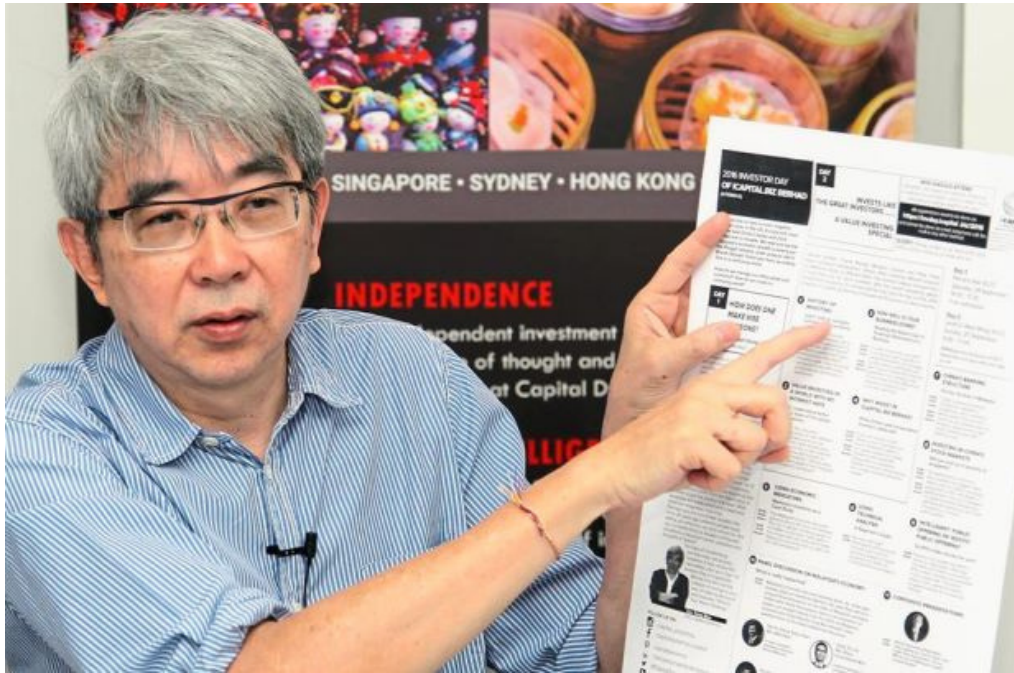


# Muted KL market seen for rest of this year

By GANESHWARAN KANA



Fed driven: Tan says the local market and the rest of the world are dependent on the US monetary policy.

**PETALING JAYA:** Fund manager Tan Teng Boo believes that the FBM KLCI will stay muted for the rest of the year due to the lack of a clear direction on the future interest rate hike by the US Federal Reserve.

“Our market and the rest of the world are highly dependent on the US monetary policy.

“I am concerned with the overall market outlook, aside from China, due to the monetary policy in the US that has been in the near zero interest rate environment for more than eight years,” said Tan, the founder and managing director of iCapital.biz Bhd.

Although the FBM KLCI has fallen by 4.4% since its peak on April 15 this year, Tan reckoned that the local bourse valuation was on the high side because of weak corporate earnings.

The overall challenging economic environment and the impact of low interest rates in developed countries would be among the topics that would be discussed at the iCapital.Biz 2016 Investor Day.

Tan said that during the two-day event, there would be two sessions on China – on China’s banking structure and investing in China’s stock market.

Despite media reports and financial pundits’ analyses on the possible downturn awaiting the Chinese economy, Tan believes otherwise. China, which enjoys commendable political stability and strong policies, is expected to weather the impact of global economic sluggishness and maintain its performance.

**“I am bullish on China’s performance even for the next 50 to 70 years to come. I believe that another growth area would be India,” he said.**

**However, economic uncertainty that continues to plague the developed countries is expected to prolong the dull global market outlook.**

**“The zero or even negative interest rate environment has distorted asset prices,” Tan says.**

**Tan promises an alternate perspective on the Malaysian economy for the participants of iCapital Investor Day. He said he was concerned about the Malaysian economy which had been slowing down and would address the “middle-income trap”.**

**The middle-income trap is a situation in which a country is not able to progress into a high-income nation, but remains stuck in the middle income range due to many economic restrictions.**

**The sixth edition of the Investor Day since 2010, is open to all regardless of their background or knowledge in investing.**

**“The Investor Day will teach you what is value investing, aside from helping the Malaysians to be more aware and to know how to dig deeper for financial news. It will help you in becoming an informed and thinking investor”.**

**Participants can look forward to learn on how to understand financial reports and crucial technical analysis to evaluate the performances of share prices. There would also be two sessions on China that will be about China’s banking structure and about the prospects of investing in China’s stock market.**

**Participants will also be able to join a panel discussion on the Malaysian economy, which will be deliberated by four experienced corporate leaders. The discussion moderated by Tan himself, will see Tan Sri Eddy Chen, managing director of MKH Bhd; Dang Tai Luk, managing director of Bison Consolidated Bhd; Samantha Tai, managing director of Boardroom Corporate Services and Foo Sen Chin, executive chairman of ECS ICT Bhd, sharing their thoughts as experienced market players.**

**There would also be corporate presentations from Tan Sri Lodin Wok Kamaruddin, group managing director of Boustead Holdings Bhd and Ng Kiat Min, group managing director of Suria Capital Holdings Bhd.**