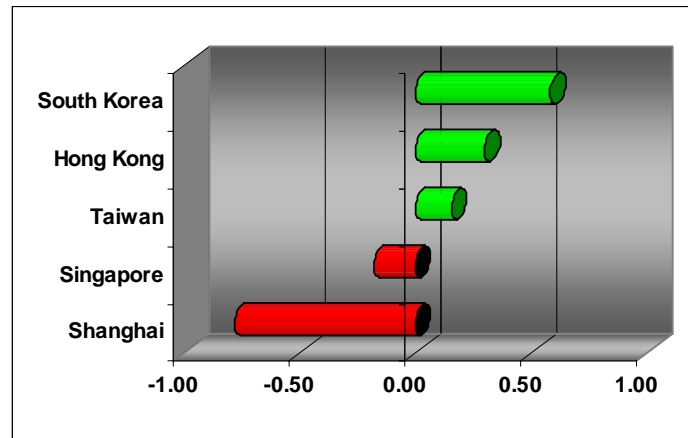


July 10, 2007

MARKET	Last Price	Intraday Trend
Currencies		
USDCNY	7.57725	↓
USDHKD	7.81675	↑
USDSGD	1.51795	↓

Economic Release	Date	Actual
SGD – Advanced GDP Estimate	July 10	\$136.3B
CNY – Trade Balance	July 10	\$26.9B



### Chinese Yuan Rises To Record, Surplus Widens To \$26.9 Billion

Boosting the Chinese yuan to another record at 7.5773 in the overnight, the market couldn't help but notice that China's surplus widened far past any expectation for the month. In June, China's trade surplus with global partners widened to an impressive \$26.9 billion according to the customs bureau. Higher by 86 percent on the annualized comparison, the report overshadowed estimates which pitted the surplus at \$23.8 billion. For the record, exports surged 27 percent to a record \$103.27 billion as imports rose a paltry 14 percent to \$76.4 billion. Notably, the trade surplus with the world's largest economy grew to \$14.1 billion in the month and \$73.9 billion for the first half of the year. As a result, today's figure will continue to help the case put forth by US legislators that an artificially low currency continues to help the Chinese economy sport an incredible trade surplus and a torrid pace of economic growth. Traders can likely expect further rhetoric from US Congressmen as further sanctions are likely to be concocted.

### Singapore Economy Advances At Fastest Pace In Two Years

Skyrocketing past estimates, the Singapore economy grew at the fastest pace in almost two years according to the Ministry of Trade and Industry's advance gross domestic product figures. In the second quarter, economic growth was bolstered by improvements in the export sector, namely biomedical manufacturing and transportation. Additional support was witnessed in the construction sector of the economy, as estimates to grow by 17.9 percent compared to the 11.6 percent gain in the previous quarter. The gains ultimately helped the economy grow at an annualized pace of 12.8 percent, and 8.2 percent in the second quarter, far greater the previous expectations. As a result, the news buoyed the Sing dollar, which managed to vault higher to trade at 1.5180 and continue to uptrend that has been witnessed for most of the month.

### China's Crude Oil Consumption Soars, Lifts Commodities

Fueling crude oil contracts higher ahead of the EIA inventory report tomorrow were reports of China's oil consumption, showing notable increases by domestic producers in the past three months. China's oil imports, as revealed by the Customs General Administration of China, surged by an impressive 20 percent in the month of June, or 3.45 million barrels a day. Comparatively exports dropped 39 percent to 1.8 million tons in the first half, far below anything comparable to the pace of domestic consumption. A vivid sign of things to come, the country's commodity consumption is estimated to continuously advance as the economy continues to churn away at an above 11 percent annualized pace of growth. The impending situation will likely support energy prices, already higher by almost 40 percent on the year, as well as other raw commodities.

### Stock Markets Mixed In Asia

Regional markets in both Hong Kong and Singapore were mixed on the day, with Singapore shares supported by faster than economic growth in the country. Rising to attempt a record close, the Straits Times index was bolstered by bidding in banking and shipping shares as both sectors were speculated to benefit from growing exports and developmental projects. As a result, DBS shares continued higher on yesterday's momentum, rising 10 cents to S\$23.20 in the overnight. The boost help send the benchmark higher by 0.4 percent to 3,642.16 before ending up slightly in the red at the close. In Hong Kong, banking shares help to lift the Hang Seng Index as ICBC and China Merchants Bank were both expected to announce higher income reports. China Merchants stated that first half net income more than doubled on increases in lending along with fee income that accelerated at a faster pace than expected. As a result, shares in China Merchants Bank Co. soared HK\$1.90 to HK\$28.25, helping the benchmark to add 68.41 points to 22,885.84.