



AMG Weekly Market Update

10th August, 2009

Job data invokes rally in stock price

Last week, stock market performance showed some divergence. China and related markets e.g. Hong Kong, Singapore retreated on selling pressure linked to speculation about changing policy. But, U.S. and European markets continued to move up on better than expected job data.

U.S. released unemployment and non-farm payroll data. Surprisingly, unemployment rate edged down from 9.5% to 9.4% while a slight increase to 9.7% was expected. Better job data triggered very strong rally in stock prices.

For China, A shares faced selling pressure as people worries about lending policies to tighten. It did not only affected mainland stock prices but also the market with more Chinese enterprise like Hong Kong and Singapore. Over the weekend, Premier Wen reassured that the loose monetary conditions will not change. It shall help to calm investors.

And for Hong Kong, we have seen capital outflow last week. The net outflow reported was around USD 1.5 billion. Capital outflow is by no means good for short-term market performance. But, it might be related to sales of RMB bonds and the rumors of tightening policy in China. It is too early to tell if the direction of capital flow has changed.

For the coming week, the market focus shall be with U.S. retail sales data. If the retail sales is good, it may trigger more optimism in U.S.. But the impact on Hong Kong may not be so good as it may adds to incentive for repatriation of capital to matured markets.

Weekly economic indicator update

Country / Region	Economic Indicator		Time period	Latest	Last
US	Unemployment rate	%	Jul 2009	0.7%	1.2%
US	Non-farm payroll	Mom change	Jul 2009	-247K	-467K
US	Factory orders	Mom change	Jun 2009	0.4%	1.2%
US	ISM non-manufacturing Index		Jul 2009	46.4	47.0
US	Personal Income	Mom change	Jun 2009	-1.3%	1.4%
US	Consumer Spending	Mom change	Jun 2009	0.4%	0.3%
US	ISM manufactory index		Jul 2009	48.9	44.8
US	Construction spending	Mom change	Jun 2009	0.3%	-0.9%
Eurozone	Retail Sales	Yoy change	Jun 2009	-2.4%	-3.0%
Australia	Unemployment Rate	%	Jul 2009	5.8%	5.8%
Singapore	PMI			49.2	47.1



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* All figures and information are collected from www.bloomberg.com, Eurostat, Australian Bureau of Statistics, Singapore Institute of Purchasing and Material Management.

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