



Malaysia

3.5 Stars - Attractive ★★☆☆☆

Macro Outlook

- Economic recovery should extend to 1H with further improvement in the Domestic Consumption and Manufacturing sectors.
- Monetary policy can remain accommodative, as inflation remains tame and is expected to stabilise over the next few years. GDP is expected to grow at 5.7% in 2022.

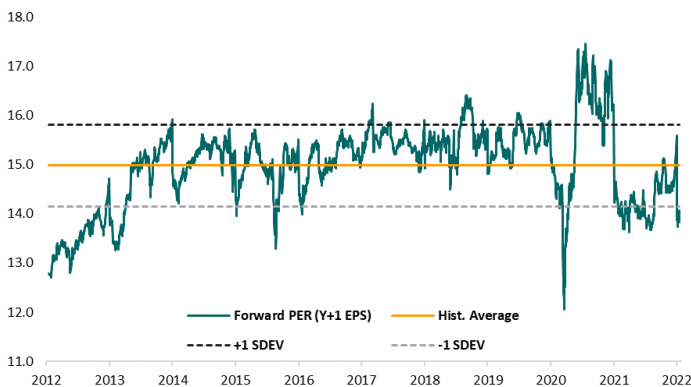
What we like about

- Improving macro outlook reinforced by recent waves of upgrades in GDP estimates.
- Reasonable valuation levels. Forward PE ratio remains below our target fair PE ratio.
- Strong broad-based earnings rebound except Healthcare and Plantation sectors.

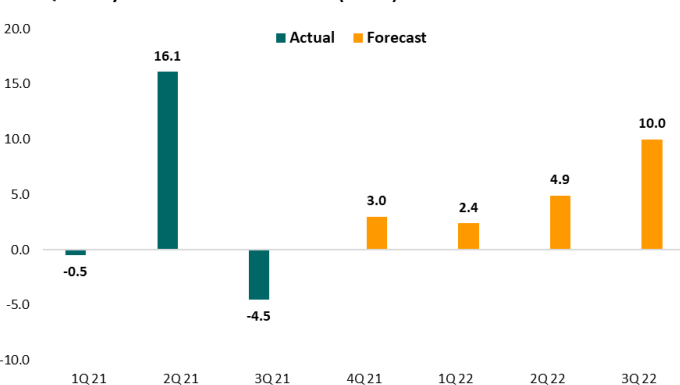
Investment Risk(s)

- Resurgence in political risks, as a national election may be called later this year.
- Near-term outlook and demand for equities of various sectors (e.g. real estate) may be negatively affected by upcoming elections.

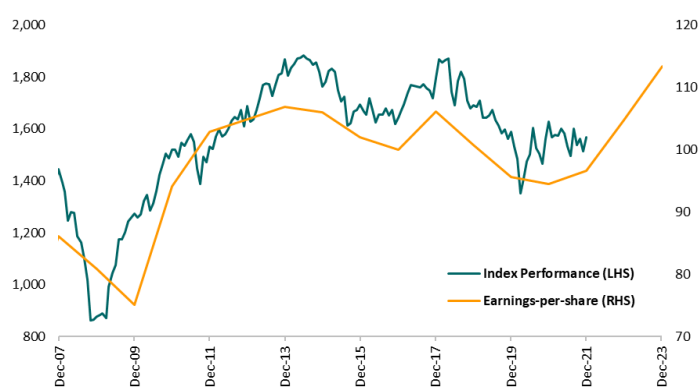
FTSE Bursa Malaysia KLCI Index Forward PE Ratio (x)



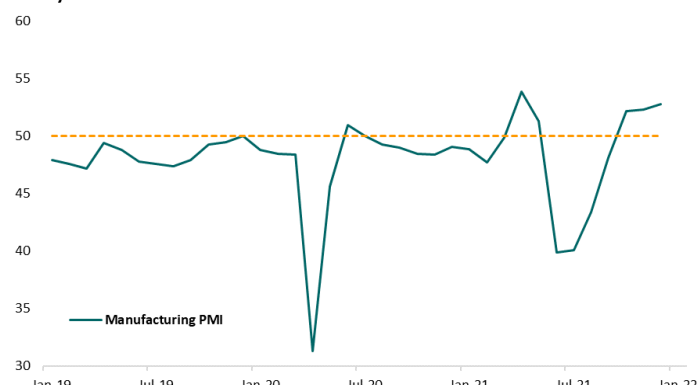
Real Quarterly GDP - Actual and Forecast (YoY %)



Malaysia Equity (KLCI Index) Price vs EPS



Malaysia Market PMI



Source : Bloomberg Finance L.P, iFAST compilations. Data as of Jan 2022.

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