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Office of the Securities and Exchange Commission of Myanmar

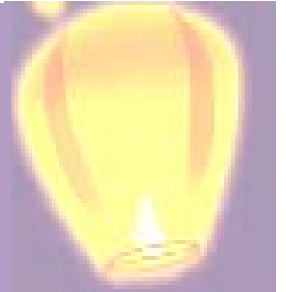
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Local News

Holding the “AT A GLANCE – IFRS; For the Development of Capital Market” Event



The IFRS Initiative 2024 Seminar on August 27, a presentation titled “AT A GLANCE-IFRS for the Development of Capital Market” at the Yangon Stock Exchange. Sixty-two persons attended, including representatives from Listed Companies, Securities Companies, Registration Advisory Companies and Potential Public Companies.

Holding the ceremony to welcome the first registered company on the Pre-Listing Board (PLB)

Participating in the Director Certification Program (DCP)



The ceremony to welcome the first registered company on the Pre-Listing Board (PLB) of the Yangon Stock Exchange was held on August 14, 2024 at the Yangon Stock Exchange.



Participating in the 13th Director Certification Program (DCP) training hosted by MloD included delivering a lecture on corporate governance and securities.

Investing in Capital Market

For those with excess cash, the capital market is a good place to invest. Capital markets can be divided into two main categories: primary and secondary. Primary markets are where new securities are created and sold to investors, such as through initial public offerings (IPOs) shares or bonds issuances. Secondary markets are where existing securities are traded among investors, such as through stock exchanges or over-the-counter (OTC) platforms. Primary markets enable issuers to raise funds for their projects and operations, while secondary markets enable investors to buy and sell securities according to their preferences and needs.

The key factor of a capital market is to obtain capital by issuing securities. In order to enhance capital, the entities will issue bonds and shares to the investors. For instance, a cooperation can issue new shares at a perceived price. However, in general, the price of a security in a transparent market is always unstable, reflecting the demand in the market.

Investment means an asset or item acquired with the goal of generating income or

appreciation over time. In other words, investment is a conscious act of an individual or an entity, which want to raise money, in order to allocate funds into securities or assets issued by any financial institutions and companies with a view to obtaining the expected return over a specified period of time.

Why invest?

Investment is an activity that can create wealth. Investment helps in realizing one's dream, such as buying a home, a vehicle, a farm, a factory, a business, or even education. Investment makes savings money to earn returns. It is impossible to create wealth without investing. So, investing is a key to securing the future.

The best time to start investing is NOW. Generally, the earlier you start in life, the longer the time that has to invest. It is important for an investor to actively follow or monitor an investment in order to anticipate risks. In the case of monitoring investment, it involves keeping eyes on the developments and changes within the company invested in, the market and the entire economic system as well.

How to reduce risk?

There is a saying in the capital market, "Don't put all your eggs in one basket." This means that investors should not invest in a single type of stock, share or bond in order to reduce risk of loss when investing in the secondary market.



While this concept is intuitively understood, investors remain under-diversified, especially in the bond market, even though there are bonds of different maturities and sectors. This issue affects not only individual investors but also institutional investors and professional fund managers.

Harry Markowitz, an American Economist, won the Nobel Prize in 1990 for his work on reducing portfolio risk through diversification. Diversification



is a common investing technique used to reduce the chances of experiencing large losses. By spreading the investments across different assets, it is less likely to have the portfolio wiped out due to one negative event impacting that single holding.

In other words, diversification is a strategy that aims to mitigate risk and maximize returns by allocating investment funds across different business industries, companies, and other categories.

Diversification can help individual investor to manage risk and reduce the volatility of an asset's price movements. Should remember, however, that no matter how diversified the portfolio is, risk can never be eliminated

completely. Moreover, diversification can result in missing out on company- or industry-specific above-average returns that may be captured by a more active monitoring but less-diversified approach.

However, if you are not a professional investor, it is important to minimize the risk associated with owning individual stocks while bearing in mind that general market risks affect nearly every stock. It is therefore important to diversify among different asset classes, geographical locations, security duration, and companies. Only should concentrate the holdings once they have been in the market for a significant amount of time and are familiar with the potential risks they are exposing themselves to. The key is to find a better result between risk and return. This ensures that can achieve the expected financial goals while still getting a good night's rest.

Policy Team

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1. <https://bondblox.com/news/diversification-using-the-rule-of-20-to-build-a-bond-portfolio>
2. <https://www.investopedia.com/investing/importance-diversification/>
3. [20play%20a%20vital%20role,challenges%20and%20risks%20they%20face.&text=Pratap%20Giri%20C%20S.&text=Ramanjeet%20M](https://www.20play.com/vital-role-challenges-and-risks-they-face.&text=Pratap%20Giri%20C%20S.&text=Ramanjeet%20M)

Activities of the Commission Office

The Ceremony of Contribution for Educational Grants



On August 9, 2024, the Office of the Securities and Exchange Commission of Myanmar held a ceremony to provide educational grants to employees' children for the 2024–2025 academic year.

Supports for Employee Welfare



On August 19, 2024, a retired legal advisor and a retired member of the Securities and Exchange Commission of Myanmar had been gifted farewell presents.

Opening Ceremony for Basic English Skills (1/2024)



The opening ceremony for English Skills Basic Course (1/2024) was held on October 22, 2024.

Briefing on the Natural Disaster Management



On September 18, 2024, a briefing was held regarding the Ministry's Standing Order on Natural Disaster Management.

Activities of the Commission Office

Celebrating the reception



A reception was held on September 27, 2024 by staffs from the Office of the Securities and Exchange Commission of Myanmar.

Inspecting a Securities Company



The inspection team from the Office of the Securities and Exchange Commission of Myanmar conducted the inspection of a securities company.

Holding the Anti-Corruption Awareness Seminar



In accordance with the guidelines of the Chairman of the State Administration Council, an awareness-raising seminar on anti-corruption measures was held on September 18, 2024. This seminar aimed to enhance knowledge and skills among civil servants in various ministries and organizations to prevent corruption effectively.

Commission's Meeting



The meetings of the Securities and Exchange Commission were held twice from July to September 2024.

Meetings of the Commission Office

Yangon Stock Exchange (YSX)	Weekly
Executive Committee	Monthly
Securities Companies	Monthly
Internal Staff Durbar	Monthly

Activities of the Commission Office

Attending the ACMF Deputies Meeting



The meeting of the ASEAN Capital Markets Forum was held on September 5, 2024 in Luang Prabang, Lao. In this meeting, the Deputy Director General of the Securities and Exchange Commission of Myanmar, attended. The meeting was attended by the Deputies Heads of Securities and Exchange Commissions of ASEAN countries and representatives' officials from the ASEAN Secretariat.

Attending the financial aspects of money laundering and the financing of terrorism

Attending Progress to Proficiency Iteration



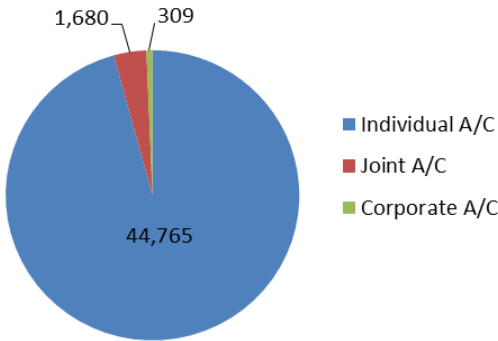
From September 2 to September 10, 2024, a training course on the financial aspects of money laundering and the financing of terrorism was attended by three officials from the Office of the Securities and Exchange Commission of Myanmar at the National Academy of Customs, Indirect Taxes and Narcotics (NACIN) in Palasamudram, Andhra Pradesh, India.

Under the Indian Technical & Economic Cooperation (ITEC) program for 2024-2025 in India, an official from the SECM was sent to attend the Progress to Proficiency Iteration-III from September 3 to September 30, 2024.

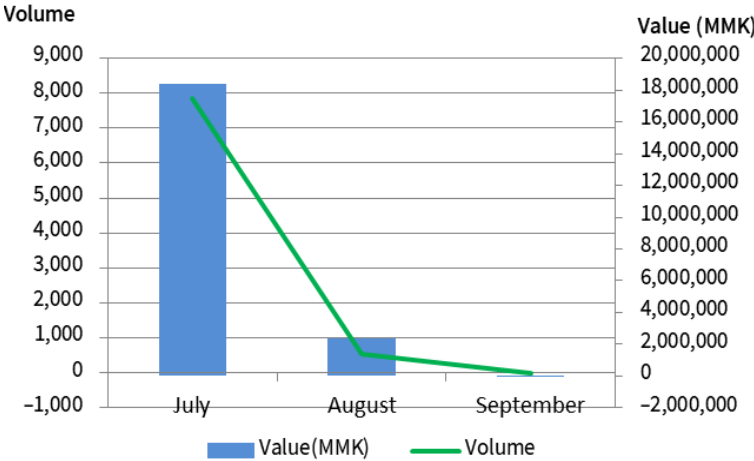
Market Data

Opening the Securities Account and Trading Data for Foreigners' Participation

Opening Securities Accounts
(From July to September 2024)

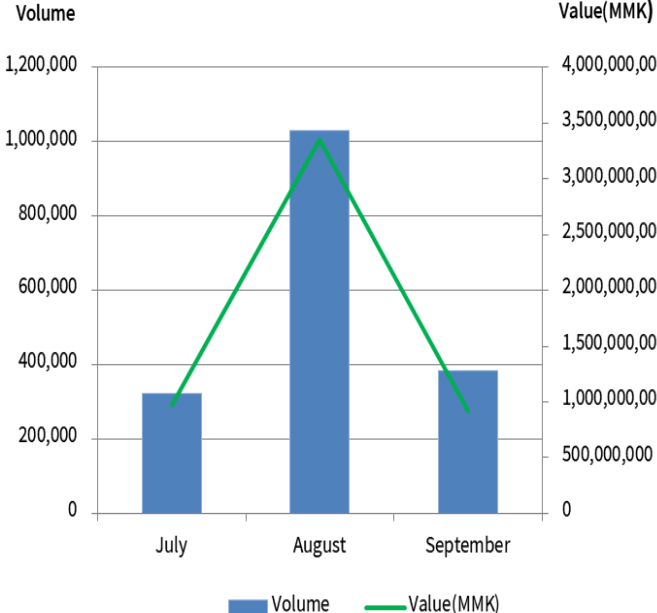


Trading Data for Foreigner's Participation
(From July to September 2024)

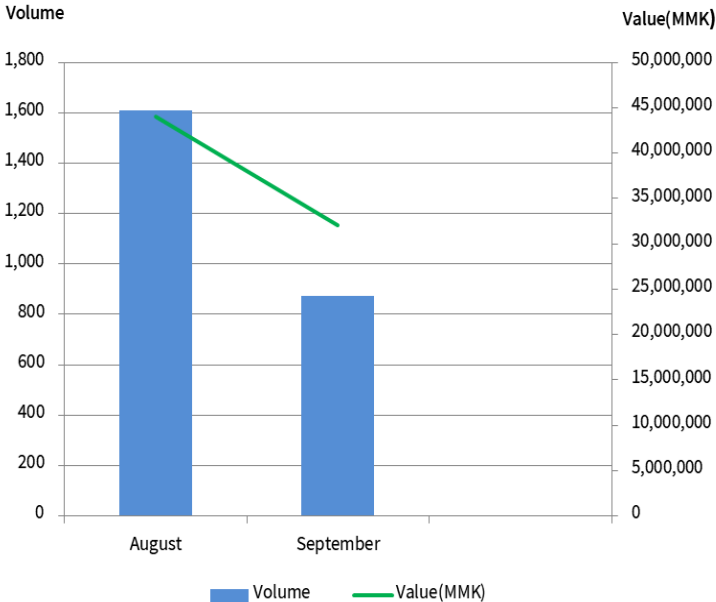


Stocks Trading Data

Stocks Trading Data of 8 Listed Companies
(From July to September 2024)

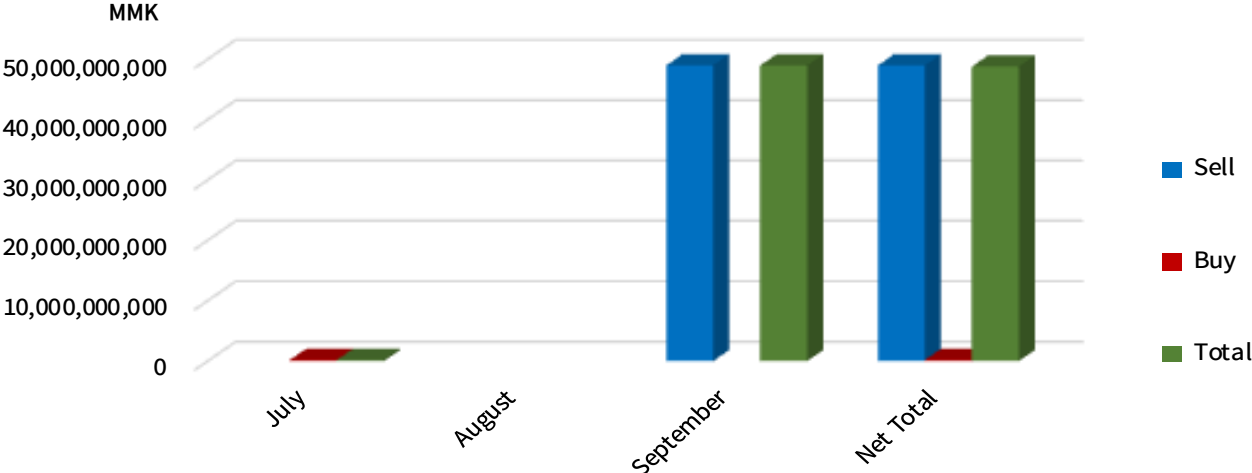


Stocks Trading Data of Pre-listing Board
(From August to September 2024)



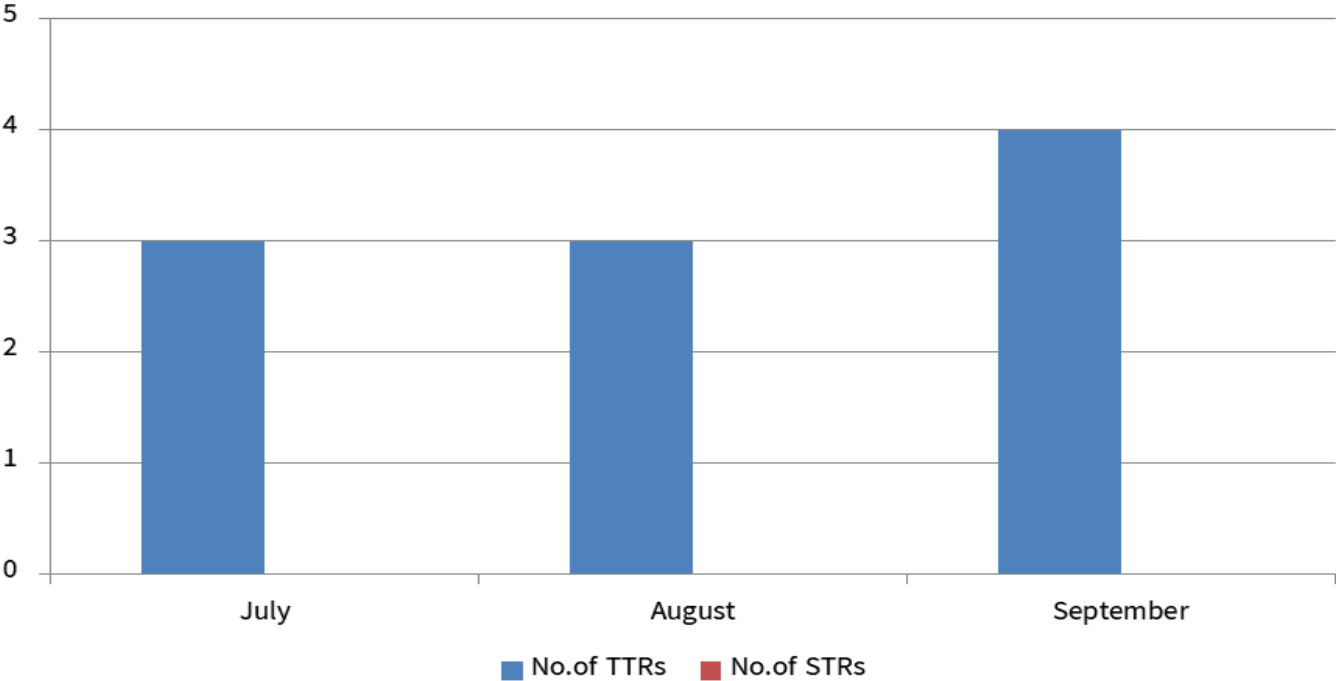
Trading Data of Government Securities

**Trading Data of the Government T-Bond in Secondary Market
(From July to September 2024)**



Cooperation with Market Participants

**AML-CFT report to MFIU by Securities Company
(From July to September 2024)**



ASEAN Member States Information

ASEAN Exchanges Commit to Advance ASEAN as an Attractive Region at the 37th ASEAN Exchanges CEOs Meeting

Penang, Malaysia, 16 July 2024 – Bursa Malaysia Berhad (“Bursa Malaysia”) hosted the 37th ASEAN Exchanges CEOs Meeting on 12 July 2024, bringing together CEOs from the six major exchanges in ASEAN to discuss initiatives aimed at making the region more competitive, particularly by focusing on the sustainability ecosystem and regional market connectivity. The meeting included CEOs/ Presidents from Bursa Malaysia, Indonesia Stock Exchange (IDX), The Philippine Stock Exchange (PSE), Singapore Exchange (SGX Group), The Stock Exchange of Thailand (SET), as well as the Deputy CEO of Vietnam Exchange. Apart from top executives from the six exchanges, representatives from Cambodia Securities Exchange and Lao Securities Exchange also attended the meeting as observers. This year’s meeting builds upon the 36th ASEAN Exchanges CEOs Meeting hosted by SET in Chiang Mai last September.

In respect of promoting regional market connectivity, the ASEAN Exchanges agreed to jointly pursue the collaboration to offer Depository Receipts (DRs) in their respective exchanges, expanding access for domestic investors to investment opportunities in neighboring countries. This follows last year’s DR linkage between SGX Group and SET which has yielded positive results,

setting the stage to progress this to an ASEAN-level initiative.

On the sustainability front, the past year saw growing momentum, with increased information sharing among ASEAN exchanges and observers, and the adoption of Common ESG metrics. Peer exchanges have given their respective inputs to an ESG landscape survey to prioritise future ESG initiatives to be undertaken by the exchanges.

The ASEAN Exchanges’ CEOs/Presidents have agreed to pursue four Proof-of-Concepts (POCs) over the next three years. These include:

- 1. Establishing an ASEAN Data Infrastructure:** Harmonizing data structures and standards to form an aggregated ASEAN view, with the potential to create a unified commercial policy and operating model.
- 2. Capacity Building for Listed Issuers:** Creating standardised ASEAN ESG curriculum based on relevant global and local requirements to support listed issuers towards efficient, automated and scalable assurance processes.
- 3. Transition Financing for Corporates’ Suppliers:** Incentivizing quality reporting across supply chains working with banks to offer financing pro-

4. **ASEAN ESG Awards:** Rewarding listed issuers with exemplary ESG performance opportunities to elevate business profile internationally.

The ASEAN-Interconnected Sustainability Ecosystem (ASEAN-ISE) initiative, which started with a Memorandum of Understanding (MoU) between Bursa Malaysia, IDX, and SET, has since expanded to include SGX Group (February 2024) and most recently PSE (July 2024). This significant development underscores the ASEAN bloc's commitment in adopting and implementing Common ESG Metrics within their respective ESG data infrastructures, hence significantly improving transparency, comparability, and exemplary ESG practices across the region.

Datuk Muhamad Umar Swift, Chief Executive Officer of Bursa Malaysia, said, "The inclusion of PSE in ASEAN-ISE signifies ASEAN Exchange members' steadfast commitment to sustainable development as a unified market. The agreed-upon Proof of Concepts focuses our collective energy and resources on exploring and deploying workable models in targeted strategic areas. These areas aim to elevate competitiveness by developing common data infrastructure, enhancing capacity building capabilities through economies of scale, and building an inter-connected marketplace to facilitate transition financing and capital

deployment into businesses with superior ESG practices. We envisage a three-year glide path and are open to exploring commercially viable business models or fit-for-purpose partnerships to accelerate this journey."

Ramon S. Monzon, President and CEO of PSE said, "Sustainability is a collective endeavour and we believe ASEAN-ISE provides us an opportunity to contribute to the development and implementation of ESG initiatives in the region. We are excited to collaborate with our peer exchanges in creating programmes that will elevate the level of sustainability in ASEAN markets."

The ASEAN Exchanges website at www.aseanexchanges.org, which has been refreshed in the recent months, now serves as a gateway for global investors seeking to explore the vast potential of ASEAN economies. The website functions as a comprehensive resource, offering information on ASEAN market insights and major developments.

Policy Team

Source: https://www.bursamalaysia.com/sites/5bb54be15f36ca0af339077a/content_entry5c11a9db758f8d31544574c6/66963a35e6414a1e904ea298/files/160724_ASEAN_EXCHANGES_COMMIT_TO_ADVANCE_ASEAN_AS_AN_ATTRACTIVE_REGION_AT_THE_37TH_ASEAN_EXCHANGES_CEOS_MEETING_HOSTED_BY_BURSA_MALAYSIA.pdf?1721122934

Partnership Between The Stock Exchange of Thailand and FTSE Russell

BANGKOK, July 30, 2024 – The Stock Exchange of Thailand ("SET") today announces a partnership with FTSE Russell, a leading global provider of benchmarks index solutions, to provide a sustainability scoring framework that will enhance standards among listed corporates in Thailand. FTSE Russell is a subsidiary of London Securities Exchange Group (LSEG), a global financial markets infrastructure and data provider.

Through the partnership, SET will adopt a new scoring framework for environmental, social and governance ("ESG") standards, using FTSE Russell's ESG Data Model, which will replace the presently used SET ESG Ratings from 2026. To ensure all stakeholders' readiness for the new framework, the adoption will be initially implemented through a pilot phase in 2024–2025. The move will help to align the Thai capital market with international best practices for sustainability disclosure and investing.

The SET ESG Ratings are currently voluntary for listed companies, and they must meet rating criteria evaluated through questionnaire responses and the qualification requirements. The criteria and assessment process of the SET ESG Ratings are approved by SET's Sustainable Investment Committee, which comprises various corporate governance and sustainability development experts.

Through FTSE Russell's ESG Data Model, eligible companies will have their sustainability

efforts assessed through publicly available data. This methodology is already used to evaluate more than 8,000 companies in 47 countries, helping them to build credibility, enhance transparency, and reduce the sustainability questionnaire fatigue for companies. Investors can also benchmark their results against both domestic and international peers using the same standards. The FTSE ESG Data Model is overseen by an independent advisory committee which includes the corporate sector, investors, non-governmental organisations, academia and beyond, with its assessment methodology reflecting the views of a diverse stakeholder base.

Dr Pakorn Peetathawatchai, President, SET, said the SET has prioritised developing the Thai capital market to excel in sustainability and gain international recognition. To uplift the SET ESG Ratings and better align with international standards, SET has been exploring global ESG assessment approaches since 2022 and has recently agreed to partner with FTSE Russell.

FTSE Russell products are used extensively by investors to comprehensively and transparently assess listed companies and their ESG operations, against globally recognised standards. Approximately \$15.9 trillion is benchmarked to FTSE Russell indexes.

Dr Pakorn Peetathawatchai, President, SET, said: " This partnership between SET and FTSE

Russell marks a significant milestone for the Thai capital market. It will encourage Thai listed companies to raise their sustainability practices to international levels and support investors in integrating ESG into their investment decisions, in line with sustainable investment trends. The SET has planned and established a roadmap with relevant agencies to ensure a smooth transition to international ESG assessment standards, benefiting all parties."

Helena Fung, Head of Sustainable Finance and Investment APAC, LSEG, said: "We are proud to partner with the Stock Exchange of Thailand in strengthening local capital markets ecosystems and helping stakeholders to operate more sustainably. This partnership underscores our ongoing commitment to transforming markets and creating value for stakeholders globally. Through this collaboration, Thai listed companies will be empowered to benchmark their ESG practices against international standards. It will also significantly elevate the profile of Thai companies in the international ESG discourse, making them more relevant to discerning global investors."

To assist listed companies and investors in better understanding FTSE Russell's ESG Data Model, SET and FTSE Russell will undertake a series of capacity building workshops, intended to generate awareness, improve education, and generally keep market participants informed of changes to be expected when moving from the SET ESG Ratings to FTSE Russell's ESG Data Model,

ensuring a smooth transition. These include a seminar, titled The Next Step for SET ESG Ratings: Preparing for FTSE Russell ESG Assessment.

SET and FTSE Russell will also commit to creating a knowledge base of guidelines on FTSE Russell's ESG Data Model scoring methodology, in both Thai and English.

Policy Team

Source: <https://www.set.or.th/en/market/news-and-alert/newsdetails?id=90076200&symbol=SET>

The included contents in this bulletin are stated for the purpose of knowledge sharing only.