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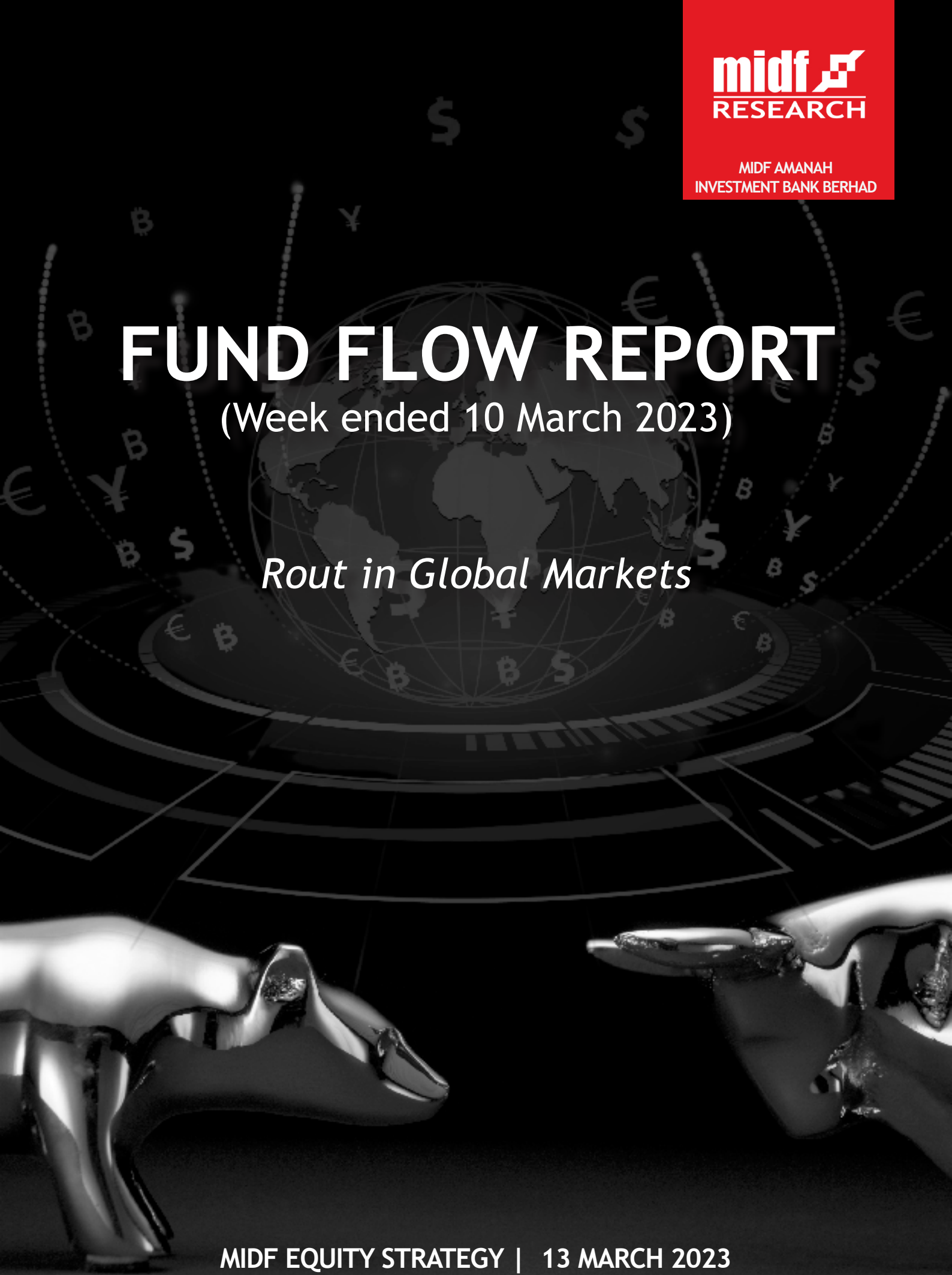
MIDF AMANAH
INVESTMENT BANK BERHAD

FUND FLOW REPORT

(Week ended 10 March 2023)

Rout in Global Markets



MIDF EQUITY STRATEGY | 13 MARCH 2023

13 MARCH 2023 | Strategy - Weekly Fund Flow

MIDF Research Team

ROUT IN GLOBAL MARKETS

A. MARKET SNAPSHOT

- The major indices on Wall Street ended the week with losses as stocks tumbled after Silicon Valley Bank was shuttered by the United States' regulators on Friday following a rush of deposit outflows and a failed attempt to raise new capital. The biggest bank failure since the global financial crisis, which has stunned the banking sector, has overshadowed the latest Feb-23 jobs report, which signalled that inflation could be slowing. For the week, the S&P 500 saw the biggest weekly percentage decline since Jun-22 after falling by -4.6% to 3,861.59, Dow Jones Industrial Average lost -4.4% to 31,909.64 while the Nasdaq Composite Index declined by -4.7% to 11,138.89.
- Most global markets ended in the red last week, with financials leading the sell-off in the Asian region. Out of the 20 major indices that we track, Hang Seng (-6.07%) was the biggest decliner, followed by Nasdaq (-4.71%) and the S&P 500 (-4.55%). The only two advancers were Ho Chi Minh VSE (+2.75%) and Nikkei 225 (+0.78%).
- The U.S. Labour Department reported that non-farm payrolls have risen by 311,000 in Feb-23, which was above the 225,000 Dow Jones estimate and a sign that the employment market is still hot.
- The Bank of Japan (BoJ) has maintained its short-term interest rate target at -0.1% and the 10-year bond yield at around 0% after its 2-day policy meeting ended on Friday.

Table 1 Weekly Performance of Global Benchmark Indices (%)

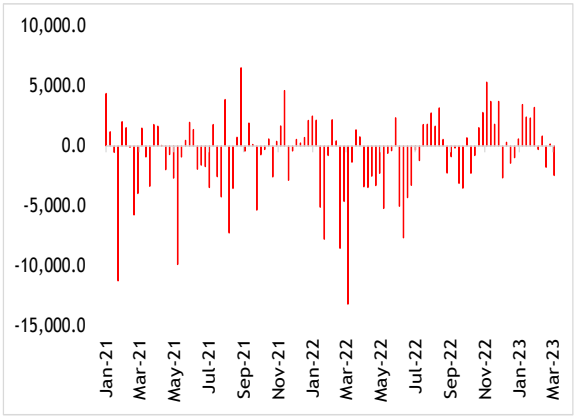
Index	Last Price	Change (%)
Ho Chi Minh VSE	1,053.00	2.75
Nikkei 225	28,143.97	0.78
SET	1,599.65	-0.45
TAIEX	15,526.20	-0.53
JCI	6,765.30	-0.71
DAX 40	15,427.97	-0.97
PSEi	6,589.88	-0.98
Sensex	**59,135.13**	**-1.13**
FBM KLCI	1,433.08	-1.41
KOSPI	2,394.59	-1.54
Straits Times	3,177.43	-1.69
CAC 40	7,220.67	-1.73
ASX 200	7,144.69	-1.91
Stoxx Europe 600	453.76	-2.26
FTSE 100	7,748.35	-2.50
Shenzhen CSI 300	3,967.14	-3.96
Dow Jones	31,909.64	-4.44
S&P 500	3,861.59	-4.55
Nasdaq	11,138.89	-4.71
Hang Seng	19,319.92	-6.07

Source: Bloomberg

- The Bank of Korea reported the country's largest ever current account deficit of -USD4.52b in Jan-23 as the goods balance worsened sharply due to slumping exports and rising imports driven by increased spending.
- Taiwan's exports fell by -17.1%yoy to USD31.05b in Feb-23, reflecting falling demand for semiconductor chips as global demand weakens, but the trade data was less severe than the -21.2%yoy decline in the previous month.
- The Reserve Bank of Australia (RBA) has raised its cash rate by 25 basis points to 3.60% last Tuesday, the highest in more than a decade. The rate hike was the tenth increase since May-22, lifting the rates by a total of 350 basis points.
- The Philippine's annual inflation eased for the first time in six months to +8.6% in Feb-23 on the back of lower transport and food prices.
- China's exports and imports contracted by -6.8%yoy and -10.2%yoy respectively in the first two months of CY23. The trade figures for Jan-23 and Feb-23 were combined to smoothen the impact of the Lunar New Year holiday. The sharp decline in imports was said to be attributed to weaker commodity prices and a stronger USD, rather than a sign of muted domestic demand.
- Bank Negara Malaysia's (BNM) has decided to maintain the overnight policy rate (OPR) for the second time at 2.75% on Thursday after announcing four straight hikes last year by a total of 100 basis points.
- The Ringgit depreciated against the US dollar by 0.95% to close at USDMYR4.5200 on Friday. The Brent crude oil price fell by -3.55% to USD82.78 per barrel, while the crude palm oil price declined by -6.28% to RM4,060 per tonne.

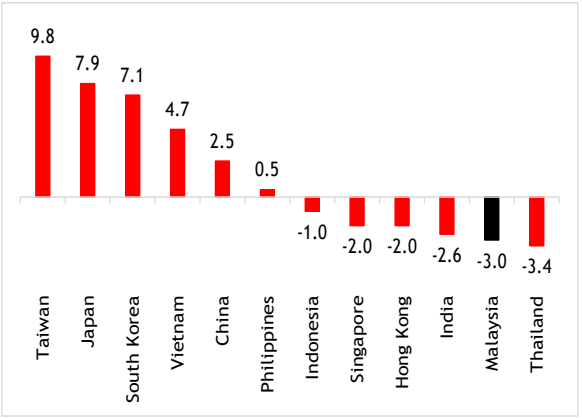
B. TRACKING MONEY FLOW - ASIA

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 (%)

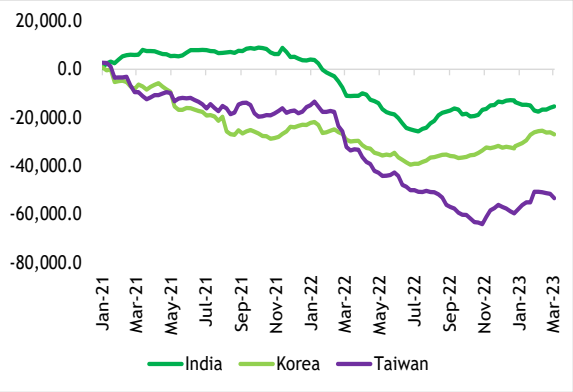


Sources: Bloomberg & MIDFR

- Based on the provisional aggregate data for the eight exchanges that we track, investors classified as 'foreigners' have net sold -UD2.44b worth of Asian equities last week, overturning the USD163.7m that were net bought during the week ended March 3. This could possibly be due to the hawkish statement made by US Fed Chair, Jerome Powell which led markets to expect more rate hikes to come in the US.
- For the fourth consecutive week, Taiwan posted the highest net foreign outflow of -USD1.74b. Taiwan reported its sixth straight month of declining exports last week as its February data showed that exports value was down by -17.1%yoy – the lowest level in nearly two years. The drop was mainly due to weakening global demand for consumer electronics in recent months which makes up about 30% of Taiwan's gross domestic product (GDP). Nonetheless, Taiwan remained the best performing market among the exchanges that we track as it has raked USD6.35b net foreign inflow since the beginning of the year.
- South Korea recorded the second highest net foreign outflow of -USD891.4m largely due to the heavy net selling activities that took place at the end of the week. Foreigners could be reacting towards the release of Bank of Korea's data which showed that the country has logged an all-time high current account deficit of -USD4.52b in Jan-23, swinging from a surplus of USD2.68b in Dec-22. The shortfall was largely attributed to the worsening of goods balance due to slumping exports and rising imports driven by increased spending.
- Thailand has entered its third week of seeing net foreign outflow to the tune of -USD297.5m. Foreign investors have been net selling Thai equities since the middle of Feb-23 after the National Economic and Social Development reported slowing 4QCY22 GDP growth of +1.4%yoy, which was well below market expectations. Thailand's current account deficit has reached USD2.00b in Jan-23 and this has prompted continued capital outflows and further weakening of the Thai baht. Another factor that has placed downward pressure on its stock market is the weak set of financial results recently reported by listed Thai companies for 4QCY22 which has led to downward earnings revisions for FY23 and FY24. The Bank of Thailand (BoT) is widely expected to announce another rate hike on March 29.
- For the second consecutive week, Malaysia recorded a net foreign outflow of -USD123.8m. Among the eight exchanges that we track, Malaysia is the third worst performing market after India and Thailand, losing a total of -USD283.1m year-to-date.
- Philippines was the other country that recorded a net foreign outflow of -USD7.9m last week, a lower rate as compared to the last five weeks. The data released by its statistics agency last week showed that the country's annual inflation in Feb-23 rose at a slower pace of +8.6%, after accelerating for the past six months thanks to lower transport and food prices. However, price pressures remained as core inflation has quickened to +7.8% from +7.4% in Jan-23, suggesting that its central bank might continue to hike the interest rate in the upcoming meeting this month. The Bangko Sentral ng Pilipinas (BSP) has raised the rates eight times since last year for a total of 400 basis points, bringing the overnight reverse repurchase facility rate to 6.0% - the highest since 2007.

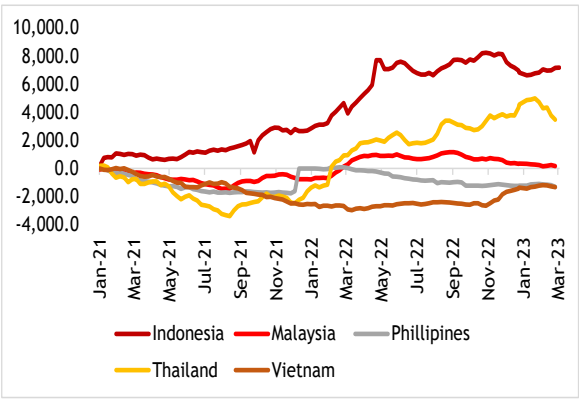
- India posted the highest net foreign inflow last week to the tune of USD560.7m. It was a shortened trading week for India as the exchange was closed on Tuesday and Wednesday in conjunction with Holi or the Festival of Colour. Optimism on the country's economy could be stemming from the recent release of its GDP data which showed an average growth of +7.0% for CY22, outpacing China's +3.0% growth, despite slowing to +4.4% during the Oct-Dec period (Jul-Sep period: +6.3%).
- After three weeks of net selling, foreign investors have returned to the Vietnam equity market as the country saw a net foreign inflow of USD38.6m last week. This could be due to the renewed optimism on its tourism sector last week after China added Vietnam to the list of countries approved for outbound tours starting from March 15. According to the data released by the General Statistics Office, Vietnam has welcomed 1.8m foreign arrivals in the first two months of this year or equivalent to 60% of its pre-pandemic levels and nearly 1/4 of its 8.0m tourists target for CY23.
- Another country that saw net foreign inflow was Indonesia, at a rate of USD25.7m. The country started seeing net foreign inflows from Wednesday onwards after the head of the Nusantara Authority announced a package of incentives for local and foreign companies to invest in its new capital, including tax holidays of up to 30 years and 95 years of land use permits. The former would be largely dependent on the sectors that they are investing in and the start date of their investments. Eligible investments include projects in renewable energy, toll roads, ports and airports, public transports, industrial parks, health care as well as education.

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)

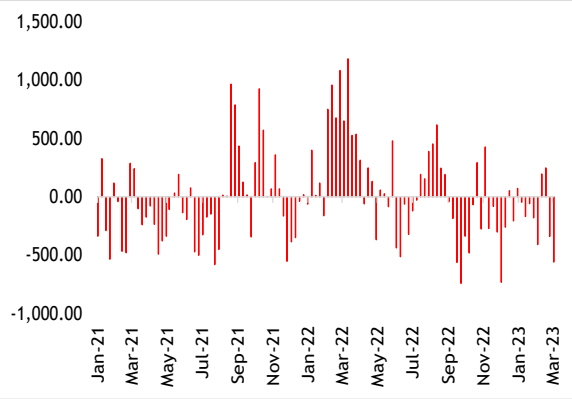
Week Ended	India	Indo	Korea	M'sia	Phil	Taiwan	Thai	Viet	Total
10-Feb	-474.5	215.9	489.1	-94.6	-33.0	8.4	-439.3	36.5	-291.5
17-Feb	927.2	-91.0	156.2	44.6	-22.4	-218.5	46.4	-20.0	822.4
24-Feb	-36.9	20.1	-741.7	55.5	-30.2	-418.4	-563.1	-59.8	-1,774.5
3-Mar	723.8	176.9	62.9	-75.7	-126.5	-256.0	-290.4	-51.3	163.7
10-Mar	560.7	25.7	-891.4	-123.8	-7.9	-1,742.9	-297.5	38.6	-2,438.5

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

C. TRACKING MONEY FLOW - MALAYSIA

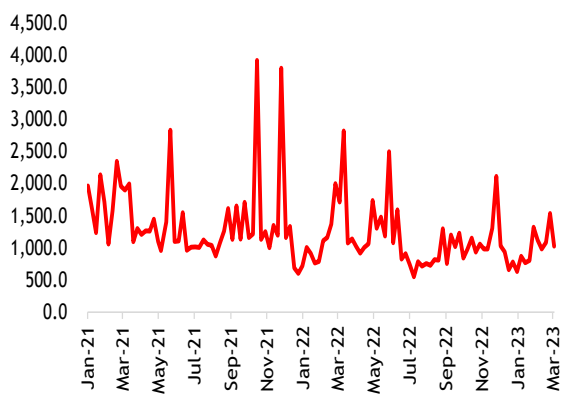
- Foreign funds have continued to leave the Malaysian equity market with a total of -RM556.9m being net sold last week. The amount was about 64% higher than the amount net sold during the week ended March 3.
- Every trading day was a net selling day by the foreigners. The highest was on Monday where the net selling amounted to -RM183.1m and eventually moderating to -RM58.2m on Thursday – the day BNM decided to maintain the OPR at 2.75%. However, it picked up pace again on Friday where the net outflow amounted to -RM140.1m.
- Year-to-date, foreign investors have net sold -RM1.24b worth of domestic equities.
- Sectors that saw net foreign inflows were Construction (RM67.9m), Technology (RM13.2m) and Transportation & Logistics (RM7.8m), while the sectors that saw net foreign outflows were Financial Services (-RM-359.5m), Industrial Products & Services (-RM90.3m) and Consumer Products & Services (-RM63.5m).
- Meanwhile, the local institutions have net bought domestic equities for the second consecutive week to the tune of RM461.3m. The amount was about 56% higher than the amount that they have net bought last two weeks. Every trading day last week was a net buying day by the local institutions, with the heaviest inflow recorded on Monday at RM161.1m. Year-to-date, local institutions have net bought RM1.20b worth of domestic equities.
- Local retailers continued to be net buyers for the third consecutive week at a rate of RM95.6m. Every trading day was a net buying day by the retailers, except for Tuesday as it saw a net outflow of -RM4.4m. Year-to-date, local retailers were net buyers at RM44.5m.
- In terms of participation, there was a decrease in average daily trading volume (ADTV) among local retailers (-3.5%), local institutions (-14.7%) and foreign investors (-33.1%).

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)
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
24-Feb	3,164.7	3,031.9	132.9	4,895.7	5,274.8	-379.1	2,830.2	2,584.0	246.2	55.5
3-Mar	2,924.1	2,881.5	42.7	5,247.8	4,951.8	296.0	3,675.3	4,014.0	-338.7	-75.7
10-Mar	2,848.6	2,753.0	95.6	4,581.3	4,120.0	461.3	2,292.4	2,849.3	-556.9	-123.8

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**
Maybank	120.7	Petronas Chemicals	80.4	Gamuda	68.2
Public Bank	68.4	Cape EMS	62.8	TIME dotCom	28.1
Genting Malaysia	26.5	Telekom Malaysia	37.7	Nationgate Holdings	22.1
Top Glove	14.0	Boustead Holdings	35.3	Capital A	21.4
Chin Hin Group	11.7	Public Bank	31.6	KPJ Healthcare	16.9
RHB Bank	11.0	Tenaga	31.1	Bumi Armada	15.9
CIMB Group Holdings	11.0	Hartalega	27.7	AmBank	11.4
Hap Seng Consolidated	9.5	PPB	25.0	Press Metal	8.6
Hextar Technologies Solutions	7.6	Dialog	24.8	Aurelius Technologies	7.9
Careplus Group	7.3	Hong Leong Bank	16.8	MISC	5.6
Top 10 Stocks with Weekly Net Outflows					
Company	**Value**	**Company**	**Value**	**Company**	**Value**
Cape EMS	-57.6	Gamuda	-64.9	Maybank	-159.3
Boustead Holdings	-26.4	TIME dotCom	-29.2	Public Bank	-122.0
Pertama Digital	-18.8	AmBank	-13.7	Petronas Chemicals	-91.8
Computer Forms (Malaysia)	-11.5	Genting Malaysia	-12.0	Telekom Malaysia	-37.3
My E.G. Services	-10.0	KPJ Healthcare	-10.9	CIMB Group Holdings	-34.7
Nationgate Holdings	-9.4	Careplus Group	-10.7	Genting Malaysia	-29.8
Hartalega	-9.3	Bumi Armada	-10.6	PPB	-27.9
Capital A	-7.8	Press Metal	-9.9	Tenaga	-27.6
Cypark Resources	-7.5	UWC	-9.7	RHB Bank	-23.3
Velesto Energy	-5.5	Maybank	-9.5	Dialog	-19.3

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

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

COMPANY	%	COMPANY (CONT'D)	%	COMPANY (CONT'D)	%
Automotive		Nestlé	82.6	TSH Resources	20.3
Bermaz Auto	16.1	Padini	9.9	**Port & Shipping**	
MBM	2.8	QL Resources	10.1	MISC	9.0
Tan Chong	10.7	Rhong Khen International	62.3	Suria Capital	6.2
UMW Holdings	5.6	Spritzer	18.1	Westports	27.5
Aviation		**Gloves**		**Property**	
Capital A	18.3	Hartalega	18.0	Eco World	2.5
Malaysia Airports	19.7	Kossan	11.5	Glomac	4.2
Banking		Top Glove	32.6	IOI Prop	3.8
Affin Bank	26.4	**Healthcare**		Mah Sing	14.7
Alliance Bank	21.3	IHH Healthcare	49.8	S P Setia	6.0
AMMB	39.7	KPJ	6.5	Sunway	5.0
Bank Islam	2.0	Pharmaniaga	0.5	UEM Sunrise	5.1
CIMB	30.1	**Logistics**		UOA Development	3.8
Hong Leong Bank	11.1	CJ Century Logistics	57.5	**REITs**	
Hong Leong Financial	32.4	Swift Haulage	12.2	Al-'Aqar Healthcare	0.6
Malayan Banking	17.7	Tasco	65.7	Axis REIT	15.9
Public Bank	27.5	**Media**		IGB REIT	5.0
RHB Bank	17.1	Astro	37.2	KLCCP Stapled	0.9
Building Materials		Media Prima	20.9	Pavilion REIT	34.1
Malayan Cement	2.8	**Non-bank Financials**		Sunway REIT	7.5
Conglomerate		Bursa Malaysia	15.6	**Technology**	
YTL Corp	17.9	AEON Credit	70.2	D & O Green Tech	35.3
Construction		**Oil & Gas**		Datasonic	5.6
Cahya Mata Sarawak	8.2	Bumi Armada	18.0	Globetronics	3.1
Gabungan AQRS	2.0	Deleum	3.7	Inari Amertron	18.2
Gamuda	18.0	Dialog Group	20.7	My E.G.	11.2
IJM Corp	11.6	Gas Malaysia	19.4	Unisem	2.2
KKB Engineering	0.3	MMHE	10.8	**Telecommunication**	
MRCB	8.7	Petronas Chemicals	10.2	Axiata	11.0
Muhibbah	17.2	Petronas Dagangan	7.5	DiGi	59.8
Pintaras Jaya	0.4	Petronas Gas	9.3	Maxis	7.1
Sunway Construction	1.4	**Plantation**		Telekom Malaysia	12.2
WCT	5.8	FGV	4.2	**Utilities**	
Consumer (F&B & Retail)		Genting Plantations	5.2	Ranhill Utilities	32.0
AEON Co.	54.7	IOI Corp	10.9	Tenaga Nasional	12.4
Asia File	5.7	KL Kepong	13.1	YTL Power	5.6
Fraser & Neave	61.3	PPB Group	21.1		
Hup Seng	1.9	Sarawak Plantation	2.2		
Leong Hup	11.6	Sime Darby Plantation	10.0		
MSM	1.8	Ta Ann	13.9		

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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