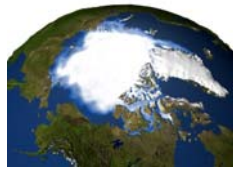


This Winter is so Cool


The US recession deepened this month as employers slashed more jobs and manufacturing contracted at the fastest pace in a quarter century. Payrolls shrank by 320,000 workers in November, the biggest one-month drop since the 2001 terrorist attacks, according to the median estimate of economists surveyed by Bloomberg News before the Labor Department's Dec. 5 report. The jobless rate may have jumped to 6.8% from 6.5% in October, the highest level since 1993. Employment may keep deteriorating as the credit crunch continues to bite. The worsening outlook prompted President-elect Barack Obama to craft a plan to save or create 2.5 million jobs in two years. Anyway, all signals point to a very weak labor market and further weakening. But, we should expect a large stimulus program shortly after Obama takes office. The 11th consecutive drop in payrolls would follow a 240,000 decline

in October and bring the total number of jobs eliminated so far this year to 1.5 million. Factories probably reduced staff by 80,000 workers, according to the survey median. According to Bloomberg, the world's largest economy contracted at a 0.5% pace in the third quarter and consumer spending fell at 3.7%, the biggest tumble since 1980. Obama has named an economic team that includes New York Federal Reserve Bank President Timothy Geithner as Treasury Secretary-designate and former Fed Chairman Paul Volcker as head of a new White House economic panel aimed at reviving the economy. Sectorwise, manufacturing, which accounts for about 12% of the economy, shrank in November for a fourth consecutive month, a report from the Institute for Supply Management (ISM) may show

today. The group's factory index probably fell to 37, the lowest level since July 1980, from 38.9 the prior month, according to economists polled. A reading of less than 50 signals a contraction. Service industries, which account for almost 90% of the economy and range from mortgage lending to retailing and restaurants, also contracted in November, economists forecast another report from the ISM will show on Dec. 3. The group's non-manufacturing index fell to 42 last month, the lowest reading since records began in 1997, according to the survey median. Financial firms are at the forefront of the slump in services. Citigroup Inc. said this month it plans to eliminate more than 50,000 jobs and cut expenses as the global economy contracts. 



Microscope

Bloomberg quoted research firm ShopperTrak RCT Corp. as saying that US holiday retail sales increased 3% to US\$10.6 billion last Friday from a year earlier, the smallest gain for a "Black Friday" in three years. It compares with a jump of 8.3% last year. US retailers are making earlier price cuts to lure Christmas shoppers, who are coping with the shrinking values of homes along with increasing joblessness. The season can account for as much as a third of annual profit. November and December sales at US stores open at least a year may rise 1%, the smallest gain since 2002, according to the International Council of Shopping Centers, a New York-based trade group. Consumers' spending makes up more than two-thirds of the US economy, and recent government data signal they are pulling back. Americans cut purchases by 1% last month, the biggest decline since the 2001 recession. After adjusting for inflation, spending was down for the fifth straight month, the longest streak since 1990-1991, according to US Commerce Department data. According to a Gallup Inc. poll, individuals may spend an average of \$616 on holiday gifts this year, down 29% from a year earlier. 

MARKET BRIEFING

YTD % (local curr)


US DJ	8,829 (-33.4%)
Nasdaq	1,535 (-42.1%)
Euro Stoxx 50	2,430 (-44.8%)
HSI	13,888 (-50.1%)
Japan NK225	8,512 (-44.4%)
China Shanghai Composite	1,871 (-64.4%)
Singapore	1,732 (-50%)
India BSE30	9,092 (-55.2%)
Brazil BOVESPA	36,595 (-42.7%)
Aus All Ord	3,672 (-42.8%)
US-10yr Bond	Yield 2.92%

As at 28/11/08


Insight: "Wills Planning Pitfalls"

Ideally, a will represents the wishes of the testator in unambiguous terms. It dictates the distribution of the deceased's assets in a clear manner. In practice, however, individuals often unwittingly create documents that don't comply with the legal requirements for a valid will by the use of either an unqualified firm or by the use of a do-it-yourself will writing kit. After the testator's death, the executor of the will is left to contend with legal actions brought by potential beneficiaries or dependents not provided for in the will. Substantial legal fees are incurred, fees which could have

been avoided by hiring a qualified solicitor to draft the will. Generally, there is no legal requirement that you have assistance from a solicitor in making your will. However, the do-it-yourself will may involve

pitfalls. Here are some of the most common mistakes made by those who create their own wills. When writing a will, one might fail to properly execute the will by signing the document in front of two non-beneficiary witnesses, creating the potential for others to claim the deceased's assets. In addition, it is failed to take account of all contingencies, such as births, marriages and deaths. There may be improper alterations made to the document resulting in an invalid codicil. For a valid will that reflects your true testamentary intentions, you need to work with a solicitor who knows and understands modern precedents. 

A-Z Financial Tools

Guaranteed Investment Contract is a pure investment product in which a life company agrees, for a single premium, to pay at a maturity date the principal amount of a predetermined annual interest rate over the life of the investment. This contract is appropriate for those who want to secure their investment. However, the credit risk of the contract is a major concern. 



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