

Regional Market Focus

5 February 2013

Thailand

Kiatnakin Bank – Trade Flash

Recommendation: NEUTRAL

Previous close: Bt52

Fair value: Bt50

- CY12 net profit expanded by 49% y-y to Bt3.91bn. Such profit included Bt403mn from PHATRA.
- The bank's loan target for CY13 is at 19% supported by HP and RE loans. KK will also realize full year contribution from PHATRA this year.
- We rate 'NEUTRAL' stance on KK with our CY13 price target at Bt50/share.

Bangkok Dusit Medical Services – Trade Flash

Recommendation: ACCUMULATE

Previous close: Bt133.50

Fair value: Bt146

- We expect 4QCY12 net profit to grow more than 53.13% y-y. Much of the growth would be attributable to exceptionally low base a year ago due to severe flood.
- In CY12, profit from core business is expected to increase 39% y-y to Bt6,100.21mn. Including extra items, net profit would grow as much as 80% y-y to Bt7,895.21mn.
- For CY13, we raise our revenue estimate with a 14.6% y-y growth, bringing up net profit projection to Bt6,959mn, representing growth of 14% y-y.
- Our price target increases to Bt146/share for CY13 to reflect rising earnings outlook. At the current share prices, we rate BGH an 'ACCUMULATE'.

VGI Global Media – Company Update

Recommendation: REDUCE

Previous close: Bt124

Fair value: Bt107

- VGI reported 3QFY13 net profit growth of 305.53% y-y to Bt270.65mn. The quarterly profit came in 5.56% above our forecast.
- Management has raised its FY13 forecasts for (i) modern trade media revenue growth to 40% from 10% and (ii) office buildings and other media revenue growth to 20% from 10% to reflect rising occupancies but it keeps its FY13 forecast for BTS-related media revenue growth unchanged at 20% y-y driven by a 10% hike in ad rates and increasing ad areas.
- We raise our FY13-14 net profit forecasts for VGI by 5.39% and 14% respectively. To reflect earnings upgrades, we lift our FY14 target price for VGI to Bt107/share but we reiterate a 'REDUCE' rating on VGI as current share prices have already exceeded the new target.

Hong Kong

Shenzhen Investment (604.HK) - Assets injection enhances development potential

Recommendation : Buy

Previous close : HKD 3.36

Fair value: HKD 4.50

- On January 23, 2013, Shenzhen Investment announced the Company signed an agreement with its parent company Shum Yip Holdings on January 17 to acquire 100% equity of Ke Zhi Gu project at RMB4.15 billion. Considering very good quality of the asset to be acquired and the expectation that the acquired asset will considerably uplift profitability and corporate value and the parent company will continuously inject assets, we are very optimistic about good return the acquisition transaction will bring for Shenzhen.
- Ke Zhi Gu project will substantially improve the Company's sales and profits, help Shenzhen Investment become a medium-sized property firm with yearly sales exceeding RMB10 billion and investment income exceeding RMB1.2 billion. as for potential asset injection, the model of "incubation + injection" will be important reference for future asset injection, that is, Shum Yip Holdings will inject mature quality blocks into the listed company and share gains by holding equity of the listed company, the parent company will assume considerable early risks and asset injection interval will be about 1-2 years. With the implementation of the asset injection plan, Shenzhen Investment will possess 4 million m2 floor areas of quality project reserves in 3-4 years.
- In 2012 Shenzhen Investment completed RMB6.1 billion sales, the Company will set the sale goal for 2013 at RNB10 billion, which reflects strong entrepreneurial spirit and development motive force of the management. The asset injection will help uplift the Company's sales and profitability and it is expected that the parent company Shum Yip Holdings' asset injection will be carried on continuously. Benefiting from this, Shenzhen Investment sales are expected to outpace RMB18 billion in 2015.
- Due to expected rapid growth of sales and considerable sales cash flow contributed by the injected assets starting from 2013, and limited diluting effect of equity expansion on future EPS, we estimate Shenzhen Investment EPS for 2013 and 2014 at HK\$0.52 and HK\$0.55. We believe the parent company's asset injection expectation helps uplift the share value, so grant Shenzhen Investment "buy" rating, 12-month target price is HK\$4.5, equivalent to 8.2-time P/E expected for 2014.

Strategy Views

- Country Strategy: [China & HK, 28 Jan](#) / [S'pore, 26 Dec](#) / [Thai, 19 Dec](#)
- Global Macro, Asset Strategy: [24 Jan, Update](#) / [4 Jan](#) / [US, 21 Dec](#) / [ASEAN, 5 Dec](#)

Morning Commentary

- STI: +0.19% to 3297.4
- JCI: +0.20% to 4490.6
- HSCEI: -0.48% to 12156.6
- Nikkei 225: +0.62 to 11260
- India NIFTY: -0.19% to 5987.3
- SET: +0.48% to 1506.4
- KLCI: +0.43% to 1634.6
- Hang Seng: -0.16% to 23685
- ASX200: -0.28% to 4907.5
- S&P500: +1.15% to 1495.7

SGX Update:

By Ken Ang, Financials & Telco Analyst

SGX (Accumulate, TP: S\$7.88) recently released its monthly market statistics for Jan 2013. Securities Daily Average Value was up 55% m-m, from S\$1.16 billion to S\$1.80 billion. This marks a marked improvement as per our expectations. Derivatives Daily Average Volume was also up 15% m-m from 0.40 million, to 0.46 million, hitting a new record high. With the continued positive market sentiments, and the shift of funds from the Bond markets to the Equity markets globally, we continue to be positive on both SDAV and DDAV. We maintain our "Accumulate" call on SGX.

MARKET OUTLOOK:

By Joshua Tan, Hd of Research

During yesterday's market outlook webinar, a few remisiers/clients raised the question of whether a correction was imminent. Last week Friday, we speculated that profit taking might set in, but were caught out on the current pain trade of "fear of missing out".

Today, profit taking is likely, as last night US and European stocks took a hit, and Spanish and Italian bond yields rose. The spectre of Europe is rearing its ugly head, as political risk threatens to derail structural reforms.

Spain's govt is under corruption allegations, thus the risk of political transition is untimely in the middle of structural reform.

In Italy, where elections are due 24/25th Feb, polls showed Berlusconi's party has gained on incumbent Monti as the former promises to undo and reimburse a property tax worth about 4b euros a year.

We view the Spanish risk as more serious as polls still show Monti will win the election.

While the indices are still on long term uptrends, in the short term (indices are tradable with PhillipCFD):

The S&P500 has an almost bearish engulfing candle, which suggests short term weakness ahead.

The STI gapped above the crucial 3300 (this cycle high) but closed slightly below the opening to close the gap. The STI has a tendency to close gaps before going higher, so while the sign is still rather bullish, this could be challenged near term if political risk from the EZ begins to worsen.

The HSCEI and Hang Seng uptrends could also be challenged for the same reasons.

China A shares, the CSI300 (83188 HK), are likely to take a pause before taking on the 2800 resistance.

No change to our overall market outlook for the year: we continue to believe that this is a year for stocks and maintain OW on CN, HK, SG, TH and PH, while MW on the US, MY and ID. Investors looking to invest in the first 4 markets should check out our Country Strategy reports, else invest/trade them thru ETFs/PhillipCFDs listed in the Asset Strategy reports (see Sector/Strategy Reports section).

Chief risks to this positive 2013 outlook of course is the 1st March US sequester, the 18th May US debt ceiling deadlines, and we now add political risk from the EZ.

EQUITY STRATEGISTS:

- Hd of China Research likes China Life Insurance (2628 HK), China Lumena New Material (67 HK)
- Hd of HK Research likes AIA (1299 HK) and HSBC (5 HK)
- SG Equity Strategist (Derrick Heng): For 1Q2013, we believe that cyclical stocks in the Industrials space could do well in the near term: SIA (Buy, TP: S\$13.40), Keppel Corp. (Accumulate, TP: S\$12.38) & NOL (Accumulate, TP: S\$1.36). Top picks for the year are Pan United (Buy, TP: S\$0.88), SIAEC (Buy, TP: S\$5.00) & Capitaland (Accumulate, TP: S\$3.97). All 3 picks have already exceeded or are very close to TPs, so we look forward to 4q12 earnings to reassess their TPs. We have also revised SATS (Accumulate, TP: S\$3.33) TP higher, as the company has the potential to increase dividends FY03/13.

MACRO DATA

In Singapore, manufacturing activity expanded -albeit marginally for the first time in seven months- with the headline PMI registering a reading of 50.2 in Jan, up 1.6 pts m-m from the preceding month on account of higher new orders -domestically as well as for exports- and accumulation of finished goods (which hints of a gradual restocking in anticipation of higher demand). Electronics also remain mired in contractionary territory, despite a 3.3 pts m-m increase in the electronics PMI to 49.9 in Jan.

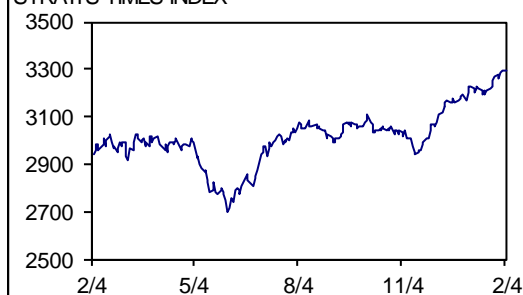
In US, factory new orders rose 1.8% m-m in Dec, compared to a 0.3% revised decline in the preceding month. Inventory to shipment ratio stood at 1.27, unchanged from the preceding month. Core capital goods orders -a proxy for capex spending by businesses- declined 0.3% in Dec after registering strong gains 3.3% (revised upwards by 0.3%-pt) in Nov.

In Australia, inflation accelerated slightly to 2.5% y-y in Jan, at the middle of the central bank's 2-3% target, from 2.4% y-y in Dec. A separate report shows that the building approvals fell by 4.4% y-y in Dec, after a 3.4% m-m gain in Nov, indicating weak construction investment. On y-y basis, building approvals rose by 9.3% y-y, slower compared to the 14.1% y-y pace in Nov. As announced earlier, the nation's performance of manufacturing index fell to 3 1/2 low in Jan, reporting 40.2, indicating weakening manufacturing activities. With inflation still tame and the weak economic growth, the central bank might consider cutting the benchmark interest rate by another 25 bps to 2.75%.

Singapore

- The benchmark STI inched higher to 3,297.37 (+0.19%). 3.4bn shares were traded with value worth S\$1.7bn.
- Trading volume on the SGX (Accumulate, TP: S\$7.88) gained momentum across securities, derivatives and commodities business. Our analyst reiterated his positive view as positive market sentiments continues to drive up securities and derivatives trading volume on the Exchange.
- For 1Q2013, we believe that cyclical stocks in the Industrials space could do well in the near term: SIA (Buy, TP: S\$13.40), Keppel Corp. (Accumulate, TP: S\$12.38) & NOL (Accumulate, TP: S\$1.36).
- Top picks for the year are Pan United (Buy, TP: S\$0.88), SIAEC (Buy, TP: S\$5.00) & Capitaland (Accumulate, TP: S\$3.97). Pan United is a dominant supplier to the construction industry in Singapore and we expect the company to perform well given the strong pipeline of infrastructure work over the next few years. Although current price (S\$0.97) has overshot our TP, and may experience short term profit taking, we look forward to 4q12 results to reassess our TP. SIAEC is a key beneficiary of the aviation growth story in the region and offers excellent dividend yields. Capitaland would be a beneficiary of the stabilisation of property prices and bottoming out of economic conditions in China.

STRAITS TIMES INDEX



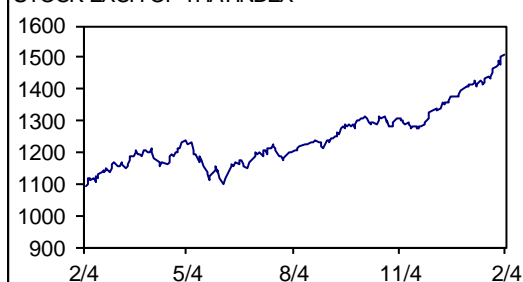
	Close	+/-	% +/-
FSSTI	3297.37	6.23	0.19
P/E (x)			12.51
P/Bv (x)			1.50
Dividend Yield			2.81

Source: Bloomberg

Thailand

- The composite SET index extended its gains on Mon led by big-cap laggard energy names though sporadic bouts of short-term profit taking set in along the way.
- Thai stocks could be choppy to the downside today after a two-day rally of up to 32 points and a slowdown in momentum during yesterday's late market trading amid renewed concerns about the euro zone debt crisis, which dragged European equities down as much as 2%-3% yesterday. Calls for Spain's prime minister to resign over a corruption scandal and Italy's national election by the end of the month could stall efforts to tackle the region's debt woes and represent stumbling blocks for further rise in risk appetite while a surge in Spanish and Italian bond yields also renewed worries about the European economy. On the other side of the Atlantic, the Dow industrials also tumbled sharply after rising above 14000, its highest level in more than five years for only one day. Overall we believe the composite SET index may be poised for a pullback towards 1495-1490 today.
- For short-term strategy, we recommend selective plays with focus on laggards relative to peers/broader market and expected to report impressive results and pay out attractive dividend.
- Today we peg resistance for the SET index at 1508-1513 and support at 1499-1490.

STOCK EXCH OF THAI INDEX



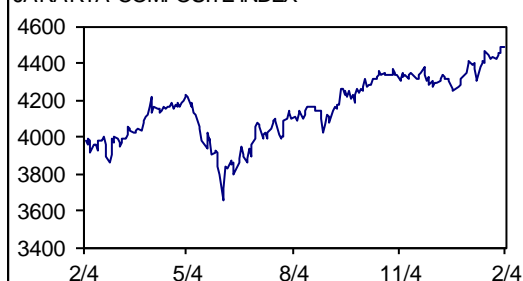
	Close	+/-	% +/-
SET INDEX	1506.37	7.15	0.48
P/E (x)			18.31
P/Bv (x)			2.53
Dividend Yield			2.60

Source: Bloomberg

Indonesia

- Indonesia's benchmark stock index moderately advanced on Monday (04/02), as stock markets in Asia climbed after rallies on US markets on Friday. The Jakarta Composite Index (JCI) rose 8.931 points, or 0.20%, to close at 4,490.565. The gain included six of the 9 major industry groups, with miscellaneous industry added 1.57%, trade and services sector gained 0.65%, and construction, property and real estate sector rose 0.39%. LQ45 – the index trailing Indonesia's blue-chip shares – added 2.025 points, or 0.26%, at 768.206. More than 85 shares advanced, 152 shares declined, and 230 shares remained unchanged Monday on the Indonesia Stock Exchange, where composite volume reached 5.144 billion shares valued at IDR 4.79 trillion. Foreign investors posted net purchases worth IDR 461.99 billion.
- Stocks will likely be traded lower in Indonesia stock market today, as heavy drops on US markets may lead to declines in regional Asia markets. We expect the Jakarta Composite Index (JCI) to trade with support and resistance at 4,445 and 4,542 respectively.

JAKARTA COMPOSITE INDEX



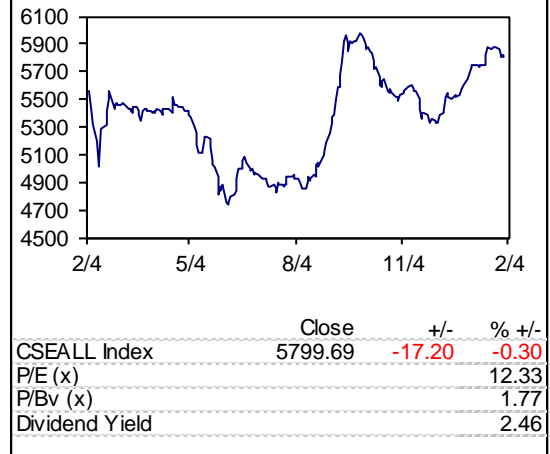
	Close	+/-	% +/-
JCI Index	4490.57	8.93	0.20
P/E (x)			17.93
P/Bv (x)			2.93
Dividend Yield			2.02

Source: Bloomberg

Sri Lanka

- Market continued to show volatility on the last trading day.** The Colombo bourse concluded the last trading day of the week on a negative sentiment, mostly due to investors realising their profits. The ASPI dropped 17.20 points or (0.30%) to end the day at 5799.69. The S&P SL20 index too dropped 0.80 (0.03%) points to close the day at 3196.81. The turnover for the day was recorded as LKR 951.07Mn which is a 72.23% reduction compared to previous trading day. Foreign investor sentiment changed to a positive outlook resulting in a net foreign inflow of LKR 446.08Mn for the day.
- A week with underline signs of volatility.** The market commenced the last week of January with the local Treasury bond market yielding lower on both primary and secondary markets despite the January inflation reaching its six months peak of 9.8%. The 5 year Bonds yielding at 10.74% which was 16bps lower than the last auction, with the secondary market quoting 10.90/95. Further with 3rd quarter results published been better than expected the selected counters gained momentum. However the overall market failed to gain momentum due to inevitable selling pressure coming into the market due to profit taking by investors. Amidst money market liquidity increasing the market displayed an overall negative movement during the week losing 78.5 points or (1.34%), with the market closing on its first trading day of the month at 5,799.69 which is the lowest since 15th January 2013 (5,750.24).at the same time S&P SL20 index stood at 3,196.81 gaining 6.16 points (0.19%) during the week.
- The turnover for the week was LKR 9.17Bn supported by 52 crossings totalling up to LKR 5.69Bn accounting to a 62% contribution to the weekly turnover while recording a 89.39% increase compared to the previous weeks turnover. 143.07Mn shares changed hands during the week, this was a 51.66% reduction compared to the previous week. Foreign sellers outnumbered the buyers with the market recording LKR 5.21Bn selling and LKR 4.79Bn buying resulting in a net outflow of LKR 514.3Mn for the week; while extending the year to date net foreign outflow to LKR 873.5Mn. As at the week's closure, the total market capitalization stood at LKR 2.23Tn, recording a year to date gain of 2.78% and the market PER(X) and PBV(X) stood at 16.41 and 2.13 respectively. The USD closed the week at LKR 128.08/-.
- Treasury bill rates drop for the 8th consecutive week** The TB rates experienced a further reduction during the weekly auction held last Wednesday. The One year TB rate dropped by 14 basis points to 11.11% during the week and the 6 months rate dropped by 13 basis points to 10.28%. Further, the 3-month yield dropped by 16 basis points to 9.47% during the week. (1 Feb 2013)

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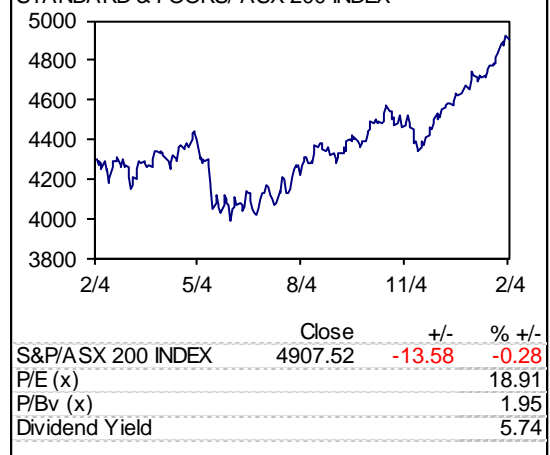


Source: Bloomberg

Australia

- The Australian share market on Monday closed weaker, with investors unwilling to push the bourse to 5,000 points without new good economic news. At the close, the benchmark S&P/ASX200 index was 13.6 points or 0.28 per cent weaker to 4,907.5.
- Today, the local market looks set to open lower following strong falls on US and European markets overnight amid fears of political turmoil in Spain and Italy. The SFE Futures 200 is pointing downwards 30 points or 0.61 per cent to 4,839.
- On the local economic news front for Tuesday, the Reserve Bank of Australia (RBA) will hold its first rate meeting for 2013. The Australian Bureau of Statistics (ABS) is due to release December data for international trade in goods and services and house prices, and the Australian Industry Group/Commonwealth Bank Australian Performance of Services Index (PSI) for month just ended is due to be released.
- In equities news, Cochlear, Primary Health Care and Transurban Group are due to post earnings results.

STANDARD & POORS/ ASX 200 INDEX

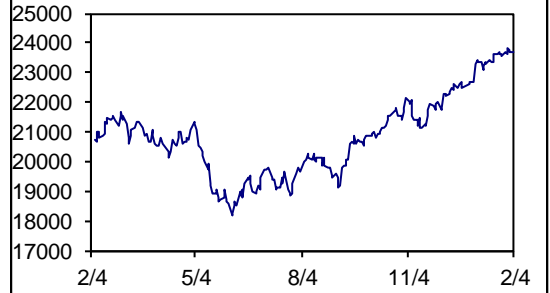


Source: Bloomberg

Hong Kong

- Local stocks dropped. The HSI and HSCEI dropped 36 points and 58 points to 23685 and 12156 respectively. Market volume was 128.156 billion, recorded at 27 months.
- We believe the market is going to consolidate, as some of the technical indicators are showing the HSI is overbought, investors are suggested to stand on sideline and wait for a clear trading signal.
- Technically, the HSI is expected to gain a support from 23300 level, major resistance will be 24000 level.

HANG SENG INDEX



	Close	+/-	% +/-
HSI INDEX	23685.01	-36.83	-0.16
P/E (x)			12.13
P/Bv (x)			1.58
Dividend Yield			2.98

Source: Bloomberg

Market News

US

- The housing rebound is broadening to other parts of the U.S. economy and will likely lend impetus to growth through 2013 and beyond. Climbing home prices are lifting household wealth and boosting the purchasing power of consumers. Declining mortgage delinquencies and foreclosures are buttressing bank balance sheets, giving them greater leeway to lend. And rising property- tax revenue is fortifying the finances of state and local governments, alleviating pressure on them to cut budgets. "The housing recovery will kick into a higher gear as the year progresses," said Mark Zandi, chief economist in West Chester, Pennsylvania, for Moody's Analytics Inc. "We're going to get a lot of juice from the channels" through which it affects other parts of the economy. (Source: Bloomberg)
- President Barack Obama probably won't send his fiscal 2014 budget to Congress until sometime in March, according to a defense official with knowledge of the budget process. The delay of the president's spending blueprint, which the law says is supposed to be delivered to lawmakers today, drew immediate criticism from Republicans, who have been battling Obama over tax and spending issues. "For the fourth time in five years this White House has proven it does not take trillion-dollar deficits seriously enough to submit a budget on time," House Speaker John Boehner, an Ohio Republican, said in a statement. "It's long past time for the president to do his job." The defense official asked for anonymity because the administration hasn't officially announced when the budget would be ready. White House press secretary Jay Carney declined to comment on the date, telling reporters traveling with the president to an event in Minnesota, "I don't have an update on the president's budget." (Source: Bloomberg)

Singapore

- Some foreign companies in Singapore have started to pull out of the country as the government tightens the inflow of foreign workers here. More could follow suit. According to the latest manpower survey by the American Chamber of Commerce (AmCham) in Singapore, 5 per cent of respondent companies, made up of AmCham members, have already moved operations out of Singapore as a result of the labour tightening measures introduced last year. The survey, conducted in the third quarter of last year, showed that a further 15 per cent of respondents are looking at relocating their operations overseas. "While we understand the pressures that Singapore's limited area and resources place on crafting long-term policy, we worry that the trajectory announced could significantly cut workforce growth and have drastic consequences for businesses and the economy of Singapore," said AmCham chairman Simon Kahn. (Source: BT Online)
- For the first time in seven months, Singapore's purchasing managers' index (PMI) has signalled a marginal expansion of the manufacturing sector. But while the local PMI catches up with the global indices in pointing to recovery, economists here say a firm pick-up in domestic industrial activity is still several months away. The overall PMI for January rose to 50.2, just above the 50-point threshold that divides growth from contraction. It rose 1.6 points from the December reading of 48.6, thanks to expansion in new domestic and export orders, the stockholdings of finished goods, as well as employment, said the Singapore Institute of Purchasing & Materials Management (SIPMM) yesterday. (Source: BT Online)

Hong Kong

- China Petroleum & Chemical Corp. (600028), Asia's biggest refiner, plans to sell shares worth HK\$24 billion (\$3.1 billion) as it looks to add production assets. The company plans to sell 2.85 billion Hong Kong-traded shares at HK\$8.45 each., 9.5 percent less than yesterday's close, according to a filing after the market closed yesterday. The company's U.S.-traded securities plunged 7.2 percent today, the sharpest drop in almost a year. (Source: Bloomberg)
- Baidu Inc. (BIDU), the operator of China's most popular Internet search engine, boosted fourth-quarter profit 36 percent because of new services and an economic rebound that has revived advertising spending. Net income climbed to 2.8 billion yuan (\$448 million) from 2.05 billion yuan a year earlier, the Beijing-based company said in a statement today. That matched the 2.8 billion yuan average of 11 analysts' estimates compiled by Bloomberg. Sales increased 42 percent to 6.34 billion yuan.(Source: Bloomberg)
- Mongolia's President Tsakhia Elbegdorj said the nation should have more control of Rio Tinto Group (RIO)'s Oyu Tolgoi copper and gold project after the government said costs had increased. The total cost of the Rio Tinto-operated development in southern Mongolia has jumped to \$24.4 billion, according to an e-mailed statement from the government, which gave a summary of a Feb. 1 parliamentary discussion attended by the president. London-based Rio had earlier estimated total costs at \$14.6 billion, according to the statement.(Source: Bloomberg)

Thailand

- Foreign investors remained net buyers of Thai shares worth Bt864.93mn on Mon. (Source: Bisnews)
- The Ministry of Finance pitched the ideal of merging the SME Bank and the Government Savings Bank after a surge in NPLs and a lack of management transparency while Finance Ministry permanent secretary said the SME Bank's NPLs of Bt30bn accounted for 30% of outstanding loan portfolio with the total amount of NPLs likely to reach Bt40bn this year. The Islamic Bank of Thailand was expected to be another target of merger as it also faced the same NPL problem as the SME Bank. (Sources: Bangkok Post and Krungthep Turakij)
- The National Water Resources and Flood Policy Committee plans to seek cabinet approval today for a list of groups of private companies that meet qualifications and are eligible to take part in the bidding for the Bt350bn water management project. (Source: Post Today)

Indonesia

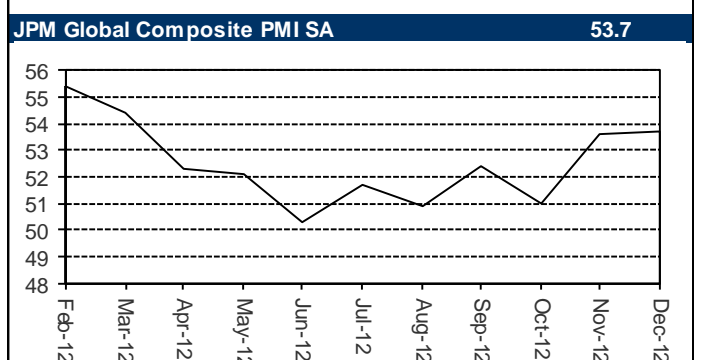
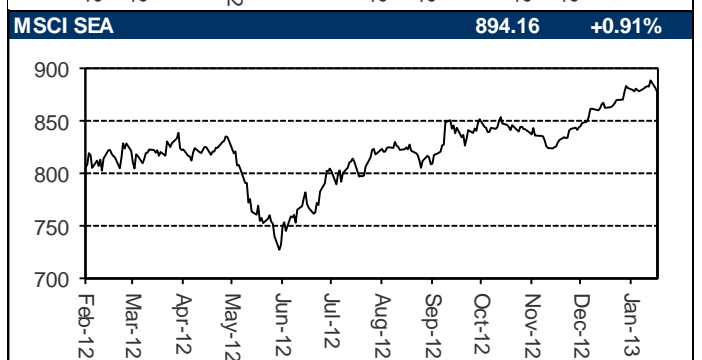
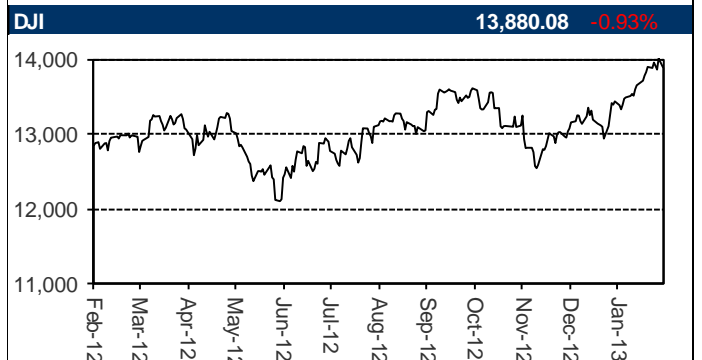
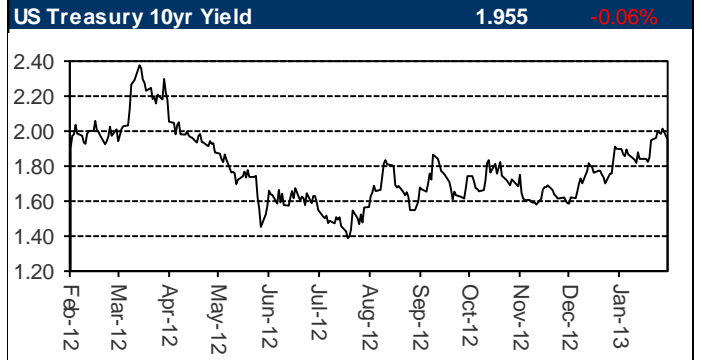
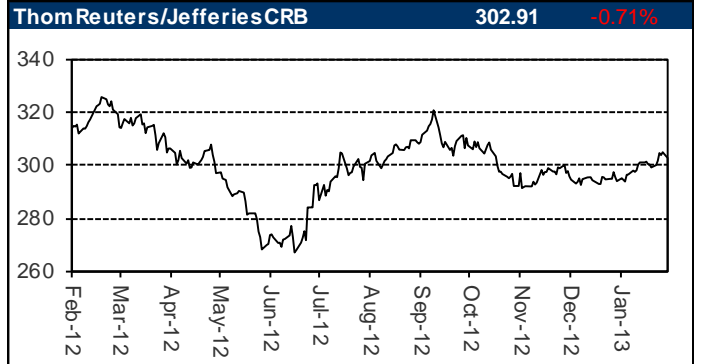
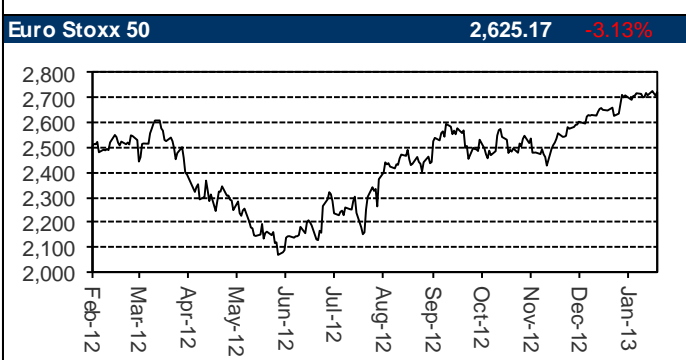
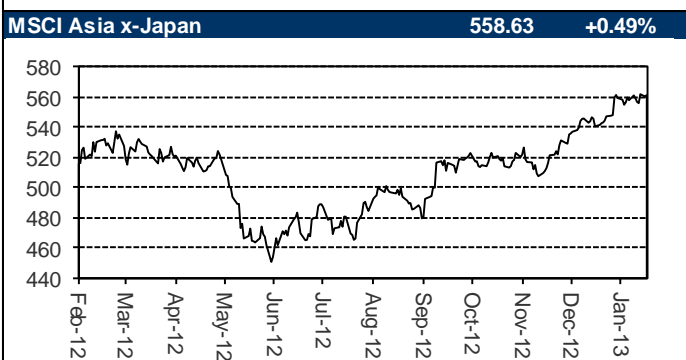
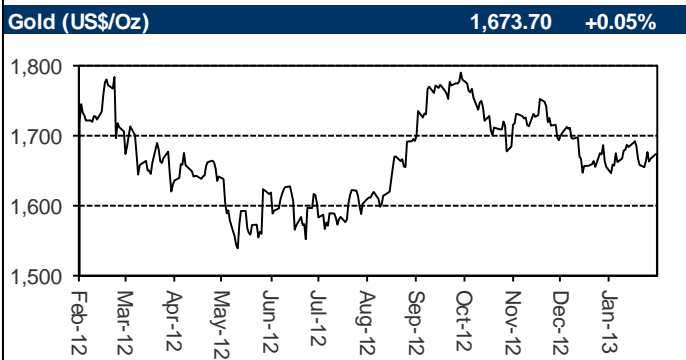
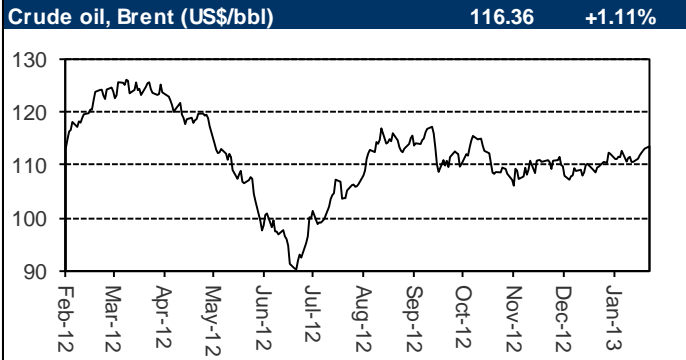
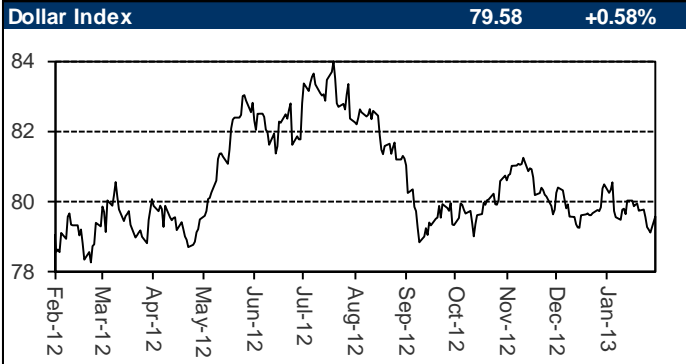
- Inflation in February 2013 is expected to be lower than January's 1.03 percent, but higher than February 2012's 0.05 percent. The increase in electricity rates and weather factors influence harvest and distribution of goods, prompting inflation to rise. Director of Central Bureau of Statistics (BPS), said historically, inflation in February tends to be low and absent from seasonal pressure as in January. In addition, February indicates the start of harvest season in some areas, so the price of food – especially rice – tends to fall. (Source: Indonesia Finance Today)
- The trade balance in 2013 is estimated to deficit again due to the pressure of oil and gas (oil) export. The pressure is a result from failure of lifting and high oil imports to meet the fuel oil (BBM) consumption. However, this year's deficit is smaller than the 2012's deficit of USD 1.6 billion. Central Bureau of Statistics (BPS), said it is highly unlikely to improve oil lifting this year. Nevertheless, the plan to convert BBM to alternative raw energy materials has started and is expected to slightly restrain the trade deficit, particularly for oil. (Source: Indonesia Finance Today)
- The Capital Investment Coordinating Board (BKPM) sees that investments in 2013 will still be burdened by infrastructure issues. Deputy of Capital Investment Implementation Control from BKPM said that such issues will cause investors to question the previously-promised state commitments to infrastructure developments. He added investors are concerned about roads to investment locations, and power and gas supply. He said skilled and trained worker availability is also vital for production improvements. (Source: Indonesia Finance Today)

Sri Lanka

- Sri Lanka's stock market was closed for public holiday yesterday.

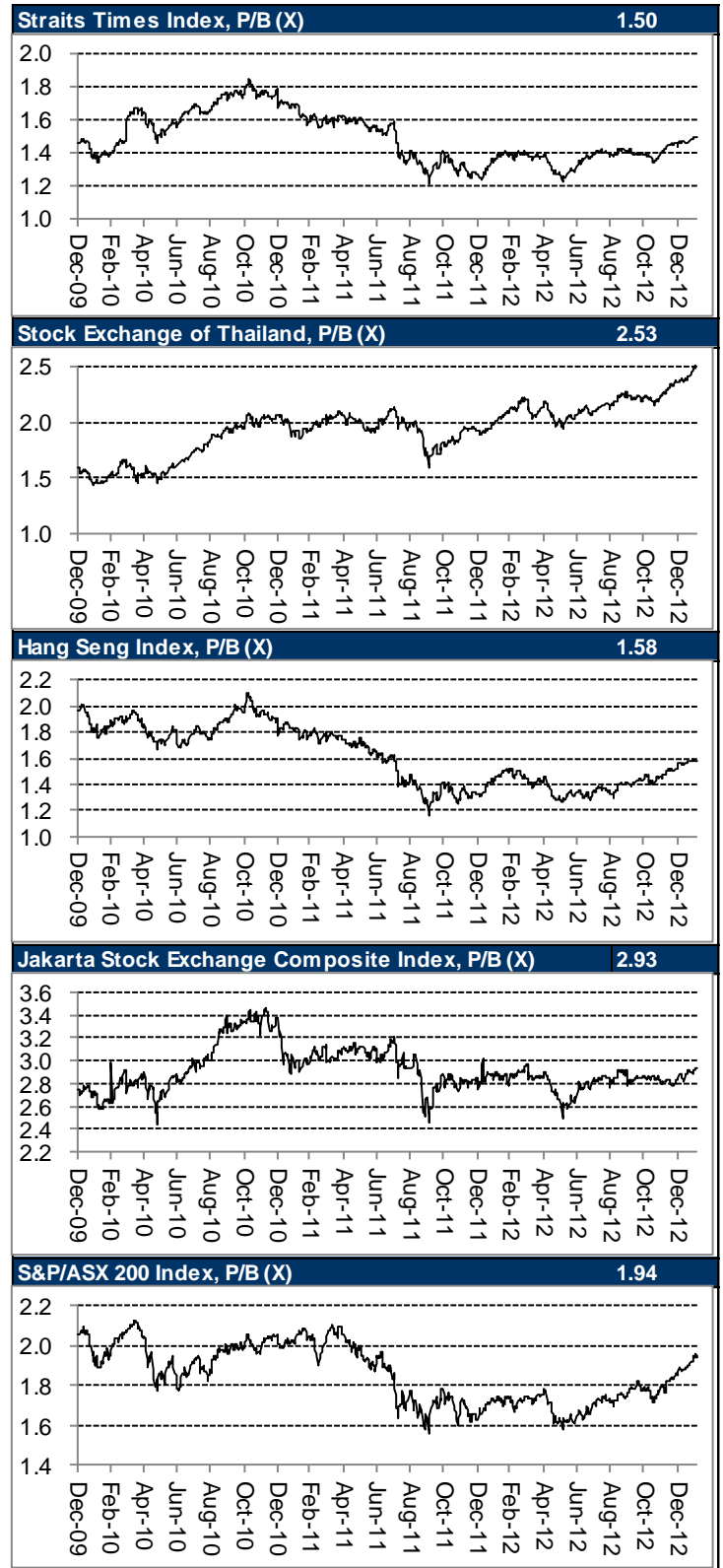
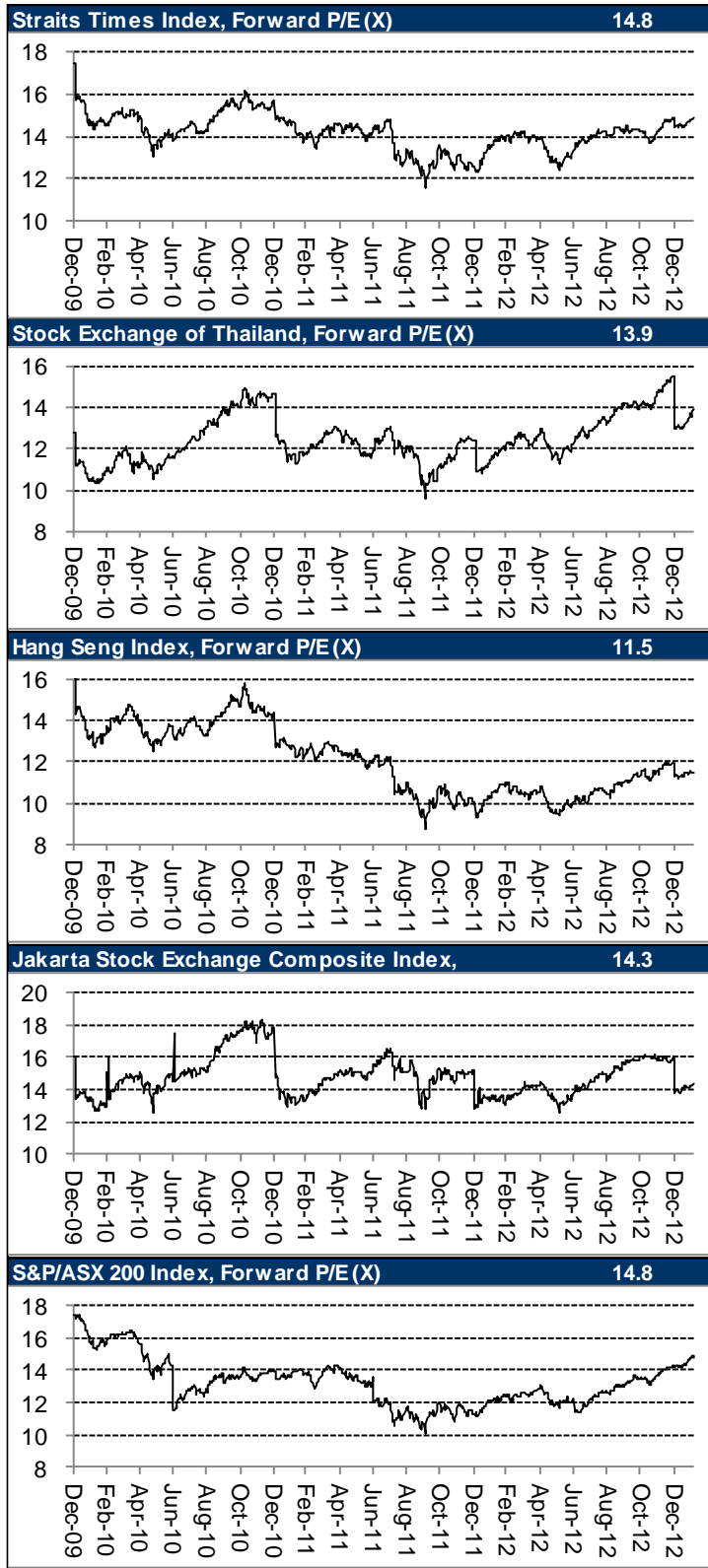
Australia

- A slowdown the mining sector over the last six months has spread to the services industry, where activity continued to contract in January. The Australian Industry Group/Commonwealth Bank Australian Performance of Services Index stood at 45.3 points in January, up 2.1 points from December, but still well below 50 point level which separates expansion from contraction. The index has been below 50 points since January 2012.(Source: The Australian)
- Transurban (TCL.ASX) has booked a 7 per cent rise in first-half earnings as steady population growth in Sydney and Melbourne and low unemployment levels boosted traffic on the company's local tollroads. The group, which owns or has stakes in six Australian and two US tollroads, said its earnings before interest, tax, depreciation and amortisation (ebitda) for the six months to December 31 increased to \$416.9 million from \$390 million a year earlier. That was broadly in line with \$412 million average of five analysts' forecasts compiled by Dow Jones Newswires. Transurban's first-half net profit of \$80.9 million was lower than \$93.2 million a year before. Analysts say ebitda is a more relevant measure of financial performance for tollroad operators, as large acquisition or development costs attract high rates of depreciation in early years, while toll revenues ramp up over concessions that often run for several decades. (Source: The Australian)
- Macquarie Group (MQG.ASX) has flagged a 10 per cent lift in full-year profit on the back of an improvement in markets and continued growth from its 'annuity-style' businesses. Amid a shift in risk appetite that has boosted global stock and commodity markets in recent months, Macquarie chief executive Nicholas Moore said in an update market today that conditions had shown "some signs of improvement" since the investment bank's interim result announcement in October. Mr Moore said, however, that Macquarie's capital markets-facing businesses -- advisory, institutional equities and fixed interest currencies and commodities -- continued to face subdued activity levels from clients. "Whilst market conditions remain uncertain, we currently expect Macquarie's result for FY13 to be up approximately 10 per cent on full-year 2012 with the probability of a stronger result should improved market conditions persist," he said. Source: (The Australian)



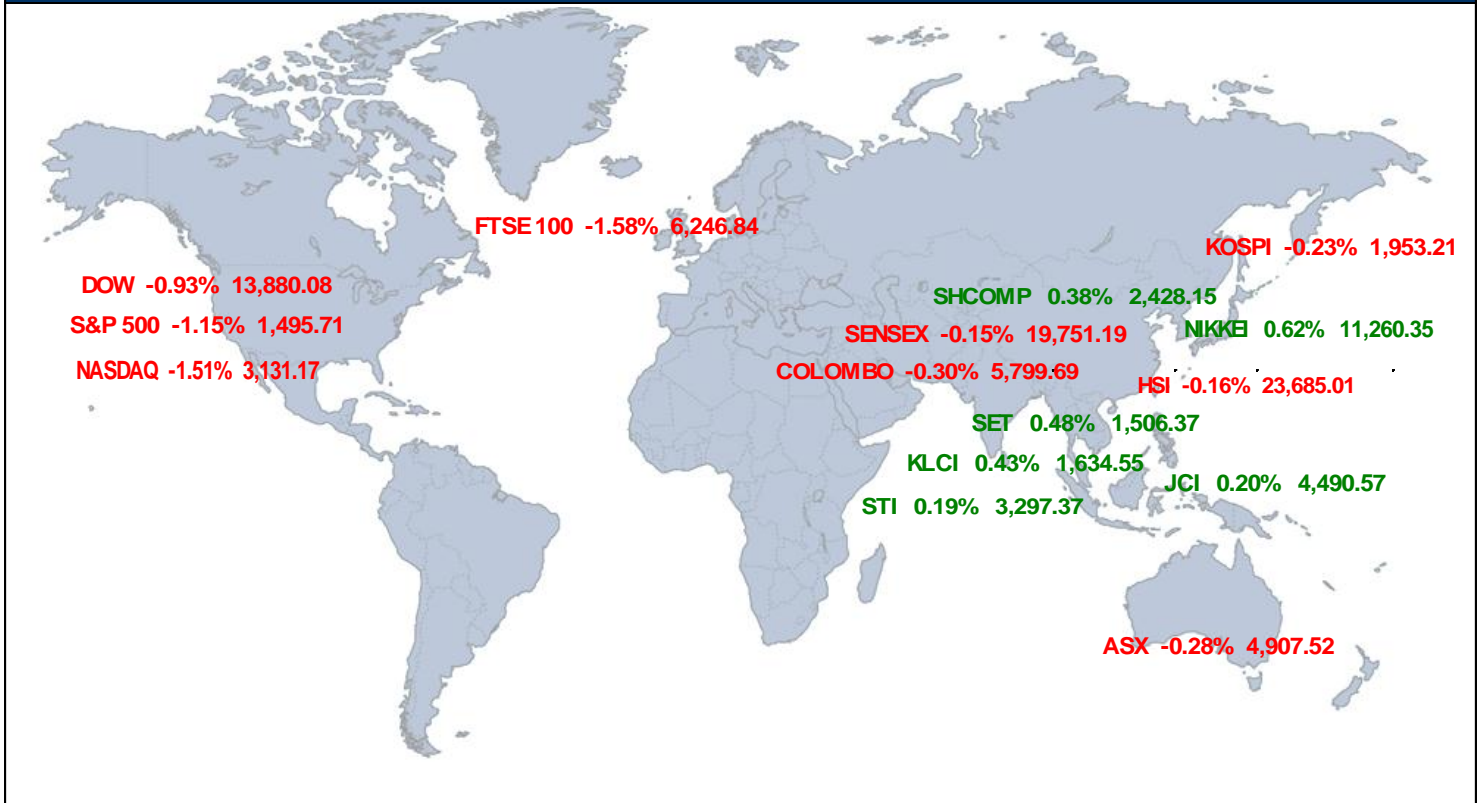
Source: Bloomberg

Valuations of Major Regional Markets



Source: Bloomberg

World Index



Source: Bloomberg

Economic Announcement

US

Date	Statistic	For	Survey	Prior
2/5/2013	ISM Non-Manf. Composite	Jan	55	56.1
2/5/2013	IBD/TIPP Economic Optimism	Feb	46.5	46.5
2/6/2013	MBA Mortgage Applications	1-Feb	--	-8.10%
2/7/2013	Nonfarm Productivity	4Q P	-1.40%	2.90%
2/7/2013	Unit Labor Costs	4Q P	2.90%	-1.90%
2/7/2013	Initial Jobless Claims	2-Feb	360K	368K
2/7/2013	Continuing Claims	26-Jan	3195K	3197K
2/7/2013	Bloomberg Consumer Comfort	3-Feb	--	-37.5
2/8/2013	Consumer Credit	Dec	\$14.000B	\$16.045B
2/8/2013	Trade Balance	Dec	-\$45.8B	-\$48.7B
2/8/2013	Wholesale Inventories	Dec	0.40%	0.60%
11-16 FEB	Mortgage Delinquencies	4Q	--	7.40%
11-16 FEB	MBA Mortgage Foreclosures	4Q	--	4.07%
2/12/2013	NFIB Small Business Optimism	Jan	--	88
2/12/2013	JOLTs Job Openings	Dec	--	3676

Source: Bloomberg

Thailand

Date	Statistic	For	Survey	Prior
2/7/2013	Consumer Confidence Economic	Jan	--	70.6
2/7/2013	Consumer Confidence	Jan	--	80.2
2/8/2013	Foreign Reserves	1-Feb	--	\$181.6B
2/8/2013	Forward Contracts	1-Feb	--	\$23.4B
2/15/2013	Foreign Reserves	8-Feb	--	--
2/15/2013	Forward Contracts	8-Feb	--	--
2/18/2013	Gross Domestic Product SA (QoQ)	4Q	--	1.20%
2/18/2013	Gross Domestic Product (YoY)	4Q	--	3.00%
2/18/2013	Annual GDP (YoY)	2012	--	0.10%
18-20 FEB	Total Car Sales	Jan	--	--
2/20/2013	Benchmark Interest Rate	20-Feb	--	2.75%
2/22/2013	Foreign Reserves	15-Feb	--	--
2/22/2013	Forward Contracts	15-Feb	--	--
24-27 FEB	Customs Exports (YoY)	Jan	--	13.45%
24-27 FEB	Customs Imports (YoY)	Jan	--	4.67%

Source: Bloomberg

Singapore

Date	Statistic	For	Survey	Prior
2/6/2013	Automobile COE Open Bid Cat A	6-Feb	--	91010
2/6/2013	Automobile COE Open Bid Cat B	6-Feb	--	95501
2/6/2013	Automobile COE Open Bid Cat E	6-Feb	--	97889
2/7/2013	Foreign Reserves	Jan	--	\$259.31B
10-22 FEB	GDP (annualized) (QoQ)	4Q F	--	1.80%
10-22 FEB	GDP (YoY)	4Q F	--	1.10%
2/15/2013	Retail Sales Ex Auto (YoY)	Dec	--	2.00%
2/15/2013	Retail Sales (YoY)	Dec	--	-1.10%
2/15/2013	Retail Sales (MoM) sa	Dec	--	-0.80%
2/18/2013	Electronic Exports (YoY)	Jan	--	-19.10%
2/18/2013	Non-oil Domestic Exports (YoY)	Jan	--	-16.30%
2/18/2013	Non-oil Domestic Exp SA (MoM)	Jan	--	1.80%
2/20/2013	Automobile COE Open Bid Cat A	13-Feb	--	--
2/20/2013	Automobile COE Open Bid Cat B	13-Feb	--	--
2/20/2013	Automobile COE Open Bid Cat E	13-Feb	--	--

Source: Bloomberg

Hong Kong

Date	Statistic	For	Survey	Prior
2/5/2013	Purchasing Managers Index	Jan	--	51.7
2/7/2013	Foreign Currency Reserves	Jan	--	\$317.3B
2/19/2013	Composite Interest Rate	Jan	--	0.32%
2/21/2013	Unemployment Rate SA	Jan	--	3.30%
2/22/2013	CPI - Composite Index (YoY)	Jan	--	3.70%
2/25/2013	Exports YoY%	Jan	--	14.40%
2/25/2013	Imports YoY%	Jan	--	11.90%
2/25/2013	Trade Balance	Jan	--	-48.0B
2/27/2013	Annual GDP	2012	--	--
2/27/2013	GDP sa (QoQ)	4Q	--	0.60%
2/27/2013	GDP (YoY)	4Q	--	1.30%
2/28/2013	Govt Mthly Budget Surp/Def HK\$	Jan	--	--
2/28/2013	Money Supply M3 - in HK\$ (YoY)	Jan	--	--
2/28/2013	Money Supply M2 - in HK\$ (YoY)	Jan	--	--
2/28/2013	Money Supply M1 - in HK\$ (YoY)	Jan	--	--

Source: Bloomberg

Indonesia

Date	Statistic	For	Survey	Prior
01-05 FEB	Danareksa Consumer Confidence	Jan	--	94.6
04-07 FEB	Foreign Reserves	Jan	--	\$112.78B
04-07 FEB	Net Foreign Assets (IDR Tln)	Jan	--	1056.08T
01-11 FEB	Consumer Confidence Index	Jan	--	116.4
2/5/2013	GDP Constant Price (YoY)	4Q	6.20%	6.17%
2/5/2013	GDP Constant Price (QoQ)	4Q	-1.29%	3.21%
2/5/2013	Annual GDP	2012	6.30%	--
11-20 FEB	Total Local Auto Sales	Jan	--	--
11-20 FEB	Total Motorcycle Sales	Jan	--	--
2/12/2013	Bank Indonesia Reference Rate	12-Feb	5.75%	5.75%
2/13/2013	Current Account Balance	4Q	--	-5336M
2/27/2013	Bloomberg Feb. Indonesia Economic Survey			
3/1/2013	Indonesia February Markit Manufacturing PMI			
3/1/2013	Inflation NSA (MoM)	Feb	--	1.03%
3/1/2013	Inflation (YoY)	Feb	--	4.57%

Source: Bloomberg

Sri Lanka

Date	Statistic	For	Survey	Prior
05-20 FEB	Exports YoY%	Dec	--	-6.60%
05-20 FEB	Imports YoY%	Dec	--	-8.40%
2/15/2013	Repurchase Rate	15-Feb	--	7.50%
2/15/2013	Reverse Repo Rate	15-Feb	--	9.50%
2/28/2013	CPI Moving Average (YoY)	Feb	--	--
2/28/2013	CPI (YoY)	Feb	--	--
05-20 MAR	Exports YoY%	Jan	--	--
05-20 MAR	Imports YoY%	Jan	--	--
3/15/2013	Repurchase Rate	15-Mar	--	--
3/15/2013	Reverse Repo Rate	15-Mar	--	--
15-28 MAR	GDP (YoY)	4Q	--	4.80%
3/28/2013	CPI Moving Average (YoY)	Mar	--	--
3/28/2013	CPI (YoY)	Mar	--	--
05-19 APR	Exports YoY%	Feb	--	--
05-19 APR	Imports YoY%	Feb	--	--

Source: Bloomberg

Australia

Date	Statistic	For	Survey	Prior
2/5/2013	AiG Performance of Service Index	Jan	--	43.2
2/5/2013	Trade Balance	Dec	-800M	-2637M
2/5/2013	House Price Index QoQ	4Q	0.30%	0.30%
2/5/2013	House Price Index YoY	4Q	0.90%	0.30%
2/5/2013	RBA CASH TARGET	5-Feb	3.00%	3.00%
2/6/2013	Retail Sales Ex Inflation(QoQ)	4Q	0.30%	-0.10%
2/6/2013	Retail Sales s.a. (MoM)	Dec	0.30%	-0.10%
2/7/2013	AiG Perf of Construction Index	Jan	--	38.8
2/7/2013	NAB Business Confidence	4Q	--	-2
2/7/2013	Employment Change	Jan	6.0K	-5.5K
2/7/2013	Unemployment Rate	Jan	5.50%	5.40%
2/7/2013	Full Time Employment Change	Jan	--	-13.8K
2/7/2013	Part Time Employment Change	Jan	--	8.3K
2/7/2013	Participation Rate	Jan	65.10%	65.10%
2/7/2013	Foreign Reserves	Jan	--	A\$47.3B

Source: Bloomberg

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Total Return	Recommendation	Rating	Remarks
>+20%	Buy	1	>20% upside from the current price
+5% to +20%	Accumulate	2	+5% to +20% upside from the current price
-5% to +5%	Neutral	3	Trade within \pm 5% from the current price
-5% to -20%	Reduce	4	-5% to -20% downside from the current price
<-20%	Sell	5	>20% downside from the current price

We do not base our recommendations entirely on the above quantitative return bands. We consider qualitative factors like (but not limited to) a stock's risk reward profile, market sentiment, recent rate of share price appreciation, presence or absence of stock price catalysts, and speculative undertones surrounding the stock, before making our final recommendation

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