

STRATEGY

Rationale for report: Market Strategy Update

Analyst (s)

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Looks solid, feels light

Data should shape conclusions, not be bent to fit them. By that measure, the latest reading is sobering. Cash levels rose to just 6.7% in March—well short of the 8–10% that might have underwritten a sturdier recovery. The rally, then, rests on thinner foundations than it appears. This matters as the outlook grows more demanding: oil prices are rising, refinery buffers may thin by June 2026 and election uncertainty is building. Technology looks more a trade than a conviction; energy, by contrast, may yet prove structural.

- **Confidence or complacency?** Cash levels rose 0.5pp MoM to 6.7% of AUM, but this is still far below the 11% seen during Liberation Day, suggesting the recovery may be thinner than price action implies. The brief sell-down and fast redeployment feel less like fresh conviction and more like a market trained to believe shocks pass and dips should be bought — from COVID, to Russia-Ukraine, to Liberation Day. Our recent marketing rounds echo this. Once the ceasefire was announced, sentiment quickly flipped from caution to risk-on, reminding us that share prices are increasingly driving narrative, not the other way around.
- **The hangover after the rally.** The next risk is whether the oil shock starts moving from headline to economy. Malaysia's crude oil supply appears adequate until June 2026, but the key question is what happens once existing buffers are drawn down and fresh supply needs to be secured. This makes refinery utilisation important to watch. If utilisation drops, it could point to tighter crude availability and lower fuel output, which may eventually feed into higher logistics costs, business margins and consumer prices. Add Bloomberg's report of a possible 3Q26 election, and the recovery looks less clean than price action suggests.
- **Position for the relative shifts.** Tech has become the default rebound trade by process of elimination — less direct oil exposure, a cleaner AI narrative and positioning at ~10% of AUM versus ~20% during COVID peaks. With industrials and consumer discretionary seeing ~3pp combined outflows YTD, there is room for relative rotation into tech. But this remains liquidity-led, not yet earnings-led. For the rally to sustain, upcoming results must validate the AI story. Energy, meanwhile, looks more structural. At just 4% of AUM, Hormuz+1 could force a rethink on storage, LNG flexibility, domestic power, renewables and alternative fuels.
- **Staying disciplined.** Our model portfolio is +1.4% YTD, broadly in line with the index, while local fund returns have ranged from +5% to -5%. With performance dispersion still wide and macro uncertainty building, we see little reason to take excessive risk at this stage. The portfolio already carries a defensive tilt through financials, cash and yield sectors, while still allowing selective participation in tech where earnings visibility can support the liquidity trade. Our portfolio is also overweight oil & gas, reflecting our view that energy could become the next structural theme.

Top picks

Sorted by market cap

CIMB Group

BUY, TP: RM10.30 (+41%)
 Market cap: RM83.0bil

Hong Leong Bank

BUY, TP: RM28.00 (31%)
 Market cap: RM48.2bil

SD Guthrie

BUY, TP: RM7.26 (+18%)
 Market cap: RM43.6bil

Maxis

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

Hong Leong Financial Group

BUY, TP: RM33.00 (+80%)
 Market cap: RM21.6bil

Greatech

Buy, TP: RM3.30 (+35%)
 Market cap: RM4.4bil

Keyfield

BUY, TP: RM1.80 (+11%)
 Market cap: RM1.4bil

V.S. Industry

BUY, TP: RM0.70 (+252%)
 Market cap: RM790mil

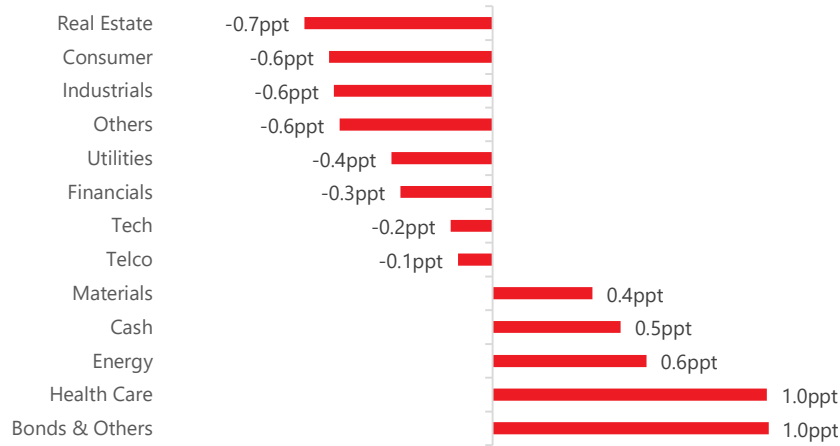
Karex

BUY, TP: RM0.85 (+69%)
 Market cap: RM543mil

Jati Tinggi

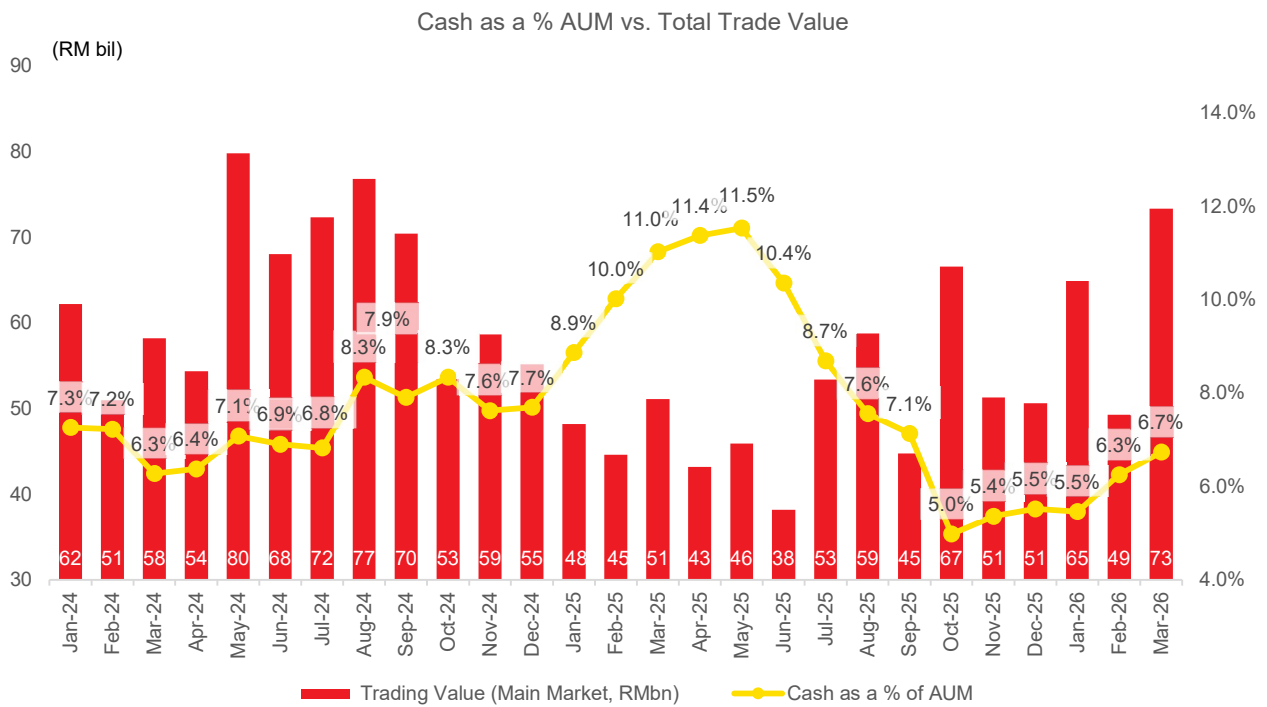
BUY, TP: RM1.00 (+113%)
 Market cap: RM436mil

EXHIBIT 1. MoM Change



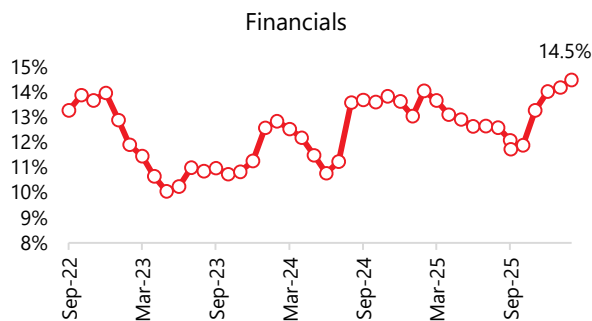
Source: AmInvestment Bank Bhd

EXHIBIT 2. Cash as a % of AUM against Total Trade Value



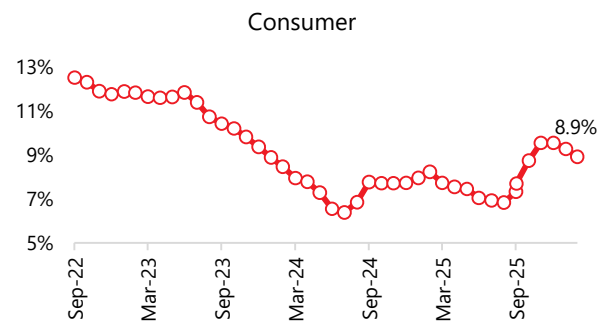
Source: AmInvestment Bank Bhd

EXHIBIT 3. Financials as a % of AUM



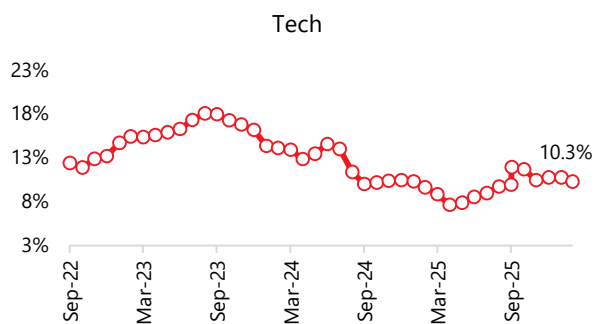
Source: AmInvestment Bank Bhd

EXHIBIT 4. Consumer as a % of AUM



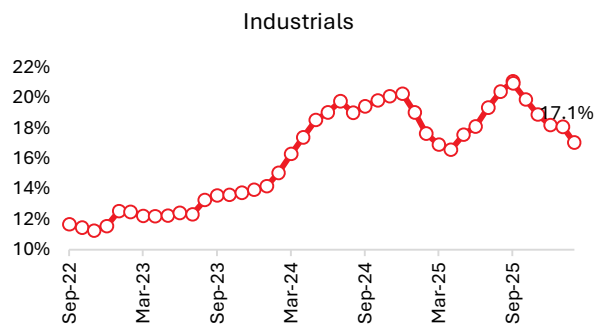
Source: AmInvestment Bank Bhd

EXHIBIT 5. Tech as a % of AUM



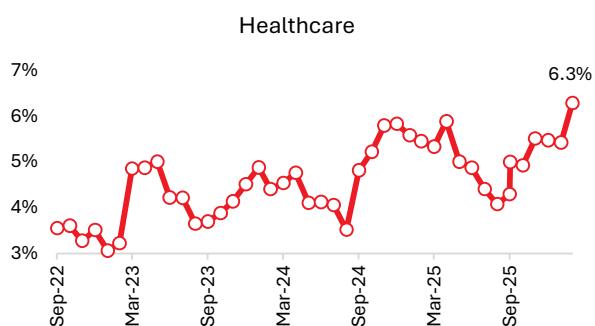
Source: AmInvestment Bank Bhd

EXHIBIT 6. Industrials as a % of AUM



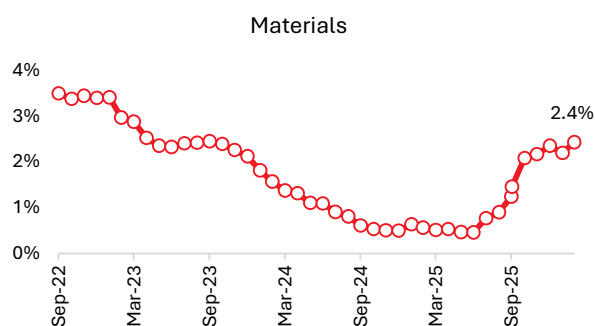
Source: AmInvestment Bank Bhd

EXHIBIT 7. Healthcare as a % of AUM



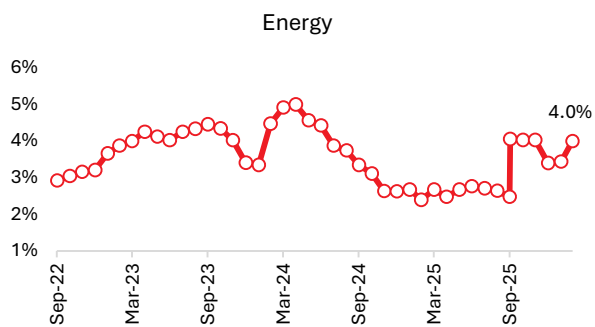
Source: AmInvestment Bank Bhd

EXHIBIT 8. Materials as a % of AUM



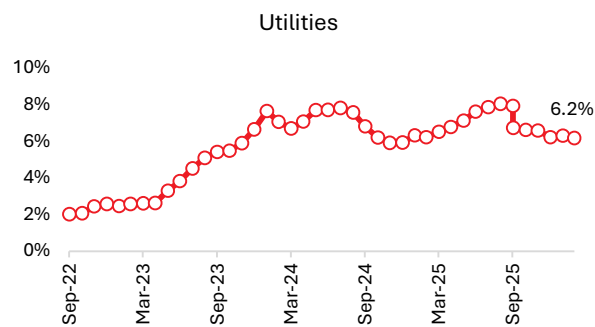
Source: AmInvestment Bank Bhd

EXHIBIT 9. Energy as a % of AUM



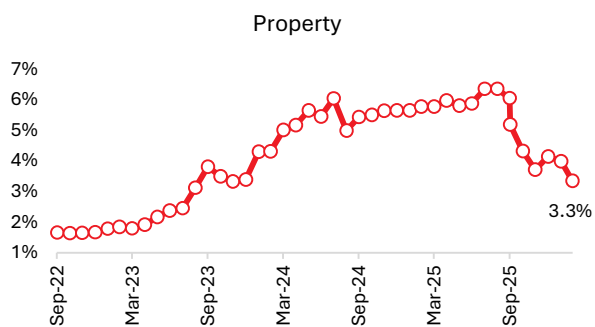
Source: AmInvestment Bank Bhd

EXHIBIT 10. Utilities as a % of AUM



Source: AmInvestment Bank Bhd

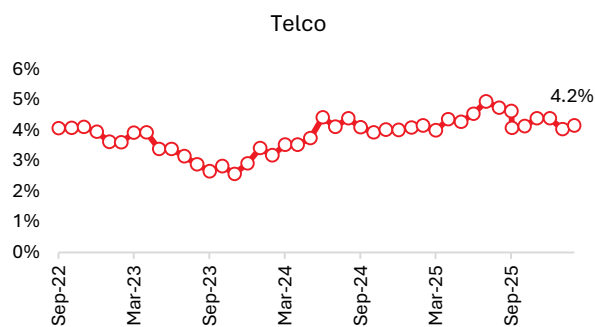
EXHIBIT 11. Property as a % of AUM



¹⁾ Inclusive of REITs

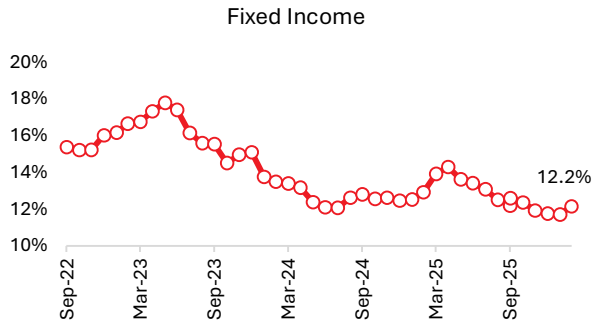
Source: AmInvestment Bank Bhd

EXHIBIT 12. Telco as a % of AUM



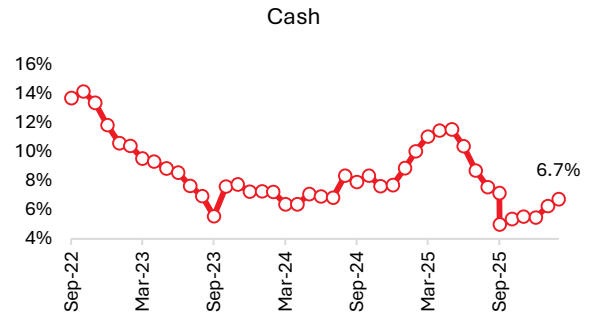
Source: AmInvestment Bank Bhd

EXHIBIT 13. Fixed income as a % of AUM



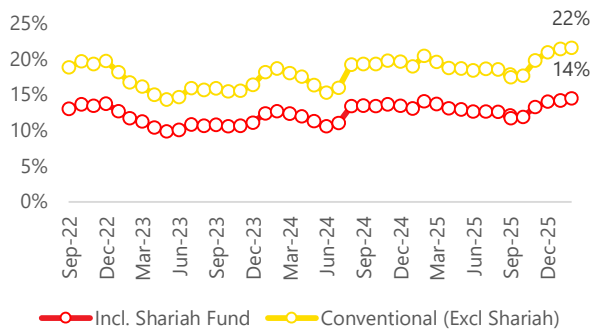
Source: AmInvestment Bank Bhd

EXHIBIT 14. Cash as a % of AUM



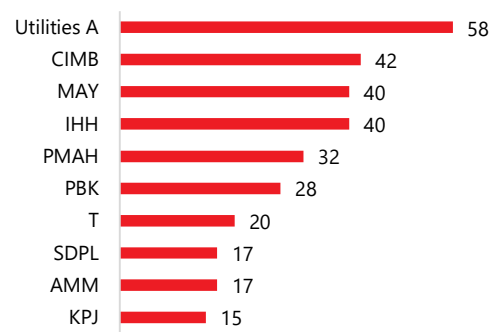
Source: AmInvestment Bank Bhd

EXHIBIT 15. Financials as a % of AUM (Shariah vs non-Shariah)



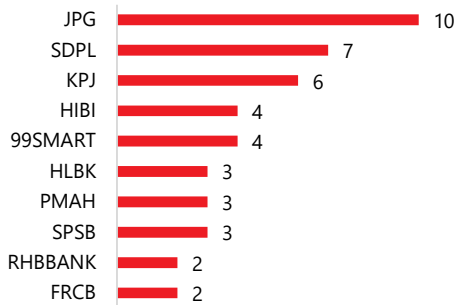
Source: AmInvestment Bank Bhd

EXHIBIT 16. Top stock count



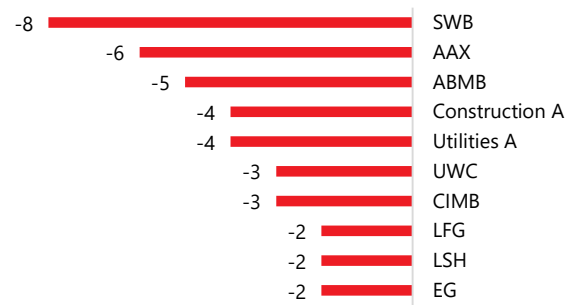
Source: AmInvestment Bank Bhd

EXHIBIT 17. Stock count (MoM addition)



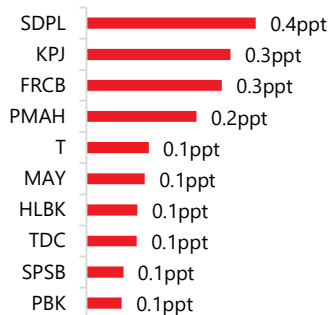
Source: AmInvestment Bank Bhd

EXHIBIT 18. Stock count (MoM reduction)



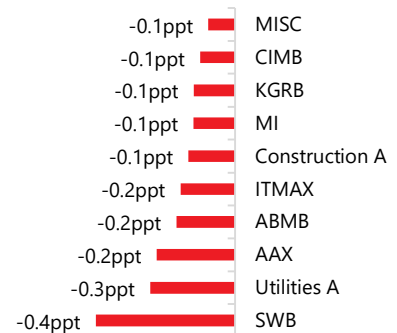
Source: AmInvestment Bank Bhd

EXHIBIT 19. MoM inflows



Source: AmInvestment Bank Bhd

EXHIBIT 20. MoM outflows



Source: AmInvestment Bank Bhd

EXHIBIT 21. Local Institutions' Fund Flow (New)

Net Flows by Sector (RMmn)		Jan-26	Feb-26	Mar-26
<i>Local Insti</i>	Plantations	-164.60	-58.80	-330.50
	Industrial	915.20	-463.82	-156.93
	Commodities	-79.10	-13.55	105.50
	Consumer	146.99	106.09	120.08
	Banks	-956.60	-344.76	913.70
	Financials	-8.55	-8.30	47.70
	Telcos	-9.50	36.70	369.50
	Tech	-85.68	34.11	-54.13
	EMS	-40.64	-12.97	-143.96
	Software	-104.03	-99.66	-15.42
	Construction	-121.60	-255.90	58.10
	Utilities	6.65	-406.37	-132.35
	Property	84.54	-74.93	83.09
	REITs	-13.60	0.52	-41.44
	Gaming	-36.94	-12.69	-97.56
	Travel	-8.40	8.00	-216.80
	Transport	-116.40	-262.20	-289.20
	Gloves	-39.27	-20.79	65.70
	Hospitals	61.70	-8.80	-625.80

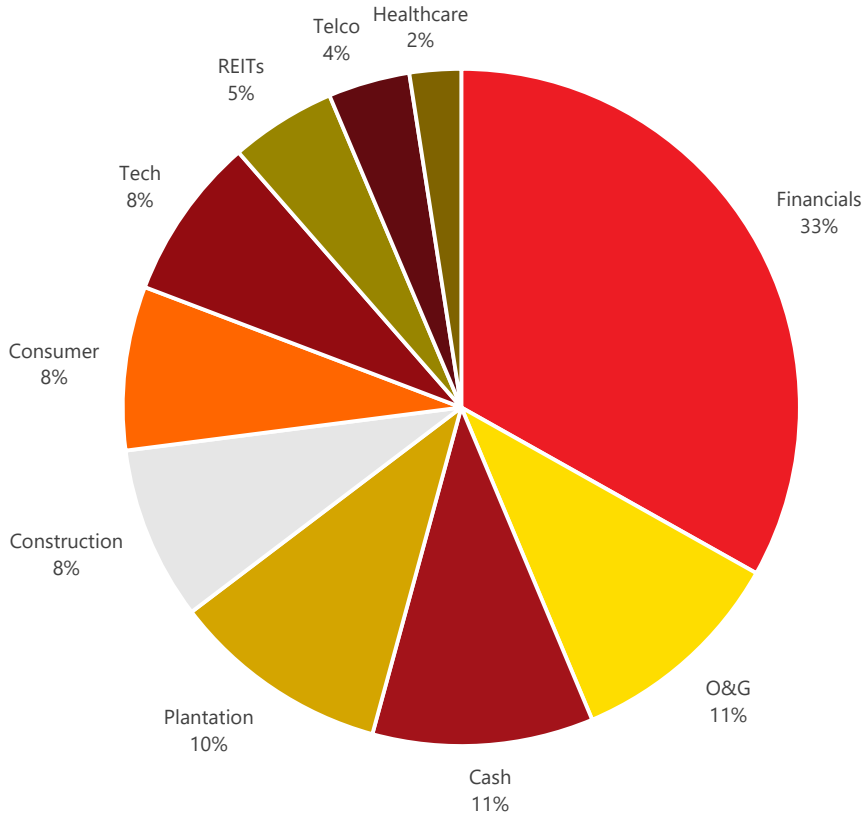
Source: AmInvestment Bank Bhd

EXHIBIT 22. Foreign Institutions' Fund Flow (New)

Net Flows by Sector (RMmn)		Jan-26	Feb-26	Mar-26
<i>Foreign Insti</i>	Plantations	7.90	21.80	-152.50
	Industrial	-1,680.30	21.70	-17.70
	Commodities	29.00	-19.70	-661.80
	Consumer	-169.61	-40.60	103.97
	Banks	-525.20	-7.30	86.60
	Financials	-41.50	-25.70	-50.10
	Telcos	1.00	37.30	27.10
	Tech	47.50	6.17	43.09
	EMS	55.60	52.60	135.90
	Software	72.58	155.64	168.84
	Construction	328.80	94.60	139.90
	Utilities	16.70	108.70	-47.90
	Property	-23.30	14.80	137.10
	REITs	-48.40	-38.20	-102.80
	Gaming	96.30	36.90	177.00
	Travel	-116.60	37.00	319.10
	Transport	-1.60	-13.50	-11.90
	Gloves	69.40	17.80	-102.00
	Hospitals	-44.50	-27.40	277.80

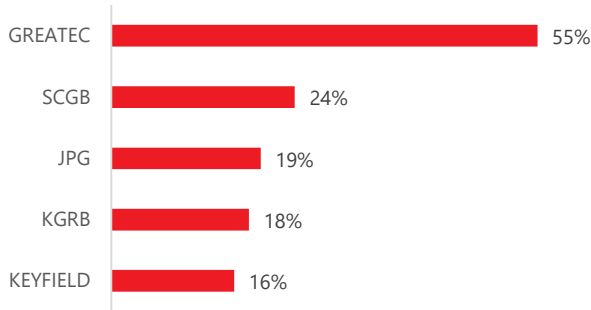
Source: AmInvestment Bank Bhd

EXHIBIT 23. Model Port sector allocation



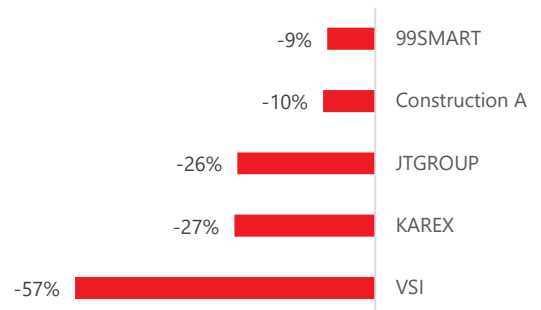
Source: AmInvestment Bank Bhd

EXHIBIT 24. Top 5 best performing holdings (YTD)



Source: AmInvestment Bank Bhd

EXHIBIT 25. Top 5 worst performing holdings (YTD)



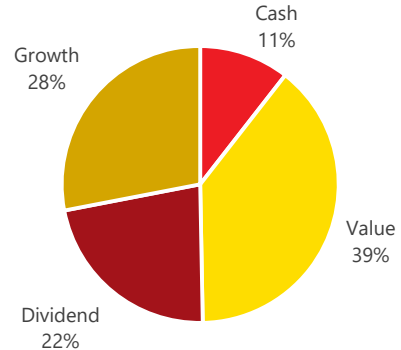
Source: AmInvestment Bank Bhd

EXHIBIT 26. Fund performance (since inception)



Source: AmInvestment Bank Bhd

EXHIBIT 27. Portfolio allocation



Source: AmInvestment Bank Bhd

EXHIBIT 28. Model Port

Companies	No. of shares (mil)	Base Price (RM)	Last Price as of 03 Mar 2026	Actual Value (RMmil)	%	Sector	Type
Cash (incl. Dividend)				31.6	10.5%	Cash	Cash
Hong Leong Financial Group Bhd	1.4	20.92	18.82	26.0	8.7%	Financials	Value
Hong Leong Bank Bhd	1.0	22.74	22.24	21.2	7.1%	Financials	Value
CIMB Group Holdings Bhd	2.7	7.99	7.69	20.9	7.0%	Financials	Dividend
Public Bank Berhad	4.2	4.87	4.70	19.9	6.6%	Financials	Value
MISC Bhd	1.6	8.80	8.35	13.2	4.4%	O&G	Dividend
Maxis Bhd	3.3	3.87	3.52	11.7	3.9%	Telco	Value
Sunway Construction Group Bhd	1.9	6.78	6.91	13.3	4.4%	Construction	Growth
RHB Bank Bhd	1.4	8.48	8.20	11.4	3.8%	Financials	Dividend
Johor Plantations Group Bhd	6.7	1.53	1.86	12.5	4.2%	Plantation	Value
Keyfield International Bhd	7.3	1.42	1.70	12.4	4.1%	O&G	Growth
SD Guthrie Bhd	1.6	5.64	6.30	9.9	3.3%	Plantation	Value
Kelington Group Berhad	1.7	4.87	6.03	10.2	3.4%	Tech	Growth
Sunway Real Estate Investment	3.2	2.43	2.50	8.1	2.7%	REITs	Dividend
IHH Healthcare Bhd	0.8	8.89	8.79	7.4	2.5%	Healthcare	Value
Pavilion Real Estate Investmen	3.9	1.85	1.82	7.1	2.4%	REITs	Dividend
Greotech Technology Bhd	3.7	1.90	2.45	9.1	3.0%	Tech	Growth
Construction A	1.7	4.15	4.43	7.4	2.5%	Construction	Growth
99 Speed Mart Retail Holdings	1.9	3.48	3.46	6.7	2.2%	Consumer	Growth
MR DIY Group M Bhd	3.7	1.71	1.63	6.1	2.0%	Consumer	Growth
Petronas Gas Bhd	0.3	18.14	17.88	6.0	2.0%	O&G	Dividend
VS Industry Bhd	20.2	0.31	0.21	4.1	1.4%	Tech	Growth
Karex Berhad	10.9	0.51	0.52	5.6	1.9%	Consumer	Growth
Spritzer BHD	2.0	2.72	2.56	5.0	1.7%	Consumer	Growth
Jati Tinggi Bhd	8.8	0.59	0.48	4.2	1.4%	Construction	Growth
IOI Corp Bhd	1.1	3.92	4.39	4.8	1.6%	Plantation	Value
Kuala Lumpur Kepong Bhd	0.2	19.24	21.38	4.1	1.4%	Plantation	Value
Total Portfolio Value				300.0			
			VALUE AS OF				
			31 DEC 2025	295.8			
			YTD Return	1.41%			
			FBM100 YTD	4.35%			
			FBMKLCI YTD	3.02%			

Source: AmInvestment Bank Bhd

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