

Maybank Investment Bank Sees Opportunities in the Stock Market Amid Headwinds

Kuala Lumpur, 25 August 2018 - Maybank Investment Bank Bhd (Maybank IB) said today at its 2H2018 Market Outlook session for its Retail Brokerage clients that investors should be selective in their stock picks amid current challenging conditions while prioritising sound fundamentals.

For the second half of the year (2H2018), Maybank IB Research advocates a bottom-up stock picking approach as part of a long term investment strategy. Maybank IB Research currently has an 'Overweight' rating on the automotive, gaming, oil and gas, and technology sectors. Among its top picks are Inari Amertron Bhd, Genting Bhd, AMMB Holdings Bhd, Alliance Bank Malaysia Bhd, Yinson Holdings Bhd, AEON Co. (M) Bhd, Bermaz Auto Bhd, and Allianz Malaysia Bhd.

Additionally, Maybank IB noted that with further clarity on new policies undertaken by the government, regulatory risk in sectors such as telco and construction would begin to dissipate, which may lead to a recovery in investors' sentiment.

While mindful of existing headwinds, primarily led by the current US-China trade spat as well as the revised GDP growth outlook for Malaysia, investors have already demonstrated renewed optimism amid expectations that the stock market will remain resilient. This is evidenced by the FBM KLCI closing at 1,808.59 points on 24 August, near the benchmark's highest in three months, said Lim Sin Jin, Head of Retail Brokerage of Maybank IB.

"From its recent lows, the FBM KLCI has already rallied by more than 120 points since early July. We believe that with uncertainty comes opportunity, and fundamentally strong counters have continued to see investing interest. We are seeing signs of improving confidence and renewed appetite for stocks, which bodes well for the long term."

Maybank IB held its 2H2018 Market Outlook session in Kuala Lumpur today, the main event in a series of roadshows in 10 cities across Peninsular Malaysia and East Malaysia to share its views and investment strategies in the market. The highlight of the event was a panel titled 'Unexpected Turn, Unprecedented Change', where Maybank's market analysts discussed the ongoing structural shifts in Malaysia, market trends, and opportunities going forward.

The stock market is expected to be range-bound for the rest of the year, while optimism from the tabling of the 2019 Budget could provide an uplift in sentiment as investors get more clarity on policies and reassurance on the Government's fiscal target.

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About Maybank Investment Bank Berhad

Maybank Investment Bank Berhad (“Maybank IB”) is Malaysia’s leading investment bank. It has been in operation for more than 40 years and offers a suite of financial solutions, which include debt advisory and arrangement via bonds/sukuk, project financing, leveraged financing and loan syndication, corporate finance, equity capital markets, merger and acquisition advisory, sector advisory, strategic advisory, equities derivatives, retail and institutional securities broking and research. 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 over 2,200 offices in Malaysia, Singapore, Indonesia, Philippines, Brunei Darussalam, Vietnam, Cambodia, Thailand, People’s Republic of China, Bahrain, Uzbekistan, Myanmar, Laos, Pakistan, India, Saudi Arabia, Great Britain and the United States of America. The Group offers an extensive range of products and services, which includes consumer and corporate banking, investment banking, Islamic banking, stock broking, insurance and takaful and asset management. It has over 43,000 employees worldwide.

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