

BMD to Start Palm Olein Futures Contract This Year
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KUALA LUMPUR, March 4 (Bernama) -- After establishing the gold futures contract on Oct 3 last year, Bursa Malaysia Derivatives (BMD) will now start a futures contract for refined, bleached and deodorised palm olein this year.

Chief Executive Officer Chong Kim Seng said the palm olein futures contract, to be termed as FPOL, had received approval from the Securities Commission.

"The palm olein futures movement tracks the performance of crude palm oil (CPO) futures and the Malaysian Palm Oil Board physical prices.

"When the new futures contract gathers trading volume traction like what has been achieved by CPO futures, this will definitely enhance trading on BMD," he said in his presentation at the Palm and Lauric Oil Conference and Exhibition 2014 Tuesday.

Chong said Bank Negara Malaysia had given its green light for the palm olein futures contract to be quoted in US dollars, with the minimum price fluctuation at 50 sen and contract size at 25 metric tonnes.

Trading hours will be from 9 am to 12 pm and from 1.30 pm to 6 pm, with delivery points located at Port Klang and Pasir Gudang.

On the CPO futures contract, he said its annual traded volume, which was slightly above 50 million metric tonnes in 2006, grew significantly to 100 million metric tonnes in 2009 and up to 200 million metric tonnes in 2013.

The palm oil industry is the fourth largest component of the country's economy and very a significant contributor to Malaysia's export earnings.

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