

FUND FLOW REPORT

(Week ended 12 April 2024)

A case of stubborn inflation

15 APRIL 2024 | Strategy - Weekly Fund Flow

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A CASE OF STUBBORN INFLATION
A. MARKET SNAPSHOT

- Weak sentiments on Wall Street weighed on markets amid stronger-than-expected inflation data, driving further unpredictability on interest rate cuts by the Federal Reserve. The Consumer Price Index (CPI) rose +3.5%yoy in Mar-24 (Feb-24: +3.2%yoy). Core CPI, which excludes volatile food and energy prices, stood at +3.8%yoy.
- Some Fed officials are not convinced to slash rates anytime soon following the release of the data by the Bureau of Labor Statistics (BLS). New York Fed President John Williams said that there is no clear need to adjust in the very near term while his Boston counterpart Susan Collins noted that it may take more time to gain greater confidence in the downward trajectory of inflation.
- Beyond the hot inflation number, investors are starting to look at what is called the supercore inflation which excludes the shelter and rent costs from the core CPI. The supercore inflation was at +4.8%yoy in Mar-24, the highest in 11 months.
- The 'CME FedWatch Tool' now shows a 94.1% and 71.7% probability that the Fed will keep rates unchanged in the May and June meetings. Meanwhile the market is quite divided when it comes to the July meeting, with a 43.5% probability of a stay and a 44.5% probability of a 25bps cut.
- Last week, the majority of major markets experienced declines, with 12 out of the 20 indices we monitor recording losses, while 2 remained unchanged. Taiwan's TAIEX led with a growth of +1.96%, followed by Vietnam's Ho Chi Minh VSE (+1.71%), and Thailand's SET (+1.51%). Notable decliners included China's Shenzhen CSI 300 (-2.58%), Dow Jones (-2.37%), and the S&P 500 (-1.56%).
- The UK economy expanded for the second consecutive month in Feb-24, with gross domestic product (GDP) increasing by +0.1%mom, indicating a solid recovery from the recession. Jan-24's figure was revised upward to show a +0.3% increase. Manufacturing surged by +1.2% last month, surpassing expectations, while services saw a modest expansion of +0.1%. However, construction declined by -1.9%, partly due to adverse weather conditions.
- Inflation in Germany eased to +2.3% in Mar-24, the lowest level since Jun-21, which is attributable to a decline in energy and food prices. German consumer prices in Feb-24, standardised for comparison with other European Union nations, had grown by +2.7%yoy. Core inflation, excluding volatile food and energy prices, stood at +3.3% in Mar-24, slightly lower than the +3.4% recorded in Feb-24.
- Sweden's core inflation rate dropped more than anticipated in Mar-24, raising expectations for the Riksbank to begin reducing interest rates ahead of other major economies next month. Statistics Sweden reported a +2.9%yoy increase, marking a 26-month low. The Swedish central bank has indicated that it is likely to commence reducing borrowing costs either in May-24 or Jun-24.
- China saw a notable downturn in Mar-24 exports, coupled with an unexpected drop in imports, highlighting the challenges for policymakers in bolstering the economic recovery. Exports fell by -7.5%yoy, the largest decline since Aug-23, while imports declined by -1.9%yoy, contrasting with the earlier +3.5% growth in the first two months of the year.

Table 1 Weekly Performance of Global Benchmark Indices (%)

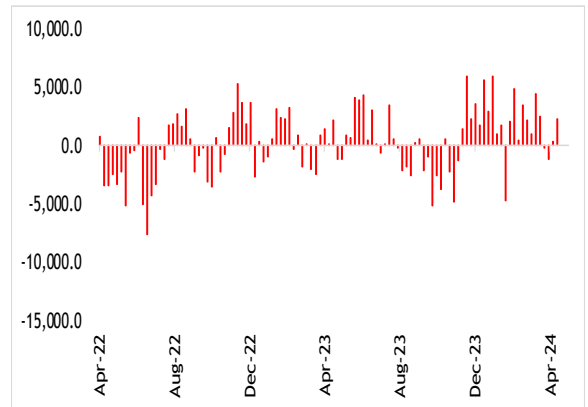
Index	Last Price	Change (%)
TAIEX	20,736.57	1.96
Ho Chi Minh VSE	1,276.60	1.71
SET	1,396.38	1.51
Nikkei 225	39,523.55	1.36
FTSE 100	7,995.58	1.07
ASX 200	7,788.08	0.19
JCI	7,286.88	0.00
Sensex	74,244.90	0.00
Hang Seng	16,721.69	-0.01
Straits Times	3,216.91	-0.04
Stoxx Europe 600	505.25	-0.26
FBM KLCI	1,551.04	-0.27
Nasdaq	16,175.09	-0.45
CAC 40	8,010.83	-0.63
KOSPI	2,681.82	-1.19
PSEi	6,659.39	-1.28
DAX 40	17,930.32	-1.35
S&P 500	5,123.41	-1.56
Dow Jones	37,983.24	-2.37
Shenzhen CSI 300	3,475.84	-2.58

Source: Bloomberg

- Consumer inflation in China cooled more than anticipated in Mar-24, while producer price deflation persisted, putting pressure on policymakers to implement further stimulus measures amid weak demand. Consumer prices saw a modest increase of +0.1%yoy in Mar-24 (Feb-24: +0.7%yoy), while the producer price index (PPI) fell by -2.8%yoy (Feb-24: -2.7%yoy).
- Singapore's economy grew at a slower-than-anticipated pace as a boost in spending from increased tourism due to Taylor Swift concerts was insufficient to counteract a decline in manufacturing output. GDP expanded by +0.1%qoq and +2.7%yoy in 1Q24. While services-producing industries saw a growth of +1.2%, manufacturing and construction contracted by -2.9% and -1.7% respectively. Additionally, the Monetary Authority of Singapore (MAS) opted to maintain its monetary policy unchanged.
- According to the Department of Statistics Malaysia (DOSM), the Industrial Production Index (IPI) saw a +3.1%yoy growth in Feb-24 (Jan-24: +4.3%yoy), attributable to the positive performance across all sectors. However, the pace moderated primarily due to slower output growth in the manufacturing sector which expanded by +1.2% as compared to +3.7% in Jan-24.
- The Ringgit depreciated against the US Dollar by +0.48% to close at RM4.7705 on Friday. The Brent crude oil price declined -0.79% to USD90.45 per barrel while the crude palm oil price dropped by -1.47% to RM4,210.00 per tonne.

Chart 1

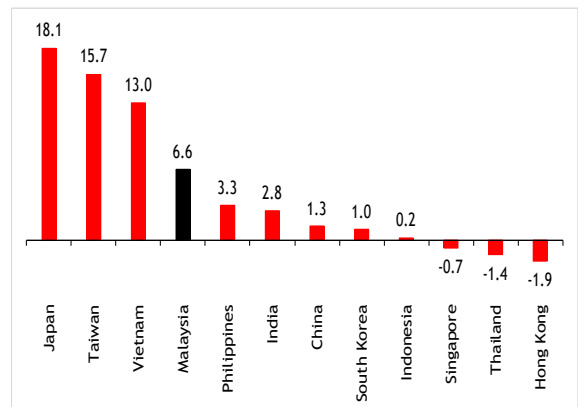
Net Foreign Fund Flows into Equity in 8 Asian Markets Since Apr-22 (USD'm)



Sources: Bloomberg & MIDFR

Chart 2

YTD Performance of Asian Benchmark Indices (%)



Sources: Bloomberg & MIDFR

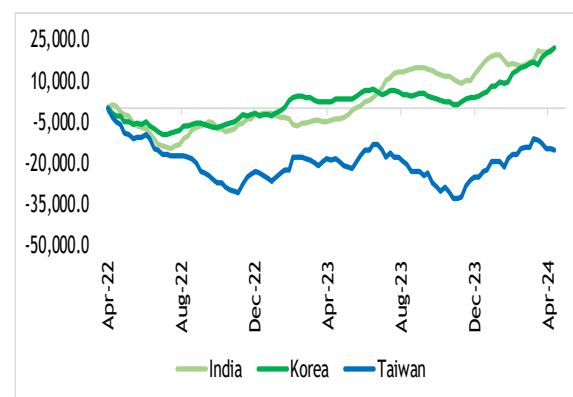
B. TRACKING MONEY FLOW - ASIA

- Foreign investors continued to increase their holdings in Asian equities for the second consecutive week, with a total net inflow of USD2.29b across the eight markets we monitor. Most of these inflows came from India and South Korea, with Thailand being the only other country to experience inflows. Meanwhile, the remaining markets saw outflows.
- After three weeks of net selling, foreign investors have re-entered the Indian equity market with a total of USD1.64b, ahead of the seven-phase national elections commencing on April 19. The market was closed on Thursday in observance of Eid al-Fitr. India's retail inflation eased to +4.85% in Mar-24 from +5.09% in the prior month, remaining within the Reserve Bank of India's (RBI) tolerance range of +2.0% to +6.0%. Concurrently, industrial production surged to a four-month high of +5.7% in Feb-24 (Jan-24: +4.2%).
- South Korea recorded a fourth consecutive week of net foreign inflow, totalling USD1.01b. The market was closed on Wednesday due to South Korea's 22nd general election. The bulk of the inflows occurred post-market reopening, with the main opposition Democratic Party (DP) emerging as the winner. Foreigners were observed shifting to net selling on Friday, coinciding with the central bank's decision to maintain its key rate at 3.5% for the tenth consecutive session amid concerns over high inflation and household debt.
- In Thailand, there was a second consecutive week of net foreign inflow totalling USD217.1m. Friday was an additional special public holiday for Songkran, and the market will remain closed until April 16. On Wednesday, the Bank of Thailand (BOT) kept its benchmark rate steady at 2.5% for the third

consecutive meeting, citing enough indications of future inflation and elevated consumer debt, despite Prime Minister Srettha Thavasin’s persistent calls for monetary easing.

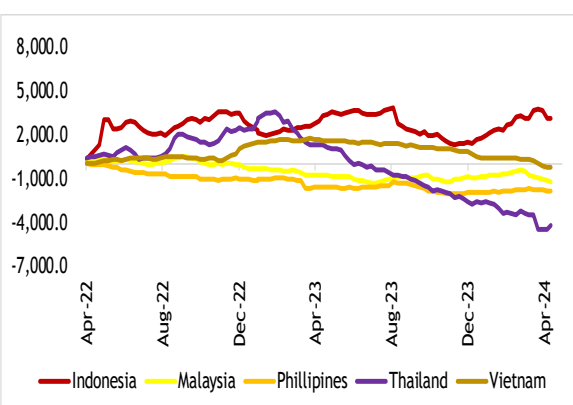
- Taiwan recorded its fifth consecutive week of outflows, totalling -USD423.2m. Taiwan’s CPI last month increased by +2.14%yoy, marking a slowdown from +3.08%yoy in Feb-24, as the holiday effect on consumer prices ended. However, the CPI remains above the central bank’s +2.0% target, with an +11.0% hike in electricity prices from April 1 potentially adding to inflationary pressures.
- Vietnam recorded its sixth consecutive week of foreign funds exiting the equity market, totalling -USD46.8m. The rate of outflows has been moderating over the past three weeks. The Asian Development Bank (ADB) has upheld its previous forecast of Vietnam’s economic growth in CY24, while warning of potential impediments from global geopolitical uncertainties and structural limitations within the national economy.
- In a shortened trading week in the Philippines, foreigners have net sold equities for the third consecutive week, amounting to -USD30.5m. The market observed closures on Tuesday in observance of Araw ng Kagitingan and on Wednesday for Eid al-Fitr. The ADB has lowered its growth forecast for the Philippines this year to +6.0% from the previous +6.2% target, citing risks from extreme weather events and slower growth in advanced economies.
- The Indonesian equity market remained closed throughout last week in observance of Eid al-Fitr, and it is scheduled to reopen on April 16.

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



Sources: Bloomberg & MIDFR

Chart 4 Net Foreign Fund Flows into Southeast Asia Since Apr-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
Apr-24	1,602.4	-472.5	2,147.3	-149.2	-39.5	-585.4	267.6	-134.5	2,636.1
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

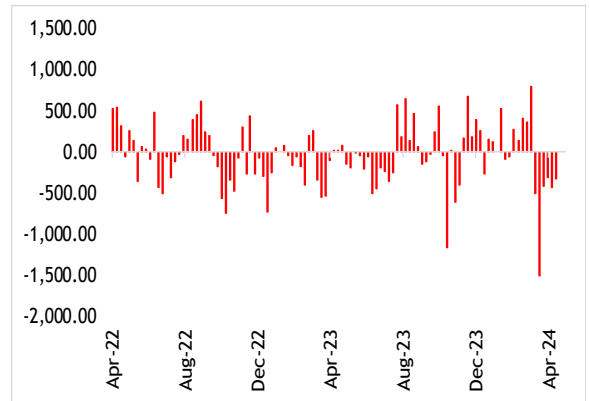
Source: Respective stock exchange statistics as reported on Bloomberg. These figures are subject to revisions.

C. TRACKING MONEY FLOW - MALAYSIA

- The net selling trend by foreign investors has extended into its seventh consecutive week, amounting to -RM373.5m. This was about -11% wider than the net selling amount in the previous week. It was a shortened trading week of only three days due to the Hari Raya Aidilfitri holidays.
- Last week, foreign investors net bought Property (RM75.3m), Transportation & Logistics (RM26.8m) and Construction (RM16.5m). Sectors they were net selling were Financial Services (-RM285.9m), Utilities (-RM85.4m) and Consumer Products & Services (-RM52.7m).
- Local institutions continued their trend of buying domestic equities for the seventh consecutive week, with purchases totalling RM430.7m.
- Local retailers continued as net sellers for the fifth consecutive week, with net sales amounting to -RM57.1m. They ended their 22-day streak of net selling by making purchases of RM9.5m on Tuesday but engaged in net selling throughout the rest of the trading days last week.
- In terms of participation, the average daily trading volume (ADTV) saw a decrease among local retailers (-3.1%) and local institutions (-15.2%), while experiencing an increase among foreign investors (+3.1%).

Chart 5

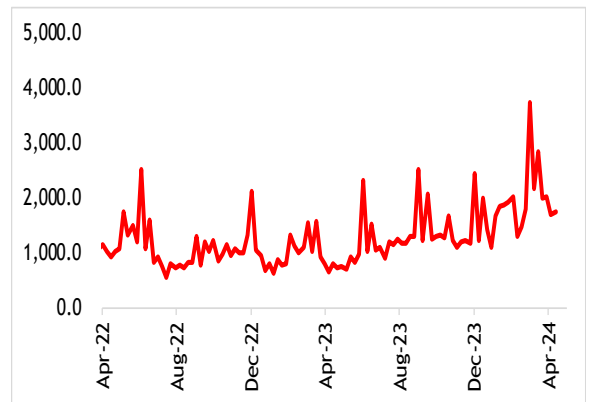
Net Foreign Fund Flows into Malaysian Equity Since Apr-22 (RM'm)



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	
Apr-24	4.47	4.74	-0.28	9.64	8.65	0.99	6.49	7.20	-0.71	-0.15
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 5 APRIL 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
RHB Bank	22.9	Malayan Banking	133.5	Malaysian Resources Corp	20.9
Genting	19.6	CIMB Group Holdings	112.0	S P Setia	19.1
Genting Malaysia	12.1	YTL Power International	55.7	Malaysian Airports Holdings	14.1
Public Bank	10.3	Tenaga Nasional	52.8	Mah Sing Group	13.9
Greotech Technology	6.9	Public Bank	31.1	Sunway	13.5
Oriental Holdings	6.2	Nestle	28.2	Sime Darby Property	11.5
KNM Group	5.5	PPB Group	21.8	Oriental Holdings	10.3
YTL Corp	4.7	Kuala Lumpur Kepong	20.8	Guan Chong	10.2
Axiata	4.5	YTL Corp	19.3	Gamuda	8.6
Top Glove Corp	3.8	Inari Amertron	18.4	MISC	8.2
Top 10 Stocks with Weekly Net Outflows					
Company	Value	Company	Value	Company	Value
Tenaga Nasional	-32.1	Malaysian Airports Holdings	-40.4	Malayan Banking	-132.0
Malaysian Resources Corp	-17.7	Genting	-23.0	CIMB Group Holdings	-99.8
IOI Properties Group	-15.1	Oriental Holdings	-19.3	YTL Power International	-55.3
Mah Sing Group	-9.4	Gamuda	-13.6	Public Bank	-47.8
Sime Darby Property	-8.9	Genting Malaysia	-10.7	YTL Corp	-28.7
Dagang Nexchange	-8.6	Axiata	-10.6	Nestle	-26.1
Bahvest Resources	-7.9	United Plantation	-9.1	PPB Group	-21.0
S P Setia	-7.8	S P Setia	-9.0	Kuala Lumpur Kepong	-20.2
Theta Edge	-6.9	Guan Chong	-8.6	Inari Amertron	-18.9
AWC	-6.8	MISC	-7.9	Velesto Energy	-17.6

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

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

Company	%	YTD %	Company (cont'd)	%	YTD %	Company (cont'd)	%	YTD %
Automotive			Padini	6.3	0.0	MISC	10.4	4.0
Bermaz Auto	8.9	-22.6	QL Resources	8.4	-4.5	Suria Capital	5.4	-3.6
MBM Resources	1.7	-22.7	Rhong Khen International	62.3	0.0	Westports Holdings	27.2	0.4
Tan Chong	10.5	0.0	Spritzer	13.7	-1.4	Property		
Aviation			Gloves			Eco World	6.7	42.6
Capital A	13.8	1.5	Hartalega	14.5	-1.4	Glomac	3.8	0.0
Malaysia Airports	24.5	0.0	Kossan Rubber	12.1	-4.0	IOI Properties	6.2	6.9
Banking			Top Glove	28.7	-0.3	Mah Sing	25.3	25.9
Affin Bank	27.0	0.4	Healthcare			Matrix Concepts	9.7	-5.8
Alliance Bank	20.2	1.0	IHH Healthcare	49.7	-0.4	S P Setia	19.2	12.3
AMMB Holdings	28.3	-27.6	KPJ Healthcare	10.4	4.0	Sunway	5.2	-1.9
Bank Islam	1.5	53.0	Pharmaniaga	0.3	-25.0	UOA Development	3.5	0.0
CIMB Group	30.9	-1.6	Logistics			REITs		
Hong Leong Bank	10.1	-2.9	CJ Century	58.0	0.0	Al-'Aqar Healthcare	0.6	20.0
Hong Leong Financial	30.6	-0.6	Swift Haulage	6.8	-6.8	Axis REIT	14.7	-1.3
Malayan Banking	19.9	0.0	Tasco	66.7	0.3	IGB REIT	2.6	0.0
Public Bank	26.4	-3.6	Non-bank Financials			KLCCP Stapled	0.4	0.0
RHB Bank	13.4	-5.6	Bursa Malaysia	15.2	-1.9	Pavilion REIT	32.3	0.6
Building Materials			AEON Credit	68.1	-0.1	Sunway REIT	4.4	-2.2
Cahaya Mata Sarawak	6.5	1.6	Oil & Gas			Solar EPCC		
Malayan Cement	5.6	0.0	Bumi Armada	15.7	4.7	Pekat	2.0	-16.7
Conglomerate			Deleum	4.4	7.3	Samaiden	11.9	6.3
YTL Corporation	25.6	0.0	Dialog	17.0	-2.3	Sunview	7.5	5.6
Construction			Gas Malaysia	19.4	-2.0	Technology		
Gamuda	26.1	3.2	MMHE	8.3	0.0	D & O Green Tech	35.7	0.8
IJM Corp	17.3	-2.8	Petronas Chemicals	8.4	-3.4	Datasonic	5.9	-3.3
KKB Engineering	0.5	-16.7	Petronas Dagangan	7.0	-2.8	Globetronics	0.4	-71.4
MRCB	12.4	6.0	Petronas Gas	10.2	-1.0	Inari Amertron	17.4	-7.9
Pintaras Jaya	0.2	0.0	Plantation			My E.G. Services	11.4	-3.4
Sunway Construction	1.4	40.0	FGV Holdings	3.7	0.0	Unisem	2.4	4.3
WCT Holdings	6.6	-4.3	Genting Plantations	6.0	5.3	Telecommunication		
Consumer			IOI Corp	10.8	-2.7	Axiata	10.6	2.9
AEON Co.	53.4	-0.6	KL Kepong	12.5	-6.7	CelcomDigi	60.0	0.0
Asia File	3.5	0.0	PPB Group	20.4	-2.9	Maxis	7.9	0.0
Fraser & Neave	60.6	-0.3	Sarawak Plantation	2.6	0.0	Telekom Malaysia	12.7	0.0
Hup Seng Industries	1.9	0.0	Sime Darby Plantation	9.6	-2.0	Utilities		
Leong Hup	7.8	-0.9	Ta Ann	13.2	0.0	Ranhill Utilities	12.9	-2.3
MSM Malaysia	4.0	42.9	TSH Resources	18.7	-0.5	Tenaga Nasional	14.0	2.2
Nestlé (Malaysia)	81.8	-0.1	Port & Shipping			YTL Power	13.3	-0.7

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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