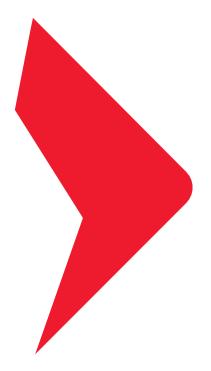


MARKET COMMENTARY

Equity market review and outlook

February 2023



Review

- Malaysian equity markets corrected in line with global and regional markets. Investors were cautious ahead of Budget 2023 which was read on 24 Feb 2023, which failed to provide any positive catalysts for the market. The economy and cost of living issues remain a priority in Budget 2023, the government announced lower taxes for the M40 while the T20 would see higher taxes and there was also an announcement for a tax on luxury goods (details to released later).
- US Dollar strength rebounded in February as the US Federal Reserve pivot narrative was rapidly quashed by robust data and hawkish rhetoric from policymakers.
- The KLCI closed the month at 1,454.19, down 2.11% mom. The FBM Small Cap index declined 4.49% for the month underperforming the KLCI. The worst performing sectors for the month were Technology (+5.32%) and Energy (-4.9%). The best performing sectors were Construction (+0.9%) and Property (+0.02%). Average value traded on Bursa in February was RM2293 up by 14.5% mom.

Outlook

- More than one year has passed and the Russian-Ukraine conflict has not ceased, and geo-political issues have been ratcheting up. The US-China relation continues to be sour, and increasing political polarization globally remains something investors need to monitor. The bright spot currently is that China-reopening their borders have been relatively orderly and Covid cases may have peaked in China. Pre-Covid, China was a significant source of tourist for many Asian countries and hence the pent-up travel demand theme will continue into 2023.
- Domestically, investors will be monitoring the UMNO Elections to be held 11 March, and the State elections will need to be held before end of 2Q23. So far, the Unity Government seems to be working well together. Whilst Budget 2023 did not provide much positive catalysts, we would be expecting the government to initiate measures outside of this Budget, and the real test for the new government will be Budget 2024. The reopening theme may still have legs especially with China opening its borders, and Malaysia may benefit from the increased tourist arrivals but perhaps in 2H2023.
- We remain cautiously optimistic, and would recommend to accumulate fundamentally sound stocks on weakness.

Index performance & movers

None Deter Kanpe 2/1/13-1/18	(2) (Marca + 186	story						
Start 10485.46 End 10271.4								- F
Net Cho - 214.00 & Cho - 2.0		2						
	15							
	4							
Removals 0 #Unch	2	, , , , ,	2	0 0 0 0 0 0 0 0 0 0	<u> </u>	0 0	0	
Leaders	-			Laccards				
Name	End Pro	S Cho Points			End Pro	% Chg	Points	Addix Hiv
1 Hi Technovation Shd	2.95	-34.46% -3.272	-1.53%	1 _Hong Seng Consolidated 5hd	0.13	-35.00%	-4.066	-1.91%
 Fraser & Neave Holdings Shd 	27.50	 10.89% -4.78 	-2.23%	 SKP Resources 5hd 	134	-20.71%	 3.770 	-1.76k
1 - FQV Heidines Shd	2.47	-9.70% -1.54	+0.729	1 _NV 55 Services 5hd	0.72	-20.229	-24,052	-6.57%
4 - Soustead Plantations Shd	0.72	-9.16% -0.540	-0.405	4 045-Hicom Shd	1.42	-19.32%	-4.994	-2.33%
5 - Chin Hin Group Bhd	3.96	-7.90% -2.21	-1.00%	 Petronas Chemicals Group Shd 	7.36	-14.25%	-57,926	-27.07%
6 - Camuda Shd	4.20	-7.14% -11.05		4 Dialog Group Shd	2.25	-13.46%	-24.638	-11.51%
 Padini Holdinos Ehd 	3.90	-6.65% -1.56	-0.734	1. LGuan Chong Bhd	2.40	-12.73%	-2.397	-1.12%
1 . United Plantations 5+D	26.50	-6.453 -2.23		5Lotte Chemical Titan Holding 5	1.35	-12.20%	-1.545	-0.87%
1 MISC Bhd	7.56	-5.11% -10.93		1	0.62	-20.79%	1.676	-0.75%
11 - Pertamaster Corp 5hd	5.06	-4.768 -2.46		10 MR DDY Group M Shd	1.70	-10.53%	-7.397	-3.46%
11 - Axiata Group Shd	3.17	-4.62% +11.15		11 "Walaysian Pacific Industries 8	29.94	-9.76%	-4.776	-2.23%
12 . PHS Technology Shd	4.40	-4.02% -1.57		12Hengyuan Refining Co Shd	3.41	-9.31%	-0.395	-0.19%
11 . Axis Real Estate Investment Tr	1.92	-3.92% -1.55		11Syarikat Takaful Malaysia Kelu	3.31	-9.07%	-2.526	-1.15%
14 . Kossan Rubber Industries Shd	2.09	-3.51% -0.55		14Too Glove Corp Shd	0.76	-9.04%	-6.725	-3.34%
15 - Hega First Corp 5+0	3.69	-3.65% -1.37		15 VS Industry Bhd	0.55	-5.504	-3.501	-1.75%
16 - CON Corp 5hd	1.61	-3.219 -2.64		 Hartaleta koldinos Shd 	1.47	-8.704	-4.072	-1.90%
17 Sciercex SHD	3.62	-2.55% -0.940		0Hong Leong Capital Shd	6.03	-5.50%	-0.654	-0.31%
11 _ Uchi Technologies Shd	3.24	-2.53% -0.35	-0.155	18Dagang Nekchange Shd	0.61	7.63%	-2.276	-1.06%
19	25.62	-2.213 -1.58	-0.745	18. "Serjaya Food Shd	1.00	-7.425	-1.195	-0.563
11 CELCOMDISI BHD	4.30	-2.149 -4.51		21 -Supermax Corp Shd	0.75	-6.799	-1.565	-0.73%
21 - Willrox Corp 5hd	5.00	-2.04% -1.11		21 CTOS Digital Shd	144	-6.26%	-1948	-0.91%
12 XP3 Healthcare Shd	1.05	-1949 -0.52		22. "Hibisous Petroleum Shd	2.07	-6.34%	1.724	-0.51%
11 - Sunvay Real Estate Investment	1.55	-1.53% -0.93		21 - Malaysian Resources Corp 5hd	0.31	6.065	0.755	-0.35%
34 . TDVE dotCom Shd	5.15	-1719 -149		24Unisem M Shd	2.95	-6.033	-0.795	-0.37%
25 . AGNO HOLDONGS SHO	- 0.72	-1.42% -0.000		3. «Geroino Shd	4.66	5.56%	-11,443	-5.35%
25 - Sumi Armada Shd	0.58	-0.578 -0.32		2 HextarTechnologies Solutions 5	27.00	5.794	-1.782	-0.63%
17 Kuala Lumpur Kepono Bhd	20.50	-0.75% -1.13		2Sam Engineering & Equipment H	4.65	5.453	-0.733	-0.34%
13 - Jeon Co H Shd	136	-0.743 -0.11	-0.05	3Inari Amerbron Shd	2.45	-5.418	6.654	-3.09%
25 Halayan Satking Shd	5.50	-0.698 -7.34		23. – Sritish American Tobacco Halav	11.75	5.294	1.594	-0.75%
 Halayan banking ond Duopharma Biotech Shd 	1.65	-0.61% -0.03		20 - Shosh American rocacco Halay 20 A Gercing Malaysia Shd	2.70	-4.93%	-6.754	-3.15%
11 Vinson Holdings BHD	2.70	-0.37% -0.225		11. "Frontkan Corp Shd	3.13	-4.55%	-2.713	-1.27%
12 - LOE Corp Shd	3.53	-0.25% -0.54%		11. —Matrix Concepts Holdings Shd	149	-4.49%	-0.509	-0.24%
sc - evelopip brid	3.63	•0.408 •0.54	-0.251	x. — naurik concepts holdings and	1.49		-0.304	-0.245

Source: Bloomberg

Indices		MoM Changes		YTD Changes			
	31-Dec-22	31-Jan-23	28-Feb-23	+ -	%	+/-	%
FBMKLCI	1,495.49	1,48 5.5 0	1,4 54.19	-31.31	-2.11%	(41.30)	-2.76%
FBMMES	5,308.33	5,711.46	5,358.27	-353.19	-6.18%	49.94	0.94%
F B M 100	10,4 19.80	10 ,48 5.4 6	10,271.46	-214.00	-2.04%	(148.34)	-1.42 %
FBM70	13,0 15.02	13 ,68 6 .0 0	13,436.63	-249.37	-1.82 %	42161	3.24%
FBMSCAP	14,9 24.41	16, 16 0.9 4	15,435.18	-725.76	-4.49%	510.77	3.42%
FBMEMAS	10,701.55	10,816.27	10,579.13	-237.14	-2.19 %	(122.42)	-1.14 %
FBMSHA	10,938.55	11,076.20	10,797.67	-278.53	-2.51%	(140.88)	-1.29 %
FBMHIJRAH	11,908.79	11,849.61	11,5 35.15	-314.46	-2.65%	(373.64)	-3.14 %
FBMSCAPS	13,607.15	14,750.39	14,147.34	-60 3.0 5	-4.09%	540.19	3.97%
MSCIAPXJ	505.64	549.14	511.39	-37.75	-6.87%	5.75	1.14 %

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.