

FUND FLOW REPORT

Week Ended March 11, 2016	Foreign Flow Meter (M'sia)	
	 Tide	HIGH
	 Current	HIGH

- It was a mixed performance for the global equity markets. While most indices advanced, their increment was relatively lackluster compared to prior week.
- Global markets were generally uplifted late Friday in response to ECB's policy adjustments.
- China's CSI 300 Index fell 2.44%, after advancing 4.95% the week before. This was possibly triggered by heightening pessimism among investors on China's ability to prop up its economy, following the worse-than-expected February trade data.
- The price of Brent crude surged to USD40.39pb, a 4.31% gain for the week, after advancing 10.31% the week before.
- The tide to Asia remained strong for the second week running.
- North Asia attracted a bigger slice of the pie. In the week before last, about 58% of the money went to the North Asian markets of Taiwan and Korea. Last week, the incidence shot up to 68%.
- Strong in the radar screen among markets in the region last week was Malaysia, the year-to-date cumulative flow of which surpassed that to Indonesia on Thursday.
- The KLCI recorded a narrow increase of 0.24% for the week, reflecting its defensive stature. Meanwhile the Ringgit appreciated by 0.60% to RM4.09 against the greenback.
- Foreigners bought listed equities amounted to RM1.04b (net) on Bursa last week, higher than the RM972.2m acquired in the preceding week.
- Last week's foreign purchases boosted the cumulative year-to-date total to RM1.60b. For the entire 2015, there was a net outflow of -RM19.5b.

14 March 2016 | Strategy - Weekly Fund Flow

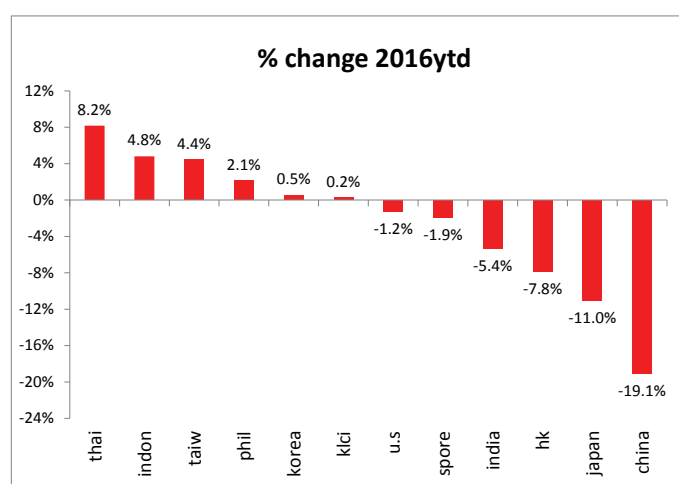
THE WAVE IS STILL STRONG

A. MARKET SNAPSHOT

- It was a mixed performance for the global equity markets. While most indices recorded an advance, their increment was relatively lackluster compared to prior week. Global markets were generally uplifted late Friday in response to ECB's policy adjustments.
- China's CSI 300 Index fell 2.44%, after advancing 4.95% the week before. This was possibly triggered by heightening pessimism among investors on China's ability to prop up its economy, following the worse-than-expected February trade data. China's exports and imports slumped 25.4% and 13.8% YoY, respectively. Meanwhile industrial output and retail sales released on Saturday, also undershot the consensus estimates, of 5.4% and 10.2% respectively might further reinforce the worries.
- The price of Brent crude surged to USD40.39pb, a 4.31% gain for the week, after advancing 10.31% the week before. The market remained volatile, with price plunging on Tuesday on news that US inventories are at the highest in eight decades. Last week was also the first time Brent crude price surpassed the USD40 level since last December.
- Oil price is currently driven partly by sentiment. The sustainability of this rally is supported by the anticipation of more production-curbing measures by oil producers. Market's confidence was undermined during the week as Iran still showed no intentions of participating in the production freeze. Furthermore, the date and venue of the long-anticipated meeting between OPEC and non-OPEC producers were, and still are, eluding the public. Market thereby might have started to cast doubts on the producers' commitment to their supply-side rebalancing promises. Though IEA called for a bottom-out for oil price late Friday, citing a great deal of imminent structural improvements, market tended to be more critical of the call until the release of actual statistics.
- Domestically, the KLCI recorded a narrow increase of 0.24% for the week, while the Ringgit appreciated by 0.60% to RM4.09 against the greenback. The trend was in line with the lack of bullish news for China and Brent crude prospects.

Performance of major markets		
Weekly % change	Week before	Last week
Phil Comp	1.89	2.89
Dow Jones	2.20	1.21
S&P500	2.67	1.11
Thai SET	2.71	1.01
Korea KOSPI	1.85	0.81
CAC	3.29	0.81
Taiwan TaieX	2.76	0.72
India Sensex	6.44	0.29
KLCI	1.75	0.24
Hang Seng	4.20	0.11
DAX	3.27	0.07
Straits Times	7.08	-0.29
Nikkei 225	5.10	-0.45
Jakarta JCI	2.49	-0.76
FTSE	1.70	-0.96
China CSI300	4.95	-2.44

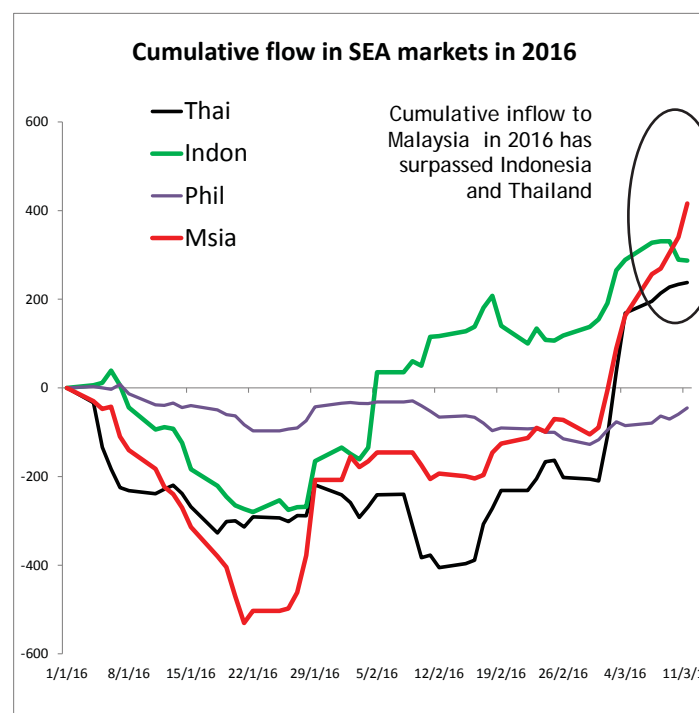
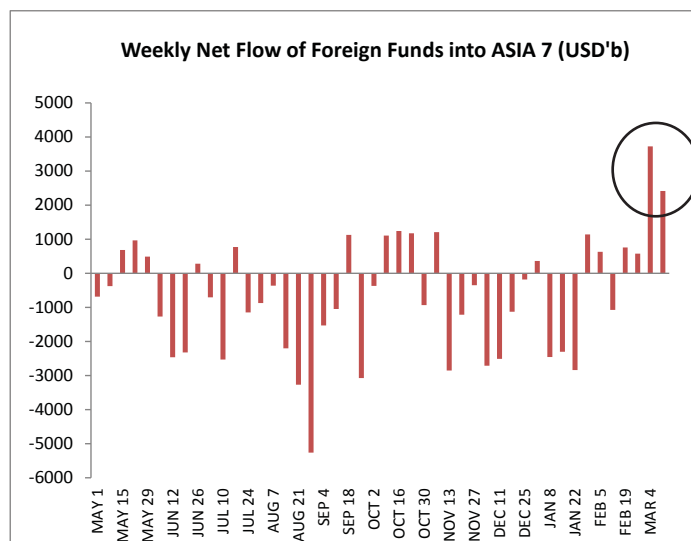
Source: Bloomberg



FUND FLOW REPORT

B. TRACKING MONEY FLOW - ASIA ¹

- The tide to Asia remained strong for the second week running.
- Based on provisional data from the respective exchanges, investors classified as “foreign” purchased a sizeable USD2.42b in the seven Asian markets that we track, after mopping up a massive USD3.73b (net) worth of stocks the week before.
- North Asia attracted a bigger slice of the pie. In the week before last, about 58% of the money went to the North Asian markets of Taiwan and Korea. Last week, the incidence shot up to 68%.
- The inflow to Taiwan eased but the amount remained elevated at almost USD1b. Foreign buying of Taiwan stocks has now extended to six trading weeks. The rate of flow was negatively affected around the time of the announcement of China’s trade statistics. However, we note that net foreign buying was still recorded every day last week. Taiwan reported a CPI inflation of 2.4%yoy in February, the highest in 3 years, and overshoot consensus expectation of 1.11%. It alleviated the threat of deflation in Taiwan.
- Foreign money to Korea was still strong at USD640m. The Bank of Korea decided to hold its benchmark interest rate at a record low of 1.50%, which has remained unchanged for 9 consecutive months.
- Money flow to Indonesia came to an abrupt halt last week as the authority reported a marginal foreign selling of -USD1.8m. It is likely to be a case of profit taking as a robust rebound of global oil and commodity prices have boosted stock prices, especially Indonesian miners.
- Thailand reported a fourth consecutive week of foreign money surplus, although the amount eased noticeably to USD69m, from USD371m the week before. Nevertheless, foreigners were net buyers every day throughout the week.
- Strong in the radar screen among markets in the region last week was Malaysia, the year-to-date cumulative flow of which surpassed that to Indonesia on Thursday.



¹ 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.

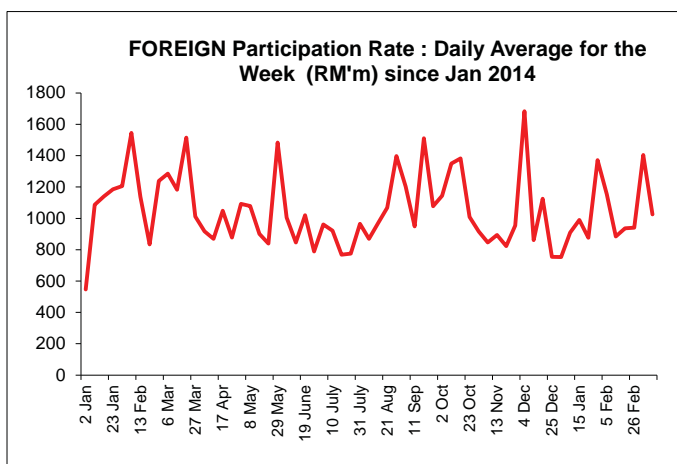
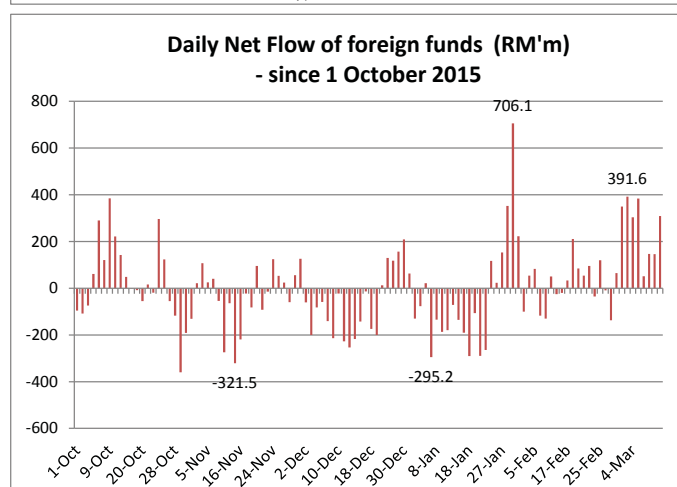
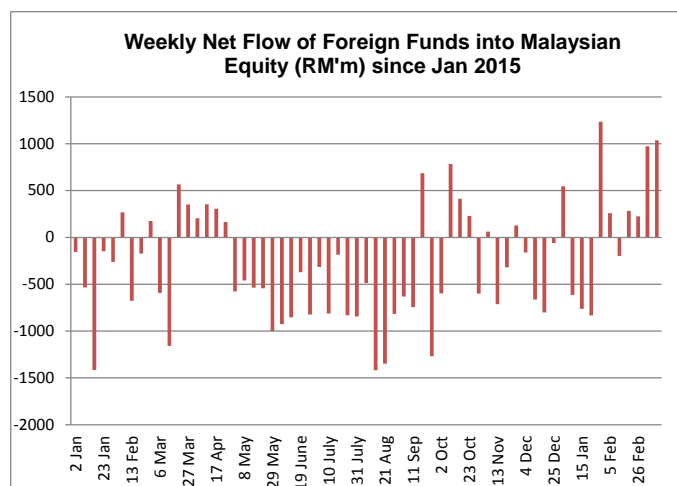
WEEKLY NET FLOW OF FOREIGN FUND INTO EQUITY (USD'm)

WEEK	KOREA	THAI	INDON	PHIL	INDIA	TAIWAN	M'SIA	TOTAL
JAN 29	-10.7	72.1	115.2	54.2	48.8	566.8	295.4	1141.8
FEB 5	91.2	-22.7	200.3	11.0	-91.8	329.7	62.1	579.8
FEB 12	-548.2	-163.9	81.8	-34.3	-357.8	0.0	-47.8	-1070.1
FEB 19	91.3	173.7	23.1	-24.5	-232.6	660.6	67.6	759.2
FEB 26	177.4	29.6	-22.3	-24.3	-238.7	600.4	53.5	575.7
MAR 4	1118.9	370.8	171.1	29.7	742.1	1060.3	235.3	3728.2
MAR 11	639.6	68.7	-1.8	39.9	423.7	993.5	252.8	2416.5

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

C. TRACKING MONEY FLOW - MALAYSIA

- Foreign investors remained strong acquirers of Bursa-listed stocks for the second consecutive week. In weekly value terms, foreign buying intensity actually picked up.
- Foreigners bought listed equities amounted to RM1.04b (net) on Bursa last week, higher than the RM972.2m acquired in the preceding week. This is estimated based on transactions in the open market and excluded off market deals.
- It was an auspicious start to the week as buying was robust on Monday, reflecting momentum from the Friday before. Net amount bought by foreigners on Monday amounted to RM383.5m, the third highest in a day this year. Monday's figures also meant that foreign buying had exceeded RM300m four days in a row, which is an uncommon phenomenon.
- However, the intensity waned on Tuesday to Thursday as the daily net purchases dipped below RM200m. On Friday, foreigners made an abrupt comeback, as the buying amount reverted to more than RM300m at RM308.8m. As of Friday, foreign investors had been net buyers on Bursa for nine consecutive trading days.
- Last week's foreign purchases boosted the cumulative year-to-date total to RM1.60b. For the entire 2015, the net outflow was -RM19.5b.
- Foreign participation rate fell by 27% but remained elevated nevertheless. The average daily value of shares traded remained above RM1b at RM1.03b. We note that the daily value had dipped below RM1b on Wednesday - Friday.
- Local investors are currently aggressively clearing some of their positions. Local institutions took the opportunity of foreign buying to offload -RM1,015.8m, only the second time that the amount had exceeded RM1b since May 2013. Participation rate intensified to RM2.31b, from RM2.23b the week before.
- Retail investors are still sluggish in returning, and the level of conviction is still low. Last week, retailers sold -RM20.2m on still subdued participation rate of RM659m.


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)*
JAN 29	1367.0	1483.6	-116.6	5124.9	6243.0	-1118.1	3361.5	2126.8	1234.7	295.4
FEB 5	1210.0	1226.8	-16.8	4464.9	4707.3	-242.4	2437.9	2178.7	259.2	62.1
FEB 12	643.8	616.3	27.5	2172.4	2002.8	169.6	1227.2	1424.3	-197.1	-47.8
FEB 19	1429.5	1486.0	-56.5	4852.5	5079.3	-226.8	2482.0	2198.7	283.3	67.6
FEB 26	1600.7	1503.8	96.9	4694.8	5017.0	-322.2	2465.5	2240.2	225.3	53.5
MAR 4	1483.2	1635.7	-152.5	5162.9	5982.6	-819.7	3996.7	3024.5	972.2	235.3
MAR 11	1636.9	1657.1	-20.2	5270.6	6286.4	-1015.8	3081.3	2045.3	1036.0	252.8

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

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(Bank Pelaburan)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Business Address:
11 & 12 th Floor, Menara MIDF,
82, Jalan Raja Chulan, 50200
Kuala Lumpur.
Tel: 2173 8888
Fax: 2173 8380