

Weekly Wealth Digest

29 May 2026

Your Edge. Our Insights.

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Weekly Focus

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The Two Speed Portfolio

Why disruption needs tradition, and conviction needs diversification.

Your 30-Second Briefing

- “Growth vs value” and “disruption vs tradition” are false choices, new tech typically coexists with legacy for years.
- include both disruptors and enablers (infra, platforms) that capture steady ecosystem profits.
- portfolios blend thematic conviction with diversification to manage uncertainty.

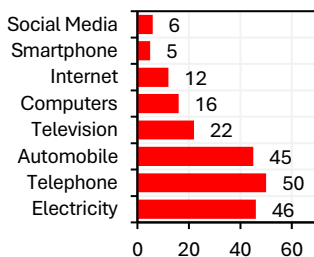
The Long-Read

Today's market narrative is simple: own AI or get left behind. Yet investing history rarely works that way. The automobile did not eliminate railways. E-commerce did not eliminate physical retail. Mobile banking did not eliminate banks. Instead, each new system layered itself on top of an existing one. Even today, despite two decades of e-commerce growth, physical stores still account for the overwhelming majority of global retail sales.

Disruption often moves slower than investors expect, while incumbents prove more adaptable than markets assume.

The future rarely replaces the past overnight. More often, it builds on top of it.

Tech Adoption Curve By Years



Source: DataTrek Research

Every Revolution Needs an Incumbent

Investors naturally gravitate towards the visible winners. AI means semiconductors. Electric vehicles mean batteries. Cloud computing means software.

Yet every revolution depends on infrastructure beneath it. The AI boom has pushed companies like NVIDIA to the centre of the market narrative, but AI's growth is equally dependent on power grids, data centres, cooling systems, fibre networks, and industrial equipment.

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A large AI model cannot operate without electricity. A data centre cannot function without cooling. Every disruptor sits on top of an ecosystem of enablers.

The market often overpays for the revolution and underappreciates the infrastructure supporting it.

The High Conviction Trap

Every bull market creates heroes. The Magnificent 7 accounted for a disproportionate share of S&P 500 returns over the last two years, rewarding investors who concentrated aggressively

Success creates the impression that concentration itself was the skill. But history tells a more complicated story.

During the dot-com era, investors correctly identified the internet as the future. What they failed to identify was where the profits would ultimately accumulate

Many early internet leaders disappeared, while companies like Amazon emerged as long-term winners.

The reality is that identifying a trend is often easier than identifying the companies that ultimately monetise it.

Being right about AI is not the same as being right about where the value accrues.

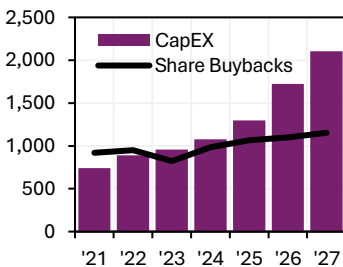
Markets Making The Same Bet

Investors are not the only ones concentrating their bets. Corporate America is doing it too.

From much of the last decade, excess cash was returned to shareholders through buybacks. Today, that cash is increasingly being redirected towards capital expenditure, particularly in areas linked to AI, data centers, cloud infrastructure, and automation.

The implication is significant. Companies are sacrificing short-term shareholder returns to fund future growth. The market is no longer simply betting on AI. Corporate balance sheets are too.

Capex Growth Could Weigh On Buyback Momentum



Source: Goldman Sachs, Reuters

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Why Diversification Is Often Misunderstood

Diversification has developed a branding problem. It is often portrayed as the enemy of outperformance. In reality, diversification is not a lack of conviction. It is recognition that the future rarely unfolds exactly as expected.

The internet transformed the world. Most internet stocks did not. Renewable energy adoption accelerated exactly as forecast. Investor returns varied dramatically depending on where they sat within the ecosystem.

The challenge has never been identifying the trend. It has always been identifying the winners.

The Two-Speed Portfolio

This is why disruption and tradition should not be viewed as competing ideas.

They are complementary systems. One side of the portfolio captures transformative growth. The other captures the infrastructure, cash flows, and resilience that make that growth possible.

Think of it as a two-speed portfolio. One engine captures possibility. The other monetises reality. When disruption outperforms, you participate. When transitions take longer than expected, you remain invested.

The Bottom Line

Investing is often portrayed as a test of conviction. In reality, it is equally a test of humility.

The future belongs to innovation. But innovation rarely succeeds alone. Every disruptor eventually needs infrastructure, financing, customers, regulation, and energy.

The best portfolios recognise both sides of that equation. Because the future rarely belongs entirely to the disruptors or the incumbents.

More often, it belongs to those who understand why both are necessary.

Strategy In Focus

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The Puzzle This Week

Markets are often framed as a choice between disruption or being left behind. In reality, innovation builds on existing systems, creating a two-speed dynamic, one drives growth, the other supports it with stable cash flows.

Structured Investments

Autocallable: *MU, DELL*



High-conviction names like Dell and Micron sit at the centre of AI and data infrastructure. But strong narratives also bring volatility and high expectations. Autocallables convert that into defined income (18–20%), allowing investors to benefit from the theme without relying on sustained upside.

Momentum Funds

AHAM WS Global Disruptive Innovation & Manulife Global Perspective



Instead of choosing between disruption and resilience, this combination captures both. AHAM WS Global Disruptive Innovation targets future growth themes, while Manulife Global Perspective focuses on consistent earnings, reflecting a two-speed approach of upside and steady compounding.

Fixed Income

Investment-Grade Bonds: *UST & TNB*



While disruption drives headlines, income provides stability. US notes (4.75%) & Tenaga Nasional (3.55%) provide predictable cash flow backed by strong issuers. These are the enablers of the portfolio, monetising the present while growth themes play out over time.

The Macro View

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Breathing Room, Not a Breakout

Markets are cautiously constructive: easing geopolitical risk and softer US data support bonds and risk assets. Growth is slowing but stable, policy remains uncertain, and positioning is still tactical, with sensitivity to headlines.

MACRO OVERVIEW

Markets were supported by a tentative 60-day US–Iran truce extension, which includes reopening the Strait of Hormuz and de-mining efforts, reducing near-term energy disruption risks.

At the same time, a series of US data releases pointed to a cooling economy, with softer inflation (PCE), weaker GDP revisions, and slowing business investment signals. However, resilience in consumer spending and the labour market is keeping Fed expectations relatively hawkish, preventing a full shift toward easing expectations.

In Malaysia, strong electricity demand required tapping offshore reserves, highlighting continued domestic activity strength and energy pressures.

FX OVERVIEW

The US dollar weakened slightly as risk sentiment improved, with most G10 currencies and Asian FX rallying.

High-beta currencies led gains, while the yen remained capped near intervention levels around 160.

The ringgit initially weakened but is expected to rebound, supported by the broader USD pullback and improved sentiment, indicating that flows remain opportunistic rather than fundamentally driven.

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COMMODITY OVERVIEW

Oil markets remained volatile, swinging on mixed signals between ceasefire progress and lingering conflict risks, including US drone strikes and unresolved negotiation details.

Prices edged lower on balance, reflecting reduced immediate supply fears. Meanwhile, gold and CPO moved modestly higher, with gold benefiting from lingering uncertainty and CPO supported by broader commodity stability.

Overall, commodities remain highly headline-driven rather than trend-driven.

FIXED INCOME OVERVIEW

Global bond markets strengthened, with UST yields falling 1–4 bps in a bull flattening move, led by longer-duration gains as easing inflation concerns and weaker US data reduced pressure on rates.

However, upside was capped by still-hawkish Fed rhetoric. Malaysian bonds were broadly stable with limited flows, but demand remained healthy, particularly in the 30Y GII auction, reflecting continued institutional support despite quiet market conditions.

Market Shakers

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The Cracks Beneath the Surface

Markets are increasingly being pulled in different directions, not by one dominant trend, but by **conflicting signals across growth, inflation, and financial stability**.

Start with inflation. The Fed's preferred gauge, **core PCE**, continues to rise, driven not just by energy and tariffs, but also by ongoing **AI-related spending**. This matters because it suggests inflation pressures are no longer purely cyclical, they are becoming structural, making it harder for the Fed to pivot toward rate cuts.

At the same time, growth is losing momentum. **US GDP has been revised lower to 1.6%**, pointing to a cooling economy even as corporate profits remain strong. This divergence, weaker growth but resilient profits, hints at an uneven expansion, where margins are holding up but the broader economy is starting to slow.

That strain is already showing up at the consumer level. Americans are falling behind on a **record \$1.25 trillion in credit-card debt**, with delinquencies at their highest since the financial crisis. Higher borrowing costs and persistent inflation are beginning to bite, raising concerns about the sustainability of consumer spending, a key pillar of the US economy.

Globally, the picture is just as mixed. **China's industrial profits are rising**, defying broader economic headwinds, suggesting that policy support and industrial strength are still driving pockets of resilience. But elsewhere, policymakers are more cautious. The ECB has warned that volatile US trade policy and weaker global cooperation could even risk **triggering broader financial instability**, highlighting growing concerns about fragmentation.

Bottom line: markets are not dealing with a single narrative. Inflation is proving sticky, growth is slowing, consumers are under pressure, and global dynamics remain uneven. It's this mix, not any one risk, that is shaping market volatility today.

Source: Bloomberg, WSJ, MarketWatch (29 May 2026)

Structured Strategy

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Structured Investments Ideas

Structured investments offer predefined, market-linked returns designed for targeted upside, protection, or yield.

AUTOCALLABLE		AUTOCALLABLE	
Yield Enhancement		Yield Enhancement	
Dell Technologies Inc		Micron Technology	
Strike 95.0%	Knock-Out Barrier 95.0%	Strike 95.0%	Knock-Out Barrier 95.0%
Knock-In Barrier 72.1%	Coupon 18.0%	Knock-In Barrier 55.3%	Coupon 20.0%
Tenure 6 months	Currency MYR	Tenure 9 months	Currency MYR
Underlying Drivers		Underlying Drivers	
Bull Case ▲ AI server demand is driving strong infrastructure growth, supporting revenue visibility and improving margins.		Bull Case ▲ AI-driven demand for high-bandwidth memory is supporting pricing recovery and strong earnings leverage.	
Bear Case ▼ PC demand remains mixed, while AI server growth is capital-intensive and may limit margin upside.		Bear Case ▼ Memory remains highly cyclical, with downside risk from oversupply and pricing volatility if demand softens.	

Note: Indicative pricing. Please speak to an AmBank RM.

Source: AmBank Wealth Management (29 May 2026)

Fund Strategy

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Unit Trust Ideas

Unit trusts pool's investors funds to enter markets at more efficient average prices and benefitting from professional diversified management.

MOMENTUM

AHAM WS Global Disruptive Innovation

By AHAM Asset Management Bhd

3Y Ann. Returns
+23.0% p.a.

Fund Size
RM 556 mil

Volatility
27.2% p.a.

Risk Rating
5-Aggressive

ENDURE

Manulife Global Perspective

By Manulife Investment Management

1Y. Returns
+28.9% p.a.

Fund Size
RM 219 mil

Volatility
13.9% p.a.

Risk Rating
5-Aggressive

Fund Pitch

AI Earnings Inflection

Shift from AI capex hype – actual revenue and margin expansion across key holdings.

Winner-Takes-Most Bias

Concentrated exposure to dominant disruptors that capture outsized industry economics.

Trend Capture Engine

High turnover allows rapid rotation into strongest price and earnings momentum leaders.

Fund Pitch

All Weather Compounding

Focus on companies with consistent ROE and earnings durability across cycles.

Quality Premium Resilience

Holds firms that maintain pricing power and margins even during slowdowns.

Best-Idea Aggregation

Diversifies across complementary managers & styles, reducing manager risk & smoothing returns.

Bond Strategy

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Fixed Income Ideas

Bonds generate stable income by lending to government's and corporates, earning regular interest payments.

Government		Energy Sector	
Investment Grade		Investment Grade	
US Treasury Note 4.75% 15/11/2043		Tenaga Nasional Bhd 3.55% 10/8/2040	
Ranking Unsecured	Coupon 4.75%	Ranking Sr Unsecured	Coupon 3.55%
Next Coupon 15 Nov 26	Maturity In 17.5 years	Next Coupon 12 Aug 26	Maturity In 14.23 years
Moodys Rating Aa1	Currency USD	RAM Rating AAA	Currency MYR
Credit Outlook		Credit Outlook	
Positive ▲ Backed by the full faith and taxing power of the US government, offering the deepest liquidity and strongest credit quality globally.		Positive ▲ Monopoly electricity provider with regulated cash flows and strong sovereign linkage underpinning stable credit quality.	
Negative ▼ Long duration exposes investors to interest rate volatility and rising US fiscal deficits over time.		Negative ▼ Exposed to regulatory tariff risk and rising capex needs, which could pressure leverage over the long term.	

Note: Indicative pricing. Please speak to an AmBank RM.

Source: Global Treasury Markets, AmBank WM, Bloomberg (29 May 26)

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