



20<sup>th</sup> Apr – 24<sup>th</sup> Apr 09

## Overview

Most Asian markets fell on concerns earnings would disappoint investors confidence. The MSCI Asia Pacific lost 0.1% and was at 89.56. We will need more positive news to restore the upward market momentum

## Corporate News

- Samsung Electronics posted first quarter operating profits of \$ 349 million against a loss of \$ 550 million in the previous year and was better than analyst expectations. The company was able to squeeze its cost to improve the profit margins at the time of crisis. The profit margin of 11.5% beat the 8.9% profit margin posted by Nokia. Average selling price for Samsung handsets rose while the average selling prices for Nokia fell.
- Louis C. Camilleri became the new CEO of Phillip Morris International after stepping down from Altaria group where he had marketed Cigarettes to a large extent in U.S. He was able to launch seven variations of Marlboro alone in his past career. With the rising anti-tobacco measures has made it difficult for Camilleri to establish his grounds in overseas market.
- Kirin, japons largest diversifies drinks conglomerate expressed its interest in buying a share in Lion Nathan, the second-largest beer, wine and spirits company in Australia. The independent directors of Lion Nathan are considering the proposal at a price which has not yet revealed. Trading on the same was suspended. Kirin will have to pay at least A\$2.4 billion (\$1.7 billion) for the shares it doesn't own.
- HSBC laid off 8% of its wealth management staff from the private banking business in Hong Kong due to the changing market conditions affecting the business volumes. HSBC is not alone in facing challenges in private banking.

## Asian Currencies

The record interest rate cuts and the government stimulus packages which is helping to revive the economic growth led Malaysian Ringgit and Singapore Dollar to be the biggest gainers among Asian currencies. The Bloomberg-JP Morgan Asia Dollar Index rose as fresh investments were seen pumping in the developing markets. The psychological boost in the market was led by better than expected growth numbers from the companies. The results from the banks stress test carried out in U.S. could confirm the uptrend in the market

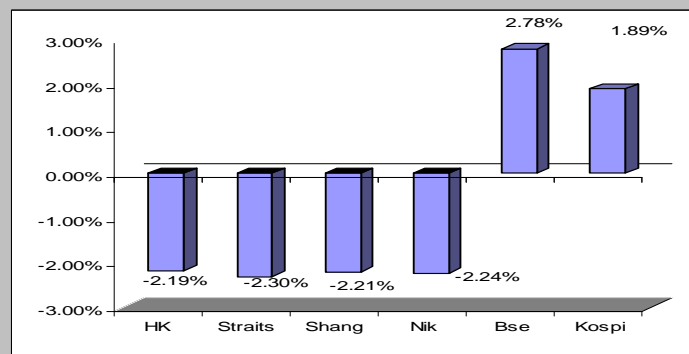
## Commodities

In order to prevent a price hike in oil when the economy recovers from recession, OPEC with 13 other Asian countries will initiate measures to curb speculation. The participants demanded for measures such as position limits in order to enhance transparency and supervision for the over the counter commodity markets. Gold climbed after a three weeks decline to close at \$913 on Friday led by buying seen from china who increased its holdings in gold to 76% since 2003. China has the biggest gold reserves. This is considered as a very good signal to market, other signal being they have sold Dollars to buy this gold.

## Indices

Index	Last	WOW ch %	YTD ch %
HK	15,259	-2.19%	-33.90%
Straits	1852.85	-2.30%	-39.07%
Shang	2448.60	-2.21%	-30.95%
Nik	8707.99	-2.24%	-31.24%
Bse	11329.05	2.78%	-30.23%
Kospi	1354.1	1.89%	-20.53%

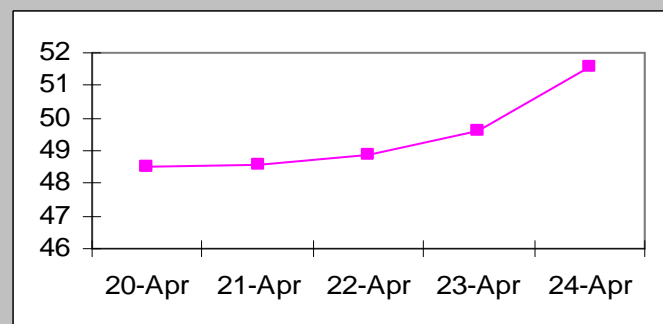
## Market movement WOW



## Currencies

Currency	Last	%YTD	%WOW
SGD	1.49	(4.04)	0.73
HKD	7.75	0.00	0.00
TRY	1.61	(4.24)	0.10
KRW	1,343.05	(6.22)	(0.86)
INR	49.81	(2.03)	0.11
MYR	3.28	(3.023)	0.96

## Crude Oil





**Markets this week**

**Singapore**

Singapore shares shed 2.3% to close at 1852.85

Singapore has been awarded the best Seaport in Asia award for the 21<sup>st</sup> time out of 23 times the awards were given. Countries nominated for the same category were Hong Kong and Klang and Malaysia. The Maritime port authorities have initiated measures to help the companies cut cost and improve profitability in this times of difficulty. These include the reduction and deferment of port dues as well as extension of waiver schemes.

SMRT, transport company from Singapore posted 13.1% rise in their net profit this quarter. Increased passenger traffic in bus and trains and the growth in rental and advertising revenue were major contributors to boost the revenues. Going forward the revenues from buses and trains are expected to lower due to the lower fares introduced, but the revenues from the lettable space on the MRT stations will stay in high. Besides the outlook for its taxi's business stays challenging.

Keppel Corp, World's largest builder of offshore oil rigs reported a net profit growth of 9% this quarter. The outlook for 2009 seems to be uncertain coz it would be too early to conclude a bottom out in the market. Keppel has orders for marine and offshore business of S\$9.5 billion through 2012.

**China**

The Shanghai Composite lost 2.21% to close at 2448.595 this week.

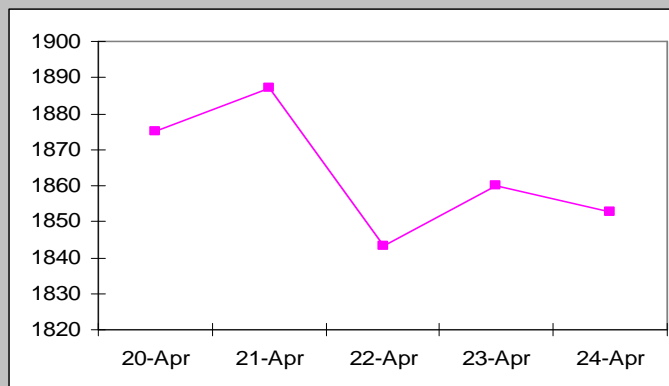
Property Developer Capital land is all set to open 10Malls in China expecting china to have the best prospects in the current challenging economic climate and that the stimulus package will help to spur the consumer spending in china.

China National Petroleum Corp. is acquiring joint ownership of Kazakhstan's fourth-largest energy company, MangistauMunaiGaz, which controls an estimated 500 million barrels of oil reserves. China is doing huge investments in energy deals in central aisa's biggest oil suppliers, to cater the future energy requirements in the growing economy. China's large foreign currency reserves had served as a big help for the deal. With the completion of this deal china will acquire a 15% control in the former Soviet nations current oil output. China National Petroleum also lent \$5 billion to cash-strapped KazMunaiGaz, which will own the remaining 50 percent in MangistauMunaiGaz.

China's domestic automakers are proving to have all the potential to design any type of car imaginable. But they are yet to demonstrate their creativity to make and sell their designs outside developing countries. Chinese are expected to have price advantage which will help them capture the market worldwide.

Chinese legislators enacted a law Friday that bars foreign delivery companies from handling domestic shipments within China, prompting a business group to complain that it has limited access to an important market.

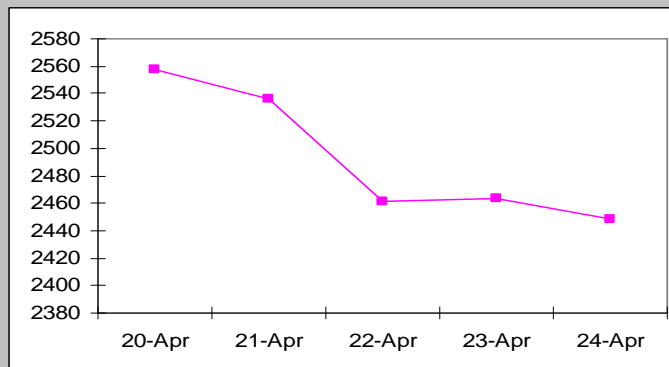
**Singapore**



**Most Active Counters**

Security	% chg WOW	Price
JARDINE CYCLE &	(8.93)	13.06
CAPITALAND LTD	(9.12)	2.59
CAPITAMALL TRUST	(10.77)	1.16
NOBLE GROUP LTD	(11.51)	1.23
WILMAR INTERNATI	7.97	3.66

**China**



**Most Active Counters**

Security	% chg WOW	Price
SUNTIME INTERN-A	26.97	6.78
JIANGSU HENGTONG	22.59	20.84
TIANJIN MARINE	21.19	6.75
YANGZHOU YAX-A	20.84	7.77
SICHUAN TIANYI-A	20.11	8.96



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## India

The Bombay Stock Index is one of the markets that rose last week to close at 11329

The investors found buying opportunities at every dip. The markets traded lower and saw some profit booking earlier in the week and later recovered significantly to close near its recent high.

Reserve Bank of India (RBI) announced a cut in repo and reverse repo rates of 25bps each to 4.75% and 3.25% respectively. Estimated GDP for FY2009 is 6.5 – 6.7% and further down for FY2010 to 6%. Inflation is expected to stay around 4% and deposits approx 18%.

Wipro Ltd, India's third largest software company reported a 4% rise in its net profit ending march beating market expectations. Full year net profit for wipro rose 19% and revenues grew 28%. Indian IT's still face a tough market due to decline in U.S. technology spending hit by financial crisis. Wipro won a large strategic project from a top Asian airline to enhance its management systems. India's top two software giants Infosys and TCS have shown subdued earnings.

Reliance Industries, India's largest private sector reported a 9.3% drop in its net profit this quarter backed by declining crude oil prices and cut in global demand for oil due to economic slowdown. Full year net profit for reliance fell 21% and revenues grew 8%. Reliance announced it would buy out its subsidiary Reliance Petroleum, to create a crude refining giant in the country's biggest-ever merger.

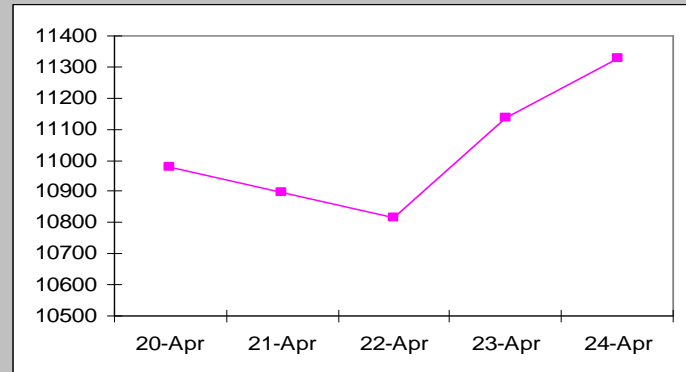
## Korea

Kospi index was another market to gain last week in the falling rally. The index rose 1.89% to close at 1354.10.

Samsung Electronics, South Korea's top computer chip maker, posted a fall in its first quarter net profit as poor demand hit prices. Sales rose for the period and operating profits fell. Samsung made a strong recovery from fourth quarter 2008 despite the challenging market. This was supported by stabilising semiconductor prices, increased profit margin for mobile phones and careful control of marketing and other expenditure. It was pushing to boost sales of premium products to China, where the market remains relatively strong. The overall demand would stay weak in the second quarter but the market for smartphones, touch-screen mobiles and 3G devices would slightly improve. Large-screen LED (liquid electronic display) TVs introduced in the first quarter responded well.

The top US commander in South Korea believes that North Korea has the world's largest artillery force and could rain fire on Seoul should the communist state decide to provoke all-out conflict. The North maintains 80,000 special forces and is believed to have some 13,000 artillery pieces deployed along the border. Cross-border relations are at their worst in a decade after South Korean President Lee Myung-Bak abandoned his predecessors' policy of providing almost unconditional aid to the North.

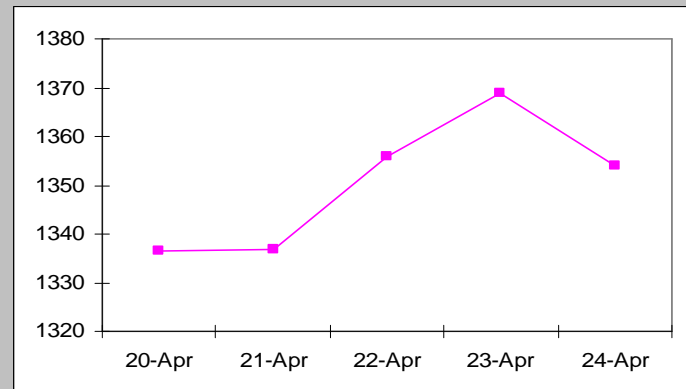
## India



## Most Active Counters

Security	% chg WOW	Price
WIPRO LTD	13.71	311.90
JAIPRAKASH ASSOC	12.78	125.80
RELIANCE INFRAST	12.28	739.50
ACC LIMITED	11.19	679.30
GRASIM INDS LTD	10.29	1,802.95

## Korea



## Most Active Counters

Security	% chg WOW	Price
KRW		
BASIC HOUSE	52.35	5,180.00
KUMHO INDUSTRIAL	31.38	24,700.00
STX OFFSHORE & S	28.57	21,600.00
NEXEN TIRE CORP	26.87	3,730.00
CELRUN CO LTD	25.00	3,500.00



## Japan

Japanese stocks dragged the index down 2.24% to close at 8707 on Friday.

HSBC has closed its equity business in Japan and shifted to Hong Kong as strategic move to recover from the global slowdown. HSBC becomes the latest foreign financial firm to whittle its presence in Japan. The move did not affect fixed-income division or its other businesses in Japan including its premier banking services for high net-worth individuals and HSBC Global Asset Management Japan. Citigroup Inc. and UBS AG have also pared their Tokyo equity operations in recent months. The bank is trying their best to reallocate the employees from Equity division internally in the existing business segments. HSBC also said it would cut its dividend and not pay bonuses to top executives.

Sumitomo Mitsui Financial Group won the bid for buying Citigroup Inc's <C.N> retail brokerage and investment banking operations in Japan. The bid was said to be made for \$5.2 billion. Mitsubishi UFJ Financial Group and Mizuho Financial Group were the participants in the race. SMFG and Citigroup will now work towards agreeing on final terms of a deal, which is expected to include all of Nikko Cordial and the part of Nikko Citigroup that provides services to small and medium companies.

Daiwa Securities Group Inc and Citigroup Inc's Japanese brokerage units are seen reporting heavy group net losses for the year ended March 31, 2009.

Mizuho Financial Group Inc., Japan's second-biggest bank reported a loss due to mounting bad loans and steep decline in stock markets. The company blamed higher credit-related costs stemming from the global financial crisis for the fall.

Japan's three "megabanks" \_ Mizuho, Mitsubishi UFJ Financial Group Inc. and Sumitomo Mitsui Financial Group Inc. \_ are now all expected to post annual losses.

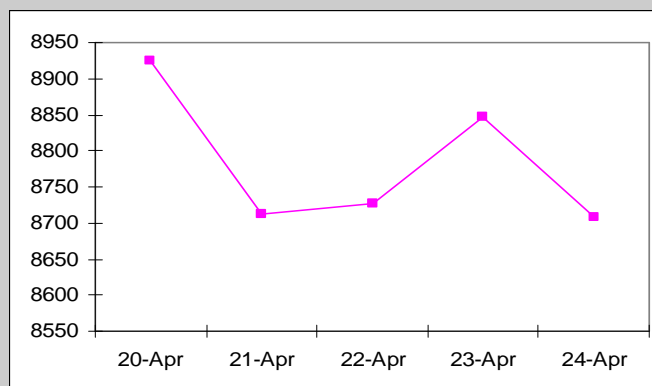
## Hong Kong

Hong Kong lost 2.19% in the rally last week and closed at 15258.85.

Hong Kong's Court of Appeal on Wednesday blocked a 2.1-billion-US-dollar buyout bid by telecom giant PCCW. hammer blow to Li -- son of Hong Kong's richest man, Li Ka-shing -- who has been struggling to either sell or take the firm private for three years. Minority shareholders were overwhelmed with joy post the courts decision. They were happy that the judges did not allow those in power to deprive small shareholders of their rights by using unscrupulous means.

CITIC Pacific Ltd the property-to-steel conglomerate to sell its entire 20 percent equity interest in a loss-making power plant for 1.98 billion yuan. Beijing-backed CITIC Pacific said it had agreed to sell a 20 percent stake in North United Power, a major supplier of electric and thermal power in Inner Mongolia, to Guangdong Yudean Group. The business had been making losses for years, so selling it will alleviate some of the pressure on the company's bottom line and increase its cash flow. The stake sale allowed the company to divert resources to other projects and could generate a gain of about HK\$510 million .

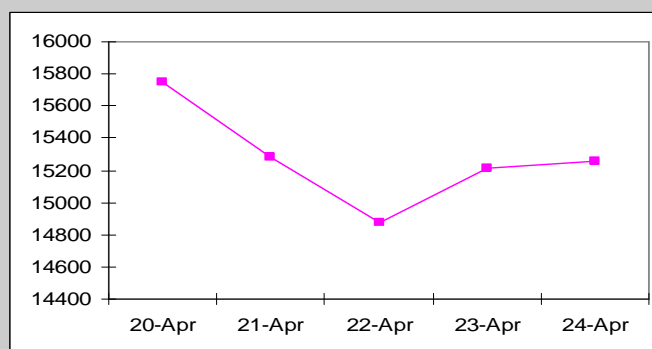
## Japan



## Most Active Counters

Security	% chg WOW	Price
CLARION CO LTD	40.26	108.00
FUJI ELECTRIC HO	33.33	188.00
PIONEER CORP	30.18	371.00
IHI CORP	16.79	153.00
GS YUASA CORP	16.52	670.00

## Hong Kong



## Most Active Counters

Security	% chg WOW	Price
FOXCONN INTL HLD	10.14	4.67
ESPRIT HLDGS	9.24	46.10
SWIRE PACIF 'A'	6.04	58.85
HONG KG CHINA GS	5.02	14.22
BOC HONG KONG HO	4.76	11.00


**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	2.49	3960.2		0.249	1.203	2.07	10.89
DBS GROUP HLDGS	Financial	9.04	1929		1.26	13.057	0.69	7.99
UNITED OVERSEAS	Financial	11.18	1937		1.25	9.468	1.18	8.96
WILMAR INTERNATI	Consumer, Non-cyclical	3.66	1530.99		0.24	1.504	1.63	10.24
SINGAPORE AIRLIN	Consumer, Cyclical	10.6	2049.4		1.685	11.35	0.93	8.12
JARDINE MATHESON	Diversified	20.9	666		1.89	28.15	0.74	#N/A N/A
JARDINE STRAT	Diversified	11	692		1.12	8.879	1.24	#N/A N/A
CAPITALAND LTD	Financial	2.59	1,260	42.8530	0.37	2.982	0.87	8.35
SINGAP TECH ENG	Industrial	2.58	474		0.158	0.527	4.9	16.29
KEPPEL CORP LTD	Diversified	5.89	1097.971	285.292	0.69	3.05	1.93	8.37

**China (CNYmn)**

PETROCHINA CO	Energy	11.58	114431		0.63	4.321	4.321	18.68
IND & COMM BK -A	Financial	4.02	110841		0.33	1.804	1.804	12.23
CHINA CONST BA-A	Financial	4.35	92599		0.4	1.994	1.994	11.01
BANK OF CHINA-A	Financial	3.45	64360		0.25	1.829	1.829	13.27
CHINA PETROLEUM	Energy	9.61	29769		0.34	3.791	3.791	27.61
CHINA LIFE INS-A	Financial	23.51	21277		0.75	6.391	6.391	31.35
CHINA SHENHUA -A	Energy	23.98	26641		1.339	7.413	7.413	17.91
BANK OF COMMUN-A	Financial	6.41	28393		0.58	3.055	3.055	11.05
PING AN INSURA-A	Financial	39.54	268		0.04	11.294	11.294	988.5
CHINA MERCH BK-A	Financial	15.27			1.43	5.269	5.269	9.85
CITIC SECURITI-A	Financial	24.62			2.005	7.782	7.782	12.28

**India (INRmn)**

Security	Sector	Price	NI 08	NI 09	EPS	Book Value	P/BV 08	P/E 08
RELIANCE INDS	Energy	1784.55	195678.3		134.612	588.247	3.03	13.26
NTPC LIMITED	Utilities	190.95	74699		9.059	64.111	2.98	21.08
OIL & NATURAL GA	Energy	856.5	198722.6		92.91	365.083	2.35	9.22
BHARTI AIRTEL LT	Communications	747.7	63953.89		33.706	114.168	6.55	22.18
INFOSYS TECH LTD	Technology	1448.6	46590	59880	104.596	318.663	4.55	13.85
STATE BANK IND	Financial	1307.8	89606.13		159.085	969.743	1.35	8.22
BHARAT HEAVY ELE	Industrial	1639.15	28593.4	30390	62.1	220.097	7.45	26.4
ITC LTD	Consumer, Non-cyclical	190.25	31577.6		8.389	32.606	5.83	22.68
HINDUSTAN UNILEV	Consumer, Non-cyclical	238.15			8.686	6.926	34.38	27.42
TATA CONSULTANCY	Technology	582.6	50260.2	52564.2	53.713	159.41	3.65	10.85

**Korea (KRW mn)**

Security	Sector	Price	NI 08	Q1 09	EPS	Book Value	P/BV 08	P/E 08
SAMSUNG ELECTRON	Technology	592000	5525905	619200	37684	456516.8	1.3	15.71
POSCO	Basic Materials	394500	4446934	324516	58905	362853.4	1.09	6.7



								#N/A
KOREA ELEC POWER	Utilities	26300	-2952469	-882245	-4742	65750.81	0.4	N/A
SK TELECOM	Communications	185500	1277658		17559	148014.8	1.25	10.56
HYUNDAI HEAVY	Industrial	227000	2256665		37340	93357.18	2.43	6.08
KT&G CORP	Consumer, Non-cyclical	73000	894290.3	256546	6872	27504.76	2.65	10.62
KT CORP	Communications	36700	449810	139569	2217	43714.58	0.84	16.55
SHINHAN FINANCIA	Financial	29600	2020398		4470	43221.66	0.68	6.62
LG ELECTRONICS	Industrial	106000	482786	-197600	2992	58427.37	1.81	35.43

### Japan (JPY mn)

TOYOTA MOTOR	Consumer, Cyclical	3810	1,717,879		540.65	3804.081	1	9.48
NIPPON TELEGRAPH	Communications	3710	635,156		461.073	5667.703	0.65	6
NTT DOCOMO INC	Communications	135400	491,202		11391.36	105091	1.29	9.79
MITSUBISHI UFJ F	Financial	494	636,624		61	663.785	0.74	11.08
TOKYO ELEC PWR	Utilities	2310	(150,108)		-111.26	1845.041	1.25	NA
HONDA MOTOR CO	Consumer, Cyclical	2680	600,039		330.54	2624.423	1.02	9.2
CANON INC	Technology	2895	309,148		246.21	2154.571	1.34	11.78
TAKEDA PHARMACEU	Consumer, Non-cyclical	3410	355,454		418.97	2636.95	1.29	13.63
PANASONIC CORP	Consumer, Cyclical	1387	281,877		132.9	1776.829	0.78	9.55
SUMITOMO MITSUI	Financial	3090	461,536		592.982	4056.984	0.76	6.48

### Hongkong (HKD mn)

PETROCHINA CO-H	Energy	6.81	114,431		0.63	4.321	1.39	9.68
CHINA MOBILE	Communications	69.1	112,793	25,201	5.63	22.054	2.76	10.81
IND & COMM BK -H	Financial	4.27	110,841		0.33	1.804	2.08	11.44
CHINA CONST BA-H	Financial	4.42	92,599	26,256	0.4	1.994	1.95	9.86
BANK OF CHINA-H	Financial	2.88	64,360		0.25	1.829	1.39	9.76
HSBC HLDGS PLC	Financial	52.7	5,728		0.435	7.159	0.95	15.14
CHINA PETROLEU-H	Energy	5.97	29,769		0.34	3.791	1.39	15.11
CHINA LIFE-H	Financial	27.5	21,277		0.75	6.391	3.79	32.3
CHINA SHENHUA -H	Energy	20.8	26,641		1.339	7.413	2.47	13.68
CNOOC LTD	Energy	8.75	44,375		0.99	3.587	2.15	7.71

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