

FUND FLOW REPORT

(Week ended 16 June 2023)

A Fed pause, a slash by PBOC & a hike by ECB

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A FED PAUSE, A SLASH BY PBOC & A HIKE BY ECB
A. MARKET SNAPSHOT

- It was a week filled with central banks' decisions on interest rates but ultimately, the Federal Reserve's first rate pause in over a year set the tone for the week. Though highly anticipated by the market, that, coupled with cooling inflation numbers, pumped optimism into markets globally.
- The Federal Open Market Committee (FOMC) decided to hold the Fed funds rates steady at 5.00%-5.25% in its meeting last week after 10 consecutive rate hikes totalling 500bps. While an updated dot plot which gathers the forecasts of policymakers indicated most of them projecting two more 25bps hikes this year, the market took comfort of Jerome Powell's press conference, which many interpreted as slightly dovish. The Fed Chair said it may make sense for rates to move higher but at a more moderate pace.
- In Europe, the European Central Bank (ECB) raised its rates by 25bps, bringing its main rate to 3.5%, the highest in 22 years. ECB President Christine Lagarde hinted at more hikes to come, saying: "We are not thinking about pausing".
- The People's Bank of China (PBOC) slashed its medium-term lending facility rate by 10bps to 2.65%, the first reduction since Aug-22, lifting expectations of more stimulus to bolster the Chinese economy. This led to strong gains in stock exchanges of China and Hong Kong.
- Meanwhile, the Bank of Japan maintained its ultra-loose monetary policy which saw the short-term interest rate kept at -0.1% and a 0% cap on the 10-year bond yield. The central bank maintained its view that the Japanese economy would see a moderate recovery on the back of stronger consumption post-pandemic.
- Out of 20 major indices that we track globally, 19 recorded gains for the week except for South Korea's KOSPI, which declined -0.58%. Leading the advancers were Japan's Nikkei 225 (+4.47%), Hong Kong's Hang Seng Index (+3.35%) and China's CSI 300 (+3.30%). The FBM KLCI added +0.91% to end at 1,388.61 points last week.
- Inflation rate in the United States eased further to +4.0%yoy in May-23 (Apr-23: +4.9%yoy), the softest growth since Mar-21. The continued moderation trend of headline inflation was on the back of larger contraction of energy price by -11.7%yoy (Apr-23: -5.1%yoy) and slight slowdown of food inflation from +7.7%yoy in Apr-23 to +6.7%yoy. Meanwhile, the core inflation decelerated to +5.3%yoy (Apr-23: 5.5%yoy), in line with market consensus.
- China's consumer inflation rose +0.2%yoy in May-23 (Apr-23: +0.1%yoy), mainly attributable to the increase in food prices which rose by +1.0%yoy. Meanwhile, core inflation decelerated marginally to +0.6%yoy in May-23 from +0.7%yoy in Apr-23. We view that the low inflationary pressure in China would indirectly support local demand as well as overall economic activities. While the low core inflation may reflect continued weakness in consumer demand, the improving job market in the country shall propel the

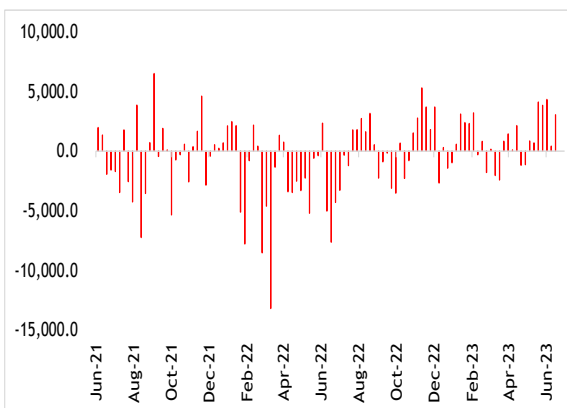
| Table 1 Weekly Performance of Global Benchmark Indices (%) | | |
|--|-----------------|-------------|
| Index | Last Price | Change (%) |
| Nikkei 225 | 33,706.08 | 4.47 |
| Hang Seng | 20,040.37 | 3.35 |
| Shenzhen CSI 300 | 3,963.35 | 3.30 |
| Nasdaq | 13,689.57 | 3.25 |
| S&P 500 | 4,409.59 | 2.58 |
| DAX 40 | 16,357.63 | 2.56 |
| CAC 40 | 7,388.65 | 2.43 |
| TAIEX | 17,288.91 | 2.38 |
| Straits Times | 3,260.03 | 2.29 |
| ASX 200 | 7,251.25 | 1.81 |
| Stoxx Europe 600 | 466.80 | 1.48 |
| Dow Jones | 34,299.12 | 1.25 |
| Sensex | 63,384.58 | 1.21 |
| FTSE 100 | 7,642.72 | 1.06 |
| FBM KLCI | 1,388.61 | 0.91 |
| Ho Chi Minh VSE | 1,115.22 | 0.69 |
| SET | 1,559.39 | 0.28 |
| JCI | 6,698.55 | 0.07 |
| PSEi | 6,508.34 | 0.02 |
| KOSPI | 2,625.79 | -0.58 |

Source: Bloomberg

consumer demand in the near term.

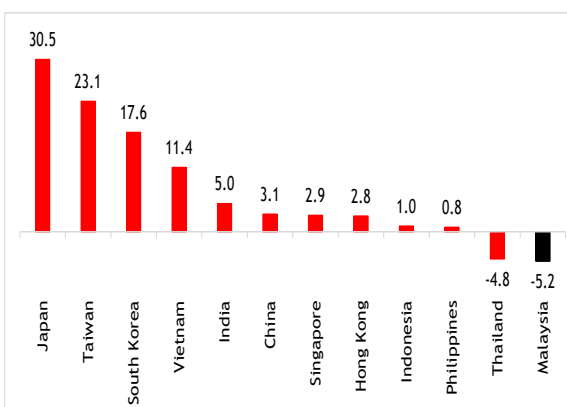
- Industrial production in China grew at a slower pace of +3.5%yoy in May-23, the slowest in three months. The moderating trend came on the back of a slowdown in manufacturing activities (+4.1%yoy), broken down into oil & gas (+3.7%yoy), electrical machinery (+15.4%yoy), electricity (+5.2%yoy), general manufacturing (+6.1%yoy), transportation equipment (+7.6%yoy) and automotive (+23.8%yoy).
- Retail trade growth remained resilient in Malaysia with a +12.9%yoy growth in Apr-23, marking the 15th consecutive month of double-digit expansions. The steady expansion pace among others was attributed to the Ramadhan and Aidilfitri spending as well as positive impacts of improving labour market conditions.
- The Ringgit depreciated against the US Dollar by -0.02% to USDMYR4.6147 on Friday. The Brent crude oil price tanked -10.0% to USD76.61 per barrel while the crude palm oil price rose +11.2% to RM3,743 per tonne.

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



Sources: Bloomberg & MIDFR

Chart 2 YTD Performance of Asian Benchmark Indices (%)



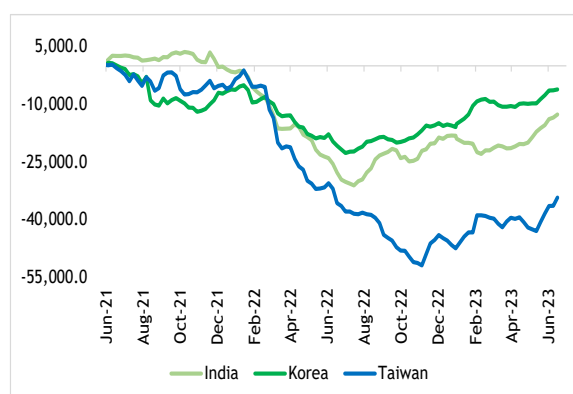
Sources: Bloomberg & MIDFR

B. TRACKING MONEY FLOW - ASIA

- Foreign investors continued to be net buyers of Asian equities for the seventh week in a row. Based on the provisional aggregate data for the eight exchanges that we track, foreign investors net bought equities amounting to USD3.04b. The only countries that recorded outflows were Indonesia, Thailand, and Malaysia.
- Taiwan regained its position as the country with the highest net foreign inflows, amounting to USD2.12b. The Taiwan's central bank has left its key benchmark rate at 1.875% following the board meeting last Thursday. This marked its first pause since Dec-21 as inflationary pressures eased and its export-driven economy faces weak external demand. Year-to-date, Taiwan is the best performing market among the exchanges that we track, with a sum of USD13.23b in net foreign inflows.
- Going into the eighth consecutive week, India received the second highest net foreign inflows, amounting to USD804.4m last week. The latest data released showed that the country's retail inflation has cooled to more than two-year low of +4.25% in May-23 (Apr-23: +4.70%), falling within the Reserve Bank of India's (RBI) inflation band of +2.0% to +6.0% for the third straight month. Foreigners have been net buyers of Indian equities thus far this year at a rate of USD5.54b.
- Foreign investors remained net buyers of South Korean equities to the tune of USD241.2m for the fifth consecutive month. Despite a mixed trading week, the significant net foreign inflow of USD393.3m on Friday, following the Fed's decision to pause interest rate hikes, was sufficient to reverse the earlier net selling observed during the week. Year-to-date, foreigners have net bought USD9.82b worth of South Korean equities.
- In the Philippines, foreign investors turned net buyers with net inflows amounting to USD99.9m. The market was closed on Monday in conjunction with the country's Independence Day. The majority of inflows were recorded on Friday (USD108.9m), after the Fed's rate pause. This marked the highest daily net foreign inflow since Dec-21. The surge in trading volume was primarily driven by a PHP44.57b block sale executed by the Bank of the Philippine Islands (BPI). The bank's property dividends, involving 406.2m shares, were paid on Friday. Foreign investors have been net sellers of the Philippines equities thus far this year, with outflows amounting to -USD477.8m.

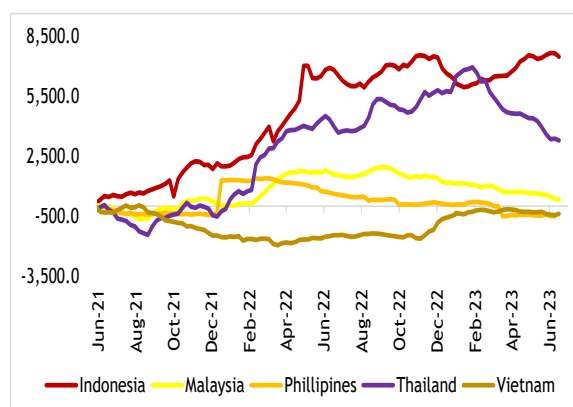
- The only other country that recorded net foreign inflows were Vietnam at USD72.8m. Foreigners turned net buyers of Vietnamese equities after three consecutive weeks of net selling. This could be due to the anticipated reduction in the key interest rate by 50 basis points, which is set to take effect on June 19. Year-to-date, USD41.1m worth of foreign funds have flowed into the country's equity market.
- Meanwhile, Indonesia posted the highest net foreign outflows last week at a rate of -USD175.8m. According to Statistics Indonesia (BPS), exports reached USD108.06b or down by -6.0%yoy for the January to May 2023 period, with the non-oil and gas exports of the processing industry falling by -9.0%yoy. Year-to-date, Indonesia has received a net foreign inflow of USD1.19b.
- Foreign investors became net sellers of Thai equities again at -USD85.4m after they have briefly net bought USD24.1m during the week ended June 9. Delays in establishing a new coalition government continued to weigh on the market. The Election Commission has yet to certify the poll results but is expected to do so within the next one or two weeks. A total of -USD3.0b have left the country's equity market since the start of the year.

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



Sources: Bloomberg & MIDFR

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



Sources: Bloomberg & MIDFR

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

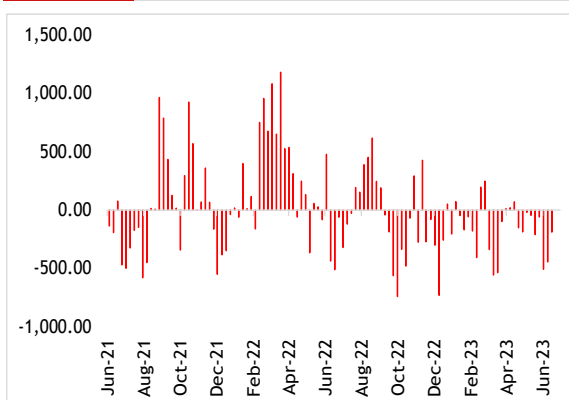
| Week Ended | India | Indo | Korea | M'sia | Phil | Taiwan | Thai | Viet | Total |
|------------|---------|--------|---------|--------|-------|---------|--------|--------|---------|
| 19-May | 946.9 | 60.3 | 1,101.5 | -46.8 | 4.2 | 2,316.3 | -311.5 | 33.4 | 4,104.3 |
| 26-May | 769.9 | 146.0 | 1,066.5 | -12.8 | 42.8 | 2,279.2 | -351.8 | -101.0 | 3,838.9 |
| 2-Jun | 1,574.7 | 92.7 | 1,184.7 | -110.0 | -77.2 | 1,955.8 | -248.5 | -50.5 | 4,321.7 |
| 9-Jun | 399.7 | -13.9 | 68.3 | -96.2 | -8.4 | 56.2 | 24.1 | -20.5 | 409.2 |
| 16-Jun | 804.4 | -175.8 | 241.2 | -41.0 | 99.9 | 2,121.5 | -85.4 | 72.8 | 3,037.6 |

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

C. TRACKING MONEY FLOW - MALAYSIA

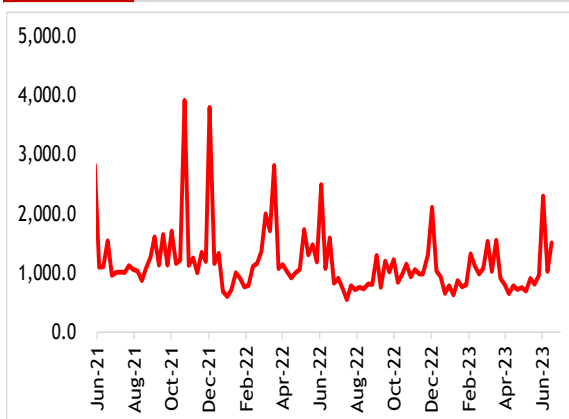
- The net selling by foreign investors on Bursa Malaysia stretches into its ninth consecutive week with net foreign outflows amounting to -RM189.4m. They have been sellers for 18 out of 24 weeks this year, with a total net foreign outflow of -RM3.66b.
- Every trading day last week was a net selling day by the foreigners except on Monday when they were picking up counters such as Maybank (RM17.7m), RHB Bank (RM8.6m) and YTL Corporation (RM8.5m).
- The top three sectors that posted net foreign inflows were Transportation & Logistics (RM103.9m), Construction (RM28.4m) and Consumer Products & Services (RM14.3m), while the top three sectors that recorded net foreign outflows were Financial Services (-RM141.4m), Plantation (-RM60.1m) and Industrial Products & Services (-RM50.4m).
- Local institutional investors remained net buyers for the third consecutive week at RM81.2m. Year-to-date, they have been net buyers of domestic equities for 18 out of 24 weeks, with a total net inflow of RM3.20b.
- Local retailers remained net buyers for the fourth consecutive week after net buying RM108.3m. Year-to-date, local retailers have been net buyers for 13 out of 24 weeks. The total net buying year-to-date amounted to RM418.2m.
- In terms of participation, there was an increase in average daily trading volume (ADTV) across the board - retailers (+13.7%), local institutions (+15.1%) and foreigners (+46.5%).

Chart 5 Net Foreign Fund Flows into Malaysian Equity Since Jun-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 | | | *Net (USD'm) |
|------------|--------------|---------|--------|-------------------|---------|-------|---------|---------|--------|--------------|
| | Bought | Sold | Net | Bought | Sold | Net | Bought | Sold | Net | |
| 19-May | 2,274.8 | 2,419.4 | -144.6 | 3,972.4 | 3,616.8 | 355.6 | 1,928.5 | 2,139.5 | -211.0 | -46.8 |
| 26-May | 2,425.1 | 2,334.0 | 91.1 | 4,257.7 | 4,290.0 | -32.4 | 2,374.0 | 2,432.8 | -58.7 | -12.8 |
| 2-Jun | 2,770.8 | 2,637.2 | 133.6 | 4,633.2 | 4,260.3 | 372.9 | 5,500.5 | 6,007.0 | -506.5 | -110.0 |
| 9-Jun | 1,896.4 | 1,786.2 | 110.2 | 3,017.3 | 2,683.6 | 333.7 | 1,838.1 | 2,281.9 | -443.8 | -96.2 |
| 16-Jun | 2,671.1 | 2,562.8 | 108.3 | 4,142.0 | 4,060.8 | 81.2 | 3,677.9 | 3,867.3 | -189.4 | -41.0 |

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 |
| Public Bank | 31.6 | Tenaga Nasional | 73.4 | Westports Holdings | 69.9 |
| Petronas Chemicals | 30.4 | Inari Amertron | 56.4 | YTL Corporation | 46.9 |
| Top Glove Corp. | 29.7 | Public Bank | 37.0 | Malaysia Airports | 34.6 |
| Malayan Banking | 15.4 | CIMB Group | 35.2 | Gamuda | 29.8 |
| Bumi Armada | 13.5 | Kuala Lumpur Kepong | 23.7 | RHB Bank | 16.4 |
| Hartalega Holdings | 12.1 | TIME dotCom | 22.8 | YTL Power | 16.3 |
| Hong Leong Capital | 9.9 | Petronas Chemicals | 21.0 | CelcomDigi | 13.9 |
| Bermaz Auto | 8.7 | Gas Malaysia | 20.0 | Telekom Malaysia | 11.6 |
| RHB Bank | 8.7 | Axiata Group | 19.3 | My E.G. Services | 10.9 |
| Caely Holdings | 7.9 | Sime Darby Plantation | 14.1 | KPJ Healthcare | 9.3 |
| Top 10 Stocks with Weekly Net Outflows | | | | | |
| Company | Value | Company | Value | Company | Value |
| Inari Amertron | -33.0 | Westports Holdings | -71.2 | Public Bank | -76.0 |
| Tenaga Nasional | -15.9 | RHB Bank | -34.2 | Petronas Chemicals | -65.5 |
| YTL Corporation | -15.0 | Malaysia Airports | -33.2 | Tenaga Nasional | -61.3 |
| My E.G. Services | -12.2 | Malayan Banking | -30.5 | Kuala Lumpur Kepong | -36.2 |
| Boustead Plantations | -11.3 | Gamuda | -26.9 | CIMB Group | -33.7 |
| Pertama Digital | -10.5 | Hartalega Holdings | -20.1 | Axiata Group | -27.7 |
| Radium Development | -9.1 | United Plantations | -16.3 | TIME dotCom | -27.4 |
| Dialog | -9.0 | My E.G. Services | -16.1 | Top Glove Corp. | -23.6 |
| Genetec Technology | -8.6 | YTL Corporation | -15.4 | Gas Malaysia | -20.9 |
| Nationgate Holdings | -8.6 | Bumi Armada | -14.8 | Hong Leong Bank | -19.4 |

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

| Company | % | Company (cont'd) | % | Company (cont'd) | % |
|--|------|----------------------------|------|----------------------------|------|
| Automotive | | Nestlé | 82.6 | TSH Resources | 19.5 |
| Bermaz Auto | 17.2 | Padini | 10.3 | Port & Shipping | |
| MBM Resources | 2.3 | QL Resources | 10.2 | MISC | 9.1 |
| Tan Chong | 10.6 | Rhong Khen International | 62.3 | Suria Capital | 6.1 |
| UMW Holdings | 5.3 | Spritzer | 18.0 | Westports | 27.7 |
| Aviation | | Gloves | | Property | |
| Capital A | 19.3 | Hartalega | 16.4 | Eco World | 2.6 |
| Malaysia Airports | 22.0 | Kossan | 10.5 | Glomac | 4.1 |
| Banking | | Top Glove | 32.6 | IOI Property | 3.7 |
| Affin Bank | 26.5 | Healthcare | | Mah Sing | 14.7 |
| Alliance Bank | 20.2 | IHH Healthcare | 49.8 | S P Setia | 6.3 |
| AMMB Holdings | 39.7 | KPJ Healthcare | 7.9 | Sunway | 5.6 |
| Bank Islam | 1.5 | Pharmaniaga | 0.3 | UEM Sunrise | 5.4 |
| CIMB Group | 29.4 | Logistics | | UOA Development | 3.8 |
| Hong Leong Bank | 10.9 | CJ Century | 57.6 | REITs | |
| Hong Leong Financial | 32.3 | Swift Haulage | 13.3 | Al-'Aqar Healthcare | 0.7 |
| Malayan Banking | 17.7 | Tasco | 65.7 | Axis REIT | 15.2 |
| Public Bank | 26.8 | Media | | IGB REIT | 4.1 |
| RHB Bank | 16.2 | Astro | 26.8 | KLCCP Stapled | 0.8 |
| Building Materials | | Media Prima | 20.8 | Pavilion REIT | 33.8 |
| Malayan Cement | 2.8 | Non-bank Financials | | Sunway REIT | 7.4 |
| Conglomerate | | Bursa Malaysia | 15.5 | Technology | |
| YTL Corp | 19.0 | AEON Credit | 70.7 | D & O Green Tech | 35.4 |
| Construction | | Oil & Gas | | Datasonic | 5.7 |
| Cahaya Mata Sarawak | 8.0 | Bumi Armada | 18.8 | Globetronics | 1.7 |
| Gabungan AQRS | 2.3 | Deleum | 3.9 | Inari Amertron | 18.1 |
| Gamuda | 19.3 | Dialog | 20.1 | MY E.G. Services | 12.8 |
| IJM Corp | 12.3 | Gas Malaysia | 19.5 | Unisem | 1.9 |
| KKB Engineering | 0.3 | MMHE | 10.3 | Telecommunication | |
| MRCB | 8.2 | Petronas Chemicals | 9.7 | Axiata | 10.8 |
| Muhibbah Engineering | 15.9 | Petronas Dagangan | 7.5 | CelcomDigi | 60.0 |
| Pintaras Jaya | 0.4 | Petronas Gas | 9.2 | Maxis | 7.2 |
| Sunway Construction | 1.3 | Plantation | | Telekom Malaysia | 12.2 |
| WCT Holdings | 5.9 | FGV | 4.2 | Utilities | |
| Consumer (F&B & Retail) | | Genting Plantations | 5.1 | Ranhill Utilities | 32.1 |
| AEON Co. | 54.6 | IOI Corp | 11.1 | Tenaga Nasional | 12.1 |
| Asia File | 5.5 | KL Kepong | 13.0 | YTL Power | 5.2 |
| Fraser & Neave | 61.1 | PPB Group | 21.1 | | |
| Hup Seng | 1.9 | Sarawak Plantation | 2.8 | | |
| Leong Hup | 12.3 | Sime Darby Plantation | 9.7 | | |
| MSM Malaysia | 1.3 | Ta Ann | 13.6 | | |

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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