

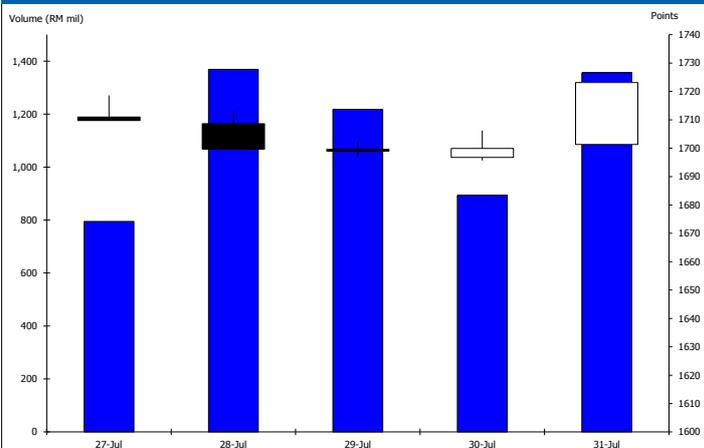
Weekly Factsheet ended July 31: Crude oil's monthly lowest in 2015

TABLE 1: WEEKLY CLOSING IN MAJOR MARKET INDICES

	24-Jul	31-Jul	%wow	%ytd
KL Composite	1,720.76	1,723.14	0.1	-2.2
Dow Jones	17,568.53	17,689.86	0.7	-0.7
Nikkei 225	20,544.53	20,585.24	0.2	18.0
DAX Index	11,347.45	11,308.99	-0.3	15.3
UK FTSE100	6,579.81	6,696.28	1.8	2.0
AUS ORD 30	5,556.80	5,681.69	2.2	5.4
STI Index	3,352.65	3,202.50	-4.5	-4.8
Hang Seng	25,128.51	24,636.28	-2.0	4.4
SSE Index	4,070.91	3,663.73	-10.0	13.3

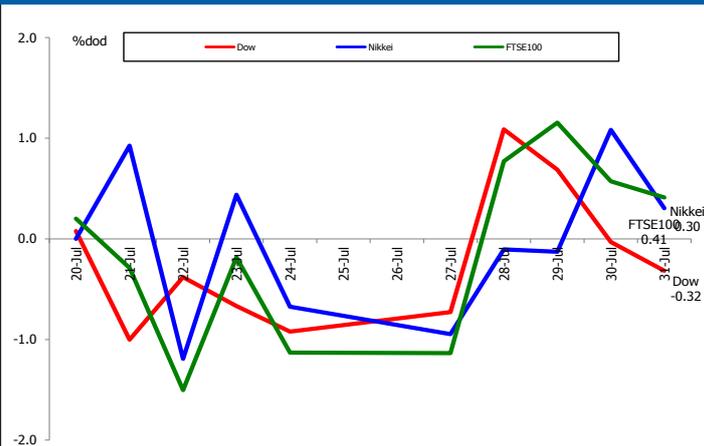
Source: Bloomberg

CHART 1: KLCI DAILY PERFORMANCE



Source: Bloomberg

CHART 2: MAJOR STOCK INDICES (DAILY % CHANGE)



Source: Bloomberg

Equity markets ended last week on a mixed note as the China equity market went down by 10% for the week, trimming its year-to-date gain to 13.3% which Capital Economics attributed simply to 'the collapse of a bubble, rather than a reflection of a deteriorating prospects for the economy'. With crude oil prices remaining low and July's close as the worst monthly performance of 2015, most commodity exporters' currencies continue being under pressure. For example, the Australian dollar was the lowest in 6-years, Brazilian real in 13-years and ringgit in 17-years. The ringgit continued to depreciate against the U.S. dollar for the sixth week to RM3.8265 from RM3.8158 previously.

STOCK MARKET HIGHLIGHTS

- Energy shares drag down U.S. stocks.** The S&P 500 closed 4.71 points, or 0.2%, lower at 2,103.90, with the energy sector accounting for most of the losses. The Dow Jones Industrial Average slipped 55.32 points, or 0.3%, to 17,690.66, but ended the week with a gain of 0.7% and booked a 0.4% gain over the month. The Nasdaq Composite ended the session less than a point lower at 5,218.28. The tech-heavy index rose 0.8% over the week and 2.9% over the month. (*MarketWatch*)
- European stocks finish with best month in five.** The Stoxx Europe 600 gained 1.1% to close at 390.02, recovering partly from Monday's 2.2% drop. Germany's DAX 30 rose 1.1% to 11,173.91, while France's CAC 40 tacked on 1% to 4,977.32, but stayed below the 5,000 level. The U.K.'s FTSE 100 advanced by 0.8% to 6,555.28. (*MarketWatch*)
- Most Asian markets advanced on Friday on a healthy batch of economic growth data out of the United States but Shanghai sank again, extending the previous day's sell-off.** Tokyo reversed morning losses to end 0.30% higher, adding 62.41 points to 20,585.24, while Sydney was up 0.52%, or 29.68 points, at 5,699.2 and Seoul gained 0.55%, or 11.13 points, to 2,030.16. Hong Kong was 0.56% higher, adding 138.30 points to 24,636.28, while Shanghai ended down 1.13%, or 42.04 points, at 3,663.73 as it struggles to recover from a recent plunge. (*Channel News Asia*)
- SE Asia stocks: Indonesia posts biggest gain in nearly 16-months.** Indonesian stocks closed 1.9% higher to 4,802.53, their biggest gain since April 1, 2014, but posted a second monthly decline in July. The Philippines posted its fourth monthly decline in July, ended at 7,550.00. Thailand rose 1.6% to 1,440.12 on Friday after it reopened from a holiday, but saw its biggest monthly decline since March. Singapore was dragged down by Noble Group, which fell 13% to 3,202.50, its lowest since November. (*Reuters*)

CHART 3: REGIONAL STOCK INDICES (DAILY % CHANGE)

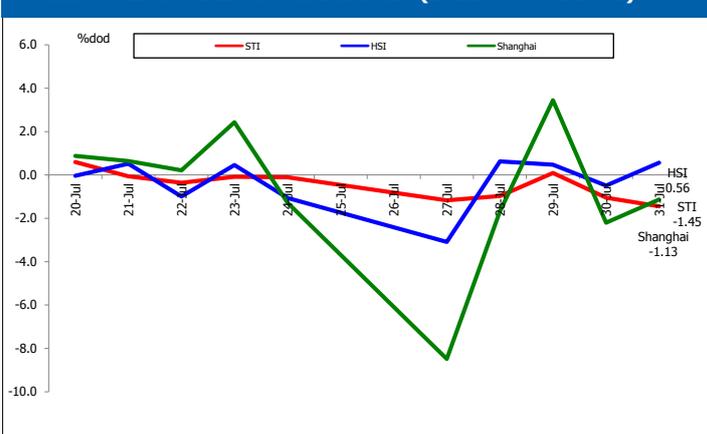


CHART 4: RINGGIT vs MAJOR CURRENCIES (% W-O-W)

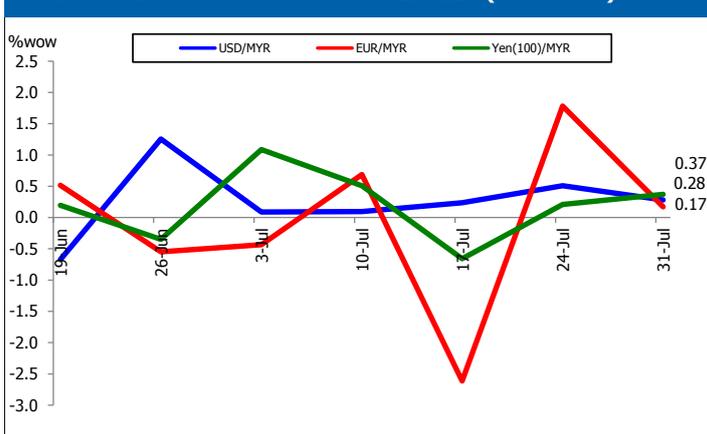


CHART 5: RINGGIT vs REGIONAL CURRENCIES (% W-O-W)

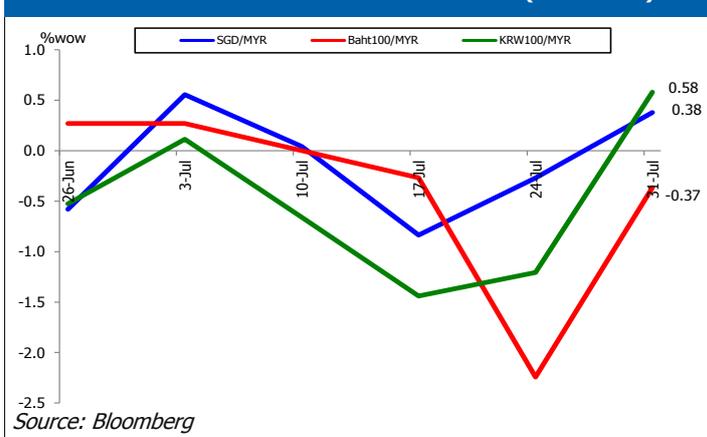
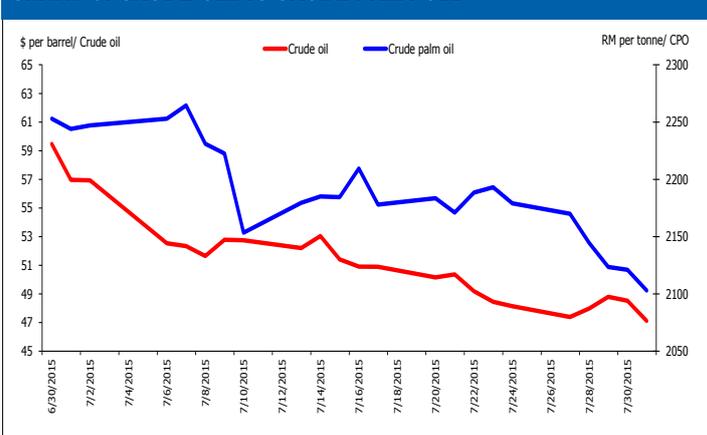


CHART 6: CRUDE OIL vs CRUDE PALM OIL



- **Bursa Malaysia ends higher on technical rebound.** Bursa Malaysia ended higher on a technical rebound following bargain hunting ahead of the weekend, a dealer said. At 5 p.m., the FTSE Bursa Malaysia KLCI (FBM KLCI) jumped 23.22 points or 1.37% to 1,723.14 after fluctuating between 1,701.31 and 1,723.14 throughout the day. *(Bernama)*

ECONOMIC HIGHLIGHTS

- **Malaysia: Leading Index down 1.2% in May.** The Leading Index (LI) showed a decrease of 1.2% in May to 117.2 points from 118.6 points in the previous month. The decline was led by two main components of the index: real imports of other basic precious and other non-ferrous metal (-0.7%) and a number of new companies registered (-0.6%). *(Bernama)*
- **Malaysia: Retrenchment of 10,000 workers 'normal'.** The retrenchment of about 10,000 workers in Malaysia in the first six months of this year is a normal situation in a stable and dynamic labour market. Human Resources Minister Datuk Seri Richard Riot said 9,465 people had been terminated from their jobs, including 820 foreign workers, from January to June this year. *(Bernama)*
- **Malaysia: S&P affirms Malaysia's rating.** Standard & Poor's Ratings Services has maintained its positive sovereign rating outlook for Malaysia. It affirmed A-' long-term and 'A-2' short-term foreign currency sovereign credit rating on Malaysia. "The ratings reflect the strong external position and considerable monetary flexibility. We weigh these strengths against Malaysia's moderate fiscal deficits and government debt burden," it said. *(New Straits Times)*
- **Malaysia: Malaysia-Germany trade expected to grow by 5%-7% more.** Malaysia-Germany total trade, which touched a high of 10.9 billion last year, is expected to grow by between 5% and 7% more this year, says Malaysian-German Chamber of Commerce and Industry (MGCC). The total trade would hit the above 11 billion mark by 2016, driven by trade in manufactured products. He said German imports from Malaysia were the highest ever in 2014 at 6.1 billion while exports to this country were 14.8 billion. *(Bernama)*
- **Malaysia: Bank Negara stemming the decline of the ringgit.** As the downward pressure on the ringgit mounts, Bank Negara has adopted gentle suasion methods to stem the decline. Senior executives of the central bank have had briefings with foreign exchange (forex) dealers from local and foreign financial institutions this week discouraging them from entering into transactions that result in selling the ringgit. This comes as dealers get offers to enter into a "put" option for the ringgit at four to the U.S. dollar over a period of between three and six months. *(The Star)*
- **Malaysia: Malaysia will not sign TPPA in Hawaii.** Minister of International Trade and Industry Datuk Seri Mustapa Mohamed said Malaysia will not sign the Trans-Pacific Partnership Agreement (TPPA) at the ministerial meeting in Hawaii. He said the government has taken a firm stand in the TPPA, in which the country's constitution, sovereignty and core policies such as government procurement, state-owned enterprises and the Bumiputera agenda will be safeguarded. *(Bernama)*
- **U.S.: New home sales at seven-month low.** New U.S. sin-

gle-family home sales fell in June to a seven-month low and May's sales were revised sharply down, but the data on Friday did little to change the belief that the housing market recovery was shifting into higher gear. Sales of new homes account for only 8.1% of the housing market and tend to be volatile on a month-to-month basis. *(Bloomberg)*

- **U.S.: Business capex gauge rebound offers hope for factories.** The signs of a slight improvement in factory activity are a boost to the economic growth outlook and support interest rate hike. Non-defense capital goods orders excluding aircraft, a proxy for business spending plans, increased 0.9% last month. *(Reuters)*
- **U.S.: Mortgage applications edged up last week: MBA.** Applications for U.S. home mortgages edged up last week while borrowing rates moved lower, an industry group said on Wednesday. The Mortgage Bankers Association said its seasonally adjusted index of mortgage application activity, which includes both refinancing and home purchase demand, rose 0.8% in the week ended July 24. *(Reuters)*
- **U.S.: Pending home sales take a breather in June.** Contracts to buy previously owned U.S. homes unexpectedly fell in June after five straight months of increase, suggesting some cooling in sales activity after recent hefty gains. The Pending Home Sales Index, based on contracts signed last month, declined 1.8% to 110.3. Still, the index was the third highest reading for this year. *(Reuters)*
- **U.S.: Fed says economy improving; September rate hike in view.** The U.S. economy and job market continue to strengthen, the Federal Reserve said, leaving the door open for a possible interest rate hike when central bank policymakers next meet in September. Following their latest two-day policy meeting, Fed officials said they felt the economy had overcome a first-quarter slowdown and was "expanding moderately" despite a downturn in the energy sector and headwinds from overseas. They nodded in particular to the "solid job gains" seen in recent months. *(Reuters)*
- **U.S.: Consumer spending bolsters U.S. second-quarter growth.** U.S. economic growth accelerated in the second quarter as solid consumer spending offset the drag from weak business spending on equipment, suggesting a steady momentum that could bring the Federal Reserve closer to hiking interest rates this year. *(Reuters)*
- **E.U.: Greece loosens capital restrictions on businesses.** Greece started loosening restrictions on foreign transfers by businesses on Friday, unblocking imports held up after the country introduced capital controls last month. Businesses have been hit by limits on transferring money abroad to pay for imports of raw material and other items since the controls started on June 29, and have had to apply to a special committee for permission to pay their foreign suppliers, a time-consuming process. *(Reuters)*
- **E.U.: Greek creditors seek third wave of reforms before loan.** International creditors want Greece to enact a third wave of politically sensitive reforms before they will release any money to keep the near bankrupt country afloat under a third bailout they began negotiating on Monday. The government of Prime Minister Alexis Tsipras has pushed two packages of measures through parliament this month as a condition for starting talks on a three-year loan worth up to 86 billion euros (\$95 billion) to keep Greece in the eurozone. *(Reuters)*
- **E.U.: Pressed by left, Greece's Tsipras vows 'thus far and no further'.** Greek Prime Minister Alexis Tsipras, struggling to contain a revolt in his left-wing Syriza party, said that his government would not implement reform measures beyond those agreed with lenders at a eurozone summit this month. Tsipras faces a tough Syriza central committee session on Thursday with many activists angered by his acceptance of bailout terms more stringent than those voters rejected in a July 5 referendum. *(Reuters)*
- **E.U.: Greece did not seek more funding from ECB on Wednesday.** Greece did not request a further increase in Emergency Liquidity Assistance (ELA) from the European Central Bank on Wednesday, in a sign Greek banks are not burning through cash as fast as previously feared, sources familiar with the situation said. The ECB, which increased ELA by 900 million euros in each of the past two weeks, kept its cap at around 91 billion euros on Wednesday after the Bank of Greece defied some expectations and did not request another increase, indicating that banks are maintaining a cash buffer. *(Reuters)*
- **E.U.: Greek debt restructuring is inevitable, says IMF Chief.** Greece's international creditors will have no choice but to accept an easing of the terms of Athens' debts, the Head of The International Monetary Fund said on Wednesday. The IMF has teamed up with the European Union and the European Central Bank in recent years to lend Greece money repeatedly to save it from a debt crisis. *(Reuters)*
- **E.U.: Greece, Europeans must reach deeper deal before IMF program possible.** The International Monetary Fund can only approve new loans for Greece after Athens reaches an agreement with European governments that would ensure it can pay its debts. The IMF has teamed up with the European Union and the European Central Bank in recent years to lend Greece money repeatedly to save it from a debt crisis. Athens and Brussels this week started a new round of negotiations on an 86 billion euro (\$93.8 billion) bailout after striking a preliminary deal earlier this month. The IMF said it would actively participate in new talks and the Fund's board on Wednesday authorized discussions on a new Greek lending program. *(Reuters)*
- **Japan: IMF urges Japan to 'reload Abenomics' to continue recovery.** The International Monetary Fund has warned Japan to not rely too much on the weak yen but to push for more reforms. In its latest annual assessment, the IMF said it saw a "modest recovery". But the global lender warned that further bold structural reforms were needed to lift growth and enable financial consolida-

tion. Tokyo's reform package dubbed Abenomics was kicked off in 2012 and aims at spurring economic growth. *(BBC)*

- **Japan: Japan June inflation stalls, spending unexpectedly falls.** Japan's annual core consumer inflation stalled and household spending unexpectedly fell in June, underscoring the challenges the central bank faces in reflatting the economy to meet its ambitious 2% price target. But the central bank is set to hold off on expanding monetary stimulus for now, as policymakers have repeatedly said they will look through the effect of last year's oil rout that is mainly behind the slowdown in inflation. *(Reuters)*
- **China: Manufacturing slumps to 15-month low.** China's manufacturing slumped to a 15-month low in July in a fresh sign of deterioration in the world's second biggest economy, a survey showed Friday. The manufacturing index based on a survey of factory purchasing managers fell to 48.2 this month from 49.4 in June. *(Xinhua)*
- **China: Chinese regulator vows share support after markets tumble 8.5% in a day.** China said on Monday it was prepared to buy shares to stabilize the stock market and avert "systemic risks", after major indices plunged more than 8% in the biggest one-day fall since 2007. The securities regulator also said market authorities would deal severely with anyone engaged in the "malicious shorting of stocks", in Beijing's latest attempt to stave off a full-blown market crash. *(Reuters)*
- **China: Analyst who predicted bottom for Shanghai stocks sees further 14% plunge.** Chinese stocks will decline by an additional 14% over the next three weeks as the market demonstrates a trading pattern that mimics that of the U.S. crash in 1929, according to Tom DeMark, who predicted the bottom of the Shanghai Composite Index in 2013. The benchmark for mainland stocks will sink to 3,200 after plunging 8.5% Monday to 3,725.56 in the worst selloff in eight years, DeMark said on Monday. *(Bloomberg)*
- **China: Industrial profits slump.** Decline in factory gate prices and rise in unit costs blamed for poor performance in June China's industrial profits dropped 0.3% in June from a year earlier, the worst in three months, indicating further deflationary pressures despite an alleviation in the debt servicing burden. *(Reuters)*
- **China: China can withstand market volatility: IMF.** International Monetary Fund (IMF) Chief Christine Lagarde on Wednesday downplayed China's recent market volatility and said Chinese economy is resilient and the slowdown in growth is under control. In response to China's efforts to stabilize the market, the IMF chief said that it's the Chinese authorities' duty to prevent disorderly movements in the markets. *(China.org.cn)*

RELEASE FOR THE WEEK (AUGUST 3 — 9 , 2015)

U.S.

- June Personal Income and Spending by Bureau of Economic Analysis on Aug 3
- July Markit United States Manufacturing PMI on Aug 3
- July ISM Manufacturing by Institute for Supply Management on Aug 3
- June Factory Orders on Aug 4
- Weekly Mortgage Applications by Mortgage Bankers Association on Aug 5
- July ADP National Employment Report on Aug 5
- June Trade Balance by US Census Bureau on Aug 5
- Weekly Initial Jobless Claims by Department of Labor on Aug 6
- July Unemployment Rate by Bureau of Labor Statistics on Aug 7

Eurozone

- July Markit Eurozone Manufacturing PMI on Aug 3
- June Producer Price Index (PPI) by Eurostat on Aug 4
- July Markit Eurozone Services PMI on Aug 5
- June Retail Sales and Volume by Eurostat on Aug 5

Japan

- July Vehicle Sales by Japan Automobile Manufacturers Association on Aug 3
- July Nikkei Japan PMI Services on Aug 4
- June BOP Current Account Balance by Ministry of Finance on Aug 9

China

- July Caixin China Composite PMI on Aug 4
- July Trade Balance by National Bureau of Statistics on Aug 7
- July Consumer Price Index by National Bureau of Statistics on Aug 8
- July Money Supply M2 by The People's Bank of China on Aug 9

Malaysia

- June External Trade Balance by Department of Statistics Malaysia (DOSM) on Aug 5
- Foreign Reserves as at July 31, 2015 by Bank Negara Malaysia (BNM) on Aug 6