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MIDF AMANAH
INVESTMENT BANK BERHAD

FUND FLOW REPORT

(Week ended 14 April 2023)

Signs of momentum



MIDF EQUITY STRATEGY | 17 APRIL 2023

17 APRIL 2023 | Strategy - Weekly Fund Flow

MIDF Research Team

SIGNS OF MOMENTUM

A. MARKET SNAPSHOT

- The IMF forecasts global economic growth to dip to 2.8% in 2023 from 3.4% in 2022. China's reopening may bring benefits, but uncertainties in US/EU markets and the unresolved conflict in Ukraine influenced the downward revision. Global GDP growth remains expansionary, supported by China's reopening and easing inflation.
- Most of the 20 major global indices we track showed gains for the week, with only 3 indices declining. Top advancers were Japan's Nikkei 225 at +3.54%, Korea's KOSPI at +3.26%, and CAC 40 at +2.66%. Bottom decliners were Vietnam's Ho Chi Minh at -1.57%, Shenzhen CSI 300 at -0.76%, and PSEi at -0.10%. FBM KLCI extended gains for the third consecutive week at +0.57%.
- In the US, the S&P 500, Dow Jones, and Nasdaq rose for the week at +0.79%, +1.20% and +0.29%. Citigroup, JPMorgan Chase, and Wells Fargo exceeded earnings expectations due to higher interest rates and reduced banking system stress. The larger banks were likely unaffected or even benefited from regional banking turmoil, with strong balance sheets suggesting no systemic crisis.
- Japan's consumer confidence reached a 10-month high in Mar-23, attributed to steady recovery from pandemic disruptions and improved household sentiment. Consumer spending is expected to continue on an upbeat momentum, supported by better macro fundamentals and reviving tourism activities.

Table 1 Weekly Performance of Global Benchmark Indices (%)

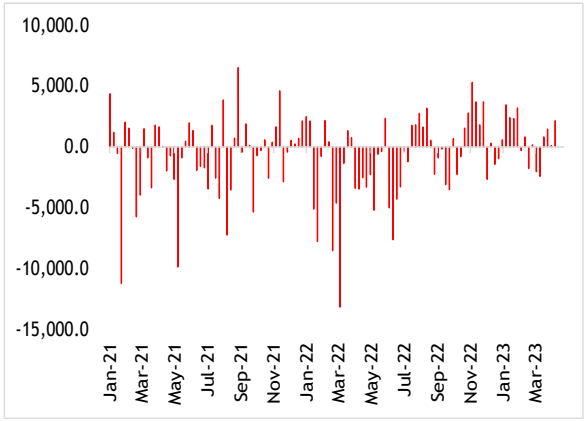
Index	Last Price	Change (%)
Nikkei 225	28,493.47	3.54
KOSPI	2,571.49	3.26
CAC 40	7,519.61	2.66
ASX 200	7,361.58	1.98
Stoxx Europe 600	466.91	1.74
FTSE 100	7,871.91	1.68
DAX 40	15,807.50	1.34
Dow Jones	33,886.47	1.20
Sensex	**60,431.00**	**1.00**
SET	1,592.67	0.99
S&P 500	4,137.64	0.79
TAIEX	15,929.43	0.59
FBM KLCI	1,435.13	0.57
Hang Seng	20,438.81	0.53
JCI	6,818.57	0.38
Nasdaq	12,123.47	0.29
Straits Times	3,302.66	0.07
PSEi	6,481.91	-0.10
Shenzhen CSI 300	4,092.00	-0.76
Ho Chi Minh VSE	1,052.89	-1.57

Source: Bloomberg

- South Korea's labour market rebounded in Mar-23 after lacklustre growth, amid widespread in-person activities. With core inflation above the +2% target rate, Bank of Korea may consider tightening monetary policy, but a rate pause possibility by the Fed due to US banking turmoil may impact the decision.
- China's export growth unexpectedly soared to an eight-month high of +14.3%yoy in Mar-23, surpassing market expectations of -7%yoy. This positive development bodes well for its trading partners, including Malaysia, as China's reopening is expected to have a favourable impact on global trade.
- The Philippines' manufacturing sector sustained growth for the 14th consecutive month with a Manufacturing PMI at 52.5 in Mar-23, despite a trade deficit of USD3.88b in February. China's border reopening amid global economic stress drove this growth.
- Malaysia's distributive trade sales growth reached a four-month high, despite inflation concerns. The labour market is expected to strengthen in 2023, supported by domestic economic momentum and modest expansion in the external sector. Unemployment rate is projected to decline to 3.5%, slightly higher than pre-pandemic level of 3.3%.
- The Ringgit appreciated against the US dollar by +0.01% to close at USD/MYR 4.4012 on Friday. The Brent crude oil price rose by +1.40% to USD86.31 per barrel, while the crude palm oil price declined -3.57% to RM3,566 per tonne.

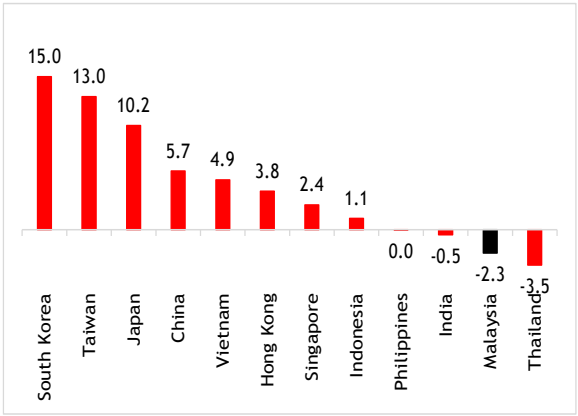
B. TRACKING MONEY FLOW - ASIA

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



Sources: Bloomberg & MIDFR

Chart 2 YTD Performance of Asian Benchmark Indices (%)



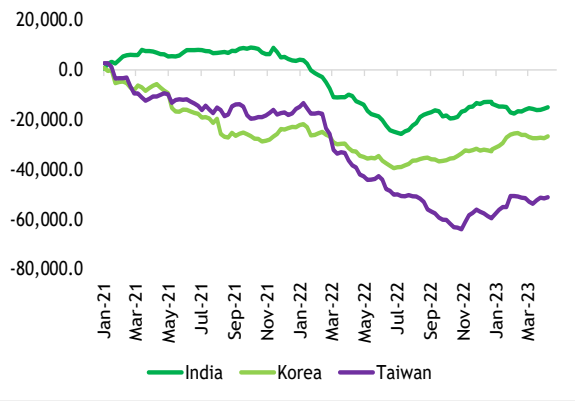
Sources: Bloomberg & MIDFR

- Foreign investors persist in its buying spree in Asia, which extends into its fourth consecutive week. Based on provisional aggregate data from the eight exchanges we monitor, investors classified as "foreigners" have net purchased Asian equities worth USD2.14b. Weekly flows have largely remained positive, with all countries except Vietnam recording net foreign outflows.
- South Korea emerged as the leader for the week, with a net foreign inflow of USD796.9m. Every trading day showed positive fund flows, with the highest recorded on Monday and Wednesday at USD421.6m and USD337.7m respectively, and only Thursday recording a net outflow of -USD193.2m. We think the buying interest is due to strong rebound in the labour market in Korea in March after lacklustre growth over the past 10 months, as in-person activities became more widespread. Year-to-date, Korea has recorded a net foreign fund inflow of USD5.29b.
- India witnessed the second-largest net foreign inflow of USD612.1m, despite shortened trading days. The highest inflows were recorded on Thursday (USD262.2m), Tuesday (USD168.9m), Wednesday (USD125.5m), and Monday (USD55.4m), with Friday closed for a public holiday. This is corroborated by data released on Monday, which revealed that India's fuel consumption reached a record high in March, fuelled by robust economic activity in the world's third-largest oil consumer. Year-to-date, India has experienced a net foreign fund outflow of -USD2.77b.
- Taiwan recorded the third-highest net foreign inflow of USD423.6m last week. The only net outflow was observed on Thursday at -USD341.1m, while the rest of the week saw positive net foreign fund flow, with the largest chunk recorded on Friday at USD340.6m. The National Development Council (NDC) of Taiwan stated that the country has adopted an expansionary fiscal policy in response to the IMF's downward revision of its GDP forecast by 0.7 percentage points. Year-to-date, Taiwan has received a net foreign inflow of USD5.83b.
- Indonesia continued its positive momentum for the eighth week, with a net inflow of USD332.9m. Despite projecting lower figures for the global economy due to economic uncertainties and geopolitical strains, the International Monetary Fund (IMF) revised up Indonesia's GDP growth forecast to 5% in 2023, 0.2 percentage points higher than its January report. This puts Indonesia on par with China's growth projection of 5.2% for the year, as unchanged from the IMF's January report. Year-to-date, Indonesia has attracted USD240.1m net of foreign inflows.
- Despite recording a trade deficit of -USD3.88b in February, the Philippines saw a positive net foreign fund flow of USD17.6m last week. The local bourse was closed on Monday due to a public holiday, but remained active in buying for the rest of the week, with the largest foreign fund flow observed on Wednesday at USD12.1m. This buying interest is likely supported by the manufacturing sector in the Philippines, which has continued to grow with Manufacturing PMI showing consistent expansionary at 52.5 in Mar-25 for the 14th consecutive month, albeit with a slight drop of 0.2 points from the previous month. This growth is driven by the reopening of China's border. Year-to-date, the country has experienced a total outflow of -USD572.5m.
- Thailand experienced net inflows of USD11.8m last week, despite shortened trading days. We think this

is well supported as Thailand's central bank reported that the economy has rebounded to pre-pandemic levels and is gradually recovering with support from tourism. The country initially had net inflows of USD72.54m on Monday, but turned into net sellers on Tuesday and Wednesday at -USD1.49m and -USD59.3m respectively. Thursday and Friday were closed for public holidays. Year-to-date, Thailand has seen net foreign outflows amounting to -USD1.43b.

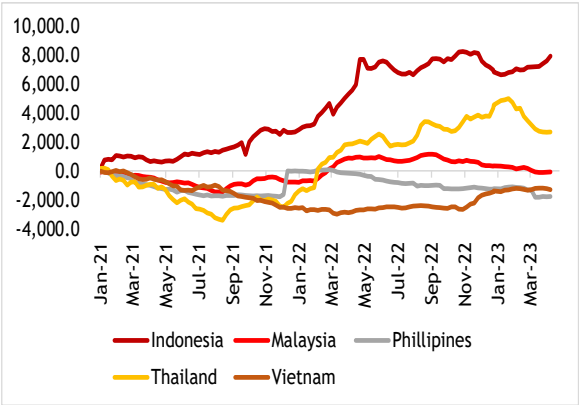
- Vietnam had net foreign outflows of -USD74.0m in equities, with daily net selling, peaking on Tuesday at -USD24.3m and lowest on Friday at -USD9.3m. The IMF revised up Vietnam's growth forecast, citing a rebound from Covid-19 and trade diversion, but there is a possibility that labour shortages are hindering tourism recovery. Year-to-date, Vietnam has seen a net foreign fund inflow of USD242.4m.

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



Sources: Bloomberg & MIDFR

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



Sources: Bloomberg & MIDFR

C. TRACKING MONEY FLOW - MALAYSIA

- The trading week witnessed a fluctuating trend with foreign investors showing a predominately negative bias, as they net sold for three out of the five trading days. Nevertheless, the net buying of RM112.2m on Thursday managed to offset the net selling for the remaining days of the week.
- Last week marked the third consecutive week of net foreign inflows, which saw an increase from RM18.8m in the previous week to RM69.5m. Foreign investors net sold -RM27.3m on Monday, -RM8.4m on Tuesday and -RM23.7m on Wednesday. Thursday was the largest net inflows, recorded at RM112.2m, followed by Friday net inflows of RM16.8m.
- Top three sectors that saw net foreign inflows last week were Technology (RM32.3m), Financial Services (RM26.8m) and Plantation (RM24.2m), while the top three sectors that saw net foreign outflows were Utilities (-RM42.5m), Healthcare (-RM38.3m) and REITs (-RM8.5m). Year-to-date, foreigners have net sold Malaysian equities for 9 out of 15 weeks, totalling -RM1.83b.
- Institutional investors remained net buyers for the week, with a total of RM3.6m, slightly lower than the previous week's figure of RM50.1m. They began the week with net buying activities but

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

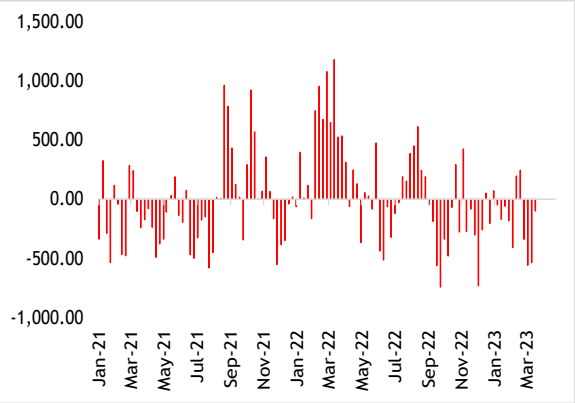
Week Ended	India	Indo	Korea	M'sia	Phil	Taiwan	Thai	Viet	Total
17-Mar	-247.0	17.8	-447.2	-119.4	-496.9	-928.6	-282.7	91.7	-2,412.4
24-Mar	-516.2	8.0	-6.5	-22.0	4.0	1,494.3	-152.8	16.4	825.2
31-Mar	85.5	197.3	182.6	2.6	50.2	989.8	-58.3	-6.2	1,443.4
7-Apr	455.6	183.3	-212.2	4.3	-4.8	-272.0	-15.6	-31.4	107.2
14-Apr	612.1	332.9	796.9	15.8	17.6	423.6	11.8	-74.0	2,136.7

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

recorded net selling of -RM48.7m and -RM22.3m on Thursday and Friday, respectively. Year-to-date, institutional investors have been net buyers for 11 out of 15 weeks, with a cumulative total of RM1.82b.

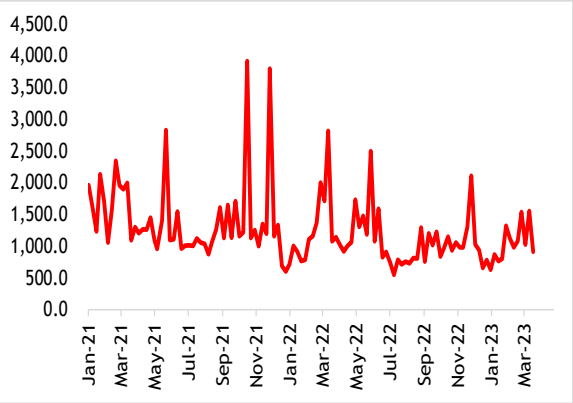
- Local retailers continued their trend of net selling for the third consecutive week, amounting to -RM73.1m. Although they net bought RM6.8m on Wednesday and RM5.6m on Friday, they were net sellers for the rest of the week. So far this year, local retailers have net sold for 8 out of 15 weeks, with a cumulative total of -RM50.2m.
- In terms of participation, there was an increase in average daily trading volume (ADTV) among local retailers by 11.1%, local institutions by 15.5% and foreign investors by 20.5%.

Chart 5 Net Foreign Fund Flows into Malaysian Equity Since Apr-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)
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	-98.1	-22.0
31-Mar	2,422.8	2,430.5	-7.6	3,922.6	3,926.5	-3.9	2,010.0	1,998.5	11.5	2.6
7-Apr	2,250.4	2,319.3	-69.0	3,825.7	3,775.5	50.1	1,637.5	1,618.6	18.8	4.3
14-Apr	2,500.9	2,574.0	-73.1	4,391.6	4,388.0	3.6	1,996.1	1,926.6	69.5	15.8

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**
Tenaga	17.5	CIMB	69.6	Maybank	101.7
RHB	13.6	Top Glove	46.6	IHH	23.7
Hong Seng	10.6	Hartalega	25.9	Hibiscus	20.9
Chin Hin	9.2	Mr. DIY	12.5	Petronas Chemicals	17.2
Public Bank	8.8	Frontken	10.8	MYEG	16.0
ABMB	6.7	D&O	10.7	MAHB	14.8
YTL Power	6.5	Yinson	10.3	Pertama	12.0
Hap Seng	5.9	QL Resources	9.6	Genetec	11.7
BIMB	5.5	Kossan Rubber	9.0	Gamuda	10.6
SFPTech	5.1	Petronas Gas	9.0	CDB	10.5
Top 10 Stocks with Weekly Net Outflows					
Company	**Value**	**Company**	**Value**	**Company**	**Value**
MYEG	-38.8	Maybank	-83.6	CIMB	-69.8
Top Glove	-17.9	Public Bank	-25.0	Top Glove	-34.8
pertama	-15.1	IHH Healthcare	-24.4	Tenaga	-27.9
Maybank	-11.1	Petronas Chemicals	-16.1	YTL Power	-15.6
Hartalega	-10.9	MAHB	-9.6	Hartalega	-12.7
Genetec	-9.1	CDB	-9.5	Supermax	-9.6
Boustead	-6.2	Hextech	-6.8	ABMB	-8.5
Gamuda	-6.1	Hong Seng	-6.5	QL Resources	-8.1
Salute	-5.8	Hong Leong Bank	-6.3	Petronas Gas	-6.6
Capital A	-5.6	Bermaz Auto	-6.2	Sime Darby	-6.3

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

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

COMPANY	%	COMPANY (CONT'D)	%	COMPANY (CONT'D)	%
Automotive		Nestlé	82.6	TSH Resources	20.1
Bermaz Auto	17.3	Padini	10.2	**Port & Shipping**	
MBM	3.0	QL Resources	10.1	MISC	9.1
Tan Chong	10.6	Rhong Khen International	62.3	Suria Capital	6.2
UMW Holdings	5.4	Spritzer	18.1	Westports	27.6
Aviation		**Gloves**		**Property**	
Capital A	18.8	Hartalega	17.9	Eco World	28.9
Malaysia Airports	20.5	Kossan	10.6	Glomac	4.2
Banking		Top Glove	33.3	IOI Prop	3.8
Affin Bank	26.4	**Healthcare**		Mah Sing	14.8
Alliance Bank	21.0	IHH Healthcare	49.7	S P Setia	6.2
AMMB	40.0	KPJ	7.6	Sunway	5.9
Bank Islam	1.9	Pharmaniaga	0.7	UEM Sunrise	5.4
CIMB	30.1	**Logistics**		UOA Development	3.8
Hong Leong Bank	11.0	CJ Century Logistics	57.4	**REITs**	
Hong Leong Financial	32.3	Swift Haulage	12.6	Al-'Aqar Healthcare	0.7
Malayan Banking	17.5	Tasco	65.8	Axis REIT	15.6
Public Bank	27.0	**Media**		IGB REIT	16.5
RHB Bank	16.9	Astro	36.8	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	15.5	**Technology**	
YTL Corp	17.9	AEON Credit	71.0	D & O Green Tech	35.5
Construction		**Oil & Gas**		Datasonic	5.8
Cahya Mata Sarawak	8.3	Bumi Armada	19.0	Globetronics	2.8
Gabungan AQRS	2.1	Deleum	3.9	Inari Amertron	17.9
Gamuda	19.0	Dialog Group	20.3	My E.G.	11.5
IJM Corp	11.6	Gas Malaysia	19.5	Unisem	2.2
KKB Engineering	0.3	MMHE	10.5	**Telecommunication**	
MRCB	8.8	Petronas Chemicals	9.7	Axiata	10.9
Muhibbah	17.1	Petronas Dagangan	7.5	CelcomDigi	59.6
Pintaras Jaya	0.4	Petronas Gas	9.2	Maxis	7.1
Sunway Construction	1.4	**Plantation**		Telekom Malaysia	11.9
WCT	5.8	FGV	4.2	**Utilities**	
Consumer (F&B & Retail)		Genting Plantations	5.1	Ranhill Utilities	31.9
AEON Co.	54.5	IOI Corp	11.1	Tenaga Nasional	12.2
Asia File	5.6	KL Kepong	13.0	YTL Power	5.2
Fraser & Neave	61.2	PPB Group	21.1		
Hup Seng	1.9	Sarawak Plantation	2.9		
Leong Hup	12.3	Sime Darby Plantation	9.9		
MSM	1.8	Ta Ann	13.6		

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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