

Highlight



Sell in May and go away?

The U.S. stock market managed to edge up modestly on the back of signs that inflation is easing and the current U.S. interest rate hike is coming to an end. Nevertheless, investors are worried that the risk of a recession is increasing as U.S. economic growth is slowing. There is a growing expectation that the U.S. Fed may cut rates later in the year. This is further compounded by the U.S. government debt ceiling.

We are optimistic that the market can continue to go up in May, a month that has historically been one of the worst performing months of the year for U.S. stock market.



Bitcoin

Bitcoin has benefited from the recent U.S. bank crisis but is slowly giving up its gain. However, we still think that Bitcoin may face more headwinds from regulators. In addition, the stabilization of U.S. banking industry may put downward pressure on Bitcoin.



Energy Prices

Energy prices are expected to remain strong with more OPEC members cutting supplies due to expected slower demand. The higher energy prices will definitely hinder economic growth.



China

The Chinese market has performed relatively well recently although there are obvious signs that the Chinese economy is slowing and the unemployment rate is on the rise. However, we still think that Chinese equities are reasonably attractive and overtime the Chinese economy should be able to recover due to its resiliency.

Market Update

| Index | Last Price | 2021 | 2022 | YTD% | PE_Ratio |
|------------------------|------------|------|------|------|----------|
| Nasdaq | 12,328.51 | 21% | -33% | 18% | 32.54 |
| S&P500 | 4,130.62 | 27% | -19% | 7% | 19.72 |
| STOXX Europe 600 Index | 463.62 | 22% | -12% | 8% | 13.97 |
| China | 3,294.06 | 5% | -16% | 7% | 15.19 |
| Hong kong | 19,719.57 | -14% | -16% | 0% | 11.04 |
| India | 61,904.52 | 22% | 5% | 1% | 23.37 |
| Singapore | 3,202.11 | 10% | 4% | -1% | 12.98 |
| THAI | 1,560.84 | 14% | 0% | -6% | 19.2 |
| Vietnam | 1,061.38 | 36% | -33% | 5% | 14.39 |
| Malaysia | 1,427.59 | -4% | -5% | -4% | 14.98 |
| Indonesia | 3,592.95 | 1% | 11% | 0% | 15.46 |

Source : Bloomberg as of 12/05/2023

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 April 2023 | New As of May 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 4 star As of 12 May 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 been downgraded from a 5-star to 4-star by MorningStar.
- 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 perform well because of signs that inflation is easing.
- Risk Level : 6 (High Risk)

Low

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|

 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 did not perform well because of U.S. banking crisis and global economic growth slow down.
- Risk Level : 6 (High Risk)

Low

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|---|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|

 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

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|---|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|

 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) perform well because of signs that inflation is easing. 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

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|---|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|

 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) perform well because of signs that inflation is easing. The fund has huge upside potential.
- 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

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|---|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|

 High

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

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