

## Bond Pricing M'sia, Indonesia, Thai launch Asean3 Govt Bond Index

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**Kuala Lumpur:** Bond Pricing Agency Malaysia Sdn Bhd (BPAM) is tying up with Indonesia Bond Pricing Agency (IBPA) and the Thai Bond Market Association (ThaiBMA) to launch the new Asean3 Government Bond Index (A3GBI) Tuesday.

BPAM Chief Executive Officer, Meor Amri Meor Ayob, said the collaboration was the first in Asean's history.

"Building the A3GBI was a valuable learning opportunity for all three countries to develop their bond data and analytical capabilities," he told a media briefing after the A3GBI launching ceremony here Tuesday.

He said the index measures the average performance of the holders of relevant type of bonds and segments over time by creating a representative portfolio of bonds and measuring their performances.

The A3GBI includes top five on-the-run government bonds in the participating countries, such as Malaysian Government Securities (MGS), based on the outstanding amount on the rebalancing day.

The index construction is rules-based and designed to track the performance of local currency- denominated government bonds in the ringgit, rupiah and baht.

Meor said in the past decade, local currency bond markets in Asean have grown significantly, with the region's combined market size surging to US\$1.229 trillion as at end of 2017 from US\$569.01 billion in 2006.

"As such, reliable and sophisticated data sets to measure and track market performance has become increasingly important," he added.

Meanwhile, BPAM Chief Business Officer, Shah Zain said, in view of the impressive rate of development in the regional bond market, setting up an unbeatable and replicable index which consisted of the largest market-makers and liquid bonds from the government segment would provide a great visibility of the Asean market behaviour.

"Foreign investors could use the data and information on the A3GBI to better understand the markets of the three countries and help them in making their investment decisions. – Bernama