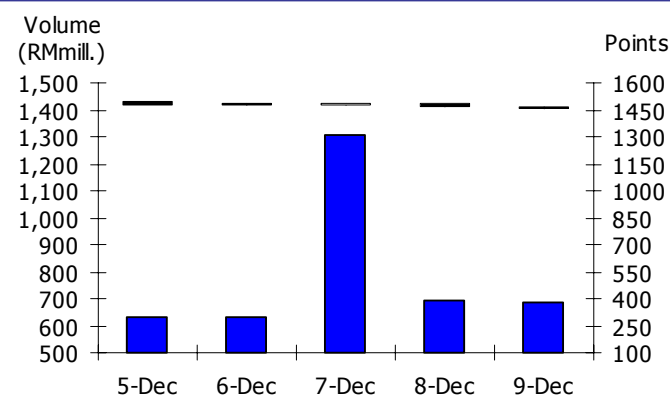


### WEEKLY CLOSING IN MAJOR MARKET INDICES

	2-Dec	9-Dec	%wow	%ytd
KL Composite	1,489.02	1,460.13	-1.9	-3.9
Dow Jones	12,019.42	12,184.26	1.4	5.2
Nikkei 225	8,643.75	8,536.46	-1.2	-16.5
DAX Index	6,080.68	5,986.71	-1.5	-13.4
UK FTSE100	5,552.29	5,529.21	-0.4	-6.3
AUS ORD 30	4,346.30	4,264.10	-1.9	-12.0
STI Index	2,773.36	2,694.60	-2.8	-15.5
Hang Seng	19,040.39	18,586.23	-2.4	-19.3
SSE Index	2,360.66	2,315.27	-1.9	-17.5

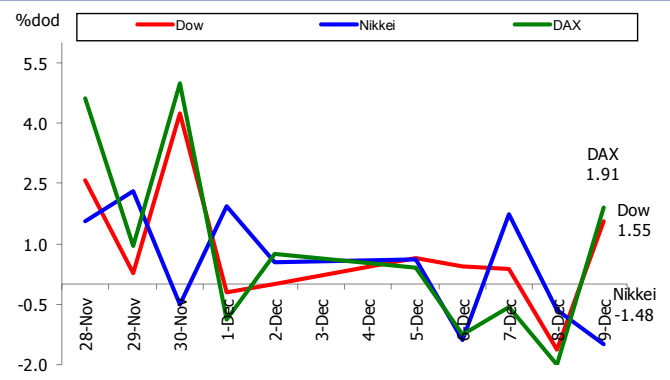
Source: Bloomberg, Bursa Malaysia

### KLCI DAILY PERFORMANCE



Source: Bloomberg, Bursa Malaysia

### MAJOR STOCK INDICES (DAILY % CHANGE)

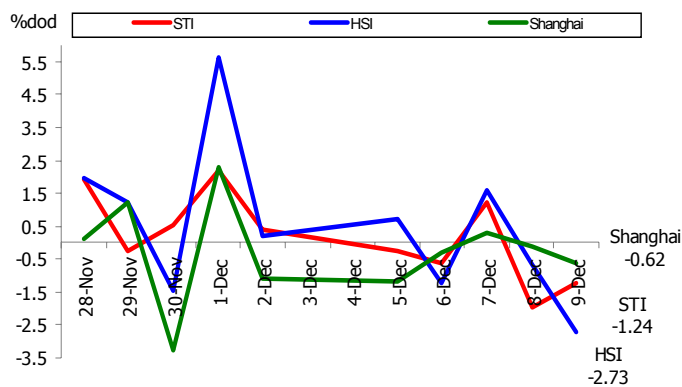


Source: Bloomberg, Bursa Malaysia

### STOCK MARKET HIGHLIGHTS

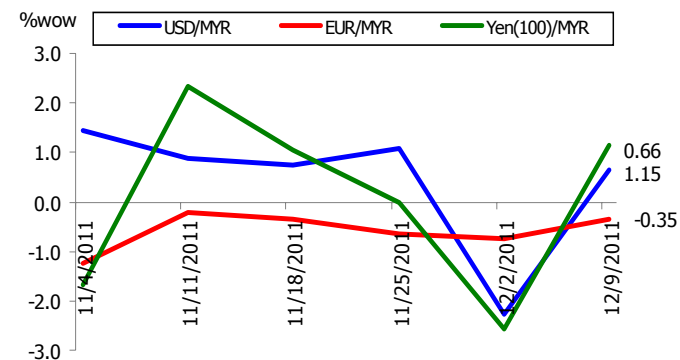
- U.S. stocks rose, sending the Standard & Poor's 500 Index to its first back-to-back weekly gain since October, after European leaders agreed to boost a rescue fund and reports spurred optimism about the economy.** General Electric Co., Pfizer Inc. and Travelers Cos. climbed more than 3.2% to lead advances in the Dow Jones Industrial Average. Financial companies in the S&P 500 climbed 1.7%, the most among 10 industries, after European leaders added 200 billion euros (\$267 billion) to the fund and tightened rules to curb future debts. DuPont Co. dropped 4.2% after cutting its earnings forecast. The S&P 500 climbed 0.9% to 1,255.19 after surging 7.4% between Nov. 25 and Dec. 2, the biggest weekly advance since 2009. The Dow rose 164.84 points, or 1.4%, to 12,184.26 last week, extending its 2011 gain to 5.2%.
- U.K. stocks rose, paring a weekly decline, as European Union leaders pledged that national central banks will channel 200 billion euros (\$268 billion) through the International Monetary Fund to fight the debt crisis.** Barclays Plc and Lloyds Banking Group Plc climbed more than 5%. Bellway Plc added 2.8% after the U.K. homebuilder that focuses on first-time buyers predicted that completed sales will increase. The benchmark FTSE 100 Index gained 45.44, or 0.8%, to 5,529.21 at the close in London, paring last week's drop to 0.4%. The gauge has rebounded 12% from this year's low on Oct. 4 amid mounting optimism that euro-area leaders will agree measures to end the debt crisis.
- Japanese stocks fell, sending the Nikkei 225 Stock Average to its biggest drop in two weeks, after the European Central Bank damped speculation it would step up debt purchases.** Sony Corp., a consumer electronics maker which depends on Europe for about 20% of its sales, lost 3.3%. Mizuho Financial Group Inc., Japan's No. 3 lender by market value, slid 1.9%. Kawasaki Kisen Kaisha Ltd. dropped 5.4% after Mitsubishi UFJ Morgan Stanley Securities Co. cut the shipping line's target price. The Nikkei 225 fell 1.5% to 8,536.46 in Tokyo, its biggest drop since Nov. 24. The broader Topix Index lost 0.9% to 738.12. The Topix had a weekly decline of 0.8%.
- Hong Kong stocks fell as cooling Chinese inflation signaled weaker economic growth and on speculation Europe's debt crisis will continue as a summit in Brussels ended without a "unanimous agreement" to resolve the two-year-old sovereign debt crisis.** HSBC Holdings Plc, Europe's biggest lender by market value, dropped 3.7% as European Commission President Jose Barroso said European leaders would have preferred a "unanimous agreement" on ways to strengthen the region. China Overseas Land & Investment Ltd., the biggest mainland developer listed in Hong Kong, sank 4.1% after a Chinese official said the government should maintain property curbs. China Outfitters Holdings Ltd. tumbled 9.2% as the maker of men's casual

## REGIONAL STOCK INDICES (DAILY % CHANGE)



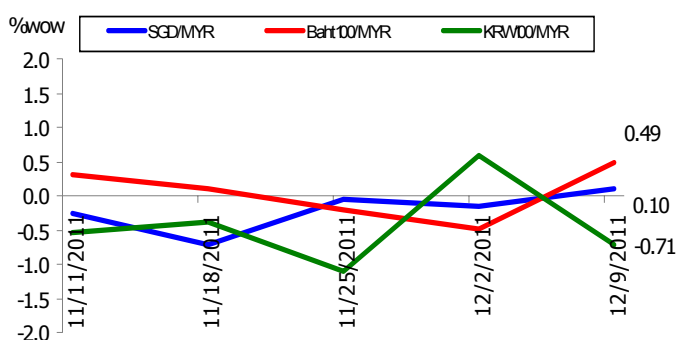
Source: Bloomberg, Bursa Malaysia

## RINGGIT vs MAJOR CURRENCIES (WEEKLY % CHANGE)



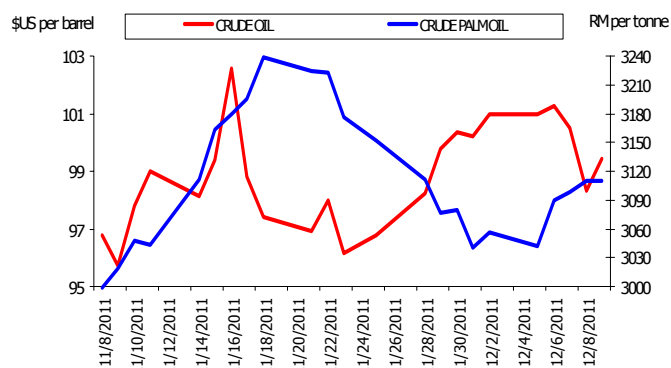
Source: Bloomberg, Bursa Malaysia

## RINGGIT vs REGIONAL CURRENCIES (WEEKLY % CHANGE)



Source: Bloomberg, Bursa Malaysia

## CRUDE OIL vs CRUDE PALM OIL



Source: Bloomberg, Bursa Malaysia

wear started trading last week. The Hang Seng Index fell 2.7% to 18,586.23 in Hong Kong, with all but one share falling in the 48-member gauge. The measure declined 2.4% last week after Standard & Poor's said it may cut credit ratings on Germany, France and 13 other members of the euro amid the worsening debt crisis.

- China stocks fell, dragging the benchmark index to its lowest level since March 2009, as concern slowing growth will hurt earnings overshadowed the release of data showing inflation cooled last month.** Jiangxi Copper Co. and Tongling Nonferrous Metals Group Co. dropped among commodity producers after industrial output grew the least in two years and the European Central Bank indicated it wouldn't purchase more debt. SAIC Motor Corp. slid 1.2% after China's passenger-car sales rose at the slowest pace in six months. China Vanke Co. and Poly Real Estate Group Co. paced gains among developers as inflation cooled to the slowest pace in 14 months in November, giving policy makers more room to lift banks' lending restrictions. The Shanghai Composite Index dropped 14.55 points, or 0.6%, to 2,315.27 at the close, the lowest since March 25, 2009, and a fifth weekly loss.
- The S&P warning that credit ratings of most eurozone countries may be downgraded ahead of a summit on the European debt crisis, weaker-than-expected economic data from Japan and Australia and Germany's rejection of proposals to add power to the eurozone's bailout fund all combined to dampen the local stock market last week.** Week-on-week, the blue-chip benchmark FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI) lost 28.89 points, or 1.94% to end at 1,460.13, with CIMB (-31 sen), Sime Darby (-22 sen), Maybank (-15 sen), IOI Corp (-14 sen) and Genting Bhd (-24 sen) contributing more than half of the index's slump. Average daily traded volume and value rose to 1.92 billion shares and RM1.33bn respectively, compared with the 1.55 billion shares and RM1.68

## ECONOMIC HIGHLIGHTS

- U.S.: Payroll gains improve as U.S. unemployment rate drops.** Payroll gains in the U.S. improved last month, while an increase in the number of Americans leaving the workforce helped push the jobless rate down to 8.6%, the lowest level since March 2009. Employment climbed by 120,000 workers in November, with more than half the hiring coming from retailers and temporary help agencies, after a 100,000 gain the prior month, Labor Department figures showed in Washington. Revisions to prior figures added a total of 72,000 jobs to payrolls in September and October. (Bloomberg)
- U.S.: Services grow at slowest pace since 2010.** Service industries in the U.S. expanded in November at the slowest pace since January 2010 as employment cooled, a sign improvement in the biggest part of the economy will be uneven. The Institute for Supply Management's non-manufacturing index unexpectedly fell to 52 last month from 52.9 in October, the Tempe, Arizona based-group said. The median forecast in a Bloomberg News survey called for a gain to 53.9. Fifty is the dividing line between expansion and contraction. (Bloomberg)
- U.S.: Factory orders dipped in October.** The Commerce Department says total factory orders fell 0.4%. September's

modest 0.3% increase was also revised to show a 0.1% drop. Demand for so-called core capital goods, a good proxy for business investment, fell 0.8%. Orders for durable goods fell 0.5%, reflecting weakness in commercial aircraft and autos. Orders for nondurable goods were down 0.3%. (*Washington Post*)

- **U.S.: Consumer credit increases to 2-year high.** U.S. consumer borrowing rose in October to the highest level in two years, propelled by gains in non-revolving debt like auto and student loans. Credit increased by \$7.65 billion to \$2.46 trillion, the most since October 2009, Federal Reserve figures showed in Washington. The advance was in line with the median forecast of economists surveyed by Bloomberg News that projected a \$7 billion gain. (*Bloomberg*)
- **U.S.: Drop in jobless claims a sign market is mending.** Fewer Americans than forecast filed applications for unemployment benefits, reflecting a drop in firings that may signal the job market is on the mend. Jobless claims fell by 23,000 to 381,000 in the week ended Dec. 3, the fewest since February. Other data showed consumer sentiment has stabilized around levels usually associated with recessions, and wholesalers boosted inventories heading into the holidays. (*Bloomberg*)
- **U.K.: UK interest rates have been held at a record low of 0.5% by the Bank of England's Monetary Policy Committee.** Concerns about the strength of the economic recovery and the eurozone debt crisis meant that economists had expected rates to remain unchanged. Interest rates have been kept at 0.5% since March 2009. (*Bloomberg*)
- **U.K.: Manufacturing output down 0.7% in October.** The UK's industrial output fell 0.7% in October, its fastest fall for six months, according to the Office of National Statistics (ONS). Compared with the same month in 2010, output was 1.7% lower, the biggest annual fall since April. Manufacturing output also fell 0.7% in October, the biggest monthly drop since April and three times the fall forecast by analysts. The ONS said the fall reflected broader falls across the manufacturing sector. (*BBC News*)
- **U.K.: Shop price inflation falls to lowest level for a year.** UK shop price inflation fell to its lowest level for a year in November, according to the British Retail Consortium (BRC). The rate of price increases was 2% in November, down from 2.1% in October. Food price inflation was still relatively high, but down to 4% from 4.2% the previous month. Non-food inflation remained at 0.8%. The retailers' organisation said competition between shops had also helped keep prices down. (*BBC News*)
- **U.K.: Construction growth weakens in November.** Growth in the UK building sector fell back in November after a surprise gain in October, a survey suggests. The Markit/Cips Construction Purchasing Managers Index, which is based on a monthly survey of building firms, fell to 52.3, down from 53.9 in October. A value above 50 indicates growth. November saw a rise in new contracts and the first increase in residential construction for six months. (*BBC News*)
- **U.K.: Service sector growth accelerates, says PMI survey.** UK service sector activity picked up in November after falling in the previous month, although the rate of job losses was the fastest in 15 months, a closely-watched survey suggests. The Markit/Cips services purchasing managers' index (PMI) rose to 52.1 in the month, up from 51.3 in October. Any figure above 50 indicates growth. Business confidence, however, fell from its five-month October high. The service sector accounts for about two-thirds of UK economic activity. (*BBC News*)
- **E.U.: Eurozone service sector 'shrinks again'.** Eurozone service sector activity shrank further in November, led by a sharp contraction in Spain, surveys suggest. Italian service-sector firms also continued to see a sharp fall in business, while Germany has stagnated. The latest eurozone services Purchasing Managers' Index registered a level of 47, only slightly up from October. Levels below 50 imply falling activity. The index, which is based on a business survey, adds to indications that the eurozone economy is in recession. Spain turned in the worst result, where the index of activity in service sector firms fell to 36.8 from 41.8 a month ago, suggesting the downturn has accelerated in that country. (*BBC News*)
- **Japan: Machinery orders unexpectedly slide on strong Yen, global slowdown.** Japan's machinery orders unexpectedly fell for a second straight month in October, signalling that a slowing global economy and the strong yen are prompting companies to postpone investment. Bookings, an indicator of capital spending, decreased 6.9% from a month earlier, the Cabinet Office said in Tokyo. The median forecast of 27 economists surveyed by Bloomberg News was for a 0.5% gain. Orders fell 8.2% in September. (*Bloomberg*)
- **Japan: Japan GDP rebound last quarter less than initial estimate.** Japan's economy grew less than the government's initial estimate last quarter as companies reduced investment on concern overseas demand was stalling. Gross domestic product increased at an annualized 5.6% in the three months ended Sept. 30 compared with a preliminary figure of 6%. The median forecast of 19 economists surveyed by Bloomberg News was for an increase of 5.2%. (*Bloomberg*)
- **China: Inflation cools to 4.2%, slowest pace in 14 months.** China's inflation cooled to the slowest pace in 14 months in November, giving policy makers more room to loosen policies as export growth slows because of Europe's debt crisis. Consumer prices rose 4.2% from a year earlier, the statistics bureau said on its website. That was lower than all estimates in a Bloomberg News survey of 35 economists that had a median forecast of 4.5%. Producer prices gained 2.7%, the smallest increase in 23 months. (*Bloomberg*)
- **China: Non-manufacturing contracts as curbs on loans, property damp demand.** China's non-manufacturing industries contracted in November after the government's curbs on property and lending damped demand. A purchasing managers' index for November fell to 49.7 from 57.7 the previous month, the China Federation of Logistics and Purchasing said on its website. A reading above 50 indicates expansion. The gauge covers industries including construction, retail, and property. (*Bloomberg*)
- **Malaysia: Bank Negara Malaysia said that its international reserves stood at RM429.1 billion or**

## **equivalent to US\$134.8 billion as at Nov 30, 2011.**

In a statement, the central bank said the reserves position was sufficient to finance 9.8 months of retained imports and was 4.1 times the short-term external debt. *(Bernama)*

- **Malaysia: Malaysia's industrial production index (IPI) in October increased 2.8% compared to the same month last year**, due to the increase in manufacturing and electricity index. The IPI in September 2011 was revised to 3.0% from 2.5% year-on-year. In a statement, the Statistics Department said the manufacturing and electricity index rose 6.2% and 1.9% respectively but the mining index dropped 5.7%. On a month-on-month basis, the IPI also increased 2.8% while the cumulative index for the January to October 2011 period increased 1.1% as compared with the same period in 2010. *(Bernama)*

## **UPCOMING RELEASE (December 12-16, 2011)**

### **US**

- November Advance Retail Sales by US Census Bureau on December 13, 2011.
- Minutes of FOMC Meeting on December 13, 2011.
- Weekly Mortgage Applications by Mortgage Bankers Association on December 14, 2011.
- November Import Price Index by Bureau of Labor on December 14, 2011.
- November Producer Price Index (PPI) by Processing Stage Finished Goods by Bureau of Labor Statistics on December 15, 2011.
- 3Q 2011 Current Account Balance by Bureau of Economic Analysis on December 15, 2011.
- Weekly Initial Jobless Claims by Department of Labor on December 15, 2011.
- November Industrial Production by Federal Reserve on December 15, 2011.
- November Consumer Price Index (CPI) by Bureau of Labor Statistics on December 16, 2011.

### **Eurozone**

- October Industrial Production Index (IPI) by Eurostat on December 13, 2011.
- ECB Publishes Dec. Monthly Report on December 15, 2011.
- November Composite PMI Output by Markit on December 15, 2011.
- November Composite PMI Manufacturing by Markit on December 15, 2011.
- November Composite PMI Services by Markit on December 15, 2011.
- 3Q 2011 Employment by Eurostat on December 15, 2011.
- November New Passenger Car Registrations by ACEA on December 16, 2011.
- October Trade Balance by Eurostat on December 16, 2011.

### **Japan**

- October Industrial Production Index (IPI) by Ministry of Economy, Trade and Industry on December 13, 2011.
- 4Q Tankan Large Manufacturers Index by Bank of Japan on December 14, 2011.
- November Machine Tool Orders by Japan Machine Tool Builder's Association on December 15, 2011.

### **China**

- November Leading Index by National Bureau of Statistics on December 13, 2011.
- November New Yuan Loans by The People's Bank of China on December 12-15, 2011.
- November Money Supply M0 by The People's Bank of China on December 12-15, 2011.
- November Money Supply M1 by The People's Bank of China on December 12-15, 2011.
- November Money Supply M2 by The People's Bank of China on December 12-15, 2011.
- November Actual FDI by China Ministry of Commerce on December 14-15, 2011.

### **Malaysia**

- 3Q 2011 Unemployment Rate by Ministry of Human Resource on December 11-16, 2011.