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MIDF AMANAH
INVESTMENT BANK BERHAD

FUND FLOW REPORT

(Week ended 7 April 2023)

A mixed start to 2Q23



MIDF EQUITY STRATEGY | 10 APRIL 2023

10 APRIL 2023 | Strategy - Weekly Fund Flow

Royce Tan Seng Hooi

A MIXED START TO 2Q23

A. MARKET SNAPSHOT

- Global markets entered the second quarter of the year rather mixed amidst sentiment-dampening news flows and lingering concerns of a slowdown, but hopeful of earlier than expected US Fed pivot.
- It was a shortened trading week last week in conjunction with the Good Friday holiday in most major countries and a rather timely one which allowed investors to digest the data of a cooling labour market, alongside other developments earlier in the week.
- The S&P 500 declined -0.1% for the week while the Dow Jones Industrial Average gained +0.63%. The tech-heavy Nasdaq Composite Index lost -1.1%, dragged by the slump in Tesla's share price that took a -10.6% hit for the week as its deliveries in the first quarter fell short of expectations despite it being a record number. The electric car giant also slashed its prices overnight to support demand.
- Out of the 20 major indices that we track globally, 11 saw modest gains for the week while the remaining nine posted declines. Topping the advancers were China's CSI 300 at +1.79%, FTSE 100 at +1.44% and India's Sensex at +1.43%. The bottom three decliners were Thailand's SET at -1.99%, the Nikkei 225 at -1.87% and Nasdaq at -1.1%. The FBM KLCI extended its gains for the second consecutive week by +0.31%.

Table 1 Weekly Performance of Global Benchmark Indices (%)

Index	Last Price	Change (%)
Shenzhen CSI 300	4,123.28	1.79
FTSE 100	7,741.56	1.44
Sensex	59,832.97	1.43
Straits Times	3,300.48	1.28
Dow Jones	33,485.29	0.63
ASX 200	7,218.98	0.57
KOSPI	2,490.41	0.55
Ho Chi Minh VSE	1,069.71	0.48
FBM KLCI	**1,427.04**	**0.31**
Stoxx Europe 600	458.94	0.24
CAC 40	7,324.75	0.03
S&P 500	4,105.02	-0.10
PSEi	6,488.51	-0.17
JCI	6,792.77	-0.18
DAX 40	15,597.89	-0.20
TAIEX	15,836.50	-0.20
Hang Seng	20,331.20	-0.34
Nasdaq	12,087.96	-1.10
Nikkei 225	27,518.31	-1.87
SET	1,577.07	-1.99

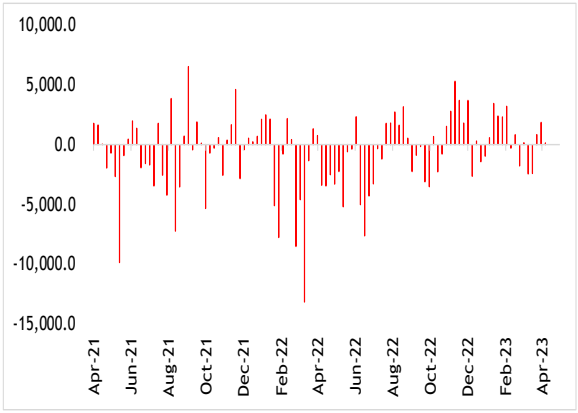
Source: Bloomberg

- Data from the Bureau of Labour Statistics showed that the United States economy saw the addition of +236K nonfarm payrolls in Mar-23 (Feb-23: +326K), while the unemployment rate declined to a historical low of 3.5% (Feb-23: 3.6%).
- Meanwhile, the ADP National Employment Report recorded an addition of +145k jobs in the private sector in Mar-23 (Feb-23: +242K), well below expectations of a +250K increase. Annual pay rose +6.9%yoy (Feb-23: +7.2%yoy). ADP's chief economist remarked that the latest payroll data is one of several signals that the economy is slowing.
- The Federal Reserve's preferred inflation measure – the core PCE – slowed to +4.6%yoy in Feb-23 (Jan-23: +4.7%yoy). Apart from the slowing inflation, personal income and spending also grew at slower pace of +0.3%mom (Jan-23: +0.6%mom) and 0.2%mom (Jan-23: +2%mom), respectively.
- The Organisation of the Petroleum Exporting Countries and its allies (OPEC+) shocked markets last week with its announcement of slashing the daily oil production by 1.66 million barrels per day (bpd) starting May in a bid to boost oil prices, stoking fears of worsening inflation especially in the United States.
- In Europe, there seems to be a growing divergence of opinions among policy makers on the necessity of further rate hikes. European Central Bank president Christine Lagarde, her vice president, chief economist and the Dutch central bank chief have indicated that interest rate hikes have to continue but the governors of the French, Lithuania, Greece and Croatia central banks opined that rates were nearing its peak.
- In China, economic activities are showing signs of recovery following the reopening of its economy since late last year. Business activities in the services sector grew stronger with an official PMI of 58.2 in Mar-

22 (Feb-22: 56.3), its strongest expansion in 12 years.

- Our southern neighbour Singapore saw its private sector PMI rebounding back into expansion at 52.6 in Mar-23 (Feb-23: 49.6). Business activity recorded another increase led by the information and communication sector, marking a three-month consecutive run. The rise in business activity is buoyed by growth in new orders owing to improving demand conditions, which favours the sellers, elevating output prices while input cost eases.
- The Ringgit appreciated against the US dollar by +0.31% to close at USDMYR4.4015 on Friday. The Brent crude oil price rose by +6.71% to USD85.12 per barrel, while the crude palm oil price declined -1.68% to RM3,698 per tonne.

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

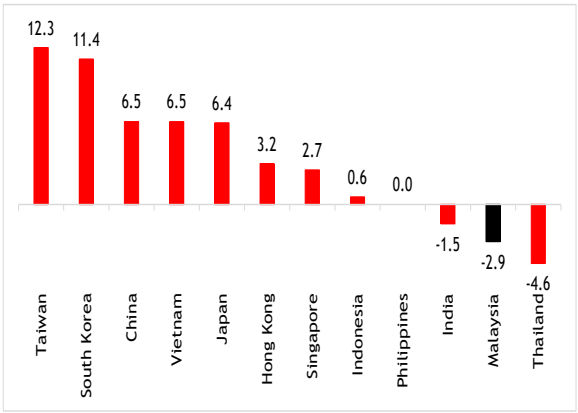


Sources: Bloomberg & MIDFR

B. TRACKING MONEY FLOW - ASIA

- Foreign investors continued to seek refuge in Asia as the net buying spree of equities in the region extended into its third consecutive week. Based on the provisional aggregate data for the eight exchanges that we track, investors classified as "foreigners" net bought USD146.8m worth of Asian equities though at a much slower pace, amounting to only 8% of the amount net bought the week prior at USD1.86b due to the holiday-shortened trading week in most countries.
- The weekly flows were mixed, with four countries recording net foreign inflows and four countries with net foreign outflows.
- India took the lead for the week with a net foreign inflow of USD455.6m despite a three-day trading week due to the Mahavir Jayanti and Good Friday holidays on Tuesday and Friday. It was a strong start to the quarter that saw the Sensex and the Nifty close at their monthly highs, on the back of positive news flows such as the three-month high manufacturing PMI at 56.4 in Mar-23, the slashing of windfall tax on crude oil to zero and 50% for diesel. The week culminated with a surprise repo rate pause by the Reserve Bank of India. On a year-to-date basis, India has recorded a net foreign fund outflow of USD-2.74b.

Chart 2 YTD Performance of Asian Benchmark Indices (%)



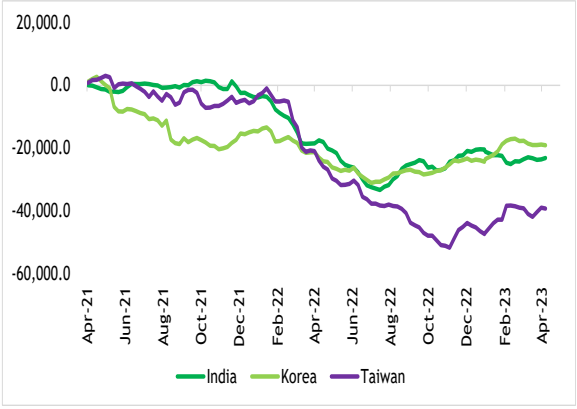
Sources: Bloomberg & MIDFR

- Indonesia maintained its positive momentum for the seventh consecutive week with a net inflow of USD183.3m on the back of cooling inflation data to a seven-month low of 5%yoy in Mar-23 (Feb-23: 5.5%). Food inflation moderated to 6% (Feb-23: 7.2%) while transport inflation rose slightly to 13.7% (Feb-23: 13.6%). Foreign investors net sold -USD2.8m on Tuesday but were net buyers for the rest of the week before taking a break on Friday in conjunction with the Good Friday holiday. Year-to-date, Indonesia has attracted USD628.7m net of foreign inflows.
- After six weeks of net foreign outflows, Thailand saw some respite with a net inflow of USD24m last week. The Kingdom, which is now in an election fever ahead of the upcoming polls on May 14, saw its headline inflation rate plunging to a 15-month low at +2.8%yoy in Mar-23, mainly due to lower prices for the energy and food and non-alcoholic beverages sectors. The Bank of Thailand had raised its key interest rate by 25bps to 1.75% in Mar-23, the highest since 2019. Given the easing inflation, we opine that there would be a pause on further policy normalisation in the next meeting. Year-to-date, Thailand's net foreign outflows totalled -USD1.62b.
- Taiwan saw the highest net foreign outflow last week at a rate of -USD272.0m after two comfortable weeks that attracted USD2.9b of net foreign inflows. Investors only had Thursday and Friday to trade,

due to the Children's Day and Qingming Festival holidays from Monday to Wednesday and they were rather cautious ahead of the US labour data release. Taiwan President Tsai Ing-wen's recent visit to the US worried investors, and rightly so as it triggered live-fire military drills by China in the Taiwan Strait, including a simulation of striking Taiwan on Sunday. China also imposed sanctions on the Hudson Institute, the Reagan Library and its heads and also on Taiwan's de facto ambassador to the US, Hsiao Bi-khim. Taiwan has received a net foreign inflow of USD8.05b year-to-date.

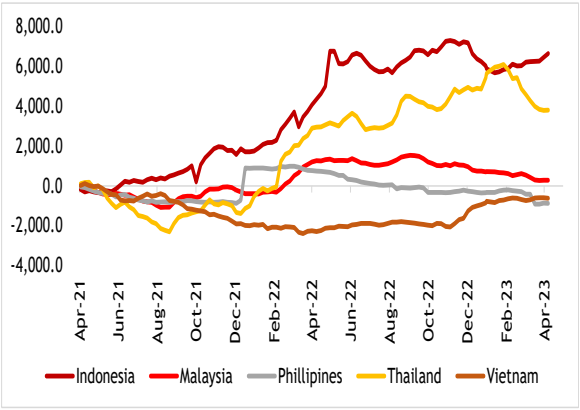
- Foreign investors channelled funds out of South Korea again, net selling -USD212.2m last week after briefly turning net buyers at USD182.6m the week before. Despite seeing its consumer inflation easing to a one-year low of +4.2%yoy in Mar-23, the Bank of Korea warned about heightened uncertainties on energy prices, economic trends and rise in public costs. The country has recorded a net foreign inflow of USD5.26b year-to-date.
- Foreign funds continued to leave Vietnam for the second week coming, net selling -USD31.4m of equities. There are signs of slowing growth in the country's economy, which prompted the State Bank of Vietnam to slash its refinance rate by 50bps to 5.5% to support economic growth. Vietnam also saw its index of industrial production decline 2.2% in 1Q23, dragged by a slump in the mining industry and the processing and manufacturing industry. Year-to-date, there has been a net foreign fund inflow of USD221.2m into Vietnam.
- Some foreign funds trickled out of the Philippines last week, at a rate of -USD4.8m after two weeks of net inflow. The Philippines Stock Exchange Index (PSEi) declined -0.17% for the week despite the slowing inflation data to 7.6% in Mar-23 (Feb-23: 8.6%). Investor sentiments were affected by the concerns of worsening inflation earlier in the week, coupled with the surprise output cut by OPEC+. Year-to-date, a total of -USD523.1m has left the country.

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)

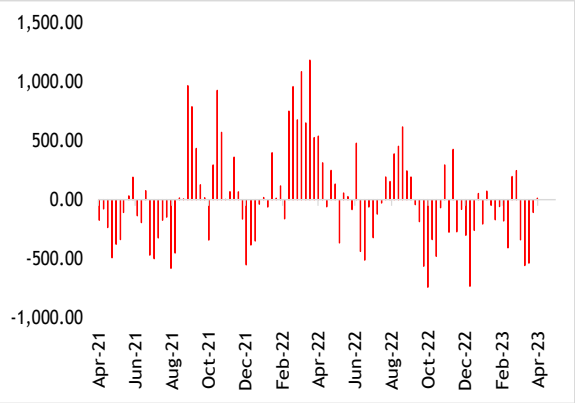
Week Ended	India	Indo	Korea	M'sia	Phil	Taiwan	Thai	Viet	Total
10-Mar	560.7	25.7	-891.4	-123.8	-7.9	-1,742.8	-297.4	38.6	-2,438.4
17-Mar	-247.0	17.8	-447.2	-119.4	-496.9	-928.6	-282.7	91.7	-2,412.4
24-Mar	-516.2	8.0	-6.6	-22.0	4.0	1,494.3	-152.8	16.4	825.1
31-Mar	85.5	197.3	182.6	2.6	50.2	1,403.4	-58.3	-6.2	1,857.1
7-Apr	455.6	183.3	-212.2	4.3	-4.8	-272.0	24.0	-31.4	146.8

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

C. TRACKING MONEY FLOW - MALAYSIA

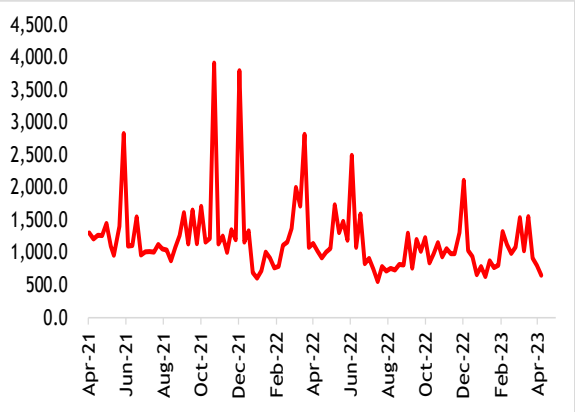
- It was a rather mixed trading week with a negative bias among foreign investors as they net sold for four out the five trading days. However, the net buying of RM63.0m on Thursday managed to offset the net selling for the rest of the week.
- It was the second consecutive week of net foreign inflows last week, which grew to RM18.8m from RM11.5m the week prior.
- Foreign investors net sold -RM150K on Monday, -RM14.9m on Tuesday, -RM24.4m on Wednesday and -RM4.7m on Friday. Thursday was the only day with net inflows, which saw the bulk of foreign funds flowing into blue chips namely Petronas Gas, QL Resources and Public Bank.
- Sentiments remain healthy, lifted by Prime Minister Datuk Seri Anwar Ibrahim's recent visit to China, which secured the commitment of RM170.07b of Chinese investments into several industries in Malaysia and also RM2.44b of potential exports to China.
- Top three sectors that saw net foreign inflows last week were Consumer Products & Services (RM39.1m), Utilities (RM24.2m) and Energy (RM18.2m), while the top three sectors that saw net foreign outflows were Financial Services (-RM39.1m), Healthcare (-RM30.2m) and Technology (-RM16.9m). Year-to-date, foreigners have net sold Malaysian equities for nine out of 14 weeks, totalling -RM1.86b.
- Institutional investors returned as net buyers with a total of RM50.1m, after briefly turning net sellers at -RM3.9m the week before. They net sold -RM71.0m on Thursday but were net buyers for the rest of the week. Year-to-date, institutional investors have been net buyers for 10 out of 14 weeks with a total of RM1.82b.
- Local retailers net sold for the second consecutive week at -RM69.0m. They net bought RM8.0m on Thursday but were net sellers for the rest of the week. They have net bought for seven out of 14 weeks this year, with a total of RM22.9m.
- In terms of participation, there was a decline in average daily trading volume (ADTV) among local retailers by -5.8%, local institutions by -3.2% and foreign investors by -18.8%.

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)
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
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

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**
RHB Bank	27.4	Top Glove	52.2	Petronas Gas	33.7
Public Bank	11.3	Malayan Banking	24.5	QL Resources	28.4
CIMB Group	11.1	Inari Ametron	22.0	Petronas Chemicals	22.3
Cypark Resources	8.6	Hartalega	16.0	Mr DIY Group	21.9
Sunsuria	6.6	Sime Darby	15.1	Bumi Armada	16.7
LBS Bina Group	6.1	YTL Power	14.0	Hibiscus Petroleum	15.4
AirAsia X	5.2	Malaysian Pacific Industries	13.1	Pentamaster	14.5
Classita Holdings	4.5	Press Metal Aluminium	11.0	Malaysia Airports	9.6
Bank Islam Malaysia	4.0	Nationgate Holdings	10.3	PPB Group	7.5
Pesona Metro Holdings	4.0	KPJ Healthcare	10.3	Gamuda	7.4
Top 10 Stocks with Weekly Net Outflows					
Company	**Value**	**Company**	**Value**	**Company**	**Value**
Top Glove	-27.7	RHB Bank	-36.1	CIMB Group	-21.4
Pertama Digital	-12.5	Petronas Gas	-33.4	YTL Power	-18.9
Mr DIY Group	-12.0	QL Resources	-27.7	Sime Darby	-13.3
Petronas Chemicals	-9.3	Bumi Armada	-16.6	Hartalega	-13.0
Inari Ametron	-7.5	United Plantations	-13.2	Top Glove	-12.1
Nationgate Holdings	-7.0	Pentamaster	-10.5	My E.G. Services	-11.7
Hartalega	-6.7	Malaysia Airports	-9.5	KPJ Healthcare	-10.0
Velesto Energy	-5.8	LBS Bina Group	-7.8	Press Metal Aluminium	-9.6
Malayan Banking	-5.6	Sime Darby Plantation	-6.8	RHB Bank	-8.8
Boustead Holdings	-4.8	PPB Group	-6.7	Dayang Enterprise	-7.4

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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Business Address:
11th Floor, Menara MIDF,
82, Jalan Raja Chulan, 50200
Kuala Lumpur.
Tel: 2173 8888
Fax: 2173 8380