

owned by RHB). Testimony to the deal-making prowess of RHB chief executive and the eponymous founder of the group Abdul Rashid Hussain, the deal led directly to an upward revision in analysts' forecasts of RHB's net earnings for fiscal 1996 (ending March 1997) from M\$370 million to as much as M\$518 million.

If this will cement the banking empire long dreamt of by Rashid, it also owes its provenance to the longevity and success of the founding brokerage house. Led from the top by its dynamic chairman, the house combined entrepreneurial flair with the strongest research product in the country and a combative corporate finance division that has proved as agile as it is profitable.

Its tenacity was demonstrated once again in 1996 when it dominated the trading and sales markets in Malaysia's booming second-board stocks. The only house able to provide research insight into some of the country's more esoteric smaller companies, it reaped substantial rewards as the second-board index soared from around 240 at the start of the year to a high of over 640 points.

Also attracting praise for its innovative approach to providing Islamic financial services last year, RHB enjoyed the best year in its history. Analysts are now watching closely to see if Rashid's ambitions stretch to regional growth. Judging by his actions in 1996, it should surely be only a matter of time.



BEST BOUTIQUE OPERATION

Oakreed

Funny things, words. Boutique used to be a French word for a clothes shop and suddenly became the vogue word for a merchant bank. Forget the cachet of Cartier and Chanel: the big names were Wasserstein Perella in New York and Hambro Magan in London. Boutique meant advisory work based on big names and a full address book.

The problem was that advice is a pretty nebulous affair. John Pierpoint Morgan didn't get to where JP Morgan is today without money - and Morgan now has more claims than most to be a bulge bracket firm in its own right, selling its expertise more than its capital.

The name of Patrick Thomas is not famous internationally, and neither is the name of *Finance Asia's* boutique of 1996: Oakreed Financial Services. But the firm manages to be a big hitter in Asian finance and celebrated the year with a lead management position on the World Bank's debut HK\$1 billion LAF issue with IBJ Asia and Union Bank of Switzerland (UBS). Oakreed's shareholders represent an important part of the credibility factor - 60% of the company is owned by the Long Term Credit Bank of Japan (LTCB) and 30% by the Bank of East Asia - but a lot falls to Thomas himself and his team from the old Manufacturers Hanover who persuaded his backers that Oakreed had a future.

The key, says Thomas, was that Bank of East Asia's David Li had the vision to see where he wanted to be and arranged to bring LTCB to the party. That's a lot of fire-power, and the firm has prospered in a very tight market which has become so efficient that there is virtually no arbitrage left and margins are razor-thin. Even so, Thomas is not pessimistic about the future, although there have been complaints about some of the deals that followed the World Bank LAF, most notably Nordic Investment Bank.

Oakreed has grown up with the fixed rate Hong Kong dollar market. "Interestingly," recalls Thomas, "none of our three main competitors today - HSBC Markets, UBS and Schroders - were doing anything at all at the time we set up the business."



BEST FIXED INCOME RESEARCH HOUSE

Peregrine

Peregrine has the biggest and best Asian fixed income research team in the world. In an independent poll of institutional investors from Asia and around the world carried out by *Asian Debt Review*, PFIL was ranked number one in five categories: regional research, individual country research, coverage of corporate issuers, coverage of sovereign issuers and coverage of secondary-market/relative-value analysis.

"No other house can offer the same breadth and depth of research," says Jaideep Krishna, head of credit research. "We cover more than 150 corporates and

100 financial institutions and provide firsthand financial analysis."

PFIL's database of issuers across the region, by industry sector and by country, allows its analysts to assess relative value across the whole spectrum of liquid credits and search for anomalies in pricing to extract that value. In individual company and sector reports and in the monthly *Asian Credit Monitor*, Peregrine's analysts provide full written coverage with publications not only in English but also in Japanese, Korean and Bahasa.

Peregrine has used its research capability to contribute to the development of the debt markets by providing index and benchmark series to give investors a measure of performance. PFIL created the first Asian local-currency bond index, the Peregrine Asia Money Market Index (PAMMI) and launched the first long-dated practical benchmark for local bonds, the Peregrine Benchmark Series (PBS), using the swap yield curve to serve as a proxy for the relative illiquid local bond markets.

Special mention: Bankers Trust, JP Morgan



BEST DEBT ORIENTATION OF LOCAL-CURRENCY BONDS

Peregrine

Unlike other international fixed income houses, Peregrine really does have the ability to source Asian product to a truly Asian investor base, and does not just rely on a segmented and opportunistic approach. The ability to distribute to 1,000 institutional investors certainly gives the firm a leg-up in the region in terms of making markets and providing liquidity.

"Our philosophy is based on identifying newcomers to the market," Abidin Siregar explains. "We look for good quality credits and bring them on for the first time."

Peregrine's debt origination team of 15 professionals, headed by Siregar, offers the full range of products, both local and international, for Asian issuers. These include loans, local money-market products, local-currency bonds, Asian bonds and international bonds.

The team's approach is based on a combination of local knowledge and international experience. "We have a strong