

MARKET COMMENTARY

Equity market review and outlook

April 2025



Review

- The month of April kicked off with “Liberation” Day, as President Donald Trump declared a national economic emergency and announced a new set of reciprocal tariffs on April 2nd. A minimum of 10% tariff was announced on imports from all US trading partners and there was also additional reciprocal tariffs that was supposed to become effective from 9 April which was then put on hold for 90 days except for China which was imposed a higher tariff at 145%.
- Malaysia fared better than regional peers as other than Singapore and the Philippines, the announced reciprocal tariffs imposed by the US was relatively lower. China’s President Xi Jin Ping was in Malaysia for a 3-day visit, where a total of 31 MoUs were signed across sectors such as communications, transport, education and artificial intelligence.
- During the month, foreign outflows continued for the 7th consecutive month since Oct 2024 of RM1.9b (Apr 2025), bringing YTD foreign outflows of RM11.9b.
- The KLCI closed the month at 1,540.22, up 1.76% mom. The FBM Small Cap index declined 1.57% for the month, underperforming the KLCI. The best performing sectors were Telecommunication (+4.9%) and Consumer (+4.2%). The worst performing sectors were Oil & Gas (-9.2%) and Transport (-5.3%). Average value traded on Bursa in April was RM2405m lower by 15.9% mom.

Outlook

- Whilst some progress has been made in terms of talks with the US trade representatives on the reciprocal tariffs imposed on Malaysian exports to the US, nothing has been finalized as yet. This is the case for the many countries that are in talks with the US currently. In the mean time, external head winds will continue to be prevalent with global trade noticeably slower post the earlier pre-emptive inventory build ahead of the Trump tariff implementation. As it stands, base tariff imposed on all countries is still 10%, with China at 145%, but the 90-day pause on the remaining hike on reciprocal tariffs will end 9 July 2025. Hence expect markets to continue to be volatile on tariff relevant news. Already we see major currencies reacting to this uncertainty in the US and on global growth, with ongoing rhetoric of “end of US exceptionalism” and de-dollarisation being bandied about.
- For Malaysia, in the special Parliament session held on the 5 May 2025, the PM reiterated that Malaysia’s stance is of “negotiate, not retaliate”. Negotiations with the US focuses around 4 areas: (1) reducing US trade Deficit with Malaysia, (2) addressing non-tariff barriers, (3) strengthening technological safeguards and security, (4) exploring potential bilateral trade agreement. Malaysia will be impacted via the slower global growth, especially from our two largest trading partners US and China. The tariff exemption currently in place for semiconductors, implies minimal direct impact to Malaysian exports for now, but this could change if sector specific tariffs are imposed. Malaysia’s economy continues to be supported by the FDI being realized, domestic direct investments, strong construction activities, solid consumption growth and robust tourism activities. The domestic equity market remains flush with liquidity and dividend yield is attractive. Hence, we see any market weakness as opportunities to accumulate fundamentally strong stocks at attractive valuations.

Index performance & movers

FBM100 INDEX

START DATE	31-Mar-25	END DATE	30-Apr-25
START	11,103.12	END	11,184.44
NET CHG	81.32		0.73%

Name	Price	Net Chg	% Chg	Name	Price	Net Chg	% Chg
1 Axiata Group Bhd	2.10	0.36	20.73 %	1 Greotech Technology Bhd	1.45	(0.29)	(16.67)
2 MR DIY Group M Bhd	1.68	0.27	19.15 %	2 Yinson Holdings BHD	1.87	(0.33)	(15.00)
3 Nestle Malaysia Bhd	87.00	13.39	18.19 %	3 Pentamaster Corp Bhd	2.53	(0.44)	(14.81)
4 Hartalega Holdings Bhd	2.23	0.34	17.99 %	4 CTOS Digital Bhd	0.99	(0.15)	(13.16)
5 Fraser & Neave Holdings Bhd	27.00	2.70	11.11 %	5 Dayang Enterprise Holdings	1.72	(0.24)	(12.24)
6 99 Speed Mart Retail Holdings	2.25	0.21	10.29 %	6 Westports Holdings Bhd	4.25	(0.55)	(11.46)
7 CELCOMDIGI BHD	3.82	0.34	9.77 %	7 UWC BHD	1.93	(0.24)	(11.06)
8 Maxis Bhd	3.71	0.32	9.44 %	8 D&O Green Technologies Bhd	1.30	(0.16)	(10.96)
9 Malaysian Resources Corp Bhd	0.46	0.04	9.38 %	9 Bumi Armada Bhd	0.49	(0.06)	(10.91)
10 Top Glove Corp Bhd	0.88	0.07	8.64 %	10 Genting Plantations Bhd	4.83	(0.49)	(9.21)

Source: Bloomberg

Indices	Last Price			MoM Changes		YTD Changes	
	31-Dec-24	31-Mar-25	30-Apr-25	+/-	%	+/-	%
FBMKLCI	1,642.33	1,513.65	1,540.22	26.57	1.76%	(102.11)	-6.22%
FBMMES	5,380.44	4,808.92	4,628.66	-180.26	-3.75%	(751.78)	-13.97%
FBM100	12,265.96	11,103.12	11,184.44	81.32	0.73%	(1,081.52)	-8.82%
FBM70	18,841.13	16,276.09	15,945.37	-330.72	-2.03%	(2,895.76)	-15.37%
FBMSCAP	17,963.66	15,578.53	15,333.31	-245.22	-1.57%	(2,630.35)	-14.64%
FBMEMAS	12,585.51	11,348.04	11,407.78	59.74	0.53%	(1,177.73)	-9.36%
FBMSHA	12,590.57	11,124.41	11,274.29	149.88	1.35%	(1,316.28)	-10.45%
FBMHJRAH	13,409.12	11,973.76	12,317.40	343.64	2.87%	(1,091.72)	-8.14%
FBMSCAPS	16,744.61	14,416.93	14,189.67	-227.26	-1.58%	(2,554.94)	-15.26%
MSCI APxJ (USD)	569.41	572.95	581.02	8.07	1.41%	11.61	2.04%
MSCI ACWI (USD)	841.33	827.15	833.54	6.39	0.77%	(7.79)	-0.93%

Source: Bloomberg

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