



Recent Development / Updates

For the week ended 13 November 09, the KLCI was up 10.2 points (+0.8%) to 1,270.96. The FBM Emas Index, was up 66 points (+0.78%) to close at 8,488.83. The MSCI AC Far East Free Ex-Japan Index (in USD) was up 10.05 points (+2.35%) to 437.94.

For the period 6 Nov 09 to 13 Nov 09, Uni Aggressive fund was up 0.87% to RM0.9043, Uni Strategic fund was up 0.23% to RM0.9064, Uni AsiaEquity fund was up 1.9% to RM0.5886, Uni Global IPO fund was up 0.25% to RM0.3499, Uni Gold & General Fund was up 2.49% to RM0.5762 and Uni Asia Pacific Infrastructure Fund was up 2.2% to RM0.3722. Uni Bond fund was up 0.04% to RM0.5455 and Uni Income fund was 0.07% higher at RM0.5831.

Taiwan's dollar rose the most in more than a month on speculation closer economic ties with China will prompt overseas investors to add holdings of Taiwan's stocks. Taiwan plans to sign deals with China, the island's biggest trading partner on tariff reductions and cross border investments. China and Taiwan are also posed to sign an agreement giving their banks, insurers and brokerages wider access to each other's markets. (Source: Bloomberg)

Investors are positive on the prospects of closer economic ties between Taiwan and China. The better ties prompt overseas investors to add holdings of Taiwan's stocks.

S&P revises Indonesia outlook to positive from stable. At the same time, Standard & Poor's affirmed its BB- long term foreign currency and BB+ long term local currency sovereign credit ratings on Indonesia. The outlook change takes into account Standard & Poor's expectation that debt reduction and underlying cautious fiscal management will remain key elements of macroeconomic policy. It also incorporates our view that a reform minded leadership with a fresh and increased mandate will continue to pursue microeconomic reforms to increase Indonesia's growth potential and further strengthen policy coordination and implementation through administrative reforms. (Source: Bloomberg)

S&P revises Indonesia outlook to positive from stable on expectation that debt reduction and underlying cautious fiscal management will remain key elements of macroeconomic policy.

Total volume traded decreased toward end of last week as a large portion of traders preferred the sidelines in lieu of the Oct CPI and 3Q09 GDP data release this week. However, expectation of further deceleration in inflation numbers caused some buying activities. Further, with the next two MGS auctions slanted towards shorter tenures (2-year and 3.5-year MGS), most of the buying occurred 5-year benchmark. (Source: OSK/BNM FAST)

The 5-year MGS looks extremely attractive going into 2010 as only 3 year MGS tender slotted for this year. The 3x5 spreads are still hovering at a wide 84bps apart and it is expected to shrink further. This will represent opportunity for greater demand for 5 year MGS.

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