

Prices as at POM Close on Friday	13-Nov-15	% change for the:		
		Week	Month	YTD
Domestic				
KSI Index	3,548.48	-2.0%	1.8%	1.5%
KSI Home Index	9,566.76	-0.9%	-1.1%	0.1%
POMSox shares (K/share) Arbitrage POMSox				
Bank South Pacific	7.35	-1.2%	-1.2%	2.9%
Credit Corporation	2.40	0.0%	0.0%	-7.7%
City Pharmacy	1.35	0.0%	-2.9%	-6.2%
Kina Asset Management Limited	0.95	0.0%	-3.1%	-5.0%
Kina Securities Limited	2.46	2.60	0.0%	0.0%
Oil Search Limited	16.22	15.85	-0.9%	4.6%
Highlands Pacific Limited	0.16	0.25	0.0%	0.0%
Newcrest Mining Limited	23.36	25.00	-3.8%	0.0%
Australia				
S&P/ASX 200	5,051.26	-3.1%	-4.1%	-6.6%
S&P/ASX 50	5,098.70	-3.2%	-4.8%	-8.4%
USA*				
DJIA	17,448.07	-2.6%	1.3%	-2.1%
S&P 500	2,045.97	-2.5%	0.6%	-0.6%
NASDAQ	5,005.08	-2.8%	2.4%	5.7%
Europe*				
FTSE	6,178.68	-2.8%	-3.1%	-5.9%
DAX	10,782.63	-1.9%	6.7%	10.0%
CAC 40	4,856.65	-2.6%	3.3%	13.7%
Asia*				
Nikkei	19,596.91	1.7%	7.1%	12.3%
Hang Seng	22,402.11	-2.0%	-2.9%	-5.1%
Shanghai	3,602.49	0.3%	6.2%	11.4%
Commodities*				
Light Crude (WTI)	41.51	-6.3%	-12.2%	-22.1%
Brent Crude	44.04	-7.1%	-12.7%	-23.2%
Gold	1,081.80	-0.5%	-8.6%	-8.6%
Currencies*				
PGK/USD	0.3395	0.0%	-1.7%	-12.5%
PGK/AUD	0.4765	-1.1%	0.2%	0.6%
AUD/USD	0.7124	1.2%	-1.9%	-13.0%
USD/JPY	122.690	-0.4%	2.7%	2.5%
EUR/USD	1.0780	0.4%	-5.0%	-11.3%
GBP/USD	1.5208	1.0%	-1.5%	-2.3%
Ten year Government Bond yields*				
United States	2.32%	-0.01%	0.28%	0.13%
Australia	2.95%	0.17%	0.35%	0.12%
Japan	0.31%	-0.01%	-0.01%	-0.02%
PNG	11.16%	0.00%	0.03%	-0.73%

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

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Source: Bloomberg

DOMESTIC:

- Prime Minister Peter O'Neill acknowledged that Tourism is a sleeping giant and that PNG has not fully taken advantage of during last weekend in Alotau. He further stressed that Tourism is another investment opportunity were PNG should diversify into instead of relying too much on Gas, Gold or extractive industry
- Prime Minister, O'Neil announced this week that the National Agricultural Research Institute (NARI) in co-operation with the Govt will be distributing seedlings for hybrid drought-resistant crops to areas in the country affected by the El Nino. PM O'Neil said that the distribution of these seedlings is part of the medium to long-term Govt response strategy to ongoing drought and frost risk faced by people in affected areas. Further programs are underway to improve the carriage of water in drought affected areas, for irrigation as well as for drinking and sanitation
- Minister for Defence Dr Fabian Pok announced earlier this week at a press conference that the Defence Force Retirement Benefits Fund (DFRBF) has been shifted from defined to accumulated benefits. Minister Pok said that the National Executive Council (NEC) had amended the bill which will see all new contributors to the DFRBF from 1st January 2016 admitted to the Accumulation Account whilst existing members have until 1st July 2016 to elect to transfer their existing entitlements to the Accumulation Account. Also the official launching & ground breaking ceremony of the PNGDF home Ownership Scheme project took place on Friday
- PNG's first financial services company to list dually on stock exchange in both PNG and Australia, Kina, launched its new brand this week. Speaking at the launch, Chairman of Kina Board, Sir Rabbie Namaliu describes the new brand as reflecting the cultural diversity of the people and the country's natural environment. CEO Syd Yates said that new products include the new investors website, ATM, bank card and internet banking
- Oil Giant Exxon Mobil is being investigated for misleading the public about the impact of climate change. The New York attorney general has sent a request for emails and financial records to the company. Exxon Mobile is accused of suppressing climate change research done by its own scientists who raise concern about the climate change
- Australia miner PanAust is pushing ahead with work to firm up a giant Papua New Guinea copper/gold project, even in the face of low prices as the commodity cycle bottoms out. The miner bought by Guangdong Rising Asset Management is on track to finish a feasibility study at the Frieda River Project by year end
- This week's BPNG auctions in Treasury Bills were undersubscribed by K160.98m out of the K209m on offer indicating reduced appetite for short term Treasury securities. The weighted average yield for 182 days was 4.5% while 364 days was at 7.5%
- This week's auctions in Central Bank Bills were oversubscribed by K144.0m out of K540.0m offered. The weighted average yields were at 1.3% for 28 days, 2.3% for 63 days and 2.5% for 91 days. KFM expects rates to remain around current levels as supported by subdued outlook for inflation
- The KSI Index ended the week down by 2.0% to close at 3,548.48 points, underpinned by a fall in the price of mining stock Newcrest Mining Ltd (NCM) which was down 3.8%, the KSI Home Index was also down by 0.9%, caused by a drop in the share price of banking stock Bank South Pacific Ltd, to end at 9,566.76 points

INTERNATIONAL:

- Stocks in the US fell as concern slowing growth may spread throughout the global economy rekindled a selloff in commodities. The dollar retreated and Treasuries climbed as Federal Reserve officials emphasized the need for a cautious approach to monetary policy, while reiterating their desire to boost key interest rates this year
- The ASX 200 fell 3.1% today to close the week at 5051 points off the back of a decline in the energy and financial sectors. BHP led the decline for energy stocks falling below A\$20.0, wiping almost A\$30.0bn off of its market cap, whilst the banks were dragged by housing market concerns amidst an Australian economy flirting with recession (refer graph)
- As a rout in commodities deepened in Asia, stocks in the region slumped with mining and energy companies dragging Australia's benchmark to a seven-week low and Chinese shares dropping on slowing credit growth. Asian shares fell as US oil remained below \$42.0 a barrel and copper futures traded near a six-year low. The dollar headed for the biggest weekly loss in a month after Federal Reserve officials emphasized the need for a cautious approach to monetary policy, even as they reiterated their preference for an interest-rate rise this year. Australia's currency was headed for its first weekly advance since mid-October
- Global equity markets continued to decline this week off the back of a looming rate hike by the US Federal Reserve (Fed), further indications of weakening of the Chinese economy and a fall in commodities prices. The lead up to the December meeting by the Fed has fuelled precariousness in the global markets as investors anticipate a decline in equities following the Fed's decision. Meanwhile, energy stocks took a dive this week led by weaker oil prices driven by indications of increased US inventories
- MSCI has confirmed that Oil Search has been added to its Australian Indices following earlier reports of its intention to add companies incorporated in Papua New Guinea and listed in Australia like Oil Search and Steamships Trading Company
- PGK/USD remained unchanged for the week to end at 0.3395 while PGK/AUD dropped by 1.1% to close at 0.4765 for the week caused by a pick-up in AUD/USD, up 1.2%, to close at PGK/US\$ closed for the week 0.9% lower at 0.3395 reflecting the continued shortfall in liquidity while PGK/A\$ dropped by 0.8% to close at 0.4765 for the week and the A\$/US\$ was up 1.2% for the week at 0.7124

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Sources: Financial Times, The Economist, Bloomberg, Reuters, Post Courier, The National, Sydney Morning Herald, BPNG, WSJ, Roubini Global Economics, The Age, PNGLoop
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