Maybank
Asset Management

4Q2023 OUTLOOK & STRATEGY

Parting Storm Clouds

MAYBANK ASSET MANAGEMENT

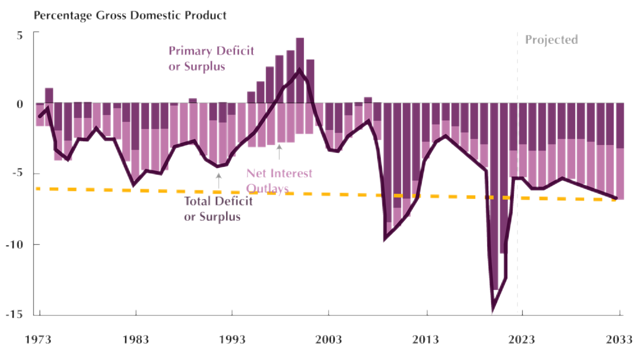
Content List

3Q2023 Review

In 3Q2023, volatile markets posed challenges, driven by high US interest rates and a slower-than-expected post-COVID recovery in China. However, one area that has continued to yield positive results is the domestic bond market, particularly in Asia, as inflation in many Asian economies has already reverted to pre-COVID levels and Asian central banks have refrained from raising domestic rates, benefiting the local bond markets.

3Q2023 proved to be a challenging period for financial markets, despite the decent returns for bonds and equity markets in 1H2023. Notably, market conditions weakened in 3Q2023, primarily due to the exertion of negative pressure stemming from elevated interest rates in the US. Inflation has clearly been in a downtrend, with headline inflation falling from more than 9% last year to 3.7% in August 2023. Ordinarily, interest rates are correlated with inflation and should be trending downward, but US interest rates have stayed high, with the benchmark 10-year interest rates actually rising from 4.0% at the end of June to 4.6% at the end of September, surpassing levels observed at the beginning of the year. Several factors contribute to this unexpected trend. Firstly, the widening US budget deficit has played a pivotal role in exerting upward pressure on interest rates. Secondly, the prevailing belief in the enduring strength of the US economy has further fuelled this rate hike.

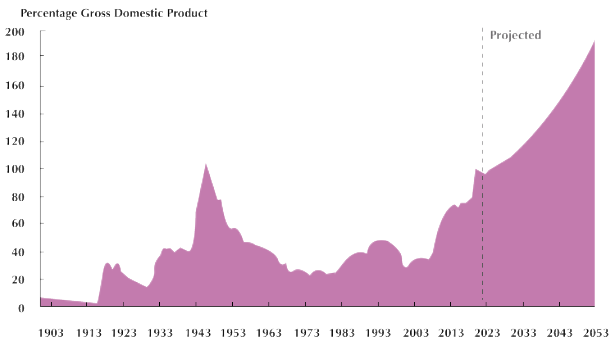
Chart 1: US Government budget Deficit/Surplus



Source: Congressional Budget office | Period: 1973 to Current

The US budget deficit is now at 6% of GDP, a level unseen outside of pandemic or economic downturn scenarios. Traditionally, deficits have ranged between 2% and 4%, with governments typically increasing spending as part of counter-cyclical measures during downturns. While the massive fiscal stimulus provided during the COVID-19 pandemic in 2020 and 2021 was understandable, post-pandemic government spending in 2023 continues at unprecedented levels compared to the pre-COVID era. This unchecked spending has led to a worrisome surge in government debt, surpassing the 100% of GDP mark. As a result, investors are demanding higher interest rates due to concerns over the widening budget deficit and escalating indebtedness. These persistent deficits have raised red flags among rating agencies, with Fitch recently downgrading the US government's credit rating from AAA to AA+.

Chart 2: Federal Debt Held by the Public, 1900 to 2053



Source: Congressional Budget office | Period: 1973 to Current

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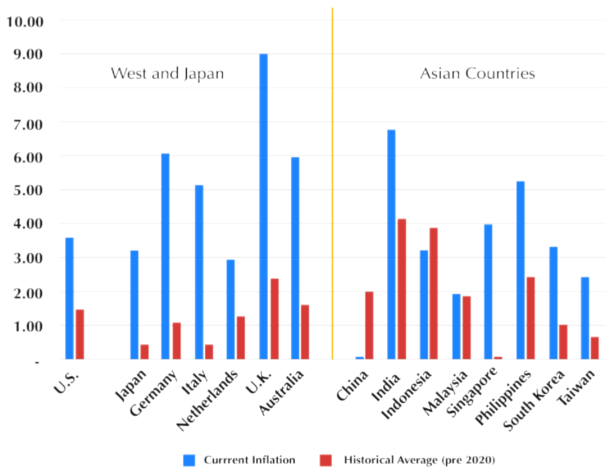
In terms of the US economy's resilience, it's evident that economic growth remains robust. Although the manufacturing sector is currently experiencing contraction, there has been a modest increase in retail sales, coupled with improvements in the services sector. Job growth has also been growing, with between 100,000 and 200,000 new jobs per month. Given the ongoing economic expansion, investors are maintaining the belief that interest rates will need to remain elevated.

While interest rates have undeniably played a significant role in driving down returns, China has also contributed to the weakened performance across Asian markets, impacting both equities and fixed income. China's post-COVID economic recovery has fallen short of expectations, further exacerbated by escalating tensions between the United States and China. The Biden administration's ongoing imposition of sanctions on Chinese companies has left investors concerned that Western investment in Chinese markets may face restrictions. Consequently, Western investors are currently opting to remain on the sidelines, collectively exerting downward pressure on Chinese markets.

Chart 3: Inflation Pre and Post COVID



Source: Maybank Asset Management, Bloomberg | Period: 2015 to Current

While US interest rates have been on the upswing, we have seen domestic interest rates remain stable or even decline.

Amidst the backdrop of rising USD interest rates, one area that has continued to yield positive results is the domestic bond market. While US interest rates have been on the upswing, we have seen domestic interest rates remain stable or even decline. This can be attributed to the fact that inflation in many Asian economies has already reverted to pre-COVID levels. Indonesia's inflation rate has settled just above 3%, actually below the pre-COVID average of 4%. With inflation well under control, Asian central banks have refrained from raising domestic rates, benefiting the local bond markets.

2023 Key Investment Themes

The theme for 2023, "Parting Storm Clouds", captures the positive developments in financial assets in 2023 compared to the previous year. However, the recovery is below our earlier expectations due to rising interest rates and China's two-tiered economic dynamic. Thus, Asian equities have lagged the US markets in 2023, but going forward, we continue to believe that Asia will outperform.

2023 has been a better year for financial assets compared to the previous year, although the recovery has fallen short of our initial expectations. Firstly, interest rates have continued to rise despite earlier forecasts of a decline in response to decreasing inflation. Secondly, China's reopening is progressing, albeit with a recovery rate below our anticipated levels. The economy has displayed a two-tier dynamic, with a weakened manufacturing sector and robust performance in services. Particularly, domestic travel within China has not only rebounded but has even exceeded pre-COVID levels, as evident from rail and metro data and visitations to domestic tourist sites. Automobile purchases have also recovered well, boosted by the adoption of EV cars in China. On the other hand, China's manufacturing sector, deeply intertwined with the global economy, has remained weak, with exports suffering from the broader global economic slowdown. Furthermore, the real estate sector in China continues to struggle, still grappling with weakened confidence stemming from regulatory actions taken by authorities two years ago.

There is no change to our other themes that we described at the start of the year, from **US recession** risks to volatile markets. We have already experienced **market volatility**, including bank failures in 1Q2023, and we anticipate this turbulence to persist throughout the entirety of 2023. We are observing **deglobalisation**, with the US imposing sanctions that restrict US companies and allies from exporting specific products and equipment to China. This contrasts with the free trade era over the past 50 years. Additionally, the geopolitical landscape is undergoing a profound transformation, shifting from a unipolar world once dominated by the US to a multipolar world where different countries in various regions wield influence. For instance, China has brokered peace deals between historically hostile nations, such as Saudi Arabia and Iran, despite Saudi Arabia's historical alliance with the US and the US categorising Iran as a terrorist state. Furthermore, China has extended its role as a mediator, offering to facilitate negotiations for peace between Ukraine and Russia as well as the enduring conflict between Palestine and Israel.

We are already seeing **technology disruption** in the early part of 2023, notably in the electric vehicle (EV) sector in China. Homegrown Chinese EV brands have seized remarkable momentum, aggressively gaining market share at the expense of established auto manufacturers from Japan and Europe. China has also emerged as the biggest exporter of cars, overtaking Japan. Traditional auto manufacturers have been slow to adapt to this seismic shift. Many are still reliant on internal combustion engine (ICE) models, which are increasingly less appealing to Chinese consumers in the face of the electric revolution.

One theme we have yet to witness is the anticipated **Asian outperformance**. Asian equities have lagged the US markets in 2023, with the latter having thrived on the narrative of a soft landing, emerging as the year's outperformer. Similarly, bonds in Asia have also fallen short due to China's post-COVID recovery proving weaker than expected. Time will tell, but we continue to believe that Asia will outperform.

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Themes	Implications / Strategy
US Recession Risks	*Global economic growth is still slowing, with a high risk of recession in developed countries. Sovereign bonds will benefit as we will see interest rate cuts in 2023 from hikes in 2022. Expensive growth stocks will still see more downside. Commodities will suffer as a result of slowing economic growth, which will reduce demand.*
Asia Outperformance	*Asian equities have seen underperformance and led the correction. With valuations cheap and China opening up, Asian equities should start performing. Asian corporate bonds should also do better, as Chinese credit, which constitutes a large proportion of Asian bonds, was hit by restrictive policies in 2022. This will reverse in 2023. Asian currencies should benefit as investment inflows should provide support.*
Deglobalisation	*The US-China trade tensions and COVID-19 have seen countries set up secondary supply chains. The Ukraine War will intensify deglobalisation in a multipolar world. Countries will build alliances on specific issues, and this will lead to more conflicts in the future. All of this will mean higher costs.*
Sustainability	*Positive on EVs and green energy. However, due to ESG policies, there has been a lack of investment in 'dirty' industries. Oil prices and commodities remain higher for longer.*
Technology Disruption	*Continued trend towards digitalisation. Work from home will disrupt office REITs, especially in the US.*
Volatile Markets	*More tactical trading given volatile markets.*

Growth Scenarios in 4Q2023

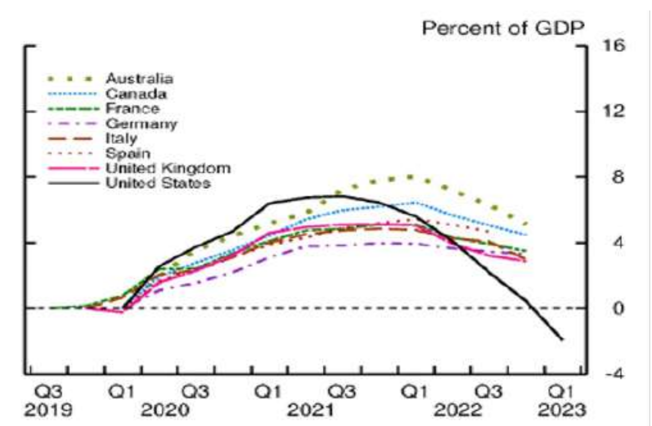
We hold the view that a US recession is imminent, and it could materialise as soon as 4Q2023. With that being said, we anticipate a brighter outlook for Asian stock markets as valuations remain attractively low. In addition to that, a recession in the US will benefit the fixed income market as interest rates will fall from the increasing trend recently.

While the consensus points towards a US soft landing, we hold the view that a US recession is imminent. The trajectory of US government spending is out of control and is not sustainable. The current budget deficit is large, and the US government is spending 6% of GDP just to get 2%–3% GDP growth. This unchecked budget deficit has compelled investors to demand higher returns on US government bonds, resulting in a continuous uptrend in interest rates. The higher interest rates go up, the worse it will be for the US economy. The high interest rates are a drag on the economy given that there is a higher debt burden in the US compared to a decade ago.

Pinpointing the precise timing of a recession is tricky, but we believe it could materialise in 4Q2023. One significant factor in the resilience of the US economy has been the substantial savings accrued from COVID-19 stimulus measures. This pool of savings has enabled US consumers to sustain their spending despite high levels of inflation and interest rates. The Federal Reserve's research reveals that consumers accumulated a staggering $2.3trn in savings in 2021, equivalent to approximately 10% of GDP. As government stimulus measures waned, these savings gradually began to diminish, and the forecast indicates that they could be fully depleted by 4Q2023. Another potential trigger is the resumption of student loan repayments. The Biden administration had previously suspended these repayments due to the pandemic, but they are set to recommence in 4Q2023, affecting an estimated 40 million individuals with an average monthly payment of $400. This equates to 5% to 10% of incomes and is expected to exert a notable drag on consumption spending in the US.

The US stock markets are currently not factoring in the possibility of a recession, as valuations are high at 18x PER in anticipation of a strong economic recovery in 2024. Analysts in the US are optimistic, expecting earnings growth of over 10% in 2024. However, the risk-reward balance for US stock markets appears unfavourable at this juncture. Analysing the Fed model, which compares the S&P 500 earnings yield to the US 10-year Treasury yield, we find that the S&P 500 is expensive relative to bonds. The current earnings yield stands at 4.7%, while yields

Chart 4: Excess savings from COVID stimulus



Source: Maybank Asset Management, "Accumulated Savings During the Pandemic: An International Comparison with Historical Perspective" Francois de Soyres, Dylan Moore, and Julio Ortiz, June 2023

Chart 5: Earnings Yield and US 10-year Treasury Yields

Source: Maybank Asset Management, Bloomberg | Period: 1999 to Current on 10-year US Treasury yields have risen from below 1% in 2020 to 4.6% as of end-September. This market timing tool, popularised by former Fed Governor Alan Greenspan, assesses the relative attractiveness between equities and bonds based on the spread between the earnings yield and Treasury yields. When Treasury yields fall below the earnings yield, resulting in a negative spread, equities typically become more attractive. Looking at the chart below, we note that US equity markets were highly attractive at the start of 2009, boasting a generous earnings yield of nearly 10% and a substantial spread compared to US Treasuries. However, with US Treasuries now offering nearly equivalent yields, US stocks no longer hold the same appeal.

With the risks of a US recession in mind, we have adopted a somewhat more conservative stance, allocating a larger portion of our portfolios to cash. However, when it comes to Asia, the picture appears more promising. Despite the lacklustre performance of Asian stock markets, we anticipate a brighter outlook. For equities, we believe that Asian markets, particularly China, offer compelling opportunities. Valuations for Asian equities, especially in China, remain attractively low, trading at below 10x PER, both in comparison to the US and on an absolute basis. The catalyst for this potential upswing will likely be an improving macroeconomic environment.

In August 2023, the Chinese government unveiled significant measures to stimulate its economy amid a somewhat subdued post-COVID recovery. For instance, authorities relaxed property purchase restrictions, even in Tier 1 cities, by lowering downpayment requirements. This move signals a strong commitment to stabilising the property sector. We have also seen an improvement in retail sales and industrial production in China in August. Furthermore, countries like India and Indonesia are also more domestic-oriented, less exposed to the global economic environment, and should be more resilient. Considering the valuation gap between Asia and the US, coupled with improving economic prospects, we are optimistic that Asia is primed to finally outperform the US.

In addition to that, a recession in the US will actually be good for fixed income as interest rates will have to start falling from the increasing trend currently. Our fixed income team holds a cautious short-term outlook (1 to 3 months) due to the possibility of rates continuing to rise, driven by widening deficits. However, we remain optimistic in the next 6 months, given the allure of attractive bond yields and the expectation that higher rates will eventually lead to a US economic slowdown. With US inflation already trending downward, we anticipate that once the economy shows signs of weakness, the Federal Reserve will pivot towards an easing policy. This shift will likely boost the bond market.

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4Q2023

Asian Equity Outlook & Strategy

4Q2023 Asian Equity Outlook & Strategy

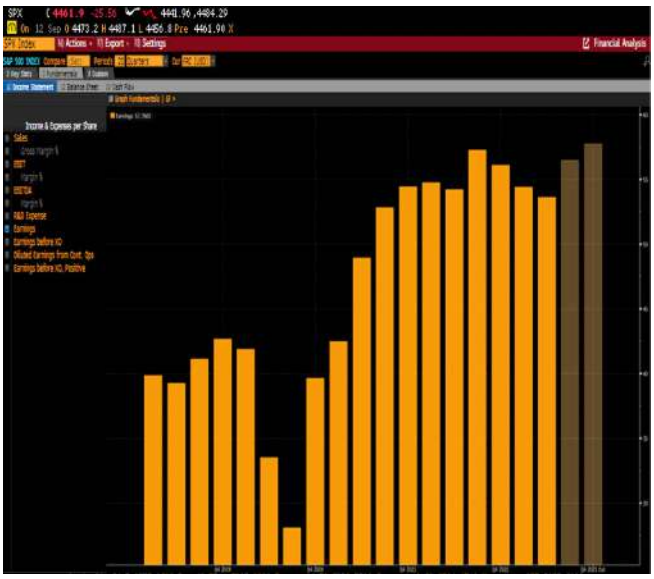
Our base case anticipates a US recession in 1H2024. Although Asian equities will not be immune to the US recession, given the cheap valuations, they will be more resilient to the volatility. In 4Q2023, we will continue to tactically overweight China, overweight Indonesia, but underweight Korea and the Philippines.

In the first nine months of the year, the S&P 500 (SPX) delivered a solid total return of 13%, while the MSCI Asia ex-Japan (MXASJ) lagged behind at -1%. However, 3Q2023 saw a -3% decline in the SPX, driven by concerns about rising recession risk in the US. Despite a significant 525 bps increase in the Fed Funds rates since the start of the hiking cycle, the US equity market has remained resilient. A robust labour market, healthy retail sales, and strong PMI data suggest the economy can withstand high interest rates, leading to discussions of a possible soft landing.

In contrast, the 2Q2023 economic growth in export-oriented Asia disappointed as many countries in the region reported lower-than-expected external trade figures, influenced by a sluggish China and weak global demand for manufactured goods. On earnings, the 2Q2023 earnings season in the US exceeded expectations, with SPX EPS estimates raised for both 3Q2023 and 4Q2023 by 0.4% and 0.6%, respectively, according to FactSet. SPX quarterly earnings have consistently surpassed pre-COVID 2019 levels since 2021. In Asia, the reporting season generally disappointed, except for Indonesia, the Philippines, and Singapore. Hong Kong, China, and Thailand witnessed the most significant earnings cuts. China's economic and corporate weakness, particularly in its struggle to manage its real estate debt crisis, weighed down Asia's equity markets. While 1H2023 earnings for MXASJ fell 19% YoY, the 2H2023 outlook appears more promising, benefiting from a lower base from the previous year and an expected recovery in the chip cycle that should boost North Asia.

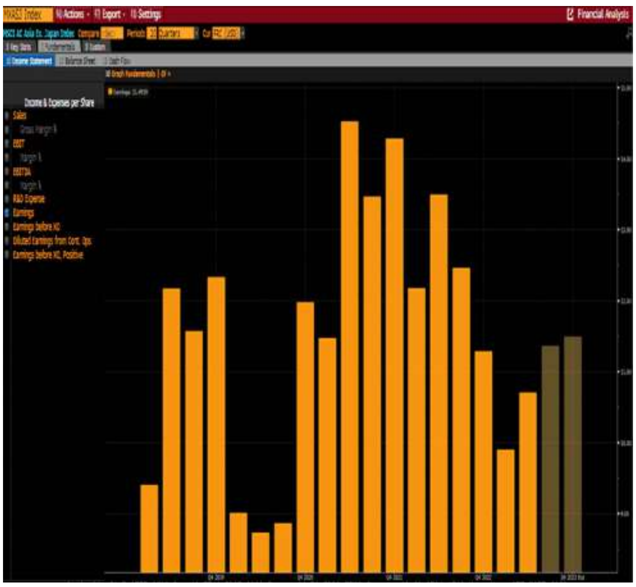
At 4.3% YoY, US core inflation has proven stickier than expected. While the Fed Funds rate is likely to peak at 5.50–5.75%, it could remain there as long as resilient US economic conditions persist: a jobless rate of just 3.5%, a robust housing market with soaring median rents, and property prices holding steady despite a 30-year mortgage rate surge. For the rest of the year, the 'higher for longer' Fed policy theme will bolster the US dollar, presenting a headwind for Asian equities.

Figure 6: SPX quarterly earnings since 2019



Source: Bloomberg as at 22nd June 2023

Figure 7: MXASJ quarterly earnings since 2019



Source: Bloomberg as at 21st June 2023

Figure 8: US housing median asking rent

Source: Maybank Asset Management, Bloomberg as at 30th June 2023

Figure 9: US 30-year mortgage rates

Source: Maybank Asset Management, Bloomberg as at 13th September 2023

In 3Q2023, Asia faced headwinds due to resurfacing concerns about defaults among China's real estate developers. High-profile cases, including Country Garden missing two bond coupon payments and state-backed Sino-Ocean seeking bond payment extensions, weighed on sentiment. Regulators responded by reducing down payments for first- and second-time homebuyers, cutting mortgage rates, and encouraging lenders to lower rates. While it's too early to determine the sustainability of this recovery, initial responses have been positive, with increased sales in major cities following these policy announcements. We do not think that this crisis is systemic, though stresses on non-bank trust funds like Zhongrong's missed payment obligations have emerged as noisy concerns that should eventually clear.

Currently, China's equity market continues to trade at a discount to the MXASJ, offering deep value at 9.4x 2024PE. While the reopening late last year has had a rather muted impact thus far on sales of large-ticket items such as cars and real estate, the impact on services demand has been meaningfully positive, notably in hospitality, catering, travel, and online purchases. We adopt a selective approach, favouring exposure to the thriving online retail ecosystem, as demonstrated by the healthy revenue growth in 2Q2023 results for many e-commerce retailers. We also prefer investments in F&B, apparel, and select physical retail exposures.

Figure 10: MXASJ forward PE

Source: Maybank Asset Management, Bloomberg as of September 2023

Figure 12: SPX forward PE

Source: Maybank Asset Management, Bloomberg as of September 2023

Our base case anticipates a US recession in 1H2024, which is expected to trigger global stock market volatility in the coming six months. While stocks in Asia will not be immune to the US recession, given cheap valuations, they will be more resilient and hence weather the volatility better. Currently, the MXASJ trades at a forward PE of 11.6x, marking 1 SD below its mean and a remarkable 34% discount compared to the SPX's forward PE of 17.6x, which is at its mean.

If the US enters a recession as we expect in 1Q2024, Asian equities may not experience a significant sell-off until early next year, when concrete signs of a material slowdown become evident. Until then, we see the MXASJ potentially trade up to circa 12.8x 2024PE, which places it at a mean valuation. This scenario could potentially yield a 5% return for 4Q2023, driving the index towards the 640 target. Our base case hinges on no further deterioration in China's recovery outlook in 4Q2023, which is why we keep an overweight call on China stocks, at least tactically, given its cheap valuation at 9.3x forward PE compared to its historical averages and regional peers, such as ASEAN at 12.7x and India at 19.8x. Additionally, the easing negativity towards China, driven by prospects of a bottom being reached in the property downcycle, further supports our stance.

In terms of calls by countries for 4Q2023, we continue to overweight China and Indonesia and underweight Korea and the Philippines. We believe Korea and Taiwan are highly exposed, hence vulnerable, to the global economy given their concentration in the cyclical auto and tech sectors. While we like Korea and Taiwan as offering Asia's best exposures to the structurally appealing AI supply chain play, they have risen far too quickly YTD, making them vulnerable to a market pullback. For this reason, we keep Korea underweight and Taiwan at neutral on a relatively better valuation. On ASEAN, we maintain Indonesia's overweight call on robust economic metrics (moderate inflation, peak interest rates, and a positive IDR outlook on sound fiscal and current account positions) but upgrade Thailand from underweight to neutral on a stabilised post-election political landscape and pro-consumption policies. We keep India neutral because of its favourable geopolitical relations with the developed world and because it is seen by some investors as an investment alternative to China, but we stop short of making an overweight call due to its expensive valuation.

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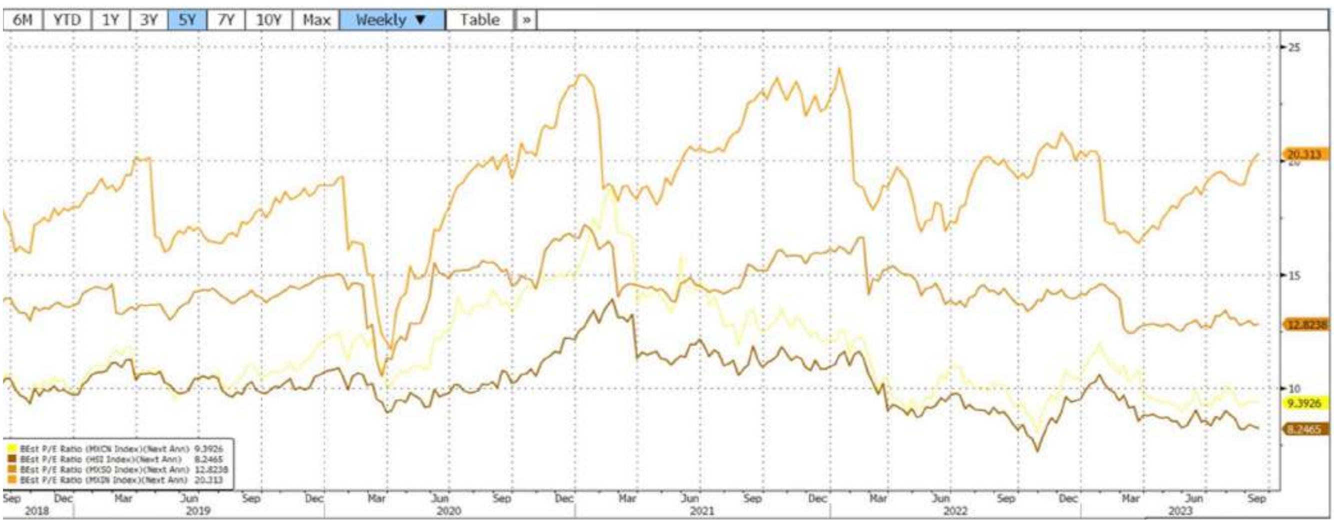
Figure 12: China and HK trade far below Asean and India on PE terms



Source: Maybank Asset Management, Bloomberg | Period: September 2018 to Current

Country Calls

Country	Call	Rationale
China	Overweight	*Chinese markets are down YTD. They have been very volatile given on-going US-China tensions and the still-unsettling real estate debt crisis. After the sharp rally from November 2022 to January 2023, investors have been taking profit in the e-commerce and internet sectors. But the 2Q2023 Chinese internet reported earnings were stronger, reflecting pockets of strength in the economy. Valuations remain generally cheap, and there have been more supportive policy announcements.*
Indonesia	Overweight	*Indonesia has seen decent economic growth, even with the government being conservative on spending. It has been a recovery, with the mid- to high-end doing well and the lower-income ones weaker. In 1H2023, the government is in surplus and should be able to spend more in 2H2023 to support the lower income heading to the general elections in 2024.*
Hong Kong	Neutral	*The domestic economy is expected to benefit as Chinese tourists are coming back gradually. Direct beneficiaries like Macau gaming and developers with malls in prime areas have already reacted sharply.*
India	Neutral	*The Indian stock market has continued to do well despite the pricey valuation of 20x forward PE. The underlying economy has stayed resilient, and the Adani Group issue has settled down. One positive has been the inflation data, which is now in the 4% range and is well controlled.*
Korea	Underweight	*Similar to Taiwan, Korea has also been steady YTD. The same factor is at work with investors believing that hardware technology has already hit the bottom. Valuations are cheap, but we may still see some weakness as the US falls into a recession. Underweight as this country has a high concentration of cyclical sectors.*
Malaysia	Neutral	*Low foreign ownership buffers it from potential risk-off fallout, while its exposure to energy and agriculture commodities is a plus currently. There have been more policy announcements recently with PM Anwar coming out with the Malaysia Madani economic framework, the new energy transition roadmap (NETR), and the new industrial masterplan (NIMP). These initiatives are to boost the development of renewable space, upskill manpower, attract FDI, and improve transport connectivity, which benefit the utility, construction, and property sectors in particular.*
Singapore	Neutral	*The open nature of Singapore means that it will not be immune to the global economic slowdown. The banking sector is likely to face headwinds as net interest margins should have peaked and credit costs start to rise again. However, Singapore is still a more defensive market, offering companies with strong dividend yields and strong balance sheets.*
Taiwan	Neutral	*Taiwan has outperformed for the year. Overall, there is the perception that the worst is over for hardware tech, despite still weak export numbers in Taiwan. Valuations are cheap, but we may still see some weakness as the US falls into a recession in the early part of 2024. Still Neutral.*
Thailand	Neutral (from Underweight)	*After three months of deadlock following the elections, the PM has been chosen from a Pheu Thai and military coalition. Although the PM is not from the party that garnered the most seats (Move Forward), this appointment will at least provide some stability to the political scene. Recent economic data have been disappointing but are expected to improve going forward as the new government rolls out stimulus programmes that support consumption.*
Philippines	Underweight (from Neutral)	*The market has underperformed due to multiple headwinds, such as sticky inflation and a strong USD, which have caused a higher current account deficit, a weaker peso, and a higher interest rate. The recent uptick in inflation and softening in loan growth are concerns. Lower loan growth may be a sign of a slowdown.*

Sector Calls

Sector	Call	Rationale
Health Care	Overweight	*The healthcare sector has a record of resilience, as healthcare services are inelastic against an economic downturn while benefiting structurally given the general ageing demographics in north Asia and above-average population growth in ASEAN. These factors put hospitals and medical equipment as our preferred picks, while glove makers that were victims of oversupply are seeing industry consolidation is seeing value emerging following a steep sell-off over a year ago.*
Communication Services	Neutral	*Continue avoiding the digital advertising and entertainment segments, as these are highly cyclical and prone to weakness due to slowing global growth. Preferred are those less economically sensitive, including mobile phone and home broadband internet services, as these are essential services and the last that consumers will cut. Companies that have room for cost cuts and solid balance sheets have the best defensive qualities and should emerge stronger.*
Consumer Discretionary	Neutral	*Asia consumer discretionary has disappointed in China's disappointing border reopening impact around the region due to slow recovery in international flight frequencies and capacities and consumers' guardedness over the region's uneven recovery. However, the momentum in international travel volumes will likely pick up later, lifting hospitality, retail, travel, and casinos around the region. For now, we maintain Neutral on the belief of a gradual recovery given the time required to restore confidence and the weak RMB.*
Consumer Staples	Neutral	*Agriculture commodities, amidst weather effects supporting prices should play out as an inflation hedge, at least in the near term, which warrants at least some exposure. However, further out, prospects will depend on the global growth outlook, which will determine the commodity price outlook. In the meantime, input cost pressures may squeeze margins against pressured consumers. Companies best positioned to face the headwinds are those dealing in cheaper brands that pressured consumers can trade down to.*
Energy	Neutral	*OPEC+ extended supply cuts to the end of the year, and growing consensus around a US soft landing has lent considerable support to Brent staying above $90. High energy prices are one of the main sources of sticky inflation, keeping rates higher for longer, which in turn dampens global growth and ultimately oil demand. For the longer term, the preferred plays are those in the renewable energy space.*
Financials	Neutral	*Most rates in Asia have likely peaked, and so the NIM expansion theme has largely played out. In particular, we are watchful of banks at risk of exposure to potential US commercial real estate fallout, where a considerable amount of refinancing is expected over the next two years given that they will likely have to refinance at higher rates on lower market values. Hence, prefer banks from domestic-oriented economies (India, Malaysia, the Philippines, and Indonesia) and avoid those from more developed Asia (HK, Singapore, and Korea).*
Information Technology	Neutral	*Asian tech hardware is preferred given the ongoing chip cycle recovery and AI thematics. Korean memory companies are likely to benefit from memory price recovery in the 4Q2023 on the back of industry-wide utilisation cuts. Malaysia's small-cap tech space is poised to benefit from a regional recovery and play on the 'China+1' thematic. But it would take a turn in the rate hike cycle to prompt an upgrade from Neutral.*
Materials	Neutral	*Materials are a cyclical sector, and prospects of recession in developed markets will weigh on it, although in the immediate term, some investors may choose to maintain some exposure to hedge against inflationary risks. Still, for longer-term investors, the investment appeal remains for hard commodities with structural demand from the digital information age and EVs such as copper, nickel, lithium, and rare earths.*
Real Estate	Neutral	*The outlook is incrementally positive as inflation eases in Asia and interest rates stabilise in 4Q2023, which is why REITs may start to look attractive again. While rates may stay high in the near term, the end of hikes will allay refinancing and asset value concerns, leading to a positive impact on the cost of capital and spurring growth prospects. Declining long-term yields heading into a global slowdown makes the dividend-yielding character of financially secure REITs attractive again in the longer term. In Asia, hospitality real estate performance is expected to surpass pre-pandemic levels by next year. A weak spot is China's housing sector, but that remains on the mend, supported by easing rates and less restrictive purchasing conditions.*
Utilities	Neutral (from Overweight)	*Utilities have defensive qualities, as power and gas demand have historically proved to be relatively resilient against a weaker global backdrop. But margins may be squeezed from higher fuel costs, putting regulatory commitments on cost-pass through to the test amid governments' reluctance to raise end-user tariffs. 3Q2023's faster collections of receivables, including China's renewable subsidies, Indonesia's compensation on non-subsidised fuel to PT Perusahaan Listrik Negara, and Malaysia's Tenaga imbalance cost-pass-through (ICPT) recovery from the government, were welcome positives already priced in the market.*
Industrials	Underweight	*In the near term, Asia's industrial sector is vulnerable to the risks of a US recession. Longer term, the US-Sino geopolitical tensions and supply chain disruptions, which have prompted the US to bolster domestic manufacturing or onshoring, may mean less demand for industrial goods from Asia. The positive, though, is that the push for digitization will continue to be a source of defensive growth for manufacturers in automation equipment, advanced robotics, AI, and technologies that enhance competitiveness.*

4Q2023

Asian Fixed Income Outlook & Strategy

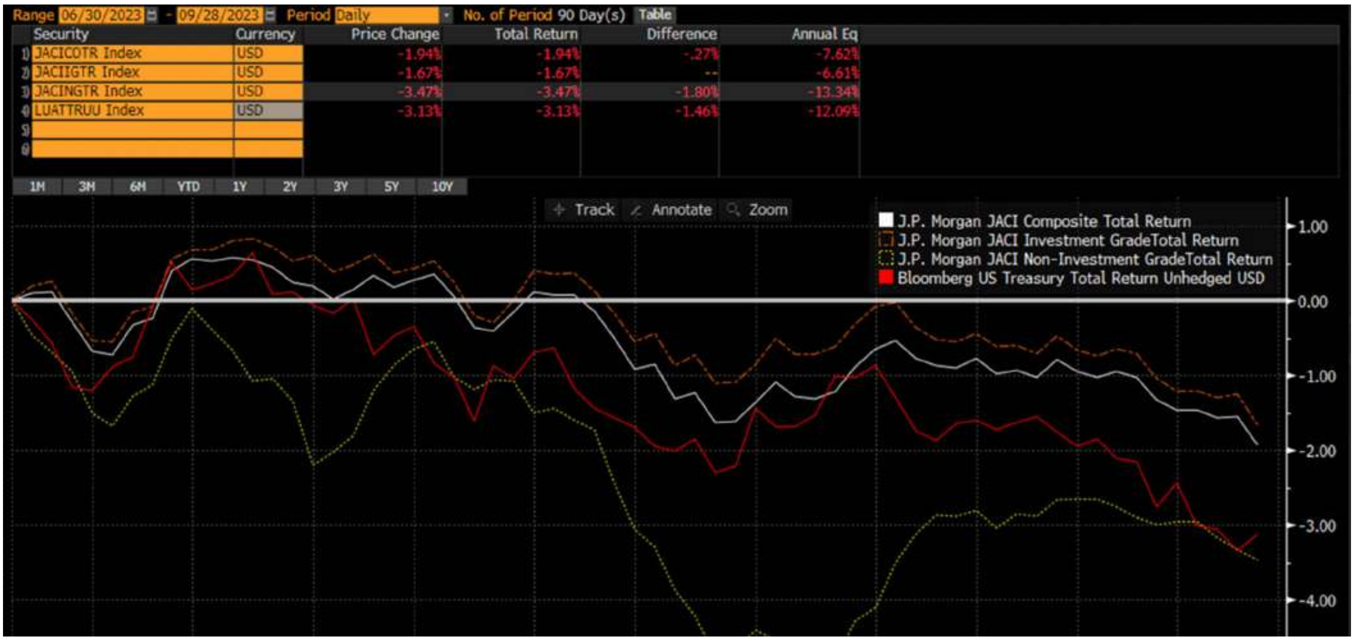
4Q2023 Asian Fixed Income Outlook & Strategy

Asian fixed income faced a tough quarter in 3Q2023, led by the sharp selloffs of US Treasuries. Latest FOMC Dot Plot showed the September expectation of the end FY2024 Fed Fund target rate to be 50bps higher than the June Dot Plot, and the rate cut expectations are lower by 50bps. However, we still believe that we are approaching the end of the interest hiking cycle in FY2023, and we maintain that IG bonds at 6% yield currently offer very attractive risk-adjusted returns for the medium term.

In the previous quarter, we were disappointed that the JPMorgan Asia Credit Index (JACI) only managed to squeeze out 0.38% of the total return. Therefore, we expected 3Q2023 to fare much better given attractive bond yields. Unfortunately, the situation got worse in the recent quarter, as total returns were actually negative. The JACI Index delivered -1.94% for 3Q2023 as at 28th September 2023, reducing YTD returns to less than 1% for 9 months. This significantly lags behind our full-year FY2023 total return expectations of 6%.

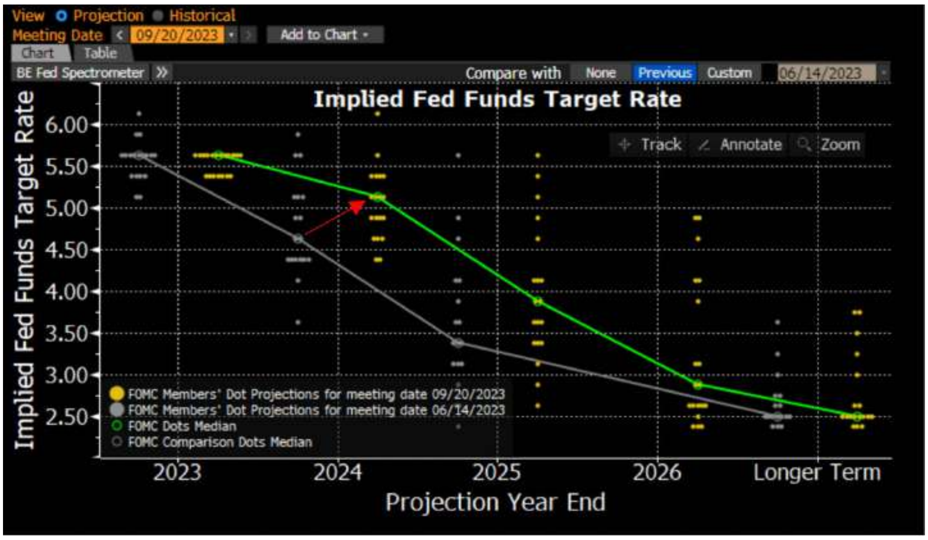
Both the JACI Investment Grade and JACI Non-Investment Grade bonds faced a tough quarter in 3Q2023. The Bloomberg US Treasury Index took a hit, plummeting by 3.13%, echoing the loss in the non-investment grade index. It is disappointingly on track for an unprecedented third consecutive annual loss. Despite signs of softer inflation and slowing growth indicators, the US Fed remained surprisingly hawkish, driving yields upward. In the latest September FOMC Dot Plot, while there is consensus for just one more rate hike, taking the terminal rate to 5.5% to 5.75%, it also revealed a reduction in rate cut expectations for FY2024 to a mere 50bps, down from the previous 100bps cut forecast in the June Dot Plot. **The dominant narrative now is 'higher for longer' interest rates as we enter the final quarter en route to FY2024.**

Figure 13: JP Morgan Asia Credit Composite Index



Source: JP Morgan, Bloomberg as at 28th September 2023

Figure 14: US FOMC Dot Plot Sep 2023 versus June 2023



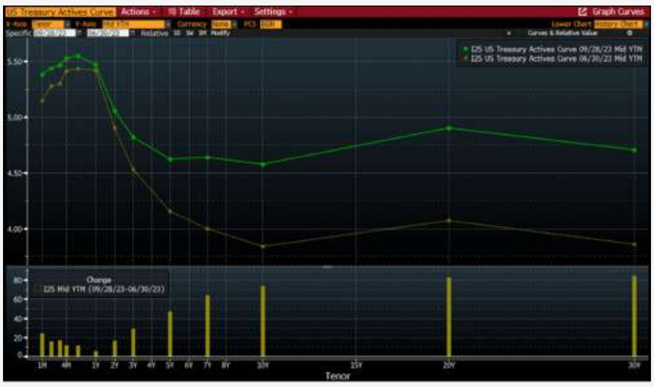
Source: Maybank Asset Management, Bloomberg as at 20th September 2023

The latest FOMC Dot Plot showed the September expectation of the end FY2024 Fed Fund target rate to be 50bps higher than the June Dot Plot. Hence, rate cut expectations are lower by 50bps.

4Q2023 USD Asian Fixed Income Outlook: Outperformance - Delayed but Not Denied

US Treasuries faced a sharp selloff in 3Q2023, with UST 10-year yields surging by 75bps from June to September. This dramatic downturn, especially in the long-end, resulted from a perfect storm of factors, including the hawkish stance of the Federal Reserve. Contributing to the turbulence were concerns about an adverse Treasury supply shock due to a growing US deficit, uncertainties surrounding Japan's potential exit from its zero-interest rate policy and yield curve control, and a Fitch ratings downgrade. Inflation has also reemerged as a potential risk as the price of oil shot up from US$70 per barrel in June to US$90 as of the end of September. The OPEC+ cartel's production cuts, despite depleting stockpiles, indicate that oil prices may remain high. Asia also grapples with higher food prices. Moreover, investors are increasingly pricing in the likelihood of a 'soft landing' rather than a recession, resulting in a bearish flattening of the yield curve during 3Q2023. Should the US manage to avert a recession, we may see the yield curve normalise, with long-term interest rates surpassing short-term rates. All the above have resulted in a delay in the bond market recovery that was expected for FY2023.

Figure 15: US Treasury Yield Curve: End September vs end June 2023



Source: Maybank Asset Management, Bloomberg as of September 2023

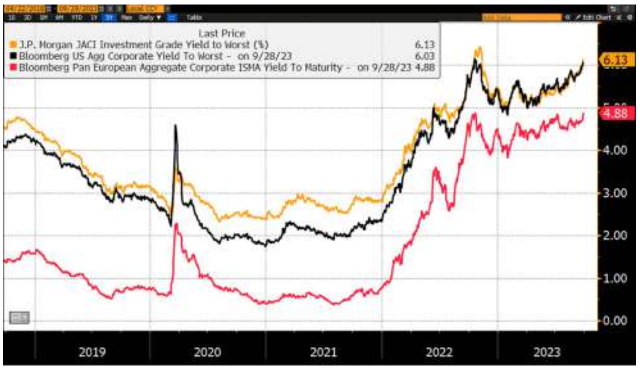
During 3Q2023, long-end Treasuries rose more than short-end, resulting in the yield curve bearish flattening.

However, delay does not mean denied. The higher bond yields climb, the stronger the performance bond investors are going to enjoy over the next two to three years. We still believe that we are approaching the end of the interest hiking cycle in FY2023. At the risk of sounding like a broken record, we still maintain that investment-grade bonds at 6% yield currently offer very attractive risk-adjusted returns for the medium term. Even if the US Fed cut less rates in FY2025 and bond prices do not rally as much, the bond yields themselves already offer very decent income, especially compared to the low interest rate environment over the past five years.

We are less sanguine about the US economy and believe that the US could fall into a recession by the middle of FY2024. Given the current high interest rates, many companies are feeling the burden of debt servicing and have cut down on capital expenditures, limiting growth. Rising costs of raw materials, energy, and wage costs are eroding profit margins. Consumers are also feeling the pinch as inflation bites, depleting their savings cushion accumulated over the past few years. As long as employment remains strong, US consumers could continue to spend, supporting growth. However, once unemployment starts to rise, the outlook and consumption behaviour will change drastically.

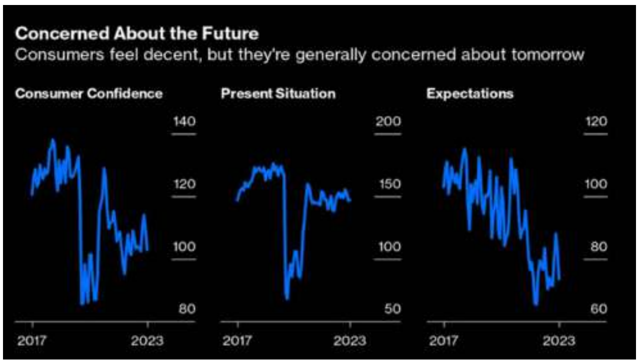
US consumer confidence hit a four-month low in September. While respondents maintain optimism about the current situation, their expectations for the next six months have declined for the second consecutive month. More Americans anticipate worsening business conditions, scarcer job opportunities, and decreased incomes. As consumption drives approximately 70% of US GDP, close monitoring of employment data in the coming quarters is imperative.

Figure 16: Investment Grade Corporate Bond Yield Indices over past 5 years



Source: Maybank Asset Management, JPM, Bloomberg as at 29th September 2023

Figure 17: US Consumer Confidence



Source: Conference Board, Bloomberg Opinion as of September 2023

FY2023 4Q OUTLOOK & STRATEGY – Bonds Outperformance Delayed, Not Denied

FY2023 4Q Main Views	Our Assessment	Strategy
Central banks globally are reaching the peak of their current hiking cycle	We continue to expect rates to peak soon in 2023 with just 1 or 2 more Fed hikes. Interest rates will remain higher for longer as investors worry about the spillover effect from Japan eventually exiting their negative interest rate policy and the yield curve control. High oil price is also complicating the outlook on rates.	Rates close to peak means less pressure on bonds. We want to be slightly underweight to neutral in terms of duration to wait for the remaining rate hikes, and potentially go overweight after.
China GDP to miss target 5% for FY2023	Property sales remain weak in September despite reductions of downpayment and mortgage rate for Tier 1 cities. As China changes focus from traditional credit fueled industrial growth to new engines of growth in high end tech manufacturing and AI development, time and money will be needed for this large scale transition. Medium term growth will have to be sacrificed for more sustainable future growth.	Underweight China for now.
Bond yield are at very attractive levels versus historical.	USD investment grade bonds are at 6% yields currently while non-China high yield is offering 8% to 9%. This is very attractive to lock in for the medium term for insurance and pension funds. For short-end, one year USD certificate deposit can find high 5% in A rated Asian banks.	Given the high overall yields, no need to stretch down the credit curve for yields. Overweight IG versus HY bonds.
Aggressive interest rate hikes since FY2022 have increased the probability of recession in FY2024	A recession would mean interest rate cuts, which would be is positive for bonds especially investment grade and sovereign bonds.	Currently underweight. Potentially overweight long end investment grade and sovereign bonds in the near future.

Source: Maybank Asset Management Singapore as of September 2023

4Q2023

Asian Currencies and Interest Rates Outlook & Strategy

>>

4Q2023 Asian Currencies and Interest Rates Outlook & Strategy

As market volatility continues to prevail in 3Q2023, we maintain a bullish outlook on the USD for 4Q2023, and a short-term bearish outlook on Asian FX. However, on a longer-term outlook, we are bearish on the USD against Asian currencies.

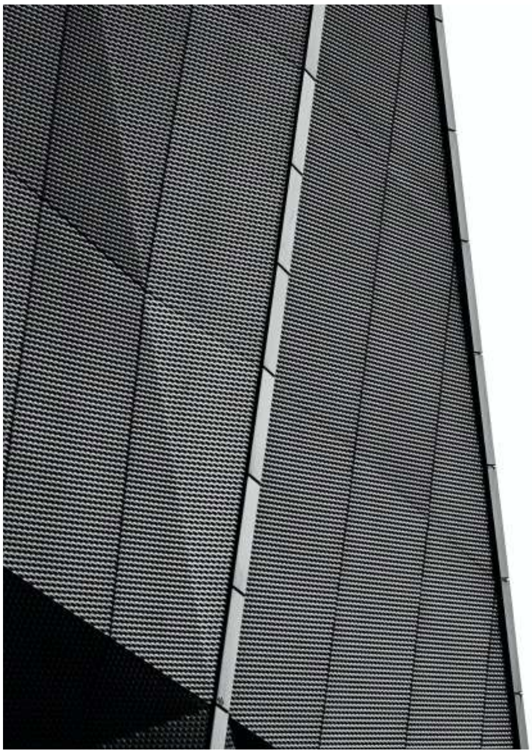
In 3Q2023, market volatility prevailed as we witnessed rising US Treasury (UST) yields, continued resilience in US economic data, and a strengthening USD (DXY YTD: ~2%). Contrary to expectations, the US Fed maintained a hawkish stance in its September Federal Open Market Committee (FOMC) meeting, with the dot plots suggesting one more possible hike in 2023 coupled with a lower degree of cuts in 2024 (median raised by 50 bps). This shift reflects the US economy's robustness, inflation concerns, and a tight labour market. Factors such as increased UST supply (3Q2023 debt issuance to reach US$1trn), a US sovereign downgrade by Fitch, the anticipated policy pivot by the Bank of Japan (BoJ), and China's economic slowdown have all contributed to higher US rates. Elevated US rates have become drivers for continued USD strength. We opine that renewed USD strength is putting pressure on broad EM Asia FX. In the coming 4Q2023, we expect the Asia FX direction to be driven by, among others:

i) Unwinding of BoJ's yield curve control (YCC) policy >> BoJ's telegraphed exit from YCC policy may lead to more UST volatility as local investors may turn domestically to higher yielding JGBs (on post hedge basis).

ii) Sustainability of resilient US economic data >> oil price heading back towards > USD90/bbl may trigger renew higher inflation; may fuel currency weakness in oil-sensitive countries and impact their balance of payment (BOP) position (i.e. India, Philippines etc).

iii) Concerns on China's slowdown/ property woes have led to monetary easing by People's Bank of China (PBOC), which may widen the interest rate differentials between US and China. Hence weighing down on CNY and indirectly, Yuan-sensitive currency like MYR.

We maintain a bullish outlook on the USD for 4Q2023 due to rising US real rates. USD will likely peak when we enter the start of the cutting cycle, which has been postponed to 2024. We **maintain a short-term bearish outlook on Asian currencies, but on a one- to two-year outlook, we are still bearish USD against Asian FX.** We opined that the aforementioned factors may drive short-term USD strength. That said, US economic indicators are showing the lagged effect of aggressive monetary policy coupled with quantitative tightening feeding into the system. Moreover, reports have shown that US household excess savings are gradually being depleted, which may eventually slow the economy down. We expect the Fed to be nearing the end of its tightening cycle (as per FOMC dot plots). This narrative is likely to bode well with broad Asia FX strength in 2024. Additionally, the intrinsic strength of Asia EM economies (higher Asia real yield, narrowing fiscal deficit in India, improving Indonesian BOP) will likely provide some degree of resiliency in their respective currencies.



Asian FX & Interest Rates Outlook

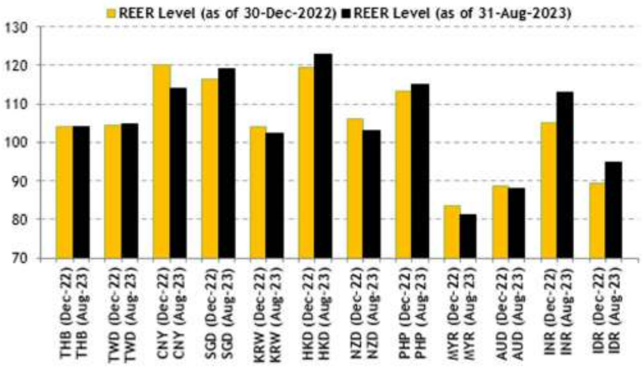
	Currency	Local Rates
Indonesia	**Remained MW/neutral on IDR.** Renewed USD strength due to Fed's hawkish path may challenge IDR's short term direction. We acknowledged that ID's current account has fallen back into deficit for 2Q as trade surplus narrows due to softer commodity price. That said, we remain **constructive in IDR for the medium-to-long term** given rising positive real rates; narrowing fiscal deficit (government estimates ±0.5%); improving foreign reserves (Aug: US$137.7 bn). commodity price. That said, we remain constructive in IDR for the medium-to-long term given rising positive real rates; narrowing fiscal deficit (government estimates ±0.5%); improving foreign reserves (Aug: US$137.7 bn).	**Slight OW for INDOGB** with inflation comfortably back in target range; providing impetus for potential BI cut in future. To note, BI had left its policy rate unchanged at 5.75% (for 8th consecutive month). Due to concerns on capital flows and FX stability, BI had in Sept unveiled a new short term liquidity absorption instrument i.e. SBRI, which allows non-resident participation. We opine that initiative is likely to stem outflows >> counter upward pressure in US short term rates.
India	**Neutral to slight UW INR.** INR continue to lose ground in 3Q as the currency's trajectory was mainly driven by firmer US rates, broad USD strength, higher oil price and drag from its trade deficit (albeit improving gradually). That said, India's index inclusion should be marginally positive for INR.	**Bullish local rates** as India's government bond inclusion into JPM GBI-EM Global Diversified Index is expected to result in passive inflows of ~US$30 bn. The inclusion will be phased over several months from June 2024, with an aggregate weight of 10% by April 2025. But we opine positioning by funds will be front loaded >> as such bullish in the short term.
Singapore	**Neutral to slight UW in short term.** Market consensus is expecting a shift in MAS' stance at its next meeting in October. Several months of negative non-oil domestic export growth and falling core inflation bolster the case for MAS to consider easing in the October meeting. We opine that this may lead to downside risks to overall SGD NEER.	**Neutral/ MW local rates;** SGS supply remained contained (30Y Oct 51 reopening is expected to be last 2023 issuance). We expect continued robust demand from lifers/real money given flushed liquidity despite poor pickup over UST (example: 10Y UST-10Y SIGB spread widened to >100 bps). SGD rates have trended higher towards the end of 3Q2023, reflecting the Fed's recent hawkish pause and UST yield upward movement. We expect the SGS curve to continue to flatten, mirroring the UST curve.
Thailand	**Bearish THB in the short term** given higher oil prices and China slowdown. However, continue to **favour THB in mid-term** as political noise has subsided with political impasse being resolved. Government plans to revive growth and the coming 4Q high tourist season are expected to bode well with THB strength.	**Short to mid-term UW.** Recent announcement by new cabinet on higher than expected government borrowings for coming fiscal year starting Oct 23 is likely to weigh on local rates. Reports states that borrowings are 7.6% more than last fiscal year. Fears of debt supply increase have led to rise in local 10y yields (approx. +50 bps YTD).
China	**Expect CNH to remain weak in Q4.** n view of monetary policy divergence between PBOC and Fed, UST-CGB yield spread likely to remain wide and thus posing downside risks for CNH. PBOC has been stemming decline of Yuan as evidenced by fixing the USDCNY rate lower than consensus. Despite rolling out measures (such as forex RRR cut) to stabilise the Yuan, we think market may only turn more constructive on CNH when underlying issues driving CNH weakness (i.e. concerns on China growth outlook etc) are addressed.	We are **bullish on short term rates** as hedging to USD and stability in local rates gives attractive short term carry. We are underweight duration and expect curve to steepen. We expect local front end rates will remain lower till end of 4Q as PBOC is likely to lean towards monetary easing as the preferred path to support domestic growth (rather than fiscal expansion). Market consensus expects another MLF cut in 4Q.
Malaysia	**UW short term** given wide interest rate differential amidst dovish BNM vs Fed's hawkish trajectory. The recent conclusion of local state elections, which delivered a status quo outcome, did not spark a rally in MYR in 3Q. We opine that MYR be weighed down by RMB given MYR's high sensitivity to the latter. Fed's higher for longer stance may also put a dampener on MYR's short term trajectory. **MW in the longer term.**	**Neutral on MGS/MGII** given positive carry (post hedging for USD-based investors), and continued local support. In addition, BNM is expected to stay put in the medium term given benign local inflation and expected weak external demand, which may result in downside risks in terms of local growth outlook.
Philippines	**Underweight PHP in the short term;** expect to follow regional trend of short term weakness amidst ongoing USD strength as US' economic data remained resilient. In addition, the rising oil price may lead to a bearish PHP as it impacts balance of payment and local inflation.	**UW to neutral** Philippine local bond market.

OW= overweight | MW= market weight | UW= underweight

Figure 18: Asian DXY Chart

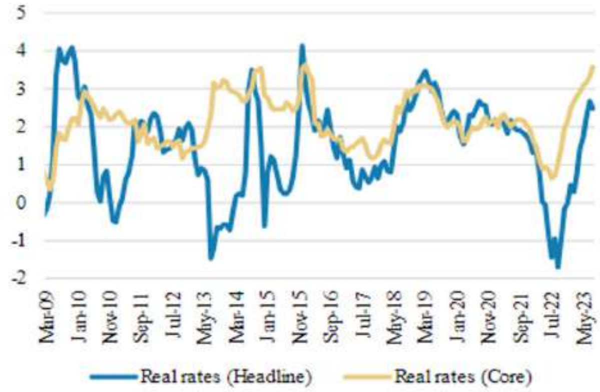
Source: Bloomberg as at 31st August 2023

Figure 19: Asia FX real effective exchange rate ("REER")



Source: JP Morgan Research, MAMS as at 31st August 2023

Figure 20: Rising Indonesian Real Rates underpinning IDR YTD strength



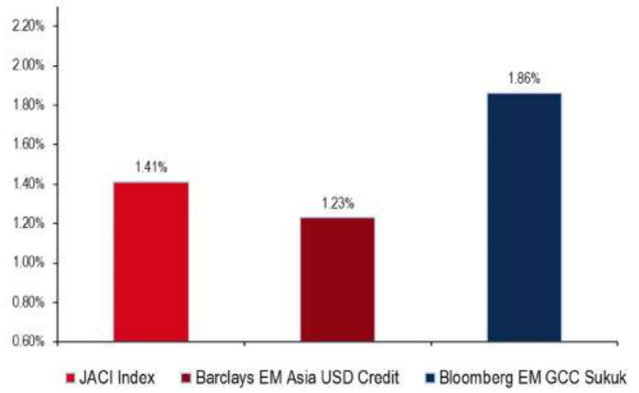
Source: Morgan Stanley Research as of August 2023

4Q2023 Global Sukuk Outlook & Strategy

We believe that global Sukuk will still be able to outperform against the other fixed income markets given the backdrop of high oil prices and overall robust and expansionary economies in the GCC countries.

Our view of an "**investment sweet spot"** for global Sukuk markets in 2H2023 has not changed, as evident in its recent outperformance versus Asia. This is a significant turnaround from their underperformance between March and August. The Bloomberg EM GCC Sukuk Index, measuring the Global Sukuk Index (IG and HY), has returned 1.86% year-to-date as of September 2023. In contrast, the Asian fixed income space, as measured by the JACI index or Barclays EM Asia USD Credit Index, has posted returns of 1.41% and 1.23%, respectively.

Figure 21: GCC Sukuk vs Asia Credit Indices YTD (Sept) Returns



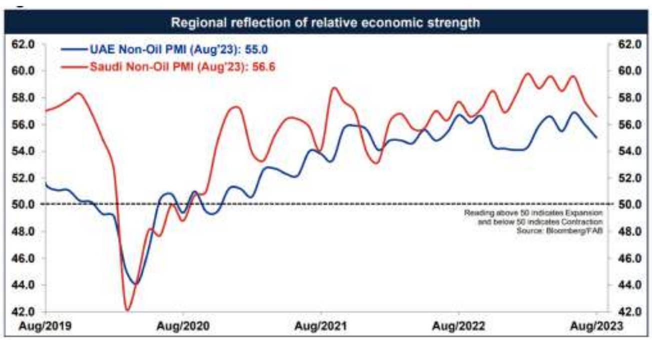
Source: Maybank Asset Management Singapore as at 22nd September 2023

As anticipated, the FOMC decided to maintain the fed funds rate at its recent September meeting (5.25%–5.50%). This pause is viewed as 'hawkish', as the Fed left the door open for another rate increase in November. Notably, changes in the Summary of Economic Projections (SEP) were decisively hawkish, as 1) GDP and inflation forecasts were revised upwards, and 2) The median forecast for the dot plot signals one more rate hike this year and two fewer rate cuts in 2024. Naturally, we saw a selloff in US rates as the new SEP reinforced the higher for longer theme. While we acknowledge that a more restrictive policy may increase the risk of a more material hit to the economy and inflation, we do not think the next few months leading up to the November meeting are the time to be long-duration with looming concerns on the implications of the rising Federal deficit, the sheer volume of Treasury supply in 2H2023, and potential upside surprises in inflation and growth data.

Meanwhile, the global oil markets captured the spotlight as of late, with crude oil prices breaching the $90/bbl handle for the first time in 10 months, following a rally in July as macroeconomic conditions markedly improved. With the recent extension of production cuts (~1.3 million barrels per day) by Saudi Arabia and Russia, we expect the oil markets to remain in a substantial deficit for the rest of the year, as evidenced by the IEA's estimates of an overall ~1.24 million barrels per day deficit. On a similar note, oil refiners are struggling to keep up with oil demand growth, pushing product cracks and refining margins up to the highs of the year. Output curbs by OPEC+ members will likely weigh on overall spare capacity, and we think that this increases the risk of heightened volatility, which will not bode well for both producers and consumers.

In this context of extended output cuts, GCC countries are now forecast to record slower GDP growth, with Saudi Arabia taking the brunt of the negative impact. That said, the strength of the non-oil economies will be of focus in the year ahead, as we continue to see strong consumer and household spending, robust domestic sales, and an increase in labour participation rates and employment in the UAE and Saudi Arabia, as evidenced by their robust non-oil PMI figures. Furthermore, the inclusion of the UAE

Figure 22: UAE and Saudi Arabia Non-Oil PMI

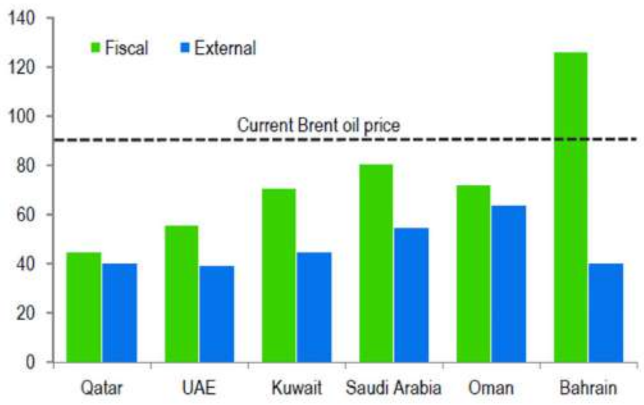


Source: First Abu Dhabi, Bloomberg as of August 2023

and Saudi Arabia into the BRICS grouping in the coming year should also bolster trade and investment flows to the region.

On the rating front, we did not see any further rating action for GCC sovereigns in 3Q2023, though we have seen positive rating upgrades for Oman and Saudi Arabia earlier this year. Higher and elevated oil prices are expected to help buoy public finances and drive fiscal reforms in the region, with prices largely above the GCC

Figure 23: Fiscal and external breakeven oil price



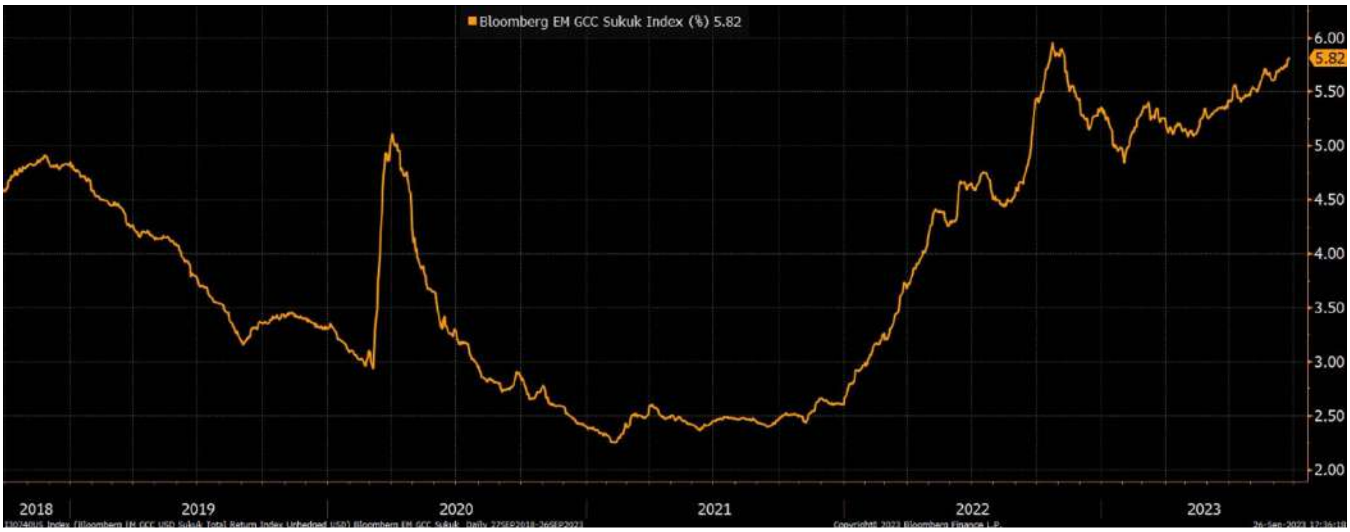
Source: Standard Chartered Bank, IMF as of September 2023

countries' break-even, even for Saudi Arabia, which helps keep a lid on the need for funding. This should be supportive from a technical perspective.

In 3Q2023, there was a notable surge in USD GCC Sukuk issuances, totalling approximately ~USD9bn, primarily from corporates and banks. Sovereign issuances remained limited, similar to the previous quarter, with only Shariah entering the market for a USD750mn deal in September. This influx of USD Sukuk supply led to some investor 'indigestion,' capping potential gains. Looking ahead, GCC governments are expected to see USD175.8bn in maturities over the next 5 years, while corporates are a tad lower at USD149.4bn; we see a smaller split in Sukuks, at USD124bn, versus conventional bonds of USD201.2bn. Another potential Fed rate hike in November may dampen Sukuk issuance prospects for the remainder of the year, possibly resulting in lower total issuances compared to 2022 and 2021 (S&P forecast ~160bn to 170bn). This is only logical since corporate issuers will be faced with higher borrowing costs, while sovereigns will likely cap their issuances, even if the economic growth in the region is expected to surpass global growth.

In conclusion, we think that investors in global Sukuks should be on cruise control for the remainder of the year. Despite the recent sell-off in rates, global Sukuks total return is still able to outperform versus other fixed income markets, which comes as no surprise to us given the current backdrop of high oil prices and the overall robust and expansionary economic backdrop for the region. Yields of the index are now close to highs at 5.82% (Bloomberg EM GCC Index), and we think that an eventual rally in rates towards the tail end of the year will provide outsized capital gains to investors who remain invested.

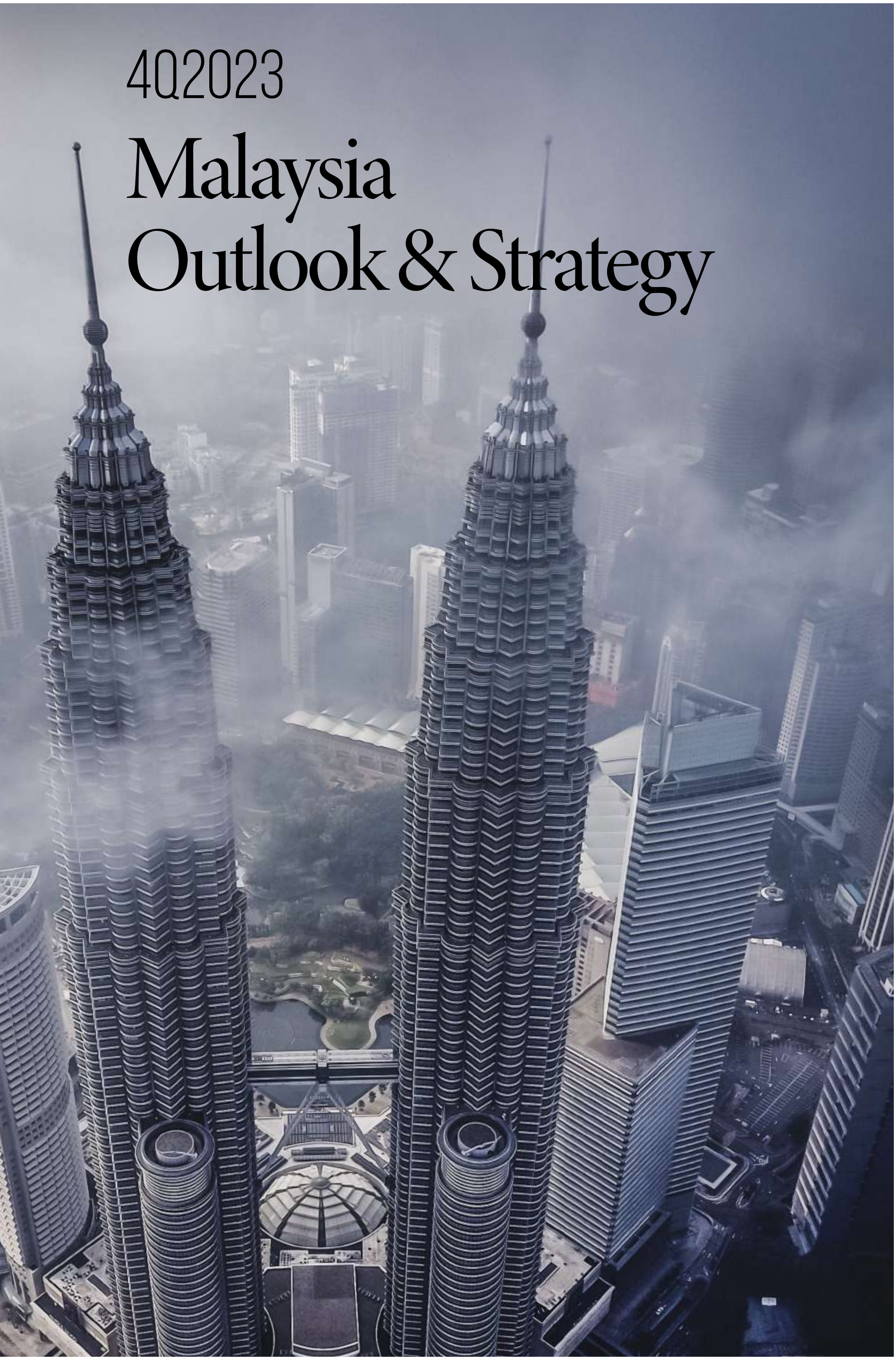
Figure 24: Bloomberg EM GCC Sukuk Index (2017 to 2023)



Source: Maybank Asset Management, Bloomberg, 26 Sept 2023

Country	Recommendations
United Arab Emirates	• Credit positives include: 1) launch of National Tourism Strategy 2031 which should boost the tourism and hospitality 2) undertaken an accord to increase FDI through economic and bilateral trade agreements with India and Israel and 3) Inclusion into BRICs grouping. • **Remain OW on bank AT1s over seniors for carry and high likelihood of redemption on first call date; prefer IG real estate names. We also like long duration Sovereign and Quasi sovereign bonds.**
Saudi Arabia	• Positive rating outlooks by all 3 rating agencies. • Strong non-oil GDP growth, inclusion into BRICs grouping next year. • **Overweight Sovereigns and Quasi sovereigns as credit profile is expected to fare well globally and outperform in risk-off periods; UW on Saudi financials amidst backdrop of liquidity squeeze, risk of lower bank profitability and tight valuations.**
Oman	• Ratings upgraded by Moody's; now equalised by all 3 rating agencies at Ba2/BB (all with positive outlooks). Even with current oil price assumptions, Oman is expected to sustain twin surpluses in 2023. • Further bond buybacks announced in Sept 2023. • OMAN Sovereign Sukuks spreads remain tight in 2Q-3Q after outperformance at start of the year. • **Market weight. Trim positions as we think they are expensive at current levels (spread at 60/120 bps for the 25s/30s).**
Qatar	• Recently upgrade to AA by S&P, we could see further credit rating upside in the horizon from the other 2 rating agencies. • World Cup economic boost by as much as 2.5pp of GDP (ICAEW estimates); North Field gas expansion project – positive medium-term impact on O&G sector. • **Qatar USD sovereign Sukuks remain limited (only 1 Sukuk due in 2023). Market weight on Qatari Financials.**
Indonesia	• Top regional performer YTD. • MW on IDR for the short term given current volatility and Fed's renewed hawkishness. Maintain OW mid-to-long term given improving fundamentals (healthy current account) and positive real yield. • **USD Indonesia Sukuk's have outperformed this year and hence prefer local currency Sukuk for carry of 6-7% and potential IDR appreciation.**
Bahrin	• Revised to stable outlooks by Moody'/Fitch. • Cautiously optimistic on Bahrain's prospects despite higher fiscal deficit due to the strong support from GCC peers. Non-oil sector needs to do the heavy lifting. • **Like USD Sukuks from a carry perspective. UW OILGAS (30 bps tighter than BHRAIN sovereign). MW BHRAIN on cheap valuation vs Quasi.**
Kuwait	• Recent approval of budget by Parliament a step in the right direction, but still require more steps to be give assurance. • **MW on IG names in the petrochemical industry, petrochemical prices have tumbled of late, though expected to trough in 2023. Neutral on Kuwaiti bank's AT1 perp.**
Malaysia	• UW in MYR in the near term given widening interest rate differential as BNM is expected to hold vs Fed's hawkish trajectory. • That said, MYR remains cheap when compared to 10-year average of 4.03; MW in the longer term. **We prefer local currency MYR bonds in the long end part of the curve, given MYR currency appreciation view.**

OW= overweight | MW= market weight | UW= underweight



4Q2023

Malaysia Outlook & Strategy

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4Q2023 Malaysian Equities Outlook & Strategy

The risk of political impasse has decreased following the conclusion of the state elections in August, while the introduction of new economic policies has provided the country with a clearer direction. However, as we expect the local equity market to mirror the volatility of the global equity market in the near term, we reiterate our Neutral call on Malaysia and remain steadfast with our balanced approach of having yielders and growth stocks.

China's continuing struggle to contain the real estate debt crisis and the slowdown in developed economies due to rising interest rates saw external trade and tourism recovery in the region fall short of expectations. For instance, Malaysia's 2Q2023 GDP growth of 2.9% YoY (1Q2023: 5.6% YoY) came in lower than expected. And so did many countries in the Asia-Pacific, which reported disappointing external trade. We believe that these external headwinds will continue to challenge the Malaysian equity market for the rest of 2023. We project 2H2023 GDP growth to slow to 3.8% YoY from 4.2% YoY in 1H2023, giving a full-year 2023 GDP growth projection of 4.0%. Downside risk to growth stems mainly from weaker than expected global growth, but there is upside risk if tourism turns out stronger than expected in the 4Q2023 and if the implementation of projects can speed up.

While news on the external front has been uninspiring of late, domestic developments have been more encouraging. After the conclusion of the State Elections in August, the Unity government has been able to begin rolling out a series of market-positive policy measures, namely the Madani Economic Framework, the National Energy Transition Roadmap (NETR), and the New Industrial Master Plan (NIMP), which taken together, contain consistently aligned policies aimed at a holistic and inclusive approach to economic development. These include, among others, raising the value add of Malaysia's economic output with an emphasis on industries and related services that integrate the wider involvement of domestic suppliers in the production chain. These objectives are to be achieved by employing greater digitisation and automation and developing higher skill sets that would enable labour's share of GDP to increase (from 32.4% currently to 45% in 10 years), which can help to close the existing jarring wealth gap. Importantly, underlying the execution of

these measures is an ambitious 'green energy transition' plan that aims for 70% of total electricity supply to be renewable by 2050 in pursuit of its Net Zero goal.

Also addressed was the need to raise the development of strategic areas such as revitalising Kuala Lumpur and Johor's Iskandar, which we take to mean building better public transportation networks within and between cities. While the benefits of these policies are not immediate, they have nevertheless created market-positive thematic plays that spurred excitement in selected market sectors, notably utilities (especially renewable energy) and real estate. This is not all, as we anticipate that Budget 2024, due to be tabled on 13th October will contain measures to support the goals of these roadmaps, especially in terms of incentives for manpower developments, green energy developments, including EV adoption, attracting desirable types of FDIs and DDIs, and infrastructure developments. Closely watched will be how the government plans to expand its revenue base and address bloated subsidies and wastages in order to reduce its budget deficit from about 5% this year to 3.0–3.5% of GDP as it raises development expenditure estimates in 2024 and 2025 as revealed in the 12th Malaysia Plan's mid-term review.

While news on the external front has been uninspiring of late, domestic developments have been more encouraging.

In 2H2023, both headline and core inflation are anticipated to ease due to higher base effects compared to the previous year. Headline CPI fell from 3.6% in 1Q2023 to 2.8% in 2Q2023, while core CPI fell from 3.9% to 3.4%. We project average headline and core CPI of 3.0% and 3.8%, respectively, for 2023. With the 1H2023 headline CPI of 3.2% already below BNM's 2023 forecast of 3.3% and continuing to trend lower, we expect the Monetary Policy Committee (MPC) to maintain the OPR at 3.00% during its final meeting in November. BNM considers this rate to be 'slightly accommodative and supportive of the economy,' a prudent stance amid ongoing external uncertainties.

We expect the MYR to remain range-bound at 4.55–4.70 against the USD over the 4Q2023 period.

Brent will likely remain elevated on supply tightness by OPEC+, and the confirmation of El Nino in Asia Pacific has raised the likelihood of a supply squeeze next year in crude palm oil that portends well for MYR. With a recovery in tourism receipts and resilient export commodity prices, the positive current account balance will be a source of support for the MYR. However, we expect the MYR to remain range-bound at 4.55–4.70 against the USD over the 4Q2023 period on the back of a weak Yuan, to which the MYR has a close correlation, and as the Fed Funds rate remains high for longer due to sticky US core inflation.

In 2Q2023, core net profit showed signs of recovery, with a marginal 3% YoY decline and a flat QoQ performance after two consecutive quarters of decline. The Petrochemical and Plantation sectors faced challenges due to tumbling product average selling prices and a difficult operating environment, offsetting strong earnings in the Banking, Utilities, and Transportation sectors. Consensus earnings for 2023 have been adjusted down by 3%, but 2024 forecasts have been revised upward by 2%. On top of that, real GDP growth in 2Q2023 slowed to +2.9% YoY, slightly below the market consensus of 3.3% YoY. Monthly data for the quarter showed varying performance, with GDP growth of +0.7% YoY in April, +5.6% YoY in May, and +2.4% YoY in June. On a QoQ basis, the economy contracted by -0.8% on a non-seasonally adjusted (NSA) basis but rebounded to +1.5% on a seasonally adjusted (SA) basis, considering the calendar effect from extra Hari Raya public holidays in April 2023.

After the 15th General Election in November of last year and the recent state election in August, we believe that

the risk of political impasse has decreased. The current PH-BN government is expected to lead the country until the next term, providing much-needed political stability. This stability is essential for implementing and executing reform agendas, which should improve Malaysia's equity risk premium, attracting foreign investor interest back into the country. The introduction of the Madani Economic Roadmap, NETR and the mid-term review of the 12th Malaysia Plan (12MP) for the period 2021–2025, has provided Malaysia with a clear economic direction. We anticipate that the NETR and 12MP will stimulate economic activity, especially in 2H2023, driving increased investment and capital expenditure by industry players. An increase in Domestic Direct Investment (DDI), combined with robust Foreign Direct Investment (FDI) over the past year, will play a crucial role in achieving the GDP target of 5-6% outlined in the Madani Framework. Sustained private investment in the coming months will be vital to counterbalance the potential impact of slowing exports and consumer spending due to global economic challenges and rising interest rates.

Macro remains the key risk factor going into the end of 2023, and as Federal Reserve Chairman Jerome Powell has alluded to, the interest rate will remain high for longer. This will definitely put pressure on global growth, and being an open economy, Malaysia will not be spared. Nevertheless, we remain constructive on Malaysia's equities as execution gets underway on the macro frameworks introduced since July 2023. However, pressure points remain over the near term, which include slower demand, pressured ASPs, and extended margin pressure due to slower global growth and rising rates. We also remain constructive on the political side, and we are off the view that political risk will continue to subside but cognisant that there will be continuous scrutiny of the performance of the current government by the opposition. All these factors could contribute positively to the local equity market over the medium to long term, but in the short term, the local equity market will mirror the volatility of the global equity market due to the rising risk of an economic slowdown. In view of that, we reiterate our Neutral call on Malaysia and remain steadfast with our balanced approach of having yielders and growth stocks for all portfolios. Sector in focus will be those from Utilities, Financials, Properties and Construction.

4Q2023 Malaysian Fixed Income Outlook & Strategy

With bond yields nearing a cycle high and the BNM has signalled an extended pause of the OPR at 3.00%, we believe Malaysia's fixed income market continues to offer a positive outlook. We maintain our neutral to long duration stance and we continue to overweight corporate bonds over sovereign bonds.

The past three quarters of data point to a two-track global economy. Manufacturing and trade have witnessed a decline worldwide, accompanied by cautious business sentiment. However, labour markets remain robust, bolstered by a surge in tourism, which has provided vital support to the services industry. Global markets have traded largely range-bound, with yields remaining elevated. The prevailing narrative suggests that interest rates will remain higher for an extended period, given the persistence of inflation. In its recent World Economic Outlook update, the IMF projected a decline in global growth from an estimated 3.5% in 2022 to 3.0% in both 2023 and 2024. Furthermore, global headline inflation is expected to decrease from 8.7% in 2022 to 6.8% in 2023 and further to 5.2% in 2024.

Malaysia's fixed income market continues to offer a positive outlook. Bond yields, nearing cycle highs, are attracting interest as monetary policy tightening approaches its conclusion amid a slowing global economy. In September 2023, the Bank Negara Malaysia (BNM) maintained the Overnight Policy Rate (OPR) at 3.00%, aligning with expectations. Notably, the MPC statement no longer describes the policy stance as 'slightly accommodative,' and the mention of 'financial imbalances' has been removed. This signals an extended pause in the OPR at 3.00%, with the MPC viewing the current policy as "remains supportive of the economy and is consistent with the current assessment of inflation and growth prospects". In terms of growth prospects, risks remain balanced, with potential downsides from external demand and commodity production declines and potential upsides from tourism, electronics and electrical (E&E) sector recovery, and project implementation. On the inflation front, risks remain elevated, subject to global commodity prices and domestic subsidy and price control policies. However, both the core and headline CPI have aligned with BNM expectations, and the trend of decreasing inflation is expected to persist in 4Q2023.

Malaysia's fixed income market continues to offer a positive outlook.

Our view remains that interest rates are peaking and we are in the stage of market recovery, although we expect some volatility in between. As such, we maintain our positive outlook for Malaysia's fixed income market as central banks globally shift towards more accommodative monetary policy. The prospect of peaking interest rates, as well as the anticipation of slower global growth, create an ideal environment for bond yields to fall. This would bode well for the valuations of fixed income funds.

Given our view that the market has fully priced in OPR hikes and with government yields having returned to pre-COVID levels, strategy-wise, we will maintain our neutral to long-duration stance as we find current bond yields to be attractive. We continue to overweight corporate bonds over sovereign bonds to anchor the Fund's income, as corporate bonds are less volatile and provide higher yields to buffer against potential mark-to-market losses. We prefer strong AA-rated and A-rated papers for yield pickup, while our holdings in AAA and GIIs will be primed for ROI purposes. We will continue to trade opportunistically to realise profits, reinvesting in longer-duration and higher-yielding accretive sukuks while also considering new primary issuances with higher yields to increase returns.

3Q2023

Product Trends

3Q2023 Product Trends

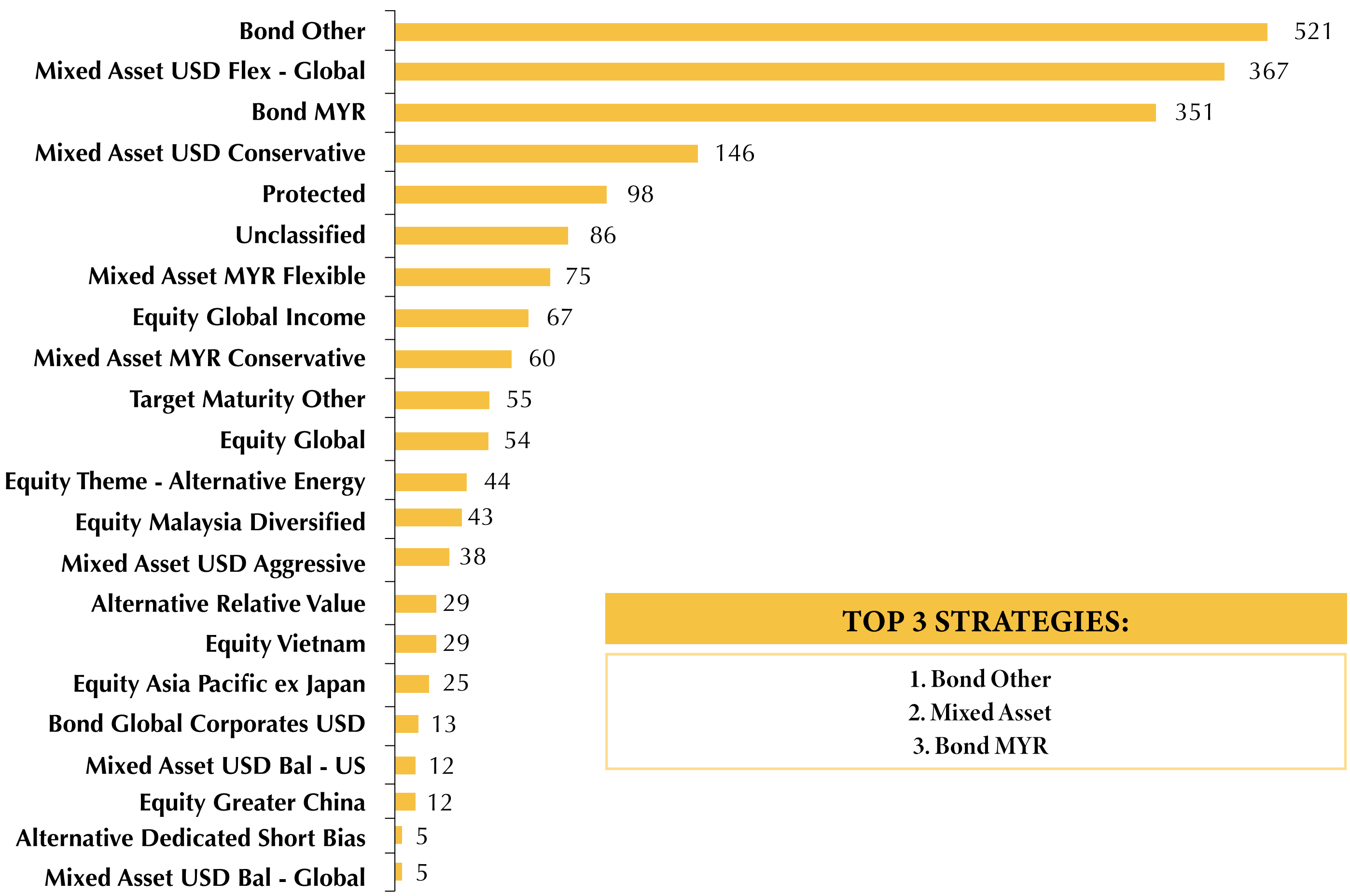
In 3Q2023, the investment landscape experienced significant changes marked by a series of market events that heightened volatility and influenced investor sentiment. Notably, events such as China's property crisis had a profound impact on the allocation of assets under management (AUM). A notable trend observed was the focus on more conservative selections, as evidenced by the inflows into bond and protected strategies. This suggests a cautious stance among investors, seeking strategies that provide stability and income generation amidst market uncertainties.

Another prominent trend during this period was the surging popularity of mixed asset strategies, particularly those denominated in USD and globally diversified.

These strategies reflected investors' keen interest in adopting a diversified approach to seize alpha opportunities while effectively managing downside risks. The flexibility in asset allocation decisions by portfolio managers played a pivotal role in driving the appeal of these strategies.

A noteworthy reallocation was observed as investors pivoted from Asian equity strategies, particularly those focused on Greater China and the Asia Pacific ex Japan region, to global equity strategies. This shift can be attributed to the volatility in Asia following the weaker-than-expected China's post-COVID recovery.

AUM Raised as at 30 September 2023 (RM'milllion)



TOP 3 STRATEGIES:

1. Bond Other
2. Mixed Asset
3. Bond MYR

Product Highlight : MAMG Green Tigers Fund

With our continued focus on bringing unique and sustainable solutions to our investors, we have launched our second fund with BNP Paribas Asset Management (BNPP AM), the MAMG Green Tigers fund (Fund).

As an approved Socially Responsible Investing (SRI) fund, the Fund presents opportunities to be part of the dynamic landscape of Asian environmental markets, by investing in fast growing and innovative Asia-pacific companies providing disruptive environmental solutions, and allowing investors to be a part of the region's sustainable economic transformation.

The Fund will be investing in companies with a substantial commitment to sustainability, with more than 20% of their revenue generated from these environmentally focused markets, ensuring your investment aligns with environmental goals.

A flexible, all-encompassing solution, the Fund offers a diversified portfolio comprising 40 to 60 carefully selected companies, offering a diverse range of opportunities, from established leaders to dynamic, fast-growing companies.

This approach not only bolsters the ongoing transition towards a sustainable economy in Asia but also aims to provide investors with the potential for significant growth and returns driven by innovation.

The Fund presents a compelling opportunity to tap into the green wave sweeping through Asian markets, which is nothing short of remarkable. The vast potential for growth is evident, with an estimated $29.4 trillion climate investment opportunity in emerging markets by 2030, a substantial portion of which, $20.0 trillion, is set to originate from the Asia-Pacific region. Furthermore, the fundamentals supporting the Asian environmental markets are robust, with sustainable growth prospects projected all the way to 2050.

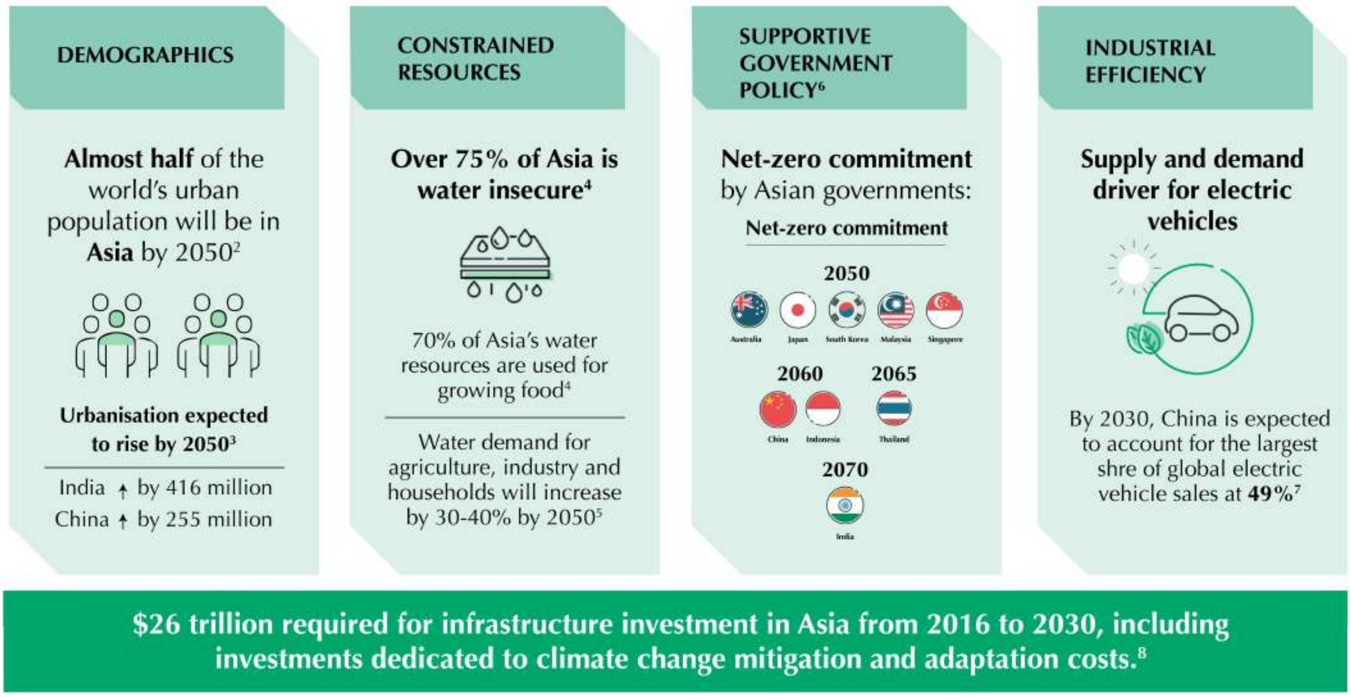
Figure 26: Six Environmental Market Themes

Source: J.P. Morgan Asset Management, Bloomberg as at 31st December 2023

These promising prospects are underpinned by factors like the pressing need for resource conservation, government policies that favor sustainability, an emphasis on industrial efficiency, and rapid demographic changes. Asia is expected to be half of the world's urban population by 2050 and the region's middle class continues to be expanding, with a rising disposable income.

The overall macroeconomic outlook for Asia is set to be positive for the Asian environmental markets, particularly in countries such as China, India, Korea, Taiwan, Japan, and the ASEAN nations. China presents a strong diversification angle this year with the country's focus on infrastructure, high quality growth and economic transformation. Simultaneously, Korea, Japan, Taiwan, and the ASEAN region are poised to benefit significantly from the realignment and restructuring of supply chains, which is expected to have a positive ripple effect across the region.

Figure 27: Four Supportive Fundamentals of Asian Environmental Markets



Source: BNP Paribas Asset Management as of July 2023

Collectively, we believe these factors present an opportune moment for investors to consider the MAMG Green Tigers Fund, providing a gateway to potentially lucrative green opportunities in the flourishing Asian markets.

The MAMG Green Tigers Fund presents our second collaboration with BNP Paribas Asset Management after the MAMG Global Environment Fund which was launched in August 2022 as we look to bring sustainable solutions to investors in Malaysia. BNP Paribas Asset Management is a globally recognised leader in the sustainability space, with over two decades of extensive experience in the field of sustainable investing. The investment manager handpicked by BNPP AM, Impax Asset Management, brings to the table an accomplished and highly dedicated Asian Environmental Strategy team with an average of 26 years of industry experience for the MAMG Green Tigers Fund.

Our Solution: Islamic Funds

Risk Rating	Our Funds	Type	Inception	Performance 1Yr	3Yr	Ann. Since Inception	Geographical Exposure
AGGRESIVE	Maybank Asiapac Ex-Japan Equity-I	R	08-Jan-14	18.15	4.72	5.81	Asia Ex-Japan
	Maybank Global Sustainable Equity-I - MYR	R	25-Aug-20	14.81	4.20	4.14	Global
	Maybank Global Sustainable Equity-I - MYR Hedged	R	25-Aug-20	10.09	-0.68	-0.62	Global
	Maybank Global Sustainable Equity-I - USD	R	25-Aug-20	13.13	0.04	0.04	Global
	Maybank Malaysia Growth-I	R	24-Nov-00	10.86	-3.73	4.33	Malaysia
MODERATE	MAMG Global Income-I MYR	R	13-Mar-18	0.59	-0.60	2.99	Global
	MAMG Global Income-I USD	R	08-Jul-20	2.62	0.33	1.71	Global
	Maybank Asia Mixed Assets-I MYR	R	16-Aug-21	-2.44	-	-8.01	Asia
	Maybank Asia Mixed Assets-I SGD-H	R	16-Aug-21	-1.65	-	-3.72	Asia
	Maybank Asia Mixed Assets-I USD	R	16-Aug-21	-0.39	-	-8.38	Asia
	Maybank Global Mixed Assets-I AUD Hedged	R	15-Jun-20	3.47	-1.61	0.73	Global
	Maybank Global Mixed Assets-I MYR	R	17-Jun-19	7.14	3.94	6.26	Global
	Maybank Global Mixed Assets-I MYR Hedged	R	17-Jun-19	2.80	-0.69	2.83	Global
	Maybank Global Mixed Assets-I SGD Hedged	R	15-Jun-20	4.45	-0.63	1.55	Global
	Maybank Global Mixed Assets-I USD	R	17-Jun-19	5.81	-0.15	3.19	Global
	Maybank Global Mixed Assets-I USD Institutional Distribution	W	17-Sep-20	55.02	14.60	14.41	Global
	Maybank Global Wealth Conservative-I MYR Hedged	R	13-Feb-23	-	-	-5.52	Global
	Maybank Global Wealth Conservative-I USD	R	13-Feb-23	-	-	-6.14	Global
	Maybank Global Wealth Growth-I MYR Hedged Accumulation	R	15-Feb-22	4.17	-	-5.64	Global
	Maybank Global Wealth Growth-I USD Accumulation	R	01-Jun-22	7.74	-	-1.76	Global
	Maybank Global Wealth Moderate-I MYR Hedged Accumulation	R	15-Feb-22	0.36	-	-6.01	Global
	Maybank Global Wealth Moderate-I MYR Hedged Distribution	R	15-Feb-22	0.38	-	-5.98	Global
	Maybank Global Wealth Moderate-I USD Accumulation	R	01-Jun-22	3.02	-	-3.41	Global
	Maybank Global Wealth Moderate-I USD Distribution	R	01-Jun-22	3.03	-	-2.92	Global
	Maybank Income Management-I	R	08-Jan-20	5.78	2.32	2.82	Malaysia
	Maybank Institutional Income Management-I	R	09-Mar-20	-	-	-	Malaysia
	Maybank Malaysia Balanced-I	R	17-Sep-02	10.12	0.20	4.39	Malaysia
	Maybank Malaysia Income-I A MYR	R	27-Apr-04	7.24	2.52	4.35	Malaysia
	Maybank Malaysia Income-I C MYR	R	21-Aug-13	7.28	2.53	4.61	Malaysia
	Maybank Malaysia Income-I C USD	R	17-Sep-14	4.84	-2.19	0.04	Malaysia
	Maybank Malaysia Sukuk	R	08-Jan-14	7.57	1.99	4.15	Malaysia
CONSERVATIVE	Maybank Corporate Money Market-I A	R	06-Jul-11	3.40	2.40	2.89	Malaysia
	Maybank Corporate Money Market-I B	R	18-Oct-19	3.50	2.50	2.56	Malaysia
	Maybank Income Flow-I	R	27-Mar-23	-	-	2.76	Malaysia
	Maybank Retail Money Market-I	R	03-Nov-21	3.32	-	2.74	Malaysia
	Maybank Shariah Enhanced Cash	R	24-Nov-08	1.93	1.38	2.51	Malaysia

Source: Maybank Asset Management, Lipper as at 30th September 2023

Our Solution: Conventional Funds

Risk Rating	Our Funds	Type	Inception	Performance			Geographical Exposure
				1Yr	3Yr	Ann. Since Inception	
AGGRESIVE	MAMG All-China Focus Equity MYR	R	29-Jul-21	-10.28	-	-18.34	China
	MAMG All-China Focus Equity MYR Hedged	R	29-Jul-21	-14.08	-	-22.81	China
	MAMG All-China Focus Equity USD	R	29-Jul-21	-11.42	-	-21.77	China
	MAMG China Evolution Equity AUD Hedged	R	03-Jan-22	-8.92	-	-23.25	China
	MAMG China Evolution Equity MYR	R	03-Jan-22	-3.58	-	-14.35	China
	MAMG China Evolution Equity MYR Hedged	R	03-Jan-22	-7.19	-	-20.45	China
	MAMG China Evolution Equity SGD Hedged	R	03-Jan-22	-7.72	-	-20.92	China
	MAMG China Evolution Equity USD	R	03-Jan-22	-5.62	-	-20.21	China
	MAMG Dynamic High Income AUD Hedged	R	22-Jan-19	6.55	-1.03	0.06	Global
	MAMG Dynamic High Income EUR Hedged	R	22-Jan-19	3.91	-1.83	-1.47	Global
	MAMG Dynamic High Income MYR	R	22-Jan-19	10.86	4.35	3.92	Global
	MAMG Dynamic High Income MYR Hedged	R	22-Jan-19	6.42	0.06	0.78	Global
	MAMG Dynamic High Income SGD Hedged	R	22-Jan-19	7.56	-0.44	0.47	Global
	MAMG Dynamic High Income USD	R	22-Jan-19	9.50	0.40	1.00	Global
	MAMG Global Dividend AUD H	R	12-Jul-23	-	-	-10.74	Global
	MAMG Global Dividend MYR	R	12-Jul-23	-	-	-6.49	Global
	MAMG Global Dividend MYR H	R	12-Jul-23	-	-	-16.60	Global
	MAMG Global Dividend SGD H	R	12-Jul-23	-	-	-20.64	Global
	MAMG Global Dividend USD	R	12-Jul-23	-	-	-21.40	Global
	MAMG Global Environment AUD Hedged	R	22-Aug-22	0.00	-	0.00	Global
	MAMG Global Environment MYR	R	22-Aug-22	15.47	-	8.99	Global
	MAMG Global Environment MYR Hedged	R	22-Aug-22	6.17	-	-1.99	Global
	MAMG Global Environment SGD Hedged	R	22-Aug-22	-5.18	-	-4.69	Global
	MAMG Global Environment USD	R	22-Aug-22	8.04	-	-1.72	Global
	MAMG Liquid Alternative MYR	R	15-Nov-21	0.68	-	8.12	Global
	MAMG Liquid Alternative MYR Hedged	R	15-Nov-21	-2.39	-	2.03	Global
	MAMG Liquid Alternative USD	R	15-Nov-21	0.25	-	2.75	Global
	Maybank Global Sustainable Technology MYR	R	18-Jan-21	18.45	-	-3.96	Global
	Maybank Global Sustainable Technology MYR Hedged	R	18-Jan-21	14.17	-	-9.32	Global
	Maybank Global Sustainable Technology USD	R	18-Jan-21	16.74	-	-9.33	Global
	Maybank Malaysia Dividend	R	06-Jun-06	5.83	-0.45	7.88	Malaysia
	Maybank Malaysia Ethical Dividend	R	07-Jan-03	8.50	4.11	8.84	Malaysia
	Maybank Malaysia Growth	R	26-Mar-92	9.65	3.69	4.36	Malaysia
	Maybank Malaysia SmallCap	R	03-Mar-04	7.65	-0.66	3.81	Malaysia
	Maybank Malaysia Value A MYR	R	07-Jan-03	6.73	4.01	8.93	Malaysia
	Maybank Malaysia Value C MYR	R	21-Aug-13	6.95	4.19	1.98	Malaysia
	Maybank Singapore REITs MYR	R	13-Sep-18	1.66	-0.90	3.02	Singapore
	Maybank Singapore REITs MYR Hedged	R	13-Sep-18	-5.78	-4.64	0.90	Singapore
	Maybank Singapore REITs SGD	R	13-Sep-18	-4.43	-4.77	0.50	Singapore

Risk Rating	Our Funds	Type	Inception	Performance			Geographical Exposure
				1Yr	3Yr	Ann. Since Inception	
AGGRESIVE	MAMG Green Tigers AUD-H	R	18-Sep-23	-	-	0.00	Asia
	MAMG Green Tigers MYR	R	18-Sep-23	-	-	0.00	Asia
	MAMG Green Tigers MYR-H	R	18-Sep-23	-	-	0.00	Asia
	MAMG Green Tigers SGD-H	R	18-Sep-23	-	-	0.00	Asia
	MAMG Green Tigers USD	R	18-Sep-23	-	-	0.00	Asia
MODERATE	MAMG Gold MYR	R	03-Jun-20	10.67	1.69	1.34	Global
	MAMG Gold MYR Hedged	R	03-Jun-20	6.79	-2.79	-1.97	Global
	MAMG Gold USD	R	03-Jun-20	10.63	-1.18	-0.10	Global
	Maybank Asian Credit Income MYR	R	07-Jul-20	3.11	-4.46	-4.05	Asia ex-Japan
	Maybank Asian Credit Income SGD Hedged	R	07-Jul-20	4.58	-4.51	-4.37	Asia ex-Japan
	Maybank Bluewaterz Total Return MYR	R	24-Jul-15	2.84	-1.22	3.22	Asia ex-Japan
	Maybank Bluewaterz Total Return USD	R	18-Jun-18	5.35	-1.24	2.82	Asia ex-Japan
	Maybank Financial Institutions Income	R	17-Dec-09	4.94	2.74	4.00	Malaysia
	Maybank Financial Institutions Income Asia	R	26-Aug-14	2.97	-0.44	3.93	Asia Pacific
	Maybank Flexi Income AUD Hedged	R	28-Nov-19	4.21	-3.41	-2.27	Global
	Maybank Flexi Income MYR	R	28-Nov-19	7.73	1.58	1.90	Global
	Maybank Flexi Income MYR Hedged	R	28-Nov-19	3.16	-2.85	-1.72	Global
	Maybank Flexi Income SGD Hedged	R	28-Nov-19	5.11	-2.97	-2.01	Global
	Maybank Flexi Income USD	R	28-Nov-19	6.47	-2.45	-1.47	Global
	Maybank Malaysia Balanced	R	19-Sep-94	7.34	2.45	3.44	Malaysia
	Maybank Malaysia Income	R	19-Jun-96	7.10	1.59	4.78	Malaysia
CONSERVATIVE	Maybank Enhanced Cash XIII	R	24-Sep-08	2.39	1.61	2.68	Malaysia
	Maybank Money Market A MYR	R	01-Mar-19	-	-	-	Malaysia
	Maybank Money Market B MYR	R	01-Mar-19	-	-	-	Malaysia
	Maybank Money Market C MYR	R	01-Mar-19	-		-	Malaysia

Source: Maybank Asset Management, Lipper as at 30th September 2023

Maybank Asset Management

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