

Malaysia

Total local currency (LCY) bonds outstanding in Malaysia stood at MYR1,167 billion (USD260 billion) at the end of the fourth quarter (Q4) of 2016, a decrease of 0.1% quarter-on-quarter (q-o-q) but an increase of 4.3% year-on-year (y-o-y). The q-o-q contraction was due to corporate bonds falling 0.5% q-o-q, offsetting the 0.3% q-o-q increase in government bonds. Government and corporate bonds outstanding grew 3.6% y-o-y and 5.2% y-o-y, respectively. *Sukuk* (Islamic bonds) comprised 41.7% of total LCY government bonds outstanding and 73.9% of total LCY corporate bonds outstanding at the end of December.

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

	Outstanding Amount (billion)						Growth Rate (%)			
	Q4 2015		Q3 2016		Q4 2016		Q4 2015		Q4 2016	
	MYR	USD	MYR	USD	MYR	USD	q-o-q	y-o-y	q-o-q	y-o-y
Total	1,119	261	1,168	282	1,167	260	4.0	1.4	(0.1)	4.3
Government	612	142	632	153	634	141	1.6	(5.5)	0.3	3.6
Central Government Bonds	559	130	592	143	596	133	1.9	7.6	0.7	6.7
of which: <i>sukuk</i>	216	50	236	57	236	53	4.8	15.0	0.0	9.4
Central Bank Bills	25	6	11	3	9	2	(1.2)	(77.1)	(18.6)	(64.3)
of which: <i>sukuk</i>	1	0.1	0	0	0	0	(70.6)	(98.8)	-	(100.0)
<i>Sukuk Perumahan Kerajaan</i>	28	7	28	7	28	6	0.0	39.2	0.0	0.0
Corporate	507	118	537	130	534	119	7.1	11.1	(0.5)	5.2
of which: <i>sukuk</i>	361	84	393	95	395	88	6.0	11.7	0.3	9.3

(-) = negative, - = not applicable, LCY = local currency, MYR = Malaysian ringgit, q-o-q = quarter-on-quarter, Q3 = third quarter, Q4 = fourth quarter, USD = United States dollar, 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 an 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 and Bloomberg LP.

Corporate bond issuance fell to MYR30.3 billion in Q4 2016 from MYR39.9 billion in Q3 2016.

Table 2: Notable Local Currency Corporate Bond Issuance in the Fourth Quarter of 2016

Corporate Issuers	Coupon Rate (%)	Issued Amount (MYR million)
Danainfra Nasional		
7-year Islamic MTN	3.92	400
10-year Islamic MTN	4.09	600
15-year Islamic MTN	4.48	700
20-year Islamic MTN	4.65	800
25-year Islamic MTN	4.78	1,000
30-year Islamic MTN	4.95	1,000
Maxis Broadband		
4-year Islamic MTN	4.70	500
6-year Islamic MTN	5.00	2,450

MTN = medium-term note, MYR = Malaysian ringgit.

Source: Bank Negara Malaysia Bond Info Hub.

The amount outstanding of the top 30 corporate bonds issuers summed to MYR292.9 billion at the end of December, comprising 54.9% of the total LCY corporate bonds outstanding. The finance industry was the sector with the largest share of LCY corporate bonds outstanding among the top 30 corporate issuers, accounting for a cumulative MYR128.2 billion at the end of December.

Table 3: Top 30 Issuers of Local Currency 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	6.8	No	No	Transport, Storage, and Communications
2. Danainfra Nasional	29.7	6.6	Yes	No	Finance
3. Cagamas	25.6	5.7	Yes	No	Finance
4. Prasarana	18.7	4.2	Yes	No	Transport, Storage, and Communications
5. Khazanah	18.0	4.0	Yes	No	Finance
6. Perbadanan Tabung Pendidikan Tinggi Nasional	14.5	3.2	Yes	No	Finance
7. Maybank	14.0	3.1	No	Yes	Banking
8. Pengurusan Air	14.0	3.1	Yes	No	Energy, Gas, and Water
9. Sarawak Energy	9.5	2.1	Yes	No	Energy, Gas, and Water
10. CIMB Group Holdings	9.5	2.1	Yes	No	Finance
11. Jimah East Power	9.0	2.0	Yes	No	Energy, Gas, and Water
12. Public Bank	7.4	1.6	No	No	Banking
13. Sarawak Hidro	6.5	1.5	Yes	No	Energy, Gas, and Water
14. Aman Sukuk	6.1	1.4	Yes	No	Construction
15. Rantau Abang Capital	6.0	1.3	Yes	No	Finance
16. Bank Pembangunan Malaysia	5.9	1.3	Yes	No	Banking
17. CIMB Group Holdings	5.4	1.2	Yes	No	Finance
18. Turus Pesawat	5.3	1.2	Yes	No	Transport, Storage, and Communications
19. RHB Bank	5.2	1.1	No	No	Banking
20. Putrajaya Holdings	5.1	1.1	Yes	No	Property and Real Estate
21. 1Malaysia Development	5.0	1.1	Yes	No	Finance
22. Celcom Networks	5.0	1.1	No	No	Transport, Storage, and Communications
23. Danga Capital	5.0	1.1	Yes	No	Finance
24. ValueCap	5.0	1.1	Yes	No	Finance
25. YTL Power International	4.8	1.1	No	Yes	Energy, Gas, and Water
26. GOVCO Holdings	4.6	1.0	Yes	No	Finance
27. Jambatan Kedua	4.6	1.0	Yes	No	Transport, Storage, and Communications
28. Manjung Island Energy	4.5	1.0	No	No	Energy, Gas, and Water
29. Malakoff Power	4.3	1.0	No	No	Energy, Gas, and Water
30. BGSM Management	4.3	1.0	No	No	Transport, Storage, and Communications
Total Top 30 LCY Corporate Issuers	292.9	65.3			
Total LCY Corporate Bonds	533.7	119.0			
Top 30 as % of Total LCY Corporate Bonds	54.9%	54.9%			

Notes:

1. Data as of end-December 2016.

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 data.