

Index Futures

Mini FTSE Bursa Malaysia Mid 70 Index Futures (FM70)



WHAT IS FTSE?

FTSE Group has partnered with Bursa Malaysia to create the definitive family of indices for the Malaysian market – the **FTSE Bursa Malaysia Index Series**.

This series includes both **tradable indices** and **benchmark indices**, reference as shown below:

Tradable Indices

- FTSE Bursa Malaysia KLCI Index
- FTSE Bursa Malaysia Mid 70 Index

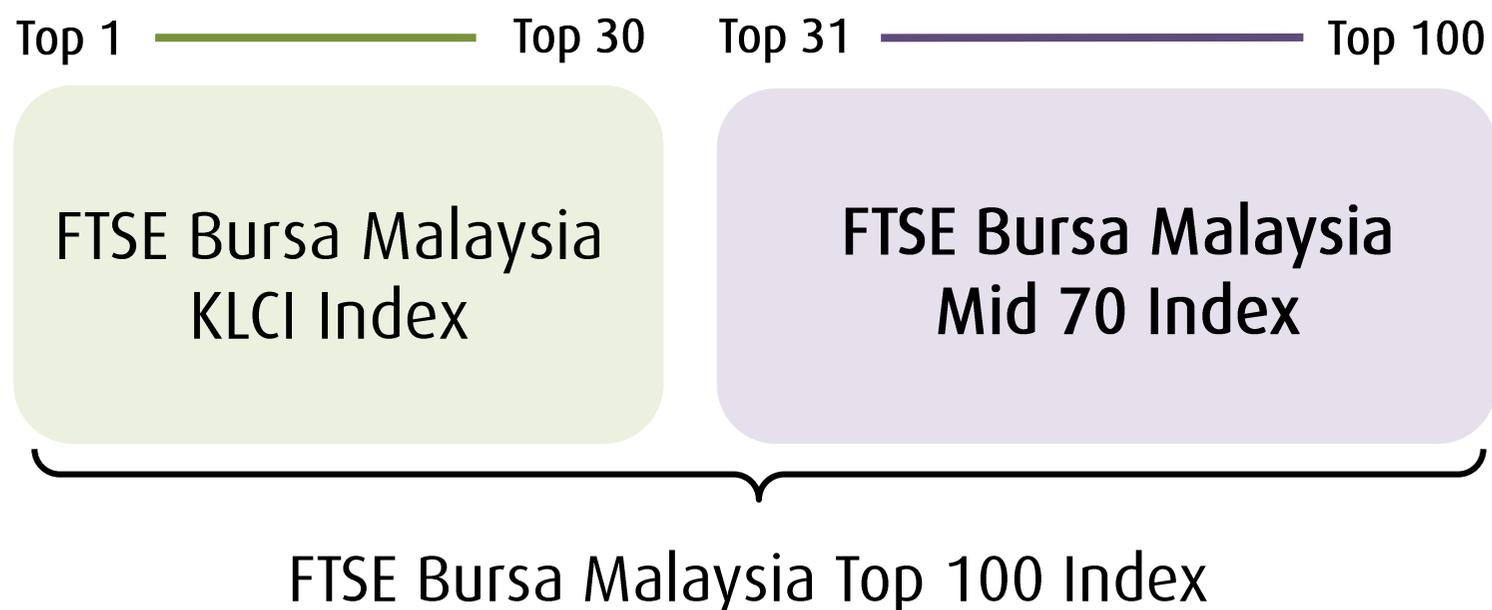
Benchmark Indices

- The FTSE Bursa Malaysia EMAS Index
- FTSE Bursa Malaysia EMAS Industry Indices

WHAT IS FM70?

FM70 is known as the **Mini FTSE Bursa Malaysia Mid 70 Index Futures**, a contract traded on Bursa Malaysia Derivatives.

Its underlying is **FTSE Bursa Malaysia Mid 70 Index (FBM Mid 70)** containing the next **70 largest** companies listed on the Main Board after the FBM KLCI Index.



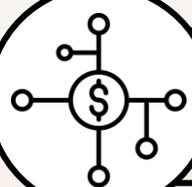
Note: For the list of Mid 70 Index constituents, please refer to the Bursa Malaysia website.

BENEFITS OF TRADING FM70



Easy Entry

Provides an easy entry to the index market with a relatively smaller contract size and smaller amount of margin.



Diversify

Ability to diversify your investment portfolios and mitigate losses through trading FM70 contracts.



Exposure

Exposure to different markets and industries like banks, food and beverage and telecommunications.



Leverage

Pay a relatively small amount of margin to leverage 70 Malaysian stocks and magnify your returns

CONTRACT SPECIFICATIONS

Mini FTSE Bursa Malaysia Mid 70 Index Futures

Contract Code

FM70

Underlying Instrument

FTSE Bursa Malaysia Mid 70 Index (FBM Mid 70)

Contract Size

FBM Mid 70 multiplied by RM4

Minimum Price Fluctuation

5 pt = RM 20 (1 pt = RM 4)

Settlement Method

Cash settlement

Contract Month

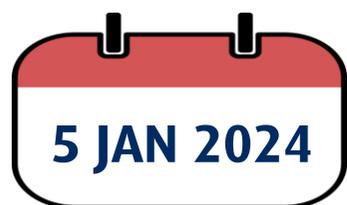
Spot month, the next month and the next two calendar quarterly months. The calendar quarterly months are March, June, September and December.

Trading Hours

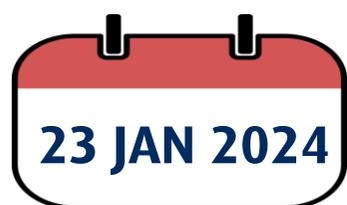
08:45 - 12:45, 14:30 - 17:15
21:00 - 02:30 (T+1 Session)

TRADING EXAMPLES

Bullish Market



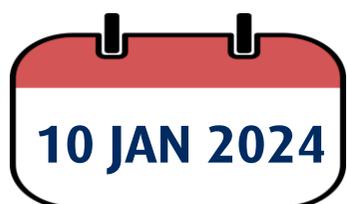
You think the price of FM70 will go up and BUY 1 lot @13,630



You close your position and SELL 1 lot @ 13,755

Gross Profit
= Price Difference x Contract Size
= (13,755 - 13,630) x RM 4
= RM 500

Bearish Market



You think the price of FM70 will go down and SELL 1 lot @13,630



You close your position and BUY 1 lot @13,505

Gross Profit
= Price Difference x Contract Size
= (13,630 - 13,505) x RM 4
= RM 500

FACTORS AFFECTING PRICES OF FM70

Geo-Politics



Pandemic like COVID-19 causes national health issues and lockdowns, which will then reduce foreign investments in our countries. This could negatively affect stock prices.

Main Index

Since most companies in Mid 70 Index are also listed in KLCI Index, the performance of latter will impact the price of FM70.



Corporate Earnings

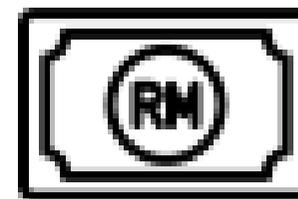


Generally, strong corporate earnings will push the stock prices and index higher.

FACTORS AFFECTING PRICES OF FM70

Currency Performance

The currency performance will impact local economy. Consumer buying power increases when Ringgit strengthens, thus boosting the development of local companies and stocks.



At the same time, a stronger local currency increases the cost of purchase for foreigners, which reduces their interest in local companies and drives the stock prices down.

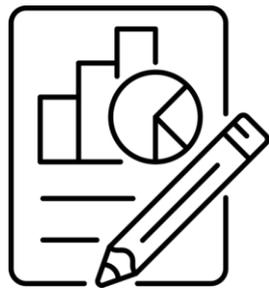
Politics



An unrest political situation may reduce the confidence of foreign investors and impact the pace of economic development. This will harm local companies' performance and stock prices.

FACTORS AFFECTING PRICES OF FM70

Economic Data



Economic data like GDP, interest rate and inflation rate will affect the price of FM70.

For instance, a strong GDP performance proves a healthy economy, which will increase corporate profits and stock market returns.

Global Index

When a leading global index like U.S. index performs well, their buying power to purchase Malaysian goods increases. This will strengthen local companies' performance and stock prices.



OVERVIEW



A

In March 2020, FM70 dropped 2340 points from 12870 to 10530 due to the national lockdown caused by a mass religious gathering that triggered a wave of COVID-19 infection nationwide.

B

Following the previous incident, the price recovered 1740 points within 2 months in the same year.

C

The pandemic situation worsened and the government announced another nationwide MCO in May 2021, which caused the market to drop 1140 points.



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