

FUND FLOW REPORT

(Week ended 7 June 2024)

Global Stocks Surged as Interest Rates Slashed

10 JUNE 2024 | Strategy - Weekly Fund Flow

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GLOBAL STOCKS SURGED AS INTEREST RATES SLASHED
A. MARKET SNAPSHOT

- In May-24, the US services sector saw its most significant expansion in nine months, driven by the largest monthly increase in a measure of business activity since CY21. The Institute for Supply Management (ISM) reported a 4.4-point surge in its composite gauge of services, the most substantial rise since the beginning of last year, reaching 53.8. The ISM's business activity index experienced a remarkable 10.3-point surge, marking the most significant monthly gain since Mar-21. Registering at 61.2, the highest level since Nov-22.
- In contrast, US factory activity contracted at a quicker pace in May-24, with output nearly stagnating and a key measure of orders experiencing the most significant decline in nearly two years. The ISM's manufacturing gauge dropped 0.5 points to 48.7, marking its lowest level in 3 months. The purchasing managers group's measure of new orders fell by 3.7 points, the most substantial drop since Jun-22, reaching 45.4 in May-24. The decrease in the bookings index, marking its lowest level in a year, contributed to the slip in ISM's production index, which fell to 50.2.
- A majority of the markets advanced last week, with 15 out of the 20 indices we monitor registering gains. Topping the list were India's Sensex (+3.69%), South Korea's KOSPI (+3.27%) and Taiwan's TAIEX (+3.23%). The top three decliners were the Jakarta Composite Index (-1.04%), Thailand's SET (-0.96%) and the FTSE 100 (-0.36%).
- The European Central Bank (ECB) made its first interest rate cut since CY19 on Thursday, lowering its deposit rate to 3.75% from a record-high of 4.0%, citing progress in addressing inflation. In its latest forecasts, the ECB projected inflation to average 2.2% in CY25, up from its previous estimate of 2.0%, indicating that it anticipates inflation to remain above the central bank's +2.0% target well into the following year.
- The Eurozone witnessed its most rapid business activity expansion in a year, primarily driven by growth in the dominant services sector, which outpaced the contraction in manufacturing. The HCOB's composite Purchasing Managers' Index (PMI) for the currency union increased to 52.2 in May-24 from Apr 24's 51.7, marking its highest level since May-23. Although slightly below the preliminary estimate of 52.3, this uptick suggests ongoing economic recovery within the Eurozone.
- The Bank of Canada lowered its key policy rate on Wednesday, becoming the first G7 country to do so. This decision is expected to alleviate some pressure on consumers with high levels of debt. The central bank reduced rates from 5.0% to 4.75%, marking its first rate cut in four years. Governor Tiff Macklem emphasised that the timing of any future cuts would hinge on whether inflation persisted in its downward trend and if the economy developed as projected by the bank.
- China experienced a second consecutive month of accelerated export growth in May-24, indicating that factory operators are successfully securing international buyers, which offers some alleviation to the economy. According to customs data, outbound shipments surged by +7.6%yoy last month, surpassing the projected +6.0% rise. Meanwhile, imports rose by +1.8% in May-24, decelerating from the +8.4% increase recorded in the previous month.
- Japan's factory activity saw its first expansion in a year, although the overall growth was moderate, and demand

Table 1 Weekly Performance of Global Benchmark Indices (%)

Index	Last Price	Change (%)
Sensex	76,693.36	3.69
KOSPI	2,722.67	3.27
TAIEX	21,858.38	3.23
Nasdaq	17,133.13	2.38
ASX 200	7,860.02	2.06
Ho Chi Minh VSE	1,287.58	2.05
Hang Seng	18,366.95	1.59
FBM KLCI	1,617.86	1.33
PSEi	6,518.76	1.33
S&P 500	5,346.99	1.32
Stoxx Europe 600	523.55	1.04
Nikkei 225	38,683.93	0.51
DAX 40	18,557.27	0.32
Dow Jones	38,798.99	0.29
CAC 40	8,001.80	0.11
Shenzhen CSI 300	3,574.11	-0.16
Straits Times	3,330.77	-0.17
FTSE 100	8,245.37	-0.36
SET	1,332.74	-0.96
JCI	6,897.95	-1.04

Source: Bloomberg

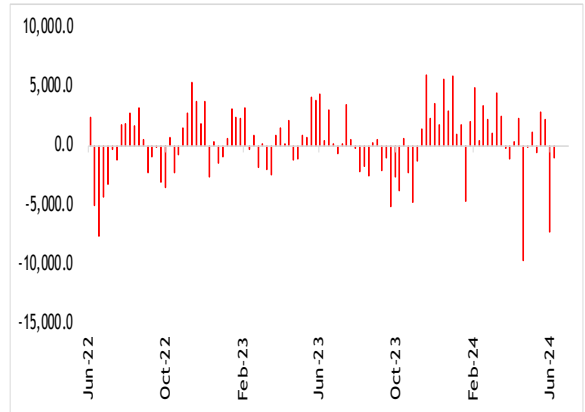
remained subdued. Additionally, a weak yen increased the cost of imported goods for some producers. The final au Jibun Bank Japan Manufacturing PMI increased to 50.4 last month from 49.6 in Apr-24. This marked the first time it surpassed the 50.0 threshold since May-23. This final figure mirrored the flash PMI, which reported a value of 50.5.

- There was an upturn in Malaysia’s manufacturing sector, bolstered by a resurgent in both new business and production in mid-2QCY24. The seasonally adjusted S&P Global Malaysia manufacturing PMI was up to 50.2 in May-24, from 49.0 in Apr-24. The recent data indicates a revitalised upturn in the manufacturing sector, marking the end of a 20-month period of decline. Production levels have just begun to grow again for the first time since Jul-22, although the increase is only slight.
- The Ringgit appreciated against the US Dollar by +0.31% to close at RM4.6920 on Friday. The Brent crude oil price declined -2.45% to USD79.62 per barrel while the crude palm oil price declined -2.50% to RM3,974.00 per tonne.

B. TRACKING MONEY FLOW - ASIA

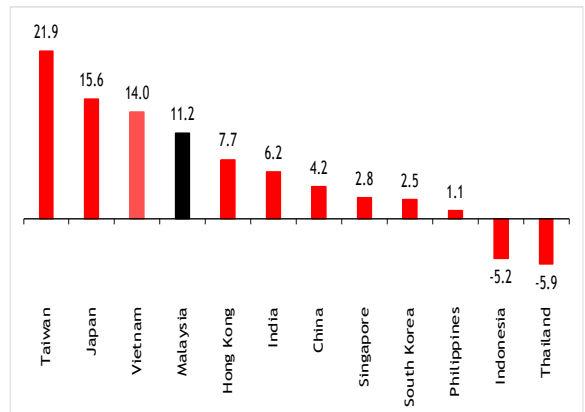
- Foreign investors continued to channel funds out of Asia last week, though at a slower pace at -USD1.05b as compared to -USD7.23b the week before. They only net bought equities in South Korea and Malaysia, and net sold in the other six countries that we track.
- India recorded the highest net outflow last week at -USD1.77b. Foreign investors began net selling since Wednesday, when they disposed -USD1.47b, net, the highest daily net selling amount since Apr-19. This came after the announcement of the election results, which saw the Bharatiya Janata Party (BJP) losing its majority, changing the country’s political landscape. Incumbent Prime Minister Narendra Modi will be able to form the next government, but his party is now reliant on the support of its allies to do so.
- Foreign investors continued to net sell in Thailand for the third consecutive week at -USD165.5m. They net sold every trading day from Tuesday to Friday. Monday was a public holiday in conjunction with the Queen’s birthday. The Kingdom’s headline consumer price index (CPI) rose in May-24 for the second consecutive month, rising +1.54%yoy (Apr-24: +0.19%yoy). Core CPI, which excludes volatile food and energy prices, went up +0.39%yoy.
- Indonesia recorded its 11th straight week of net outflows at -USD144.0m after foreign investors net sold every day last week. They have been net selling for 12 consecutive trading days. The country’s manufacturing Purchasing Manager’s Index (PMI) rose for the 33rd straight month in May-24 but at its lowest level since Dec-23 at 52.1. The Ministry of Industry is concerned that the decline was partly caused by regulations that are non-pro-industrial players, which are considered less friendly to the manufacturing sector.
- In Taiwan, foreign investors net sold -USD64.8m, improving significantly from the net selling amount of -USD3.48b the week before. Its CPI rose +2.24%yoy (Apr-24: +1.94%yoy). Central Bank Governor Yang Chin-long said inflation was becoming less of a concern for Taiwan’s economy.
- For the 14th consecutive week, foreign investors disposed of equities in Vietnam. They net sold -USD61.3m last week, net selling for four out of five days. In an exclusive news report, Reuters revealed that the Vietnam central bank had lent a further USD1.2b to Saigon Joint Stock Commercial Bank (SCB), bringing the total to USD24.5b or 6% of the country’s 2023 GDP. The central bank placed SCB under its supervision to prevent a run on the bank following the arrest of real estate tycoon Truong My Lan who siphoned USD12.5b in loans from SCB to shell

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 (%)

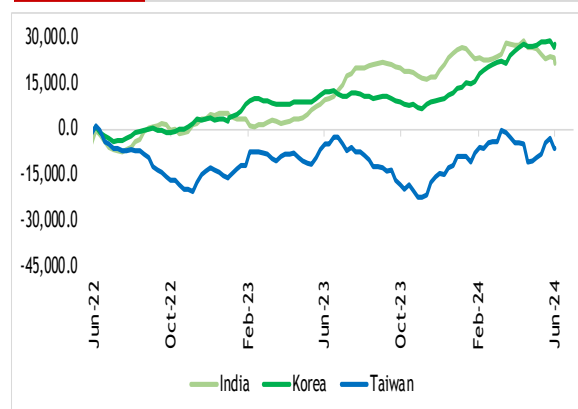


Sources: Bloomberg & MIDFR

companies while controlling the bank through proxies.

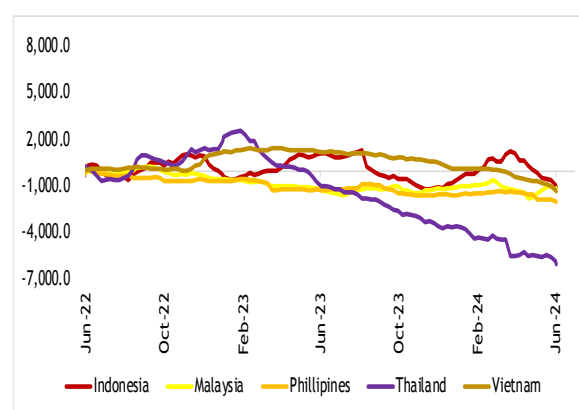
- The Philippines went into its third week of net outflows after foreign investors net sold -USD35.6m. Bangko Sentral ng Pilipinas (BSP) governor Eli Remolona had rejected a rate cut call by Finance Secretary Ralph Recto when the latter suggested that the central bank could deliver 150bps cuts through 2025. Remolona remarked that that level of rate reduction was only applicable when the economy hit a hard landing.
- South Korea was the only country with a net foreign inflow last week at USD1.07b. It was reported that the economy grew at its fastest pace in two years after advancing +3.3%yoy in 1QCY24 (Dec-23: +2.1%yoy). An official from the Bank of Korea said the second quarter may see an adjustment in economic growth because of the extremely high expansion in the first quarter, adding that the economic growth will move upward from the third quarter.

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)

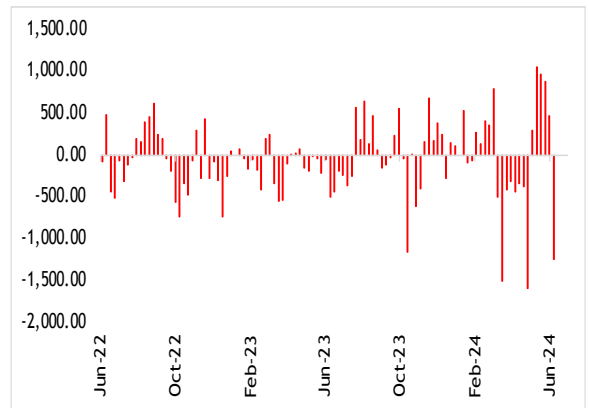
Period	India	Indo	Korea	M'sia	Phil	Taiwan	Thai	Viet	Total
MTD	-1,767.9	-144.0	1,071.5	113.9	-35.6	-64.8	-165.5	-61.3	-1,053.6
1Q24	1,329.4	1,685.7	12,188.7	-186.8	162.6	4,729.4	-1,933.4	-561.9	17,413.7
1Q23	-3,200.4	445.4	5,469.6	-421.8	-518.3	7,970.2	-1,645.6	252.6	8,351.8
2Q23	12,492.0	644.8	2,474.7	-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

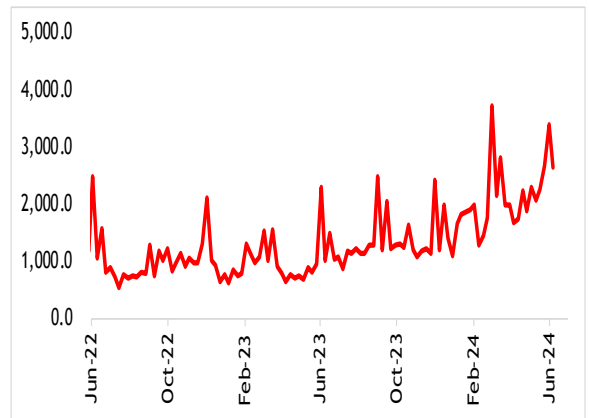
- Foreign investors channelled funds into Bursa Malaysia again after briefly net selling the week before. Last week, they net bought RM535.0m. It was a shortened trading week in conjunction with the Yang di-Pertuan Agong’s Birthday on Monday.
- Foreign investors net bought RM253.7m on Tuesday, RM163.6m on Thursday and RM186.8m on Friday. Meanwhile, they net sold -RM69.1m on Wednesday.
- The sectors with the highest net foreign inflows last week were Utilities (RM167.5m), Transportation & Logistics (RM134.5m), and Technology (RM115.7m), while the sectors with the highest net foreign outflows were Plantation (-RM108.2m), Telecommunication & Media (-RM32.1m), and Energy (-RM22.4m).
- In contrast, local institutions returned to net selling at -RM293.5m after briefly net buying the week before.
- Local retailers returned to net selling again, disposing of -RM242.5m worth of equities after briefly net buying the week before. They net sold for the whole week.
- In terms of participation, the average daily trading volume (ADTV) declined across the board by -6.3% for retailers, -2.7% for local institutions and -21.7% for foreign investors.

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			
	Bought	Sold	Net	Bought	Sold	Net	Bought	Sold	Net	*Net (USD'b)
MTD	3.38	3.62	-0.24	6.93	7.22	-0.29	5.59	5.05	0.54	0.11
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 7 JUNE 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
AMMB Holdings	14.7	YTL Corp.	77.5	Tenaga Nasional	263.0
UEM Sunrise	14.7	KL Kepong	75.0	Press Metal	111.0
RHB Bank	11.8	YTL Power Int.	68.0	MISC	92.8
Techna-X	9.7	Public Bank	42.2	CIMB Group Holdings	44.9
Petronas Dagangan	9.7	Mah Sing	39.1	WCT Holdings	32.9
Alpha IVF Group	8.6	Sime Darby	28.0	Inari Amertron	29.8
Lagenda Properties	8.3	IOI Corporation	26.6	Datasonic Group	27.4
Malaysian Resources	7.8	Mr DIY Group (M)	23.0	Bursa Malaysia	22.9
Hibiscus Petroleum	6.7	Sunway	16.3	AMMB Holdings	22.0
Kobay Technology	6.3	Telekom Malaysia	16.1	QL Resources	21.8
Top 10 Stocks with Weekly Net Outflows					
Company	Value	Company	Value	Company	Value
Mah Sing	-47.7	Tenaga Nasional	-222.4	KL Kepong	-64.7
Tenaga Nasional	-46.6	MISC	-93.4	YTL Power Int.	-56.9
Mr DIY Group (M)	-25.0	Press Metal	-91.9	YTL Corporation	-56.2
WCT Holdings	-23.3	AMMB Holdings	-41.9	Public Bank	-48.4
YTL Corporation	-16.5	CIMB Group Holdings	-32.5	Sime Darby	-34.5
Press Metal	-16.0	Malaysia Airports	-31.6	IOI Corporation	-26.3
CIMB Group Holdings	-15.2	Frontken Corporation	-25.0	Sunway	-24.8
Datasonic Group	-14.6	IHH Healthcare	-22.7	Dialog	-20.7
YNH Property	-12.0	UEM Sunrise	-21.9	CelcomDigi	-16.3
Globetronics Tech.	-11.9	QL Resources	-21.3	Telekom Malaysia	-15.8

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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