



輝立証券集團

Phillip Securities Group

Editor:

Kevin Cheng

Tel: (852) 2277 6626

Email: foreignstock@phillip.com.hk

Regional Market Focus

6 December 2013

Thailand

Minor International – Company Update

Recommendation: BUY

Previous close: Bt24

Fair value: Bt30

- MINT reported strong profit growth of 31.4% y-y in 3QCY13.
- The political impact appears to have been limited in 4QCY13 as MINT would feel the political pinch only in Dec and hotels in Bangkok contribute only 7.1% of total hotel revenue. Overall full-year outlook remains intact for CY13.
- Its five-year business plan through CY18 points to further growth ahead for MINT.
- We retain a 'BUY' call on MINT with a CY14 DCF-based target price of Bt30/share.

Hemaraj Land and Development – Company Update

Recommendation: BUY

Previous close: Bt24

Fair value: Bt3.90

- The nine-month land sales momentum was very strong, beating the company's expectation.
- We project net profit to grow 16% y-y in CY13 and increase further by 25% y-y in CY14.
- It has been proven HEMRAJ's industrial real estate in Chonburi is flood-free area.
- We reiterate a 'BUY' rating on HEMRAJ with a target price of Bt3.90.

Hong Kong

China Eastern Airlines – Positive factors are accumulated

Rating: Accumulate

Closing price: 3.08

Target price: 3.49

- The transport capacity deployment was a little radical, the passenger load factor dropped obviously: mainly impelled by the added flight schedule of Kunming's new airport, CEAs' transport capacity in October kept low-two-digit growth, and ASK increased by 11.2% y-y, the largest growth among the three big carriers. The passenger traffic demand growth rate continued the downward trend after the boom season and RPK increased by 9.3% y-y in October. The passenger load factor (P L/F) narrowed 1.4ppts y-y to 78.3% due to the oversupply, and down 1.8ppts m-m.
- The growth ratio of international routes slowed down sharply: Based on the routes, the growth ratio of the demand in domestic routes increased, and the growths of international and regional routes slowed down obviously, up 7.8%, 15% and 5.2% y-y respectively. The capacity of three types of routes increased by 8.8%, 18.1% and 8.7% respectively. International routes still recorded the largest growth, but with the most obvious wide divergence between the demand and supply. According to the load factors, they decreased by 0.7ppts, 2.7ppts and 2.3ppts y-y in three routes, and down 0.2ppts, 5.4ppts and 4.8ppts m-m respectively. We believe there are negative impacts on CEA with more routes in Southeast Asia due to implement of China's new tourism law in this October.
- Freight business is still in the transition period: Because the air cargo market has still not fully recovered, and the CEA's freight business is still in Period A of the transition to modern logistics service provider, the cargo capacity and volume in October respectively increased by 13.7% and 7.7% y-y, and freight load factor (F L/F) decreased by 3.3ppts to 59%, the lowest one among the Big-3.
- The profit deteriorated in FY3Q2013: CEA recorded RMB67.1 billion in the first three quarters, up 2.4% y-y, with the net profit of RMB3.62 billion, flat with the same period of last year, and the EPS stood RMB0.307, down 4.6% y-y (mainly because of the dilution of increased shares). However, the profit of the main business of the Company decreased significantly by more than 60% y-y approximately if it excluded the exchange gains of RMB1.3 billion and the non-operating income of RMB1.77 billion, representing the serious deterioration of the airline companies' profitability. The Company's performance improved obviously in 3Q q-q, and the decrease rate of main business's profit narrowed to 20%, plus with the exchange gains and non-operating income, its net profit increased by 8.5% y-y to RMB2.86 billion, with the EPS of RMB0.2255, down 3.5% y-y.
- The transport capacity deployment of next year will be slowed down: the Company plans to import 70 planes in 2014, quit 30 planes, increasing 40 planes net. The growth rate of ASK will come back to 9-10%, the lowest among the Big-3. The old plane type A340 will be replaced by new type B777 and mainly put into the North American routes.
- The positive factors are accumulated, but it still faces headwinds during the mid-term: we believe the factors beneficial to CEA in the short term are accumulated: including 1) the low boom indicator this year makes the year-on-year base of 2014 low; 2) the high-speed rail routes threatening the airline companies will be open to traffic mainly after 2015; 3) the international oil prices keep low-level running; 4) the European routes' recovery in 2014 are worth expecting; 5) the RMB exchange rate let go of the range of fluctuation; 6) Shanghai Free Trade Zone, the progress of Disney construction and so on are the big impetus for the company's profit promotion in 2014.
- While in the mid-term, 1) the effects of high-speed rail network cause impact to the airline companies; 2) the demands for air travel are enslaved by the economic recovery degree; 3) the competition pressure under the industry's oversupply pattern makes the fare level bare pressure, still producing challenges for the airline companies.
- Valuation: We expect the Company's diluted EPS achieve to RMB0.28/0.33/0.42 in 2013/2014/2015 respectively and raise our 12-month target price to HK\$3.49, equivalent to 10/8/7x P/E and 1.2/1.1/1.0x P/B in 2013/2014/2015 respectively, recommend Accumulate rating.

Strategy

SECTOR/STRATEGY REPORTS:

- Sector Reports : [Offshore & Marine, 2 Dec](#) / [Commodities, 2 Dec](#) / [Banking, 9 Sep](#) / [Telecommunications, 9 Sep](#)
- Country Strategy : [S'pore, 20 Sep](#) / [China & HK, 4 Dec](#) / [Thai, 4 Dec](#)
- Macro Trader : [Update, 9 Sep](#)

Morning Commentary

STI: -1.15% to 3,124.38	KLCI: +0.16% to 1,824.86
JCI: -0.58% to 4,216.90	SET: -0.52% to 1,376.63
HSI: -0.07% to 23,712.57	HSCEI: +0.24% to 11,395.74
Nifty: +1.30% to 6,241.10	ASX200: -1.44% to 5,197.96
Nikkei: -1.50% to 15,177.49	S&P500: -0.43% to 1,785.03

MARKET OUTLOOK:

This week's webinar has been archived at www.uniphillip.com > education programs > Phillip Securities Research Webinar.

In it, we feature our market technical analysis and O&M, Commodities season takeaways.

This webinar has been archived at www.uniphillip.com > education programs > Phillip Securities Research Webinar.

Macro Data

USA

Jobless claims decreased 23,000 to 298,000 in the week ended Nov. 30, the Labor Department said today in Washington. The median forecast of 41 economists surveyed by Bloomberg called for an increase to 320,000 from an initially reported 316,000 the prior week. The reading was the lowest since the first week in September when the Labor Day holiday also played havoc with the figures.

Eurozone

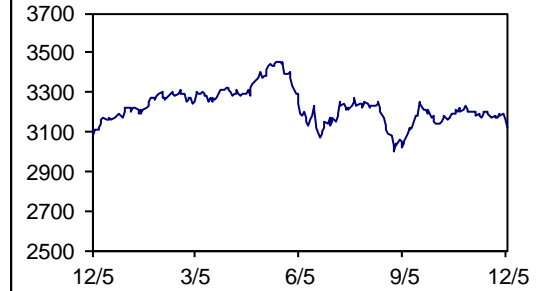
European Central Bank President Mario Draghi said officials cut their inflation forecast for next year, and signaled that the ECB will keep interest rates low for the foreseeable future.

Source: Phillip Securities Research Pte Ltd

Singapore

- The Straits Times Index (STI) ended 36.32 points lower or -1.18% to 3,124.38, taking the year-to-date performance to -1.35%.
- The FTSE ST Mid Cap Index declined -0.93% while the FTSE ST Small Cap Index gained -0.54%. The top active stocks were SingTel (-1.08%), DBS (-0.59%), CapitaLand (-0.66%), UOB (-0.38%) and OCBC (-1.27%).
- STI has been drifting sideways over the past 2 months due to a lack of catalysts.
- We peg near term support at the 3150 level.
- Top Picks are DBS (Accumulate, TP: \$17.50), Singtel (Accumulate, TP:\$4.06) and Keppel Corp (Accumulate, TP:\$12.07). Deep Value Plays are Amara (Buy, TP \$0.74), and Boustead (Buy, TP: \$2.05)

STRAITS TIMES INDEX



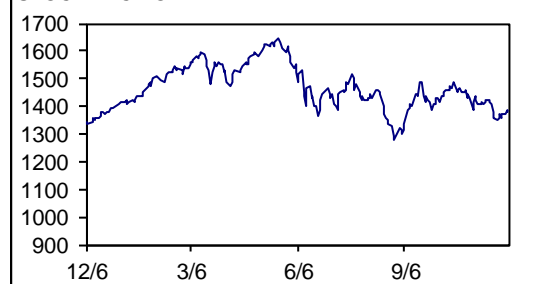
	Close	+/-	% +/-
FSSTI	3124.38	-36.32	-1.15
P/E (x)			13.38
P/Bv (x)			1.38
Dividend Yield			3.34

Source: Bloomberg

Thailand

- Thai stocks succumbed to selling pressure in late trading on Wed with the SET index finishing the session down 0.52% at 1,376.63 points after seesawing between positive and negative territory throughout the day. Net foreign sell-off of Thai shares topped Bt28bn on Wed.
- QE uncertainty sent the Dow industrials lower as the latest batch of better-than-expected economic data fueled fears of an earlier-than-expected QE tapering. Today global markets would turn attention to US non-farm payrolls data, a factor that could keep equities on a wild ride for the meantime.
- In Thailand, the market's focus would remain on anti-government demonstrations after Suthep Thaugsuban, secretary-general of the People's Democratic Reform Committee (PDRC) said protests would continue until the political machine of former PM Thaksin Shinawatra is wiped out. There are no signs of negotiation breakthrough yet in sight. Prolonged protests would undermine the country's economic fundamentals.
- In the absence of catalysts to trigger a strong rebound, the room for upside appears limited for Thai stocks. Given that buying interest from LTF/RMF before the end of the year should lend support to the market, we think any dips would create an opportunity to accumulate stocks with initial support seen at 1360-1350 points.
- Resistance for the SET index is seen at 1385-1395 points and support at 1360-1345 points today.

STOCK EXCH OF THAI INDEX



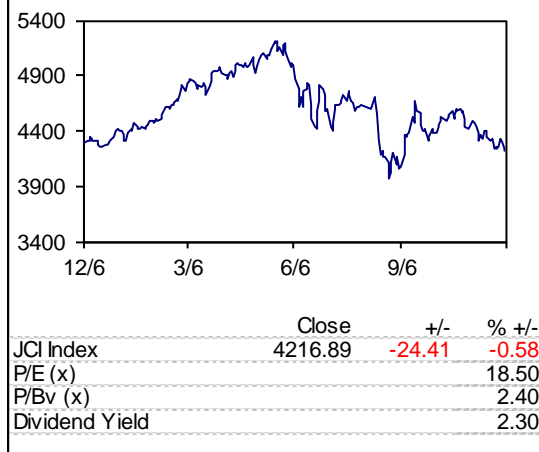
	Close	+/-	% +/-
SET INDEX	1376.63	-7.26	-0.52
P/E (x)			15.42
P/Bv (x)			2.17
Dividend Yield			3.10

Source: Bloomberg

Indonesia

- Indonesia stocks extended losses Thursday (05/12), as investors weighed the outlook for the Federal Reserve to begin paring its stimulus program following a series of US economic reports. The Rupiah - poised around 11,960 – has also hinted grim outlook for dollar-denominated corporate debts this year.
- The Jakarta Composite Index (JCI) shed 24.408 points, or 0.58%, to end at 4,216.894. Supports came from commodity sectors, where index of agriculture stocks gained 0.76%, and mining shares climbed 0.70%, amid hopes that rebound in commodity prices next year will contribute to earnings. On the downside, miscellaneous industry sector dropped 1.51%, finance sector slipped 1.22% and construction sector lost 1.14%. The LQ45 index trimmed 4.829 points, or 0.69%, to close at 698.947 with 23 of its 45 blue-chip components ended in red.
- Moody's Investors Service warned Indonesian government over risk from mounting private debt, which could make the country more susceptible to external financial shocks. The rating agency however, said weakening Rupiah is not a threat to Indonesia's investment grade status, citing resilient growth and low debt burden. Decliners outran gainers 160 to 73 Thursday on the Indonesia Stock Exchange, where 3 billion shares worth IDR 3.61 trillion changed hands on the regular board. Foreign investors' stock trades accumulated to a net sale of 546.53 billion.
- As investors are likely step back ahead of the broadly watched US jobs data later in the day, we expect the Jakarta Composite Index (JCI) to remain in negative territory today. The benchmark index of Indonesian stocks is likely to trade lower today, with support and resistance at 4,160 and 4,270, respectively.

JAKARTA COMPOSITE INDEX

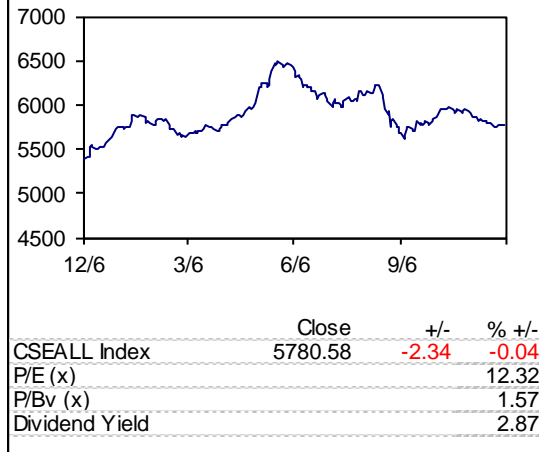


Source: Bloomberg

Sri Lanka

- The Colombo bourse ended the trading day on a negative note, resulting in the indices to re-enter the re terrain once again. The benchmark ASPI dropped by a minute 2.34 points (0.04%) to close the day at 5,780.58 and the S&P SL20 index settled at 3,161.62 charting a loss of 3.43 points or 0.11%. A total of 79 companies gained during the day whereas 76 companies posted drops in share prices. The total market capitalization as at the day's closure stood at LKR 2.41Tn, with a year to date gain of 10.95%. The market PER and PBV were 14.93x & 1.95x respectively. A series of off-market deals totaling up to LKR 1.05Bn outpaced the on-board activity which amounted to LKR 272.54Mn, whilst accounting a share of nearly 80.00% of the daily aggregated turnover which amounted to LKR 1.32Bn; the turnover noted a gain of 66.34% against the previous trading day. Under the sectorial round-up, Bank Finance & Insurance (BFI) sector topped the list providing LKR 808.30Mn and Manufacturing (MFG) sector stood next in line providing LKR 232.54Mn to the daily aggregate turnover. A total of 116.35Mn shares changed hands during the day resulting in a gain of 63.68% compared to the previous trading day. Foreign participants appeared to be bullish for the second consecutive trading day resulting in a net foreign inflow of LKR 292.12Mn, resulted by foreign buying of LKR 607.22Mn and selling of LKR 315.09Mn. This assisted the year to date net foreign inflow to reach LKR 22.79Bn. Looking at the local FOREX markets, the USD is selling at 132.43/- and is bought at LKR 129.27/-.

SRI LANKA COLOMBO ALL SH

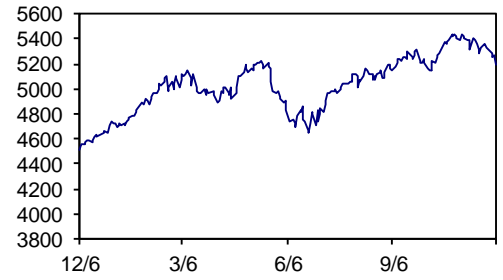


Source: Bloomberg

Australia

- The Australian share market on Thursday fell heavily in afternoon trade after starting the day flat. Business news was marked by the dramatic descent of national airline Qantas, which flagged a big financial loss and widespread job cuts. The benchmark S&P/ASX200 index was 70.6 points, or 1.34 per cent, at 5,196.9 points.
- Today (06/12/13), the Australian market looks set to open lower following falls on international markets after data showed that the US economy was growing at a speedy 3.6 per cent.
- In economic news on Friday, the Australian Industry Group/Housing Industry Association performance of construction index (PCI) for month just ended is due to be released.
- In equities news, Nine Entertainment (NEC) makes its debut on the ASX while Washington H Soul Pattinson has its annual general meeting.

STANDARD & POORS/ ASX 200 INDEX



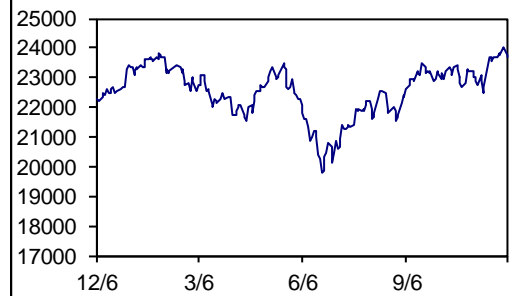
	Close	+/-	% +/-
S&P/ASX 200 INDEX	5197.96	-75.79	-1.44
P/E (x)			21.74
P/Bv (x)			1.97
Dividend Yield			5.88

Source: Bloomberg

Hong Kong

- HSI lost 16 points to 23,712. CEI climbed 26 points to 11,395. Trading volume was HKD59.624 billion.
- HK market recorded 3 losing streak on weakness in US markets.
- HK banks led declines, SCB (2888.HK) and HSBC (5.HK) dropped 4.7% and 1.4% respectively.
- Telecom equipment sector out-performed on 4G licenses released. Trigiant (1300.HK) and SIM Tech (2000.HK) climbed 4.7% and 7.5% respectively.
- Telecom operators had little changed after 4G licenses announcement. China Mobile (941.HK) climbed 0.5%, China Unicom (762.HK) dropped 1.2% and China Telecom (728.HK) rose 0.2%.
- Macau gambling stocks out-performed, particularly the second-tier. Macau Legend (1680.HK), Melcolot (8198.HK) and Amax Int Hold (959.HK) surged 15.6%, 10.4% and 22.9% respectively.
- Technically, HSI failed to sustain at 10-MA level of 23,793. The next resistance and support for HSI are 24,000 and 23,500 respectively.

HANG SENG INDEX



	Close	+/-	% +/-
HSI INDEX	23712.57	-16.13	-0.07
P/E (x)			10.74
P/Bv (x)			1.47
Dividend Yield			3.26

Source: Bloomberg

Market News

US

- U.S. and European stocks fell for a fifth day, gold slid and Treasury yields reached the highest level since September as improving economic data fueled bets the Federal Reserve will reduce stimulus. The euro rose as the central bank gave no sign it will start negative deposit rates. The Standard & Poor's 500 Index (SPX) slipped 0.4 percent to 1,785.03 by 4:30 p.m. in New York, extending its longest slump since September, while the benchmark gauge of U.S. options rose an eighth day to match a record rally. The Stoxx Europe 600 Index dropped to a seven-week low while the euro gained versus 13 of 16 major currencies. (Source: Bloomberg)
- The system of data feeds that distribute American stock prices is "outdated" and needs improved oversight, transparency and backups, according to the group representing U.S. securities firms. "In today's markets, the current system suffers from a lack of transparency and competition, questions of underfunding and insulated governance," Theodore R. Lazo, the Securities Industry and Financial Markets Association's managing director and associate general counsel, told the U.S. Securities and Exchange Commission in a letter today. He said brokers and asset managers should be more involved with overseeing the feeds. (Source: Bloomberg)
- Foreign direct investment into emerging markets should decline next year because of persistent concerns about the global economy, the World Bank's political risk insurance arm said on Thursday. For the first time in five years, companies listed macroeconomic instability as their biggest constraint for investing in emerging markets over the next three years, according to the report from the World Bank's Multilateral Investment Guarantee Agency. "The persistent global economic uncertainty appears to have tainted the overall mood, with economic pessimism underpinning the expected stagnant FDI levels," MIGA said in the report. (Source: BT Online)

Singapore

- TWITTER Inc is tying up with a Singapore-based startup to make its 140-character messaging service available to users in emerging markets who have entry-level mobile phones which cannot access the Internet. U2opia Mobile, which has a similar tie-up with Facebook Inc, will launch its Twitter service in the first quarter of next year, chief executive and co-founder Sumesh Menon told Reuters. Users will need to dial a simple code to get a feed of the popular trending topics on Twitter, he said. More than 11 million people use U2opia's Fonetwish service, which helps access Facebook and Google Talk on mobile without a data connection. (Source: BT Online)
- The monthly statements of 647 of Standard Chartered Bank's private bank clients have been discovered on a computer belonging to alleged hacker James Raj Arokiasamy. The police revealed last night that they had found the stolen data on the 35-year-old's laptop after arresting him last month and charging him with hacking a number of official websites. The bank statements, which were for February this year, were stolen in March from one of the servers at Fuji Xerox Singapore, which prints these statements for StanChart's private bank clients. To be a private banking client, StanChart customers must have at least US\$2 million in assets managed by the bank. (Source: BT Online)
- Industrialists and third-party facility providers such as property funds/developers who own industrial properties on JTC-leased sites will now be required to hold these properties for a longer period before they may sell them. JTC has also extended the minimum occupation period for anchor tenants of third-party facility providers. The changes took effect on Nov 15. The move is aimed at safeguarding Singapore's scarce industrial land resources for optimal use by genuine industrialists and dampening property speculation. (Source: BT Online)

Thailand

- The People's Democratic Reform Committee (PDRC) said it did not buy PM Yingluck Shinawatra's political reform forum, citing it as a tactic to buy time. The PDRC's demand to invoke Article 7 of the Constitution to appoint a new prime minister is also constitutional, the PDRC further said, adding that it would resume its protests again after Dec 6. (Source: Krungthep Turakij)
- PM Yingluck Shinawatra asked the finance and tourism ministries, the Bank of Thailand and the National Economic and Social Development Board (NESDB) to draft massive economic stimulus plan, which is expected to be announced early next year. (Source: Krungthep Turakij)
- The Bank of Thailand plans to ease rules to broaden the scope of investment with freer mobility for Thais to invest overseas in the second phase which would take effect next year. The central bank also said that it has a contingency plan in place to cope with volatility in global fund flows. Under new rules, investors are allowed to trade securities in foreign currencies and invest directly in overseas securities and bonds. (Source: Thai Rath)
- The Bank of Thailand said the number of foreign banks keen to seek foreign commercial bank subsidiary licenses is much lower than previously expected as a result of global economic woes. However, its plan to issue up to five foreign commercial bank subsidiary licenses should be enough, the central bank further said. (Source: Krungthep Turakij)

Hong Kong

- China's broadest economic reforms since the 1990s will add less than half a percentage point to annual growth this decade, a survey showed, underscoring the likelihood of a cut in the nation's expansion target. Fourteen of 19 economists see policies from a Communist Party summit last month boosting gross domestic product either by a negligible amount or less than 0.5 percent a year compared with their previous outlook, according to the Bloomberg News survey. Ten analysts say China will need at least a small amount of monetary,

fiscal and credit stimulus to meet the government's "bottom line" of 7 percent growth in the next five years. The forecasts dovetail with increasing speculation that policy makers will set the lowest annual growth target since 2004 at a gathering this month, after leaders pledged to give markets a bigger role in setting prices for capital and resources such as energy. President Xi Jinping is trying to sustain long-term expansion while overcoming risks from rising debt and pressures on government-backed companies. "The reforms are going to be incrementally positive for growth as capital and resources are used more efficiently and wastage is cut," said Kevin Lai, an economist at Daiwa Capital Markets in Hong Kong who responded to the survey conducted Nov. 22-27. "But some state-owned enterprises will have to pay as they lose their old monopoly status and over one to two years there's a significant risk that the debt issue deteriorates." (Source: Bloomberg)

- Sun Hung Kai Properties Ltd. (16)'s biggest shareholder, Kwong Siu-hing, transferred part of her holdings in the Hong Kong developer to sons and co-chairmen Thomas and Raymond Kwok, according to the family trust. Kwong, widow of Sun Hung Kai founder Kwok Tak-seng, gave 6.36 percent of the company's shares each to the families of Thomas and Raymond Kwok, she said yesterday in a statement. The share transfer comes as the two brothers prepare to face trial in May for allegedly providing bribes to the city's former No. 2 government official. Adam and Edward Kwok, sons of Thomas and Raymond, were appointed deputy managing directors of the city's second-biggest developer by value last year following the arrest of their fathers. Kwong was holding a 43.43 percent stake in Sun Hung Kai through the family trust for Thomas, Raymond and their families, as well as for the family of her eldest son Walter Kwok. Walter was removed as a beneficiary in 2010 following a dispute. Each of the families were to get a third of that stake. After the Nov. 29 transfer, Kwong's holding in Sun Hung Kai fell to 30.79 percent, according to filings to the Hong Kong Stock Exchange. The interests of Walter's family weren't affected by the transfer, according to the family trust, indicating that his family will continue to have an interest equivalent to a third of the original stake. The transfer increased the net worth of Thomas and Raymond to \$10 billion each, from \$8.3 billion, according to the Bloomberg Billionaires Index. The brothers and two other men are charged with conspiring to provide payments, loans and free use of apartments totaling more than HK\$35 million (\$4.5 million) to Rafael Hui, according to court documents. They were first arrested in March last year. The brothers have denied any wrongdoing. Sun Hung Kai has been run by Thomas and Raymond since the ouster as chairman in 2008 of Walter Kwok. (Source: Bloomberg)
- China Mobile Ltd. won state approval to start commercial service on the world's largest fourth-generation wireless network, clearing a key hurdle to offering Apple Inc.'s iPhone to its 759 million subscribers. The world's biggest phone company and two smaller domestic carriers received 4G licenses yesterday from China's Ministry of Industry and Information Technology. China Mobile will deploy TD-LTE technology to promote faster downloads as it tries to push customers toward higher-priced voice and data plans. Shares rose to the highest in six weeks. Starting services on a 4G network using global standards may help China Mobile win over handset makers, including Apple, that hadn't supported its homegrown 3G standard. The high-speed network was scheduled to reach 100 cities covering 500 million people this year, potentially weighing on the company's earnings for years as it tries to lure users with enticements such as subsidies for new devices. "With the expense of setting up the 4G network, there is going to be pressure to load the network and encourage customers to migrate faster than they normally would," Tucker Grinnan, a Hong Kong-based analyst with HSBC Holdings Plc., said by phone. "The start of 4G service will mean more pressure on profits." China Mobile signed a deal with Apple to start offering the iPhone later this month, the Wall Street Journal reported, citing a person it didn't identify. (Source: Bloomberg)

Indonesia

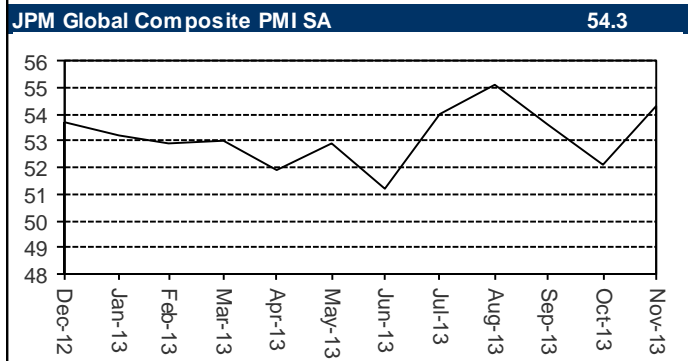
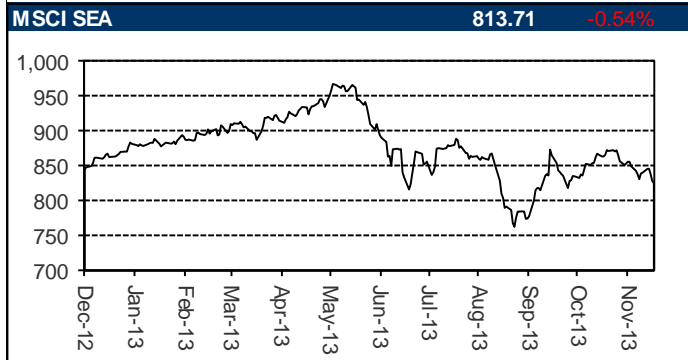
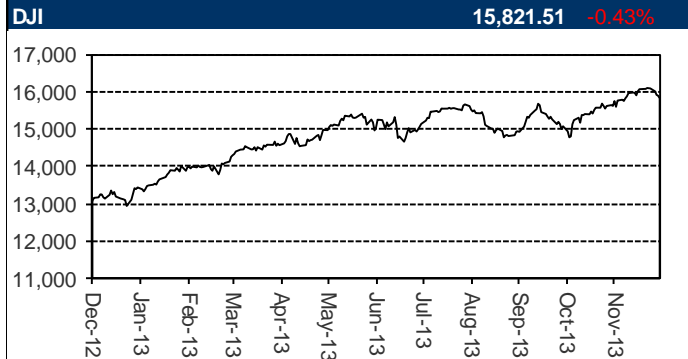
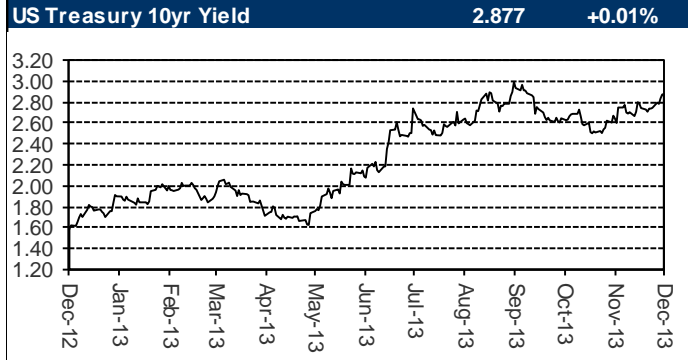
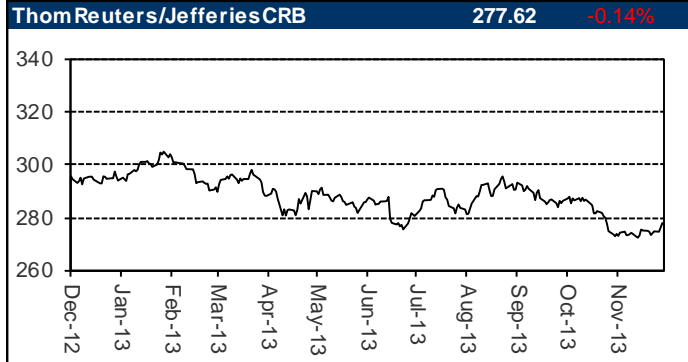
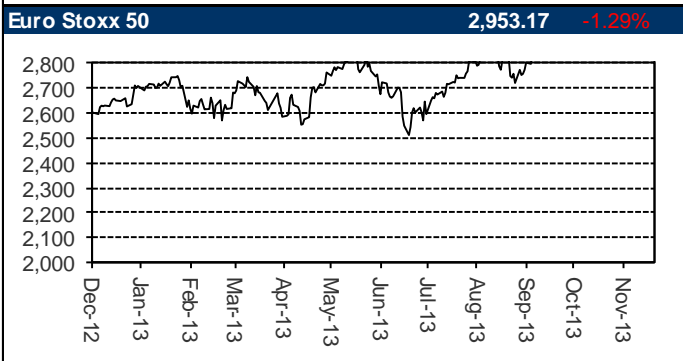
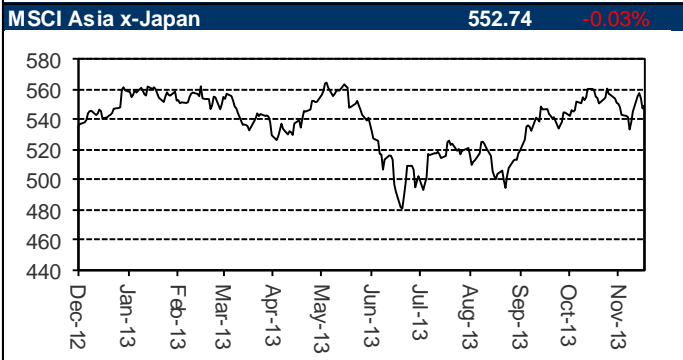
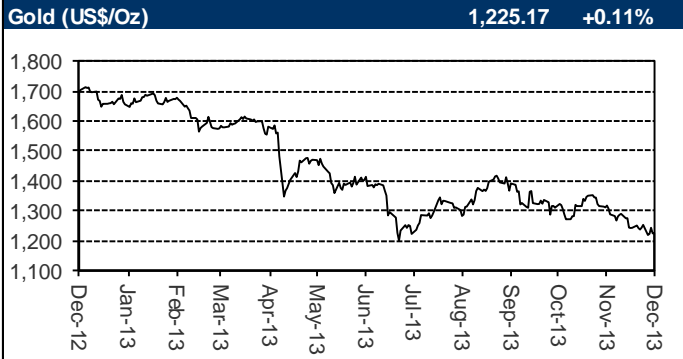
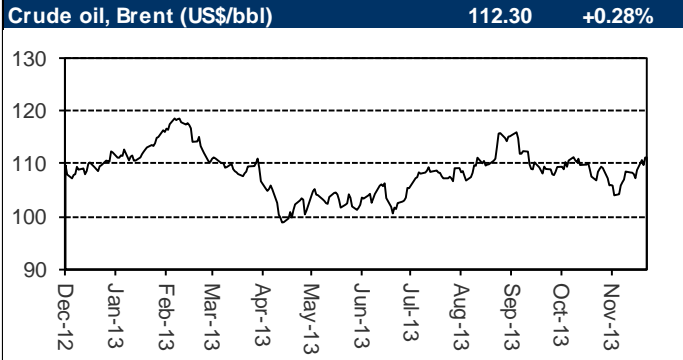
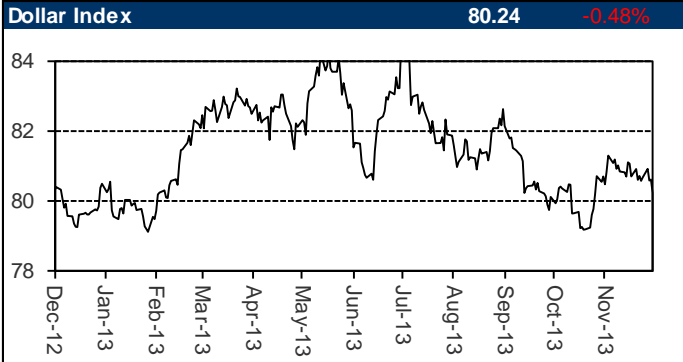
- Indonesia's weakening currency has yet to pose a threat to the country's investment grade status, according to Moody's Investors Service, which cited the country's resilient growth and low debt burden. Nevertheless, a spokesman for the rating agency warned government officials over mounting risk from rising private debt, which could make the country more susceptible to external financial shocks. Southeast Asia's largest economy continues to improve access to market, which helps anchor the country's Baa3 rating - Moody's lowest investment grade. Moody's along with Fitch Rating agency awarded the country investment grade status over the past two years, making their rivals Standard & Poor's the only one that has not placed the country into an investment grade. (Source: The Jakarta Globe)
- Stability of economy and politic is one of reasons why foreign investors are more attracted to put their capitals in Indonesia rather than in some neighboring ASEAN countries. The head of Investment Coordinating Board (BKPM) said Indonesia is probed by foreign investors' radars as in a survey released by Japan Bank for International Cooperation (JBIC), Indonesia ranked the first for country demanded most for investment. (Source: Indonesia Finance Today)

Australia

- CSL is hoping to replicate the success of its cancer vaccine Gardasil after signing a deal with a Johnson & Johnson subsidiary to develop a novel treatment for an aggressive form of leukemia. The licensing deal, announced at the company's annual research and development briefing yesterday, will see CSL hand over further development of the locally developed monoclonal antibody therapy to Janssen Biotechnology in return for an undisclosed up-front fee as well as potential milestone and royalty payments. (Source: The Australian)
- Holden has decided to end its Australian manufacturing operations but has postponed an announcement until next year, senior Coalition sources say. The Australian understands that General Motors was poised to announce it was ending its Australian manufacturing operations in 2016 as early as yesterday, but a decision in Beijing the night before has delayed the decision. (Source: The Australian)
- Qantas surpassed the gloomiest predictions of analysts yesterday with a first-half profit warning that it could lose up to \$300 million on an underlying pre-tax basis as its November figures showed a continuing slump. The news prompted a plunge in the company's share price and a warning from credit ratings agency Moody's that its debt could be downgraded, putting more pressure on the airline as it has to pay high interest rates in order to secure debt. (Source: The Australian)

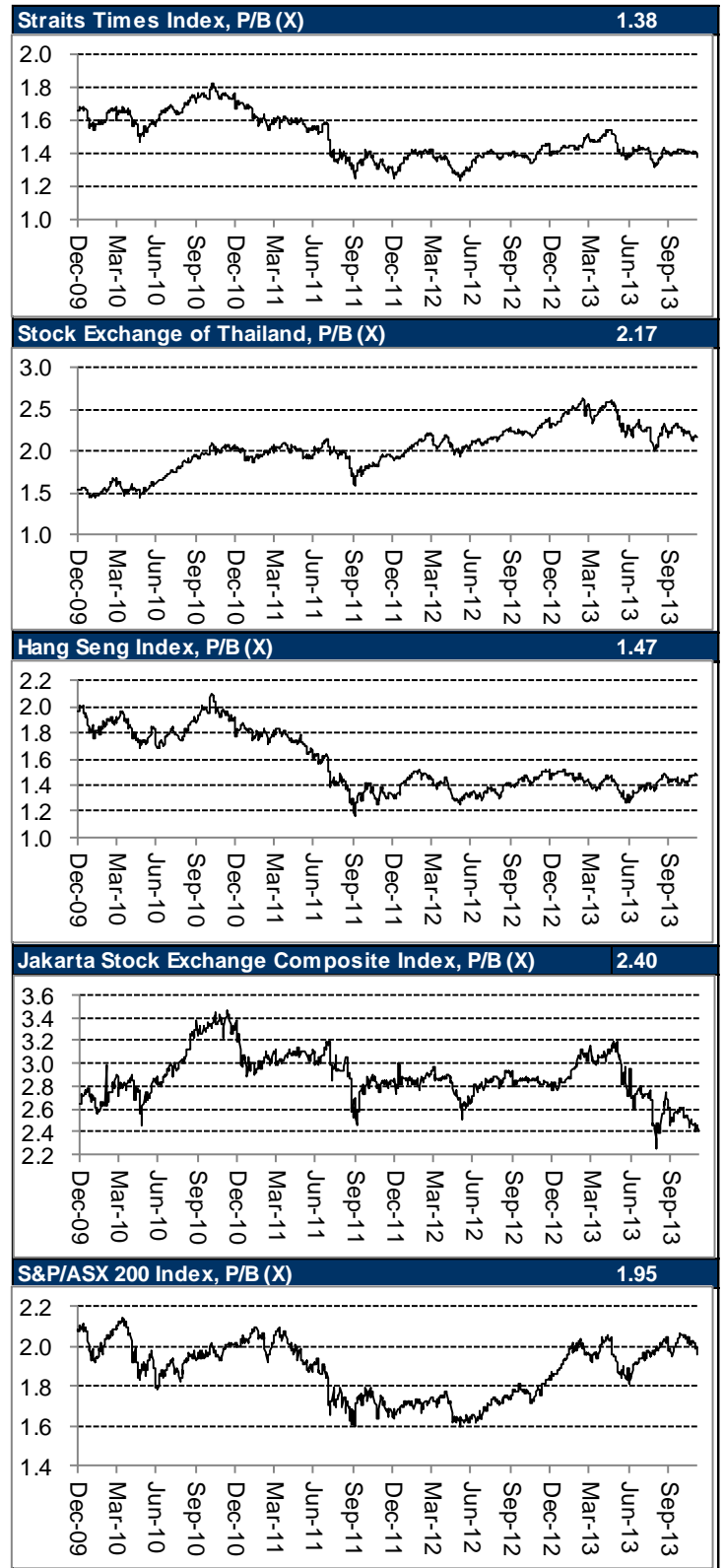
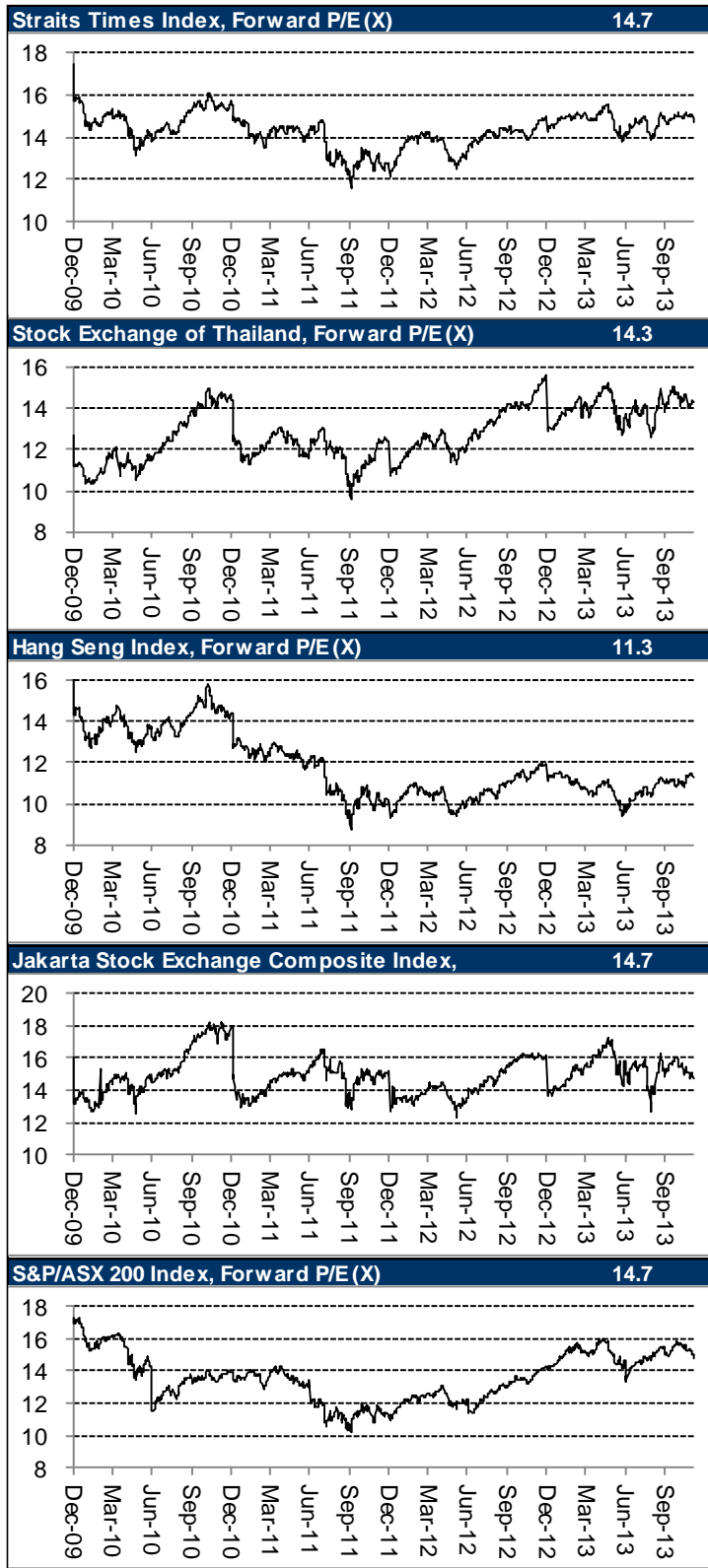
Sri Lanka

- Substantial demand in terms of total bids received, which totaled up to a 10 month high of Rs. 55.8 billion saw weighted averages (WAVg) plunge at yesterday's weekly Treasury bill auction, reflecting its eleventh (11) consecutive week of declines. The 364-day bill which reflected the sharpest decline of 19 basis points (bp) to 9.50%, while the 91-day and 182-day bills dipped by 9 bp and 15 bp respectively to 7.97% and 8.65%. (ft.lk)
 - The rupee edged up to a more than five-week high on Wednesday, helped by bond buying from foreigners and high inward remittances from expatriates for their families ahead of Christmas and the New Year. The spot rupee closed at 130.83/88 per dollar, its highest since 25 October and slightly firmer than Tuesday's 130.85/95. It has gained nearly 0.3% in four straight sessions. (ft.lk)
-



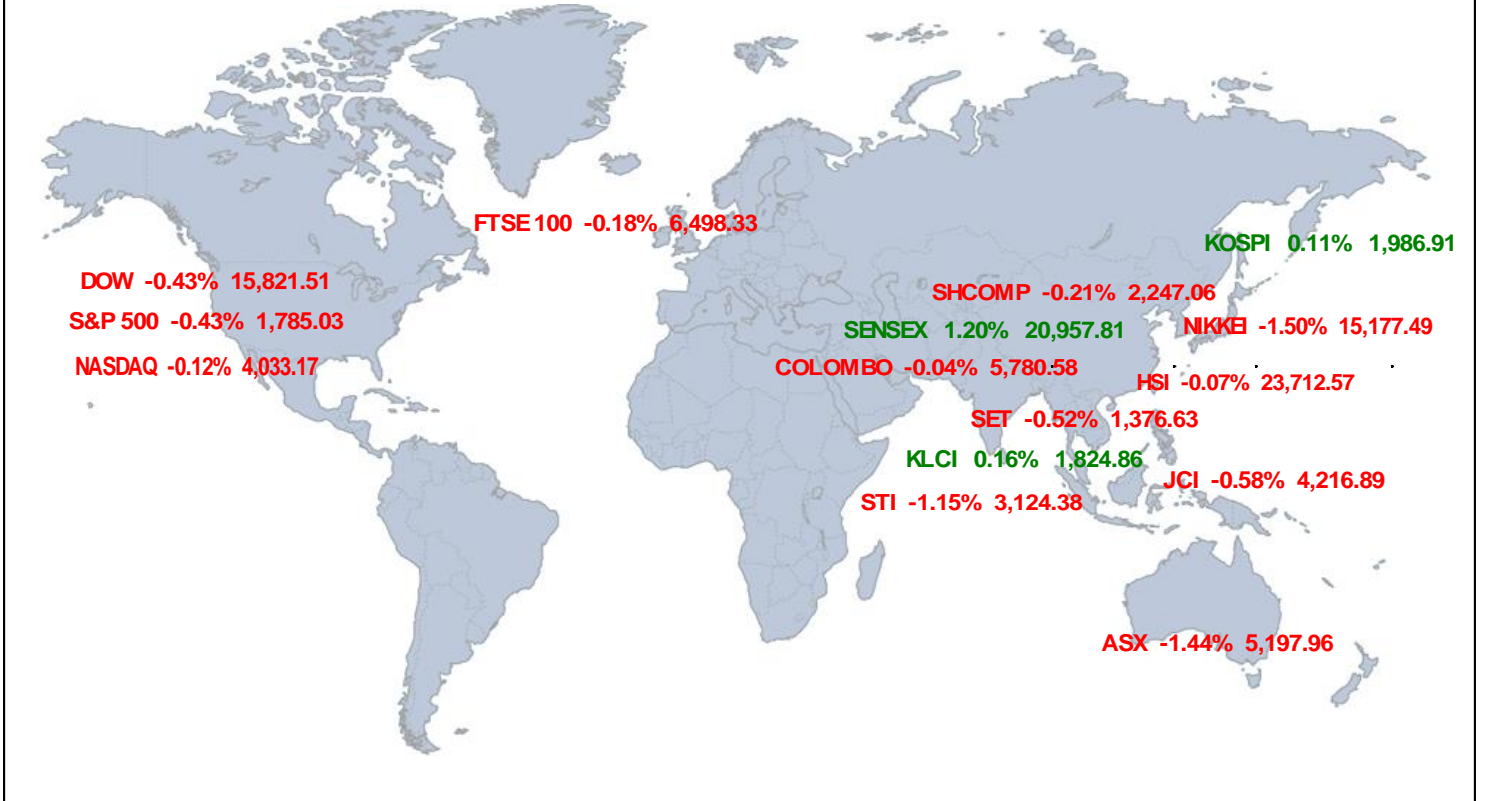
Source: Bloomberg

Valuations of Major Regional Markets



Source: Bloomberg

World Index



Source: Bloomberg

Economic Announcement

US

Date	Statistic	For	Survey	Prior
12/6/2013	Change in Nonfarm Payrolls	Nov	185K	204K
12/6/2013	Two-Month Payroll Net Revision	Nov	--	--
12/6/2013	Change in Private Payrolls	Nov	180K	212K
12/6/2013	Change in Manufact. Payrolls	Nov	10K	19K
12/6/2013	Unemployment Rate	Nov	7.20%	7.30%
12/6/2013	Average Hourly Earnings MoM	Nov	0.20%	0.10%
12/6/2013	Average Hourly Earnings YoY	Nov	2.00%	2.20%
12/6/2013	Average Weekly Hours All	Nov	34.5	34.4
12/6/2013	Change in Household Employment	Nov	--	-735
12/6/2013	Underemployment Rate	Nov	--	13.80%
12/6/2013	Labor Force Participation Rate	Nov	--	62.80%
12/6/2013	Personal Income	Oct	0.30%	0.50%
12/6/2013	Personal Spending	Oct	0.20%	0.20%
12/6/2013	PCE Deflator MoM	Oct	0.00%	0.10%
12/6/2013	PCE Deflator YoY	Oct	0.70%	0.90%

Source: Bloomberg

Thailand

Date	Statistic	For	Survey	Prior
12/6/2013	Foreign Reserves	29-Nov	--	\$168.8B
12/6/2013	Forward Contracts	29-Nov	--	\$23.3B
12/13/2013	Foreign Reserves	6-Dec	--	--
12/13/2013	Forward Contracts	6-Dec	--	--
12/17/2013	Car Sales	Nov	--	88989
12/20/2013	Foreign Reserves	13-Dec	--	--
12/20/2013	Forward Contracts	13-Dec	--	--
12/24/2013	Customs Exports YoY	Nov	--	-0.67%
12/24/2013	Customs Imports YoY	Nov	--	-5.37%
12/24/2013	Customs Trade Balance	Nov	--	-\$1770M
12/26/2013	Mfg Production Index ISIC NSA	Nov	--	-400.00%
12/26/2013	Mfg Production Index ISIC SA	Nov	--	170.59
12/26/2013	Capacity Utilization ISIC	Nov	--	63.5
12/27/2013	Foreign Reserves	20-Dec	--	--
12/27/2013	Forward Contracts	20-Dec	--	--

Source: Bloomberg

Singapore

Date	Statistic	For	Survey	Prior
12/6/2013	Foreign Reserves	Nov	--	\$271.78B
12/11/2013	Manpower Survey	1Q	--	21%
12/13/2013	Unemployment rate SA	3Q F	--	1.80%
12/13/2013	Retail Sales Ex Auto YoY	Oct	--	-0.30%
12/13/2013	Retail Sales YoY	Oct	--	-5.90%
12/13/2013	Retail Sales SA MoM	Oct	--	0.50%
12/17/2013	Electronic Exports YoY	Nov	--	-1.40%
12/17/2013	Non-oil Domestic Exports YoY	Nov	--	2.80%
12/17/2013	Non-oil Domestic Exports SA MoM	Nov	--	3.20%
12/18/2013	Automobile COE Open Bid Cat A	18-Dec	--	--
12/18/2013	Automobile COE Open Bid Cat B	18-Dec	--	--
12/18/2013	Automobile COE Open Bid Cat E	18-Dec	--	--
12/18/2013	Bloomberg Dec. Singapore			
12/23/2013	CPI NSA MoM	Nov	--	0.20%
12/23/2013	CPI YoY	Nov	--	2.00%

Source: Bloomberg

Hong Kong

Date	Statistic	For	Survey	Prior
12/6/2013	Foreign Reserves	Nov	--	\$309.6B
12/11/2013	Manpower Survey	1Q	--	15%
12/12/2013	Industrial Production YoY	3Q	--	0.30%
12/12/2013	PPI YoY	3Q	--	-2.40%
12/17/2013	Unemployment Rate SA	Nov	--	3.30%
12/18/2013	Bloomberg Dec. Hong Kong			
12/19/2013	Composite Interest Rate	Nov	--	0.34%
12/20/2013	BoP Overall	3Q	--	\$25.43B
12/20/2013	BoP Current Account Balance	3Q	--	-\$2.48B
12/23/2013	CPI Composite YoY	Nov	--	4.30%
12/30/2013	Exports YoY	Nov	--	8.80%
12/30/2013	Imports YoY	Nov	--	6.30%
12/30/2013	Trade Balance	Nov	--	-38.1B
12/31/2013	Budget Balance HKD	Nov	--	20.8B
12/31/2013	Money Supply M1 HKD YoY	Nov	--	13.40%

Source: Bloomberg

Section 27 of the Financial Advisers Act (Cap. 110) of Singapore and the MAS Notice on Recommendations on Investment Products (FAA-N01) do not apply in respect of this publication.

This material is intended for general circulation only and does not take into account the specific investment objectives, financial situation or particular needs of any particular person. The products mentioned in this material may not be suitable for all investors and a person receiving or reading this material should seek advice from a professional and financial adviser regarding the legal, business, financial, tax and other aspects including the suitability of such products, taking into account the specific investment objectives, financial situation or particular needs of that person, before making a commitment to invest in any of such products.

Please contact Phillip Securities Research at [65 65311240] in respect of any matters arising from, or in connection with, this document.

This report is only for the purpose of distribution in Singapore.

Contact Information (Singapore Research Team)

Management

Chan Wai Chee

(CEO, Research - Special Opportunities)

+65 6531 1231

Joshua Tan

(Head, Research - Equities & Asset Allocation)

+65 6531 1249

Research Operations Officer

Jermaine Tock

+65 6531 1240

Macro | Asset Allocation | Equities

Joshua Tan +65 6531 1249

Commodities | Offshore & Marine

Nicholas Ong +65 6531 1440

US Equities

Wong Yong Kai +65 6531 1685

Telecoms

Colin Tan +65 6531 1221

Real Estate

Caroline Tay +65 6531 1792

Real Estate

Lucas Tan +65 6531 1229

Market Analyst | Equities

Kenneth Koh +65 6531 1791

Contact Information (Regional Member Companies)

SINGAPORE

Phillip Securities Pte Ltd

Raffles City Tower
250, North Bridge Road #06-00
Singapore 179101
Tel +65 6533 6001
Fax +65 6535 6631

Website: www.poems.com.sg

JAPAN

Phillip Securities Japan, Ltd.

4-2 Nihonbashi Kabuto-cho Chuo-ku,
Tokyo 103-0026
Tel +81-3 3666 2101
Fax +81-3 3666 6090

Website: www.phillip.co.jp

THAILAND

Phillip Securities (Thailand) Public Co. Ltd

15th Floor, Vorawat Building,
849 Silom Road, Silom, Bangrak,
Bangkok 10500 Thailand
Tel +66-2 6351700 / 22680999

Fax +66-2 22680921

Website: www.phillip.co.th

UNITED STATES

Phillip Futures Inc

141 W Jackson Blvd Ste 3050
The Chicago Board of Trade Building
Chicago, IL 60604 USA

Tel +1-312 356 9000

Fax +1-312 356 9005

INDIA

PhillipCapital (India) Private Limited

No. 1, C-Block, 2nd Floor, Modern Center,
Jacob Circle, K. K. Marg, Mahalaxmi
Mumbai 400011

Tel: (9122) 2300 2999

Fax: (9122) 6667 9955

Website: www.phillipcapital.in

MALAYSIA

Phillip Capital Management Sdn Bhd

B-3-6 Block B Level 3 Megan Avenue II,
No. 12, Jalan Yap Kwan Seng, 50450
Kuala Lumpur

Tel +603 2162 8841

Fax +603 2166 5099

Website: www.poems.com.my

INDONESIA

PT Phillip Securities Indonesia

ANZ Tower Level 23B,
JI Jend Sudirman Kav 33A
Jakarta 10220 – Indonesia

Tel +62-21 5790 0800

Fax +62-21 5790 0809

Website: www.phillip.co.id

FRANCE

King & Shaxson Capital Limited

3rd Floor, 35 Rue de la Bienfaisance 75008
Paris France

Tel +33-1 45633100

Fax +33-1 45636017

Website: www.kingandshaxson.com

AUSTRALIA

PhillipCapital

Level 12, 15 William Street,
Melbourne, Victoria 3000, Australia

Tel +61-03 9629 8288

Fax +61-03 9629 8882

Website: www.phillipcapital.com.au

HONG KONG

Phillip Securities (HK) Ltd

11/F United Centre 95 Queensway
Hong Kong

Tel +852 2277 6600

Fax +852 2868 5307

Websites: www.phillip.com.hk

CHINA

Phillip Financial Advisory (Shanghai) Co Ltd

No 550 Yan An East Road,
Ocean Tower Unit 2318,
Postal code 200001

Tel +86-21 5169 9200

Fax +86-21 6351 2940

Website: www.phillip.com.cn

UNITED KINGDOM

King & Shaxson Capital Limited

6th Floor, Candlewick House,
120 Cannon Street,
London, EC4N 6AS

Tel +44-20 7426 5950

Fax +44-20 7626 1757

Website: www.kingandshaxson.com

SRI LANKA

Asha Phillip Securities Limited

No 321, Lakshmans Building,
2nd floor, Galle Road,
Colombo 3, Sri Lanka

Tel: (94) 11 2429 100 Fax: (94) 11 2429 199

Website: www.ashaphillip.net/home.htm

**Hong Kong
Research**

**Louis Wong
Director**

(852) 22776892

louiswong@phillip.com.hk

**Chen Xingyu
Director, research
department, Shanghai**

Mainland Financial
(86) 21 51698900-105

chenxingyu@phillip.com.cn

**Zhang Jing
Research Analyst**

Transportation and Automobiles
(86) 21 51699200-103

zhangjing@phillip.com.cn

**Chen Geng
Research Analyst**

Mainland Property
(86) 21 51698900-113

chengeng@phillip.com.cn

**Dennis Wu
Research Analyst**

Local Property
(852) 22776751

denniswu@phillip.com.hk

Sales

**Aric Au
Manager, Corporate &
Institutional Sales**

(852) 22776783

corporatesales@phillip.com.hk

**Matthew Wong
Manager, International Sales**

(852) 22776678

foreignstock@phillip.com.hk

**Yoshikazu Shikita
Manager, International Sales
(Japan Team)**

(852) 22776624

yshikita@phillip.com.hk

PHILLIP RESEARCH STOCK SELECTION SYSTEMS

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

GENERAL DISCLAIMER

This publication is prepared by Phillip Securities (Hong Kong) Ltd ("Phillip Securities"). By receiving or reading this publication, you agree to be bound by the terms and limitations set out below.

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

The information contained in this publication has been obtained from public sources which Phillip Securities has no reason to believe are unreliable and any analysis, forecasts, projections, expectations and opinions (collectively the "Research") contained in this publication are based on such information and are expressions of belief only. Phillip Securities has not verified this information and no representation or warranty, express or implied, is made that such information or Research is accurate, complete or verified or should be relied upon as such. Any such information or Research contained in this publication is subject to change, and Phillip Securities shall not have any responsibility to maintain the information or Research made available or to supply any corrections, updates or releases in connection therewith. In no event will Phillip Securities be liable for any special, indirect, incidental or consequential damages which may be incurred from the use of the information or Research made available, even if it has been advised of the possibility of such damages.

Any opinions, forecasts, assumptions, estimates, valuations and prices contained in this material are as of the date indicated and are subject to change at any time without prior notice.

This material is intended for general circulation only and does not take into account the specific investment objectives, financial situation or particular needs of any particular person. The products mentioned in this material may not be suitable for all investors and a person receiving or reading this material should seek advice from a financial adviser regarding the suitability of such products, taking into account the specific investment objectives, financial situation or particular needs of that person, before making a commitment to invest in any of such products.

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 product described in this material is suitable or appropriate for the recipient. Recipients should be aware that many of the products which may be described in this publication 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.

Nothing in this report shall be construed to be an offer or solicitation for the purchase or sale of a security. Any decision to purchase securities mentioned in this research should take into account existing public information, including any registered prospectus in respect of such security.

Disclosure of Interest

Analyst Disclosure: Neither the analyst(s) preparing this report nor his associate has any financial interest in or serves as an officer of the listed corporation covered in this report.

Firm's Disclosure: Phillip Securities does not have any investment banking relationship with the listed corporation covered in this report nor any financial interest of 1% or more of the market capitalization in the listed corporation. In addition, no executive staff of Phillip Securities serves as an officer of the listed corporation.

Availability

The information, tools and material presented herein are not directed, intended for distribution to or use by, any person or entity in any jurisdiction or country where such distribution, publication, availability or use would be contrary to the applicable law or regulation or which would subject Phillip Securities to any registration or licensing or other requirement, or penalty for contravention of such requirements within such jurisdiction.

Information contained herein is based on sources that Phillip Securities (Hong Kong) Limited ("PSHK") believed to be accurate. PSHK does not bear responsibility for any loss occasioned by reliance placed upon the contents hereof. PSHK (or its affiliates or employees) may have positions in relevant investment products. For details of different product's risks, please visit the Risk Disclosures Statement on <http://www.phillip.com.hk>.

Contact Information (Regional Member Companies)

SINGAPORE

Phillip Securities Pte Ltd
Raffles City Tower
250, North Bridge Road #06-00
Singapore 179101
Tel : (65) 6533 6001
Fax : (65) 6535 6631
Website: www.poems.com.sg

HONG KONG

Phillip Securities (HK) Ltd
Exchange Participant of the Stock Exchange of Hong Kong
11/F United Centre 95 Queensway
Hong Kong
Tel (852) 22776600
Fax (852) 28685307
Websites: www.phillip.com.hk

INDONESIA

PT Phillip Securities Indonesia
ANZ Tower Level 23B,
Jl Jend Sudirman Kav 33A
Jakarta 10220 – Indonesia
Tel (62-21) 57900800
Fax (62-21) 57900809
Website: www.phillip.co.id

THAILAND

Phillip Securities (Thailand) Public Co. Ltd
15th Floor, Vorawat Building,
849 Silom Road, Silom, Bangrak,
Bangkok 10500 Thailand
Tel (66-2) 6351700 / 22680999
Fax (66-2) 22680921
Website www.phillip.co.th

UNITED KINGDOM

King & Shaxson Capital Limited
6th Floor, Candlewick House,
120 Cannon Street,
London, EC4N 6AS
Tel (44-20) 7426 5950
Fax (44-20) 7626 1757
Website: www.kingandshaxson.com

AUSTRALIA

PhillipCapital Australia
Level 37, 530 Collins Street,
Melbourne, Victoria 3000, Australia
Tel (613) 96298380
Fax (613) 96148309
Website: www.phillipcapital.com.au

MALAYSIA

Phillip Capital Management Sdn Bhd
B-3-6 Block B Level 3 Megan Avenue II,
No. 12, Jalan Yap Kwan Seng, 50450
Kuala Lumpur
Tel (603) 21628841
Fax (603) 21665099
Website: www.poems.com.my

JAPAN

PhillipCapital Japan K.K.
Nagata-cho Bldg.,
8F, 2-4-3 Nagata-cho,
Chiyoda-ku, Tokyo 100-0014
Tel (81-3) 35953631
Fax (81-3) 35953630
Website: www.phillip.co.jp

CHINA

Phillip Financial Advisory (Shanghai) Co. Ltd
No 550 Yan An East Road,
Ocean Tower Unit 2318,
Postal code 200001
Tel (86-21) 51699200
Fax (86-21) 63512940
Website: www.phillip.com.cn

FRANCE

King & Shaxson Capital Limited
3rd Floor, 35 Rue de la Bienfaisance 75008
Paris France
Tel (33-1) 45633100
Fax (33-1) 45636017
Website: www.kingandshaxson.com

UNITED STATES

Phillip Futures Inc
141 W Jackson Blvd Ste 3050
The Chicago Board of Trade Building
Chicago, IL 60604 USA
Tel +1.312.356.9000
Fax +1.312.356.9005