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Morning Comments February 6, 2009

SHCOMP came on again last night and volume continues to run at a feverish pace as prices break up some backing and filling is inevitable and we will be looking to press up linked longs until shown a reason to believe otherwise. It's a tough market to get exposure to and you need help in Hong Kong with FXI but no one said this was easy. Whats really interesting to us now is the nature of accumulation across many SE asian markets we follow. The patterns and price action had suggested bearish consolidation, i.e., flags, wedges or triangles but these now appear to be in the early stages of potentially morphing into bottoms. We are moving to high alert in these areas. While the shapes of the price action remain suspect the volumes are what spur us. Risk looks relatively well defined and we will be looking for opportunities to price EWY EWS EWM IF on the long side. Its early with this stuff but thinking a real big trade may be brewing up. Check out the SPX correlations in the attached matrix its not the brinkmanship one would assume given our views on developed market prices.

SPX prices pressed up as tech continues to shine on money flow into sector and a number of recent earnings related gaps up in tech continued to follow through. We are sticking with the house call on SPX until shown contrary evidence.

<HELP> for explanation. ComdtyCORR
 1<GO> to Edit, 2<GO> for more options, <MENU> to return to correlation menu

1) Edit	2) Actions	3)	asia.com							
02/07/2008	- 02/06/2009	Daily	Calculation	Correlation	Local CCY					
Correlation Matrix (10 Rows x 10 Columns)										
Security	STI	JCI	KLCI	TWSE	SHCOMP	HSI	KOSPI	SET	SENSEX	SPX
1) SPX	0.295	0.129	0.119	0.150	0.021	0.356	0.236	0.316	0.354	1.000
2) HSI	0.878	0.566	0.544	0.636	0.490	1.000	0.743	0.655	0.669	0.356
3) SENSEX	0.688	0.456	0.465	0.450	0.300	0.669	0.534	0.514	1.000	0.354
4) SET	0.667	0.563	0.552	0.487	0.274	0.655	0.537	1.000	0.514	0.316
5) STI	1.000	0.619	0.586	0.642	0.328	0.878	0.771	0.667	0.688	0.295
6) KOSPI	0.771	0.584	0.575	0.757	0.332	0.743	1.000	0.537	0.534	0.236
7) TWSE	0.642	0.565	0.551	1.000	0.302	0.636	0.757	0.487	0.450	0.150
8) JCI	0.619	1.000	0.547	0.565	0.214	0.566	0.584	0.563	0.456	0.129
9) KLCI	0.586	0.547	1.000	0.551	0.314	0.544	0.575	0.552	0.465	0.119
0) SHCOMP	0.328	0.214	0.314	0.302	1.000	0.490	0.332	0.274	0.300	0.021

Color bands based on Statistical Significance: Most Significant Significant Less Significant Least Significant
 Click on a security to view more options, or on a matrix value to view correlation and scatter charts.
 Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000
 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2009 Bloomberg Finance L.P.
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The results presented should not and cannot be viewed as an indicator of future performance.
 Charts courtesy of Bloomberg Finance L.P.

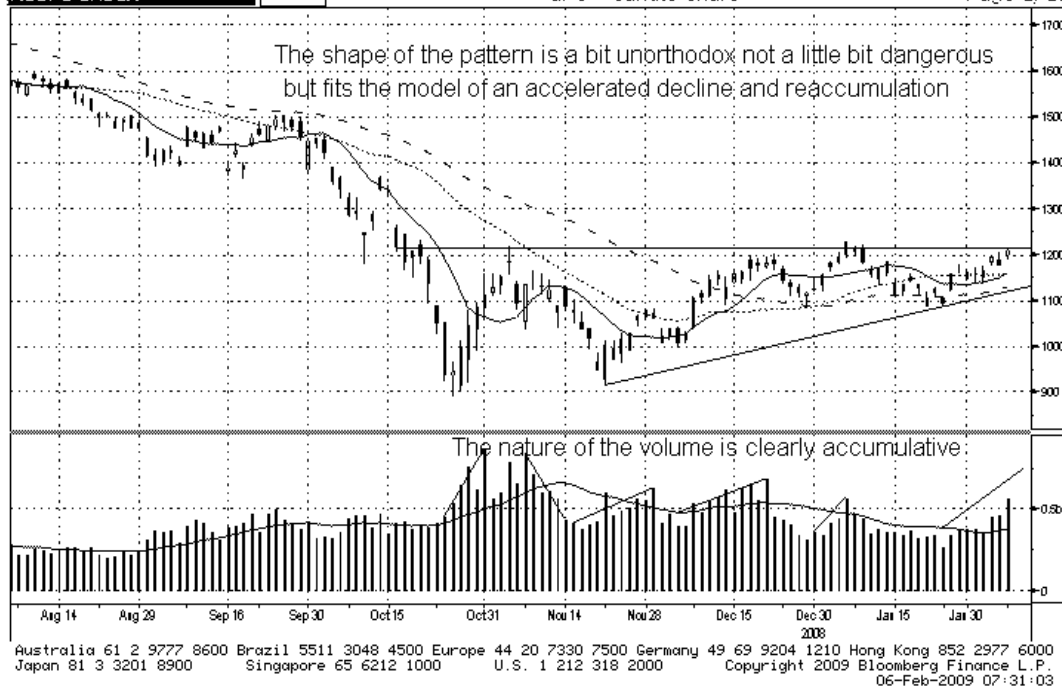
SHCOMP ↑2181.239 +83.221 Index **GPC**
 Screen saved as C:\Documents and Settings\BTankersley\Desktop\shcomp 2 6.gif

SHCOMP INDEX Show GPC - Candle Chart Page 1/19



KOSPI ↑1210.26 +32.38 Index **GPC**
 At DELAYED Vol 570,678 Op 1199.17 Hi 1210.26 Lo 1190.67

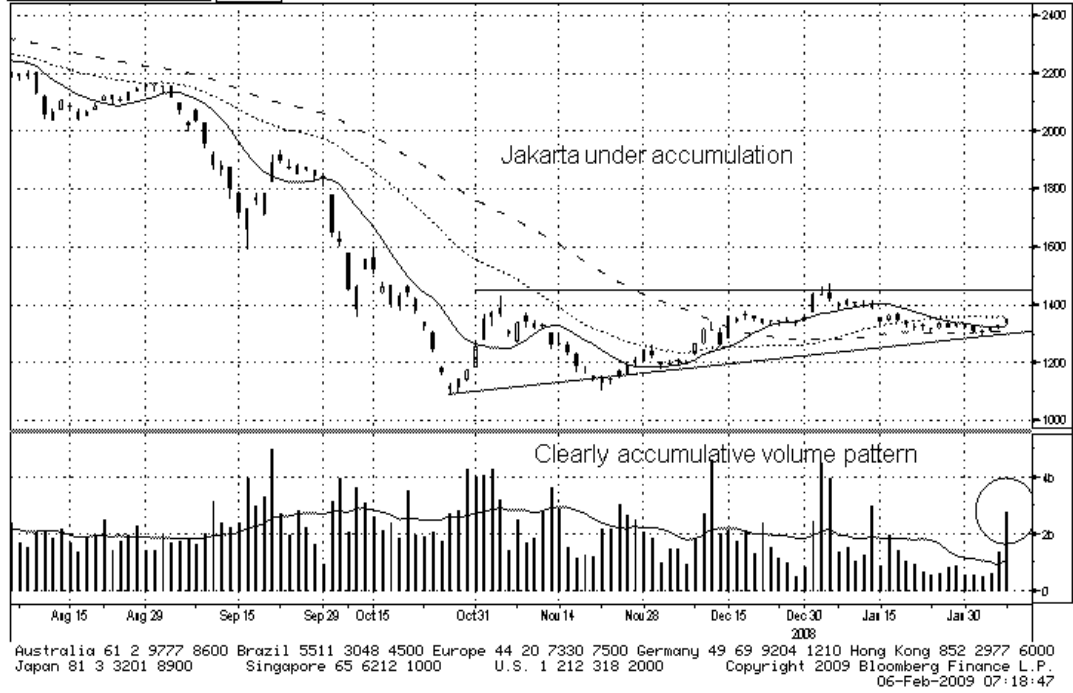
KOSPI INDEX Show GPC - Candle Chart Page 1/15



JCI ↑1350.641 +22.566
At 05:09 Op 1337.579 Hi 1351.914 Lo 1336.518

Index **GPC**

JCI INDEX Show GPC - Candle Chart Page 1/11



KLCI ↑896.64 +16.69
At 06:21 Op 885.12 Hi 896.64 Lo 884.53

Msg: J. IVARONE

KLCI INDEX Show GPC - Candle Chart Page 1/11



FSSTI ↑1715.35 +10.75

Msg: J. IVARONE

At 04:10 Op 1722.65 Hi 1726.92 Lo 1704.25

FSSTI INDEX

Show

GPC - Candle Chart

Page 1/11



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