



Market Commentaries

Global markets have experienced a strong rally as the Fed opened the gate for more quantitative easing to support economic recovery and to battle deflation. The Hang Seng Index was +9.95% outperforming the MSCI World Index which was +4.66% for September

- The Chinese Government has asked all commercial banks to ban mortgages for third residential apartments and raised the prepayment ratio of first time homebuyers to 30%. In addition, a trial real estate holding tax program will be launched across the nation
- The US Fed announced its intent to provide additional accommodation to support economic recovery and return inflation in the near term

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 continues to be weak
- Hard commodities and precious metals 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 October 2010

The system is showing preference for BRIC equities vs. US equities. Regarding the commodity strategy, the system is once again investing in base metals and agriculture commodities

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MAJOR EQUITY MARKETS				
	CLOSE	P/E	1 M %	YTD%
HANG SENG	22,677	14.5	9.95	3.68
MSCI WORLD	1,184	15.6	4.66	1.35
S&P 500	1,146	15.1	3.78	2.79
RUSSELL 2000	679	42.6	5.58	8.62
DOW JONES	10,830	14.0	3.65	3.85
NASDAQ	2,371	25.2	6.13	4.48
FTSE 100	5,593	16.7	3.04	3.33
EU ESTX50	2,733	12.2	-0.49	-7.83
BRAZIL BVS	70,229	15.6	5.33	2.39
RUSSIA MICEX	1,456	8.8	3.22	6.25
INDIA SENSEX	20,445	19.9	12.20	17.06
SHANGHAI A	2,656	17.7	1.25	-18.96
NIKKEI 225	9,486	23.2	4.08	-10.05
TAIWAN TAIEX	8,271	15.2	5.63	1.01

MAJOR BONDS				
	CLOSE	P/E	1 M %	YTD%
iBoxx Treasuries TR	192.3		0.86	8.84
JPM Global Bond	498.5		2.73	6.83

MAJOR COMMODITIES				
	CLOSE	P/E	1 M %	YTD%
GOLD SPOT \$/OZ	1,316.4		5.58	20.00
WTI CRUDE OIL	81.6		7.45	-2.46
CRB INDEX	285.7		4.74	0.82
DB AGRICULTURE	91.7		-0.14	1.45
DB BASE METAL	224.9		7.38	-1.48

MAJOR CURRENCIES				
	CLOSE	P/E	1 M %	YTD%
EURO€/US\$	1.38		6.92	-3.87
GBPE/US\$	1.58		2.67	-2.26
AUSS/US\$	0.97		5.73	8.08
JAP¥/US\$	83.69		0.62	11.15
CANS/US\$	1.02		1.53	3.28
RMB/US\$	6.62		2.57	3.17

Source: Bloomberg (October 4th, 2010), TTG (HK)

Kevin Liem
Chief Investment Officer
 Suite 9A, Entertainment Building
 30 Queen’s Road Central
 Hong Kong
 Tel: + (852) 2869 0801
 Fax: + (852) 2523 4610
 Email: kevinliem@ttg.com.hk

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

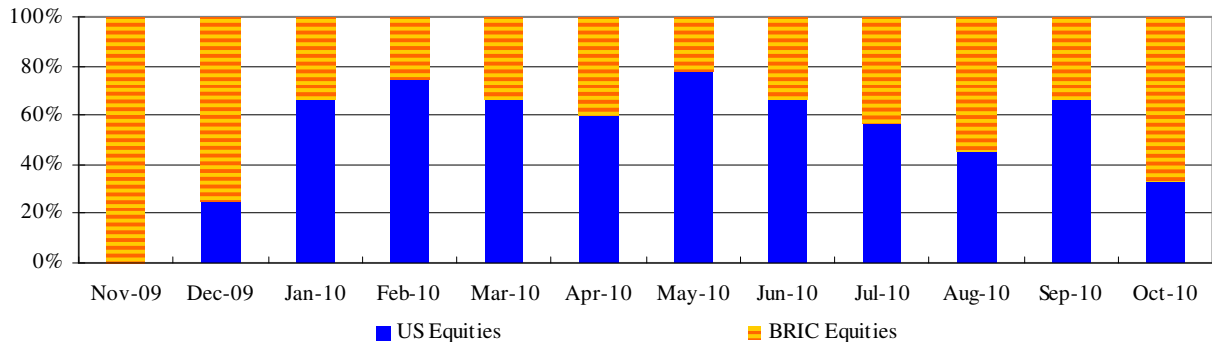


QAAS® Rotational Strategy

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

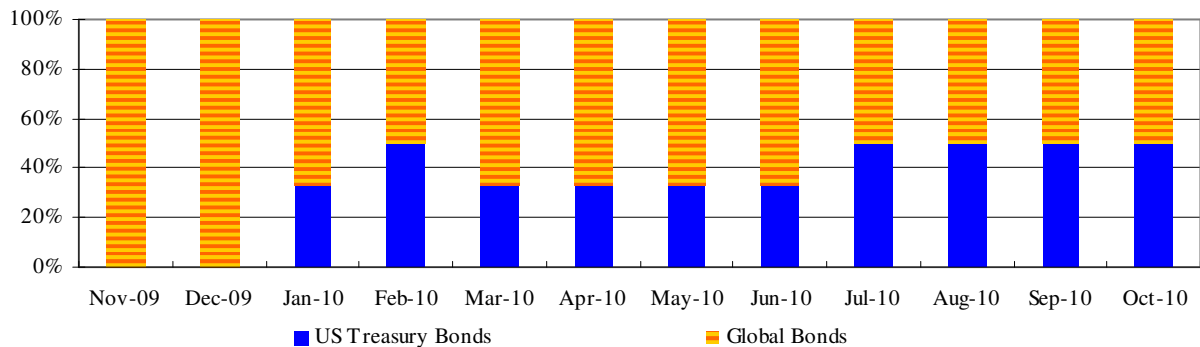
Equity Strategies

- The system is once again showing preference for BRIC equities vs. US equities



Bond Strategies

- Continue to show equal weightings between US treasury bonds and global bonds



Commodity Strategies

- The system is once again allocating to base metals and agriculture commodities

