

Deep and Liquid MYR Bond Market



- Average daily trading volume surged +53% since 2018
- Further consolidation of government bond issuances via reopening and bond switch [no. of outstanding MGS:- 2019: 42, 2020: 41, 2021E: 37]
- Increased coverage to >75% MGS issuances available in BNM repo operations to facilitate 2-way market making by Principal Dealers
- Improved interest rates hedging avenue via MGS Futures with physical delivery and IRS liberalisation

Active repo market facilitates market making in bond market

Average daily trading volume: +228% since 2018



Vibrant Liquidity in Onshore FX Market

USD11.5 bil

2018

USD12.2 bil

2019

USD11.7 bil

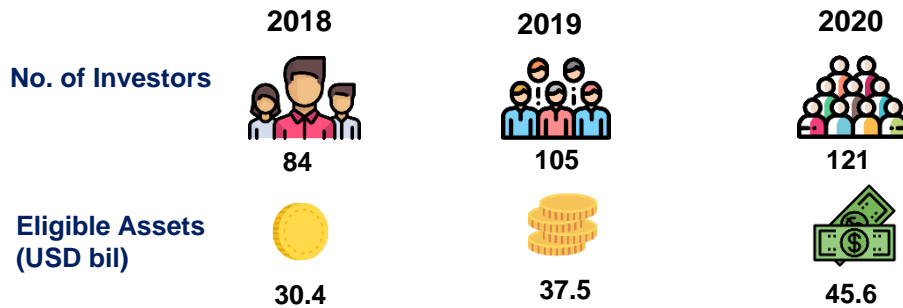
2020

- Average daily trading volume increased +2.2% since 2018
- Standardised cut-off time for funding of ringgit bond trades, eliminating prefunding requirement by custodians
- Graduation of Pilot AOOs to Primary Market Makers (PMM), improving liquidity of ringgit after Asian trading hours, leading to a total of USD3.3 billion in FX transactions after KL trading hours in 2020 while bid-ask spreads improved by an average of 15 pips. The 8 PMM includes:

- Bank of America
- BNP Paribas
- CIMB
- Deutsche
- HSBC
- JP Morgan
- Maybank
- Standard Chartered

- Average daily trading volume facilitated by AOO increased by 56.0% since 2018.
- Currently, there are 163 AOOs from 21 banking group operating in 35 countries.
- Product coverage by AOO includes FX Spot, FX Forward, Malaysian government bonds and interest rate derivatives

Dynamic Hedging Programme



- 43% of NR ringgit bond holdings are registered under Dynamic Hedging Programme
- Global custodians and trust banks facilitate dynamic hedging on behalf of registered clients
- Granted additional long MYR forward (>25%) under dynamic hedging to investors who applied

Active Investor Engagement

1H 2021 Calendar of Events

January 2021							February 2021							March 2021						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
					1	2	1	2	3	4	5	6	1	2	MPC	MPC	5	6		
3	4	5	6	7	8	9	7	8	9	10	11	12	13	7	8	9	10	11	12	13
10	11	12	13	14	15	16	14	15	16	17	18	19	20	14	15	FOMC	FOMC	18	19	20
17	18	MPC	MPC	21	22	23	21	22	23	24	25	26	27	21	22	23	24	25	26	27
24	25	26	27	28	29	30	28							28	29	30	31			
31																				

April 2021							May 2021							June 2021							
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	
				1	2	3	1	2	3	4	MPC	MPC	7	8	6	7	8	9	10	11	12
4	5	6	7	8	9	10	9	10	11	12	13	14	15	13	14	FOMC	FOMC	17	18	19	
11	12	13	14	15	16	17	16	17	18	19	20	21	22	20	21	22	23	24	25	26	
18	19	20	21	22	23	24	23	24	25	26	27	28	29	27	28	29	30				
25	26	FOMC	FOMC	29	30		30	31													

- Planned Engagement (Tentative)
- Public Holiday
- GDP Release
- BNM Annual Report

Contact Information

BNM Malaysia (Headquarters): +603 26982116 (sou@bnm.gov.my)
 BNM London Office: +44 207495022 (londonro@bnm.gov.my)
 BNM New York Office: +1 2128889220 (nyro@bnm.gov.my)