

Equity Market Review & Outlook

REVIEW

- ▶ March was a volatile month for Malaysia and for the US markets, which was subject to concerns over the mixed economic data released during the month, and the US FOMC moderating their growth expectations for 2015 and 2016. Domestically, Malaysian equity markets corrected in the first two weeks of the month on the back of ongoing negative media reports on 1MDB, the impending implementation of the GST, and its impact on consumer demand.
- ▶ The KLCI closed the month at 1,830.78 pts, higher by 9.57 pts or 0.53% mom. The broader market underperformed the KLCI with the FBM Emas Index gaining only 0.05% mom. The KLCI outperformed the FBM Small Cap Index which declined by 2.01%. Average value traded on Bursa in March decreased 3% mom to RM2.12bn per day.
- ▶ The sector indices on the local bourse closed higher for March, with the better performing sectors being Technology (4.36%) and Finance (1.54%). The worst performing sectors were the Plantation (-2.59%), and Construction (-2.31%).

OUTLOOK

- ▶ Timing and magnitude of the US Federal Reserve's next move continues to be uncertain, and whilst the investor sentiment for the euro area seems to have improved, the risk of a "Grexit" is still possible. Global oil prices have stabilized somewhat which has been positive for the market. However, we are expecting volatility in crude oil prices to continue as tensions in the middle-east will bring up concerns over supply risks.
- ▶ For Malaysia, we are expecting consumption spending in general to slow for the next 1-2 months with the implementation of GST, as consumers take a more wait and see stance given the current confusion over GST and its impact on pricing for certain products. Invest Malaysia will be held on the 23 April 2015, and typically the Prime Minister who is also the finance minister uses this forum to announce updates for the finance industry. News flow on 1MDB will likely continue to be on investors' minds, especially when a much awaited power-related IPO is listed come May. Another potentially negative news flow investors will need to be mindful of in the next few months will be the rating agency Fitch's decision on Malaysia's sovereign rating.
- ▶ We maintain our cautious stance, but believe the difficult steps the government is taking towards fiscal consolidation is a necessary one, and does not preclude the fact that there are still interesting investment ideas in Malaysia. In the short term, we expect equity markets to remain volatile and any correction would serve as an opportunity to accumulate fundamentally strong stocks on weakness.

NEWS HIGHLIGHTS

- ▶ Motorists will pay 25 sen more for RON95, RON97 and diesel from 1 Mar. The retail price for both RON95 and diesel is now at RM1.95 – up from RM1.70 – while RON97 is now RM2.25, up from RM2.00.
- ▶ The board of RHB Capital has approved the appointment of Datuk Khairussaleh Ramli, the current MD of RHB Bank and deputy group MD, to be the acting group CEO and group MD.
- ▶ IOI Properties' planned stake acquisition in the Taipei 101 skyscraper is now off following the three-month lapse on March 5 to obtain the foreign investment approval from the Investment Commission (FIA) of Taiwan.

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INDEX PERFORMANCE & MOVERS

<HELP> for explanation.

HMOV Report | **FBM100 2015** | **1) Historical Movers**

3 All Securities | 4 Sub-Industries | 5 Industries | 6 Industry Groups | 7 Sectors

Start	12233.95	End	12259.97
Change	+26.02	%Change	+0.21%
Current	100	Up	48
Additions	1	Down	52
Removals	2	Unch	2

Date Range: 2015/3/2 - 2015/3/31

Sort: Index Points

Display: Name Ticker

View: Detailed News

Change: Net Percent

8 Historical Chart | 9 Scatter Plot

10) View All Securities...

Leaders	End Price	Chg	Points	%Idx M	Laggers	End Price	Chg	Points	%Idx M
21) Public Bank Bhd	18.88	+0.56	+32.1003	+123.3	41) SapuraKencana Pet	2.36	-0.49	-34.9301	-134.25
22) CIMB Group Holdin	6.22	+0.27	+26.1943	+100.6	42) Tenaga Nasional B	14.36	-0.36	-22.5141	-86.53
23) IHH Healthcare Bhd	6.01	+0.44	+22.2109	+85.36	43) AirAsia Bhd	2.38	-0.24	-9.2648	-35.61
24) Malayan Banking B	9.33	+0.13	+11.2863	+43.38	44) IOI Corp Bhd	4.59	-0.12	-8.3015	-31.90
25) Petronas Chemicals	5.64	+0.17	+8.7876	+33.77	45) Bumi Armada Bhd	1.03	-0.11	-6.9529	-26.72
26) PPB Group Bhd	15.38	+0.80	+8.7378	+33.58	46) Axiata Group Bhd	7.08	-0.08	-6.4307	-24.71
27) HAP Seng Consolid	4.55	+0.64	+6.9541	+26.73	47) Gamuda Bhd	5.10	-0.16	-5.8688	-22.56
28) Westports Holdings	4.02	+0.58	+6.9297	+26.63	48) Malaysia Airports H	7.00	-0.35	-5.7459	-22.08
29) Maxis Bhd	7.19	+0.14	+6.8174	+26.20	49) Kulim Malaysia BH	2.74	-0.54	-5.6699	-21.79
30) Genting Malaysia B	4.23	+0.12	+6.5652	+25.23	50) Felda Global Ventur	2.17	-0.15	-5.1847	-19.93
31) Genting Bhd	9.00	+0.15	+5.9529	+22.88	51) Dialog Group BHD	1.58	-0.05	-3.6979	-14.21

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 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2015 Bloomberg Finance L.P.
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Source: Bloomberg

Indices	Last Price		MoM Changes	
	28-Feb-15	31-Mar-15	+/-	%
FBMKLCI	1,821.21	1,830.78	9.57	0.53%
FBMMES	6,634.74	7,120.16	485.42	7.32%
FBM100	12,233.95	12,259.97	26.02	0.21%
FBM70	13,606.27	13,488.63	-117.64	-0.86%
FBMSCAP	16,620.80	16,287.03	-333.77	-2.01%
FBMEMAS	12,557.38	12,563.38	6.00	0.05%
FBMSHA	13,120.63	13,122.15	1.52	0.01%
FBMHJRAH	15,168.77	15,157.07	-11.70	-0.08%
MSCIAPxJ	488.13	485.69	-2.44	-0.50%

Source: Bloomberg