MIDF AMANAH INVESTMENT BANK BERHAD

FUND FLOW REPORT

(Week ended 21 July 2023)

Slowing inflationary pressure

MIDF EQUITY STRATEGY | 24 JULY 2023

24 JULY 2023 | Strategy - Weekly Fund Flow

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SLOWING INFLATIONARY PRESSURE

A. MARKET SNAPSHOT

Table 1 Weekly Performance of Global Benchmark Indices (%)

Index	Last Price	Change (%)
FTSE 100	7,663.73	3.08
Dow Jones	35,227.69	2.08
Ho Chi Minh VSE	1,185.90	1.50
Stoxx Europe 600	465.40	0.99
Sensex	66,684.26	0.94
Straits Times	3,278.30	0.91
CAC 40	7,432.77	0.79
SET	1,529.25	0.75
S&P 500	4,536.34	0.69
DAX 40	16,177.22	0.45
PSEi	6,647.56	0.34
JCI	6,880.80	0.16
ASX 200	7,313.89	0.15
FBM KLCI	**1,413.52**	**0.10**
Nikkei 225	32,304.25	-0.27
Nasdaq	14,032.81	-0.57
KOSPI	2,609.76	-0.71
TAIEX	17,030.70	-1.46
Hang Seng	19,075.26	-1.74
Shenzhen CSI 300	3,821.91	-1.98

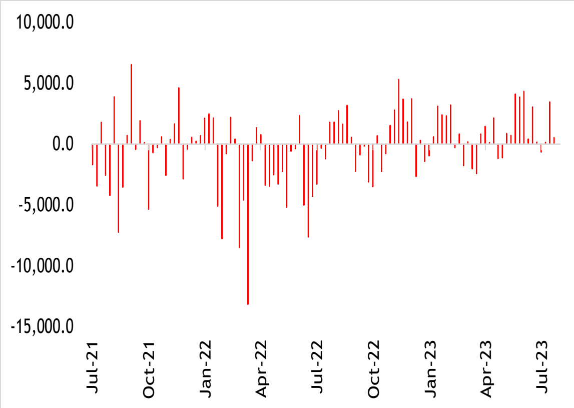
Source: Bloomberg

- Positive signs of slowing inflation in several economies and stronger than expected second quarter corporate earnings in the United States lifted most markets last week. In the US, Treasury Secretary Jane Yellen remarked that she does not expect the US to slip into a recession on the back of a strong labour market and slowing inflation.
- Out of the 20 major indices that we track, 14 advanced during the week while six others declined. Among the top performers were the FTSE 100 (+3.08%), the Dow (+2.08%) and the Ho Chi Minh VSE (+1.50%). The worst performers for the week were CSI 300 (-1.98%), the Hang Seng Index (-1.74%) and TAIEX (-1.46%).
- China's GDP grew +6.3%yoy in 2QCY23 (1QCY23: +4.5%yoy), below market expectations of a +7.3%yoy growth. In 1HCY23, the GDP grew by +5.5%yoy. The major factor for the slowdown stemmed from the secondary sector, which grew at the slowest pace of +0.1%yoy. The secondary sector contributed about 39.8% of the economy.
- The People's Bank of China (PBOC) kept its one-year and five-year Loan Prime Rate (LPR) at 3.55% and 4.20% in Jul-23 respectively. The decision was well within market expectations following the release of 2QCY23 GDP result and the rise in new Yuan Loans to CNY3,050b in Jun-23, more than double the CNY1,360b in May-23. We do not discount the possibility of further monetary easing by the PBOC on the back of the prevailing deflation risk and sluggish external trade in the 2HCY23. We also foresee the Chinese government intervening through fiscal stimulus to bolster the economy.
- Inflation in the Euro Area slowed to +5.5%yoy in Jun-23. It was well within what the market expected and the slowest since Jan-22. The deceleration was mainly driven by a further decline in energy prices which shrunk by -5.6%yoy, marking the largest price contraction since Dec-20. However, core inflation remained sticky, accelerating for the first time in 3-month to +5.5%yoy, higher than market consensus of +5.4%yoy.
- Headline inflation rate in the UK eased further to +7.9%yoy in Jun, better than market consensus of +8.2%yoy and marking the smallest increase since May-22. On a month-on-month basis, the CPI rose at a five-month low by +0.1%mom (May-23: +0.7%mom), lower than market expectation of +0.4%mom. The moderation of price inflation was mainly on the back of continuous decline of liquid fuel prices, as the price dropped by -45.6%yoy, marking four successive months of contraction and the sharpest decrease since May-20.
- India's wholesale price index fell further by -4.1%yoy in Jun-23 (May-23: -3.48%yoy), weaker than market consensus of -3.6%yoy. The larger-than-expected decline marked the third consecutive month of deflation and the sharpest since Oct-15. The slower deflation in wholesale food index by -1.2%yoy (May-23: -1.6%yoy) was on the back of decreases in price of vegetables, potatoes and onion. The manufacturing sector also contracted at a moderating pace by -2.7%yoy (May-23: -3.0%yoy).
- Japanese exports improved slightly by +1.5%yoy in Jun-23, after recording a 27-month low growth rate in the previous month at +0.6%yoy. However, the expansion of exports was still below market expectation of

+2.2%yoy. The modest upward trend of outbound shipment was supported by continuous increase in sales of machinery, transport equipment by +10.1%yoy (May-23: +7.5%yoy), which constitutes about 59% of total exports.

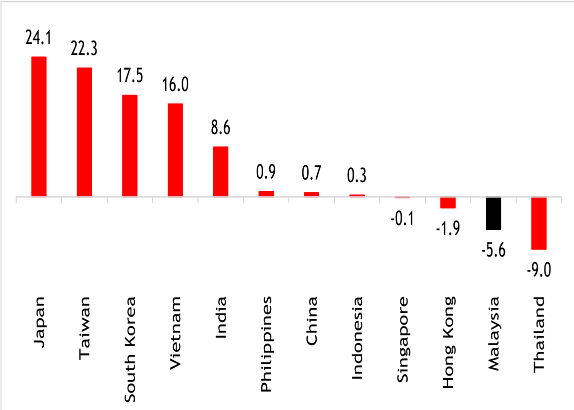
- Singapore's economy remained on expansionary form as advance estimate showed GDP grew by +0.7%yoy in 2QCY23 (1QCY23: +0.4%yoy), slightly higher than market expectations of +0.6%yoy. The ascend was mainly attributable to the uptick in the services sector, which rose +3%yoy (1QCY23: +1.8%yoy). Meanwhile, its non-oil domestic exports (NODX), which represents 28.1% of the country's total exports, continued to drop by -15.5%yoy in Jun-23 (May-23: -14.7%yoy), marking nine consecutive months of contraction. As for non-oil re-exports, NORX (55% of total exports), it fell by -13.7%yoy, marking four straight months of contraction.
- Malaysia's total trade fell -16.3%yoy in Jun-23 (May-23: -2.2%yoy), mainly due to higher base in Jun-22. Exports continued to fall but at sharper pace of -14.1%yoy in Jun-23 (May-23: -0.8%yoy), with reduction in both domestic exports (-15.2%yoy) and re-exports (-10.3%yoy). Exports to most major markets fell in Jun-23, including to China, USA, ASEAN and EU countries. The sustained rise in E&E exports of +3.2%yoy was not enough to support overall exports.
- The Ringgit depreciated against the US dollar by -0.80% to close at USD/RM4.5627 on Friday. The Brent crude oil price declined -4.76% to UDS83.16 per barrel while the crude palm oil advanced +3.49% to RM4,035.00 per tonne.

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

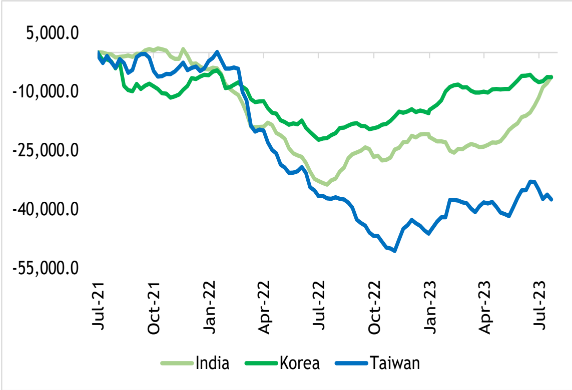
B. TRACKING MONEY FLOW - ASIA

- Foreign investors maintained their net buying stance last week at a rate of USD535.7m, marking the third consecutive week of net foreign fund inflows into Asia, though at a much-reduced pace as compared to USD3.45b in the previous week.
- India anchored the foreign fund inflows last week at USD1.60b as foreign investors net bought every day. This is the 13th consecutive week of net inflow into India. The "China Plus One" strategy by multinationals augurs well for India, with many regarding the country as the alternative to China. This was boosted by Prime Minister Narendra Modi's visit to United States last month that drew a string of investment commitments from large American names like Amazon, Apple, Cisco Systems and Walmart. Year-to-date, India is the best performing country with USD15.06b of net foreign inflows.
- Indonesia posted a net foreign fund inflow of USD140.6m last week, its fourth consecutive week of net inflows. It was also the only other market with net inflows every day last week. The country recorded a surprise trade surplus of USD3.46b in Jun-23, against expectations of USD1.35b, as imports declined more than expected while exports remained weak. Year-to-date, there has been a net foreign inflow of USD1.35b into Indonesia.
- Foreign investors net bought USD48.8m in Vietnam last week after net selling for four consecutive weeks. The government has approved a USD11.4b plan to expand the national fuel storage capacity by 2030, which would raise the crude oil and refined fuel storage capacity to 80 days of net imports. There has

been a net foreign outflow of -USD86.1m from Vietnam year-to-date.

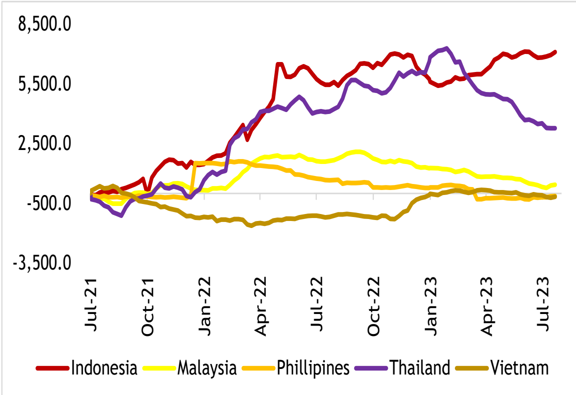
- The Philippines registered its second consecutive week of net foreign inflow last week at USD18.0m. The number of tourists in the first half of the year rebounded to over 3m, surpassing the 2022 full year number of 2.65m. This drew an inbound tourism receipts of over USD3.9b, almost five times higher than the same period last year. In an optimistic scenario, the Department of Tourism forecasts about 6.4m of international tourist arrivals for 2023. There has been a net foreign outflow of -USD409.4m from the Philippines year-to-date.
- Foreign investors sold Taiwanese equities last week, net selling -USD1.24b after net buying USD1.11b in the previous week. Investors have been bullish about Taiwan as they expect it to ride the artificial intelligence (AI) wave but a recent warning by Taiwan Semiconductor Manufacturing Co (TSMC) that its 2023 sales are likely to fall 10% may have rattled sentiments. The world's largest chipmaker recorded a -23.3%yoy decline in its 2QFY23 net profit, the first quarterly drop since 2Q19. Taiwan is the third best performing country so far this year with a net foreign inflow of USD8.72b.
- South Korea saw -USD71.9m leaving its shores after two consecutive weeks of net inflows. Producer prices in Jun-23 fell -0.2%yoy (May-23: +0.5%yoy) for the first time in almost three years, weighed by petroleum and agricultural products. Year-to-date, South Korea is the second-best performing market with a net foreign inflow of USD9.15b.

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

- The net foreign fund outflows from Thailand moderated to only -USD0.5m last week in its third consecutive week of outflows. The Kingdom's political drama is far from over as no Prime Minister has been elected yet after the nation's election in May. The Parliament will hold another vote for Prime Minister this week, but Move Forward Party's leader Pita Limjaroenrat is unable to vie for the position again, after he failed to win the required support from the Parliament, although his party won the most seats during the May election. A total of -USD3.35b has left Thailand year-to-date, making it the worst performing country this year.

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

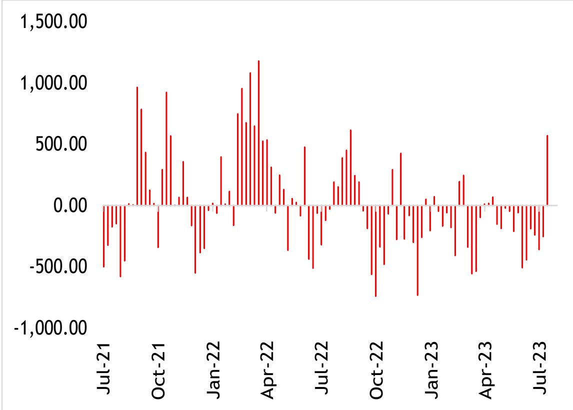
Week Ended	India	Indo	Korea	M'sia	Phil	Taiwan	Thai	Viet	Total
23-Jun	1,737.2	-115.9	-1,205.5	-51.5	-14.8	-23.6	-140.7	-39.2	146.0
30-Jun	2,010.1	12.8	-669.5	-77.1	25.3	-1,963.7	34.0	-14.8	-642.9
7-Jul	2,673.4	41.8	191.7	-54.5	-7.4	-2,398.7	-228.2	-78.8	139.3
14-Jul	1,059.5	78.9	1,088.9	126.0	47.3	1,108.0	-14.7	-43.2	3,450.7
21-Jul	1,601.5	140.6	-71.9	39.3	18.0	-1,240.1	-0.5	48.8	535.7

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

C. TRACKING MONEY FLOW - MALAYSIA

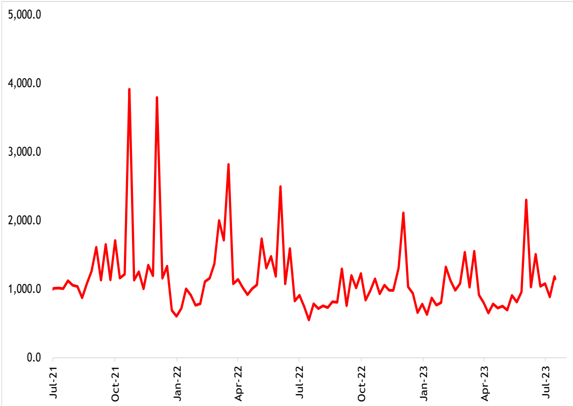
- The net buying by foreign investors in Bursa Malaysia extends into its second consecutive week, though at a much-moderated pace of RM179.0m, as compared to RM570.9m a week ago. It was a shortened trading week, due to the Awal Muharram public holiday on Wednesday.
- They net bought RM56.3m on Monday, RM71.0m on Thursday and RM61.7m on Friday but net sold -RM10.1m on Tuesday.
- The top three sectors which saw net inflows by foreign investors last week were Utilities (RM107.0m), Technology (RM73.5m) and Construction (RM68.4m). The bottom three sectors with net outflows were Consumer Products and Services (-RM103.1m), Financial Services (-RM35.8m) and REITs (-RM11.2m). Year-to-date, foreign investors have net sold -RM3.70b.
- Local institutions maintained their net selling stance for the second consecutive week, net selling -RM91.3m. They net bought RM9.8m on Monday and RM2.8m on Tuesday before net selling -RM49.0m on Thursday and -RM54.9m on Friday. Year-to-date, local institutions have net bought RM3.53b.
- Like the local institutions, local retailers also net sold for the second consecutive week at -RM87.7m. They only net bought RM7.2m on Tuesday and net sold -RM66.1m on Monday, -RM22.0m on Thursday and -RM6.8m on Friday. They have net bought RM165.8m year-to-date.
- In terms of participation, there was a decrease in average daily trading volume (ADTV) among foreign investors by -2.9% while retail investors and local institutions saw increases of 6.8% and 17.4% respectively.

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			
	Bought	Sold	Net	Bought	Sold	Net	Bought	Sold	Net	*Net (USD'm)
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
21-Jul	2,282.6	2,370.2	-87.7	3,582.4	3,673.8	-91.3	2,390.7	2,211.7	179.0	39.3

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
Top Glove Corp	12.6	CIMB Group Holdings	71.6	Tenaga Nasional	73.6
Bermaz Auto	10.8	Petronas Chemicals Group	32.3	Inari Ametron	64.9
Classita Holdings	10.6	Bermaz Auto	22.0	Kuala Lumpur Kepong	41.6
Hartalega Holdings	6.9	MISC	16.0	Malayan Banking	27.9
Kumpulan Jetson	6.9	QL Resources	13.2	Gamuda	27.6
Apex Equity Holdings	6.5	Nationgate Holdings	13.0	IHH Healthcare	26.7
IJM Corp	5.2	Telekom Malaysia	12.2	DC Healthcare Holdings	21.1
Oppstar	4.9	IOI Corp	12.1	YTL Power International	19.9
AirAsia X	4.6	Sports Toto	11.6	UEM Sunrise	15.8
Aeon Credit	4.2	EG Industries	9.2	YTL Corp	15.5
Top 10 Stocks with Weekly Net Outflows					
Company	Value	Company	Value	Company	Value
Inari Ametron	-46.9	Tenaga Nasional	-82.9	CIMB Group Holdings	-67.1
DC Healthcare Holdings	-21.1	Kuala Lumpur Kepong	-40.6	Bermaz Auto	-34.0
Public Bank	-14.3	Inari Ametron	-35.6	Petronas Chemicals Group	-25.9
Nationgate Holdings	-11.1	Gamuda	-26.7	Top Glove Corp	-17.5
SFP Tech Holdings	-10.1	IHH Healthcare	-23.3	MISC	-14.3
MST Golf Group	-8.9	Malayan Banking	-22.7	QL Resources	-12.1
Bumi Armada	-8.3	YTL Power International	-19.2	Vitrox Corp	-9.7
Malayan Banking	-7.9	IJM Corp	-18.0	Telekom Malaysia	-9.5
Boustead Plantations	-6.1	Hartalega Holdings	-14.1	Genting	-8.4
Widad Group	-6.0	Maxis	-12.7	Frontken Corp	-7.1

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*
Cahya 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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