

<b>Document:</b>	Exchange Address for Dato' Tajuddin Atan, CEO of Bursa Malaysia Berhad
<b>Event:</b>	Financial Markets Price Outlook Conference 2015
<b>Date:</b>	16 June 2015 (Tuesday)
<b>Time:</b>	9:00 am
<b>Venue:</b>	Grand Ballroom, Ground Level, Grand Hyatt Kuala Lumpur

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Assalamualaikum warahmahtullahi wabarakatuh

Yang Berusaha Dr. Sukhdave Singh,  
Deputy Governor, Bank Negara Malaysia,

Yang Berusaha Encik Wan Kamaruzaman Wan  
Ahmad, Chief Executive Officer,  
Kumpulan Wang Persaraan Malaysia (KWAP),

Our partner from the CME Group,  
Mr Arun Subramanian,  
Executive Director, Global Business Development,  
CME Group,

Distinguished speakers and panelists,  
Our valued sponsors and partners,  
Delegates, ladies and gentlemen,

1. A very good morning and welcome to Bursa Malaysia's inaugural Financial Markets Price Outlook Conference or FMOC 2015. I am glad to see so many in attendance today and it is a privilege for us to bring you yet another inclusive platform where you can obtain neutral and objective information and insights on markets.
2. I would also like to welcome back the delegates who attended our second Gold and Precious Metals Price Outlook Conference or GOC 2015 yesterday.

I trust it was a highly rewarding and productive day with the industry's most prominent thought leaders from the likes of the World Gold Council, the CME Group, the Federation of Goldsmiths and Jewellers Associations of Malaysia, industry bodies and the mints.

3. From gold, we move to financial markets where we will focus on specific events that have dominated the headlines and the global stage including; how the region is responding to the challenges and heightened competition. Aptly themed, “***Quantitative Easing - ASEAN's response, now and beyond***”, this single line captures the essence of the ensuing changes and challenges within the global financial markets today.

Ladies and gentlemen,

4. There is no better place to be in than in Asia, specifically in ASEAN, at this point in time.

Our region, when viewed as a single economy, is projected to grow by 4.9% in 2015, an upward revision compared to 4.3% for 2014.

This level is almost double<sup>1</sup> that of what is expected globally, which is averaged out at 2.7%<sup>2</sup> for 2015. It is definitely an exciting time for ASEAN, especially Malaysia which is at the centre of this 6<sup>th</sup> largest economy in the world.

5. And the question we have today is: how do we, in the context of our theme and the broader financial discussion, sustainably grow our businesses?

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<sup>1</sup> Ratio: ASEAN's growth is more than 1.8 times in percentage terms

<sup>2</sup> Source: Capital Market Intelligence Report by EIU, April 2015

Against a backdrop of higher financial volatility, heightened competition, rising cost pressures and an evolving and increasingly regulated landscape, how can a business or investor respond?

6. As an Exchange, we see two key challenges that are impacting the way we do business and will continue to disrupt the landscape as we understand it.
7. Firstly, the recent months have been marked by increased volatility in global markets due to a combination of geopolitical instability, falling commodity prices and uneven economic outlooks that range from expectations of improvements in Japan and the U.S. to the slower than expected recovery in the Eurozone.

As a result, the mood across markets and businesses has been cautious as the world positions itself to operate in an increasingly complex and unpredictable environment.

8. What this means for all of us is that understanding the dynamics of today's volatile financial markets - from commodity, equity, fixed income markets and foreign exchange - has never been more important. This understanding becomes a critical step for businesses to assess their operating models. Be it from a performance, cost, risk or resource perspective, the reality is that the cost of not mitigating these complexities will force the less agile to fold.

9. The second challenge is the heightened competition amidst a drive towards greater accountability and cost efficiencies, driven by the ‘digitisation of everything’.
10. In essence, the recent comment by Mark Carney, the Bank of England’s governor, on ‘the end of the age of irresponsibility and ethical drift<sup>3</sup>’, is representative of the general business sentiment globally.

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<sup>3</sup> Source: ‘UK Governor outlines tough rules’, Financial Times, 12 June

11. The reality is that standards and expectations have risen enormously, in terms of capital, liquidity, risk management or culture. Coupled with a greater emphasis on balance sheet efficiency and stringent assessment of business decisions, the challenge for many is in driving profitability whilst keeping close tabs on these priorities<sup>4</sup>.

12. As such, ladies and gentlemen, we have brought to you a line-up of esteemed speakers to throw more light on these subjects.

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<sup>4</sup> Source: 'A new playbook for balance sheet efficiency', 2015 Capital Markets Outlook Preparing for Takeoff by Deloitte Center for financial services



Our lineup of speakers today comprise policy makers and government institutions namely from Bank Negara Malaysia and KWAP, analysts and economists from our leading fund managers, brokers and banks<sup>5</sup> as well as market practitioners. I am confident they will be able to provide industry and market intelligence as well as to contextualise the discussions and share best practices that can be tooled for the future.

13. With all the challenges knocking on many doors, agility and forward thinking will be key.

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<sup>5</sup> **Fund managers:** AmlInvest, RCMA Asset Management,  
**Brokers & IBs:** Kenanga Deutsche Futures, Macquarie Capital  
Securities, Philip Capital  
**Banks:** OCBC, Bank of America Merrill Lynch

And to that end, I commend you for taking this opportunity to understand better the risk management strategies available in the market via hedging instruments in order to better manage your risks and drive profitability. Whether in an uptrend, downtrend, sideways market and within volatile periods, Bursa Malaysia's range of equity, financial and commodity derivatives products offer easy and efficient exposure to risk manage and hedge against unfavourable price movements.

14. With this ladies and Gentlemen, I invite you to take advantage of your time here as well as to tap into the knowledge and expertise of our speakers. Thank you and I wish you all a very productive day ahead.

Wabillahiitaufig Walhidayah Wassalamualaikum  
Warahmatullahi Wabarakatuh

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