



## MARKET OUTLOOK

- The US ISM manufacturing index jumped to 60.8 in Feb18 from 59.1 in Jan18 thanks to better business conditions which driven by new orders and production that was sustained at high utilization rate. Employment increased by 5.5% MoM to support production and expansion in order backlogs. Exports and imports continued to grow in tandem with healthy global trade, albeit heightened concerns recently on US trade protectionism policy. On 8Mar18, President Donald Trump announced the 25% import tariffs on steel and 10% for aluminium with the exemption of Canada and Mexico, which are set to be implemented on 23Mar18. Prior to the implementation date, trading allies are able to make a negotiation to be exempted.
- The Caixin Manufacturing Purchasing Manger Index (PMI) in China edged up to 51.6 in Feb18 from 51.5 in the prior month, on the back of increased new orders, boosted by unexpected strength in exports. China's export surged 45% YoY in Feb18, suggesting global trade still resilient, amidst the hiccup earlier in Feb18, after Jerome Powell officially became the chairman for US's Federal Reserve (Fed), with indication of more hawkish Fed for the year 2018. However, another hiccup rises beginning of Mar18 as trade tensions returned to the limelight with China this year with threat originating from US trade protectionism policy's direction moving forward. Nevertheless, China's economic growth is still expected to remain at 6.5% for 2018.
- India, the world's largest palm oil importer has raised import tax on crude and refined palm oil to 44% (previously at 30%) and 54% (previously at 40%) respectively. This was done to support local farmers in India and encourage domestic supply for crushing edible oil in 2018. This is the fourth increased in import tax in less than six months, which may push up the prices for domestic edible oil, putting the India's inflation rate at risk for the year 2018.
- Most ASEAN bourses recorded a marginal drop performance in Feb18 with Philippines' Stock Exchange (PCOMP) falling the most at 3.3%, followed suit with FTSE Bursa Malaysia KLCI (FBMKLCI), Singapore's Straits Times Index (STI), and Indonesia's Jakarta Composite Index (JCI), with loss of 0.7%, 0.5%, and 0.1%, respectively. Thailand SET Index was the only gainer in Feb18 with a gain of 0.2%.
- We maintain our neutral asset allocation amidst heightened concern on US trade protectionism policy and its impact to global trade. We do not out ruled the possibility of knee jerk reaction from investors across the region, on top of possible retaliation from affected or targeted countries such as China. For risk-averse investors, this may be a good chance to explore opportunity in quality bonds and dividend yielding funds. On local bourse, we think that 14th General Election (deadline in Aug18) may remain as a catalyst for the market but we view that the recent ringgit appreciation to be a bane for exporting companies. However we are neutral on the development as we think that the continuous global trade momentum may continue to provide stable demand for the companies and soften the impact of strong ringgit.

## EQUITY

FBMKLCI decline by 0.7% in February. Looking at trading participants in February, local retailers and foreign investors were net sellers, selling RM54m and RM1.1bn worth of shares, respectively. Local institutions on the other hand became net buyers, buying RM1.2bn worth of shares. On the other hand, year to date (YTD) registered foreign investors as net buyer, buying at RM2.3bn whereas local institutions were net seller, selling at RM2.2bn respectively. Local retailers was a net seller for YTD at RM16m

Malaysian sectors performance were mainly negative in February except three sectors continuing performing well which are consumer and finance at index measured 2.4% and 2.0% respectively. The major decline were construction, industrial, technology, and trading and services at 5.9%, 4.7%, 3.0%, and 2.8% respectively. Minor decline were in property, plantation and industrial product at 1.7%, 0.7% and 0.7% respectively.

## BONDS

In February, yield on Malaysian Government Securities (MGS) for 3-year, 7-year, and 10-year rose by 5bps, 2bps, and 7bps close at 3.40%, 3.95% and 4.03% respectively. While 5-year MGS declined by 2bps to close at 3.62%.

## COMMODITIES

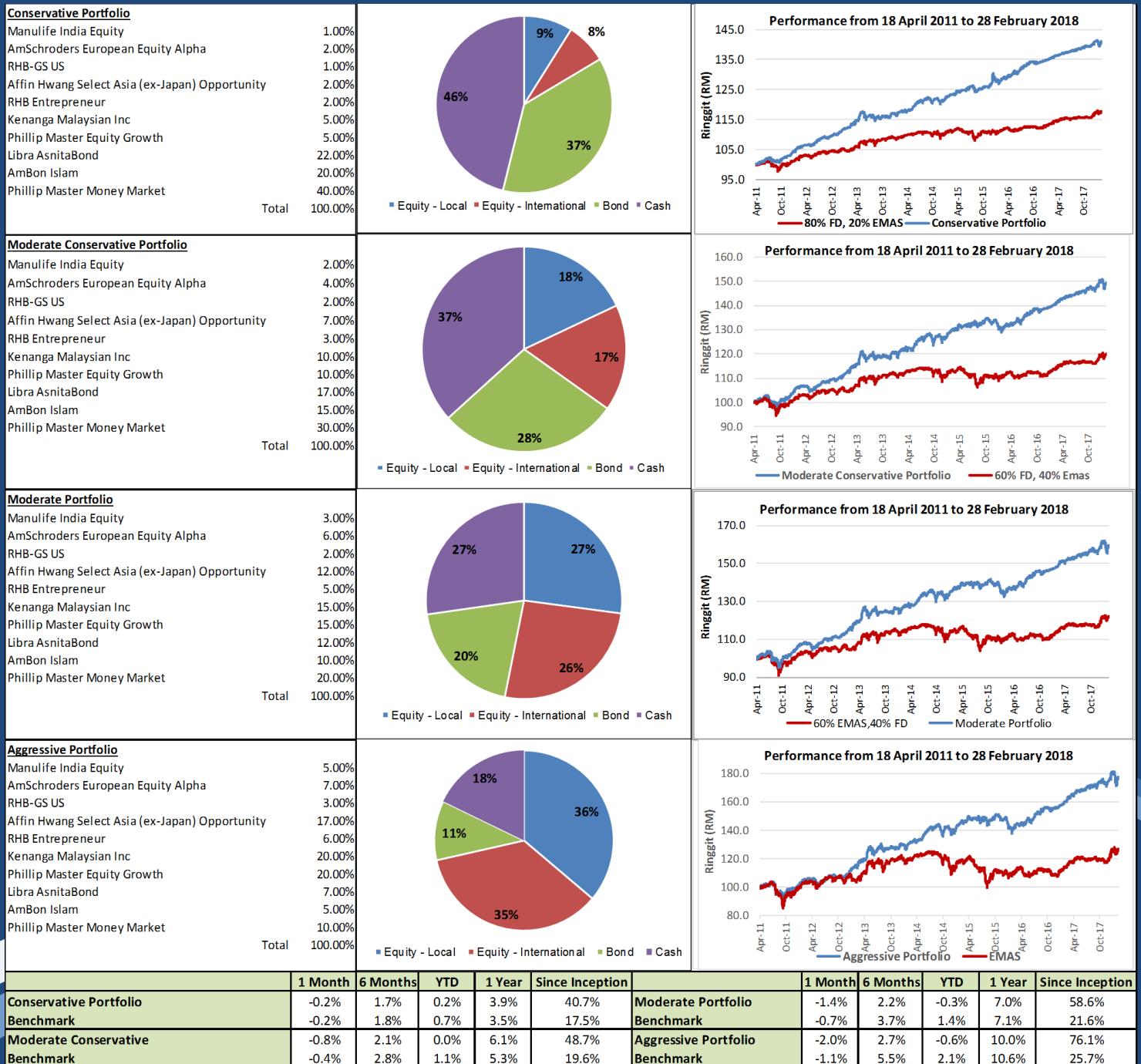
Nymex (WTI) crude oil reversed the gain made in Jan18, dropped 4.8% to close at \$61.64/barrel from \$64.73/barrel. In Feb18, crude palm oil price rose 3.3%, to close at RM2,571/MT from RM2,490/MT in Jan18. Gold price declined by 1.6% to close at \$1,317/Oz in Feb18 as oppose to \$1,339/Oz in Jan18. This was due to the recovery in global equities, after a sharp selloff of the riskier assets in early-Feb18.



## Commentary

All of our portfolios except conservative portfolio underperformed their respective benchmarks with negative returns. Conservative portfolio was in line with the benchmark. Worst performing funds were Affin Hwang Select Asia (ex-japan) Opportunity and Manulife India Equity with returns of -7.4% and -5.4% respectively.

## Model Portfolio



Source : Bloomberg



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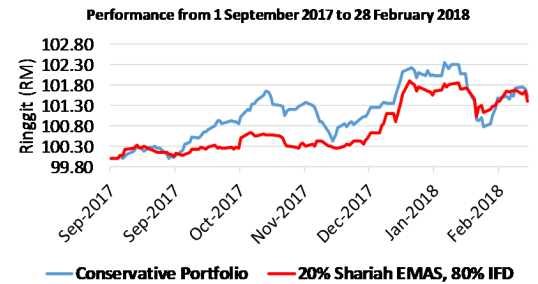
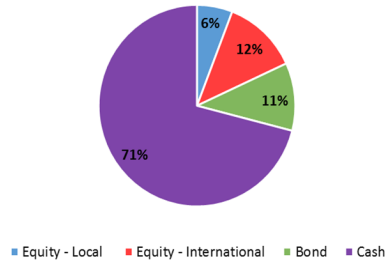
## Commentary

All our portfolios underperformed their respective benchmarks and registered negative returns. Worst performing funds were Aberdeen Islamic World Equity A MYR and CIMB Islamic Asia Pacific Equity with returns of -5.0% and -3.8%, respectively.

# Shariah Model Portfolio

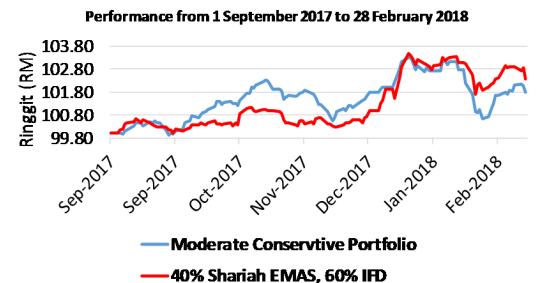
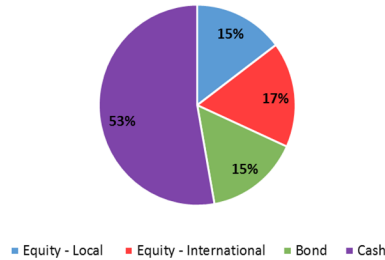
### Conservative Portfolio

Affin Hwang Aiiman Equity	5.00%
CIMB Islamic Asia Pacific Equity	5.00%
TA Asia Pacific Islamic Balanced	15.00%
AmBon Islam	5.00%
MIDF Amanah Shariah Money Market	70.00%
<b>Total</b>	<b>100.00%</b>



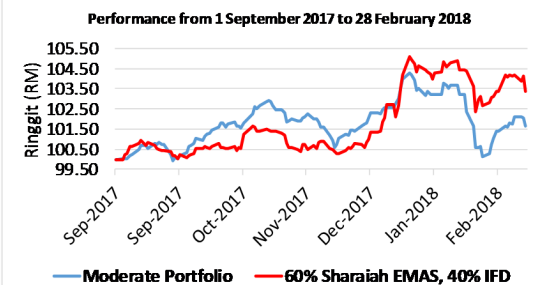
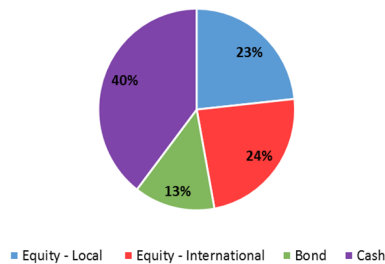
### Moderate Conservative Portfolio

Affin Hwang Aiiman Equity	10.00%
MIDF Amanah Islamic	5.00%
CIMB Islamic Asia Pacific Equity	10.00%
TA Asia Pacific Islamic Balanced	15.00%
AmBon Islam	10.00%
MIDF Amanah Shariah Money Market	50.00%
<b>Total</b>	<b>100.00%</b>



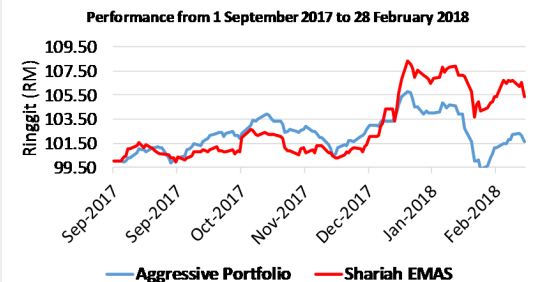
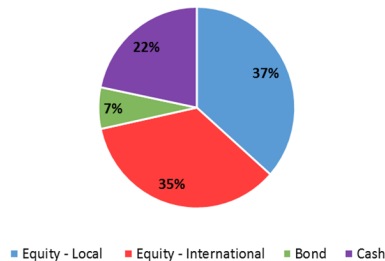
### Moderate Portfolio

Affin Hwang Aiiman Equity	15.00%
MIDF Amanah Islamic	10.00%
CIMB Islamic Asia Pacific Equity	15.00%
Aberdeen Islamic World Equity A MYR	5.00%
TA Asia Pacific Islamic Balanced	10.00%
AmBon Islam	10.00%
MIDF Amanah Shariah Money Market	35.00%
<b>Total</b>	<b>100.00%</b>



### Aggressive Portfolio

Affin Hwang Aiiman Equity	25.00%
MIDF Amanah Islamic	15.00%
CIMB Islamic Asia Pacific Equity	20.00%
Eastspring Investments Dinasti Equity	5.00%
Aberdeen Islamic World Equity A MYR	10.00%
TA Asia Pacific Islamic Balanced	5.00%
AmBon Islam	5.00%
MIDF Amanah Shariah Money Market	15.00%
<b>Total</b>	<b>100.00%</b>



	1 Month	YTD	Since Inception		1 Month	YTD	Since Inception
<b>Conservative Portfolio</b>	-0.5%	0.2%	1.5%	<b>Moderate Portfolio</b>	-1.5%	-0.9%	1.6%
<b>Benchmark</b>	-0.3%	0.3%	1.4%	<b>Benchmark</b>	-1.0%	0.6%	3.4%
<b>Moderate Conservative</b>	-1.0%	-0.2%	1.8%	<b>Aggressive Portfolio</b>	-2.2%	-1.7%	1.6%
<b>Benchmark</b>	-0.7%	0.5%	2.4%	<b>Benchmark</b>	-1.7%	0.9%	5.3%

Source : Bloomberg

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