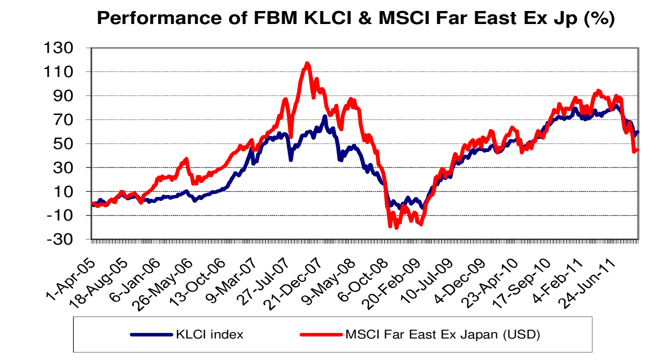
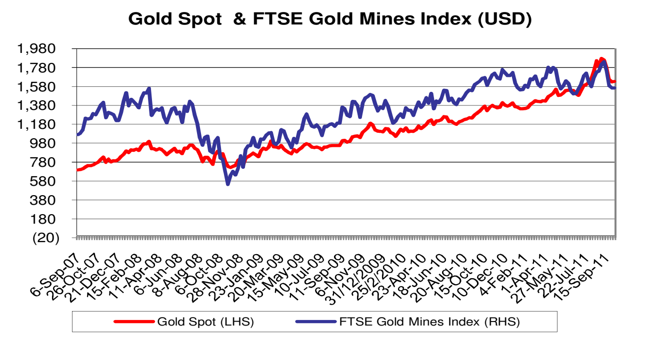
WEEKLY INVESTMENT UPDATES **October 7, 2011**





Recent Development / Updates

For the week ended 7th October 2011, the FBM KLCI was up 12.92 points (0.93%) to 1400.05. The MSCI Far East Free Ex-Japan Index (in USD) was down 0.19 points (-0.05%) to close at 415.44. The Gold Spot ended the week higher at US$1,633.03/oz (0.27%) while the FTSE Gold Mines Index was up 1.68 points (0.05%) to 3,565.63.

For the period 30th September 2011 to 7th October 2011, Uni Aggressive Fund was up 0.46% to RM0.9441, Uni Strategic Fund was up 0.20% to RM1.0447, Uni AsiaEquity Fund was down 2.28% to RM0.5531, Uni Global IPO Fund was up 0.57% to RM0.3013, Uni Gold & General Fund was down 0.71% to RM0.5733 and Uni Asia Pacific Infrastructure Fund was down 0.86% to RM0.3000. Uni Bond Fund was up 0.20% to RM0.6041 and Uni Income Fund was up 0.43% to RM0.6562.

European Commission (EC), the EU's executive arm, urged a coordinated approach to reinforce crisis-hit banks' capital and called for the payout of a sixth loan to Greece and a faster start for a permanent rescue fund to address Eurozone's debt crisis. They also backed Germany's demand that banks should first seek market finance, tap their own governments if that fails and only draw on the European Financial Stability Facility (EFSF) as the last resort.
(RHB Research)

To make Greece's debt burden manageable, European leaders are debating whether to push bondholders to accept losses that go beyond the roughly 21% agreed on in July. Banks may be required to maintain a 9% capital buffer to absorb sovereign risks, up from the 5% core capital level used in July's stress tests, according to a person familiar with discussions at the European Union's top banking regulator.

The Malaysian Institute of Economic Research's (MIER) business conditions index (BCI) dropped by 9.5 percentage points to 104.5 in 3Q 2011, after rising marginally by 0.7 percentage point in the 2Q. This marked the first drop in the index after two consecutive quarters of increase but remained above the threshold point of 100, suggesting that businesses are still hopeful but have turned more cautious on the outlook.
(CIMB Research)

The outlook on the global economy, however, is still darkening, as the risk of a double-dip global recession is high and rising given that both the US and Europe are on the edge of falling back into a recession and governments are still divided in helping the economies. As a whole, investors are likely to remain cautious in view of the ongoing uncertainties in global and regional economic outlook. As a result, private investment growth is expected to soften to 4.6% in 2012, from +5.7% estimated for 2011 and +17.7% in 2010.

Trading activity of sovereign bonds fell ahead of the announcement of the Budget 2012 by the Prime Minister with only MYR6.9 billion done during the week, almost 70% lower from the prior week. The 3- and 5-year benchmark yields closed the week at 3.08% (-12 bps WoW) and 3.34% (-7 bps WoW) respectively.
(BNM Fast/MARC)

Meanwhile, government bond issuances for the whole of 2011 is expected to be MYR90.2 billion (+49% y/y) according to the 2011-2012 Economic Report released by the government. There will be another five remaining auctions scheduled for the year amounting to MYR15.2 billion. However, issuance for 2012 is likely to be lower as budget deficit is expected to shrink to 4.7% of GDP from 5.4% this year.