

FUND FLOW REPORT

(Week ended 9 February 2024)

Economic momentum fuels market rally

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ECONOMIC MOMENTUM FUELS MARKET RALLY
A. MARKET SNAPSHOT

- Most global indices closed higher last week, with many Asian markets having a shortened trading week ahead of Chinese New Year. The market rally in CY24 has been fueled by a solid earnings season, easing inflation data, and a resilient U.S. economy. This momentum has driven the S&P to close above the 5,000 level, initially touched during Thursday's session.
- Updates to the consumer price index (CPI), released by the U.S. government on Friday, revealed that the prices consumers pay in the marketplace rose at an even slower pace than initially reported. The revised data showed a +0.2% increase on the month for the broad basket of goods and services measured, compared to the originally reported +0.3%. Although the change is modest, it confirms that inflation was moderating as CY23 ended, providing more room for the Federal Reserve (Fed) to consider cutting interest rates later this year.
- In Jan-24, the U.S. service sector experienced its strongest expansion in four months, rebounding from near-stagnation at the end of CY23, fuelled by increased orders and employment. The Institute for Supply Management's (ISM) overall services gauge rose by 2.9 points to 53.4, the highest in a year. Additionally, the metric for prices paid surged by 7.3 points to 64, the highest since 2012, indicating rising costs.
- During the week, 14 out of the 20 indices monitored exhibited positive gains. Leading the advances were China's Shenzhen CSI 300 (+5.83%), Nasdaq (+2.31%), and Vietnam's Ho Chi Minh VSE (+2.22%). Conversely, notable decliners included Singapore's Straits Times (-1.30%), Australia's ASX 200 (-0.71%), and India's Sensex (-0.68%).
- Britain's labour market appears tighter than previously believed, as recent changes to population estimates in official data reveal more young people of working age. Under the new measure, unemployment stood at 3.9% in the three months through Nov-23, significantly lower than the previously estimated 4.2% using old data. This indicates that the labour market has not loosened as much as previously thought, potentially exerting upward pressure on wages and prices.
- China experienced its sharpest consumer price decline since the global financial crisis last month, with the consumer price index (CPI) dropping by -0.8%yoy in Jan-24. This was worse than economists anticipated -0.5%yoy decrease. Additionally, the producer price index (PPI) fell by -2.5%yoy, marking 16 consecutive months of deflation in factory-gate costs. For most of the past year, China has grappled with declining prices amid efforts to stimulate domestic demand and boost consumer confidence.
- Japan's real wages continued its decline for the 21st consecutive month, albeit at a slower rate, while household spending also fell for the tenth consecutive straight month. In Dec-23, inflation-adjusted real wages dropped by -1.9%yoy, marking a slower decline than Nov-23's -2.5% decrease. However, it was still the slowest pace of decline since Jun-23. The consumer inflation rate, which includes fresh food prices but excludes rent, slowed to a +3.0% increase, the lowest since Jun-22, reflecting reduced inflationary pressures from raw material costs.

Table 1 Weekly Performance of Global Benchmark Indices (%)

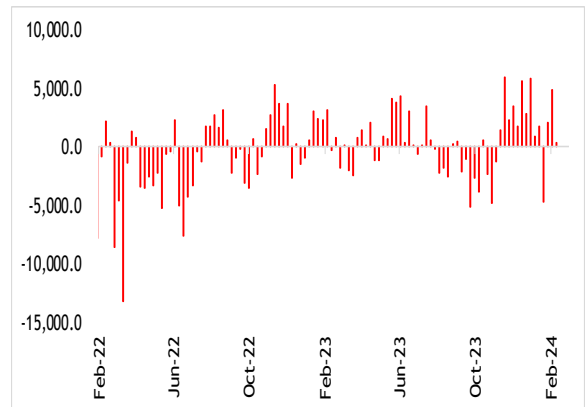
Index	Last Price	Change (%)
Shenzhen CSI 300	3,364.93	5.83
Nasdaq	15,990.66	2.31
Ho Chi Minh VSE	1,198.53	2.22
PSEi	6,850.16	2.13
Nikkei 225	36,897.42	2.04
Hang Seng	15,746.58	1.37
S&P 500	5,026.61	1.37
CAC 40	7,647.52	0.73
SET	1,388.37	0.31
TAIEX	18,096.07	0.20
KOSPI	2,620.32	0.19
Stoxx Europe 600	484.83	0.19
DAX 40	16,926.50	0.05
Dow Jones	38,671.69	0.04
JCI	7,235.15	-0.05
FBM KLCI	1,512.28	-0.28
FTSE 100	7,572.58	-0.56
Sensex	71,595.49	-0.68
ASX 200	7,644.84	-0.71
Straits Times	3,138.30	-1.30

Source: Bloomberg

- Australia’s central bank kept interest rates unchanged on Tuesday, aligning with expectations. However, it hinted at the possibility of future increases, citing persistently high inflation and the need for further evidence of cooling price pressures. The Reserve Bank of Australia (RBA) concluded its Feb-24 policy meeting by maintaining rates at a 12-year high of 4.35%, with the last increase occurring in Nov-23.
- According to the Department of Statistics Malaysia (DOSM), Malaysia’s Services Producer Price Index (SPPI) increased by +1.0% in 4QCY23, reaching 115.5 points from 115.4 points a year earlier. Within this, the arts, entertainment, and recreation subsector saw a +5.5% rise, while accommodation and food and beverage (F&B) service activities grew by +3.4%. The education subsector increased by +0.1%, followed by real estate activities (+0.6%), health (+0.3%), and professional services (+0.2%).
- Malaysia’s wholesale and retail trade achieved a sales value of RM143.9b. In 4Q23, wholesale and retail trade sales totaled RM428.8b, bringing the year’s total sales to RM1.70t. Chief Statistician Datuk Seri Dr. Mohd Uzir Mahidin attributed the +4.8%yoy increase in Dec-23 to the retail trade sub-sector, which grew by +5.0% or RM3.0b, reaching RM62.4b.
- The Ringgit depreciated against the US Dollar by -1.02% to close at RM4.7650 on Friday. The Brent crude oil price declined -3.44% to USD82.19 per barrel. The crude palm oil price rose by +2.93% to RM3,830.00 per tonne.

Chart 1

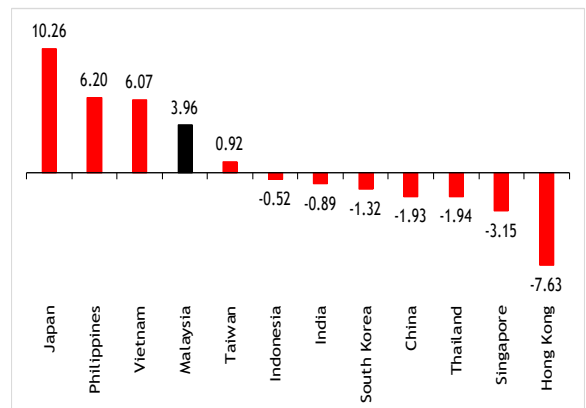
Net Foreign Fund Flows into Equity in 8 Asian Markets Since Feb-22 (USD'm)



Sources: Bloomberg & MIDFR

Chart 2

YTD Performance of Asian Benchmark Indices (%)



Sources: Bloomberg & MIDFR

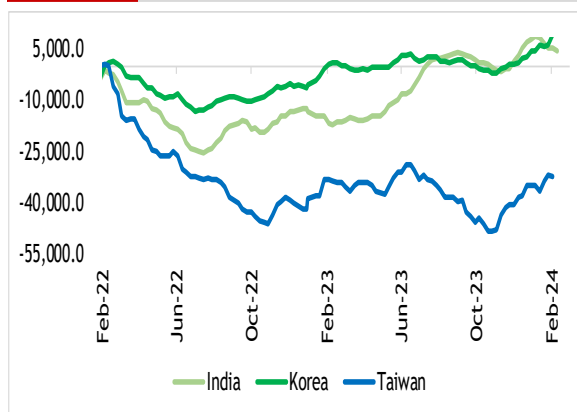
B. TRACKING MONEY FLOW - ASIA

- Foreign investors continued to purchase Asian equities for the third week in a row, with net buying totaling USD389.2m across the eight markets we monitor before closing for Chinese New Year (CNY). Most of the inflow last week was directed towards South Korea.
- For the third consecutive week, South Korea saw a net foreign inflow of USD1.13b, representing the highest influx of funds last week. The market was closed on Friday in observance of Lunar New Year’s Eve. Since January 25, the country has consistently recorded daily net foreign inflows. This trend followed official advance estimates indicating that the economic growth in 4QCY23 surpassed market expectations primarily due to export recovery. GDP in 4QCY23 increased by +0.6%qoq on a seasonally adjusted basis.
- Indonesia saw the second-highest net foreign inflow last week at USD108.5m, marking its second consecutive week of inflows. The market was closed from Thursday onwards for Isra Mi’raj and the CNY holiday. Indonesia’s GDP moderated slightly but remained robust at 5.05% in CY23 (CY22: 5.30%), impacted by declining commodity prices affecting exports and tight monetary policies restraining demand. The government anticipates growth of +5.2% in CY24, banking on increased spending for the upcoming general elections on February 14 and a resurgence in private investment once political uncertainties subside.
- The Philippines was the only other country to record a net foreign inflow last week at USD41.6m, marking its third consecutive week of inflows. The market was closed on Friday for Lunar New Year’s Eve observance. In Jan-24, the country’s annual inflation stood at +2.8%, down from the previous month’s +3.9%, primarily due to lower food prices. This marked the lowest CPI since Oct-20 when the

rate was +2.3%. Core inflation, which excludes volatile food and energy costs, decreased to +3.8% in Jan-24 (Dec-23: +4.4%).

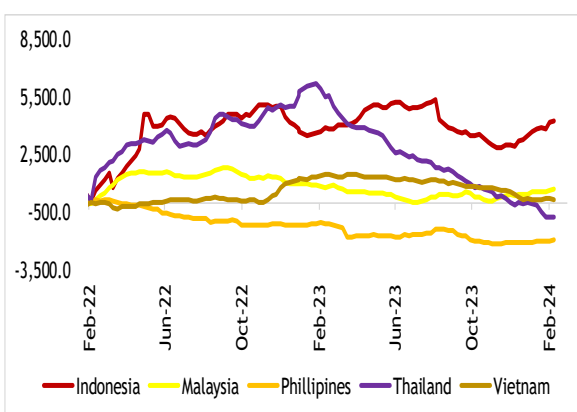
- Foreigners resumed selling Indian equities with a net of -USD617.9m, following a brief period of net buying totaling USD125.9m the week before. India’s central bank opted to keep rates unchanged on Thursday, indicating that interest rate cuts might not occur soon as it concentrates on achieving the last mile of disinflation towards its +4.0% medium-term target. The six-member monetary policy committee maintained the key repo rate at 6.50% for the sixth consecutive meeting. Between May-22 and Feb-23, the Reserve Bank of India (RBI) had raised rates by 250 basis points.
- The Taiwanese equity market, which was open only on Monday before closing for Lunar New Year, recorded a net foreign outflow of -USD316.0m. Taiwan’s economy is projected to grow by +3.0% in CY24 (CY23: +1.2%), driven by the technology sector, according to Taiwan Ratings Corp., a partner of S&P Global Ratings. Speaking on Thursday (February 8), Taiwan’s Central Bank Governor Yang Chin-Long affirmed the bank’s decision to maintain high-interest rates due to inflation persisting above +2.0%.
- In Thailand, foreign funds resumed leaving the country with a net outflow of -USD28.1m after briefly experiencing an inflow of USD55.8m the week prior. Thailand’s central bank, as anticipated, maintained its key interest rate unchanged for a second consecutive meeting last Wednesday, resisting pressure from the government to lower borrowing costs to stimulate sluggish growth. The Bank of Thailand’s (BOT) monetary policy committee voted 5-2 to retain the one-day repurchase rate of 2.5%, the highest level in over a decade. Two members voted in favour of a 25-basis point cut.
- Vietnam continued to experience a net foreign outflow for the second consecutive week, amounting to -USD14.8m. The Vietnamese market was closed from Thursday onwards in observance of Lunar New Year. In Jan-24, Vietnam’s export turnover surged to nearly USD33.6b, marking a +42.0%yoy increase and reaching its highest level since Apr-22. The growth was primarily driven by the agriculture-

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	-370.8	257.7	3,507.1	102.4	50.5	1,215.4	89.7	-19.9	4,832.1
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	-3,467.3	791.9	5,760.7	247.6	130.2	2,631.0	-780.3	-13.1	5,300.7

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

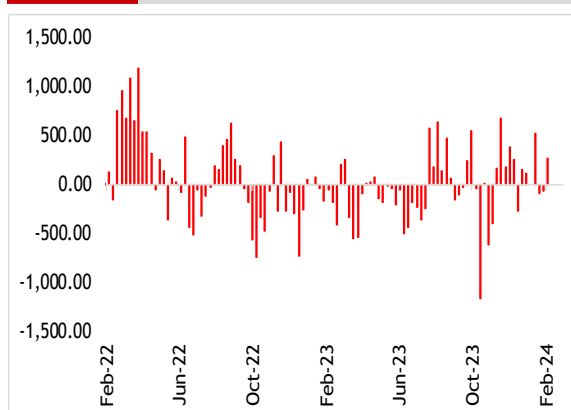
FUND FLOW REPORT

forestry-aquaculture and processing industries, which saw revenue rises of +97.0% and +38.0% respectively. However, the Ministry of Industry and Trade forecasts continued challenges for exports in the upcoming year due to strategic competition among major economies and escalating tensions in the Red Sea, which are driving shipping prices higher.

C. TRACKING MONEY FLOW - MALAYSIA

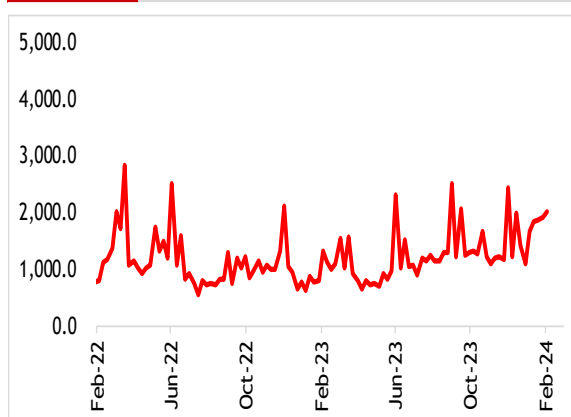
- Foreign investors maintained their net buying streak on Bursa Malaysia, with an inflow of RM400.7m, marking the third consecutive week of net purchases. Foreigners recorded net buying every day, with Tuesday witnessing the highest inflow of RM188.9m.
- The sectors with the highest net foreign inflows were Financial Services (RM211.2m), Utilities (RM200.7m), and Technology (RM56.3m). Meanwhile, the highest net foreign outflows were Plantation (-RM36.4m), Healthcare (-RM27.5m), and Industrial Products & Services (-RM15.4m).
- Local institutions persisted in net selling domestic equities for the third consecutive week, amounting to RM276.6m. The financial services sector (-RM218.7m) saw the highest net outflow by this investor group, with them disposing of stocks such as Maybank (-RM88.5m), CIMB Group (-RM54.5m), and Public Bank (-RM44.5m).
- Local retailers resumed net selling on Bursa Malaysia at -RM124.1m after briefly engaging in net buying of RM9.5m the week before.
- In terms of participation, there were increases in average daily trading volume (ADTV) among local retailers (-36.5%), local institutions (-31.7%), and foreign investors (-35.5%).

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	2.51	2.60	-0.09	5.35	5.75	-0.39	4.61	4.12	0.49	0.10
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	19.77	20.53	-0.76	35.24	35.65	-0.41	24.27	23.11	1.17	0.25

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 9 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
Dialog	14.1	Gamuda	46.3	Tenaga Nasional	112.6
RHB Bank	13.5	QL Resources	43.7	Malayan Banking	79.9
Top Glove Corp.	12.4	Kuala Lumpur Kepong	28.6	YTL Power Int.	66.5
Sunway Construction	9.9	Hartalega Holdings	27.0	Sime Darby	64.7
British American Tobacco	6.7	Press Metal	26.8	IJM Corp.	60.5
Hartalega Holdings	5.5	UEM Sunrise	12.1	CIMB Group Holdings	57.8
Microlink Solutions	4.5	Pavilion REIT	11.7	CTOS Digital	41.6
Malayan Banking	4.2	Frontken Corp.	11.3	Public Bank	38.3
VS Industry	3.9	Yinson Holdings	10.9	Genting	23.0
Public Bank	3.9	Fraser & Neave	9.6	YTL Corp.	22.3
Top 10 Stocks with Weekly Net Outflows					
Company	Value	Company	Value	Company	Value
YTL Corp.	-18.6	Tenaga Nasional	-109.6	Gamuda	-46.7
YTL Power Int.	-17.3	Malayan Banking	-88.5	QL Resources	-43.5
Genting Malaysia	-16.1	Sime Darby	-70.8	Hartalega Holdings	-38.2
Tenaga Nasional	-14.1	CIMB Group Holdings	-54.5	Press Metal	-32.8
Tanco Holdings	-11.6	IJM Corp.	-53.2	Kuala Lumpur Kepong	-26.4
Genting	-8.8	Public Bank	-44.5	Sunway Construction	-20.0
Wentel Engineering	-8.7	CTOS Digital	-31.5	Top Glove Corp.	-18.0
UEM Sunrise	-8.4	Genting	-28.4	Dialog	-17.2
He Group	-7.8	RHB Bank	-24.9	Pavilion REIT	-9.1
Inari Amertron	-7.6	IHH Healthcare	-24.6	Yinson Holdings	-9.0

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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