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## Unlocking Opportunities: The Wood Dragon Year and its Impact on Investments

Welcome to the year of **Wood Dragon**!

Chinese Astrology follows a 12-year recurring cycle, where each year is symbolised by an animal, forming the 12 zodiac signs. Interestingly, each zodiac sign is associated to one of the five main elements each year (known as 'Wu Xing Concept'): **Gold** (Metal), **Wood**, **Water**, **Fire**, and **Earth**. This configuration results in a 60-year cycle referred to as the '60 Jia Zi.' Following a Water Rabbit year (2023), the **Wood Dragon**, along with other elemental Dragons, comes once every 60 years. What significance does a **Wood Dragon** year hold?

In Chinese astrology, Dragon, the only mythical creature among the 12 zodiac signs, is known for its strength, vitality, and ability to overcome challenges. Meanwhile, the **Wood** element signifies growth, expansion and flexibility. As the **Wood Dragon** year unfolds (reigning from 10 February 2024 and 28 January 2025), it is believed to be auspicious, offering countless opportunities for growth.

### Dominance of **Fire** & **Earth** elements in a **Wood Dragon** Year – who are the beneficiaries?

The 'Wu Xing Concept' serves as a fundamental framework to comprehend the relationships and interactions among the five elements (see *Figure 1*). **Wood**, according to the 'Wu Xing Concept', is believed to have a generating interaction with **Fire**, signifying that **Wood** feeds and nurtures **Fire**. **Fire** is a symbol of economic activity, confidence and optimism. The businesses that will benefit from this include **Financials** (investments, stocks, insurance), **Energy**, **Entertainment**, **Travel**, **Healthcare** (medicine, pharmaceuticals, life sciences) and **Technology**.

Despite the fact that the **Earth** element exhibits an overcoming interaction with **Wood** (**Wood** splits **Earth**), it does not necessarily imply a downturn for the **Earth** Element Industry. On the contrary, Dragon's native character is the **Earth** element, which symbolises stability and reliability. This suggests that the **Earth** Element industry, despite the overcoming interaction, still stands to prosper in the upcoming Dragon year. This positive outlook extends to businesses within the **Earth** element, notably **Construction and Property/Real Estate**.

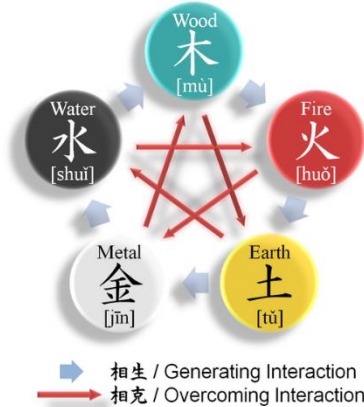
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**Figure 1: The 'Wu Xing Concept' and the interconnection among the five elements**



Source: Asian Geographic, 2020

This is also aligned with our [house view](#) that we are positive in selected Property, Construction, Utilities, Renewables and Technology companies.

## The Wood Element Supports Prospects for Green Investments

Given that **Wood** symbolises growth and environmental harmony, the **Wood** Dragon Year has the potential to foster investments in eco-friendly and sustainable ventures. Sectors focusing on renewable energy, green infrastructure, and environmentally responsible practices might continue to attract significant interest from investors. Back home, the announcement of National Energy Transition Roadmap (NETR) in July and a ESG-focused Budget 2024 establishes a solid foundation for ESG. We maintain a positive outlook on investments aligned with the ESG theme and we believe ESG should be regarded as a significant consideration within conscientious investors' portfolios.

## The Wood Element's Adaptability Aligns with Dragon's Resilient Characteristics

The **Wood** element has inherent qualities of flexibility and adaptability, and this aligns with the resilience embodied by the Dragon. In the dynamic landscape of Malaysia's investment market, where no sector or investment can perpetually experience uninterrupted growth, it becomes imperative for investors to navigate potential turbulence. Analogous to the **Wood** element's flexibility and adaptability, investors in the Malaysian market stand to gain by cultivating a diversified portfolio, adjusting strategies in response to market shifts, and capitalising on emerging opportunities throughout the year.

A noteworthy avenue for investors seeking diversification in their portfolio is through **PhillipCapital Malaysia**. **PhillipCapital Malaysia** offers multiple private mandate services managed by professional fund managers. By leveraging PhillipCapital Malaysia's private mandate services, investors can enhance their resiliency, optimise portfolio performance, and navigate the complexities of the market with confidence.

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We also offer both conventional and Shariah-compliant options to cater to the needs of all investors. For Malaysia's mandates, we like:

## 1. PMART/PMA Dividend Enhanced

Our PMART Dividend Enhanced and PMA Dividend Enhanced is an income-driven portfolio focused on high dividend-yielding equities. We apply the Dog of the Dow approach, screen and select top market cap stocks to minimise risk and ensure consistent performance. The portfolio is an equal weighting portfolio which reduces concentration risk and provides similar exposure to all clients, both initially and after rebalancing. We offer both conventional and Shariah investment options to cater to the diverse needs of our investors.

Click [here](#) to learn more.

## 2. PMART/PMA ESG

Phillip Capital Malaysia offers discretionary portfolio that invests in stocks with high ESG ratings from the F4GBM and F4GBMS Indices, namely PMART and PMA ESG. There are both conventional and Shariah options available. PMART and PMA ESG is suitable for investors who want to optimise the risk-adjusted return by constructing a diverse sustainable portfolio of ESG companies.

To explore the companies in which both Conventional and Shariah ESG mandates invest, you can [refer to the provided link](#). We like these companies because they have received high ESG ratings, which we believe can contribute to their long-term sustainability, responsibility, and profitability.

## 3. PMART/PMA Blue Chip and Opportunity

Our Blue-Chip portfolios primarily allocate our investments towards companies with large market capitalisations, while the Opportunity portfolios predominantly invest in companies with smaller market capitalisations. We also offer both conventional and Shariah-compliant options to cater to the needs of all investors.

Separately, for investors who would like to have **regional exposure**, **PMART UT**, is a portfolio of EPF approved unit trust funds managed by award-winning fund managers. It allows investors to invest in multiple unit trust funds through a single investment and is reviewed and adjusted regularly or as needed in response to major events. Separately, **PMA UT** is ideal for cash investors seeking a tailored investment solution via investment in multiple unit trust funds through a single investment. We offer both conventional and Shariah-compliant options to accommodate the preferences of all investors. We also offer both Moderate and Aggressive mandates that cater to different investors' level of risk appetite. Separately, we also like US market where we are of the view that quality of earnings is much better, as such we have also introduced **PMART Quant US** for those who can take foreign currency/market volatility and single market exposure.

Our investment portfolio focuses on quality companies that possess strong fundamentals, including stable earnings and a promising future outlook, and are led by capable management teams. Please click on the [link](#) to learn more or email us at [phillipmutual@phillipcapital.com.my](mailto:phillipmutual@phillipcapital.com.my) if you require any further information.

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