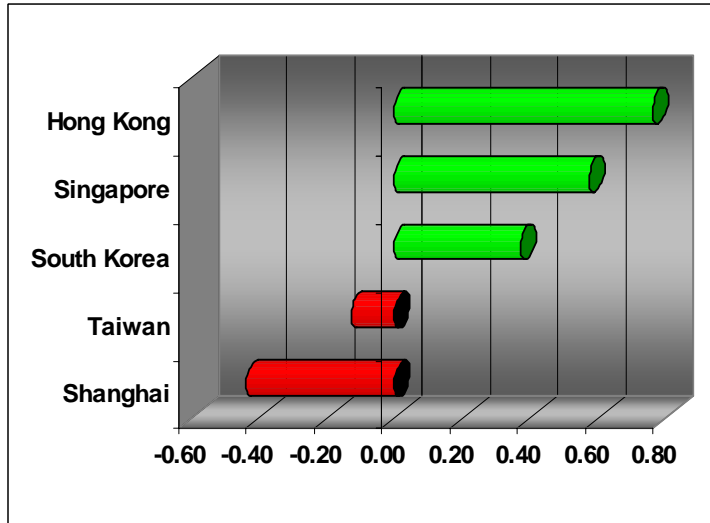


July 19, 2007

Economic Release	Date	Actual
CNY - Retail Sales	June 18	16.0%
CNY - Gross Domestic Product	June 18	11.9%
CNY - Consumer Price Index	June 18	4.4%

MARKET	Last Price	Intraday Trend
USDCNY	7.5635	↓
EURCNY	10.45638	↑
CNYJPY	16.13704	↑
GBPCNY	15.4995	↓
USDHKD	7.82115	↑
USDSGD	1.51135	↓



Chinese Yuan Rockets Higher On Record Growth

Economic data was bullish for the Chinese economy as it becomes evidently clear that policy makers will have to do far more in curbing the possibility of an overheating economy. For the quarter, overall growth surged to the highest level in 12 years, advancing by 11.9 percent. The figure overshoot estimates of 11 percent growth and were coupled by healthy rates of output in the industrial production survey. Not a surprise for the market, the growth figures were widely supported by healthy consumer spending figures which topped at 16 percent for the month. Ultimately, traders continued to side with further speculation on a possible shift to a more flexible exchange rate regime in order to curb price increases which accelerated at an impressive 4.4 percent. Far above forecasts by policy makers, the consumer prices report suggests that the Chinese economy may be accelerating too far too fast. As a result, aggressive tightening is expected, bolstering a likely revaluation in the near term. Estimates pit the currency to gain by almost 3 percent in the next 6-12 months. The Chinese yuan gained considerably against the dollar, trading at 7.5635, and the British pound currently at 15.4995.

Fed's Bernanke Notes China Development

Speaking for a second day in front of politicians on Capitol Hill, Chairman Ben Bernanke noted that it is in the best interest of China to allow the currency to float freely. Echoing sentiment from previous US figures like US Treasury Secretary Paulson, the Fed Chairman noted that without a freely floating currency, Chinese monetary policy remains non-existent. Bernanke additionally stated that with an artificially low currency, the Chinese economy will tend to be distorted. As a result, more attention and development should be targeting domestic demand and not the advancement of simply the export sector.

Unemployment Falls To Lowest In Nine Years

Hong Kong's unemployment rate dropped unexpectedly against consensus estimates to the lowest level in almost nine years. Adding to labor forces were bank, retailers and restaurants during the period as expansion in the mainland is helping to boost the Hong Kong economy. For the three months ending in June, the unemployment rate dropped to 4.2 percent as total employment increased to a jaw dropping record of 3.49 million according to the Census and Statistics Department. Good for the economy, the report was poorly received by the market as some feared tightening measures to come into play in the short term. As result, the Hong Kong dollar lost against the greenback in the overnight, falling to 7.82115.

Hong Kong and Singapore Markets Rebound, Shanghai Loses

Shanghai stocks lost in the overnight as regional markets in Hong Kong and Singapore rebounded to make gains. Advancing for the session, Hong Kong stocks rose from a weekly low as bellwether issues were supported by upbeat growth reports in the Chinese economy. Stock in China Mobile Ltd. and Industrial & Commercial Bank of China Ltd. were among the advancers, helping the Hang Seng Index to end on a higher note up 174.28 points to 23,016.20. Singapore issues were additionally higher on the day as investors went bargain basement hunting following the recent string of session declines. Boosting overall market optimism were shares in DBS Group Holdings Ltd. as well as Singapore Exchange. CapitaLand stock, still under pressure from the announcement of higher government fees, continued to decline to S\$7.50. Ultimately, the Straits Times Index was able to eek out a gain, rising 20.65 points to 3,604.62.