ASEAN Macro Strategy

ASEAN: Resilient amid a soft global economic patch

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by Ng Weiwen
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Phillip Securities Research Pte Ltd

Revised table summary of Asset Strategy (Pg.9), with ETF and CFD instruments to trade the outlook (Pg.10). Tactical trading without front-load sales charge is available with a Phillip UT WRAP account.

Major economies are entering into a soft patch but ASEAN has remained resilient.

Even if markets sell off in May, please don't go away. Pull-back in equities offers an attractive opportunity to accumulate our OWs in ASEAN economies such as ID, PH, TH and SG.

Asean Indices continue to hit record highs in April. Asean economies should continue to be buoyed by resilient domestic demand, specifically an upswing in investment cycle. **Furthermore, ASEAN could also receive a further boost in 2H should major economic power houses (US, China) –which are undergoing a soft patch now in 1H- rebound emphatically in the later half of the year.**

But we are keeping a close watch on **inflationary pressures** (i) when there are high odds of government subsidies on essential items and fuel being scaled back (Indonesia and Malaysia) and (ii) credit growth outstripping economic growth especially on the latest tidal wave of liquidity coming from the BoJ easing.

Looking ahead, policymaking will increasingly be trickier with governments (particularly Singapore) having to juggle slower (but still relatively healthy) growth, sticky inflation and asset price inflationary pressures.

Our recent OW call for **Indonesia** on 11th Apr was admittedly late. But better late than never. In fact, the rally still had legs. Specifically, the Jarkata Composite Index cleared decisively above the 5000 and closed at a record high of around 5060 on 1st May. But in view of the recent strong rally, a retracement is inevitable and that offers an attractive opportunity to enter the market.

For **Malaysia**, we maintain Marketweight for now, notwithstanding the post-elections relief rally (as the overhang of political uncertainties ease).

While Malaysian markets might be due for a re-rating, fiscal consolidation (via GST as well as food and fuel subsidy cuts) -after massive cash handouts and pre-election pump priming in the months preceding 13th GE- will be the key priority for the administration post-elections.

We will reassess our rating on Malaysia once there is greater certainty on the policy front. BN was returned to power at the 13th GE (5th May) but was denied a strong mandate (i.e. a two-third majority) again! Will Najib survive BN (or more specifically UMNO)? Specifically, Najib might be confronted with a leadership challenge after failing to garner a strong mandate (or even improve on 2008 dismal performance) despite massive social handouts as well as economic building and reforms.

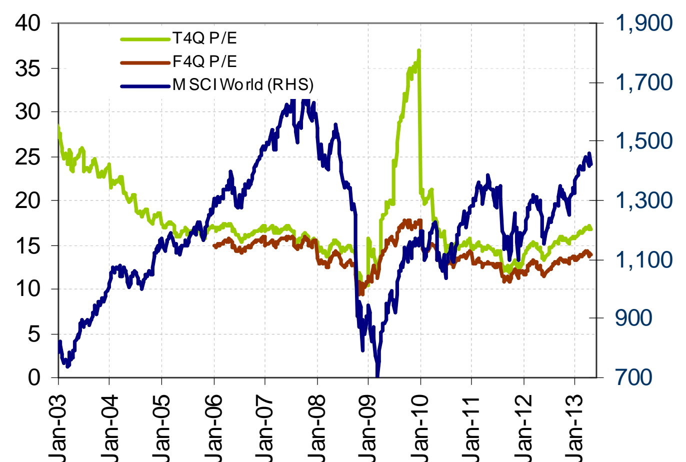
Furthermore, the Economic Transformation Program and Government Transformation Program -major pillars of the domestic demand story- may be confronted with headwinds after Barisan Nasional failed to re-claim a strong mandate.

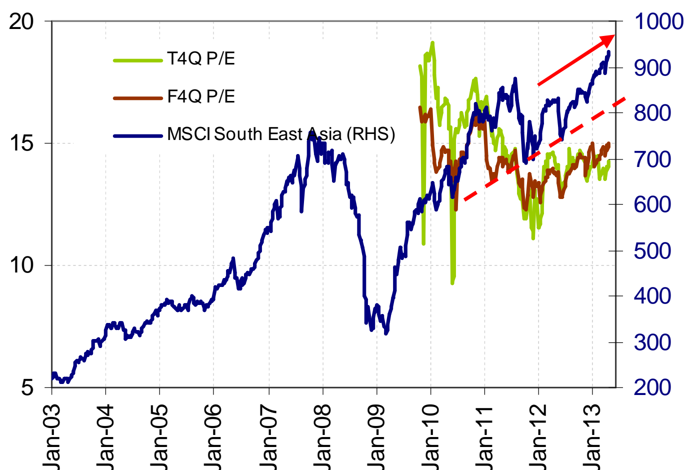
Thus, this lingering policy uncertainty caused us to be hesitant in upgrading Malaysia to an OW for now.

Please refer to the note for the 4 broad themes affecting ASEAN as well as further details of the respective country's economic and equity outlook.

In this piece, we will like to discuss **4 broad themes**.

1. Notwithstanding the soft patch in the global economy, equity markets continued to charge ahead, buoyed by global liquidity from G4 central banks. Ytd, MSCI SEA has gained 8.0% compared to the 10.8% increase for MSCI World. Have markets raced ahead of fundamentals? Even if markets were to correct sharply so as to better align with fundamentals, **ASEAN is likely to get away with a minor pull back as its economy remained buoyed by resilient domestic demand.**





The global economy is in a fragile equilibrium. Specifically, the US economy is in a soft patch. Greater China is confronted with near-term weakness on property curbs, shadow banking curbs and bird flu. In the EZ, political and economic stability is fragile at best.

All signs of weakness in the global economy can be surmised by the 0.6pt m-m decline in the J.P. Morgan April global manufacturing PMI to a reading of 50.5. What that means is that global factory output is still expanding, albeit at a slower pace, in part due to weaker new orders and export orders. But don't fight the central banks, as loose monetary policy globally remains stimulative!

While we are cognisant that the global economy is in a soft patch, we are still OW equities as (i) economic activity has not really fallen over the cliff (ii) tail risks have actually receded and (iii) G4 central banks are undertaking synchronised monetary easing. Thus, equities should still command a decent risk premium over fixed income (specifically Treasuries and investment grade issues).

Even if markets sell off in May, please don't go away. Pull-back in equities offers an attractive opportunity to accumulate our OWs in ASEAN economies such as ID, PH, TH and SG.

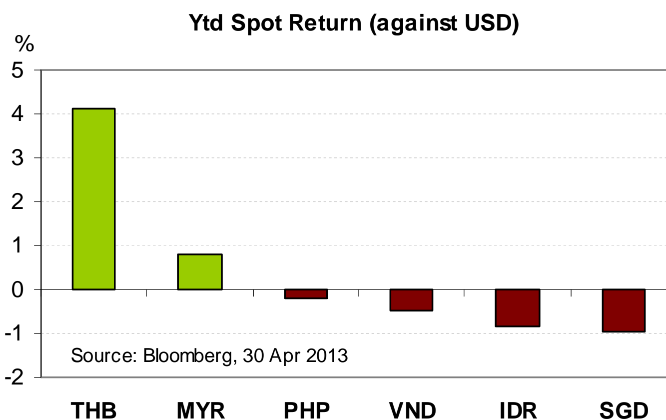
We reckon that ASEAN will continue its fine run in 2013 after registering a stellar performance last year. ASEAN economies should continue to be buoyed by resilient domestic demand, specifically an upswing in investment cycle. As detailed in our Dec 2012 ASEAN strategy report, ASEAN is in the midst of an infrastructure boom. We think that Thailand has high visibility of investment commitments over the next 12 months while Indonesia is in a structural investment cycle.

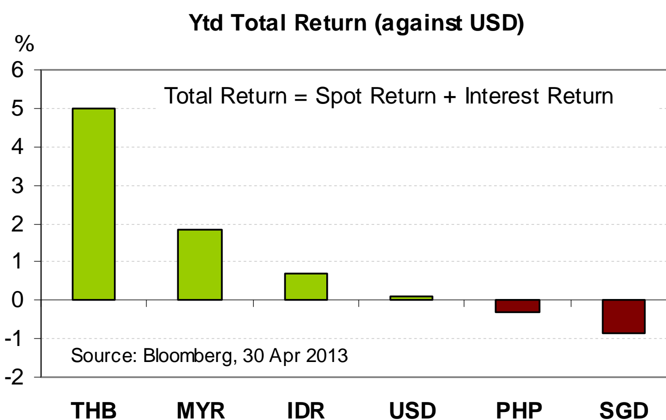
Furthermore, ASEAN could also receive a further boost in 2H should major economic power houses (US, China) –which are undergoing a soft patch now in 1H- rebound emphatically in the later half of the year.

But we are keeping a close watch on inflationary pressures, especially (i) when there are high odds of government subsidies on essential items and fuel being scaled back (Indonesia and Malaysia) and (ii) credit growth outstripping economic growth especially on the latest tidal wave of liquidity coming from the BoJ easing (which we will elaborate next)

2. Tidal wave of liquidity from BOJ easing

With yields of Japanese Government Bonds depressed, investors are being increasingly forced to search for higher yields elsewhere. Most ASEAN countries (Thailand, Malaysia and Indonesia) –with relatively high growth and benign inflation- effectively offer higher real yield as compared to those offered by their advanced economies.





In Malaysia and Thailand, the appreciation of the Ringgit and Baht (against the USD) works in the favour of respective central banks to assist in containing imported inflation but will weigh on export competitiveness (especially in view of the depreciation against the Yen).

With the Japan economy reflating, Japanese firms will likely engage in offshoring and ASEAN markets will benefit,

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particularly in sectors that are complimentary to Japan's manufacturing core activities.

Thus, ASEAN currencies are likely to be buoyed by strong capital inflows (from higher real interest rates as well as FDI) and healthy economic fundamentals. Though, regional political uncertainties are a negative for currencies. In short, expect ASEAN currencies to hold its ground against a structurally stronger USD and register significant gains against the Yen.

3. Notwithstanding the recent tumble, the outlook for commodity prices is subdued in view of the soft patch the global economy is in at this juncture. This will have varying implications for different ASEAN economies.

For Singapore, softer commodity prices would translate to lower imported inflation and provide some leeway for MAS to manoeuvre at the Oct Monetary Policy Meeting should growth turn out to be weaker than expected.

For Malaysia and Indonesia -who are major commodity exporters, government revenue will be weighed down by a decline in commodity prices, though that would be mitigated by lower fuel subsidies (as a result of decline in oil prices) to some extent.

4. Inflationary pressures are building up in ASEAN.

- **Philippines** risks an asset bubble forming. Philippines' sovereign rating was recently upgraded to investment grade by Fitch on account of strong external balance as well as robust economic growth. S&P recently followed suit and Moody's is likely to join the trio. In the near term, Philippines could see larger capital inflows as the upgrade opens up a pool of potential investors. But Philippines will be confronted with challenges such as managing a stronger peso as well as risks of an asset bubble if not managed prudently. On balance, the market reaction is likely to be muted as the writing is already on the wall. Specifically, we raised the possibility of Philippines achieving investment grade as early as last year in our ASEAN macro strategy report. Since then, Philippines equities have already rallied quite a fair bit and government bond yields have fallen below many other investment grade sovereigns (with dubious credit quality).

In Philippine, the central bank (BSP) stood pat in April, maintaining the key policy rate while cutting the rate on its special deposit account (SDA) by 50 bps, likely in an attempt to temper the appreciation of the Philippine peso, rather than stimulating growth per se. Looking ahead, the BSP is likely to adopt an interest rate corridor framework with the lower bound being the SDA rate (2%) which is below the reverse repo rate (3.5%).

- In **Malaysia**, domestic demand as well as private investment will continue to lend support to growth. There are still upside risks to the inflation outlook - which is largely domestically driven.

(i) First, it is likely that **subsidies for food (eg. flour, sugar, cooking oil) and fuel (diesel, petrol) –major drivers of headline inflation – will get scaled back after the 13th General Elections.**

(ii) Second, minimum wage hikes. In May 2012, PM Najib introduced the minimum wage of RM900 for Peninsular Malaysia and RM800 for those in Sarawak, Sabah and Labuan. Most firms will have to start paying the minimum wage in six months, while small companies with have a year to comply. As the wage hike is not premised on higher productivity, the upside risk to inflation is that the increase in money could outpace the growth in output, firms which are able will likely decide to pass on the costs to consumers.

(iii) Third, the **proposed goods and services tax** –aimed to broaden the tax base- might be implemented after the 13th General Elections. This comes as the government needs to better manage public debt which is near the federal debt-to-GDP ceiling of 55%.

ASEAN

ASEAN equities have in general performed well this year, the uptrend continues on back of resilient domestic demand. Our OW on Philippines (+21.4%ytd), Thailand (+7.6%ytd) and Singapore (+7.1%ytd) have been accurate, albeit a MW on Indonesia (+16.1%ytd) should have been an OW. Our MW on Malaysia (+6.1%ytd) proved correct due to election risk. But we are keeping a close watch on inflationary pressures.

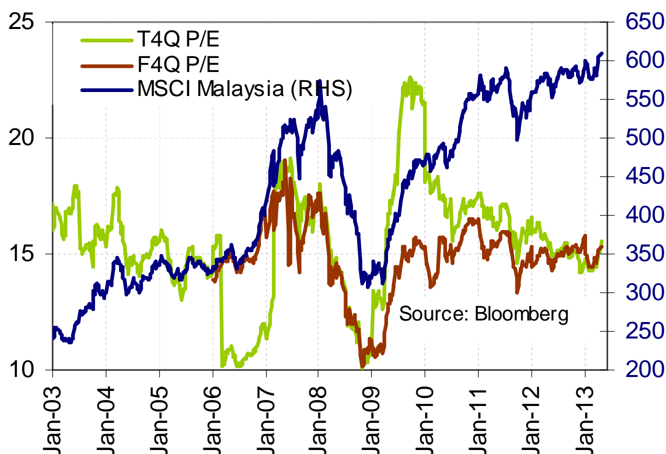
Malaysia

Marketweight for now, notwithstanding the relief rally post-elections. The post-elections relief rally was likely due to the easing of the overhang of political uncertainties. **We will reassess our rating on Malaysia once there is greater certainty on the policy front.** BN was returned to power at the 13th GE (5th May) but was denied a strong mandate (i.e. a two-third majority) again! Specifically, while BN attained a simple majority (133 out of a total of 222 parliamentary seats) but that was fewer than the 140 seats garnered in the previous 2008 elections.

Thus, will Najib survive BN (or more specifically UMNO)? Specifically, Najib might face a leadership challenge after failing to garner a strong mandate (or even improve on 2008 dismal performance) despite massive social handouts as well as economic building and reforms.

Thus, on this note, there is policy uncertainty lingering as to the continuity of policy program (ETP, GTP) after the 13th GE that caused us to be hesitant in upgrading Malaysia to

an OW. Specifically, the Economic Transformation Program and Government Transformation Program -major pillars of the domestic demand story- may be confronted with headwinds after Barisan Nasional failed to re-claim a strong mandate.



Malaysian markets might be due for a re-rating with the overhang of uncertainty lifted after underperforming its ASEAN peers ytd.

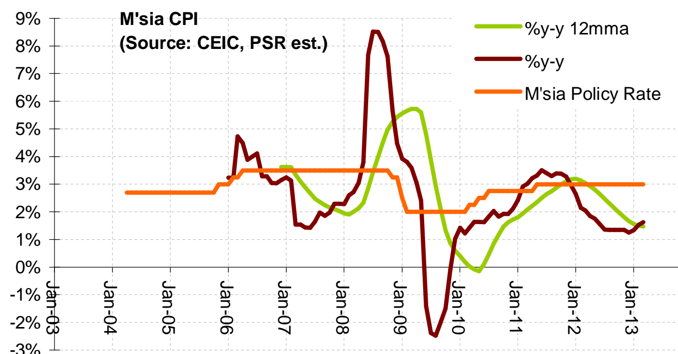
Notwithstanding some policy tweaks, Malaysia's resilient domestic demand driver would not fundamentally change overnight. Healthy domestic demand as well as more critically Malaysia's Employees Provident Fund (EPF)'s significant investment in Malaysian equities (particularly the blue chips) will lend support to Malaysia bourses.

Domestic demand is expected to remain healthy. (i) Private consumption will benefit from slew of wage hikes, (ii) Gross fixed capital formation should receive a boost from ETP, GTP.

Private sector investment and household consumption needs to continue to expand to sustain the growth momentum in view of the government's increasingly limited fiscal space, continued expansion in and is necessary.

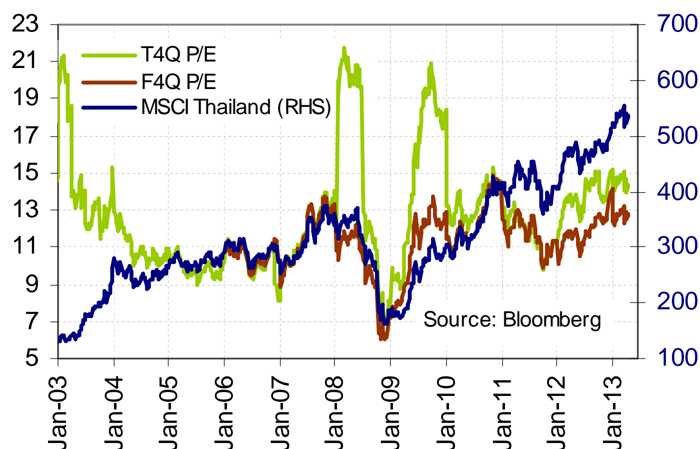
While cash handouts and pre-election pump priming might help bolster domestic demand and mitigate weakness in external demand, these populist moves might push the government towards fiscal peril if not properly managed.

On account of benign inflation and resilient domestic demand, we expect Bank Negara Malaysia to continue to stand pat, maintaining the Overnight Policy Rate at 3% in 1H13. However, if the inflation surprises on the upside (owing to domestic drivers) in 2H13, the government might be forced to hike rates (i.e. undertake a hawkish tone) instead, pending on how growth turns out.



Thailand

Overweight. Thailand will continue to outperform as it is well positioned toward both domestic demand as well as a rebound in global growth. But returns will be moderate at best due to relatively stretched valuations.



Nonetheless, we reckon there could possibly be a re-rating, especially if FY 13 earnings are revised upwards. The Baht has registered strong gains (+5.0%) against the dollar, the most among the ASEAN economies and this is a positive. **Political reconciliation –possibly at the end of this year- will provide a strong boost to risk sentiment and consequently Thai equities**.

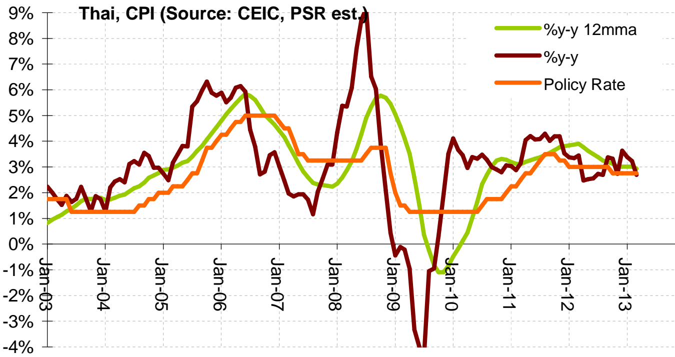
MSCI Thailand had a recent correction during early April and that would actually serve as an attractive entry point for investors to **buy the dips and ride on the rally**. **Looking ahead, possible political noise might give a reason for the rally to pause.**

The government has pledged US$90bn over the next seven years to develop infrastructure such as the (i) high-speed train scheme between Thailand and Laos as well as the (ii) flood management and prevention system. These massive infrastructure investment are aimed at facilitating the expansion of the Greater Mekong Subregion as well as riding on opportunities arising from the Asean Economic

Community. This robust investment demand has translated to strong capital goods imports in recent months.

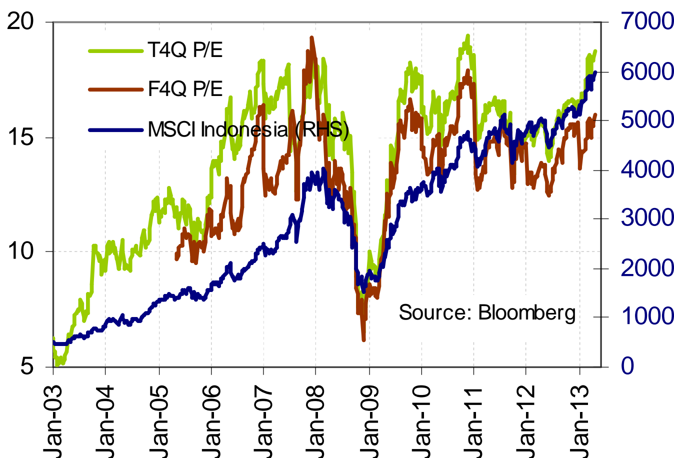
Looking ahead, in view of the benign inflation as well as pre-emptive Oct rate cut, we expect BoT to stand pat unless economic activity substantially slows down. Headline inflation rate eased from 3.23% in Feb to 2.69% in March. Core inflation –which strips out fresh food and energy prices- fell from 1.57% in Feb to 1.23% in March (the lowest since November 2010) and within the central bank's target range of 0.5 to 3.0 percent, which is used to guide monetary policy. Should there be a sharp growth slowdown, apart from accommodative monetary conditions, there might also be additional fiscal measures announced to stimulate the domestic activity.

Notwithstanding our base case scenario as painted above, a significant acceleration in inflation in the coming months could potentially lead to a policy rate hike in 2H, which could potentially weigh on equities.



Indonesia

Ytd, gains from Indonesia (+16%) have doubled that from SEA (+8%) and are even higher than that registered by MSCI World (+11%).



We have always been positive on Indonesia's economic outlook on account of domestic factors. Fixed investment is to remain robust on infrastructure investment related to the targets set out in the Masterplan for the Acceleration and Expansion of Economic Development of Indonesia (MP3EI) in 2011. Major infrastructure projects in the pipeline include: the six Jakarta Urban Toll Roads, Soekarno-Hatta airport, Jakarta MRT and Monorail, plus various ports. Foreign direct investment is expected to be robust as investors ride on the 'rise of the middle class' with investments shifting form the mining sector into the consumer goods segment such as food and beverage as well as electronics. Already, L'Oreal, Nestle, Procter & Gamble and Foxconn have significant investments in Indonesia.

Pace of rupiah depreciation has eased for now- in part due to BI interventions. A possible rate hike to curb inflationary pressures could also stem capital outflows.

The recent decline oil prices would translate to lower government fuel subsidies and consequently a decrease in the burgeoning fiscal deficit which is a net positive for Indonesia.

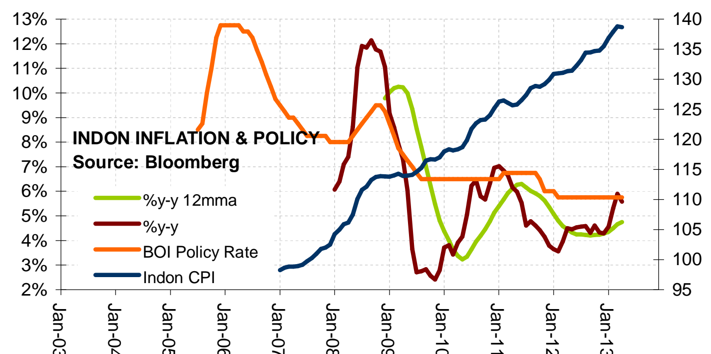
But beware! Odds of policy slippage are high.

First, there is a limit to how much Bank Indonesia can dig into its reserves to stabilize the rupiah. The rupiah could weaken once again on account of negative external balances.

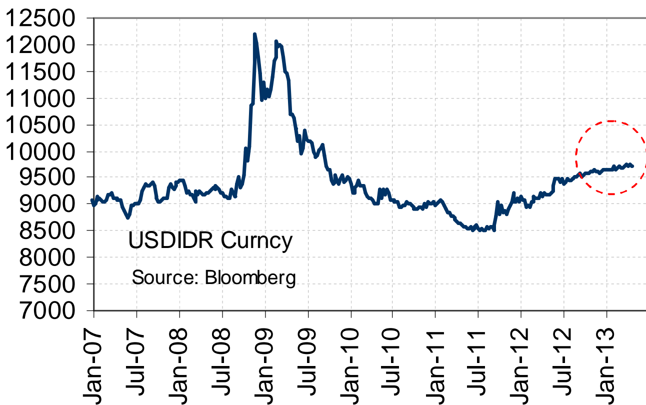
Second, policy uncertainties on political posturing ahead of next year's elections

Third, a possible policy mis-step by Bank Indonesia when it stood pat in April. Monetary policy should be pre-emptive and a rate hike is warranted (likely within this year) in view of an impending spike in domestic inflationary pressures as fuel subsidies –which has been a fiscal strain- would eventually need to be scaled back.

Nonetheless, a policy rate hike– from record low levels of 5.75% since Feb 2012- will help alleviate inflationary pressures. Furthermore, such a move might stem further capital outflows and bolster the rupiah.

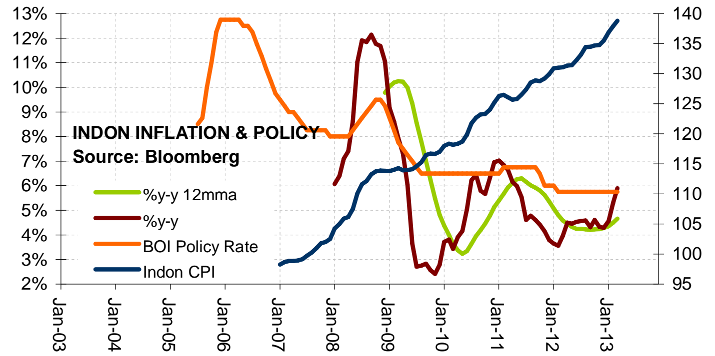


What however held back the market in 2012 was the weakening rupiah resulting in capital outflows. In contrast Indonesian equities have rallied this year in response to support for rupiah, which has remained stable this year at around 9700 level largely as a result of Bank Indonesia's active intervention. Reserves have consequently been run down to almost a 2-year low (charts below),



FX reserves (USD bn)
Source: Bloomberg

While we are late in upgrading Indonesia, better late than never as they say. We do see further Rupiah appreciation as inflationary pressures are building up. Headline inflation accelerated from 5.3% in Feb to 5.9% y-y in March (almost a record 2-year high), breaching the upper limit of the central bank's target range of 3.5-5.5%. By contrast, core inflation - which strips out volatile food and fuel prices- eased from 4.29% in Feb to 4.21% in March.



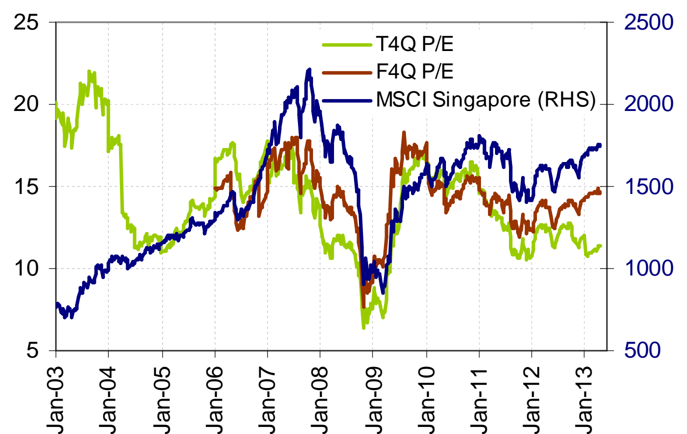
Should the fuel price hike be implemented, inflation could well surprise on the upside. Nonetheless, we think the odds of a fuel price hike are low at this juncture as crude oil price is expected to remain soft. Furthermore, the administration is confronted with the thorny issue of how to cut back on fuel subsidies in view of next year's impending elections without incurring the wrath of the electorate.

Still, we reckon that Bank Indonesia might hike its benchmark interest rate or its overnight deposit facility rate (FASBI) within this year.

A policy rate hike at the upcoming monetary policy meetings – from record low levels of 5.75% since Feb 2012- might bolster the rupiah and stem possible capital outflows. This is likely to have a positive effect on Indonesian equities.

Singapore

Singapore has been trading amid a rather tight range in recent weeks. **While STI has been resilient thus far, there is a risk that Singapore might underperform or even lag regional markets once tail risks wane.**



Looking ahead, policymaking would be increasingly trickier as the Singapore government has to manage slower growth (amid restructuring), sticky inflation

(domestically driven and with a tight labour market to boot) and asset inflationary pressures. **Apart from monetary policy tools, macro prudential measures will continue to be the modus operandi of policymakers, given the modest success of recent administrative measures to cool the car and housing markets.**

MAS stood pat, maintaining a modest and gradual appreciation of the S$NEER, with no change to the slope, width of the policy band and the level which it is centered. Looking ahead, we expect MAS to continue to stand pat in a bid to anchor inflation expectations, barring a significant slowdown in the global economy. **Nonetheless, there is a risk that MAS might reduce the slope of the policy band if the outlook of the global economy turns out to be weaker-than-expected in 2H13. But this is a small risk as concerns of a wage price spiral (as Spore economy restructures) as well as inflation bias (compared to growth) is likely to result in MAS maintaining its hawkish bias.**

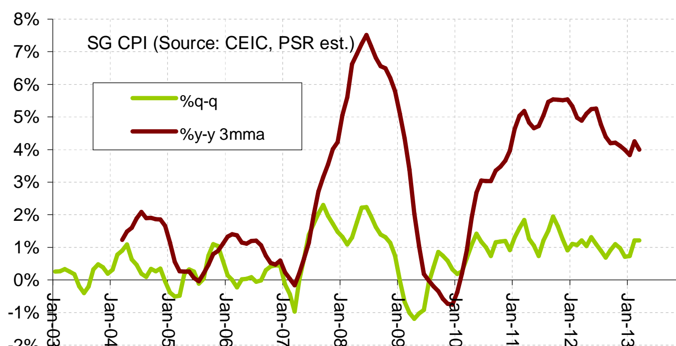
Based on advance GDP estimate, the Singapore economy contracted by 1.4% q-q saa in 1q13, reversing from growth of 3.3% in the preceding quarter. In Singapore, non-oil domestic exports declined by 12.5% on a y-y 3mma basis in March 2013, following the 16.4% contraction in the preceding month. Electronics shipments fell 17.9% y-y in March, though at a slower pace as compared to the 27.4% fall in the preceding month. By contrast, pharmaceutical exports gained 2.9%.

With March NODX coming in better than expected, there could possibly be upside revision to 1q13 GDP growth. But electronics need to pick up the slack. Notwithstanding the soft patch that major economies (US and China) are undergoing at this juncture (indicative of tepid final demand), we are cautiously optimistic that the electronics sector might be turning around the corner on account of: (i) improved SEMI book-to-bill ratio as well as (ii) incipient signs of stabilisation in the pace of decline of electronics shipments.

In Singapore, manufacturing activity continued to expand in April -albeit at a slower pace. Specifically, the headline PMI declined by 0.3pts m-m to 50.3. Similarly, the pace of expansion in the electronics cluster also eased with the electronics PMI falling 0.7pts m-m to 51.2 in Apr. Nonetheless, there are silver linings ahead. Recall a net weighted balance of 12% of manufacturers expect business conditions to be more favourable over the next six months (Apr-Sept). In the electronics cluster, a net weighted balance of 18% of manufacturing firms also shared the same positive sentiment.

On the inflation front, headline inflation eased from 4.9% y-y in February to 3.5% in March on account of lower private road transport costs. This moderation was within expectations in view of the recent decline in COE premium as well as the introduction of the tiered Additional Registration Fee.

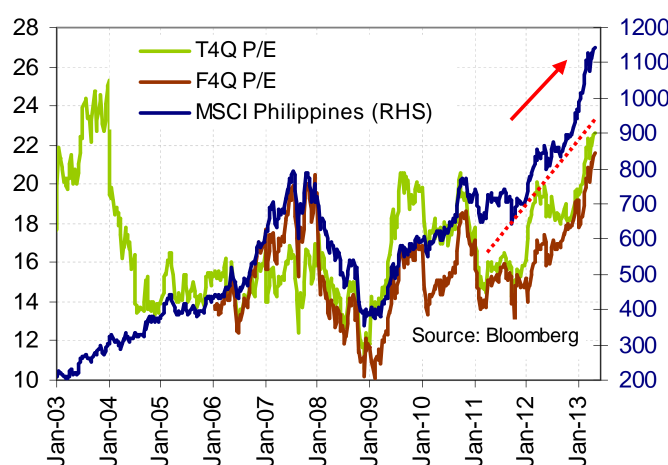
Looking ahead, headline inflation could moderate further on account of government rebates as well as possibly subdued imported inflation should commodity prices continue to remain lacklustre. But we caution that inflation accommodation cost pressures and wage-cost pass through are likely to persist, resulting in headline inflation to stay elevated around 3 - 4% this year.



In spite of a subdued economic performance ytd, we continue to OW Singapore equities on account of the following: (i) with one of the few AAA quality investment grade sovereign rating, (ii) relative attractive dividend yield of around 3%, (iii) currency translation gains to boot and (iv) significant exposure to EMs which will mitigate any slowdown in the advanced economies.

Philippines

Overweight. Philippines equities are likely to continue to be a beneficiary of excellent macro fundamentals: Growth acceleration; benign inflation; accommodative monetary policy.



But limited upside as investment grade upgrade has been mostly priced in. Philippines' sovereign rating was upgraded to investment grade by Fitch on account of strong external balance as well as robust economic growth. S&P recently followed suit and Moody's is likely to join the trio.

In the near term, Philippines could see larger capital inflows as the upgrade opens up a pool of potential investors. But Philippines will be confronted with challenges such as managing a stronger peso as well as risks of an asset bubble if not managed prudently.

Nonetheless, **Philippines is in a goldilocks situation** with the economy being supported by resilient domestic demand and in the middle of an upturn in the investment cycle driven by record-low interest rates as well as a slew of reforms. Remittance inflows are likely to remain resilient and should continue to lend support to growth.

In Philippine, the central bank (BSP) stood pat in April, maintaining the key policy rate while cutting the rate on its special deposit account (SDA) by 50 bps, likely in an attempt to temper the appreciation of the Philippine peso, rather than stimulating growth per se. Looking ahead, the BSP is likely to adopt an interest rate corridor framework with the lower bound being the SDA rate (2%) which is below the reverse repo rate (3.5%).

Execution of government's private public partnership (PPP) program might boost gross fixed capital formation. But beware implementation risk of PPP program.

Phillip Securities Research: Asset Allocation Strategy

Returns incl. Yield	2012	2012 total return		2013	2013 total return	
Bonds						
US Treasuries	OW to UW 9th Oct	7.0%	correct	UW	2.1%	correct
US MBS	OW	4.6%	wrong	OW to UW 23rd Jan	0.2%	correct
US Corp IG	OW to MW 9th Oct	16.4%	correct	UW	2.4%	correct
US Corp HY	OW	19.9%	correct	OW to MW 18th Feb	4.0%	correct
EM-Asia US$ IG	OW	19.5%	correct	OW to UW 23rd Jan	1.0%	correct
EM-Asia LC IG	OW	13.6%	correct	OW to MW 23rd Jan	2.2%	correct
EM-Asia HY	OW	30.6%	correct	OW to MW 18th Feb	1.2%	correct
simple average:	OW	16.0%	correct	MW	1.9%	CORRECT
Equities						
World	MW	15.4%	correct	OW	10.8%	CORRECT
US	UW to MW 21 Dec	13.8%	shld have MW in Jun not Dec!	MW to OW 18th Mar	12.5%	late to upgrade
EZ	UW	17.9%	wrong	UW	7.6%	tail risks recede but econ fragile
JP	-			MW	36.4%	OW short term
Korea	MW	12.7%	correct	MW	-5.1%	downside to our MW call
Taiwan	MW	12.2%	correct	MW	4.6%	correct
China-A	OW 22 Oct	7.8%	timely!	OW	1.8%	7.0% return since OW 22 Oct
China-H	OW 22 Oct	17.8%	caught 2nd move	OW	-1.0%	5.3% return since OW 22 Oct
HK	OW 8 Oct	26.1%	caught 2nd move	OW	6.1%	9.3% return since OW 8 Oct
SG	OW	23.5%	correct	OW	7.1%	correct
MY	MW	13.4%	correct	MW	2.8%	correct
TH	OW	29.6%	correct	OW	7.6%	correct
ID	MW	11.3%	correct	MW to OW 12th Apr	16.1%	late to upgrade
PH	OW	36.8%	correct	OW	21.4%	correct
India	UW	29.3%	wrong	UW	-0.8%	correct
Commodities	UW	-3.4%	correct	MW	-1.8%	CORRECT
Gold	UW 25th Oct	-2.9%	correct	UW	-12.0%	CORRECT

OW = Overweight | MW = Marketweight | UW = Underweight (Souce: PSR, Bloomberg)

30th Apr 2013

Global Macro, Asset Strategy Team, Phillip Securities Research

OW = Overweight ; MW = Neutralweight ; UW = Underweight

Broad Asset	Sub-Asset	Rating	ETF		Phillip CFD
Bonds (MW)	US Treasuries	UW	TLH.AMEX / TLT.AMEX		
	US Mortgage Backed	UW	VMBS.AMEX / MBG.AMEX		
	US Corp	UW	VCLT.AMEX / LQD.AMEX		
	US Corp High Yield	MW	HYG.AMEX / JNK.AMEX		
	EM US$ Govt	UW	EMB.AMEX		
	EM LC Govt	MW	LEMB.AMEX		
	EM US$ HY Corp & Govt	MW	EMHY.AMEX		
	Asian US$ Govt & Corp	UW	N6M.SGX		
	Asian LC Govt & Corp	MW	N6L.SGX		
	Asian US$ Corp HY	MW	O9P.SGX		
Equities (OW)	US	OW	SPDR S&P 500 (SPY:AMEX)		US SP 500 Index USD5 CFD (S&P500) / Wall Street Index USD1 CFD (DJIA)/ US Tech 100 Index USD5 CFD
	Europe	UW	SPDR Stoxx 50 (FEU:AMEX)		
	Australia	-	iShares MSCI Australia (IOZ:ASX)		
	Japan	MW	Lyxor Japan TOPIX (CW4:SGX)		Japan 225 Index JPY100 CFD (Nikkei 225) / Tokyo Index JPY1000 CFD (Topix)
	S.Korea	MW	DBXT - MSCI Korea (IH2:SGX)		
	Taiwan	MW	DBXT - MSCI Taiwan (HD7:SGX)		Taiwan Index USD20 CFD (MSCI Taiwan)
	China A shares	OW	CSI300 (83188.HK) / SSE 50 (JK8.SGX)		FTSE China A50 Index USD1 CFD
	China H shares	OW	HKCEI (2828.HK)		H Shares Index HKD5 CFD (HSCEI)
	HK	OW	Hang Seng (2800.HK)		Hong Kong 40 Index HKD5 CFD (Hang Seng)
	Singapore	OW	SPDR STI (ES3:SGX)	**CIMB ASEAN40 ETF (QS0:SGX for S$ or M62:SGX for US$)** (Singapore, Malaysia, Thailand, Indonesia, Phillippines)	STI SGD5 CFD / S'pore Index SGD20 CFD (SMSCI)
	Malaysia	MW	DBXT - MSCI Malaysia (LG6:SGX)		FBM KLCI MYR10 CFD
	Thailand	OW	DBXT - MSCI Thailand TRN (LG7:SGX)		
	Indonesia	OW	DBXT - MSCI Indonesia (KJ7:SGX)		Indonesia Index USD1 CFD (MSCI Indon)
	Phillippines	OW	DBXT - MSCI Philippines (N2E:SGX)		
	Vietnam	MW	DBXT - FTSE Vietnam (HD9:SGX)		
	India	UW	iShares MSCI India (I98:SGX)		India50 Index USD1 CFD (S&P CNX Nifty)
Commodities		MW	Lyxor Commodity 10$US (A0W:SGX)		
Gold		UW	SPDR Gold ETF (O87:SGX or GLD:AMEX)		

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