

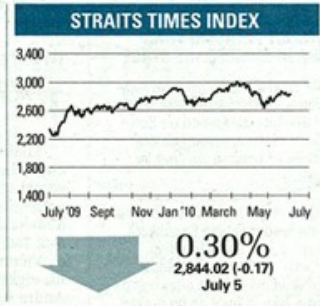
MARKET WATCH

TOP 3 S'PORE GAINERS DBXT FTVietnam 10USS 43.330 (+0.920) GLD 10USS 118.860 (+0.360) DBXT S&P Short 10USS 57.180 (+0.320)
TOP 3 S'PORE LOSERS DBXT Nifty 10USS 113.610 (-1.200) DBXT FTChina25 10USS 28.240 (-0.510) OCC 3.93% NCP5 10 89.000 (-0.500)

JULY 4 CLOSE		LONDON		JULY 5 CLOSE		TOKYO		HONG KONG		SHANGHAI		SEOUL	
NEW YORK	0.47%		0.70%		0.69%		0.32%		0.80%		0.20%		
DOW JONES IA	9,686.48 (-46.05)	FTSE 100	4,838.09 (+32.34)	NIKKEI	9,266.78 (+63.07)	HANG SENG	19,842.2 (-63.12)	COMPOSITE INDEX	2,363.95 (-18.95)	KOSPI	1,675.37 (+3.55)		

JULY 5 RATES. MOVEMENTS AGAINST JULY 2 RATES

AUSTRALIAN DOLLAR	EURO	STERLING POUND	US DOLLAR	YEN (100 units)
BUY 1.1610 / SELL 1.1960	BUY 1.7370 / SELL 1.7580	BUY 2.1020 / SELL 2.1270	BUY 1.3850 / SELL 1.4010	BUY 1.5750 / SELL 1.5940



BUSINESS ROUND-UP

INDONESIA KEEPS RATES AT RECORD LOW

INDONESIA'S central bank kept its key rate steady at a record low as expected yesterday, as it seeks to spur bank lending and economic growth, and signalled its long-held intention to keep the rate there until next year.

Analysts now say Bank Indonesia has to start raising rates by the fourth quarter or the first quarter of next year to avoid being behind the curve in controlling inflation.

REUTERS

AMP UNIT PLANS TO RAISE \$1.4B FOR TWO FUNDS

AMP Capital Investors, a unit of Australia's No. 2 wealth manager AMP, hopes to raise nearly US\$1 billion (S\$1.4 billion) for two funds as it increases its focus on Asia investment, a top official told Reuters.

The fund manager plans to close a A\$190 million (S\$223 million) Asian Giant Fund, which invests primarily in India and China infrastructure, later this week.

REUTERS

MALAYSIAN VEG-OIL FIRM PLANS \$696M IPO IN S'PORE

MEWAH Group, a Malaysian vegetable-oil company, is planning an initial public offer in Singapore to raise around US\$600 million (S\$696 million), according to a Reuters report carried by Malaysia's Business Times online.

The listing is scheduled for the fourth quarter of this year, the report said, citing two unidentified people familiar with the matter.

HK-BASED GROUP BUYS AUSSIE PALLET MAKER

HONG KONG-based conglomerate China Merchants Group has acquired Australian pallet maker Loscam, the latter said in a statement yesterday. The business was sold by private-equity group Affinity Equity Partners for an undisclosed sum.

Loscam makes and hires out wooden and plastic pallets.

REUTERS

Wilmar buys CSR's sugar unit

SINGAPORE'S Wilmar International has acquired Sydney-based CSR's sugar business for US\$1.47 billion (S\$2.05 billion) in a surprise deal that trumps China's Bright Food Group and gives it control of more than half of Australia's raw-sugar output.

CSR, the world's fifth-largest sugar-refiner, said yesterday that Wilmar had agreed to buy its sugar arm, Sucrogen, ending a year-long effort to either spin off or sell the asset, and pushing its share price up as much as 5 per cent in a broadly weak market.

The deal breaks CSR's 150-year-old link with sugar to focus on its core building-material operations. Wilmar, the world's largest listed palm-oil producer, was expected to use the acquisition as a springboard for further expansion into sugar.

The CSR sugar brand is a household name in Australia.

"This latest acquisition proves that Wilmar is well on its way to becoming a dominant global sugar player and will significantly raise the possibility of the injection of (Malaysian tycoon) Robert Kuok's sugar business in-



GOAL: Wilmar CEO Kuok Khoon Hong hopes to expand his company's sales in Asia.

to Wilmar," said Mr Alvin Tai, an analyst at Malaysian brokerage OSK Group.

Mr Kuok is the uncle of Wilmar chief executive Kuok Khoon Hong, who said the purchase will help his company's plans to expand sales in Indonesia and other Asian nations.

The deal was also a coup for CSR, which has been trying to demerge Sucrogen from its core building-material business for a year.

The CSR board over the weekend rejected a lower formal

offer from China's Bright Food Group, which has been chasing CSR since the start of the year. One source close to Bright Food said the price agreed was A\$1.68 billion (S\$1.97 billion) and news of Wilmar's bid had taken it by surprise.

CSR chief executive Jeremy Sutcliffe, who was brought in to run the company in April because of his experience brokering major deals in the metals-recycling sector, said Wilmar won the race with an offer at the "very last gasp".

"At the end of the day, they (Bright Food) didn't quite get there in terms of price or certainty," he told reporters.

UBS and Lazard advised CSR on the deal.

Wilmar's purchase price was A\$1.347 billion for equity and A\$403 million for debt, 6 per cent higher than a conditional A\$1.65 billion offer that Bright Food made to CSR's board late last week.

Wilmar said the deal was part of plans to expand its sugar business.

Said DBS Vickers analyst Ben Santoso: "This is positive news as it'll help jump-start

their strategy to expand in the sugar business, and (represents) the next growth driver for Wilmar."

Wilmar's shares rose as much as 2.3 per cent to S\$5.88, outperforming a slight fall in Singapore's headline index.

CIMB analyst Ivy Ng said the deal was positive in the medium term as it gave Wilmar the knowledge to expand to other parts of Asia.

"But in the short term, based on what they have so far, it does not appear the acquisition will significantly increase their earnings," said Ms Ng.

"In the longer term, it would be good if they can replicate the business in other parts of Asia, like China, India and Indonesia, but you won't see that tomorrow."

AGENCIES

HELPDESK 我的字典

Palm oil: 棕榈油 zōng lú yóu

Coup: 意外而成功的行动 yì wài ér chéng gōng de xíng dòng

Conditional: 有条件的 yǒu tiáo jiàn de

Replicate: 复制 fù zhì

Temasek eyeing project to mine manganese ore

JUPITER Mines, an Australian company developing manganese- and iron-ore mines, said Singapore's state investment company Temasek Holdings is interested in its Tshipi project after a briefing.

Jupiter is also seeking to raise between A\$70 million (S\$82 million) and A\$100 million in a share sale, Jupiter chairman Brian Gilbertson told reporters yesterday.

The Tshipi manganese mine in South Africa may cost US\$200 million (S\$278 million) and take 18 months to construct, according to Perth-based Jupiter.

Temasek has spent more than US\$1.2 billion on energy and resource assets in the six months to mid-May as it diversifies its portfolio.

Temasek this year invested US\$150 million in Platmin, the South Africa-based platinum miner controlled by Mr Gilbertson's Pallinghurst Resources.

"They are fully briefed on this project and are interested in it," Mr Gilbertson said. "They are aware of the project and very interested in steelmaking raw materials."

Jupiter jumped 20 per cent to 24 Australian cents, giving it a market value of A\$89 million on the Australian stock exchange at 2.36pm Sydney time.

BLOOMBERG

Bank Mandiri names new chief

JAKARTA

PT BANK Mandiri, Indonesia's largest financial-services company by assets, named Mr Zulkifli Zaini as president director to replace Mr Agus Martowardojo, who was appointed the country's finance minister in May.

The appointment requires approval from Indonesia's central bank, Bank Mandiri chief financial officer Pahala Mansury said at a shareholders' meeting in Indonesia yesterday. He didn't provide a timeframe.

Bank Mandiri aims to be among the five largest lenders in South-east Asia, Mr Zaini, 54, said yesterday.

The Jakarta-based company, formed by merging four state banks in July 1999, is seeking to expand in the region more than a decade after Indonesia's government, backed by the International Monetary Fund, bailed out the banking industry following the Asian financial crisis.

Mr Zaini is one of "the people who know Mandiri's problems from the time of its establishment through the merger a decade ago", said analyst A. G. Pahlevi of PT Andalan Artha Advisindo Sekuritas in Jakarta, who rates Mandiri a "buy".

Mandiri's name means self-reliance.

BLOOMBERG