A member of Prudential plc (UK)

MARKET COMMENTARY

EQUITY MARKET REVIEW AND OUTLOOK

June 2020

REVIEW

- Malaysia continued its positive momentum for the month of June, driven by the liquidity in the market as retail interest remained strong, despite the net selling by foreign investors. In June foreign investors sold RM3b worth of Malaysian equities, unchanged mom, bringing net foreign outflows YTD to RM16.2bn, compared to 2019 outflow registered at RM11b. During the month Conditional MCO ended on the 9 June and was replaced by Recovery MCO which will be in place until 31 August, as more businesses reopen and interstate travel permitted.

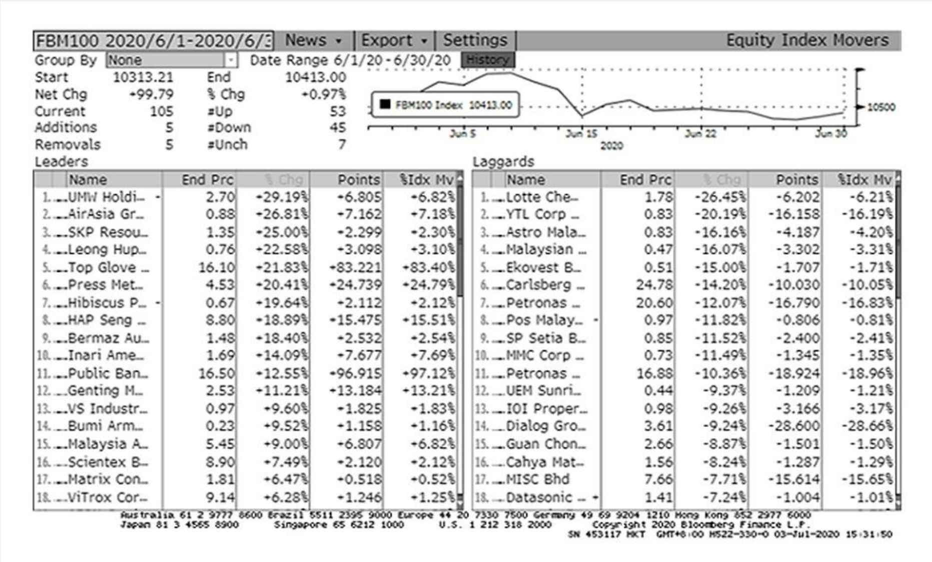
- The government announced the RM35b National Economic Recovery Plan (PENJANA) stimulus, consisting of RM10b direct fiscal injection, RM8b in incentives and the rest via measures by public sector entities. The KLCI gained 27.73 points in June 2020 to close at 1,500.97 points, up 1.88%. The FBM Small Cap index declined 1.68% for the month underperforming the KLCI. The best performing sectors were Technology (4.75%) and Property (2.77%). The worst performing sectors were Telecommunication and Media (-8.6%) and Utility (-4.8%). Average value traded on Bursa in June was RM4700m higher by 33% mom.

OUTLOOK

- We continue to monitor the updates regarding the COVID-19 pandemic and how economies are coping as governments start lifting the restrictions on the lock-down. Unfortunately, we are seeing the effects of the easing restrictions in the form of higher infection rates in the US, Middle East, Australia and India. Domestically, focus will be on the upcoming Monetary Policy Committee meeting on the 7th July, where economists are mixed as to whether BNM will cut OPR again. In addition political tensions may rise as the 14th Parliament sitting will take place from the 13 July to 27 August, allowing for the first debate in parliament since the Perikatan Nasional government took power.

- We remain cautious although we expect the economy to improve with further relaxation of the movement control order. However, this recovery will be fragile given weak global demand affecting trade and the threat of a second wave of COVID-19 will have on economies. Nevertheless, we would look to accumulate fundamentally sound stocks on weakness.

INDEX PERFORMANCE & MOVERS



FBM100 2020/6/1-2020/6/3 | News | Export | Settings | Equity Index Movers

Group By None | Date Range 6/1/20 - 6/30/20 | History

Start	10313.21	End	10413.00
Net Chg	+99.79	% Chg	+0.97%
Current	105	#Up	53
Additions	5	#Down	45
Removals	5	#Unch	7

Leaders

	Name	End Prc	% Chg	Points	%Idx Mv
1.	UMW Holdi...	2.70	+29.19%	+6.805	+6.82%
2.	AirAsia Gr...	0.88	+26.81%	+7.162	+7.18%
3.	SKP Resou...	1.35	+25.00%	+2.299	+2.30%
4.	Leong Hup...	0.76	+22.58%	+3.098	+3.10%
5.	Top Glove ...	16.10	+21.83%	+83.221	+83.40%
6.	Press Met...	4.53	+20.41%	+24.739	+24.79%
7.	Hibiscus P...	0.67	+19.64%	+2.112	+2.12%
8.	HAP Seng ...	8.80	+18.89%	+15.475	+15.51%
9.	Bermaz Au...	1.48	+18.40%	+2.532	+2.54%
10.	Inari Ame...	1.69	+14.09%	+7.677	+7.69%
11.	Public Ban...	16.50	+12.55%	+96.915	+97.12%
12.	Genting M...	2.53	+11.21%	+13.184	+13.21%
13.	VS Industr...	0.97	+9.60%	+1.825	+1.83%
14.	Bumi Arm...	0.23	+9.52%	+1.158	+1.16%
15.	Malaysia A...	5.45	+9.00%	+6.807	+6.82%
16.	Scientex B...	8.90	+7.49%	+2.120	+2.12%
17.	Matrix Con...	1.81	+6.47%	+0.518	+0.52%
18.	ViTrox Cor...	9.14	+6.28%	+1.246	+1.25%

Laggards

	Name	End Prc	% Chg	Points	%Idx Mv
1.	Lotte Che...	1.78	-26.45%	-6.202	-6.21%
2.	YTL Corp ...	0.83	-20.19%	-16.158	-16.19%
3.	Astro Mala...	0.83	-16.16%	-4.187	-4.20%
4.	Malaysian ...	0.47	-16.07%	-3.302	-3.31%
5.	Ekovest B...	0.51	-15.00%	-1.707	-1.71%
6.	Carlsberg ...	24.78	-14.20%	-10.030	-10.05%
7.	Petronas ...	20.60	-12.07%	-16.790	-16.83%
8.	Pos Malay...	0.97	-11.82%	-0.806	-0.81%
9.	SP Setia B...	0.85	-11.52%	-2.400	-2.41%
10.	MMC Corp ...	0.73	-11.49%	-1.345	-1.35%
11.	Petronas ...	16.88	-10.36%	-18.924	-18.96%
12.	UEM Sunri...	0.44	-9.37%	-1.209	-1.21%
13.	IOI Proper...	0.98	-9.26%	-3.166	-3.17%
14.	Dialog Gro...	3.61	-9.24%	-28.600	-28.66%
15.	Guan Chon...	2.66	-8.87%	-1.501	-1.50%
16.	Cahya Mat...	1.56	-8.24%	-1.287	-1.29%
17.	MISC Bhd	7.66	-7.71%	-15.614	-15.65%
18.	Datasonic ...	1.41	-7.24%	-1.004	-1.01%

Australia 61 2 9777 8600 Brazil 5511 2395 9000 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000
Japan 81 3 4565 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2020 Bloomberg Finance L.P.
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Source: Bloomberg

	Last Price		MoM Changes	
Indices	**31-May-20**	**30-Jun-20**	**+/-**	**%**
FBM KLCI	1,473.24	1,500.97	27.73	1.88
FBM MES	5,619.81	6,164.31	544.50	9.69
FBM 100	10,313.21	10,413.00	99.79	0.97
FBM 70	13,195.20	12,939.63	-255.57	-1.94
FBM SCAP	12,061.84	11,858.60	-203.24	-1.68
FBM EMAS	10,463.85	10,551.98	88.13	0.84
FBM SHA	12,025.22	12,039.29	14.07	0.12
FBM HIJRAH	13,768.76	13,835.21	66.45	0.48
MSCI APxJ	476.26	513.17	36.91	7.75

Source: Bloomberg