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MIDF AMANAH
INVESTMENT BANK BERHAD

FUND FLOW REPORT

(Week ended 17 February 2023)

Mixed bag of performance



MIDF EQUITY STRATEGY | 20 FEBRUARY 2023

20 FEBRUARY 2023 | Strategy - Weekly Fund Flow

MIDF Research Team

MIXED BAG OF PERFORMANCE

A. MARKET SNAPSHOT

- The major indices on Wall Street closed lower after a bumpy week amid worries that inflation is not cooling as quickly as hoped, while the latest read on the job market pointed to continued strength on the labour front. Thus, fuelling concerns that the Federal Reserve (Fed) will need to maintain its hawkish stance for longer. For the week, Dow Jones fell to 33,826.69 (-0.13%), the S&P 500 declined to 4,079.09 (-0.28%), while Nasdaq ended higher at 11,787.27 (0.59%).
- Global markets closed the week with a mixed finish after concerns over potential Fed interest rate hikes took a toll on Wall Street equities. The biggest gainers were CAC 40 (+3.06%), FTSE 100 (+1.55%), and Stoxx Europe 600 (+1.40%), while the biggest losers were Hang Seng (-2.22%), Shenzhen CSI 300 (-1.75%) and Philippines PSEi (-1.42%).
- Fitch Ratings has affirmed Malaysia's long-term foreign currency issuer default rating at "BBB+" with a stable outlook. It expects the gross domestic product (GDP) growth to moderate to +4.0% in CY23 from +8.7% in CY22.
- The United States (U.S) producer price index (PPI) for final demand grew at a slower pace at 6.0% on a yearly basis in Jan-23 from 6.5% in Dec-22. This was higher than market expectation of 5.4% and the most since Jun-22 after being largely driven by higher energy prices.

Table 1 Weekly Performance of Global Benchmark Indices (%)

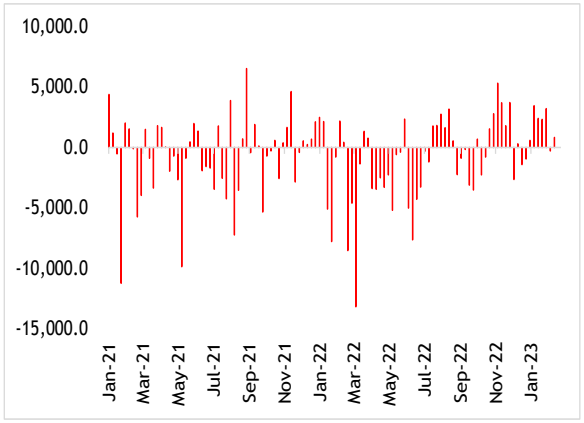
Index	Last Price	Change (%)
CAC 40	7,347.72	3.06
FTSE 100	8,004.36	1.55
Stoxx Europe 600	464.30	1.40
DAX 40	15,482.00	1.14
Nasdaq	11,787.27	0.59
Sensex	61,002.57	0.53
Ho Chi Minh VSE	1,059.31	0.38
JCI	6,895.71	0.22
FBM KLCI	1,476.90	0.16
Dow Jones	33,826.69	-0.13
S&P 500	4,079.09	-0.28
Nikkei 225	27,513.13	-0.57
TAIEX	15,479.70	-0.69
KOSPI	2,451.21	-0.75
SET	1,651.67	-0.77
Straits Times	3,328.37	-0.96
ASX 200	7,346.77	-1.17
PSEi	6,779.02	-1.42
Shenzhen CSI 300	4,034.51	-1.75
Hang Seng	20,719.81	-2.22

Source: Bloomberg

- Bank Indonesia (BI) has maintained its benchmark interest rate at 5.75%, marking its first pause since July-22.
- The Philippines central bank has increased its benchmark interest rate by 50 basis points to 6.0% – a move that was largely anticipated after its consumer prices rose to a fresh 14-year high last month.
- The U.S. Commerce Department reported that retail sales grew by +3.0% in Jan-23, largely supported by purchases of motor vehicles. The increase marked the largest gain since Mar-21 after declining by -1.1% in Dec-22.
- The Organisation of the Petroleum Exporting Countries (OPEC) expects global oil demand to rise by 2.32m barrels per day (bpd) in CY23 (+2.3%) or +100,000 bpd higher than its previous forecast. The revision was prompted by China's reopening and slightly stronger prospects for the world economy.
- The Ringgit depreciated against the US dollar by 2.29% to close at USDMYR4.4328 on Friday. The Brent crude oil price fell by -3.92% to USD83.00 per barrel, while the crude palm oil price was up by +5.06% to RM4,131 per tonne.

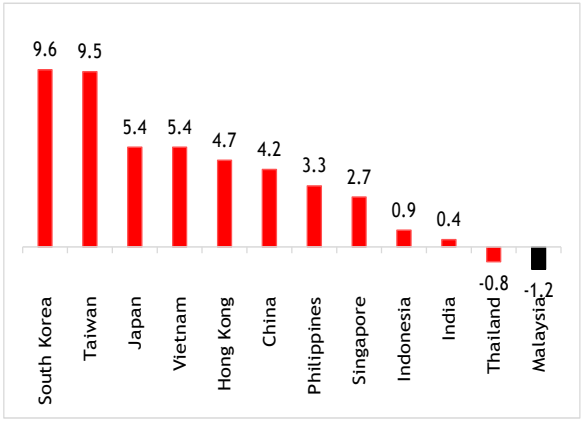
B. TRACKING MONEY FLOW - ASIA

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 (%)



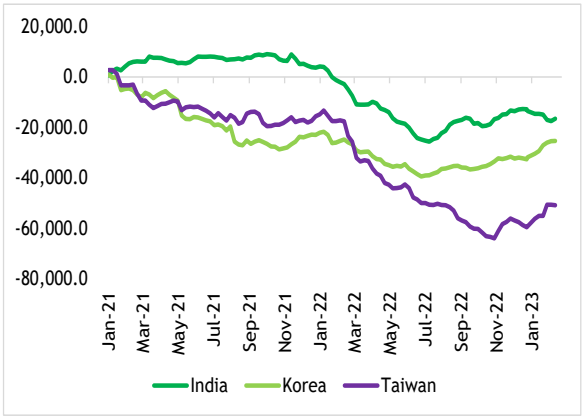
Sources: Bloomberg & MIDFR

- Foreign investors net bought USD822.4m worth of Asian equities last week, overturning the -USD291.5m that they have net sold during the week ended February 10. This is based on the provisional aggregate data for the eight Asian exchanges that we track.
- Foreign funds have started trickling back into the Indian market, making it the biggest gainer last week. After seeing seven consecutive weeks of net foreign outflows to the tune of -USD4.8b, foreign investors turned to net buyers at USD927.2m. Foreigners seemed to be moving past the Adani saga which saw more than USD130.0b being wiped out from the combined market value of the companies involved. This happened after the U.S. Hindenburg Research published a report accusing the group of financial irregularities last month. Year-to-date, India is still the worst performing market among the exchanges that we track, with a total net foreign outflows of -USD3.8b.
- Korea recorded the second highest net foreign inflow last week at USD156.2m. Foreign investors briefly turned to net sellers on Wednesday following the data released by Statistics Korea which showed that its job market's year-on-year growth in Jan-23 (+411,000 employees) has slowed to the lowest level in two years. Foreigners turned to net sellers again at the end of the week after the Korean government officially identified the slowdown in its economy for the first time in its monthly economic analysis report released on Friday. Korean exports fell by -16.6%yoy in Jan-23, while its imports fell by -2.6%yoy. However, the brief selloff was more than offset by the gains received throughout the week. Among the exchanges that we track, Korea is the only country that has been drawing weekly net foreign inflows since the start of the year, which amounted to USD7.3b.
- Thailand is also a gainer last week after registering a net foreign inflow of USD46.4m. After over two weeks of net selling, foreigners briefly re-entered the equity market on Wednesday, a day after Thailand Board of Investment (BoI) unveiled strategies to attract foreign investments into the country. Among the key initiatives under its 3 to 5-year plan, the government is touting the introduction of electric trains which will serve all areas of the city and its vicinity, including airports and ports. The net foreign inflow of USD163.3m received on Wednesday was sufficient to overturn the net selling activities during the rest of the week.
- The other country that saw net foreign inflow during the week ended February 17 was Malaysia at USD44.6m. Out of the eight exchanges that we monitor, Malaysia is currently the second worst performing market, seeing -USD139.2m of foreign net selling to date.
- After seeing four consecutive weeks of net buying by the foreigners, Vietnam saw -USD20.0m leaving its equity market last week. Business players have expressed concerns regarding the country's high lending interest rates which have surpassed the 10.0% mark. The high rates have hindered them from making profits due to the elevated raw materials and energy prices. After the 'rate war' in Dec-22 which saw interest rates being raised to 11.0% by some banks, commercial banks have reportedly started to adjust it lower after the Lunar New Year holiday.
- Meanwhile, Philippines recorded its second consecutive week of net foreign outflow to the tune of

-USD22.4m last week. In its first policy meeting in CY23, the Philippines' central bank has raised its key interest rate by 50 basis points on Thursday. The hike was largely expected as its headline inflation hit a 14-year high of +8.7% last month, exceeding the central bank's forecast of +7.5% to +8.3%. The benchmark rate currently stood at 6.0%, the highest since Aug-08.

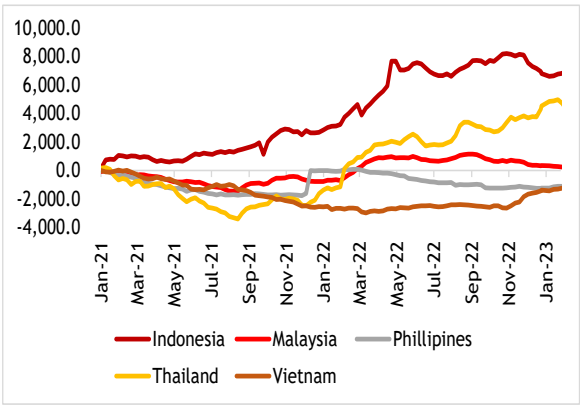
- In Indonesia, foreign investors broke their 4-week of net buying streak as -USD91.0m worth of foreign funds left its equity market last week. Indonesia's central bank has decided to maintain its benchmark interest rate at 5.75% last Thursday on the back of easing inflation and a stronger rupiah. This marks its first pause since Jul-22, before the rate was gradually hiked by a total of 225 basis points to fight the surge in food and fuel prices.
- Taiwan saw the heaviest net foreign outflows last week to the tune of -USD218.5m. Prior to that, foreign investors have been net buying Taiwanese equities for six consecutive weeks. Sentiment on the global manufacturing hub for consumer electronics turned sour possibly due to the expected drop in the production value of its semiconductor industry. In a report released last week by the government-sponsored Industrial Technology Research Institute (ITRI), it is predicted that the production value will decline by -5.6%yoy to USD150.5b in CY23. That being said, Taiwan is by far the best performing market among the exchanges that we track, after attracting USD8.8b worth of foreign funds 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)

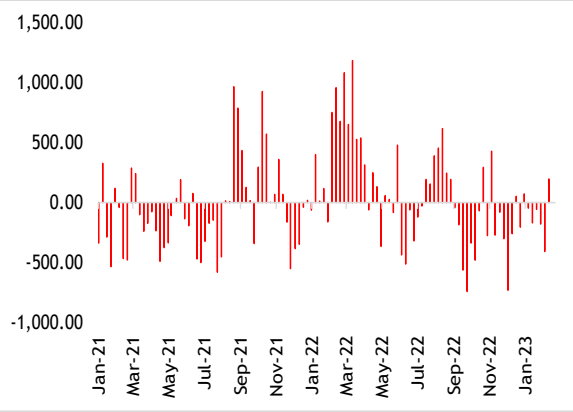
Week Ended	India	Indo	Korea	M'sia	Phil	Taiwan	Thai	Viet	Total
20-Jan	-21.1	41.9	1,078.0	-39.1	83.0	1,103.4	45.5	107.6	2,399.3
27-Jan	-219.9	114.0	2,290.5	-13.6	32.7	0.0	88.9	22.3	2,314.9
3-Feb	-2,152.8	52.6	1,110.6	-42.2	9.9	4,429.1	-272.4	71.6	3,206.5
10-Feb	-474.5	215.9	489.1	-94.6	-33.0	8.4	-439.3	36.5	-291.5
17-Feb	927.2	-91.0	156.2	44.6	-22.4	-218.5	46.4	-20.0	822.4

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

C. TRACKING MONEY FLOW - MALAYSIA

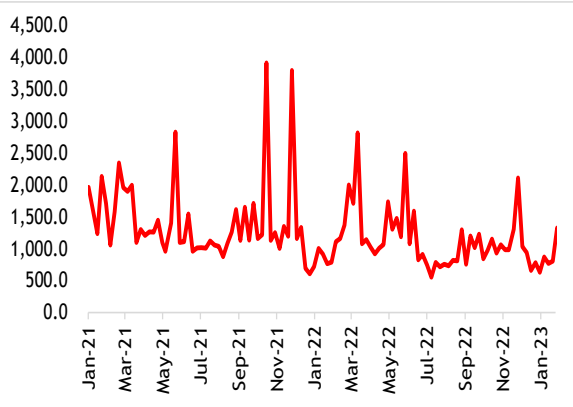
- Foreign funds have returned to the domestic market after RM195.3m worth of Malaysian equities were net bought last week. Prior to that, foreign investors have been net selling for five consecutive weeks with the net outflows amounting to -RM860.9m. Every trading day last week was a net buying day by the foreigners except on Friday as it saw an outflow of -RM25.9m. Year-to-date, foreign investors have net sold -RM593.3m.
- The highest amount of net inflow came on Wednesday to the tune of RM103.2m while Thursday was the second highest as it amounted to RM74.4m in terms of net buying.
- The sectors that saw net foreign inflows last week were Healthcare at RM56.5m, Construction at RM41.6m and Financial Services at RM40.2m. Meanwhile, sectors that saw net foreign outflows were Plantation at -RM18.8m, Utilities at -RM12.4m and Property at -RM6.4m.
- Meanwhile, local institutions have net sold -RM140.2m worth of Malaysian equities after five consecutive week of net buying. Only Tuesday recorded a net inflow of RM16.2m, while the rest of the week recorded outflows. The heaviest outflow was seen on Wednesday at -RM53.2m. Year-to-date, local institutions have net bought RM819.8m.
- Local retailers were net sellers last week to the tune of -RM55.1m, a sharp reversal from the RM263.8m net bought during the week ended February 10. Only Monday and Friday saw net inflows of RM7.0m and RM40.1m respectively. Year-to-date, local retailers were net sellers at -RM226.6m.

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

- In terms of participation, there was a decrease in average daily trading volume (ADTV) among local retailers (-14.9%), local institutions (-16.0%) and foreign investors (-12.3%).

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)
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
17-Feb	3,092.3	3,147.5	-55.1	5,227.7	5,367.9	-140.2	2,559.2	2,363.8	195.3	44.6

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**
Public Bank	27.2	Tenaga	58.6	Maybank	79.8
RHB Bank	15.8	Hong Leong Bank	22.6	Gamuda	41.9
SFP Tech	8.4	MI Technovation	14.3	Hartalega	24.8
Petronas Chemicals	7.7	Cahya Mata Sarawak	13.4	Heineken Malaysia	21.5
Maybank	6.8	Dayang Enterprise	12.2	Velesto	18.7
Alliance Bank	6.4	Petronas Gas	9.5	Malaysia Airports	12.0
Inari Amertron	5.3	Nationgate	9.2	Top Glove	12.0
Pertama Digital	5.3	Hong Leong Financial Group	8.3	DiGi	11.3
Hong Leong Capital	4.8	D&O Green Technologies	8.3	TIME dotCom	9.9
CIMB Group	4.6	Genting	8.1	Chin Hin	9.7
Top 10 Stocks with Weekly Net Outflows					
Company	**Value**	**Company**	**Value**	**Company**	**Value**
My E.G. Services	-44.9	Maybank	-101.1	Hong Leong Bank	-23.0
Tenaga	-41.9	Public Bank	-39.8	Public Bank	-10.4
Genting	-22.7	RHB Bank	-37.7	Matrix Concepts	-9.9
Hartalega	-15.9	Gamuda	-29.2	My E.G. Services	-8.3
Nationgate	-9.2	Heineken Malaysia	-21.0	Hong Leong Financial Group	-7.5
Gamuda	-8.9	Genting Malaysia	-18.2	Genting	-7.4
MI Technovation	-8.1	CIMB Group	-17.9	D&O Green Technologies	-7.2
Cahya Mata Sarawak	-8.1	Velesto	-16.3	PPB Group	-7.2
Top Glove	-7.3	My E.G. Services	-13.5	Inari Amertron	-7.2
PMB Technology	-6.8	Press Metal	-13.4	Petronas Gas	-7.2

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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