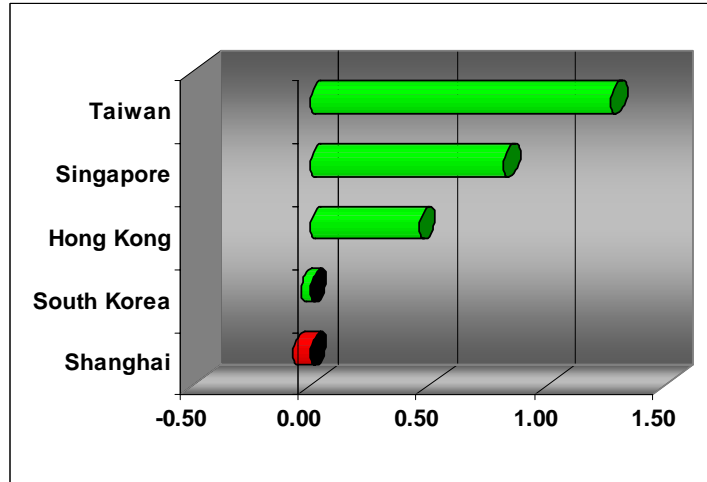


July 24, 2007

Economic Release **Date** **Actual**
CNY - Leading Index **July 24** **103.18**

CNY - Coincident Index **July 24** **102.48**

MARKET	Last	Intraday Trend
Currencies	Price	
USDCNY	7.566	↑
EURCNY	10.46718	↑
CNYJPY	15.93127	↓
GBPCNY	15.61092	↑
USDHKD	7.82195	↑
USDSGD	1.5046	↓



Chinese Yuan Pares Back Against US Dollar, Euro and British Pound

The Chinese yuan pared back on the session even as investors continue to see a future for further flexibility in the currency. Falling back against the US dollar, Euro and British pound the underlying currency continues to hover at record lows on speculation that policy officials will have no other option but to revert to widening the trading band currently restricting the yuan. Incidentally, traders and market investors are already beginning to expect further rate increases by the People's Bank of China, with some expecting at least two more attempts this year. The decisions will come on top of 5 decisions already to increase interest rates as well the reserve requirement stipulated to larger institutional banks. Nonetheless, given the pace of overall growth and the rate of acceleration in consumer prices, the increases will only likely postponed the inevitable, as most expect a free float decision shortly after the Olympics.

Regional Hedge Funds Continue To Add To Holdings

Bent on reaping the benefits of the recent bull market, regional money managers in Asia increased their combined assets to \$35.5 billion in the first three months this year. The figure was impressive as a rankings report, topped by Sparx Asset Management Co., showed the leading 25 firms were split among regional countries including Hong Kong and Singapore with two top Japanese managers dropping from the top 10 list. The survey according to Institutional Investor's Alpha magazine, confirms nothing but already mounting interest and attention that has been building in the region for some time now, sparked by an equity market that vaulted over 100 percent in 2006. Further interest apparently is growing, with particular in China, as its current economic infrastructure is likely to be revamped ahead of next year's Olympics. Subsequently, the rising global focus is likely to continue to pace torrid demand for Chinese yuan, helping the economy to achieve even higher highs above current growth rates.

China To Allow Insurers To Diversify Further

In a move sure to boost market liquidity, China is expected to allow the nation's insurers to continue diversifying their assets in foreign markets. The decision would come as confirmation that government officials are expecting to raise interest rates in order to curb inflationary pressures in the overheated economy. However, the timeliness of the decision may take some time as policy makers made a similar decision last month, raising the cap for investment abroad to 15 percent.

Stock Market Gains For Both Hong Kong And Singapore

Both Hong Kong and Singapore stock markets advanced to record closes, with the Hang Seng rising for a third day. Insurers were boosted on the Hong Kong based index following up beat news that Ping An Insurance Co. first half profit is estimated to more than double. As a result, the benchmark index was able to add 107.32 points to 23,472.88, with Ping An shares closing 4 percent higher at HK\$65.70. The Straits Times index additionally advanced on the day, with the benchmark adding 29.78 points to close at 3,665.13. Supportive of the day's optimism were increases in shipyard sector stocks and expectations of higher trading volumes in Singapore Exchange Ltd. Higher volumes add to underlying profit, supporting Singapore Exchange stock to gain 6.9 percent to S\$10.80.