# Kenanga Futures Sdn Bhd

# **BMD GOLD FUTURES FACTSHEET**

Gold is a bright, slightly reddish yellow, dense, soft, malleable, and ductile metal in its purest form. It is not the most valuable metal out of the 92 naturally occurring elements found on earth, but it is extremely valuable and probably the most sought after of all the valuable metals.

Gold is a very soft metal, meaning it can be pounded, twisted, rolled and/or squeezed into all kinds of different shapes without breaking apart. Gold is measured by troy weight and by gram. The term 'carat' meaning purity is used to indicate the amount of gold present, with 24 carats being pure gold. The world consumption of new gold produced is about 50% in jewellery, 40% in investments, and 10% in industry.

## **Top Importers**

(US Dollar):

- 1. Switzerland (\$69.8 bil)
- 2. U.K. (\$34.4 bil)
- 3. Hong Kong (\$29.4 bil)
- 4. India (\$26.3 bil)
- 5. Turkey (\$16.6 bil)

## **Top Exporters**

(US Dollar):

- 1. Switzerland (\$67.9 bil)
- 2. Hong Kong (\$52.2 bil)
- 3. U.A.E. (\$20.7 bil)
- 4. U.S. (\$19.8 bil)
- 5. U.K. (\$17 bil)

Source: International Trade Centre, Thomson Reuters

## **Top Gold Reserve**

(Tonnes):

- 1. U.S. (8,133.5)
- 2. Germany, (3,373.6)
- 3. Italy (2,451.8)
- 4. France (2,436)
- 5. China (1,842.6)

## **Top Producers**

(Kilogram):

- 1. China (426.1K)
- 2. Australia (295.0K)
- 3. Russia (270.7K)
- 4. U.S. (230K)
- 5. Canada (175.8K)

# Many Uses of Gold

Jewelry

Electronics

Dentistry

Cables

Computer Chips

Currency



Aerospace

Medals

Medicine

Trophies

Food

Buildings

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#### **Factors That Move The Market**

- World economic event financial crises, political uncertainty
- Central bank/Federal Reserve interest rate
- Economic data non-farm payroll, inflation, quarterly GDP, CPI
- U.S. Dollar currency rate
- USD / MYR exchange rate
- World central bank gold reserves
- Worldwide jewellery and electronics industry demand

### **Benchmark for Gold Prices:**

- London Bullion Market Association (LBMA) Gold
- U.S. COMEX Gold Futures
- Shanghai Gold Price

## **Key Features of BMD Gold Futures Contract (FGLD):**

- Small-sized and denominated in Ringgit Malaysia
- Serves as an alternative to investing in gold bullion and mining stocks
- Flexibility to convert futures position for physical gold via Exchange for Related Position (EFRP) mechanism



#### DO YOU KNOW?

Almost 40% of all gold mined in history came from South Africa and it still has the world's 3<sup>rd</sup> largest unmined reserves.

## Contract Specifications (Source: Bursa Malaysia website)

Product	BMD Gold Futures
Product Symbol	FGLD
Underlying Asset	Gold assayed to a minimum 995 fineness
Contract Multiplier	100 grams
Minimum Price Fluctuation	RM 0.05 per gram
Value per Tick	\$5.00
Settlement	Cash settlement
Trading Hours (Malaysian Time)	First session: 0900 – 1230 hours Second session: 1430 – 1900 hours

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