

Equity Market Review & Outlook

REVIEW

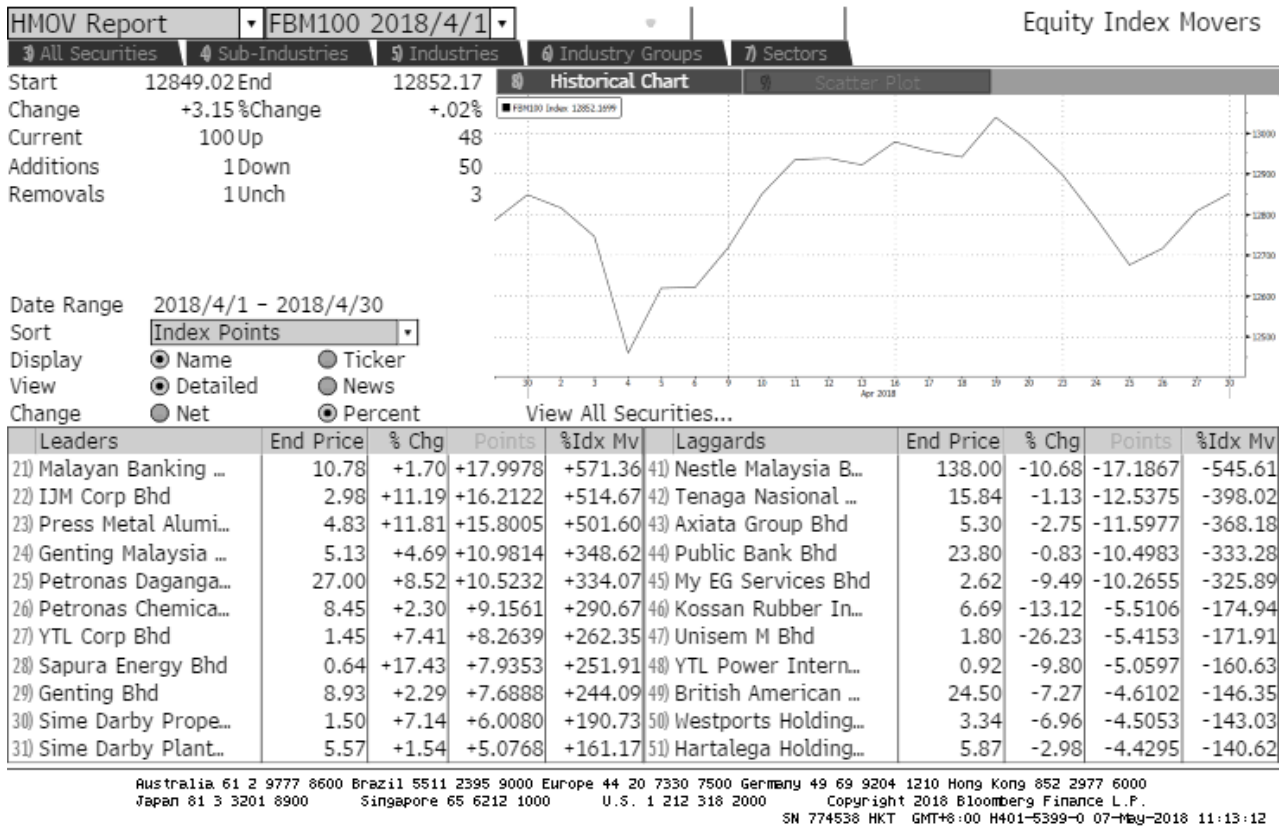
- ▶ The month of April was a volatile period driven firstly by investor concerns of a possible full-blown trade war between the US and China and the repercussions on other exporting nations, early in the month. However higher oil prices that saw crude oil prices breach USD70/bbl, helped provide support for Malaysia's ringgit and equity market, that saw the KLCI just one point shy of all-time highs that was hit in 2014. This rally was short lived as markets corrected over rising US treasury yields and the sell-off in technology stocks due to the weaker outlook guided by major handset component manufacturers and Facebook's scandal of not protecting personal data properly.
- ▶ The KLCI closed the month slightly up at 0.37% mom to close at 1,870.37 points. The best performing sector was Construction (+1.27%) as a slew of contracts were announced ahead of GE14, including the project delivery partner for KL-Singapore HSR portion which saw it being awarded to two consortiums: Gamuda-MRCB and YTL-TH Properties. The worst performing sector was Consumer (-2.33%) with the biggest detractors being Nestle Berhad, British American Tobacco. Average value traded on Bursa in April was RM2486m lower than March by 8%.

OUTLOOK

- ▶ Whilst global markets reassess the risk or perhaps the growing optimism in regards to an amicable resolution to the trade tensions between the US and China, and the sudden about-turn for North Korea on their nuclear program; investors in Malaysia will be distracted by the political noise surrounding GE14. The uncertainties regarding the outcome of GE14 do not help as investors are likely to take profit and stay on the sidelines for a while, but the GE14 event in itself has been awaited and investors both local and foreign would have been well informed of the issues. Any correction in the market would serve as an opportunity to accumulate fundamentally strong stocks.

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INDEX PERFORMANCE & MOVERS



Source: Bloomberg

Indices	Last Price		M o M Changes	
	31-Mar-18	30-Apr-18	+/-	%
FBM KLCI	1863.46	1870.37	6.91	0.37%
FBM MES	5455.89	5285.52	-170.37	-3.12%
FBM 100	12849.02	12852.17	3.15	0.02%
FBM 70	15601.39	15452.99	-148.40	-0.95%
FBM SCAP	14856.33	14579.95	-276.38	-1.86%
FBM EMAS	13045.59	13033.69	-11.90	-0.09%
FBM SHA	13230.74	13169.14	-61.60	-0.47%
FBM HIJRAH	15057.57	15011.8	-45.77	-0.30%
MSCI APxJ	563.96	569.08	5.12	0.91%

Source: Bloomberg