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MIDF AMANAH
INVESTMENT BANK BERHAD

FUND FLOW REPORT

(Week ended 21 April 2023)

A cautious trading week



MIDF EQUITY STRATEGY | 25 APRIL 2023

25 APRIL 2023 | Strategy - Weekly Fund Flow

Royce Tan Seng Hooi

A CAUTIOUS TRADING WEEK

A. MARKET SNAPSHOT

- Investors treaded the markets cautiously as they awaited the release of more first quarter earnings to gauge the health of bottom line figures and the economy to anticipate the Federal Reserve's direction in their upcoming Federal Open Market Committee (FOMC) meeting on May 3.
- The latest weekly jobless claims report last Thursday gave investors much to ponder about as there was a moderate increase for new claims for unemployment benefits by 5,000 to 245,000. While a weaker labour market could be a catalyst for the Fed to slow or halt its rate hikes, it could also be a sign of a weaker economy, which does not bode well for the stock market.
- Data from the CME FedWatch Tool showed a 90% probability that the Fed would raise rates by 25bps in the May FOMC meeting and a 10% probability that it will remain unchanged.
- Major indices on Wall Street trended downwards last week in the midst of the earnings season. The S&P500 declined -0.1% while the Dow Jones Industrial Average and the Nasdaq Composite Index were down -0.23% and -0.42% respectively.
- Some of the earnings results that were released during the week were unencouraging, dampening investor sentiments. American Express saw its quarterly net profit declining 13% to USD1.8b, missing profit estimates for the second consecutive quarter as expenses surged by 22%. AT&T's net profit dropped 12.3%yoy to USD4.17b while Tesla's fell by about -25%yoy to USD2.51b.

Table 1 Weekly Performance of Global Benchmark Indices (%)

Index	Last Price	Change (%)
CAC 40	7,577.00	0.76
PSEi	6,520.44	0.59
Straits Times	3,321.82	0.58
FTSE 100	7,914.13	0.54
DAX 40	15,881.66	0.47
Stoxx Europe 600	469.00	0.45
Nikkei 225	28,564.37	0.25
JCI	6,821.81	0.05
S&P 500	4,133.52	-0.10
Dow Jones	33,808.96	-0.23
ASX 200	7,330.38	-0.42
Nasdaq	12,072.46	-0.42
FBM KLCI	**1,422.11**	**-0.91**
Ho Chi Minh VSE	1,042.91	-0.95
KOSPI	2,544.40	-1.05
Sensex	59,655.06	-1.28
Shenzhen CSI 300	4,032.57	-1.45
Hang Seng	20,075.73	-1.78
TAIEX	15,602.99	-2.05
SET	1,558.36	-2.15

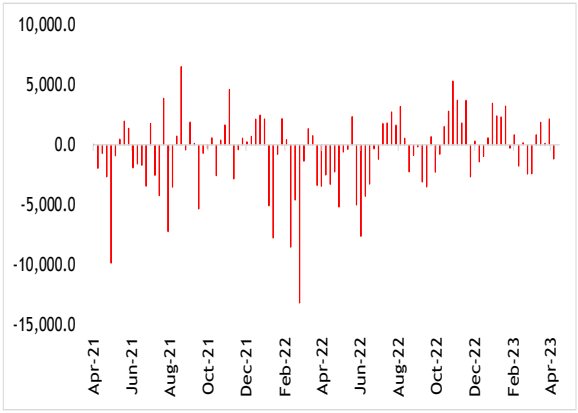
Source: Bloomberg

- Out of the 20 major indices that we track globally, 12 posted declines for the week while the remaining eight registered modest gains. The worst decliners were Thailand's SET (-2.15%), Taiwan's TAIEX (-2.05%) and Hong Kong's Hang Seng Index (-1.78%). Top advancers were the CAC40 (+0.76%), the Philippines PSEi (+0.59%) and Singapore's Straits Times (+0.58%). The FBM KLCI slid -0.91% to close at 1,422.11 points.
- Consumer spending in the US was weaker than expected as retail sales fell -1%mom in Mar-23 (Feb-23: -0.2%mom), a sharper fall than the market consensus of -0.4%mom. This has weighed on the pace of annual expansion in country's retail sales to +2.9%yoy (Feb-23: +5.9%yoy), the slowest since Jun-20.
- China's gross domestic product (GDP) in 1QCY23 expanded by +4.5%yoy, stronger than expectations of +4%yoy, following the end of the strict Covid-19 curbs and the reopening of its economy early this year. The growth was buoyed by a robust pick-up in consumer spending, resulting in a faster growth in the tertiary sector by +5.4%yoy (4QCY22: +2.3%yoy). Industrial production also trended upward by +3.9%yoy in Mar-23 while the unemployment rate declined to 5.3% (Feb-23: 5.6%). We anticipate China's growth to continue improving in the coming quarters and surpass the government's official growth target of +5%, supported by sustained growth in the domestic spending, recovery in the property sector and also backed by policy supports.
- Inflation in the United Kingdom eased slightly to +10.1%yoy in Mar-23 (Feb-23: +10.4%yoy), marking the seventh consecutive month where the rate hovered above the +10% mark. The upward pressure came

mainly from elevated prices of food and non-alcoholic beverages (+19.1%yoy; Feb-23: +18.0%yoy) as soaring food prices offset easing transport prices. Inflation in housing prices and utilities also increased to +26.6%yoy in Mar-23 (Feb-23: +26.1%yoy) despite declining energy prices.

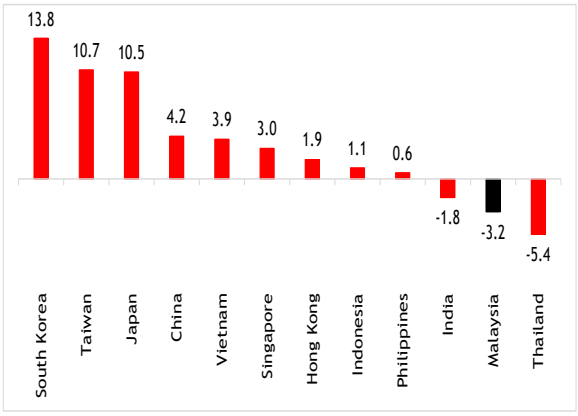
- Singapore's non-oil domestic exports (NODX) fell -8.3%yoy in Mar-23 (Feb-23: -15.8%yoy) the sixth consecutive month of contraction and the slowest fall since Nov-22. The continued decline is attributable to the reduction in exports of both electronic and non-electronic products.
- Malaysia's headline inflation moderated to a nine-month low of +3.4%yoy in Mar-23 (Feb-23: +3.7%yoy). Non-food inflation decelerated further to 10-month low of +1.7%yoy while food inflation softened to +6.9%yoy. Elevated global commodity prices, high food prices and firming domestic demand were among factors holding up inflation pressure in Malaysia. We keep our headline inflation forecast at +2.5% for 2023 as we expect supply-push factors to ease, attributable to the appreciation of the Malaysian Ringgit, mild correction in global commodity prices and better supply chain flows.
- The country also posted a -1.8%yoy decline in total trade in Mar-23, the first contraction since the post-pandemic recovery in international trade in late 2020. Exports fell -1.4%yoy, where manufactured goods fell by -0.4%yoy, dragged by lower E&E exports which was partially cushioned by higher exports of petroleum products (+32.1%yoy).
- The Ringgit depreciated against the US dollar by -0.82% to close at USDMYR4.4373 on Thursday. The Brent crude oil price dipped -4.06% to USD81.66 per barrel, while the crude palm oil price rose +3.9% to RM3,705 per tonne.

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 (%)



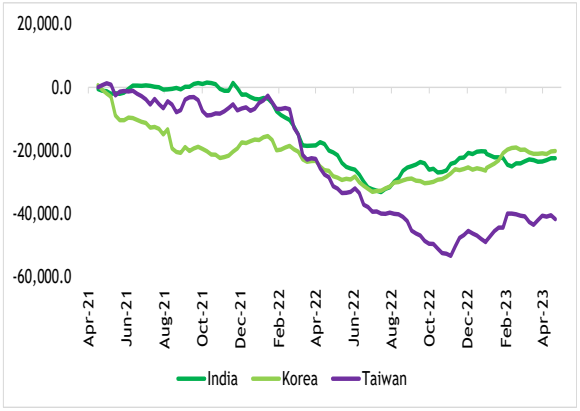
Sources: Bloomberg & MIDFR

B. TRACKING MONEY FLOW - ASIA

- After four consecutive weeks of net buying Asian equities, foreign investors turned net sellers last week. Based on the provisional aggregate data for the eight exchanges that we track, investors classified as "foreigners" net sold -USD1.18b worth of Asian equities. Only Indonesia, South Korea and the Philippines recorded net inflows for the week.
- South Korea had the highest net foreign inflow last week at USD125.6m, its second consecutive week of net inflow though at a slower pace as compared to USD796.9m in the previous week. There has been a strong interest in battery material-related stocks as investors bet on the growing electric-vehicle (EV) market and US' reluctance to rely on Chinese suppliers. On Thursday, President Yoon Suk-yeol also announced that both the public and private sectors in South Korea will invest USD15b by 2030 to develop the world's first solid-state batteries to stay ahead in the electric-vehicle race. Year-to-date, South Korea has recorded a net foreign inflow of USD6.18b.
- The optimism in Indonesia expanded into its ninth consecutive week with a net foreign inflow of USD120.5m, despite it being a shortened trading week of only two days due to the Hari Raya Aidilfitri/ Lebaran holidays. Foreign investors net bought USD28m on Monday and USD92.5m on Tuesday. Investors are also banking on Indonesia to be a major player in the EV space with its nickle reserves, said to be the largest in the world. Merdeka Battery Materials went public on Tuesday and its share price soared +11.3%. Year-to-date, Indonesia has received USD1.08b of foreign fund inflows.

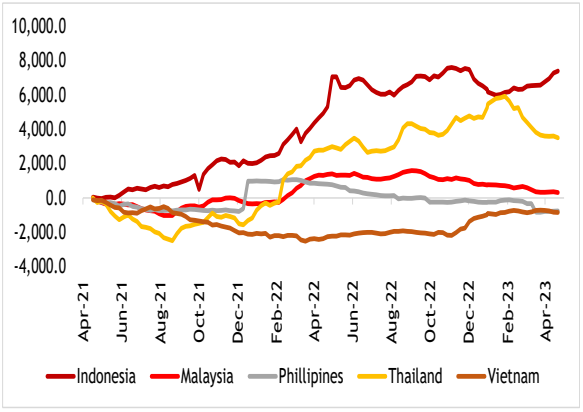
- The Philippines also recorded a net foreign inflow for the second consecutive week at USD5m. Investors may be positioning their portfolios ahead of the crucial monthly consumer price index (CPI) data that will be released on May 2, as a continued slowdown may indicate a possibility of a rate cut this year by Bangko Sental ng Pilipinas. About -USD500.5m has left the Philippines year-to-date.
- In terms of outflows, Taiwan recorded the most net selling by foreign investors to the tune of USD1.26b last week. Foreign investors net bought -USD43.4m on Monday but net sold for the rest of the week. Possibilities of China invasion on Taiwan spooked investors and the US wanted to reduce its reliance on Taiwanese chips. Behind the scenes, Taiwan officials have been urging US to tone down on the China rhetoric. Year-to-date, there has been a net foreign inflow of USD7.21b into Taiwan.
- Foreign investors continued net selling again in Thailand after briefly turning net buyers the previous week. They net sold -USD111.7m last week as investors remained cautious ahead of the general election on May 14 that may potentially see a shift in power since the military coup in 2014. Year-to-date, foreign investors have net sold -USD1.76b of Thailand equities.
- India recorded a net outflow of -USD14.8m for the week, the lowest weekly net outflow ever recorded since 2021. This came after three consecutive weeks of net buying from the foreign investors who seemed to have taken a cautious stance amidst slowing IT service sales and forecasts of slower growth in the current financial year. Year-to-date, -USD2.15b has left India.
- Foreign investors continued to net sell Vietnamese equities for the fourth consecutive week. There was a net outflow of -USD13.5m last week, though this was -81.8% lower than the net outflow of USD74m the week prior. Year-to-date, there has been a net foreign fund inflow of USD133.7m into Vietnam.

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

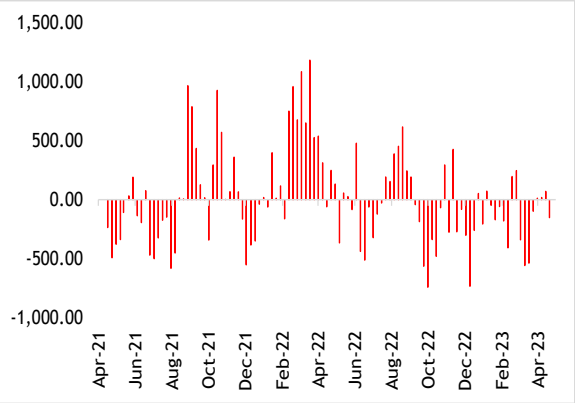
Table 2 Weekly Net Foreign Fund Flows into Equity by Market (USD'm)

Week Ended	India	Indo	Korea	M'sia	Phil	Taiwan	Thai	Viet	Total
24-Mar	-516.2	8.0	-6.6	-22.0	4.0	1,494.3	-152.8	16.4	825.1
31-Mar	85.5	197.3	182.6	2.6	50.2	1,403.4	-58.3	-6.2	1,857.1
7-Apr	455.6	183.3	-212.2	4.3	-4.8	-272.0	-15.6	-31.4	107.2
14-Mar	612.1	332.8	796.9	15.8	17.6	423.6	11.8	-74.0	2,136.6
21-Apr	-14.8	120.5	125.6	-34.0	5.0	-1,255.4	-111.7	-13.5	-1,178.3

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

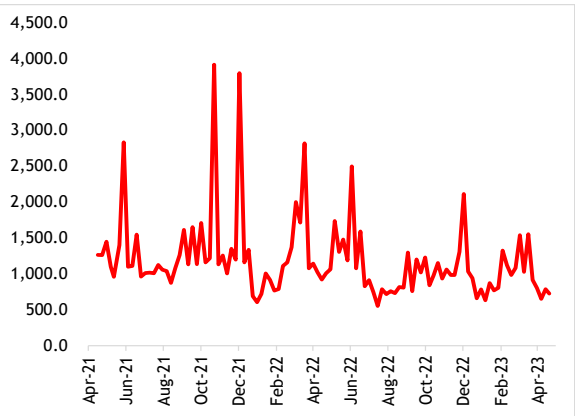
C. TRACKING MONEY FLOW - MALAYSIA

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

- It was a shortened trading week on Bursa Malaysia as Friday was declared a public holiday in conjunction with the Hari Raya Aidilfitri festivities. The week saw foreign investors net selling -RM151.11m as they turned net sellers again after three consecutive weeks of net buying. They net sold -RM22.82m on Tuesday, -RM93.57m on Wednesday and -RM68.83m on Thursday. Monday was the only day with net inflows at RM34.11m, where the top three stocks net bought by foreigners were RHB Bank (RM12.1m), Pentamaster (RM8.1m) and Fraser & Neave Holdings (RM7.0m).
- Top three sectors that saw net foreign inflows last week were Telecommunications & Media (RM44.4m), Healthcare (RM18.4m) and Consumer Products & Services (RM9.7m). Sectors with the most outflows were Financial Services (-RM139.5m), Technology (-RM44.8m) and Utilities (-RM15.7m). Year-to-date, foreigners have net sold Malaysian equities for 10 out of 16 weeks, totalling -RM1.93b.
- Local institutional investors turned net sellers again, net selling -RM7.3m after briefly turning net buyers for two weeks. They net sold -RM25.72m on Monday and -RM25.63m on Tuesday and net bought RM30.08m on Wednesday and RM14.02m on Thursday. Year-to-date, they have been net buyers for 11 out of 16 weeks with a total of RM1.82b.
- Local retailers were the top net buyers of the week at RM158.3m, reversing its net selling trend for three consecutive weeks. The amount was the largest since the week ended Feb 10. They have net bought for eight out of 16 weeks this year, with a total of RM108.14m.
- In terms of participation, there was an increase in average daily trading volume (ADTV) among local retailers by +6.5%, while among local institutions and foreign investors, there were declines of -4.4% and -7.6% respectively.

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-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	-24.0
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-Mar	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
20-Apr	2,240.9	2,082.6	158.3	3,352.9	3,360.1	-7.3	1,373.9	1,525.0	-151.1	-34.0

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**
Tenaga Nasional	51.2	CIMB Group Holdings	41.8	Press Metal Aluminium	40.0
Public Bank	39.2	Malayan Banking	39.8	CelcomDigi	19.3
Supermax Corporation	21.6	RHB Bank	32.2	Nationgate Holdings	10.8
My E.G. Services	20.6	Petronas Chemicals Group	20.1	Fraser & Neave	10.5
Revenue Group	12.0	YTL Power International	19.3	Maxis	10.4
Chin Hin Group	10.2	CTOS Digital	12.2	Gamuda	9.9
Hap Seng Consolidated	8.9	Time Dotcom	7.3	Axiata Group	9.0
Inari	6.4	Berjaya Food	7.3	Malakof Corp	8.9
Top Glove Corporation	6.3	Bumi Armada	6.6	Hong Leong Bank	8.6
Dagang Nexchange	6.2	MISC	6.0	KPJ Healthcare	7.4
Top 10 Stocks with Weekly Net Outflows					
Company	**Value**	**Company**	**Value**	**Company**	**Value**
YTL Power International	-11.4	Tenaga Nasional	-49.8	Malayan Banking	-41.6
Pertama Digital	-7.2	Press Metal Aluminium	-35.7	CIMB Group Holdings	-39.3
Cape EMS	-5.8	Supermax Corporation	-31.4	Public Bank	-34.4
YTL Corporation	-5.7	Public Bank	-25.4	Tenaga Nasional	-27.5
Genting Malaysia	-4.8	CelcomDigi	-16.0	Petronas Chemicals Group	-26.1
AirAsia X	-4.6	Axiata Group	-10.2	My E.G. Services	-22.3
Tanco Holdings	-4.1	Gamuda	-9.4	RHB Bank	-13.8
Bumi Armada	-4.1	YTL Corporation	-9.4	Berjaya Food	-7.6
Star Media	-4.0	Kossan Rubber Industries	-8.8	Bank Islam Malaysia	-7.4
Hartalega Holdings	-3.8	Nationgate Holdings	-8.2	CTOS Digital	-7.2

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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