

FUND FLOW REPORT

(Week ended 10 May 2024)

Bracing for sticky inflation

13 MAY 2024 | Strategy - Weekly Fund Flow

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BRACING FOR STICKY INFLATION
A. MARKET SNAPSHOT

- The higher-for-longer stance by the Federal Reserve continued to reverberate across markets last week, with a number of Fed officials signalling a more careful monetary policy approach. Minneapolis Fed President Neel Kashkari for instance, said rates may be held steady for an extended period, possibly all year, adding that there needs to be multiple positive inflation readings to suggest that the disinflation process is on track.
- A much-awaited economic release is due on Wednesday, with the first reading for the consumer price index (CPI) for the second quarter.
- Among consumers, inflation fears seemed to have spiked in May-24, with the University of Michigan Survey of Consumers sentiment index recording an initial reading of 67.4, a decline from 77.2 in Apr-24 as consumers expect inflation, unemployment and interest rates to remain high.
- Major markets performed well, with 15 out of the 20 indices we monitor posting gains. The top performers included Germany's DAX 40 (+4.28%), France's CAC 40 (+3.29%), and Stoxx Europe 600 (+3.01%). On the other hand, the bottom three decliners were India's Sensex (-1.64%), the Philippines PSEi (-1.57%), and Indonesia's JCI (-0.64%).
- Nonfarm payrolls added +175K jobs in Apr-24 (Mar-24: +315K), marking the softest expansion in six months and below market expectations of +243K. Private payrolls increased by +167K, the slowest increase in five months. Most of the additional hirings were added in the services sector.
- According to the Office for National Statistics (ONS), Britain experienced a robust recovery from a mild recession as gross domestic product (GDP) surged by +0.6%qoq in 1QCY24. This marked the strongest growth since late CY21, when the UK began easing lockdown measures, surpassing the +0.4% expansion predicted by economists. During the 1QCY24, shoppers resumed visiting stores, and the transportation sector benefitted from a lack of strikes.
- Japan experienced its 13th consecutive month of declining consumer spending in Mar-24, presenting challenges for policymakers aiming to stimulate stronger real wage growth. Household spending decreased by -1.2%yoy, contrary to economists' median forecast of -2.4%yoy and following a -0.5% decline in Feb-24. The disappointing figures came just a day after data from the labour ministry revealed that real wages had declined for the second consecutive year. Inflation-adjusted real wages in Mar-24 decreased by -2.5%yoy.
- Consumer inflation in China accelerated in Apr-24, marking the third consecutive month above zero, indicating ongoing price increases. However, industrial prices continued their downward trend, reflecting subdued demand in the economy. According to the National Bureau of Statistics, the consumer price index (CPI) increased by +0.3%yoy. Meanwhile, factory-gate prices remained in deflationary territory, with the producer price index (PPI) falling by -2.5%yoy in Apr-24.
- Meanwhile, exports in China rebounded in Apr-24, expanding +1.5%yoy (Mar-24: -7.5%yoy). Imports also returned to the growth stage at +8.4%yoy (Mar-24: -1.9%yoy), also higher than the market consensus of +5.4%yoy. This was attributable to a rebound in imports from ASEAN (Apr-24: +5.3%yoy; Mar-24: -3.9%yoy) with imports from Malaysia expanding by +13.3%yoy (Mar-24: -3.5%yoy).
- As widely anticipated, Bank Negara Malaysia (BNM) decided to keep the benchmark interest rate unchanged on

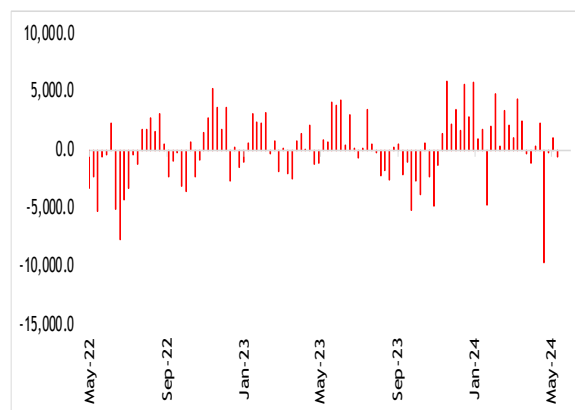
Table 1 Weekly Performance of Global Benchmark Indices (%)		
Index	Last Price	Change (%)
DAX 40	18,772.85	4.28
CAC 40	8,219.14	3.29
Stoxx Europe 600	520.76	3.01
FTSE 100	8,433.76	2.68
Hang Seng	18,963.68	2.64
Dow Jones	39,512.84	2.16
Ho Chi Minh VSE	1,244.70	1.94
KOSPI	2,727.63	1.91
TAIEX	20,708.84	1.86
S&P 500	5,222.68	1.85
Shenzhen CSI 300	3,666.28	1.72
ASX 200	7,748.96	1.57
Nasdaq	16,340.87	1.14
FBM KLCI	1,600.67	0.70
SET	1,371.90	0.14
Nikkei 225	38,229.11	-0.02
Straits Times	3,290.70	-0.07
JCI	7,088.80	-0.64
PSEi	6,511.93	-1.57
Sensex	72,664.47	-1.64

Source: Bloomberg

Thursday, citing an improvement in economic activity alongside moderate inflation. The overnight policy rate (OPR) remained steady at 3.00%. According to the BNM, recent indicators suggest an increase in economic activity during 1QCY24, propelled by robust domestic spending and a favourable shift in export trends.

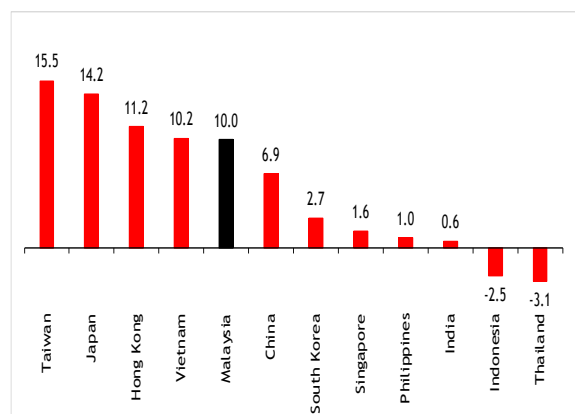
- According to the Department of Statistics Malaysia (DOSM), Malaysia's unemployment rate held steady in Mar-24, with a decrease in the number of unemployed individuals alongside an expansion of the workforce. The unemployment rate remained at 3.3%, unchanged since Nov-23. The total number of unemployed persons slightly decreased to 566,600 in Mar-24 (Feb-24: 567,000).
- Malaysia's industrial output experienced a faster-than-expected growth rate in Mar-24, driven by significant gains in the manufacturing sector. The industrial production index (IPI), increased by +2.4%yoy. This exceeded the median forecast of a +1.9%yoy increase, although it was slightly slower than the +3.1%yoy growth recorded in Feb-24.
- The Ringgit depreciated against the US Dollar by -0.03% to close at RM4.7397 on Friday. The Brent crude oil price dipped by -0.20% to USD82.79 per barrel while the crude palm oil price declined by -0.81% to RM3,801.00 per tonne.

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

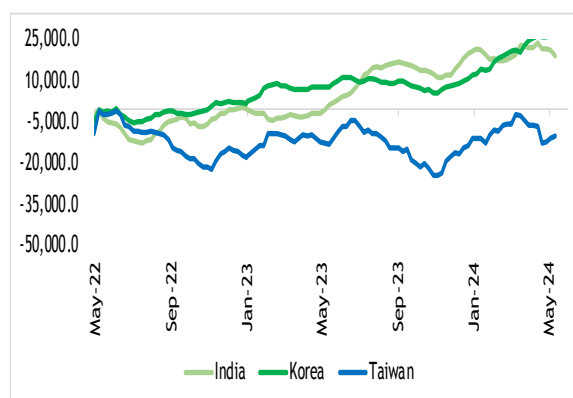
B. TRACKING MONEY FLOW - ASIA

- Last week, foreign investors shifted to selling Asian equities, totalling a net of -USD549.8m across the eight markets we monitor. The majority of the foreign outflows were observed in India.
- South Korea recorded the highest net foreign inflow at USD1.02b, marking two consecutive weeks of positive inflows. The market was closed on Monday due to the Children's Day holiday. As per the preliminary international balance of payments for Mar-24 disclosed by the Bank of Korea, exports rose by +3.0%yoy. The sustained strength in semiconductor exports resulted in the current account registering a surplus for the eleventh consecutive month. Meanwhile, imports indicated a significant decline of -13.1%yoy.
- For the third consecutive week, Taiwan recorded a net foreign inflow of USD950.9m. According to the Ministry of Finance, Taiwan's exports in Apr-24 saw an increase of over +4.0%yoy, extending the streak of six consecutive months of growth. This rise is attributed to robust global demand for emerging technologies. Moreover, despite a notable +11.0% average increase in electricity bills starting from April 1, the local CPI for the month remained below the +2.0% alert level set by the central bank.
- India registered its fourth consecutive week of net foreign outflow, totalling -USD2.18b, making it the country with the highest outflow last week. This is likely attributed to political uncertainty, as the country gears up for the fourth phase of its weeks-long elections on May 13. Additionally, the National Statistics Office reported that India's industrial output growth decelerated to +4.9% in Mar-24 from +5.6% in Feb-24.
- Indonesia extended its streak of outflows to seven weeks, recording a net foreign outflow of -USD320.1m last week. Indonesia's GDP in 1QCY24 surpassed expectations, expanding by +5.11%yoy, marking the highest growth rate in three quarters. This growth was buoyed by increased public spending for the country's elections. However, concerns have been raised about maintaining robust momentum due to a combination of global factors and constrained monetary conditions at the local level.
- Vietnam continued its trend of net foreign outflows, with last week marking the tenth consecutive week of such outflows, totalling -USD123.5m. The US is considering upgrading Vietnam to 'market economy' status, a proposal

opposed by American steelmakers and Gulf Coast shrimpers but supported by retailers and other business associations. This change would lead to a reduction in punitive anti-dumping duties imposed on Vietnamese exports.

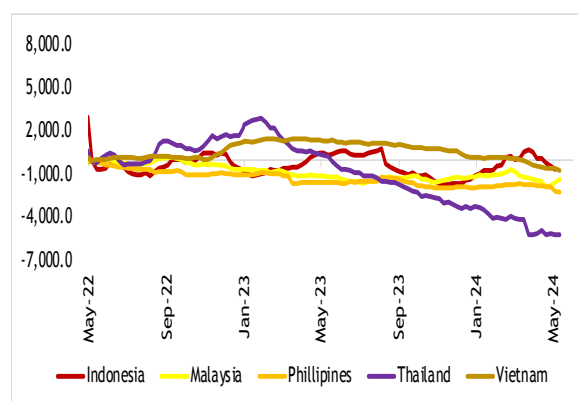
- The Philippines registered its seventh consecutive week of net foreign outflow, amounting to -USD47.1m. The country's GDP expanded by +5.7%yoy in 1QCY24 (4QCY23: +5.5yoy). However, the economy's pace of acceleration fell short of projections, primarily due to subdued consumer spending, suggesting that the central bank is likely to maintain its current interest rates in the upcoming week, despite a rise in inflation. The inflation accelerated for a third consecutive month in Apr-24, with ongoing strain on food supply likely to continue exerting pressure on prices.
- In Thailand, there was an outflow of -USD43.4m, marking the second consecutive week of outflows. The Joint Standing Committee on Commerce, Industry, and Banking has revised downward the economic growth forecast to a range of +2.2% to +2.7% compared to the previous projection of +2.8% to +3.3%, mainly due to a slower-than-expected export recovery. Exports are now expected to increase by only +0.5% to +1.5% this year, down from the earlier estimate of +2.0% to +3.0%.

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)

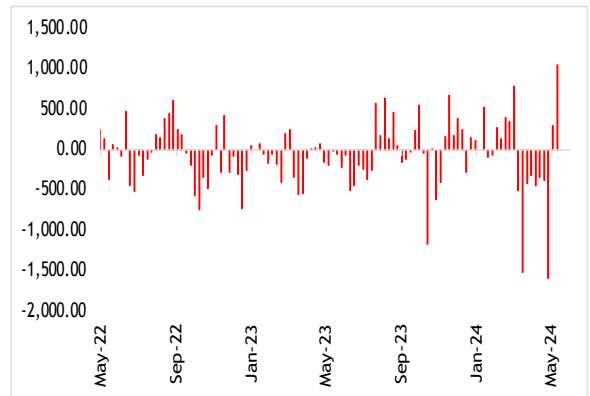
Period	India	Indo	Korea	M'sia	Phil	Taiwan	Thai	Viet	Total
MTD	-2,046.3	-534.6	1,008.4	291.2	-71.3	875.5	-143.9	-136.0	-756.9
1Q24	1,329.4	1,685.7	12,188.7	-186.8	162.6	4,729.4	-1,933.4	-561.9	17,413.7
1Q23	-3,200.4	445.4	5,469.6	-421.8	-518.3	7,970.2	-1,645.6	252.6	8,351.8
2Q23	12,492.0	644.8	2,474.7	-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

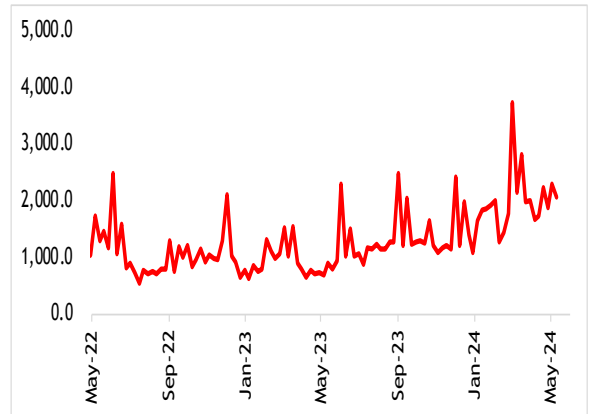
- Foreign investors continued their trend of net buying on Bursa Malaysia for the third consecutive week, with a net inflow of RM961.1m, showing a slight moderation from the previous week's RM1.06b. Throughout last week, every trading day except Thursday saw net buying activity. Foreign investors reverted to net buyers again on Friday, likely influenced by BNM's decision to maintain the OPR at 3.00%.
- The sectors that recorded the highest net foreign inflows were Financial Services (RM268.2m), Utilities (RM242.9m), and Transportation & Logistics (RM114.0m), while the only sectors with net foreign outflows were Industrial Products & Services (-RM8.9m) and REITs (-RM3.8m).
- Local institutions continued their trend of net selling for the second consecutive week, amounting to -RM724.9m.
- For the ninth consecutive week, local retailers continued to dispose of domestic equities, totalling -RM236.2m.
- In terms of participation, average daily trading volume (ADTV) increased for local retailers (+17.4%) and local institutions (+1.3%), whereas foreign investors (-9.9%) experienced a decline.

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	4.86	5.12	-0.26	10.31	11.43	-1.12	7.93	6.55	1.38	0.29
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 10 MAY 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
Genting	19.3	Sunway	41.3	Tenaga Nasional	124.3
Genting Malaysia	18.6	RHB Bank	35.9	Malayan Banking	82.2
Globetronics Tech.	14.5	Top Glove Corp.	33.8	CIMB Group Holdings	81.7
Ajinomoto (Malaysia)	12.7	Mr DIY Group	31.0	MISC	71.4
RHB Bank	10.8	Dialog	24.0	YTL Power Int.	57.6
Powerwell Holdings	8.9	S P Setia	15.4	Telekom Malaysia	57.2
Harvest Miracle	8.8	Sime Darby Property	15.2	Public Bank	43.3
Ingenieur Gudang	8.6	Matrix Concepts	14.9	AMMB Holdings	39.8
Dufu Technology	8.3	KL Kepong	13.5	Malaysia Airports	39.1
GHL Systems	7.9	Guan Chong	11.1	Sime Darby	34.9
Top 10 Stocks with Weekly Net Outflows					
Company	Value	Company	Value	Company	Value
Top Glove Corp.	-32.5	Tenaga Nasional	-89.5	Genting	-47.8
My E.G. Services	-31.1	MISC	-72.2	Sunway	-46.5
Tenaga Nasional	-29.7	Genting Malaysia	-71.7	RHB Bank	-39.5
Capital A	-23.1	Malayan Banking	-67.4	CTOS Digital	-20.5
IOI Properties	-21.0	Telekom Malaysia	-65.6	Matrix Concepts	-16.8
Mr DIY Group	-19.0	CIMB Group Holdings	-64.5	KL Kepong	-13.9
CIMB Group Holdings	-16.0	Sime Darby	-50.2	Malaysian Resources Corp.	-12.9
YTL Corp.	-15.9	IOI Properties	-44.7	Maxis	-12.2
Pekat Group	-12.1	AMMB Holdings	-44.0	Malayan Cement	-12.1
MNRB Holdings	-11.9	Malaysia Airports	-37.6	PPB Group	-12.0

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 %
Automotive			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	Property		
Aviation			Gloves			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
Banking			Top Glove	28.9	-0.01	Mah Sing	26.9	0.4
Affin Bank	26.9	0.03	Healthcare			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	Logistics			REITs		
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	Non-bank Financials			KLCCP Stapled	0.3	-0.6
RHB Bank	12.9	-0.1	Bursa Malaysia	15.5	0.1	Pavilion REIT	32.1	-0.03
Building Materials			AEON Credit	68.3	0.0	Sunway REIT	4.6	-0.02
Cahaya Mata Sarawak	7.1	0.01	Oil & Gas			Solar EPCC		
Malayan Cement	5.3	0.1	Bumi Armada	15.6	0.2	Pekat	0.8	-0.3
Conglomerate			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
Construction			Gas Malaysia	19.4	-0.04	Technology		
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	Plantation			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	Telecommunication		
Consumer			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	Utilities		
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	Port & Shipping			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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