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MIDF AMANAH
INVESTMENT BANK BERHAD

FUND FLOW REPORT

MIDF EQUITY STRATEGY | 12 DECEMBER 2022

WEEK ENDED 9 DECEMBER 2022

- For the week, the S&P 500 lost -3.4% to end at 3,934.38, Dow Jones fell by -2.8% to close at 33,476.46, while Nasdaq shed -4.0% ending at 11,004.62.
- Out of the 16 major indices that we track, most were in the negative territory led by Jakarta's JCI (-4.34%), the S&P 500 (-3.37%) and Dow Jones (-2.77%). The only markets that saw gains were Hong Kong's Hang Seng (+6.56%), China's Shenzhen (+3.29%), Philippines' PCOMP (+1.39%) and Japan's Nikkei (+0.44%).
- U.S. PPI for final demand rose by +0.3%qoq in Nov-22, higher than expected.
- China's exports contracted by -8.7%yoy in Nov-22, while imports were down sharply by -10.6%yoy.
- The Reserve Bank of India (RBI) has raised its benchmark repurchase rate by 35 basis points to 6.25%.
- Philippines' consumer prices rose by +8.0%yoy last month, the fastest in 14 years.
- The Reserve Bank of Australia (RBA) has increased its cash rate by 0.25 to 3.1%.
- Japan's GDP shrank an annualised real -0.8% in 3Q22 in comparison with the -1.2% drop previously.
- The FBM KLCI fell by -0.31% or -4.61 points to close at 1,477.19 last Friday. The Ringgit depreciated against the US dollar by -0.38% to close at USD/MYR4.4045. Meanwhile, the Brent crude oil price declined by -11.1% to USD76.10 per barrel last week.

9 DECEMBER 2022 | Strategy - Weekly Fund Flow

MIDF Research Team

MARKETS MOSTLY LOWER AMID CAUTIOUS TRADES

A. MARKET SNAPSHOT

- Benchmark indices on Wall Street have fallen this week after recording two straight weekly gains. Fears of a potential recession next year are weighing heavily on investors ahead of the next Federal Reserve's (Fed) policy meeting and inflation data release next week. For the week, the S&P 500 lost -3.4% to end at 3,934.38, Dow Jones fell by -2.8% to close at 33,476.46, while Nasdaq shed -4.0% ending at 11,004.62.
- Out of the 16 major indices that we track, most were in the negative territory led by Jakarta's JCI (-4.34%), the S&P 500 (-3.37%) and Dow Jones (-2.77%).
- The only markets that saw gains were Hong Kong's Hang Seng (+6.56%), China's Shenzhen (+3.29%), Philippines' PCOMP (+1.39%) and Japan's Nikkei (+0.44%).
- U.S. producer price index (PPI) for final demand rose by +0.3%qoq in Nov-22. This was slightly higher than expected driven by the +11.3% surge in the costs of securities brokerage, dealing, investment advice and related services. However, the +7.4%yoy gain was the smallest since May-21.

Table 1 Weekly performance of major indices

Index	% chg week before	% chg last week
HSI Index	6.27	6.56
SHSZ300 Index	2.52	3.29
PCOMP Index	-1.78	1.39
NKY Index	-1.79	0.44
FBMKLCI Index	-0.32	-0.31
FSSTI Index	0.45	-0.40
CAC Index	0.44	-0.96
UKX Index	0.93	-1.05
DAX Index	-0.08	-1.09
SENSEX Index	0.92	-1.09
SET Index	1.28	-1.13
TWSE Index	1.30	-1.77
KOSPI Index	-0.14	-1.86
INDU Index	0.24	-2.77
SPX Index	1.13	-3.37
JCI Index	-0.48	-4.34

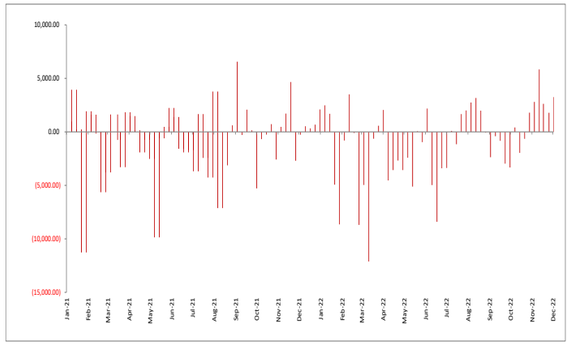
- The U.S. nonfarm productivity rose at a +0.8% annualised rate in 3Q22 according to the Labour Department. It rebounded by slightly more than expected, but the trend remained weak hence keeping labour costs elevated.
- China's exports contracted by -8.7%yoy in Nov-22 (Oct-22: -0.3%yoy), while imports were down sharply by -10.6%yoy (Oct-22: -0.7%yoy) amid weak global and domestic demand as well as Covid-19-induced production disruptions.
- The Reserve Bank of India (RBI) has raised its benchmark repurchase rate by 35 basis points to 6.25%, a level last seen in 2018. Despite the slowing pace of rate hike, the central bank has indicated that it would stick with its inflation fight.
- Philippines' consumer prices rose by +8.0%yoy last month, the fastest in 14 years, on the back of higher food costs. This backs the case for the central bank to continue tightening its monetary policy.
- The Reserve Bank of Australia (RBA) has increased its cash rate by 0.25 to 3.1%, the highest level since Nov-12, at its final meeting for this year. The central bank has been raising its key interest rate for the eighth consecutive month to cool off its 30-year high inflation.
- The interagency Development Budget Coordination Committee (DBCC) of the Philippines has lowered its CY23 GDP growth target to 6%-7% from the previous target of 6.5%-8% citing the global slowdown as the factor.
- Japan's GDP shrank an annualised real -0.8% in 3Q22 in comparison with the -1.2% drop previously reported as domestic demand was slightly stronger. During the quarter, the country saw imports surging on the back of higher energy costs and a sharp weakening of the yen which has inflated the value of inbound goods.

- The FBM KLCI fell by -0.31% or -4.61 points to close at 1,477.19 last Friday. The Ringgit depreciated against the US dollar by -0.38% to close at USD/MYR4.4045. Meanwhile, the Brent crude oil price declined by -11.1% to USD76.10 per barrel last week.

B. TRACKING MONEY FLOW - ASIA

- Foreign investors broke their 6-week net buying streak last week. Based on the provisional aggregate data for the seven Asian exchanges that we track, investors classified as "foreign" net sold -USD2.71b, the highest that they have net sold since the week ended 30 September 2022. There have been 20 weeks of net buying and 29 weeks of net selling so far this year.

Chart 1 Weekly Net Flow of Foreign Funds into 7 Asian Markets since Jan 2021 (USD'm)



Source: Bloomberg, Bursa Malaysia, MIDFR

- The net outflows by foreign investors from Asian equities that we tracked were led by Taiwan, Korea, and Indonesia.
- Foreign funds left South Korea last week with a net sell of -USD750.1m, the highest since early Jul-22. International investors were net sellers from Monday to Thursday with the heaviest net selling recorded on Thursday at -USD327.5m. They turned to net buyers on Friday at USD92.0m after South Korean truckers voted to end their more than 2-week strike for minimum wage protections. Nonetheless, the Cargo Truckers Solidarity Union said that the union would continue its minimum wage campaign. Year-to-date, South Korea has seen a net foreign outflow of -USD9.36b.
- Similarly, Thailand saw foreign funds leaving its shore last week at a rate of -USD147.4m. The Stock Exchange of Thailand was closed on Monday due to a national public holiday in conjunction with His Majesty King Bhumibol's birthday. In a shortened trading week, the heaviest net selling by foreigners was recorded on Tuesday at -USD124.0m. They briefly turned to net buyers on Wednesday at USD40.3m, possibly taking advantage of the current tax exemption on stock transactions which would resume next year. Foreigners continued to net sell at declining rates for the rest of the week. Year-to-date, Thailand has seen a net foreign inflow of USD5.33b, thus placing it as the best performing market in 2022 so far, out of the Asian markets that we monitor.
- International investors continued to be net sellers in Indonesia for the second consecutive week last week at -USD422.9m. They were net selling during every trading day last week with the heaviest net selling recorded on Friday at -USD123.5m. Criticism by international investors towards the country has grown in the past week after the parliament has passed a controversial new criminal code on Tuesday that includes prohibitions on cohabitation and sexual relations outside of marriage. Placing second after Thailand, Indonesia has seen a total net foreign inflow of USD5.01b so far this year.
- International investors continued to dispose equities in the Philippines for the second consecutive week last week at a rate of -USD42.8m, about 1.5x higher than the amount net sold in the previous week. It was a shortened trading week as the country celebrated the Immaculate Conception Day on Thursday. The heaviest net selling was seen on Monday at -USD27.5m. The pessimism could be stemming from the release of the country's inflation data on Tuesday which showed that the CPI rose by +8.0%yoy in Nov-22, mainly driven by higher food prices. This was the fastest in 14 years and it fuels the expectations of more rate hikes by the central bank. Year-to-date, the net foreign outflow from the Philippines amounted to -USD1.19b.
- India saw a reversal of net buying trend after 7 weeks as foreigners had net sold -USD356.8m worth of

[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.

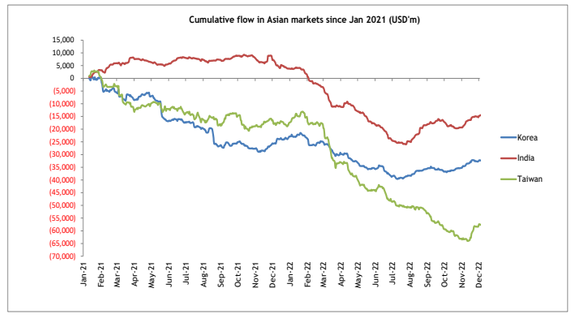
Indian equities last week. The RBI had raised the repo rate by 35 basis points to 6.25% on Wednesday. Although the hike was less aggressive than market's expectations, investors were seen to be more cautious following the central bank's unchanged stance which indicates the fight to tackle inflation is not over yet. Year-to-date, India recorded a net foreign outflow of -USD17.39b.

- Taiwan saw the largest net foreign outflow among the Asian exchanges that we track last week at a rate of -USD828.2m after seeing net foreign inflows for 4 weeks. Apart from the new import restrictions imposed by China last week, the country's exports saw its third consecutive monthly drop after it fell by -13.1%yoy. This marked its biggest drop in nearly 7 years which was attributed to the worsening state of the global economy and China's zero-Covid policy with inflation and interest rate hikes weighing on the global demand. Year-to-date, Taiwan's total net foreign outflow stood at -USD41.33b.
- Bursa Malaysia saw the third lowest foreign net outflow of -USD166.7m last week.

C. TRACKING MONEY FLOW - MALAYSIA

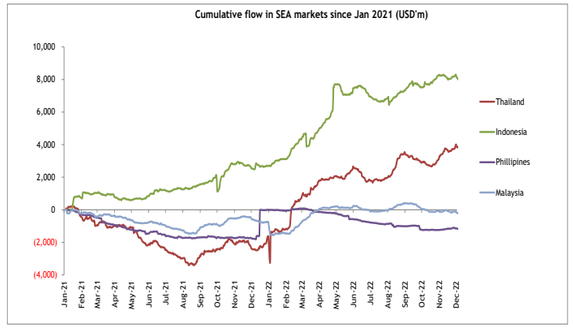
- Foreign investors remained net sellers for the fourth consecutive week at a rate of -RM731.8m, which was more than double the amount net sold in the previous week (-RM301.2m).
- Every trading day last week was a net selling day by the foreigners. The heaviest net selling was recorded on Wednesday at -RM259.1m, followed by Monday at -RM196.7m. They net sold at lower rates on Tuesday at -RM90.4m, Thursday at -RM99.9m and ended the week by net selling -RM85.6m.

Chart 2 Net Flow of Foreign Funds into Taiwan, Korea and India since Jan 2021 (USD'm)



Source: Bloomberg, MIDFR

Chart 3 Net Flow of Foreign Funds into South East Asia Emerging Markets since Jan 2021 (USD'm)



Source: Bloomberg, Bursa Malaysia, MIDFR

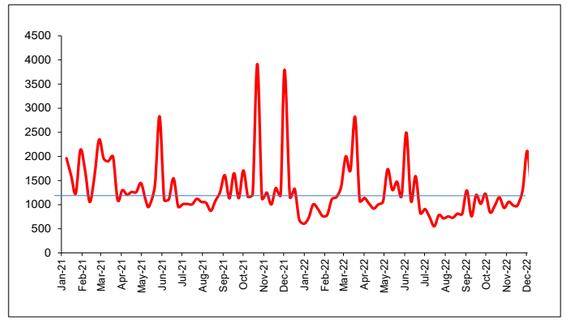
Table 2 Weekly Net Flow Of Foreign Fund Into Equity By Market (USD'm)

WEEK	KOREA	THAI	INDO	PHIL	INDIA	TAIWAN	M'SIA	TOTAL
28-Oct	799.50	223.25	273.84	(6.45)	464.60	(217.10)	62.00	1,599.64
04-Nov	1,039.70	374.66	52.81	13.22	2,041.70	(653.10)	(58.22)	2,810.77
11-Nov	1,264.67	385.29	(6.68)	36.42	255.80	2,951.00	90.72	4,977.22
17-Nov	(282.44)	(188.05)	(182.40)	29.91	1,409.30	2,721.00	(59.95)	3,447.37
25-Nov	353.94	149.62	127.22	41.84	152.50	926.20	(16.80)	1,734.52
2-Dec	577.06	124.74	(51.21)	(29.04)	1,386.90	1,315.30	(68.42)	3,255.33
9-Dec	(750.13)	(147.39)	(422.91)	(42.82)	(356.80)	(828.20)	(166.67)	(2,714.92)

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

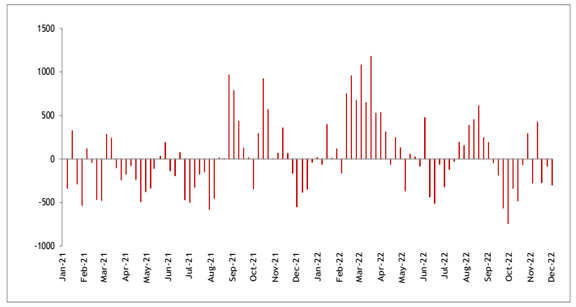
- The only three sectors that saw net foreign inflows were Construction at RM68.2m, Transportation & Logistics at RM11.1m and REITs at RM1.0m. Meanwhile, the top three sectors that saw net foreign outflows were Financial Services at -RM459.7m, Industrial Products & Services at -RM100.0m and Plantation at -RM78.3m.
- Local institutions continued to net buy for the second consecutive week on the back of a more stable political climate domestically which boosted investor sentiment. They net bought RM680.4m last week, which was the highest amount recorded this year. Every trading day last week was a net buying day for this investor class with the heaviest net buying recorded on Wednesday at RM230.8m, followed by Monday at RM170.5m and Thursday at RM108.9m.
- Meanwhile, local retailers turned to net buyers last week at a rate of RM51.4m after net selling -RM130.1m in the previous week. They were net buyers from Monday to Wednesday with the heaviest net buying on Wednesday at RM28.3m. They then turned to net sellers from Thursday to Friday at -RM9.0m and -RM8.7m, but this was more than offset by the net buying earlier in the week.
- Foreign investors have been net buyers for 27 out of the 49 weeks of 2022, with a total net inflow of RM4.80b. Local institutions were net sellers for 32 out of 49 weeks, with a total net outflow of –RM6.89b. Local retailers have been net buyers for 31 out of 49 weeks. Year-to-date, they have been net buyers at RM2.09b.
- In terms of participation, there was a decline in average daily trading volume (ADTV) among foreign investors, local institutions, and retailers by -51.1%, -23.6% and -11.2% respectively.

Chart 4 Weekly Net Flow of Foreign Funds into Malaysian Equity since Jan 2021 (RM'm)



Source: Bursa Malaysia statistics, MIDFR

Chart 5 Foreign Participation on Bursa: Daily Average for the Week since Jan 2021 (RM'm)



Source: Bursa Malaysia statistics, MIDFR

Table 3 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)*
04-Nov	2,338.28	2,324.70	13.57	4,043.25	3,780.91	262.34	2,511.33	2,787.24	(275.92)	(58.22)
11-Nov	2,318.15	2,491.72	(173.57)	3,840.74	4,092.78	(252.04)	2,671.15	2,245.53	425.62	90.72
17-Nov	1,829.66	1,710.12	119.55	3,146.22	2,993.71	152.49	1,829.52	2,101.56	(272.04)	(59.95)
25-Nov	3,745.88	3,659.97	85.91	6,223.50	6,227.70	(4.20)	3,225.37	3,307.08	(81.90)	(16.80)
2-Dec	2,586.09	2,716.17	(130.07)	5,576.23	5,145.00	431.22	4,073.01	4,374.16	(301.16)	(68.42)
9-Dec	2,969.24	2,917.84	51.39	5,461.87	4,781.54	680.35	2,214.97	2,946.70	(731.75)	(166.67)

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

D. MONEY FLOW AMONG BURSA'S TOP 100 CAPITALISED STOCKS: WEEK ENDED 9 DEC 2022

- PUBLIC BANK recorded the highest net money inflow for the week ended 9 December 2022 at a rate of RM8.4m. Its share price was unchanged, outperforming the local bourse which fell by -0.3%.
- MAYBANK had the second highest net money inflow of RM6.4m with its share price rising by +1.3%, outperforming the FBM KLCI.
- PETCHEM posted the third highest net money inflow of RM4.9m. Its share price was up by +0.1%, outperforming the local benchmark.

Table 4 Top 10 Net Money INFLOW

Name	Net Money Flow (RM mn)		Price (% Chg)	Remark
	Last Week	Prev Week	Last Week	
PUBLIC BANK	8.37	12.89	0.00	-
MAYBANK	6.44	6.73	1.28	-
PETCHEM	4.89	4.41	0.12	-
PRESS METAL	2.26	2.84	1.04	-
SIME DARBY	2.21	2.49	0.92	-
IHH	2.12	1.05	2.92	-
QL RESOURCES	1.36	1.34	-1.95	BOW
AMMB	1.30	1.90	0.48	-
IOI CORP	1.29	0.78	-1.29	BOW
HONG LEONG	1.04	0.79	-2.02	BOW

- CIMB GROUP registered the highest net money outflow of -RM3.8m last week. Its share price was up by +0.2%, outperforming the FBM KLCI. The net money outflow amid a rising share price may indicated a sell on strength (SOS) stance among some investors.
- GAMUDA posted the second highest net money outflow -RM2.9m. Its share price rose by +0.3%, outperforming the local bourse. Similarly, SOS stance among some investors could be observed.
- SIMEPLT saw the third highest net money outflow of -RM1.9m. Its share price declined by -3.3%, underperforming the local bourse.

Table 5 Top 10 Net Money OUTFLOW

Name	Net Money Flow (RM mn)		Price (% Chg)	Remark
	Last Week	Prev Week	Last Week	
CIMB GROUP	-3.83	-4.54	0.18	SOS
GAMUDA	-2.92	-1.77	0.26	SOS
SIMEPLT	-1.87	-1.90	-3.33	-
MAXIS	-1.61	-1.37	-0.51	-
YINSON	-1.52	-1.36	-1.21	-
TIME DOTCOM	-1.05	1.38	1.25	SOS
PPB GROUP	-0.86	-0.55	1.39	SOS
BURSA	-0.78	-0.81	-3.73	-
PETDAG	-0.73	-0.38	-3.48	-
CAHYA MATA	-0.61	-0.44	5.08	SOS

[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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