

Headline	Offshore investors net sellers as US-China trade tensions linger		
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Offshore investors net sellers as US-China trade tensions linger

KUALA LUMPUR: Offshore investors upped the ante on their net selling activity last week as concerns of the US-China trade tensions linger.

According to the research arm of MIDF Amanah Investment Bank Bhd (MIDF Research), based on data from Bursa, foreign funds sold RM450.9 million net of local equities last week, the largest weekly foreign net outflow in nine weeks.

"A measurable pace of foreign net selling was observed on Monday at a tune of RM12.6 million before international funds made a return on Tuesday after acquiring RM149.8 million net," MIDF Research said.

The research arm opined that the influx of foreign funds into Bursa on Tuesday was mainly attributable to the overnight policy rate (OPR) cut from 3.25 per cent to three per cent by Bank Negara Malaysia to stimulate investment and domestic spending activities.

"The local bourse followed suit to close 0.4 per cent higher 1,639 points on the Tuesday, the only day during the week which had a gain."

MIDF Research noted that



Offshore investors upped the ante on their net selling activity last week as concerns of the US-China trade tensions linger. — Bernama photo

foreign investors were back in selling mode on Wednesday, selling off RM75.1 million net as concerns of the US-China trade tensions linger.

"The level of foreign net selling swelled to RM382.5 million net on Thursday, the highest in a day so far this year.

"Worries escalated ahead of Friday's deadline when the US will increase tariffs on US\$200 billion worth of Chinese goods from 10 per cent to 25 per cent.

"The huge foreign net outflow was in conformity with other regional peers namely Thailand, Indonesia, the Philippines and Taiwan."

The research arm further noted that international funds still sold local equities on Friday but at a lower pace of RM130.5 million net with the first day trade talks between the US and China making no significant progress.

"On a month-to-date basis, Malaysia has recorded a foreign

net outflow of RM527.4 million in May 2019. This brings the year-to-date foreign net outflow from Malaysia to RM3.28 billion."

Meanwhile, participation amongst foreign investors experienced a slowdown last week, MIDF Research highlighted.

It went on to highlight that foreign investors recorded a 4.7 per cent weekly decline in average daily traded value (ADTV) last week but still remained at healthy levels of above RM1 billion at RM1.18 billion.

Overall, CIMB Group Holdings Bhd registered the highest net money inflow of RM9.3 million last week, followed by British American Tobacco Bhd with the second highest net money inflow of RM6.54 million.

Malaysia Airports Holdings Bhd saw the third highest net money inflow of RM5.67 million.

On outflows, Petronas Chemicals Group Bhd saw the largest net money outflow of RM5.75 million last week.

Tenaga Nasional Bhd recorded the second largest net money outflow RM4.73 million during the week under review while Public Bank Bhd registered the third largest net money outflow of RM4.62 million.