

FUND FLOW REPORT

(Week ended 21 June 2024)

US Economy Shows Strength in June

24 JUNE 2024 | Strategy - Weekly Fund Flow

Royce Tan Seng Hooi
royce.tan@midf.com.my

US Economy Shows Strength in June

A. MARKET SNAPSHOT

- The US economy expanded in Jun-24 at the fastest pace in over two years, according to a pair of S&P surveys, driven by growing optimism among business leaders. The S&P flash US services index of purchasing managers increased to a 26-month high of 55.1 in Jun-24, up from 54.8 in May-24. Meanwhile, the flash US manufacturing rose to a 3-month high of 51.7 in Jun-24, compared to 51.3 in May-24.
- In contrast, retail sales in the US saw a modest increase in May-24, with data from the Commerce Department's Census Bureau showing a +0.1% rise following a downwardly revised -0.2% in Apr-24. Previously, retail sales for Apr-24 were reported as unchanged. These indicated that economic activity continued to be subdued in 2QCY24, reflecting cautious consumer spending amidst revised downward economic indicators.
- Last week, the majority of markets showed gains, with 14 out of 20 indices we track finishing in positive territory. Leading the gains were Taiwan's TAIEX (+3.33%), Indonesia's JCI (+2.16%), and France's CAC 40 (+1.67%). The Nasdaq remained unchanged. Conversely, the top decliners were the Philippines' PSEi (-3.53%), China's Shenzhen CSI 300 (-1.30%), and the FBM KLCI (-1.05%).
- Business growth in the Eurozone decelerated significantly this month, driven by a decline in demand for the first time since Feb-24. That was despite the European Central Bank (ECB) having implemented a widely anticipated interest rate cut earlier this month. Both the services industry and manufacturing sector showed signs of weakening, as reflected in HCOB's preliminary composite Purchasing Managers' Index (PMI). This index dropped to 50.8 in Jun-24 from May-24's 52.2, indicating a notable downturn in economic activity.
- According to the Office for National Statistics (ONS), British inflation has returned to the Bank of England's (BOE) target of +2.0% after nearly three years in May-24, slowing from +2.3% the month before. On Thursday, the UK central bank maintained its benchmark lending rate at 5.25%, which stands at a 16-year high. The Bank of England (BOE) suggested that additional policymakers may be nearing support for interest rate cuts, which has kept optimism alive for potential easing by the end of the summer.
- China's central bank opted to maintain a key interest rate unchanged for the tenth consecutive month, indicating a cautious approach towards monetary easing amidst ample liquidity and the imperative to stabilise the yuan exchange rate. The People's Bank of China (PBOC) held the one-year policy loans, known as the medium-term lending facility (MLF), at 2.5% on Monday.
- Japan's core inflation increased primarily due to higher energy prices, while an index excluding the volatile effect of fuel continued its ninth consecutive month of slowing. The core consumer price index (CPI) rose by +2.5%yoy in May-24 (Apr-24: +2.2%yoy). Meanwhile, it experienced a significant increase in export value due to the depreciation of the yen. However, the actual volume of sales declined for the fourth consecutive month. Exports rose by +13.5%yoy in terms of value in May-24 (Apr-24: +8.3%yoy), driven by shipments of cars to the US and chip-making machinery to China.

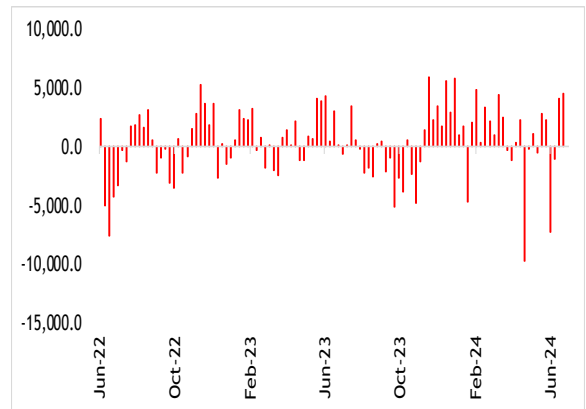
Table 1 Weekly Performance of Global Benchmark Indices (%)

| Index | Last Price | Change (%) |
|------------------|-----------------|--------------|
| TAIEX | 23,253.39 | 3.33 |
| JCI | 6,879.98 | 2.16 |
| CAC 40 | 7,628.57 | 1.67 |
| Dow Jones | 39,150.33 | 1.45 |
| FTSE 100 | 8,237.72 | 1.12 |
| KOSPI | 2,784.26 | 0.94 |
| ASX 200 | 7,795.97 | 0.93 |
| DAX 40 | 18,163.52 | 0.90 |
| Stoxx Europe 600 | 515.11 | 0.79 |
| S&P 500 | 5,464.62 | 0.61 |
| Hang Seng | 18,028.52 | 0.48 |
| Sensex | 77,209.90 | 0.28 |
| Straits Times | 3,306.02 | 0.26 |
| Ho Chi Minh VSE | 1,282.02 | 0.16 |
| Nasdaq | 17,689.36 | 0.00 |
| SET | 1,306.41 | -0.01 |
| Nikkei 225 | 38,596.47 | -0.56 |
| FBM KLCI | 1,590.37 | -1.05 |
| Shenzhen CSI 300 | 3,495.62 | -1.30 |
| PSEi | 6,158.48 | -3.53 |

Source: Bloomberg

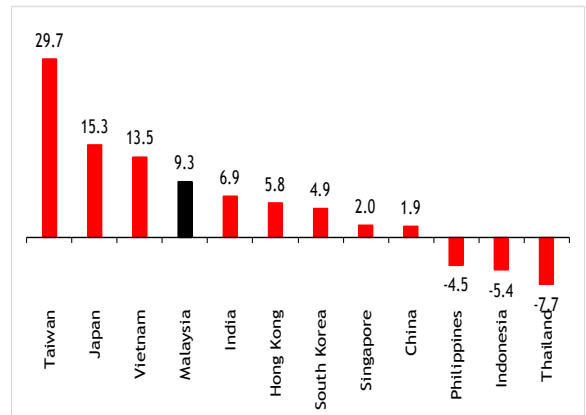
- According to Enterprise Singapore, the non-oil domestic exports showed a slight decline of -0.1%yoy in May-24. This follows a revised -9.6% drop in Apr-24. Electronic exports, however, saw growth for the second consecutive month. On a month-on-month seasonally adjusted basis, non-oil exports also decreased by -0.1%yoy in May-24, following a -7.3% increase in Apr-24.
- Malaysia’s exports expanded by +7.3%yoy, surpassing expectations. This was driven by increased shipments of electronics and palm oil, particularly boosted by higher deliveries to the US. Specifically, exports of electrical and electronic products rose by +7.6%yoy, while palm oil exports surged by +25.7%yoy. On the other hand, exports of petroleum products declined by -18.6%yoy, and liquefied natural gas shipments decreased by -21.2%yoy.
- The Ringgit appreciated against the US Dollar by +0.17% to close at RM4.7127 on Friday. The Brent crude oil price rose +3.17% to USD85.24 per barrel while the crude palm oil price declined by -0.71% to RM3,900.00 per tonne.

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



Sources: Bloomberg & MIDFR

Chart 2 YTD Performance of Asian Benchmark Indices (%)



Sources: Bloomberg & MIDFR

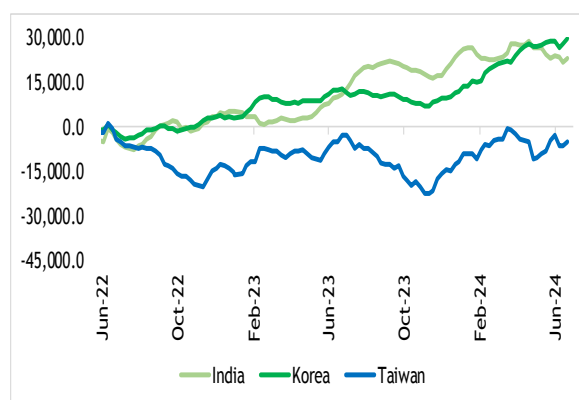
B. TRACKING MONEY FLOW - ASIA

- For the week ended 21st June, foreign investors continued to channel funds into the eight Asian markets that we track, net buying USD4.50b, the highest in 20 weeks. Interestingly the net inflows were only into Taiwan, India and South Korea while the net outflows were from the ASEAN countries.
- Topping the foreign inflows last week was Taiwan at USD2.58b in the second consecutive week of net buying as artificial intelligence (AI) continues to drive optimism in markets. Foreign investors net sold -USD486.2m on Friday but net bought for the rest of the week. In a separate development, US-based networking firm Cisco plans to set up a cybersecurity centre in Taiwan as part of its Taiwan Digital Acceleration Plan 3.0.
- Foreign investors also net bought in India for the second consecutive week at USD1.83b, net buying every day last week. Business activities in the country expanded at a faster rate in Jun-24, partly led by strong manufacturing activities. HSBC’s flash India Composite PMI recorded a reading of 60.9 in Jun-24 (May-24: 60.5). The manufacturing index grew to 58.5 (May-24: 57.5) while the services industry inched up to 60.4 (May-24: 60.2).
- In South Korea, foreign investors continued to net buy for the third consecutive week at USD778.0m. Bank of Korea governor Rhee Chang-yong alluded to a slowing pace of consumer inflation, which the market read as hints of interest rate cuts towards the end of the year. Rhee said in a statement that future prices are expected to continue a gradual slowdown considering the recent slowdown in international oil and agricultural product prices.
- Foreign funds continue to leave Thailand for the fifth consecutive week after foreign investors net sold -USD290.7m. They net sold every day last week, bringing the net selling streak to 22 consecutive trading days. The government and the central bank have been in disagreement for months over monetary policy. The government has constantly called for lower rates but the Bank of Thailand has kept to its stance that current rates are suitable. It was reported that the Finance Minister will discuss the inflation target with the central bank governor, with stimulus measures expected to be announced

this week.

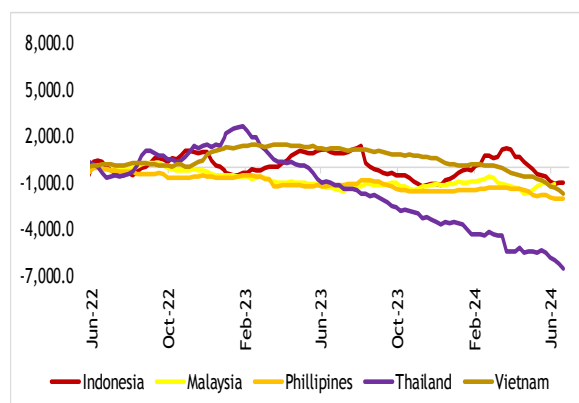
- In Vietnam, foreign investors continued their net selling stance, disposing of -USD195.1m net. It was the 16th consecutive week of net selling by foreign investors, and they have been net selling for 12 straight trading days. The country's exports rose +13.8%yoy in 1HCY24 while imports grew +18.4%yoy. The Ministry of Industry and Trade (MoIT) however, highlighted uneven recovery in industrial production, alongside issues with energy production and supplies especially electricity and oil and gas due to fluctuation in prices.
- Foreign investors returned to net selling in Indonesia, disposing of -USD51.9m net last week, after briefly net buying the week before. Bank Indonesia kept its seven-day reverse repurchase rate at 6.25% on Thursday, in line with market expectations. The central bank remarked that the current policy rate remained consistent with its efforts to stabilise the rupiah despite it dropping to its lowest in more than four years. Governor Perry Warjiyo said as global uncertainties start to ease, the central bank may have room to ease its rates.
- In the Philippines, foreign investors net sold -USD46.8m in the fifth consecutive week of net outflows. The relations between the country and China have worsened following a collision in the South China Sea last week that saw China's Coast Guard damaging at least two military boats delivering food and supplies to a military outpost and injuring navy personnel in the hotly disputed Second Thomas Shoal. The US and business groups in the Philippines have denounced the action by China but a spokesman from China's foreign ministry said the necessary measures taken were lawful, professional and beyond reproach.

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



Sources: Bloomberg & MIDFR

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



Sources: Bloomberg & MIDFR

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

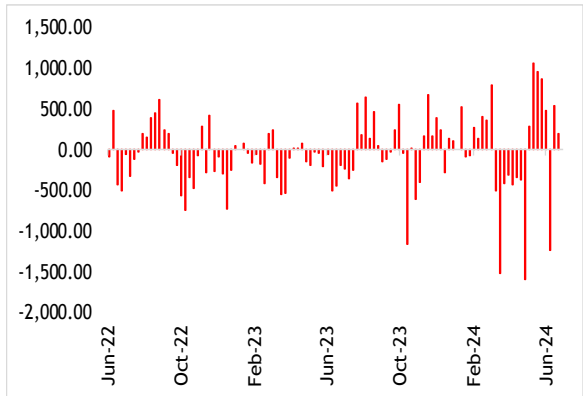
| Period | India | Indo | Korea | M'sia | Phil | Taiwan | Thai | Viet | Total |
|--------|----------|----------|----------|--------|--------|-----------|----------|----------|-----------|
| Jun-24 | 1,462.5 | -121.6 | 3,468.9 | 63.3 | -104.4 | 3,965.2 | -711.7 | -473.5 | 7,548.7 |
| 1Q24 | 1,329.4 | 1,685.7 | 12,188.7 | -186.8 | 162.6 | 4,729.4 | -1,933.4 | -561.9 | 17,413.7 |
| 2Q24 | -2,636.5 | -2,142.7 | 4,586.9 | 90.2 | -690.2 | 1,845.3 | -1,059.0 | -1,326.0 | -1,331.9 |
| 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

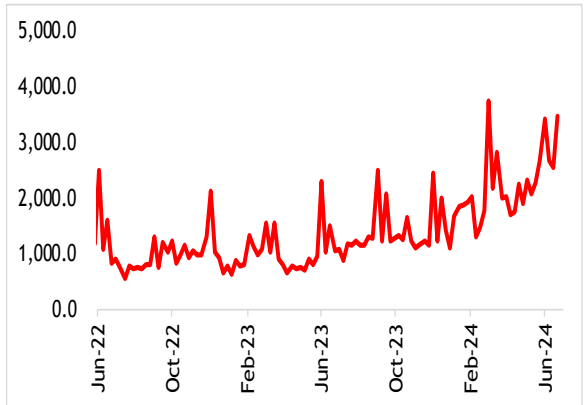
- Foreign funds left Bursa Malaysia last week at a rate of -RM441.1m, after two consecutive weeks of net inflows. Foreign investors net sold every day in the shortened trading week in conjunction with the Hari Raya Haji holiday on Monday.
- They net sold -RM80.3m on Tuesday, -RM120.3m on Wednesday, -RM64.7m on Thursday and -RM175.8m on Friday.
- The sectors which recorded the highest net foreign inflows last week were Industrial Products & Services (RM130.4m), Technology (RM65.3m), and Transportation & Logistics (RM64.0m), while the sectors with the highest net foreign outflows were Financial Services (-RM529.9m), Healthcare (-RM56.2m), and Plantation (-RM36.4m).
- Local institutions returned to net buying last week, amounting to RM274.0m, after two weeks of net selling. They only net sold -RM27.9m on Thursday while they net bought RM57.5m on Tuesday, RM66.9m on Wednesday and RM177.5m on Friday.
- Similarly, local retailers also net bought last week at RM167.1m after net selling for two straight weeks. They only net sold -RM1.7m on Friday and net bought for the rest of the week.
- In terms of participation, there was an increase in average daily trading volume (ADTV) of +36.1% among foreign investors and declines of -18.1% and -11.1% among local retailers and local institutional investors respectively.

Chart 5 Net Foreign Fund Flows into Malaysian Equity Since Jun-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 | |
| Jun-24 | 12.55 | 12.81 | -0.25 | 24.31 | 24.36 | -0.05 | 18.69 | 18.39 | 0.30 | 0.06 |
| 1Q24 | 38.14 | 39.45 | -1.31 | 76.23 | 74.05 | 2.18 | 61.41 | 62.28 | -0.88 | -0.19 |
| 2Q24 | 42.51 | 44.59 | -2.08 | 88.74 | 87.07 | 1.67 | 65.19 | 64.78 | 0.41 | 0.09 |
| 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 21 JUN 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 |
| Public Bank | 74.4 | CIMB Group Holdings | 172.6 | VS Industry | 96.1 |
| YTL Power Int. | 23.8 | Malayan Banking | 83.1 | Press Metal | 73.6 |
| Malayan Banking | 19.7 | Public Bank | 73.6 | Inari Amertron | 72.3 |
| My E.G. Services | 16.2 | KL Kepong | 37.0 | MISC | 51.5 |
| Hibiscus Petroleum | 12.7 | Nestle (Malaysia) | 35.5 | Mah Sing Group | 38.9 |
| RHB Bank | 12.0 | QL Resources | 34.2 | Telekom Malaysia | 36.7 |
| Velesto | 11.2 | Hong Leong Bank | 29.4 | IJM Corp. | 29.3 |
| LBS Bina Group | 11.1 | Top Glove Corp. | 26.4 | Tenaga Nasional | 26.5 |
| Genting Malaysia | 11.0 | My E.G. Services | 23.6 | Genting | 25.4 |
| Chin Hin Group | 8.0 | Pentamaster Corp. | 23.5 | Malaysia Airports | 24.2 |
| Top 10 Stocks with Weekly Net Outflows | | | | | |
| Company | Value | Company | Value | Company | Value |
| VS Industry | -40.0 | Press Metal | -92.7 | Public Bank | -192.8 |
| Notion VTec | -20.3 | Inari Amertron | -78.8 | CIMB Group Holdings | -165.1 |
| Genting | -12.2 | Telekom Malaysia | -59.6 | Malayan Banking | -115.0 |
| AMMB Holdings | -9.2 | MISC | -49.9 | My E.G. Services | -48.2 |
| Tenaga Nasional | -8.8 | IJM Corp. | -30.1 | YTL Power Int. | -45.4 |
| Dagang Nexchange | -8.5 | Tenaga Nasional | -23.9 | RHB Bank | -43.2 |
| Southern Cable | -7.3 | Malaysia Airports | -21.5 | KL Kepong | -42.6 |
| Mah Sing Group | -6.5 | Sime Darby | -21.1 | Nestle (Malaysia) | -35.4 |
| JCY International | -6.4 | Ranhill Holdings | -19.2 | Hong Leong Bank | -30.9 |
| Frontken Corp. | -5.8 | Bermaz Auto | -18.2 | QL Resources | -29.0 |

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

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

| Company | % | YTD % | Company (cont'd) | % | YTD % | Company (cont'd) | % | YTD % |
|---------------------------|------|-------|----------------------------|------|-------|--------------------------|------|-------|
| Automotive | | | Padini | 5.4 | 0.0 | MISC | 11.3 | 0.1 |
| Bermaz Auto | 8.8 | 0.1 | QL Resources | 8.1 | 0.0 | Suria Capital | 5.4 | 0.0 |
| MBM Resources | 2.1 | 0.2 | Rhong Khen International | 62.3 | 0.0 | Westports Holdings | 27.4 | 0.0 |
| Tan Chong | 10.3 | -0.01 | Spritzer | 13.8 | 0.0 | Property | | |
| Aviation | | | Gloves | | | Eco World | 7.9 | 0.1 |
| Capital A | 14.2 | 0.0 | Hartalega | 15.9 | 0.09 | Glomac | 3.6 | -0.1 |
| Malaysia Airports | 27.3 | 0.1 | Kossan Rubber | 12.6 | 0.05 | IOI Properties | 8.4 | 0.1 |
| Banking | | | Top Glove | 30.2 | 0.04 | Mah Sing | 30.0 | 0.1 |
| Affin Bank | 26.9 | 0.0 | Healthcare | | | Matrix Concepts | 7.5 | -0.1 |
| Alliance Bank | 20.3 | 0.0 | IHH Healthcare | 50.0 | 0.00 | S P Setia | 19.6 | 0.0 |
| AMMB Holdings | 28.0 | 0.0 | KPJ Healthcare | 9.2 | -0.09 | Sunway | 5.2 | 0.0 |
| Bank Islam | 1.9 | 0.1 | Pharmaniaga | 0.4 | 0.00 | UOA Development | 3.3 | 0.0 |
| CIMB Group | 30.9 | 0.0 | Logistics | | | REITs | | |
| Hong Leong Bank | 10.2 | -0.01 | CJ Century | 57.9 | 0.0 | Al-'Aqar Healthcare | 0.7 | 0.0 |
| Hong Leong Financial | 30.4 | 0.0 | Swift Haulage | 6.3 | 0.0 | Axis REIT | 14.0 | 0.0 |
| Malayan Banking | 19.5 | -0.02 | Tasco | 67.1 | 0.0 | IGB REIT | 2.5 | 0.0 |
| Public Bank | 25.7 | -0.02 | Non-bank Financials | | | KLCCP Stapled | 0.1 | -0.7 |
| RHB Bank | 12.3 | 0.0 | Bursa Malaysia | 16.3 | 0.2 | Pavilion REIT | 32.7 | 0.0 |
| Building Materials | | | AEON Credit | 68.2 | 0.0 | Sunway REIT | 4.3 | -0.1 |
| Cahaya Mata Sarawak | 9.3 | 0.31 | Oil & Gas | | | Solar EPCC | | |
| Malayan Cement | 8.6 | 0.6 | Bumi Armada | 15.1 | 0.0 | Pekat | 1.1 | 0.4 |
| Conglomerate | | | Deleum | 4.2 | -0.1 | Samaiden | 13.2 | 0.1 |
| YTL Corporation | 25.2 | -0.02 | Dialog | 16.1 | 0.0 | Sunview | 6.7 | -0.1 |
| Construction | | | Gas Malaysia | 19.5 | 0.0 | Technology | | |
| Gamuda | 26.1 | 0.0 | MMHE | 8.3 | 0.0 | D & O Green Tech | 35.6 | 0.0 |
| IJM Corp | 18.6 | 0.0 | Petronas Chemicals | 8.2 | 0.0 | Datasonic | 9.7 | 0.7 |
| KKB Engineering | 0.6 | 0.0 | Petronas Dagangan | 6.5 | 0.0 | Globetronics | 2.4 | 7.0 |
| MRCB | 11.2 | -0.1 | Petronas Gas | 10.2 | 0.0 | Inari Amertron | 19.1 | 0.11 |
| Pintaras Jaya | 0.2 | 0.0 | Plantation | | | My E.G. Services | 14.3 | 0.2 |
| Sunway Construction | 1.6 | -0.2 | FGV Holdings | 3.7 | 0.0 | Unisem | 2.7 | 0.08 |
| WCT Holdings | 11.2 | 0.67 | Genting Plantations | 6.3 | 0.0 | Telecommunication | | |
| Consumer | | | IOI Corp | 10.0 | -0.1 | Axiata | 11.2 | 0.0 |
| AEON Co. | 57.5 | 0.08 | KL Kepong | 11.0 | -0.1 | CelcomDigi | 59.8 | 0.0 |
| Asia File | 3.5 | 0.0 | PPB Group | 19.5 | 0.0 | Maxis | 7.9 | 0.0 |
| Fraser & Neave | 61.3 | 0.01 | Sarawak Plantation | 2.6 | 0.0 | Telekom Malaysia | 13.3 | 0.0 |
| Hup Seng Industries | 2.4 | 0.3 | Sime Darby Plantation | 9.5 | 0.0 | Utilities | | |
| Leong Hup | 5.1 | -0.3 | Ta Ann | 12.5 | 0.0 | Ranhill Utilities | 14.8 | 0.1 |
| MSM Malaysia | 5.2 | 0.2 | TSH Resources | 19.1 | 0.0 | Tenaga Nasional | 15.6 | 0.1 |
| Nestlé (Malaysia) | 81.3 | 0.0 | Port & Shipping | | | YTL Power | 13.2 | 0.0 |

Source: Dibots (estimated from the latest half yearly filings by PLC to Bursa Malaysia and calculated by the demography movement daily).

DISCLAIMER

This report has been prepared by MIDF AMANAH INVESTMENT BANK BERHAD (197501002077 (23878-X)). It is for distribution only under such circumstances as may be permitted by applicable law.

Readers should be fully aware that this report is for information purposes only. The opinions contained in this report are based on information obtained or derived from sources that we believe are reliable. MIDF AMANAH INVESTMENT BANK BERHAD makes no representation or warranty, expressed or implied, as to the accuracy, completeness or reliability of the information contained therein and it should not be relied upon as such.

This report is not, and should not be construed as, an offer to buy or sell any securities or other financial instruments. The analysis contained herein is based on numerous assumptions. Different assumptions could result in materially different results. All opinions and estimates are subject to change without notice. The research analysts will initiate, update and cease coverage solely at the discretion of MIDF AMANAH INVESTMENT BANK BERHAD.

The directors, employees and representatives of MIDF AMANAH INVESTMENT BANK BERHAD may have interest in any of the securities mentioned and may benefit from the information herein. Members of the MIDF Group and their affiliates may provide services to any company and affiliates of such companies whose securities are mentioned herein

This document may not be reproduced, distributed or published in any form or for any purpose.



MIDF RESEARCH is part of
MIDF Amanah Investment Bank Berhad (197501002077 (23878-X))
(Bank Pelaburan)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Business Address:
11th Floor, Menara MIDF,
82, Jalan Raja Chulan, 50200
Kuala Lumpur.
Tel: 2173 8888
Fax: 2173 8380