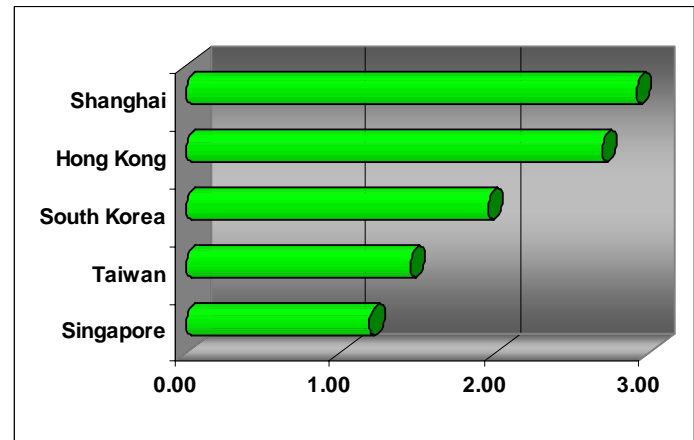


June 18, 2007

MARKET	Last	Intraday Trend
Currencies	Price	
USDCNY	7.6228	↓
USDHKD	7.8176	↑
USDSGD	1.53735	↓

Economic Release	Date	Actual
SGD – Non-oil Domestic Exports	June 18	3.7%
SGD – Electronic Exports	June 18	-16.1%



### IMF Changes Exchange Rate Monitoring Policy

Dealing somewhat of a blow to the Chinese yuan regime, and considered a small victory for US lawmakers, the International Monetary Fund announced today that it was to strengthen its exchange rate policy monitoring. In the announcement, the IMF plans to insist that its members reject currency policies that create economic instability for global partners, changing a stance that has widely been in place for almost 30 years. Obviously aimed at China, the recent changes in policy helps to boost the expectation of a currency regime change by Chinese officials.

### Yuan Trades At Record Level

The Chinese central bank set the yuan central parity rate at a record level of 7.6213 to the dollar today, according to the China Foreign Exchange Trade System with plenty of speculators looking for more downside in the USDCNY currency pair. The move helped to support regional currencies and stock markets, both of which advanced on the day. Incidentally, the move is but a continuation of previous momentum as further tightening is likely to follow China's economic strength as witnessed last week. Already, the pair has moved 310 basis points lower over the past six sessions.

### China Fines Domestic Banks

Banking regulators in China, today, fined six leading domestic banks for lending practices to state entities connected with market speculation. Ending a yearlong investigation, officials found that banks including China Merchants Bank Co., Bank of China Ltd. and Industrial & Commercial Bank of China Ltd. were among a group that issued loans to China Nuclear Engineering Group and China Shipping Co. The loans were then used by both entities in applying for initial public offerings in the domestic market as well as for transactions that were determined speculative by nature. Uncovering billions of yuan in loans, regulators are hoping to quell overheated speculation in stock markets, looking into uncovering further transactions by other parties.

### Singapore Exports Beat Estimates

Surprising analysts, Singapore's exporting sector vaulted higher in the month of May after falling for April. Battling back, the survey posted a positive 3.7 percent advance in the month, rising above the 1.7 percent estimate. Attributed to the improvement were higher volumes of pharmaceutical sales, countering weaker electronics sales for the seventh month out of eight and purporting a 1.4 percent monthly gain. For the record, electronics output, hurt by weaker US demand, declined by a whopping 16.1 percent in the month. Subsequently, last month's figures were comparable as the report dropped by 11.5 percent with sales of electronics falling to S\$5.35 billion last month.

### Asian Stocks Higher, Regaining Global Rout Losses

Stocks in Asia were lifted by sheer demand for Chinese based assets, helping the region to return to levels not seen since the global rout at the end of February. Shanghai's benchmark index was higher by 2.9 percent on the day, as the CSI 300 climbed 128.19 points at 4,227.57. Subsequently, the sentiment boosted equities Singapore, where the Straits Times Index was able to gain for a second day and close at a record high. In the overnight, the benchmark index advanced by 42.63 points to 3,623.79. Led by Keppel Corp and Singapore Exchange Ltd. advancers outpaced decliners as 38 issues of the 49 benchmarks rose. Comparably, the Hang Seng index climbed higher, rising the most in a month. The benchmark additionally closed at a record level, added an impressive 464.40 points to close at 21,481.45.