

Wealth Management Digest **December 2025**

Exclusively for AmBank SIGNATURE Priority Banking Customers

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Market Overview

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

	2023	2024	Sep-25	Oct-25	Nov-25
MSCI Global Equities	22.82%	18.03%	18.89%	21.57%	21.59%
MSCI Developed Market Equities	24.44%	19.22%	17.86%	20.24%	20.62%
MSCI Emerging Markets Equities	10.20%	7.97%	28.21%	33.58%	30.40%
MSCI Asia ex Jn Equities	11.98%	10.14%	24.38%	28.90%	26.04%
S&P 500 (US) Equities	26.26%	25.00%	14.81%	17.50%	17.79%
STOXX 600 (EU) Equities	16.63%	9.62%	13.28%	16.21%	17.35%
CSI 300 (China) Equities	-9.14%	18.24%	20.71%	20.94%	18.06%
HSI (HK) Equities	-10.46%	22.90%	38.18%	33.39%	33.27%
MSCI Malaysia (MY) Equities	0.67%	17.51%	0.43%	0.27%	0.14%
Bloomberg Global IG Bond	5.72%	-1.69%	7.91%	7.64%	7.89%
Bloomberg Global HY Bond	14.04%	9.19%	9.60%	10.36%	10.98%

Source: Bloomberg, as of 28 November 2025

GLOBAL EQUITIES

Global equities held steady in November, maintaining strong year-to-date gains. Developed markets continued to show resilience, supported by expectations of rate cuts and solid earnings, while emerging markets remained the standout performer despite a slight pullback from October highs. Overall sentiment stayed constructive, anchored by easing inflation and improving liquidity conditions.

ASIA PACIFIC EQUITIES

Asia Pacific equities moderated after October's sharp rally. China saw some profit-taking following stimulus-driven gains, while Hong Kong remained firm, buoyed by sustained interest in technology and AI-linked names despite ongoing property sector challenges. Regional performance remains robust, underpinned by policy support and export recovery, though volatility persists amid geopolitical risks.

MALAYSIAN EQUITIES

Malaysia lagged regional peers in November, reversing most of October's rebound. The pullback reflects cautious positioning and limited domestic catalysts. While structural themes such as automation and EV supply chain remain long-term positives, near-term flows are sensitive to global risk sentiment and commodity price trends.

Source: AmBank Retail Wealth Management Advisory & Research (as at 11 December 2025)

Wealth Pulse

A TALE OF TWO SPEEDS

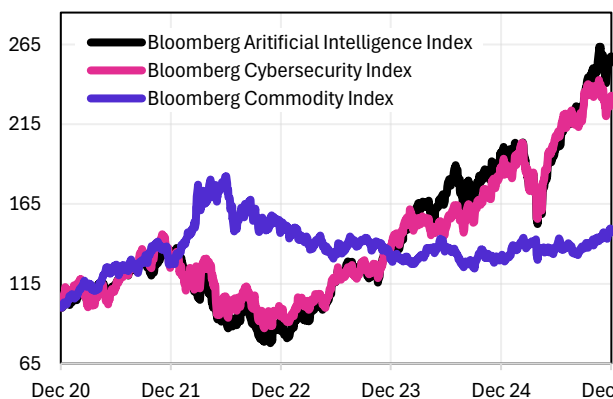
Think of a racetrack: one car blazing ahead, another pacing steadily. That's 2025 in a nutshell. 2025 delivered two distinct speeds:

- **AI infrastructure** raced ahead with explosive gains.
- **Cybersecurity and commodities** moved at a steady, structural pace.

1. Diverging Momentum: AI vs Cyber vs Commodities

AI-themed ETFs surged +48–49% YTD, powered by semiconductors and hyperscaler spending. Cybersecurity ETFs gained ~20–23%, reflecting defensive growth amid rising AI-driven threats. Meanwhile, commodities staged a strategic comeback: rare earths like terbium soared +149%, copper hit record highs, and lithium rebounded late in the year.

AI vs Cybersecurity vs Commodities (2020–2025)



Source: Bloomberg Terminal
(December 2025)

2. Why It Matters

AI's rocket faces **cost gravity** — depreciation and CAPEX normalization loom large. Cybersecurity offers resilience through mandatory enterprise spend, while commodities anchor the physical backbone of digital ambitions.

This divergence signals a **barbell strategy**: balance high-beta AI exposure with defensive cyber and scarcity-driven commodities.

3. AI Infrastructure: Boom Meets Cost Discipline

The AI boom isn't just about GPUs — it's about the economics behind them.

CAPEX Surge → Depreciation Risk:

Big Tech's AI infrastructure spend could **double to \$200B by 2026**, up from **\$90B in 2022**. These are recurring, capital-intensive investments—data centres, cooling systems, networking hardware. Every dollar today becomes tomorrow's depreciation line, creating payback risk if monetisation lags.

Implication

If revenue growth doesn't keep pace, margin compression is inevitable. AI is real assets, real depreciation schedules, and real payback risk. Winners will master cost discipline without sacrificing performance.

Wealth Pulse

Efficiency Is the New Frontier

The early mantra was “train bigger models.” That era is ending. The battleground now: efficiency and power optimization.

- **Cooling & Energy:** Thermal management and renewable integration are critical as power density rises.
- **Networking:** High-bandwidth interconnects to reduce latency and bottlenecks.
- **Model-Level Innovations:**
 - › Compression (quantisation, pruning, distillation)
 - › Sparse Architectures (Mixture-of-Experts)
 - › Algorithmic Efficiency (LoRA, retrieval-augmented generation)
- **Hardware Optimization:** Specialised accelerators, ASICs, and edge AI chips to cut inference costs.
- **Data Efficiency:** Smarter pretraining and synthetic data to reduce redundant compute.

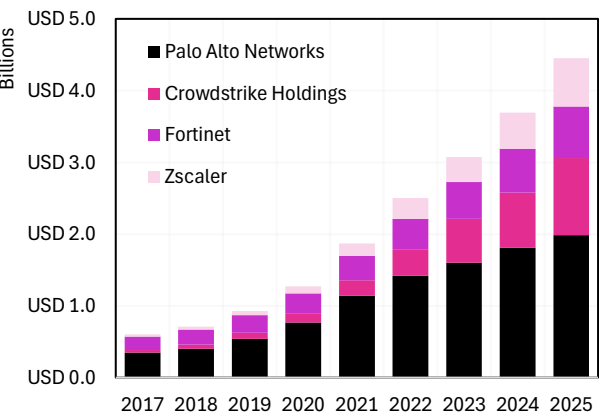
This is a structural pivot: **from brute-force scaling to sustainable AI economics.**

4. Cybersecurity: Cracks Beneath the Surface

Cybersecurity isn’t chasing hype — it’s defending reality. As AI adoption accelerates, attack surfaces multiply. Enterprises can delay AI projects, but they can’t delay security upgrades.

- **Why It’s Structural:** Spend is mandatory, driven by zero-trust frameworks, machine identity, and compliance mandates.
- **2026 Angle:** Consolidation is reshaping the sector — Palo Alto, CrowdStrike, and Zscaler are building full-stack platforms through M&A.
- **Investor Implication:** Cyber is the “sticky opex” theme — less volatility, recurring revenue, and margin resilience.

Innovation at Scale: R&D spend is surging - Palo Alto and CrowdStrike lead, signalling platform consolidation.



Source: Bloomberg Terminal (December 2025)

Wealth Pulse

5. Commodities: The Physical Backbone of Digital Ambitions

Behind every AI chip and EV battery lies a supply chain of rare earths and metals. 2025 reminded markets that digital dreams need physical inputs—and that scarcity and geopolitics can dictate the pace of innovation.

- **Scarcity Premium:** Terbium surged +149% YTD, driven by demand for high-performance magnets in EV motors and wind turbines. Neodymium-Praseodymium (NdPr) and dysprosium tightened as China enforced export curbs and Myanmar’s mining disruptions cut supply. These elements have few substitutes, making price spikes structural.
- **Strategic Risk:** Western nations accelerated efforts to onshore refining to reduce reliance on China’s 80% market share. Yet ESG-driven permitting delays and community opposition slowed new projects, leaving supply chains fragile despite policy urgency.
- **Forward View:** Copper demand enters a supercycle as grid upgrades and hyperscale data centres expand to power AI workloads. Lithium rebounds after last year’s slump, supported by energy storage system (ESS) adoption and EV penetration. Nickel and cobalt remain volatile, with Indonesia’s dominance adding geopolitical risk.

6. Strategy for 2026: Balance the Barbell

2025 was a tale of extremes — AI infrastructure soared, while cybersecurity and commodities compounded quietly. Heading into 2026, the playbook is about **balance**.

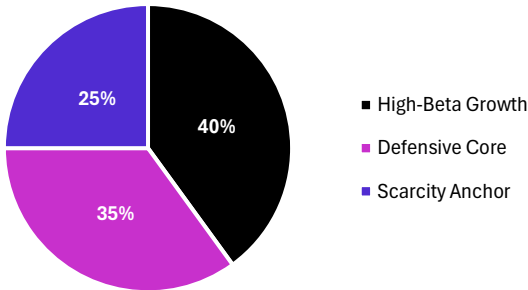
- **High-Beta Growth:** Select AI infrastructure names (semiconductors, networking, inference optimization) for upside exposure.
- **Defensive Core:** Cybersecurity platforms with recurring revenue and sticky enterprise spend.
- **Scarcity Anchor:** Critical minerals like rare earths, copper, and lithium — structural supply gaps meet strategic demand.

Actionable Insights:

AI’s CAPEX normalisation and margin pressure make pure-play bets risky. Cyber offers resilience, while commodities hedge against inflation and geopolitical shocks.

“2026 isn’t about chasing speed — it’s about balancing the barbell.”

Suggested Portfolio Weight



AmBank Economics – Monthly Manifests

Malaysia Economic Highlights – December 2025

Investment & Growth

Malaysia attracted RM285.2 billion in approved investments for the first nine months (+13.2% y/y), with foreign participation accounting for more than half. While project numbers eased to 4.3% y/y in 3Q from 6.9% previously, momentum is expected to persist into 2026, driven by tech-driven and data centre projects amid the AI boom.

Construction & Infrastructure

Sector output rose 10.6% y/y in 3Q, led by civil engineering and non-residential buildings. Growth is supported by major projects such as the Penang LRT Mutiara Line, KL MRT Circle Line, Pan Borneo Highway Phase 2, and Johor LRT. FDI into construction surged 23.7% y/y, reinforcing optimism despite slower job completions and fewer new projects.

Property Market

Transaction values rose 12.5% y/y despite a slight dip in volume. Improved affordability following the OPR cut to 2.75% and government incentives supported demand. Johor led property deals, highlighted by Megaspeed International's MYR263.2 million acquisition of industrial land in Kota Tinggi.

Trade & Labour

Exports jumped in October, driven by manufacturing shipments and E&E demand, aided by diversification to EU and China. Labour market remains stable at 3% unemployment, supported by job and wage growth in services and manufacturing.

Rates & Bonds

BNM is expected to hold rates steady for now, with OPR at 2.75% by year-end. MGS yields remain less competitive versus regional peers despite benign inflation (October CPI: +1.3% y/y). Total MGS+GII issuance reached RM165.5 billion YTD, in line with fiscal targets.

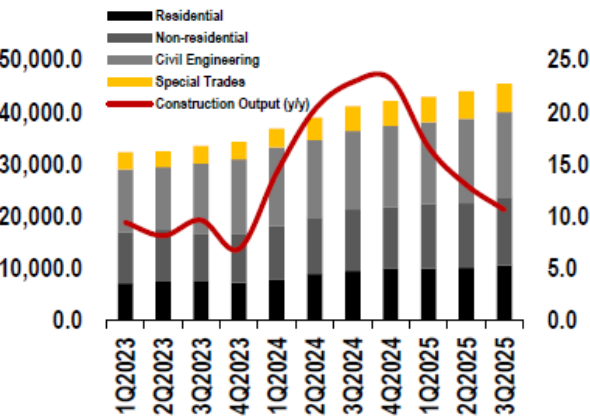
December Outlook

Expect continued MYR strength on foreign inflows and trade surplus. Construction momentum should persist with civil engineering projects, while property demand benefits from affordability measures. Bond yields may stay rangebound as BNM holds rates steady, but global volatility from Fed cuts could influence flows.

Source: AmBank Economics (December 2025)

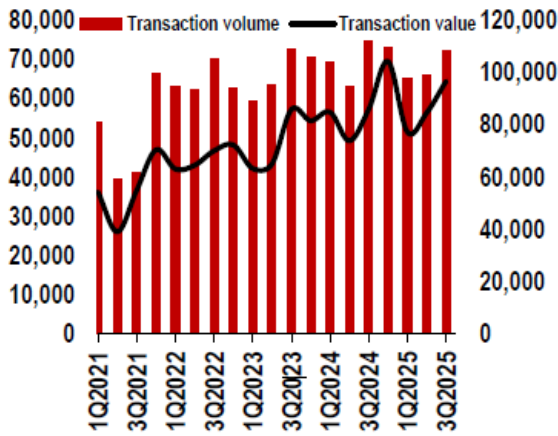
Economic Events – Commentary & Charts

Construction work done (MYR mil) vs output, y/y



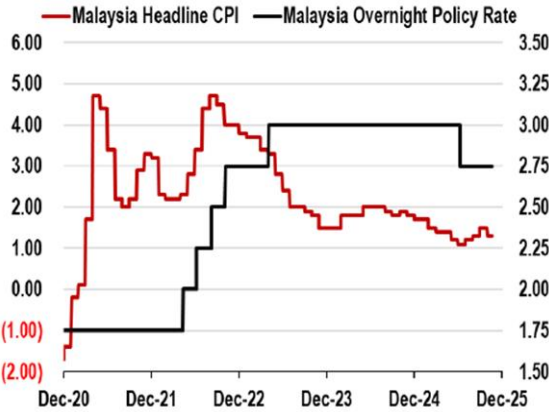
Source: MIDA, AmBank Economics

Real estate: volume vs value (MYR million)



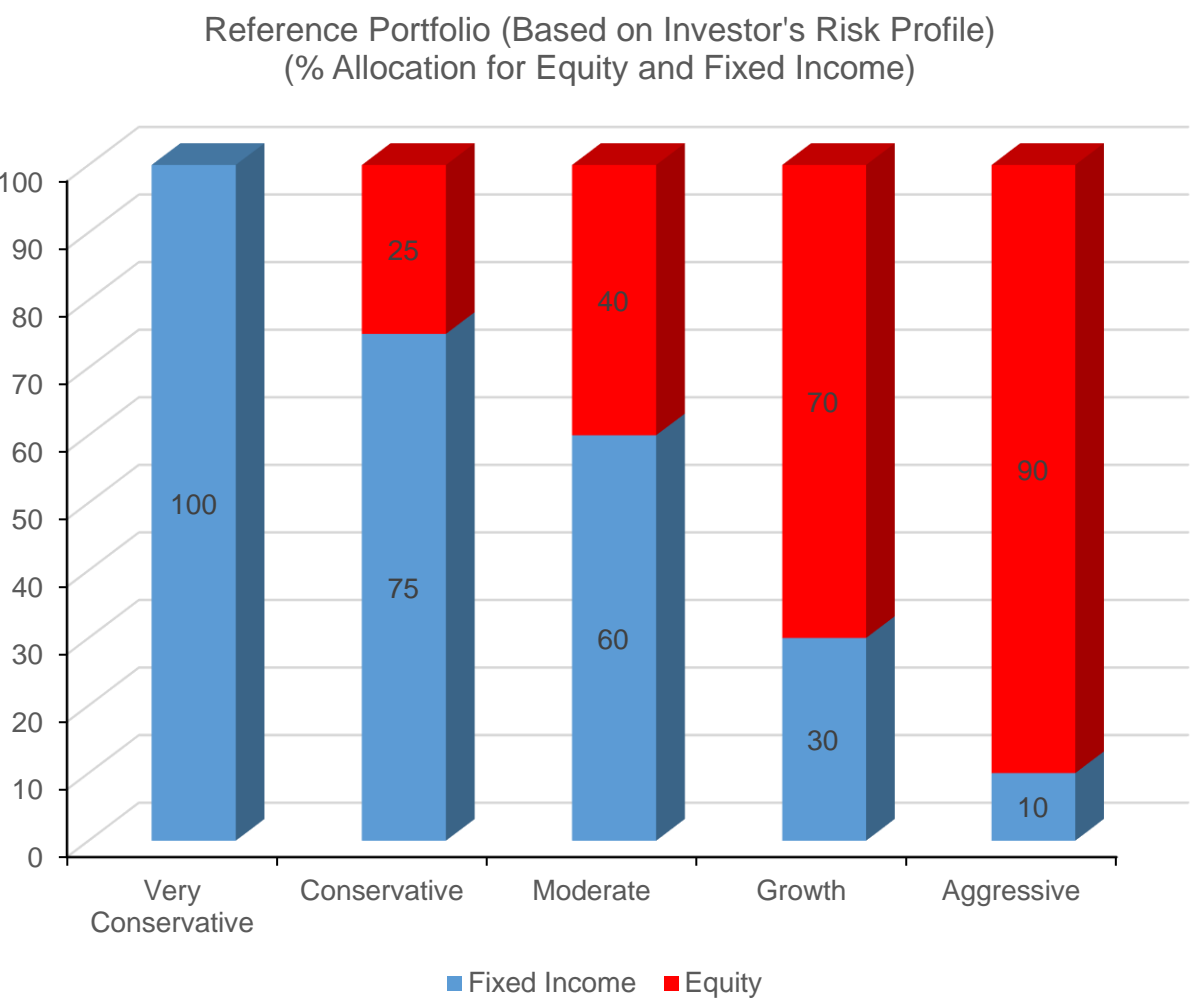
Source: Valuation and Property Services Department, AmBank Economics

MGS market not pricing another BNM rate cut, even as CPI print was lower in October (%)



Source: BNM, AmBank Economics

Asset Allocation Strategy



Source: AmBank

Fund of Focus – 3rd Quarter 2025

	Retail (16 Funds)	Wholesale (10 Funds)
Core (17)	AmBon Islam RHB Islamic Global DM TA Global Select Equity Manulife Global Perspective AmIncome AmDynamic Bond AHAM WS Income Principal Lifetime Bond Maybank Income Flow-I Principal Islamic Lifetime Balanced United Golden Opportunity	Global Dividend (AmFunds) Am Tech & Innovation Fund Income & Growth (AmFunds) AHAM Aiiman Global Multi Thematic Principal Nasdaq Premium Income (pending launch) MAMG Systematic Asia Pac Eq Abs Return
	AHAM Select Opportunity Eastspring Investments Small-Cap Principal Greater China Equity Principal Singapore Equity Trust Principal US High Conviction	Hong Kong Tech (AmFunds) India Growth (AmFunds) Global Smaller Companies (AmFunds) RHB Pacific Technology RM

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 July 2025

Top 5 Best Performing Funds YTD 2025

Fund Name	Fund Type	Status	YTD	1Y	3Y Ann
AmFunds Glb Div RM	Equity - Global	Retail	6.69%	5.73%	9.32%
Hong Kong Tech Index MYR	Equity - China	Wholesale	26.93%	56.98%	12.73%
Hong Kong Tech Index MYR Hdg	Equity - China	Wholesale	28.47%	61.38%	7.37%
Principal Greater China Equity MYR	Equity - China	Retail	8.00%	9.04%	-0.81%
United Golden Opportunity MYR hedged	Commodity - Global	Retail	14.59%	30.51%	11.73%

Top 5 Worst Performing Funds YTD 2025

Fund Name	Fund Type	Status	YTD	1Y	3Y Ann
Eastspring Inv Islamic Small-cap	Equity - Malaysia	Retail	-11.89%	2.09%	5.11%
Principal Global Technology MYR H	Equity - Global	Retail	-9.32%	-1.69%	2.27%
Principal Islamic Global Technology MYR	Equity - Global	Wholesale	-11.81%	-13.14%	-
Principal Islamic Global Technology MYRH	Equity - Global	Wholesale	-11.28%	-6.77%	-
Principal US High Conviction Equity MYR	Equity - Developed Market	Retail	-8.93%	-3.56%	3.15%

Source: Lipper fund performance as at 30 May 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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