

SC Report: Malaysian Capital Market Up 10.5 Per Cent To RM2.7 Trillion
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KUALA LUMPUR, March 12 (Bernama) -- The Malaysian capital market grew by 10.5 per cent to RM2.7 trillion in 2013, with key market segments recording steady growth on the back of robust domestic fundamentals.

The Securities Commission Malaysia (SC), in conjunction with the release of its annual report Wednesday, said that the market also remained resilient despite volatility which affected emerging markets globally.

"The bond market ended the year at RM1 trillion and maintained its position as the third-largest in Asia relative to the gross domestic product (GDP).

"Equity market capitalisation grew to RM1.7 trillion with the benchmark index rising 10.5 per cent, making the market one of the top performers in Asia," it said in a statement.

SC said significant gains were also recorded by the domestic small-cap index (+36.7 per cent) following increased participation by institutional funds and greater interest by retail investors.

"The capital market continued to be a major source of financing with RM94 billion raised through corporate bonds and initial public offerings (IPOs). Bond issuances accounted for 91 per cent of financing raised.

"The breadth and depth of the market underpinned the strongest period of capital-raising on record with a total of RM240 billion raised over the last two years," it added.

The SC said the fund management industry continued to play an important role in mobilising domestic savings, with assets under management (AUM) growing by 16.5 per cent to RM588 billion.

"Unit trust funds continued to be the largest contributor to the growth in AUM, with net asset value (NAV) increasing to RM336 billion, equivalent to one-fifth of stock market capitalisation," it said.

In 2014, SC's regulatory agenda will focus on enhancing efficiencies and reducing time to market, further strengthening regulation and supervision of market institutions and facilitating market access.

"SC and regional regulators will collaborate to implement the ASEAN Capital Markets Forum (ACMF) framework for the cross-border offering of collective investment schemes in the first half of 2014.

"SC will also facilitate more cross-border and multi-currency bond and sukuk issuances as well as assess potential new fixed income products such as high-yield bonds with a view to broaden the credit spectrum of investible asset classes," it added.

The SR-iSukuk guidelines will also be introduced this year to facilitate Shariah-compliant financing for and investments into socially responsible businesses, it said.

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