

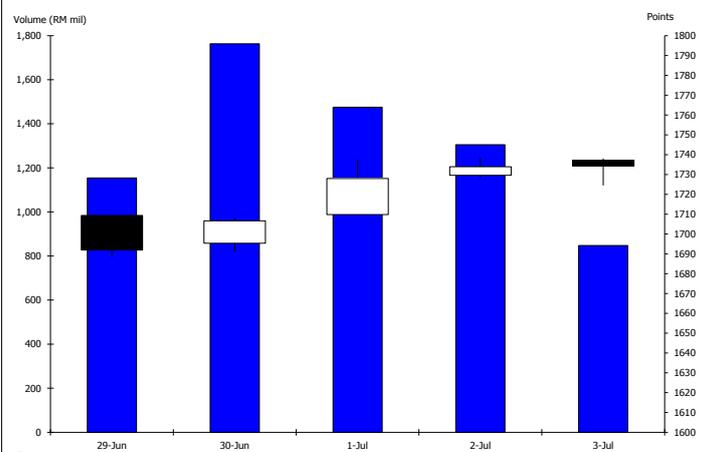
Weekly Factsheet ended July 3: Markets end mixed

TABLE 1: WEEKLY CLOSING IN MAJOR MARKET INDICES

	26-Jun	3-Jul	%wow	%ytd
KL Composite	1,710.47	1,734.24	1.4	-1.5
Dow Jones	17,946.68	17,730.11	-1.2	-0.5
Nikkei 225	20,706.15	20,539.79	-0.8	17.7
DAX Index	11,492.43	11,058.39	-3.8	12.8
UK FTSE100	6,753.70	6,585.78	-2.5	0.3
AUS ORD 30	5,536.13	5,528.01	-0.1	2.6
STI Index	3,320.90	3,342.73	0.7	-0.7
Hang Seng	26,663.87	26,064.11	-2.2	10.4
SSE Index	4,192.87	3,686.92	-12.1	14.0

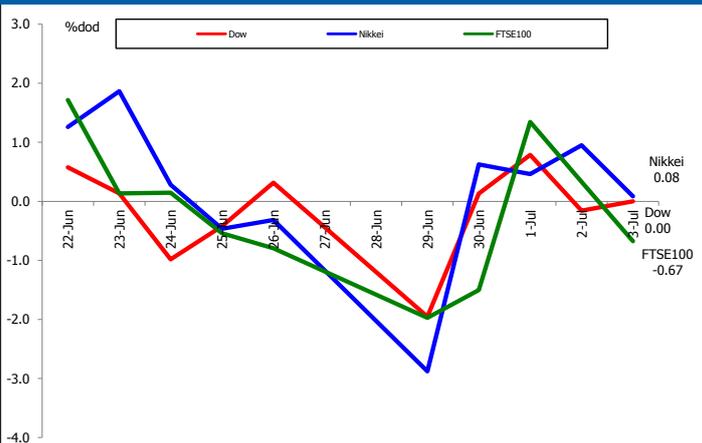
Source: Bloomberg

CHART 1: KLCI DAILY PERFORMANCE



Source: Bloomberg

CHART 2: MAJOR STOCK INDICES (DAILY % CHANGE)



Source: Bloomberg

Malaysia's FBM KLCI rebounded to end the week on a positive note after recording six weeks of decline, gaining 1.4% w-o-w and trimming its year-to-date loss to 1.5%. China's stock market continues to drop for the third consecutive week. Ringgit ended the week lower at RM3.7795 from RM3.7680 previously.

STOCK MARKET HIGHLIGHTS

- U.S. stocks end second straight week with losses.** The S&P 500 ended one point lower at 2,076.27 and recorded a 1.2% loss over the week, its second weekly loss in a row. The Dow Jones Industrial Average slipped 27.80 points, or 0.2%, to 17,730.11 and fell 1.2% over the week. The Nasdaq Composite closed 3.91 points, or 0.1% lower at 5,009.21 and booked a 1.4% loss over the week. (*MarketWatch*)
- European stocks mark worst week of the year ahead of Greek vote.** The Stoxx Europe 600 fell 0.5% to 383.42, with all sectors trapped in the red. The pan-European index for the week fell 3.4%, the sharpest weekly pullback since mid-December. On the country indexes, Germany's DAX lost 0.3% to 11,058.39, and France's CAC 40 fell 0.6% to 4,808.22. For the week, the DAX and the CAC fell 3.8% and 5%, respectively. Portugal's PSI 20 fell 0.7% to 5,579.38, marking a 4.3% weekly decline. Spain's IBEX 35 gave up 0.6% to 10,779.80, locking a weekly fall of 5.2%. Italy's FTSE MIB ended 0.5% lower at 22,508.13 on Friday. It ended the week down by 5.3%. (*MarketWatch*)
- Stock markets in China extended their dramatic sell-off on Friday, with the Shanghai Composite index losing as much as 7% intra-day, on the back of news that securities regulators are investigating suspected market manipulation.** Elsewhere in the region, downbeat sentiment prevailed ahead of a key referendum on Sunday that would determine Greece's future in the eurozone. In Hong Kong, the Hang Seng index notched down 0.5%, as selling in the mainland curbed risk appetite. Japan's Nikkei 225 index finished a tad above the flatline, paring earlier losses, as hefty gains in the banking sector helped to offset a nearly 4% slump in index heavyweight Fast Retailing. (*Bloomberg*)
- Last minute buying pushed shares prices into the positive territory at close on Bursa Malaysia.** At 5 p.m., the FTSE Bursa Malaysia KLCI finished at 1,734.24, up 0.36 of a point, after moving between 1,724.50 and 1,738.09 throughout the day. Market breadth was negative with losers thumping gainers 459 to 259, with 298 counters unchanged, 747 untraded and 13 others were suspended. Total volume eased to 1.45 billion units, worth RM1.39 billion, from Thursday's 1.46 billion units valued at RM1.85 billion. Of heavyweights, Digi gained five sen to RM5.53, Genting added

CHART 3: REGIONAL STOCK INDICES (DAILY % CHANGE)

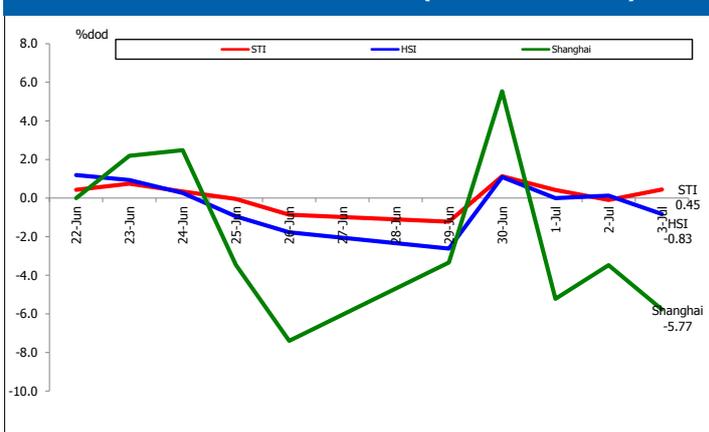


CHART 4: RINGGIT vs MAJOR CURRENCIES (% W-O-W)

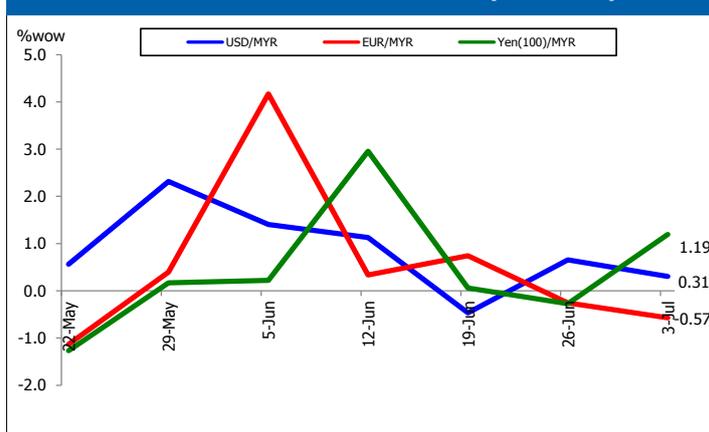
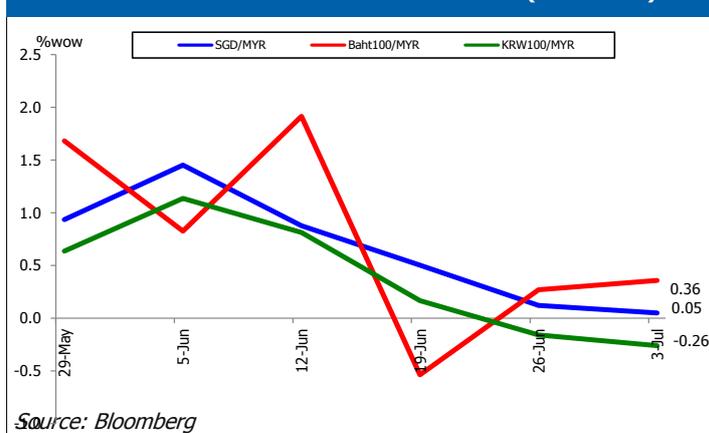
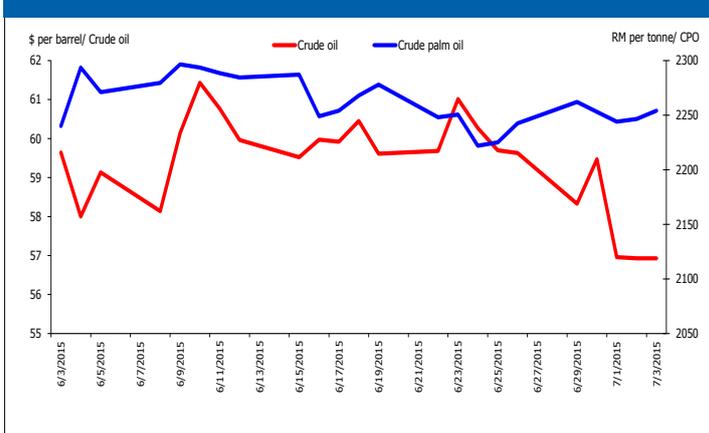


CHART 5: RINGGIT vs REGIONAL CURRENCIES (% W-O-W)



Source: Bloomberg

CHART 6: CRUDE OIL vs CRUDE PALM OIL



seven sen to RM8.28, Petronas Dagangan increased 24 sen to RM20.80 and Genting Malaysia inched up four sen to RM4.24. Top gainers, British American Tobacco increased 48 sen to RM64.48, Dutch Lady rose 26 sen to RM45.76, Petronas Dagangan gained 24 sen to RM20.80 and Lafarge garnered 21 sen to RM8.96. *(Bernama)*

ECONOMIC HIGHLIGHTS

- Malaysia: Malaysia's labour participation rate improves to 67.5% in 2014.** The participation rate of the labour force in Malaysia improved to 67.5% in 2014 from 67.0% previously, says the Statistics Department. In a statement, the department said the increase of 0.5 percentage points was contributed by the rise in the number of employed persons to 13.5 million out of a total labour force of 13.9 million persons. *(Bernama)*
- Malaysia: Exporters urged to use renminbi to trade with China.** Malaysian exporters are encouraged to use renminbi (RMB) in their trade with China to help mitigate the volatility of foreign exchange especially in the current economic situation. Malaysia External Trade Development Corporation (Matrade) Chief Executive Officer (CEO), Datuk Dzulkifli Mahmud, said the RMB is a stable currency in exchange to the ringgit, hence it is to the traders advantage to use RMB as it is more predictable and consistent. *(Bernama)*
- Malaysia: Leading Index falls in April.** The Leading Index (LI), which monitors the economic performance in advance showed a decrease of 0.6% in April, pointing to a slower gross domestic product (GDP) growth in the second quarter. The Statistics Department said the LI dropped to 118.6 points from 119.3 points in the previous month. Three out of seven components of LI recorded a decrease led by Real Money Supply, M1 (-0.4%), followed by real imports of semiconductors and number of housing units approved which registered negative 0.2% respectively. *(NST)*
- Malaysia: Short-Term rates to remain stable on BNM's intervention.** Short-term interbank rates are expected to remain stable on Bank Negara Malaysia's (BNM) intervention to absorb excess liquidity from the financial system. BNM estimated today's liquidity at RM33.87 billion in the conventional system and RM7.87 billion in Islamic funds. The central bank will conduct a RM6 billion range maturity auction for four days to 33 days, a Qard tender of RM2.5 billion for seven to 14 days and a Commodity Murabahah Programme tender, worth RM300 million, for 29 days. *(Bernama)*
- U.S.: U.S. economy nearing full employment, bounced back in second quarter: Fed's Fischer.** The U.S. economy probably bounced back to an annual growth rate of around 2.5% in the second quarter, and the labor market is approaching full employment, Federal Reserve Vice Chairman Stanley Fischer said on Tuesday. He said "tentative" signs of wage growth and continued job creation also gave him confidence that U.S. labor markets will continue improving, and gradually push inflation towards the Fed's 2% target. *(Reuters)*
- U.S.: U.S. consumer confidence rises; manufacturing still soft.** U.S. consumer confidence increased solidly in June, with households upbeat about the labor market, supporting views the economy was back on firmer footing after wobbling

at the start of the year. The rise in confidence came despite moderate increases in gasoline prices.. *(Reuters)*

- **U.S.: U.S. manufacturing growth slows in June, survey shows.** U.S. manufacturing growth eased in June despite jobs growth, but there was better news for the construction sector, according to two surveys. Markit's latest Purchasing Managers' Index fell to 53.6, from 54 in May, the lowest reading since October 2013. Meanwhile, the U.S. Commerce Department said construction activity in May was its highest since late 2008. *(BBC)*
- **U.S.: Bullish U.S. jobs data brighten growth picture.** U.S. private employers hired the most workers in six months in June, providing fresh evidence the economy was gathering solid momentum after contracting at the start of the year. The ADP National Employment Report showed 237,000 private-sector jobs were created in June, beating the median expectation among economists surveyed by Reuters for a gain of 218,000 jobs. Private payrolls increased 203,000 in May. *(Reuters)*
- **U.S.: Factory orders fall more than expected on transportation.** New orders for U.S. factory goods fell more than expected in May on weak demand for transportation and electrical equipment, a sign that manufacturing remained mired in a soft patch. The new orders for manufactured goods dropped 1.0% after a revised 0.7% decline in April. Factory orders have dropped in nine of the last 10 months. *(Bloomberg)*
- **E.U.: Greece imposes capital controls as crisis deepens.** Greece moved to check the growing strains on its crippled financial system on Sunday, closing its banks and imposing capital controls that brought the prospect of being forced out of the euro into plain sight. After bailout talks between the leftwing government and foreign lenders broke down at the weekend, the European Central Bank froze vital funding support to Greece's banks, leaving Athens with little choice but to shut down the system to keep the banks from collapsing. *(Bloomberg)*
- **E.U.: Eurozone inflation slows to 0.2% in June.** The eurozone's inflation rate dipped slightly from 0.3% in May to 0.2% in June, according to official figures. The reading marks the second month of a return to inflation after five months of flat or falling prices. The European Central Bank (ECB) has been taking steps to reflate the economies of the 19 countries that use euro. *(BBC)*
- **E.U.: IMF's Lagarde says Greece must reform before debt relief.** One day after Greece became the first developed economy to default on a loan with the International Monetary Fund, the head of the international lender on Wednesday suggested Greece should move to reform its economy before its European creditors give it a break on its debt. *(Reuters)*
- **U.K.: U.K. economic growth revised up, household real incomes surge.** Britain's economy grew more strongly than previously thought in the first three months of the year and households' disposable income rose at the fastest annual pace since 2001. The economy grew 0.4% in the first quarter, the Office for National Statistics said on Tuesday, revising up from an initial estimate of 0.3% which the Bank of England and most other economists had thought too gloomy. *(CNBC)*
- **U.K.: Annual house price growth at two-year low, Nationwide says.** The annual rate of house price growth fell to a two-year low last month, the Nationwide building society has said. Annual house price inflation fell to 3.3% in June from 4.6% the month before, it said. Just a year ago, prices were rising by 11.8%. *(BBC)*
- **Japan: Japan's companies are turning more optimistic, Tankan shows.** The Bank of Japan's (BOJ) Tankan survey showed the country's large manufacturers are more optimistic than expected, with the index hitting its highest level since March 2014, before a sales tax hike took effect. Japan's large manufacturers' index for June came in at positive 15, compared with expectations in a Reuters poll for a positive 12. *(CNBC)*
- **Japan: Business mood improves despite gloomy data.** The mood among big Japanese corporations is unexpectedly upbeat despite recent data showing the recovery appears to be stalling. The Bank of Japan's quarterly "tankan" business survey released Wednesday showed a reading of 15 in June, up from 12 in March, for large manufacturers. Among large non-manufacturers it was 23, versus 19 previously. *(Mainichi)*
- **China: Central bank eases policy again to support economy.** The People's Bank of China (PBOC) lowered the one-year benchmark bank lending rate by 25 basis points to 4.85%, and reducing the one-year benchmark deposit rate by 25 basis points to 2%. The central bank also lowered the reserve requirement ratio (RRR) for banks that have met certain standards in lending to the farm sector and small and medium-sized enterprises by 50 basis points. *(Xinhua)*
- **China: China regulators juggle IPOs with growth, market plunge.** A 20% fall in Chinese stocks over the past two weeks, mainly blamed on a flood of initial public offerings, highlights the risks that regulators face as they try to use the stock market to support the slowing economy. The central bank cut interest rates and bank reserve requirements on Saturday, which analysts say is mainly aimed at restoring investor confidence in the market after key indexes fell over 7% on Friday, the biggest one-day fall since the global financial crisis. *(New Straits Times)*
- **China: China gov't struggling to meet fiscal target: Fin Min.** The Chinese government is struggling to meet its fiscal targets this year, Finance Minister Lou Jiwei warned on Sunday, citing slowing fiscal revenue growth. The central treasury received 2.95 trillion yuan (about \$475 billion) from January to May, a year-on-year increase of 2%, Lou said when briefing lawmakers on a State Council report on the final accounts for 2014. *(China.org.cn)*
- **China: China June official PMI steady at 50.2,**

misses forecasts. China's official manufacturing Purchasing Managers' Index (PMI) stood at 50.2 in June, steady from the previous month and just above the 50-mark. A Reuters poll had expected a figure of 50.3. The final HSBC PMI print is due at 0945 local time. *(CNBC)*

- **China: Factory PMI stays soft, but services firm on new orders.** A Chinese factory gauge remained sluggish last month, suggesting a tepid response from manufacturers to loosen monetary policy settings and efforts to shore up local government finances. The official Purchasing Managers Index was 50.2 for June, missing the median estimate of 50.4 in a Bloomberg survey and unchanged from May. The services PMI, a measure of services and construction, fared better, climbing to 53.8 in June from 53.2 in May. *(Xinhua)*
- **China: Balancing reforms, growth remains China's priority: World Bank.** China's growth slowdown is not unexpected. In fact, it is desirable in the short and medium-term perspective, as the country prioritizes balancing reforms and managing short-term demand, the World Bank said. In the short term, China's economic moderation reflects policies to slow rapid credit growth, contain shadow banking, limit borrowing by local governments and reduce excess capacity in industry, which address the vulnerabilities that built up after the 2008 global financial crisis, the World Bank said in its latest China Economic Update released in Beijing. *(Xinhua)*
- **China: World Bank sees China's economy easing to 7.1%.** The World Bank Group expects China's economic growth to ease to 7.1% this year, up slightly from an earlier estimate of around 7% made in April, the bank said in its China Economic Update released Wednesday. China's economy may continue to decelerate to 6.9% by 2017, reflecting a slower but more balanced and sustainable "new normal" path for the world's second-largest economy. *(China.org.cn)*

RELEASE FOR THE WEEK (JULY 6 — 12 , 2015)

U.S.

- June Markit U.S. Composite PMI on July 7
- May Trade Balance by US Census Bureau on July 7

- Weekly Mortgage Applications by Mortgage Bankers Association on July 8
- May Wholesale Inventories on July 10

Eurozone

- June Markit Eurozone Retail PMI on July 6
- July Sentix Investor Confidence on July 6

Japan

- May BOP Current Account Balance by Ministry of Finance on July 7
- May Machinery Orders by Economic and Social Research Institution (ESRI) on July 8
- June Money Supply M2+CD by Bank of Japan (BOJ) on July 8
- June Producer Price Index by Bank of Japan on July 9

China

- June Consumer Price Index by National Bureau of Statistics on July 8
- June Money Supply M2 by The People's Bank of China on July 9
- June Trade Balance by National Bureau of Statistics on July 12

Malaysia

- Foreign Reserves as at June 30, 2015 by Bank Negara Malaysia (BNM) on July 9
- Announcement of Malaysia Official Policy Rate (OPR) by Bank Negara Malaysia (BNM) on July 9
- May Industrial Production Index (IPI) by Department of Statistics Malaysia (DOSM) on July 10