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MIDF AMANAH
INVESTMENT BANK BERHAD

FUND FLOW REPORT

(Week ended 31 March 2023)

Shaking off worries over the banking crisis



MIDF EQUITY STRATEGY | 3 APRIL 2023

3 APRIL 2023 | Strategy - Weekly Fund Flow

MIDF Research Team

SHAKING OFF WORRIES OVER THE BANKING CRISIS

A. MARKET SNAPSHOT

- The major indices on Wall Street ended the first quarter of the year strongly despite having to power through the banking crisis last month. For the quarter, the S&P 500 gained +7.0% - rebounding from a nearly -20.0% drop in CY22, while Nasdaq jumped by +16.8% - the biggest quarterly rise since CY20. For the week, the S&P 500 added +3.48% to 4,109.31, Dow Jones gained +3.22% to 33,274.15, while Nasdaq was up by +3.37% to 12,221.91.
- Out of the 20 major indices that we track globally, most ended the week in green as concerns over the banking sector ease. The advancers were led by Germany's DAX 40 (+4.49%), France's CAC 40 (+4.38%) and Stoxx Europe 600 (+4.03%). The only two decliners were Philippines' PSEi (-0.29%) and Taiwan's TAIEX (-0.29%).
- The U.S. consumer spending slowed to +0.2% in Mar-23 after surging by +2.0% in Feb-23, putting it on track to rise in 1QCY23 after growing at its slowest pace in 2.5 years in 4QCY22.
- The U.S. trade deficit in goods widened slightly by -0.6% in Feb-23 as exports declined and this could exert a mild drag on its 1QCY23 gross domestic production (GDP).
- Consumer prices in the eurozone rose to +6.9%yoy in Mar-23, down from +8.5% in Feb-23, as energy prices drooped, but food costs were still on the rise. This puts pressure on the European Central Bank (ECB) to further increase the interest rates.

Table 1 Weekly Performance of Global Benchmark Indices (%)

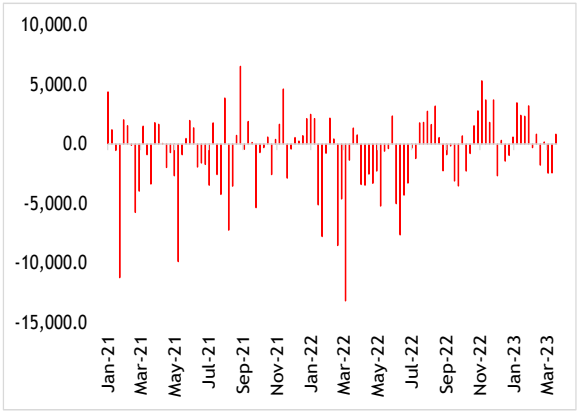
Index	Last Price	Change (%)
DAX 40	15,628.84	4.49
CAC 40	7,322.39	4.38
Stoxx Europe 600	457.84	4.03
S&P 500	4,109.31	3.48
Nasdaq	12,221.91	3.37
Dow Jones	33,274.15	3.22
ASX 200	7,177.75	3.20
FTSE 100	**7,631.74**	**3.06**
KOSPI	2,476.86	2.56
Sensex	58,991.52	2.55
Hang Seng	20,400.11	2.43
Nikkei 225	28,041.48	2.40
Ho Chi Minh VSE	1,064.64	1.71
FBM KLCI	1,422.59	1.64
Straits Times	3,258.90	1.44
SET	1,609.17	1.09
JCI	6,805.28	0.64
Shenzhen CSI 300	4,050.93	0.59
TAIEX	15,868.06	-0.29
PSEi	6,499.68	-1.55

Source: Bloomberg

- Hong Kong's retail sales by value rose +31.3%yoy in Feb-23, the most in more than a decade, following the reopening of its borders ahead of the Lunar New Year break.
- China's purchasing managers' index (PMI) for the non-manufacturing sector rose to 58.2 in Mar-23 – the highest level since May-11, led by the surge in the construction sub-index. This was above economists' forecasts of 51.9, but it eased slightly from February's level.
- Thailand's exports contracted for a fifth straight month by -4.7%yoy in Feb-23 against a -4.5%yoy fall in the month prior. The drop was softer than market's expectations, but the Commerce Ministry expects shipments to drop further in 1H23.
- Bank of Thailand (BoT) raised its key interest rate by 25 basis points to 1.75% for a fifth straight meeting as it fights against inflation. The central bank cut its headline inflation forecast from 3.0% to 2.9% this year and expects it to return within target in the middle of CY23.
- Vietnam's economic growth slowed to +3.32% in 1QCY23 against an expansion of +5.92% in 4QCY22 due to the sharp drop in exports of electronics and smartphones, which has led to a -11.9% decline in overall exports during said period.
- Malaysia's producer price index (PPI), which measures prices changes faced by domestic producers of goods and services, shrank by -0.8%yoy in Feb-23 against a +1.3%yoy growth in Jan-23. The contraction was said to be attributable to the base effect and lower prices of primary commodities particularly in the agriculture, forestry and fishing and mining sectors.
- The Ringgit appreciated against the US dollar by 0.28% to close at USDMYR4.4152 on Friday. The Brent crude oil price rose by +6.37% to USD79.77 per barrel, while the crude palm oil price was up by +7.09% to RM3,761 per tonne.

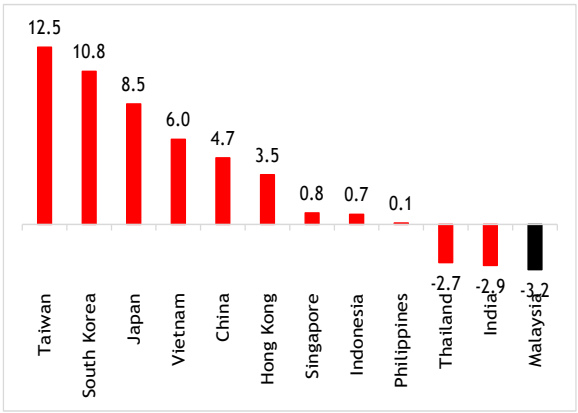
B. TRACKING MONEY FLOW - ASIA

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 (%)



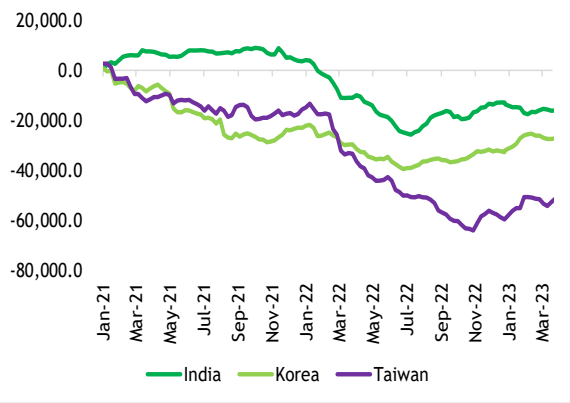
Sources: Bloomberg & MIDFR

- Based on the provisional aggregate data for the eight exchanges that we track, investors classified as "foreigners" net bought USD1.86b worth of Asian equities or more than double the amount net bought during the week ended March 24.
- This is the second consecutive week of net buying by foreign investors, with only Thailand and Vietnam recording net foreign outflows.
- Taiwan saw the highest net foreign inflow of USD1.40b for the second consecutive week. Bulk of the inflows came in on Friday when the Taiwan Economy Minister Wang Mei-hua announced that the United States has sent officials to Taiwan to listen to concerns in the chip industry regarding the criteria for the new U.S. semiconductor subsidies. There were growing concerns among the industry players as the conditions for the subsidies include sharing excess profit with the U.S. government and it was reported that the application process itself could expose confidential corporate strategy.
- Indonesia recorded the second highest net foreign inflow last week of USD197.3m – the highest in the past six weeks. Starting from Apr-23, the country's financial services authority will ease some of its pandemic-induced rules for the stock market including on trading hours and short-selling. As announced earlier in Mar-23, the threshold at which trading is halted will be raised from a -5.0% drop to a -10.0% in the main index, while the auto-rejection rules will be brought back in stages.
- After three consecutive weeks of net selling, foreign investors have returned to South Korea as it saw the third highest net foreign inflow of USD182.6m. Foreigners turned net buyers of South Korean equities towards the end of the week after the parliament approved a bill on Thursday to give firms tax breaks to spur investments in its semiconductor industry. Under the legislation dubbed as the "K-Chips Act", the tax credit for investing in manufacturing facilities will increase from 8% to 15% for major companies, and from 16% to 25% for smaller and medium size firms.
- Meanwhile, foreign investors have returned to the Indian equity market as the country saw a net foreign inflow of USD85.5m after two weeks of seeing outflows. It was a shortened trading week for India as the market was closed on Thursday in conjunction with a Hindu festival - Rama Navami. Data released by the Reserve Bank of India (RBI) last week showed the country's current account deficit declining to USD18.2b (or 2.2% of GDP) in the third quarter of the ongoing fiscal year on the back of narrowing merchandise trade deficit as well as robust services and private transfer receipts.
- The other country that saw net foreign inflow last week was the Philippines to the tune of USD50.2m. In a statement released by the Bangko Sentral ng Pilipinas (BSP), the central bank expects inflation to moderate in Mar-23, giving consumers and businesses some measure of relief. Inflation is projected to settle at 7.4% - 8.2% and if the upper range is realised, it would still mark the peak of inflation that policymakers and experts have been waiting for.
- Thailand was one of the two countries that saw a net foreign outflow last week which amounted to -USD58.3m, a slower rate as compared to the last 6 weeks. Foreign investors turned net sellers of Thai equities from Wednesday onwards after the BoT raised its key interest rate by 25 basis points to

1.75% as it tries to tame the inflation. BoT has cut its headline inflation forecast for CY23 from 3.0% to 2.9% and expects it to return within the target in the middle of this year.

- After three week of net buying Vietnam equities, foreigners have turned net sellers last week to the tune of -USD6.2m. Vietnam's economy in 1QCY23 grew at +3.32% - the second lowest rate in 12 years as weakening global demand weighed on exports. The State Bank of Vietnam has announced that it will be cutting the refinancing rate by 50 basis points to 5.5% from Monday to support its economic growth.

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

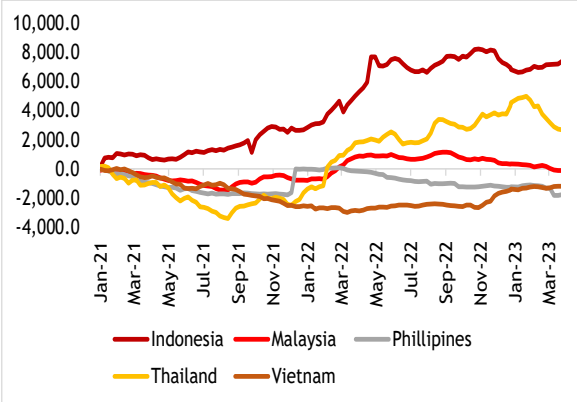


Sources: Bloomberg & MIDFR

C. TRACKING MONEY FLOW - MALAYSIA

- After four consecutive weeks of seeing net foreign outflows, foreign funds have returned to Bursa Malaysia last week after they have net bought RM11.5m worth of equities.
- It was a weak start to the week as Monday saw a net foreign outflow of -RM80.1m by the foreigners, but the sentiment improved from Tuesday onwards after the data released by the statistics department showed that the PPI shrank by -0.8%yoy in Feb-23 against a +1.3%yoy growth in Jan-23. The contraction was attributed to the base effect and lower prices of primary commodities. In addition, worries that stemmed from the bank turmoil in U.S. and Europe seem to have eased, causing better sentiment.
- Friday saw the highest net foreign inflow of RM59.6m, while the lowest net buying was on Tuesday at RM1.0m.

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



Sources: Bloomberg & MIDFR

- Year-to-date, foreigners have net sold -RM1.87b worth of equities.
- Top three sectors that saw net foreign inflows last week were Financial Services (RM51.5m), Technology (RM22.6m) and Healthcare (RM16.8m), while the top three sectors that saw net foreign outflows were Utilities (-RM54.3m), REITs (-RM15.6m) and Energy (-RM13.3m).
- Meanwhile, local institutions turned net sellers last week to the tune of -RM3.9m. It was a mixed trading week for the local institutions with inflows seen on Monday at RM39.2m and Wednesday at RM29.6m, while the rest of the week saw outflows. The highest outflow was recorded on Friday at -RM37.3m. Year-to-date, local institutions have net bought RM1.77b worth of equities.

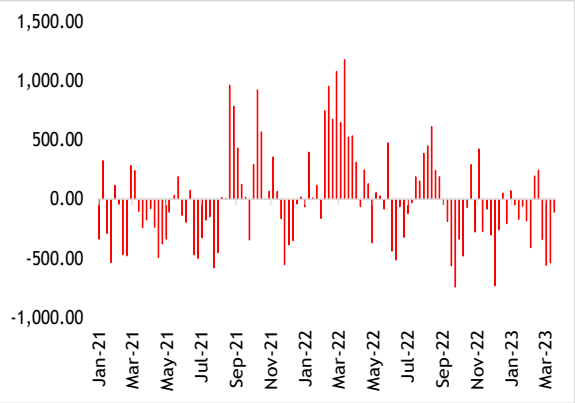
Table 2 Weekly Net Foreign Fund Flows into Equity by Market (USD'm)

Week Ended	India	Indo	Korea	M'sia	Phil	Taiwan	Thai	Viet	Total
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	-6.6	-24.0	4.0	1,494.3	-152.8	16.4	823.1
31-Mar	85.5	197.3	182.6	2.6	50.2	1,403.4	-58.3	-6.2	1,857.1

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

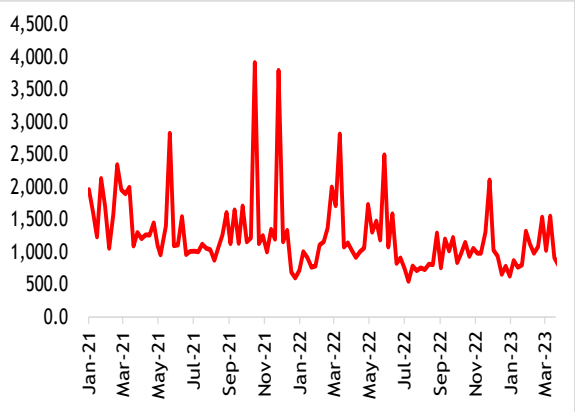
- Local retailers also turned net sellers last week after they have net sold -RM7.6m worth of equities. The week started off strong with inflows recorded on Monday at RM41.0m and Tuesday RM12.8m, while the rest of the week saw outflows by the retailers. The highest outflow was posted on Wednesday at -RM34.6m. Local retailers have been net buyers thus far at RM91.9m.
- In terms of participation, there was a decline in average daily trading volume (ADTV) among local retailers by -12.5%, local institutions by -13.9% and foreign investors by -12.3%.

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)
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
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

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	17.4	Tenaga	27.9	My E.G. Services	30.7
Computer Forms	16.2	Top Glove	21.1	CIMB Group	29.5
RHB Bank	9.1	Sime Darby	14.5	Mr. DIY	28.2
Genting Malaysia	8.4	Press Metal	13.9	Maybank	27.7
Public Bank	8.0	Hong Seng	10.6	Chin Hin Group	20.2
ECA Integrated	7.5	Boustead Holdings	10.5	Petronas Chemicals	15.5
YBS International	7.3	Yinson Holdings	10.2	IOI Corporation	11.7
Pertama Digital	6.7	Frontken Corporation	9.4	Public Bank	11.5
Revenue Group	6.4	RHB Bank	8.9	MISC	7.3
Genetec Technology	5.8	Axis REIT	8.3	KPJ Healthcare	6.1
Top 10 Stocks with Weekly Net Outflows					
Company	**Value**	**Company**	**Value**	**Company**	**Value**
Dagang Nexchange	-0.7	Mr. DIY	-36.8	Tenaga	-52.8
Berjaya Food	-0.5	CIMB Bank	-26.7	Sime Darby	-23.3
YBS International	-0.4	Maybank	-25.6	RHB Bank	-23.2
United Plantations	-0.4	Public Bank	-17.8	Press Metals	-13.4
FGV Holdings	-0.3	IOI Corporation	-13.5	Frontken Corporation	-8.9
PPB Group	-0.3	Petronas Chemicals	-10.1	Axis REIT	-8.3
Fitters Diversified	-0.3	Hextar Global	-9.2	Kuala Lumpur Kepong	-7.8
Sime Darby	-0.3	Gamuda	-8.4	Genetec Technology	-7.3
Datasonic	-0.3	Revenue Group	-8.3	Carlsberg	-7.2
Apex Healthcare	-0.2	MISC	-8.2	Sapura Eenergy	-7.0

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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