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MIDF AMANAH
INVESTMENT BANK BERHAD

FUND FLOW REPORT

(Week ended 20 January 2023)

Most markets extended gains



MIDF EQUITY STRATEGY | 25 JANUARY 2023

25 JANUARY 2023 | Strategy - Weekly Fund Flow

MIDF Research Team

MOST MARKETS EXTENDED GAINS

A. MARKET SNAPSHOT

- The major indices on Wall Street saw a mixed performance last week amid worries over its weakening economy as Americans cut back on their spending for the second consecutive month in Dec-22. Consumers could be starting to feel the full weight of the Federal Reserve's (Fed) interest rate hikes last year. However, Governor Christopher Waller, known to be among the more hawkish at the Fed, took a dovish stance this time, stating that he favoured a 25-basis point increase at the next policy meeting. The case for a slower rate hike could have helped calm rising-rate concerns among the investors. For the week, the Dow Jones Industrial Average fell by -2.7%, the S&P 500 lost -0.66%, while Nasdaq Composite Index added +0.55%.
- Asian equities led the gains last week as China's reopening buoyed investors. Out of the 20 major indices that we track, 13 ended in the positive territory. Vietnam's Ho Chi Minh VSE (+4.52%) led the gains, followed by Jakarta's JCI (+3.51%) and China's CSI 300 (+2.63%). Among the biggest losers were the Dow (-2.70%), FTSE 100 (-0.94%) and the S&P 500 (-0.66%).
- The Bank of Japan (BoJ) has kept its main policy settings unchanged last Wednesday, leaving its negative interest rate at -0.1% and its 10-year bond yields at around 0%.

Table 1 Weekly Performance of Global Benchmark Indices (%)

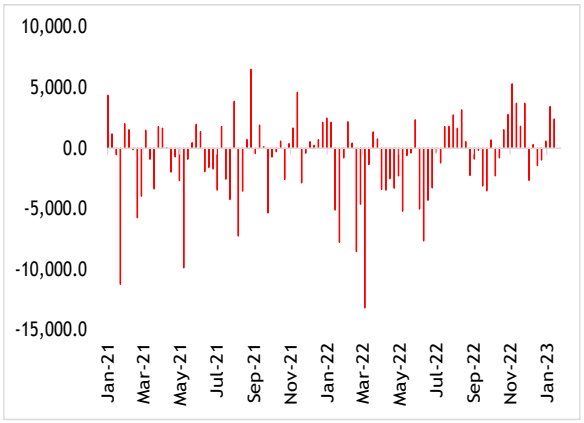
Index	Last Price	Change (%)
Ho Chi Minh VSE	1,108.08	4.52
JCI	6,874.93	3.51
Shenzhen CSI 300	**4,181.53**	**2.63**
ASX 200	7,452.16	1.69
Nikkei 225	26,553.53	1.66
PSEi	7,056.62	1.51
Hang Seng	22,044.65	1.41
TAIEX	14,932.93	0.73
Sensex	60,621.77	0.60
Nasdaq	11,140.43	0.55
KOSPI	2,395.26	0.38
FBM KLCI	1,500.33	0.35
Straits Times	3,293.71	0.00
Stoxx Europe 600	452.12	-0.09
SET	1,677.25	-0.27
DAX 40	15,033.56	-0.35
CAC 40	6,995.99	-0.39
S&P 500	3,972.61	-0.66
FTSE 100	7,770.59	-0.94
Dow Jones	33,375.49	-2.70

Source: Bloomberg

- Taiwan's gross domestic product (GDP) in 4QCY22 has contracted by -0.86% as compared to 4Q21, marking its worst performance in 13 years due to weakening global tech demand and China's zero-Covid policy.
- The U.K. inflation rose by +10.5%yoy in Dec-22, slower than the +10.7% increase in Nov-22. This could signal that the cost of living crisis has started to moderate.
- According to the U.S. Commerce Department Data, the U.S. retail sales fell by -1.1% in Dec-22, the biggest decline in a year - which suggests weakening resiliency among consumers.
- The U.S. government has hit its USD31.4t borrowing limit last Thursday amid a standoff between the Republicans and Democrats on lifting the ceiling which could result in a fiscal crisis in a few months.
- Bank Indonesia (BI) has raised its benchmark rate by 25 basis points to 5.75% and signalled that it might be approaching the end of its monetary policy tightening cycle as the hike was deemed to be adequate to cool off its inflation.
- Bank Negara Malaysia (BNM) has unexpectedly maintained its overnight policy rate (OPR) at 2.75% on Thursday.
- According to the Department of Statistics of Malaysia (DOSM), Malaysia's leading index (LI) declined by -0.4%yoy to 110.5 points in Nov-22. This indicator is used to gauge economic upturns and downturns in an average of 4-6 months ahead.
- The Ringgit appreciated against the US dollar by +1.15% to close at USDMYR4.2852 on Friday. The Brent crude oil price rose by +2.76% to USD87.63 per barrel, while the crude palm oil price was up by +1.22% to RM3,892 per tonne.

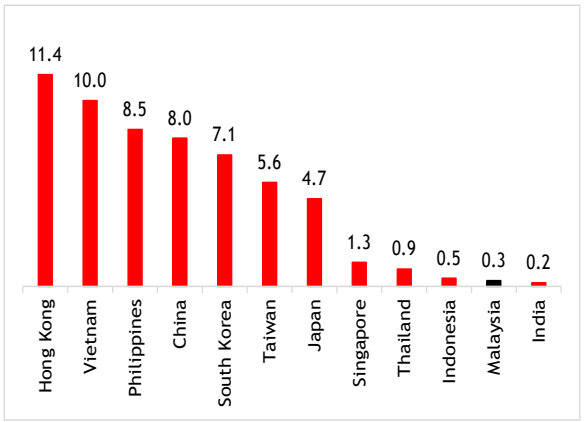
B. TRACKING MONEY FLOW - ASIA

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 (%)

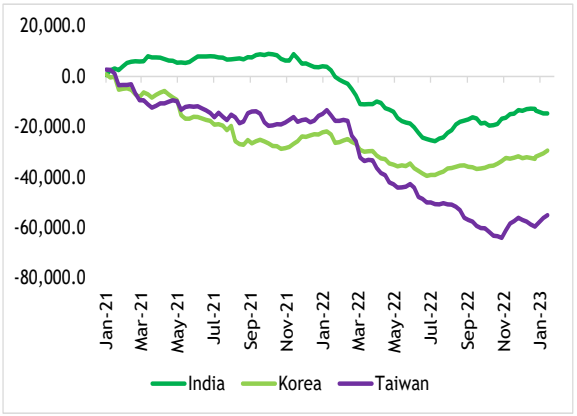


Sources: Bloomberg & MIDFR

- Asian equities continued to receive interests from the foreign investors for the third consecutive week. The rising optimism in the region could be due to China pressing on with its reopening. Based on the provisional aggregate data for the eight Asian exchanges that we track, investors classified as "foreign" net bought USD2.40b last week.
- Only India and Malaysia recorded net foreign outflows, while the other six countries that we track posted net foreign inflows.
- Taiwan became the biggest gainer last week after recording USD1.10b of net foreign inflow. Foreigners could be accumulating Taiwanese equities ahead of the Lunar New Year holiday as the bourse is scheduled to close from January 18 until January 27. On the economic front, Taiwan saw its unemployment rate dropping to 3.52% in Dec-22, the lowest December figure in over two decades, attributable to the swift recovery in its private consumption after the relaxation of the country's pandemic-induced restrictions. Year-to-date, Taiwan has drawn USD4.55b worth of foreign net inflow, making it the current best performing market among the eight Asian exchanges that we track.
- Right behind Taiwan is South Korea which has registered a weekly net foreign inflow of USD1.08b. This could be due to the prospect of an increased foreign access to its domestic capital markets after the country's financial regulator announced its stock market deregulation plans last week. The proposed measures include allowing foreigners to open accounts with an internationally used identification, making it mandatory for listed companies to provide corporate filings in English, opening up most of the off-board trading to foreigners and removing the rule that requires omnibus account holders to report on transaction details of each final investor within two days of settlement. The heaviest net foreign inflow was recorded on Thursday - the day the plan was announced - at USD456.5m. The revision process is expected to be completed in 1HCY23 before being implemented this year.
- In Vietnam, foreign investors have net bought USD107.6m worth of equities for the week. With a commendable GDP growth of about +8.0% last year, its Foreign Investment Agency (FIA) under the Ministry of Planning and Investment is expecting the country's foreign investment inflows to reach between USD36.0b-USD38.0b this year, up from USD27.7b last year. Meanwhile, President Nguyen Xuan Phuc has resigned from his government and party positions last Tuesday over corruption by senior officials under his watch as prime minister from CY16-CY21. He is by far the most senior official to have been removed under General Secretary Nguyen Phu Trong's anti-corruption drive. Vice President Vo Thi Anh Xuan is currently the interim president until a successor is formally appointed by a National Assembly vote scheduled for May-23.
- Philippines is also one of the countries that has posted net foreign inflow last week to the tune of USD83.0m. The country's GDP growth in CY22 may have surpassed the government's official target of +6.5%-7.5% due to an extended run of revenge spending during the holiday season in 4Q22. The Philippines Statistics Authority (PSA) will be releasing the official data on January 26. On the other hand, the Philippines and the U.S. have agreed to cooperate in addressing security concerns including disputes over the South China Sea. The allies are targeting to hold a 2-plus-2 meeting of top diplomatic and defence officials by Spring.

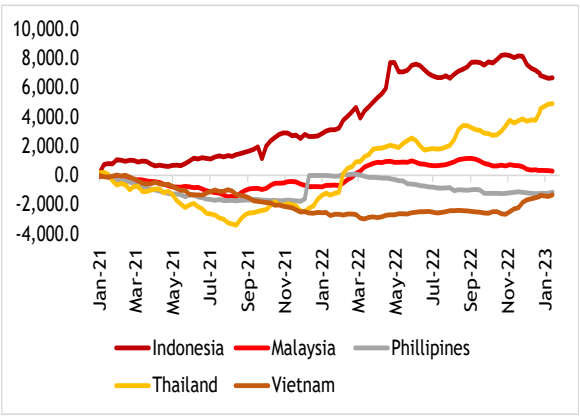
- Another country that saw net foreign inflow last week was Thailand at USD45.5m. The country is one of the major beneficiaries of China's reopening due to the importance of its tourism sector which has contributed c.12% to its GDP during pre-pandemic. The 11.2m tourists that it has received in CY22 was higher than the government's target and it is expected to reach 25.0m pax this year, including at least 5.0 pax from China. Thailand's central bank will hold a monetary policy meeting on January 25 whereby the market is expecting a rate hike of 25 basis points to 1.5% as its inflation number of +5.89% in Dec-22 remained above the official target of 1%-3%.
- Indonesia has finally recorded its first weekly net foreign inflow in seven weeks at USD41.9m. Bulk of the inflows were received at the end of the week, after BI upped the benchmark rate by 25 basis points to 5.75% on Thursday. This was widely expected and BI has signalled that it might be ending its tightening cycle as the rate hike was said to be adequate to meet its inflation target.
- Meanwhile, India has posted its fourth consecutive week of net foreign outflows to the tune of -USD21.1m. This was a significant improvement in comparison with the -USD1.12b net sold by the foreigners during the week ended January 13. Foreign investors have reversed their net selling trend from Tuesday onwards as the Indian stock market entered the last leg of its shorter trading cycle implementation called the T+1 settlement which will begin in January 27. The phased implementation was carried out throughout the past year and India is set to become the second country after China to make the switch from its current T+2 system. This shift will allow investors to receive their shares and money in their accounts a day after the trade ends. Despite the renewed optimism, the net foreign inflows recorded from Tuesday to Friday were inadequate to overturn the -USD459.2m net sold by the foreigners earlier in the week. Year-to-date, India is the worst performing market among the eight Asian exchanges that we track with a total net foreign outflow of -USD1.85b.
- Apart from India, Malaysia saw the largest net foreign outflow of -USD39.1m last week. Among the eight Asian exchanges that we monitor, Malaysia is the third worst performing market after Indonesia and has recorded a total net foreign outflow of -USD33.3m year-to-date.

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)

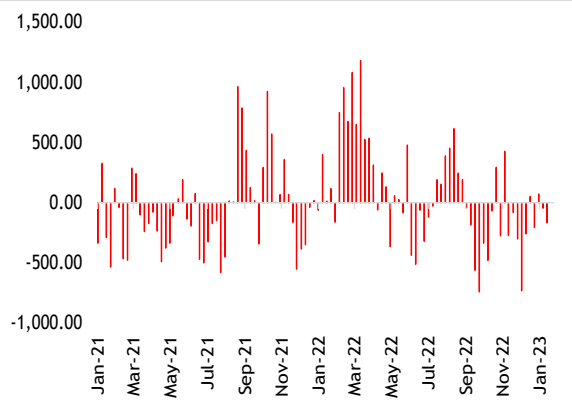
Week Ended	India	Indo	Korea	M'sia	Phil	Taiwan	Thai	Viet	Total
23-Dec	121.3	-145.0	-284.0	11.6	-24.6	-1,130.5	-30.2	57.7	-1,423.8
30-Dec	-52.8	-217.1	-408.4	-46.6	0.7	-893.7	564.6	93.1	-960.1
6-Jan	-708.7	-140.4	802.2	16.5	19.6	306.5	216.5	69.6	581.8
13-Jan	-1,120.5	-193.4	1,384.4	-10.6	-0.8	3,137.3	313.6	-64.5	3,445.5
20-Jan	-21.1	41.9	1,078.0	-39.1	83.0	1,103.4	45.5	107.6	2,399.3

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

C. TRACKING MONEY FLOW - MALAYSIA

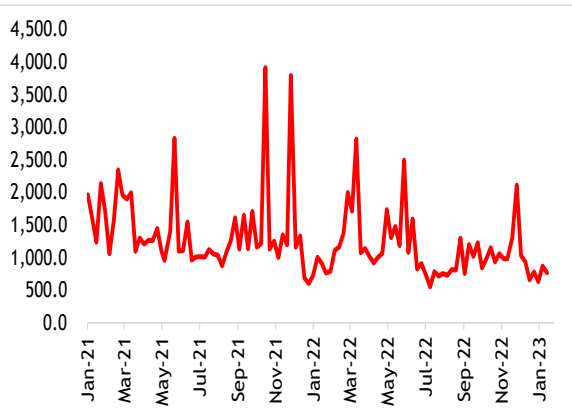
- Foreign investors continued to net sell Malaysian equities for the second consecutive week last week to the tune of -RM168.5m. This was more than 3x higher than the amount net sold during the week ended January 13. BNM has unexpectedly maintained its OPR at 2.75% on Thursday. However, our economists believe that the OPR might be raised by another 25 basis points at the upcoming Monetary Policy Committee (MPC) meeting in Mar-23 as core inflation remains elevated. Year-to-date, foreigners have net sold -RM142.9m of Malaysian equities.
- The week saw only net foreign inflows only on Tuesday to the tune of RM85.4m. The other four days of the week saw net selling by the foreigners.
- Heaviest net selling came in on Wednesday, a day before the BNM's MPC meeting. The net selling on that day amounted to -RM114.6m.
- The top three sectors that saw net foreign inflows last week were Energy (RM31.0m), Healthcare (RM30.5m) and Technology (RM21.3m), while the top three sectors that saw net foreign outflows were Financial Services (-RM272.4m), Industrial Products & Services (-RM9.9m) and Transportation & Logistics (-RM2.4m).
- Local institutions remained net buyers for the second consecutive week after net buying RM391.6m worth of equities last week. Every trading day was a net buying day except for Tuesday which saw a net outflow of -RM64.3m by the local institutions. Local institutions have been net buyers of domestic equities so far this year with a total net inflow of RM606.5m.

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

- Meanwhile, local retailers have net sold -RM223.1m last week, slightly lower than the -RM292.6m that were net sold during the week ended January 13. Every trading day was a net selling day by the local retailers last week with the heaviest net selling recorded on Friday at -RM79.1m. This could be due to profit taking ahead of the Chinese New Year holiday. Year-to-date, local retailers have net sold -RM463.6m of Malaysian equities.
- In terms of participation, there was a decrease in average daily trading volume (ADTV) among local retailers (-10.5%), local institutions (-10.3%) and foreign investors (-11.9%).

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)
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
20-Jan	2,656.9	2,880.0	-223.1	5,137.4	4,745.8	391.6	1,836.5	2,004.9	-168.5	-39.1

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**
Public Bank	31.0	CIMB Bank	67.0	Sime Darby Plantation	24.9
Kumpulan Kitacon	12.8	Hong Leong Bank	54.2	Velesto	22.2
Kuala Lumpur Kepong	8.8	Maybank	44.3	Top Glove	17.6
Apex Healthcare	8.3	Press Metal	41.6	Tenaga	16.5
RHB Bank	8.2	Petronas Chemicals	33.9	Heneiken	14.9
AmBank	6.3	Public Bank	29.7	DiGi.Com	13.4
Hextar Industries	6.1	United Plantations	25.7	IHH Healthcare	13.3
Alliance Bank	6.0	TIME dotCom	23.8	Nationgate	9.4
Bursa Malaysia	5.0	Nationgate	21.2	ECA Integrated Solution	9.1
Maybank	4.5	ITMAX System	20.1	Inari Amertron	9.0
Top 10 Stocks with Weekly Net Outflows					
Company	**Value**	**Company**	**Value**	**Company**	**Value**
Press Metal	-25.7	Sime Darby Plantation	-21.5	Public Bank	-72.6
Nationgate	-20.9	RHB Bank	-20.4	CIMB Bank	-72.3
Velesto	-20.2	IHH Healthcare	-13.5	Maybank	-55.6
Top Glove	-18.9	Kuala Lumpur Kepong	-11.1	Hong Leong Bank	-51.9
TT Vision	-18.1	AmBank	-11.1	Petronas Chemicals	-31.1
Genting	-17.5	DiGi.Com	-9.5	United Plantations	-26.7
Coraza Integrated	-9.3	IOI Corporation	-9.0	Time dotCom	-23.6
Pertama Digital	-8.9	Kumpulan Kitacon	-8.3	Genting Malaysia	-12.4
Genetec Technology	-8.8	Astro	-7.5	QL Resources	-11.2
Computer Forms	-8.4	Heneiken	-7.2	Press Metal	-10.9

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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