stable	AA ₁ /Stable
Rating downgrades					
	-	-	-	-	-

Issuer	Industry	Instrument	Current rating	Last rating
Rating watch				
-	-	-	-	-
Lifted rating watch				
-	-	-	-	-

Source: RAM

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