

### Highlight



#### China

China has made known that they will ease COVID-19 lockdown measures. This is definitely a step in the right direction to boost economic activities after months of lockdown in many Chinese cities and towns. However, as the Chinese economy is faced with double whammy i.e. property crisis and prolonged COVID-19 lockdown, it will certainly take quite some time for the Chinese economy to recover. The slowdown has also spread to Hong Kong where many large Chinese firms are listed in the HK bourse. Although we are optimistic that the Chinese economy will recover, it will take quite some time as the damage to the Chinese economy is severe. For now, we are still neutral on Chinese stocks.



#### Inflation

It was gladdening to know that U.S. Treasury Secretary Janet Yellen recently said that she expects a huge reduction in US inflation in 2023. In addition, she does not expect recession although there is a risk of recession. We have always been consistent that US inflation will stabilize and gradually decrease due to slow down of global economic growth coupled with improving global supply chain and stabilizing energy prices. We also do not foresee a recession in US or the world.



#### Geopolitical

The Russia and Ukraine conflict is still ongoing but it can be seen that Russia is now suffering from the series of setbacks and retreats. We think that it is in everyone's interest that a peaceful resolution should be forged to avoid chaos and anarchy to escalate further. As for the China-Taiwan tense relationship, it appears that China is now less vociferous in its demands as a consequence of the outcome of the recent meeting between US President Biden and Chinese President Xi.



#### Bitcoin

The debacle of FTX and Luna and TerraUSD cryptocurrencies including other smaller digital coin platforms have investors rushing for the exit in droves pushing the price of Bitcoins down substantially. We think Bitcoin may not recover soon as there is still plenty of public distrust and resentment as tens of billions of dollars just dissipated into thin air. The call for more regulation in the digital space will inevitably defeat the original intention of decentralization.



#### Energy Prices

We think that energy prices will consolidate around the USD 60 to 70 as the global economy slows. There is risk to the upside if Russia and Ukraine conflict escalate and not forgetting that OPEC could continue to cut oil supply. We are still bullish on energy prices as we think that energy prices at current level is sustainable.

### Market Update

Index	Last Price	2020	2021	%YTD	PE_Ratio
Nasdaq	11,256.81	44%	21%	-28%	40.86
S&P500	4,019.65	16%	27%	-16%	19.12
STOXX Europe 600 Index	442.60	-4%	22%	-9%	14.69
China	3,180.59	14%	5%	-13%	13.86
Hong kong	19,739.37	-3%	-14%	-16%	6.56
India	62,744.39	16%	22%	8%	22.98
Singapore	3,279.76	-12%	10%	5%	11.7
THAI	1,626.54	-8%	14%	-2%	15.26
Vietnam	1,051.41	15%	36%	-30%	10.09
Malaysia	1,478.04	2%	-4%	-6%	16.23
Indonesia	3,596.33	-9%	1%	11%	13.55

Source : Bloomberg as of 13/12/2022  
PE\_Ratio as of 21/11/2022

#### Investment Thesis

We still like US equities due to their global and international business presence. The reason downturn in US market has made US equities extremely attractive. In addition to US equities, we like technology and life science sectors due to their future potential growth and more importantly they are trading at very compelling price.

We are still neutral on China as their zero COVID-19 policy is still very much in place although there is sign of easing. We are also very uncomfortable about their current property slump which may escalate.

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## Fund Outlook



Positive



Negative

Fund	Previous As of November 2022	New As of December 2022
SCB US EQUITY FUND (SCBS&P500)		
TMB Eastspring Asia Active Equity (TMBAGLF)	Neutral	Neutral
Thanachart Global Energy (T-GlobalEnergy)		
SCB Innovation (SCBINNO)		
TMB Eastspring Genomic Revolution (TMB-ES-GENOME)		

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# Investment Theme



## Long Term

### USA

- **SCB US EQUITY FUND (SCBS&P500)** ★★★★★ Morningstar Rating 4 star
- SCBS&P500 has a investment policy focus on investing in one foreign mutual fund (Feeder Fund), namely: IShares Core S&P 500 ETF. (Master Fund)
- The fund has a 4-star MorningStar Rating.
- The fund mainly invests in companies operating around the world and not only the United States. In addition, the fund invests in a large company and a strong international brandname such as Apple, Mcdonald's, Google and Microsoft, etc. If the United States is an economic recession, the fund is less affected.
- For the past month, the IShares Core S&P 500 ETF has continued to consolidate. The ETF was supported by strong economics indicators and slowdown in US inflation.

- Risk Level : 6 (High Risk)

Low 

1	2	3	4	5	6	7	8
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 High

### ASIA EX JAPAN

- **TMB Eastspring Asia Active Equity (TMBAGLF)** ★★★★★ Morningstar Rating 3 star
- TMBAGLF has a investment policy focus on investing in one foreign mutual fund (Feeder Fund), namely: Schroder International Selection Fund - Emerging Asia. (Master Fund)
- The fund has a 3-star MorningStar Rating. We maintain a neutral view because the Chinese economy takes time to recover. The fund is suitable for long-term investment.

- Risk Level : 6 (High Risk)

Low 

1	2	3	4	5	6	7	8
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 High



## Short Term

### Energy

- **Thanachart Global Energy (T-GlobalEnergy)** ★★★★★ Morningstar Rating no star
- T-GlobalEnergy has a policy to diversify investment in foreign mutual funds and/or foreign ETFs in the energy-related technology sector Both in the upstream and downstream industries, exploration, development and distribution of energy.
- Although T-GlobalEnergy is not rated by Morningstar, however, the fund is still the AIAM's top pick.
- We still maintain a positive view on energy stocks although the global economy is slowing down However, oil prices have also been boosted by the Russian-Ukrainian conflict and relaxation of COVID-19 lockdown measures. In addition, OPEC signals that they may cut oil supply.

- Risk Level : 7 (High Risk)

Low 

1	2	3	4	5	6	7	8
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 High

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## Investment Theme



### Turnaround

#### ARKK

- **SCB Innovation (SCBINNO)** ★★★★★ Morningstar Rating no star
- SCBINNO has a investment policy focus on investing in one foreign mutual fund (Feeder Fund), namely: ARK INNOVATION ETF (ARKK) (Master Fund) and ETF has Active Management.
- Although SCBINNO is not rated by Morningstar, however, the fund is still the AIAM's top pick.
- ARKK is a popular fund with Cathie Wood as the fund manager who has been able to multiply investors' profits over the past year. Although the fund has decreased by about 70%, however, the fund still has good fundamental because to investing in new technology and innovation stocks. AIAM seen as an opportunity to invest because AIAM believed that this fund will be able to recover.
- For the past month, the ARK INNOVATION ETF (ARKK) has been down slightly due to sell off in Tesla stock and Coinbase. The fund has huge upside potential.
- The SCBINNO fund has been operated for 1 year, however, the ARK INNOVATION ETF (ARKK) has been operated for more than 5 years.
- Risk Level : 6 (High Risk)

Low 

1	2	3	4	5	6	7	8
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 High

#### ARKG

- **TMB Eastspring Genomic Revolution (TMB-ES-GENOME)** ★★★★★ Morningstar Rating no star
- TMB-ES-GENOME has a investment policy focus on investing in one foreign mutual fund (Feeder Fund), namely: ARK Genomic Revolution ETF (ARKG)(Master Fund) and ETF has Active Management.
- Although TMB-ES-GENOME is not rated by Morningstar, however, the fund is still the AIAM's top pick.
- ARKG is a very popular fund that has multiple yielded over the past year because Technology stocks have grown exponentially. Although the fund is currently decrease about 60% from the previous year, the company has confidence in Cathie Wood, a fund manager who has the ability to manage the fund and pick stocks that are expected to grow in the future. Including climate change leading to the emergence of new diseases. It is a positive factor to invest in the medical innovation sector in the future.
- For the past month, the ARK Genomic Revolution ETF (ARKG) has traded down due to sell off in general technology sector. The fund has huge potential upside.
- The TMB-ES-GENOME fund has been operated for 1 year, however, the ARK Genomic Revolution ETF (ARKG) has been operated for more than 5 years.
- Risk Level : 7 (High Risk)

Low 

1	2	3	4	5	6	7	8
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 High

Source : Bloomberg ,SCBAM , Eastspring Investments,abrdn,one asset management

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