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Business & Finance

India's government and a consortium of banks are waging a battle against businessman Vijay Mallya over unpaid loans. **B5**

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◆ **Baker Hughes** laid out a plan to cut costs and buy back stock and debt, after its merger deal with Halliburton was scrapped. **B1**

◆ **Saudi Binladin** will lay off 50,000 people as the construction firm attempts to turn around a business hurt by low oil prices. **B1**

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China: RMB28.00; Hong Kong: HK\$23.00;
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Japan: Yen620 (ind JCT); Korea: Won4,000;
Malaysia: RM750; Singapore: S\$5.00 (ind GST)
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Japan and Italy Urge Action on Global Economy



TEAMING UP: Japanese Prime Minister Shinzo Abe, left, met with Italian counterpart Matteo Renzi in Florence on Monday ahead of this month's Group of Seven summit, which Japan will host. The two leaders said they want the summit to show support for flexible budget policies to stabilize the global economy.

CHINA'S FLAWED SCHOOLS DRIVE STUDENTS TO U.S.

Fed up with high-pressure tests and low standards, middle-class looks abroad

By TE-PING CHEN AND MIRIAM JORDAN

YANGZHOU, China—Fan Yue looked into the future and didn't like what she saw.

As a high-school student in this eastern Chinese city of 4.6 million, she dreamed of going to college and studying education. But most Chinese universities are uninspiring, she said. She heard cheating was pervasive and that many people skip class. Students are required to study "Mao Zedong thought."

Just getting in takes years of study for the *gaokao* entrance exam, which is like the SAT on steroids. Students must memorize poetry tracing back to the 7th century. Few of the millions who take it get into China's top universities, with competition in Ms. Fan's home province of Jiangsu particularly fierce.

Going through such a process "where I don't learn anything" would be soul-crush-

ing, said Ms. Fan, 20 years old. "There's no meaning there."

There was another option: America. She had heard it was dangerous and wondered if she'd need to carry a knife. Her parents were against it.

Yet on a brief visit to the U.S., she was inspired by the leafy campuses and sense of academic freedom. She applied to the University of California, Irvine, and got in.

Many people assume foreign students at U.S. colleges are rich, pampered youths out to have a good time before returning home to lives of privilege. Sometimes this is true.

But as the number of foreign students surges on U.S. campuses—nearly a million were enrolled last year, up more than 40% from five years earlier—more are coming from middle-class backgrounds like Fan Yue's.

Please see CHINA page A8

Australian Claims to Be Mr. Bitcoin

By RIVA GOLD AND PAUL VIGNA

LONDON—Craig Wright, an Australian businessman, said on Monday that he is Satoshi Nakamoto, the elusive pseudonymous creator of the cryptocurrency bitcoin.

Mr. Wright, a computer scientist and entrepreneur who has been the subject of months of speculation regarding the origin of the digital money system, made the claim in interviews with the BBC, the Economist and GQ publica-

tions. He also published a blog post at www.drcraigwright.net in which he makes a similar suggestion.

Mr. Wright's assertions are difficult to verify. The blog post appears to provide representations of digital signature files that tie Mr. Wright to Nakamoto, but much of the post is a recitation of techniques for using and verifying signatures. Bitcoin uses public-key cryptography, which involves pairs of "private" and "public" keys. A person possessing the

Please see BITCOIN page A2

Park Seeks Iran's Aid on Sanctions

By ALASTAIR GALE

SEOUL—South Korea's president said she sought Iran's help to implement international sanctions against North Korea as Seoul works to build pressure on its volatile neighbor amid concerns that Pyongyang could test another nuclear bomb in the next few days.

"I explained our government's intolerance of North Korea's nuclear weapons...and asked for Iran's cooperation," President Park Geun-hye said in televised remarks alongside Iranian President Hassan Rou-

hani in Tehran after talks on Monday.

Mr. Rouhani said Iran was "in principle, opposed to any nuclear-weapons development" and added that Tehran hoped for peace and prosperity on the Korean Peninsula.

The Tehran meeting follows a buildup of tensions between North and South Korea. Pyongyang carried out its fourth nuclear test in January, followed by a long-range rocket launch a month later. In recent weeks, North Korea has held a series of missile tests, including the

Please see KOREA page A2

An Asian Giant Takes Manhattan



BIG TIME: Bank of China is preparing to move its U.S. headquarters this fall to a new 450-foot-tall tower in Midtown Manhattan, above. The move reflects the bank's expanding business in the U.S. **B5**

Runners Have Workouts Down to a Fine Art

* * *

Creative joggers use GPS systems as brush strokes; drawing Yoda

By TIMOTHY W. MARTIN

Steps from finishing a 20-mile run, Gene Lu raised his arms in triumph. After a three-hour trek through Portland, Ore., Mr. Lu had achieved a goal that was both athletic and artistic. He had drawn Yoda.

"I made 152 turns," says Mr. Lu, a 35-year-old creative director whose Yoda portrait is part of a collection of works he calls "Run Wars."

Mr. Lu is on the cutting edge of so-called GPS art, a new medium that uses Global Positioning Systems as brush strokes.

With the help of GPS apps, runners and bikers are producing everything from Thanksgiving turkeys to characters on "Game of Thrones." The apps track their movements in real-time, and, if all goes smoothly, the map's final series of squiggles and lines resembles the chosen subject.

Stephen Lund has emerged

as perhaps the most famous name in the GPS landscape. The 50-year-old Canadian cyclist recently gave a TEDx talk called "A Creative Spin: Pedaling My Art."

With a microphone taped to his cheek and wearing an untucked black shirt and jeans, Mr. Lund paced around a stage and described how he found inspiration after spontaneously drawing "Happy 2015" early last year.

"After this, my bike was no longer a bike—it was a crimson-dipped paintbrush," said Mr. Lund, a brand strategist, during the TEDx talk.

Executives at fitness-app makers plotted the first examples of GPS art in 2011, with routes depicting heart shapes or jack-o'-lanterns. Over the past year, GPS artists have prolifer-

ated and designs have become more elaborate, says Andrew Vontz, a brand manager at Strava, a fitness app.

"People will do crazy things to get their minds off of the slog of fitness," says Jason Jacobs, chief executive of Runkeeper, another fitness app.

Many of these super-fit virtuosos go to great lengths to ensure their body of work isn't compromised by physical barriers.

Baltimore-based cyclist Michael Wallace, known by his artist name "Wally," was drawing a beach bird and was halfway through its neck when a building blocked his path. Rather than turning off his phone or altering his design, he parked his bike, ran the phone through the building and left it on a

Please see GPS page A8

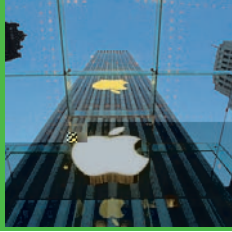


Darth Vader GPS map

MONEY & INVESTING



Geithner's Warburg
Bets on Banking Future
STARTUPS | B8



Tech Investors Are
Still Hungry for Growth
HEARD ON THE STREET | B8

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THE WALL STREET JOURNAL.

Tuesday, May 3, 2016 | B5

As of 12 p.m. ET

EUR/GBP 0.7852 ▲ 0.19%

YEN/DLR ¥106.49 ▼ 0.01% GOLD 1296.80 ▲ 0.59%

OIL 44.72 ▼ 2.61%

3-MONTH LIBOR 0.63660%

10-YR TREAS ▼ 7/32 yield 1.847%

Bond Trading In Australia Signals Cut

By VERA SPROTHEN

SYDNEY—Bond markets—considered the fever curve of an economy—are signaling that Australia's poor economic health will force the central bank to cut interest rates on Tuesday.

Some of the largest investors globally, including Goldman Sachs Asset Management and BT Investment Management, have doubled down bets on a rally in Australian bonds, spurred by a report released last week showing core consumer inflation slipping to an annual rate of 1.5%, the lowest ever recorded. That was below forecasts and short of the central bank's target of 2% to 3%.

"Deflationary pressure has been washing around the world, and it's finally arrived in Australia," said Vimal Gor, head of income and fixed interest at BT Investment Management in Sydney. "We've got slowing growth and short-term deflation. It's quite clear that the [Reserve Bank of Australia] will have to act."

Activity in swap markets shows that investors put the likelihood of a 0.25-percentage-point rate cut this week by the RBA at more than 50%,

up from just 10% before the inflation figures were released.

Australian government bonds rallied as investors rushed to snap up debt notes in hopes of future returns. Rate cuts typically boost the value of existing notes over the new ones issued at lower rates. Soaring demand sent prices higher and yields lower. The yield on three-year bonds, the most sensitive to rate changes, was at 1.86% Monday, down from 2.07% Wednesday, while the yield on 10-year bonds was off 0.2 percentage point to 2.50%.

Mr. Gor, who helps manage more than 77 billion Australian dollars (US\$58.6 billion) in assets, was buying short-dated government debt last week, adding to a bet he made last year when he first piled into Aussie bonds of up to three-year maturities. He was anticipating Australia's central bank would soon join global peers in slashing interest rates to stimulate the economy.

But the RBA has held its fire since cutting the cash rate to a record-low 2% a year ago. Data released in March and April showed Australia apparently emerging from a global

Please see BONDS page B7



Vijay Mallya is being pursued for repayment on a purported guarantee of more than \$900 million in loans to Kingfisher Airlines.

India and Lenders Pursue Tycoon

By SHEFALI ANAND
AND KENAN MACHADO

MUMBAI—India's government and a consortium of mostly state-owned banks are waging battle against high-profile businessman Vijay Mallya over hundreds of millions of dollars in unpaid loans.

India's Foreign Ministry said it had canceled Mr. Mal-

lya's passport and was seeking his extradition from the U.K. as authorities investigate money-laundering allegations against him.

The banks, meanwhile, are seeking repayment of loans taken by a company Mr. Mallya started, Kingfisher Airlines, which was buried in debt when it stopped operating in 2012. The banks say Mr. Mallya per-

sonally guaranteed more than \$900 million in loans to Kingfisher and have asked Indian courts to help them find his assets.

Mr. Mallya, chairman of United Breweries (Holdings) Ltd., has denied any wrongdoing and disputes the banks' account of the size of the debt and the extent of his personal liability.

Mr. Mallya, who was once known as the "King of Good Times" and is often photographed decked out in gold jewelry and surrounded by celebrities, recently has been exonerated by politicians while the local media offered blow-by-blow coverage.

At an event organized by an Indian media company in

Please see LOANS page B7

A Frenzy In Futures Isn't Just For Metals

By LUCY CRAYMER
AND SHEN HONG

HONG KONG—The recent fevered commodities trading in China hasn't been limited to iron ore. Investors have piled into futures for everything from wheat and cotton to eggs and asphalt.

As with industrial metals, analysts reckon much of the interest is coming from speculative investors who have been turned off to China's stock markets by tighter rules over trading.

"Chinese speculators didn't want to buy into the equity market with all the curbs, so they jumped into the commodity markets and it seems they've done so in massive style," said Michael Coleman, managing director at RCMA Asset Management Pte.

Rampant speculation means Chinese futures markets often don't reflect economic or industry fundamentals, while excess liquidity attributable to loose monetary policy is further driving the spike in interest in agricultural futures.

For example, turnover of corn futures traded on the Dalian Commodity Exchange was up by nine times in April from a year earlier, at around \$30 billion in value, according to data from the exchange. That increase in trading activity is despite corn prices falling by 10% after the Chinese government announced that beginning later this year it would stop setting prices, allowing market forces freer rein to guide prices.

Trading volume for wheat futures on the Zhengzhou Commodity Exchange has also rocketed by around nine times to roughly \$500 million over the same period, even though wheat prices have risen by just 1.2%.

The increased trading in

Please see FUTURES page B7

The Bank of China Steps Up in Manhattan

By CAROLYN CUI
AND DANIEL HUANG

One of China's biggest lenders is planting its flag in the middle of Manhattan, a symbolic move for a bank with ambitions to challenge Wall Street on its home turf.

Bank of China is preparing to move its U.S. headquarters this fall to a new 450-foot-tall glass tower overlooking Bryant Park, leaving the low-slung brick building on New York City's East Side that has been its home for 35 years. The bank will occupy more than half of the 28-story building, which it acquired for nearly \$600 million in 2014.

The move reflects the bank's burgeoning business in the U.S., where assets soared to \$78 billion last year from \$13.9 billion in 2010, according to the Federal Reserve.

As the world's fourth-largest bank by assets, state-owned Bank of China has quietly funded some of its country's most ambitious cross-border deals. That included a loan to

Anbang Insurance Group Co. for its purchase of a stake in a Fifth Avenue office building.

"We've grown so much these years," Xu Chen, general manager of Bank of China's U.S. branch, said in an interview. "The small building is not enough to hold all of us now."

Mr. Xu said he was attracted to both the building and its location, which he noted was at the other end of the park from the Bank of America tower on 42nd Street. The two buildings are "a symbol of the economic interconnection between China and the U.S.," he said.

Bank of China has about 500 employees in the U.S., including 400 in New York. More than 90% of the New York staff are local hires, though most of them are ethnically Chinese, according to the bank. Positions in the new building will include loan officers, trade service and clearing.

The U.S. subsidiary's general manager is from Beijing, though other top executives, such as the chief data officer and the chief compliance officer, are



The bank's new office has a view of the Empire State Building.

from the U.S.

Bank of China is starting to move beyond its core business of lending to Chinese companies. Its roster of blue-chip U.S. borrowers includes Visa Inc., Diamond Offshore Drilling Inc. and CME Group Inc., the owner of the derivatives exchange, according to Dealogic.

The bank also aims to compete in some of the lucrative areas that Wall Street firms historically have dominated, such as corporate finance, commod-

ity hedging and commercial-real-estate lending, Chinese bank officials have said.

Other Chinese banks have been growing overseas, too. Chinese bank assets in the U.S. stood at around \$130 billion last year, up from \$17.3 billion in 2010.

Bank of China by far has been the most aggressive. According to the bank's annual report, overseas subsidiaries accounted for 23.6% of the group's pretax profit in 2015. At

Industrial & Commercial Bank of China Ltd., the country's largest lender, the figure was 6.8%, according to the company's annual report.

Chinese bank expansion is a response to the country's slowing economic growth. Last year, China's biggest banks posted their lowest annual profit growth in a decade, squeezed by shrinking interest margins and growing nonperforming loans at home. Bank of China's net profit grew by 1.3% in 2015, down from 8.2% in 2014. The bank recently reported that first-quarter net profit rose 1.7%.

The bank's Shanghai-listed shares are down 16.5% year to date, while the Shanghai stock market index is down 17%.

One way to stabilize the bank's profit is to "do a little more overseas, and maybe a little less at home," Chen Siqing, the bank's president, told Chinese media in March. Mr. Xu said its U.S. operation is one of the bank's most profitable.

Efforts to ramp up U.S. oper-

Please see BANKS page B8

Puerto Rico's Debt Trouble Worsens

By HEATHER GILLERS

Puerto Rico's Government Development Bank didn't plan to make most of a \$422 million debt payment due on Monday, a step that could move the island's financial crisis to a new level.

"Faced with the inability to meet the demands of our creditors and the needs of our people, I had to make a choice," Gov. Alejandro Garcia Padilla said in a speech Sunday night, according to an English translation of the remarks. He said making the payment would divert money needed for crucial services.

A law enacted by Puerto Rico's government in April empowers Mr. Garcia Padilla to suspend debt payments to pay for essential services as the U.S. commonwealth awaits help from Congress. Some of Puerto Rico's creditors have criticized the law, saying the government won't commit to necessary fi-

nancial changes and hasn't made a good-faith effort at a consensual restructuring.

Expectations of a GDB default were already high ahead of the governor's speech. The GDB had \$562 million available for paying debt as of April 1, according to the government.

The GDB is continuing its discussions with creditors and said late Sunday night that some creditors have agreed to hold off on lawsuits while conversations continue. The parties are discussing restructuring some of the GDB's outstanding debt, including a plan that would reduce some obligations by roughly half.

Some lawsuits are already in progress. Last month, a group of hedge funds that own GDB bonds filed a complaint in federal court asking that the GDB be barred from allowing the withdrawal of funds.

Puerto Rico owes investors about \$70 billion in total. The

island began defaulting on debt in August, but there have been no defaults by the GDB, which provides liquidity to Puerto Rico's government agencies.

A GDB default could escalate Puerto Rico's crisis because the GDB plays such an essential role in keeping cash flowing on the island, said Matt Fabian, a partner at Municipal Market Analytics.

"This is where Puerto Rico's unwinding begins," he said in an interview Sunday night. "This is the beginning of the real crisis."

The GDB reached an agreement late Friday with Puerto Rico's state-chartered credit unions to exchange \$33 million worth of debt due Monday for \$33 million of debt due a year from now. The other \$389 million was still due Monday.

Negotiations continue in Washington over a plan to tackle Puerto Rico's debt crisis.



Alejandro Garcia Padilla's speech is shown at a bar in San Juan.

Unlike some distressed American governments, Puerto Rico can't declare bankruptcy under federal law. Congress held a hearing last month on bipartisan legislation that would allow the commonwealth to seek a restructuring of its debt.

In his Sunday night speech, Mr. Garcia Padilla urged action by Congress. "Only a congressionally approved restructur-

ing process can provide a comprehensive solution," he said, according to the translation.

A GDB default might add pressure to the discussions in Washington in the months leading up to Puerto Rico's next major debt payment of nearly \$2 billion in July.

Some of that debt carries some of the commonwealth's strongest legal pledges.

MONEY & INVESTING

Japanese Shares Tumble 3.1%

By KOSAKU NARIOKA

Japanese stocks fell sharply Monday on the yen's surge to a 1½-year high against the U.S. dollar, weak earnings from several big companies and lingering concern over the Bank of Japan's policy inaction on Thursday.

MONDAY'S MARKETS The Nikkei Stock Average dropped 3.1% to 16147.38, following the BOJ's decision last week to keep its main policy unchanged, despite slowing inflation and expectations for an expansion in its asset-purchase program, particularly in exchange-traded funds. Japanese markets were closed Friday for a national holiday.

The yen's surge against the dollar Monday also hit Japanese exporters. Over the weekend, the U.S. Treasury Department, in its semiannual currency report to Congress, pointed to China, Japan, South Korea, Taiwan and Germany for relying on policies it said threaten to damage the U.S. and the global economy. The statement may discourage the Japanese authorities from directly intervening in the currency market, analysts said.

"Bad news take place all at once," said Katsunori Kitakura, strategist at Sumitomo Mitsui Trust Bank. He said, though, that market sentiment may improve in the coming weeks if the government takes fiscal stimulus measures in time for Group of Seven summit meetings later this month.

The dollar was at ¥106.38 in Asian trading after falling to as low as ¥106.16. The dollar was above ¥111.50 before the BOJ said it would stay pat last week.

Elsewhere in Asia, Australia's S&P/ASX 200 declined 0.2%. New Zealand's NZX-50 fell 0.4%, and South Korea's Kospi dropped 0.8%. India's Sensex was down 0.7%.

In the U.S., stocks bounced back after their biggest weekly decline since February. The Dow Jones Industrial Average climbed 80 points, or 0.5%, to 17853 by early afternoon. The S&P 500 gained 0.4%, and the Nasdaq Composite advanced 0.2%.

Stocks' gains have slowed after rebounding from February lows, a rally spurred by improving data on the U.S. economy, rising oil prices and a softer stance on raising interest rates from the U.S. Federal Reserve.

The Stoxx Europe 600

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The Stoxx Europe 600



Telstra says it plans to return at least \$1.1 billion to shareholders.

inched down 0.1%. Trading in Europe was quiet, with markets in the U.K. and Ireland closed for a holiday.

In Japan, electronics parts maker Murata Manufacturing lost 13% following its projections for a decline in earnings in the fiscal year that started in April. The company cited a higher yen, lower product selling prices, increased fixed costs and higher research-and-development expenses.

Sony fell 4.0% after the

company posted a net loss in the January-March period, weighed down by its device and mobile-communication businesses.

In Australia, sharp falls in Australian bank shares following lackluster half-year earnings from one of the biggest lenders weighed on the broader equities market.

Westpac Banking fell 3.5% after it reported first-half earnings that were slightly below expectations and reported

a jump in charges for soured loans.

Meanwhile, telecommunications company Telstra added 2.8% after it said it planned to return at least 1.5 billion Australian dollars (US\$1.1 billion) to shareholders in the first half of the 2017 financial year.

In India, ICICI Bank was down 4.1% following its report on Friday of a 76% year-over-year drop in fourth-quarter net profit after it set aside more money to cushion against loan defaults.

InterGlobe Aviation was down 4.5% after the operator of IndiGo—India's largest domestic airline by market share—posted nearly no profit growth in the January-March quarter from a year earlier due in part to intense fare-price competition.

In commodities, gold traded close to a 15-month high in Asia as a weak dollar and declines in equity markets boosted the demand for the precious metal.

Gold prices were up 0.6% at \$1,296.80 an ounce by midday in New York.

U.S. crude-oil prices fell 2.6% to \$44.72 a barrel.

Many stock markets in Asia were closed Monday for a holiday, including China, Hong Kong and Singapore.

BONDS

Continued from page B5 commodities rout in far better shape than other big resources producers such as Brazil and Canada. Gross-domestic-product growth has trumped expectations, the jobless rate is falling, and rebounding iron-ore prices are bolstering exports at a time when fears over a slowdown in China, Australia's biggest trading partner, are also abating.

Fresh optimism gripped markets and led to a selloff in government bonds, which are popular haven assets. But that buoyant mood turned within minutes last week, when the inflation data signaled the economy may need further monetary stimulus.

"It was a big miss. It's potentially a game changer," said Altaz Dagha, an interest-rate strategist at BNP Paribas SA in Singapore, who immediately advised the bank's internal traders and clients to position for lower Australian bond yields—for example, by buying the five-year maturity, which he says look relatively cheap.

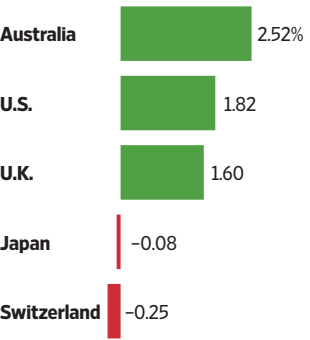
"The sharp rally we've seen after the inflation data will continue," Mr. Dagha said.

The rate-cut bet isn't universal. A number of money

Bond Boom

Australian debt is among the world's highest-yielding...

10-year government-bond yields*



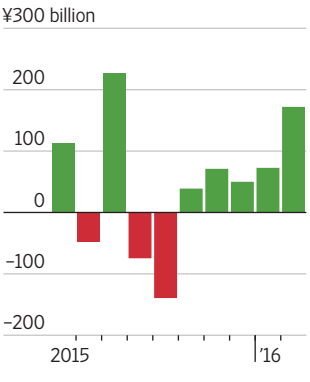
*As of April 29 **Yields fall as bond prices rise. Sources: Thomson Reuters (Yields); ANZ (Japanese investment)

managers, including Western Asset Management, and half of local economists surveyed by The Wall Street Journal, think the RBA will continue to stand pat. And even if it does cut, a weakening Australian dollar could eat up foreign investors' gains. The prospect of lower rates sent the currency to its largest one-day loss in eight months last Wednesday; it fell more than 2% to as low as US\$0.7549, a week after hitting 10-month highs.

Those hoping to profit from further declines in Australian

...and Japanese investors are back in a big way...

Japanese investment in Australian bonds

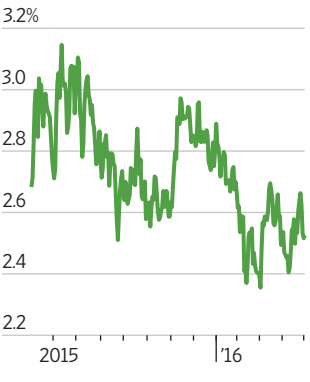


bond yields, the highest among the handful of countries with a AAA credit rating, say the latest China data bolster their case.

"Our view on Australia is mostly based on what's happening more broadly in Asia," said Brad Boyd, a fixed-income portfolio manager at Payden Rygel in Los Angeles, which has \$100 billion under management. "China is suffering from high debt, slowing demographics and deflation. That's a fairly nasty combination, as it lends itself to weak growth.

...as bets rise of a bond-price rally.

Australian 10-year government bond yields**



And Australians are going to feel it."

Convinced last year that the RBA would cut rates at least twice more, Mr. Boyd increased his holdings in Australian bonds, which now make up the majority of all sovereign debt in the Payden Global Income Opportunities fund that he manages.

BT's Mr. Gor recently also took a short position on the Australian dollar. Speculative bets on a rising Aussie by hedge funds and money managers hit three-year highs last

week, according to data by the U.S. Commodity Futures Trading Commission. They could unravel in a flash if rates are cut.

Robert Mead, Sydney-based head of portfolio management at Pimco, who helps manage A\$40 billion in assets in Australia, stacked up on short-dated government bonds months ago, arguing Australia's cooling housing market would likely drag annual GDP growth down to 2.25% early next year, from 3% currently.

Several banks, including Australia & New Zealand Banking Group Ltd., National Australia Bank Ltd. and BNP Paribas, have reshuffled swap trades, which can be used as a hedge against rate shifts.

Sydney-based Philip Moffitt, the Asia-Pacific head of fixed income for Goldman Sachs Asset Management, who helps invest more than US\$540 billion and is known for betting against the crowd, has begun to take profits on a long-standing trade pitching Australian against Swedish interest-rate futures.

He still expects Australia's three-year bond yields to fall 0.2 to 0.25 percentage point more—not just because of potentially lower interest rates in Australia but also because demand from yield-starved investors in Europe and Japan looks to remain high.

FUTURES

Continued from page B5 egg futures in Dalian hasn't been quite so dramatic, though volumes are still up 19% in April from a year earlier.

Contracts for around 128.9 billion eggs changed hands in April alone.

To be sure, there are some factors that are expected to lend support to commodities prices in the coming months. Prices for grains, soybeans and other food commodities have recently risen in some markets, as weather conditions in Central and South America have raised concerns that supplies will tighten.

Unlike the surge in investor interest in industrial metals, however, the impact of the rise in agricultural commodity prices "is unlikely to affect global prices" because the sector is much more insulated from international markets, said Tracy Xian Liao, an analyst at Citigroup.

Imports of agricultural products are tightly controlled and pricing regulations remain in place for some foodstuffs, such as rice and wheat.

Still, the rise in speculative trading in agricultural commodities has raised concerns within China.

A rise in farm commodities is seen as unlikely to affect global prices.

Exchanges there have raised transaction fees in recent days to try to temper the market.

It isn't the first time China's agricultural markets have worried regulators.

Various unofficial commodities exchanges have sprung up in China over the last decade offering retail investors the chance to trade on foodstuffs including kiwifruits grown in Sichuan, dates from Xinjiang and mushrooms in Hubei.

Investors are able to trade online in most of these futures markets. Most require traders to settle trades with cash, instead of making delivery of physical goods an option.

Contracts are usually designed to be affordable, with the minimum investment as low as 200 yuan (\$31) per lot.

Trading is often volatile in those markets and insider trading is common, analysts say.

A scandal last year at the Pan Asia Nonferrous Metals Exchange in Yunnan that cost 220,000 retail investors billions of dollars in combined losses drew widespread media attention and prompted a crackdown on unregulated commodities markets.

LOANS

Continued from page B5 March, Finance Minister Arun Jaitley said that Mr. Mallya had "brought a huge bad name both to India's banking and also to India's private sector."

India's banks have been under pressure—partly from the country's central bank and federal government—to clean up their books, which are burdened with record bad debts that are weighing on the country's growth.

About 21% of all loans to large Indian companies were considered to be stressed as of June 2015, up from about 17% in September 2013, according to information from the Reserve Bank of India.

The banks, which have historically been slow in going after large borrowers, lately have stepped up efforts to recover assets and boost their eroding capital base.

But some critics have said that the name-and-shame campaign against Mr. Mallya is being used as an example to put a scare into potential defaulters, which they say is a risky strategy.

If authorities and bankers go too far in their pursuit, India risks making entrepreneurs too risk averse to start businesses that could fail. Meanwhile, wayward borrowers would have no incentive to pay if authorities and bankers don't go far enough.

"You don't want to do so much naming and shaming that it affects the investment and lending environment," said Reshmi Khurana, managing director of South Asia for Kroll

Inc., a global risk-consultancy firm.

Reserve Bank of India Gov. Raghuram Rajan, who has urged Indian banks to clean up their balance sheets, has also warned against maligning honest entrepreneurs who go bust.

"Why will you take risk if there is a slightest chance of default and your name is put up in public for shame," Mr. Rajan said last month.

For years, banks have been fighting several cases against Mr. Mallya, but pressure was increased in late February when it was announced that Mr. Mallya would receive a \$75 million payout from U.K. spirits company Diageo PLC, which had previously acquired a controlling stake in United Spirits Ltd., an Indian distiller then owned by Mr. Mallya.

Last month, an Indian tribunal ordered a halt to Mr. Mallya's deal with Diageo. Banks say they have first right to this money.

Shortly after the payout was announced, Mr. Mallya left India, touching off a flurry of activity among banks and the government. In early March, Mr. Mallya said on Twitter that he didn't flee from the country.

In March, a consortium of banks—led by the State Bank of India and represented by Attorney General Mukul Rohatgi, among others—filed a plea in India's Supreme Court calling for Mr. Mallya to disclose all of his assets, both in India and overseas. Mr. Mallya recently submitted the list to the court.

Lawyers for the consortium allege Mr. Mallya gave an unlimited personal guarantee for the Kingfisher loans. Mr. Mal-

lya has challenged this claim in court, saying that he was coerced by the banks into signing the guarantee, according to lawyers familiar with the matter. Mr. Mallya also contends that any guarantee would be backed only by assets in India, one of the lawyers said.

Mr. Mallya has twice offered to settle with the banks, said a lawyer familiar with the matter, but banks have refused. Lawyers for the consortium said none of Mr. Mallya's offers included any direct repayment.

Mr. Mallya has said in a previous statement that there has been a "near hysterical campaign in the media directed against me," adding that "all I can say is I hope some sobriety and sense will prevail."

Mr. Mallya inherited his company from his father in the 1980s and quickly built it into one of the world's biggest alcoholic-beverage empires through acquisitions.

His expensive foray into an airline named after Kingfisher—his biggest beer brand—was as flashy as he was. It featured flight attendants in red skirts called "models of the sky." The airline's ads told people to "fly the good times." In recent years, the market value of Kingfisher's meager assets has fallen sharply. Last week, the consortium of banks failed to find any buyers at an auction of the airline's former headquarters.

Forbes magazine estimated that, at his peak, Mr. Mallya was worth more than \$1 billion.

—Eric Bellman in New Delhi contributed to this article.

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FUND NAME	GF	AT	LB	NAV	DATE	CR	NAV	YTD RETURN—	12-MO	2-YR
■ Chartered Asset Management Pte Ltd - Tel No: 65-6835-8866										
Fax No: 65-6835-8865, Website: www.cam.com.sg, Email: cam@cam.com.sg										
CAM-GTF Limited OT OT MUS 04/28 USD 289208.04 3.3 -15.8 -8.6										

CP Global Wealth Management ■ Cp Capital Asset Management Limited www.cpgbl.com

CP Global Alpha Fund	OT	OT WSM	04/28 USD	143.72	6.8	18.7	17.1
CP Multi-Strategy Currency Fund <th>OT</th> <th>OT CNY</th> <th>04/28 USD</th> <th>121.62</th> <th>6.0</th> <th>3.5</th> <th>17.2</th>	OT	OT CNY	04/28 USD	121.62	6.0	3.5	17.2
CPS-Master Priv Fund <th>GL</th> <th>OT WSM</th> <th>04/28 USD</th> <th>163.21</th> <th>-0.6</th> <th>13.0</th> <th>13.3</th>	GL	OT WSM	04/28 USD	163.21	-0.6	13.0	13.3

■ Website: www.Valuepartners.Com.Hk, Tel: (852) 2880 9263										
China A-Share Fund CIs A AUD H	OT	OT HKG	04/28 AUD	11.12	-12.3	-22.1	NS			
China A-Share Fund CIs A AUD UNH	OT	OT HKG	04/28 AUD	10.39	-14.1	-21.3	NS			
China A-Share Fund CIs A CAD H	OT	OT HKG	04/28 CAD	10.40	-12.9	-23.1	NS			
China A-Share Fund CIs A EUR H	OT	OT HKG	04/28 EUR	11.04	-12.9	-22.0	NS			
China A-Share Fund CIs A NZD H	OT	OT HKG	04/28 NZD	10.75	NS	NS				
China A-Share Fund CIs A GBP H	OT	OT HKG	04/28 GBP	12.79	-8.8	-34.6	NS			
China A-Share Fund CIs A HKD UNH	OT	OT HKG	04/28 HKD	11.33	-8.8	-19.5	NS			
China A-Share Fund CIs A HKD H	OT	OT HKG	04/28 HKD	11.08	-13.0	-22.6	NS			
China A-Share Fund CIs A HKD UNH	OT	OT HKG	04/28 HKD	11.34	-9.1	-21.6	NS			
China A-Share Fund CIs A NZD H	OT	OT HKG	04/28 NZD	10.92	-12.4	-21.7	NS			
China A-Share Fund CIs A NZD UNH	OT	OT HKG	04/28 NZD	10.80	-11.7	NS				
China A-Share Fund CIs A RMB (CNY)	OT	OT HKG	04/28 CNY	11.74	-11.3	-20.2	NS			
China A-Share Fund CIs A USD	OT	OT HKG	04/28 USD	11.20	-10.2	-22.2	NS			
China A-Share Fund CIs A USD H	OT	OT HKG	04/28 USD	11.02	-12.5	-22.6	NS			
China Greenchip-A Units	AS	EQ CNYM	04/28 HKD	48.37	-8.7	-33.0	-8.8			
China Greenchip-A Units AUD H	AS	EQ CNYM	04/28 AUD	8.13	-8.5	-34.2	NS			
China Greenchip-A Units CAD H	AS	EQ CNYM	04/28 CAD	7.99	-8.8	-34.6	NS			
China Greenchip-A Units NZD H	AS	EQ CNYM	04/28 NZD	8.31	-8.1	-33.2	NS			
China Greenchip-A Units USD	AS	EQ CNYM	04/28 USD	8.00	-8.8	-34.4	NS			
China Greenchip-AZ QDIs Units	AS	EQ CNYM	04/28 HKD	8.82	-8.6	-33.1	-8.7			
GC HI Yield Inc-CIs A MDis GBP H	OT	OT CNYM	04/28 GBP	9.32	4.2	4.5	NS			
GC HI Yield Inc-CIs A MDis AUD H	OT	OT CNYM	04/28 AUD	8.88	4.7	6.3	7.7			
GC HI Yield Inc-CIs A MDis CAD H	OT	OT CNYM	04/28 CAD	8.91	4.3	4.7	6.0			
GC HI Yield Inc-CIs A MDis NZD H	OT	OT CNYM	04/28 NZD	9.13	5.0	7.3	8.9			
GC HI Yield Inc-CIs A MDis USD H	OT	OT CNYM	04/28 USD	12.69	4.4	4.8	5.7			
GC HI Yield Inc-CIs A MDis HKD sh	OT	OT CNYM	04/28 HKD	8.71	4.5	4.8	5.8			
GC HI Yield Inc-CIs A MDis SGD H	OT	OT CNYM	04/28 SGD	9.52	4.6	5.5	NS			
GC HI Yield Inc-CIs A MDis USD sh	OT	OT CNYM	04/28 USD	12.79	4.3	4.8	5.7			
GC HI Yield Inc-CIs A MDis EUR H	OT	OT CNYM	04/28 EUR	8.76	4.4	4.8	5.7			
GC HI Yield Inc-CIs A MDis EUR H	OT	OT CNYM	04/28 EUR	9.74	4.0	4.1	NS			
HI-Div Stk CIs A1	OT	OT HKG	04/28 USD	70.00	-2.6	-18.4	2.5			
HI-Div Stk CIs A2 MDis	OT	OT HKG	04/28 USD	10.12	-2.7	-18.6	2.5			
HI-Div Stk CIs A2 MDis AUD H	OT	OT HKG	04/28 AUD	9.10	-2.4	-18.1	3.6			
HI-Div Stk CIs A2 MDis CAD H	OT	OT HKG	04/28 CAD	9.13	-2.9	-19.5	2.3			
HI-Div Stk CIs A2 MDis GBP H	OT	OT HKG	04/28 GBP	8.63	-2.8	-20.0	NS			
HI-Div Stk CIs A2 MDis HKD	OT	OT HKG	04/28 HKD	9.22	-2.5	-18.7	2.3			
HI-Div Stk CIs A2 MDis NZD H	OT	OT HKG	04/28 NZD	9.26	-2.3	-16.7	4.4			
Intel-China Conver Fund-A AUD H	AS	EQ CNYM	04/28 AUD	8.62	-8.3	NS	NS			

FUND NAME	GF	AT	LB	NAV	DATE	CR	NAV	YTD RETURN—	12-MO	2-YR
Intel-China Conver Fund-A CAD H	AS	EQ CNYM	04/28 CAD	9.88	NS	NS	NS			
Intel-China Conver Fund-A NZD H	AS	EQ CNYM	04/28 NZD	10.10	NS	NS	NS			
Intel-China Conver Fund-A Units	AS	EQ CNYM	04/28 USD	129.30	-11.6	-32.8	5.4			
Intel-Chinese Mainland Foc Fund	AS	EQ CNYM	04/28 USD	35.53	-14.0	-31.2	4.5			
VP Classic-A Units	AS	EQ HKG	04/28 USD	236.64	-10.0	-28.6	4.8			
VP Classic-B Units	AS	EQ HKG	04/28 USD	106.86	-10.2	-29.0	4.3			
VP Classic-C Units	AS	EQ HKG	04/28 USD	13.47	-10.2	-29.3	4.5			
VP Classic-C Units AUD H	AS	EQ HKG	04/28 AUD	11.03	-10.0	-28.7	6.5			
VP Classic-C Units CAD H	AS	EQ HKG	04/28 CAD	10.74	-10.4	-30.7	5.1			
VP Classic-C Units HKD H	AS	EQ HKG	04/28 HKD	9.24	-9.9	NS	NS			
VP Classic-C Units NZD H	AS	EQ HKG	04/28 NZD	11.18	-9.8	-26.4	7.1			