

Capital market to remain resilient: SC

> Funds raised via IPOs and private debt securities in 2015 expected to exceed RM90 billion again

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KUALA LUMPUR: The Securities Commission Malaysia (SC), which will undertake a review of primary market regulations regarding capital-raising, disclosure and retail fund approvals, expects the capital market to remain resilient in 2015 with stronger growth in initial public offerings (IPO).

SC chairman Datuk Ranjit Ajit Singh said it anticipates capital raising via IPOs to reach RM10 billion-RM13 billion in 2015, from RM5.9 billion last year;

while bond issuances are expected to be in the RM85 billion range, compared with RM86 billion last year.

"Therefore, we anticipate a fourth year (of having) in excess of RM90 billion raised through capital markets," he told a press conference after releasing its annual report here yesterday.

Last year, RM91.9 billion was raised through IPOs and private debt securities. Capital raising exceeded RM90 billion for the third consecutive year, illustrating the market's deepened capacity to meet the Malaysian real economy's financing needs.

"We've a strong diversified capital market, strong regulatory framework and institutions. We believe the economic fundamentals are strong and therefore the story of sustainable growth in the capital markets will remain," said Ranjit.

He said developments such as monetary policies, US dollar appreciation, US growth, US interest rate expectations and the impact on commodity and oil prices continue to have a bearing on global financial markets.

"Overall, we remain vigilant against global market conditions. Our view is that our focus is to ensure the capital markets remain resilient against any external volatility and ensure the growth path we've seen continues."

The Malaysian capital market grew to RM2.76 trillion in 2014, equal to 2.6 times the size of the country's economy.

Malaysia affirmed its global leadership in the Islamic capital market, having grown at an average 12% per year over the last five years to RM1.59 trillion in 2014, accounting for 58% of the capital market. By end-2014, 74% of Malaysian listed companies were classified as syariah-compliant with market capitalisation of over RM1 trillion. Malaysia kept its position as the largest sukuk market in the world, accounting for 66% of global issuances.

The fund management industry continued to be the fastest growing market segment with assets under management surpassing the RM600 billion for the first time to reach RM630 billion at the end of 2014. Islamic AUM grew to RM111 billion from RM98 billion in 2013.

Growth was driven by the expansion of channels for managed investments, with the net asset value of the unit trust industry growing to RM343 billion – the largest in Southeast Asia.

From left:
SC executive director Datuk Teh Ija Mohd Jalil, deputy chief executive Datuk Dr Nik Ramlah Mahmood, Ranjit, and executive directors Goh Ching Yin and Eugene Wong Weng Soon after the release of SC's annual report.



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