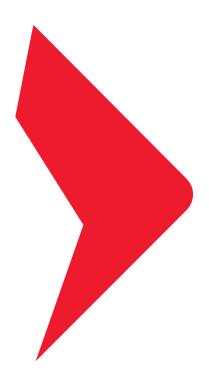


MARKET COMMENTARY

EQUITY MARKET REVIEW AND OUTLOOK

February 2019



eastspring.com/my





REVIEW

- Global markets trended up in February as investors were upbeat on better news around trade talks and a dovish US Federal Reserve stance despite softer economic data. Crude oil prices saw another strong month as OPEC continued to talk up output cuts. Brent crude oil rose 7% mom to US\$66/bbl, providing support for the ringgit which appreciated 0.8% against the US Dollar. On the local front, the Malaysian Government began negotiations with Gamuda for the acquisition of four highway concessions, without imposing the expropriation clause.
- The KLCI closed the month at 1,707.73 points, up 1.44% mom, lagging behind the regional and global markets. There was a short rally post the Chinese New Year break, but was short lived as many companies reported results that were quite weak. The FBM KLCI full year earnings growth for 2018 came in at -0.7% yoy (according to CIMB Research), the fourth year of sub-par earnings growth. The FBM Small Cap index gained 3.61% for the month. The best performing sectors were Energy (+12.2%) and Transport (+4.8%). The worst performing sectors were Property (-0.49%) and Health Care (-0.3%). Average value traded on Bursa in February was RM2263m higher by 8.8% mom but it was a shorter trading month.

OUTLOOK

- External headwinds seem to be getting stronger, with a lot of uncertainties likely to prevail and fuel volatility. The US-China trade truce has been extended, as negotiations are still on-going and rhetoric so far has been relatively positive that some sort of resolution and compromise will be found – but still an uncertain outcome. The UK government is still trying to work out an agreement ahead of the Brexit deadline 29 March 2019, to avoid participating in the EU elections on 23 May 2019. Domestically, it is challenging to identify positive catalysts that will drive the economy out of this lethargy.
- Nevertheless, we remain focused on companies that have strong fundamentals and a good track record of thriving even in challenging environments.



INDEX PERFORMANCE & MOVERS

FBM100 2019/2/	/1-2019/2	2/2 News	s • Exp	ort 🖌 Se	ettings		Equi	ty Index	Movers	
Group By None				Dat	e Range 2/1/19 - 2/	28/19			History	
Start 11545.	21	End	1	1697.74	Received to the Last ME				- 198	
Net Chg +152.	53		g	+1.32%						
Current 1	00	#Up		61			/			
Additions	0	#Dov	٧n	32	/					
Removals	0	#Und	ch	7	· · · · · · · ·	0 0 0 0	A B A	0 8 8		
Leaders					Laggards					
Name	End Prc	% Chg		%Idx Mv		End Prc	% Chg	Points	%Idx Mv	
1Petronas Ch	9.22	+9.11%	+37.056	+24.29%	1Maxis Bhd	5.37	-5.74%	-15.243	-9.99%	
2 Tenaga Nasi	13.42	+4.03%	+34.979	+22.93%	2British Ame	33.70	-12.06%	-11.078	-7.26%	
3CIMB Group	5.85	+4.09%	+26.354	+17.28%	3AirAsia Grou	2.77	-8.88%	-10.456	-6.86%	
4 Dialog Grou	3.23	+7.67%	+17.903	+11.74%		5.00	-7.41%	-9.905	-6.49%	
5Genting Bhd	7.37	+6.20%	+16.692	+10.94%	5IOI Corp Bhd	4.49	-3.44%	-8.625	-5.65%	
6 Axiata Grou	4.16	+3.74%	+11.679	+7.66%		4.54	-5.81%	-8.042	-5.27%	
7Public Bank	25.00	+0.89%	+11.532	+7.56%	7SP Setia Bh	2.29	-10.89%	-6.015	-3.94%	
8Genting Mal	3.50	+6.38%	+10.489	+6.88%	8Sime Darby	1.05	-8.70%	-6.000	-3.93%	
9Carlsberg B	24.50	+19.51%	+9.763	+6.40%	9Alliance Ban	3.96	-6.60%	-5.240	-3.44%	
10Hong Leong	21.28	+3.10%	+7.239	+4.75%	10Sime Darby	2.17	-3.13%	-4.200	-2.75%	
11Gamuda Bhd	2.94	+6.52%	+6.697	+4.39%	11Sime Darby	5.10	-1.35%	-4.200	-2.75%	
12IHH Healthc	5.73	+2.32%	+6.175	+4.05%	12DiGi.Com Bhd	4.55	-1.36%	-3.895	-2.55%	
13 Telekom Ma	3.05	+4.81%	+4.677	+3.07%	13YTL Corp Bhd	1.06	-3.64%	-3.131	-2.05%	
14 Magnum Bhd	2.41	+16.99%	+4.647	+3.05%	14KPJ Healthc	1.01	-6.48%	-2.767	-1.81%	
15RHB Bank B	5.66	+4.24%	+4.380	+2.87%	15 Press Metal	4.23	-1.86%	-2.530	-1.66%	
16VS Industry	1.00	+24.16%	+3.990	+2.62%	16 Unisem M B	2.80	-8.20%	-2.112	-1.38%	
17 Velesto Ene	0.25	+31.58%	+3.856	+2.53%	17 Boustead Pl	0.79	-15.59%	-2.024	-1.33%	
18 FGV Holding	1.12	+12.00%	+3.783	+2.48%	18 TIME dotCo	7.75	-4.44%	-1.881	-1.23%	
Australia 61 2 9777 8600 Brazil 5511 2385 9000 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000 Zapan 61 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 316 2000 Copyright 2019 Biotomber 9 Finance L.P. SN 774536 HKT GMT+6:00 G965-3071-0 04-4br-2019 14:40:43										

Source: Bloomberg

	Last	Price	MoM Changes		
Indices	31-Jan-19	28-Feb-19	+/-	%	
FBM KLCI	1683.53	1707.73	24.20	1.44%	
FBM MES	4402.1	4607.1	205.00	4.66%	
FBM 100	11545.21	11697.74	152.53	1.32%	
FBM 70	13817.21	13944.41	127.20	0.92%	
FBM SCAP	12108.48	12545.66	437.18	3.61%	
FBM EMAS	11660.62	11826.7	166.08	1.42%	
FBM SHA	11552.61	11732.11	179.50	1.55%	
FBM HIJRAH	13130.54	13298.01	167.47	1.28%	
MSCI APxJ	511.43	522.33	10.90	2.13%	

Source: Bloomberg



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