

FUND FLOW REPORT

(Week ended 8 March 2024)

In the right place

11 MARCH 2024 | Strategy - Weekly Fund Flow
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IN THE RIGHT PLACE
A. MARKET SNAPSHOT

- The easing inflation in the United States is soon giving the Federal Reserve the confidence it needs to begin slashing interest rates. Testifying before the Congress last week, Fed Chair Jerome Powell reiterated the central bank's stance that they were "waiting to become more confident" that inflation is moving sustainably down to +2.0% and that they were not far from it.
- The Federal Open Market Committee (FOMC) will meet again on March 20 to decide on the rates, which is largely expected to remain status quo at 5.25%-5.50%, with a 97.0% probability according to the CME FedWatch Tool. It is also expecting a cut from as early as Jun-24, with a 52.1% probability for a 25bps cut.
- During the past week, 13 out of the 20 major indices under our observation saw gains, with notable performers including Taiwan's TAIEX (+4.49%), South Korea's KOSPI (+1.44%), and Thailand's SET (+1.39%). Notable decliners were Hong Kong's Hang Seng (-1.42%), Nasdaq (-1.17%), and Dow Jones (-0.93%).
- Private sector employment in the US grew +140K in Feb-24 (Jan-24: +111K) but softer than market expectations of +150K. Hirings in the services sector (share: 83% of private employment) rose faster by +110K, (Jan-24: +73K) with increases in all services sub-sectors except the information sector, which downsized its workforce by -2K (Jan-24: +14K) for the third consecutive month.
- The services sector in the US grew at a slower pace in Feb-24 as the ISM Services PMI dropped to 52.6 in Feb-24 (Jan-24: 53.4), lower than market expectations of 53.0. Although business activities improved further, rising to a five-month high of 57.2 and new orders expanded faster at a six-month high of 56.1, export orders grew softer as the index eased to 51.6 (Jan-24: 56.1).
- In China, exports grew faster at +7.1%yoy in the first two months of 2024 (Dec-24: +2.3%yoy), above market expectations of +1.9%yoy. Exports to ASEAN rebounded and grew at +6.0%yoy (Dec-23: -6.1%yoy), the first expansion since Apr-23.
- South Korea's IPI advanced +12.9%yoy in Jan-24, the fastest since May-21, exceeding market expectations of +9.3%yoy. Manufacturing output rose by +13.7%yoy, marking the fastest growth in six months. Notably, manufacturing of semiconductors continued to register robust growth rate of +44.1%yoy (Dec-23: +47.1%yoy).
- Malaysia's S&P Global Manufacturing PMI rose to 49.5 in Feb-24, the highest since Sept-22. Output declined at its slowest pace since Aug-22, with signs of recovery in both new orders and exports orders. Input inflation rose amid higher cost of raw materials and continued ringgit weakness. Lesser pessimism among manufacturers among others was supported by better demand environment expectations and stabilising overall price conditions.
- Bank Negara Malaysia (BNM) maintained its overnight policy rate (OPR) at 3.00% in its second Monetary Policy Meeting for the year, which is in line with expectations. The central bank expects the country's economy to improve further amid external trade recovery and resilient domestic demand.

Table 1 Weekly Performance of Global Benchmark Indices (%)		
Index	Last Price	Change (%)
TAIEX	19,785.32	4.49
KOSPI	2,680.35	1.44
SET	1,386.42	1.39
ASX 200	7,846.98	1.31
CAC 40	8,028.01	1.18
Stoxx Europe 600	503.26	1.14
JCI	7,381.91	0.96
Sensex	74,119.39	0.51
DAX 40	17,814.51	0.45
Straits Times	3,147.09	0.36
PSEi	6,942.21	0.33
Shenzhen CSI 300	3,544.91	0.20
FBM KLCI	1,539.86	0.12
S&P 500	5,123.69	-0.26
FTSE 100	7,659.74	-0.30
Nikkei 225	39,688.94	-0.56
Ho Chi Minh VSE	1,247.35	-0.87
Dow Jones	38,722.69	-0.93
Nasdaq	16,085.11	-1.17
Hang Seng	16,353.39	-1.42

Source: Bloomberg

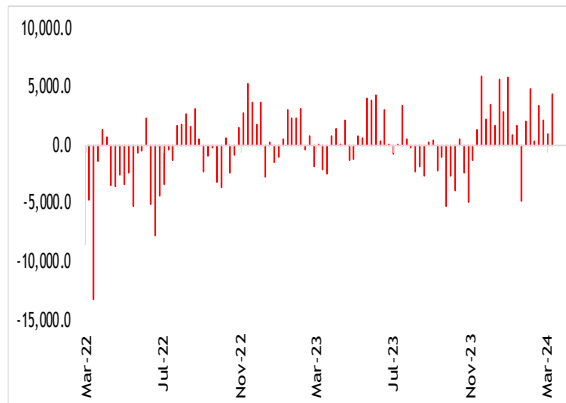
- Malaysia's labour market remained on an improving trend as the unemployment rate was kept at a post-pandemic low of 3.3% in Jan-24. For the month, labour force and employment grew steadily by +1.8%yoy and +2.0%yoy respectively. The unemployed persons dropped further by -4.8%yoy.
- The Ringgit appreciated against the US Dollar by +1.32% to close at RM4.6835 on Friday. The Brent crude oil price declined -3.57% to USD82.08 per barrel. The crude palm oil price rose by +2.21% to RM3,982.00 per tonne.

B. TRACKING MONEY FLOW - ASIA

- The continuous inflows into the eight countries we monitor have now reached their seventh straight week, with foreign investors purchasing a net total of USD4.43b last week. This marks the second-highest weekly net foreign inflows so far this year. Most of these inflows were directed towards Taiwan. Meanwhile, Malaysia, Thailand, and Vietnam were the only countries experiencing outflows.
- Foreign investors have re-entered the Taiwanese equity market after briefly selling off the previous week. Last week's influx marks the largest weekly net foreign inflow since Nov-23, totalling USD3.44b. The growth in exports from Taiwan in Feb-24 was modest, expanding by just +1.3%yoy. This growth rate was lower than the increases observed in the preceding three months, notably falling sharply from Jan-24's +18.1%yoy rise. This could be due to the temporary impact of an extended holiday period, with sustained global demand for AI-driven equipment expected to keep exporters busy through much of CY24.
- India recorded its third consecutive week of net foreign inflows, amounting to USD919.5m. The market was closed on Friday in observance of Maha Shivaratri. Moody's, an international rating agency, has revised India's economic growth forecast upwards to +8.0% for the fiscal year 2023-24, up from their previous estimate of +6.6%. This upward revision is attributed to robust domestic consumption and increased government capital expenditure. Reserve Bank of India (RBI) Governor Shaktikanta Das stated on Wednesday that real GDP growth is expected to surpass the government's second advance estimate of +7.6% and is likely to approach +8.0%.
- For the seventh straight week, South Korea maintained a net foreign inflow, amounting to USD433.9m. In Feb-24, consumer inflation in South Korea picked up pace, surpassing expectations, driven by supply-related pressures following three months of easing. The Consumer Price Index (CPI) recorded a +3.1%yoy increase (Jan-24: +2.8%yoy). Month-on-month, consumer prices increased by +0.5%mom (Jan-24: +0.4%mom), marking the sharpest increase since Sep-23. Notably, prices of agricultural products surged by +5.7% during the month, significantly contributing to the overall index rise.
- After a short spell of selling, foreign investors have resumed their participation in the Indonesian equity market. Last week, the country saw a net foreign inflow of USD43.5m. Indonesia's expected future president, Prabowo Subianto, has expressed confidence in accelerating economic growth to +8.0% within 5 years and has pledged to uphold fiscal discipline upon assuming office. Official results are anticipated this month, and if validated, Prabowo is slated to be inaugurated as president in Oct-24.
- Similarly, the Philippines sustained a net foreign inflow for the seventh consecutive week, totalling

Chart 1

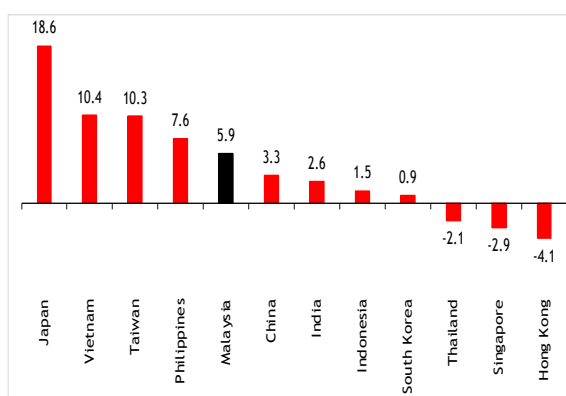
Net Foreign Fund Flows into Equity in 8 Asian Markets Since Mar-22 (USD'm)



Sources: Bloomberg & MIDFR

Chart 2

YTD Performance of Asian Benchmark Indices (%)



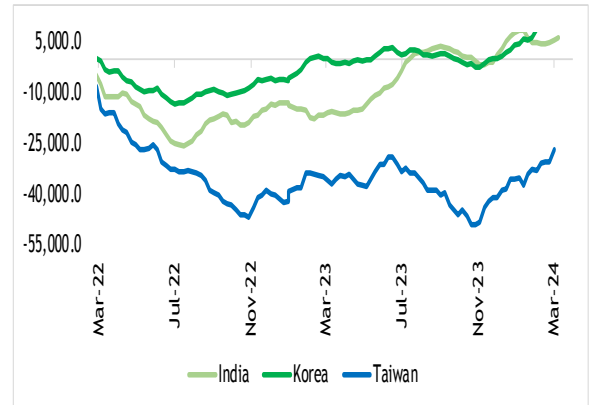
Sources: Bloomberg & MIDFR

USD30.9m. As anticipated, inflation rose in Feb-24 compared to the previous month, reaching +3.4%, as the Philippine Statistical Authority reported earlier this week. Elevated food prices primarily drove the increase. Although higher than Jan-24's comfortable +2.8% inflation rate, Feb-24's figure does not warrant significant concern as it falls well within the central bank's target range of +2.0% to +4.0%.

- Foreign funds continued to exit the Thai equity market for the second consecutive week, amounting to -USD72.4m. The World Bank is revising down its economic growth forecast for Thailand this year due to delays in fiscal budget disbursement and external risks. Kiatipong Ariyaprachya, the bank's senior country economist, expressed that the adjusted GDP growth projection would be "on the low side". Mr. Kiatipong chose not to disclose whether the forthcoming updated forecast, slated for Apr-24, would dip below the +3.0% mark.
- In Vietnam, foreign investors turned into net sellers, amounting to -USD39.8m. During the initial two months of CY24, the CPI experienced a notable surge, averaging +3.67%, while core inflation saw an increase of +2.84%. Vietnam's government has stated its objective to keep inflation under control this year within the range of +4.0% to +4.5%.

Chart 3

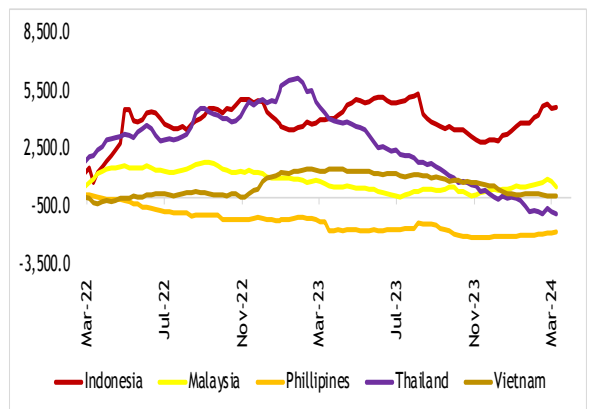
Net Foreign Fund Flows into North Asia and India Since Mar-22 (USD'm)



Sources: Bloomberg & MIDFR

Chart 4

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



Sources: Bloomberg & MIDFR

Table 2

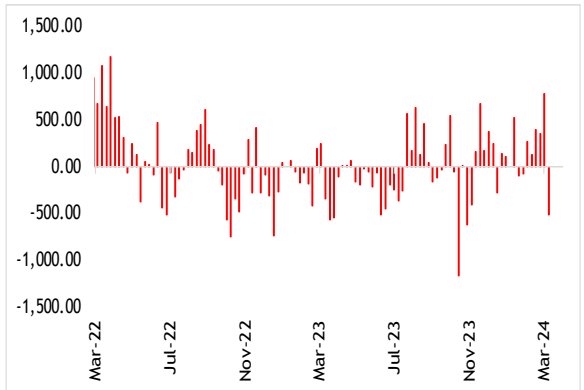
Net Foreign Fund Flows into Equity by Market (USD'm)

Period	India	Indo	Korea	M'sia	Phil	Taiwan	Thai	Viet	Total
Mar-24	1,426.1	18.7	433.9	-362.0	43.0	3,701.4	-95.6	-31.8	5,133.7
YTD-24	-1,484.4	1,198.9	8,807.0	59.7	251.4	8,506.6	-883.7	-137.7	16,317.8
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

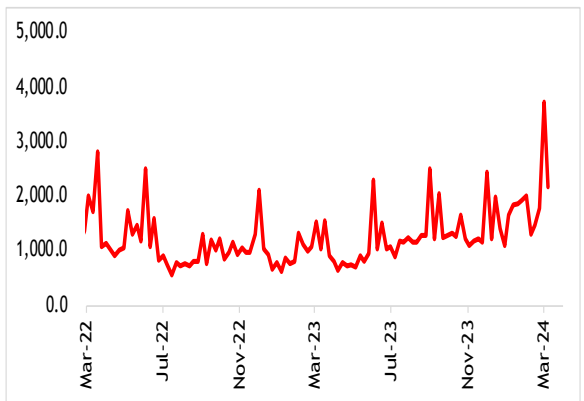
Source: Respective stock exchange statistics as reported on Bloomberg. These figures are subject to revisions.

C. TRACKING MONEY FLOW - MALAYSIA

- Foreign investors maintained their buying momentum on Bursa Malaysia last week, where they net sold a record high of -RM1.51b worth of equities. Towards the end of the week, there was a moderation in the amount of net selling, likely influenced by the decision of BNM to maintain its OPR at 3.00% as anticipated.
- The only sectors that recorded net foreign inflows were Property (RM73.0m), Transportation & Logistics (RM44.0m), and Construction (RM19.7m). Meanwhile, the sectors with the highest net foreign outflows were Financial Services (-RM940.9m), Industrial Products & Services (-RM181.5m), and Consumer Products & Services (-RM153.3m).
- Local institutions continued their trend of net buying for two consecutive weeks, with an inflow of RM1.42b. Meanwhile, local retailers also engaged in net buying activities for the second consecutive week, with a total of RM94.8m.
- In terms of participation, there were declines in average daily trading volume (ADTV) across all investor classes. Local retailers saw a decrease of -23.2% while local institutions and foreign investors saw declines of -22.4% and -41.9% respectively.

Chart 5
Net Foreign Fund Flows into Malaysian Equity Since Mar-22 (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: Market Participation (RM'b)

Period	Local Retail			Local Institution			Foreign			
	Bought	Sold	Net	Bought	Sold	Net	Bought	Sold	Net	*Net (USD'b)
Mar-24	3.21	3.06	0.15	7.49	5.92	1.56	5.75	7.47	-1.71	-0.36
YTD-24	30.19	31.05	-0.87	58.25	57.67	0.58	45.94	45.65	0.29	0.06
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 8 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
AMMB Holdings	45.6	CIMB Group Holdings	287.7	S P Setia	52.2
Public Bank	40.6	Public Bank	267.7	Tenaga Nasional	36.0
Genting	29.5	Malayan Banking	135.9	MISC	33.1
RHB Bank	28.5	Inari Amertron	69.3	Frontken Corp.	27.4
My E.G. Services	11.5	Petronas Gas	68.5	KPJ Healthcare	21.1
Tanco Holdings	11.0	KL Kepong	68.4	Genting Malaysia	17.6
Globetronics Tech.	10.0	Sunway	64.3	Bank Islam	15.4
Harvest Miracle	8.7	YTL Power Int.	55.8	Malaysia Airports	12.6
Maxis	8.4	Petronas Chemicals	47.0	Velesto	11.9
Yinson Holdings	8.3	Hong Leong Bank	46.5	IJM Corp.	10.8
Top 10 Stocks with Weekly Net Outflows					
Company	Value	Company	Value	Company	Value
Malayan Banking	-20.6	MISC	-32.0	Public Bank	-318.0
Tenaga Nasional	-19.1	KPJ Healthcare	-21.1	CIMB Group Holdings	-283.6
HeiTech Padu	-14.6	S P Setia	-20.2	Malayan Banking	-163.4
Mah Sing Group	-14.2	Dutch Lady	-17.5	RHB Bank	-87.6
S P Setia	-13.3	D & O Green Tech.	-17.2	Inari Amertron	-70.5
Genting Malaysia	-11.5	Velesto	-15.3	KL Kepong	-66.4
Powerwell Holdings	-11.4	Frontken Corp.	-14.8	Petronas Gas	-66.3
Frontken Corp.	-7.5	Malaysia Airports	-14.0	Sunway	-58.7
Ta Ann Holdings	-7.5	Genting	-9.0	Genting	-58.2
Econpile Holdings	-7.0	Bank Islam	-8.2	YTL Power Int.	-51.6

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 %
Automotive			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	Property		
Tan Chong	10.5	-0.01	Spritzer	13.9	-0.01	Eco World	4.7	-0.8
UMW Holdings	3.4	-0.4	Gloves			Glomac	3.8	-0.1
Aviation			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
Banking			Healthcare			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	REITs		
Bank Islam	1.0	0.7	Logistics			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	Non-bank Financials			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	Solar EPCC		
Building Materials			Oil & Gas			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
Conglomerate			Dialog	17.4	-0.1	Technology		
YTL Corporation	25.6	0.03	Gas Malaysia	19.8	-0.01	D & O Green Tech	35.4	-0.01
Construction			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	Plantation			Unisem	2.3	0.05
Pintaras Jaya	0.2	0.0	FGV Holdings	3.7	-0.03	Telecommunication		
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
Consumer			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	Utilities		
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	Port & Shipping					
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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