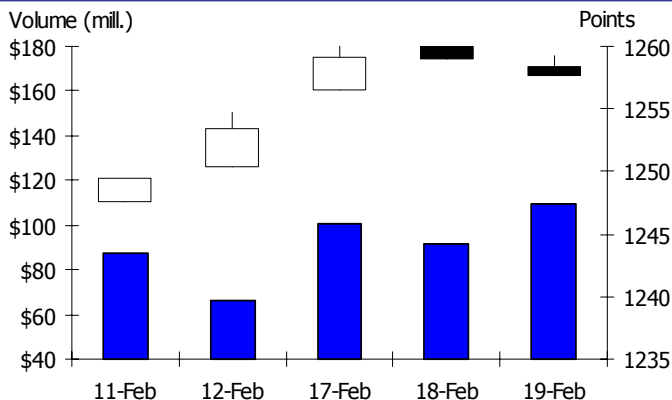


#### WEEKLY CLOSING IN MAJOR MARKET INDICES

	12-Feb	19-Feb	%wow	%ytd
KL Composite	1,253.39	1,257.67	0.3	-1.2
Dow Jones	10,099.14	10,402.35	3.0	-0.2
Nikkei 225	10,092.19	10,123.58	0.3	-4.0
DAX Index	5,500.39	5,722.05	4.0	-4.0
UK FTSE100	5,142.45	5,358.17	4.2	-1.0
AUS ORD 30	4,588.80	4,656.28	1.5	-4.6
STI Index	2,758.90	2,757.14	-0.1	-4.8
Hang Seng	20,268.69	19,894.02	-1.8	-9.0
SSE Index	3,018.13	3,018.13	0.0	-7.9

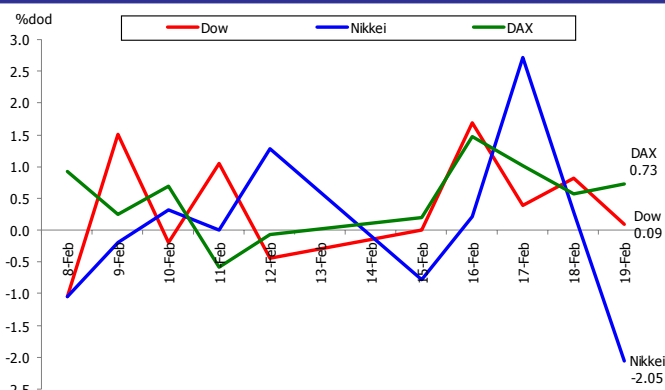
Source: Bloomberg, Bursa Malaysia

#### KLCI DAILY PERFORMANCE



Source: Bloomberg, Bursa Malaysia

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

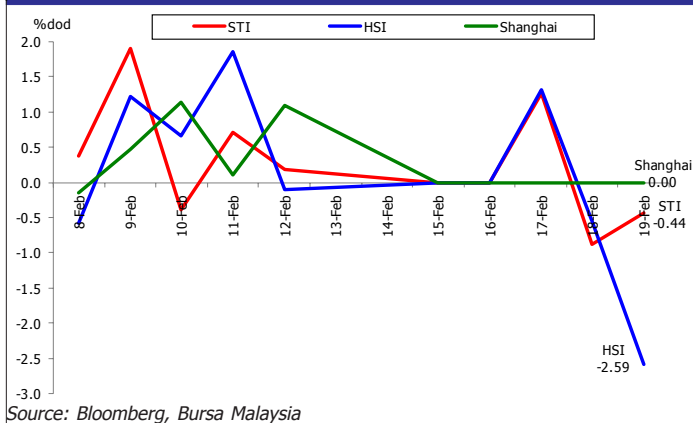


Source: Bloomberg, Bursa Malaysia

#### STOCK MARKET HIGHLIGHTS

- U.S. stocks advanced the most in more than three months as improving earnings and better-than-expected reports on manufacturing bolstered optimism that the economy is gaining momentum.** The Dow Jones Industrial Index climbed for four straight days as manufacturing increased more than economists forecast. Technology companies increased for a third week after Hewlett-Packard Co., the largest personal-computer maker, boosted its profit forecast. Stocks maintained gains even after the Federal Reserve boosted the rate it charges for direct loans to banks for the first time since 2006. Banks also rose led by Bank of America which gained 9.9% as the biggest U.S. lender said overdue credit card payments declined in January as the unemployment rate fell.
- U.K. stocks gained, with the FTSE100 Index extending its second weekly advance, after an increase in earnings boosted Shire Plc and Rentokil Initial Plc and U.S. inflation rose less than forecast.** Shire surged 7.6%. Rentokil, the world's largest pest-control provider, and Millennium & Copthorne advanced more than 8%. Anglo American Plc, the owner of stakes in world's biggest platinum and diamond producers, fell with raw-material stocks and after skipping dividends for a second year.
- German stocks rose, with the benchmark DAX Index posting the longest winning streak this year, as a report showed consumer prices in the U.S. rose less than anticipated, offsetting the Federal Reserve's unexpected discount-rate increase.** Car manufacturers were the best performing stocks last week with Daimler AG, Bayerische Motoren Werke AG and Porsche SE all rose more than 4%. Manx Automation AG jumped the most against German stocks last week gaining 6.2% as the German solar-cell maker said it won about 25 million euros of orders, lifting the backlog at the end of January to 70 million euros.
- Japanese stocks climbed, driving benchmark indices to their biggest gains in more than two months, after manufacturing in New York expanded more than estimated, the euro strengthened versus the yen and commodity prices rose.** Honda Motor Co., which generates 44% of its sales in North America, advanced 3.8%. Canon Inc., which gets 32% of its revenue from Europe, climbed 4.2%. Mitsubishi Corp., a trading company that gets 39% of

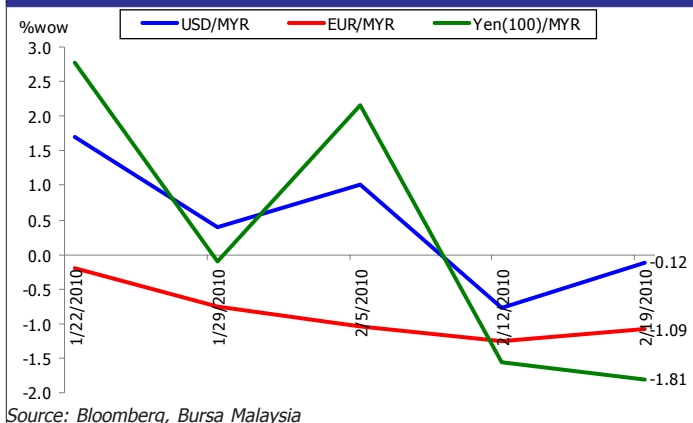
## REGIONAL STOCK INDICES (DAILY % CHANGE)



its sales from commodities, increased 3.4%. Mitsui O.S.K. Lines Ltd. gained 5% after a gauge of commodity-shipping fees rose. JFE Holdings Inc. jumped 5.3% as Goldman Sachs Group Inc. said shares of steelmakers will likely rise even after mills accept higher prices for iron ore.

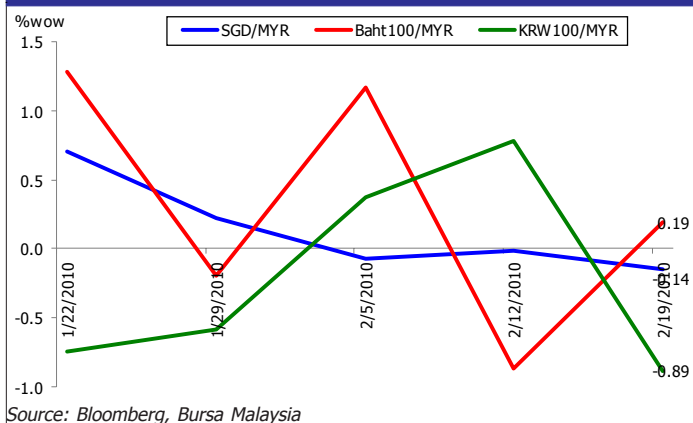
- **China stock market was closed for a week due to Chinese New Year holidays.**
- **Malaysia stock market rose 0.3% last week on a thin volume following the Chinese New Year holidays, as 24 out of 30 benchmark members posted gains on sound economic development globally.** Parkson Holdings Bhd. led other stocks with a 6.8% jump while Hong Leong Bank Bhd. was second highest, rising 5.2% as rival Mulpha International Bhd. was blocked by Bank Negara from starting talks with a key shareholder in EON Capital Bhd. Plantation stocks also rose after crude palm oil futures rose to the highest level since January 6 to RM2614 per tonne. Kuala Lumpur Kepong Bhd. added 2.7% while IOI Corp Bhd. gained 2.1%. Genting Bhd. was the main drag of the benchmark, losing 4.0% on the week after shares of unit Genting Singapore Plc, which opened its casino in the city-state, fell to their lowest level in more than five months on concern that valuations have become unattractive after they tripled in 2009.

## RINGGIT vs MAJOR CURRENCIES (WEEKLY % CHANGE)



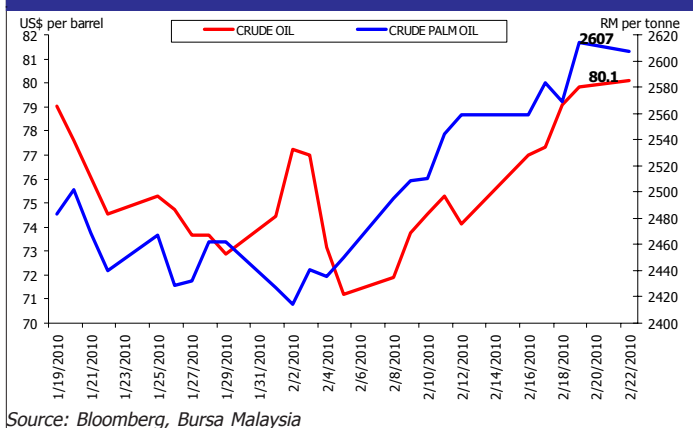
## ECONOMIC HIGHLIGHTS

## RINGGIT vs REGIONAL CURRENCIES (WEEKLY % CHANGE)



- **US homebuilder confidence rose in February** to a three-month high, a sign that the housing market is stabilizing amid government support. The National Association of Home Builders/Wells Fargo index of builder confidence increased to 17, higher than anticipated, from 15 the prior month. Readings below 50 mean most respondents view conditions as poor. (Bloomberg)
- **US industrial production increased for the seventh consecutive month in January**, with the pace of growth during the month exceeding economist estimates. The report showed that industrial production increased by 0.9% in January following an upwardly revised 0.7% increase in December. (RTT News)
- **US housing starts rose 2.8% to an annual rate of 591,000 in January** from the upwardly revised December estimate of 575,000. With the increase, housing starts rose to their highest annual rate in six months and are 21.1% above the January 2009 rate of 488,000. (RTT News)
- **US mortgage applications fell slightly in the week ended February 12** even as interest rates held near record low levels below 5%. The Mortgage Bankers Association said its seasonally adjusted index of mortgage application activity decreased 2.1% to 600.5. Fixed 30-year mortgage rates averaged 4.94% and were unchanged from the prior week. (Reuters)

## CRUDE OIL vs CRUDE PALM OIL



- **US import prices rose in January** as the global economic recovery boosted costs for fuel, food and metals, a government report showed. The import price index increased 1.4% in January, compared with a revised 0.2% gain the prior month that was higher than previously estimated. Prices excluding petroleum rose 0.4% last month and were up 1.3% from a year earlier. *(Bloomberg)*
- **US manufacturing will remain at the forefront of an economic recovery that's likely to extend at least through the middle of the year as companies invest in new equipment.** The New York-based Conference Board's measure of the outlook for the next three to six months increased 0.3% in January. The Federal Reserve Bank of Philadelphia's general economic index rose to 17.6 in February from 15.2 as a measure of orders surged to the highest level in more than five years. *(Bloomberg)*
- **US initial jobless claims rose to 473,000** from the previous week's revised figure of 442,000. The increase came as a surprise to economists, who had expected jobless claims to edge down to 438,000 from the 440,000 originally reported for the previous week. Despite the unexpected increase in weekly claims, the Labor Department also said that the less volatile four-week moving average edged down to 467,500 from the previous week's revised average of 469,000. *(RTT News)*
- **US leading economic indicators rose for the 10th consecutive month in January,** pointing to a strengthening recovery in the next six months. The business research firm said its forward-looking leading economic index (LEI) advanced 0.3% in January, weaker than the 0.5% rise expected by most analysts. The index rose 1.2% in December. Leading the improvement in January was the interest rate spread, supplier deliveries and average weekly manufacturing hours. *(AFP)*
- **US consumer prices rose in January less than anticipated and a measure of prices excluding food and fuel fell for the first time since 1982,** indicating the recovery is generating little inflation. The consumer price index increased 0.2% for a fifth straight month, led by higher fuel costs. Excluding energy and food, the so-called core index unexpectedly fell 0.1%, reflecting a drop in new-car prices, clothing and shelter. Compared with January 2009, the CPI rose 2.6% after climbing 2.7% the previous month. *(Bloomberg)*
- **Investors' and market participants' outlook for Germany at the six-month horizon eroded less than generally expected in February,** but their view of the current situation improved less than most analysts had forecast. The weakened optimism towards the coming six months left the ZEW expectations index down 2.1 points at 45.1, its lowest level since July. *(iMarketNews)*
- **Eurozone construction output posted a better-than-expected December** with monthly construction output growing 0.5% versus a 1.1% contraction in November. In annual terms, construction output for December fell by 3.1%, bettering November's -8.0% slide. *(fxstreet.com)*
- **Eurozone exports rose in December after stagnating in November,** as a weak euro spurred demand for the region's products. Seasonally adjusted overseas sales rose 3.1% m-o-m in December to EUR114.4 billion after remaining flat in November. Unadjusted, exports fell 1% y-o-y, much slower than November's revised decline of 5.0%. *(RTT News)*
- **Eurozone service and manufacturing industries expanded for a seventh month in February,** as rising export orders helped to counter sluggish domestic demand. A composite index based on a survey of euro-area purchasing managers in both industries remained at 53.7 in February. Economists forecast a drop to 53.5, according to the median of 16 estimates in a Bloomberg News survey. A reading above 50 indicates expansion. *(Bloomberg)*
- **Japan's demand for services slipped at the fastest pace in nine months in December** as consumers' paychecks extended their declines. The tertiary index, which captures 63 % of the economy, fell 0.9% from November. *(Bloomberg)*
- **Japan's industrial production rose 1.9% in December from November,** revised down from the preliminary reading of +2.2% reported last month. Output rose for the 10th straight month in December, though the pace of growth slowed from +2.2% in November and a record increase of 5.9% marked in April 2009. *(iMarketNews)*
- **Japan's leading index for December was revised up to 94.3** from 94. The indicator also stood above the prior month's reading of 91. The coincident index came in at 97.4 in December, down from the initial estimate of 97.6. *(RTT News)*
- **Japan's all industry activity dropped unexpectedly by 0.3% in December** from November. Economists had expected the index to rise 0.1% after a revised 0.2% increase seen in November. On an annual comparison, all industry activity slipped at a pace of 1.6% compared to a 3.3% fall reported in November. *(RTT News)*
- **Japan's central bank held interest rates just above zero on Thursday** and held off on new policy steps, resisting growing government pressure to escalate the fight against deflation. The seven member policy board voted unanimously to keep the overnight call rate target at 0.1%. The Bank of Japan has maintained the super-low interest rate since December 2008 when it was cut from 0.3%. It maintained its assessment of the economy, saying conditions are improving but that domestic consumption remains too weak. *(AP)*

- **Bank Negara Malaysia's international reserves decreased marginally to RM322.1 billion (US\$96.9 billion) as at February 12** from RM332.2 billion (US\$97 billion) as at January 29. The reserves position is sufficient to finance nine months of retained imports and is 4.1 times the short-term external debt, the central bank said on Friday. (*Bernama*)

## UPCOMING RELEASE (22 - 26 FEB 2010)

### US

- December Home Price Index by S&P/Case Shiller on February 23, 2010.
- February Consumer Confidence by Conference Board on February 23, 2010.
- Weekly Mortgage Applications by Mortgage Bankers Association on February 24, 2010.
- January New Home Sales by U.S. Census Bureau on February 24, 2010.
- January Durable Goods New Orders by US Census Bureau on February 25, 2010.
- Weekly Initial Jobless Claims by Department of Labor on February 25, 2010.
- 4Q 2009 GDP Annualized by Bureau of Economic Analysis on February 26, 2010.
- February Consumer Confidence by University of Michigan Survey Research on February 26, 2010.
- January Existing Home Sales by National Associate of Realtors on February 26, 2010.

### Eurozone

- December Industrial New Orders by Eurostat on February 24, 2010.
- January Money Supply (M3) by European Central Bank (ECB) on February 25, 2010.
- February Business Climate Indicator by European Commission on February 25, 2010.
- January Consumer Price Index (CPI) by Eurostat on February 26, 2010.

### Japan

- Bank of Japan Monetary Policy Minutes on February 23, 2010.
- January Corporate Service Price (YOY) by Bank of Japan on February 24, 2010.
- January Merchandise Trade Balance Ministry of Economy, Trade and Industry on February 24, 2010.
- February Small Business Confidence by Shoko Chukin Bank on February 26, 2010.
- January Consumer Price Index (CPI) by Ministry of Internal Affairs on February 26, 2010.
- January Industrial Production Index (IPI) by Ministry of Economy, Trade and Industry on February 26, 2010.
- January Retail Trade by Ministry of Economy, Trade and Industry on February 26, 2010.
- January Housing Starts by Ministry of Land Infrastructure & Transport on February 26, 2010.
- January Construction Orders by Ministry of Land Infrastructure & Transport on February 26, 2010.

### China

- January Actual FDI by China Ministry of Commerce on February 11-22, 2010.

### Malaysia

- January Consumer Price Index (CPI) by Department of Statistics Malaysia (DOSM) on February 24, 2010.
- January Money Supply (M3) by Bank Negara Malaysia (BNM) on February 24, 2010.
- 4Q 2009 Gross Domestic Product (GDP) Constant 2000 Prices by Department of Statistics Malaysia (DOSM) on February 24, 2010.