

# FUND FLOW REPORT

(Week ended 8 December 2023)

*Getting a sense of the pivot*

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

**GETTING A SENSE OF THE PIVOT**
**A. MARKET SNAPSHOT**

- The Federal Open Market Committee (FOMC) meeting this Wednesday will be the focus of the week as policymakers decide on the direction of its monetary policy. While no surprises are expected in this meeting, with the consensus pointing at the Fed maintaining rates, investors are keen to get a sense of the Fed's direction next year on the expected pause. The CME FedWatch Tool showed a 97.1% probability that rates would be maintained in the Dec-23 meeting and 93.2% in the Jan-24 meeting.
- In Nov-23, non-farm payrolls saw an addition of +199K jobs (Oct-23: +150k), which was higher than expected while the unemployment rate fell from 3.9% to 3.7%, which may signal that the economy is still able to endure high interest rates.
- Out of the 20 indices monitored, 14 registered gains for the week. The top three performers were India's Sensex (+3.47%), the CAC 40 (+2.46%), and the DAX 40 (+2.21%). The top decliners were the Nikkei 225 (-3.36%), Hang Seng (-2.95%), and the CSI 300 (-2.40%). The FBM KLCI declined -0.99% to 1,441.97 points.
- In the US, the ISM services PMI rose to 52.7 in Nov-23 (Oct-23: 51.8), better than market expectations of 52.0 and extending the sector's expansion for the 11th consecutive month. Business activities increased to 55.1 (Oct-23: 54.1) as new orders sustained their expansionary trend, remaining unchanged at 55.5. The sustained expansion in new orders was partly supported by better external demand as export orders rebounded to the expansionary territory at 53.6 (Oct-23: 48.8).
- China's Services PMI rose to 51.5 in Nov-23 (Oct-23: 50.4), the highest in three months. The rise marked the 11th consecutive month of expansion in services activity in China. The pace of growth in new orders increased to the highest level since Sept-23, indicating stronger domestic spending last month. In contrast, the NBS non-manufacturing PMI decreased to 50.2 in Nov-23, signalling slower growth in the sector but remained above the expansionary line. Input price fell to the smallest pace since Jun-22. The decrease in input price was mainly attributed to higher labour and raw material costs.
- China's export growth was better than expected in Nov-23, rebounding to expansionary mode at +0.5%yoy (Oct-23: -6.4%yoy; market forecasts: -1.1%yoy) and ending six consecutive months of contraction. China's exports to the US ended 15 months of contraction, expanding by +7.3%yoy (Oct-23: -8.2%yoy) while improvement was also recorded in exports to ASEAN which fell slower by -7.1%yoy (Oct-23: -15.1%yoy), the softest decline in the seven months of contraction with shipments to Malaysia also declining at softer pace (Nov-23: -14.5%yoy; Oct-23: -17.5%yoy).
- Retail sales in the euro area contracted slower by -1.1%yoy in Oct-23 (Sep-23: -2.9%yoy), marking the 13-month straight of decline. The slower contraction was mainly attributed to the smaller drop in sales of non-food products including fuel (Oct-23: -0.6%yoy; Sep-23: -3.9%yoy). This was also supported by increased spending on goods other than fuel and motor vehicles.
- Malaysia's S&P Global Manufacturing PMI grew to 47.9 in Nov-23 (Oct-23: 46.8), the highest reading in

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

Index	Last Price	Change (%)
Sensex	69,825.60	3.47
CAC 40	7,526.55	2.46
DAX 40	16,759.22	2.21
Ho Chi Minh VSE	1,124.44	2.02
ASX 200	7,194.92	1.72
JCI	7,159.60	1.41
Stoxx Europe 600	472.26	1.30
Nasdaq	14,403.97	0.69
Straits Times	3,110.73	0.66
KOSPI	2,517.85	0.51
FTSE 100	7,554.47	0.33
S&P 500	4,604.37	0.21
SET	1,380.99	0.05
Dow Jones	36,247.87	0.01
PSEi	6,234.77	-0.17
TAIEX	17,383.99	-0.31
<b>FBM KLCI</b>	<b>1,441.97</b>	<b>-0.99</b>
Shenzhen CSI 300	3,399.46	-2.40
Hang Seng	16,334.37	-2.95
Nikkei 225	32,307.86	-3.36

Source: Bloomberg

seven months but continued to signal contraction in the overall manufacturing sector activities for the 15th straight month. The improvement in Nov-23 was mainly underpinned by a slower fall in output and demand conditions.

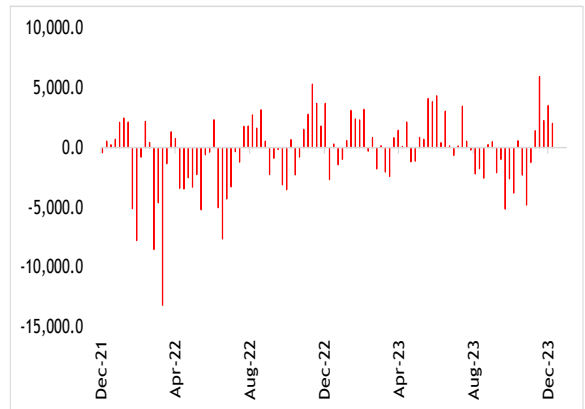
- Meanwhile, Malaysia’s retail sales rebounded and rose by +2.7%yoy in 3QCY23 (2QCY23: -4.0%yoy), according to the Retail Group Malaysia (RGM) report. The performance even surpassed the estimated +1.4%yoy growth. The rebound in 3Q retail sales was underpinned by the sustained pick-up in domestic demand, on the back of healthy labour market conditions, as well as increased tourism spending.
- The labour market in Malaysia continued improving as the unemployment rate was kept at a post-pandemic low of 3.4% in Oct-23. Labour force and employment growth rates continued moderating pace of +1.7%yoy and +2.0%yoy, respectively, the slowest in two years. On a month-on-month basis, employment grew +0.2%mom, marking 28 straight months of positive gains.
- The Ringgit appreciated against the US dollar by -0.19% to close at RM4.6645 on Friday. The Brent crude oil price declined -10.9% to USD75.84 per barrel while the crude palm oil price declined -3.28% to RM3,769.00 per tonne.

**B. TRACKING MONEY FLOW - ASIA**

- The flow of foreign funds into Asia stretches into its fifth consecutive week as foreign investors net bought USD1.74b of equities last week in the eight markets that we monitor. India was the main driver of the inflows last week while net selling was seen in Taiwan, Vietnam, Thailand, Indonesia, and Malaysia.
- India dominated net foreign inflows for the second consecutive week, recording USD2.01b. On Friday, India’s central bank increased its growth projection to +7.0% (from +6.5%) for the current fiscal year, following robust growth in the Jul-Sep quarter. Despite this, inflation uncertainties led the six-member monetary policy committee to maintain the repo rate at 6.50% for the fifth consecutive meeting.
- South Korea ranked second last week, attracting a net foreign inflow of USD389.1m. The country has experienced inflows for the past five consecutive weeks. According to the Bank of Korea, the real GDP, adjusted for inflation, grew by +0.6%qoq in 3QCY23. The figure remained unchanged from the preliminary estimate in Oct-23, showing a third consecutive quarter upward trend following a -0.3% decline in 4QCY22.
- The Philippines witnessed its third consecutive week of net foreign inflows, totalling USD1.3m. In Nov-23, the Philippines’ overall inflation dropped to +4.1% (Oct-23: +4.9%), aligning with Bangko Sentral ng Pilipinas (BSP) forecast of +4.0% to +4.8%. The year-to-date overall inflation rate stands at +6.2%. The decline was primarily driven by lower inflation in food and non-alcoholic beverages, transport, and restaurants and accommodation services.
- Taiwan experienced the highest net foreign outflows last week at -USD251.5m, marking a break in a four-week streak of seeing inflows. Taipei’s Ministry of Finance stated that Taiwan’s exports rebounded into positive territory in Nov-23, rising by +3.8%. This turnaround comes after the first gain in 13 months recorded in Sep-23, followed by a contraction in Oct-23. It is suggested that hi-tech giants on the island have reportedly managed inventory levels that had accumulated during the pandemic-

**Chart 1**

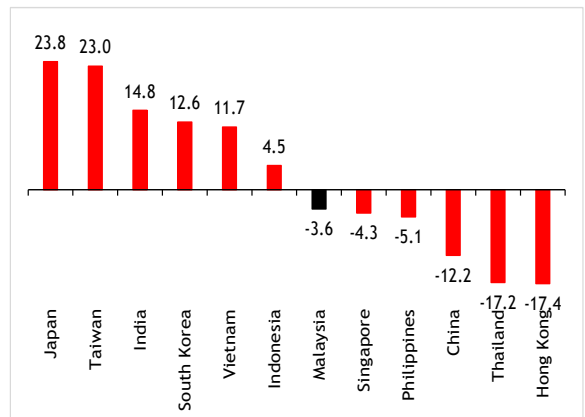
**Net Foreign Fund Flows into Equity in 8 Asian Markets Since Dec-21 (USD'm)**



Sources: Bloomberg & MIDFR

**Chart 2**

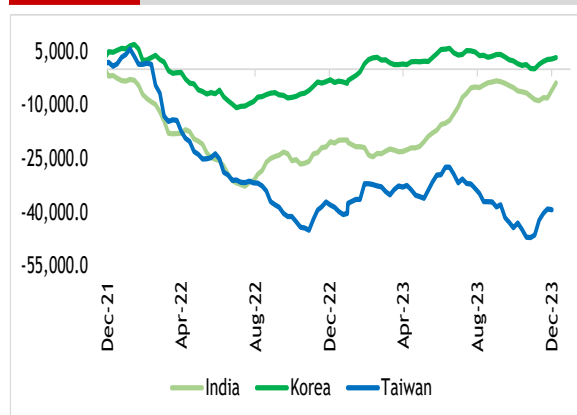
**YTD Performance of Asian Benchmark Indices (%)**



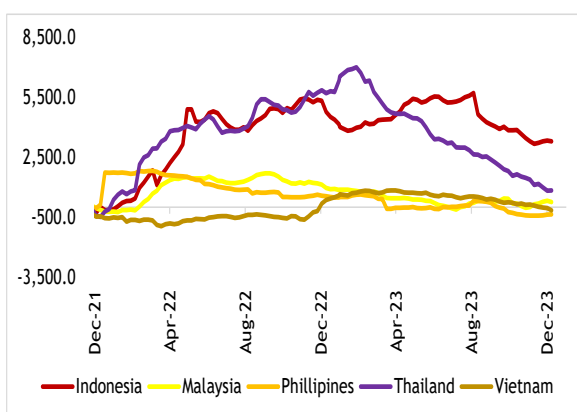
Sources: Bloomberg & MIDFR

driven surge in telework and telestudy purchases.

- Vietnam experienced the second-highest outflow last week at -USD141.9m, marking its fifth consecutive week of outflow. In the last month, Vietnam's exports recorded a +6.7%yoy increase, driven by growth in computer and machinery shipments. However, trade prospects for the remainder of the year are uncertain due to weak demand. The Manufacturing Purchasing Managers' Index contracted further to 47.3 last month, indicating a contraction in both output and new orders.
- Foreigners continued to sell Thai equities for the third consecutive week, recording an outflow of -USD135.2m last week. The Trade Policy and Strategy Office reported that Thailand's headline inflation rate in Nov-23 contracted for the second consecutive month, reaching a 33-month low. The Nov-23 inflation index was 107.45, down -0.25%mom and -0.44%yoy. The year-to-date headline inflation for the period from Jan-23 to Nov-23 is +1.41%.
- Indonesia recorded an outflow of -USD69.5m last week, ending a streak of three consecutive weeks of inflows. The Institute for Development of Economic and Finance (INDEF) forecasts Indonesia's economic growth at +4.8% in CY24, lower than the government's projection of +5.2%. The anticipated slowdown aligns with global economic deceleration amid geopolitical crises. INDEF predicts a decline in people's purchasing power in CY24, and credit growth to the real sector is expected to moderate due to Bank Indonesia's high benchmark interest rate and the windfall from rising commodity prices until year-end.

**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)

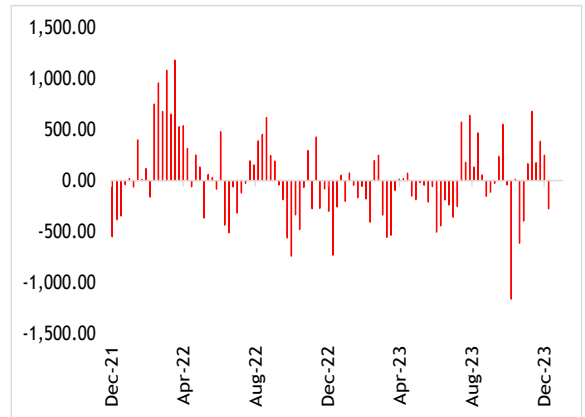
Period	India	Indo	Korea	M'sia	Phil	Taiwan	Thai	Viet	Total
MTD (Dec-23)	3,179.7	-55.7	192.5	-35.4	26.3	-271.6	-142.8	-154.6	2,738.5
1Q23	-3,200.4	445.4	5,469.6	-421.8	-518.3	7,970.2	-1,645.6	252.6	8,351.8
2Q23	12,492.0	644.8	2,474.7	-506.4	51.0	3,277.1	-1,461.2	-265.5	16,706.5
3Q23	5,382.2	-1,399.9	-1,635.9	488.1	-261.9	-13,427.4	-1,419.8	-331.9	-12,606.4
QTD (4Q23)	1,309.6	-582.2	952.1	-163.4	-125.9	3,480.3	-1,121.7	-425.4	3,323.4
YTD	15,983.5	-891.9	7,260.5	-603.5	-855.1	1,300.2	-5,648.2	-770.2	15,775.3

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

C. TRACKING MONEY FLOW - MALAYSIA

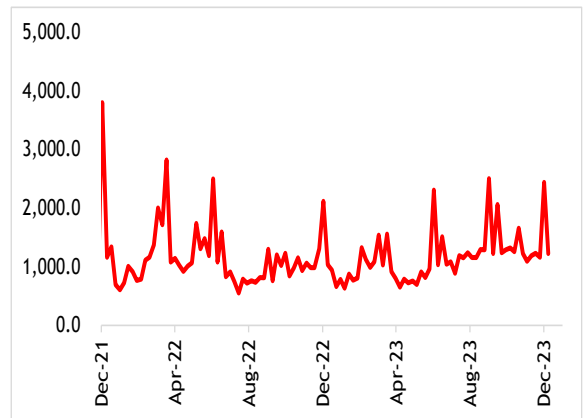
- Foreign investors reversed their five-week net buying streak, registering net selling of -RM276.4m last week. The peak net selling occurred on Thursday at -RM95.4m, followed by Monday at -RM92.5m, while the remaining days of the week saw outflows of less than -RM40.0m.
- The top three sectors with net foreign inflows last week were Utilities (RM118.5m), Property (RM19.1m), and Construction (RM9.4m), while the top three sectors with net foreign outflows were Consumer Products & Services (-RM191.3m), Transport & Logistics (-RM62.3m) and Industrial Products & Services (-RM48.4m).
- In contrast, local institutions switched to net buyers at RM194.0m after five consecutive weeks of net selling. Every trading day recorded net buying except for Tuesday when there was an outflow of -RM21.4m. On that day, local institutions were observed selling shares of CIMB Group (-RM25.5m), YTL Power (-RM16.7m), and Public Bank (-RM15.3m).
- Local retailers sustained their net buying of domestic equities for the second consecutive week, totalling RM82.4m. This represents a significantly moderated rate compared to the RM210.9m net buying recorded in the previous week.
- In terms of participation, there were declines in average daily trading volume (ADTV) across the board - local retailers (-15.3%), local institutions (-16.4%), and foreign investors (-49.9%).

**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			*Net (USD'b)
	Bought	Sold	Net	Bought	Sold	Net	Bought	Sold	Net	
MTD (Dec-23)	3.26	3.14	0.11	4.88	4.83	0.05	3.78	3.95	-0.16	-0.04
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)	26.78	26.92	-0.14	41.07	40.13	0.94	33.41	34.21	-0.80	-0.16
YTD	126.98	127.74	-0.76	203.91	200.39	3.52	135.95	138.71	-2.76	-0.60

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 DECEMBER 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
UMW Holdings	15.8	Tenaga Nasional	66.4	YTL Corp.	83.6
Pertama Digital	14.5	Nestle (Malaysia)	49.5	YTL Power Int.	53.5
Guan Chong	11.6	Press Metal	47.3	Malayan Banking	41.8
Capital A	10.4	Boustead Plantations	41.6	Public Bank	41.2
RHB Bank	10.1	Malaysia Airports	40.9	Genting	34.0
Top Glove Corp.	9.9	RHB Bank	40.3	CIMB Group Holdings	31.3
Malayan Banking	9.2	TIME dotCom	36.1	Telekom Malaysia	24.8
Dialog	8.2	IHH Healthcare	30.7	Sime Darby Property	24.2
Gamuda	7.2	Ajiya	29.8	Gas Malaysia	16.3
UEM Sunrise	7.1	Hong Leong Bank	29.6	Genting Malaysia	12.3
<b>Top 10 Stocks with Weekly Net Outflows</b>					
Company	Value	Company	Value	Company	Value
Boustead Plantations	-43.9	Malayan Banking	-48.2	RHB Bank	-66.1
YTL Corp.	-32.2	YTL Power Int.	-47.8	Nestle (Malaysia)	-58.0
Tenaga Nasional	-14.5	Public Bank	-37.9	UMW Holdings	-57.6
Genting	-13.9	Sime Darby Property	-30.0	Tenaga Nasional	-47.6
CPE Technology	-9.1	YTL Corp.	-29.5	Malaysia Airports	-46.9
YTL Power Int.	-7.3	Telekom Malaysia	-24.0	Press Metal	-43.4
Dayang Enterprise	-5.6	CIMB Group Holdings	-22.5	TIME dotCom	-39.3
Jentayu Sustainables	-5.1	Hextar Global	-17.5	Hong Leong Bank	-29.7
Muhibbah Engineering	-3.9	Guan Chong	-17.3	IHH Healthcare	-28.8
Aeon Co. (M)	-3.3	Gas Malaysia	-16.7	Petronas Dagangan	-25.1

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 %
<b>Automotive</b>			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	<b>Property</b>		
Tan Chong	10.6	-1.9	Spritzer	14.9	-19.5	Eco World	29.3	1072.0
UMW Holdings	6.7	21.8	<b>Gloves</b>			Glomac	4.2	0.0
<b>Aviation</b>			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	-
<b>Banking</b>			<b>Healthcare</b>			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	<b>REITs</b>		
Bank Islam	0.6	-70.0	<b>Logistics</b>			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	<b>Non-bank Financials</b>			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	<b>Solar EPCC</b>		
<b>Building Materials</b>			<b>Oil &amp; Gas</b>			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	-
<b>Conglomerate</b>			Dialog	19.6	-5.8	<b>Technology</b>		
YTL Corporation	23.2	29.6	Gas Malaysia	19.7	-0.5	D & O Green Tech	34.8	-1.7
<b>Construction</b>			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	<b>Plantation</b>			Unisem	2.2	-4.3
Pintaras Jaya	0.0	-100.0	FGV Holdings	4.0	-4.8	<b>Telecommunication</b>		
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
<b>Consumer</b>			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	<b>Utilities</b>		
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	<b>Port &amp; Shipping</b>					
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).

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