

## Malaysia

Local currency (LCY) bonds outstanding in Malaysia reached MYR1,051.2 billion (US\$322 billion) at end-March, expanding 2.8% quarter-on-quarter (q-o-q) and 5.5% year-on-year (y-o-y). The corporate bond sector grew faster than the government bond market on both a q-o-q and y-o-y basis.

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

	Outstanding Amount (billion)						Growth Rate (%)			
	1Q13		4Q13		1Q14		1Q13		1Q14	
	MYR	US\$	MYR	US\$	MYR	US\$	q-o-q	y-o-y	q-o-q	y-o-y
<b>Total</b>	<b>996</b>	<b>322</b>	<b>1,022</b>	<b>312</b>	<b>1,051</b>	<b>322</b>	<b>(0.4)</b>	<b>9.0</b>	<b>2.8</b>	<b>5.5</b>
Government	589	190	597	182	614	188	(1.7)	7.1	2.7	4.2
Central Government Bonds	446	144	482	147	502	154	1.4	9.5	4.2	12.5
of which: <i>sukuk</i>	150	48	175	53	180	55	2.7	20.6	3.2	20.4
Central Bank Bills	136	44	107	33	99	30	(11.6)	(4.3)	(7.4)	(27.5)
of which: <i>sukuk</i>	58	19	40	12	41	12	(6.0)	17.0	2.5	(29.9)
<i>Sukuk Perumahan Kerajaan</i>	6	2.0	9	3	13	4	37.8	-	44.9	108.1
Corporate	407	132	425	130	438	134	1.6	12.1	3.0	7.5
of which: <i>sukuk</i>	272	88	286	87	298	91	3.1	16.9	4.2	9.3

(-) = negative, - = not applicable, 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 LCY base and do not include currency effects.

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

Corporate bond issuance amounted to MYR30.7 billion in 1Q14, climbing 5.0% y-o-y but declining 34.1% q-o-q. The most notable bond issues were from utilities and state-owned enterprises.

Table 2: Notable LCY Corporate Bond Issuance in 1Q14

Corporate Issuers	Coupon Rate (%)	Issued Amount (MYR million)	Corporate Issuers	Coupon Rate (%)	Issued Amount (MYR million)
TNB Western Energy			17-year <i>sukuk</i>	5.48	135
10-year <i>sukuk</i>	5.06	100	17.5-year <i>sukuk</i>	5.50	135
11-year <i>sukuk</i>	5.10	105	18-year <i>sukuk</i>	5.52	140
11.5-year <i>sukuk</i>	5.14	105	18.5-year <i>sukuk</i>	5.54	140
12-year <i>sukuk</i>	5.18	110	19-year <i>sukuk</i>	5.76	145
12.5-year <i>sukuk</i>	5.21	110	19.5-year <i>sukuk</i>	5.78	145
13-year <i>sukuk</i>	5.23	115	20-year <i>sukuk</i>	5.80	1,315
13.5-year <i>sukuk</i>	5.26	115	Perbadanan Tabung Pendidikan Tinggi Nasional		
14-year <i>sukuk</i>	5.29	120	5-year Islamic MTN	4.10	400
14.5-year <i>sukuk</i>	5.32	120	7-year Islamic MTN	4.45	300
15-year <i>sukuk</i>	5.35	120	10-year Islamic MTN	4.67	1,800
15.5-year <i>sukuk</i>	5.37	120	Prasarana		
16-year <i>sukuk</i>	5.44	130	5-year Islamic MTN	4.08	1,500
16.5-year <i>sukuk</i>	5.46	130	10-year Islamic MTN	4.67	500

LCY = local currency, MTN = medium-term note.

Source: Bank Negara Malaysia Bond Info Hub.

As of end-1Q14, LCY bonds outstanding among the top 30 corporate bond issuers stood at MYR239.6 billion, representing 54.7% of total corporate bonds outstanding in Malaysia.

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	30.60	9.37	No	Yes	Transport, Storage, and Communications
2.	Cagamas	24.48	7.50	Yes	No	Finance
3.	Khazanah	20.00	6.13	Yes	No	Quasi-Government
4.	Prasarana	13.91	4.26	Yes	No	Transport, Storage, and Communications
5.	Pengurusan Air	11.63	3.56	Yes	No	Energy, Gas, and Water
6.	Maybank	11.30	3.46	No	Yes	Finance
7.	Perbadanan Tabung Pendidikan Tinggi Nasional	8.50	2.60	Yes	No	Quasi-Government
8.	CIMB Bank	8.05	2.47	No	No	Finance
9.	Public Bank	7.02	2.15	Yes	No	Finance
10.	BGSM Management	6.87	2.10	No	No	Transport, Storage, and Communications
11.	Danainfra Nasional	6.50	1.99	Yes	No	Finance
12.	Cagamas MBS	6.03	1.85	Yes	No	Finance
13.	Malakoff Power	5.58	1.71	No	No	Energy, Gas, and Water
14.	Senai Desaru Expressway	5.56	1.70	No	No	Construction
15.	Sarawak Energy	5.50	1.68	Yes	No	Energy, Gas, and Water
16.	Turus Pesawat	5.31	1.63	Yes	No	Quasi-Government
17.	Putrajaya Holdings	5.26	1.61	No	No	Property and Real Estate
18.	1Malaysia Development	5.00	1.53	Yes	No	Quasi-Government
19.	Celcom Transmission	5.00	1.53	No	No	Transport, Storage, and Communications
20.	AM Bank	4.91	1.50	No	No	Finance
21.	Aman Sukuk	4.86	1.49	Yes	No	Construction
22.	KL International Airport	4.86	1.49	Yes	No	Transport, Storage, and Communications
23.	Manjung Island Energy	4.85	1.49	No	No	Energy, Gas, and Water
24.	RHB Bank	4.60	1.41	No	No	Finance
25.	Hong Leong Bank	4.45	1.36	No	Yes	Finance
26.	Tanjung Bin Power	4.05	1.24	No	Yes	Energy, Gas, and Water
27.	Jimah Energy Ventures	3.88	1.19	No	No	Energy, Gas, and Water
28.	YTL Power International	3.77	1.15	No	Yes	Energy, Gas, and Water
29.	TNB Western Energy	3.66	1.12	No	No	Construction
30.	Danga Capital	3.60	1.10	No	No	Finance
<b>Total Top 30 LCY Corporate Issuers</b>		<b>239.58</b>	<b>73.39</b>			
<b>Total LCY Corporate Bonds</b>		<b>437.64</b>	<b>134.06</b>			
<b>Top 30 as % of Total LCY Corporate Bonds</b>		<b>54.7%</b>	<b>54.7%</b>			

LCY = local currency.

Notes:

1. Data as of end-March 2014.

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.