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MIDF AMANAH
INVESTMENT BANK BERHAD

FUND FLOW REPORT

(Week ended 5 May 2023)

Sideways on a data-driven week



MIDF EQUITY STRATEGY | 8 MAY 2023

8 MAY 2023 | Strategy - Weekly Fund Flow

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SIDEWAYS ON A DATA-DRIVEN WEEK

A. MARKET SNAPSHOT

- Major equity markets traded sideways for the week as investors digested a barrage of data-related announcements from rate hikes and a hot labour market to the third bank failure in the United States, reinforcing the cautious stance that investors have been taking, ringing the bells of the old investment adage of "sell in May and go away".
- On Wall Street, the Nasdaq Composite Index inched upwards by a mere +0.07%. The S&P500 declined -0.80% while the Dow Jones Industrial Average reversed -1.24%.
- Out of the 20 major indices that we track globally, eight eked out slight gains while 12 posted declines for the week. The FBM KLCI led the advancers with a +1.07% gain, followed by Japan's Nikkei 225 at +1.04% and the Philippines PSEi at +0.91%. At the bottom of the list were Indonesia's JCI (-1.85%), the Dow (-1.24%) and Australia's ASX 200 (-1.22%).
- The Federal Reserve raised its rates again by +25bps to 5.00%-5.25% in its Federal Open Market Committee (FOMC) meeting on Wednesday. The level was last seen in 2006, which brings the cumulative fed funds rate hike since Mar-22 to +500bps. Fed chair Jerome Powell quashed hopes of a pivot to cut rates, saying that it may take some time for that to seem plausible and that inflation would come down "not so quickly".

Table 1 Weekly Performance of Global Benchmark Indices (%)

Index	Last Price	Change (%)
FBM KLCI	**1,431.04**	**1.07**
Nikkei 225	29,157.95	1.04
PSEi	6,685.66	0.91
Hang Seng	20,049.31	0.78
TAIEX	15,626.07	0.30
SET	1,533.30	0.27
DAX 40	15,961.02	0.24
Nasdaq	12,235.41	0.07
KOSPI	2,500.94	-0.02
Sensex	61,054.29	-0.10
Straits Times	3,266.63	-0.12
Stoxx Europe 600	465.31	-0.29
Shenzhen CSI 300	4,016.88	-0.30
CAC 40	7,432.93	-0.78
S&P 500	4,136.25	-0.80
Ho Chi Minh VSE	1,040.31	-0.84
FTSE 100	7,778.38	-1.17
ASX 200	7,220.01	-1.22
Dow Jones	33,674.38	-1.24
JCI	6,787.63	-1.85

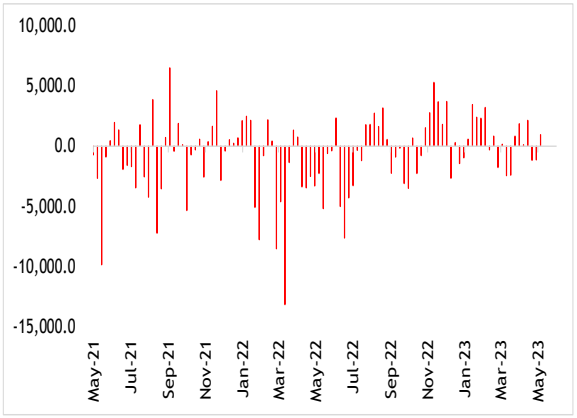
Source: Bloomberg

- Data from the CME FedWatch Tool showed a 91.5% probability that rates will remain unchanged in the June FOMC meeting and a 58.6% probability in July. Probability of a 25bps rate cut in July stood at 36.3%.
- In Europe, the European Central Bank also hiked rates by +25bps as expected, to 3.25%, and signalled further tightening as ECB president Christine Lagarde reiterated the central bank's stance of not pausing. It has raised rates for a cumulative +375bps since Jul-22.
- Locally, Bank Negara Malaysia pulled off a surprise rate hike by +25bps to the pre-pandemic level of 3.00%, against consensus expectations that the overnight policy rate (OPR) will remain unchanged. This could signal that Malaysia's economic growth may be more resilient than expected.
- On Monday, US' banking turmoil claimed its third casualty – the First Republic Bank – was shut down and seized by regulators, followed by a fire sale that saw all its deposits and most of its assets sold to JP Morgan Chase.
- The US labour market remains hot with an addition of +253K nonfarm payrolls in Apr-23 (Mar-23: +165K). The unemployment rate fell to 3.4% (Mar-23: 3.5%) while average hourly earnings rose +0.5% (Mar-23: +0.3%) and wages increased +4.4%yoy (Mar-23: +4.3%yoy).
- The manufacturing sector in the US recorded the sixth straight month of contraction in Apr-23 although its ISM manufacturing PMI rose to 47.1 (Mar-23: 46.3), ahead of market expectations of 46.8. Nevertheless, the slower contraction in Apr-23 reflected the improvement in employment and deliveries, in addition to slower declines in output and new orders.
- China's manufacturing PMI shrank unexpectedly to 49.2 in Apr-22 (Mar-22: 51.9), its first contraction since Dec-22 according to data from the National Bureau of Statistics. This was in line with the Caixin China

manufacturing PMI released later in the week, posting a contraction in Apr-22 as the PMI fell to 49.5 (Mar-23: 50.0). The second largest economy is facing a bumpy recovery post-Covid amid weak global growth, weakness in its property sector, slowing prices and surging bank savings.

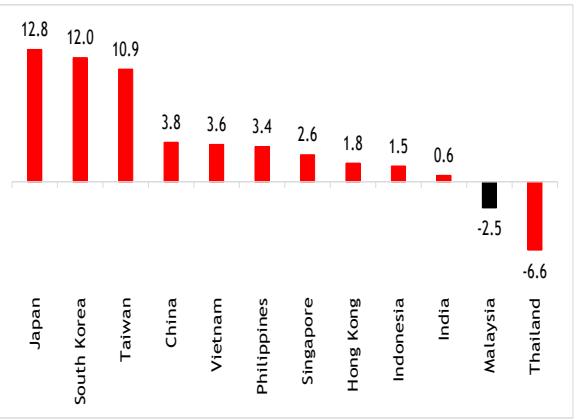
- The Euro Area's producer inflation entered the seventh month of continuous easing in Mar-23, slowing to +5.9%yoy (Feb-23: +13.3%yoy), which was mainly due to the sharp moderation in energy price inflation from +17.6%yoy in Feb-23 to +0.7%yoy in Mar-23.
- South Korea's exports contracted for the seventh consecutive month in Apr-23 by -14.2%yoy (Mar-23: -13.6%yoy), marking the steepest fall in three months and also its largest contraction in 12 months on the back of weakness in semiconductor exports (-41.0%yoy) and petroleum products (-27.2%yoy) though these were cushioned by the continued rise in automobile exports (+40.3%yoy). The weaker exports have led to a 13th straight month of trade deficit at -USD2.6b (Mar-23: -USD4.63b)
- Malaysia's leading index rebounded to a positive growth by +0.6%yoy in Feb-23 (Jan-23: -1.5%yoy), signalling that growth momentum would strengthen in the coming months. The positive growth was supported by higher approval of new housing units, rising real imports of intermediate goods and higher number of company registrations.
- Meanwhile, Malaysia's S&P Global Manufacturing PMI remained in contraction and unchanged at 48.8 in Mar-23. Demand remained subdued, prompting Malaysian manufacturers to trim production and scale back their purchasing activities, driving the moderation of total new businesses for the eighth consecutive month.
- The Ringgit appreciated against the US dollar by -0.58% to close at USDMYR4.4363 on Friday. The Brent crude oil price dipped -11.54% to USD75.30 per barrel, while the crude palm oil price rose +6.08% to RM3,541 per tonne.

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



Sources: Bloomberg & MIDFR

Chart 2 YTD Performance of Asian Benchmark Indices (%)



Sources: Bloomberg & MIDFR

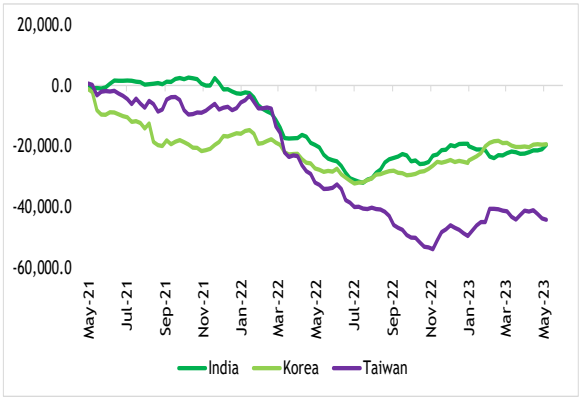
B. TRACKING MONEY FLOW - ASIA

- Foreign investors turned net buyers of Asian equities again after two brief weeks of net selling. However, this was led by India and South Korea as they were the only market to record net inflows last week. Based on the provisional aggregate data for the eight exchanges that we track, investors classified as "foreigners" net bought USD855.9m worth of Asian equities during the shortened trading week in conjunction with the Labour Day holiday on Monday.
- Most of the funds flowed into India, as foreign investors net bought USD1.42b. This was the highest weekly net inflow this year and since the week ended 12 December 2022. The continuous optimism on India was further enhanced last week when the Government announced a record high goods and services tax (GST) collection, up +12%yoy in Apr-23 to a record high of USD22.88b. Year-to-date, the amount of foreign investments in India is still at a net outflow of -USD358.75m.
- South Korea was the only other country with a net inflow last week, at USD102.1m. Consumer inflation in the country eased for the third straight month to a 14-month low of 3.7%yoy in Apr-23 (Mar-23: 4.2%yoy). The Bank of Korea has maintained its interest rates unchanged in its last two policy meetings after raising rates by +300bps since Aug-21. The Monetary Policy Board's next policy-setting meeting

is on May 25. Year-to-date, foreign investors have net bought USD6.19b of South Korean equities.

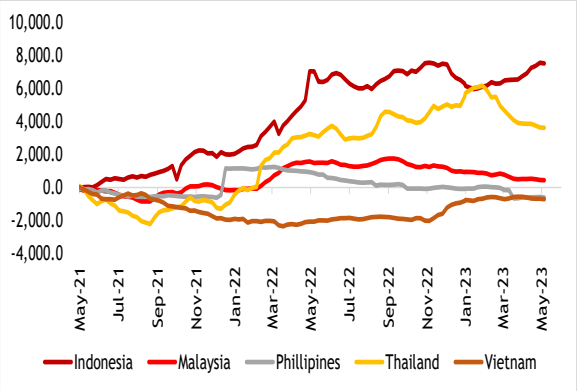
- Taiwan recorded the highest net foreign fund outflow for the third consecutive week at a rate of -USD442.1m. Possibilities of a China invasion continued to stir negative sentiments on top of the fact that Taiwan slipped into a recession recently after recording a 14-year low GDP of -3.02%yoy in the first quarter, on the back of a slowing tech-demand that affected exports. Year-to-date, foreign investors are net buyers at USD5.32b.
- Indonesia's good run ended after 10 consecutive weeks when foreign investors net sold -USD49.9m last week. They net sold every day from Tuesday to Friday. It seems that investors were taking profit after the JCI surged to a four-month high at the end of April. Indonesia's first quarter GDP rose +5.03%yoy, backed by consumer and government spending which cushioned weakening exports. Foreign investors have net bought USD1.22b year-to-date.
- Foreigners turned net sellers in the Philippines with an amount of -USD42.7m, erasing the net inflows of USD39.1m that were recorded in the three previous weeks. Investors took profit during the week after a three-day rally of the PSEi as they awaited the Fed's policy decision. Uncertainties have also grown as it aims to forge stronger ties with the US, which may not have gone down well with China as Philippines' largest trading partner. Just a fortnight ago, it was alleged that China's coast guards harassed Philippine vessels in the South China Sea. Year-to-date, -USD526.7m of foreign funds have flowed out of the country.

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



Sources: Bloomberg & MIDFR

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



Sources: Bloomberg & MIDFR

- In Vietnam, foreign investors turned net sellers again at a rate of -USD21.3m after briefly turning net buyers at USD700K the week before. The Government hiked the average retail electricity price by 3%, a decision that may result in upward pressures on inflation. Foreign investors have net bought USD113.1m of Vietnamese equities year-to-date.
- Thailand heads to the polls this Sunday in the closely-watched election that may see the end of almost a decade long military-backed rule with surveys favouring opposition parties Pheu Thai and Move Forward Party. Foreign investors remained cautious in Thailand pending the outcome of the polls as they remain net sellers for the third straight week at -USD-12.2m, though much lower than -USD115.4m in the previous week. Year-to-date, foreign investors have net sold -USD1.89b of equities.

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

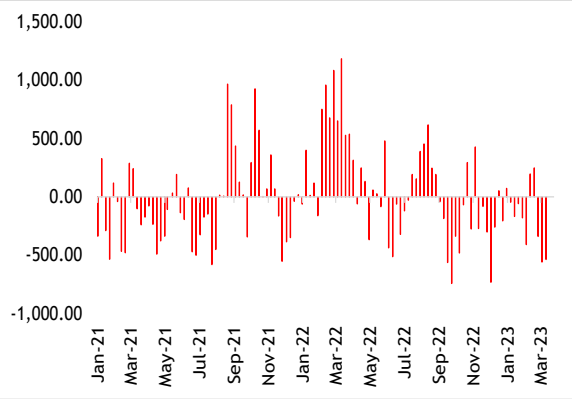
Week Ended	India	Indo	Korea	M'sia	Phil	Taiwan	Thai	Viet	Total
07-Apr	455.6	183.3	-212.2	4.3	-4.8	-272.0	-15.6	-31.4	107.2
14-Apr	612.1	332.9	796.9	15.8	17.6	423.6	11.8	-74.0	2,136.7
21-Apr	-14.8	120.5	125.7	-34.0	5.0	-1,255.4	-111.7	-13.6	-1,178.4
28-Apr	366.9	191.5	-94.3	-42.1	16.5	-1,449.1	-115.4	0.7	-1,125.2
5-May	1,421.8	-49.9	102.1	-4.6	-42.7	-442.1	-12.2	-21.3	951.0

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

C. TRACKING MONEY FLOW - MALAYSIA

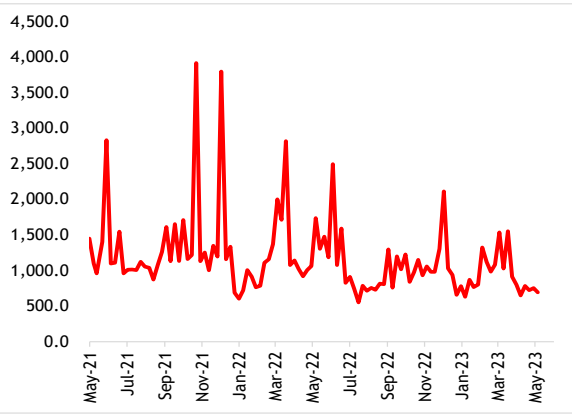
- It was yet another shortened trading week on Bursa Malaysia of only three days due to the Labour Day and Wesak Day holidays on Monday and Thursday. Foreign investors net sold for the third consecutive week, though at a much-moderated amount at -RM20.79m as compared to -RM187.79m a week ago.
- They net sold -RM60K on Tuesday and -RM49.23m on Wednesday. Friday was the only net buying day among foreigners amounting to RM28.5m, the next trading day after Bank Negara's surprise rate hike on Wednesday.
- The day saw foreign investors picking up counters such as Public Bank (RM30.5m), Yinson Holdings (RM11.7m), Maybank (RM8.5m) and RHB Bank (RM8.4m).
- Top three sectors that saw net foreign inflows last week were Telecommunications & Media (RM25.2m), Transportation & Logistics (RM11.1m) and Energy (RM10.9m). Sectors with the most outflows were Financial Services (-RM39.8m), Industrial Products & Services (-RM17.3m) and Healthcare (-RM15.9m). Year-to-date, foreigners have net sold Malaysian equities for 12 out of 18 weeks, totalling -RM2.14b.
- Local institutional investors maintained their net buying stance with a total of RM53.2m. They net bought RM45.11m on Tuesday and RM23.61m on Wednesday before net selling -RM15.53m on Friday. Year-to-date, they have been net buyers for 13 out of 18 weeks with a total of RM2.04b.
- Local retailers turned net sellers again at -RM32.4m after two weeks of net buying. They net sold -RM45.05m on Tuesday and -RM12.97 on Friday. Wednesday was the only net buying day at RM25.62m. They have net bought for nine out of 18 weeks this year, with a total of RM96.93m.
- In terms of participation, there was an increase in average daily trading volume (ADTV) among local institutions by +0.9% whereas retailers and foreign investors saw declines of -2.0% and -7.6% respectively.

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)
07-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
21-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
28-Apr	1,922.64	1,901.46	21.2	2,824.27	2,657.65	166.63	1,412.56	1,600.37	-187.79	-42.10
5-May	1,388.5	1,420.9	-32.4	2,101.5	2,048.3	53.2	1,033.2	1,054.0	-20.8	-4.6

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**
Pelikan International Corp	13.3	CIMB Group Holdings	63.8	Public Bank	28.3
Bahvest Resources	9.2	Tenaga Nasional	11.4	Yinson Holdings	14.2
Time Dotcom	7.6	YTL Power International	10.7	Genting Malaysia	12.7
Hong Seng Consolidated	6.1	Malayan Banking	8.7	Frontken Corp	12.5
Tanco Holdings	5.9	Pantech Group Holdings	7.3	Malaysia Airports Holdings	11.1
Top Glove Corp	3.8	IHH Healthcare	7.2	CelcomDigi	9.2
Salutica	3.6	Hextar Technologies Solutions	7.0	Hartalega Holdings	8.5
Genetec Technology	3.6	KPJ Healthcare	6.9	PPB Group	7.5
Dufu Technology Corp	3.1	RHB Bank	6.8	Telekom Malaysia	7.3
Alliance Bank Malaysia	3.0	Supermax Corp	6.2	Inari Ametron	6.8
Top 10 Stocks with Weekly Net Outflows					
Company	**Value**	**Company**	**Value**	**Company**	**Value**
Public Bank	-19.0	Time Dotcom	-13.3	CIMB Group Holdings	-67.6
Genting Malaysia	-17.7	Yinson Holdings	-11.5	Tenaga Nasional	-12.2
Malayan Banking	-10.4	Malaysia Airports Holdings	-10.3	Tanco Holdings	-10.8
Hartalega Holdings	-7.3	CelcomDigi	-9.7	Top Glove Corp	-8.0
YTL Power International	-6.8	Telekom Malaysia	-9.2	Pelikan International Corp	-7.6
Genting	-5.9	PPB Group	-8.2	IHH Healthcare	-7.3
Maxis	-5.7	Frontken Corp	-7.3	Malaysian Pacific Industries	-6.8
Pantech Group Holdings	-5.5	Kuala Lumpur Kepong	-5.5	KPJ Healthcare	-6.5
Hextar Technologies Solutions	-4.6	Sime Darby Plantation	-4.7	Sime Darby	-5.3
My E.G. Services	-4.0	Press Metal Aluminium	-4.6	Fraser & Neave Holdings	-5.1

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

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

Company	%	Company (cont'd)	%	Company (cont'd)	%
Automotive		Nestlé	82.7	TSH Resources	19.9
Bermaz Auto	17.2	Padini	10.3	**Port & Shipping**	
MBM	2.7	QL Resources	10.3	MISC	9.1
Tan Chong	10.6	Rhong Khen International	62.3	Suria Capital	6.1
UMW Holdings	5.2	Spritzer	18.2	Westports	27.6
Aviation		**Gloves**		**Property**	
Capital A	18.9	Hartalega	17.5	Eco World	28.9
Malaysia Airports	20.9	Kossan	10.6	Glomac	4.2
Banking		Top Glove	32.9	IOI Prop	3.7
Affin Bank	26.4	**Healthcare**		Mah Sing	15.0
Alliance Bank	20.6	IHH Healthcare	49.7	S P Setia	6.1
AMMB	39.9	KPJ Healthcare	7.6	Sunway	5.8
Bank Islam	1.7	Pharmaniaga	0.6	UEM Sunrise	5.5
CIMB Group	29.8	**Logistics**		UOA Development	3.9
Hong Leong Bank	11.1	CJ Century Logistics	57.6	**REITs**	
Hong Leong Financial	32.4	Swift Haulage	12.8	Al-'Aqar Healthcare	0.7
Malayan Banking	17.5	Tasco	65.7	Axis REIT	15.3
Public Bank	27.0	**Media**		IGB REIT	4.9
RHB Bank	16.7	Astro	36.7	KLCCP Stapled	0.9
Building Materials		Media Prima	21.0	Pavilion REIT	33.9
Malayan Cement	2.8	**Non-bank Financials**		Sunway REIT	7.5
Conglomerate		Bursa Malaysia	15.4	**Technology**	
YTL Corp	18.3	AEON Credit	70.8	D & O Green Tech	35.3
Construction		**Oil & Gas**		Datasonic	5.8
Cahya Mata Sarawak	8.3	Bumi Armada	19.3	Globetronics	2.7
Gabungan AQRS	2.2	Deleum	3.9	Inari Amertron	17.8
Gamuda	19.2	Dialog Group	20.1	My E.G.	11.2
IJM Corp	11.4	Gas Malaysia	19.5	Unisem	2.0
KKB Engineering	0.3	MMHE	10.4	**Telecommunication**	
MRCB	8.6	Petronas Chemicals	9.7	Axiata	10.9
Muhibbah Engineering	16.9	Petronas Dagangan	7.5	CelcomDigi	59.7
Pintaras Jaya	0.4	Petronas Gas	9.3	Maxis	7.1
Sunway Construction	1.4	**Plantation**		Telekom Malaysia	11.9
WCT	6.0	FGV	4.2	**Utilities**	
Consumer (F&B & Retail)		Genting Plantations	5.1	Ranhill Utilities	32.1
AEON Co.	54.4	IOI Corp	11.1	Tenaga Nasional	12.2
Asia File	5.6	KL Kepong	13.0	YTL Power	4.8
Fraser & Neave	61.2	PPB Group	21.2		
Hup Seng	1.9	Sarawak Plantation	2.9		
Leong Hup	12.3	Sime Darby Plantation	9.9		
MSM	1.7	Ta Ann	13.5		

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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