

FUND FLOW REPORT

(Week ended 10 November 2023)

Future rate hikes not off the table

14 NOVEMBER 2023 | Strategy - Weekly Fund Flow

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FUTURE RATE HIKES NOT OFF THE TABLE
A. MARKET SNAPSHOT

- Markets performed mixed during the week that saw Federal Reserve chair Jerome Powell's hawkish comments that the Fed is not confident of achieving a monetary policy that is sufficiently restrictive to bring inflation down to 2% over time. His remarks during an International Monetary Fund (IMF) event last week may hint at possible further rate hikes in the future.
- Out of the 20 indices that we monitor, 12 recorded gains for the week. The top three advancers were the Philippines' PSEi (+2.88%), the Nasdaq Composite Index (+2.37%), and the Ho Chi Minh VSE (+2.31%). The worst decliners for the week were the Hang Seng Index (-2.61%), Thailand's SET (-2.13%), and Singapore's Straits Times (-1.18%). The FBM KLCI also declined last week, shedding -0.33% to finish at 1,445.18 points.
- Consumer sentiments in the United States dropped to their lowest level in seven months, as the University of Michigan recorded a preliminary Nov-23 reading of 60.4 (Oct-23: 63.8). This was due to growing concerns over high borrowing costs and inflation. Consumers' long-run economic outlook declined 12% while their year-ahead inflation expectations inched up to 4.4% (Oct-23: 4.2%).
- China's exports fell sharper than expected at -6.4%yoy in Oct-23 (Sep-23: -6.2%yoy; market consensus: -3.3%yoy), falling for the sixth consecutive month. Exports to ASEAN (share: 15.1% of total exports) dipped -15.1%yoy (Sep-23: -15.8%yoy), with shipments to Malaysia (which accounted for 16.3% of total exports to ASEAN) plunging faster at -17.5%yoy (Sep-23: -13.2%yoy). To other major destinations, exports to the US declined slower at -8.2%yoy (Sep-23: -9.3%yoy), while exports to the EU countries fell steeper at -12.6%yoy (Sep-23: -11.6%yoy).
- China's consumer prices fell by -0.2%yoy in Oct-23 (Sep-23: 0%yoy), steeper than market expectations of -0.1%yoy. The deflation was mainly due to a sharper fall of -4.0%yoy (Sep-23: -3.2%yoy) in food prices, the fastest deflation in four months. Moreover, prices for transport and communications also continued to deflate at -0.9%yoy but it was the slowest drop pace in eight months.
- In another release, China's producer prices declined at -2.6%yoy (Sep-23: -2.5%yoy; market forecasts: -2.7%yoy), extending the PPI deflation since Oct-22. On a month-on-month basis, cost pressures eased as the PPI deflated by -0.1%mom (Sep-23: +0.5%mom), ending three months of inflation. Looking at the CPI deflation and easing demand pressures, we believe this suggests fragility in China's domestic demand.
- Consumer spending in the euro area remained weak as retail sales fell for the 12th straight month at -2.9%yoy in Sep-23, the sharpest annual decline in six months. Member countries that recorded a sharp decline in sales were Slovenia, Belgium, and Hungary. Consumers in the bloc reduced their spending on non-food items, with sales declining at -3.8%yoy which was the steepest contraction in more than 2 years of post-pandemic recovery.
- Malaysia's services producer price index (SPPI) moderated to +1.4%yoy (2QCY23: +2.7%yoy), marking the slowest increase in six quarters. The moderation was mainly underpinned by the deceleration in production cost for transportation services, which eased to +0.7%yoy (2QCY23: +4.8%yoy) mainly

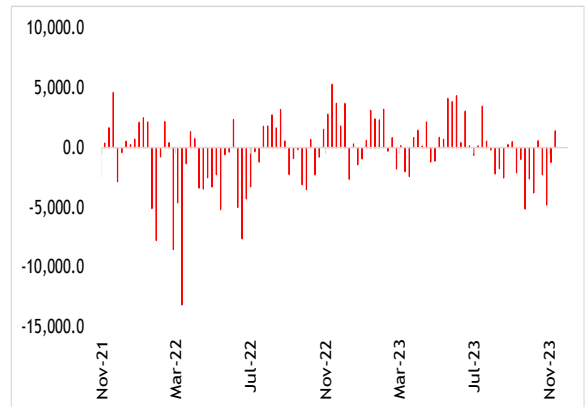
Index	Last Price	Change (%)
PSEi	6,161.89	2.88
Nasdaq	13,798.11	2.37
Ho Chi Minh VSE	1,101.68	2.31
Nikkei 225	32,568.11	1.93
KOSPI	2,409.66	1.74
S&P 500	4,415.24	1.31
TAIEX	16,682.67	1.06
Sensex	64,904.68	0.84
Dow Jones	34,283.10	0.65
DAX 40	15,234.39	0.30
JCI	6,809.26	0.30
Shenzhen CSI 300	3,586.49	0.07
ASX 200	6,976.49	-0.02
CAC 40	7,045.04	-0.03
Stoxx Europe 600	443.31	-0.21
FBM KLCI	1,445.18	-0.33
FTSE 100	7,360.55	-0.77
Straits Times	3,106.68	-1.18
SET	1,389.57	-2.13
Hang Seng	17,203.26	-2.61

Source: Bloomberg

- attributable to slower inflation in the air transport services.
- Malaysia's IPI contracted by -0.5%yoy in Sep-23 (Aug-23: -0.3%yoy), falling for the second month despite a rebound in manufacturing output. The value of manufacturing sales rose +4.3%mom to RM158.7b in Sep-23, the highest in 10 months, supported by strong sales of iron & steel products, E&E components, and consumer electronics. Nevertheless, the sales value was -1.9%yoy lower than a year ago.
- The country's labour market remained on an improving trend as the unemployment rate continued to be at a post-pandemic low of 3.4% in Sep-23. Labour force and employment growth rates continued their moderating pace of +1.8%yoy and +2%yoy, respectively, the slowest in two years. For youth aged 15-24, the unemployment rate hit a new pandemic-low of 10.6%, yet slightly higher than pre-pandemic (2019: 10.4%).
- Malaysia's retail trade posted growth of +5.9%yoy in Sep-23, slightly lower than the 4-month high pace recorded in the previous month. On a month-on-month basis, non-seasonally adjusted retail trade still grew, at a pace of +1.4%mom. Overall distributive trade sales increased by +6.5%yoy and +0.1%mom. As for 3QCY23, distributive trade sales expanded by +6.8%yoy (2QCY23: +5.7%yoy) which signalled a slight betterment in Malaysia's GDP performance.
- The Ringgit appreciated against the US dollar by +0.44% to close at RM4.7085 on Friday. The Brent crude oil price declined by -4.34% to USD81.43 per barrel while the crude palm oil price increased by +1.21% to RM3,839.00 per tonne.

Chart 1

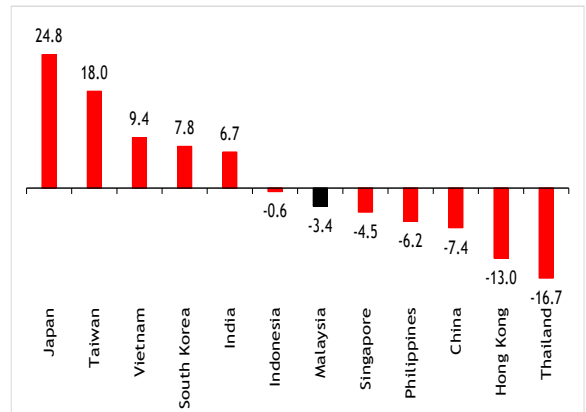
Net Foreign Fund Flows into Equity in 8 Asian Markets Since Nov-21 (USD'm)



Sources: Bloomberg & MIDFR

Chart 2

YTD Performance of Asian Benchmark Indices (%)



Sources: Bloomberg & MIDFR

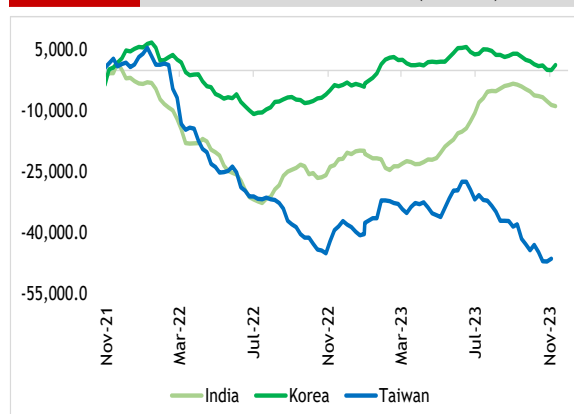
B. TRACKING MONEY FLOW - ASIA

- Foreign investors shifted their stance, transitioning from three consecutive weeks of net selling to becoming net buyers of Asian equities at USD1.41b based on the eight markets under our observation. Notably, a significant portion of the incoming funds found their way into the markets of South Korea (USD1.29b) and Taiwan (USD698.4m).
- South Korea experienced the most substantial net inflow at USD1.29b, marking a reversal from two consecutive weeks of net outflows. Since November 2, daily net inflows have been consistent. This follows the report of a significant development in Oct-23 whereby South Korean exports grew for the first time in 13 months, driven by a recovery in semiconductors, the country's top export.
- Taiwan recorded the second-highest weekly foreign inflow of USD698.4m following three consecutive weeks of net selling. The Taiwan Institute of Economic Research (TIER) projected a +3.15% growth in the country's GDP for CY24. This optimistic outlook is attributed to stable domestic demand, recovery of exports, and a global rebound in the trade of goods. Additionally, TIER revised its forecast for Taiwan's CY23 GDP growth from +1.66% to a slightly lower figure of +1.43%.
- Aside from Malaysia, the Philippines was the only other country to report a net foreign inflow, totalling USD1.5m. This followed 13 consecutive weeks of observing outflows. In 3Q23, the country's GDP exceeded expectations, growing by +5.9%yoy. This was attributed to a rebound in government spending, which offset a decline in household consumption.
- Entering the tenth consecutive week, India maintained a trend of net foreign outflows, totalling -USD287.4m. India's factory output witnessed a slowdown in Sep-23 due to sluggish exports amid

subdued global demand and increased capital costs. The country's industrial production growth decelerated to +5.8% in Sep-23, down from +10.3% in Aug-23. However, when assessed on an annual basis, the manufacturing and mining sectors demonstrated an improvement in output.

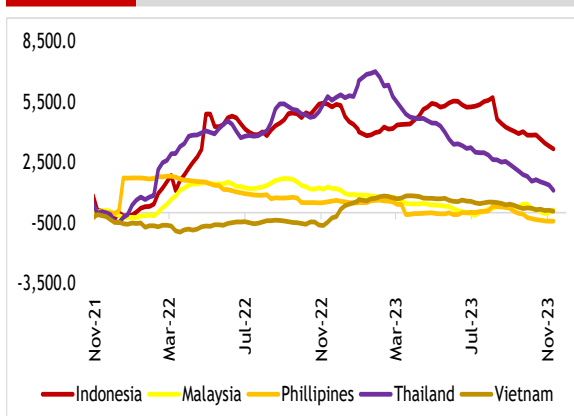
- Thailand experienced its fourth consecutive week of net foreign outflows amounting to -USD261.9m. The Thai government has revealed a USD14.0b cash handout as part of its efforts to kickstart the economy. Despite concerns about potential inflation and a widening fiscal deficit, the size of the planned stimulus was only slightly trimmed. The digital wallet program is set to benefit 50 million people, with each recipient receiving 10,000 baht (USD280), and the disbursement is anticipated to be ready by May-24.
- Indonesia sustained a net foreign outflow for the fourth consecutive week at -USD130.9m. Indonesia's economy demonstrated robust growth in 3Q23, although it slowed more than anticipated, reaching its weakest point in two years. The GDP expanded by +4.94%yoy, below the +5.17%yoy growth recorded in 2Q23. The deceleration was attributed to a contraction in exports and a softening in household spending.
- Foreign investors withdrew -USD50.0m from Vietnam after briefly being net buyers the previous week. Vietnam has established an economic growth target of +6.0% to +6.5% for the next year, with the aim of revitalising the Southeast Asian manufacturing hub. The region faced challenges such as plummeting global demand for exports and a corruption crackdown affecting the property and financial sectors. This target was approved by the parliament on Thursday.

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



Sources: Bloomberg & MIDFR

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



Sources: Bloomberg & MIDFR

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

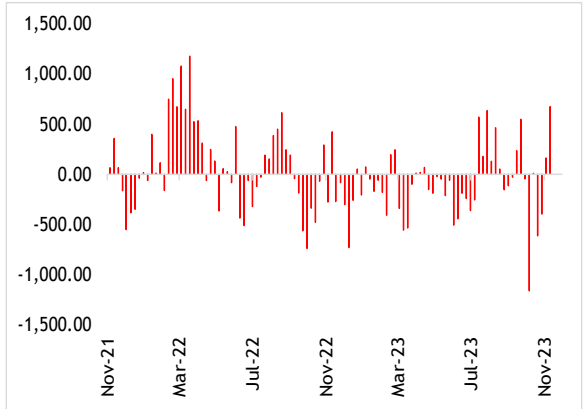
Period	India	Indo	Korea	M'sia	Phil	Taiwan	Thai	Viet	Total
MTD (Nov-23)	-697.2	-180.6	1,554.4	184.4	-7.5	1,406.6	-264.4	-49.5	1,946.1
1Q23	-3,200.4	445.4	5,469.6	-421.8	-518.3	7,970.2	-1,645.6	252.6	8,351.8
2Q23	12,492.0	644.8	2,474.7	-506.4	51.0	3,277.1	-1,461.2	-265.5	16,706.5
3Q23	5,382.2	-1,399.9	-1,635.9	488.1	-261.9	-13,427.4	-1,419.8	-331.9	-12,606.4
QTD (4Q23)	-3,647.1	-676.9	-943.1	-276.0	-178.3	-3,550.3	-695.2	-161.6	-10,128.5
YTD	11,026.8	-986.6	5,365.3	-716.1	-907.5	-5,730.4	-5,221.8	-506.4	2,323.4

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

C. TRACKING MONEY FLOW - MALAYSIA

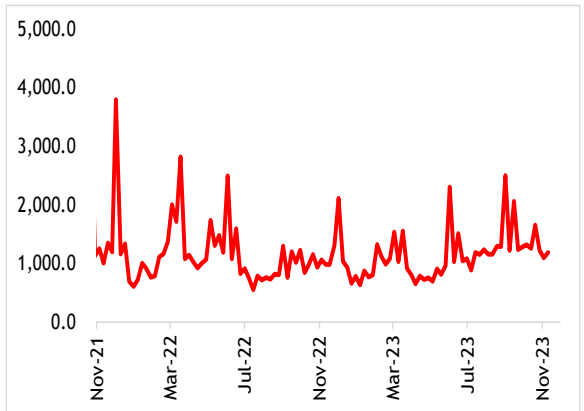
- Foreign investors maintained their status as net buyers on Bursa Malaysia for the second consecutive week, with a total of RM676.7m, nearly four times the amount purchased in the previous week. Every day of the week recorded net buying, with Monday registering the highest inflow at RM359.2m.
- The top three sectors with net foreign inflows for the week were Financial Services (RM194.4m), Utilities (RM123.1m), and Healthcare (RM111.3m), while the only three sectors that recorded net foreign outflows were Energy (-RM23.8m), Consumer Products & Services (-RM23.1m) and REITs (-RM1.5m).
- Local institutions recorded net sales of -RM551.2m last week, marking the second consecutive week of net selling. Every day of the week witnessed net selling, with the highest outflow occurring on Monday at RM226.9m.
- Local retailers extended their net selling streak for the fifth consecutive week, with net sales amounting to RM125.5m. Outflows were observed from Monday to Wednesday, while Thursday and Friday recorded inflows of RM13.0m and RM29.7m respectively.
- In terms of participation, there were increases in average daily trading volume (ADTV) among foreign investors by +8.5%, local retailers by +10.1% and local institutions by +11.2%.

Chart 5 Net Foreign Fund Flows into Malaysian Equity Since Nov-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: Market Participation (RM'b)

Period	Local Retail			Local Institution			Foreign			*Net (USD'b)
	Bought	Sold	Net	Bought	Sold	Net	Bought	Sold	Net	
MTD (Nov-23)	4.18	4.40	-0.22	6.52	7.16	-0.65	5.10	4.24	0.86	0.18
1Q23	36.28	36.19	0.09	62.10	60.32	1.77	30.28	32.15	-1.87	-0.42
2Q23	29.03	28.65	0.37	46.57	44.61	1.96	29.49	31.81	-2.33	-0.51
3Q23	34.89	35.98	-1.09	54.18	55.32	-1.14	42.77	40.54	2.23	0.49
QTD (4Q23)	15.71	16.04	-0.33	25.08	23.42	1.65	18.65	19.97	-1.32	-0.28
YTD	115.91	116.86	-0.95	187.92	183.68	4.24	121.19	124.47	-3.29	-0.72

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 10 NOVEMBER 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
Sime Darby Property	11.2	Nestle (Malaysia)	50.9	Malayan Banking	92.3
United Plantations	8.7	Frontken Corp.	25.7	CIMB Group Holdings	56.7
RHB Bank	7.1	Hartalega Holdings	16.9	MISC	48.3
Rapid Synergy	7.1	Unisem (M) Bhd	12.7	YTL Power Int.	44.9
Greatech Technology	6.9	Top Glove Corp.	12.0	Public Bank	44.8
Alliance Bank Malaysia	6.5	Yinson Holdings	10.3	Boustead Plantations	44.5
PPB Group	6.5	Axiata Group	8.2	IHH Healthcare	40.8
Swift Haulage	5.1	Vitrox Corp.	7.7	YTL Corp.	38.6
Bumi Armada	5.1	Sime Darby Plantation	6.6	PPB Group	38.2
RGB International	3.8	Kossan Rubber	5.9	KPJ Healthcare	36.9
Top 10 Stocks with Weekly Net Outflows					
Company	Value	Company	Value	Company	Value
Public Bank	-29.8	Malayan Banking	-65.2	Nestle (Malaysia)	-53.3
Hartalega Holdings	-25.1	PPB Group	-48.8	Vitrox Corp.	-11.0
Malayan Banking	-14.1	MISC	-47.1	Yinson Holdings	-10.9
Boustead Plantations	-13.1	Sime Darby Property	-46.1	Carlsberg Brewery	-7.3
Top Glove Corp.	-10.5	Inari Amertron	-43.0	Hong Leong Financial Group	-7.1
Tenaga Nasional	-10.1	YTL Power Int.	-39.7	Unisem (M)	-7.0
Salcon	-9.2	IHH Healthcare	-39.2	Heineken Malaysia	-6.3
Ranhill Utilities	-8.4	TIME dotCom	-35.8	Sime Darby Plantation	-6.2
CIMB Group Holdings	-7.8	KPJ Healthcare	-35.7	Dayang Enterprise	-6.2
Bahvest Resources	-6.4	CIMB Group Holdings	-32.6	Kossan Rubber	-5.9

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

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

Company	%	YTD %	Company (cont'd)	%	YTD %	Company (cont'd)	%	YTD %
Automotive			QL Resources	9.1	-10.8	Port & Shipping		
Bermaz Auto	17.0	6.9	Rhong Khen International	62.2	0.0	MISC	9.3	2.2
MBM Resources	2.1	23.5	Spritzer	16.1	-13.0	Suria Capital	5.9	-6.3
Tan Chong	10.6	-1.9	Gloves			Westports	27.2	-1.1
UMW Holdings	6.9	25.5	Hartalega	14.7	-21.8	Property		
Aviation			Kossan	10.2	-11.3	Eco World	5.2	108.0
Capital A	17.6	-4.3	Top Glove	27.5	-15.4	Glomac	4.2	0.0
Malaysia Airports	25.2	27.9	Healthcare			IOI Properties	10.9	186.8
Banking			IHH Healthcare	49.4	-0.8	Mah Sing	19.2	35.2
Affin Bank	26.3	0.0	KPJ Healthcare	8.9	50.8	S P Setia	14.2	129.0
Alliance Bank	19.7	-10.0	Pharmaniaga	0.5	-58.3	Sunway	5.9	13.5
AMMB Holdings	38.7	-3.0	Logistics			UEM Sunrise	8.5	67.3
Bank Islam	0.8	-60.0	CJ Century	57.9	0.9	UOA Development	3.6	-5.3
CIMB Group	30.1	-0.3	Swift Haulage	12.5	-3.8	REITs		
Hong Leong Bank	10.4	-6.3	Tasco	66.2	0.5	Al-'Aqar Healthcare	0.5	25.0
Hong Leong Financial	31.8	-2.2	Media			Axis REIT	15.2	-5.0
Malayan Banking	18.5	3.4	Astro	37.6	-1.6	IGB REIT	3.8	-20.8
Public Bank	26.4	-4.7	Media Prima	20.2	-3.3	KLCCP Stapled	0.7	-22.2
RHB Bank	15.2	-11.6	Non-bank Financials			Pavilion REIT	33.0	-2.9
Building Materials			Bursa Malaysia	14.5	-28.6	Sunway REIT	4.8	-37.7
Cahaya Mata Sarawak	7.4	-15.9	AEON Credit	69.0	-2.0	Solar EPCC		
Malayan Cement	3.6	28.6	Oil & Gas			Pekat	0.9	-
Conglomerate			Bumi Armada	13.4	-20.2	Samaiden	11.3	-
YTL Corp	22.1	23.5	Deleum	4.2	40.0	Sunview	13.2	-
Construction			Dialog	19.5	-6.3	Technology		
Gamuda	23.1	37.5	Gas Malaysia	19.6	-1.0	D & O Green Tech	34.6	-2.3
IJM Corp	13.7	17.1	MMHE	8.4	-11.6	Datasonic	5.9	0.0
KKB Engineering	0.3	0.0	Petronas Chemicals	8.8	-15.4	Globetronics	3.3	-17.5
MRCB	7.1	-15.5	Petronas Dagangan	7.8	2.6	Inari Amertron	20.5	12.0
Pintaras Jaya	0.1	-80.0	Petronas Gas	9.6	2.1	My E.G. Services	12.9	-9.8
Sunway Construction	1.8	38.5	Plantation			Unisem	2.4	4.3
WCT Holdings	7.5	31.6	FGV Holdings	4.0	-4.8	Telecommunication		
Consumer			Genting Plantations	4.5	-16.7	Axiata	10.0	-9.9
AEON Co.	54.5	-0.5	IOI Corp	10.9	-1.8	CelcomDigi	60.0	0.7
Asia File	3.6	-37.9	KL Kepong	14.0	4.5	Maxis	7.7	10.0
Fraser & Neave	61.3	0.7	PPB Group	20.8	-2.8	Telekom Malaysia	11.3	-8.9
Hup Seng	1.8	-5.3	Sarawak Plantation	2.7	17.4	Utilities		
Leong Hup	10.8	-11.5	Sime Darby Plantation	9.7	-2.0	Ranhill Utilities	12.9	-60.1
MSM Malaysia	1.7	-5.6	Ta Ann	13.8	-1.4	Tenaga Nasional	13.6	9.7
Nestlé (Malaysia)	82.4	-0.2	TSH Resources	19.2	-9.0	YTL Power	10.0	78.6
Padini	8.9	-6.3						

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