

STOCK CALLS

CHINA ANIMAL HEALTHCARE

19 cents | Accumulate

AmFraser starts coverage with a 28 cents price target. It says increasing meat consumption in China and availability of micro-financing plans for farmers to expand business bode well for the maker of drugs for treating poultry and livestock.

SIA

\$13.52 | Neutral

Goldman Sachs maintains rating but raises price target to \$15.00 from \$14.00 on earnings upgrades. It ups FY10 and FY11 earnings estimates by 7 and 9 per cent respectively, saying SIA should benefit from cyclical recovery in premium segment.

FROM BROKERAGE RESEARCH AND AGENCY REPORTS

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MARKET INFO

5-DAY STI CLOSING

TUES	2,770.95	▲ 1.42%
Monday	2,732.12	▼ 1.09%
Friday	Closed	-
Thursday	2,762.22	▼ 1.10%
Wednesday	2,792.84	▲ 0.46%

MARKETS CLOSE

Hang Seng	22,113.15	▲ 1.34%
Nikkei	9,572.20	▲ 2.43%
Shanghai	3,235.36	▲ 1.25%
Seoul	1,569.72	▲ 0.91%
Mumbai	17,198.27	▲ 1.61%
Malaysia	1,266.71	▲ 0.60%

FOREIGN EXCHANGE

US\$1	\$1.381	¥100	\$1.591
£1	\$2.290	HK\$100	\$17.82
1 euro	\$2.081	RMB100	\$20.24
A\$1	\$1.275	RS100	\$2.982
RM1	\$0.408	RP10,000	\$1.461

Singapore falls to 32nd most expensive city to rent an office

SINGAPORE — Office rentals in Singapore have plunged dramatically, causing it to fall to the 32nd spot in a list of the world's most expensive office markets.

Singapore took ninth spot a year ago and was ranked 15th just

six months ago.

Property consultant CB Richard Ellis (CBRE) said in a report yesterday that Singapore saw a 53.4-per-cent on-year decline in rents.

Singapore's office occupancy cost now stands at US\$63.89 (\$88.30) per square foot per annum. A year ago, the rent here stood at US\$135.13 per square foot per annum.

Singapore saw the second

steepest on-year drop in rentals, behind only Kiev, which fell by 64.4 per cent.

London's West End is again the world's most expensive office market, with rents at US\$184.85 per square foot per annum.

Tokyo's Inner Central district came in second, with Tokyo's Outer Central district in third spot. Rounding up the top five are Hong Kong's central

business district and Moscow in fourth and fifth place.

CBRE said office markets worldwide are experiencing declines in prime office occupancy costs. Overall, there was an average on-year drop of 7.7 per cent worldwide.

The semi-annual Global Office Rents Survey by CBRE tracks office occupancy costs in nearly 180 cities around the globe. MOK FEI FEI

TROUBLED HEDGE FUND

Curtains for Galleon S'pore by Dec 31?

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THE fate of some 20 staff in the Singapore office of troubled hedge fund firm Galleon Group is now up in the air after its founder Raj Rajaratnam was charged with insider trading in the United States in October.

The fund's Asian headquarters, managed in Singapore by former DBS senior executives, will stop operations on Dec 31, *Bloomberg* reported yesterday, citing unnamed sources familiar with the matter.

At the same time, the company is said to be in talks with at least two companies to take over Galleon's US and Singapore teams, the news agency added.

However, a company source told MediaCorp that the discontinuation of its Singapore operations will depend on how fast the company can return funds to its

investors.

"It definitely won't be sooner than Dec 31 ... It may be January," said the source.

The firm here has assets of about US\$500 million (\$690.8 million), and 20 employees, including analysts and traders.

Galleon, which managed about US\$3.7 billion, started its Singapore office in April last year.

It hired financial heavyweights such as Mr David Lau, who used to run DBS' global financial markets, to oversee the operations last year, before roping in Mr Frank Wong, a former vice-chairman of DBS, as Galleon Asia's chairman in February.

The firm's Asian unit has received redemption requests since October — when news of Rajaratnam's high profile arrest made the headlines — but it has yet to return any money pending legal counsel and audit processes, according to the source.

At that time, a Monetary Authority of Singapore spokesperson had said Galleon's Asian unit had informed the financial regulator that its regional business was then "not the subject of Securities and Exchange Commission investigations in the US".

It definitely won't be sooner than Dec 31 ... It may be January.

A Galleon Group source, on how quickly the company's Singapore operations can be wound up

As for Galleon's employees, one possible scenario would be for potential buyers to take over the full team. There are also "many other options on the table", including starting another business, added *Bloomberg's* source.

Mr Josh Goh, assistant director for manpower firm The GMP Group, said it's rare that another hedge fund will absorb an entire team of 20, unless it is a huge financial company that lacks expertise in a particular area.

"If it's a smaller company, they will probably only retain the outstanding ones," he said

But Mr Peter Douglas, principal of GFIA Pte, a Singapore-based hedge-fund consulting firm, said both front and back office staff with Asian experience within a major global hedge fund are likely to be in strong demand given the constrain on supply of such skilled and credible personnel.

One factor that dictates the marketability of an individual in the hedge fund industry — or "any client-facing environment" — is the strength of his or her relationship with high net worth clients, added Mr Tim Hird, managing director of Robert Half Singapore.

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