

FEB

- Weekly factsheet for the Week Ended Feb 6

10 FEBRUARY 2009

2009/0006

WEEKLY CLOSING IN MAJOR MARKET INDICES

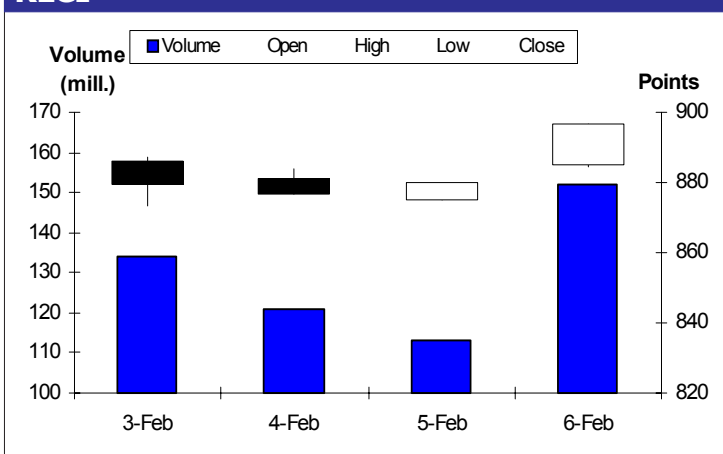
| | JAN 30 | FEB 6 | %CHG | %YTD |
|--------------|-----------|-----------|------|------|
| KL Composite | 884.45 | 896.64 | 1.4 | 2.3 |
| Dow Jones | 8,000.86 | 8,280.59 | 3.5 | -5.6 |
| Nikkei225 | 7,994.05 | 8,076.62 | 1.0 | -8.8 |
| DAX Index | 4,338.35 | 4,644.63 | 7.1 | -3.4 |
| UK FTSE100 | 4,149.64 | 4,291.87 | 3.4 | -3.2 |
| AU AORD | 3,478.10 | 3,407.50 | -2.0 | -6.9 |
| STI | 1,746.47 | 1,715.35 | -1.8 | -2.6 |
| Hang Seng | 13,278.21 | 13,655.04 | 2.8 | -5.1 |
| SSE Index | 1,990.66 | 2,181.24 | 9.6 | 19.8 |

Source: Bloomberg

KEY HIGHLIGHTS

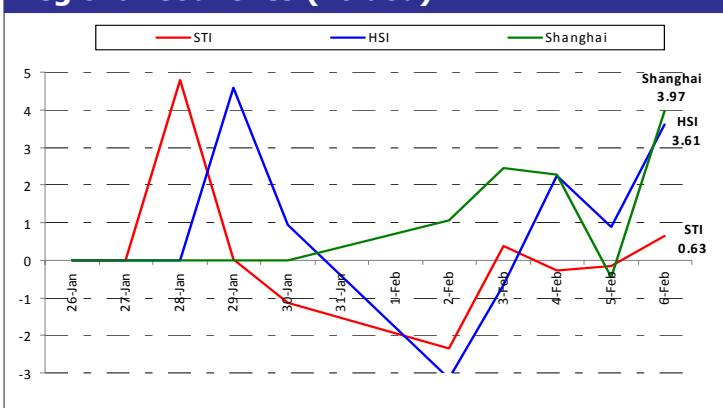
- **Major world and regional stocks benchmarks were positive, led by China and Germany on continuous effort by governments to support the economy.**
- **US stock market inched higher despite the huge losses in employment as the senate reached an agreement on the amount of the new economic stimulus package totaling at least US\$780 billion.**
- **US pending home sales rose in December while construction spending fell, boosting hope of a decline in housing inventories.**
- **The European Central Bank (ECB) kept interest rates unchanged after four reductions since early October.**
- **Japan's index of coincident and leading economic indicators fell 2.6 and 2.0 points respectively, giving another sign of a deepening recession for Japan's economy.**
- **China stocks posted the best weekly gain among major benchmarks after its central bank allowed local banks to offer lower lending rates by widening the permissible discount to benchmark rates.**
- **KLCI gained following hopes of a bigger economic stimulus package.**

KLCI



Source: Bloomberg, Bursa Malaysia

Regional Countries (% dod)

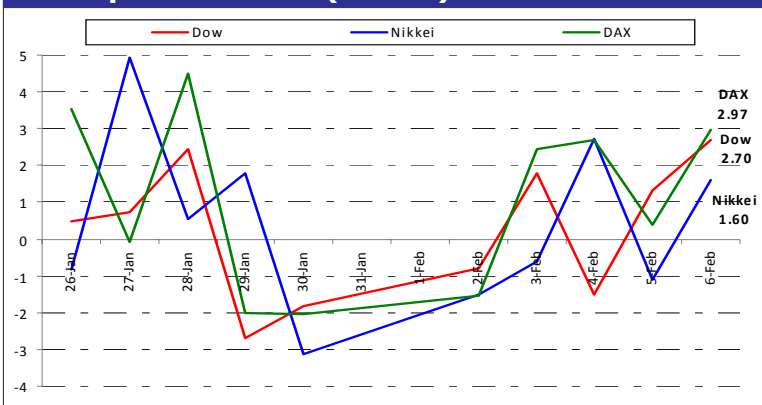


Source: Bloomberg

MARKET NEWS

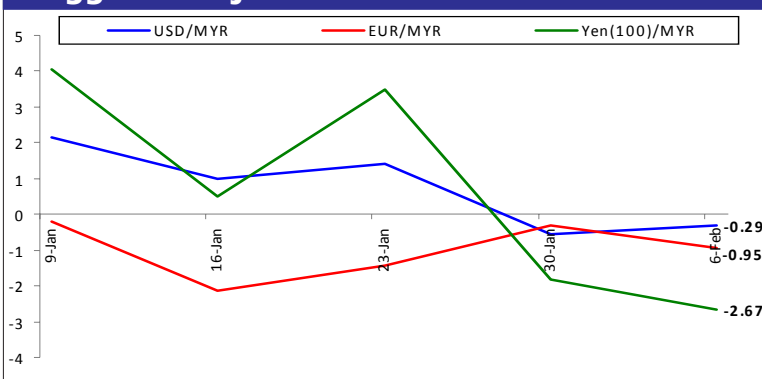
- **U.S. stocks gained, snapping four weeks of declines, on speculation the deteriorating economy would force US Congress to reach a compromise on President Barack Obama's economic stimulus package.** The U.S. Senate is slated to vote early next week on an economic stimulus package totaling at least US\$780 billion after lawmakers reached a compromise over the size of the plan late Friday, after the stock market closed. Stocks also rallied in anticipation of Treasury Secretary Timothy Geithner's Feb. 9 announcement of a bailout plan for the banking industry. Technology stocks led the overall rally with a 9.7% gain, the most among 10 industries in the S&P 500. Akamai Technologies Inc. gained 29% after the largest supplier of software and services of web sites posted better-than-estimated profit. Intel Corp., the world's largest computer-chip maker, climbed 14% while Microsoft Corp., the biggest software maker, climbed 15%. Financial stocks in the S&P 500 gained 6% for the week after falling 3.3% in the first three days. The main drag was Bank of America Corp., which tumbled 29% through Feb. 4 after its CEO said the economy is still deteriorating and that conditions are likely to improve later this year. Bank of America finished with a 6.8% retreat. Goldman Sachs Group Inc. climbed 20%, Morgan Stanley rose 13% while Citigroup Inc. increased 10%. Wal-Mart Stores Inc., Target Corp., Macy's Inc. and Limited Brands Inc. each climbed at least 5% after reporting January sales that exceeded estimates. Consumer related stocks were the third biggest gainer for last week. Kraft Foods Inc., the world's second-largest foodmaker,

Developed Countries (% dod)



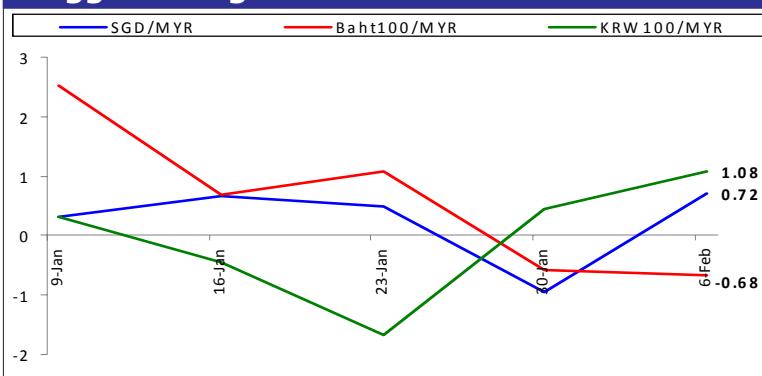
Source: Bloomberg

Ringgit vs Major Currencies



Source: Bank Negara Malaysia

Ringgit vs Regional Currencies



Source: Bank Negara Malaysia

however lost 6.1% after posting fourth-quarter earnings and sales below analysts' estimates. Healthcare sector was also lifted by positive earnings news last week. Merck & Co., the third-largest U.S. drugmaker, climbed 7.8% after savings from job cuts boosted its profit. Schering-Plough Corp., half owned by Merck, gained 12% after saying earnings were helped by cost reductions and added sales from an acquisition. **Overall, the S&P500 Index rose 5.2% to 868.60, reducing its 2009 decline to 3.8%. The Dow Jones Industrial Average added 279.73 points, or 3.5%, to 8,280.59.**

- European stocks increased last week as results at companies from Vodafone Group Plc to Electrolux AB beat estimates and governments stepped up efforts to ease the financial crisis that the International Monetary Fund predicts will cause global growth to almost grind to a halt this year.** Stocks also extended gains after Britain's financial regulator said it plans to require investors to disclose short positions on the more than 3,000 shares traded on U.K. exchanges. Automakers led the rally following positive earnings news last week. Volvo AB surged 16% after the world's second-largest truck maker said it would deepen costs cuts and

pay a dividend. BMW rose 12% as the world's largest maker of luxury cars said it will be posting clearly positive group earnings for 2008 after eliminating jobs and selling more Mini and Rolls-Royce models. Volkswagen AG however lost 3.5% as the region's largest carmaker said deliveries fell about 20%. Technology stocks also gained on better than expected quarterly results. Infineon Technologies AG, Europe's second-largest chipmaker posted fiscal first-quarter net loss 26% lower than consensus. The company also targets 600 million euros in annual savings and cut its 2009 budget for investments to preserve cash. Vodafone Plc., the world's largest mobile-phone company, added 7.1% after third-quarter sales climbed 14% on a weaker pound and higher revenue in India. Banks stocks were also on the rise following the latest financial developments in the US. BNP Paribas SA, France's biggest bank, climbed 4.9%, Deutsche Bank AG, Germany's largest bank, rose 6.0% and HSBC Holdings Plc., UK's biggest bank, gained 1.2%. Aviva Plc, the biggest U.K. insurer, surged 10% after saying sales rose 9% in 2008 and said it plans to scale back a promised 1 billion pound payout to policyholders. Stocks gains however were limited after separate reports also showed U.K. manufacturing production dropped 2.2% in December, extending its worst streak of contractions in almost three decades, and personal insolvencies increased in the fourth quarter as the recession deepened. Industrial production in Germany, Europe's largest economy, dropped the most in at least 18 years in December as demand for plants and machinery faltered. For the week, national benchmark indexes rose in 16 of 18 western European markets. **Germany's DAX climbed 7.1% to 4,644.63 points while the U.K.'s FTSE 100 advanced 3.4% to 4,291.87 points.**

- Japanese stocks climbed, extending the Nikkei 225 Stock Average's second weekly gain, as a weaker yen lifted the earnings prospects for makers of cars and electronics.** The yen depreciated to as much as 92.25 against the dollar, the weakest since Jan. 8, from 89.28 at the close of stock trading in Tokyo. Honda Motor Co., which gets more than half its sales from North America, jumped 3.9% while Mazda Motor Corp., which exports more than 80% of its production, added 5%. Toyota Motor Corp., the biggest automaker globally, rose 1.6%. The company gave up an early 3.6% gain after Moody's Investors Service cut its credit rating to AA1 from AAA, citing deteriorating market conditions. Toyota tripled its loss forecast for this fiscal year after markets shut on Friday. Konica Minolta Holdings Inc., which counts Europe as its biggest overseas market by sales, rose 5.1%. Makers of printing and writing paper posted the second biggest advance among 33 industry groups on the Topix after UBS wrote last week the group are structurally profitable even after cutting production by around 30% of capacity and can record significant profit growth in fiscal 2009. Nippon Paper, Japan's second-biggest maker of the material, added 7.2% while larger rival Oji Paper Co. climbed 5.8%. Metal stocks also gained last week following the rebound in overall metal prices. Copper gained 12.2%, Aluminum rose 9.1% while Nickel rose 2.6%. Commodity related stocks also rose after an unexpected gain in U.S. home resales sparked optimism a recovery in the global economy will prompt greater demand for materials. Sumitomo Metal Mining Co., Japan's No. 2 copper producer, leapt 10.6% while rival, Mitsubishi Materials Corp. increased 10.1%. Credit Suisse boosted its rating on the stocks to outperform from neutral, saying the worsening of its earnings has been already priced in. Shipping companies also help pushed the index higher after the Baltic Dry Index, a measure of shipping costs for commodities, soared 53.5% last week, extending its best start to a year since at least 1986, on demand for hauling iron ore to China. Mitsui O.S.K., Japan's No. 2 shipping company, added 19.5% while smaller rival Kawasaki Kisen Kaisha Ltd. leapt 20%. **As a summary, the Nikkei closed the week 1.0% higher to 8,076.22 points.**

- China's stocks rose to the highest in more than four months, completing the biggest weekly gain since mid-November amid expectations government stimulus measures will revive the world's third-largest economy.** Financial stocks gained the most after the 21st Century Business Herald reported that the central bank may allow lower lending rates by widening the permissible discount to benchmark rates to 20% from the current 10%. A local journal also said that Chinese banks offered a record 1.2 trillion Yuan of new loans in January, a new record. Industrial & Commercial Bank of China Ltd., the nation's biggest listed lender, added 7.1% while China Construction Bank Corp., the No. 2, gained 7%. Shipping companies also rose last week after the Shanghai Securities News said the government will offer financial support to shipbuilders and encourage domestic shipping lines to use made-in-China vessels, and also offer tax rebates to companies that sell vessels to overseas shipping lines. Guangzhou Shipyard International Company Ltd. leapt 15% while rival China Shipping Development Co. advanced 7.9%. Transport operators helped boost the index higher after the Ministry of Finance said it will give as much as 600,000 Yuan in subsidies for each vehicle to public-transport operators and government agencies to encourage purchases of alternative-energy vehicles. Anhui Jianghuai Automobile Co., China's second biggest light-truck maker, jumped 14.6% while Beiqi Foton Motor Co., the country's biggest commercial-vehicle maker, surged 14.6%. A jump in commodity prices excluding oil last week pushed metal stocks higher, led by Zijin Mining Group Co., China's largest gold producer, with an 8.6% gain. Zhongjin Gold Corp., the country's second-largest by market value, rose 7.8%. **For the week, the Shanghai Composite Index gained 9.6 percent this week, the biggest five-day advance since Nov. 14, to 2,237.28.**
- Malaysia's stock market rose for a second week, led by construction stocks after the government said the next economic stimulus package due to be announced will be much bigger than November's RM7 billion package.** Leading the stock benchmark was MMC Corp. Bhd. with a leap of 17.5% followed by Lafarge Malayan Cement Bhd., jumping 14.7%. Other construction companies which made the top 10 gainers were IJM Corp Bhd. and Ann Joo Resources Bhd., both advanced more than 5%. Plantation stocks help to boost the local stock market higher as palm oil futures gained 5.6% last week. Kuala Lumpur Kepong Bhd. was the best plantation stocks last week and the third best in the benchmark with a 11.1% increase. The company said on Thursday that it may buy estates this year to expand production, betting that the price of the tropical commodity has found a floor after a rout. Other plantation stocks, Tradewinds Plantation Bhd. rose 6.8%, Hap Seng Consolidated Bhd. gained 2% and Sime Darby Bhd. advanced 1.8%. Financial sector was also positive last week, led by Bumiputra-Commerce Holdings Bhd. (BCHB), Malaysia's third-largest bank, after RHB Research Institute Sdn. said the bank's risk-reward profile has changed with upside bias for its shares as it expects earnings for 2010 to rebound. BCHB jumped 7.9% while rivals, Public Bank Bhd. and Alliance Financial Group Bhd. rose 3.4% and 3.2% respectively. KNM Group Bhd. sparked a rally among oil and gas services providers after a stock exchange filing showed the Employees Provident Fund bought 2 million shares in the company, lifting its stake to 8.7%. KNM inched 2.3% higher while Petra Perdana Bhd. rose 3.1% and Dialog Group Bhd. increased 3%. The main drag of the index was TNB Bhd., losing 4.2% after reports by local media suggested that the government has agreed to reduce the electricity tariff. Titan Chemicals Corp. declined for a fifth week, this time with a 4.6% loss. The petrochemical maker said it will seek approval from shareholders at its forthcoming annual meeting for the renewal of its authority to buy back as much as 10% of the company's outstanding capital. **Overall, The Kuala Lumpur Composite Index closed the week 12.19 points higher, or 1.4% to 896.64 points.**
- US consumer spending fell in Dec** for a record sixth consecutive month, capping the worst year since 1961, a slump that is likely to persist as companies slash payrolls. The 1.0% m-o-m drop in purchases followed a 0.8% decrease in Nov. President Barack Obama is pushing Congress to approve a stimulus package that includes tax cuts intended to boost consumer spending. Incomes fell 0.2% in Dec, the third straight decline, after a 0.4% decrease the prior month. Consumer spending rose 3.6% for all of 2008, the smallest gain since 1961.
- US manufacturing shrank less than economists forecast in January** as the drop in new orders moderated for the first time in five months. The ISM factory index rose to 35.6 in January from 32.9 in the prior month. Readings less than 50 signals a contraction and the index has been below that level since Feb 08. Manufacturing is likely to keep contracting as companies from General Motors Corp. to Caterpillar Inc. cut output and shed workers.
- US construction spending fell 1.4% in Dec**, capping the worst year on record. The decline was larger than forecast and followed a 1.2% drop the prior month that was twice as large as previously reported. For all 2008, construction spending fell 5.1%, the most since records began in 1993. Housing starts and building permits fell to record lows in Dec and data on new-home sales indicates residential construction will fall further in coming months.
- US pending home sales rose in Dec**, signaling that foreclosure-driven declines in prices are boosting demand. The index of pending home resales climbed 6.3% to 87.7, the first increase since Aug, from 82.5 in Nov. Other reports showed record number of houses for sale stood vacant last quarter and property values sank by more than US\$3 trillion last year.
- US mortgage applications rose in the week ended Jan 30**, led by a rebound in refinancing as homeowners trimmed monthly payments. The MBA mortgage applications index to purchase a home or refinance a loan increased 8.6% from 732.1 the prior week. The average rate on a 30-year fixed loan rose to 5.28% from 5.22% the prior week. The rate reached a record-low 4.89% in January.
- US service industries shrank at a slower pace than forecast in January**, a positive trend threatened by soaring joblessness that will likely cause further cutbacks in consumer spending. The ISM index of non-manufacturing businesses, which make up almost 90% of the economy, rose to 42.9, but still below the reading of 50% that signals contraction. The heads of the ISM survey said that stabilization is unlikely until payrolls halt their freefall.
- US jobless claims unexpectedly jumped to a 26-year high**, signaling a deepening deterioration in the labor market. Initial jobless claims increased by 35,000 to 626,000 in the week ended Jan 31, the highest level since Oct 1982. The total number of people collecting benefits jumped to a record 4.788 million a week earlier. The four-week moving average of claims, a less volatile measure, climbed to 582,250 from 543,250 the previous week.
- US factory orders fell in December for a fifth month**, reflecting a pullback in business spending that will extend the recession. Bookings declined 3.9%, more than forecast, after a revised 6.5% drop in November. For all of 2008, orders for factory goods rose 0.4%, the smallest gain since orders last dropped in 2002.

UPCOMING RELEASES THIS WEEK (9 - 13 FEB 09)

- **The US jobless rate rose to 7.6% in Jan** from 7.2% in Dec. Payrolls fell by 598,000, the biggest monthly drop since Dec 1974. Losses spanned almost all industries, from construction and manufacturing to retailing, trucking, media and finance. Millions more US workers are likely to lose their jobs after the economy's freefall sent unemployment in Jan to the highest since 1992 and payrolls tumbled, reinforcing the need for an economic stimulus plan.
- **US consumer credit fell in Dec for the fourth time in five months** as the deepening recession and restrictions on bank lending crimped purchases. Consumer credit fell by US\$6.6 billion or 3.1% at an annual rate to US\$2.56 trillion. In Nov, credit decreased by US\$11 billion, more than previously estimated and the biggest drop since records in 1943. For all of last year, consumer spending registered its smallest increase since 1961.
- **The Eurozone manufacturing industry shrank for an eighth month in Jan** as export demand waned and companies scaled back production. A gauge of manufacturing activity was at 34.4 after reaching a record low of 33.9 in Dec. Reading below 50 indicates contraction.
- **Eurozone producer prices declined more than economists expected in Dec** on lower oil prices, adding to arguments that the region's central bank should reduce interest rates more to combat the deepening recession. Producer prices fell 1.3% from the previous month after a record 2.0% decline in Nov. Annual producer-price inflation eased to 1.8%, the slowest in 16 months.
- **European retail sales declined more than economists expected in Dec** as consumer confidence sank in the face of the worst recession since World War II. Sales in the euro region fell by 1.6% y-o-y after a revised 2.6% decline in Nov. From the previous month, sales were unchanged in Dec after a 0.1% drop in Nov.
- **The European Central Bank (ECB) kept interest rates unchanged** after four reductions since early October as officials gauge the severity of the recession before cutting borrowing costs again. The ECB left the benchmark lending rate at 2.00% ECB President Jean-Claude Trichet has signaled a reluctance to follow the US Federal Reserve in lowering rates to close to zero, even as Europe finds itself in the grips of its worst recession since World War II. Trichet also signaled that the slowdown will probably force the ECB to act again next month.
- **Japan's monetary base rose 3.9% y-o-y in Jan**, increasing for the fifth straight month. Current account deposits at the central bank jumped 41.8% in Jan after a 14.7% rise in Dec. The pace of rise in the balance has accelerated after the BOJ began offering 0.10% interest on excess reserves that commercial banks park with the central bank from mid-Nov, a temporary step aimed at facilitating smooth fund supply.
- **Japan's index of coincident economic indicators fell 2.6 points to a preliminary 92.3 in Dec** from 94.9 in Nov, in another sign of a deepening recession for Japan's economy. The index of leading economic indicators, compiled using data such as the number of new job offers and consumer sentiment, fell 2.0 points to 79.8 in Dec.
- **Malaysia's international reserves of Bank Negara Malaysia declined to RM316.8 billion (US\$91.3 billion) as at January 30, 2009** from RM317.2 billion (US\$91.5 billion) at January 15, 2009. In a statement today, the central bank said the reserves were sufficient to finance 7.5 months of retained imports and was 3.3 times the short-term external debt.

US

- December Merchant Wholesalers Inventories by US Census Bureau on February 10, 2009.
- Weekly Mortgage Applications by Mortgage Bankers Association on February 11, 2009.
- December Trade Balance by US Census Bureau on February 11, 2009.
- January Advance Retail Sales by US Census Bureau on February 12, 2009.
- Weekly Initial Jobless Claims by Department of Labor on February 12, 2009.
- February Consumer Confidence by University of Michigan Survey Research on February 13, 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.

Japan

- January Money Supply M2+CD by Bank of Japan (BOJ) on February 8, 2009.
- December BOP Current Account Balance by Ministry of Finance on February 8, 2009.
- December Machinery Order by Economic and Social Research Institution (ESRI) on February 8, 2009.
- December Merchandise Trade Balance Ministry of Economy, Trade and Industry on February 8, 2009.
- January Bankruptcies Cases by Tokyo Shoko Research Ltd on February 8, 2009.
- January Economy Watchers Survey by Economic & Social Research Institute (ESRI) on February 9, 2009.
- January Consumer Confidence by Economic and Social Research Institution (ESRI) on February 10, 2009.
- January Domestic Corporate Goods Price (CGPI) by BOJ on February 11, 2009.

Malaysia

- December Industrial Production Index (IPI) by Department of Statistics Malaysia (DOSM) on February 10, 2009.
- December External Trade Balance by Department of Statistics Malaysia (DOSM) on February 11, 2009.