

# FUND FLOW REPORT

(Week ended 15 March 2024)

*Increased caution amid higher inflation*

18 MARCH 2024 | Strategy - Weekly Fund Flow

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## INCREASED CAUTION AMID HIGHER INFLATION

### A. MARKET SNAPSHOT

- In Feb-24, underlying US inflation exceeded expectations for the second consecutive month, driven by price increases in used cars, air travel, and clothing. This reinforces the Federal Reserve's (Fed) cautious stance on interest rate cuts. The core consumer price index (CPI), excluding food and energy, rose by +0.4%mom and +3.8%yoy. Over the past three months, core CPI increased at an annualised rate of +4.2%, the highest since Jun-23.
- Meanwhile, US producer prices increased more than expected amid a surge in the cost of goods like gasoline and food, which could fan fears that inflation is picking up again. The producer price index (PPI) for final demand rose +0.6% last month after advancing by an unrevised +0.3% in Jan-24. A +1.2% jump in the prices of goods accounted for nearly two-thirds of the increase in PPI.
- Retail sales in the US bounced back in Feb-24, led by gains in auto dealerships and gasoline stations. However, consumer spending moderated due to inflation and rising borrowing expenses. The Commerce Department's Census Bureau reported a +0.6% increase in retail sales for Feb-24, with Jan-24's data revised downwards to show a -1.1% decline instead of the previously reported -0.8%.
- During the past week, 11 out of the 20 major indices under our observation saw declines, with notable underperformers including the Nikkei 225 (-2.47%), ASX 200 (-2.25%), and the Sensex (-1.99%). The top three performers for the week were the Hang Seng Index (+2.25%), CAC 40 (+1.70%), and the Ho Chi Minh VSE (+1.32%).
- The UK economy bounced back in Jan-24, showing modest growth following a technical recession in the later part of last year. According to the Office for National Statistics (ONS), gross domestic product (GDP) increased by +0.2% after a -0.1% decline in Dec-23. The growth was driven by gains in services and construction, which offset a decrease in industrial production. These figures indicate that Britain is set to grow over 1QCY24, effectively ending the recession.
- China utilised a medium-term liquidity tool to remove cash from the banking system for the first time since Nov-22. This reflects a cautious approach to monetary policy to support the yuan and avoid excessive liquidity. The People's Bank of China (PBOC) withdrew CNY94.0b to manage liquidity while maintaining the rate on its one-year policy loans at 2.5%.
- Japan's major companies have committed to increasing wages by +5.28% for CY24, marking the highest raise in 33 years. This decision, announced by the largest union group, indicates a possible departure from the country's long-standing stimulus program. The move reflects growing economic optimism and is expected to impact the Bank of Japan's deliberations on ending its negative interest rate policy.
- Australia's household spending decreased in Feb-24, according to the Commonwealth Bank of Australia, influenced by the Reserve Bank's interest rate hike at the end of last year. The Household Spending Insights Index dropped -0.3% to 141.6 points, with declines observed in household goods and transport.
- Malaysia's wholesale and retail sales expanded by +5.4%yoy, reaching RM142.4b. The wholesale trade

Table 1	Weekly Performance of Global Benchmark Indices (%)	
Index	Last Price	Change (%)
Hang Seng	16,720.89	2.25
CAC 40	8,164.35	1.70
Ho Chi Minh VSE	1,263.78	1.32
FTSE 100	7,727.42	0.88
FBM KLCI	1,552.83	0.84
Straits Times	3,172.96	0.82
Shenzhen CSI 300	3,569.99	0.71
DAX 40	17,936.65	0.69
Stoxx Europe 600	504.80	0.31
Dow Jones	38,714.77	-0.02
SET	1,386.04	-0.03
S&P 500	5,117.09	-0.13
KOSPI	2,666.84	-0.50
TAIEX	19,682.50	-0.52
Nasdaq	15,973.17	-0.70
JCI	7,328.05	-0.73
PSEi	6,822.32	-1.73
Sensex	72,643.43	-1.99
ASX 200	7,670.28	-2.25
Nikkei 225	38,707.64	-2.47

Source: Bloomberg

sub-sector notably grew by +5.5%yoy to RM63.7b, driven primarily by other specialised wholesale activities, followed by wholesale of food, beverages, and tobacco, and wholesale of household goods. Meanwhile, the retail subsector saw a +2.6% increase in trade to RM61.1b, attributed to higher sales in both specialised and non-specialised stores, as well as household goods.

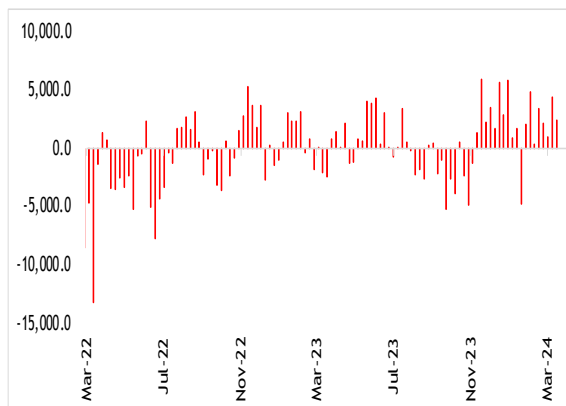
- Malaysia experienced a quicker-than-expected recovery in factory output in Jan-24, primarily due to a surge in manufacturing activities, along with increases in mining output and electricity generation. The industrial production index (IPI), which gauges output from factories, mines, and power plants, climbed +4.3%yoy in Jan-24, marking the highest growth since May-23. On a monthly basis, the index rose by +2.0%.
- The Ringgit depreciated against the US Dollar by +0.51% to close at RM4.7072 on Friday. The Brent crude oil price rose +0.26% to USD85.34 per barrel. The crude palm oil price rose by +5.98% to RM4,220.00 per tonne.

## B. TRACKING MONEY FLOW - ASIA

- The net buying of equities in Asia has stretched into its eighth consecutive week at USD2.46b, though this was mainly due to strong net buying activities seen in India and Indonesia while the six other countries that we track recorded net selling. Friday was also the only day that saw net selling in all the eight markets that we tracked.
- Foreign investors net bought USD3.49b of equities in India last week, the highest weekly amount seen in recent years and its fourth straight week of net inflows. Fitch Ratings has recently raised the country's FY25 GDP growth forecast from +6.5% to +7.0%, attributing it to brightening prospects for emerging markets (ex-China). It also expects the Reserve Bank of India to slash rates by 50bps from July to December this year and forecasts a gradual decline in CPI inflation to 4% by the year-end.
- Indonesia was the only other country that recorded a net foreign inflow last week, totalling USD475.5m. Apart from positive sentiments from the potential rate cuts in the US by the Fed later this year, investors seem to remain optimistic on expected future president Prabowo Subianto's confidence in accelerating economic growth to +8.0% within five years and a pledge to uphold fiscal discipline when he assumes office.
- South Korea recorded the highest net foreign fund outflow last week at -USD771.1m, which came after seven consecutive weeks of net inflows. The Bank of Korea (BOK) cautioned against a premature shift from tighter monetary policy, which it said could undermine policy credibility, adding that uncertainties are "very high" for home prices and household debts.
- Foreign investors net sold -USD479.6m of equities in Taiwan, shortly after a massive net buy of USD3.44b in the week prior. Taiwan's CPI inflation rose to a 19-month high of +3.08%yoy in Feb-24 due to higher food prices in conjunction with the Lunar New Year and prices are expected to remain elevated with potential hikes in electricity rates in Apr-24. Central Bank of the Republic of China Governor Yang Chin-Long told the Parliament that they would not cut rates before Jun-24 and that it would be necessary to raise the 2024 inflation forecast.
- Foreign investors net sold equities in Vietnam for the second consecutive week at -USD105.6m. They

Chart 1

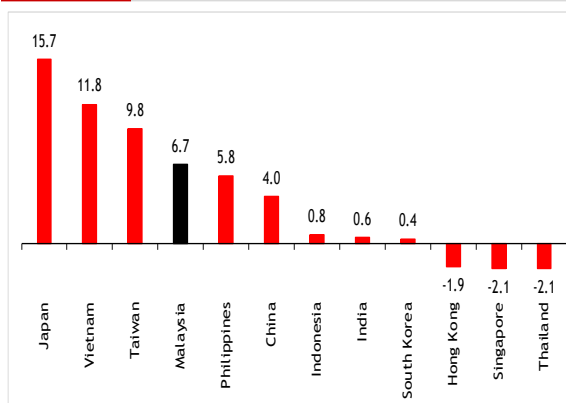
Net Foreign Fund Flows into Equity in 8 Asian Markets Since Mar-22 (USD'm)



Sources: Bloomberg & MIDFR

Chart 2

YTD Performance of Asian Benchmark Indices (%)

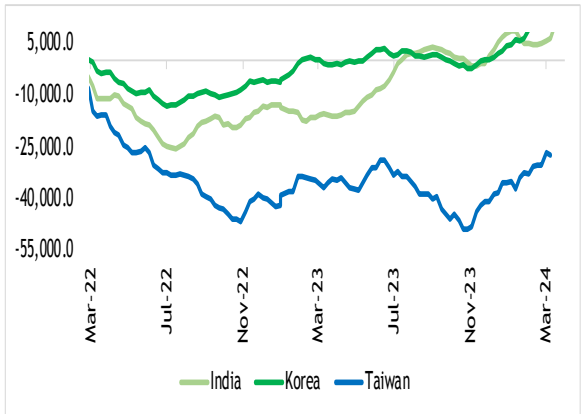


Sources: Bloomberg & MIDFR

only net bought USD9.9m on Monday but were net sellers for the rest of the week. Prime Minister Pham Minh Chinh has urged top businesses in the country, especially commercial banks, to discuss and propose solutions to tackle issues related to interest rates and exchange rates and to strengthen the country's macroeconomic stability, besides keeping inflation at bay.

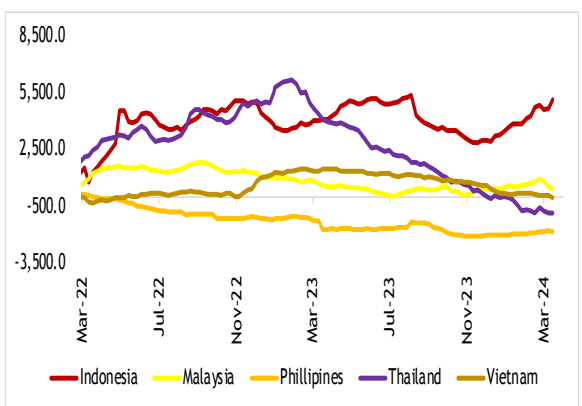
- After seven weeks of net foreign fund inflows, the Philippines recorded a net outflow of -USD55.5m last week. Prospects remain positive however, as US companies are expected to announce more than USD1.0b of investments in the country, in areas such as solar, EV, and digitisation. This was mentioned by US Commerce Secretary Gina Raimondo during her official visit to Manila last week.
- The net selling by foreign investors is now into its third week in Thailand but that amount has diminished to -USD0.5m, as compared to -USD72.4m in the previous week. Going by media reports, Prime Minister Srettha Thavisin may relinquish his position as Finance Minister, a move which is said to be able to ease tensions with the central bank on its monetary policy stance. It is speculated that Pichai Chunhavajira may take on the mantle as the new Finance Minister. He was recently appointed the chairman of the Stock Exchange of Thailand.

**Chart 3** Net Foreign Fund Flows into North Asia and India Since Mar-22 (USD'm)



Sources: Bloomberg & MIDFR

**Chart 4** Net Foreign Fund Flows into Southeast Asia Since Mar-22 (USD'm)



Sources: Bloomberg & MIDFR

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

Period	India	Indo	Korea	M'sia	Phil	Taiwan	Thai	Viet	Total
Mar-24	4,913.7	494.2	-337.3	-450.4	-12.5	3,221.7	-96.1	-137.4	7,596.0
YTD-24	2,003.2	1,674.4	8,035.8	-28.7	195.9	8,027.0	-884.1	-243.3	18,780.0
1Q23	-3,200.4	445.4	5,469.6	-421.8	-518.3	7,970.2	-1,645.6	252.6	8,351.8
2Q23	12,492.0	644.8	2,474.7	-506.4	51.0	3,277.1	-1,461.2	-265.5	16,706.5
3Q23	5,382.2	-1,399.9	-1,635.9	488.1	-261.9	-13,427.4	-1,419.8	-331.9	-12,606.4
4Q23	6,069.0	-43.6	4,396.8	-72.7	-134.1	9,113.0	-980.6	-681.3	17,666.5

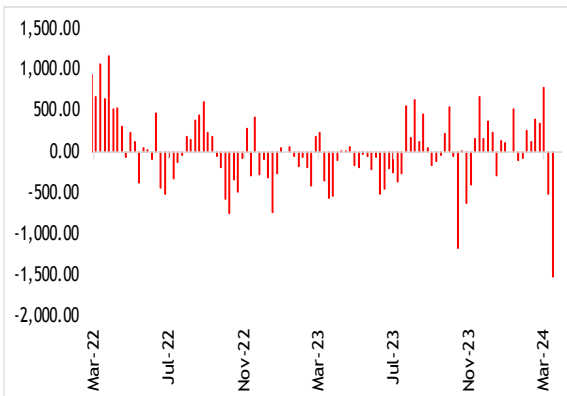
Source: Respective stock exchange statistics as reported on Bloomberg. These figures are subject to revisions.

## C. TRACKING MONEY FLOW - MALAYSIA

- Foreign investors maintained their selling momentum on Bursa Malaysia for the third consecutive week, where they net sold -RM415.1m worth of equities, moderating from -RM1.51b the week before. They only net bought RM46.5m on Tuesday but were net sellers for the rest of the week.
- The sectors with the highest net foreign inflows were Property (RM81.1m), Construction (RM37.1m), and Transportation & Logistics (RM17.7m). Meanwhile, the sectors that recorded the highest net foreign outflows were Financial Services (-RM186.0m), Plantation (-RM115.7m), and Energy (-RM59.6m).
- Meanwhile, local institutions continued their trend of net buying for the third consecutive week as they net bought RM575.8m. As opposed to foreign investors, they were net sellers at -RM24.0m on Tuesday but were net buyers for the entire week.
- Local retailers shifted their stance to net selling at -RM160.7m, after briefly net buying for two weeks. They net sold every day last week and have been net sellers for seven consecutive trading days.
- In terms of participation, the average daily trading volume (ADTV) rose across all investor classes. Local retailers saw an increase of +13.9% while local institutions and foreign investors saw increases of +11.2% and +30.1% respectively.

Chart 5

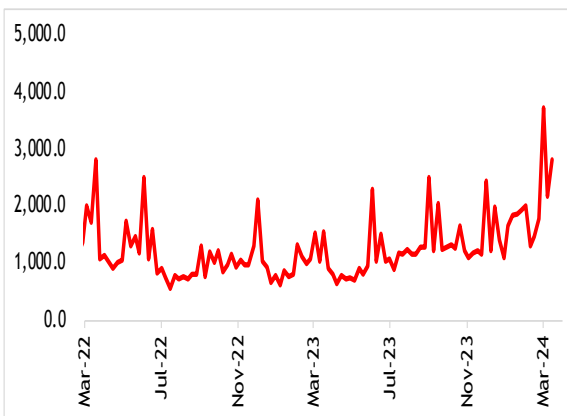
Net Foreign Fund Flows into Malaysian Equity Since Mar-22 (RM'm)



Sources: Bursa Malaysia &amp; MIDFR

Chart 6

Daily Average of Foreign Participation in Bursa Malaysia for the Week (RM'm)



Sources: Bursa Malaysia &amp; MIDFR

Table 3

Bursa Malaysia: Market Participation (RM'b)

Period	Local Retail			Local Institution			Foreign			
	Bought	Sold	Net	Bought	Sold	Net	Bought	Sold	Net	*Net (USD'b)
Mar-24	6.01	6.02	-0.01	13.80	11.67	2.14	12.59	14.72	-2.13	-0.45
YTD-24	32.98	34.01	-1.03	64.56	63.41	1.15	52.78	52.91	-0.13	-0.03
1Q23	36.28	36.19	0.09	62.10	60.32	1.77	30.28	32.15	-1.87	-0.42
2Q23	29.03	28.65	0.37	46.57	44.61	1.96	29.49	31.81	-2.33	-0.51
3Q23	34.89	35.98	-1.09	54.18	55.32	-1.14	42.77	40.54	2.23	0.49
4Q23	35.65	36.00	-0.35	56.14	55.42	0.72	44.33	44.71	-0.38	-0.07

Source: Daily statistics provided by Bursa Malaysia. \*Estimated by MIDFR based on the prevailing exchange rates.

**D. NET INFLOWS AND OUTFLOWS BY STOCK (WEEK ENDED 15 MARCH 2024)**
**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	36.2	Public Bank	128.1	Malayan Banking	85.3
CTOS Digital	28.1	KL Kepong	90.1	Sime Darby	54.1
Public Bank	20.7	Petronas Gas	76.6	Tenaga Nasional	31.3
AMMB Holdings	18.3	AMMB Holdings	71.6	IOI Properties Group	28.4
Bermaz Auto	7.8	Dialog	61.1	QL Resources	23.5
Hong Seng	6.6	Petronas Chemicals	52.9	Mah Sing	20.1
Dutch Lady Milk	6.4	YTL Corp.	45.7	Genting	19.1
Eversendai Corp.	5.0	Press Metal	35.3	IJM Corp.	14.6
Oriental Holdings	4.9	YTL Power Int.	32.4	Genting Malaysia	12.3
Tanco Holdings	4.6	Hartalega Holdings	25.6	MISC	11.6
Top 10 Stocks with Weekly Net Outflows					
Company	Value	Company	Value	Company	Value
Malayan Banking	-50.1	Sime Darby	-56.2	Public Bank	-168.0
Tenaga Nasional	-33.3	Malayan Banking	-49.7	KL Kepong	-90.2
YTL Corp.	-25.4	CTOS Digital	-48.6	Petronas Gas	-78.2
S P Setia	-22.5	Dutch Lady Milk	-40.8	RHB Bank	-66.3
YTL Power Int.	-22.5	CIMB Group Holdings	-33.1	Petronas Chemicals	-49.9
Genting	-20.0	IOI Properties Group	-24.3	Inari Amertron	-49.6
Mah Sing	-13.3	QL Resources	-18.7	Dialog	-38.9
My E.G. Services	-11.0	Gamuda	-16.9	Press Metal	-31.0
Cloudpoint Tech.	-9.7	MISC	-14.3	Bermaz Auto	-29.1
Master Tec	-9.5	Maxis	-12.6	Hong Leong Bank	-26.0

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



## Appendix: Foreign Shareholdings of the Companies Under Our Coverage as at Feb-24 (%)

Company	%	YTD %	Company (cont'd)	%	YTD %	Company (cont'd)	%	YTD %
<b>Automotive</b>			Padini	6.3	-0.05	Suria Capital	5.6	0.0
Bermaz Auto	11.5	0.0	QL Resources	8.8	-0.1	Westports Holdings	27.1	0.0
MBM Resources	2.2	0.0	Rhong Khen International	62.3	0.0	<b>Property</b>		
Tan Chong	10.5	-0.01	Spritzer	13.9	-0.01	Eco World	4.7	-0.8
UMW Holdings	3.4	-0.4	<b>Gloves</b>			Glomac	3.8	-0.1
<b>Aviation</b>			Hartalega	14.7	-0.02	IOI Properties	5.8	0.1
Capital A	13.6	-0.04	Kossan Rubber	12.6	0.03	Mah Sing	20.1	0.02
Malaysia Airports	24.5	0.0	Top Glove	28.8	-0.01	Matrix Concepts	10.3	-0.05
<b>Banking</b>			<b>Healthcare</b>			S P Setia	17.1	0.04
Affin Bank	26.9	0.01	IHH Healthcare	49.9	0.01	Sunway	5.3	-0.04
Alliance Bank	20.0	0.01	KPJ Healthcare	10.0	0.02	UOA Development	3.5	0.0
AMMB Holdings	39.1	0.01	Pharmaniaga	0.4	0.3	<b>REITs</b>		
Bank Islam	1.0	0.7	<b>Logistics</b>			Al-'Aqar Healthcare	0.5	0.0
CIMB Group	31.4	0.01	CJ Century	58.0	0.0	Axis REIT	14.9	-0.03
Hong Leong Bank	10.4	0.0	Swift Haulage	7.3	-0.4	IGB REIT	2.6	-0.1
Hong Leong Financial	30.8	0.0	Tasco	66.5	0.0	KLCCP Stapled	0.4	-0.2
Malayan Banking	19.9	0.02	<b>Non-bank Financials</b>			Pavilion REIT	32.1	-0.02
Public Bank	27.4	0.01	Bursa Malaysia	15.5	0.03	Sunway REIT	4.5	-0.04
RHB Bank	14.2	-0.01	AEON Credit	68.2	0.0	<b>Solar EPCC</b>		
<b>Building Materials</b>			<b>Oil &amp; Gas</b>			Pekat	2.4	0.3
Cahaya Mata Sarawak	6.4	-0.1	Bumi Armada	15.0	0.1	Samaiden	11.2	-0.02
Malayan Cement	5.6	0.1	Deleum	4.1	0.1	Sunview	7.1	-0.1
<b>Conglomerate</b>			Dialog	17.4	-0.1	<b>Technology</b>		
YTL Corporation	25.6	0.03	Gas Malaysia	19.8	-0.01	D & O Green Tech	35.4	-0.01
<b>Construction</b>			MMHE	8.3	0.0	Datasonic	6.1	0.02
Gamuda	25.3	-0.02	Petronas Chemicals	8.7	0.0	Globetronics	1.4	-0.3
IJM Corp	17.8	0.1	Petronas Dagangan	7.2	0.0	Inari Amertron	18.9	-0.02
KKB Engineering	0.6	0.5	Petronas Gas	10.3	0.03	My E.G. Services	11.8	-0.04
MRCB	11.7	0.03	<b>Plantation</b>			Unisem	2.3	0.05
Pintaras Jaya	0.2	0.0	FGV Holdings	3.7	-0.03	<b>Telecommunication</b>		
Sunway Construction	1.0	-0.4	Genting Plantations	5.7	0.0	Axiata	10.3	0.01
WCT Holdings	6.9	-0.03	IOI Corp	11.1	0.01	CelcomDigi	60.0	0.0
<b>Consumer</b>			KL Kepong	13.4	-0.04	Maxis	7.9	0.01
AEON Co.	53.7	0.0	PPB Group	21.0	0.0	Telekom Malaysia	12.7	0.03
Asia File	3.5	-0.03	Sarawak Plantation	2.6	-0.04	<b>Utilities</b>		
Fraser & Neave	60.8	0.0	Sime Darby Plantation	9.8	0.01	Ranhill Utilities	13.2	-0.02
Hup Seng Industries	1.9	-0.1	Ta Ann	13.2	-0.03	Tenaga Nasional	13.7	0.03
Leong Hup	7.9	-0.1	TSH Resources	18.8	-0.02	YTL Power	13.4	0.04
MSM Malaysia	2.8	0.1	<b>Port &amp; Shipping</b>					
Nestlé (Malaysia)	81.9	0.0	MISC	10.0	0.04			

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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