

STRATEGY

NEUTRAL

Rationale for report: Market Strategy Update

Analyst (s)

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Price leads, narrative follows

We believe the current rally is liquidity-driven rather than fundamentally anchored, with cash levels at ~10% of AUM (based on our channel checks) creating a strong incentive to deploy. Our marketing rounds suggest clients remain worried about higher oil prices, but they are also increasingly aware that sitting on cash in a rising market carries performance risk. This is similar to last year's playbook: liquidity moves first, fundamentals are debated later. Our message is therefore two-pronged: trade the liquidity through tech, but start positioning for energy as the next rotation.

- **Sentiment can change quickly.** The biggest lesson from our marketing rounds is how quickly sentiment can turn. Conversations began with investors focused on oil, geopolitics and downside risks. But as the US-Iran ceasefire was announced, the tone shifted from gloom to risk-on. Local fund performance has also recovered quickly, from roughly flat to -10% earlier, to a tighter +5% to -5% range now. That matters because better performance reduces fear, while high cash levels increase the urgency to participate. In this market, the marginal buyer is no longer hiding, they are looking for ideas.
- **Tech is the natural alpha trade.** By process of elimination, tech has become the preferred sector to regain alpha. It is less directly exposed to oil cost pressures, while still offering structural tailwinds from AI demand and supply chain localisation. Historically, Malaysian tech has been a high-beta hunting ground when cash is redeployed and current activity levels suggest interest is rebuilding. Broker-led Penang trips are now happening almost every other week, which signals that clients are revisiting the space. For this phase of the rally, we continue to prefer Greatech and VSI as our top picks.
- **The oil risk has not disappeared.** A liquidity rally does not mean the oil risk is gone. It may simply mean the market has chosen to look through it for now. Higher oil prices have not fully flowed through the economy and second-round effects could still emerge. Construction faces direct pressure from diesel costs, while consumers may feel the pinch if subsidies are reduced and discretionary income falls. US-Iran negotiations remain fragile despite the ceasefire. Malaysia could face a critical fuel-supply moment by June. Hence, the market can be right to rally, while oil concerns remain valid.
- **Energy could be the next rotation.** The sector remains under-owned at just ~3% of AUM, leaving room for reallocation if the narrative strengthens. Just as tariffs forced companies to adopt China +1, the Hormuz shock could force countries to rethink energy concentration risk. Once that vulnerability is exposed, buyers diversify. That means more storage, more LNG flexibility, more domestic power, more renewables and more alternative fuels.

Top picks**Sorted by market cap****CIMB Group**

BUY, TP: RM10.30 (+41%)
 Market cap: RM83.6bil

Hong Leong Bank

BUY, TP: RM28.00 (+30%)
 Market cap: RM48.4bil

SD Guthrie

BUY, TP: RM6.90 (+17%)
 Market cap: RM41.7bil

Maxis

BUY, TP: RM4.45 (+31%)
 Market cap: RM27.6bil

Hong Leong Financial Group

BUY, TP: RM33.00 (+79%)
 Market cap: RM21.8bil

Greatech

Buy, TP: RM3.30 (+33%)
 Market cap: RM6.2bil

V.S. Industry

BUY, TP: RM0.70 (+226%)
 Market cap: RM867mil

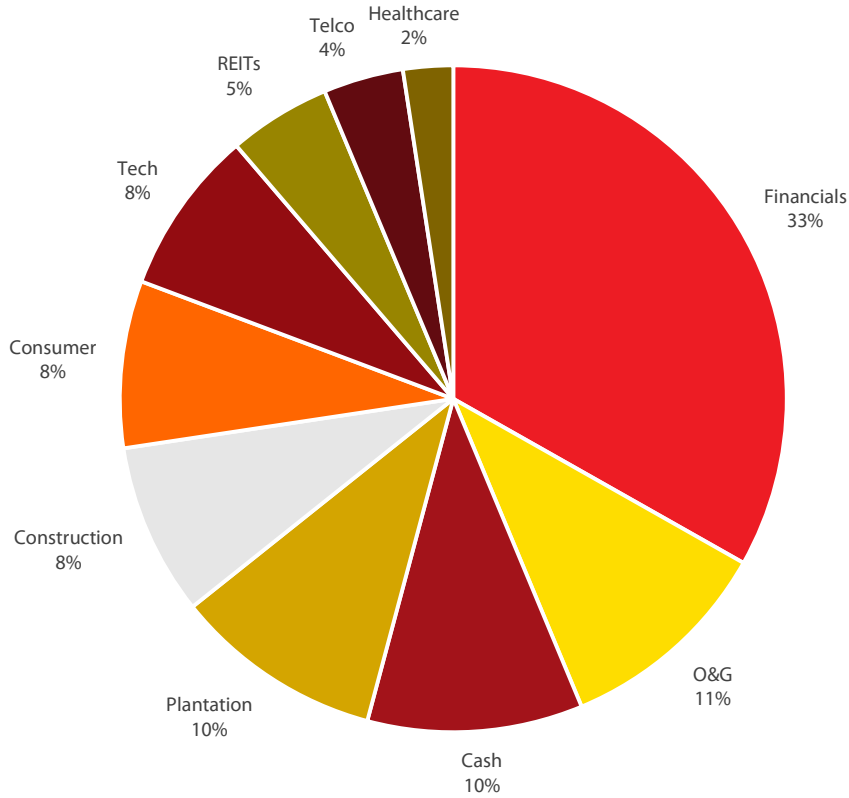
Karex

BUY, TP: RM0.85 (+52%)
 Market cap: RM590mil

Jati Tinggi

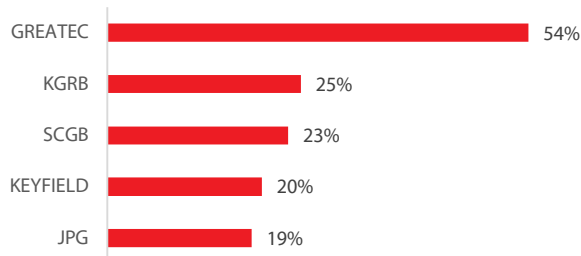
BUY, TP: RM1.00 (+83%)
 Market cap: RM242mil

EXHIBIT 1. Model Port sector allocation



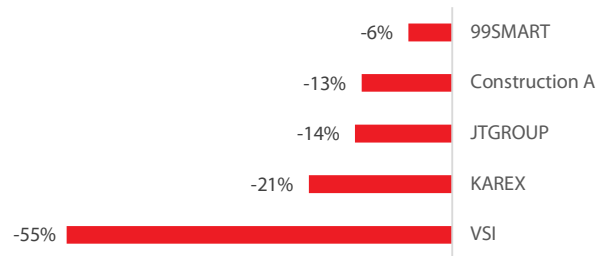
Source: AmInvestment Bank Bhd

EXHIBIT 2. Top 5 best performing holdings (YTD)



Source: AmInvestment Bank Bhd

EXHIBIT 3. Top 5 worst performing holdings (YTD)



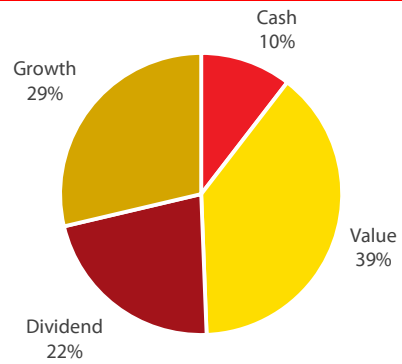
Source: AmInvestment Bank Bhd

EXHIBIT 4. Fund performance (since inception)



Source: AmInvestment Bank Bhd

EXHIBIT 5. Portfolio allocation



Source: AmInvestment Bank Bhd

EXHIBIT 6. Model Port

Companies	No. of shares (mil)	Base Price (RM)	Last Price as of 27 Apr 2026	Actual Value (RMmil)	%	Sector	Type
Cash (incl. Dividend)				31.6	10.4%	Cash	Cash
Hong Leong Financial Group Bhd	1.4	20.92	19.06	26.4	8.7%	Financials	Value
Hong Leong Bank Bhd	1.0	22.74	22.54	21.5	7.1%	Financials	Value
CIMB Group Holdings Bhd	2.7	7.99	7.72	21.0	6.9%	Financials	Dividend
Public Bank Berhad	4.2	4.87	4.80	20.3	6.7%	Financials	Value
MISC Bhd	1.6	8.80	8.14	12.9	4.2%	O&G	Dividend
Maxis Bhd	3.3	3.87	3.54	11.8	3.9%	Telco	Value
Sunway Construction Group Bhd	1.9	6.78	6.89	13.2	4.4%	Construction	Growth
RHB Bank Bhd	1.4	8.48	8.21	11.4	3.8%	Financials	Dividend
Johor Plantations Group Bhd	6.7	1.53	1.85	12.4	4.1%	Plantation	Value
Keyfield International Bhd	7.3	1.42	1.76	12.8	4.2%	O&G	Growth
SD Guthrie Bhd	1.6	5.64	6.08	9.6	3.2%	Plantation	Value
Kelington Group Berhad	1.7	4.87	6.40	10.8	3.6%	Tech	Growth
Sunway Real Estate Investment	3.2	2.43	2.45	7.9	2.6%	REITs	Dividend
IHH Healthcare Bhd	0.8	8.89	8.74	7.3	2.4%	Healthcare	Value
Pavilion Real Estate Investmen	3.9	1.85	1.83	7.1	2.4%	REITs	Dividend
Greatech Technology Bhd	3.7	1.90	2.44	9.0	3.0%	Tech	Growth
Construction A	1.7	4.15	4.28	7.2	2.4%	Construction	Growth
99 Speed Mart Retail Holdings	1.9	3.48	3.57	6.9	2.3%	Consumer	Growth
MR DIY Group M Bhd	3.7	1.71	1.69	6.3	2.1%	Consumer	Growth
Petronas Gas Bhd	0.3	18.14	18.24	6.1	2.0%	O&G	Dividend
VS Industry Bhd	20.2	0.31	0.22	4.3	1.4%	Tech	Growth
Karex Berhad	10.9	0.51	0.56	6.1	2.0%	Consumer	Growth
Spritzer BHD	2.0	2.72	2.65	5.2	1.7%	Consumer	Growth
Jati Tinggi Bhd	8.8	0.59	0.56	4.9	1.6%	Construction	Growth
IOI Corp Bhd	1.1	3.92	4.30	4.7	1.5%	Plantation	Value
Kuala Lumpur Kepong Bhd	0.2	19.24	20.64	4.0	1.3%	Plantation	Value
Total Portfolio Value				302.9			
			VALUE AS OF				
			31 DEC 2025	295.8			
			YTD Return	2.39%			
			FBM100 YTD	4.08%			
			FBMKLCI YTD	2.72%			

Source: AmInvestment Bank Bhd

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