

Malaysia

The local currency (LCY) bond market in Malaysia continued to expand in 4Q14, posting growth of 2.3% quarter-on-quarter (q-o-q) and 8.0% year-on-year (y-o-y). Total bonds outstanding climbed to MYR1,103 billion (US\$316 billion), with growth driven largely by increases in the stocks of central government bonds and corporate bonds.

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

	Outstanding Amount (billion)						Growth Rate (%)			
	4Q13		3Q14		4Q14		4Q13		4Q14	
	MYR	US\$	MYR	US\$	MYR	US\$	q-o-q	y-o-y	q-o-q	y-o-y
Total	1,022	312	1,079	329	1,103	316	2.9	2.2	2.3	8.0
Government	597	182	633	193	647	185	2.4	(0.2)	2.2	8.3
Central Government Bonds	482	147	508	155	519	149	3.1	9.5	2.3	7.8
of which: <i>sukuk</i>	175	53	187	57	188	54	5.4	19.9	0.5	7.4
Central Bank Bills	107	33	108	33	107	31	(0.5)	(30.8)	(0.7)	0.4
of which: <i>sukuk</i>	40	12	42	13	43	12	(2.5)	(35.3)	0.4	6.8
<i>Sukuk Perumahan Kerajaan</i>	9	3	17	5	20	6	0.0	97.8	20.0	129.2
Corporate	425	130	446	136	457	131	3.7	5.9	2.3	7.5
of which: <i>sukuk</i>	286	87	314	96	323	92	4.2	8.2	3.0	13.2

(-) = 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.

In 4Q14, total corporate bond issuance declined to MYR28.5 billion from MYR31.9 billion in the prior quarter. Islamic corporate debt issues accounted for nearly 60% of the total issuance volume in 4Q14.

Table 2: Notable LCY Corporate Bond Issuance in 4Q14

Corporate Issuers	Coupon Rate (%)	Issued Amount (MYR million)
Danainfra Nasional		
7-year Islamic MTN	4.16	700
15-year Islamic MTN	4.67	300
20-year Islamic MTN	4.79	500
25-year Islamic MTN	4.98	400
30-year Islamic MTN	5.16	500
CIMB		
370-day MTN	4.30	1,130
MAHB		
Perpetual Subordinated Sukuk	5.75	1,000
PTPTN		
10-year Islamic MTN	4.55	700
20-year Islamic MTN	4.88	300
Sabah State		
5-year bonds	4.28	1,000
YTL Power		
7-year MTN	4.70	300
10-year MTN	4.95	700

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

Source: Bank Negara Malaysia Bond Info Hub and Bank Negara Malaysia Fully Automated System for Issuing/Tendering (FAST).

The aggregate amount of bonds outstanding among Malaysia's top 30 LCY corporate issuers totaled MYR250.6 billion at end-December, representing 54.9% of the LCY corporate bond market.

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	8.75	No	Yes	Transport, Storage, and Communications
2. Cagamas	23.28	6.66	Yes	No	Finance
3. Khazanah	20.00	5.72	Yes	No	Quasi-Government
4. Danainfra Nasional	14.10	4.03	Yes	No	Finance
5. Prasarana	13.91	3.98	Yes	No	Transport, Storage, and Communications
6. Pengurusan Air	11.73	3.35	Yes	No	Energy, Gas, and Water
7. Maybank	11.36	3.25	No	Yes	Finance
8. Perbadanan Tabung Pendidikan Tinggi Nasional	10.50	3.00	Yes	No	Quasi-Government
9. CIMB Bank	8.05	2.30	No	No	Finance
10. Public Bank	7.55	2.16	No	No	Finance
11. Sarawak Energy	7.00	2.00	Yes	No	Energy, Gas, and Water
12. Aman Sukuk	6.26	1.79	Yes	No	Construction
13. BGSM Management	6.02	1.72	No	No	Transport, Storage, and Communications
14. Bank Pembangunan	5.90	1.69	No	No	Finance
15. RHB Bank	5.60	1.60	No	No	Finance
16. Turus Pesawat	5.31	1.52	Yes	No	Quasi-Government
17. Cagamas MBS	5.04	1.44	Yes	No	Finance
18. 1Malaysia Development	5.00	1.43	Yes	No	Quasi-Government
19. Celcom Transmission	5.00	1.43	No	No	Transport, Storage, and Communications
20. Malakoff Power	4.88	1.40	No	No	Energy, Gas, and Water
21. Manjung Island Energy	4.85	1.39	No	No	Energy, Gas, and Water
22. Rantau Abang	4.80	1.37	Yes	No	Quasi-Government
23. YTL Power International	4.77	1.36	No	Yes	Energy, Gas, and Water
24. Hong Leong Bank	4.70	1.34	No	Yes	Finance
25. AM Bank	4.44	1.27	No	No	Finance
26. KL International Airport	4.36	1.25	Yes	No	Transport, Storage, and Communications
27. Putrajaya Holdings	4.13	1.18	No	No	Property and Real Estate
28. Tanjung Bin Power	4.05	1.16	No	Yes	Energy, Gas, and Water
29. CIMB Group Holdings	3.76	1.08	No	Yes	Finance
30. TNB Western Energy	3.66	1.05	No	No	Construction
Total Top 30 LCY Corporate Issuers	250.59	71.65			
Total LCY Corporate Bonds	456.54	130.54			
Top 30 as % of Total LCY Corporate Bonds	54.9%	54.9%			

LCY = local currency.

Notes:

1. Data as of end-December 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.