

Foreign funds invest RM4.7bil in Bursa Malaysia

CEO says active trading took place in the first three months

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PETALING JAYA: Foreign investors have pumped some RM4.7bil into Bursa Malaysia year to date.

Bursa Malaysia chief executive officer Datuk Seri Tajuddin Atan said that active trading had taken place in the first three months of the year and felt that the momentum is not expected to subside any time soon.

"Active trading has taken place in the first three months of the year. In fact, March 13-17 saw a fantastic flow of foreign funds amounting to RM1.76bil in that week alone," Tajuddin told reporters after Bursa Malaysia's AGM yesterday.

Like most other emerging markets, Bursa Malaysia has performed well this year largely due to the improving ringgit, large number of dividend-paying stocks and a string of new listings.

Foreign investors have been net sellers on Bursa Malaysia since 2015 largely due to the depreciation of the ringgit. In 2015, the outflow was RM19.5bil while last year the amount reduced to RM3bil.

Tajuddin said that this year's trading velocity of the domestic capital market is expected to surpass that of 2016. Recall that last year, the trading velocity stood at 27%, marginally lower than 2015's trad-

MIDF Research in its weekly fund flow report highlighted that foreign investors have been net buyers on Bursa Malaysia for seven consecutive weeks.

In the March 13-17 week, the net foreign investment inflow of RM1.76bil was the highest since the 13th general election in May 2013. Last week, net foreign inflow was approximately RM1.08bil. It was the second consecutive week where net foreign equity purchase had exceeded RM1bil.

According to MIDF, Bursa Malaysia recorded a cumulative foreign net purchase of RM3.23bil in March and exceeded the RM956mil registered last month.

As of March 28, 2017, Bursa Malaysia's market capitalisation was approximately RM1.81 trillion. Participation of institutional, retail and foreign investors in Bursa Malaysia stood at 60.5%, 19.7% and 19.8% respectively.

Since the middle of last year, local institutions have been net buyers in the stock market as foreign investors sold down.

However, local institutions have been net sellers in the last few weeks as they took some profit off the table.

"Local institutional participation is still high and there is still room to divest some of their shareholdings," said a fund manager.



Tajuddin: There are four more entities awaiting listing.

ing velocity of 30%.

He also noted that a total of eight initial public offerings have been approved for 2017 thus far. As of the first quarter of 2017, four of them have been successfully listed.

"There are four more entities awaiting listing, which include Eco World International Bhd (EWI). The market capitalisation of EWI alone is approximately RM2.8bil," said Tajuddin.