

## Malaysia

At the end of the fourth quarter (Q4) of 2022, Malaysia's local currency (LCY) bond market reached a size of MYR1,866.9 billion (USD423.9 billion) on growth of 0.8% quarter-on-quarter (q-o-q) and 7.5% year-on-year. Outstanding LCY government bonds inched up marginally by 0.2% q-o-q amid contractions in issuance during the quarter. Outstanding LCY corporate bonds posted growth of 1.4% q-o-q as issuance picked up in Q4 2022, while total outstanding *sukuk* (Islamic bonds) marginally declined 0.1% q-o-q due to maturing securities.

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

	Outstanding Amount (billion)						Growth Rate (%)			
	Q4 2021		Q3 2022		Q4 2022		Q4 2021		Q4 2022	
	MYR	USD	MYR	USD	MYR	USD	q-o-q	y-o-y	q-o-q	y-o-y
<b>Total</b>	1,736	417	1,853	400	1,867	424	1.0	8.2	0.8	7.5
<b>Government</b>	949	228	1,049	226	1,051	239	1.2	11.4	0.2	10.7
Central Government Bonds	931	224	1,035	223	1,041	236	1.9	12.7	0.5	11.8
of which: <i>sukuk</i>	441	106	507	109	494	112	1.5	15.0	(2.7)	11.9
Central Bank Bills	0	0	4	0.9	1	0.2	-	(100.0)	(75.9)	-
of which: <i>sukuk</i>	0	0	1	0.2	0	0	-	-	(100.0)	-
Sukuk Perumahan Kerajaan	18	4	9	2	9	2	(24.9)	(24.9)	0.0	(49.7)
<b>Corporate</b>	787	189	804	173	816	185	0.8	4.6	1.4	3.7
of which: <i>sukuk</i>	643	154	666	144	679	154	0.9	5.7	2.0	5.5

(-) = negative, - = not applicable, 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:

- Bloomberg LP end-of-period local currency-USD rates are used.
  - Growth rates are calculated from a local currency base and do not include currency effects.
  - Sukuk* refers to Islamic bonds.
  - 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 corporate bonds soared 69.7% q-o-q to reach MYR73.2 billion in Q4 2022. Projek Lebuhraya Usahasama Berhad, a subsidiary of toll expressway operator PLUS Malaysia Berhad, had the largest total issuance during the review period.

Table 2: Notable Local Currency Corporate Bond Issuances in the Fourth Quarter of 2022

Corporate Issuers	Coupon Rate (%)	Issued Amount (MYR billion)	Corporate Issuers	Coupon Rate (%)	Issued Amount (MYR billion)
Projek Lebuhraya Usahasama Berhad			Maybank Islamic		
1-year Islamic MTN	4.56	1,000	5-year Islamic MTN	4.33	2,000
2-year Islamic MTN	4.21	160	95-year Islamic MTN	4.76	1,000
13-year Islamic MTN	5.63	1,800	Amanat Lebuhraya Rakyat		
14-year Islamic MTN	5.75	1,800	2-year Islamic MTN	4.28	335
15-year Islamic MTN	5.02	770	8-year Islamic MTN	5.09	460
Cagamas <sup>a</sup>			10-year Islamic MTN	5.24	520
1-year Islamic MTN	3.58	250	11-year Islamic MTN	5.29	485
3-year Islamic MTN	4.27	455	15-year Islamic MTN	5.59	550
5-year MTN	4.55	2,000			
5-year Islamic MTN	4.62	1,000			
5-year MTN	4.71	150			

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

<sup>a</sup> Multiple issuance of the same tenor indicates issuance on different dates.

Source: Bank Negara Malaysia Fully Automated System for Issuing/Tendering.

The top 30 corporate bond issuers in Malaysia had a combined total of MYR487.4 billion worth of outstanding LCY bonds at the end of December, representing 59.8% of the LCY corporate bond stock. At the end of 2022, government-owned infrastructure funding company DanalInfra Nasional had the most LCY bonds outstanding, while the finance sector led all sectors in corporate issuance.

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.	DanalInfra Nasional	82.7	18.8	Yes	No	Finance
2.	Lembaga Pembiayaan Perumahan Sektor Awam	40.3	9.1	Yes	No	Property and Real Estate
3.	Prasarana	39.7	9.0	Yes	No	Transport, Storage, and Communications
4.	Cagamas	37.2	8.4	Yes	No	Finance
5.	Project Lebuhraya Usahasama	36.2	8.2	No	No	Transport, Storage, and Communications
6.	Urusharta Jamaah	27.3	6.2	Yes	No	Finance
7.	Perbadanan Tabung Pendidikan Tinggi Nasional	21.1	4.8	Yes	No	Finance
8.	Pengurusan Air	19.4	4.4	Yes	No	Energy, Gas, and Water
9.	Tenaga Nasional	16.3	3.7	No	Yes	Energy, Gas, and Water
10.	CIMB Group Holdings	14.5	3.3	Yes	No	Finance
11.	Maybank Islamic	13.0	3.0	No	Yes	Banking
12.	Malayan Banking	12.7	2.9	No	Yes	Banking
13.	CIMB Bank	11.6	2.6	Yes	No	Finance
14.	Sarawak Energy	10.8	2.5	Yes	No	Energy, Gas, and Water
15.	Danum Capital	10.1	2.3	No	No	Finance
16.	Danga Capital	10.0	2.3	Yes	No	Finance
17.	Khazanah	9.4	2.1	Yes	No	Finance
18.	Jimah East Power	8.6	1.9	Yes	No	Energy, Gas, and Water
19.	Public Bank	6.9	1.6	No	No	Banking
20.	Malaysia Rail Link	6.8	1.5	Yes	No	Construction
21.	Sapura TMC	6.4	1.4	No	No	Finance
22.	Kuala Lumpur Kepong	5.6	1.3	No	Yes	Energy, Gas, and Water
23.	YTL Power International	5.5	1.3	No	Yes	Energy, Gas, and Water
24.	Amanat Lebuhraya Rakyat	5.5	1.2	No	No	Finance
25.	Bank Pembangunan Malaysia	5.5	1.2	Yes	No	Banking
26.	Bakun Hydro Power Generation	5.1	1.2	No	No	Energy, Gas, and Water
27.	1Malaysia Development	5.0	1.1	Yes	No	Finance
28.	EDRA Energy	4.9	1.1	No	Yes	Energy, Gas, and Water
29.	Infracap Resources	4.9	1.1	Yes	No	Finance
30.	PNB Merdeka Ventures	4.8	1.1	No	No	Finance
<b>Total Top 30 LCY Corporate Issuers</b>		<b>487.4</b>	<b>110.7</b>			
<b>Total LCY Corporate Bonds</b>		<b>815.8</b>	<b>185.2</b>			
<b>Top 30 as % of Total LCY Corporate Bonds</b>		<b>59.8%</b>	<b>59.8%</b>			

LCY = local currency, MYR = Malaysian ringgit, USD = United States dollar.

Notes:

1. Data as of 31 December 2022.

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.