

Weekly Wealth Digest

12 March 2026

Your Edge. Our Insights.

Market Insights To Power Your Next Move

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The Macro View

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Macro Overview

*Energy Shock and Policy Risks
Take Centre Stage*

Global macro sentiment turned more cautious as energy and trade policy risks resurfaced. The IEA announced plans for a record release of oil reserves, though details on timing and composition remain unclear, while geopolitical tensions around Iran continued to drive uncertainty.

At the same time, the Trump administration signalled fresh tariff probes, reviving concerns over global trade frictions. In the US, February CPI printed in line with expectations but reinforced the view that inflation risks remain skewed to the upside, particularly in the context of surging energy prices.

In Malaysia, the government confirmed fuel supplies are secure, though unsubsidised energy prices have risen sharply, prompting fiscal reviews and cost-containment measures, while Petronas flagged mixed net benefits from higher oil prices.

FX Overview

*Dollar Rebounds While Ringgit
Outperforms Regionally*

The US dollar strengthened, with the DXY rising to its highest levels since the start of the Iran conflict, as markets priced in higher US inflation risks relative to peers.

Most G10 currencies weakened against the USD, though the Australian dollar stood out as a clear outperformer, supported by aggressive pricing of a potential RBA rate hike next week.

The yen continued to weaken, approaching multi-year lows amid energy import vulnerability.

In contrast, the ringgit edged higher and continued to outperform regional peers, supported by relative macro stability and orderly market conditions, even as BNM reiterated that FX movements remain market-driven.

The Macro View

Markets Reprice Inflation and Geopolitics as Energy Shock Dominates

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Commodities

Oil Surges, Gold Consolidates, CPO Rebounds

BNM acknowledged that global commodity prices may become more volatile amid geopolitical tensions, particularly in energy markets.

However, it maintained that the impact on domestic inflation should remain contained, supported by continued fuel subsidies and currency strength.

This assessment marks an important distinction from past global inflation shocks, where commodity price surges fed more directly into domestic prices.

As such, commodity-driven inflation risks are viewed as manageable rather than destabilising.

Fixed Income

Global Yield Rise, Malaysia Bonds, Hold Steady,

Global bond markets sold off as US Treasury yields rose 6–9 bps, driven by higher oil prices, inflation concerns, and reduced expectations for Fed rate cuts this year. Bunds and Gilts underperformed amid Europe's greater sensitivity to energy-driven inflation.

In contrast, Malaysian government bonds closed relatively flat, with modest strength in the belly and long end offset by underperformance at the front end, reflecting higher MYR volatility, shifting risk sentiment, and lingering concerns over a potential OPR hike.

Market Shakers

Key Developments

12 March 2026

US Trade Policy

Tariff Probes Escalates

The US has launched new trade investigations into the EU, China, and other partners, reviving tariff tensions. The move signals a more aggressive trade stance and raises risks of retaliation and renewed global trade friction.

India's Goldilocks Economy

US-Iran War Effects

Rising Middle East conflict, particularly involving Iran, threatens India's favourable growth-inflation balance. Higher oil prices and energy import costs could weaken inflation control, fiscal stability, and consumer demand.

US Politics

Rising Fuel Costs Test Voter Patience

Escalating conflict with Iran has pushed petrol prices higher, increasing pressure on US households. The administration faces growing political risk as fuel inflation becomes more visible to voters.

Global Energy Transition

Nuclear Power Back in Focus

Minneapolis Fed President Neel Kashkari said the Fed can "sit tight" as geopolitical risks cloud the outlook. He warned against repeating past mistakes of misjudging inflation as transitory, arguing for caution amid war-related cost shocks.

Middle East

Truce Hinges on De-Escalation

Iran signalled that any truce depends on US and Israeli commitments to halt further strikes, suggesting limited prospects for immediate de-escalation and continued geopolitical risk in the region.

China-Taiwan

Military Pressure Resumes

China has sent more military aircraft toward Taiwan following a brief lull, underscoring persistent cross-strait tensions and ongoing regional security risks in Asia.

The 4 Key Pillars

Quarterly Themes

Jan – Mar 2026

Real Economy Ai Trade

Traditional Sectors Applying Ai

The next phase of Ai winners will be users, not builders – companies using Ai to cut costs, optimize operations and expand margins quietly.



State Directed Capital

China & Japan's Fiscal Firepower

When consumers slow, governments step in. Growth increasingly follows policy, fiscal spending and reform agendas, not free markets.



Neutrality Premium

Asia's Role As Economic Connectors

Global trade hasn't stopped - it's re-routing. Neutral connector economies benefit by enabling trade between China and the US.



Shock Absorbers

Income & Defense

In volatile market's, portfolio's need stabilisers – income delivers cash flow, while gold and precious metals protect purchasing power.



Peak Ahead

Our Foresight

Jan – Mar 2026

What We Think The Future Holds

Q1 2026	Cashflow Therapy  Income is resilient as volatility fatigue sets in.
	Gold & Beyond  Central bank buying, industrial purchases, low supplies.
	Japan's Quiet Comeback   Corp. reforms & rising wages attract long-term capital.
	Sovereign Capital Boost   Gov's spend to boost economic competitiveness.
Q2 2026	Old Industries, New (Ai) Edge  Tangible Ai gains, unlocking value in traditional sectors.
Q3 2026	Crypto Grows Up   Growing institutional adoption as supplies tighten.
	Asia's Economic Connectors  Asia's export hubs & connectors drive trade recovery.
Q4 2026	Mid-Term Elections  Markets hedge against US political uncertainty.

Performance Heat Map

Asset Class Performance Annually (%)

	2021	2022	2023	2024	2025	2026
Global REITs	32.6%	-23.7%	10.9%	2.8%	8.4%	5.2%
Gold	-3.6%	-0.3%	13.1%	27.2%	64.6%	17.9%
US Equities	26.9%	-19.4%	24.2%	23.3%	16.4%	-1.5%
EM Equities	-4.6%	-22.4%	7.0%	5.1%	30.6%	6.8%
DM Equities	20.1%	-19.5%	21.8%	17.0%	19.5%	-0.5%
Global Equities	16.8%	-19.8%	20.1%	15.7%	20.6%	0.3%
Gbl ex US Eq	5.5%	-18.3%	12.6%	2.9%	29.2%	3.9%
Global IG Bond	-4.7%	-16.2%	5.7%	-1.7%	8.2%	0.3%
Global HY Bond	1.0%	-12.7%	14.0%	9.2%	12.1%	0.1%
China A-Shares	-5.2%	-21.6%	-11.4%	14.7%	17.7%	-0.3%
MY Equities	-3.7%	-4.6%	-2.7%	12.9%	2.3%	-0.4%
MY 12M FD	1.7%	2.7%	2.8%	2.5%	2.1%	2.1%

Market Prognosis

- **Gold:** Price strength reflects capital preservation demand amid rising policy unpredictability and geopolitical tail-risk repricing.
- **US:** Performance drag driven by valuation fatigue and profit-taking after multi-year outperformance rather than macro stress.
- **Europe:** Short-term stability supported by earnings defensiveness and lower sensitivity to global tech cycle volatility.
- **Asia ex-Japan:** Relative support comes from earnings growth dispersion and less exposure to crowded global positioning.
- **Japan:** Structural optimism remains, but domestic rate normalization introduces near-term valuation and currency headwinds.
- **IG Bonds:** Markets treating bonds as volatility dampeners, not return assets, amid compressed term premia.
- **HY Bonds:** Credit resilience holds, but late-cycle pricing limits incremental upside despite attractive headline yields.

Source: AmBank Wealth Management (12 March 2026)

Weekly Focus

The Ai Paradox

Smarter Ai? Higher Capex!

12 March 2026

Your 30-Second Briefing

AI adoption is accelerating, but imperfect models keep capex high for newer chips, data centres, compute power.

No finish line: models keep evolving; training costs have surged sharply.

Biggest winners: AI infrastructure, semis, cloud, data centres, energy.

The Long-Read

Artificial intelligence is supposed to make the world more efficient. Yet the closer we get to powerful AI, the more resources the world seems to consume.

- More chips.
- More data centres.
- More electricity.
- More capital.

The reason is simple: AI is powerful, but still far from perfect. Today's large language models can generate code, write reports and analyse data.

But they still hallucinate, make logical errors and struggle with complex reasoning.

That means companies cannot stop investing.

They must build bigger models, train them on more data and run them on larger computing infrastructure.

Training the latest frontier models already costs over US\$100 million, according to estimates from Stanford and industry researchers, up from just a few million dollars earlier in the decade.

And that cost continues to rise.

The Finish Line Keeps Moving

Unlike many technologies, AI does not have a clear endpoint.

Human knowledge keeps expanding. New industries emerge. New data is created every second.

Weekly Focus

Every improvement in AI raises expectations about what the next generation of models should achieve.

This creates a powerful feedback loop. Better AI leads to more use cases, which leads to more demand for computing power.

Global spending on AI infrastructure is expected to exceed US\$1 trillion over the next decade, according to estimates from major technology firms and investment banks.

In other words, the AI race may never truly end.

The Real Winners May Be the Infrastructure

Investors often focus on which company will build the best AI model. But the AI paradox suggests something else. Because every improvement in AI requires enormous infrastructure.

Advanced semiconductors to train models. Hyperscale data centres to run them. Cloud networks to distribute them. And a staggering amount of electricity.

The International Energy Agency estimates that data centre electricity demand could more than double by 2030, largely driven by AI workloads.

Meanwhile, global spending on AI chips alone could exceed US\$300 billion annually by the end of the decade, according to semiconductor industry forecasts.

A Race With No Finish Line

The paradox of AI is simple.

If AI were perfect today, investment might slow.

But because models are still improving, and because expectations keep rising, companies must continue pouring capital into building better systems.

For investors, that means the opportunity may not lie in predicting the single winner of the AI race.

It may lie in recognising that the race itself is likely to keep getting bigger.

Structured Investment Strategy

Enhance Yield Strategy

Ai Infrastructure **Nebius Group NV**

Ai-focused cloud infrastructure for high-performance computing.

Bull

Rising AI infrastructure demand and hyperscaler spillover are driving strong interest in independent, GPU-centric cloud providers, supporting Nebius' growth trajectory.

Semiconductor Manufacturing **Taiwan Semicon Mfg Corp**

World's leading advance semicon manufacturing foundry.

Bull

AI-driven demand for leading-edge chips (3nm/2nm) has reinforced TSMC's technology leadership, utilisation rates, and long-term pricing power.

Bear

Business remains early-stage, with high execution risk, heavy capex requirements, and limited visibility on sustainable profitability.

Bear

Extremely high capital intensity, customer concentration in AI leaders, and persistent geopolitical risks around Taiwan remain structural overhangs.

Autocallable Parameters		Autocallable Parameters	
Variant	EKI (At Maturity)	Variant	EKI (At Maturity)
Currency	MYR	Currency	MYR
Tenure	9 Months	Tenure	9 Months
Coupon	20.8% p.a.	Coupon	13.6% p.a.
Strike	90%	Strike	100%
Knock-Out	90%	Knock-Out	105%
Knock-In	65.0%	Knock-In	75.0%

Allocation Strategy

2 Key Strategies

- **Income Focused:** Income is valuable now as high rates and uncertainty favour steady, lower-risk returns over growth.
- **Returns Accelerator:** Boosts returns through top equity exposure and added income - ideal for yield and growth seekers.

Returns Accelerator		Income Focused	
Nomura Global Shariah Semiconductor Equity By Nomura Asset Mgt MY		AmIncome & Growth By AmFunds Management Bhd	
3Y Ann Returns +74.3%	Fund Size RM 287 mn	3Y Ann Returns +10.9%	Fund Size RM 32.7 mn
3-year Volatility 29.8%	Risk Rating 5-Aggressive	3-year Volatility 7.0%	Risk Rating 5-Aggressive
Key Fund Features		Key Fund Features	
Structural Scarcity Advanced chips are scarce, strategic assets with pricing power in upcycles.		Cash-Flow First Combines dividend-paying equities and income assets for steady cash flow.	
Shariah Edge Shariah screening filters out highly levered names, resulting in cleaner balance sheets in a cyclical industry.		Downside Aware Actively manages drawdowns through diversified income and defensive positioning.	
AI Enablers Focus on AI enablers (logic, memory, equipment), not just headline AI-hype, capturing broader value creation.		Cycle-Buffer Income stream absorbs volatility during equity drawdowns, reducing forced selling at market lows.	

Bond Strategy

IG Bond Strategy

Financial Sector		Financial Sector	
BNP Paribas SA		Nomura Holdings	
6.198% 03 December 2036		2.608% 14 July 2031	
Ranking Subordinated	Coupon (%) 6.198%	Issuer Sr. Unsecured	Coupon (%) 2.608%
Next Coupon 03 Jun 2026	Maturity In 10.73 years	Next Coupon 14 July 2026	Maturity In 5.34 years
Currency AUD	Moody Rating Baa2	Currency USD	Moody Rating Baa1
Credit Outlook		Credit Outlook	
Positive		Positive	
BNP Paribas benefits from a strong European universal banking franchise, diversified earnings, and solid capital and liquidity buffers.		Nomura is supported by adequate capitalisation, strong domestic Japanese franchise, and a stable funding profile.	
Negative		Negative	
Credit profile is exposed to European economic cycles, regulatory changes, and capital intensity from its large corporate and investment banking activities		Earnings volatility from market-driven businesses and weaker global competitiveness constrain overall credit strength.	

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