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ASAF

Newsletter

Quarterly Issue, June 2008

The Newsletter of the Asian Securities Analysts Federation Inc.

Secretariat News

ASAF AGM and half-day seminar to be held in Bangkok, Thailand



The ASAF AGM and other committee meetings will be held on Saturday 25 October 2008 at Sheraton Grande Sukhumvit Hotel in Bangkok, Thailand kindly hosted by the Security Analysts Association, Thailand (SAAT). Prior to the AGM, on Friday 24 October, a half-day seminar will be held at the auditorium of Stock Exchange of

Thailand in Bangkok. Details of the meetings such as agenda as well as contents of the seminar and speakers will be announced in due course. We all look forward to welcoming many participants from all over ASAF regions.



For your information the venue of AGM is as follows:

Sheraton Grande Sukhumvit
250 Sukhumvit Road, Bangkok
10110 Thailand
Phone: (66) 02 6498888,
Fax: (66) 02 6498000

<http://www.sheratongrandesukhumvit.com/html/default.html>

ACIIA® News

ACIIA® Council Meeting and Annual General Meeting: 25-6 June 2008, Paris, France



Over forty delegates from around the world gathered in Paris and had fruitful meetings for further development of CIIA designation/ACIIA. The next Council Meeting and Annual General Meeting will be held in Buenos Aires, Argentina in November, 2008 and Lithuania in June, 2009 respectively.

Welcome on board! Finland - New member of ACIIA



Finnish Society of Financial Analysts (FSFA) in Finland became a new ACIIA Associate member on May 5th, 2008. The FSFA was founded in 1989 and has over 240 members, employed in various investment analysis and portfolio management.

Calendar 2008

26 March 2008

ASAF Interim Executive Committee Meeting
Hanoi, Vietnam

25-26 June 2008

ACIIA® Council Meeting
ACIIA® Annual General Meeting
Paris, France

24 October 2008

ASAF Seminar

25 October 2008

ASAF Education Committee Meeting

ASAF Advocacy Committee Meeting

ASAF Communications Committee Meeting

ASAF Executive Committee Meeting

ASAF Annual General Meeting

Bangkok, Thailand

13 November 2008

ACIIA® Council Meeting
Buenos Aires, Argentina

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Member's Regional News

Hong Kong— HKSI

Hong Kong Securities Institute Opens Representative Office in Shenzhen

The Hong Kong Securities Institute opened Hui Bo Consulting Limited, its first representative office in the Mainland on 22 May 2008. Located in Shenzhen, the office is entrusted with promoting exchanges and cooperative ties between the local securities market and its Hong Kong counterpart.

The Chairman of HKSI, Dr Au King-lun, Chief Executive, Mr Gary Cheung and its prominent guests including Mr Zhang Yun-dong, Director General of Shenzhen Regulatory Bureau of China Securities Regulatory Commission; Mr Xiao Zhi-jia, Deputy Director General of the Office of Financial Development Service of the People's Government of Shenzhen Municipality; Mr Long Wu-hua, Director of Strategy & International Relations of Shenzhen Stock Exchange, attended the opening ceremony.

During the opening ceremony, HKSI Chairman Dr Au King-lun said, "The Institute is a professional organization that is dedicated to serving securities professionals in Hong Kong. With the implementation of the Closer Economic Partnership Arrangement ("CEPA") in January 2004, Hong Kong and the Mainland have both seen a significant increase in business opportunities, translating into strong demand for financial talents. And, as the Mainland financial market aligns with its international counterparts, it will naturally require practitioners to be well-versed in the rules and regulations governing Hong Kong and international markets. Such vision is the impetus behind our decision to extend coverage of HKSI services to Shenzhen. Our presence in this important metropolis is representative of our commitment to aiding growth of the securities markets and facilitating communication between industry professionals from both sides of the border."

HKSI Chief Executive Mr Gary Cheung said that HKSI valued the opportunity to interact with our counterparts in the Mainland, which was why an array of activities and visits had been organized for Hong Kong and Mainland professionals over the past few years. The CEPA Forum held in Beijing in April 2006, for example, attracted more than 100 delegates from renowned financial enterprises of Hong Kong and Mainland, and the HKSI delegation's visit to Shanghai in July 2007 paved the way for high-level collaboration between the two cities. In the future, the Shenzhen office will seek to actively expand the provision of HKSI service on the Mainland and strengthen training programmes and professional examinations for the country's financial service practitioners. By keeping close contact with China's financial sector, the office will also serve as an important conduit for Hong Kong professionals to gather market intelligence, thus effectively grasp opportunities as they arise.

The Board of HKSI celebrates the opening of Shenzhen representative office with Shenzhen government officials and exchange representative.



(from left) Director Mr Dannis Lee, Ms Alice Law, Vice Chairman Ms Barbara Shiu, Mr Long Wu-hua, Director of Strategy & International Relations of Shenzhen Stock Exchange, Mr Zhang Yun-dong, Director General of Shenzhen Regulatory Bureau of China Securities Regulatory Commission, Mr Xiao Zhi-jia, Deputy Director General of the Office of Financial Development Service of the People's Government of Shenzhen Municipality, Chairman Dr Au King-lun and Chief Executive Mr Gary Cheung.

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HKSI's Delegation to Kuala Lumpur

The lucrative Islamic business and promising opportunities continue to draw the attention of market practitioners. Exciting developments have been going on, not only in Dubai and Kuala Lumpur, but also in major regional and global markets. With its unique position, Hong Kong can play an active role to act as a conduit to channel the Islamic funds to the Mainland market.

To better prepare HKSI members and market practitioners for the growth potential, HKSI Chairman Dr Au King-lun led a 25-member delegation to Kuala Lumpur during 28-29 April to learn from HKSI counterparts in Malaysia.

During the two-day visit, HKSI delegates met with Dato' Zarinah Anwar, Chairman of Securities Commission, Dato' Yusli Mohamed Yusoff, Chief Executive Officer of Bursa Malaysia, Dato' Mohd Razif bin Abdul Kadir, Deputy Governor of Bank Negara Malaysia and other leading figures from different government and market institutions. The trip provided a perfect platform for practitioners and regulators from both markets to have direct dialogue and frank exchange of views.



Dato' Zarinah Anwar, Chairman of Securities Commission (left) and HKSI Chairman Dr Au King-lun



Dato' Yusli Mohamed Yusoff, Chief Executive Officer of Bursa Malaysia (front row middle) and the HKSI's delegation

HKSI Research: Grooming of Talents in the Financial Industry

The demand for talent in Hong Kong's financial industry is a perennial topic that needs us to look at from time to time.

The financial industry is, along with tourism, trade and logistics, one of the four pillar industries in Hong Kong. It contributed 15.9% of GDP in 2006 and has seen a healthy growth in its business receipts over the last two years.

What is particularly interesting to note is that in terms of value added per employed person, the financial industry contributes more than any of the other three pillars. This is a reflection not only of the importance of finance in a modern economy but also of the strong human capital embodied in the professionals working in the industry.

It is beyond doubt that Hong Kong is highly competitive as a global financial centre. However, it would be a mistake to rest on our laurels.

Last September, the Institute commissioned the Centre for Public Policy Studies of Lingnan University to conduct a market research on the manpower gap in the financial sector. Such a gap was identified in a 2005/2006 survey "HKSI Research: Corporate Hong Kong's Readiness for the Mainland Financial Markets" and the present study is a follow-up to further understand its nature and magnitude.

The demand for financial industry talents increased rapidly in 2007. Double-digit growth in employment is common among many financial institutions, but the corollary is that some firms have encountered great difficulty in recruiting enough suitable candidates for these jobs.

What makes things worse is that while most employers do offer training programmes for their staff, only a few major players regularly recruit fresh graduates and train them from scratch. Quite a number of our focus group interviewees said they preferred to hire only experienced staff. This could bode ill for the future.

The research report will be published in early July, and its findings are expected to facilitate the discussion among the industry, academia and regulators. In this way Hong Kong will be able to maintain its strength as a prime regional hub for the financial industry.

Training for Business Support Roles

On 11 April 2008, a high level luncheon gathering was organized at The Hong Kong Bankers Club. About 30 senior representatives from regulatory authority, market institutions and leading firms gathered for updates on HKSI's recent training initiatives for local practitioners in business support or operation roles.

During the luncheon, UK's Securities and Investment Institute (SII) was invited to do a briefing on its flagship training programme Investment Administration Qualification (IAQ) – an internationally recognized qualification which was launched in Hong Kong in collaboration with HKSI.

The HKSI is dedicated to serve as a platform where individuals can gain the skills, and achieve the necessary professionalism and personal competence as they proceed towards further career advancement. In an effort to continue to serve the Hong Kong financial industry, the Institute take the lead and identify the Business Support (used to be known as middle and back office) as the area now-a-days which urgently requires a formal professional qualification programme as training has traditionally been done on an apprenticeship basis.

The Institute introduced the SII IAQ programme to Hong Kong in 2007 and provided a channel for local practitioners to pursue a globally recognized qualification in business support. Earlier this year, the Institute launched its own structured training - "HKSI Back Office Management Certificate Programme", and provided further assistance to local practitioners in meeting their immediate needs of training in operation specific to local regulatory environment. The two-pronged approach was well received by the market.



Senior practitioners from administration and operation field joined the luncheon gathering.

India — ICFAI

Higher Education Summit



Higher Education Summit involving the heads of forty five leading educational institutions from across the country was organized by the ICFAI University at Hyderabad during 29-31 May, 2008.

The objective of the summit was to bring together academic leaders to generate contemporary

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thought and share opinion in the context of far reaching changes taking place in the economy and their impact on career opportunities. The summit will also serve as a forum for exchanging ideas and networking with other participants.



Dr.J.Mahender Reddy, Vice Chancellor, the ICFAI University, Tripura inaugurated the event. In his inaugural address, he spoke about the evolution of the structure of the higher education system of the country and touched upon several areas, which require close attention. He also emphasized that the participants in the Summit in their capacities as heads of institutions should build such systems and procedures that will result in the institutionalization of the process of leadership.



Mr. B.S.Raghavan, renowned Bureaucrat and author addressed the participants in a technical session on the subject of reforms in higher education. Prof. Y.K.Bhusan, Vice Chancellor of ICFAI University, Meghalaya, lead a discussion on academic leadership and institution building. The summit placed due emphasis on need for making the teaching-learning process,

student-centric in the sessions anchored by Prof. Nagendra V Chowdary, Dean of the IBS Case Development Center.



An interesting feature of the summit was a panel discussion by corporate recruiters on the issue of industry expectations. The panel comprised Mr. Debasis Mohapatra, (PWC), Mr. M.Gopala Krishna (SEW), Mr Linga Prabhakar (ITC) and Prof. Manas Chakravarty, program director of the summit. The participants also had the opportunity of visiting the campus of IBS, Hyderabad and interacting with staff and students.

Japan — SAAJ

Preferential treatment to CMA/CIIA holders at an MBA School

Kyoto University announced last month that CMA® / CIIA® holders would be eligible for a preferential treatment with respect to its Graduate School of Management's MBA course.

Though it normally takes at least two years to complete the course, CMA /CIIA holders will be allowed to complete it in one year and a half.

Such treatment is also given to CPAs, successful candidates of the Exam for First-Class Civil Servants, and Certified Tax Accountants.

SAAJ expands networks with universities

In the course of preparing CMA textbooks and exam questions, not to mention SAAJ standing committees on ethics, accounting, etc., SAAJ naturally enjoys wide-ranging relationships with a host of university professors.

Furthermore, jointly with the Nikkei, SAAJ has offered to endow a chair at Ritsumeikan University (extension course for finance and portfolio analysis) from the first semester of this year. A similar endowment will start at Aoyama University from the second semester of 2008.

In addition, CMA educational programs are gradually being introduced to undergraduate courses in the economics/finance faculties of Kwansai Gakuin University, Musashi University, and Ritsumeikan University as part of course credits to complete (or an extension course). These universities also use SAAJ CMA correspondence textbooks. Such a proactive approach is anticipated to further spread among Japanese universities.

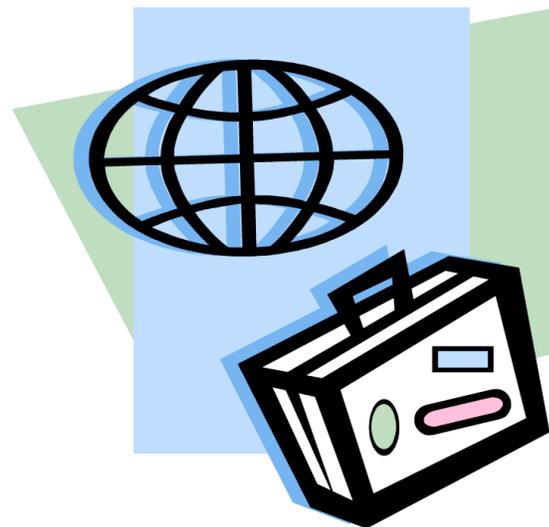
Trust bank requires employees to take a preliminary course to CMA Level I



日本証券アナリスト協会検定会員

In a bid to enhance the development of human resources, a certain Japanese trust bank now requires its staff to take SAAJ's preliminary course. As results, more than 700 employees of the bank have submitted applications for SAAJ's basic course, a preliminary course to Level I of the CMA, though not compulsory for the CMA designation.

Favorable news for CMA/CIIA holders living outside Japan



A lot of CMA/CIIA holders live outside Japan, and they have to incur additional postage to receive SAAJ materials such as the SAAJ Journal, etc. Because of this, some CMA/CIIA holders quit SAAJ membership on leaving Japan to live in foreign country. In response, SAAJ started absorbing such expense from last March. Now, CMA/CIIA holders can equally receive SAAJ materials wherever they live.

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Upcoming News/Events/Seminars

25 July

'Current Situation and Future Prospect of Japanese Economy'

Kazuo Monma
Director-General
Research and Statistics Department,
Bank of Japan

28 July

'Outlook for Japanese Economy and Stock Market'

Norikazu Kitta
Strategist
Nikko Cordial Securities Inc.

27 August

'Current Situation and Future Prospect of Osaka Stock Exchange'

Kohtaro Yamazawa
Executive Officer
Osaka Stock Exchange

The 9th SAAJ-Nippon Finance Association Joint Seminar to be held on 5th of September, 2008.

(details will be available in the next ASAF newsletter)

Investment Information in Equity Market and Investors Behavior (tentative)

Ken Yamada
National University of Singapore

Hromichi Tamura
Nomura Securities Co. Ltd.

Below are some of events scheduled to be held during June –September 2008:

2008

10 July

The 8th SAAJ Summer Seminar:

Various Problems in Relation to Securitized Products

- In consideration of subprime crisis -

Session 1

'Subprime Loan Problem and Chaotic Situation in World Financial Markets'

Takeshi Kimura
Financial Markets Department
Bank of Japan

Session 2

'Pricing of Securitized Paper and Risk Management'

Shuji Munekuni, CMA
Mizuho-DL Financial Technology Co. Ltd.

Session 3

'Rating Crunch – Summary of Subprime Loan Problem'

Yasunobu Katsuki, CMA
Chief Credit Analyst
Mizuho Securities Co., Ltd.



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