



Market Commentaries

The major global stock markets closed out their worst months in more than a year as the rating agencies reminded investors that Europe’s economic woe continues. The Hang Seng Index was -6.4% outperforming the MSCI World Index that was -9.9%

- The Chinese Government & PBOC reassured the world that stimulus measures and loose monetary policies remain the core of its strategies
- German regulators planned to ban naked short selling of a group of selected securities and Euro Government bonds
- Fitch downgraded Spain’s debt ratings from AAA to AA+
- Basic materials and energy related securities declined on a stronger US dollar

Reiterate “Balance” Approach for 2010 Q3

Despite the European debt crisis, we reiterate our “balance” approach for Q3 as maintaining economic stability continues to be the main objectives by the major Governments. As such we anticipate:

- Loose monetary policies and fiscal measures by the major Governments will continue to support the underlying liquidity in the global markets
- Governments continues to be extremely cautious with their exit strategies
- The US & China Governments will maintain their level of investments in Europe
- Underweight the Euro & GBP as the European debt crisis will be a key concern for investors in 2010
- Investors should be extremely cautious with snap-back from short covers when the markets are volatile (suggested reference : VIX index)
- Portfolio alterations should be carried out when the markets are relatively stable

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

Since Jan 1, 2010, the system has been overweighting US equities over emerging market equities. During this period, The S&P 500 was -2.3% & Russell 2000 was +5.8% outperforming the Hang Seng Index and MSCI World Index that was -9.7% and -7.6% respectively

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MAJOR EQUITY MARKETS				
	CLOSE	P/E	1 M %	YTD%
HANG SENG	19,759	14.3	-6.40	-9.66
MSCI WORLD	1,080	16.2	-9.91	-7.59
S&P 500	1,089	16.0	-8.20	-2.30
RUSSELL 2000	662	124.7	-7.67	5.79
DOW JONES	10,137	14.1	-7.92	-2.79
NASDAQ	2,257	29.1	-8.29	-0.53
FTSE 100	5,188	12.5	-6.57	-4.15
EU ESTX50	2,610	12.4	-7.33	-11.96
BRAZIL BVS	63,047	13.6	-6.64	-8.08
RUSSIA MICEX	1,333	11.1	-7.20	-2.73
INDIA SENSEX	16,945	18.3	-3.50	-2.98
SHANGHAI A	2,583	19.6	-10.01	-21.17
NIKKEI 225	9,686	32.2	-12.40	-8.15
TAIWAN TAIEX	7,337	17.4	-8.34	-10.40

MAJOR BONDS				
	CLOSE	P/E	1 M %	YTD%
iBoxx Treasuries TR	183.8		1.77	3.98
JPM Global Bond	459.1		-0.58	-1.62

MAJOR COMMODITIES				
	CLOSE	P/E	1 M %	YTD%
GOLD SPOT \$/OZ	1,221.8		3.61	11.38
WTI CRUDE OIL	74.2		-16.00	-9.60
CRB INDEX	254.8		-8.25	-10.09
DB AGRICULTURE	80.5		-5.33	-10.99
DB BASE METAL	196.3		-10.24	-13.98

MAJOR CURRENCIES				
	CLOSE	P/E	1 M %	YTD%
EURO€/US\$	1.23		-7.07	-14.38
GBP£/US\$	1.45		-4.99	-10.41
AUS\$/US\$	0.84		-9.37	-6.51
JAP¥/US\$	91.08		3.80	2.13
CAN\$/US\$	1.05		-3.33	0.73
RMB/US\$	6.83		-0.04	-0.02

Source: Bloomberg (June 1, 2010), TTG (HK)

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

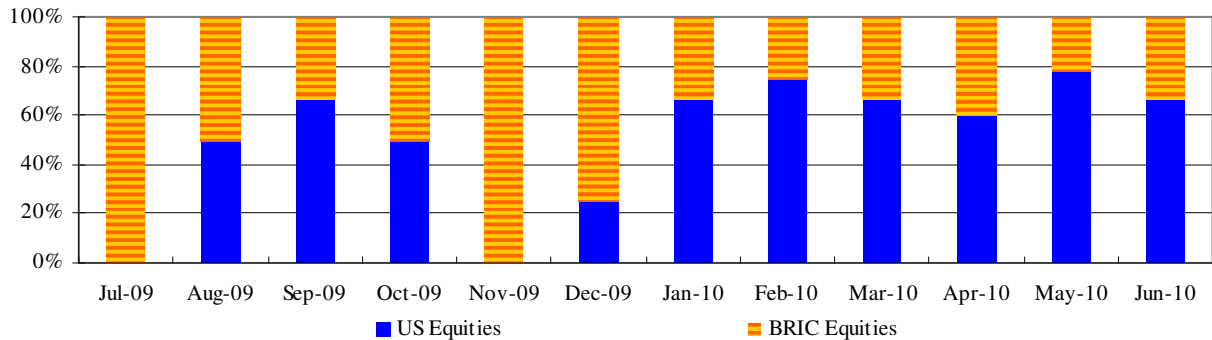


QAAS® Rotational Strategy

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

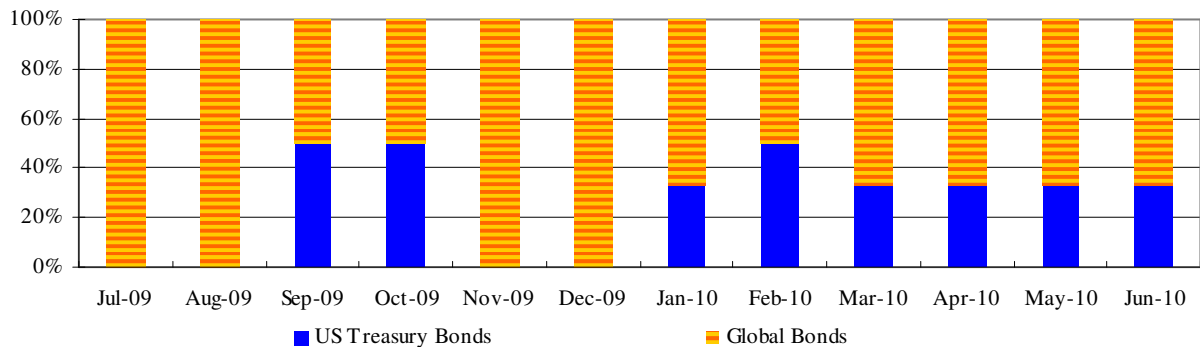
Equity Strategies

- Continues to overweight US equities over BRIC equities



Bond Strategies

- As the equity markets continue to be volatile, demand for US treasury bonds remain constant



Commodity Strategies

- Both crude oil and agricultural commodities are giving strong underweight signals

