

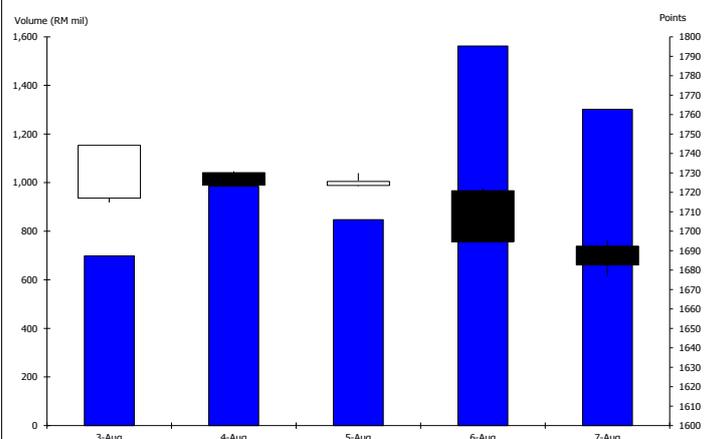
Weekly Factsheet ended August 7: CPO below 2000, last seen Sept 2014

TABLE 1: WEEKLY CLOSING IN MAJOR MARKET INDICES

	31-Jul	7-Aug	%wow	%ytd
KL Composite	1,723.14	1,682.65	-2.3	-4.5
Dow Jones	17,689.86	17,373.38	-1.8	-2.5
Nikkei 225	20,585.24	20,724.56	0.7	18.8
DAX Index	11,308.99	11,490.83	1.6	17.2
UK FTSE100	6,696.28	6,718.49	0.3	2.3
AUS ORD 30	5,681.69	5,472.33	-3.7	1.6
STI Index	3,202.50	3,196.66	-0.2	-5.0
Hang Seng	24,636.28	24,552.47	-0.3	4.0
SSE Index	3,663.73	3,744.21	2.2	15.8

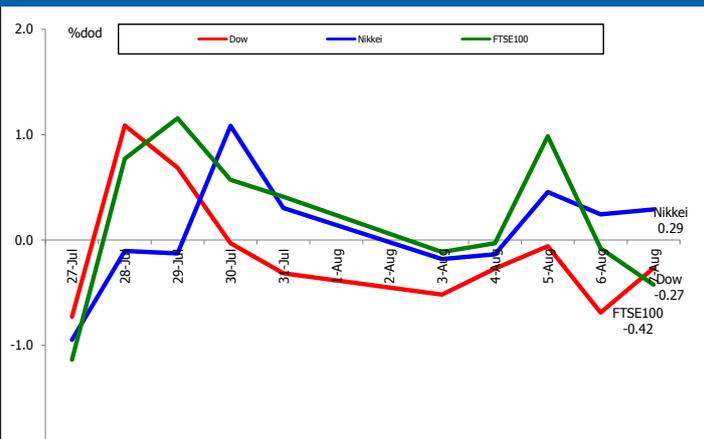
Source: Bloomberg

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. News on Malaysia's June exports which expanded by 5% yoy as opposed to the expectation of a 2.2% yoy drop was barely a plus point for both the FBM KLCI and the ringgit, as both recorded declines of 4.5% and 2.5% wow respectively (ringgit depreciated against the U.S dollar). In fact, the degree of the ringgit depreciation against the dollar last week was the fastest seen since the week ended 21 June 2013.

STOCK MARKET HIGHLIGHTS

- U.S. Stocks fall as rate rise appears on track.** A solid U.S. jobs report for July pushed the Dow to a six-month low, as investors geared up for an increase in interest rates as soon as September. The Dow Jones Industrial Average fell for the seventh session in a row—its longest losing streak since August 2011—declining 46.37 points, or 0.3%, to 17,373.38. The S&P 500 fell 5.99, or 0.3%, to 2,077.57, and the Nasdaq Composite declined 12.90, or 0.3%, to 5,043.54. Both remain in positive territory for the year. (*WSJ*)
- European stocks fall after disappointing German data, but up for the week.** European stocks stepped lower Friday after an unexpected pullback in German industrial output and a U.S. jobs report that roughly matched expectations, but the region's benchmark still achieved a gain for the week. The Stoxx Europe 600 fell 0.9% to close at 397.07. The pan-European index eked out a 0.2% gain on the week, its second-consecutive weekly rise. The DAX 30 scored a weekly rise of 1.6%, marking its first such rise in three weeks. Other country indexes were lower Friday, with France's CAC 40 giving up 0.7% to end at 5,154.75, and the U.K.'s FTSE 100 closed 0.4% lower at 6,718.49. The French and British indexes finished with weekly gains of 1.4% and 0.3%, respectively. (*MarketWatch*)
- Asian shares fall ahead of U.S. jobs data; China shares rally.** The benchmark Shanghai Composite index climbed 82.67 points or 2.26% to 3,744.20, while Hong Kong's Hang Seng index closed up 177.19 points or 0.73% at 24,552.47. The benchmark Nikkei average rose 60.12 points or 0.29% to 20,724.56, while the broader Topix index advanced 0.3% to 1,679.19. The benchmark S&P/ASX200 fell 135.3 points or 2.41% to 5,474.8, while the broader All Ordinaries index slumped 127.8 points or 2.28% to 5,472.3. The ASX index fell nearly 4% for the week, posting its worst single-day loss in over three years. (*Nasdaq*)
- Bursa Malaysia ends lower on profit taking.** Bursa Malaysia ended lower on Friday on continued profit taking by foreign funds, dealers said. At 5 p.m., the FTSE Bursa Malaysia KLCI (FBM KLCI) fell 11.99 points, or 0.7%, to 1,682.65 after fluctuating between 1,677.22 and 1,695.18 throughout the day. (*The Sun*)

CHART 3: REGIONAL STOCK INDICES (DAILY % CHANGE)

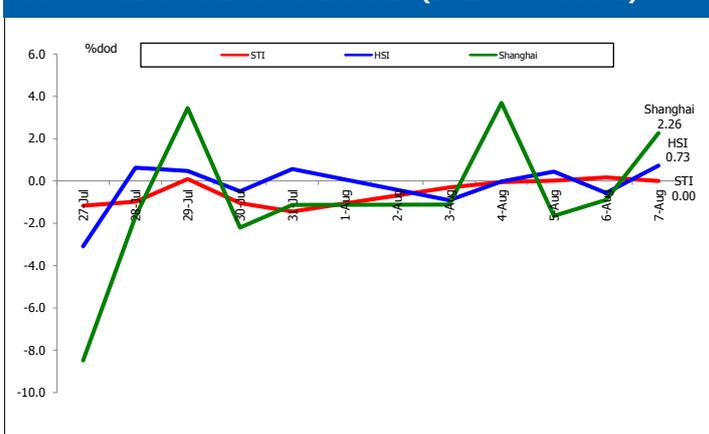


CHART 4: RINGGIT vs MAJOR CURRENCIES (% W-O-W)

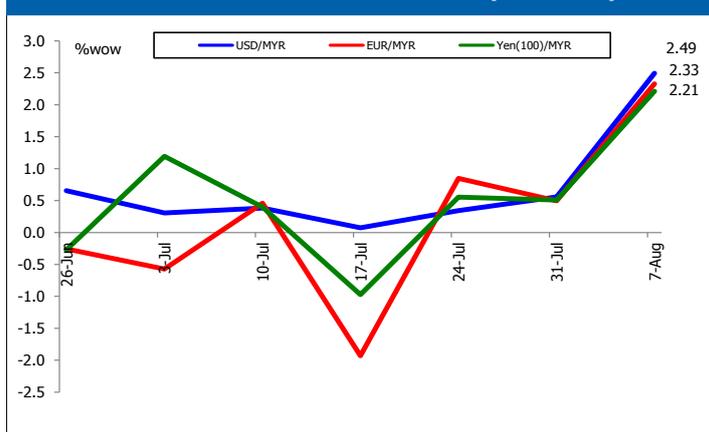


CHART 5: RINGGIT vs REGIONAL CURRENCIES (% W-O-W)

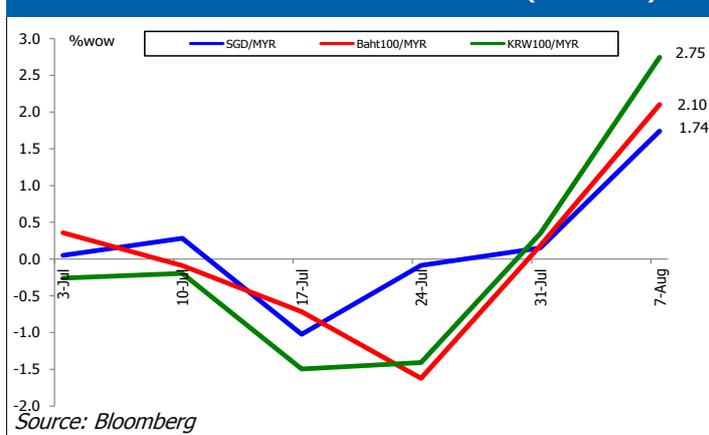
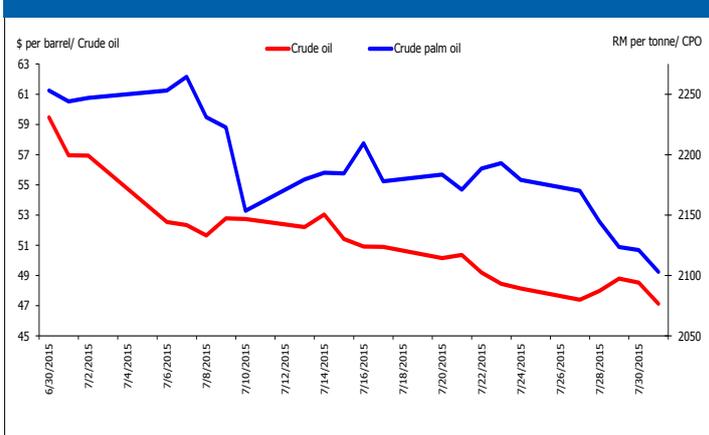


CHART 6: CRUDE OIL vs CRUDE PALM OIL



ECONOMIC HIGHLIGHTS

- Malaysia: Ringgit's fall due to external factors, says Chua.** The ringgit's current decline is due to external factors, including the fall in global oil prices and pressure from the U.S. dollar. Deputy Finance Minister Datuk Chua Tee Yong said oil prices fell to below \$50 per barrel in July. The ringgit has declined by 8.4% from the 3.4965 level recorded at the end of last year. *(Bernama)*
- Malaysia: Malaysia new export orders up in July.** Malaysia's new exports rose for the sixth month in a row in July, according to the Nikkei Malaysia Manufacturing Purchasing Managers' Index (PMI). Firms attributed the increase to gaining new foreign clients and product launches. Nikkei Malaysia Manufacturing PMI is an indicator of manufacturing performance derived from indicators for new orders, output, employment, suppliers' delivery times and stocks of purchases. *(Bernama)*
- Malaysia: Foreign fund outflow from Malaysia above RM11b: MIDF Research.** MIDF Equities Research estimates that cumulative net foreign outflow from Malaysian equities rose to RM11.7bil at end July, significantly surpassing the RM6.9b outflow for the entire 2014. In its report issued on Monday, it said foreign money outflow from Bursa-listed companies continued unabated last week. *(The Star)*
- Malaysia: Pressure on ringgit remains unabated.** At RM3.85 to the U.S. dollar, the selling pressure on the ringgit remains unabated on the back of two probable developments – first, the widely speculated put option that traders had gone into a few months ago offering RM4 for every U.S. dollar. The second is the arbitrage difference between the non-deliverable forward (NDF) ringgit offshore contract versus the onshore ringgit forward contract. *(The Star)*
- Malaysia: Malaysia's June exports defy forecasts.** Malaysia's exports in June 2015 grew 5% from a year ago to RM64.3bil, exceeding economists' expectations of a 2.2% decline, boosted by higher exports to China, Taiwan and the US. When compared with May, the exports were up RM3.8bil, or 6.3% on a month-on-month basis, according to the Statistics Department *(The Star)*
- Malaysia: Move to peg ringgit is unnecessary, says Don.** The move to peg the ringgit against the U.S. dollar is unnecessary as it will be rigid and limit the ability of the economy to adjust to the changes. Dr Yeah Kim Leng, Dean of School of Business, Malaysia University of Science and Technology, said the current situation was different from the 1997 Asian financial crisis and the pegging will have more negative impact due to the changes in the global economy. *(Bernama)*
- U.S.: Wage growth brakes in second-quarter; consumer sentiment slips.** U.S. labor costs in the second quarter recorded their smallest increase in 33 years as workers earned less in commissions and bonuses, in what appeared to be a temporary wage growth setback against the backdrop of diminishing labor market slack. The surprisingly smaller rise reported by the Labor Department on Friday did little to temper expectations that the Federal Reserve is set to raise interest rates later this year. *(Reuters)*

- **U.S.: Pacific Rim free trade talks fall short of deal.** Pacific Rim trade ministers failed to clinch a deal on Friday to free up trade between a dozen nations after a dispute flared up over auto trade between Japan and North America, New Zealand dug in over dairy trade and no agreement was reached on monopoly periods for next-generation drugs. *(Reuters)*
- **U.S.: Factory activity dips.** U.S. factory activity slipped in July and consumer spending advanced at its slowest pace in four months in June, indicating the economy lost some momentum recently. But that could be temporary as automakers on Monday reported U.S. sales increased solidly last month after dipping in June, keeping the industry on track for its best year in a decade. *(Reuters)*
- **U.S.: Construction spending gain smallest in five months.** U.S. construction spending barely rose in June as private outlays posted their biggest drop in a year, but the underlying trend suggested the economy remained on solid ground. Construction spending increased 0.1%, the smallest rise since January. May's outlays were revised sharply higher to show a 1.8% gain instead of the previously reported 0.8% rise. *(Reuters)*
- **U.S.: Factory orders rebound on strong demand for aircraft.** New orders for U.S. factory goods rebounded strongly in June on robust demand for transportation equipment and other goods, a hopeful sign for the struggling manufacturing sector. The Commerce Department said on Tuesday new orders for manufactured goods increased 1.8% after declining 1.1% in May. *(Reuters)*
- **U.S.: Service sector activity hits 10-year high.** The pace of growth in the U.S. service sector surged in July to its best level in a decade, led by sharp increases in business activity, employment and new orders, an industry report showed on Wednesday. The Institute for Supply Management said its services sector index rose to 60.3, its highest reading since August 2005, a sign of confidence that the non-manufacturing sector, which accounts for more than two-thirds of U.S. economic activity, was growing swiftly. *(Reuters)*
- **U.S.: Trade gap widens 7% in June as imports jump.** The U.S. trade deficit increased in June as solid consumer spending pulled in more imports, while the strong dollar restrained exports. The Commerce Department said Wednesday the trade gap jumped 7% to \$43.8 billion in June, up from \$40.9 billion in May. *(Reuters)*
- **U.S.: Private sector adds 185,000 jobs in July.** U.S. private employers hired 185,000 workers in July, which was the smallest increase since April and reduced expectations of a strong jobs reading in the government's payrolls report due Friday, according to a payrolls processor on Wednesday. Economists surveyed by Reuters had forecast the ADP National Employment Report would show a gain of 215,000 private jobs in July. *(Reuters)*
- **U.S.: Mortgage applications rise in latest week.** Applications for U.S. home mortgages rose last week as borrowing rates declined to their lowest since May, 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 4.7% in the week ended July 31. *(Reuters)*
- **U.S.: Jobless claims edge up, but labour market still solid.** The number of Americans filing new applications for unemployment benefits rose less than expected last week, suggesting labour market conditions are continuing to tighten. Initial claims for state unemployment benefits increased 3,000 to a seasonally adjusted 270,000 for the week ended Aug 1. It was the 22nd consecutive week that claims held below the 300,000 threshold, which is associated with a strengthening labor market. *(Reuters)*
- **E.U.: MSCI may still reclassify Greece if capital curbs persist.** Index provider MSCI said it continued to monitor capital controls at Athens' stock exchange and may still launch a consultation to reclassify the country from 'emerging' to 'standalone' status if significant restrictions continued. Greece's stock market reopened on Monday after a five-week shutdown brought on by fears the country was about to be dumped from the eurozone, but ended the day with heavy losses. *(Reuters)*
- **E.U.: Greece unlikely to ask for more ECB liquidity for weeks.** Greece is unlikely to ask for an increase in emergency funding from the European Central Bank for weeks, because its liquidity buffer has risen thanks to cash inflows and central bank help. *(Reuters)*
- **E.U.: Greek unemployment drops to 25% in May.** Greece's jobless rate fell to 25% in May from 25.6% rate in the previous month, statistics agency ELSTAT said on Thursday. The reading in May, based on seasonally adjusted data, was the lowest since June 2012 when unemployment stood at 24.9%. The jobless rate hit a record high of 27.9% in September 2013. *(Reuters)*
- **U.K.: U.K. manufacturing growth picks up in July.** U.K. manufacturing growth picked up in July, a survey has suggested, after a 26-month low in June. But growth remained "near-stagnant", Markit said in its monthly U.K. Purchasing Managers' Index (PMI) for manufacturing. The index rose to 51.9 in July, from 51.4 in June. A figure above 50 indicates expansion. However, it remained below the average of 54.3 the sector has had since April 2013. *(BBC)*
- **U.K.: U.K. industrial output falls in June.** U.K. industrial output fell 0.4% in June following a drop in oil, gas and mining production, according to figures from the Office for National Statistics (ONS). The ONS blamed part of the fall on maintenance in a major oil field. Compared with a year ago, total production output is estimated to have increased by 1.5%. Output from the manufacturing sector increased by 0.2% in June, following a 0.6% drop in May. *(BBC)*
- **Japan: Japan housing starts growth accelerates; Construction orders rebound.** Japan's housing starts growth accelerated sharply and construction orders rebounded in June, data from the Ministry of Land, Infra-

structure, Transport and Tourism showed Friday. Housing starts logged a double-digit growth of 16.3% in June, after increasing 5.8% in May. The annual growth was forecast to slow to 3%. (*RTT News*)

- **Japan: July monetary base rises 34% to another record high.** Japan's monetary base stood at a record-high 325.74 trillion yen (\$2.63 trillion) at the end of July, up 33.9% from a year earlier, as the Bank of Japan continued to provide more liquidity to raise the inflation rate to its targeted 2%, BOJ data showed Tuesday. The monetary base reached an all-time high for the 12th straight month. (*Reuters*)
- **China: China's non-manufacturing PMI improves in July.** China's service sector activity further picked up steam in July, an official monthly survey showed on Saturday. The purchasing managers' index (PMI) for the non-manufacturing sector expanded to 53.9 in July, up from 53.8 for June, according to a report released jointly by the National Bureau of Statistics and the China Federation of Logistics and Purchasing (CFLP). (*China.org.cn*)
- **China: China factory activity falls to weakest in two years.** Factory activity in the world's second largest economy, China, shrank the most in two years in July as new orders fell more than expected. The private Caixin/Markit manufacturing purchasing managers' index (PMI) dropped to 47.8 in July from 49.4 in the previous month. (*BBC*)
- **China: As economy slows, China has range of policy-stimulus options.** After months of monetary easing, China's economy is still growing at its slowest pace in 25 years with little sign of an immediate turnaround. The country's \$3.69 trillion of foreign-exchange reserves and relatively low national government debt levels mean it has the ammunition for fiscal stimulus. (*Bloomberg*)
- **China: China limits stock market short selling to curb volatility.** Chinese regulators restricted short selling of stocks, freezing out day traders, in their latest step aimed at stabilizing the world's second-largest equity market. Investors who borrow shares must now wait one day to pay back the loans, according to statements from the Shanghai and Shenzhen stock exchanges issued after the close of trading on Monday. This prevents investors from selling and buying back stocks on the same day. (*Bloomberg*)
- **China: July services activity quickens to 11-month high.** Activity in China's services sector expanded at its fastest pace in 11 months in July, thanks to stronger new business, a private survey showed on Wednesday, a welcome development at a time factories in the world's second largest economy are struggling. The services Purchasing Managers' Index (PMI) compiled by Caixin/Markit rose to 53.8 from June's 51.8. The July level is the highest since August 2014 and marks a 12th straight month of expansion. (*Reuters*)

RELEASE FOR THE WEEK (AUGUST 10 — 16 , 2015)

U.S.

- June Wholesale Inventories on Aug 11
- Weekly Mortgage Applications by Mortgage Bankers Association on Aug 12
- July Advance Retail Sales by US Census Bureau on Aug 13
- July Import Price Index by Bureau of Labor on Aug 13
- Weekly Initial Jobless Claims by Department of Labor on Aug 13
- July Producer Price Index (PPI) by Processing Stage Finished Goods by Bureau of Labor Statistics on Aug 14
- July Industrial Production by Federal Reserve on Aug 14
- August Consumer Confidence by University of Michigan Survey Research on Aug 14

Eurozone

- Aug ZEW Eurozone Expectation of Economic Growth by ZEW Zentrum fuer Europaeische on Aug 11
- 2Q 2015 Gross Domestic Product by Eurostat on Markit Eurozone Manufacturing PMI on Aug 14
- July Consumer Price Index (CPI) by Eurostat on Aug 14

Japan

- July Money Supply M2+CD by Bank of Japan (BOJ) on Aug 10
- July Producer Price Index by Bank of Japan on Aug 11
- June Industrial Production Index (IPI) by Ministry of Economy, Trade and Industry on Aug 12
- June Tertiary Industry Activity Index by Ministry of Economy, Trade and Industry on Aug 12
- June Machinery Orders by Economic and Social Research Institution (ESRI) on Aug 12
- 2Q 2015 Gross Domestic Product (GDP) by Economic & Social Research Institute (ESRI) on Aug 16

China

- July New Yuan Loans by The People's Bank of China on Aug 10
- July Money Supply M2 by The People's Bank of China on Aug 10
- July Industrial Production Index by National Bureau of Statistics on Aug 12

Malaysia

- June Industrial Production Index (IPI) by Department of Statistics Malaysia (DOSM) on Aug 10
- 2Q 2015 Gross Domestic Product (GDP) Constant 2010 Prices by Department of Statistics Malaysia (DOSM) on External Trade Balance by Department of Statistics Malaysia (DOSM) on Aug 13