

Weekly Wealth Digest

Your Edge. Our Insights.

08 May 2026

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Weekly Focus

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The Market's New Addiction: Forced Buying

Market cycles are accelerating & investors are being dragged, not led.

Your 30-Second Briefing

- Markets have shifted into a faster, flow-driven regime where liquidity dominates fundamentals short term.
- Systematic strategies, passive inflows, and AI-speed reactions are compressing market cycles.
- Leadership now turns on positioning and forced buying, not long-term conviction.

The Long-Read

Something unusual has happened over the past few months. Market leadership has rotated at a speed that feels unnatural.

Defensives outperformed, then AI exploded higher again, then cyclical rallied, then laggards suddenly caught bids.

Entire narratives compressed into weeks.

What historically took quarters, sometimes years, now happens almost intraday.

This is no longer a market moving on conviction. It is a market moving on flows.

The Rise of Forced Buying

The most powerful buyer in markets today is not the investor with the strongest thesis.

It is the investor who has no choice. Passive funds must buy when inflows arrive. Systematic strategies increase exposure when volatility falls.

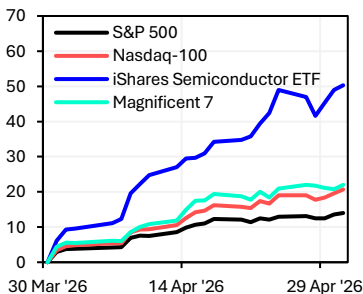
Short sellers cover aggressively when momentum reverses.

Benchmark-aware managers chase outperformers because underperformance is career risk.

That creates a reflexive loop:

- Prices rise
- Positioning chases
- More buying follows

Some Assets Posted Strong Gains In The Last 1 Month



Source: Bloomberg

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Not because everyone suddenly became bullish, but because the market structure increasingly forces participation.

This is why rallies now feel violent. They are less driven by patience and more by positioning stress.

AI Changed the Market's Rhythm

AI accelerated this further.

For years, information asymmetry created time. Institutions processed data faster than retail investors. Analysts had an edge. Narratives took time to spread.

Now everyone has access to:

- Earnings summaries instantly
- Macro analysis instantly
- Positioning data instantly
- AI-generated investment theses instantly

The informational edge has been compressed. And when everyone reacts to the same information simultaneously, market moves become faster, more crowded, and more unstable.

AI didn't eliminate volatility. It industrialised it.

Why Fundamentals Are Losing the Short-Term Battle

This doesn't mean fundamentals no longer matter. It means they matter on a different timeline.

In the short term, markets are increasingly dominated by:

- Liquidity flows
- Positioning squeezes
- Benchmark chasing
- Volatility suppression

A stock can rally violently not because earnings improved, but because positioning was too negative. Another can collapse despite solid results simply because expectations were crowded.

This is why sensible investors increasingly feel "wrong" in the near term.

The market is reacting to pressure, not just value.

Who's Buying?

Not all buying is based on conviction

Buyer	Why Buy?
Passive ETFs	Inflows
Systematic Fund	Lower Vol
Hedged Funds	Short-covering
Fund Managers	Fear of Lagging
Retail Investors	FOMO

Source: AmWealth Management

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The Late-Cycle Feeling Investors Are Sensing

This is also why markets increasingly feel late-cycle, even when economic data remains resilient. Late-cycle behaviour is not just about valuations.

It is about:

- Narrow leadership broadening suddenly
- Lower-quality names rallying aggressively
- Investors buying because others are buying
- Risk management becoming secondary to participation

The market has stopped asking:

“Is this cheap?”

And has started asking:

“Can I afford to miss this?”

That psychological shift matters.

Because it signals a market increasingly driven by fear of missing out, not just fundamentals.

The Real Risk Isn't Volatility

Ironically, the real risk today is not volatility itself. It is the assumption that liquidity will always be there when positioning reverses.

Forced buying works beautifully on the way up. It becomes forced selling on the way down.

And in markets dominated by the same flows, reversals become sharper because everyone is trying to move through the same exit at once.

The Bottom Line

Markets are no longer moving in clean cycles. They are moving in compressed bursts of positioning, liquidity, and reaction.

That creates opportunities. But it also creates fragility. Because when everyone owns the market for the same reason, and reacts to the same signals, the line between momentum and instability becomes very thin.

The market used to reward patience.

Today, it rewards positioning.

The problem is that positioning changes faster than conviction ever did.

Strategy In Focus

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The Puzzle This Week

Markets feel faster & less predictable these days, with leadership changing often & returns coming in short bursts rather than steady trends.

In this environment, it helps to focus on balance, staying invested through defensive stability, picking selective opportunities beyond crowded trades, and generating income that doesn't rely on getting the timing exactly right.

Structured Investments

Autocallable; Yield Enhancement: *Cameco & Credo*



When markets move a lot but lack clear direction, volatility becomes an opportunity. Autocallables on Cameco and Credo are designed to turn that volatility into income, offering defined coupons over short tenures, even if markets trade sideways, so returns rely less on timing.

Asia Core Funds

*Principal Singapore Equity &
Maybank Asiapac Ex Japan Equity-i*



In fast-changing markets, this pairing balances stability and opportunity. Principal Singapore Equity anchors portfolios with lower volatility, while Maybank Asia ex-Japan Equity-i adds selective upside from less crowded Asian markets, allowing investors to participate without relying on perfect timing.

Fixed Income

Investment-Grade Bonds: *Bank of America &
Commonwealth Bank of Australia*



As uncertainty rises, dependable income matters more. Bank of America Tier 2 (4.75%) and Commonwealth Bank of Australia Tier 2 (6.704%) offer attractive yields from strong banks, helping anchor portfolios with predictable cash flow when markets turn volatile.

The Macro View

08 May 2026

A Tense Calm: Markets Keeping Watch

Markets are in a cautious holding pattern. Supportive domestic policy and resilient local bonds are offset by geopolitical uncertainty, keeping investors selective and risk appetite restrained.

MACRO OVERVIEW

Bank Negara Malaysia kept the OPR unchanged at 2.75%, reinforcing a cautious stance focused on balancing stable demand against rising cost pressures for households and businesses.

Importantly, policy language suggests no inclination toward a rate hike, though BNM flagged that the outlook remains sensitive to developments in the Middle East. Globally, tensions remained elevated as the US and Iran exchanged fire, albeit with signals from Washington that it does not seek further escalation and that peace talks remain on the table.

In the US, labour market data showed initial jobless claims ticking higher, but still consistent with a resilient employment backdrop ahead of the April non-farm payrolls release.

FX OVERVIEW

Currency markets were relatively calmer, with global FX volatility easing as investors paused for clarity on geopolitical developments.

Major G10 currencies softened modestly amid idiosyncratic drivers, such as UK political uncertainty, Australia's surprise trade deficit driven by higher fuel and capital equipment imports, and continued speculation over potential FX intervention in Japan.

The ringgit strengthened, both against the USD and regional peers, supported by BNM's steady policy stance and a slightly more cautious tone on growth risks. Meanwhile, the CNY firmed to multi-year highs, aided by a stronger PBOC fix and tentative optimism around Middle East peace prospects.

The Macro View

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COMMODITY OVERVIEW

Oil prices eased another 1–2%, extending recent declines as markets awaited Iran's response to a US peace memorandum.

While prices softened, downside remains conditional on progress toward de-escalation; failure to reach a deal could quickly trigger a rebound, given warnings of potential military action and ongoing supply constraints in the Gulf.

Longer-term risks linger as production in GCC countries is expected to recover only gradually, with insurers and shippers remaining cautious amid the threat of further disruptions. Gold and CPO also edged lower, reflecting softer risk premiums and near-term profit-taking rather than a fundamental shift in outlook.

FIXED INCOME OVERVIEW

Global bond markets were cautious, with US Treasury yields nudged higher on reports that Iran would not allow the Strait of Hormuz to reopen without compensation, adding a geopolitical risk premium ahead of US payroll data.

In Malaysia, government bonds remained well supported around the MPC decision, though some profit-taking emerged after the announcement. Swap rates and MGS yields edged slightly lower, consistent with expectations of policy stability.

Corporate bond activity stayed subdued, with thin flows and selective interest in high-quality names, as PDS performance continued to lag the recent strength seen in government securities.

Market Shakers

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Is the Market Having a Mid-Life Crisis?

Recent headlines may seem disconnected, from AI and jobs data to trade rulings and health risks, but together they point to markets adjusting to **several pressures at once**.

In the US, **jobless claims have edged higher**, signalling a cooling labour market. But growth and earnings still look firm, partly because **AI is boosting productivity, masking underlying softening**.

This distortion is making policy decisions harder and has prompted warnings that rapid AI adoption could carry broader financial risks, even as the US and China try to prevent their AI rivalry from spinning out of control.

These dynamics have **put the Federal Reserve in a difficult spot**. While rates are being held steady, **internal dissent at the Fed is becoming more visible**, suggesting unease about easing policy too soon.

With inflation risks lingering, from technology shifts to global uncertainty, markets are increasingly pricing in, **rates staying higher for longer**, rather than a quick move to cuts.

Trade and capital flows remain unsettled. A US court striking down a proposed 10% global tariff highlights the limits of aggressive trade policy, even as global fragmentation continues. Despite regulatory barriers, **Chinese overseas deal activity has picked up**, showing that capital is still moving, just more cautiously.

Bottom line: markets aren't reacting to one shock. They're adapting to a world where economic signals are distorted, policy choices are harder, and the Fed's path forward is less straightforward. That's why volatility feels more persistent, not because something is breaking, but because too much is changing at once.

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		Bullet Payout	
Cameco Corp		Credo Technologies Inc	
Strike 100%	Knock-Out Barrier 103%	Strike 100%	Knock-Out Barrier 103%
Knock-In Barrier 75.0%	Coupon 17.0% p.a.	Knock-In Barrier 70.0%	Coupon 7.3%
Tenure 6 months	Currency MYR	Tenure 3 months	Currency MYR
Underlying Drivers		Underlying Drivers	
Bull Case ▲ Structural uranium supply tightness and long-term nuclear power commitments support higher prices and earnings visibility.		Bull Case ▲ Rising AI data-centre traffic is driving strong demand for Credo's high-speed connectivity and optical interconnect solutions.	
Bear Case ▼ Uranium prices remain volatile, while project delays or slower nuclear adoption could pressure cash flows.		Bear Case ▼ Valuation is sensitive to hyperscaler capex cycles, with revenue risk from customer concentration or delayed AI infrastructure spending.	

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

Source: AmBank Wealth Management (08 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.

INCOME

Principal Singapore Equity

By Principal Asset Management

1Y Returns
+18.17% p.a.

Fund Size
RM 622 mil

Volatility
7.2% p.a.

Risk Rating
5-Aggressive

MOMENTUM

Maybank Asia ex Japan Equity-i

By Maybank Asset Management

3Y Ann. Returns
+17.96% p.a.

Fund Size
RM 308 mil

Volatility
22.8% p.a.

Risk Rating
5-Aggressive

Fund Pitch

Attractive Yields

Singapore's market offers strong dividend yields (~4.5% p.a.).

Safe-Haven Status

Singapore benefits from its reputation of a stable economy and financial hub.

Policy Tailwinds

Gov/MAS initiatives are boosting liquidity and attracting more capital.

Fund Pitch

Shariah Compliant Asia Core

Provides broad Asia equity exposure under a shariah compliant framework.

Tactical Asia Positioning

Active India, Korea & Taiwan positions as trading opportunities emerge within Asia.

Asia For Long-Term

Positions for structural growth, from middle class expansion to tech & infra buildout.

Bond Strategy

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Fixed Income Ideas

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

Financial Sector		Financial Sector	
Investment Grade		Investment Grade	
Bank of America Corp 4.75% 21/04/2045 Tier2 Subnotes		Commonwealth Bank of Australia 6.704% 15/03/2038 Tier2 Subnotes	
Ranking Subordinated	Coupon 4.75%	Ranking Subordinated	Coupon 6.70%
Next Coupon 21 Oct 26	Maturity In 18.97 years	Next Coupon 15 Sep 26	Maturity In 11.86 years
Moodys Rating A3	Currency USD	Moodys Rating A2	Currency AUD
Credit Outlook		Credit Outlook	
Positive ▲ Bank of America's credit profile is supported by a leading US banking franchise, strong capital and liquidity positions, and diversified earnings streams.		Positive ▲ CBA benefits from a dominant Australian retail banking franchise, strong asset quality, and robust capital buffers within a well-regulated system.	
Negative ▼ Very long-dated Tier 2 subordination increases sensitivity to regulatory capital changes, economic downturns, and potential US credit cycle deterioration.		Negative ▼ Credit risk is exposed to the Australian housing market, household leverage, and the inherent loss-absorption risk of Tier 2 instruments.	

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

Source: Global Treasury Markets, AmBank WM, Bloomberg (08 May 26)

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