



AMG Weekly Market Update

5th July, 2010

Economy is losing steam

Latest figures announced by U.S. shows that the economic recovery is losing momentum. Non-farm payrolls number weakened in the last 2 months. For May and June 2010, the addition to non-farm payroll by private sector went below 100,000 again. It was very much a disappointment when compared to net addition of more than 200,000 new jobs in each of March and April. Sluggish job creation means that private consumption is still at risk and sustainability of the economic growth remains under question.

Besides, the leading indicators for manufacturing industries and services industries also headed down. In Jun 2010, the ISM manufacturing index and non-manufacturing index fell by 3.5 and 1.6 to 56.2 and 53.8 respectively. Still, both index stayed well above the expansion mark at 50 points, it means that manufacturing industries and service industries are also going to have slower growth.

As the impact from government stimulus and low base effect as are fading out, U.S. is now looking to the private sector to drive the recovery. But, as shown by recent data, the private sector is losing steam. So, a slowdown in the recovery seems inevitable now. For the stock market, it could translate into resistance and volatility.

Weekly economic indicator update

Country / Region	Economic Indicator		Time period	Latest	Last
Hong Kong	Retail sales	Yoy change	May 2010	19.7%	12.4%
US	Non-farm payroll	Mom change	Jun 2010	-125K	433K
US	Unemployment rate	%	Jun 2010	9.5%	9.7%
US	Factory orders	Mom change	May 2010	-1.4%	1.2%
US	ISM manufacturing index		Jun 2010	56.2	59.7
US	Personal income	Mom change	May 2010	0.4%	0.4%
US	Consumer spending	Mom change	May 2010	0.2%	0.0%
Japan	Industrial production	Yoy change	May 2010	20.5%	20.3%
Japan	Retail sales	Yoy change	May 2010	2.8%	4.9%
Japan	Unemployment rate	%	May 2010	5.2%	5.1%
Australia	Retail sales	Yoy change	May 2010	0.2%	0.6%
South Korea	Industrial production	Yoy change	May 2010	22.3%	20.7%
South Korea	Exports	Yoy change	May 2010	30.1%	40.3%
South Korea	Imports	Yoy change	May 2010	38.2%	49.1%
Thailand	Manufacturing production	Yoy change	May 2010	17.2%	21.8%



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Taiwan	CPI	Yoy change	Apr 2010	1.3%	1.3%
Malaysia	Exports	Yoy change	Mar 2010	36.4%	18.4%
Malaysia	Imports	Yoy change	Mar 2010	45.3%	27.9%

* All figures and information are collected from Census and Statistics Department of Hong Kong, www.bloomberg.com, Ministry of Economy, Trade and Industry, Ministry of Internal Affairs and Communication, Australia Bureau of Statistics, Bank of Korea, Bank of Thailand.

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