

Gold Futures

Traded in USD, Settled in MYR



What is FGLD?

FGLD is a US Dollar denominated (Ringgit Malaysia settled) Gold Futures contract traded on Bursa Malaysia Derivatives designed to provide market participants with exposure to international gold price movements.



Features



Contract Size

Each FGLD contract is equivalent to the reference price per troy ounce multiplied by the Contract Multiplier (40 multiplier).



Settlement Method

Cash Settlement in Malaysia Ringgit (MYR).



Pricing

The pricing of the FGLD contract is benchmarked against the London Gold Fix Price.

What is The Ticker Code for FGLD Contract?

▶ CME Globex®

BMD\FGLD\relevant contract month code
Example: BMD\FGLD\SEP22

▶ Bloomberg

FGDA Comdty CT <Go>

▶ Refinitiv

<FGLD> + <Month Code> + <Year Code>
Example: <FGLDU2> SEP22 contract

▶ ICE Data Services

F:FGLD\Mnn, where M is month code and nn is year number
Example F:FGLD\U22

Why Trade FGLD?



Global Access

FGLD is traded electronically on CME GLOBEX®, a global electronic trading platform. Accessing CME Globex® is easy and allows individual and professional traders anywhere around the world to access BMD products.



Leveraged Trading

Gain leveraged exposure to the notional value of the underlying asset with a relatively small amount of capital (Initial Margin), magnifying the effect of a given change in price.



Take Advantage of Bull & Bear Markets

FGLD provides retail investors an avenue to access the international gold market. Buy low and sell high for a bullish outlook on the movement of international gold prices, and vice versa for a bearish outlook.



Regulated Trading

Trade with confidence in a secured and transparent marketplace regulated by the Securities Commission Malaysia.



Risk Management

FGLD can be used by the gold industry players to hedge against the risk of unfavorable price movement in the physical market.

Bull Market

January
(Current Month)

- ▶ All economic indicators are pointing towards a weak economy. The US Dollar (USD) is bearish, and market is anticipating USD to further weaken in the coming months
- ▶ The stock market becomes highly volatile
- ▶ Gold price is at **USD1,600** per troy ounce

March
(2 Months Later)

- ▶ Gold price soars to **USD1,700** per troy ounce

How to profit from the bullish gold market with FGLD:

Buy 1 FGLD Contract at USD1,600 per troy ounce



Sell 1 FGLD Contract at USD1,700 per troy ounce



GROSS PROFIT:

USD (1700 - 1600)

x40

= MYR4,000

The same strategy can be applied on any other indications of a bullish market.

Bear Market

January
(Current Month)

- ▶ All economic indicators are pointing towards a strong economy. The US Dollar (USD) is bullish, and market is anticipating USD to grow stronger in the coming months
- ▶ Investors have a bearish view on the gold market
- ▶ Gold price is at **USD1,800** per troy ounce

March
(2 Months Later)

- ▶ Gold price tumbles to **USD1,700** per troy ounce

How to profit from the bearish gold market with FGLD:

Sell 1 FGLD Contract at USD1,800 per troy ounce



Buy 1 FGLD Contract at USD1,700 per troy ounce



GROSS PROFIT:

USD (1800 - 1700)

x40

= MYR4,000

The same strategy (short selling) can be applied on any other indications of a bearish market.

Note:

1. Initial Margin is to be deposited with a Futures Broker prior to trading.
2. Open position is subject to daily mark-to-market which may require additional margin to be deposited.
3. Transaction costs have been excluded in this example.

What are the Margin Requirements for FGLD & the Approved Foreign Currencies?

The Initial Margin for FGLD imposed by the Exchange are revised from time to time based on various factors including the price and volatility of the contract. Refer to the Circulars for the latest Performance Bond/Margin Rates of the FGLD Contract.

The approved foreign currencies accepted as initial margin for FGLD Contract are as follows:

- ▶ Malaysian Ringgit (MYR)
- ▶ US Dollar (USD)
- ▶ British Pound (GBP)
- ▶ Euro (EUR)
- ▶ Hong Kong Dollar (HKD)
- ▶ Japanese Yen (JPY)
- ▶ Chinese Renminbi (RMB)
- ▶ Singapore Dollar (SGD)
- ▶ Australian Dollar (AUD)

Please refer to your licensed Futures Broker for other approved collateral.

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Get started!

Open a Futures Trading Account with a licensed Futures Broker of Bursa Malaysia Derivatives today.

For more information and latest updates, scan here:



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