



## JOINT MEDIA RELEASE

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# MALAYSIA'S BENCHMARK INDEX KLCI TO ADOPT FTSE'S GLOBAL INDEX STANDARDS

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**Kuala Lumpur, Hong Kong, 21 January 2009** – Bursa Malaysia Berhad (Bursa Malaysia) and global index provider, FTSE Group (FTSE), today announced that Malaysia's primary benchmark index, the Kuala Lumpur Composite Index (KLCI), will adopt the FTSE global index standard and will be known as the **FTSE Bursa Malaysia KLCI** from 6 July 2009 onwards. This direction is in line with Bursa Malaysia's ongoing efforts to remain globally relevant and build a quality market via the integration of an internationally-accepted index methodology to its benchmark index.

Bursa Malaysia's Chief Executive Officer, Dato' Yusli Mohamed Yusoff said, "The improved benchmark index for the Malaysian market will be in line with globally accepted standards that place importance on tradability, investability and transparency – three important criteria used by investors to evaluate a market's attractiveness. This enhancement is important to ensure that the index remains representative in measuring the pulse of the Malaysian market while maintaining linked-standards to the global economy; so as to build our market's quality and relevance in the global arena."

Paul Hoff, Managing Director, Asia Pacific for FTSE Group said, "We are pleased to be working with Bursa Malaysia again as they enhance their market access through the adoption of a free float weighted large cap benchmark. This development should be well received by both domestic and global investors."

Dato' Yusli added that aligning the bourse to a globally recognised name like FTSE brings instant recognition and credibility amongst international investors, which in turn will open more doors of opportunities beyond the Malaysian and regional shores. He also said that the enhanced index will stimulate creation of and investment into Exchange Traded Funds, structured products and other index-linked products in multi markets, giving investors more investment options.

The FTSE Bursa Malaysia KLCI will comprise of the largest 30 companies listed on Bursa Malaysia's Main Board based on investable market capitalisation. It will be free-float adjusted and liquidity-screened to give investors a highly investable and tradable index which remains characteristic of the underlying market. The index will be calculated by FTSE according to transparent, publicly available rules and overseen by a committee of independent market practitioners who will review the index twice a year in June and December.

The improved index will closely track the pulse of the Malaysian market as the index will adopt a higher speed of calculation of every 15 seconds in comparison to 60 seconds currently.

The index value will remain unchanged and will adopt the KLCI index closing value on Friday, 3 July 2009. Exchange traded products currently tracking the KLCI and FTSE Bursa Malaysia Large 30 Index will move into the FTSE Bursa Malaysia KLCI.

With the conversion taking place on 6 July 2009, the half-yearly review on the current KLCI will be discontinued with immediate effect. Upon completion of the transition, the FTSE Bursa Malaysia KLCI will be reviewed in accordance with the FTSE Bursa Malaysia Ground Rules.

Arising from the transition of the KLCI to the FTSE Bursa Malaysia KLCI on 6 July 2009, the contract specifications for the Kuala Lumpur Composite Index Futures (FKLI) and Kuala Lumpur Composite Index Options (OKLI), as stipulated in the Rules of Bursa Malaysia Derivatives Berhad, will be varied with effect from 1 February 2009. These variations apply to FKLI and OKLI open positions that have been created prior to 6 July 2009 and remain open after 6 July 2009. These contracts will be subjected to the transition of the index calculation methodologies from the existing KLCI rules to the FTSE Bursa Malaysia methodology.

For more information on FTSE Bursa Malaysia KLCI, please visit [http://www.bursamalaysia.com/website/bm/market\\_information/fbm\\_klci.html](http://www.bursamalaysia.com/website/bm/market_information/fbm_klci.html) or [www.ftse.com/bursamalaysia](http://www.ftse.com/bursamalaysia).

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## **Notes to Editors**

### **About Bursa Malaysia**

Bursa Malaysia Berhad is a public company limited by shares under the Companies Act 1965. Bursa Malaysia is an approved exchange holding company under Section 15 of the Capital Markets and Services Act 2007. Other companies in the Bursa Malaysia Berhad Group of companies include a stock exchange, a derivatives exchange, an off-shore international financial exchange, equity and derivatives clearing houses, a central depository, an information services provider and an Information Technology services provider.

Bursa Malaysia Securities Berhad, a wholly-owned subsidiary of Bursa Malaysia Berhad, is an approved stock exchange under Section 8 of the Capital Markets and Services Act 2007.

### **About FTSE Group**

FTSE Group is a world-leader in the creation and management of indexes. With offices in Beijing, London, Frankfurt, Hong Kong, Madrid, Paris, New York, San Francisco, Boston, Shanghai and Tokyo, FTSE Group services clients in 77 countries worldwide. It calculates and manages the FTSE Global Equity Index Series, which includes world-recognized indexes ranging from the FTSE All-World Index, the FTSE4Good series and the FTSEurofirst Index series, as well as domestic indexes such as the prestigious FTSE 100. The company has collaborative arrangements with the Athens, Cyprus, Euronext, Johannesburg London, Madrid, NASDAQ and Taiwan exchanges, as well as Nomura Securities, and Xinhua Finance of China.

FTSE indexes are used extensively by investors world-wide for investment analysis, performance measurement, asset allocation, portfolio hedging and for creating a wide range of index tracking funds. Independent committees of senior fund managers, derivatives experts, actuaries and other experienced practitioners review all changes to the indexes to ensure that they are made objectively and without bias. Real-time FTSE indexes are calculated on systems managed by Reuters. Prices and FX rates used are supplied by Reuters.