Singapore forecast, comment, July 12, 2010.

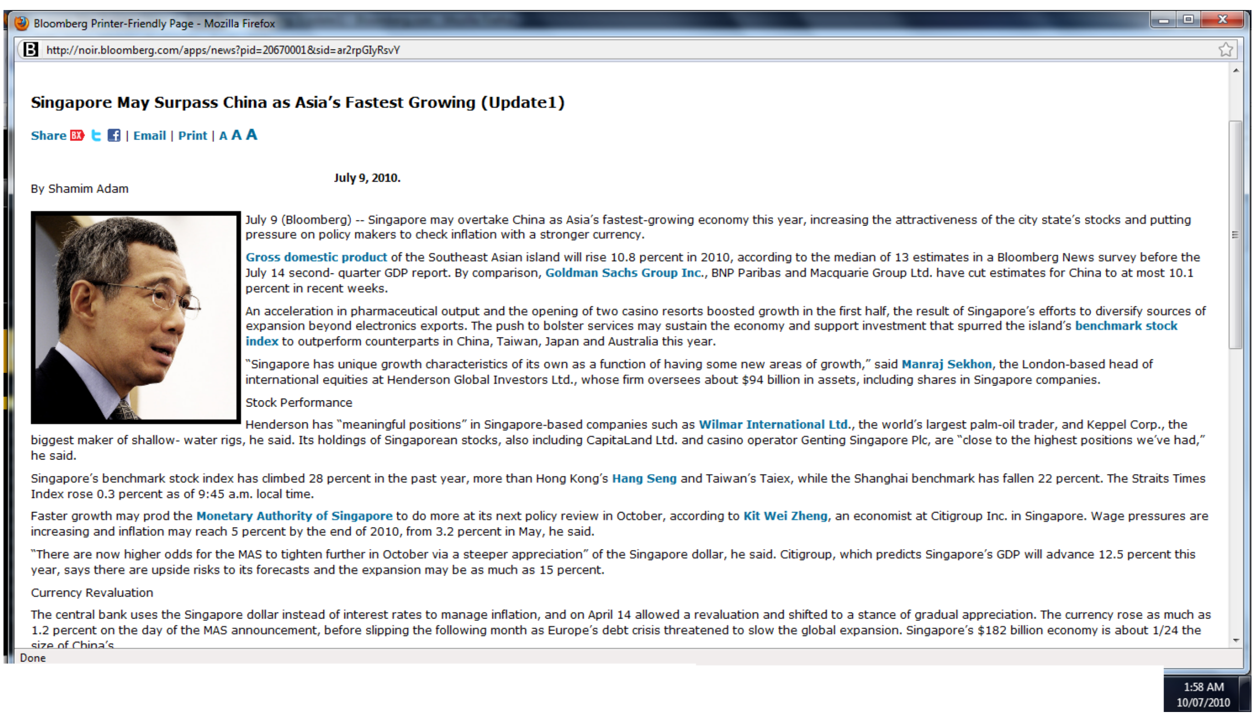
Here is what I had to say in 2009, at a Singapore property conference, quoted in the Singapore *Business Times*:

http://www.businesscycles.biz/newpositivespin.pdf

Feb 9th, 2009: "With observers seemingly falling all over one another to come up with the most bearish forecasts, Phil Anderson … confidently calls a property market bottom…"

and further: "Singapore is well placed to take advantage of the next boom because of its proximity to China…"

A year on and times move forward. Readers were incredulous back then and the forecast was not taken seriously, which of course helped me to think the forecast had a reasonable chance of success:



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Singapore May Surpass China as Asia's Fastest Growing (Update1)

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July 9, 2010.

By Shamim Adam

July 9 (Bloomberg) -- Singapore may overtake China as Asia's fastest-growing economy this year, increasing the attractiveness of the city state's stocks and putting pressure on policy makers to check inflation with a stronger currency.

Gross domestic product of the Southeast Asian island will rise 10.8 percent in 2010, according to the median of 13 estimates in a Bloomberg News survey before the July 14 second- quarter GDP report. By comparison, Goldman Sachs Group Inc., BNP Paribas and Macquarie Group Ltd. have cut estimates for China to at most 10.1 percent in recent weeks.

An acceleration in pharmaceutical output and the opening of two casino resorts boosted growth in the first half, the result of Singapore's efforts to diversify sources of expansion beyond electronics exports. The push to bolster services may sustain the economy and support investment that spurred the island's benchmark stock index to outperform counterparts in China, Taiwan, Japan and Australia this year.

"Singapore has unique growth characteristics of its own as a function of having some new areas of growth," said Manraj Sekhon, the London-based head of international equities at Henderson Global Investors Ltd., whose firm oversees about $94 billion in assets, including shares in Singapore companies.

Stock Performance

Henderson has "meaningful positions" in Singapore-based companies such as Wilmar International Ltd., the world's largest palm-oil trader, and Keppel Corp., the biggest maker of shallow- water rigs, he said. Its holdings of Singaporean stocks, also including CapitaLand Ltd. and casino operator Genting Singapore Plc, are "close to the highest positions we've had," he said.

Singapore's benchmark stock index has climbed 28 percent in the past year, more than Hong Kong's Hang Seng and Taiwan's Taiex, while the Shanghai benchmark has fallen 22 percent. The Straits Times Index rose 0.3 percent as of 9:45 a.m. local time.

Faster growth may prod the Monetary Authority of Singapore to do more at its next policy review in October, according to Kit Wei Zheng, an economist at Citigroup Inc. in Singapore. Wage pressures are increasing and inflation may reach 5 percent by the end of 2010, from 3.2 percent in May, he said.

"There are now higher odds for the MAS to tighten further in October via a steeper appreciation" of the Singapore dollar, he said. Citigroup, which predicts Singapore's GDP will advance 12.5 percent this year, says there are upside risks to its forecasts and the expansion may be as much as 15 percent.

Currency Revaluation

The central bank uses the Singapore dollar instead of interest rates to manage inflation, and on April 14 allowed a revaluation and shifted to a stance of gradual appreciation. The currency rose as much as 1.2 percent on the day of the MAS announcement, before slipping the following month as Europe's debt crisis threatened to slow the global expansion. Singapore's $182 billion economy is about 1/24 the size of China's

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