

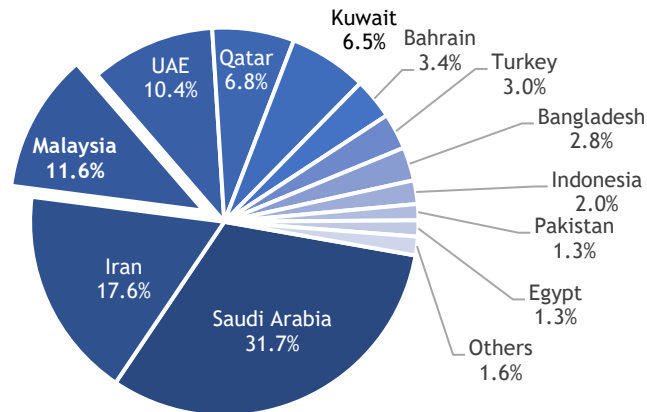
ISLAMIC CAPITAL MARKET IN MALAYSIA

1 NOVEMBER 2022



Malaysia is one of the prominent global Islamic Capital Market (ICM) hub. Based on the statistics from the Islamic Financial Services Board (IFSB), Malaysia has the largest Islamic banking assets outside of Middle East in the fourth quarter of 2021 (4Q2021). IFSB also pointed out that Malaysia remained as one of the concentrations of Islamic Fund Assets, constituting 29% of total asset under management (AUM) in 4Q2021.

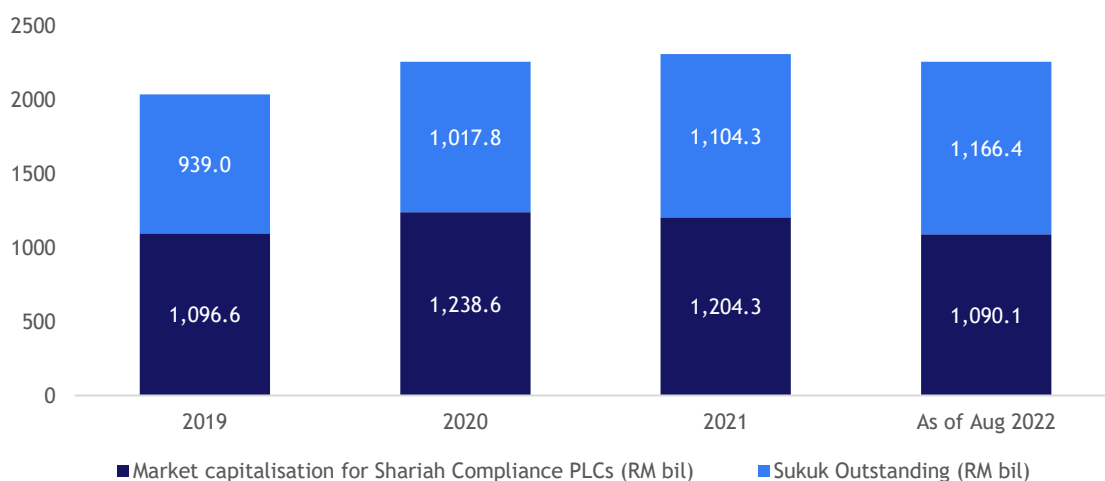
Figure 1: Jurisdiction Share of Global Islamic Banking Assets (%), 4Q2021



Source: Islamic Financial Services Industry Stability Report 2022

Malaysia's ICM have doubled in size over a decade with shariah-compliant assets amounted to RM 2.3 trillion as of the end of 2020, having grown from RM 1.1 trillion in 2010. The ICM in Malaysia, represented by the market capitalisation for shariah compliance public listed companies (PLCs) and outstanding Sukuk, has shown healthy growth during COVID years, having expanded from a total market size of RM2.04 trillion in 2019 to RM2.31 trillion in 2021, representing a compound annual growth rate (CAGR) of 6.5% for the period. Presently, ICM accounts for more than 60% of the Malaysian capital market.

Figure 2: Malaysia Islamic Capital Market Size, 2019 - Aug 2022

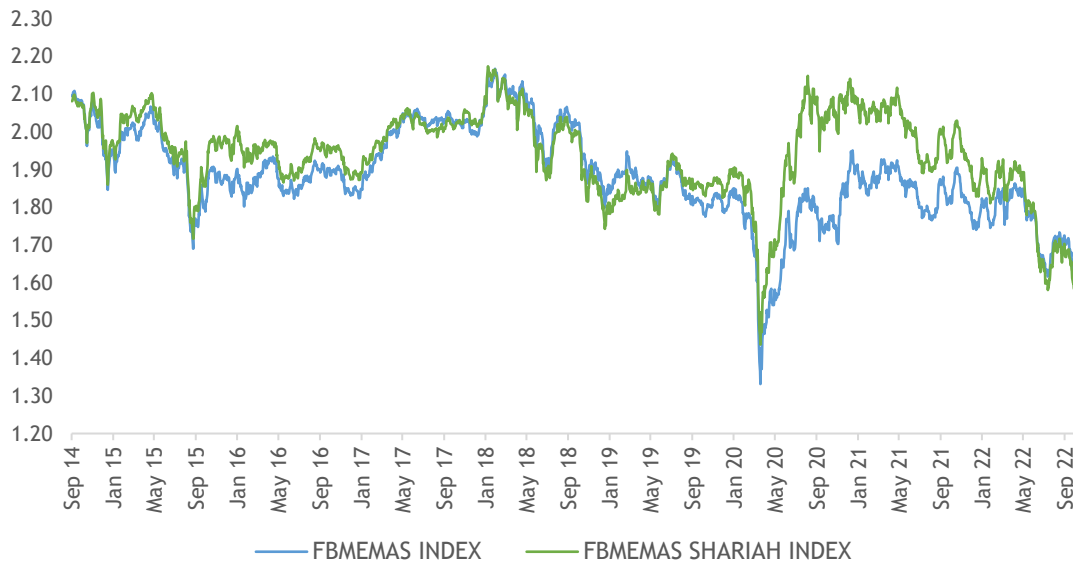


Source: Securities Commission Malaysia

Malaysia's Equity Market

Looking deeper into Malaysia's equity market, the FBM EMAS Shariah Index generally performed better than the FBM EMAS Index. The FBM EMAS Shariah Index saw a CAGR of 3.6% from 2000 to September 2022. The Shariah Average Daily Trading Value (ADV) for year-to-date September 2022 (YTD) stands at RM1.53 billion, representing 72.3% of the overall market ADV.

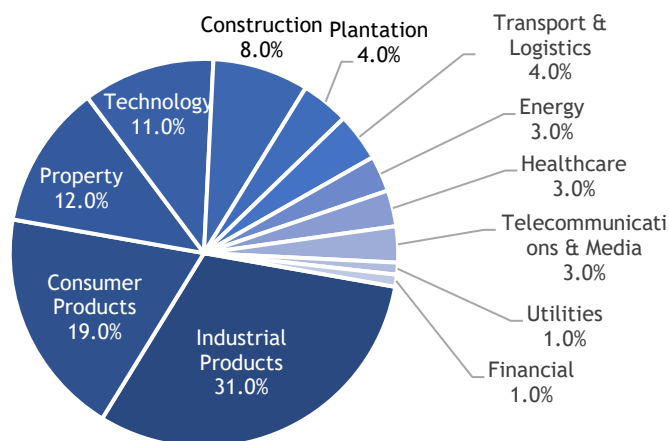
Figure 3: FBM EMAS Index vs FBM EMAS Shariah Index, September 2014 - September 2022



Source: Bloomberg

The breakdown of Shariah-compliant stocks by sector is shown as the chart below. 31% of the Shariah-compliant stocks are from Industrial Products, followed by Consumer Products (19%), Property (12%) and Technology (11%).

Figure 4: Breakdown of Shariah Compliant Stocks by Sector



Source: Bursa Malaysia

In total, there are 769 Shariah-compliant securities listed on Bursa Malaysia that makes up 76.2% of the total listed securities. Meanwhile, the combined market cap of Shariah-compliant PLCs make up 78.1% or RM1.0 trillion of Bursa's total market cap.

These Shariah-compliant stocks recorded an average daily traded value (ADV) of RM1.53 billion, representing 72.4% of total market ADV. The 10 top traded Shariah-compliant stocks that were favoured by foreign investors recorded a combined inflow of close to RM3.8 billion as of YTD. This was on the back of fluctuation of commodities prices, coupled with the reopening of local economy which spur the consumer spendings.

The 10 top traded Shariah-complaint stocks are showed below.

Figure 5: 10 Top Traded Shariah-Compliant Stocks that were Favoured by Foreign Investors, YTD 30 September 2022

Company	Sector	ADV (RM Mil)	Foreign Inflow (RM Mil)
PETRONAS CHEMICALS GROUP BHD	INDUSTRIAL PRODUCTS & SERVICES	81.7	852.8
DAGANG NEXCHANGE BERHAD	TECHNOLOGY	67.6	143.9
PRESS METAL ALUMINIUM HOLDINGS BERHAD	INDUSTRIAL PRODUCTS & SERVICES	55.0	817.6
KUALA LUMPUR KEPONG BHD	PLANTATION	45.3	576.6
HIBISCUS PETROLEUM BHD	ENERGY	41.4	70.0
TENAGA NASIONAL BHD	UTILITIES	34.5	129.2
HARTALEGA HOLDINGS BHD	HEALTH CARE	30.0	141.8
SIME DARBY PLANTATION BERHAD	PLANTATION	28.1	439.2
IOI CORPORATION BHD	PLANTATION	17.8	299.5
MR D.I.Y. GROUP (M) BERHAD	CONSUMER PRODUCTS & SERVICES	16.2	326.2

*Exclude newly listed companies

Source: Bursa Malaysia

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