

Malaysia

The local currency (LCY) bond market of Malaysia expanded 1.0% quarter-on-quarter (q-o-q) and 8.2% year-on-year in the fourth quarter (Q4) of 2021, reaching a size of MYR1,736.2 billion (USD416.7 billion) at the end of December. LCY government bonds outstanding increased 1.2% q-o-q, driven by a rise in central government bonds, to reach MYR949.4 billion. LCY corporate bonds outstanding recorded MYR786.8 billion at the end of December on growth of 0.8% q-o-q. The aggregate stock of *sukuk* (Islamic bonds) outstanding at the end of the year totaled MYR1,102.7 billion.

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

	Outstanding Amount (billion)						Growth Rate (%)			
	Q4 2020		Q3 2021		Q4 2021		Q4 2020		Q4 2021	
	MYR	USD	MYR	USD	MYR	USD	q-o-q	y-o-y	q-o-q	y-o-y
Total	1,604	399	1,719	411	1,736	417	1.3	8.0	1.0	8.2
Government	853	212	938	224	949	228	0.5	10.3	1.2	11.4
Central Government Bonds	827	206	914	218	931	224	0.8	12.1	1.9	12.7
of which: <i>sukuk</i>	384	95	435	104	441	106	1.7	12.4	1.5	15.0
Central Bank Bills	2	0.5	0	0	0	0	(50.0)	(77.8)	-	(100.0)
of which: <i>sukuk</i>	0	0	0	0	0	0	-	(100.0)	-	-
<i>Sukuk Perumahan Kerajaan</i>	24	6	24	6	18	4	0.0	(10.1)	(24.9)	(24.9)
Corporate	752	187	780	186	787	189	2.2	5.6	0.8	4.6
of which: <i>sukuk</i>	609	151	638	152	643	154	2.8	7.0	0.9	5.7

(-) = 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. Bloomberg LP end-of-period LCY-USD rate is used.

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

3. *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.

Issuance of LCY bonds expanded 2.6% q-o-q in Q4 2021, led by 7.6% q-o-q growth in LCY corporate bond issuance, which totaled MYR41.2 billion during the quarter. A 1.3% q-o-q contraction in LCY government bond issuances to MYR47.9 billion slightly offset this growth. During the quarter, government-owned institutions Danalnfra Nasional and CIMB Bank had the largest issuance totals.

Table 2: Notable Local Currency Corporate Bond Issuances in the Fourth Quarter of 2021

Corporate Issuers	Coupon Rate (%)	Issued Amount (MYR billion)	Corporate Issuers	Coupon Rate (%)	Issued Amount (MYR billion)
Danalnfra Nasional ^a			CIMB Bank		
7-year Islamic MTN	3.70	400	3-year MTN	Floating	1,000
7-year Islamic MTN	3.72	300	4-year MTN	Floating	1,000
7-year Islamic MTN	3.68	100	5-year MTN	Floating	1,000
14-year Islamic MTN	4.23	615	10-year <i>sukuk wakalah</i>	3.80	100
15-year Islamic MTN	4.34	860	Tenaga Nasional		
15-year Islamic MTN	4.34	450	7-year Islamic MTN	3.92	300
20-year Islamic MTN	4.50	270	10-year Islamic MTN	4.08	300
20-year Islamic MTN	4.51	300	15-year Islamic MTN	4.47	1,200
20-year Islamic MTN	4.48	195	20-year Islamic MTN	4.67	1,200
29-year Islamic MTN	4.57	235			
30-year Islamic MTN	4.70	370			
30-year Islamic MTN	4.70	450			

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

Note: *Sukuk wakalah* are Islamic bonds in which the bondholder nominates another person to act on his behalf.

^a Multiple issuance of the same tenor indicates issuance on different dates.

Source: Based on data from Bloomberg LP.

At the end of December, the top 30 issuers had combined outstanding LCY corporate bonds totaling MYR467.3 billion, or 59.4% of the total LCY corporate bond stock. DanaInfra Nasional topped all issuers in terms of outstanding bonds at the end of 2021, while the finance sector led all sectors.

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	78.8	18.9	Yes	No	Finance
2.	Prasarana	38.3	9.2	Yes	No	Transport, Storage, and Communications
3.	Lembaga Pembiayaan Perumahan Sektor Awam	37.6	9.0	Yes	No	Property and Real Estate
4.	Cagamas	32.3	7.7	Yes	No	Finance
5.	Project Lebuhraya Usahasama	28.9	6.9	No	No	Transport, Storage, and Communications
6.	Urusharta Jamaah	27.3	6.6	Yes	No	Finance
7.	Perbadanan Tabung Pendidikan Tinggi Nasional	23.1	5.5	Yes	No	Finance
8.	Pengurusan Air	18.7	4.5	Yes	No	Energy, Gas, and Water
9.	CIMB Group Holdings	14.3	3.4	Yes	No	Finance
10.	Maybank Islamic	13.0	3.1	No	Yes	Banking
11.	Malayan Banking	12.5	3.0	No	Yes	Banking
12.	Sarawak Energy	12.0	2.9	Yes	No	Energy, Gas, and Water
13.	Khazanah	11.9	2.9	Yes	No	Finance
14.	Tenaga Nasional	11.6	2.8	No	Yes	Energy, Gas, and Water
15.	CIMB Bank	11.6	2.8	Yes	No	Finance
16.	Danga Capital	10.0	2.4	Yes	No	Finance
17.	Jimah East Power	8.8	2.1	Yes	No	Energy, Gas, and Water
18.	Danum Capital	8.4	2.0	No	No	Finance
19.	Public Bank	6.9	1.7	No	No	Banking
20.	Sapura TMC	6.4	1.5	No	No	Finance
21.	Bank Pembangunan Malaysia	6.0	1.4	Yes	No	Banking
22.	Malaysia Rail Link	5.8	1.4	Yes	No	Construction
23.	YTL Power International	5.8	1.4	No	Yes	Energy, Gas, and Water
24.	Infracap Resources	5.8	1.4	Yes	No	Finance
25.	GOVCO Holdings	5.7	1.4	Yes	No	Finance
26.	Bakun Hydro Power Generation	5.5	1.3	No	No	Energy, Gas, and Water
27.	Turus Pesawat	5.3	1.3	Yes	No	Transport, Storage, and Communications
28.	GENM Capital	5.3	1.3	No	No	Finance
29.	EDRA Energy	5.1	1.2	No	Yes	Energy, Gas, and Water
30.	1Malaysia Development	5.0	1.2	Yes	No	Finance
Total Top 30 LCY Corporate Issuers		467.3	112.1			
Total LCY Corporate Bonds		786.8	188.8			
Top 30 as % of Total LCY Corporate Bonds		59.4%	59.4%			

Notes:

1. Data as of 31 December 2021.

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.