



# AMG Weekly Market Update

4<sup>th</sup> Jan, 2010

## Activity revives, and risk appetite remain high

Financial markets was quiet in the last week of year 2009, turnover was very low. Generally speaking stock markets did not move much, only that U.S. stock market slipped by about 1% in the final trading day.

But, financial markets became more active when we got into the new year. The strength of USD was tested again, Euro, Sterling and high yield currencies e.g. Aussie dollar and NZD turned up against USD again. Gold also found support at around USD 1,100.

The break of USD's rally against other assets showed that investors are putting their money back at work for higher return. In other words, they are still willing to take risk. While government policy is still supportive for growth and interest rate stayed low, the tendency for investors to chase after risky assets for higher growth shall continue into 2010. Thereby, assets that provide higher potential return e.g. emerging market stocks should still be the market focus for the year.

### Weekly economic indicator update

Country / Region	Economic Indicator		Time period	Latest	Last
HK	Retail sales	Yoy change	Nov 2009	11.7%	9.8%
US	S&P Case-Shiller home price index composite 20		Oct 2009	146.58	146.51
Germany	Consumer price index	Yoy change	Dec 2009	0.8%	0.4%
France	Real GDP	Qoq change	3Q 2009	0.3%	0.3%
Japan	Industrial production	Yoy change	Nov 2009	-3.9%	-15.1%
Japan	Retail sales	Yoy change	Nov 2009	-1.0%	-1.0%

\* All figures and information are collected from Census and Statistics Department of Hong Kong, [www.bloomberg.com](http://www.bloomberg.com), Federal Statistics Office of Germany, National Statistics Office of UK, National Institute of Statistics and Economic Studies of France, Ministry of Economy, Trade and Industry of Japan.

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