



## MARKET OUTLOOK

The MSCI Asia Pacific Ex-Japan Index (1.3%) trailed the MSCI World Index (3.5%) mom following the new year as developed markets such as Europe and US, retraced December pullback due to possible milder Fed Rate cut. South Korea (+4.9%) was the region top gainer, breaking its 6-month back-to-back stock market decline on the back of robust overseas demand for the nation's manufactured goods. Taiwan (+2.1%) managed to net a handsome gain thanks to TSMC's record quarterly top and bottom-line before closing early for Chinese New Year holidays. Meanwhile, Singapore (+1.8%) stocks jumped after the formalisation of the development of the Johor-Singapore Special Economic Zone early in the month. In contrast, Philippines (-10.2%) was Asia Pacific's biggest loser as the tropical archipelago failed to meet government GDP growth estimates considerably, at 5.6% yoy vs estimates of 6 - 6.5%. Thailand (-6.1%) also suffered heavy losses as automobile production, a huge driver for Thailand economy, saw output decline 21% yoy due to stiff competition from China marques. On the home front, Malaysia (-5.2%) saw Data Centre-related stocks stumble after the announcement of new US AI export restrictions as well as the unveiling of innovative programming techniques from OpenAI-competitor, Deepseek, threatening the outlook for huge AI capital expenditures.

DeepSeek has become a key market concern in January, with its cost-efficient use of lower-tier chips challenging US tech dominance. Our analysis suggests that if this trend persists, it could reshape the global semiconductor industry. We believe it is crucial to monitor responses from major tech firms, which have committed billions to AI infrastructure, as demand for high-end AI chips may decline. Separately, after announcing a 25% tariff on imports from Canada and Mexico, President Donald Trump agreed to delay them for one month. However, the 10% tariff on China remains set to take effect from 4 February onwards. The tariffs are aimed at addressing the fentanyl crisis, protecting US industries, and negotiating better deals. We believe US Treasury yields are likely to stay elevated and the dollar is likely to strengthen amid tariffs. We favour the US over Asia-Pacific for now, as US equities are likely to benefit from tariffs and a stronger dollar. As global markets grapple with heightened uncertainty, we emphasize the importance of diversification and a focus on quality amid volatility.

The Malaysian market saw weak performance in January, primarily due to profit-taking and foreign selling. However, we believe that Moody's reaffirmation of Malaysia's sovereign credit rating at 'A3' – an upper-medium grade with low credit risk – highlights the country's continued appeal as an investment destination. On a separate note, Malaysia market has never been this attractive in quite a while, with foreign shareholding hitting a record low of 19.4% in January. The KLCI now trades at 13.6x P/E, 1 standard deviation below its 10-year mean.

## EQUITY

The year started off with the FBMKLCI declining by 5.2%, closing at 1,556.92. Similarly, the Small Cap Index fell by over 5.1%, while the Mid 70 Index saw a decrease of 6.7%.

Sector-wise in January, the worst-performing sectors were Construction, Technology and Utilities, which saw losses of 13.5%, 10.5%, and 9.9%, respectively. On the other hand, REITs and Energy were the only sectors to post small gains, up 0.4% and 0.1%, respectively.

Foreign investors continued to be net sellers for the fourth consecutive month in January, recording net sell flows of RM3.1bn, with outflows totaling RM10.9bn over the past four months. Separately, in January, there were three listings on the ACE Market (Swift Energy Technology Bhd, CBH Engineering Holding Bhd, and Oriental Kopi Holdings Bhd).

## BOND

For the month of January 2025, the yield for the Malaysian Government Securities (MGS) for the 3-year, 5-year, 7-year and 10-year changed by -3bps, 0bps, 1bps, and -1bps, closing at 3.45%, 3.62%, 3.78% and 3.81% respectively.

## COMMODITIES & CURRENCIES

For the month of January 2025, WTI crude oil gained 1.1%, closing at US\$72.5/barrel, while Brent oil gained 2.8%, finishing at US\$76.8/barrel. Crude palm oil closed at RM4,552/MT, registering a decline of 6.4%; while spot gold gained 6.5%, ending the month at US\$2,812/oz. Currency-wise, the Malaysian ringgit appreciated by 0.3% against the greenback to RM4.4602/USD. Meanwhile, the Dollar Index declined 0.1% to 108.4.



### Commentary

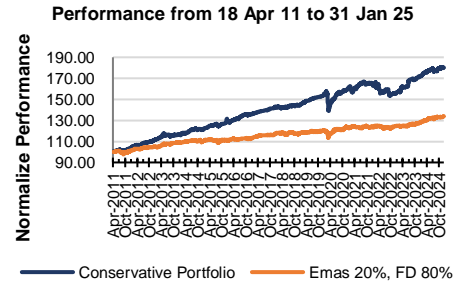
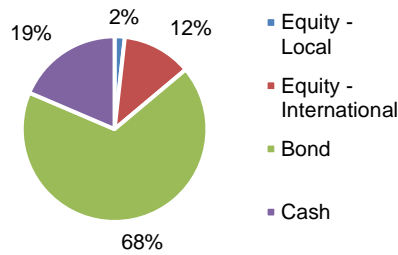
In January, all ports outperformed the benchmark. Principal Global Titans MYR (+3.07%) and BIMB-Arabesque i Global Dividend 1 MYR (+3.02%) were the top performers, while Kenanga Growth Series 2 MYR (-7.03%) and KAF Core Income (-3.60%) lagged.

## CONVENTIONAL MODEL PORTFOLIO

### Conservative Portfolio

AmanahRaya Unit Trust	20.0%
United-i ESG Series-High Quality Sukuk MYR	20.0%
AmDynamic Bond	20.0%
Kenanga ASnitaBOND	20.0%
Principal Global Titans MYR	2.5%
Aberdeen Standard Islamic World Equity A MYR	2.5%
Maybank Asiapac Ex-Japan Equity-I	1.5%
Manulife Investment Shariah Asia-Pacific ex Japan	1.5%
Principal Greater China Equity Fund – MYR	2.5%
RHB Shariah China Focus MYR	2.5%
KAF Core Income	2.0%
Phillip Master Money Market	5.0%

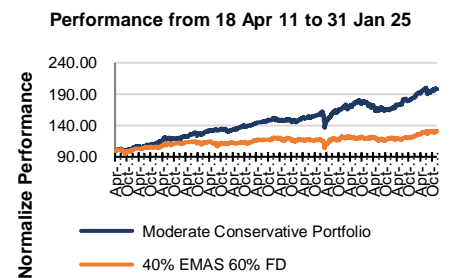
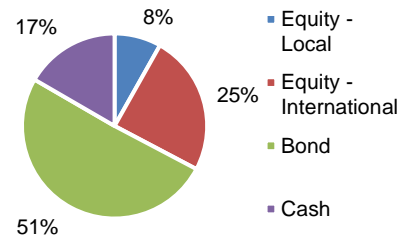
**TOTAL 100%**



### Moderate Conservative Portfolio

AmanahRaya Unit Trust	15.0%
United-i ESG Series-High Quality Sukuk MYR	15.0%
AmDynamic Bond	15.0%
Kenanga ASnitaBOND	15.0%
Principal Global Titans MYR	5.0%
Aberdeen Standard Islamic World Equity A MYR	5.0%
RHB Islamic Global Developed Markets MYR	5.0%
Maybank Asiapac Ex-Japan Equity-I	2.5%
Manulife Investment Shariah Asia-Pacific ex Japan	2.5%
Principal Greater China Equity Fund – MYR	2.5%
RHB Shariah China Focus MYR	2.5%
KAF Core Income	5.0%
Kenanga Growth Series 2 MYR	5.0%
Phillip Master Money Market	5.0%

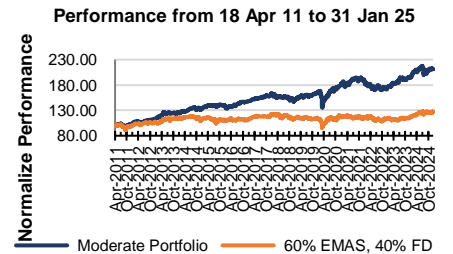
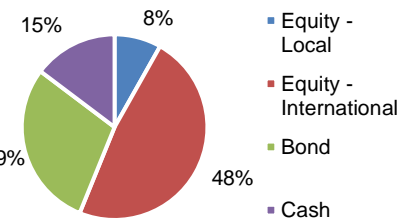
**TOTAL 100%**



### Moderate Portfolio

AmanahRaya Unit Trust	10.0%
United-i ESG Series-High Quality Sukuk MYR	10.0%
AmDynamic Bond	7.5%
Kenanga ASnitaBOND	7.5%
Principal Global Titans MYR	7.5%
Aberdeen Standard Islamic World Equity A MYR	7.5%
RHB Islamic Global Developed Markets MYR	7.5%
BIMB-Arabesque i Global Dividend 1 MYR	7.5%
Maybank Asiapac Ex-Japan Equity-I	5.0%
Manulife Investment Shariah Asia-Pacific ex Japan	5.0%
Principal Greater China Equity Fund – MYR	5.0%
RHB Shariah China Focus MYR	5.0%
KAF Core Income	5.0%
Kenanga Growth Series 2 MYR	5.0%
Phillip Master Money Market	5.0%

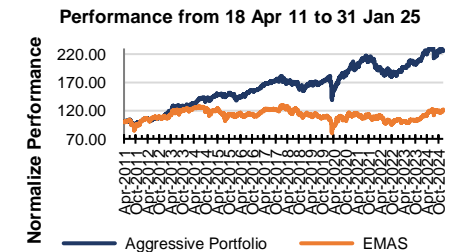
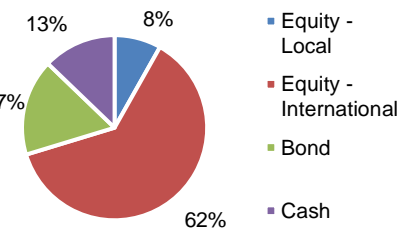
**TOTAL 100%**



### Aggressive Portfolio

AmanahRaya Unit Trust	5.0%
United-i ESG Series-High Quality Sukuk MYR	5.0%
AmDynamic Bond	5.0%
Kenanga ASnitaBOND	5.0%
Principal Global Titans MYR	10.0%
Aberdeen Standard Islamic World Equity A MYR	10.0%
RHB Islamic Global Developed Markets MYR	10.0%
BIMB-Arabesque i Global Dividend 1 MYR	10.0%
Maybank Asiapac Ex-Japan Equity-I	7.5%
Manulife Investment Shariah Asia-Pacific ex Japan	7.5%
Principal Greater China Equity Fund – MYR	5.0%
RHB Shariah China Focus MYR	5.0%
KAF Core Income	5.0%
Kenanga Growth Series 2 MYR	5.0%
Phillip Master Money Market	5.0%

**TOTAL 100%**



	1 Mth	6Mths	YTD	1 Yr	Since Inception		1 Mth	6Mths	YTD	1 Yr	Since Inception
Conservative Portfolio	0.1%	1.0%	0.1%	4.6%	80.3%	Moderate Portfolio	-0.1%	-0.7%	-0.1%	6.3%	110.6%
Benchmark	-1.0%	0.0%	-1.0%	3.2%	32.8%	Benchmark	-3.3%	-2.5%	-3.3%	4.5%	23.9%
Moderate Conservative Portfolio	-0.2%	0.0%	-0.2%	6.0%	97.4%	Aggressive Portfolio	0.1%	-1.3%	0.1%	6.2%	125.7%
Benchmark	-2.1%	-1.2%	-2.1%	3.9%	28.6%	Benchmark	-5.6%	-5.1%	-5.6%	5.7%	14.8%

Source: Lipper



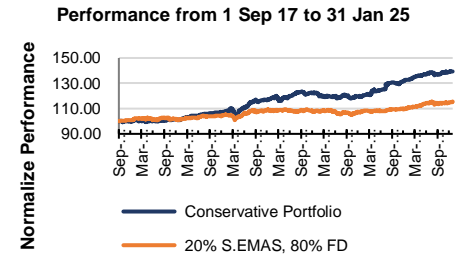
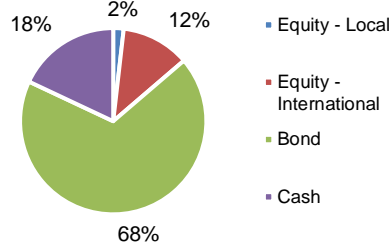
### Commentary

In January, all ports outperformed the benchmark. RHB Islamic Global Developed Markets MYR (+2.49%) and BIMB-Arabesque i Global Dividend 1 MYR (+3.02%) were the top performers, while PMB Dana Bestari (-7.08%) and KAF Dana Adib (-6.52%) lagged.

## SHARIAH MODEL PORTFOLIO

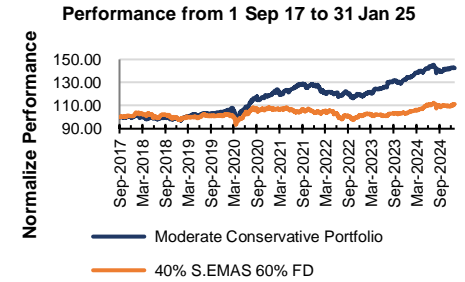
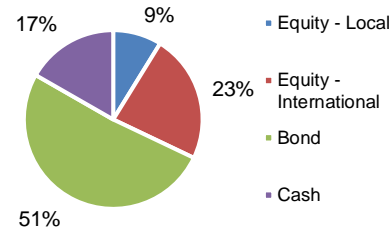
### Conservative Portfolio

AmanahRaya Syariah Trust	20.0%
Principal Islamic Lifetime Sukuk	20.0%
United-i ESG Series-High Quality Sukuk MYR	20.0%
Kenanga ASnitaBOND	20.0%
Aberdeen Standard Islamic World Equity A MYR	2.5%
RHB Islamic Global Developed Markets MYR	2.5%
Maybank Asiapac Ex-Japan Equity-I	1.5%
Manulife Investment Shariah Asia-Pacific ex Japan	1.5%
Eastspring Investments Dinasti Equity	2.5%
RHB Shariah China Focus MYR	2.5%
KAF Dana Adib	2.0%
Phillip Master Islamic Money Market	5.0%
<b>TOTAL</b>	<b>100%</b>



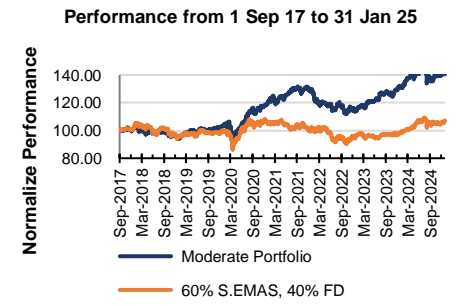
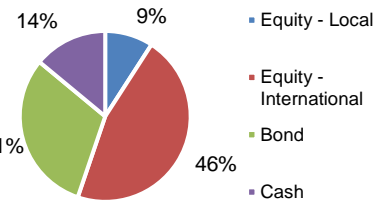
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Manulife Investment Shariah Asia-Pacific ex Japan	2.5%
Eastspring Investments Dinasti Equity	2.5%
RHB Shariah China Focus MYR	2.5%
KAF Dana Adib	5.0%
PMB Dana Bestari	5.0%
Phillip Master Islamic Money Market	5.0%
<b>TOTAL</b>	<b>100%</b>



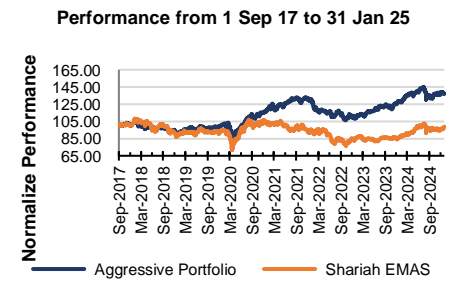
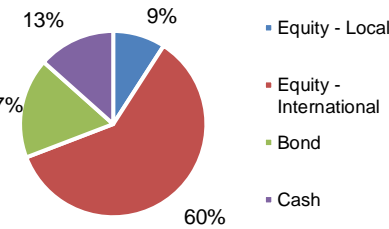
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Manulife Investment Shariah Asia-Pacific ex Japan	5.0%
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KAF Dana Adib	5.0%
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### Aggressive Portfolio

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	1 Mth	6Mths	YTD	1 Yr	Since Inception		1 Mth	6Mths	YTD	1 Yr	Since Inception
Conservative Portfolio	0.1%	0.9%	0.1%	4.6%	39.3%	Moderate Portfolio	-0.1%	-1.3%	-0.1%	5.6%	40.1%
Benchmark	-1.2%	-0.6%	-1.2%	2.9%	14.2%	Benchmark	-4.0%	-4.3%	-4.0%	3.6%	3.1%
Moderate Conservative Portfolio	-0.3%	-0.7%	-0.3%	4.8%	42.2%	Aggressive Portfolio	0.0%	-2.1%	0.0%	5.4%	36.9%
Benchmark	-2.6%	-2.4%	-2.6%	3.3%	8.6%	Benchmark	-6.8%	-8.0%	-6.8%	4.1%	-7.9%

Source: Lipper

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