

Morning Note

Phillip Securities Research Singapore 12 January 2010

(MICA (P) 059/11/2009) Ref No: SGMN2010_0007

Technical

We continue to maintain that the overall backdrop for the equity market is positive. However, technicals for the S&P 500 and STI continue to be in the overbought range. While there have been dips intra-day, the STI daily is still rather overbought and is forming a potential divergence. This might give us the correction/consolidation we are looking for. We continue to maintain that investors "buy on dips". Support is at 2907 and 2885.

Source: Phillip Securities Research Pte Ltd

Company Highlights

China Environment Ltd. announced that its wholly owned subsidiary, Fujian Dongyuan Environmental Protection Co., Ltd. had secured 3 contracts amounting to RMB82.9 million with Shanxi Province Electric Company Electric Environmental Equipment Main Factory and Inner Mongolia Shuangxin Environmental Material Co. Ltd.

CWT Ltd announced that the Company had on 8 January 2010 completed a sale and purchase agreement with the current shareholders to acquire a 70% stake in Force 21 Equipment Pte Ltd for an upfront consideration of S\$3.5 million and an earn-out payment of up to S\$3.5 million upon achievement of agreed profit targets.

Qian Hu Corporation Ltd announced that for the year ended 31 December 2009, the company's revenue increased marginally by \$1.5 million or 1.7% from approximately \$93.1 million for the year ended 31 December 2008 to \$94.6 million for the year ended 31 December 2009. Net profit attributable to shareholders for the full-year ended 31 December 2009 rose 8.3% to \$6.5 million.

Thomson Medical Centre Ltd announced that the Group's revenue for the first quarter ended 30 November 2009 increased by 14.6% to \$18.79 million from \$16.39 million for the first quarter ended 30 November 2008. Net Profit after Tax for Q1 FY2010 was \$3.55 million, which is 25.1% or \$0.71 million higher than Q1 FY2009 of \$2.84 million.

Technics Oil & Gas Ltd announced that the Company and its wholly owned subsidiary, Petro Process System Pte Ltd had entered into Preliminary Purchase Agreement with Mr. Koh Toh Foo, a Singapore citizen, to acquire his entire interest representing 54.67% of the total issued shares of Wecom Engineering Pte Ltd for a total purchase consideration of \$3,552,500 upon the terms and conditions of the Proposed Transaction.

Asia Water Technology Ltd. announced that its subsidiary Wuhan Kaidi Water Services Co., Ltd was awarded two EPC contracts. The two contracts are RMB 43.6 million worth of EPC Contract for a Desalination Project for China Cheng Da Engineering Co., Ltd and RMB 18.26 million worth of EPC Contract for a Desalination Project for Shijiazhuang Liangcun Thermal Co., Ltd.

Ziwo Holdings Ltd announced that its wholly owned subsidiary, Zhihe (Fujian) Technology Co. Ltd had successfully lodged the application for the registration of four patents with the State Intellectual Property Office of the PRC. The successful application of the above four patents brings the total number of patent applications filed by Zhihe Technology to 18, seven of which had just been approved for registration last week including the patent for its full flexible layer of bullet-proof vest material.

Japan Land Ltd announced that the Group reported a net loss after tax of S\$10.8 million for the 1H FY10 as compared to net loss of S\$2.1 million for 1H FY09. Revenue had decreased from S\$5.1 million in 1H FY09 to S\$2.5 million in 1H FY10 as the Group did not register project arrangement fees in 1H FY10 due to cessation of the provision of project arrangement services subsequent to the completion of the Fuchu Data Centre in 1H FY09.

Source: SGX Masnet



Local and Regional Markets Headline

Stocks traded firm on Monday with the key Straits Times Index up 10.77 points or 0.37 per cent at 2,933.53. In the broader market, gainers beat losers 417 to 159 in a volume of 3.094 billion shares valued at \$2.069 billion (US\$1.483 million).

The benchmark FTSE-Bursa Malaysia Kuala Lumpur Composite Index edged up 1.53 points or 0.12 per cent, to finish at 1,294.51. Turnover was at 1.400 billion shares valued at RM1.542 billion (US\$458.178 million). Gainers led losers by 475 to 292.

Hong Kong's benchmark Hang Seng Index gained 0.51 per cent, or 114.77 points, to 22,411.52, with turnover reaching HK\$74.18 billion (US\$9.55 billion).

The Tokyo Stock Exchange is closed for the Coming of Age public holiday on Monday. Trading will resume on Tuesday.

Source: BT Online

US Market News

The Dow Jones industrial average gained 45.80 points, or 0.43 per cent, to 10,663.99. The Standard & Poor's 500 Index rose 2.00 points, or 0.17 per cent, to 1,146.98. The Nasdag Composite Index fell 4.76 points, or 0.21 per cent, to 2,312.41.

The S&P 500 has risen every trading day so far in 2010, the second-longest streak starting a year since 1987's seven straight days of gains. Data from China showed the country ended 2009 with record monthly imports of crude oil and soybeans and a strong appetite for iron ore and copper, while its exports rose 17.7 per cent year-over-year, dwarfing a forecast for a 4 per cent rise.

Source: Reuters

Substantial Shareholders' Transactions			
Company	Substantial Shareholder	From (%)	To (%)
Iconic Holdings Ltd	Resource Equities Pte. Ltd.	40.27	72.14

Source: SGX Masnet



Our Recent Recommendations								
Date	Company	Rating		Price at Recommendation (S\$)	Target Price (S\$)	Last Price (S\$)	Return to Date (%)	Remarks
7-Jan-10	China Sunsine Chemical Holdings Ltd	Buy	U	0.235	0.340	0.270	14.9	Update
7-Jan-10	United Overseas Bank	Buy	М	19.900	23.000	19.880	(0.1)	Update
4-Jan-10	Indofood Agri Resources	Buy	М	2.330	2.770	2.540	9.0	Update
4-Jan-10	Golden Agri-Resources	Buy	С	0.510	0.620	0.645	26.5	Update
31-Dec-09	China Fishery Group Limited	-	-	1.380	-	1.740	-	Visit Note
28-Dec-09	Oceanus Group Limited	Buy	М	0.390	0.520	0.420	7.7	Update
18-Dec-09	Ho Bee Investment Ltd	Buy	С	1.660	1.880	1.860	12.0	Update
18-Dec-09	SC Global Developments Ltd	Buy	U	1.670	1.770	2.010	20.4	Update
18-Dec-09	Sing Holdings Ltd	Buy	U	0.295	0.390	0.375	27.1	Update
16-Dec-09	China Yuanbang Property Holdings Ltd	-	-	0.230	-	0.235	-	Visit Note
14-Dec-09	Suntec REIT	Hold	М	1.280	1.140	1.420	-	Update
4-Dec-09	Cambridge Industrial Trust	Hold	М	0.420	0.410	0.470	11.9	Update
3-Dec-09	Golden Agri-Resources Limited	Hold	D	0.475	0.530	0.645	35.8	Update
24-Nov-09	Epure International Limited	Buy	М	0.615	0.710	0.885	43.9	Update
20-Nov-09	Li Heng Chemical Fibre Technologies Limited	Hold	М	0.250	0.285	0.345	-	Results Update

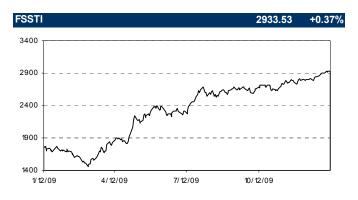
^{*}Calculation is based on share price stated in the reports. Please refer to the individual reports for ratings history.

ETF Performance

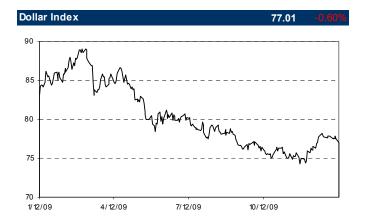
ETF	% Change	Change	Last
ABF Singapore Bond Index Fund	+0.00	+0.00	1.10
CIMB FTSE ASEAN 40 ETF	+1.44	+0.12	8.46
DBS Singapore STI ETF	+0.34	+0.01	2.97
SPDR® Gold Shares	+2.90	+3.20	113.63
Shares MSCI India ETF	+0.42	+0.03	7.13
Lyxor ETF MSCI AC Asia-Pacific Ex Japan	+1.39	+0.06	4.38
Lyxor ETF China Enterprise (HSCEI)	+0.12	+0.02	17.02
Lyxor ETF Commodities CRB	+0.71	+0.02	2.84
Lyxor ETF Hong Kong (HIS)	+0.34	+0.01	2.92
Lyxor ETF India (S&P CNX Nifty)	+0.25	+0.04	16.14
Lyxor ETF Japan (Topix®)	+0.00	+0.00	1.00
Lyxor ETF MSCI Korea	+0.00	+0.00	4.24
Lyxor ETF MSCI Taiwan	+1.25	+0.01	0.97
streetTracks® Straits Times Index Fund	+0.33	+0.01	3.00

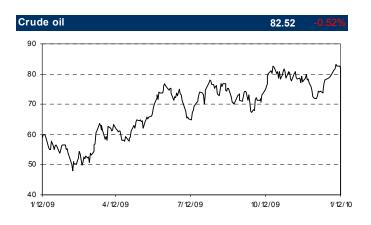


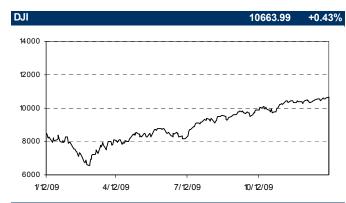
N - New, U - Upgrade, M - Maintain, D - Downgrade

















STI - Index Members

Name	% Chg	Chg	Last
CAPITALAND LTD	1.42	0.06	4.30
COMFORTDELGRO CORP LTD	-0.61	-0.01	1.62
CITY DEVELOPMENTS LTD	1.20	0.14	11.78
COSCO CORP SINGAPORE LTD	4.58	0.06	1.37
CAPITAMALL TRUST	-0.53	-0.01	1.86
DBS GROUP HOLDINGS LTD	-0.26	-0.04	15.34
FRASER AND NEAVE LTD	1.81	0.08	4.49
GENTING SINGAPORE PLC	-0.81	-0.01	1.23
GOLDEN AGRI-RESOURCES LTD	6.61	0.04	0.65
HONGKONG LAND HOLDINGS LTD	0.21	0.01	4.86
JARDINE CYCLE & CARRIAGE LTD	0.08	0.02	26.50
JARDINE MATHESON HLDGS LTD	-1.57	-0.48	30.10
JARDINE STRATEGIC HLDGS LTD	0.00	0.00	17.56
KEPPEL CORP LTD	0.69	0.06	8.71
SMRT CORP LTD	-1.04	-0.02	1.91

Name	% Chg	Chg	Last
NOBLE GROUP LTD	2.42	0.08	3.39
NEPTUNE ORIENT LINES LTD	6.74	0.12	1.90
OVERSEA-CHINESE BANKING CORP	-1.23	-0.11	8.80
OLAM INTERNATIONAL LTD	0.37	0.01	2.71
SEMBCORP INDUSTRIES LTD	0.81	0.03	3.73
SINGAPORE EXCHANGE LTD	0.95	0.08	8.48
SINGAPORE AIRLINES LTD	-0.55	-0.08	14.40
SIA ENGINEERING CO LTD	-1.09	-0.04	3.64
SEMBCORP MARINE LTD	1.06	0.04	3.81
SINGAPORE PRESS HOLDINGS LTD	2.22	0.08	3.69
SINGAPORE TELECOMMUNICATIONS	-0.98	-0.03	3.02
SINGAPORE TECHNOLOGIES ENG	-0.31	-0.01	3.25
STARHUB LTD	0.00	0.00	2.13
UNITED OVERSEAS BANK LTD	-0.20	-0.04	19.88
WILMAR INTERNATIONAL LTD	3.04	0.21	7.11

Singapore

Indices	% Chg	Chg	Last
STRAITS TIMES INDEX	0.37	10.77	2933.53
FTSE ST ALL SHARE INDEX	0.54	3.89	729.01
FTSE ST FLEDGLING INDEX	1.36	9.81	733.13
FTSE ST MID CAP INDEX	0.95	6.86	726.06
FTSE ST SMALL CAP INDEX	1.84	10.66	590.30
FTSE ST CHINA INDEX	0.87	2.69	313.60
FTSE ST REAL ESTATE INDX	0.52	3.55	686.26
FTSE ST RE INVEST TRUST	0.15	0.95	625.92
FTSE ST OIL & GAS INDEX	2.17	15.01	707.05
FTSE ST BASIC MATERIALS	1.45	5.21	363.88
FTSE ST INDUSTRIALS INDX	0.71	4.56	643.07
FTSE ST CONSUMER GOODS	3.68	29.06	817.99
FTSE ST HEALTH CARE INDX	0.42	3.59	859.18
FTSE ST CONSUMER SERVICE	0.34	2.80	835.40
FTSE ST TELECOMMUNICATE	-0.87	-6.49	742.64
FTSE ST UTILITIES INDEX	-0.60	-3.28	545.54
FTSE ST FINANCIALS INDEX	0.03	0.23	757.79
FTSE ST TECHNOLOGY INDEX	-0.02	-0.19	850.84
FTSE SGX SHARIAH 100 IDX	0.66	32.64	5004.21
FTSE/ASEAN 40 INDEX	1.11	92.86	8492.71
MSCI SING CASH IX (SGX)	0.37	1.30	351.90

Top Gainers	Last	Chg
GLD 10US\$	113.630	+3.200
DBXT MSKorea 10US\$	49.030	+1.150
Lyxor EmergingMkts 10US\$	10.330	+0.660

Top Losers	Last	Chg
DBXT FTVietnam 10US\$	47.170	-0.580
JMH 400US\$	30.100	-0.480
DBS Bk 6% NCPS 10	104.720	-0.380

Top Volume	Last	Vol
GoldenAgr	0.645	191,146
Genting SP	1.23	102,498
China Hongx	0.235	94,375

TURNOVER (SH	IARES)	3,094,062,420
TURNOVER (S\$)	2,069,215,496
UP		417
DOWN		159
UNCHANGED		651



Phillip Securities Research - Stocks Coverage

	2/ 21		
Name	% Chg	Chg	Last
AIMS AMP CAPITAL INDUSTRIAL	0.00	0.00	0.23
COMFORTDELGRO CORP LTD	-0.61	-0.01	1.62
CDL HOSPITALITY TRUSTS	-1.67	-0.03	1.77
CHINA MILK PRODUCTS GROUP	6.67	0.03	0.40
COSCO CORP SINGAPORE LTD	4.58	0.06	1.37
CAMBRIDGE INDUSTRIAL TRUST	1.08	0.01	0.47
CHINA SKY CHEMICAL FIBRE CO	2.27	0.01	0.23
CHINA SUNSINE CHEMICAL HLDGS	-1.82	-0.01	0.27
CHINA YUANBANG PROPERTY HOLD	14.63	0.03	0.24
DBS GROUP HOLDINGS LTD	-0.26	-0.04	15.34
EPURE INTERNATIONAL LIMITED	0.57	0.01	0.89
FRASERS COMMERCIAL TRUST	0.00	0.00	0.16
GOLDEN AGRI-RESOURCES LTD	6.61	0.04	0.65
HO BEE INVESTMENT LTD	0.00	0.00	1.86
INDOFOOD AGRI RESOURCES LTD	4.96	0.12	2.54
INTERRA RESOURCES LTD	5.00	0.01	0.21
CHINA KUNDA TECHNOLOGY	5.17	0.02	0.31
LI HENG CHEMICAL FIBRE TECH	2.99	0.01	0.35
MERCATOR LINES SINGAPORE LTD	3.03	0.01	0.34

Name	% Chg	Chg	Last
MOBILEONE LTD	1.04	0.02	1.95
NEPTUNE ORIENT LINES LTD	6.74	0.12	1.90
OCEANUS GROUP LTD	0.00	0.00	0.42
OVERSEA-CHINESE BANKING CORP	-1.23	-0.11	8.80
PARKWAY LIFE REAL ESTATE	0.00	0.00	1.35
QIAN HU CORP LTD	3.03	0.01	0.17
SC GLOBAL DEVELOPMENTS LTD	3.61	0.07	2.01
SING HOLDINGS LTD	5.63	0.02	0.38
SINGAPORE POST LTD	0.00	0.00	1.02
SINGAPORE TELECOMMUNICATIONS	-0.98	-0.03	3.02
SINOTEL TECHNOLOGIES LTD	0.77	0.01	0.66
SMRT CORP LTD	-1.04	-0.02	1.91
STARHUB LTD	0.00	0.00	2.13
SUNTEC REIT	0.00	0.00	1.42
SUNVIC CHEMICAL HOLDINGS	2.78	0.01	0.19
UNITED OVERSEAS BANK LTD	-0.20	-0.04	19.88
WILMAR INTERNATIONAL LTD	3.04	0.21	7.11
YING LI INTERNATIONAL REAL E	-2.26	-0.02	0.65

Major World Indices

Indices	% Chg	Chg	Last
TEL AVIV 100 INDEX	-0.84	-9.30	1100.22
HANG SENG INDEX	0.51	114.77	22411.52
JAKARTA COMPOSITE INDEX	0.68	17.83	2632.20
FTSE Bursa Malaysia KLCI	0.12	1.53	1294.51
KOSPI INDEX	-0.07	-1.14	1694.12
NIKKEI 225	1.09	116.66	10798.32
STOCK EXCH OF THAI INDEX	1.08	7.99	746.95
SHANGHAI SE COMPOSITE IX	0.52	16.75	3212.75
TAIWAN TAIEX INDEX	0.52	42.92	8323.82
BSE SENSEX 30 INDEX	-0.08	-13.58	17526.71

Indices	% Chg	Chg	Last
ALL ORDINARIES INDX	-0.35	-17.60	4981.20
S&P/TSX COMPOSITE INDEX	-0.06	-6.70	11947.13
FTSE 100 INDEX	0.07	3.83	5538.07
CAC 40 INDEX	-0.05	-2.05	4043.09
DAX INDEX	0.05	2.89	6040.50
DOW JONES INDUS. AVG	0.43	45.80	10663.99
S&P 500 INDEX	0.17	2.00	1146.98
NASDAQ COMPOSITE INDEX	-0.21	-4.76	2312.41
NYSE Arca Gold BUGS	0.59	2.72	465.32

US Bellwethers

Name	% Chg	Chg	Last
3M CO	-0.40	-0.34	83.98
ALCOA INC	2.53	0.43	17.45
AMERICAN EXPRESS CO	-1.14	-0.48	41.47
AT&T INC	-0.48	-0.13	26.97
BANK OF AMERICA CORP	0.89	0.15	16.93
BOEING CO	-1.19	-0.73	60.87
CATERPILLAR INC	6.28	3.79	64.13
CHEVRON CORP	1.77	1.41	80.88
CISCO SYSTEMS INC	-0.28	-0.07	24.59
COCA-COLA CO/THE	2.03	1.12	56.27
DU PONT (E.I.) DE NEMOURS	0.94	0.32	34.26
EXXON MOBIL CORP	1.12	0.78	70.30
GENERAL ELECTRIC CO	0.96	0.16	16.76
HEWLETT-PACKARD CO	-0.30	-0.16	52.43
HOME DEPOT INC	-2.83	-0.82	28.16

Name	% Chg	Chg	Last
INTL BUSINESS MACHINES CORP	-1.05	-1.37	129.48
INTEL CORP	0.58	0.12	20.95
JOHNSON & JOHNSON	0.02	0.01	64.22
JPMORGAN CHASE & CO	-0.34	-0.15	44.53
KRAFT FOODS INC-CLASS A	-0.45	-0.13	28.80
MCDONALD'S CORP	0.78	0.48	62.32
MERCK & CO. INC.	0.40	0.15	37.85
MICROSOFT CORP	-1.27	-0.39	30.27
PFIZER INC	0.80	0.15	18.83
PROCTER & GAMBLE CO/THE	-0.40	-0.24	60.20
TRAVELERS COS INC/THE	-0.04	-0.02	48.54
UNITED TECHNOLOGIES CORP	2.17	1.53	72.16
VERIZON COMMUNICATIONS INC	0.41	0.13	31.88
WAL-MART STORES INC	1.65	0.88	54.21
WALT DISNEY CO/THE	-1.63	-0.52	31.36



Commodities & Currencies

Commodities	% Chg	Chg	Last
GOLD SPOT US\$ / OZ	-0.04	-0.45	1,151.85
SILVER SPOT US\$ / OZ	+0.03	+0.00	18.56
Bloomberg West Texas Intermedi	-0.28	-0.23	82.75

Commodities	% Chg	Chg	Last
Malaysian Rubber Board Standard	+0.25	+2.50	992.00
PALM OIL (RM\$/METRIC TON)	-0.75	-19.50	2572.50

Index	% Chg	Chg	Last
DOLLAR INDEX SPOT	-0.60	-0.47	77.01

Currencies	Against S\$	Against US\$
AUSTRALIAN DOLLAR	1.2897	0.9296
CANADIAN DOLLAR	1.3428	1.0335
EURO	2.0137	1.4513
BRITISH POUND	2.2359	1.6115
US DOLLAR	1.3875	1.0000
CHINA RENMINBI	0.2033	6.8263
HONG KONG DOLLAR	0.1789	7.7553
JAPANESE YEN	1.5067	92.0880
KOREAN WON	0.1239	1119.9500
MALAYSIAN RINGGIT	0.4159	3.3365
THAI BAHT	0.0420	33.0350

US Treasury Yields

Maturity	Today	Yesterday	Last Week	Last Month
3 Months	0.01	0.02	0.03	0.01
6 Months	0.11	0.13	0.16	0.14
2 Years	0.94	0.97	1.07	0.80
3 Years	1.50	1.54	1.61	1.30
5 Years	2.56	2.59	2.63	2.25
10 Years	3.82	3.83	3.82	3.55
30 Years	4.73	4.71	4.64	4.50

Yield Spread (10 yrs - 3 mths) 3.81

Yield Spread (10 yrs - 2 yrs) 2.88

Source: Data provided by ValuBond - http://www.valubond.com

Calendar

Earning Announcement – Singapore

Name	Expected Report Date*	
Singapore Press Holdings Ltd	January 13, 2010	
Lian Beng Group Ltd	January 13, 2010	
EOC Ltd	January 14, 2010	
Ezra Holdings Ltd	January 14, 2010	
Miyoshi Precision Ltd	January 14, 2010	
BH Global Marine Ltd	January 15, 2010	
Singapore Exchange Ltd	January 15, 2010	
Ascendas Real Estate Investment Trust	January 18, 2010	
Singapore Post Ltd	January 18, 2010	
MobileOne Ltd	January 19, 2010	

Source: Bloomberg



Economic Announcement

US

Date	Statistic	For	Survey	Prior
1/12/10	NFIB Small Business Optimism	DEC		88.3
1/12/10	Trade Balance	NOV	-\$34.9B	-\$32.9B
1/12/10	IBD/TIPP Economic Optimism	JAN		46.8
1/13/10	ABC Consumer Confidence	11 Jan		-41
1/13/10	MBA Mortgage Applications	Jan 09		0.005
1/14/10	Monthly Budget Statement	DEC	-\$78.5B	-\$51.8B
1/14/10	Fed's Beige Book	Jan 14		
1/14/10	Import Price Index (MoM)	DEC	-0.001	0.017
1/14/10	Import Price Index (YoY)	DEC	0.085	0.037
1/14/10	Advance Retail Sales	DEC	0.004	0.013
1/14/10	Retail Sales Less Autos	DEC	0.003	0.012
1/14/10	Retail Sales Ex Auto & Gas	DEC	0.002	0.006
1/14/10	Initial Jobless Claims	10 Jan	438K	434K
1/14/10	Continuing Claims	03 Jan	4950K	4802K
1/14/10	Business Inventories	NOV	0	0.002
1/15/10	Consumer Price Index (MoM)	DEC	0.002	0.004
1/15/10	CPI Ex Food & Energy (MoM)	DEC	0.001	0
1/15/10	Consumer Price Index (YoY)	DEC	0.028	0.018
1/15/10	CPI Ex Food & Energy (YoY)	DEC	0.018	0.017
1/15/10	CPI Core Index SA	DEC		220.527
1/15/10	Consumer Price Index NSA	DEC		216.33
1/15/10	Empire Manufacturing	JAN	11.25	2.55

Singapore

Date	Statistic	For	Survey	Prior
1/15/10	Retail Sales (YoY)	NOV		-0.044
1/15/10	Retail Sales (MoM) sa	NOV		0.06
1/15/10	Electronic Exports (YoY)	DEC		-0.061
1/15/10	Non-oil Domestic Exports (YoY)	DEC		0.087
1/15/10	Non-oil Domestic Exp SA (MoM)	DEC		0.198
1/25/10	CPI (MOM) - NSA	DEC		0.004
1/25/10	CPI (YoY)	DEC		-0.002
1/26/10	Industrial Production YoY	DEC		-0.082
1/26/10	Industrial Production MoM SA	DEC		-0.036
1/29/10	Unemployment Rate (sa)	4Q		0.034
1/29/10	M1 Money Supply (YoY)	DEC		0.254
1/29/10	M2 Money Supply (YoY)	DEC		0.101
1/29/10	Bank Loans & Advances (YoY)	DEC		0.018
1/29/10	Credit Card Billings	DEC		2389.4M
1/29/10	Credit Card Bad Debts	DEC		15.2M
2/2/10	Purchasing Managers Index	JAN		53.3
2/2/10	Electronics Sector Index	JAN		52.9
2/8/10	Foreign Reserves	JAN		
2/15/10	Retail Sales (YoY)	DEC		
2/15/10	Retail Sales (MoM) sa	DEC		
2/17/10	Electronic Exports (YoY)	JAN		
2/17/10	Non-oil Domestic Exports (YoY)	JAN		

Source: Bloomberg



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