

QUARTERLY REPORT

4Q24 (October-December 2024)



4Q2024 – Malaysia’s Bond and Sukuk market is showing substantial growth in 2024 with outstanding of RM2.10 trillion.

Malaysia’s bond and sukuk market outstanding for year 2024 is RM2.10 trillion compared to RM2.00 trillion in 2023. During 2024, local yields were mixed even with the Fed’s third rate cut of the year that reduces the Fed’s target rate to between 4.25% and 4.5% in December’24, with reductions in borrowing costs now hinge on further progress in lowering stubbornly high inflation, remarks that showed policymakers are starting to reckon with the prospects for sweeping economic changes under a Trump administration.

GLOBAL MARKET

Overview

US Treasury 3-year yields increased by 69 bps q-o-q while the benchmark 10-year yields expanded by 77 bps q-o-q. The central bank’s rate outlook included only two cuts in 2025, rather than the four previously penciled in, catching investors off guard, and sending stocks tumbling while driving up yields and the dollar.

MY Government Bond

Overview

The MGS yields increased with 3-year up by 15 bps and 10-year surged by 11 bps q-o-q. The GII also raised by 2 bps for the 3-year and up by 8 bps for the 10-year q-o-q. The yields movements largely attributed to a softer-than-expected US core PCE reading, which introduced uncertainty around US inflation conditions. Domestically, a stable inflation rate of 1.8% maintained investor confidence, providing support to local yields.

MY Corporate Bond & Sukuk

Overview

The AAA-rated corporate bond and Sukuk yields also expanded throughout the fourth quarter of 2024. The yields rose by 10 bps for 3-year, 15 bps for 5-year, 11 bps for 7-year and 8 bps for 10-year based on q-o-q.

Dec-23	Sep-24	UST	Oct-24	MTM	Nov-24	MTM	Dec-24	MTM	QTQ	YTD
Close(%)	Close(%)		Close(%)	(bps)	Close(%)	(bps)	Close(%)	(bps)	(bps)	(bps)
4.01	3.58	3 YEAR	4.12	54	4.10	-2	4.27	17	69	26
3.84	3.58	5 YEAR	4.15	57	4.05	-10	4.38	33	80	54
3.88	3.67	7 YEAR	4.21	54	4.10	-11	4.48	38	81	60
3.88	3.81	10 YEAR	4.28	47	4.18	-10	4.58	40	77	70

Dec-23	Sep-24	MGS	Oct-24	MTM	Nov-24	MTM	Dec-24	MTM	QTQ	YTD
Close(%)	Close(%)		Close(%)	(bps)	Close(%)	(bps)	Close(%)	(bps)	(bps)	(bps)
3.49	3.33	3 YEAR	3.53	20	3.46	-7	3.48	2	15	-1
3.58	3.50	5 YEAR	3.67	17	3.58	-9	3.62	4	12	4
3.71	3.68	7 YEAR	3.90	22	3.75	-15	3.77	2	9	6
3.74	3.71	10 YEAR	3.92	21	3.81	-11	3.82	1	11	8

Dec-23	Sep-24	GII	Oct-24	MTM	Nov-24	MTM	Dec-24	MTM	QTQ	YTD
Close(%)	Close(%)		Close(%)	(bps)	Close(%)	(bps)	Close(%)	(bps)	(bps)	(bps)
3.49	3.31	3 YEAR	3.45	14	3.36	-9	3.33	-3	2	-16
3.61	3.50	5 YEAR	3.68	18	3.61	-7	3.62	1	12	1
3.77	3.70	7 YEAR	3.91	21	3.76	-15	3.74	-2	4	-3
3.77	3.75	10 YEAR	3.93	18	3.81	-12	3.83	2	8	6

Dec-23	Sep-24	BOND AAA	Oct-24	MTM	Nov-24	MTM	Dec-24	MTM	QTQ	YTD
Close(%)	Close(%)		Close(%)	(bps)	Close(%)	(bps)	Close(%)	(bps)	(bps)	(bps)
3.83	3.73	3 YEAR	3.80	7	3.84	4	3.83	-1	10	0
3.90	3.80	5 YEAR	3.93	13	3.93	0	3.95	2	15	5
3.97	3.88	7 YEAR	4.04	16	4.01	-3	3.99	-2	11	2
4.05	3.96	10 YEAR	4.09	13	4.06	-3	4.04	-2	8	-1

Dec-23	Sep-24	SUKUK AAA	Oct-24	MTM	Nov-24	MTM	Dec-24	MTM	QTQ	YTD
Close(%)	Close(%)		Close(%)	(bps)	Close(%)	(bps)	Close(%)	(bps)	(bps)	(bps)
3.83	3.73	3 YEAR	3.80	7	3.84	4	3.83	-1	10	0
3.90	3.80	5 YEAR	3.93	13	3.93	0	3.95	2	15	5
3.97	3.88	7 YEAR	4.04	16	4.01	-3	3.99	-2	11	2
4.05	3.96	10 YEAR	4.09	13	4.06	-3	4.04	-2	8	-1

GOVERNMENT BOND AUCTION

Overview

The government bond auction for 4Q24 garnered an average BTC of 1.991x, dropped from the previous quarter (3Q24: 2.318x). A reopening of MGS 4/39 received the highest BTC at 2.672x. The new/reopening issuances for MGS/GII stood at RM 33.50 billion (3Q24: RM 42.00 billion).

Throughout 2024, the outstanding amount of MGS/GII stood at RM1,204.64 billion (3Q24: RM1,193.64 billion). Government sukuk issuances in Malaysia improved in the second half of the year after recording a less active trend in the first half.

4Q24 AUCTION

No	Stock	Tenure	Type	Tender	Issuance (RM mil)	Amt Issued YTD	Bid/Cover	Yield		
		Year		Date				Low	Average	High
1	MGS 5/27	3	Reopening	Oct	4,500	149,000	1.606	3.414	3.426	3.440
2	MGII 11/34	10	Reopening	Oct	4,500	153,500	1.602	3.800	3.832	3.845
3	MGS 5/44	20	Reopening	Oct	5,000	158,500	2.039	4.120	4.136	4.149
4	MGII 10/31	7	Reopening	Oct	5,000	163,500	1.997	3.900	3.914	3.925
5	MGS 4/39	15	Reopening	Nov	5,000	168,500	2.672	3.999	4.015	4.026
6	MGII 7/29	5	Reopening	Nov	4,500	173,000	2.005	3.642	3.657	3.665
7	MGS 7/34	10	Reopening	Dec	5,000	175,000	2.015	3.760	3.776	3.781

Sources: BNM and BIX Malaysia

For the upcoming 1Q25, there will be zero (0) new issue and five (5) reopening of MGS. For GII there will be three (3) reopening and two (2) new issues, totalling to eight (8) reopening and two (2) new issues.

UPCOMING ISSUANCE 1Q25

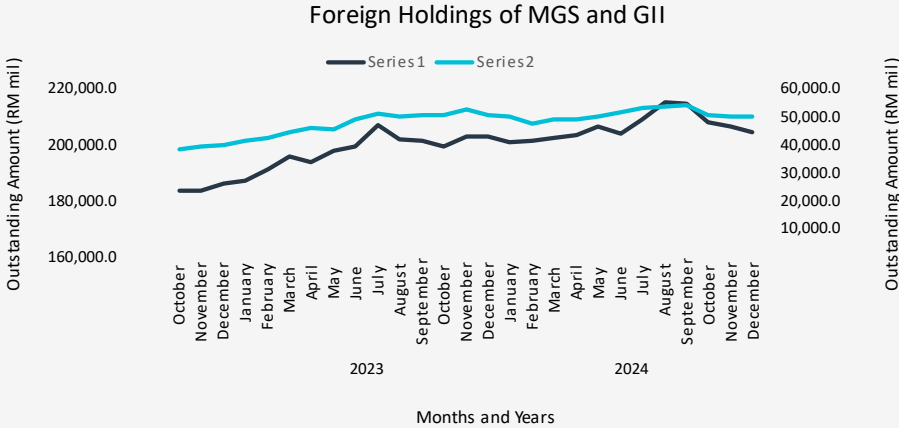
No	Stock	Tenure	Type	Tender	Issuance (RM mil)	Amt Issued YTD	Bid/Cover	Yield		
		Year		Date				Low	Average	High
1	MGS 7/32	7	Reopening	Jan	4,000					
2	MGII 7/40	15	New Issue	Jan	5,000					
3	MGII 7/28	3	Reopening	Jan	4,000					
4	MGS 3/53	30	Reopening	Feb	5,000					
5	MGII 10/31	7	Reopening	Feb	4,000					
6	MGS 5/44	20	Reopening	Feb	5,000					
7	MGII 8/30	5	New Issue	Feb	4,500					
8	MGS 4/39	15	Reopening	Mar	5,000					
9	MGII 3/54	30	Reopening	Mar	5,000					
10	MGS 7/34	10	Reopening	Mar	4,000					

Sources: BNM and BIX Malaysia

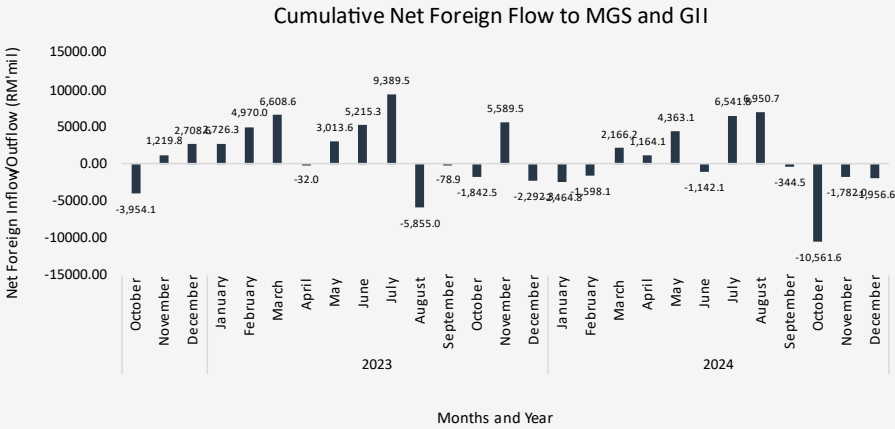
FOREIGN HOLDINGS OF MGS AND GII

Overview

The foreign net flow to MGS and GII in 4Q24 amounted to - RM1.05billion, - RM1.78billion and - RM1.96 billion respectively in October, November and December as foreign investors turned net seller. As of December 2024, the total foreign holdings of MGS and GII stood at RM254.92 billion (September 2024: RM269.22 billion), 5.31% decrease from the previous quarter.



Source: BNM



Source: BNM

CORPORATE BOND & SUKUK

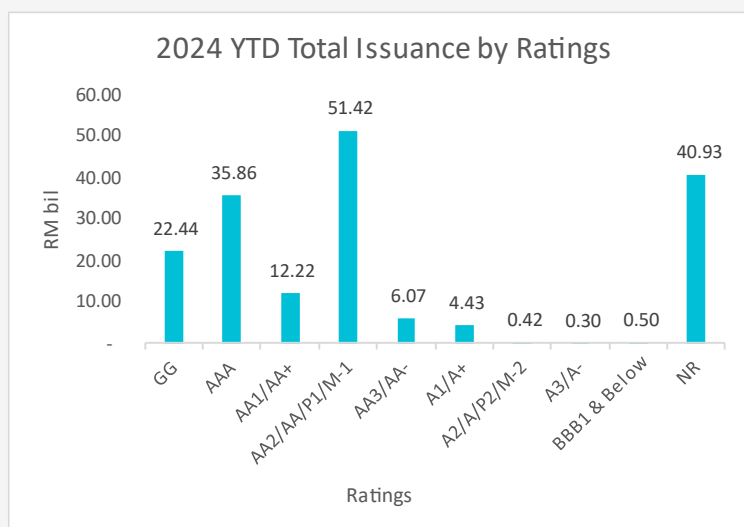
Overview

RM48.57 billion corporate bonds and sukuk were issued in 4Q24 (3Q24: RM49.57 billion), 2.02% decrease from the previous quarter. The AA2/AA/P1/M1-rated bonds and sukuk were the most issued at RM14.38 billion issuances, followed by non-rated bonds at RM13.99 billion issuances.

For 4Q24, the largest corporate issuances were issued by PRASARANA MALAYSIA BERHAD, PRASARANA IMTN 4.090% 07.10.2044 (Series 20) of RM1.10 billion.

Issuance 4Q24

Month/Rating	October 24 (RM bil)	November 24 (RM bil)	December 24 (RM bil)	Total (RM bil)
GG	5.95	0.41	0.75	7.11
AAA	0.90	4.97	1.22	7.09
AA1/AA+	2.60	-	0.58	3.18
AA2/AA/P1/M1	4.48	4.67	5.23	14.38
AA3/AA-	0.10	1.06	0.45	1.61
A1/A+	-	0.46	0.15	0.61
A2/A/P2/M2	-	0.30	-	0.30
A3/A-	0.25	0.05	-	0.30
BBB1 & Below	-	-	-	-
NR	2.49	5.64	5.86	13.99
Total	16.77	17.56	14.24	48.57
Total Issuance				48.57



Sources: BNM and BIX Malaysia

Rating Outlook

There was zero (0) default and one (1) downgraded recorded in 4Q24. However, there are eight (8) upgraded bonds/sukuk in this quarter.

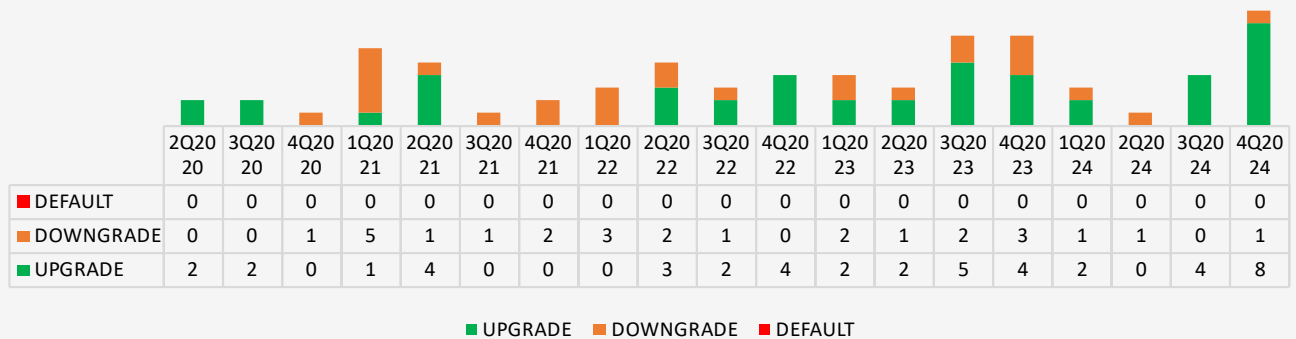
↑ Upgrade

1. Press Metal Aluminium Holdings Berhad
2. Edra Power Holdings Sdn Bhd
3. Hong Leong Assurance Berhad
4. Bank of China (Malaysia) Berhad
5. UEM Edgenta Berhad
6. Samalaju Industrial Port Sdn Bhd
7. Bintulu Port Holdings Berhad
8. Point Zone (M) Sdn Bhd

↓ Downgrade

1. Tan Chong Motor Holdings Berhad

Rating Movements



Sources: MARC, RAM, FAST and BIX Malaysia

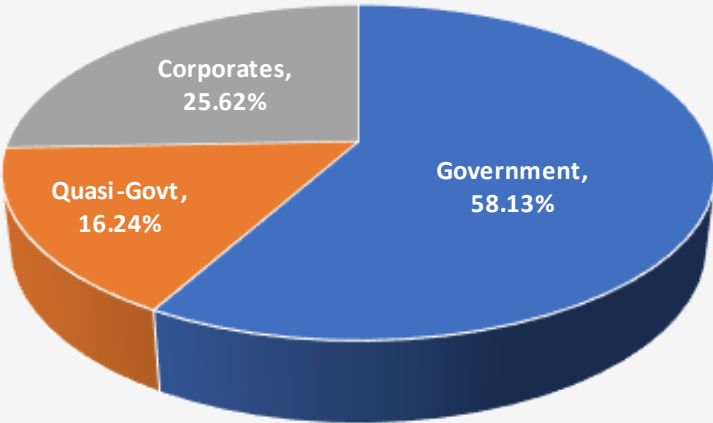
BOND STATISTICS

Overview

Outstanding Amount by Bond Classes

As of December 2024, the outstanding amount of the Malaysian bond market stood at RM2.098 trillion, increased by 0.77% compared to the end of 3Q24 (September 2024: RM2.082 trillion). The largest outstanding bonds were from government issuances which consist of 58.13% of total issuances at RM1.220 trillion, followed by corporate issuances of 25.62% at RM537.60 billion, and Quasi-government issuances of 16.24% at RM340.81 billion.

Outstanding Amount by Class



■ Government ■ Quasi-Govt ■ Corporates

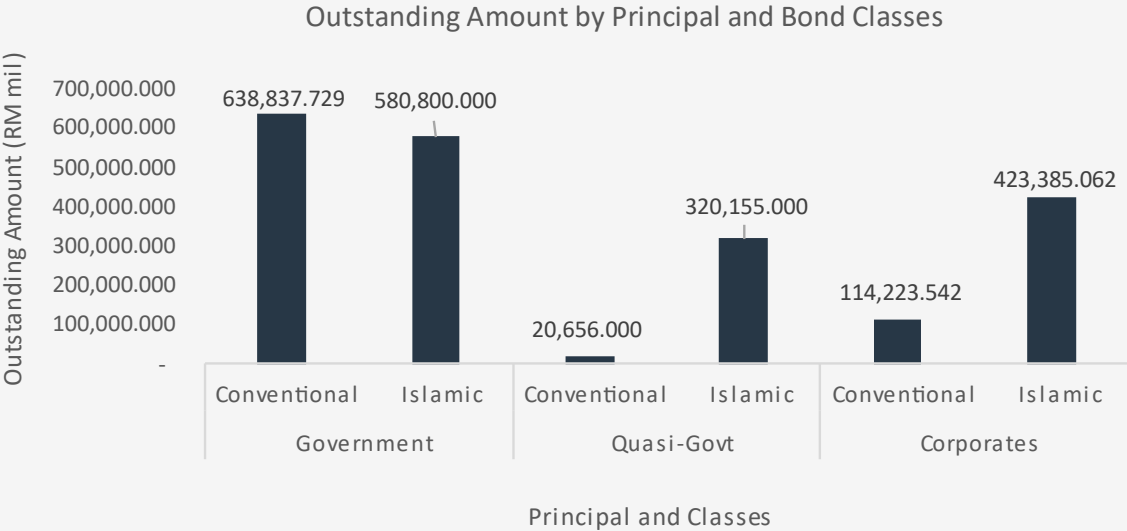
Sources: BNM and BIX Malaysia

BOND STATISTICS

Overview

Outstanding Amount by Principal and Bond Classes

As of December 2024, the outstanding amount of the Government conventional bond and the Government Islamic Bond (Sukuk) stood at RM638.83 billion and RM580.80 billion respectively. The conventional Quasi-govt outstanding amount stood at RM20.65 billion, much smaller compared to its Islamic counterpart that stood at RM320.15 billion. For corporate issuances, the conventional bond outstanding amounted RM114.22 billion while the corporate Sukuk was recorded higher at RM423.38 billion.



Sources: BNM and BIX Malaysia

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