



## MARKET OUTLOOK

- ➊ In US, the IHS Manufacturing Purchasing Manager Index (PMI) registered at 54.7 in Aug 2018, a slightly lower reading compared to 55.3 in July 2018, where a reading above 50 indicate growth. Output growth remained strong supported by greater new order volumes, rise in output and renewed increased in export sales. On the other hand, input cost rose despite inflation softened to six-month low due to new trucking regulations and tariffs. US economy growth is still driven by domestic market where the strongest growth is being seen in robust demand from consumer goods.
- ➋ China's Caixin Manufacturing PMI, which focused on small and mid-sized manufacturing in China registered at 50.6 whilst the China's official manufacturing PMI recorded at 51.3 in Aug 2018. A reading above 50 indicate growth. Although output continued to expand, recorded at 53.3%, new orders which rose at 52.2% is the slowest rate since May 2017. In addition, export sales fell for the fifth straight month due to concerns over the impact of the ongoing China-US trade war. Apart from trade war, the slowdown in credit growth and infrastructure investment also contributed to cooling economic activity in China.
- ➌ In Europe, the IHS Markit Eurozone Manufacturing PMI decreased to 54.6 in Aug 2018 compared to 55.1 in July 2018. Growth of output rose in Aug 2018 to its highest in three months. New orders, on the other hand, saw the slowest increase of the last two years. Worries about trade wars and the damaging impact of tariffs, as well as Brexit dampen business optimism on months ahead.
- ➍ Most ASEAN bourses registered positive return in Aug 2018. Philippines's Stock Exchange index (PCOMP) recorded the highest gain among ASEAN bourses, increased by 2.4% mom, followed with FTSE Bursa Malaysia KLCI index (FBMKLCI), Indonesia's Jakarta Composite index (JCI), and Thailand's Stock Exchange Index (SET), which gained by 2.0%, 1.4%, and 1.2% mom respectively. Only Singapore's Straits Times index (STI) registered negative return, fell by 3.2% mom.
- ➎ On 27th Aug 2018, President Donal Trump announced the US and Mexico have agreed on revisions to replace the North American Free Trade Agreement (NAFTA), the existing trade agreement between the US, Canada, and Mexico. The agreement between US and Mexico mostly focuses on automobile manufacturing. The two main provisions include a requirement that 40%-45% of all automobile components be made by workers earning \$16 or more per hour, and also new rules requiring 75% of automobile parts be made in the US and Mexico. Talks between Canada and US is still ongoing. Although US and Mexico have agreed on a term, the agreement with Canada is still pending and thus we are highly cautious on the market's outcome in Sept 2018 due to uncertainty deal. Thus, we maintained our neutral stance on our allocation.

## EQUITY

FBMKLCI continued to increased 2.0% in Aug 2018 after 5.5% increased in July 2018. Looking at the trading participants for the month, foreign investors sold RM97mil worth of shares in Aug 2018. The local institutions and local retailers were the net buyer, buying RM37mil and RM61mil worth of shares respectively. On year-to-date (YTD) basis, foreign investors also remains as the net seller, selling RM8.4bil whilst the local institutions and local retailers are the net buyer, buying RM6.2bil and RM2.1bil worth of shares respectively.

Sectors in Malaysia recorded mixed returns in Aug 2018 with technology recorded the highest return of 5.7%. The sector was mainly driven by stronger growth in electrical and electronics (E&E) export which recorded 23.6% yoy in July 2018, coupled with positive sentiment on Apple that is set to release its new phones on 12th Sept 2018. Finance sectors and industrial product also registered positive return, increased of 3.1% and 3.7% mom respectively. Other sectors namely consumer, plantation, industrial, trading and services, property, and construction decreased by 0.2%, 0.7%, 1.6%, 1.7%, 4.7%, and 5.8% mom respectively.

## BONDS

In Aug 2018, the yield for the Malaysian Government Securities (MGS) for 3-year, 5-year, 7-year, and 10-year MGS fell by 9bps, 5bps, 4bps, and 3bps to close at 3.48%, 3.70%, 3.93%, and 4.04% respectively.

## COMMODITIES

Nymex (WTI) crude oil registered a gain of 1.5% in Aug 2018, to close at \$69.80/barrel from \$68.76/barrel in July 2018. Crude palm oil also recorded a gain, increased by 3.2% to close at RM2,200/MT in Aug 2018 from RM2,132/MT in July 2018. On the other hand, gold price decreased by 1.8% to close at \$1,202/Oz in Aug 2018 as oppose to \$1,224/Oz in July 2018.





## Commentary

All of our model portfolios registered positive returns with mixed performance against their respective benchmarks in Aug 2018. The top performing fund was RHB-GS US Equity fund with return of 3.6%. Our performances on moderate and aggressive funds were dragged by AmSchroders European Equity Alpha fund which recorded return of -2.6%

## Model Portfolio

Portfolio	Asset Allocation	Performance from 18 April 2011 to 31 Aug 2018																																																												
<b>Conservative Portfolio</b> Manulife India Equity 3.00% AmSchroders European Equity Alpha 5.00% RHB-GS US Equity 2.00% Affin Hwang Select Asia (ex Japan) Opportunity 3.00% RHB Entrepreneur 3.00% Kenanga Malaysian Inc 1.00% Libra AsnitaBOND 25.00% AmBon Islam 23.00% Phillip Master Money Market 35.00% <b>Total 100.00%</b>																																																														
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Source : Bloomberg



It's a matter of trust

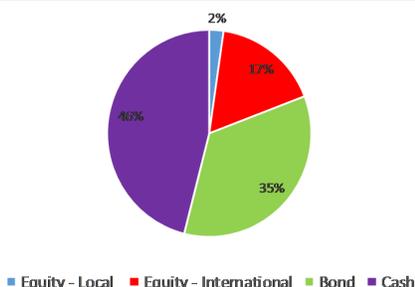
## Commentary

All of our portfolios registered positive returns, and outperformed their respective benchmarks. Our performance was supported by our exposure to Malaysia market via Eastspring Investments Dana Al-Ilham and Affin Hwang Aiman Equity fund which registered return of 0.5% and 1.1% respectively.

## Shariah Model Portfolio

### Conservative Portfolio

Eastspring Investments Dana Al-Ilham	2.00%
CIMB Islamic Asia Pacific Equity	3.00%
Aberdeen Islamic World Equity A MYR	10.00%
TA Asia Pacific Islamic Balanced	10.00%
Libra AsnitaBond	18.00%
AmBon Islam	14.00%
Philip Master Islamic Cash	43.00%
<b>Total</b>	<b>100.00%</b>

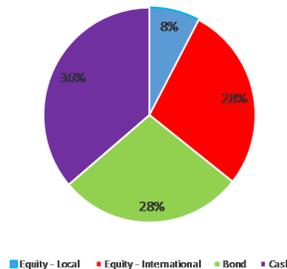


Performance from 1 September 2017 to 31 Aug 2018

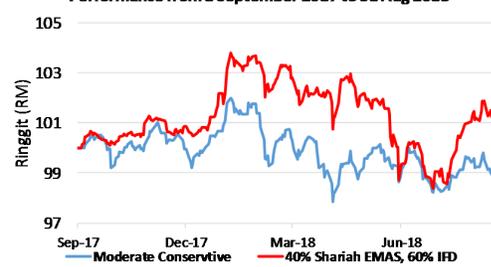


### Moderate Conservative Portfolio

Affin Hwang Aiman Equity	3.00%
Eastspring Investments Dana Al-Ilham	5.00%
CIMB Islamic Asia Pacific Equity	7.00%
Aberdeen Islamic World Equity A MYR	15.00%
TA Asia Pacific Islamic Balanced	15.00%
Libra AsnitaBond	13.00%
AmBon Islam	10.00%
Philip Master Islamic Cash	32.00%
<b>Total</b>	<b>100.00%</b>

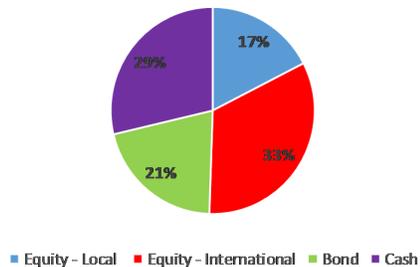


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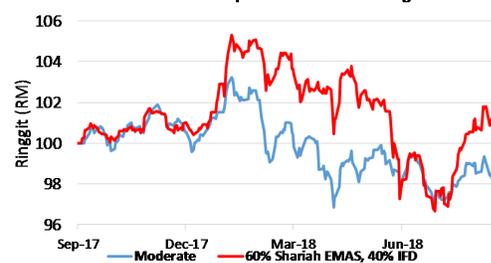


### Moderate Portfolio

Affin Hwang Aiman Equity	10.00%
Eastspring Investments Dana Al-Ilham	10.00%
CIMB Islamic Asia Pacific Equity	10.00%
Aberdeen Islamic World Equity A MYR	20.00%
TA Asia Pacific Islamic Balanced	10.00%
Libra AsnitaBond	10.00%
AmBon Islam	7.00%
Philip Master Islamic Cash	23.00%
<b>Total</b>	<b>100.00%</b>

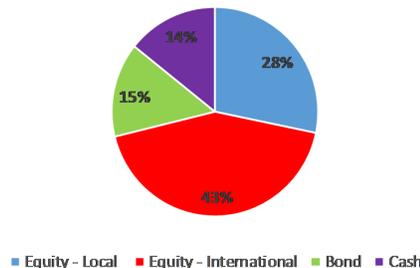


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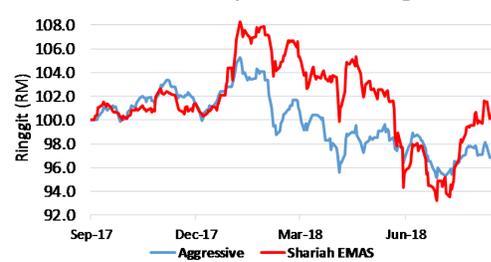


### Aggressive Portfolio

Affin Hwang Aiman Equity	20.00%
MIDF Amanah Islamic	3.00%
Eastspring Investments Dana Al-Ilham	10.00%
CIMB Islamic Asia Pacific Equity	12.00%
Eastspring Investments Dinasti Equity	5.00%
Aberdeen Islamic World Equity A MYR	25.00%
TA Asia Pacific Islamic Balanced	7.00%
Libra AsnitaBond	7.00%
AmBon Islam	5.00%
Philip Master Islamic Cash	6.00%
<b>Total</b>	<b>100.00%</b>



Performance from 1 September 2017 to 31 Aug 2018



	1 Mth	6 Mths	YTD	Since Inception		1 Mth	6 Mths	YTD	Since Inception
Conservative Portfolio	0.5%	0.5%	0.7%	0.9%	Moderate Portfolio	0.5%	-1.0%	-1.9%	-0.5%
Benchmark	0.1%	-0.1%	0.4%	1.9%	Benchmark	0.1%	-2.4%	-1.7%	1.2%
Moderate Conservative	0.5%	-0.3%	-0.6%	0.1%	Aggressive Portfolio	0.5%	-2.6%	-4.3%	-1.6%
Benchmark	0.1%	-1.2%	-0.7%	1.5%	Benchmark	0.0%	-4.6%	-3.7%	0.5%

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Source : Bloomberg



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