

MEDIA RELEASE

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Malaysian Capital Market Hits Record RM4.2 Trillion in 2024, Stays Resilient Amid Earnings Growth

SC Releases Annual Report 2024, AOB Annual Report 2024 and Capital Market Stability Review 2024

The size of the Malaysian capital market hit an all-time high of RM4.2 trillion in 2024 (2023: RM3.8 trillion), driven by the growth in stock market capitalisation and bonds and sukuk outstanding.

The assets under management (AUM) of the fund management industry reached a new high of RM1.1 trillion (2023: RM975.5 billion) - passing the RM1 trillion mark - on the back of strong global equity market performance, the Securities Commission Malaysia (SC) said in its Annual Report 2024 released today.

2024 also saw much higher fund-raising activities, growing to RM138.9 billion (2023: RM127.7 billion). These include a record 55 IPOs (2023: 32 IPOs), which raised a total of RM7.42 billion (2023: RM3.6 billion).

The SC Chairman Dato' Mohammad Faiz Azmi said the sustained growth, helped by robust bond and sukuk issuances, showed that the capital market remained resilient, and it continued to facilitate capital formation and help support the national economy.

Looking ahead, he said the SC is now drafting a new five-year capital market masterplan, focusing on key areas such as improving financial security for retirees and promoting sustainable financing.

"Building on our market's strengths, the SC remains committed to fostering an inclusive and vibrant capital market, while facilitating innovation and enhancing regulatory efficiency," Dato' Faiz said.

Key Highlights from the SC Annual Report 2024:

Market Growth & Fundraising

- Total fund raising via the equity and corporate bond market grew by 8.7% to RM138.9 billion in 2024.
- Record Initial Public Offerings (IPOs): 55 IPOs in 2024, raising RM7.4 billion (2023: 32 IPOs).

- Bond & Sukuk Issuances: RM124.2 billion raised, with sustainability-related issuances rising to RM13.3 billion (2023: RM8.7 billion).
- Islamic capital market (ICM): Grew by 8.5% to RM2.6 trillion, supported by a 7.1% rise in sukuk outstanding and a 3.6% growth in market capitalisation of Shariah compliant equities.
- Alternative financing for Micro, Small and Medium Enterprises (MSMEs): RM4.1 billion raised via peer-to-peer (P2P) financing, equity crowdfunding (ECF) and venture capital/private equity (VC/PE), reflecting growing interest in supporting small businesses.
 - Venture Capital/Private Equity (VC/PE) – RM1.5 billion
 - Equity crowdfunding (ECF) – RM97.6 million
 - Peer-to-peer financing (P2P) – RM2.5 billion

Investor interest reflected in trading and investment growth

- Strong trading activity, reflecting favourable investor sentiment. The average daily trading value rose to RM3.44 billion in 2024 from RM2.29 billion in the previous year.
- Fund management growth: AUM surpassed the RM1 trillion mark driven by strong global equity market performance.
- Private Retirement Scheme (PRS): Net asset value grew 18% year-on-year to RM7.61 billion.
- Digital Investment Management (DIM) AUM reached RM1.9 billion, growing over 500 times since its inception in 2018.
- Average daily trading value of the Digital Asset Exchanges (DAX) increased by 2.6 times in 2024, signaling growing interest in digital assets.

Key Market Development Initiatives

- Introduced the Single Family Office (SFO) Incentive Scheme in Forest City to position Malaysia as a premier wealth management hub for family offices.
- Launched the National Sustainability Reporting Framework (NSRF) to propel corporate alignment with global sustainability disclosure standards.
- Launched the “Catalysing MSME and MTC Access to the Capital Market: 5-Year Roadmap (2024-2028)” to enhance financing access to this key segment of the Malaysian economy.
- Shortened time-to-market for IPO approval process to better serve companies and facilitate their access to the capital market.
- Introduced the Focus Scope Assessment framework, reducing time-to-market from over six months to three months.

- Enabled greater innovation through the Regulatory Sandbox, providing a controlled environment for experimenting with innovative products and services beyond current regulatory frameworks.

Enhanced Market Integrity and Enforcement

- Regulatory Actions:
 - One criminal conviction.
 - RM9.87 million civil penalties imposed.
 - 125 administrative sanctions imposed, resulting in 62 fines and penalties amounting to RM13.72 million.
- Combatting scams and unlicensed activities:
 - 4,859 complaints and enquiries received, up 49% from 2023.
 - Additionally, identified 796 URLs (2023: 569 URLs) across various websites and social media platforms for potential breaches arising from proactive surveillance carried out.
 - Interventions, including 273 Alert List entries, 153 websites blocked and 261 social media blocking

Four Special Feature articles were published in the SC Annual Report 2024:

- Issues and Challenges of Ageing to Capital Market
- Malaysian Co-Investment Fund (MyCIF) Spurring Growth and Enhancing Competitiveness of MSMEs
- SCxSC Expansion: Driving Innovation for a Sustainable Capital Market
- National Sustainability Reporting Framework

AOB Annual Report 2024: Strengthening Audit Oversight

- 42 audit firms and 393 individual auditors registered and recognised by the AOB.
- Inspected 40 audit engagements audited by 40 individual auditors from 13 Audit Firms to ensure compliance with auditing and ethical standards.
- The AOB took three enforcement actions against two audit firms and four individual partners for breaching auditing and ethical standards in 2024. The actions included reprimands, prohibitions and monetary penalties totalling RM275,000.
- The AOB, in collaboration with MICPA, continues to strengthen capacity building for registered auditors through targeted workshops.
- The AOB subsidised 100 accountants from AOB-registered firms for the GRI Professional Certification Programme, conducted by SIDC in October 2024. These initiatives, alongside ongoing engagements and technical sessions, demonstrate the AOB's commitment to equipping auditors with the necessary knowledge and skills to uphold high professional standards in financial reporting and sustainability assurance.

- Strengthened corporate governance in PLCs to increase investors' confidence in the quality and reliability of audited financial statements through regular engagements with Audit Committees of PLCs.

Capital Market Stability Review 2024: Market Resilience Amid Global Uncertainties

- In 2024, amidst a buoyant performance, the Malaysian capital market was influenced by several external factors, including interest rate adjustments by major central banks, fluctuations in foreign exchange rates, and rising geopolitical risks. Despite global headwinds, the Malaysian capital market remained resilient and orderly without any observed systemic stability concerns.
- Adequate Capital Buffers: Market intermediaries such as brokers and fund managers maintained robust risk management controls to manage their risk and liquidity positions. Stress tests on investment funds also affirmed the resilience of funds to redemption shocks even under extreme scenarios.
- Improved PLC earnings: Strong earnings of PLCs, mainly contributed by the energy, property and construction sectors, lifted the index performance and contributed to positive revenue growth of stockbroking intermediaries.
- Cybersecurity in focus: The thematic review highlighted the importance of cyber resilience and for capital market entities to be prepared for evolving technology and cyber risks, in order to maintain market stability.

Moving Forward

In 2025, the SC will continue to strengthen key market segments while reinforcing market conduct, governance and financial sustainability. Major initiatives include:

- ASEAN Capital Markets Forum (ACMF) initiatives under the SC's chairmanship, including sustainability-related taxonomies and guidelines, and finalising the five-year ACMF Action Plan 2026-2030.
- Develop the Capital Market Masterplan 4 (CMP4) to provide a long-term vision for the Malaysian capital market. CMP4 aims to ensure the Malaysian capital market remains competitive and resilient amid economic, social and technological changes.
- Focus on reinforcing Malaysia's leadership in Islamic finance. This will include developing specific indicators for each Maqasid al-Shariah principle, starting with the equity market. This is to encourage greater Islamic product innovation and boost Malaysia's leadership in this space.
- In 2025, Malaysia will undergo two key assessments. These are the Financial Action Task Force (FATF) Mutual Evaluation and the biennial Corporate Governance (CG) Watch for the Asia Pacific region.

- Focus of supervisory and enforcement functions include strengthening risk assessment in higher-risk sectors, improving monitoring mechanisms, enhancing measures to detect and prevent money laundering (ML) & terrorism financing (TF) in ensuring compliance with FATF's 40 Recommendations.
 - The CG Watch assessment is expected to be carried out in 4Q 2025 and published in 2026. Ahead of the assessment, the SC and relevant stakeholders will proactively implement necessary interventions to address identified gaps.
- Reviewing fees to provide a sustainable regulatory and developmental environment that supports the capital market's growth and scope. The review, which involves extensive consultations with various stakeholders, is targeted to be completed in 2025.

To view these reports, please visit:

1. SC Annual Report 2024: <https://www.sc.com.my/annual-report-2024/>
2. AOB Annual Report 2024: <https://www.sc.com.my/annual-report-2024/audit-oversight>
3. Capital Market Stability Review 2024: <https://www.sc.com.my/resources/cmsr/cmsr2024>

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About the Securities Commission Malaysia:

The Securities Commission Malaysia (SC), a statutory body reporting to the Minister of Finance, was established under the Securities Commission Act 1993. It is the sole regulatory agency for the regulation and development of capital markets. The SC has direct responsibility for supervising and monitoring the activities of market institutions, including the exchanges and clearing houses, and regulating all persons licensed under the Capital Markets and Services Act 2007. More information about the SC is available on its website at www.sc.com.my. Follow the SC on twitter at @SecComMy for more updates.