

Wealth Management Digest **May 2025**

Exclusively for AmBank SIGNATURE Priority Banking Customers

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Market Overview

Total Returns (%) Year-To-Date (At Month End)

	2023	2024	Feb-25	Mar-25	Apr-25
MSCI Global Equities	22.82%	18.03%	2.79%	-1.21%	-0.25%
MSCI Developed Market Equities	24.44%	19.22%	2.84%	-1.67%	-0.76%
MSCI Emerging Markets Equities	10.20%	7.97%	2.31%	2.99%	4.37%
MSCI Asia ex Jn Equities	11.98%	10.14%	1.17%	1.02%	3.79%
S&P 500 (US) Equities	26.26%	25.00%	1.44%	-4.28%	-4.93%
STOXX 600 (EU) Equities	16.63%	9.62%	10.03%	5.94%	5.41%
CSI 300 (China) Equities	-9.14%	18.24%	-0.92%	-0.99%	-3.82%
HSI (HK) Equities	-10.46%	22.90%	14.79%	16.09%	11.43%
MSCI Malaysia (MY) Equities	0.67%	17.51%	-4.55%	-6.72%	-5.40%
Bloomberg Global IG Bond	5.72%	-1.69%	2.01%	2.64%	5.65%
Bloomberg Global HY Bond	14.04%	9.19%	2.17%	1.85%	2.72%

Source: Bloomberg, as of 30 April 2025

GLOBAL EQUITIES

Global equities closed the gap in terms of losses as investors bought the dips in the market, as valuations turned less demanding. Earnings outlook was challenged as analyst revised targets lower, but positive momentum behind Q1's earnings help lift sentiments.

ASIA PACIFIC EQUITIES

Asia ex Japan markets continued to rise, buoyed by brighter performance in China. Beijing has been able to handle Trump's tariff tantrum's, leading to brighter performance across the market. Returns in India, South Korea and Taiwan also contributed to the regions' performance, offsetting weakness in the Southeast Asia space.

MALAYSIAN EQUITIES

Malaysia stocks edged lower, amid continued capital outflows from the market as the US Fed kept interest rates unchanged. Fears of reciprocal tariffs hitting Malaysian exports weighed on local sentiments, dragging asset prices lower.

Source: AmBank Retail Wealth Management Advisory & Research (as at 03 May 2025)

Wealth Pulse

A HIGH GROWTH, HIGH CONVICTION INVESTMENT STORY

India: It's Not Just About Cricket & Curries

Bollywood glitz, stadium roars, and spice-laden thalis, lies something far more compelling: a \$4 trillion juggernaut quietly rewriting the global investment playbook.

India in 2025 isn't just the backdrop for yoga retreats or Netflix specials - it's centre stage for a high-growth, high-conviction investment story.

A place where resilient earnings meet rising consumption, where tech-savvy regulation meets a billion-person demand curve.

In a world grasping for growth, India's offering it - with policy stability, re-rated valuations, and a domestic engine that's still revving up.

This isn't just potential. This is positioning & smart money knows it.

Built for Speed, Primed for Scale

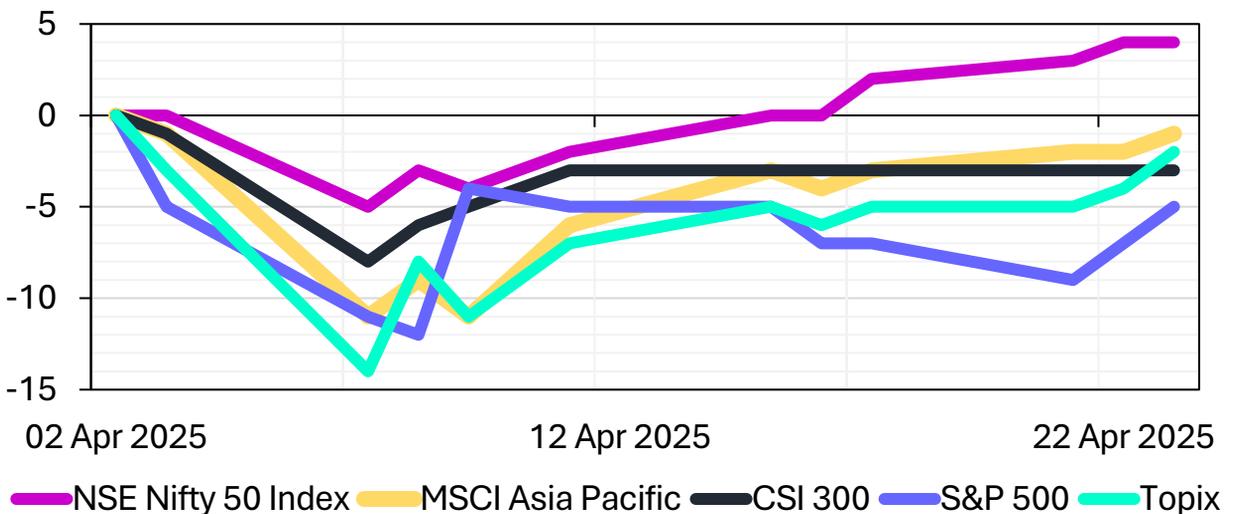
India's economy is set to grow 6.2% in 2025 (IMF), making it the fastest horse in the global growth race.

What's fuelling it?

A potent mix of private consumption (60% of GDP), rising capex, and the demographic dividend of a billion-strong youth base—65% under 35.

Per capita GDP has jumped from USD 2,150 in 2021 to USD 2,850 in 2025, turbocharging middle-class spending power.

INDIA EQUITIES HAVE BEATEN PEERS SINCE LIBERATION DAY



Source: AmBank Wealth Management, Bloomberg (15 May 2025)



Hot sectors firing on all cylinders:

- **Oil & Gas:** Domestic fuel demand hit 222M tonnes in FY24 (+5% YoY).
- **Travel & Hospitality:** Air traffic soared past 150M passengers in 2024; tourism alone could add USD 250B to GDP by 2030.
- **Technology:** IT and business services exports are racing past USD 200B in FY25, supercharged by AI and digital transformation.

Young, urban, and earning more— India’s consumer is here to spend, and its economy is built to ride that wave.

Value & Profits - Pricey? Yes. Justified? Also, Yes

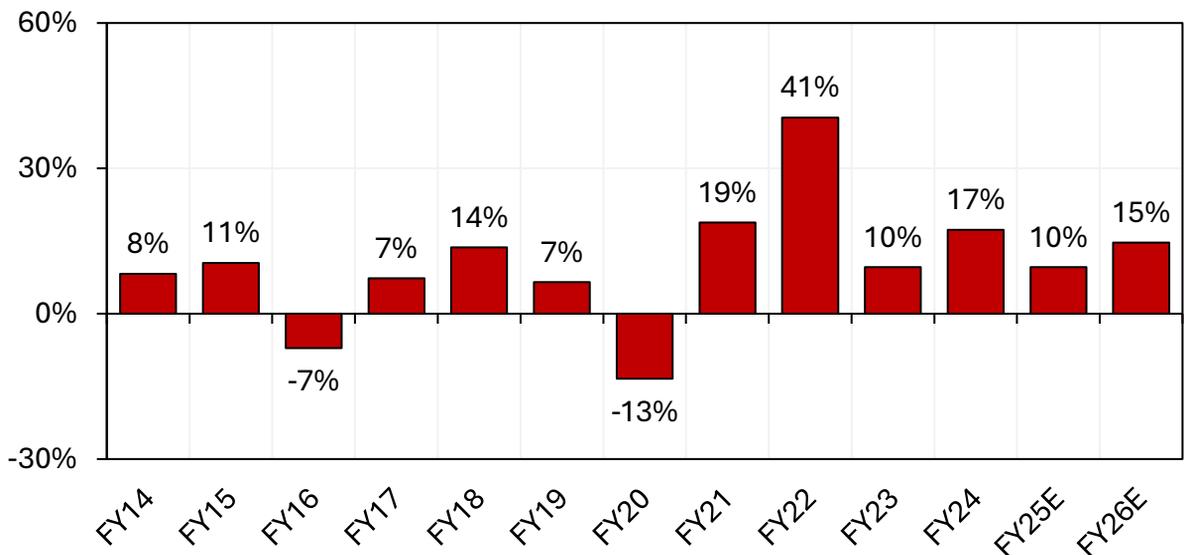
At 22.4x forward P/E, the Nifty 50 isn’t cheap - but it’s priced for performance. Unlike China (11.5x) or Brazil (9.2x), India’s premium reflects strong pricing power, ~16% ROEs, and solid margins in private banks and IT.

Why it holds up:

- **Earnings:** 9-10% growth in FY25, 13-15% in FY26- ahead of EM peers.
- **Reforms:** Pro-growth budgets and infra capex keep momentum strong.
- **Retail base:** 130M+ investors & \$2.5B /month via SIPs provide a market floor.

India may not be “cheap,” but it’s “worth it” - a rare mix of growth, governance, and scale in a conviction-starved world.

NIFTY 50 EPS GROWTH SET TO REACCELERATE



Source: AmBank Wealth Management, Bloomberg (15 May 2025)

Infrastructure - India's Fast Lane To The Future

India's infrastructure is transforming. The 2025–26 Union Budget allocates ₹11.21 lakh crore (~USD 135B)—over 3.4% of GDP—for a nationwide upgrade.

Key drivers:

- **Roads:** ₹10 lakh crore to upgrade 30,000 km of highways, cutting travel time by 40%.
- **Urban push:** ₹96,777 crore (+18% YoY) for metros, smart grids, and Tier 2/3 housing.
- **Gati Shakti:** A digital plan linking 1,200+ infra nodes via satellite mapping.
- **Digital edge:** India is emerging as Asia's data hub, with major tech investments.

Infrastructure is now India's edge, not its Achilles' heel.

Governance Reforms: From Red Tape To Global Credibility

India's reforms are a strategic reset. Modi's governance blends global credibility with domestic simplification.

Key changes:

- **Business:** Faceless tax, faster GST refunds, 79-spot rise in World Bank's ease of doing rankings.
- **Regulation:** 2025 Unified Code streamlines SEBI, RBI & FEMA.
- **Capital:** RBI lifted short-term foreign debt caps, boosting bond liquidity.
- **Trade:** 15+ deals (UAE, UK, Australia, Singapore) improve tax/IP clarity.
- **Strategy:** India anchors global supply chains via Quad, IMEC, U.S. tech pacts.

India To Gain From FTA's | Impact Of FTA's On Economic Engines



Source: AmBank Wealth Management, Bloomberg (15 May 2025)

Foreign Investors: Not Just Flirting, They're Committed

In May 2025, foreign investors poured ₹14,167 crore (~USD 1.7B) into Indian equities—a structural bet, not a sugar rush. Why it's sticky:

- **Macro edge:** Double-digit nominal GDP, stable policy, & positive real yields.
- **Market scale:** Now 4th globally by cap, with deep liquidity, booming ETFs, and 100+ IPOs coming.
- **Resilient demand:** 64% of GDP is domestic—buffering global shocks.

Domestic Investors: Trapped, Loyal - and Growing Rich

Domestic invest are doubling down.

- **SIPs (systematic investment plan) are surging:** ₹20,000 crore/ month & climbing. It's the new savings habit.

- **Offshore limits = Onshore loyalty:** Lack of access is fuelling record flows into midcaps and IPOs.
- **Trust in reforms:** India's young investors see delivery, not delays—choosing Nifty over NFTs.

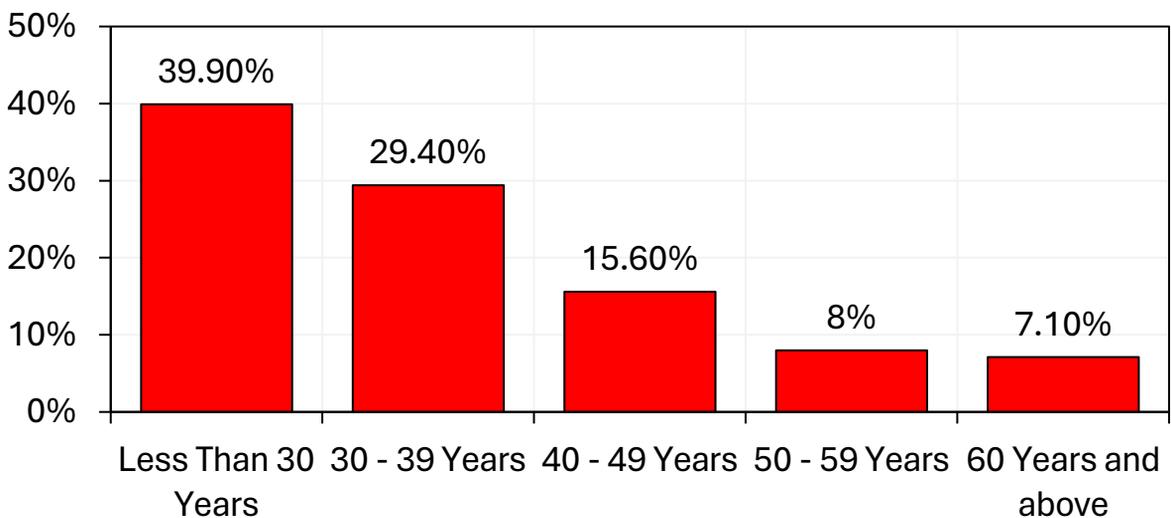
India isn't just an EM trade—it's a core allocation.

Why This Trend Has Legs

- **Demographics:** A million new workers/month. 65% of India under 35. That's compounding gold.
- **Digital rails:** UPI + Aadhaar + Account Aggregator = Capital formation, streamlined.
- **Policy flow:** No post-election stalling - the reform engine is still in overdrive.

So, whether you're an FPI in Singapore or a retail investor in Surat—the runway is long, and it's wide open.

YOUNGER GENERATION ACTIVE IN MARKETS



Source: AmBank Wealth Management, Bloomberg (15 May 2025)

Breaking The Mold

India isn't just another emerging market - it's the standout in the lineup.

Here's why:

1. Digital Powerhouse

While others are wiring up basic infrastructure, India's already running on fintech steroids.

- UPI clears 11B+ transactions/month.
- Aadhaar + DigiLocker = digital onboarding in seconds.
- Big Tech (Microsoft, Amazon, Google) is pouring billions into Tier 2 data hubs.

India isn't building pipes. It's already pumping data.

2. Demand That Doesn't Depend on the World

- With 64% of GDP driven by domestic consumption, India doesn't need exports to grow.
- 140M+ new middle-class consumers by 2030.
- Tier 2 & 3 cities are the new malls, markets, & fintech playgrounds.

"Unlike cautious Chinese or debt-laden Brazilian consumers, Indian shoppers are young, employed, and confident."

3. Policy That Doesn't Panic

While many EMs wobble post-election, India stays the course.

- GST, bankruptcy code, infrastructure budgets—delivered.
- New Unified Securities Market Code trims capital market red tape.
- Fiscal deficit targeted at 4.4% in FY26 despite tax cuts.

India doesn't U-turn on policy. It compounds it.

4. Globally Aligned, Regionally Trusted

India's gone from non-aligned to multi-aligned.

- 15+ trade deals signed since 2020.
- In the Quad, IMEC, and critical mineral corridors.
- The go-to "China+1" play for manufacturing and tech.
- India isn't choosing sides—it's becoming indispensable to all of them.

Bottom line: Growth. Governance. Digital firepower. India isn't following the EM script—it's rewriting it.

Budget 2025: India Cuts Taxes, Not Corners

India's Union Budget 2025 didn't just adjust numbers—it reshaped spending behaviour.

By raising the tax exemption from ₹7 lakh to ₹12 lakh and the standard deduction to ₹75,000, the government handed the middle class a silent bonus.

That's ₹1 trillion (~USD 12B) back into wallets. With 80% of it likely to be spent, GDP could rise by up to 2.5% this year, says IMF's KV Subramanian.

- **Winners:** Two-wheelers, homebuilders, entry-level cars, FMCG—and maybe dating apps.
- **No deficit panic:** India's holding the fiscal line at 4.4% for FY26, thanks to better compliance and a broader tax base.

Bottom line: This isn't a one-time boost—it's a structural push to accelerate consumption. Investors are betting it'll work.

India: Not Just A Vibe

India still dazzles with Bollywood, cricket, and thalis—but beneath the colour lies a reform-driven, high-growth economy gaining serious investor traction.

With strong GDP, solid earnings momentum, digital immersion & leadership, and policy stability, India isn't just joining the global economy—it's helping shape it.

Bottom line: This isn't chasing a trend. It's backing a transformation. India's not just vibrant—it's delivering.

AmBank Economics – Monthly Manifests

Malaysia: Steady Growth Despite Tariff Uncertainties

Malaysia's advance GDP estimates showed the economy expanded by 4.4% y/y in 1Q2025, down from 5.0% in the previous quarter but slightly above our expectation of 4.3%. While part of the moderation likely reflects initial drag from the heightened global trade policy uncertainty ahead of US tariff announcement on 2 April, we believe the primary factor was a shorter working period during the quarter due to festive holidays, including Chinese New Year.

All sectors recorded softer growth, with the exception of agriculture, which rebounded to 0.7% from a contraction of 0.5% in 4Q2024.

Services, the key growth driver, eased to 5.2% from 5.5%, while manufacturing, supported by electrical and electronics (E&E) segment, also slowed to 4.2% from 4.4%.

Construction activity remained robust with double-digit growth of 14.5%, though down from 20.7% previously. Mining and quarrying slipped further into contraction, declining by 4.9% following a drop of 0.9% in the previous quarter.

On the external front, March trade data showed exports growing 6.8% y/y, up from 6.2% in February, largely driven by frontloading of shipments to the US ahead of the anticipated tariff implementation.

Of note, exports to the US surged by 50.8%, helping to maintain a year-to-date trade surplus. The US's planned reciprocal tariff hike, set to increase duties on Malaysian goods by 24% after the 90-day pause, will likely sustain frontloading activity and support export-oriented manufacturing activity in the near term.

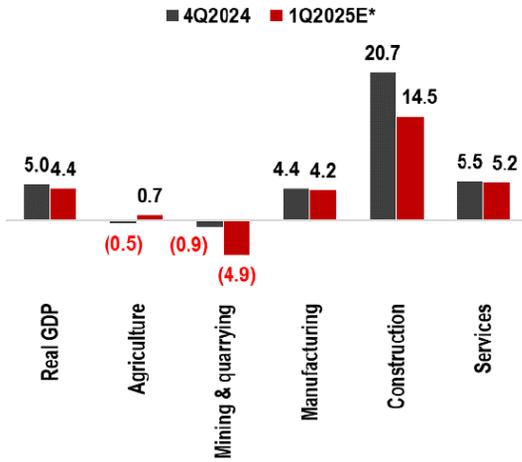
Meanwhile, inflation continued to ease, with headline CPI moderating to 1.4% y/y in March, marking its lowest reading since February 2021. The moderation was partly due to the easing of global commodity prices and a high base effect from last year's water and electricity tariff adjustments. Core inflation, which excludes administered prices of goods and services such as fuel, remained steady at 1.9%.

Given the still solid economic backdrop, we expect the BNM to keep the OPR unchanged at 3.00% at its upcoming Monetary Policy Committee (MPC) meeting on 8 May. The BNM Governor has recently signalled no urgency to recalibrate its policy settings. We believe the central bank will maintain a wait-and-see approach, closely monitoring the impact of external developments on growth and price stability before making any policy adjustments.

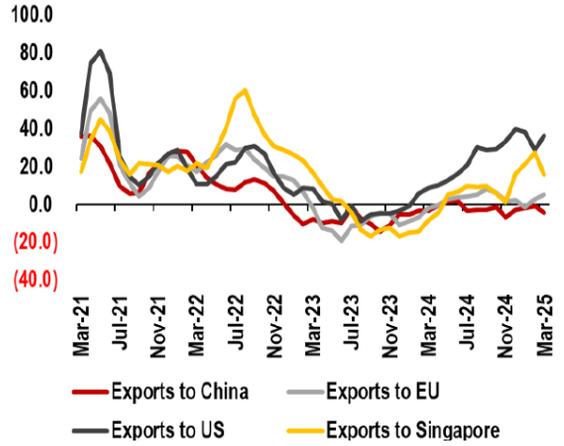
Source: AmBank Economics (May 2025)

Economic Events – Commentary & Charts

MY Distributive Trade Sales By sub-Sector



MY Industrial Production Y/Y (%)



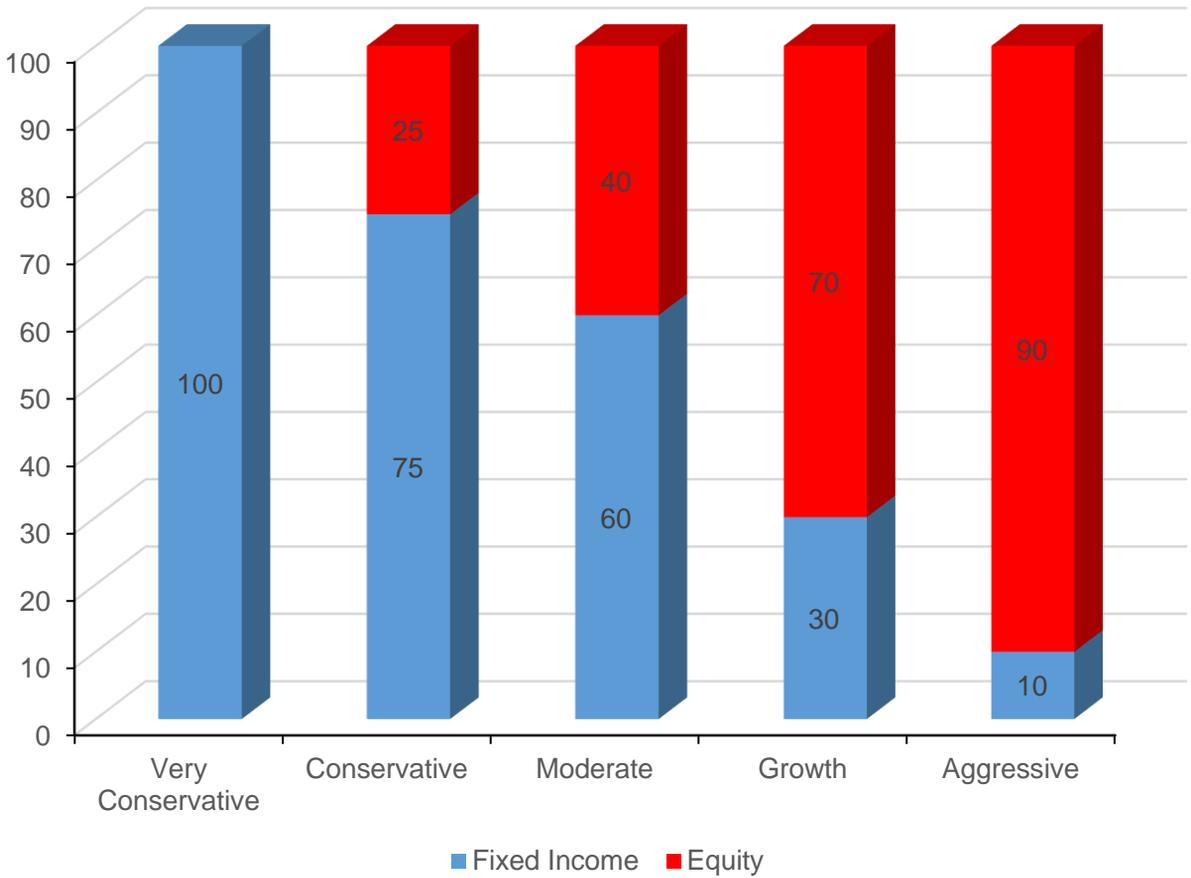
AmBank Economics' Projections (%)

	Actual Data		Forecast
	4Q2024	1Q2025	2Q2025
GDP, y/y%	5.0	4.4*	4.2
Inflation rate	1.8	1.5	1.9
OPR	3.00	3.00	3.00

Source: DOSM, AmBank Economic Research

Asset Allocation Strategy

Reference Portfolio (Based on Investor's Risk Profile)
(% Allocation for Equity and Fixed Income)



Source: AmBank

Fund of Focus – 2nd Quarter 2025

	Retail (16 Funds)	Wholesale (12 Funds)
Core (14)	AmBon Islam (i) AHAM WS Income AHAM Select AUD Income AmIslamic Global REITs (i) (New) Manulife Global Perspective Principal Lifetime Bond RHB Asian Income United Golden Opportunity	AHAM Aiiman Global Multi Thematic (i) Am Tech & Innovation Fund Core Private Market (AmFunds) Global Dividend (AmFunds) Income & Growth (AmFunds) MAMG Systematic Asia Pac Eq Abs Return
Tactical (14)	AHAM Select Opportunity Eastspring Investments Small-Cap Principal Greater China Equity Principal Islamic Lifetime Balanced (i) RHB-i Sustainable Future Technology (i) RHB Shariah China Focus (i) TA Global Technology United Global Transformation	AHAM WS US Technology Global Smaller Companies (AmFunds) Hong Kong Tech (AmFunds) India Growth (AmFunds) Principal Global Technology Principal Islamic Global Technology (i)

Note: Funds are selected using a quantitative filter. Best scoring funds across key categories have shortlisted to be in the fund of focus. Based on Wealth Advisory & Research and Wealth Product Managers PM discretion & experience, new funds and tactical ideas may be added as required to capture fast moving market trends.

Source: AmBank as of April 2025

Top 5 Best Performing Funds YTD 2025

Fund Name	Fund Type	Status	YTD	1Y	3Y Ann
AHAM Select Opportunity Fund	Equity - Malaysia	Retail	26.2	30.11	9.06
Eastspring Inv Islamic Small-cap	Equity - Malaysia	Retail	24.08	26.13	8.78
Principal Global Technology MYR H	Equity - Global	Retail	23.01	28.27	-0.63
TA Global Technology MYR	Equity - Global	Retail	27.04	31.29	10.65
United Golden Opportunity MYR hedged	Other - Global	Retail	23.14	26.09	10.24

Top 5 Worst Performing Funds YTD 2025

Fund Name	Fund Type	Status	YTD	1Y	3Y Ann
AHAM Select Asia (ex Jpn) Qtm Fd	Equity - Asia ex Japan	Retail	-10.76	-11.13	-5.81
AmAsia Pacific REITs B MYR	Equity - Asia ex Japan	Retail	-9.46	-4.27	-7.4
Maybank Singapore REITs MYR	Equity - Developed Market	Retail	-11.3	-7.59	-3.54
Principal Islamic Asia Pacific Dyn Eq	Equity - Asia ex Japan	Retail	-9.96	-6.1	-6.75
RHB Resources	Equity - Asia ex Japan	Retail	-8.49	-5.43	2.91

Source: Lipper fund performance as at 30 April 2025, applicable to funds distributed by AmBank
Past performance does not indicate future returns

Definitions

AAA/BBB	Currency Pair of AAA and BBB. Number of units of AAA (Base currency) that one unit of BBB (Quote currency) will buy.
AUD	Australian Dollar
Bosvepa	Brazil Stock Index
CAD	Canadian Dollar
CHF	Swiss Franc
CNY	Chinese Renminbi
CPI	Consumer Price Index
DAX	German Stock Index
DJIA	Dow Jones Industrial Average
EPFR Global	Emerging Portfolio Fund Research, Inc.
ETF	Exchange Traded Funds
EUR	Euro
FocusEconomics	FocusEconomics is a leading provider of economic analysis and forecasts for 127 countries in Africa, Asia, Europe and the Americas, as well as price forecasts for 33 key commodities.
GBP	UK Pound Sterling
GDP	Gross Domestic Product
German IFO	German Information and F orschung (research).
HSI	Hong Kong's Hang Seng Index
IIF	Institute of International Finance
IHS	Information Handling Services is a company based in London, United Kingdom. IHS provides information and analysis to support the decision-making process of businesses and governments.
IHS Markit	A merger between IHS and Markit Ltd.
Indonesia's JSX	Indonesia's Jakarta Stock Exchange
I/B/E/S	'Institutional Brokers' Estimate System
INR	Indian Rupee
JPY	Japanese Yen
KOSPI	South Korea's Stock Index
Malaysia's KLCI	FTSE Bursa Malaysia Index
Markit Ltd	A global financial information and services company founded in 2003 as an independent source of credit derivative pricing.
MICEX	Russian Stock Index
MYR	Malaysian Ringgit
Philippines PSE	Philippines' Stock Index
PSEi	The Philippine Stock Exchange, Inc
PMI	Purchasing Managers' Index
PRC	People's Republic of China
Q1,Q2,Q3,Q4	Quarter 1, Quarter 2, Quarter 3, Quarter 4
SCI	China's Shanghai Composite Index
SGD	Singapore Dollar
Singapore STI	Singapore's Strait Times Index
TAIEX	Taiwan's Stock Index
Thailand's SET	Thailand's Stock Index
U.K.	United Kingdom
U.S.	United States of America
U.S. Fed	United States Federal Reserve
USD	U.S. Dollar
YOY	Year-on-year
YTD / y-t-d	Year to date

Disclaimer

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