



WHAT ARE THE TYPES OF DERIVATIVES ?

DERIVATIVE

A FINANCIAL INSTRUMENT WITH A VALUE THAT IS DERIVED FROM AN UNDERLYING ASSET OR GROUP OF ASSETS. IT IS A CONTRACT BETWEEN TWO OR MORE PARTIES, AND ITS PRICE IS DERIVED FROM THE PRICE OF THE UNDERLYING ASSET. FUTURES AND OPTIONS ARE EXAMPLES OF DERIVATIVES.

FUTURES CONTRACT

An agreement to buy or sell a particular asset at a predetermine price at a specified time in the future. Each futures contract represents a specific amount of a given commodity or financial instrument.

OPTIONS CONTRACT

A contract that gives the buyer the right, but not the obligation, to buy or sell an underlying asset at a specific price on or before a certain date.

BURSA MALAYSIA DERIVATIVES (BMD) OFFERS 3 CATEGORIES OF DERIVATIVES

1 COMMODITY DERIVATIVES



FUTURES

- Crude Palm Oil Futures (FCPO)
- USD RBD Palm Olein Futures (FPOL)
- Crude Palm Kernel Oil Futures (FPKO)
- USD Crude Palm Oil Futures (FUPO)
- Gold Futures (FGLD)
- USD Tin Futures (FTIN)

OPTIONS

- Options on Crude Palm Oil Futures (OCPO)

2 EQUITY DERIVATIVES



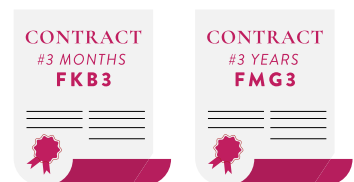
FUTURES

- FTSE Bursa Malaysia KLCI Futures (FKLI)
- Mini FTSE Bursa Malaysia Mid 70 Index Futures (FM70)
- Single Stock Futures (SSFs)

OPTIONS

- FTSE Bursa Malaysia KLCI Options (OKLI)

3 FINANCIAL DERIVATIVES



FUTURES

- 3 Month Kuala Lumpur Interbank Offered Rate (KLIBOR) Futures (FKB3)
- 3-Year Malaysian Government Securities Futures Contract (FMG3)
- 5-Year Malaysian Government Securities Futures Contract (FMG5)
- 10-Year Malaysian Government Securities Futures Contract (FMGA)

NOTES

- FCPO is the most popular commodity derivatives in BMD as it is used as a global price benchmark for crude palm oil.
- FKLI is the most popular equity derivatives as it provides exposure to underlying FBM KLCI.
- FM70 is the new Mini Futures Contract on FBM Mid 70 Index.
- List of products offered as at January 2019. Please refer to the full list of products offered at WWW.BURSAMALAYSIA.COM



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