

FOREX MARKET

Currency	DECEMBER 2011			
	High	Low	Close	% Change
USD/JPY	78.22	76.88	76.92	- 0.7
EUR/USD	1.3548	1.2856	1.2955	- 3.6
GBP/USD	1.5773	1.5360	1.5529	- 1.1
AUD/USD	1.0378	0.9857	1.0212	- 0.6
NZD/USD	0.7877	0.7457	0.7768	- 0.4
USD/SGD	1.3125	1.2758	1.2960	1.1
USD/MYR	3.1983	3.1215	3.1690	- 0.3

USD rose on safe haven appeal and greenback also continue to benefit on better than expected US economic data.

Investors also remain jittery on renewed worries about the fallout from the European sovereign debt crisis.

Thus, EUR bear the brunt of selling across the board, falling 3.6% against USD in December.

On 29th December, EUR/USD sank to a 15-month low of 1.2856 as high yields at an Italian bond auction prompted selling.

For the year, EUR/USD has lost 3.2%, adding to a 6.6% decline in 2010.

Italy, the euro zone's third largest economy, remains at the center of the debt crisis.

The country need to raise 450 billion euros in debt markets in 2012.

Some analysts said EUR/USD could drop at low as 1.20 by the end of 2012 due to lack of comprehensive and coordinate action to solve the debt crisis. EUR/USD could also potentially move towards its 2010 low of 1.1876.

USD/JPY fell 0.7% for the month and ended the year down 5.2% as yen also benefited from safe haven flows and as players pare back on carry trades.

EUR/JPY slipped to a 10-year trough below 100 yen to 99.77 yen – down 8% for the year.

GBP/USD eased 1.1% but ended the year little changed as investors shifted funds out of euro zone to UK.

Despite fragile UK economy recovery, GBP is preferred compared to EUR as UK is viewed to have taken more aggressive approach in tackling its fiscal deficit compared to EU policymakers. This helps UK to maintain its AAA rating whilst euro zone countries facing the risk of losing their respective high ratings.

Sterling rose to 11 ½-month high against EUR at 83.63 pence – its strongest since early January.

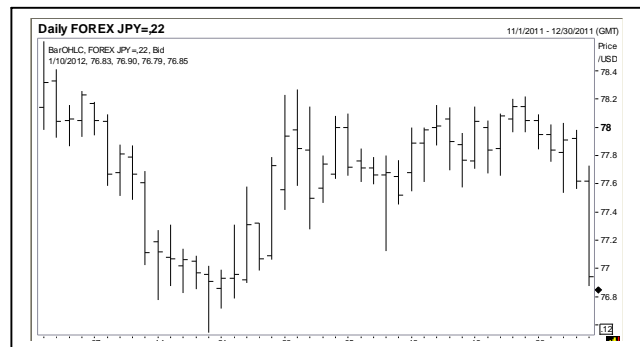
Against a basket of major currencies, USD ended the year up 1.3% - its second consecutive annual rise.

AUD/USD and NZD/USD ended little changed for the year, but it was wild swing through the year as AUD and NZD are sensitive to risk sentiment.

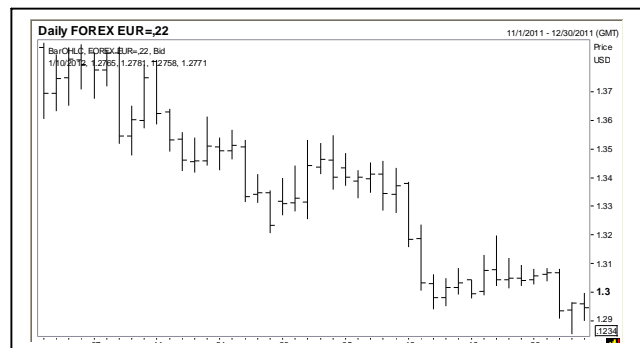
AUD/USD down barely changed for the year, following a hefty 14% gain in 2010.

NZD/USD fell marginally for the year, having gone as far as 0.8842 and as low as 0.7125. In 2010, it gained 8%.

USD/JPY



EUR/USD



GBP/USD



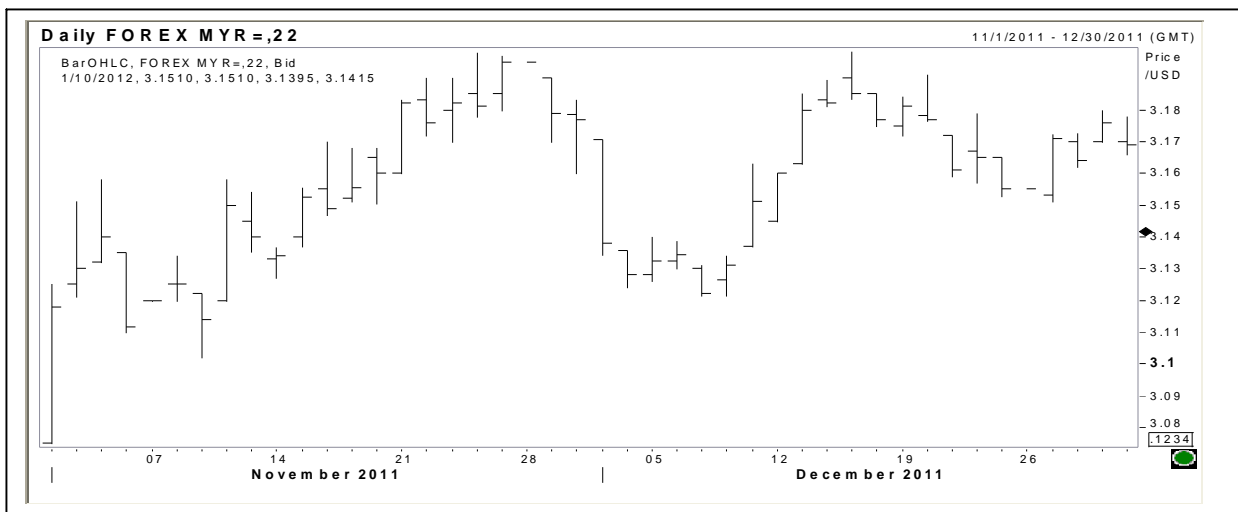
AUD/USD



USD/SGD



USD/MYR



MYR PERFORMANCE AGAINST OTHER CURRENCIES

Indicative Mid Rates	DECEMBER 2011			
	High	Low	Close	% Change
JPY/MYR	4.1204	4.0010	4.1156	0.5
EUR/MYR	4.2731	4.0831	4.1054	- 3.8
GBP/MYR	4.9898	4.8681	4.9211	- 1.3
AUD/MYR	3.2688	3.1422	3.2362	- 0.9
NZD/MYR	2.4803	2.3782	2.4617	- 0.7
SGD/MYR	2.4813	2.4099	2.4431	- 1.4

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