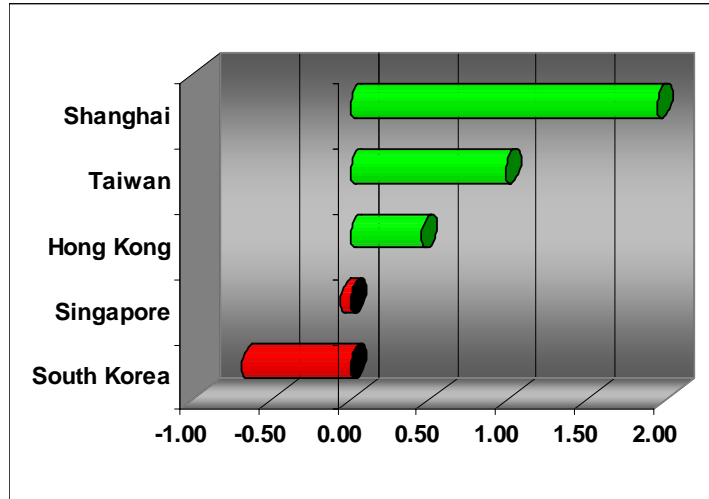


July 17, 2007

MARKET	Last Price	Intraday Trend
Currencies		
USDCNY	7.5629	↓
EURCNY	10.42885	↑
CNYJPY	16.13667	↑
GBPCNY	15.48466	↑
USDHKD	7.81935	↓
USDSGD	1.51735	↑

Economic Release	Date	Actual
SGD – Non-oil Domestic Exports (YoY)	July 17	1.2%
SGD – Electronic Exports	July 17	-13.1%



Chinese Yuan Advances Against US Dollar On Speculation Of Further Flexibility

The Chinese yuan gained for another session against the US dollar, falling against the pound and Euro, as speculation loomed over the possibility of a flexible currency regime in the near future. The sentiment was founded on forecasts of this week's GDP release, set to show that the Chinese economy expanded at an 11 percent pace, the quickest in three quarters. Incidentally, the survey would spark further notions that policy makers will desire slightly more appreciation in the underlying yuan in order to curb the seemingly overheated economy as well as consumer prices currently running at 3.4 percent. As a result, the Chinese yuan gained slightly on the session, with the exchange rate falling to 7.5629.

Chinese Stocks Rocket Higher

Rising the most in a week, stocks in Shanghai rocketed higher in the overnight, advancing by 2.5 percent on the CSI 300 Index. Leading the charge higher were shares in Shenzhen Development Bank Co. after stating profits that more than doubled. Attributed to the exploding pace of lending in the country, first half profit is expected to have surged by almost 150 percent. The improvement led US based investment bank Goldman Sachs to increase its recommendation on the stock, which added 9.8 percent on the day to 29.15 yuan. Subsequently, with other banking sector stocks up for the day, the benchmark rose 2.5 percent to close at 3,789.65.

US Requests Repeal Of Chinese Import Ban

In response to a recently implemented ban on US meat products, authorities have directed focus to a previous notice requesting that the ban on seven of eleven plants cited in Chinese reports be repealed. The letter, dated July 5th and prior to the announcement of the ban, additionally requests the scientific test results that were done in order to implement the restrictive policy by Chinese officials over the weekend. As the episode lingers on, further developments will likely culminate up to the scheduled visit by officials within the next three months in Washington. Meeting with US trade representatives, officials from Beijing will be visiting on the grounds of an amicable resolution. However, optimism in the near term is thin at best as officials wait for the USDA's evaluation of the testing process, judging whether or not China was in breach of trade obligations.

Singapore Export Reports Disappoint

Although rising by 2.9 percent on the monthly evaluation, exports from the economy of Singapore disappointed consensus estimates for the month of June. Far below consensus expectations of 5 percent, the annualized figure printed far lower, rising by only 1.2 percent. Attributed to the rather lackluster performance was another dismal print for the electronics sector component, outweighing growth in the pharmaceutical sector. The electronics subcomponent declined slightly better than the previous dip, slipping 13.1 percent in the month as global demand continues to wane for electronic products like hard drives and semiconductors. Incidentally, the report forced government officials to downgrade second half export growth estimates, which subsequently weighed heavily on the Sing dollar. As a result, the currency is slightly lower at 1.5174.

Regional Stock Markets Mixed In Overnight Trade

Both Hong Kong and Singapore markets were mixed on the session. The Hang Seng Index advanced for the third in four days as Cnooc Ltd. received an upgrade from Deutsche Bank AG. The index closed up 1.03.36 at 23,099.29. The Straits Index in Singapore comparably declined, sliding 2.18 points at 3,651.05.