

# KEY HIGHLIGHTS

Malaysia's transition to the endemic phase signalled the beginning of the country's recovery. The reopening of economic activities and an improved job market have lifted market and corporate sentiment.

During the review period, the domestic capital market remained resilient and orderly without any observed systemic stability concerns. Given the challenging market conditions, the SC will continue to remain vigilant in handling and mitigating any potential risk that may arise.

## EQUITY MARKET AND INFRASTRUCTURE



**DOMESTIC MARKETS** were impacted by global volatility, with FBMKLCI recording a yearly decline of -4.60% led mainly by healthcare counters.



**MARKET RISK** management mechanisms were in place and there was no circuit breaker triggered in 2022.

## DIGITAL ASSETS



**TRADING ACTIVITY** in local digital asset exchanges (DAXs) declined towards the end of 2022.



**DIGITAL ASSETS VALUE TRADED** remained small at 0.35% compared to the domestic equity market.

## BOND MARKET



**MGS YIELD CURVE** trended upwards in tandem with global bond market.



**DEFAULT RATE** of corporate bonds and sukuk was low at 0.18%.

## INVESTMENT FLOWS



**FOREIGN HOLDINGS** in equities were stable. However, foreign holdings in bonds experienced decline in 2022.



**FOREIGN SOURCE OF FUNDS** remained relatively small in the fund management segment.



**ANALYSIS ON INVESTOR PARTICIPATION** showed that as at 30 September 2022, 68.68% of the total foreign holdings across various markets and sectors on Bursa Malaysia were held by foreign strategic investors.

## INVESTMENT MANAGEMENT



**ASSETS UNDER MANAGEMENT (AUM) OF FUND MANAGEMENT AND NET ASSET VALUE (NAV) OF UNIT TRUST FUNDS (UTF)** recorded a decrease from 2021, largely due to a drop in the market value of assets in line with unfavourable equity markets.



**FUND MANAGERS** have in place adequate liquidity risk management processes to ensure sufficient liquidity to manage potential increase in redemptions.



**STRESS TEST RESULTS** showed sufficient liquidity buffers across all investment funds in the form of cash and cash equivalents to withstand considerable redemption pressures.

## STOCKBROKING INTERMEDIARIES



**STOCKBROKERS AND INVESTMENT BANKS** remained resilient and have sufficient capital buffers to manage their respective liquidity positions prudently.

## PUBLIC-LISTED COMPANIES\*



**MOST SECTORS** recorded higher earnings in 2022, with financial services, consumer services and retail, and manufacturing being the top three sectors with significantly better earnings.



**HEALTHCARE MANUFACTURING AND ENERGY SECTORS** continued to face post COVID-19 changes and challenges.

\* Based on the latest available financials up to Q3 2022.