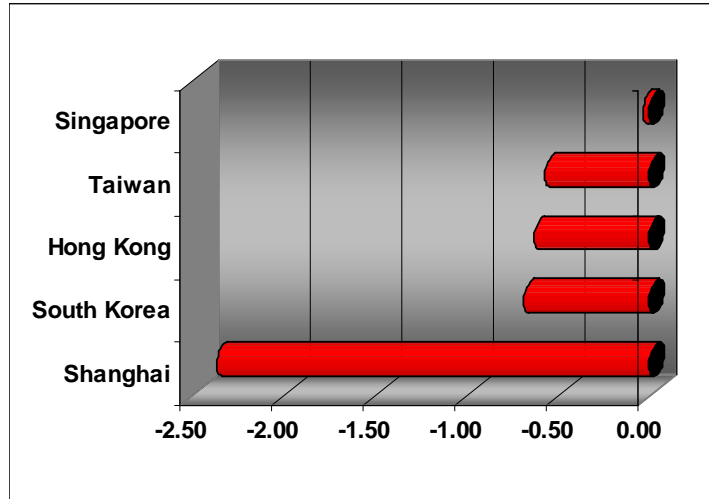


July 16, 2007

MARKET	Last Price	Intraday Trend
Currencies		
USDCNY	7.5678	↓
EURCNY	10.43107	↓
CNYJPY	16.09451	↓
GBPCNY	15.41541	↑
USDHKD	7.82065	↑
USDSGD	1.5171	↑

Economic Release	Date	Previous
SGD – Non-oil Domestic Exports (YoY)	July 17	3.7%
SGD – Electronic Exports	July 17	-16.1%



Chinese Yuan Gains On US Dollar And Euro, Speculation Surrounds Free Float

The Chinese yuan advanced against the Euro and US dollar, while remaining weaker against the Yen and British pound in the overnight. Notably, the US dollar wasn't able to hold yuan bidders following speculation that the underlying Chinese currency will be allowed to float freely following the completion of the Olympics. On the heels of comments by Suan Teck Kin, an economist for United Overseas Bank Ltd., speculators are under the impression that the government is likely to implement a more flexible exchange rate regime in order to contain inflationary pressures and suppress excessive lending practices. Notably, this has been a common theme among economists and US Congressmen stating that the currency is completely undervalued at an unhealthy level. "They have to adopt a free-float system; it's not a question of whether they will, but a question of when". The timing, incidentally, will additionally coincide with an October appointment for new leadership under President Hu Jintao as well as the end of the much anticipated Olympics. "After the Olympics is out of the way, it's time to focus on other issues", stated Suan. As a result, the yuan gained against the greenback, dipping from Friday's gains trading at 7.5678.

China Blocks American Meat Shipments

In retaliation for recent trade sanctions and aggressive rhetoric, China has suspended imports from major US meat processors including Tyson Foods Inc. and Sanderson Farms, Inc. Citing bacterial contamination of imported products, the announcement follows recent suspension of Chinese products including toothpaste, children's toys and pet food ingredients by US inspectors. Incidentally, recent decision follows a rather long, but short, line of back and forth banter that the US and China have slapped on trade paths, hoping to save face in the world of global trade.

PetroChina Output – Outpacing Major Competitors

An indication that China is ever in need of more raw materials, reports released by PetroChina Co. stated that first half production surpassed output in both Exxon Mobil and Royal Dutch Shell Plc. Output of oil increased by 0.1 percent from a year earlier to 3.05 million barrels a day as the nation's largest oil company strives to maintain the pace of production as domestic companies continue to clamor for more raw materials. The increase in PetroChina's output compares to declines in both competitors, a 2.7 percent drop in Exxon Mobil production and 6.3 percent in Shell. Notably, the pace is not set to wane any time soon as the company previously announced further dedication of resources to developing the country's largest oil discovery in Bohai Bay. The company is expecting to spend \$5.2 billion by 2012 on the project. Incidentally, the announcement doesn't fare well for any one short crude oil, prices topped \$74 a barrel in New York trading.

Asian Stock Markets Pummeled In The Overnight Session

Built on profit taking, Asian benchmark markets were pummeled in the overnight with losses in both Hong Kong and Singapore following extensive declines on the Shanghai benchmark. In Singapore, stocks fell from a record high as gains were deemed rather excessive in the past couple of sessions. The notion led traders to pare back on profits, kicking the index down by 1.38 points to close at 3,653.23. Comparatively, China Mobile Ltd. helped to boost negative pessimism during the session as the Hang Seng Index dipped 145.35 points to close at 22,953.94. A darling of the index for the past week, China Mobile shares dropped 0.8 percent to HK\$91.20 in the overnight session.