

OVERVIEW OF MALAYSIAN STOCK MARKET

This topic is intended as a brief introduction by way of providing an overview of the stock markets. We will examine the stock exchange which provides the market for trading securities, and the particular characteristics of the Malaysian stock Market, as well as look at the players who invest in the stock market.

SUMMARY

The topic provided an introduction to securities, stock markets and the operation of a stock exchange. We noted the different exchanges in Malaysia, and also looked at a stock exchange as a medium whereby listed companies can raise funds via the issuing of securities. These shares can then be traded so that shareholders may participate in the benefits available, i.e. income through dividends and capital growth. In essence, a stock exchange enables both financing and investing.

We then considered the specific characteristics of Bursa Malaysia Securities Berhad, the types of securities that are traded and the indices used as indicators of the market performance with emphasis on FTSE Bursa Malaysia. We also considered the Islamic Capital Market.

In addition, we looked at the various market participants and intermediaries, including different types of investors and what Participating Organisations do.

We concluded the topic by discussing how technology has made investing and trading quicker and more convenient and in the process, lowered the cost of execution. Some new technologies, such as blockchain, have yet to find their way into mainstream finance. As this topic is an overview, many of the areas covered here are considered in more detail in later topics.