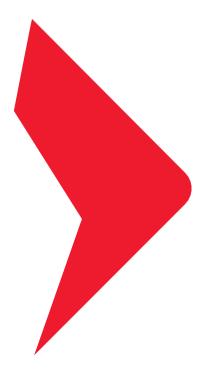


MARKET COMMENTARY

# Equity market review and outlook

October 2022



### Review

- Malaysian equities managed to outperformed Asia Pacific ex-Japan in October, after the sharp correction in September. Global markets rallied in hopes of a more dovish US Federal Reserve stance on interest rates. Budget 2023 announced on 7 Oct 2022, was indeed a non-event, especially since PM Ismail Sabri (now caretaker PM) then dissolved Parliament on the 10 Oct 2022 (which was somewhat expected given the Budget 2023 date being brought forward). Globally, October was also full of political maneuverings with the UK appointing their 3rd Prime Minister (Rishi Sunak) in 2022, and China saw President Xi Jinping strengthen his position over the Chinese Communist Party. US-China relations took a turn, with the Biden administration publishing a sweeping set of export controls to cut China off from certain semiconductor chips made anywhere in the world with US tools.
- The KLCI closed the month at 1,460.38, up 4.71% mom. The FBM Small Cap index gained 4.21% for the month slightly underperforming the KLCI. The best performing sectors for the month Healthcare (+15.2%) and Transport (11.9%). The worst performing sectors were Technology (-3.79%) and Construction (-1.2%). Average value traded on Bursa in October was RM1783m, was lower by 15.3% mom.

#### Outlook

- Eight months into the Russia-Ukraine conflict with no end in sight.Geo-political tensions globally has been slowly ratcheting up. The US-China relations have soured as the Biden administration tries to curb China's technology progress and access to US tools/related tech equipment. The US mid-term elections will be held 8 Nov 2022 and the low approval ratings for President Biden may add pressure to the overall tensions. The US FOMC Chairman's press conference statement was more hawkish than the policy statement and implied a higher terminal Fed Funds Rate of above 5% after the November FOMC.
- Domestically, investors have been distracted with politics/ General Elections. GE15 will be held on 19 November 2022, as caretaker PM Ismail Sabri relents to the pressure from his own party to hold elections before the end of 2022, despite the risk of a Monsoon. Earlier political analysis had indicated that a BN win was most likely, however whilst this remains the base case, the nomination of candidates so far indicates that many seats will have multi-corner fights which can have a very unpredictable result. UNDI18 and automatic voter registration which will add more than 6 m new voters may be an additional complication to the outcome.
- Whilst we believe a convincing win by any political party will be a positive factor towards a more stable government and policy making, the current political situation maybe needed for Malaysia to mature democratically. 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.

## Index performance & movers

Export •									ity Index	Movers			
FBM100 2022/10/1-2022 Group By None - Date Range 10/1/22 - 10/31/22 News + History													
Start	9728.70	End	10089.93		dex 20009.9297								
Net Chg	+361.23	% Chg	+3.71%	- Person of						9800			
Current 100 #Up 61				9000									
Additions	0	#Down	36			0 0 0 0 0	4 4 4	3 3	5 2 3	21			
Removals	0	#Unch	3			Oct 2022				1			
Leaders Laggards													
Name		End Prc	% Chg	Points	%Id× Mv		End Prc	% Chg	Points	%Id× Mv			
1Supern		0.97	+42.96%	+8.250	+2.28%	1Hong Seng Con	0.22	-32.31%	-6.135	-1.70%			
2 Hextar Global		2.37	+34.66%	+5.206	+1.44%	2UEM Sunrise Bhd	0.21	-21.15%	-1.725	-0.48%			
3 Hartalega Holdi		2.16	+30.12%	+14.535	+4.02%	3SP Setia Bhd G	0.48	-16.52%	-2.122	-0.59%			
4 Top Glove Corp		0.80	+27.20%	+15.250	+4.22%	4Malaysian Paci	24.00	-16.49%	-6.985	-1.93%			
5 Ta Ann Holding		3.95	+22.29%	+2.787	+0.77%	5VS Industry Bhd	0.85	-12.49%	-5.400	-1.49%			
6Sarawak Oil Pa		2.57	+17.35%	+1.940	+0.54%	ó Frontken Corp	2.45	-10.91%	-5.084	-1.41%			
7Kossan Rubber		1.25	+15.74%	+3.738	+1.03%	7 Astro Malaysia	0.68	-10.55%	-2.110	-0.58%			
8Hibiscus Petrol		0.97	+15.48%	+3.202	+0.89%	8 GHL Systems B	0.70	-9.09%	-0.422	-0.12%			
9Boustead Plant		0.70	+14.88%	+1.270	+0.35%	9Dufu Technolog	2.37	-7.78%	-0.745	-0.21%			
10 DiGi.Com Bhd		3.79	+12.13%	+21.917	+6.07%	10 Pentamaster C	3.88	-6.51%	-2.890	-0.80%			
		+12.04%	+2.796	+0.77%	11 FGV Holdings B	1.32	-6.38%	-1.072	-0.30%				
			+9.80%	+3.794		12 Greatech Techn	3.25	-6.07%	-1.415	-0.39%			
	13. A. Maxis Bhd		+9.69%	+11.707		13 Scientex BHD	3.26	-6.05%	-2.192	-0.61%			
14Axiata Group B		2.85	+8.78%	+18.370		14 UWC BHD	3.70	-5.61%	-1.197	-0.33%			
15 Petron		21.68	+8.29%	+7.479		15Fraser & Neave	20.54	-4.91%	-1.874	-0.52%			
16IOI Corp Bhd		4.08	+8.22%	+16.800		16 Mi Technovatio	1.17	-4.88%	-0.458	-0.13%			
17 Sam Engineerin		5.30	+7.72%	+1.028		17 SKP Resources	1.59	-4.22%	-0.753	-0.21%			
18Press		4.35	+7.67%	+18.773		18Guan Chong Bhd	2.10	-4.11%	-0.564	-0.16%			
	19 CIMB Group Hol 5.52 +7.60%			+44.589		19	3.88	-3.72%	-1.891	-0.52%			
			+7.58%	+2.024		20 YTL Corp Bhd	0.56	-2.59%	-1.211	-0.34%			
21Sime D		4.40	+7.58%	+19.105		21Chin Hin Group	2.81	-2.43%	-0.534	-0.15%			
22 Padini		3.38	+7.30%	+1.437		22IJM Corp Bhd	1.63	-2.40%	-2.115	-0.59%			
23MISC B		7.23	+6.95%	+13.992		23 AEON Credit Se	13.00	-2.32%	-0.515	-0.14%			
24 Malays		5.98	+6.79%	+5.804		24 Lotte Chemical	1.31	-2.24%	-0.294	-0.08%			
25. +1-Gentin		6.12	+6.62%	+2.619		25ViTrox Corp Bhd	7.08	-2.07%	-1.045	-0.29%			
26Duopha		1.38	+6.15%	+0.269		26Gamuda Bhd	3.85	-2.04%	-3.120	-0.86%			
27 Public		4.47	+5.67%	+58.675		27Genting Malays-	2.74	-1.79%	-2.403	-0.67%			
Rustralia 61 2 9777 8600 Erazii 5511 2395 9000 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Mong Kong 852 2977 6000 Japan 81 3 4565 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2022 Bloomberg Finance L.P. SN 589532 HKT GMT+8:00 H464-2028-172 07-Hov-2022 11:40:24													

Source: Bloomberg

	Last Price			MoM Changes		YTD Changes		
Indices	31-Dec-21	30-\$ep-22	31-Oct-22	+1-	%	+1 -	%	
FBMKLCI	1,567.53	1,394.63	1,4 60 .38	65.75	4.7 1%	(107.15)	-6.84%	
FBMME\$	6,419.60	4,657.87	4,858.93	201.06	4.32%	(1,560.67)	-2 4 .3 1%	
FBM 100	11,0 15.13	9,728.70	10,089.93	361.23	3.7 1%	(925.20)	-8.40%	
FBM70	14,209.95	12,201.81	12,266.73	64.92	0.53%	(1,943.22)	-13.68%	
FBM \$CAP	15,760.35	13,719.10	14,296.72	577.62	4.2 1%	(1,463.63)	-9.29%	
FBMEMAS	11,308.79	9,976.86	10,350.84	373.98	3.75%	(957.95)	-8.47%	
FBMSHA	12,263.10	10,008.03	10 ,4 11.11	403.08	4.03%	(1851.99)	-15.10 %	
FBMHIJRAH	12,835.55	10,848.79	11,3 34 .77	485.98	4.48%	(1,500.78)	-11.6 9 %	
FBMSCAPS	14,664.87	12,682.49	13,062.09	379.60	2.99%	(1,602.78)	-10 .9 3 %	
MSCIAPXJ	629.85	452.76	433.57	-19.19	-4.24%	(196.28)	-3 1.16 %	

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 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 is an ultimately wholly owned subsidiary of Prudential plc. Prudential plc, is incorporated and registered in England and Wales. Registered office: 1 Angel Court, London EC2R 7AG. Registered number 1397169. Prudential plc is a holding company, some of whose subsidiaries are authorized and regulated, as applicable, by the Hong Kong Insurance Authority and other regulatory authorities. Prudential plc is 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 Limited, a subsidiary of M&G plc. A company incorporated in the United Kingdom.