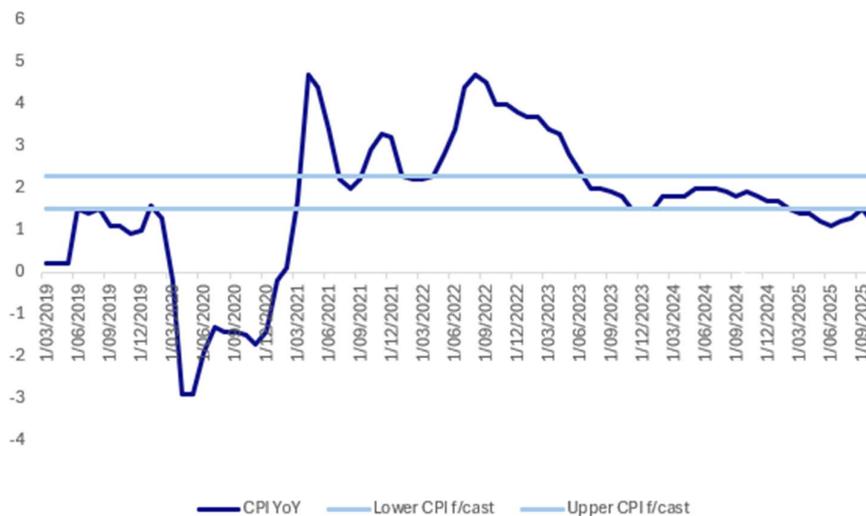




The Macro, Valuation, Sentiment and Technical Lens

**Macro:** There is no key data releases in the calendar for this week in Malaysia. Last week saw very strong trade data with exports for October significantly above expectations at +15.7% as electronic exports jumped +26% YoY. Imports rose +11.1% YoY for its strongest monthly result since April and points to a strong position for domestic demand. On the downside, CPI moderated more than expected, slipping back below the bottom end of the Central Bank’s range. At +1.3% CPI ‘s largest decline was from fuel whilst CORE was up at +2.2% YoY.

Fig 1: Malaysia CPI YoY vs BNM Ranges



source: Bloomberg Finance LP / MNI

**Valuation:** The FTSE Malay KLCI has done very little of late, seemingly ignoring the tech led euphoria in Japan and Korea, despite its own focus on the semiconductor industry. Up modestly over the last month, this compares to other regional peers now negative. Price to earnings remains above the full year end forecasts, suggesting potential downside risks exist. USDMYR has had a very strong period up +1.9% over the last month (whilst SE Asia peers are negative) and at 4.1445 is back at levels of September 2024.

Fig 2: FTSE Bursa Malaysia KLCI Index Valuation Analysis

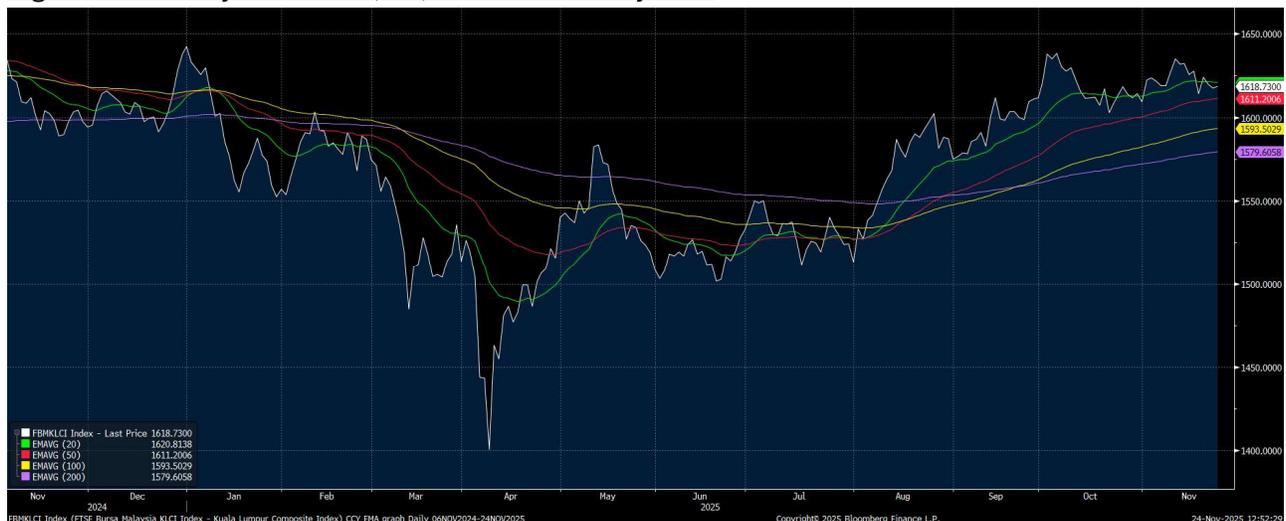
FTSE Bursa Malaysia KLCI Index - Kuala Lumpur Composite Index Compare <Sec> Periodicity Annuals Cur FRC (MYR)							
1) Key Stats 2) Fundamentals 3) Custom 4) Shared							
1) Highlights 12) Valuation 13) Profitability 14) Leverage & Liquidity 15) Market Data							
12 Months Ending	2021 Y 12/31/2021	2022 Y 12/30/2022	2023 Y 12/29/2023	2024 Y 12/31/2024	Current 11/23/2025	2025 Y Est 12/31/2025	2026 Y Est 12/31/2026
<b>Valuation Metrics</b>							
Price/Earnings	14.75	15.72	13.16	14.84	15.20	14.91	13.98
Price/Earnings before ...	13.80	15.15	14.23	14.08	14.20	14.69	13.89
Price/Earnings before ...	14.43	15.20	15.89	14.08	14.47		
Price/Book Value	1.57	1.44	1.31	1.49	1.48	1.43	1.37
EV/Sales	2.84	2.65	2.69	2.61	2.56		
EV/EBIT	13.53	13.91	15.83	15.63	15.18		
EV/EBITDA	7.68	8.02	9.16	8.77	9.90	10.89	10.25
Dividend Yield	4.47	4.19	4.54	3.93	4.08	4.13	4.41

Source: Bloomberg Finance LP / MNI

**Sentiment:** Sentiment for the equity market has remained muted over recent months despite the economic data strength. Returns are modestly higher for the FTSE Malay KLCI over one month, now outperforming regional peers following their recent sell off. However, we for bonds, the 3-Yr MGS, it continues to yield 29bps more than base rates, indicating that sentiment seems to be relatively convinced that the BNM is on hold for now.

**Technical:** Opening today at 1,620 the FTSE Malay KLCI sits just below the 20-day EMA of 1,620 with the 50-day EMA below at 1,611.

Fig 3: FTSE Malay KLCI vs 20, 50, 100 and 200-day EMA



Source: Bloomberg Finance LP / MNI

The Ringgit strength of late has taken it below all major moving averages whilst remaining above the oversold level on the relative strength index

Fig 4: USDMYR 14-day Relative Strength Index



Source: Bloomberg Finance LP / MNI

For the week ahead, Malaysia has one major issue planned, a MYR3bn 2045 auction.

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