

MARKET COMMENTARY

EQUITY MARKET REVIEW AND OUTLOOK

March 2021



eastspring.com/my





- Regional Asia pacific ex-Japan markets ended the month of March lower by 2.3% mom, but Malaysia managed close the month down slightly by 0.3%. Improvement in investor sentiment at the start of the month was disrupted by concerns over rising bond yields and political instability towards end of March. The government announced that Selangor, Johor, Penang and Kuala Lumpur will exit MCO and enter CMCO from 5 Mar, given the number of new Covid-cases have fallen. On 8 Mar, crude oil prices rallied toward USD70 a barrel, after OPEC+ chose not to relax supply curbs even as the global economy recovers. The Malaysian government also unveiled a RM20bn stimulus package, dubbed PERMERKASA, of which RM11b is a direct fiscal injection.
- The KLCI declined by 4.24 points in March to close at 1,573.51 points, down 0.27%. The FBM Small Cap index gained 2.27% for the month outperforming the KLCI. The best performing sectors were Property (+8.37%) and Construction (+6.09%). The worst performing sectors were Healthcare (-9.4%) and Technology (-6.14%). Average value traded on Bursa in March was RM5875m up by 23% mom.

OUTLOOK

Whilst Covid-19 new cases remain stubbornly high above 1000 a day, the imposition of CMCO from MCO has enabled more businesses to reopen. BNM's GDP forecast for 2021 has widened to the range of 6-7.5%, as expected, reducing the lower end of the range from 6.5-7.5% (MoF Budget 2021). Corporate earnings recovery for 2021 will be cut to take into account of MCO 2.0 in 1Q21, hence we may only see recovery beyond pre-Covid levels in 2022 onwards. Events that are on our radar would include the delivery of vaccines and the inoculation progress in Malaysia; and increasing political risk perhaps in 3Q21 as calls for Parliament to resume grows louder. Despite a potentially fragile recovery globally, we continue to recommend accumulating fundamentally sound stocks on weakness.



INDEX PERFORMANCE & MOVERS

FBM100 2021/3/1-2021/3/2 News • Export • Settings Equity Index Movers											
Group By None Date Range 3/1/21-3/31/21 History											
Start 11302.00 End 11281.77 FEMILIO Desk 11281.705											
Net Chg -20.23 % Chg -0.18%											
Current 100 #Up 59											
Additions 0 #Down 39											
Removals 0 #Unch 2 2 3 4 5 8 9 10 11 12 13 16 17 18 19 72 23 24 25 28 29 30 31									30 31		
Leaders Laggards											
Name	End Prc	% Chg	Points	%Idx Mv	Name	End Prc		Points	%Idx Mv		
1MMC Corp	1.03	+32.05%	+3.452	+17.06%	1 Supermax	3.81	-21.28%	-27.437	-135.63%		
2Guan Chon	3.14	+18.05%	+2.707	+13.38%	2Kossan Ru	3.26	-14.98%	-12.286	-60.73%		
3SP Setia B	1.05	+14.75%	+2.876	+14.21%	3Mi Techno	3.99	-13.64%	-2.455	-12.14%		
4Sunway B	1.70	+13.33%	+5.234	+25.87%	4Unisem M	7.68	-13.48%	-2.171	-10.73%		
5Lotte Che	2.55	+12.83%	+2.731	+13.50%	5ViTrox Cor	14.94	-13.14%	-5.094	-25.18%		
6Sime Darb	0.65	+12.07%	+4.077	+20.15%	6 Duopharm	2.75	-11.29%	-0.812	-4.01%		
7Genting B	5.03	+10.95%	+19.089	+94.36%	7 Pentamast	5.60	-10.97%	-7.091	-35.05%		
8Malaysian	0.46	+10.84%	+1.605	+7.93%	8 Hartalega	8.93	-10.70%	-26.473	-130.86%		
9Genting M	3.07	+9.17%	+12.223	+60.42%	9 Top Glove	4.52	-9.52%	-40.866	-202.01%		
10 UEM Sunri	0.44	+8.75%	+0.914	+4.52%	10 UWC BHD	5.85	-9.30%	-3.129	-15.47%		
11 Petronas	8.00	+8.60%	+29.920	+147.90%	11Inari Ame	3.28	-8.17%	-10.746	-53.12%		
12Matrix Con	1.93	+8.27%	+0.693	+3.43%	12 AMMB Hold	2.93	-7.28%	-7.263	-35.90%		
13 IJM Corp	1.69	+7.64%	+6.308	+31.18%	13 My EG Ser	1.97	-7.08%	-5.257	-25.99%		
14Gamuda B	3.58	+7.51%	+9.209	+45.52%	14Cahya Mat	2.18	-6.03%	-1.253	-6.20%		
15Bermaz Au	1.44	+7.46%	+1.069	+5.28%	15 GDEX Bhd	0.36	-5.33%	-0.548	-2.71%		
16 Datasonic	0.55	+7.27%	+0.654	+3.23%	16 Mega First	7.28	-5.33%	-1.973	-9.75%		
17AirAsia Gr	0.98	+7.10%	+2.428	+12.00%	17Sime Darb	4.64	-5.31%	-15.360	-75.93%		
18Malakoff C	0.87	+6.79%	+2.254	+11.14%	18 VS Industr	2.85	-5.00%	-3.140	-15.52%		

Source: Bloomberg

		Last Price			nanges	YTD Changes		
Indices	31-Dec-20	28-Feb-21	31-Mar-21	+/-	%	+/-	%	
FBM KLCI	1,627.21	1,577.75	1,573.51	(4.24)	-0.27	(53.70)	-3.30	
FBM MES	10,734.69	10,873.52	10,065.80	(807.72)	-7.43	(668.89)	-6.23	
FBM 100	11,501.99	11,302.00	11,281.77	(20.23)	-0.18	(220.22)	-1.91	
FBM 70	15,142.84	15,461.17	15,473.57	12.40	0.08	330.73	2.18	
FBM SCAP	15,565.49	16,377.28	16,749.53	372.25	2.27	1,184.04	7.61	
FBM EMAS	11,761.93	11,614.17	11,614.56	0.39	0.00	(147.37)	-1.25	
FBM SHA	13,159.15	12,979.15	12,848.17	(130.98)	-1.01	(310.98)	-2.36	
FBM HIJRAH	14,340.56	13,609.09	13,349.71	(259.38)	-1.91	(990.85)	-6.91	
MSCI APxJ	662.14	693.59	677.61	(15.97)	-2.30	15.48	2.34	

Source: Bloomberg



Disclaimer

This document is prepared for information purposes only and may not be published, circulated, reproduced or distributed in whole or part, whether directly or indirectly, to any other person without the prior written consent of Eastspring Investments Berhad. It should not be construed as an offer or solicitation for the subscription, purchase or sale of any securities mentioned herein. Whilst we have taken all reasonable care to ensure that the information contained in this document is not untrue or misleading at the time of publication, we cannot guarantee its accuracy or completeness. Any opinion or estimate contained in this document is subject to change without notice. Investors may wish to seek advice from a professional adviser before making a commitment to invest in units of any of our funds. Eastspring Investments Berhad and its related and affiliated corporations together with their respective directors and officers may have or may take positions in the securities mentioned in this document and may also perform or seek to perform other investment services for the corporations whose securities are mentioned in this document as well as other parties. The graphs or charts are included for illustrative purposes only. Past performance is not necessarily a guide to future performance. The predictions, projections, or forecast on the economy, securities markets or the economic trends of the markets are not necessarily indicative of the future or likely performance of Eastspring Investments Berhad or any funds managed by Eastspring Investments Berhad. The value and any income accruing to the investments, if any, may fall as well as rise. An investment is subject to investment risks, including the possible loss of the principal amount invested. Eastspring Investments companies (excluding JV companies) are ultimately whollyowned/indirect subsidiaries of Prudential plc of the United Kingdom. Eastspring Investments companies (including JV companies) and Prudential plc are not affiliated in any manner with Prudential Financial, Inc., a company whose principal place of business is in the United States of America or with the Prudential Assurance Company, a subsidiary of M&G plc, a company incorporated in the United Kingdom.