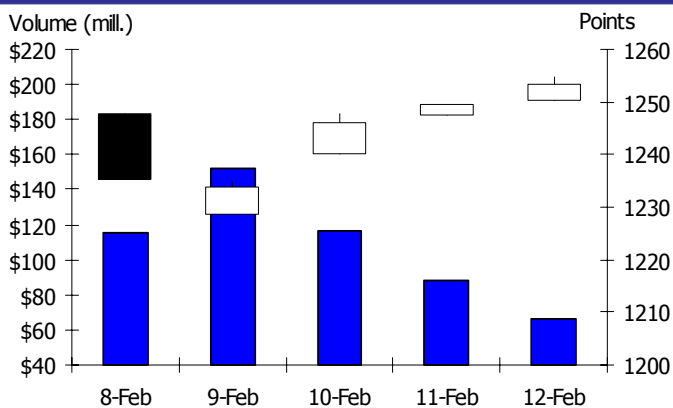


#### WEEKLY CLOSING IN MAJOR MARKET INDICES

	5-Feb	12-Feb	%w/w	%ytd
KL Composite	1,247.90	1,253.39	0.4	-1.5
Dow Jones	10,012.23	10,099.14	0.9	-3.2
Nikkei 225	10,057.09	10,092.19	0.3	-4.3
DAX Index	5,434.34	5,500.39	1.2	-7.7
UK FTSE100	5,060.92	5,142.45	1.6	-5.0
AUS ORD 30	4,532.50	4,588.80	1.2	-6.0
STI Index	2,683.56	2,758.90	2.8	-4.8
Hang Seng	19,665.08	20,268.69	3.1	-7.3
SSE Index	2,939.40	3,018.13	2.7	-7.9

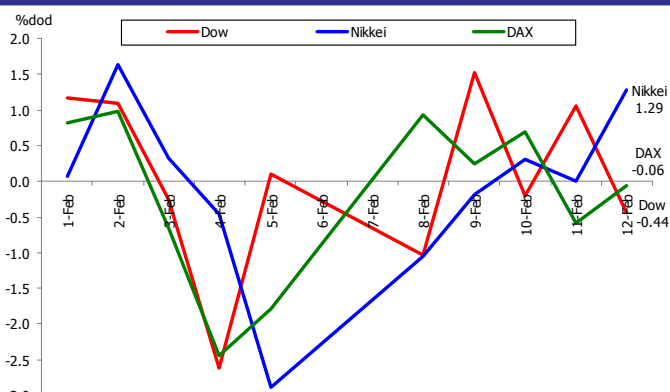
Source: Bloomberg, Bursa Malaysia

#### KLCI DAILY PERFORMANCE



Source: Bloomberg, Bursa Malaysia

#### MAJOR STOCK INDICES (DAILY % CHANGE)

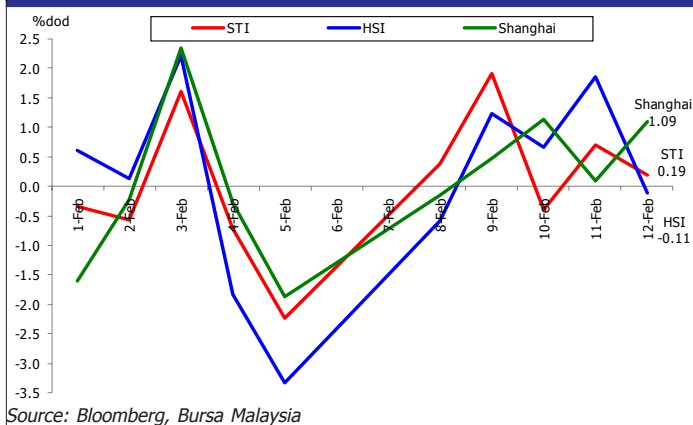


Source: Bloomberg, Bursa Malaysia

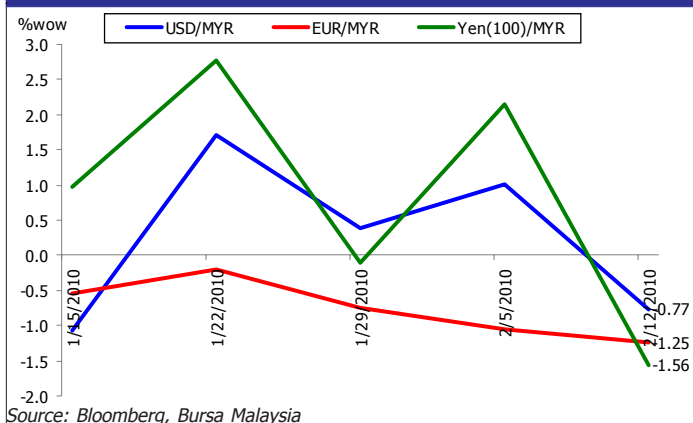
#### STOCK MARKET HIGHLIGHTS

- U.S. stocks rose for the first time in five weeks after European officials pledged to help Greece close its budget deficit and the U.S. economy gained momentum, overshadowing China's actions to limit inflation.** The advance was reduced when the Standard & Poor's 500 Index slipped 0.3% and the Dow Jones Industrial Average fell 0.4% on Friday. For the week, Caterpillar Inc. rose 8.6% and technology shares jumped after Motorola Inc. said it would split into two companies. American International Group Inc., the insurer bailed out by the U.S., increased 20% on speculation it may sell a unit to MetLife Inc. Bank of America Corp. lost 3.7% after its credit outlook was cut to negative from stable by S&P.
- UK stocks climbed for a second week after European union leaders reached an agreement to help tackle Greece's debt crisis, pushing banks and basic resources shares higher.** Stocks also rose after Nobel laureate Joseph E. Stiglitz said the prospect of a default by the U.S. or the U.K. is an 'absurd notion constructed in financial markets'. Lloyds Banking Group Plc and Barclays Plc both gained more than 1.5%. Xstrata Plc led commodity producers higher as metals prices climbed. British Land Co. Plc rose 3.3% after reporting a profit in the fiscal third quarter.
- German stocks advanced after Europe's largest economy signaled it may help support Greece's finances, easing concern a sovereign default could hamper an economic recovery.** Deutsche Bank AG, the country's largest lender, and Commerzbank AG, the second-biggest, led the gains of more than 3%. BASF, the world's biggest chemical producer, rose 2.2% after announcing it will reach its goal of making 10% of its global chemical sales in China in 2010. Daimler AG also advanced last week after commented that its partnership with Renault SA was being finalized.
- Japanese stocks rose for a second week as companies from Asahi Glass Co. to Pacific Metals Co. forecast higher earnings, overshadowing concern that Greece's mounting deficit will derail a recovery in the European economy.** Asahi Glass, Japan's No. 1 glassmaker, jumped 6.9% after forecasting a surge in annual profit. Pacific Metals, the country's top ferro-nickel producer, and GS Yuasa Corp. gained at least 7.3% after boosting their projections. Mitsui & Co., which counts commodities as its biggest source of profit, climbed 5.6% after oil and copper gained.

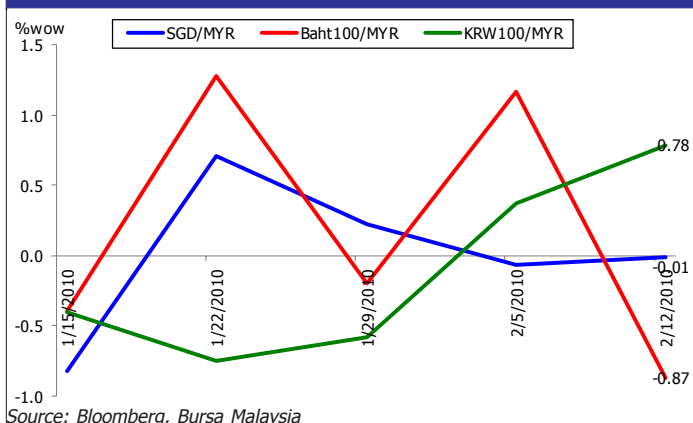
## REGIONAL STOCK INDICES (DAILY % CHANGE)



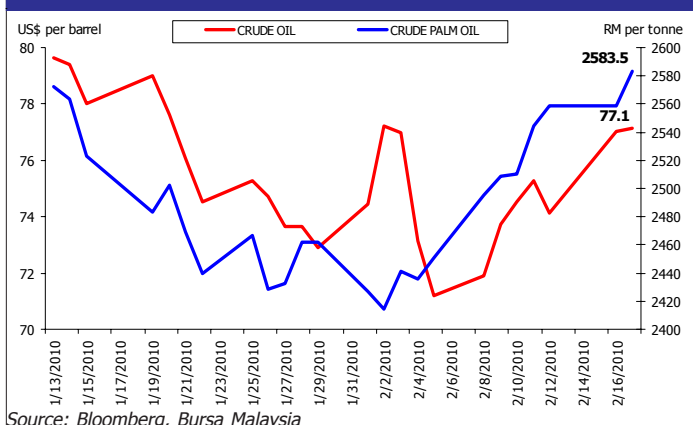
## RINGGIT vs MAJOR CURRENCIES (WEEKLY % CHANGE)



## RINGGIT vs REGIONAL CURRENCIES (WEEKLY % CHANGE)



## CRUDE OIL vs CRUDE PALM OIL



- China's stocks rose, driving the benchmark index to its biggest weekly gain this year, as easing inflation delayed prospects for higher interest rates and signs of increasing demand for raw materials boosted miners.** Jiangxi Copper Co., the nation's biggest producer of the metal, climbed 3.3% as copper prices jumped the most since August yesterday. China Shenhua Energy Co., the largest coal producer, rose 0.9% after sales and output increased last month. Changchun Department Jituan Store Co. led gains by Chinese retailers on the prospect of increased consumer spending during the Chinese Lunar New Year festival.
- Malaysia stock benchmark mirrored global indices, reversing losses made in the previous two weeks following positive earnings reports and higher commodity prices.** Banks led the gains among benchmark members after Malayan Banking Bhd., Malaysia's biggest bank, announced profit in the second quarter ended Dec. 31 rose 35% to RM993.5 million from a year earlier, while Alliance Financial Group Bhd. said profit in the third quarter ended Dec. 31 doubled to RM99.9 million from a year earlier on lower bad-loan provisions and higher income from Islamic banking. The two banks gained more than 2%. Axiata Group Bhd. also made the headlines last week after reported that its Indonesian unit, PT XL Axiata, said net income for 2009 was 1.7 trillion rupiah (RM\$182 million), while 2009 revenue rose 14%. The stock added 2.4%. Among plantation counters, IOI Corp. gained the most with a 2.4% increase as the company said second-quarter profit more than doubled to RM461.2 million from a year earlier.

## ECONOMIC HIGHLIGHTS

- US wholesaler sales climbed in December for a ninth consecutive month,** leading to an unexpected drop in stockpiles that may keep spurring orders. Purchases increased 0.8% after a 3.6% gain in November. Inventories fell 0.8% following a revised 1.6% increase that was the largest in more than five years. (Bloomberg)
- The US trade deficit unexpectedly widened in December** as imports rose faster than exports, signaling a pickup in global economic growth. The gap grew to \$40.2 billion, the biggest in a year, from \$36.4 billion in November. Imports increased 4.8% and exports climbed 3.3% to the highest level since October 2008. (Bloomberg)
- US initial jobless claims dropped last week as states whittled down a year-end backlog,** bringing claims down to a level that signals companies are firing fewer workers as the economy recovers. Claims fell by 43,000, more than anticipated, to 440,000 in the week ended Feb. 6. The total number of people getting unemployment insurance and those receiving extended benefits decreased. (Bloomberg)
- US retail sales opened the year with a surprisingly strong lift,** suggesting consumers are spending more despite high unemployment amid a fragile economic recovery. The Commerce Department reported that seasonally adjusted retail sales increased 0.5% to 355.8 billion dollars in January. The

monthly increase in retail and food-service sales was better than the 0.3% forecast by most analysts and followed upwardly revised numbers for the previous two months. (AFP)

- **US consumer confidence unexpectedly fell in February from a two-year high**, signaling Americans may not be convinced the job market is turning around. The Reuters/University of Michigan preliminary consumer sentiment index dropped to 73.7 from January's 74.4. (Business Week)
- **US business inventories fell unexpectedly in December**, while sales maintained their upward momentum. The Commerce Department said inventories slipped 0.2% after rising by a revised 0.5% in November, previously reported as a 0.4% increase. (Reuters)
- **Eurozone industrial production dropped by 1.7% in December** compared with the previous month, indicating recovery remained fragile. Compared with December 2008, industrial production in the 16 EU nations that use the euro declined by 5.0%. For the whole year of 2009, the average production index fell by 14.9% from the previous year. (Xinhua)
- **The euro zone's economic recovery lost steam in the final quarter of last year as gross domestic product barely expanded**, with France the only one of the currency area's four biggest economies to post growth. The 16-country area's GDP edged up 0.1% in the October-December period compared with the previous quarter, and contracted by 2.1% from the last quarter of 2008, EU data office Eurostat said in a flash estimate. Over the full year 2009, euro zone GDP fell 4.0%. (Reuters)
- **Japan's current-account surplus widened for a fifth month in December** as exports advanced for the first time in more than a year. The surplus rose to 901 billion yen (\$10 billion) from a year earlier. (Bloomberg)
- **Japan's bank lending was down 1.7% on year in January** following a 1.2% annual contraction in December. Including trusts, bank lending was down 1.5% on year after falling an annual 1.0% in the previous month. Adjusted for special items, lending was down 1.4% on year after the 0.9% annual contraction a month earlier. Lending from foreign banks plunged 33.0% y-o-y after falling a revised 36.9% on year a month earlier. (RTT News)
- **Japan's domestic CGPI up 0.3% m-o-m in January**. An index measuring domestic corporate goods prices in Japan was up 0.3% in January compared to the previous month, posting a score of 102.4. That was higher than analyst expectations for a 0.1% increase following the revised flat reading in December. On an annual basis, the corporate goods price index was down 2.1% - roughly in line with analyst expectations for a 2.3% decline following the 3.9% contraction. (RTT News)
- **Japan's machinery order rose in December from a record low**, supporting a recovery from the country's deepest postwar recession. Orders, an indicator of

business investment in three to six months, climbed 20.1% from November. (Bloomberg)

- **Japan's consumer in January had a more positive outlook on the future of their careers and more willingness to spend money**, according to the consumer confidence index released by the cabinet office on Friday. The overall consumer confidence index stood at 40.1 for Tokyo and 39.0 for the entire of Japan in January. That compares to a December rating of 37.8 in the capital and 37.6 through the rest of the country in December. (Xinhua)
- **China's auto sales set a new monthly record in January** with more than 1.66 million cars sold - more than double the number sold in the same month last year. Strong demand for new vehicles last year continued in January, with sales up 124% from the same period a year earlier. The January sales also marked a 16.8% increase from December, it said. Auto sales topped 1.66 million while output of new vehicles reached 1.61 million. (Straits Times)
- **China's new loans surge, inflation rate eases**. New lending surged last month, but a lower-than-expected rate of inflation eased concerns that officials would move quickly to tighten the flow of credit. Massive lending in 2009 in China has triggered fears that the excess liquidity is fuelling inflation and feeding a spending spree by speculators, leading to property and stock market bubbles. But analysts said the 1.5% on-year increase in the consumer price index, the main gauge of inflation in January, was not enough to prompt the imposition of quick tightening measures in the world's third-largest economy. New lending surged to 1.39 trillion yuan, or US\$203.5 billion (US\$1 = RM3.42) in January, and property prices rocketed at the fastest rate since April 2008. (AFP)
- **China's passenger car sales in January jumped 115.5% from a year earlier** to 1.32 million units. Total vehicle sales totaled 1.66 million units in January, up 126.3% from a year earlier. China exceeded the US as the world's biggest auto market in 2009 as Beijing's policy incentives helped push auto sales to a record high in 2009. (Reuters)
- **Malaysia's industrial production index (IPI) registered the highest year-on-year rise in 22 months in December** as a recovery in exports boosted orders for manufactured goods. The IPI in December increased 8.9% compared with the same month last year, following a revised 0.8% year-on-year decline in November. Month-on-month, the IPI increased 4.6%. (The Star)
- **Malaysia's sales value of the manufacturing sector in December posted, a year-on-year, double digit growth of 16.2% to RM43.3 billion**, and the first growth after 13 consecutive months of contraction since November 2008. Month-on-month, the sales value increased 5.1% or RM2.1 billion compared with the preceding month. The sales value in November 2009 was revised to negative 9.6%, year-on-year, to record RM41.2 billion. (Bernama)

## **UPCOMING RELEASE (15 - 19 FEB 2010)**

### **US**

- February NAHB Housing Market Index by National Association of Home Builders Market Index on February 16, 2010.
- Weekly Mortgage Applications by Mortgage Bankers Association on February 17, 2010.
- January Import Price Index by Bureau of Labor on February 17, 2010.
- January Housing Starts by Department of Commerce on February 17, 2010.
- January Building Permits by Department of Commerce on February 17, 2010.
- January Housing Starts by Department of Commerce on February 17, 2010.
- January Industrial Production Index (IPI) by Federal Reserve on February 18, 2010.
- January Producer Price Index (PPI) by Processing Stage Finished Goods by Bureau of Labor Statistics on February 16, 2010.
- Weekly Initial Jobless Claims by Department of Labor on February 18, 2010.
- January Leading Indicators by Conference Board on February 18, 2010.
- January Consumer Price Index (CPI) by Bureau of Labor Statistics on February 19, 2010.

### **Eurozone**

- February ZEW Euro-zone Expectation of Economic Growth by ZEW Zentrum fuer Europaeische on February 16, 2010.
- December Construction Output by Eurostat on February 17, 2010.
- December Trade Balance by Eurostat on February 17, 2010.

### **Japan**

- 4Q 2009 Gross Domestic Product (GDP) by Economic & Social Research Institute (ESRI) on February 15, 2010.
- December Industrial Production Index (IPI) by Ministry of Economy, Trade and Industry on February 15, 2010.
- December Tertiary Industry Activity Index by Ministry of Economy, Trade and Industry on February 17, 2010.
- December Leading Economic Index by Economic and Social Research Institution (ESRI) on February 18, 2010.
- December All Industrial Activity Index by Ministry of Economy, Trade & Industry (Japan) on February 19, 2010.

### **China**

- January Actual FDI by China Ministry of Commerce on February 11-12, 2010.

### **Malaysia**

- Foreign Reserves as at February 15, 2010 by Bank Negara Malaysia (BNM) on February 19, 2010.