

## News Release

### Maybank Investment Bank Shares Investment Strategies For 1H2016

Kuala Lumpur, 30 January 2016 - Maybank Investment Bank (Maybank IB) today shared its market insights and investment strategies for the Malaysian and US stock markets with its retail clients at its first half 2016 Market Outlook session, held at the Securities Commission in Kuala Lumpur.

Maybank IB opines that the current volatility in the stock market will persist, particularly in 1Q2016, and will be largely externally induced with headwinds revolving around US' monetary policy normalisation, China's structural slowdown, and the impact to emerging markets. The investment bank also opines that the bottoming process for the Asian markets has begun, and advocates a defensive core equity portfolio, focusing on telco, utility, consumer staples, selected REITs, healthcare sectors - with thematic and value stocks providing the outperformance.

Key themes that will drive the Malaysian stock market in 1H2016 are 1) construction which will be boosted by the execution of 11MP projects and Sarawak elections; 2) continued volatility in the Ringgit; 3) a strong El Nino in 1H16 and a potential La Nina at the end-2016; and 4) Shariah investing, ahead of EPF's new Shariah fund expected to start in early-2017. For longer term, investors should strengthen their holdings of stocks which will benefit from the TPPA, and China's One Belt, One Road.

In line with the key themes, Maybank IB has overweight the construction, glove, and semiconductor sectors, and remains neutral on plantation stocks. Its top stock picks for 2016 are Gamuda, Sunway Construction, Cahya Mata Sarawak, Harbour Link, Top Glove, Inari, BIMB, Tenaga, Genting, Hong Leong Financial Group, Malakoff, WCT, and Media Chinese (MCIL).

Maybank IB's yearend target for FBMKLCI is 1800, and full year GDP growth forecast is 4.5%, due to slower domestic demand as consumer spending and private investment moderate. The investment bank expects the market to improve once corporate earnings show a firmer uptrend, and commodity prices recover on a sustained manner.

The 1H2016 Market Outlook roadshow kicked off simultaneously in Johor and Penang on 9 January 2016 and went on to various locations across country namely Ipoh, Kota Kinabalu, Kuching, Sibul, Kuantan, and Kota Bahru. Held twice a year, the Maybank IB Market Outlook sessions is an annual event where the regional investment bank shares their research ideas and investment strategies with their valued clients.

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#### About Maybank Investment Bank Berhad

Maybank Investment Bank is one of Malaysia's leading investment banks with extensive dealing networks in the country, supported by one of the best research houses. It has been in operation for more than 40 years and has vast experience in undertaking large Initial Public Offerings of both domestic and international firms, executing primary/private placements and share buybacks, and advising on mergers & acquisitions. On the debt financing front, Maybank IB has a proven track record in advising and arranging both Islamic and conventional bond issuance. It also offers financial advisory services, specialising in energy, infrastructure and utilities sectors, as well as policy and strategy advisory services for both public and private sectors. Building up its capability in both equity and commodity solutions, Maybank IB also offers over-the-counter structured products and investment products on exchanges, and futures broking for institutional, corporate and retail investors. Known globally as Maybank Kim Eng, it has presence in 11 countries namely Malaysia, Singapore, Hong Kong, Thailand, Indonesia, Philippines, India, Vietnam, Saudi Arabia, Great Britain and the United States of America.

Maybank Kim Eng is the fully-owned investment banking arm of Maybank, one of Asia's leading banking groups and South East Asia's fourth largest bank by assets. The Maybank Group has an international network of 2,400 offices in 19 countries, over 46,000 employees serving more than 22 million customers worldwide.

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