

## 5-Year Malaysian Government Securities Futures (FMG5)

<b>Exchange</b>	BMD
<b>Underlying Instrument</b>	5-year Malaysian Government Securities.
<b>Coupon Rate</b>	6%
<b>Contract Size</b>	RM100,000
<b>Minimum Price Fluctuation</b>	0.01% or RM10
<b>Contract Months</b>	Four Nearest Quarterly cycle months (March, June, September and December).
<b>Trading Hours</b>	First trading session: Malaysian 9:00 a.m. to 12:30 p.m. Second trading session: Malaysian 2:30 p.m. to 5:00 p.m.
<b>Final Trading Day</b>	Trading ceases at 11:00 a.m. (Malaysian time) on the 3rd Wednesday of the delivery month or the 1st Business Day immediately following the 3rd Wednesday of the delivery month if the 3rd Wednesday of the delivery month is not a Business Day.
<b>Final Settlement</b>	Cash Settlement Method.
<b>Cash Settlement Method</b>	<p><b>Weightage</b></p> <p>The final settlement value will be weighted equally on the eligible MGS.</p> <p>In the event of new eligible MGS being introduced, unless otherwise determined by the Exchange in consultation with the Commission:</p> <ol style="list-style-type: none"> <li>1. If there are four or more MGS in the basket of eligible MGS (including the new/reissued MGS), the new MGS/reissued MGS will be assigned a 30% weighting while the rest will receive equal weights.</li> <li>2. If there are three MGS in the basket of eligible MGS (including the new MGS/reissued MGS), the new MGS/reissued MGS will be assigned a 40% weighting while the rest of the MGS in the basket will receive equal weights, and</li> <li>3. If there are two MGS in the basket of eligible MGS (including the new MGS/reissued MGS), the new MGS/reissued MGS will be assigned a 60% weighting while the other MGS will receive 40% weight.</li> </ol>

	<p><b>Yield</b></p> <p>i. At 1100 hours on the Final Trading Day, from the quotation contributed by selected institutions on Reuters Ltd, the arithmetic mean of the eligible MGS mid price shall be calculated, after discarding the two highest and the two lowest mid prices. It will be converted to yield in percentage, rounded to the nearest 4 decimal places.</p> <p>The final yield for all the eligible MGS in the basket is derived from the yield for each MGS as per the weightage announced by the Exchange.</p> <p>The final settlement value shall be calculated from the final yield in accordance with the following formula rounded to two (2) decimal places:</p> $\text{Price} = \{(C/Y)[1 - (1 + Y/2)^{-2N}] + (1 + Y/2)^{-2N}\} \times \text{RM}100$ <p>Where C = Coupon, Y = Yield.</p> <p>ii. In the event that the above calculation (i) cannot be made, the final settlement value shall be calculated as published by another financial news vendor approved by the Exchange at 11.00 hours (Malaysian time) on the Final Trading Day.</p> <p>iii. In the event that the above calculation (i) and (ii) cannot be made, the final settlement value shall be calculated as obtained from Bank Negara Malaysia at 11.00 hours (Malaysian time) on the Final Trading Day.</p> <p>In the event that none of the above 3 calculations can be made, the final settlement value shall be determined by the Exchange.</p>
<b>Eligible MGS</b>	<p>a. Subject to sub-clause (c) hereinbelow, for an existing MGS in the market, or in the case of new MGS/reissued MGS that fulfil the requirement of a minimum issuance size of RM500 million 4½ to 5½ years term to maturity on the 1st calendar day of the Contract month will be included;</p> <p>b. The eligible MGS and its weightage for the following quarterly month Contract will be announced on the 10th day of the expiry month for the current quarterly month (March, June, September, December) or the next Business Day immediately following the 10th day of the current quarterly month if the 10th day is not a Business Day; and</p> <p>c. No new MGS will be included after the announcement of Eligible MGS for the spot quarterly month Contract.</p>
<b>Speculative Position Limit</b>	<p>Maximum number of net long or net short positions to be held: 10,000 contracts for all months combined.</p>