



# Media Release

## KINA SECURITIES 2008 OUTLOOK

The Kina Securities index performance in 2007 has been phenomenal recording a 24.37% increase from 1 January 2007 to 31 December 2007. Market Capitalization at the close of trade was over K36 billion compared to K23 billion at the start of the year.

In light of the international concern surrounding an election year, 2007's success reflects Papua New Guinea's maturity as a nation and Papua New Guineans quest to excel as a people. The New Year 2008 holds a lot of promise for investors.

The following is the outlook for 2008 by Rick Tan, the Kina Securities Limited Manager – Shares.

Mr. Tan joined Kina in December 2006 with a wealth of experience that spans nearly 20 years in the stock markets. Prior to joining Kina Mr. Tan was the Assistant Vice President for Business Development for OSK Securities Bhd in Malaysia and has been a Licensed Dealer's Representative for the past 11 years.

This is his outlook on what the year 2008 holds.

"I anticipate a weaker US dollar due to further cuts on US interest rate and thus more prices increase on hard commodities such as international oil and gold in the coming year. Asian and European stocks will have another good run on higher foreign funds portfolios' demand mainly because of stronger prospects on China's domestic economic surges and stronger euro within these regions respectively.

However, bigger markets such as USA and Japan will expect a slower growth and thus a weaker stock market due to continuing disturbances on sub prime mortgage crisis and financial hiccups and defaults. The local economies need to revive its fiscal policy especially the current weaker dollar policy and merchandise trades issues in order to sort out the international trade imbalance of demand and supply.

PNG's economy will experience another boom year in commercial and financial sectors due to stable government's monetary policy. Inflation will remain manageable and in general most households will expect a more vibrant and energetic growth in wages. Domestic consumers will see most foods and goods in steady supply.

The Port Moresby Stock Exchange will have another good run on its stocks. The KSI is expected to break 6,300 at end of 1st quarter and targeting the physiological barrier of 7,000 at end of year. However, forbidding another surprise impact of sub prime crisis on global markets, 8,000 is becoming a milestone for PNG's stock market to establish itself as an influential regional stock market among its peers", said the Manager - Shares.



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