



MARKET OUTLOOK

- 📍 The US GDP growth picked up in 2Q17, registered 2.6% yoy annualised growth from a revised 1.2% yoy in 1Q17. This is driven by recovery in consumer spending as personal consumption grew at a quicker pace of 2.8% yoy in 2Q17 from 1.9% yoy in 1Q17, attributable to a stronger spending of durable and non-durable goods. Government spending reversed into growth territory, expanded 0.7% yoy during the quarter, on the back of rebound in national defence spending. Net imports also narrowed to USD614.9bn in 2Q17 as exports grew at a stronger pace than imports.
- 📍 In China, 2Q17 GDP's beat market expectation, coming in at 6.9% yoy (vs. 6.8% yoy) with growth on track to meet the Chinese government's target of 6.5% for 2017. The boost was mainly driven by a firmer exports, particularly in steel production whilst retail spending was also in the highlight as the retail sales growth picked up to 10.8% yoy in 2Q17 from 10.0% yoy in 1Q17. China's economic stabilisation continued in July as Caixin Manufacturing PMI hits four-month high, coming in at 51.1. This is on the back of rising business activity, citing both output and new orders rose at the fastest rates in five month, supported by a solid upturn in new export sales.
- 📍 Moody's is expecting Indian economy to grow in the range of 6.5-7.5% over the next 12-18 months as Indian economy's growth momentum will be supported under the goods and services tax (GST) regime. The implementation of GST was commenced on 1Jul17, which led consumer-related business witnessed a de-stocking phase during Apr-Jun quarter. A smooth implementation and on-boarding of GST in Jul-Sep quarter will be crucial to set the right tone for India economy. July reading for Nikkei India Composite PMI output index fell to 46.0 as most of the contraction was attributed to the confusion caused by GST implementation. However, firms remain optimistic on the growth prospect under the GST regime as it becomes clearer.
- 📍 ASEAN bourses ended July with mixed performance, with Singapore's Straits Times Index (STI) led the gain, recording 3.2% gain, followed by Philippines' Stock Exchange (PCOMP) with 2.2% gain, Indonesia's Jakarta Composite Index (JCI) inched up 0.2% and Stock Exchange of Thailand (SET) inched up 0.1%. FTSE Bursa Malaysia KLCI (FBMKLCI) continued to see a slight selling pressure in July, inched down marginally at 0.2%.
- 📍 We maintain our allocation despite good news from US, China and India economic growth prospect as we are still cautious on President Trump's economic policies. On the local front, we are neutral on the Malaysian equity market as there is no near-term catalyst for the market except for the general election. This is speculated to be held in 2H17 vs. a deadline of Aug18. Nevertheless, we think that the Malaysian market may be supported by potential fund inflows to emerging countries as a result of growing optimism on global trade growth, which would benefit export-oriented country like Malaysia.

EQUITY

FBMKLCI continues to inched down in July at 0.2% whilst the YTD performance remain commendable at 7.2%. Looking at trading participants, foreigners continued to be the net buyer for July, purchasing RM421m worth of shares. This brings the net buying position for 2017 as of July to RM10.6bn. Local institutions took the opportunity to further offload their positions, effectively selling RM497m worth of shares. Retailers returned as net buyer in July, buying RM76m worth of shares. YTD as of July, both local institutions and retailers remain net seller at RM9.5bn and RM1.1bn respectively.

All sectors experienced mixed performance with the technology continues its uptrend momentum, rose 7.9% for the month, after a strong 6.2% gain in June. This stellar performance was attributed by rebound in US technology stocks as investors anticipated June quarter results will be better than expected, following better than anticipated industry data released from the Semiconductor Industry Association (SIA) which suggested the industry grew 3-5% qoq (vs historical average of 3% qoq). Investors also anticipated robust improvement in overall smartphone demand in 2H17 following a number of new smartphones release. iPhone 8 and Huawei Mate 10 are expected to be launched in Sep17, followed by Oppo R11s in Oct17, Xiaomi Mix2 and Redmi5 in Nov17 and Vivo X11 in Dec17.

BONDS

On bond side, all Malaysian Government Securities (MGS) yield rose in June. 3-year, 5-year, 7-year and 10-year MGS rose 10bps, 6bps, 9bps and 4bps respectively to close at 3.39%, 3.62%, 3.90% and 3.91% respectively.

COMMODITIES

Nymex WTI crude oil rebounded by 9.0% in July to close at \$50.2/barrel from \$46.0/barrel. Crude palm oil price rose 2.9%, to close at RM2,672/MT from RM2,596/MT in June. Gold price gained 2.0% to \$1,266.6/Oz in July from \$1,242.3/Oz, as the US dollar continues to weaken, dropped 2.9% in July.



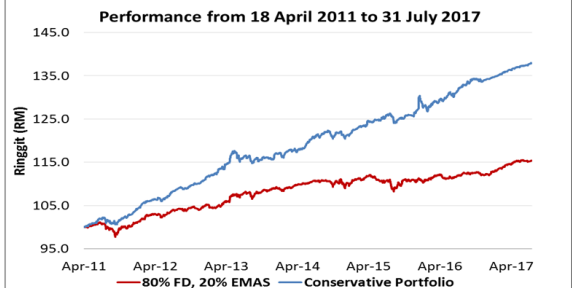
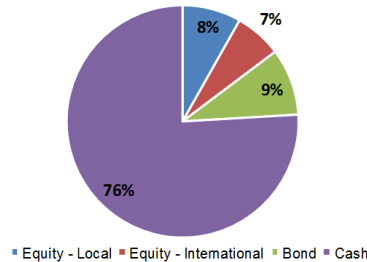
Commentary

All our portfolios outperformed its respective benchmark, attributed to the gains generated by all of our funds exposure. Top performing fund in our portfolio are Eastspring Asia Pacific equity fund and Manulife India equity fund, where both fund rose 5.4% in July.

Model Portfolio

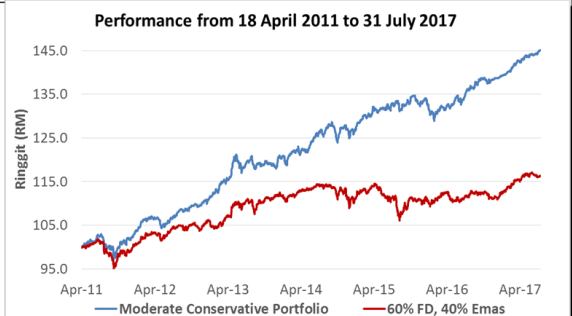
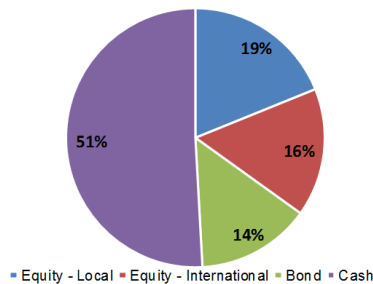
Conservative Portfolio

Eastspring Investments Asia Pacific Equity	2.00%
CIMB-Principal Global Titans	4.00%
Manulife India Equity	1.00%
Phillip Master Equity Growth	1.00%
Kenanga Malaysian Inc	4.00%
Eastspring Investments Equity Income	5.00%
AmBon Islam	5.00%
AMB Income Trust Fund	5.00%
Phillip Master Money Market	73.00%
Total	100.00%



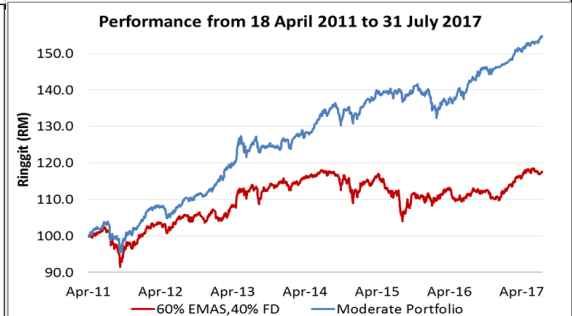
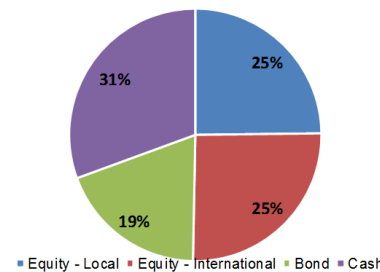
Moderate Conservative Portfolio

Eastspring Investments Asia Pacific Equity	7.00%
CIMB-Principal Global Titans	8.00%
Manulife India Equity	2.00%
Phillip Master Equity Growth	3.00%
Eastspring Investments Equity Income	13.00%
Kenanga Malaysian Inc	7.00%
AmBon Islam	5.00%
AMB Income Trust Fund	10.00%
Phillip Master Money Market	45.00%
Total	100.00%



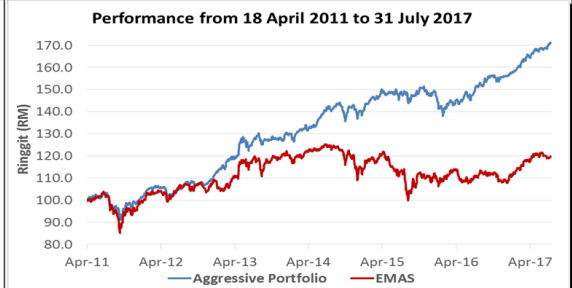
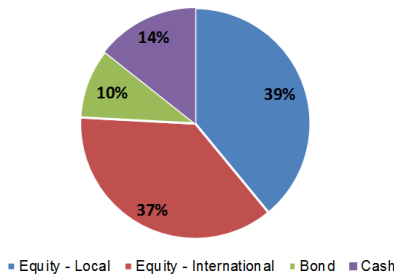
Moderate Portfolio

Eastspring Investments Asia Pacific Equity	12.00%
CIMB-Principal Global Titans	12.00%
Manulife India Equity	3.00%
Phillip Master Equity Growth	5.00%
Eastspring Investments Equity Income	15.00%
Kenanga Malaysian Inc	10.00%
AmBon Islam	5.00%
AMB Income Trust Fund	15.00%
Phillip Master Money Market	23.00%
Total	100.00%



Aggressive Portfolio

Eastspring Investments Asia Pacific Equity	17.00%
CIMB-Principal Global Titans	17.00%
Manulife India Equity	5.00%
Phillip Master Equity Growth	7.00%
Eastspring Investments Equity Income	20.00%
KAF Tactical Fund	5.00%
Kenanga Malaysian Inc	15.00%
AMB Income Trust Fund	10.00%
Phillip Master Money Market	4.00%
Total	100.00%



	1 Month	6 Months	YTD	1 Year	Since Inception		1 Month	6 Months	YTD	1 Year	Since Inception
Conservative Portfolio	0.4%	2.3%	2.6%	4.3%	37.9%	Moderate Portfolio	1.0%	4.9%	5.5%	8.6%	54.6%
Benchmark	0.0%	2.1%	2.7%	3.0%	15.4%	Benchmark	-0.1%	4.7%	6.2%	5.9%	17.6%
Moderate Conservative	0.7%	4.1%	4.5%	6.7%	45.2%	Aggressive Portfolio	1.4%	8.2%	9.4%	12.9%	71.0%
Benchmark	0.0%	3.4%	4.5%	4.5%	16.5%	Benchmark	-0.3%	7.2%	9.8%	8.7%	19.7%

DISCLAIMER

This compilation is prepared by Phillip Mutual Berhad ("PMB") in its capacity as an IUTA approved by the Federation of Investment Managers Malaysia ("FIMM") for specific Funds distributed by PMB. The information contained herein is general information only and not intended for public distribution. It is furnished to the recipient on a confidential basis. It does not take into account your individual objectives, financial situations or needs. You should seek your own professional advisers before investing. No part of this document may be circulated or reproduced without prior permission of PMB and does not constitute an offer, invitation or solicitation to invest in the specific Funds. Any investment product or service offered by PMB is not obligations of deposits in or guaranteed by PMB. You are advised to read and understand the relevant prospectuses for the Funds, which have been registered with the Securities Commission Malaysia who takes no responsibility for the contents. The respective prospectuses to the Funds are obtainable at any of our offices, website and authorised agents. Any issue of units to which the prospectuses relate will only be made on receipt of the duly completed application form referred to in and accompanying the prospectuses. Investment in unit trust funds is not the same as placing money in a deposit with a financial institution. There are risks involved, and investors should rely on their own evaluation to assess the merits and risks when investing in these funds. There are also fees and charges involved and investors are advised to consider them before investing in the Funds. Investment in shares and bonds may go up as well as down. The prices of units and distribution payable, if any, may also go up as well as down. Past performance of the unit trust funds is not an indication of its future performance. If investors are in any doubt about any feature or nature of the investment, they should consult PMB to obtain further information before investing or seek other professional advice for the suitability of the Funds and to their specific investment needs or financial situations. Information contained herein are based on the law and practise currently in force in Malaysia and are subject to changes in such law without any notice.

Source : Bloomberg



PHILLIP MUTUAL

It's a matter of trust