



## News Room

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### **RHB Banking Group: Global Economy Entering a New Cycle**

KUALA LUMPUR, 14 June 2011: RHB Banking Group's Treasury Division recently held a closed door Forex & Economic Outlook Briefing and a Talk on Benefits of Fengshui for Business with the last session on Fixed Income at the Royale Chulan in downtown Kuala Lumpur for the Bank's selected clients. The event saw a strong turnout of about 400 people.

The FX & Economic Outlook Briefing covered the latest developments in the economy and foreign exchange markets and factors that will likely impact the market for the rest of the year.

This briefing was delivered by Mr Lim Chee Sing, Executive Director of RHB Research Institute Sdn Bhd, where he is also Head of Research & Chief Economist. He is a regular speaker who has won numerous awards for his research reports and in-depth analyses of various issues affecting the economy and the market.

The salient points of the briefing were that the US economy was still resilient and that current worries in the economy have been overblown and these worries are not likely to derail the global economic recovery. Meanwhile, Europe's current debt problems were also not likely to cause the entire Eurozone's economy to sink into a recession due to the relatively sound economic conditions in Germany, France and the Nordic countries. And China's economic growth remains resilient despite aggressive credit tightening. In short, the global economy, though still facing pretty stiff headwinds is entering a new global economic upcycle.

On the local front, the Malaysian economy is currently showing signs of slowing growth but it is most likely to gain momentum in the second half of 2011. While on the currency front, the US Dollar's outlook in the short term is still mixed. At current levels, the USD is lower than at any time since major currencies begun floating in 1973, so a rebound could be on the way.

The second part of the event which is a talk on the Benefits of Feng Shui for Businesses was shared by Grandmaster Datuk Yap Cheng Hai. Datuk Yap is an internationally renowned Feng Shui consultant and teacher and a much sought after as a speaker at international Feng Shui conferences. Datuk Yap's presentation focused on the main point of propagating the proper teachings and practices of Classical Feng Shui which can enhance one's health, wealth and happiness.

The last two sessions were on "Malaysian Fixed Income Market Outlook, 2H2011" and "G3 & Regional Sovereign Bond Markets Outlook, 2H2011". This was covered by Ray Choy Swee Yew, Head of Debt Market Research, also from RHB Research Institute Sdn Bhd.

Sovereign creditworthiness in advanced markets in US and EU will continue to see downward pressure in 2011 and 2012, while Emerging Markets credit will see positive pressure with further tightening on both policy normalization as well as inflation control. In general, Emerging Markets will still be growing faster than industrialized world.

With the success of the KL event, similar roadshows will be conducted for invited valued RHB customers in Penang and Johor during the month of July.

*Issued on behalf of RHB Bank Berhad by the Corporate Communications Division, RHB Capital Berhad. For more information, please call Azman Shah Md Yaman at 03-92802419 or Shima Reza at 03-92802533*

### **About the RHB Banking Group**

*The RHB Banking Group is the fifth largest fully integrated financial services group in Malaysia. The Group's core businesses are streamlined into seven Strategic Business Groups (SBGs): Retail Banking, Business Banking, Group Transaction Banking, Corporate & Investment Banking, Islamic Banking, Global Financial Banking and Group Treasury. These businesses are offered through its main subsidiaries - RHB Bank Berhad, RHB Investment Bank Berhad, RHB Insurance Berhad and RHB Islamic Bank Berhad, while its asset management and unit trust businesses are held under RHB Investment Management Berhad. RHB's Global Financial Banking Division includes commercial banking operations in Singapore, Thailand and Brunei. The Group also has a non-ringgit based offshore funding operations in Labuan as well as a representative office in Vietnam. It is RHB Banking Group's aspiration to deliver superior customer experience and shareholder value; and be recognised as one of the top financial services group in the ASEAN Region.*

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