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THEMATIC REPORT

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The Anatomy Analysis of Malaysia's Economy

KEY HIGHLIGHTS

- **The release of Malaysia's Input-Output tables of 2019 and 2020. Department of Statistics Malaysia (DOSM) published the 2019 and 2020 Input-Output Tables on 29th Aug-22. These tables provide wide-ranging data regarding the flow of goods and services in the economy.**
- **These tables provide the latest anatomy of Malaysia's economy especially capturing key important events domestically and globally during 2015~2020. The US-induced global trade war, President Trump's America First foreign policies, Brexit, plateaued commodity prices, Malaysia's GE14 and Covid-19 pandemic occurred during these years.**
- **Private consumption holds larger share despite pandemic. Referring to the Input-Output Tables, private consumption constituted about 60.0% of the economy. Government consumption's share rebounded to 12.9% in 2020, we believe this was due to countercyclical measures against the pandemic-led crisis.**
- **Manufacturing and Services registering higher value-added multipliers. In terms of value-added, multiplier, Services sector remained the highest with RM1.14 value-added creation in the economy out of RM1 injection into the sector. Primary sectors namely Agriculture and Mining saw continuous decline in value-added multipliers, possibly due to the plateaued commodity prices during the years.**

ECONOMICS & POLICY

The release of Malaysia's Input-Output tables of 2019 and 2020. Department of Statistics Malaysia (DOSM) published the 2019 and 2020 Input-Output Tables on 29th Aug-22. These tables provide wide-ranging data regarding the flow of goods and services in the economy. These tables portray the economic performance, the relationship between producers and consumers and interdependence between sectors. These tables provide the latest anatomy of Malaysia's economy especially capturing key important events domestically and globally during 2015~2020. The US-induced global trade war, President Trump's America First foreign policies, Brexit, plateaued commodity prices, Malaysia's GE14 and Covid-19 pandemic occurred during these years.

Low inflation, stable OPR and RM4.00 per USD. During 2015-2019, Malaysia's monetary policy remained stable at 3.00~3.25% despite global market uncertainties. Bank Negara Malaysia (BNM) cut 125bps in 2020 amid pandemic-led economic slowdown. On price pressure, inflation rate averaged below +2.0% during the years, due to supportive fiscal policy and lower global commodity prices. As for the Ringgit, 2016 saw the currency traded above 4.00 against the USD. Among others reasons are due to the low commodity prices and global trade uncertainties especially caused by the US-China dispute.

Plateaued commodity prices. Prior to 2015, Brent crude oil prices buoyed between USD95~110pbd in 2010-2014. Resulting from the evolution of the US shale gas, global oil glut had caused the prices to trend downward and plateaued at average of USD58pbd. In addition, the US Congress repealed 40-year export ban of crude oil in 2015 as to restart domestic oil production. The revoke of the export ban among others suppressed further Brent crude oil prices to below USD50pbd in the following year. Even though the oil prices gradually improved, this was mainly due to OPEC+ agreement on supply quota. However, the OPEC+ agreement is very fragile and a prisoner's dilemma situation.

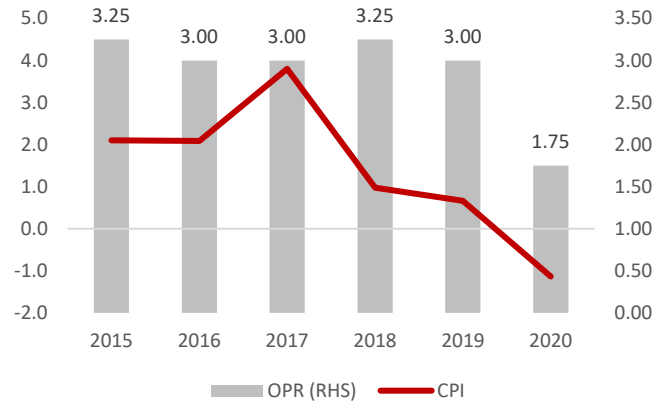
Trump-ed global trade war. Inauguration of Donald Trump as the 45th USA President was one of the important global events to note. His tenure started from Jan-17 until Jan-21. Under his leadership, he emphasized protectionist policies, "America First" and strongly advocate domestic production in the US. He triggered global trade war with China, Mexico, Canada and EU by raising tariff rates. He withdrew the US from Trans-Pacific Partnership Agreement (TPPA) and renegotiated and replaced NAFTA with United States–Mexico–Canada Agreement (USMCA). He even brought out the US from the Paris Agreement on climate change. During the years, global trade uncertainties mainly caused by President Trump especially with his abrupt change in the US foreign trade policies.

Domestic political change in 2018 and uncertainties persist. After more than 60 years, Malaysia saw its first change in government leadership in the 14th General Election held in May-18. We believe the political change is one of the crucial

factors affecting Malaysia's economic structure and performances in 2019 onwards. However, the PH-led government did not last long and a new razor-thin coalition government formed in early 2020.

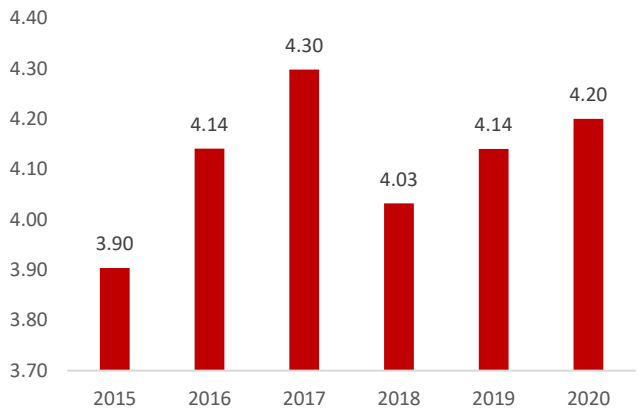
Covid-19 and nationwide lockdown. Most unexpected event in 2015~2020, the Covid-19 pandemic and nationwide lockdown. The economy suffered a contraction in 2020 as the country was put on a lockdown for almost two months. Not just Malaysia, other parts of the world were on lockdown. Foreign workers returned home, major supply chain disruptions, construction stop works, international borders closed and many others. Hence, it is crucial to assess the Malaysia's economic anatomy in 2020 as to gauge the pandemic effects.

Chart 1: OPR (Year-end) vs. Headline CPI (YoY%)



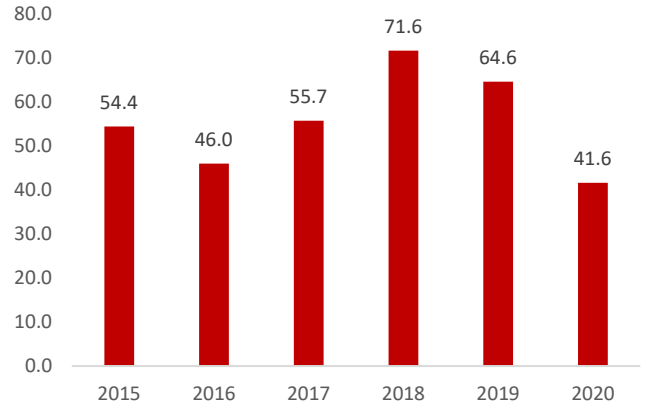
Source: CEIC, MIDFR

Chart 2: USDMYR (Average)



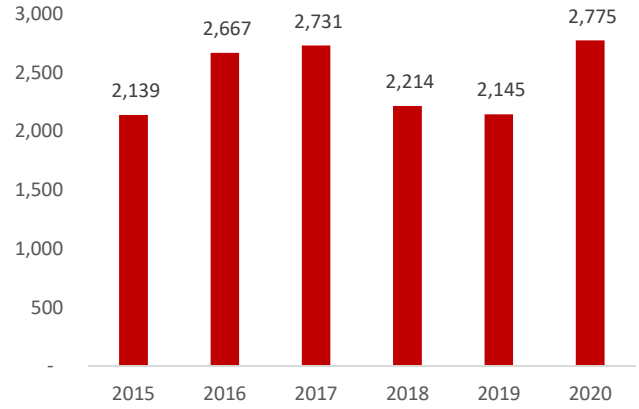
Source: CEIC, MIDFR

Chart 3: Brent Crude Oil Price (USDpbd)



Source: CEIC, MIDFR

Chart 4: CPO Price (RM per tonne)



Source: CEIC, MIDFR

Private consumption holds larger share despite pandemic. Referring to the Input-Output Tables, private consumption constituted about 60.0% of the economy. Government consumption's share rebounded to 12.9% in 2020, we believe this was due to countercyclical measures against the pandemic-led crisis. Investments continued to record smaller share amid plateaued commodity prices and market uncertainties. Exports share was still higher than private consumption yet on declining trend. We believe the outbound shipment activity effected negatively from the trade war and slew commodity prices. By sector, agriculture and mining held smaller shares in 2020 as compared to half a decade ago while manufacturing and services benefited possibly by rubber & medical products and public health amenities. Construction share fell from 4.7% in 2019 to 4.0% in the year after amid nationwide lockdown measures.

Improving compensation of employee share. In line with the 12th Malaysia Plan, COE ratio to GDP remains on ascending trajectory. The medium-term blueprint set the target 37.2% by 2020 and 40.0% by 2025. Referring to the Input-Output Table 2020, the COE share stood at 38.4%. We believe the steady rise in COE share partly attributed by the government's effort in raising the minimum wage. For instance, the Government raised by RM100 to RM1,000 in 2016 and another RM100 to RM1,100 in 2019. Despite of pandemic crisis, the Government increased the minimum wage to RM1,200 in 2020. Looking

ahead, we believe the COE share is able to climb higher as the new minimum wage for 2022 is RM1,500. According to long-term blueprint Shared Prosperity Vision 2030, the Government aims COE share to GDP to touch 48.0% in the next eight years.

Table 1: Malaysia's Economic Structure (% of GDP)

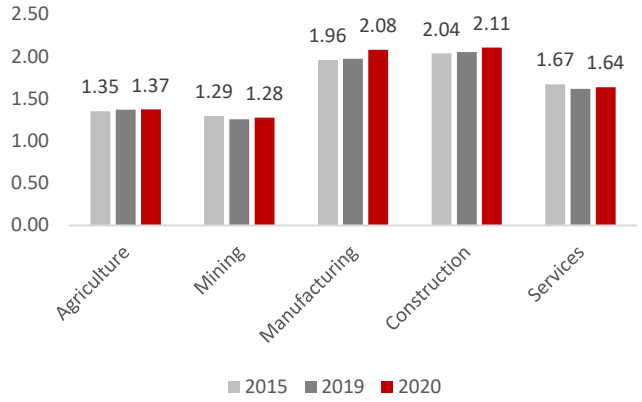
	2015	2019	2020
By Expenditure			
Private Consumption	52.4	57.8	60.0
Govt. Consumption	12.6	11.3	12.9
Investments	25.2	22.2	20.6
Net Exports	10.7	10.6	7.7
Exports	67.2	63.1	60.7
Imports	56.5	52.6	53.1
By Sector			
Agriculture	8.6	6.7	7.6
Mining	9.1	8.6	6.7
Manufacturing	21.9	21.2	22.0
Construction	4.7	4.7	4.0
Services	55.7	58.7	59.6
By Income			
Compensation of Employees	36.5	37.0	38.4
Other Net Taxes on Production	0.8	0.7	(0.5)
Operating Surplus, Gross	62.7	62.3	62.1
Consumption of Fixed Capital	15.3	14.9	16.5
Operating Surplus, Net	47.4	47.4	45.7

Source: DOSM, MIDFR

Manufacturing and Services registering higher value-added multipliers. In terms of value-added, multiplier, Services sector remained the highest with RM1.14 value-added creation in the economy out of RM1 injection into the sector. Primary sectors namely Agriculture and Mining saw continuous decline in value-added multipliers, possibly due to the plateaued commodity prices during the years. We opine the global trade war indirectly improved Malaysia's Manufacturing sector with value-added multiplier increased from RM0.83 in 2015 to RM0.87 in 2020. Most significantly, value-added multiplier for E&E products surged from RM0.79 in 2015 to RM0.95 in 2019 and RM1.28 in 2020. As pandemic hit, Rubber products value-added inched up slightly to RM0.39 in 2020 (2015: RM0.34) while Motor Vehicles rose to RM0.74 in 2020 (2015: RM0.68). Even though Services sector hold larger share in the economy, Covid-19 pandemic-led crisis had caused deterioration in value-added multiplier in several sub-sector of Services such as Accommodation, Transport & Storage, Real Estate and Business Services. Nevertheless, overall Services sector performed better among others due to higher share of compensation of employee in the economy.

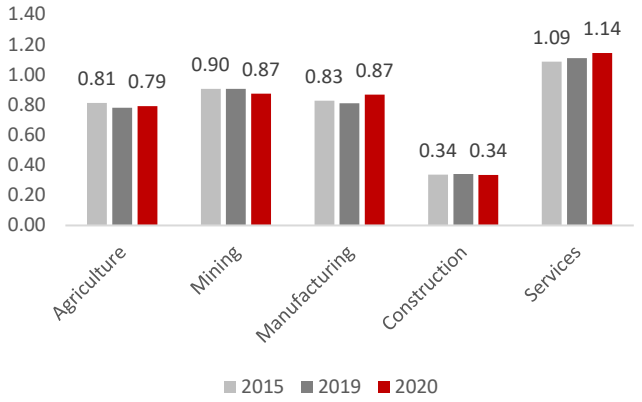
Linkages for primary sectors weaken modestly. In terms of linkages, primary sectors experienced continued downtrend since 2015. The ability of a sector in providing input for other sectors defined as forward linkages whereas backward linkages measure the ability of a sector in demanding input from other sectors. Construction's backward linkages remained high above 1.00, in line with continuous expansion in Malaysia's public infrastructure spending. Manufacturing saw increasing in both linkages particularly driven by E&E, refined petroleum products and motor vehicles. Services sector scored higher in forward linkages, mainly anchored by ICT and finance & insurance industry.

Chart 5: Output Multiplier (Per RM1 Input)



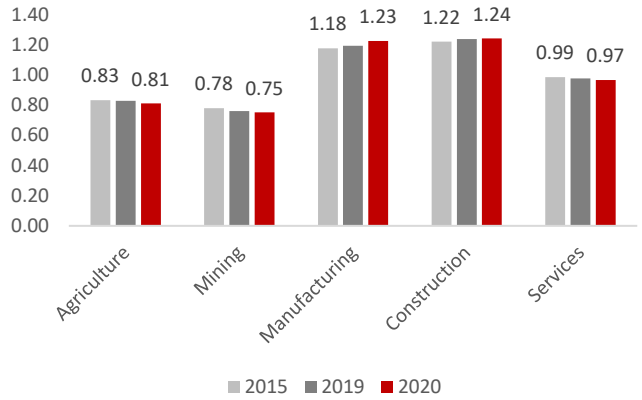
Source: DOSM, MIDFR

Chart 6: Value-Added Multiplier (Per RM1 Input)



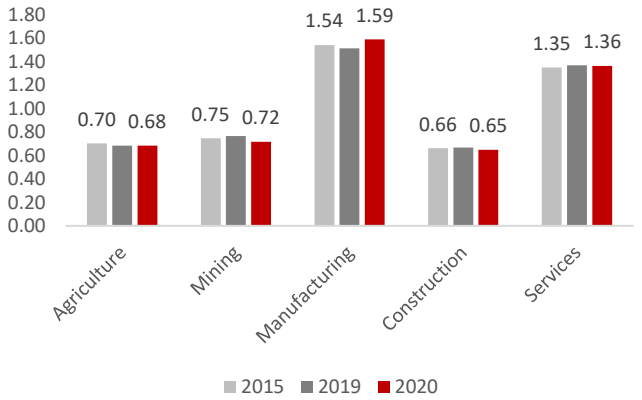
Source: DOSM, MIDFR

Chart 7: Backward Linkages (Index)



Source: DOSM, MIDFR

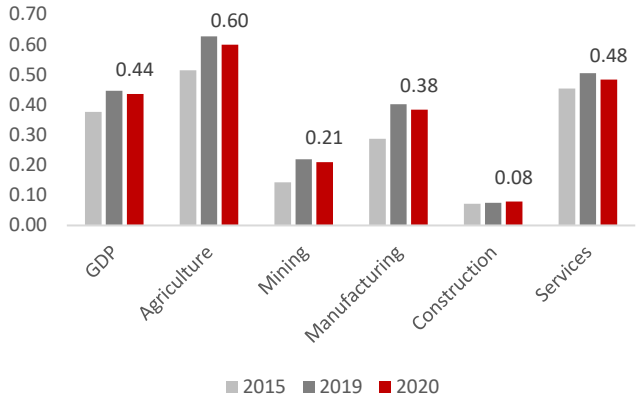
Chart 8: Forward Linkages (Index)



Source: DOSM, MIDFR

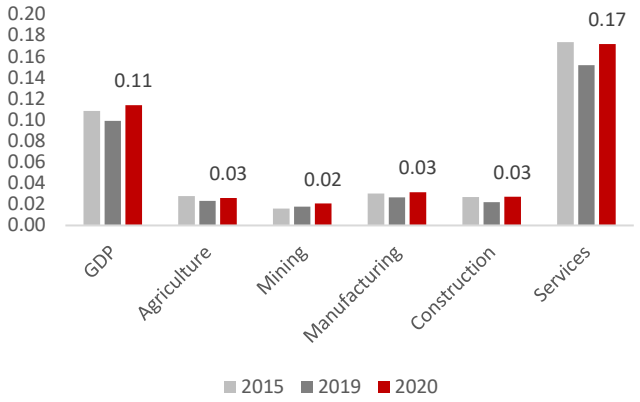
Sensitivity analyses by expenditure component. To gauge macroeconomic impacts, we test +1.0% increase separately on the expenditure components namely private consumption (PCE), government consumption (GCE), gross fixed capital formation (INV) and exports. The +1.0% increase will be measured in terms of GDP and sectoral growth. With +1.0% in PCE only, GDP is forecasted to grow by +0.44% in 2020 while Agriculture to expand by +0.60%, Mining by +0.21%, Manufacturing by +0.38%, Construction by +0.08% and Services by +0.48%. Among the four expenditure components, we find that GDP growth impact from PCE and Exports moved in different directions since 2015. GDP growth was +0.39% when Exports up by +1.0% against GDP growth +0.38% when PCE at +1.0%. After half a decade, GDP growth +0.35% when Exports up +1.0% against GDP growth +0.44% when PCE at +1.0%. In line with the latest economic structure, PCE has higher impact on GDP growth as compared to Exports. Meanwhile, +1.0% increase separately by GCE and INV will drive up GDP growth by +0.11%.

Chart 9: GDP & Sectoral Impacts if PCE up by 1.0% (%)



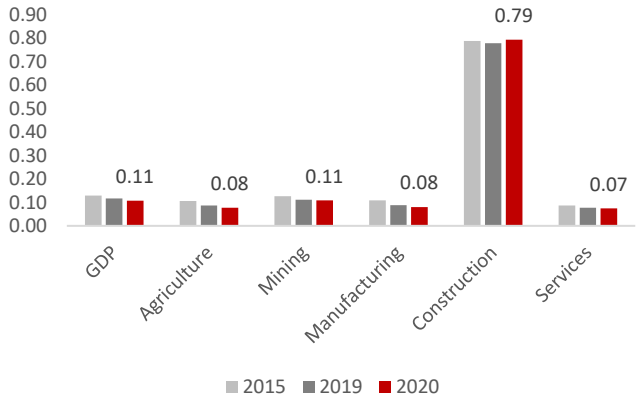
Source: DOSM, MIDFR

Chart 10: GDP & Sectoral Impacts if GCE up by 1.0% (%)



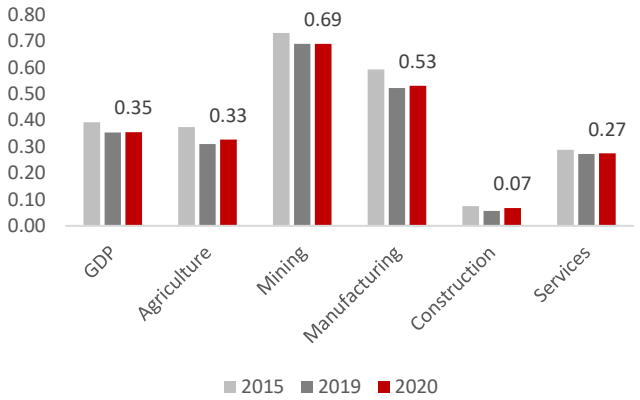
Source: DOSM, MIDFR

Chart 11: GDP & Sectoral Impacts if Inv. up by 1.0% (%)



Source: DOSM, MIDFR

Chart 12: GDP & Sectoral Impacts if Exports up by 1.0% (%)



Source: DOSM, MIDFR

Malaysia's economy moving into higher value-added direction. Despite of the global trade war and Covid-19 pandemic, the economy remained on the right track as reflected in the value-added multipliers. Manufacturing and Services sectors registered higher value-added multipliers in 2020 as compared to five years earlier. According to the latest Input-Output tables, these two sectors relied lesser imported input which among others contributed to higher economic impact domestically. This is also seen in Construction sector which reflected in the increasing backward linkages, 1.24 in 2020 (2015: 1.22). Looking ahead, we believe the value-added multipliers in Construction, Manufacturing and Services sectors to stay on uptrend in post-2020 as the government promotes and encourages domestic input usage in global value chain and reduce dependency on imported input as mentioned in the 12th Malaysia Plan among others. For instance, the Government aims to strengthen national food security by increasing local food production and gradually reduce on imported food products.

Bright prospects for primary sectors. From 2015-2020, plateaued commodity prices have been the main dragging factor for Agriculture and Mining sectors. Value-added multipliers and forward linkages for these sectors were on declining trends since 2015. We believe commodity prices to hover at a higher range in the next half a decade amid geopolitical conflicts in EU & Middle East, supply disruption risks and better global demand outlook. If Brent crude oil and CPO prices were to stay above USD70pbd and RM2,500 per tonne steadily, we opine this will support primary output activities in the long-run.

APPENDIX

Table 2: Output Multiplier by Agriculture, Mining & Construction Sector (Per RM1 injection)

	2015	2019	2020
Agriculture			
Rubber	1.28	1.32	1.32
Oil Palm	1.25	1.23	1.23
Livestock	1.72	1.70	1.74
Other Agriculture	1.29	1.33	1.33
Forestry and Logging	1.34	1.36	1.36
Fishing and Aquaculture	1.27	1.28	1.29
Mining			
Crude Oil and Natural Gas	1.23	1.19	1.21
Other Mining	1.89	1.88	1.88
Construction			
Residential Buildings	2.06	2.07	2.09
Non-Residential Buildings	2.06	2.07	2.09
Civil Engineering	2.04	2.06	2.09
Specialised Construction Activities	2.04	2.05	2.06

Source: DOSM, MIDFR

Table 3: Output Multiplier by Manufacturing Sector (Per RM1 injection)

	2015	2019	2020
Vegetable & Animal Oils and Fats	2.50	2.39	2.44
Processed Food	2.00	2.04	2.17
Beverage	2.01	1.90	1.97
Tobacco Products	1.36	1.34	1.43
Textile & Wearing Apparel	1.68	1.80	1.93
Leather Products	1.96	1.84	1.89
Wood Products	2.13	2.14	2.20
Paper and Paper Products	1.94	1.96	2.07
Printing	1.79	1.82	1.91
Coke and Refined Petroleum Products	1.84	1.81	1.80
Chemicals & Chemical Products	1.91	2.04	1.99
Rubber products	1.92	1.93	1.98
Plastic Products	1.77	1.76	1.84
Non-Metallic Mineral Products	2.12	2.12	2.14
Basic Metal	1.98	1.95	1.96
Fabricated Metal	1.80	1.76	1.76
Machinery & Equipment	1.83	1.82	1.90
Computers, Peripheral, Office Equipment and Machinery	1.74	1.93	2.19
Electrical Equipment	1.87	1.97	2.04

Electronic Components and Boards, Com Equip & Consumer Elec	1.79	1.90	2.12
Medical, Precession, Optical, Watches & Clocks	1.78	1.89	2.04
Motor vehicles, & Transport Equip	1.89	1.94	2.20
Furniture	2.08	2.05	2.12
Other Manufacturing	1.87	1.84	1.89

Source: DOSM, MIDFR

Table 4: Output Multiplier by Services Sector (Per RM1 injection)

	2015	2019	2020
Electricity and Gas	1.66	1.60	1.65
Water, Sewerage & Waste Management	1.80	1.77	1.80
Distributive Trade	1.57	1.55	1.60
Food and Beverage	2.00	1.95	2.06
Accommodation	1.67	1.63	1.71
Transport & Storage	1.88	1.93	1.91
ICT	1.77	1.67	1.69
Finance & Insurance	1.49	1.46	1.46
Real Estate	1.40	1.46	1.48
Business Services	1.67	1.63	1.62
Health	1.95	1.63	1.68
Education	1.53	1.29	1.32
Other Services	1.78	1.73	1.76
Govt Services	1.69	1.54	1.57
Publishing	1.91	1.84	1.87

Source: DOSM, MIDFR

Table 5: Value-Added Multiplier by Agriculture, Mining & Construction Sector (Per RM1 injection)

	2015	2019	2020
Agriculture			
Rubber	0.78	0.77	0.77
Oil Palm	0.85	0.88	0.92
Livestock	0.65	0.62	0.61
Other Agriculture	0.86	0.85	0.86
Forestry and Logging	0.97	0.93	0.91
Fishing and Aquaculture	0.88	0.85	0.84
Mining			
Crude Oil and Natural Gas	1.55	1.61	1.47
Other Mining	0.46	0.49	0.49
Construction			
Residential Buildings	0.32	0.31	0.31
Non-Residential Buildings	0.32	0.31	0.31
Civil Engineering	0.31	0.32	0.29

Specialised Construction Activities	0.67	0.69	0.70

Source: DOSM, MIDFR

Table 6: Value-Added Multiplier by Manufacturing Sector (Per RM1 injection)

	2015	2019	2020
Vegetable & Animal Oils and Fats	0.26	0.26	0.33
Processed Food	0.63	0.52	0.54
Beverage	0.33	0.39	0.37
Tobacco Products	0.49	0.61	0.61
Textile & Wearing Apparel	0.35	0.32	0.37
Leather Products	0.26	0.26	0.24
Wood Products	0.50	0.48	0.49
Paper and Paper Products	0.27	0.30	0.36
Printing	0.42	0.44	0.45
Coke and Refined Petroleum Products	1.53	1.57	1.61
Chemicals & Chemical Products	1.09	1.12	0.94
Rubber products	0.34	0.30	0.39
Plastic Products	0.36	0.38	0.41
Non-Metallic Mineral Products	0.58	0.53	0.54
Basic Metal	0.43	0.36	0.39
Fabricated Metal	0.65	0.65	0.63
Machinery & Equipment	0.32	0.30	0.30
Computers, Peripheral, Office Equipment and Machinery	0.21	0.18	0.20
Electrical Equipment	0.25	0.30	0.30
Electronic Components and Boards, Com Equip & Consumer Elec	0.79	0.95	1.28
Medical, Precession, Optical, Watches & Clocks	0.32	0.29	0.36
Motor vehicles, & Transport Equip	0.68	0.62	0.74
Furniture	0.31	0.30	0.31
Other Manufacturing	0.47	0.45	0.46

Source: DOSM, MIDFR

Table 7: Value-Added Multiplier by Services Sector (Per RM1 injection)

	2015	2019	2020
Electricity and Gas	0.91	1.02	1.04
Water, Sewerage & Waste Management	0.71	0.77	0.81
Distributive Trade	2.25	2.47	2.62
Food and Beverage	0.57	0.56	0.60
Accommodation	0.59	0.63	0.57
Transport & Storage	0.96	0.89	0.79
ICT	0.89	0.96	1.07
Finance & Insurance	1.36	1.28	1.42
Real Estate	0.90	0.84	0.82

Business Services	1.67	1.71	1.61
Health	0.53	0.68	0.69
Education	0.68	0.81	0.80
Other Services	0.53	0.56	0.58
Govt Services	0.63	0.64	0.64
Publishing	0.61	0.66	0.67

Source: DOSM, MIDFR

Table 8: Backward Linkages by Agriculture, Mining & Construction Sector (Index Value)

	2015	2019	2020
Agriculture			
Rubber	0.72	0.75	0.73
Oil Palm	0.70	0.70	0.67
Livestock	0.97	0.96	0.96
Other Agriculture	0.72	0.75	0.73
Forestry and Logging	0.75	0.77	0.75
Fishing and Aquaculture	0.71	0.72	0.71
Mining			
Crude Oil and Natural Gas	0.69	0.67	0.66
Other Mining	1.06	1.07	1.03
Construction			
Residential Buildings	1.16	1.17	1.15
Non-Residential Buildings	1.16	1.17	1.15
Civil Engineering	1.15	1.17	1.15
Specialised Construction Activities	1.15	1.16	1.13

Source: DOSM, MIDFR

Table 9: Backward Linkages by Manufacturing Sector (Index Value)

	2015	2019	2020
Vegetable & Animal Oils and Fats	1.40	1.35	1.34
Processed Food	1.13	1.15	1.19
Beverage	1.13	1.08	1.08
Tobacco Products	0.77	0.76	0.79
Textile & Wearing Apparel	0.94	1.02	1.06
Leather Products	1.10	1.04	1.04
Wood Products	1.19	1.21	1.21
Paper and Paper Products	1.09	1.11	1.14
Printing	1.00	1.03	1.05
Coke and Refined Petroleum Products	1.03	1.03	0.99
Chemicals & Chemical Products	1.08	1.15	1.09
Rubber products	1.08	1.09	1.09
Plastic Products	0.99	0.99	1.01

Non-Metallic Mineral Products	1.19	1.20	1.18
Basic Metal	1.11	1.10	1.08
Fabricated Metal	1.01	1.00	0.97
Machinery & Equipment	1.03	1.03	1.04
Computers, Peripheral, Office Equipment and Machinery	0.98	1.09	1.20
Electrical Equipment	1.05	1.12	1.12
Electronic Components and Boards, Com Equip & Consumer Elec	1.00	1.08	1.16
Medical, Precession, Optical, Watches & Clocks	1.00	1.07	1.12
Motor vehicles, & Transport Equip	1.06	1.10	1.21
Furniture	1.17	1.16	1.17
Other Manufacturing	1.05	1.04	1.04

Source: DOSM, MIDFR

Table 10: Backward Linkages by Services Sector (Index Value)

	2015	2019	2020
Electricity and Gas	0.93	0.90	0.90
Water, Sewerage & Waste Management	1.01	1.00	0.99
Distributive Trade	0.88	0.88	0.88
Food and Beverage	1.12	1.10	1.13
Accommodation	0.94	0.92	0.94
Transport & Storage	1.06	1.09	1.05
ICT	0.99	0.94	0.93
Finance & Insurance	0.84	0.82	0.80
Real Estate	0.79	0.83	0.81
Business Services	0.94	0.92	0.89
Health	1.09	0.92	0.92
Education	0.86	0.73	0.73
Other Services	1.00	0.98	0.97
Govt Services	0.95	0.87	0.86
Publishing	1.07	1.04	1.03

Source: DOSM, MIDFR

Table 11: Forward Linkages by Agriculture, Mining & Construction Sector (Index Value)

	2015	2019	2020
Agriculture			
Rubber	0.57	0.57	0.55
Oil Palm	0.85	0.86	0.93
Livestock	0.68	0.66	0.62
Other Agriculture	0.70	0.72	0.72
Forestry and Logging	0.90	0.82	0.76
Fishing and Aquaculture	0.64	0.61	0.58

Mining			
Crude Oil and Natural Gas	1.72	1.82	1.56
Other Mining	0.70	0.73	0.71
Construction			
Residential Buildings	0.56	0.57	0.55
Non-Residential Buildings	0.56	0.57	0.55
Civil Engineering	0.59	0.60	0.56
Specialised Construction Activities	1.15	1.13	1.11

Source: DOSM, MIDFR

Table 12: Forward Linkages by Manufacturing Sector (Index Value)

	2015	2019	2020
Vegetable & Animal Oils and Fats	1.01	0.91	1.01
Processed Food	1.15	1.00	1.02
Beverage	0.66	0.64	0.59
Tobacco Products	0.56	0.58	0.55
Textile & Wearing Apparel	0.69	0.66	0.74
Leather Products	0.60	0.59	0.56
Wood Products	1.05	1.03	1.01
Paper and Paper Products	0.65	0.69	0.76
Printing	0.68	0.71	0.71
Coke and Refined Petroleum Products	2.55	2.60	2.57
Chemicals & Chemical Products	1.98	2.05	1.69
Rubber products	0.87	0.79	0.92
Plastic Products	0.71	0.76	0.79
Non-Metallic Mineral Products	1.18	1.06	1.06
Basic Metal	1.07	0.95	1.00
Fabricated Metal	1.37	1.36	1.27
Machinery & Equipment	0.71	0.68	0.67
Computers, Peripheral, Office Equipment and Machinery	0.65	0.59	0.60
Electrical Equipment	0.65	0.76	0.74
Electronic Components and Boards, Com Equip & Consumer Elec	1.73	2.09	2.70
Medical, Precession, Optical, Watches & Clocks	0.65	0.65	0.72
Motor vehicles, & Transport Equip	1.24	1.13	1.27
Furniture	0.59	0.58	0.58
Other Manufacturing	0.98	0.88	0.88

Source: DOSM, MIDFR

Table 13: Forward Linkages by Services Sector (Index Value)

	2015	2019	2020
Electricity and Gas	1.26	1.43	1.42
Water, Sewerage & Waste Management	0.86	0.91	0.94

Distributive Trade	3.45	3.79	3.90
Food and Beverage	0.78	0.75	0.77
Accommodation	0.61	0.64	0.56
Transport & Storage	1.47	1.33	1.08
ICT	1.08	1.14	1.25
Finance & Insurance	1.58	1.46	1.63
Real Estate	0.79	0.76	0.71
Business Services	2.18	2.14	1.93
Health	0.68	0.69	0.66
Education	0.58	0.58	0.55
Other Services	0.64	0.66	0.65
Govt Services	0.63	0.57	0.55
Publishing	0.79	0.79	0.80

Source: DOSM, MIDFR

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MIDF AMANAH INVESTMENT BANK : GUIDE TO RECOMMENDATIONS	
STOCK RECOMMENDATIONS	
BUY	Total return is expected to be >10% over the next 12 months.
TRADING BUY	Stock price is expected to *rise* by >10% within 3-months after a Trading Buy rating has been assigned due to positive newsflow.
NEUTRAL	Total return is expected to be between -10% and +10% over the next 12 months.
SELL	Total return is expected to be <-10% over the next 12 months.
TRADING SELL	Stock price is expected to *fall* by >10% within 3-months after a Trading Sell rating has been assigned due to negative newsflow.
SECTOR RECOMMENDATIONS	
POSITIVE	The sector is expected to outperform the overall market over the next 12 months.
NEUTRAL	The sector is to perform in line with the overall market over the next 12 months.
NEGATIVE	The sector is expected to underperform the overall market over the next 12 months.
ESG RECOMMENDATIONS* - source Bursa Malaysia and FTSE Russell	
☆☆☆☆	Top 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆☆☆	Top 26-50% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆☆	Top 51%- 75% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆	Bottom 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell

* ESG Ratings of PLCs in FBM EMAS that have been assessed by FTSE Russell in accordance with FTSE Russell ESG Ratings Methodology