

FUND FLOW REPORT

(Week ended 8 September 2023)

Cautious trading ahead of US CPI data

11 SEPTEMBER 2023 | Strategy - Weekly Fund Flow

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CAUTIOUS TRADING AHEAD OF US CPI DATA

A. MARKET SNAPSHOT

- Most markets ended in a sea of red last week, with 16 out of 20 indices we monitor posting declines, amidst jittery sentiments ahead of the United States' Aug-23 Consumer Price Index (CPI) release this Wednesday, which will likely set the Federal Reserve's interest rate decision in the Federal Open Market Committee (FOMC) meeting next week. Further weighing on sentiments was the slow growth in China's services activity and the continued shrinking in its exports and imports.
- Another major development that moved markets last week stemmed from the ongoing tensions between China and US, as reports have surfaced that the Chinese Government has ordered a ban on the usage of Apple iPhones and other foreign-brand devices among civil servants and employees of state-owned companies, which saw Apple's share price and those in its supply chain taking a hit.
- The top three indices that advanced last week were the Sensex (+1.85%), Ho Chi Minh VSE (+1.42%) and the Philippines' PSEi (+0.68%). The worst decliners of the week were the Nasdaq Composite Index (-1.93%), ASX 200 (-1.67%) and the Shenzhen CSI 300 (-1.36%).
- The services sector in the US surprised markets as the US ISM Services PMI rose above market expectations of 52.5 to 54.5 in Aug-23 (Jul-23: 52.7), the highest in six months. Business activities edged up to 57.3 (Jul-23: 57.1) as new orders expanded at its fastest pace in six months. Among the 13 sectors that recorded growth were retail trade, transportation and warehousing and construction.
- China's services sector plunged to its lowest level in eight months in Aug-23, as the Caixin China General Service PMI edged down to 51.8 (Jul-23: 54.1). The slowdown was attributable to lower growth in new orders and the first contraction in export sales in eight months amid weak global demand.
- Meanwhile, China's exports continued to fall in Aug-23 at -8.8%yoy (Jul-23: -14.5%yoy), though at its softest pace in four months, attributable to slower decreases of exports to ASEAN, US and the EU. In the 8M CY23, China's exports declined by -5.6%yoy. Meanwhile, imports also improved better than expected in Aug-23, with a smaller contraction of -7.3%yoy (Jul-23: -12.4%yoy).
- Germany's exports continued to shrink by -1%yoy in Jul-23, falling for the third straight month although not as sharp as the -1.6%yoy decline in the previous month, which was the fastest contraction in more than two years. The weak exports were attributable to the smaller contribution from exports of machinery & mechanical appliances (+3.1%yoy) and vehicles other than rail or tramway rolling stock (+10.3%yoy), where shipments for both segments grew at the slowest pace since May-22.
- Inflation in South Korea accelerated above expectations at +3.4%yoy in Aug-23 (Jul-23: +2.3%yoy), attributable to the rise in food and energy prices by +3.8%yoy (Jul-23: -1.0%yoy), underpinned by higher food inflation as food prices rose at +4.6%yoy (Jul-23: +3.0%yoy), the fastest in four months. However, core inflation remained at its 15-month low of +3.3%yoy unchanged from the previous month.
- Manufacturing production in the Philippines grew stronger at +5.7%yoy in Jul-23 (Jun-23: +4.2%yoy),

Table 1 Weekly Performance of Global Benchmark Indices (%)

| Index | Last Price | Change (%) |
|------------------|------------|------------|
| Sensex | 66,598.91 | 1.85 |
| Ho Chi Minh VSE | 1,241.48 | 1.42 |
| PSEi | 6,222.94 | 0.68 |
| FTSE 100 | 7,478.19 | 0.18 |
| Nikkei 225 | 32,606.84 | -0.32 |
| TAIEX | 16,576.02 | -0.41 |
| FBM KLCI | 1,454.95 | -0.58 |
| DAX 40 | 15,740.30 | -0.63 |
| KOSPI | 2,547.68 | -0.63 |
| Dow Jones | 34,576.59 | -0.75 |
| JCI | 6,924.78 | -0.76 |
| Stoxx Europe 600 | 454.66 | -0.76 |
| CAC 40 | 7,240.77 | -0.77 |
| Straits Times | 3,207.75 | -0.79 |
| SET | 1,547.17 | -0.92 |
| Hang Seng | 18,202.07 | -0.98 |
| S&P 500 | 4,457.49 | -1.29 |
| Shenzhen CSI 300 | 3,739.99 | -1.36 |
| ASX 200 | 7,156.69 | -1.67 |
| Nasdaq | 13,761.53 | -1.93 |

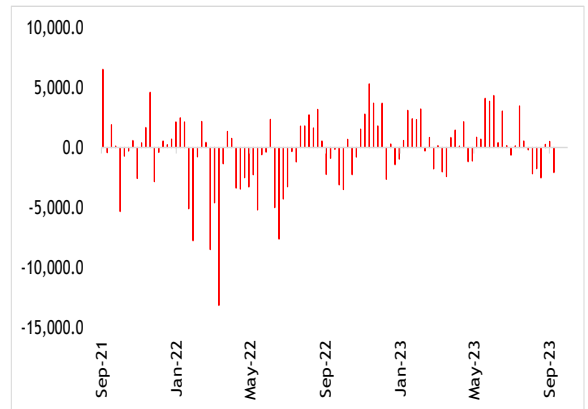
Source: Bloomberg

attributable to a surge in the manufacture of coke and refined petroleum products (Jul-23: +26.6%yoy; Jun-23: +7%yoy) and rebounds in beverage production (Jul-23: +22.6%yoy; Jun-23: -2.7%yoy) and food products (Jul-23: +3.1%yoy; Jun-23: -0.3%yoy). Meanwhile the country’s manufacturing PMI fell to 49.7 in Aug-23, marking the first contraction in two years, leading us to opine that its industrial production will be softer in Aug-23, on the back of slower new orders due to adverse weather conditions.

- Bank Negara Malaysia (BNM) kept its overnight policy rate (OPR) unchanged at 3.00% in its fifth Monetary Policy Committee (MPC) meeting this year. The central bank foresees domestic demand to remain on expansionary mode though the external front continues to be in a challenging environment. We expect BNM to maintain the OPR status quo until end-2023 following external demand weakness. Even though core inflation remains sticky, the weakening external trade performance is seen as a dragging factor on the overall growth of the GDP.
- Malaysia’s manufacturing PMI remained in contraction in Aug-23 as the index remained unchanged at 47.8. Production remained subdued as the inflow of new orders decreased, with the decline in new export orders for the last four months. Firms also reduced workforce for four consecutive months, marking the steepest pace of job slashing since Dec-22. Meanwhile, the suppliers’ delivery times have also lengthened to nine months as companies indicated challenges from shortages of raw materials.
- The Ringgit depreciated against the US dollar by -0.66% to close at USD/RM4.6770 on Friday. The Brent crude oil price rose +6.50% to USD90.65 per barrel while the crude palm oil declined -4.62% to RM3,879.00 per tonne.

Chart 1

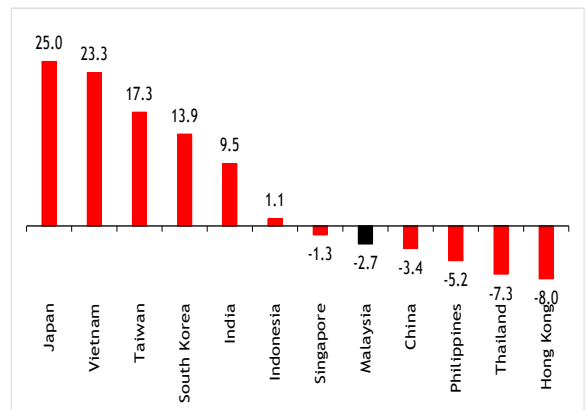
Net Foreign Fund Flows into Equity in 8 Asian Markets Since Sep-21 (USD'm)



Sources: Bloomberg & MIDFR

Chart 2

YTD Performance of Asian Benchmark Indices (%)



Sources: Bloomberg & MIDFR

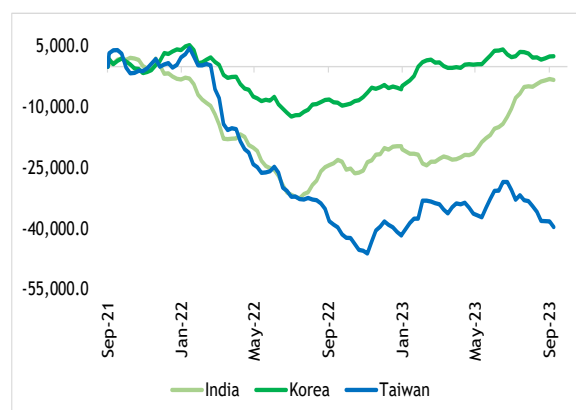
B. TRACKING MONEY FLOW - ASIA

- After two weeks of moderate net inflows into Asia, foreign investors made huge disposals of Asian equities last week with a net selling amount of -USD2.09b, out of the eight markets that we track. They net sold in all markets, except for South Korea being the sole survivor last week.
- South Korea received a net foreign fund inflow for the third consecutive week at USD18.8m, though a much-moderated amount as compared to USD496.1m in the previous week. The weaker net buying activities could be attributable to the higher than expected inflation as mentioned above and the potential impact of the ban of foreign brand smartphones among China’s government and state-owned firms’ employees. Foreign investors net bought USD309.2m on Monday and USD173.6m on Tuesday before net selling for the rest of the week after reports of China’s ban surfaced. Year-to-date, South Korea is the second-best performing country with a net foreign fund inflow of USD8.14b.
- Taiwan was the biggest casualty last week, with a net outflow of -USD1.39b as foreign investors net sold for the eighth consecutive week. Like South Korea, massive disposal of equities was seen from Wednesday to Friday, mainly technology stocks, especially Taiwan Semiconductor Manufacturing Co

(TSMC). Apple is among TSMC’s largest clients. Taiwan comes in third after South Korea in terms of year-to-date net foreign inflows, with a total of USD2.12b.

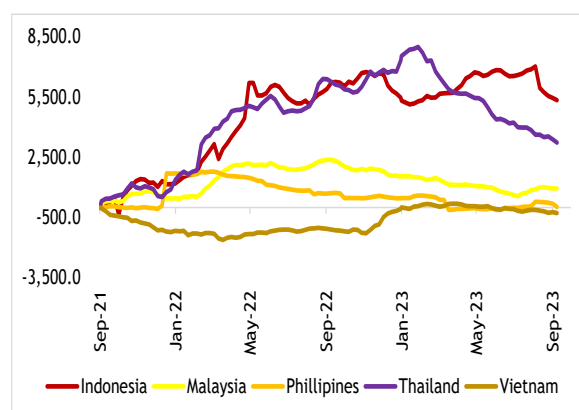
- After three weeks of net inflows, foreigners net sold -USD230.2m in India last week in a shortened trading week of only three days due to a lockdown in New Delhi as the country played host for the 2023 G20 Summit over the weekend. India is the best performing country that we track year-to-date with a net foreign inflow of USD16.8b.
- The Philippines recorded its fifth week of net outflows as foreign investors net sold every day last week, totalling -USD163.5m. Other than the expectations of weaker manufacturing activities, inflation remained stubborn at +5.3%yoy in Aug-23 (unchanged from Jul-23) which was mainly due to the rise in food and transport costs. Bangko Sentral ng Pilipinas said it “stands ready to adjust the monetary policy stance as necessary”. Foreign investors have net sold -USD428.3m of equities in the country year-to-date.
- Foreign investors also net sold equities every day in Thailand last week, amounting to -USD161.2m, marking the second consecutive week of net outflows. Despite stronger investor sentiments after the formation of a new government, concerns remain over the slower economic growth of the Kingdom, as the Bank of Thailand (BoT) will be revising downwards its GDP growth and headline inflation projections of 3.6% and 2.5% respectively. Governor Sethaput Suthiwartnarueput said the economy is still in recovery, even though it is weaker than expected. Year-to-date, Thailand is the worst performing country with a net foreign outflow of -USD4.10b.
- In Indonesia, foreigners net sold for the fifth consecutive week at -USD104.7m. They net bought USD40.6m on Monday and Tuesday before net selling -USD145.3m from Wednesday to Friday. Year-to-date, there has been a net outflow of -USD118.6m out of Indonesia.
- Foreigners net sold in Vietnam again to the tune of -USD54.1m last week after briefly turning net buyers the week before. The recent visit by US President Joe Biden to Vietnam has resulted in the upgrading of ties to a “comprehensive strategic partnership”, the highest level that Vietnam uses for China and India. It is a move that many expect would anger China, especially after China sent a senior

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 |
|------------|--------|----------|--------|-------|--------|----------|--------|-------|----------|
| 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 |
| 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 |

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

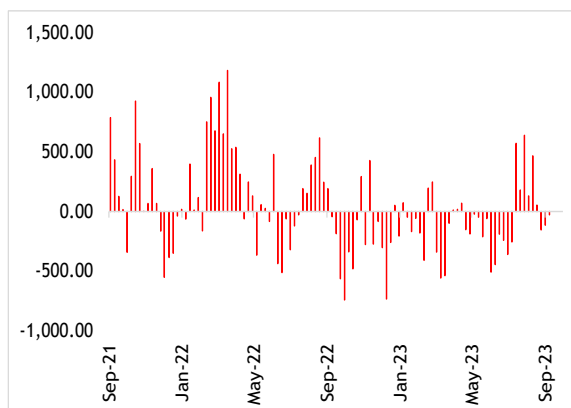
FUND FLOW REPORT

official to Vietnam to strengthen their political trust ahead of Biden's visit. Year-to-date, there has been a net foreign outflow of -USD213.3m from Vietnam.

C. TRACKING MONEY FLOW - MALAYSIA

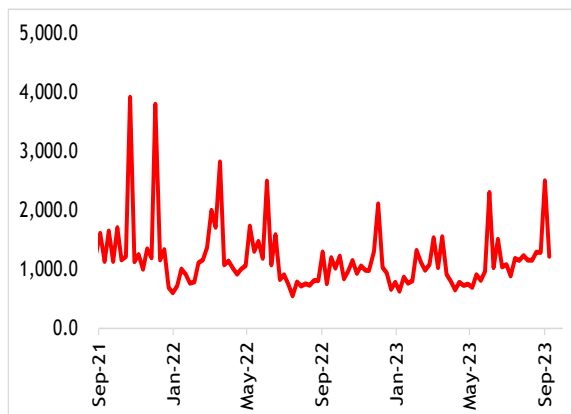
- Foreign investors remained net sellers on Bursa Malaysia for the third straight week at -RM27.7m last week, a much slower outflow as compared to -RM113.5m the week before.
- The net selling on Monday and Tuesday could not reverse the net buying thereafter. They net sold -RM107.4m on Monday and -RM58.3m on Tuesday before net buying RM95.5m on Wednesday, RM11.8m on Thursday and RM30.8m on Friday.
- The top three sectors that saw net foreign inflows were Utilities (RM211.6m), Property (RM40.4m) and Energy (RM32.9m). The bottom three sectors with net foreign outflows for the week were Financial Products & Services (-RM226.0m), Industrial Products & Services (-RM33.5m) and Consumer Products & Services (-RM30.2m). Year-to-date, foreigners have net sold -RM2.70b.
- Local institutions on the other hand, maintained their net buying pace for the fourth consecutive week with an amount of RM60.6m last week. The net buying amounts of RM92.3m on Monday and RM87.7m on Tuesday was sufficient to cushion the outflows on Wednesday (-RM79.6m), Thursday (-RM11.1m) and Friday (-RM28.8m). Year-to-date, local institutions have net bought RM3.29b of equities on Bursa Malaysia.
- Meanwhile, local retail investors continued to net sell, now going into the ninth consecutive week. The net selling amount came up to -RM33.0m last week. They only net bought RM15.1m on Monday but were net sellers for the rest of the week. Year-to-date, local retailers have net sold -RM583.6m
- In terms of participation, there was a decline in average daily trading volume (ADTV) across the board among foreign investors (-51.1%), institutional investors (-28.4%) and retail investors (-26.6%).

Chart 5 Net Foreign Fund Flows into Malaysian Equity Since Sep-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 | |
| 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 |
| 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 |

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 8 SEPTEMBER 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 |
| Inari Amertron | 17.7 | Public Bank | 94.5 | Tenaga Nasional | 107.1 |
| Genting Malaysia | 13.6 | CIMB Group Holdings | 70.8 | YTL Power International | 55.6 |
| Capital A | 10.4 | IHH Healthcare | 48.6 | Top Glove Corp | 37.2 |
| Malaysian Resources Corp | 9.9 | Petronas Chemicals Group | 34.0 | YTL Corp | 35.8 |
| Genting Plantations | 8.5 | Telekom Malaysia | 27.8 | Petronas Dagangan | 34.6 |
| Malayan Banking | 8.2 | RHB Bank | 26.8 | S P Setia | 32.1 |
| Pertama Digital | 7.9 | Nestle | 18.1 | UMW Holdings | 27.4 |
| Genting | 7.6 | Ekovest | 16.5 | Dayang Enterprise Holdings | 25.5 |
| Malaysia Building Society | 7.2 | Boustead Plantations | 16.2 | Hibiscus Petroleum | 16.3 |
| Bumi Armada | 7.2 | Dialog Group | 15.5 | Mah Sing Group | 16.1 |
| Top 10 Stocks with Weekly Net Outflows | | | | | |
| Company | Value | Company | Value | Company | Value |
| Boustead Plantations | -27.3 | Tenaga Nasional | -87.4 | Public Bank | -69.0 |
| Top Glove Corp | -22.3 | YTL Power International | -67.7 | CIMB Group Holdings | -64.7 |
| Public Bank | -12.9 | Petronas Dagangan | -33.7 | IHH Healthcare | -46.1 |
| Affin Bank | -12.7 | S P Setia | -26.9 | RHB Bank | -29.3 |
| Mah Sing | -11.3 | UMW Holdings | -22.9 | Telekom Malaysia | -25.3 |
| YTL Power International | -10.4 | YTL Corp | -18.3 | Bumi Armada | -20.6 |
| Ekovest | -9.9 | Hibiscus Petroleum | -18.2 | Petronas Chemicals Group | -20.4 |
| AirAsia X | -9.0 | Dayang Enterprise Holdings | -17.8 | Genting Plantations | -20.4 |
| Velesto Energy | -8.8 | Sime Darby | -17.0 | AMMB Holdings | -16.1 |
| Tenaga Nasional | -8.5 | Inari Amertron | -14.5 | Nestle | -14.9 |

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 % |
|---------------------------|------|-------|----------------------------|------|-------|----------------------------|------|-------|
| Automotive | | | Nestlé | 82.5 | -0.1 | TSH Resources | 18.9 | 0.5 |
| Bermaz Auto | 14.0 | -7.3 | Padini | 9.3 | -1.1 | Port & Shipping | | |
| 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 |
| Aviation | | | Gloves | | | Property | | |
| 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 |
| Banking | | | Top Glove | 29.2 | -5.8 | IOI Property | 4.2 | 7.7 |
| Affin Bank | 26.4 | -0.4 | Healthcare | | | 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 | Logistics | | | UOA Development | 3.8 | 2.7 |
| Hong Leong Bank | 10.5 | -0.9 | CJ Century | 57.9 | 0.0 | REITs | | |
| 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 | Media | | | IGB REIT | 3.7 | -2.6 |
| RHB Bank | 16.1 | 0.6 | Astro | 37.7 | 0.0 | KLCCP Stapled | 0.8 | 0.0 |
| Building Materials | | | Media Prima | 20.5 | -0.5 | Pavilion REIT | 33.1 | -0.3 |
| Malayan Cement | 3.2 | 18.5 | Non-bank Financials | | | Sunway REIT | 5.9 | -11.9 |
| Conglomerate | | | Bursa Malaysia | 15.9 | 0.0 | Technology | | |
| YTL Corp | 20.0 | 0.5 | AEON Credit | 69.0 | -1.6 | D & O Green Tech | 34.9 | -0.3 |
| Construction | | | Oil & Gas | | | 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 | Telecommunication | | |
| 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 | Plantation | | | Telekom Malaysia | 11.5 | -0.9 |
| WCT Holdings | 6.6 | 11.9 | FGV | 4.1 | 0.0 | Utilities | | |
| Consumer | | | 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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