

Sector differences explain “cap-gap” for Malaysian equities in the year of the global pandemic

Sector weightings have been a key driver of the performance difference between mid- and large-cap Malaysian stocks in 2020, according to new insight from global index provider FTSE Russell and Bursa Malaysia.

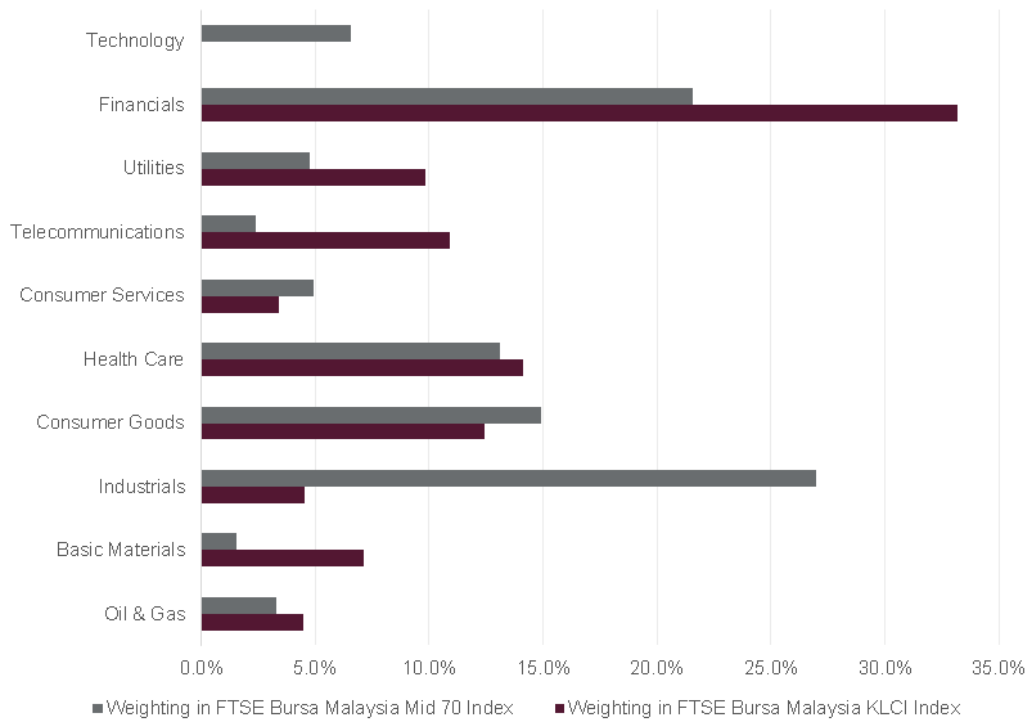
Malaysian equities, similar to global equities, were roiled by the onset of the global pandemic in the first part of the year, with the large-cap FTSE Bursa Malaysia KLCI Index down 24.5% and the mid-cap FTSE Bursa Malaysia Mid 70 Index (FBM70) down 35.5% for the year through March 19th. While both indexes have rode the subsequent rally up since March 19, mid-caps have climbed much higher, with a 67.1% gain for FBM70 compared to a 33.8% gain for KLCI for the same period.

Ricardo Manrique – Director, Derivatives Strategy, FTSE Russell

“Taking a closer look at Malaysian equities, it’s clear that much of this year’s performance difference between mid- and large-cap performance can be attributed to sector differences. Notably, the Malaysian mid cap segment has a higher weighting in Technology and Industrials, two sectors with very strong performance.”

Sector Differences Explain the Malaysian Equity Cap-Gap in 2020

FTSE Bursa Malaysia Index Sector Weightings



Source: FTSE Russell. Data as of December 10, 2020. Past performance is no guarantee to future results. Please see the end for important disclosures.

The FTSE Bursa Malaysia Mid 70 Index, part of the FTSE Bursa Malaysia Indexes Series, serves as the basis for a new futures contract recently launched on the Bursa Malaysia. For more on the Series, Index, go to the [FTSE Russell website](#).

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