NOTE FROM THE EDITOR

Bursa Malaysia started 2010 with newfound optimism, as the equities market saw solid volumes transacted over the first quarter of the year. As an exchange, the focus in 2010 will continue to be on our initiatives and efforts to further drive liquidity and vibrancy in our market.

As part of our efforts to make the Malaysian market more exciting, Bursa Malaysia held “Rethink Retail”, an industry leadership forum designed to attract the younger generation of Malaysians to invest in the stock market. Bursa Malaysia has recognised the huge untapped potential of the younger generation of investors who shy away from investing in equities. Our sights are set on reversing this trend, and promoting the case for investing in our markets.

To educate young Malaysians on the investment industry, this quarter, Bursa Malaysia sponsored the inaugural CFA Malaysia Investment Research Challenge, where six universities from across Malaysia competed against each other in presenting a stock recommendation of a public listed company. This provided students with real-life professional experience in financial research and analysis.

Also in this issue, we cover the Annual Palm & Lauric Oils Conference 2010 and Invest Malaysia 2010 which were successfully held in March, as well as the latest updates in Islamic Markets, where Bursa Malaysia signed a Memorandum of Understanding with Bahrain Financial Exchange.

Finally, a development which has been on the minds of investors this quarter has been the preparations for the implementation of eDividend. With the collection of bank account details due to commence on 19 April 2010, the Exchange has been involved in the process of raising awareness of this new development. Bursa Malaysia encourages all investors to update their bank account details with their stockbrokers. eDividend will make payment of dividends more convenient, and ensure the Malaysian market is on par with other regional exchanges.

For more details on how to update your bank account details for eDividend and how you can benefit from it, please visit our website.

MARKET HIGHLIGHTS

GLOBAL CONNECTIVITY AT POC2010

The Annual Palm & Lauric Oils Conference & Exhibition: Price Outlook 2010/2011 (POC) was held at the Shangri-La Hotel, Kuala Lumpur from 8–10 March 2010. Over 1,700 participants representing 45 countries were in attendance, demonstrating the significance and unwavering support for this world-class event organised by Bursa Malaysia.

With its pre-eminent lineup of experts, the Palm Oil Conference is a major event for the industry. Throughout the conference, participants listened intently whilst speakers delivered their views on price projections and their outlook for the market. These key insights provided invaluable information to industry participants and their businesses.

In addition to the main conference, several other side events held were also well received, providing participants with ample opportunity for networking and discussion. Kicking things off was the POC2010 Golf Challenge.

This was followed by the POC2010 Plantation Tour, where attendees visited Sime Darby’s Carey Island estate and their refining plant, and were briefed on the processes involved in the production of Palm Oil.
The POC2010 exhibition was also a success. A total of 36 exhibitors occupying 47 booths, showcased their products and services.

The two day POC2010 Conference commenced on 9 March 2010. The event was officiated by the Minister for Plantation Industries and Commodities, Malaysia, Tan Sri Bernard Giluk Dompok. A total of 27 speakers from around the globe gave their views on future price movements.

Participants attended the POC2010 Gala Dinner held on the same evening. Awards were presented to Bursa Malaysia Derivatives’ Top Trading Participants, as well as Top Local Participants as recognition for their support and trading achievements in their respective categories.

**Top Trading Participant Award**
- Kenanga Deutsche Futures - Top Equity Trading Participant & Top Overall Trading Participant
- TA Futures - Top Commodity Trading Participant
- RHB Investment Bank - Top Financial Trading Participant

**Top Local Participant Award**
1. Mr Eng Boon Kian - Winner
2. Mr Loo Cheong Hin - 1st runner-up
3. Mr Chee Kim Sooi - 2nd runner-up

POC2010 sponsors and supporters were also recognised during the dinner.

MARKET HIGHLIGHTS

**DEVELOPING YOUNG TALENT THROUGH THE CFA INVESTMENT RESEARCH CHALLENGE**

Bursa Malaysia, in support of the development of our skilled young Malaysians, sponsored the inaugural CFA Malaysia Investment Research Challenge (IRC) - an annual educational initiative based on the challenge originally developed by the New York Society of Security Analysts.

Aimed at creating awareness of the investment management profession amongst Malaysian undergraduates, the IRC provided university students with real-life professional experience in financial research and analysis. The IRC comprised the following components:

- Training in research and report writing;
- Analysis of a public listed company;
- Mentoring from a CFA Investment Professional;
- Assessment of written reports; and
- Presentation of research to a panel of experts

At the Malaysian finals on 20 February 2010, three teams competed for the top spot to represent Malaysia at the Asia Pacific Finals. HELP University College, together with teams from Malaysia Multimedia University (Melaka) and Taylors University College, were selected from six different university teams.

The finalists were selected based on the highest scores in their written reports on either Digi.com Berhad or Top Glove Corporation Berhad, and went on to present their findings to a panel of investment industry experts. HELP University College was announced the winner with their presentation recommending ‘Hold’ on Digi.Com Berhad.

Bursa Malaysia believes that a competition of this nature reinforces its commitment to promoting best practices in all aspects of the investment research process – information gathering, report writing and presentation – which will eventually result in higher quality investment research.

We would like to congratulate HELP University College, and look forward to having more university teams competing in the next challenge.
MARKET HIGHLIGHTS

RETHINK RETAIL
Mindsets Must Change

Bursa Malaysia organised an Industry Leadership Forum titled “Rethink Retail,” on 12 January 2010, held at the Exchange. Rethink Retail provided a venue to establish a common ground for all industry stakeholders to promote the idea of targeting a new wave of young, savvy investors and engaging e-businesses to reach them.

The usual ambience of our conference room was transformed into a cool, young and hip space, complete with a catwalk-like stage. This was definitely a new experience for Bursa Malaysia, and proved the perfect setting for the subject matter, the younger generations and e-business fraternity. Group Marketing flew in thought leaders with the likes of Andreas Vogiatzakis (MD of Omnicom Media Group), Azran Osman Rani (CEO of AirAsia X) and Stuart Sayers (MD of E*Trade Australia) to share their unique experiences and insights.

This entertaining and radical event was attended by 70 external and 30 internal guests consisting of representatives from Bank Negara Malaysia, Malaysian Communications and Multimedia Commission (MCMC), Young Corporate Malaysians (YCM) and Bursa Malaysia Participating Organisations. Going forward, Bursa Malaysia will create a retail roadmap to connect and engage the new generation of young investors.

We need to enhance our current business model. Gen-Y will not wait for us.
(Dato’ Yusli, CEO of Bursa Malaysia)

We are out of touch. If we don’t tap the right age group – we will be in trouble.
(Omar Merican, COO of Bursa Malaysia)

You need to get people excited, they will walk through cut glass to obtain it!
(Azran Osman Rani, AirAsia X)

It is not “what” and “where” we should target. It is the “who”?
(Ben Llewellyn, Synovate)

Mass Marketing is dead! Youngsters rule the virtual world!
(Andreas Vogiatzakis, MD of OMG)

Recipe of Success for Online Trading: The customer is at the centre of everything we do (Stuart Sayers, MD of E*TRADE Australia)
On 30 and 31 March 2010, Bursa Malaysia organised the Invest Malaysia 2010 (IM2010) conference which was co-hosted by Maybank Investment Bank and Nomura Holdings. The main highlight of the conference was the keynote address delivered by the Prime Minister of Malaysia, Dato’ Sri Mohd Najib Tun Abdul Razak which featured the announcement of the much-awaited New Economic Model (NEM). Focused on moving Malaysia higher up in the economic value chain, the NEM is a roadmap meant to propel Malaysians to the next phase of development.

Dato’ Seri Idris Jala, Minister in the Prime Minister’s Office, provided a snapshot of the Government’s role and approach towards this economic shift via the “Government Transformation Programme: Social Engineering to Achieve Vision 2020” session. There were also plenary sessions that featured discussions on current issues such as economic development, as well as the challenges and opportunities that are affecting the Malaysian economy and the investment landscape. National Economic Advisory Council (NEAC) chairman Tan Sri Amirsham A. Aziz in his address, shared the findings of his Council in formulating the NEM and the key aspects of the plan, moving forward.

This year’s conference also saw the inaugural participation from the Malaysian Industrial Development Authority (MIDA) which showcased foreign direct investments (FDI) and Malaysia’s increasing pivotal role in the Asian marketplace. MIDA’s sessions included a session with the Minister of International Trade and Industry, Dato’ Sri Mustapa Mohamed, who leveraged on his session to hear participants’ thoughts on the Malaysian economy. Other sessions under the MIDA track included topics such as “Attracting Private Investments Towards A High Income Economy Based on Talent, Innovation and Creativity”, “Malaysia’s Green Energy Platform”, “Services Sector: Powering the Growth of the Malaysian Economy” and “The Malaysian Aerospace Industry - Gearing Towards Global Supply”.

IM2010 managed to draw the attention of more than 800 participants and received positive response from institutional investors, fund managers and analysts globally.

Aptly themed Powering Global Excellence, IM2010 managed to draw the attention of more than 800 participants and received positive response from institutional investors, fund managers and analysts globally. This year’s conference also saw the participation of more than 20 Japanese fund managers.

Invest Malaysia 2010 participants had first-hand access to key personalities of corporate Malaysia’s regional champions who have contributed to the nation’s success such as CIMB, Khazanah Nasional, Malaysia Airlines, Maybank, Nomura, Sime Darby, SP Setia, YTL, among others. All the 37 participating listed companies also benefited greatly from the IM2010 conference as it was an excellent platform for a direct and active engagement with potential investors, fund managers and analysts.
Prominent Scholars Discuss Islamic Finance Solutions

BFX and Bursa Malaysia organised a forum on 25 January 2010 to discuss matters related to Islamic liquidity management and financing and in particular, contemporary issues relating to commodity Murabaha transactions and Tawarruq practices. The forum was part of a two day event marking the inauguration of commercial relations between the two exchanges.

The discussions were led by three of the most eminent Shari’ah scholars within the industry Dr. Mohd Ali Elgari, Sheikh Nizam Yaqubi and Dr. Aznan Hasan. Raja Teh Maimunah, Global Head, Islamic Markets, Bursa Malaysia moderated the forum.

At the same time, the event also introduced Bursa Suq Al-Sila’ as the world’s first regulated Islamic commodity trading platform specifically designed to facilitate Islamic financing and liquidity management. It is also aimed at tightening the application and enhancing the integrity of Tawarruq practices.

The collaboration was aimed at facilitating cross-border development in the Islamic Financial Markets, widening market reach, exchanging technological expertise and building a sustainable business model for both exchanges.

ISLAMIC MARKETS UPDATE

Signing of MoU between Bursa Malaysia and Bahrain Financial Exchange

Bursa Malaysia and Bahrain Financial Exchange (BFX) signed a memorandum of understanding (MoU) on 24 January 2010 in Bahrain. Bursa Malaysia was represented by its Chief Executive Officer, Dato’ Yusli Mohamed Yusoff and Raja Teh Maimunah, the Exchange’s Global Head, Islamic Markets.

The collaboration is aimed at facilitating cross-border development in the Islamic Financial Markets, widening market reach, exchanging technological expertise and building a sustainable business model for both exchanges.

The signing ceremony was witnessed by the Deputy Governor of Bank Negara Malaysia, Dato’ Mohd. Razif Abdul Kadir and the Managing Director of the Securities Commission, Malaysia, Dato’ Dr Nik Ramlah Nik Mahmud and Abdul Rahman Al Baker, Executive Director, Financial Institutions Supervision, Central Bank of Bahrain. The event marks yet another milestone for Malaysia as a leader in Islamic Finance.


From left: Dr. Mohd Ali Elgari, Dr. Aznan Hasan and Sheikh Nizam Yaqubi sharing their opinions on Islamic liquidity management and financing.
BURSA MALAYSIA EVENING TALKS ON CORPORATE GOVERNANCE

The Bursa Malaysia Evening Talks on Corporate Governance series was first introduced in 2009 and has received tremendous support from directors of public listed companies and industry professionals. The Evening Talks on Corporate Governance is part of Bursa Malaysia’s commitment to market education to establish and maintain high standards of corporate governance amongst the public listed companies.

The series of Evening Talks on Corporate Governance kicked off this year with a session by the Malaysian Institute of Accountants on 20 January 2010. The session focused on Bursa Malaysia’s Corporate Governance Guide: Towards Boardroom Excellence. The speaker, Mr Lee Min On is a Partner at KPMG. He provided an overview of the CG Guide and highlighted areas of corporate governance best practices and also shared some practical insights.

This was followed by the Evening Talk by ACCA on “Corporate Responsibility Practices in the Context of the Market Place” on 29 January 2010. The speaker, Ms Erin Lyon who is the Executive Director of CSR Asia, explained how companies can apply their corporate responsibility practices in the context of the market place. The session also covered practical implementation of the Corporate Responsibility Guide for Busy Managers produced by ACCA, Shell, Business Council for Sustainable Development Malaysia and CSR Asia.

On 24 February 2010, Mercer held a talk on “Why Employee Stock Option Schemes is Not the Only Option”. The speaker, Mr Fermin Diez covered long term incentive vehicles used in Malaysia and discussed how some companies are re-thinking the practice of granting long term incentives to ensure more transparent governance.

For information on future Bursa Malaysia Evening Talks, please click here.

BRIEFING TO DEALER’S REPRESENTATIVES AND FUTURES BROKER’S REPRESENTATIVES ON REGULATORY MATTERS

Bursa Malaysia conducted an education programme to registered Dealer’s Representatives (DRs) and Futures Broker’s Representatives (FBRs). The programme which was initiated in October 2009 has since been attended by a total of 507 DRs and 73 FBRs.

The objectives of the education programme for DRs and FBRs are to create awareness on regulatory issues, improve the standard of compliance to the requirement of the Rules as well as to instill a culture of self-regulation amongst the participants. During the programme, Bursa Malaysia also shared with the participants the Exchange’s expectations of participants and discussed issues of concern covering both the supervision and surveillance aspects of regulation.

For 2010, the programme kicked off in Kuching, Sarawak in January 2010 with two sessions titled “Compliance with the Rules of Bursa Malaysia (Derivatives/Equities) - Past Experience and Way Forward”. Another session on the same subject was conducted for FBRs at Bursa Malaysia in February 2010. The speakers were the management staff of Participants Supervision and Market Surveillance Division.

Apart from highlighting regulatory matters, the programmes succeeded in serving as a platform for the participants to raise their concerns relating to industry issues. As the programmes were conducted in an open manner after office hours, there was active participation by the participants. Topics that garnered interest included breaches committed by the equities and derivatives brokers and its registered persons and also contract amendments for equities market. As they proved to be well received, Participants Supervision Division will continue to organise this education programme and look forward to attracting more participants throughout 2010.
As part of an effort to enhance payment efficiency, all public listed companies (PLCs) on Bursa Malaysia that announce a books closing date for cash dividends on or after 1 September 2010 will be required to pay the cash dividends to their shareholders by directly crediting such payments into their bank account under the eDividend initiative. Shareholders who opt for this service will be able to receive their cash dividends directly into their bank accounts.

In his Budget 2010 speech last year, the Prime Minister of Malaysia, Dato’ Sri Mohd Najib Tun Abdul Razak called upon PLCs to offer eDividend to shareholders. On 26 October 2009, the Securities Commission released a statement announcing that eDividend would be offered by the third quarter of this year.

Tan Sri Zarinah Anwar, Chairman of the Securities Commission Malaysia (SC) said, “This will provide shareholders greater convenience and faster access to their dividends while PLCs will also benefit with eDividend’s lower cost. This is an important initiative to ensure that the Malaysian capital market continues to be relevant and attractive to investors.”

According to the Chief Executive Officer of Bursa Malaysia, Dato’ Yusli Mohamed Yusoff, the Exchange is cognisant of the importance of achieving greater efficiency and offering convenience to the investing public.

“Given the convenience that eDividend can offer, Bursa Malaysia looks forward to receiving an encouraging response from shareholders to this initiative. There are currently more than 4 million Central Depository System (CDS) accounts maintained with Bursa Malaysia Depository Sdn Bhd, and I hope to see all these account holders come on board to use this service,” he said at the eDividend media briefing at Bursa Malaysia earlier today.

The paperless dividend payment system will result in increased convenience and faster access to dividends within a secure environment for shareholders. It eliminates the need for them to visit the bank to deposit dividend cheques which are posted to them, as well as the problem of misplaced, lost or expired cheques.

Shareholders can provide their bank account details to their stock brokers for the purposes of eDividend via the submission of an ‘eDividend Form’ from 19 April 2010 onwards. The forms can be obtained from their stockbrokers or downloaded from Bursa Malaysia’s eDividend webpage.

Individual shareholders are required to submit to their stock brokers the eDividend form together with a copy of identification card (MyKad or Passport) and a certified copy of their bank statement or bank account book together with the original documentation for verification.

Corporate depositors are required to submit original certified true copies of Certificate of Incorporation or Certificate of Registration and original certified true copies of the bank statement.

For both corporate and individual depositors, any bank statement extracted from the Internet has to be certified by a bank officer of the same bank.

Those with more than one CDS account can also choose to consolidate their dividends into a single bank account, or opt to assign different bank accounts for each CDS account. This option is available to shareholders at the point of updating their bank account details.

Shareholders will be given a one year period to provide their bank account details for eDividend beginning 19 April 2010. Those who do so after 18 April 2011 will be charged an administrative fee.

The rule changes to the Rules of Bursa Depository and the Listing Requirements to facilitate the eDividend initiative is targeted to be issued and made available for reference on www.bursamalaysia.com on 15 April 2010.

For more information and to access the Frequently Asked Questions (FAQs) on eDividend please also visit www.bursamalaysia.com.
For more market information, click on the following:

- Market Statistic
- CMDF - Bursa Malaysia Research Scheme (CBRS)
- Listed Companies
- Trading Participation by Category of Investors

## SECURITIES MARKET SNAPSHOT 1Q10

### Indices

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<th>Indices</th>
<th>Q1 2010</th>
<th>Q4 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTSE Bursa Malaysia KLCI</td>
<td>1,320.57</td>
<td>1,272.78</td>
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<tr>
<td>FTSE Bursa Malaysia Top 100</td>
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<td>FTSE Bursa Malaysia EMAS</td>
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<td>FTSE Bursa Malaysia ACE</td>
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<td>FTSE Bursa Malaysia Palm Oil Plantation</td>
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<td>FTSE Bursa Malaysia Asian Palm Oil Plantation (USD)</td>
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<td>FTSE Bursa Malaysia Asian Palm Oil Plantation (MYR)</td>
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<td>FTSE Bursa Malaysia EMAS Shariah</td>
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### Market Highlights

<table>
<thead>
<tr>
<th>Market Highlights</th>
<th>Units</th>
<th>Q1 2010</th>
<th>Q4 2009</th>
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<tr>
<td>Market Velocity</td>
<td>%</td>
<td>34.8</td>
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<td>Market Capitalisation</td>
<td>RM bil</td>
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<td>999</td>
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<tr>
<td>Total Trading Volume (OMT + DBT)</td>
<td>bil</td>
<td>62</td>
<td>58</td>
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<tr>
<td>Trading Volume (OMT)</td>
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<tr>
<td>Average Trading Volume (OMT)</td>
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<tr>
<td>Total Trading Value (OMT + DBT)</td>
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<tr>
<td>Trading Value (OMT)</td>
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<td>Average Trading Value (OMT)</td>
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<tr>
<td>No. of Trading Days</td>
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<td>No. of PLCs</td>
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<td>No. of Listed REITs</td>
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<td>No. of Listed Structured Warrants</td>
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<td>New Listings - IPOs (Including REITS)</td>
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<td>New Listings - Structured Warrants</td>
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<td>Total Funds Mobilised</td>
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<td>No. of Rights and Bonus Issues</td>
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<td>No. of New CDS Accounts Opened</td>
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### Foreign Ownership Based on Market Value

![Graph of foreign ownership based on market value]
Market Trend: FBMKLCI and Market Velocity

Market Trend: Market Capitalisation, Total Volume and Value
The FKLI contract is based on the underlying FTSE Bursa Malaysia Kuala Lumpur Composite Index which is the benchmark index of the Malaysian stock market. The index represents the 30 top companies by market capitalisation.

The FKLI is a cash settled contract offering market participants a chance to trade in four different contract months namely the spot month, next month and next two quarters. The calendar’s quarterly months are March, June, September and December.

Market participants can use the FKLI contract for trading, hedging and arbitraging strategies. The prices are determined by market supply and demand, with Bursa Malaysia Derivatives Berhad providing the marketplace for buyers and sellers to come together and trade. The final settlement value at the expiry of the contract will be based on the underlying index.

**Advantages of Trading FKLI**

- Serve as a pricing benchmark as well as a price discovery tool
- Provide information about future stock index movements
Portfolio management for stock market participants:
  • to hedge and cross hedge against price risk
  • to arbitrage when the opportunity arises
  • to speculate for profits
  • to allocate assets without having to sell the underlying

**Uses of FKLI**

- **To hedge a stock portfolio**
  Selling the FKLI to protect a portfolio of stocks from falling prices.

- **Temporary substitute to holding physical stocks**
  Buying the FKLI as a temporary substitute until funds become available to pick up the underlying stocks.

- **Directional trade**
  Buying or selling the FKLI to profit from higher volatilities or a trending market.

- **Arbitrage transactions**
  During periods when the FKLI contract is trading above or below the theoretical “fair value”, there is an opportunity to undertake arbitrage strategies to profit from the price gap between the futures and underlying stocks.

**FBMKLCI Index and FKLI Movement**

Click [here](#) for more information about Bursa Malaysia’s derivatives products.
INVESTING FOR BEGINNERS. LET US GUIDE YOU!

Clueless about investing in the stock market? The answers to all your queries is just one click away, Investing in Bursa Malaysia.

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