



AMG Weekly Market Update

14th June, 2010

Re-financing is there for European government

Financial markets were relatively stable last week. National debt auction by Spain was well received. Bids received for 5 years Spanish government bonds was more than double the government target to raise EUR 3-4 billion. The results showed that there was still sufficient demand for its national debt and liquidity risk for Spanish government is still low. Besides, the Italian national debt auction was well received also. Worries about the re-financing risk for the Euro zone nations declined and it helped to seal the financial markets off from volatility.

Besides, China has announced the economic figures for May 2010. The numbers showed that Chinese economy is still expanding at high speed, and domestic consumption remains a reliable power engine. But, industrial production and fixed asset investment slowed down slightly despite that they are still rising in a decent pace. The details are as follow. Retail sales rose 18.7% compare to May 2009, slightly faster than 18.5% reported last month. Industrial production growth fell from 17.8% to 16.5%, while urban fixed asset investment edged down from 26.1% to 25.9%. As for the external trade, it was the bright spot last month. Chinese exports jumped by 48.5% on year-on-year basis, and it was by far better than 30.5% increase reported in April. And imports also rose 48.3%. However, European economy will slow down again in the latter half of 2010. It is a threat to Chinese exports. So, internal demand will remain the major driver for Chinese economy.

Weekly economic indicator update

Country / Region	Economic Indicator		Time period	Latest	Last
China	Industrial production	Yoy change	May 2010	16.5%	17.8%
China	Retail sales	Yoy change	May 2010	18.7%	18.5%
China	Urban FAI	Yoy change	May 2010	25.9%	26.1%
China	Exports	Yoy change	May 2010	48.5%	30.5%
China	Imports	Yoy change	May 2010	48.3%	49.7%
China	CPI	Yoy change	May 2010	3.1%	2.8%
US	Retail sales	Mom change	May 2010	-1.2%	0.4%
US	Retail sales (excl. autos)	Mom change	May 2010	-1.1%	0.4%
US	University of Michigan consumer sentiment index		Jun 2010	75.5	73.6
US	Consumer credit	Mom change	Apr 2010	USD 1.0B	USD 2.0B
Germany	Industrial production	Mom change	Apr 2010	0.9%	4.3%
UK	Industrial production	Yoy change	Apr 2010	2.1%	2.1%



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France	Industrial production	Mom change	Apr 2010	0.4%	1.2%
Japan	Machinery orders	Yoy change	Apr 2010	29.4%	13.1%
Australia	Unemployment rate	%	May 2010	5.2%	5.4%
South Korea	Unemployment rate	%	May 2010	3.2%	3.7%
India	Industrial production	Yoy change	Apr 2010	17.6%	13.5%

* All figures and information are collected from National Bureau of Statistics of China, Federal Statistics Office of Germany, The Office of National Statistics of UK, National Institute of Statistics and Economic Studies, Cabinet Office of Japan, Australian Bureau of Statistics, Bank of Korea, Ministry of Statistics and Programme Implementation.

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