

2026 Yearbook



 **AmWealth**

Group Wealth Management

EXECUTIVE SUMMARY

From Managing Director, Group Wealth Management



In the Keynote of our yearbook last year, we stated that ‘...challenges and opportunities in 2025, when geopolitics will shape global markets....’ The ripple effects proved to be more amplified than expected and 2025 will be remembered as the year when global structural changes began.

A great deal occurred in the USA from immigration crackdowns to the longest government shutdown. However, the main action which impacted the world was Trump’s ‘Liberation Day’ on 2 April 2025 when he announced sweeping tariffs up to 49%. This severely impacted capital markets and upended global trade which drove global growth for decades. Following negotiations, various trade deals were struck and the world attained a new normalised state, which is of higher uncertainty and increased policy & political risk.

For this 2026 Yearbook, we have included a Feng Shui Perspective. We greet the Fire Horse which will lead us to an ‘Expansion Year’ – do read Master Kenny Hoo’s predictions.

Looking into 2026, on US equities we are positive on technology driven by Artificial Intelligence (“AI”) related investments and usage. The broader market will benefit from lower inflation due to lower energy prices and a more dovish Federal Reserve with the appointment of a new Fed Chairman in May 2026. While valuations are elevated, they are not at ‘bubble’ levels.

We are positive on Asia, due to policy support, stable inflation and its robust technology sector. Hence further foreign inflows are expected in 2026, with currency appreciation boosting returns.

China concluded its fourth plenum in October 2025 and will begin its next five year plan in 2026 with one of the key targets being in the mid-range of a developed nation by end 2035. This implies annual Gross Domestic Product (“GDP”) growth of some 4.5%. India with the world’s largest population will be supported by accommodative Goods and Services Tax (“GST”) cuts and easing monetary conditions. A trade deal with the US will also spur India’s markets. Technology heavy Korea and Taiwan will continue to benefit from Artificial Intelligence (“AI”) investments.

Back home, Malaysian equities will likely benefit from foreign flows as monies are deployed to higher yielding assets with US interest rate cuts. Fiscal discipline and appropriate monetary policy action will anchor Malaysia’s capital markets. Visit Malaysia Year 2026 will be a catalyst for tourism related sectors with spillover to the broader economy.

It is an honour to announce that AmInvest has received 34 awards in 2025, an increase of two from last year. These awards are a testimony to our continued focus on excellence and our strong and dynamic team.

I thank all our clients and partners for your support as we undertook our exercise to consolidate the wealth management offerings of AmBank Group under Group Wealth Management in 1H2025. We look forward to offering you a more comprehensive range of wealth products and services. Thank you!

Wee Peng

Goh Wee Peng

Managing Director,
Group Wealth Management, AmBank Group

AmInvest’s 5 Key investment Themes:



US
Equities



Malaysian
Equities



China
Equities



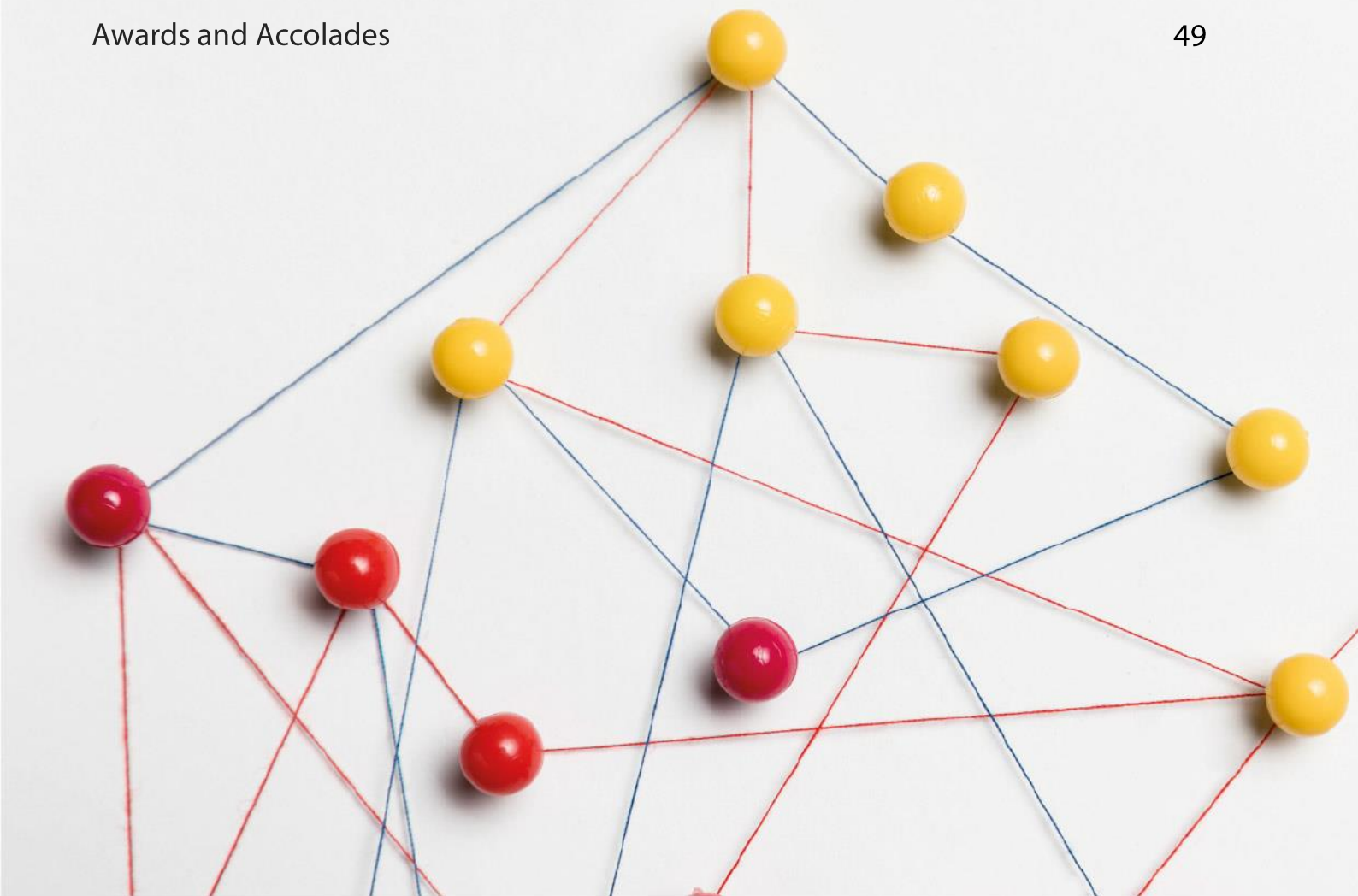
Diversified



Income
Generation

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2026 YEAR OF THE FIRE HORSE: ***A Feng Shui Perspective***

By Master Kenny Hoo

Good Feng Shui® Holdings Sdn. Bhd.



2026 is proudly defined as "The Year of Expansion" (拓展年) by Master Kenny Hoo of Good Feng Shui® Group, derived from the integrated analysis of the annual Yi Jing, BaZi chart, and 64-Gua formations. This powerful convergence of metaphysical indicators signals a year characterised by accelerated growth, breakthrough innovation, and widespread opportunities across all sectors

Master Kenny foresees that every major industry and discipline will enter a phase of swift expansion in 2026. New waves of high technology and smart innovation will continue to uplift global lifestyles. People will enjoy greater convenience, enhanced connectivity, and smarter solutions at increasingly affordable costs. Technologies such as the artificial intelligence of things (AIoT) and the internet of things (IoT) will infuse "new life" and intelligence into both existing and emerging products and services, driving new ecosystems and business models to flourish.

For investors, the combination of bold Fire energy and the swift agility of the Horse presents rare, life-changing opportunities, especially for those who adopt wise, well-timed, and forward-looking wealth strategies.

Metaphysically, Metal and Water emerge as the most auspicious and influential elements of 2026. Acting as harmonising mediators, they help integrate and amplify supportive Qi throughout the year. Their synergy brings benefits across key life domains, including business expansion, career advancement, health improvement, strengthened relationships, and stronger financial stability, even amid global uncertainties. Investors who understand and align with these elemental forces can enjoy better clarity, smoother decision-making, and heightened success rates.

Industries will further flourish, with new products and services emerging through advanced tech like AI, AIoT, Cloud, Fintech, Biotech, Humanoid, Renewable Energy, Green Tech, enhancing living standards.

2026 Investment Outlook: Turbulence, Triumphs & Timely Opportunities

From the Good Feng Shui® perspective, 2026 is a year of dynamic, fluctuating Qi. This means more market movements, downwards and upwards, yet it also signals abundant opportunities for prepared investors.

Introduction: 2026 is an "Expansion Year" (拓展年) (cont.)

Major global stock indices are expected to achieve multiple new all-time highs, especially around the auspicious months of:

- **January 2026**
- **April 2026**
- **June 2026**
- **October 2026**
- **January 2027**

Volatility will be pronounced, but this is exactly what creates the Golden Timing Windows for wise investors to buy quality assets during pullbacks. Those who understand both market cycles and Feng Shui timing will be able to capitalise on these dips at favourable prices, managing risks while positioning for premium gains.

Thus, we foresee the main focus of economic growth in 2026 will be in Asia, led by China and Southeast Asia regions.

Specific Good Feng Shui® Predictions for the 2026 Expansion Year

As we journey into 2026, the Expansion Year shaped by the combo of annual Bazi, "Ze Feng Da Guo" Gua, the powerful 9th Feng Shui Grand Cycle energies, and the dynamic interplay of Annual Flying Stars, the global Qi field continues to shift, surge, and re-align. This is a year where Heaven, Earth, and Humanity energies intertwine to create both tremendous opportunities and equally meaningful lessons.

Global & Regional Outlook

Aligning with the New International Order, the 20-year 9th Feng Shui Grand Cycle (2024-2043, Strong Fire element cycle), and 2026's strong Fire year elements, investment highlights lie in Fire-related high-tech: Semiconductors, AI, AIoT, memory chips, robotic, biotechnology, and energy.

With the most auspicious Qi that arrives at the Wood-element East and Southeast regions, especially China's economic recovery in 2026, are poised to lead Southeast Asia and global growth positively. With the auspicious influence from the One White Star throughout the year, China's economy is foreseen to revive in 2026 and to lead especially SEA towards more positive and progressive developments.



The Rise of ASEAN in the 9th and 1st Feng Shui Grand Cycles

As we journey deeper into the prosperous 9th Feng Shui Grand Cycle (2024–2043), and gradually approach the rejuvenating 1st Feng Shui Grand Cycle (2044–2063), the world's Qi is undergoing a remarkable shift and we are officially in the New International Order now.

The center of auspicious energy is clearly gravitating towards Asia and this will be observed and seen clearer in 2026. This powerful current, ignited from the lands of China moving southern direction via the Himalayan dragon veins, cascades energetically towards Southeast Asia, forming one of the most vibrant Feng Shui belts in this modern times.

Over the past two years, we have already observed Southeast Asia stirring with renewed economic vitality. What was once a region of potential is now transforming into one of the world's most dynamic growth engines. With the ASEAN Economic Community (AEC) Strategic Plan 2026–2030, the region stands at the threshold of an exciting new era, charting a confident course towards becoming the world's 4th largest economy.

According to the Good Feng Shui® Group's systematic and holistic analysis, ASEAN's upward Qi momentum is so strong that it may even surpass expectations to emerge as the 3rd largest global economy by 2030, trailing only China and the US. This is not a far-fetched dream, it is a highly attainable reality sitting just less than 50 months away.

Contrasting Energies Across Asia

Although South Asia, especially India, Indonesia, Thailand and Philippines, will continue to develop vigorously, the year 2026 brings challenges. The overly strong Fire combination in 2026 may bring severe weather patterns, natural disasters, and political tensions that may slow the growth momentum there.

China's economic is foreseen to revive in 2026. The latest official launch of Hainan Free Trade Port offers unprecedented, great business opportunities in this region. China and the Southeast Asian nations will adopt a more introspective strategy, strengthening domestic demand, deepening regional cooperation, and championing sustainable development. This inward-outward (Yin and Yang) balance will help stabilise the region's mutually long-term sharing of resources and prosperity.

In contrast, Japan and several European economies may continue to face structural pressures and demographic challenges throughout 2026, with signs of genuine recovery more likely only after October 2026, when the Qi cycle there becomes more favourable.



Country Outlook – United States (US)

As we move deeper into the transformational energies of the 9th Feng Shui grand cycle, the Western sector, symbolically represented by the US, continues to shine brightly in the global energy map. In 2026, the nation's Bazi reveals a fiery surge of creativity and technological brilliance, well supported by Metal elements symbolising structure, innovation, and global leadership. This powerful combination allows the US to project a vibrant, influential Qi that still commands the world's attention.

In the annual Flying Star chart, several auspicious stars related to intelligence, digital advancement, and market expansion gather in the West, boosting America's role as a global innovator. This is why, despite uncertainties, we foresee the US financial markets achieving numerous fresh all-time highs, driven by strong momentum in technology, AI, renewable innovations, and advanced industries.

Yet in Feng Shui, strong radiance does not come without shadows. In 2026, the inauspicious 3-Green Star, a star associated with arguments, disputes, misunderstandings, legal entanglements, and internal turbulence, flies directly into the Western sector. Because the West governs not only Metal energy but also symbolically represents the US, this star will stir up agitation and confrontational Qi throughout the year.

Due to the Wood-Metal clash scenario, we foresee in 2026, the US will have more heated disputes and political confrontations, increased social tensions and ideological clashes, legal challenges and policy conflicts, and stronger internal competition among leaders and institutions.

The presence of the 3-Green Star amplifies the clash between Fire and Metal in the US. This intensify emotional volatility, impatience, and reactive decision-making. This "storm beneath the surface" may create unpredictable waves that ripple through global markets, contributing to sudden fluctuations, corrections and investor unease.

But as every Good Feng Shui® practitioner knows, challenges are not punishments, they are catalysts.

Even as the 3-Green Star provokes arguments and disturbances, the US stock market will still display remarkable vitality. We foresee multiple bullish surges with clear, powerful bursts of good Qi (e.g. in January, April, June, October, 2026 and January 2027), lifting major indices to impressive new highs. These achievements reflect the country's strong innovative spirit and resilience during the 9th Feng Shui Grand Cycle.



Country Outlook – United States (US) (cont.)

However, investors must be psychologically prepared for several sharp corrections, some triggered by unexpected political or social disruptions intensified by the 3-Green Star's influence. These dips may feel dramatic, but they are part of the natural cosmic rhythm - a cleansing, a rebalancing, a chance to reposition.

From a Good Feng Shui® viewpoint, these fluctuations represent the Market Phoenix shedding old feathers to grow new ones.

Thus, the US in 2026 is a radiant yet restless Western star: brilliant in its achievements, challenged in its internal energies, but ultimately rising through both light and shadow.

The US will show flashes of strength, innovation, and economic resilience in 2026. However, the deep-rooted concerns, such as mounting national debt, stubbornly high unemployment rates, internal political divisions, and rising security threats, will continue to cast long shadows on its sustainability. These uncertainties will contribute to global economic jitters and market volatility. However, we foresee the US stock market will perform extremely well, with multiple all-time-highs to be recorded. However, there will be multiple corrections that may wary the investors much.

Country Outlook - Malaysia



Agriculture & Regional Outlooks

Unpredictable weather in the Fire Horse Year may affect crop yields, especially in southern, eastern and northern regions during February, May, June, August, and December, facing unstable conditions like floods, storms, or droughts. However, the year is still forecast to be generally bountiful, particularly in eastern regions like East Malaysia.

Malaysia's Golden Opportunity: Riding the Dragon Vein of Southeast Asia

With the new shift of Feng Shui grand cycle began in 2024, the years of 2024 and 2025 were the transitional phases in various fields in Malaysia. Thus, there were dissatisfaction and uncertainty in the process of the formation for a better nation, for all. Malaysia's strategic geography forms a very auspicious Feng Shui landform, and moreover with the currently activated and valid Himalayan dragon vein, the good Qi accumulates here effectively. With harmonious multicultural society, strong talent pool, the country sits at the crossroads of major good Qi channels flowing through the region. This will trigger unlimited good opportunities for the nation.

Country Outlook – Malaysia (cont.)

The completion and activation of major national mega-infrastructure projects provide an even stronger energetic and economic foundation:

- The East Coast Rail Link (ECRL) - a 665km modern rail corridor seamlessly linking Kota Bharu to Port Klang, invigorating the East Coast's economic Qi flow.
- The Pan-Borneo Highway - stretching 2,083km across Sarawak and Sabah, reconnecting long-separated towns and stimulating inter-state socio-economic and education growths across East Malaysia.
- Rapid Transit System (RTS) Link - it eases traffic jams of Johor Bahru-Singapore, boosts economic growth by integrating economies, creating jobs, stimulating property development, fostering tourism, and offering a greener, reliable travel alternative.
- Penang LRT (Mutiara Line) project - to ease severe traffic congestion, boost economic growth, and create a greener city by providing efficient, eco-friendly transport connecting the airport, Silicon Island, Komtar, and Penang Sentral. It serves as the backbone for Penang's Transport Master Plan besides enhancing regional connectivity for residents and investors.

These projects are not merely physical developments. They are powerful “Qi conduits” that harmonize the Malaysia's internal energy circulation, bringing unprecedented opportunities in trade, logistics, tourism, manufacturing, education, talent mobility, etc.

The excellent Qi in the 9th Feng Shui grand cycle helps Malaysia moving towards a greater nation. With high expectation of an improved governance structures and clearer long-term economic blueprints, Malaysia is exceptionally well-positioned to absorb and amplify the positive Qi generated within the ASEAN region. This synergy promises abundant, borderless opportunities in the years ahead, from 2026 onward.

Sectoral Outlook

1. Property Market: Rising Qi and Expanding Foundations

The property sector in 2026 enjoys a renewed breath of auspicious Qi, especially across West Malaysia, the West Coast growth belt, East Malaysia, and the revitalised East Coast corridor.

As interest rates gradually soften, the Earth element regains stability, encouraging both new developments and long-awaited expansions. The market, after a few quarters of consolidation, begins to steadily ascend from Q2 onward, echoing the natural rhythm of the year's expansive energies.

The first half of 2026 is especially favourable for homeowners, upgraders, and investors, offering more value-for-money properties with better designs, greener concepts, and healthier living spaces. By the second half, demand gains momentum, pushing prices and rental yields higher in most urban and semi-urban zones.

2. Metals, Energy & Commodity Surge: Fire Fuels the Market

With the Fire and Metal elements clashing and merging dynamically in 2026, we foresee a notable rise in metal-related prices especially gold, silver, copper, iron, and steel. Fire strengthens the visibility and desirability of Metal, while global uncertainty further supports safe-haven assets.

Gold, and silver in particular, shine ever brighter, setting new yearly highs, while copper benefits from expanding industries and technological demand.

Cryptocurrency to achieve multiple all-time-highs. However, we foresee there will be corrections in January, May, August and December 2026.

Energy-related sectors, including petroleum, electricity, and renewable energy, also climb upward, reflecting the year's fiery momentum. Businesses that strategically manage energy efficiency and supply chains will benefit significantly from this rising trend.

3. Currency Fluctuations & Rising Living Costs

2026 presents a landscape of active currency movements, particularly for countries in the Western zones where Flying Star 3 (disputes and instability) exerts influence. These fluctuations, combined with inflationary forces, contribute to a higher cost of living globally.

Households and businesses are encouraged to adopt prudent spending habits, diversify income sources, and strengthen financial planning to navigate these uneven waves.

4. Business Expansion, But Fierce Competition

The Expansion Year Qi triggers an energetic push across all industries. Companies from small enterprises to major conglomerates are driven to scale up, innovate, and capture new markets. This collective growth spirit, however, creates intensified competition.

Expect 2026 to be a year filled with breakthrough innovations, creative business models, and fresh product launches. The market rewards those who embrace agility, digitalisation, and customer-centric strategies. Those who remain static may find themselves overshadowed.

5. Extreme Weather Patterns & Regional Impact

The climatic Feng Shui for 2026 reveals increasingly extreme weather conditions, a global pattern influenced by the imbalance between Fire and Water elements.

Southern and southeastern regions may experience burning fire, heavy rainfall and significant flooding. While the northwestern and western zones face unusual temperature irregularities and landslides incidents. These environmental swings affect agriculture, logistics, travel, tourism and certain commodity prices.

Communities and industries are encouraged to strengthen resilience measures, invest in greener solutions, and stay prepared for sudden weather shifts.

From a Good Feng Shui® perspective, the inherent wealth vibration of 2026, the Fire Horse Expansion Year, is moderate yet highly transformable.

Although the 2026 Bazi chart shows a noticeable absence of natural Wealth Stars, it does not mean a lack of opportunities. Instead, Heaven is encouraging us to create wealth proactively, by connecting with the right mentors, partners and collaborators. In this unique year, "people luck" becomes the most powerful catalyst; those who form the right alliances will be able to overcome challenges gracefully and open up entirely new pathways for growth.

Fire-related industries - such as semiconductors, memory chips, AI, Cloud computing, internet, petroleum, energy, entertainment, and F&B are exceptionally well-supported by the strong Fire Qi of 2026. These sectors will shine brilliantly and innovators in these fields must ride this momentum to the fullest, as the global demand cycle continues to expand.

Wood industries - including plantation, palm oil, rubber, gloves, health care, education and tyres, may experience fluctuations arising from unpredictable weather patterns and tightened regulations. Firms and small estate-holders must adopt flexibility, technological adaptation and sustainability-driven strategies to maintain stability in this dynamic cycle.

Sectoral Outlook (cont.)

Metal and Water-related sectors - banking, finance, investment, insurance, steel, gold, silver, copper, automotive, tourism, logistics, beverages, fisheries and paint industries to enjoy healthier upward trends. Their natural affinity with the year's Fire–Water–Metal interactions bring strategic openings, increased demand and smoother development throughout the year.

Earth industries - real estate, construction and mining, especially in the southern, northern and eastern areas, will see steadier improvement in 2026. Especially from June onwards, once the annual Qi settles into a more balanced formation, enabling long-awaited recovery and new project initiations.

Stock Market Performance: New Highs Amid Cyclical Waves

With interest rates gradually easing and optimism returning to the financial landscape, the stock markets will receive strong support throughout 2026. Multiple all-time highs are predicted, particularly in January, April, June, and October 2026, reflecting the upward flow of both liquidity and sentiment.

However, the year is not without its natural adjustments. The cycles of the Annual Stars and global factors indicate correction phases and mild instability in February, March, May, August, and December. These windows serve as healthy recalibrations within an otherwise bullish year.

Investors are always advised to ride the upward cycles but stay alert during the correction periods, using them as opportunities rather than setbacks.

2026 Market Investment Analysis

Markets are expected to be volatile, with the core theme being "high risk, high return, but excess invites trouble." The strong Fire element brings vitality and innovation potential. Sectors like new technology, new energy, and the digital economy may see explosive growth but come with high risks.

Basic Market Forecast (by season)

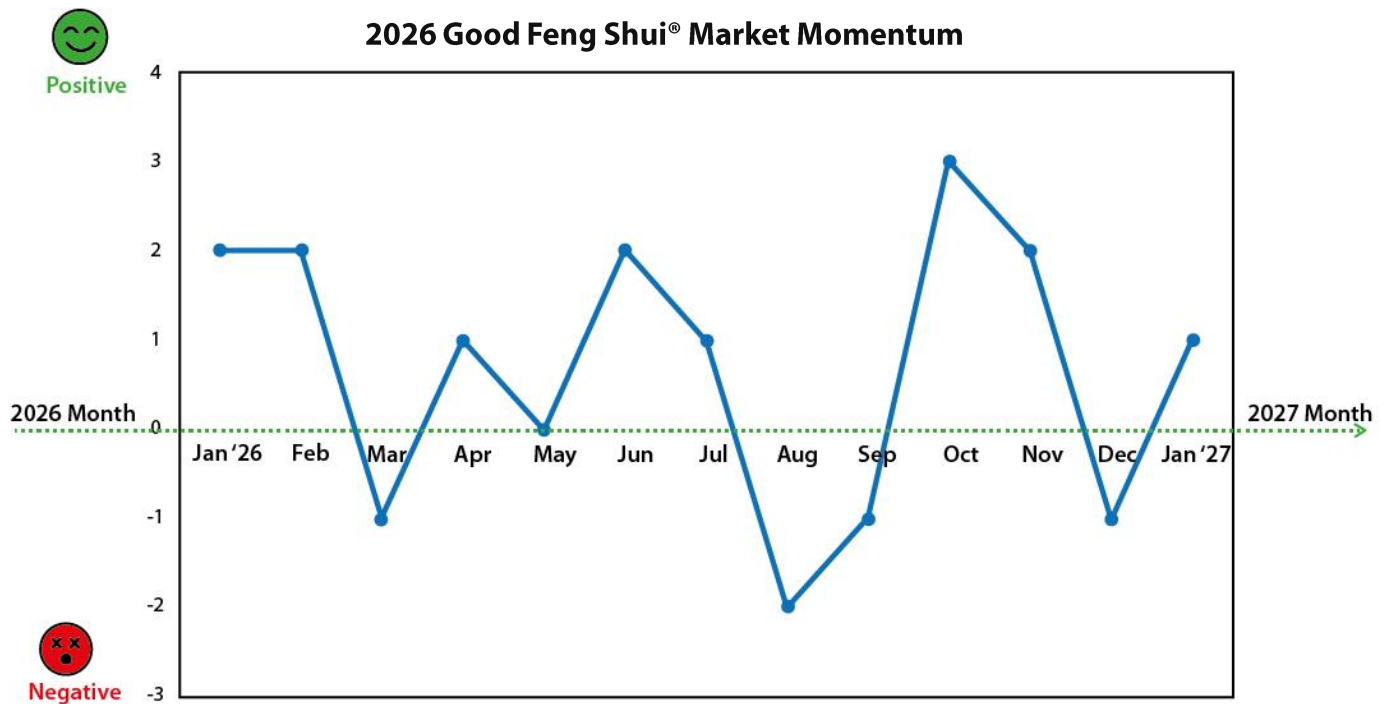
Based on Good Feng Shui® market analysis, there are these macro cycles to be reflected on to the market trends and scenarios:

(A) Upward Trend (Potential Bullishness):

- **Spring (Feb-Apr 2026):** Wood fuels Fire. Initial energy accumulation; market vitality gradually increases.
- **Summer (May-Jul 2026):** Fire is strongest power. Market sentiment peaks, possibly leading to a fervent "bull market," but this period is also the most perilous, requiring caution against a sharp correction.

(B) Downward Adjustment/Downturn (Potential Bearishness/Correction):

- **Autumn (Aug-Oct 2026):** Metal restrains Wood and drains Fire. Market stability decreases, prone to sharp adjustments triggered by impulsiveness or internal contradictions.
- **Winter (Nov 2026-Jan 2027):** Water is strong, restraining Fire. Markets are cool, sentiment is low. A suitable time for consolidation and planning for the coming year.



Source: Good Feng Shui® Holdings Sdn. Bhd., December 2025

Specific Industry and Financial Forecasts

Investors should anticipate possible market corrections towards the end of January, March, May, August, and December 2026, particularly in sectors such as technology, agricultural, land, metals, and property-related industries, which may experience valuation shifts. These periods could provide opportunities for capturing long-term value.

2026 Industry Prospects

Growth Sectors:

- Technology & Energy (Fire): New energy, AI, semiconductor, internet, biotech, entertainment, medias
- Interpersonal & communication (Wood): Consulting, PR, education, training, social media.
- Tourism, hotel, logistics, automobiles, shipping (Water)

Challenged Sectors:

- Real Estate & Infrastructure (Earth): Earth is exhausted by Water element, to experience pressure and risk.
- Finance, insurance, banking (Metal): High market volatility, new systems, requires strict risk control to prevent losses from excessive speculation.

The Fire Horse: Momentum, Vision & Bold Transformation

In Feng Shui and Bazi, Fire symbolises warmth, intelligence, creativity, optimism and radiant breakthroughs. When this fiery brilliance rides upon the speed, freedom and courageous spirit of the Horse, 2026 becomes a year shaped by rapid transformation and powerful forward thrust.

This special combination in the annual Bazi chart: Fire over Fire, generates a dynamic force that urges industries, governments, communities and individuals to rethink old structures, accelerate decisions, and boldly reshape their futures. It is a year where the world moves faster, ideas become bolder, and opportunities appear suddenly like sparks in a night sky.

Stock Market Performance: New Highs Amid Cyclical Waves (cont.)

The Fire Horse energy embodies:

- Speed - swift developments and rapid shifts
- Courage - daring ideas, bold moves and fearless innovation
- Momentum - progressive force that amplifies efforts
- Breakthroughs - sudden openings, new markets, and unexpected success

This double Fire configuration heightens emotions and intensifies both challenges and opportunities. For individuals, businesses and nations that align themselves with the Fire Horse's dynamic Qi, 2026 becomes a year of breakthrough prosperity, renewed vitality and truly remarkable achievements, a time when visionary thinking and brave actions can create lasting success for many years ahead.

Personal: The Prosperous Year of the Fire Horse 2026 Dawns

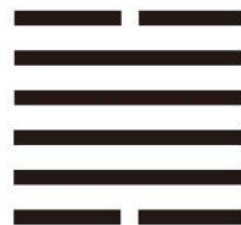
The 2026 Year of the Bing-Wu Fire Horse commences at 4:02 AM on February 4, 2026. This auspicious year is characterized by the Fire element in both its heavenly stem and earthly branch. The East and West are deemed particularly favourable directions, while the North, hosting the Three Killings (San Sha), is unfavourable.

2026 LiChun (Begin of Spring) Bazi Chart

丙 ² 寅 ^四 爐中火	己 ³ 酉 ^八 大驛土	庚 ³ 寅 ^一 松柏木	丙 ⁴ 午 ^三 天河水
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The annual Gua in Yi-Jing for 2026 is "Da Guo" Gua 泽风大过 (Great Excess), with the annual Flying Star arrangement placing the auspicious One-White Star in the central palace. This combination suggests a prevailing social mood of instability and a tendency towards extremes, requiring cautious navigation of "excessive" challenges.

The Yi-Jing hexagram for the year, "泽风大过", describes a structure under pressure - too tall or too heavy, but not collapsing. Instead, it calls for immediate reinforcement to support continued growth. It is a reminder that true progress requires strengthening the internal framework before advancing further. It is forecast there will be various changes in various organisations, business or industry's administration systems.



泽风大过

**"Da Guo" Gua
(Great Excess)**



Emotions and Thoughts

The dual Fire energy of the BingWu Horse year, coupled with the "excess" nature of the *Da Guo* hexagram, may lead to widespread anxiety, impulsivity, and overreactions on the routes for greater success. Thinking may become extreme, emotion, lacking balance, potentially triggering disputes or internal conflicts over minor issues.

In this year, most people may become impatient, more emotional. It may be unfavorable when making important or critical decision. Especially in the investing decision process, such emotional decision may bring about unfavorable outcomes eventually.

Decision and Temperament

A tendency towards bold, risky, or impractical decisions is indicated. Tempers may flare, leading to stubbornness and self-righteousness. Those born in the Year of the **Horse, Rat, Dog, Dragon, Snake, Monkey and Pig** should pay extra attention to health and emotional management to avoid losses due to impulsive decisions. Especially in the months of February, May, August and December 2026, all the planning and decision made must be carefully thought and considered before taking further steps.

The arrival of the auspicious One White Star, associated with the Water element and the Kan trigram, in the annual central palace suggests 2026 will be favourable for Water-related fortunes. This bodes well for creativity, intellect, academic pursuits, mobility, speculative wealth, and water-related industries. However, caution is advised regarding floods, traffic issues, and kidney and skin-related health. The auspicious One White star entering the central palace's Earth element creates a clash, indicating a need to strengthen Earth to balance Water, stabilises the center, and avoid excessive turbulence. Overall, progress is anticipated amidst fluctuations. Water governs wisdom, favouring studies, creativity, wealth through mobility, benefits from a wide social circle, and income or wealth from multiple sources.

This Earth-Water clash scenario weakens the central palace, potentially leading to internal disputes and strife within various groups or nations. The year calls for calmness, self-cultivation, observation, networking, and guarding against gossip and petty individuals. This is the year when most people to unveil the ugly, hidden secrets of the leaders that will eventually bring about the changes in the system or leadership teams in various fields. Therefore, we will see lots of system or leadership changes or reshuffles in 2026. And to the general public, they must adapt to the changes as quick as possible in order to leverage new opportunities emerge soon after that.

Those born in the Year of the **Goat, Rooster, Ox, Tiger and Rabbit** are forecast to enjoy excellent fortune in 2026, particularly in career advancement and soaring wealth, with investments likely to be more profitable. For the Tiger, 2026 shows the lack of self-supporting energy whereby success will rely more on aligning with the right supporters, mentors and collaborators rather than acting alone.

Conversely, those born in the Year of the **Rat, Pig, Monkey, Dog, Horse, Snake, and Dragon** may face financial obstacles and need to guard against monetary losses. Investments require meticulous planning and market research; greed and haste must be avoided.

Weather & Natural Phenomena

2026 is predicted to bring unpredictable weather with a high risk of rain and wind disasters, especially in southern, northern, and northwestern regions, where flooding may occur easily. Earthquakes and landslides are also likely. Preventive measures are essential, whether at home or before traveling.

Property & Construction Sectors

The Five Yellow Star in the central palace is challenged by the annual One White Star. Combined with excessively strong Fire in the annual chart, which dries out and suppresses Earth energy, the land and property sectors may face challenges, particularly in southern and northwestern areas. Wiser selection of land or property is highly important in the property investment process, especially in term of Feng Shui conditions of the relevant property.

Chinese Zodiac Outlook Across Key Life Dimensions

Zodiac	Wealth	Career	Health	Love & Relationship	Academia
Horse	★★★★	★★★★★	★★★★	★	★★★★
Goat	★★★★★★	★★★★★★	★★★★★★	★★★	★★★★
Monkey	★★	★★	★★★★★	★★	★★★★★★
Rooster	★★★★★★	★★★★★★	★★★★	★★★★★★	★★★★
Dog	★★	★★★★★	★★★★★	★★	★★★★
Boar	★★	★★★★★	★★	★★★★★★	★★★★
Rat	★	★★	★★★★★	★★	★★★★★★
Ox	★★★★★★	★★★★★	★★	★★★★★★	★★★★
Tiger	★★★★★	★★★★★	★★★★★	★★★	★★★★★★
Rabbit	★★★★★★	★★★★★	★★★★★	★★★★★	★★★★
Dragon	★★	★★	★★★★★	★★	★★★★★
Snake	★★	★★★★★★	★	★★★★★★	★★★★★★

Source: Good Feng Shui® Holdings Sdn. Bhd., December 2025

A Major Year for Celebrations

2026 is forecast to be a significant "Peach Blossom" year for love and marriages, especially for those born in the Year of the Ox, Rabbit, Snake, Goat and Rooster. Celebrations like housewarming and childbirth will also be abundant. Businesses such as bridal shops, banquet halls, hospitals, obstetrics/gynecology, pediatrics, baby or maternity products, renovation, and painting are expected to thrive. Many will receive numerous wedding invitations in this year!

Health Precautions

The annual One White Star clashes with the 9th Feng Shui grand cycle's Five Yellow in the center. Furthermore, the annual Illness Star (Two Black) flies to the Northwest (Qian), potentially affecting the kidneys, urinary, reproductive systems, ears, blood, head, digestion, body fluids, edema, liver and gallbladder. Elderly males are particularly susceptible and require careful attention. The annual Five Yellow Star flies to the South (Li Gua), suggesting younger females in the household should be mindful of eye, blood, and heart-related issues. These sectors should be kept clean, bright, and tidy year-round.

Annual Good Feng Shui® Lucky Colours & Health

Due to the strong Fire element and the Water-based One White Star in the center, the most influential auspicious colours for 2026 are **Blue paired with Gold**, symbolizing the harmonious balance of Water and Fire. Placing blue-and-gold décor in the central and eastern sectors can attract positive energy and wealth.

Personal: The Prosperous Year of the Fire Horse 2026 Dawns (cont.)

The strong Fire influence necessitates a greater focus on health. The annual energy may affect the liver, gallbladder, digestion, kidneys, urinary system, blood, heart, respiratory system, and eyes. Those with pre-existing conditions in these areas must be particularly vigilant about diet and lifestyle.

March, May, September, November 2026, and January 2027 are periods to watch for infectious diseases. The elderly and young girls should prioritize health, exercising caution during travel and with diet. Placing green/red décor in the Southeast can help boost family health and fortune.

Overall Outlook for 2026

Based on an analysis of the 2026 Li Chun (Begin of Spring) chart, annual Flying Stars, and hexagrams, Good Feng Shui® Group indicates the year brings wealth and noble people, but also calamities, conflict, emotional turmoil, disputes, legal issues, malicious individuals, and unrest - a mix of good and ill, ups and downs. Industries related to earth and wood elements face some challenges. However, with diligent effort and good management, gains are still possible. Just as a fine steed needs a discerning master, true success and profit in 2026 hinge on wisely choosing excellent working partners or finding supportive mentors. Leveraging such assistance will help harness good fortune and mitigate risks.

A Major Year for Celebrations

2026 is forecast to be a significant "Peach Blossom" year for love and marriages, especially for those born in the Year of the Ox, Rabbit, Snake, Goat and Rooster. Celebrations like housewarming and childbirth will also be abundant. Businesses such as bridal shops, banquet halls, hospitals, obstetrics, gynecology, pediatrics, baby, maternity products, renovation, and painting are expected to thrive. Many will receive numerous wedding invitations in this year!

Health Precautions

The annual One White Star clashes with the 9th Feng Shui grand cycle's Five Yellow in the center. Furthermore, the annual Illness Star (Two Black) flies to the Northwest (Qian), potentially affecting the kidneys, urinary and reproductive systems, ears, blood, head, digestion, body fluids, edema, and liver & gallbladder. Elderly males are particularly susceptible and require careful attention. The annual Five Yellow Star flies to the South (Li Gua), suggesting younger females in the household should be mindful of eye, blood, and heart-related issues. These sectors should be kept clean, bright, and tidy year-round.

Annual Good Feng Shui® Lucky Colours & Health

Due to the strong Fire element and the Water-based One White Star in the center, the most influential auspicious colours for 2026 are **Blue paired with Gold**, symbolizing the harmonious balance of Water and Fire. Placing blue-and-gold décor in the central and eastern sectors can attract positive energy and wealth.

The strong Fire influence necessitates a greater focus on health. The annual energy may affect the liver, gallbladder, digestion, kidneys, urinary system, blood, heart, respiratory system, and eyes. Those with pre-existing conditions in these areas must be particularly vigilant about diet and lifestyle.

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MACRO DEVELOPMENTS

By **AmInvest**
Powered by Group Wealth Management

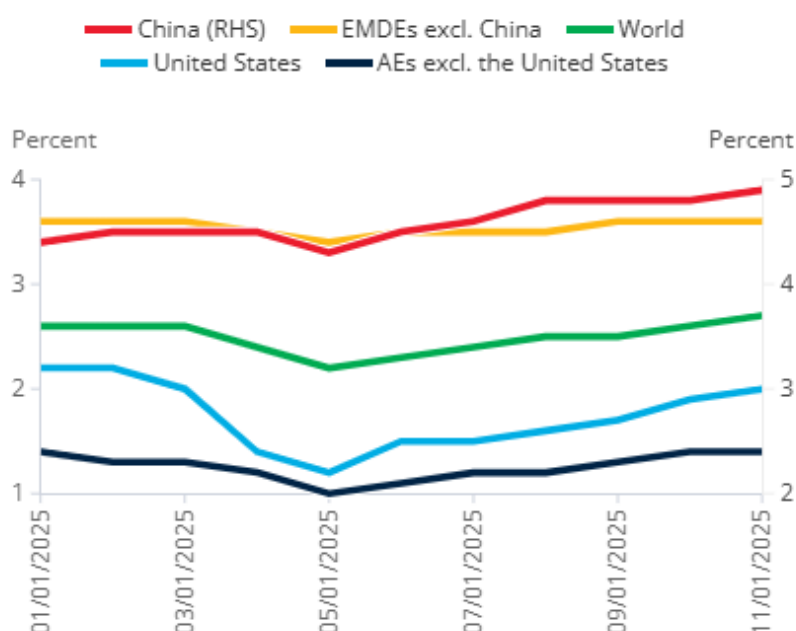


The global economy has demonstrated resilience, averting a widely forecasted recession in 2025 following US President Donald Trump's Liberation Day tariffs announcement in early April 2025. The International Monetary Fund ("IMF") has attributed this to the US being more flexible than expected in tariff policy, other governments implementing mitigating policies that are more effective than expected, an adaptable private sector and accommodative financial conditions.

Gross Domestic Product ("GDP") growth estimates have been volatile during the year with the World Bank's consensus survey for 2025 GDP growth estimate dipped to 2.2% in May 2025 from 2.6% in January 2025 but has since been revised upwards to 2.7% (see Exhibit 1 below). While GDP growth outlook has recovered, the growth trend is easing from 2.8% in 2024 and still very much below the pre-Pandemic annual average of 3.1% for years 2010-2019.

Going into 2026, growth outlook is much more stable but marginally softer than in 2025. While the World Bank has not released its latest GDP growth projection for 2026, the IMF is estimating 3.1% from 3.2% in 2025 and 3.3% in 2024.

Exhibit 1: Monthly forecast expectations for GDP growth in 2025

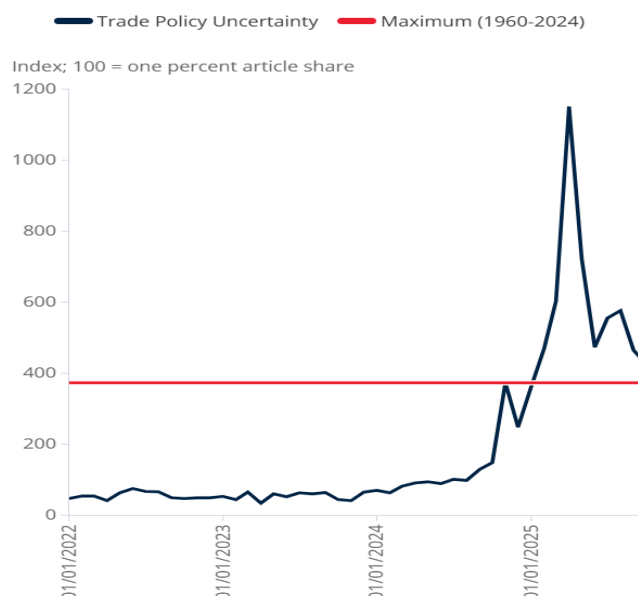


Note: AEs = advanced economies; EMDEs = emerging market and developing economies; RHS = right-hand scale. GDP aggregates calculated using real U.S. dollar GDP weights at average 2010-19 prices and market exchange rates. Sample includes up to 86 economies, including 34 advanced economies and 52 EMDEs, for which Consensus Economics provides monthly survey data. Last observation is November 2025.

Source: World Bank, Consensus Economics

Trade developments were a central focus of GDP growth expectations this year. The World Bank measure of uncertainty in global trade-policy surged to a peak in April 2025 and has since stabilized to marginally above start of the year levels (see Exhibit 2 below). The moderation in trade uncertainty together with progress on bilateral and regional trade negotiations has eased fears of a severe trade contraction and helped stabilize business sentiment.

Exhibit 2: Trade Policy Uncertainty

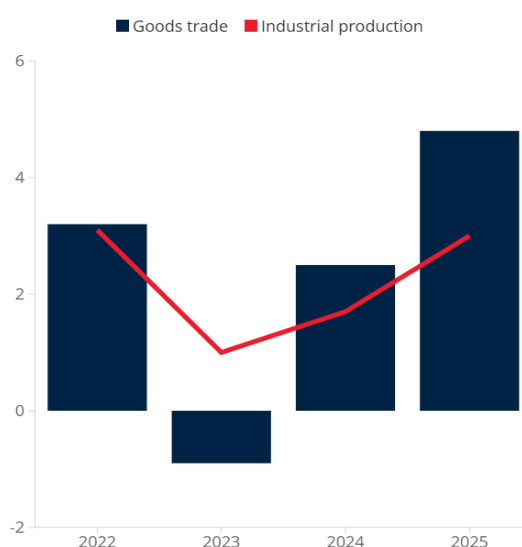


Note: Trade Policy Uncertainty Index, based on automated text searches of the electronic archives of seven newspapers. A higher value indicates higher trade policy uncertainty. Last observation is October 2025.

Sources: Sources: World Bank, CPB Netherlands Bureau for Economic Policy Analysis, Caldara et al. (2020)

As it turned out, a key factor that supported the global economy is the trade sector itself. Global goods trade expanded at an average monthly rate of 4.8% through September 2025, accelerating from 2.5% in 2024 (see Exhibit 3). The World Bank attributes the trade performance to front-loading of shipments ahead of the shifting tariff implementation deadlines during the year as well as firms' ability to adapt supply chains and absorb some tariff-related costs. Services trade also remained resilient particularly in information and business services, supporting front-loading and supply chain reconfiguration activities. While the front-loading effect will fade, the Global cooperation shown in restoring a stable global trade environment looks to be holding into 2026.

Exhibit 3: Global goods trade and industrial production growth



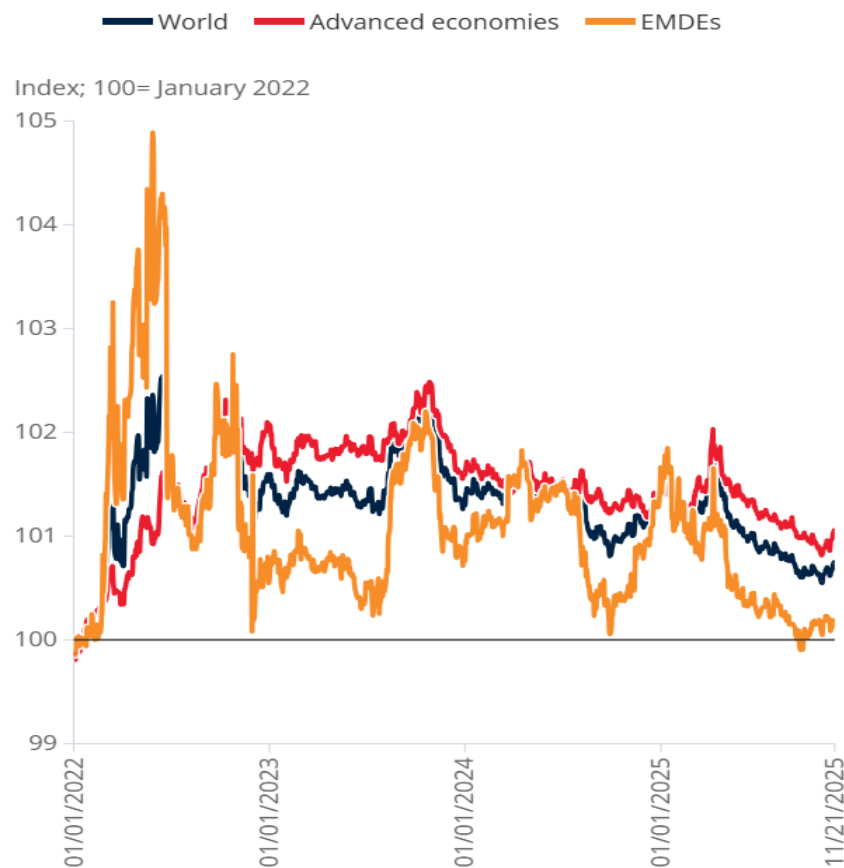
Note: Annual growth rates are calculated as the average of year-on-year monthly growth in seasonally adjusted goods trade volumes and production-weighted seasonally adjusted industrial production volumes (excluding construction). Goods trade volume is measured as the average of export and import volumes. For 2025, the growth rate is based on data from January to September. Last observation is September 2025.

Sources: World Bank, CPB Netherlands Bureau for Economic Policy Analysis, Caldara et al. (2020)

Global economic resilience also owed much to accommodative monetary policy and fiscal support from Governments worldwide which resulted in financial conditions loosening significantly since March 2025 (see Exhibit 4). At the same time, lower energy prices during the year further aided economic activity and eased headline inflation that supported real household incomes and consumer spending. Going into 2026, we expect a more stable global trade and geopolitical environment compared to 2025.

Current extrapolation is that global growth to be marginally softer year-on-year. However should there be potential shocks, monetary and fiscal authorities globally continue to stand ready to provide liquidity and economic stimulus.

Exhibit 4: World Bank Financial Conditions Index



Note: EMDEs = emerging market and developing economies.

Sources: World Bank, Bloomberg, Haver Analytics.

China

Beginning February 2025, under Trump 2.0, the US launched a tariff campaign against China, starting with a 10% duty on imports that escalated rapidly—20% in March 2025, 54% in early April 2025 and peaking at 145% by 9 April 2025. China retaliated by targeting specific US goods before raising tariffs broadly to 125% by 12 April 2025. These aggressive moves threatened global trade stability, prompting urgent negotiations in Geneva, Stockholm and Malaysia. On 12 May 2025, both sides agreed to a 90-day ceasefire: U.S. tariffs dropped to about 30%, while China cut its retaliatory tariffs to roughly 10% and removed non-tariff barriers. Tensions resurfaced on 11 October 2025 when President Trump threatened an additional 100% tariff on Chinese imports. The threat, scheduled to be effective 1 November 2025 coincided with warnings to cancel a planned Xi-Trump meeting at APEC. China condemned the move as “double standards” and vowed retaliation. However, direct talks between Xi and Trump on 30 October 2025 led to a truce, rolling back most of the earlier October escalations. The agreement **reduced the weighted average additional US tariff on China to 22% from 32%, though total US tariffs remain above 35%**, including pre-existing duties of 13–14% from 2024. This outcome reflects a **fragile but significant de-escalation in trade tensions**.

China’s latest Five-Year Plan beginning 2026 sets a **long-term vision for GDP per capita to reach mid-level developed country standards by 2035**, requiring average annual growth of about 4.5% from 2026–2035. Property stability is prioritized, given its weight in household wealth, alongside efforts to build a unified national market and reduce fragmented local systems. Innovation and technology self-reliance are central, with emphasis on R&D, breakthroughs in core technologies and industrial integration.

The December 2025 Central Economic Work Conference highlighted “excess supply and weak demand” as key challenges, calling for quality-driven growth supported by proactive fiscal and moderately accommodative monetary policies. Priorities for 2026 include **strengthening domestic consumption, fostering innovation-driven development** and cultivating **new growth drivers such as AI, embodied intelligence** and commercial space exploration. The Conference also stressed reforms to boost high quality development, green transformation under “dual carbon” goals, urban-rural integration and risk management in critical sectors. Maintaining openness and promoting mutually beneficial partnerships remain guiding principles, alongside improving livelihoods and delivering tangible benefits to the public.

Japan

In October 2025, Sanae Takaichi became Japan’s first female Prime Minister. Takaichi’s government has emphasized defence, nuclear energy revival and a more assertive foreign policy. In November 2025, Takaichi stated in parliament that a **Chinese attack on Taiwan could constitute an “existential crisis” for Japan**, justifying military intervention under Japan’s collective self-defence laws. This sparked China’s diplomatic fury. Beijing demand a retraction and imposed measures including travel advisories, bans on Japanese seafood imports and suspension of cultural exchanges. China also increased military activity near disputed islands (Senkaku/Diaoyu) and both sides conducted joint drills with allies. (source: Bloomberg)

South Korea

South Korea entered 2025 amid significant political uncertainty following the impeachment proceedings against President Yoon Suk Yeol, initiated after his failed attempt to impose martial law in 2024. In April 2025, President Yoon was formally removed from office, and a snap election held in June 2025 resulted in Democratic Party nominee and former opposition leader Lee Jae Myung securing the presidency. The election outcome marked the end of six months of political turmoil and restored stability to the country’s leadership.

Since assuming office, President Lee has **prioritized strengthening economic ties with the United States**, successfully negotiating a reduction in reciprocal tariffs. In August, U.S. tariffs on South Korean goods were lowered to 15% from the previous 25%. Domestically, the administration has **implemented policies supportive of the equity market**, including initiatives to **enhance corporate governance** and improve shareholder returns. Furthermore, discussions are underway with opposition parties to reduce the maximum dividend income tax rate of 49.5%, a measure that, if approved, would likely provide additional support to market performance.

Malaysia's GDP growth is on-track to meet 2025 Government guidance, requiring just 3.6% YoY real GDP growth 4Q2025 to hit the mid-point of the 4.0–4.8% official estimate. Latest data with advance estimate of **3Q25 GDP surprised strongly on the upside at 5.2% YoY** (2Q2025: +4.4% YoY, 1Q2025: +4.4% YoY, 4Q2024: -0.7% YoY) beating consensus of 4.2% YoY. Growth was broad-based with strong growth in most sectors - Manufacturing at 4.0% YoY (prior: 3.7% YoY), Mining & quarrying at 10.9% YoY (prior: -5.2% YoY), Construction at 11.2% YoY (prior: 12.1% YoY) and Services at 5.1% YoY (prior: 5.1% YoY) while Agriculture decelerated at 0.4% YoY (prior: 2.1% YoY).

Concerns of upward inflation pressure in 2025 and into 2026 from RON95 subsidy rationalization **have alleviated** with the launch of BUDI95 at end September 2025. This actually lowered fuel cost for citizens of Malaysia with RON95 petrol available at RM1.99 vs RM2.05 per litre. Inflation for the full year of 2025 is likely to be around the average headline CPI of 1.4% YoY for the first 10 months of this year.

Budget 2026

Malaysia's Prime Minister, Anwar Ibrahim unveiled Budget 2026 on 10 October 2025 with key metrics including the official GDP growth estimate for 2026 of 4.0–4.5%, slightly more conservative than the unchanged 2025 estimate of 4.0–4.8%. Growth will be anchored by domestic demand, supported by ongoing cash handouts, wage initiatives including Phase 2 of the civil servant wage increase, expected private capital investments in semiconductors, renewable energy and data centres, continued contributions from tourism, and the rollout of 13MP projects such as the LRT Mutiara Line and the ASEAN Power Grid.

The **headline CPI inflation forecast for 2026 is 1.3–2.0%**, reflecting expectations of easing global prices. The wide range accounts for potential global economic and geopolitical volatility.

Fiscal deficit target for Budget 2026 is set at 3.5% of GDP, marking a notable consolidation from 3.8% in 2025. This narrowing is driven by a reduction in budgeted expenditure as a percentage of GDP which outpaces the expected decline in revenue collection.

Despite the narrower fiscal deficit, the budget remained expansionary **with total expenditure projected at RM419.2 billion in 2026, up from a revised RM412.1 billion in 2025** (original allocation for 2025 was RM421.0 billion). The downward revision for 2025 was attributed to the "optimisation of emoluments, lower debt service charges and reduced disbursement for development expenditure ("DE"), according to the Ministry of Finance ("MoF").

On the revenue side, **Federal Government revenue is projected to grow by 2.7% to RM343.1 billion in 2026** (2025: +2.9% to RM334.1 billion), supported by revenue measures introduced since 2024, including the Sales & Services Tax ("SST") rate and scope expansion, e-invoicing and tax compliance initiatives.

Budget 2026, themed "Belanjawan MADANI Keempat: Belanjawan Rakyat" (The Fourth MADANI Budget: The Rakyat's Budget), is another calibrated budget under the MADANI framework. It strikes a balance between, a) Social support and fiscal spending on projects aimed at boosting economic resilience and growth amid global risks and b) Continued commitment to fiscal discipline and consolidation.

This budget is also the first under the 13th Malaysia Plan and is aligned with its goals, including reducing the budget deficit to below 3% of GDP with annual GDP growth targeted at 4.5–5.5% during the plan period (actual average GDP growth was 5.2% for 2021–2024).

13th Malaysia Plan

Tabled in Parliament on 31 July 2025, the 13th Malaysia Plan ("13MP"), covering 2026-2030 sees another push towards the **multi-generational aspiration of achieving high-income nation status** (latest World Bank definition of USD13,935 per capital gross national income in 2024). The 13MP focuses on a) High-Income and Sustainable Nation, b) Quality and Inclusive Living, and c) Sustainable Environment. To achieve these aims, the Government will be looking towards development of an AI-driven economy, a human-centred social system under the Madani framework, and promoting a sovereign and dignified nation.

The 13MP aims for **4.5-5.5% GDP** growth versus 5-6% in 12MP (actual 5.2% average GDP for 2021-2024). This more moderate target likely takes into account a more volatile external outlook due to the uncertain geopolitical and trade environment.

Development expenditure at RM430b (versus 12MP of RM415b, 11MP of RM220b) is a milder increase than in 12MP and is low as a percentage of GDP with the **aim of bringing the budget deficit to less than 3% of GDP by 2030** from 3.8% estimated for 2025 (2024: 4.1% of GDP).

The Prime Minister also reiterated the government's commitment to **implementing fiscal reforms, increasing revenue, and optimizing expenditure**, including re-targeting subsidies to reduce new debt. The MRT3, KL-Singapore High Speed Rail and Light Rail Transit projects that were mentioned in 12MP are not mentioned in 13MP but are on-going and expected to continue.

Continuity is expected for the existing national blueprints of New Industrial Master Plan ("NIMP") 2030, the National Energy Transition Roadmap ("NETR"), and the National Semiconductor Strategy ("NSS") that are aimed at driving industrial modernization and foster green and sustainable economic growth and strengthening Malaysia's position in the global supply chain.



Ringgit Movements & Foreign Direct Investments

Ringgit strength: The RM has appreciated from over 4.50 against the USD in January 2025 to below 4.10 currently. This may be attributed to the US Fed's pivot towards rate cuts, resulting in lower interest rate differentials with emerging markets including Malaysia. In addition, Malaysia's fundamentals i.e. resilient GDP growth, current account surplus and stable inflation as well as foreign direct investments and capital inflows also contributed to RM strength. For the first 11 months of 2025, foreign portfolio inflows totalled RM2.3b, driven mainly by debt securities (+RM22.6b), which more than offset equity outflows of RM20.3b.

Foreign direct investments was also strong. According to MIDA, approved foreign investments for January to September 2025 jumped 47.5% to RM150.8b, driven by a 122% jump in the services sector. Foreign investments into the manufacturing sector rose a more languid 9.2% YoY, but selected industries showed substantial growth, as highlighted below:

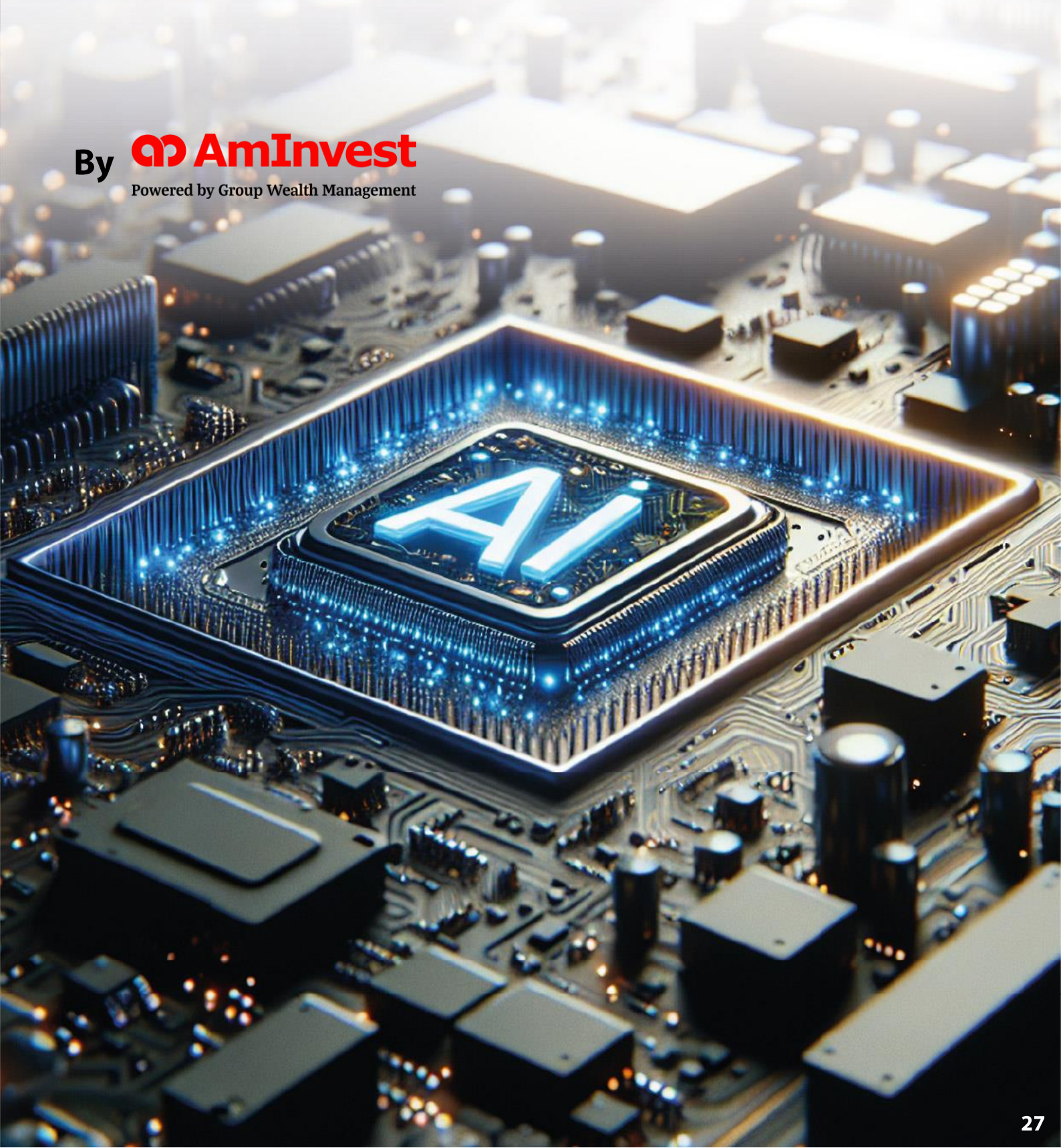
Sectors	Approved Foreign Investment 2025 (RM MIL)	YoY change (%)
Primary	1,650.1	56.6%
Manufacturing	73,091.3	9.2%
• Electrical & Electronics	18,221.2	-59.6%
• Chemicals & Chemical Products	12,869.3	216.5%
• Transport Equipment	9,901.6	119.0%
• Basic Metal Product	9,618.7	20585.4%
• Non-Metallic Mineral Products	6,641.1	227.5%
Services	76,009.2	122.0%
• Information and Communications	67,411.4	248.9%
• Distributive Trade	6,500.1	43.1%
• Support Services	1,363.6	316.6%

Economists expect the RM to remain firm against the USD in 2026, supported by favourable interest rate differentials, stable and strong economic fundamentals. Our economic fundamentals is driven by robust economic growth, buoyant exports, fiscal reform (such as fuel subsidy rationalisation and reduction of leakages) and continuation of long-term planning with 5-year plans, the latest being Malaysia's 13MP. Malaysia's international reserves rose to USD124.3bn as at 15 December 2025, the highest level since 2014. Continued growth in FDI, its actual deployment and USD weakening will lead to the RM strengthening against the USD as well as regional currencies.

Based on Bloomberg consensus, economists project USDMYR at 4.18 by end 2025 (a level already surpassed, with the RM currently stronger than 4.10) and 4.08 by end-2026. While volatility is expected, the trend of RM strength is expected to continue and It would not be surprising if in 2026, the USDMYR trades around the 4.00 level.

ARTIFICIAL INTELLIGENCE: WILL THE RALLY CONTINUE?

By **AmInvest**
Powered by Group Wealth Management



Understanding the Artificial Intelligence (“AI”) Ecosystem

The AI ecosystem can be broadly categorized into three segments: (1) AI infrastructure providers who are the "picks and shovels" of the industry that supplies the hardware; (2) massive-scale global cloud companies ("hyperscalers"), who purchase these chips to build AI cloud platforms; and (3) AI startups, which leverage these platforms and chips to develop AI models and applications.

1. AI Infrastructure Providers & Chips Manufacturers These companies build the hardware that powers AI, primarily chips and accelerators. Leading names include **Nvidia, AMD, Broadcom and Marvell** (fabless designers), as well as **TSMC** (a major chip manufacturer).

2. AI Cloud Providers

Companies like **Microsoft Azure, Amazon AWS, Google Cloud, Oracle** that buy these chips and build massive cloud platforms. They rent out computing power to thousands of AI start-ups and enterprises.

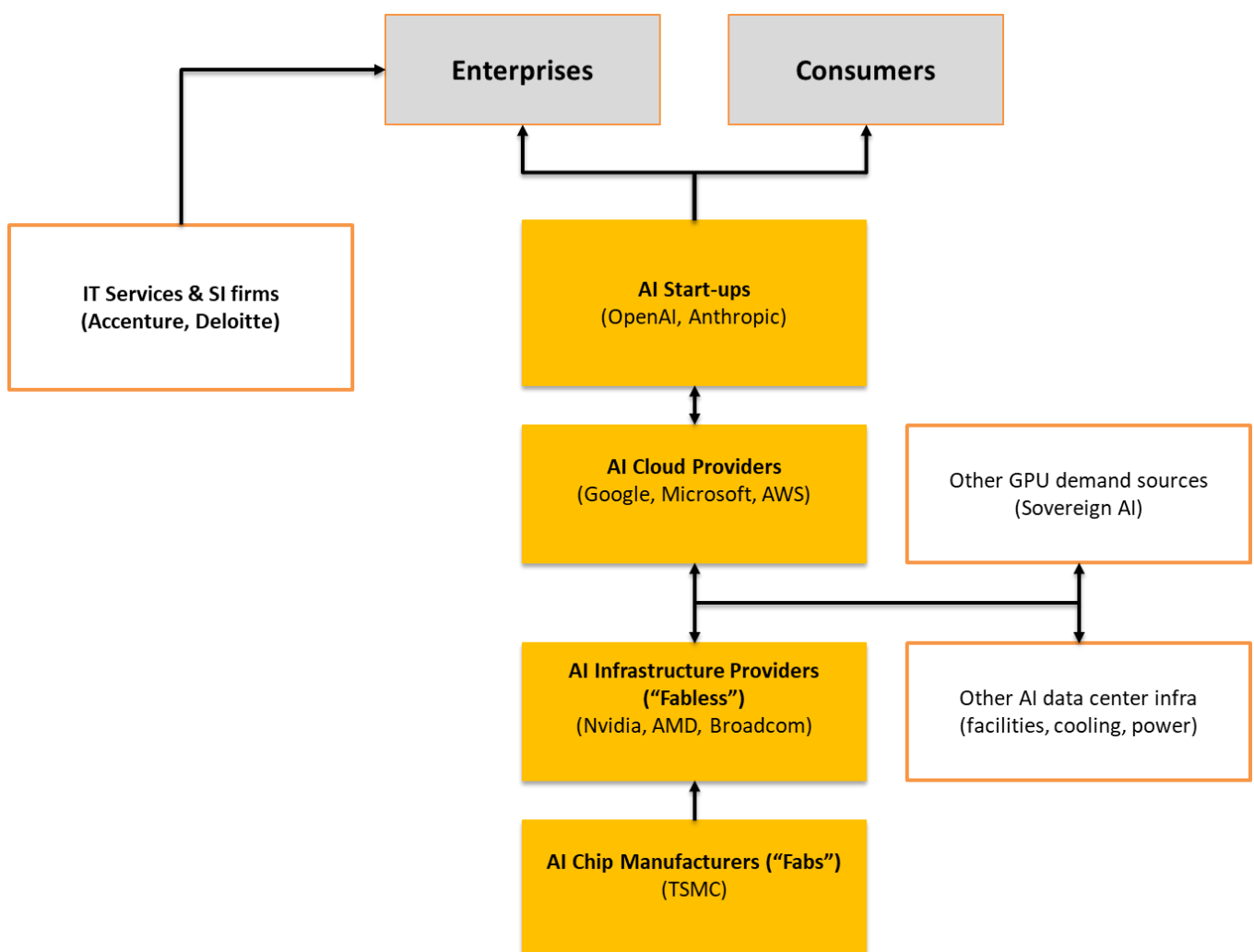
3. AI Start-ups

These are the innovators creating AI products for businesses and consumers, big players include **OpenAI and Anthropic**. This is the most important piece of the AI puzzle as it reflects real customer adoption.

4. Enterprise Service Providers

Firms like **Accenture, Deloitte, Infosys and Cognizant** help businesses implement AI solutions. Rising adaption signals that enterprises are embracing AI.

Exhibit 5: AI Ecosystem Flowchart

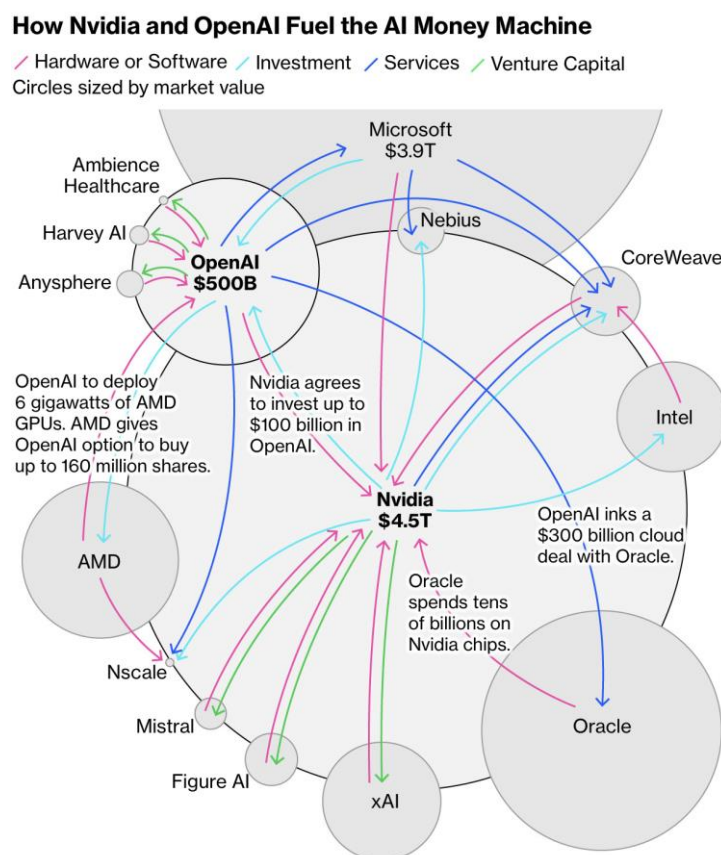


Source: CLSA, 28 November 2025

The Current AI Ecosystem

The AI ecosystem is vast and increasingly complex, with blurred lines between suppliers and customers, creating a series of circular deals. While many players contribute to this web, **OpenAI stands out as the catalyst that ignited the generative AI revolution** with the launch of ChatGPT in late 2022, a breakthrough that profoundly reshaped the tech industry. Since then, OpenAI has aggressively secured cloud and chip capacity through multi-billion-dollar agreements with hyperscalers and semiconductor giants that have enmeshed the USD500 billion start-up with its customers, suppliers and backers. OpenAI has committed to spending over USD1.4 trillion (more than 3x Malaysia's GDP) on hardware and cloud infrastructure over the next decade, with major allocations to partners such as Oracle, Microsoft, Nvidia, AMD and AWS. This unprecedented investment underscores both the scale of AI's future and the strategic importance of compute capacity in sustaining OpenAI's leadership.

Exhibit 6: AI Circular Deals & Financing



Source: Bloomberg, 13 October 2025

Overall, we remain positive for the next 1–2 years as supply constraints persist, supporting strong momentum in AI infrastructure build-out. Will OpenAI ultimately succeed? It is scaling rapidly with 900 million weekly active users ("WAU"). As of early December 2025, projections suggest that by 2033 it can generate and raise over USD1.2 trillion through product revenue & equity financing against the estimated USD1.4 trillion in cumulative capex spend. The current trends show investors are willing to provide substantial capital in exchange for future upside. For instance, OpenAI's agreement to purchase tens of billions of dollars' worth of AMD chips came with warrants on AMD stock (those warrants surged in value as AMD shares rallied on news of the deal). This dynamic enables OpenAI to commit aggressively to infrastructure, monetize AI systems and reinvest proceeds for further expansion.

These deals have effectively tied some of the world's largest tech companies to OpenAI's success, creating a situation where its financial obligations are now a shared concern. This financing model is inherently fragile and any slowdown in LLM adoption or macro shocks could temper sentiment. Still, the long-term potential of AI remains vast, even if periodic corrections occur as markets digest the pace of spending and adoption.

AI Infrastructure – Capital Expenditure (“CAPEX”) & Return on Investment (“ROI”) Concerns

The US equity market this year has been largely driven by massive CAPEX from hyperscalers as they build out AI infrastructure. This surge in spending has raised an important question: Is this level of investment sustainable, or are we in the midst of an AI bubble?

Exhibit 7: Projected CAPEX of Hyperscalers

Company	3Q	2025*	2026
Amazon	34.2	125.0	Set to Accelerate
Microsoft	34.9	115.0	Set to Accelerate
Google	24.0	92.0	Set to Accelerate
Meta	19.4	71.0	Set to Accelerate
Total	112.5	403.0	450–550*

*Projected.

Source: Company investor presentations

The scale of investment is staggering. The three largest hyperscalers along with Meta are expected to spend more than USD400 billion on AI-related capex this year, exceeding earlier projections of USD350 billion for 2025. Growth is accelerating as enterprise adoption moves from proof-of-concept to large-scale deployment. We believe this marks the early stages of an inflection point in AI adoption.

We believe ROI will likely come from two primary sources:

1. New revenue streams generated by AI innovations: such as Agentic AI, generative AI, humanoid robots and autonomous vehicles.

2. Enhanced revenue from existing businesses through AI integration: including advertising, search, social media and recommendation algorithms.

If we assume that traditional computing infrastructure transitions from a CPU-based systems to a reasoning AI systems, **even a fraction of global GDP as the total addressable market (“TAM”) could justify the ROI** on these investments.

Exhibit 8: Total Addressable Market for AI

Markets to be displaced by AI	2025 Market Size (US\$bn)
Global digital ad market	790-820
Global SaaS market excluding MSFT, Oracle, SAP, IBM	190-240
Global IT services	1,500-1,700
Global customer service	50-80
Global robotics & automation	50-75
Global gaming	300
Total for key segments impacted by AI (1)	2,900-3,200
Plus:	
Global market for passenger & commercial vehicles (2)	2,200-3,200
Total (1 + 2)	5,100-6,400

Source: CLSA, 7 October 2025

Despite concerns about the growing dominance of Nvidia, Apple Microsoft, Google, Tesla, Meta & Amazon (“Magnificent 7”), which combined comprises roughly 40% of the S&P 500’s market capitalization, **strong earnings debunks bubble fears**. Today’s technology valuations rest on solid fundamentals, including robust earnings growth, fortress-like balance sheets and unprecedented demand for AI infrastructure. This stands in stark contrast to the speculative environment of the late 1990s. **While some degree of market correction or “air leakage” is possible and should be expected, a full-scale “pop” is highly unlikely.**

There has been growing chatter around the relative strengths of GPUs vs ASICs in powering the AI infrastructure backbone. Historically, GPUs (general-purpose chips) have dominated the market, controlling roughly 70% of AI share due to their superior performance and versatility in building foundational AI systems. Recently, however, ASICs (application-specific integrated circuits) have gained traction, driven by innovations such as Google's Tensor Processing Units (TPUs), which promise greater cost efficiency and excel at executing narrow, specialized tasks. Nvidia, the leading GPU provider, argues that GPUs will remain the backbone of AI because they support every stage of the workflow (pre-training, post-training and inferencing) across diverse model types. While ASICs deliver efficiency for specific workloads, they risk obsolescence as AI models evolve. In contrast, GPUs offer unmatched scalability, flexibility and ecosystem support via CUDA (Nvidia's propriety programming model), making them the preferred choice for hyperscalers and enterprise AI deployments. While supply challenges exist, Nvidia's strong partnerships with suppliers like TSMC and memory vendors give confidence in its ability to deliver. Competitors, especially those making ASICs, may struggle to secure Chips on Wafer on Substrate ("CoWoS") capacity at TSMC. **Given current capacity constraints, we believe the overall AI infrastructure market will continue to grow, creating room for both GPUs and ASICs to coexist rather than one technology completely displacing the other.**

AI Use Cases

1. Generative AI ("GenAI")

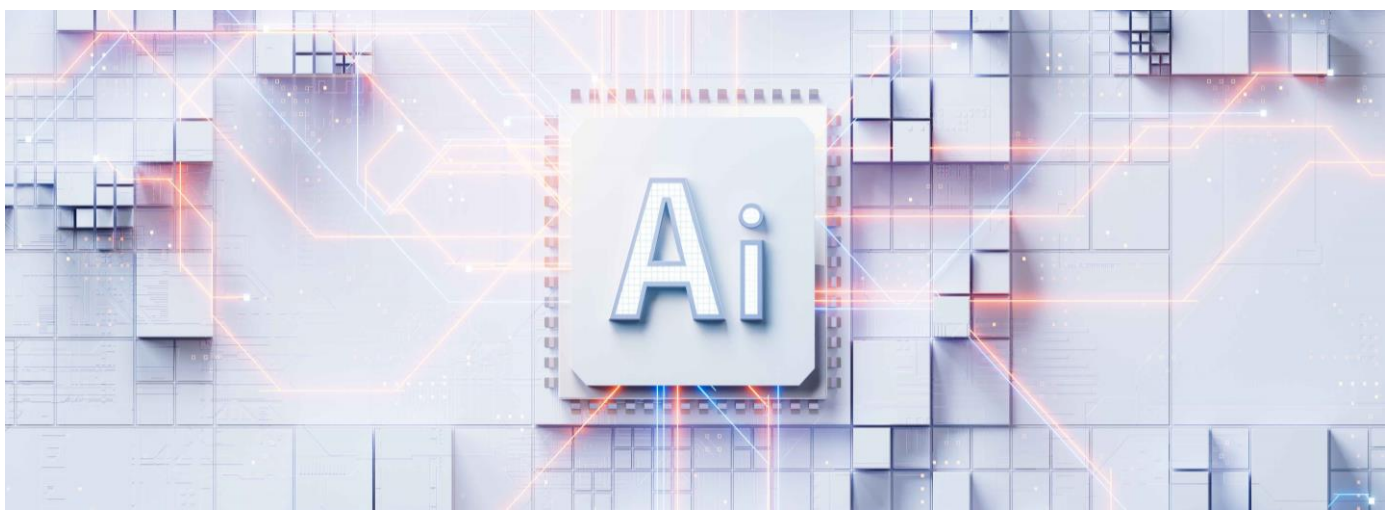
GenAI refers to a class of artificial intelligence models designed to create new content (such as text, images, audio, video & code) by learning patterns from vast amounts of existing data. GenAI leverages large-scale neural networks trained on billions of parameters, using advanced architectures like transformers and diffusion models. These technologies enable applications across multiple domains, including **content creation, software development, customer service, healthcare, gaming & entertainment and education**. By automating creative and analytical tasks, GenAI enhances productivity and acts as a **personalized digital assistant**, helping individuals and organizations manage workloads more efficiently.

2. Agentic AI

Agentic AI is a type of artificial intelligence that can work on its own to get things done. Instead of just answering questions like GenAI, it can plan, make decisions and complete tasks without constant human input. Agentic AI is used in areas like **business automation, software development, customer service, supply chain management and research**. By taking over complex tasks, it is like having a **smart co-worker** that helps save time, cut costs and makes faster decisions.

3. Physical AI

Physical AI is a type of artificial intelligence that can interact with and move things in the real world. Instead of just working on a computer like GenAI or Agentic AI, it combines AI with robotics to see, sense and act in physical environments. Physical AI is used in areas like **manufacturing, logistics, healthcare, agriculture, autonomous vehicles and home automation**. Like having a **smart helper in the real world**, it powers robots/ vehicles that can pick and place items, deliver packages, assist in surgeries or even help with household chores.



The technology sector in the Asia region is witnessing phenomenal growth with AI being a key driver. Demand for AI applications remains strong, driven by rapid expansion and integration across consumer and enterprise domains such as search, productivity tools, cloud services, autonomous driving, and healthcare. Token consumption has surged multiple folds and is expected to keep rising as adoption accelerates. Hyperscalers continue to invest aggressively in AI, emphasizing that falling behind in this race would have intolerable consequences. Reflecting this urgency, they have guided capital expenditure growth of 40–60% year-on-year into 2026.

This wave of investment significantly benefits Asia-Pacific technology companies, which form the backbone of the global AI supply chain. Companies such as TSMC, Hon Hai, Samsung Electronics and SK Hynix are key enablers, producing high-bandwidth memory and energy-efficient chips essential for AI workloads. These innovations not only support the development of AI but also drive robust earnings growth for the region. Additionally, the architecture upgrade from 400V to 800V structures for the next generation Rubin Ultra GPUs during the 2026–2027 period will drive the dollar content per GW for power equipment suppliers. This shift will lead to reduced power and signal losses, as well as improved energy conversion efficiency.

In view of the still-strong demand and undersupplied situation for advanced node fabrication and memory, **major semiconductor players continue to ramp up capacity** and expand their strategic investments in the United States. TSMC may revise upward its total 2026 capex target of USD48–50 billion, which already represents about 20% YoY increase from the midpoint of its 2025 guidance of USD40–42 billion. By end 2026, its Hsinchu and Kaohsiung fabs will dominate 2nm production, targeting 120,000–130,000 wafers per month. In Arizona, TSMC is investing USD165 billion across three fabs over the next four years. The first fab began 4nm production in late 2024, ramping toward 30,000 wafers per month, while two additional fabs for 3nm and 2nm are scheduled by 2026, reinforcing its global footprint.

Memory prices have continued an upward trajectory throughout 2025, driven by supply constraints as leading memory manufacturers, Samsung Electronics, SK Hynix and Micron reallocated production capacity toward high-bandwidth memory (“HBM”) in response to surging demand from AI data centres. In the fourth quarter, DRAM prices increased by an average of 20–25% quarter-on-quarter, with spot prices reaching record highs. Looking ahead to 2026, HBM demand is expected to remain robust, supported by (1) OpenAI’s large-scale AI infrastructure expansion under Project Stargate, (2) increased procurement of Nvidia’s Rubin GPU units and (3) additional contributions coming from Google and AWS through ASIC deployments.

Samsung is ramping up its foundry capacity in South Korea and boosting DRAM output significantly. Its Pyeongtaek campus targets 200,000 wafers per month for advanced 1c DRAM by late 2026, alongside ramping 2nm logic production. Samsung is also expanding its Taylor, Texas fab with up to USD44 billion in investment, aiming for 16,000–17,000 wafers per month initially, scaling toward 150,000–200,000 wafers per month longer term. SK Hynix is building its M15X fab in Cheongju, anchoring a massive DRAM expansion. By end of 2026, SK Hynix plans to lift its total DRAM capacity to reach over 600,000 wafers per month, with its new M15X DRAM fabs dedicated for HBM demand projected at 240,000 wafers per month, reinforcing its leadership in AI memory.

Meanwhile despite tech restrictions being imposed by developed countries, **China has proven itself to be a close follower of AI development with the launch of DeepSeek** earlier this year and **technological breakthroughs from emerging AI chip players** like Cambricon and Moore Threads making headlines. While SMIC is making strides with its 7nm AI chip ramp-up and improving yields, it remains significantly behind TSMC’s most advanced 2nm process node. On the technology front, SMIC has begun testing China’s first domestically developed immersion DUV lithography tool. While the machine is still in the trial phase and reportedly capable of supporting advanced nodes down to 7nm via multi-patterning, mass-scale production may still be years away. However, China has strengths in low power costs thanks to massive investments in grid and green energy development, as well as highly cost-effective LLM models to compete against United States giants. With China’s continued focus on self-reliance and a fast-follower strategy, selective players such as Alibaba, Baidu, and “China-for-China” supply chain companies are likely to be key beneficiaries.

AI adoption will accelerate and while some valuations are elevated, they are nowhere near bubble level

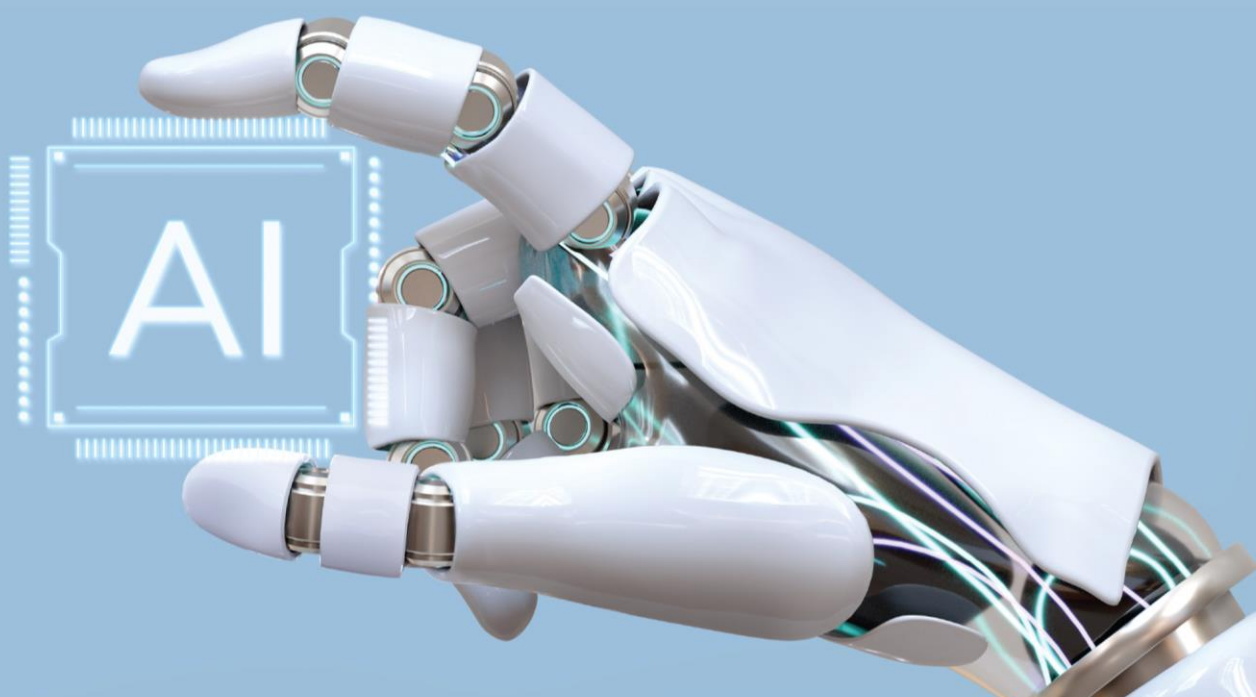
The world is in a new industrial revolution with the adoption of AI. The **rally** in the large capitalization technology stocks is **only the beginning** of the cycle. The broad adoption of new technology will initially result in cost savings, followed by revenue growth. Both of these outcomes will have a combination of **new and existing companies providing various software and solutions** to the broader economy.

Exhibit 9 shows the current valuations of several large technology companies, the PER of only a few of these stocks is at levels which some would deem elevated, at 30-40x but **justified with their growth prospects**. Bubble type valuations occur when PER valuations are above 60x and the capex requirements surpass free cash flow with large amounts of debt required, which is **not** the case currently.

Exhibit 9: Tech Valuations

Company	PER 2026 (x)	Price/Book (x)	Dividend Yield (%)
Samsung Electronics	9.4	1.5	1.7
SK Hynix	6.5	2.4	0.5
TSMC	19.6	5.7	1.5
Delta Electronics	27.7	7.8	1.6
Hang Seng Tech Index	19.2	2.4	0.8
NVIDIA	38.7	28.8	0.0
Apple	33.6	45.6	0.4
Microsoft	30.3	8.2	0.7
Alphabet	26.5	7.3	0.2
Amazon.com	24.4	5.1	0.0
Meta Platforms	19.6	5.5	0.3

Source: Bloomberg, 28 November 2025



EQUITY STRATEGY

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Exhibit 10: Performance and Valuations of Selected Markets

Market	Return YTD (%)	PER 2026 (x)	EPS Growth 2026	Dividend Yield (%)	Price/Book (x)
S&P 500	16.08%	22.1	13.2%	1.18	5.45
Nasdaq 100	19.91%	25.8	18.6%	0.65	8.65
Euro Stoxx 50	16.85%	15.8	9.4%	2.79	2.45
Japan	27.43%	22.8	-5.0%	1.56	2.51
China	30.71%	12.3	12.5%	2.08	1.69
Taiwan	22.41%	16.8	23.2%	2.38	2.95
South Korea	73.67%	10.1	41.8%	1.49	1.33
India	10.16%	20.3	5.6%	1.45	3.53
Singapore	21.09%	14.1	7.5%	4.73	1.51
Indonesia	22.33%	13.1	22.3%	5.03	2.24
Thailand	-10.43%	13.1	6.8%	4.05	1.18
Philippines	-7.54%	8.9	8.7%	3.46	1.24
Vietnam	30.01%	11.7	19.4%	2.15	1.96
Malaysia	-0.28%	14.2	7.3%	4.09	1.54

Source: Bloomberg, 12 December 2025

Global equities performed very well in 2025, overcoming the initial US tariff shock, supported by robust corporate earnings, a thriving tech sector and monetary easing. Going into 2026, we expect these drivers to remain intact though valuations warrant close monitoring as quite a bit has been priced in. We expect **substantial upside in 2026** but there will be **significant downside episodes** and increased volatility which will worry bulls. We view **drawbacks and profit taking periods as opportunities to accumulate positions**.

US

Our outlook for the US remains cautiously optimistic. With tariff negotiations largely resolved, attention is shifting to their implications for growth and inflation. While valuations appear stretched, which we will be monitoring closely, they are **supported by resilient corporate earnings**. Against this backdrop, we continue to **favor the technology sector** for its leadership in innovation and substantial growth potential in AI.

For Asia, we maintain a positive outlook, underpinned by policy support, a resilient technology sector, stable inflation and renewed foreign inflows, partly aided by currency tailwinds.

Malaysia

Investors expect further cuts in US interest rates which will dampen asset yields and (potentially) the USD. This is expected to spark **inflows into emerging markets including Malaysia**. The November 2025 reporting season has been better than expected, which augurs well for the market in the near term. Whilst we are well invested into domestic centric and dividend yielding stocks, we are looking to add technology stocks with strong growth catalysts for 2026.

Meanwhile, **Visit Malaysia Year 2026** is anticipated to be positive for the Malaysian economy and the RM, as well as further investment opportunities.

South Korea & Taiwan

Given high weights of technology stocks, South Korea and Taiwan markets are expected to remain in focus amid ongoing interest in AI. Valuation-wise, South Korea is attractively valued at c.10x forward PE, among the cheapest in Asia and supported by the government's efforts to improve corporate governance and improve shareholder returns. For Taiwan, valuation is more expensive at +1.5SD to 10 year mean PE. Nonetheless we expect the market, typically an early-cycle tech play, to remain strong in 2026.

China

We continue to **favour Chinese equities** and expect the market to remain supported by ongoing government stimulus and targeted fiscal stimulus. China reaffirmed its long-term goal for GDP per capita to reach mid-level developed country standards by 2035, implying an average annual growth of about 4.5% from 2026–2035. In the near term, policymakers are likely to target 4.5–5% growth. The new Five-Year Plan outlined in the recent Fourth Plenum emphasizes expanding domestic demand, particularly household consumption by improving social welfare and investing in education, healthcare and birth subsidies alongside infrastructure. Property remains a priority, with commitments to “high-quality development” and price stabilization, given that it comprises 60–65% of household wealth. A unified national market is another focus, addressing fragmented social welfare systems and reducing disorderly local competition. Innovation and technology self-reliance are critical amid US-China tensions, with plans to strengthen R&D, achieve breakthroughs in core technologies and integrate industrial innovation. Despite current consumption weakness and export challenges, government measures should make **domestic consumption a key growth driver**. Stabilizing property prices and buoyant equity markets are essential to boost consumer confidence. Hence, China’s rally has further upside. We remain overweight on China/HK equities particularly in property, technology, consumer and healthcare sectors.

India

India’s **2026 outlook will be supported by accommodative GST cuts, favorable foreign investment policies and easing monetary conditions** (125 bps cut in 2025), alongside a recovery in domestic demand, which could drive earnings rebound. The RBI is likely to maintain flexibility for further rate cuts in 2026, as inflationary pressures are expected to ease. While Indian equities have been a laggard in the Asia region in 2025, pressured by weak earnings growth and limited exposure to AI-led opportunities, we believe this presents a good opportunity to have or increase the investment exposure in the market to ride on the **structural long-term growth potential of India**.

Looking at longer-term catalysts, India has undergone a structural transformation from an agrarian economy to one dominated by services, which now contributes about 55% of GDP, with manufacturing expected to be the next growth driver. Since liberalization in the early 1990s, per capita income has risen from \$300 to \$2,600 in 2024. India is set to become the world’s fourth-largest economy in 2025. Its 1.4 billion people offer vast productive potential through employment generation. **Sectors such as financials, consumer discretionary and materials are likely to benefit**. Overall, India’s growth story is compelling, but its path forward will depend on balancing opportunities with near-term constraints. Current challenges include slower employment growth in IT services and elevated US tariffs. A trade agreement with the US could support export growth, improve investment sentiment and generate greater investor interest.

ASEAN

We maintain a **constructive view on ASEAN** equities, supported by fiscal policies, stable inflation trends and currency tailwinds. **Singapore** equities remain supported by policy initiatives like the Equity Market Development Programme (EQDP), aimed at boosting liquidity and investor engagement. Structural drivers like digitalization, infrastructure upgrades and attractive dividends in a lower-rate environment reinforce a positive outlook. **Vietnam** is poised for a strong investment cycle, driven by reforms, aggressive infrastructure spending and FTSE Emerging Market upgrade unlocking significant inflows. **Indonesia** and the **Philippines** offer attractive valuations but were weighed down by fiscal uncertainty in 2025. Greater clarity and more decisive policy execution in 2026 could unlock their upside potential. **Thailand** may face near-term election-driven momentum but remains challenged by political uncertainty and sluggish tourism recovery.

Equity Theme: Visit Malaysia Year 2026

2026 heralds Visit Malaysia Year 2026, with a target of 47m foreign visitors vs a targeted 40m visitors for 2025 (source: Tourism Malaysia).

Boost to growth and employment: In 2024, the tourism industry contributed 15.1% to GDP (2023: 14.9%). In addition, tourism-related industries contributed 21.6% to Malaysia's total employment of 3.5 million persons in 2024. 85.2% of tourism-related employment came from retail trade, food and beverage and other services. (source: Department of Statistics, Tourism Satellite Account 2024).

Boost to the ringgit: Due to conversion into the ringgit and the boost to Malaysia's current account balance from tourism receipts, higher inbound tourists can be positive for the ringgit. In 2024, Malaysia welcomed 37.96 mil foreign visitors or a 31.1% increase from 2023, while total expenditure by foreign visitors jumped by a higher 43.7% YoY to RM106.8bn (source: Tourism Malaysia).

Exhibit 11: Top 10 foreign visitors to Malaysia

	Country of origin	2024	2023	% of foreign visitors	YOY Growth
1	SINGAPORE	18.86	14.83	49.7%	27.2
2	INDONESIA	4.15	3.48	10.9%	19.1
3	CHINA	3.73	1.61	9.8%	130.9
4	THAILAND	2.27	2.30	6.0%	-1.4
5	BRUNEI	1.73	1.12	4.6%	55.2
6	INDIA	1.37	0.77	3.6%	76.6
7	PHILIPPINES	0.57	0.46	1.5%	23.8
8	SOUTH KOREA	0.55	0.47	1.5%	18.8
9	AUSTRALIA	0.45	0.40	1.2%	11.7
10	TAIWAN	0.42	0.31	1.1%	35.9

However, in 2025, visitor arrivals from China and India have risen substantially, which may be in part due to the visa-free incentives offered. Based on visitor arrivals for the January to August 2025 period, the top 5 visitor arrivals are as follows:

	Country of origin	January - August		Growth
		2025	2024	
1	Singapore	14.0	11.8	18.1%
2	China	3.3	2.6	27.5%
3	Indonesia	2.9	2.7	6.8%
4	Thailand	1.6	1.6	5.8%
5	India	1.1	0.9	22.5%

Equity Theme: Visit Malaysia Year 2026 (cont.)

Sector-wise, the biggest beneficiaries are Real Estate Investment Trusts ("REITS"), consumer, hotels, aviation and healthcare

REITS: Retail REITS may benefit from improved shopper traffic and consumer spend (thus boosting turnover rent), while hospitality REITS may benefit from improved occupancy rates and potentially higher rates during peak season. Although dividend yields of REITS have come off due to price strength, retail and hospitality REITS are generally trading at forward dividend yields of 4.5% to 7.8%, which are still attractive, especially given their defensive nature and in a period of soft interest rates.

Exhibit 12: Malaysian Retail REITS

Name	Price (RM)	Estimated Dividend Yield (%)
KIP REIT	0.89	7.8
Capitaland Malaysia Trust	0.615	7.3
YTL Hospitality REIT	1.12	6.6
Pavilion REIT	1.71	5.6
Sunway REIT	2.13	5.4
KLCCP Stapled Group	8.58	5.2
IGB REIT	2.61	4.5
Paradigm REIT	0.945	7.3

Source: Bloomberg consensus estimates

Consumer: The consumer sector, including Food & Beverages, food and retail outlets are also a major beneficiary. As this was a focus of recent policies to sustain consumption (e.g. SARA cash aid, raising minimum wage), consumer stocks have rallied, with stocks like 99Speedmart and Farm Fresh trading at 30-40x forward PER. Yet, we expect interest to remain strong with many stocks still trading at single-digit to <20x forward PER:

Exhibit 13: Selected Malaysian Consumer Stocks Trading at lower PER

Name	Price (RM)	Market Cap (RM MIL)	Dvd Est Yld	Est PER Next Year
Fraser & Neave Holdings Bhd	35.04	12,837.2	2.0	21.2
MR DIY Group M Bhd	1.49	13,837.1	3.6	20.3
Hup Seng Industries Bhd	1.01	824.0	4.7	16.8
Kawan Food Bhd	0.98	326.0	4.1	16.6
Spritzer Bhd	2.7	1,751.0	1.7	16.6
Mynews Holdings Bhd	0.565	427.7	1.7	15.7
Heineken Malaysia Bhd	22.48	6,797.2	6.3	14.8
Life Water Bhd	1.48	700.3	1.4	14.7
Beshom Holdings Bhd	0.62	182.6	3.2	14.4
Power Root Bhd	1.22	514.5	5.1	14.4
Dutch Lady Milk Industries Bhd	30.08	1,937.9	2.1	13.9
Carlsberg Brewery Malaysia Bhd	16.68	5,069.3	6.6	13.8
Padini Holdings Bhd	1.86	1,875.0	4.8	10.1
Aeon Co M Bhd	1.04	1,432.1	4.6	9.1
Bonia Corp Bhd	0.805	162.3	14.3	8.8
DXN Holdings Bhd	0.505	2,535.9	6.8	6.8
Able Global Bhd	1.62	498.3	5.0	6.8

Source: Bloomberg consensus estimates

Equity Theme: Visit Malaysia Year 2026 (cont.)

Healthcare: 2026 also represents the Malaysia Year of Medical Tourism 2026, a campaign to boost inbound healthcare travel. Budget 2026 amplifies these efforts by allocating RM20 million to the Malaysia Healthcare Travel Council for promotion and tax relief incentives tied to Visit Malaysia. We remain positive on Malaysian listed hospitals. The upcoming listing of a major healthcare provider is expected to sustain interest in this sector.

Aviation and Hotels: Increased tourism activities will also be positive for aviation and hotel occupancy. However, Air Asia X and Capital A Berhad are currently undergoing a massive corporate restructuring to consolidate their airline business under a single listed entity with the exercise involving capital reduction and issue of new shares. The biggest hotel-related play would be Genting Malaysia. Other profitable hotel-related stocks include Shangri-la Hotels, Plenitude Berhad and I-Berhad (see Exhibit 14):

Exhibit 14: Listed Malaysian Hotel Operators

Company	Mkt Cap (RM)	PER (historical)	P/B	Net D/E	% Revenue from hotels	Hotel assets
Shangri-La Malaysia	765.6m	24.0	1.0	Net cash	95.6%	Shangri-La KL, Rasa Sayang (Penang), Golden Sands (Penang), Rasa Ria Resort (Sabah)
Plenitude Bhd	698.2m	5.5	0.4	Net cash	40.4%	Novotel KL, Oakwood Hotel, Ascot Gurney Penang, Mercure Penang Beach, Holiday Villa Langkawi
I-Berhad	510.6m	9.9	0.4	21.4%	49.7%	Double-tree by Hilton, Wyndham Garden, Wyndham Suites

Source: Bloomberg, various news media



FIXED INCOME STRATEGY

By **AmInvest**
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US

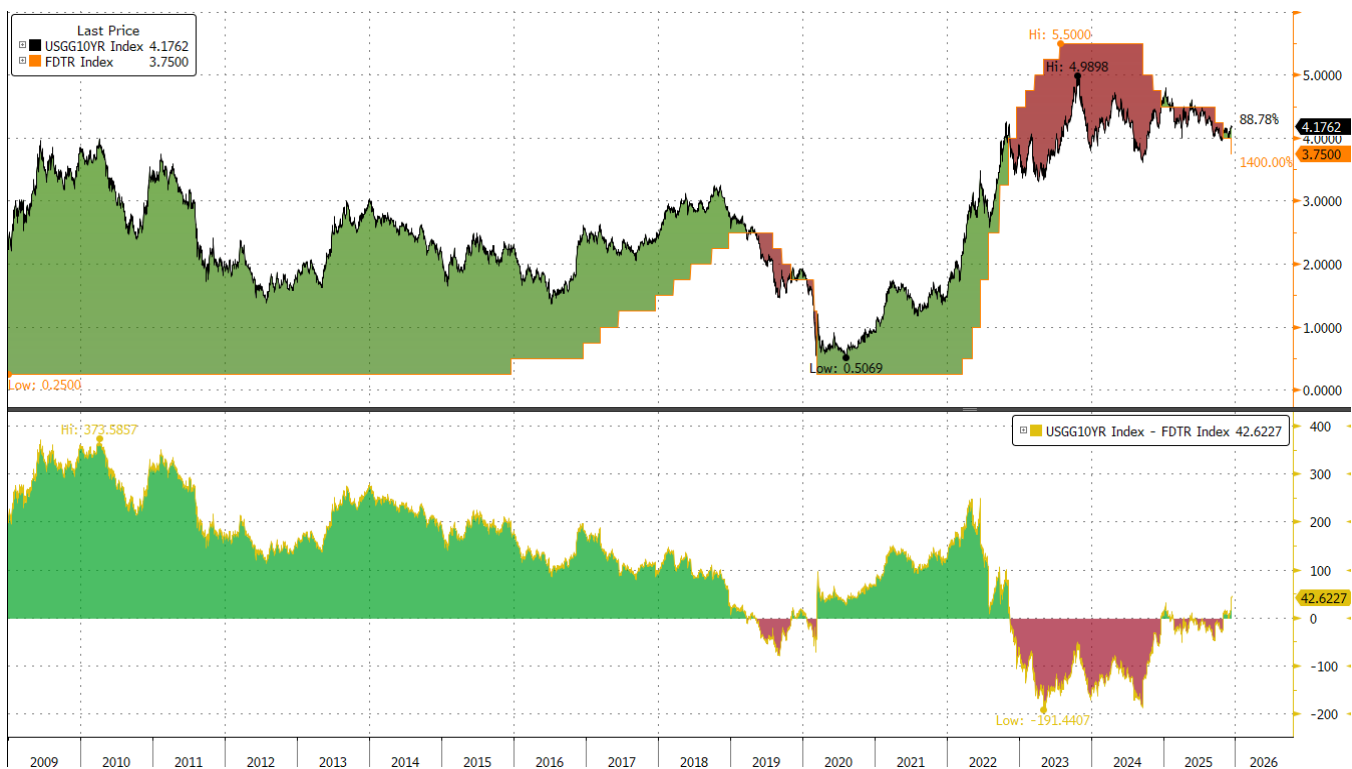
US Treasuries (“USTs”) were volatile in 2025 driven by changing expectations of US Fed rate policy stance, along with concerns of tariff and immigration policy impact on US GDP growth, dollar weakness, inflation and US labour market.

USTs traded firmer in December 2025 as the FOMC delivered a 25bps on 10 December 2025 in a 9-3 majority vote with an upgrade in growth projections and lower inflation forecasts. However, Fed officials remain divided over policy direction in the coming year.

We expect USTs yields continue to be volatile in 2026 given the various reasons, including the transition to a new Fed Chair. Nonetheless, US Fed has halted its balance sheet runoff recently to provide more liquidity to market. It will provide some relief to USTs.

The UST 10Y spreads to the US Fed target rate has turned positive (see Exhibit 15). There will be **renewed investors interest in USTs**, taking advantage of the higher yields. The modest steepening of yield curve post FOMC meeting is likely to continue, once the dovish tone from Fed is more certain in 1Q2026. We expect **US Fed to continue its easing path**, by reducing the key rates by three times with 25bps each in 2026.

Exhibit 15: Negative Carry – US Treasury yield vs Fed Fund Rate



Source: Bloomberg, 15 December 2025

Asia

The Asian dollar bond market was similarly volatile as the UST market in 2025, but with ending the year with positive performance supported by improved sentiment as trade tensions between the US and China eases and major trade exposed markets including Japan, the Philippines, Indonesia, South Korea and Malaysia reached or announced trade frameworks with the US in the second half of the year.

Fixed Income Strategy (cont.)

In general, the **Asian bond outlook for 2026 should be positive**, driven by expected US Fed rate cuts, improving domestic growth and attractive yields. Geo-political tensions remain and specific country exposure require careful credit selections. Investors should avoid chasing crowded trades or relying on static holding.

Exhibit 16: Asian Dollar bond index returns

Markit Asian USD Index	28-Nov-25	Year-To-Date
Asian Dollar Index	150.2	8.14%
Asian Dollar IG Index	151.6	8.03%
Asian Dollar HY Index	140.4	8.06%
Asian Dollar Corp Index (ex-banks)	152.5	7.97%

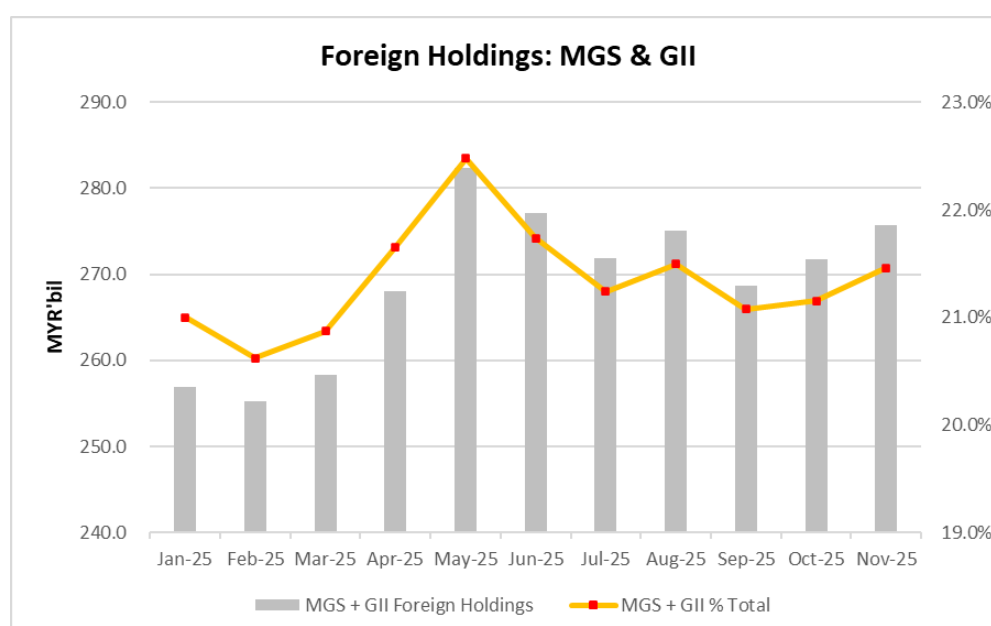
Source: Bloomberg, 3 December 2025

Malaysia

Towards the end of 2025, activity in the Malaysian bond market has slowed and supply pressures have largely eased with earlier issuances absorbed. While the U.S. Federal Reserve has begun cutting rates and global markets are pricing in further easing, **Malaysian yields are likely to remain modestly lower or range-bound** rather than experience a sharp decline. We opine that BNM is likely to maintain the OPR with no urgency to cut rates in 2026, providing stability and preventing aggressive yield compression. However, should the US Fed turn aggressively dovish in the coming year, we do not rule out a potential rate cut from BNM in the second half of 2026.

Overall, gross supply for MGS+GII is likely rise to RM185b in 2026 from RM168.5b in 2025, due to higher refinancing needs from larger maturities in 2026. As such, total number of auctions for 2026 will rise to 37 from 36 to accommodate larger MGS+GII issuance with the increase will be funded mainly by short-tenor bonds. Assuming average auction size around RM5b, gross issuance is expected to be marginally skewed to 1H2026 at RM95b vs RM90b in 2H2026. Net issuance, however, is decisively front loaded towards 1H2026 at RM61.1b or 80% of the full-year total, reflecting a concentration of maturities in July-November. Duration profile is likely to shorten with share of 3-5y bucket is projected to rise to 27% (2025: 24%), while the 7-10y and 15-30y buckets are expected to edge down to 27% (2025: 28%) and 46% (2025: 48%) respectively.

Exhibit 17: Foreign Holdings of MGS & GII



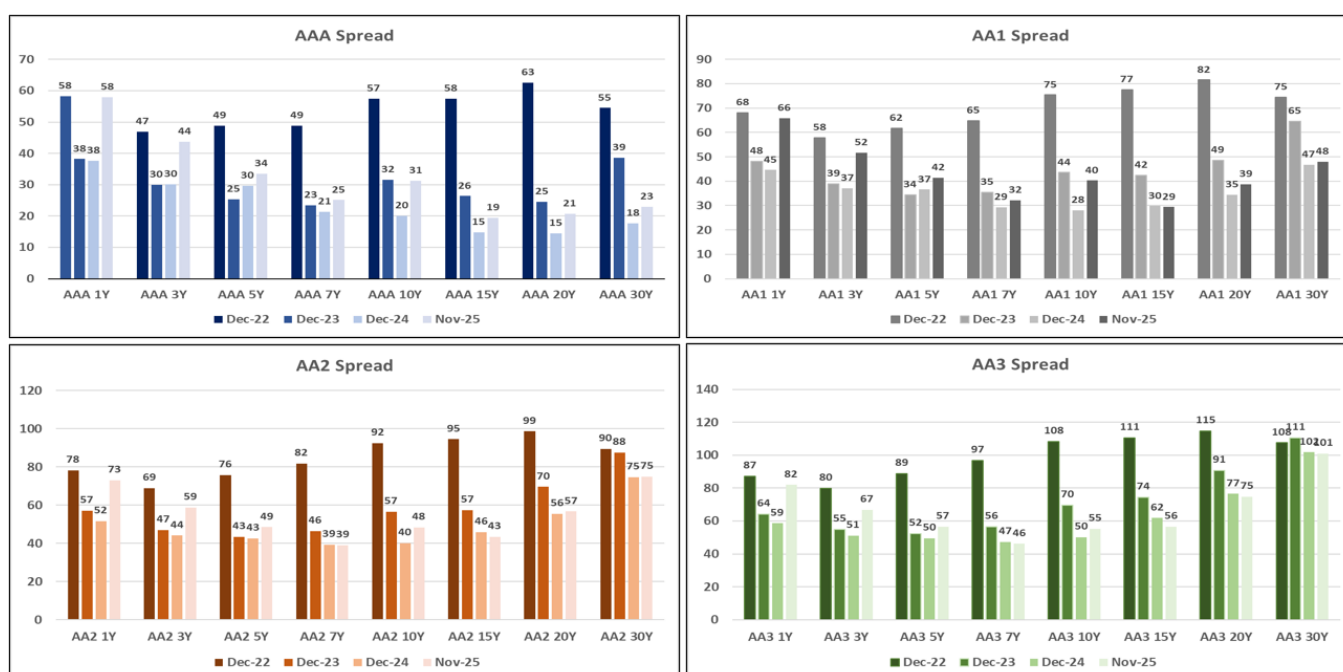
Although foreign flows show sign of weakness in the second half 2025, overall foreign holdings have stabilised and slightly rebounded in November 2025 amid expectations of further Ringgit strength and continued Fed easing.

Exhibit 18: Changes in yield of Malaysian Government Securities

MGS Benchmark Tenors	28-November-25 (%)	Net Change YTD (bps)
3Y	3.10	-43
5Y	3.30	-36
7Y	3.47	-31
10Y	3.49	-35
15Y	3.77	-22
20Y	3.87	-20
30Y	3.98	-21

Source: Bond Pricing Agency Malaysia, 3 December 2025

Exhibit 19: Credit spreads of Malaysian corporate bonds by ratings



Source: Bond Pricing Agency Malaysia, 29 November 2025

Credit spreads have widened slightly towards the end of 2025. However, it's likely to stay in range, given the lesser supply in 2026, especially if government bond yields stay range bound.

Overall Credit Environment & Outlook

Credit conditions in the Malaysian rated bond market remain generally stable and resilient in 2025, supported by a strong concentration of investment-grade issuers, the continued absence of widespread defaults and a sustained macroeconomic performance despite the challenges posed by reciprocal tariffs. Recent rating transition trends indicate that rating stability continues to dominate and credit migration is largely driven by issuer-specific fundamentals rather than broader macroeconomic factors. We believe credit outcomes in 2026 will largely hinge on disciplined balance sheets, reliable and stable cashflows and sufficient refinancing capacity.

Malaysia's economy is projected to grow 4.0%-4.5% for 2026, underpinned by firm domestic fundamentals that are expected to cushion downside risks arising from the external environment including potential escalations in global trade disputes, geopolitical tensions and/or renewed volatility in global commodity and energy markets. Against this backdrop, we opine that the following sectors would perform steadily in 2026:

- **Consumer sector** which is supported by sustained domestic consumption on the back of various government cash handouts and incentives announced in the Malaysia 2026 Budget and Visit Malaysia Year 2026.
- **Banking sector**, underpinned by solid macroeconomic growth supporting earnings with Malaysian banks remaining well-capitalized.
- **Power sector** that benefits from Malaysia's net-zero push and energy transition initiatives.
- **Construction sector**, supported by a healthy project pipeline.
- **Telecommunications sector**, which continues to enjoy relatively stable and recurring earnings streams.

On the other hand, the following sectors may warrant more monitoring :

- **Export and trade-linked sectors** such as Port Operators and Shipping companies that are sensitive to global demand fluctuations.
- **Property and Automotive sectors** which may be affected by potential new regulations, namely, the build-then-sell policy and new open-market-value excise duty.
- **Oil & Gas and Plantation sectors**, which remain exposed to commodity price volatility and related market risks.

Overall, credit ratings of investment-grade issuers are expected to remain stable in 2026. Meanwhile, downgrade risks are likely remain contained but are skewed towards highly leverage issuers with limited deleveraging progress, elevated refinancing needs and weak liquidity position and/or weak cashflow generating capability.

US Dollar Bonds : Diversification benefits by reducing risk while providing income and potential capital gains

Bonds are expected to have some upside in light of global interest rates being cut, led by the Fed. The potential capital gains (albeit lower than in the past 2 years) coupled with income from coupons will be a source of **stability and diversification for 2026** as we expect volatility to increase for riskier assets such as equities even as we expect them to perform as investors continuously reassess their portfolios in a more turbulent world that began in 2025. Hedging is recommended to manage potential forex volatility for RM denominated portfolios as we expect the RM to continue to strengthen.

RM Fixed income : Overweight Duration, Balancing Carry with Downside Protection

Malaysian bonds should **remain an anchor in portfolios that require income** and being denominated in RM, there is **no currency risk** or translation losses since we expect the RM to strengthen. Local yields remain attractive relative to regional bonds and the curve offers positive carry and roll-down opportunities. A **overweight duration**, particularly the 7-10 year segment is the best to capture the value. Corporate bonds provide incremental yield over government bonds but with spreads tightening over the past few years, security selection is paramount – focus on issuers in sectors less exposed to cyclical downturns and that have strong fundamentals with resilient cash flows.

PORTFOLIO STRATEGY

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For 2026, we can expect equities to continue its upward trajectory, albeit perhaps at a reduced momentum whilst fixed income will be stable with some upside. Volatility will be higher as we face increased policy risk with a New Fed Chair in May 2026 and pullbacks in equity prices on profit taking and concerns of elevated valuations and high expected growth rates.

Considering increased volatility, the portfolio to ride 2026 will be one which is **diversified** - anchored by **income generating** assets with return boosters via **US** driven by **Technology** and Asian equities.

The anchor of income generating assets should be fixed income securities, of some half of the portfolio. The alpha boosters can comprise US, **China and/or India** equities. For more aggressive portfolios, the income generating portion can include dividend yielding equities such as **Malaysian equities**. For all foreign currency (non-RM) investments, we recommend **RM-hedged** classes as we expect the RM to strengthen.

Exhibit 20: AmlInvest's 5 Key investment Themes



INVESTMENT SOLUTIONS

By **AmBank Wealth Management**

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Your future isn't bought—it's built, one decision at a time.

Strategy	Focus	Solutions
Capital Shield	<p>Designed for investors seeking stability and a predictable income stream, using low-volatility assets and inflation hedges.</p> <p>Key Consideration:</p> <p>Reliable Cash Flow Inflation Protection Risk Mitigation</p> <p>Every solution should prioritize regular payout and income consistency, minimizing exposure to market shocks while adding modest yield enhancement.</p>	<p>Monthly Distribution Assets: Combines income-oriented products to deliver predictable payouts and stability.</p> <p>Gold ETF: Inflation hedge and safe-haven asset.</p> <p>Range Accrual Notes: Enhanced yield if rates stay within range, capital preserved.</p> <p>Fixed Income: Laddered IG bonds for stability.</p>
Growth Navigator	<p>Balances income and growth with moderate risk, leveraging thematic and tactical ideas.</p> <p>Key Consideration:</p> <p>Dynamic Diversification Thematic Exposure Tactical Flexibility</p> <p>Solutions deliver balanced growth and income, using diversification and tactical instruments to manage moderate risk while capturing thematic opportunities.</p>	<p>Global Dividend Growth Fund: Target companies with rising dividends for income + growth.</p> <p>US/HK Tech Fund: Exposure to large-cap tech and innovation leaders for upside potential.</p> <p>Shark Notes: Equity-linked notes with capital protection and potential upside participation.</p>
Velocity Play	<p>Targets aggressive growth for investors comfortable with market volatility and complex instruments.</p> <p>Key Consideration:</p> <p>High-conviction Growth Strategic Leverage Opportunistic Allocation</p> <p>Solutions are designed for maximum upside and tactical flexibility, leveraging volatility and complex instruments to pursue aggressive growth.</p>	<p>Disruptive Tech & AI Fund: Concentrated exposure to next-gen technologies.</p> <p>High-Yield Equity Opportunities: Tactical allocation to emerging market equities and small caps.</p> <p>KIKO Structured Notes: High yield equity offerings derived from high volatility stocks, paired with tactical downside buffers to dampen volatility.</p>

AWARDS AND ACCOLADES



AmlInvest's Awards

Asia Asset Management - Best of The Best Awards 2025



InsuranceAsia News - Institutional Asset Management Awards 2025



FinanceAsia - FinanceAsia Asia's Best Companies 2025



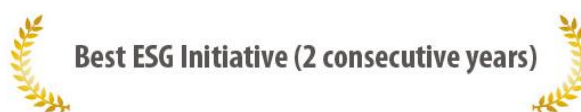
FinanceAsia - FinanceAsia Awards 2025



Alpha Southeast Asia - 16th Annual Fund Management Awards 2025



CorporateTreasurer - CorporateTreasurer Awards 2025



Asset Publishing & Research Limited, publisher of The Asset -
The Asset Triple A Sustainable Investing Awards for Institutional Investor, ETF,
and Asset Servicing Providers 2025




AmlInvest's Awards

FSMOne Recommended Unit Trust Awards 2025/26 - iFAST Capital Sdn. Bhd.

 **AmIncome Plus (Fixed Income - Malaysia) (Short Duration)**
(12 consecutive years)

 **AmGlobal Emerging Market Opportunities (Core Equity - Global Emerging Markets)**

 **AmBond (Core Fixed Income - Malaysia)**
(3 consecutive years)

 **AmEuropean Equity Alpha (Sub Regional Equity - Europe)**

LSEG - LSEG Lipper Fund Awards Malaysia 2025

 **AmDynamic Bond, Best Bond MYR Fund Over 10 Years**
(2 consecutive years)

 **AmDynamic Sukuk, Best Islamic MYR Fund Over 3 Years**

LSEG - Global Islamic 2025 Lipper Fund Awards

 **AmDynamic Sukuk, Best Fund Over 3 Years**

AsianInvestor - AsianInvestor Asset Management Awards 2025

 **Best Sustainable Investments - Nature Based Solutions**

 **Market Awards Malaysia - Highly Commended**

Citywire - Citywire ASEAN Awards 2024/25

 **Best Sustainable Investments - Malaysia**

 **Best CIO Office – Malaysia**

The Asset Triple A - The Asset Triple A Islamic Finance Awards 2025

 **Islamic Asset Manager of the Year - Multi Asset**

Cambridge Islamic Funds Awards - Cambridge Islamic Funds Awards 2025

 **Best Islamic Sukuk Fund in Malaysia**
(2 consecutive years)

 **Best Islamic Fund Manager in Malaysia 2025**

Note: Past performance is not an indication of future performance. The fund(s)' unit prices as well as investment returns and income distribution payable, if any, may rise or fall. Investments in the fund(s) involves risks including the risk of total capital loss and no income distribution. The grantors of the above-mentioned awards are not related to AmFunds Management Berhad and Amlslamic Funds Management Sdn. Bhd.

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