

## HIGHLIGHTS

- The FBMKLCI ended lower by 3.30% in Q1 2021.
- In Q1 2021, 203 applications for new Capital Markets Services Representative's Licence (CMSRL) were approved.

## INSTITUTION SUPERVISION

### COVID-19 relief measure: Further extension of temporary Suspension on IDSS and Intraday Short Selling by PDT

The temporary suspension of Intraday Short Selling (IDSS) and Intraday Short Selling by Proprietary Day Traders (PDT Short Sale) on Bursa Malaysia and associated waivers were extended to 29 August 2021 after they were due to expire on 28 February 2021.

In effect since March 2020, the suspension was one of the measures undertaken by the SC to mitigate potential risks from heightened market volatility due to the COVID-19 pandemic.

The extension also enabled Bursa Malaysia to further enhance control measures for intraday short selling activities to ensure that fair and orderly market conditions can be sustained upon their resumption.

### Facilitating Go-Live of recognized market operators (RMO) - e-Services platforms

The SC had assessed and granted its concurrence for two e-Services platform operators to operationalise Go-Live in January 2021 and March 2021 respectively. These entities had been authorised as RMOs in 2020.

## Registration of new RMO

In February 2021, the SC had authorised one applicant as an RMO pursuant to section 34 of the Capital Markets and Services Act (2007) after assessing its adherence with the relevant regulatory requirements.

### Bitcoin Cash (BCH) approved as permissible digital asset

In March 2021, the SC approved the trading of BCH as a permissible digital asset to be traded on an RMO-DAX platform, pursuant to paragraph 15.14 of the RMO Guidelines. Other digital assets which have already been permitted for trading include Bitcoin, Ripple, Ethereum and LiteCoin.

## MARKET SURVEILLANCE

### Domestic equity market performance

Bursa Malaysia's sectors were mixed with Technology (+19.64%) sector outperforming as demand for semiconductor chips outpaced supply as a result of accelerated digitalisation amid the pandemic. Telecommunications and Media (+8.63%) emerged as the second best performing sector led by Telekom Malaysia and TIME dotCom as both companies reported positive earnings results. In addition, there were several positive developments within the domestic telecommunications sector such as the launch of the *Malaysia Digital Economy Blueprint* as well as formation of a special purpose vehicle to oversee the deployment of 5G infrastructure and network nationwide.

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On the other hand, Healthcare (-19.07%) underperformed led by glove makers as the progress of vaccination drive posed uncertainties on future demand for gloves. The US Customs and Border Protection's decision to seize disposable gloves produced in Malaysia by Top Glove due to forced labour allegations added to the downbeat mood of the glove sector. Similarly, the environmental, social and governance (ESG) issues surrounding the domestic Plantation sector (-3.99%), resulted in it being the second worst performer in Q1 2021 under review.

On the earnings front, the FBM100's Q4 2020 aggregate earnings contraction eased to -5.49% year-on-year (y-o-y) (Q3 2020: -18.99%). The slower

decline in earnings was attributed to recovery in business activities as well as higher commodity prices. Among the FBM100 components, the number of companies with higher earnings outnumbered those with earnings declines due mainly to stronger earnings from automakers, chemicals, glove makers, plantation and technology players.

Across the market segments, Small Cap (+7.61%), Fledgling (+6.97%) and Mid 70 (+2.18%) outperformed the FBMKLCI (-3.30%) and ACE Market (-6.23%). In terms of trading activity, the daily average volume traded declined by 5.77% q-o-q to 8.60 billion shares while average value traded per day grew by 3.72% q-o-q to RM5.17 billion in Q1 2021.

## LICENSING

The SC approved 203 applications for new Capital Markets Services Representative's Licence (CMSRL) during Q1 2021. Details on the total CMSL and CMSRL holders are provided in Table 1.

Table 1

### Total number of licensed capital market intermediaries

Regulated Activity	Total number of licensees
<b>DEALING IN SECURITIES</b>	
• Investment banks	10
• Universal brokers	1
• Special scheme foreign stockbroking companies	7
• Stockbroking companies with at least 1 merger partner	13 <sup>1</sup>
• Dealing in securities restricted to Listed Securities	1
• Dealing in securities restricted to Unit Trust (Standalone)	5
<b>DEALING IN DERIVATIVES</b>	7
<b>FUND MANAGEMENT:</b>	
• Fund management companies	43
• REIT managers	18
• Special scheme foreign fund management companies	5
• Islamic fund management companies	23
• Boutique fund management companies	5
• Digital investment manager	5
<b>CORPORATE FINANCE COMPANIES</b>	41
<b>INVESTMENT ADVISORY COMPANIES</b>	17 <sup>2</sup>
<b>FINANCIAL PLANNING COMPANIES</b>	37 <sup>3</sup>
<b>Capital Markets Services Representative's Licence (CMSRL)</b>	
Dealing in securities (include dual licence holder)	6,384
Dealing in derivatives	452
Fund management	810
Advising on corporate finance	753
Investment advice	290
Financial planning	1,163

## Registration

In Q1 2021, the SC approved 1 new registration for venture capital management corporation (VCMC) which was Tenggara Capital Partners Sdn Bhd.

<sup>1</sup> Includes iFast.

<sup>2</sup> Includes 1 individual CMSL holder.

<sup>3</sup> 2 Includes 2 individual CMSL holders.