

**LAUNCH OF FTSE-BURSA MALAYSIA PALM OIL PLANTATION INDEX SERIES  
MONDAY, 18 MAY 2009**

**OPENING REMARKS BY  
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Members of the media,  
Ladies and gentlemen,  
Good afternoon.

Thank you for joining us here today. I'd like to start by telling you a little bit of what we at the exchange have been doing in improving the attractiveness and competitiveness of our market. As you know, we have been taking measured steps towards putting in place initiatives and infrastructure towards improving the appeal and quality of the capital market.

While the equity market has witnessed considerable progress, the further expansion of its breadth and depth remains a priority. We have been witnessing aggressive competition for a share of global investment activity and therefore, our market must aspire to international standards to compete. It must present investors with a liquid, efficient and transparent trading environment.

You recently shared in our significant news when we unveiled the new structure of the soon to be implemented Main Market and ACE Market that will change the capital market landscape. The current board structures will be revised and streamlined come **3<sup>rd</sup> August** to ensure easy and efficient access to fund raising and investments. The fundamental change is that we are now moving towards a more market based approach as our market increasingly matures.

Another key initiative imminent on the **6<sup>th</sup> of July** is the conversion of the benchmark KLCI index to the FTSE methodology. This enhancement to the KLCI which places importance on tradability, investability and transparency is aimed to ensure that the index remains representative in measuring the pulse of the Malaysian market trading

activity. As you know, three years ago, we embarked on the adoption of FTSE's international index methodology into our indices. Since then, we have almost completed the revamping of all our main indices, with the exception of the KLCI, which will take place in July. The adoption of the FTSE methodology fits into our overall objectives as it gives an opportunity for the Malaysian capital market to develop internationally recognised standards.

Today, we are pleased to launch a set of thematic indices which is patterned on Malaysia's star commodity – the palm oil. Let me give you a broad overview of these indices as my colleague will share with you the details shortly. The three indices launched today are:

1. the FTSE Bursa Malaysia Palm Oil Plantation Index in Ringgit;
2. the FTSE Bursa Malaysia Asian Palm Oil Plantation Index in Ringgit; and
3. the FTSE Bursa Malaysia Asian Palm Oil Plantation Index in US Dollars

Combined, these three indices which include the world's liquid and large cap companies, will allow investors to track the performance of listed companies which derive their substantial revenues from palm-oil related activities. This series of indices is aimed to enable investors to gain exposure to the lucrative, billion dollar palm oil industry, of which Malaysia is a forerunner. Staying true to the fundamentals of FTSE's index methodology, these indices will benchmark the performance of companies according to global standards of liquidity, investability and free float classifications.

The introduction of these new palm oil plantation indices is an exciting opportunity that will complement and strengthen Malaysia's existing position as a significant player in the global palm oil industry. This direction is in line with Bursa Malaysia's efforts to contribute towards Malaysia as a one-stop centre for palm oil related offerings. These new indices will complement and offer a platform for growth of palm oil plantation related capital market products, such as Exchange Traded Funds (ETFs) and other structured products, which can span across equities, derivatives and commodities markets.

Ladies and gentlemen,

Bursa Malaysia houses the world's most liquid crude palm oil futures contract on our derivatives market. It has been the leading global price benchmark for close to three decades. We have been breaking many records with our CPO futures. In fact, in April, the CPO futures recorded an all time high of 442,220 contracts with a daily average of 20,101 contracts traded.

We also have the world's largest plantation and palm oil companies listed on Bursa Malaysia and records have shown that these companies have demonstrated strong performance in terms of investor interest in their stocks. These companies tend to move in tandem with the rise in global commodity prices, offering more upside on their potential investment opportunities amongst the investors. The 3 years back cast values of these new indices indicate that the palm oil plantation indices outperformed the KLCI by more than 39%.

This shows that our palm oil related products already have a good following by investors. As such, the move to introduce these palm oil plantation related indices complements our strong footing in palm oil commodities related sector. This move strengthens our CPO futures market as it bridges between the cash and derivatives markets for hedging and arbitraging opportunities. In short, the new indices elevate the profile of Malaysia's palm oil industry.

Ladies and gentlemen,

I look forward to these new indices to further boost our standing as a key commodity centre, which is one area of strategic focus for the Exchange. The FTSE Bursa Malaysia series of palm oil plantation indices today further cements our efforts to not only internationalise our offerings to suit the global investors' appetites, but also to further establish our presence in the commodity platform.

Thank you.