

Highlight

Challenging Optimism of Year 2023

After a terrible last year, many investors are hoping that this year provides some breather. US inflation for one is slowing down, but labor market remains strong. This brings much optimism that US may avoid a recession. In addition, the lifting of lockdown in China brings much needed relief but give rise to the fear of more widespread COVID-19 new strain.

The rising borrowing cost is depressing US housing sector couples with the strengthening of US dollar will seriously impact US corporations. To compound matters, US Fed Chairman is unlikely to reduce interest rate any time soon. US corporate earnings are expected to grow below trendline and recently major international corporations have started to retrench personnel.

The overnight lifting of lockdown by Chinese government is definitely seen as a positive step forward to pull the second biggest economy from the brink of collapse. However, it will take time for the economy to recover from the property market crisis and the new wave of COVID-19.



Inflation

US inflation shows signs of slowing down. However, US Fed Chairman, Jerome Powell insists that he Fed will not reduce interest rate going forward. We think that US Fed is unlikely to hike interest rate for this year as global economic growth is slowing.



Bitcoin

Bitcoin has made significant price recovery after FTX debacle. We think that Bitcoin will continue to strengthen remain volatile due to slow down in global economy and possible liquidity crunch as central banks continues to hike interest rates.



Geopolitical

The Russia and Ukraine conflict is still ongoing but it is clear that Russia is paying a heavy price for the invasion. We think that the conflict will not escalate further as Russian economy is nearing collapse.



Energy Prices

We think that energy prices will consolidate around the USD 60 to 70 as the global economy slows. For now, oil price will remain high as China lifted its lockdown.

Market Update

Index	Last Price	2021	2022	YTD%	PE_Ratio
Nasdaq	11,095.11	21%	-33%	6%	53.82
S&P500	3,990.97	27%	-19%	4%	19.36
STOXX Europe 600 Index	456.46	22%	-12%	6%	15.62
China	3,227.74	5%	-16%	5%	14.62
Hong kong	21,564.18	-14%	-16%	9%	7.76
India	61,069.36	22%	5%	0%	23.29
Singapore	3,287.02	10%	4%	1%	11.74
THAI	1,684.10	14%	0%	1%	15.54
Vietnam	1096.58	36%	-33%	9%	11.49
Malaysia	1,493.71	-4%	-5%	0%	15.69
Indonesia	3,476.94	1%	11%	-3%	12.83

Source : Bloomberg as of 17/01/2023
PE_Ratio as of 17/01/2023

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 now positive on China as the government lifted its lockdown. 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 December 2022	New As of January 2023
SCB US EQUITY FUND (SCBS&P500)		
TMB Eastspring Asia Active Equity (TMBAGLF)	Neutral	
Thanachart Global Energy (T-GlobalEnergy)		
SCB Innovation (SCBINNO)		
TMB Eastspring Genomic Revolution (TMB-ES-GENOME)		

Remark : We upgrade TMBAGLF from Neutral to positive outlook as China has opened its door to the world once more. We view this as a long-term investment with much upside potential.

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Investment Theme



Long Term

USA

- **SCB US EQUITY FUND (SCBS&P500)** ★★★★★ Morningstar Rating 5 star
As of 18 January 2023
- 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 received a 4-star Morningstar Rating before. At present the fund has upgraded to 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 US 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 upgrade this fund to positive outlook as China has opened its door to the world once more. We view this as a long-term investment with much upside potential.
- Risk Level : 6 (High Risk)

Low

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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 recovered strongly from the month before as price of Technology stocks are trading at relatively low. 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 recovered strongly after traded down the month before 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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