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MIDF AMANAH
INVESTMENT BANK BERHAD

FUND FLOW REPORT

(Week ended 10 February 2023)

Directionless Market



MIDF EQUITY STRATEGY | 13 FEBRUARY 2023

DIRECTIONLESS MARKET

A. MARKET SNAPSHOT

- Major markets ended in a sea of red last week after a considerably good rally in January as investors take stock of the Federal Reserve's possible rate hikes in the next two Federal Open Market Committee (FOMC) meetings and the fact that the tension between United States and China is nowhere near easing in light of China's supposedly spy balloon controversy in the US.
- Out of the 20 major indices that we track, Japan's Nikkei 225 was the sole survivor last week, being the only index that advanced, at a rate of +0.59%. The other 19 were in the red, with the worst three being the Nasdaq Composite Index at -2.41%, Hong Kong's Hang Seng Index at -2.17% and the Philippines' PSEi-2.14%.
- Weekly jobless claims in the US increased while the labour market remained tight. Until we see an uptrend in jobless claims, the current overall job market condition is deemed to be in a tight position. While this may push the Fed to consider more rate hikes to ease demand and wage pressures on inflation, we opine that the strength in the job market will be the key factor to support consumer spending and for the US economy to experience a "soft landing" this year.
- Indonesia's economy grew by +5%yoy in 4QCY22 (3QCY22: +5.8%yoy), beating the market consensus of +4.8%yoy. We expect Indonesia's economy to grow around +5% this year, driven by continued expansion in the domestic demand given domestic consumption and investment accounting for 85% of its GDP in 2022.
- Taiwan's exports continued to fall in Jan-23, contracting at a sharper pace of -21.2%yoy (Dec-22: -12.1%yoy). The decline was the sharpest in more than 13 years and also worse than market consensus, mainly because of lower shipments to regional Asian countries and to North America.
- Philippines' labour market has recovered robustly over the past two years, and recent data showed a marginal increase in unemployment to 4.3% in Dec-22 from a record low in the previous month (Nov-22: 4.2%). We expect the continued growth in domestic economy will support job growth and the country's economic growth this year.
- Malaysia's IPI growth slowed to +3%yoy in Dec-22 (Nov-22: +4.6%yoy), slower than our estimate and market expectations. The 3% growth was the weakest IPI growth since Sep-21, dragged down by weaker expansion in mining and manufacturing sectors and contraction in electricity output.
- Malaysia's distributive trade sales grew by +19.6% last year, the fastest expansion rate ever recorded. All components posted strong double-digit expansion. Sales of motor vehicles surged by +47.6% after registering poor performances during the pandemic years.
- Malaysia's economic growth moderated in 4QCY22 to +7%yoy. The fourth quarter growth met market expectation, but better than our estimate because of the strength in domestic demand and higher contribution from net exports.
- The labour market in Malaysia is expected to strengthen further in 2023 underpin by continuous upbeat momentum in domestic economy and modest expansion in external sector. We expect Malaysia's average

Table 1 Weekly Performance of Global Benchmark Indices (%)

Index	Last Price	Change (%)
Nikkei 225	27,670.98	0.59
TAIEX	15,586.65	-0.10
Dow Jones	33,869.27	-0.17
FTSE 100	7,882.45	-0.24
Sensex	60,682.70	-0.26
KOSPI	2,469.73	-0.43
JCI	6,880.33	-0.45
Stoxx Europe 600	457.89	-0.63
Straits Times	3,360.69	-0.70
Shenzhen CSI 300	4,106.31	-0.85
FBM KLCI	**1,474.59**	**-1.07**
DAX 40	15,307.98	-1.09
S&P 500	4,090.46	-1.11
SET	1,664.57	-1.41
CAC 40	7,129.73	-1.44
ASX 200	7,433.66	-1.65
Ho Chi Minh VSE	1,055.30	-2.03
PSEi	6,876.79	-2.14
Hang Seng	21,190.42	-2.17
Nasdaq	11,718.12	-2.41

Source: Bloomberg

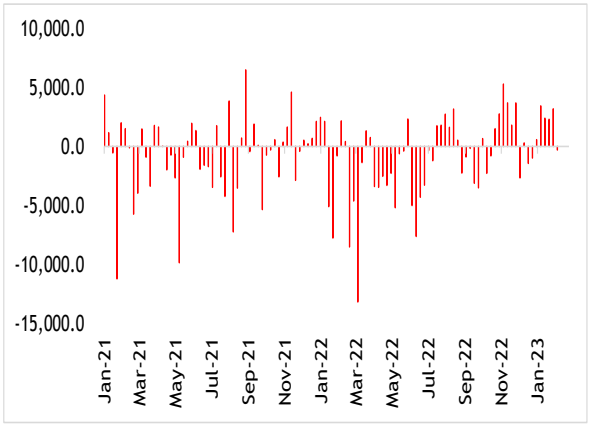
jobless rate to touch 3.5% in 2023.

- The Ringgit appreciated against the US dollar by -1.76% to close at USD/RM4.3335 on Friday. The Brent crude oil price jumped +8.07% to USD86.39 per barrel while the crude palm oil increased +1.81% to RM3,932.00 per tonne.

B. TRACKING MONEY FLOW - ASIA

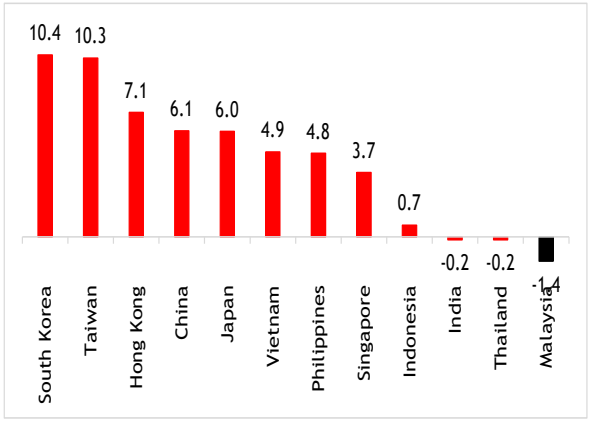
- After five consecutive weeks of net inflow into the eight Asian exchanges that we track, foreign funds turned net sellers last week with a net outflow of -USD291.6m from Asian equities. The net outflows were mainly contributed by net outflows in India and Thailand.
- In the week of review, Indonesia and Vietnam were the only countries that recorded net inflows every day. The largest inflows for Indonesia was on Friday at USD49.68m. This was followed by Monday, Thursday and Tuesday with net inflows recorded at USD47.95m, USD47.39m and USD47.04m respectively. Wednesday was the least net buying for the country in the week coming in at USD23.79m. The buying interest in Indonesia is primarily influenced by the Central Statistics Agency (BPS) report that Indonesia's economy grew 5.31% on an annual basis in 2022, in line with the budget target set by the government. Business fields with the largest growth were transportation and warehousing as well as accommodation, food and drink. Year-to-date, Indonesia recorded a net inflow of USD90.6m.
- Vietnam entered its fourth consecutive week in the positive region as foreign investors net bought USD36.5m last week. Foreign investors net bought everyday with the largest amount recorded on Monday at USD16.76m and Wednesday at USD16.33m. Tuesday, Thursday and Friday meanwhile recorded net buying in the range of USD0.80m-USD1.49m. Vietnam has a total net foreign inflow of USD243.2m year-to-date. The Civil Aviation Authority of Vietnam has set a target to increase the number of airports from 22 to 30 by the year 2030, with the intention of fostering the growth of the tourism industry and promoting the development of the aviation sector. We believe this will not only encourage the country's domestic growth but also attract more foreign direct investment into the country.
- South Korea saw its net foreign fund inflow extending into its sixth consecutive week, at USD489.0m last week, the lowest in comparison to six weeks earlier. Wednesday recorded the highest net inflow at USD515.79m, followed by Thursday at USD257.10m and Tuesday at USD20.07m. Monday and Friday meanwhile recorded net selling of -USD261.61m and -USD42.33m respectively. Despite recent data revealing an unexpected rise in the country's annual inflation in January, its finance minister reaffirmed that consumer prices will decrease in April and May, on the back

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 (%)

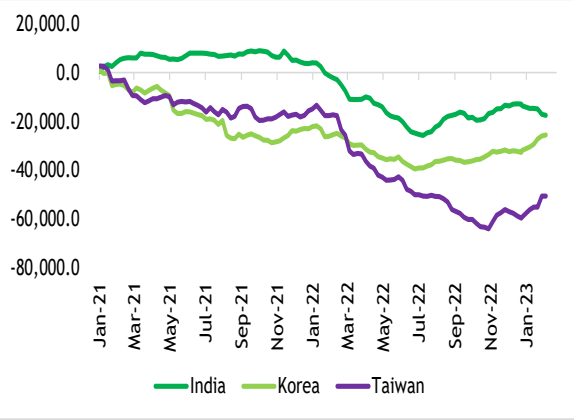


Sources: Bloomberg & MIDFR

of China's economy recovery which shall be positive for South Korea's economy. Year-to-date, South Korea's net foreign inflow is USD7.15b.

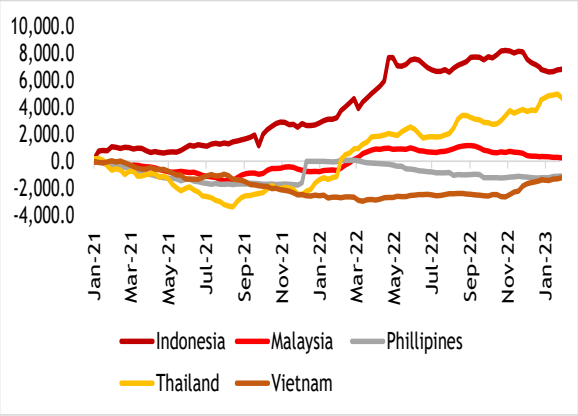
- Taiwan recorded net outflows every day, except on Wednesday whereby foreign investors net bought a total of USD554.71m worth of equities. The largest net outflows was on Monday at -USD424.82m and Friday at -USD93.69m. The country's exports fell for a fifth straight month in January due to a deteriorating global economy and factory closures during the long Lunar New Year holiday. Year-to-date, Taiwan has recorded a net foreign inflow of USD8.98b.
- After three consecutive weeks of net inflows, the Philippines recorded net outflows last week with a total of -USD33.0m. Foreigners net sold every day except on Tuesday with the largest net outflow on Monday at -USD26.38m. Tuesday's net inflow for the country amounted to USD10.78m. Overall, the Philippines has a net foreign inflow of USD111.4m year-to-date.
- Thailand stayed as the only country with net foreign fund outflows every day since last two weeks. Foreigners net sold -USD439.3m of its equities for the week ended 10th February 2023. The largest net outflows were recorded on Wednesday and Thursday at -USD118.55m and -USD100.91m respectively. In total, Thailand's net foreign inflow currently stands at USD47.2m year-to-date.
- The worst performing market last week was still India, with a net foreign fund outflow of -USD474.5m. This marks the country's seventh consecutive week of net foreign outflows. Foreign investors only net bought USD3.95m on Friday but net sold for the rest of the week, with the largest outflows on Thursday and Wednesday at -USD266.86m and -USD125.95m respectively. We opine that investors may view the investment in India stock market to be unappealing at current juncture primarily due to the attractiveness of the Chinese markets. India's net outflow year-to-date is now at -USD4.22b.

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)

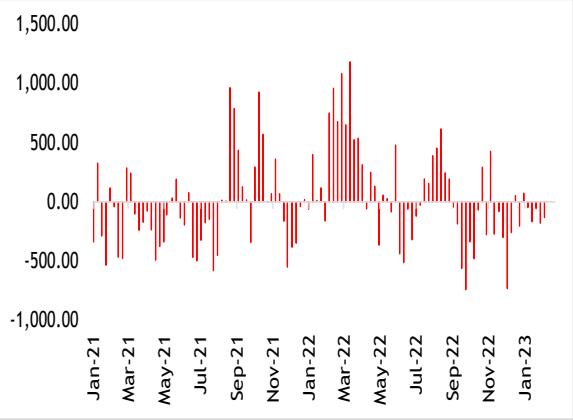
Week Ended	India	Indo	Korea	M'sia	Phil	Taiwan	Thai	Viet	Total
13-Jan	-1,120.5	-193.4	1,384.4	-10.6	-0.8	3,137.3	313.6	-64.5	3,445.5
20-Jan	-21.1	41.9	1,078.0	-39.1	83.0	1,103.4	45.5	107.6	2,399.3
27-Jan	-219.9	114.0	2,290.5	-13.6	32.7	0.0	88.9	22.3	2,314.9
3-Feb	-2,152.8	52.6	1,110.6	-42.2	9.9	4,429.1	-272.4	71.6	3,206.5
10-Feb	-474.5	215.9	489.0	-94.6	-33.0	8.4	-439.3	36.5	-291.6

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

C. TRACKING MONEY FLOW - MALAYSIA

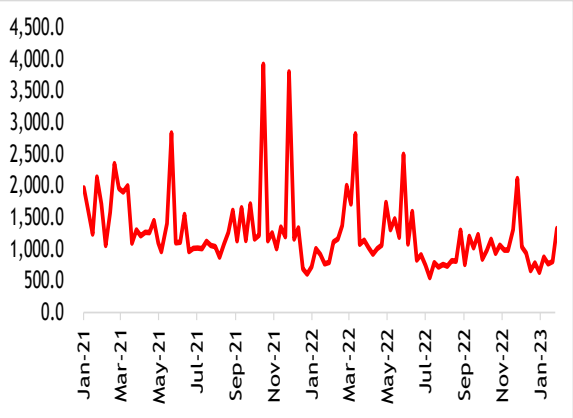
- It was a shortened trading week of four days on Bursa Malaysia last week due to the Thaipusam replacement day on Monday. Foreign investors continued to dump Malaysian equities for the fifth consecutive week with net selling of -RM407.83. They net sold everyday with the largest net selling on Tuesday at -RM220.57m and least net selling on Thursday at -RM40.84m.
- The only sectors which recorded net inflows by foreign investors last week were Energy at RM26.4m and Property at RM3.9m. In contrary, Construction, Technology and Financial Services were sectors that recorded the highest net outflows for the week at -RM724.6m, -RM115.9m and -RM111.2m respectively. Year-to-date, foreign investors have net sold -RM119.9m.
- Local institutions continued to pick up Malaysian equities with a net buy of RM144.04m last week. This is their fifth consecutive week of net buying. Local institutions net bought everyday with the largest net buying on Tuesday at RM85.80m, Friday at RM34.63m and Thursday at RM25.74m. Only Tuesday recorded small net selling from the local institution at -RM2.13m. Year-to-date, local institutions have net bought RM937.0m.
- Local retailers stayed as net buyers last week, marking its second consecutive weeks of net buying. They net bought everyday with the largest net buying on Tuesday at RM134.78m followed by Wednesday and Friday at RM57.15m and RM56.76m. The least recorded net buying by local retailers came in at RM15.09m on Thursday.
- In terms of participation, there was a decrease in average daily trading volume (ADTV) across the board by -24.9%, -22.5% and -22.3% from local retailers, local institutions and foreign investors 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)
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
27-Jan	1,968.8	1,989.8	-21.0	2,979.1	2,900.2	78.9	1,176.6	1,234.5	-57.8	-13.6
3-Feb	2,870.9	2,821.5	49.4	5,145.1	5,014.5	130.6	2,557.5	2,737.5	-180.0	-42.2
10-Feb	3,065.8	2,802.0	263.8	5,117.0	4,973.0	144.0	2,040.3	2,448.2	-407.8	-94.6

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**
Myeg	213.8	Tenaga	86.2	Velesto	18.3
Public Bank	74.1	Pchem	53.0	CIMB	14.6
Maybank	40.7	Itmax	35.1	Frontkn	9.9
RHB Bank	32.8	IHH Healthcare	25.0	Penta	9.9
CIMB	26.2	Pmetal	22.0	Dialog	9.5
Ambank	13.2	TM	17.7	MISC	9.5
Harta	11.9	Armada	16.4	F&N	8.1
Sfptech	6.7	PPB	16.3	Chinhin	6.9
Sapnrg	5.5	MI	13.3	Pertama	6.3
Infotec	5.2	KLK	12.8	Genetec	6.3
Top 10 Stocks with Weekly Net Outflows					
Company	**Value**	**Company**	**Value**	**Company**	**Value**
Tenaga	-51.2	Myeg	-165.1	Myeg	-101.2
Genting	-18.2	Rhb Bank	-76.2	Public Bank	-59.3
Armada	-11.9	CIMB	-62.8	Pchem	-55.4
Pertama	-11.9	Public Bank	-38.7	Maybank	-26.7
MI	-11.7	Maybank	-22.0	IHH	-24.9
Itmax	-10.5	Abmb	-14.0	Ambank	-22.9
Genm	-99.0	Dialog	-11.6	Pmetal	-21.8
Chinhin	-8.7	Sfptech	-11.0	TM	-20.5
Tanco	-5.7	Velesto	-10.5	Itmax	-17.8
CFM	-5.6	Frontkn	-10.2	Tenaga	-16.0

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

Appendix: Foreign Shareholdings of the Companies Under Our Coverage as at Jan-23 (%)

COMPANY	%	COMPANY (CONT'D)	%	COMPANY (CONT'D)	%
Automotive		Nestlé	82.7	Sarawak Plantation	2.3
Bermaz Auto	15.7	Padini	9.3	Sime Darby Plantation	10.0
MBM	2.1	Panasonic	53.7	Ta Ann	14.1
Tan Chong	10.7	QL Resources	9.9	TSH Resources	20.8
UMW Holdings	5.5	Rhong Khen International	62.3	**Port & Shipping**	
Aviation		Spritzer	18.2	MISC	8.9
Capital A	18.9	**Gloves**		Suria Capital	6.3
Malaysia Airports	19.7	Hartalega	18.3	Westports	27.4
Banking		Kossan	11.3	**Property**	
Affin Bank	26.3	Supermax	9.5	Eco World	2.5
Alliance Bank	21.7	Top Glove	33.0	Glomac	4.2
AMMB	39.7	**Healthcare**		IOI Prop	3.8
Bank Islam	1.9	IHH Healthcare	49.8	Mah Sing	14.5
CIMB	30.1	KPJ	5.8	S P Setia	6.1
Hong Leong Bank	11.1	Pharmaniaga	1.1	Sunway	5.1
Hong Leong Financial	32.5	**Logistics**		UEM Sunrise	5.1
Malayan Banking	17.7	CJ Century Logistics	57.4	UOA Development	3.8
Public Bank	27.6	Swift Haulage	11.3	**REITs**	
RHB Bank	17.1	Tasco	65.8	Al-'Aqar Healthcare	0.4
Building Materials		Tiong Nam	1.3	Axis REIT	16.0
Malayan Cement	2.8	**Media**		IGB REIT	4.9
Conglomerate		Astro	37.7	KLCCP Stapled	0.9
YTL Corp	17.8	Media Prima	20.9	Pavilion REIT	34.0
Construction		**Non-bank Financials**		Sunway REIT	7.5
Cahya Mata Sarawak	8.9	Bursa Malaysia	15.7	**Technology**	
Gabungan AQRS	2.4	AEON Credit	70.3	D & O Green Tech	35.3
Gamuda	17.1	**Oil & Gas**		Datasonic	5.8
IJM Corp	11.6	Bumi Armada	17.4	Globetronics	3.8
KKB Engineering	0.3	Deleum	3.4	Inari Amertron	18.2
MRCB	8.5	Dialog Group	20.7	My E.G.	14.5
Muhibbah	15.7	Gas Malaysia	19.6	Unisem	2.3
Pintaras Jaya	0.5	MMHE	10.5	**Telecommunication**	
Sunway Construction	1.3	Petronas Chemicals	10.3	Axiata	11.1
WCT	5.7	Petronas Dagangan	7.6	DiGi	59.7
Consumer (F&B & Retail)		Petronas Gas	9.4	Maxis	7.0
AEON Co.	54.7	**Plantation**		Telekom Malaysia	12.5
Asia File	5.7	FGV	4.2	**Utilities**	
Fraser & Neave	60.9	Genting Plantations	5.3	Ranhill Utilities	32.1
Hup Seng	1.9	IOI Corp	11.1	Tenaga Nasional	12.5
Leong Hup	12.1	KL Kepong	13.3	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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Business Address:
11th Floor, Menara MIDF,
82, Jalan Raja Chulan, 50200
Kuala Lumpur.
Tel: 2173 8888
Fax: 2173 8380