

Wealth Management Digest **December 2024**

Exclusively for AmBank SIGNATURE Priority Banking Customers

Table of Contents

	Page No.
Market Overview	3
News Topics – Business & Economy	4 - 6
Economic Events & Commentary	7-8
Asset Allocation Strategy	9
Fund of Focus	10
Top 5 Performing Funds	10
Definitions	11
Disclaimer	12

Market Overview

Total Returns (%) Year-To-Date (At Month End)

	2022	2023	Sep-24	Oct-24	Nov-24
MSCI Global Equities	-17.9%	22.82%	19.08%	16.45%	20.85%
MSCI Developed Market Equities	-17.7%	24.44%	19.29%	16.95%	22.37%
MSCI Emerging Markets Equities	-19.8%	10.20%	17.13%	12.11%	8.10%
MSCI Asia ex Jn Equities	-16.8%	11.98%	17.89%	12.56%	11.12%
S&P 500 (US) Equities	-18.1%	26.26%	22.08%	20.96%	28.06%
STOXX 600 (EU) Equities	-9.9%	16.63%	12.47%	8.85%	10.10%
CSI 300 (China) Equities	-19.8%	-9.14%	20.30%	16.67%	17.55%
HSI (HK) Equities	-12.6%	-10.46%	29.21%	24.25%	18.99%
MSCI Malaysia (MY) Equities	-0.4%	0.67%	16.33%	13.61%	13.69%
Bloomberg Global IG Bond	-16.2%	5.72%	3.60%	0.12%	0.47%
Bloomberg Global HY Bond	-12.7%	14.04%	9.59%	8.90%	9.80%

Source: Bloomberg, as of 30 November 2024

GLOBAL EQUITIES

Global equities shot higher in November, as prospects of interest rate cuts by global central banks boosted participation in risk assets. Additionally, Donald Trump's win in the US Presidential Election race boosted expectations of further fiscal stimulus followed by pro-growth policies that can sustain economic growth in the US. This is set to have a positive spillover effect on the rest of the world.

ASIA PACIFIC EQUITIES

Asia ex Japan shifted lower as the threat of Donald Trump and his trade tariffs made investors wary of regions that could become targets of the administration. Capital outflows out of China and India weighed on the market performance and led to a decline of asset prices. Relatively high interest rates in the developed markets is also keeping a leash on funds flowing back into Asia.

MALAYSIAN EQUITIES

Malaysian equities ended marginally higher on a month-on-month basis, given limited local market catalyst. Investors were focused on global market developments, which caused investors to turn risk-off as geopolitical tensions rose, and as investors chased higher returns in the US markets, amid growing pressures in Asia and stagnating asset prices.

Source: AmBank Retail Wealth Management Advisory & Research (as at 04 December 2024)

News Topics – Business & Economy

US Jobs Rebound Amid Economic Challenges

In November, US hiring likely increased, recovering from the impact of hurricanes and a major strike in the previous month.

Economists predict nonfarm payrolls rose by 200,000, with the unemployment rate steady at 4.1%. Federal Reserve Chair Jerome Powell's upcoming discussion is highly anticipated for insights on the job market and potential interest rate cuts in December.

The resolution of the Boeing strike and hurricane recovery efforts are expected to result in a clearer November employment report. However, a decline in job openings, moderating payroll growth, and layoffs at Boeing and General Motors indicate a broader labour market softening.

October saw significant job losses in Florida and Washington due to hurricanes and industrial action, with 29 states reporting job declines, a high since the pandemic.

Bloomberg Economics suggests November's job report will improve but not fully rebound from October's weaknesses, predicting the unemployment rate may reach 4.5% by year-end.

Upcoming data on job openings, layoffs, and sector activity will provide further context. Additionally, several Federal Reserve officials are scheduled to speak, potentially offering more economic insights.

Source: Bloomberg (November 2024)

BOJ Nears Rate Hike Amid Inflation

Bank of Japan Governor Kazuo Ueda indicated that interest-rate hikes are approaching as inflation and economic trends align with the central bank's forecasts.

Ueda mentioned that the BOJ would adjust monetary easing when confident that the economy will meet their outlook, particularly with underlying inflation rising toward 2%. This statement helped strengthen the yen.

The yen briefly reached 149.47 against the dollar following Ueda's interview, which comes ahead of the BOJ's December policy meeting. The central bank has faced criticism for its communication strategy, especially before the unexpected July rate hike. The BOJ's key overnight policy rate remains low at 0.25%.

Ueda highlighted that wage growth is nearing a level consistent with 2% inflation and emphasized the importance of monitoring wage trends, particularly during the 2025 spring wage negotiations. He also noted the need to watch the US economy, given potential trade policy changes under the incoming Trump administration.

Investors increasingly expect a December rate hike, with market bets rising to 66%. Japan's inflation gauge has stayed at or above 2% for over two years, supporting hopes for a positive wage-inflation cycle. Ueda's comments leave open the possibility of a December rate move without committing to it.

Source: Bloomberg (November 2024)

News Topics – Business & Economy

China's Factory Activity Expands in November

China's factory activity expanded in November, driven by stimulus measures that reversed months of contraction. The official manufacturing PMI rose to 50.3, slightly above the 50 mark indicating expansion. However, the non-manufacturing PMI, covering construction and services, slipped to 50 from 50.2 in October. The composite index remained at 50.8.

Since October, China's economy has shown signs of recovery following stimulus measures, including interest-rate cuts and fiscal support announced in late September. These efforts aimed to revive growth and stabilize the property sector. Zhang Zhiwei, chief economist at Pinpoint Asset Management, noted that fiscal and monetary policies have recently stabilized the economy.

Despite these improvements, the outlook for 2025 remains uncertain due to potential trade wars and unclear future fiscal stimulus. The recent US presidential election win by Donald Trump, who has threatened steep tariffs on Chinese goods, adds to the challenges for China's export sector.

In October, both official and private factory activity measures exceeded expectations, home sales rose for the first time this year, infrastructure investment remained steady, and the urban jobless rate fell to a four-month low. Bloomberg Economics suggests that the manufacturing PMI's rise reflects seasonal trends rather than a significant economic upturn.

Source: Bloomberg (November 2024)

China's Housing Market Faces Continued Struggles

China's residential market sales fell in November, indicating ongoing challenges in the property sector. New home sales by the top 100 real estate companies dropped 6.9% year-over-year to 363 billion yuan (\$50 billion), reversing a 7.1% gain in October, and declined 16.6% from the previous month.

Beijing is struggling to stabilize the sector amid deflationary pressures, with investors anticipating more policy support to achieve the 5% economic growth target for the year.

President Xi Jinping emphasized the importance of meeting this goal, while IMF Managing Director Kristalina Georgieva warned that without reforms to boost domestic consumption, China's growth could fall below 4% in the future. Despite some signs of recovery and improved confidence from policies like monetary easing and homebuyer support, the housing market remains fragile.

Top-tier cities showed signs of price stabilization, with Shenzhen's existing home prices rebounding in October for the first time since April last year. However, the overall decline in home prices slowed in September and October.

Analysts suggest that the current stimulus measures have a more significant impact than previous efforts, but recovery may be limited to state-owned developers and large cities, leaving smaller ones behind. Buyers are likely to wait for a broader price rebound before making new purchases.

Source: Bloomberg (November 2024)

News Topics – Business & Economy

India's Economic Growth Slows Amid Challenges

India's economy slowed to a seven-quarter low of 5.4% growth between July and September, below the Reserve Bank of India's (RBI) forecast of 7%. This slowdown is attributed to weakened consumer demand, sluggish private investment, and reduced government spending. India's goods exports also struggled, with a global share of just 2% in 2023.

Economist Rajeshwari Sengupta highlights a serious demand problem, while Finance Minister Nirmala Sitharaman expects third-quarter growth to offset the decline. Inflation surged to 6.2% in October, driven by high vegetable prices. Critics argue that the RBI's focus on curbing inflation has led to restrictive interest rates, stifling growth.

Despite high retail credit and rising unsecured loans, urban demand is weakening, though rural demand benefits from a good monsoon and higher food prices. The economy operates on a "two-speed trajectory," with the old economy (informal sector and traditional industries) awaiting reforms, while the new economy (services exports) slows after a post-Covid boom.

High tariffs and a strong rupee, maintained by the RBI's interventions, further challenge competitiveness. Critics warn that India's growth narrative may hinder essential reforms. To boost growth, suggestions include raising wages through government schemes and reducing tariffs to attract export investments. The government remains optimistic about India's economic prospects.

Source: Bloomberg (November 2024)

Malaysia to Lead ASEAN, Boost Economic Stability

Malaysia is set to leverage its role as ASEAN Chair in 2025 to maintain economic stability and enhance regional influence amid global uncertainties from US President-elect Donald Trump's policies.

Investment strategist Christy Tan from Franklin Templeton Institute highlighted Malaysia's promising outlook due to fiscal consolidation and a stable policy environment, which attract investors.

During a webinar, Tan noted the ringgit's stabilization, boosting confidence in Malaysian assets. She emphasized that Bank Negara's predictable policy stance adds to this stability.

As ASEAN Chair, Malaysia aims to foster regional economic integration, potentially improving investor sentiment and market performance, especially in trade and diplomacy sectors.

Malaysia's neutral stance in US-China tensions could position it as a mediator in trade discussions, enhancing its diplomatic and economic standing.

The country's focus on technology and AI aligns with global trends, supporting long-term growth. Tan remains optimistic about Malaysia's economic prospects despite the challenges ahead.

Source: Bloomberg (November 2024)

Economic Events – Commentary & Charts

AmBank Economics – Monthly Manifests

Monetary policy meetings:

The FOMC minutes from November show a cautious approach to reaching a "neutral" interest rate, influenced by stronger-than-expected U.S. economic performance. Following rate cuts of 50 bps in September and 25 bps in November, the FFR targets 4.5%–4.75%, with a further 25 bps cut expected in December to support a soft economic landing.

The Bank of England (BoE) cut its rate by 25 bps in November to 4.75%, adjusting growth and inflation forecasts due to significant public spending increases.

The Bank of Korea (BoK) surprised markets with a 25-bps cut to 3%, aiming to bolster the economy amid U.S. trade uncertainties.

As widely expected, BNM kept the OPR steady at 3.0%, with the assessment on growth and inflation unchanged from its previous meeting but included the potential impact of Budget 2025 measures.

Mixed Picture Outlook For Malaysia's Economic Growth Momentum

October's annual inflation rate stood at 1.9% (September: 1.8%), slightly above than market consensus of 1.8%, with a slight uptick seen in food (October: 2.3% vs September: 1.6%) and services (October: 3.4% vs September: 3.1%) categories.

Additionally, the continuous PPI slowdown amid falling oil prices could signal the consumer's price pressure to remain stable for the rest of this year, maintaining our view that the average 2024 inflation could settle low at 2.0%.

The manufacturing sector continued to contract in the month (November: 49.2 vs October: 49.5). It moved further below the 50-mark following new orders eased due to subdued demand as demand conditions remained muted.

On the price front, the input cost inflation rate eased further, translating to a broad stagnation in output charges. Despite that, expectations of a stronger market demand significantly drove market optimism about the 12-month outlook for output in the second-to-last month of the year.

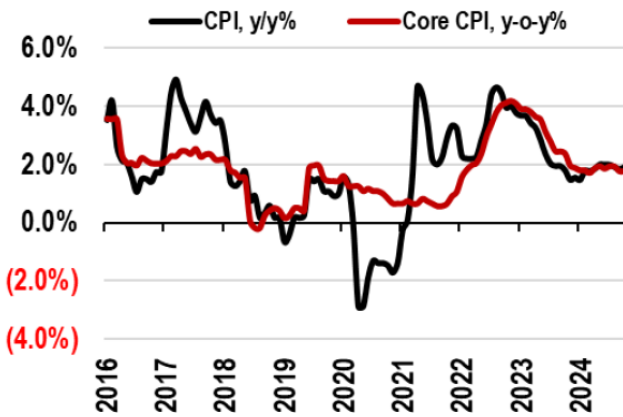
The country's 10M2024 exports increased by 4.8%, reaching MYR1.243 trillion. Meanwhile, imports increased by 14.6% to MYR1.140 trillion, resulting in a trade surplus of MYR102.8 billion.

The latest Malaysia trade performance showed sustained growth thus far, showing a positive economic trajectory as reflected by the leading index indicator – a sign that the economy will continue to grow in the near term.

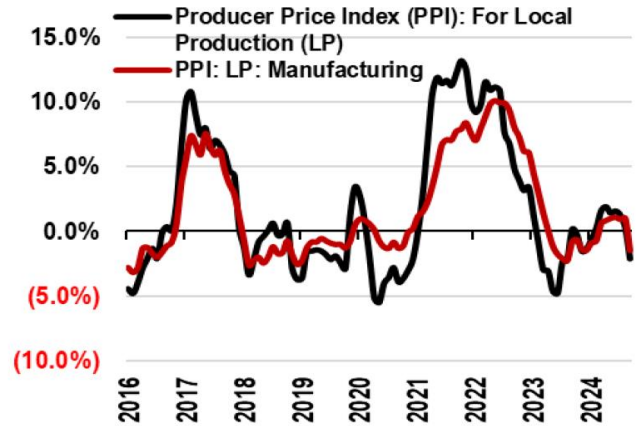
Source: AmBank Economics (Dec 2024)

Economic Events – Commentary & Charts

Malaysia CPI vs. Core CPI, y/y %



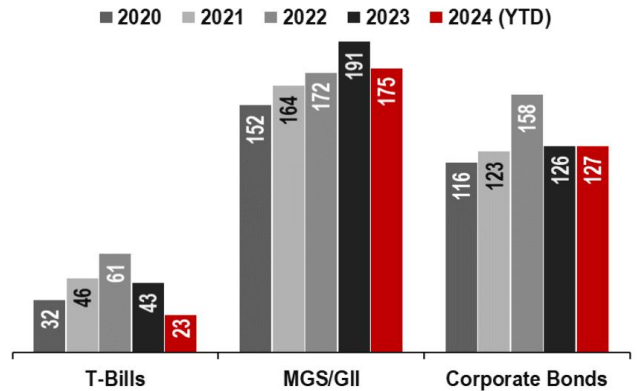
Malaysia PPI vs PPI: LP Manufacturing, y/y %



AmBank Economics' Projections (%)

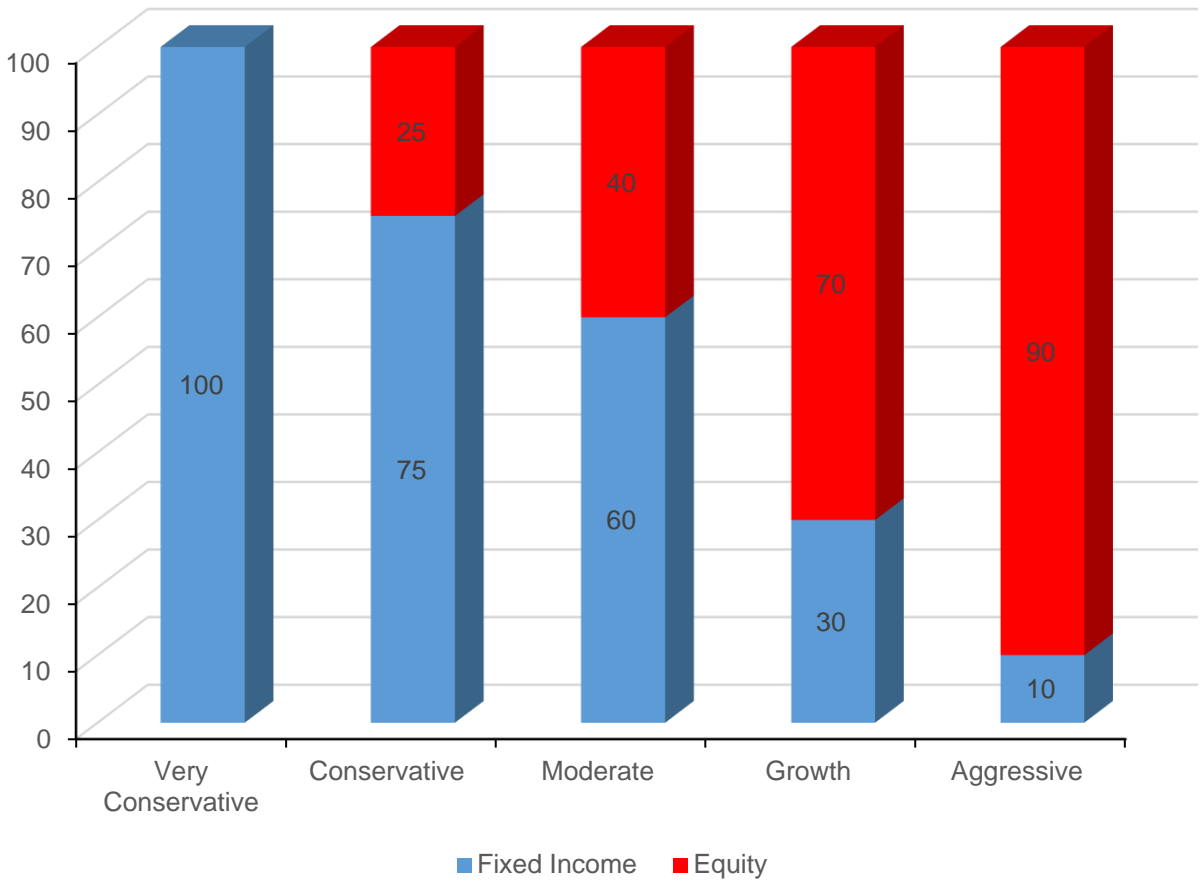
	Actual Data		Forecast	
	2022	2023	2024F	2025F
GDP, y/y%	8.9	3.6	4.9	4.6
Inflation rate	3.4	2.5	1.8	2.5 – 3.0
Unemployment rate	3.8	3.3	3.2*	3.2*
OPR	2.75	3.00	3.00	3.00

Gross issuance of MYR Deno T-bills, MGS/GII & Corporate Bonds



Asset Allocation Strategy

Reference Portfolio (Based on Investor's Risk Profile)
(% Allocation for Equity and Fixed Income)



Source: AmBank

Fund of Focus – 4th Quarter 2024

	Retail (25 Funds)	Wholesale (9 Funds)
Supercharged Cycle	AHAM Aiiman Global Multi Thematic RHB i-Global Sustainable Future Tech TA Global Technology	Principal Global Technology Principal Islamic Global Technology Principal US High Conviction
Balanced Expansion	AHAM WS Global Balanced Maybank Global Mixed Assets-i Maybank Global Sustainable Equity-I Principal Global Titans TA Global Select Equity United-i Global Balanced	AmFunds Global Dividend AmFunds Income & Growth
Emerging Marvels	Maybank AsiaPac Ex-Japan Equity-I Principal Asia Pac Dynamic Income Principal Greater China Equity Principal Islamic Asia Pac Dynamic Eq RHB Shariah China Focus	Hong Kong Tech MAMG Systematic AsiaPac Eq Abs Ret
Malaysia's Quantum Leap	AHAM Select Balanced AHAM Select Opportunity Eastspring Investments Equity Income	
Alternative Yields	AmFunds Global Properties Equities Manulife Shariah Global REITs	RHB Global Equity Premium Income
Build Immunity	AHAM WS Income AmBond AmBon Islam AmDynamic Bond TA Total Return Income United Golden Opportunity	Precious Metals Securities

Note: Funds are selected using a quantitative filter. Best scoring funds across key categories have shortlisted to be in the fund of focus. Based on Wealth Advisory & Research and Wealth Product Managers PM discretion & experience, new funds and tactical ideas may be added as required to capture fast moving market trends.

Source: AmBank as of October 2024

Top 5 Best Performing Funds YTD 2024

Fund Name	Fund Type	Status	YTD	1Y	3Y Ann
AHAM Select Opportunity Fund	Equity - Malaysia	Retail	26.2	30.11	9.06
Eastspring Inv Islamic Small-cap	Equity - Malaysia	Retail	24.08	26.13	8.78
Principal Global Technology MYR H	Equity - Global	Retail	23.01	28.27	-0.63
TA Global Technology MYR	Equity - Global	Retail	27.04	31.29	10.65
United Golden Opportunity MYR hedged	Miscellaneous - Global	Retail	23.14	26.09	10.24

Top 5 Worst Performing Funds YTD 2024

Fund Name	Fund Type	Status	YTD	1Y	3Y Ann
AHAM Select Asia (ex Jpn) Qtm Fd	Equity - Asia ex Japan	Retail	-10.76	-11.13	-5.81
AmAsia Pacific REITs B MYR	Equity - Asia ex Japan	Retail	-9.46	-4.27	-7.4
Maybank Singapore REITs MYR	Equity - Developed Market	Retail	-11.3	-7.59	-3.54
Principal Islamic Asia Pacific Dyn Eq	Equity - Asia ex Japan	Retail	-9.96	-6.1	-6.75
RHB Resources	Equity - Asia ex Japan	Retail	-8.49	-5.43	2.91

Source: Lipper fund performance as at 30 November 2024, applicable to funds distributed by AmBank
Past performance does not indicate future returns

Definitions

AAA/BBB	Currency Pair of AAA and BBB. Number of units of AAA (Base currency) that one unit of BBB (Quote currency) will buy.
AUD	Australian Dollar
Bosvepa	Brazil Stock Index
CAD	Canadian Dollar
CHF	Swiss Franc
CNY	Chinese Renminbi
CPI	Consumer Price Index
DAX	German Stock Index
DJIA	Dow Jones Industrial Average
EPFR Global	Emerging Portfolio Fund Research, Inc.
ETF	Exchange Traded Funds
EUR	Euro
FocusEconomics	FocusEconomics is a leading provider of economic analysis and forecasts for 127 countries in Africa, Asia, Europe and the Americas, as well as price forecasts for 33 key commodities.
GBP	UK Pound Sterling
GDP	Gross Domestic Product
German IFO	German Information and F orschung (research).
HSI	Hong Kong's Hang Seng Index
IIF	Institute of International Finance
IHS	Information Handling Services is a company based in London, United Kingdom. IHS provides information and analysis to support the decision-making process of businesses and governments.
IHS Markit	A merger between IHS and Markit Ltd.
Indonesia's JSX	Indonesia's Jakarta Stock Exchange
I/B/E/S	'Institutional Brokers' Estimate System
INR	Indian Rupee
JPY	Japanese Yen
KOSPI	South Korea's Stock Index
Malaysia's KLCI	FTSE Bursa Malaysia Index
Markit Ltd	A global financial information and services company founded in 2003 as an independent source of credit derivative pricing.
MICEX	Russian Stock Index
MYR	Malaysian Ringgit
Philippines PSE	Philippines' Stock Index
PSEi	The Philippine Stock Exchange, Inc
PMI	Purchasing Managers' Index
PRC	People's Republic of China
Q1,Q2,Q3,Q4	Quarter 1, Quarter 2, Quarter 3, Quarter 4
SCI	China's Shanghai Composite Index
SGD	Singapore Dollar
Singapore STI	Singapore's Strait Times Index
TAIEX	Taiwan's Stock Index
Thailand's SET	Thailand's Stock Index
U.K.	United Kingdom
U.S.	United States of America
U.S. Fed	United States Federal Reserve
USD	U.S. Dollar
YOY	Year-on-year
YTD / y-t-d	Year to date

Disclaimer

Important Information for Customers:

WARNING: THE CONTENTS OF THIS DOCUMENT HAVE NOT BEEN REVIEWED BY ANY REGULATORY AUTHORITY IN MALAYSIA OR ANY OTHER JURISDICTION. YOU ARE ADVISED TO EXERCISE CAUTION IN RELATION TO THE INVESTMENT AND THIS DOCUMENT. IF YOU ARE IN DOUBT ABOUT ANY OF THE CONTENTS OF THIS DOCUMENT, YOU SHOULD IMMEDIATELY OBTAIN INDEPENDENT PROFESSIONAL ADVICE.

This document is strictly confidential and is issued by AmBank (M) Berhad (“AmBank”) on the basis that it is only for the information of the particular person to whom it was provided. This document may not be copied, reproduced, distributed or published by any recipient for any other purpose unless AmBank’s prior written consent is obtained.

The information, statement and/or descriptions contained in this report has been prepared strictly as general information for quick reference and illustration purposes only and is not intended to be the complete description of any products mentioned or as an offer to sell or a solicitation to buy any securities, foreign exchange or other product. In providing this report AmBank is not making any recommendation to buy any securities or other product and the information provided should not be taken as investment advice. It has been prepared without regard to the individual financial circumstances and objectives of persons who receive it. AmBank has no obligation to update its opinion or the information in this report and you should independently evaluate particular investments and strategies and seek the advice of a financial adviser prior to entering into any transaction.

The information herein was obtained or derived from sources that AmBank believes are reliable, but while all reasonable care has been taken to ensure that stated facts are accurate and opinions fair and reasonable, we make no representation or warranties, express or implied, as to the accuracy or completeness of the information herein and expressly disclaims any liability for any loss (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) that you or your advisors may suffer as a result of your reliance upon the whole or any part of the contents of this report or for any loss that may arise from the use of this report or reliance by any person upon such information or opinions provided in this report.

Members of the AmBank Group, AmBank Group affiliates and each of their directors, officers employees and agents (“Relevant Persons”) may provide services to any company and affiliates of such companies whose securities or other products are mentioned herein, may from time to time have a position in or related to the securities or products mentioned herein and may trade or otherwise effect transactions for their own account or the accounts of customers. You should assume that the Relevant Persons may provide or may seek investment banking or other services to or from the companies in which have an interest in the securities or products discussed / covered in this report or previous reports by AmBank. You should further be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest.

AmBank is not acting as your advisor and does not owe any fiduciary duties to you in connection with this report and no reliance may be placed on AmBank or this report in evaluating your investment objectives, financial situation and particular needs and decisions.

Nothing in this document constitutes investment, legal, accounting or tax advice or a representation that any investment or strategy is suitable or appropriate to your individual circumstances or otherwise constitutes a personal recommendation to you.

This information herein is not intended to constitute “research” as it is defined by applicable laws. This report is not directed to or intended for distribution to or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation.