



2019 Global Growth Forecast



3.0%

WORLD BANK

June 2018



3.5%

OECD

Nov 2018



3.7%

IMF

Oct 2018



Valuation Around The World

FY19F PE As at 27 Dec 2018

S&P 500: 14x
Dow Jones: 13x
Nasdaq: 17x

Dax: 11x
FTSE 100: 11x
CAC 40: 11x

HSI: 10x
STI: 12x

Nikkei: 13x

ASX200: 14x

Source: Bloomberg



2018

As at 27 Dec 2018

+26%

amazon

+18%

Microsoft

+32%

NETFLIX

-30%

facebook

-24%

Tencent 腾讯

-20%

阿里巴巴 Alibaba.com

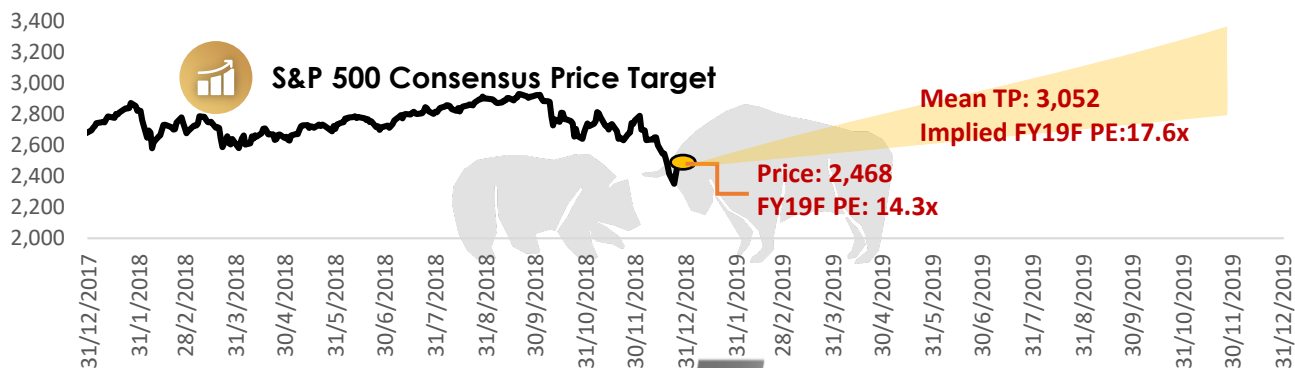


2019 Market Themes

- US-China Trade War
- Rising US Interest Rates
- Global Monetary Policy Divergence
- Brexit
- Slowing Global Economic Growth



Global Market Outlook Views



TRIM Equity



Wealth Management



OVERWEIGHT Equity



UBS



DEVELOPED MARKET PREFERRED



EMERGING MARKET PREFERRED

STATE STREET GLOBAL ADVISORS



Morgan Stanley



Market Talk

The absence of a trade ceasefire would drive APAC equities to the "value zone"..... China looks to have much more downside if trade war persists. A trade ceasefire could induce a rally in EM Asia.



J.P.Morgan

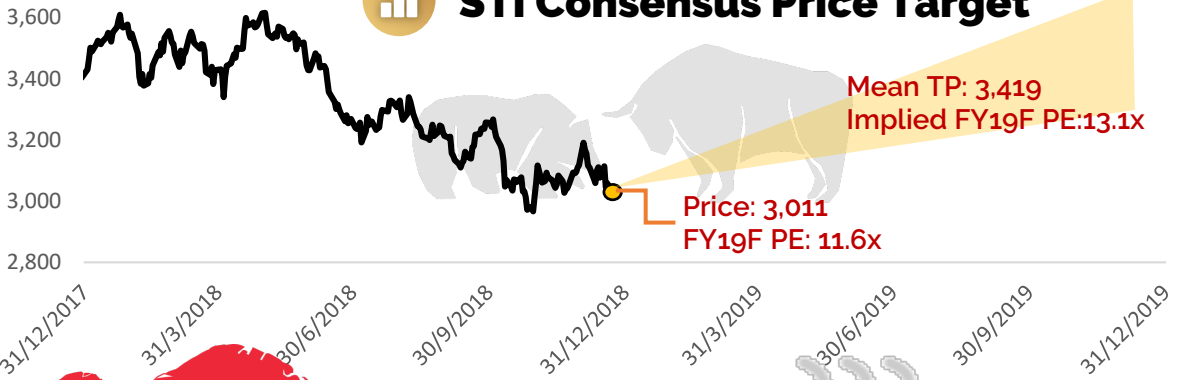
Don't agree that US/Global recession is inevitable over the next 1-2 years. Equities can still deliver a period of significant outperformance vs fixed income, before this cycle is finished.



Singapore Outlook 2019



STI Consensus Price Target



Singapore Kopi talk

Undemanding Valuation

4.4% dividend yield
(one of the highest in the region)
As at 27 Dec 18

Focus on Selective stock picking

Huat ah!

What to look out in the PIG's Year?

OVERweight



Healthcare

O&G

UNDERweight

Based on compiled banks consensus views

 **ST Engineering**

 **DBS**

 **UOB** 大华银行

Stock Picks 2019

1. ST Engineering
2. DBS
3. UOB
4. CapitaLand Mall Trust
5. Comfort DelGro

POLITICS: MALAYSIA



Major Change in Malaysia Government:

Pakatan Harapan defeated UMNO in the general elections, first time in history that the Malaysian parliament is not formed by UMNO

Handover Power:

Dr Mahathir Mohamad on 30 Dec reiterated he will keep his promise and hand over his position as prime minister to PKR president Anwar Ibrahim































Maritime dispute: Issues of nationalism and sovereignty fray Malaysia-Singapore ties





Malaysia extended it's port limits in a manner which "encroached into Singapore's territorial waters". Both Malaysia and Singapore have expressed their commitment to attaining an 'amicable solution' to the dispute next month.

Flight:

Malaysia has also protested against new flight procedures that Singapore will implement next year at Seletar Airport, claiming they will stunt development in the Pasir Gudang area.

MALAYSIAN AND SINGAPOREAN VESSELS SPOTTED WITHIN NEW JB PORT LIMITS

DATE	MALAYSIA	SINGAPORE
Nov 24		
Nov 28		
Dec 1		
Dec 2		
Dec 3	 	 
Dec 4	 	 
Dec 9		 
Dec 12		
Dec 13	 	 
Dec 14	 	 

Legend:
 — Malaysian Maritime Enforcement Agency (MMEA)
 — Malaysian Marine Department (MMD)
 — Singapore Police Coast Guard (PCG)
 — Republic of Singapore Navy (RSN)

Graphics: malaymail

Around the Globe: Business News

Fall of Cryptocurrency

The world's largest cryptocurrency slumped? Analysts suggest Bitcoin could gravitate toward \$1,500 level. Bloomberg Intelligence analyst who warned that the slide could get much worse.

More Pain Ahead?



A roller coaster end to a volatile 2018

Amid the roller coaster rides, **S&P 500 SPX, -0.12%** and **Dow Jones Industrial Average DJIA, -0.33%** are down more than 9% month-to-date and remain deep in correction territory, while the Nasdaq Composite is in a bear market, having fallen more than 20% from its all-time high, and is off 10.2% for December

Stock-market investors desperate seeking for clarity on the Bull & Bear of the market and a return to less volatile price swings.

But bulls hope that progress in U.S.-China trade negotiations, a clearer picture of the Federal Reserve's policy intentions, corporate earnings, and economic data that's expected to remain solid could finally give investors the confidence to dive back into equities after a swoon that's sent major stock indexes reeling.