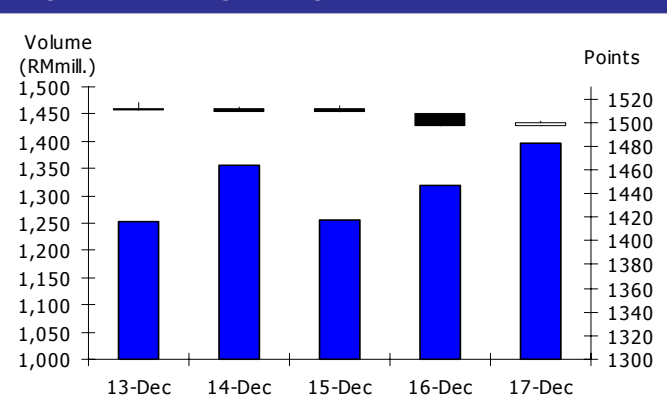


WEEKLY CLOSING IN MAJOR MARKET INDICES

	10-Dec	17-Dec	%wow	%ytd
KL Composite	1507.28	1499.88	-0.5	-7.4
Dow Jones	11410.32	11491.91	0.7	81.6
Nikkei 225	10211.95	10303.83	0.9	91.9
DAX Index	7006.17	6982.45	-0.3	-23.7
UK FTSE100	5812.95	5871.75	1.0	58.8
AUS ORD 30	4830	4853	0.5	23.0
STI Index	3185.42	3153.01	-1.0	-32.4
Hang Seng	23162.91	22714.85	-1.9	-448.1
SSE Index	2841.04	2893.74	1.9	52.7

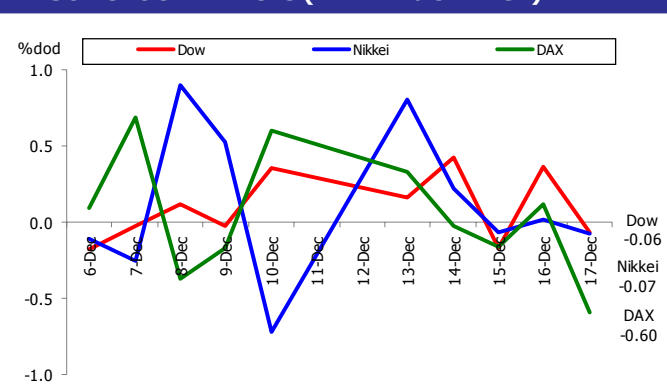
Source: Bloomberg, Bursa Malaysia

KLCI DAILY PERFORMANCE



Source: Bloomberg, Bursa Malaysia

MAJOR STOCK INDICES (DAILY % CHANGE)

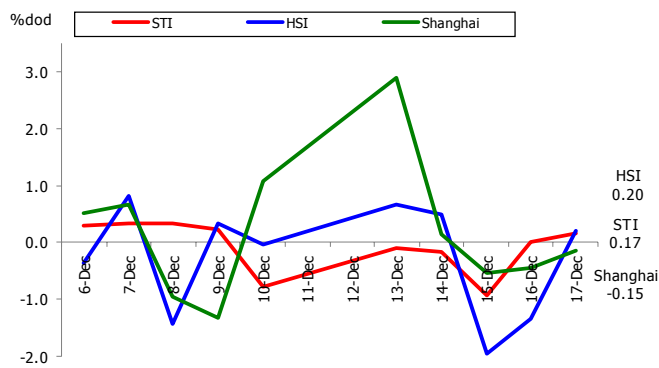


Source: Bloomberg, Bursa Malaysia

STOCK MARKET HIGHLIGHTS

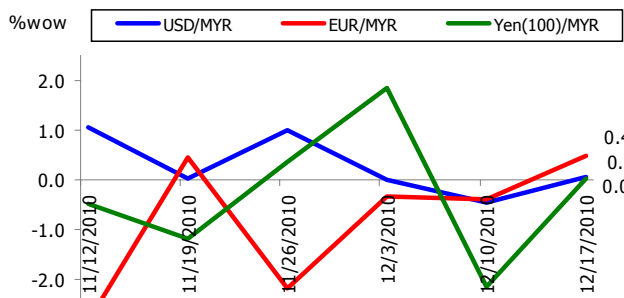
- U.S. stocks rose for the third week, sending the Standard & Poor's 500 Index to a two-year high, as stronger-than-estimated data on retail sales, manufacturing and housing boosted confidence in the economic recovery.** Kraft Foods Inc., Caterpillar Inc. and DuPont Co. advanced at least 2.5% to lead the gains in the Dow Jones Industrial Average. Oracle Corp. advanced 5.1% after the second-largest software maker forecast earnings that beat analysts' estimates. Marshall & Ilsley Corp. soared 16% as Bank of Montreal agreed to buy the lender for \$4.1 billion. The S&P 500 rose 0.3% to 1,243.91, completing a three-week rally, the longest stretch since Nov. 5. The Dow added 81.59 points, or 0.7%, to 11,491.91.
- U.K. stocks fell, led by a decline in banks, as an agreement among Europe's leaders to create a crisis-management mechanism failed to ease concern that some euro-area nations will default on their debt.** Lloyds Banking Group Plc lost 3.6% after saying it expects to report an increased impairment charge because of Irish loan losses. AstraZeneca Plc slid the most in two years after Britain's second-biggest pharmaceutical company failed to get U.S. approval for a blood thinning drug. Autonomy Corp. gained 5.3% following takeover speculation and a better-than-estimated earnings forecast at Oracle Corp. The FTSE 100 Index fell 0.2% to 5,871.75 at the 4:30 p.m. close in London, trimming last week's advance to 1%. The gauge has risen for three straight weeks as China refrained from raising interest rates and economic data bolstered confidence in the U.S. recovery.
- Japanese stocks fell, sending the Topix index to its first drop on Friday last week, as trading companies declined on lower oil and metal prices, and automakers retreated on concern a weaker dollar will dent export earnings.** Mitsui & Co., which counts commodities as its largest source of profit, slumped 2.2%. Toyota Motor Corp., the world's largest carmaker, dropped 0.9%. Square Enix Holdings Co., the creator of the "Final Fantasy" games, plunged 10% after slashing its profit forecast. The Nikkei 225 Stock Average fell 0.1% to 10,303.83 at the 3 p.m. close in Tokyo. The broader Topix slid 0.1% to 903.14, with about as many stocks declining as advancing. The Nikkei rose 0.9% last week, a seventh straight gain and the gauge's longest winning streak since the eight weeks ended April 2. The Topix climbed 1.7% last week.
- Hong Kong's benchmark stock index rose, paring last week's drop, after U.S. jobless claims fell, fueling optimism of a global economic recovery.** Developers fell after Xinhua News Service reported China will act to further contain speculation in the property market. Techtronic Industries Co., maker of Hoover vacuum cleaners and Ryobi

REGIONAL STOCK INDICES (DAILY % CHANGE)



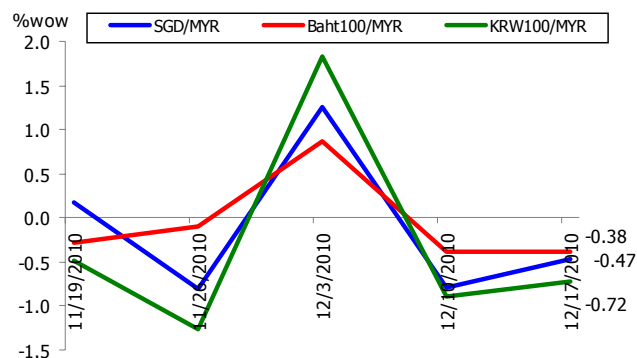
Source: Bloomberg, Bursa Malaysia

RINGGIT vs MAJOR CURRENCIES (WEEKLY % CHANGE)



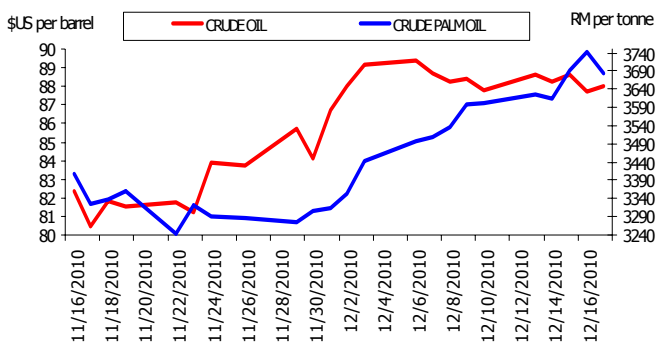
Source: Bloomberg, Bursa Malaysia

RINGGIT vs REGIONAL CURRENCIES (WEEKLY % CHANGE)



Source: Bloomberg, Bursa Malaysia

CRUDE OIL vs CRUDE PALM OIL



Source: Bloomberg, Bursa Malaysia

power tools, advanced 3.6%. China Overseas Land & Investment Ltd., controlled by the nation's construction ministry, slid 1.2%. Biostime International Holdings Ltd., a provider of pediatric nutrition and baby-care products, slumped 5.1% on its debut. The Hang Seng Index advanced 0.2% to close at 22,714.85, after falling as much as 0.7%. Twenty-one stocks rose while 20 fell on the 45-member gauge, which dropped 1.9% last week.

- China's stocks fell for the three days last week, narrowing the benchmark index's first weekly gain in a month, on concern that the government will further tighten monetary policy to tame inflation and curb speculative demand for property.** China Vanke Co. and Industrial and Commercial Bank of China Ltd., the nation's largest developer and lender respectively, dropped after the housing ministry said the government will limit investment demand for property. PetroChina Co. led a retreat for energy producers after Inner Mongolia Daily said the government has imposed a tax on oil and gas exploration. Sichuan Expressway Co., a toll-road operator, gained 4.4% after the government approved a development plan for western China. The Shanghai Composite Index, which tracks the bigger of China's stock exchanges, slipped 4.4 points, or 0.2%, to 2,893.74 at the 3 p.m. close. Friday's losses narrowed the week's gains to 1.9%, the first advance in six weeks.
- Blue chips fell in profit-taking correction last week, dragged down by weak regional markets, especially Hong Kong which tumbled amid concern over further credit tightening measures by China and lingering worries over the European debt situation.** However, rotational plays in oil & gas stocks managed to highlight trade as blue chips congested. The blue-chip benchmark FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI) lost 7.4 points, or 0.49 per cent, last week to close at 1,499.88, with losses in Genting Bhd (-52 sen), CIMB (-25 sen) and Tenaga (-33 sen) offset by gains in AMMB (+19 sen) and Sime Darby (+9 sen). Average daily traded volume dipped to 1.17 billion shares with average value at RM1.74 billion, compared to 1.24 billion shares and RM2.23 billion in the previous week.

ECONOMIC HIGHLIGHTS

- U.S.: Consumer confidence climbs to a six-month high, benefiting retailers.** Confidence among U.S. consumers increased in December to a six-month high, coinciding with stronger holiday sales that show the economy is gathering speed. The Thomson Reuters/University of Michigan preliminary index of consumer sentiment rose to 74.2 from 71.6 at the end of November. A Commerce Department report showed the U.S. trade deficit shrank more than forecast in October to \$38.7 billion as growing economies overseas propelled exports to a two-year high. (Bloomberg)
- U.S.: U.S. retail sales top forecast as consumers recover.** Sales at U.S. retailers increased more than forecast in November and optimism among small businesses rose to a three-year high, signaling the economy was gaining momentum as the holiday season began. The 0.8% gain in purchases followed a 1.7% jump in October that was larger than previously estimated, Commerce Department figures showed today in Washington. The National Federation of Independent Business's sentiment gauge rose by 1.5 points to 93.2, the highest since December 2007, as more companies projected sales will grow. (Bloomberg)

- **U.S.: Inventories at U.S. companies climbed 0.7% in November, less than forecast.** Inventories in the U.S. rose less than forecast in October, restrained by the biggest drop in retail stockpiles in more than a year as merchants had trouble keeping up with surging demand. The 0.7% increase in inventories compared with a 1.4% jump in sales in October that was the biggest gain in seven months, the Commerce Department said in Washington. The September increase in stockpiles was revised up to 1.3% from a previously reported 0.9% advance. *(Bloomberg)*

- **U.S.: Producer prices in U.S. climb the most in eight months on costs for fuel.** Wholesale costs in the U.S. rose in November by the most in eight months, led by higher prices for gasoline, heating oil and fruit. The producer price index increased 0.8% from the prior month after a 0.4% rise, Labor Department figures showed in Washington. So-called core prices, which exclude food and energy costs, rose 1.2% in November from a year earlier, the smallest increase in five months and matching the median forecast. *(Bloomberg)*

- **U.S.: Industrial production rises, inflation slows.** Industrial production in the U.S. increased more than forecast in November and consumer prices slowed, indicating the recovery is gaining momentum without generating inflation. Output at factories, mines and utilities rose 0.4%, the biggest gain since July, after a revised 0.2% drop in October, a Federal Reserve report showed. The consumer-price index climbed 0.1% in November after a 0.2% gain the prior month, the Labor Department said. *(Bloomberg)*

- **U.S.: Consumer prices rise 0.1%, meet estimates without food, energy costs.** The cost of living in the U.S. rose less than forecast in November, indicating higher prices for commodities such as fuel aren't filtering through into other goods and services. The consumer-price index increased 0.1% after a 0.2% rise the prior month, the Labor Department said in Washington. The median estimate of economists in a Bloomberg News survey called for a gain of 0.2%. The so-called core measure, which excludes more volatile food and energy costs, also rose 0.1%, matching the median forecast. *(Bloomberg)*

- **U.S.: Homebuilder confidence unchanged in December amid depressed demand.** Confidence among U.S. homebuilders was unchanged in December from a month earlier, indicating residential construction will stay near depressed levels. The National Association of Home Builders/Wells Fargo index of builder confidence held at 16, matching the median forecast of economists surveyed by Bloomberg News, data from the Washington-based group showed today. Readings below 50 mean more respondents said conditions were poor. *(Bloomberg)*

- **U.S. Economy: Drop in firings points to improving job market.** Fewer workers than forecast filed claims for unemployment benefits last week, pointing to a drop in firings that signals the U.S. job market is improving. Applications for jobless insurance payments fell by 3,000 to 420,000, sending the average over the past four weeks to the lowest level since August 2008, according to data from the Labor Department issued today in Washington.

Other reports showed work began on more houses last month and manufacturing picked up in the Federal Reserve Bank of Philadelphia region in December. *(Bloomberg)*

- **U.K.: Mortgage lending may decline by a third in 2011 as weakness persists.** U.K. net mortgage lending will shrink by a third next year as the housing market shows persisting weakness, the Council of Mortgage Lenders said. Net mortgage lending will drop to 6 billion pounds (\$9.5 billion) in 2011, the London-based lobby group said in an e-mailed statement today. That compares with an estimated 9 billion pounds this year and a total of 40 billion pounds in 2008. The number of housing transactions will slip by 30,000 to 860,000, the CML said. *(Bloomberg)*

- **U.K.: Retail sales increase for second month, driven by food, toys, jewelry.** U.K. retail sales rose in November after a bigger than estimated increase in October, led by demand for food, toys and jewelry in the run-up to Christmas. Sales increased 0.3% from October, when they gained a revised 0.7%, the Office for National Statistics said today in London. That matched the median forecast of 24 economists in a Bloomberg News survey. From a year earlier, sales rose 1.1%. *(Bloomberg)*

- **U.K.: Housing-market gauge stayed close to lowest in 18 months in November.** A U.K. housing-market gauge stayed close to the lowest in 18 months in November as demand for homes waned, the Royal Institution of Chartered Surveyors said. The number of real-estate agents and surveyors saying prices fell exceeded those reporting gains by 44 percentage points, compared with minus 49 points in October, the London-based group said in an e-mailed report. Economists forecast a decline to minus 50 points, according to the median of 16 predictions in a Bloomberg News survey. *(Bloomberg)*

- **U.K.: November house price index improves – RICS.** Prices in the United Kingdom housing market improved slightly in November, but remains solidly negative. The Royal Institute of Chartered Surveyors (RICS) reported Tuesday that its House Price Balance moved to minus 44% in November from the October reading of minus 49%. October housing transactions, as measured by average sales per surveyor, declined 15.2 in October from 16.7 in September. New buyer inquiries declined to a net balance of minus-18 in November from minus-12 in October and minus-2 in September. *(Bloomberg)*

- **Japan: Capital Goods Price Index (CGPI) rises 0.1% in November.** An index measuring the prices for corporate goods was up 0.1% in November compared to the previous month, the Bank of Japan said on Friday, standing at 103.0. That was in line with expectations following the revised 0.1% monthly gain in October. On an annual basis, the corporate goods price index rose 0.9% following the revised 0.8% gain in the previous month. *(RTT News)*

- **Japan: Tankan points to Japan GDP drop as bonds signal rebound.** Japanese bond yields are rising the most since June 2008 as traders look toward faster global growth just when the nation's economy is showing signs of starting to contract. The Bank of Japan's December Tankan report may show an index of sentiment among large manufacturers slid to 3, from 8 in September, according to the median forecast of 20 economists in a Bloomberg News survey before

tomorrow's announcement. Data for October showed industrial output fell by the most since February 2009, export growth slowed and the jobless rate rose. (*Bloomberg*)

- **Japan: Manufacturer confidence deteriorates first time since end of crisis.** Confidence among Japan's largest manufacturers worsened for the first time since the end of the global financial crisis last year as export gains slow and the effect of government stimulus measures fades. The quarterly Tankan index of sentiment at large manufacturers dropped to 5 in December from 8 in September, the Bank of Japan said. A positive number means optimists outnumber pessimists. Sentiment is expected to fall to minus 2 in March, the report showed. (*Bloomberg*)
- **China: China's 2011 inflation seen to hit 4%**-China's consumer prices are expected to rise around 4% next year, a government researcher said Tuesday, warning economic uncertainties abroad could hinder Beijing's efforts to curb inflation. **Inflation in 2011 will be driven by rising wages, higher commodities prices and a flood of liquidity into the economy,** Yu Bin, a senior researcher with the Development Research Centre of the State Council, or cabinet, told reporters. "We expect next year CPI growth will rise to around 4%," Yu said. It is very hard to offset the imported inflation of international commodity price rises induced by dollar depreciation, no matter what measures we take," he told reporters. "China cannot contain inflation completely at a very low level by depending on its own policies" because the world economy is highly globalised, he said. Yu predicted economic growth would slow down to around 9% next year, after hitting 10.3% this year. (*Business Times*).
- **Malaysia: Malaysia sees sharp FDI rebound in first nine months.** Malaysia's foreign direct investment has jumped 141% in the first nine months, in a rebound analysts say is partly due a series of bold economic reforms introduced by the government. The export-dependent Southeast Asian nation saw a sharp decline in foreign direct investment (FDI) last year, which fell 81% to 1.4 billion dollars in 2009 from 7.3 billion in 2008. The trade ministry said in a statement late Saturday that the FDI rose to 17.1 billion ringgit (5.5 billion dollars) for the first nine months of this year, compared to 7.1 billion ringgit during the same period last year. (*AFP*)

UPCOMING RELEASE (December 20- 24, 2010)

US

- Weekly Mortgage Applications by Mortgage Bankers Association on December 22, 2010.
- November Existing Home Sales by National Association of Realtors on December 22, 2010.
- November Durable Goods New Orders by US Census Bureau on December 23, 2010.
- November Personal Income by Department of Commerce on December 23, 2010.
- November Personal Spending by Bureau of Economic Analysis on December 23, 2010.
- Weekly Initial Jobless Claims by Department of Labor on December 23, 2010.
- November New Home Sales by U.S. Census Bureau on December 23, 2010.

Eurozone

- October Current Account by Eurostat on December 20, 2010.
- December Euro-Zone Consumer Confidence by Eurostat on December 20, 2010.

Japan

- October Coincident Index by Economic & Social Research Institute on December 20, 2010.
- October Leading Economic Index by Economic and Social Research Institution (ESRI) December 20, 2010.
- October All Industrial Activity Index by Ministry of Economy, Trade & Industry (Japan) on December 20, 2010.
- Announcement of Japan Interest Rates by Bank of Japan (BOJ) on December 21, 2010.
- November Merchandise Trade Balance Ministry of Economy, Trade and Industry on December 21, 2010.

Malaysia

- November Consumer Price Index (CPI) by Department of Statistics Malaysia (DOSM) on December 22, 2010.
- Foreign Reserves as at December 15, 2010 by Bank Negara Malaysia (BNM) on December 22, 2010.