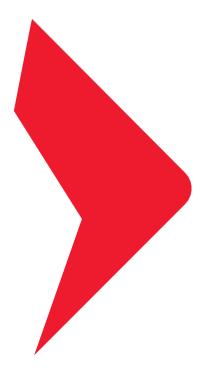


MARKET COMMENTARY

Equity market review and outlook

August 2022



eastspring.com/my

Review

- Malaysian equity markets managed to close the month of August in positive territory despite global markets correcting as investors turned bearish post the US Federal Chairman's remarks at the annual policy forum. In a forceful speech in Jackson Hole, the Federal Reserve chair said central bank officials will keep raising rates until the economy is under control, acknowledging that by doing so and bringing inflation to normal levels, will slow the economy enough to cause "some pain" for households and businesses and weaken the job market. August was a hallmark month for Malaysia, as a Federal Court upheld ex-Prime Minister Najib Razak's guilty verdict in the SRC International case, and he was sentenced to 12-years jail. Malaysia also reported its 2Q22 GDP which grew by 8.9% yoy, coming in above consensus estimates of 7%. 1H22 GDP growth of +6.9% tracking well vs BNM forecast of 5.3-6.3%. The KLCI closed the month at 1,512.05, up 1.33% mom.
- The FBM Small Cap index gained 0.51% for the month underperforming the KLCI. The best performing sectors were Energy (+8.5%) and Utility (4.0%). The worst performing sectors were Health Care (-9.71%) and Technology (-3.9%). Average value traded on Bursa in August was RM1999 higher by 42% mom.

Outlook

More than six months into the Russia/Ukraine conflict, a resolution towards a ceasefire has yet to be achieved. Commodity prices have remained higher for longer in general, although volatility has increased in tandem with changing investor expectations regarding a potential recession due in part of the US hiking interest rates aggressively. Nevertheless, economic data coming out of the US is still relatively healthy with the US Federal Reserve Chairman indicating that the recent hikes have not had enough of an impact to inflation and the US jobs market as yet. Domestically, Malaysia's reopening of the economy has been relatively smooth, with Covid cases remaining relatively low, and consumer spending boosted by the special EPF withdrawals. However inflationary pressures are being felt in the economy, as many producers have had a few rounds of price hikes due to rising input costs. This has been somewhat mitigated by the improved labour market as unemployment rates have declined to 3.8% in June 2022. Budget 2023 will apparently be read three weeks earlier than expected, prompting speculation that Parliament will be dissolved soon after this reading and GE15 will be called. A convincing win by any party will be a positive factor towards a more stable government and policy making. Whilst there are still many potential headwinds on the horizon, any correction in the market would provide a good opportunity to accumulate fundamentally strong stocks.

F8M100 1 10309.77 -4.77At 17:05 d H 10355.44 490.713.423 0 10321.99 L 10294.95 Prev 10314.54 Vol. х FBM100 2022/9 Equity Index Movers 2/1 5 End 22/8/1-202 Group By None ind 10449.43 Date Range 8/1/22 - 8/31/22 News • History Start 10400 +0.93% 49 47 +96.55 % Chg #Up Net Chg FEX100 Index 10449,4297 Current 10200 4 13 18 17 Aug 2022 Additions 0 #Down 15 1h ź 25 25 2 10 16 24 ÷. ÷. õ #Unch 4 Removals Name Laggards End Prc 5.35 Points +1.051 %Idx Mv +1.09% End Prc 1.66 Points -31.198 %Idx Mv -32.31% Name 1. --- Hengyu... +21.04% -39.42% 1.....Hartale... +18.44% +16.09% +4.037 +1.640 +4.18% -Hong S... Mi Tech... 0.47 -22.95% -21.75% -8.119 -2.204 -8.41% -2.28% 2.---Hibiscu... 1.05 2 3......Sam En... 4.40 4.....DRB-H1 +14.29% +2.627 +2.72% 1.01 1.24 -19.20% -5.243 1.44 4.....Kossan... -5 43% 5. --- Dialog ... 2.43 5. Duopha... -0.94% i --- Burni A. 0.42 +9.21% +2.289 +40.212 +15.123 +2.37% 6.....Top Glo... 7.....Lotte C... 0.81 -16.58% -14.259 -14.77% 8.99 17.60 1.71 -10.47% -1.953 -2.02% 7. --- Tenaga... 8. --- PPB Gr... +8.84% +8.11% +15.66% 8.....Superm... +7.18% 2.76AMMB H 4.18 +10.048 +10.41% -7.35% -0.910 -0.94%Unisem... +2.488 +7.756 +13.488 +2.58% 10 .--- Dagang 0.86 -6.70% 10 Astro M. -1.583 -1.64% 11. --- Maxis B... 3.85 +0.26% +8.03% 1.....Greatec... 3.63 -6.68% -1.743 -1.81% +5.92% 12.....Dufu Te 12. JLAxiata ... 3.04 +13.9782.88-6.31% 13.ViTrox 13. ---- UMW Ho.... 3.08 +5.84% +1.312 +1.36% 7.21 -6.24% -3.328 -3.45% 14. ---- Kuala L... 23.14 +5.57% +8.879 +9.20% 14. Malavsi... 5.87 -6.08% -5.763 -5.97% +5.51% 1.61 -5.85% 15. --- Eco Wor-0.67 +0.565 +0.58% -0.848 -0.88% 15. Hextar ... 3.63 16.....Leong ... 17.....Inari A... 16.--- Mega Fi... +1.887 +1.95% -0.667 -0.69% +9.776 2.71 17. --- Teleko. 5.97 +5.11% +10.12% -5.24% -7.040 -7.29% -4.91% -0.58% 18. IOI Cor... 4.23 +4.96% +11.16% -0.561 18.....Bouste... 19 SKP Re... 1.70 +4.94% +0.856 +0.89% 19 UEM Su. 0.30 -4.84% -0.396 -0.41% 20. --- Petron... +4.91% +4.918 +5.09% 20. Malavsi -4.77% -2.255 21.....GHL Sy... +4.86% 2.59 21....Chin Hi... +0.909 +0.94% 1.11 -4.31% -0.323 -0.33% +2.706 +2.80% 22......D&O Gr.... -3.93% -2.006 22...... My EG 3.91 -2.08% 3.75 4.77 3.99 6.71 +8.10% 23.....QL Res... 24.....British ... 5.10 10.30 -3.77% 23 -- DiGi Co +4.09% +7.819 -3.682 -3.81% +3.92% +2.967 24. --- TIME d----0.886 -0.92% +0.60% 1.71 -3.39% -3.27% 25. --- Ta Ann +3.91% 25 IJM Cor... -3.155 g... 6.71 +3.87% +1.713 +1.77% /0.....Frontke... 2.78 -2.93% -1.411 -1.46% n... 4.04 +3.59% +1.491 +1.54% 27.....Frontke... 2.78 -2.93% -1.411 -1.46% 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 4555 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2022 Blootherg Finance L.P. SN 345309 HKT GHT+6:00 H939-4449-172 02-Sep-2022 17:46:35 26. IHH He ... 26.-++Genting... 27. --- Pentam -1.46%

Index performance & movers

Source: Bloomberg

| | Last Price | | | MoM Changes | | YTD Changes | |
|-----------|------------|--------------|------------|-------------|--------|-------------|-----------|
| indice s | 31-Dec -21 | 31-Jul-22 | 31-A ug-22 | +- | % | +1- | % |
| FBMKLCI | 1,567.53 | 1,492.23 | 1,5 12.05 | 19.8 2 | 1.33 % | (55.48) | -3.54 % |
| FBMME\$ | 6,4 19.60 | 4,848.00 | 4,9 10.44 | 62.44 | 1.29 % | (1,509.16) | -23.51% |
| FBM 100 | 11,0 15.13 | 10 ,35 2.8 8 | 10,449.43 | 96.55 | 0.93% | (565.70) | -5.14 % |
| FBM70 | 14,209.95 | 12,758.44 | 12,7 12.44 | -46.00 | -0.36% | (1,497.51) | -10.54 % |
| FBM\$CAP | 15,760.35 | 14,307.38 | 14,380.26 | 72.88 | 0.51% | (1,380.09) | -8.76% |
| FBMEMAS | 11,308.79 | 10,601.90 | 10,697.65 | 95.75 | 0.90% | (611.14) | -5.40 % |
| FBM\$HA | 12,263.10 | 10,734.77 | 10,8 13.46 | 78.69 | 0.73% | (1,449.64) | - 11.82 % |
| FBMHIJRAH | 12,835.55 | 11,50 6.2 6 | 11,777.59 | 271.33 | 2.36% | (1,057.96) | -8.24% |
| FBMSCAPS | 14,664.87 | 13,266.90 | 13,350.26 | 83.36 | 0.63% | (1,3 14.61) | -8.96% |
| MSCIAPXJ | 629.85 | 522.31 | 5 19.92 | -2.39 | -0.46% | (109.93) | -17 .45 % |

Source: Bloomberg

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