



**Information Session on Economic Issues  
Presentation by  
Tan Sri Dr. Sulaiman Mahbob**

**@ Banquet Hall 1&2, INTAN Bkt. Kiara**

**(5/10/2015 @ 2.30pm – 5.00pm)**

- Using Data of various countries from the Economist magazine Oct 3 – 9<sup>th</sup>, 2015;
- Look into Economic Fundamentals;
- Look into effects of sentiments, exchange rates, stock markets;
- Moving Forward.



# Economic Fundamentals

- 1.** Economic growth for many countries hardly exceeds 4%.
- 2.** Only China, India, Malaysia, Pakistan & Philippines reach 5% or more.
- 3.** US economic growth is 2.7% and Euro area 1.5%.
- 4.** Singapore experiences 1.8%, Thailand 2.8%.
- 5.** Brazil negative 2.6%, Russia negative 4.6%.
- 6.** Our economy is strong but moderating.

## Economic and financial indicators

The Economist October

## Economic data

% change on year ago

	Gross domestic product			Industrial production latest	Consumer prices latest			Unemployment rate, %	Current-account balance latest 12 months, \$bn		Budget balance % of GDP 2015 <sup>1</sup>
	latest	qtr <sup>2</sup>	2015 <sup>3</sup>		latest	latest	2015 <sup>3</sup>		% of GDP 2015 <sup>3</sup>	% of GDP 2015 <sup>3</sup>	
United States	+2.7 Q2	+3.0	+2.4	+0.8 Aug	+0.8 Aug	+0.4	5.1 Aug	-420.0 Q2	-2.8	-2.0	
China	+7.0 Q2	+7.0	+6.9	+5.1 Aug	+2.0 Aug	+1.9	4.0 Q2 <sup>4</sup>	+287.8 Q2	+3.0	-2.7	
Japan	+0.8 Q2	-1.2	+0.8	+0.2 Aug	+0.2 Aug	+0.7	3.3 Jul	+107.8 Jul	+2.7	-0.8	
Britain	+2.4 Q2	+2.6	+2.5	+0.8 Jul	nil Aug	+0.2	5.5 Jun <sup>5</sup>	-149.2 Q2	-4.8	-4.4	
Canada	+3.0 Q2	-0.5	+1.4	-1.1 Jul	+1.3 Jul	+1.1	7.0 Aug	-68.5 Q2	-3.0	-3.8	
Euro area	+1.9 Q2	+1.4	+1.6	+1.9 Jul	-0.1 Sep	+0.2	11.0 Aug	+118.9 Jul	+2.5	-2.1	
Austria	+0.5 Q2	-2.6	+0.7	+1.3 Jul	+1.0 Aug	+1.0	5.7 Aug	+10.7 Q2	+3.4	-2.1	
Belgium	+1.3 Q2	+1.7	+1.3	+0.7 Jul	+1.1 Sep	+0.4	5.8 Aug	-9.8 Jun	+1.7	-2.0	
France	+1.1 Q2	nil	+1.1	-0.8 Jul	nil Aug	+0.2	10.8 Aug	-5.0 Jul <sup>6</sup>	-0.7	-4.1	
Germany	+1.6 Q2	+1.8	+1.7	+0.4 Jul	nil Sep	+0.4	5.4 Sep	+280.5 Jul	+7.8	+0.7	
Greece	+1.7 Q2	+3.7	+0.9	-1.3 Jul	-1.8 Aug	-1.1	25.2 Jun	-1.3 Jul	+2.5	-4.1	
Italy	+0.7 Q2	+1.3	+0.6	+2.7 Jul	+0.3 Sep	+0.2	11.9 Aug	+38.5 Jul	+2.0	-2.9	
Netherlands	+1.8 Q2	+0.6	+1.8	+0.6 Jul	+0.8 Aug	+0.4	6.5 Aug	+88.9 Q2	+9.2	-3.8	
Spain	+3.1 Q2	+4.1	+3.0	+5.2 Q2	-0.8 Sep	-0.3	22.2 Aug	-19.6 Jul	+0.8	-3.4	
Czech Republic	+4.6 Q2	+4.6	+3.4	+4.8 Jul	+0.3 Aug	+0.3	6.2 Aug <sup>7</sup>	+9.4 Q2	-0.1	-1.8	
Denmark	+2.0 Q2	+0.6	+1.8	+0.8 Jul	+0.8 Aug	+0.7	4.8 Aug	+21.1 Jul	+3.8	-2.9	
Norway	+2.2 Q2	-0.4	+0.7	+1.0 Jul	+2.0 Aug	+1.7	4.3 Jul <sup>8</sup>	+37.8 Q2	+6.3	+5.9	
Poland	+3.8 Q2	+3.6	+3.4	+5.3 Aug	-0.8 Sep	nil	10.0 Aug <sup>9</sup>	-3.0 Jul	-1.4	-1.8	
Russia	-4.3 Q2	na	-3.6	-4.2 Aug	+15.8 Aug	+14.8	5.8 Aug <sup>9</sup>	+65.0 Q2	+4.8	-2.8	
Sweden	+3.3 Q2	+4.6	+2.7	-1.8 Jul	-0.2 Aug	+0.1	6.4 Aug <sup>9</sup>	+38.1 Q2	+5.5	-1.2	
Switzerland	+1.2 Q2	+1.0	+0.7	-2.5 Q2	-1.4 Aug	-1.0	3.3 Aug	+60.9 Q2	+7.2	+0.2	
Turkey	+3.8 Q2	na	+2.8	+1.5 Jul	+7.1 Aug	+7.8	9.0 Jun <sup>10</sup>	-48.0 Jul	-6.7	-1.0	
Australia	+2.0 Q2	+0.7	+2.4	+1.8 Q2	+1.8 Q2	+1.7	6.2 Aug	-67.4 Q2	-3.2	-2.4	
Hong Kong	+2.8 Q2	+1.6	+2.4	-1.3 Q2	+2.5 Aug	+3.1	3.3 Aug <sup>11</sup>	+7.4 Q2	+2.8	nil	
India	+7.0 Q2	+7.0	+7.5	+4.2 Jul	+3.7 Aug	+5.3	4.9 2015	+28.0 Q2	-1.2	-5.8	
Indonesia	+4.7 Q2	na	+4.8	+5.7 Jul	+7.2 Aug	+5.4	5.8 Q1 <sup>12</sup>	-21.5 Q2	-2.4	-2.0	
Malaysia	+4.9 Q2	na	+5.4	+6.5 Jul	+3.1 Aug	+2.6	3.2 Jul <sup>13</sup>	+9.8 Q2	+2.6	-4.0	
Pakistan	+5.5 2015 <sup>14</sup>	na	+5.7	+4.7 Jul	+1.7 Aug	+2.9	6.0 2014	-2.6 Q2	-0.7	-8.1	
Philippines	+5.6 Q2	+7.4	+6.4	-0.5 Jul	+0.8 Aug	+2.4	6.8 Q2 <sup>15</sup>	+11.7 Jun	+4.1	-1.9	
Singapore	+1.8 Q2	-4.0	+2.9	-7.1 Aug	-0.8 Aug	+0.3	2.0 Q2	+89.8 Q2	+21.2	+0.7	
South Korea	+2.2 Q2	+1.3	+2.6	+0.3 Aug	+0.7 Aug	+0.9	3.4 Aug <sup>16</sup>	-104.3 Jul	+7.8	+0.3	
Taiwan	+0.5 Q2	-6.5	+3.4	-5.5 Aug	-0.4 Aug	+0.3	3.7 Aug	+72.8 Q2	+12.8	-1.1	
Thailand	+2.5 Q2	+1.5	+3.2	-8.3 Aug	-1.2 Aug	+0.8	1.0 Aug <sup>17</sup>	+24.4 Q2	+2.4	-2.0	
Argentina	+2.3 Q2	+2.0	nil	+0.5 Aug	---	---	6.6 Q2 <sup>18</sup>	-3.3 Q2	-3.4	-3.5	
Brazil	+2.0 Q2	-7.2	-1.9	-8.0 Jul	+9.5 Aug	+8.8	7.8 Aug <sup>19</sup>	-84.5 Aug	-4.1	-5.0	
Chile	+1.2 Q2	nil	+2.8	-5.1 Aug	+8.0 Aug	+3.9	6.5 Aug <sup>20</sup>	-0.3 Q2	-1.2	-2.2	
Colombia	+3.0 Q2	+2.4	+3.3	+0.3 Jul	+4.7 Aug	+4.2	9.1 Aug <sup>21</sup>	+20.8 Q2	-0.7	-2.1	
Mexico	+2.2 Q2	+2.0	+2.5	+0.7 Jul	+2.8 Aug	+2.9	4.3 Aug	-29.3 Q2	-2.5	-3.4	
Venezuela	-2.3 Q2	+10.0	-4.2	na	+88.5 Sep	+75.4	6.8 Aug <sup>22</sup>	+10.2 Q2	-1.8	-15.5	
Egypt	+4.3 Q2	na	+4.2	+6.0 Jul	+7.9 Aug	+10.0	12.7 Q2 <sup>23</sup>	-12.2 Q2	-1.4	-11.0	
Israel	+1.8 Q2	+0.1	+3.8	+1.1 Q2	-0.4 Aug	-0.2	5.3 Aug	+16.2 Q2	+4.9	-2.8	
Saudi Arabia	+2.5 2014	na	+2.7	na	+2.1 Aug	+2.7	5.7 2014	+39.7 Q2	-2.7	-2.7	
South Africa	+1.8 Q2	-1.3	+1.8	+0.5 Jul	+3.8 Aug	+4.8	28.0 Q2 <sup>24</sup>	-15.8 Q2	-5.1	-3.8	

Source: IHS Analytics. <sup>1</sup>% change on previous quarter, annual rate. <sup>2</sup>The Economist poll or Economist Intelligence Unit estimate/forecast. <sup>3</sup>Not seasonally adjusted. <sup>4</sup>May series. <sup>5</sup>Year ending June. <sup>6</sup>12 months. <sup>7</sup>3-month moving average. <sup>8</sup>5-year yield. <sup>9</sup>Official number not yet proven to be reliable. <sup>10</sup>The State Street PriceData Inflation Index, August 27.01%, year ago 28.48%. <sup>11</sup>Bottom-denominated by

## Economic data

% change on year's

	Current-account balance		Budget balance % of GDP 2013 <sup>1</sup>	Interest rates, % 10-year gov't bonds, latest	Currency units, per \$	
	latest 12 months, \$bn	% of GDP 2013 <sup>1</sup>			30 Sep 2014	year ago
United States	-429.0 qe	-2.6	-2.8	2.07		
China	+287.8 qe	+3.0	-2.7	3.09H	6.36	6.14
Japan	+107.8 3m	+2.7	-6.8	0.84	120	110
Britain	-149.2 qe	-4.8	-4.4	1.81	0.66	0.62
Canada	-68.5 qe	-2.8	-1.8	1.43	1.33	1.12
Suro area	+318.9 3m	+2.8	-2.1	0.59	0.89	0.79
Austria	+10.7 qe	+1.4	-2.1	0.80	0.89	0.79
Belgium	-5.8 3m	+1.7	-2.6	0.95	0.89	0.79
France	-8.0 3m <sup>2</sup>	-0.7	-4.1	1.00	0.89	0.79
Germany	+280.5 3m	+7.6	+0.7	0.59	0.89	0.79
Greece	-1.3 3m	+2.5	-4.1	8.46	0.89	0.79
Italy	+38.5 3m	+2.0	-2.9	1.73	0.89	0.79
Netherlands	+85.5 qe	+9.2	-1.8	0.80	0.89	0.79
Spain	-18.6 3m	+0.8	-4.4	1.20	0.89	0.79
Czech Republic	+2.4 qe	-0.1	-1.8	0.68	24.2	21.8
Denmark	+21.1 3m	+6.8	-2.9	0.85	6.58	5.89
Norway	+37.8 qe	+9.3	+8.9	1.51	6.42	6.42
Poland	-3.0 3m	-1.4	-1.5	2.88	3.80	3.33
Russia	+68.0 qe	+4.9	-2.8	10.98	65.3	39.6
Sweden	+35.1 qe	+8.5	-1.2	0.89	8.37	7.21
Switzerland	+80.9 qe	+7.2	+0.2	-0.10	0.97	0.86
Turkey	+66.0 3m	-4.7	-1.6	10.99	1.03	2.28
Australia	-47.4 qe	-8.2	-2.4	3.61	1.42	1.14
Hong Kong	+7.4 qe	+2.8	na	1.99	7.75	7.77
India	-86.9 qe	-1.2	-2.8	7.54	68.5	61.0
Indonesia	-21.6 qe	-2.4	-2.0	6.79	14,594	12,195
Malaysia	+8.8 qe	+2.6	-4.0	4.24	4.39	3.27
Pakistan	-2.6 qe	-0.7	-8.1	9.15 <sup>***</sup>	104	103
Philippines	+11.7 3m	+4.1	-1.9	3.80	46.7	46.0
Singapore	+80.5 qe	+21.2	-0.7	2.54	1.42	1.68
South Korea	+104.3 3m	+7.8	+0.3	2.98	1,186	1,058
Taiwan	+72.8 qe	+12.8	-1.1	1.15	33.0	30.4
Thailand	+24.4 qe	+2.4	-2.0	2.77	38.4	37.5
Argentina	-8.3 qe	-1.4	-3.6	na	0.42	8.43
Brazil	-84.5 Aug	-4.1	-6.0	12.47	3.92	2.88
Chile	-0.3 qe	-3.2	-2.2	4.58	606	598
Colombia	-20.8 qe	-6.7	-2.1	8.03	3,088	2,085
Mexico	-25.3 qe	-2.5	-3.4	5.99	16.9	13.4
Venezuela	+10.1 qe	-1.8	-10.5	10.48	6.30	6.18
Egypt	-12.2 qe	-1.4	-11.0	na	7.83	7.19
Israel	+16.2 qe	+4.9	-2.8	2.60	3.92	3.88
Saudi Arabia	+39.7 qe	-2.7	-12.7	na	3.75	3.75
South Africa	-15.8 qe	-8.1	-3.8	8.45	13.9	11.1

Source: IHS Global Analytics. % change on previous quarter, annual rate. <sup>1</sup>We followed the poll of Economist Intelligence Unit estimates/forecast. Not seasonally adjusted. <sup>2</sup>Year ending June. <sup>3</sup>Latest 3 months. <sup>4</sup>3-month moving average. <sup>5</sup>5-year yield. <sup>6</sup>\*\* Official number not yet proven to be reliable: The State Street PriceIndex Inflation Index, August 27, 01%, year ago 38.48%. <sup>7</sup>\*\*\*Dollar-denominated bonds.

**Economic data**  
 % change on year ago

	Gross domestic product			Industrial production latest	Consumer prices		Unemployment rate, %
	latest	qtr*	2015†		latest	2015†	
United States	+2.7 Q2	+3.9	+2.4	+0.9 Aug	+0.2 Aug	+0.4	5.1 Aug
China	+7.0 Q2	+7.0	+6.9	+6.1 Aug	+2.0 Aug	+1.5	4.0 Q2 <sup>§</sup>
Japan	+0.8 Q2	-1.2	+0.8	+0.2 Aug	+0.2 Aug	+0.7	3.3 Jul
Britain	+2.4 Q2	+2.6	+2.5	+0.8 Jul	nil Aug	+0.2	5.5 Jun <sup>††</sup>
Canada	+1.0 Q2	-0.5	+1.4	-1.1 Jul	+1.3 Aug	+1.1	7.0 Aug
Euro area	+1.5 Q2	+1.4	+1.4	+1.9 Jul	-0.1 Sep	+0.2	11.0 Aug
Austria	+0.5 Q2	-2.6	+0.7	+1.3 Jul	+1.0 Aug	+1.0	5.7 Aug
Belgium	+1.3 Q2	+1.7	+1.3	+0.7 Jul	+1.1 Sep	+0.4	8.8 Aug
France	+1.1 Q2	nil	+1.1	-0.8 Jul	nil Aug	+0.2	10.8 Aug
Germany	+1.6 Q2	+1.8	+1.7	+0.4 Jul	nil Sep	+0.4	6.4 Sep
Greece	+1.7 Q2	+3.7	+0.5	-1.3 Jul	-1.5 Aug	-1.1	25.2 Jun
Italy	+0.7 Q2	+1.3	+0.6	+2.7 Jul	+0.3 Sep	+0.2	11.9 Aug
Netherlands	+1.8 Q2	+0.8	+1.8	+0.6 Jul	+0.8 Aug	+0.4	8.5 Aug
Spain	+3.1 Q2	+4.1	+3.0	+5.9 Jul	-0.9 Sep	-0.3	22.2 Aug
Czech Republic	+4.6 Q2	+4.4	+3.4	+4.6 Jul	+0.3 Aug	+0.3	6.2 Aug <sup>§</sup>
Denmark	+2.0 Q2	+0.6	+1.8	+0.8 Jul	+0.5 Aug	+0.7	4.5 Aug
Norway	+2.2 Q2	-0.4	+0.7	+4.0 Jul	+2.0 Aug	+1.7	4.3 Jul <sup>††</sup>
Poland	+3.6 Q2	+3.6	+3.4	+5.3 Aug	-0.8 Sep	nil	10.0 Aug <sup>§</sup>
Russia	-4.6 Q2	na	-3.6	-4.2 Aug	+15.8 Aug	+14.8	5.3 Aug <sup>§</sup>
Sweden	+3.3 Q2	+4.6	+2.7	-1.9 Jul	-0.2 Aug	+0.1	6.4 Aug <sup>§</sup>
Switzerland	+1.2 Q2	+1.0	+0.7	-2.5 Q2	-1.4 Aug	-1.0	3.3 Aug
Turkey	+3.8 Q2	na	+2.8	+1.5 Jul	+7.1 Aug	+7.3	9.6 Jun <sup>§</sup>
Australia	+2.0 Q2	+0.7	+2.4	+1.2 Q2	+1.5 Q2	+1.7	6.2 Aug
Hong Kong	+2.8 Q2	+1.6	+2.4	-1.3 Q2	+2.5 Aug	+3.1	3.3 Aug <sup>††</sup>
India	+7.0 Q2	+7.0	+7.5	+4.2 Jul	+3.7 Aug	+5.3	4.9 2013
Indonesia	+4.7 Q2	na	+4.8	+5.7 Jul	+7.2 Aug	+5.4	5.8 Q1 <sup>§</sup>
Malaysia	+4.9 Q2	na	+5.4	+6.1 Jul	+3.1 Aug	+2.5	3.2 Jul <sup>§</sup>
Pakistan	+5.5 2015 <sup>**</sup>	na	+5.7	+4.7 Jul	+1.7 Aug	+3.9	6.0 2014
Philippines	+5.6 Q2	+7.4	+6.4	-0.5 Jul	+0.6 Aug	+2.4	6.5 Q3 <sup>§</sup>
Singapore	+1.8 Q2	-4.0	+2.9	-7.1 Aug	-0.8 Aug	+0.2	2.0 Q2
South Korea	+2.2 Q2	+1.3	+2.6	+0.3 Aug	+0.7 Aug	+0.9	3.4 Aug <sup>§</sup>
Taiwan	+0.5 Q2	-6.6	+3.4	-5.5 Aug	-0.4 Aug	+0.2	3.7 Aug
Thailand	+2.8 Q2	+1.5	+3.5	-8.3 Aug	-1.2 Aug	+0.8	1.0 Aug <sup>§</sup>
Argentina	+2.3 Q2	+2.0	nil	+0.5 Aug	---	---	6.6 Q2 <sup>§</sup>
Brazil	-2.6 Q2	-7.2	-1.9	-9.0 Jul	+9.5 Aug	+8.6	7.6 Aug <sup>§</sup>
Chile	+1.9 Q2	nil	+2.8	-5.1 Aug	+5.0 Aug	+3.9	6.5 Aug <sup>§§§</sup>
Colombia	+3.0 Q2	+2.4	+3.3	+0.3 Jul	+4.7 Aug	+4.2	9.1 Aug <sup>§</sup>
Mexico	+2.2 Q2	+2.0	+2.5	+0.7 Jul	+2.6 Aug	+2.9	4.3 Aug
Venezuela	-2.3 Q3	+10.0	-4.2	na	+68.5 Dec	+76.4	6.6 May <sup>§</sup>
Egypt	+4.3 Q4	na	+4.2	+6.0 Jul	+7.9 Aug	+10.0	12.7 Q2 <sup>§</sup>
Israel	+1.8 Q2	+0.1	+3.3	+1.1 Jul	-0.4 Aug	-0.2	5.3 Aug
Saudi Arabia	+3.5 2014	na	+2.7	na	+2.1 Aug	+2.7	5.7 2014
South Africa	+1.2 Q2	-1.3	+1.8	+5.6 Jul	+4.6 Aug	+4.8	25.0 Q2 <sup>§</sup>

Source: Haver Analytics. \*\*% change on previous quarter, annual rate. †The Economist poll or Economist Intelligence Unit estimate/forecast. ‡Not seasonally adjusted. §New series. \*\*Year ending June. ††1 months. †††3-month moving average. §§5-year yield. \*\*\*Official number not yet proven to be reliable; The State Street PriceStats Inflation Index, August 27.01%; year ago 38.49% †††Dollar-denominated

# Industrial Production

Again very few countries reached 6% and these include China & India, Malaysia.

However Thailand shows negative 8.3% (However some countries such as Spain & Egypt recorded 6%).

# INFLATION

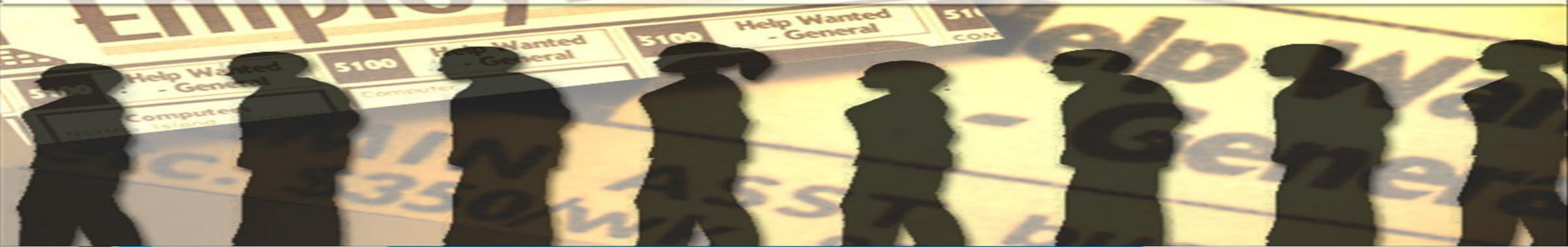
- Inflation is very low, in many countries.
- However some countries recorded very high rates of inflation & Russia – 15.8%
- Venezuela 68.5%
- But Malaysia recorded 3.1% (August Numbers).

• Source : Economist





# UNEMPLOYMENT



- High in many countries such as USA – 5.1%
- Canada – 7%
- Whole Eurozone – 11%
- Malaysia is 3.2%
- Other countries experiencing high employment level
  - Spain - 22%
  - Greece - 25.2%
  - South Africa - 25%
  - Turkey - 9.6%
  - France - 10.8%

# CURRENT ACCOUNT BALANCE

- Current account balance is trade balance between nations – ideally it should be a surplus.
- Large surpluses are observed by Germany (7.6%), Norway (9.3%), Taiwan (12.8%), Singapore (21.2%), South Korea (7.8%)
- Malaysia records 2.5%.
- However major economies, such as the US, Britain, Canada experience deficit.
- China has a surplus of 3% or USD288 billion. China has surplus for many years. It has large foreign exchange reserves.

# Budget Balance (Fiscal Balance)



- Almost all countries experience budget deficit.
- However the countries that don't have deficit are Norway (5.9%), Germany (0.7%) South Korea (0.3%)
- Even Singapore has deficit (-0.7%)
- Only Norway & Germany both have surpluses in external account (current account) & budget balance.
- Explain what twin deficit is?
- Malaysia has positive trade balance but deficit budget balance.

# Economic Sentiments.

1. Interest Rates
2. Exchange Rates
3. Stock Market

## Interest Rates Reflect:-

- a) Risk
- b) Level of Inflation
- c) Cost of Fund.

Summation of these 3 factors influence the level of interest rates.



# Interest Rates (Cont.)

- In Europe, interest rates are very low (0.59) – 10 year government bond.
- However Switzerland is negative interest rate (-0.10%).
- In other words, not worth to park money in Europe.
- However in some countries interest rates are very high.
  - Russia – 10.98
  - Turkey – 10.99
  - Indonesia – 9.79
  - Brazil – 15.7%
  - Venezuela – 10.48%
  - Malaysia, interest rate is 4.24%  
(this reflects high risk)

## Interest Rates (Cont.)

- Outflow of Funds from negative areas to positive areas.
- Malaysia – 4.24%
- Singapore – 2.54%
- Therefore, we still have positive return to saving & our cost of borrowing is still low.
- Therefore short-term capital moves to areas with higher rates.



# EXCHANGE RATES

- Exchange rate reflects the external price index of our goods & services.
- In other words imports & exports.
- If our imports exceed exports, we will sell our currency and therefore our currency depreciates.
- If we have a surplus our currency should strengthen.
- All currencies have depreciated against USD except for Saudi Riyal which remained unchanged.
- Even the Norwegian Kroner depreciated from 6.42 to 8.52 per USD despite having a surplus in BOP & Budget.
- (Basically the USD is strengthening and affecting all countries).
- However the MYR (Malaysian Ringgit) depreciates the most as per table (August 2015 Bloomberg).



# August 2015 (Bloomberg)

**Performance of Major and Asian Currencies against the US Dollar (From end-July 2015 to end-Aug. 2015, %)**

	Rate as at end-Aug-2015	% change (against end-July 2015)
** Japanese yen	121.23	2.2
Euro	1.1211	2.1
Pound sterling	1.5345	-1.8
Korean won	1,182.9	-1.1
Philippine peso	46.780	-2.2
Thai baht	35.834	-2.3
Chinese renminbi	6.3790	-2.7
Singapore dollar	1.4118	-2.8
Taiwan dollar	32.664	-3.0
Indonesian rupiah	14,067.0	-3.8
Malaysian ringgit	4.2140	-9.4

+ (-) Positive (negative) sign denotes appreciation (depreciation) against USD

Source: Bloomberg

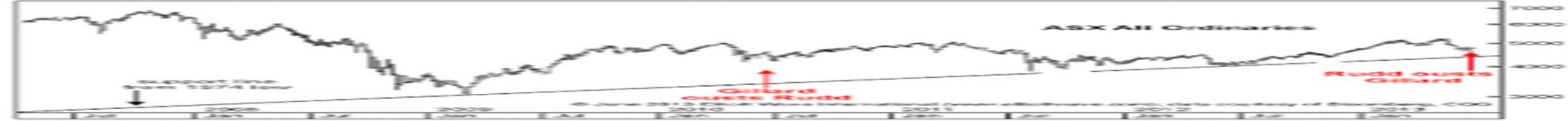




# Asian Stock Market

	Index as at end August 2015	% Change from end July 2015
S&P 500	1972.2	-6.3
Dow Jones	16528	-6.6
FT-100	6247.9	-6.7
Nikkei	18890.5	-8.2
Nasdaq	4776.5	-6.9

Source : Bloomberg



## Asian Stock Market (Cont.)

	Index as at end August 2015	% Change from end July 2015
Thailand	1382.5	-4.0
Korea	1941.5	-4.4
Chinese Taipei	8174.9	-5.7
Philippines	7098.8	-6.0
Indonesia	4509.6	-6.1
Malaysia	1612.7	-6.4
Singapore	2921.4	-8.8
Hong Kong	21670.6	-12.0
People Republic China	3206.0	-12.5

# Stock Market Performance

- All major index are in negative territory.
- Most declines between July & August about 6%.
- Singapore, Hong Kong and China facing large declines.
- This means short term capital moving into US market.



# WHERE DO WE GO FROM HERE?

- Our Economic fundamentals are strong but exchange rate is affected.
- However everybody is affected but Malaysia is affected the most.
- More a question of sentiments.
- What shall we do?
  - ✓ Promote exports;
  - ✓ Promote in-bound tourism;
  - ✓ Encourage domestic production;
  - ✓ Need to focus on productivity of factors of production;
  - ✓ Need to promote R&D to create value added.

