



### **Executive Summary**

#### **Economic Update: Still a greener pasture in Asia**

Economic data in U.S has been mixed of late.. Some continued to surprise on the upside while others have pointed southwards. Asian economies on the other hand continued to deliver consistent performance. Moving forward, we do think that Asian economies as a whole can continue to outperform the western countries. However, for this to happen, a lot depends on actions undertaken by the Chinese government.

#### **Asset Class Update: Fair Entry Level for Gold; Treasury Yield is on the rise.**

**Equities** – Stellar performance unlikely to continue into the year 2010. Earnings season may disappoint.

**Commodities** – Oil price increased substantially following cold weather in Northern Hemisphere. Gold is still on an upward trend.

**Fixed income** – 30 Year Treasury yield poised for a breakout to the upside. Sovereign risk is likely to be a concern in 2010.

#### **Focus of the Month: Gold – FAIR Entry Point; Number to Watch: 1,350**

**Demand and Supply factors remain intact** – Limited supply and growing demand for gold reserve holdings among central banks.

**Speculative activity in gold futures** – The non-commercials traders (speculators) remain overwhelmingly long in gold futures (GC) for December.

**Inflation as well as deflation a concern in 2010** – At the moment gold is the only physical asset available to hedge against inflation and deflation.



**Analyst**

**Hillary Ho Li Ling**

+6565311517

hillaryho@phillip.com.sg

## **ECONOMIC UPDATE – STILL A GREENER PASTURE IN ASIA**

### **Executive Summary**

*Economic data in U.S has been mixed of late.. Some continued to surprise on the upside while others have pointed southwards. Asian economies on the other hand continued to deliver consistent performance. Moving forward, we do think that Asian economies as a whole can continue to outperform the western countries. However, for this to happen, a lot depends on actions undertaken by the Chinese government.*

### **Economic Update – Still a greener pasture in Asia**

Economic data in U.S has been mixed of late. Some continued to surprise on the upside while others have pointed southwards. Among those that have performed positively is industrial production; it maintained a 0.6 month-on-month percent increase in December. This marked the sixth consecutive month of positive growth. Capacity utilization rate remained on an upward trend too. The index rose to 72 percent in December; the best reading since the indicator hit a historical low of 68.3 in June last year. Another piece of upbeat news is that the number of people filing for jobless claims for the first time is also declining steadily.

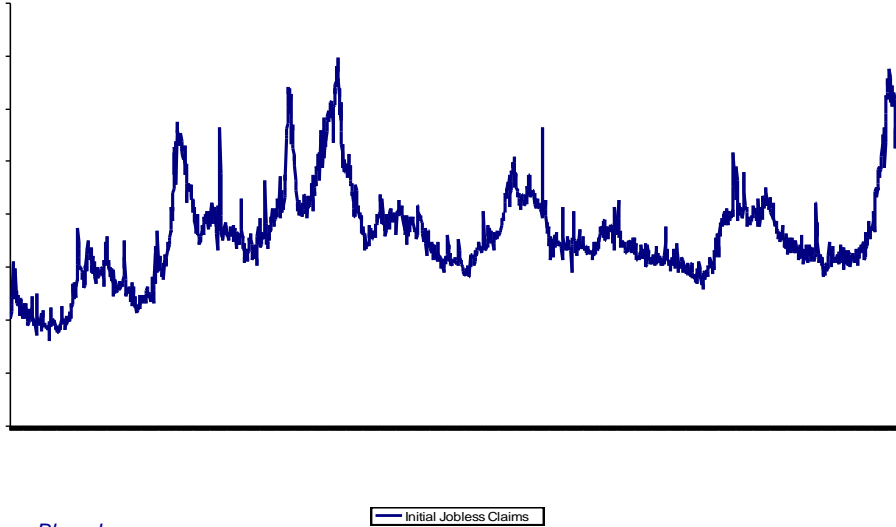
On the other hand, negative data reminded many that the recovery thus far has been very much driven by the government. New home sales for instance, dropped off sharply in November. It fell by almost 11.3 percent in November from October as the first-time homebuyers credit was set to expire. It was subsequently extended to June 2010 by Congress. Other indicators that turned south also include retail sales. The U.S. Census Bureau announced that advance estimates of U.S retail and food services sales for December declined 0.3 percent from the previous month. The decline was sharp compared to the 1.8 percent month-on-month percentage gain in November. Such a trend certainly does not suggest that the U.S. citizen has reverted to their extravagant spending habits.

### **Report Highlights**

*Economic data in U.S. has been mixed of late. Some continued to surprise on the upside while others have pointed southwards*



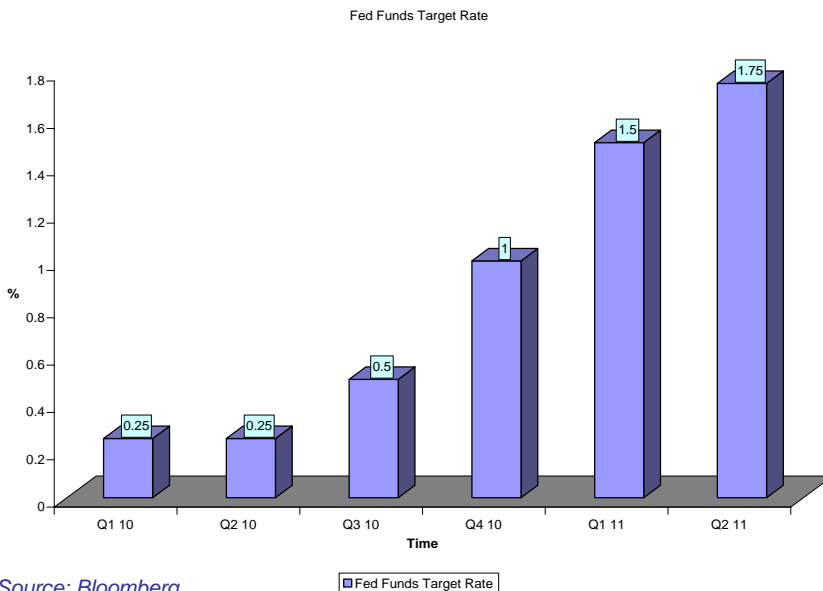
Figure 1: Weekly Initial Jobless Claims



Source: Bloomberg  
Data as of 8th Jan 2010

The immediate issue revolving U.S. continues to be the possibility of the removal of stimulus packages as well as the probability of a rate hike in the near term. Based on the consensus gathered on Bloomberg, many are of the view that a rate hike will not take place until the third quarter of the year.

*The immediate issue revolving the States continues to be the possibility of the removal of stimulus packages as well as the probability of a rate hike in the near term.*



Source: Bloomberg  
Data as of 22<sup>nd</sup> Jan 2010



We concur with that view as loan growth remains weak and inflation appears contained as December's producer price index rose 0.2 percent compared to a 1.8 percent jump in November.

### Golden Age for Asia?

In the recent 2010 Commonwealth Economic Forum held in Taipei, Dr Tony Tan, deputy chairman and executive director of the Government of Singapore Investment Corporation (GIC), commented that "the next decade could be a "Golden Age" for Asia". And that "the stronger than expected global recovery could further surprise on the upside, at least for the next few quarters and settle into its long-term trend in 2011."

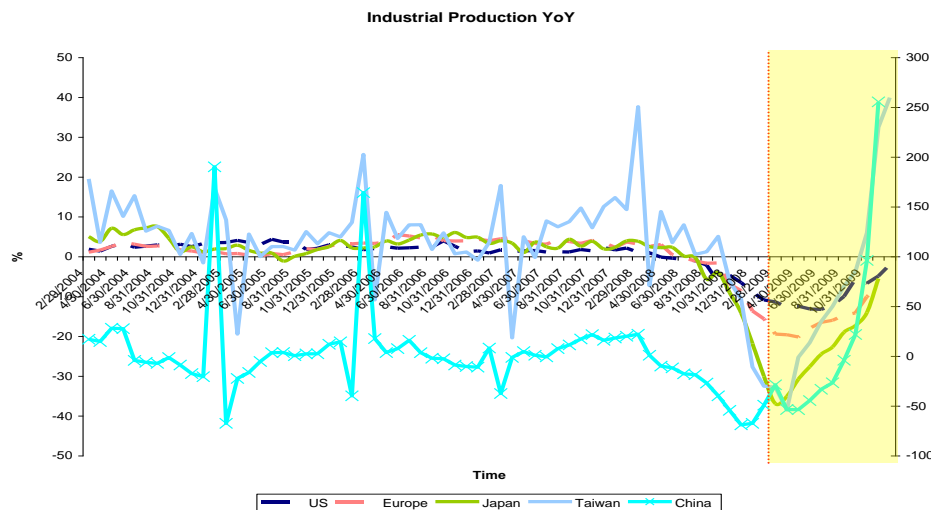
If one had examined how Asian economies have played out at the onset of the crisis, it might be difficult to comprehend the above claim. Indeed, in our previous report, we have shown that Asian economies have not only fallen along side with its western counterparts, it declined by a greater magnitude.

While recession in certain Asian economies such as Singapore and Hong Kong has been more severe than US and Europe, growth has also picked up faster. Indeed, while green shoots appeared in America, they are nothing by comparison with the lush jungle that sprouted in Asia. As shown in figure 3, Asian economies like China and Taiwan registered stronger recovery in industrial production relative to developed economies like Europe, Japan and US. In November 2009, the y-o-y growth in industrial production in Taiwan was 35 percent. On the hand, the y-o-y growth in US and Europe remained in the negative region.

*While green shoots appeared in America, they are nothing by comparison with the lush jungle that sprouted in Asia.*

*Asian economies like China and Taiwan registered stronger recovery in industrial production relative to developed economies.*

**Figure 3: Industrial Production**

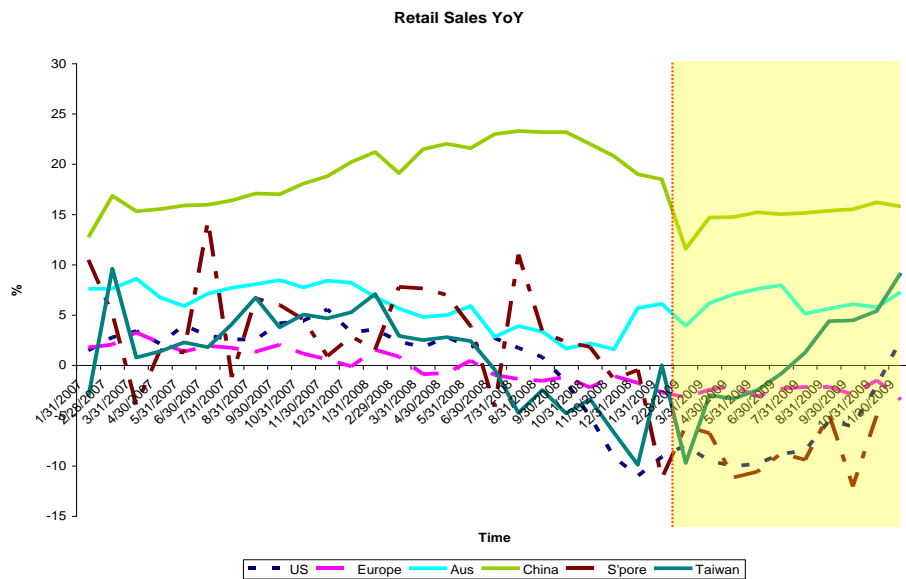


Source: Bloomberg.  
Data as of November 2009.



Retail sales have also been strong in Asia. As depicted in figure 4, countries like Taiwan recovered from some negative y-o-y growth, to be backed strongly in the positive territory. Economies like Australia and China remained in the positive region even in the midst of the financial crisis. On the other hand, while retail sales have improved in the developed economies, y-o-y growth remained in the negative region. In other words, sales in 2009 are lower relative to the same period the year before. This is worrisome given that economic conditions in 2009 was supposedly better than 2008.

**Figure 4: Y-o-Y Retail Sales**



Source: Bloomberg  
Data as of November 2009

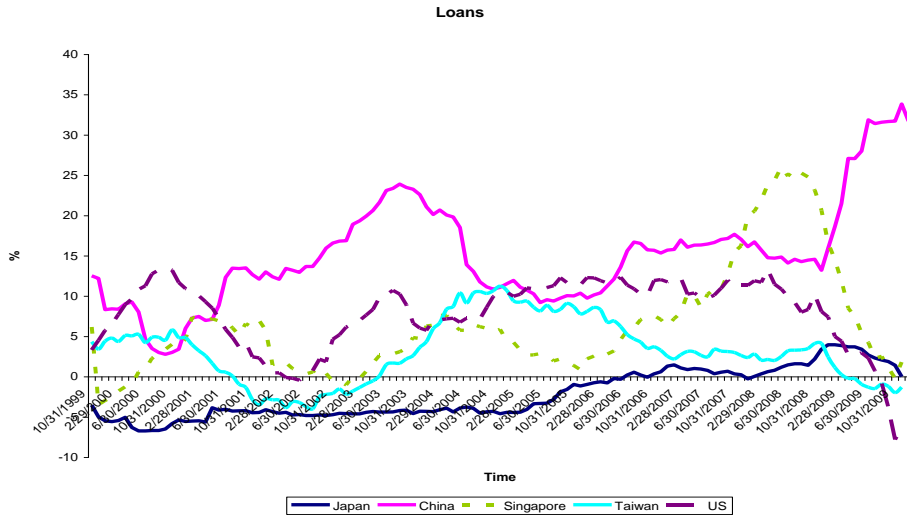
Meanwhile, continuous strong bank loans and advances in emerging Asia have also contributed positively to the region's outlook. As shown in figure 5, loan growth in the States and Japan is still pointing in the southward direction. On the other hand, loans in Singapore have shown signs of improvement while China continues to register strong loan growth. In fact, the Chinese authorities are worried that that growth in loans has expanded too rapidly. Chinese banks doled out a record 9.6 trillion Yuan (US\$1.4 trillion) in new loans last year. Loan growth is believed to have surged 600 billion Yuan (US\$87.9billion) in the first week of January. In reaction, the Chinese Central bank has instructed some major banks to curb their lending over the rest of the month of January. In addition, some individual banks have also been told to increase their reserve requirement ratio by half a percentage point.

Retail sale has also been strong in Asia.  
Retail sale has also been strong in Asia.

Continuous strong bank loans and advances in emerging Asia have also contributed positively to the region's outlook.



Figure 5: Y-o-Y Bank Loans and Advances

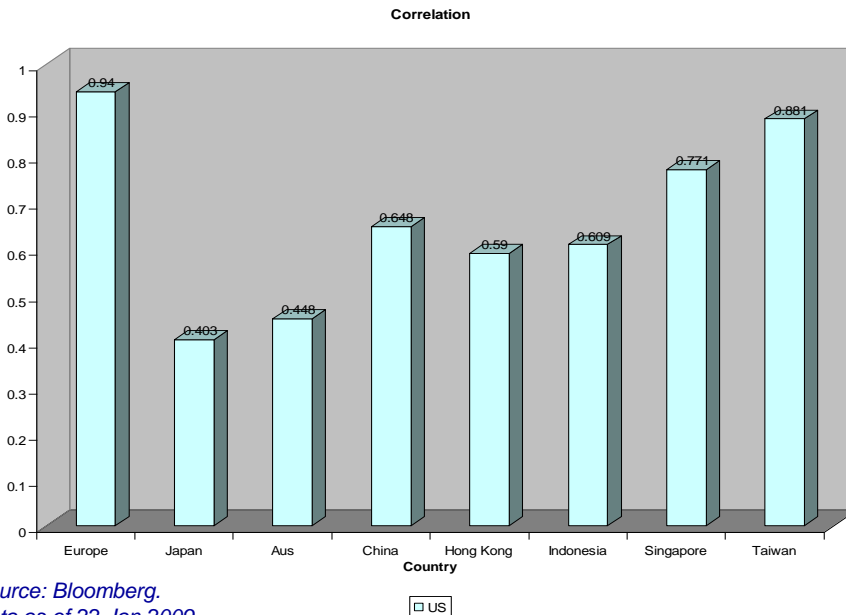


Source: Bloomberg.  
Data as of November 2009.

Within Asia, we think that growth will differ. Economies that are highly correlated to the western countries will be affected by the sub par development in the major economic power. As shown in figure 6, these economies include Singapore and Taiwan.

*Within Asia, we do think that growth will differ.*

Figure 6: Correlation



Source: Bloomberg.  
Data as of 22 Jan 2009.



# PHILLIP SECURITIES PTE LTD

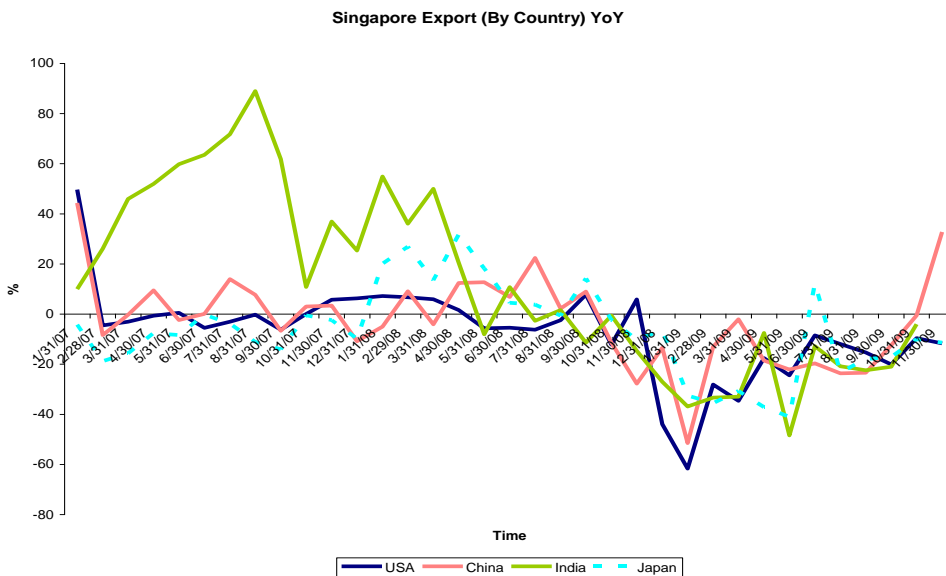
## Unit Trust – UTalk Feb 2010

22 January 2010

Moving forward, we are of the view that Asian economies as a whole can continue to outperform the western countries. However, for this to happen, a lot depends on actions undertaken by the Chinese government. Firstly, it is important that the Chinese government carry on supporting domestic consumption. This is vital as what has spurred the recovery in Asian economies thus far has been the strong demand for goods and services from China. As shown in figure 7 and 8, the proportion of exports bound for China has risen. Simultaneously, exports bound for US have declined. In the context of Singapore, in the month of November last year, exports to China grew as much as 32 percent from the same period a year ago. On the other hand, the y-o-y percentage change in exports to the States continued to be in the negative region. The same trend can be seen in Malaysia. This is depicted in figure 8.

*We do think that Asian economies as a whole can continue to outperform the western countries. However, for this to happen, a lot depends on actions undertaken by the Chinese government.*

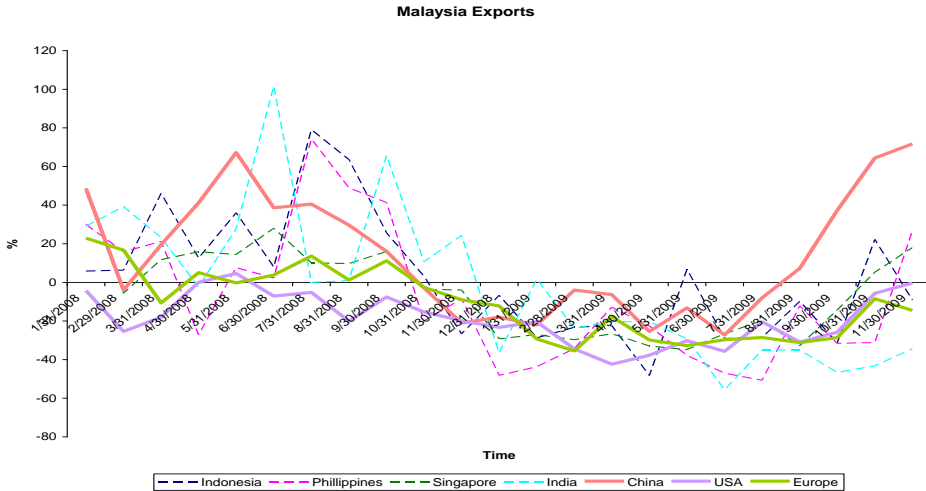
**Figure 7: Singapore YoY Exports (By Country)**



Source: Bloomberg.  
Data as of November 2009.



**Figure 8: Malaysia YoY Exports (By Country)**



Source: Bloomberg.  
Data as of November 2009.

Secondly, it is crucial that the Chinese government does not tighten its monetary policy excessively. As mentioned earlier, the Chinese government is wary of the development of an asset bubble. To ensure that an asset bubble does not become unmanageable, the Chinese authorities have implemented steps to cool an overheating economy. These measures will have repercussion effects on the rest of the countries in Asia.

As such, it is essential to monitor actions undertaken by the Chinese authorities closely. This will have an impact on the rest of Asia and from an investment perspective; it will help to ascertain if one should continue to overweight this part of the world.

*It is essential to monitor actions undertaken by the Chinese authorities closely.*



# PHILLIP SECURITIES PTE LTD

## Unit Trust – UTalk Feb 2010

22 January 2010

### Analyst

Liang Shibin

+6565311516

liangsb@phillip.com.sg

## FAIR ENTRY LEVEL FOR GOLD; TREASURY YIELD IS ON THE RISE.

### Executive Summary

**Equities** – Stellar performance unlikely to continue into the year 2010. Earnings season may disappoint.

**Commodities** – Oil price increased substantially following cold weather in Northern Hemisphere. Gold is still on an upward trend.

**Fixed income** – 30 Year Treasury yield poised for a breakout to the upside. Sovereign risk is likely to be a concern in 2010.

### Equities – A Good Month

Major global equities were mostly in the positive territory on a monthly basis (See Table 1 below). From Table 1, we see that the major equities are currently trading close to their 52 week high. Also, in the same month, we saw tightening measures in the Chinese market in an attempt to cool its property and equity prices. Nevertheless, the market sentiment remains bullish on the whole as the global recovery story continues into the year 2010. Therefore at this point in time, it is tricky to conclude that a correction in equities may be due in the short term. As a word of caution, the U.S. S&P 500 has surged 72% from its March'09 low and Singapore STI has surged more than 100% during the same corresponding period. As such, investors should realize that it is going to be challenging in replicating the stellar equity performance back last year in the year 2010.

**Figure 1: Selected Equity Stock Market Index Returns**

Country	Index	Jan. 18	1-month gain/loss	3-month gain/loss	6-month gain/loss	52 week High	52 week Low
Japan	Nikkei 225	10855.08	7.03	5.83	15.54	10982.10	7021.28
India	BSE 30	17686.29	5.78	2.08	19.95	17790.33	8047.17
Australia	All ordinaries	4936.10	5.66	1.93	23.62	4984.00	3090.80
Singapore	Straits Times	2915.51	4.03	7.66	19.93	2947.08	1455.47
U.S.	S&P 500	1136.03	3.04	4.45	20.81	1150.41	666.79
Hong Kong	Hang Seng	21582.44	1.92	-1.58	14.77	23099.57	11344.58
Germany	Xetra Dax	5875.97	0.77	2.31	18.03	6094.26	3588.89

*Performance of major global equities has been in the positive territory.*

Source: Bloomberg, as of 18 January 2010



We mentioned previously that earnings will be the key driver of market performance moving forward. As the earning season starts to kick off, we expect some degree of disappointment in the company figures. Nevertheless, given the current low interest rate environment, we believe that investors will continue to increase their bets on high yielding assets and the recommendation is to look out for markets seemingly presenting value. From Table 2 below, we are looking at a total of more than US\$2.5 billion inflows into Emerging Markets funds on a weekly basis (week of 11 Jan). China equity funds experienced an outflow of US\$287 million given the implementation of the tightening policies. On a whole, we continue to maintain a bullish outlook on Asia-Pacific equities, including Australia, as we head into the month of February.

### Chart 1: Singapore STI up 100% since March lows



Source: Bloomberg, as of 18 January 2010

STI rallied more than 100% since March low.

### Table 2: Global Equity Funds Inflows in USD Millions )

Inflows (Equity Funds)	
Emerging Markets	2,500
Asia ex-Japan	481
Russia	244
Japan	577
European	190
Outflows (Equity Funds)	
China	287
United States	1,300

Source: EPFR Global, for the week of 11 Jan 09

Emerging market funds continue to enjoy strong inflows.



There are increasing concerns on part of the Chinese government that asset prices are overheating at the moment. The China's property sector has rebounded strongly in second half of 2009 in both sales and volume appreciation. At the same time, new loans in China surged to a new high of US\$1.3 trillion and it is likely to continue rising if the Chinese government does not intervene by increasing rates as well as bank's reserve requirement ratios. We view these moves are at best interest to the broad market as the Chinese government's interventions will help to curb speculative activities and keep inflation in check in the medium term.

A look at the history of bubble scenarios tells a clearer picture. The Tokyo real estate bubble 20 years ago peaked with apartment prices at 12 to 15 times of average household income. Right now, the comparable price for an apartment is 15 to 20 times of average household income for the major Chinese cities. As such, the income wages in China will have to catch up significantly and fast with the rising house prices. The overall GDP growth rate of China is still going strong at the moment and together with the Chinese stimulus plan, it should provide a basis for significant wage growth in the near term.

At the same time, the Shanghai A-share index is currently trading at 3.5 times its book value valuation (known as the PB ratio). Back in 2007, the Shanghai A-share index was trading at 7 times its book value and a sharp correction that follows sent jitters throughout the Mainland. At its high in the 1990s, Nikkei 225 traded at 5 times its book value. Therefore, it is still early to conclude that an equity bubble is present in the China market. (See Chart 2 below for illustration)

**Chart 2: Historical PB Ratio of Shanghai A-share index**



Source: Bloomberg, as of 18 January 2010

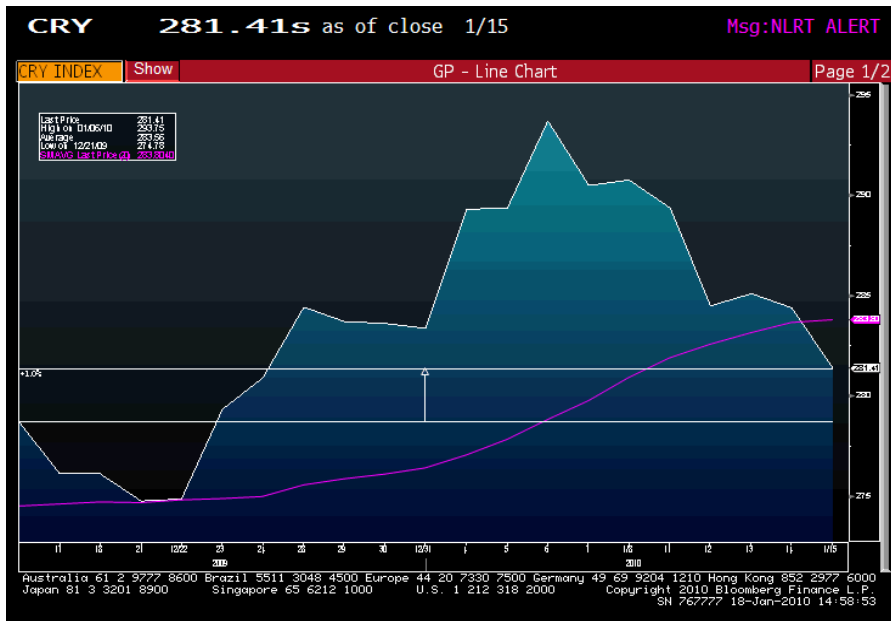
*PB ratio of Shanghai Composite suggests that equity bubble in China is not a major concern.*



### Commodities – Oil Surprise on cold temperatures

The CRB Jefferies Index was up 1.0 percent for the month. Gold price remains well supported at the \$1075 (USD/t oz.) region and we reiterate our positive stance on the gold commodity. On the other hand, oil price shot up to a high of \$83(USD/bbl.) on the back of harsh cold weather before retracing back to the \$77(USD/bbl.) We remain bearish on the outlook of energy prices given that inventories remain high above the 5 year average.

**Chart 3: Monthly Return for the CRB Jefferies Index**



*CRB index went up on a MoM basis. Oil price contributed a large part of the rise.*

Source: Bloomberg, as of 18 January 2010

The US dollar is expected to move higher in the short term. We believe that it is a potential bear rally in dollar. Investors should note that regardless of what the long-term fundamentals of a currency may be, in the short term its price is set by the psychology of buyers and sellers. The recent anti-dollar hysteria is wearing off and the dollar (for all the negativities surrounding it) will continue to be the most liquid and convenient holding in the foreseeable future.

With a rise in dollar, commodities look set to trend down in the near term. Therefore, investors should turn to commodities with strong underlying fundamentals such as gold. We maintain our target price of \$1350 (USD/t oz.) for gold price in the near term.



# PHILLIP SECURITIES PTE LTD

## Unit Trust - UTalk Feb 2010

22 January 2010

### Chart 4: Gold Price Performance as of 18 January 2010



Source: Bloomberg, as of 18 January 2010

### Chart 5: WTI Crude Oil Price Performance as of 18 January 2010



Source: Bloomberg, as of 18 January 2010

Gold price remains well-supported at the 1075 region.

Cold weather help in the rally of oil price over the last month.

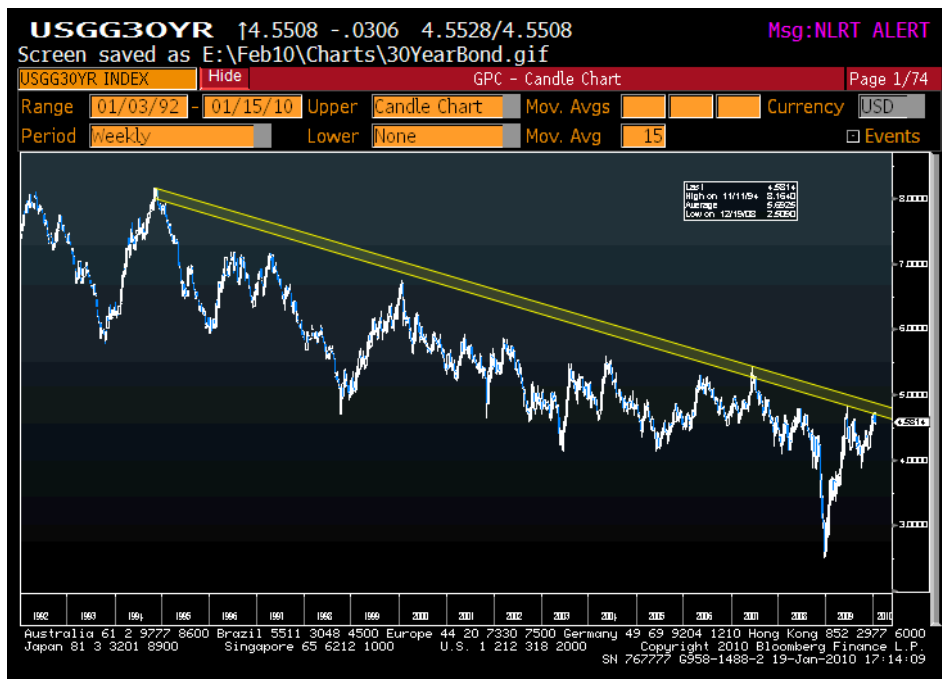


### Fixed Income – Yield is on the rise

The 30 year Treasury bond yield is looking to breakout on the upside from the long term price chart below. At this moment, the credit markets have taken notice that Fed purchases in Treasuries and Mortgage Backed Securities are ending. We believe that the credit markets will move to increase the Treasury yields sooner than the Fed officially ends its zero rate policy. It is important to note that the Fed does not set market rates. That was the primary reason for its entry into the Treasury and MBS markets back in 2009. The Fed created these and other purchase programs because it could not control the rates in those markets through the Fed Funds target (which is 0-0.25% now).

With a possible increase in US yields, we believe that the Japanese yen will regain the throne as the funding currency for carry trade in 2010.

### Chart 6: US Treasury Rates poised for a breakout to the upside



Source: Bloomberg, as of 18 January 2010

30 year Treasury yield poised to breakout, and may dampen bond prices.

Moving forward, we expect sovereign defaults or downgrades to be a growing concern in 2010. We have already witnessed the current ongoing credit issues in Dubai which are unlikely to be resolved or end in the medium term. Yield increase as mentioned earlier will further paint a less than positive outlook on sovereign bonds. Nevertheless, the high yields and emerging market bond funds continue to enjoy strong inflows totaling more than US\$1 billion for the week of 11th Jan.



# PHILLIP SECURITIES PTE LTD

## Unit Trust – UTalk Feb 2010

22 January 2010

Analyst  
Liang Shibin  
+6565311516  
liangsb@phillip.com.sg

### GOLD – FAIR ENTRY POINT; NUMBER TO WATCH: 1,350

#### Executive Summary

**Demand and Supply factors remain intact** – Limited supply and growing demand for gold reserve holdings among central banks.

**Speculative activity in gold futures** – The non-commercials traders (speculators) remain overwhelmingly long in gold futures (GC) for December.

**Inflation as well as deflation a concern in 2010** – At the moment gold is the only physical asset available to hedge against inflation and deflation.

#### Introduction

Our focus of this month will be on gold commodities. We believe the prevailing gold price offers investors a good entry position to the upside. The underlying trend is still intact despite the correction from its previous high of US\$1,227. We are seeing strong support at the US\$1,075 region and with an entry price close to support, downside risk is mitigated. We maintain our short term target at US\$1,350.

**Table 1: Model Portfolio Performance**



Gold price is still on an upward trend. Price level has been resilience so far.

Source: Bloomberg, as of 18 January 2010



### Demand and Supply factors remain intact

Following India's highly publicized purchase of 200 tons of gold from the IMF, gold rallied to a new high of US\$1,227 per oz. Together with announcement from China earlier on that its gold reserves had risen from 600 tons to 1,162 tons since 2003, gold seems to be the focus once again. At the same time, IMF announced on 2nd Nov 2009 that it is "standing ready for an initial period to sell gold directly to central banks and other official holders that may be interested in such sales." Demand for gold has been dominating the headlines during the November and December period.

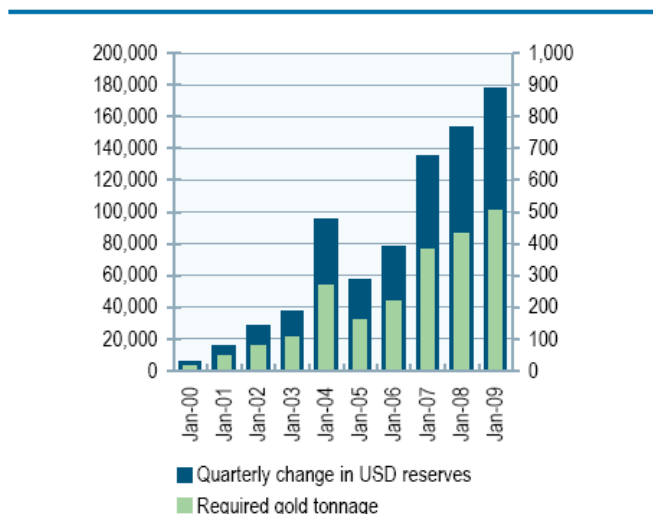
On the supply front, the supply of gold has always been limited. We do not foresee any jump in the gold production in the near term. At the same time, with US\$2.4 trillion of foreign reserves, it is rational for China to increase their gold holdings to supplement their dollar reserves. As such, we do see the underlying fundamentals as favorable for gold given the growing demand and limited supply.

**Table 1: Global Gold Reserves**

Country	Tons
United States	8966
Germany	3757
IMF	3326
China	1162
India	615

Source: New York Times, from IMF data, Nov. 8, 2009

**Figure 1: Change in China's USD Reserves (USB bn) vs. hypothetical tonnage required of gold**



Sources: Bloomberg, CEIC, Standard Chartered Research

*United States holds the biggest share of the worldwide gold reserves.*

*Gold reserves in China will increase to supplement its increasing dollar reserves, standing at US\$2.4 trillion at the moment.*

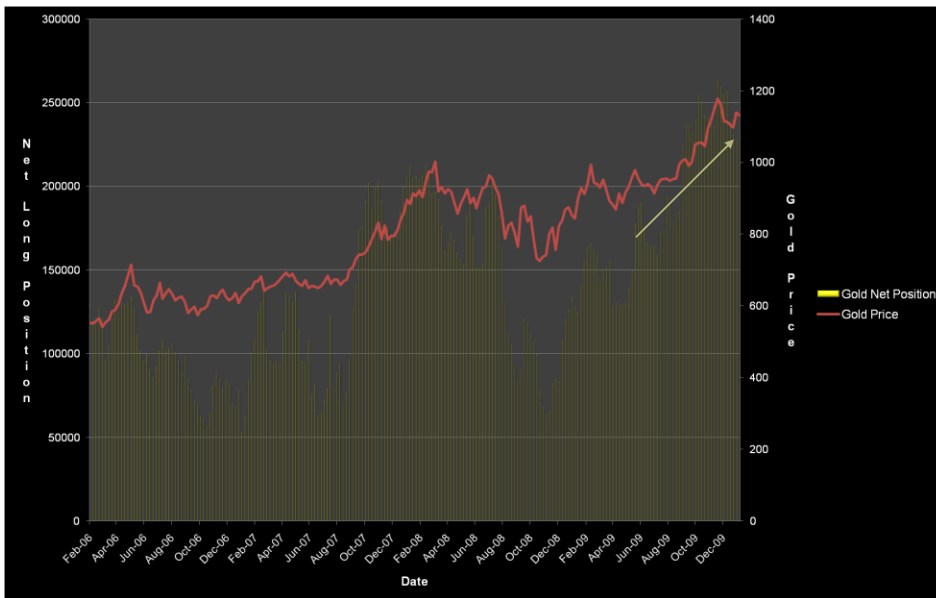


### Speculative activity in gold futures

Non-commercial traders are large speculators such as commodity trading advisors and hedge funds who took up large speculative trading positions. We noticed that there has been a high degree of speculative activities in the gold futures market over the last few months (See Chart 2 below).

To elaborate, before the Nov'07 to Feb'08 run-up in gold prices, we saw a huge spike in the net long position reflecting the bullish sentiment among the non-commercial traders who took up positions on the long side during then. Right now, the net long positions remain high and unless we see a significant change in the fundamental events (mentioned earlier), we feel that the major speculators are still very bullish in gold prices.

**Chart 2: Gold Price relationship with Net Long Position in Gold Futures**



Source: Bloomberg, as of 18 January 2010

*High level of speculative activities on the long side in the futures market.*



### **Inflation as well as Deflation a concern in 2010**

Global market inflation expectations collapsed in the second half of 2008 then made a steady recovery in first half of 2009 before stabilizing at current levels. However, according to a recent Reuter's poll, Asian central banks are expected to raise interest rates by September 2010 as growth and inflation in most economies, notably China, are picking up faster than predicted three months ago. The poll also indicated that half of the analysts polled expect India's central bank to raise rates by the end of March this year as food price inflation is showing signs of spilling over to the wider economy.

Although the Fed and ECB have been stressing that inflation will be benign in the US and Eurozone, we continue to believe that the current quantitative easing environment in these two regions will help to sow seeds for hyperinflation in the long term. Another possible scenario will point them towards a liquidity trap which happened to Japan during the lost decade as the worst case scenario. Throughout recent history, investors have regarded gold as a haven against major crisis and we believe that direct exposure to gold commodity will be beneficial in the near term, even if a double dip recession does not occur.

### **Recommended Fund**

We recommend the Schroder AS Gold and Metals Fund which invests substantially in gold and metal related commodity instruments globally. The fund has enjoyed more than 50 percent annual return so far and has a high Sharpe ratio at 3.95. However it is important to note that the Fund does not invest solely in Gold and performance will be affected by other metals in the portfolio as well. Also, the Fund is involved in metal-related derivative instruments, principally comprising of futures and other commodity-linked derivative instruments and does not deal with the physical commodity directly.

**Table 2: Fund statistics**

Fund Facts	Figures
Assets under Management (AUM)	149.89 Million
1 Year Return	56.59%
Maximum Drawdown	-9.18%
Volatility	11.58%
Sharpe Ratio	3.95

Source: Bloomberg, as of 18 January 2010

*The Fund generated more than 50% annual return so far and has a high Sharpe ratio.*



# PHILLIP SECURITIES PTE LTD

## Unit Trust – UTalk Feb 2010

22 January 2010

**Table 3: Holdings of Schroder AS Gold and Metals Fund**

**Top 5 Holdings in %**

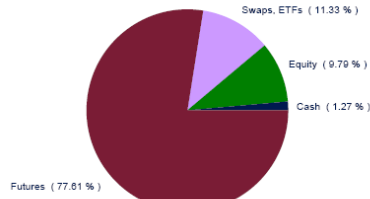
Commodity	Sector	% NAV
Gold	Precious Metals	41.8
Copper	Industrial Metals	14.4
Silver	Precious Metals	12.4
Zinc	Industrial Metals	7.8
Lead	Industrial Metals	7.1
<b>Total</b>		<b>83.5</b>

**Asset Allocation in %**

**Current Portfolio Exposure**



**Investment Security Exposure**



Source: Fund Factsheet, December 2009

Gold holdings made up about 42% of the portfolio.



# PHILLIP SECURITIES PTE LTD

## Unit Trust – UTalk Feb 2010

22 January 2010

### GENERAL DISCLAIMER

This publication shall not be reproduced in whole or in part, distributed or published by you for any purpose. Phillip Securities Pte Ltd shall not be liable for any direct or consequential loss arising from any use of material contained in this publication.

This publication is solely for general information and should not be construed as an offer or solicitation for the subscription, purchase or sale of the securities, and specifically funds, mentioned herein. It does not have any regard to your specific investment objectives, financial situation and any of your particular needs. Accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of any person or group of persons acting on such information and advice. Unit Trusts distributed by Phillip Securities Pte Ltd are not obligations of, deposits in, or guaranteed by, Phillip Securities Pte Ltd or any of its affiliates. No action should be taken without first viewing the details in a fund's prospectus. A copy of the prospectus can be obtained from Phillip Securities Pte Ltd or online at [www.eunittrust.com.sg](http://www.eunittrust.com.sg). Past performance is not necessarily indicative of future returns. Investments in unit trusts are subject to investment risks, including the possible loss of the principal amount invested. Investors should note that the value of the units and income from the fund may rise as well as decline. Investors should also note that there are limitations whenever performance is stated or comparison is made to another unit trust or index for any specific period as no funds or indices are directly comparable.

This publication should not be relied upon as authoritative without further being subject to the recipient's own independent verification and exercise of judgment. The fact that this publication has been made available constitutes neither a recommendation to enter into a particular transaction nor a representation that any investment product described in this material is suitable or appropriate for the recipient. Recipients should be aware that the investment products described in this publication may involve significant risks and may not be suitable for all investors, and that any decision to enter into transactions involving such products should not be made unless all such risks are understood and an independent determination has been made that such transactions would be appropriate. Any discussion of the risks contained herein with respect to any product should not be considered to be a disclosure of all risks or a complete discussion of such risks.

Whilst we have taken all reasonable care to ensure that the information contained in this publication is accurate, we do not guarantee the accuracy or completeness of this publication. Any advice contained in this publication is made only on a general basis and is subject to change without notice. We have not given any consideration to and have not made any investigation of the investment objectives, financial situation or particular needs of any specific person or group of persons as we are not in possession of any such information. You may wish to seek advice from a financial adviser before making a commitment to purchase the investment products mentioned. In the event you choose not to seek advice from a financial adviser, you should consider whether the investment product is suitable for you. Any unit trusts mentioned in this publication is not intended for U.S. citizens.

### DISCLOSURE OF INTEREST

Statement pursuant to section 36 of the Financial Advisers Act - Phillip Securities Pte Ltd, its directors and employees may have interest in the securities recommended herein from time to time, and its associates and connected persons may also have positions from time to time. Opinions and views expressed in this report are subject to change without notice.

PhillipCapital is a group of companies who together offer a full range of quality and innovative financial services to retail, corporate and institutional customers. Member companies in Singapore include Phillip Securities Pte Ltd, Phillip Securities Research Pte Ltd, Phillip Financial Pte Ltd, Phillip Futures Pte Ltd, Phillip Trading Pte Ltd, Phillip Capital Management (S) Ltd, CyberQuote Pte Ltd, International Factors (Singapore) Ltd and ECICS Ltd.

Information on any and all independent PhillipCapital members and the respective financial services they offer can be obtained through the following website – [www.phillip.com.sg](http://www.phillip.com.sg). Members can otherwise be identified by their authorised use of PhillipCapital brand name along with their own name in their documentation and literature.