15 May 2009

Equity Strategy
Pan-Asia

HSBC Global Research

AI – Asia Insights

Momentum and liquidity aren't enough

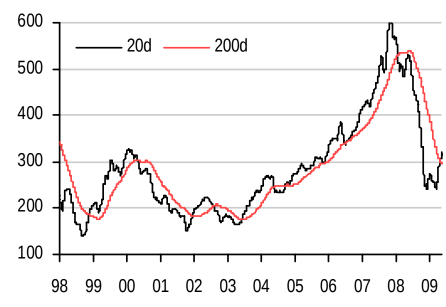
- **We hear two objections to our view that the market rally is petering out: momentum and liquidity**
- **But in the past these haven't necessarily kept markets rising**
- **We also adjust our market calls for the new view: we cut Taiwan to neutral and raise HK and Malaysia to overweight**

In last week's AI we reversed the bullish stance we have taken on Asian equities since March and argued the stock market rally was close to petering out. Not only are valuations getting stretched, but the better news on the economy and earnings is largely in the price (and, if anything, has shown signs of worsening again in the past few days).

When discussing this view with clients, we found few who agreed. Many argue that a new bull market has begun. This is a sharp turnaround from the first half of April when fund managers remained very cautious. We frequently heard two bull arguments. First, momentum indicators – for example, the golden cross between the 20 and 200 day moving average that appeared on May 5 (Chart 1) – point to the rally continuing. Second, with interest rates ultra-low and the US undertaking quantitative easing, liquidity globally is very strong. In Asia, for example average M1 growth, which has historically had a good correlation with equities (Chart 2), has picked up from 3% to 10% since the end of last year. In this piece, we examine these arguments and conclude that, while they have some merit, historically these factors have not necessarily guaranteed a rising stock market.

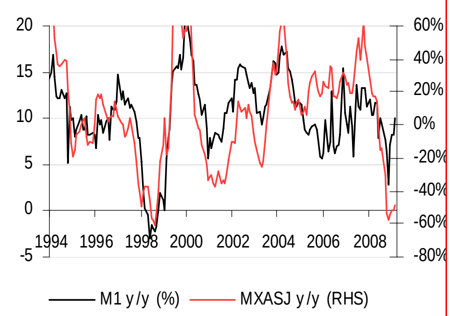
We also review recommended country weightings in the light of our new view. The view suggests we should think less about cyclical factors and worry a little about valuation. Accordingly, we lower Taiwan to neutral and Indonesia to underweight, and raise Hong Kong and Malaysia to overweight. We remain overweight on India and Singapore.

1. MSCI Asia ex Japan, moving averages



Source: HSBC, Bloomberg

2. Asian M1 growth vs MSCI Asia ex Japan



Source: HSBC, Bloomberg

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HSBC strategy recommendations

Market Recommendations

Market	HSBC recommendation	Previously	Rel Perf 3 mnth	End-2009 target	Current index	Change (%)
Japan	Neutral	Neutral	-8.0%	850	889	-4.4%
Australia	Neutral	Neutral	3.6%	3,800	3,856	-1.5%
China	Neutral	Neutral	6.4%	45	50	-9.9%
Korea	Under	Under	12.2%	1,000	1,415	-29.3%
Taiwan	**Neutral**	Over	21.5%	6,000	6,485	-7.5%
Hong Kong	**Over**	Neutral	7.8%	16,000	17,060	-6.2%
India	Over	Over	4.6%	11,000	12,020	-8.5%
Singapore	Over	Over	13.0%	1,900	2,185	-13.1%
Malaysia	**Over**	Under	-5.4%	800	1,023	-21.8%
Indonesia	**Under**	Neutral	38.9%	1,400	1,851	-24.4%
Thailand	Under	Under	10.0%	400	553	-27.6%
Philippines	Under	Under	-1.5%	1,700	2,284	-25.6%
New Zealand	Under	Under	-19.2%	n.a	1,929	n/a
Pakistan	Under	Under	16.6%	n/a	7,243	n/a
Vietnam	No weight	No weight	17.7%	300	378	-20.7%

Source: HSBC (Changes this week in **bold**)

Sector Recommendations

Sector	HSBC recommendation	Last quarter	Rel Perf 3 mnth	Markets overweight	Markets underweight
Financials	Neutral	Under	6.4%	TW, IN	AU, JP, KR
Industrials	Over	Over	0.4%	JP	
IT	Neutral	Under	6.8%	TW	
Consumer discretionary	Neutral	Under	4.8%		IN, TW
Materials	Under	Neutral	6.6%		AU, IN, TW
Telecoms	Under	Neutral	-17.6%	KR	CH, IN, TW
Consumer staples	Neutral	Neutral	-10.8%	CH	
Utilities	Under	Neutral	-25.7%	CH	HK, JP
Energy	Over	Over	14.5%	CH, IN	KR, TW
Healthcare	Under	Neutral	-23.1%		IN, JP

Source: HSBC

Asia's Super Ten

Code	Company	Country	Sector	HSBC rating	Upside to target price (%)	Price (local, 5/13/09)	Market cap (USDm)
2409 TT	AU Optronics	Taiwan	Industrials	Overweight (V)	17.1	35 (TWD)	9,053
1800 HK	China Communications Cons	China	Industrials	Overweight (V)	14.9	10.2 (HKD)	17,492
836 HK	China Resources Power	China	Utilities	Overweight (V)	52.5	16.2 (HKD)	8,860
030200 KS	KT Corp	Korea	Telecoms	Overweight	33.8	37750 (KRW)	7,910
2727 HK	Shanghai Electric Group	China	Industrials	Overweight (V)	15.3	3.2 (HKD)	6,583
SIA SP	Singapore Airlines	Singapore	Industrials	Overweight	15.4	11.9 (SGD)	9,695
386 HK	Sinopec	Hong Kong	Energy	Overweight (V)	14.0	6.1 (HKD)	119,154
SBIN IN	State Bank of India	India	Financials	Overweight (V)	3.5	1295.2 (INR)	16,672
19 HK	Swire Pacific	Hong Kong	Industrials	Overweight (V)	-8.1	67.5 (HKD)	7,881

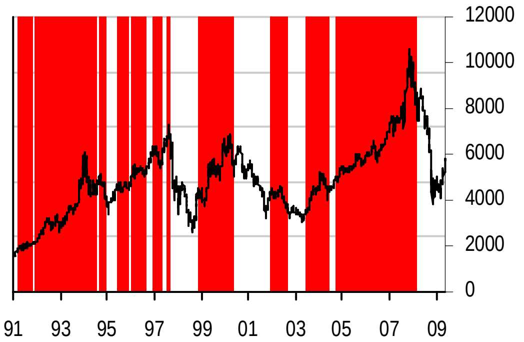
Note: Our framework for choosing Asia's Super 10 is detailed in our Asia Insights Quarterly of 6 April. Valuation and risk discussions for these stocks can be found in that report: AU Optronics, China Communications Construction, Shanghai Electric Group, Sinopec, State Bank of India and Swire Pacific; for China Resources Power, KT Corp, Singapore Airlines, please refer to Asia Insights, published 30 April 2009.
Source: HSBC

Does momentum matter?

We would hate to be thought of as chartists, but there is one strong characteristic of equity markets we are all too aware of: they tend to trend, i.e. once they start going up, they generally continue to go up, and *vice versa*.

That is why many investors – even those who would generally eschew the ephemera of chartists such as RSIs or Fibonacci retracements – do hold some store by moving averages. And it is certainly true in Asia over the past 20 years that paying attention to moving averages – for example the relationship between the 20-day moving average and the 200-day moving average (shown in Chart 1 on the front page) – has been a remarkably successful investment strategy. If you had gone long MSCI Asia ex Japan each time the 20-day overtook the 200-day moving average (the periods shown in red in Chart 3) and then shorted the market once the 20-day fell below the 200-day (the periods shown in white) you would have significantly and consistently outperformed.

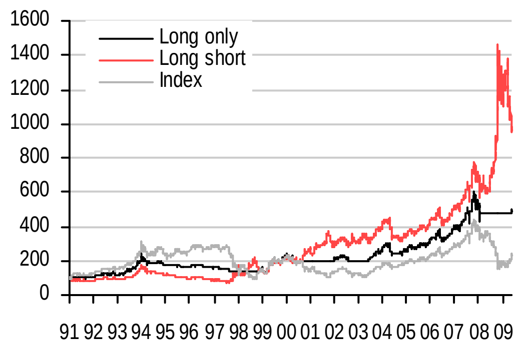
3. Signals given by 20-day and 200-day moving averages



Source: HSBC, Bloomberg

Since 1991, you would have made an average annual return of 15.2%, compared to an average return from just holding the index of 5.8% a year. (If you had only gone long at the buy signals, but not been able to short during down-markets, you would still have made 10.4%.) Chart 4 shows the performance since 1991 of these two strategies, versus just holding the index throughout.

4. Performance based on moving average trading



Source: HSBC

Moreover, this trend-based strategy would have worked in almost every market in Asia (Table 5). Only in Australia would you have done better to have held the index; in Taiwan, the result would have been little better than holding the index.

5. Performance of trend trading (average annual return, %)

	Index	Trend – long only	Relative perf (ppt)	Trend – long-short	Relative perf (ppt)
ID	-2.6	8.5	11.1	20.5	23.1
CH	-4.8	5.2	10.0	15.5	20.4
KR	4.4	11.8	7.4	19.7	15.4
MY	3.3	10.4	7.1	18.0	14.7
AP	0.7	5.6	4.9	10.8	10.2
SG	5.6	10.6	5.0	15.7	10.1
AEJ	5.8	10.4	4.6	15.2	9.5
PH	4.3	8.1	3.9	12.6	8.3
JP	-1.4	2.5	3.8	6.5	7.9
IN	8.0	10.9	2.9	14.9	6.9
TH	-1.7	1.3	2.9	4.1	5.7
HK	8.9	10.6	1.6	12.4	3.5
TW	3.6	4.7	1.1	5.3	1.7
AU	6.2	4.7	-1.5	2.9	-3.3

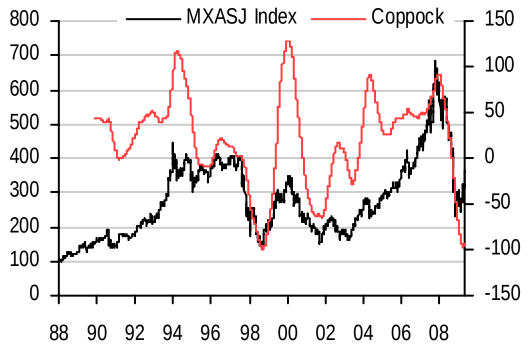
Source: HSBC

Why momentum investors are getting excited at the moment is that in seven of 12 Asian markets (plus Asia ex Japan as a region), the 20-day moving average has passed the 200-day since the start of May (the exceptions are Japan, Australia, Thailand, Singapore and the Philippines).

And more sophisticated measures of momentum are flashing a similar signal: for example, the

Coppock indicator, shown in Chart 6. (Coppock is the 10-month weighted average of the sum of the 14-month rate of change and the 11-month rate of change of the index.) It is used as an indicator of when to buy at the bottom (and is reputed never to have given a false signal for this in the US). When the indicator is below zero and turns up, that is the time to buy. In Asia it has given that signal only three times in history – October 1998, November 2001 and June 2003. You would have done well if you had bought at each of those points. The Coppock indicator in Asia started to turn up in late April 2009. (But in the US, it has not clearly turned up – although it is now a fraction higher than a week ago.)

6. Coppock indicator for MSCI Asia ex Japan



Source: HSBC, Bloomberg

This all sounds very convincing. Momentum is undisputedly, in our view, an important factor for markets.

However, there is one environment in which it does not work well – when markets do not trend, but trade in a range. In Asia, for example, it did not work between 1993 and 1997. Refer back to Chart 4 and you will see that you would have performed better by simply buying the index over that period. Also, it did not work well in 2001. All the momentum indicators flashed a buy signal at the end of 2001 or beginning of 2002. But that rally petered out rather quickly and Asian equities went back and almost made a new low in 2003.

You would have made money by following the momentum indicator, but not much.

That reveals a second problem with momentum indicators – by nature they miss the first up-leg of a rally and the first down-leg of a correction. (That is why they are flashing a buy now, only after most markets in Asia have already risen 50% or more.) This doesn't matter, of course, if the rally turns into a full bull market and stock prices continue to rise for years.

Our view, however, is that markets are likely to be stuck in a trading range for the next few months, with stretched valuations and worries about the process of global deleveraging preventing them rising any further, but a lack of negative catalysts (at least until the autumn) preventing a sharp correction. Moreover, it is quite possible that markets could be stuck in a range for a number of years as the US consumer rebuilds his savings rate and global markets delever.

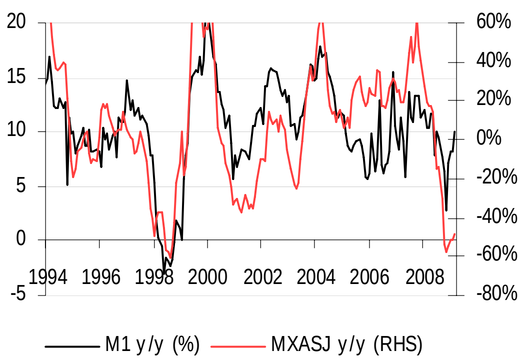
In those circumstances, momentum indicators will be of limited use. So, while their predictive power is impressive in normal times, we would not want to rely on them at the moment.

Liquidity trap?

From the ridiculous to the sublime: while, as strategists, we are loath to depend on technical indicators such as momentum, we feel much more comfortable with the idea that a fundamental factor like liquidity can propel markets. Simply put, if there is more money in circulation than the economy requires to fund an increase in output then – provided investors are not averse to taking risk – that money will find its way into other assets (property, equities), causing them to rise in price.

Empirically, we can see a reasonably strong correlation in Asia between M1 money supply growth and stock market performance (see Chart 7 and Table 8).

7. Asia ex Japan M1 growth and equity performance



Source: HSBC, Bloomberg

Since 1996, there has been a 70% correlation between the performance of the MSCI Asia ex Japan index and average M1 growth in the region. The correlation has been fairly steady over time, although was not quite as strong during the 2005-8 period as earlier and since.

The correlation is good for most markets although there are exceptions: for example, Korea since 2001 (when the numbers were distorted by a structural shift of household savings from banks into mutual funds) and Japan throughout (of which more later).

8. Correlations between stocks and M1 growth

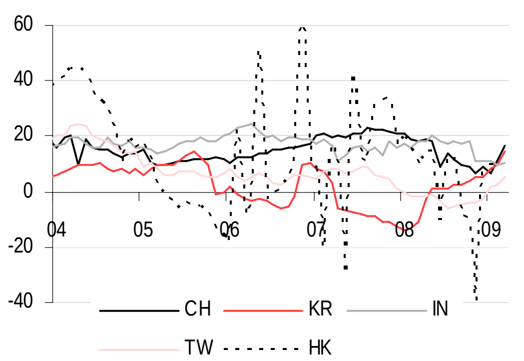
	1996-2008	2001-2008
Malaysia	81.1%	71.8%
Taiwan	67.3%	62.1%
Thailand	56.7%	53.6%
India	53.2%	50.4%
Singapore	48.5%	29.4%
Hong Kong	44.5%	42.2%
China	44.3%	57.9%
Korea	41.8%	0.3%
Australia	39.7%	29.2%
Japan	-16.1%	-32.0%
Asia ex Japan	**69.5%**	**52.6%**

Source: HSBC, Bloomberg

But a number of questions arise from this. First, how strong is money supply growth likely to be over the next year? And second, isn't there a high probability that, with investor risk appetite low, the increase in M1 as central banks pump money into the economy will not percolate into the real economy; in other words, that the money multiplier will break down?

Money supply growth has picked up appreciably over the past few months (Chart 9). In China, for example, since January it has risen to 17.4% from 6.7%. Hong Kong (particularly important as, combining H-shares and local stocks, it comprises 40% of Asia ex Japan market capitalisation) has seen a big increase in M1 volatility over the past three years, but M1 grew by 15.5% in March, compared to an average of -14% in October-December.

9. M1 growth (y-o-y, %) in Asia

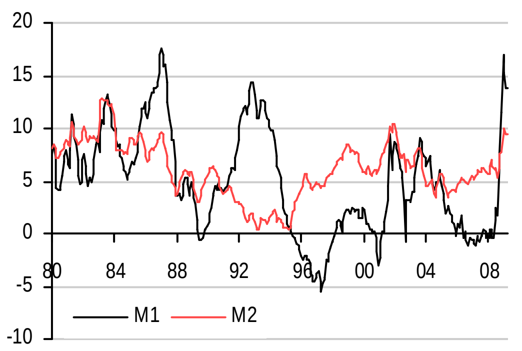


Source: HSBC, Bloomberg

The story is not dissimilar in the US (Chart 10), where M1 growth has picked up from zero in the middle of last year to around 15%.

But we wonder whether the recent jump in money supply growth – caused presumably by the sharp cuts in official interest rates – is not showing the first signs of petering out. In China, for example, growth levelled out in April (up 17.5% versus 17.0% in March). In the US, growth has actually slowed a little: from 16.9% in December to 13.8%. And some countries in the region (notably India, Australia, Malaysia, Thailand and Japan) have not seen a noticeable pick-up in money supply growth at all.

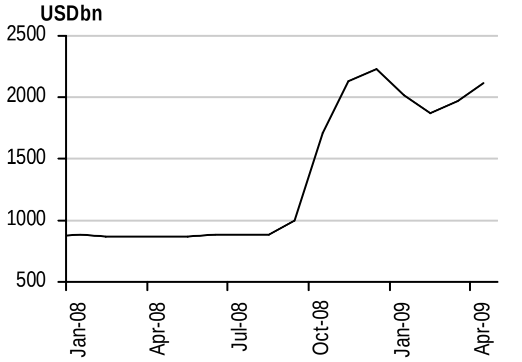
10. US money supply growth (y-o-y, %)



Source: HSBC, Bloomberg

In particular, we wonder how seriously the US Federal Reserve is implementing quantitative easing. There is no sign yet that it is happening. Look at the Fed's balance sheet, for example (Chart 11): this ballooned from USD890bn to over USD2trn in the aftermath of Lehman Brothers' collapse last September, but has not increased since. One instrument of QE, the Term Asset-Backed Securities Loan Facility (TALF), has a ceiling of USD1trn but has so far lent less than USD20bn. It seems possible, with the economy showing signs of having bottomed and stock markets signalling a recovery, that the Fed is holding back from injecting more liquidity.

11. Federal Reserve balance sheet

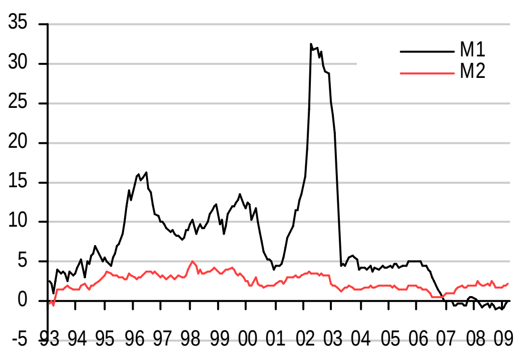


Source: Bloomberg

There is an important lesson here for stock market investors. Central banks will not swamp the market with liquidity if the stock market is rising. Investors should not, therefore, rely on liquidity as a factor that will keep the stock market rising. Where it might be significant, though, is to stop markets falling too much. If the economy slows again and the stock market corrects, the Fed – and other central banks – will probably act to restore confidence.

Then there is the question of whether pumping money into the economy works if investors are scared to buy risk assets. Here the lesson of Japan is instructive. In the 1990s, the Bank of Japan dramatically eased monetary policy (although it was a little slow going about it), eventually lowering rates to zero in 1998. After 2001, it used quantitative easing. The effect on M1 growth was impressive: it rose to 16% in 1996, and to 32% in 2002 (Chart 12). But the impact on M2 growth (and indeed on the economy and stock market) was negligible. Essentially, the central bank injected money into the banking system but, with banks unwilling to lend and borrowers reluctant to increase debt, the money just found its way back into the central bank. That is why, as we saw above, in Japan M1 growth has had no correlation with the stock market.

12. Japanese money supply growth (y-o-y, %)



Source: HSBC, Bloomberg

Asia is unlikely to get this bad over the next few years. Japan allowed debt-deflation to embed itself (so borrowers prioritised reducing the amount of their nominal debt) before it aggressively eased monetary policy. Animal spirits in Asia remain strong enough that lower interest rates will be attractive for investors who can borrow cheaply to buy real estate or equities.

The US, however, may be a different matter. As households there repair their balance sheets over the next few years, are ultra-low interest rates really going to tempt them to invest using borrowed money? That seems unlikely. The result of this is that, while easy monetary policy may have a somewhat positive effect in Asia, it may not help global stock markets much. That suggests Asian assets could outperform over the next few years, but may not produce particularly strong absolute returns.

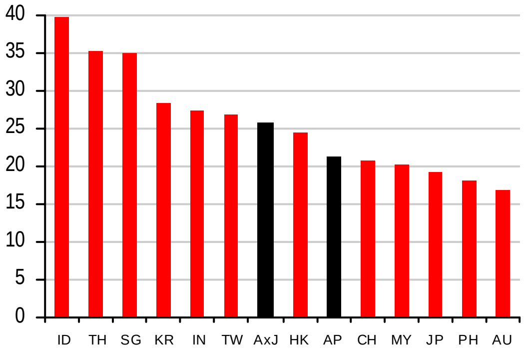
In conclusion, while we can see that liquidity will be a positive factor for Asian stock markets over the next few quarters, on its own (without a strong rebound in earnings and a sustained recovery in global economic growth too) it is unlikely to be enough.

Market weightings

With stock indexes having risen so much over the past two months, and our having moved to a more cautious market outlook last week, we need to rethink our recommended market allocation.

Since the start of this quarter, MSCI Asia ex Japan has risen by 25.8%. The disparity between the best and worst performers has not been especially large: the best, Indonesia, Thailand and Singapore have risen 35%-plus; the worst, the Philippines and Malaysia a little less than 20% (Chart 13). Our three overweight recommendations in the Q2 Quarterly - Singapore, India and Taiwan - have all outperformed (although we were wrong to be underweight Korea and neutral on Japan and Australia).

13. MSCI index performance q-t-d



Source: HSBC, Bloomberg

So how should our thinking change to be positioned for the next few months? We think we need to adjust two factors in particular. The rebound in cyclical economic data is, in our view, now largely priced in and therefore likely to be less important in driving performance. On the other hand, with markets having risen so sharply over the past few months (from its bottom last October, MSCI Asia ex Japan is up 57%), valuations no longer look ubiquitously cheap: in some markets, they are even becoming a little stretched. Investors, therefore, might start to differentiate more on the basis of which markets still look good value.

Other factors, which we argued in our latest Quarterly are important for markets – the strength of monetary and fiscal stimulus, the outlook for earnings, and the risk of the economic slowdown triggering structural problems in the banking system or balance of payments – continue to be important.

We have updated our scorecard to take these changes into account (see Table 14). We have not changed the seven factors, but we have lowered the weighting of "exposure to cyclical rebound" to 10% from 20%, and raised the weighting of valuation to 20% from 10%. We have also taken the opportunity to update our views on, for example, earnings or politics. (Long-time readers will remember that we use this scorecard not as a quantitative model, but as a tool to help us think about market allocation. We score from +3 to -3 for each category, based on our views and those of our economists, dependent on how positive or negative we think each factor is for the market in question.)

The key factor this time, then, probably is valuation. Here we referred in particular to price/book ratio for each market relative to history. With the earnings outlook still uncertain, we find PB a better indicator than PE.

Table 15 shows the current PB for each Asian market relative to its long-run average (using, for most markets, the period since 1991) and relative to the 2002-6 period, when PBs were relatively "normal". The table is ranked by the difference between the current PB and the 2002-6 average, with the cheapest markets at the top.

15. Price/book ratio for Asian MSCI indexes

	Current PBR	Long-run average	Diff	2002-6 ave	Diff
Thailand	1.4	2.1	-34%	2.2	-34%
Australia	1.7	2.4	-31%	2.4	-30%
Japan	1.1	1.7	-35%	1.6	-30%
Hong Kong	1.1	1.6	-27%	1.5	-21%
India	2.4	3.0	-22%	2.8	-15%
Singapore	1.5	1.8	-21%	1.6	-9%
Malaysia	1.7	2.2	-23%	1.8	-9%
Taiwan	1.7	2.5	-33%	1.8	-6%
Korea	1.3	1.2	10%	1.3	3%
China	2.1	2.0	6%	1.8	18%
Philippines	1.9	1.9	3%	1.6	23%
Indonesia	3.1	2.9	6%	2.4	30%
Asia Pac	**1.4**	**1.9**	**-23%**	**1.8**	**-18%**
Asia ex Jp	**1.7**	**2.0**	**-11%**	**1.7**	**3%**

Source: HSBC, IBES, Datastream

Overall, Asia ex Japan PB, at 1.7x, has already reached the 2002-6 average. But there is big disparity between markets. Indonesia looks particularly overvalued, with PB at 3.1x, versus a long-run average of 2.9x. Indonesia, China and the Philippines all look a little pricey relative to history. At the other extreme, Thailand, Japan and Hong Kong look particularly cheap (the former two perhaps for good reason). And a group of markets – including India, Singapore, Malaysia and Taiwan – offer reasonable value but are not dramatically cheap.

Besides valuation, we have made some other minor tweaks to the scores. On earnings risk, for example,

14. HSBC market scorecard

	Monetary & fiscal policy	Earnings risk	Politics/ social stability	Exposure to cyclical rebound	Valuation	Structural worries	Long-term story	TOTAL	Rank	Weight
Weighting	*10%*	*20%*	*10%*	*10%*	*20%*	*20%*	*10%*	*100%*		
HK	1	0	1	1	2	-1	0	0.5	1	O
SG	2	0	1	2	1	-1	0	0.5	2	O
IN	1	1	-2	1	1	-2	3	0.3	3	O
MY	2	0	-1	0	1	-1	2	0.3	3	O
AU	1	-1	1	1	1	-1	0	0.1	5	N
CH	2	0	-1	1	-1	-1	3	0.1	5	N
TW	2	-2	1	3	0	-1	1	0.1	5	N
JP	1	-1	-1	3	2	-2	-2	-0.1	8	N
TH	1	-2	-3	1	2	-1	-1	-0.4	9	U
ID	1	-1	0	0	-2	-1	1	-0.6	10	U
KR	2	-3	0	3	-1	-3	0	-0.9	11	U
VN	2	-3	0	1	0	-2	1	-0.6	11	
PH	1	-3	-2	1	0	-2	-1	-1.1	12	U

Source: HSBC

analysts have changed forecasts quite substantially over the past six weeks. In Taiwan, for example, analysts have cut back their forecast for earnings decline this year to 49% from 59% at the beginning of April. Conversely, analysts in India have lowered forecasts to -1% from +3% (Table 16).

16. Consensus forecasts for 2009 EPS growth (%, y-o-y)

	Now	Apr 1
AU	-9.7	-7.1
CH	5.2	1.8
HK	-20.2	-18.6
IN	-1.0	3.4
ID	-12.9	-6.3
JP	1.6	-11.8
KR	7.6	0.5
MY	-18.8	-17.8
PH	17.5	7.1
SG	-25.0	-23.1
TW	-48.5	-59.2
TH	2.6	4.3
Asia ex Japan	-8.3	-11.2

Source: HSBC, IBES

Accordingly, the downside risk for Taiwanese earnings has probably increased relative to analysts' expectations, and so we have lowered the score in this category to -2 from -1. But we raised the score for India to 1 from 0, since from a top-down perspective we expect earnings this year to grow 5-10%, which implies that analysts will raise their forecasts over the remainder of the year.

We also changed some of the scores on politics/social stability. Thailand has become more unstable since the start of the quarter, for example, whereas Malaysia has become less risky (for reasons discussed below).

Raise Malaysia, HK; lower Taiwan

As a result of this rethink, we are raising to overweight **Malaysia** (from underweight) and **Hong Kong** (from neutral). We remain overweight on **India** and **Singapore**. We are lowering **Taiwan** to neutral from overweight, and **Indonesia** to underweight from neutral. **Korea** and the smaller **Asean** markets remain key underweights.

The consequences of this reweighting are to make our recommendations somewhat lower beta and more defensive, in line with our view that the rally is probably over and that markets will drift for a few months.

Some specific comments on the markets where we have changed weightings or where our story is somewhat controversial:

- **Hong Kong** stocks (i.e. domestic Hong Kong names, not H-shares) have lagged the rally in the past few months, and PB now looks particularly cheap. With three-month HIBOR at 0.6% and aggregate balances at HKD246bn, liquidity is very strong. The housing market is showing some signs of renewed life. Hong Kong is a good way to get exposure to further improvements in the Chinese economy but at a price that still looks attractive.
- **Malaysia** is Asia's defensive play and as a consequence it has underperformed significantly this year, after strong outperformance in 2008. If investors start to shift some allocation back into more defensive markets, Malaysia should be a beneficiary. Valuations look reasonable and analysts' forecasts excessively cautious. The move by new Prime Minister, Najib Razak, to ease rules that favour ethnic Malays in certain industries looks like an important step to liberalise the economy. The political situation still has strains, but the move this week by the High Court to restate the People's Alliance Chief Minister of Perak State suggests greater judicial independence.
- **Taiwan.** We argued in our Taiwan Insights report, *Toppy Taiwan*, published earlier this week that improved cross-Straits relations are now fully priced in. We now see more risks than catalysts. For example, President Ma

may have to rein in the pace of cross-Strait relations for domestic political reasons. Meanwhile, the economy remains very weak after a 34% y-o-y decline in exports.

- **Indonesia** has been the best performer in Asia q-t-d which has produced valuations that look significantly stretched. We think that investors have rewarded this market for the smooth way in which elections have progressed. But with President Susilo looking highly likely to win re-election in July (or in the October run-off) this factor should fade. While we still see some attraction in Indonesia as a market that is relatively uncorrelated with global growth and as a structural improver, it no longer looks attractive valuation-wise.

- **India.** We remain overweight and one of our key calls is to prefer India over China. In many ways the fundamentals of the two are similar, with growth likely to recover over the rest of the year, and the long-term story largely intact. The key difference is that almost all the investors we talk to are bullish and overweight on China; almost none are positive on India. India's general election – results of which should be known this Saturday – is a wild card, however. The most likely outcome – supported by exit polls released Wednesday – is that neither the Congress-led nor BJP-led coalition will win a majority. That will lead to horse-trading over the next couple of weeks which could cause the market to get jittery if, for example, left-wing parties appeared likely to win significant influence in the next government. It might be wise, therefore, to lighten exposure to India ahead of this – but any sharp drops in the market should be seen as a buying opportunity.

Disclosure appendix

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Company	Ticker	Recent price	Price Date	Disclosure
AU OPTRONICS	2409.TW	35.00	13-May-2009	1, 5, 6, 7
CHINA COMMUNICATIONS CONS	1800.HK	10.26	13-May-2009	4, 6, 7
CHINA RESOURCES POWER	0836.HK	15.94	13-May-2009	4
KT CORP	030200.KS	38300.00	13-May-2009	6, 7
SINGAPORE AIRLINES	SIAL.SI	12.12	13-May-2009	5, 6, 7
SINOPEC	0386.HK	6.26	13-May-2009	2, 4, 5, 6, 7
STATE BANK OF INDIA	SBI.NS	1261.40	13-May-2009	2, 5, 6, 7
SWIRE PACIFIC	0019.HK	68.55	13-May-2009	2, 4, 5, 6, 7, 11

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