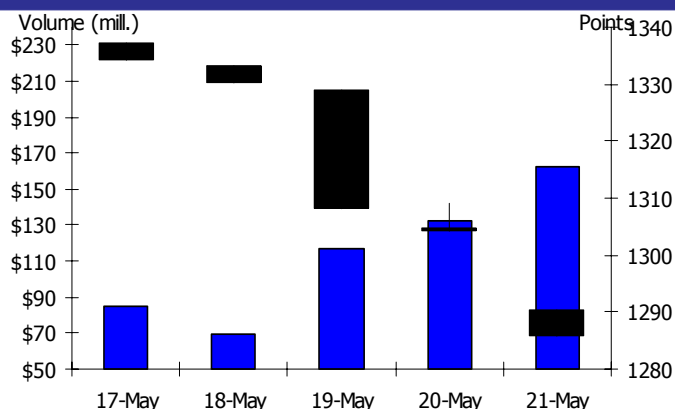


WEEKLY CLOSING IN MAJOR MARKET INDICES

	14-May	21-May	%w/w	%ytd
KL Composite	1,339.30	1,285.73	-4.0	1.0
Dow Jones	10,620.16	10,193.39	-4.0	-2.3
Nikkei 225	10,462.51	9,784.54	-6.5	-7.2
DAX Index	6,056.71	5,829.25	-3.8	-2.2
UK FTSE100	5,262.85	5,062.93	-3.8	-6.5
AUS ORD 30	4,643.00	4,325.80	-6.8	-11.4
STI Index	2,855.21	2,701.20	-5.4	-6.8
Hang Seng	20,145.43	19,545.83	-3.0	-10.6
SSE Index	2,696.63	2,583.52	-4.2	-21.2

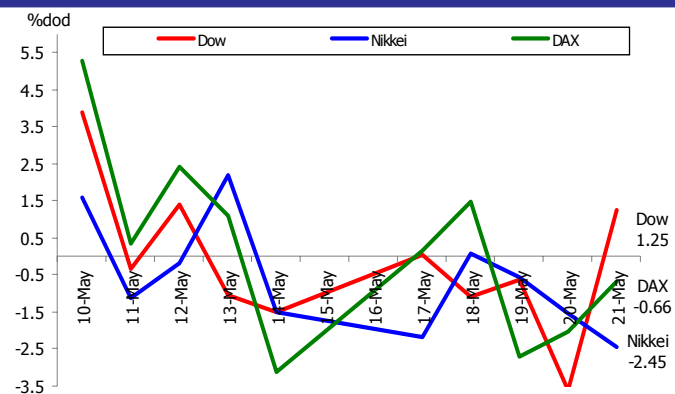
Source: Bloomberg, Bursa Malaysia

KLCI DAILY PERFORMANCE



Source: Bloomberg, Bursa Malaysia

MAJOR STOCK INDICES (DAILY % CHANGE)

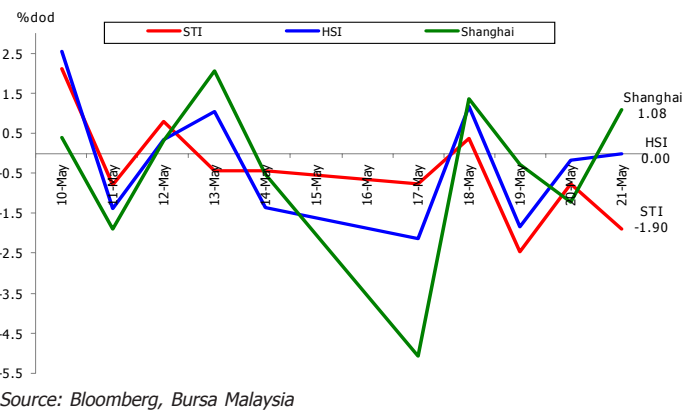


Source: Bloomberg, Bursa Malaysia

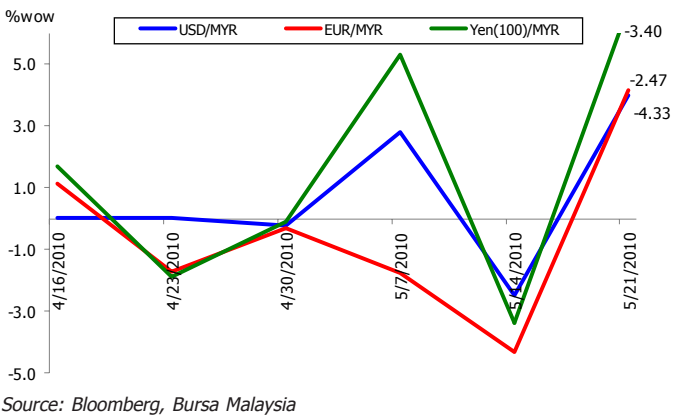
STOCK MARKET HIGHLIGHTS

- U.S. stocks fell last week, on growing uncertainty over European leaders' plans to halt the debt crisis and economic data that raised doubts about the strength of the economic recovery.** Industrial and energy companies in the index including Boeing Co. and ConocoPhillips lost more than 5.3% as all 10 industry groups declined at least 2%. Sears Holding Corp. plunged 18%, the most since November 2008, after its profit missed the average analyst estimate. The S&P 500 slumped 4.2% to 1,087.69 this week. The Dow Jones Industrial Average lost 426.77 points or 4%, to 10,193.39 last week.
- U.K stocks tumbled 3.8% last week reversing a gain from the previous week, extending a three month low for the FTSE 100 Index, amid lingering concerns about the impact of Europe's debt crisis.** BP Plc, the second-most heavily weighted stock in the FTSE 100, retreated 4.2% as oil continues to leak from a damaged well in the Gulf of Mexico. Smith & Nephew Plc and Shire Plc led a retreat in health-care companies. Xstrata Plc paced a rebound in mining shares, rallying 6.3% as copper climbed on the London Metal Exchange.
- Japanese stocks fell, dragging the Topix index to its seventh straight drop, led by insurers as recent declines in share prices devalued their assets.** The declines in insurance shares reflect a drop in the value of their shareholding as well as the challenging environment for their asset management. Equities also slid on concern Europe's debt crisis will halt a recovery. Tokio Marine Holdings Inc., an insurer, retreated 2.1%. Nikon Corp., which gets 24% of its revenue from Europe, dropped 2%, after the euro weakened. Kawasaki Kisen Kaisha Ltd., Japan's third-biggest shipping line, rallied 3.9% after Nomura Holdings Inc. increased the shipping line's rating and a gauge of cargo rates advanced. The Nikkei 225 Stock Average fell 6.5% to 9,784.54 points its longest losing streak since November.
- Hong Kong stocks fell, with the benchmark index closing at its lowest level in more than 14 weeks, after Germany's move to restrict naked short sales heightened concern Europe's debt crisis will deepen.** The Hang Seng Index slid 3% to 19,545.83 points. Denway plunged 24% to HK\$3.41, the sharpest slump among the 307 constituents of the Hang Seng Composite Index. Guangzhou Automobile Group Co., Denway's parent, has asked the company to submit a delisting proposal to its board and plans to offer Denway shareholders 0.378610 share in Guangzhou Auto for each share in Denway, according to a statement. Aluminum Corp. of China Ltd., the nation's largest producer of the metal, tumbled 5.9% to HK\$6.23. Cnooc Ltd., China's largest offshore oil explorer, dropped 4.3% to HK\$12.14. PetroChina Co., the country's biggest oil producer, fell 2.5% to HK\$8.31.

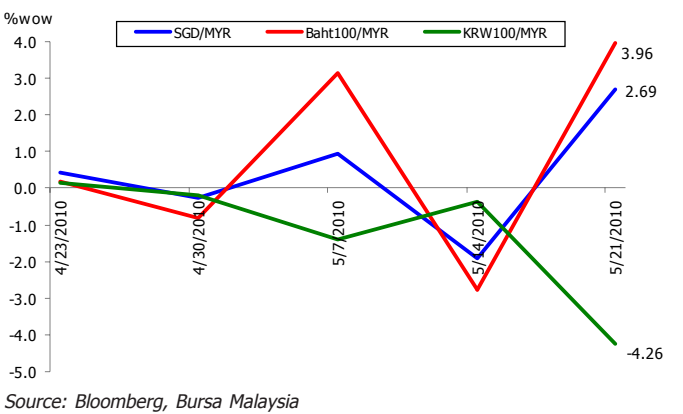
REGIONAL STOCK INDICES (DAILY % CHANGE)



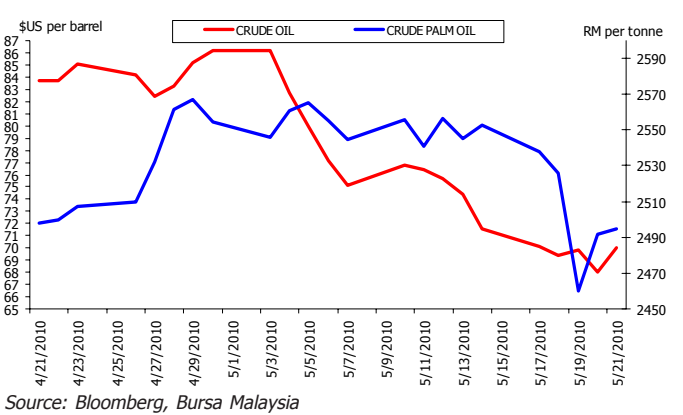
RINGGIT vs MAJOR CURRENCIES (WEEKLY % CHANGE)



RINGGIT vs REGIONAL CURRENCIES (WEEKLY % CHANGE)



CRUDE OIL vs CRUDE PALM OIL



- **The Shanghai gauge fell 4.2% last week, extending a 21% decline for the year, on concern Europe's debt crisis may curb demand for the country's exports at the same time as the government intensifies steps to curb bubbles in assets including real estate.** Guodian Nanjing Automation Co, the maker of circuit and transformer protective devices plans to raise as much as 780 million yuan in a private placement of as many as 69 million shares, the company said in a filing to Shanghai's stock exchange. Guodian Nanjing fell 3.6% to 20.46 yuan. PetroChina Co. the nation's largest oil producer sold 20 billion yuan of five-year bonds at a coupon 3.97%, the company said in a statement posted to the Chinabond website. Agricultural Bank of China and Bank of China Ltd. were the underwriters. PetroChina slid 0.2% to 10.87 yuan on May 19, when its shares last traded. China Life, the nation's largest insurer, lost 2.8% to 24 yuan. Ping An, the No. 2 insurer, declined 3% to 44.93 yuan.

- **The KLCI finished sharply lower on Friday, damaged by heavy losses from the financial sector, while the plantations and industrials finished with more modest declines.** For the day, the index plummeted 53.57 points or 4% lower compared to the previous week to finish at 1,285.73. There were 678 decliners and 145 gainers, with 169 stocks finishing unchanged. Among the actives, Talam, CIMB Group, Unisem, KNM Group, Tanjong, Maybank, Axiata Group and Hong Leong Bank all finished lower, while EONCap was flat and Advance Information, Nestle, UMW Holdings and Petronas Gas ended higher.

ECONOMIC HIGHLIGHTS

- **U.S.: Builders in U.S. turn less pessimistic as sales rise.** Homebuilders in the U.S. turned less pessimistic in May as a government tax credit boosted sales. The National Association of Home Builders/Wells Fargo confidence index rose to 22 from 19 in April. Readings lower than 50 mean more respondents said conditions were poor. (Bloomberg)
- **U.S.: Home starts jump, wholesale prices fall.** US producer prices declined in April, reversing last month's rise and easing any immediate fears of inflation in the world's largest economy. The producer price index, the measure of wholesale inflation, or the prices that businesses pay for their goods dropped 0.1% in April after rising 0.7% in March. The index was pulled down by declines in both food and energy prices. After stripping out food and energy, core prices for finished goods were up marginally by 0.2%. (AFP)
- **U.S.: Retailers lead surprise drop in U.S. consumer prices.** The cost of living in the U.S. unexpectedly dropped in April for the first time in more than a year, reinforcing forecasts that the Federal Reserve will keep interest rates near zero for much of 2010. The 0.1% fall in the consumer price index was the first decrease since March 2009. Excluding food and fuel, the so-called core rate was unchanged, capping the smallest 12-month gain in four decades. (Bloomberg)

- **U.S.: The index of U.S. leading economic indicators unexpectedly declined in April**, a sign the economic expansion may cool in the second half of the year. The 0.1% decrease in the New York-based Conference Board's measure of the outlook for three to six months marked the first drop in a year and followed a revised 1.3% gain in March. Other reports showed more Americans filed for jobless benefits and manufacturing in the Philadelphia region expanded. (*Bloomberg*)
- **E.U.: Annual inflation accelerated to a 16-month high in April as expected**, while core inflation trended downwards. But inflation is not a major concern for the European Central Bank amid the recent debt crisis and weak growth. Annual inflation edged up to 1.5% in April, the highest rate since December 2008, from 1.4% in the previous month. A year earlier, inflation was only 0.6%. (*RTT News*)
- **E.U.: Construction output increased the most in 14 years in March** led by a rebound in Germany, the region's largest economy. Construction in the 16-nation euro region rose 7.6% from February, when it fell a revised 7.2%. That's the biggest gain since March 1996 and the first increase in a year. From a year earlier, output declined 5.2% after dropping 14.8% in February. (*Bloomberg*)
- **E.U.: Eurozone recorded a seasonally adjusted current account surplus of EUR 1.7 billion in March** compared to the revised EUR 4.5 billion deficits in February. The unadjusted current account balance also turned to a surplus of EUR 1.3 billion, compared to the EUR 6.2 billion deficit a month ago. The swing in the balance sheet came due to a higher surplus in the goods account and a sharply narrower deficit in the current transfers account. (*RTT News*)
- **German: German investor sentiment sharply deteriorated in May** amid growing concerns over the tackling of the Eurozone debt crisis and a weakening currency. The economic sentiment indicator shed 7.2 points in May to 45.8 from 53 in April. (*RTT News*)
- **Japan: Tertiary activity falls 3.0% in March**, according to the Ministry of Economy, Trade and Industry. That was sharply lower than forecasts that had called for a 1.2% contraction following the 0.2% decline in February. Declining industries included wholesale and retail trade, communications, scientific research, financial services and medical care. Industries that contributed to the increase include transport and postal activities, living-related and personal services and real estate. (*RTT News*)
- **Japan: Consumer sentiment rose to the highest level since October 2007** as the benefits of an export-fueled recovery continued to spread to households. The confidence index climbed to 42 last month from 40.9 in March. A number below 50 means pessimists outnumber optimists. (*Bloomberg*)
- **Japan: Industrial output rose 1.2% in March**, revised data showed on Wednesday, confirming output remains on an uptrend on the back of solid exports to Asia. The figure was up sharply from an initial reading of a 0.3% rise and a 0.6% fall in February. (*Reuters*)
- **Japan: GDP spurts 4.9% in Q1**. Driven by higher exports, the Japanese economy expanded at a healthy pace of 4.9% in the first three months of 2010. Even the non-export sectoral figures indicate that the world's second largest economy is on a steady recovery path, after being severely hit by the financial meltdown. However, this is below the projections by the analysts who saw an over 5% jump in the GDP. But this is better than the first quarter numbers of the US which rose 4.2%. In the last quarter of 2009, the Japanese GDP expanded by 4.2%. The Japanese economy's encouraging first quarter growth was mainly driven by robust exports of goods and services, which jumped 30.5%. (*Rediff.com*)
- **Japan: The central bank kept its key interest rate near zero Friday** and outlined a new lending program intended to help bolster the economy. As widely expected, the Bank of Japan's policy board voted unanimously to leave its overnight call rate target at a low 0.1%. The bank has not touched the rate since December 2008. It upgraded its assessment of the Japanese economy, saying it is "starting to recover moderately" thanks to global economic growth. Exports and factory output are up, which is leading to bigger capital investments by companies, it said. Government stimulus measures are also driving consumer demand at home. (*AP*)
- **Japan: The leading index for March was revised down slightly to 102.7 from 102.8**. However, the index rose for 13 straight months. The reading for February was 98.5. Meanwhile, the coincident index stood at 101.5 in March, up from the previous estimate of 101.1. The index climbed from February's 100. The lagging index was revised to 85.3 from 85.4. (*RTT News*)
- **Malaysia: Sales of passenger cars and commercial vehicles in April increased 16.8% year-on-year** to 48,706 units from 41,686 units, says the Malaysian Automotive Association (MAA). It attributed the higher sales to the rush to take delivery of the vehicles before the hike in interest rate. However, sale of cars and commercial vehicles in April was 7,433 units, down 13.2% when compared with March as production could not meet the April delivery deadline. (*Bernama*)
- **Malaysia: The Consumer Price Index (CPI) for April 2010 was higher by 1.5% compared to the same month last year but unchanged month-on-month**. For the January-April period, the CPI rose 1.3% compared to the same period last year. Year-on-year, the food and non-alcoholic beverages index and non-food index were up 2.2% and 1.2% respectively, it said. However, on a month-on-month basis, the food and non-alcoholic beverages and non-food indices remained unchanged, it added. On a month-on-month basis, the department said the main groups showed increases except those of clothing and footwear (-0.3%), and communication (-0.3%). (*Bernama*)

- **Malaysia: Bank Negara Malaysia's international reserves amounted to RM314.2 billion or equivalent to US\$96.1 billion as at May 14, 2010.** The reserves position is sufficient to finance 8.3 months of retained imports and is 4.4 times the short-term external debt, said the central bank in a statement Friday. (*Bernama*)

UPCOMING RELEASE (17 - 21 MAY 2010)

US

- April Existing Home Sales by National Associate of Realtors on May 24, 2010.
- May Consumer Confidence by Conference Board on May 25, 2010.
- April Durable Goods New Orders by US Census Bureau on May 26, 2010.
- April New Home Sales by U.S. Census Bureau May 26, 2010.
- 1Q 2010 GDP Annualized by Bureau of Economic Analysis on May 27, 2010.
- April Personal Income by Department of Commerce on May 28, 2010.
- April Personal Spending by Bureau of Economic Analysis on May 28, 2010.
- May Consumer Confidence by University of Michigan Survey Research on May 28, 2010.

Eurozone

- May Composite PMI Output by NTC Research on May 21-24, 2010.
- March Industrial New Orders by Eurostat on May 25, 2010.

Japan

- March All Industrial Activity Index by Ministry of Economy, Trade & Industry (Japan) on May 24, 2010.
- April Corporate Service Price (YOY) by Bank of Japan on May 25, 2010.
- April Merchandise Trade Balance Ministry of Economy, Trade and Industry on May 26, 2010.
- April Workers Households Spending by Ministry of Internal Affairs on May 27, 2010.
- April Jobless Rate by Ministry of Internal Affairs on May 27, 2010.
- April Consumer Price Index (CPI) by Ministry of Internal Affairs on May 27, 2010.
- April Retail Trade by Ministry of Economy, Trade and Industry on May 27, 2010.

China

- April Leading Index by National Bureau of Statistics on May 24-28, 2010.