

# Your Alternative Exposure To Malaysian Government Securities

## FMG5

5-Year Malaysian  
Government Securities  
Futures Contract

Traded on  
Bursa Malaysia



# WHAT IS FMG5?

5-Year Malaysian Government Securities Futures (FMG5) is a derivatives Contract that provides market participants an alternative exposure to the bond markets. It is a physically settled Contract where the seller has the right to make delivery of the physical Malaysian Government Securities (MGS) in the delivery period and the buyer is obliged to accept the delivery, if assigned.



## Features



### CONTRACT UNIT

5-Year MGS with a principal value of MYR100,000.00



### CONTRACT'S COUPON RATE

6% per annum and payable semi-annually



### SETTLEMENT METHOD

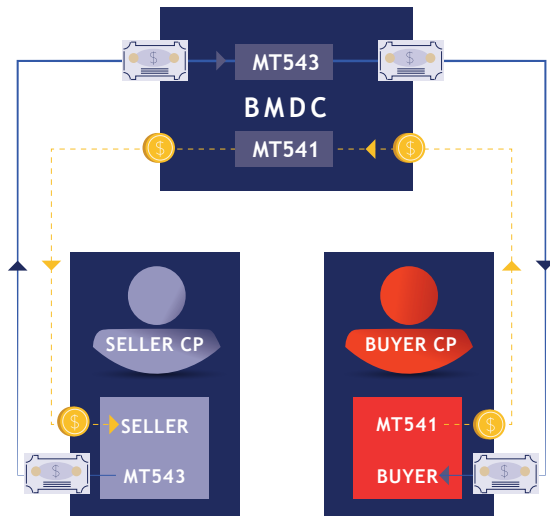
Physical delivery

## What Is The Ticker Code For FMG5 Contract?

- ▶ **CME Globex®**  
BMD\FMG5\relevant Contract month code  
Example: *BMD\FMG5\DEC20*
- ▶ **Refinitiv**  
<FMG5> + <Month Code> + <Year Code>  
Example: <FMG5Z0> DEC2020 Contract Chain RIC: <0#FMG5:>
- ▶ **Bloomberg**  
MGA Comdty CT <Go>

## WHAT IS THE DELIVERY PROCESS?

The FMG5 physical delivery model closely mirrors the transfer of MGS and cash in the OTC market with key alterations being Bursa Malaysia Derivatives Clearing Berhad (BMDC)'s role as the "passthrough" to facilitate the exchange of the MGS and cash. The following diagram illustrates the flow of MGS and payment between Buyer and Seller through BMDC via a Delivery Versus Payment (DVP) model enabled by RENTAS's Securities Linked Settlement (SLS) functionality.



CP - Clearing Participant

BMDC - Bursa Malaysia Derivatives Clearing

MT543 - RENTAS instruction to deliver bond

MT541 - RENTAS instruction to deliver funds

## WHEN IS THE DELIVERY PERIOD?

The delivery period starts from the 1<sup>st</sup> business day of the delivery quarterly month to the second Business Day after the Final Trading Day. The Final Trading Day shall fall on 3<sup>rd</sup> Wednesday of the Contract month or the 1<sup>st</sup> Business Day immediately following the 3<sup>rd</sup> Wednesday if the 3<sup>rd</sup> Wednesday of the Contract month is not a Business Day.

The physical delivery process takes three (3) exchange business days to accomplish, ensuring adequate time for the participants - the futures seller making delivery, the futures buyer taking delivery, their respective CPs and BMDC to make necessary notifications and arrangements.

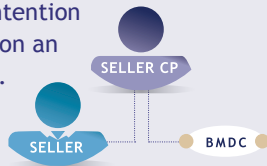
# WHAT IS THE NEW PHYSICAL DELIVERY FLOW FOR THE SELLER?

01

BY 6:30PM



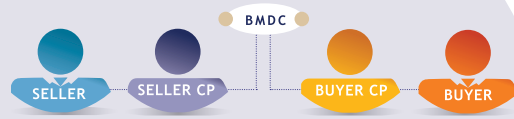
On Intention Day, Seller CP notifies BMDC its client's (Seller) intention to make delivery on an expiring Contract.



02

BY 8:30PM

BMDC matches the Seller CP to Buyer CP(s) with open positions having the oldest position vintage date(s).



04

BY 6:00PM

Seller recommended to submit their MT543 into RENTAS.



03

NOTICE DAY

On Notice Day, Seller CP to advise Seller the necessary information generated by BMDC's DCS for the MT543 preparation.

05

BY 10:00AM



On Delivery Day, Seller must submit their MT543 into RENTAS.

06

BY 11:00AM

On Delivery Day, Seller receives the intended cash once RENTAS SLS DVP is matched.



# WHAT IS THE NEW PHYSICAL DELIVERY FLOW FOR THE BUYER?

01

BY 8:30PM



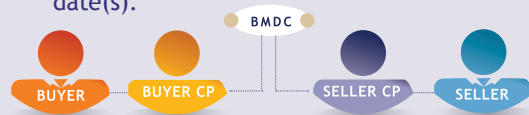
Buyer CP to report the open positions of their clients (Buyer) during Position Day.



02

BY 8:30PM

BMDC matches the Seller CP to Buyer CP(s) with open positions having the oldest position vintage date(s).



04

BY 6:00PM

Buyer recommended to submit their MT541 into RENTAS.



03

NOTICE DAY

On Notice Day, Buyer CP will know which of their client (Buyer) has been assigned the bond delivery.

Buyer CP to advise the necessary information generated by BMDC's DCS for the MT541 preparation.

05

BY 10:00AM

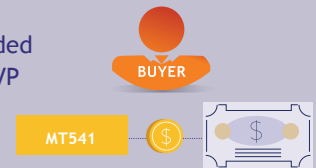


On Delivery Day, Buyer must submit their MT541 into RENTAS.

06

BY 11:00AM

Buyer receives the intended bond once RENTAS SLS DVP is matched.



Open a Futures Trading Account with one of the licensed Futures Brokers of Bursa Malaysia Derivatives to get started.

Please refer to our list of Trading Participants at [www.bursamalaysia.com](http://www.bursamalaysia.com)

For more information and latest updates:  
Visit Bursa Malaysia website



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