

FUND FLOW REPORT

Week Ended  
April 22, 2016

Foreign Flow Meter (M'sia)



Tide

LOW



Current

MODERATE

- Most equity markets around the world took a pause last week after a heartening performance the week before. Focus has shifted towards corporate earnings performance in the first quarter despite oil price continuing its progress.
- Global markets are looking for leads from Wall Street where earnings reporting season is on the way.
- Brent crude oil price continued to solidify at >USD40pb, rising 4.7% last week to USD45.11pb. The fallout from the failed Doha meeting was transient.
- China's CSI300 lost -2.97% in a week the PBOC expressed its intention to moderate the pace of its stimulus after a series of positive economic data pointing to a stabilizing economy.
- Nikkei 225 rose a strong 4.3%, as the yen came under selling pressure, losing 2.1% against USD, the worst in 17 months.
- The Ringgit remained resilient against the greenback, recording a gain of 0.1% to USD/RM3.90 at the close on Friday. It weakened to as low as USD/RM3.96 before rallying to USD3.85.
- The momentum of global money flow to Asia remained intact as focus shifted to the smaller emerging markets.
- Indonesia was the most notable gainer, recording an inflow of USD107m, the highest in seven weeks. Market was seemingly upbeat by the central bank's adoption of a new benchmark interest rate. Meanwhile, foreign buyers have returned to the Thailand market after the Songkran festival.
- On Bursa, foreign investors bought at a relatively subdued pace last week, but it was enough to stretch the buying streak to 10 consecutive weeks. The amount had receded for five consecutive weeks from the peak recorded in the week ended March 18, when RM1.48b was mopped up.
- In the 10-week buying spree, foreign investors had mopped up a whopping RM7.32b net.

25 April 2016 | Strategy - Weekly Fund Flow

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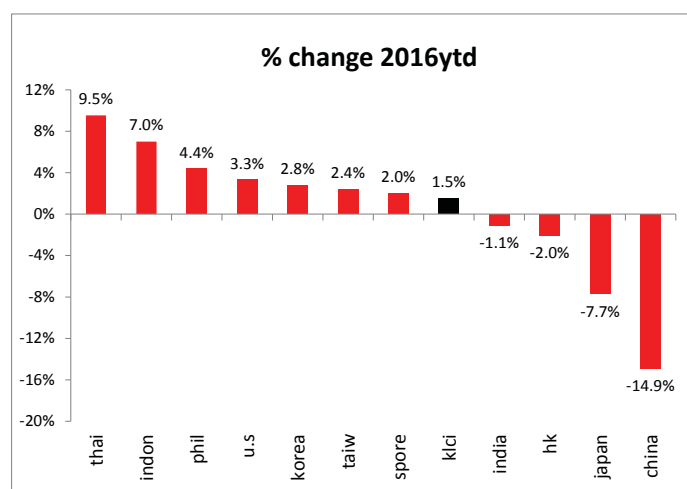
## FOCUS ON EARNINGS

### A. MARKET SNAPSHOT

- Most equity markets around the world took a pause last week after a heartening performance the week before. Focus has shifted towards corporate earnings performance in the first quarter despite oil price continuing its progress.
- Earnings reporting season is on the way in the U.S. The numbers from a few big names such as Microsoft, General Electric, Caterpillar, Starbucks and Alphas (parent of Google) have disappointed. The DJIA and S&P500 rose only marginally last week.
- Meanwhile, Brent crude oil price continued to solidify at >USD40pb, rising 4.7% last week to USD45.11pb. The fallout from the failed Doha meeting was transient. Although price plunged USD3pb to USD40.10pb on Monday opening, it remained resilient and reclaimed most of the loss intraday. This was arguably catalyzed by the Kuwait oil-worker strike which eliminated 1.7mb of oil supply from the market, slightly more than the prevailing market surplus. The market was further buoyed by EIA's data indicating a further decline in US crude production and a moderate US crude inventory increase of 2.1m, a sharp slow-down from prior week's 6.6m. Market sentiment was also supported by rumor on another oil-producer meeting in Russia as early as May. The string of catalysts subsequently drove the price to its year-to-date high at USD46.15pb on Thursday.
- China's CSI300 lost -2.97% in a week the PBOC expressed its intention to moderate the pace of its stimulus after a series of positive economic data pointing to a stabilizing economy. In a press briefing late Tuesday, the PBOC said that its new focus is on containing macroeconomic risks particularly the high corporate leverage in the market amid its effort to support the economy. Market risk appetite was dampened by the remark, worsened by rising scepticism over the sustainability of China's recent stabilization. A worry is that the debt-fueled recovery could pose major risks to its financial system.
- Nikkei 225 rose a strong 4.3%, as the yen came under selling pressure, losing 2.1% against USD, the worst in 17 months.
- The Ringgit remained resilient against the greenback, recording a gain of 0.1% to RM3.90. The oil price continued to hold bearing on the Ringgit's strength. On Monday, the Ringgit retreated by 1.0% following the oil price plunge, and recovered its loss afterwards along with the subsequent oil price rally.
- Meanwhile, KLCI registered a marginal loss of -0.6% to close at 1717.96points. Year-to-date, it gained only 1.5%, and the performance continued to slide when benchmarked against peers.

Performance of major markets		
Weekly % change	Week before	Last week
Nikkei 225	6.49	4.30
DAX	4.46	3.20
Jakarta JCI	-0.48	1.89
Thai SET	1.15	1.83
CAC	4.46	1.66
India Sensex	3.86	0.82
Hang Seng	4.64	0.71
Dow Jones	1.82	0.59
Straits Times	4.12	0.56
S&P500	1.62	0.52
Korea KOSPI	2.16	0.04
FTSE	2.25	-0.53
kici	0.56	-0.58
Phil Comp	1.02	-0.90
Taiwan Taiex	1.86	-1.89
China CSI300	2.71	-2.97

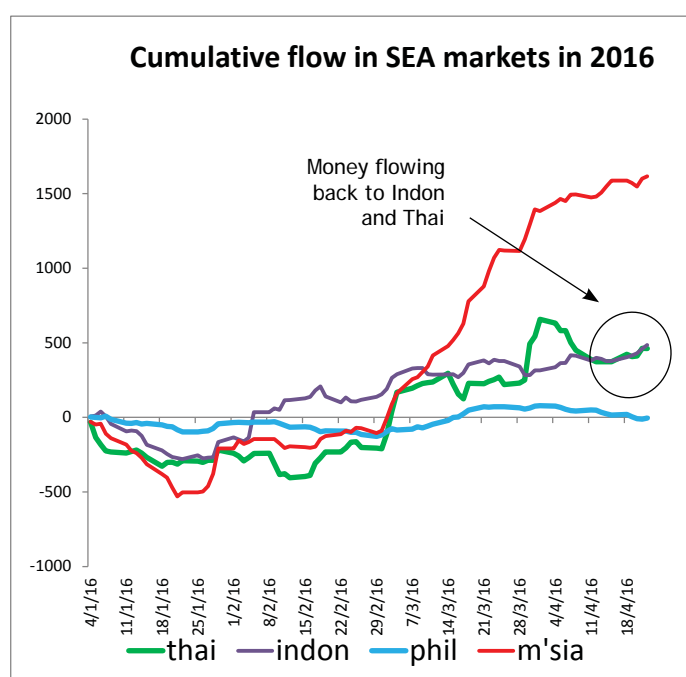
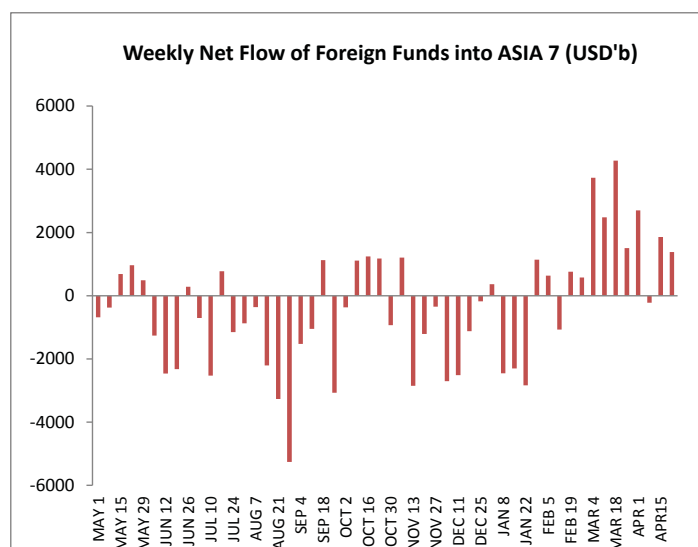
Source: Bloomberg



## FUND FLOW REPORT

### B. TRACKING MONEY FLOW - ASIA <sup>1</sup>

- The momentum of global money flow to Asia remained intact as focus shifted to the smaller emerging markets.
- Investors classified as “foreign” purchased equities amounted to USD1.52b compared with USD1.86b the week before, based on provisional data from the respective exchanges in seven Asian markets that we track.
- Korea and Taiwan still attracted the bulk of the inflow, accounting for twice that which went to India, TIPs and Malaysia.
- Taiwan received USD398m last week, as trading was lackluster in the first three trading days. Sentiment was dampened by China’s apparent weaker appetite for further stimulus. Taiwan’s March export order data which grew 32.4%mom was the catalyst for the week. It pointed to a potential improvement in its current account and a stronger Taiwan Dollar. Foreigners loaded up USD253m of equities on the following day. China Steel Corp continued to be the top-pick, buoyed by the news that it has successfully raised its steel prices by 10.5%.
- The net flow to Korea remained robust, which amounted to USD626m. There was a hiccup on Tuesday as Bank of Korea adjusted downward its GDP and inflation forecasts, while maintaining its benchmark rate at 1.5%. Sentiment improved as investors anticipated further easing with the replacement of the board with more dovish-leaning members. Foreign purchase subsequently regained its pace. Korea Tobacco&Ginseng Group was the key buying target after posting its better-than-expected 1Q earning at 393b won.
- Indonesia was the most notable gainer, recording an inflow of USD107m, the highest in seven weeks. Market was seemingly upbeat by the central bank’s adoption of a new benchmark interest rate, which allows more effective transmission of policy adjustment to the broader economy.
- Foreign buyers have returned to the Thailand market after the Songkran festival. They were gradually rebuilding their position by a net purchase of USD90m. Meanwhile, the attrition in Philippine continued for the third straight week, making it the sole loser among the markets that we track.
- Market in India received a net foreign purchase of USD297m. It was closed on Tuesday for holiday.



<sup>1</sup> Based on 7 Asian markets, for which fund flow data is publicly available. These are our proxy for Asia: TIPs (Thailand, Indonesia, Philippines), Korea, Taiwan, India and Malaysia.

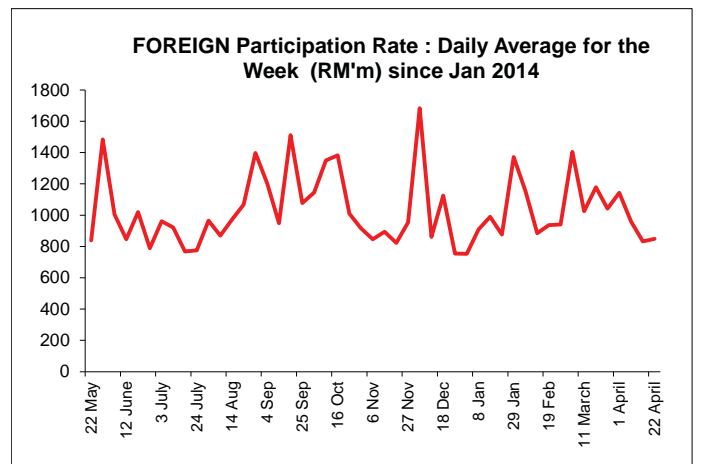
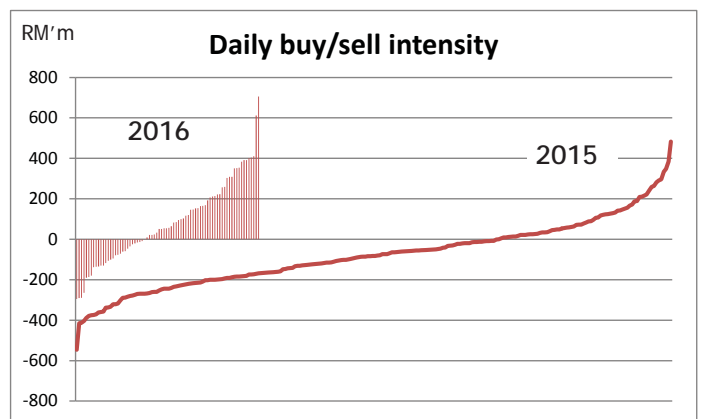
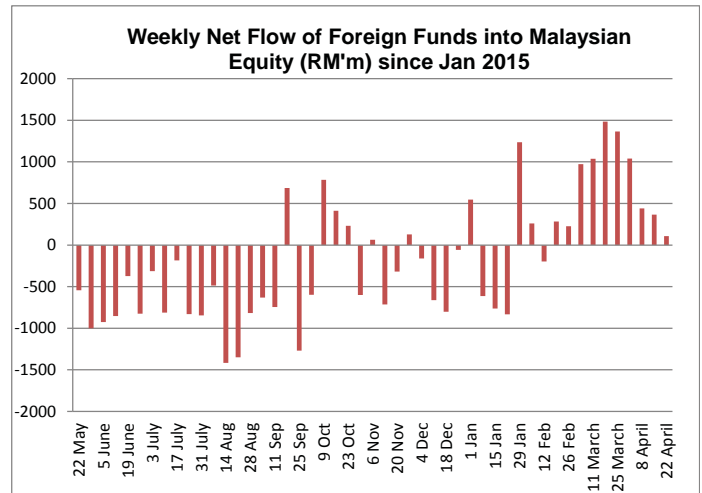
#### WEEKLY NET FLOW OF FOREIGN FUND INTO EQUITY (USD'm)

WEEK	KOREA	THAI	INDON	PHIL	INDIA	TAIWAN	M'SIA	TOTAL
MAR 11	639.6	68.7	-1.8	39.9	489.0	993.5	252.8	2481.8
MAR 18	1212.8	-9.3	67.4	93.4	711.1	1834.7	363.3	4273.3
MAR 25	257.3	-8.1	23.2	22.7	551.9	316.1	339.6	1502.6
APR 1	-81.0	437.7	-62.3	7.1	1342.6	788.7	264.0	2696.9
APR 8	343.5	-207.5	97.7	-35.1	-161.4	-369.4	112.5	-219.7
APR 15	724.3	-78.0	-34.8	-27.4	199.4	983.5	93.2	1860.1
APR 22	625.8	89.8	106.8	-20.4	296.7	397.6	27.4	1523.6

Source: Respective exchange statistics reported on Bloomberg, Bursa Malaysia. These figures are subject to revisions.

**C. TRACKING MONEY FLOW - MALAYSIA**

- Foreign investors bought at a relatively subdued pace last week, but it was enough to stretch the buying streak to 10 consecutive weeks.
- At the closing bell on Friday, the tally for the week the amount of listed equities bought by foreign investors stood at RM107.0m. This is estimated based on transactions in the open market and excluded off market deals.
- The amount had receded for five consecutive weeks from the peak recorded in the week ended March 18, when RM1.48b was mopped up.
- In the 10-week buying spree, foreign investors had mopped up a whopping RM7.32b net.
- Foreign investors were net sellers in the first three trading days of the week, but the amount was marginal each day. On Thursday, foreign investors made a sudden comeback, buying up RM207.3m, the highest in 13 trading days. That made it 21 out of 76 days this year that net purchase by foreign investors had exceeded RM200m in a day. It was only 14 days in 2015. Foreign investors remained net buyers on Friday but the amount dwindled to RM57m.
- Last week's foreign purchases boosted the cumulative year-to-date net inflow to RM6.4b, still relatively low after the -RM19.5b net outflow for the whole of 2015 and -RM6.9b in 2014.
- After two weeks in decline, foreign participation rate stabilized. The average daily value of shares traded rose marginally by 2% to RM850m, from RM833m the week before. On Wednesday, participation surged to RM1.1b, only the 2nd day in 11 that the RM1b mark had been broken. Nevertheless it was not sustainable as participation rate receded again. On Friday, foreign trade was only RM741m, the lowest in 8 days..
- Local funds remained net sellers, offloading -RM104.6m last week but participation rate remained lively with average value traded rising to RM2.2b, the 8th straight week that it exceeded RM2b.
- Retail interests may be returning as participation rate rebounded 8% to RM623m, the highest in 4 weeks. However, it was still in the low zone.



**BURSA MALAYSIA: WEEKLY MARKET PARTICIPATION (RM'm)**

Week ended	LOCAL RETAIL			LOCAL INSTITUTION			FOREIGN			
	BOUGHT	SOLD	NET (RM)	BOUGHT	SOLD	NET (RM)	BOUGHT	SOLD	NET (RM)	NET (USD)*
MAR 11	1636.9	1657.1	-20.2	5270.6	6286.4	-1015.8	3081.3	2045.3	1036.0	252.8
MAR 18	1607.6	1702.1	-94.5	5007.9	6396.6	-1388.7	3687.2	2204.0	1483.2	363.3
MAR 25	1695.8	1667.6	28.2	5421.2	6815.3	-1394.1	3286.2	1920.3	1365.9	339.6
APR 1	1419.4	1521.7	-102.3	5275.9	6213.8	-937.9	3377.1	2336.9	1040.2	264.0
APR 8	1415.4	1485.9	-70.5	5565.1	5934.3	-369.2	2619.8	2180.1	439.7	112.5
APR 15	1436.8	1444.8	-8.0	4949.6	5306.0	-356.4	2264.8	1900.4	364.4	93.2
APR 22	1561.7	1559.6	-2.1	5523.4	5628.0	-104.6	2177.4	2070.4	107.0	27.4

\* Estimate by MIDF Research based on prevailing exchange rate. Source: Bursa's preliminary data

## FUND FLOW REPORT

### D. TOP 100 STOCKS: MONEY FLOW <sup>2</sup>

#### TOP 10 NET MONEY INFLOWS

- Public Bank registered the highest net money inflow of RM15.78m last week. Its share price outperformed the market benchmark in spite of a slight -0.31% weekly decline. In comparison, the FBM KLCI retreated by -0.58% during the week under review. In this regard, it is notable that net money inflow amidst retreating share price may indicate buy on weakness (BOW) stance among some investors. Recently, the company reported a 1QFY16 net profit of RM1.22b (+5.0%yoy) which came within our expectation.
- AirAsia came in second with RM9.55m net inflow. Its share price however fell -1.41% during the review but this was against a massive 12.70% gain a week earlier. But as indicated earlier, some investors may be taking a BOW stance on this stock.
- United Plantations recorded the third highest net money inflow of RM9.31m. Accordingly, its share price outperformed the market benchmark as it ended 0.53% higher during the review week.

#### TOP 10 NET MONEY OUTFLOWS

- Maybank saw the largest net money outflow of -RM16.31m during the review week. Accordingly, its stock price underperformed the FBM KLCI as it ended the week lower by -1.31% against a smaller -0.58% fall in the market benchmark.
- IHH Healthcare came in second last week with a net outflow of -RM10.91m. Its share price however outperformed the market benchmark with a 0.60% weekly gain. The group recently widened its geographical reach into Bulgaria with the acquisitions of Tokushukai-Sofia EOOD and City Clinic Group. Nonetheless, it is notable that net money outflow amidst advancing share price indicates sell on strength (SOS) stance among some investor.
- IJM Corp registered the third largest net money outflow at -RM3.88m in the review week. Accordingly, its share price underperformed the market benchmark with a -1.69% weekly loss. 

Tables below list the Top 10 Net Money Inflows and Net Money Outflows for the week ended 22 April 2016 among the largest 100 market capitalized stocks on Bursa Malaysia.

Name	Net Money Flow (RM mn)		Price (% Chg)	Remark
	Last Week	Prev Week	Last Week	
PUBLIC BANK	15.78	-3.50	-0.31	BOW
AIRASIA	9.55	8.60	-1.41	BOW
UNITED PLANT	9.31	-2.08	0.53	-
LITRAK	4.99	2.66	1.73	-
DIALOG	3.58	-0.48	-0.63	BOW
GENTING PLANT	2.95	0.11	-2.03	BOW
TNB	2.78	-0.06	0.69	-
KL KEPONG	2.60	-5.17	-0.33	BOW
MAXIS	2.57	4.55	-1.50	BOW
TOP GLOVE	2.48	2.33	-2.66	BOW

Source: Bloomberg, MIDFR;

Note: BOW - Buy on weakness, SOS - Sell on strength (Bloomberg defined)

Name	Net Money Flow (RM mn)		Price (% Chg)	Remark
	Last Week	Prev Week	Last Week	
MAYBANK	-16.31	-16.02	-1.31	-
IHH HEALTH	-10.91	-1.51	0.60	SOS
IJM CORP	-3.88	-2.61	-1.69	-
CIMB	-3.82	-8.65	-1.21	-
BIMB	-3.08	-2.05	-2.50	-
HAP SENG CONS	-2.88	0.76	-0.26	-
YTL CORP	-1.89	2.68	-4.73	-
KLCCP	-1.77	0.45	-2.84	-
IGB REIT	-1.34	-0.40	0.00	-
BAT	-1.33	4.29	-1.87	-

Source: Bloomberg, MIDFR;

Note: BOW - Buy on weakness, SOS - Sell on strength (Bloomberg defined)

<sup>2</sup> Money flow indicates whether a particular stock is being more heavily purchased or sold. Money flow generally confirms price trend. As price rises, money flow is usually positive, vice versa. A divergence may portend a reversal in price trend. A rising stock price with a negative money flow can indicate a future price correction, vice versa.

How is money flow calculated? When a trade is performed, its price is compared to the price of the previous trade (the first trade of the day is compared to the previous day's close). If the prices differ, either upticks or downticks, the value of the trade (price multiplied by number of shares) is added to or subtracted from the money flow respectively.

Source: Bloomberg, MIDFR

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