

FUND FLOW REPORT

Week Ended
March 18, 2016

Foreign Flow Meter (M'sia)



Tide

HIGH



Current

HIGH

- Equity markets around the world in general made progress last week as risk appetite and sentiment were abetted by the Fed's dovish stance and gains in oil price.
- The price of Brent crude oil rebounded strongly from the low to break the USD42pb level on Friday. It was last traded at USD41.20pb, a 2% increase for the week.
- The driver of oil price last week was the weakness of the U.S dollar, caused by the Federal Reserve which became more dovish with respect to interest rate. The Fed said it was projecting just two 25-basis-point increases this year, down from four forecast in December.
- The combination of dollar weakness and resilient oil price drove the Ringgit to USD/RM4.0533, the strongest closing since 13 August last year.
- The money tide to Asia remained evelated for the third week running. There was a "money tsunami" in Korea and Taiwan last week. Foreign purchases of Taiwan+Korea stocks outstripped that of TIPs+Malaysia+India stocks by a ratio of more than 3:1.
- Foreign buying of Bursa-listed stocks intensified last week, and the strong buying momentum has extended for three consecutive weeks now.
- For the second week running, the amount of net foreign purchase had exceeded RM1b. Foreigners bought listed equities amounted to RM1.48b, 42% more compared with that in the preceding week.
- Foreign investors were net buyers every day throughout the week. As of Friday foreign investors had been buying continuously for 14 consecutive days.
- Thus far in March (until the 18th), cumulative net foreign purchases already amounted to RM3.63b. Provided there is no break in the momentum of the money flow, the haul in March is set to be the highest since April 2013, which was just before the General Election.

21 March 2016 | Strategy - Weekly Fund Flow

Zulkifli Hamzah
zulkifli.hamzah@midf.com.my
+603 21738390

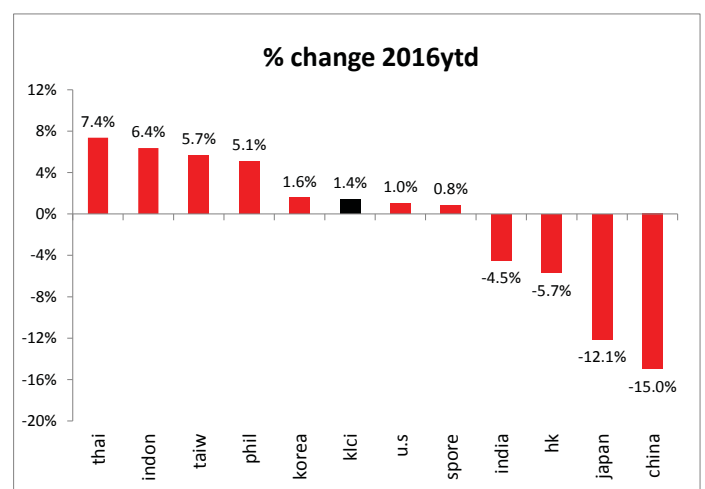
HIGH TIDE THREE WEEKS IN A ROW!

A. MARKET SNAPSHOT

- Equity markets around the world in general made progress last week as risk appetite and sentiment were abetted by the Fed's dovish stance and gains in oil price.
- China was the best performing market last week, as the CSI300 gained 5.1%, reversing its prior-week loss. It was also its best performance in a week this year. Investors were generally buoyed by proactive measures to arrest the economic decline. On Monday, the new chairman of the China Securities Regulatory Commission Liu Shiyu signaled continued efforts to prop up the equity market. He assured that the state rescue fund would remain to support the market. On Wednesday, Premier Lee Keqiang made assurances of a government support to manage the potential 1.8m displaced workers due to reduction on steel and coal production capacity. He also promised to use innovative means to support the economy. The index maintained its momentum until Friday's closing. Along the way, data released on Friday indicated China house price index grew by 3.6%yoy in February, beating the consensus 2.5% forecast.
- The price of Brent crude oil slid to as low as USD38.32pb as sentiment was dampened after Iran pledged to increase output by 1mbpd by June. However, price rebounded strongly from the low to break the USD42pb level on Friday. It was last traded at USD41.20pb, a 2% increase for the week. OPEC announced its imminent meeting with non-members on April 17 in Doha, with the intention to freeze production even without Iran's participation. Meanwhile, US crude inventories rose by 1.32m barrels last week, slower than the forecasted 3.2m.
- The real driver of oil price last week was the weakness of the U.S dollar. The Federal Reserve became more dovish last week after it scaled back expectations for the pace of interest-rate gains. The U.S. central bank held its benchmark rate and said it was projecting just two 25-basis-point increases this year, down from four forecast in December.
- The combination of dollar weakness and resilient oil price drove the Ringgit to USD/RM4.0533, the strongest closing since 13 August last year.
- Meanwhile, the KLCI gained 1.17% to 1716.34 points. It was the third straight week of advance and the index is now up 1.4%ytd. However it is sliding down the performance chart as other markets are performing stronger, with Thailand's SET and Indonesia's JCI the best performers so far this year.

Performance of major markets		
Weekly % change	Week before	Last week
China CSI300	-2.44	5.09
Phil Comp	2.89	2.93
Straits Times	-0.29	2.76
Hang Seng	0.11	2.34
Dow Jones	1.21	2.26
Jakarta JCI	-0.76	1.49
S&P500	1.11	1.35
DAX	0.07	1.22
Taiwan Taiex	0.72	1.20
KLCI	0.24	1.17
Korea KOSPI	0.81	1.05
India Sensex	0.29	0.95
FTSE	-0.96	0.81
CAC	0.81	-0.67
Thai SET	1.01	-0.75
Nikkei 225	-0.45	-1.26

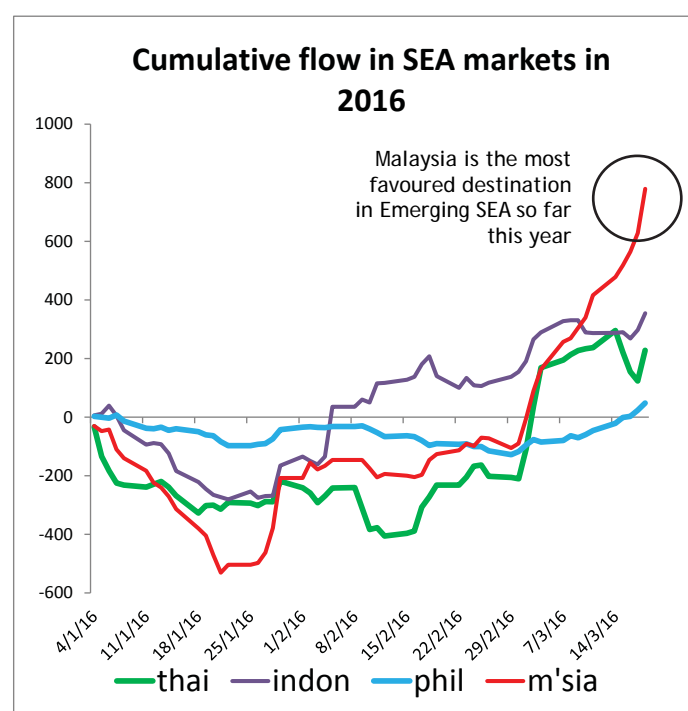
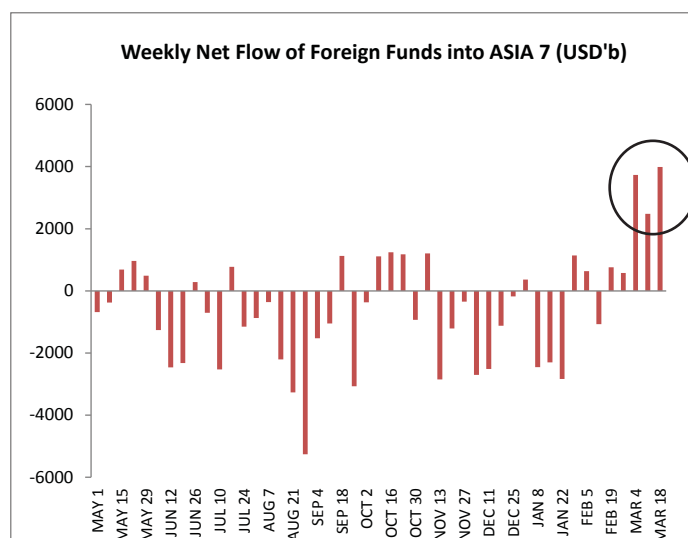
Source: Bloomberg



FUND FLOW REPORT

B. TRACKING MONEY FLOW - ASIA ¹

- The money tide to Asia remained elevated for the third week running.
- Based on provisional data from the respective exchanges, the amount purchased by investors classified as “foreign” surged to USD3.99b in the seven Asian markets that we track. It was the highest since September 2013, disregarding M&A-related flows.
- There was a money tsunami in Korea and Taiwan last week. Money flow to North Asia ex-China remained elevated, significantly outpacing that to SEA+India. Last week, foreign purchases of Taiwan+Korea stocks outstripped that of TIPs+Malaysia+India stocks by a ratio of 3.2:1.
- Korea reported a massive haul of USD1.21b, the highest since April 2015. Foreign investors appear to have loaded up on Samsung, which was the biggest contributor to the gain in KOSPI last week. Samsung had a successful launch of its latest flagships, the Galaxy S7 and Galaxy S7 Edge, in 60 markets around the globe within just a week. Preliminary reports suggest above-expectation response to the launch, especially in China where Samsung is hoping to make significant inroads. Pre-orders in China has already topped 10m.
- Foreign purchase of Taiwan stocks extended to 7 consecutive weeks and hit USD1.83b, the highest, also since April 2015. Taiwan is one of the biggest direct beneficiaries of a more dovish Federal Reserve and investors last week bought stocks in the bellwether electronics sector, such as TSMC, and financial stocks. Meanwhile incoming President Tsai Ing-wen named former Finance Minister Lin Chuan as premier to revive the economy, with their focus on biotechnology, green technology, national defence, smart machinery and the Internet of Things. Lin said that there will be no tax increase for Taiwan until economy recovers.
- Money flow to Thailand came to an abrupt halt after four weeks of positive flow. Foreign selling last week was likely due to profit taking as the Thai SET had gained 7.4%ytd, the best performer this year. Nevertheless, the attrition rate was marginal and foreign buying is likely to resume, much like what happened in Jakarta last week where foreigners bought USD67.4m after netting out -USD1.8m the week before.



¹ Based on 7 Asian markets, for which fund flow data is publicly available. These are our proxy for Asia: TIPs (Thailand, Indonesia, Philippines), Korea, Taiwan, India and Malaysia.

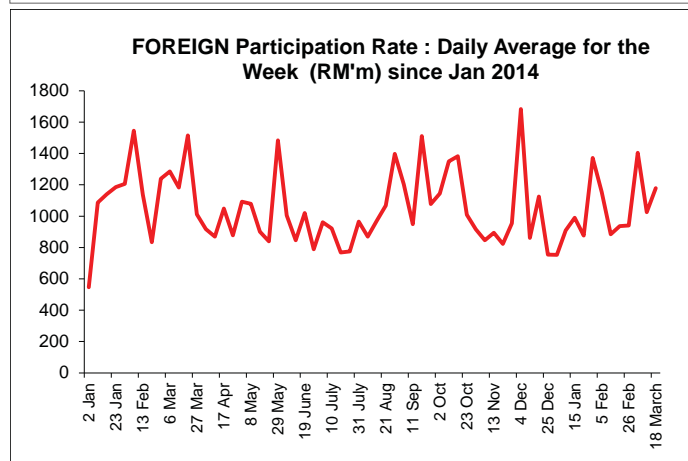
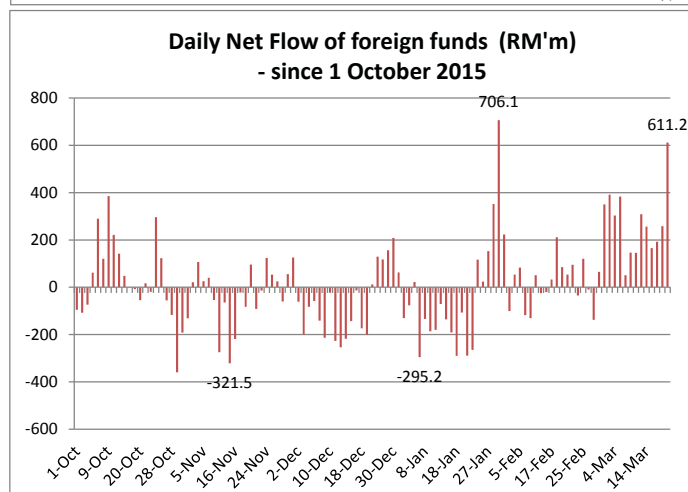
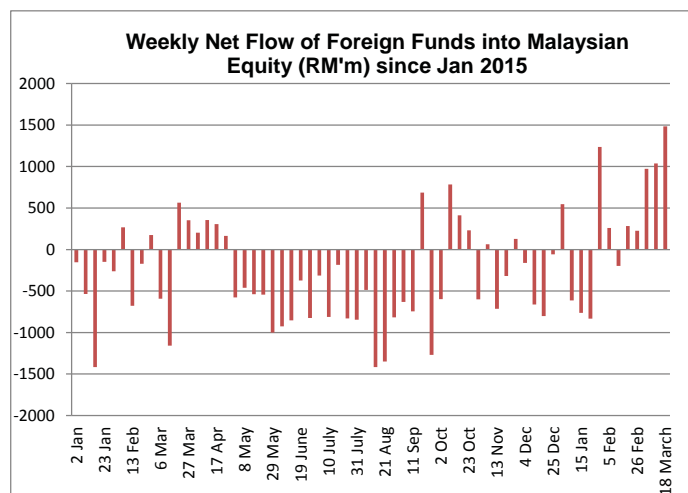
WEEKLY NET FLOW OF FOREIGN FUND INTO EQUITY (USD'm)

WEEK	KOREA	THAI	INDON	PHIL	INDIA	TAIWAN	M'SIA	TOTAL
FEB 5	91.2	-22.7	200.3	11.0	-91.8	329.7	62.1	579.8
FEB 12	-548.2	-163.9	81.8	-34.3	-357.8	0.0	-47.8	-1070.1
FEB 19	91.3	173.7	23.1	-24.5	-232.6	660.6	67.6	759.2
FEB 26	177.4	29.6	-22.3	-24.3	-238.7	600.4	53.5	575.7
MAR 4	1118.9	370.8	171.1	29.7	742.1	1060.3	235.3	3728.2
MAR 11	639.6	68.7	-1.8	39.9	489.0	993.5	252.8	2481.8
MAR 18	1212.8	-9.3	67.4	93.4	427.7	1834.7	363.4	3990.0

Source: Respective exchange statistics reported on Bloomberg, Bursa Malaysia. These figures are subject to revisions.

C. TRACKING MONEY FLOW - MALAYSIA

- Foreign buying of Bursa-listed stocks intensified last week, and the strong buying momentum has extended for three consecutive weeks now.
- For the second week running, the amount of net foreign purchase had exceeded RM1b. Foreigners bought listed equities amounted to RM1.48b, 42% more compared with the RM1.04b acquired in the preceding week. This is estimated based on transactions in the open market and excluded off market deals.
- Foreign investors were net buyers every day throughout the week. As of Friday foreign investors had been buying continuously for 14 consecutive days. That was the longest stretch of net inflow since the 22 days of non-stop buying in May 2014. Buying intensity was relatively constant from Monday to Thursday, averaging RM218m. However, on Friday the net purchase amount surged to RM611.2m, the second highest in a day this year after the RM706.1m mopped up on 29 January.
- Thus far in March (until the 18th), cumulative net foreign purchases already amounted to RM3.63b. Provided there is no break in the momentum of the money flow, the haul in March is set to be the highest since April 2013, which was just before the General Election. Meanwhile, last week's foreign purchases boosted the cumulative year-to-date total to RM3.09b. For the entire 2015, the net outflow was -RM19.5b.
- Foreign participation rate rose 15%. The average daily value of shares traded remained above RM1b for the third consecutive week at RM1.18b. On Friday, the gross trade amount hit RM2.22b, the second highest this year.
- Local investors are still aggressive sellers. Local institutions offloaded -RM1.39b, the third time that the amount had exceeded RM1b since May 2013. Participation rate eased slightly to RM2.28b, from RM2.31b the week before.
- Retail investors were still on the sideline despite offloading -RM94.5m last week. Participation remained subdued at RM662m, from RM659m.



BURSA MALAYSIA: WEEKLY MARKET PARTICIPATION (RM'm)

Week ended	LOCAL RETAIL			LOCAL INSTITUTION			FOREIGN			
	BOUGHT	SOLD	NET (RM)	BOUGHT	SOLD	NET (RM)	BOUGHT	SOLD	NET (RM)	NET (USD)*
FEB 5	1210.0	1226.8	-16.8	4464.9	4707.3	-242.4	2437.9	2178.7	259.2	62.1
FEB 12	643.8	616.3	27.5	2172.4	2002.8	169.6	1227.2	1424.3	-197.1	-47.8
FEB 19	1429.5	1486.0	-56.5	4852.5	5079.3	-226.8	2482.0	2198.7	283.3	67.6
FEB 26	1600.7	1503.8	96.9	4694.8	5017.0	-322.2	2465.5	2240.2	225.3	53.5
MAR 4	1483.2	1635.7	-152.5	5162.9	5982.6	-819.7	3996.7	3024.5	972.2	235.3
MAR 11	1636.9	1657.1	-20.2	5270.6	6286.4	-1015.8	3081.3	2045.3	1036.0	252.8
MAR 18	1607.6	1702.1	-94.5	5007.9	6396.6	-1388.7	3687.2	2204.0	1483.2	363.4

* Estimate by MIDF Research based on prevailing exchange rate. Source: Bursa's preliminary data

FUND FLOW REPORT

D. TOP 100 STOCKS: MONEY FLOW ²

TOP 10 NET MONEY INFLOWS

- Maxis registered the highest net money inflow of RM11.32m last week. However, its share price underperformed the market benchmark with a -1.89% weekly decline. In comparison, the FBM KLCI advanced by 1.17% during the week under review. In this regard, it is notable that net money inflow amidst retreating share price may indicate buy on weakness (BOW) stance among some investors. In related news, the Communications and Multimedia Minister told parliament that spectrum charges to mobile companies will be decided by middle of this year once studies are completed.
- Sime Darby came in second with RM9.98m net inflow but nonetheless its share price underperformed the market benchmark with a mere 0.25% week-on-week gain. London's Battersea Power Station Development Company, a 40%-owned associate, is seeking approval to cut the number of large homes at the project because a slowdown in the housing market.
- Public Bank recorded the third highest net money inflow of RM8.45m and its share price slightly outperformed the market benchmark as it ended 1.72% higher during the review week.

TOP 10 NET MONEY OUTFLOWS

- CIMB Group saw the largest net money outflow of -RM6.77m during the review week. Nonetheless, its stock price massively outperformed the FBM KLCI as it ended the week higher by 5.40% against a much smaller 1.17% gain in the market benchmark. On this score, it is notable that net money outflow amidst advancing share price indicates sell on strength (SOS) stance among some investor.
- IJM Corp came in second last week with a net outflow of -RM5.25m. However, its share price outperformed the market benchmark as it recorded a 2.68% weekly gain which may indicate SOS stance among some investors.
- Petronas Gas registered the third largest net money outflow at -RM5.22m in the review week. Accordingly, its share price underperformed the market benchmark with a mere 0.81% weekly gain. In related news, Petronas is giving Canada's British Columbia government an end-of-month deadline to approve the \$36bn LNG project or they will pull out of the venture



Tables below list the Top 10 Net Money Inflows and Net Money Outflows for the week ended 18 March 2016 among the largest 100 market capitalized stocks on Bursa Malaysia.

Name	Net Money Flow (RM mn)		Price (% Chg)	Remark
	Last Week	Prev Week	Last Week	
MAXIS	11.32	4.50	-1.89	BOW
SIME DARBY	9.98	2.56	0.25	-
PUBLIC BANK	8.45	16.50	1.72	-
TNB	8.23	-5.72	0.15	-
MISC	5.60	3.30	0.23	-
LAFARGE	4.64	-0.32	-0.11	BOW
IHH HEALTH	4.14	11.24	4.33	-
MAYBANK	3.95	5.16	1.14	-
BURSA M'SIA	3.82	-0.09	4.68	-
PETRO CHEM	3.58	4.53	2.52	-

Source: Bloomberg, MIDFR;

Note: BOW - Buy on weakness, SOS - Sell on strength (Bloomberg defined)

Name	Net Money Flow (RM mn)		Price (% Chg)	Remark
	Last Week	Prev Week	Last Week	
CIMB	-6.77	-1.09	5.40	SOS
IJM CORP	-5.25	-1.69	2.68	SOS
PETRO GAS	-5.22	7.86	0.81	SOS
BAT	-4.26	-0.05	-1.25	-
KL KEPONG	-4.09	-1.33	0.08	SOS
KOSSAN	-4.00	-1.33	-3.91	-
MY EG	-3.68	3.47	-1.94	-
SAPURAKENCANA	-3.15	-3.57	2.84	SOS
PAVILION REIT	-2.95	-1.31	-0.56	-
TOP GLOVE	-2.50	1.80	-3.31	-

Source: Bloomberg, MIDFR;

Note: BOW - Buy on weakness, SOS - Sell on strength (Bloomberg defined)

² Money flow indicates whether a particular stock is being more heavily purchased or sold. Money flow generally confirms price trend. As price rises, money flow is usually positive, vice versa. A divergence may portend a reversal in price trend. A rising stock price with a negative money flow can indicate a future price correction, vice versa.

How is money flow calculated? When a trade is performed, its price is compared to the price of the previous trade (the first trade of the day is compared to the previous day's close). If the prices differ, either upticks or downticks, the value of the trade (price multiplied by number of shares) is added to or subtracted from the money flow respectively.

Source: Bloomberg, MIDFR

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Business Address:
11 & 12 th Floor, Menara MIDF,
82, Jalan Raja Chulan, 50200
Kuala Lumpur.
Tel: 2173 8888
Fax: 2173 8380