

FUND FLOW REPORT

(Week ended 16 February 2024)

Lingering rate cut timing uncertainty

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LINGERING RATE CUT TIMING UNCERTAINTY

A. MARKET SNAPSHOT

- Despite lingering uncertainties surrounding the Federal Reserve's (Fed) rate cut plans, most major indices saw gains last week. U.S. consumer prices surged at the beginning of the year, dampening expectations for a sustained decline in inflation and probably postponing any interest rate cuts by the Fed.
- The core consumer price index (CPI), which excludes food and energy prices, rose by +0.4% from Dec-23, surpassing expectations and marking the largest increase in eight months. It rose by +3.9%yoy, consistent with the previous month. Some policymakers have indicated they prefer to observe a more widespread alleviation of price pressures before considering rate cuts.
- The U.S. Commerce Department report revealed a -0.8% drop in retail sales last month, marking the largest decline since Feb-23. Winter storms were considered potential factors influencing the data, although economists emphasised a relatively robust labour market continues to support consumer spending.
- Last week, 16 out of the 20 major indices tracked showed gains, with top performers being Japan's Nikkei 225 (+4.31%), Hong Kong's Hang Seng (+3.77%), and Taiwan's TAIEX (+2.82%). Conversely, notable decliners included the Nasdaq (-1.34%), the S&P 500 (-0.42%), and Thailand's SET (-0.15%).
- U.K. inflation for Jan-24 was lower than anticipated, with underlying price pressures increasing less than expected by both markets and the Bank of England (BoE). According to the Office for National Statistics, consumer prices rose by +4.0%yoy, consistent with Dec-23's rate. Expectations were for a slight uptick to +4.1%. Services inflation, closely tied to domestic costs, accelerated to +6.5% in Jan-24, slightly below BOE's forecast of +6.6%, while remaining notably higher than core goods inflation.
- The U.K. entered a mild recession in 2HCY23, with gross domestic product (GDP) dropping by -0.3% in 4QCY23, surpassing economists' expectations of a -0.1% decline. This marks a technical recession following a -0.1% decrease in 3QCY23. Despite a +0.1% growth for the year overall, it represents the slowest annual expansion since CY09, excluding the first year of the pandemic.
- Swiss inflation unexpectedly decreased in Jan-24, potentially paving the way for earlier rate cuts by the Swiss National Bank (SNB). Consumer prices only rose by +1.3%yoy, significantly lower than the economists' forecast of +1.7%, matching Dec-23's reading. The core gauge, which excludes volatile elements like energy and food, also slowed to +1.2%. This decline is surprising given that many prices in the Swiss economy are regulated, and there was an increase in electricity prices at the start of the year.
- Japan's economy entered a technical recession as it unexpectedly contracted for two consecutive quarters due to sluggish domestic demand. This unexpected downturn caused Japan to lose its position as the world's third-largest economy, replaced by Germany. Government data revealed that GDP fell by an annualised -0.4% in the 4QCY23 period following a -3.3% decline in the previous quarter. The concerning data may raise doubts about the Bank of Japan's prediction that increasing wages will

Table 1 Weekly Performance of Global Benchmark Indices (%)

Index	Last Price	Change (%)
Nikkei 225	38,487.24	4.31
Hang Seng	16,339.96	3.77
TAIEX	18,607.25	2.82
Straits Times	3,221.94	2.67
FTSE 100	7,711.71	1.84
CAC 40	7,768.18	1.58
FBM KLCI	1,533.55	1.41
Stoxx Europe 600	491.59	1.39
JCI	7,335.55	1.39
Sensex	72,426.64	1.16
DAX 40	17,117.44	1.13
KOSPI	2,648.76	1.09
Ho Chi Minh VSE	1,209.70	0.93
PSEi	6,873.23	0.34
ASX 200	7,658.32	0.18
Shenzhen CSI 300	3,364.93	0.00
Dow Jones	38,627.99	-0.11
SET	1,386.27	-0.15
S&P 500	5,005.57	-0.42
Nasdaq	15,775.65	-1.34

Source: Bloomberg

support consumption and justify scaling back its extensive monetary stimulus.

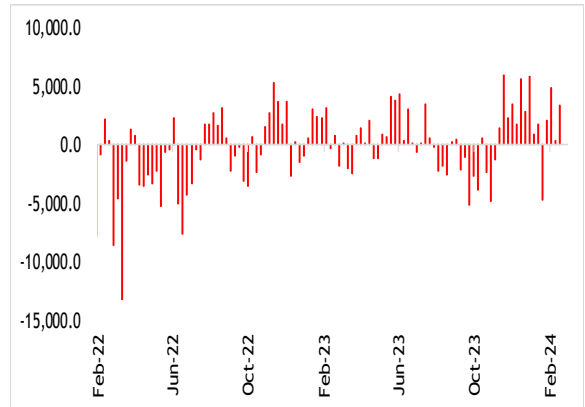
- Singapore’s economy grew at a slightly lower rate than initially projected in CY23, with manufacturing shrinking and services expanding more slowly. The final GDP figure of +1.1% from the Ministry of Trade and Industry is down from the advanced estimate of +1.2%. In 4QCY23, GDP increased by +2.2%yoy, up from +1.0%yoy in the previous quarter.
- Malaysia’s economy expanded slower than expected in the 4QCY23, with resilient household spending and investment activities offsetting subdued exports. GDP grew by +3.0% in 4QCY23, below the median forecast of +3.4%. According to Bank Negara Malaysia, growth is expected to improve, driven by resilient domestic expenditure and a recovery in external demand.
- The Ringgit depreciated against the US Dollar by -0.30% to close at RM4.7793 on Friday. The Brent crude oil price declined -1.94% to USD893.47 per barrel. The crude palm oil price rose by -0.55% to RM3,809.00 per tonne.

B. TRACKING MONEY FLOW - ASIA

- Among the eight Asian equity markets we monitor, foreign investors sustained net buying at USD3.40b, with significant inflows directed primarily to Taiwan and South Korea. Notably, the only countries experiencing outflows were Thailand, India, and Vietnam.
- Foreign investors resumed net buying in Taiwan on Thursday after the weeklong Lunar New Year break, purchasing USD1.88b last week. Investors may have continued to flock to the artificial intelligence (AI) theme, leading to a surge in shares of chipmakers and other tech firms worldwide. Taiwan’s largest company, Taiwan Semiconductor Manufacturing Co. (TSMC), experienced its highest gain in over three years on Thursday, jumping by +9.8%.
- Investors continued to favour South Korea, marking the fourth consecutive week of net foreign inflows totalling USD1.12b. The market was closed on Monday for Seollal, also known as the Korean Lunar New Year. Data from the Korea Customs Service indicates that Korea’s exports declined by nearly -15.0%yoy in the first 10 days of Feb-24, primarily attributed to fewer working days. However, sales of semiconductors surged by more than +40.0%yoy during the same period.
- Indonesia experienced net foreign inflows for the third consecutive week, amounting to USD491.2m. Foreign investors appeared to react positively to Prabowo Subianto’s presidential election victory last Wednesday. While official results will not be until Mar-24, preliminary private ballot sampling suggests Prabowo’s clear victory, potentially avoiding a runoff. He is anticipated to pursue more populist policies, potentially putting Indonesia’s fiscal strength to the test. Prabowo has pledged to continue Widodo’s policies, including prioritising the development of the exports-oriented commodities sector and he intends to move forward with the construction of a new USD32.0b new capital in Kalimantan.
- The Philippines also witnessed a net foreign inflow last week, totalling USD37.7m, marking its fourth consecutive week of such inflows. The Bangko Sentral ng Pilipinas (BSP) kept its key interest rate steady for the third consecutive meeting, maintaining the target rate at 6.50%. This decision comes despite the assessment that consumer price risks are diminishing. The BSP’s move retains borrowing costs at a nearly 17-year high, following a series of 450 basis-point hikes since May-22 to bring inflation

Chart 1

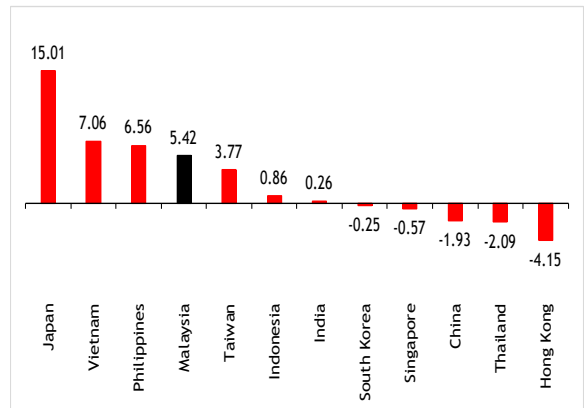
Net Foreign Fund Flows into Equity in 8 Asian Markets Since Feb-22 (USD'm)



Sources: Bloomberg & MIDFR

Chart 2

YTD Performance of Asian Benchmark Indices (%)

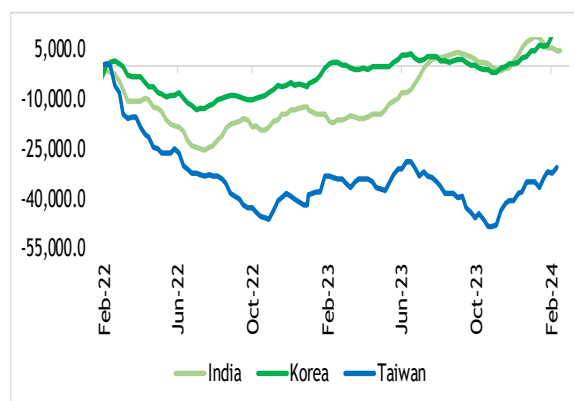


Sources: Bloomberg & MIDFR

back within the central bank’s target range of 2.0% to 4.0%.

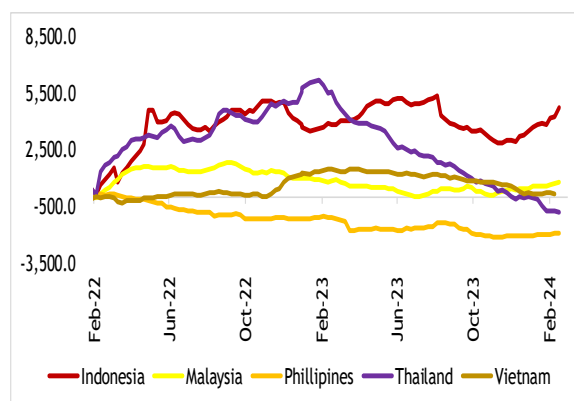
- Thailand experienced its second consecutive week of net foreign outflows, totalling -USD92.5m. Thailand’s government is determined to proceed with its postponed USD13.82b stimulus package to revitalise an economy facing a crisis, stated the deputy finance minister on Thursday. The economy is burdened primarily by high-interest rates and household debt, which are significant negative factors. According to the National Credit Bureau, debts under legal process are nearly as high as Thailand’s GDP of THB17.0t.
- India recorded its second consecutive week of outflows, totalling -USD84.1m last week. The country’s retail inflation rate dropped to a three-month low of +5.1% in Jan-24, attributed to slower price increases in some food items, as per data released on Monday. However, despite this decline, the central bank is anticipated to hold off on rate cuts as inflation remains above its target rate of +4.0%.
- Vietnam saw its third consecutive week of outflows, amounting to -USD29.6m last week. Orders are gradually returning, but Vietnamese enterprises continue to grapple with a shortage of capital stemming from difficulties in accessing financing. According to S&P Global, the Vietnam Manufacturing Purchasing Managers’ Index (PMI) rose to 50.3 in Jan-24 from 48.9 in the previous month. This marks the first expansion in factory activity since last Aug-23, driven by increases in new orders and output.

Chart 3 Net Foreign Fund Flows into North Asia and India Since Feb-22 (USD'm)



Sources: Bloomberg & MIDFR

Chart 4 Net Foreign Fund Flows into Southeast Asia Since Feb-22 (USD'm)



Sources: Bloomberg & MIDFR

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

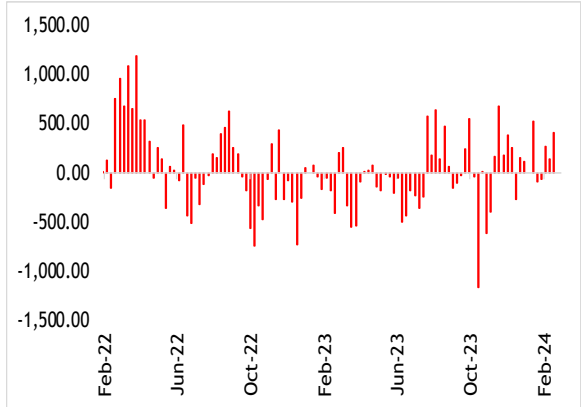
Period	India	Indo	Korea	M'sia	Phil	Taiwan	Thai	Viet	Total
Feb-24	-454.9	748.9	4,622.7	176.4	88.2	3,099.2	-2.7	-49.6	8,228.1
1Q23	-3,200.4	445.4	5,469.6	-421.8	-518.3	7,970.2	-1,645.6	252.6	8,351.8
2Q23	12,492.0	644.8	2,474.7	-506.4	51.0	3,277.1	-1,461.2	-265.5	16,706.5
3Q23	5,382.2	-1,399.9	-1,635.9	488.1	-261.9	-13,427.4	-1,419.8	-331.9	-12,606.4
4Q23	6,069.0	-43.6	4,396.8	-72.7	-134.1	9,113.0	-980.6	-681.3	17,666.5
YTD-24	-3,551.4	1,283.1	6,876.3	321.5	167.9	4,514.8	-872.7	-42.8	8,696.7

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

C. TRACKING MONEY FLOW - MALAYSIA

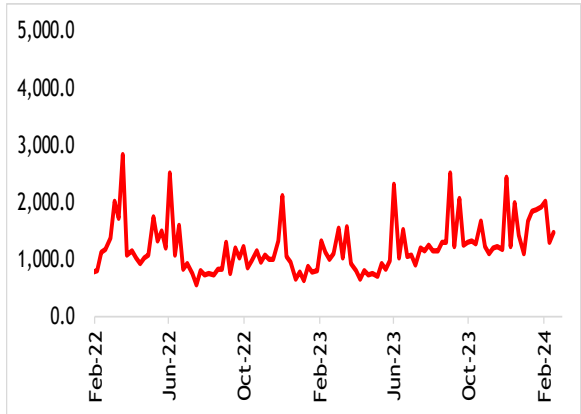
- Foreign investors sustained their net buying trend on Bursa Malaysia, with an inflow of RM352.9m, marking the fourth consecutive week of net purchases. Throughout the week, foreigners recorded net buying every day, with the highest inflow observed on Tuesday at RM193.0m, following the market’s reopening.
- The sectors with the highest net foreign inflows were Financial Services (RM143.6m), Telecommunication & Media (RM95.0m), and Technology (RM61.4m), while the sectors with the highest net foreign outflows were Utilities (-RM29.0m), REITs (-RM19.1m), and Construction (-RM16.3m).
- Local institutions continued their trend of net selling domestic equities for the fourth consecutive week, totalling RM277.5m.
- For the second consecutive week, local retailer remained consistent in their pattern of net selling domestic equities, with total sales reaching -RM75.5m last week.
- In terms of participation, there were increases in average daily trading volume (ADTV) among local retailers (+12.1%) and local institutions (+15.0%), but a decline among foreign investors (-11.4%).

Chart 5 Net Foreign Fund Flows into Malaysian Equity Since Feb-22 (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	
Feb-24	4.25	4.42	-0.17	9.13	9.80	-0.67	7.70	6.86	0.84	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
4Q23	35.65	36.00	-0.35	56.14	55.42	0.72	44.33	44.71	-0.38	-0.07
YTD-24	21.51	22.34	-0.83	39.01	39.70	-0.69	27.37	25.85	1.52	0.32

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 16 FEBRUARY 2024)
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
YTL Power Int.	20.3	Gamuda	47.5	Malayan Banking	129.5
YTL Corp.	17.7	QL Resources	35.4	Tenaga Nasional	45.5
RHB Bank	7.9	YTL Power Int.	30.2	IHH Healthcare	41.7
Oriental Holdings	7.8	Press Metal	27.8	Telekom Malaysia	39.7
V.S. Industry	7.1	Nestle (Malaysia)	26.4	MISC	33.8
Affin Bank	6.3	KPJ Healthcare	15.3	CTOS Digital	33.7
IOI Properties Group	4.6	Kuala Lumpur Kepong	14.5	IJM Corp.	32.8
Carlsberg Brewery	3.6	Tenaga Nasional	12.5	Sime Darby	31.3
Pertama Digital	3.5	Public Bank	11.9	Frontken Corp.	30.3
D & O Green Technologies	3.4	CIMB Group Holdings	11.0	IOI Properties Group	26.1
Top 10 Stocks with Weekly Net Outflows					
Company	Value	Company	Value	Company	Value
Tenaga Nasional	-48.1	Malayan Banking	-116.3	YTL Power Int.	-59.6
Malayan Banking	-16.6	CTOS Digital	-44.6	Gamuda	-43.8
CIMB Group Holdings	-9.5	IHH Healthcare	-43.7	QL Resources	-36.0
Hap Seng Consolidated	-8.6	Telekom Malaysia	-43.3	Press Metal	-33.9
Master Tec	-7.7	Sime Darby	-34.2	YTL Corp.	-31.6
Bank Islam	-7.0	IOI Properties Group	-32.1	Nestle (Malaysia)	-23.4
MNRB Holdings	-6.5	MISC	-32.0	KPJ Healthcare	-15.3
Genting Malaysia	-6.3	IJM Corp.	-31.0	Kuala Lumpur Kepong	-14.0
UEM Sunrise	-6.1	TIME dotCom	-25.0	Sunway	-10.4
Dialog	-5.7	Genting	-22.8	My E.G. Services	-9.6

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

Appendix: Foreign Shareholdings of the Companies Under Our Coverage as at Jan-24 (%)

Company	%	YTD %	Company (cont'd)	%	YTD %	Company (cont'd)	%	YTD %
Automotive			Padini	6.6	-0.2	Suria Capital	5.6	-0.02
Bermaz Auto	11.5	-0.1	QL Resources	9.5	-0.02	Westports Holdings	27.0	0.0
MBM Resources	2.2	1.8	Rhong Khen International	62.3	0.0	Property		
Tan Chong	10.6	0.0	Spritzer	14.1	-0.01	Eco World	29.6	0.01
UMW Holdings	3.4	-0.4	Gloves			Glomac	4.1	0.0
Aviation			Hartalega	15.0	-0.01	IOI Properties	5.3	0.1
Capital A	14.2	-0.1	Kossan	12.2	0.1	Mah Sing	19.7	0.1
Malaysia Airports	24.4	-0.1	Top Glove	29.2	0.0	Matrix Concepts	10.8	0.02
Banking			Healthcare			S P Setia	16.4	0.1
Affin Bank	26.7	0.02	IHH Healthcare	49.6	0.0	Sunway	5.5	0.02
Alliance Bank	19.8	0.01	KPJ Healthcare	9.8	-0.03	UOA Development	3.5	-0.03
AMMB Holdings	38.9	0.0	Pharmaniaga	0.3	-0.3	REITs		
Bank Islam	0.6	0.0	Logistics			Al-'Aqar Healthcare	0.5	-0.2
CIMB Group	31.2	0.0	CJ Century	58.1	0.0	Axis REIT	15.3	0.0
Hong Leong Bank	10.4	0.0	Swift Haulage	12.6	-0.05	IGB REIT	3.0	-0.2
Hong Leong Financial	30.9	-0.01	Tasco	66.7	0.01	KLCCP Stapled	0.5	-0.3
Malayan Banking	19.5	0.02	Non-bank Financials			Pavilion REIT	32.8	-0.01
Public Bank	27.2	0.0	Bursa Malaysia	15.0	0.05	Sunway REIT	4.7	0.0
RHB Bank	14.3	-0.03	AEON Credit	68.3	0.0	Solar EPCC		
Building Materials			Oil & Gas			Pekat	1.8	0.5
Cahaya Mata Sarawak	6.9	-0.01	Bumi Armada	14.2	0.1	Samaiden	11.4	0.0
Malayan Cement	5.2	0.1	Deleum	3.8	-0.1	Sunview	7.9	-0.2
Conglomerate			Dialog	18.7	-0.03	Technology		
YTL Corporation	24.8	0.01	Gas Malaysia	19.9	-0.01	D & O Green Tech	35.6	0.01
Construction			MMHE	8.3	0.0	Datasonic	6.0	0.0
Gamuda	25.8	0.04	Petronas Chemicals	8.7	0.0	Globetronics	2.1	-0.3
IJM Corp	16.1	0.1	Petronas Dagangan	7.2	-0.03	Inari Amertron	19.2	-0.03
KKB Engineering	0.4	0.3	Petronas Gas	10.0	0.0	My E.G. Services	12.3	-0.1
MRCB	11.4	0.4	Plantation			Unisem	2.2	0.0
Pintaras Jaya	0.2	0.0	FGV Holdings	3.8	-0.1	Telecommunication		
Sunway Construction	1.7	-0.1	Genting Plantations	5.7	0.2	Axiata	10.2	0.01
WCT Holdings	7.1	0.04	IOI Corp	11.0	0.01	CelcomDigi	59.9	0.0
Consumer			KL Kepong	13.9	-0.01	Maxis	7.8	0.0
AEON Co.	53.9	0.0	PPB Group	21.0	-0.01	Telekom Malaysia	12.3	0.03
Asia File	3.6	0.0	Sarawak Plantation	2.7	0.04	Utilities		
Fraser & Neave	61.0	0.0	Sime Darby Plantation	9.7	0.0	Ranhill Utilities	13.5	0.2
Hup Seng Industries	2.0	0.1	Ta Ann	13.6	-0.01	Tenaga Nasional	13.3	-0.01
Leong Hup	9.2	-0.1	TSH Resources	19.2	-0.01	YTL Power	12.9	0.2
MSM Malaysia	2.6	0.3	Port & Shipping					
Nestlé (Malaysia)	81.9	0.0	MISC	9.6	0.02			

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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