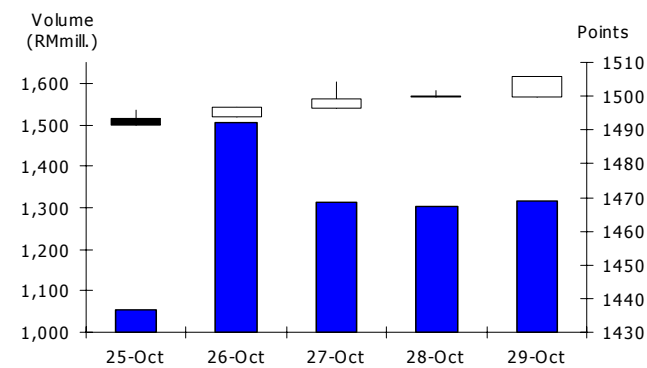


### WEEKLY CLOSING IN MAJOR MARKET INDICES

	22-Oct	29-Oct	%wow	%ytd
KL Composite	1,490.64	1,505.66	1.0	18.3
Dow Jones	11,132.56	11,118.49	-0.1	6.6
Nikkei 225	9,426.71	9,202.45	-2.4	-12.7
DAX Index	6,605.84	6,601.37	-0.1	10.8
UK FTSE100	5,741.37	5,675.16	-1.2	4.8
AUS ORD 30	4,719.60	4,733.40	0.3	-3.1
STI Index	3,173.57	3,142.62	-1.0	8.5
Hang Seng	23,517.54	23,096.32	-1.8	5.6
SSE Index	2,975.04	2,978.84	0.1	-9.1

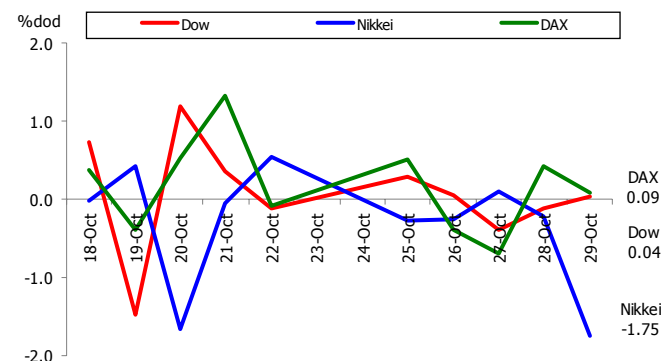
Source: Bloomberg, Bursa Malaysia

### KLCI DAILY PERFORMANCE



Source: Bloomberg, Bursa Malaysia

### MAJOR STOCK INDICES (DAILY % CHANGE)

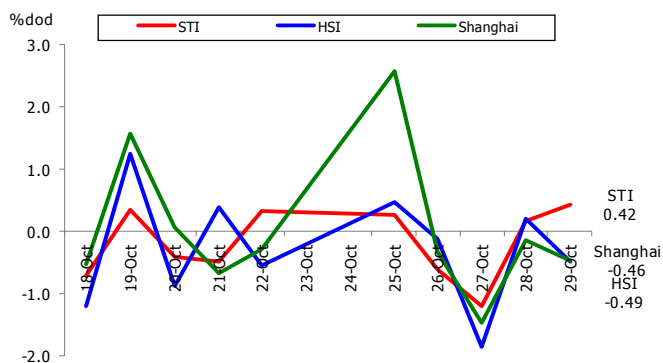


Source: Bloomberg, Bursa Malaysia

### STOCK MARKET HIGHLIGHTS

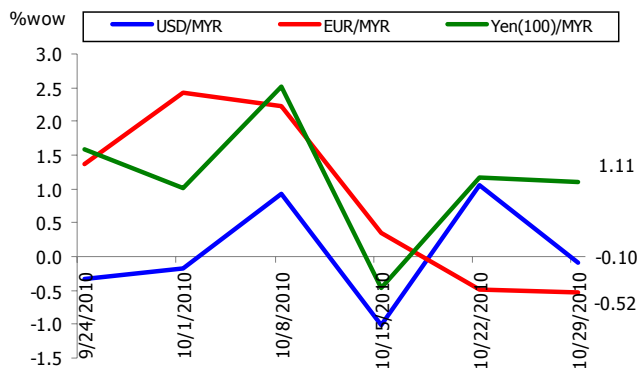
- Most U.S. stocks rose, with the Standard & Poor's 500 Index completing its second straight monthly advance, as Microsoft Corp. beat profit estimates and economic growth matched forecasts.** Microsoft rose 1.5% as corporate customers increased purchases. Monster Worldwide Inc. soared 26% after the job-listing service raised its fourth-quarter forecast. Chevron Corp. declined 2.2% after its earnings missed analysts' estimates. Merck & Co. slumped 1.7% after saying that the legal costs to resolve a criminal probe into its Vioxx painkiller reduced profit. Almost seven stocks advanced for every five that declined on U.S. exchanges. The S&P 500 fell less than 0.1% to 1,183.26 points. The gauge rose 3.7% in October on speculation the Federal Reserve will buy bonds to stimulate the economy, a practice known as quantitative easing. The Dow Jones Industrial Average gained 4.54 points, or less than 0.1%, to 11,118.49 points last Friday.
- U.K.'s FTSE 100 Index was little changed, after swinging between gains and losses more than five times last Friday, as investors speculated about the outcome of this week's U.S. Federal Reserve's meeting.** Scottish & Southern Electricity Plc led utility shares higher after Britain's second-biggest power producer said it will raise natural gas prices. British Airways paced declining shares, dropping 3.6% even after reporting earnings that topped analysts' estimates. The FTSE 100 Index slipped 2.73, or 0.1%, to 5,675.16 points. The benchmark gauge dropped 1.2% last week, paring its rally this month to 2.3%, as investors speculated whether the Fed will announce sufficient measures to keep the recovery on track.
- Japanese stocks fell, sending the Topix index to its longest losing streak in more than three months, as a stronger yen added to concerns about earnings growth while some companies missed their profit estimates.** NGK Insulators Ltd., which makes industrial ceramic products, and Hino Motors Ltd., a truckmaker, plunged more than 14% as the companies cut their full-year profit forecasts. Advantest Corp., the world's biggest maker of memory-chip testers, lost 9% as profit missed forecasts. Nomura Holdings Inc. cut its rating on Sharp Corp., Japan's largest maker of liquid-crystal displays. Sharp Corp. shares plunged 5.8% after cutting its profit outlook. The Nikkei 225 Stock Average fell 1.8% to 9,202.45 points in Tokyo, the lowest close since Sept. 9. The broader Topix index dropped 0.4% to 810.91 points, with about five stocks retreating for every three that advanced. It had the longest losing streak since the five-day period ended July 22. For October, the Nikkei lost 1.8% and moved within a range of 537.8 points, the narrowest since July 2005. The Topix index was down 2.2% in October.

## REGIONAL STOCK INDICES (DAILY % CHANGE)



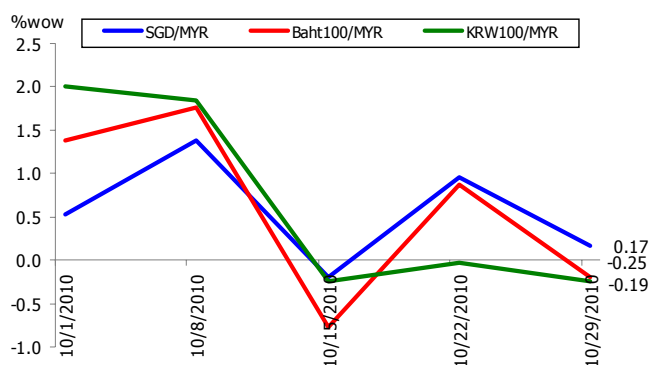
Source: Bloomberg, Bursa Malaysia

## RINGGIT vs MAJOR CURRENCIES (WEEKLY % CHANGE)



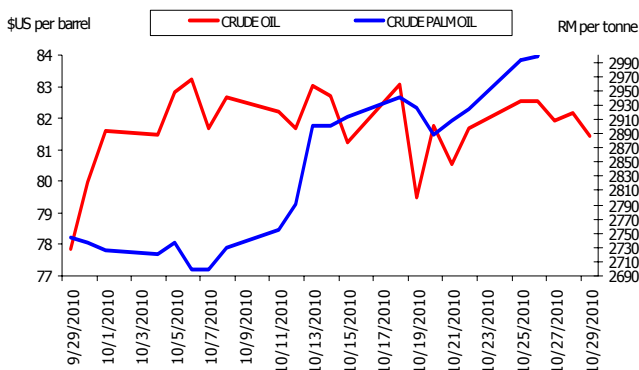
Source: Bloomberg, Bursa Malaysia

## RINGGIT vs REGIONAL CURRENCIES (WEEKLY % CHANGE)



Source: Bloomberg, Bursa Malaysia

## CRUDE OIL vs CRUDE PALM OIL



Source: Bloomberg, Bursa Malaysia

- Hong Kong stocks fell, paring the Hang Seng Index's monthly gain, after Bank of Communications Co. and China Life Insurance Co. reported earnings that missed analysts' estimates.** AIA Group Ltd. rose on its first day of trading. BoCom, China's fifth-largest lender, tumbled 7.8%. China Life slid 3% and was the greatest drag on the Hang Seng Index. Esprit Holdings Ltd., the biggest Hong Kong-listed clothier, declined 2% after reporting sales fell 9%. AIA, the insurer sold by American International Group Inc. in a \$17.8 billion initial public offering, surged 17%. The Hang Seng Index declined 0.5% to 23,096.32 at the close. That brought down the measure's gain this month to 3.3%. The index has fallen 3.2% since Oct. 14, when U.S. reports showed jobless claims unexpectedly rising and the country's trade deficit widening, increasing speculation the Federal Reserve will act to shore up the world's largest economy.

- The Shanghai Composite Index, which tracks the bigger of China's stock exchanges, dropped 13.74, or 0.5%, to 2,978.84 points at the 3 p.m. close last Friday.** The CSI 300 Index fell 0.5% to 3,379.98 points. Aluminum Corp. of China Ltd. fell 2.1% to 12.87 yuan. Chalco, the listed unit of nation's biggest maker of the lightweight metal, said it hasn't re-applied for a sale of yuan-denominated shares, denying a report by Shanghai Securities News. China CSSC Holdings climbed 1% to 65.62 yuan. The unit of China's biggest shipbuilder said its third quarter net income rose 1.3% to 774.9 million yuan. China Construction Bank Corp. fell 2.1% to 5.04 yuan, charting a two-week low. The country's second-largest bank may raise less than the maximum 75 billion yuan (USD\$11.2 billion) it originally planned to collect in Asia's biggest rights offer, four people with knowledge of the matter said.

- Share prices on Bursa Malaysia ended the week mostly higher on Friday, with gains in banking stocks boosting the major indices.** The FBM KLCI which breached the 1,500-mark in the late afternoon, advanced 6.22 points to close at 1,505.66 points. Many analysts' now expect the FBM KLCI breaking the 1,500-barrier, stocks are expected to surge higher next week to test 1,524 points. Gainers outpaced losers by 436 to 379 while 288 counters were unchanged, 286 untraded and 33 were suspended. Turnover rose to 1.462 billion shares worth RM2.342 billion from 1.137 billion shares worth RM1.634 billion on Thursday. Malaysia Marine and Heavy Engineering, the rig-building arm of MISC Bhd, surged 71 sen to close at RM4.51 over its offer price of RM3.80. The counter had opened at RM4.12. Of the heavyweights, Malayan Banking rose 2 sen to RM9, CIMB gained 10 sen to RM8.29 and Genting rose 16 sen to RM10.44. Sime Darby, however, fell 1 sen to RM8.83.

## ECONOMIC HIGHLIGHTS

- U.S.: Existing home sales rose 10% to 4.53 million rate.** Sales of U.S. existing homes rose in September by the most on record, a sign cheaper borrowing costs are helping stabilize an industry that's battling the headwinds of foreclosures and joblessness. Purchases increased 10% to a 4.53 million annual rate from 4.12 million in August, the National Association of Realtors said today in Washington. Economists forecast sales would rise to a 4.3 million pace, according to the median projection in a Bloomberg News survey. The median price fell 2.4% from a year earlier. (Bloomberg)

- **U.S.: Mortgages to drop below \$1 trillion in 2011 to least since 1996.** Home lending in the U.S. will fall below \$1 trillion next year to the lowest level since 1996, according to Mortgage Bankers Association. Originations will decline to \$996 billion in 2011, from a projected total of \$1.4 trillion this year, the trade group said in a statement released during its annual conference in Atlanta. Lending reached a record \$3.8 trillion in 2003 as refinancing soared, with new loans remaining elevated over the next few years as home prices and sales boomed. *(Bloomberg)*
- **U.S.: Confidence increases more than forecast.** U.S. consumer confidence rose in October from a seven-month low as households turned less pessimistic on the outlook for economic recovery. The Conference Board's sentiment index climbed to 50.2, exceeding the median forecast in a Bloomberg News survey, from a revised 48.6 in September. Another report showed home-price gains receded in August after a tax credit lapsed. *(Bloomberg)*
- **U.S.: Capital goods orders decrease as investment cools.** Bookings for capital goods fell in September, signaling a slowdown in U.S. business investment that gives the Federal Reserve more reason to ease policy. Non-military orders for equipment like computers and machinery meant to last at least three years and excluding airplanes dropped 0.6% after a 4.8% gain in August that was smaller than previously estimated, figures from Commerce Department showed in Washington. Another report showed sales of new houses hovered near a record low last month. *(Bloomberg)*
- **U.K.: British economy notches growth.** In its preliminary estimate Tuesday, Britain's Office for National Statistics said gross domestic product rose 0.8% between July and September from the previous quarter. Measured on a seasonally adjusted annual rate, the U.K.'s GDP grew about 3.2% in the third quarter. Economists had expected a weaker 0.4% quarterly expansion, following the second quarter's robust 1.2% growth rate. After the figures were released, Standard & Poor's raised its outlook to stable from negative on Britain's top-notch credit rating making any downgrade less likely. *(Wall Street Journal)*
- **Japan: CSPI eases 1.1% in September.** An index measuring corporate service prices in Japan was down 1.1% on year in September, the Bank of Japan said last week in a preliminary reading, standing at 96.7. That was slightly below analysts' expectations for a 1.0% annual decline after shedding 1.1% on year in both August and July. On a monthly basis, the index eased 0.1% in September. For the third quarter, the index was also down 1.1% on year to 96.9. *(RTT News)*
- **Japan: Retail sales rise least this year as domestic demand damps recovery.** Japan's retail sales rose less than economists expected last month, adding to concerns that consumers won't be able to drive growth in place of slowing demand abroad. Sales increased 1.2% in September from a year earlier, the slowest pace this year, the Trade Ministry said today in Tokyo. The median estimate of 14 economists surveyed by Bloomberg News

was for a 3.2% gain. The report underscores Japan's dependence on overseas economies for growth as unemployment and deflation at home discouraged consumers from spending. Prime Minister Naoto Kan's Cabinet approved a 5.1 trillion yen (\$61 billion) stimulus to fight deflation and the advancing yen. *(Bloomberg)*

- **Japan: Export growth slows in sign of cooling rebound.** Japan's exports grew at the slowest pace this year in September, a sign the country is losing its chief engine for growth as demand abroad tempers. Overseas shipments increased 14.4% from a year earlier, the Finance Ministry said in Tokyo today. The median estimate of 21 economists surveyed by Bloomberg News was for a 9.6% gain. *(Bloomberg)*
- **Japan: Bank of Japan may leave policy unchanged after cutting rates to near zero.** The Bank of Japan will probably leave policy unchanged this week to gauge whether cutting interest rates to near zero and pledging to buy financial assets will shield the economy from the yen's advance to a 15-year high. All 15 economists surveyed by Bloomberg News say the bank will refrain from any action at its Oct. 28 gathering after unexpectedly cutting rates on Oct. 5 and creating a 5 trillion-yen fund (\$62 billion) to purchase assets including corporate bonds, exchange-traded funds and real-estate investment trusts. The board is likely to discuss the types of company debt to buy. *(Bloomberg)*
- **Malaysia: The Consumer Price Index (CPI) for September this year increased 1.8%** to 114.4 from 112.4 in the same month last year. Compared with the previous month, the September CPI was unchanged at 114.4. For the first nine months, the CPI was up 1.5% at 113.6 compared to 111.9 in the same period last year. The base year for the CPI is 2005 (100= 2005). *(Bernama)*
- **Malaysia: Bank Negara's international reserves totalled RM322.7 billion (US\$104.6 billion) as at Oct 15.** The reserves position is sufficient to finance 8.7 months of retained imports and is 4.5 times the short-term external debts. *(Bernama)*

## **UPCOMING RELEASE (November 1-5, 2010)**

### **US**

- September Personal Income by Department of Commerce on November 1, 2010.
- September Personal Spending by Bureau of Economic Analysis on November 1, 2010.
- October ISM Manufacturing by Institute for Supply Management on November 1, 2010.
- September Construction Spending by US Census Bureau on November 1, 2010.
- Weekly Mortgage Applications by Mortgage Bankers Association on November 3, 2010.
- Weekly Initial Jobless Claims by Department of Labor on November 4, 2010.
- October Unemployment Rate by Bureau of Labor Statistics on November 5, 2010.

### **Eurozone**

- October Composite PMI Output by NTC Research on November 2, 2010.
- October Producer Price Index (PPI) by Eurostat on November 4, 2010.
- Announcement of ECB Interest Rates by European Central Bank (ECB) on November 4, 2010.
- September Retail Sales and Volume by Eurostat on November 5, 2010.

### **Japan**

- October Monetary Base Average Outstanding by Bank of Japan on November 1, 2010.
- Announcement of Japan Interest Rates by Bank of Japan (BOJ) on November 1, 2010.

### **China**

- October PMI Manufacturing by China Federation of Logistics on November 2, 2010.

### **Malaysia**

- September External Trade Balance by Department of Statistics Malaysia (DOSM) on November 3, 2010.
- Foreign Reserves as at October 29, 2010 by Bank Negara Malaysia (BNM) on November 4, 2010.