‘October set to be third month of foreign selling in 2017’

The 11-day spree on Bursa Malaysia came to a halt last Friday

BY SURIN MURUGIAH

KUALA LUMPUR: Foreign selling of Malaysian equity continued for the sixth consecutive week last week, totalling RM92.1 million— the highest in October.

“With two more trading days left, October is set to be the third month of foreign selling this year. The cumulative month-to-date net foreign outflow into shares listed on Bursa Malaysia currently stands at RM300.6 million," said MIDF Research in its weekly fund flow report yesterday.

The research firm pointed out that the RM92.1 million amount sold in the week ended Oct 27 was also higher than the RM71.4 million net recorded in the week before, marking the third week of increased foreign selling. The estimates made are based on transactions in the open market, which excluded off-market deals.

Nevertheless, it noted that the pace is still within a measurable level as foreign attrition has remained below RM100 million net for the past four weeks.

“Foreign investors reduced their holdings in Malaysian equity throughout the whole week except on [last] Friday. Foreign selling peaked on [last] Tuesday at US$120 million (RM509.8 million) net, the highest in 17 days, coinciding with BFM KLCI’s 0.31% drop to 1,736 points, the lowest since April 17 after taking cue from technology and industrial stocks which dragged Wall Street the day before," said MIDF Research.

On a positive note, the 11-day selling spree on Bursa Malaysia came to a halt last Friday as the tabling of the Budget 2018 along with Tenaga Nasional Bhd’s huge divident payout provided impetus for foreign buying worth RM90.8 million net.

“However, the triggered foreign buying was not enough to offset the persistent outflow from [last] Monday to [last] Thursday which totalled up to RM162.9 million net,” it added.

MIDF Research also noted that the title out of Malaysia was equally prevalent in other Southeast Asian markets, namely Thailand and Indonesia.

“Foreign participation eased after surging the week before as the foreign average daily trade value (ADTV) retreated 26% to settle below RM1 billion at RM943.3 million.”

“The retail market remained subdued as the retail ADTV declined by 4.5% from RM955.3 million to RM950.1 million,” it added.

Regionally, MIDF Research said the flow of global money into Asian markets continued for the third week at a stronger pace.

“The provisional aggregate data from the seven Asian exchanges that we track saw investors classified as foreign acquired US$1.39 billion net last week, almost four times the acquisition in the preceding week which amounted to US$382.9 million,” it said.