

Emerging Markets Weekly



Overview

- Emerging markets rose last week, driven by growing confidence in Greece's ability to finance its debt and firmer commodity prices.
- The rise in Brazil's fourth-quarter GDP underscored the country's steady recovery.
- Consumer prices in Chile and Mexico rose in February, whereas Czech and Hungarian inflation eased over the same period. Exports accelerated in China and Taiwan in February from a year earlier, while industrial production grew in Hungary and India in January.
- Central banks in Korea, Thailand and the Philippines kept their benchmark interest rates unchanged. The Philippines pared back a bank-lending programme.
- China's property prices climbed at the fastest pace in 23 months in February from a year earlier, while Taiwan's policymakers unveiled regulations to curb rising house prices.
- Business confidence in South Africa improved in the first quarter, as the economic rebound gathered pace.
- In politics, Chilean tycoon Sebastian Pinera was inaugurated as president, with a major post-earthquake rebuilding effort ahead of him. The Thai government invoked the Internal Security Act in Bangkok and mobilised troops ahead of protests by thousands of pro-Thaksin supporters over the weekend.

Corporate News

Brazil: **Petrobras** will limit capital expenditure to a maximum of R\$80 billion for 2010 instead of the R\$85 billion announced earlier. The opening of two new malls and store expansions boosted **Multiplan's** third-quarter sales. **Vale** has reportedly asked for a 90% increase in iron ore prices in its negotiation with Japanese steelmakers.

China/Hong Kong: **Swire's** higher-than-expected full-year results were supported by its property and beverage divisions. **Hongkong and Shanghai Hotels'** drop in underlying profits was lower than expected. **China Mobile** will buy a 20% stake in Shanghai Pudong Development Bank.

Indonesia: **Indosat's** full-year income fell from a year earlier on lower revenue and higher expenses. **Bank Permata** issued a 10-year bond worth 700 billion rupiah to fund business expansion.

Korea: **Shinsegae** reported solid February sales for its department and discount stores. In IPO news, Korea Life plans to raise 1.78 trillion won from its public offer, while Samsung Life received approval to list in early May.

Malaysia: **CIMB, Public Bank, Alliance Financial Group** and **Hong Leong Bank** raised their base lending rates by 0.25-percentage points. Property developer **SP Setia** received government approval to develop a piece of land in Vietnam for a 50-year term. The government's investment arm **Khazanah** placed out 7% of its existing holdings in **Malaysia Airports**, reducing its stake to 60%.

Taiwan: The economics ministry may block **Taiwan Mobile's** pending deal with cable operator **Kbro**.

We hold all the above companies highlighted.

Emerging Markets Weekly

Indices Performance Table

REGION/COUNTRY	INDEX/FUND	US DOLLARS		LOCAL CURRENCY	
		WOW	YTD	WOW	YTD
REGIONAL/FUNDS/DEVELOPED MARKETS					
Emerging Markets	MSCI Emerging Markets	1.82%	0.32%	1.17%	-0.66%
	MSCI Emerging Markets Small Cap	1.33%	1.74%	0.73%	0.63%
US	Dow Jones	0.55%	1.89%	0.55%	1.89%
US	NASDAQ Composite	1.78%	4.34%	1.78%	4.34%
UK	FTSE Allshare	0.95%	-2.07%	0.62%	4.27%
Europe	FT Europe ex UK	1.94%	-2.70%	0.80%	0.79%
World	MSCI AC World Free	1.49%	1.45%	1.10%	2.06%
World	Citigroup World Government Bond**	0.34%	0.00%	0.34%	0.00%
EMERGING MARKETS ASIA					
EM Asia	MSCI Emerging Markets Asia	2.18%	-0.89%	1.61%	-2.36%
	MSCI Emerging Markets Asia Small Cap	1.41%	0.21%	0.84%	-1.34%
China	MSCI China	2.52%	-2.21%	2.45%	-2.16%
Hong Kong	MSCI Hong Kong	2.27%	0.98%	2.21%	1.04%
India	MSCI India	1.10%	1.62%	0.72%	-0.79%
Indonesia	MSCI Indonesia	4.60%	5.31%	3.67%	2.59%
Korea	MSCI Korea	2.45%	0.71%	1.35%	-2.41%
Malaysia	MSCI Malaysia	2.40%	5.50%	0.67%	1.90%
Pakistan	MSCI Pakistan	4.25%	7.35%	3.42%	6.87%
Philippines	MSCI Philippines	0.26%	-0.61%	-0.60%	-1.83%
Sri Lanka	MSCI Sri Lanka	-0.05%	-3.45%	-0.23%	-3.80%
Taiwan	MSCI Taiwan	1.66%	-5.23%	1.12%	-5.94%
Thailand	MSCI Thailand	2.10%	3.08%	1.77%	0.62%
EMERGING MARKETS EUROPE MIDDLE EAST AFRICA					
EMEA	MSCI EMEA	1.49%	3.53%	0.50%	2.70%
	MSCI EMEA Small Cap	1.67%	7.19%	0.86%	7.19%
Czech Republic	MSCI Czech Republic	3.52%	2.59%	1.88%	3.37%
Egypt	MSCI Egypt	0.58%	10.51%	0.38%	10.30%
Hungary	MSCI Hungary	6.55%	8.77%	5.16%	11.57%
Morocco	MSCI Morocco	1.83%	3.17%	0.99%	6.68%
Poland	MSCI Poland	1.77%	1.74%	1.11%	0.54%
Russia	MSCI Russia	1.56%	5.66%	0.20%	2.75%
South Africa	MSCI South Africa	1.39%	1.68%	0.85%	2.17%
Turkey	MSCI Turkey	-0.12%	-5.53%	-1.03%	-3.69%
MIDDLE EAST					
Bahrain	Bahrain All Share Index	-0.62%	2.67%	-0.61%	2.67%
Kuwait	Kuwait Stock Exchange Index	0.99%	6.53%	0.99%	6.87%
	MSCI Kuwait	1.38%	17.54%	1.17%	18.01%
Oman	Muscat Securities Market Index	-0.62%	4.27%	-0.62%	4.28%
	MSCI Oman	-0.31%	6.69%	-0.29%	6.72%
Qatar	Doha Securities Market Index	2.20%	-1.14%	2.21%	-1.17%
	MSCI Qatar	0.56%	-1.82%	0.62%	-1.90%
Saudi	Tadawul All Share Index	0.65%	7.88%	0.65%	7.87%
UAE - Abu Dhabi	Abu Dhabi Securities Market	4.38%	4.52%	4.39%	4.53%
UAE - Dubai	Dubai Financial Market General Index	7.70%	-3.16%	7.70%	-3.16%
	MSCI UAE	12.02%	0.03%	12.02%	0.02%
Israel	MSCI Israel	1.15%	6.83%	-0.26%	5.01%
Jordan	MSCI Jordan	0.55%	-6.30%	0.59%	-6.20%
MSCI GCC	MSCI GCC	1.64%	8.76%	1.60%	8.82%
MSCI GCC ex SA	MSCI GCC ex Saudi Arabia	3.04%	8.97%	2.93%	9.17%
LATIN AMERICA					
Latin America	MSCI Latin America	1.29%	0.44%	0.76%	0.61%
	MSCI Latin America Small Cap	0.21%	2.58%	-0.16%	2.71%
Argentina	MSCI Argentina	2.31%	-0.67%	2.31%	-0.67%
Brazil	MSCI Brazil	1.48%	-0.79%	0.80%	0.51%
Chile	MSCI Chile	-0.91%	3.61%	0.78%	5.82%
Colombia	MSCI Colombia	0.58%	9.24%	0.48%	1.53%
Mexico	MSCI Mexico	1.60%	3.06%	0.71%	-0.90%
Peru	MSCI Peru	0.14%	-0.46%	0.14%	-0.46%

Emerging Markets Weekly

FRONTIER MARKETS					
	MSCI Frontier Markets	2.24%	6.74%	2.06%	7.40%
Botswana	MSCI Botswana	-3.94%	-0.41%	-4.40%	1.18%
Bulgaria	MSCI Bulgaria	1.48%	-3.43%	0.38%	0.73%
Croatia	MSCI Croatia	3.27%	9.40%	2.17%	13.63%
Estonia	MSCI Estonia	-0.39%	34.32%	-1.46%	40.09%
Ghana	MSCI Ghana	1.56%	12.52%	1.11%	11.05%
Jamaica	MSCI Jamaica	0.80%	8.20%	0.80%	8.63%
Kazakhstan	MSCI Kazakhstan	-2.24%	-3.77%	-2.24%	-3.77%
Kenya	MSCI Kenya	3.25%	11.85%	3.12%	12.96%
Lebanon	MSCI Lebanon	4.08%	2.79%	4.08%	2.79%
Lithuania	MSCI Lithuania	0.66%	14.41%	-0.43%	19.32%
Mauritius	MSCI Mauritius	0.84%	-4.36%	0.84%	-3.89%
Nigeria	MSCI Nigeria	6.53%	18.71%	6.54%	19.52%
Romania	MSCI Romania	2.62%	14.12%	1.51%	15.01%
Serbia	MSCI Serbia	-0.04%	2.96%	-1.09%	11.65%
Slovenia	MSCI Slovenia	0.51%	-6.50%	-0.58%	-2.48%
Tunisia	MSCI Tunisia	-0.26%	2.36%	-0.62%	6.76%
Ukraine	MSCI Ukraine	7.46%	34.14%	7.46%	33.60%

Source: Bloomberg, as of 12 March 2010. **Local Currency of Citigroup WGB Index in USD

For more information

Client Service

Aberdeen Asset Management Limited

Level 6, 201 Kent Street, Sydney NSW 2000, Australia

Tel: 1800 636 888

Fax - +612 9950 2833

www.aberdeen-asset.com.au

Important information

This document has been prepared by Aberdeen Asset Management Limited ABN 59 002 123 364 AFSL No. 240263 and Aberdeen Investment Management Australia Limited ABN 57 007 305 384 AFSL No. 238390 (together "Aberdeen").

This is not an offer of securities or financial products, nor is it financial product advice. Any Fund referred to is a registered managed investment scheme managed by Aberdeen. A Product Disclosure Statement (PDS) is available and can be obtained by calling Aberdeen Client Services on 1800 636 888, online at www.aberdeenasset.com.au, or from your financial adviser. Applications can only be made on the application form contained in the current PDS. This document has been prepared without taking account of your individual objectives, financial situation or needs. You should obtain and consider the PDS before deciding whether to acquire, or to continue to hold units in the Fund.

Neither Aberdeen Asset Management PLC, Aberdeen Asset Management Limited, Aberdeen Investment Management Australia Limited nor any other entity guarantees the performance of the Fund or the repayment of capital invested in the Fund. Investments are subject to investment risk, including possible delays in repayment and loss of income and principal invested. Past performance is not a reliable indicator of future results.

Although non-Fund specific information has been prepared from sources believed to be reliable, we offer no guarantees as to its accuracy or completeness. Any performance forecasts are not promises of future performance and are not guaranteed. Opinions expressed may change. All dollars are Australian dollars unless otherwise specified. All indices are copyrighted by and proprietary to the issuer.