



Investment Linked Fund Performance Report November 2015

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AsiaPac Fund Monthly Report (November 2015)

Investment Objective

To achieve steady income stream with potential growth in the Asia Pacific Region over medium to long term. The aim of the Fund is to outperform the S&P Ethical Pan Asia Select Dividend Opportunities Index over periods of five or more years.

Investment Strategy

To invest in Asia Pacific Ethical Dividend Exchange Traded Fund (ETF), managed by CIMB Principal Asset Management where the ETF is listed on the Singapore Stock Exchange.

The ETF focuses on top 40 ethical and high yielding stocks in the Asia Pacific Region excluding India, Taiwan, Japan, New Zealand and Philippines. The fund provides country diversification across the industry that is traded in US Dollar.

Risks

The Fund is considered low risk given the exposure to only one underlying securities with no attempt to select stocks individually or to take defensive positions in declining markets. Risk is managed at the management level, where the asset allocation of the fund to be reviewed on regular basis, and adjusted to commensurate with the Investment Team view on the relative attractiveness of each asset class.

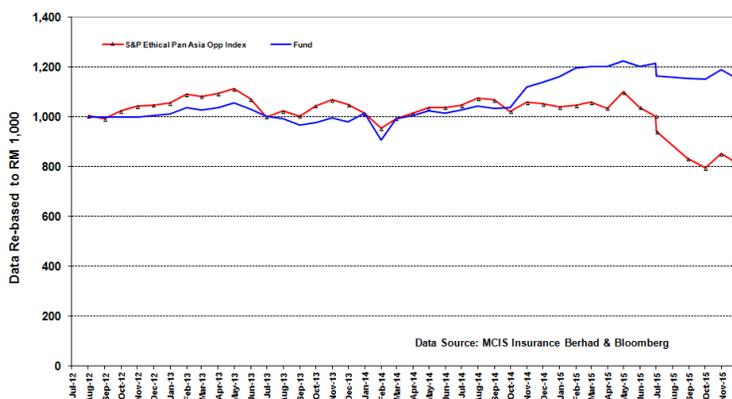
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

The target market is for investors who are seeking regional exposure from investment and at the same time, seeking for medium to long term capital appreciation with moderate market risk.

Fund Performance

For the month ended November 2015, the fund had outperformed the benchmark by 124bps MoM (month on month). The outperformance was mainly due to outperforming of underlying security compared to benchmark index.

AsiaPac Fund Performance Since Inception



Top Ten Holdings

CIMB S&P Asia Pacific Ethical Dividend Exchange Traded Fund (ETF)

Fund Information

NAV (30.11.15)	RM0.5758
Fund Size	RM 25.7 million
Inception Date	15-July-2012
Fund Management Fee	0.85% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or http://www.mcis.my
Fund Manager	MCIS Insurance Berhad
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
ETF	80%	100%	74%
Cash	0%	20%	26%

Performance Table

Period	Fund	Index*
1 month (%)	-3.39%	-4.63%
3 months (%)	-0.42%	-2.66%
6 months (%)	-4.29%	-21.73%
12 months (%)	0.96%	-22.78%
2 years (% pa)	17.27%	-22.54%
3 years (% pa)	4.63%	-8.12%
5 years (% pa)	-	-
Since Inception	4.22%	-5.87%

Notice: Past performance is not indicative of future performance, and the performance of the Fund is not guaranteed.

The Fund returns are calculated by MCIS and based on the value of the NAV, and for periods greater than 12-months are annualised numbers. Actual returns of the Fund are on a net basis (gross of tax and net of fees) and based on the performance of the Fund, and not the returns earned on the actual premiums/ contributions paid for the product.

* Index is S&P Ethical Pan Asia Select Dividend Opportunities sourced from Bloomberg.

Other Charges: Switching Fee, you are entitled to four free switches per policy year. Additional switches within the same year will be charged at 1% of the value of units switched, subject to a maximum of RM 50; and all taxes, duties and other charges incurred in the purchase, sale, valuation and maintenance of the investments of the Fund.

The NAV per unit of the Fund is the total market value of assets in the Fund divided by the total number of units of the Fund. Transaction costs, taxes and applicable fees are provided for in the net asset value.

Balanced Fund Monthly Report (November 2015)

Investment Objective

The objective of the Balanced Fund is to provide security and income, while maintaining and potentially increasing the value of capital over the medium to long-term, through exposure across a range of asset classes. The Fund aims to outperform the performance benchmark over periods of three or more years.

Investment Strategy

To invest in Malaysian equities and fixed income securities, including government bonds and corporate debt securities. The asset allocation is reviewed on a regular basis, and is adjusted commensurate with our view on the relative attractiveness of each asset class.

Risks

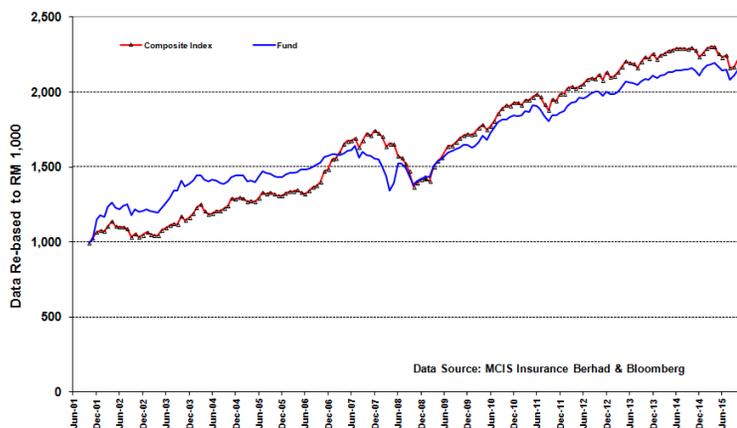
The Fund is considered medium risk given the mixed exposure of equity securities, fixed income and cash. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, industry and economy development, social and political factors, and the liquidity of the underlying assets. Additionally, levels of interest rates, and credit downgrades of defaults can affect the value of fixed income securities

The target market is clients wanting the surety of insurance protection, with an element of potential upside investment exposure.

Fund Performance

For the month ended November 2015, the fund had underperformed the benchmark by 31bps MoM (month on month). The underperformance was mainly driven by higher exposure of underperforming securities in the portfolio.

Balanced Fund Performance Since Inception



Top Ten Holdings

Malaysian Government Securities (Bond)
 Projek Lebuhraya Utara-Selatan (Bond)
 Sabah Credit Corporation (Bond)
 MMC Corp Berhad (Bond)
 Tenaga Nasional Berhad (Equity)
 Malayan Banking Berhad (Equity)
 Cagamas Berhad (Bond)
 Maxis Berhad (Equity)
 Telekom Malaysia Berhad (Equity)
 CIMB Bank Berhad (Equity)

Fund Information

NAV (30.11.15)	RM1.0727
Fund Size	RM7.3 million
Inception Date	15-Oct-01
Fund Management Fee	1.25% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or http://www.mcis.my
Fund Manager	MCIS Insurance Berhad
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Malaysian Equity	40%	60%	46%
Fixed Income	40%	60%	41%
Cash	0%	20%	13%

Performance Table

Period	Fund	Index*
1 month (%)	- 0.03%	0.28%
3 months (%)	2.99%	2.79%
6 months (%)	- 1.28%	- 1.67%
12 months (%)	- 0.03%	- 2.54%
2 years (% pa)	1.44%	- 0.12%
3 years (% pa)	2.77%	2.20%
5 years (% pa)	3.21%	3.10%
Since Inception	5.54%	5.79%

Notice: Past performance is not indicative of future performance, and the performance of the Fund is not guaranteed.

The Fund returns are calculated by MCIS and based on the value of the NAV, and for periods greater than 12-months are annualised numbers. Actual returns of the Fund are on a net basis (gross of tax and net of fees) and based on the performance of the Fund, and not the returns earned on the actual premiums/ contributions paid for the product.

* Index is composite of 50% FBM KLCI Index, and 50% HSBC Malaysia All Bond FBM KLCI Index. Index data sourced from Bloomberg.

Other Charges: Switching Fee, you are entitled to four free switches per policy year. Additional switches within the same year will be charged at 1% of the value of units switched, subject to a maximum of RM 50; and all taxes, duties and other charges incurred in the purchase, sale, valuation and maintenance of the investments of the Fund.

The NAV per unit of the Fund is the total market value of assets in the Fund divided by the total number of units of the Fund. Transaction costs, taxes and applicable fees are provided for in the net asset value.

Dividend Fund Monthly Report (November 2015)

Investment Objective

To achieve steady income stream with potential for capital growth over medium to long term by focusing mostly on high dividend yielding stocks and money market instruments. The aim of the Fund is to outperform the FBM KLCI Index over periods of five or more years.

Investment Strategy

To invest in a broad selection of companies listed on the Malaysian Stock Exchange. Using a relative value methodology, the fund focuses on undervalued stocks relative to fundamental value, with the aim of achieving an income stream, together with some degree of long-term capital gains.

Risks

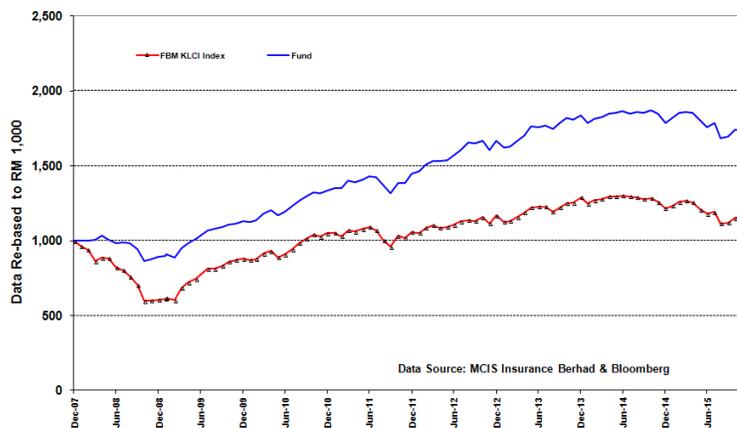
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and political factors, and the liquidity of the underlying assets.

The target market is clients wanting the surety of insurance protection, with an element of potential upside investment exposure.

Fund Performance

For the month ended November 2015, the fund had underperformed the benchmark by 45bps MoM (month on month). The underperformance was mainly driven by higher exposure of underperforming stocks in the portfolio compared to benchmark.

Dividend Fund Performance Since Inception



Top Ten Holdings

Public Bank Berhad
Sime Darby Berhad
Telekom Malaysia Berhad
Petronas Gas Berhad
Maxis Berhad
Malayan Banking Berhad
Petronas Chemicals Group Berhad
Axiata Group Berhad
DiGi.Com Berhad
British American Tobacco (M) Berhad

Fund Information

NAV (30.11.15)	RM0.8257
Fund Size	RM 40.5 million
Inception Date	21-Jan-08
Fund Management Fee	1.5% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or http://www.mcis.my
Fund Manager	MCIS Insurance Berhad
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Malaysian Equity	80%	100%	91%
Cash	0%	20%	9%

Performance Table

Period	Fund	Index*
1 month (%)	- 0.06%	0.39%
3 months (%)	3.20%	3.68%
6 months (%)	- 3.62%	- 4.31%
12 months (%)	- 5.96%	- 8.17%
2 years (% pa)	- 2.03%	- 3.96%
3 years (% pa)	2.68%	1.25%
5 years (% pa)	5.71%	2.40%
Since Inception	7.23%	1.86%
Yield #	3.22%	3.14%

Notice: Past performance is not indicative of future performance, and the performance of the Fund is not guaranteed.

The Fund returns are calculated by MCIS and based on the value of the NAV, and for periods greater than 12-months are annualised numbers. Actual returns of the Fund are on a net basis (gross of tax and net of fees) and based on the performance of the Fund, and not the returns earned on the actual premiums/ contributions paid for the product.

* Index is FBM KLCI sourced from Bloomberg.

Yield data is sourced from Bloomberg, and MCIS.

Other Charges: Switching Fee, you are entitled to four free switches per policy year. Additional switches within the same year will be charged at 1% of the value of units switched, subject to a maximum of RM 50; and all taxes, duties and other charges incurred in the purchase, sale, valuation and maintenance of the investments of the Fund.

The NAV per unit of the Fund is the total market value of assets in the Fund divided by the total number of units of the Fund. Transaction costs, taxes and applicable fees are provided for in the net asset value.

Equity Fund

Monthly Report (November 2015)

Investment Objective

The objective of the Equity Fund is to achieve capital growth over the medium to long term by focusing on high quality equities listed on the FBM KLCI Index. The aim of the Equity Fund is to outperform the Index over periods of five or more years.

Investment Strategy

To invest in a broad selection of companies listed on the Malaysian Stock Exchange. Using a relative value methodology, the fund focuses on the stocks whose shares appear undervalued relative to fundamental value, with the aim of achieving long term growth in capital value.

Risks

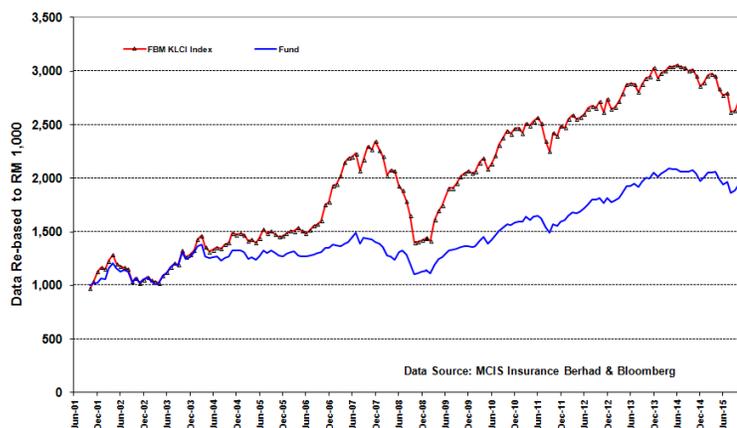
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and political factors, and the liquidity of the underlying assets.

The target market is clients wanting the surety of insurance protection, with an element of potential upside investment exposure.

Fund Performance

For the month ended November 2015, the fund had outperformed the benchmark by 58bps MoM (month on month). The outperformance was mainly driven by higher exposure of outperforming stocks in the portfolio compared to benchmark.

Equity Fund Performance Since Inception



Top Ten Holdings

Tenaga Nasional Berhad
IOI Corporation Berhad
Public Bank Berhad
Malayan Banking Berhad
Sime Darby Berhad
Petronas Dagangan Berhad
Telekom Malaysia Berhad
Petronas Chemicals Group Berhad
Axiata Group Berhad
Maxis Berhad

Fund Information

NAV (30.11.15)	RM0.9791
Fund Size	RM 8.8 million
Inception Date	15-Oct-01
Fund Management Fee	1.40% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or http://www.mcis.my
Fund Manager	MCIS Insurance Berhad
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Malaysian Equity	80%	100%	89%
Cash	0%	20%	11%

Performance Table

Period	Fund	Index*
1 month (%)	0.97%	0.39%
3 months (%)	4.99%	3.68%
6 months (%)	-2.03%	-4.31%
12 months (%)	-4.17%	-8.17%
2 years (% pa)	-1.07%	-3.96%
3 years (% pa)	3.36%	1.25%
5 years (% pa)	4.55%	2.40%
Since Inception	4.86%	7.31%
Yield #	2.98%	3.14%

Notice: Past performance is not indicative of future performance, and the performance of the Fund is not guaranteed.

The Fund returns are calculated by MCIS and based on the value of the NAV, and for periods greater than 12-months are annualised numbers. Actual returns of the Fund are on a net basis (gross of tax and net of fees) and based on the performance of the Fund, and not the returns earned on the actual premiums/ contributions paid for the product.

* Index is FBM KLCI sourced from Bloomberg.

Yield data is sourced from Bloomberg, and MCIS.

Other Charges: Switching Fee, you are entitled to four free switches per policy year. Additional switches within the same year will be charged at 1% of the value of units switched, subject to a maximum of RM 50; and all taxes, duties and other charges incurred in the purchase, sale, valuation and maintenance of the investments of the Fund.

The NAV per unit of the Fund is the total market value of assets in the Fund divided by the total number of units of the Fund. Transaction costs, taxes and applicable fees are provided for in the net asset value.

Global Yakin Fund

Monthly Report (November 2015)

Investment Objective

The fund aims for capital appreciation in the long term by investing in an international portfolio of Shariah-compliant equities and equity-related securities of companies with good growth potential.

Investment Strategy

The Fund is to feed into Aberdeen Islamic World Equity Fund (AIWEF) which managed by Aberdeen Islamic Asset Management Sdn Bhd. The Fund invests in shariah approved securities across the globe.

The Fund seeks to achieve its objective by investing in an international portfolio of Shariah-compliant equities and equity-related securities of companies with good growth potential. The countries that the Fund will invest in will include, but not limited to Canada, United States of America, United Kingdom, France, Germany, Italy, Netherlands, Sweden, Switzerland, Japan, Australia, China, Hong Kong, Korea, Singapore, Taiwan, Brazil and Mexico.

Risks

The Fund is considered low risk given the exposure to only one underlying securities with no attempt to select stocks individually or to take defensive positions in declining markets. Risk is managed at the management level, where the asset allocation of the fund to be reviewed on regular basis, and adjusted to commensurate with the Investment Team view on the relative attractiveness of each asset class.

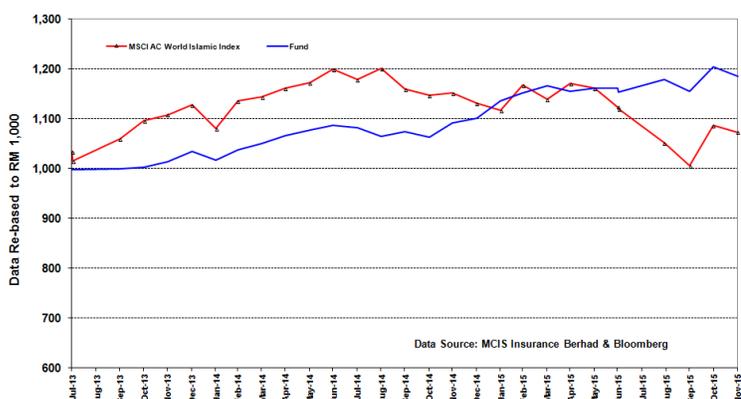
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

The Fund is suitable for investors who seek capital appreciation over a long term investment horizon and who are willing to accept high level of risk.

Fund Performance

For the month ended November 2015, the fund had underperformed the benchmark by 40bps MoM (month on month). The underperformance was partly due to lower return of Aberdeen Islamic World Equity Fund compared to benchmark.

Global Yakin Fund Performance Since Inception



Top Ten Holdings

Aberdeen Islamic World Equity Fund (AIWEF)

Fund Information

NAV (30.11.15)	RM0.5925
Fund Size	RM 22.2 million
Inception Date	8-July-2013
Fund Management Fee	0.85% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or http://www.mcis.my
Fund Manager	MCIS Insurance Berhad
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
AIWEF	80%	100%	83%
Cash	0%	20%	17%

Performance Table

Period	Fund	Index*
1 month (%)	- 1.64%	-1.24%
3 months (%)	0.51%	2.06%
6 months (%)	2.04%	-7.55%
12 months (%)	8.46%	-6.86%
2 years (% pa)	8.05%	-1.58%
3 years (% pa)	-	-
5 years (% pa)	-	-
Since Inception	7.28%	2.99%

Notice: Past performance is not indicative of future performance, and the performance of the Fund is not guaranteed.

The Fund returns are calculated by MCIS and based on the value of the NAV, and for periods greater than 12-months are annualised numbers. Actual returns of the Fund are on a net basis (gross of tax and net of fees) and based on the performance of the Fund, and not the returns earned on the actual premiums/ contributions paid for the product.

* Index is MSCI AC World Islamic sourced from Bloomberg.

Other Charges: Switching Fee, you are entitled to four free switches per policy year. Additional switches within the same year will be charged at 1% of the value of units switched, subject to a maximum of RM 50; and all taxes, duties and other charges incurred in the purchase, sale, valuation and maintenance of the investments of the Fund.

The NAV per unit of the Fund is the total market value of assets in the Fund divided by the total number of units of the Fund. Transaction costs, taxes and applicable fees are provided for in the net asset value.

Income Fund

Monthly Report (November 2015)

Investment Objective

The objective of the Income Fund is to provide investors with security of income by investing in a mix of fixed income and fixed deposit securities. The aim of the Fund is to outperform the HSBC Malaysia Local Currency All Bond Total Return Index.

Investment Strategy

To invest into underlying asset classes as per the Asset Allocation Ranges. The asset allocation is reviewed on a regular basis, and is adjusted commensurate with our view on the relative attractiveness of each asset class. The Fund invests in cash and fixed income securities including government bonds and corporate debt securities.

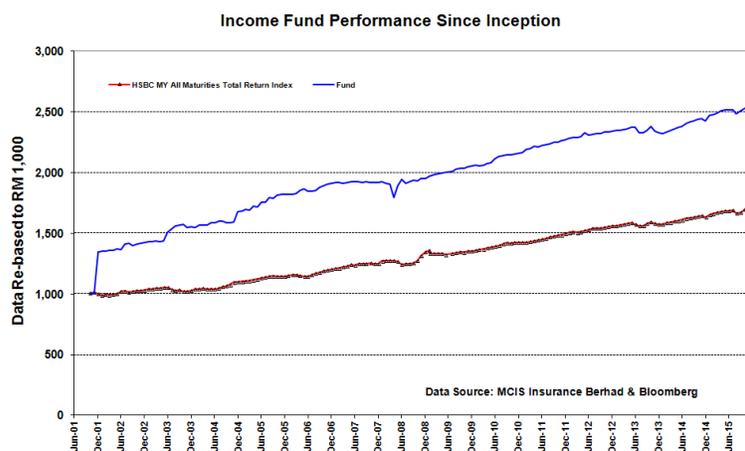
Risks

The Fund is considered lower risk given the exposure to cash and fixed income securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and political factors, and the liquidity of the underlying assets. Additionally, levels of interest rates, and credit downgrades or defaults can affect the value of fixed income securities.

The target market is clients wanting the surety of insurance protection, with an element of potential upside investment exposure.

Fund Performance

For the month ended November 2015, the fund had underperformed the benchmark by 12bps MoM (month on month). The underperformance was mainly driven by underperformance of the bond market during the period.



Top Ten Holdings

Malaysian Government Securities
 Projek Lebuhraya Utara-Selatan Berhad
 Government Investment Issue
 PBFIN Berhad
 Sabah Credit Corporation
 Cagamas Berhad
 MMC Corp Berhad
 CIMB Bank Berhad

Fund Information

NAV (30.11.15)	RM1.2659
Fund Size	RM 22.3 million
Inception Date	15-Oct-01
Fund Management Fee	0.5% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or http://www.mcis.my
Fund Manager	MCIS Insurance Berhad
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Fixed Income	75%	100%	82%
Cash	0%	25%	18%

Performance Table

Period	Fund	Index*
1 month (%)	0.06%	0.18%
3 months (%)	1.92%	1.91%
6 months (%)	0.60%	0.95%
12 months (%)	3.52%	3.27%
2 years (% pa)	4.01%	3.73%
3 years (% pa)	2.69%	3.03%
5 years (% pa)	3.28%	3.61%
Since Inception	6.78%	3.82%

Notice: Past performance is not indicative of future performance, and the performance of the Fund is not guaranteed.

The Fund returns are calculated by MCIS and based on the value of the NAV, and for periods greater than 12-months are annualised numbers. Actual returns of the Fund are on a net basis (gross of tax and net of fees) and based on the performance of the Fund, and not the returns earned on the actual premiums/ contributions paid for the product.

* Index is HSBC Malaysia All Bond FBM KLCI Index, sourced from Bloomberg.

Other Charges: Switching Fee, you are entitled to four free switches per policy year. Additional switches within the same year will be charged at 1% of the value of units switched, subject to a maximum of RM 50; and all taxes, duties and other charges incurred in the purchase, sale, valuation and maintenance of the investments of the Fund.

The NAV per unit of the Fund is the total market value of assets in the Fund divided by the total number of units of the Fund. Transaction costs, taxes and applicable fees are provided for in the net asset value.

Jati Fund

Monthly Report (November 2015)

Investment Objective

The Jati Fund is invested in accordance with Shariah principles in Shariah sanctioned equities, money market instruments, and fixed income investments. The aim is to provide security and income, while maintaining and potentially increasing the value of capital over the medium to long-term. The Jati Fund is not a takaful product.

Investment Strategy

To invest in a broad selection of Shariah approved securities listed on the Malaysian Stock Exchange. Using a relative value methodology it looks to buy stocks whose shares appear undervalued relative to fundamental value, with the aim of achieving an income stream, together with some degree of long-term capital gains.

Risks

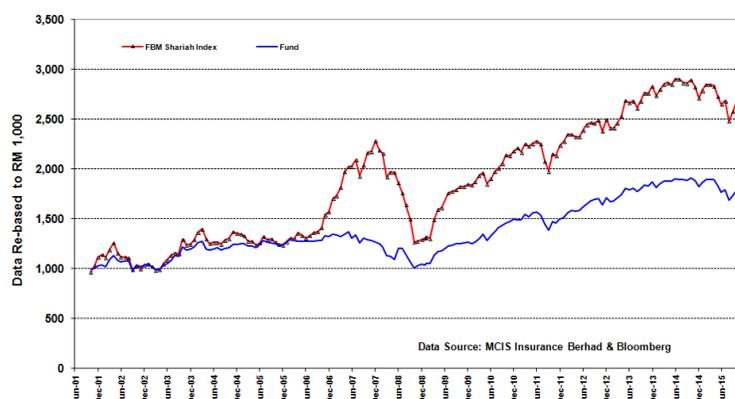
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and political factors, and the liquidity of the underlying assets.

The target market is clients wanting the surety of insurance protection, with an element of potential upside investment exposure.

Fund Performance

For the month ended November 2015, the fund had underperformed the benchmark by 27bps MoM (month on month). The underperformance was mainly driven by higher exposure of underperforming stocks in the portfolio compared to benchmark.

Jati Fund Performance Since Inception



Top Ten Holdings

Tenaga Nasional Berhad
Sime Darby Berhad
Axiata Group Berhad
SapuraKencana Petroleum Berhad
Petronas Dagangan Berhad
Petronas Chemicals Group Berhad
MISC Berhad
Telekom Malaysia Berhad
MyETF Dow Jones Islamic Market Titan 25
IHH Healthcare Berhad

Fund Information

NAV (30.11.15)	RM0.9038
Fund Size	RM11.2 million
Inception Date	15-Oct-01
Fund Management Fee	1.35% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or http://www.mcis.my
Fund Manager	MCIS Insurance Berhad
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Malaysian Equity	80%	100%	88%
Cash	0%	20%	12%

Performance Table

Period	Fund	Index*
1 month (%)	0.65%	0.92%
3 months (%)	6.69%	9.29%
6 months (%)	- 1.61%	- 0.55%
12 months (%)	- 4.17%	- 4.06%
2 years (% pa)	- 0.64%	- 0.90%
3 years (% pa)	3.19%	4.51%
5 years (% pa)	4.18%	4.94%
Since Inception	4.27%	7.31%
Yield #	2.57%	3.07%

Notice: Past performance is not indicative of future performance, and the performance of the Fund is not guaranteed.

The Fund returns are calculated by MCIS and based on the value of the NAV, and for periods greater than 12-months are annualised numbers. Actual returns of the Fund are on a net basis (gross of tax and net of fees) and based on the performance of the Fund, and not the returns earned on the actual premiums/ contributions paid for the product.

* Index is FBMS Index sourced from Bloomberg.

Yield data is sourced from Bloomberg, and MCIS.

Other Charges: Switching Fee, you are entitled to four free switches per policy year. Additional switches within the same year will be charged at 1% of the value of units switched, subject to a maximum of RM 50; and all taxes, duties and other charges incurred in the purchase, sale, valuation and maintenance of the investments of the Fund.

The NAV per unit of the Fund is the total market value of assets in the Fund divided by the total number of units of the Fund. Transaction costs, taxes and applicable fees are provided for in the net asset value.

Equity Market Review and Outlook

Market Review

November was considered as a consolidation month for Malaysia as the FBM KLCI traded range bound with support from a stronger Wall Street and ringgit. Furthermore the 3Q15 results season appears to be rather decent with fewer than expected disappointments. For the month, the benchmark index edged up 0.4% to close at 1,672pts. The broader market performed in line with the KLCI, with the FBM Emas also gaining 0.4% mom to 11,626pts. Average daily value traded on Bursa in November edged up 2% mom to RM2.29bn.

On the domestic economic front, Malaysia's real GDP growth moderated to 4.7% y-o-y in 3Q 2015 (+4.9% in 2Q and +5.7% in 1Q), on the back of weaker growth of private and public consumption. Weakening trend is expected to persist and Malaysia's real GDP is projected to slow down to 4.5% in 2016, from an estimated +4.8% in 2015, as consumers and businesses are facing trying times amid a challenging economic environment while the external demand continues to be dragged by tepid global economic growth going into 2016.

Globally, Eurozone real GDP grew by 0.3% q-o-q in 3Q, a moderation from +0.4% in 2Q and +0.5% in 1Q, indicating that its economic growth is losing momentum. It has also dampened by deterioration in exports, due to a slowdown in global trade as a result of an economic slowdown in emerging markets. It could be an early sign that the boost from the euro's depreciation is starting to fade and could fade further in 2016. The data come less than a week after the European Central Bank cut one of its main interest rates to a record low and expanded its asset-purchase programme to at least EUR1.5trn to shore up the region's muted economic recovery and bring inflation closer toward 2%.

Chart 1: FBMKLCI Daily Chart



Source: Bloomberg

Chart 2: FBMKLCI Monthly Pattern and Cycle Analysis



Source: Bloomberg

Market Outlook & Strategy

Technically, the 6-year rally off the 2008 low has likely ended in July 2014 and is now undergoing a multi-month correction. The FBM KLCI moving sideways for the month, as the index move into a seasonally stronger next few months, the current rebound from the 1,503 low in August could still continue. There is still a good chance that it could edge higher to 1,700 and possibly even retest 1,727-1,744 again in December or January.

December has been historically the best month of the year for the FBM KLCI with aggressive window dressing activities and we believe this could again be the case this year given how badly sold down Malaysia was during the year. Also, we are more optimistic about the market outlook for 2016. We believe most of negative news has been priced into stocks and the absence of bad news – whether on the political, economic or stock market fronts – will be positive catalysts to push the market higher going forward. The relatively decent 3Q15 results thus far this month could also give hope that corporate earnings is turning the corner and that the negative GST impact on consumption and profit margins may be waning.

Fixed Income Review and Outlook

Market Review

Malaysia's MGS yield curve ended steeper on a month-on-month basis. Despite some recovery in MYR in latter half of Nov to near the 4.2500 level, Ringgit govies were unable to fully recover from earlier knee-jerk selloff, which was triggered by upbeat US NFP data in Oct. However, we saw short dated papers (with tenors less than 3-years) were well-received, particularly boosted by offshore demand, riding on the sharp decline in USD/MYR (from the peak of 4.4169 to a low of 4.1835 during the month).

As for the Bank Negara's MPC meeting, policymakers held the OPR at 3.25% as widely expected. The MPC statement sounded neutral, but they have cautioned that there is risk to growth going forward. Based on current conditions and tone of the statement, we see little potential for any shift in policy at least in 1H2016. But in the event of a quick deterioration in external environment and financial market volatility, we will not be surprised if policymakers' statements morph into a more dovish tone at the coming meetings.

Malaysia's 3Q2015 GDP came at +4.7% yoy, meeting expectations and had little impact on MGS trading. Elsewhere, headline inflation eased marginally from +2.6% yoy in Sep to +2.5% yoy in the month of Oct, in line with consensus view. Apart from that, foreign reserves were a tad lower at \$93.9 billion as at 13 Nov, compared to \$94.0 billion registered two weeks ago.

Corporate bond spreads widened despite positive movement seen in government bond space. In our opinion, the net selling pressure was mainly driven by anticipation in upcoming primary deals, pairing with cautious sentiment heading into Dec Fed meeting (indicated by heavier weight on short-duration positions on a yoy basis).

The auctions unveiled in November are as follows:

Government auctions in Nov 2015				
Issue	Issue date	Amount (RMm)	Bid-cover (times)	Avg Yield (%)
10-year Re-opening of MGS (Mat on 09/25)	13-Nov-15	3,500	1.503	4.319
3-year Re-opening of Gil (Mat on 05/18)	27-Nov-15	3,500	1.860	3.584

Market Outlook & Strategy

Given the prevailing environment that's extremely cautious and volatile, we would continue to monitor the movements of MGS closely, in addition to intermittent weakness apparent in the MYR. Although market remains bearish, we would recommend on accumulating bonds whenever a significant sell-off happens as we believe yields would only normalize to more realistic levels when market fear abates. Another supporting factor is we do not foresee the OPR changing for this year and even for next year unless growth and inflation surprises us on the upside where we regard this probability as low.