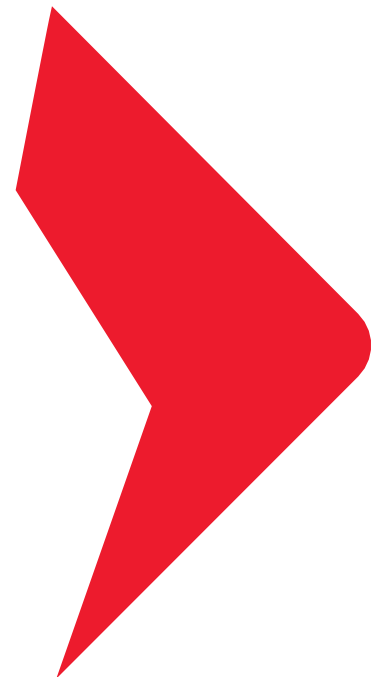


MARKET COMMENTARY

Equity market review and outlook

April 2022





Review

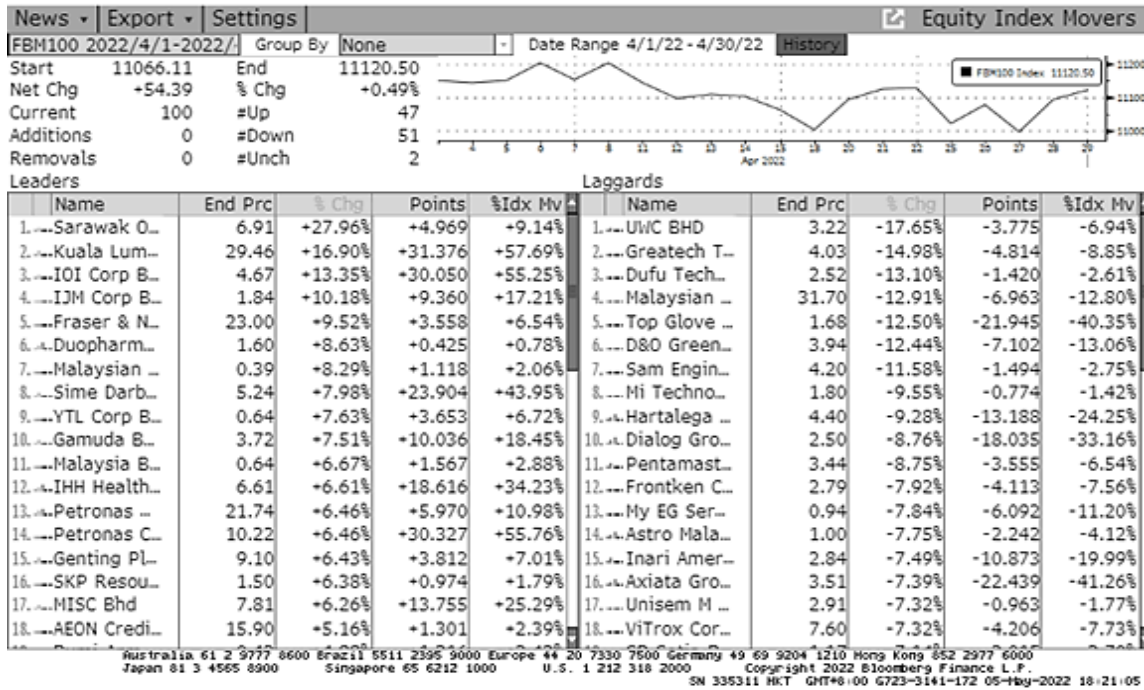
- ▶ Malaysian equity markets outperformed the Asia Pacific region, despite being a relatively quiet trading month in April with only USD9.62bn traded versus March's USD16.2bn. Effective 1 April 2022, Malaysia moved towards endemic phase, lifting many travel restrictions. EPF's special withdrawal of up to RM10k was opened for applications early April, and within two weeks, saw approved applications of about RM40b, to be disbursed by the end of April. This will help drive consumption spending domestically, especially ahead of the Hari Raya festivities that began 2 May 2022. The conflict between Russia and Ukraine continued without a ceasefire being reached. Brent crude oil prices remained elevated at between USD100-110/bbl, whilst crude palm oil prices trended higher to above RM7000/T. Foreign investors were net buyers of equity in April of RM0.8b, the fourth consecutive month of net inflows.
- ▶ The KLCI rose 13.07 points in April to close at 1,600.43 points, up 0.82%. The FBM Small Cap index rose 2.94% for the month outperforming the KLCI. The best performing sectors were Construction (+12.7%) and Plantation (+6.08%). The worst performing sectors were Technology (-7.9%) and Healthcare (-2.41%). Average value traded on Bursa in April was RM2297m, lower by 34% mom.

Outlook

- ▶ Two months into the Russia/Ukraine conflict, a resolution towards a ceasefire has yet to be achieved. As such commodity prices are likely to remain higher for longer. Other global risks to contend with could include higher inflationary pressures resulting in the US Federal Reserve hiking rates faster and more aggressively. Nevertheless, as Malaysia moves towards endemic phase post 1 April 2022, the reopening will help support the recovery. The PM announced effective 1 May 2022 further relaxations of restrictions such as allowing the option not to wear a mask outdoors, no requirement to check-in with MySejahtera, social distancing no longer required, and fully vaccinated travelers will no longer need to do a Covid-19 test before departing Malaysia and also upon arrival, and Covid-19 insurance is no longer needed for all travelers entering Malaysia. The success of the BN party in the recent Johor State Elections will fuel speculations that GE15 may be called after July 2022. A convincing win by any party will be a positive factor towards a more stable government and policy making. Whilst there are many potential headwinds on the horizon, any correction in the market would provide a good opportunity to accumulate fundamentally strong stocks.



Index performance & movers



Source: Bloomberg

Indices	Last Price			MoM Changes		YTD Changes	
	31-Dec-21	31-Mar-22	30-Apr-22	+/-	%	+/-	%
FBMKLCI	1567.53	1587.36	1600.43	13.07	0.82%	32.90	2.10%
FBMME\$	6,419.60	5,618.82	5,578.67	-40.15	-0.71%	(840.93)	-13.10%
FBM100	11,015.13	11,066.11	11,120.50	54.39	0.49%	105.37	0.96%
FBM70	14,209.95	13,853.47	13,772.18	-81.29	-0.59%	(437.77)	-3.08%
FBMSCAP	15,760.35	16,292.46	16,771.84	479.38	2.94%	1,011.49	6.42%
FBMEMA\$	11,308.79	11,387.32	11,466.08	78.76	0.69%	157.29	1.39%
FBMSHA	12,263.10	11,943.35	12,022.28	78.93	0.66%	(240.82)	-1.96%
FBMHIJRAH	12,835.55	12,600.91	12,741.33	140.42	1.11%	(94.22)	-0.73%
FBMSCAP\$	14,664.87	15,079.97	15,569.34	489.37	3.25%	904.47	6.17%
MSCIAPXJ	629.85	591.32	559.65	-31.67	-5.36%	(70.20)	-11.15%

Source: Bloomberg



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