

FUND FLOW REPORT

(Week ended 26 April 2024)

Economic data backs Fed's wait-and-see on rate cuts

29 APRIL 2024 | Strategy - Weekly Fund Flow
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Economic data backs Fed's wait-and-see on rate cuts
A. MARKET SNAPSHOT

- In the initial estimate of 1QCY24 gross domestic product (GDP), the US saw a +1.6% annualised growth rate, primarily buoyed by consumer spending. However, this growth rate slowed more than anticipated during 1QCY24, and the simultaneous acceleration in inflation indicates that the Federal Reserve (Fed) is unlikely to cut interest rates before Sep-24. The economy expanded at a rate of +3.4% in 4QCY23.
- Monthly inflation in the US saw a moderate uptick, yet persistently higher expenses in housing and transportation suggested that the Federal Reserve (Fed) might maintain elevated interest rates for an extended period. The Personal Consumption Expenditures (PCE) price index rose by +0.3% last month, aligning with the previously reported gain in Feb-24. Over the 12 months leading up to Mar-24, inflation increased by +2.7%, following a +2.5% rise in Feb-24.
- S&P Global reported that its flash US Composite PMI Output Index, monitoring both the manufacturing and services sectors, declined to 50.9 this month from 52.1 in Mar-24. Business activity in the US cooled in Apr-24, reaching a four-month low due to diminished demand, while inflation rates slightly eased despite sharp rise in input prices. This slowdown mirrored weaker growth rates in both the manufacturing and services sectors, with activity easing to three-and-five-month lows, respectively.
- Last week, the major markets displayed positive momentum, with 19 out of the 20 indices we monitor posting gains. The top performers included Hong Kong's Hang Seng (+8.80%), followed by Nasdaq (+4.23%), and Singapore's Straits Times (+3.26%). The only decline was observed in Indonesia's JCI (-0.72%).
- The UK's economy rebound from recession unexpectedly accelerated at the beginning of the 2QCY24, with private sector firms reporting the strongest growth in nearly a year. S&P Global's purchasing managers' index surged to 54.0 in Apr-24, reaching an 11-month high, up from 52.8 the previous month. The services sector was the main driver behind this acceleration, while manufacturing experienced a return to contraction.
- China's industrial profits exhibited more modest growth in 1QCY24 contrast to the preceding two months, further indicating an uneven resurgence in the economy. Data from the National Bureau of Statistics (NBS) revealed that profits among China's industrial enterprises experienced a -3.5%yoy decline in Mar-24. For 1QCY24, it increased by +4.3%yoy, a deceleration from the +10.2%yoy uptick observed in the initial two months.
- China maintained its benchmark lending rates unchanged at the monthly fixing last week, aligning with market forecasts. The one-year Loan Prime Rate (LPR) remained at 3.45%, while the five-year LPR held steady at 3.95%. The decision reflects China's recent release of positive 1QCY24 economic data, reducing the immediate pressure on Beijing to implement monetary stimulus measures to support the economic rebound.
- The Bank of Japan (BOJ) decided to maintain interest rates at approximately zero and released updated

Table 1 Weekly Performance of Global Benchmark Indices (%)

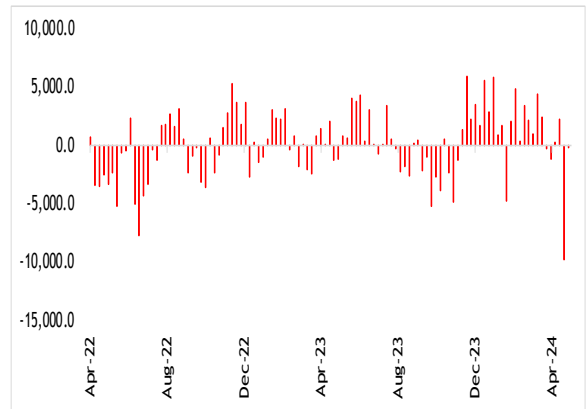
Index	Last Price	Change (%)
Hang Seng	17,651.15	8.80
Nasdaq	15,927.90	4.23
Straits Times	3,280.10	3.26
FTSE 100	8,139.83	3.09
TAIEX	20,120.51	3.04
Ho Chi Minh VSE	1,209.52	2.95
PSEi	6,628.75	2.88
S&P 500	5,099.96	2.67
KOSPI	2,656.33	2.49
DAX 40	18,161.01	2.39
Nikkei 225	37,934.76	2.34
SET	1,359.94	2.09
FBM KLCI	1,575.16	1.78
Stoxx Europe 600	507.98	1.74
Shenzhen CSI 300	3,584.27	1.20
Sensex	73,730.16	0.88
CAC 40	8,088.24	0.82
Dow Jones	38,239.66	0.67
ASX 200	7,575.91	0.11
JCI	7,036.08	-0.72

Source: Bloomberg

forecasts indicating that inflation is projected to hover near its +2.0% target over the next three years. The BOJ announced its intention to continue purchasing government bonds, committing to the buy approximately JPY6.0t per month. As anticipated, the BOJ retained its short-term interest rate target within the range of 0% to 0.1%.

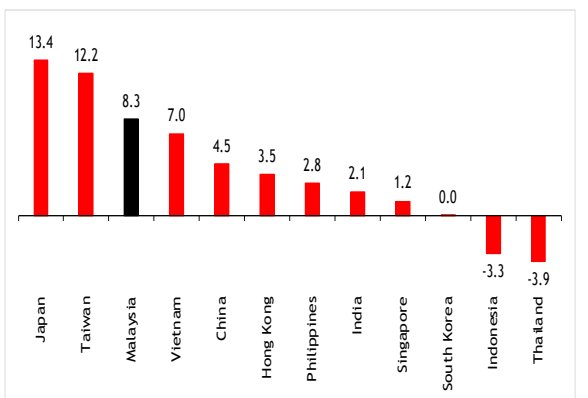
- Singapore’s core inflation experienced a decrease in Mar-24, due to lower food prices and the cost of services, with the expectation that disinflationary trend will persist. The increase in the core measure, which excludes housing and private transportation costs, decelerated to +3.1%yoy. This marked a decline from the seven-month high of +3.6% recorded in Feb-24. Additionally, headline inflation decreased to +2.7% from +3.4% in Feb-24, marking its lowest level in 30 months.
- In Mar-24, Malaysia’s Producer Price Index (PPI) saw an increase of +1.6%yoy, marking a notable rise compared to the +0.3%yoy observed in Feb-24. All sectors experienced growth in Mar-24, collectively contributing to the overall index increase. Specifically, the mining sector showed a significant rise of +8.3% (Feb-24: +5.3%), primarily influenced by the index of crude petroleum extraction (-11.0%).
- Malaysia experienced consumer inflation that was lower than anticipated in Mar-24, attributed to slower increases in healthcare and food prices. The Consumer Price Index (CPI), rose by +1.8%yoy (Feb-24: +1.8%yoy). Notable contributors to inflation included the sectors of housing, water, electricity, gas and other fuels, which saw a +3.0% increase, restaurant and accommodation services, also up by +3.0%; and personal care, social protection, and miscellaneous goods and services, which saw a slight uptick of +2.6%.
- The Ringgit appreciated against the US Dollar by -0.32% to close at RM4.7680 on Friday. The Brent crude oil price rose +2.53% to USD89.50 per barrel while the crude palm oil price declined by -0.76% to RM3,896.00 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

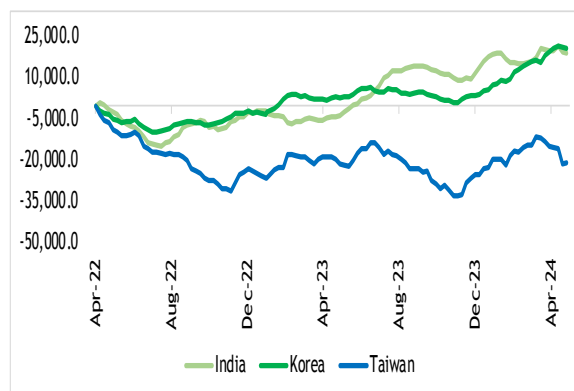
B. TRACKING MONEY FLOW - ASIA

- Last week, the total net selling across the eight Asian markets we monitor decreased notably to -USD158.7m from -USD9.68b the previous week. Among these markets, only Taiwan, Thailand, and Malaysia saw inflows.
- After six consecutive weeks of net selling, investors shifted to become net buyers of Taiwanese equities, amounting to USD452.2m. The National Development Council (NDC) reported that an index providing an overview of Taiwan’s economy displayed a “green light” for the third consecutive month in Mar-24, increasing by one point compared to the previous month, signalling sustained stable growth.
- Apart from Malaysia, Thailand was the only other country to experience a net foreign inflow of USD84.5m. This marks a turnaround from the previous week’s figure of -USD285.5m. Minutes from the Bank of Thailand’s April 10 monetary policy meeting indicated that Thailand’s economy is expected to grow at a faster rate in CY24 compared to CY23, supported by private consumption and tourism. During the meeting, the monetary policy committee voted 5-2 to maintain the one-day repurchase rate at

2.50%, the highest level in over a decade, for the third consecutive meeting.

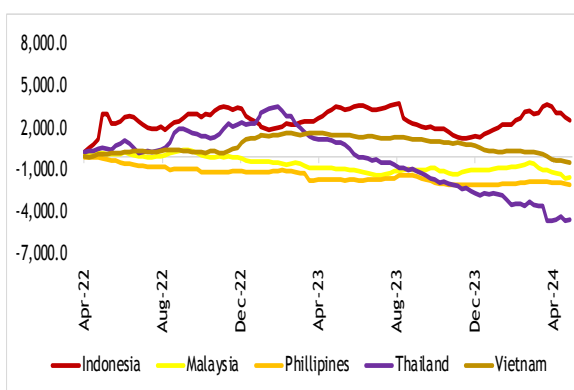
- Foreign investors persisted in net selling Indonesia equities for the fifth consecutive week, amounting to -USD277.4m. Indonesia's central bank unexpectedly raised interest rates, intensifying its efforts to bolster the rupiah currency. Bank Indonesia (BI) increased the seven-day reverse repurchase rate by 25 basis points to 6.25%, marking its highest level since the bank designated the instrument as its main policy rate in CY16.
- For the second consecutive week, South Korea witnessed a net foreign outflow amounting to -USD260.8m. This is despite the Bank of Korea reporting that the GDP grew by +1.3%qoq in 1QCY24. This marks the highest growth rate since 4QCY21 when the economy expanded by +1.4%qoq. The growth rate was primarily propelled by an uptick in exports and a significant surge in construction investment.
- India saw a net foreign outflow for the second consecutive week, though at a significantly moderated rate of -USD125.5m. India's private sector activity saw a boost in Apr-24, driven by favourable demand patterns that stimulated new business inflows and output. The HSBC headline flash composite Purchasing Managers' Index (PMI) climbed to 62.2 in Apr-24, up from Mar-24's 61.8. Despite the sustained strong growth in new business, capacity pressures remained subdued in Apr-24.
- As for the Philippines, it recorded its fifth consecutive week of net foreign outflow, amounting to -USD48.6m. According to the Philippine Statistics Authority (PSA), the economy of Metro Manila grew at a slower pace of +4.9% in CY23, down from +7.2% in CY22. Data released by the PSA yesterday indicated that the GDP expansion of the National Capital Region (NCR) was lower than the national growth rate of +5.5% in CY23.
- Vietnam also marked its eighth consecutive week of net foreign outflow, totalling -USD44.4m. According to the latest World Bank Taking Stock bi-annual economic update, Vietnam's economy is displaying mixed signals of recovery in early-CY24, with projected to reach +5.5% in CY24 and gradually increase to +6.0% by CY25. The country's exports are rebounding, while consumption and private domestic

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	-752.2	-1,027.2	1,312.8	-420.8	-145.5	-5,999.3	66.6	-239.3	-7,204.8
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

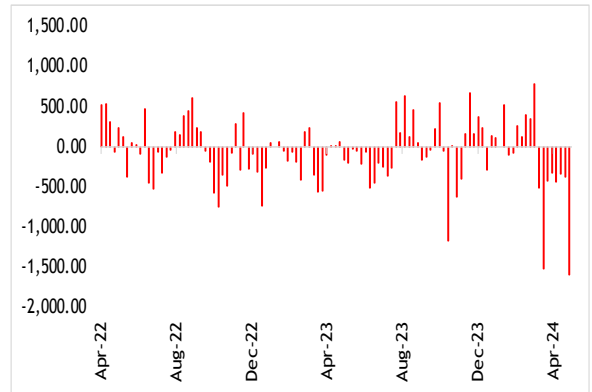
Source: Respective stock exchange statistics as reported on Bloomberg. These figures are subject to revisions.

investment are experiencing more moderate growth.

C. TRACKING MONEY FLOW - MALAYSIA

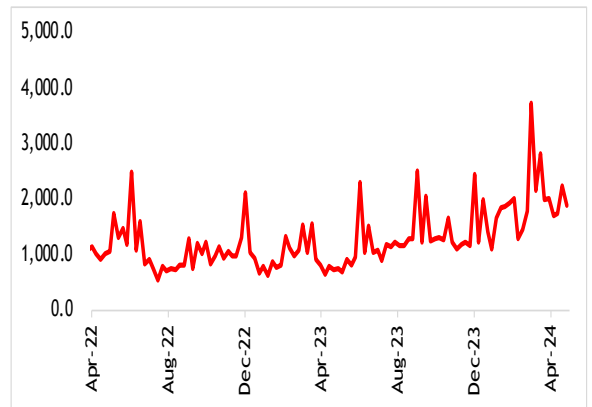
- Foreign investors concluded their eighth consecutive week of net selling and shifted to become net buyers on Bursa Malaysia, totalling RM292.2m last week. The World Bank has maintained its CY24 economic growth forecast for Malaysia at +4.3%, although it acknowledges the potential for an upside from increased oil prices resulting from the ongoing conflict in the Middle East. The projected GDP growth in CY24 is expected to be primarily propelled by private consumption.
- Foreign investors have been purchasing sectors such as Utilities (RM285.8m), Financial Services (RM105.3m) and Telecommunications & Media (RM100.3m). Sectors that saw the strongest net selling were Consumer Products & Services (-RM223.2m), Plantation (-RM68.5m) and Energy (-RM31.6m).
- Likewise, local institutions continued their trend of net buying for the ninth consecutive week, with a net purchase totalling RM143.3m.
- Local retailers sustained their net selling streak for the seventh consecutive week, totalling -RM435.5m.
- In terms of participation, the average daily trading volume (ADTV) declined for retail and foreign investors by -10.9% and -15.5% respectively. However, local institutions saw a slight uptick of +0.2%.

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	10.53	11.44	-0.91	23.99	21.07	2.92	16.16	18.17	-2.01	-0.42
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 26 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	14.2	Public Bank	97.8	Malayan Banking	166.1
Genting Malaysia	13.0	Keyfield International	63.9	YTL Corp	117.7
Ekovest	11.7	Sime Darby	56.1	Tenaga Nasional	99.2
Genting	8.9	Petronas Chemicals Group	43.2	My E.G. Services	81.8
SNS Network Technology	7.6	Dialog	39.3	YTL Power International	70.4
Inari Amertron	7.5	QL Resources	34.8	Telekom Malaysia	65.8
DXN Holdings	6.3	Sime Darby Property	33.4	Axiata	42.9
BSL Corp	5.8	PPB Group	28.6	IHH Healthcare	31.2
Bumi Armada	5.3	AMMB Holdings	27.5	CIMB Group Holdings	20.9
Pentamaster Corp	4.9	IOI Property Group	26.7	RHB Bank	18.5
Top 10 Stocks with Weekly Net Outflows					
Company	Value	Company	Value	Company	Value
YTL Corp	-85.6	Malayan Banking	-124.9	Public Bank	-94.4
My E.G. Services	-64.8	My E.G. Services	-96.2	Sime Darby	-56.9
Keyfield International	-64.4	Telekom Malaysia	-67.7	Petronas Chemicals Group	-40.2
YTL Power International	-54.3	Tenaga Nasional	-58.9	Malaysia Airports Holdings	-35.3
Tenaga Nasional	-33.3	Axiata	-36.2	Genting	-32.2
Malayan Banking	-22.1	RHB Bank	-35.5	QL Resources	-28.2
IOI Property Group	-15.4	IHH Healthcare	-32.0	PPB Group	-28.0
Press Metal Aluminium Holdings	-13.0	Genting Malaysia	-17.4	Dialog	-23.9
Top Glove Corp	-10.8	Ekovest	-17.2	Kuala Lumpur Kepong	-23.9
Nationgate Holdings	-10.7	DXN Holdings	-16.7	Inari Amertron	-20.0

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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