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## Markets

### Asian markets to see correction post-US rate hike

WEAK economic data and the US Federal Reserve's impending move to raise interest rates will continue to cast a long shadow over global equity markets. Global funds are unsure how the market will react once the Fed raises its benchmark rate. Worst still, investors appear to be unable to time the hike.

The performance of global equity markets and large fund investment decisions this year reflect just that. Capital flows in and out of Asia portray reactive investment strategies by large global funds as opposed to proactive longer term investment decisions. Erratic capital flow also heightened volatility in Asian markets.

The local market is not spared. Riding on poor sentiment and selling pressure, the FBM KLCI broke the 1,800-point support level on May 12, raising concerns of continued downward bias moving forward.

With this as a backdrop, two of Maybank Asset Management's (MAM) fund managers, Abdul Razak Ahmad and Robin Yeoh Yern Jin, share their views in an email exchange with FocusM. Abdul Razak is MAM Malaysia's chief investment officer while Yeoh is MAM group's regional head of equities. They also explain MAM's investment strategy for Malaysian equities this year.

"When the US finally hikes interest rates there may be a correction in Asian markets," says Yeoh.

Despite this, Abdul Razak opines that the Malaysian equity market will end this year on a positive note, riding on improving global conditions and the local economy.