



## Weekly Investment Update

Prices as at POM Close on Friday	24-Jan-14	% change for the:		
		Week	Month	YTD
<b>Domestic</b>				
KSI Index	3,869.02	0.0%	-0.1%	-0.1%
KSI Home Index	8,210.38	-0.1%	0.4%	0.4%
<i>POMSox shares (K/share) Arbitrage POMSox</i>				
Bank South Pacific	7.98	-0.1%	0.0%	0.0%
Credit Corporation	2.60	0.0%	4.0%	4.0%
City Pharmacy	1.95	0.0%	0.0%	-0.5%
Kina Asset Management Limited	1.10	0.0%	0.0%	0.0%
New Britain Palm Oil	15.03	15.00	0.0%	0.0%
Oil Search Limited	17.93	17.52	0.0%	-0.1%
Highlands Pacific Limited	0.15	0.15	0.0%	-25.0%
Marengo Mining Limited	0.04	0.15	0.0%	-6.3%
Newcrest Mining Limited	20.89	30.00	0.0%	0.0%
<b>Australia</b>				
S&P/ASX 200	5,240.90	-1.2%	-1.6%	-2.1%
S&P/ASX 50	5,413.40	-1.2%	-1.6%	-2.1%
<b>USA*</b>				
DJIA	16,197.35	-1.6%	-1.7%	-2.3%
S&P 500	1,828.46	-0.6%	-0.7%	-1.1%
NASDAQ	4,218.88	0.5%	1.5%	1.0%
<b>Europe*</b>				
FTSE	6,773.28	-0.8%	0.3%	0.4%
DAX	9,631.04	-1.1%	0.4%	0.8%
CAC 40	4,280.96	-1.1%	0.1%	-0.3%
<b>Asia*</b>				
Nikkei	15,391.56	-2.2%	-4.9%	-5.5%
Hang Seng	22,534.74	-2.6%	-3.0%	-3.1%
Shanghai	2,042.18	1.9%	-1.5%	-2.6%
<b>Commodities*</b>				
Light Crude (WTI)	97.54	3.4%	-2.8%	-0.9%
Brent Crude	107.71	1.2%	-4.0%	-2.8%
Gold	1,260.30	0.7%	3.8%	4.8%
<b>Currencies*</b>				
PGK/USD	0.3952	-0.3%	-0.8%	-0.5%
PGK/AUD	0.4539	0.6%	1.0%	1.5%
AUD/USD	0.8706	-0.8%	-1.8%	-2.0%
USD/JPY	103.365	-0.9%	-1.7%	-1.9%
EUR/USD	1.3686	1.2%	-0.5%	-0.5%
GBP/USD	1.6628	1.3%	0.9%	0.4%
<b>Ten year Government Bond yields*</b>				
United States	2.78%	-0.04%	-0.22%	-0.25%
Australia	4.10%	0.00%	-0.20%	-0.14%
Japan	0.64%	-0.04%	-0.08%	-0.10%
PNG	9.39%	0.22%	0.22%	0.22%

\* Reported as at POM close Friday; Hence North American and European markets Thursday night close.



### LOCAL:

- The population of Papua New Guinea now stands at around 7.8 million, the census 2011 figures released during the week showed.
- The National Executive Council (NEC) has approved the issuance of K1.9 billion in inscribed stocks for the year 2014. NEC agreed to advise the Governor General of PNG to authorise the Treasury Minister to issue up to K1.92 billion in inscribed stock for this year under the Loans Security Act 1960 (chapter 134) and align to the debt strategy.
- Interoil announced the appointment of Jon Ozturgut as Chief Operating Officer and Donald Spector as Chief Financial Officer with immediate effect. Mr Ozturgut will be in charge of mergers and acquisitions and new business developments while Mr Spector will head the Company's investor relations team. Interoil Corporation also announced that it will begin drilling the first of up to eight wells in Gulf Province as part of a US\$325 million (K816 million) drilling program.
- It was reported this week that the National Executive Council has approved the decision to ban Visa on arrival for Australians entering PNG. Prime Minister Peter O'Neill said PNG expects Australia to reciprocate the same for PNG to allow Visas on arrival for Papua New Guineans. The ban will take effect on March 1 2014.
- According to General Manager Adrian Chow, Prima Smallgoods, a Lae-based food manufacturer has recently completed a K40 million upgrade to its manufacturing facilities in Lae.
- Ernie Gangloff has been appointed to the New Britain Palm Oil Board as an independent non-executive director. Upon appointment Mr Gangloff will become Chairman of the Audit Committee.
- KSI remained the same at 3,869.02 while KSI Home Index marginally declined by 0.1% for the week at 8,210.38.

### INTERNATIONAL

- US share markets fell on Thursday with the selloff accelerating in afternoon trade. Disappointing Chinese manufacturing data, mixed US earnings and the next week's FOMC meeting all weighed on investor sentiment. McDonald's reported weaker-than-expected revenue as fewer customers ate at its restaurants. Netflix surged by 16% after reporting it had added more than 2.3 million customers in the fourth quarter. At the close of trade, the Dow Jones was down by 176 points or 1.1%, while the S&P 500 lost 0.9% and the Nasdaq fell 0.6%.
- Singapore's fourth-quarter home prices slid for the first time in almost two years, trimming annual gains to the smallest since 2008 as mortgage curbs cooled prices in the Southeast Asian city. The private residential property price index fell 0.9% in the three months ended December, more than the 0.8% drop based on preliminary data announced on Jan. 2. The decline in suburban housing values was 1%, more than the 0.6% slide in the earlier report, according to a government statement this week.
- Australian share market has ended the trading week in the red, closing lower by 0.4 per cent today as weakness in financial stocks weighed on sentiment. The Australian dollar also took a beating, following comments from an external Reserve Bank board member and in response to weaker Chinese data.
- Australian Oil and Gas producer Santos has reported record sales revenue for the three months to December and reaffirmed full-year production guidance despite a slight slip in the output for the quarter. The quarterly sales revenue of Santos increased to A\$1.065 billion mainly due to strong oil prices, taking 2013 revenue up to A\$3.602 billion, a 12% increase compared to the previous year. The market has not reacted as expected. (See Chart). Santos owns 14.4% of PNG LNG.
- Samsung, the world's biggest smartphone maker by shipments, saw fourth-quarter net profit rise 3.7% from a year earlier but slowed significantly from third quarter's 25.6%, as healthy margins from the company's chip unit weren't enough to offset cooling profit momentum for Samsung's high-end Galaxy series of smartphones.
- During the week the Kina appreciated against the AUD by 0.60% to 0.4539 and USD depreciated by 0.3% to 0.3952.

Sources: FT, Economist, Bloomberg, Reuters, Post Courier, The National, Sydney Morning Herald, BPNG Quarterly Economic Bulletin, WSJ, The Age.

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Level 9 Deloitte Tower Douglas Street  
Po Box 1141 Port Moresby 121 NCD  
Papua New Guinea  
T + 675 3083888 F + 675 308/3899  
Email: fund s@kina.com.pg  
Website: www.kina.com.pg

## KINA FUNDS MANAGEMENT LIMITED TEAM

### Investment Fund Manager

Dominic Beange [dominic.beange@kina.com.pg](mailto:dominic.beange@kina.com.pg)

### Administration

Dagu Hebore [dagu.hebore@kina.com.pg](mailto:dagu.hebore@kina.com.pg)  
Kamate Rapilla [kamate.rapilla@kina.com.pg](mailto:kamate.rapilla@kina.com.pg)

### Risk Management Team

Noelyne Togs [noelyne.togs@kina.com.pg](mailto:noelyne.togs@kina.com.pg)  
Tangaloa Kema [tangaloa.kema@kina.com.pg](mailto:tangaloa.kema@kina.com.pg)  
Lolita Meauri [lolita.meauri@kina.com.pg](mailto:lolita.meauri@kina.com.pg)

### Investment Analysis and Research Team

#### Equities Analysis

Josh Mua [josh.mua@kina.com.pg](mailto:josh.mua@kina.com.pg)  
Roy Harry Mumu [roy.mumu@kina.com.pg](mailto:roy.mumu@kina.com.pg)  
Michael Pokau [michael.pokau@kina.com.pg](mailto:michael.pokau@kina.com.pg)  
Charles Wama [charles.wama@kina.com.pg](mailto:charles.wama@kina.com.pg)

#### Properties Analysis

Herman Malir [herman.malir@kina.com.pg](mailto:herman.malir@kina.com.pg)  
Lawrence Moses Kote [lawrence.kote@kina.com.pg](mailto:lawrence.kote@kina.com.pg)  
Gabriel Norombu [gabriel.norombu@kina.com.pg](mailto:gabriel.norombu@kina.com.pg)

### Portfolio Management Team

#### Team Leader Portfolio Management

Raicie Guillermo [raicie.guillermo@kina.com.pg](mailto:raicie.guillermo@kina.com.pg)

#### Portfolio Administration

Sermomo Tungapik [sermomo.tungapik@kina.com.pg](mailto:sermomo.tungapik@kina.com.pg)  
Philip Naru [philip.naru@kina.com.pg](mailto:philip.naru@kina.com.pg)  
Mary Tamarua [mary.tamarua@kina.com.pg](mailto:mary.tamarua@kina.com.pg)  
Mareta Moang [mareta.moang@kina.com.pg](mailto:mareta.moang@kina.com.pg)  
Glenn Liu [glenn.liu@kina.com.pg](mailto:glenn.liu@kina.com.pg)  
Mago Vele [mago.vele@kina.com.pg](mailto:mago.vele@kina.com.pg)  
Eric Simelolo [eric.simelolo@kina.com.pg](mailto:eric.simelolo@kina.com.pg)

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