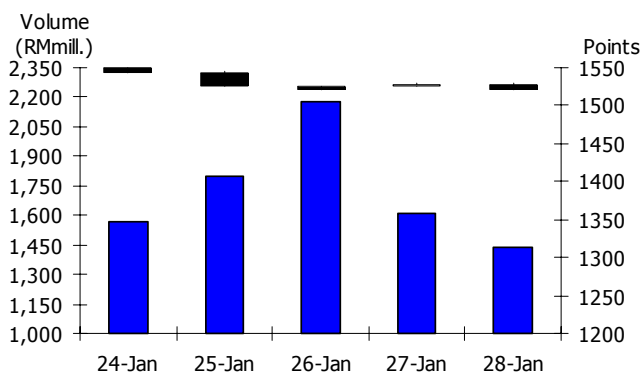


### WEEKLY CLOSING IN MAJOR MARKET INDICES

	21-Jan	28-Jan	%wov	%ytd
KL Composite	1,547.43	1,521.89	-1.7	19.6
Dow Jones	11,871.84	11,823.70	-0.4	13.4
Nikkei 225	10,274.52	10,360.34	0.8	-1.8
DAX Index	7,062.42	7,102.80	0.6	19.2
UK FTSE100	5,896.25	5,881.37	-0.3	8.7
AUS ORD 30	4,860.90	4,872.50	0.2	-0.2
STI Index	3,184.60	3,229.69	1.4	11.5
Hang Seng	23,876.86	23,617.02	-1.1	8.0
SSE Index	2,715.29	2,752.75	1.4	-16.0

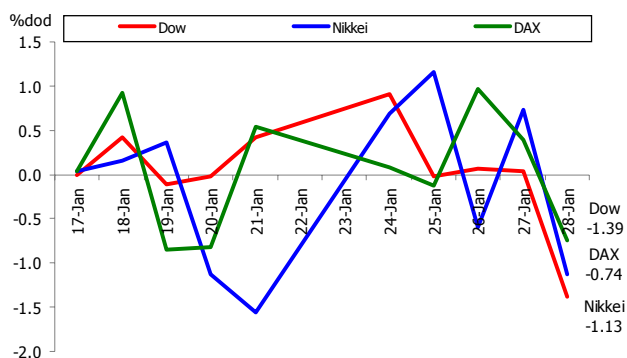
Source: Bloomberg, Bursa Malaysia

### KLCI DAILY PERFORMANCE



Source: Bloomberg, Bursa Malaysia

### MAJOR STOCK INDICES (DAILY % CHANGE)

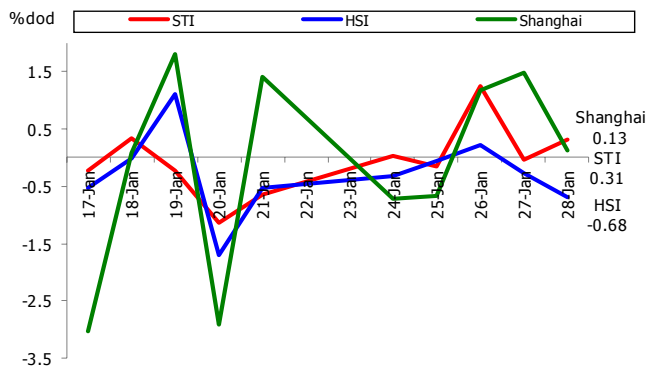


Source: Bloomberg, Bursa Malaysia

### STOCK MARKET HIGHLIGHTS

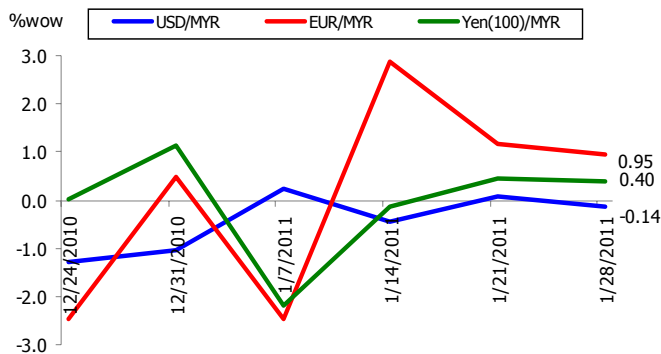
- U.S. stocks slid, preventing the longest stretch of weekly gains for the Dow Jones Industrial Average since 1995, as unrest in Egypt triggered the biggest one-day drop since November and overshadowed higher-than-projected earnings at companies from Intel Corp. to DuPont Co.** Ford Motor Co. and Amazon.com Inc. lost more than 3.5% after their earnings and forecast, respectively, missed estimates. American Express Co., Bank of America Corp. and Johnson & Johnson posted weekly losses exceeding 4.2% after protesters in Egypt challenged Hosni Mubarak's 30-year presidency. Intel and DuPont climbed at least 3%. The Dow lost 48.14 points, or 0.4%, to 11,823.70 last week, after twice rising above 12,000 for the first time since 2008. The Standard & Poor's 500 Index decreased 0.6% to 1,276.34.
- U.K. stocks fell, pushing the FTSE 100 Index to a weekly drop, as British consumer confidence plunged the most since 1994 and a U.S. report showed growth last quarter in the world's largest economy missed estimates.** Diageo Plc sank 1.9% after JPMorgan Chase & Co. downgraded the distiller to "underweight". TUI Travel Plc slumped 4.5% after Natixis SA cut its rating for the company to "neutral." Melrose Plc climbed 1.2% after UBS AG rated the stock a "buy" in new coverage. The benchmark FTSE 100 slid 83.71, or 1.4%, to 5,881.37 at the 4:30 p.m. close in London. The gauge has rallied 67% since its low in March 2009 as the Bank of England purchased 200 billion pounds (\$316.8 billion) of assets to spur the economy.
- Japanese stocks declined after the nation's credit rating was cut for the first time in nine years by Standard & Poor's, as persistent deflation and political gridlock undermine efforts to reduce the nation's debt burden.** Mitsubishi UFJ Financial Group Inc., Japan's biggest publicly traded bank, slid 2.7%. Nippon Steel Corp. fell 2.1% after cutting its profit outlook. Canon Inc., the world's No. 1 camera maker, sank 3.1% after reporting operating profit that missed its estimate. Advantest Corp., the world's biggest maker of memory-chip testers, tumbled 7.4% after brokerages cut their stock-price estimates. The Nikkei 225 Stock Average fell 1.1% to 10,360.34 as of the close in Tokyo. The Topix lost 1.1% to 919.69, with more than 5 times as many shares declining as gaining. Both gauges last week dropped the most in a week. For the week, the Nikkei 225 gained 0.8%, while the Topix rose 1%.
- Hong Kong stocks fell, dragging the benchmark index to its lowest close in three weeks, as developers slid after China approved property-tax trials, and oil and commodity producers dropped along with metal prices.** Cnooc Ltd., China's biggest offshore energy producer, lost 7%.

## REGIONAL STOCK INDICES (DAILY % CHANGE)



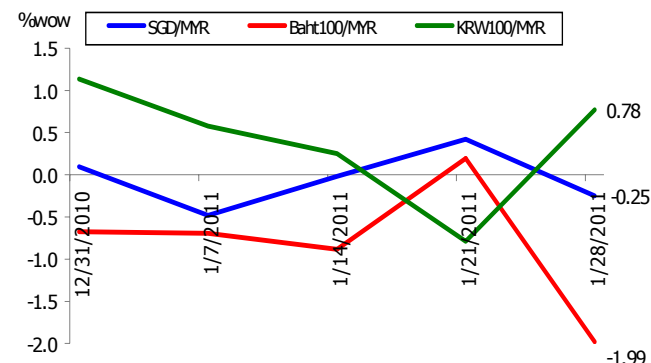
Source: Bloomberg, Bursa Malaysia

## RINGGIT vs MAJOR CURRENCIES (WEEKLY % CHANGE)



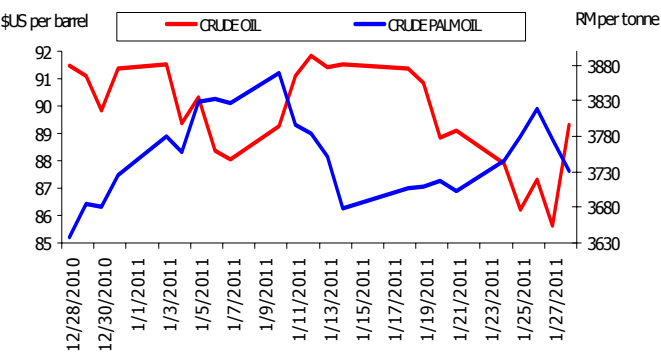
Source: Bloomberg, Bursa Malaysia

## RINGGIT vs REGIONAL CURRENCIES (WEEKLY % CHANGE)



Source: Bloomberg, Bursa Malaysia

## CRUDE OIL vs CRUDE PALM OIL



Source: Bloomberg, Bursa Malaysia

Glorious Property Holdings Ltd., a mainland developer, dropped 4.2% and Zhaojin Mining Industry Co., a Chinese gold producer, sank 5.9%. SJM Holdings Ltd., which runs most casinos in Macau, jumped 5.8% amid a public wrangle over the founder's assets. The Hang Seng Index fell 0.7% to 23,617.02, its lowest close since Jan. 10, and widened its losses last week to 1.1%.

- China's stocks rose, capping the benchmark index's biggest five-day gain in six weeks, as automakers and industrial companies rallied on speculation their shares are undervalued given earnings growth prospects.** SAIC Motor Corp. surged to the highest in two months after Citic Securities Co. and China International Capital Corp. recommended automakers because of their valuations. A gauge of industrial stocks posted its steepest weekly gain since November. China Vanke Co. and China Construction Bank Corp. led losses for developers and lenders after two cities announced property taxes and the central bank governor signaled more increases in banks' reserve requirements in an interview with Xinhua news agency. The Shanghai Composite Index, which tracks the bigger of China's stock exchanges, added 3.6, or 0.1%, to 2,752.75 at the 3 p.m. close. It gained 1.4% last week, the most since the five days ended Dec. 17. China's markets will be closed from Feb. 2 to 8 for the lunar new year holiday.
- The Kuala Lumpur stock market extended heavy losses for a second week running with key blue chips leading declines amid concern China's credit tightening measures would reduce regional growth, and as crude palm oil and crude oil prices fell, dragging plantation and oil & gas stocks lower to offset the positive news flow on the sector.** Subsequently, the blue-chip benchmark FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI) tumbled 25.54 points, or 1.65%, last week to end at 1,521.89, with falls in Genting Bhd (-52 sen), Tenaga (-28 sen), Axiata (-12 sen), IOI Corp (-15 sen), Sime Darby (-15 sen) and Kuala Lumpur Kepong (-RM1) constituting two-thirds of the index's loss. Average daily traded volume and value moderated to 1.58 billion shares and RM2.29 billion from 1.78 billion shares and RM2.4 billion the previous week.

## ECONOMIC HIGHLIGHTS

- U.S.: Confidence increases more than forecast.** Confidence among U.S. consumers rose more than forecast in January, reaching an eight-month high, as the outlook for jobs brightened. The Conference Board's sentiment index increased to 60.6 from 53.3 the prior month, figures from the New York-based private research group showed. Another report showed home values dropped in November by the most in a year. (Bloomberg)
- U.S.: Home prices in U.S. declined 1.6% from year earlier.** Residential real-estate prices dropped in November by the most in a year, signaling housing has yet to join the U.S. rebound. The S&P/Case-Shiller index of home values in 20 cities fell 1.6% from November the prior year, the biggest 12-month decrease since December 2009, the group said in New York. The decline matched the median forecast of economists surveyed by Bloomberg News. Mounting foreclosures will probably throw more properties on the market this year, further depressing prices, homeowners' equity and construction. The lack of a sustained housing rebound and unemployment above 9% are among reasons the Federal

Reserve announced last week it'll complete a second round of stimulus that will pump \$600 billion into the economy by June. (*Bloomberg*)

- **U.S.: Payrolls decrease in 35 U.S. states, led by New York.** Payrolls decreased in 35 U.S. states in December, while the unemployment rate rose in 20, showing the labor market recovery is slow to gather momentum. New York led the nation with 22,800 job cuts last month, followed by Minnesota with 22,400 firings, and Florida with 17,900, figures from the Labor Department showed in Washington. (*Bloomberg*)
- **U.S.: Business investment climbs, housing stabilizes.** Companies ordered more equipment in December for a second month, showing business investment will continue to bolster the U.S. economic recovery into 2011. Bookings for capital goods like machinery and communications gear excluding aircraft climbed 1.4% after a 3.1% gain in November, the Commerce Department reported in Washington. Other figures showed contracts to buy previously owned homes climbed, and more Americans than projected filed claims for jobless benefits. (*Bloomberg*)
- **U.S.: Initial jobless claims rose more than estimated last week to 454,000.** More Americans than forecast filed first-time claims for unemployment insurance payments last week, indicating it will take time for the labor market to mend. Applications for jobless benefits increased by 51,000 to 454,000 in the week ended Jan. 22, Labor Department figures showed. Economists forecast 405,000 claims, according to the median estimate in a Bloomberg News survey. The number of people on unemployment benefit rolls rose, while those collecting extended payments fell. (*Bloomberg*)
- **U.S.: Pending sales of U.S. existing homes rose in December.** The number of Americans signing contracts to buy previously owned homes rose in December for a third month, showing the industry that triggered the recession was stabilizing heading into 2011. The index of pending home resale's climbed 2%, more than forecast, after a revised 3.1% gain the prior month, figures from the National Association of Realtors showed in Washington. The median estimate in a Bloomberg News survey called for a 1% increase. (*Bloomberg*)
- **U.K.: Home values fall on demand drop, Hometrack says.** U.K. house prices extended their decline in January as demand plunged the most in three years on concern about the outlook for the economy, Hometrack Ltd. said. The average cost of a home fell 0.5% from December to 153,600 pounds (\$244,000), a seventh straight drop, the London-based property researcher said in an e-mailed report. Demand, measured by the number of new buyers registering with agents, dropped 9.5%. (*Bloomberg*)
- **U.K.: The U.K.'s economy shrunk for the first time in more than a year in the fourth quarter of 2010 as December's severe snow storms hit the services and construction sectors, official data showed last Tuesday.** In its preliminary estimate, which is frequently revised at a later date, the Office for National

Statistics said gross domestic product fell 0.5% between October and December after expanding 0.7% in the third quarter. It is the first quarterly contraction in GDP since the third quarter of 2009. The economy expanded 1.7% in the fourth quarter from a year earlier, compared with growth of 2.7% on the year in the third quarter. An ONS official said the extreme weather at the end of the 2010—which resulted in the coldest December in over 100 years—was likely to have been the main cause of the quarterly decrease in GDP. Economic growth in the fourth quarter would likely have been flat if there had been no weather-related disruptions, he said. The data caused sterling to plunge against the dollar, with the pound now down two cents at \$1.5809. The euro climbed against the pound to trade at a three-week high of GBP0.8614. (*Wall Street Journal*)

- **E.U.: German business confidence unexpectedly climbs to record high on exports.** German business confidence unexpectedly rose to a record high in January as booming exports to Asia and stronger household spending bolstered growth in Europe's largest economy. The Munich-based Ifo institute said its business climate index, based on a survey of 7,000 executives, increased to 110.3 from 109.8 in December. That's the highest since records for a reunified Germany began in 1991. Economists predicted the index would hold steady, according to the median of 41 forecasts in Bloomberg News survey. French business sentiment also rose. (*Bloomberg*)
- **E.U.: Germany powers eurozone services growth.** German domestic demand helped the eurozone's economic recovery gain a stronger momentum than expected this month but inflationary pressures have also been building. Recovering further from a slow patch late last year, January's eurozone purchasing managers' indices released on Monday showed private sector activity expanding at its fastest in six months, with the eurozone debt crisis showing scant sign of having knocked overall growth prospects. The composite eurozone index, covering manufacturing and services and regarded as an up-to-date indicator of growth trends, rose from 55.5 in December to 56.3 in January. With a figure over 50 indicating an expansion in activity, Markit said that was consistent with eurozone gross domestic product expanding at a quarterly rate of 0.7% – a substantial improvement on the 0.3% GDP rise reported in the third quarter of last year. Germany's composite index rose from 60.3 to 61.0. (*Financial Times*)
- **E.U.: German consumer confidence gains on drop in unemployment, GfK Index shows.** German consumer confidence will rise to the highest in more than three years next month after unemployment fell, boosting households' willingness to spend, GfK AG predicted. The Nuremberg-based market research company said today that its consumer sentiment index, based on a survey of about 2,000 people, will increase to 5.7 in February from a revised 5.5 in January. That would be the highest since October 2007. Economists expected the index to hold at the initial January reading of 5.4, according to the median of 24 estimates in a Bloomberg News survey. (*Bloomberg*)
- **E.U.: German inflation accelerated in January led by higher food, energy costs.** Inflation in Germany, Europe's largest economy, accelerated in January, led by rising energy and food prices. The inflation rate, calculated using a harmonized European method, rose to 2% from 1.9% in

December, the Federal Statistics Office in Wiesbaden said. That's the highest since October 2008. Economists expected an increase to 2.2%, the median of 18 estimates in a Bloomberg News survey showed. From December, consumer prices fell 0.5%. (*Bloomberg*)

- **E.U.: European economic confidence holds close to its highest level since 2007.** European confidence in the economic outlook held close to the highest in more than three years in January as manufacturers became more optimistic. An index of executive and consumer sentiment in the euro area slipped to 106.5 from a revised 106.6 in December, the European Commission in Brussels said. The December reading was the highest since September 2007. Economists had forecast a gain to 106.7, the median of 25 estimates in a Bloomberg News survey showed. (*Bloomberg*)
- **Japan: The Bank of Japan last Tuesday kept its easy monetary policy unchanged and maintained its view that the nation's economy will gradually return to a moderate recovery path as it overcomes deflationary pressures that have dragged on growth.** At the end of a two-day meeting, the central bank's nine-member policy board voted unanimously to leave its unsecured overnight call loan rate in a 0.0%-to-0.1% range, as stable financial markets and growing optimism over the economic outlook give it room to gauge the effects of "comprehensive monetary easing" measures announced in October. (*Wall Street Journal*)
- **Japan: Consumer price decline eases to 0.4% as global food prices climb.** Japan's consumer prices fell at a slower pace in December as faster growth in emerging economies boosted the cost of food and energy worldwide. Consumer prices excluding fresh food declined 0.4% from a year earlier, the statistics bureau said in Tokyo, compared with a median 0.5% drop predicted by 26 economists surveyed by Bloomberg News. Global food inflation is boosting costs of wheat and coffee beans, prompting seasonings maker Ajinomoto Co. and coffee maker UCC Holdings to increase prices to protect their profit margins. (*Bloomberg*)
- **Japan: Unemployment rate falls to 4.9% from 5.1%.** Japan's unemployment rate unexpectedly fell for the first time since September, indicating that the export-driven recovery is benefitting workers at home. The jobless rate dropped to 4.9% from 5.1%, the statistics bureau said in Tokyo. The median forecast of 26 economists surveyed by Bloomberg News was 5.1%. (*Bloomberg*)
- **Malaysia: BNM reserves at RM329.9b as at Jan 14.** Bank Negara Malaysia (BNM) international reserves stood at RM329.9 billion (equivalent to US\$106.9 billion) as at Jan 14. "The reserves are sufficient to finance 8.8 months of retained imports and 4.1 times the short-term external debt," the central bank said in a statement. (*Bernama*)
- **Malaysia: Consumer confidence in Malaysia rose four points to 107 in December 2010, reaching its highest level since the third quarter of 2006.** The latest findings of Nielsen Global Consumer Confidence

Index positioned Malaysia in the ninth place globally in terms of consumer confidence in the likes of Saudi Arabia and ahead of Sweden, Vietnam, Thailand, China, Hong Kong and New Zealand. The surge was driven by consumers' improved sentiments towards domestic job prospects and the state of their personal finances. (*Bernama*)

- **Malaysia: Bank Negara has decided to maintain the overnight policy rate (OPR) at 2.75% as it considers the existing monetary policy stance as appropriate and consistent with the current assessment of economic growth and inflation prospects.** "The stance of monetary policy continues to remain accommodative and supportive of economic growth. However, the large and volatile shifts in global liquidity are leading to a buildup of liquidity in the domestic financial system," it said in a statement yesterday. However, the central bank said additional policy tools might be considered if there were risks of macroeconomic and financial imbalances. (*The Star*)

#### UPCOMING RELEASE (January 31- February 4, 2011)

##### US

- December Personal Income by Department of Commerce on January 31, 2011.
- December Personal Spending by Bureau of Economic Analysis January 31, 2011.
- December Construction Spending by US Census Bureau on February 2, 2011.
- January ISM Manufacturing by Institute for Supply Management on February 2, 2011.
- Weekly Mortgage Applications by Mortgage Bankers Association on February 2, 2011.
- Weekly Initial Jobless Claims by Department of Labor on February 3, 2011.
- January Unemployment Rate by Bureau of Labor Statistics on February 4, 2011.

##### Eurozone

- January Consumer Price Index (CPI) by Eurostat on January 31, 2011.
- December Unemployment Rate by Eurostat on February 2, 2011.
- December Producer Price Index (PPI) by Eurostat on February 2, 2011.
- December Retail Sales and Volume by Eurostat on February 3, 2011.
- Announcement of ECB Interest Rates by European Central Bank (ECB) on February 7, 2011.

##### Japan

- December Housing Starts by Ministry of Land Infrastructure & Transport on January 31, 2011.
- December Construction Orders by Ministry of Land Infrastructure & Transport on January 31, 2011.
- January Monetary Base Average Outstanding by Bank of Japan on February 2, 2011.

##### China

- January PMI Manufacturing by China Federation of Logistics on January 31, 2011.

##### Malaysia

- December External Trade Balance by Department of Statistics Malaysia (DOSM) on February 2, 2011.