

Malaysia

The local currency (LCY) bond market in Malaysia stood at MYR996 trillion (US\$322 billion) at end-March, expanding 9.0% year-on-year (y-o-y). On a quarter-on-quarter (q-o-q) basis, however, the bond market contracted 0.4% due to a decline in issuance by Bank Negara Malaysia.

Table 1: Size and Composition of the LCY Bond Market in Malaysia

	Outstanding Amount (billion)						Growth Rate (%)			
	1Q12		4Q12		1Q13		1Q12		1Q13	
	MYR	US\$	MYR	US\$	MYR	US\$	q-o-q	y-o-y	q-o-q	y-o-y
Total	913	298	1,000	327	996	322	9.5	16.6	(0.4)	9.0
Government	550	179	599	196	589	190	10.2	16.7	(1.7)	7.1
Central Government Bills and Bonds	408	133	440	144	446	144	4.0	9.8	1.4	9.5
Central Bank Bills	142	46	154	50	136	44	33.5	43.0	(11.6)	(4.3)
<i>Sukuk Perumahan Kerajaan</i>	0	0	5	1	6	2	–	–	37.8	–
Corporate	363	119	401	131	407	132	8.6	16.5	1.6	12.1

– = not applicable, () = negative, q-o-q = quarter-on-quarter, y-o-y = year-on-year.

Notes:

1. Calculated using data from national sources.

2. Bloomberg LP end-of-period LCY-US\$ rate is used.

3. Growth rates are calculated from an LCY base and do not include currency effects.

Source: Bank Negara Malaysia Fully Automated System for Issuing/Tendering (FAST) and Bloomberg LP.

The size of Malaysia's LCY corporate bond market reached MYR407.3 billion at end-March, rising 1.6% q-o-q and 12.1% y-o-y. New issuance amounted to MYR29.2 billion in 1Q13, with utilities and industrial companies as the largest issuers.

Table 2: Notable LCY Corporate Issuance in 1Q13

Corporate Issuers	Coupon Rate (%)	Issued Amount (MYR million)
Malakoff Power		
102-day Islamic bond	5.78	700
1-year Islamic bond	5.88	700
2-year Islamic bond	5.98	700
3-year Islamic bond	6.08	700
4-year Islamic bond	6.18	700
6-year Islamic bond	6.38	700
9-year Islamic bond	6.68	700
12-year Islamic bond	6.98	700
Turus Pesawat Sdn. Bhd.		
10-year Islamic bond	3.77	500
10-year Islamic bond	3.83	125
12-year Islamic bond	3.97	325
15-year Islamic bond	4.16	370
15-year Islamic bond	4.22	240
18-year Islamic bond	4.37	350
Danainfra Nasional Bhd.		
10-year Islamic bond	4.00	400
12-year Islamic bond	3.96	300
15-year Islamic bond	4.17	400
20-year Islamic bond	4.38	400

LCY = local currency.

Source: Bank Negara Malaysia.

As of end-1Q13, LCY bonds outstanding among the top 30 corporate bond issuers in Malaysia stood at MYR230.6 billion, accounting for 56.6% of total corporate bonds outstanding. Finance-related companies comprised 14 of the top 30 LCY corporate bond issuers.

Table 3: Top 30 Issuers of LCY Corporate Bonds in Malaysia

Issuers	Outstanding Amount		State-Owned	Listed Company	Type of Industry
	LCY Bonds (MYR billion)	LCY Bonds (US\$ billion)			
1. Project Lebuhraya Usahasama Bhd.	30.60	9.89	No	Yes	Transport, Storage, and Communications
2. Cagamas	26.63	8.61	Yes	No	Finance
3. Khazanah	18.70	6.04	Yes	No	Quasi-Government
4. Pengurusan Air Bhd.	11.28	3.65	Yes	No	Energy, Gas, and Water
5. Maybank	11.20	3.62	No	Yes	Finance
6. Prasarana	9.91	3.20	Yes	No	Finance
7. Binariang GSM	9.89	3.20	No	No	Transport, Storage, and Communications
8. CIMB Bank	7.00	2.26	No	No	Finance
9. Public Bank	6.07	1.96	No	Yes	Finance
10. Malakoff Corp	5.80	1.87	No	No	Finance
11. Senai Desaru Expressway Bhd.	5.57	1.80	No	No	Construction
12. Sarawak Energy	5.50	1.78	Yes	Yes	Energy, Gas, and Water
13. KL International Airport	5.36	1.73	Yes	No	Transport, Storage, and Communications
14. Turus Pesawat Sdn. Bhd.	5.31	1.72	Yes	No	Quasi-Government
15. Aman Sukuk Bhd.	5.03	1.63	Yes	No	Construction
16. 1Malaysia Development Bhd.	5.00	1.62	Yes	No	Finance
17. Celcom Transmission	5.00	1.62	No	No	Transport, Storage, and Communications
18. Putrajaya Holdings	4.94	1.60	No	No	Finance
19. Hong Leong Bank	4.86	1.57	No	Yes	Finance
20. Manjung Island Energy Bhd.	4.85	1.57	No	No	Energy, Gas, and Water
21. AM Bank	4.71	1.52	No	Yes	Finance
22. Perbadanan Tabung Pendidikan Tinggi Nasional	4.70	1.52	No	No	Quasi-Government
23. RHB Bank	4.60	1.49	No	No	Finance
24. YTL Power International	4.32	1.40	No	Yes	Energy, Gas, and Water
25. Tanjung Bin Power	4.20	1.36	No	No	Energy, Gas, and Water
26. Jimah Energy Ventures	4.19	1.35	No	No	Energy, Gas, and Water
27. Bank Pembangunan Malaysia	4.10	1.33	Yes	No	Finance
28. Danainfra Nasional Bhd.	3.90	1.26	Yes	No	Finance
29. Rantau Abang Capital Bhd.	3.80	1.23	No	No	Quasi-Government
30. Danga Capital	3.60	1.16	No	No	Finance
Total Top 30 LCY Corporate Issuers	230.61	74.54			
Total LCY Corporate Bonds	407.27	131.64			
Top 30 as % of Total LCY Corporate Bonds	56.6%	56.6%			

LCY = local currency.

Notes:

1. Data as of end-March 2013.

2. State-owned firms are defined as those in which the government has more than a 50% ownership stake.

Source: *AsianBondsOnline* calculations based on Bank Negara Malaysia Fully Automated System for Issuing/Tendering (FAST) data.