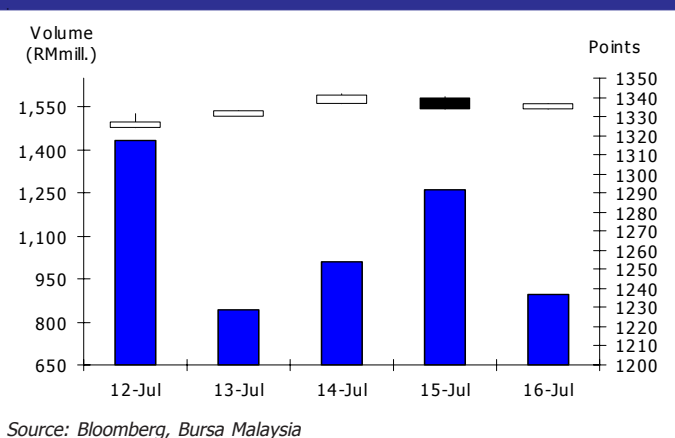


### WEEKLY CLOSING IN MAJOR MARKET INDICES

	9-Jul	16-Jul	%wow	%ytd
KL Composite	1324.31	1336.65	0.9	5.0
Dow Jones	10198.03	10097.9	-1.0	-3.2
Nikkei 225	9585.32	9408.36	-1.8	-10.8
DAX Index	6065.24	6040.27	-0.4	1.4
UK FTSE100	5132.94	5158.85	0.5	-4.7
AUS ORD 30	4414.5	4437	0.5	-9.1
STI Index	2917.17	2957.72	1.4	2.1
Hang Seng	20378.66	20250.16	-0.6	-7.4
SSE Index	2470.923	2424.271	-1.9	-26.0

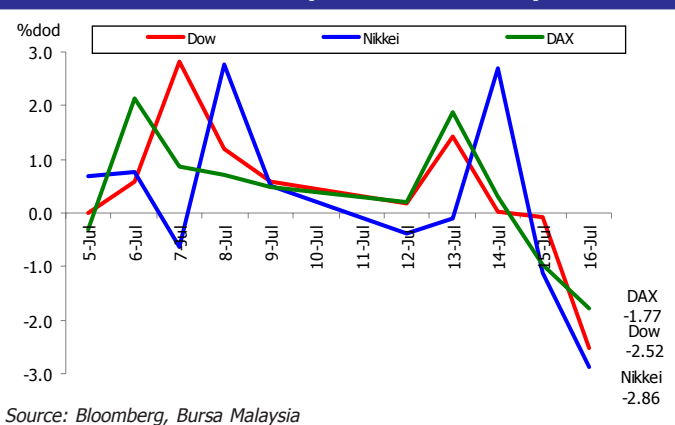
Source: Bloomberg, Bursa Malaysia

### KLCI DAILY PERFORMANCE



Source: Bloomberg, Bursa Malaysia

### MAJOR STOCK INDICES (DAILY % CHANGE)

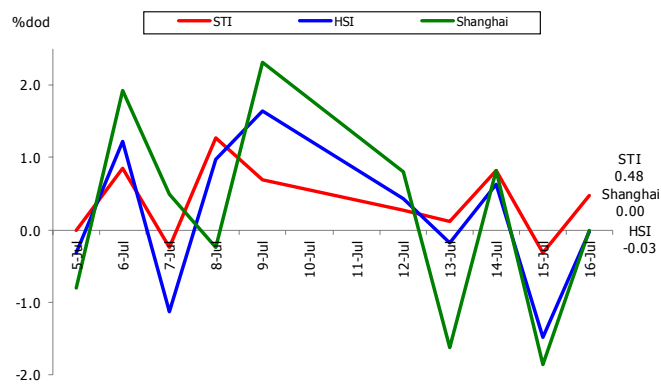


Source: Bloomberg, Bursa Malaysia

### STOCK MARKET HIGHLIGHTS

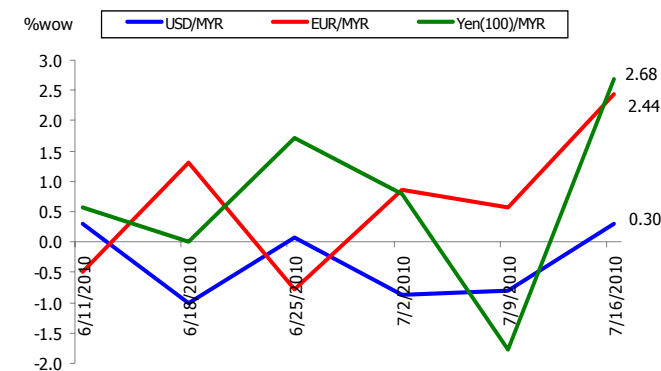
- U.S. stocks fell last Friday, ending the Dow Jones Industrial Average's longest winning streak in two months, following worse-than-estimated sales at Bank of America Corp., Citigroup Inc. and General Electric Co. and consumer confidence that sank to the lowest level in a year.** Bank of America and Citigroup dragged financial companies in the Standard & Poor's 500 Index to a 2.9% loss, the most among 10 industries. Home Depot Inc. slumped 4.1%, helping lead declines among consumer companies, after U.S. retail sales dropped for a second month in June. GE slipped 2.7% after missing revenue forecasts. Goldman Sachs Group Inc. rallied 5.9% on its \$550 million settlement of the federal government's fraud lawsuit. The Standard & Poor's 500 Index lost 1.2% to 1,064.88 last week. It had jumped 7.1% between July 2 and July 13. The Dow slipped 100.13 points, or 1%, to 10,097.90 and broke an eight-day winning streak on July 15.
- U.K. stocks fell, reversing an earlier rally on the benchmark FTSE 100 Index, after Citigroup Inc. and Bank of America Corp. reported lower-than-estimated sales and a report showed U.S. consumer confidence deteriorated.** Barclays Plc and HSBC Holdings Plc slid more than 2%, as banks led declines in the FTSE 100. BP Plc climbed 1.3% after Britain's second-biggest oil company temporarily stopped its Gulf of Mexico oil leak. The FTSE 100 declined 52.44, or 1%, to 5,158.85, paring this week's gain to 0.5%. The gauge has slumped 11% from this year's high on April 15 amid concern that economic growth will be curbed by austerity measures from European governments cutting their budget deficits and as data on the U.S. and Chinese economies disappointed investors.
- Japanese stocks retreated last Friday, dragging down benchmark indexes by the most in almost six weeks, on concern the global economic recovery may falter after U.S. reports showed manufacturing contracted and wholesale prices dropped.** Sony Corp., an electronics maker that gets 22% of sales in the U.S., tumbled 5%. Canon Inc., a camera maker that gets about 80% of its revenue outside Japan, sank 3.2% as the dollar weakened to its lowest level this year against the yen. Nintendo Co., the world's biggest maker of portable video-game players, slumped 2.7% as U.S. sales of its DS consoles declined. The Nikkei 225 Stock Average fell 2.9% to 9,408. The broader Topix index sank 1.9% to 840.58, with more than six stocks retreating for each that rose. Both gauges declined the most since June 7. Last week, the Nikkei has lost 1.8% and the Topix, 2.4%. The Nikkei 225 closed below 10,000 points for the ninth consecutive week, the longest such streak since June 2009, and it slumped the most today among equity benchmarks in the Asia-Pacific region.

## REGIONAL STOCK INDICES (DAILY % CHANGE)



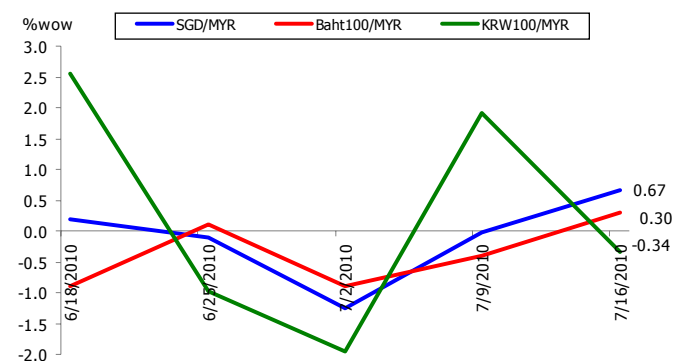
Source: Bloomberg, Bursa Malaysia

## RINGGIT vs MAJOR CURRENCIES (WEEKLY % CHANGE)



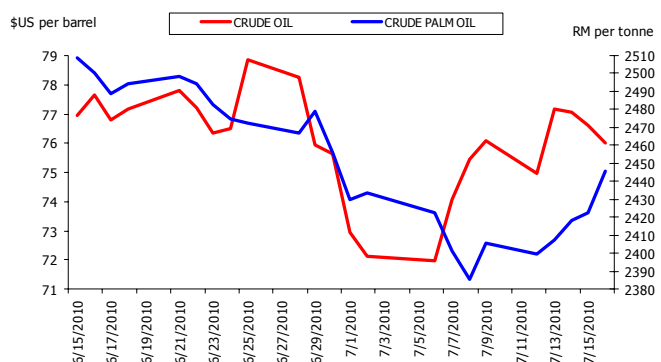
Source: Bloomberg, Bursa Malaysia

## RINGGIT vs REGIONAL CURRENCIES (WEEKLY % CHANGE)



Source: Bloomberg, Bursa Malaysia

## CRUDE OIL vs CRUDE PALM OIL



Source: Bloomberg, Bursa Malaysia

- **Hong Kong stocks dipped after the U.S. reported manufacturing declined, heightening concern an economic recovery may falter.** Agricultural Bank of China Ltd. advanced on its debut. Li & Fung Ltd., the biggest supplier to retailers including Wal-Mart Stores Inc., slid 1.5%. Cosco Pacific Ltd., Asia's third-biggest container-terminal operator, declined 1.6%. Agricultural Bank, China's largest by customers, gained 2.2% on its first day of trading in Hong Kong. The Hang Seng Index slid 5.46 points, or less than 0.1%, to close at 20,250.16, extending its decline last week to 0.6%.

- **Most China stocks rose last week, led by consumer-related companies, as investors sought resilient earnings prospects after economic growth slowed.** Wuliangye Yibin Co. and Bright Dairy & Food Co. gained more than 3% among food and beverage companies. Zijin Mining Group Co. dropped 5.4% after it said three managers were detained by the police following an acid spill. Agricultural Bank of China Ltd. lost 0.4% in Shanghai as it debuted in Hong Kong. About two stocks rose for each that declined on the benchmark Shanghai Composite Index, which lost 0.03 point to 2,424.27 at the close, paring an earlier 1.5% loss. The measure, which slumped the most in two weeks as of last Friday after economic growth trailed estimates, went down 1.9% last week.

- **Shares on the FBM KLCI climbed 12.34 points, or 0.9%, to 1,336.65 last week, against 1,324.31 on July 9.** On Friday, it moved between 1,331.2 and 1,340.11. Losers led gainers by 391 to 241 while 289 counters were unchanged, 443 untraded and 28 others suspended. Of the heavyweights, Maybank and Maxis fell 2 sen each to RM7.69 and RM5.30 respectively, CIMB Group lost six sen to RM7.07, Sime Darby dropped 3 sen to RM7.84 and Tenaga Nasional declined 1 sen to RM8.60.

## ECONOMIC HIGHLIGHTS

- **U.S.: Inventories at U.S. wholesalers rose in May for a fifth month** as companies ensured they had enough goods on hand to keep pace with demand. The 0.5% increase in the value of stockpiles followed a revised 0.2% gain the prior month that was smaller than previously estimated. Sales at distributors dropped 0.3%, the first decline since March 2009, after a 0.9% rise in April. The amount of goods on hand compared with sales was close to a record low, indicating production will be sustained in coming months. (Bloomberg)

- **U.S.: Trade gap in U.S. unexpectedly widened in May to \$42.3 billion.** The gap expanded 4.8% to \$42.3 billion as U.S. companies imported more automobiles and consumer goods, Commerce Department figures showed today in Washington. The deficit was projected to narrow to \$39 billion, according to the median forecast in a Bloomberg News survey. Imports and exports rose to the highest level since 2008. The increase in trade flows shows how the global expansion lifted sales at companies like Alcoa Inc. Export growth may cool in coming months as the fallout from the European debt crisis limits overseas demand and a recent strengthening of the dollar makes American goods less competitive. (Bloomberg)

- **U.S.: Sales at U.S. retailers fell for a second month in June.** Purchases decreased 0.5%, more than projected, after declining 1.1% in May, Commerce Department figures showed today in Washington. Excluding auto dealers, demand fell 0.1%,

matching the median forecast of economists surveyed by Bloomberg News. (*Bloomberg*)

- **U.S.: Manufacturing contracts, wholesale prices decline.** Manufacturing in the U.S. contracted in June by the most in a year and wholesale prices declined more than anticipated, underscoring the Federal Reserve's reduced forecasts for economic growth and inflation. Factory output fell 0.4% in June, a Fed report showed today. Producer prices slid 0.5% after a 0.3% decline the month before, the Labor Department said. Other reports showed factories pulled back in the New York and Philadelphia regions in July. (*Bloomberg*)
- **U.S.: Jobless claims down 29,000.** The U.S. Labor Department revealed that initial jobless claims came in at 429,000 for the week of July 10. This was down 29,000 from the previous week's revised total of 458,000. Economists had generally expected the measure to come in at around 450,000. (*RTT News*)
- **U.K.: Britain's slump deeper than thought.** The Office for National Statistics left its earlier estimate of first quarter growth unrevised at 0.3%, giving an unchanged annual decline of 0.2%. Britain faces mixed prospects for the second quarter, after data released at the same time showed that services output contracted 0.3% in April, the biggest fall since January. During the first quarter, the biggest rise in government spending since Q4 2008 added 0.4% to gross domestic product growth, alongside a 0.9% contribution from gross capital formation, which helped offset a drag of 0.9% from net trade. Imports rose and exports fell in roughly equal measure. The figures suggest a major rebound in British exports will be needed to maintain growth when planned government spending cuts take effect from later this year. (*The Star*)
- **U.K.: Jobless claims fall in June.** The number of people claiming unemployment benefit in Britain fell to its lowest in more than a year in June, while the number of those in work jumped at its fastest in four years, suggesting recovery remains on track. But figures from the Office for National Statistics also showed a marked slowdown in earnings growth, which should reassure the Bank of England (BoE) that high inflation is not propelling pay demands and persuade it to keep policy loose. Wednesday's figures showed the number of people claiming jobless benefit fell by a bigger-than-expected 20,800 in June, its fifth consecutive monthly fall and pushing the claimant count rate down to a 15-month low of 4.5%. The number of people without a job on the wider ILO measure fell by 34,000 to 2.468 million in the three months to May, taking the jobless rate down to 7.8%, a 4-month low. (*EconomicTimes*)
- **E.U.: Inflation eased in June.** Inflation slowed in June and industrial production increased less than economists forecast in May as the economy struggled to gather strength. Consumer prices in the 16-member euro zone rose 1.4% from a year ago after increasing 1.6% in May, the European Union statistics office in Luxembourg said yesterday. Industrial production rose 0.9% in May from the previous month. European Central Bank president Jean-Claude Trichet on July 8th forecast the economy
- **Japan: Producer prices rose for a second month in June,** driven by an increase in commodity costs that may do little to arrest deflation. The amount companies pay for energy and unfinished goods climbed 0.5% from a year earlier after advancing a revised 0.5% in May. (*Bloomberg*)
- **Japan: Service demand fell in May as boost from stimulus measures wane.** Japan's demand for services fell in May, adding to signs that the export-fueled recovery has been slow to spread to households. The tertiary index, which captures 63% of the economy, slid 0.9% from April, when it advanced a revised 2.4%, the Trade Ministry said today in Tokyo. The median forecast of 19 economists surveyed by Bloomberg News was for a 0.7% decline. Retail sales in the world's second-largest economy have started to cool as the effects of government incentives for cars and home appliances wear off. Today's data came after government reports for May showed Japan's wages declined and the unemployment rate worsened, a sign the expansion is moderating. (*Bloomberg*)
- **China: China's foreign-exchange reserves, the world's largest, rose the least in 11 years in the second quarter** as expectations for yuan gains diminished and the European debt crisis saw capital move out of emerging markets. The nation's holdings rose by \$7.2 billion to \$2.454 trillion at the end of June from the end of March, the People's Bank of China said yesterday. (*Bloomberg*)
- **China: The unexpected rebound in overseas shipments to a record last month may lose pace as the European crisis,** a moderating U.S. recovery and yuan gains curb demand for goods from the world's largest exporter. China's overseas sales jumped 43.9% in June from a year earlier to \$137.4 billion and the trade surplus more than doubled to \$20 billion, the highest level in eight months, the government said July 10. (*Bloomberg*)
- **China: Chinese economy starts to cool down.** The Chinese economy grew at 10.3% in the second quarter over the year before, down from the previous three months as government efforts to cool the housing market and infrastructure investment began to bite. The comparable first quarter figure was 11.9%, when many economists feared China was close to overheating. For the first half of the year, the economy expanded by 11.1%. Although the slowdown was expected, other figures on Thursday suggested the economy could be cooling more quickly than forecast, including a drop in the expansion of industrial production to 13.7% in June, year on year, from the 16.5% increase in May. (*Financial Times*)
- **China: China's June CPI rises 2.9%.** China's consumer price index (CPI), a main gauge of inflation, rose 2.9% year on year in June, the National Bureau of Statistics (NBS) announced here Thursday. The June data eased from 3.1% in May and was below market estimates mostly ranging from 3.1% to 3.5%. The inflation rate stood at 2.6% in the first half of this year, according to the NBS. It

would increase at a "moderate" pace and said inflation might accelerate "later in the year". (*Bloomberg*)

was below the 3% target ceiling for the year set by the government in March. In the first six months, consumer prices in China's urban areas increased 2.5% and in rural regions by 2.8%. Food prices, which account for about a third of the weighting in calculating the CPI, gained 5.5%. In June alone, food prices rose 5.7% year on year, according to the NBS. (*Financial Times*)

## **UPCOMING RELEASE (19-23 JULY 2010)**

### **US**

- June Housing Starts by Department of Commerce on July 19, 2010.
- June Building Permits by Department of Commerce on July 20, 2010.
- Weekly Mortgage Applications by Mortgage Bankers Association on July 21, 2010.
- Weekly Initial Jobless Claims by Department of Labor on July 22, 2010.
- June Existing Home Sales by National Associate of Realtors on July 23, 2010.

### **Eurozone**

- May Current Account by European Central Bank (ECB) on July 19, 2010.
- May Construction Output by Eurostat on July 19, 2010.
- July Composite PMI Output by NTC Research on July 22, 2010.
- July Consumer Confidence Indicator by European Commission on July 22, 2010.

### **Japan**

- May Coincident Index by Economic & Social Research Institute on July 20, 2010.
- May Leading Economic Index by Economic and Social Research Institution (ESRI) on July 20, 2010.

### **Malaysia**

- June Consumer Price Index (CPI) by Department of Statistics Malaysia (DOSM) on July 21, 2010.
- Foreign Reserves as at July 15, 2010 by Bank Negara Malaysia (BNM) on July 22, 2010.