



Market Commentaries

The rallies experienced by the global markets have softened as investors are expecting (1) the next round of quantitative easing by the Federal Reserve to be more steady and (2) further monetary tightening in China . The Hang Seng Index was +3.30% outperforming the MSCI World Index which was +3.21% for October

- The US quantitative easing announcement on November 3rd will determine the direction of the global markets for the rest of the year
- “Curbing inflation and property prices” have replaced “Maintaining a relatively loose monetary policy” as China’s top priorities for the near future
- The International Monetary Fund (IMF) believes the Chinese Yen is substantially undervalued

Reiterate “Balanced” Approach for 2010 Q4

We reiterate our “balanced” approach for Q4. Investors should continue to be cautious with their asset allocation as austerity measures imposed by the major Governments in 2010 have distorted the regular cycle for the different asset classes. As such we anticipate:

- The US Governments will continue to provide quantitative easing and liquidity in the global markets to support the softening economic recovery
- Treasury yields will remain low and can fall further if the economic indicators continue to be weak
- Precious metals, base metals and agriculture commodities will continue to see support as investors continue to question the financial strength of major Governments
- Core inflation with the G7 will drift lower while the inflationary risks are rising for the emerging economies
- RMB is likely to appreciate at modest levels as the China Government is implementing various measure to discourage speculators

QAAS[®] Rotational Strategy¹: Key Highlights for November 2010

For the first time this year, the system is showing a strong preference for global bonds vs. US treasury bonds

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MAJOR EQUITY MARKETS				
	CLOSE	P/E	1 M %	YTD%
HANG SENG	23,096	14.3	3.30	5.60
MSCI WORLD	1,222	15.3	3.21	4.60
S&P 500	1,183	14.9	3.23	6.11
RUSSELL 2000	703	37.3	3.54	12.47
DOW JONES	11,118	13.5	2.67	6.62
NASDAQ	2,507	27.7	5.76	10.50
FTSE 100	5,675	17.0	1.47	4.85
EU ESTX50	2,845	12.4	4.10	-4.05
BRAZIL BVS	70,673	14.1	0.63	3.04
RUSSIA MICEX	1,523	8.6	4.66	11.20
INDIA SENSEX	20,032	19.4	-2.02	14.70
SHANGHAI A	2,979	19.3	12.17	-9.10
NIKKEI 225	9,197	19.9	-2.20	-12.79
TAIWAN TAIEX	8,373	14.6	1.57	2.26

MAJOR BONDS				
	CLOSE	P/E	1 M %	YTD%
iBoxx Treasuries TR	191.5		-0.63	8.34
JPM Global Bond	503.2		1.23	7.83

MAJOR COMMODITIES				
	CLOSE	P/E	1 M %	YTD%
GOLD SPOT \$/OZ	1,357.7		2.92	23.77
WTI CRUDE OIL	81.9		-0.74	-2.66
CRB INDEX	300.7		5.24	6.10
DB AGRICULTURE	101.5		10.69	12.29
DB BASE METAL	230.2		2.86	0.85

MAJOR CURRENCIES				
	CLOSE	P/E	1 M %	YTD%
EURO€/US\$	1.40		1.26	-2.49
GBPE/US\$	1.61		1.43	-0.74
AUSS/US\$	0.99		1.34	9.77
JAP¥/US\$	80.75		3.06	15.20
CANS/US\$	1.02		0.19	3.48
RMB/US\$	6.67		0.16	2.29

Source: Bloomberg (November 1st, 2010), TTG (HK)

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¹ The QAAS[®] Rotational Strategy is a remunerated consultancy service provided by QAAS Investment Limited

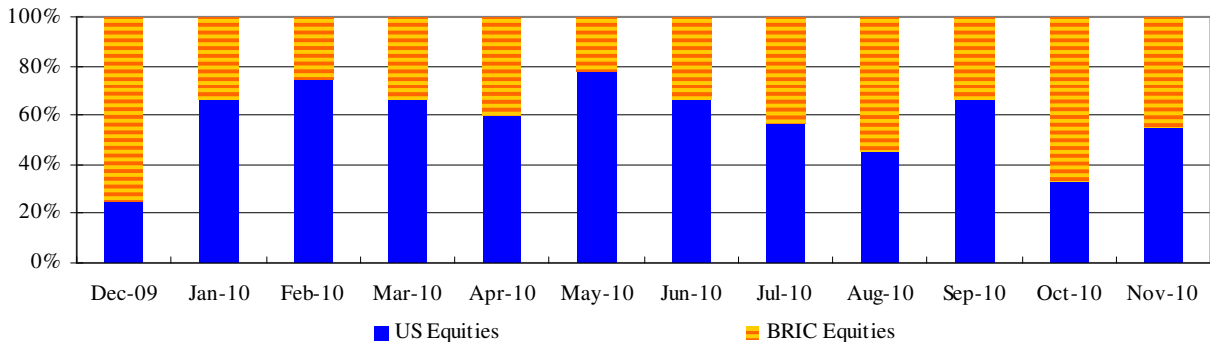


QAAS® Rotational Strategy

The QAAS Rotational Strategy is a technical signal interpretation system designed to formulate asset allocation strategies among the major global asset classes to capture top quartile performances under different market conditions

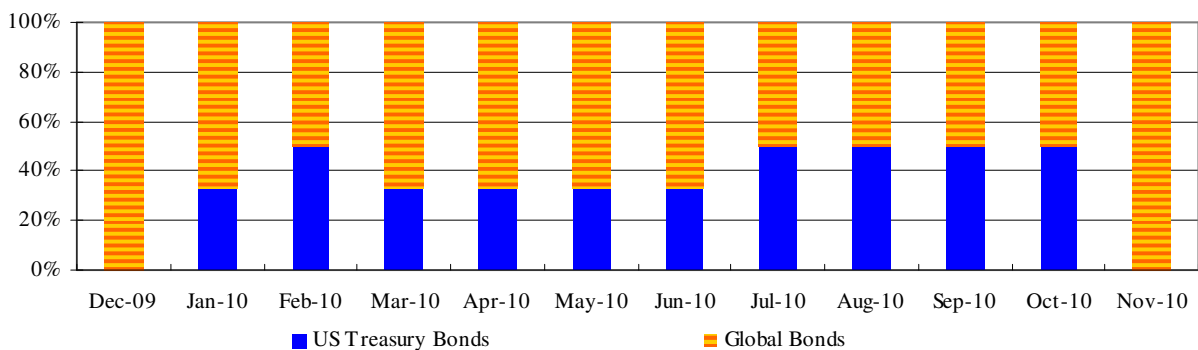
Equity Strategies

- Equal weightings between BRIC equities and US equities



Bond Strategies

- As the global market continues to rally, the system is showing a strong preference for global bonds vs. US treasury bonds



Commodity Strategies

- For the second consecutive months, the system is showing equal weightings between gold, base metals and agriculture commodities

