

# FUND FLOW REPORT

(Week ended 15 September 2023)

*Inflation not a major concern*

**18 SEPTEMBER 2023 | Strategy - Weekly Fund Flow**
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**INFLATION NOT A MAJOR CONCERN**
**A. MARKET SNAPSHOT**

- Global indices largely concluded the week with gains, disregarding the recent stronger-than-anticipated US economic data, including the Aug-23 inflation figures, as investors expected these developments to have a limited impact on the Federal Reserve's (Fed) upcoming monetary policy decision.
- The US consumer price index (CPI), increased by a seasonally adjusted +0.6%mom or +3.7%yoy in Aug-23, the biggest monthly increase this year, driven by rising energy and various other commodity prices. Meanwhile producer prices surged by the most in over a year, increasing by +0.7% in Aug-23, mainly driven by rising gasoline costs, indicating the uneven path toward lower inflation.
- Out of the 20 major indices in our tracking, 13 saw gains last week. The UK's FTSE 100 (+3.12%) had the largest increase, followed by Japan's Nikkei 225 (+2.84%) and Singapore's Straits Times (+2.27%). The most significant decliners were the Philippines' PSEi (-1.55%), Vietnam's Ho Chi Minh VSE (-1.14%) and China's Shenzhen CSI 300 (-0.83%). The FBM KLCI ended slightly higher by +0.28%.
- The Fed data revealed that the US factory production in Aug-23 inched up by +0.1%, as a decline in motor vehicle assemblies was offset by a resurgence in the output of other consumer goods and business equipment, following a revised +0.4% gain in factory output the prior month.
- The European Central Bank (ECB) increased its key interest rate by 25 basis points on Thursday to a record high, raising the rate it pays on bank deposit to 4.0%. The ECB indicated that this is likely to be its final move in a year-long battle against persistent high inflation.
- According to the Office for National Statistics (ONS), the UK economy contracted by -0.5% in Jul-23 (Jun-23: +0.5%), marking its sharpest decline in seven months, with adverse weather conditions and strikes adversely affecting economic activity and sparking concerns of a looming recession.
- The People's Bank of China (PBOC) announced a reduction in the reserve requirement ratio (RRR) for most banks by 25 basis points, bringing the weighted average RRR for banks to 7.4%. This cut, effective from Friday, is intended to increase banks' lending capacity and support fiscal stimulus efforts, particularly the issuance of local government bonds.
- The National Bureau of Statistics (NBS) indicated that China's industrial output in Aug-23 grew by +4.5%yoy (Jul-23: 3.7%yoy), surpassing expectations of a +3.9% increase. Nevertheless, declining investment in the troubled property sector raises concerns about the sustainability of recent stabilisation efforts in various parts of the economy.
- The Energy Information Administration (EIA) announced an increased in its forecast for US crude oil production in 2023, now projecting a rise of 870,000 barrels per day to reach 12.8m barrels and for 2024, oil output is expected to further increase by 380,000 barrels per day to 13.2m

**Table 1** Weekly Performance of Global Benchmark Indices (%)

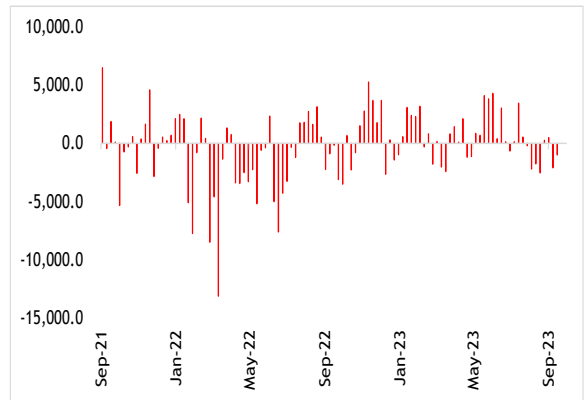
Index	Last Price	Change (%)
FTSE 100	7,711.38	3.12
Nikkei 225	33,533.09	2.84
Straits Times	3,280.69	2.27
KOSPI	2,601.28	2.10
TAIEX	16,920.92	2.08
CAC 40	7,378.82	1.91
Sensex	67,838.63	1.86
ASX 200	7,279.03	1.71
Stoxx Europe 600	461.93	1.60
DAX 40	15,893.53	0.94
JCI	6,982.79	0.84
<b>FBM KLCI</b>	<b>1,459.03</b>	<b>0.28</b>
Dow Jones	34,618.24	0.12
Hang Seng	18,182.89	-0.11
S&P 500	4,450.32	-0.16
SET	1,542.03	-0.33
Nasdaq	13,708.33	-0.39
Shenzhen CSI 300	3,708.78	-0.83
Ho Chi Minh VSE	1,227.36	-1.14
PSEi	6,126.34	-1.55

Source: Bloomberg

barrels. This will be driven by Saudi Arabia’s extended output cuts and declining global inventories.

- The Ministry of Statistics reported that India’s industrial output in Jul-23 grew at its fastest rate in five months, rising by +5.7%yoy, boosted by strong mining and electricity activity.
- The Ringgit depreciated against the US dollar by -0.13% to close at USDMYR 4.6830 on Friday. The Brent crude oil price rose by +10.35% to USD93.93 per barrel while the crude palm oil price declined by -1.26% to RM3,830.00 per tonne.

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

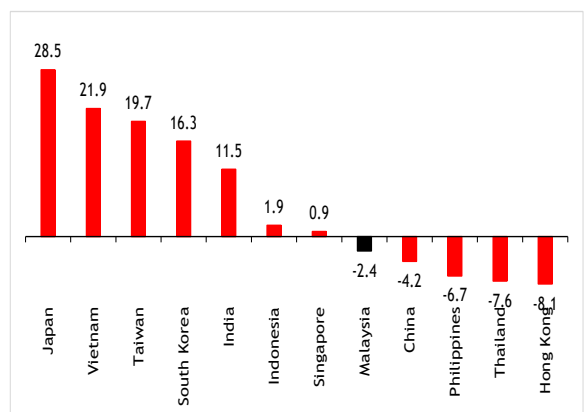


Sources: Bloomberg & MIDFR

**B. TRACKING MONEY FLOW - ASIA**

- Last week marks the second consecutive week of outflows, with foreign investors withdrawing a net amount of -USD983.6m from the eight markets that we track. Apart from Taiwan and Malaysia, every country recorded net foreign outflows.
- Taiwan ended its eight-week streak of net selling as foreign investors bought a net amount of USD631.9m. It was a mixed trading week with most inflows occurring on Thursday (USD667.9m), prompted by the Senate Finance Committee’s approval of a bill addressing double taxation issues between the United States and Taiwan that had strained business ties for years. Year-to-date, foreigners have net bought USD2.75b of equities in the country.
- South Korea recorded the highest foreign outflow last week at -USD728.7m, reversing a trend of inflows observed over the past three weeks. Around 13,000 unionised rail workers in South Korea launched a four-day strike on Thursday, their first in four years, potentially causing a -60% reduction in passenger and cargo train operations during a peak demand period as they demand better pay, working conditions, and expanded KTX bullet train services. Officials within sectors such as cement, steel, and petrochemicals have voiced concerns about possible disruptions if the strike continues. Year-to-date, South Korea is the second-best performing country with a net foreign inflow of USD7.41b.
- For the second consecutive week, foreign investors engaged in a net selling activity in India, amounting to -USD495.4m. India’s merchandise exports continued their seven-month decline, dropping by -6.9%yoy to USD34.48b due to weakened external demand. During the same period, the merchandise trade deficit reached a 10-month high of USD24.16b. India stands as the best-performing country year-to-date among those we monitor, having attracted a net foreign inflow of USD15.88b.
- Foreign investors in Thailand recorded a net outflow of -USD156.5m, marking the third consecutive week of net outflows in the country’s equity market. Thailand’s new government approved measures to stimulate the economy, such as reducing the diesel tax and introducing a visa-fee entry program for Chinese tourists. However, weak sentiment persisted, likely influenced by the weak demand for Thai exports and lower investor confidence following

**Chart 2** YTD Performance of Asian Benchmark Indices (%)

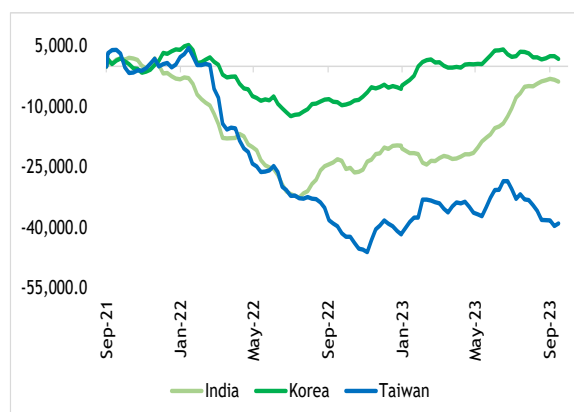


Sources: Bloomberg & MIDFR

months of political turmoil. Year-to-date, Thailand ranks as the worst-performing country, experiencing a net foreign outflow of -USD4.26b.

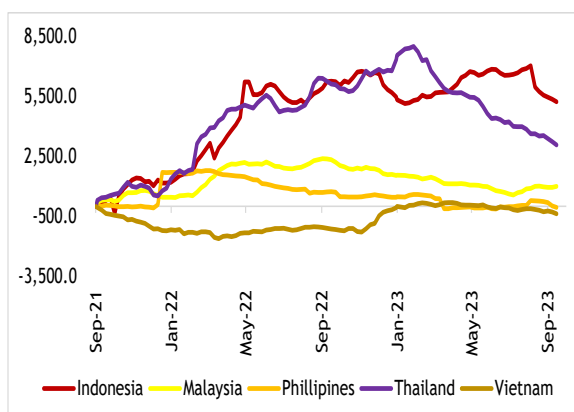
- In Indonesia, foreign investors recorded a net selling streak for the sixth consecutive week, amounting to -USD118.4m. Indonesia’s trade surplus in Aug-23 doubled the forecasted amount, reaching USD3.12b, primarily due to larger-than-expected declines in imports, including raw materials and capital goods. Year-to-date, foreigners have been net sellers of Indonesia equities at -USD237.0m.
- Foreign investors continued to net sell in Vietnam for the second consecutive week, with a net selling amount of -USD89.3m. The Ministry of Planning and Investment reported that most sectors of the economy were languishing due to rising inflation, a plunge in orders from large export markets, and delays in public investment disbursement. Prime Minister Pham Minh Chinh has called for simplifying administrative procedures, lowering fees, and reducing red tape during a meeting with Cabinet members and state-owned enterprises. Year-to-date, there has been a net foreign outflow of -USD302.6m from Vietnam.
- The Philippines posted its sixth consecutive week of net outflows, amounting to -USD77.4m. Speaking ahead of the central bank’s September 21 policy meeting, Bangko Sentral ng Pilipinas (BSP) Governor Eli Remolona anticipated that inflation will return to the +2.0% to +4.0% target range by Oct-23, barring any further supply disruptions. This came in after the country’s inflation rose for the first time in seven months in Aug-23 to +5.3%yoy, primarily due to an uptick in food and transport costs. Foreign investors have net sold -USD505.7m of equities in the country year-to-date.

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



Sources: Bloomberg & MIDFR

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



Sources: Bloomberg & MIDFR

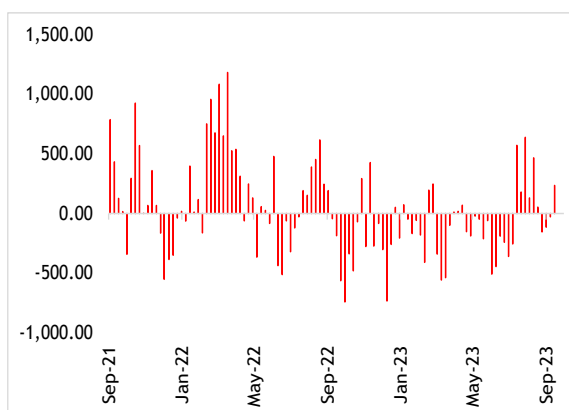
**Table 2** Weekly Net Foreign Fund Flows into Equity by Market (USD'm)

Week Ended	India	Indo	Korea	M'sia	Phil	Taiwan	Thai	Viet	Total
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
1-Sep	342.6	-105.4	496.1	-24.5	-43.0	-53.8	-150.0	38.6	500.6
8-Sep	-230.2	-104.7	18.8	-6.0	-163.5	-1,390.9	-161.2	-54.1	-2,091.8
15-Sep	-495.4	-118.4	-728.7	50.2	-77.4	631.9	-156.5	-89.3	-983.6

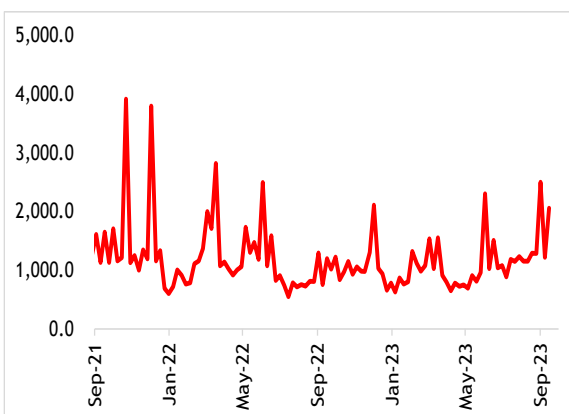
Source: Respective stock exchange statistics as reported on Bloomberg. These figures are subject to revisions.

**C. TRACKING MONEY FLOW - MALAYSIA**

- Foreign investors on Bursa Malaysia shifted from three weeks of net selling to net buying, with a net purchase of RM235.1m. The week started with outflows, but shifted to inflows from Wednesday to Friday, totalling RM318.9m.
- Year-to-date, foreign investors have been net sellers of domestic equities at a rate of -RM2.47b.
- The top three sectors with net foreign inflows last week were Utilities (RM105.5m), Construction (RM53.6m) and Plantation (RM49.9m). Meanwhile, sectors with net foreign outflows were Healthcare (-RM50.5m), REITs (-RM50.0m) and Consumer Products & Services (-RM22.4m).
- Local institutions concluded their four-week net buying streak by selling -RM131.5m last week. Year-to-date, local institutions have netted RM3.16b in inflows.
- For the tenth consecutive week, local retailers continued to sell domestic equities, with net sales amounting to -RM103.7m last week. Year-to-date, local retailers have seen outflows of -RM687.3m.
- In terms of participation, there was a decrease in average daily trading volume (ADTV) by retail investors (-12.9%) and local institutions (-9.6%), while foreign investors saw an increase (+68.5%).

**Chart 5** Net Foreign Fund Flows into Malaysian Equity Since Sep-21 (RM'm)


Sources: Bursa Malaysia &amp; MIDFR

**Chart 6** Daily Average of Foreign Participation in Bursa Malaysia for the Week (RM'm)


Sources: Bursa Malaysia &amp; 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	
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
1-Sep	3,245.3	3,323.1	-77.8	5,346.8	5,155.5	191.3	4,940.8	5,054.3	-113.5	-24.5
8-Sep	2,996.8	3,029.7	-33.0	4,733.0	4,672.4	60.6	3,040.5	3,068.2	-27.7	-6.0
15-Sep	2,574.0	2,677.7	-103.7	4,184.3	4,315.8	-131.5	5,264.0	5,028.9	235.1	50.2

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 15 SEPTEMBER 2023)**
**Table 4** Top 10 Stocks with Inflows and Outflows for the Week by Investor Class (RM'm)

LOCAL RETAIL		LOCAL INSTITUTION		FOREIGN	
<b>Top 10 Stocks with Weekly Net Inflows</b>					
Company	Value	Company	Value	Company	Value
Malayan Banking	51.3	Capital A	56.0	CIMB Group Holdings	91.4
Tanco Holdings	17.8	Sunway REIT	25.0	YTL Power International	76.0
Sunway REIT	16.0	Tenaga Nasional	19.3	Boustead Plantations	54.5
Genting Malaysia	15.0	RHB Bank	18.7	Petronas Dagangan	30.2
RHB Bank	14.9	Hartalega Holdings	18.4	Tenaga Nasional	29.4
Genting Malaysia	8.8	Petronas Gas	16.2	IHH Healthcare	28.3
Berjaya Land	6.1	My E.G. Services	14.5	YTL Corp	25.9
Jentayu Sustainables	5.7	AMMB Holdings	12.8	Gamuda	24.2
Top Glove Corp	5.0	Petronas Chemicals Group	10.3	Frontken Corp	24.1
Malaysia Airports Holdings	4.4	Ekovest	10.1	Sunway	22.0
<b>Top 10 Stocks with Weekly Net Outflows</b>					
Company	Value	Company	Value	Company	Value
Tenaga Nasional	-45.9	CIMB Group Holdings	-104.4	Sunway REIT	-51.9
Capital A	-18.6	YTL Power International	-89.3	RHB Bank	-38.1
UWC	-13.3	Malayan Banking	-80.1	Capital A	-25.4
Boustead Plantations	-12.0	Petronas Dagangan	-31.6	IOI Corp	-25.2
Petronas Chemicals Group	-11.6	IHH Healthcare	-31.3	Petronas Gas	-18.7
Public Bank	-10.9	Gamuda	-22.3	Malayan Banking	-15.8
Mah Sing Group	-10.7	Sunway	-18.8	Top Glove Corp	-15.5
Hong Leong Capital	-10.5	Malaysia Airports Holdings	-18.1	Hartalega Holdings	-15.3
Pertama Digital	-10.1	Nestle (Malaysia)	-17.2	Tanco Holdings	-14.9
Bumi Armada	-8.8	YTL Corp	-14.8	Genting Malaysia	-14.8

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

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

Company	%	MoM %	Company (cont'd)	%	MoM %	Company (cont'd)	%	MoM %
<b>Automotive</b>			Nestlé	82.5	-0.1	TSH Resources	18.9	0.5
Bermaz Auto	14.0	-7.3	Padini	9.3	-1.1	<b>Port &amp; Shipping</b>		
MBM Resources	3.1	24.0	QL Resources	9.5	-2.1	MISC	9.0	0.0
Tan Chong	10.6	0.0	Rhong Khen International	62.3	0.2	Suria Capital	5.8	-1.7
UMW Holdings	7.1	26.8	Spritzer	17.0	-1.2	Westports	27.8	-1.1
<b>Aviation</b>			<b>Gloves</b>			<b>Property</b>		
Capital A	19.7	-5.3	Hartalega	15.2	-3.2	Eco World	29.1	0.0
Malaysia Airports	24.2	1.7	Kossan	10.2	0.0	Glomac	4.2	2.4
<b>Banking</b>			Top Glove	29.2	-5.8	IOI Property	4.2	7.7
Affin Bank	26.4	-0.4	<b>Healthcare</b>			Mah Sing	16.2	1.9
Alliance Bank	20.3	1.0	IHH Healthcare	49.7	-0.2	S P Setia	11.6	46.8
AMMB Holdings	39.1	-0.8	KPJ Healthcare	8.1	-2.4	Sunway	4.8	-12.7
Bank Islam	0.7	-36.4	Pharmaniaga	0.6	20.0	UEM Sunrise	8.9	34.8
CIMB Group	28.6	-0.7	<b>Logistics</b>			UOA Development	3.8	2.7
Hong Leong Bank	10.5	-0.9	CJ Century	57.9	0.0	<b>REITs</b>		
Hong Leong Financial	32.2	0.0	Swift Haulage	13.5	0.0	Al-'Aqar Healthcare	0.6	0.0
Malayan Banking	18.5	1.6	Tasco	65.9	-0.3	Axis REIT	15.1	-0.7
Public Bank	26.7	0.4	<b>Media</b>			IGB REIT	3.7	-2.6
RHB Bank	16.1	0.6	Astro	37.7	0.0	KLCCP Stapled	0.8	0.0
<b>Building Materials</b>			Media Prima	20.5	-0.5	Pavilion REIT	33.1	-0.3
Malayan Cement	3.2	18.5	<b>Non-bank Financials</b>			Sunway REIT	5.9	-11.9
<b>Conglomerate</b>			Bursa Malaysia	15.9	0.0	<b>Technology</b>		
YTL Corp	20.0	0.5	AEON Credit	69.0	-1.6	D & O Green Tech	34.9	-0.3
<b>Construction</b>			<b>Oil &amp; Gas</b>			Datasonic	6.6	6.5
Cahaya Mata Sarawak	7.4	-6.3	Bumi Armada	13.8	-8.6	Globetronics	3.5	12.9
Gabungan AQRS	1.7	-22.7	Deleum	4.0	2.6	Inari Amertron	19.6	1.0
Gamuda	21.2	0.5	Dialog	19.6	-2.0	MY E.G. Services	14.9	0.7
IJM Corp	12.5	1.6	Gas Malaysia	18.1	0.6	Unisem	2.3	-8.0
KKB Engineering	0.3	0.0	MMHE	8.8	-3.3	<b>Telecommunication</b>		
MRCB	7.5	5.6	Petronas Chemicals	8.9	-3.3	Axiata	10.1	-1.0
Muhibbah Engineering	14.7	-3.9	Petronas Dagangan	7.3	-2.7	CelcomDigi	60.0	0.0
Pintaras Jaya	0.1	-75.0	Petronas Gas	9.2	0.0	Maxis	7.6	1.3
Sunway Construction	1.6	33.3	<b>Plantation</b>			Telekom Malaysia	11.5	-0.9
WCT Holdings	6.6	11.9	FGV	4.1	0.0	<b>Utilities</b>		
<b>Consumer</b>			Genting Plantations	5.0	-5.7	Ranhill Utilities	32.3	0.9
AEON Co.	54.6	-0.4	IOI Corp	11.3	2.7	Tenaga Nasional	13.2	0.8
Asia File	3.6	0.0	KL Kepong	14.0	2.2	YTL Power	7.3	14.1
Fraser & Neave	61.1	0.0	PPB Group	20.8	0.5			
Hup Seng	1.8	-5.3	Sarawak Plantation	2.7	0.0			
Leong Hup	10.6	1.0	Sime Darby Plantation	9.9	1.0			
MSM Malaysia	1.7	-5.6	Ta Ann	14.4	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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