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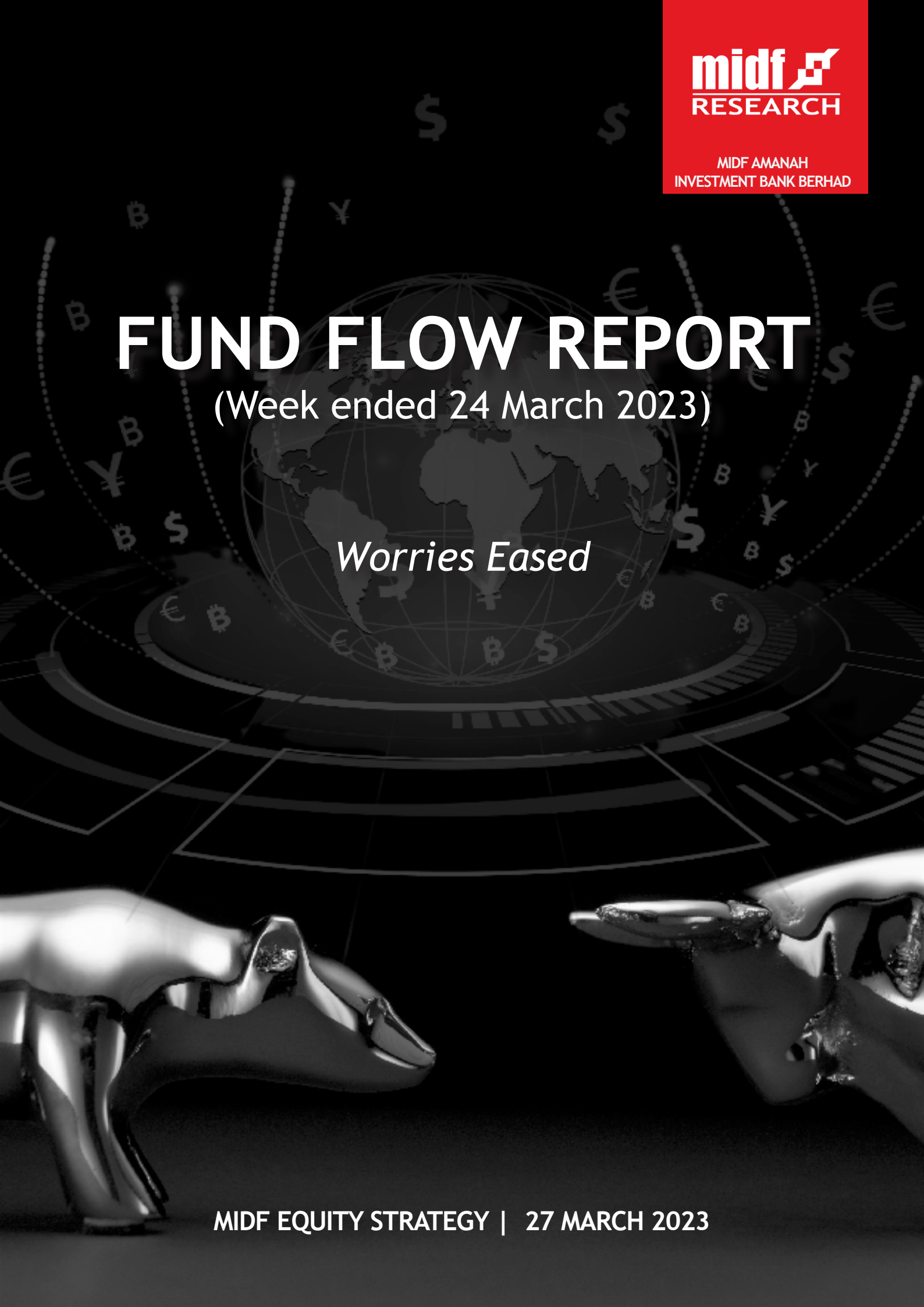
MIDF AMANAH
INVESTMENT BANK BERHAD

FUND FLOW REPORT

(Week ended 24 March 2023)

Worries Eased



MIDF EQUITY STRATEGY | 27 MARCH 2023

27 MARCH 2023 | Strategy - Weekly Fund Flow

MIDF Research Team

WORRIES EASED

A. MARKET SNAPSHOT

- Major indices on Wall Street ended in the green last week, in parallel with other major indices across the globe. Only 3 out of the 20 indices that we tracked saw losses for the week.
- The S&P500 added +1.4% for the week, the Dow Jones Industrial Average increased by +1.2% while the Nasdaq rose by +1.7%. In Asia, advancers were TAIEX at +3.0%, PSEi at +2.1% and Hang Seng at +2.0%, while the decliners for the week were FBM KLCI (-0.85%), Sensex (-0.8%) and ASX 200 (-0.57%).
- As expected, the Fed raised the FFR by 25bps from 4.75% to 5.00% in its Mar-23 meeting, citing inflation above its 2% target. The Fed plans to maintain its policy tightening to manage inflation.
- Despite the Fed rate hikes, US jobless claims fell for the second week. Companies remained resilient in hiring, indicating job growth in the US economy.
- Another rate hike is expected during the May 2023 FOMC meeting, potentially pushing the FFR up to 5.25%, guided by the terminal level predicted in the FOMC projection.
- The latest projection by the Fed indicates that the US economy will grow by only 0.4% this year, a slight downward revision from the December 2022 forecast of 0.5%. Headline and core PCE inflation are projected to be slightly higher at 3.3% and 3.6%, respectively.

Table 1 Weekly Performance of Global Benchmark Indices (%)

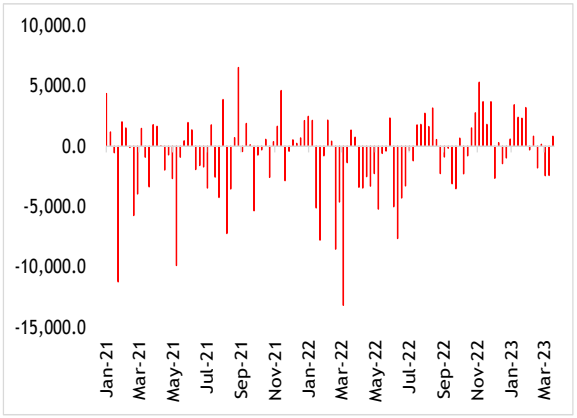
Index	Last Price	Change (%)
TAIEX	15,914.70	2.99
PSEi	6,602.17	2.05
Hang Seng	19,915.68	2.03
SET	1,591.85	1.80
Shenzhen CSI 300	4,027.05	1.72
Nasdaq	11,823.96	1.66
S&P 500	3,970.99	1.39
CAC 40	**7,015.10**	**1.30**
DAX 40	14,957.23	1.28
JCI	6,762.25	1.26
Dow Jones	32,237.53	1.18
FTSE 100	7,405.45	0.95
Straits Times	3,212.64	0.92
Stoxx Europe 600	440.11	0.87
KOSPI	2,414.96	0.80
Nikkei 225	27,385.25	0.19
Ho Chi Minh VSE	1,046.79	0.16
ASX 200	6,955.24	-0.57
Sensex	57,527.10	-0.80
FBM KLCI	1,399.70	-0.85

Source: Bloomberg

- Taiwan's industrial production index in February shrank by -8.68%yoy to 106.78, while its manufacturing production sub-index slid by -9.15% from a year ago. Nevertheless, the slower decline still signals an improvement, in line with the better manufacturing PMI.
- German investor sentiment dropped more than expected in March, but banking sector developments are expected to be a temporary shock.
- Malaysia's exports rose stronger by +9.8%yoy in Feb-23 backed by demand for mining goods and E&E products. With the improvement in trade numbers in Feb-23, we maintain our projection that exports and imports will expand slower +9.2%yoy and +9.5%yoy, respectively, this year.
- Food inflation remain major concern for Malaysia's headline CPI. We raised our headline inflation projection slightly higher by 0.2%pts to +2.5% for 2023 following higher food price growth forecast at +4.5% (Initial prediction: +4%).
- The Ringgit appreciated against the US dollar by 1.31% to close at USDMYR4.4278 on Friday. The Brent crude oil price climbed +2.77% to USD74.99 per barrel, while the crude palm oil price declined by -10.41% to RM3,512 per tonne.

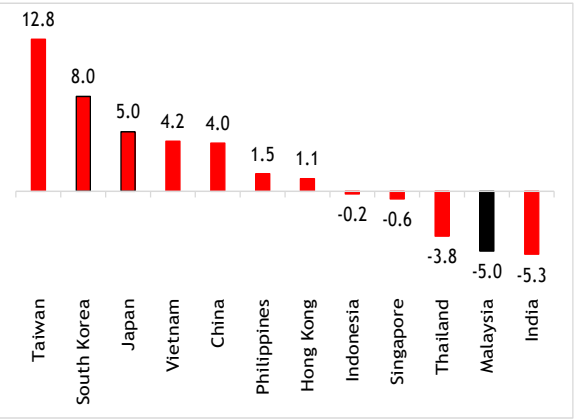
B. TRACKING MONEY FLOW - ASIA

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 (%)



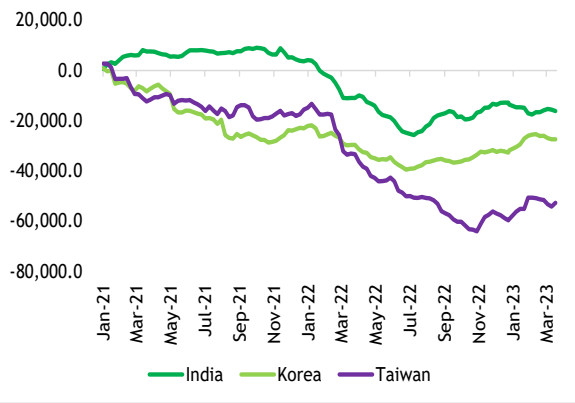
Sources: Bloomberg & MIDFR

- Based on the provisional aggregate data for the eight exchanges that we track, investors classified as "foreigners" net bought USD823.2m worth of Asian equities last week, reversing the net outflow seen in the previous week of -USD2.41b.
- Among the countries under our observation, 4 countries that showed net inflows were Taiwan, Vietnam, Indonesia, and Philippines while the other 4 countries that recorded net outflows were India, Thailand, Malaysia and Korea.
- Taiwan saw the largest net foreign inflows for the week at USD1.49b against prior week net outflows of -USD928.6m. The country started the trading week with net outflows of -USD173.5m and -USD129.8m on Monday and Tuesday before turning to see net inflows for the rest of the week with the highest inflow recorded on Wednesday at USD917.8m. We opine that buying interest remains as Taiwan is expected to stay as the biggest spender on semiconductor front-end equipment and facilities, with a predicted +4.2%yoy increase to USD24.9b, according to the International Trade Group SEMI.
- Vietnam recorded the second largest net foreign inflows for the week at USD16.4m. Only Monday recorded net outflows for the country at -USD14.7m. All the other days were net inflows with the largest amount recorded on Thursday at USD14.4m. The two-way trade between Vietnam and US reached USD123.0b in 2022, up +11.0%yoy. The US is currently Vietnam's second-largest trade partner and has poured USD11.4b into 1,223 active projects in Vietnam, ranking it 11th among the 142 countries and territories investing in the country.
- It was a shortened trading week for Indonesia as Wednesday and Thursday were closed for Saka New Year celebrations. The country recorded a net foreign inflow of USD8.0m last week, with the largest inflow recorded on Tuesday at USD32.3m, followed by Friday at USD13.64m. Monday was the only day with a net outflow last week, to the tune of -USD37.9m. The Indonesian government will provide value-added tax (VAT) incentives of up to 10% this year on the purchase of electric cars and buses to accelerate the development of the national battery-based electric vehicle ecosystem.
- The Philippines recorded a net foreign inflow of USD4.0m. It was a mixed trading week for the country with Monday and Friday recording net inflows of USD1.7m and USD10.5m, while the rest of the week saw net outflows with the largest number of net outflow recorded on Thursday at -USD7.28m. Philippine and Chinese diplomats pledged to use diplomacy to address maritime issues peacefully, although tensions over the South China Sea remain a concern.
- Foreign investors net sold equities in India last week at a rate of -USD516.2m larger than the prior week net outflow of -USD247.0m. The country recorded the largest net outflow for the week on Tuesday, to the tune of -USD231.0m followed by Monday and Thursday at -USD205.98m and -USD126.3m respectively. India's Q4 2022 economic growth unexpectedly slowed to -4.4% possibly due to the central bank's rate hikes.
- Thailand had a net foreign outflow of -USD152.8m, marking its fifth consecutive week of net foreign outflow amidst heightening political uncertainties. Every trading days were filled with net selling activities except on Thursday, which registered a net inflow of USD29.7m. The largest net

outflow happened on Monday at -USD102.0m. This is understandable due to parliament dissolved to clear the way for an election in May.

- South Korea saw -USD6.5m leaving its shores, marking its third consecutive week of net outflow, though at a reduced pace as compared to -USD447.2m in the previous week. Japan and South Korea dropped their export claims against each other signalling improved ties, with Japan lifting its export controls and Seoul withdrawing its complaint from the WTO.

Chart 3 Net Foreign Fund Flows into North Asia and India Since Jan-21 (USD'm)

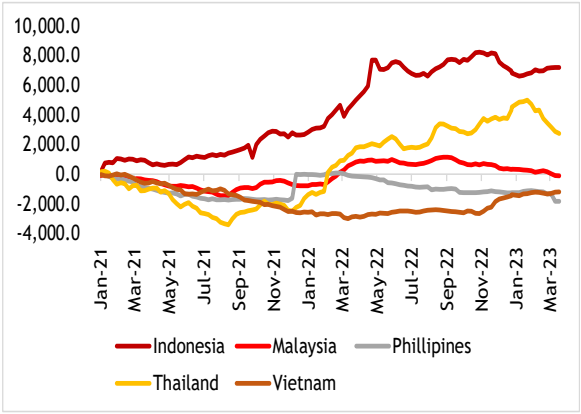


Sources: Bloomberg & MIDFR

C. TRACKING MONEY FLOW - MALAYSIA

- Foreign funds continued to leave Bursa Malaysia as the net selling continued for the fourth consecutive week. Foreigners net sold -RM107.1m last week, lower compared to the net selling amount of -RM536.0m the week before.
- Highest net selling occurred on Monday, at -RM88.5m, followed by -RM59.43m on Thursday. All other days showed net inflows with a sum of RM40.8m. Foreign investors have been net sellers for the 15 trading days, since March 1. They have net sold -RM1.89b year-to-date. Out of the 12 weeks so far this year, they have been net sellers for 9 weeks.
- The top three sectors that saw net foreign inflows were Healthcare (RM90.0m), Transportation and Logistics (RM24.4m) and Construction (RM15.9m), while the bottom three sectors that saw net foreign outflows were Industrial Products and Services (-RM70.5m), Utilities (-RM50.5m) and Consumer Products and Services (-RM49.2m).

Chart 4 Net Foreign Fund Flows into Southeast Asia Since Jan-21 (USD'm)



Sources: Bloomberg & MIDFR

- Meanwhile, local institutions continued to support domestic equities, net buying for the fourth consecutive week. They net bought RM13.5m last week, lower in comparison to the highest weekly amount in 2023 and the highest since the week ended Dec 9, 2022 - last week of RM566.7m. Similar to foreign funds, local institutions also showed a mixed bag of investment last week with the strongest inflows seen on Monday at RM56.8m, and largest outflow seen on Friday at -RM77.90. As opposed to

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

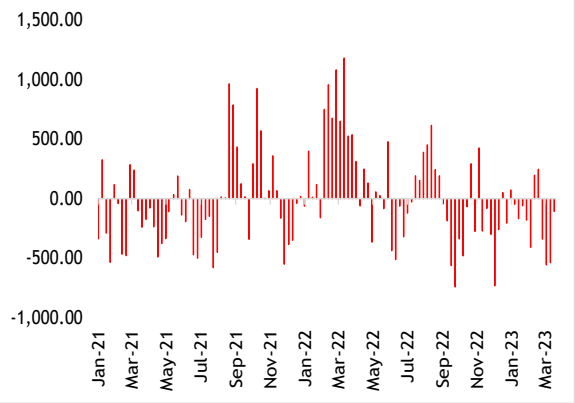
Week Ended	India	Indo	Korea	M'sia	Phil	Taiwan	Thai	Viet	Total
24-Feb	-36.9	20.1	-741.7	55.5	-30.2	-418.4	-563.1	-59.8	-1,774.5
3-Mar	723.8	176.9	62.9	-75.7	-126.5	-256.0	-290.4	-51.3	163.7
10-Mar	560.7	25.7	-891.4	-123.8	-7.9	-1,742.8	-297.4	38.6	-2,438.4
17-Mar	-247.0	17.8	-447.2	-119.4	-496.9	-928.6	-282.7	91.7	-2,412.4
24-Mar	-516.2	8.0	-6.5	-24.0	4.0	1,494.3	-152.8	16.4	823.2

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

foreign investors, they have been net buyers every day since March 1 except for March 22 and March 24. They have net bought RM1.78b of equities, with 9 out of 12 weeks net buying.

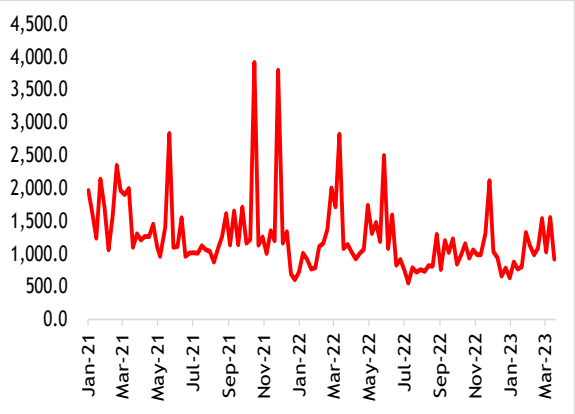
- Local retailers turned net buyers at a rate of RM84.7m last week. Likewise, the foreign funds and local institution, they showed 3 days of net bought and 2 days of net sold last week. The strongest net inflow was recorded on Friday at RM65.2m while the largest net outflows happened on Tuesday at -RM21.1m. Year-to-date, they have net bought RM99.5m of equities, with 7 out of 12 weeks of net buying.
- In terms of participation, there was a dropped in average daily trading volume (ADTV) among local retailers by -16.3%, local institutions by -25.3% and foreign investors by -41.1%.

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)
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
17-Mar	3,301.0	3,330.7	-29.7	6,389.4	5,823.7	565.7	3,615.0	4,151.0	-536.0	-119.4
24-Mar	2,816.4	2,731.8	84.7	4,565.3	4,551.9	13.5	2,237.5	2,335.6	-107.1	-24.0

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	56.5	Petronas Chemicals	72.9	IHH Healthcare	41.1
CFM	26.2	Top Glove	54.1	Press Metal	23.3
RHB Bank	23.3	Tenaga	28.0	Hartalega	22.3
Capital A	16.4	CEB	13.8	Maybank	22.0
Petronas Chemicals	15.4	Kossan	13.1	Ambank	17.1
Genting Malaysia	11.9	TIME dotCom	12.9	MYEG	16.1
Ambank	9.3	Hartalega	12.4	Gamuda	15.8
AAX	8.9	QL Resources	11.4	Top Glove	15.6
MBSB	8.5	Supermax	10.4	MAHB	13.0
Alliance Bank	7.4	Petronas Gas	9.5	MISC	11.7
Top 10 Stocks with Weekly Net Outflows					
Company	**Value**	**Company**	**Value**	**Company**	**Value**
Top Glove	-48.8	Public Bank	-56.3	Petronas Chemicals	-97.6
Hartalega	-25.5	IHH	-41.7	RHB Bank	-44.9
Supermax	-15.8	Ambank	-40.1	Public Bank	-35.3
Revenue	-14.5	Press Metal	-31.9	Tenaga	-24.3
Kossan	-11.3	Gamuda	-20.7	Capital A	-22.6
Chinhin	-11.1	Genting Malaysia	-17.6	Time dotCom	-13.3
Mr DIY	-6.4	Maybank	-17.1	YTL Power	-12.9
Mestron	-6.4	CFM	-17.1	Genting Malaysia	-12.7
CEB	-5.6	MAHB	-14.3	Petronas Gas	-11.4
Pecca	-4.9	MISC	-9.7	QL Resources	-10.9

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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