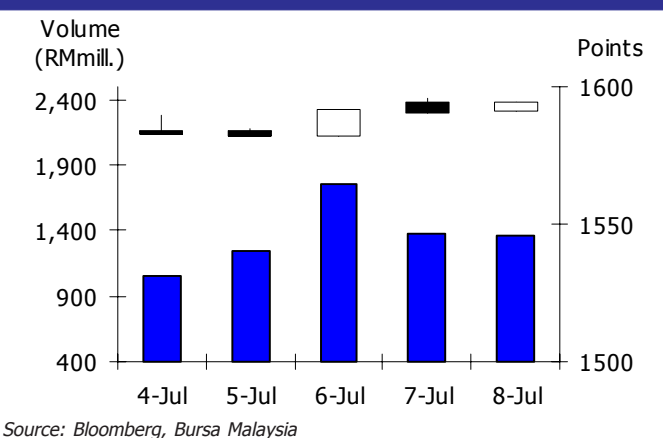


WEEKLY CLOSING IN MAJOR MARKET INDICES

	1-Jul	8-Jul	%w/w	%ytd
KL Composite	1,582.94	1,594.74	0.7	25.3
Dow Jones	12,582.77	12,657.20	0.6	21.4
Nikkei 225	9,868.07	10,137.73	2.7	-3.9
DAX Index	7,419.44	7,402.73	-0.2	24.3
UK FTSE100	5,989.76	5,990.58	0.0	10.7
AUS ORD 30	4,647.90	4,716.00	1.5	-3.4
STI Index	3,139.01	3,151.28	0.4	8.8
Hang Seng	22,398.10	22,726.43	1.5	3.9
SSE Index	2,759.36	2,797.77	1.4	-14.6

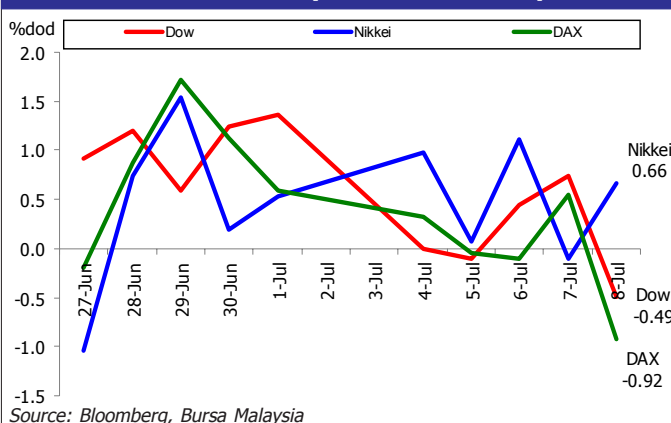
Source: Bloomberg, Bursa Malaysia

KLCI DAILY PERFORMANCE



Source: Bloomberg, Bursa Malaysia

MAJOR STOCK INDICES (DAILY % CHANGE)

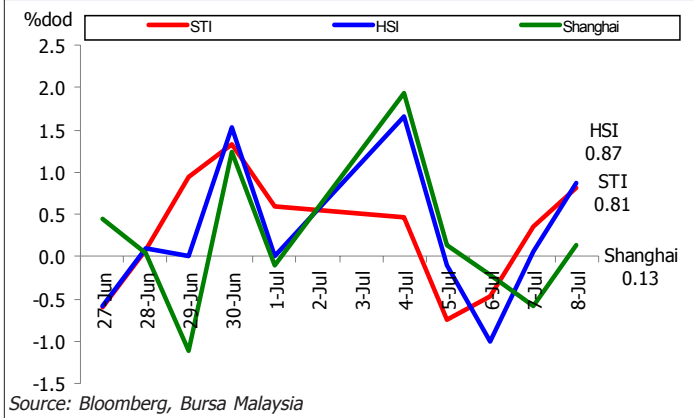


Source: Bloomberg, Bursa Malaysia

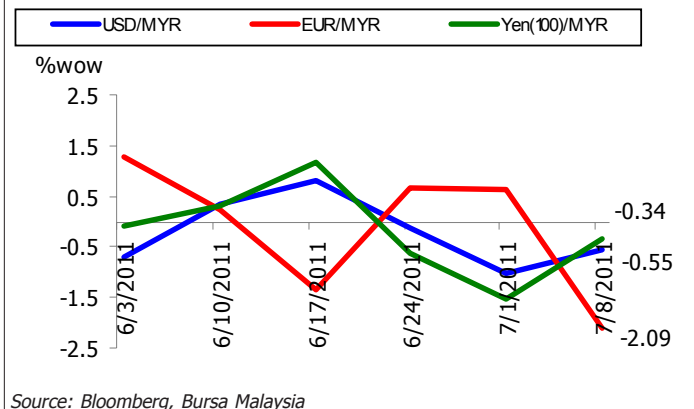
STOCK MARKET HIGHLIGHTS

- U.S. stocks sank, pulling down the Standard & Poor's 500 Index from a two-month high, as the weakest American job growth in nine months hurt companies most tied to the economy.** Financial and industrial companies led losses among 10 S&P 500 groups, dropping more than 1.2%. General Electric Co. and Bank of America Corp. fell at least 1.6%, the most in the Dow Jones Industrial Average, after the Labor Department reported job growth that was about one-sixth the median economist forecast. Google Inc. lost 2.7% as Morgan Stanley downgraded the shares. The S&P 500 dropped 0.7% to 1,343.80 at 4 p.m. in New York, after falling as much as 1.4%. The index rose 0.3% last week, extending its two-week rally to 5.9%, the most since October 2009. The Dow Jones Industrial Average lost 62.29 points, or 0.5%, to 12,657.20 last Friday
- U.K. stocks fell the most in two weeks after a report showed U.S. employers added fewer jobs than forecast last month, increasing concern about the strength of the world's largest economy.** British Sky Broadcasting Group Plc plunged the most in almost three years as the U.K. government said it will take "some time" to consider responses submitted on News Corp.'s proposed takeover. Trinity Mirror Plc climbed 4.2% after News Corp.'s market-leading rival to its Sunday title, the News of the World, announced it will close following allegations that its journalists tapped the voice mails of murder victims. The FTSE 100 Index lost 1.1% to 5,990.58 at the 4:30 p.m. close in London, leaving the benchmark gauge almost unchanged for the week. The measure has still rallied 5.1% since June 24 as Greece's parliament approved a package of austerity measures, easing concern that the nation will default on its debt.
- Japanese shares rose, pushing the Nikkei 225 Stock Average to its highest level since the March 11 earthquake, as a recovery in demand boosted advertisers and real estate developers.** Dentsu Inc., Japan's largest ad company, advanced 3.9% after sales improved following a slump in the wake of the natural disaster. Mitsubishi Estate Co. led gains among the biggest developers after Bank of America Merrill Lynch raised its target price, saying demand for office space is recovering. Toyota Motor Corp. advanced 1.3% after a U.S. jobs report boosted confidence in the automaker's biggest market. The Nikkei 225 gained 0.7% to 10,137.73 at the close in Tokyo. The gauge has risen three weeks running, adding 2.7% last week. The broader Topix rose 0.4% to 874.34, with about three stocks rising for every two that fell. The Topix has recovered about two-thirds of its losses since the quake, as manufacturers including Toyota restart factories ahead of schedule. In the last 30 days, the Topix has been the best performer among the world's 10 biggest stock indexes, rising 7.6%.
- China's benchmark stock index rose, capping a third weekly gain, as banks rallied and U.S. economic data boosted speculation the global recovery is strengthening.** Industrial Bank Co. and Shanghai Pudong Development Bank Co. climbed more than 2% after HSBC Holdings Plc. Said lenders may rebound on

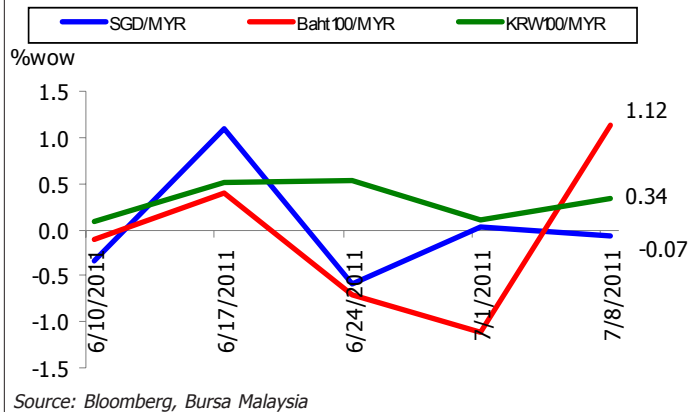
REGIONAL STOCK INDICES (DAILY % CHANGE)



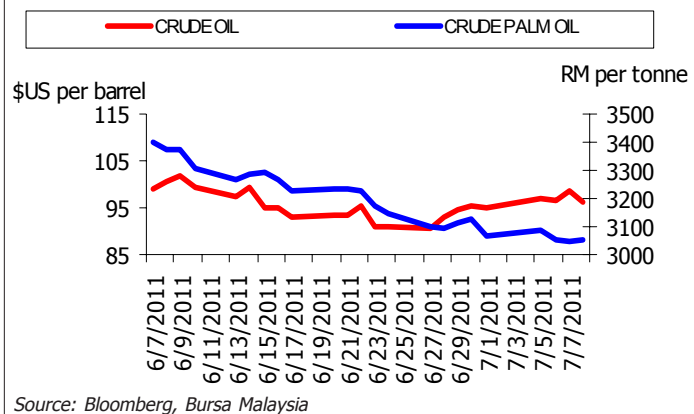
RINGGIT vs MAJOR CURRENCIES (WEEKLY % CHANGE)



RINGGIT vs REGIONAL CURRENCIES (WEEKLY % CHANGE)



CRUDE OIL vs CRUDE PALM OIL



improving liquidity. China Southern Airlines Co. slid for the first time in a week after the South China Morning Post reported airlines cut fares on the Beijing-Shanghai route to compete with high-speed railways. Gains for equities were limited on speculation a report tomorrow will show Chinese inflation jumped to a three-year high. The Shanghai Composite Index, which tracks the bigger of China's stock exchanges, rose 3.51 points, or 0.1%, to 2,797.77 at the 3 p.m. local close. About six stocks fell for every five that gained. The gauge gained 1.4% last week. The CSI 300 Index added 0.2% to 3,109.18. The central bank raised interest rates last week for a fifth time since the start of last year to cool inflation that hit a 34-month high in May. The Shanghai gauge has erased much of this year's loss of as much as 6.7% on speculation inflation is peaking and fiscal policies such as spending in affordable housing will support the economy. Premier Wen Jiabao said on June 24 efforts to stem inflation have worked.

- Hong Kong stocks rose, sending the Hang Seng Index to its third straight weekly gain, as signs the U.S. economy is recovering drove exporters and commodity producers higher on optimism earnings will improve.** Jiangxi Copper Co., China's No. 1 producer of the metal, added 2.3% after commodity prices climbed. PetroChina Co., the nation's largest oil company, rose 2.3%. Li & Fung Ltd., the world's biggest outsourcer to retailers including Wal-Mart Stores Inc., gained 0.4% after a report showed U.S. companies in June added twice as many workers as forecast. The Hang Seng Index rose 0.9% to 22,726.43 at the 4 p.m. close of trading in Hong Kong, ahead of the release on Monday of Chinese inflation data. The gauge closed up 1.5% for the week after U.S. manufacturing accelerated and Europe pulled Greece back from the brink of default, improving the outlook for Asian exporters and banks.

- While the FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI) extended gains to settle at a record high for a second week, shored up by buying support for selected index heavyweight blue chips despite grossly overbought technical conditions, the broader market saw profit-taking on lower liners which persisted due to weak buying momentum.** The FBM KLCI advanced 11.8 points, or 0.75%, last week to close at 1,594.74, with gains in Genting Malaysia (+24 sen), Petronas Gas (+74 sen), DiGi.com (+78 sen) and Genting Bhd (+16 sen) representing more than half of the index's rise. Average daily traded volume and value improved mildly to 931.3 million shares and RM1.73 billion respectively, compared with the 903.5 million shares and RM1.65 billion in the previous week.

ECONOMIC HIGHLIGHTS

- U.S.: Manufacturing expands at faster pace as ISM index increases to 55.3.** U.S. manufacturing unexpectedly accelerated in June, supporting the Federal Reserve's forecast that the economy will strengthen in the second half of 2011. The Institute for Supply Management's factory index rose to 55.3, the first gain in four months, from 53.5 in May, the Tempe, Arizona-based group said. Economists projected a decrease to 52, according to the median forecast in a Bloomberg News survey. Figures greater than 50 signal expansion. (Bloomberg)
- U.S.: Factory orders rose 0.8% in May as manufacturing shows recovery signs.** Orders placed with U.S. factories increased in May, indicating manufacturing may rebound from a slowdown in economic growth in the first half of 2011. Bookings

for manufacturers' goods rose 0.8%, less than forecast, after a revised 0.9% decline in April that was smaller than previously estimated, figures from the Commerce Department showed in Washington. Demand for durable goods that are meant to last at least three years increased 2.1%, while unfilled orders climbed the most since September. (*Bloomberg*)

- **U.S.: Service industries in U.S. expand at slower pace in sign economy cooling.** Service industries in the U.S. expanded at a slower pace in June, a sign the economy cooled at the end of the first half of 2011. The Institute for Supply Management's index of non-manufacturing businesses decreased to 53.3, less than projected, from 54.6 in May. Economists forecast the gauge would drop to 53.7, according to the median estimate in a Bloomberg News survey. A reading above 50 signals expansion. Service companies, which account for about 90% of the economy, joined manufacturing last quarter in slowing as a 9.1% unemployment rate limited consumer spending. Businesses like FedEx Corp. (FDX) project the expansion will pick up through the rest of the year as gasoline prices provide relief for households and supply disruptions from Japan abate. (*Bloomberg*)
- **U.S.: Companies in U.S. add more jobs than estimated as labor market recovers.** Companies in the U.S. added twice as many workers as forecast in June, signaling an improvement in the labor market that may help bolster the economy in the second half of the year. The 157,000 increase followed a 36,000 gain the prior month, according to data from ADP Employer Services. The median forecast in a Bloomberg News survey called for an advance of 70,000. Other reports showed fewer Americans filed jobless claims and consumer confidence eased from a 10-week high. (*Bloomberg*)
- **U.S.: Consumer confidence declines from a 10-week high in Bloomberg index.** Consumer confidence in the U.S. receded from the highest level in 10 weeks as Americans' perceptions of their finances and the economy dimmed. The Bloomberg Consumer Comfort Index decreased to minus 45.5 for the period ended July 3 from minus 43.9 the prior week. The drop was within the survey's 3-point margin of error. (*Bloomberg*)
- **U.S.: Jobless claims in U.S. fell 14,000 last week.** Initial jobless claims in the U.S. fell while remaining at a level that shows the labor market will take time to heal. Jobless claims fell by 14,000 to 418,000 in the week ended July 2, Labor Department figures showed in Washington. The median forecast of economists in a Bloomberg News survey called for a drop to 420,000. The number of people on unemployment benefit rolls and those getting extended payments also declined. (*Bloomberg*)
- **U.K.: Manufacturing growth 'stalling'.** UK manufacturing sector growth fell to its lowest rate for 21 months in June as new orders declined, a survey says. The Markit/Cips manufacturing purchasing managers' index (PMI) for June fell to 51.3, down from May's downwardly revised measure of 52.0. A figure above 50 indicates expansion. Markit said that growth was "stalling", with weak domestic demand and the recent boost to exports now fading. (*BBC News*)
- **U.K.: Construction sector logs slower growth in June.** The British construction sector logged solid growth of activity in June, data from Markit Economics showed last Monday. But the growth rate eased from the previous month due to slower expansion of new orders. The seasonally adjusted Markit/Chartered Institute of Purchasing & Supply (CIPS) construction Purchasing Managers' Index (PMI) fell to 53.6 from 54 in May. The reading matched economists' expectations. (*RTT News*)
- **U.K.: UK services sustain 'solid' growth in June.** The UK service sector sustained "solid" growth in June as volumes of new business continued to rise, according to a closely-watched index. The Markit/Cips services purchasing managers' index (PMI) edged up to 53.9 in June from 53.8 in May. A reading above 50 indicates expansion. But Markit warned that job creation in the sector remained minimal. The economy as a whole could have grown by just 0.3% in the second quarter, down from 0.5% in the first, it added. (*BBC News*)
- **U.K.: House prices increased the most in eight months in June, Halifax says.** U.K. house prices rose the most in eight months in June as a lack of supply of homes for sale supported values. Prices increased 1.2% from the previous month, when they gained a revised 0.4%, the mortgage unit of Lloyds Banking Group Plc (LLOY) said in a statement in London. The June increase was the biggest since October. From a year earlier, prices fell 1.6% to an average 163,049 pounds (\$261,107). (*Bloomberg*)
- **U.K.: Shop-price inflation quickens to fastest pace in almost three years.** U.K. shop-price growth accelerated last month to the fastest pace since October 2008 as rising commodity costs and a decline in the pound boosted inflation, the British Retail Consortium said. Retail prices rose 2.9% from a year earlier after advancing 2.3% in May, the BRC said in an e-mailed statement in London. On the month, prices rose 0.5% after increasing 0.1% in May. (*Bloomberg*)
- **U.K.: Manufacturing increased at fastest pace since March 2010 during May.** U.K. manufacturing rose at the fastest pace in more than a year in May as factories rebounded from the impact of an extra public holiday in April and the Japanese earthquake. Factory output increased 1.8% from the previous month, the most since March 2010, the Office for National Statistics said in London. It declined 1.6% in April. The median of 26 forecasts in a Bloomberg News survey was for a 1% gain. (*Bloomberg*)
- **U.K.: Interest rates remain in hold at 0.5%.** The Bank of England's Monetary Policy Committee (MPC) has kept UK interest rates on hold at a record low of 0.5%. Economists had expected no move in rates because the latest data has shown the UK economic recovery remains weak. The committee's decision comes despite the annual rate of inflation remaining at 4.5% in May, well above the Bank's 2% target. The Bank also kept its programme of quantitative easing unchanged at £200bn. (*BBC News*)
- **E.U.: Trichet signals further ECB rate increase.** European Central Bank President Jean-Claude Trichet signaled he may raise interest rates again in coming months and will ease Portugal's access to emergency funds as officials battle both faster inflation and the debt crisis. The ECB increased its benchmark rate by 25 basis points to 1.5%, the second increase in three months. The decision on Portugal came after Moody's Investors Service sparked a renewed selloff in euro region bond markets,

saying on July 5 the country may need a second bailout package. (*Bloomberg*)

- **E.U.: Greece crisis: Eurozone backs 12bn euros in aid.** Eurozone finance ministers have approved the latest tranche of emergency help for the Greek economy. They will release 12bn euros (£10.4bn, \$17.4bn) in the next two weeks to help Greece meet spending commitments and avoid defaulting on its huge debts. Earlier this week, the Greek parliament passed tough austerity measures demanded by the European Union and International Monetary Fund. MPs backed the measures despite angry protests on the streets of Athens. The EU and IMF have already agreed to provide Greece with a total of 110bn euros in emergency loans, with eurozone finance ministers discussing the details of a second bail-out designed to help Greece pay its debts until the end of 2014. (*BBC News*)
- **E.U.: Germany raises annual borrowing targets more than 10% on costs of bailout.** German Chancellor Angela Merkel's government raised borrowing targets by more than 10% for the three years through 2015 after pledging contributions to a future European bailout fund, its multi-year budget plan shows. Borrowing will amount to 24.9 billion euros (\$36.2 billion) in 2013, more than the 22.3 billion euros the Cabinet endorsed on March 16, according to the 2013-2015 budget plan drafted by the Finance Ministry. The government aims to borrow 18.7 billion euros in 2014 and 14.7 billion euros in 2015, up from 15.3 billion euros and 13.3 billion euros, respectively. The outline still leaves Germany on track to adhere to the so-called debt brake from 2016 that's enshrined in the country's constitution, a Finance Ministry official said on July 1 in Berlin, speaking on condition of anonymity. (*Bloomberg*)
- **E.U.: Eurozone May producer price inflation eases Eurozone producer price inflation slowed more than expected in May.** Producer prices increased by 6.2% year-on-year after rising 6.7% in April. Economists had expected producer prices to rise 6.3% in May. Excluding construction and energy, producer prices rose at a pace of 4.2%, slower than the 4.4% growth in the preceding month. On a monthly basis, producer prices logged a fall of 0.2%, reversing last month's 0.9% rise. The consensus forecast called for a drop of 0.1%. (*RTT News*)
- **E.U.: Eurozone services sector growth slows again.** Growth in the eurozone services sector slowed again in June to hit an 8-month low, while business confidence slipped to its lowest level in two years, a survey suggests. The closely-watched Markit PMI Services index fell to 53.7 from 56.0 in May. Any reading above 50 indicates growth. Growth in France eased "sharply", while the services sector contracted in Italy, Markit said. Business confidence fell in Germany, France, Italy and the Irish Republic. In Spain, however, it improved slightly. Outside the eurozone, the UK service sector PMI edged up to 53.9 in June from 53.8 in May. (*BBC News*)
- **Japan: Current-account surplus narrows less than forecast on quake rebound.** Japan's current-account surplus narrowed less than economists forecast in May, a sign the economy may be overcoming the steep decline in exports stemming from production disruptions after a record

earthquake. The gap shrank 51.7% from a year earlier to 590.7 billion yen (\$7.3 billion), the Finance Ministry said in Tokyo today. The median estimate of 18 economists surveyed by Bloomberg News was for a 75.2% decline. The surplus decreased 69.5% in April. (*Bloomberg*)

- **China: Services slowdown fuels China slump concerns.** China's non-manufacturing industries expanded at the slowest pace in four months in June, adding to concerns that efforts to tame inflation are curbing growth in the world's second-biggest economy. A purchasing managers' index dropped to 57 from 61.9 in May, the China Federation of Logistics and Purchasing said on its website. A reading above 50 indicates an expansion. A manufacturing index fell in June to the lowest level in 28 months as export orders and output grew at a slower pace, according to a July 1 report. China's economic growth target for this year will be "difficult" to achieve, Vice Premier Wang Qishan said last week. (*Bloomberg*)
- **China: Non-manufacturing index slumps in June, adding to slowdown concerns.** China's non-manufacturing industries expanded at the slowest pace in four months in June, sending stocks higher on speculation the government may ease monetary tightening policies aimed at taming inflation. A purchasing managers' index dropped to 57 from 61.9 in May, the China Federation of Logistics and Purchasing said on its website. A reading above 50 indicates expansion. The Shanghai Composite Index rose 1.7%, extending a two-week rally, as expectations climbed that the government will refrain from raising interest rates and ease some lending restrictions due to slowing growth in manufacturing and services. Vice Premier Wang Qishan urged banks to increase financing to small companies that are having problems raising funds, according to a statement from the State Council. (*Bloomberg*)
- **China: Raises interest rates to try to tackle inflation.** China has increased its main interest rates for the third time this year to try to curb inflation. The Chinese central bank, the People's Bank of China, said its one-year lending rate would rise to 6.56% from 6.31% and its one-year deposit rate to 3.5% from 3.25%. The country's consumer price measure of inflation hit 5.5% in May, the highest rate for almost three years. The higher interest rates will take effect from Thursday. (*BBC News*)
- **Malaysia: Malaysia recorded a year-on-year growth of 5.5% in total trade to RM101.7 billion in May, compared with the RM96.433 billion registered in the same month last year, said International Trade and Industry Minister Datuk Seri Mustapa Mohamed.** He also said in a statement on the preliminary external trade statistics for May that exports expanded 5.4% to RM55.09 billion, from RM52.28 billion recorded previously. Imports meanwhile, grew 5.6% to RM46.61 billion compared to the RM44.15 billion previously. A RM8.49 billion trade surplus was recorded in May, making it the 163rd consecutive month of trade surplus registered, since November 1997. Compared with April 2011, exports decreased 4.7%, while imports were 0.4% lower with total trade declining 2.8%. (*Bernama*)

UPCOMING RELEASE (July 11- July 15, 2011)

US

- May Trade Balance by US Census Bureau on July 12, 2011.
- Minutes of FOMC Meeting on 12 July, 2011
- Weekly Mortgage Applications by Mortgage Bankers Association on July 13, 2011.
- June Import Price Index by Bureau of Labor on July 13, 2011.
- June Production Producer Index by Bureau of Labor Statistics on July 14, 2011.
- June Advance Retail Sales by US Census Bureau on July 14, 2011.
- Weekly Initial Jobless Claims by Department of Labor on July 14, 2011.
- June Consumer Price Index (CPI) by Bureau of Labor Statistics on July 15, 2011.

- June Industrial Production Index by National Bureau of Statistics on July 12, 2011.
- 2Q11 Real Gross Domestic Product by National Bureau of Statistics on July 12, 2011.
- June Retail Sales by National Bureau of Statistics on July 12, 2011.

Malaysia

- May Industrial Production Index (IPI) by Department of Statistics Malaysia (DOSM) on July 11, 2011.
- May Manufacturing Sales of Products by Department of Statistics Malaysia (DOSM) on July 11, 2011.

Eurozone

- May Industrial Production Index (IPI) by Eurostat on July 13, 2011.
- ECB Publishes July Monthly Report on July 14, 2011.
- June Consumer Price Index (CPI) by Eurostat on July 14, 2011.
- June New Passenger Car Registrations by ACEA on July 15, 2011.
- May Trade Balance by Eurostat on July 15, 2011.

Japan

- June Consumer Confidence by Economic and Social Research Institution (ESRI) on July 11, 2011.
- June Machine Tool Orders by Japan Machine Tool Builder's Association on July 11, 2011.
- May Tertiary Industry Activity Index by Ministry of Economy, Trade and Industry on July 11, 2011.
- June Domestic Corporate Goods Price (CGPI) by BOJ on July 11, 2011.
- Bank of Japan Target Rate on July 11-12, 2011.
- May Industrial Production Index (IPI) by Ministry of Economy, Trade and Industry on July 13, 2011.
- May Capacity Utilization by Ministry of Economy, Trade and Industry on July 13, 2011.

China

- June Foreign Exchange Reserve by National Bureau of Statistics on July 11, 2011.
- June New Yuan Loans by The People's Bank of China on July 11, 2011.
- June Money Supply M0 by The People's Bank of China on July 11, 2011.
- June Money Supply M1 by The People's Bank of China on July 11, 2011.
- June Money Supply M2 by The People's Bank of China on July 11, 2011.
- June Actual FDI by China Ministry of Commerce on July 11-15, 2011.