

## MARCH - Weekly factsheet for the Week Ended March 6

10 MARCH 2009

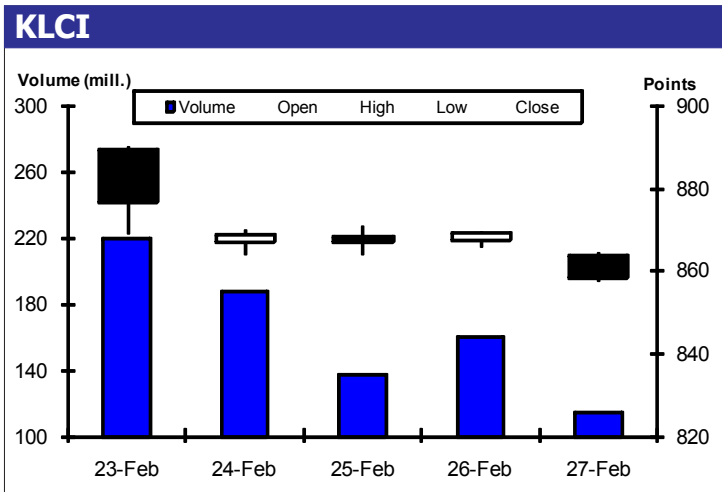
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WEEKLY CLOSING IN MAJOR MARKET INDICES				
	FEB 27	MAR 6	%CHG	%YTD
KL Composite	890.67	858.22	-3.6	-2.1
Dow Jones	7,062.93	6,626.94	-6.2	-24.5
Nikkei225	7,568.42	7,173.10	-5.2	-19.0
DAX Index	3,843.74	3,666.41	-4.6	-23.8
UK FTSE100	3,830.09	3,530.73	-7.8	-20.4
AU AORD	3,296.90	3,111.70	-5.6	-15.0
STI	1,594.87	1,513.12	-5.1	-14.1
Hang Seng	12,811.57	11,921.52	-6.9	-17.1
SSE Index	2,082.85	2,193.01	5.3	20.4

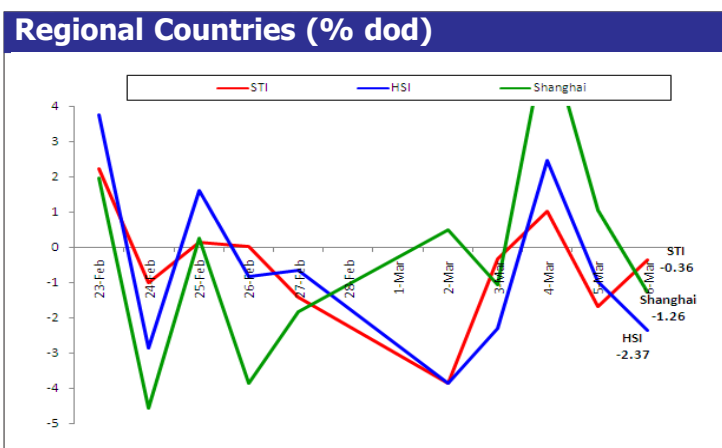
Source: Bloomberg

### KEY HIGHLIGHTS

- **All major benchmarks closed the week lower as stimulus package from the US and worldwide failed to overcome dismal economic data over the week.**
- **US unemployment rate to the highest level in a quarter century in Feb. to 8.1% while factory orders fell in January for a sixth consecutive month.**
- **ECB cut interest rates to a record low, by half a percentage point to 1.50%. Consumer spending and investment contracted the most in at least 13 years in the 4Q08.**
- **Japan's companies cut spending by 18.1% yoy in the 4Q08, the fastest pace in a decade.**
- **Malaysia's exports fell by 27.8% yoy in January, the most in 15 years while imports dropped 32%, leaving a trade surplus of RM8.8 billion.**



Source: Bloomberg, Bursa Malaysia

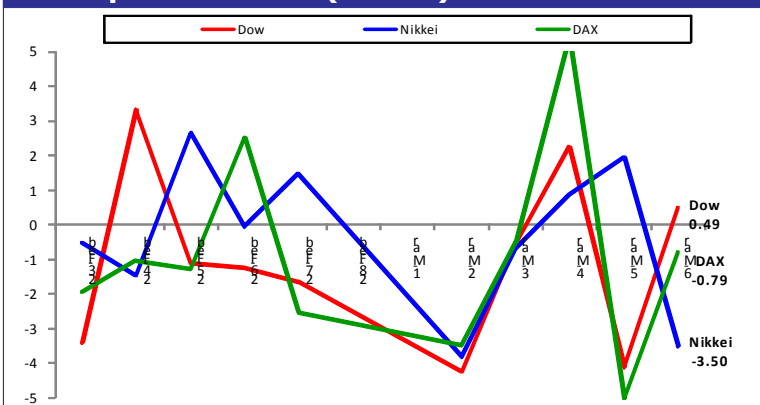


Source: Bloomberg

### MARKET NEWS

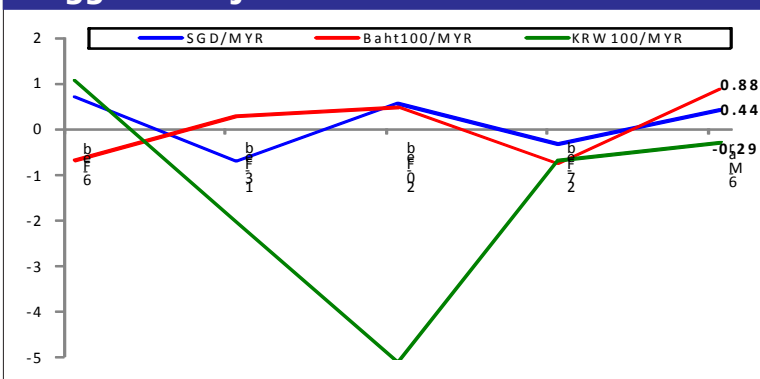
- **U.S. stocks posted the biggest weekly decline in three months after American International Group Inc. reported a US\$61.7 billion loss and concerns increased that General Electric Co. will be stripped of its top credit rating.** Financials led the decline following AIG's report, tumbling 27% as a group, the most since the measure was created in 1989. The index is down 88% from its February 2007 record. AIG, the recipient of US\$150 billion in government aid, posted its ninth straight weekly slump by another 17%. The insurer will get as much as US\$30 billion in new government capital and relaxed terms on its bailout after reporting its quarterly loss. Citigroup Inc., once the world's biggest bank, slipped as low as 97 cents. The government may be forced to expand its rescue of the banking system beyond the US\$700 billion already approved, Federal Reserve Chairman Ben S. Bernanke told Congress. Financial firms worldwide have reported losses and write-downs exceeding US\$1.2 trillion since the start of 2007. JPMorgan Chase & Co., Wells Fargo & Co. and Bank of America Corp. all lost more than 20% on concern Moody's Investors Service will cut their credit ratings. All 10 S&P 500 industries fell 3.7% or more as the unemployment rate increased to 8.1%, the highest since 1983, and orders at U.S. factories dropped for a sixth month. General Electric, which used to be the biggest dividend payer in the S&P 500, tumbled 17% as Moody's and S&P review its AAA debt rating. The stock trimmed its weekly loss by jumping 6% yesterday as Sanford C. Bernstein & Co. and Bank of America Corp. analysts said its finance unit has enough funding. Automakers were also on the decline last week after General Motors Corp.'s auditor said the biggest US car maker may not survive. General Motors sank 36% while Ford Motor Co. slipped 10.6%. **Overall, the S&P 500 retreated 7% to 683.38 while the Dow Jones Industrial Average fell 435.99 points, or 6.2%, to 6,626.94.**

## Developed Countries (% dod)



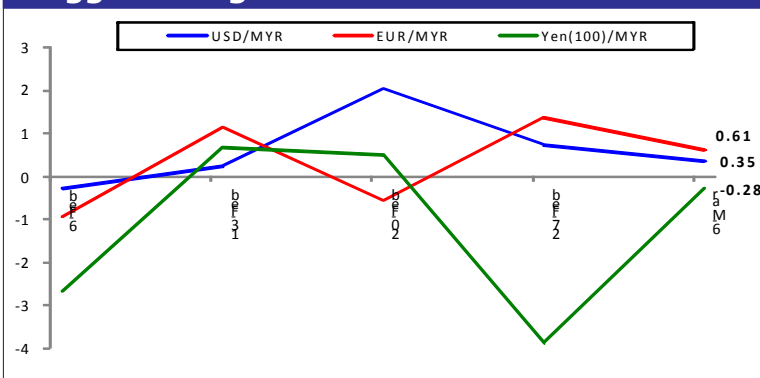
Source: Bloomberg

## Ringgit vs Major Currencies



Source: Bank Negara Malaysia

## Ringgit vs Regional Currencies



Source: Bank Negara Malaysia

- European slumped, sending the Dow Jones Stoxx 600 Index to a new six-year low, as Goldman Sachs Group Inc. said the global economy is worsening and concern grew that financial firms will need more capital.** Goldman Sachs predicted a deeper contraction in global gross domestic product than it previously anticipated and said the slump may worsen. The group now estimates the world economy will shrink 0.6% in 2009 compared with a previous forecast for a 0.2% contraction. Banks dominated headlines, with HSBC Holdings Plc. fell 17% in London, the biggest drop since at least 1992, after saying it plans to raise 12.5 billion pounds (US\$17.7 billion) in a rights offer. Commerzbank AG, Germany's second-largest bank, lost 18.1% after its CEO said that Germany's second-largest bank may need more cash from the government. Aviva Plc, the biggest U.K. insurer, led losses among insurers with a 29% drop after announcing to maintain its dividend despite a 2008 net loss of 915 million pounds on write-downs of the value of its corporate bond holdings. BHP Billiton Ltd. brought benchmarks lower as China quelled speculation the government will add to its stimulus plan, cooling excitement of a boost in metal demand. Airline

stocks were also on the red as British Airways Plc, Europe's third-largest airline, said it sees no return to profit until fiscal 2011 at the earliest as the recession weighs on air-travel demand. EasyJet Plc., Europe's second-biggest discount airline said traffic declined 6.8% to 3.02 million passengers last month. Both stocks dropped more than 5%. **For the week, the Dow Jones Stoxx 600 dropped 7.8% with the UK's FTSE 100 Index dropped by the same magnitude to 3,530.73 points while Germany's DAX Index declines 4.6% to 3,666.41 points.**

- Japanese stocks retreated, extending a weekly decline, on concern a shortage of funds could spark collapses in the automotive and electronics industries.** Akebono Brake Industry Co., part-owned by Toyota Motor Corp., tumbled 15% to lead decline among auto-parts maker after its CEO said bankruptcies could result among suppliers if government support is limited to large automakers and car sales do not recover. Fuji Heavy Industries Ltd., the maker of Subaru cars, dived 7.1% as the company applied for a loan from the state-run Development Bank of Japan for its daily operations. Aisin Seiki Co., a transmission-making affiliate of Toyota, lost 4.5%. Technology stocks were also under selling pressure last week as Goldman Sachs said in a report that Japan's electronics makers, especially Elpida Memory Inc. and Toshiba Corp. are most in need of raising capital among Japan's electronics makers. Both shares shed more than 7%. Retail shares were also on the decline last week as a government reports showed that Japanese wages sank 1.3% in January from a year earlier, the third-straight monthly decline. Isetan Mitsukoshi Holdings Ltd., Japan's No. 1 department store operator, plunged 7% while apparel retailer Nishimatsuya Chain Co. dived 9.6% to the lowest close in six years. Major exporters also continued their slump following the dismal jobs report in the US. Canon, the world's biggest digital-camera maker, dropped 4.9% while Toyota Motor Corp., the biggest automaker globally, sank 3.5% and Honda Motor Co. slumped 3.1%. Banks dragged benchmarks lower following the weakness in financial shares in the US. Mitsubishi UFJ, Japan's No. 1 listed bank, sank 6.8% while Mizuho Financial Group Inc., the No. 2, dropped 3.7%. Citigroup shares in the US lost 39% on Feb. 27 as the Treasury Department agreed to convert its preferred shares into common stock, giving the government a 36 percent stake in the bank. **For the week, the Nikkei 225 Stock Average lost 395.32 points or 5.2% down to 7,173.10 points.**

- China's stocks rose, reversing losses made last week, as the government indicated optimism of an economic recovery without any added stimulus package.** Premier Wen Jiabao said yesterday that the country's 8% growth target is within reach, indicating the government doesn't see the need to increase its 4 trillion Yuan (US\$585 billion) spending plan. The central bank Vice Governor Su Ning also added that an economic recovery in the first half is very likely. Mining shares led the weekly advance as infrastructure projects under the stimulus plan are expected to boost demand for steel. Aluminum Corp., the nation's biggest producer of the metal, climbed 9%, Jiangxi Copper Co. gained 10% while Baoshan Iron & Steel Co., the country's No. 1 steelmaker, added 4.7%. Property stocks also rose after the Guangdong provincial government unveiled measures to support the property market. The southern province will allow real estate developers to delay payments on land purchases for as long as two years as part of measures aimed at supporting the industry, according to a statement on the government's Web site. China Vanke Co., the nation's largest developer by market value, jumped 6.5% while Poly Real Estate Group Co., the second-biggest developer, rose 8.9%. Investors confidence were also boosted after the Purchasing Manager's Index rose to a seasonally adjusted 49 in February from 45.3 in January, indicating signs the government's spending is taking effect. Banks rose following the data announcement as lending activities is expected to sustain for the first

half of the year. Bank of China, the nation's third-largest lender by market value, climbed 4.6% while Industrial & Commercial Bank of China Ltd., the largest lender, added 1.8%. China's banks offered more than 800 billion Yuan (US\$117 billion) of loans in February. **Overall, the Shanghai Composite Index posted a 5.3% jump for the week to 2,193.01 points, leading global benchmarks with year to date gain of 20.4%.**

- Malaysia's stock benchmark reversed gains made the previous week as disappointing earnings results dampened investors' sentiment while more rating cuts by brokers added the selling pressure.** Zelan Bhd. led losses among benchmark members with a 27.7% decline after surprising the market with a third-quarter net loss of RM128 million, pulling down its nine-month results to a loss of RM79 million. Construction sector was hit after WCT Bhd. reduced its target for new contracts to RM1 billion from RM2 billion, citing a serious slowdown in the construction industry. Banks were also under pressure following stocks downgrades by JPMorgan Chase & Co. and Maybank Investment Bank Bhd., citing a weaker outlook for earnings. Titan Chemicals Corp. was the biggest loser industrial product companies, sinking 17.5% as sharp fall in its product prices took the company into a loss of RM474.1 million in the fourth quarter from a profit of RM57.9 million a year earlier. Public Bank Bhd. slid 9.1% after being cut to neutral from overweight by JP Morgan while Bumiputra-Commerce Holdings Bhd. sank 12.3% as it is dropped to sell from fully valued by Maybank Investment. The 27.8% yoy plunge in January's exports reignited fears among semiconductor and technology companies and will crimp future earnings. Malaysian Pacific Industries Bhd., Malaysia's biggest listed semiconductor assembler, retreated 12.1% while rival Unisem Bhd. tumbled 15.9%. Plantation stocks also took a hit after Moody's Investors Service said it cut the rating outlook of IOI Corp. Bhd., Malaysia's second-biggest palm-oil producer, to negative from stable citing weaker profitability because of higher foreign exchange losses and customer defaults amid declining palm oil prices. **For the week, the Kuala Lumpur Composite Index fell 3.6% to 858.22 points, its biggest weekly decline for the year.**
- US consumer spending rose in Jan** for the first time in seven months as consumers took advantage of post-holiday discounts, a gain that is unlikely to last because of the surge in joblessness. The 0.6% mom increase was larger than anticipated and followed a 1.0% decrease in Dec.
- US manufacturing continued to drop for a 13<sup>th</sup> month in Feb** as sales dropped worldwide and factories cut jobs at the fastest pace on record. The ISM factory index was 35.8 compared with 35.6 in Jan. Readings less than 50 signal a contraction.
- US construction spending fell in Jan** more than twice as much as forecast as the housing recession deepened and commercial building slumped by the most in 15 years. The 3.3% mom decline followed a revised 2.4% drop the prior month.
- US home resales fell in Jan** as the housing slump deepened at the start of its fourth year. The index of pending home resales dropped 7.7% mom after a 4.8% gain in Dec. A lack of credit and record foreclosures that are pushing property values even lower may keep prospective buyers out of the market for much of 2009.
- US service industries contracted at a faster pace in Feb** as job losses sapped consumer confidence and spending. The ISM index of non-manufacturing businesses, which make up almost 90% of the economy, fell to 41.6 from 42.9 in January. Readings below 50 signal contraction.
- US jobless claims exceed 600,000 for a fifth straight week in the week ended Feb 28**, the worst performance since 1982, pointing to a deteriorating job market that may deepen the spending slump. The total number of people receiving unemployment benefits decreased to 5.106 million in the week ended Feb. 21 from a record 5.12 million the prior week.
- US factory orders fell in January** for a sixth consecutive month, reflecting a pullback in business spending that will probably deepen what may become the worst recession in seven decades. Orders declined 1.9% after a revised 4.9% drop in Dec.
- The US unemployment rate to the highest level in a quarter century in Feb**, suggesting the recession is deeper than the Obama administration forecasts and additional measures may be needed to restart growth. The jobless rate rose to 8.1% in February as employers reduced payrolls by 651,000. Losses have now exceeded 600,000 for three straight months, the first time that's happened since collection of the data began in 1939.
- US consumer borrowing increased in January** for the first time in four months as rising joblessness caused Americans to pull out their credit cards to take advantage of post-holiday discounts. Consumer credit unexpectedly rose by US\$1.76 billion, or 0.8% at an annual rate, to US\$2.56 trillion. Credit decreased by US\$7.48 billion in December and a record US\$9.13 billion in November.
- Eurozone manufacturing shrank at a record pace in Feb** as export demand collapsed and companies scaled back production. A gauge of manufacturing activity declined to 33.5 from 34.4 in Jan. A reading below 50 indicates contraction.
- Eurozone inflation holds near lowest since 1999 in Feb** as the global financial crisis undermined consumer confidence and curtailed spending. Consumer prices rose 1.2% mom compared

with a 1.1% increase in Jan. The Jan reading was the lowest since July 1999.

- **Eurozone services shrank at a record pace in Feb**, pushing the economy deeper into its worst recession in more than a decade. A gauge of activity fell to 39.2 from 42.2 in Jan. The index is based on a survey of purchasing managers by Markit Economics and a reading below 50 indicates contraction.
- **Eurozone consumer spending and investment contracted the most in at least 13 years in the 4Q08**, strengthening the case for the European Central Bank to step up its response to the economic crisis. Gross domestic product shrank 1.5% from the 3Q08. Investment spending fell 2.7% and household consumption contracted 0.9%, the most since both series started in 1995. Exports dropped 7.3% and imports declined 5.5%.
- **The European Central Bank cut interest rates to a record low** in an attempt to stem the worst recession since World War II. The ECB reduced the benchmark lending rate by half a percentage point to 1.50%. That's the lowest since the ECB took control of monetary policy in 1999.
- **Japan's monetary base rose 6.4% yoy in Feb**, increasing for the sixth straight month. Current account deposits at the central bank rose 65.8% in Feb after jumping 41.8% in Jan. The pace of rise in the balance has accelerated after the BOJ began offering 0.1% interest on excess reserves that commercial banks park at the central bank from mid-Nov, a temporary step aimed at facilitating smooth fund supply. The measure expires in mid- April.
- **Japan's companies cut spending in the 4Q08** at the fastest pace in a decade as exports crashed and earnings at manufacturers from Toyota Motor Corp. To Sharp evaporated. Capital spending excluding software fell 18.1% yoy in the 4Q08, a seventh quarterly decline. Profits tumbled 64.1%, the most since 1974.
- **Malaysia's exports fell the most in 15 years in Jan** as the economic slowdown worsened amid slumping global demand for electronics and commodities. Exports dropped 27.8% yoy to RM38.3 billion after slipping 14.9% in Dec. Imports dropped 32% to RM29.5 billion, leaving a trade surplus of RM8.8 billion.
- **Bank Negara Malaysia international reserves declined to RM315.9 billion (US\$91.1 billion) as at February 27** from RM317.7 (US\$91.6 billion) at February 13. The reserves position is sufficient to finance 7.6 months of retained imports and is 3.9 times the short-term external debt.

## UPCOMING RELEASES THIS WEEK (9 - 13 MAR 09)

### US

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

### Eurozone

- January Industrial Production Index (IPI) by Eurostat on March 12, 2009.

### Japan

- February Bankruptcies Cases by Tokyo Shoko Research Ltd on March 9, 2009.
- February Economy Watchers Survey by Economic & Social Research Institute (ESRI) on March 9, 2009.
- January Leading Economic Index by Economic and Social Research Institution (ESRI) on March 10, 2009.
- January Machinery Order by Economic and Social Research Institution (ESRI) on March 10, 2009.
- February Domestic Corporate Goods Price (CGPI) by BOJ on March 10, 2009.
- 4Q 2008 Gross Domestic Product (GDP) by Economic & Social Research Institute (ESRI) on March 11, 2009.
- January Industrial Production Index (IPI) by Ministry of Economy, Trade and Industry on March 13, 2009.
- February Consumer Confidence by Economic and Social Research Institution (ESRI) on March 13, 2009.

### Malaysia

- January Industrial Production Index (IPI) by Department of Statistics Malaysia (DOSM) on March 12, 2009.