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MIDF AMANAH
INVESTMENT BANK BERHAD

FUND FLOW REPORT

(Week ended 30 December 2022)

An end to a gloomy year



MIDF EQUITY STRATEGY | 3 JANUARY 2023

3 JANUARY 2023 | Strategy - Weekly Fund Flow

MIDF Research Team

AN END TO A GLOOMY YEAR

A. MARKET SNAPSHOT

- Benchmark indices in the United States ended the year 2022 lower on Friday, marking a year of sharp losses attributed by a myriad of challenges including recession fears, aggressive interest rate hikes, the Russia-Ukraine war, and China's zero-Covid policy. For the year, the S&P 500 lost -19.4%, the Dow Jones Industrial Average shed -8.9%, while the Nasdaq Composite Index fell by -33.1%. The percentage declines were the biggest since the 2008 financial crisis. On a weekly basis, the S&P 500 declined by -0.1% to 3,839.50, the Dow lost -0.2% to 33,147.25, while Nasdaq shed -0.3% to 10,466.48.
- Out of the 20 major indices that we track, most saw weekly declines led by South Korea's KOSPI (-3.3%), Vietnam's Ho Chi Minh VSE (-1.3%) and Australia's ASX 200 (-1.0%). Among the best performing markets last week were Thailand's SET (+3.2%), India's Sensex (+1.7%) and FBM KLCI (+1.4%).
- Sentiments among American consumers improved more than estimated as the final reading of the University of Michigan Consumer Sentiment Index was higher at 59.7 in Dec-22, compared to the preliminary reading of 59.1.
- South Korea's exports in Dec-22 fell for the third consecutive month by -9.5%yoy as the decline in shipments to Southeast Asia and China has more than offset the modest growth in sales to the US and the European Union.

Table 1 Weekly Performance of Global Benchmark Indices (%)

Index	Last Price	Change (%)
SET	1,668.66	3.16
Sensex	60,840.74	1.66
FBM KLCI	**1,495.49**	**1.41**
Shenzhen CSI 300	3,871.63	1.13
Hang Seng	19,781.41	0.96
JCI	6,850.62	0.73
PSEi	6,566.39	0.39
DAX 40	13,923.59	-0.12
S&P 500	3,839.50	-0.14
Dow Jones	33,147.25	-0.17
Straits Times	3,251.32	-0.20
FTSE 100	7,451.74	-0.28
Nasdaq	10,466.48	-0.30
CAC 40	6,473.76	-0.48
Nikkei 225	26,094.50	-0.54
Stoxx Europe 600	424.89	-0.60
TAIEX	14,137.69	-0.94
ASX 200	7,038.69	-0.97
Ho Chi Minh VSE	1,007.09	-1.30
KOSPI	2,236.40	-3.34

Source: Bloomberg

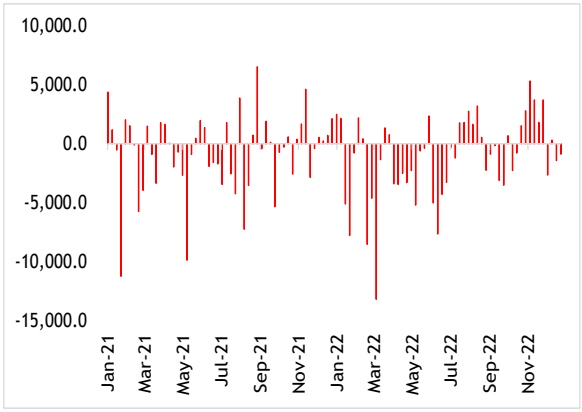
- China's official manufacturing purchasing managers index (PMI) fell to 47 in Dec-22 from 48 in Nov-22. The country's sudden reversal of its zero-Covid policy has pushed its economic activity, particularly the services sector, to the slowest pace since Feb-20 due to the virus outbreak in its major cities.
- Thailand's household debt-to-GDP ratio dropped to 86.8% in 3QCY22, from 88.1% in the previous quarter. The high debt was said to be one of the reasons why the Bank of Thailand (BoT) did not increase the interest rates aggressively.
- India's current account deficit has widened to a record high in 2QCY22 at USD36.40b as elevated commodity prices and export slowdown has inflated the country's trade gap.
- Vietnam's economy grew at the fastest pace in Asia this year with its GDP growing by +8.0% in 2022, higher than the government's official growth target of 6.0%-6.5%.
- Japanese factories slashed output for a third consecutive month in Nov-22 by -0.1% due to the weak demand for machinery products amid worsening global economic outlook.
- Hong Kong's exports dropped by -24.1%yoy in Nov-22, the worst in nearly seven decades due to the slump in its economy and worsened global demand.
- Malaysia's producer price index (PPI) slowed to +3.2%yoy in Nov-22 from +4.0%yoy in Oct-22, marking the sixth consecutive decline since May-22. According to the Department of Statistics Malaysia (DOSM), the growth for the PPI, which measures prices of goods at factory gate, was due to a lower base effect.
- The FBM KLCI closed +1.41% higher for the week to end the year at 1,495.49. The Ringgit appreciated

by +0.45% to end at USD/MYR4.4045 on Friday. Brent crude oil price rose by +2.4% for the week to USD85.91 per barrel, while crude palm oil price was up by +9.0% to RM4,174.00.

B. TRACKING MONEY FLOW - ASIA

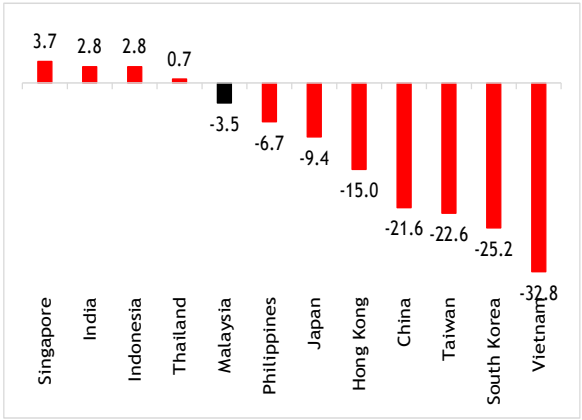
- Based on the provisional aggregate data for the eight Asian exchanges that we track, investors classified as "foreign" have net sold -USD960.1m last week or about -32.6% lower than the amount net sold during the week ended 23 December 2022. Note that we have recently started tracking the foreign flows into Vietnam equities.
- Bulk of the net foreign outflows for the week were contributed by Taiwan (-USD893.7m), Korea (-USD408.4m) and Indonesia (-USD217.1m).
- Thailand saw the highest net foreign inflow last week at a rate of USD564.6m, the highest amount seen since Aug-22. Optimism on the country's economy could be stemming from the reopening of China's border as tourism is a vital economic sector for Thailand. BoT has forecasted foreign tourist arrivals to reach 22 million in 2023, a twofold increase in comparison with 2022. Thailand, which has recorded a net foreign inflow of USD5.96b in 2022, was the best performing market in terms of inflows among the exchanges that we cover.
- Similarly, Indonesia has seen foreign funds leaving the country for the fifth consecutive week at a rate of -USD217.1m. Every trading day last week was a net selling day by foreign investors, with the heaviest net selling registered on Thursday at -USD108.6m. The country's headline inflation rose higher than the central bank's target range for the seventh consecutive month after recording an uptick of 5.5% in Dec-22. Meanwhile, Indonesian officials have announced that the country will be tightening its export rules for palm oil from January 1, 2023 to ensure sufficient and affordable cooking oil supply at home. Foreign investors were net buyers of Indonesian equities in 2022 with a total net inflow of USD4.27b. Among the exchanges that we track, Indonesia saw the second highest net inflows last year.
- Malaysia saw a net foreign outflow of -USD46.5m last week. In USD terms, the country saw a total net foreign inflow of USD1.09b in 2022. It was the third best performing market out of the eight Asian exchanges.
- Vietnam recorded a net foreign inflow for the eighth consecutive week last week at a rate of USD93.1m. In a press conference on Thursday, the General Director of the General Statistics Office (GSO) announced that the GDP growth has reached 8.0% in 2022, the fastest pace since 1997 thanks to its strong domestic retail sales and exports. The reading has surpassed the government's official GDP growth target of 6.0%-6.5%. International investors have been net buyers of Vietnam equities in 2022, with a total net foreign inflow of USD1.09b.
- In the Philippines, foreigners net bought USD0.7m worth of equities last week. Prior to last week, the country has seen net foreign outflows for four consecutive weeks. It was a shortened trading week due to the public holidays on Monday and Friday in conjunction with Christmas Day and Rizal Day. The country is set to release its inflation data this week in which the central bank has guided on Thursday that it was likely within the 7.8%-8.6% range in Dec-22 due to higher electricity rates

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



Sources: Bloomberg & MIDFR

Chart 2 Performance of Asian Benchmark Indices in CY22 (%)

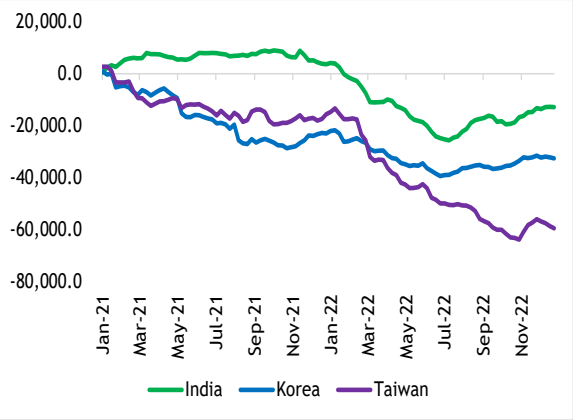


Sources: Bloomberg & MIDFR

and agricultural commodities prices. The Philippines recorded a total net foreign outflow of -USD1.25b in 2022.

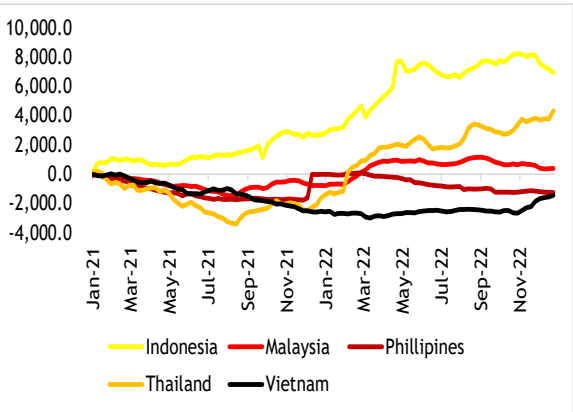
- International investors continued to be net sellers of South Korean equities for the second consecutive week last week at a rate of -USD408.4m. The country's consumer prices were up by 5.0%yoy in Dec-22, matching market's expectations. This was driven mainly by high utility prices. Meanwhile, the purchasing managers' index (PMI) for South Korean manufacturers fell for a sixth consecutive month in Dec-22 to 48.2. This was partly due to its local truckers' strike which has led to the worst slump in demand in 2.5 years. International investors have net sold -USD9.66b of South Korean equities in 2022, making it the third worst performing market among the exchanges that we monitor.
- Foreign funds have left the Indian market last week at a rate of -USD52.8m. Based on a data released by the Reserve Bank of India (RBI) on Thursday, the country's current account deficit stood at USD36.40b in the Jul-Sep quarter or 4.4% as a percentage of its GDP, the highest since 2013. The widening deficit was attributed to high commodity prices and a weak rupee. For the year 2022, foreigners have been net sellers of Indian equities with a total net outflow of -USD16.50b – making it the second worst performing market among the Asian exchanges that we track.
- The net selling trend in Taiwan continued for the fourth consecutive week at a rate of -USD893.7m. This was significantly lower than the -USD1.13b net sold during the week ended 23 December 2022. Taiwan stocks have seen a massive selloff this year due to its political tensions with China and the global technology stock rout following the interest rate hikes globally. Out of the countries that we monitor, Taiwan was the worst performing market, which has seen a total net foreign outflow of -USD44.0b in 2022.

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

C. TRACKING MONEY FLOW - MALAYSIA

- Foreign investors turned net sellers during the last trading week of the year at a rate of -RM204.6m. It was a

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

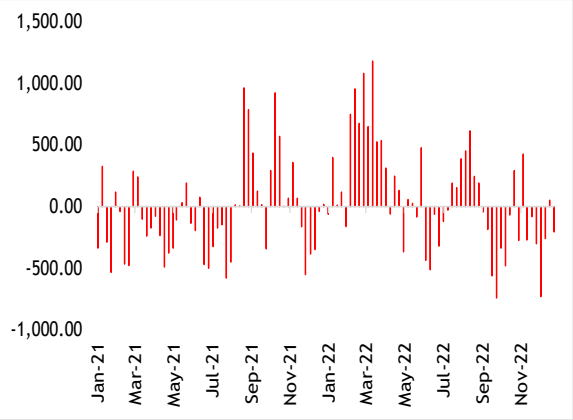
Week Ended	India	Indo	Korea	M'sia	Phil	Taiwan	Thai	Viet	Total
2-Dec	1,474.5	-51.2	577.1	-68.5	-44.2	1,315.3	124.7	372.4	3,700.1
9-Dec	-356.8	-552.6	-750.1	-166.6	-27.6	-828.2	-147.4	175.1	-2,654.3
16-Dec	733.0	-250.3	392.3	-58.4	-35.0	-656.2	92.3	78.5	296.2
23-Dec	121.3	-145.0	-284.0	11.4	-24.6	-1,130.5	-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

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

reversal from the net buying of RM51.2m worth of Malaysian equities during the week ended 23 December 2022.

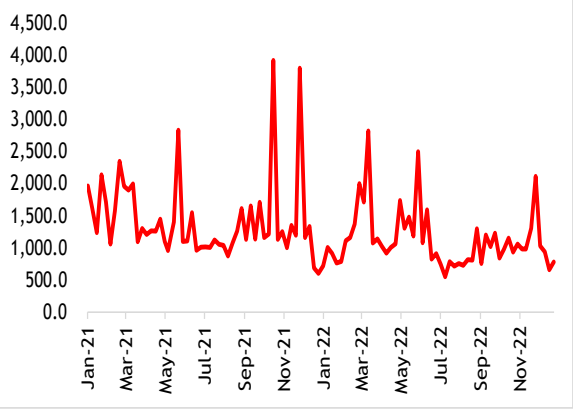
- It was a shortened trading week due to the replacement for Christmas holiday on Monday. Foreigners started off the week on a positive note by net buying RM10.1m on Tuesday and RM99.2m on Wednesday. However, the amount net bought was inadequate to overturn the profit taking that took place on Thursday at a rate of -RM9.8m and on Friday at -RM304.1m.
- The top three sectors that saw net foreign inflows were Healthcare at RM16.5m, Technology at RM12.3m and Transportation & Logistics at RM7.2m. Meanwhile, the top three sectors that saw net foreign outflows were Plantation at -RM64.7m, Industrial Products & Services at -RM57.1m and Financial Services at -RM46.0m.
- Meanwhile, local institutions were seen accumulating domestic equities as they net bought RM290.4m last week. During the week ended 23 December 2022, they have net sold -RM52.1m worth of equities. Tuesday and Wednesday were net selling days at a rate of -RM44.6m and -RM149.0m respectively. Their investing stance took a positive turn on Thursday as they have net bought RM41.6m with the heaviest net buying seen on Friday at RM442.4m.
- On the other hand, local retailers turned to net sellers at a rate of -RM85.8m. They have been net buying for three consecutive weeks prior to that. Local retailers net bought RM34.4m on Tuesday and RM49.9m on Wednesday. They started taking profit for the rest of the week at a rate of -RM31.8m on Thursday and -RM138.3m on Friday.
- At the end of CY22, foreign investors have been net buyers for 27 out of 52 weeks of 2022, with a total net inflow of RM4.38b. In contrast, local institutions were net sellers for 33 weeks out of 52 weeks of 2022, with a total net outflow of -RM6.42b. Local retailers have also been net buyers for 33 weeks out of 52 weeks of 2022, with a total net inflow of RM2.04b.
- In terms of participation, the average daily trading volume (ADTV) for local retailers (+10.0%), local institutions (+32.6%) and foreign investors (+18.8%) recorded growth last week.

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)
2-Dec	2,586.1	2,716.2	-130.1	5,576.2	5,145.0	431.2	4,073.0	4,374.2	-301.2	-68.4
9-Dec	2,969.2	2,917.8	51.4	5,461.9	4,781.5	680.4	2,215.0	2,946.7	-731.8	-166.7
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	-46.5

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	48.9	Tenaga Nasional	115.5	CTOS	30.3
Malayan Banking	22.0	Kuala Lumpur Kepong	55.8	Genting	15.4
Genetec Technology	10.4	CIMB	50.9	Top Glove	14.9
Cypark Resources	8.9	Petronas Chemicals	44.0	RHB Bank	14.1
Berjaya	5.9	Press Metal Aluminium	38.8	Hartalega	13.2
Pertama Digital	5.7	Telekom Malaysia	36.3	D&O Green Technologies	7.8
Computer Forms (Malaysia)	5.4	Sime Darby	26.7	Axiata	7.4
Mestron	4.7	Petronas Dagangan	26.1	PMB Technology	7.1
Hextar Industries	4.7	DiGi.Com	18.2	Tenaga Nasional	6.9
GFM Services	3.8	Sime Darby Plantation	18.1	Public Bank	5.7
Top 10 Stocks with Weekly Net Outflows					
Company	**Value**	**Company**	**Value**	**Company**	**Value**
Tenaga Nasional	-92.4	Public Bank	-85.8	Kuala Lumpur Kepong	-207.8
Top Glove	-16.8	Computer Forms (Malaysia)	-12.1	CIMB	-206.8
Genting	-12.4	AMMB	-9.0	Press Metal Aluminium	-202.2
D&O Green Technologies	-10.9	Genetec Technology	-7.1	Malayan Banking	-171.0
Kuala Lumpur Kepong	-9.5	Bumi Armada	-7.0	Petronas Chemicals	-92.9
CIMB	-9.4	Axiata	-6.5	Telekom Malaysia	-80.1
Petronas Chemicals	-9.2	JHM	-6.3	Petronas Dagangan	-69.9
Hartalega	-8.0	My E.G. Services	-5.7	Sime Darby	-55.8
JAG	-7.8	Malayan Banking	-5.4	IHH Healthcare	-53.8
Telekom Malaysia	-7.5	Maxis	-5.0	Sime Darby Plantation	-46.1

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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