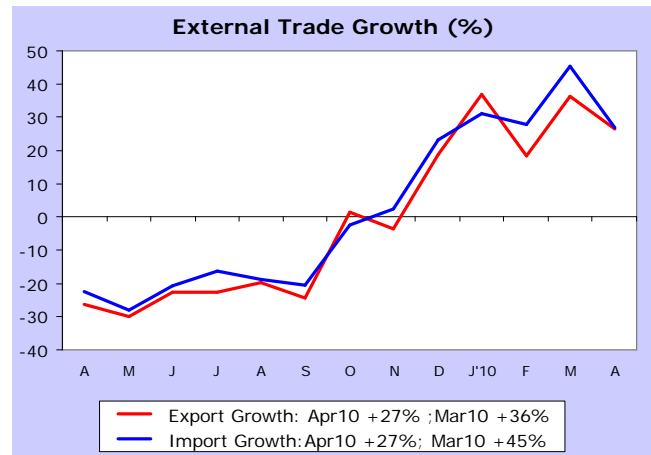


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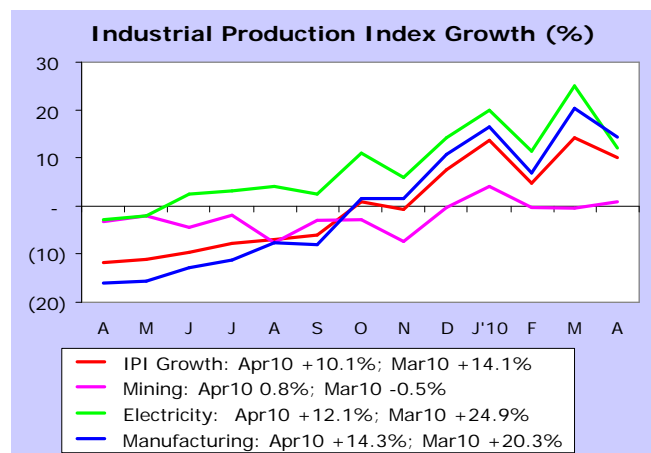
External Trade – April 2010

- Malaysia's exports rose to 27% in April but came in weaker than consensus estimate of 38%. This was attributed to a slowdown in exports to the US, European Union, China and Asean.
- Slower growth was driven by slower increases in the exports of electronic & electrical (E&E) products and non-E&E manufactured goods. Crude oil export registered 93% increase in compared to same period last year due partly to higher prices. Overall products registered lower export value when compared to March, notably E&E products of which overall value fell almost to RM2bil.
- Total imports slowed down to 27.0% in April, the slowest in four months and from +45.3% in March, pointing to a moderation in domestic demand and exports in the months ahead. The slowdown was on account of slower increases in the imports of intermediate inputs and consumption goods. These were made worse by a moderation in the imports of capital goods. The trade surplus narrowed to RM9.2bil in April, from a surplus of RM14.4bil in March.
- Asia's rebound is outpacing the rest of the world as companies increase overseas shipments, however, the recovery may slow as Europe's debt crisis hurts consumer and business confidence in advanced economies, and a weaker euro makes Asian exports more expensive.



Industrial Production Index (IPI) – April 2010

- Malaysia's industrial production rose for a fifth month in April amid slower growth on a quarterly basis as electronics makers and power companies increased output to meet demand. Production at factories, utilities and mines were relatively lower at 10.1% from a year earlier after gaining 14.1% in March. YTD, the cumulative index increased 10.8% as compared with the same period of 2009.
- The output for the mining sector increased 0.8% in April 2010 as compared with the same month of 2009. This was due to the increase in natural gas index (13.8%). However crude oil index decreased 4.5%. For the first four months of 2010, the mining sector recorded an increase of 0.8% as compared with the same period of last year.
- Electricity output growth was lower at 12.1% in April after registering a 24.9% growth in March. Overall electricity output increased 17.0% for the Jan-April period as compared to same period last year.

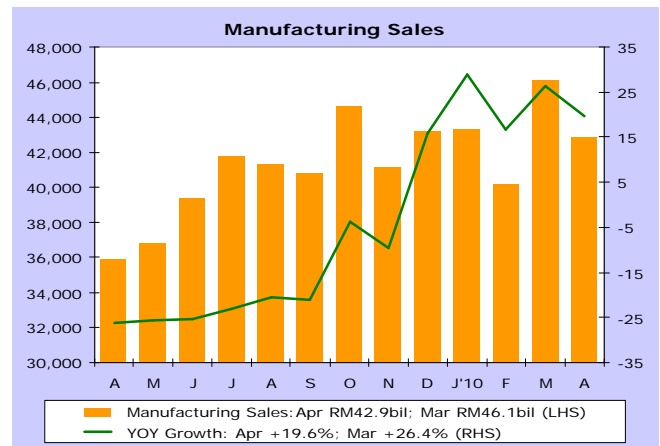


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- Manufacturing production growth eased to 14.3% from 20.5% in March and it grew 15.1% for the first four months of 2010 as compared with the corresponding period of 2009.
- Global economy is expected to experience modest growth in 2H 2010, as government stimulus spending wears off and rigor steps taken by major European countries to mitigate their economic spending and contain Euro-zone debt crisis will weigh in. Furthermore, regional government policies to tighten spending and slow the expansion pace are prone to cause flattish economy commotion.

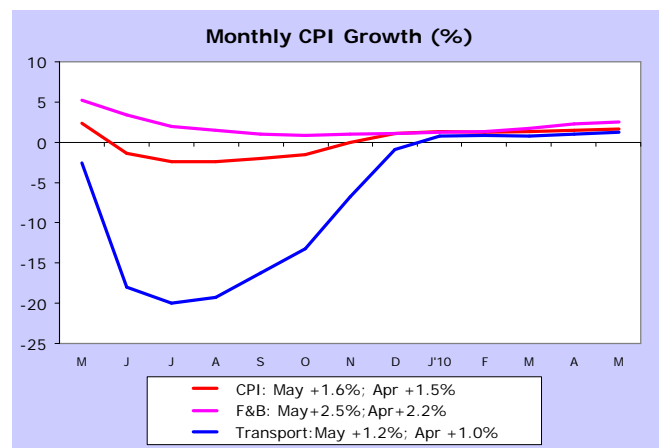
Manufacturing Sales– April 2010

- Growth of manufacturing sales registered in the month of April dropped to 19.6% after gaining 26.4% in March. Weaker growth in the exports of manufactured goods has been identified as the catalyst for the slowdown which indicates an easing demand for the country's exports.
- Manufacturers employed more workers in April; in anticipation of stronger economic recovery which will result in rising demands for manufactured products.
- In tandem with moderate growth in the global economy, the country's exports and manufacturing sales are expected to slow down in 2H 2010, after picking up strongly in the 1H.



Consumer Price Index– May 2010

- Malaysia's inflation accelerated in May to the fastest pace in a year, as a strengthening economy boosted food and transport costs. Consumer prices climbed 1.6% from a year earlier after gaining 1.5% in April.
- Food prices, which account for about 31% of Malaysia's inflation index, rose 2.5% in May on the back of increases in the index for Food At Home (+ 0.6 per cent); Food Away From Home (+ 0.2 per cent) and Coffee, Tea, Cocoa & Non-Alcoholic Beverages (+ 0.1 per cent).
- The transport index, which represents 15.9% of CPI basket, edged higher to 1.2% in May from 1.0% in April, reflecting the low base effect a year ago. The upside risk to the transport sector remains given the unanticipated adjustment of fuel prices.
- The central bank has said overall inflation will be contained this year with the government delaying the reduction of subsidies to ease concern that higher prices will burden the poor. 0.8 percent. They added that inflation is forecasted to average between 2% to 2.5% this year, accelerating from 0.6% in 2009.



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