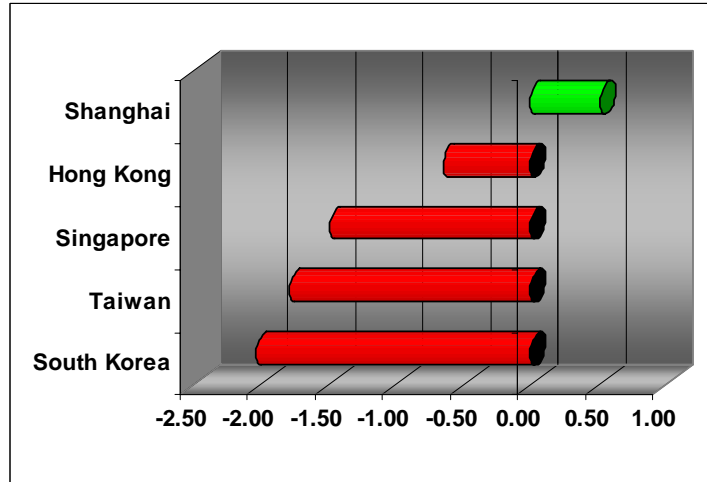


July 26, 2007

Economic Release	Date	Actual
SGD - Industrial Production (YoY)	July 26	-7.4%
SGD - Industrial Production (MoM)	July 26	-9.4%

MARKET	Last Price	Intraday Trend
Currencies		
USDCNY	7.568	↑
EURCNY	10.36888	↓
CNYJPY	15.8417	↓
GBPCNY	15.46597	↓
USDHKD	7.82455	↓
USDSGD	1.51585	↑



### Chinese Yuan Gains Against Euro and British Pound

The Chinese yuan appreciated against the Euro and British pound in the overnight, falling slightly against the US dollar to 7.5680, as credit news helped to buoy the underlying currency. In the overnight session, Moody's Investors Service upgraded the debt ratings of both Hong Kong and China, lifting the attractiveness of regionally based assets. China received its highest rating ever as longer term foreign currency debt was upgraded to the fifth highest ranking, A1. The fifth upgrade in nine years, the news comes at a time when growth is the highest it's been in 12 years, helping to support sentiment of a firmly founded economy. In addition, infrastructure improvement helped lead to the upgrade as the Chinese government is currently building up revenue, likely to approach 20 percent of overall GDP compared to significantly lower figures in previous years, according to assessment. Similar traits helped lead officials to upgrade Hong Kong foreign currency debt to a rating of Aa2 from Aa3. Stronger government finances and solid growth boosted the economy's debt rating, helping the underlying to retain a bid tone in the overnight. Appreciating against the US dollar, the USDHKD fell to 7.8245.

### Hong Kong's Export Growth Slows

Export growth slowed in the Hong Kong economy in the month following a slower pace of expansion of sales in China. A result of the recently cut rebates on Mainland exported goods, shipments advanced slightly better than expected at an 11.1 percent annualized pace compared to the previous 12.1 percent in the month of May. Imports comparatively surged higher, likely on rising domestic consumption, at a 13 percent annualized pace. Subsequently, the resultant deficit stood at HK\$19.4 billion for the month wider than last month's.

### Singapore Industrial Production Plummets

Industrial production in the Singapore economy plunged for the month of June, the biggest decline in more than two years according to the Economic Development Board. Attributed to the worse than expected number was a noticeable decline in pharmaceutical output, as further declines in electronics manufacturing weighed on the overall survey. With an inventory glut mounting on waning global demand, the country's electronics production has formally stagnated. For the record, manufacturing in the economy fell a whopping 7.4 percent on the year on year comparison following a 17.7 percent surge seen in the previous month. The monthly figures were additionally poor with output plummeting 9.4 percent against estimates that had expected a 2.4 percent gain. Ultimately, the figures have lent to government revisions downward in overall output with forecasts showing expansion at less than half of 2006's pace.

### Regional Markets Continue To Show Nothing But Red

Asian bourses were broadly lower on the session, all except Shanghai stocks which surged to end at a record close in the overnight session. The Shanghai A-shares index closed higher by 0.5 percent following surges in the banking sector. However, gains were minimized on profit taking towards the close as the index added 22.78 points at 4,558.54. It was a different story in both Singapore and Hong Kong as both indexes ended down for the day. The Straits Times index dropped 53.81 points to close 1.5 percent lower at 3,579.73 as weaker manufacturing output was announced by the Economic Development Board. The negative figures purported bearish sentiment over the condition of the economy helping to add downwards pressure on shares. Comparatively, in Hong Kong, the Hang Seng Index fell 150.49 points to 23,211.69 as profit taking ensued on a record close in shares. China Mobile led decliners on the day, falling 1.7 percent to HK\$91.70.