

Thomson Reuters, BPAM launch sukuk and bond indices

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Meor Amri says Thomson Reuters will provide the global reach for BPAM's indices.

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KUALA LUMPUR: Thomson Reuters and the Bond Pricing Agency of Malaysia (BPAM) yesterday launched 108 co-branded Malaysian ringgit sukuk and bond indices aimed at providing transparent guidelines for investors while exposing the Malaysian sukuk and bond markets to the world.

According to Thomson Reuters global head of Islamic finance and OIC countries, Rushdi Siddiqui Esq, indices provide an insight into the performance of a fund.

"Indexing is the DNA to investing, if you have funds, you would like to know how the funds have done," he said.

"If a fund outperforms an index, more money comes in, if a

fund underperforms an index, one will have redemption," Rushdi added.

The objective of these indices is to make Islamic finance and capital markets more efficient and complete, he elaborated. These indices address the needs of the market place as well as showcasing the depth and breadth of the Malaysian sukuk market to investors, analysts and fund managers alike, he said.

"The Malaysian sukuk and bond markets are becoming increasingly important for the Gulf, European and US entities as investors and companies turn to investing and financing opportunities in Asia," said Rushdi.

BPAM is the only registered bond pricing agency in Malaysia authorised to price and value Ma-

laysian sukuk and bonds.

"This is a proud moment for us as it confirms our belief that BPAM products are of global standards. Thomson Reuters will provide the global reach for our indices and will also provide a new global window to Malaysia's sukuk and bond markets," said BPAM CEO Meor Amri Meor Ayob.

The US\$1 trillion (RM3.14 trillion) Islamic finance industry is currently growing at more than 15% per annum.

The introduction of the 36 Thomson Reuters-BPAM Malaysian Sukuk Indices, 36 Thomson Reuters-BPAM Malaysian Bond Indices and 36 Thomson Reuters-BPAM All Bond and Sukuk Indices will cover 778 issues with a total market capitalisation of RM583.6 billion.