

# **FTSE BURSA MALAYSIA KLCI**

## **Elevating Malaysia's Benchmark Index to Global Standards**

6 July 2009

# A PREFERRED LISTING & INVESTMENT DESTINATION

**Wider International Appeal  
Increased Investor Attention**

## **Efficient Infrastructure**

- Bursa Trade Securities**
- Direct Market Access**
- Market Making Framework**
- New Boards: Main & ACE Market**
- Multi currencies Platform**

## **Internationalised Products & Services**

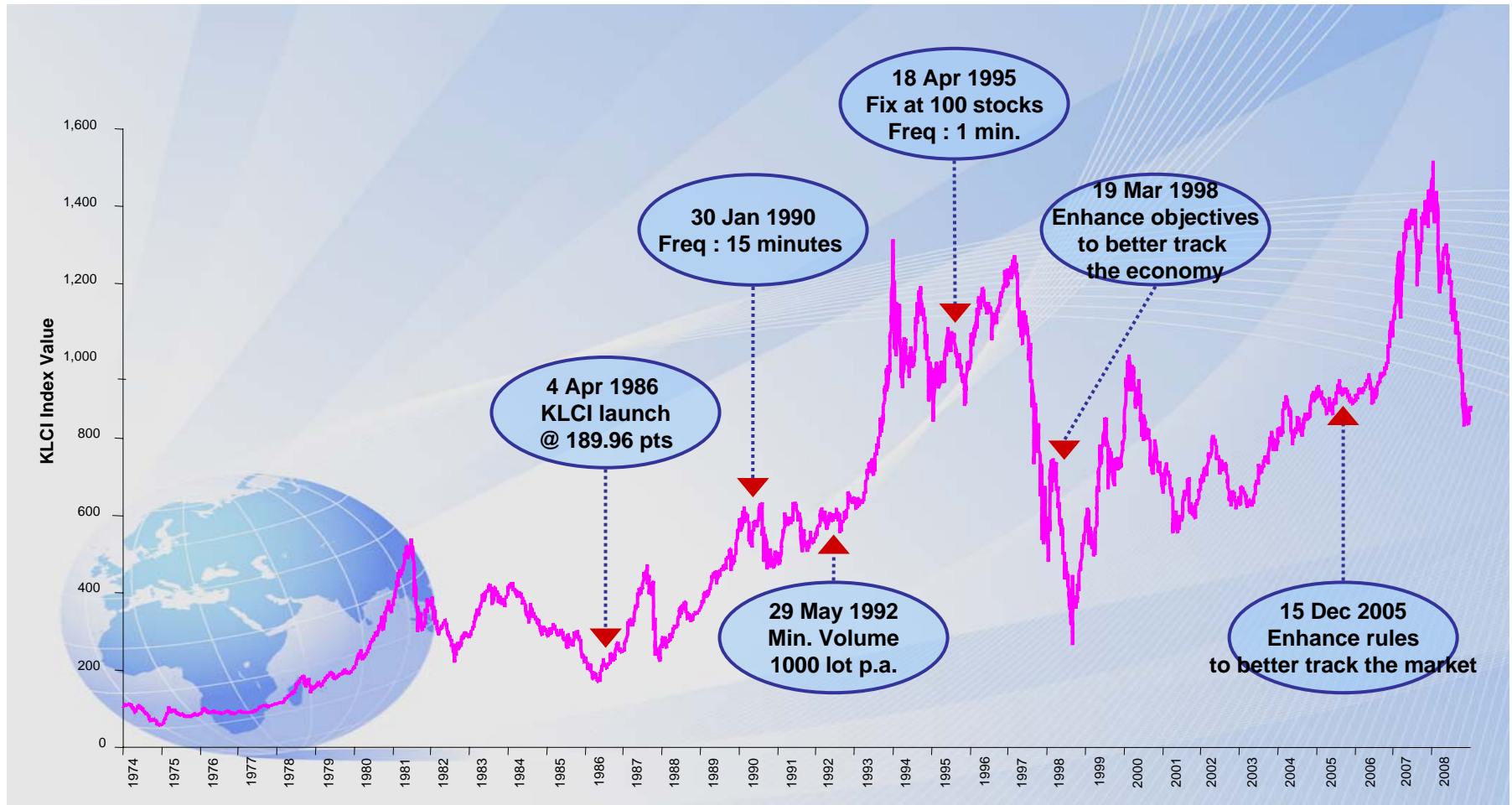
- FTSE Bursa Malaysia Index Methodology**
  - FTSE Bursa Malaysia KLCI
  - Thematic Indices – Shariah and Plantation
- USD Crude Palm Oil Futures**
- Commodity Murabahah House**

**Underscored by**

**Sound regulatory framework;  
high priority on investor protection**

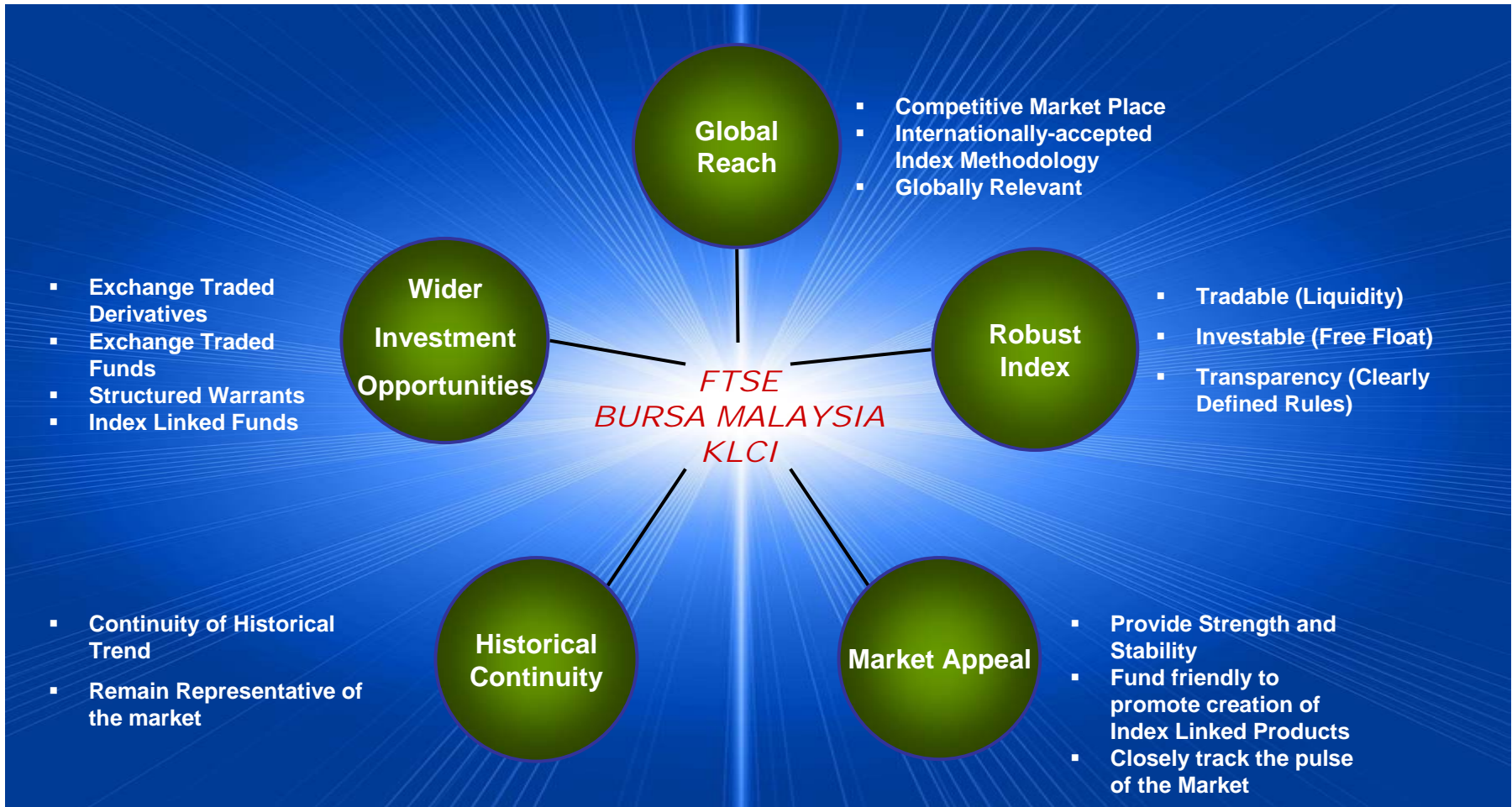
# KUALA LUMPUR COMPOSITE INDEX (KLCI)

## ➤ Representative of the Malaysian Stock Market



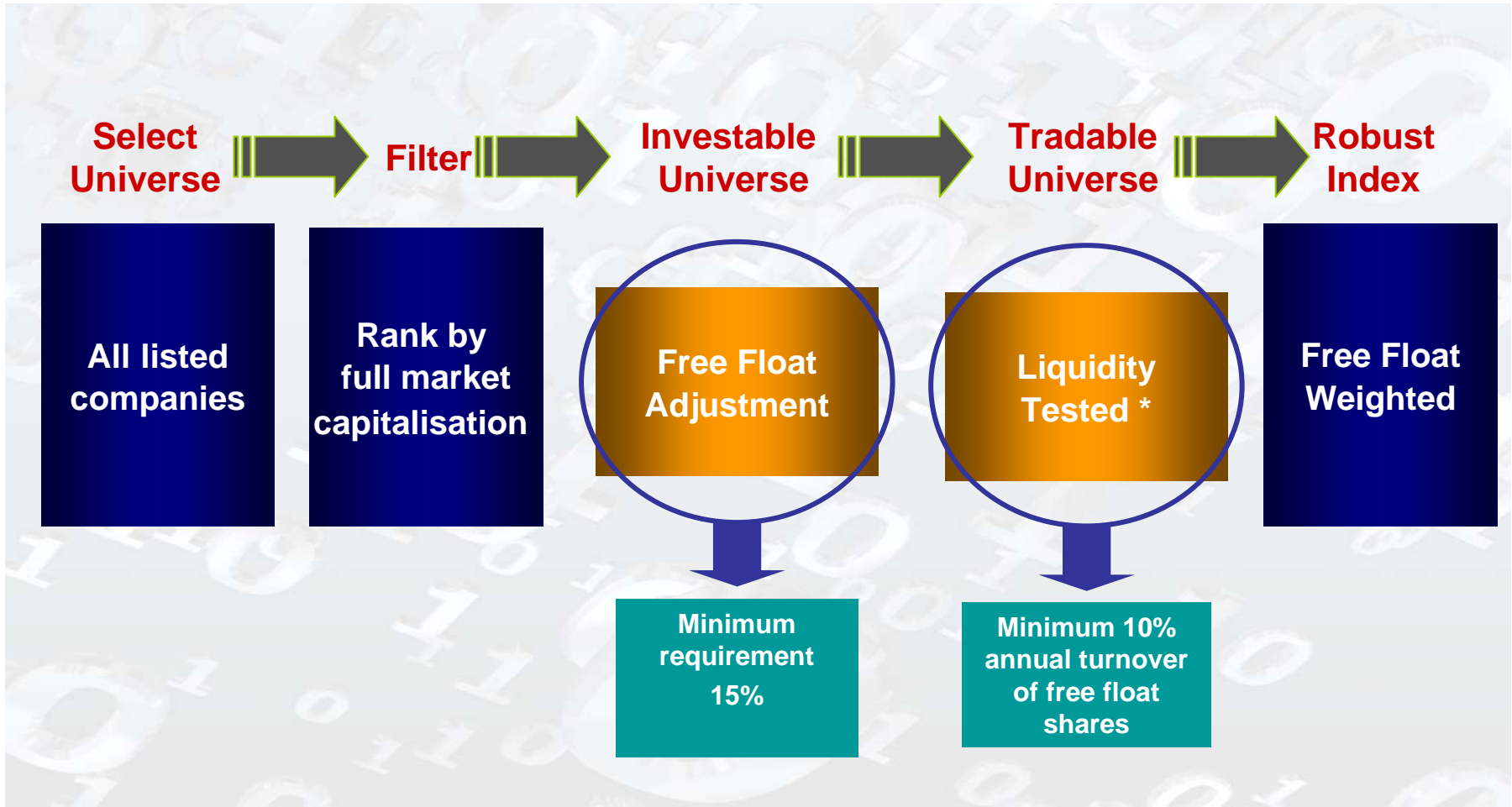
# INDEX STRATEGIC OBJECTIVES

## ➤ Market driven index



## ROBUST INDEX

### ➤ FTSE Bursa Malaysia Index Methodology – Transparent rules

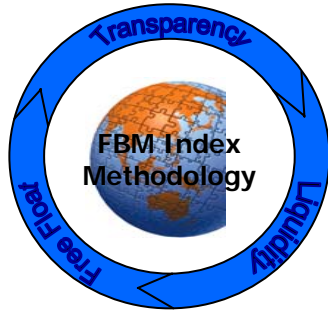


\* Except FBM Fledgling Index, FBM Second Board Index and FBM MESDAQ Index

# ARRIVAL OF FTSE BURSA MALAYSIA KLCI

## ➤ A market driven robust index

**Robust Index**



**Market Appeal**



**Wider Investment Opportunities**  
-alignment of existing products

**FTSE BURSA MALAYSIA KLCI**  
(Effective 6 July 2009)



## STATISTICAL ANALYSIS

- Remains representative of the market

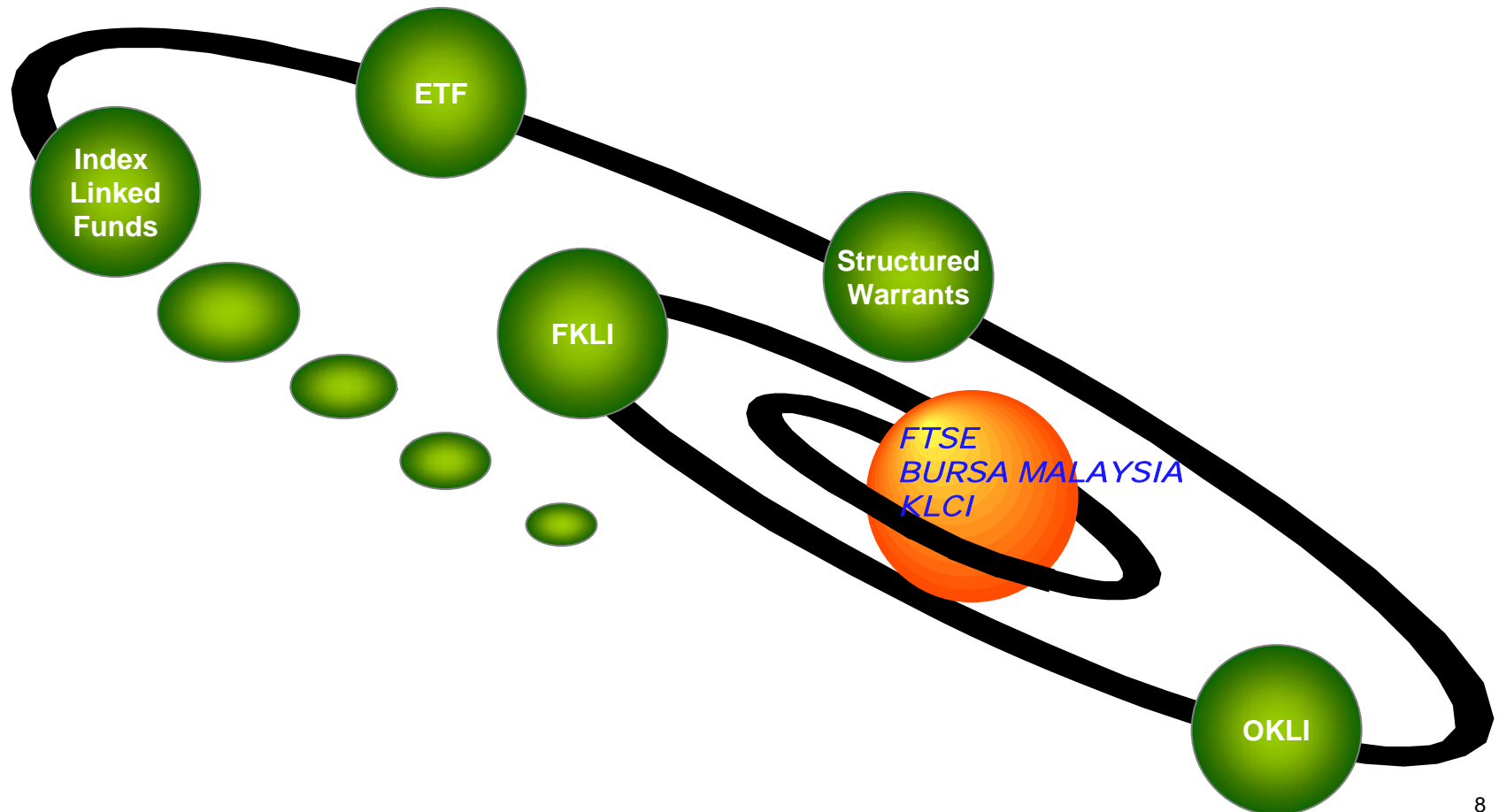
	<b>KLCI</b>	<b>FTSE Bursa Malaysia KLCI</b>
Number of Constituents	100	30
Market Capitalisation Representation to Main Board	74%	64%
Correlation to FTSE Bursa Malaysia EMAS (5Years)	99.4%	99.1%
Volatility (3 yrs)	16.5%	17.0%
Volatility (5 yrs)	14.2%	15.0%

Data @ 31 Dec 2008



## INVESTMENT OPPORTUNITIES

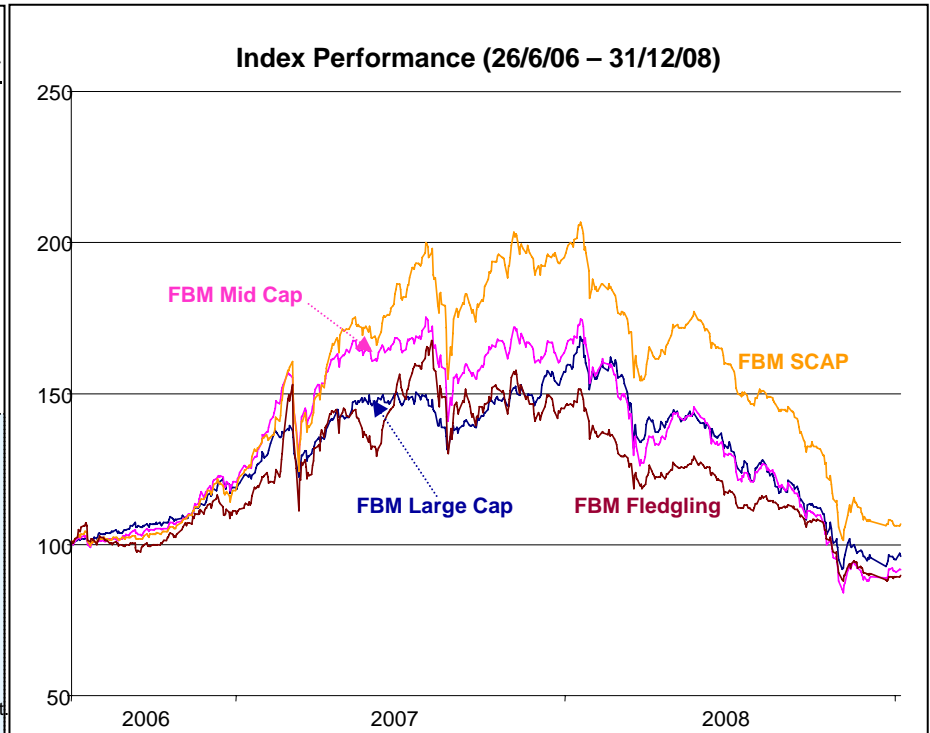
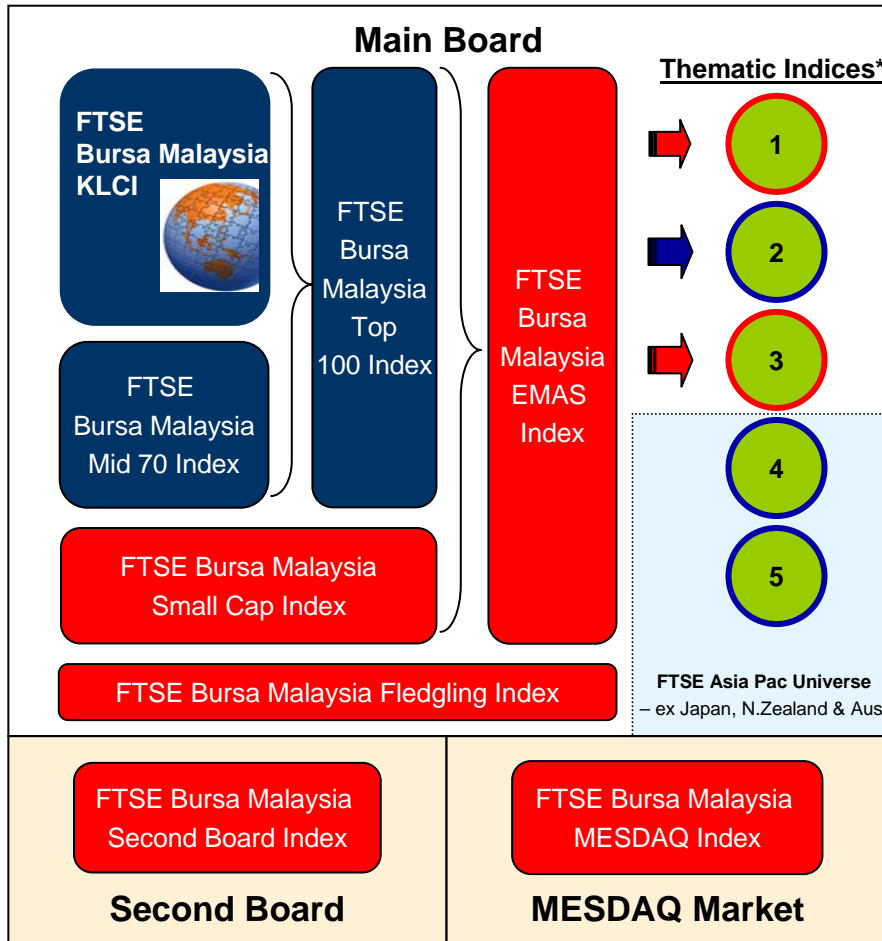
- FTSE Bursa Malaysia KLCI aligns the index linked products for a wider range of investable opportunities





# FTSE BURSA MALAYSIA INDEX SERIES

➤ **Better profile to PLCs and more choices for investors**



**\*Thematic Indices**

- 1 FTSE Bursa Malaysia EMAS Shariah Index
- 2 FTSE Bursa Malaysia Hijrah Shariah Index
- 3 FTSE Bursa Malaysia Palm Oil Plantation Index
- 4 FTSE Bursa Malaysia Asian Palm Oil Plantation Index – USD
- 5 FTSE Bursa Malaysia Asian Palm Oil Plantation Index - MYR

## STRENGTHS OF FTSE BURSA MALAYSIA KLCI

### INTERNATIONAL BRANDING

KLCI will be known as **FTSE Bursa Malaysia KLCI** to provide global relevant, recognition and reach.

### GLOBAL METHODOLOGY

**FTSE Bursa Malaysia index calculation methodology** – Free Float, Liquidity and transparent.

### ROBUST BAROMETER

Made up of primary market movers, better define market activities while remaining **representative of the market**.

### MARKET APPEAL

A smaller basket of **30 constituents**, easier to manage and more appealing for product issuers to create market liquidity.

### FASTER CALCULATION

Speed of calculation increased from every 60 seconds to **every 15 seconds** tracking the market pulse closely and more efficiently.

### CONTINUITY OF VALUES

**Preserves the historical movements** of the Malaysian stock market.



## APPENDIX – Highlight on FKLI & OKLI

- Arising from the transition of KLCI to FTSE Bursa Malaysia KLCI on the 6 July 2009, the contract specifications for FKLI and OKLI contracts that are created in the trading months as stated in the table below will be varied with effect from 1 February 2009

	<b>Trading Month</b>	<b>Contract Type</b>	<b>Contract Month</b>	<b>Underlying Index</b>
a	Feb 2009 – Apr 2009	2 <sup>nd</sup> Quarter	Sep 09	The trading of the contracts will be based on KLCI from 1 Feb 2009 until 3 Jul 2009, and subsequently based on FTSE Bursa Malaysia KLCI till expiry.
b.	May 2009	1 <sup>st</sup> Quarter 2 <sup>nd</sup> Quarter	Sep 09 Dec 09	The trading of the contracts will be based on KLCI until 3 Jul 2009, and subsequently based on FTSE Bursa Malaysia KLCI till expiry
c.	Jun 2009	Next Month 1 <sup>st</sup> Quarter 2 <sup>nd</sup> Quarter	Jul 09 Sep 09 Dec 09	The trading of the contracts will be based on KLCI until 3 Jul 2009, and subsequently based on FTSE Bursa Malaysia KLCI till expiry.
d.	Jul 2009	Spot Month Next Month 1 <sup>st</sup> Quarter 2 <sup>nd</sup> Quarter	Jul 09 Aug 09 Sep 09 Dec 09	The trading of the contracts will be based on KLCI until 3 Jul 2009, and subsequently based on FTSE Bursa Malaysia KLCI till expiry.