



EQUITY MARKET REVIEW

Global equities extended its rally for a third straight month, as positive sentiment on a dovish Fed and a potential US-China trade deal trumped yield curve inversion concerns as well as mixed economic prints coming out from the US.

Despite the positive backdrop, the bellwether FBM KLCI Index fell 3.8% to close at 1,644 points on stock-specific factors. The index detractors included Malaysia Airport Holdings Bhd and banking names which saw weakness on increased expectation of a potential rate cut by Bank Negara Malaysia (BNM).

Meanwhile, the broader market FBM Emas Index fell 2.3% to close at 11,554 points while the FBM Small Cap Index added 1.3% to close at 12,711 points. Among regional bourses, China was the outperformer while Malaysia and South Korea were laggards.

For the month, the Ringgit weakened against the US Dollar, slipping 0.4% against the US Dollar to 4.0820. Brent crude oil futures gained 3.6% to US\$68/bbl while palm oil futures fell 4.2% to close at RM1,867/MT.

BNM released its 2018 annual report and projected the Malaysian economy to grow between 4.3% – 4.8%, lower than the 4.9% estimated in the government's budget released in November. The lower number is mainly premised on moderation in global demand and ongoing trade tensions.

BOND MARKET REVIEW

Ringgit government debts rallied in March taking cue from a dovish US Federal Reserve and weak global economic data. In addition, strong buying momentum emerged on increased expectations of potential monetary easing by Bank Negara Malaysia after the central bank revised down its forecasts for economic growth and inflation for 2019. Headline inflation declined for a second month by 0.4% in February from a 0.7% contraction in January. The deflation was mainly due to lower transport cost and high base effects. Meanwhile, the Ringgit weakened 0.4% to 4.08 against the US Dollar during the month. At month end, the 3-, 5-, 7-, 10- and 20-year MGS benchmark yields fell by 13 to 18 bps to 3.39%, 3.54%, 3.72%, 3.77% and 4.31% respectively.

IMPORTANT NOTICE AND DISCLAIMERS

This document shall not be copied, or relied upon by any person for whatever purpose. The information herein is given on a general basis without obligation and is strictly for information only. This document is for general information only and does not take into account your objectives, financial situations or needs. This document is not an offer, solicitation, recommendation or advice to buy or sell any investment product, including any collective investment schemes or shares of companies mentioned within. The information contained in the document, including any data, projections and underlying assumptions are based upon certain assumptions, management forecasts and analysis of information available and reflects prevailing conditions and our views as of the date of the document, all of which are subject to change at any time without notice. You should be aware that investments carry risks. Please consider the fees and charges involved before investing. UOB Asset Management (Malaysia) Berhad does not guarantee any returns on the investments. In preparing this document, UOBAM(M) has relied upon and assumed, without independent verification, the accuracy and completeness of all information available from public sources or which was otherwise reviewed by UOBAM(M). UOBAM(M) does not warrant the accuracy, adequacy, timeliness or completeness of the information herein for any particular purpose, and expressly disclaims liability for any error, inaccuracy or omission. UOBAM(M) and its employees shall not be held liable for any decision or action taken based on the views expressed or information contained within this publication. Any opinion, projection and other forward looking statement regarding future events or performance of, including but not limited to, countries, markets or companies is not necessarily indicative of, and may differ from actual events or results. Nothing in this publication constitutes accounting, legal, regulatory, tax or other advice. The information herein has no regard to the specific objectives, financial situation and particular needs of any specific person. You may wish to seek advice from a professional or an independent financial adviser about the issues discussed herein or before investing in any investment product. Should you choose not to seek such advice, you should consider carefully whether the investment or product is suitable for you or your organization.