

## MAY

### - Weekly factsheet for the Week Ended May 15

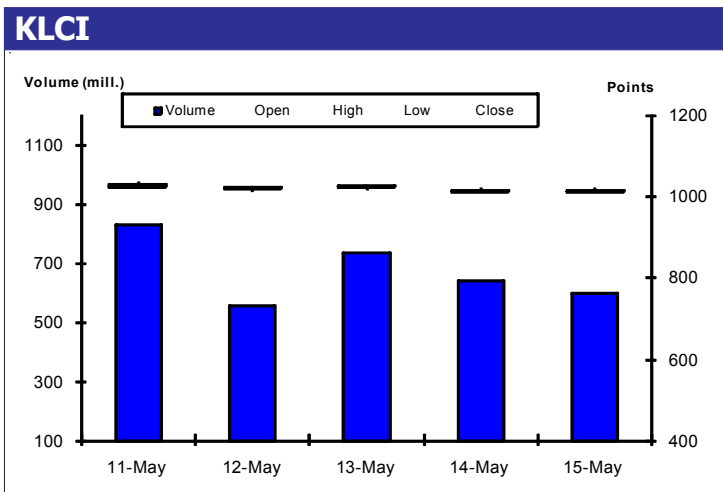
18 MAY 2009  
2009/0021

WEEKLY CLOSING IN MAJOR MARKET INDICES				
	MAY 8	MAY 15	%CHG	%YTD
KL Composite	1,026.78	1,014.21	-1.2	15.7
Dow Jones	8,574.65	8,268.64	-3.6	-5.8
Nikkei225	9,432.83	9,265.02	-1.8	4.6
DAX Index	4,913.90	4,737.50	-3.6	-1.5
UK FTSE100	4,462.09	4,348.11	-2.6	-1.9
AU AORD	3,919.60	3,758.90	-4.1	2.7
STI	2,238.21	2,139.78	-4.4	21.5
Hang Seng	17,389.87	16,790.70	-3.4	16.7
SSE Index	2,625.65	2,645.26	0.7	45.3

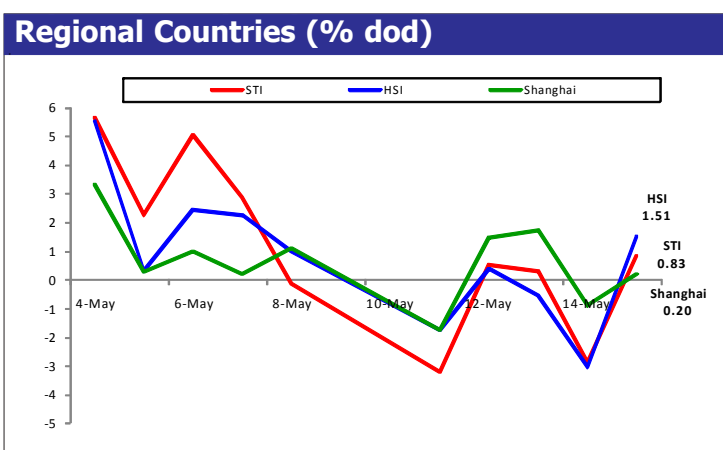
Source: Bloomberg

### KEY HIGHLIGHTS

- **Most of the major stock markets edged lower last week on growth and profits concerns while Asian stocks advanced on Friday, paring weekly loss.**
- **The US trade deficit widened for the first time in eight months in Feb as exports fell, while contraction in retail sales and production eased.**
- **The Eurozone economy fell at a record pace in the 1Q09 by 2.5% q-o-q and 4.6% y-o-y as companies cut output and jobs to survive the worst global slump.**
- **Japan's machinery orders fell in March but the leading index and sentiment rose, showing signs that recession may be abating.**
- **Malaysia's IPI fell for a seventh month in March, dropping 14.4% y-o-y. It plunged 16.3% in the 1Q09.**



Source: Bloomberg, Bursa Malaysia

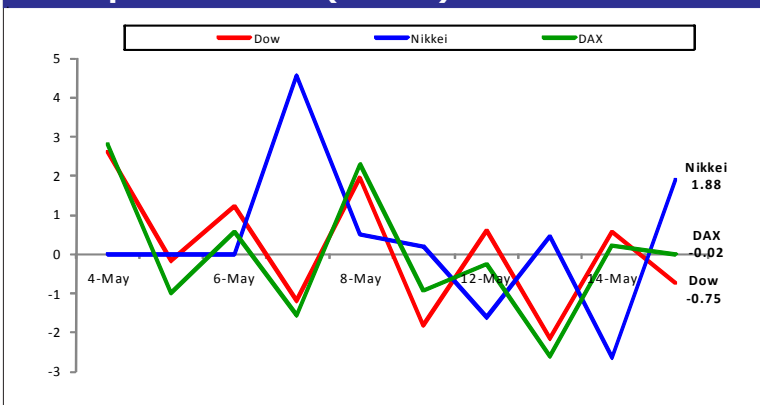


Source: Bloomberg

### MARKET NEWS

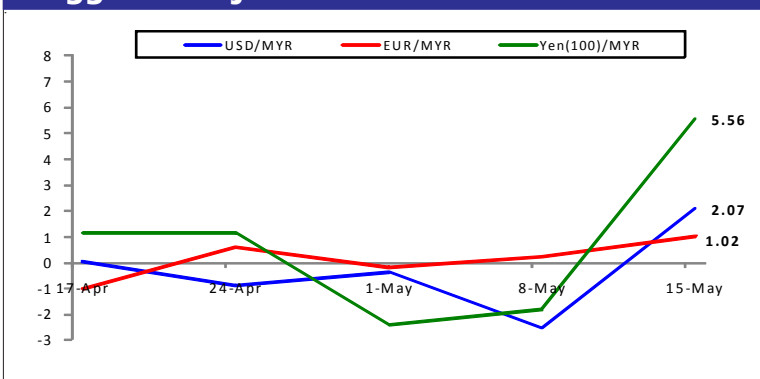
- **US stocks fell the most since March after the Standard & Poor's 500 Index reached the priciest level relative to earnings in seven months, companies from Ford Motor Co. to US Bankcorp sold shares and General Motors Corp. said bankruptcy is probable. Ford and US Bankcorp declined at least 12% on concern they are diluting per-share earnings by raising money. GM tumbled 32%, the S&P 500's steepest drop, as six executives reduced their stakes in the company. **The S&P 500 decreased 5.0% to 882.88. The Dow Jones Industrial Average lost 306.01 points, or 3.6%, to 8,268.64.****
- **European stock market fell for the first time in three weeks as the region's economy shrank at the fastest pace in at least 13 years and Natixis SA and KBC Groep NV posted weaker-than-estimated earnings. Natixis and KBC led a retreat by banks, slumping more than 25% after announcing quarterly losses. Land Securities Group Plc dropped 15%, pacing a decline among real-estate companies as it reported a record annual loss. Meanwhile, German stocks were little changed as the slowest pace of decline in US industrial production in six months offset a bigger-than-forecast contraction in Europe's largest economy. MAN AG, Europe's third-largest truckmaker, and Salzgitter AG, Germany's second-biggest steelmaker, rose more than 2.5%. Volkswagen AG, Europe's largest carmaker, closed at the lowest since March 24 as Germany's gross domestic product shrank. **The Dow Jones Stoxx 600 lost 3.2% to 202.92 last week, the largest slump since the first week of March while the UK's FTSE 100 dropped 2.6%. The benchmark DAX Index lost less than 0.1% to 4,737.50, bringing its weekly decline to 3.6%.****
- **Japan's stock market rose on Friday, paring a drop on the week, after Sony Corp. forecast a smaller-than-estimated loss and a**

## Developed Countries (% dod)



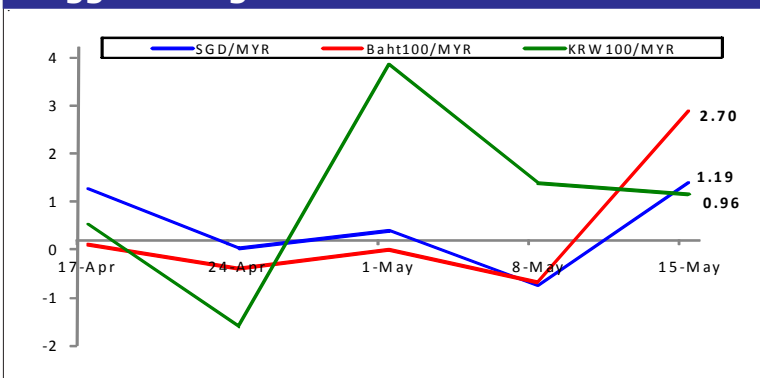
Source: Bloomberg

## Ringgit vs Major Currencies



Source: Bank Negara Malaysia

## Ringgit vs Regional Currencies



Source: Bank Negara Malaysia

government report on machinery orders fueled speculation the global economy is stabilizing. Sony, the world's no.2 electronics maker, jumped 7.1% after saying it will close factories as part of its restructuring. Komatsu Ltd., the world's second-biggest maker of earthmoving equipment, jumped 3.1% as machine orders from overseas surged. Sumitomo Mitsui Financial Group Inc. added 6.8% as bank borrowing costs dropped the most in eight weeks. **The Nikkei 225 Stock Average climbed 171.29 points or 1.9% to close at 9,265.02. For the week, the Nikkei lost 1.8%.**

- Hong Kong's stock market rose on Friday, paring the benchmark index's biggest weekly drop in two months, after six US insurers were granted access to bailout funds, in the latest government effort to ease the credit crunch. HSBC Holdings Plc, which made 24% of its 2008 sales in North America, advanced 3.1%. Foxconn International Holdings Ltd, the world's biggest contact maker of mobile phones, climbed 5.9% on speculation demand for its products will pick-up. Li & Fung Ltd, the biggest supplier of clothes and toys to Wal-Mart Inc. and Target Corp, gained 2.7%. **The Hang Seng Index added 249.01 or 1.5%, to**

close at 16,790.70, trimming its loss last week to 3.4%, the steepest decline since the period ended March 6.

- China's stock market rose, driving the benchmark index to its third straight weekly advance, as lenders gained after the central bank said monetary policy will continue to be appropriately loose. Bank of Communications Ltd, part-owned by HSBC Holdings Plc, rose 1.7% and Shanghai Pudong Development Bank Co. climbed 1.3%. Power producers declined, led by Huaneng Power International Inc.'s 1.4% drop, after the China Securities Journal reported electricity production fell in May. **The Shanghai Composite Index, which tracks the bigger if China's stock exchanges, added 5.38 or 0.2% to 2,645.26 at the close, after changing direction at least six times. The index rose 0.7% last week, its third weekly advance.**

- Singapore stock market ended higher on Friday, tracking the overnight rise on Wall Street, but gains were capped by selling in commodity shares. Golden Agri Resources, the world's second-biggest palm oil producer, announced a 94% drop in 1Q net profit and said that it was considering a rights issue. The news weighed on other commodity stocks that also ended in negative territory. Golden Agri Resources fell by the most, weighing on the STI. It ended 17.4% lower at S\$0.380. Singapore Airlines that reported a 92% in its 4Q net profit last Thursday ended flat to end at S\$11.60 as investors paid more attention to SIA's decision to give its entire 81% stake in Singapore Airport Terminal Services to shareholders. Property and bank shares rose on bargain hunting. **The benchmark Singapore Straits Times Index finished 0.8% or 17.67 points higher at 2,139.78 on Friday, paring its decline last week to 4.4%. Four of the 30 companies on the gauge rose every three that fell.**

- Malaysian's stock market, which has been in negative territory on profit taking four consecutive days, ended the week mixed, as mild gains on banking and plantations stocks continued to push the key index higher. The market however had slowly started pulling back after Malaysia's first influenza A (H1N1) case involving a student was confirmed on Friday. The benchmark Kuala Lumpur Composite Index (KLCI) closed higher for the first time in five days on Friday, but losing stocks outnumbered risers by a wide margin as investors cashed out their winning bets on penny stocks. The FBM Smallcap Index plunged 2.7% to 8,421 points. Shares in both Bumiputra-Commerce Holdings Bhd and Tenaga Nasional Bhd added 15 sen each, to anchor the benchmark index in positive territory. AMMB Holdings Bhd's share price gained 4 sen to RM3.18. The bank announced a 17% drop in net income for the three months ended March 31 during the midday trading week. **The KLCI was up 2.22 points to 1,014.21 points. For the week, the measure dropped 1.2%, its biggest decline in more than two months.**

- **The US trade deficit widened for the first time in eight months in February** as exports slumped to a two-year low, overwhelming a reduction in American demand for goods made abroad. A record contraction in global trade flows may be easing, highlighting the slowest pace of decline in US imports since they started dropping in August. The US trade gap grew 5.5% to a smaller-than-forecast USD27.6 billion. The shortfall in February was the smallest in nine years. Exports declined 2.4% to USD123.6 billion, the fewest since August 2006. Imports decreased 1.0% to USD151.2 billion, the fewest since September 2004.
- **US mortgage application demand slid to the lowest level in the week ended May 8** since mid-March, driven by a drop in requests to refinance loans even as borrowing costs dipped toward record lows. Applications for loans to buy homes rose marginally, holding slightly elevated levels in the midst of the keenly watched spring selling season. The average 30-year mortgage rate slipped 0.03 percentage point to 4.76% and hovered slightly above the low of 4.61% set in late March.
- **US import prices increased in April** for the second month, as oil costs rose. The import-price index increased 1.6% after a revised 0.2% gain in March. Compared with a year earlier, import prices plummeted 16.3%, the biggest such decline since September 1982.
- **US retail sales dropped in April** for a second month, indicating that rising unemployment is prompting consumers to conserve cash. The 0.4% decrease followed a 1.3% drop in March was larger than previously estimated.
- **US business inventories fell in March** for a seventh consecutive month, the longest stretch since 2002, as slumping sales forced companies to pull back. The 1.0% drop in the value of unsold goods at factories, retailers and wholesalers followed a revised 1.4% decline the prior month. The decrease failed to keep pace with a 1.6% drop in sales that was the biggest so far this year.
- **US jobless claims rose in the week ended May 9** because of the Chrysler LLC bankruptcy that is likely to reverberate through the economy for months. Initial jobless claims rose by 32,000 to 637,000.
- **US producer prices rose in April** as food costs surged, pushing back risks that extended price declines may take root in the economy. The 0.3% increase was more than forecast and followed a drop of 1.2% in March. Excluding fuel and food, so-called core prices climbed 0.1%. Companies paid 3.7% less for goods in the 12 months ended in April, the biggest drop since 1950 and reflecting the collapse of fuel costs last year than has since partially reversed.
- **US consumer confidence rose in May** to its highest level since before the collapse of credit markets late last year threw the economy deeper into a recession. The Reuters/University of Michigan index of consumer sentiment rose to 67.9 in May from 65.1 in April. The index reached a three-decade low of 55.3 in November.
- **US industrial production contracted the least since October in April**, signaling the recession's grip is loosening. Output at US factories, mines and utilities decreased 0.5%, after dropping 1.7% in March.
- **US consumer prices was unchanged in April** as decreases in food and energy costs offset increases in medical care, autos and a second straight jump in tobacco prices. The consumer price index was flat after decreasing 0.1% in March. Excluding food and fuel, costs climbed a greater-than-forecast 0.3%, almost half of which are reflected an increase in excise taxes on cigarettes. From a year ago, consumer prices fell 0.7%, the biggest decline since 1995. Excluding food and energy, prices climbed 1.9% from April 2008.
- **Eurozone industrial production slumped to a fresh record low in March** from a year earlier, confirming economists' expectations that first-quarter gross domestic in the euro-zone contracted at a fresh record pace. The industrial production index fell 2.0% from February and by 20.2% from March 2008.
- **The Eurozone economy contracted at a record pace in the 1Q** as companies cut output and jobs to survive the worst global slump in more than six decades. Gross domestic product dropped 2.5% from the 4Q, when it fell 1.6%. That's the biggest drop since the euro-area GDP data were first compiled in 1995. From a year earlier, the euro-economy shrank 4.6%, also the biggest drop on record.
- **Japan's leading index, a composite of 12 statistics including production, consumer confidence and stock prices, rose to 76.6 in March** from a revised 74.5 in February, the first advance in six months. Japan's deepest recession since 1945 may be abating as the nation's broadest indicator of the outlook for the economy showed. The coincident index, which is used to identify the current state of the economy, fell to 84.9 in March, the lowest since February 2002.
- **Japan's current account surplus narrowed at the slowest pace in six months in March** as a decline in exports eased. The surplus shrank 48.8% y-o-y to USD15.5 billion. Exports fell 46.5% after declining a record 50.4% in February. Imports slid 37.8%, compared with an unprecedented 44.9% drop the previous month.
- **Japan's corporate bankruptcies rose for an 11<sup>th</sup> month in April** as companies struggled to obtain funds, indicating unemployment may increase. Bankruptcies climbed 9.4% y-o-y to 1,329 cases.
- **Japan's bank loan growth held firm in April**, amid signs the worst of the nation's recession may be ending. Loans, excluding those by credit associations, rose by 3.6% y-o-y after climbing by the same amount in March. The pace of growth had slowed in the first three months ending June 30.
- **Japan's merchant sentiment rose to a 12-month high in April**, signaling a recession in the world's second largest economy may be easing. The Economy Watchers Index, a survey of barbers, taxi drivers and others who deal with consumers, climbed to 34.2 from 28.4 in March, the third biggest jump on record.
- **Japan's wholesale prices fell at the fastest pace in 22 years in April**, adding to signs that deflation may return to the world's second-largest economy. Producer prices, the costs companies pay for energy and raw materials, tumbled 3.8% from a year earlier, the biggest slide since June 1987, after dropping by 2.5% y-o-y in March. They fell 0.4% in April from March, when they dropped 0.3%.

- **Japan's machinery orders fell 1.3% in March**, a sign that managers wary of upgrading factories and equipment before an economic recovery takes hold. Bookings, an indicator of capital investment in the next three to six months, fell 1.3% from February, when they gained a revised 0.6%. From a year earlier, orders fell 22.2% in March compared with 30.1% in February.
- **Malaysia's industrial production fell for a seventh month in March** as exports plunged, adding to signs that the economy will perform worse than expected this year. The industrial production index dropped 14.4% y-o-y, after a revised 14.6% decline the previous month. The IPI registered a 16.3% decline in the 1Q09, led by the manufacturing sector's 21.6% fall.

- March Leading Economic Index by Economic and Social Research Institution (ESRI) on May 22, 2009.

### **Malaysia**

- March Manufacturing Sales of Products by Department of Statistics Malaysia (DOSM) on May 19, 2009.
- April Consumer Price Index (CPI) by Department of Statistics Malaysia (DOSM) on May 20, 2009.
- Foreign Reserves as at May 15, 2009 by Bank Negara Malaysia (BNM) on May 22, 2009.

## **UPCOMING RELEASES THIS WEEK (18 - 22 MAY 09 )**

### **US**

- May NAHB Housing Market Index by National Association of Home Builders Market Index on May 18, 2009.
- April Housing Starts by Department of Commerce on May 19, 2009.
- Weekly Mortgage Applications by Mortgage Bankers Association on May 20, 2009.
- Weekly Initial Jobless Claims by Department of Labor on May 21, 2009.
- April Leading Indicators by Conference Board on May 21, 2009.

### **Eurozone**

- March Trade Balance by Eurostat on May 18, 2009.
- May ZEW Euro-zone Expectation of Economic Growth by ZEW Zentrum fuer Europaeische on May 19, 2009.
- March Construction Output by Eurostat on May 19, 2009.
- May Composite PMI Output by NTC Research on May 21-24, 2009.

### **Japan**

- April Consumer Confidence by Economic and Social Research Institution (ESRI) on May 18, 2009.
- March Industrial Production Index (IPI) by Ministry of Economy, Trade and Industry on May 19, 2009.
- 1Q 2009 Gross Domestic Product (GDP) by Economic & Social Research Institute (ESRI) on May 20, 2009.
- March Tertiary Industry Activity Index by Ministry of Economy, Trade and Industry on May 21, 2009.
- Announcement of Japan Interest Rates by Bank of Japan (BOJ) on May 22, 2009.
- March Coincident Index by Economic & Social Research Institute on May 22, 2009.