

## Malaysia

Malaysia's total local currency (LCY) bonds outstanding registered an increase of 1.8% quarter-on-quarter (q-o-q) and 10.2% year-on-year (y-o-y) in the fourth quarter (Q4) of 2017, reaching MYR1,286 billion (USD318 billion). Both the government and corporate bond segments propelled the increase in the bond stock, with much of the growth coming from corporate bonds, which expanded 3.5% q-o-q and 14.9% y-o-y. LCY government bonds and corporate bonds outstanding totaled MYR673 billion and MYR613 billion, respectively, at the end of Q4 2017. Total *sukuk* (Islamic bonds) amounted to MYR757.7 billion, increasing 3.3% q-o-q and 15.0% y-o-y, and comprising 58.9% of total LCY bonds outstanding at the end of Q4 2017.

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

	Outstanding Amount (billion)						Growth Rate (%)			
	Q4 2016		Q3 2017		Q4 2017		Q4 2016		Q4 2017	
	MYR	USD	MYR	USD	MYR	USD	q-o-q	y-o-y	q-o-q	y-o-y
<b>Total</b>	1,167	260	1,263	299	1,286	318	(0.1)	4.3	1.8	10.2
Government	634	141	671	159	673	166	0.3	3.6	0.3	6.2
Central Government Bonds	596	133	637	151	637	157	0.7	6.7	0.1	6.8
of which: <i>sukuk</i>	236	53	266	63	270	67	0.0	9.4	1.3	14.2
Central Bank Bills	9	2	5	1	7	2	(18.6)	(64.3)	37.4	(16.0)
of which: <i>sukuk</i>	0	0	0	0	0	0	-	(100.0)	-	-
<i>Sukuk Perumahan Kerajaan</i>	28	6	28	7	28	7	0.0	0.0	0.0	0.0
Corporate	534	119	593	140	613	152	(0.5)	5.2	3.5	14.9
of which: <i>sukuk</i>	395	88	439	104	460	114	0.3	9.3	4.7	16.5

( ) = 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.

**Total LCY corporate bond issuance in Malaysia increased 31.9% q-o-q to MYR57 billion in Q4 2017 and mainly comprised of medium-term notes. Maybank Islamic is the largest issuer in Q4 2017 totaling MYR6,000 million from multiple bonds sales.**

Table 2: Notable Local Currency Corporate Bond Issuance in the Fourth Quarter of 2017

Corporate Issuers	Coupon Rate (%)	Issued Amount (MYR million)
Maybank Islamic		
5-year Islamic MTNs	4.20	2,000
Perpetual Islamic MTNs	4.95	1,000
Cagamas		
2-year MTNs	4.00	1,000
5-year MTNs	4.25	1,500
Danainfra Nasional		
7-year Islamic MTNs	4.33	700
10-year Islamic MTNs	4.50	300
15-year Islamic MTNs	4.90	500
25-year Islamic MTNs	5.22	600
30-year Islamic MTNs	5.35	900

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

Source: Bank Negara Malaysia Bond Info Hub.

The LCY outstanding bonds of the top 30 corporate issuers in Malaysia reached MYR347.3 billion at the end of Q4 2017, comprising 56.6% of the total LCY corporate bond stock. The finance industry continued to dominate the list with aggregate LCY bonds worth MYR165.9 billion, led by state-owned Danainfra Nasional with MYR41.6 billion of bonds outstanding.

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.	Danainfra Nasional	41.6	10.3	Yes	No	Finance
2.	Cagamas	30.8	7.6	Yes	No	Finance
3.	Project Lebuhraya Usahasama	30.4	7.5	No	No	Transport, Storage, and Communications
4.	Prasarana	24.7	6.1	Yes	No	Transport, Storage, and Communications
5.	Perbadanan Tabung Pendidikan Tinggi Nasional	18.5	4.6	Yes	No	Finance
6.	Khazanah	17.0	4.2	Yes	No	Finance
7.	Maybank	15.8	3.9	No	Yes	Banking
8.	Pengurusan Air	14.4	3.6	Yes	No	Energy, Gas, and Water
9.	CIMB Bank	12.5	3.1	Yes	No	Finance
10.	Lembaga Pembiayaan Perumahan Sektor Awam	10.8	2.7	Yes	No	Property and Real Estate
11.	Sarawak Energy	10.5	2.6	Yes	No	Energy, Gas, and Water
12.	Jimah East Power	9.0	2.2	Yes	No	Energy, Gas, and Water
13.	GOVCO Holdings	8.8	2.2	Yes	No	Finance
14.	Maybank Islamic	8.5	2.1	No	Yes	Banking
15.	Bank Pembangunan Malaysia	7.3	1.8	Yes	No	Banking
16.	YTL Power International	7.3	1.8	No	Yes	Energy, Gas, and Water
17.	CIMB Group Holdings	7.2	1.8	Yes	No	Finance
18.	Rantau Abang Capital	7.0	1.7	Yes	No	Finance
19.	Sarawak Hidro	6.5	1.6	Yes	No	Energy, Gas, and Water
20.	Danga Capital	6.5	1.6	Yes	No	Finance
21.	Public Bank	6.4	1.6	No	No	Banking
22.	ValueCap	6.0	1.5	Yes	No	Finance
23.	Aman Sukuk	5.5	1.4	Yes	No	Construction
24.	Turus Pesawat	5.3	1.3	Yes	No	Transport, Storage, and Communications
25.	1Malaysia Development	5.0	1.2	Yes	No	Finance
26.	Celcom Networks	5.0	1.2	No	No	Transport, Storage, and Communications
27.	GENM Capital	5.0	1.2	No	No	Finance
28.	Putrajaya Holdings	5.0	1.2	Yes	No	Property and Real Estate
29.	Jambatan Kedua	4.6	1.1	Yes	No	Transport, Storage, and Communications
30.	Telekom Malaysia	4.5	1.1	No	Yes	Telecommunications
<b>Total Top 30 LCY Corporate Issuers</b>		<b>347.3</b>	<b>85.8</b>			
<b>Total LCY Corporate Bonds</b>		<b>613.3</b>	<b>151.6</b>			
<b>Top 30 as % of Total LCY Corporate Bonds</b>		<b>56.6%</b>	<b>56.6%</b>			

Notes:

1. Data as of end-December 2017.

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.