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# WHAT IS A STOCK MARKET INDEX?

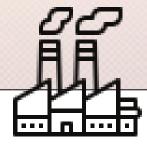
Stock market index is a number calculated from the prices of many different stocks.

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#### **Performance**

It is used to track the performance of a specific group of bonds, stocks and other investments.



#### Industry

The investments are often grouped around a specific industry, e.g., technology or heatlhcare stocks.



#### **Funds**

Investors can invest in indices through index funds and exchange-traded funds (ETFs).



## **COMMON MODELS OF INDEX WEIGHTING**

### Market-Cap Weighted

Stocks are weighted based on market value. E.g., large companies have a greater impact on the overall index's performance.

## Equal Weighted

All companies in an index have the same impact on the index, regardless of the size of company.

## Price Weighted

Each company has a different weight based on its share price, regardless how big or small the company is.



#### POPULAR STOCK MARKET INDICES



## **MALAYSIA**

Kuala Lumpur Composite Index (KLCI)

FTSE4Good Bursa Malaysia Index (F4GBM)

FTSE Bursa Malaysia Mid 70 Index (FTFBM70)



### POPULAR STOCK MARKET INDICES



# **ASIA**

Nikkei 225 Index
MSCI Singapore Free Index
Nifty 50 Index
FTSE China A50 Index



#### POPULAR STOCK MARKET INDICES



# **UNITED STATES**

Dow Jones Industrial Average
Standard and Poor's 500 (S&P500)
Nasdaq Composite Index
E-mini Russell 2000 Index



#### POPULAR INDEX FUTURES



FTSE Bursa Malaysia KLCI Futures (FKLI)
FTSE4Good Bursa Malaysia Index Futures (F4GM)
FTSE Bursa Malaysia Mid 70 Index Futures (FM70)

Nikkei 225 Futures MSCI Singapore Index Futures Nifty 50 Futures FTSE China A50 Index Futures





Dow Jones Industrial Average Index Futures Standard and Poor's 500 Index Futures (S&P500) Nasdaq Composite Index Futures E-mini Russell 2000 Index Futures





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