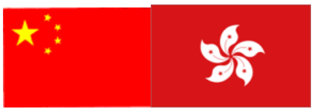
Weekly Market Commentary (15 – 19 Nov)

Issue Date: 23 Nov, 2010

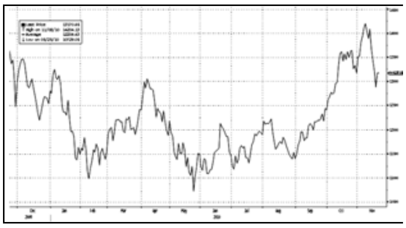


Indices performances

	Price	Weekly Change
China & HK Indices		
HSI	23,606	-1.75 %
HSCEI	13,171	-1.86 %
CSI300 Index	3,179	-4.10 %
SHA Index	3,026	-4.18 %

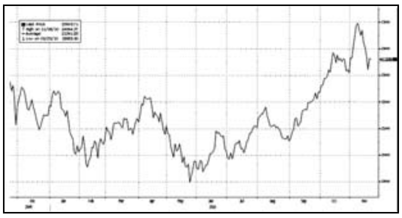
Source: Bloomberg
**Price as of 19/11/2010*

HSCEI 1-year price performance



Source: Bloomberg

HSI 1-year price performance



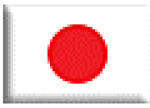
Source: Bloomberg

China: China Vows to Tame Inflation

- **Economic news.** The State Council announced that it will take forceful measures to stabilize prices. Food prices have been the main culprit behind the recent rising CPI readings. These measures targeted mainly at supply-side factors, and are designed to: 1) ensure market supply by accelerating agriculture production and selling state reserves of grain, edible oil and sugar, and facilitating transportation of agriculture products; 2) increase subsidies to low-income group; 3) stabilize natural gas prices; and 4) strengthen regulation and crack down on speculative activities.
- **Company news. Belle International (1880)** recorded footwear SSS of 16% YoY and sportswear SSS of 4% YoY during Golden Week. The key earnings drivers will be faster network expansion and SSSG. Belle has revised up its network expansion target for FY10 to 15% from 10% previously and expects network expansion to remain above 10% for the coming years. **Shenzhen Expressway (548)** EBIT margin has risen to 53% in 1H10 (vs 48% in FY09 and 44% in FY08). Net profit grew 27% YoY in 9M10 due to the financial consolidation of Jihe East, macroeconomic recovery, and improvement in the road network. Revenue climbed 83% YoY to Rmb1,662mn in 9M10, excluding the consolidation effect, toll income increased by 33% YoY.
- **HSCEI outlook.** We expect HSCEI to trade between 12,800-13,600 in the upcoming week.

Hong Kong: HK Economic Growth Accelerates

- **Economic news.** HK economy expanded robustly in 3Q10, boosted by strong domestic and overseas demand. The government lifted the economy's growth outlook, citing strong growth in 1H10. GDP grew 6.8% YoY in 3Q10, stronger than the 6.5% expansion in 2Q10. The government also raised the inflation outlook. Underlying inflation, which averaged 1.4% in 1Q10 to 3Q10, is now forecast at 1.7% for the year, revised upwards from 1.5% predicted in August. Merchandise exports maintained strong momentum in 3Q10, surging by 20.8% in real terms over 2009.
- **Company news. Shenzhou International (2313)** earnings could be hurt by the unexpected cotton price increase. The sharp hike since Sep (spot price has risen 75% since Sep) has caused uncertainty on its near-term capability to pass on cotton yarn cost increases to customers. Cotton yarn accounted for 32% of COGS in 1H10. However, it currently runs at around six-month cotton yarn inventory, which is much longer than the 2-3 months of its peers. Gross margin is expected to be around the 30% level. **Cathay Pacific (293)** announced on 15 Nov 2010 that it expects to record a net profit for 2010 of no less than HK$12.5bn. The robust earnings were underpinned by strong traffic demand, one-off disposal gains and an increased contribution from its 19% stake in Air China. Net profit forecast had taken into account the one-off disposal gain of HK$2.2bn from the sale of HK Air Cargo Terminal and HK Aircraft Engineering, and a fine from the European Union of HK$618mn.
- **HSI outlook.** We expect HSI to trade between 23,000 –23,800 in the upcoming week.



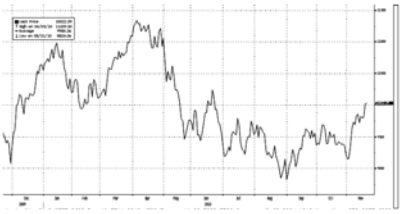
Japanese Shares Jump As Investors Look for Lagging Performers.

Indices performances

	Price	Weekly Change
Japan Indices		
Nikkei 225 Index	10,022.39	+3.1%
Topix Index	869.52	+2.7%

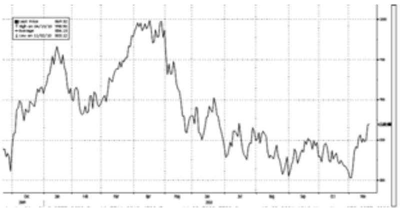
Source: Bloomberg
**Prices as of 19/11/2010*

Nikkei 225 1-year price performance



Source: Bloomberg

Topix 1-year price performance



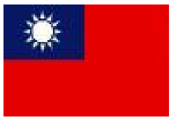
Source: Bloomberg

Macro Highlights

- The Japanese economy grew by 3.9% during 3Q 2010 following a revised 1.8% expansion in the previous quarter. Consumption, which accounts for 60% of total GDP, led gains as households increased purchases of fuel-efficient vehicles ahead of the expiration of a subsidy program. Net exports were unchanged while business spending increased by 0.8%.
- Japan's coincident indicator of economic health dropped from 103.3 to 102.0. The leading index, which is comprised to 12 indicators including inventories and machinery orders, also declined by 99.5 to 98.9.

Company Highlights

- **Resona (8308)** aims to increase lending to small Japanese companies expanding in emerging Asia as domestic demand for borrowing declines. The bank has relationships with lenders in Thailand and India to serve Japanese clients. The bank is following its rivals such as **Mitsubishi UFJ (8306)** in expanding overseas presence.
- US video game sales fell for the seventh straight month, as slumping demand for consoles and hardware dragged down industry revenue by 4%. Hardware sales sank 26% to $280mn, but software sales rose by 6% to $605mn. Accessories gained 18% after the September release of Sony's MOVE controller.
- **Ford (F)** will cut its sake in **Mazda (7261)** from 11% to 3.5%, as the company intends to scale back an alliance of more than 30 years to focus on developing its own brands. The transaction is valued at ¥31bn.
- **Toshiba (6502)** will shut down one of its oldest plants and outsource some semiconductor output, hoping to accelerating efforts to boost the unit's profitability. The company also plans to farm out production of logic chips next year to cut costs, since the business is barely breaking even.
- We expect Japanese stocks to chase the performance of other Asian markets. This week's trading range for the Nikkei 225 could be between 9,800 and 10,300.

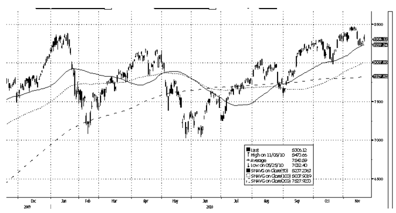


Indices performances

	Price	Weekly Change
Taiwan Index		
TWSE - Taiwan Taiex Index	8,306.12	-0.1%

Price as of 19/11/2010

TWSE 1-year price performance



Source: Bloomberg

A Flat Week

Macro Highlight

- Taiwan's economy expanded faster than estimated, underscoring the strength of Asia's recovery and the risk of asset bubbles as more capital flows into the region. Gross domestic product rose 9.8 percent in the three months through September from a year earlier, after climbing a revised 12.86 percent in the second quarter, the statistics bureau said. The median estimate by economists was for 8.34 percent expansion.

Company Highlights

- On the opening day**, Asustek Computer Inc. (2357 TT)** gained 1.8 percent to NT$252, the highest since June 25. The company plans to apply to Taiwan regulators to sell global depositary receipts in affiliate **Pegatron Corp. (4938 TT)**. The Taipei-based maker of low-cost computers plans to sell up to 12 percent of Pegatron's outstanding share capital. Pegatron retreated 1.2 percent to NT$42. **Formosa Petrochemical Corp. (6505 TT)** dropped 2.4 percent to NT$82, the most since Aug. 25. Taiwan's only publicly traded oil refiner expects to complete repairs of a fire-damaged residual fuel-processing unit before the end of next year. The company plans to increase exports of high-sulfur fuels because of the extended stoppage of the No. 2 residue desulfurization unit. The next day saw **Chimei Innolux Corp. (3481 TT)** gaining 3.7 percent to NT$39.30, the most since Oct. 25. Sony Corp. will buy 10 million liquid-crystal display panels from Chimei during fiscal 2011, five times the current level, a Japanese newspaper claimed. ON Wednesday, **Far EasTone Telecommunications Co. (4904 TT)** dropped 1.5 to NT$43.1, the lowest close since Sept. 28, after the local media cited the company's unit Arcoa Communication Co. spokesman as saying Arcoa bought a 70 stake in DataExpress Infotech Co. **Nanya Technology Corp. (2408 TT)** gained 1.6 percent to NT$15.55, the most since Oct. 25. Four of Formosa Plastics Group's listed units bought Nanya Technology Corp. shares, according to statements to the Taiwan Stock Exchange yesterday. On Thursday, **United Microelectronics Corp. (2303 TT)** dropped 1.3 percent to NT$14.70. The company still wants to buy He Jian Technology (Suzhou) Co., the company's management said. The comment came after a local newspaper reported UMC may redraft its agreement to acquire He Jian, as He Jian's profit level over the last three years does not meet new rules for mergers and acquisitions laid out by the Taiwan Stock Exchange. The final day saw **Evergreen Marine Corp. (2603 TT)** advancing 0.8 percent to NT$24.85. Taiwan's largest container-shipping line booked a gain of NT$109.7 million after it sold an office floor in the China World Trade Center in Peking and 14 parking lots for NT$309.4 million, the company said.

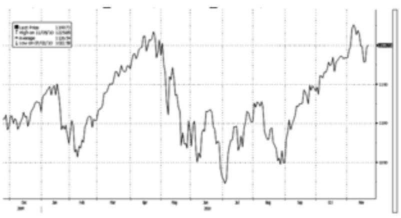
- For this week, we expect the Taiex Index to trade in-between 8,200 and 8,400.

Indices performances

	Price	Weekly Change
US Indices		
Dow Jones Industrial	11,203.55	+0.1%
S&P 500	1,199.73	+0.0%
Nasdaq	2,518.12	+0.0%

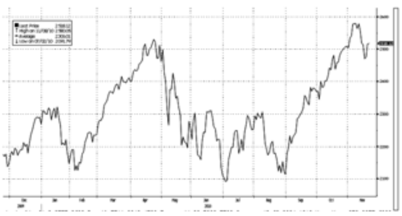
Source: Bloomberg
**Price as of 19/11/2010*

S&P 500 1-year price performance



Source: Bloomberg

Nasdaq 1-year price performance



Source: Bloomberg

US Stocks End Flat After European Debt Concerns Ease.

- US stocks reversed early losses on speculation that Ireland will seek EU/IMF rescue soon. All 3 major equity indices ended the week flat.

- The Thomson Reuters/University of Michigan consumer sentiment index rose from 67.7 to 69.3 in November, the highest level since June. The increase in confidence this month was paced by a gain in the measure of current conditions, a reflection of Americans' perceptions of their financial situation and whether it is a good time to buy big-ticket items like cars. The gauge of expectations for six months from now, which more closely projects the direction of consumer spending, also rose.

- US retail sales rose by 1.2% in October, the biggest gain since March and indicates that consumer spending is recovering at a faster pace than expected. 9 of 13 categories showed an increase in demand, led by a 5% gain among auto dealers. Excluding autos, retail sales advanced 0.5% and matched expectations. Non-store merchants, which include internet retailers, also showed increasing demand ahead of the important Christmas holiday season.

- Industrial production rose by 0.5% in October, higher than market expectations of 0.3%. Gains in exports and business investments may keep manufacturing activities at an elevated level, as companies continue to rebuild inventory. Capacity utilization was unchanged at 74.8%, but utility production dropped by 3.4% after a 2.2% decrease one month ago

- **Intel (INTC)** boosted its quarterly dividend payout by 14% to $0.18 per share. The tech giant ended 3Q 2010 with more than $20bn in cash and short-term investments. The dividend increase is higher than the 13% increase last year. To boost sales growth beyond personal computers, management is looking to expand into the tablet computers and mobile phone markets. **Caterpillar (CAT)** agreed to buy Bucyrus International for $7.6bn to expand its range of excavation equipment. Bucyrus shareholders will receive $92 per share, representing a 32% premium to its Friday closing price of $69.62. The acquisition will be the company's biggest deal since 1980, when it purchased Perkins for $1.3bn. **Walmart (WMT)** posted a 9.3% gain in 3Q 2010 net profit to $3.44bn or $0.95 per share, beating market consensus of $0.90. Total revenue rose by 2.6% to $102bn, but international sales jumped 7.9% while strength coming from Brazil and Japan. The company plans to restore thousands of products and open smaller stores to attract customers. Management is targeting an EPS of $1.29-$1.33 for the current quarter and raising its full-year EPS guidance from $4.05 to $4.12

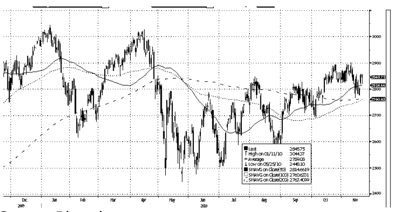
- We expect a quiet trading week given that US stock markets are closed for the Thanksgiving holiday. The trading range for the Dow is expected to be between 11,000 and 11,500 this week.

I Indices performances

	Price	Weekly Change
Pan-European Indices		
DJST Euro Stoxx 50 Index	2,845.75	+0.8%
FTSE 100 Index	5,732.83	-1.1%
DAX Index	6,843.55	+1.6%
CAC 40 Index	3,860.16	+0.8%

Source: Bloomberg
**Price as of 19/11/2010*

DJST Euro Stoxx 50 Index 1-year price performance



Source: Bloomberg

Plagued by PIIGS….. Again.

Macro Highlights

- Eurozone GDP rose by 0.4% in 3Q 2010, slower than last quarter's 1% and was lower than market expectations of 0.5%. Industrial output fell by 0.9% in September, the largest decline in 18 months. Production of durable consumer goods declined by 3%, while output of intermediate goods fell by 1.3%.

- Eurozone's budget deficit jumped to 6.3% of GDP in 2009, the widest since the EUR currency's introduction in 1999. Greece and Ireland had the two widest deficit at 15.4% and 14.4% of GDP respectively. Overall government debt across the euro region increased to 79.2% of GDP from 69.8% in 2008, remaining above the EU's 60% limit.

Market Performance

- European stocks declined for a second week amid concern economic growth may be held back by the resurgent sovereign-debt crisis and measures by Mainland China to tame inflation. The benchmark Stoxx Europe 600 Index fell 0.3%, the biggest drop this month and extending the 0.7% fall from the previous five days. About 61% of the companies on the Stoxx 600 that have announced quarterly results since Oct. 7 have beaten analyst estimates for per-share income.

Company Highlights

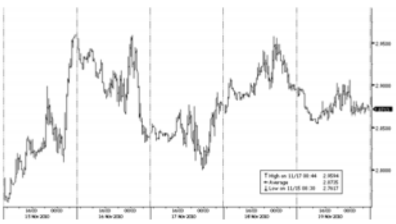
- **EADS (EAD FP**) posted a net profit of €13mn for 3Q 2010, reversing a loss of €87mn one year ago. Sales rose by 18% to €11.2bn as the company delivered 380 planes in the first nine months of the year as demand for new aircraft tracks a rebound in global travel. Management increased its guidance for EBIT forecast from €1bn to €1.1bn. Outlook for free cash flow was also raised to €1bn. **Rolls Royce (RR/ LN)** indicated that trading conditions across the Group's businesses has progressed "in line" with previous guidance in July 2010, but the uncontained failure of the Trent 900 engine on the Qantas Airways means the company now expects underlying profit for the full year to be slightly lower than previously guided. As a result of the incident, profit will be 4% to 5% below earlier forecasts, though the negative impact has been partially offset by a stronger performance in the marine and defence business. **Richemont (CFR VX**) reported fiscal 1H 2010 net profit rose 88% to €646mn, beating market expectations of €517mn. Results were driven by strong product sales in Asia and North America. Revenue in the Asia-Pacific region jumped 50%, helping to lift overall sales by 37% to €3.26bn. Operating profit almost doubled to €760mn, with operating margin expanding from 16.4% to 23.3%. First-half results were also boosted by a €102mn accounting gain due to the revaluation of the company's stake in Net-a-Porter.com. **Hennes & Mauritz AB (HMB SS)** reported that October total sales rose 13%, while global same-store sales gained 3%. Management has continued to attract consumer by keeping prices low despite rising cotton prices. It also benefited from weaker comparables last year from warmer weather. As of October 30, the company had 2,143 stores, up from 1,925 one year ago. **Carrefour (CA FP)** has agreed to sell its 40 supermarkets in Thailand for €868mn to **Casino Guichard-Perrachon SA (CO FP)**. The company is looking to divest its assets in Thailand, Malaysia and Singapore to focus on China and Indonesia. Carrefour had 39 hypermarkets and 1 convenience store in Thailand opened at the end of last year.

- For this week, we expect the DJST Euro Stoxx 50 to trade in-between 2,750 and 2,950

Major Rates

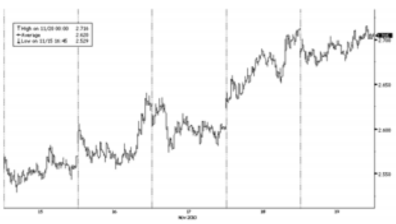
	Closed	Weekly Change
USD		
2-Year Treasury Yield	0.504%	+0 bps
10-Year Treasury Yield	2.871%	+9 bps
30-Year Treasury Yield	4.244%	-4 bps
EUR		
2-Year Bund Yield	1.107%	+8 bps
10-Year Bund Yield	2.703%	+19 bps
30-Year Bund Yield	3.201%	+19 bps

US Treasury 10-Year Benchmark Yield



Source: Bloomberg

German Bund 10-Year Benchmark Yield



Source: Bloomberg

US Treasury Bonds

China Raised Bank's Reserve Ratio by 50 bps to Record Level

- Treasuries retreated as QE2 effect faded and Ireland sovereign crisis started to ease. 10-year benchmark yield traded in a range from 2.959% to 2.763% and ended at 2.871%, up 9bps from previous week.
- FED Chairman Benanke defended its QE2 policy, after emerging countries like China and Brazil expressed their concern on liquidity flooding. At his speech, Benanke said the term "QE" is "inappropriate" and the FED's "securities purchases" should work as a better channel to help the economy. He also criticized that inflexible exchange rate regimes adopted by some emerging countries had kept some currencies undervalued. Market viewed the statement as a counter-offensive response to China and Brazil.
- China raised its reserve ratio for banks by 50 bps to 18.5%, the highest level in history. The action was the second time within 10 days, and the new ratio requirement will be effective by 29 Nov. Investors believe that China has entered into tightening mode and the China was counteracting the effect of QE2, while 1 more rate hike would be likely before the end of this year.
- Expected Range: **10-year UST at 2.65/ 3.05%**

German Bunds

Ireland Finally Asked EU and IMF for Assistance

- European government bunds declined last week as Ireland agreed to accept assistance from the EU and IMF. 10-Yr Bunds yield traded in a range of 2.716% to 2.529% and ended at 2.703%, up 19 bps from the previous week.
- The Irish government finally accepted financial assistance from the EU and the IMF, and became the second EU member to seek aid. The indicative bailout size would be around 60 – 80 Bn Euros, but Irish Finance Minister Lenihan said it would be less than 100 Bn Euros. Lenihan also said the country faced with "an outsized problem" in the banking sector and "Ireland may not draw down on the entire loan". The bailout package is expected to finalize in "next few weeks" after discussion is complete among the EU, IMF and Ireland.
- Spain sold 3.65Bn Euros of 10-yr and 30-yr bonds at its bond auction. The 10-yr bond drew an average yield of 4.615% and 30-yr bond drew an average yield of 5.488%.
- Expected Range: **10-Year Bunds at 2.50/2.90%**

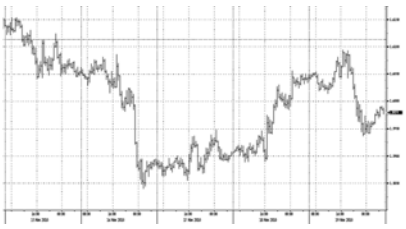
Foreign Exchange and Gold

USD Overview

The dollar benefited from the intensified concerns over the European debt concerns last week and rose to its highest against a basket of foreign currencies on Tuesday. The greenback touched the strongest in five weeks versus the yen as U.S. 10-year note yields reached a three-month high. The euro fell versus the dollar on speculation Ireland may need a bailout as futures traders reduced bets for the third straight week that the common currency would gain on the greenback. On the other hand, the U.S. economic data was favorable as well. Sales at U.S. retailers climbed in October by the most in seven months, brightening the outlook for holiday shopping even as unemployment holds near 10 percent. Purchases rose 1.2 percent, exceeding the forecast. Besides, American industry churned out more automobiles, computers and appliances in October, keeping manufacturing at the head of the economic recovery that began more than year ago. Factory production rose 0.5 percent after a 0.1 percent increase in September that was previously reported as a drop, according to figures from the Federal Reserve. However, the cost of living rose less than forecast in October and housing starts dropped, validating Federal Reserve Chairman Ben S. Bernanke's decision to give the U.S. economy another dose of monetary stimulus by kicking off the second phase of QE. The dollar slid since the middle of last week with improved sentiment. China announced another 0.5% hike in the Required Reserve Ratio on Friday, but brought little impact on the market.

BOE's King Predicts 'Elevated' U.K. Inflation After Rate Breaches 3%

GBP



Source: Reuters

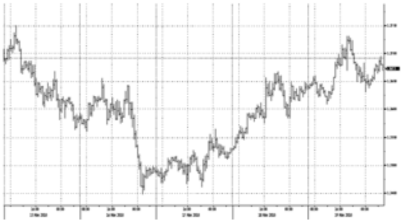
- U.K. inflation unexpectedly accelerated in October, forcing King to write to the Treasury explaining how he will bring it back to the goal. However, Bank of England policy makers split three ways in October on whether to raise stimulus to aid the recovery or increase the interest rate to curb consumer prices, arousing the possibility of adding the QE amount and brought pressures to the pound. The concerns over European debt also began to spread and pressed the pound early last week. The GBP/USD finally closed at 1.5979 on Friday, losing 135 bps or 0.84% from the previous week.

- Bank of England Governor Mervyn King said inflation will remain "elevated" throughout 2011 after it unexpectedly accelerated in October, forcing him to write the fourth letter of explanation to the Treasury this year. "The committee is ready to adjust policy -- in either direction -- in order to ensure that the risks to the outlook for inflation in the medium term remain evenly balanced around the 2 percent target," King said in a letter to Chancellor of the Exchequer George Osborne released by the central bank on Tuesday. Consumer prices increased 3.2 percent in October from a year earlier, exceeding the market expectation of 3.1 percent.

- King said officials can expand economic stimulus if necessary as the risk of inflation slowing below the bank's 2 percent goal in two years remains "significant." "We could do further quantitative easing if that turned out to be necessary," King told lawmakers. U.K. retail sales rose in October for the first time in three months as consumers bought more sports gear and games and brought forward spending to avoid next year's increase in value-added tax. Sales climbed 0.5 percent from September, when they fell by the same amount, the Office for National Statistics said. Economists predicted a 0.4 percent increase. On the year, sales fell by 0.1 percent.

- Expected range for GBP/USD this week: 1.5850 – 1.6100.

EUR

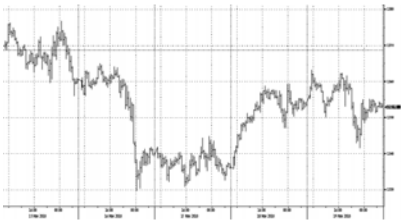


Source: Reuters

Euro Gains After Ireland Agrees With EU on Bank-Rescue Package

- The euro started poorly last week on the disappointing budget deficit data and the debt concerns, but then recovered the loss versus the dollar on bets an agreement to rescue Irish banks will prevent contagion across the region's debt markets. The common currency reached a one-week high versus the greenback after European Union finance ministers said the deal will create a capital fund for Ireland's lenders. The EUR/USD finally closed at 1.3673, down slightly by 18 bps or 0.13% from the previous week.
- The euro area's budget deficit swelled to more than double the European Union's 3 percent limit last year, led by Greece and Ireland. The total budget gap for the 16-nation euro region widened to 6.3 percent of gross domestic product in 2009, the biggest since the euro's introduction in 1999, the EU's statistics office in Luxembourg said. That matches an April estimate and is more than triple the level of 2 percent in 2008.
- European inflation accelerated to the fastest in almost two years in October, led by surging energy costs. Euro-area consumer prices rose 1.9 percent from a year earlier after increasing 1.8 percent in September. That's the fastest since November 2008 and in line with an estimate published on Oct. 29. Energy prices rose 8.5 percent in October from a year earlier, the biggest gain since May.
- Ireland applied for a bailout to help fund itself and save its banks, becoming the second euro member to seek a rescue from the European Union and the International Monetary Fund. Irish Prime Minister Brian Cowen said he expects talks on the package to be completed in the "next few weeks." Finance Minister Brian Lenihan said the loan will be less than 100 billion euros, though he refused to give any further details at a press conference in Dublin.
- Expected range for EUR/USD this week: 1.3500 – 1.3800.

Gold



Source: Reuters

Demand Stays Solid in The Third Quarter

- The spot gold saw its lowest level on last Tuesday on a strengthened dollar. However, with the progress of the EU and IMF's efforts to rescue the indebt Ireland, the sentiment gets improved. An industry report by WGC also showed the gold demand from Asia was not discouraged by the high prices. The spot gold rebounded later last week and finally closed at USD1,352.93 on Friday, losing USD15.82 or 1.16% from the previous week.
- The demand for gold in India rose by a staggering 79% in the first nine months of 2010, as compared to the same period last year. According to World Gold Council (WGC), total demand for gold in India rose by 79% to 650.4 tonne between January and September 2010 as compared to 363 tonne in the corresponding period in 2009. WGC said that gold jewellery demand in India remained extremely robust in the first nine months of the year. The gold demand increased by 73% to 513.5 tonne from 297.2 tonne last year. In rupee terms, the demand doubled from Rs43,554 crore to Rs89,453 crore. Ajay Mitra, MD, Middle East and India, WGC, said, "In 2010, diversity and reliability of investing in gold has come to the fore. Demand for gold in Indian markets has improved a great deal in comparison to previous year thereby reinforcing investors' faith."
- Expected range for gold this week USD1,345 – 1,380.

Market Snapshot

Major stock markets

	Last	Previous Week	Change (%)
DJIA (US)	11,203.55	11,192.58	0.10
S&P500(US)	1,199.73	1,199.21	0.04
NASDAQ(US)	2,518.12	2,518.21	0.00
FTSE100(UK)	5,732.83	5,796.87	-1.10
DAX(GERMAN)	6,843.55	6,734.61	1.62
CAC40(FRANCE)	3,860.16	3,831.12	0.76
NIKKEI225(JAPAN)	10,022.39	9,724.81	3.06
S&P/ASX200(AUSTRALIA)	4,629.20	4,692.70	-1.35
TWSE(TAIWAN)	8,306.12	8,316.05	-0.12
KOSPI(KOREA)	1,940.96	1,913.12	1.46
SET(THAILAND)	1,008.77	1,018.86	-0.99
HSI(HK)	23,605.71	24,222.58	-2.55
HSCEI(HK)	13,170.65	13,663.14	-3.60
HSFM25(HK)	8,275.32	8,525.55	-2.94

Major Currencies

	Last	Previous Week	Change (%)
USD/JPY	83.55	82.53	1.24
EUR/USD	1.3673	1.3691	-0.13
GBP/USD	1.5979	1.6114	-0.84
USD/CHF	0.9923	0.9809	1.16
USD/CAD	1.0168	1.0123	0.44
AUD/USD	0.9866	0.9847	0.19
NZD/USD	0.7787	0.7733	0.70

Bonds Yields

	LAST	PREVIOUS WEEK	NET CHANGE
US 10YR TREASURY (%)	2.8713	2.7871	0.0842
US 30YR TREASURY (%)	4.2444	4.2844	-0.0400
UK10YR GILT (%)	3.3860	3.2040	0.1820
GE 10YR BUND (%)	2.7030	2.5120	0.1910
AU 10YR GOV'T (%)	5.4840	5.3420	0.1420
NZ 10YR GOV'T (%)	5.6600	5.4170	0.2430
CA 10YR GOV'T (%)	3.1430	3.0160	0.1270

Interest Rates

	LAST	PREVIOUS WEEK	NET CHANGE
US FED RATE (%)	0.250	0.250	0.000
UK BASE RATE (%)	0.500	0.500	0.000
CANADA BANK RATE (%)	1.000	1.000	0.000
EUR REFINANCING RATE (%)	1.000	1.000	0.000
HK PRIME (%)	5.250	5.250	0.000
AU CASH RATE (%)	4.750	4.750	0.000
NZ CASH RATE (%)	3.000	3.000	0.000

Source: Bloomberg L. P.

Economic Data

US		
US GDP Annualized (3Q)	2.00%	1.70%
GDP PRICE INDEX (3Q)	2.30%	1.90%
UNEMPLOYMENT RATE (OCT)	9.60%	9.60%
ADVANCE RETAIL SALES (OCT)	1.20%	0.70%
US LEADING INDICATORS (OCT)	0.50%	0.50%
Industrial Production (OCT)	0.00%	-0.20%
FACTORY ORDERS (SEP)	2.10%	-0.50%
ISM MANUFACTURING (OCT)	56.90	54.40
ISM NON-MANUFACTURING (OCT)	54.30	53.20
Consumer Price Index (YoY) (OCT)	1.20%	1.10%
UK		
UK GDP (YOY) (2Q)	2.80%	1.70%
CLAIMANT COUNT RATE (AUG)	4.50%	4.50%
UK RPI EX MORT INT.PAYMENTS (YOY) (AUG)	4.70%	4.80%
EURO ZONE		
GDP S.A. (YOY) (2Q)	1.90%	1.90%
UNEMPLOYMENT RATE (JUL)	10.10%	10.10%
EURO-ZONE CPI (YOY) (AUG)	1.90%	1.90%
AUSTRALIA		
GDP YOY (2Q)	3.30%	2.70%
AU UNEMPLOYMENT RATE (AUG)	5.40%	5.10%
HEADLINE CPI YOY (2Q)	2.80%	3.10%
NEW ZEALAND		
GDP YOY (1Q)	1.90%	1.90%
UNEMPLOYMENT RATE (2Q)	6.40%	6.80%
INFLATION YOY (2Q)	1.80%	2.00%
CANADA		
GDP ANNUALIZED (2Q)	2.00%	6.10%
CA UNEMPLOYMENT RATE (AUG)	7.90%	8.00%
INFLATION YOY (JUN)	1.90%	1.70%
JAPAN		
GDP ANNUALIZED (2Q)	1.50%	0.40%
JOBLESS RATE (JUL)	5.00%	5.10%
INFLATION YOY (JUL)	-0.60%	-0.90%
HONG KONG		
GDP CONSTANT PRICE (YOY) (2Q)	6.80%	6.50%
UNEMPLOYMENT RATE (AUG)	4.20%	4.20%
CPI YOY (JUN)	2.60%	3.00%

Coming Economic Indicators

Mon	Tue	Wed	Thu	Fri
22 Nov	**23 Nov**	**24 Nov**	**25 Nov**	**26 Nov**
US - Chicago Fed Nat Activity Index (Oct) **EURO ZONE** - Euro-Zone Consumer Confidence (Nov A) **CHINA** - Leading Index (Oct)	**US** - GDP QoQ (Annualized) (3Q) - Personal Consumption (3Q) - Core PCE QoQ (3Q) - Existing Home Sales MoM (Oct) **GERMANY** - Government Spending (3Q F) - Private Consumption (3Q F) - GDP wda (YoY) (3Q F) **CANADA** - Consumer Price Index YoY (Oct) - Retail Sales MoM (Sep)	**US** - Durable Goods Orders (Oct) - Personal Income (Oct) - Personal Income (Nov 20) - Continuing Claims (Nov 13) - House Price Index MoM (Sep) - New Home Sales MoM (Oct) **UK** - GDP (YoY) (3Q P) - Government Spending (3Q P) **AUSTRALIA** - Conference Board Leading Index (Sep) **EURO ZONE** - Industrial New Orders SA (MoM) (Sep)	**US** - Fed Releases Minutes from Nov. 2-3 FOMC Meeting (Nov 24) **SWITZERLAND** - Employment Level (YoY) (3Q) **JAPAN** - Merchnds Trade Balance Total (Oct)	**GERMANY** - Consumer Price Index (YoY) (Nov P) **JAPAN** - Tokyo CPI YoY (Nov) - Natl CPI YoY (Oct)

Source: Bloomberg L.P.

Remarks:
MoM : Month on month QoQ : Quarter on quarter YoY : Year on year

Next Weekly Commentary will be available on 30 November 2010.

Please refer to page 11 of this commentary for disclaimer.

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