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FOREIGN NET SELLING IN SECOND WEEK



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FBM KLCI DOWN 2.44pc

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Local institutions, retail investors buy more amid heightened market volatility

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THE FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI) fell 2.44 per cent last week, compared with a week ago, as foreign investors remained as net sellers for a second consecutive week.

The decline in the benchmark index is in line with global bond sell-offs, with the United States Treasury yields climbing to multi-decade highs. The KLCI closed last week at 1,630.87 points.

According to CIMB Securities Sdn Bhd, foreign investors net outflows of RM791.5 million last week. Meanwhile, local institutions remained net buyers, recording RM301.2 million in net inflows.

On a year-to-date basis, foreign investors sold RM6.71 billion more Malaysian equities than they bought, while local institutions net buying position rose to RM4.35 billion.

The rising US Treasury yield, which are at their highest levels since 2002, had caused outflows of global funds from emerging market assets. Yield on the 30-year benchmark rose above 5.6 per cent while on the 10-year tenure rose to 5.34 per cent.

Selling also spread across global bond markets, while Indonesia's currency weakened past 18,000 rupiah to the US dollar as higher yields, oil prices and geopolitical tensions pressured Asian currencies.

However, the International Monetary Fund said global bond markets continued to function in an orderly manner.



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Proprietary investors also remained net buyers, with net buying rising to RM50.2 million from RM13.8 million previously, lifting their year-to-date net buying position to RM839 million.

At the sector level, foreign selling was concentrated in financial services and healthcare, with net outflows of RM367.1 million and RM173 million, respectively.

Foreign buying was concentrated in technology and energy, which recorded net inflows of RM92.9 million and RM55.1 million, respectively.

Their top net sells were Tenaga Nasional Bhd (TNB), Malayan Banking Bhd (Maybank) and Sunway Healthcare Group Bhd, while their top net buys were Southern Cable Group Bhd, Gamuda Bhd

and Vitrox Corp Bhd.

Domestic institutional investors focused their buying on utilities, construction and plantations, which recorded net inflows of RM252.1 million, RM182.8 million and RM111.7 million, respectively.

Their net selling was concentrated in technology, property and financial services, with outflows of RM89.5 million, RM75.7 million and RM53.3 million, respectively.

Their top net buys were TNB, Gamuda and Sunmed, while their top net sells were Maybank, IOI Properties Group Bhd and MI Technovation Bhd.

Retail investors' net buying was concentrated in financial services and property, with inflows of RM369.4 million and RM88.4 million, respectively.

They were net sellers of construction and energy, with outflows of RM229 million and RM57.8 million, respectively.

Their top net buys were Maybank, IOI Properties Group Bhd and RHB Bank Bhd, while their top net sells were Gamuda, Solavest Holdings Bhd and IJM Corp Bhd.

Despite the broader market weakness, construction, real estate investment trusts and technology were the top-performing sectors, while energy, property and industrial products underperformed.

Average daily trading value was relatively unchanged week-on-week at RM2.9 billion.

Meanwhile, Malaysia's Producer Price Index rose 10.7 per cent year-on-year in August 2026 from 9.7 per cent in July, driven by higher mining and manufacturing prices.

Attention this week is expected to turn to the tabling of the 2027 Budget on Thursday, alongside developments surrounding a potential minimum wage adjustment and the Melaka election.