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MIDF AMANAH
INVESTMENT BANK BERHAD

FUND FLOW REPORT

(Week ended 13 January 2023)

Global stocks scored for the week



MIDF EQUITY STRATEGY | 16 JANUARY 2023

16 JANUARY 2023 | Strategy - Weekly Fund Flow

MIDF Research Team

GLOBAL STOCKS SCORED FOR THE WEEK

A. MARKET SNAPSHOT

- All three major indexes on Wall Street recorded strong gains for the week. This was primarily supported by the S&P 500 banks index, which advanced 1.6% as higher rates resulted in better profits. JPMorgan Chase & Co and Bank of America Corp beat quarterly earnings estimates, while Wells Fargo (NYSE:WFC) & Co and Citigroup Inc (NYSE:C) missed their quarterly profit estimates. For the week, the S&P 500 rose 2.7%, the Dow Jones Industrial Average increased 2% while the Nasdaq Composite Index gained 4.8% in its biggest weekly percentage gain since 11 November, 2022.
- Out of the 20 major indices that we track, only the Jakarta Composite Index ended negatively at -0.64%. The rest of the indices ended positively, led by Nasdaq, PSEi and KOSPI at 4.82%, 4.25% and 4.20% respectively.
- In the US, the CPI data for Dec-22 showed another month of easing inflation, slowing to +6.5%yoy in line with market forecasts and the lowest headline inflation in more than a year. The key contributors to the decline were sharp moderation in energy inflation (+7.3%yoy; Nov-22: +13.1%yoy), reflecting the decline in gasoline prices and slower rise in fuel oil cost. With more signs of easing inflation, we see reduced pressures on the Federal Reserve to tighten aggressively. Nevertheless, we foresee that the Fed will continue to raise rates at the next Federal Open Market Committee (FOMC) meeting as inflation remained above its 2% target on the back of still strong and tight labour market.

Table 1 Weekly Performance of Global Benchmark Indices (%)

Index	Last Price	Change (%)
Nasdaq	11,079.16	4.82
PSEi	6,951.54	4.25
KOSPI	**2,386.09**	**4.20**
Hang Seng	21,738.66	3.56
DAX 40	15,086.52	3.26
TAIEX	14,824.13	3.14
ASX 200	7,328.10	3.07
S&P 500	3,999.09	2.67
CAC 40	7,023.50	2.37
Shenzhen CSI 300	4,074.38	2.35
Dow Jones	34,302.61	2.00
FTSE 100	7,844.07	1.88
Stoxx Europe 600	452.54	1.83
FBM KLCI	1,495.03	0.98
Ho Chi Minh VSE	1,060.17	0.83
Sensex	60,261.18	0.60
Nikkei 225	26,119.52	0.56
Straits Times	3,293.75	0.52
SET	1,681.73	0.47
JCI	6,641.83	-0.64

Source: Bloomberg

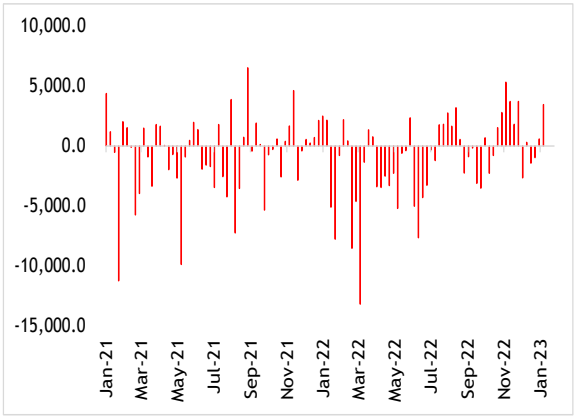
- In South Korea, the unemployment rate rose to 3.3% in Dec-22 (Nov-22: 2.9%), the highest since Jan-22. This indicates a weakening job market condition which can be attributed to the effect of the rise in borrowing cost. Furthermore, it is also in line with the weaker business activities as industrial production in South Korea dropped by -3.7%yoy, the fastest contraction since Aug-20. Although, the slowing hiring and the weaker business activities signals slowing economic activities, we opine that Bank of Korea will maintain its hawkish stance at its monetary policy to contain inflation which remained elevated.
- In Malaysia, recovery of labour market continued as unemployment rate maintained at 3.6% in Nov-22. Youth aged 15~24 unemployment rate still at double-digit rate of 11.9%, more than two-year low but remained higher than pre-pandemic (2019: 10.4%). Labour force and employment continued expanding +2.5%yoy and +3.2%yoy, respectively, supported by robust domestic economic growth and still upbeat external front. Unemployment dropped further by -13.5%yoy, marking the 15th-consecutive months of contraction rate. Looking at 2023, we believe Malaysia's job market to continue benefiting from the firm domestic demand, China's reopening, revival of construction projects, expansion of primary sectors thanks to elevated global commodity prices and modest external trade activities. We foresee Malaysia's unemployment rate to decline further to 3.5% yet slightly higher than pre-pandemic level of 3.3%.
- The Ringgit slightly depreciated against the US dollar by -0.02% to close at USD/RM4.3350 on Friday. The Brent crude oil price rose dipped -8.54% to USD85.28 per barrel while the crude

palm oil declined -2.99% to RM3,845.00 per tonne.

B. TRACKING MONEY FLOW - ASIA

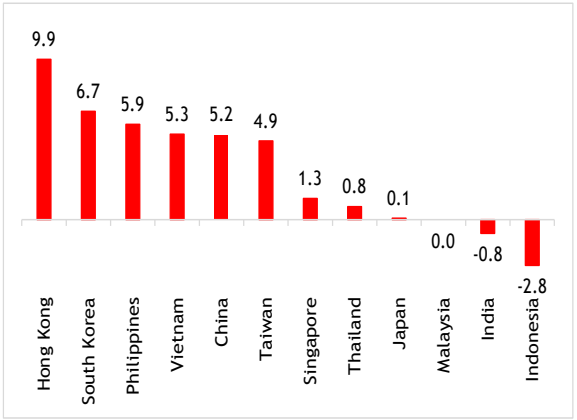
- Based on the provisional aggregate data for the eight Asian exchanges that we track, investors classified as "foreign" continued to net buy USD3,445.5m for this week.
- Three countries that we tracked posted net inflows, led by Taiwan and Korea at USD3.14b and USD1.38b respectively. In contrast, India was the major loser in the list as the country recorded the largest net outflow for the week at -USD1.12b.
- Taiwan led the gains, with Monday recorded the country's largest inflow at, USD1.23b. One of the key interests in the country for the week is the newly announced plan to launch the flexible exchange options (FLEX Options) that have non-standard customisable contract terms like expiration date and size, allowing buyers and sellers to offset positions better and to lower trading costs. For price stabilisation, the exchange is slated to make the "kill switch" mechanism applicable to brokers, which could be used to shut down trading before software glitches get out of control and wreak havoc on markets.
- Secondly, South Korea also showed the second highest gain on Monday after Taiwan, at net inflows of USD548.8m. This is mostly supported by the country's plan to have 30% of their local companies to adopt artificial intelligence technologies by 2030 to beef up the competitiveness of local industries. The country will also foster at least 100 companies that supply AI solutions worldwide by 2030. According to Deloitte Korea report on Friday, global chipmakers such as Samsung Electronics, Intel and Qualcomm are expected to invest over USD300m in AI-designed chips this year. By growing 20% annually for the next three years, the figure will likely surpass USD500m in 2026. It may not be a large amount of money compared to the anticipated value of this year's global chip market of USD660b, but it is significant for the outsized return on investment.
- Thailand came in third with a net foreign fund inflow of USD313.6m, as investors continued to channel their funds into the country for the third consecutive week. The sentiment was boosted by the surge in tourism, primarily from China and the Thai general election, which is expected to be held in the second quarter. The election is expected to generate 40-50b baht worth of spending, raising domestic economic growth by 0.3 percentage points.
- The Philippines recorded -USD0.8m net sold of equities last week. It was a rather mixed performance for the country with 3 days of net inflows and 2 days of net outflows. Nevertheless, the country has earmarked 17.7b pesos (USD322m) to fund the building and upgrading of roads to make various tourism spots more accessible to tourists. The Philippines' Department of Tourism stated that 2.7m international travellers visited the Philippines in 2022, raking 208.96b pesos (roughly 3.8 billion dollars) in revenue. For 2023, the tourism department predicts the international arrivals to hit between 2.6m to 6.4m.
- Meanwhile, Vietnam registered net foreign outflows of USD-64.5m for the week ended 13 January 2023. The country has remained to be the largest trading partner of China's Guangxi province for 23 consecutive years, with import and export trade turnover of the two sides so far reaching USD200b. The country has recorded net inflows every single day of the week except on Friday, -USD129.6m

Chart 1 Net Foreign Fund Flows into Equity in 8 Asian Markets Since Jan-21 (USD'm)



Sources: Bloomberg & MIDFR

Chart 2 YTD Performance of Asian Benchmark Indices (%)

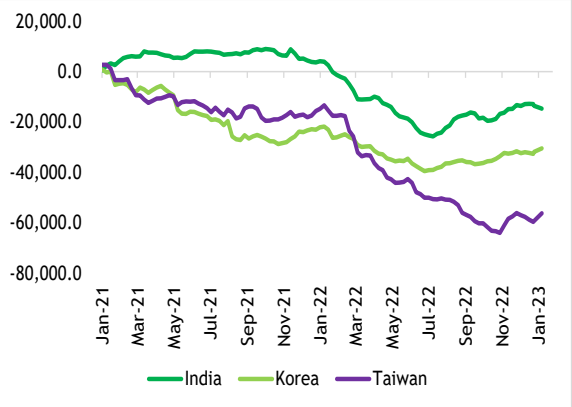


Sources: Bloomberg & MIDFR

of net outflows which washed out the gain earlier in the week. This is likely due to the risk of the country facing more Covid-19 cases and new variants after Tet holiday. The risk of an outbreak not only comes from the increased demand for trade and tourism during the Tet holiday, but also the weather changes, which is favourable for the spread of infectious diseases.

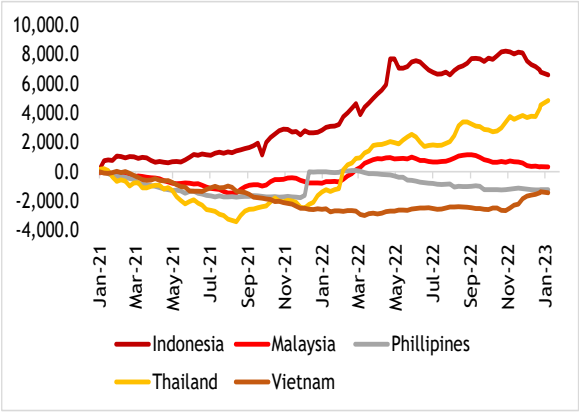
- Indonesia saw a net foreign outflow of -USD193.4m, marking its seventh consecutive week of net selling by international investors. Looking at its daily flows, foreign investors have been dumping Indonesian equities for 10 trading days straight since the beginning of the new year. This is derailed due to inflation and political uncertainty in the country. With President Joko "Jokowi" Widodo constitutionally barred from seeking a third term, voters would likely choose a new president in 2024. Political parties, however, have until Nov. 25 to decide which candidates they will be endorsing to replace Jokowi, during which party elites are expected to engage in a political tug of war and horse-trading in their attempts to build alliances for the electoral contest.
- India continued to be the worst performing market last week with a net outflow of -USD1.12b. The country's benchmark indices continued to remain under pressure with the 30-share BSE benchmark slipping -221.58 pts or 0.35% to 59,736.45 and NSE Nifty 50 declining by -0.33% to 17,799.30. HCL Tech, India's third largest software exporter's shares fell by 2.7% to Rs 1042.00 on Friday on profit booking after the IT giant, on Thursday reported a better-than-expected profit for the December quarter supported by strong deal wins but lowered its full-year revenue view noting seasonal challenges in the fourth quarter.

Chart 3 Net Foreign Fund Flows into North Asia and India Since Jan-21 (USD'm)



Sources: Bloomberg & MIDFR

Chart 4 Net Foreign Fund Flows into Southeast Asia Since Jan-21 (USD'm)



Sources: Bloomberg & MIDFR

Table 2 Weekly Net Foreign Fund Flows into Equity by Market (USD'm)

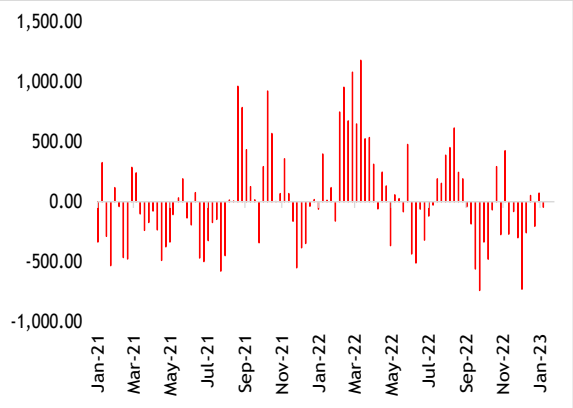
Week Ended	India	Indo	Korea	M'sia	Phil	Taiwan	Thai	Viet	Total
16-Dec	733.0	-250.3	392.3	-58.4	-35.0	-656.2	92.3	78.5	296.2
23-Dec	121.3	-145.0	-284.0	11.4	-24.6	-1,130.5	-30.2	57.7	-1,423.9
30-Dec	-52.8	-217.1	-408.4	-46.5	0.7	-893.7	564.6	93.1	-960.1
6-Jan	-708.7	-140.4	802.2	16.5	19.6	306.5	216.5	69.6	581.8
13-Jan	-1,120.5	-193.4	1,384.4	-10.6	-0.8	3,137.3	313.6	-64.5	3,445.5

Source: Respective stock exchange statistics as reported on Bloomberg. These figures are subject to revisions.

C. TRACKING MONEY FLOW - MALAYSIA

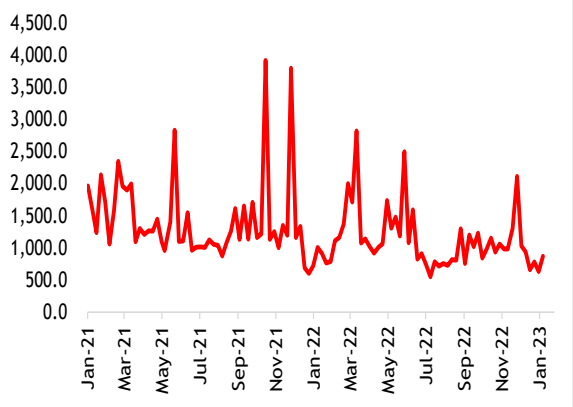
- Foreign investors started off the second week of 2023 on a negative note by progressive net selling at -RM4.7m, -RM12.0 m and -RM73.3m of Malaysian equities from Monday to Wednesday, before gradually turning to net buyers at RM2.3m and RM40.98m on Thursday and Friday. This resulted in net outflows of -RM46.8m for the week. However, on YTD basis, foreign investors recorded net inflows of RM25.6m in 2023.
- The top three sectors which saw net inflows by foreign investors last week were Industrial Products and Services at RM39.2m, Technology at RM24.0m and Healthcare at RM17.0m. The three sectors with the largest net outflows were Consumer Products and Services at -RM77.9m, Telecommunications and Media at -RM26.9m and Financial Services at -RM20.6m.
- Meanwhile, local institutions had net bought RM339.4m last week. They were net buyers every day last week with the highest net inflow on Thursday at RM119.3m and the lowest net inflow on Friday at RM26.7m. YTD, local institutions had net bought a total of RM215.0m of Malaysian equities in 2023, higher than foreign investors. The local interest from our local institutions could be due to the continuous upbeat momentum in our domestic economy and modest expansion in the external sector.
- In contrary, the local retailers turned to net sellers every day this week with the highest net outflow recorded on Thursday at -RM121.6m and the lowest net outflow was on Wednesday, at -RM24.9m. For the week, retailers had net sold -RM292.6m. YTD, the local retailers had disposed -RM240.5m worth of Malaysian equities.
- In terms of participation, there was an increase in average daily trading volume (ADTV) among the retail investors, local institution and foreign investors at 13.7%, 34.6% and 38.1% respectively.

Chart 5 Net Foreign Fund Flows into Malaysian Equity Since Jan-21 (RM'm)



Sources: Bursa Malaysia & MIDFR

Chart 6 Daily Average of Foreign Participation in Bursa Malaysia for the Week (RM'm)



Sources: Bursa Malaysia & MIDFR

Table 3 Bursa Malaysia: Weekly Market Participation (RM'm)

Week Ended	Local Retail			Local Institution			Foreign			
	Bought	Sold	Net	Bought	Sold	Net	Bought	Sold	Net	*Net (USD'm)
16-Dec	2,599.4	2,563.8	35.6	4,590.4	4,367.3	223.1	2,218.8	2,477.4	-258.6	-58.5
23-Dec	2,454.6	2,453.7	0.9	3,721.6	3,773.7	-52.1	1,672.7	1,621.5	51.2	11.6
30-Dec	2,115.9	2,201.7	-85.8	4,121.1	3,830.8	290.4	1,463.7	1,668.3	-204.6	-46.6
6-Jan	2,201.6	2,149.5	52.1	3,212.0	3,336.4	-124.4	1,298.6	1,226.3	72.3	16.5
13-Jan	2,946.8	3,239.4	-292.6	5,677.4	5,338.0	339.4	2,155.7	2,202.5	-46.8	-10.6

Source: Daily statistics provided by Bursa Malaysia. *Estimated by MIDFR based on the prevailing exchange rates.

D. NET INFLOWS AND OUTFLOWS BY STOCK

Table 4 Top 10 Stocks with Inflows and Outflows for the Week by Investor Class (RM'm)

LOCAL RETAIL		LOCAL INSTITUTION		FOREIGN	
Top 10 Stocks with Weekly Net Inflows					
Company	**Value**	**Company**	**Value**	**Company**	**Value**
Hartalega	14.0	Nationgate	64.1	IHH	28.6
Chin Hin	11.5	Press Metal	32.9	Nationgate	28.3
Artroniq	11.2	Malayan Banking	31.3	Itmax Systen	25.4
Public Bank	9.4	Genting	28.8	Hong Leong Bank	24.7
Hextar Global	8.5	Hextar Global	28.3	Petronas Chemicals	23.0
Telekom Malaysia	8.4	Airport	25.5	Gamuda	21.1
Hextar Industries	7.0	Pentamaster	22.9	CTOS Digital	12.6
Widad	6.6	Time Dotcom	22.6	Dayang Enterprise	10.9
Astro Malaysia	6.2	Sime Darby	21.9	Top Glove	10.8
Dagang Nexchange	5.5	Tenaga Nasional	21.8	Telekom Malaysia	10.5
Top 10 Stocks with Weekly Net Outflows					
Company	**Value**	**Company**	**Value**	**Company**	**Value**
Nationgate	-98.0	IHH	-29.2	Malayan Banking	-26.6
Press Metal	-20.8	Petronas Chemicals	-27.9	Genting Malaysia	-24.9
Genting	-16.5	Telekom Malaysia	-24.5	Time Dotcom	-22.3
D & O Green Technologies	-14.8	Hong Leong Bank	-23.2	Sime Darby	-20.8
Itmax Systen	-14.6	Gamuda	-11.0	Kuala Lumpur Kepong	-17.7
Tenaga Nasional	-13.6	Hartalega	-9.7	QL Resources	-15.6
Inari Amertron	-12.2	Sime Darby Plantation	-9.0	Genting	-15.0
My E.G. Services	-12.0	Public Bank	-7.7	Hartalega	-14.5
Malaysia Airports	-11.1	Astro Malaysia	-7.7	RHB Bank	-14.0
Dayang Enterprise	-10.6	Alliance Bank	-7.4	MISC	-12.5

Source: Dibots (based on the data provided by Bursa Malaysia).

Appendix: Foreign Shareholdings of the Companies Under Our Coverage as at Dec-22 (%)

COMPANY	%	COMPANY (CONT'D)	%	COMPANY (CONT'D)	%
Automotive		Nestlé	82.6	Sarawak Plantation	2.3
Bermaz Auto	15.9	Padini	9.5	Sime Darby Plantation	9.9
MBM	1.7	Panasonic	53.8	Ta Ann	14.0
Tan Chong	10.8	QL Resources	10.2	TSH Resources	21.1
UMW Holdings	5.5	Rhong Khen International	62.2	**Port & Shipping**	
Aviation		Spritzer	18.5	MISC	9.1
Capital A	18.4	**Gloves**		Suria Capital	6.3
Malaysia Airports	19.7	Hartalega	18.8	Westports	27.5
Banking		Kossan	11.5	**Property**	
Affin Bank	26.3	Supermax	9.6	Eco World	2.5
Alliance Bank	21.9	Top Glove	32.5	Glomac	4.2
AMMB	39.9	**Healthcare**		IOI Prop	3.8
Bank Islam	2.0	IHH Healthcare	49.8	Mah Sing	14.2
CIMB	30.2	KPJ	5.9	S P Setia	6.2
Hong Leong Bank	11.1	Pharmaniaga	1.2	Sunway	5.2
Hong Leong Financial	32.5	**Logistics**		UEM Sunrise	5.1
Malayan Banking	17.9	CJ Century Logistics	57.4	UOA Development	3.8
Public Bank	27.7	Swift Haulage	13.0	**REITs**	
RHB Bank	17.2	Tasco	65.9	Al-'Aqar Healthcare	0.4
Building Materials		Tiong Nam	1.3	Axis REIT	16.0
Malayan Cement	2.8	**Media**		IGB REIT	4.8
Conglomerate		Astro	38.2	KLCCP Stapled	0.9
YTL Corp	17.9	Media Prima	20.9	Pavilion REIT	34.0
Construction		**Non-bank Financials**		Sunway REIT	7.7
Cahya Mata Sarawak	8.8	Bursa Malaysia	15.8	**Technology**	
Gabungan AQRS	2.4	AEON Credit	70.4	D & O Green Tech	35.4
Gamuda	16.8	**Oil & Gas**		Datasonic	5.9
IJM Corp	11.7	Bumi Armada	16.8	Globetronics	4.0
KKB Engineering	0.3	Deleum	3.0	Inari Amertron	18.3
MRCB	8.4	Dialog Group	20.8	My E.G.	14.3
Muhibbah	15.5	Gas Malaysia	19.8	Unisem	2.3
Pintaras Jaya	0.5	MMHE	9.5	**Telecommunication**	
Sunway Construction	1.3	Petronas Chemicals	10.4	Axiata	11.1
WCT	5.7	Petronas Dagangan	7.6	DiGi	59.6
Consumer (F&B & Retail)		Petronas Gas	9.4	Maxis	7.0
AEON Co.	54.8	**Plantation**		Telekom Malaysia	12.4
Asia File	5.8	FGV	4.2	**Utilities**	
Fraser & Neave	60.9	Genting Plantations	5.4	Ranhill Utilities	32.3
Hup Seng	1.9	IOI Corp	11.1	Tenaga Nasional	12.4
Leong Hup	12.2	KL Kepong	13.4	YTL Power	5.6
MSM	1.8	PPB Group	21.4		

Source: Dibots (estimated from the latest half yearly filings by PLC to Bursa Malaysia and calculated by the demography movement daily).

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