



Bite-Size Macro

- Volatile start to 4Q 2024 due to uncertainties relating to growth and inflation trajectories, US presidential elections and tensions in the Middle East.
- Donald Trump and the Republican Party secured victory in the 2024 US Presidential Elections.
- Republican's pro-business stance propelled US equity indices to record highs.
- Asian equity markets were negatively impacted, with the MSCI Asia ex Japan recording a 3.4% loss for November alone, due to proposed tariffs by the Republicans. This includes a 10% to 20% blanket import tariff and a 60% tariff on Chinese goods.
- US Fed cut interest rates twice in Q4 by 25bps each time, but signalled potentially slower pace of easing in 2025. This triggered selling in UST and appreciation of USD to a two-year high.
- The ECB cut rates for the 4th time this year, lowering deposit rates to 3% to support the bloc's weak growth outlook amid a potential US trade war.
- Chinese policymakers unveiled a RMB10 trillion package of new measures to alleviate local government debt issues. PBoC also plans to loosen monetary policy in 2025 to boost growth and aid the property sector.



Bite-Size Malaysia

- Malaysia continues to attract significant FDI from US tech giants, with Oracle planning a USD 6.5bil investment to establish its first public cloud region, the largest tech investment to date.
- Budget 2025 included plans to raise minimum wage from RM1,500 to RM1,700 per month and to remove RON95 petrol subsidy for the top 15% of consumers.
- GDP growth remained strong at 5.3% in Q3 2024, driven by increased investments and continued export improvements. A healthy GDP growth rate of 4.5% to 5.5% is projected for 2025.
- Headline inflation held steady below the 2% level YoY Sept, Oct and Nov, reflecting broadly stable cost and demand conditions.
- BNM kept interest rates unchanged at 3.00% in Q4, implied future decisions would remain data-dependent.



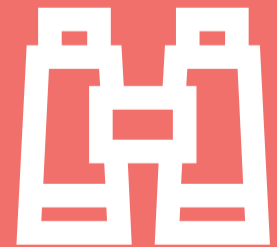
Outlook & Strategy

- Optimistic outlook for the local equity market, supported by ongoing domestic policy reforms and continued investments in infrastructure and data centers. Investment strategy to focus on high-quality stocks with robust fundamentals, while ensuring a well-balanced portfolio.
- Neutral outlook on the Malaysian bond market, based on expectations of a stable OPR and a supportive local supply-demand profile.



BOLO: Be On The Lookout

- US tariffs and trade barriers.
- Global inflation & monetary policies.
- China's economic data and responses to tariffs.
- Geopolitical tensions, specifically involving Middle East conflicts and US-China tech/trade war.



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