

Bond mart outlook seen positive next year

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THE bond market outlook is likely to be positive next year given the better environment, particularly with expectations of further interest rate cuts.

Bond Pricing Agency Malaysia Sdn Bhd head market development Mohd Shaharul Zain said further interest rate cuts would make it cheaper to raise funds.

“Fundamentally, the bond market is healthy and very market driven,” he told reporters at a media briefing today.

He also said the issuance of bonds would likely be driven mostly by government-backed projects.

“I think government-backed projects and national infrastructure will continue to lead the way as far as all flagship and big bond issues are concerned,” he said.

At the media briefing, BPA Malaysia also launched the BPAM Bond Index Series, a universal index that systematically addresses market performance, in a broad manner, encompassing various credit classes and sectors.

It covers Malaysian ringgit long term, investment-graded conventional and Islamic bonds.

Mohd Shaharul said with the index series, investors can value their portfolio everyday as it generates the price of the bond at the end of the day.

This allows managers or market players to check the performance of bonds in their portfolio and develop investment strategies.

To date, there are 2,751 active bonds with a value of RM583.305 billion. — Bernama