

MAY

- Weekly factsheet for the Week Ended May 22

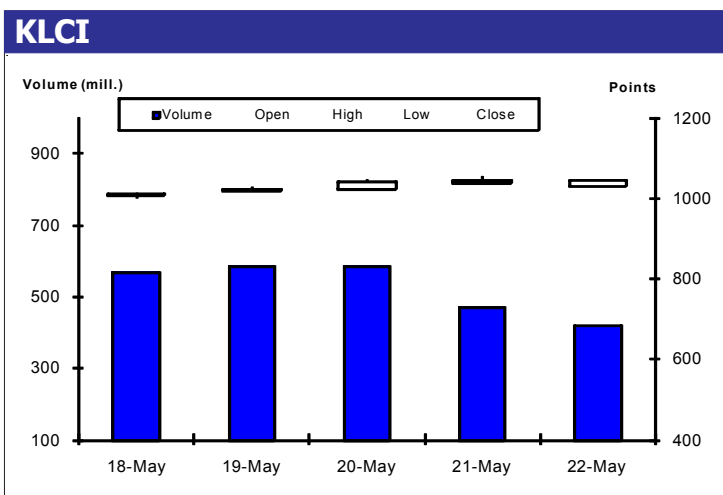
25 MAY 2009
2009/0022

| WEEKLY CLOSING IN MAJOR MARKET INDICES | | | | |
|--|-----------|-----------|------|------|
| | MAY 15 | MAY 22 | %CHG | %YTD |
| KL Composite | 1,014.21 | 1,045.26 | 3.1 | 19.2 |
| Dow Jones | 8,268.64 | 8,277.32 | 0.1 | -5.7 |
| Nikkei225 | 9,265.02 | 9,225.81 | -0.4 | 4.1 |
| DAX Index | 4,737.50 | 4,918.75 | 3.8 | 2.3 |
| UK FTSE100 | 4,348.11 | 4,365.29 | 0.4 | -1.6 |
| AU AORD | 3,758.90 | 3,755.40 | -0.1 | 2.6 |
| STI | 2,139.78 | 2,245.27 | 4.9 | 27.5 |
| Hang Seng | 16,790.70 | 17,062.52 | 1.6 | 18.6 |
| SSE Index | 2,645.26 | 2,597.60 | -1.8 | 42.7 |

Source: Bloomberg

KEY HIGHLIGHTS

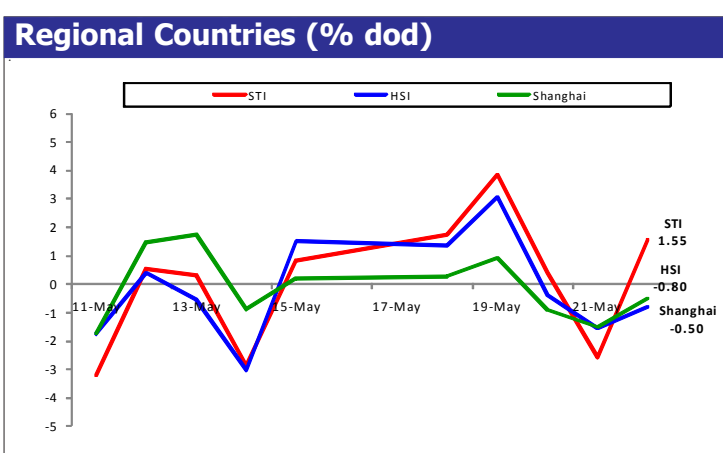
- Most of the stock market gained last week except for Japan's Nikkei 225 Stock Average and China Shanghai Composite Index.
- Confidence in the housing market improved, however, US housing starts slid further. Other US leading indicators rose above forecast.
- Euro zone exports rose for the second month in March and the PMI contracted less than expected, hinting the worst of a deep may be over.
- Japan's economy shrank by a record of -15.2% annualized pace in 1Q09 as exports collapsed and consumers and businesses slashed spending. The central bank also upgraded its economic assessment and left its interest rate unchanged.
- Malaysia's inflation eased to +3.0% in April, due to slower food and transport costs while international reserves stood at USD88 billion as at May 15.



Source: Bloomberg, Bursa Malaysia

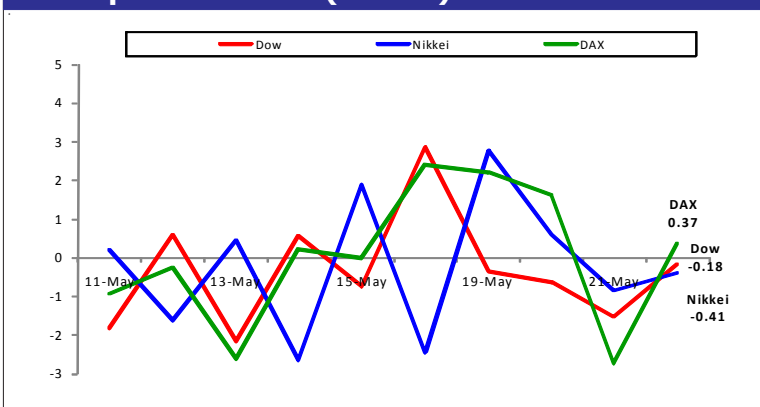
MARKET NEWS

- US stock market rose with the entire advance coming on the week's first day, after companies from Lowe's Cos. to Sears Holdings Corp. beat earnings projections and Deutsche Bank AG advised buying shares of McDonald's Corporation. The Standard & Poor's 500 Index gained last week even after falling in the final four days on concern the government faces higher interest rates to finance the bailout of the financial industry. Lowe's climbed 5.0%, while Sears jumped 11% to snap a four-week losing streak. McDonald's increased 6.8% as Deutsche Bank said shares of the world's largest restaurant company are cheap. **The S&P 500 rallied 0.5% to 887, rebounding from the prior week's 5% loss that was the steepest since March. The Dow Jones Industrial Average added 8.68 points or 0.1% to close at 8,277.32.**
- European stock market advanced last week, rebounding from the previous week's sell-off, as a drop in the cost of borrowing between lenders and higher metal prices sparked a rally in banks and mining companies. Deutsche Bank AG and Unicredit SpA rose more than 14% as the London interbank offered rate (Libor) had its biggest weekly drop this year. Bank of Ireland Plc soared 44% after the Dublin-based lender announced plans to buy back debt to boost capital. Vedanta Resources Plc. Lonmin Plc and Anglo American Plc jumped more than 10%. **The Dow Jones Stoxx 600 Index gained 2.0% to 207.01 last week.** Meanwhile, German stocks rose as Citigroup Inc. recommended buying K+S AG shares and Salzgitter AG was upgraded at Goldman Sachs Group Inc. K+S, Europe's largest producer of potash used in fertilizer, gained 5.2%, Salzgitter AG, Germany's second-biggest steelmaker, advanced 4.2% as Goldman Sachs raised its price estimate on



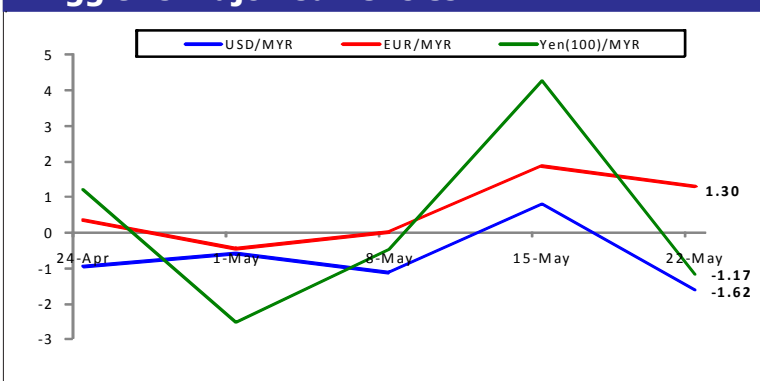
Source: Bloomberg

Developed Countries (% dod)



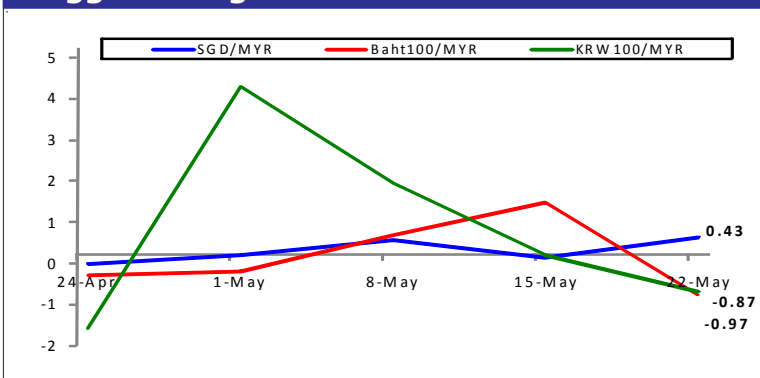
Source: Bloomberg

Ringgit vs Major Currencies



Source: Bank Negara Malaysia

Ringgit vs Regional Currencies



Source: Bank Negara Malaysia

the stock 41% to 79 euros. **The benchmark DAX Index added 0.4% to 4,918.75, bringing last week's gain to 3.8%.**

- Japan's stock market fell on concern that the US will eventually lose its top credit rating boosted the yen, hurting earnings prospects for exporters and overshadowing the Bank of Japan's upgrade of its economic assessment. Toyota Motor Corp., which cut its second-half dividend this month, retreated 2.2% as the yen appreciated beyond 94 per dollar for the first time in two months. Bridgestone Corp., a tiremaker that earns three-quarters of its revenue overseas, sank 2.5% after the Washington Post said General Motors Corp. will file for bankruptcy. Japan Tobacco Inc., which plans to raise its full-year dividend, jumped 1.7%. **The Nikkei 225 Stock Average fell 38.34 or 0.4% on Friday, to close at 9,225.81. For the week, the Nikkei lost 0.4%.**
- Hong Kong stock market fell, led by commodity producers after oil and metal prices dropped, and after Lenovo Group Ltd. reported a record quarterly loss. Aluminum Corp. of China Ltd., a unit of the nation's No. 1 maker of the metal, dropped 2.2%

while Cnooc Ltd., China's biggest offshore oil producer, lost 2.8%. Lenevo, China's biggest personal computer maker, plunged 6.4%. China Resources Enterprise Ltd. declined 2.5% after reporting lower profit. Shares also retreated after the Washington Post said the US will send General Motors Corp. into bankruptcy this week. **The Hang Seng Index lost 136.97 or 0.8% on Friday to close at 17,062.52, after climbing as much as 0.6%. That pared the gauge's advance last week to 1.6%.**

- China stock market fell, capping its weekly decline in a month, as commodity producers dropped on concern that this year's rally overvalued prospects for the nation's economic recovery. Western Mining Co. slid 2.6%. paring its annual gain to 124%, after Vice Premier Li Keqiang said the country's economy faces great uncertainties. China Shenhua Energy Co., the nation's largest coal producer, retreated 2.1% as the government said a recovery in factory output has yet to solidify and crude oil dropped. **The Shanghai Composite Index, lost 13.02 or 0.5% to 2,597.60 at the close, a third day of declines. The stock market dropped 1.8% last week, its first loss since April 24 and paring its annual advance to 43%.**
- Malaysia stock market closed up 0.94% on Friday, after spending most of the day in the red. The KLCI tracked regional markets for most of the day with some investors feel anxiety ahead of the long weekend for the US and UK. Shares however were lifted in the last hour by blue chips as local government-led funds were suspected of lending support. Among advancers, UEM Land jumped 17.4% to RM1.62 and Resorts World was 6.6% stronger at RM2.58. TM lost 1.1% to RM3.76, Sime Darby shed 0.7% to RM6.90 and YTL Corp was down 0.7% at RM7.00. Last week, the KLCI closed mixed, although it was in a correction mode after having overbought for about eight weeks. The Kuala Lumpur Composite Index (KLCI) hit a new high of 1,042.63 on May 20 and touched an intra-day high of 1,050.45 on May 21 on buying interest in heavyweight counters. However, the selling of key heavyweights capped gains at the end of the week. **On a weekly basis, the KLCI closed the week at 1,045.26, up 31.05 points or 3.1% from the previous week closing of 1,014.21.**

ECONOMIC NEWS

- US homebuilder confidence in May increased to the highest level since September**, providing further evidence that the housing slump that started in 2006 may be closer to a floor. The NAHB index of builder confidence rose to 16 from 14 the prior month, capping the first back-to-back gain since February 2008. A reading below 50 means most respondents view conditions as poor.
- US housing starts dropped in April**, as a plunge in work on condominiums and apartment buildings overwhelmed the second straight gain in starts on single-family properties. Housing starts slid 13% to an annual rate of 458,000, a lower level than forecast. The drop was led by a 46% tumble in multifamily starts, a category that tends to be more volatile. Building permits, a sign of future construction, fell 3.3% to a record low pace of 494,000, permits for single-family properties increased.
- US mortgage applications rose in the week ended May 15**, as demand for home-loan refinancing increased. The Mortgage Bankers Association's index of applications to purchase a home or refinance a loan rose 2.3% to 915.9, from 895.6 the week before. Fixed mortgage rates for 30-

year US home loans fell for the first time in three weeks as a Federal Reserve program of buying home-loan securities reduced rates. The average rate for a 30-year loan fell to 4.82% from 4.86% a week earlier.

- **US jobless claims rose than forecast in the week ended May 16**, and the total number of workers receiving benefits rose to a record, signs the job market continues to weaken even as the economic slump eases. Initial jobless claims fell by 12,000 to 631,000, from a revised 643,000 the prior week that was higher than initially estimated. The total number of people collecting benefits rose to 6.6 million, a record reading for a 16th straight week, and a sign companies are still not hiring. The four-week moving average of initial claims, a less volatile measure, decreased to 628,500 from 632,000.
- **US leading economic indicators rose more than forecast in April**, indicates that the deepest recession in five decades could end later this year. The Conference Board's leading gauge increased 1.0% in April, the biggest gain since November 2005. The index points to the direction of the economy over the next three to six months.
- **Eurozone export volumes rose for the second month running in March**, signaling the collapse in trade is bottoming out. The eurozone recorded a 400 million euros (USD541.7 million) trade surplus, against trade deficits of 1 billion euros in February and 2.3 billion in March 2008. Exports fell 17% y-o-y in March to 108.0 billion euros while imports dropped 18% to 107.6 billion.
- **Eurozone investor confidence improved for a seventh straight month in May**, with the ZEW economic expectations index increasing more than anticipated to 28.5 from April's 11.8. The current economic situation index was down to -93.2 from April's -93.0.
- **Eurozone construction output dropped by 1.0% m-o-m in March**, after falling a revised 0.6% in February. On an annual basis, the construction output declined by 8.7% in March, compared to the 8.6% fall in the previous month.
- **The Eurozone's services and manufacturing sectors contracted less than expected in May** as firms saw the pace of decline in new orders ease, hinting the worst of a deep may be over. Eurozone Purchasing Managers Index (PMI) rose to 44.7 in May from 43.8 in the previous month. That was the third in a row it has picked up and took it to its highest level since October. The survey showed activity was still considerably below the 50 mark that divides growth from contraction, and comes on the heels of other improving sentiment data from across Europe.
- **Japan's consumer confidence index rose 33.2 in April** from 29.6 in the previous month. Meanwhile, household's consumer confidence stood at 32.4, up from 28.9 in March. The reading also stood above the expected level of 32. All four other sub indicators improved from the previous month.
- **Japan's economy shrank by a record in 1Q09** as exports collapsed and consumers and businesses slashed spending, a decline that probably marked the low point in the country's worst recession since World War II. Gross Domestic Product fell an annualized 15.2% in 1Q09, following a revised fourth-quarter drop of 14.4%. The economy contracted 3.5% in the year ended March 31, the most since records began in 1955. GDP fell 4.0% on a non-annualized basis. Without adjusting for price changes, Japan shrank 2.9% last quarter.
- **Japan's industrial output rose 1.6% in March** from the previous month, the first growth in six months, confirming a preliminary report published before. The report added to signs that Japans' production slump amid the global economic downturn may have hit bottom as companies have seen progress in their inventory reduction. For fiscal year ended March 2008, the output index declined 12.7% from the previous year to 94.4, as reported in April. The reading, marking the first fall in seven years, was the weakest under the current base year.
- **Japans' demand for services fell at the fastest pace in 12 years in March** as job cuts discouraged consumers from spending in the world's second-largest economy. The tertiary index, a gauge of money households and businesses spend on phone calls, power and transportation, dropped 4.0% from February, the biggest decline since April 1997.
- **Japan's central bank upgraded its assessment of the world's number two economy for the first time in almost three years while leaving its key interest rate unchanged 0.1%**. Bank of Japan said in a statement that "the pace of deterioration in economic conditions is likely to moderate gradually, leading to a leveling out of the economy.
- **Japan's composite index of coincident economic indicators for March** was revised to 85.1 points from a preliminary reading of 84.9. But the index of leading economic indicators, giving a medium-term outlook from March going forward, was revised slightly lower to 76.3 from a preliminary reading of 76.6. The government revised its key economic indicators for March, with the current picture better than previously reported but the future slightly dimmer.
- **Malaysia's manufacturing sector recorded sharply lower sales value in March** this year at RM36.6 billion, which was a decline of 25.5% or RM12.5 billion from a year ago. The sales value in February was a revised negative 22.9%. Month-on-month, the sales value increased RM2.2 billion or 6.3% in March as compared to RM34.4 billion in February. February was also a shorter working month.
- **Malaysia's inflation eased to a one-year low in April** as transport and communications costs fell amid a slowing economy. Consumer prices rose 3.0% from a year earlier, after a 3.5% gain in March. Food prices rose 7.5% in April after climbing 8.8% the month before. The cost of transportation fell 2.3%, a fifth month of declines. Housing, utilities and fuels gained 1.4%, unchanged from the previous month.
- **Malaysia's Bank Negara international reserves rose to RM321.47 billion (USD88 billion) as at May 15**, from RM320.4 billion (USD87.7 billion) as at April 30. The reserves position is sufficient to finance 8.3 months of retained imports and is 3.8 times the short-term external debt.

UPCOMING RELEASES THIS WEEK (25 - 29 MAY 09)

US

- March Home Price Index by S&P/Case Shiller on May 26, 2009.
- May Consumer Confidence by Conference Board on May 26, 2009.
- Weekly Mortgage Applications by Mortgage Bankers Association on May 27, 2009.
- April Existing Home Sales by National Association of Realtors on May 27, 2009.
- April Durable Goods New Orders by US Census Bureau on May 28, 2009.
- April New Home Sales by U.S. Census Bureau on May 28, 2009.
- 1Q 2009 GDP Annualized by Bureau of Economic Analysis on May 29, 2009.
- May Consumer Confidence by University of Michigan Survey Research on May 29, 2009.

Eurozone

- March Current Account by European Central Bank (ECB) on May 26, 2009.
- March Industrial New Orders by Eurostat on May 26, 2009.
- May Business Climate Indicator by European Commission on May 28, 2009.
- April (M3) Money Supply by European Central Bank (ECB) on May 29, 2009.
- May Consumer Price Index Estimate by Eurostat on May 29, 2009.
- April Unemployment Rate by Eurostat on May 29, 2009.

Japan

- March All Industrial Activity Index by Ministry of Economy, Trade & Industry (Japan) on May 24, 2009.
- April Corporate Service Price (YOY) by Bank of Japan on May 25, 2009.
- April Merchandise Trade Balance Ministry of Economy, Trade and Industry on May 26, 2009.
- May Small Business Confidence by Shoko Chukin Bank on May 27, 2009.
- April Retail Trade by Ministry of Economy, Trade and Industry on May 27, 2009.
- April Jobless Rate by Ministry of Internal Affairs on May 28, 2009.
- April Workers Households Spending by Ministry of Internal Affairs on May 28, 2009.

- April Consumer Price Index (CPI) by Ministry of Internal Affairs on May 28, 2009.
- April Industrial Production Index (IPI) by Ministry of Economy, Trade and Industry on May 28, 2009.
- April Housing Starts by Ministry of Land Infrastructure & Transport on May 29, 2009.
- April Construction Orders by Ministry of Land Infrastructure & Transport on May 29, 2009.

Malaysia

- Announcement of Malaysia Official Policy Rate (OPR) by Bank Negara Malaysia (BNM) as at May 26, 2009.
- 1Q 2009 Gross Domestic Product (GDP) by Department of Statistics Malaysia (DOSM) on May 27, 2009.
- April Money Supply (M3) by Bank Negara Malaysia (BNM) on May 29, 2009.