

Malaysia

Total local currency (LCY) bonds outstanding in Malaysia reached MYR1,119 billion (USD261 billion) in the fourth quarter (Q4) of 2015, increasing 4.0% quarter-on-quarter (q-o-q) and 1.4% year-on-year (y-o-y). Growth in Malaysia's bond market was driven by a rise in corporate bonds outstanding. *Sukuk* (Islamic bonds) continued to comprise the majority of the LCY bond market with a share of 54% of total bonds outstanding at the end of December.

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

	Outstanding Amount (billion)						Growth Rate (%)			
	Q4 2014		Q3 2015		Q4 2015		Q4 2014		Q4 2015	
	MYR	USD	MYR	USD	MYR	USD	q-o-q	y-o-y	q-o-q	y-o-y
Total	1,103	316	1,076	245	1,119	261	2.3	8.0	4.0	1.4
Government	647	185	602	137	612	142	2.2	8.3	1.6	(5.5)
Central Government Bonds	519	149	549	125	559	130	2.3	7.8	1.9	7.6
of which: <i>sukuk</i>	188	54	206	47	216	50	0.5	7.4	4.8	15.0
Central Bank Bills	107	31	25	6	25	6	(0.7)	0.4	(1.2)	(77.1)
of which: <i>sukuk</i>	43	12	2	0.4	0.5	0.1	0.4	6.8	(70.6)	(98.8)
<i>Sukuk Perumahan Kerajaan</i>	20	6	28	6	28	7	20.0	129.2	0.0	39.2
Corporate	457	131	474	108	507	118	2.3	7.5	7.1	11.1
of which: <i>sukuk</i>	323	92	340	77	361	84	3.0	13.2	6.0	11.7

() = negative, – = not applicable, q-o-q = quarter-on-quarter, Q3 = third quarter, Q4 = fourth quarter, y-o-y = year-on-year.

Notes:

1. Calculated using data from national sources.

2. Bloomberg LP end-of-period LCY-USD rate is used.

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

4. *Sukuk Perumahan Kerajaan* are Islamic bonds issued by the government to refinance funding for housing loans to government employees and to extend new housing loans.

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

Corporate bond issuance in Malaysia jumped to MYR57 billion in Q4 2015 from MYR24 billion in the third quarter of 2015. Notable LCY corporate bond issuances in Q4 2015 are listed in Table 2.

Table 2: Notable LCY Corporate Bond Issuance in Q4 2015

Corporate Issuers	Coupon Rate (%)	Issued Amount (MYR million)
Maybank		
10-year bond	4.90	3,300
Danainfra		
7-year Islamic MTN	4.45	500
10-year Islamic MTN	4.53	350
15-year Islamic MTN	4.82	250
20-year Islamic MTN	4.91	400
25-year Islamic MTN	5.04	800
30-year Islamic MTN	5.15	800
CIMB		
10-year bond	5.15	2,000
Prasarana		
5-year Islamic MTN	4.27	230
7-year Islamic MTN	4.53	315
10-year Islamic MTN	4.65	200
15-year Islamic MTN	4.97	350
20-year Islamic MTN	5.05	500
25-year Islamic MTN	5.15	350
Cagamas		
3-year MTN	4.20	1,500

LCY = local currency, MTN = medium-term note, Q4 = fourth quarter.

Source: Bank Negara Malaysia Bond Info Hub.

LCY bonds outstanding among the top 30 corporate bond issuers in Malaysia reached MYR273.7 billion at the end of Q4 2015, representing 54% of total corporate bonds outstanding.

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 (USD billion)			
1.	Project Lebuhraya Usahasama	30.6	7.1	No	No	Transport, Storage, and Communications
2.	Cagamas	24.5	5.7	Yes	No	Finance
3.	Danainfra Nasional	20.7	4.8	Yes	No	Finance
4.	Khazanah	20.0	4.7	Yes	No	Finance
5.	Prasarana	17.6	4.1	Yes	No	Transport, Storage, and Communications
6.	Maybank	14.9	3.5	No	Yes	Banking
7.	Pengurusan Air	13.5	3.1	Yes	No	Energy, Gas, and Water
8.	Perbadanan Tabung Pendidikan Tinggi Nasional	11.0	2.6	Yes	No	Finance
9.	CIMB Bank	9.1	2.1	No	No	Banking
10.	Jimah East Power	9.0	2.1	Yes	No	Energy, Gas, and Water
11.	Sarawak Energy	8.5	2.0	Yes	No	Energy, Gas, and Water
12.	Public Bank	7.6	1.8	No	No	Banking
13.	Aman Sukuk	6.6	1.5	Yes	No	Construction
14.	Rantau Abang Capital	6.0	1.4	Yes	No	Finance
15.	RHB Bank	5.4	1.3	No	No	Banking
16.	Turus Pesawat	5.3	1.2	Yes	No	Transport, Storage, and Communications
17.	BGSM Management	5.1	1.2	No	No	Transport, Storage, and Communications
18.	1Malaysia Development	5.0	1.2	Yes	No	Finance
19.	CIMB Group Holdings	4.9	1.1	Yes	No	Finance
20.	Putrajaya Holdings	4.9	1.1	Yes	No	Property and Real Estate
21.	Manjung Island Energy	4.9	1.1	No	No	Energy, Gas, and Water
22.	YTL Power International	4.8	1.1	No	Yes	Energy, Gas, and Water
23.	AM Bank	4.5	1.1	No	Yes	Banking
24.	Celcom Networks	4.5	1.0	No	No	Transport, Storage, and Communications
25.	Malakoff Power	4.4	1.0	No	No	Energy, Gas, and Water
26.	Bank Pembangunan Malaysia	4.3	1.0	Yes	No	Banking
27.	Cagamas MBS	4.2	1.0	Yes	No	Finance
28.	Tanjung Bin Power	4.0	0.9	No	No	Energy, Gas, and Water
29.	Danga Capital	4.0	0.9	Yes	No	Finance
30.	Telekom Malaysia	4.0	0.9	No	Yes	Transport, Storage, and Communications
Total Top 30 LCY Corporate Issuers		273.7	63.7			
Total LCY Corporate Bonds		507.3	118.1			
Top 30 as % of Total LCY Corporate Bonds		53.9%	53.9%			

LCY = local currency.

Notes:

1. Data as of end-December 2015.

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.