

FUND FLOW REPORT

(Week ended 18 August 2023)

Worries over weakening China

21 AUGUST 2023 | Strategy - Weekly Fund Flow

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WORRIES OVER WEAKENING CHINA
A. MARKET SNAPSHOT

- China's economic woes weighed on markets last week as investors were fearful of a sharp slowdown in the world's second largest economy following a series of weak data releases and developments from the country.
- Its IPI growth moderated to +3.7%yoy in Jul-23 (Jun-23: +4.4%yoy), missing expectations of +4.4%yoy as the manufacturing sector grew at its softest pace in five months at +3.9%yoy, mainly due to slower growth within the E&E segment.
- China's retail trade also slowed to +2.5%yoy in Jul-23 (Jun-23: +3.1%yoy), which was significantly below market expectations of +4.5%yoy. Its unemployment rate also inched up to 5.3% from 5.2% in Jun-23 and the statistics bureau stopped releasing the closely watched youth unemployment data, which hit a high of 21.3% in Jun-23.
- One of the country's largest property developers Country Garden further weighed on sentiments when it missed two-dollar bond payments while another large troubled-developer Evergrande filed for bankruptcy in the United States as it seeks protection to restructure USD31.7b of offshore debts.
- All the 20 major indices that we track ended lower last week. Among the biggest decliners were Hong Kong's Hang Seng (-5.89%), Vietnam's Ho Chi Minh VSE (-4.40%) and Singapore's Straits Times (-3.65%). Meanwhile, the FBM KLCI declined by -0.76%.
- The Federal Open Market Committee (FOMC) meeting minutes for July that was released last week signalled that the Fed will likely continue raising interest rates, with a unanimous vote by 11 FOMC voting members to raise rates by another 25bps which will bring rates to a 22-year high, though a broader panel of 18 officials had two of them supporting rates to be left unchanged. The policymakers viewed that uncertainties remained high and that there are significant upside risks to inflation.
- Producer prices in the US accelerated to +0.8%yoy in Jul-23 (Jun-23: +0.2%yoy) while retail sales beat expectations, rising +0.7%mom.
- Consumer inflation in the United Kingdom softened to a 17-month low in Jul-23 at +6.8%yoy (Jun-23: +7.9%yoy), which was well within market expectations. Core inflation was unchanged at +6.9%yoy as alcoholic beverages, tobacco & narcotics, and health registered a faster increase in prices at +9.4%yoy and +8.9%yoy respectively.
- Japan's GDP in 2QCY23 expanded by +6.0% on an annualised basis, its fastest growth in more than two years, driven by strong auto exports and tourist arrivals, which helped to offset the weakness in domestic demand.
- Malaysia's GDP moderated to +2.9%yoy in 2Q23 (1Q23: +5.6%yoy), which was much weaker than expected, largely due to a sharper fall in external trade of goods and to a certain extent,

Table 1 Weekly Performance of Global Benchmark Indices (%)

Index	Last Price	Change (%)
JCI	6,859.91	-0.29
Sensex	64,948.66	-0.57
FBM KLCI	1,446.09	-0.76
SET	1,519.12	-1.04
TAIEX	16,381.31	-1.32
DAX 40	15,574.26	-1.63
PSEi	6,290.27	-1.81
S&P 500	4,369.71	-2.11
Dow Jones	34,500.66	-2.21
Stoxx Europe 600	448.44	-2.34
CAC 40	7,164.11	-2.40
Shenzhen CSI 300	3,784.00	-2.58
Nasdaq	13,290.78	-2.59
ASX 200	7,148.06	-2.62
Nikkei 225	31,450.76	-3.15
KOSPI	2,504.50	-3.35
FTSE 100	7,262.43	-3.48
Straits Times	3,173.93	-3.65
Ho Chi Minh VSE	1,177.99	-4.40
Hang Seng	17,950.85	-5.89

Source: Bloomberg

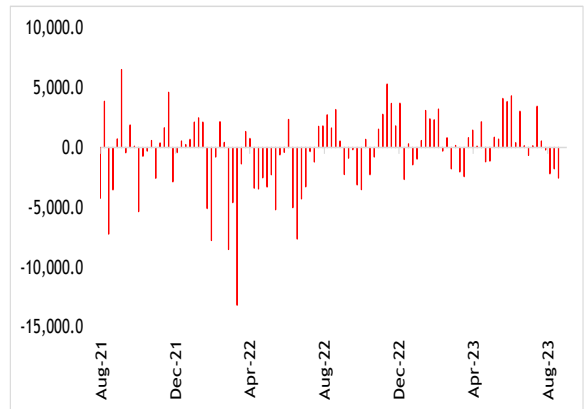
the moderation in private consumption growth. We are maintaining our +4.2% growth forecast for the year as we expect the strength in domestic demand to be the main driver to support the economy.

- The Ringgit depreciated against the US dollar by -1.33% to close at USDMYR 4.6488 on Friday. The Brent crude oil price declined by -0.38% to USD84.80 per barrel while the crude palm oil price rose by +3.53% to RM3,871.00 per tonne.

B. TRACKING MONEY FLOW - ASIA

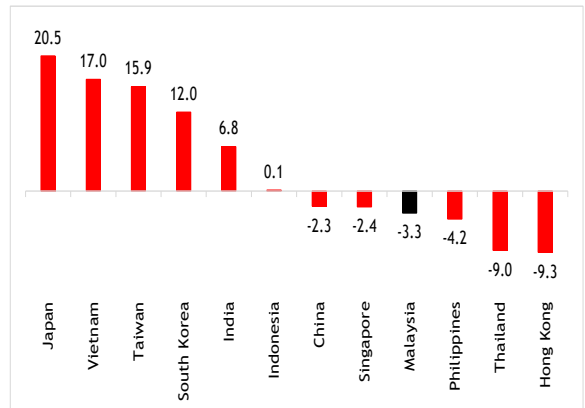
- Foreign investors continued to offload Asian equities for the fourth consecutive week, resulting in a net outflow of -USD2.54b last week across the eight exchanges that we monitor. This marked a +44.0% increase compared to the prior week’s -USD1.76b. Only India and Malaysia recorded net foreign inflows.
- For the second consecutive week, foreign investors once again injected funds into India, recording net inflow of USD617.1m. The trading week was shortened due to market closures on Tuesday for Independence Day and on Wednesday in conjunction with Parsi New Year. Only Thursday posted an inflow of USD1.04b after the S&P Global predicted India’s economy to grow at an average +6.7% annually until Mar-31, driven by exports and consumer demand, while maintaining its +6.0% growth projection for this year, solidifying India’s status as the G20’s fastest growing economy. In the year so far, India stands as the top-performing market in our tracking, having received net foreign inflows of USD16.0b.
- Taiwan experienced the largest net foreign outflow last week, amounting to -USD2.25b, as foreigners persisted in net selling for the fifth consecutive week. Taiwan’s CY23 economic growth projection has been revised downward by its statistics office from +2.04% to +1.61%, citing reduced demand for its tech products. Year-to-date, foreign investors have net purchased USD3.60b worth of Taiwanese equities.
- Foreign investors shifted to being net sellers in South Korea last week at -USD520.2m. The market was closed on Tuesday in conjunction with Liberation Day. Japan’s recently reported 2QCY23 economic growth of +1.5% has sparked the potential for overtaking South Korea, which faced a markedly lower growth of +0.6% due to declining exports and reduced imports. Year-to-date, South Korea is still the second best-performing country, with USD7.33b of net foreign inflows.
- Foreign funds continued to leave the Indonesian equity market at a more moderate rate of -USD222.1m. The market was closed on Thursday in observance of Independence Day. Last Wednesday, Indonesian President Joko Widodo has presented a CY24 budget proposal of IDR3,304.1t (USD216.24b), about +6.0% larger than this year’s spending plan. The government anticipated economic growth of +5.2% for next year, slightly below CY23’s target of +5.3%. So far this year, Indonesia has recorded net foreign inflows amounting to USD268.2m.

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



Sources: Bloomberg & MIDFR

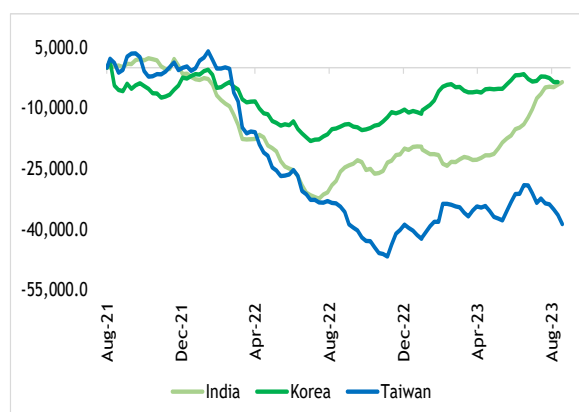
Chart 2 YTD Performance of Asian Benchmark Indices (%)



Sources: Bloomberg & MIDFR

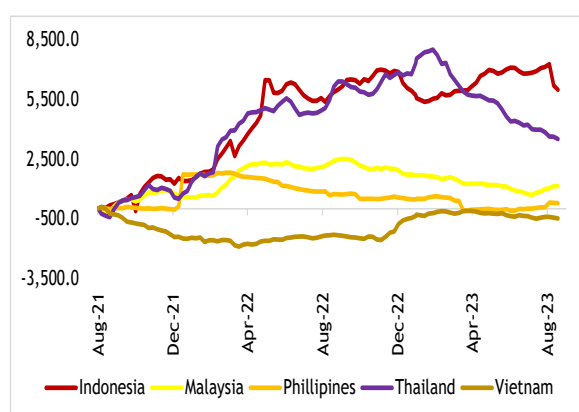
- Thailand’s ongoing political deadlock has contributed to sustained outflows from the country, driven by concerns about its economy. For the seventh consecutive week, foreign investors have net sold Thai equities, with outflows amounting to -USD121.6m last week. House Speaker Wan Muhamad Noor Matha has scheduled 22 August 2023 for the next joint session of the Thai parliament to decide on a new prime minister. Thailand ranks as the worst performing market in our tracking, with net foreign outflows amounting to -USD3.83b thus far this year.
- In Vietnam, foreign investors persisted in net selling for the second consecutive week, with outflows amounting to -USD41.4m. International organisations are cautious about Vietnam’s economic outlook, as demonstrated by the recent downgrade by the World Bank, which now projects a growth rate of +4.7% for this year, falling below the government’s target of +6.5%. This comes in the face of challenges in the global markets and a growing necessity to stimulate domestic growth. Year-to-date, a total of -USD122.4m have left the Vietnamese equity market.
- In the Philippines, foreign investors remained net sellers for the second consecutive week at -USD11.5m. Last Thursday, the Bangko Sentral ng Pilipinas (BSP) kept its benchmark interest rate at 6.25%. The governor of the central bank indicated on Friday that there is room to raise interest rates without negative effects on the economy - a statement that likely contributed to most of the outflows being recorded on Friday at -USD10.1m. A total of -USD191.8m worth of foreign funds 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 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)

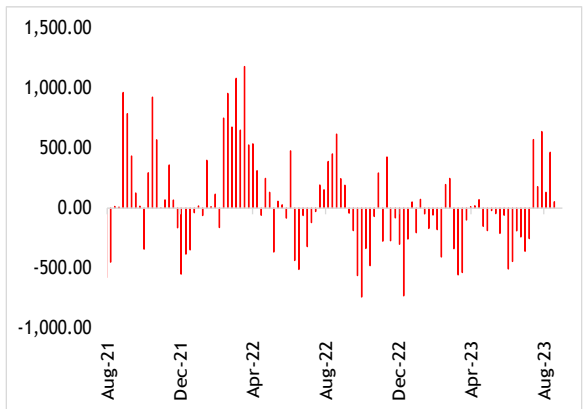
Week Ended	India	Indo	Korea	M'sia	Phil	Taiwan	Thai	Viet	Total
21-Jul	1,601.5	140.6	-71.9	39.3	18.0	-1,240.1	-0.5	48.8	535.7
28-Jul	191.3	66.5	-316.5	140.3	5.5	-187.7	-124.5	33.5	-191.7
4-Aug	-94.5	145.9	-1,015.0	29.2	239.8	-1,271.4	-225.4	2.6	-2,188.9
11-Aug	640.8	-1,073.5	28.7	101.7	-16.2	-1,409.7	-3.4	-30.9	-1,762.5
18-Aug	617.1	-222.1	-520.2	11.5	-11.5	-2,249.5	-121.6	-41.4	-2,537.7

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

C. TRACKING MONEY FLOW - MALAYSIA

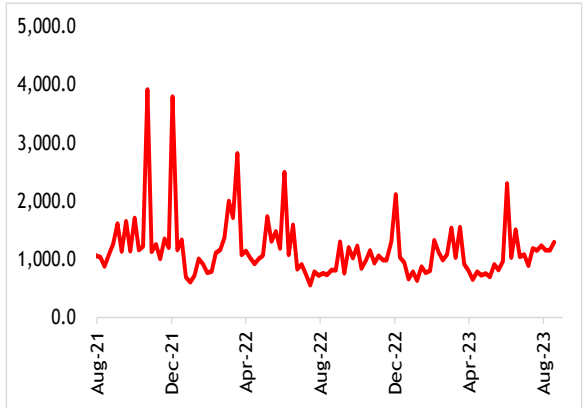
- Foreign investors maintained their net buying streak on Bursa Malaysia for the sixth consecutive week last week, with inflows amounting to RM52.7m, reflecting a more moderate pace.
- Net buying occurred from Monday to Wednesday, with Wednesday experiencing the highest net foreign inflow at RM106.4m. However, foreigners shifted to net sellers by the end of the week, potentially prompted by the release of two weak economic data points. In July, total exports fell by -13.1%yoy to RM116.75b, while total imports shrank by -15.9%yoy to RM99.66b. Meanwhile, Malaysia’s GDP grew at a slower-than-expected rate of +2.9%yoy in 2Q23.
- Year-to-date, foreign investors have been net sellers of domestic equities at a rate of -RM2.41b.
- The top three sector that posted net foreign inflows were Property (RM165.3m), Technology (RM27.4m) and Plantation (RM23.9m), while the top three sectors with net foreign outflows were Industrial Products & Services (-RM106.5m), Healthcare (-RM49.6m) and REITs (-RM27.1m).
- On the other hand, local institutions turned net buyers at RM76.1m after net selling for the past five weeks. Year-to-date, local institutions have been net buyers at RM2.76b.
- Going into the sixth consecutive week, local retailers have net sold -RM128.8m worth of domestic equities last week. Year-to-date, local retailers have been net sellers at -RM348.9m.
- In terms of participation, there was an increase in average daily trading volume (ADTV) across the board - retail investors at +24.9%, local institutions at +28.2% and foreign investors at +11.9%.

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	
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
18-Aug	2,954.5	3,083.3	-128.8	4,690.6	4,614.5	76.1	3,259.0	3,206.3	52.7	11.5

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 18 AUGUST 2023)
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
UMW Holdings	34.4	Tenaga Nasional	112.1	Malayan Banking	74.2
Genting Malaysia	16.4	CIMB Group Holdings	102.9	S P Setia	65.7
Top Glove Corp.	13.2	Petronas Chemicals	53.2	UEM Sunrise	32.7
Sunway REIT	9.9	Press Metal	38.8	KL Kepong	29.1
Hong Leong Capital	7.0	IHH Healthcare	28.1	Eco World	25.1
Glostrext	6.6	Public Bank	19.3	PPB Group	23.4
Ekovest	6.4	Aimflex	19.0	Sime Darby	17.8
Hong Seng Consolidated	5.9	Bursa Malaysia	15.2	RHB Bank	17.5
Dagang Nexchange	5.7	MR D.I.Y. Group (M)	13.2	Public Bank	16.3
Sime Darby	5.0	AMMB Holdings	12.5	Nestle (Malaysia)	16.0
Top 10 Stocks with Weekly Net Outflows					
Company	Value	Company	Value	Company	Value
Tenaga Nasional	-89.5	Malayan Banking	-75.6	CIMB Group Holdings	-84.3
Public Bank	-22.7	S P Setia	-36.0	Petronas Chemicals	-50.6
Aimflex	-19.2	UMW Holdings	-29.3	Press Metal	-40.5
S P Setia	-18.7	Kuala Lumpur Kepong	-27.7	IHH Healthcare	-27.1
YTL Power Int.	-17.2	PPB Group	-24.7	Top Glove Corp.	-16.1
UEM Sunrise	-12.0	Sime Darby	-24.5	Sunway REIT	-15.1
YTL Corp.	-10.9	Sime Darby Property	-20.4	Dialog Group	-14.7
Widad Group	-10.5	Eco World	-16.3	Wellspire Holdings	-11.4
Bursa Malaysia	-10.5	Nestle (Malaysia)	-15.5	CTOS Digital	-10.8
IJM Corporation	-9.9	Genting Malaysia	-15.3	Boustead Plantations	-10.3

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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