



Market Commentaries

Global markets were range bound as investors awaited a solution for the European situation, which did not come. The strengthening of the US dollar also drove down the price of gold to US\$1,575/oz. The MSCI World Index was -0.13% outperforming the Hang Seng Index which was -1.46% for December 2011. Overall 2011 was a very difficult year for global investors and the outperformers were investors in Gold bullion and US large cap equities.

- 26 leaders within the European Union came together to establish tighter fiscal rules which includes stricter debt to GDP ratios
- The inflation rate in China eased for the fourth consecutive month to 4.2 % in November 2011
- The turnover of both the Hong Kong Stock Exchange and China’s A-share market dropped to a three-year low in December 2011
- Standard and Poor’s threatens to downgrade the ratings of 15 European countries and the rating of the European Financial Stability Fund

“Strategic Balanced” Approach for 2012Q1

2012 is likely to be another challenging year for investors as global markets are expected to be volatile, together with an eventful year of government interventions. However, we are mindful of not becoming caught up in the emotion of markets as they are driven by politicians, but rather remain focused on the fundamentals – “Patience is Key”

Great investment opportunities often appear in challenging periods and 2012 is definitely a year with potential. Enhancing our defensive balanced strategy late last year, our investment team continues to implement a diversified portfolio, with an overweight allocation in alternative strategies. The investment objective continues to tackle inflation with a portfolio that is relatively shock resistant. As such we anticipate:

- Global markets continue to be volatile due to the trembles from the global financial crisis and debt crisis in the west
- Social unrest spreading globally, especially as inflation and oil prices continue to be unstable
- Major governments will continue to implement cautious expansionary monetary policies to support economic recovery while restraining inflation
- Interest rate is likely to crib up slowly as credit availability remains limited
- RMB is likely to appreciate at modest levels as the China Government is implementing various measures to discourage speculators

Important Notice

The document has been prepared solely for informational purposes and does not constitute an offer or an invitation in any manner. The content of this document has not been reviewed by any regulatory authority in Hong Kong and prospective investors should obtain independent professional advice to determine the suitability and consequences in relation to any investment. Information and opinions are given without obligation and can be changed without notice. Investment involves risks and past performances are not indicative of current or future performance. The Information on this document may not be reproduced, distributed or published in whole or in part or otherwise made available without prior express written consent from TTG (HK) Ltd. All rights reserved.

MAJOR EQUITY MARKETS				
	CLOSE	P/E	1 M %	2011%
HANG SENG	18,762	8.5	-1.46	-22.79
MSCI WORLD	1,186	12.7	-0.13	-7.62
S&P 500	1,258	13.2	1.07	0.00
RUSSELL 2000	741	31.2	0.80	-5.45
DOW JONES	12,218	12.6	1.65	5.53
NASDAQ	2,605	22.3	-0.83	-1.80
FTSE 100	5,572	10.0	0.36	-5.55
EU ESTX50	2,370	10.5	1.18	-17.05
BRAZIL BVS	57,829	9.3	-0.10	-18.11
RUSSIA MICEX	1,402	5.1	-6.87	-16.93
INDIA SENSEX	15,518	14.2	-7.89	-24.64
SHANGHAI A	2,199	11.5	-6.83	-21.68
NIKKEI 225	8,455	16.6	-2.18	-17.34
TAIWAN TAIEX	7,064	16.0	-1.08	-21.18

MAJOR BONDS				
	CLOSE	P/E	1 M %	2011%
iBoxx Treasuries TR	205.2		0.48	9.90
JPM Global Bond	520.1		0.76	6.14

MAJOR COMMODITIES				
	CLOSE	P/E	1 M %	2011%
GOLD SPOT \$/OZ	1,575.0		-9.83	10.06
WTI CRUDE OIL	100.2		-0.86	4.79
CRB INDEX	305.3		-2.63	-8.26
DB AGRICULTURE	98.7		0.35	-10.68
DB BASE METAL	193.1		-6.31	-22.19

MAJOR CURRENCIES				
	CLOSE	P/E	1 M %	2011%
EURO€/US\$	1.30		-3.16	3.26
GBP€/US\$	1.55		-0.75	0.44
AUS\$/US\$	1.03		0.14	0.24
JAP¥/US\$	76.85		1.26	5.47
CAN\$/US\$	1.02		0.02	-2.28
RMB/US\$	6.29		1.11	4.96

Source: Bloomberg (January 3rd, 2012), TTG (HK)

Kevin Liem
Chief Investment Officer
 Suite 501A, 5/F
 9 Queen’s Road Central
 Hong Kong
 Tel: + (852) 2869 0801
 Fax: + (852) 2523 4610
 Email: kevinliem@ttg.com.hk