



# SIAS Corporate Profile Seminar

## **Bulls vs Bears Who is Winning?**

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Vice President

SIAS Research Pte Ltd



# The Bulls...

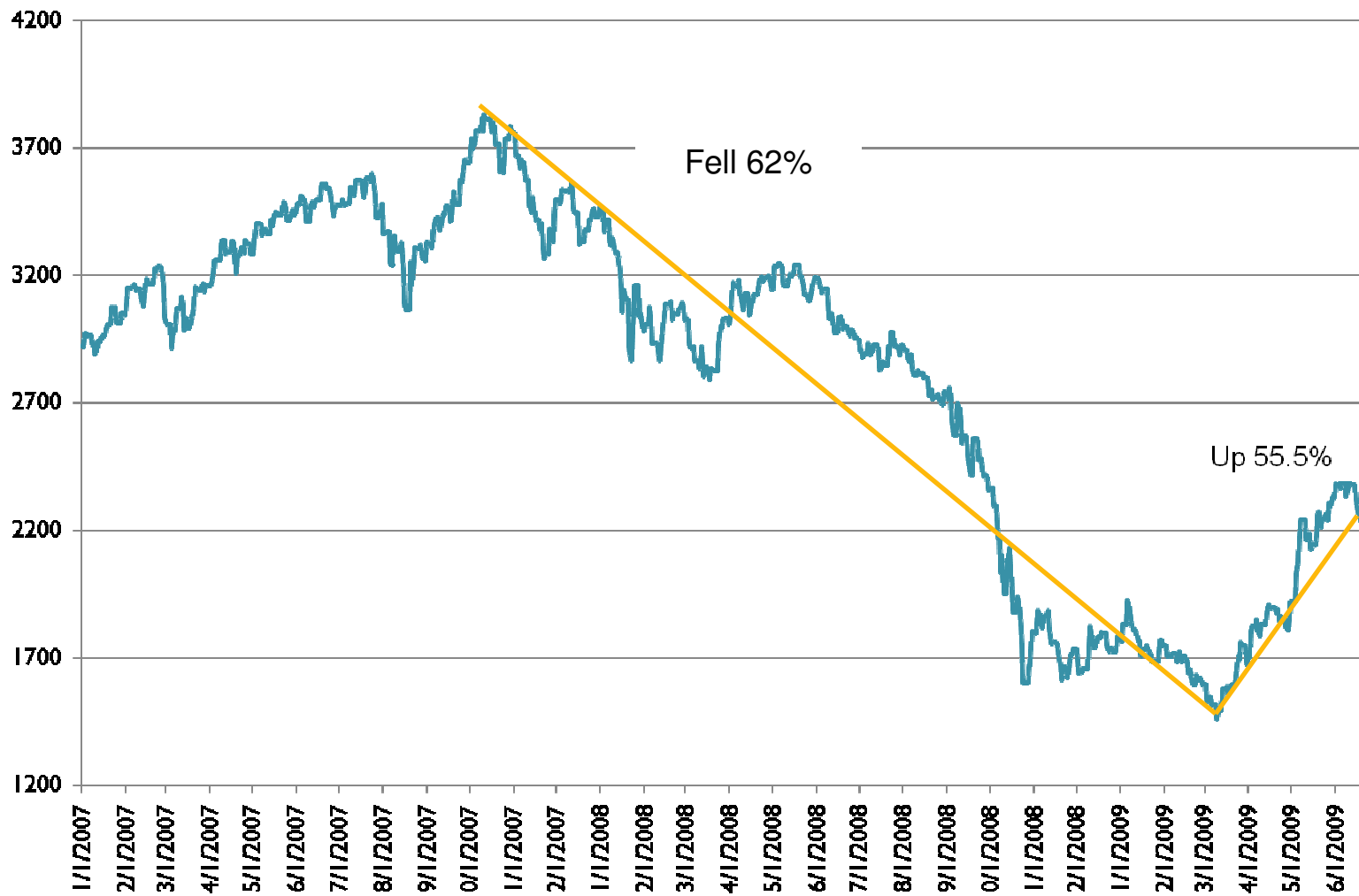
- Argues that the worst is over and recovery will happen by end 2009
- Believe that equities market will show multi-year bull run.
- His advise:  
“Don’t be fooled by the bears!”



# The Bears...

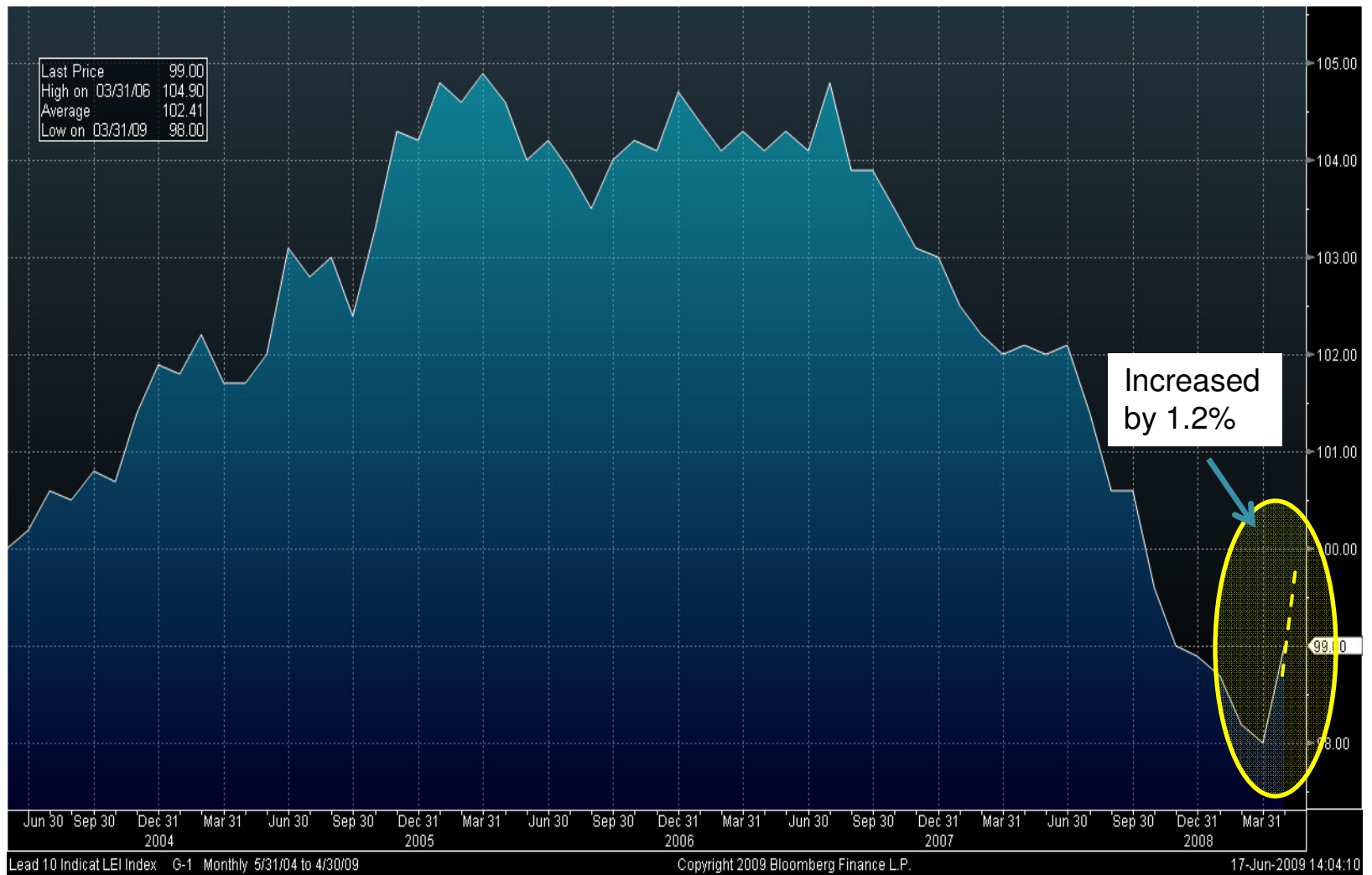
- Argues that the economic condition is far from recovery.
- Believe that equity prices have gone up too fast and too far.
- His advise  
“There is just too much bull in the market!”

# Where is STI Now?



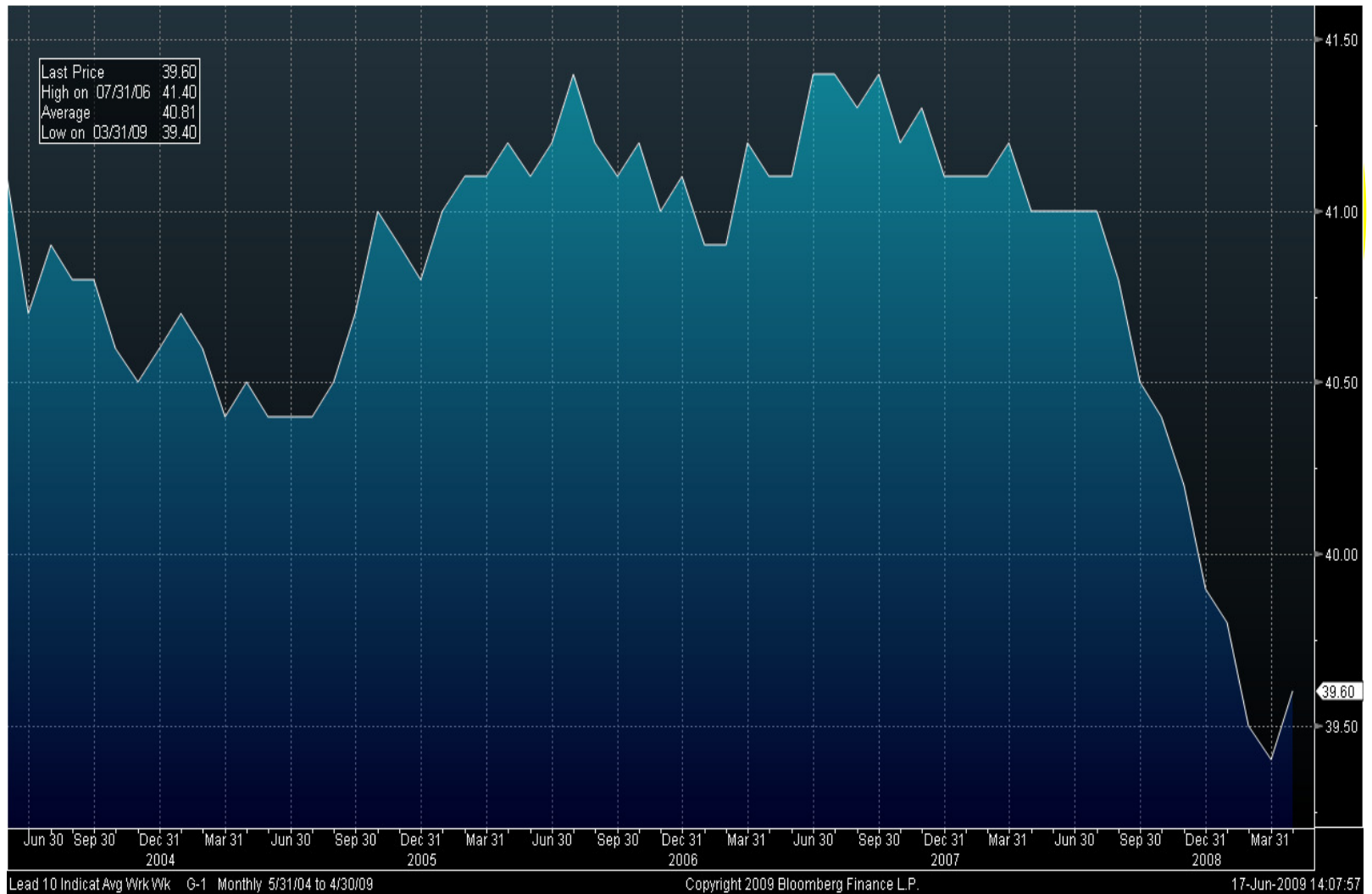
Source: Bloomberg

# Is the US Recovering?



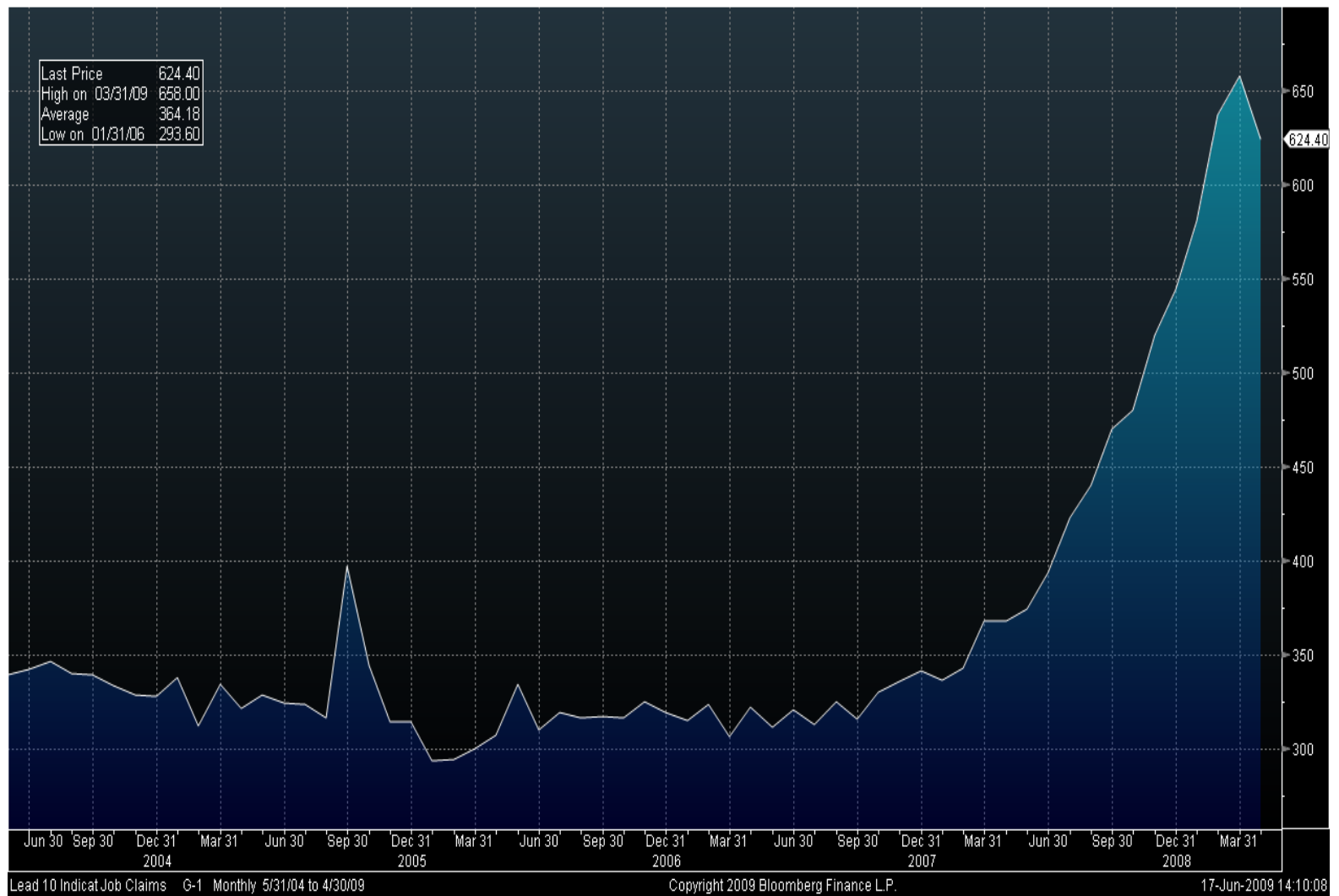
Source: Bloomberg

# Longer Average Workweek



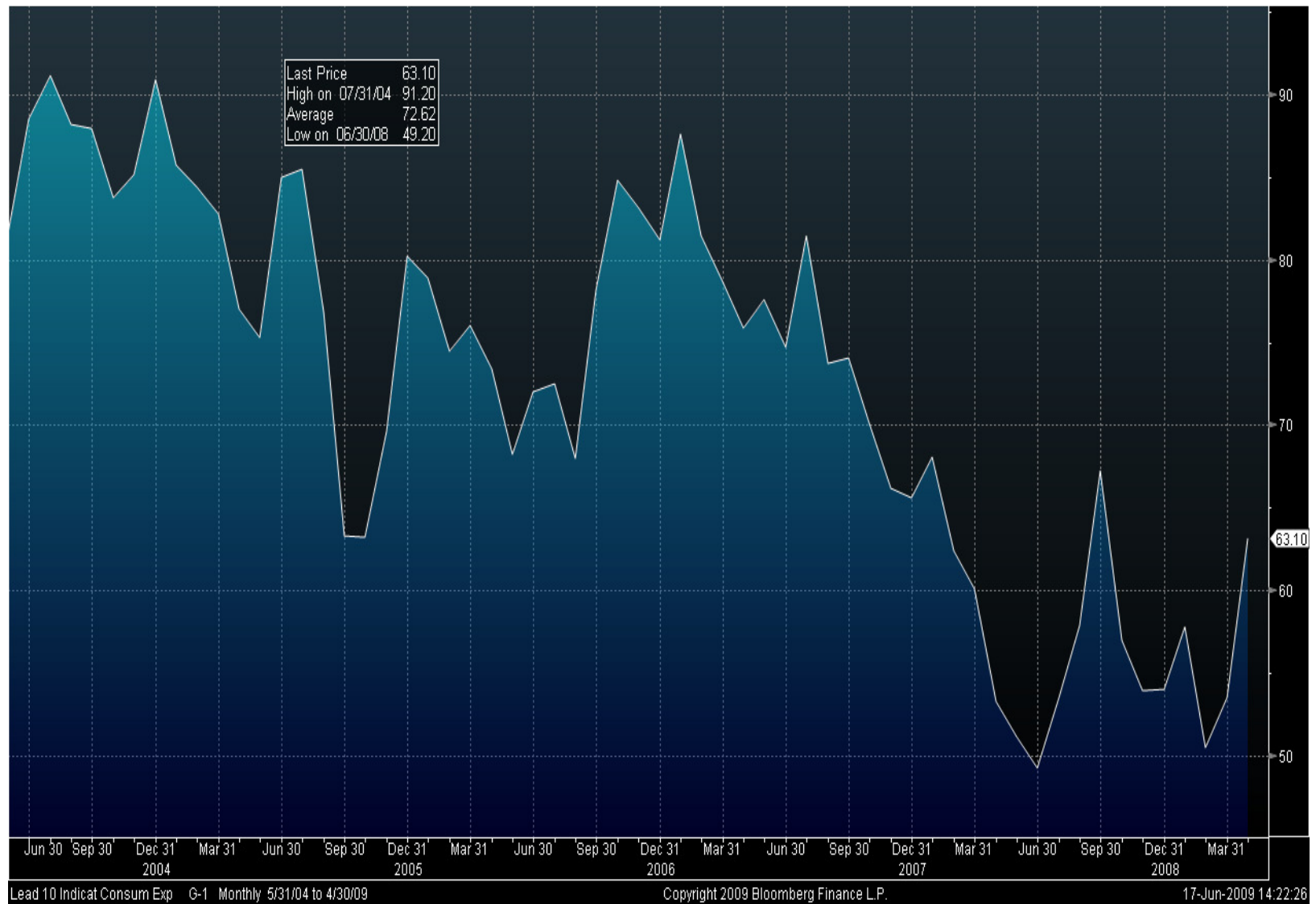
Source: Bloomberg

# Falling Jobless Claim



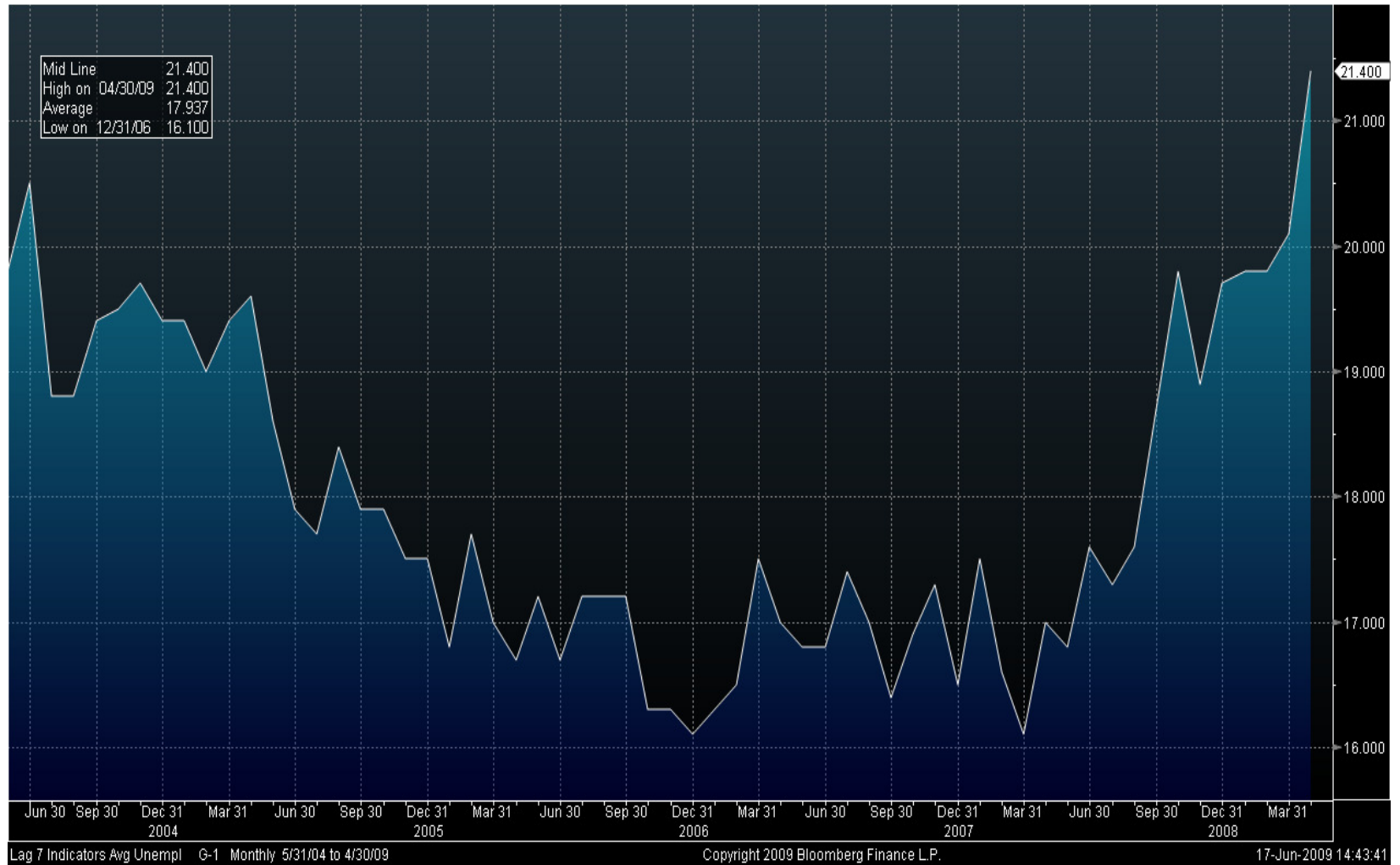
Source: Bloomberg

# More Confidence in Consumers



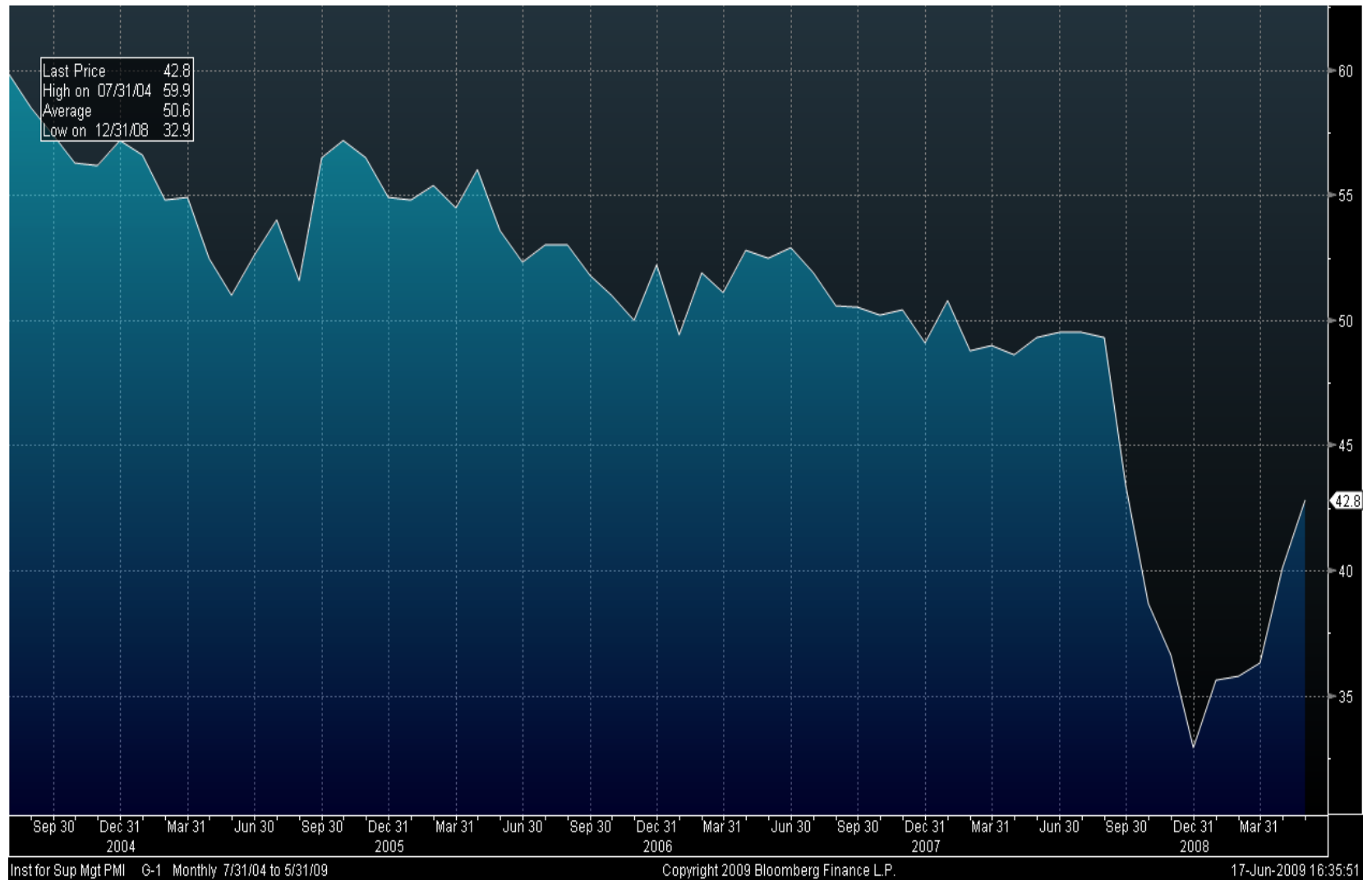
Source: Bloomberg

# Unemployment Still High



Source: Bloomberg

# Purchasing Manager More Active



Source: Bloomberg



# Singapore Economy

- 17 Jun 09 –
  - Nodx down 12% YoY (expectation was -16%) but up 5.6% MoM.
- NODX to:
  1. US – down 35%
  2. Malaysia – down 23%
  3. China – 18%
  4. Japan – down 29%
- Unemployment up to 3.3% from 2.5%

# Broader Indices

	Last	Change (days)			PE Ratio		PB Ratio		12 Mth Dividend Yield (%)		30 Days Volatility		
		30	180	1 Year	Current	1 Year	Current	1 Year	Current	1 Year	Current	30	180
MSCI World Index	958.5	0.5%	5.7%	-33.9%	17.6	14.3	1.5	2.1	3.4	2.7	19.5	21.9	50.5
Dow Jones	8555.6	1.6%	-0.3%	-29.1%	11.3	14.9	3.9	3.4	3.4	2.7	21.9	25.6	58.9
S&P 500	918.4	1.6%	3.4%	-31.6%	14.5	16.7	2.0	2.5	3.0	2.3	24.7	30.3	66.5
NASDAQ	1807.7	4.6%	15.6%	-26.6%	27.5	29.0	2.3	3.1	1.0	0.9	24.1	29.3	66.6
MSCI EMU Index	72.8	-3.8%	0.3%	-33.9%	19.2	10.8	1.2	1.7	4.7	3.9	23.1	26.4	50.1
DJ Stoxx	2414.4	-2.9%	-1.2%	-30.8%	18.7	10.2	1.2	1.6	5.0	4.2	24.3	27.5	56.2
Nikkei 225	9733.1	4.2%	13.3%	-31.1%	26.0	17.1	1.3	1.7	2.0	1.5	23.1	31.9	54.9
MSCI Asia ex-Japan	313.8	-0.1%	24.8%	-29.8%	18.3	13.7	1.7	2.1	3.9	3.1	27.1	29.7	51.5
Emerging Markets	743.7	-1.6%	27.8%	-34.0%	14.5	13.3	1.7	1.5	3.0	2.4	25.9	27.7	48.2
<b>STI</b>	<b>2259.8</b>	<b>-0.4%</b>	<b>25.9%</b>	<b>-24.5%</b>	<b>12.0</b>	<b>10.9</b>	<b>1.4</b>	<b>1.9</b>	<b>4.3</b>	<b>4.1</b>	<b>27.3</b>	<b>35.3</b>	<b>38.3</b>
<b>Average</b>		<b>0.5%</b>	<b>9.9%</b>	<b>-31.2%</b>	<b>18.6</b>	<b>15.6</b>	<b>1.9</b>	<b>2.2</b>	<b>3.3</b>	<b>2.6</b>	<b>23.7</b>	<b>27.8</b>	<b>55.9</b>

Source: Bloomberg

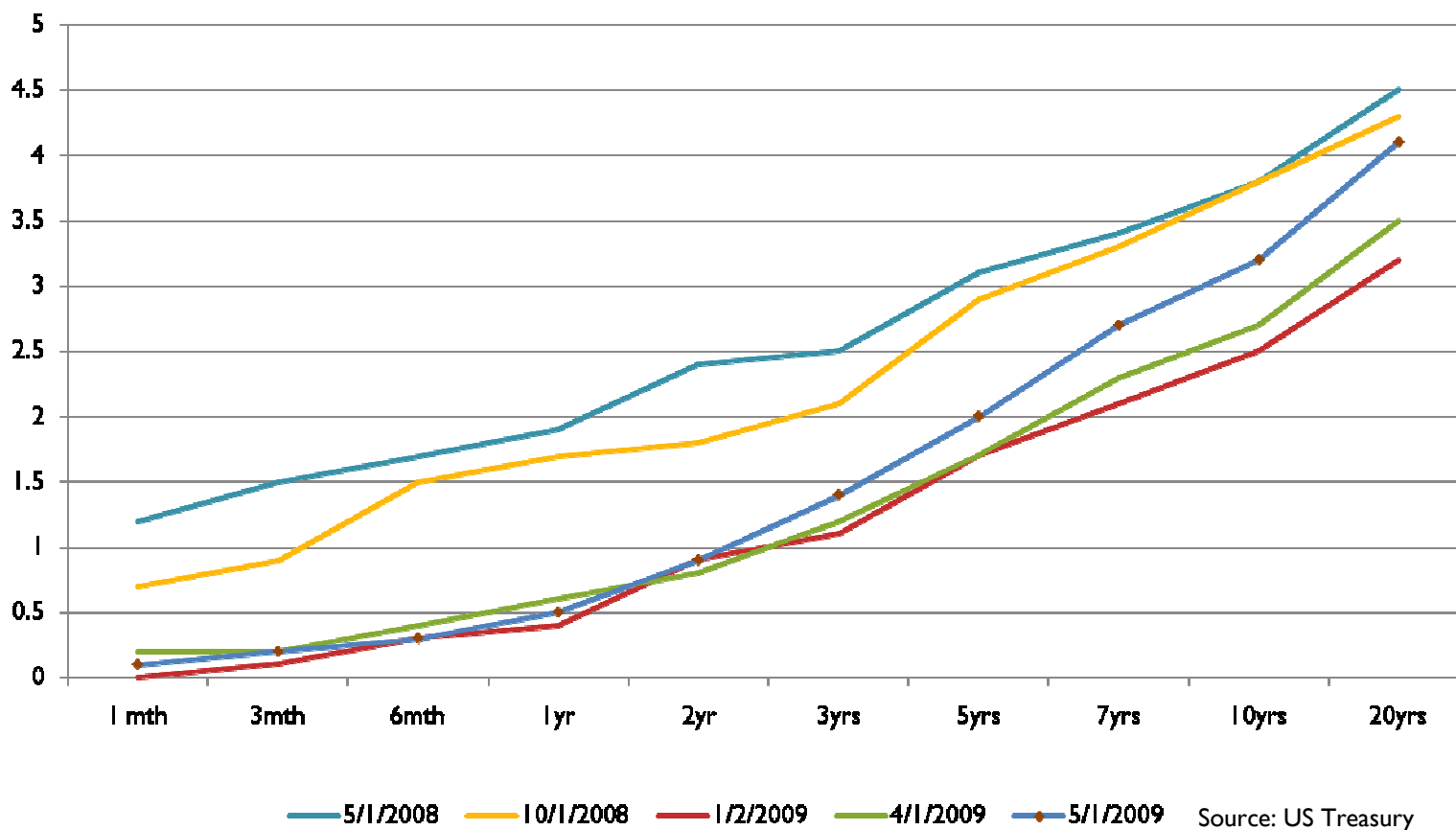
# Regional Indices

	19-Jun-09	Change (days)			PE Ratio		PB Ratio		12 Mth Dividend Yield (%)		30 Days Volatility		
		Last	30	180	1 Year	Current	1 Year	Current	1 Year	Current	1 Year	Current	30
STI	2259.8	-0.4%	25.9%	-24.5%	12.0	10.9	1.4	1.9	4.3	4.1	27.3	35.3	38.3
KLSE	1058.1	1.5%	20.7%	-11.6%	18.2	12.9	1.5	0.9	4.3	4.7	13.6	16.1	16.8
Thai Ex	575.4	2.5%	28.7%	-22.5%	20.3	14.1	1.3	1.6	4.9	4.1	32.1	26.1	34.2
JCI	1944.6	3.1%	44.2%	-18.1%	22.2	14.2	2.2	2.7	3.1	1.8	31.2	34.9	43.6
Hang Seng	17835.0	2.1%	17.9%	-21.8%	16.0	13.4	1.7	2.2	3.8	3.2	32.9	37.7	55.1
Kospi	1378.1	-4.0%	16.7%	-20.8%	29.2	12.8	1.1	1.3	1.4	2.0	22.7	26.7	52.1
Shanghai	2863.5	8.0%	41.9%	4.2%	28.9	21.2	3.1	3.3	1.4	1.2	20.1	24.2	43.0
ASX200	3906.5	2.1%	8.0%	-27.2%	23.4	11.0	1.6	2.3	5.8	4.4	22.9	24.4	43.1
S&P 500	14265.5	1.5%	41.2%	-5.5%	15.3	15.8	3.1	3.4	1.2	0.9	57.3	58.9	52.0
<b>Average</b>		<b>2.1%</b>	<b>27.4%</b>	<b>-15.4%</b>	<b>20.6</b>	<b>14.0</b>	<b>1.9</b>	<b>2.2</b>	<b>3.3</b>	<b>2.9</b>	<b>28.9</b>	<b>31.6</b>	<b>42.0</b>

Source: Bloomberg

# What are the Risks?

- Increasing oil prices
- Oil prices are now around S\$72.
- Higher long-term interest rates.





**Who Should You Support?**

**Matter of Prospective**



**What Do I Think?**

**The Bull is Taking a Test**

# Interesting Counters

Counter	Price	PE	PB	Div Yld
STI ETF	2.28-2.31	12	1.4	4.3%
Falcon Energy	0.60	8.7	3.4	1.6%
SGX	7.21	16.1	11.2	5.3%

Source: Bloomberg, Share Investor



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