

## Morning Comments June 23, 2009

I wanted to come back to the Asian risk markets that we have been recommending since early February which we last updated in mid April (those notes are attached) as they are now entering phases of distribution in line with our projections for the most part. The impetus for the update is a combination of our more defensive view now with respect to the SPX having broken down through what we see as important support ~920 and the recent severing of the uptrend in copper and loss of momentum in leading commodity markets generally. These coupled with the current general bearish views of my technician lead me to suspend bullish opinions of these risk markets around our previously published target prices and to now recommend selling.

Most importantly it is increasingly apparent that these markets are distributing around important levels largely in line with significant Fibonacci level retracements of the bear phases that had prevailed and which we had previously indicated as upside targets now met. We will now recommend investors go with the market and distribute these longs. TWSE is closest to being a short in our view while KLCI still has a bit of upside left. STI and JCI should be sold into strength. From leader to laggard it's clear to me that distribution has begun expect this to take some time to unfold and begin to demonstrate a willingness to forge lower highs. Please ask for markets on which you require precision.



The results presented should not and cannot be viewed as an indicator of future performance.  
 Charts courtesy of Bloomberg Finance L.P.

**KLCI ↑1044.48 -1.49**  
 At 07:21 Op 1035.96 Hi 1044.48 Lo 1028.14

Index **GPC**

**KLCI INDEX** Show

GPC - Candle Chart

Page 1/44



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.  
 SN 560591 23-Jun-2009 07:42:03

**JCI ↓1914.385 -60.642**

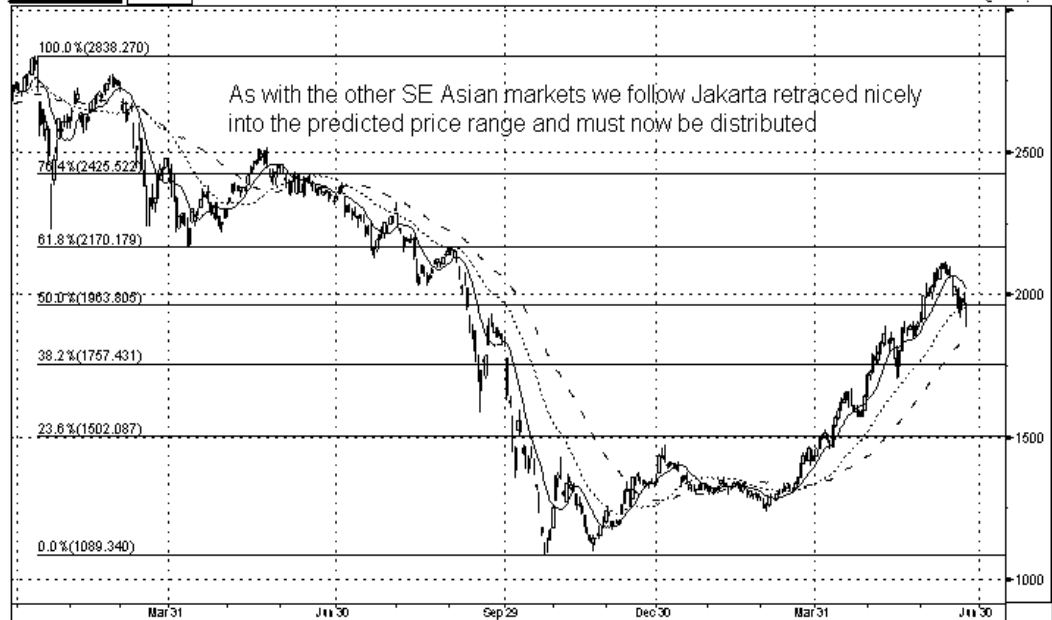
Index **GPC**

At 05:00 Op 1973.993 Hi 1973.993 Lo 1888.821

**JCI INDEX** Show

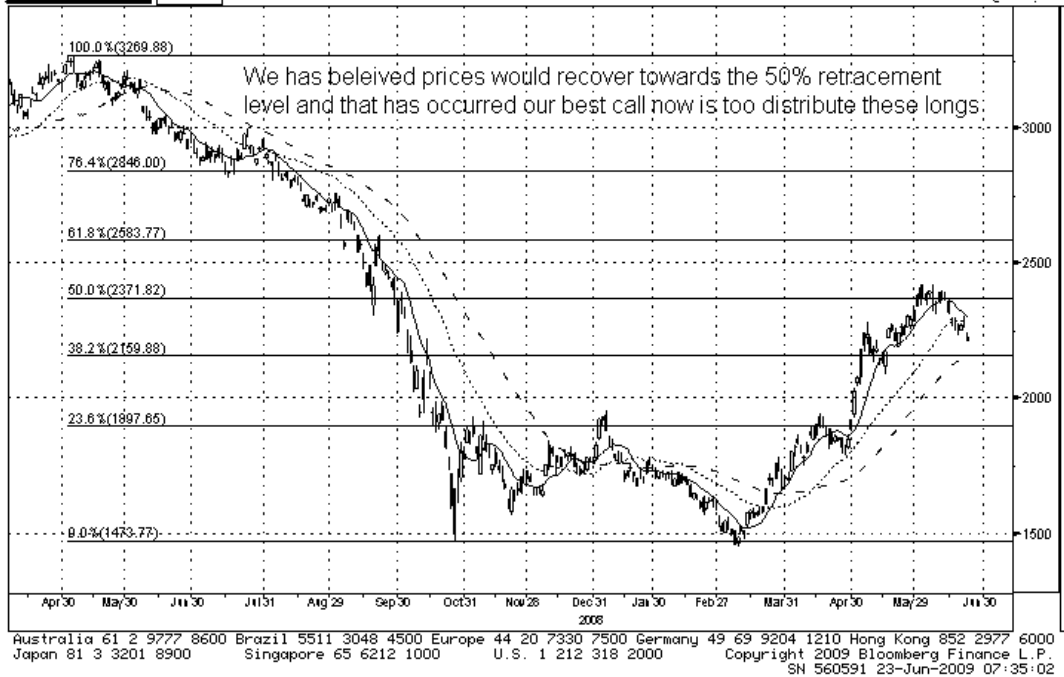
GPC - Candle Chart

Page 1/37



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.  
 SN 560591 23-Jun-2009 07:38:18

**FSSTI** ↓2226.10 -40.82 Index **GPC**  
 At 05:10 Op 2212.88 Hi 2247.24 Lo 2211.81  
**FSSTI INDEX** Show GPC - Candle Chart Page 1/37



**TWSE** ↓6197.47 -143.74 Index **GPC**  
 At 01:46 Op 6206.31 Hi 6262.29 Lo 6197.47  
**TWSE INDEX** Show GPC - Candle Chart Page 1/15



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