

HIGHLIGHTS

- The FBMKLCI ended Q2 2021 lower by 2.60%.
- In Q2 2021, the SC approved 4 applications for new Capital Markets Services Licence (CMSL) and 284 applications for new Capital Markets Services Representative's Licence (CMSRL).

MARKET SURVEILLANCE

Domestic equity market performance

The FBMKLCI ended the Q2 2021 lower by 2.60%. The losses in the quarter were broad-based as the number of domestic COVID-19 cases rose steadily. Bursa Malaysia's heavyweight glove makers led the local benchmark index lower amid progress in vaccination programmes around the world. Additionally, glove stocks were also downgraded by analysts as average selling prices for gloves have likely peaked. Meanwhile, glove maker Supermax Corp was removed as an FBMKLCI component in June 2021, and replaced by Mr DIY Group. Plantation counters also fell significantly, despite only a minor decline in the price of crude palm oil as concerns surrounding labour shortage, adverse weather conditions as well as ESG practices remained.

All sectors except Transportation ended lower. The Transportation (+7.48%) sector emerged as the sole gainer largely due to a more than 80% rise in MMC Corp's stock price throughout Q2 2021 as the company received a privatisation proposal from Tan Sri Syed Mokhtar Albukhary. In contrast, the Energy (-14.60%) sector underperformed despite an uptrend in the global crude oil prices as the sector was weighed down by heavy losses in Serba Dinamik stock due to its unresolved audit issues.

Across the market segments, Mid 70 (-6.43%), Small Cap (-7.92%) and the ACE Market (-30.96%) underperformed, relative to the FBMKLCI (-2.60%) and Fledgling (-2.04%) indices. In terms of trading activity, the daily average volume traded declined by 23.57% q-o-q to 6.57 billion shares while average value traded per day decreased by 25.36% q-o-q to RM3.86 billion in Q2 2021.

LICENSING

The SC approved 4 applications for new CMSL and 284 applications for new CMSRL during Q2 2021.

Details on the total CMSL and CMSRL holders are presented in Table 1.

Table 1

Total number of licensed capital market intermediaries

Regulated Activity	Total number of licensees
DEALING IN SECURITIES:	
• Investment banks	10
• Universal brokers	1
• Special scheme foreign stockbroking companies	7
• Stockbroking companies with at least one merger partner	13 ¹
• Dealing in securities restricted to listed securities	1
• Dealing in securities restricted to unit trust (standalone)	5
DEALING IN DERIVATIVES	7
FUND MANAGEMENT:	
• Fund management companies	40
• REIT managers	18
• Special scheme foreign fund management companies	5
• Islamic fund management companies	23
• Boutique fund management companies	6
• Digital investment manager	8
CORPORATE FINANCE COMPANIES	41
INVESTMENT ADVISORY COMPANIES	18 ²
FINANCIAL PLANNING COMPANIES	37 ³
CMSRL	
Dealing in securities (include dual licence holder)	6,442
Dealing in derivatives	443
Fund management	815
Advising on corporate finance	744
Investment advice	291
Financial planning	1,204

Registration

In Q2 2021, the SC approved 1 new registration for venture capital management corporation (VCMC), which was Emissary Capital Partners Sdn Bhd, and 1 new registration for venture capital corporation (VCC), Sun SEA I Sdn Bhd.

¹ Includes iFast.

² Includes 1 individual CMSL holder.

³ Includes 2 individual CMSL holders.