

FUND FLOW REPORT

(Week ended 14 July 2023)

Optimism grows amid inflation easing

17 JULY 2023 | Strategy - Weekly Fund Flow

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- Investor sentiment was predominantly positive last week as the recent easing of inflation in the U.S. might signify an approaching end to rate hikes.
- The U.S. producer price index (PPI) rose marginally by +0.1%yoy in Jun-23 (May-23: +0.9%yoy). This indicates a period of disinflation, while the smallest gain since Aug-20 implies a potential end to the Federal Reserve's (Fed) aggressive monetary policy tightening campaign. Moreover, the consumer price index (CPI) rose by +3.0%yoy. Excluding food and energy, the core CPI rose +0.2%mom or +4.8%yoy, the lowest since late CY21 but still above the Fed's target.
- All the 20 major indices that we track recorded gains last week, led by Hong Kong's Hang Seng (+5.71%), South Korea's KOSPI (+4.02%) and the Philippines PSEi (+3.85%). The FBM KLCI rose by +2.50% and closed above 1,400 points for the first time since end of May-23.
- The Organisation of the Petroleum Exporting Countries (OPEC) raised its CY23 oil demand growth forecast and expects a slight slowdown in CY24, driven by China and India. Global oil demand is predicted to rise by 2.25m barrels per day (bpd) in CY24, a +2.2% increase compared to the projected 2.44m bpd in CY23.
- According to the Office for National Statistics (ONS), Britain's economy contracted by less-than-expected in May-23, with a -0.1%mom decline in economic output. The economy could potentially avoid a decline for the overall 2QCY23, despite strikes and extra bank holiday for the coronation of King Charles.
- According to the National Bureau of Statistics, China's PPI fell for the ninth consecutive month, decline by -5.4%yoy. Meanwhile, the CPI remained unchanged year-on-year, contrary to the expected +0.2% rise, driven by a faster fall in pork prices.
- China's Customs Bureau revealed that outbound shipments from its economy declined more-than-expected by -12.4%yoy in Jun-23 (May-23: -7.5%yoy). This highlights the need for policymakers to consider using more stimulus to boost sluggish demand.
- New Zealand's central bank kept interest rates unchanged for the first time in almost two years as the weaker economy slows inflation. The Reserve Bank's Monetary Policy Committee held the official cash rate at 5.5%, ending a streak of 12 consecutive increases.
- Preliminary estimates from the Singapore's Ministry of Trade and Industry indicated a +0.7%yoy expansion in the economy in 2QCY23. The overall gross domestic product (GDP) was weighed down by the manufacturing sector, which experienced a significant contraction of -7.5%yoy.
- Malaysia's industrial production index (IPI) rebounded to +4.7% in May-23. The Department of Statistics Malaysia (DOSM) reported that all sectors contributed to this positive momentum, marking a significant turnaround from the negative growth of -3.3% in Apr-23.

Table 1 Weekly Performance of Global Benchmark Indices (%)

Index	Last Price	Change (%)
Hang Seng	19,413.78	5.71
KOSPI	2,628.30	4.02
PSEi	6,624.79	3.85
TAIEX	17,283.71	3.72
ASX 200	7,303.08	3.70
CAC 40	7,374.54	3.69
Straits Times	3,248.63	3.48
Nasdaq	14,113.70	3.32
DAX 40	16,105.07	3.22
Stoxx Europe 600	460.83	2.94
Ho Chi Minh VSE	1,168.40	2.67
FBM KLCI	1,412.09	2.50
FTSE 100	7,434.57	2.45
S&P 500	4,505.42	2.42
Dow Jones	34,509.03	2.29
JCI	6,869.57	2.28
Shenzhen CSI 300	3,899.10	1.92
SET	1,517.92	1.84
Sensex	66,060.90	1.20
Nikkei 225	32,391.26	0.01

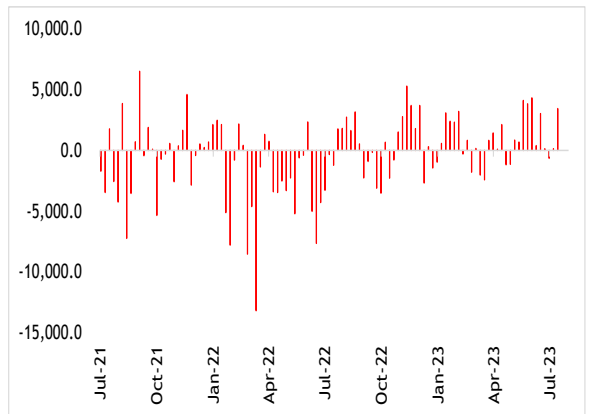
Source: Bloomberg

- Malaysia's unemployment rate in May-23 held steady at 3.5% from Apr-23, with a slight decrease in the number of unemployed individuals to 584,600 people, compared to 586,900 in previous month.
- The Ringgit appreciated by +3.0% against the US dollar, closing at USDMYR4.5267 on Friday. The Brent crude oil price declined by -6.17% to USD79.87 per barrel, while the crude palm oil price rose by +1.30% to RM3,899 per tonne.

B. TRACKING MONEY FLOW - ASIA

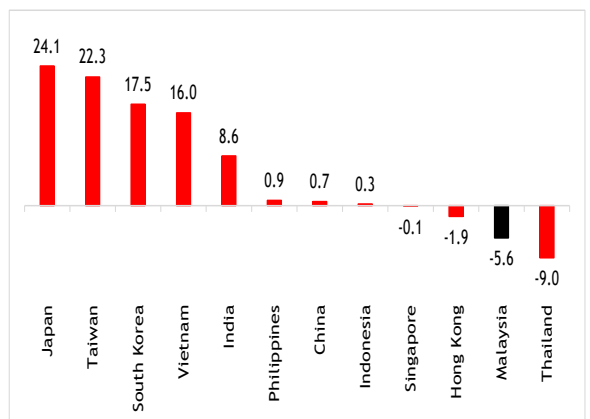
- Foreign investors continued to net buy Asian equities for the second consecutive week. Based on the provisional aggregate data for the eight exchanges that we track, foreign investors net bought equities amounting to USD3.45b. The only countries that recorded outflows were Vietnam and Thailand.
- Foreigners have returned to Taiwan last week, net buying USD1.11b worth of equities. Prior to that, the country recorded outflows for the past three consecutive weeks. Interests were largely in tech-related stocks such as Taiwan Semiconductor Manufacturing Company (TSMC), Quanta Computer Inc and Wistron Corp, among others. Reports have surfaced that Foxconn is in talks with TSMC and Japan's TMH Group for a joint venture to set up semiconductor fabrication units in India. Year-to-date, foreign investors are net buyers of Taiwanese equities at USD9.96b.
- Foreign investors continued to be net buyers in South Korea for the second consecutive week at a rate of USD1.09b. The Bank of Korea kept interest rates unchanged for the fourth consecutive meeting last Thursday, after its seven-member monetary policy board unanimously agreed to keep the base rate at 3.50%. Year-to-date, foreigners have been net buyers of the South Korean equities with a total net inflow of USD9.22b.
- India came in third in terms of the highest net foreign inflows, amounting to USD1.06b. The country's trade deficit for merchandise in Jun-23 narrowed to USD20.13b (May-23: USD22.12b) as there was a drop in merchandise exports and imports by -22.0%yoy and -17.5%yoy respectively. Year-to-date, foreign investors have net bought USD13.02b worth of Indian equities.
- For three weeks in a row, Indonesia has seen continuous interest from the foreigners, with last week's inflows amounting to USD78.9m. In an interview with Bloomberg Television, Indonesia's Finance Minister, Sri Mulyani Indrawati, remains optimistic about achieving the +5.0% economic growth this year. Indrawati highlighted the positive first-half figures and expressed confidence in the second half, particularly in terms of household consumption. Year-to-date Indonesia has gained a sum of USD1.21b in net foreign inflows.
- The Philippines was the only other country that recorded net foreign inflows, totalling USD47.3m. According to the latest assessment by the Bangko Sentral ng Pilipinas (BSP), inflation is expected to decrease to 5.4% this year (2022: 5.8%) and further decline to 2.9% in CY24. BSP Governor Eli Remolona

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



Sources: Bloomberg & MIDFR

Chart 2 YTD Performance of Asian Benchmark Indices (%)

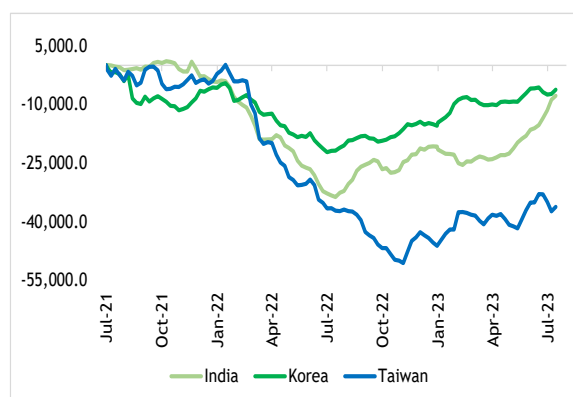


Sources: Bloomberg & MIDFR

Jr. suggests that it could potentially come back within the target rate of 2.0%-4.0% during 4Q23. A total of -USD427.4m have left the country's equity market since the start of the year.

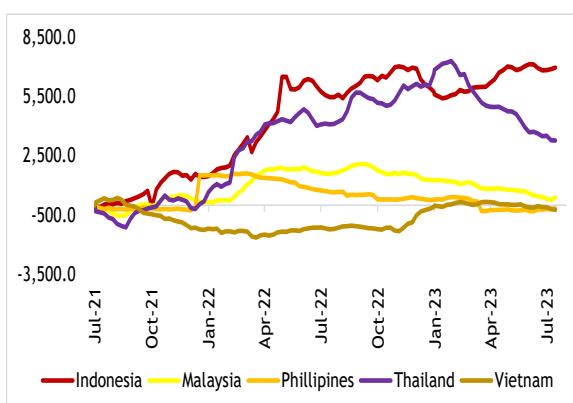
- Vietnam was one of the two countries that posted net foreign outflows last week. Going into the fourth consecutive week, foreigners have net sold -USD43.2m worth of Vietnamese equities. According to Vietnamese media, doubt regarding the accuracy of economic statistics by the central and local governments is growing, as indicators such as the GDP and tourism numbers demonstrate significant improvement despite a prevailing negative business sentiment. Year-to-date, foreign investors have net sold equities amounting to -USD134.9m in the country.
- Foreign investors remained net sellers of Thai equities for two weeks in a row, albeit at a lower rate of -USD14.7m. Move Forward party leader Pita Limjaroenrat faced a defeat in a parliamentary vote as conservative forces united to keep him at bay. The second sitting of parliament to select the prime minister is scheduled on July 19, 2023. The delay in forming the new government might have repercussions on the disbursement of the CY24 national budget, particularly affecting the initiation of new mega projects. Foreigners have been net sellers of Thai equities thus far this year, with the outflows amounting to -USD3.35b.

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



Sources: Bloomberg & MIDFR

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



Sources: Bloomberg & MIDFR

C. TRACKING MONEY FLOW - MALAYSIA

- Foreign investors turned to net buyers on Bursa Malaysia at a rate of RM570.9m after net selling for the past twelve consecutive weeks.
- Their interest began on Wednesday, with a net inflow of RM84.2m. This coincides with the release of positive economic data, including a +6.6%yoy growth in monthly sales value for Malaysia's wholesale and retail trade sector, reaching RM138.0b in May-23. Additionally, the country's manufacturing sector saw an increase in sales value to RM146.8b (+3.3%yoy) in May-23.

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

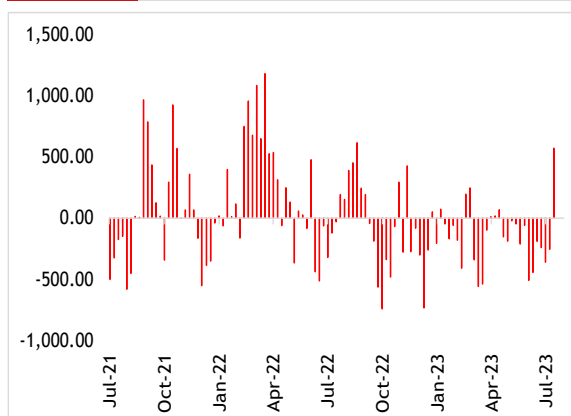
Week Ended	India	Indo	Korea	M'sia	Phil	Taiwan	Thai	Viet	Total
16-Jun	804.4	-175.8	241.2	-41.0	99.9	2,121.5	-85.4	72.8	3,037.6
23-Jun	1,737.2	-115.9	-1,205.5	-51.5	-14.8	-23.6	-140.7	-39.2	146.0
30-Jun	2,010.1	12.8	-669.5	-77.1	25.3	-1,963.7	34.0	-14.8	-642.9
7-Jul	2,673.4	41.8	191.7	-54.5	-7.4	-2,398.7	-228.2	-78.8	139.3
14-Jul	1,059.5	78.9	1,088.9	126.0	47.3	1,108.0	-14.7	-43.2	3,450.7

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

FUND FLOW REPORT

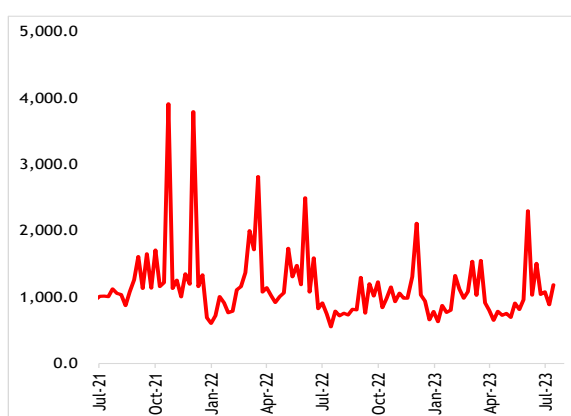
- The net inflows continued on Thursday and Friday, with the highest amount recorded on Friday with RM468.9m net inflows. This was the largest net inflow since 28 February 2022, before the hiking of interest rates by the U.S. Fed.
- The top three sectors that saw net foreign inflows were Technology (RM115.0m), Transportation & Logistics (RM102.0m) and Plantation (RM97.0m), while the only three sectors that posted net foreign outflows were Healthcare (-RM29.7m), REITs (-RM10.2m) and Energy (-RM7.1m).
- Nevertheless, on a year-to-date basis, foreigners have been net sellers of domestic equities for 21 out of 28 weeks, with a total net outflow of -RM3.88b.
- Local institutional investors turned to net sellers of domestic equities after net buying for the past twelve consecutive weeks. A total of -RM308.0m was net sold by this investor class last week. Year-to-date, they have been net buyers of domestic equities for 21 out of 28 weeks, with a total net inflow of RM3.62b.
- Local retailers turned to net sellers after net selling -RM262.9m worth of domestic equities last week. Year-to-date, local retailers have been buyers for 15 out of 28 weeks. The total net buying year-to-date amounted to RM253.5m.
- In terms of participation, there was an increase in average daily trading volume (ADTV) by retailers (+19.9%), local institutions (+22.4%) and foreign investors (+33.7%).

Chart 5 Net Foreign Fund Flows into Malaysian Equity Since Jul-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	
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
23-Jun	2,341.7	2,352.0	-10.3	3,423.3	3,173.0	250.3	2,484.6	2,724.6	-240.0	-51.5
30-Jun	1,879.9	1,798.3	81.6	2,584.3	2,306.0	278.3	1,981.0	2,340.9	-359.9	-77.1
7-Jul	2,299.0	2,245.8	53.2	3,256.9	3,055.9	200.9	2,090.2	2,344.3	-254.1	-54.5
14-Jul	2,592.2	2,855.1	-262.9	3,709.6	4,017.6	-308.0	3,249.4	2,678.5	570.9	126.0

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
My E.G. Services	13.4	RHB Bank	59.1	Malaysia Airports	107.4
BSL Corporation	9.4	Hong Leong Bank	49.2	Malayan Banking	101.1
Tanco Holdings	7.8	YTL Corp.	19.3	Inari Amertron	65.7
Farm Fresh	6.8	Caely Holdings	18.8	Kuala Lumpur Kepong	63.4
Cnergenz	5.5	Top Glove Corp.	14.2	Tenaga Nasional	55.7
AirAsia X	5.4	Greatech Technology	12.1	CIMB Group	34.3
Hap Seng Consolidated	4.8	D & O Green Technologies	11.4	Maxis	31.8
SKP Resources	4.8	Hibiscus Petroleum	9.8	Public Bank	29.9
Salutica	4.3	Vitrox Corp.	9.1	Gamuda	26.5
Chin Hin Group	4.1	Chin Hin Group Property	9.1	Press Metal	23.8
Top 10 Stocks with Weekly Net Outflows					
Company	Value	Company	Value	Company	Value
Inari Amertron	-38.5	Malaysia Airports	-107.7	Hong Leong Bank	-50.4
Public Bank	-22.3	Malayan Banking	-86.2	RHB Bank	-47.4
Malayan Banking	-18.3	Tenaga Nasional	-63.4	My E.G. Services	-13.9
Nationgate Holdings	-11.7	Kuala Lumpur Kepong	-62.7	Kossan Rubber	-11.2
YTL Corp.	-11.2	Maxis	-31.6	Vitrox Corp.	-10.4
Pertama Digital	-10.6	Gamuda	-22.8	Telekom Malaysia	-10.3
CIMB Group	-10.1	Farm Fresh	-22.1	Berjaya Food	-10.3
Globetronics Technology	-10.1	CIMB Group	-19.2	Axiata Group	-8.2
Caely Holdings	-10.0	Press Metal	-18.8	Petronas Gas	-8.0
Petronas Chemicals	-9.7	UMW Holdings	-17.2	Hibiscus Petroleum	-7.3

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

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

Company	%	MoM %	Company (cont'd)	%	MoM %	Company (cont'd)	%	MoM %
Automotive			Nestlé	82.6	0.0	TSH Resources	18.9	-3.1
Bermaz Auto	17.1	-0.6	Padini	9.8	-4.9	Port & Shipping		
MBM Resources	2.3	0.0	QL Resources	10.0	-2.0	MISC	9.2	1.1
Tan Chong	10.6	0.0	Rhong Khen International	62.3	0.0	Suria Capital	6.1	0.0
UMW Holdings	5.4	1.9	Spritzer	17.7	-1.7	Westports	28.4	2.5
Aviation			Gloves			Property		
Capital A	19.7	2.1	Hartalega	15.9	-3.0	Eco World	28.9	1011.5
Malaysia Airports	22.4	1.8	Kossan	10.8	2.9	Glomac	4.1	0.0
Banking			Top Glove	31.9	-2.1	IOI Property	3.7	0.0
Affin Bank	26.5	0.0	Healthcare			Mah Sing	14.7	0.0
Alliance Bank	19.9	-1.5	IHH Healthcare	49.8	0.0	S P Setia	6.5	3.2
AMMB Holdings	39.5	-0.5	KPJ Healthcare	8.4	6.3	Sunway	5.5	-1.8
Bank Islam	1.2	-20.0	Pharmaniaga	0.4	33.3	UEM Sunrise	5.5	1.9
CIMB Group	29.1	-1.0	Logistics			UOA Development	3.8	0.0
Hong Leong Bank	10.7	-1.8	CJ Century	57.8	0.3	REITs		
Hong Leong Financial	32.3	0.0	Swift Haulage	13.4	0.8	Al-'Aqar Healthcare	0.6	-14.3
Malayan Banking	17.9	1.1	Tasco	65.8	0.2	Axis REIT	15.2	0.0
Public Bank	26.4	-1.5	Media			IGB REIT	3.9	-4.9
RHB Bank	16.0	-1.2	Astro	36.9	37.7	KLCCP Stapled	0.8	0.0
Building Materials			Media Prima	20.6	-1.0	Pavilion REIT	33.6	-0.6
Malayan Cement	2.8	0.0	Non-bank Financials			Sunway REIT	7.3	-1.4
Conglomerate			Bursa Malaysia	15.6	0.6	Technology		
YTL Corp	19.9	4.7	AEON Credit	70.4	-0.4	D & O Green Tech	35.2	-0.6
Construction			Oil & Gas			Datasonic	5.9	3.5
Cahaya Mata Sarawak	7.6	-5.0	Bumi Armada	15.8	-16.0	Globetronics	1.4	-17.6
Gabungan AQRS	2.4	4.3	Deleum	3.9	0.0	Inari Amertron	17.8	-1.7
Gamuda	20.2	4.7	Dialog	20.0	-0.5	MY E.G. Services	15.4	20.3
IJM Corp	11.6	-5.7	Gas Malaysia	18.7	-4.1	Unisem	2.0	5.3
KKB Engineering	0.3	0.0	MMHE	9.9	-3.9	Telecommunication		
MRCB	7.8	-4.9	Petronas Chemicals	9.4	-3.1	Axiata	10.4	-3.7
Muhibbah Engineering	15.5	-2.5	Petronas Dagangan	7.5	0.0	CelcomDigi	60.0	0.0
Pintaras Jaya	0.4	0.0	Petronas Gas	9.2	0.0	Maxis	7.2	0.0
Sunway Construction	1.1	-15.4	Plantation			Telekom Malaysia	12.1	-0.8
WCT Holdings	5.9	0.0	FGV	4.2	0.0	Utilities		
Consumer			Genting Plantations	5.1	0.0	Ranhill Utilities	31.9	-0.6
AEON Co.	54.7	0.2	IOI Corp	11.0	-0.9	Tenaga Nasional	12.2	0.8
Asia File	3.7	-32.7	KL Kepong	12.8	-1.5	YTL Power	5.6	7.7
Fraser & Neave	61.2	0.2	PPB Group	21.0	-0.5			
Hup Seng	1.9	0.0	Sarawak Plantation	2.8	0.0			
Leong Hup	10.5	-14.6	Sime Darby Plantation	9.6	-1.0			
MSM Malaysia	1.7	30.8	Ta Ann	13.7	0.7			

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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