Weekly Digest

AMB

NOVEMBER - Weekly factsheet for the Week Ended November 26

29 NOVEMBER 2010

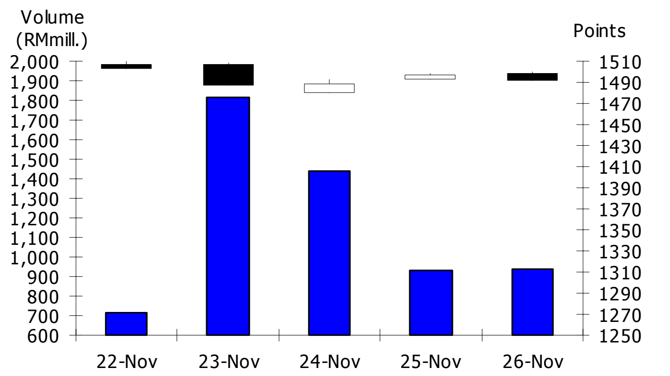
2010/0048

WEEKLY CLOSING IN MAJOR MARKET INDICES

	19-Nov	26-Nov	%wow	%ytd
KL Composite	1,506.05	1,492.05	-0.9	17.2
Dow Jones	11,203.55	11,092.00	-1.0	6.4
Nikkei 225	10,022.39	10,039.56	0.2	-4.8
DAX Index	6,843.55	6,848.98	0.1	15.0
UK FTSE100	5,732.83	5,668.70	-1.1	4.7
AUS ORD 30	4,717.70	4,690.20	-0.6	-3.9
STI Index	3,197.37	3,158.08	-1.2	9.0
Hang Seng	23,605.71	22,877.25	-3.1	4.6
SSE Index	2 ,888.57	2,871.70	-0.6	-12.4

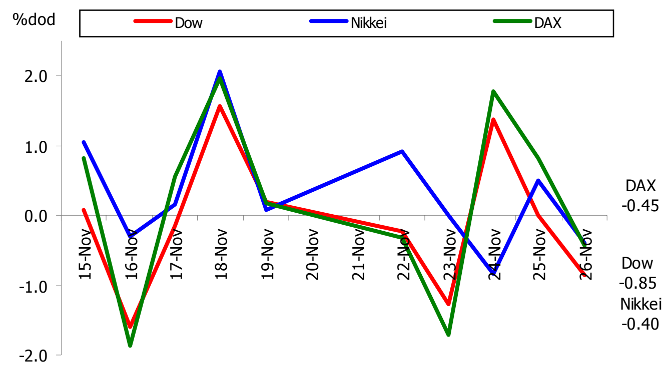
Source: Bloomberg, Bursa Malaysia

KLCI DAILY PERFORMANCE



Source: Bloomberg, Bursa Malaysia

MAJOR STOCK INDICES (DAILY % CHANGE)



Source: Bloomberg, Bursa Malaysia

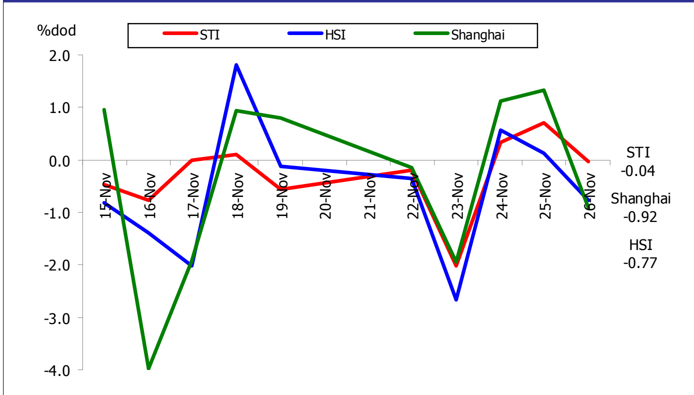
STOCK MARKET HIGHLIGHTS

- **U.S. stocks fell last week, led by banks, amid concern that an Irish financial bailout will fail to stem Europe's debt crisis, China will raise interest rates to cool inflation and the Korean peninsula conflict will escalate.** JPMorgan Chase & Co. and Bank of America Corp. led declines in the Dow Jones Industrial Average, both losing more than 4.6%, after Ireland became the second euro country to seek a rescue as the cost of saving its banks threatened a rerun of the Greek debt crisis. Hewlett-Packard Co. limited losses for the benchmark, rising after its profit forecast exceeded estimates. The Standard & Poor's 500 Index slid 0.9% last week to 1,189.40 as 8 of 10 industry groups declined. The Dow lost 1% to 11,092, with 25 of its 30 companies falling. Both equity gauges are up more than 6.3% this year. Financial companies led the S&P 500 lower, losing 2.5% for the biggest decline among 10 industry groups. S&P Ratings Services lowered the long-term counterparty credit rating on Irish banks including Allied Irish Banks Plc and Bank of Ireland Plc. Bank of America, the largest U.S. bank by assets, fell 4.6% to $11.12. JPMorgan, the second-biggest, slid 4.8% to $37.50. Citigroup Inc. decreased 3.7% to $4.11.

- **U.K. stocks fell, extending a third straight weekly loss for the FTSE 100 Index, as banks retreated amid mounting concern that Europe's debt crisis is spreading and as tensions between North and South Korea escalated**. Royal Bank of Scotland Group Plc, Lloyds Banking Group Plc and Barclays Plc all tumbled more than 3%, pacing a selloff in European lenders. Antofagasta Plc led a gauge of metal producers down 1.9% as copper, zinc and lead declined in London. Centrica lost 2.6% as Britain's energy regulator announced a review of the retail energy market. The benchmark FTSE 100 slid 0.5% to 5,668.7 points, bringing its decline last week to 1.1%. The gauge had rallied for the previous two days as Ireland unveiled a four-year deficit-cutting plan.

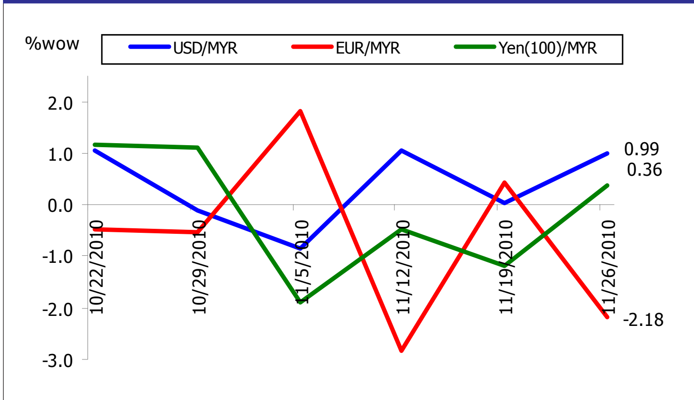
- **Japanese stocks fell, sending the Topix index to its first weekly decline in four weeks, led by brokerages on speculation recent gains will not be sustained.** Nomura Holdings Inc., the nation's biggest brokerage, dropped 2%. Daiwa Securities Group Inc., the No. 2, slumped 2.3%. Ryohin Keikaku Co., the operator of the Muji retail chain, slid 1.5% after the Nikkei newspaper said the company may post a profit decline. Tension between North Korea and South Korea also weighed on the market. The Nikkei 225 Stock Average slid 0.4% to 10,039.56 points after gaining as much as 0.5%. The broader Topix index fell 0.3% to 866.81. Last week, the Nikkei advanced 0.2%, while the Topix retreated 0.3%. The Nikkei 225 has increased 9.1% this month, the fastest pace among the world's top 40 equity indexes.

REGIONAL STOCK INDICES (DAILY % CHANGE)



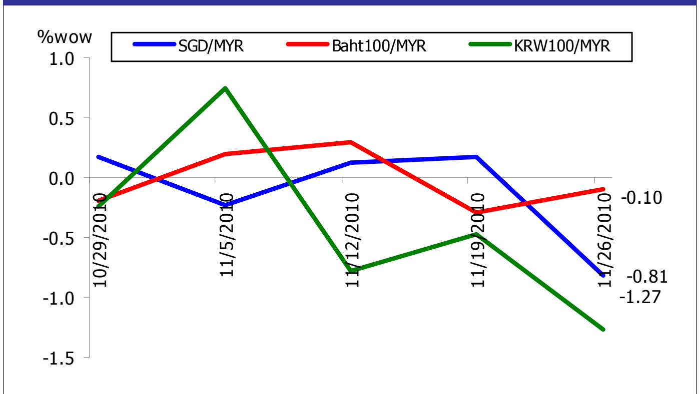
Source: Bloomberg, Bursa Malaysia

RINGGIT vs MAJOR CURRENCIES (WEEKLY % CHANGE)



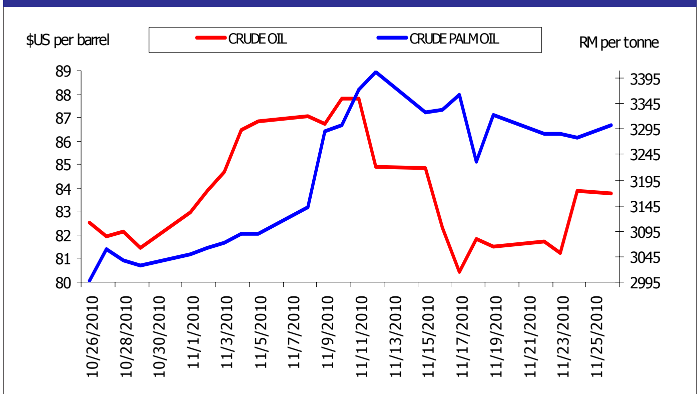
Source: Bloomberg, Bursa Malaysia

RINGGIT vs REGIONAL CURRENCIES (WEEKLY % CHANGE)



Source: Bloomberg, Bursa Malaysia

CRUDE OIL vs CRUDE PALM OIL



Source: Bloomberg, Bursa Malaysia

- **Hong Kong's Hang Seng Index fell last week, sending the index to its biggest weekly drop in almost five months, as banks and developers slid amid speculation that China will step up policies to curb inflation and as North Korea warned of war if its clash with the South escalated.** Industrial & Commercial Bank of China Ltd., the nation's No. 1 lender by market value, sank 1.8% after the Shanghai Securities News said the government may cut the target for new lending next year. China Resources Land Ltd., a state-controlled developer, dropped 1.1%. Hong Kong developers also fell on concern government measures to curb property prices are slowing the real-estate market. China Modern Dairy Holdings Ltd., a milk producer, tumbled 13% on its first day of trading. The Hang Seng Index fell 0.8% to 22,877.25 at the close, with all but five stocks declining on the 45-member gauge. The index fell 3.1% last week, the biggest weekly drop since the period ended July 2.

- **Chinese stocks fell for the first time in three days of last week, dragging the benchmark index to its third straight weekly loss, amid speculation the government will step up policies to curb inflation.** Industrial & Commercial Bank of China Ltd. and China Vanke Co. paced declines among banks and developers after the Shanghai Securities News said the government may cut the target for new lending next year. Jiangxi Copper Co. dropped 2.7% after the Shanghai Futures Exchange took steps to limit speculation on metals contracts. Liquor maker Kweichow Moutai Co. led producers of consumer staples higher amid speculation their earnings will weather tightening measures. The Shanghai Composite Index, which tracks the bigger of China's stock exchanges, fell 26.56, or 0.9%, to 2,871.70 at the 3 p.m. close. It slid 0.6% last week.

- **The Malaysian stock market staged a correction last week, depressed by heavy regional losses after North Korea shelled the tiny South Korean island of Yeongpyeong, which escalated geopolitical tensions, and on increased worries that the European sovereign debt crisis would spread and further price curbs by China to contain inflation.** As a consequence, the benchmark FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI) dipped 14 points, or 0.9% on the week to close at a five-week low of 1,492.05, with Maybank (-26 sen), Tenaga (-19 sen), Genting Malaysia (-19 sen) and DIGI (-92 sen) contributing to almost 10 points of the index's loss. Average daily traded volume stabilised at 1.16 billion shares with average value at RM2.26 billion compared to the 1.14 billion shares and RM1.54 billion average the previous week.

ECONOMIC HIGHLIGHTS

- **U.S.: Incomes signal U.S. jobs, spending may accelerate.** Wages and salaries in the second quarter climbed almost twice as much as previously estimated, indicating the U.S. economy may have created more jobs. Pay jumped by $97.4 billion at an annual pace from the first quarter, up from a previously reported $51.1 billion gain, revised figures from the Commerce Department showed today in Washington. The data reflect a more comprehensive accounting of employment and earnings than was available to the Labor Department in tabulating the monthly job count. *(Bloomberg)*

- **U.S.: Existing U.S. home sales drop more than forecast on foreclosure moratorium.** Sales of existing homes fell more than forecast in October as foreclosure moratoriums and a lack of credit disrupted the U.S. housing market. Purchases decreased 2.2% to a 4.43 million annual rate from 4.53 million in September, the National Association of Realtors said today in Washington. Economists projected sales would decline to a 4.48 million pace, according to the median forecast in a Bloomberg News survey. The median price fell 0.9% from a year earlier. *(Bloomberg)*

- **U.S.: Economy in U.S. grew 2.5% in third quarter as consumers increased spending.** The U.S. economy grew more than previously calculated in the third quarter, led by stronger consumer spending and fueled by labor income gains that may stoke demand into 2011. The revised 2.5% increase in gross domestic product compares with a 2% estimate issued last month and a 1.7% rise in the second quarter, figures from the Commerce Department showed today in Washington. Consumer purchases rose at the fastest pace since the last three months of 2006. *(Bloomberg)*

- **U.S.: Commercial property prices jump most on record.** U.S. commercial property prices rose 4.3% in September from the previous month, the biggest gain in a decade of records, Moody's Investors Service said. The Moody's/REAL Commercial Property Price Index climbed 0.3% from a year earlier as a small number of high-priced deals drove up values, Moody's said in a statement today. *(Bloomberg)*

- **U.S.: Sales of new homes in U.S. unexpectedly decreased in October.** Sales of new homes unexpectedly dropped in October, showing near record-low borrowing costs are failing to lift the industry that precipitated the recession. Purchases decreased 8.1% to a 283,000 annual rate, figures from the Commerce Department showed today in Washington. The median estimate of economists surveyed by Bloomberg News projected an increase to a 312,000 annual pace. Sales reached a 275,000 pace in August, the lowest since data collection began in 1963. *(Bloomberg)*

- **U.S.: Jobless claims decline to 407,000, lowest since July 2008.** Applications for unemployment benefits in the U.S. fell more than forecast last week to the lowest level since July 2008, reinforcing evidence the labor market is healing. Jobless claims declined by 34,000 to 407,000 in the week ended Nov. 20, Labor Department figures showed today in Washington. The median projection of economists surveyed by Bloomberg News called for a drop to 435,000. The total number of people receiving unemployment insurance decreased to the lowest in two years, and those on extended payments also fell. *(Bloomberg)*

- **U.S.: Consumer spending, unemployment claims point to strength in U.S. Economy.** Americans increased spending for a fifth month in October and filed the fewest unemployment claims in more than two years last week, pointing to strength in the largest part of the economy as the fourth quarter began. Household purchases advanced 0.4% after a 0.3% gain in September that was larger than previously estimated, the Commerce Department reported today in Washington. Incomes climbed 0.5%. Jobless claims fell by 34,000 to 407,000 in the week ended Nov. 20, Labor Department figures showed. *(Bloomberg)*

- **E.U.: German exports, investment underpinned third-quarter growth amid slowdown.** Exports and investment drove Germany's economic growth in the third quarter, a detailed breakdown of the data showed today. Exports rose 2.3% from the second quarter and equipment investment increased 3.7%, the Federal Statistics Office in Wiesbaden said today. Gross domestic product gained 0.7% when adjusted for seasonal swings, the office said, confirming a Nov. 12 estimate. In the second quarter, GDP surged 2.3%. *(Bloomberg)*

- **E.U.: European industrial orders fell the most in almost two years in September.** European industrial orders slumped the most in almost two years in September, suggesting weaker global growth and a stronger euro are starting to hurt exports. Orders in the 16-nation euro area dropped 3.8% from August, when they rose 5.1%, the European Union's statistics office in Luxembourg said today. That's the biggest plunge since December 2008 and sharper than the 2.5% drop forecast by economists in a Bloomberg News survey. Orders rose 14% from September 2009. *(Bloomberg)*

- **Malaysia: Bank Negara Malaysia's (BNM) international reserves totaled RM326.455 billion (US$105.8 billion) as at Nov 15, 2010.** In a statement here Friday, BNM said the reserves position was sufficient to finance 8.8 months of retained imports and was 4.5 times the short-term external debts. *(Bernama)*

- **Malaysia: Malaysia's economy continues to be on a growth trajectory with a 5.3% Gross Domestic Product (GDP) expansion in the third-quarter (Q3) of this year** compared with 8.9% in the second-quarter driven by domestic demand and slowing external demand. Bank Negara Governor Tan Sri Dr Zeti Akhtar Aziz said the expansion in domestic demand was supported by private sector spending while the slowdown in the global economy led to external demand moderation. On supply side, all major economic sectors, except mining, continued to expand during the quarter, but at a more moderate pace, she told reporters when announcing the GDP growth for Q3 here Monday. *(Bernama)*

UPCOMING RELEASE (November 29- December 3, 2010)

US

- 3Q 2010 Home Price Index by S&P/Case Shiller on November 30, 2010.
- September Home Price Index by S&P/Case Shiller on November 30, 2010.
- November Consumer Confidence by Conference Board on November 30, 2010.
- Weekly Mortgage Applications by Mortgage Bankers Association on December 1, 2010.
- November ISM Manufacturing by Institute for Supply Management on December 1, 2010.
- October Construction Spending by US Census Bureau on December 1, 2010.

Eurozone

- November Consumer Confidence Indicator by European Commission on November 29, 2010.
- November Industrial Confidence Indicator by European Commission on November 29, 2010.
- November Economic Confidence Indicator by European Commission on November 29, 2010.
- November Services Confidence Indicator by European Commission on November 29, 2010.
- November Unemployment Rate by Eurostat on November 30, 2010.
- October Euro -Zone Employment by Eurostat on November 30, 2010.
- 3Q 2010 Gross Domestic Product by Eurostat on December 2, 2010.
- 3Q 2010 Gross Fixed Capital Formation by Eurostat on December 2, 2010.
- 3Q 2010 Government Expenditure by Eurostat on December 2, 2010.
- Announcement of ECB Interest Rates by European Central Bank (ECB) on December 2, 2010.
- October Retail Sales and Volume by Eurostat on December 3, 2010.

Japan

- October Jobless Rate by Ministry of Internal Affairs on November 29, 2010.
- October Job-to-Applicant Ratio by Ministry of Health, Labour & Welfare on November 29, 2010.
- October Industrial Production Index (IPI) by Ministry of Economy, Trade and Industry on November 29, 2010.
- October Vehicle Production by Auto Manufacturers Association (AMA)/Japan Automobile Manufacturers on November 29, 2010.
- October Housing Starts by Ministry of Land Infrastructure & Transport on November 30, 2010.
- October Construction Orders by Ministry of Land Infrastructure & Transport on November 30, 2010
- November Monetary Base Average Outstanding by Bank of Japan on December 1, 2010.

China

- November PMI Manufacturing by China Federation of Logistics on November 30, 2010.

Malaysia

- October Money Supply (M3) by Bank Negara Malaysia (BNM) on November 30, 2010.
- 3Q 2010 Unemployment Rate by Ministry of Human Resource on November 30, 2010.
- October External Trade Balance by Department of Statistics Malaysia (DOSM) on December 3, 2010.