ASIA SECURITIES FORUM 2009
COUNTRY REPORT, MALAYSIA

EXECUTIVE SUMMARY

Economic Outlook 2009 and 2010

Overview of Malaysian Economy

Summary

- GDP to contract by 3.1% in 2009 due to the dampened consumer spending and contraction in exports (2008: +5.4% YoY). While for 2010, the economy may observe a 3.0% growth back on the increase in investment expenditure and international trade.
- Nominal exports may face a contraction of 24.4% YoY for 2009; imports to fall by 26.8%; while trade surplus may moderate to RM119.72bn for 2009. Note that in 2008, exports grew by 9.6%; import rose by 3.3% YoY; and trade balance had registered a surplus of RM141.9bn.
- Inflation rose 5.4% YoY in 2008. It is forecast to taper off to 1.0% in 2009 as price levels stay in check and cost push pressure recedes. The upward adjustment in petrol pump price may accelerate CPI by 1.8% in 2010.
- BNM to maintain its accommodative monetary policy stance. OPR to be retained at 2.0% for 2009. There are rooms for rate cuts should the need arises.
- The Ringgit to trade at RM3.40 per USD on average for the remaining of 2009. Anticipate Ringgit to strengthen to RM3.30 per US dollar by end-2010.

Malaysia: Seeking Economic Revival

Malaysian economy has showed less alarming signs of deterioration in economic activities following the drastic contraction of 6.2% YoY in the first quarter of 2009 (2Q09: -3.9% YoY). The phenomenon of dwindling exports coupled with the contraction in consumer demand was widely anticipated amidst the weak macro backdrop. Accordingly, Malaysia's surplus through trade had drifted downwards ever since 4Q08 as the exports segment fell greater than the compression in imports. We note that nominal exports had posted a steeper contraction of 26.3% YoY in 2Q09 due to the high base of last year (1Q09: -20.0% YoY), while trade balance had registered a moderated surplus of RM26.47bn in 2Q09 (following the RM32.70bn in 1Q09). Base on the demand division of real GDP, the exports component alone accounts for more than 100% of GDP.

Malaysia's key economic indicators are improving

Several key economic indicators are reaffirming that the contractions in economic activities are likely to be phasing out in Malaysia primarily due to the: (1) effective government spending through pump-priming activities; and (2) also the record low interest rates which assisted towards improved market and economic sentiments. Note that the Overnight Policy Rate (OPR) has been retained at 2.0% for August, which was the sixth Monetary Policy Meet (MPC) of 2009. Mainly, the product market is showing signals of stabilizing. Nevertheless, we are maintaining our cautious stance on the economy's secondary sector as a whole considering that global demand may slag. Meanwhile, the primary sector of mining and quarrying segment may stage moderation in the rate of decline on the back of rising crude oil prices going forward.

Malaysian GDP growth to resume in 4Q09

Better second half

The grim outlook is likely to improve into the 2H09, while economic growth is only expected in the final quarter of the year. We continue to remain cautious on the outlook for the international trade segment. As such, the final quarter growth will mainly be driven by the economic pump-priming activities leading to the increase in government expenditure and public investment.

Pump priming Effect

The effect of the economic stimulus will only be felt in the 2H09. The pump priming and increase in government spending spurs both market sentiment and consumer confidence which would likely to be an indirect boost to both private investment and consumption spending.

Economic Downside Risk

Malaysia's economic growth is hampered by the potential of future economic risks ahead. The economic hindrances involve: (1) the high level of unemployment worldwide (especially in the US at 9.7% in August) that may dampened the exports segment; (2) the manufacturing sub-division which showed signals of rebound could have been due to inventory restocking; and also (3) probable hike in prices of goods and services as a result of the rise in cost of production may strain the product market.

Economic Growth in 2010

Moving forth into 2010, the Malaysian economy may observe growth on the premise of a rebound in the international trade segment parallel with the increase in investment expenditure. In the sub-division of supply, the manufacturing and construction sectors may be the drivers of economic growth. Not to mention, the liberalization of the services sector in line with the New Economic Model (NEM) may provide additional boost for the services industry. Based on the breakdown below, thus, 2010 GDP would likely to come in at a growth of 3.0%.

Slower contraction in exports moving forward

The better than expected statistical economic key indicators in the recent months, reaffirms our view that Malaysian economy is stabilizing. Malaysia's exports have registered the highest monthly export value in July as far as the first seven months of 2009 is concerned. We view that the nominal exports may face a contraction of 24.4% YoY for 2009; imports to fall by 26.8%; while trade balance registers a surplus of RM119.72bn for 2009.

Figure 1
Malaysia: Real GDP (YoY %)

	2004	2005	2006	2007	2008	2009e	2010f
GDP	**6.8**	**5.0**	**5.9**	**6.3**	**4.6**	**-3.1**	**3.0**
Demand Side							
Government Final Consumption Expenditure	N/A	6.4	5.0	6.4	10.9	-9.7	16.6
Private final consumption expenditure	N/A	8.7	7.1	11.7	8.5	1.1	-0.3
Gross Fixed capital formation	6.8	-19.4	0.9	12.1	0.8	-10.4	-1.0
Exports	20.5	11.0	10.3	2.7	1.3	-19.2	8.8
imports	25.9	8.5	10.8	5.0	1.9	-24.2	12.0
Supply Side							
Agriculture, forestry, fishing	N/A	2.6	5.2	2.2	4.0	-2.8	0.2
Mining, quarrying	N/A	-1.3	-0.4	3.2	-0.8	-1.0	3.3
Manufacturing	N/A	5.3	7.1	3.1	1.3	-11.0	5.2
Construction	N/A	-1.8	-0.5	4.6	2.1	3.3	2.0
Services	N/A	6.7	7.2	9.7	7.2	1.0	2.2

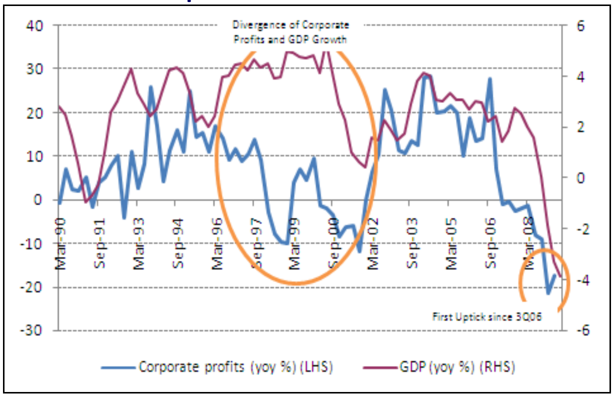
Notes: The figures for 2009e are estimates; while the figures for 2010f are TA's forecast.
Sources: Department of Statistics, TA Securities

Economic slump abates in the US- Positive for Trading Nations like Malaysia

In sequence to three consecutive months of economic contraction previously, the U.S. economy had registered a moderate annualized contraction of 1.0% QoQ in 2Q09 (following the steep annualized contraction of 6.4% in the 1Q09). Mainly, the federal pump priming had encouraged a healthy increase in federal expenditure to an annual pace of 5.6% in 2Q09 (compared to the revised -2.6% in 1Q09). However, the boost in government expenditure was largely offset by contractions in the other remaining economic sub-divisions in the demand side.

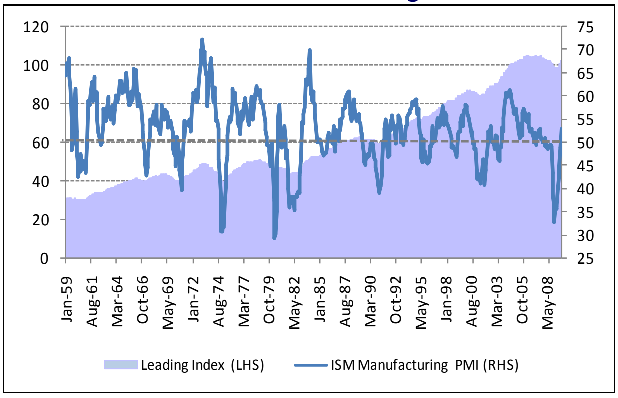
The U.S. economy is signaling some improvement entering into the second half of the year, even more so to possibly register an annualized growth in the 3Q09. Elsewhere, the U.S. ISM Manufacturing PMI for instance showed easing contraction and consumer confidence to improve as unemployment level stabilizes. Not to mention, corporate profits had up-ticked in 1Q09. In terms of business cycle, we note that the contraction (from peak to trough) had lasted for 43 months during the Great Depression in 1929. Before the current turmoil, notice that the U.S. GDP peaked in 3Q07; while corporate profits continued to tumble since 3Q06.

Figure 2
U.S.: Corporate Profits Vs. GDP Growth



Sources: Bloomberg, TA Securities

Figure 3
U.S.: ISM Manufacturing PMI

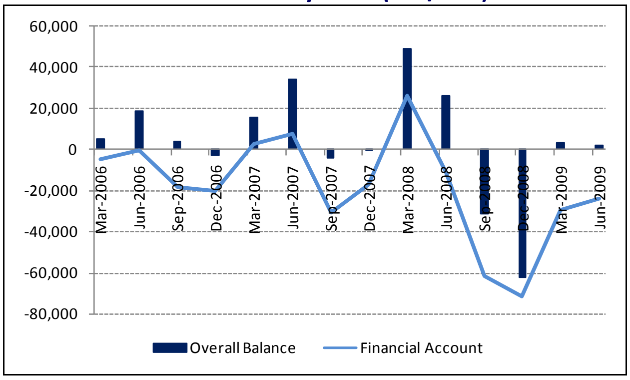


Notes: The bold dotted horizontal line stresses the threshold level of the ISM Manufacturing PMI at 50 points.
Sources: Bloomberg, TA Securities

Current account and trade balance in persistence surplus

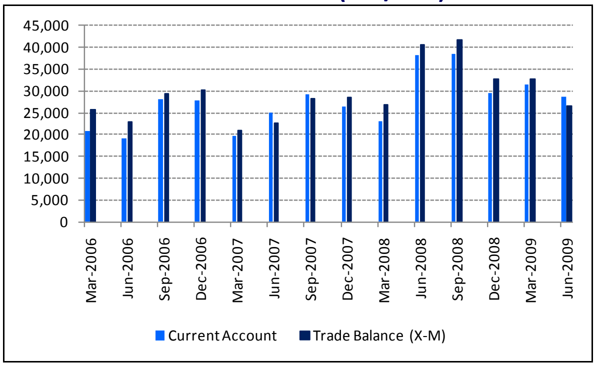
The net export (total exports minus imports) is in fact a major attribute of current account (CA). Malaysia had persistently registered CA surpluses ever since March 1998 when it first reversed out of a long stretch of deficit. Despite the fall in overall international trade, trade balance continues to remain in surplus. In 2Q09, exports had declined by -26.3%; while imports declined by -23.7% YoY. This results into a trade surplus of RM26.5bn in 2Q09. Nevertheless, the CA had fallen by 24.9% YoY to come in at RM28.8bn for 2Q09. Based on our simulation, should net exports improve by 1%; CA may rise by 0.96%.

Figure 4
Balance of Payment (RM/ mn)



Sources: Department of Statistic, TA Securities

Figure 5
Current Account (RM/ mn)



Sources: Department of Statistic, TA Securities

Balance of Payment Reversed out of deficit

- *Net outflow of financial account.* There had been higher net outflow on financial account of RM118.5bn in 2008 (compared to RM37.7bn recorded in 2007). In 2Q09, the financial account continues to register a deficit of RM24.2bn from RM29.8bn registered in the preceding quarter

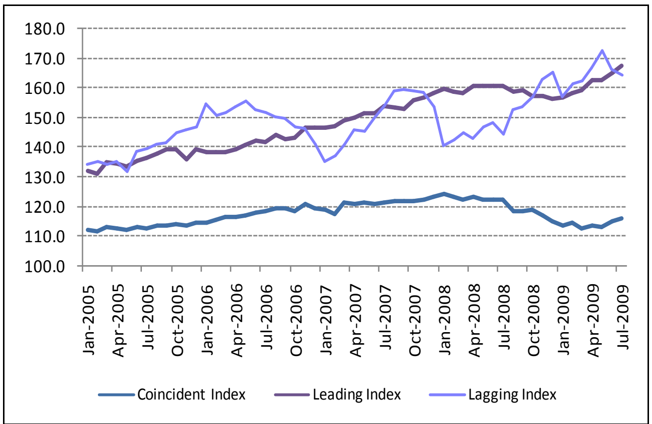
- *Increased capital outflows*. Namely, the capital flowing in and out finances the gap between domestic investments and savings of current account (CA). Hereby, the capital account had registered an increase in outflow of RM36mn in 2Q09 compared to -RM64mn in 1Q08.

- *Reversal in Balance of Payment.* The overall balance showed a turnaround from an inflow of RM45.3bn in 2007 to an outflow of RM18.3bn in 2008 mainly due to the huge deficit in the financial account. Nevertheless, the balance of payment had reverted to a minimal inflow of RM3.3bn and RM2.1bn for 1Q09 and 2Q09 respectively (4Q09: -RM61.9).

Unemployment to hamper growth

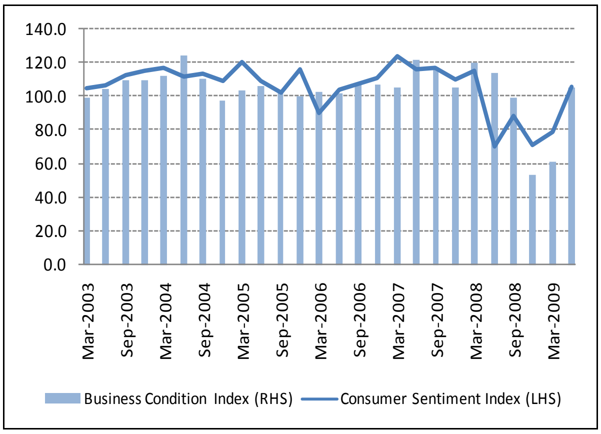
- *High rate of unemployment in the US.* The high level of unemployment in the US may prevent the boom as the manufacturing sector may be stunted without supportive consumer spending. The US government foresees unemployment to rise to 10% despite the fiscal boost. Since May-end, the nonfarm payrolls reduce albeit a slower pace. Also, the claims on jobless benefits gradual fall following the all time high of 674,000 persons registered in March.
- *Non-widely spread unemployment in Malaysia.* The risk of high rate of unemployment is rather unlikely in Malaysia. Unemployment came in at 4.0% in 1Q09 following the 3.1% rate in the preceding quarter. Note that the annual unemployment level for 2008 was at 3.3%. Mainly, the employment early this year came from the manufacturing sector and the E&E segments where the manufacturing sector alone accounts for 18% of the overall employment market. Based on a recent survey of 116 manufacturing industries, the monthly layoffs in the manufacturing division had not only receded, but instead posted two consecutive monthly growths in June and July. There had been 1,897 persons hired in July month, thus increasing the total employees engaged in the Manufacturing sector to 934,688 (or 0.2% MoM in July). Note that the number of workers employed, decreased 74,478 persons (or -7.4% YoY).
- *Unemployment under control.* Based on the announcement of the second round stimulus of RM60bn, the Government projects unemployment rate to rise to 4.5% in 2009 compared with 3.7% in 2008. We estimate the unemployment rate for both 2009 and 2010 will likely to be at 4.2%.
- *Economic indicators are less pessimistic.* MIER's Business Condition index came in at 105.2 for 2Q09 (following the sluggish 61.1 in 1Q09). Consumer sentiment had also improved to 105.8 in 2Q09 from 78.9 in the previous quarter. Recently, the Coincident Index (CI) rose to 116.1 points in July; while the six-month smoothed growth rate of the CI continued to improve from -2.8% in June 2009 to -0.1% in July 2009. The Leading Index (LI) also increased to 167.4 points in July from 165.0 points recorded in the previous month.

Figure 6
Economic Indicators



Sources: Department of Statistic, TA Securities

Figure 7
MIER's Indicators



Sources: Department of Statistic, TA Securities

Low level of inflation for the year

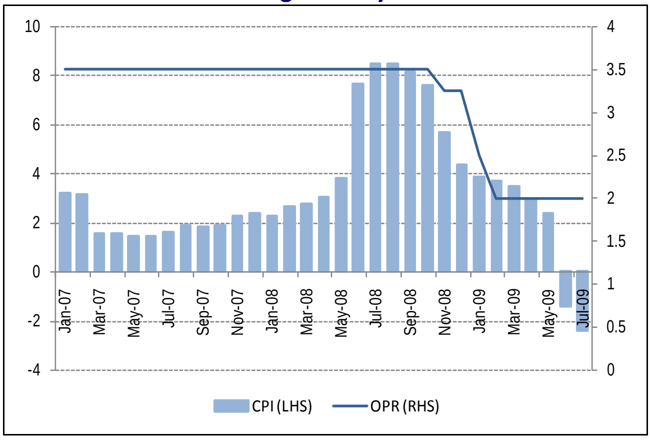
The level of inflation would remain low for the year as prices of goods are leveling off and likely to have bottomed in April. Prices were higher by 3.0% YoY (or -0.15% MoM) in April month. Ever since April month, prices begin ticking upwards on a monthly basis through to August. Note that in August, CPI registered a -2.4% YoY (or + 0.2% MoM). Overall, we view that the CPI may be tame at 1.0% YoY for 2009. Based on our forward projection, we expect prices to rise in 2010 to 1.8% YoY. Upside risks for price increases include: (1) the fuel price hike effective September 1st; (2) likely increase in taxes for alcohol and/or tobacco in the coming budget announcement; and (3) indirect increase in most of the other prices of goods and services due to the increase in transportation cost.

Monetary policy to remain accommodative

The Malaysia's economy is anticipated to contract for the first three quarters of 2009 before resuming growth in the final quarter of 2009. Economic conditions and business sentiments are beginning to show signs of improvement. More modest pace of decline in key economic indicators for Malaysia and global economies suggest the potential for a gradual improvement in the second half of the year. With that, Bank Negara would likely to maintain the benchmark interest rate at 2% for the remaining of 2009.

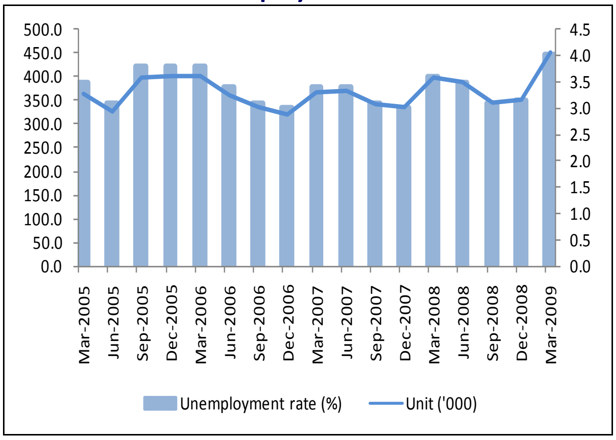
However, should there any economic weaknesses ahead, there are ample rooms for further interest rate reductions considering the receding trend in cost push inflation. Nevertheless, there should not be a reduction in the benchmark interest rate to drastically low levels mainly due to the high level of saving deposits within the Malaysian Banking system. The Bank plays a crucial role to ensure that depositors gain positive real rate of return on savings deposits.

Figure 8
Overnight Policy Rate



Sources: Department of Statistic, TA Securities

Figure 9
Unemployment Rate



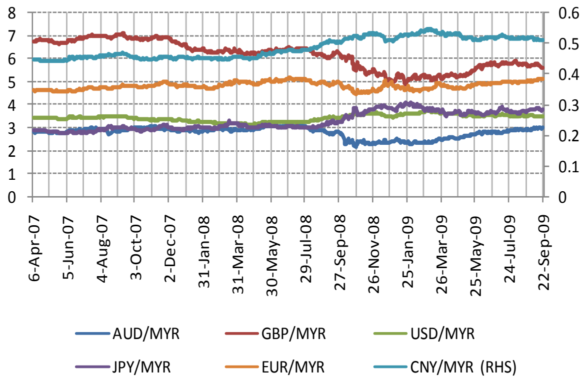
Sources: Department of Statistic, TA Securities

Ringgit to Hover at RM3.40 per USD for 2010

The Ringgit had remained relatively stable and had been fluctuating in an orderly manner. The Ringgit had depreciated from a high of RM3.131 per USD seen on April 23rd, 2008. Ringgit was weakest on March 2nd at RM3.7295 (the lowest rate last seen after de-peg of the Ringgit in 2005). To date, the Ringgit had improved about 7% from the low on March 2nd through to September 22th.

The strengthening of the Ringgit was rather moderate comparatively to the rebound in regional currencies. Basically, the Greenback had weakened tremendously against global currencies in recent months and there are foreseen weaknesses ahead for the US economy due to the challenging macroeconomic environment, constraints of the twin deficits and high level of unemployment. Based on trade weighted average; the Ringgit would likely to hover at a fair value of RM3.40 per USD for the remaining of the year. We expect the Ringgit to strengthen to RM3.30 per USD towards year-end 2010.

Figure 10
Exchange Rates



Sources: Bloomberg, TA Securities

Figure 11
Exchange Rates as at 15th September 2009

	% Change		
	Semi-monthly	MoM	YoY
AUD/MYR	1.1	1.6	8.0
GBP/MYR	0.5	-0.8	-6.7
USD/MYR	-0.5	-0.4	1.4
JPY/MYR	2.4	3.8	17.1
CNY/MYR	-0.5	-0.3	1.6
EUR/MYR	1.2	1.9	4.4

Note: Negative values denote the appreciation of currency while; positive values denote the depreciation of currency.
Sources: Bloomberg, TA Securities

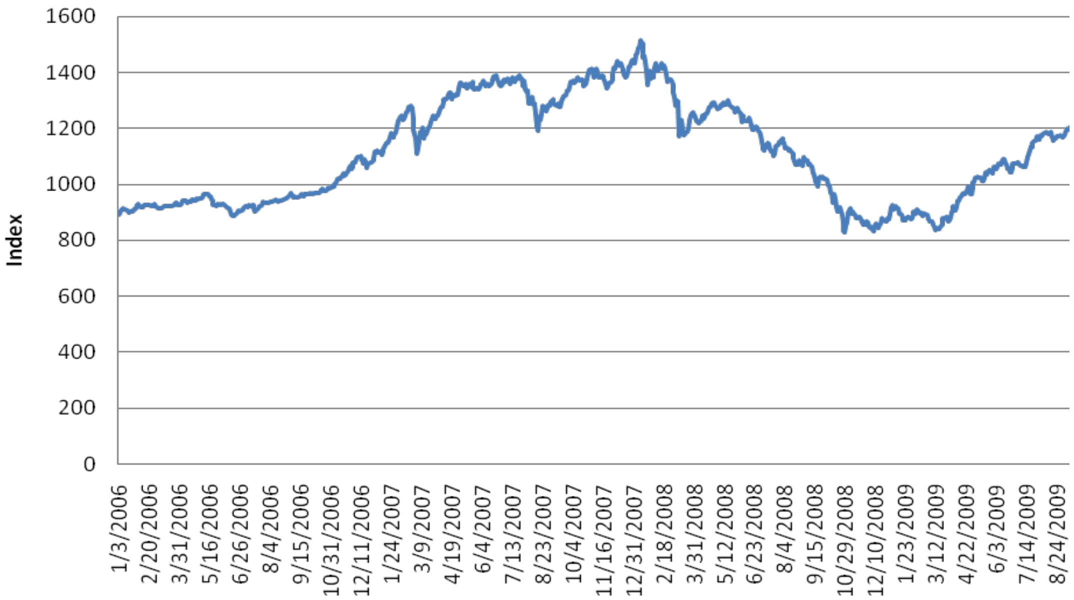
B. PERFORMANCE OF THE CAPITAL MARKET

Equity Market Performance

- Expectations of an imminent recovery in global economy and corporate earnings drove up the FBM KLCI index by 39% year-to-date to 1,219.07 as at Sep 23rd, 2009.

- The positive market sentiment resulted in appreciation of share prices on a broader scale that lifted market capitalisation by 38.4% to RM918.7bn as at August 31, 2009 compared to RM663.8bn in December 31, 2008.

Figure 12:
KLCI Performance



Source: Bloomberg

Figure 13:
YTD KLCI's Relative Performance Against Regional Bourses

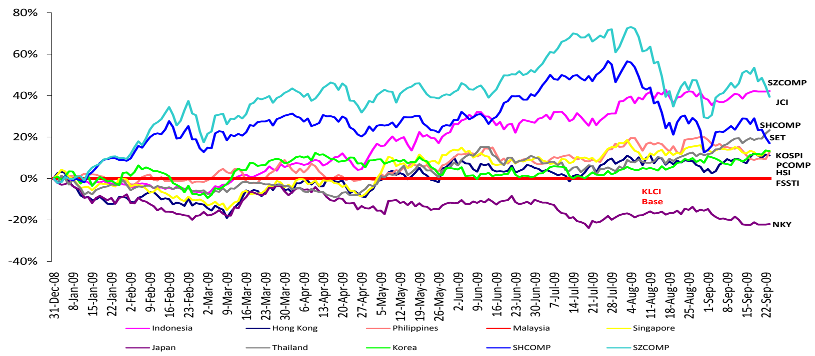


Figure 14:
KLCI vis-à-vis Other Indices

Index	23.09.09	Performance in %			EPS		Earnings Growth		PER	
		1 Mth	YTD	2008	2009	2010	2008	2009	2009	2010
DOW JONES - US	9,748.55	3.7%	11.1%	-26.5%	625.7	749.9	-24.6%	19.8%	15.6	13.0
NASDAQ - US	2,131.42	6.1%	35.2%	-19.6%	120.4	151.2	17.6%	25.5%	17.7	14.1
S&P500 - US	1,060.87	4.8%	17.5%	-27.8%	40.1	57.0	-49.7%	42.2%	26.5	18.6
FTSE - UK	5,139.37	8.1%	15.9%	-20.4%	348.0	419.9	-41.5%	20.7%	14.8	12.2
GDAX - Germany	5,702.05	5.6%	18.5%	-29.3%	333.1	456.9	-26.8%	37.2%	17.1	12.5
NIKKEI - Japan	10,370.54	-1.4%	17.1%	-32.3%	232.4	448.0	-68.5%	92.8%	44.6	23.2
HANG SENG - HK	21,595.52	3.5%	50.1%	-22.4%	1272.6	1490.4	-21.9%	17.1%	17.0	14.5
KOSPI - Korea	1,711.47	9.4%	52.2%	-9.8%	115.1	157.4	-18.2%	36.8%	14.9	10.9
TWSE - Taiwan	7,376.76	4.9%	60.7%	-13.3%	316.7	473.2	-49.8%	49.4%	23.3	15.6
FSSTI - S'pore	2,685.94	2.7%	52.5%	-22.5%	154.2	179.4	-49.2%	16.4%	17.4	15.0
SET - Thailand	730.52	11.4%	62.4%	-14.9%	55.9	65.1	-26.1%	16.3%	13.1	11.2
JCI - Jakarta	2,456.99	2.5%	81.3%	-10.5%	156.8	184.0	-11.1%	17.4%	15.7	13.4
SENSEX - India	16,719.50	7.7%	73.3%	-17.6%	854.8	1045.6	-15.1%	22.3%	19.6	16.0
SHCOMP - Shanghai	2,842.72	-9.5%	56.1%	-46.0%	134.3	163.8	4.2%	22.0%	21.2	17.4
SZCOMP - Shenzen	987.66	-6.9%	78.5%	-31.7%	35.5	46.9	10.2%	32.1%	27.8	21.1
KLCI - M'sia	1,219.07	2.8%	39.0%	-15.6%	63.9	77.1	-28.9%	20.6%	19.1	15.8

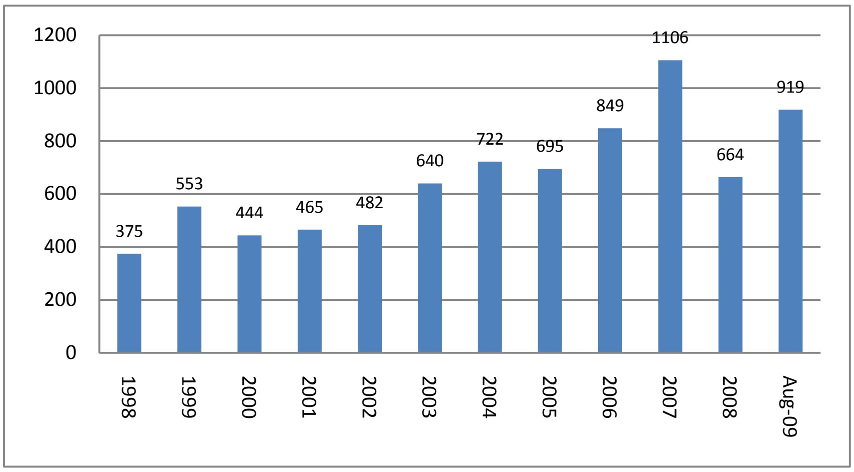
Activity level

- The number of new listings on Bursa Malaysia from January to September, 2009 was only 6, which was a 73.9% contraction from 23 companies in 2008. This trend was not alarming as companies delayed their initial public offering to later part of 2009 to get better valuation and to ensure the public portion is not undersubscribed due to weak market condition initially.

- There are 957 companies listed on Bursa Malaysia as at September 23rd, 2009 compared to 977 in 2008. The slight contraction was attributed to privatisation and de-listing of companies that failed to meet regulatory standards.

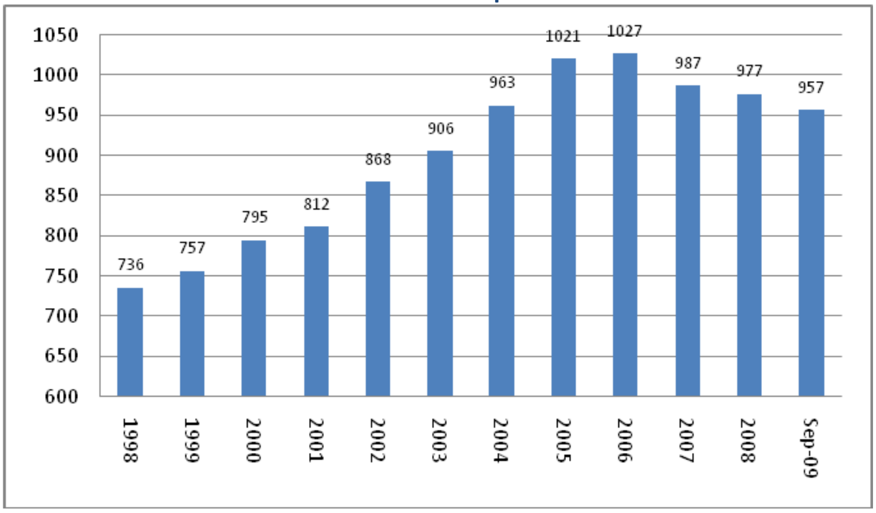
- The average daily trading value of RM1,144.15mn as at September 23rd, 2009 was almost at par with last year's average of RM1,180.7mn. Nonetheless, the volatility has reduced as the peak value has almost halved to RM2,420.76mn in 2009 from RM4,355.54 in 2008.

Figure 15:
Daily Average Market Capitalization (Rm'mn)



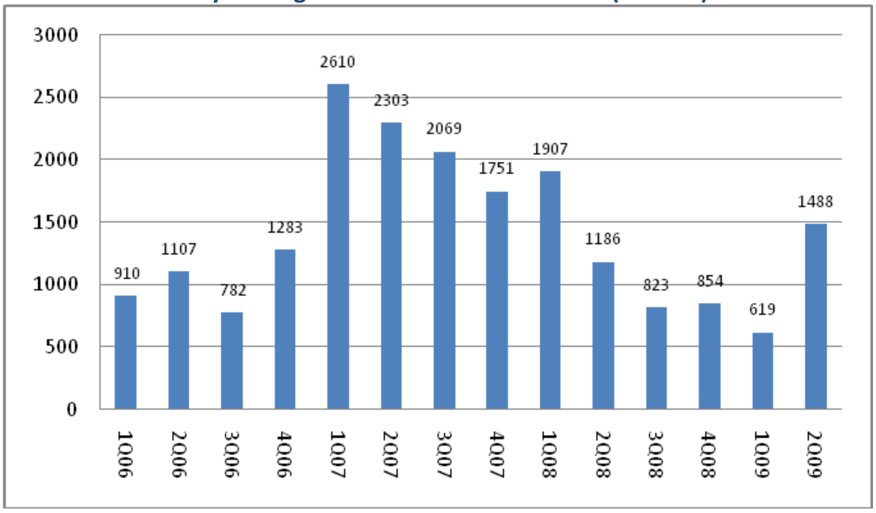
Source: Bursa

Figure 16:
Total Listed Companies



Source: Bursa

Figure 17:
Daily Average Market Transacted Value (RM'mn)



Source: Bursa

C. MAJOR DEVELOPMENTS

The current issue surrounding the market centers on efforts by Bursa Malaysia to regain investor's confidence and boost activities in the Malaysian capital market include: 1) improve accessibility, 2) introduce new products and services, 3) strengthen liquidity, and 4) internationalise markets. The steps which have been taken are as follows:

- Introduced the FTSE BM Palm Oil Plantation Index Series - enabling investors to gain exposure to the long term growth potential of the palm oil industry, both in Malaysia and the Asian region. This move further cements Bursa's position as a key centre for commodities-related capital market offerings.
- Created market making – structured warrants and ETFs and allow more proprietary day traders to spur liquidity in the market.
- Adopted of the FTSE Bursa Malaysia KLCI to help make the index easier to replicate and hence enable investors to focus trade on 30 stocks (from 100). The tie-up with the FTSE Group also offers the FBM KLCI instant recognition and credibility among investors, both local and foreign.
- Introduction of the Multicurrency Securities Framework and allow the listing of foreign IPOs to add more depth to the Malaysian capital markets.
- Implementation of Main and Ace markets to provide companies with a clearly-defined platform to raise capital, which will enhance efficiency, access and certainty in the fund-raising process as well as ensuring that investor protection remains intact.
- Continuing the CMDF Bursa Research Scheme (CBRS) to enhance liquidity by generating interests in stocks, particularly small-capitalized stocks through research coverage and analytical research reports by professional to provide investors with choices and facilitate informed investment decision.

Key milestones in the Capital Market for 2008/2009

- Continue to establish a niche in Islamic capital market as a significant component of the Malaysian capital market, aligned with the objective of Capital Market Masterplan (CMP) and government's aim to develop Malaysia as a global hub for Islamic capital market products and services. Key focus and initiatives in this area include: 1) issue of new licenses for foreign brokers, and 2) encourage the trading of Islamic securities.
- Strengthen the derivatives market via a strategic partnership with Chicago Mercantile Exchange Inc (CME) Group. The collaboration, which will make the crude palm oil (CPO) futures contract (FCPO) available on CME Group's global network, would boost the Malaysian CPO visibility as it trades alongside other major edible oil contracts such as soy oil.
- Further develop the Malaysian commodities market via the creation of Bursa Commodity House.
- Enhance liquidity in the market by restructuring the minimum bids/spread size.
- Introduction of Multicurrency ETFs as Bursa becomes more internationalized with the listing of foreign IPOs and tie-up with CME

Market Could Have Bottomed in August

- Running into the fourth week of September, the newly minted FBM KLCI succeeded in hitting a new high of 1223.62 for the year on September 23rd. Ever since the start of the run-up from March 13th, the index has risen by almost 46% and has eluded market expectations for a meaningful correction on account of positive external news flows that supports an imminent economic recovery story, swooping domestic liberalisation measures and economic stimulus introduced by Datuk Seri Najib Tun Razak after taking over the baton from Pak Lah and a rerating of corporate earnings outlook.
- Nonetheless, average daily volume has been reduced drastically to around 600mn to 800mn compared to the year's high of 3,827mn and YTD average of 983mn as at September 23rd, 2009. The dwindling volume was a reflection of lower retail participation which was mirrored in the near 50% decline in value of shares traded by domestic individuals which has reduced to 30% of total traded value in August 2009 compared to 43% in June this year. On the other hand participation of domestic institutions rose to 46% from 36% during the same periods, picking up the slack from foreign investors as well.
- The benchmark index is trading at a demanding FY10 multiple of 15.8x (15x based on consensus forecast) compared to regional markets' 11x to 15.6x. While there is a downward pressure to correct the expensive valuation and overbought conditions, abundant liquidity and robust corporate earnings growth expectations are expected to hold up the market well around 1,150 to 1,200 resistance level, which value the index at 15 to 15.6x. This PER range is in-line with the last 9 years' average PER of 15.5x. Corporate earnings are expected to grow by 22.3% in CY10 after contracting by 5.8% in CY09.

- The 2010 index target of 1,370 is based on a forward PER of 17.8x, which is a 15% premium to the above 9-year average PER. This premium is justified as PER multiples have the tendency to expand in an economic recovery cycle. Coincidentally, the 17.8x PER multiple mirrors the 2000-2002 average PER multiple when corporate earnings started to improve after the 1997 financial crisis.

- From another perspective, the 1,370 index target is at a 12.4% premium to bottom up valuation of 1,219, which is derived after taking into consideration the target market capitalization of companies under coverage. This premium is expected to narrow as corporate earnings forecasts are upgraded along with improvement in global economic climate.

- Anticipate the central bank to maintain its accommodative monetary policy by maintaining the Overnight Policy Rate at 2% for the rest of 2009 and any increase, possibly in 2H2010, would be gradual and minimal on the back of mild inflationary pressures. The consumer price index is expected to rise to 1.8% in 2010 after hitting 1% in 2010.

Figure 18:
Macro Economic Trends

Economic Indicators	2007	2008	Remarks
GDP Growth Rate	6.3%	4.6%	Minimal growth of 0.1% seen in 4Q08
Final Consumption Growth Rate	9.9%	12.3%	Boost in Government expenditure in 4Q08
Private Consumption Growth Rate	11.7%	8.5%	Dampened consumer sentiment
Gross Domestic Investment Ratio	0.232	0.223	Smaller ratio in 2008 due to higher GDP base
Consumer Price Index	2.0%	5.4%	Hike in production cost as a result of spiralling crude oil prices
Producer Price Index	3.4%	8.2%	The increase cost of factor of production parallel with the increase in crude oil prices
Unemployment Rate	3.2%	3.3%	Non-widely spread unemployment in Malaysia
Exports (USD/ bn)	176.6	199.1	Commodity exports increase the overall exports value
Imports (USD/ bn)	146.9	156.5	Exports led the uptick in imports
Current Account Surplus (USD/ bn)	29.2	38.9	Sizable surplus in trade lifted the current account
Exchange Rate (RM/ USD)	3.4361	3.3327	Appreciation in the Ringgit to the peak of RM3.131 on April 23rd, 2008
Foreign Exchange Reserves (USD/ bn)	101.3	91.4	Outflow of funds due to weak market sentiments
Income Tax Charges of your Country	27.0%	26.0%	Announcement of the reduction in corporate tax rate in the 2007 Budget (from 28%)

Figure 19:
Capital Market Performance

	2007	2008	Remarks
Index (*refer to Figure 20*)			
Trading Value (Yearly Average)	RM2,178.83mn	RM1,180.70mn	Investor confidence was affected by US housing & credit crisis.
Number of Listed Companies	987	977	Contraction due to privatisation and de-listing.
Yields of Bills:			
- 12-Month Treasury Bills	3.431%	3.353%	-
- 9-Month Bank Negara Bills	4.526%	N/A	-
Net Purchases by Foreign Investors:			
- Stock Market	RM3,837mn	RM6,667mn	-
- Bond Market	RM4,882mn	RM6,225mn	-
Flow of Foreign Capital			
- Inflow	RM376,570mn	RM261,890mn	
- Outflow	RM353,175mn	RM349,967mn	

(The flow of foreign capital includes equities, debts, financial derivatives and money market instruments)

Figure 20:
List of Multiple Indices

Index	2007	2008
FTSE KLCI	1,445.03	876.75
Industrial	3,014.43	2,063.85
Technology	24.42	13.69
Construction	313.04	164.18
Consumer	343.89	282.03
Finance	10,905.35	6,791.71
Industrial Production	114.58	66.88
Plantation	8,089.30	4,142.80
Property	1,035.66	515.61
Service	196.26	117.91
Mining	429.61	231.01
FBM70	9,944.61	5,442.06
FBM100	9,502.36	5,613.94
FBM Smallcap	12,260.97	6,552.82
FBM Emas	9,810.83	5,726.46
FBM Fledgling	8,867.29	5,420.98
FBM Emasshari	10,533.13	5,949.63
FBM 2nd Board	6,732.35	4,007.31
FBM ACE	6,109.16	3,333.59
FBM Hijrah Shariah	11,660.06	6,640.04