

FUND FLOW REPORT

(Week ended 11 August 2023)

Uncertainty over U.S. inflation

14 AUGUST 2023 | Strategy - Weekly Fund Flow

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UNCERTAINTY OVER U.S. INFLATION

A. MARKET SNAPSHOT

- Mixed economic data raised concerns that the Federal Reserve's (Fed) efforts to control inflation might not end yet. The US Bureau of Labour Statistics reported a +0.3% rise in both the producer price index (PPI) for final demand and the core index in Jul-23, which excludes food and energy. This came in higher-than-expected due to higher service sector costs. Meanwhile, the consumer producer index (CPI) rose moderately by +0.2% in Jul-23, mirroring the gain in Jun-23, driven by decreased expenses for goods like used motor vehicles.
- Among advancers that inched upwards last week were the Nikkei 225 (+0.87%), the FBM KLCI (+0.83%) and the Dow Jones Industrial Average (+0.62%). At the bottom of the list of decliners were the CSI 300 (-3.39%), Hang Seng (-2.38%) and the Nasdaq Composite Index (-1.90%).
- Trade deficit in the US significantly shrank by -4.1% to USD65.5b in Jun-23 due to reduced foreign-made capital goods purchases by businesses, leading to imports reading their lowest point in over 1.5 years.
- According to the Office for National Statistics, the UK's economy saw its strongest quarterly growth since early-CY22, with gross domestic product (GDP) up +0.2%qoq. June's output also exceeded predictions, rising by +0.5% compared to the expected +0.2% increase.
- The European Central Bank (ECB) Consumer Expectations Survey for Jun-23 revealed that the median respondent anticipated inflation to average 3.4% over the next 12 months, down from the previous month's 3.9%. This suggests increasing belief that the central bank is approaching the conclusion of its tightening phase.
- China's consumer and producer prices both fell in Jul-23, signalling deflation pressure due to weakening demand in the second-largest economy. The CPI dropped -0.3%yoy, marking the first decline since Feb-21. Meanwhile, the PPI contracted for the tenth consecutive month, falling by -4.4%yoy, slightly worse-than-expected.
- China's trade declined significantly in Jul-23 on the back of weakened global demand impacting export prospects, alongside internal factors affecting import dynamics. Overseas shipments saw a substantial -14.5%yoy decrease in dollar terms, marking the most pronounced decline in Feb-20, while imports contracted by -12.4%yoy.
- The Japanese workers' wage growth unexpectedly decelerated in Jun-23, suggesting a potential slowdown in the labour market and casting uncertainty over the Bank of Japan's target of achieving sustainable inflation. Nominal cash earnings for employees increase by +2.3%yoy, marking a slowdown from the revised +2.9% growth rate observed in May-23.
- The Singapore government has adjusted the GDP growth forecast for this year to a range of +0.5% to +1.5%, down from the earlier range of +0.5% to +2.5% after narrowly avoiding a recession in 2Q23 due to global demand constraints affecting its trade-centric economy.

Table 1 Weekly Performance of Global Benchmark Indices (%)

Index	Last Price	Change (%)
Nikkei 225	32,473.65	0.87
FBM KLCI	1,457.16	0.83
Dow Jones	35,281.40	0.62
Ho Chi Minh VSE	1,232.21	0.51
JCI	6,879.98	0.40
CAC 40	7,340.19	0.34
SET	1,535.16	0.31
ASX 200	7,340.13	0.20
Straits Times	3,294.28	0.06
Stoxx Europe 600	459.17	-0.02
S&P 500	4,464.05	-0.31
KOSPI	2,591.26	-0.44
FTSE 100	7,524.16	-0.53
Sensex	65,322.65	-0.61
PSEi	6,405.91	-0.70
DAX 40	15,832.17	-0.75
TAIEX	16,601.25	-1.44
Nasdaq	13,644.85	-1.90
Hang Seng	19,075.19	-2.38
Shenzhen CSI 300	3,884.25	-3.39

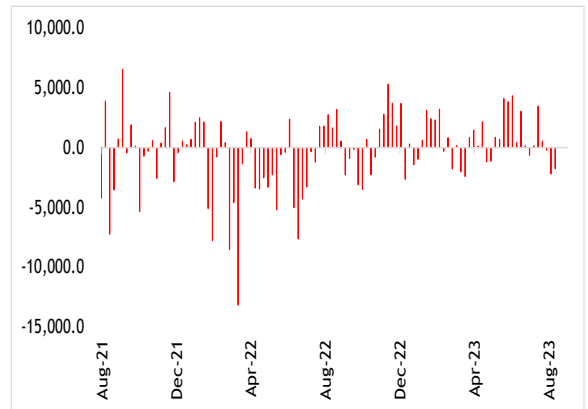
Source: Bloomberg

- The consumer index of the Thai Chamber of Commerce dropped to 55.6 from 56.7 in Jul-23. It declined for the first time in 14 months, attributed to a sluggish economic recovery and concerns over potential political instability.
- The Ringgit depreciated against the US dollar by -0.75% to close at USD/RM4.5880 on Friday. The Brent crude oil price rose +1.99% to USD86.81 per barrel while the crude palm oil declined -3.68% to RM3,739.00 per tonne.

B. TRACKING MONEY FLOW - ASIA

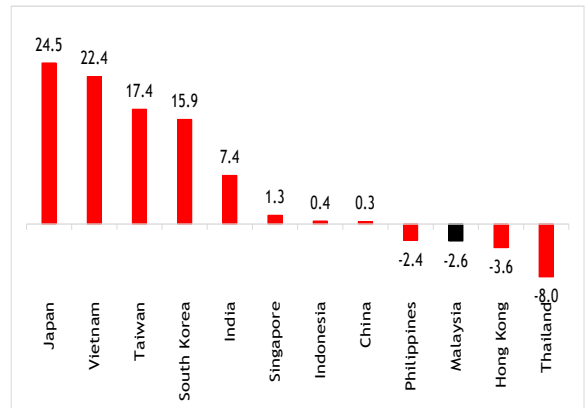
- Foreign investors continued to dispose Asian equities for the third consecutive week, net selling -USD1.76b last week based on the eight Asian exchanges that we track. This was -19.5% lower than the previous week at -USD2.19b. Only India, Malaysia and South Korea recorded net foreign fund inflows.
- Foreign investors poured funds into India again, net buying USD640.8m of equities after briefly net selling the week prior. The Reserve Bank of India (RBI) kept its repo rate at 6.5% in a widely expected move. It also temporarily increased the cash reserve ratio for banks, which will see about USD12.07b being withdrawn from the system in its efforts to keep inflation at bay. Year-to-date, India is the best performing market that we track, with USD15.79b of net foreign inflows.
- South Korea received foreign fund inflows again last week at USD28.7m, after three straight weeks of outflows, though this is the lowest amount of weekly net inflow in recent years. The country's unemployment rate rose to 2.8% in Jul-23, its highest since Jan-23. Meanwhile, household borrowing also surged for the fourth consecutive month to a record high of about USD800b as at Jul-23, prompting the Bank of Korea to state that it would prepare a pre-emptive measure for stable management of household debts in 2H23, if necessary. South Korea is the second-best performing country, with USD7.85b of net foreign inflows.
- The highest net foreign fund outflow last week was from Taiwan, at -USD1.41b as foreign investors continued to net sell for the fourth consecutive week amidst growing concerns over possible military actions by China and also due to Taiwan Vice President William Lai's visit to the US, which will likely trigger Chinese military drills near Taiwan this week. Year-to-date, foreign investors have net bought USD5.85b of Taiwanese equities.
- There was an exodus of funds from Indonesia last week at -USD1.07b, the highest weekly net outflow in recent years. This mainly came from the heavy net outflow of -USD1.18b on Thursday. Year-to-date, Indonesia has received USD490.3m of net foreign inflows.
- Foreign investors net sold -USD30.9m in Vietnam last week, ending a three-week streak of net inflows into the country. The World Bank, in its recent report, projected that Vietnam's economy will grow 4.7% this year and by 5.5% in 2024, lower than the country's target of 6.5% this year amidst challenging external environment and weaker domestic demand. Foreign

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



Sources: Bloomberg & MIDFR

Chart 2 YTD Performance of Asian Benchmark Indices (%)

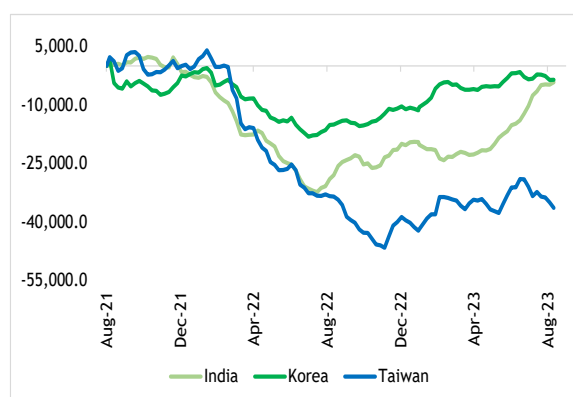


Sources: Bloomberg & MIDFR

investors have net sold -USD81.0m of Vietnamese equities this year.

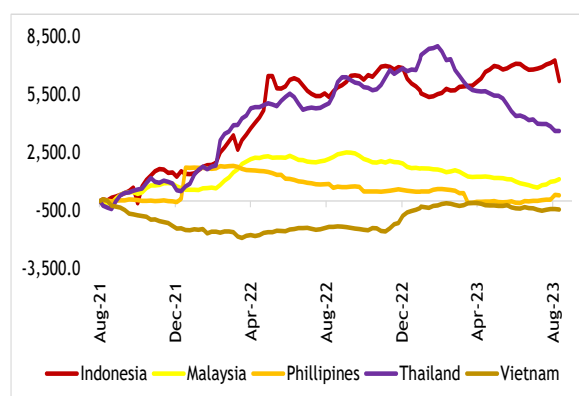
- After four straight weeks of net foreign fund inflows, the Philippines saw -USD16.2m leaving its shores last week. The country's 2Q23 GDP growth decelerated to +4.3%yoy (1Q23: +6.4%yoy), on the back of above-target inflation, high borrowing costs and low government spending. Year-to-date, foreign investors have net sold -USD180.3m worth of equities in the country.
- Thailand saw its net foreign fund outflows diminishing to -USD3.4m last week, as compared to -USD225.4m the week prior. This was the sixth consecutive week of net outflows. The Bank of Thailand (BoT) plans to hold or raise its key interest rates next month amidst the ongoing recovery of the country's economy. The central bank will also be lowering its growth forecasts for 2023 and 2024 to the "mid-3%" range on the back of soft exports. Thailand is the worst performing country that we track, with -USD3.70b of net foreign outflows.

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



Sources: Bloomberg & MIDFR

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



Sources: Bloomberg & MIDFR

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

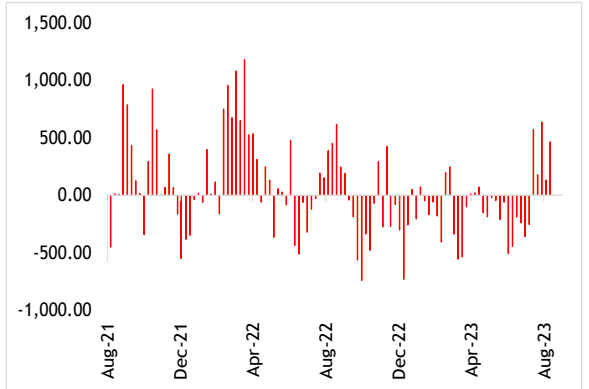
Week Ended	India	Indo	Korea	M'sia	Phil	Taiwan	Thai	Viet	Total
14-Jul	1,059.5	78.9	1,088.9	126.0	47.3	1,108.0	-14.7	-43.2	3,450.7
21-Jul	1,601.5	140.6	-71.9	39.3	18.0	-1,240.1	-0.5	48.8	535.7
28-Jul	191.3	66.5	-316.5	140.3	5.5	-187.7	-124.5	33.5	-191.7
4-Aug	-94.5	145.9	-1,015.0	29.2	239.8	-1,271.4	-225.4	2.6	-2,188.9
11-Aug	640.8	-1,073.5	28.7	101.7	-16.2	-1,409.7	-3.4	-30.9	-1,762.5

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

C. TRACKING MONEY FLOW - MALAYSIA

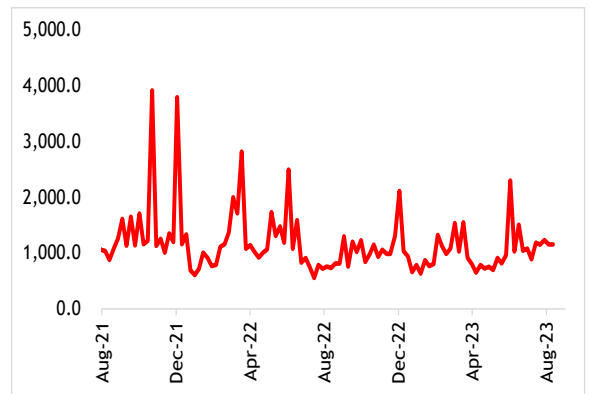
- Foreign investors continued their net buying streak on Bursa Malaysia for the fifth consecutive week last week at RM465.5m. It was a week that saw foreign investors net buying every day, which last happened during the week ended Feb 24, 2023.
- They net bought RM0.8m on Monday, RM84.5m on Tuesday, RM209.7m on Wednesday, RM66.3m on Thursday and RM104.2m on Friday.
- The top three sectors that saw net foreign inflows were Financial Services (RM274.3m), Technology (RM66.0m) and Plantation (RM65.0m). The only sectors with net foreign outflows for the week were Healthcare (-RM72.2m), REITs (-RM22.0m) and Energy (-RM0.7m). Year-to-date, foreigners have net sold -RM2.46b.
- Local institutions on the other hand, remained net sellers of domestic equities for the fifth straight week after net selling -RM321.9m last week. They only net bought RM23.0m on Monday and were net sellers for the rest of the week. Year-to-date, local institutions have been net buyers at RM2.68b.
- Like the local institutions, local retailers also net sold for the fifth consecutive week at a much higher rate of -RM143.7m as compared to -RM8.5m in the previous week. Year-to-date, local retailers have net sold -RM220.1m.
- In terms of participation, there was a decline in average daily trading volume (ADTV) among retail investors and institutional investors by -2.4% and -5.8% respectively while that of foreign investors remained unchanged.

Chart 5 Net Foreign Fund Flows into Malaysian Equity Since Aug-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	
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
28-Jul	2,863.2	3,097.0	-233.7	4,665.5	5,069.5	-403.9	3,405.5	2,767.7	637.8	140.3
4-Aug	2,474.1	2,482.6	-8.5	3,792.0	3,914.0	-122.0	2,951.9	2,821.3	130.5	29.2
11-Aug	2,346.0	2,489.6	-143.7	3,468.9	3,790.8	-321.9	3,120.4	2,654.9	465.5	101.7

Source: Daily statistics provided by Bursa Malaysia. *Estimated by MIDFR based on the prevailing exchange rates.

D. NET INFLOWS AND OUTFLOWS BY STOCK (WEEK ENDED 11 AUGUST 2023)

LOCAL RETAIL		LOCAL INSTITUTION		FOREIGN	
Table 4 Top 10 Stocks with Inflows and Outflows for the Week by Investor Class (RM'm)					
Top 10 Stocks with Weekly Net Inflows					
Company	Value	Company	Value	Company	Value
Top Glove Corp.	19.8	Tenaga Nasional	38.1	Malayan Banking	173.8
Handal Energy	16.4	Petronas Chemicals	31.5	Public Bank	61.4
Caely Holdings	14.7	CIMB Group Holdings	19.9	Tenaga Nasional	36.6
Sunway REIT	5.3	Hartalega Holdings	19.6	Malaysia Airports	36.4
Sunview Group	4.6	Gamuda	17.4	KL Kepong	32.7
Hartalega Holdings	4.1	Wellspire Holdings	15.6	Inari Amertron	27.4
Vsolar Group	4.0	MST Golf Group	14.9	IOI Corp.	24.7
Hap Seng Consolidated	3.8	Telekom Malaysia	10.3	YTL Power Int.	24.6
Widad Group	3.7	Bermaz Auto	9.9	Sunview Group	22.4
Tanco Holdings	3.5	YTL Corp.	9.5	UEM Sunrise	17.3
Top 10 Stocks with Weekly Net Outflows					
Company	Value	Company	Value	Company	Value
Tenaga Nasional	-63.3	Malayan Banking	-182.9	Top Glove Corp.	-35.1
CIMB Group Holdings	-22.9	Malaysia Airports	-34.9	Petronas Chemicals	-30.9
UEM Sunrise	-21.5	KL Kepong	-33.4	Hartalega Holdings	-23.5
Public Bank	-18.4	Public Bank	-32.5	YTL Corp.	-15.5
YTL Power Int.	-14.1	IOI Corp.	-24.7	Wellspire Holdings	-13.8
Capital A	-10.8	UMW Holdings	-22.8	Telekom Malaysia	-10.9
Genting	-8.8	Sunview Group	-20.4	Gamuda	-10.7
Bahvest Resources	-7.4	Malaysian Pacific Industries	-19.0	IHH Healthcare	-9.5
Hibiscus Petroleum	-6.7	Inari Amertron	-18.0	Sunway REIT	-7.7
Bursa Malaysia	-6.6	RHB Bank	-17.3	Bermaz Auto	-7.7

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

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

Company	%	MoM %	Company (cont'd)	%	MoM %	Company (cont'd)	%	MoM %
Automotive			Nestlé	82.6	0.0	TSH Resources	18.8	-0.5
Bermaz Auto	15.1	-11.7	Padini	9.4	-4.1	Port & Shipping		
MBM Resources	2.5	8.7	QL Resources	9.7	-3.0	MISC	9.0	-2.2
Tan Chong	10.6	0.0	Rhong Khen International	62.2	-0.2	Suria Capital	5.9	-3.3
UMW Holdings	5.6	3.7	Spritzer	17.2	-2.8	Westports	28.1	-1.1
Aviation			Gloves			Property		
Capital A	20.8	5.6	Hartalega	15.7	-1.3	Eco World	29.1	0.7
Malaysia Airports	23.8	6.3	Kossan	10.2	-5.6	Glomac	4.1	0.0
Banking			Top Glove	31.0	-2.8	IOI Property	3.9	5.4
Affin Bank	26.5	0.0	Healthcare			Mah Sing	15.9	8.2
Alliance Bank	20.1	1.0	IHH Healthcare	49.8	0.0	S P Setia	7.9	21.5
AMMB Holdings	39.4	-0.3	KPJ Healthcare	8.3	-1.2	Sunway	5.5	0.0
Bank Islam	1.1	-8.3	Pharmaniaga	0.5	25.0	UEM Sunrise	6.6	20.0
CIMB Group	28.8	-1.0	Logistics			UOA Development	3.7	-2.6
Hong Leong Bank	10.6	-0.9	CJ Century	57.9	0.2	REITs		
Hong Leong Financial	32.2	-0.3	Swift Haulage	13.5	0.7	Al-'Aqar Healthcare	0.6	0.0
Malayan Banking	18.2	1.7	Tasco	66.1	0.5	Axis REIT	15.2	0.0
Public Bank	26.6	0.8	Media			IGB REIT	3.8	-2.6
RHB Bank	16.0	0.0	Astro	37.7	2.2	KLCCP Stapled	0.8	0.0
Building Materials			Media Prima	20.6	0.0	Pavilion REIT	33.2	-1.2
Malayan Cement	2.7	-3.6	Non-bank Financials			Sunway REIT	6.7	-8.2
Conglomerate			Bursa Malaysia	15.9	1.9	Technology		
YTL Corp	19.9	0.0	AEON Credit	70.1	-0.4	D & O Green Tech	35.0	-0.6
Construction			Oil & Gas			Datasonic	6.2	5.1
Cahaya Mata Sarawak	7.9	3.9	Bumi Armada	15.1	-4.4	Globetronics	3.1	121.4
Gabungan AQRS	2.2	-8.3	Deleum	3.9	0.0	Inari Amertron	19.4	9.0
Gamuda	21.1	4.5	Dialog	20.0	0.0	MY E.G. Services	14.8	-3.9
IJM Corp	12.3	6.0	Gas Malaysia	18.0	-3.7	Unisem	2.5	25.0
KKB Engineering	0.3	0.0	MMHE	9.1	-8.1	Telecommunication		
MRCB	7.1	-9.0	Petronas Chemicals	9.2	-2.1	Axiata	10.2	-1.9
Muhibbah Engineering	15.3	-1.3	Petronas Dagangan	7.5	0.0	CelcomDigi	60.0	0.0
Pintaras Jaya	0.4	0.0	Petronas Gas	9.2	0.0	Maxis	7.5	4.2
Sunway Construction	1.2	9.1	Plantation			Telekom Malaysia	11.6	-4.1
WCT Holdings	5.9	0.0	FGV	4.1	-2.4	Utilities		
Consumer			Genting Plantations	5.3	3.9	Ranhill Utilities	32.0	0.3
AEON Co.	54.8	0.2	IOI Corp	11.0	0.0	Tenaga Nasional	13.1	7.4
Asia File	3.6	-2.7	KL Kepong	13.7	7.0	YTL Power	6.4	14.3
Fraser & Neave	61.1	-0.2	PPB Group	20.7	-1.4			
Hup Seng	1.9	0.0	Sarawak Plantation	2.7	-3.6			
Leong Hup	10.5	0.0	Sime Darby Plantation	9.8	2.1			
MSM Malaysia	1.8	5.9	Ta Ann	14.3	4.4			

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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