



## SMALL CAPS

# INDEX SURGE MAY KEEP INVESTORS ON SIDELINES

Nevertheless, there are still good buys out there, says fund manager

### KUALA LUMPUR

**T**HE surge in Malaysian small caps over the last few months may be reason enough to avoid buying many of them now.

So says Gan Eng Peng, head of equities at Affin Hwang Asset Management Bhd, citing an 18 per cent gain in the FTSE Bursa Malaysia Small Cap Index since November.

Stocks in the measure are up more than twice as much as those in the large-cap benchmark, as a government plan to support the sector coincided with an emerging market rally.

"We're always on the lookout for ideas which are fresh, turnaround situations and deep value plays," said Gan, whose Asia ex-Japan small and mid-cap fund has returned 34 per cent over the past year to beat 96 per

cent of its peers.

"With the recent run in the index, this is getting harder to come by."

Prime Minister Datuk Seri Najib Razak's budget pledge in October to establish a RM3 billion fund to invest in small- and mid-sized companies and promote research on them stirred interest in the sector.

The government's willingness to support the sector was improving sentiment and boosting demand from institutional investors, said at Phillip Capital Management Bhd chief investment officer Ang Kok Heng.

While this had pushed some small and mid-caps "beyond our targets", there were still good buys out there, said Ang.

These included JAKS Resources Bhd, Gabungan AQRS Bhd, Ekovest Bhd and ViTrox Corp Bhd, he said. **Bloomberg**



25 Mar 2017

New Straits Times, Malaysia

Author: No author available • Section: Business Times • Page: 5  
Printed Size: 210.00cm<sup>2</sup> • Market: KL • Country: Malaysia • Photo: Black/white  
Ad Value: MYR 3,812.31 • PR value: MYR 11,436.93 • Item ID: MY0028811658

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## SUMMARIES

KUALA LUMPUR THE surge in Malaysian small caps over the last few months may be reason enough to avoid buying many of them now. So says Gan Eng Peng, head of equities at Affin Hwang Asset Management Bhd, citing an 18 per cent gain in the FTSE Bursa Malaysia Small Cap Index since November.