

Weekly Wealth Digest

Your Edge. Our Insights.

06 March 2026

Market Insights To Power Your Next Move

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The Macro View

BNM Stays the Course Amid Rising Geopolitical Risks

05 March 2026

Macro Overview

Policy Steady as Growth Holds and Inflation Eases

Bank Negara Malaysia (BNM) kept the Overnight Policy Rate unchanged at 2.75%, in line with expectations, reflecting confidence in Malaysia's growth momentum and an improving inflation outlook.

While BNM acknowledged that downside risks to global growth have risen, particularly due to the escalation of conflict in the Middle East, it emphasised that the impact will depend on the duration and severity of these developments.

Domestically, Malaysia enters this period from a position of strength, supported by resilient domestic demand, firm employment and wages, strong investment activity, and continued strength in E&E exports and tourism. Importantly, BNM reiterated that there are no signs of excessive demand pressures, reinforcing its neutral and patient policy stance.

FX Overview

Stronger Ringgit Helps Absorb External Shocks

BNM highlighted that a stronger ringgit is playing a meaningful role in cushioning Malaysia from imported inflation, particularly during periods of heightened global commodity price volatility.

Compared with earlier inflation episodes, the current environment benefits from currency strength and policy buffers, helping to contain pass-through effects.

This reinforces the central bank's view that external cost shocks are unlikely to warrant a monetary policy response, as long as domestic demand remains balanced.

Overall, FX stability remains a key anchor supporting BNM's decision to stay on hold

The Macro View

Soft Data, Geopolitical Risk & Safe Haven Demand

05 March 2026

Commodities

*Volatility Acknowledged but
Inflation Impact Seen as
Contained*

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

*Rate Stability Reinforces
Hold-Through-2026 View*

The unchanged OPR and neutral policy tone reinforce expectations of rate stability through 2026.

BNM's messaging suggests a high bar for policy adjustment, given its non-inflation-targeting framework and emphasis on filtering supply-side shocks.

With inflation expected to remain moderate and growth supported by structural and cyclical drivers, monetary policy is likely to remain accommodative and predictable—supportive for Malaysian government bonds and broader financial conditions.

Market Shakers

Key Developments

05 March 2026

US-Iran Tensions

Israel Strikes Iran

Israel has launched “extensive strikes” on Iran, sharply escalating regional tensions. President Trump said the US could escort oil and gas tankers through the Gulf if needed, raising risks around energy security and potential supply disruptions.

UK

Push For AI Independence

The UK is investing £40mn in a new frontier AI research lab as part of a broader effort to reduce reliance on foreign technology. The state backed initiative aims to drive breakthroughs across science, healthcare, and transport.

China

PMIs Mixed, Stimulus In Force

China’s latest PMI readings sent mixed signals, suggesting uneven momentum across manufacturing and services. Markets are increasingly watching for additional policy stimulus to support growth amid lingering demand weakness.

US Monetary Policy

Fed Signals Patience

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.

Australia

Growth Accelerates

Australia’s economy is showing stronger-than-expected growth, strengthening the case for the Reserve Bank of Australia to raise interest rates further. The data reinforces concerns that inflation pressures may remain persistent.

Global Bonds

Sold on Middle East Inflation Fears

Investors sold global government bonds as the escalating Middle East crisis raised concerns about higher energy prices and renewed inflation pressures. The move reflects growing anxiety that geopolitical shocks could delay or derail global disinflation trends.

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%	9.2%
Gold	-3.6%	-0.3%	13.1%	27.2%	64.6%	23.7%
US Equities	26.9%	-19.4%	24.2%	23.3%	16.4%	0.5%
EM Equities	-4.6%	-22.4%	7.0%	5.1%	30.6%	12.9%
DM Equities	20.1%	-19.5%	21.8%	17.0%	19.5%	2.3%
Global Equities	16.8%	-19.8%	20.1%	15.7%	20.6%	3.5%
Gbl ex US Eq	5.5%	-18.3%	12.6%	2.9%	29.2%	9.0%
Global IG Bond	-4.7%	-16.2%	5.7%	-1.7%	8.2%	1.3%
Global HY Bond	1.0%	-12.7%	14.0%	9.2%	12.1%	0.8%
China A-Shares	-5.2%	-21.6%	-11.4%	14.7%	17.7%	2.1%
MY Equities	-3.7%	-4.6%	-2.7%	12.9%	2.3%	1.2%
MY 12M FD	1.7%	2.7%	2.8%	2.5%	2.1%	2.1%

Market Prognosis

- **Gold:** Prices remain elevated despite volatility, supported by geopolitical risk and sustained portfolio hedging demand.
- **US:** Performance softened as investors reassess AI capex sustainability and large-cap tech earnings momentum.
- **Europe:** Showing relative resilience, helped by easing inflation, rate-cut expectations, and rotation into defensives.
- **Asia ex-Japan:** Mixed but constructive, supported by valuation appeal and diversification away from US-centric exposure.
- **Japan:** Structurally supported by reforms and broader participation, though rising yields and FX volatility cap upside.
- **IG Bonds:** Returns driven mainly by carry, with stable yields limiting duration-led upside potential.
- **HY Bonds:** Supported by high yields, but spread tightening stalled as investors turn more selective.

Source: AmBank Wealth Management (05 March 2026)

Weekly Focus

Expensive For A Reason

Its Not Just About High PE's

05 March 2026

Your 30-Second Briefing

In 2023, just seven stocks drove ~60% of S&P 500 gains, underscoring extreme market concentration.

Premium valuations often reflect scarcity, durable growth, and structural leadership - not hype.

The real question isn't price, but whether the business truly earns its premium or just rides the story.

The Long-Read

In 2023, just seven companies accounted for roughly 60% of the S&P 500's gains.

Yet these are also the stocks investors most frequently call "too expensive."

That contradiction reveals something important about markets.

When markets are calm and trends are clear, investors are comfortable paying premium valuations for great companies.

But the moment volatility appears - geopolitical tensions, rate fears, economic uncertainty - valuations suddenly become the biggest concern.

Stocks that looked unstoppable yesterday suddenly appear overpriced.

But markets rarely assign premium valuations without a reason.

Understanding why a stock trades at a premium often matters more than deciding whether it looks expensive.

Scarcity Commands a Premium

Truly exceptional companies are rare.

Over the past decade, equity returns have become increasingly concentrated among a small group of firms.

Today the Magnificent Seven account for more than 30% of the S&P 500's market capitalisation, an extraordinary level of dominance for a broad index.

Weekly Focus

That concentration reflects more than investor enthusiasm.

These companies sit at the centre of powerful structural shifts shaping the global economy - artificial intelligence, cloud infrastructure, digital platforms and advanced semiconductors.

More importantly, they generate enormous cash flows while doing so. Investors are not simply paying for growth. They are paying for durability, scale and economic dominance.

Companies with strong competitive advantages, global platforms and the ability to reinvest capital effectively are rare.

When investors identify these businesses, they are often willing to pay a premium to own them.

Cheap Isn't Always Safer

Investors naturally gravitate toward stocks that appear cheap. But markets rarely reward cheapness alone.

Many companies trade at low valuations because their industries are shrinking, their competitive advantages are weakening or their earnings outlook is deteriorating. In these cases, low valuations reflect uncertainty rather than opportunity.

Cheap stocks can remain cheap for years. Great companies, however, often grow into their valuations.

Historically, a small group of businesses has generated the majority of long-term equity market wealth. Many of them looked expensive early in their journey, but sustained earnings growth eventually justified the premium.

Not Every “Quality” Company Is Real

Of course, premium valuations also attract imitators. Every cycle produces companies with compelling narratives - exciting technology, rapid growth projections and strong investor enthusiasm.

Weekly Focus

But not all of them deliver.

The dot-com boom of the late 1990s remains the clearest example, when hundreds of companies commanded extraordinary valuations before most eventually disappeared.

Today's market is far healthier. Many technology leaders are immensely profitable and dominate global industries.

But enthusiasm around themes like artificial intelligence can still produce businesses that masquerade as quality without possessing the competitive advantages required to sustain long-term growth.

Separating genuine leaders from convincing imitators remains one of the most important skills in investing.

The Question That Matters

Instead of asking whether a stock is expensive, investors should ask a better question:

Why is it expensive?

If the answer lies in durable growth, strong profitability and structural demand, the premium may be justified.

Because in markets, the companies that appear expensive today sometimes turn out to have been cheap all along.

Structured Investment Strategy

Enhance Yield Strategy

Semiconductor Test Leader

Advantest Corp

Leading supplier of semiconductor test systems for chips

Consumer Tech Ecosystem

Apple Inc

Global consumer technology leader with integrated device services

Bull

Advantest's fundamentals are supported by rising demand for advanced chip testing driven by AI, high-performance computing, and increasing test complexity at leading-edge nodes.

Bull

Apple's fundamentals are supported by a large and sticky installed base, strong services growth, and sustained pricing power driven by ecosystem lock-in.

Bear

Earnings are cyclical, with downside risk if semiconductor capex slows following periods of heavy AI-driven investment.

Bear

Growth is exposed to product cycle dependence, hardware demand softness, and rising regulatory pressure on its services and App Store model.

Autocallable Parameters		Autocallable Parameters	
Variant	EKI (At Maturity)	Variant	EKI (At Maturity)
Currency	MYR	Currency	MYR
Tenure	6 Months	Tenure	9 Months
Coupon	16.0% p.a.	Coupon	9.5% p.a.
Strike	100%	Strike	100%
Knock-Out	103%	Knock-Out	105%
Knock-In	68.7%	Knock-In	80.0%

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		State Government	
HSBC Holdings PLC 4.762% 29 March 2033		Queensland Treasury Corp 5.00% 21 July 2037	
Ranking Subordinated	Coupon (%) 4.762%	Issuer Sr. Unsecured	Coupon (%) 5.00%
Next Coupon 29 Mar 2026	Maturity In 7.07 years	Next Coupon 21 July 2026	Maturity In 11.38 years
Currency USD	Moody Rating Baa1	Currency AUD	Moody Rating Aa1
Credit Outlook		Credit Outlook	
Positive HSBC's strong global banking franchise, diversified earnings, and solid capital and liquidity buffers support its credit profile.		Positive Queensland Treasury benefits from the State of Queensland's strong fiscal framework, high credit standing, and stable public-sector revenue base.	
Negative Queensland Treasury benefits from the State of Queensland's strong fiscal framework, high credit standing, and stable public-sector revenue base.		Negative Credit quality remains linked to state budget performance and economic sensitivity to commodity cycles and natural disaster risks.	

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