

# STOCKS, SUKUK, IMM & SELECTED COMMODITIES

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# Unit Trust



Jeffrey Chiew explains...

4.30 – 19.00 2011\_04\_30\_RinggitanSense\_JeffreyChiew\_UnitTrusts

1. Understand **life cycle** (phase) and different investment objectives and risk tolerance.

Generally...

| Life cycle | Investment Objective               | Risk tolerance     | UT Funds        |
|------------|------------------------------------|--------------------|-----------------|
| 21 - 55    | Wealth accumulation                | High (Aggressive)  | Growth          |
| 55 - 60    | Portfolio Restructuring            | Moderate           | Growth & Income |
| > 60       | Capital preservation & consumption | Low (Conservative) | Income          |

# Unit Trust



Jeffrey Chiew explains...

4.30 – 19.00

2011\_04\_30\_RinggitanSense\_JeffreyChiew\_UnitTrusts

2. What is risk in general ?
  - Results differs from expectation
3. What is UT risk ?
4. What is UT advantages ?
5. How UT meet investors' goals ? What happens whne “meet” and when “not meet” goals ?
  - Depends on purpose & time.

# Unit Trust



Jeffrey Chiew explains...

4.30 – 19.00 2011\_04\_30\_RinggitanSense\_JeffreyChiew\_UnitTrusts

## 6. Misconception in UT

- Not invest in stocks, bonds but invest in “vehicle” that can invest stocks, bonds (like an envelope)

## 7. How to buy performance UT Funds ?

- Buy top quartile (top 25%)

## 8. Know when to exit & enter

- Discuss strategies...

# Stocks



Information from [www.klse.com.my](http://www.klse.com.my)

## Bursa Basics

### Investing Basics

Why Invest In Stocks?

Why Trade in Futures?

Understanding The Stock Market

The Role Of A Broker

Reading Market Reports

Understanding Indices

Understanding FTSE

FCPO Physical Delivery

Getting A Stock Price

### Types Of Stocks

Buying and Selling Stocks

Application for an Initial Public Offering

When To Buy And Sell

An Investors Guide to the Central Depository System (CDS)

Option Pricing Calculator

The Golden Rules

Market Terminology

# Stocks

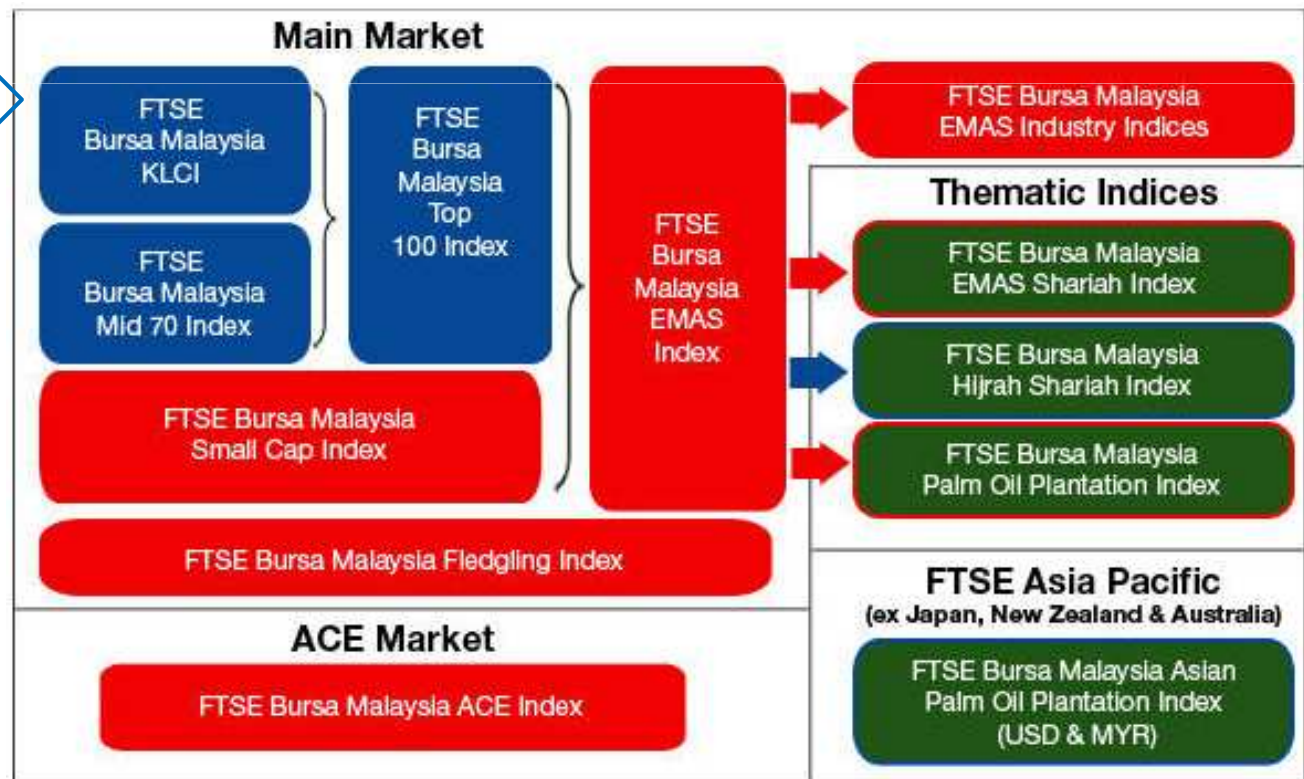
[www.klse.com.my](http://www.klse.com.my)

The KLCI is now the **FTSE Bursa Malaysia KLCI** (wef 6 July 2009) - index calculation methodology emphasises free float & liquidity screens (clearer representation of the market).

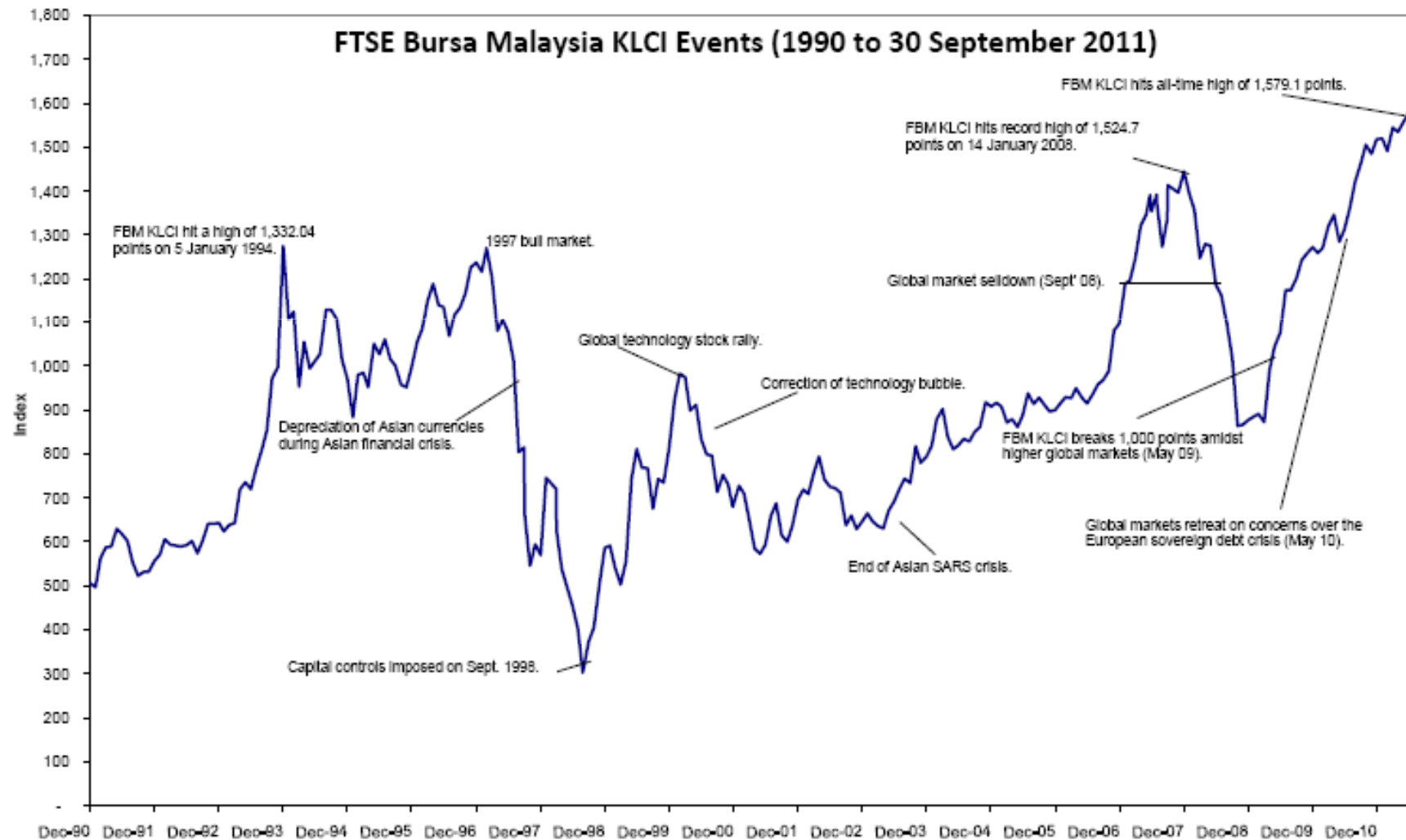
Basket of 30 stocks

## Sectoral Indices

- Construction
- Consumer Product
- Finance
- Industrial Product
- Mining
- Plantation
- Property
- Technology
- Trading/Services



# FTSE-BM KLCI



# Investors' Psychology



# Stocks

[www.klse.com.my](http://www.klse.com.my)

The portion of the stockholder's capital in a company.

Two types - ordinary shares (OS) and preference shares (PS).

**OS** - you own a share of the company; entitles you to receive profits from the operations of the company (dividends) and you have voting rights.

**PS** stockholders receive dividends before dividends on OS are announced. If the company is wound up, PS holders rank above OS holders in the distribution of assets. PS can often have a fixed dividend rate.

# Stocks



Jeffrey Chiew explains...

4.30 – 15.00 2011\_05\_14\_RinggitanSense\_JeffChiew\_Stocks

Note the following :

1. Real rate of inflation & Real rate of return
  - Depends on lifestyle individual
2. What is “sufficient diversification” (Msia) ?
  - 32 stocks (uncorrelated)
3. What is Random Walk Theory ?
  - Difficult predict short-term direction
4. How identify Entry Level ?
  - PE ratio & Price to Book

# Stocks



Jim Berg explains...

6.50 – 11.30

2011\_06\_04\_RinggItAndSense\_JimBerg\_Rules\_Invest\_Stocks

## Rules for investing in stocks

1. Have written trading system
  - Take out emotion (greed, denial, revenge)
  - How to “get out”, before how to enter
  - Small losses with bigger profit
  - Fundamental (ratios) & Technical Analysis (mathematics, charts)
2. Stocks diversification  
For beginners :  
min 8 – 12 stocks (Msia)

# Sukuk & Bonds



**Suruhanjaya Sekuriti**  
Securities Commission  
Malaysia

[www.sc.com.my](http://www.sc.com.my)

# Sukuk & Bonds



[www.sc.com.my](http://www.sc.com.my)

Bond – A loan (I.O.U) with specified date of maturity & the rate of interest (coupon) to be paid.

Cashflow of a bond

Issuer of bonds

Ratings of bond

# Sukuk & Bonds



[www.sc.com.my](http://www.sc.com.my)

## Sukuk – Syariah compliant bonds.

Islamic bonds are similar to conventional bonds in Malaysia- fix term maturity, can bear a coupon, and trade on the normal yield price relationship. For conventional investors, the structuring of the bonds by the issuer is immaterial. The difference lies only in the way the issuer structures the bonds.

The issuance of sukuk is not an exchange of paper for money consideration with the imposition of an interest as per conventional, BUT it is based on an exchange of approved asset for some financial consideration that allows the investors to earn profits from the transactions. Approval of the assets and the contract of exchange would be based on Shariah (Islamic law) principles, which is necessary to meet the Islamic requirement.

The various type of Islamic-based structures used for the creation of Islamic bonds are sale and purchase of an asset based on deferred payment, leasing of specific assets or participation in joint-venture businesses.

# Sukuk & Bonds

[www.ram.com.my](http://www.ram.com.my) & [www.marc.com.my](http://www.marc.com.my)

| Moody's   |            | S&P       |            | Fitch  |            |                                  |
|-----------|------------|-----------|------------|--|------------|----------------------------------|
| Long-term | Short-term | Long-term | Short-term | Long-term                                    | Short-term |                                  |
| Aaa       | P-1        | AAA       | A-1+       | AAA  | F1+        | Prime                            |
| Aa1       |            | AA+       |            | AA+  |            | High grade                       |
| Aa2       |            | AA        |            | AA   |            |                                  |
| Aa3       |            | AA-       | AA-        |  |            |                                  |
| A1        |            | A+        | A-1        | A+   | F1         | Upper medium grade               |
| A2        |            | A         |            | A  |            |                                  |
| A3        | P-2        | A-        | A-2        | A-   | F2         |                                  |
| Baa1      |            | BBB+      |            | BBB+   |            |                                  |
| Baa2      | P-3        | BBB       | A-3        | BBB  | F3         | Lower medium grade               |
| Baa3      |            | BBB-      |            | BBB-   |            |                                  |
| Ba1       | Not prime  | BB+       | B          | BB+  | B          | Non-investment grade speculative |
| Ba2       |            | BB        |            | BB   |            |                                  |
| Ba3       |            | BB-       |            | BB-  |            |                                  |
| B1        |            | B+        | B+         | Highly speculative                           |            |                                  |
| B2        |            | B         | B          |  |            |                                  |
| B3        |            | B-        | B-         |  |            |                                  |
| Caa1      | Not prime  | CCC+      | C          | CCC  | C          | Substantial risks                |
| Caa2      |            | CCC       |            |  |            | Extremely speculative            |
| Caa3      |            | CCC-      |            |  |            |                                  |
| Ca        | CC         |           |            | In default with little prospect for recovery |            |                                  |
|           | C          |           |            |  |            |                                  |
| C         |            |           | DDD        |  |            |                                  |
| /         |            | D         | /          | DD   | /          | In default                       |
| /         |            |           |            | D  |            |                                  |

RAM – rating long-term instrument (bonds/sukuk)



MARC – rating of shorter-term instruments (commercial papers, PS, asset-backed securities)



# Sukuk & Bonds



Jeffrey Chiew explains...

4.05 – 15.00 2011\_10\_13\_RingggitAndSense\_Bonds

5.00 – 13.00 2011\_05\_07\_RingggitandSense\_Jeffrey\_Chiew\_Investing\_In\_Bonds

1. Sukuk & bonds as part of portfolio
  - Discuss...
  - Rule 100 (asset allocation based on age)
2. EPF gives bond returns
  - Discuss...

# Islamic & Conventional Money Market

[bnm.gov.my](http://bnm.gov.my)

# Islamic & Conventional Money Market



The **money market** and Islamic money market are components of the financial markets and provides liquidity funding ...

Consists of financial institutions & dealers in money or credit who wish to either borrow or lend for short periods & trades in short-term "paper" (instrument). These instruments are often benchmarked to the Kuala Lumpur Interbank Borrowing Rate (KLIBOR).

In contrasts with capital market, for longer-term funding via bonds & equities.

# Central bank

## OPR, SRR raised to manage liquidity and

By FINTAN NG  
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**PETALING JAYA:** Bank Negara raised the overnight policy rate (OPR) by 25 basis points to 3% and increased the statutory reserve requirement (SRR) by 1 percentage point to 3%, a move that took most by surprise.

The OPR, the benchmark interest rate commercial banks use to calculate their base lending rates for loans, was last raised in July last year.

The central bank hiked the SRR by 100 basis points to 3% effective May 16 as a pre-emptive measure following the build-up of liquidity in the financial system.

"With the economy firmly on a steady growth path, the monetary policy committee decided to adjust the degree of monetary accommodation," said the central bank in a statement yesterday.

"At the current OPR level, the stance of monetary policy remains supportive of growth. The future stance of monetary policy will depend on the assessment of the risk to growth and inflation prospects."

Bank Negara acknowledged inflation on account of higher energy and food prices, has inched up too in Malaysia and has now hit 3% in March to average 2.8% for the first quarter of 2011.

"Global commodity and energy prices are projected to remain elevated during the year, with inflation in major trading partners also expected to rise further. There are also some signs that domestic demand factors could exert upward pressure on prices in the second half of the year," the central bank said.

However, it noted that despite higher inflationary pressure, latest indicators pointed towards contin-

ued strengthening of private investment and sustained private consumption expenditure in the quarter.

"Growth will be underpinned the firm expansion of domestic demand. Sustained employment conditions and income growth expected to provide support to private consumption, while private investment is projected to strengthen amid the improved investment environment," it added.

In a separate statement, the central bank said the decision to raise the SRR was undertaken as a pre-emptive measure to manage the significant build-up of liquidity which could result in financial imbalances and create risks to financial stability.

Economists, who were divided over whether the OPR would be raised, told *StarBiz* that the central bank was sending out a message that inflation was now the concern.

### Base Lending Rates (BLR) of Banking Institutions in Malaysia:

| No. | Banking Institution                            | With Effect From | BLR (% p.a.) |
|-----|--|------------------|--------------|
| 1   | Affin Bank Berhad                              | 12/5/2011        | 6.60         |
| 2   | Alliance Bank Malaysia Berhad                  | 13/05/2011       | 6.60         |
| 3   | Alliance Islamic Bank Berhad                   | 13/07/2010       | 6.30         |
| 4   | AmBank (M) Berhad                              | 13/05/2011       | 6.60         |
| 5   | Bangkok Bank Berhad                            | 13/05/2011       | 6.60         |
| 6   | Bank of America Malaysia Berhad                | 13/07/2010       | 6.30         |
| 7   | Bank of China (Malaysia) Berhad                | 12/5/2011        | 6.55         |
| 8   | Bank of Tokyo-Mitsubishi UFJ (Malaysia) Berhad | 11/5/2011        | 6.25         |
| 9   | CIMB Bank Berhad                               | 11/5/2011        | 6.60         |
| 10  | Citibank Berhad                                | 16/05/2011       | 6.60         |
| 11  | Deutsche Bank (Malaysia) Berhad                | 13/05/2011       | 6.50         |
| 12  | EON Bank Berhad                                | 13/05/2011       | 6.60         |
| 13  | Hong Leong Bank Berhad                         | 13/05/2011       | 6.60         |
| 14  | HSBC Bank Malaysia Berhad                      | 12/5/2011        | 6.60         |
| 15  | J.P. Morgan Chase Bank Berhad                  | 15/07/2010       | 6.20         |
| 16  | Malayan Banking Berhad                         | 11/5/2011        | 6.60         |
| 17  | OCBC Bank (Malaysia) Berhad                    | 12/5/2011        | 6.60         |
| 18  | Public Bank Berhad                             | 11/5/2011        | 6.60         |
| 19  | RHB Bank Berhad                                | 11/5/2011        | 6.60         |
| 20  | Standard Chartered Bank Malaysia Berhad        | 13/05/2011       | 6.60         |
| 21  | The Bank of Nova Scotia Berhad                 | 16/05/2011       | 6.60         |
| 22  | The Royal Bank of Scotland Berhad              | 15/07/2010       | 6.00         |
| 23  | United Overseas Bank (Malaysia) Berhad         | 12/5/2011        | 6.60         |

| Date        | OPR       | Change | BLR                            | View statement |
|-------------|-----------|--------|--------------------------------|----------------|
| 7 July 2011 | 0         | 3.00   | <a href="#">View statement</a> |                |
| 5 May 2011  | OPR +0.25 | 3.00   | <a href="#">View statement</a> |                |
| 11 Mar 2011 | 0         | 2.75   | <a href="#">View statement</a> |                |
| 27 Jan 2011 | 0         | 2.75   | <a href="#">View statement</a> |                |
| 12 Nov 2010 | 0         | 2.75   | <a href="#">View statement</a> |                |
| 2 Sep 2010  | 0         | 2.75   | <a href="#">View statement</a> |                |
| 8 Jul 2010  | +0.25     | 2.75   | <a href="#">View statement</a> |                |
| 13 May 2010 | +0.25     | 2.50   | <a href="#">View statement</a> |                |
| 4 Mar 2010  | +0.25     | 2.25   | <a href="#">View statement</a> |                |
| 26 Jan 2010 | 0         | 2.00   | <a href="#">View statement</a> |                |

## KUALA LUMPUR ISLAMIC REFERENCE RATES

KLIRR RATE AS DATE: 22-09-2011

|                    | O/N  | 1 WK | 1 MTH | 3 MTH |
|--------------------|------|------|-------|-------|
| ADJUSTED AVG RATES | 2.98 | 3.02 | 3.11  | 3.24  |

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**BANK NEGARA MALAYSIA**  
CENTRAL BANK OF MALAYSIA

**ISLAMIC INTERBANK MONEY MARKET**



[www.iimm.bnm.gov.my](http://www.iimm.bnm.gov.my)

### Statistics > KLIRR Rate

KLIRR RATE AS DATE : 22-09-2011

|                           | O/N  | 1 WK | 2 WK | 3 WK | 1 MTH | 2 MTH | 3 MTH | 6 MTH  | 9 MTH | 1 YR |
|---------------------------|------|------|------|------|-------|-------|-------|--------|-------|------|
| Affin Islamic             | 2.98 | 3.04 | 3.06 | 3.08 | 3.12  | 3.20  | 3.24  | 3.28   | 3.34  | 3.39 |
| BK Islam                  | 2.95 | 3.02 | 3.04 | 3.08 | 3.13  | 3.26  | 3.31  | 3.37   | 3.41  | 3.47 |
| BK Muamalat               | 2.98 | 3.03 | 3.06 | 3.07 | 3.09  | 3.12  | 3.15  | 3.26   | 3.34  | 3.47 |
| Citibank                  | 2.99 | 3.02 | 3.05 | 3.06 | 3.09  | 3.15  | 3.19  | 3.25   | 3.30  | 3.38 |
| Hong Leong Islamic        | 2.99 | 3.01 | 3.03 | 3.05 | 3.13  | 3.20  | 3.25  | 3.29   | 3.33  | 3.38 |
| HSBC Amanah               | 3.00 | 3.03 | 3.04 | 3.05 | 3.06  | 3.13  | 3.17  | 3.23   | 3.28  | 3.36 |
| Maybank Islamic           | 3.00 | 3.03 | 3.06 | 3.08 | 3.11  | 3.13  | 3.16  | 3.20   | 3.30  | 3.35 |
| MIDF Amanah               | 2.97 | 3.01 | 3.04 | 3.08 | 3.11  | 3.17  | 3.22  | 3.28   | 3.35  | 3.45 |
| OCBC Al-Amin              | 2.94 | 3.03 | 3.07 | 3.10 | 3.13  | 3.18  | 3.20  | 3.23   | 3.33  | 3.38 |
| Public Islamic            | 2.96 | 3.00 | 3.00 | 3.00 | 3.10  | 3.20  | 3.30  | 3.35   | 3.40  | 3.50 |
| RHB Islamic               | 3.45 | 3.01 | 3.03 | 3.05 | 3.24  | 3.28  | 3.33  | 3.38   | 3.43  | 3.48 |
| Standard Chartered Saadiq | 2.96 | 2.98 | 3.01 | 3.02 | 3.03  | 3.10  | 3.33  | 334.00 | 3.40  | 3.45 |
| ADJUSTED AVG RATES        | 2.98 | 3.02 | 3.04 | 3.06 | 3.11  | 3.18  | 3.24  | 3.29   | 3.35  | 3.42 |

**Remarks :** KLIRR Rate is being updated daily at 11:00am (Malaysia business hour).

**KLIRR.... Islamic version of KLIBOR.**

**KLIBOR, or Kuala Lumpur Interbank Offered Rates** is an interesting formula calculated for *structured investments* made by individuals pertaining a specific **floating interest rate**. A floating interest rate is a *fluctuating interest rate* charged by lenders, or rather banking institutions.

# Recession

Wikipedia explains...

A **global recession** is a period of global economic slowdown ... it states that global economic growth of 3 percent or less is "equivalent to a global recession"

**4 Periods since 1985 :**

- 1990 – 1993
- 1997 - 1998
- 2001 – 2002
- 2008 - 2009

# Gold



The world's largest gold bar has a mass of 250 kg. Toi museum, Japan.

## Use and applications

### Monetary exchange

Gold has been widely used throughout the world as a vehicle for [monetary](#) exchange, either by issuance and recognition of [gold coins](#) or other bare metal quantities, or through gold-convertible paper instruments by establishing [gold standards](#) in which the total value of issued money is represented in a store of gold reserves.

However, production has not grown in relation to the world's economies. Today, [gold mining](#) output is declining.<sup>[11]</sup> With the sharp growth of economies in the 20th century, and increasing foreign exchange, the world's [gold reserves](#) and their trading market have become a small fraction of all markets and fixed exchange rates of currencies to gold were no longer sustained. At the beginning of [World War I](#) the warring nations moved to a fractional gold standard, inflating their currencies to finance the war effort. After [World War II](#) gold was replaced by a system of [convertible currency](#) following the [Bretton Woods system](#). Gold standards and the direct convertibility of currencies to gold have been abandoned by world governments, being replaced by [fiat currency](#) in their stead. [Switzerland](#) was the last country to tie its currency to gold; it backed 40% of its value until the Swiss joined the [International Monetary Fund](#) in 1999.<sup>[12]</sup>

Pure gold is too soft for day-to-day monetary use and is typically hardened by alloying with copper, silver or other base metals. The gold content of alloys is measured in [carats](#) (k). Pure gold is designated as 24k. English gold coins intended for circulation from 1526 into the 1930s were typically a standard 22k alloy called [crown gold](#), for hardness (American gold coins for circulation after 1837 contained the slightly lower amount of 0.900 fine gold, or 21.6 kt).

### Investment

*Main article: [Gold as an investment](#)*

Many holders of gold store it in form of bullion coins or [bars](#) as a hedge against [inflation](#) or other economic disruptions. However, some economists do not believe gold serves as a hedge against inflation or currency depreciation.<sup>[13]</sup>

The [ISO 4217](#) currency code of gold is XAU.

Modern [bullion coins](#) for investment or collector purposes do not require good mechanical wear properties; they are typically fine gold at 24k, although the [American Gold Eagle](#), the British [gold sovereign](#), and the [South African Krugerrand](#) continue to be minted in 22k metal in historical tradition. The *special issue* [Canadian Gold Maple Leaf](#) coin contains the highest purity gold of any [bullion coin](#), at 99.999% or 0.99999, while the *popular issue* [Canadian Gold Maple Leaf](#) coin has a purity of 99.99%. Several other 99.99% pure gold coins are available. In 2006, the [United States Mint](#) began production of the [American Buffalo](#) gold bullion coin with a purity of 99.99%. The [Australian Gold Kangaroos](#) were first coined in 1986 as the [Australian Gold Nugget](#) but changed the reverse design in 1989. Other popular modern coins include the [Austrian Vienna Philharmonic bullion coin](#) and the [Chinese Gold Panda](#).

### Jewelry

*Main article: [Jewellery](#)*

Because of the softness of pure (24k) gold, it is usually [alloyed](#) with base metals for use in jewelry, altering its hardness and ductility, melting point, color and other properties. Alloys with lower caratage, typically 22k, 18k, 14k or 10k, contain higher percentages of copper, or other base metals or silver or palladium in the alloy. [Copper](#) is the most commonly used base metal, yielding a redder color. Eighteen-carat gold containing 25% copper is found in antique and Russian jewelry and has a distinct, though not dominant, copper cast, creating [rose gold](#). Fourteen-carat gold-copper alloy is nearly identical in color to certain [bronze](#) alloys, and both may be used to produce police and other badges. Blue gold can be made by alloying with [iron](#) and purple gold can be made by alloying with [aluminium](#), although rarely done except in specialized jewelry. Blue gold is more brittle and therefore more difficult to work with when making jewelry. Fourteen and eighteen carat gold alloys with silver alone appear greenish-yellow and are referred to as green gold. White gold alloys can be made with [palladium](#) or [nickel](#). White 18-carat gold containing 17.3% nickel, 5.5% zinc and 2.2% copper is silvery in appearance. Nickel is toxic, however, and its release from nickel white gold is controlled by legislation in Europe. Alternative white gold alloys are available based on palladium, silver and other white metals,<sup>[14]</sup> but the palladium alloys are more expensive than those using nickel. High-carat white gold alloys are far more resistant to corrosion than are either pure silver or [sterling silver](#). The Japanese craft of [Mokume-gane](#) exploits the color contrasts between laminated colored gold alloys to produce decorative wood-grain effects.

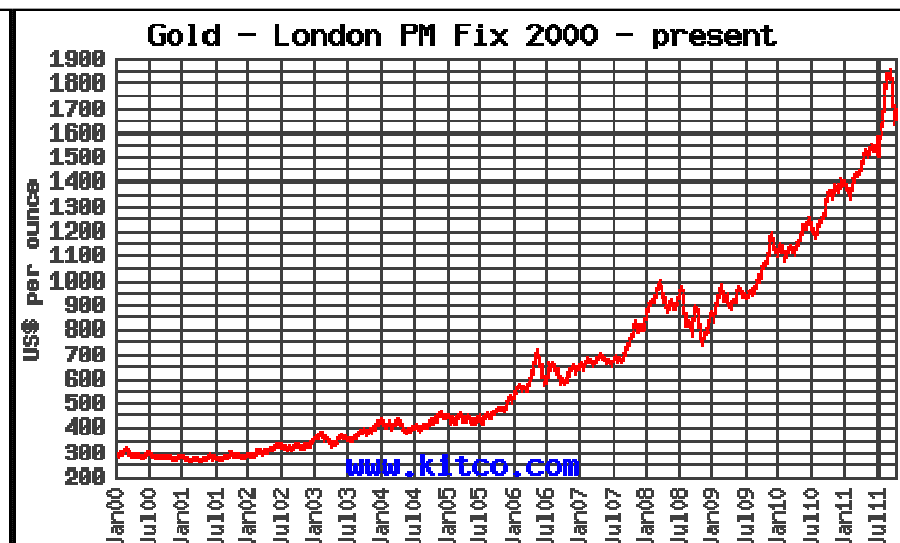
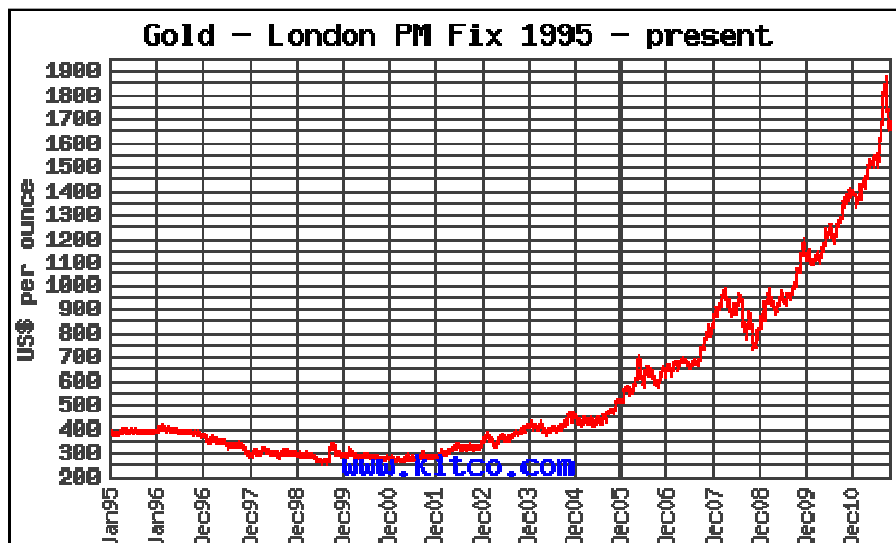
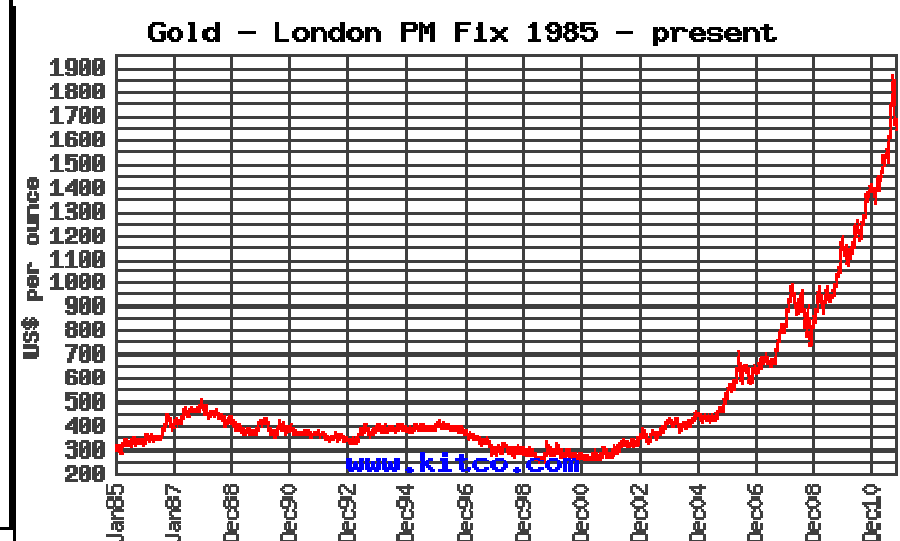
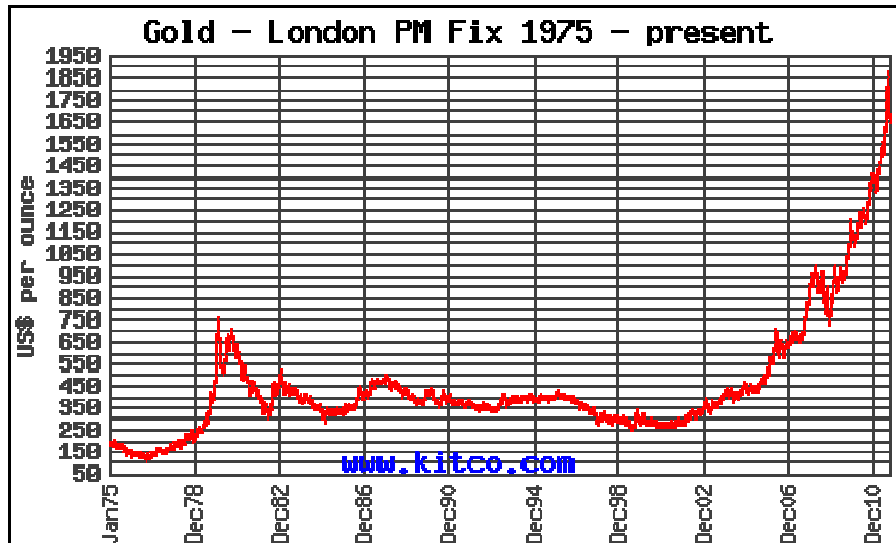


## Industry

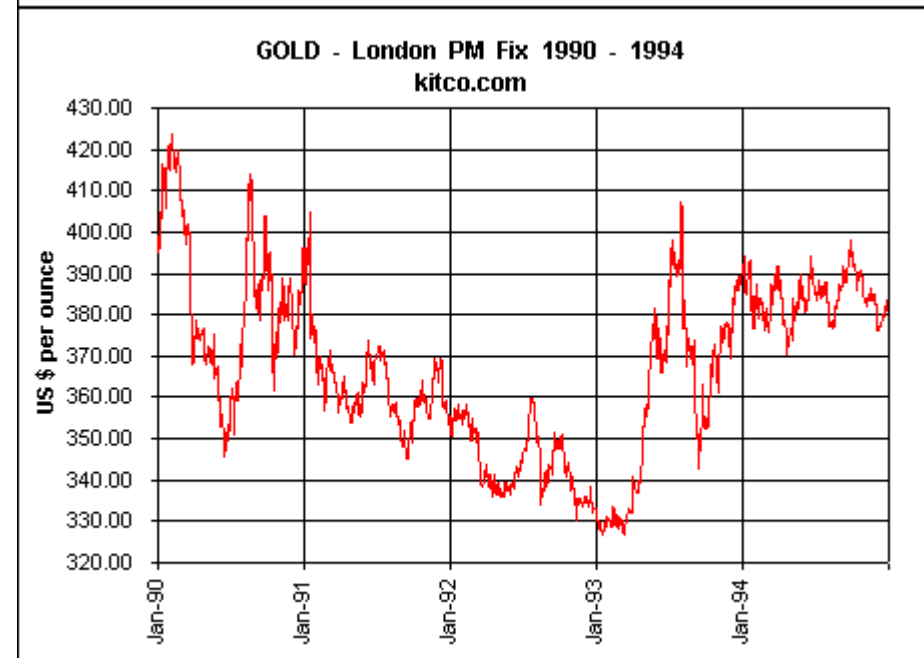
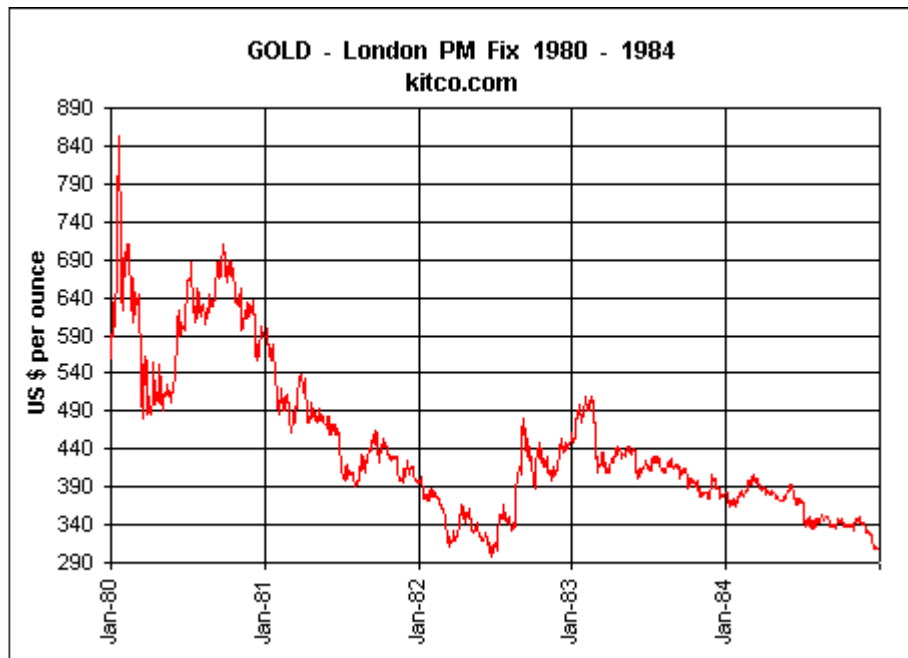
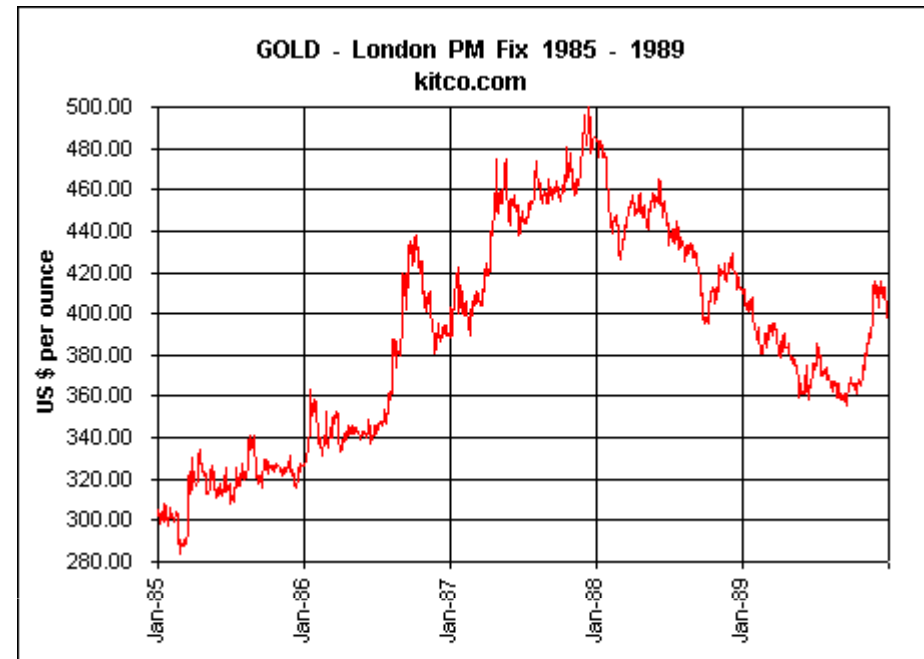
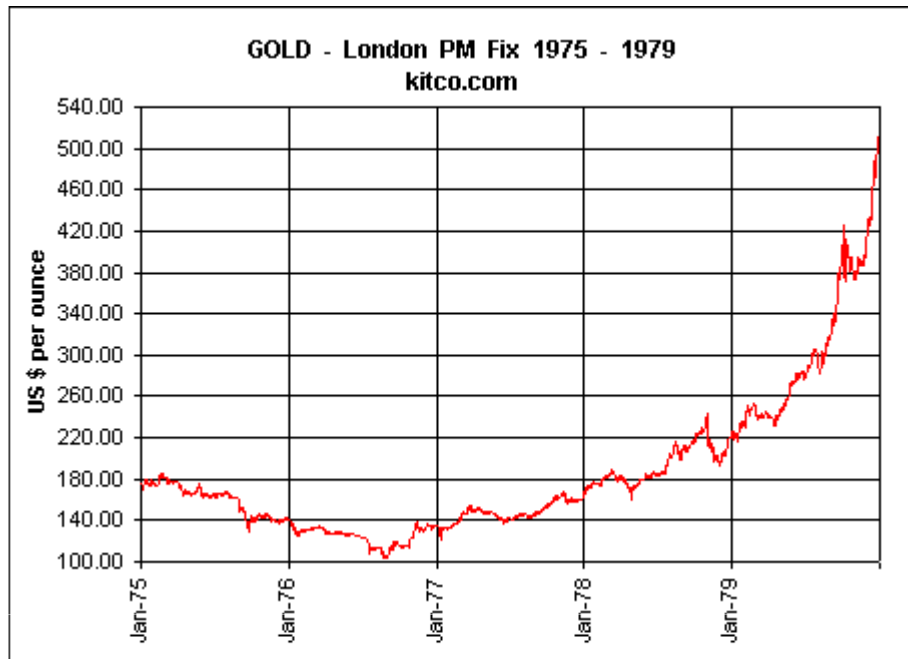
- Gold [solder](#) is used for joining the components of gold jewelry by high-temperature hard soldering or [brazing](#). If the work is to be of [hallmarking](#) quality, gold solder must match the carat weight of the work, and alloy formulas are manufactured in most industry-standard carat weights to color match yellow and white gold. Gold solder is usually made in at least three melting-point ranges referred to as Easy, Medium and Hard. By using the hard, high-melting point solder first, followed by solders with progressively lower melting points, goldsmiths can assemble complex items with several separate soldered joints.
- Gold can be made into [thread](#) and used in [embroidery](#).
- Gold produces a deep, intense red color when used as a coloring agent in [cranberry glass](#).
- In photography, gold toners are used to shift the color of [silver bromide](#) black-and-white prints towards brown or blue tones, or to increase their stability. Used on sepia-toned prints, gold toners produce red tones. Kodak published formulas for several types of gold toners, which use gold as the chloride.<sup>[27]</sup>
- As gold is a good reflector of [electromagnetic radiation](#) such as infrared and [visible light](#) as well as [radio waves](#), it is used for the protective coatings on many artificial [satellites](#), in infrared protective faceplates in thermal protection suits and astronauts' helmets and in [electronic warfare](#) planes like the [EA-6B Prowler](#).
- Gold is used as the reflective layer on some [high-end CDs](#).
- Automobiles may use gold for heat dissipation. [McLaren](#) uses gold foil in the engine compartment of its [F1](#) model.<sup>[28]</sup>
- Gold can be manufactured so thin that it appears transparent. It is used in some aircraft cockpit windows for [de-icing](#) or anti-icing by passing electricity through it. The heat produced by the resistance of the gold is enough to deter ice from forming.<sup>[29]</sup>

Gold has been a valuable and highly sought-after [precious metal](#) for [coinage](#), jewelry, and other arts since long before the beginning of [recorded history](#). [Gold standards](#) have been the most common basis for [monetary policies](#) throughout human history, being widely supplanted by [fiat currency](#) only in the late 20th century. Gold has also been frequently linked to a wide variety of symbolisms and ideologies. A total of 165,000 [tonnes](#) of gold have been mined in human history, as of 2009.<sup>[1]</sup> This is roughly equivalent to 5.3 billion [troy ounces](#) or, in terms of volume, about 8500 m<sup>3</sup>, or a [cube](#) 20.4 m on a side. The world consumption of new gold produced is about 50% in jewelry, 40% in investments, and 10% in industry.<sup>[2]</sup>

# Gold – Historical Price

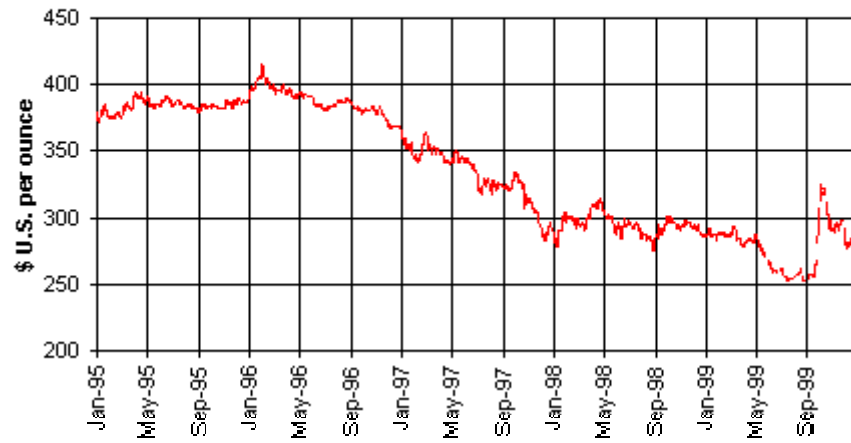


# Gold – Historical Price (5 Years Period)



**GOLD - London PM Fix - 1995 - 1999**

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**GOLD - London PM Fix 2000 - 2005**

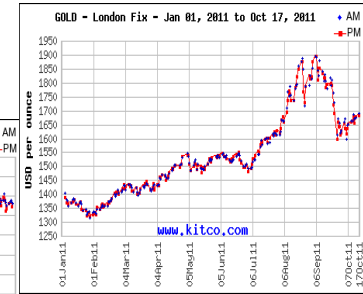
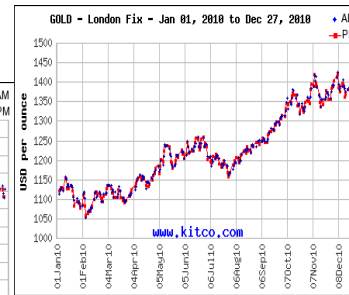
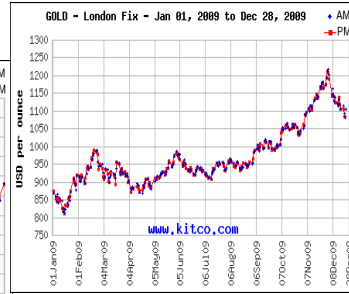
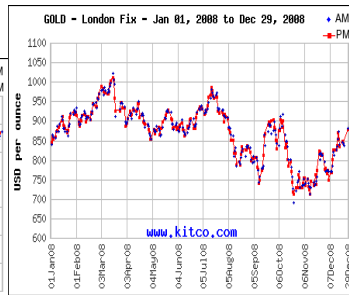
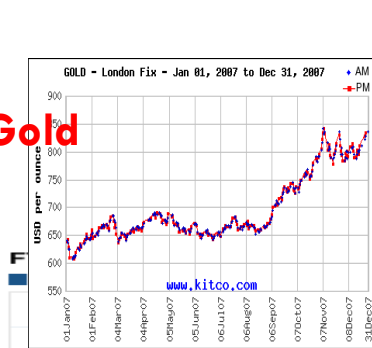
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# Gold vs KLCI, DJI - 5 YEARS

## Similar pattern ?

Gold



KLCI (Malaysia stocks)



DJI (USA stocks)



# Price of petroleum

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From Wikipedia, the free encyclopedia

*This article is about the price of crude oil. For information about derivative motor fuels, see [gasoline and diesel usage](#)*

The **price of petroleum** as quoted in news generally refers to the [spot price](#) per barrel (159 liters) of either [WTI/light crude](#) as traded on the [New York Mercantile Exchange](#) (NYMEX) for delivery at [Cushing, Oklahoma](#), or of [Brent](#) as traded on the [Intercontinental Exchange](#) (ICE, into which the [International Petroleum Exchange](#) has been incorporated) for delivery at [Sullom Voe](#).

The price of a [barrel](#) of oil is highly dependent on both its grade, determined by factors such as its specific gravity or [API](#) and its sulphur content, and its location. Other important [benchmarks](#) include [Dubai](#), [Tapis](#), and the [OPEC basket](#). The [Energy Information Administration](#) (EIA) uses the imported refiner acquisition cost, the [weighted average](#) cost of all oil imported into the US, as its "world oil price".

The demand for oil is highly dependent on global macroeconomic conditions. According to the [International Energy Agency](#), high oil prices generally have a large negative impact on the global [economic growth](#).<sup>[1]</sup>

The [Organization of the Petroleum Exporting Countries](#) (OPEC) was formed in 1960<sup>[2]</sup> to try and counter the oil companies [cartel](#), which had been controlling posted prices since the so-called 1927 [Red Line Agreement](#) and 1928 [Achnacarry Agreement](#), and had achieved a high level of price stability until 1972.

Currently, there are two major benchmarks for world oil prices, [West Texas Intermediate](#) (WTI for short) crude oil and [Brent crude oil](#).

Both are light sweet crude oils although WTI is generally sweeter & lighter than its European counterpart. Thus, WTI often trades at a premium, usually by just a few dollars a barrel.

However, the Libyan crisis which has decreased supply of light sweet crude in European region & supply glut at the main storage facility for WTI in Oklahoma, the premium/ discount situation has flipped & now Brent is more expensive than WTI.



[http://en.wikipedia.org/wiki/File:WTI\\_price\\_96\\_09.svg](http://en.wikipedia.org/wiki/File:WTI_price_96_09.svg)



Mid 2008  
price decline - drop in  
demand for oil in the Us  
and global equities slid.

Feb 2009  
Price touched below \$34.

Oct 2011  
Price around \$86/bbl

1999

increased oil production from  
Iraq coincided with the Asian  
Financial Crisis, which reduced  
demand

September 2007

US crude (WTI) crossed \$80  
OPEC announced output increase lower than  
expected, US stocks fell lower than experts predicted, changes in federal  
oil policies, and six pipelines were attacked by a leftist group in Mexico.  
October 2007 US light crude rose above \$90 due to combination of  
tensions in eastern Turkey and reducing strength of US dollar.

July 11, 2008, oil prices rose to a new record of \$147.27 following  
concern over recent Iranian missile tests.



**Terima Kasih**  
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