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Bond issuances fall 8% to RM359b in 2009

BNM topped issuances in both conventional and Islamic debt papers market

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KUALA LUMPUR: Malaysian bond issuances amounted to RM358.71 billion in 2009, 8.23% less than the amount issued in 2008, according to Bond Pricing Agency Malaysia Sdn Bhd's (BPAM) 2009 league tables.

Released yesterday, the league tables showed conventional bonds issued last year amounted to RM242.49 billion, a decrease of 13.69% from bonds issued in 2008, while Islamic bonds, or sukuk, issued totalled RM116.21 billion, compared with RM109.97 billion issued in the previous year.

Bank Negara Malaysia topped issuances last year in both the conventional and Islamic debt papers market, issuing a total of RM143.9 billion worth of bonds and sukuk.

The Malaysian government issued a record RM97.71 billion worth of bonds, made up of RM67.21 billion worth of conventional papers and RM30.50 billion worth of sukuk.

Excluding BNM and the government, total conventional bond issuances last year amounted to RM50.18 billion, compared with RM60.96 billion issued in 2008, while sukuk issuances rose 42.33% year-on-year to RM66.91 billion.

Also excluding BNM and the government, Cagamas Bhd, a quasi-government issuer, was the largest conventional issuer, launching RM7.14 billion worth of bonds, followed by Hong Leong Financial Group Bhd and Sabah Development Bank Bhd, which issued RM3.27 billion and RM3.06 billion worth of papers, respectively.

In the Islamic market, the quasi-government issuers including Malaysia Development Bhd, Khazanah Nasional Bhd, which issued RM5 billion each in Islamic papers, and

Cagamas Bhd, which issued RM4.2 billion worth of sukuk, issued the most sukuk, excluding BNM and the government, while the largest corporate issuer of sukuk last year was Pengurusan Air SPV Bhd, which issued RM2.7 billion worth of Islamic debt.

“The Malaysian government issued a record RM97.71 billion worth of bonds.”

Meanwhile, BPAM's league tables also showed a total of RM839.96 billion worth of bonds and sukuk were traded in the market last year, led by BNM and the government's papers, while Rantau Abang Capital Bhd's bonds were the most traded corporate issuance, at RM5.39 billion worth of bonds and sukuk traded.

The tables also showed RM83.41 billion worth of bonds and sukuk

were held by trustees, with PB Trustee Services Bhd topping the list, holding RM17.92 billion.

For the fourth quarter of 2009, BPAM's league tables showed the bond market, including sukuk, saw a 5.08% year-on-year (y-o-y) increase in issuances, to RM79.29 billion worth of bonds, comprising RM51.22 billion conventional bonds and RM20.32 billion sukuk.

BNM, the government and Cagamas issued the most amount of bonds and sukuk in 4Q09, issuing RM32.8 billion, RM21.29 billion and RM3.14 billion worth of papers, respectively.

Pengurusan Air SPV, Sime Darby Bhd and HLCM Capital Sdn Bhd were the largest corporate issuers in the market, issuing RM2.7 billion, RM2 billion and RM1.65 billion worth of bonds and sukuk, respectively.

Excluding BNM, the government and Cagamas, HLCM Capital was the largest conventional bond issuer, with RM1.65 billion worth of

papers, followed by corporate-guaranteed GB Services Bhd and HLF, which issued RM1.45 billion and RM1.11 billion worth of bonds.

In the Islamic market, excluding BNM and the government, Pengurusan Air SPV was the largest issuer of sukuk in 4Q09, issuing RM2.7 billion worth of papers, followed by Sime Darby, with RM2 billion sukuk issued.

Also in 4Q09, RM209.04 billion worth of bonds and sukuk were traded, compared with RM191.58 billion traded in the previous corresponding period.

Apart from BNM and the government, Rantau Abang Capital's were the top traded papers, with RM1.32 billion worth of papers traded, followed by MISC Bhd, which saw RM796 million of its papers traded.

Meanwhile, Mayban Trustees Bhd held the most amount of papers in 4Q09, at RM3.43 billion, compared with RM2.67 billion held in 4Q08.