AmInvestment Bank

Sector Report

04 Aug 2026

STRATEGY

Portfolio Pulse

Rationale for report: Market Strategy Update

Analyst (s)

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There Is No Alternative

We entered our latest marketing rounds expecting investors to be more cautious on technology after its sharp rally, believing valuations had become increasingly difficult to justify. Instead, the conversations pointed in the opposite direction. Buying appetite remains firm, not because investors are ignoring valuations, but because they see few credible alternatives capable of delivering comparable earnings growth. At the same time, the pullback in banks, despite largely unchanged fundamentals, has quietly created another compelling home for capital.

- **Technology remains the market's default trade.** Valuation concerns are becoming louder, but they have yet to translate into meaningful selling. Instead, investors increasingly view technology as a TINA (There Is No Alternative) trade, reflecting the lack of sectors with comparable earnings visibility and upgrade potential. Unless a new investment theme emerges, capital is likely to remain anchored in AI beneficiaries. We favour companies where earnings expectations can still move higher, namely Inari and Kelington, while V.S. Industry remains an attractive laggard with catch-up potential.

- **Liquidity should continue to underpin equities in 2H26.** The common thread from our marketing meetings was not a shortage of liquidity, but a shortage of ideas. EPF contributions remain steady, while fresh subscriptions into PNB products such as ASM and ASB 3 Didik continue to trickle into the market. Local institutional funds are also sitting on cash balances of around 6.9% of AUM (+0.5pp MoM) —neither excessively high nor low, but sufficient to support further deployment. With GLICs expected to remain net buyers into year-end, domestic liquidity should continue to provide an important cushion for the market.

- **Banks are becoming hard to ignore.** Funding for technology exposure has largely come from reducing positions in banks, leaving sector weightings at increasingly attractive levels. Since Mar 2026, weightage in Banks have moderated 4.9pp to 16.7% (excluding Shariah funds). Yet little has changed fundamentally. Asset quality remains resilient despite higher oil prices, capital management initiatives are intact and valuations have become more compelling following the recent correction. We encountered virtually no resistance to our overweight bank call during our marketing rounds. Coupled with attractive dividend yields and cheaper valuations relative to regional peers such as Singapore and Thailand, banks are well placed to attract both domestic reallocation and a revival in foreign interest.

- **AmResearch's model portfolio has returned 5.0% YTD.** This represents a 1.1pp outperformance vs. the FBM100 index. The portfolio gained 3.4pp MoM, with performance led by our high-conviction positions in technology, plantations, construction and banks. We continue to expect technology to sustain its relative outperformance, supported by resilient AI-driven earnings momentum. At the same time, our 33% allocation to financials leaves us well positioned to benefit from any rotation into banks, which have underperformed recently despite largely intact fundamentals.

Top picks

Sorted by market cap

CIMB Group
BUY, TP: RM10.30 (+35%)
Market cap: RM86.6bil

Hong Leong Bank
BUY, TP: RM28.00 (+32%)
Market cap: RM47.9bil

Maxis
BUY, TP: RM4.45 (+26%)
Market cap: RM28.7bil

Hong Leong Financial Group
BUY, TP: RM33.00 (+83%)
Market cap: RM21.2bil

Greatech
Buy, TP: RM3.30 (+40%)
Market cap: RM2.51bil

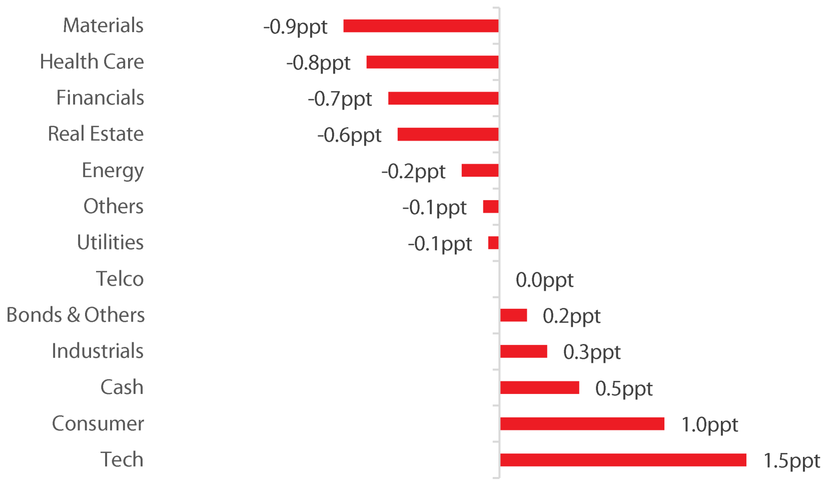
Keyfield
BUY, TP: RM1.80 (+31%)
Market cap: RM1.2bil

V.S. Industry
BUY, TP: RM0.70 (+214%)
Market cap: RM908mil

Karex
BUY, TP: RM0.60 (+24%)
Market cap: RM521mil

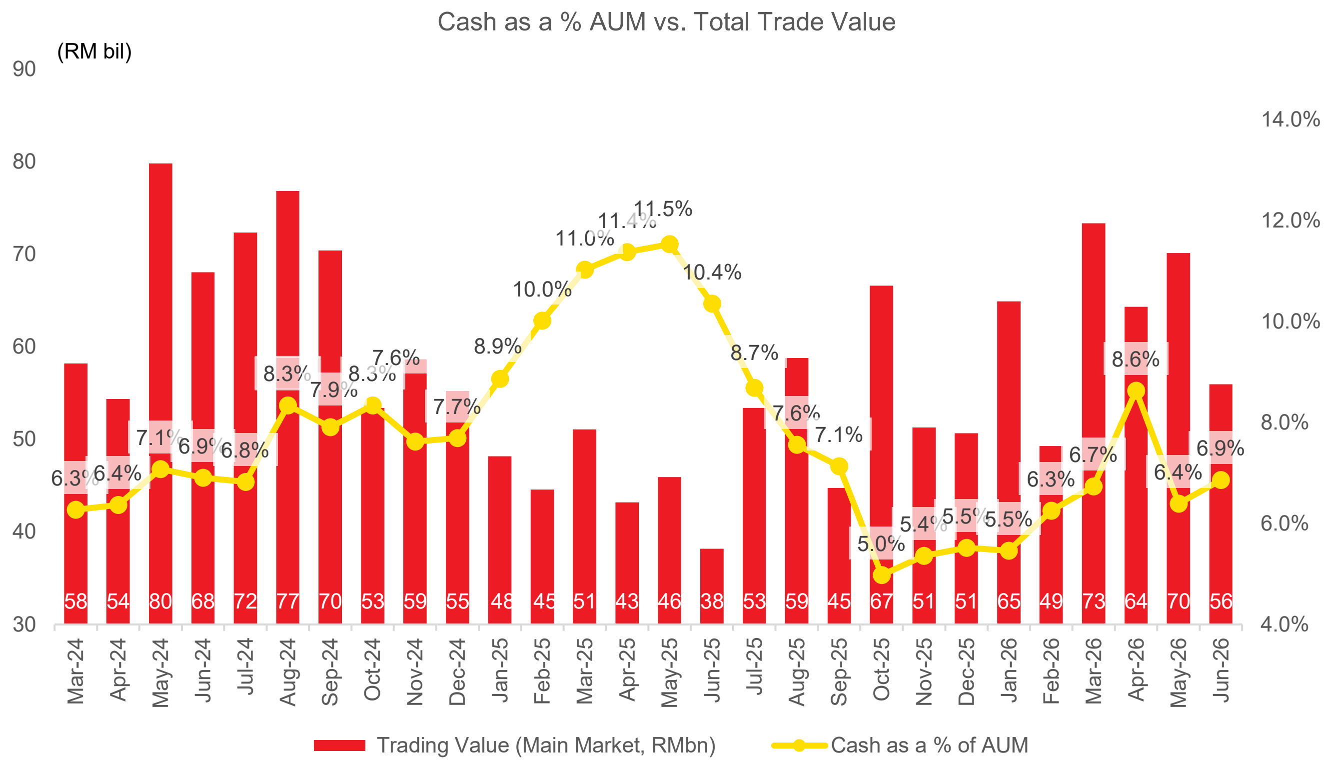
Jati Tinggi
BUY, TP: RM1.00 (+35%)
Market cap: RM332mil

EXHIBIT 1. MoM Change



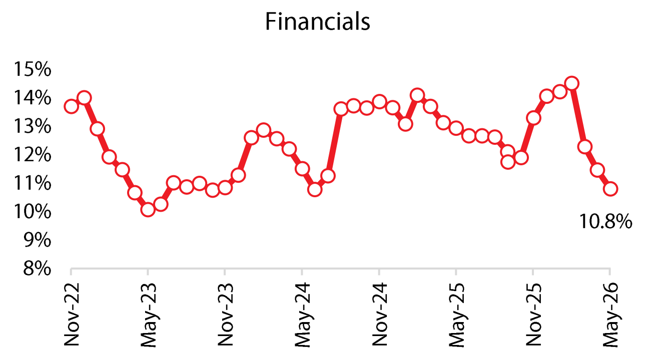
Source: AmInvestment Bank Bhd

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



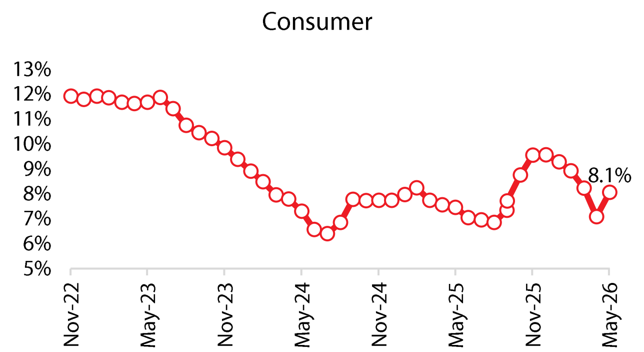
Source: AmInvestment Bank Bhd

EXHIBIT 3. Financials as a % of AUM



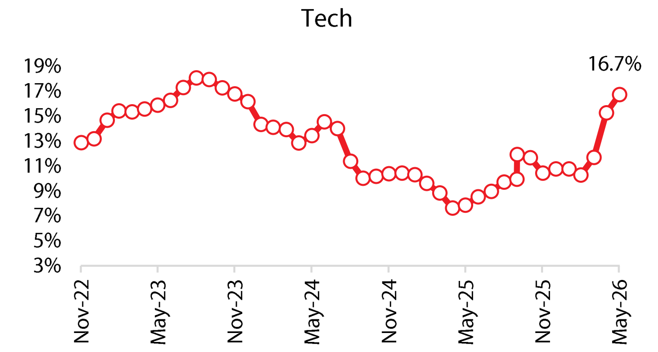
Source: AmInvestment Bank Bhd

EXHIBIT 4. Consumer as a % of AUM



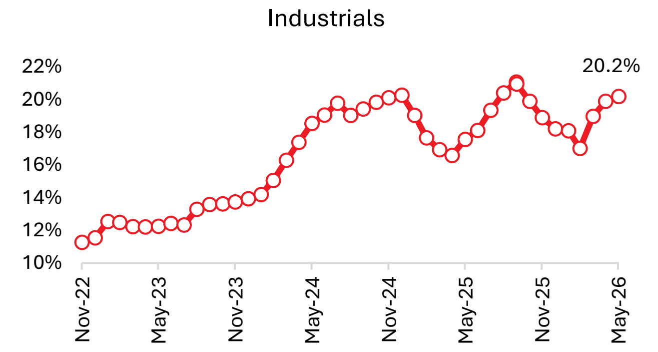
Source: AmInvestment Bank Bhd

EXHIBIT 5. Tech as a % of AUM



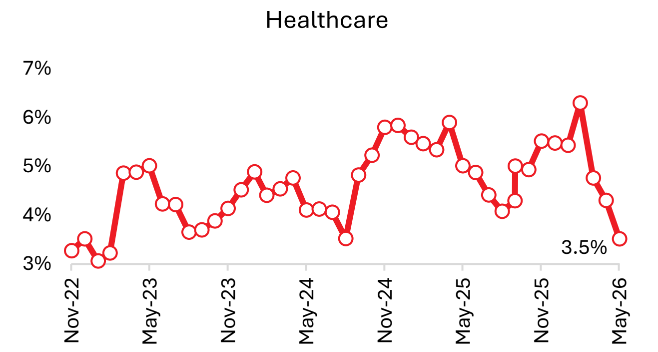
Source: AmInvestment Bank Bhd

EXHIBIT 6. Industrials as a % of AUM



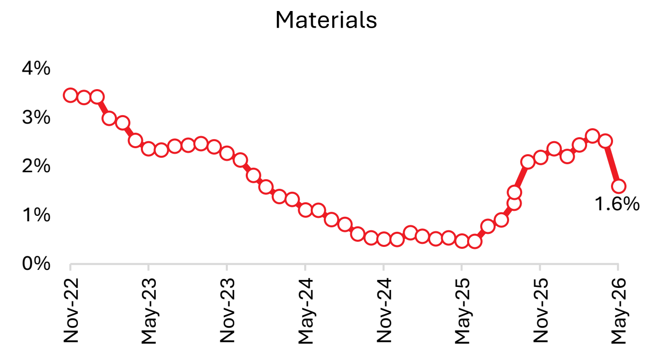
Source: AmInvestment Bank Bhd

EXHIBIT 7. Healthcare as a % of AUM



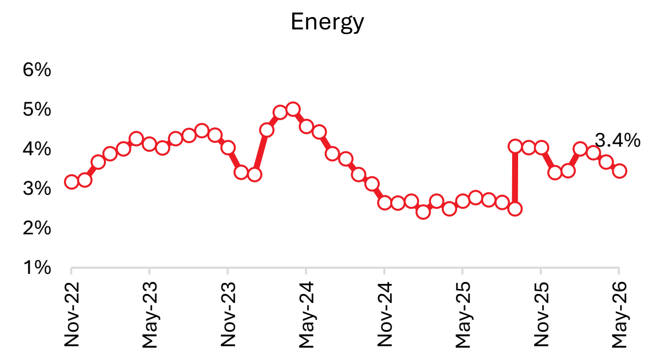
Source: AmInvestment Bank Bhd

EXHIBIT 8. Materials as a % of AUM



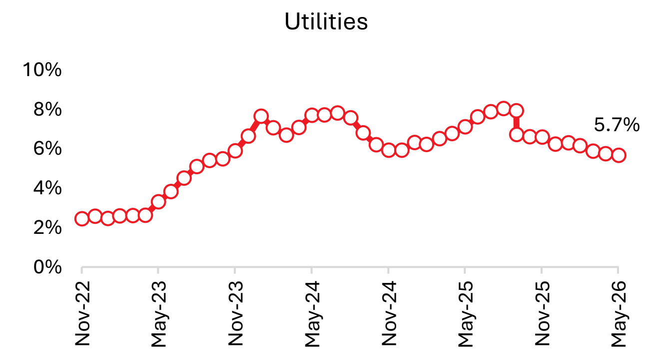
Source: AmInvestment Bank Bhd

EXHIBIT 9. Energy as a % of AUM



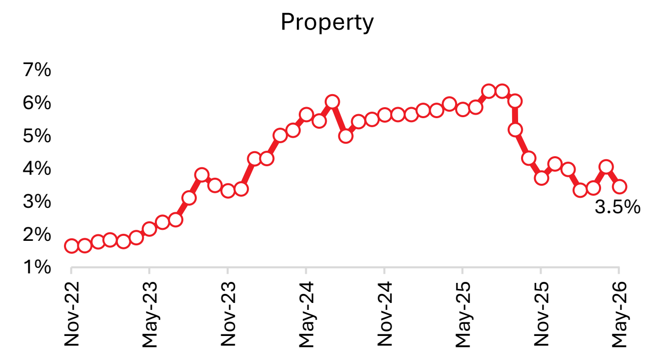
Source: AmInvestment Bank Bhd

EXHIBIT 10. Utilities as a % of AUM



Source: AmInvestment Bank Bhd

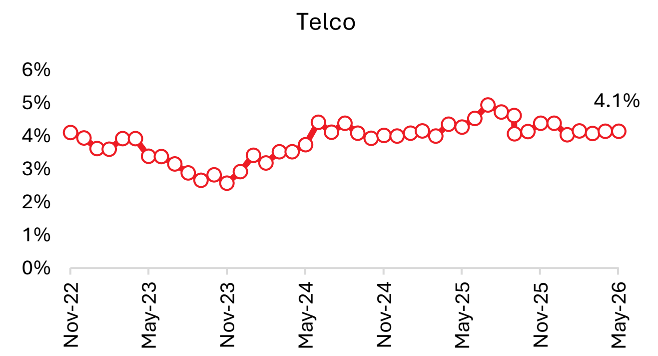
EXHIBIT 11. Property as a % of AUM



[1)] Inclusive of REITs

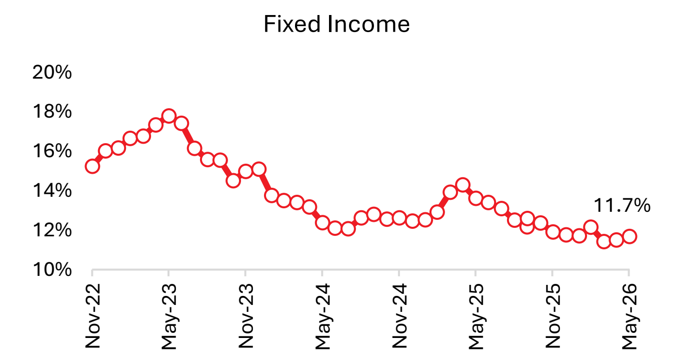
Source: AmInvestment Bank Bhd

EXHIBIT 12. Telco as a % of AUM



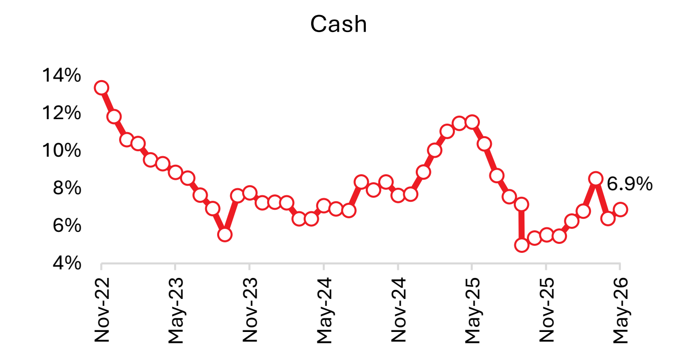
Source: AmInvestment Bank Bhd

EXHIBIT 13. Fixed income as a % of AUM



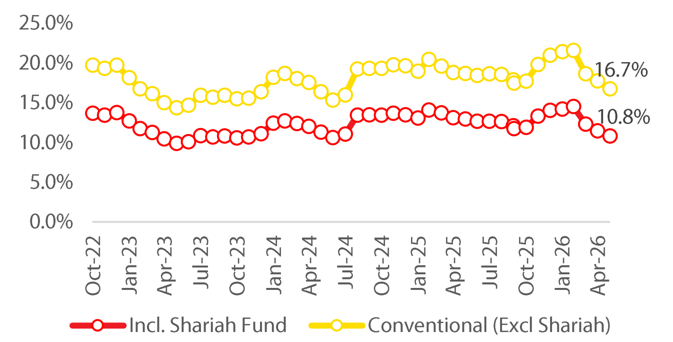
Source: AmInvestment Bank Bhd

EXHIBIT 14. Cash as a % of AUM



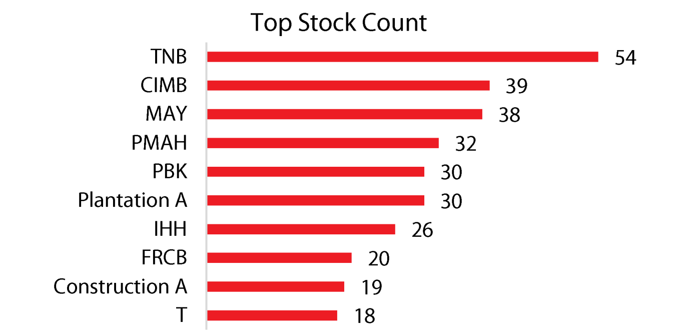
Source: AmInvestment Bank Bhd

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



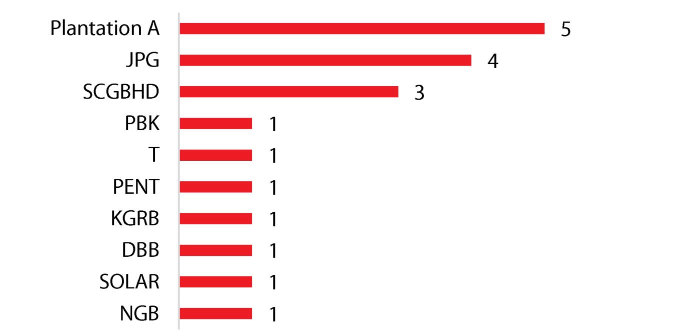
Source: AmInvestment Bank Bhd

EXHIBIT 16. Top stock count



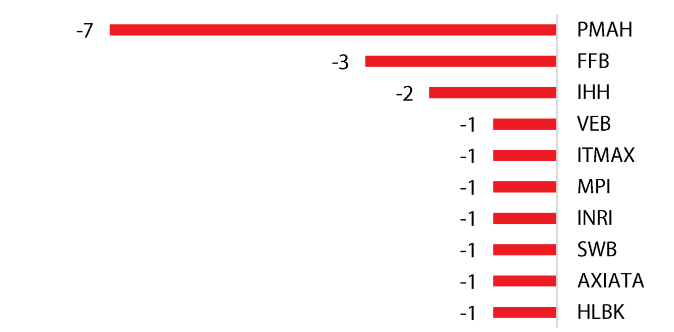
Source: AmInvestment Bank Bhd

EXHIBIT 17. Stock count (MoM addition)



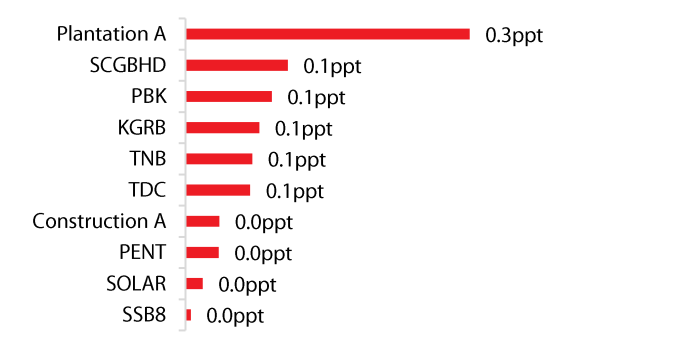
Source: AmInvestment Bank Bhd

EXHIBIT 18. Stock count (MoM reduction)



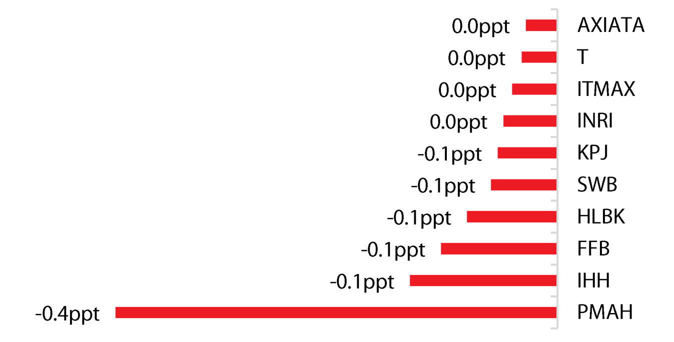
Source: AmInvestment Bank Bhd

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	Apr-26	May-26	Jun-26
Local Insti	Plantations	-164.6	-58.8	-330.5	-362.1	91.3	91.9
	Industrial	915.2	-463.8	-156.9	67.4	319.9	46.8
	Commodities	-79.1	-13.6	105.5	-68.1	340.8	259.2
	Consumer	147.0	106.1	120.1	91.4	622.6	121.4
	Banks	-956.6	-344.8	913.7	-979.8	-207.4	887.3
	Financials	-8.6	-8.3	47.7	7.3	-12.3	-11.5
	Telcos	-9.5	36.7	369.5	141.8	224.0	305.1
	Tech	-85.7	34.1	-54.1	389.4	195.4	-28.1
	EMS	-40.6	-13.0	-144.0	-81.4	-63.8	-63.7
	Software	-104.0	-99.7	-15.4	-54.7	-61.6	-55.9
	Construction	-121.6	-255.9	58.1	255.7	291.8	305.8
	Utilities	6.7	-406.4	-132.4	305.8	887.9	110.5
	Property	84.5	-74.9	83.1	74.5	81.0	84.4
	REITs	-13.6	0.5	-41.4	74.7	40.9	-45.6
	Gaming	-36.9	-12.7	-97.6	-9.3	-34.3	-24.9
	Travel	-8.4	8.0	-216.8	-103.2	-55.3	27.2
	Transport	-116.4	-262.2	-289.2	313.6	-42.6	-84.3
	Gloves	-39.3	-20.8	65.7	247.6	26.3	-66.8
	Hospitals	61.7	-8.8	-625.8	-333.1	144.4	157.8

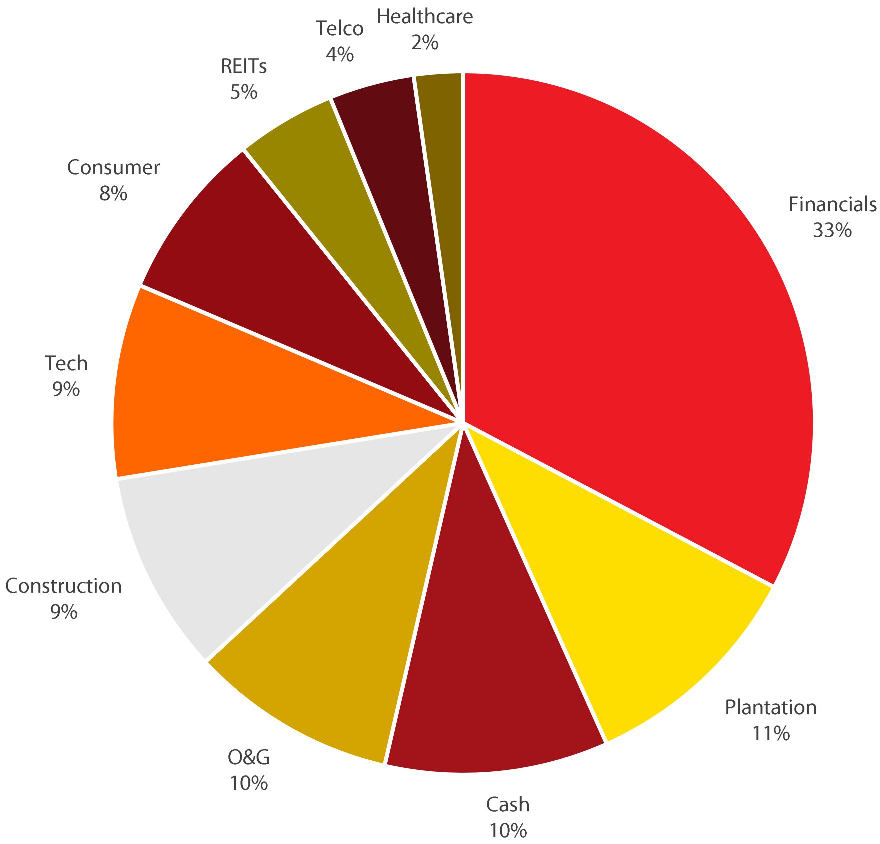
Source: Dibots, AmInvestment Bank Bhd

EXHIBIT 22. Foreign Institutions' Fund Flow (New)

	Net Flows by Sector (RMmn)	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
Foreign Insti	Plantations	162.8	26.4	529.8	381.9	-167.0	-105.9
	Industrial	737.0	439.6	197.6	18.1	-250.2	-85.4
	Commodities	48.1	42.9	523.7	382.2	-414.3	-202.4
	Consumer	33.0	-55.6	-212.8	-273.7	-1,006.9	-214.1
	Banks	1,490.7	172.2	-902.0	489.3	-337.7	-1,162.4
	Financials	52.8	35.3	6.1	7.6	11.6	-1.6
	Telcos	9.8	-105.3	-387.0	-187.8	-317.8	-358.3
	Tech	37.1	-34.3	8.9	248.0	618.3	371.4
	EMS	-19.5	-38.7	4.9	-22.8	83.3	78.6
	Software	39.5	-60.0	-147.5	25.0	-34.4	14.0
	Construction	-265.7	137.7	-220.2	-112.9	-380.4	-246.4
	Utilities	-44.1	268.5	139.1	-4.5	-738.0	-45.2
	Property	-40.6	49.7	-183.8	-69.6	-106.8	-149.6
	REITs	63.1	37.0	117.3	-25.2	-41.6	35.4
	Gaming	-61.0	-17.6	-105.2	-36.2	-38.0	-61.9
	Travel	97.6	-73.3	-92.1	-16.4	-48.4	0.3
	Transport	118.2	273.1	303.5	-315.4	36.1	86.0
	Gloves	-33.0	0.7	33.2	-87.9	11.6	-23.0
	Hospitals	-18.4	38.2	358.1	48.4	-207.4	-155.1

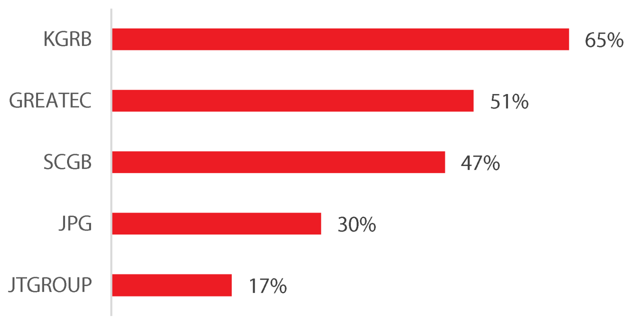
Source: Dibots, AmInvestment Bank Bhd

EXHIBIT 23. Model Port sector allocation



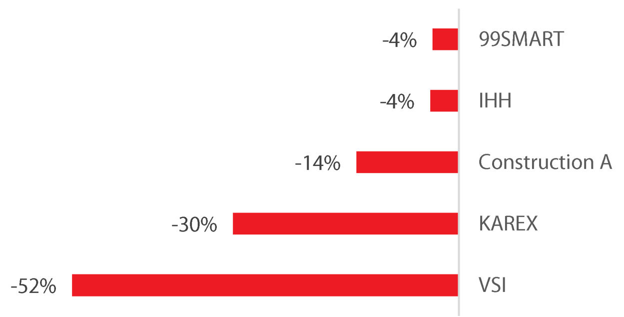
Source: AmInvestment Bank Bhd

EXHIBIT 24. Top 5 best performing holdings (YTD)



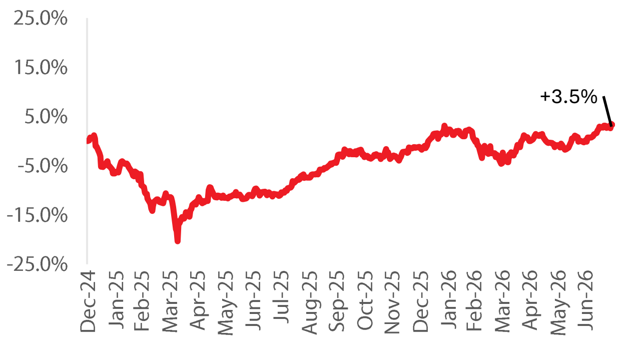
Source: AmInvestment Bank Bhd

EXHIBIT 25. Top 5 worst performing holdings (YTD)



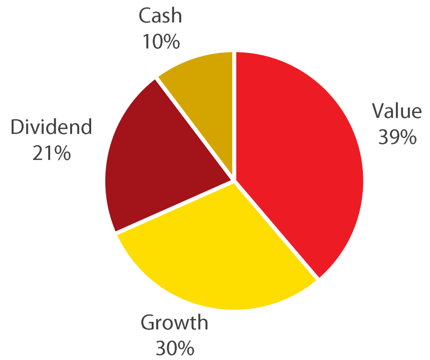
Source: AmInvestment Bank Bhd

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 31 July 2026	Actual Value (RMmil)	%	Sector	Type
Cash (incl. Dividend)				31.9	10.3%	Cash	Cash
Hong Leong Financial Group Bhd	1.4	20.92	18.48	25.6	8.2%	Financials	Value
Hong Leong Bank Bhd	1.0	22.74	22.16	21.1	6.8%	Financials	Value
CIMB Group Holdings Bhd	2.7	7.99	7.83	21.3	6.9%	Financials	Dividend
Public Bank Berhad	4.2	4.87	5.15	21.8	7.0%	Financials	Value
MISC Bhd	1.6	8.80	8.21	13.0	4.2%	O&G	Dividend
Maxis Bhd	3.3	3.87	3.66	12.2	3.9%	Telco	Value
Sunway Construction Group Bhd	1.9	6.78	7.95	15.3	4.9%	Construction	Growth
RHB Bank Bhd	1.4	8.48	8.54	11.9	3.8%	Financials	Dividend
Johor Plantations Group Bhd	6.7	1.53	2.02	13.6	4.4%	Plantation	Value
Keyfield International Bhd	7.3	1.42	1.46	10.7	3.4%	O&G	Growth
Plantation A	1.6	5.64	6.58	10.4	3.3%	Plantation	Value
Kelington Group Berhad	1.7	4.87	8.42	14.3	4.6%	Tech	Growth
Sunway Real Estate Investment	3.2	2.43	2.25	7.3	2.3%	REITs	Dividend
IHH Healthcare Bhd	0.8	8.89	8.35	7.0	2.3%	Healthcare	Value
Pavilion Real Estate Investmen	3.9	1.85	1.79	7.0	2.2%	REITs	Dividend
Greatech Technology Bhd	3.7	1.90	2.39	8.8	2.8%	Tech	Growth
Construction A	1.7	4.15	4.24	7.1	2.3%	Construction	Growth
99 Speed Mart Retail Holdings	1.9	3.48	3.64	7.1	2.3%	Consumer	Growth
MR DIY Group M Bhd	3.7	1.71	1.59	5.9	1.9%	Consumer	Growth
Petronas Gas Bhd	0.3	18.14	17.62	5.9	1.9%	O&G	Dividend
VS Industry Bhd	20.2	0.31	0.24	4.7	1.5%	Tech	Growth
Karex Berhad	10.9	0.51	0.49	5.3	1.7%	Consumer	Growth
Spritzer BHD	2.0	2.72	3.03	5.9	1.9%	Consumer	Growth
Jati Tinggi Bhd	8.8	0.59	0.76	6.6	2.1%	Construction	Growth
IOI Corp Bhd	1.1	3.92	4.45	4.8	1.6%	Plantation	Value
Kuala Lumpur Kepong Bhd	0.2	19.24	21.00	4.0	1.3%	Plantation	Value
Total Portfolio Value				310.5			
			VALUE AS OF 31 DEC 2025	295.8			
			YTD Return	4.97%			
			FBM100 YTD	3.87%			
			FBMKLCI YTD	2.52%			

Source: AmInvestment Bank Bhd

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