

# FUND FLOW REPORT

(Week ended 5 April 2024)

*More reasons point to delay in Fed rate cuts*

**8 APRIL 2024 | Strategy - Weekly Fund Flow**
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**MORE REASONS POINT TO DELAY IN FED RATE CUTS**
**A. MARKET SNAPSHOT**

- Federal Reserve (Fed) Chair Jerome Powell indicated that policymakers will wait for more evident signs of decreased inflation before considering interest rate cuts, despite a recent increase in prices that has not changed their overall direction. Two additional Fed officials on Friday downplayed the urgency for rate cuts. Fed Governor Michelle Bowman warned that failure of price pressures to further ease might even prompt the central bank to raise rates again. This sentiment was echoed by Fed Bank of Dallas President Lorie Logan.
- In Mar-24, US employers hired more workers than expected and continued increasing wages steadily, suggesting a robust end to the first quarter and possibly delaying anticipated Fed interest rate cuts. The Labour Department's report also revealed a drop in the unemployment rate to 3.8% from Feb-24's 3.9%, driven by a sharp increase in household employment that surpassed the addition of 469,000 new entrants to the labour force.
- US manufacturing experienced growth for the first time in eighteen months in Mar-24, with a notable rebound in production and increased new orders. However, factory employment remained subdued due to significant lay-off activity, and input prices rose. The Institute for Supply Management (ISM) reported that its manufacturing PMI rose to 50.3 last month (Feb-24: 47.8), marking the highest reading and the first above 50 since Sep-22.
- Most major markets retreated last week, with 15 out of the 20 indices that we monitor recording declines. The FBM KLCI topped the list with a +1.25% growth, followed by the Hang Seng Index (+1.10%) and China's CSI 300 (+0.86%). Notable decliners were Japan's Nikkei 225 (-3.41%), the PSEi (-2.29%) and the Dow Jones Industrial Average (-2.27%).
- China's Caixin Manufacturing PMI showed an improvement to 51.1 in Mar-24 (Feb-24: 50.9), marginally higher than market expectations of 51.0 on the back of higher new orders domestically and abroad. The economic rebound comes as a relief amid its struggle with a sluggish recovery, partly attributable to a prolonged property crisis.
- The HCOB Eurozone Services PMI edged higher to 51.5 in Mar-24, the highest in nine months and beating the preliminary estimates of 51.1. Services providers reported the first increase in sales in nine months as demand from the domestic market improved. Employment expanded further, registering 38 straight months of pick-up.
- Despite a slowdown in services activity last month, Britain's economy appears poised to exit recession once official 1QCY24 growth data is published. The S&P Global Composite PMI, which encompasses private-sector services and manufacturing firms, dipped to 52.8 in Mar-24 from Feb-24's 53.0. However, official 1QCY24 gross domestic product (GDP) data is not expected until May 10.
- Meanwhile, the manufacturing PMI in the Eurozone was revised higher to 46,1 from preliminary estimates of 45.7, though still in contraction and at a three-month low. The slight improvement was due to easing supply chain disruptions as ships were rerouted away from the Suez Canal.

**Table 1** Weekly Performance of Global Benchmark Indices (%)

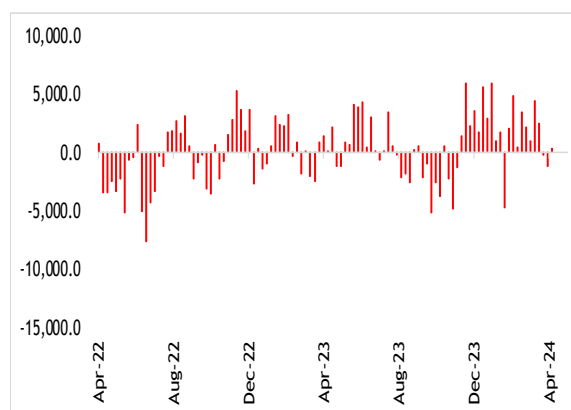
Index	Last Price	Change (%)
FBM KLCI	1,555.25	1.25
Hang Seng	16,723.92	1.10
Shenzhen CSI 300	3,567.80	0.86
Sensex	74,248.22	0.81
TAIEX	20,337.60	0.21
JCI	7,286.88	-0.03
SET	1,375.58	-0.17
Straits Times	3,218.26	-0.18
FTSE 100	7,911.16	-0.52
Nasdaq	16,248.52	-0.80
S&P 500	5,204.34	-0.95
KOSPI	2,714.21	-1.18
Stoxx Europe 600	506.55	-1.19
ASX 200	7,773.27	-1.57
DAX 40	18,175.04	-1.72
CAC 40	8,061.31	-1.76
Ho Chi Minh VSE	1,255.11	-2.26
Dow Jones	38,904.04	-2.27
PSEi	6,745.46	-2.29
Nikkei 225	38,992.08	-3.41

Source: Bloomberg

## FUND FLOW REPORT

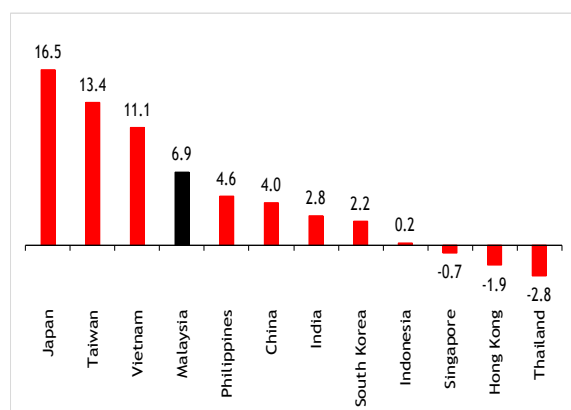
- The Bank of Japan (BOJ) downgraded its economic assessment for most regions but expressed confidence in broadening wage hikes, suggesting room for another interest rate hike. In its quarterly report on regional economies, it noted expectations for smaller firms to increase wages, influenced by substantial pay raises in larger companies. This report will be crucial in the board's evaluation for updated growth and inflation forecasts at its next rate review on April 25-26.
- The World Bank reiterated its forecast for Malaysia's economy to expand by +4.3% this year, driven by accelerated household spending amidst moderate inflation. However, it cautioned about limited fiscal space and potential external risks. These projections align with Malaysia's official forecast of +4.0% to +5.0% growth in CY24 (CY23: +3.7%). Looking ahead to CY25, the World Bank anticipates a slight uptick in economic growth to +4.4%.
- Malaysia's manufacturing PMI moderated to 48.4 in Mar-24 (Feb-24: 49.5), extending the contractionary sequence since Sept-22. Easing in new orders and output were among the downside factors. Input inflation rose to a three-month high, underpinned by currency weakness and higher prices of raw materials.
- The Ringgit appreciated against the US Dollar by -0.48% to close at RM4.7475 on Friday. The Brent crude oil price rose +4.22% to USD91.17 per barrel while the crude palm oil price increased by +1.88% to RM4,273.00 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

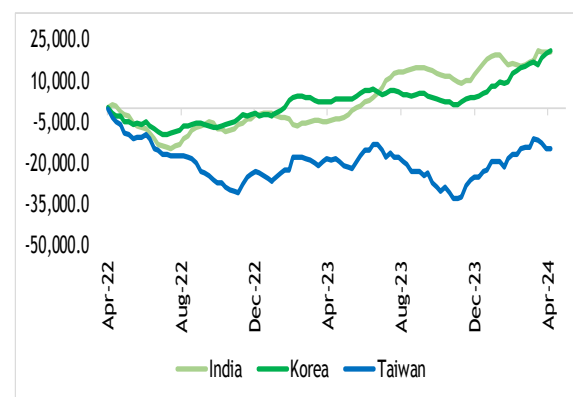
## B. TRACKING MONEY FLOW - ASIA

- While foreign investors have returned to their net buying stance at USD350.7m last week, it was South Korea that led net inflows among the eight markets that we track. The other country with a net inflow was Thailand while they net sold in six other countries.
- South Korea witnessed its third consecutive week of net foreign inflows, totalling USD1.14b. The government will be offering additional incentives to companies that participate in its corporate reform program known as the Corporate Value-up Programme. This is mainly to get companies to improve their governance structure. Meanwhile, the country's consumer prices rose +3.1%yoy in Mar-24, in line with market expectations and are expected to slow in the coming months.
- Foreign investors net bought USD50.5m in Thailand after net selling for five consecutive weeks. The country recorded an improvement in foreign tourists' arrival, with a total of 9.37m foreign tourists in 1QCY24 (+44.0%yoy). The Ministry of Tourism and Sports reported that the top three were China (1.75m), Malaysia (1.16m) and Russia (0.6m). It expects to meet its year-end target of 35m foreign tourist arrivals.
- The largest net foreign outflow last week was from Indonesia at -USD472.5m, its second consecutive week of net outflows. Inflation rose faster than expected in Mar-24 at +3.05%yoy (Feb-24: +2.75%yoy) on the back of rising demand during the holy month of Ramadan. Volatile food prices rose +10.33%yoy (Feb-24: +8.47%yoy) while the core inflation rate was +1.77% (Feb-24: +1.68%).
- Taiwan registered its fourth consecutive week of net foreign outflows at -USD162.2m. Foreign investors net bought USD393.5m and USD119.5m on Monday and Tuesday respectively but net sold -USD675.2m on Wednesday when it was hit with one of its biggest earthquakes in 25 years, which killed 13 people. The

market was closed on Thursday and Friday in conjunction with Children's Day and the Qingming Festival.

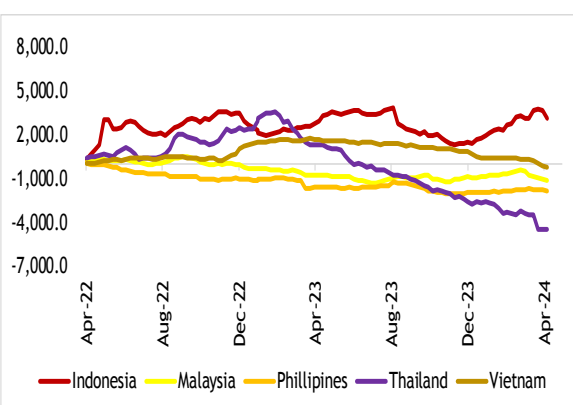
- Foreign investors continued to dispose of Vietnamese equities, net selling for the fifth consecutive week at -USD87.8m. The country's manufacturing PMI declined for the first time in three months to 49.9 in Mar-24 (Feb-24: 50.4). This came on the back of demand weakness, which led to a drop in new orders despite discounts being offered to secure sales, according to S&P Global. New export orders also declined, at the greatest quantum since Jul-23.
- India recorded its third consecutive week of net foreign outflow at -USD38.8m, which was significantly lower than -USD359.7m in the week before. There are signs of improvements in India as its services industry grew faster in Mar-24 on the back of strong demand. The HSBC Services PMI showed growth to 61.2 (Feb-24: 60.6). Meanwhile, the Reserve Bank of India (RBI) maintained its main lending rate unchanged at 6.5% for the seventh consecutive policy meeting.
- Foreign investors in the Philippines maintained their net selling stance for the second straight week, disposing -USD9.0m net. They only net bought USD8.3m on Monday and USD13.9m on Tuesday but were net sellers for the rest of the week. The country's consumer price index (CPI) rose for the second straight month in Mar-24 to +3.7%yoy (Feb-24: +3.4%yoy). This was mainly due to rice inflation, which soared to a 15-year high with an increase of +24.4%yoy, accounting for almost half of the headline inflation. Food inflation was at a five-month high of +5.7%yoy.

**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)

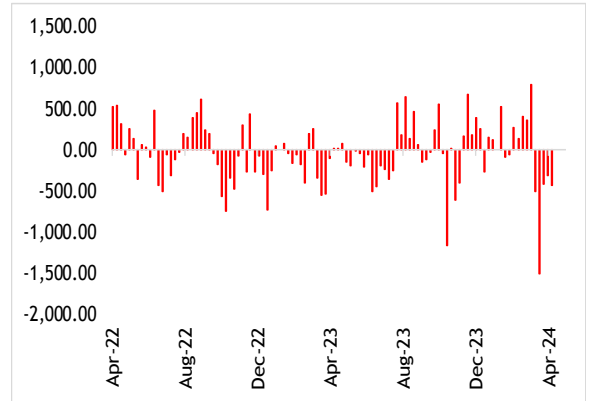
Period	India	Indo	Korea	M'sia	Phil	Taiwan	Thai	Viet	Total
Apr-24	-38.8	-472.5	1,141.2	-70.8	-9.0	-162.2	50.5	-87.8	350.7
1Q24	1,329.4	1,685.7	12,188.7	-186.8	162.6	4,729.4	-1,933.4	-561.9	17,413.7
1Q23	-3,200.4	445.4	5,469.6	-421.8	-518.3	7,970.2	-1,645.6	252.6	8,351.8
2Q23	12,492.0	644.8	2,474.7	-506.4	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

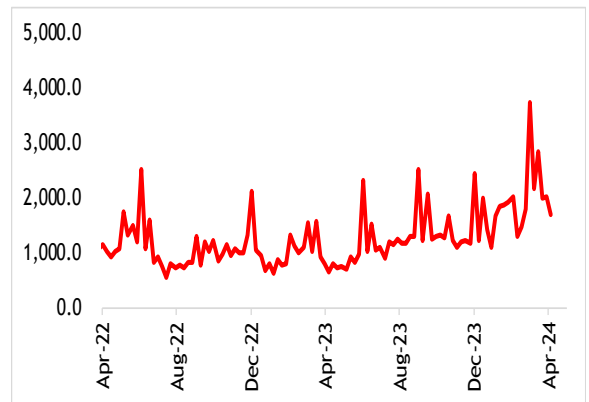
- The net selling trend by foreign investors has now stretched into its sixth consecutive week at -RM336.0m, a selling streak that was last seen since mid-2023 when they net sold for 12 straight weeks. This widens the year-to-date net foreign outflow to -RM1.21b.
- They net sold -RM99.4m on Monday, -RM253.4m on Wednesday and -RM132.7m on Friday and net bought RM134.3m and RM15.2m on Tuesday and Thursday respectively.
- The sectors with the highest net foreign inflows were Property (RM104.4m), Construction (RM36.9m), and Healthcare (RM14.6m), while the sectors that recorded the highest net foreign outflows were Financial Services (-RM417.0m), Industrial Products & Services (-RM46.0m), and Consumer Products & Services (-RM29.9m).
- In contrast, local institutions persisted in their net buying trend for the sixth consecutive week, with a net purchase of RM557.4m. They only net sold -RM81.3m on Tuesday but were net buyers for the rest of the week, amounting to RM638.7m.
- Local retailers maintained their net selling stance on Bursa Malaysia for the fourth straight week, disposing -RM221.4m net. They net sold every day last week and have been net selling for 21 consecutive trading days.
- Regarding participation, the average daily trading volume (ADTV) declined across all investor classes last week. Foreign investors saw a dip of -15.7% while retail and institutional investors saw declines of -0.5% and -1.8% respectively.

**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	2.80	3.02	-0.22	6.34	5.78	0.56	4.06	4.39	-0.34	-0.07
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	
<b>Top 10 Stocks with Weekly Net Inflows</b>					
Company	Value	Company	Value	Company	Value
RHB Bank	48.5	CIMB Group Holdings	159.0	Axiata	38.4
Public Bank	23.4	Press Metal	122.2	Tenaga Nasional	34.7
Velesto	20.0	Malayan Banking	52.0	Sunway	30.4
Malayan Banking	12.9	PPB Group	48.9	CTOS Digital	28.3
United Plantations	9.9	RHB Bank	43.7	Mah Sing	27.3
Genting	8.3	Public Bank	41.8	Eco World Development	27.2
YTL Corp.	7.6	S P Setia	39.9	Sime Darby	26.6
My E.G. Services	7.4	YTL Power Int.	38.9	United Plantations	22.0
Cloudpoint Tech.	7.3	QL Resources	32.4	Gamuda	19.8
Affin Bank	7.0	Telekom Malaysia	31.4	Oriental Holdings	17.1
<b>Top 10 Stocks with Weekly Net Outflows</b>					
Company	Value	Company	Value	Company	Value
Press Metal	-35.5	Axiata	-45.3	CIMB Group Holdings	-156.1
Tenaga Nasional	-27.8	Malaysia Airports	-40.2	RHB Bank	-109.2
YTL Power Int.	-27.1	United Plantations	-30.9	Public Bank	-83.8
Mah Sing	-16.5	Eco World Development	-24.0	Malayan Banking	-78.1
Sunway	-14.8	Gamuda	-23.9	Press Metal	-57.6
S P Setia	-12.7	Oriental Holdings	-22.9	PPB Group	-43.5
Bumi Armada	-12.5	CTOS Digital	-20.6	My E.G. Services	-28.8
Top Glove Corp.	-10.4	Sime Darby	-20.1	Velesto	-28.6
Kossan Rubber	-10.4	Sunway Construction	-16.8	Telekom Malaysia	-27.5
Guan Chong	-10.4	Guan Chong	-13.9	KL Kepong	-27.2

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 %
<b>Automotive</b>			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	<b>Property</b>		
<b>Aviation</b>			<b>Gloves</b>			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
<b>Banking</b>			Top Glove	28.7	-0.3	Mah Sing	25.3	25.9
Affin Bank	27.0	0.4	<b>Healthcare</b>			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	<b>Logistics</b>			<b>REITs</b>		
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	<b>Non-bank Financials</b>			KLCCP Stapled	0.4	0.0
RHB Bank	13.4	-5.6	Bursa Malaysia	15.2	-1.9	Pavilion REIT	32.3	0.6
<b>Building Materials</b>			AEON Credit	68.1	-0.1	Sunway REIT	4.4	-2.2
Cahaya Mata Sarawak	6.5	1.6	<b>Oil &amp; Gas</b>			<b>Solar EPCC</b>		
Malayan Cement	5.6	0.0	Bumi Armada	15.7	4.7	Pekat	2.0	-16.7
<b>Conglomerate</b>			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
<b>Construction</b>			Gas Malaysia	19.4	-2.0	<b>Technology</b>		
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	<b>Plantation</b>			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	<b>Telecommunication</b>		
<b>Consumer</b>			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	<b>Utilities</b>		
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	<b>Port &amp; Shipping</b>			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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