



Following on the heels of POSB, Maybank Singapore has launched a new structured deposit (SD) product. The Maybank Blue Skies Structured Deposit is a 3-year SD product which requires a minimum investment of S\$10,000 and is offered until 30 March 2010.

Maybank's launch comes just 2 weeks after the Monetary Authority of Singapore (MAS) lifted the ban on the selling of structured products by Maybank and two other banks for possible mis-selling of the Minibonds linked to Lehman Brothers.

Yield

The Blue Skies SD offers a fixed annual payout of 1%, with potential for 7% bonus payouts at the end of the term. The bonus is linked to the stock market performance of five blue-chip listed companies: DBS, Keppel Corporation, Singapore Airlines, Singapore Press Holdings and Singtel. Investors are eligible for the bonus only if the stock price of each company rises at least 7.8% during the period of the SD, which translates to a maximum return of 3.33% per annum. In contrast, [POSB's Invest Equity Series 1](#) pays a bonus if each of 3 blue-chips see a 20% jump in share price at the end of nearly 5 years.

Risk

The Maybank Blue Skies SD is capital-guaranteed. However, like other structured products, the Blue Skies SD is not covered under the Deposit Insurance Act 2005 of Singapore.

Verdict

The Maybank Blue Skies SD has a basic rate of return that is even lower than POSB's SD (1% per annum over 3 years versus 1.47% over 5 years). However, POSB's SD is not capital-guaranteed and arguably offers a lower probability of a bonus payout.

Although the Blue Sky SD is not a compelling investment, it is a viable alternative to Singapore dollar fixed deposits with non-promotional interest rates hovering at 1.25% for a three-year tenure.