

MARKET COMMENTARY

Equity market review and outlook

April 2023



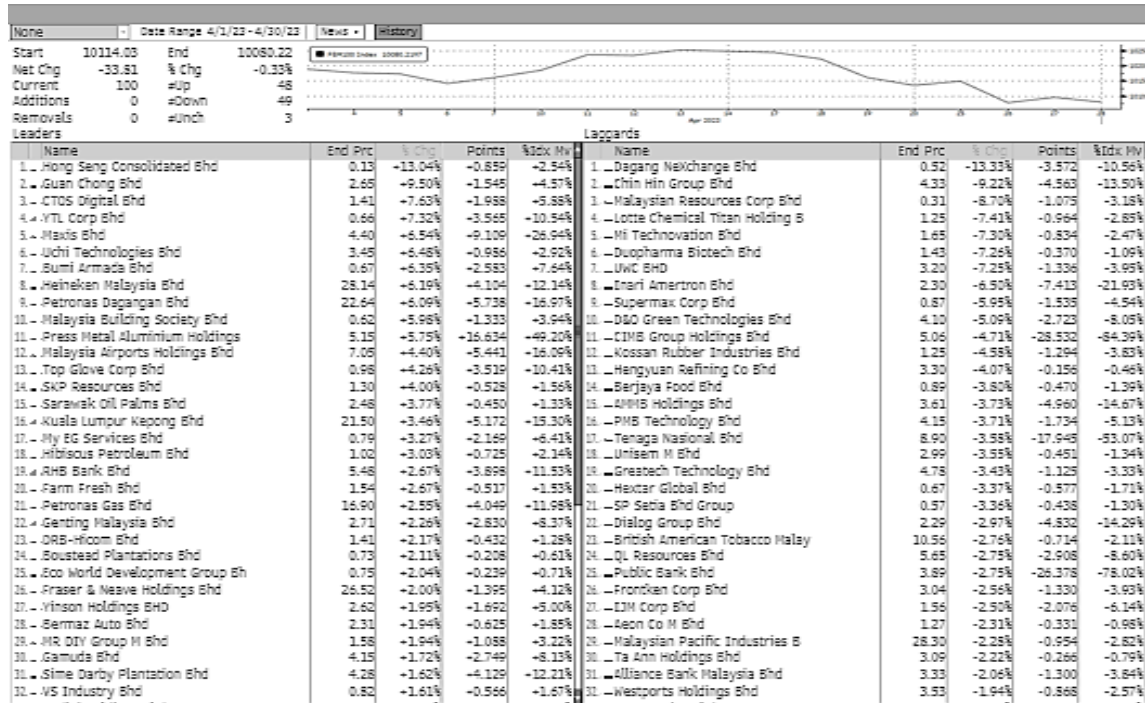
Review

- ▶ Malaysian equity markets posted its fourth consecutive month of decline in April 2023, despite posting a small rally for most of the month outperforming the region, before giving up the gains towards the end of the month. News was fairly light during the month with some focus on OPEC+ and crude oil prices initially spiking to USD85/bbl, post the announcement by OPEC+ to indicate continued production cuts in coming months. However the International Energy Agency (IEA) came out with a statement that the surprise cut (by OPEC+) risked exacerbating global supply deficits in oil and could impact global economic growth. Brent crude oil prices subsequently ended the month below USD80/bbl. Domestically, PM Anwar made an official visit to China, and secured RM170b in investment pledges.
- ▶ The KLCI closed the month at 1,415.95, down 0.47% mom. The FBM Small Cap index gained 1.54% for the month outperforming the KLCI. The worst performing sectors for the month were Technology (-1.9%) and Healthcare (-1.39%). The best performing sectors were Telco (+6.2%) and Utility (+5.12%). Average value traded on Bursa in April was RM1626.4m lower by 36% mom given the shorter trading month as Bursa was closed for trading for the Hari Raya.

Outlook

- ▶ Global political issues continue to fester, without any resolution on the Russia-Ukraine conflict, and US-Sino relations remain tense. Whilst the global banking crisis seems to have so far been averted, it is still early days and this still something investors will remain vigilant about. Domestically, BNM surprised the market with a hike in OPR, and left the door opened for future hikes. Market has been listless, with many investors staying on the sidelines waiting for the announcement of state elections for Penang, Selangor, Negri Sembilan, Kedah, Terengganu and Kelantan. Our base case is still for status quo to remain for those states, and hence the Federal Unity government can continue their administration. Uncertainty stemming from this remains an overhang on the market. During this period of uncertainty, we would accumulate fundamentally sound stocks on weakness.

Index performance & movers



Source: Bloomberg

Indices	Last Price			MoM Changes		YTD Changes	
	31-Dec-22	31-Mar-23	30-Apr-23	+/-	%	+/-	%
FBM KLCI	1,495.49	1,422.59	1,415.95	-6.64	-0.47%	(79.54)	-5.32%
FBM MES	5,308.33	5,226.80	5,368.38	141.58	2.71%	60.05	1.13%
FBM 100	10,419.80	10,114.03	10,080.22	-33.81	-0.33%	(339.58)	-3.26%
FBM 70	13,015.02	13,512.38	13,522.58	10.20	0.08%	507.56	3.90%
FBM SCAP	14,924.41	15,259.85	15,495.60	235.75	1.54%	571.19	3.83%
FBM EMAS	10,701.55	10,419.63	10,396.39	-23.24	-0.22%	(305.16)	-2.85%
FBM SHA	10,938.55	10,716.43	10,736.79	20.36	0.19%	(201.76)	-1.84%
FBM HIJRAH	11,908.79	11,479.01	11,536.83	57.82	0.50%	(371.96)	-3.12%
FBM SCAPS	13,607.15	13,958.24	14,193.98	235.74	1.69%	586.83	4.31%
MSCI APxJ	505.64	523.94	514.57	-9.37	-1.79%	8.93	1.77%

Source: Bloomberg

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