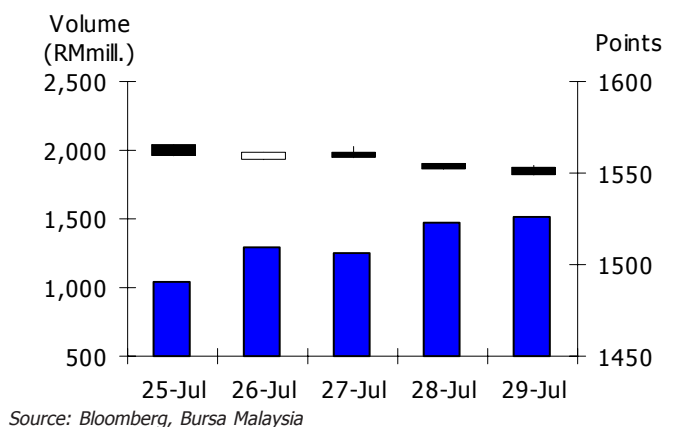


#### WEEKLY CLOSING IN MAJOR MARKET INDICES

	22-Jul	29-Jul	%wowa	%ytd
KL Composite	1,565.06	1,548.81	-1.0	21.7
Dow Jones	12,681.16	12,143.24	-4.2	16.4
Nikkei 225	10,132.11	9,833.03	-3.0	-6.8
DAX Index	7,326.39	7,158.77	-2.3	20.2
UK FTSE100	5,935.02	5,815.19	-2.0	7.4
AUS ORD 30	4,674.10	4,500.50	-3.7	-7.8
STI Index	3,182.95	3,189.26	0.2	10.1
Hang Seng	22,444.80	22,440.25	0.0	2.6
SSE Index	2,770.79	2,701.73	-2.5	-17.6

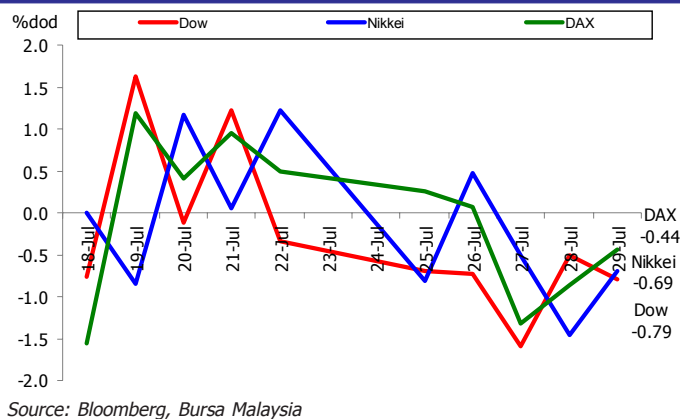
Source: Bloomberg, Bursa Malaysia

#### KLCI DAILY PERFORMANCE



Source: Bloomberg, Bursa Malaysia

#### MAJOR STOCK INDICES (DAILY % CHANGE)

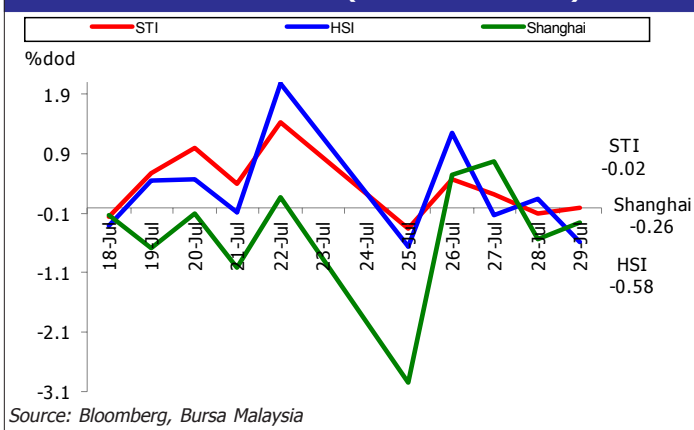


Source: Bloomberg, Bursa Malaysia

#### STOCK MARKET HIGHLIGHTS

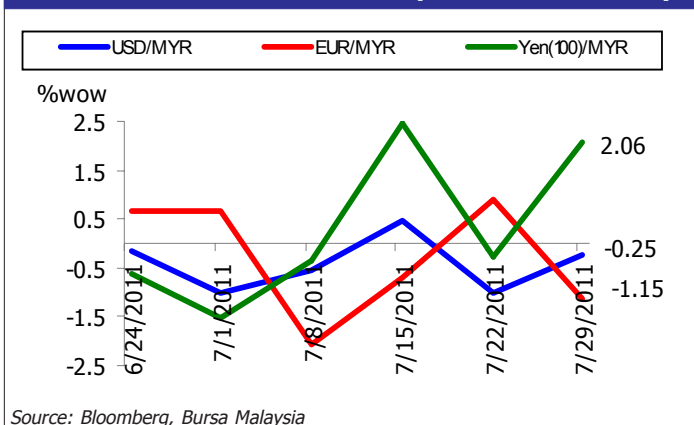
- U.S. stocks fell five straight days, driving the Standard & Poor's 500 Index to its biggest weekly loss in a year, as lawmakers' failure to agree on raising the federal government's debt limit brought the nation to the brink of default. All 10 groups in the S&P 500 tumbled at least 2.1%. United Parcel Service Inc., the largest package-delivery company, dropped 6.7% after saying the third quarter will be "fairly slow." 3M Co. lost 8.6%, the most in the Dow Jones Industrial Average, after missing forecasts for profit margins and sales. Sprint Nextel Corp. plunged 18% as the wireless-network operator trailed estimates. The S&P 500 declined 3.9% to 1,292.28, the biggest weekly drop since the period ended July 2, 2010. The Dow retreated 537.92 points, or 4.2%, to 12,143.24. The Chicago Board Options Exchange Volatility Index, which measures the cost of using options as insurance against S&P 500 losses, soared 44%, the most since May 2010, to 25.25.
- U.K. stocks fell after a report showed that the U.S. economy grew less than forecast in the second quarter and as Republicans failed to muster support within their party for a plan to raise the country's debt limit. Banking and mining stocks led the FTSE 100 Index lower with Lloyds Banking Group Plc and BHP Billiton Ltd. losing more than 2%. Anglo American Plc declined 3.3% as earnings trailed projections. Vodafone Group Plc surged 4% after announcing a special dividend. The benchmark FTSE 100 Index declined 58.02, or 1%, to 5,815.19 at the 4:30 p.m. close in London, extending this month's drop to 2.2%. The gauge has slumped 4.5% from this year's high on Feb. 8 amid concern that Europe's sovereign-debt crisis will derail the economic recovery. The FTSE 100 dropped 2% last week. The FTSE All-Share Index lost 0.9% on Friday, while Ireland's ISEQ Index slid 0.1%.
- Japanese stocks slipped for a third day, sending the Nikkei 225 Stock Average to its biggest weekly decline since March, as U.S. lawmakers failed to strike a deal on raising the federal debt ceiling and Nintendo Co. slashed its profit forecast. Nintendo plunged 12%. Sony Corp. sank 3.3% after slumping demand for televisions forced Japan's biggest exporter of consumer electronics to cut its outlook for earnings. Nisshin Steel Co. led gains by makers of the material after saying profit will jump this year on demand from carmakers recovering from Japan's March earthquake. The Nikkei 225 slid 0.7% to 9,833.03 at the 3 p.m. close in Tokyo, extending earlier losses after the yen gained against the dollar and the euro. For the week, the gauge declined 3%, the biggest drop since the period ended March 18. Stocks fell amid mixed earnings results from Japanese companies and as U.S. lawmakers fail to make progress on a deal to raise the nation's debt ceiling and avoid a default. The broader Topix lost 0.8% on Friday.
- China's stocks fell, capping the benchmark index's biggest weekly drop in two months, as a delayed debt-limit vote by U.S. lawmakers fueled concerns over a possible default. PetroChina Co. led energy companies lower as oil futures headed for the first weekly drop in

### REGIONAL STOCK INDICES (DAILY % CHANGE)



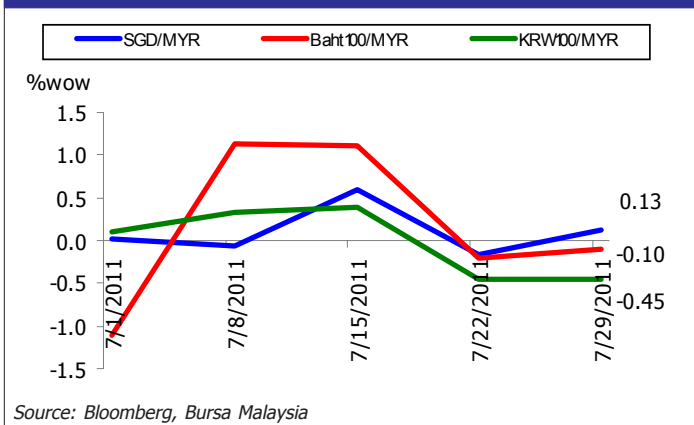
five weeks. China Railway Construction Corp. fell to a record low after the 21st Century Business Herald said debt levels were forcing the railway ministry to withdraw from regional rail investments. China Citic Bank Corp. surged 7.8%, pacing gains for banks on speculation the central bank may cut reserve-requirement ratios. The Shanghai Composite Index lost 7 points, or 0.3%, to 2,701.73 as of the 3 p.m. local time close. It slid 2.5% last week, the most since the period to May 27. The CSI 300 Index dropped 0.3% to 2,972.08, taking its weekly loss to 3.1%.

### RINGGIT vs MAJOR CURRENCIES (WEEKLY % CHANGE)



- Hong Kong stocks dropped, led by banks and exporters, after the U.S. Congress delayed a vote on a plan to raise its borrowing limit, pushing the world's biggest economy to the brink of defaulting on its sovereign debt. Li & Fung Ltd., the largest supplier of toys and clothes to retailers including Target Corp. and Wal-Mart Stores Inc., sank 5.5%. HSBC Holdings Plc, a lender that gets more than 20% of revenue from North America, declined 1%. China Petroleum & Chemical Corp. fell 1% as oil prices headed toward a weekly decline. AIA Group Ltd., an insurer, gained 3.4% after reporting a stronger-than-expected increase in first-half profit. The Hang Seng Index fell 0.6% to 22,440.25 at the 4 p.m. close of trading in Hong Kong, paring its monthly advance to 0.2%. About three times as many stocks declined as advanced. The gauge's losses deepened on Friday after chief U.S. House of Representatives vote counter Kevin McCarthy said there would be no vote on Speaker John Boehner's debt-limit plan Thursday night.

### RINGGIT vs REGIONAL CURRENCIES (WEEKLY % CHANGE)

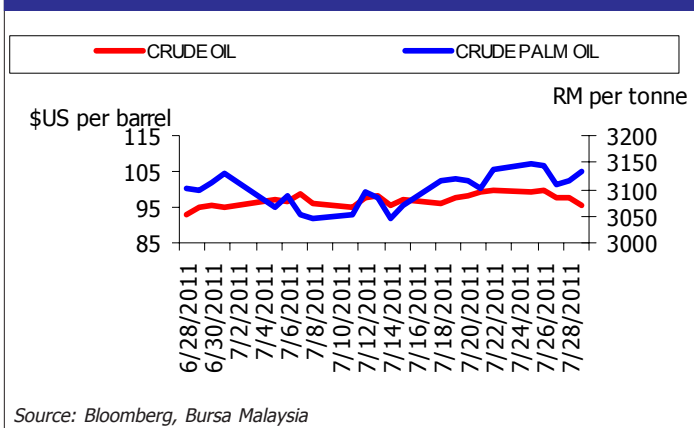


- The local stock market extended its correction for another week after the US Congress delayed voting on a plan to raise the country's debt ceiling, increasing concern over a potential default on its sovereign debt and higher risk of a credit rating downgrade. As a consequence, the FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI) declined 16.25 points, or 1.04%, to 1,548.81, with most of the correction coming from CIMB (-26 sen), MISC (-45 sen), Petronas Chemical (-19 sen) and Tenaga (-14 sen). Average daily traded volume and value increased to 1.02 billion shares and RM1.61 billion, respectively, compared with 980.1 million shares and RM1.85 billion in the previous week, contributed by stronger retail interest in cheap penny stocks and listing of multiple call warrants on Bumi Armada.

### ECONOMIC HIGHLIGHTS

- U.S.: June new-home sales fall more than estimated to 312,000 annual pace.** Sales of new U.S. homes unexpectedly fell for a second month and a gauge of property values also dropped, showing the industry that sparked the recession is stagnating. Purchases dropped 1% in June to a 312,000 annual pace, a three-month low, figures from the Commerce Department showed in Washington. Prices in 20 cities dropped 4.5% in the year ended May, the most since November 2009, according to a report from S&P/Case-Shiller. (Bloomberg)
- U.S.: Consumer confidence in U.S. unexpectedly increased in July on jobs outlook.** Confidence among U.S. consumers unexpectedly rose in July from an eight-month low, led by a rebound in the outlook for jobs over the next six months. The Conference Board's index climbed to 59.5 from a revised 57.6 reading in June that was lower than previously estimated, figures from the New York-based private research group showed. Economists predicted the July gauge would fall to 56, according to the median forecast in a Bloomberg News survey. (Bloomberg)

### CRUDE OIL vs CRUDE PALM OIL



- **U.S.: Growth slowed in 8 of 12 U.S. regions: Fed.** The Federal Reserve said the economy grew at a slower pace in more parts of the country since the beginning of June as shoppers restrained spending and factory production eased. "Economic activity continued to grow," the Fed said in its Beige Book survey in Washington. "However, the pace has moderated in many districts." Growth slowed in eight of the Fed's 12 regions, compared with four in the last survey, the central bank said. *(Bloomberg)*
  - **U.S.: Orders for U.S. durable goods unexpectedly fall as inventory growth slows.** Orders for U.S. durable goods unexpectedly dropped in June, raising the risk that a slowdown in business investment will weigh on the world's largest economy in the second half of the year. Bookings for goods meant to last at least three years fell 2.1% after a 1.9% gain the prior month that was smaller than last reported, the Commerce Department said in Washington. Demand for business equipment, including machinery and computers, also dropped. *(Bloomberg)*
  - **U.S.: Jobless claims in U.S. fall more than forecast to lowest level since April.** Applications for unemployment benefits fell more than forecast last week to the lowest level since April, a sign the weakness in the labor market is fading. Jobless claims dropped by 24,000 to 398,000 in the week ended July 23, Labor Department figures showed in Washington. The median estimate of economists in a Bloomberg News survey called for a drop to 415,000. Another report showed the number of contracts to buy previously owned homes unexpectedly rose in June. *(Bloomberg)*
  - **U.S.: Pending sales of previously owned homes in the U.S. increased 2.4% in June.** The 2.4% rise in the index of pending home re-sales followed an 8.2% May gain, the National Association of Realtors said in Washington. Economists forecast a 2% drop, according to the median estimate in a Bloomberg News survey. Unemployment above 9% and an expanding pipeline of foreclosures mean it may take years to clear the overhang of housing inventory, a sign the market is far from recovery. *(Bloomberg)*
  - **U.K.: House prices decline 0.1% as downward trend continues, Hometrack says.** U.K. house prices fell for a third month in July and are likely to continue on a "downward trend," property researcher Hometrack Ltd. said. The average cost of a home slipped 0.1% from June and was down 3.9% from a year earlier, the London-based firm said in an e-mailed report. London prices increased 0.3% on the month. In a separate report, Rightmove Plc, the U.K.'s biggest property website, said a growing proportion of consumers expect prices to stabilize over the next 12 months. *(Bloomberg)*
  - **U.K.: Growth slows, reinforcing low-rates case.** The U.K. economy barely grew in the second quarter, suggesting the Bank of England will continue to keep rates at a record low to boost a flagging recovery. Gross domestic product rose 0.2% from the first quarter, when it increased 0.5%, the Office for National Statistics said. That matched the median forecast of 32 economists in a Bloomberg News survey. Manufacturing output fell 0.3%. Excluding factors such as the impact on production from the Japanese earthquake and the extra public holiday for the royal wedding, the economy could have grown as much as 0.7%, the statistics office estimates. The pound jumped against the dollar after the report. *(Bloomberg)*
  - **U.K.: Consumer confidence falls to two-year low in July.** An index measuring consumer confidence in the United Kingdom came in with a score of -30 in July, statistics company GfK said, falling to a two-year low. The July reading missed expectations for a score of -26 following the -25 reading in June, thanks to declines in all five major categories. *(RTT News)*
  - **Japan: Retail sales rise 1.1% on year in June.** Retail sales in Japan climbed 1.1% on year in June, the Ministry of Economy, Trade and Industry said last Thursday, standing at 11.137 trillion yen. That was well above forecasts for a 0.5% contraction following the 1.3% decline in May. On a seasonally adjusted monthly basis, retail sales jumped 2.9% - again blowing past expectations for a 1.5% rise following the 2.4% gain in the previous month. *(RTT News)*
  - **Japan: June industrial output expands less-than-forecast 3.9% from May.** Japan's industrial production rose less than expected in June, signaling a recovery in the world's third-largest economy from the March 11 earthquake and tsunami may lose momentum. Factory output increased 3.9% in June from May when it rose 6.2%, the biggest gain since 1953, the Trade Ministry said in Tokyo. The median estimate of 31 economists surveyed by Bloomberg News was for a 4.5% gain. *(Bloomberg)*
  - **Japan: Japan June unemployment rate rises to 4.6% from 4.5%, matching estimates.** Japan's unemployment rate rose to 4.6% in June from 4.5% in May, the statistics bureau said in Tokyo, matching the median forecast of 31 economists surveyed by Bloomberg News. *(Bloomberg)*
  - **China: Pork prices fall for first time since April, aiding inflation fight.** China's pork prices fell last week for the first time in three months, aiding the government's efforts to contain the fastest inflation in three years. The price of the Chinese staple dropped 0.2% in the week ended July 24 from the previous week as supplies increased and demand slowed, the Ministry of Commerce's said on its website. That was the first decline since the week ending April 8, according to data compiled by Bloomberg. *(Bloomberg)*
  - **Malaysia: Bank Negara Malaysia (BNM) said its international reserves amounted to RM407 billion (equivalent to US\$134.6 billion) as at July 15, 2011.** In a statement, BNM said the reserves position was sufficient to finance 9.7 months of retained imports and was 4.5 times the short-term external debt. *(Bernama)*
- UPCOMING RELEASE (August 1 - August 5, 2011)**
- US**
- June Construction Spending by US Census Bureau on August 1, 2011.
  - July ISM Manufacturing by Institute for Supply Management on August 1, 2011.
  - June Personal Income by Department of Commerce on August 2, 2011.
  - June Personal Spending by Bureau of Economic Analysis on August 2, 2011.

- June Personal Consumption Expenditure (PCE) by Bureau of Economic Analysis on August 2, 2011.
- Weekly Mortgage Applications by Mortgage Bankers Association on August 3, 2011.
- July ISM Non-Manufacturing Business Activity Index by Institute for Supply Management on August 3, 2011.
- Weekly Initial Jobless Claims by Department of Labor on August 4, 2011.
- July Unemployment Rate by Bureau of Labor Statistics on August 5, 2011.
- June Consumer Credit by Federal Reserve on August 5, 2011.

### **Eurozone**

- July Composite PMI Manufacturing by Markit on August 1, 2011.
- June Unemployment Rate by Eurostat on August 1, 2011.
- June Producer Price Index (PPI) by Eurostat on August 2, 2011.
- July Composite PMI Composite by Markit on August 3, 2011.
- July Composite PMI Services by Markit on August 3, 2011.
- June Retail Sales and Volume by Eurostat on August 3, 2011.
- Announcement of ECB Interest Rates by European Central Bank (ECB) on August 4, 2011.

### **Japan**

- July Monetary Base Average Outstanding by Bank of Japan on August 1, 2011.
- July Official Reserve Assets by Ministry of Finance on August 4, 2011.
- Bank of Japan Target Rate on August 4-5, 2011.
- June Coincident Index by Economic & Social Research Institute on August 5, 2011.
- June Leading Economic Index by Economic and Social Research Institution (ESRI) on August 5, 2011.

### **Malaysia**

- June External Trade Balance by Department of Statistics Malaysia (DOSM) on August 4, 2011.
- Foreign Reserves as at July 31, 2011 by Bank Negara Malaysia (BNM) on August 5, 2011.