

MALAYSIAN INDEX FUTURES & OPTIONS FACTSHEET

Instead of trading individual stocks in the equity market, traders can gain a broad-based exposure to the Malaysian equities by trading Malaysian index futures and options. Traders can manage their risk or seek profits based on their view of the overall market with a single transaction by trading these products.

On Bursa Malaysia Derivatives Berhad, there are three listed index derivatives, namely:

1. FTSE Bursa Malaysia Kuala Lumpur Composite Index Futures (FKLI)
2. FTSE Bursa Malaysia Kuala Lumpur Composite Index Options (OKLI)
3. Mini FTSE Bursa Malaysia Mid 70 Index Futures (FM70)

Key Features of Each Index



- Widely regarded as the equity market benchmark index in Malaysia
- Comprises the 30 largest listed companies on Bursa Malaysia by market capitalisation that meets the FTSE BM Index Ground Rules.
- Represent approximately 65% - 75% of the market capitalisation of Bursa Malaysia Main Market



- Comprises the next 70 largest listed companies on the Bursa Malaysia after the FBMKLCI constituents.
- FBM Mid 70 and FBM KLCI form the top 100 companies listed on Bursa Malaysia that meets FTSE eligibility criteria
- Represent approximately 10% - 15% of the market capitalisation of Bursa Malaysia Main Market

Factors Moving The Market

- Malaysian corporate earnings results
- Government policy changes
- Geo-political issues
- Movements of Malaysian Ringgit
- Malaysian Central Bank meeting outcomes
- Malaysian economic data
- Demand – supply factors of each industry
- Global stock market performance



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Key Domestic Data

- Malaysian quarterly GDP data
- Malaysian Inflation rate data
- BNM Monetary Policy Committee Meeting (6 times a year)
- Annual Malaysian Government Federal Budget
- Monthly Trade Balance data (every 1st Friday)



DO YOU KNOW?

The first set of Malaysian index futures was launched in December 1995 on the Kuala Lumpur Options and Financial Futures Exchange, making it the third in Asia-Pacific region to introduce domestic stock-index futures, after Hong Kong and Australia.

Contract Specifications (Source: BMD website)

Product	FBM KLCI Futures	Mini FBM Mid 70 Futures
Product Symbol	FKLI	FM70
Underlying Instrument	FBM KLCI	FBM Mid 70 Index
Contract Multiplier	RM50 x index	RM 2 x index
Minimum Price Fluctuation	RM 0.50	RM 1.00
Value per Tick	RM25	RM 2.00
Settlement	Cash settled	Cash settled
Trading Hours (Malaysian Time)	1 st Session: 0845 – 1245 2 nd Session: 1430 - 1715	

Product	FBM KLCI Options
Product Symbol	OCPO
Underlying Instrument	FBM KLCI Futures (FKLI)
Contract Size	One (1) FKLI Contract
Tick Size	0.1 index point valued at RM5
Settlement of Option Exercise	In the absence of contrary instructions delivered to the Clearing House, an option that is in-the money at expiration shall be automatically exercised.
Trading Hours (Malaysian Time)	1 st Session: 0845 – 1245 2 nd Session: 1430 - 1715

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