

MARKET COMMENTARY

# Equity market review and outlook

March 2024



## Review

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- › The Malaysian equity markets took a breather in March, digesting the 4Q23 results season. Malaysia saw foreign investors become net sellers in March of RM2.8b, reversing 4 consecutive months net equity inflows. Newsflow in March was focused on infrastructure. The Cabinet approved the Penang LRT, and there was news that there were three concept proposals for the high speed rail (HSR). The government finally inked a new operating agreement (OA) with Malaysia Airports Holdings Berhad, which also saw the additional transit passenger charge approved, and changes to the passenger service charges for KLIA terminal 1, 2 and other airports across Malaysia.
- › The KLCI closed the month at 1,536.07, down 0.99% mom. The FBM Small Cap index gained 3.08% for the month, outperforming the KLCI. The best performing sectors were Property (+9.3%) and Construction (+5.6%). The worst performing sectors were Telecommunication (-2.6%) and Consumer (-1.2%). Average value traded on Bursa in March was RM3225m higher by 14.9% mom.

## Outlook

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- › Global political issues continue to fester, without any resolution on the Russia-Ukraine conflict, and US-China relations remain tense. The ongoing Palestine-Israel conflict has added complications to the mix, resulting in the Red-Sea conflict that has an impact adding to sea-based transport. There is continued risk of tensions in this area escalating. There are still some diverging views on the risk of a recession, but for now given the continued resilience of the US economic data, and the persistent stickiness of inflation, investors are now expecting a soft landing in the US. Note that 2024 will be a year of many elections taking place globally, hence something for investors to monitor but so far elections results have been within expectations.
- › Domestically, equity markets have started the year on a positive note so far, with investors sentiment improving running on themes relating to Johor, and NETR. We have some concerns on the roll out of PADU where registrations have been poor, which may impact the timing of execution (originally 2H2024) of rolling out the subsidy rationalization, increasing the risk of policy execution for the various new measures and policies as announced by the government. Persistent inflation will likely continue to be a bug-bear for the market especially in the 2H2024 when the targeted petrol subsidies is expected to rollout, and tighter household disposable incomes will continue to plague demand. The Palestine-Israel conflict has also resulted in boycotts of sales of those deemed to be supporting Israel, such as many fast food and coffee franchises. This may have an impact on employment and wages from these businesses if this boycott continues for long. Nevertheless, we remain cautiously optimistic, and any correction in the market will provide us the opportunity to accumulate fundamentally sound stocks.

## Index performance & movers

### FBM100 INDEX

START DATE	29-Feb-24	END DATE	31-Mar-24
START	11,125.34	END	11,217.57
NET CHG	92.23		0.83%

	Name	Price	Net Chg	% Chg		Name	Price	Net Chg	% Chg
1	SP Setia Bhd Group	1.47	0.63	75.74 %	1	Astro Malaysia Holdings Bhd	0.31	-0.05	(14.08)%
2	Guan Chong Bhd	2.54	0.97	61.78 %	2	UWC BHD	2.85	-0.45	(13.64)%
3	Sunway Bhd	3.50	0.74	26.92 %	3	CTOS Digital Bhd	1.32	-0.16	(10.81)%
4	Mah Sing Group Bhd	1.23	0.26	26.80 %	4	Maxis Bhd	3.37	-0.36	(9.60)%
5	UEM Sunrise Bhd	1.21	0.20	19.80 %	5	D&O Green Technologies Bhd	3.20	-0.30	(8.48)%
6	Malaysia Airports Holdings Bhd	9.96	1.61	19.27 %	6	British American Tobacco Malay	8.10	-0.49	(5.70)%
7	VS Industry Bhd	0.88	0.13	17.33 %	7	Yinson Holdings BHD	2.36	-0.13	(5.22)%
8	Unisem M Bhd	3.85	0.54	16.28 %	8	Lotte Chemical Titan Holding B	1.13	-0.06	(5.04)%
9	KPJ Healthcare Bhd	1.92	0.26	15.66 %	9	RCE Capital Bhd	2.68	-0.13	(4.63)%
10	Eco World Development Group Bh	1.50	0.19	14.50 %	10	Petronas Dagangan Bhd	21.58	-1.04	(4.60)%

Source: Bloomberg

Indices	Last Price			MoM Changes		YTD Changes	
	31-Dec-23	29-Feb-24	31-Mar-24	+/-	%	+/-	%
FBMKLCI	1,454.66	1,551.44	1,536.07	-15.37	-0.99%	81.41	5.60%
FBMMES	5,322.03	4,768.13	4,897.06	128.93	2.70%	(424.97)	-7.99%
FBM100	10,485.72	11,158.20	11,217.57	59.37	0.53%	731.85	6.98%
FBM70	14,612.98	15,446.15	16,234.08	787.93	5.10%	1,621.10	11.09%
FBMSCAP	16,353.38	16,780.35	17,297.26	516.91	3.08%	943.88	5.77%
FBMEMAS	10,823.70	11,491.82	11,571.59	79.77	0.69%	747.89	6.91%
FBMSHA	10,988.71	11,527.99	11,643.52	115.53	1.00%	654.81	5.96%
FBMHJRAH	11,783.61	12,330.79	12,227.55	-103.24	-0.84%	443.94	3.77%
FBMSCAPS	15,104.22	15,482.73	16,024.97	542.24	3.50%	920.75	6.10%
MSCI APxJ	528.89	525.23	537.27	12.04	2.29%	8.39	1.59%
MSCI ACWI	727.00	761.28	783.58	22.30	2.93%	56.58	7.78%

Source: Bloomberg

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