

# FUND FLOW REPORT

(Week ended 24 May 2024)

*Strong US economy fuels concerns on prolonged  
high-interest rate*

27 MAY 2024 | Strategy - Weekly Fund Flow

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**STRONG US ECONOMY FUELS CONCERNS ON PROLONGED HIGH-INTEREST RATE**
**A. MARKET SNAPSHOT**

- Early May saw a notable acceleration in the US business activity, reaching its highest pace in two years, primarily driven by robust growth in service providers and accompanied by a rise in inflation. The S&P Global flash May composite purchasing managers index (PMI) surged by over three points to 54.4, marking its highest level since Apr-22. This indicates a significant uptick in overall activity as the second quarter progresses.
- US consumer moderated their inflation outlook in the second half of May-24 compared to earlier in the month, though high prices continued to weigh on sentiment. According to University of Michigan data, consumers now anticipate prices to rise at a +3.3% annual rate over the next year, down from the +3.5% forecasted earlier in the month. This contrasts with Apr-24's expectation of a +3.2% year-ahead inflation.
- Most markets took a step back last week, with 13 out of the 20 indices we monitor declining. Notable performers included the Sensex (+2.02%), Taiwan's TAIEX (+1.44%), and the Nasdaq (+1.41%). On the flip side, the weakest performers were Hong Kong's Hang Seng Index (-4.83%), the Dow (-2.33%) and the CSI 300 (-2.08%).
- The UK's Office for National Statistics (ONS) released data showing a significant decline in retail sales, marking the sharpest drop this year. This is attributed to consumer reluctance to spend. In Apr-24, both in-store and online sales experienced a notable decrease of -2.3% (Mar-24: -0.2%). Economists had anticipated a milder -0.5% contraction. This marks the bleakest reading since Dec-23 when the UK economy was grappling with recessionary pressures.
- Business activity in the Eurozone surged to its highest level in a year this month, propelled by strong demand for services, while the manufacturing sector indicated signs of progress toward recovery. The preliminary composite PMI from HCOB rose to 52.3 from Apr-24's 51.7, marking its third consecutive month above the 50 level that distinguishes growth from contraction.
- Japan experienced a continued slowdown in core inflation, marking the second consecutive month of deceleration. The nationwide core consumer price index (CPI), which excludes fresh food items, rose by +2.2%yoy, matching the median market forecast. Meanwhile, Japan's exports rose +8.3%yoy in Apr-24, marking the fifth consecutive month of growth, albeit lower than expected. While a weakened yen boosted the value, shipment volumes struggled due to soft demand, weighing on overall growth.
- Singapore's economy expanded by +2.7%yoy in 1QCY24, marking its most rapid growth in 18 months. The government anticipates enhancements in the manufacturing and trade-related sectors throughout CY24. This growth aligns with the preliminary estimate released last month and surpasses economists' expectations. It represents the swiftest pace of growth since the economy expanded by +4.1%yoy in 3QCY22.
- The Department of Statistics Malaysia (DOSM) indicates that inflation in Apr-24 was slightly lower than anticipated. The CPI increased by +1.8%yoy. This modest rise can be attributed to higher prices in restaurant services and personal care products, offset by lower costs in communication in clothing. The inflation rate has remained steady for three consecutive months.

Table 1 Weekly Performance of Global Benchmark Indices (%)		
Index	Last Price	Change (%)
Sensex	75,410.39	2.02
TAIEX	21,565.34	1.44
Nasdaq	16,920.79	1.41
<b>FBM KLCI</b>	<b>1,619.40</b>	<b>0.17</b>
Straits Times	3,316.56	0.09
S&P 500	5,304.72	0.03
PSEi	6,619.89	0.02
DAX 40	18,693.37	-0.06
Nikkei 225	38,646.11	-0.36
Stoxx Europe 600	520.57	-0.45
Ho Chi Minh VSE	1,261.93	-0.88
CAC 40	8,094.97	-0.89
ASX 200	7,727.59	-1.11
FTSE 100	8,317.59	-1.22
JCI	7,222.38	-1.30
SET	1,364.48	-1.32
KOSPI	2,687.60	-1.36
Shenzhen CSI 300	3,601.48	-2.08
Dow Jones	39,069.59	-2.33
Hang Seng	18,608.94	-4.83

Source: Bloomberg

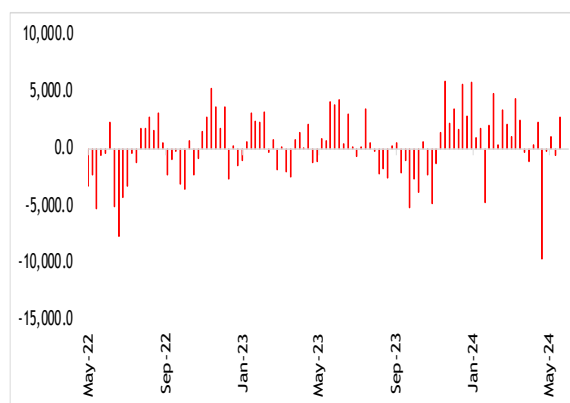
## FUND FLOW REPORT

- In Apr-24, Malaysia experienced a +9.1%yoy increase in exports, which was slightly lower than anticipated. This growth was primarily driven by higher shipments of machinery (+36.0%), chemicals (+22.0%), and palm oil (+14.0%), although there was a decrease in petroleum product (-19.0%) exports and a sluggish demand for electronics (+0.6%). During the same period, gross imports surged by +16.0%yoy.
- The Ringgit depreciated against the US Dollar by -0.51% to close at RM4.7115 on Friday. The Brent crude oil price declined -2.21% to USD82.12 per barrel while the crude palm oil price decreased -0.18% to RM3,885.00 per tonne.

## B. TRACKING MONEY FLOW - ASIA

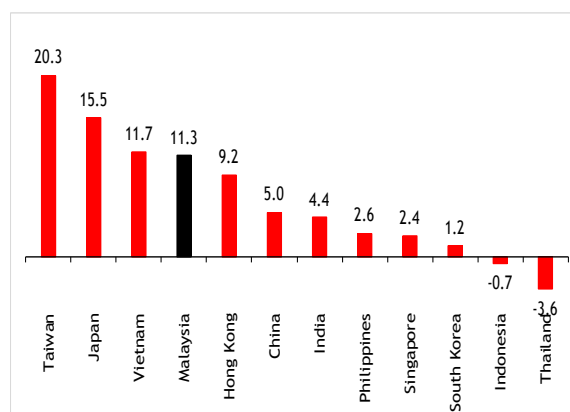
- Foreign investors continued to channel funds into Asia, net buying for the second consecutive week at USD2.23b in the eight countries that we track. Four countries recorded net inflows, with the bulk of the funds entering Taiwan and India while the remaining four saw net outflows.
- Foreign investors net bought USD1.62b in Taiwan, extending the net inflows for the fifth consecutive week. Export orders in Taiwan surged +10.8%yoy in Apr-24, to USD47.1b, the largest leap since Mar-22. Orders for electronic products rose +22.7%yoy while that for telecommunication products rose +8.4%yoy. While the Economy Ministry expects risks such as elevated interest rates in the US and Europe, and broader geopolitical uncertainty, it expects high-performance computing and AI to boost the demand for the semiconductor and server supply chain.
- India received USD743.9m of foreign funds net last week, which came after five consecutive weeks of net selling by foreign investors. The Reserve Bank of India (RBI) announced a USD25.35b record surplus transfer to the government more than double estimates.
- South Korea recorded its fourth consecutive week of net inflow, amounting to USD152.1m last week. The government has put together a USD19.0b incentive to strengthen its chipmaking industry. The amount is double what was proposed by the finance minister about two weeks ago. The programme includes financial support for certain investments and tax incentives.
- Meanwhile, Vietnam recorded its 12th consecutive week of net outflows at -USD152.2m. It only saw a net inflow of USD2.7m on Thursday while foreign investors net sold for the rest of the week. Deputy Prime Minister Le Minh Khai said the country's economy is facing mounting pressure, on the back of rising inflation, weak credit growth and unfavourable global geopolitical situations. He reaffirmed the government's commitment to retain policies that support growth, including slashing loan interest rates and restructuring loans for firms facing difficulties and pushing for public investments.
- In Thailand, foreign investors net sold -USD134.2m, after briefly net buying the week before. The National Economic and Social Development Council (NESDC) slashed its 2024 economic growth forecast on the back of a slower increase in exports. The NESDC now expects a GDP growth of between 2.0% and 3.0%, from an earlier projection of between 2.2% and 3.2%.
- The net selling by foreign investors in Indonesia entered its eighth straight week at -USD87.0m last week. Bank Indonesia kept its benchmark seven-day repurchase rate at 6.25%. Governor Perry Warjiyo said the +25bps increase in rates last month was sufficient to continue to attract inflows and to stabilise the rupiah, on top of ensuring inflation remains within the target range.

**Chart 1** Net Foreign Fund Flows into Equity in 8 Asian Markets Since May-22 (USD'm)



Sources: Bloomberg & MIDFR

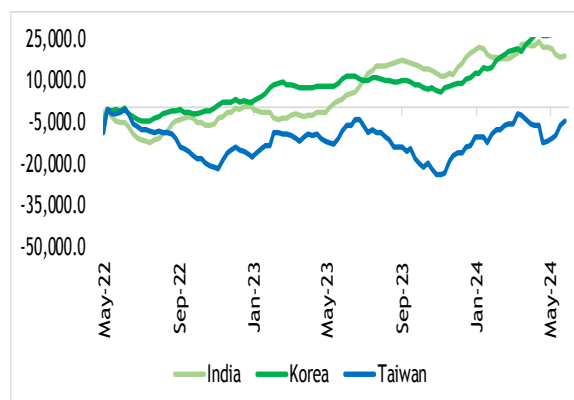
**Chart 2** YTD Performance of Asian Benchmark Indices (%)



Sources: Bloomberg & MIDFR

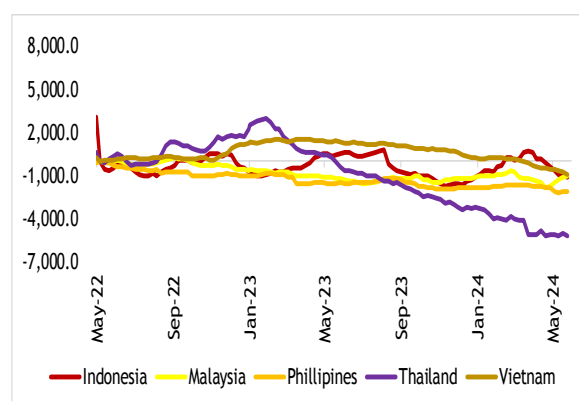
- Foreign investors net sold -USD8.8m in the Philippines last week, after briefly net buying in the previous week. Before that, foreign investors have been net selling for seven consecutive weeks. Central bank governor Eli Remolona said they will allow the market to determine the foreign exchange rate but will intervene when necessary to smoothen excessive volatility and restore order during periods of stress.

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



Sources: Bloomberg & MIDFR

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



Sources: Bloomberg & MIDFR

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

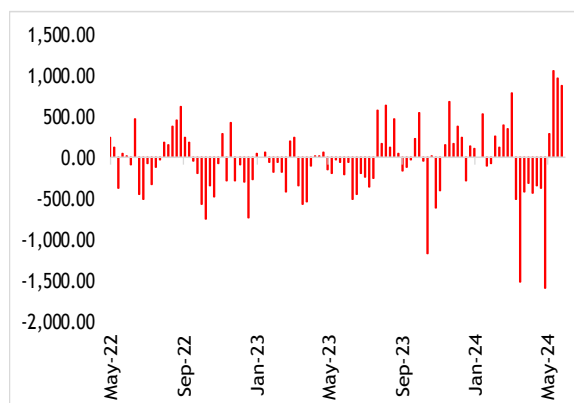
Period	India	Indo	Korea	M'sia	Phil	Taiwan	Thai	Viet	Total
MTD	-2,638.5	-716.1	1,392.9	578.1	-35.6	6,188.2	-135.0	-372.6	4,261.4
1Q24	1,329.4	1,685.7	12,188.7	-186.8	162.6	4,729.4	-1,933.4	-561.9	17,413.7
1Q23	-3,200.4	445.4	5,469.6	-421.8	-518.3	7,970.2	-1,645.6	252.6	8,351.8
2Q23	12,492.0	644.8	2,474.7	-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

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

## C. TRACKING MONEY FLOW - MALAYSIA

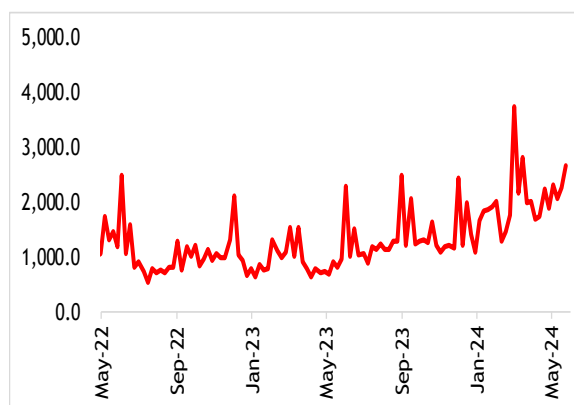
- Foreign investors continued their net buying spree on Bursa Malaysia for the fifth consecutive week, after purchasing RM474.1m. It was a shortened trading day last week in conjunction with the Wesak Day holiday on Wednesday.
- Foreign investors net bought RM102.6m on Monday and RM474.5m on Thursday and net sold -RM26.2m on Tuesday and -RM76.8m on Friday.
- The sectors with the highest net foreign inflows last week were Transportation & Logistics (RM221.4m), Technology (RM183.3m), and Construction (RM77.0m), while the sectors with the highest net foreign outflows last week were Plantation (-RM40.7m), Healthcare (-RM34.2m), and Consumer Products & Services (-RM34.0m).
- Local institutions continued their net selling streak for the fourth week in a row, with a total of -RM192.5m. They net sold -RM36.1m on Monday and -RM355.3m on Thursday and net bought RM101.9m on Tuesday and RM97.0m on Friday.
- Meanwhile, local retailers persisted in their net selling, now stretching into its 11th straight week after they net sold -RM281.6m. They net sold every day last week and have been net selling for nine consecutive trading days.
- In terms of participation, average daily trading volume (ADTV) increased for local retailers (+7.1%), local institutions (+12.4%), and foreign investors (+18.3%).

**Chart 5** Net Foreign Fund Flows into Malaysian Equity Since May-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	
MTD	13.36	14.40	-1.04	27.79	29.48	-1.69	19.58	16.85	2.73	0.58
1Q24	38.14	39.45	-1.31	76.23	74.05	2.18	61.41	62.28	-0.88	-0.19
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

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 24 MAY 2024)**
**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
YTL Power Int.	61.8	Malayan Banking	89.3	Malaysia Airports	201.7
RHB Bank	31.2	CIMB Group Holdings	60.1	Tenaga Nasional	179.1
Cape EMS	13.6	YTL Corp.	59.2	Bursa Malaysia	71.7
Ingenieur Gudang	11.7	YTL Power Int.	44.9	IJM Corp.	66.8
Petronas Dagangan	11.0	KL Kepong	40.5	Inari Amertron	57.8
Top Glove Corp.	10.1	Genetec Technology	37.6	RHB Bank	24.8
Leong Hup International	9.9	Feytech Holdings	32.3	QL Resources	24.7
Genting	9.6	Sunway	30.6	Aeon Co. (M)	23.5
Hibiscus Petroleum	9.5	Guan Chong	26.5	AMMB Holdings	23.0
Malaysian Resources	9.0	PPB Group	25.8	Axiata Group	20.8
<b>Top 10 Stocks with Weekly Net Outflows</b>					
Company	Value	Company	Value	Company	Value
Genetec Technology	-37.0	Malaysia Airports	-216.5	YTL Power Int.	-122.5
Tenaga Nasional	-36.9	Tenaga Nasional	-129.4	Malayan Banking	-78.2
Inari Amertron	-32.3	IJM Corp.	-68.1	YTL Corp.	-70.2
Feytech Holdings	-30.0	Bursa Malaysia	-66.9	KL Kepong	-37.5
Notion VTec	-25.8	RHB Bank	-62.7	Genting	-28.1
Gamuda	-24.6	CTOS Digital	-27.5	Top Glove Corp.	-27.9
Mah Sing	-22.0	QL Resources	-24.4	PPB Group	-27.1
Greotech Technology	-18.3	Telekom Malaysia	-23.9	CIMB Group Holdings	-26.2
Malayan Banking	-15.5	Genting Malaysia	-22.2	Feytech Holdings	-25.3
VS Industry	-13.4	IOI Properties Group	-20.2	Petronas Dagangan	-21.3

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

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

Company	%	YTD %	Company (cont'd)	%	YTD %	Company (cont'd)	%	YTD %
<b>Automotive</b>			Padini	5.4	-0.3	MISC	10.5	0.1
Bermaz Auto	8.1	-0.3	QL Resources	8.0	-0.2	Suria Capital	5.4	-0.1
MBM Resources	1.7	1.1	Rhong Khen International	62.3	0.0	Westports Holdings	27.3	0.01
Tan Chong	10.4	-0.02	Spritzer	13.7	-0.04	<b>Property</b>		
<b>Aviation</b>			<b>Gloves</b>			Eco World	7.4	-0.7
Capital A	13.8	-0.1	Hartalega	14.6	-0.03	Glomac	3.8	-0.1
Malaysia Airports	24.4	-0.1	Kossan Rubber	12.0	0.1	IOI Properties	7.4	0.6
<b>Banking</b>			Top Glove	28.9	-0.01	Mah Sing	26.9	0.4
Affin Bank	26.9	0.03	<b>Healthcare</b>			Matrix Concepts	8.7	-0.2
Alliance Bank	20.4	0.04	IHH Healthcare	49.9	0.01	S P Setia	18.7	0.3
AMMB Holdings	28.0	-0.3	KPJ Healthcare	10.1	0.0	Sunway	5.1	-0.1
Bank Islam	1.8	2.0	Pharmaniaga	0.4	0.0	UOA Development	3.4	-0.1
CIMB Group	30.8	-0.01	<b>Logistics</b>			<b>REITs</b>		
Hong Leong Bank	10.3	-0.01	CJ Century	57.9	0.0	Al-'Aqar Healthcare	0.7	0.2
Hong Leong Financial	30.5	-0.02	Swift Haulage	6.5	-0.5	Axis REIT	14.5	-0.1
Malayan Banking	19.9	0.04	Tasco	66.7	0.01	IGB REIT	2.5	-0.3
Public Bank	26.1	-0.04	<b>Non-bank Financials</b>			KLCCP Stapled	0.3	-0.6
RHB Bank	12.9	-0.1	Bursa Malaysia	15.5	0.1	Pavilion REIT	32.1	-0.03
<b>Building Materials</b>			AEON Credit	68.3	0.0	Sunway REIT	4.6	-0.02
Cahaya Mata Sarawak	7.1	0.01	<b>Oil &amp; Gas</b>			<b>Solar EPCC</b>		
Malayan Cement	5.3	0.1	Bumi Armada	15.6	0.2	Pekat	0.8	-0.3
<b>Conglomerate</b>			Deleum	4.5	0.1	Samaiden	12.1	0.1
YTL Corporation	25.7	0.05	Dialog	16.4	-0.2	Sunview	7.6	-0.2
<b>Construction</b>			Gas Malaysia	19.4	-0.04	<b>Technology</b>		
Gamuda	26.1	0.1	MMHE	8.3	0.0	D & O Green Tech	35.6	0.01
IJM Corp	18.3	0.3	Petronas Chemicals	8.3	-0.05	Datasonic	5.7	-0.1
KKB Engineering	0.6	1.0	Petronas Dagangan	6.8	-0.1	Globetronics	0.3	-0.9
MRCB	13.0	0.6	Petronas Gas	10.3	0.03	Inari Amertron	17.2	-0.1
Pintaras Jaya	0.2	0.0	<b>Plantation</b>			My E.G. Services	11.9	-0.1
Sunway Construction	2.0	0.1	FGV Holdings	3.7	-0.1	Unisem	2.5	0.1
WCT Holdings	6.7	-0.01	Genting Plantations	6.2	0.3	<b>Telecommunication</b>		
<b>Consumer</b>			IOI Corp	10.6	-0.03	Axiata	11.0	0.1
AEON Co.	53.3	-0.01	KL Kepong	12.3	-0.1	CelcomDigi	60.0	0.0
Asia File	3.6	0.0	PPB Group	20.0	-0.1	Maxis	7.9	0.01
Fraser & Neave	60.5	-0.01	Sarawak Plantation	2.6	0.0	Telekom Malaysia	13.2	0.1
Hup Seng Industries	1.9	0.0	Sime Darby Plantation	9.5	-0.02	<b>Utilities</b>		
Leong Hup	7.2	-0.3	Ta Ann	13.0	-0.1	Ranhill Utilities	13.6	0.2
MSM Malaysia	4.2	1.1	TSH Resources	18.6	-0.04	Tenaga Nasional	14.2	0.1
Nestlé (Malaysia)	81.6	-0.01	<b>Port &amp; Shipping</b>			YTL Power	13.5	0.2

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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