



AMG Weekly Market Update

17th May, 2010

Investors are turning more conservative

Financial markets had another volatile week. Yields of the national debt of Spain, Portugal and Greece once retreated after the EU-IMF rescue mechanism was announced, but it did not last long and the borrowing cost for them jumped again. Stock market indices, commodities and Euro exchange rate continued to slide as investors were still worried about the sovereign debt problems.

While capital was withdrawn from more risky assets, the so called “safe heaven” assets gained from lower risk appetite. Government bonds issued by U.S., UK and Germany rose to the highest level since Oct 2009. Obviously, investors are very cautious about the prospect for financial markets. As risk appetite is not there, financial markets will likely remain very volatile.

Weekly economic indicator update

Country / Region	Economic Indicator		Time period	Latest	Last
China	Urban FAI	Yoy change	Apr 2010	26.1%	26.4%
China	Industrial production	Yoy change	Apr 2010	17.8%	18.1%
China	CPI	Yoy change	Apr 2010	2.8%	2.4%
US	Retail sales	Mom change	Apr 2010	0.4%	1.6%
US	Retail sales (exc. Auto sales)	Mom change	Apr 2010	0.4%	0.6%
US	Industrial production	Mom change	Apr 2010	0.8%	0.1%
US	Capacity utilization	%	Apr 2010	73.7%	73.2%
US	University of Michigan consumer sentiment index		May 2010	73.3	72.2
France	Industrial production	Yoy change	Apr 2010	6.2%	3.1%
Italy	Industrial Production	Yoy change	Apr 2010	6.4%	2.8%
South Korea	Unemployment rate	%	Apr 2010	3.7%	3.8%
India	Industrial Production	Yoy change	Apr 2010	13.5%	15.1%
Indonesia	Real GDP	Yoy change	Q1 2010	5.7%	5.4%
Malaysia	Industrial Production	Yoy change	Apr 2010	14.1%	4.8%

* All figures and information are collected from National Bureau of Statistics of China, www.bloomberg.com, Eurostat, National Institute of Statistics and Economic Studies (INSEE), Italian National Institute of Statistics, Korea National Statistics Office, Ministry of Statistics and Programme Implementation of India, Statistics Indonesia, Department of Statistics of Malaysia.



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For any comments, please send email to us at enquiries@amgwealth.com.

AMG Financial Group

5/F, Guangdong Investment Tower, 148 Connaught Road Central, Central, HONG KONG

Telephone: (852) 3970 9595 Facsimile: (852) 3426 2650



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