

QUARTERLY REPORT

4Q25 (October-December 2025)



4Q2025 – Malaysian Bond and Sukuk Market closes 2025 at RM2.256 trillion after robust Q4 surge

Malaysia's bond and sukuk market maintained solid growth momentum in 2025, with outstanding totalling RM2.256 trillion. In 2025, Malaysia held 36 auctions for MGS and GII raising a total of RM168.5 billion, including private placements, on the back of strong demand. The overnight policy rate (OPR) remains at 2.75% following Bank Negara Malaysia's (BNM) monetary policy committee (MPC) meeting held on 6 November 2025. This rate has been in place since July when BNM reduced it from 3% previously, and it didn't change after prior MPC meetings on 4 September 2025 and 6 November

GLOBAL MARKET Overview

US Treasury 3-year yields decreased by 6 bps q-o-q while the benchmark 10-year yields was slightly increased by 2 bps q-o-q. The US Federal Reserve on December 2025 lowered interest rates by a quarter of a percentage point, marking the last rate cut of the year 2025. According to CNA, new projections issued after the Fed's two-day meeting in December 2025 showed the median policymaker sees just one-quarter-percentage-point cut in 2026.

MY Government Bond Overview

MGS yields were mixed with 3-year dropped by 11 bps and 10-year climbed by 4 bps q-o-q. The GII yields also dropped with 3-year declined by 6 bps and 10-year grew by 4 bps q-o-q. According to Kenanga Research, local yields softened amid continued investor confidence in Malaysia's economic fundamentals. Foreign participation in the bond market remained firm, with net inflows exceeding RM3.8 billion as of 26 December 2025, providing additional support to prices.

Dec-24	Sep-25	UST	Oct-25	MTM	Nov-25	MTM	Dec-25	MTM	QTQ	YTD
Close(%)	Close(%)		Close(%)	(bps)	Close(%)	(bps)	Close(%)	(bps)	(bps)	(bps)
4.27	3.61	3 YEAR	3.60	-1	3.49	-11	3.55	6	-6	-72
4.38	3.74	5 YEAR	3.71	-3	3.59	-12	3.73	14	-1	-65
4.48	3.93	7 YEAR	3.89	-4	3.78	-11	3.94	16	1	-54
4.58	4.16	10 YEAR	4.11	-5	4.02	-9	4.18	16	2	-40

Dec-24	Sep-25	MGS	Oct-25	MTM	Nov-25	MTM	Dec-25	MTM	QTQ	YTD
Close(%)	Close(%)		Close(%)	(bps)	Close(%)	(bps)	Close(%)	(bps)	(bps)	(bps)
3.48	3.11	3 YEAR	3.13	2	3.04	-9	3.00	-4	-11	-48
3.62	3.21	5 YEAR	3.25	4	3.24	-1	3.26	2	5	-36
3.77	3.42	7 YEAR	3.44	2	3.45	1	3.37	-8	-5	-40
3.82	3.45	10 YEAR	3.49	4	3.47	-2	3.49	2	4	-33

Dec-24	Sep-25	GII	Oct-25	MTM	Nov-25	MTM	Dec-25	MTM	QTQ	YTD
Close(%)	Close(%)		Close(%)	(bps)	Close(%)	(bps)	Close(%)	(bps)	(bps)	(bps)
3.33	3.15	3 YEAR	3.14	-1	3.10	-4	3.09	-1	-6	-24
3.62	3.24	5 YEAR	3.25	1	3.26	1	3.25	-1	1	-37
3.74	3.37	7 YEAR	3.37	0	3.35	-2	3.32	-3	-5	-42
3.83	3.48	10 YEAR	3.52	4	3.53	1	3.52	-1	4	-31

Dec-24	Sep-25	BOND AAA	Oct-25	MTM	Nov-25	MTM	Dec-25	MTM	QTQ	YTD
Close(%)	Close(%)		Close(%)	(bps)	Close(%)	(bps)	Close(%)	(bps)	(bps)	(bps)
3.83	3.48	3 YEAR	3.52	4	3.54	2	3.56	2	8	-27
3.95	3.56	5 YEAR	3.60	4	3.63	3	3.64	1	8	-31
3.99	3.64	7 YEAR	3.68	4	3.72	4	3.72	0	8	-27
4.04	3.74	10 YEAR	3.78	4	3.80	2	3.81	1	7	-23

Dec-24	Sep-25	SUKUK AAA	Oct-25	MTM	Nov-25	MTM	Dec-25	MTM	QTQ	YTD
Close(%)	Close(%)		Close(%)	(bps)	Close(%)	(bps)	Close(%)	(bps)	(bps)	(bps)
3.83	3.48	3 YEAR	3.52	4	3.54	2	3.56	2	8	-27
3.95	3.56	5 YEAR	3.60	4	3.63	3	3.64	1	8	-31
3.99	3.64	7 YEAR	3.68	4	3.72	4	3.72	0	8	-27
4.04	3.74	10 YEAR	3.78	4	3.80	2	3.81	1	7	-23

MY Corporate Bond & Sukuk Overview

AAA-rated corporate bond and Sukuk yields hiked throughout the fourth quarter of 2025. 3-year, 5-year and 7-year yields expanded by 8 bps q-o-q while 10-year yield grew by 7 bps at 3.81%.

GOVERNMENT BOND AUCTION

Overview

Government bond auction for 4Q25 garnered an average BTC of 2.090x, decreased from the previous quarter (3Q25: 2.289x). Reopening of MGII 8/30 marked the highest BTC at 2.814x. The new and reopening issuances of MGS/GII amounted to RM32.5 billion in Q4 2025, reflecting decrease of 36.27% compared to the previous quarter (Q3 2025: RM51.0 billion). The outstanding amount of MGS/GII stood at RM1.290 trillion and grew by 0.39% in 4Q 2025 (3Q25: RM1.285 trillion).

4Q25 AUCTION

No	Stock	Tenure	Type	Tender	Issuance	Amt Issued	Bid/Cover	Yield		
								Year	Date	(RM mil)
1	MGS 7/55	30	Reopening	Oct	5,000	144,000	1.380	3.977	4.019	4.085
2	MGII 8/30	5	Reopening	Oct	5,000	149,000	2.814	3.210	3.217	3.222
3	MGS 5/44	20	Reopening	Oct	4,500	153,500	1.697	3.948	3.978	4.011
4	MGII 4/35	10	Reopening	Nov	5,000	158,500	2.565	3.545	3.554	3.559
5	MGS 7/32	7	Reopening	Nov	5,000	162,500	1.909	3.437	3.455	3.468
6	MGII 5/45	20	Reopening	Nov	5,000	165,500	2.339	3.860	3.878	3.885
7	MGS 7/35	10	Reopening	Dec	3,000	168,500	1.924	3.560	3.572	3.579

Sources: BNM and BIX Malaysia

In the upcoming 4Q25, there will be four (4) new issuance and two (2) reopening of MGS. On the other hand, there will be zero (0) new issuance and three (3) reopening of GII, totalling to four (4) new issuances and five (5) reopening.

UPCOMING ISSUANCE 1Q26

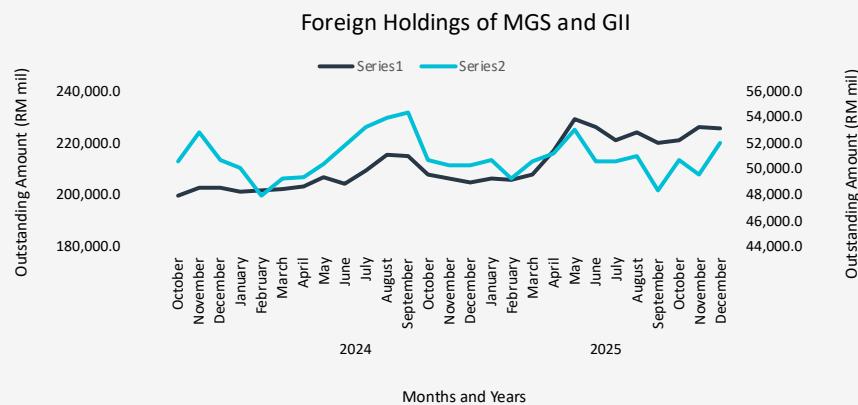
No	Stock	Tenure	Type	Tender	Issuance	Amt Issued	Bid/Cover	Yield					
								Year	Date	(RM mil)	YTD	Low	Average
1	MGII 08/30	5	Reopening	Jan	5,000								
2	MGS 01/41	15	New Issue	Jan	5,000								
3	MGS 01/56	30	New Issue	Jan	5,000								
4	MGS 07/35	10	Reopening	Feb	5,000								
5	MGII 05/45	20	Reopening	Feb	5,000								
6	MGS 06/31	5	Reopening	Feb	5,000								
7	MGII 07/40	15	Reopening	Mar	5,000								
8	MGS 03/29	3	New Issue	Mar	5,000								
9	MGS 03/33	7	New Issue	Mar	5,000								

Sources: BNM and BIX Malaysia

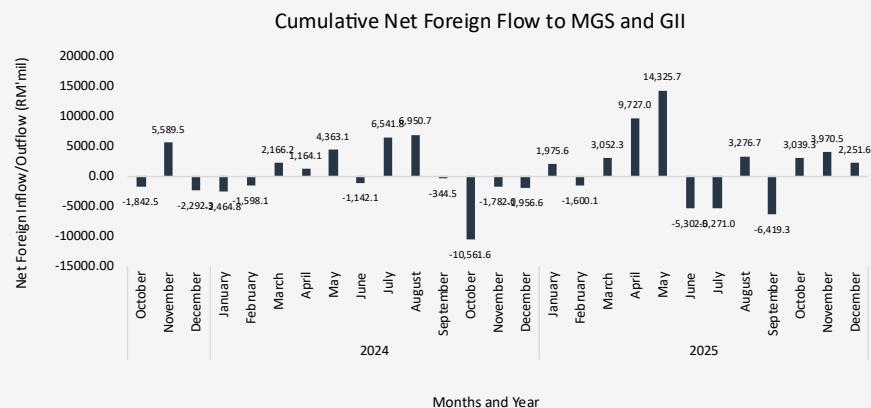
FOREIGN HOLDINGS OF MGS AND GII

Overview

The foreign net flow to MGS and GII in 4Q25 amounted to RM3.04 billion, RM3.97 billion and RM2.25 billion in October, November and December respectively, with foreign investors turned net buyer. As of December 2025, the total foreign holdings of MGS and GII stood at RM277.95 billion (September 2025: RM268.69 billion), 3.44% higher from the previous quarter.



Source: BNM



Source: BNM

CORPORATE BOND & SUKUK

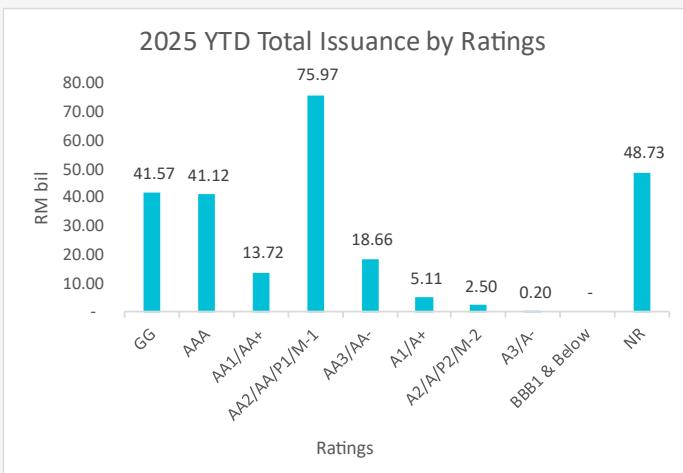
Overview

RM76.10 billion corporate bonds and sukuk were issued in 4Q25 (3Q25: RM77.24 billion), 1.50% lower than the previous quarter. The non-rated bonds and sukuk recorded the biggest issuance at RM20.38 billion issuances, followed by AA2/AA/P1/M1-rated bonds at RM19.83 billion issuances.

For 4Q25, the largest corporate issuances were issued by PNB MERDEKA VENTURES SDN. BERHAD, namely PNBMV IMTN 3.640% 06.11.2030 worth RM2.25 billion.

Issuance 4Q25

Month/Rating	October 25 (RM bil)	Nov 25 (RM bil)	Dec 25 (RM bil)	Total (RM bil)
GG	3.95	2.01	5.25	11.21
AAA	4.71	7.38	1.54	13.63
AA1/AA+		5.11	1.93	7.04
AA2/AA/P1/M1	4.87	5.82	9.14	19.83
AA3/AA-	0.13	0.35	0.55	1.03
A1/A+	0.30	0.20	1.38	1.88
A2/A/P2/M2	0.00	0.36	0.55	0.91
A3/A-		0.20		0.20
BBB1 & Below				-
NR	4.98	5.12	10.28	20.38
Total	18.94	26.55	30.61	76.10
Total Issuance				76.10



Sources: BNM and BIX Malaysia

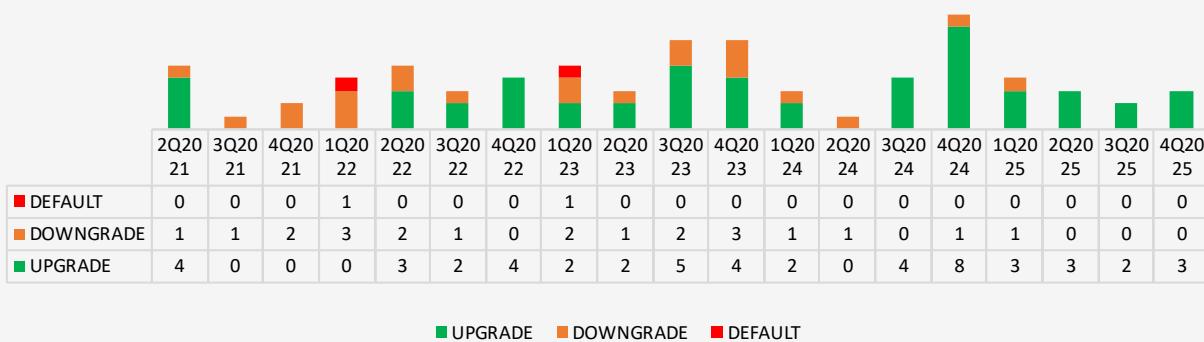
Rating Outlook

There were zero (0) default and downgrade recorded in 4Q25. However, there were three (3) upgrades bonds/sukuk in the quarter.

Upgrade

1. TIME dotCom Berhad
2. Ideal Water Resources Sdn Bhd
3. MBSB Bank Berhad

Rating Movements



Sources: MARC, RAM, FAST and BIX Malaysia

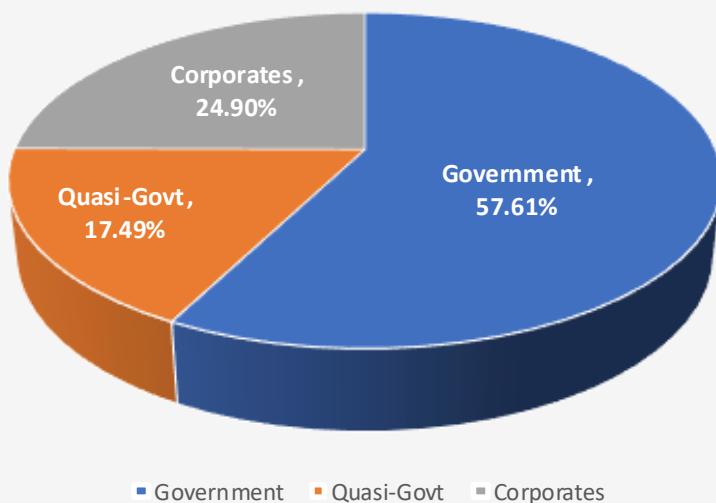
BOND STATISTICS

Overview

Outstanding Amount by Bond Classes

As of December 2025, the outstanding amount of the Malaysian bond market stood at RM2.256 trillion, increased by 0.75% compared to the end of 3Q25 (September 2025: RM2.239 trillion). The largest outstanding bonds were from government issuances which consist of 57.61% of total issuances at RM1.300 trillion, followed by corporate issuances of 24.90% at RM561.78 billion, and Quasi-government issuances of 17.49% at RM394.49 billion.

Outstanding Amount by Class



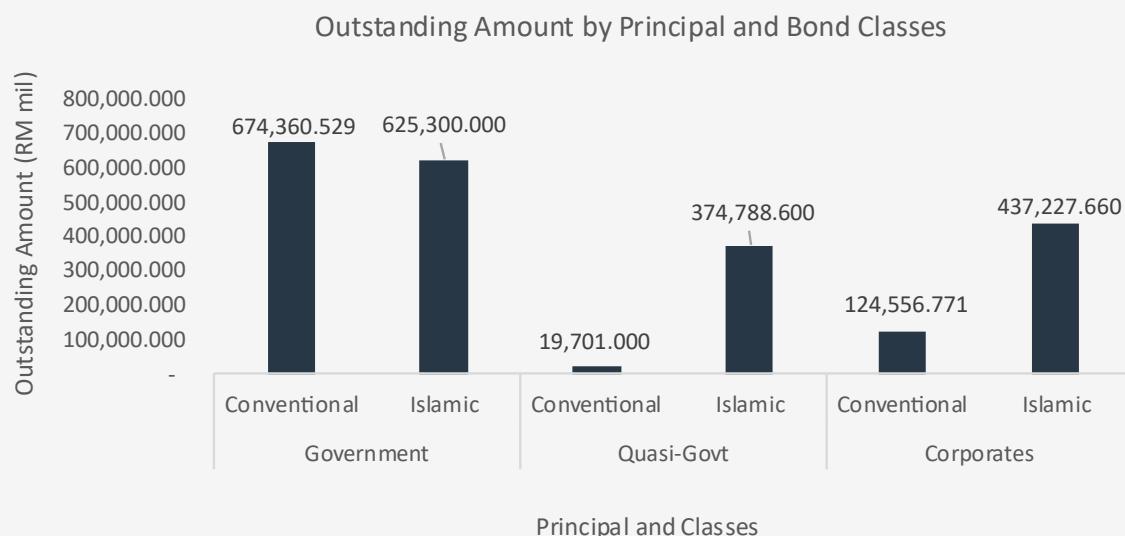
Sources: BNM and BIX Malaysia

BOND STATISTICS

Overview

Outstanding Amount by Principal and Bond Classes

As of December 2025, the outstanding amount of Government conventional bond and Government Sukuk stood at RM674.36 billion and RM625.30 billion, respectively. The conventional quasi-govt outstanding amount stood at RM19.70 billion, much smaller compared to its Shariah-compliant counterpart of RM374.79 billion. For corporate issuances, the conventional bond outstanding amounted RM124.56 billion while the corporate Sukuk was recorded higher at RM437.23 billion.



Sources: BNM and BIX Malaysia

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