

Headline	MIDF: Foreign funds dispose of RM63m in equities		
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MIDF: Foreign funds dispose of RM63m in equities

by DASHVEENJIT KAUR

FOREIGN funds took a break from Malaysian equities amid weakened risk appetite selling off RM63.1 million last week, based on transactions in the open market which excluded off market deals.

MIDF Research, in its weekly fund flow report yesterday, said foreign funds were net sellers in three out of five trading days last week — which peaked on Friday — as foreigners disposed of RM93.5 million, the highest in a day since July 5, 2017.

The report said the selling down last Friday coincided with the Kuala Lumpur Composite Index (KLCI) dropping below 1,770 points at close and the ringgit hitting a one-month low.

The weekly outflow was in line with those seen by regional peers — notably Korea, Indonesia and Taiwan, it said.

The research house also said so far, foreign investors have only been net sellers for six weeks this year compared to last year's 27 weeks.

"Despite last week's foreign withdrawal, the cumulative year-to-date inflow was almost at RM10.7 billion net compared to RM10.8 billion net in the preceding week.

"Foreign participation rate turned sluggish as foreign average daily trade value (ADTV) declined 31% from RM895 million in the previous week to RM615 million, the lowest since the first week of 2017," MIDF said.

The report noted retail participation continued to be vibrant, with retail ADTV remaining above the RM800 million mark as it only decreased by 0.5% to above RM822 million last week from RM887 million previously.

MIDF said British American Tobacco (M) Bhd equity was the greatest beneficiary of net money inflow, raking in RM2791 million as its share price substantially underperformed the benchmark index with a 2.74% loss for the week.

"Net inflow amid declining share price indicates a 'buy on weakness' stance among some investors," it said.

The second-highest beneficiary of money inflow was Fraser & Neave Holdings Bhd (F&N) with RM5.84 million.

"F&N share price underperformed the benchmark index with a 1.21% loss during the review week," it added.

My EG Services Bhd recorded the third-highest money inflow of RM4.13 million — with its share price substantially underperforming the benchmark index at a 7.51% loss during the review week, said MIDF.

Meanwhile in terms of money outflows, MIDF said Tenaga Nasional Bhd (TNB) saw the largest money outflow of RM38.09 million last week. TNB's stock price outperformed the FTSE Bursa Malaysia KLCI with a 0.28% gain for the week.

"Malayan Banking Bhd recorded the second-largest money outflow of RM15.89 million during the week under review with its share price outperforming the benchmark index with a 0.41% gain for the week," the research house said.

"Money outflow amid advancing share price indicates a 'sell on strength' stance among investors," it said.

Sime Darby Group registered the third-largest money outflow at RM12.96 million, with its share price outperforming the benchmark index with a 0.11% gain.

Its subsidiary Weifang Sime Darby Port Co Ltd launched its liquid terminal in the province of Shandong, China, to expand its storage and terminal facilities, it added.

According to MIDF, global liquidity continued to flow out of Asia for the third week running last week.

"Based on provisional aggregate data from the seven Asian exchanges that we track, investors classified as 'foreign' offloaded US\$1.38 billion (RM5.92 billion), the second-highest attrition so far this year," it said.

MIDF said in emerging South-East Asian markets the selling was not across the board, as investors targeted selected markets — notably Thailand and the Philippines.