

**Financials Insights**

Indices	27 Oct	Change	%
DJI	8,175.770	-203.180	-2.42
S&P 500	848.920	-27.850	-3.18
NASDAQ Comp.	1,505.900	-46.130	-2.97
DJ STOXX 600	195.040	-3.780	-1.90
FTSE 100	3,852.590	-30.770	-0.79
DAX	4,334.640	38.970	0.91
Nikkei 225	7,162.900	-486.180	-6.36
MSCI Singapore	192.630	-19.9	-9.36
Hang Seng	11,015.840	-2,744.650	-19.95
Shanghai Comp.	1,723.351	-152.210	-8.12
S&P/ASX 200	3,809.200	-60.200	-1.56
KOSPI	946.450	7.700	0.82

Commodities	27 Oct	Change	%
NYMEX Crude	63.22	-0.93	-1.45
COMEX Gold	742.90	12.60	1.73
COMEX Silver	9.195	-0.100	-1.08
LME Copper 3m	3,709	-16	-0.43
TOCOM Rubber	191.20	0.00	0.00
Malaysia Palm Oil	1,390.00	-160.00	-10.32
CBOT Soybean	897.50	30.50	3.52
CBOT Wheat	529.50	13.25	2.57

Fixed Income	27 Oct	Change	%
U.S. 10Yr Note	115.1250	0.0000	0.00
U.S. 2Yr Note	107.4531	-0.0313	-0.03
Long Gilt	112.5900	-0.1800	-0.16
Euro-Bund 10Yr	117.1100	0.0300	0.03
Euro-Schatz 2Yr	105.9550	0.1750	0.17
JPN 10Yr Bond	138.1500	0.4500	0.33

Currencies	27 Oct	Change	%
USDJPY	92.60	0.29	0.31
EURUSD	1.2443	-0.0150	-1.19
GBPUSD	1.5401	-0.0145	-0.93
EURJPY	115.25	-1.01	-0.87
GBPJPY	142.62	-0.93	-0.65
USDCHF	1.1606	0.0043	0.37
AUDUSD	0.6058	-0.0120	-1.94
USDCAD	1.2877	0.0154	1.21
USDSGD	1.5119	0.0057	0.38

**Market Commentaries**

- U.S:** U.S. stocks fell, as the S&P 500 decreased 63.78 points, or 6.78 percent to 876.77 on Fri close after US home prices fell 5.9 percent in Aug-the biggest decline since 1991 and foreclosure filings rose 71 percent to highest on record in third quarter. Earnings releases from Texas Instruments, Sun Microsystems and Yahoo also disappointed. Weighing on the decline, Fed Chairman Bernanke endorsed a fiscal stimulus for consumers, homebuyers and business for increased access to credit and Fed provided up to \$540 billion in loans to help money market funds meet redemptions. Earnings releases from American Express, Apple, and Microsoft also beat analysts forecasts.
  - View Ahead:** US economic outlook remain bleak as corporate earnings are expected to underperform on increased job instability affecting spending and economic releases reflect slowdown in various sectors, namely GDP.
- Europe:** European stocks fell, as the Dow Jones Stoxx 600 decreased 15.45 points, or 7.21 percent to 198.82 after UK GDP fell 0.5 percent in 3Q and Iceland secures \$2 billion emergency bailout loan from IMF on collapse of banking system.
  - View Ahead:** Eastern European banks are currently facing heightened risks of bank failures and the Western European banks face relatively higher risks exposures, compared to American banks. European stock indices and currencies may potentially face a beating as a result of the exposure.
- Asia:** Asian stocks fell, as the MSCI Asia Pacific Index decreased 8.132 points, or 9.99 percent to 73.305 after China's economy expanded at the slowest pace of 9.0 percent in five years as the financial crisis cut demand for exports. Sony, Toyota Motors and Samsung Electronics fell on lower profit forecasts.
  - View Ahead:** As China embark on measures to stimulate the economy on higher domestic consumption, excesses in the Asian production will accumulate and corporate earnings may need to be lowered to reflect the unsold goods.


**Phillip Futures**
**Agriculture Desk**

Phone: (65)-65311509  
 Trading Line: +65-65367633  
 Email: [commodities@phillip.com.sg](mailto:commodities@phillip.com.sg)

**Energy Desk**

Phone: (65)-63343183  
 Email: [energy@phillip.com.sg](mailto:energy@phillip.com.sg)

**Metal Desk**

Phone: (65)-65367633  
 Email: [metals@phillip.com.sg](mailto:metals@phillip.com.sg)

## Financials in Focus

**SPOTLIGHT: U.S. stocks** fell, as the S&P 500 decreased 63.78 points, or 6.78 percent to 876.77 on Fri close after US home prices fell 5.9 percent in Aug-the biggest decline since 1991 and foreclosure filings rose 71 percent to highest on record in third quarter. Earnings releases from Texas Instruments, Sun Microsystems and Yahoo also disappointed.

Weighing on the decline, Fed Chairman Bernanke endorsed a fiscal stimulus for consumers, homebuyers and business for increased access to credit and Fed provided up to \$540 billion in loans to help money market funds meet redemptions. Earnings releases from American Express, Apple, and Microsoft also beat analysts forecasts.

US stocks volatility showed signs of bearishness as the CBOE VIX rose 8.8 points, or 12.5 percent to 79.13 on 24 Oct. A rise in volatility is usually accompanied by falling stock index levels.

Third quarter earnings are scheduled for release as follows:

Wed: General Motors, Jones Lang LaSalle

Thu: Visa, CME, Colgate-Palmolive, Exxon Mobil

Fri: NYSE Euronext, Chevron

Events worth taking note for the coming week include: Fed's Bernanke Speaks on Mortgage Finance at UC Berkeley on Sat.

The following economic releases are potential market movers: Aug S&P/CS Home Prices Composite on Tue and FOMC Rate Decision and 3Q GDP on Thu.

US economic outlook remain bleak as corporate earnings are expected to underperform on increased job instability affecting spending and economic releases reflect slowdown in various sectors, namely GDP.

Financial Outlook At A Glance

Market	PFPL Short-term Outlook	PFPL Medium-term Outlook	Fundamental Indicators	What to look out for
North America	<b>Negative</b>	<b>Negative</b> – Weak corporate earnings and economic releases provide for more downside risks ahead.	<ol style="list-style-type: none"> <li>1. US Leading Indicators rose 0.3 percent in Sep after falling a revised 0.9 percent in Aug.</li> <li>2. US House Price Index fell 0.6 percent in Aug after falling a revised 0.8 percent in Jul.</li> <li>3. US Existing Home Sales rose 5.5 percent in Sep after falling 2.2 percent in Aug.</li> <li>4. US New Home sales rose 2.7 percent in Sep after falling a revised 12.6 percent in Aug.</li> <li>5. Bank of Canada Rate cut interest rates to 2.25 percent from 2.5 percent.</li> </ol>	<ol style="list-style-type: none"> <li>1. US S&amp;P/CaseShiller Composite-20 will probably fall 16.6 percent in Aug after falling 16.4 percent in Jul (released on 28 Oct 9pm).</li> <li>2. US Consumer Confidence will probably fall to 52 in Oct from 59.8 in Sep (released on 28 Oct 10pm).</li> <li>3. US Durable Goods Orders will probably fall 1.0 percent in Sep after falling a revised 4.8 percent in Aug (released on 29 Oct 8.30pm).</li> <li>4. US FOMC will probably cut interest rates to 1.0 percent from 1.5 percent (released on 30 Oct 2.15am).</li> <li>5. US GDP QoQ (annualized) will probably fall 0.5 percent in 3Q after rising 2.8 percent in 2Q (released on 30 Oct 8.30pm).</li> <li>6. US Personal Income will probably rise 0.1 percent in Sep after rising 0.5 percent in Aug (released on 31 Oct 8.30pm).</li> <li>7. US PCE Deflator will probably rise 4.2 percent in Sep after rising 4.5 percent in Aug (released on 31 Oct 8.30pm).</li> <li>8. US Personal Spending will probably fall 0.2 percent in Sep after rising 0.0 percent in Aug (released on 31 Oct 8.30pm).</li> <li>9. Canada GDP will probably fall 0.4 percent in Aug after rising 0.7 percent in Jul (released on 31 Oct 8.30pm).</li> <li>10. US Fed's Bernanke Speaks on Mortgage Finance at UC Berkeley (held on 1 Nov 2am).</li> </ol>
Europe	<b>Negative</b>	<b>Negative</b> – Western European banks' exposure to loans from Eastern Europe face heightened risks.	<ol style="list-style-type: none"> <li>1. EuroZone PMI Manufacturing fell to 41.3 in Oct from 45 in Sep.</li> <li>2. EuroZone PMI Services fell to 46.9 in Oct from 48.4 in Sep.</li> <li>3. Germany IFO- Business Climate fell to 90.2 in Oct from 92.9 in Sep.</li> <li>4. UK Retail Sales rose 1.8 percent in Sep after rising 3.3 percent in Aug.</li> <li>5. UK GDP fell 0.5 percent in 3Q after rising 0.0 percent in 2Q (QoQ).</li> </ol>	<ol style="list-style-type: none"> <li>1. EuroZone Business Climate Indicator will probably fall 0.91 percent in Oct after falling 0.79 percent in Sep (released on 30 Oct 6pm).</li> <li>2. EuroZone CPI Estimate will probably rise 3.2 percent in Oct after rising 3.6 percent in Sep (released on 31 Oct 6pm).</li> <li>3. EuroZone Unemployment Rate will probably remain at 7.5 percent in Sep, unchanged from that in Aug (released on 31 Oct 6pm).</li> <li>4. Germany Unemployment Change will probably fall 10k in Oct after falling 29k in Sep (released on 30 Oct 4.55pm).</li> <li>5. Germany Retail Sales will probably fall 1.0 percent in Sep after rising a revised 1.9 percent in Aug (released on 31 Oct 3pm).</li> <li>6. UK Nationwide House Prices nsa will probably fall 14.7 percent in Oct after falling 12.4 percent in Sep (released on 30 Oct 3pm).</li> </ol>

<b>Asia</b>	<b>Slightly Negative</b>	<b>Bullish –</b> Excesses in Asian production will need to be reflected in downgrades in their corporate earnings.	<ol style="list-style-type: none"> <li>1. Japan Retail Trade fell 0.4 percent in Sep after rising 0.7 percent in Aug.</li> <li>2. Singapore CPI rose 6.7 percent in Sep after rising 6.4 percent in Aug.</li> <li>3. Singapore Industrial Production rose 2.4 percent in Sep after falling 12.5 percent in Aug.</li> <li>4. Hong Kong Unemployment Rate rose 3.4 percent in Sep after rising 3.2 percent in Aug.</li> <li>5. China real GDP rose 9.0 percent in 3Q after rising 10.1 percent in 2Q (YoY).</li> <li>6. Taiwan Unemployment Rate rose 4.12 percent in Sep after rising 3.93 percent in Aug.</li> <li>7. Taiwan Industrial Production fell 1.39 percent in Sep after rising a revised 0.66 percent in Aug.</li> <li>8. South Korea GDP at Constant Price rose 3.9 percent in 3Q after rising 4.8 percent in 2Q (YoY).</li> <li>9. South Korea 7-Day Repo Rate is cut to 4.25 percent from 5.0 percent.</li> <li>10. RBNZ Official Cash rate is cut to 6.5 percent from 7.5 percent.</li> </ol>	<ol style="list-style-type: none"> <li>1. Japan Industrial Production will probably fall 0.4 percent in Sep after falling 6.9 percent in Aug (released on 29 Oct 7.50am).</li> <li>2. Japan Jobless rate will probably rise 4.2 percent in Sep, unchanged from that in Aug (released on 31 Oct 7.30am).</li> <li>3. Japan Household Spending will probably fall 4.0 percent in Sep, unchanged from that in Aug (released on 31 Oct 7.30am).</li> <li>4. Japan CPI will probably rise 2.1 percent in Sep, unchanged from that in Aug (released on 31 Oct 7.30am).</li> <li>5. BoJ will probably maintain interest rates at 0.5 percent (released on 31 Oct).</li> <li>6. BoJ to release Semi-Annual Economic Outlook Report (released on 31 Oct 2pm).</li> </ol>
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Source: Bloomberg

**Weekly Price Changes In Major Financial Markets**

Indices	Exchange	Price 24 Oct	Net Change 1 week	% Change 1 week	Net Change 1 month	% Change 1 month
DJI	CBOT	8,379.0	-473.3	-5.35	-2,967.4	-26.63
S&P 500	CME	876.77	-63.78	-6.78	-364.09	-30.02
NASDAQ Comp.	CME	1,552.03	-159.26	-9.31	-677.44	-31.03
DJ STOXX 600	EUREX	198.82	-15.45	-7.21	-70.88	-26.66
FTSE 100	LIFFE	3,883.36	-179.65	-4.42	-1235.88	-24.29
DAX	EUREX	4,295.67	-485.66	-10.16	-1728.86	-28.51
Nikkei 225	OSE	7,649.08	-1,044.74	-12.02	-4492.25	-37.77
Straits Times	SGX	1,600.28	-278.23	-14.81	-906.96	-37.61
Hang Seng	HKFE	12,618.40	-1,935.81	-13.30	-6990.49	-37.42
Shanghai Comp.	SSE	1,839.621	-91.030	-4.71	-574.818	-25.06
S&P/ASX 200	SFE	3,869.40	-101.40	-2.55	-1110.20	-22.64
KOSPI	KSE	938.75	-241.92	-20.49	-482.00	-32.65

Commodities	Exchange	Price 24 Oct	Net Change 1 week	% Change 1 week	Net Change 1 month	% Change 1 month
Crude Oil	NYMEX	64.15	-7.70	-10.72	-43.43	-40.90
Gold	COMEX	730.30	-57.40	-7.29	-152.00	-17.11
Silver	COMEX	9.295	-0.040	-0.43	-4.408	-32.65
Copper 3month	LME	3,725.00	-925.00	-19.89	-3,176.50	-46.13
Rubber	TOCOM	175.20	6.00	3.55	-113.10	-40.92
Crude Palm Oil	MALAYSIA	1,390.00	-245.00	-14.98	-958.00	-41.44
Soybean	CBOT	867.00	-39.75	-4.38	-245.50	-20.80
Wheat	CBOT	516.25	-50.00	-8.83	-174.25	-24.34

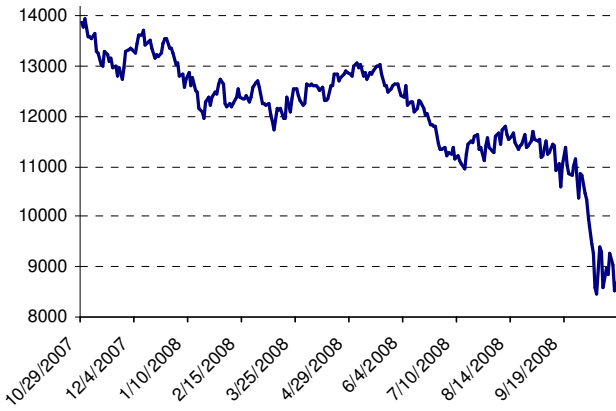
Fixed Income	Exchange	Price 24 Oct	Net Change 1 week	% Change 1 week	Net Change 1 month	% Change 1 month
U.S. 10Yr Note	CBOT	115.1250	3.2031	2.86	0.0938	0.08
U.S. 2Yr Note	CBOT	107.4844	0.1485	0.14	0.8047	0.75
Long Gilt	LIFFE	112.7700	2.4700	2.24	1.3400	1.20
Euro-Bund 10Yr	EUREX	117.0800	2.3200	2.02	3.3000	2.90
Euro-Schatz 2Yr	EUREX	105.7800	0.6050	0.58	1.8700	1.80
JPN 10Yr Bond	TSE	137.7000	1.9500	1.44	0.1700	0.12

Currencies	Exchange	Price 24 Oct	Net Change 1 week	% Change 1 week	Net Change 1 month	% Change 1 month
USDJPY	OTC	92.31	-8.37	-8.31	-12.33	11.60
EURUSD	OTC	1.2593	-0.0805	-6.01	-0.1871	13.04
GBPUSD	OTC	1.5546	-0.1750	-10.12	-0.2387	13.24
EURJPY	OTC	116.26	-18.62	-13.80	-35.24	23.12
GBPJPY	OTC	143.55	-30.75	-17.64	-44.63	23.31
USDCHF	OTC	1.1563	0.0201	1.77	0.0544	-4.92
AUDUSD	OTC	0.6178	-0.0585	-8.65	-0.2000	24.54
USDCAD	OTC	1.2723	0.0802	6.73	0.2518	-24.19
USDSGD	OTC	1.5062	0.0234	1.58	0.0772	-5.38

Source: Bloomberg

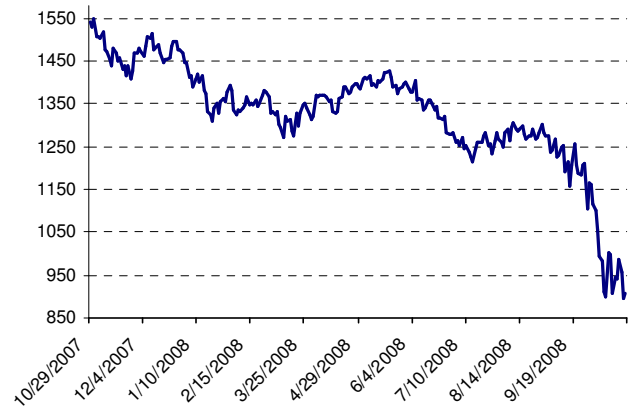
# Indices Charts

**CBOT Dow Jones Industrial Average**



Source: Bloomberg/Phillip Futures

**CME S&P 500**



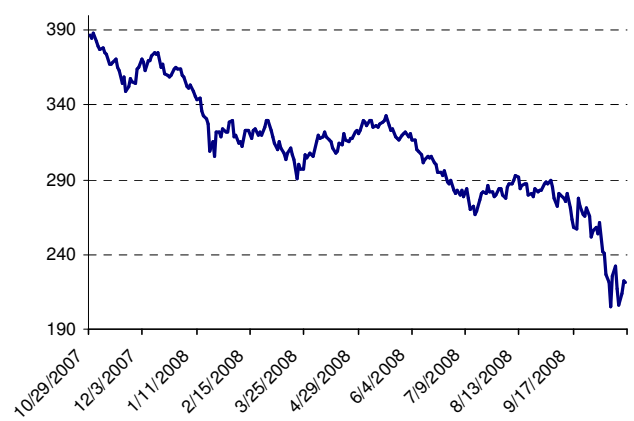
Source: Bloomberg/Phillip Futures

**CME NASDAQ Composite**



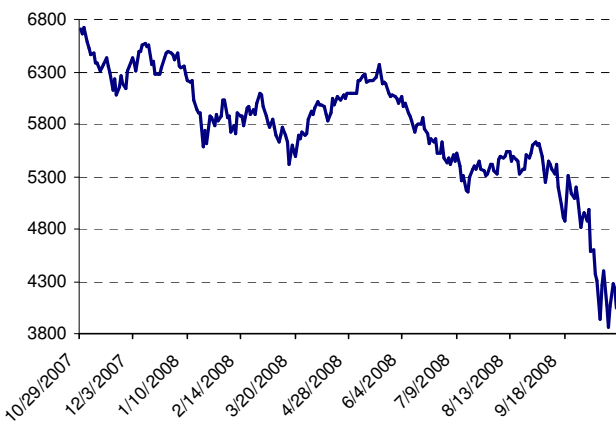
Source: Bloomberg/Phillip Futures

**EUREX Dow Jones STOXX 600**



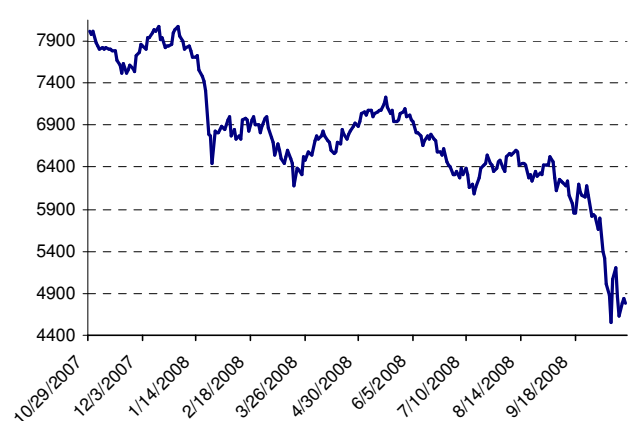
Source: Bloomberg/Phillip Futures

**LIFFE FTSE 100**



Source: Bloomberg/Phillip Futures

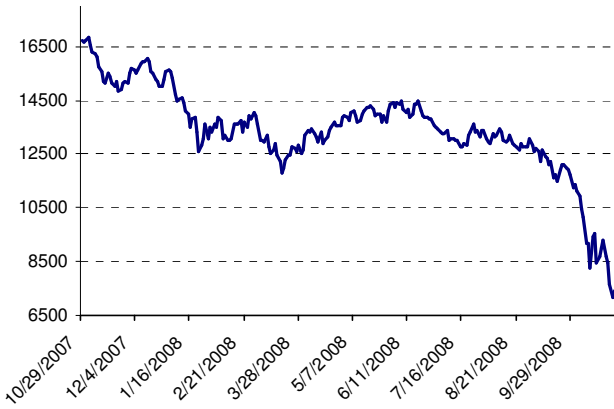
**EUREX DAX**



Source: Bloomberg/Phillip Futures

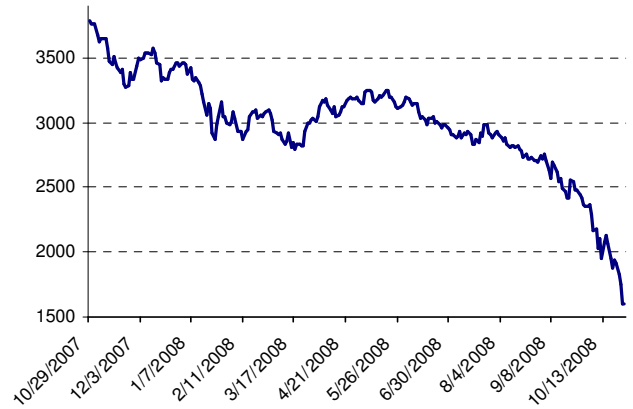
## Indices Charts

**OSE Nikkei 225**



Source: Bloomberg/Phillip Futures

**SGX STI**



Source: Bloomberg/Phillip Futures

**HKEX Hang Seng**



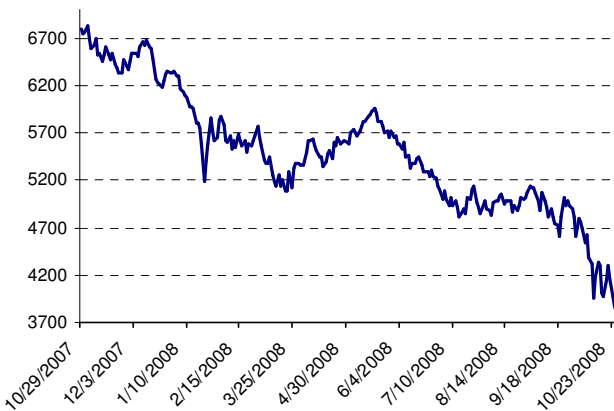
Source: Bloomberg/Phillip Futures

**Shanghai Composite**



Source: Bloomberg/Phillip Futures

**S&P/ASX 200**



Source: Bloomberg/Phillip Futures

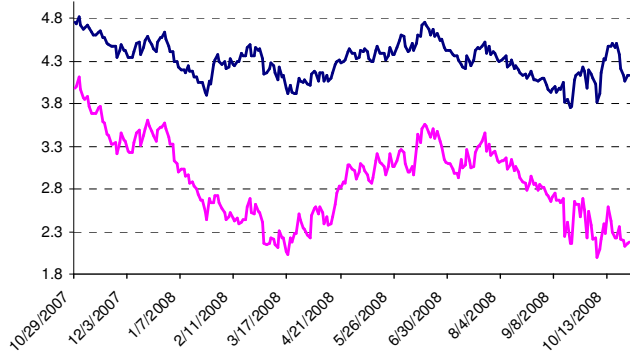
**KSE KOSPI**



Source: Bloomberg/Phillip Futures

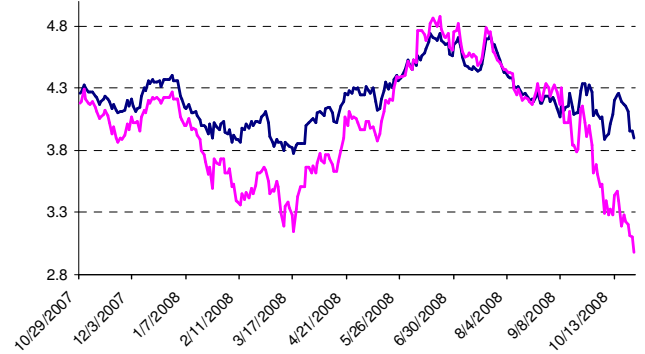
# Fixed Income

**CBOT 10Yr / 2Yr Note (yield)**



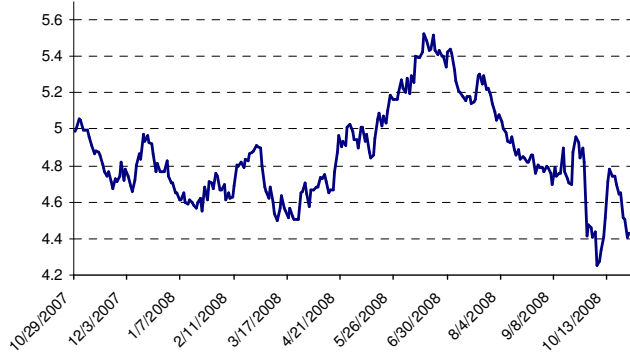
Source: Bloomberg/Phillip Futures

**EUREX BUNDS 10Yr / SCHATZ 2Yr (yield)**



Source: Bloomberg/Phillip Futures

**LIFFE GILTS (yield)**



Source: Bloomberg/Phillip Futures

**TSE JGB (yield)**



Source: Bloomberg/Phillip Futures

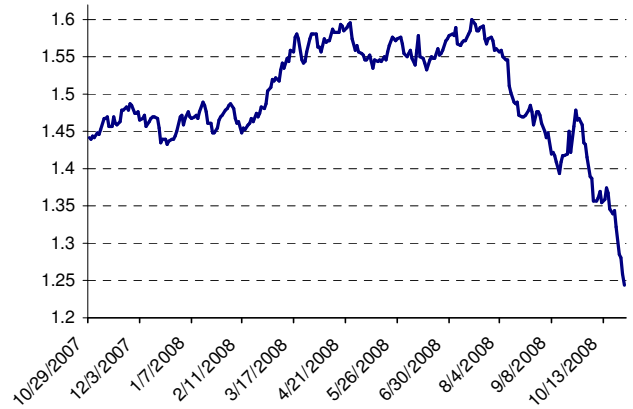
# Currency Charts

**USDJPY**



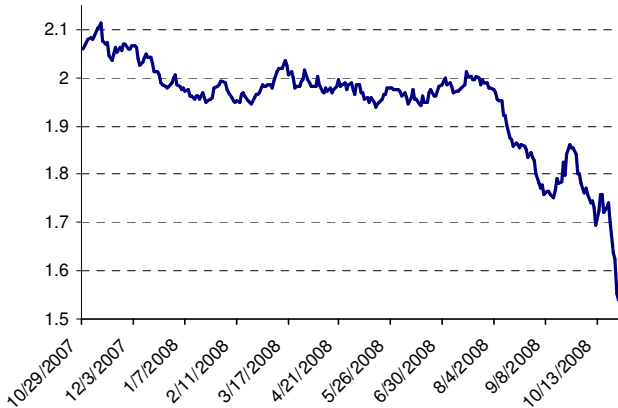
Source: Bloomberg/Phillip Futures

**EURUSD**



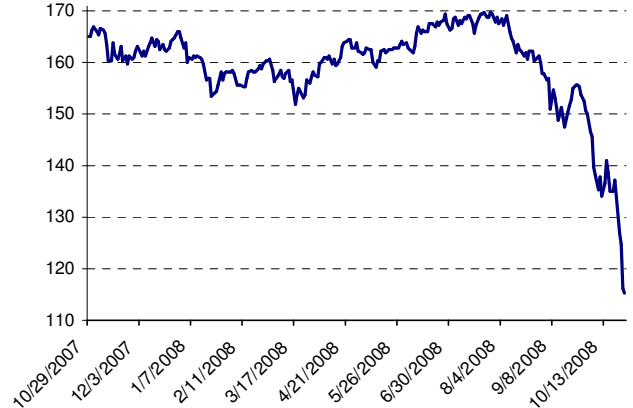
Source: Bloomberg/Phillip Futures

**GBPUSD**



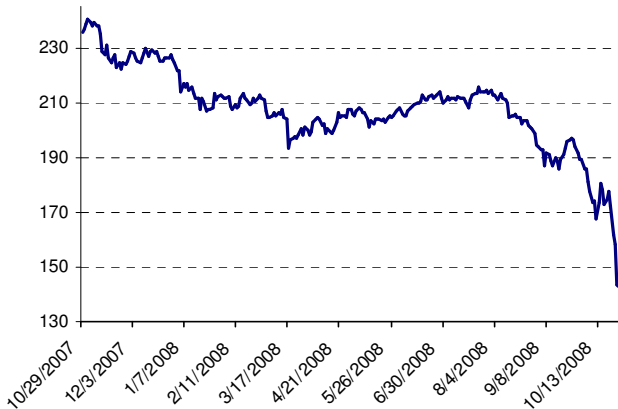
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**EURJPY**



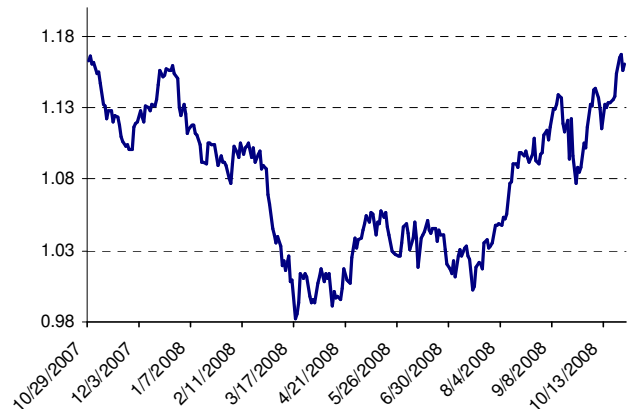
Source: Bloomberg/Phillip Futures

**GBPJPY**



Source: Bloomberg/Phillip Futures

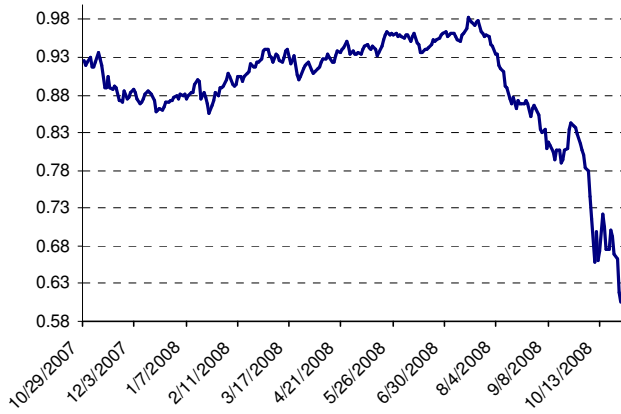
**USDCHF**



Source: Bloomberg/Phillip Futures

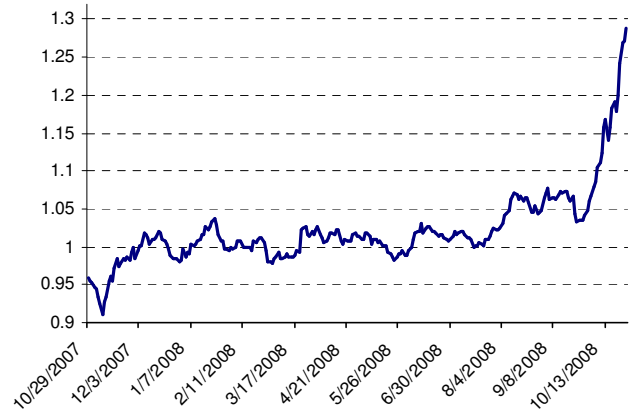
## Currency Charts

**AUDUSD**



Source: Bloomberg/Phillip Futures

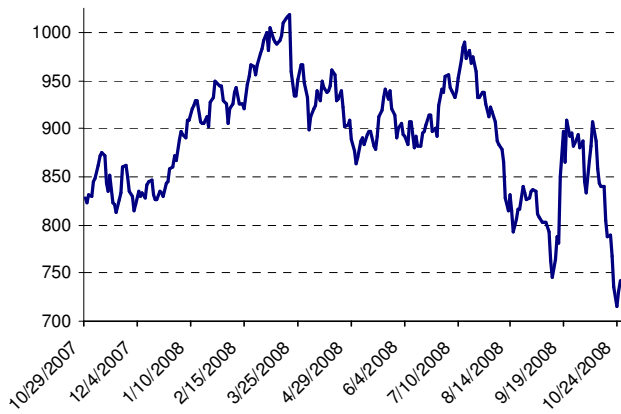
**USDCAD**



Source: Bloomberg/Phillip Futures

## Commodity Charts

**COMEX GOLD**



Source: Bloomberg/Phillip Futures

**NYMEX CRUDE**



Source: Bloomberg/Phillip Future

# FINANCIALS REPORT

## PHILLIP FUTURES PTE LTD

250 North Bridge Road  
#07-01 Raffles City Tower  
Singapore 179101



### Agriculture Desk

Phone: (65)-65311509  
Trading Line: +65-65367633  
Email: [commodities@phillip.com.sg](mailto:commodities@phillip.com.sg)



### Energy Desk

Phone: (65)-63343183  
Email: [energy@phillip.com.sg](mailto:energy@phillip.com.sg)



### Metals Desk

Phone: +65-65367633  
Email: [metals@phillip.com.sg](mailto:metals@phillip.com.sg)

### Adrian Koh

(65)-65311509  
[adriankohwm@phillip.com.sg](mailto:adriankohwm@phillip.com.sg)

### Wong Eng Soon

(65)-63389691  
[wonges@phillip.com.sg](mailto:wonges@phillip.com.sg)

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