

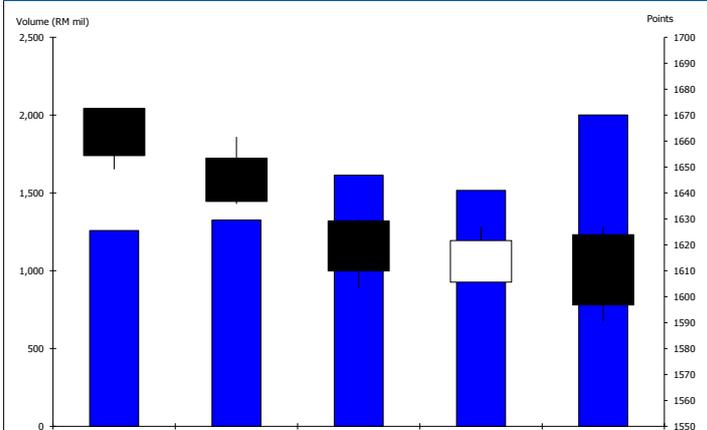
Weekly Factsheet ended August 14: Markets end mixed

TABLE 1: WEEKLY CLOSING IN MAJOR MARKET INDICES

| | 7-Aug | 14-Aug | %wow | %ytd |
|--------------|----------|----------|------|------|
| KL Composite | 1682.65 | 1596.82 | -5.1 | -9.3 |
| Dow Jones | 17373.38 | 17477.4 | 0.6 | -1.9 |
| Nikkei 225 | 20724.56 | 20519.45 | -1.0 | 17.6 |
| DAX Index | 11490.83 | 10985.14 | -4.4 | 12.0 |
| UK FTSE100 | 6718.49 | 6550.74 | -2.5 | -0.2 |
| AUS ORD 30 | 5472.331 | 5360.009 | -2.1 | -0.5 |
| STI Index | 3196.66 | 3114.25 | -2.6 | -7.5 |
| Hang Seng | 24552.47 | 23991.03 | -2.3 | 1.6 |
| SSE Index | 3744.205 | 3965.335 | 5.9 | 22.6 |

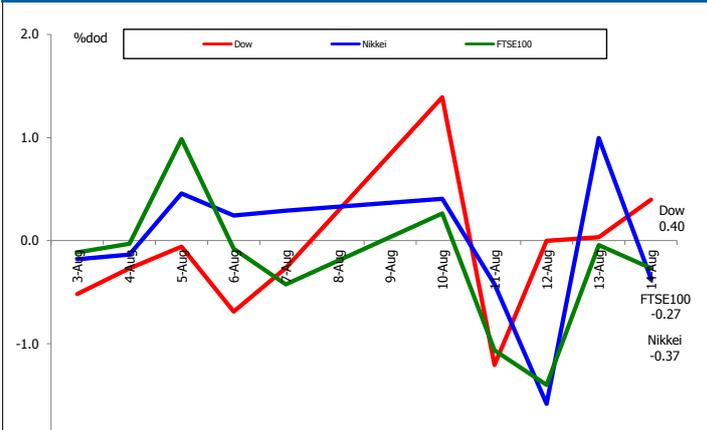
Source: Bloomberg

CHART 1: KLCI DAILY PERFORMANCE



Source: Bloomberg

CHART 2: MAJOR STOCK INDICES (DAILY % CHANGE)

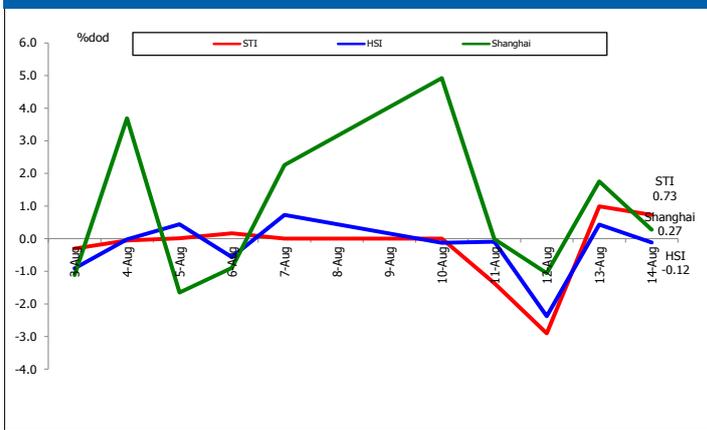
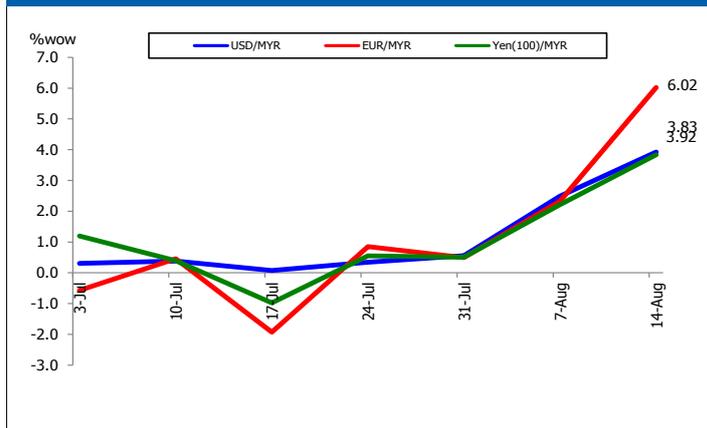
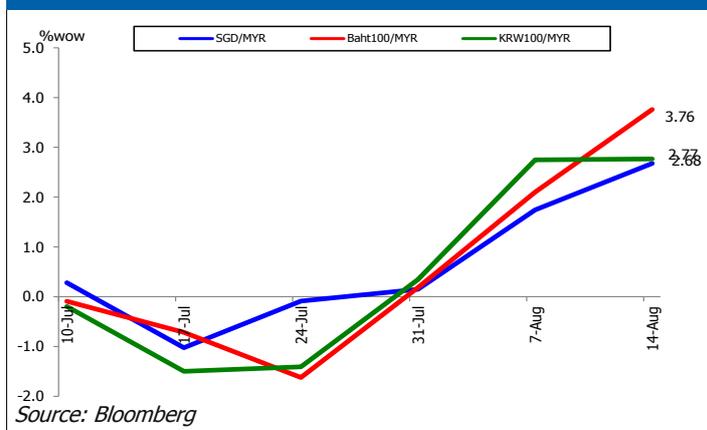
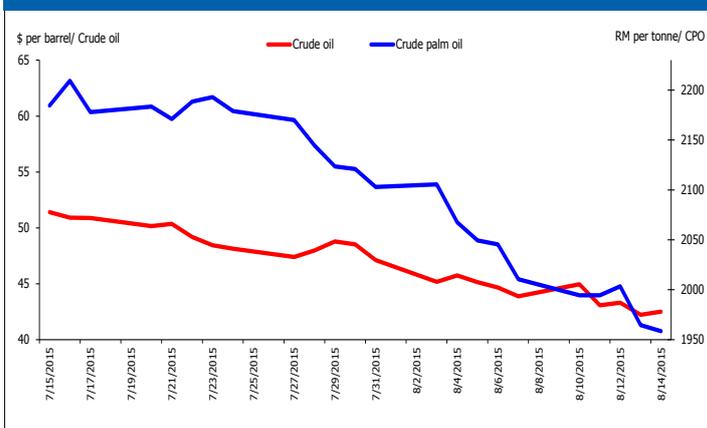


Source: Bloomberg

Equity markets ended the week on a mixed note. Though Malaysia's GDP for the second quarter grew stronger than analysts' expectation, it did little to help boost the depreciating ringgit versus the dollar, while the FBM KLCI contracted on a weekly basis. Elsewhere, shocks reverberated in the stock market as the People's Bank of China's cut the yuan's daily reference rate by 1.9% in a move some analysts see as an act to further liberalise the currency as China aspires the yuan to be included in the basket of IMF's Special Drawing Rights.

STOCK MARKET HIGHLIGHTS

- U.S. stocks close higher, secure gain in volatile week.** The S&P 500 rose 8.15 points, or 0.4%, to close at 2,091.54, with nine out of 10 sectors showing modest gains, led by utilities and financials, and weighed down by energy. The Dow Jones Industrial Average advanced 69.15 points, or 0.4%, to finish at 17,477.40, supported by Dow component leader DuPont & Co. which closed up 1.6% after J.P. Morgan analysts upgraded the stock. Meanwhile, the tech-heavy Nasdaq Composite Index advanced 14.68 points, or 0.3%, higher at 5,048.24. *(MarketWatch)*
- European stocks suffer worst week in more than a month.** The eurozone's blue-chip Euro STOXX 50 index closed down 0.7%. The broader pan-European FTSEurofirst 300 index retreated 0.1% to record a loss of 3% over the week - its worst weekly performance since early July. *(MarketWatch)*
- Japan stocks rise as GDP contracts less than economists forecast.** The Topix index added 0.7% to 1,676.71 as of 9:33 a.m. in Tokyo, with all but two of its 33 industry groups rising. Volume was 32% below the 30-day intraday average. The Nikkei 225 Stock Average gained 0.7% to 20,654.20. *(Bloomberg)*
- SE Asia stocks: Fall on week; Malaysia declines on ringgit.** Singapore's index gained for a second day, trimming its weekly loss to 2.6% to 3,114.25. The Thai index ended five days of declines, slipping 1% to 1,413.92 on the week. Indonesia erased early losses, with a 3.9% fall to 4,585.39 on the week. Volatility in regional currencies after China's yuan devaluation prompted investors to cash in on recent gainers, with Philippines down for a third day and posting a weekly loss of 1.7%. *(Reuters)*
- Bursa Malaysia ends week on subdued note.** Bursa Malaysia, which closed in the red, ended the week on a subdued note on the back of volatility in the Chinese yuan, falling oil prices and softer ringgit, dealers said. At 5 p.m., the FTSE Bursa Malaysia KLCI (FBM KLCI) fell 24.80 points to close at 1,596.82, after fluctuating between 1,590.57 and 1,626.90 throughout the day. *(Bernama)*

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****ECONOMIC HIGHLIGHTS**

- Malaysia: BNM likely to reduce forex intervention.** Bank Negara Malaysia (BNM) will likely reduce its intervention in the foreign exchange market to support the ringgit and allow it to move lower in tandem with regional currencies, said Affin Hwang Capital. (*The Sun Daily*)
- Malaysia: Malaysia's industrial output up 4.3% from year ago.** Malaysia's industrial output expanded in June, supported by stronger manufacturing and mining, with the industrial production index (IPI) up 4.3% from a year ago. However, this was slightly below a survey of a 4.4% growth. The Statistics Department said on Monday the June expansion was supported by a 4.9% growth in manufacturing and a 4% expansion in mining. (*The Star*)
- Malaysia: Currency war.** While the feeling is that the ringgit's value should be higher, dealers said bondholders had started to trim their holdings of MGS. Dealers also said they would be watching the ringgit as RM10bil worth of bonds mature. As at end-June, foreign ownership of MGS stood at 47%, or \$43bil (RM165.55bil) of the total outstanding of \$92bil (RM354.2bil). (*The Star*)
- Malaysia: Zeti sees volatile currency markets to remain.** BNM governor Tan Sri Dr Zeti Akhtar Aziz said on Thursday that she expects volatility in the currency markets to remain until there is certainty in policy direction from major economies. (*The Star*)
- Malaysia: Malaysia's economy grew 4.9% in Q2.** Malaysia's economic growth slowed to 4.9% in the second quarter of 2015, compared with 5.6% in the preceding quarter, as exports decelerated. The growth rate, nevertheless, was slightly higher than market expectation of a 4.8% expansion for Malaysia's gross domestic product (GDP) in the three months to June. (*The Star*)
- Malaysia: Little cheer for exporters.** "A cheap currency doesn't necessarily translate into more people buying our products. Yes, there may be some translation gains from the currency, but the importers may also have to pay for the higher cost of inputs of their products. The product type also matters," said independent economist Lee Heng Guie. (*The Star*)
- Malaysia: ECER draws RM6.3b in investments, on track to meet 2015 target.** The East Coast Economic Region (ECER) has attracted RM6.3 billion worth of investments until end-June this year. ECER Development Council Chief Executive Officer Datuk Seri Jebasingam Issace John said the region was on track to achieve this year's RM12 billion investment target. (*The Star*)
- U.S.: Solid jobs report bolsters case for Fed rate hike.** U.S. employment rose at a solid clip in July and wages rebounded after a surprise stall in the prior month, signs of an improving economy that opened the door wider to a Federal Reserve interest rate increase in September. Nonfarm payrolls increased 215,000 last month as a pickup in construction and manufacturing jobs offset further declines in the mining sector. (*Reuters*)
- U.S.: Kerry confident of concluding TPP trade pact this**

- year.** U.S. Secretary of State expressed confidence on Friday that an ambitious Pacific trade pact could be completed and said a recent nuclear deal with Iran proved hurdles in international agreements could be overcome. Kerry said many challenges remained, particularly on issues of autos and dairy, but the United States would do everything in its power to make it happen. *(Reuters)*
- **U.S.: Small business confidence bounces back in July.** U.S. small business confidence rebounded in July from a 15-month low as owners anticipated solid sales and inventory growth, providing another boost to the economic outlook for the third quarter. The Small Business Optimism Index increased 1.3 points to 95.4. About 1,495 businesses took part in the survey. *(Reuters)*
 - **U.S.: Surge in commercial real-estate prices stirs bubble worries.** The value of U.S. commercial real-estate transactions in the first half of 2015 jumped 36% from a year earlier to \$225.1 billion, ahead of the pace set in 2006. Low interest rates and a flood of cash being pumped into economies by central banks have made commercial real estate look attractive compared with bonds and other assets. *(WSJ)*
 - **U.S.: Solid retail sales bolster Fed rate hike expectations.** U.S. retail sales rebounded in July as households boosted purchases of automobiles and a range of other goods, suggesting the economy was growing solidly early in the third quarter and bolstering the case for a Federal Reserve interest rate hike. While other data on Thursday showed a rise in new applications for unemployment benefits last week, the trend still firmly pointed to a tightening labor market. *(Reuters)*
 - **U.S.: Jobless claims up, four-week average lowest since 2000.** The number of Americans filing new applications for unemployment benefits unexpectedly rose last week, but the trend continued to point to a strengthening labor market. Initial claims for state unemployment benefits increased 5,000 to a seasonally adjusted 274,000 for the week ended Aug. 8, the Labor Department said on Thursday. *(Reuters)*
 - **E.U.: Greece and lenders agree bailout.** Greece and its international lenders reached an 85 billion euro bailout agreement on Tuesday after nailing down the terms of new loans needed to save the country from financial ruin. The deal, which came after 23 hours of talks that continued through the night, must still be adopted by Greece's parliament and by eurozone countries. *(Reuters)*
 - **E.U.: Greek bailout bill submitted to parliament for approval.** Greece's government submitted a bill outlining a three-year bailout program to parliament on Wednesday, pushing for quick approval that would pave the way for rapid disbursement of aid. Athens a day earlier agreed with international lenders on the terms of about 85 billion euros in fresh aid to stay financially afloat and remain in the eurozone. *(Reuters)*
 - **Japan: Consumer confidence falls to lowest in six months in July.** Japanese consumer confidence tumbled in July to the lowest in six months, raising the risk of weakness in spending that could weigh on the economy this quarter. An index of confidence dropped to 40.3 from 41.7 in June, according to data released on Monday by the Cabinet Office. *(Reuters)*
 - **Japan: Wholesale prices fell 3.0% in July from a year earlier.** It was the sharpest decline in more than five years, weighed down by falling crude oil prices, the Bank of Japan said Wednesday. The index of corporate goods prices slid for the fourth straight month to 103.4 against the 2010 base of 100, the central bank said in a preliminary report. Excluding effects of last year's 3-percentage-point consumption tax hike to 8%, the index lost 2.9% to 100.6, down for the ninth consecutive month. *(Reuters)*
 - **Japan: Some BOJ policymakers retain cautious view on inflation.** Some Bank of Japan policymakers continued to hold a cautious view over the timing of achieving the central bank's 2% inflation target, minutes of the July policy meeting showed Wednesday. One member of the policy board pointed out that the effects of upward pressure on prices from the yen's depreciation were "diminishing," as rises in food prices were offset by slower increases in public utility charges, the minutes said. *(Reuters)*
 - **Japan: June core machinery orders down 7.9% on month.** Japan's core private-sector machinery orders fell a seasonally adjusted 7.9% in June from the previous month for the first decline in four months, the government said Thursday, signaling a possible dent in corporate investment demand. The value of orders, widely regarded as a leading indicator of future capital spending, totaled 835.9 billion yen (\$6.72 billion). *(Reuters)*
 - **China: Government under mounting pressure to ease policy as economy stumbles.** China is under growing pressure to further stimulate its economy after disappointing data over the weekend showed another heavy fall in factory-gate prices and a surprise slump in exports. Producer prices in July hit their lowest point since late 2009, during the aftermath of the global financial crisis, and have been sliding continuously for more than three years. *(Reuters)*
 - **China: Inflation edges up to 1.6% in July.** Consumer inflation edged up to a still-low 1.6% year-on-year in July, government data showed Sunday, leaving room for Beijing to cut interest rates or take other steps to stimulate slowing economic growth. The inflation rate rose from the previous month's 1.4%, driven by a jump in pork prices. The National Bureau of Statistics said that costs also rose for medical care, vegetables, household services, tobacco and pre-school education. July's consumer price index was the highest so far in 2015. *(Reuters)*
 - **China: Foreign trade drops 7.3% in first seven months.** China's foreign trade dropped 7.3% year on year to 13.63 trillion yuan (\$2.23 trillion) in the first seven months of 2015, official data showed on Saturday. Exports edged down by 0.9% from a year ago to 7.75 trillion yuan, while imports slumped by 14.6% to 5.88 trillion yuan, according to data from the General Administration

of Customs (GAC). *(Reuters)*

- **China: Forex reserves decline by \$42.5 billion in July.** Capital outflows surge as worries about weak economic growth increase, says central bank China's foreign exchange reserves slipped to a two-year low by the end of July, implying more capital outflows amid expectations of a fragile economic rebound and a stronger dollar. *(Reuters)*
- **China: Government turns to tourism to boost sagging economy.** China is ramping up support for tourism, creating investment funds and building tourist attractions from camp grounds to theme parks in a bid to lift spending in its softening economy. Helped by a fast-expanding middle class, tourism has emerged as a prospective new driver in China's economy, with the government aiming to double leisure spending to 5.5 trillion yuan (\$886 billion) by 2020 from 2013. *(Reuters)*
- **China: July vehicle sales fall biggest in 2-1/2 years.** Auto sales in China fell 7.1% in July from a year earlier to 1.5 million vehicles, their biggest decline since February 2013. That compares with a 2.3% drop in June and a 0.4% decline in May. Sales have now fallen for four straight months, their longest losing streak in at least five years, highlighting the downward pressure on the market as the economy slows. *(Reuters)*
- **China: Government rattles markets with yuan devaluation.** China devalued the yuan in a move that rippled through global markets, as policy makers stepped up efforts to support exporters and boost the role of market pricing in Asia's largest economy. The central bank cut its daily reference rate by 1.9%, triggering the yuan's biggest one-day drop since China ended a dual-currency system in January 1994. *(Reuters)*

RELEASE FOR THE WEEK (AUGUST 17 — 23 , 2015)

U.S.

- August U.S. Empire State Manufacturing Survey General Business Conditions on August 17
- July Housing Starts by Department of Commerce on August 18
- Weekly Mortgage Applications by Mortgage Bankers Association on Aug 19
- July Consumer Price Index (CPI) by Bureau of Labor Statistics on Aug 19
- Weekly Initial Jobless Claims by Department of Labor on Aug 20
- July Existing Home Sales by National Association of Realtors on Aug 20
- July Leading Index by Conference Board on Aug 20
- August Markit United States Manufacturing PMI on Aug 21

Eurozone

- Markit Eurozone Manufacturing PMI on Aug 21
- Markit Eurozone Services PMI on Aug 21
- Markit Eurozone Composite PMI on Aug 21
- August Consumer Confidence Indicator by European Commission on Aug 21

Japan

- 2Q15 Gross Domestic Product (GDP) by Economic & Social Research Institute (ESRI) on Aug 17
- July Japan Trade Statistics Balance by Ministry of Finance on Aug 19
- June All Industrial Activity Index by Ministry of Economy, Trade & Industry (Japan) on Aug 19
- August Nikkei Japan PMI Manufacturing by Markit on Aug 21

China

- August Caixin China Manufacturing PMI on Aug 21

Malaysia

- July Consumer Price Index (CPI) by Department of Statistics Malaysia (DOSM) on Aug 20
- Foreign Reserves as at Aug 14,2015 by Bank Negara Malaysia (BNM) on Aug 21