

Headline	Foreign selling narrowed to RM531.8m for 3rd week		
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# Foreign selling narrowed to RM531.8m for 3rd week

by SHAHEERA AZNAM SHAH

**FOREIGNERS** continue to dump Malaysian equity, but the pace of exit has ebbed to a nine-week low of RM531.8 million net as the federal government revisits mega rail projects and the possibility of further US-China trade talk spurs optimism.

MIDF Amanah Investment Bank Bhd's fund flow report yesterday stated that the selling continued to narrow down consecutively for the third week.

"The slowdown in foreign net selling was mainly due to the green light by the government for a smaller scale of the Light Rail Transit Line 3 project and the possibility for a trade negotiation to resume between Washington and Beijing.

"Based on preliminary data from Bursa Malaysia, which excluded off-market deals, the amount sold by global funds last week receded to RM531.8 million net," it noted.

MIDF added that the outflow is the lowest weekly foreign attrition recorded since the week ended May 11, 2018.

The research house said the outflows level remained above RM100 million mark for the first three days of last week with Tuesday noting the highest at RM177.4 million net short.

"Despite the US threat to impose tariffs on an additional US\$200 billion (RM808 billion) worth of Chinese imports, the market sentiment in Asia improved last Wednesday, buoyed by overnight gains on Wall Street following PepsiCo Inc's solid quarterly results.

"This then capped the amount of foreign outflows that day which amounted to RM112.9 million net," the report stated.

MIDF added that the foreign outflow declined below RM100 million last Thursday and Friday to RM52 million and RM57 million respectively.

"The FTSE Bursa Malaysia KLCI

(FBM KLCI) followed suit to close above 1,700 points for the first time since June 20, 2018, last Thursday and settled above that level for the week," it said.

MIDF said Tenaga Nasional Bhd equity was the greatest beneficiary of net money inflow, raking in RM22.07 million despite its share price underperformed with a 2.66% increase against the benchmark index.

The second-highest beneficiary of money inflow was CIMB Group Holdings Bhd with RM8.7 million and Genting Bhd came in third with RM8.29 million.

"CIMB's and Genting's share prices outperformed against the local benchmark with 7.72% and 3.49% increases respectively during the review week," it added.

Kuala Lumpur Kepong Bhd saw the largest net money outflow with RM23.08 million last week.

"Its stock price gained 0.79%, underperforming vis-à-vis the local benchmark. It is notable the net money outflow amid the advancing share price may indicate a 'Sell on Strength' stance among some investors," MIDF said.

Public Bank Bhd and Top Glove Corp Bhd came second and third on the money outflows with RM12.56 million and RM10.6 million respectively in the week under review.

Public Bank's share price underperformed the local benchmark despite gained 2.13% for the week, while Top Glove's share price plunged 18.1% during the week, underperformed the FBM KLCI, it said.

"Malaysia's weekly foreign attrition of US\$131.9 million net last week was the second-largest after Thailand, which saw a US\$169.5 million net outflow.

"Nevertheless, Malaysia still has the second-lowest foreign net outflow among the countries worth RM8.06 billion after the Philippines on a year-to-date basis," it said.

The research house added that the

foreign participation recovered last week as the foreign average daily traded value (ADTV) increased by 41% to hit a healthy level of RM1.33 billion.

"The participation in the retail market and local institutional funds also picked up steam as their ADTVs advanced above RM1 billion and RM2 billion marks respectively."

Regionally, MIDF said the bulk of foreign net inflow into Asia last week went to Korea as global investors mopped up US\$341.6 million net of local shares, the highest in five weeks.

"On Monday, Korea's equity market experienced a foreign attrition worth US\$97.6 million net in the wake of the US-China trade row.

"Friday recorded the highest net inflow in eight trading days, which amounted to US\$211.2 million net as the possibility that Washington and Beijing are open for resuming trade negotiations that have been stalled since June spurred the investors' optimism," it said.

The research house added that Taiwan was also recorded as one of the inflow beneficiaries, but with a lower magnitude as foreign investors chipped in US\$29 million net, a level that has not been reached since early November 2017.

"Taiwan equities started the week with a bang as foreign investors bought a staggering US\$219.4 million net, the highest since early June this year.

"However, the mood turned sombre on Wednesday after the global funds pulled out US\$301.1 million net when Trump planned to impose further tariffs on Chinese imports.

"As Friday came, optimism returned to the market after Largan Precision Co Ltd posted better than expected quarterly results, putting the Taiex's four-week slump to an end as it ended up 2.41%, its highest in 10 weeks," it said, referring to last week's activities.

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