



## MARKET OUTLOOK

- 📍 In US, IHS Markit Manufacturing PMI went up to 51.0 in September, up marginally 50.7 in the previous month but still softer than the average seen over the past decade (55.0). Weak business activity growth continues amid soft client demand in Sept 2019 linked to less favourable underlying economic conditions. The recent data suggested lack of pressure on business capacity due to backlogs of work of which some companies responded by cutting back on new staffs hiring.
- 📍 Soft economic data, persistent low inflation and ample downside risks to the outlook has driven the European Central Bank (ECB) to unveil a broad stimulus package during its September meeting. The Bank's asset purchase programme (APP) also will kickstart on 1<sup>st</sup> November at a pace of EUR 20bn per month albeit the amount is slightly below market expectations.
- 📍 Market will keep a close eye on the consumption tax hike (from 8% to 10%) that came into force in Japan on 1<sup>st</sup> October. While it is expected that front-loaded demand through end-September will be followed by a dip in October, the key concern is whether spending will resume from November onwards and thus investors' investment reassessment will be in November.
- 📍 In Hong Kong, large scale demonstrations and confrontations continue to affect business confidence, retail sales and tourism leading to a slowdown in the economy. This is coupled with downward pressures which already evident from the US-China trade war causing the Hong Kong Trade Development council to forecast a 4% drop in exports for 2019. Exacerbation of the trade war and further escalation of internal conflicts will run the risk of capital outflow.
- 📍 ASEAN bourses registered negative returns in September, except for Singapore's Straits Times Index (STI) which gained by 0.4% MoM. Jakarta Composite Index (JCI), Philippine's Stock Exchange Index (PCOMP), FTSE Bursa Malaysia KLCI Index (FBMKLCI) and Thailand's Stock Exchange Index (SET) fell 2.5%, 2.5%, 1.8% and 1.1% MoM respectively.
- 📍 Speaker Pelosi has launched an impeachment inquiry on Donald Trump although Republican-controlled Senate will likely to acquit him. However, should the impeachment headwinds blow stronger, Trump may offer positive surprises to the markets after US-China trade talks on 10<sup>th</sup>-11<sup>th</sup> October, days before the scheduled 5% tariff hike on \$250 billion China goods. While we do not expect full de-escalation of trade tension, October may be a month with positive surprises. Thus, we have made no changes on the allocation for the month.

## EQUITY

FBMKLCI fell by 1.8% MoM in September to close at 1,583.9 points. Looking at the trading participants for the month, both local retailers and institutions were net buyers, buying RM186.0mil and RM373.0mil worth of shares respectively. While foreign investors were net sellers as well at RM559.0mil worth of shares. Year-to-date (YTD), local retailers and local institutions were the net buyers, buying RM1,869.0mil and RM6,031.0mil worth of shares respectively while foreign investors were net sellers, selling RM7,899.9mil.

Sectors in Malaysia recorded mixed returns with the technology sector being the best performer which rose by 7.1% MoM due to Apple announcing its new range of products. This created positive sentiments for its supply chain which include stocks such as Pentamaster, Globetronics and Inari Amerton. Other sectors namely energy, industrial product, transportation, telecom and healthcare gained by 4.2%, 3.1%, 1.5%, 0.5% and 0.3% MoM respectively. The underperforming sectors were property, plantation, construction, finance, consumer and utilities which fell 3.7%, 2.5%, 2.3%, 1.6%, 1.2% and 0.8% respectively.

## BONDS

In September, the yield for the Malaysian Government Securities (MGS) for the 3-year and 10-year remain the same at 3.12% and 3.31% while the 5-year and 7-year increased by 1bps and 5bps to close at 3.24% and 3.32% respectively.

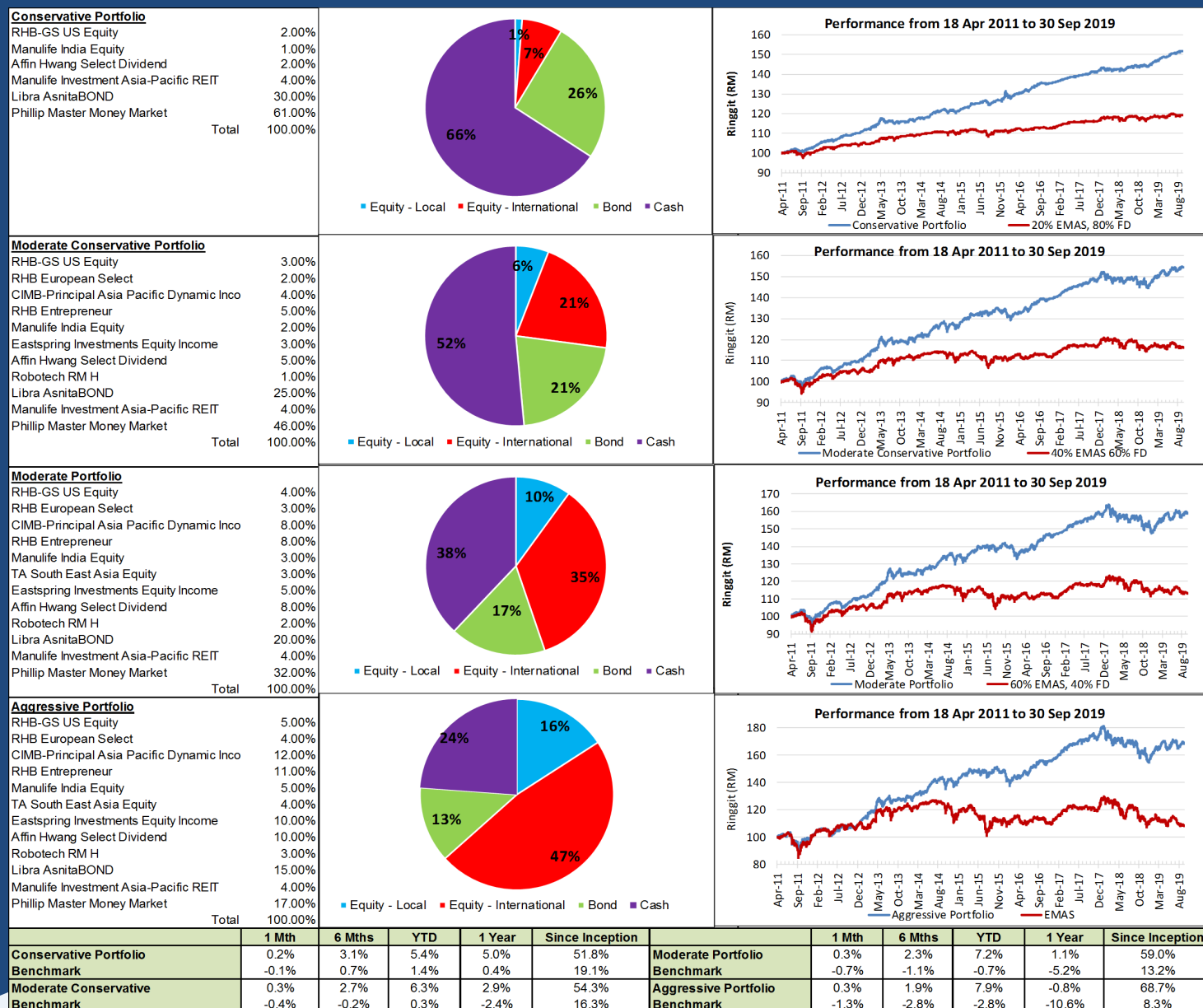
## COMMODITIES

Crude palm oil fell by 4.2% MoM to close at RM2,078/MT in September from RM2,168/MT in August due to pressure in the industry amid increasing pressure from various sustainability issues such as deforestation and wildlife extinction. Nymex (WTI) crude oil was down by 1.9% MoM in September, closing at \$54.07/barrel from \$55.10/barrel in August. Gold price decreased by 3.8% MoM to close at \$1,465/Oz in September as oppose to \$1,523/Oz in August.

## Commentary

All our model portfolios registered positive returns, outperforming their respective benchmarks in September. Top performing fund was Robotech RM H fund which increased 3.0% MoM while the worst performer was TA South East Asia fund which fell by 1.8% MoM.

## Model Portfolio



Source : Lipper



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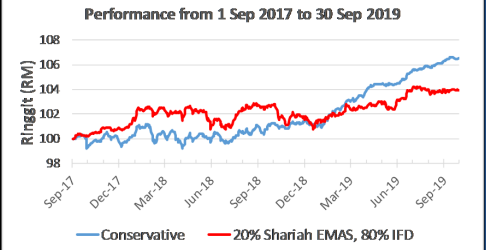
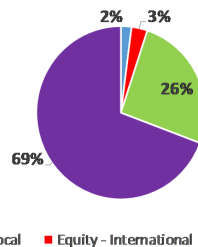
## Commentary

Similarly, all of our Shariah model portfolios recorded positive returns, outperforming their respective benchmarks September. The top performing fund was the Aberdeen Islamic World Equity A MYR fund which grew 1.4% while the worst performer was the Maybank Asiapac Ex-Japan Equity-I fund which fell 0.1% MoM.

# Shariah Model Portfolio

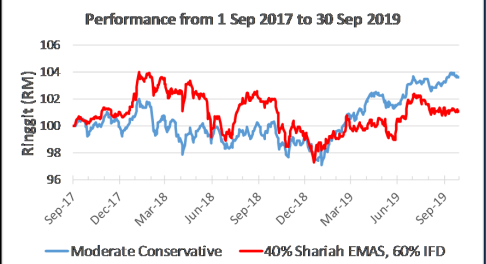
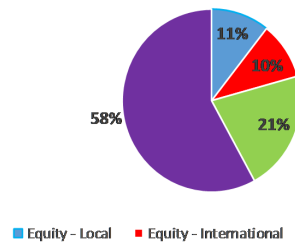
### Conservative Portfolio

Maybank AsiaPac Ex-Japan Equity-I	1.00%
TA Asia Pacific Islamic Balanced	5.00%
Eastspring Investments Dana Al-Ihram	2.00%
Libra AsnitaBond	30.00%
Philip Master Islamic Cash	62.00%
<b>Total</b>	<b>100.00%</b>



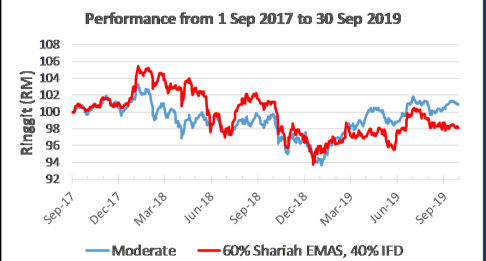
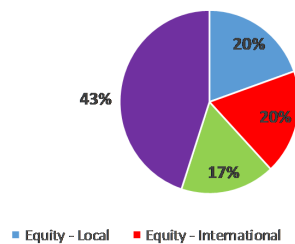
### Moderate Conservative Portfolio

Aberdeen Islamic World Equity A MYR	3.00%
Affin Hwang Aiiman Asia (ex Japan) Growth MYR	5.00%
Maybank AsiaPac Ex-Japan Equity-I	2.00%
TA Asia Pacific Islamic Balanced	6.00%
Eastspring Investments Dana Al-Ihram	8.00%
Affin Hwang Aiiman Growth	2.00%
Libra AsnitaBond	25.00%
Philip Master Islamic Cash	49.00%
<b>Total</b>	<b>100.00%</b>



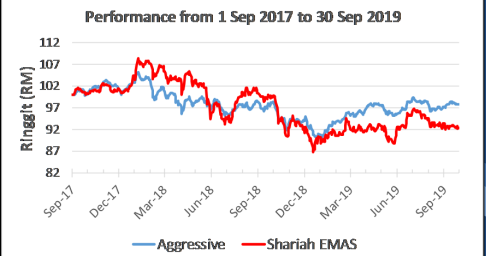
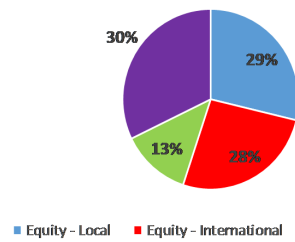
### Moderate Portfolio

Aberdeen Islamic World Equity A MYR	8.00%
Affin Hwang Aiiman Asia (ex Japan) Growth MYR	8.00%
Maybank AsiaPac Ex-Japan Equity-I	3.00%
TA Asia Pacific Islamic Balanced	8.00%
Eastspring Investments Dana Al-Ihram	12.00%
Affin Hwang Aiiman Growth	7.00%
Libra AsnitaBond	20.00%
Philip Master Islamic Cash	34.00%
<b>Total</b>	<b>100.00%</b>



### Aggressive Portfolio

Aberdeen Islamic World Equity A MYR	12.00%
Affin Hwang Aiiman Asia (ex Japan) Growth MYR	12.00%
Maybank AsiaPac Ex-Japan Equity-I	4.00%
TA Asia Pacific Islamic Balanced	10.00%
Eastspring Investments Dana Al-Ihram	16.00%
Affin Hwang Aiiman Growth	12.00%
Libra AsnitaBond	15.00%
Philip Master Islamic Cash	19.00%
<b>Total</b>	<b>100.00%</b>



	1 Mth	6 Mths	YTD	1 Year	Since Inception		1 Mth	6 Mths	YTD	1 Year	Since Inception
<b>Conservative Portfolio</b>	0.2%	2.7%	5.3%	5.2%	6.5%	<b>Moderate Portfolio</b>	0.5%	1.8%	6.9%	1.3%	0.9%
<b>Benchmark</b>	0.0%	1.4%	2.4%	1.2%	4.0%	<b>Benchmark</b>	-0.6%	1.1%	2.3%	-2.9%	-1.9%
<b>Moderate Conservative</b>	0.3%	2.2%	6.1%	3.4%	3.6%	<b>Aggressive Portfolio</b>	0.6%	1.4%	7.6%	-0.5%	-2.3%
<b>Benchmark</b>	-0.3%	1.2%	2.4%	-0.8%	1.1%	<b>Benchmark</b>	-1.2%	0.7%	2.3%	-7.2%	-7.7%

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Source : Lipper



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