

FUND FLOW REPORT

(Week ended 22 December 2023)

Signs of cooling inflation

26 DECEMBER 2023 | Strategy - Weekly Fund Flow
MIDF Research Team
 research@midf.com.my

SIGNS OF COOLING INFLATION
A. MARKET SNAPSHOT

- The Federal Reserve’s preferred inflation gauge, the core PCE, came in lower in Nov-23 at +3.2%yoy (Oct-23: +3.4%yoy). On a month-on-month basis, it grew +0.1%mom. The headline PCE on the other hand, was up +2.6%yoy but declined -0.1%mom for the first time in 21 months.
- That, coupled with the remarks by Fed officials earlier in the week on forthcoming rate cuts, injected optimism into markets last week. San Francisco Fed President Mary Daly said short-term interest rates will be quite restrictive even if there were three rate cuts next year while Richmond Fed President Tom Barkin said the Fed is nicely positioned and they were making good progress on inflation.
- Out of the 20 major indices we monitor, 13 recorded weekly gains. The top performers were the FTSE 100 (+1.60%), South Korea’s KOSPI (+1.40%) and the Nasdaq Composite Index (+1.21%). The top decliners were Hong Kong’s Hang Seng Index (-2.69%), the FBM KLCI (-0.55%), and India’s Sensex (-0.53%).
- The People’s Bank of China (PBOC) kept its 1-year and 5-year Loan Prime Rates (LPRs) steady at 3.45% and 4.20% respectively in the Dec-23 monetary policy meeting. The decision was within market expectations as China’s economy continued to recover.
- China’s retail sales expanded by +10.1%yoy in Nov-23, the fastest expansion in six months. The Caixin Services PMI stood at 51.5 in Nov-23, sustaining an expansionary run for 11 consecutive months.
- China’s producer prices declined further as its PPI shrank by -3.0%yoy, marking 14 consecutive months of negative readings. On the external front, the exports growth rate ended its 6-month contraction sequence as it rebounded +0.5%yoy (market estimate: -1.1%yoy) while imports unexpectedly returned to contraction by -0.6%yoy (Oct-23: +3.0%yoy).
- China’s industrial production grew faster at +6.6%yoy in Nov-23 (Oct-23: +4.6%yoy), the fastest expansion since Feb-22. The stronger growth reflects faster output in the manufacturing sector, which rose by +6.7%yoy (Oct-23: +5.1%yoy), the strongest growth in seven quarters and mainly underpinned by higher E&E output. Mining & quarrying output rose by +3.9%yoy (Oct-23: +2.9%yoy), the highest growth in six months.
- Inflation in the Eurozone eased to +2.4%yoy in Nov-23, the lowest since Jul-21. Energy prices contracted for the seventh straight month by -11.5%yoy. Food (including alcohol & tobacco) inflation rate moderated to +6.9%yoy, the lowest since Apr-22. Demand-driven inflation also softened as core inflation stood at the lowest level in 19 months at +3.6%yoy. On a month-on-month basis, both headline and core inflation deflated by -0.6%mom, both marking the first contraction since Aug-23.
- Japan’s total trade continued its contractionary form for eight consecutive months at -6.7%yoy in Nov-23. Total exports contracted by -0.2%yoy in Nov-23, after two months of positive gains since Sept-23. This was mainly attributed to the slow growth of Machinery, Transport Equipment by -6.1%yoy which contributed 59.0% to the total exports. By country, outbound shipments to ASEAN, China, and South Korea remained in a contraction of -5.6%yoy, -2.2%yoy, and -9.8%yoy respectively.
- South Korea’s producer prices increased marginally by +0.6%yoy in Nov-23, (Oct-23: +0.7%yoy) the softest in four

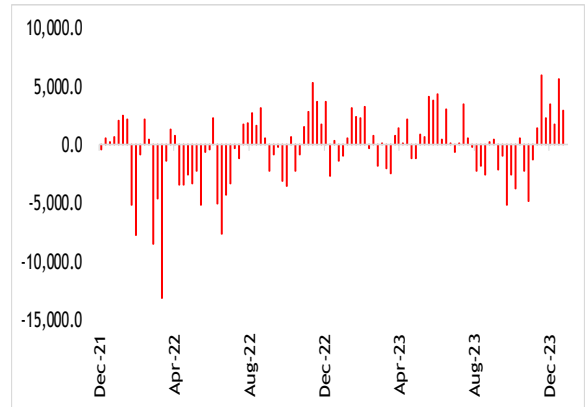
Table 1 Weekly Performance of Global Benchmark Indices (%)		
Index	Last Price	Change (%)
FTSE 100	7,697.51	1.60
KOSPI	2,599.51	1.40
Nasdaq	14,992.97	1.21
SET	1,405.09	1.01
ASX 200	7,501.55	0.79
Straits Times	3,140.32	0.76
S&P 500	4,754.63	0.75
JCI	7,237.52	0.65
Nikkei 225	33,169.05	0.60
PSEi	6,501.00	0.35
Dow Jones	37,385.97	0.22
Stoxx Europe 600	477.60	0.21
Ho Chi Minh VSE	1,103.06	0.07
Shenzhen CSI 300	3,337.23	-0.13
DAX 40	16,706.18	-0.27
CAC 40	7,568.82	-0.37
TAIEX	17,596.63	-0.44
Sensex	71,106.96	-0.53
FBM KLCI	1,454.38	-0.55
Hang Seng	16,340.41	-2.69

Source: Bloomberg

months. The moderation was mainly attributed to the further contraction of manufacturing industry products at -1.3%yoy, eight straight months of negative rate.

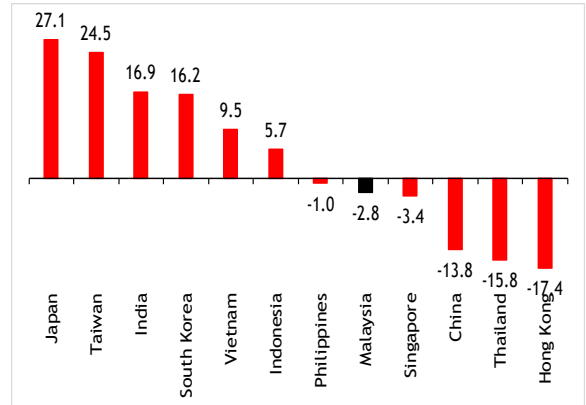
- Singapore’s non-oil domestic exports (NODX) expanded +1.0%yoy in Nov-23, ending over a year of contraction but still below market expectations of +2.3%yoy. Overseas sales of non-electronic products (share: 80%) ended a decline of 13 consecutive months, expanding by +5.2%yoy. However, exports of electronic products remained in contractionary form for the 16th straight month at -12.7%yoy. By destination, exports to China (share: 15.2%) grew by +13.7%yoy (Oct-23: +38.4%yoy).
- Malaysia’s headline inflation rate registered +1.5%yoy in Nov-23, the lowest since Feb-21, coming in below consensus expectations of +1.7%yoy. The non-food inflation rate remained at +0.9%yoy while the food inflation rate dived to a two-year low at +2.6%yoy. The softening inflationary pressure among others was due to high base effects, normalisation of global commodity prices, and supportive fiscal policies. Core inflation rate was recorded lower at +2.0%yoy yet still above the pre-pandemic average of +1.7%.
- The total trade in Malaysia declined for the ninth consecutive month, falling by -2.4%yoy in Nov-23. The lower trade was mainly underpinned by a sharper export fall, which caused the trade surplus to shrink to a 3.5-year low of RM12.4b. Exports fell sharper by -5.9%yoy due to weakness in E&E shipments as well as a sharper fall in exports to major destinations like China and the US.
- The Ringgit appreciated against the US Dollar by +0.88% to close at RM4.6285 on Friday. The Brent crude oil price declined -7.11% to USD79.07 per barrel while the crude palm oil price rose +0.73% to RM3,738.00 per tonne.

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



Sources: Bloomberg & MIDFR

Chart 2 YTD Performance of Asian Benchmark Indices (%)

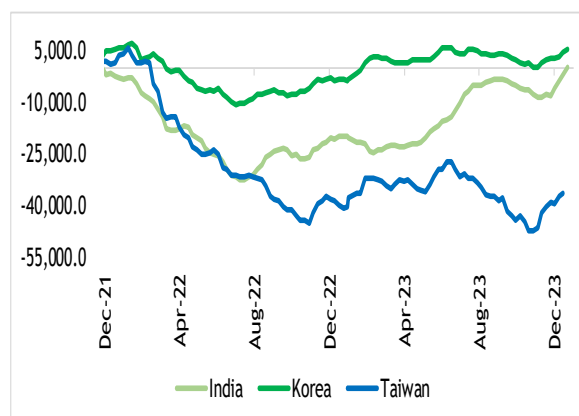


Sources: Bloomberg & MIDFR

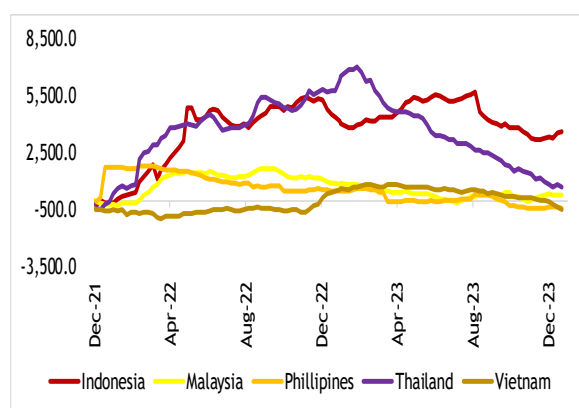
B. TRACKING MONEY FLOW - ASIA

- The net inflow of foreign funds into Asia stretched to its seventh consecutive week at USD2.89b. This was driven mainly by inflows into India. The countries that recorded net foreign outflows last week were Vietnam, Thailand, and the Philippines.
- Most foreign funds flowed into India, marking the fourth consecutive week of inflows totalling USD1.75b. The largest portion of the inflow, amounting to USD1.23b, occurred on Monday. This followed the International Monetary Fund’s (IMF) statement projecting India’s economy to grow at +6.3% in the current and next fiscal year. The IMF cited macroeconomic and financial stability, the country’s digital public infrastructure, and a robust government infrastructure program as key factors sustaining growth, as per its Article IV consultation report.
- Taiwan experienced its second consecutive week of net foreign inflow, totalling USD643.1m. Taiwan’s export orders saw the first increase in 15 months in Nov-23, rising by +1.0%yoy (Oct-23: -4.6%yoy) to reach USD50.63b. This uptick was driven by increased purchases from shoppers in the United States and mainland China ahead of the year-end holiday season. However, the government anticipates a contraction in growth again in Dec-23.
- South Korea registered its seventh consecutive week of foreign fund inflows, amounting to USD601.6m. After an eight-year hiatus, South Korea and Japan engaged in high-level economic talks on Thursday. This marks a positive development in their relationship, driven by shared geopolitical concerns. The talks, initiated in 1999, had been stalled since 2016 due to historical disputes related to Japan’s 1910-1945 occupation of Korea. Since assuming office in 2022, South Korean President Yoon Suk Yeol has prioritised efforts to mend ties with Tokyo.

- Indonesia experienced foreign fund inflows for the second consecutive week, totalling USD93.3m. Bank Indonesia kept the interest rate unchanged at 6.00% in its final monetary policy meeting of 2023. The central bank cited the strengthening and stabilisation of the rupiah and the pre-emptive effort to quell inflation as the main factor for the decision. Meanwhile, the overnight deposit and lending facility rates were also kept at 5.25% and 6.75% respectively.
- On the other hand, Vietnam continued to register foreign fund outflows for the seventh consecutive week, amounting to -USD110.6m. In CY23, Vietnam achieved a record trade surplus of USD26.0b, nearly triple the previous year's figure, according to Deputy Minister of Industry and Trade Phan Thi Thang. Despite a -4.6%yoy decrease in total exports, amounting to USD354.5b, the 2HCY23 witnessed a recovery. Thang anticipates an improved export situation in CY24, citing current free trade agreements (FTAs) and the finalisation of trade deals with new markets like Israel and the United Arab Emirates.
- Foreign investors became net sellers in Thailand, with net sales amounting to -USD106.9m. Thailand's exports grew at a moderate pace by +4.9%yoy in Nov-23, sustaining its expansionary form for the fourth consecutive month. As of 11MCY23, exports contracted by -2.1%, and imports fell by -3.4%. Import increased by +10.1%yoy in Nov-23. This marks the second month in a row of increase in domestic demand among others attributed to the outcome of the new government's attempt to offer cash handouts.
- For the second consecutive week, the Philippines experienced foreign funds exiting, totalling -USD13.0m. In a bid to stabilise the economy, the Philippines central bank has opted to keep its inflation target range of +2.0% to +4.0% unchanged through CY26. Despite a surge to +8.7% earlier in the year - the highest since the 2008 financial crisis - efforts are being made to address the impact on consumer goods and households' purchasing power. Nov-23 saw a slight improvement, with inflation easing to +4.1%, but the year-to-date figure remains at +6.2%, still above the central bank's targeted range for CY23.

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


Sources: Bloomberg & MIDFR

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


Sources: Bloomberg & MIDFR

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

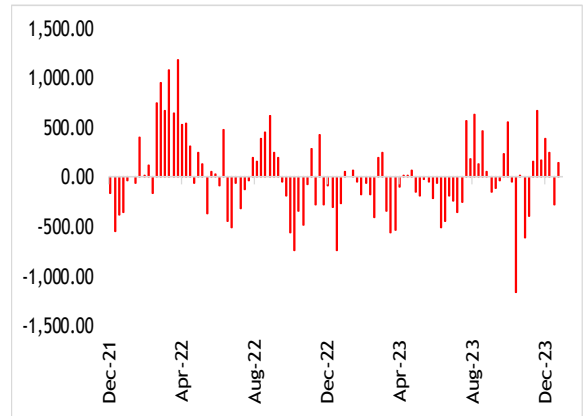
Period	India	Indo	Korea	M'sia	Phil	Taiwan	Thai	Viet	Total
MTD (Dec-23)	6,879.6	296.3	1,994.4	19.6	12.0	2,535.8	-94.6	-429.8	11,213.3
1Q23	-3,200.4	445.4	5,469.6	-421.8	-518.3	7,970.2	-1,645.6	252.6	8,351.8
2Q23	12,492.0	644.8	2,474.7	-506.4	51.0	3,277.1	-1,461.2	-265.5	16,706.5
3Q23	5,382.2	-1,399.9	-1,635.9	488.1	-261.9	-13,427.4	-1,419.8	-331.9	-12,606.4
QTD (4Q23)	5,009.5	-230.2	2,754.0	-108.5	-140.2	6,287.7	-1,073.5	-700.6	11,798.2
YTD	19,683.4	-539.9	9,062.4	-548.5	-869.4	4,107.6	-5,600.1	-1,045.4	24,250.1

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

C. TRACKING MONEY FLOW - MALAYSIA

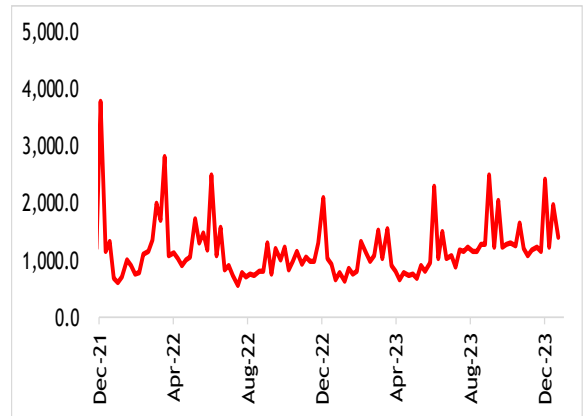
- For the second consecutive week, foreign investors remained net buyers of domestic equities on Bursa Malaysia, with a total of RM112.3m. During the week, every trading day except Monday witnessed a net foreign inflow. Foreigners were net sellers on Monday at -RM26.5m. The stocks experiencing the most outflows on this day were Public Bank (-RM37.2m), RHB Bank (-RM27.4m), and Gamuda (-RM14.0m).
- For the week, the top three sectors with the highest net foreign inflows were Financial Services (RM202.0m), Technology (RM23.3m), and Property (RM18.3m), while the top three sectors with the highest net foreign outflows were Healthcare (-RM69.4m), Consumer Products & Services (-RM40.7m) and Utilities (-RM28.2m).
- After two consecutive weeks of net buying, local institutions switched to being net sellers at -RM106.7m. The sector that recorded the highest net outflows by this investor group was Financial Services (-RM384.3m).
- Local retailers continued to be net sellers of domestic equities for two consecutive weeks, totalling -RM5.6m. This amount was significantly more moderate compared to the previous week's figure of -RM225.5m.
- In terms of participation, there were marginal increases in average daily trading volume (ADTV) among local retailers (+0.9%), and local institutions (+0.4%), but a decline among foreign investors (-29.0%).

Chart 5 Net Foreign Fund Flows into Malaysian Equity Since Dec-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			
	Bought	Sold	Net	Bought	Sold	Net	Bought	Sold	Net	*Net (USD'b)
MTD (Dec-23)	9.63	9.74	-0.12	15.36	15.33	0.03	12.42	12.33	0.09	0.02
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)	33.14	33.52	-0.37	51.55	50.63	0.91	42.05	42.59	-0.54	-0.11
YTD	133.35	134.34	-0.99	214.39	210.89	3.50	144.58	147.09	-2.50	-0.55

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 22 DECEMBER 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
Malayan Banking	89.5	Tenaga Nasional	78.9	Malayan Banking	176.1
RHB Bank	32.3	YTL Power Int.	47.8	CIMB Group Holdings	133.9
Top Glove Corp.	18.7	KPJ Healthcare	32.7	Frontken Corp.	36.4
Careplus Group	11.5	Gamuda	30.0	YTL Corp.	32.2
LKL International	10.3	Telekom Malaysia	29.4	Petronas Gas	22.9
YNH Property	10.3	QL Resources	27.0	CelcomDigi	22.2
Pertama Digital	10.2	Genting Malaysia	26.7	Genting	15.3
Hartalega	7.7	My E.G. Services	23.1	Velesto Energy	14.0
Kossan Rubber Industries	6.8	RHB Bank	19.4	Sime Darby	12.7
MBM Resources	6.0	Malaysia Airports	16.8	IJM Corp.	9.9
Top 10 Stocks with Weekly Net Outflows					
Company	Value	Company	Value	Company	Value
Boustead Plantations	-20.3	Malayan Banking	-318.6	RHB Bank	-89.9
Tenaga Nasional	-20.2	CIMB Group Holdings	-111.3	Tenaga Nasional	-45.6
Genting Malaysia	-16.2	YTL Corp.	-23.3	YTL Power Int.	-33.0
Public Bank	-15.8	Petronas Gas	-21.9	KPJ Healthcare	-29.2
Chin Hin Group	-15.1	CelcomDigi	-21.8	Gamuda	-22.5
CIMB Group Holdings	-13.5	Top Glove Corp.	-21.1	QL Resources	-22.4
UEM Sunrise	-11.9	Hextar Global	-16.4	Inari Amertron	-20.3
Inari Amertron	-10.0	Velesto Energy	-15.6	Telekom Malaysia	-19.0
Dialog	-7.7	Genetec Tech.	-13.5	Press Metal	-15.8
YTL Corp.	-7.6	Hong Leong Bank	-12.4	Malaysia Airports	-15.5

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

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

Company	%	YTD %	Company (cont'd)	%	YTD %	Company (cont'd)	%	YTD %
Automotive			Padini	8.6	-9.5	Suria Capital	5.8	-7.9
Bermaz Auto	14.8	-6.9	QL Resources	9.4	-7.8	Westports Holdings	27.1	-1.5
MBM Resources	1.9	11.8	Rhong Khen International	62.2	0.0	Property		
Tan Chong	10.6	-1.9	Spritzer	14.9	-19.5	Eco World	29.3	1072.0
UMW Holdings	6.7	21.8	Gloves			Glomac	4.2	0.0
Aviation			Hartalega	15.4	-18.1	IOI Properties	4.6	21.1
Capital A	15.7	-14.7	Kossan	10.9	-5.2	Mah Sing	19.0	33.8
Malaysia Airports	25.2	27.9	Top Glove	28.7	-11.7	Matrix Concepts	10.7	-
Banking			Healthcare			S P Setia	14.3	130.6
Affin Bank	26.2	-0.4	IHH Healthcare	49.5	-0.6	Sunway	5.0	-3.8
Alliance Bank	19.7	-10.0	KPJ Healthcare	9.8	66.1	UOA Development	3.6	-5.3
AMMB Holdings	39.0	-2.3	Pharmaniaga	0.4	-66.7	REITs		
Bank Islam	0.6	-70.0	Logistics			Al-'Aqar Healthcare	0.6	50.0
CIMB Group	29.9	-1.0	CJ Century	57.8	0.7	Axis REIT	15.2	-5.0
Hong Leong Bank	10.3	-7.2	Swift Haulage	13.0	0.0	IGB REIT	3.7	-22.9
Hong Leong Financial	31.3	-3.7	Tasco	66.2	0.5	KLCCP Stapled	0.7	-22.2
Malayan Banking	18.7	4.5	Non-bank Financials			Pavilion REIT	32.9	-3.2
Public Bank	26.8	-3.2	Bursa Malaysia	14.4	-8.9	Sunway REIT	4.8	-37.7
RHB Bank	14.9	-13.4	AEON Credit	68.7	-2.4	Solar EPCC		
Building Materials			Oil & Gas			Pekat	1.2	-
Cahaya Mata Sarawak	7.4	-15.9	Bumi Armada	13.2	-21.4	Samaiden	11.3	-
Malayan Cement	4.5	60.7	Deleum	4.2	40.0	Sunview	11.0	-
Conglomerate			Dialog	19.6	-5.8	Technology		
YTL Corporation	23.2	29.6	Gas Malaysia	19.7	-0.5	D & O Green Tech	34.8	-1.7
Construction			MMHE	8.5	-10.5	Datasonic	6.0	1.7
Gamuda	24.4	45.2	Petronas Chemicals	8.8	-15.4	Globetronics	3.7	-7.5
IJM Corp	13.8	17.9	Petronas Dagangan	7.7	1.3	Inari Amertron	20.5	12.0
KKB Engineering	0.3	0.0	Petronas Gas	9.8	4.3	My E.G. Services	13.3	-7.0
MRCB	7.7	-8.3	Plantation			Unisem	2.2	-4.3
Pintaras Jaya	0.0	-100.0	FGV Holdings	4.0	-4.8	Telecommunication		
Sunway Construction	1.9	46.2	Genting Plantations	4.5	-16.7	Axiata	10.0	-9.9
WCT Holdings	6.8	19.3	IOI Corp	11.0	-0.9	CelcomDigi	59.9	0.5
Consumer			KL Kepong	14.1	5.2	Maxis	7.7	10.0
AEON Co.	54.2	-1.1	PPB Group	21.5	0.5	Telekom Malaysia	11.9	-4.0
Asia File	3.6	-37.9	Sarawak Plantation	2.7	17.4	Utilities		
Fraser & Neave	61.3	0.7	Sime Darby Plantation	9.7	-2.0	Ranhill Utilities	11.1	-65.6
Hup Seng Industries	1.9	0.0	Ta Ann	13.7	-2.1	Tenaga Nasional	13.7	10.5
Leong Hup	10.6	-13.1	TSH Resources	19.5	-7.6	YTL Power	11.0	96.4
MSM Malaysia	1.7	-5.6	Port & Shipping					
Nestlé (Malaysia)	82.0	-0.7	MISC	9.6	5.5			

Source: Dibots (estimated from the latest half yearly filings by PLC to Bursa Malaysia and calculated by the demography movement daily).

DISCLAIMER

This report has been prepared by MIDF AMANAH INVESTMENT BANK BERHAD (197501002077 (23878-X)). It is for distribution only under such circumstances as may be permitted by applicable law.

Readers should be fully aware that this report is for information purposes only. The opinions contained in this report are based on information obtained or derived from sources that we believe are reliable. MIDF AMANAH INVESTMENT BANK BERHAD makes no representation or warranty, expressed or implied, as to the accuracy, completeness or reliability of the information contained therein and it should not be relied upon as such.

This report is not, and should not be construed as, an offer to buy or sell any securities or other financial instruments. The analysis contained herein is based on numerous assumptions. Different assumptions could result in materially different results. All opinions and estimates are subject to change without notice. The research analysts will initiate, update and cease coverage solely at the discretion of MIDF AMANAH INVESTMENT BANK BERHAD.

The directors, employees and representatives of MIDF AMANAH INVESTMENT BANK BERHAD may have interest in any of the securities mentioned and may benefit from the information herein. Members of the MIDF Group and their affiliates may provide services to any company and affiliates of such companies whose securities are mentioned herein

This document may not be reproduced, distributed or published in any form or for any purpose.



MIDF RESEARCH is part of
MIDF Amanah Investment Bank Berhad (197501002077 (23878-X))
(Bank Pelaburan)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Business Address:
11th Floor, Menara MIDF,
82, Jalan Raja Chulan, 50200
Kuala Lumpur.
Tel: 2173 8888
Fax: 2173 8380