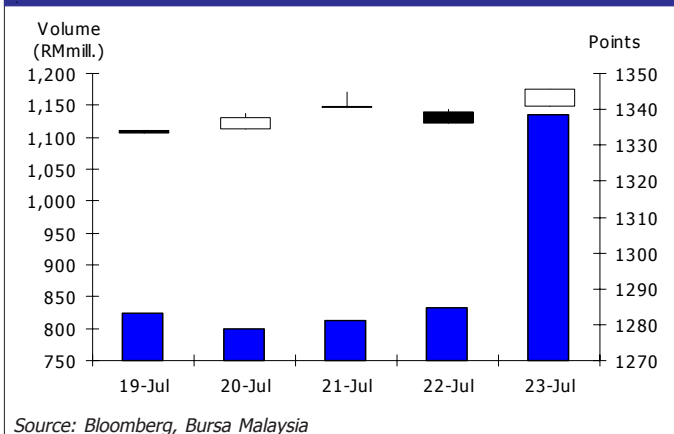


#### WEEKLY CLOSING IN MAJOR MARKET INDICES

	16-Jul	23-Jul	%wow	%ytd
KL Composite	1336.65	1345.68	0.7	5.7
Dow Jones	10097.9	10424.62	3.2	0.0
Nikkei 225	9408.36	9430.96	0.2	-10.6
DAX Index	6040.27	6166.34	2.1	3.5
UK FTSE100	5158.85	5312.62	3.0	-1.9
AUS ORD 30	4437	4475.1	0.9	-8.3
STI Index	2957.72	2973.47	0.5	2.6
Hang Seng	20250.16	20815.33	2.8	-4.8
SSE Index	2424.271	2572.028	6.1	-21.5

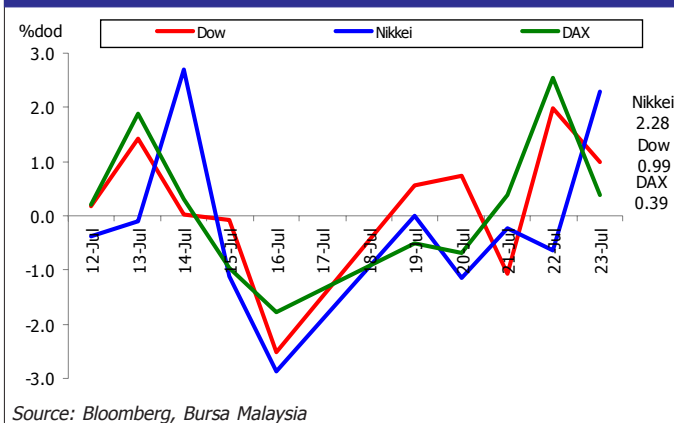
Source: Bloomberg, Bursa Malaysia

#### KLCI DAILY PERFORMANCE



Source: Bloomberg, Bursa Malaysia

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

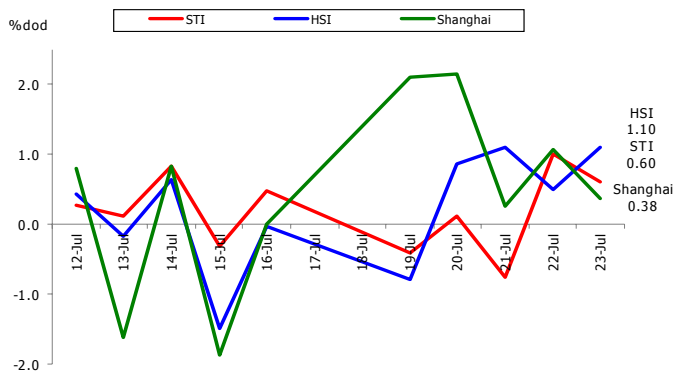


Source: Bloomberg, Bursa Malaysia

#### STOCK MARKET HIGHLIGHTS

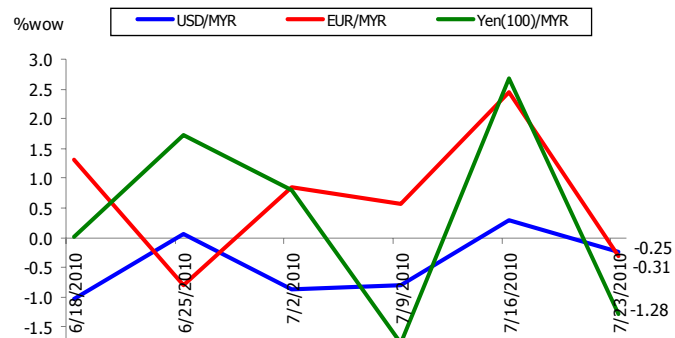
- U.S. stocks rose last week, almost wiping out the Dow Jones Industrial Average's 2010 year to date loss, after better-than-estimated earnings at companies from United Parcel Service Inc. to Apple Inc. and Ford Motor Co. lifted confidence the economy is recovering.** UPS, Apple and Ford gained 4% or more after their per-share profit beat the average analyst estimate by at least 9%. Genzyme Corp. jumped 21%, the most since 2000 and the biggest gain in the Standard & Poor's 500 Index, after two people familiar with the matter said Sanofi-Aventis SA approached the drugmaker about a takeover. The S&P 500 gained 3.6% to 1,102.66 last week, erasing its 1.2% loss from July 12 to July 16. It has gained 7% since June 30 in its first monthly gain since April. The Dow climbed 326.72 points, or 3.2%, to 10,424.62, cutting its 2010 decline to less than 0.1%.
- U.K. stocks were little changed, with the benchmark FTSE 100 Index posting a third straight weekly advance, as analyst downgrades of Standard Chartered Plc and Kingfisher Plc were offset by gains at mining companies.** Standard Chartered, the lender that generates the majority of its earnings in Asia, declined 1% after UBS AG cut its recommendation on the shares. Kingfisher lost 2.3% as Societe Generale SA and Liberum Capital downgraded the stock. Anglo American Plc rose 1.2% as copper climbed. ARM Holdings Plc led rising shares on the FTSE 100 after the U.K. designer of semiconductors used in Apple Inc.'s iPhone signed a licensing agreement with Microsoft Corp. The FTSE 100 slipped 1.19 points, or less than 0.1%, to 5,312.62, paring last week's increase to 3%. The FTSE 100 has fallen 8.8% from this year's high on April 15 amid concern that growth in the U.S. and China is slowing and that austerity measures from European governments will hurt the recovery in the region. The measure clawed back some of the retreat last week as more than 85% of Standard & Poor's 500 Index companies that reported results since July 12 topped estimates.
- Japanese stocks gained for the first time in six days after U.S. companies raised earnings forecasts, the yen weakened and commodity prices advanced.** Canon Inc., a camera maker that gets about 80% of its sales outside Japan, rose 3.5% after the euro strengthened. Komatsu Ltd. jumped 4.3% after Caterpillar Inc., the world's largest maker of construction equipment, increased its full-year earnings outlook. Mitsubishi Corp., Japan's biggest commodities trader, gained 3.8% and Inpex Corp., the nation's largest oil and gas explorer, climbed 4.3%. The Nikkei 225 Stock Average jumped 2.3% to 9,430.96 at the close in Tokyo, the most among Asia-Pacific benchmark indexes. The Nikkei 225 gained 0.2% last week, and the Topix rose 0.1%. The Nikkei is set to close below 10,000 for the 10<sup>th</sup> consecutive week, the longest streak since June 2009.

## REGIONAL STOCK INDICES (DAILY % CHANGE)



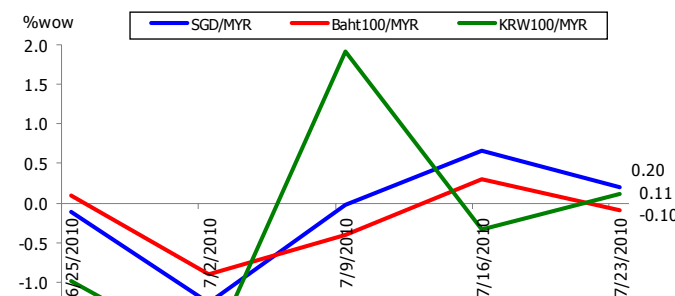
Source: Bloomberg, Bursa Malaysia

## RINGGIT vs MAJOR CURRENCIES (WEEKLY % CHANGE)



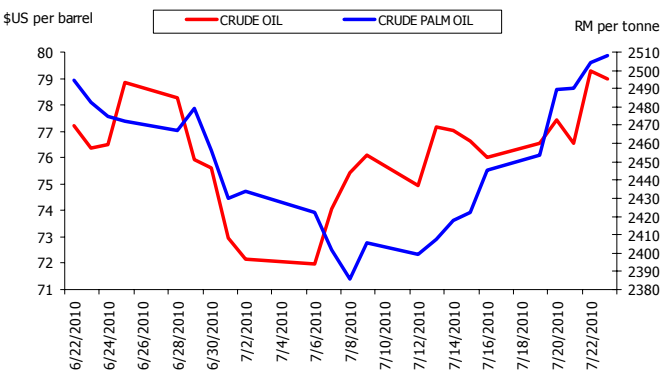
Source: Bloomberg, Bursa Malaysia

## RINGGIT vs REGIONAL CURRENCIES (WEEKLY % CHANGE)



Source: Bloomberg, Bursa Malaysia

## CRUDE OIL vs CRUDE PALM OIL



Source: Bloomberg, Bursa Malaysia

- Hong Kong stocks rose last week, lifting the benchmark index to a one-month high, after U.S. companies lifted profit forecasts, and Microsoft Corp. posted better-than-estimated earnings, fueling optimism of a global economic recovery.** Esprit Holdings Ltd., a global fashion retailer, advanced 4.1%. Cosco Pacific Ltd., Asia's third-biggest container-terminal operator, climbed 4.3%. New World Development Co., which got 26% of its fiscal 2009 revenue from China, climbed 3.7% after Shanghai Shimao Co., a mainland developer, said its first-half net income may rise 700%. The Hang Seng Index gained 1.1% to close at 20,815.33, the highest level since June 23, extending its advance this week to 2.8%.

- China's stocks rose last week, capping the benchmark index's best week in seven months, on speculation the government won't introduce more measures to curb bank loans and property prices after leaders pledged policy stability.** Industrial & Commercial Bank of China Ltd. and Bank of China Ltd. climbed at least 0.6% after Premier Wen Jiabao said stable policies should be the main theme in the second half. Jiangxi Copper Co. paced gains among metals producers on higher commodity prices. Shenzhen Kingdom Sci-Tech Co., a developer of financial security software, dropped the most in a week after saying first-half profit probably fell due to rising wage costs. The Shanghai index advanced 6.1% last week, the biggest weekly gain since Dec. 4, on expectations the government will relax property curbs and allow for more bank lending to counter a slowdown in economic growth. Energy and material stocks climbed the most last week, while consumer staples and utilities, considered defensive stocks, lagged behind. The central bank has raised banks' reserve requirements three times this year and the government boosted down payments and mortgage rates for multiple-purchases of homes to curb record lending growth and asset bubbles. The Shanghai index has fallen 22% this year on concern measures to control real-estate speculation and rising consumer prices will damp earnings.

- Share prices rebounded sharply to close higher on Bursa Malaysia on Friday, prompted by fresh buying support.** Renewed investor confidence outweighed concerns over the gloomy US economy as investors accumulated blue chips like Sime Darby and CIMB to help the FBM KLCI gain 9.63 points to 1,345.68. The overnight Wall Street rally perked appetite for risk despite concerns over the outcome of the stress tests on 91 European banks which would reveal loan losses. Nearly all counters gained, with the finance counter being the biggest winner, followed by plantation and industrial stocks. Among heavyweights, Maybank was unchanged at RM7.69, CIMB closed six sen higher at RM7.26, Sime Darby rose 20 sen to RM7.79, Maxis increased five sen to RM5.33 while MISC was three sen better at RM8.77.

## ECONOMIC HIGHLIGHTS

- U.S.: Confidence slides, heightening risk of a slowdown.** Confidence among U.S. consumers tumbled in July to the lowest level in a year, heightening the risk of a slowdown in economic growth. The Thomson Reuters/University of Michigan preliminary index of consumer sentiment decreased to 66.5. Another report showed inflation cooled last month. The sentiment figures showed a record-low share of Americans expected their incomes will rise in the next 12 months, underscoring growing pessimism over employment prospects.

Declining confidence may further restrain consumer spending, which accounts for 70% of the economy, and hinder the recovery in coming months. (*Bloomberg*)

- **U.S.: Prices excluding food, energy in U.S. rise more than forecast.** The cost of living in the U.S., excluding food and energy prices, climbed in June more than forecast, easing concern that a slowdown in growth will spur deflation. The so-called core rate of the consumer-price index increased 0.2%, the most since October and exceeding the 0.1% gain projected by the median forecast of economists surveyed by Bloomberg News, figures from the Labor Department showed today in Washington. Prices overall fell 0.1%, a third straight decrease and matching the median forecast. The report showed rents, the biggest component in CPI, stabilized, while the cost of clothing and used cars climbed, diminishing the risk of deflation, or a protracted drop in prices. The lack of inflation gives Federal Reserve policy makers scope to leave the benchmark interest rate near zero in coming months to help invigorate the economy. (*Bloomberg*)
- **U.S.: Purchases of U.S. existing homes fell in June.** Sales of U.S. previously owned homes in June dropped less than forecast, sustained by a backlog of deals that will dry up when a government credit expires. Purchases slipped for a second month, falling 5.1% to a 5.37 million annual rate, figures from the National Association of Realtors showed today in Washington. (*Bloomberg*)
- **U.S.: Index of U.S. leading economic indicators fell 0.2%.** The index of U.S. leading indicators fell 0.2% in June, the second decline in three months, signaling the world's largest economy will cool. The decrease in the New York-based Conference Board's gauge of the prospects for the economy in the next three to six months compares with the median estimate for a 0.3% decline in a Bloomberg News survey of economists and follows a 0.5% gain in May. Federal Reserve Chairman Ben S. Bernanke yesterday repeated his forecast for a "moderate" pace of growth even as he said the outlook remains "unusually uncertain." Recent reports on housing, retail sales and the labor market have pointed to weakness in the economy as the second half begins. (*Bloomberg*)
- **U.S.: Payrolls fall in 27 U.S. States, led by California.** Payrolls decreased in 27 U.S. states in June, led by California and New York, signaling the slowdown in hiring is broad-based. Employers in California cut staff by 27,600 workers last month and those in New York reduced employment by 22,500, the Labor Department said today in Washington. Tennessee, Arizona and New Mexico rounded out the five states with the biggest job losses. The U.S. lost 125,000 jobs last month as the government cut temporary workers conducting the 2010 census and private payrolls rose a less-than-forecast 83,000, according to Labor Department figures issued July 2. The data signal companies are becoming reticent to hire as the economy cools. (*Bloomberg*)
- **U.S.: Housing starts drop to lowest level since October.** Housing starts fell in June to the lowest level in eight months after the expiration of a U.S. government tax incentive caused sales to slump. Work began on

549,000 houses at an annual rate last month, fewer than the median estimate of economists surveyed by Bloomberg News and down 5% from May, Commerce Department figures showed today in Washington. The retreat following the end of government support shows it will be difficult for the industry that precipitated the recession to sustain a recovery. Mounting foreclosures will swell the supply of houses on the market and pressure prices, while prospective buyers shy away as a lack of jobs shakes confidence in the world's largest economy. (*Bloomberg*)

- **U.K.: Home asking prices fell in July for first time this year.** U.K. home sellers cut prices for the first time this year in July and will probably keep doing so for the remainder of 2010, Rightmove Plc said. Asking prices fell 0.6% to 236,332 pounds (\$364,708) and will drop 7% in the second half, wiping out gains so far this year, the operator of the nation's biggest property website said in a statement in London today. In the U.K. capital, the cost of a home dropped 1.7%, led by Kensington and Chelsea, its most expensive district. Government budget cuts to curb the record deficit have spooked consumers and sent Nationwide Building Society's gauge of confidence to its lowest in a year. Tighter lending rules and a supply glut may also restrain home-price inflation as about 30,000 new homes come onto the market every week, almost three times the number of mortgages granted. (*Business Week*)
- **U.K.: Export orders drop as manufacturing-led recovery feels the strain.** Total orders hit a 23-month high in July of 16%, according to the CBI industrial trends survey, and output in the quarter grew at 24%, its strongest rate since April 1995 – far exceeding expectations. However, the CBI warned that expectations for growth have slowed substantially. A balance of 6% of firms said they believed output will rise in the next three months compared with 15% in June, and the measure of business optimism dropped to a balance of 10% from 24% the previous quarter – the worst result since October. (*Telegraph.co.uk*)
- **E.U.: European construction output dropped for a second month in May,** led by declines in Germany. Construction in the 16-nation euro region fell 1% from April, when it decreased 0.3%. From a year earlier, output in May dropped 6.3% after falling 5.7% in April. (*Bloomberg*)
- **E.U.: Europe consumer confidence rises more than forecast on signs crisis easing.** European consumer confidence improved more than economists forecast in July amid signs the region's sovereign-debt crisis is easing. An index of consumer sentiment in the 16-nation euro area increased to minus 14.1 from minus 17.3 in June, the Brussels-based European Commission said today in an initial estimate. That's the highest since May 2008. Economists had projected a July reading of minus 17, according to the median of 21 estimates in a Bloomberg survey. (*Bloomberg*)
- **E.U.: Europe's services, manufacturing growth accelerates.** Growth in Europe's services and manufacturing industries unexpectedly accelerated in July as concern over the sovereign-debt crisis eased and an increase in global trade spurred exports. A composite index based on a survey of euro-area purchasing managers in both industries rose to 56.7 from 56 in June, London-based Markit Economics said today.

Economists had projected a drop to 55.5, the median of 18 estimates in a Bloomberg survey showed. European stocks advanced and the euro rose against the dollar. (*Bloomberg*)

- **Malaysia: The total sales of new motor vehicles for the first six months of 2010 rose by 19.8% to 301,077 units against 251,305 units in the same period of last year.** Malaysian Automotive Association (MAA), President Datuk Aishah Ahmad said this is the highest achievement since 2005 due to a remarkable turnaround in the Malaysian economy, which improved consumer and business confidence. The MAA has revised the industry sales forecast for 2010 to 570,000 compared to an earlier forecast of 550,000, given the positive consumer sentiment in the market, Aishah said. (*Bernama*)
- **Malaysia: The Consumer Price Index (CPI) for June increased by 1.7% to 113.7 from 111.8 when compared with the same month last year.** Compared to May, CPI was up by 0.2%. The rise was due to the increase in food and non-alcoholic beverages and non-food indices by 2.7% and 1.1% previously as compared to the same month last year. When compared with May, the increase in June was brought about by the main groups, namely food and non-alcoholic beverages and miscellaneous goods and services by 0.4%, respectively, health and restaurant and hotels by 0.2%, respectively, and alcoholic beverages and tobacco and transport by 0.1%, respectively. (*Bernama*)
- **Malaysia: Bank Negara Malaysia's international reserves amounted to RM309.9 billion (US\$94.8 billion)** as at July 15. The reserves position is sufficient to finance eight months of retained imports and is 4.4 times the short-term external debt, the central bank said in a statement on Thursday. (*Bernama*)

## UPCOMING RELEASE (26-30 JULY 2010)

### US

- June New Home Sales by U.S. Census Bureau on July 26, 2010.
- May Home Price Index by S&P/Case Shiller on July 27, 2010.
- May Consumer Confidence by Conference Board on July 27, 2010.
- Weekly Mortgage Applications by Mortgage Bankers Association on July 28, 2010.
- June Durable Goods New Orders by US Census Bureau on July 28, 2010.
- June Manufacturers New Orders by U.S. Census Bureau on July 28, 2010.
- Weekly Initial Jobless Claims by Department of Labor on July 29, 2010.
- 2Q 2010 GDP Annualized by Bureau of Economic Analysis on July 29, 2010.
- 2Q 2010 Personal Consumption by Bureau of Economic Analysis on July 30, 2010.

### Eurozone

- June Money Supply (M3) by European Central Bank (ECB) on July 27, 2010.

- July Industrial Confidence Indicator by European Commission on July 29, 2010.
- July Consumer Confidence Indicator by European Commission on July 29, 2010.
- July September Economic Confidence Indicator by European Commission on July 29, 2010.
- July Services Confidence Indicator by European Commission on July 29, 2010.
- June Unemployment Rate by Eurostat on July 30, 2010.
- July Consumer Price Index (CPI) by Eurostat on July 30, 2010

### Japan

- June BOP Trade Balance by Ministry of Finance on July 25, 2010.
- June Corporate Service Price (YOY) by Bank of Japan on July 26, 2010.
- June Retail Trade by Ministry of Economy, Trade and Industry on July 28, 2010.
- June Jobless Rate by Ministry of Internal Affairs on July 29, 2010.
- June Job-to-Applclicant Ratio by Ministry of Health, Labour & Welfare on July 29, 2010.
- June Consumer Price Index (CPI) by Ministry of Internal Affairs on July 29, 2010.
- June Industrial Production Index (IPI) by Ministry of Economy, Trade and Industry on July 29, 2010.
- June Vehicle Production by Auto Manufacturers Association (AMA)/Japan Automobile Manufacturers on July 30, 2010.
- June Construction Orders by Ministry of Land Infrastructure & Transport on July 30, 2010.

### China

- July PMI Manufacturing by China Federation of Logistics on July 29, 2010.

### Malaysia

- June Money Supply (M3) by Bank Negara Malaysia (BNM) on July 30, 2010.