

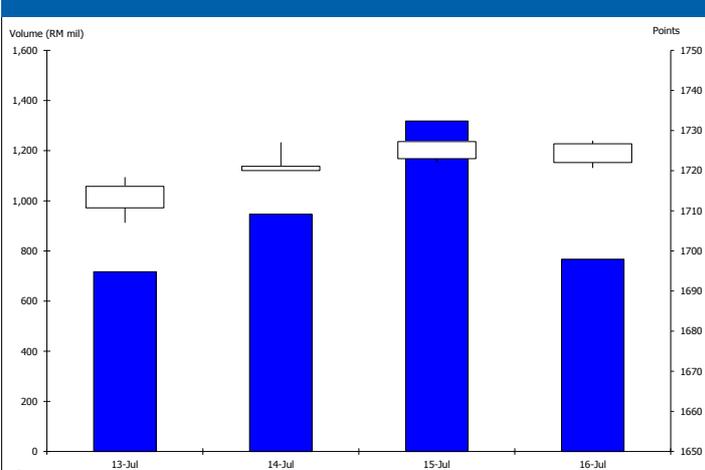
Weekly Factsheet ended July 17: Equity markets head northbound

TABLE 1: WEEKLY CLOSING IN MAJOR MARKET INDICES

	10-Jul	17-Jul	%wow	%ytd
KL Composite	1,715.58	1,726.73	0.6	-2.0
Dow Jones	17,760.41	18,086.45	1.8	1.5
Nikkei 225	19,779.83	20,650.92	4.4	18.3
DAX Index	11,315.63	11,673.42	3.2	19.0
UK FTSE100	6,673.38	6,775.08	1.5	3.2
AUS ORD 30	5,478.11	5,652.54	3.2	4.9
STI Index	3,279.88	3,353.45	2.2	-0.3
Hang Seng	24,901.28	25,415.27	2.1	7.7
SSE Index	3,877.80	3,957.35	2.1	22.3

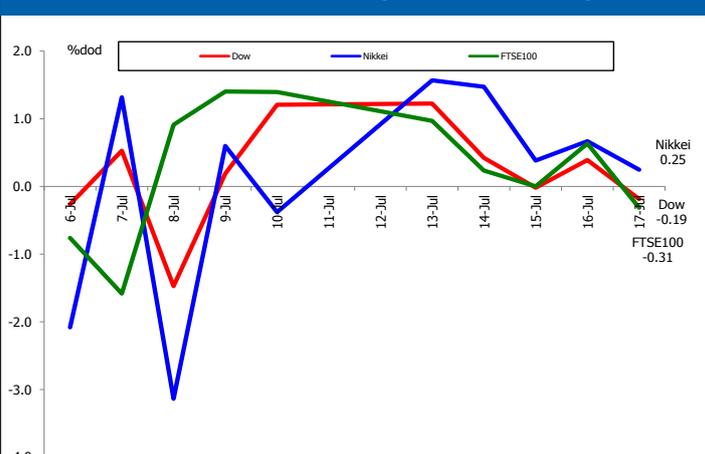
Source: Bloomberg

CHART 1: KLCI DAILY PERFORMANCE



Source: Bloomberg

CHART 2: MAJOR STOCK INDICES (DAILY % CHANGE)

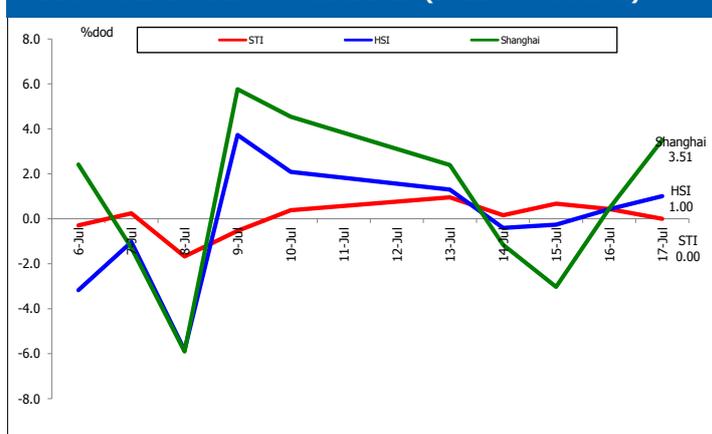
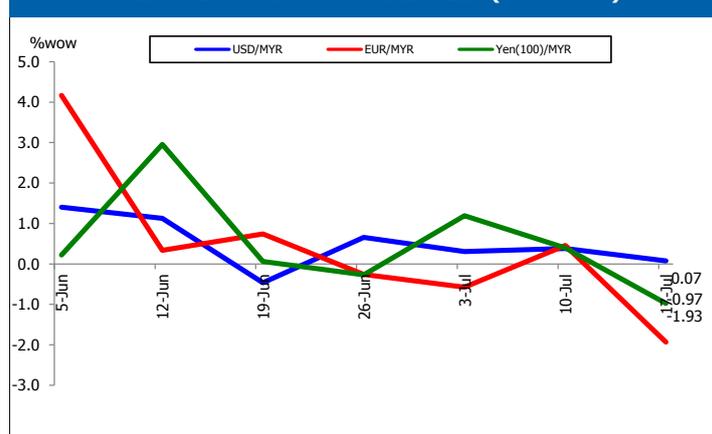
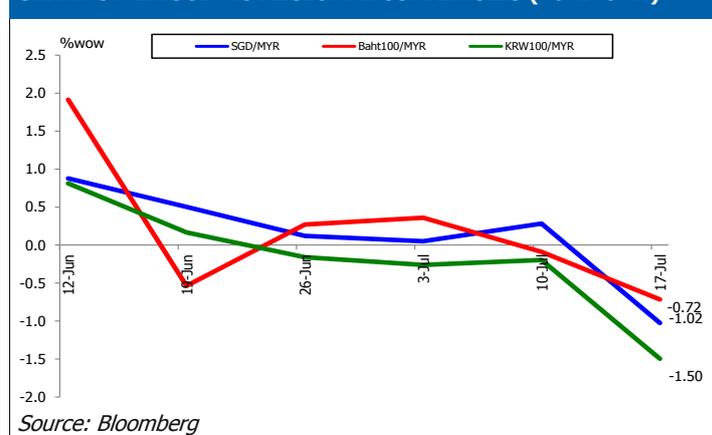
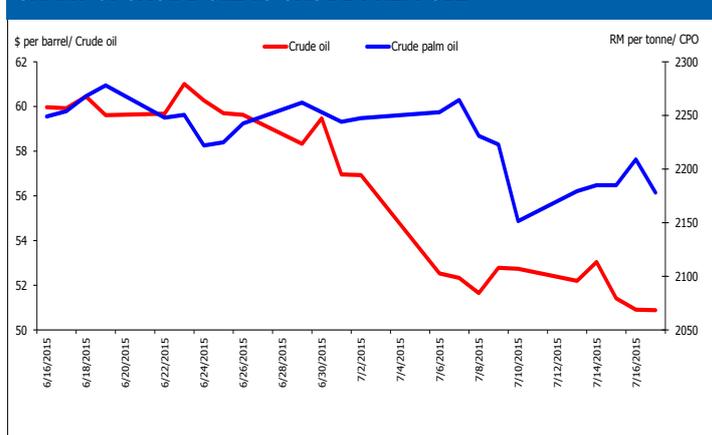


Source: Bloomberg

Equity markets ended last week on a positive note as Greece and its creditors reached a bailout agreement while China's 2Q15 GDP growth turned out better than expected. Although these encouraging developments could shore up investors sentiment, it might only be temporary given the still high volatility in the global financial markets. Meanwhile, the ringgit depreciated against the dollar to RM3.7968 from RM3.7940 as at the end of the week previously.

STOCK MARKET HIGHLIGHTS

- Nasdaq ends at record; U.S. stocks post solid weekly gains.** The Nasdaq Composite closed at a record on Friday, powered by a rally in technology companies following Google's blockbuster results. The tech-heavy index gained 44.96 points, or 0.9%, to close at 5,210.14, booking a 4.25% weekly rise. Google shares soared 16% to a record close, after the tech giant beat analysts' expectations for quarterly profits after the market close on Thursday. However, action in the broader market, captured in the S&P 500 was less robust, as nine of the 10 major sectors finished lower, led by losses in energy, materials and utilities sector stocks. *(MarketWatch)*
- European stock prices gain 4.3% for the week.** European stock prices gained 4.3% last week, largely fueled by expectations that Greece will be able to avert an exit from the eurozone. The pan-European Stoxx Europe 600 index closed 0.1% higher on Friday and extended its winning streak to an eighth-straight session, its longest since January. German 10-year government bond yields were at 0.74%, 0.05 of a percentage point lower on the day. Italian and Spanish 10-year yields were at 1.93% and 1.94%, respectively, slightly lower on the day. Yields fall as bond prices rise. *(WSJ)*
- Asian stocks close higher on a strong lead from Wall Street.** Asian markets posted a broadly higher close on Friday, taking their lead from Wall Street's rally as worries over Greece and China eased. The Shanghai Composite ended the day up 3.5% as trading resumed for hundreds of suspended firms. Hong Kong's Hang Seng Index tracked the mainland higher, closing up 1%. Meanwhile, the Nikkei added 0.3%, making a gain of 4.4% for the week, the index's biggest weekly gain since October. *(Nasdaq)*
- Stocks on Bursa Malaysia ended higher following continued buying interest amid profit taking ahead of the weekend, dealers said.** The benchmark index on Bursa Malaysia ended a half-day trading session marginally lower on lack of catalyst and ahead of the long weekend. At 12.30 pm, the FTSE Bursa Malaysia KLCI finished at 1,726.73, down 0.53 of-a-point, after fluctuating between 1,720.7 and 1,727.5. Of heavyweights, Petronas Chemicals added two sen

CHART 3: REGIONAL STOCK INDICES (DAILY % CHANGE)**CHART 4: RINGGIT vs MAJOR CURRENCIES (% W-O-W)****CHART 5: RINGGIT vs REGIONAL CURRENCIES (% W-O-W)****CHART 6: CRUDE OIL vs CRUDE PALM OIL**

to RM6.40, Maybank was flat at RM9.20, Public Bank declined two sen to RM18.98, TNB lost 30 sen to RM12.36 and Axiata eased one sen to RM6.37. (*Bernama*)

ECONOMIC HIGHLIGHTS

- Malaysia: Bursa enhances Ace Market listing requirement to attract more companies.** Bursa Malaysia Bhd is enhancing the Ace Market's listing requirement to create more transparency and make it more attractive for companies to go for listing. Chief Regulatory Officer Selvarany Rasiah said the enhanced framework would enable prospective applicants to gain easier Ace Market access, given the clarity of the admission criteria, including pre-initial public offering consultation. (*Bernama*)
- Malaysia: Malaysia-EU FTA discussions still on track.** The Malaysia-European Union (EU) Free Trade Agreement (FTA) initiative is proceeding on track with discussions having resumed recently. Last year, Malaysia's trade with the EU grew 6.2% to RM143.98 billion from RM135.79 billion in 2013. (*Bernama*)
- Malaysia: Malaysia economy solid, can weather economic uncertainties: Wahid.** The country's economic structure is solid and will be able to weather the economic uncertainties stemming from the Greek crisis and the current lower oil price regime, according to Minister in the Prime Minister's Department Datuk Seri Abdul Wahid Omar. "The services sector now contributes more than 53% of our gross domestic product (GDP). If we combine both the services and manufacturing sectors, these two sectors constitute more than 76% of our total GDP," he said. (*The Star*)
- Malaysia: Inflation rises 2.5% in June.** Inflation increased faster in June due to the fuel price adjustments but it remains benign, say economists. Research houses have now revised their Consumer Price Index (CPI) forecasts lower for 2015. The Statistics Department said the 2.5% increase in June versus a year ago was led by increases in the alcoholic beverages & tobacco group by 11.3%. (*New Straits Times*)
- U.S.: Inflation is low, but U.S. consumers still feel a pinch.** Consumers are paying more every year for cable services, car insurance and dental checkups. The overall inflation rate, well below 2% p.a., masks a split between the two main categories of consumer products. Goods prices fell 3.3%, or 0.3% when food and energy are excluded. Services up 2%. Much of the recent run-up in service inflation stems from the jump in rents. This signals the domestic economy has less excess capacity and labor-market slack than is commonly assumed. (*WSJ*)
- U.S.: Gas overtakes coal at U.S. power stations.** The U.S. generated more of its electricity from gas than from coal for the first time ever in April as a sign of how the shale boom is putting mounting pressure on the country's mining industry. Plunging prices for natural gas, which have fallen alongside oil since last summer, led to it being used to generate 31% of America's electricity in April, while coal contributed 30%. (*Financial Times*)

- **U.S.: Import, export prices slip in June.** U.S. import prices unexpectedly fell in June as the lingering effects of a strong dollar offset rising costs for petroleum products, keeping imported inflation pressure under wraps. The Labour Department said on Tuesday import prices dipped 0.1% last month after a downwardly revised 1.2% increase in May. Import prices have now declined in 11 of the last 12 months. Economists had forecast import prices edging up 0.1% after a previously reported 1.3% jump in May. *(Reuters)*
- **U.S.: U.S. producer inflation firming; industrial output rises.** The Labor Department said its producer price index for final demand increased 0.4% last month after rising 0.5% in May. It was the second straight month of increase in producer prices and beat economists' expectations for a 0.2% gain. A 0.7% rise in goods prices accounted for nearly two-thirds of the increase in the PPI last month. *(Reuters)*
- **U.S.: Factory output flat in June.** The Fed said manufacturing output was unchanged both last month and in May. A month ago it had said factory production dipped 0.2% in May. The weakness last month was concentrated in the auto sector, where output fell 3.7%. Excluding that decline, factory production would have increased 0.3%. Despite the soft manufacturing reading, overall industrial output climbed 0.3% after a 0.2% decline in May. *(Reuters)*
- **E.U.: Greek PM Tsipras faces party revolt over bailout deal.** Greece's leftwing Prime Minister Alexis Tsipras faces a showdown with rebels in his own party on his capitulation to German demands for one of the most sweeping austerity packages ever demanded of a euro-zone government. Tsipras must pass legislation to cut pensions, increase value added tax, clamp down on collective bargaining agreements and put in place quasi-automatic spending constraints. *(Reuters)*
- **E.U.: ECB Weighs emergency funding after Tsipras wins Greece bailout vote.** After more than four hours of debate stretching into the early hours of Thursday, 229 members of the 300-seat parliament in Athens approved new austerity measures that are a precondition of as much as 86 billion euros (\$94 billion) in aid. Among those who opposed the bill were 32 members of Prime Minister Alexis Tsipras' Coalition of the Radical Left, or Syriza, a sign the premier may have lost his majority. The vote puts the onus on the ECB and other euro-region governments to deploy more emergency funds that will help Greek banks gradually re-open and repair the country's battered coffers. *(Reuters)*
- **Japan: Inflation is hitting Japanese households hard.** A record 62% of Japanese households described their livelihoods as "hard" last year in a survey on incomes. A sales-tax increase in 2014 helped drive up living costs faster than wage gains. At the same time, the Bank of Japan's quantitative easing drove down the currency, boosting the cost of imported energy. *(Bloomberg)*
- **Japan: BOJ keeps policy steady, trims GDP forecast.** The Bank of Japan kept monetary policy steady and largely maintained its upbeat inflation forecasts on Wednesday. Weak exports and household spending forced it to slightly trim its economic growth projection. The BOJ cut its growth forecast for the year ending in March 2016 to a 1.7% rise from the 2.0% expansion it forecast in April. *(English.news.cn)*
- **China: Regulator orders brokerages to review trades following stock rout.** China's securities regulator instructed brokerages to review trades and enforce rules that require the use of real names and national identification numbers, the latest move by the government aimed at stabilizing stock prices following a devastating market rout the past month. Chinese authorities have frantically tightened controls on trading while partly blaming illegal behaviour for the 30% drop that has wiped out trillions of dollar worth of market value in just three weeks. *(Reuters)*
- **China: China may tip world into recession: Morgan Stanley's Sharma says.** Ruchir Sharma, Head of Emerging Markets at Morgan Stanley Investment Management, says a continuation of China's slowdown in the next years may drag global economic growth below 2%, a threshold he views as equivalent to a world recession. It would be the first global slump over the past 50 years without the U.S. contracting. *(Bloomberg)*
- **China: June exports up 2.8%, imports down 6.1%.** China's June export growth rebounded to 2.8% in a modest improvement amid slowing economic growth while imports fell 6.1%. Exports resumed growth following after May's 2.5% contractions. Imports were an improvement over the previous month's unexpectedly severe 17.6% contraction. *(Reuters)*
- **China: Foreign trade remains lacklustre, but outlook brightens.** China's foreign trade volume continued to drop in the first half (H1) of the year, but an unexpectedly strong exports rebound in June was an encouraging sign for the pressured economy, official data showed on Monday. Total foreign trade dropped 6.9% year on year to 11.53 trillion yuan (\$1.89 trillion) in the first six months of 2015, slipping further from a 6% decline in the first quarter, according to data from the General Administration of Customs (GAC). *(Xinhua)*
- **China: China's 7% second quarter growth beats expectations.** Growth in the world's second largest economy, China, beat expectations in the second quarter, but it was still the weakest showing since the global financial crisis. The economy grew 7% from a year ago - matching growth in the first three months of the year, which was the lowest since 2009 when it fell to 6.6%. A weaker property market and factory production have hampered growth. *(BBC)*

RELEASE FOR THE WEEK (JULY 20 — 26 , 2015)

U.S.

- Weekly Mortgage Applications by Mortgage Bankers Association on July 22
- June Existing Home Sales by National Associate of Realtors on July 22
- Weekly Initial Jobless Claims by Department of Labor on July 23
- June Leading Index by Conference Board on July 23
- June New Home Sales by U.S. Census Bureau on July 24

Eurozone

- July Consumer Confidence Indicator by European Commission on July 23
- Markit Eurozone Manufacturing PMI on July 24

Japan

- May All Industrial Activity Index by Ministry of Economy, Trade & Industry (Japan) on July 22
- June Merchandise Trade Balance Ministry of Economy, Trade and Industry on July 23
- July Markit/JMMA Japan Manufacturing PMI on July 24

China

- June New Yuan Loans by The People's Bank of China on July 20
- July HSBC China Manufacturing PMI on July 24

Malaysia

- Foreign Reserves as at July 15, 2015 by Bank Negara Malaysia (BNM) on July 23