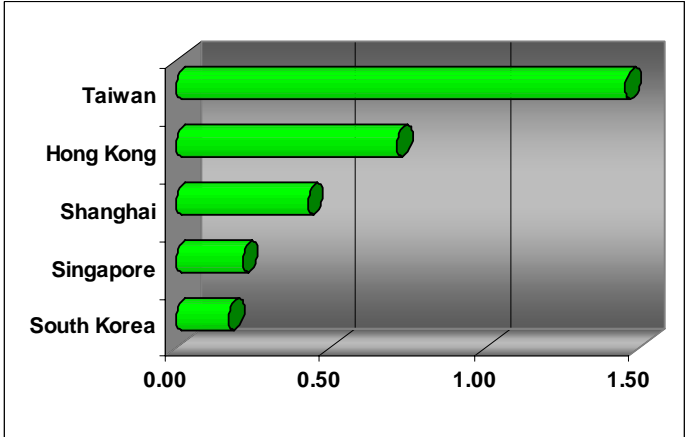


June 15, 2007

MARKET	Last	Intraday Trend
Currencies	Price	
USDCNY	7.626	↓
USDHKD	7.81955	↑
USDSGD	1.5424	↓



Economic Release	Date	Actual
SGD – Retail Sales (YoY)	June 15	0.7%
SGD – Retail Sales (MoM)	June 15	3.5%

Investment In China Factories Advances, Boosts Rate Speculation

Adding to already established momentum from the week's barrage of positive economic data, it was revealed today that property and factory investment continued to surge according to the Statistics Bureau. In the first five months, fixed asset investment in urban areas improved by 25.9 percent to \$420 billion. The tidbit of economic insight is likely the nail in the coffin for central bankers as it clearly evident that further monetary tightening will be required in order to help cool down an overheating economy. Previously during the week, statistics bureaus revealed consumer price rises, industrial production expansion and a widening trade surplus supported by a formidable export sector. As a result, expectations are high that continued action by policy makers will follow, perhaps more aggressively than previously shown.

European-China Trade Grows 33 Percent In Q1

Likely to exacerbate relationships with global trade partners, it was revealed today that China's trade with Europe grew by 33 percent in the first quarter. For the first three months of the year, the trade gap widened to \$37.4 billion according to the European Union's statistics office. Incidentally, the sheer size of the gap purported comments by EU Trade Commissioner Peter Mandelson earlier in the month noting that the deficit with China "not only poses major economic problems for us, but is a major challenge of political management for both sides.

Singapore Retail Sales Grow Less Than Expected

Printing weaker than expected figures, retail sales reports in Singapore fell below consensus estimates of a 1.5 percent gain in the month of April. Instead, the report rose a paltry 0.7 percent, attributed to a smaller amount of automobile purchases. In order to control pollution and stem congestion in the city state, the government limits the number of car permits per year, sometimes holding back in order to remain within stated guidelines. However, supportive of economic optimism was continued growth in consumer goods, lending some strength to the overall figure. Department store figures advanced by a healthy 4.7 percent in the month, offsetting an earlier 2 percent decline. Apparel and footwear sales gained 4.3 percent with jewelry rising 5.3 percent. Even more optimistic is speculation that consumers are awaiting the regional shopping festival which runs for most of June into July. The contribution should support higher numbers for the summer months, lending to underlying growth.

Asian Markets Advance In Tandem

Stock markets in the region vaulted higher, with all major markets advancing in tandem for the day. Hong Kong's benchmark stock market, notably, touched upon a record, rising to 21,017.05 and adding 149.79 points or 0.7 percent in the overnight. Rising 2.5 percent this week alone, the benchmark stock market was supported by news that China Construction Bank Corp is planning to sell shares in Shanghai. In order to capture the higher valuations offered in the Chinese market, China Construction is hoping to sell shares at a valued \$5.5 billion. Incidentally, the banking sector was widely supported by the news, helping to boost shares in Industrial & Commercial Bank of China Ltd. Shares in ICBC rose 7 cents to HK\$4.25. Singapore's stock market, comparatively, hit a new all time high, touching upon 3,602.80 before easing back slightly after the open. Helping to support the move higher was regional bullish bias as well as momentum in US stocks the day before.