

## Mid-Day News (Asia)

September 9, 2010

### China

China's stocks fell the most in 2 weeks, led by financial and metal companies, as rising property prices fuelled concern the government will deepen measures to curb speculation. A gauge of property stocks fell 1.5% for the steepest decline in the Shanghai Composite, adding to the 26% drop this year. Vanke, the nation's biggest listed property developer, dropped 2.5% to CNY8.36. Poly Real Estate Group Co., the 2nd largest, fell 2.3% to CNY11.53. ICBC, the nation's biggest listed lender, slipped 0.5% to CNY4.07. China Construction Bank Corp., the 2nd largest, lost 0.6% to CNY4.65.

China may say that its trade surplus topped USD20 billion for a 3rd month in August in a report that risks stoking American lawmakers' calls for protection from Chinese imports. Exports probably exceeded imports by USD26.9 billion, compared with USD15.7 billion in the same month a year earlier, according to the median of 34 forecasts in a Bloomberg News survey. Shipments abroad gained 35% and imports grew 27.5%, according to the survey. The US House Ways and Means Committee will discuss next week China's currency policy after Premier Wen Jiabao's government limited the CNY's gain to less than 1% versus the USD since a June pledge for greater flexibility. With November elections looming, legislators may push a bill letting companies seek tariffs for compensation for an undervalued CNY.

### Hong Kong

Hong Kong stocks rose, paring yesterday's biggest decline in a month. Bank of Communications Ltd. and Industrial and Commercial Bank of China Ltd. gained 1.3%. Agricultural Bank, the nation's 3rd-largest lender by market value, increased 1.7% after Credit Suisse said investors may be "underestimating improvement potential." Real estate shares rose following a South China Morning Post report that a public rental flat sold for a record amount.

Indices Asia	Last	Change
Nikkei225	9,083.50	0.65%
KOSPI Comp	1,777.34	-0.11%
S&P/ASX200	4,575.70	0.85%
Hang Seng	21,177.49	0.42%
Shanghai Comp.	2,667.60	-1.03%
STI Singapore	3,011.53	0.00%
Sensex India	18,791.07	0.67%
SET Thailand	926.93	0.33%
JCI Indonesia	3,230.89	0.43%
KLCI Malaysia	1,436.30	0.15%
Indices USA	Yester-	Change
Dow Jones-(Ind.)	10,387.01	0.45%
S&P500	1,098.87	0.64%
Nasdaq100	1,880.00	1.27%
Indices Europe	Yester-	Change
EuroStoxx50	2,752.89	0.94%
SMI	6,386.95	0.42%
DAX	6,164.44	0.76%
FTSE100	5,429.74	0.41%
CAC40	3,677.21	0.92%
Currencies	Last	Change
USD/CHF	1.0118	0.04%
EUR/USD	1.2713	-0.06%
GBP/USD	1.5455	-0.10%
USD/JPY	83.7300	-0.18%
AUD/USD	0.9211	0.3158
NZD/USD	0.7214	-0.1799
USD/KRW	1,169.74	-0.26%
USD/HKD	7.7717	0.02%
USD/SGD	1.3428	-0.0893
USD/THB	30.8700	-0.52%
USD/MYR	3.1110	-0.02%
USD/IDR	8,983	-0.22%
USD/CNY	6.7868	-0.11%
Treasury	Yield	Change
US10Y	2.41	0.13
US5Y	0.91	0.08
US2Y	0.19	0.02
JGP10Y	0.82	-0.07
AUD10Y	4.89	-0.38
NZD10Y	5.12	-0.06
Commodities	Last	Change
Gold	1,255.40	0.04%
Silver	19.81	-0.48%
Brent Crude Oil	78.23	0.08%

Singapore Time:

11:58:19 AM

## Singapore

Singapore's Straits Times Index rose as of 9:47 a.m. local time. 4 stocks advanced for each that fell on the 30-member gauge. Genting Singapore PLC, operator of one of the city's casinos resorts, increased 0.6% to SGD1.83. Singapore's Ministry of Community Development, Youth and Sports is investigating whether free minibuses offered by the city's 2 casinos amount to a prohibited incentive for Singaporeans to gamble.

## Australia

Australia's S&P/ASX 200 Index rose as of 10:45 a.m. in Sydney. BHP Billiton Ltd., the world's largest mining company, rose 0.8% to AUD38.23. Rio Tinto Group, the world's 3rd-biggest miner, advanced 0.8% to AUD74. Woodside Petroleum Ltd., Australia's 2nd-largest oil and gas producer, rose 0.8% to AUD43.04. Rival Beach Energy Ltd. advanced 0.7% to AUD0.68. AXA Asia Pacific Holdings Ltd. plunged 9.4% to AUD4.93. National Australia Bank Ltd. rose 2.1% to AUD24.46. National Australia Bank said it's considering the implications of the Australian regulator's decision to block its AUD13.3 billion (USD12.2 billion) bid for asset manager Axa Asia Pacific and will update the market as soon as possible, according to a regulatory filing. AMP, Australia's 2nd-largest asset manager, said Axa Asia remains attractive on the right terms. Origin Energy Ltd. rose 2.4% to AUD15.68. The Australian electricity and gas retailer had its stock rating raised to "buy" from "neutral" by analysts at UBS AG. Karoon Gas Ltd. rose 3.2% to AUD6.87. ConocoPhillips' partner in a venture off Australia's northwest coast expects to retain as much as 75% ownership of its Brazilian unit if it decides to proceed with a share sale before the end of the year, according to a regulatory filing. n to the airlines' proposed joint venture.

## Japan

Japanese stocks rose after concern eased that the European debt crisis will stall global economic growth and the JPY pared its advance. Canon Inc., a maker of consumer electronics that gets more than 80% of its sales outside Japan, gained 2%. Mitsubishi Corp., which gets about 40% of sales from commodities, increased 2.2% after Daiwa Securities Group Inc. boosted its rating on the company and as commodity prices rose. Trend Micro Inc., a Japanese antivirus software maker, soared 15% after Taiwan's DigiTimes newspaper reported the software maker may be the target of a takeover. Fanuc Ltd., a robotics maker that receives about 80% of its revenue outside of Japan, rose 1.2% to JPY9,570.

## Thailand

Thailand's benchmark stock index, the SET Index, rose 0.76% at 10:05 a.m. The index of 479 companies traded on the Stock Exchange of Thailand rose 7.04 to 930.92. Among the stocks in the index, 158 rose, 22 fell and 299 were unchanged. Gains in the SET Index were led by Advanced Info Service, PTT and PTT Exploration & Prod.. About 454.54 million shares changed hands. Krung Thai Bank PCL, which rose THB0.10 to THB15.40, was the most active stock by value in Thailand. The next most active issues were Advanced Info Service PCL, which rose THB2.25 to THB99.75, and PTT Aromatics & Refining PCL, which rose THB0.50 to THB26.25.

## Malaysia

Malaysia's benchmark stock index, the Kuala Lumpur Composite Index, rose as at 9:05 a.m. The index of 30 companies traded on the Kuala Lumpur Stock Exchange rose 2.29 to 1,436.43. Among the stocks in the index, 8 rose, 2 fell and 20 were unchanged. Gains in the Kuala Lumpur Composite Index were led by AMMB, Maybank and CIMB Group Holdings Bhd. About 11.97 million shares changed hands in Malaysia. Tanjong PLC, which fell MYR0.02 to MYR21.50, was the most active stock by value in Malaysia. The next most-active issues were Genting Bhd, which rose MYR0.03 to MYR9.41, and IOI Corp Bhd, which rose MYR0.01 to MYR5.46.

## Indonesia

Jakarta Stock Exchange is closed for Idul Fitri holiday.



## Korea

South Korea's Kospi index rose as of 9:56 a.m. in Seoul. KB Financial Group Inc. gained 1.7% to KRW48,900. Woori Finance Holdings Co. and Shinhan Financial Group Co. both gained more than 2%. 10 of 14 economists surveyed by Bloomberg News predict Bank of Korea Governor Kim Choong Soo will raise the 7-day repurchase rate 0.25 percentage point to 2.5%. Kia Motors Corp., South Korea's 2nd-biggest automaker, added 0.9% to KRW34,450. The company said it will buy back 3.9 million of its shares from the market to give to employees, according to a filing. Bulk carriers: STX Pan Ocean Co., South Korea's biggest bulk carrier, rose 0.9% to KRW11,300. Korea Line Corp., the 2nd-biggest, advanced 1.1% to DRW47,800.

## New Zealand

New Zealand's NZX 50 Index declined 0.5% to 3,145.06 in Wellington. Telecom Corp. of New Zealand fell the most in six months, dropping 5.6%. The government indicated it may not favour the nation's biggest phone company's proposal to be a partner in a national broadband network.

## Asia Currencies

AUD rose to a 4-month high against the USD after a government report showed employers added more jobs than economists forecast and the jobless rate fell. The number of people employed in the nation rose by 30,900 in August, exceeding the 25,000 increase forecast in a Bloomberg News survey of economists. The jobless rate declined to 5.1% from 5.3% in July, the report showed. AUD advanced to USD0.9212 as of 2:02 p.m. in Sydney from USD0.9182 in New York yesterday, after rising to USD0.9237, the strongest level since May. 4. The AUD gained 0.2% to JPY77.13. The NZD traded at USD0.7216 from USD0.7228 cents, and was at JPY60.42 from JPY60.62.

KRW climbed to a 1-month high. The Bank of Korea left its benchmark interest rate unchanged at 2.25%. The decision, announced by the central bank in Seoul today, was predicted by four of 14 economists surveyed by Bloomberg News. The rest forecast a 0.25% increase. The KRW rose 0.3% to KRW1,169.65 per USD as of 9:38 a.m. in Seoul, according to data compiled by Bloomberg. It earlier touched KRW1,168.34, the strongest level since Aug. 10.



## Contacts

### VP Bank (Singapore) Ltd.

Dave Lim

Head of Products Asia

Tel +65 6305 0070, Fax +65 6305 0052

dave.lim@vpbank.com

Linda Foo

Head of Treasury

Tel +65 6305 0071, Fax +65 6305 0052

linda.foo@vpbank.com

Thomas Rupf, CFA, FRM, CAIA

Investment Advisor

Tel +65 6305 0072, Fax +65 6305 0052

thomas.rupf@vpbank.com

## Disclaimer

**General:** This document was produced by VP Bank (Singapore) Ltd. (hereinafter referred to as VP Bank) using sources that are believed to be reliable. It is intended solely for information purposes, and the utmost care has been exercised in its production. However, VP Bank does not warrant either expressly or tacitly that the contents of this document are complete, up-to-date or correct. In particular, the information in this document may not include all relevant information regarding financial instruments or their issuers. The sources for the information in this document may include national and international media, information services (e.g. Reuters, Bloomberg), publicly accessible databanks, publicly available corporate information, the publications of rating agencies, and information from companies (notably issuers, lead managers, co-managers, guarantors and sellers of financial instruments) with which VP Bank and/or its subsidiaries may have a business relationship relating to the products mentioned in this document or other business relationships. The opinions expressed in this document reflect the opinions of VP Bank on the date stated in the document. It is possible that VP Bank and/or its subsidiaries have published in the past or will publish in the future documents that contain information and opinions that do not accord with those in this document. VP Bank and/or its subsidiaries are not obliged to provide recipients of this document with such documents offering different information or opinions.

**Suitability / Not an Offer:** The information contained in this document does not constitute a recommendation to buy, hold or sell the financial instruments described herein, nor does it constitute advice on legal, financial, accountancy or taxation matters or any form of personal advice. In particular, the financial instruments discussed in this document may be unsuitable for an investor on the basis of his/her investment objective, time horizon, risk-tolerance, financial situation or other personal circumstances. It may be the case that financial instruments described in this document (in particular investment funds, exchange-traded funds and certificates) are not authorized for sale in every country. The information provided in this document is therefore in no way a substitute for individual advice by a specialist qualified in the matters referred to or a substitute for perusal of the documents provided by the issuers and sellers of the financial instruments (e.g. issue prospectuses, term sheets, etc.). In particular, this document does not constitute an offer, a solicitation to make an offer or a public advertisement inviting participation in transactions involving the financial instruments described herein or an invitation to enter into any transaction. VP Bank and its subsidiaries expressly refuse to accept any liability for any detriment or loss that is claimed to have been incurred on the basis of information contained in this document.

**Notes on risk:** The price and value of the investments mentioned in this document and the returns achieved on these investments may rise or fall. No assurance can be given to investors that they will recover the amounts that they invest. The past performance of an investment is not a reliable indicator of future performance. The same remarks apply to performance forecasts. Any investment mentioned in this document may involve the following risks: issuer (creditworthiness) risk, market risk, credit risk, liquidity risk, interest rate risk, currency risk, economic risk and political risk. Investments in emerging markets are speculative and particularly strongly exposed to such risks. This list of risks should not be regarded as exhaustive.

**Notes on VP Bank Investment Funds:** VP Bank investment funds are managed by managers of VP Bank. Mention of these funds does not constitute a recommendation by VP Bank to buy these funds. The current full prospectus, simplified prospectus and annual and half-year reports may be obtained free of charge at Verwaltungs- und Privat-Bank Aktiengesellschaft, Aeulestrasse 6, LI-9490 Vaduz and IFOS Internationale Fonds Service AG, Aeulestrasse 6, LI-9490 Vaduz. Up-to-date information can be accessed at any time on the homepage of VP Bank at [www.vpbank.com](http://www.vpbank.com) or the homepage of IFOS Internationale Fonds Service AG at [www.ifos.li](http://www.ifos.li). Only some of these funds are authorized for public sale outside Liechtenstein. Sales authorizations are stated in the individual prospectuses and are subject to the laws and regulations of the country concerned. Citizens or residents of the US may not acquire these funds. A positive performance in the past is no guarantee of a positive performance in the future. The risk of capital losses and/or currency losses cannot be ruled out. It is possible that investors will not recover the full amount of their investment. The performance data do not take account of any commissions and costs payable on the issue and redemption of units. The information in this document does not constitute an offer. It serves merely as information.

**Other information:** To the extent permitted by law, VP Bank and/or its subsidiaries may participate in other financial transactions with the issuers of assets mentioned in this document. They may invest in these issuers or render services to them, acquire orders from them, hold positions in their assets or in options on those assets, carry out transactions in these positions, or have another substantial interests relating to the issuers of assets mentioned in this document. Such actions or situations may already have occurred in the past. Employees of VP Bank who are involved in the production of this document are free to buy, hold or sell the assets discussed in this document. The contents of this publication are protected by copyright, and any utilization other than private use requires the prior authorization of VP Bank.

**Notes on the distribution of this document:** This document may be distributed only in countries in which its distribution is permitted by law. Thus the contents of this document are not intended for persons subject to a jurisdiction that prohibits the dissemination of, access to or use of this document or makes such dissemination, access or use subject to authorization, whether on the basis of the nationality or residence of the person concerned or for other reasons. Persons who come into possession of this document or gain knowledge of its contents must therefore acquaint themselves with local laws and restrictions and abide by them.

**Germany:** This document was produced by VP Bank (Singapore) Ltd. and distributed by VP Vermögensverwaltung GmbH, Theatinerstrasse 12, DE-80333 Munich. VP Vermögensverwaltung GmbH is subject to authorization and regulation by the German Federal Financial Supervisory Authority (BaFin). VP Bank (Singapore) Ltd. is licensed as a merchant bank by the Monetary Authority of Singapore.

**Hong Kong:** This information has been distributed by VP Wealth Management (Hong Kong) Ltd. Related financial products or services are only available to wholesale clients with liquid assets of over USD 1 million that meet the regulatory criteria and the Company's policy to be a client, and who have sufficient financial experience and understanding to participate in financial markets in a wholesale jurisdiction. VP Wealth Management (Hong Kong) Ltd. is a licensed corporation under the Securities and Futures Ordinance (Cap. 571) and regulated by the Securities and Futures Commission (SFC).

**Luxembourg:** This document was produced by VP Bank (Singapore) Ltd. and distributed by VP Bank (Luxembourg) S.A., Avenue de la Liberté 26, LU-1930 Luxembourg. VP Bank (Luxembourg) S.A. is subject to authorization and regulation by the Luxembourg Commission de Surveillance du Secteur Financier (CSSF). VP Bank (Singapore) Ltd. is licensed as a merchant bank by the Monetary Authority of Singapore.

**Singapore:** This document is distributed by VP Bank (Singapore) Ltd., which is licensed as a merchant bank by the Monetary Authority of Singapore.

**Switzerland:** This document was produced by VP Bank (Singapore) Ltd., and distributed by VP Bank (Schweiz) AG, Bahnhofstrasse 3, 8022 Zurich. VP Bank (Singapore) Ltd. is licensed as a merchant bank by the Monetary Authority of Singapore. VP Bank (Schweiz) AG is subject to authorization and regulation by the Swiss Financial Market Supervisory Authority (FINMA).

**US/UK/Canada:** This document or copies thereof may not be delivered to persons who are resident in the US, UK or Canada or who are citizens of one or more of these countries.