

MARKET COMMENTARY

Equity market review and outlook

November 2024



Review

- Malaysian equity market declined for the third consecutive month, as foreign investors continued to be net sellers of equity in November to the tune of RM3b, turning the YTD flows to a net outflow of RM0.8b. The US Presidential Elections took centre stage in the beginning of the month. President-elect Trump winning convincingly was a bit of a surprise as investors were expecting the race to be tighter. Nevertheless, emerging markets post this election result saw weakness as the threat of US imposing higher import tariffs have become more of a reality. The month of November was corporate results reporting for the 3Q24, and results were either inline or below expectations, with some underlying weakness seen in some consumer and technology stocks. The impact of the sharp MYR appreciation up to end Sept 2024 when it reached RM4.1235/USD, also negatively affected many companies' earnings in unrealized forex losses, hitting exporters especially hard. The KLCI closed the month at 1,594.29, down 0.47% mom. The FBM Small Cap index rose 2.01% for the month, outperforming the KLCI. The worst performing sectors were Telecommunications (-3.1%) and Oil & gas (-2.7%). The best performing sectors were Health Care (+5.3%) and Plantation (+1.3%). Since early November 2024, CPO prices have stayed above RM4000/MT. Average value traded on Bursa in Nov was RM3234m higher by 21% mom.

Outlook

- December generally has been a positive month for Malaysian equities, for the KLCI this has been the case in the last 9 years. The much awaited Johor-Singapore Special Economic Zone was supposed to be finalized on 9 Dec 2024, with the meeting of the two countries' leaders, now will likely have to be postponed as the media has reported that the Singapore's Prime Minister has contracted Covid. Nevertheless, we remain constructive on Malaysia, as the domestic market continues to be supported by the improving economy, strong FDI, corporate earnings growth, flushed liquidity and tourism rebound. We will selectively rotate from stocks which have done well and deploy into laggards with potential catalysts, such as companies benefitting from the investment upcycle, US-China trade war and high dividend yielding stocks. In the short term, we may see stronger USD, and this will be positive to Malaysian exporters such as gloves, plantations, technology and selective industrial companies. In the longer term, there could be more market volatility from a Trump presidency.

Index performance & movers

FBM100 INDEX

START DATE	31-Oct-24	END DATE	30-Nov-24
START	11,814.10	END	11,823.79
NET CHG	9.69		0.08%

	Name	Price	Net Chg	% Chg		Name	Price	Net Chg	% Chg
1	Guan Chong Bhd	3.35	0.65	24.07 %	1	Lotte Chemical Titan Holding B	0.69	-0.26	(27.13)%
2	KPJ Healthcare Bhd	2.49	0.40	19.14 %	2	D&O Green Technologies Bhd	1.87	-0.43	(18.70)%
3	Kossan Rubber Industries Bhd	2.48	0.38	18.10 %	3	MR DIY Group M Bhd	1.81	-0.37	(16.90)%
4	UWC BHD	2.76	0.41	17.45 %	4	Velesto Energy Bhd	0.16	-0.03	(15.79)%
5	United Plantations BHD	30.30	3.96	15.05 %	5	Petronas Chemicals Group Bhd	4.66	-0.76	(14.02)%
6	Gas Malaysia Bhd	4.30	0.56	14.97 %	6	DXN Holdings Bhd	0.49	-0.08	(13.51)%
7	Bumi Armada Bhd	0.57	0.07	14.00 %	7	Pentamaster Corp Bhd	3.35	-0.50	(12.99)%
8	Alliance Bank Malaysia Bhd	4.91	0.51	11.59 %	8	IOI Properties Group Bhd	2.02	-0.26	(11.40)%
9	Sunway Bhd	4.85	0.48	10.98 %	9	Chin Hin Group Bhd	2.32	-0.29	(11.11)%
10	Hartalega Holdings Bhd	3.52	0.35	10.87 %	10	Dialog Group Bhd	1.85	-0.22	(10.63)%

Source: Bloomberg

Indices	Last Price			MoM Changes		YTD Changes	
	31-Dec-23	31-Oct-24	30-Nov-24	+/-	%	+/-	%
FBMKLCI	1,454.66	1,601.88	1,594.29	-7.59	-0.47%	139.63	9.60%
FBMMES	5,322.03	5,005.65	5,131.65	126.00	2.52%	(190.38)	-3.58%
FBM100	10,485.72	11,814.10	11,823.79	9.69	0.08%	1,338.07	12.76%
FBM70	14,612.98	17,602.87	17,859.82	256.95	1.46%	3,246.84	22.22%
FBMSCAP	16,353.38	16,951.77	17,292.49	340.72	2.01%	939.11	5.74%
FBMEMAS	10,823.70	12,103.23	12,131.13	27.90	0.23%	1,307.43	12.08%
FBMSHA	10,988.71	12,062.16	12,034.69	-27.47	-0.23%	1,045.98	9.52%
FBMHJRAH	11,783.61	12,860.86	12,767.44	-93.42	-0.73%	983.83	8.35%
FBMSCAPS	15,104.22	15,636.55	16,074.92	438.37	2.80%	970.70	6.43%
MSCI APxJ (USD)	528.89	590.43	576.47	-13.96	-2.36%	47.58	9.00%
MSCI ACWI (USD)	727.00	832.30	862.49	30.19	3.63%	135.49	18.64%

Source: Bloomberg

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