

Highlight



Challenging February

After posting a dismal annual performance in 2022, the S&P 500 kicked off 2023 with a very strong January. The benchmarked index gained more than 6% for the month as the first wave of fourth-quarter earnings reports came in better than many had feared. Although, we are hopeful that the market can continue its momentum in February, a month that has always been the worst months of the year for the S&P 500.

Inflation data, thus far, suggest that Federal Reserve policy measures are starting to cool off red-hot price gains, while gross domestic product and labor market readings show that the U.S. economy remains on solid footing—for now. Going forward, there is always a possibility that the U.S. may enter into a recession if the Fed becomes too hawkish.

The Federal Open Market Committee (FOMC) reduced the pace of its interest rate hikes at its December meeting, and the market is expecting the committee to go for a 25 basis point (bps) rate hike going forward. However the lag effects of the Fed's tightening will inevitably slow the economy as soon as in the second half of 2023. This is evident by analysts slashing earnings estimates and many big corporations to layoff employees.



Bitcoin

After making a strong recovery we think Bitcoin is facing plenty of headwinds primarily from higher interest rates, higher energy price and economic slowdown. There have been successful veteran investors calling for Bitcoin to plunge. We think investors are likely to shun Bitcoin due to increasing uncertainties in the market.



China

Chinese markets rallied recently after removing the COVID-19 lock down. We still think Chinese stocks will not continue to post strong performance going forward due to economic slowdown as a result of their property crisis and the trade sanctions imposed by the U.S. on chip production. Nevertheless, many countries are expecting that the return of Chinese tourists will help spur economic growth.



Energy Prices

Energy prices have remained around the U.S. 70 to 80 range per barrel. This slightly elevated price will dampen economic activities as this will lead to increase economic cost for both consumers and businesses. We think oil price will continue to remain at this level due to geopolitical problems arising from the Russia and Ukraine and OPEC not increasing supply.

Market Update

Index	Last Price	2021	2022	YTD%	PE_Ratio
Nasdaq	11,789.58	21%	-33%	13%	27.48
S&P500	4,081.50	27%	-19%	6%	18.28
STOXX Europe 600 Index	462.31	22%	-12%	7%	13.17
China	3,250.85	5%	-16%	6%	14.13
Hong kong	21,237.25	-14%	-16%	8%	11.7
India	60,706.81	22%	5%	-1%	17.81
Singapore	3,350.02	10%	4%	3%	13.51
THAI	1,665.19	14%	0%	0%	17.72
Vietnam	1,059.83	36%	-33%	5%	11.75
Malaysia	1,472.69	-4%	-5%	-1%	15.45
Indonesia	3,577.25	1%	11%	0%	13.4

Source : Bloomberg as of 9/02/2023

Investment Thesis

We still like U.S. equities due to their global and international business presence. Some U.S. equities are currently trading at compelling valuation. In addition to U.S. 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 positive on China. However, it will take time for China to recover due to its property market crisis.

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Fund Outlook



Positive



Negative

Fund	Previous As of January 2023	New As of February 2023
SCB US EQUITY FUND (SCBS&P500)	▲	▲
TMB Eastspring Asia Active Equity (TMBAGLF)	▲	▲
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 5 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 5-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 managed to go up due to better U.S. economic news.
- 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 view this as a long-term investment with much upside potential.
- For the past month, the fund has managed to go up due to removal of COVID-19 lockdown.
- 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 continued to recover strongly from the month before. 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 continued to recover. 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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