

An Overview of the Malaysian Economy and its Stock Exchange - Bursa Malaysia



Assoc Professor Dr Ziyaad Mahomed

Head of Online Programs, INCEIF University
International Shari'ah Advisor

03 October 2023

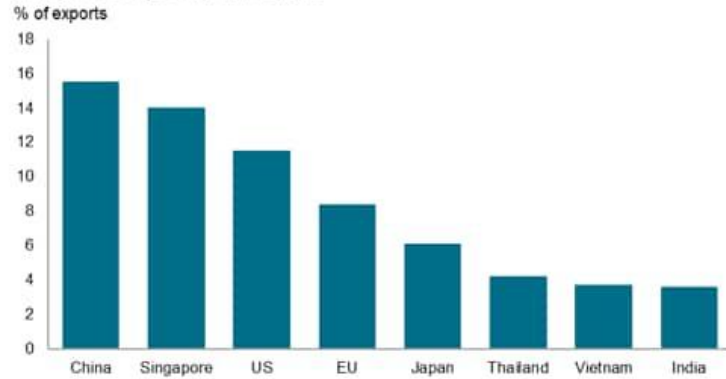


Areas of Discussion

- ***Malaysian Economy***
 - Malaysia - State of the Economy
 - Largest Market Sectors
- ***Malaysian Stock Market – Bursa Malaysia***
 - Key Highlights
 - Bursa Malaysia Indices
 - Types of Instruments offered at BURSA
 - Rules & Regulations
 - Latest Changes



Malaysia's major export markets



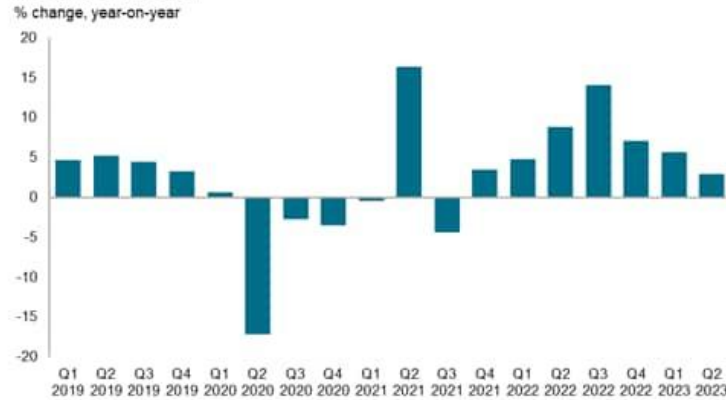
Source: Matrade, EC via S&P Global Market Intelligence.
© 2023 S&P Global.

GDP is expected to rise as Malaysia is seen as a hub for electronics. Intel invested USD7 billion in factory in Penang.

Merchandise exports have slowed, but service have shown growth. Lower exports were because of the slowing China market (China accounts for 15.5% of Malaysia's exports).

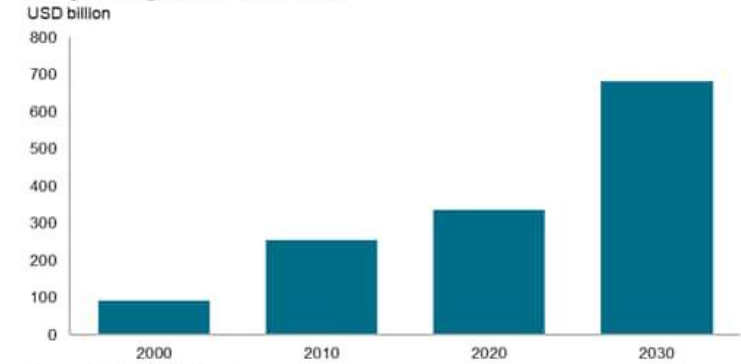
Malaysian tourism sector expected to be up by 60% in '23, still half of pre-pandemic levels.

Malaysia GDP growth



Source: S&P Global Market Intelligence.
© 2023 S&P Global.

Malaysia long-term GDP forecast



Source: S&P Global Market Intelligence.
© 2023 S&P Global.

Economy rebounded strongly in 2022, boosted by higher palm oil prices.

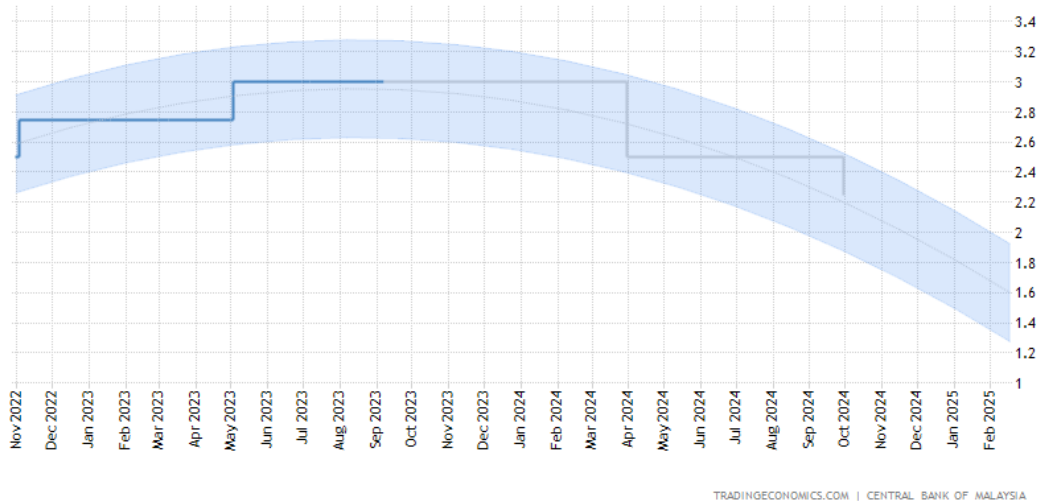
Nominal GDP expected to rise from USD400 billion in '22 to USD680 billion by '30.

GDP per capita: USD12,000 ('22) to USD18,600 ('30).

CPI inflation has slowed to 2.4% in June '23, from 4.5% last year.

Malaysian economy slowed to 2.9% (y/y) in the 2Q23, from 5.6% in 1Q23.

Malaysia is a multi-racial, federal constitutional monarchy, with a population of +-33.2 million, with over 63% Muslims.



Interest rates (3%) have been kept steady by BNM and are expected to be maintained and drop to below pre-pandemic levels by 2025.

Interest Rates



MYR lost 5% to the USD in 2023 to date, but is expected to strengthen against the dollar as interest rate differentials decrease and the dollar weakens due to geopolitical events.

Currency Strength



Established in 1930

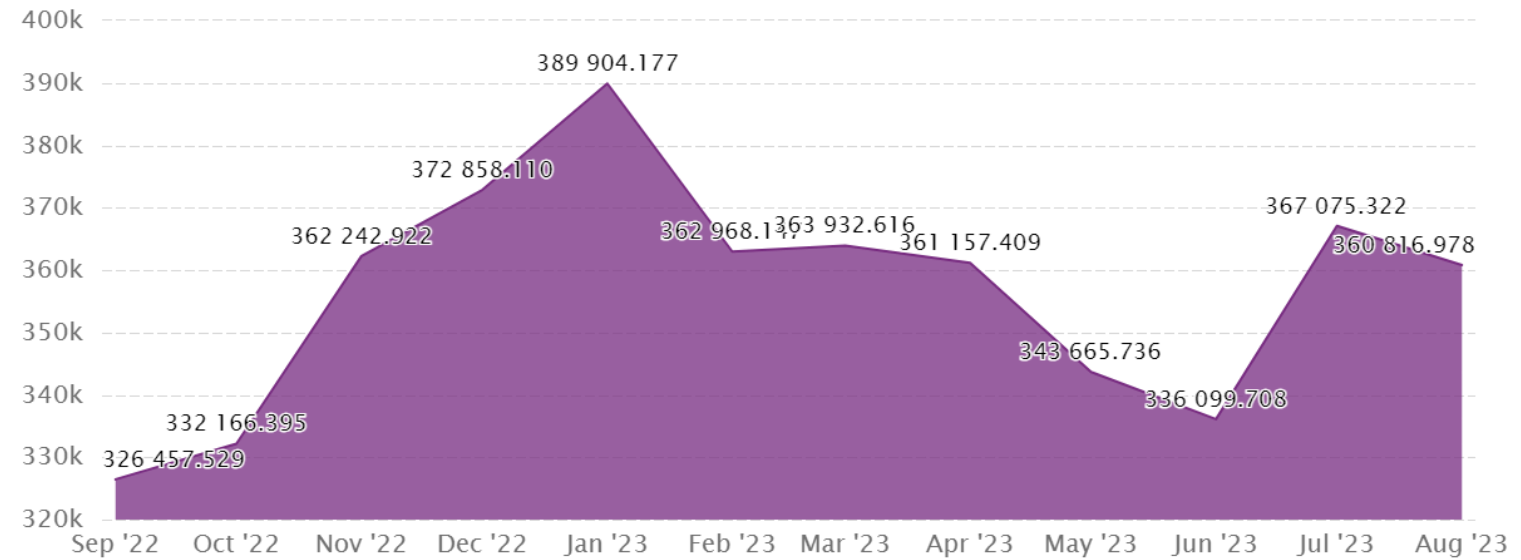
Malaysian Stock Exchange formed in 1960

Known as Kuala Lumpur Stock Exchange (KLSE) Became demutualized exchange and renamed to Bursa Malaysia in 2004

Consists of a Main Board, a Second Board and MESDAQ (now ACE Market) with total market capitalization of (USD\$397.39 billion)

Foreign investment primarily into Transport, Logistics and Plantation, with net inflows increasing

1.4 million active retail investors



Market Capitalization: Equity: Bursa Malaysia: USD mn: Monthly: Malaysia

Thank You

Assoc Prof Dr Ziyaad Mahomed

+6010 369 4662 | drziyaadm@gmail.com | ziyaad@inceif.org

Lead Researcher (Shariah) CoE Islamic Social Finance, INCEIF University
Head of Online Programs, INCEIF University
Adjunct Professor, Asia School of Business (in collab with MIT)
Consultant to World Bank for Islamic Finance in ASEAN
Chairman, Shariah Board HSBC Amanah Malaysia
Chairman, Shariah Board TajBank Ltd Nigeria
Chairman, Shariah Board FBNQuest Asset Managers Nigeria
Chairman, Shariah Board One17 Capital Nigeria
Chairman, Shariah Board Ayady Takaful Maldives
Chairman, Shariah Board IMAN Invest Singapore
Chairman, Shariah Board iConsult Africa, South Africa
Chairman, BOD Edupro United Kingdom
Shariah Board Member, Bank of Maldives (BML Islamic)
Shariah Board Member, Munich Re, Malaysia



INCEIF
UNIVERSITY

ISRA
RESEARCH
MANAGEMENT
CENTRE

ISRA
CONSULTING

www.inceif.org | marketing@inceif.org | +603 7651 4000