

FEB

- Weekly factsheet for the Week Ended Feb 13

16 FEBRUARY 2009

2009/0007

WEEKLY CLOSING IN MAJOR MARKET INDICES				
	FEB 6	FEB 13	%CHG	%YTD
KL Composite	896.64	909.84	1.5	3.8
Dow Jones	8,280.59	7,850.41	-5.2	-10.6
Nikkei225	8,076.62	7,779.40	-3.7	-12.2
DAX Index	4,644.63	4,413.39	-5.0	-8.2
UK FTSE100	4,291.87	4,189.59	-2.4	-5.5
AU AORD	3,407.50	3,496.70	2.6	-4.4
STI	1,715.35	1,705.64	-0.6	-3.2
Hang Seng	13,655.04	13,554.67	-0.7	-5.8
SSE Index	2,181.24	2,320.79	6.4	27.5

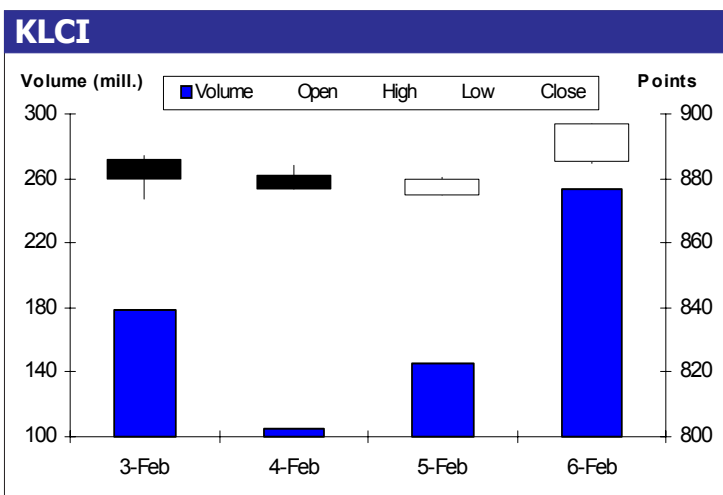
Source: Bloomberg

KEY HIGHLIGHTS

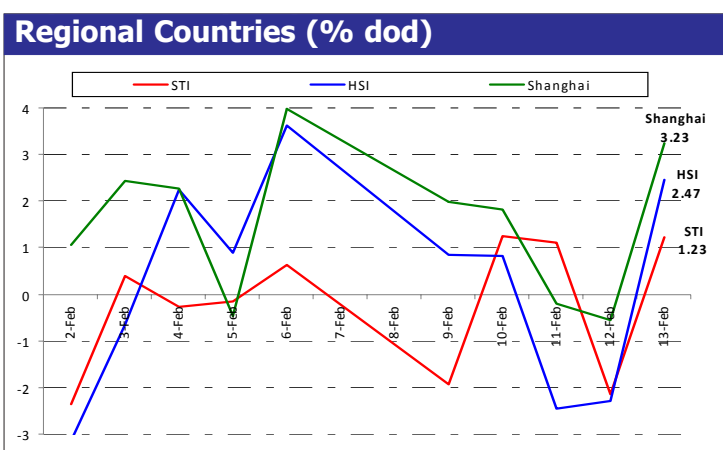
- **Global stock market closed the week mostly lower. US stocks posted the worst week in 4 months, disappointed with the Treasury Department's bank rescue plan.**
- **US initial jobless claims rose for a fourth straight week, whilst consumer confidence approached its lowest level since 1980.**
- **Eurozone economy contracted by 1.5% qoq in 4Q08, the most in at least 13 years in the 4Q08. GDP contracted by 1.2% yoy.**
- **Japan's corporate bankruptcies rose for an eighth month in January while machinery orders fell for a third month in December. 4Q 08 GDP contracted sharply by 12.7% yoy.**
- **China stock market continues to lead global indices as more government programs to support the economy lifted sentiment. Ytd., Shanghai Composite up 27.5%.**
- **Malaysia stocks rose for a third week underscored by news of government's plan to cut prices of electricity and gas for households and companies next month will help ease profit margins.**

MARKET NEWS

- **U.S. stocks fell the most since November last week after Treasury Secretary Timothy Geithner failed to convince investors that his bank rescue will work.** The sell-off on Feb. 10 was the steepest since President Barack Obama's inauguration. Financial shares retreated after Geithner said he is still exploring a range of different structures. He pledged up to US\$2 trillion in government financing for programs aimed at spurring new lending and addressing banks' toxic assets. The plan, which Geithner said will take time to work, includes limits on bank dividends and acquisitions. Financial shares led by SunTrust Banks Inc. and Huntington Bancshares Inc. tumbled the most in the Standard & Poor's 500 Index, losing 10% as a group. Both SunTrust and Huntington slumped 28%. Principal Financial Group Inc. plunged 31% on concern the life insurer needs more capital. Energy companies in the S&P 500 dropped 5.9%. Crude oil futures fell 6.6% to US\$37.51 a barrel on concern of growing inventories as demand slumps. Weatherford International Ltd., the fourth-largest U.S. oilfield-services provider, tumbled 14% while Schlumberger Ltd., the world's biggest services company, lost 7.9%. Losses however were limited on the final hour of the week after the S&P 500 jumped 2.9%, its fifth-biggest final-hour rally since 2002 on Feb. 12, on speculation that the White House will help struggling mortgage borrowers. Obama will give more details on his proposals to address declining home prices and rising foreclosures next week. Citigroup Inc., JPMorgan Chase & Co. and Morgan Stanley suspended foreclosures until next month and signaled a readiness to help the Obama administration craft a housing plan to modify mortgages for troubled borrowers. XL Capital Ltd. gained the most in the S&P 500, rising 42% after its CEO said it has sufficient capital and does not need to seek a buyer. **Overall, the S&P 500 fell 4.8%, the most for a week**

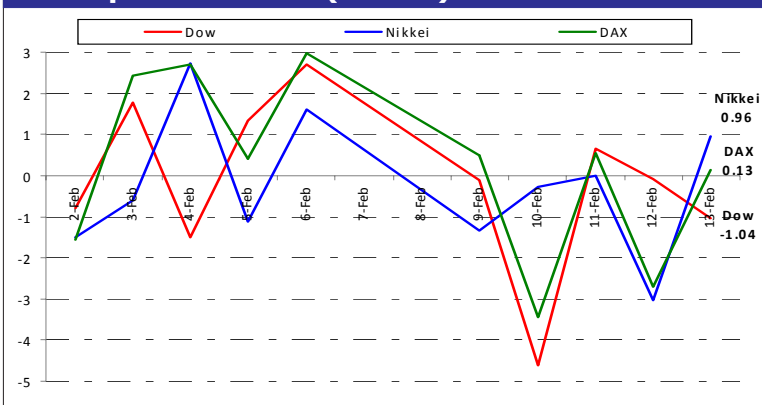


Source: Bloomberg, Bursa Malaysia



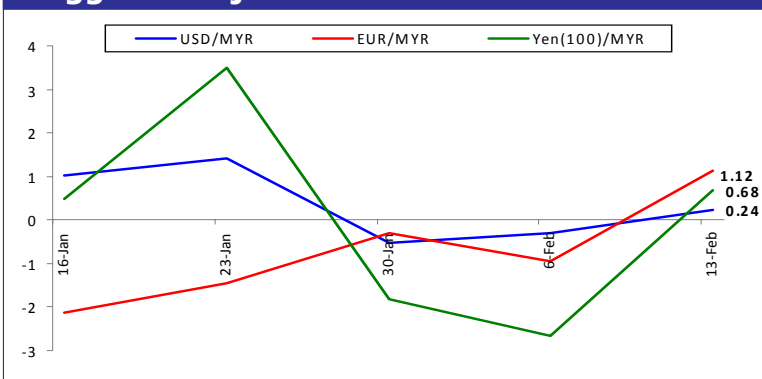
Source: Bloomberg

Developed Countries (% dod)



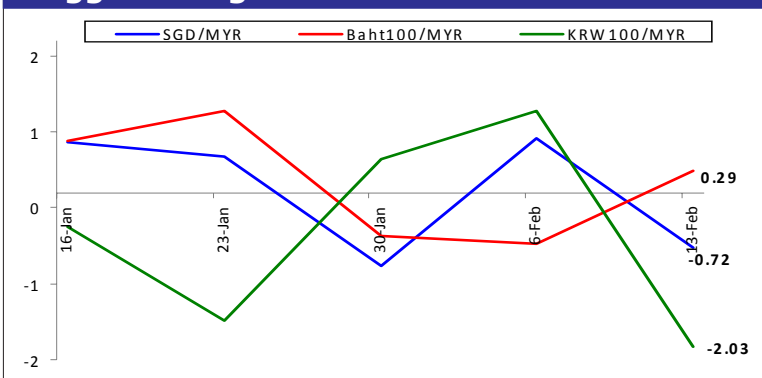
Source: Bloomberg

Ringgit vs Major Currencies



Source: Bank Negara Malaysia

Ringgit vs Regional Currencies



Source: Bank Negara Malaysia

asset management in January. The bank also posted a fourth-quarter loss of 8.1 billion Swiss francs (\$6.9 billion) on trading losses and leveraged loan impairments. That compares with a deficit of 13 billion francs in the earlier period of the year and was wider than the 7.5 billion franc median estimate. Companies relying on US consumers were dragged lower after President Obama said the world's largest economy faces a full-blown crisis. Daimler AG, which makes about 20% of its revenue in the U.S., and Dassault Systemes SA, a French software maker which generates more than half of its sales in the U.S. slid more than 3%. Rio Tinto Group, the world's third-largest mining company, led basic resources shares lower. Rio Tinto slid 9.9% after Aluminum Corp. of China agreed to invest US\$19.5 billion that may raise its shareholding. Basic-resource shares slid 5.8% in the Stoxx 600 as copper, lead and nickel prices declined in London. Anglo American Plc, the world's second-largest mining company, retreated 7% while Xstrata Plc, Europe's largest zinc producer, slid 5.9%. **For the week, National benchmarks fell in all of the 18 western European markets. The U.K.'s FTSE 100 lost 2.4% to 4,189.59 points while Germany's DAX Index dropped 5.0% to 4,413.39.**

- Japanese stocks fell to a three-month low as more companies cut earnings forecasts and concern mounted that government rescue plans are not enough to foster a rapid economic rebound.** Financials led the retreat as Nomura Holdings Inc.'s plan to bolster capital sparked concern ownership will be diluted. Nomura, Japan's No. 1 brokerage, plunged 16.1% last week, said it may sell common stock valued at as much as US\$3.29 billion to replenish capital. Last month it posted a fourth-straight quarterly loss. Closest competitor Daiwa Securities Group Inc. lost 11.1% after Moody's said it may lower the brokerage's credit rating because of the persistently negative operating environment. Earnings results also dragged stocks lower last week. Daikin Industries Ltd., Japan's biggest air-conditioner maker, dropped 5.6% last week after weakening demand prompted the company to lower its net income forecast by 59%. Yokogawa Electric Corp., the world's top maker of electronic measuring tools, tumbled 14% after company swung to a net loss of US\$412 million in the nine months to Dec. 31 as sales were battered by slumping demand and a stronger yen. Kajima Corp. tumbled 7.1% to a level not seen since 1974 as the general contractor reversed its full-year forecast to a net loss of 7 billion yen from profit of 12 billion yen, citing the stronger yen and bad-debt losses amid the slumping real estate market. Japanese companies foresee an 83% decline in profit this year, according to data compiled by Shinko Research Institute Co. On the contrary, Toyota Motor Corp. jumped 3.2% to buffer benchmarks' losses, as Credit Suisse said the world's biggest automaker's earnings will bottom out in the fourth quarter and will gradually improve thereafter. Manufacturing stocks also helped to limit losses after Orders for Japanese machinery fell 1.7% in December from November, marginally lower than the 8.6% decline by consensus. Komatsu Ltd., the world's No. 2 maker of earthmoving equipment, added 2.6% and Hitachi Construction Machinery Co., the world's top manufacturer of giant excavators, gained 3.3%. **As a summary, the Nikkei 225 Stock Average closed the week 3.7% lower to 7,779.40 points.**

in three months, to 826.84. The Dow Jones Industrial Average slumped 430.18 points, or 5.2%, to 7,850.41.

- European stocks fell for a third day as companies from Electricite de France SA (EDF) to Diageo Plc posted disappointing results and investors speculated U.S. measures will not revive the global economy.** Profits have declined 65% for 517 companies in western Europe that have released earnings since Jan. 12, according to Bloomberg data. EDF, the biggest operator of nuclear reactors, slid 8.5% after saying 2008 net profit fell US\$4.39 billion because of costs associated with regulated power rates and lower industrial demand amid the economic slowdown. Diageo, the largest liquor maker, slipped 4.1% as its full-year operating profit was said to rise 4-6%, less than a previous forecast for as much as 9% growth. Nordea Bank AB, the biggest Nordic lender by market value, retreated 3.1% after announcing after announcing plans to raise US\$3.9 billion through a rights offer and by cutting its dividend. UBS AG, Switzerland's largest bank, however bucked the overall trend as it reported an encouraging start to the year, with net new money inflows in wealth management and

- China's stocks advanced, driving the benchmark index higher for a fifth week, on optimism government spending plans will revive growth and bolster corporate earnings. Trading surged to the highest in at least three years last week.** Raw materials producers and consumer related stocks emerged as the biggest winner last week after the 21st Century Business Herald reported that the government plans to invest more than US\$88 billion in the telecommunications and electronics industries and may also raise export tax rebates for 25 electronics products to 17%. Inflation which cooled to 1% in January from a year earlier and producer prices fell 3.3%, the steepest decline in almost seven

years, also added to the positive sentiment. Sichuan Changhong Electric Co. and GD Midea Electrical Appliances Co. surged 22.5% and 25.3% respectively following the news. Aluminum Corp. of China Ltd. led gains among steel producers with a gain of 31.3%, its biggest weekly gain ever. Chalco, as the nation's biggest aluminum producer is known, rose after it agreed to invest US\$19.5 billion in Rio Tinto, the world's third-largest mining company. Fushun Special Steel Co., the Chinese steel products manufacturer, jumped 11.4% after the company said 2008 profit climbed 46% from a year earlier. Local news suggesting that a stimulus plan for China's real estate industry has been submitted to the nation's Cabinet for approval took property stocks higher last week. Gemdale Corp., a Shanghai-based developer, gained 12.8% while Poly Real Estate Group Co., China's second-largest publicly traded developer, added 7.5%. The China Business News also reported last week that China may raise the trigger level of a windfall tax levied on the nation's oil producers to US\$60 a barrel from US\$40, sending all oil & gas related stocks on the rise. PetroChina Co., the nation's biggest oil company, rose 4.8% while China Petroleum & Chemical Corp., Asia's biggest oil refiner, also known as Sinopec, added 4.7%. **For the week, China's Shanghai Composite Index gained 6.4%, taking its year to date increase to 27.5%. An average 18.3 billion shares have changed hands daily this year, up from 15 billion in 2007, when the Shanghai Composite doubled.**

- Malaysia's stock market rose for a third week on news that government plans to cut prices of electricity and gas for households and companies next month will help ease profit margins.** Industrial Product gained the most as a group, with Wah Seong Bhd. jumping 13.9%, Kinsteel Bhd. gaining 4.8% while Perwaja Holdings Bhd. added 2.5%. Tenaga Nasional Bhd., Malaysia's state power utility which was battered down by the speculation, rose 10.4% last week after Maybank Investment Bank Bhd. said any cut in power rates next month is unlikely to erode profit. A reduction in electricity tariffs is expected to be offset by a corresponding decrease in gas prices supplied by Petroliam Nasional Bhd. to Tenaga. Construction stocks also jumped as investors anticipated that the group will benefit the most from a stimulus package that will be announced in March. WCT Engineering Bhd. became the second best performer in the benchmark last week, increased by 14.7% while rival, Gamuda Bhd., advanced 9.9%. Utility sector was boosted by Puncak Niaga Holdings Bhd., the best performer among benchmark members last week, gaining 19.5% for the week as the Selangor state is expected to make an offer to buy its water supply assets. All Selangor government's linked companies also rose following the news, with Kumpulan Perangsang Selangor Bhd. leaping 13.1%. Oil and gas related company was pushed higher after The Star reported that Scomi Group Bhd. will expects a profit margin of more than 10% from a US\$515 million mono-rail project in Mumbai. Scomi also expects to get additional revenue of RM45 million a year when the project becomes operational in 30 months. Scomi rose 10.8% while Petra Perdana Bhd. added 4.5% as the company said it agreed to sell two crew boats for US\$2.1 million. **For the week, the Kuala Lumpur Composite Index gained 1.5% to 909.84 points, taking its year to date gain to 3.8%.**

- US inventories fell in December** as businesses tried to keep up with plummeting sales. Wholesale inventories dropped 1.4% m-o-m followed a revised 0.9% decrease in the prior month. It was the fourth straight monthly drop, the longest such stretch in almost seven years. Sales fell 3.6% after a 7.3% decline. Wholesalers had enough goods on hand to last 1.27 months at the current sales pace, the highest level since 2002.
- The US trade deficit narrowed in December** to the smallest in almost six years, with exports and imports declining for the fifth straight month as consumers worldwide pulled back their spending. The trade deficit shrank 4.0% to US\$39.9 billion, from a revised US\$41.6% deficit in Nov. For all of 2008, the U.S. trade deficit narrowed to US\$677.1 billion from US\$700.3 billion in the previous year. Exports in December fell 6.0% to US\$133.8 billion. Sales abroad of U.S.-made automobiles, parts and engines fell to the lowest level since November 2004. Imports in December dropped 5.5% to US\$173.7 billion, the lowest since September 2005, from US\$183.9 billion the prior month as U.S. consumers bought fewer foreign-made cars and trucks and oil prices fell.
- US retail sales halted a six-month slide in January**, an advance that may not be sustained after the number of Americans collecting jobless benefits reached the highest on record. The 1.0% gain in purchases reflected higher gasoline prices and more were spending on clothing and food. Retail sales were projected to fall 0.8% after an initially reported 2.7% drop the prior month. An accelerating decline in the job market, along with a record destruction of household wealth with the slide in home values and stocks mean consumers are likely to resume cutbacks. Consumer spending is set to contract again this quarter after falling in the second half of 2008, economists predict. Purchases haven't declined for three consecutive three-month periods since records began in 1947.
- US initial jobless claims rose for a fourth straight week**, reaching a record, as companies accelerate firings. The total number of recipients rose to 4.81 million in the week ended Jan 31 from 4.80 million the prior week while first-time applications fell by 8,000 to 623,000. Companies ranging from Wal-Mart Stores Inc. to General Motors Corp. announced job cuts this week, reflecting a deepening recession that's now in its second year. President Barack Obama aims to create as many as 4 million jobs with a US\$789 billion stimulus plan awaiting approval in Congress. The four-week moving average of claims, a less volatile measure, climbed to 607,500 last week from 583,500 the previous week, today's report showed. That was the highest level since November 1982.
- US business inventories fell in December** and the most in 2001 as companies responded to slumping sales that reflect a deepening recession. The 1.3% m-o-m drop followed a revised 1.1% percent decline in the prior month. Sales fell 3.2% after a 5.7% decline in November. Companies had enough goods on hand to last 1.44 months at the current sales rate, the highest since April 2001, after 1.41 months in November, a sign they'll accelerate efforts to slash stockpiles.
- US consumer confidence approached its lowest level since 1980** this month after job losses mounted and the slide in home values deepened. The Reuters/University of Michigan preliminary index of consumer sentiment fell for the first time in three months, to 56.2. The gauge reached a low of 55.3 in November.

- **Eurozone investor confidence fell in February** as the region's worst recession since World War II drove an assessment of current conditions to the lowest on record. An index measuring euro-region sentiment declined to -36.1 from -34.4 in January. A subindex measuring current business conditions dropped to -52.25, the lowest since the survey started in February 2003, from -37.25. Still, a gauge of expectations rose to -18.25 from -31.5 in January, the third increase in as many months.
- **Eurozone industrial production dropped the most on record in December**, pointing to a deepening economic slump in the fourth quarter. Output in the euro region fell 12 percent from the year-earlier month after an 8.4% decline in November. From the previous month, production fell 2.6%, the most in almost 20 years. Companies across Europe are cutting back output as the global financial crisis derails purchases of everything from cars to factory equipment.
- **Eurozone economy contracted the most in at least 13 years in the 4Q08**, compounding pressure on the European Central Bank to reduce interest rates to the lowest ever next month. Gross domestic product in the euro region declined 1.5% from the previous three months, indicates the most since euro-area GDP records began in 1995. From a year earlier, GDP fell 1.2% in the fourth quarter, the only full-year drop on record.
- **Japan's corporate bankruptcies rose for an eighth month in January** as a deepening recession weakened sales and made it harder for businesses to get funds. Bankruptcies climbed 15.8 percent from a year earlier to 1,360 cases after increasing 24.1 percent in December,
- **Japan's current-account surplus narrowed by the most in at least 23 years in December** as exports collapsed amid the global recession. The surplus shrank a 92.1% to 125.4 billion yen (US\$1.09 billion) from a year earlier, the 10th month of declines. For 2008, the current-account surplus fell 34.3%, the most since the ministry had comparable data in 1986, to 16.3 trillion yen. Exports for the year sank 3.0%, the first drop in seven years. Imports rose 8.8%. Exports tumbled a record 35.1% in December from a year earlier, after declining 26.5% in November. Imports slid 21.2% in December, compared with a 13.7% decline the previous month. The export drop was the most since records began for this series in 1986.
- **Japan's machine orders fell for a third month in December** as businesses scrapped investment plans amid an unprecedented collapse in exports and a worsening outlook for earnings. Bookings plunged 1.7% from November, when they fell 16.2%, the sharpest drop since the survey started in 1987. Machinery orders signal capital spending in the next three to six months. A wave of firings and canceled spending plans by Japanese manufacturers has heightened the risk of a prolonged recession, as fallout from the global slowdown ripples through the domestic economy.
- **Japan's consumer sentiment stayed near its lowest level in at least 26 years in January**, indicating households are likely to keep cutting spending. The confidence index rose to 26.4 last month from 26.2 in December, the lowest since the government began compiling the figures in 1982. The worst deterioration in job prospects in four decades is prompting consumers in the world's second-largest economy to cut spending.

UPCOMING RELEASES THIS WEEK (16 - 20 FEB 09)

US

- February NAHB Housing Market Index by National Association of Home Builders Market Index on February 17, 2009.
- Weekly Mortgage Applications by Mortgage Bankers Association on February 18, 2009.
- January Import Price Index by Bureau of Labor on February 18, 2009.
- January Housing Starts by Department of Commerce on February 18, 2009.
- January Industrial Production Index (IPI) by Federal Reserve on February 18, 2009.
- January Producer Price Index (PPI) by Processing Stage Finished Goods by Bureau of Labor Statistics on February 19, 2009.
- Weekly Initial Jobless Claims by Department of Labor on February 19, 2009.
- January Leading Indicators by Conference Board on February 19, 2009.
- January Consumer Price Index (CPI) by Bureau of Labor Statistics on February 20, 2009.

Eurozone

- December Industrial Production Index (IPI) by Eurostat on February 12, 2009.
- 4Q 2008 GDP at Constant 2005 Prices by Eurostat on February 13, 2009.
- December Trade Balance by Eurostat on February 17, 2009.
- February ZEW Euro-zone Expectation of Economic Growth by ZEW Zentrum fuer Europaeische on February 17, 2009.
- December Trade Balance by Eurostat on February 17, 2009.
- December Construction Output by Eurostat on February 18, 2009.
- February Composite PMI Output by NTC Research on February 20, 2009.

Japan

- 4Q2008 Gross Domestic Product (GDP) by Economic & Social Research Institute (ESRI) on February 15, 2009.
- December Industrial Production Index (IPI) by Ministry of Economy, Trade and Industry on February 15, 2009.
- December Tertiary Industry Activity Index by Ministry of Economy, Trade and Industry on February 16, 2009.
- Bank of Japan Monetary Policy Meeting on February 17, 2009.
- December Leading Economic Index by Economic and Social Research Institution (ESRI) on February 18, 2009.
- Bank of Japan Monetary Policy Meeting Announcement on February 18, 2009.
- December All Industrial Activity Index by Ministry of Economy, Trade & Industry (Japan) on February 19, 2009.

Malaysia

- December Manufacturing Sales of Products by Department of Statistics Malaysia (DOSM) on February 17, 2009.
- January Consumer Price Index (CPI) by Department of Statistics Malaysia (DOSM) on February 18, 2009.
- Foreign Reserves as at February 13, 2009 by Bank Negara Malaysia (BNM) on February 20, 2009.