

## JAN

- Weekly factsheet for the Week Ended January 2

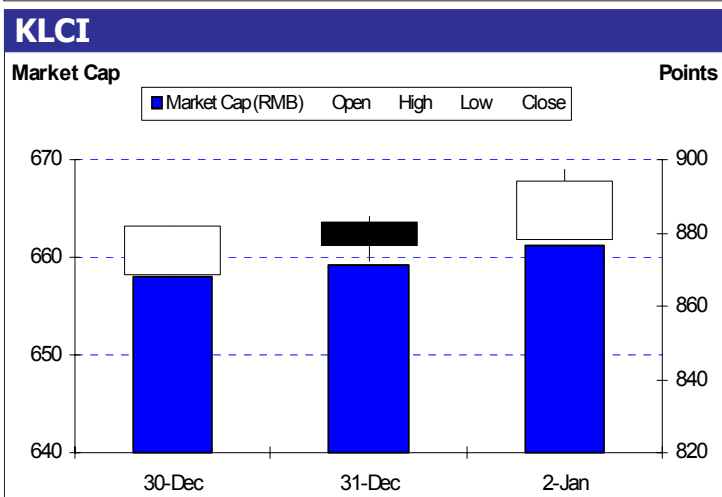
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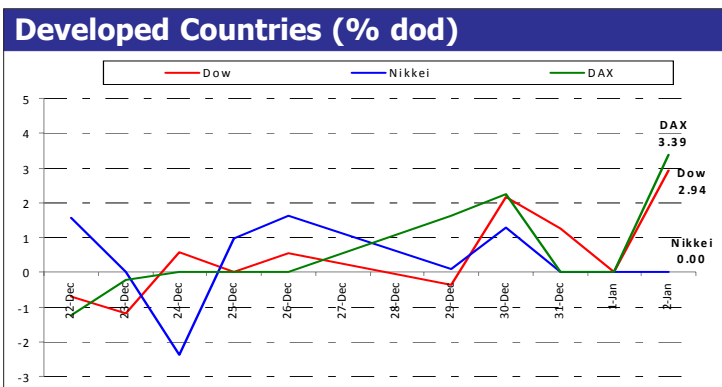
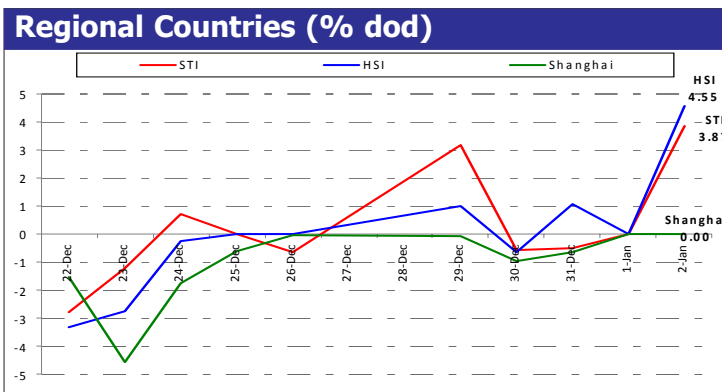
WEEKLY CLOSING IN MAJOR MARKET INDICES				
	DEC 26	JAN 2	%CHG	%YTD
KL Composite	867.35	894.36	3.1	2.0
Dow Jones	8,515.55	9,034.69	6.1	2.9
Nikkei225	8,739.52	8,859.56	1.4	0.0
DAX Index	4,629.38	4,973.07	7.4	3.4
UK FTSE100	4,216.59	4,561.79	8.2	2.9
AU AORD	3,515.00	3,655.70	4.0	-0.1
STI	1,725.61	1,829.71	6.0	3.9
Hang Seng	14,184.14	15,042.81	6.1	4.6
SSE Index	1,851.52	1,820.81	-1.7	0.0

### MARKET NEWS

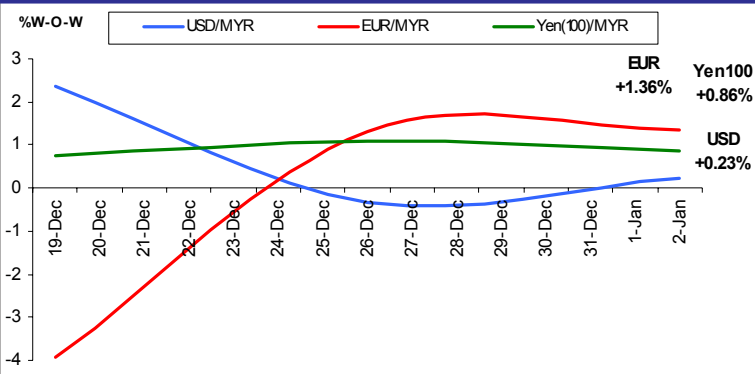
- U.S. stocks advanced the most since November after fewer Americans filed for jobless claims and oil's biggest weekly increase in two decades lifted energy companies.** Energy stocks increased the most among 10 S&P 500 industry groups, jumping 9.6%. Crude futures jumped 23% this week, the most since August 1986, as the conflict in Gaza increased concerns that Middle East supplies will be interrupted and Russia curbed natural-gas shipments to Ukraine. Oil fell 54% last year, the first annual drop since 2001. Marathon Oil Corp., the fourth-largest U.S. oil company, and Baker Hughes, the world's third-largest oilfield-services provider, both jumped more than 15%. Exxon Mobil Corp., the world's largest oil company, added 5.8%. Consumer related stocks grew 8.4%, the second biggest gain after General Motors Corp., the largest U.S. automaker received US\$4 billion in initial rescue loans from the U.S. Treasury on Dec. 31 to rescue it collapse. GM recovered from a 20% loss earlier in the week to close flat. Consumer shares were also boosted after the initial unemployment claims dropped by 94,000 last week to the lowest level in almost two months. Home Depot Inc., Gap Inc. and Walt Disney Co. all climbed more than 7%. Technology stocks also helped lifting the index higher, led by SanDisk Corp. with a 21% jump. The world's largest maker of memory cards used in digital cameras, rose on speculation that Toshiba Corp. would buy the company. Samsung Electronics Co., Asia's largest maker of chips, scrapped a US\$5.85 billion takeover offer for SanDisk on Oct. 22. **The S&P 500 gained 6.8% to 931.8, the most since it rallied 12% in the week ended Nov. 28. The Dow Jones Industrial Average added 6.1% to 9,034.69.**



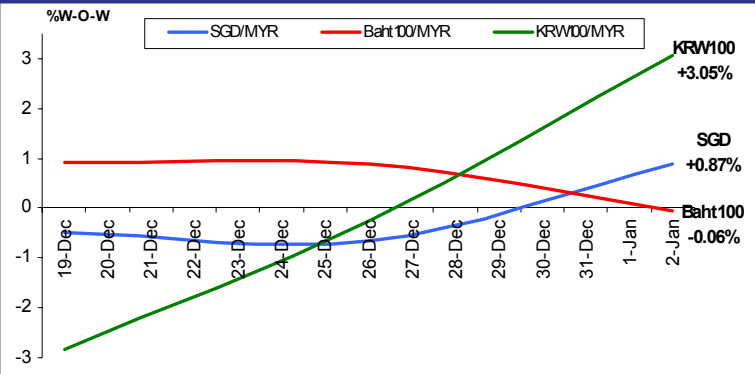
- European stocks rose, rebounding after the Dow Jones Stoxx 600 Index posted its biggest annual slump on record, as higher metals prices lifted mining companies and investors speculated governments will step up efforts to revive the global economy.** Rio Tinto Group surged 14%, leading a rally in raw-material producers, the region's worst performing industry group in 2008. Rio has slumped 72% last year. BHP Billiton Ltd. and Anglo American Plc added more than 8% as copper gained for a fourth day in London. Oil companies were also among major contributors to the benchmarks rally after oil prices leapt last week. Royal Dutch Shell Plc, Europe's largest oil company, gained 4.9% while BP Plc, the second-biggest, added 5.1%. Technology stocks rose following more merger and acquisition news with the latest came from Siemens Group AG. The company told Germany's Boersen-Zeitung newspaper that it may acquire companies if it makes strategic sense. Infineon, Europe's second-biggest maker of semiconductors, climbed 16% paring its 2008 loss to 88%. Infineon has surged 45% since the previous week after the company's Qimonda AG unit received a loan of US\$460 million as part of a rescue package for the distressed German memory-chip maker. European media stocks also climbed after Citigroup Inc. raised its recommendation on the industry to overweight, saying favorable currency moves may boost earnings. The broker highlighted Vivendi SA and WPP Group Plc among their top picks within the group. Vivendi, France's biggest media company, added 2.7% while WPP, the world's second-largest advertising company, gained 2.1%. **For the week, national benchmark indexes gained in 17 of the 18 western European markets.**



## Ringgit vs Major Currencies



## Ringgit vs Regional Currencies



The U.K.'s FTSE 100 rose 8.2% to 4,561.79 points while Germany's DAX Index gained 7.4% to 4,973.07 points.

- Japan stocks rose for a fourth day, trimming the Nikkei 225 Stock Average's biggest annual drop, after fighting in the Gaza Strip sent oil futures higher, lifting shares in energy producers.** Inpex Corp., Japan's largest oil explorer, climbed 5.1% sending a gauge of mining companies to the biggest gain among 33 industry groups on the Topix. Closest rival Japan Petroleum Exploration Co. rose 2.6%, narrowing its loss to 52% for last year. Mitsubishi Corp., which gets more than half its profit from commodities, rose 2.8%. Retailers were also pushed higher last week as Uny Co. reported a better than expected profit, stoking optimism that spending in Japan could hold. Uny Co., one of the largest department chain-store in Japan, rose 4.7% while Lawson Inc., the biggest in Japan, gained almost 1%. Insurers help boosting stock benchmarks higher as merger talks increase, lifting confidence that mergers will help companies survive the global economic slowdown. Aioi Insurance Co. soared 19% on reports it may combine with two competitors to create Japan's biggest non-life insurer. Nissay Dowa General Insurance leapt 15% while Mitsui Sumitomo Insurance Group Holdings Inc. climbed 8.3%. The three companies are currently in talks to merge and had US\$30 billion in combined revenue, more than industry leader Tokio Marine Holdings Inc. Technology stocks also rode the same merger wave, with Elpida Memory Inc., the nation's No. 1 memory chipmaker, rising 13% after saying it is in merger talks with Taiwanese semiconductor companies. Industrial companies however limited benchmarks' gains after The Nikkei newspaper reported on Dec. 27 that Oji Paper Co., the nation's largest consumer of high-sulfur fuel oil, is likely to post about US\$331 million in pretax profit for the nine months to Dec. 31, 30% lower from a year earlier as demand weakened. Oji sank 2.4% while rival Mitsubishi Paper Mills Ltd. dived 5.4%. **On a weekly basis, Japan's Nikkei 225 Stock Average closed 1.4% higher to 8,859.56 points.**

- Chinese stocks fell for a second week, with the benchmark completing its first annual decline as economic growth cooled and exports and industrial production shrank.** Airline stocks led the decline following disappointing earnings announcements and also failed merger plans. Shanghai Airlines Co., the city's second-largest carrier, dropped 8.2% following a speculated takeover by China Eastern Airlines Corp., which was reported by Shanghai Securities News on Dec. 24, failed to materialize. China Eastern yesterday said it more than doubled the financial aid it has secured from the government, without mentioning the takeover of Shanghai Airlines. Separately, China Eastern reported loss of US\$420,000 from the settlement of aviation fuel hedging contracts in November, pushing its shares lower by 8.7%. Metal stocks added to the benchmark losses, led by Tangshan Steel, the country's fifth-biggest steelmaker with a 9.9% decline. The stock started trading after it was halted ahead of a plan to take over Handan Iron & Steel Co. and Chengde Xinxin Vanadium & Titanium Co. The three companies will merge into one publicly traded company through a share swap, Tangshan said last week. Yunnan Copper Industry Co., the country's third-biggest producer of the metal, fell 4.2% after saying it halted production at its largest smelter on Dec. 25 to repair a boiler leak. Power producers in China however bucked the overall trend following expansion plans to boost profits. Huaneng Power International Inc., the listed unit of China's largest power group, rose 1.5% after it has received approval for an 890 million yuan, 80 megawatt hydropower plant in Hunan from the province's planning agency. Huadian Power International Corp. rose 3% following the approval of a 100% stake purchase in Hebei Huarui Energy Co. from 12 Chinese individuals for 729 million yuan. **For the week, China's Shanghai Composite Index retreated 1.7% to close at 1,851.52 points.**

- Australian stocks advanced, paring the benchmark index's worst annual drop on record, as higher metals prices boosted commodities companies.** BHP Billiton Ltd., the world's biggest mining company, gained 6.1%, after nickel climbed the most in two months in London. It is the stock's fourth-straight weekly advance ahead of the year end. Rio Tinto Group, the world's third-largest mining company, added 7.9%. Sino Gold Mining Ltd., owner of China's second-largest gold mine, rallied 7.3% while Lihir Gold Ltd., the second-largest, jumped 6.1%. Oil producers surged, mirroring the rally in crude oil prices after Israeli air strikes in the Gaza Strip raised concerns on supply from the Middle East, the world's largest producing region. Woodside Petroleum Ltd., Australia's biggest oil producer leapt 13.3% while rival, Santos Ltd., jumped 3.6%. Property stocks however trimmed the benchmark's gains as more companies are facing losses following the dip in property prices. Macquarie Office Trust, Australia's biggest office property trust by assets, plunged 27.3% as it negotiated to refinance a US\$74.5 million loan after agreeing with banks to extend the existing facility to March 1, 2009. Valad Property Group, an Australian real-estate investment trust, sank 96% following asset writedowns and after a customer went into receivership. Overall for the week, **Australia's All Ordinaries Index ended the week posting a gain of 32.2 points or 4% to close at 3,655.70.**
- Malaysia shares rose last week on a light volume trading, mirroring most global stock benchmarks as merger talks heats up and announcement of a few infrastructure projects' awards.** Index heavyweight, Tenaga Nasional Bhd. rose 3.3% following its announcement that the company started talks to buy 40% of Kapar Energy Ventures Sdn. Bhd. from Malakoff Bhd., a unit of MMC. Kumpulan Perangsang Selangor Bhd. also added to the benchmark gains as the company completed its purchase of a 15% stake in Syarikat Bekalan Air Selangor Sdn., a water supplier, for RM200 million. YTL Corp. Bhd., Malaysia's biggest builder rose 2.1% after saying that the

company plans a REIT that will comprise its hotels and resorts and is looking to buy quality assets next year to take advantage of depressed prices sparked by the global financial crisis. Construction sector were also lifted after MMC-Gamuda, a joint venture between Gamuda Bhd. and MMC Corp. that is building the 12.5 billion ringgit Ipoh-Padang Besar double-track railway project in Malaysia, submitted a detailed proposal to acquire land for the development after the state government of Penang ordered it to stop work. Gamuda rose 7.1% while MMC Corp. Bhd. increased 14%. Financial shares were mixed last week after the central bank data showed that loan applications in Malaysia slumped 33% in November, the worst monthly drop this year. RHB Capital Bhd., the fourth biggest bank, declined by 2.1%. Hong Leong Bank Bhd. however managed to clinch gains after the bank received a license from Vietnam's central bank to open a 100% foreign-owned bank in the country. The bank, called Hong Leong Bank Vietnam Ltd., will have registered capital of US\$57 million. Hong Leong rose 2%. Plantation stocks followed the rise in crude palm oil prices, led by Sime Darby Bhd. with a 5.9% gain. Palm oil futures in Malaysia jumped 3.9% last week, its second weekly advance in a row. IOI Corp., the second biggest producer, jumped 12%. **For the week, the Kuala Lumpur Composite Index added 27 points for 3.1% to settle at 894.36 points.**

## CORPORATE NEWS

- **Heitech Padu Bhd.** has received a letter of award from the government for the continuation of the contract to maintain the National Registration Department's card issuance centre. The new contract is worth RM13.26 million, HeiTech said in a statement to Bursa Malaysia last week.
- **Ramunia Holdings Bhd.** reported a net loss of RM71.3 million in the fourth quarter compared to a net profit of RM1.9 million in the same period a year ago. Revenue declined to RM89.1 million RM184.1 million previously. For the full year, Ramunia made a net loss of RM279.8 million against a net profit of RM20.6 million before. Total turnover fell 41% to RM360.86 million. It attributed the loss to the impairment of goodwill, higher operating cost from its yard modernization and preparation for ex-pansion programmes.
- **Malaysia Airlines Bhd.** (MAS) said it is finalizing the details of a proposed joint venture with Qantas. MAS, through subsidiary MAS Aerospace Engineering, sealed an initial pact with the Australian carrier in September to form an engineering joint venture.

## ECONOMIC NEWS

- **US consumer confidence dropped in December** to a record on growingly anxiety over the lack of jobs, rising the risk that spending will keep weakening. The Conference Board's index of consumer confidence fell to 38, the lowest level since 1967, from 44.7 in November.
- **US home prices declined at the fastest pace on record,** depressed by mounting foreclosures and slumping sales. The S&P/Case-Shiller index declined 18% y-o-y in October, after dropping 17.4% in September. The gauge has fallen every month since January 2007. Year-on-year records began in 2001. The financial market meltdown that's reverberated around the globe has prompted banks to curb lending, signaling the housing slump will persist for a fourth year in 2009. Home prices decreased 2.2% in October from the prior month after declining 1.8% in September.
- **US mortgage applications reached a five-year high in the week ended December 26** as borrowing costs slid. The MBA index of applications to purchase a home or refinance a loan rose to 1,245.7, the highest level since 2003, from the prior week's 1,245.4. The group's purchase gauge climb 1.4% and the refinancing measure fell 0.4%. The drop in borrowing costs, sparked in part by the Federal Reserve's plan to buy mortgage-backed securities, is one bright spot in a market plagued by record foreclosures and plunging home values. The average rate on a 30-year fixed-rate loan dropped to 5.03%, the second-lowest level since records began in 1990, from 5.04% the prior week.
- **US initial jobless claims tumbled in the week ended December 27,** skewed by the shortened Christmas workweek, while total jobless rolls reached a 26-year-high, signaling a worsening labor market as the economy heads into the second year of a recession. The number of Americans filing first-time claims for unemployment benefits dropped by 94,000 to 492,000, the lowest level in almost two months. The number of people collecting benefits jumped in the prior week to the highest level since 1982. Companies from automakers to banks are stepping up the pace of firings after the worst credit crisis in seven decades caused the economic slump to intensify. The four-week moving average, a less volatile measure, fell to 552,250 compared with 558,000 the prior week. The number of people staying on benefit rolls surged to 4.506 million, the highest level since December 1982.
- **US manufacturing shrinks in December** as demand for products as cars, appliances and furniture reached the lowest level since at least 1948, signaling further cutbacks in factory jobs and production this year. The ISM factory index fell to 32.4, the lowest level since 1980, from 36.2 the prior month. Readings less than 50 signal contraction. Clogged credit markets, the collapse in housing and mounting job losses have hurt demand for everything from furniture and appliances to automobiles. The figures underscore that, with private demand collapsing, manufacturers' best hope for new business may be the US plans for unprecedented stimulus package.
- **Eurozone loans growth slowed for the 11<sup>th</sup> month in succession** after banks tightened credit standards. Private sector lending rose 7.1% in November after an increase of 7.8% in October. That was the lowest level in four years. M3 money supply slowed to 7.8% y-o-y as demand for the most liquid assets retreated. According to EBC, credit standards for loans to companies tightened significantly in the 3Q and should remain broadly unchanged in the 4Q.

- **Eurozone retail sales fell for a seventh month in a row in December** as the deepening recession curbed consumer confidence and spending. The measure of sales in the euro region rose to 41.4 in December from 40.6 in November, remaining below the 50 limit that indicates contraction. The index also showed that retailers cut jobs for a ninth month and profit margins fell at a record pace.
- **Malaysia broad money, or M3, expanded at a faster annual pace in November**, reflecting the higher provision of credit to the private sector and expansionary government operations. M3 or money supply rose 12.5% y-o-y in November, a tad higher than the 11.5% gain in October. Meanwhile, loan growth increased 10.7% to RM723.4 billion, outpaced the 10.3% increase in October.
- **Malaysia's balance of payments fell into a deficit of RM31.5 billion in the 3Q08** due to lower net payment on income and a higher surplus on goods. It registered a surplus of RM26.2 billion in the 2Q08. A negative balance of payments means that more money is flowing out of the country than coming in. The current account balance, which reflects the country's economic health, remained positive with a surplus of RM38.7 billion in the 3Q08, up 4.5% from RM37 billion in the 2Q.

- November Retail Sales and Volume by Eurostat on January 9, 2009.

### Japan

- December Official Reserve Assets by Ministry of Finance on January 4-8, 2009.
- December Monetary Base Average Outstanding by Bank of Japan on January 5, 2009.
- November Coincident Index by Economic & Social Research Institute on January 9, 2009.
- November Leading Economic Index by Economic and Social Research Institution (ESRI) on January 9, 2009.

### Malaysia

- November External Trade Balance by Department of Statistics Malaysia (DOSM) on January 7, 2009.
- November Industrial Production Index (IPI) by Department of Statistics Malaysia (DOSM) on January 9, 2009.

## UPCOMING RELEASES THIS WEEK (5 - 9 JAN 09)

### US

- November Construction Spending by US Census Bureau on January 5, 2009.
- November Pending Home Sales by National Associate of Realtors on January 6, 2009.
- December ISM Non-Manufacturing Business Activity Index by Institute for Supply Management on January 6, 2009.
- Weekly Mortgage Applications by Mortgage Bankers Association on January 7, 2009.
- Weekly Initial Jobless Claims by Department of Labor on January 8, 2009.
- November Consumer Credit by Federal Reserve on January 8, 2009.
- December Unemployment Rate by Bureau of Labor Statistics on January 9, 2009.
- November Merchant Wholesalers Inventories by US Census Bureau on January 9, 2009.

### Eurozone

- December Consumer Price Index (CPI) by Eurostat on January 6, 2009.
- November Producer Price Index by Eurostat on January 7, 2009.
- November Unemployment Rate by Eurostat on January 8, 2009.
- 3Q 2008 GDP at Constant 2005 Prices by Eurostat on January 8, 2009.