

FUND FLOW REPORT

(Week ended 25 August 2023)

Investors awaited Powell's rate guidance

28 AUGUST 2023 | Strategy - Weekly Fund Flow

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INVESTORS AWAITED POWELL'S RATE GUIDANCE
A. MARKET SNAPSHOT

- Global markets mostly ended the week on a positive note as investors awaited indications about the interest rate direction from the Federal Reserve (Fed) Chair Jerome Powell who delivered a speech at the Economic Policy Symposium held in Jackson Hole, Wyoming last Friday.
- Powell stated that Fed policymakers would exercise caution in determining whether to continue tightening, highlighting that the central bank has not definitively determined that its benchmark interest rate has reached a level sufficient to ensure a return to the +2.0% inflation target.
- 14 out of 20 major indices that we track ended higher last week. Thailand's SET (+2.70%) was the biggest advancer, followed by Nasdaq (+2.26%) and FTSE 100 (+1.05%). The biggest decliners were Philippines' PSEi (-2.06%), Shanghai's Shenzhen CSI 300 (-1.98%) and Australia's ASX 200 (-0.46%). Meanwhile, the FBM KLCI ended marginally lower by -0.12%.
- S&P Global reported that the U.S. Composite PMI Index dropped to 50.4 in Aug-23 (Jul-23: 52.0), the biggest drop since Nov-22. Business activity neared stagnation as demand in the service sector contracted, marking the weakest growth since Feb-23.
- The U.K.'s private sector experienced its first contraction in seven months, reflecting the impact of rising interest rates and household financial constraints. S&P Global's composite PMI dropped from 50.8 to 47.9 in Aug-23, marking the lowest in 31 months.
- Chinese banks held the mortgage-linked interest rate steady and made a smaller-than-expected cut to another rate, reflecting Beijing's challenge of boosting confidence while ensuring banking stability. The five-year loan prime rate (LPR) remains at 4.2%, according to data from the People's Bank of China (PBOC).
- South Korea's consumer sentiment declined in Aug-23 for the first time in six months, according to a central bank survey released on Tuesday. Amid concerns about the sluggish economy, the consumer sentiment index decreased from 103.2 to 103.1, marking the first drop since Feb-23.
- India plans to prohibit sugar mills from exporting sugar in the upcoming season starting Oct-23. This move, the first in seven years, could raise New York and London benchmark prices even higher, potentially leading to increased global food market inflation concerns.
- The Bank Indonesia (BI) maintained its interest rates on Thursday, citing sufficient inflation control and increased efforts to stabilise the rupiah. The benchmark rate remained unchanged at 5.75% for the seventh consecutive monthly policy review.
- Singapore's core inflation rate, excluding transport and accommodation costs, grew by +3.8%yoy in Jul-23 (Jun-23: +4.2%), in line with economists' predictions. Meanwhile, the headline inflation for Jul-23 rose by +4.1%yoy.
- The Department of Statistics Malaysia (DOSM) reported that Malaysia's leading index (LI) dropped

Table 1 Weekly Performance of Global Benchmark Indices (%)

Index	Last Price	Change (%)
SET	1,560.20	2.70
Nasdaq	13,590.65	2.26
FTSE 100	7,338.58	1.05
CAC 40	7,229.60	0.91
S&P 500	4,405.71	0.82
Stoxx Europe 600	451.39	0.66
TAIEX	16,481.58	0.61
KOSPI	2,519.14	0.58
Nikkei 225	31,624.28	0.55
JCI	6,895.44	0.52
Straits Times	3,189.88	0.50
Ho Chi Minh VSE	1,183.37	0.46
DAX 40	15,631.82	0.37
Hang Seng	17,956.38	0.03
Sensex	64,886.51	-0.10
FBM KLCI	1,444.41	-0.12
Dow Jones	34,346.90	-0.45
ASX 200	7,115.18	-0.46
Shenzhen CSI 300	3,709.15	-1.98
PSEi	6,160.61	-2.06

Source: Bloomberg

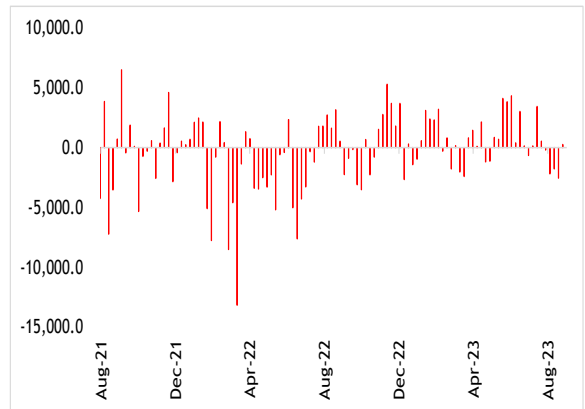
by -2.1% in Jun-23 to 109.8, down from the previous year's 112.1 points, indicating a more moderate outlook for 4Q23. The LI serves as a predictive tool for economic trends over the next four to six months.

- DOSM also reported that Malaysia's labour market expanded by +2.4% in 2QCY23 to reach 16.7m individuals, despite modest employment growth and a slight decrease in unemployment.
- Malaysia's consumer price index (CPI) increased by +2.0%yoy in Jul-23, marking the lowest inflation rate in two years. This was attributed to a deceleration in the rise of prices for food, non-alcoholic beverages, and hotels.
- The Ringgit depreciated against the US dollar by -0.17% to close at USDMYR 4.6407 on Friday. The Brent crude oil price declined by -0.75% to USD84.48 per barrel while the crude palm oil price rose by +2.35% to RM3,962.00 per tonne.

B. TRACKING MONEY FLOW - ASIA

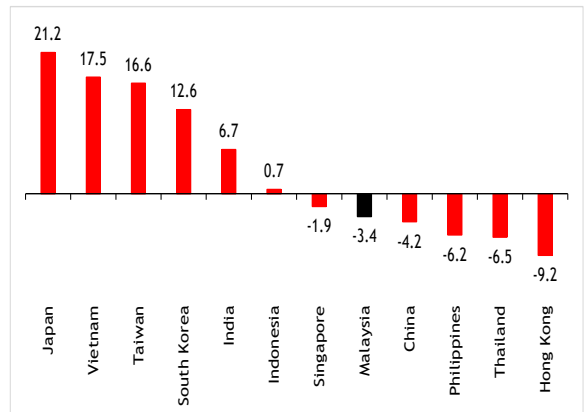
- Foreign investors reverted to being net buyers of Asian equities after net selling for the past four weeks, driven notably by inflows into South Korea, India, and Thailand. Across the eight exchanges that we track, foreign investors net bought equities worth USD255.7m.
- Foreign investors returned to South Korea, with the country registering the highest net foreign inflow last week at USD291.7m. Thursday witnessed the highest inflow (USD331.9m) when the Monetary Policy Committee (MPC) of the Bank of Korea announced its decision to maintain the annual benchmark interest rate at 3.50%, marking its fifth consecutive pause. Year-to-date, foreigners have been net buyers of South Korean equities with inflows amounting to USD7.62b.
- For the third week in a row, foreign investors continued to inject funds into India, resulting in a net inflow of USD278.4m. According to a Reuters poll conducted between August 18 to August 24, India is poised to maintain its status as the world's fastest-growing economy, with a projected +7.7% growth in the April to June quarter. This expansion is attributed to robust service sector growth, increased government capital expenditure and strong demand. In the current year, India stands as the best-performing market in our tracking, garnering net foreign inflows of USD16.3b.
- Thailand was the only other country to record net inflows, breaking a streak of seven weeks of net selling by the foreigners. The country's economy grew slower-than-expected by +1.8%yoy in 2Q23, while Thai exports faced their tenth consecutive month of contraction in Jul-23, declining by -6.2%yoy and -10.8%mom. Despite the weak economic data releases, optimism appears to be driven by the resolution of political deadlock after May-23's general election, with the confirmation of Srettha Thavisin as the new Prime Minister through a parliamentary vote on Tuesday. Thailand is currently the weakest-performing market in our tracking, with

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 (%)

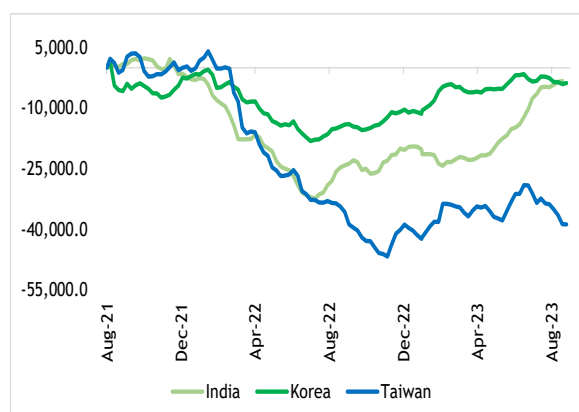


Sources: Bloomberg & MIDFR

net foreign outflows totalling -USD3.79b year-to-date.

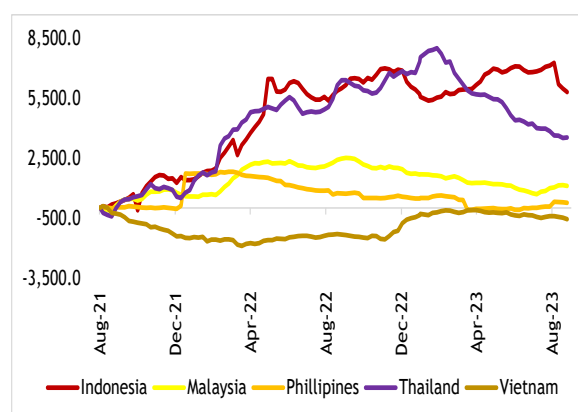
- Indonesia experienced the largest net foreign outflow at -USD176.7m as foreigners continued their net selling for the third consecutive week, albeit at a more moderate pace. Indonesia's current account shifted in 2Q23, the first time in two years, attributed to declining commodity prices and sluggish global growth. The country recorded a deficit of -USD7.40b in the April to June quarter, and expectations point to a higher deficit next year. Indonesia has seen net foreign inflows totalling USD91.5m this year.
- In Vietnam, foreign investors continued their net selling trend for the third consecutive week, resulting in outflows of -USD75.4m. So far this year, the Vietnamese equity market has experienced an outflow of -USD197.8m.
- Foreign investors continued to net sell Taiwanese equities for the fifth consecutive week at -USD33.7m but at a notably slower pace compared to the past five weeks. Taiwan's export orders dropped for the eleventh month, but at a milder pace since Oct-21, indicating a potential turnaround in global demand as the technology sector readies for its peak season. The Ministry of Economic Affairs reported that the overseas orders declined lesser-than-expected by -12.0%yoy to USD48.0b in Jul-23. Year-to-date, foreign investors have been net buyers in Taiwan, with inflows amounting to USD3.56b.
- In the Philippines, foreign investors continued their net selling streak for the third week in a row, amounting to -USD30.0m. The Bangko Sentral ng Pilipinas projects that this year's GDP growth will miss the government's target due to moderating economic activity, while inflation is being brought back to the target range. The central bank's Aug-23 report expects GDP growth to fall below the DBCC's targets of +6.0% to +7.0% for CY23 and +6.5% to +8.0% for CY24 and CY25. Since the beginning of the year, foreign funds totalling -USD221.8m have exited the country's equity market.

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)

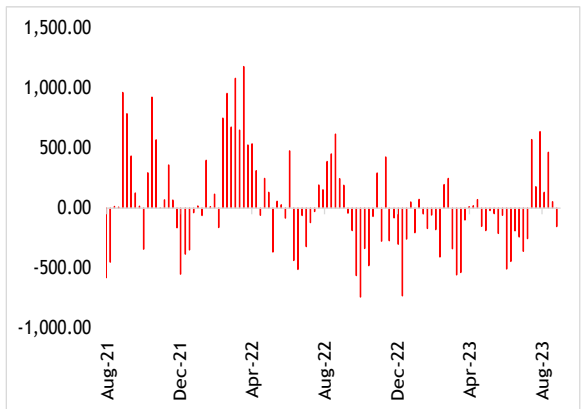
Week Ended	India	Indo	Korea	M'sia	Phil	Taiwan	Thai	Viet	Total
28-Jul	191.3	66.5	-316.5	140.3	5.5	-187.7	-124.5	33.5	-191.7
4-Aug	-94.5	145.9	-1,015.0	29.2	239.8	-1,271.4	-225.4	2.6	-2,188.9
11-Aug	640.8	-1,073.5	28.7	101.7	-16.2	-1,409.7	-3.4	-30.9	-1,762.5
18-Aug	617.1	-222.1	-520.2	11.5	-11.5	-2,249.5	-121.6	-41.4	-2,537.7
25-Aug	278.4	-176.7	291.7	-32.9	-30.0	-33.7	34.3	-75.4	255.7

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

C. TRACKING MONEY FLOW - MALAYSIA

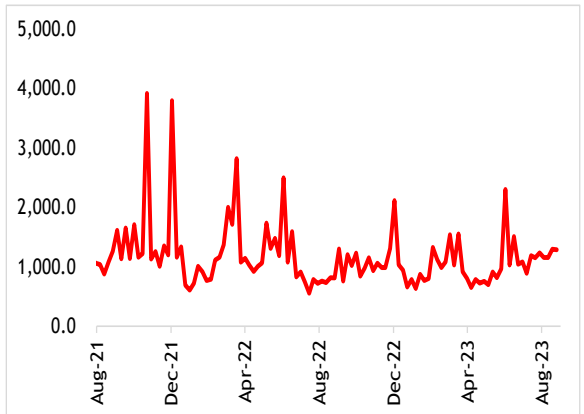
- Foreign investors' net buying on Bursa Malaysia for the past six weeks came to an end as they net sold -RM153.4m. The week began with a net foreign inflow of RM6.2m, which shifted to outflows from Tuesday to Thursday, amounting to -RM213.9m.
- On Friday, foreigners once again became net buyers with a RM54.4m inflow. This followed the unveiling of favourable inflation statistics, which showed a +2.0%yoy increase in CPI for Jul-23, marking the smallest growth in two years. They were showing interest in stocks such as Boustead Plantations (RM67.6m), UMW (RM44.6m) and Malaysia Airports (RM20.8m).
- Year-to-date, foreign investors have been net sellers of domestic equities at a rate of -RM2.56b.
- The top three sectors with the highest net foreign inflows were Utilities (RM122.4m), Plantation (RM112.2m) and Property (RM54.0m). Meanwhile, the top three sectors that posted the highest net foreign outflows were Financial Services (-RM222.3m), Consumer Products & Services (-RM107.1m) and Transportation & Logistics (-RM60.2m).
- Local institutions maintained their status as net buyers for the second consecutive week at RM277.3m. Year-to-date, local institutions have netted RM3.04b in inflows.
- Entering the seventh consecutive week, local retailers continued their net selling trend with -RM124.0m worth of domestic equities sold last week. Year-to-date, local retailers have recorded outflows of -RM472.9m.
- In terms of participation, there was a decline in average daily trading volume (ADTV) across the board - retail investors at -1.8%, local institutions at -2.6% and foreign investors at -0.5%.

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	
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
25-Aug	2,903.9	3,027.9	-124.0	4,668.8	4,391.4	277.3	3,138.7	3,292.1	-153.4	-32.9

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 25 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
Public Bank	18.2	CIMB Group Holdings	53.2	Tenaga Nasional	79.7
Capital A	10.4	Press Metal	51.9	Boustead Plantations	74.1
Malayan Banking	9.7	Nestle (Malaysia)	37.7	UMW Holdings	41.0
RGB International	9.7	Petronas Dagangan	35.5	S P Setia	35.8
RHB Bank	9.3	MISC	34.2	Maxis	33.1
Sime Darby	9.2	Public Bank	33.6	YTL Power Int.	33.1
Genting Malaysia	7.6	IHH Healthcare	28.3	IOI Corp.	25.3
Heineken Malaysia	6.9	Sunway	22.7	MY E.G. Services	20.5
Eco World Int.	6.7	Malayan Banking	18.6	Gamuda	20.0
Bumi Armada	6.7	IJM Corp.	17.9	Dayang Enterprise Holdings	16.3
Top 10 Stocks with Weekly Net Outflows					
Company	Value	Company	Value	Company	Value
Tenaga Nasional	-69.6	UMW Holdings	-61.0	Public Bank	-59.9
Boustead Plantations	-25.7	S P Setia	-31.0	Malayan Banking	-57.8
UEM Sunrise	-18.7	Maxis	-29.6	Press Metal	-48.1
YTL Power Int.	-14.4	YTL Power Int.	-27.3	CIMB Group Holdings	-42.3
YTL Corp.	-13.0	IOI Corp.	-19.2	Nestle (Malaysia)	-42.3
AirAsia X	-11.2	Gamuda	-17.8	Petronas Dagangan	-39.0
Petronas Chemicals	-8.6	KL Kepong	-17.1	AMMB Holdings	-34.6
SWS Capital	-7.9	RHB Bank	-16.5	MISC	-33.4
Perdana Petroleum	-7.6	Malayan Cement	-10.8	IHH Healthcare	-28.8
Dayang Enterprise Holdings	-7.5	Top Glove Corp.	-10.7	Sunway	-26.8

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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