



MARKET OUTLOOK

- US economy grew at 0.7% in 1Q17, lower-than-expectation at 1.5%. The feeble figure reflect weakness in consumer and government spending. But, it is widely held that first quarter growth is seasonally poor compare to other quarters, and the initial figure might be revised upward. Concern on the US market would be the overhang issue of President Trump's proposed economic policies, with details of many of his initiatives are scant, as witnessed in tax reform plan. We are cautious on the US market and will monitor the development over the tax plan as if it is passed into law, it could lend strength to the market to climb further.
- In China, manufacturing sector's activity slightly moderated in April, but still in expansionary mode. Its Official PMI for April came in at 51.2, compared to 51.8 in March, as production growth and total new orders rose at the slowest pace since September 2016. Despite the weaker manufacturing activity in April, economic growth for 2017 is still within Beijing's target of around 6.5%. However, concern on the world's second-largest economy rises on the possibility of Chinese central bank stopping monetary easing and rely on open market operations or lending facilities to increase liquidity.
- Eurozone economic growth accelerated to a 6-year high in April, signalled by the Eurozone Composite PMI which rose to 56.8 in the month, beating flash estimate of 56.7 and last month's figure of 56.4. The growth was underpinned by a strong increase in incoming new business, mainly in manufacturing where order books and production both rose to their highest level in April.
- All ASEAN bourses recorded gains in April as foreign fund continue to flow into these markets following uncertainty in the developed countries (i.e. US economic policy). However, Stock Exchange of Thailand (SET) took a breather, slipped 0.6% for the month after a strong start to the year. Leading the gainers at 4.8% was Philippines Stock Exchange (PCOMP), followed by Indonesia's Jakarta Composite Index (JCI) at 2.1%, FTSE Bursa Malaysia KLCI (FBMKLCI) at 1.6%. Meanwhile, Singapore's Straits Times Index (STI) remained flat for the month.
- Now that Trump administration has revealed the outline of its tax reform plan, it comes down to the question whether the proposed plan will come to fruition. We are cautious on the US market as we think that the revealed tax plan still lack of clarification and details which could delay the implementation. We turned positive on Europe as the economy is stabilising and the populism effect seems deteriorating. Therefore, we increased our exposure in CIMB Global Titans (around 40% Europe exposure) to reflect our optimism on the market.

EQUITY

FBMKLCI advanced 1.6% in April, extending the momentum since the start of the year. YTD, the index had registered 7.7% gain. Looking at the trading participants, foreigners remained optimist on Malaysian market, buying RM2.6bn worth of shares whilst local institution took the chance to offload their position, effectively sold RM2.2bn worth of shares. Retailers also continue to trim their position in April, selling RM465m worth of shares.

Most sectors continued to be in positive territory across the board in exception of Industrial Product and Plantation sectors, which fell 1.5% and 1.3% respectively in April. Technology sector still leading the gain with 7.9%, followed by construction at 5.2%. Optimism on technology sector continues in anticipation of Apple's 10th year smartphone which is expected to be launched in 3QCY17. The optimism is also partly contributed by the adoption of dual cameras technology across smartphone makers, earmarking another cycle to the smartphone segment.

BONDS

On bond side, all yields on the Malaysian Government Securities (MGS) fell in April. 3-year, 5-year, 7-year and 10-year MGS dropped by 32bps, 13bps, 14bps and 8bps to close at 3.21%, 3.68%, 3.90% and 4.05% respectively. The drop in yield earmarked buying across tenure after witnessing massive selling of Malaysian debt securities in March by foreigners amounting to RM26bn.

COMMODITIES

Nymex WTI crude oil fell 2.5% in April to close at \$49.3/barrel from \$50.6/barrel. Crude palm oil price dropped 4.9% to close at RM2,694.0/MT from RM2,833.0/MT in March as the output growth stabilises and the issue regarding European Union (EU) resolution which proposed to curb the use of oil palm-based biofuel by 2020. Gold price rose from \$1,247.3/Oz in March to \$1,268.3/Oz, as there are concerns on the geopolitical front.

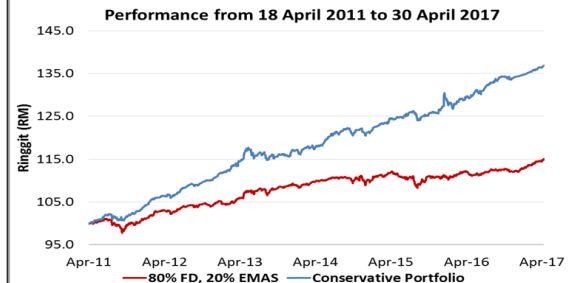
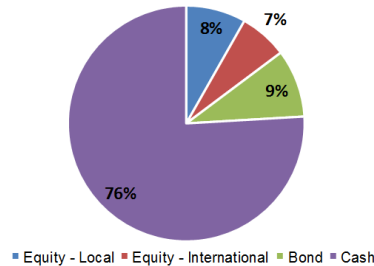
Commentary

Our portfolios were in mixed compare to their respective benchmarks due to our lower exposure to Malaysia market which had a good rally this year. Asia markets in particular, staged a rally notwithstanding heightened uncertainties waging in the US.

Model Portfolio

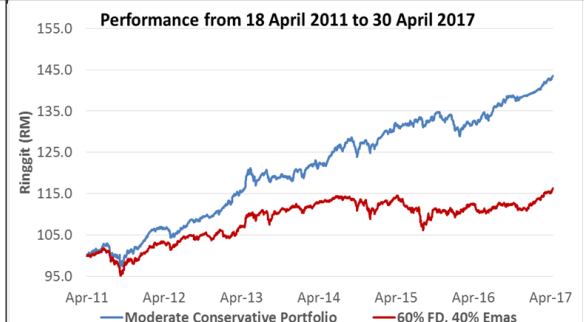
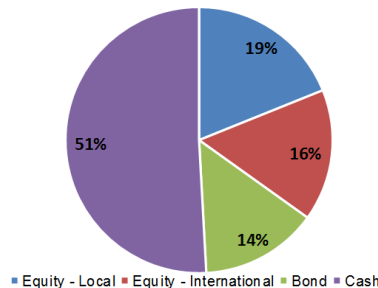
Conservative Portfolio

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%



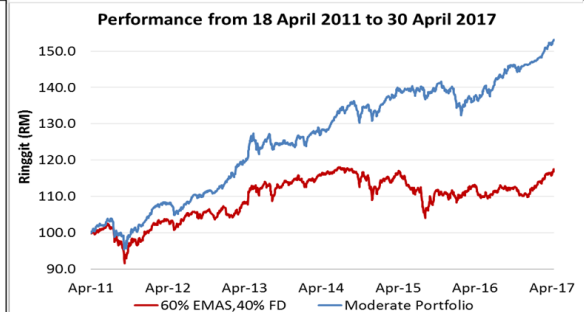
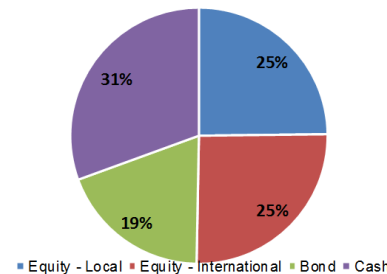
Moderate Conservative Portfolio

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%



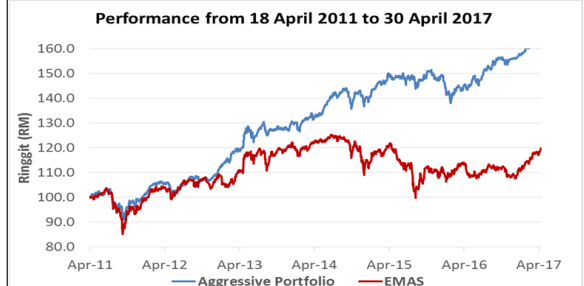
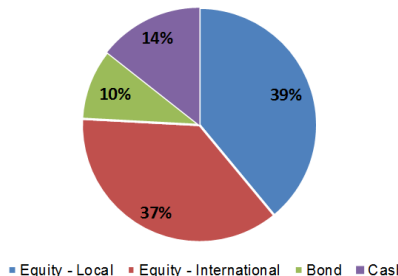
Moderate Portfolio

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	0.5%	2.0%	1.8%	5.9%	36.8%	Moderate Portfolio	1.1%	5.3%	4.6%	12.1%	53.2%
Benchmark	0.5%	2.1%	2.4%	3.1%	15.0%	Benchmark	1.3%	4.6%	6.1%	5.7%	17.5%
Moderate Conservative	0.9%	3.8%	3.3%	8.8%	43.5%	Aggressive Portfolio	1.6%	7.8%	7.0%	16.7%	67.3%
Benchmark	0.9%	3.3%	4.3%	4.4%	16.3%	Benchmark	2.0%	7.0%	10.0%	9.6%	20.0%

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Source : Bloomberg



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