



## MARKET OUTLOOK

- 📍 In US, the IHS Manufacturing Purchasing Manager Index (PMI) registered at 55.7 in Oct 2018, increased from 55.6 in Sep 2018, where a reading above 50 indicate growth. The notable development in the health of the sector was a sharp increase in new business. Nonfarm payrolls increased by 250,000 in Oct 2018 indicates that companies in US were adding more jobs in the market. Cost of employment increased in 3Q2018 as labour market tightening, due to accelerated private sectors salaries. On the US housing, contracts to buy previously-owned US homes rose 0.5% MoM, indicate that the recent market slump may be start to stabilize. The rise in employment with higher wage growth signalled a further pick up in US growth momentum.
- 📍 China's official manufacturing PMI further soften to 50.2 in Oct 2018, from 50.8 in Sep 2018, where a reading above 50 indicate growth. New export orders sub-index dropped for the seventh straight month, recorded at 46.9%, amid the ongoing trade tension. The meeting between Trump and Xi Jinping in G20 Summit provide hopes for constructive solutions between the two economic giants. On the other hand, further stimulus measures are being planned in China, as economic data showed disappointing result .
- 📍 In Europe, the IHS Markit Eurozone Manufacturing falling for a third month, recorded at 52.0 in Oct 2018 compared to 53.2 in Sep 2018. Slowdown in growth was broad-based, where there were a decline in new export orders, deterioration in overall order books and fall in new work. Despite the fall in new orders, the manufacturing sector recorded a net increase in production during Oct 2018. Business confidence slumped in Oct 2018 to the lowest level since the end of 2012. The growing risk aversion, linked to the worries about the global economic environment, trade war, and political uncertainty.
- 📍 All ASEAN bourses registered negative performance in Oct 2018 where Singapore's Straits Times index (STI) falls the most, fell by 7.3% MoM. Followed by Thailand's Stock Exchange Index (SET), FTSE Bursa Malaysia KLCI index (FBMKLCI), Indonesia's Jakarta Composite index (JCI), and Philippines's Stock Exchange index (PCOMP), fell by 5.0%, 4.7%, 2.4%, and 1.9% MoM respectively.
- 📍 In view of democrats wins the house, we expect situation to become better although there will still be some volatility in the next 2 to 3 months. The recent Budget 2019 announcement in Nov 2018 was neutral in our view. We decided to increase our exposure to trade-oriented Asia equity through Affin Hwang Select APAC ex-Japan Dividend. Please kindly note that annual allocation/strategy review will be conducted in early Jan 2019.

## EQUITY

FBMKLCI decreased further by 4.7% MoM in Oct 2018 to close at 1,709. Looking at the trading participants for the month, foreign investors became net seller, sold RM1.4bil worth of shares in Oct 2018. Both local retailer and local institution were buying RM707mil worth of shares. On year-to-date (YTD) basis, foreign investors remains as the net seller, selling RM9.7bil whilst the local institutions and local retailers are the net buyer, buying RM7.0bil and RM2.8bil worth of shares respectively.

All sectors in Malaysia recorded negative returns in Oct 2018 with technology recorded the most drop, fell by 16.8% MoM. Followed by other sectors namely construction, property, consumer, industrial product, finance, and plantation decreased by 15.9%, 12.1%, 6.0%, 3.9%, 3.1%, and 2.4% MoM respectively. The performance of Malaysian's market was affected by overall declined in global market. US's Dow DJIA, Japan's Nikkei 225, and Hong Kong's Hang Seng Index were registering negative return in Oct 2018, declined by 5.1%, 9.1%, and 10.1% MoM respectively.

## BONDS

In Oct 2018, the yield for the Malaysian Government Securities (MGS) for 3-year, 5-year, 7-year, and 10-year MGS increased by 6bps, 4bps, 6bps, and 1bps to close at 3.67%, 3.79%, 4.01%, and 4.08% respectively.

## COMMODITIES

Nymex (WTI) crude oil declined in Oct 2018, registered a drop of 10.8% MoM, to close at \$65.31/barrel from \$73.25/barrel in Sep 2018. On the other hand, crude palm oil, continued to fell by 6.1% MoM to close at RM1,988/MT in Oct 2018 from RM2,118/MT in Sep 2018. Meanwhile, gold price recorded slightly increment, rose by 2.0% MoM to close at \$1,215/Oz in Oct 2018 as oppose to \$1,192/Oz in Sep 2018.



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# Commentary

All of our model portfolios registered negative returns while outperformed their respective benchmarks except for marginal underperformance of moderate portfolio in Oct 2018. Worst performing fund was Robotech RM H Fund, RHB Entrepreneur, and CIMB-Principal Greater China Equity which recorded return of -10.6%, -10.3% and -10.3% MoM respectively.

## Model Portfolio

<b>Conservative Portfolio</b> Affin Hwang Select APAC ex-Japan Dividend 5.00% RHB-GS US Equity 1.00% CIMB-Principal Greater China Equity 3.00% RHB Entrepreneur 3.00% Kenanga Malaysian Inc 2.00% Libra AsnitaBOND 25.00% Phillip Master Money Market 61.00% Total 100.00%																																																														
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Source : Bloomberg



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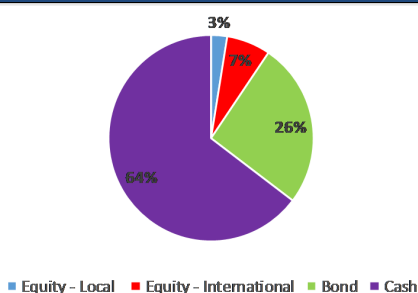
## Commentary

Our portfolios registered negative returns but outperformed their respective benchmarks. The negative performance was dragged by CIMB Islamic Asia Pacific Equity Fund and Eastspring Investments Dinasti Equity Fund which registered return of -10.7% and -10.5% MoM respectively.

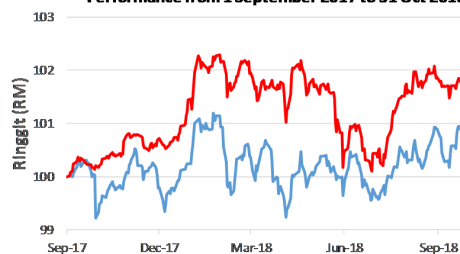
# Shariah Model Portfolio

### Conservative Portfolio

Eastspring Investments Dana Al-Ilham	4.00%
CIMB Islamic Asia Pacific Equity	4.00%
Aberdeen Islamic World Equity A MYR	1.00%
TA Asia Pacific Islamic Balanced	5.00%
Libra AsnitaBond	25.00%
Philip Master Islamic Cash	61.00%
<b>Total</b>	<b>100.00%</b>

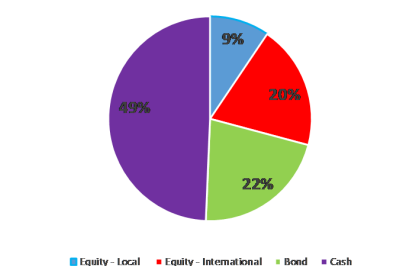


### Performance from 1 September 2017 to 31 Oct 2018

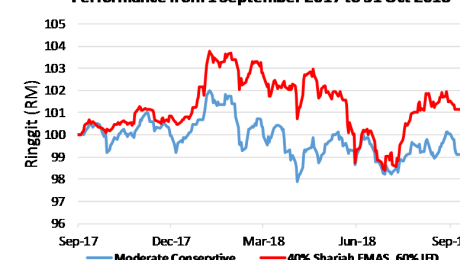


### Moderate Conservative Portfolio

Affin Hwang Aiiman Equity	3.00%
Eastspring Investments Dana Al-Ilham	8.00%
CIMB Islamic Asia Pacific Equity	5.00%
Eastspring Investments Dinasti Equity	9.00%
Aberdeen Islamic World Equity A MYR	4.00%
TA Asia Pacific Islamic Balanced	6.00%
Libra AsnitaBond	20.00%
Philip Master Islamic Cash	45.00%
<b>Total</b>	<b>100.00%</b>

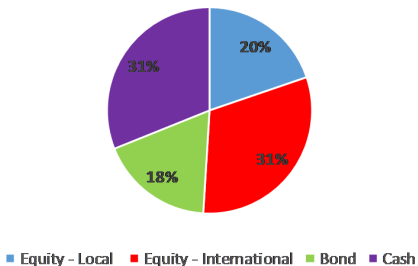


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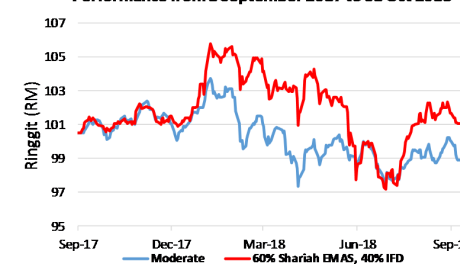


### Moderate Portfolio

Affin Hwang Aiiman Equity	10.00%
Eastspring Investments Dana Al-Ilham	13.00%
CIMB Islamic Asia Pacific Equity	6.00%
Eastspring Investments Dinasti Equity	12.00%
Aberdeen Islamic World Equity A MYR	11.00%
TA Asia Pacific Islamic Balanced	8.00%
Libra AsnitaBond	15.00%
Philip Master Islamic Cash	25.00%
<b>Total</b>	<b>100.00%</b>

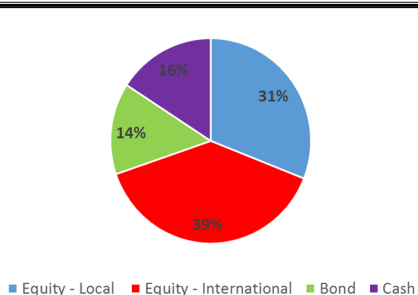


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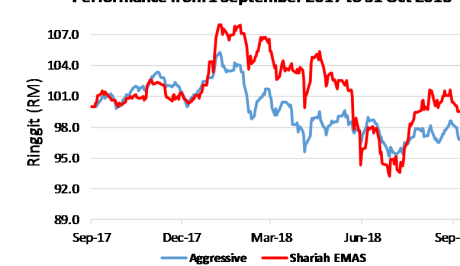


### Aggressive Portfolio

Affin Hwang Aiiman Equity	20.00%
MIDF Amanah Islamic	3.00%
Eastspring Investments Dana Al-Ilham	13.00%
CIMB Islamic Asia Pacific Equity	7.00%
Eastspring Investments Dinasti Equity	15.00%
Aberdeen Islamic World Equity A MYR	14.00%
TA Asia Pacific Islamic Balanced	10.00%
Libra AsnitaBond	10.00%
Philip Master Islamic Cash	8.00%
<b>Total</b>	<b>100.00%</b>



### Performance from 1 September 2017 to 31 Oct 2018



	1 Mth	6 Mths	YTD	Since Inception		1 Mth	6 Mths	YTD	Since Inception
<b>Conservative Portfolio</b>	-0.3%	0.6%	0.5%	0.7%	<b>Moderate Portfolio</b>	-3.6%	-2.9%	-5.5%	-4.1%
<b>Benchmark</b>	-1.2%	-1.3%	-0.9%	0.5%	<b>Benchmark</b>	-4.2%	-6.0%	-6.3%	-3.6%
<b>Moderate Conservative</b>	-2.0%	-1.1%	-2.6%	-1.9%	<b>Aggressive Portfolio</b>	-5.0%	-5.2%	-9.3%	-6.8%
<b>Benchmark</b>	-2.7%	-3.6%	-3.6%	-1.5%	<b>Benchmark</b>	-7.2%	-10.6%	-11.5%	-7.7%

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Source : Bloomberg



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