



18^h May – 22nd May 09

Overview

Asian stocks except China and Japan, soared as the election victory by India's ruling party urged optimism for a stable government and economic reforms. The MSCI Asia Pacific Index jumped 2.1 percent this week to 99.35. Markets rallied since march on optimism government measures to ease the financial crisis are showing results.

Corporate News

- Prime Minister Manmohan Singh's UPA party won the Indian Lok Sabha elections and came into power for the second time, winning 260 seats out of 543 seats. Congress will now be able to form a government without the support of communist encouraging foreign investment in the emerging economy.
- Lenovo, China's top PC company announced a loss of \$264 million, worse than many had expected. A research analyst suggested Lenovo and Acer get together, though they had been rivals in the past, what one lacks, the other has. Lenovo has a strong presence in China and weak elsewhere, where as Acer has a strong presence elsewhere and weak in China.
- Bajaj Auto and Renaults announced to launch a new ultra small car to take on Tata Motor's Nano. A new set of disagreements cropping up between the two partners pertaining the brands, may delay the launch a little bit more.
- One of the best way to rescue china from the currency trap is to transform the local currency to a regional currency on par with dollar and euro, suggested by YU an economic professor. He also suggested a Crisis relief facility to get china and America out of the clutches of current financial and economic crisis.

Asian Currencies

Asian currencies rose with Indian marking as the strongest gain and concerns over US losing its top Credit rating as dollar slumped with investors rushed into emerging markets. Standard & Poor's lowered its outlook on the U.K.'s AAA rating to negative this week because of rising debt levels. Asian currencies are expected to be strong since participants are concerned about the downgrade of US sovereign. Indian rupee rose 4.8% witnessing its biggest weekly gain since 1996, on optimism over the new PM to see through reforms unopposed that are beneficial to the economy.

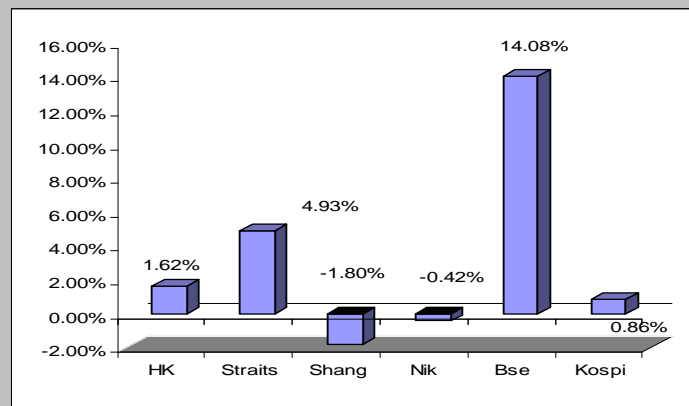
Commodities

Crude oil rose to \$61.67 as dollar fell against other currencies and US stocks gained. Oil climbed 1 percent in New York after the dollar dipped against major currencies on speculation the U.S. may lose its AAA credit rating. The US economy is expected to be slow in recovery as banks have tightened lending and consumer boosts savings. Investors pulling out of the dollar and spike in treasury yields can see huge capital inflows in commodities. Commodities are gathering momentum. Gold rose to the highest in two months to close at \$957.35, as the dollar slump and high oil prices boosted alternative investments. Gold may extend gains next week, according to 23 of 30 traders, investors and analysts surveyed.

Indices

Index	Last	WOW ch %	YTD ch %
HK	17,063	1.62%	-26.09%
Straits	2245.27	4.93%	-26.17%
Shang	2597.60	-1.80%	-26.75%
Nik	9225.81	-0.42%	-27.16%
Bse	13887.15	14.08%	-14.47%
Kospi	1403.75	0.86%	-17.62%

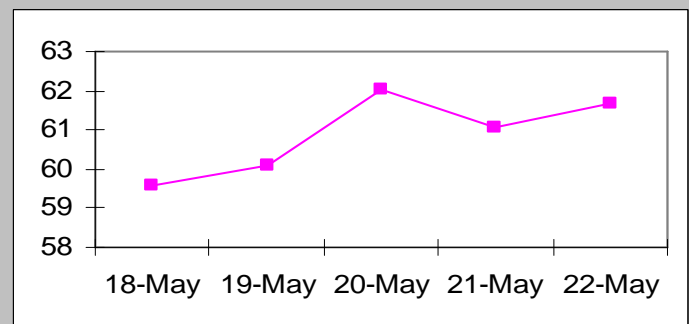
Market movement WOW



Currencies

Currency	Last	%YTD	%WOW
SGD	1.44	(0.83)	2.08
HKD	7.75	(0.02)	(0.01)
KRW	1,247.68	0.95	0.75
INR	47.13	3.55	4.80
JPY	94.78	(4.37)	0.45

Crude Oil





Markets this week

Singapore

Singapore shares closed at 2245.27 on Friday and gaining 4.93% from its previous weeks close.

Malaysian new premier Najib Razak visited Singapore with plans to end up the long running quarrel that have soured relations between the two neighbors. Malaysia wants to promote the massive Iskandar economic corridor in southern Johor state separated from Singapore by a narrow waterway which must attract investment from the city state to succeed. Najib would keep Iskandar project high on agenda and focus more on cooperation on trade and tourism.

Latest national accounts data shows Singapore’s economy was expected to contract by 19.7%, whereas it actually contracted only 14.6%, dropping the Year on Year GDP by 10.1% on non adjusted basis. Owing to weak demand in Singapore’s most important foreign market, the Economic Intelligence Unit expects the Real GDP to shrink 8.8% this year and exports of goods and services to contract sharply. The government is expected to spend heavily on big investment schemes and will resurrect large construction projects that had been put on hold for quite sometime.

China

The Shanghai Composite plummeted 1.8% on Friday to close at 2597.601

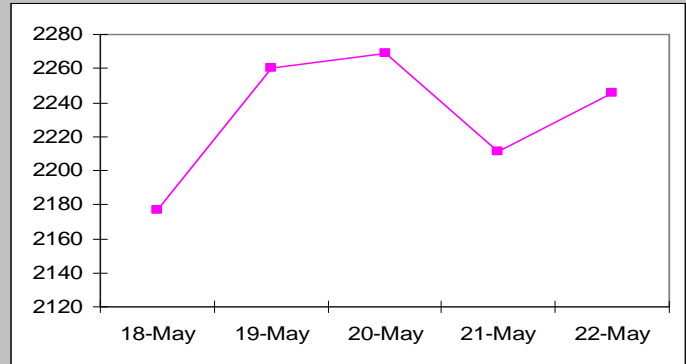
As financial crisis bites deep into the coffers of Kyrgyzstan, many Chinese trades have cut down trades from Kyrgyzstan in reaction to protectionist economic measures taken by local officials who are panicked by the worsening situation of the economy. The earnings of Chinese business rised at an astonishing high of 500 percent compared to the already higher taxes paid by the trades of china.

As Taiwan and china join hands to tackle the financial crisis more efficiently, china will send three business delegations to Taiwan to buy food machinery and other goods. The first team will composed of representatives from home appliance, food processing and other light industrial firms. Taiwan and China split in 1949 at the end of a civil war. Beijing still regards the island as part of its territory awaiting reunification, by force if necessary.

Brazil and china signed several large business deals commenting ties. Brazil’s president met Chinese leaders in Beijing during which analysts expected they could broach a plan to ditch US dollar in brazil’s nation trade with china. Among the deals signed was a 10-billion-dollar loan extended by policy lender China Development Bank to Brazilian state oil company Petrobras, reflecting Brazil's growing ambition to obtain Chinese funding.

US lawmakers aimed at deepening cooperation on pulling worlds economy out of its slump and to ease any worries about investments in rising US debts, in their visit.

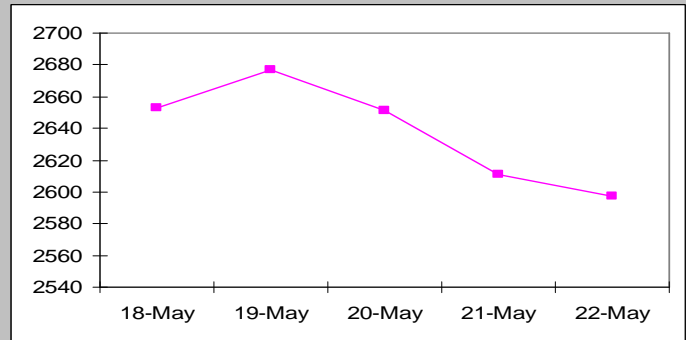
Singapore



Most Active Counters

Security	% chg WOW	Price
GOLDEN AGRI-RESO	22.37	0.47
FRASER AND NEAVE	18.53	4.03
HONGKONG LAND	15.93	3.13
NOBLE GROUP LTD	10.88	1.63
CAPITALAND LTD	10.29	3.43

China



Most Active Counters

Security	% chg WOW	Price
SHANG ACE CO-A	30.83	6.96
KAMA CO-B	27.69	0.64
SHANGHAI NINE-B	26.31	0.65
SHANG MATERIAL-A	25.03	12.14
SHANGHAI NINE-A	24.92	7.72



India

The Bombay Stock Index jumped 14.08% in the previous week to close at 13887.15

The benchmark index posted its biggest weekly gains in 17 years on speculation the ruling party will accelerate economic reforms after its victory. The measure has risen for 11 consecutive weeks, the longest winning streak since August 2005. The market is expecting the reform process will speed up.

Since India is less immune to exports, it will help India to weather the recession and recover this year and might not need further stimulus.

Indian aviation industry needs further stimulus to drag them out of high debt, big losses and falling demand and get them back to normal business. Over expansion, fuel cost and cut throat competition being major reasons for the downfall.

ITC, India's top cigarette makers improved their profit by 10% after it raised prices. The company is restructuring its agri commodity business where revenues almost halved in March. The margin expansion was more than expected.

Cement Giant Grasim Industries is expecting double digit growth in its cement business in fiscal year 2010. Increase in infrastructure spending by the government paves the way for cement industries to see double digit profits.

The world's largest retailer Wal-Mart plans to open next week its first wholesale retail venture with Bharti Enterprises, parent of India's top private phone company, Bharti Airtel.

The world's largest retailer Wal-Mart plans to open next week its first wholesale retail venture with Bharti Enterprises, parent of India's top private phone company, a spokeswoman said Wednesday. The US retailer and Bharti agreed in 2007 to launch a 50:50 joint venture for a new chain of wholesale stores in India to serve small retail shops.

Korea

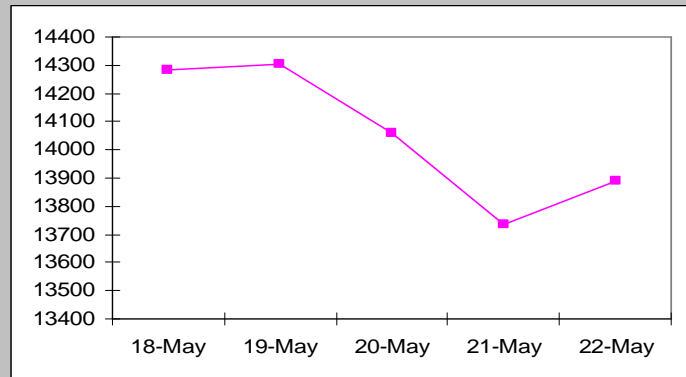
Kospi rose 0.86% to close at 1403.75 on Friday.

SK Telecom, South Korea's biggest mobile carrier, is in negotiations to buy a stake in a credit card unit which Hana Financial Group owing to SK's interest in mobile cards having transportation and settlement functions. Extent of stake and price is still under consideration.

North Korea has proposed tough new traffic rules for South Koreans at a joint industrial estate, amid uncertainty about the project's future because of souring political ties. Its an attempt by the communist state to tighten control over the Kaesong estate, just north of the border. Under new regulations the North would ban certain vehicles that cause excessive air pollution and damage roads. It would set new fines for South Korean businesses and workers

Korea Development Bank , one of the largest stake holders in Doosan Heavy Industries & Construction, may sell its stake in the company.

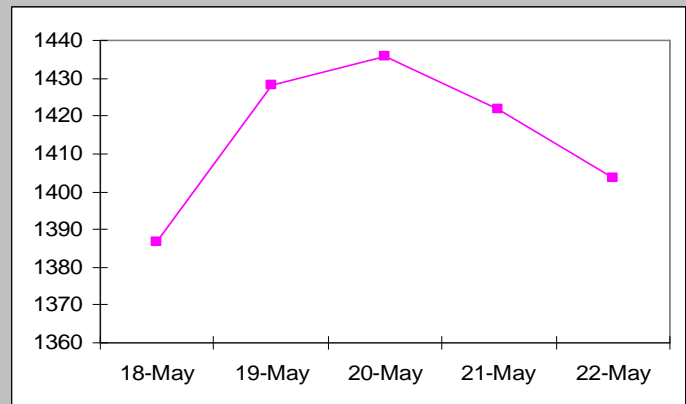
India



Most Active Counters

Security	% chg WOW	Price
RELIANCE INFRAST	36.88	1,120.70
RELIANCE COMMUNI	35.90	315.55
TATA STEEL LIMIT	33.50	363.25
STATE BANK IND	31.96	1,731.70
LARSEN & TOUBRO	31.70	1,301.40

Korea



Most Active Counters

Security	% chg WOW	Price
KRW		
KP CHEMICAL CORP	32.45	8,490.00
SAMSUNG TECHWIN	23.88	77,300.00
HYOSUNG CORP	21.89	103,000.00
SAMSUNG FINE	21.66	60,100.00
MOORIM PAPER CO	18.68	9,850.00



Japan

Japanese stocks slumped 0.42% to close at 9225.81 on Friday.

Toshiba, Japanese electronic giant plans to cut its fixed cost by 10% more than previously announced. The cost cut would allow it to secure an operating profit of 100bn yen in fiscal year 2009. Toshiba suffered a slump in sales in 2008 hit by the global economic slowdown.

Sony would cut its number of suppliers to more than half to reduce procurement cost. Hitachi also plans to cut such expenses.

First time in the four years, Sharp is expected to see positive cash in fiscal 2009 amid efforts to cut down on capital investments and inventory. Sharp suffered a negative cash flow in the previous year as sales plummeted over 90 percent. They slashed capital spending by 17 percent last year by postponing majority of their capital expenses to the second half.

In order to recover from their biggest ever loses, Toshiba plans to stop making mobile telephones at its Hino plant. The Hino plant initially opened in 1964 to produce telecommunications products and shifted its output to mobile phones in the mid-1980s. though Toshiba will continue its production in its Chinese plants.

Japanese construction machinery maker Komatsu Ltd is likely to issue around 40 billion yen in straight bonds this month to secure cash for loans to its units. The company also plans to develop a cash management system that would bring together the excess funds of its subsidiaries across the globe and reallocate them throughout the group in order to cut fundraising costs. The company, which had separate cash management systems for Japan, the United States and Europe, will merge the systems at its Tokyo headquarters to facilitate funding to subsidiaries in Indonesia, Thailand and elsewhere in Asia

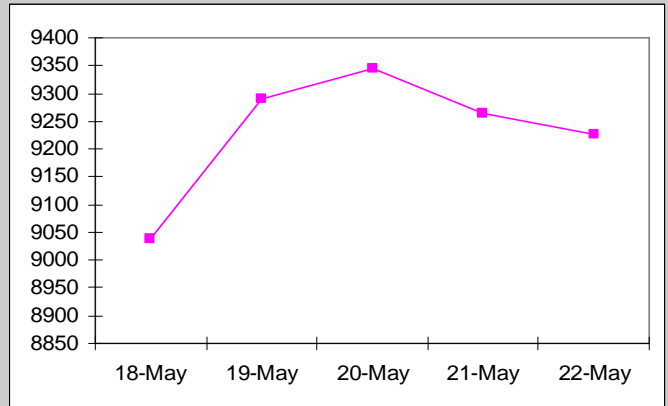
Hong Kong

Hong Kong gained 1.62% to close at 17062.52 on Friday

Thai Prime Minister Abhisit Vejjajiva met Hong Kong's political and business leaders on Friday to try to attract investors and lure tourists back to the country. The trip came after months of protest in Thailand, but his message on Friday was that his country was on the road to recovery. The government is very much focused on economic challenges while at the same time, to set off a national reconciliation process through the parliamentary mechanism in the hope of achieving peace and stability in the country.

A Hong Kong-based regional magazine appealed a Singapore High Court ruling that it defamed Prime Minister Lee Hsien Loong and his father Lee Kuan Yew, the city-state's former leader owing to controversies. The Lees had sued editor Hugo Restall and Review Publishing over the article, based on an interview with Chee Soon Juan, secretary-general of the opposition Singapore Democratic Party (SDP). The magazine is now asking the three-judge Court of Appeal to overturn the High Court's ruling.

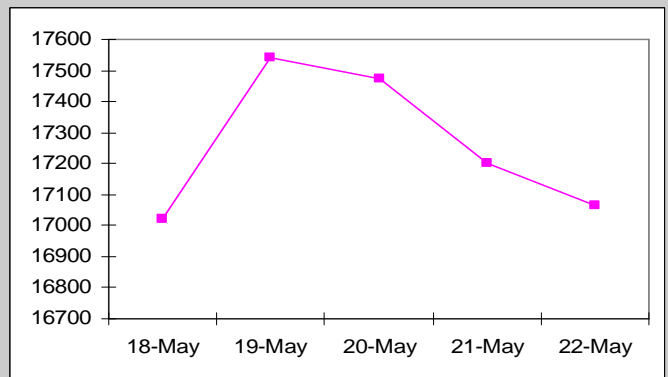
Japan



Most Active Counters

Security	% chg WOW	Price
NIPPON SODA CO	17.60	401.00
CHIYODA CORP	14.90	717.00
NIPPON SHEET GLA	(12.63)	256.00
YOKOGAWA ELEC	(13.79)	450.00
T&D HOLDING INC	(17.73)	2,715.00

Hong Kong



Most Active Counters

Security	% chg WOW	Price
CITIC PACIFIC	13.42	16.06
HONG KONG EXCHNG	8.39	112.40
SINO LAND CO	8.10	11.74
NEW WORLD DEV	7.04	12.78
HENDERSON LAND D	6.86	39.75



Financial summary for stock that announced results

Singapore (SGD mn)

Security	Sector	Price	NI 08	Q1 09	EPS	Book Value	P/BV 08	P/E 08
SINGAP TELECOMM	Communications	2.8	3960.2	903.4	0.217	1.286	2.18	12.92
DBS GROUP HLDGS	Financial	11.2	1929	433	1.26	10.467	1.07	6.87
UNITED OVERSEAS	Financial	14.36	1937	409	1.25	9.259	1.55	12.43
WILMAR INTERNATI	Consumer, Non-cyclical	4.49	1530.99	379.97	0.24	1.553	1.96	12.42
SINGAPORE AIRLIN	Consumer, Cyclical	11.6	2049.4	41.9	0.896	11.779	0.98	12.96
JARDINE MATHESON	Diversified	22.04	666		1.89	28.15	0.78	#N/A N/A
JARDINE STRAT	Diversified	12.38	692		1.12	8.879	1.39	#N/A N/A
CAPITALAND LTD	Financial	3.11	1,260	42.8530	0.37	2.982	1.04	10.03
SINGAP TECH ENG	Industrial	2.29	473.636	85.235	0.158	0.571	4.01	15.72
KEPPEL CORP LTD	Diversified	6.32	1097.971	285.292	0.69	3.05	2.07	8.98

China (CNYmn)

PETROCHINA CO	Energy	13.17	114431	18956	0.63	4.321	4.321	21.24
IND & COMM BK -A	Financial	4.29	110841	35153	0.33	1.804	1.804	13.06
CHINA CONST BA-A	Financial	4.6	92599	26256	0.4	1.994	1.994	11.65
BANK OF CHINA-A	Financial	3.61	64360		0.25	1.829	1.829	13.88
CHINA PETROLEUM	Energy	10.59	29769		0.34	3.791	3.791	30.42
CHINA LIFE INS-A	Financial	23.9	21277		0.75	6.391	6.391	31.87
CHINA SHENHUA -A	Energy	27.19	26641		1.339	7.413	7.413	20.31
BANK OF COMMUN-A	Financial	7.17	28,393	7935	0.58	3.055	3.055	12.36
PING AN INSURA-A	Financial	40.01	268	1986	0.04	11.294	11.294	1000.25
CHINA MERCH BK-A	Financial	17.17	21,077		1.43	5.407	5.407	11.99
CITIC SECURITI-A	Financial	26.1	7,305	1504.41	1.1	8.328	8.328	23.73

India (INRmn)

Security	Sector	Price	NI 08	NI 09	EPS	Book Value	P/BV 08	P/E 08
RELIANCE INDS	Energy	1948.25	195678.3		134.612	588.247	3.31	14.47
NTPC LIMITED	Utilities	187.6	74699	80925.5	9.059	64.111	2.93	20.71
OIL & NATURAL GA	Energy	812.95	198722.6		92.91	365.083	2.23	8.75
BHARTI AIRTEL LT	Communications	799.8	63953.89	78589.5	41.401	114.168	7.01	19.32
INFOSYS TECH LTD	Technology	1594.3	46590	59880	104.596	318.663	5	15.24
STATE BANK IND	Financial	1312.25	89606.13	109552.8	172.68	969.743	1.35	7.6
BHARAT HEAVY ELE	Industrial	1707.4	28593.4	30390	62.1	220.097	7.76	27.49
ITC LTD	Consumer, Non-cyclical	186.15	31577.6	31577.6	8.389	32.606	5.71	22.19
HINDUSTAN UNILEV	Consumer, Non-cyclical	224.3		25045	11.5	6.926	32.38	19.53
TATA CONSULTANCY	Technology	646	50260.2	52564.2	53.713	159.41	4.05	12.03

Korea (KRW mn)

Security	Sector	Price	NI 08	Q1 09	EPS	Book Value	P/BV 08	P/E 08
SAMSUNG ELECTRON	Technology	555000	5525905	619237	37684	456516.8	1.22	14.73
POSCO	Basic Materials	403000	4446934	324516	58905	362853.4	1.11	6.84



								#N/A	N/A
KOREA ELEC POWER	Utilities	29750	-2952469	-882245	-4742	65750.81	0.45		
SK TELECOM	Communications	180000	1277658	316748	17559	148014.8	1.22	10.25	
HYUNDAI HEAVY	Industrial	234000	2256665	498269.4	37340	93357.18	2.51	6.27	
KT&G CORP	Consumer, Non-cyclical	71000	894290.3	256546	6872	27504.76	2.58	10.33	
KT CORP	Communications	36900	449810	139569	2217	43714.58	0.84	16.64	
SHINHAN FINANCIA	Financial	31950	2020398	118478	4470	43221.66	0.74	7.15	
LG ELECTRONICS	Industrial	110500	482786	-197600	2992	58427.37	1.89	36.93	

Japan (JPY mn)

Security	Sector	Price	NI 08	NI 09	EPS	Book Value	P/BV 08	P/E 08
TOYOTA MOTOR	Consumer, Cyclical	3590	1,717,879	(436,937)	-139.13	3208.413	1.12	#N/A N/A
NIPPON TELEGRAPH	Communications	3970	635,156	538,679	400.41	5515.179	0.72	9.96
NTT DOCOMO INC	Communications	142300	491,202	471,873	11171.58	103965.6	1.37	12.76
MITSUBISHI UFJ F	Financial	613	636,624	636,624	61	663.785	0.92	13.75
TOKYO ELEC PWR	Utilities	2385	(150,108)	(84,518)	-62.65	1763.315	1.35	NA
HONDA MOTOR CO	Consumer, Cyclical	2765	600,039	137,005	75.5	2208.348	1.25	36.62
CANON INC	Technology	3310	309,148	309,148	246.21	2154.571	1.54	13.47
TAKEDA PHARMACEU	Consumer, Non-cyclical	3800	355,454	234,385	289.82	2548.194	1.49	13.02
PANASONIC CORP	Consumer, Cyclical	1455	281,877	(378,961)	-182.25	1344.501	1.08	#N/A N/A
SUMITOMO MITSUI	Financial	3920	461,536	(373,456)	-497.39	4056.984	0.97	#N/A N/A

Hongkong (HKD mn)

Security	Sector	Price	NI 08	Q1 09	EPS	Book Value	P/BV 08	P/E 08
PETROCHINA CO-H	Energy	8.09	114431	18,956	0.63	4.32	1.65	11.49
CHINA MOBILE	Communications	72.20	112,793	25,201	5.63	22.05	2.88	11.29
IND & COMM BK -H	Financial	4.65	110841	35,153	0.33	1.80	2.27	12.46
CHINA CONST BA-H	Financial	4.79	92599	26,256	0.40	1.99	2.12	10.68
BANK OF CHINA-H	Financial	2.88	64360	18,570	0.25	1.83	1.39	9.75
HSBC HLDGS PLC	Financial	64.30	5728		0.44	7.16	1.16	18.47
CHINA PETROLEU-H	Energy	6.10	29769		0.34	3.79	1.42	15.43
CHINA LIFE-H	Financial	27.55	21277		0.75	6.39	3.80	32.35
CHINA SHENHUA -H	Energy	23.20	26641		1.34	7.41	2.76	15.26
CNOOC LTD	Energy	9.98	44375.25		0.99	3.59	2.45	8.79

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Sources: Bloomberg, Reuters, JP Morgan, Noor Investments, Yahoo Finance, CNN, Business Week.

