

Tuesday July 10, 2012

Stock Markets Rap (as of July 9)

	Close	Chg	(%)
MSCI World	1,224	-5	-0.4
Dow	12,736	-36	-0.3
Nasdaq	2,932	-6	-0.2
S&P 500	1,352	-2	-0.2
Euro Stoxx	2,228	-8	-0.3
FTSE 100	5,627	-35	-0.6
DAX	6,388	-23	-0.4
CAC	3,157	-12	-0.4
ASX 200	4,118	-40	-1.0
Nikkei	8,897	-124	-1.4
Shanghai	2,171	-53	-2.4
Hang Seng	19,428	-373	-1.9
H Shares	9,447	-232	-2.4

	Close	Chg	(%)
FTSE ASEAN	552	-9	-1.6
Singapore	2,929	-49	-1.7
Thailand	1,187	-13	-1.1
Malaysia	1,620	0	0.0
Indonesia	3,985	-70	-1.7
Philippines	5,264	-99	-1.8
Vietnam	408	-7	-1.8
Lao PDR	994	-9	-0.9
Cambodia	683	-5	-0.8

Currencies Rap (as of July 9)

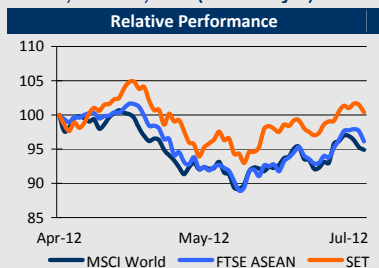
	Last	Chg	(%)
DX	83.16	-0.22	-0.26
USD/EUR	1.2303	+0.00	+0.10
JPY/USD	79.54	-0.12	-0.15
THB/USD	31.75	0.00	0.00
VND/USD	20,880	-5.00	-0.02
LAK/USD	8,026.00	+3.50	+0.04
KHR/USD	4,143.00	+8.35	+0.20
MMK/USD	883.08	-8.85	-0.99
VND/THB	657.60	-2.53	-0.38
LAK/THB	252.76	-0.88	-0.35
KHR/THB	128.00	-1.00	-0.78
MMK/THB	27.81	-0.39	-1.38

Commodities Rap (as of July 9)

	Close	Chg	(%)
Gold	1,589.10	+10.20	+0.65
Silver	27.44	+0.52	+1.95
Copper	343.15	+2.20	+0.65
WTI	85.99	+1.54	+1.82
Brent	100.32	+2.13	+2.17
BDI	1,162	+5	+0.43

Source: Bloomberg

World, ASEAN, SET (as of July 9)



Source: Bloomberg

MACRO NEWS

- EU Gives Spain More Time on Deficit, Sets Bank Aid
- Spanish Yield Tops 7%, Stocks Slip
- Draghi Signals ECB May Consider Another Rate Cut If Needed
- Obama Pushing Extension of Middle-Class Tax Cuts

CORPORATE NEWS

- Apple [AAPL:US] - Apple May Sell 6 Million Smaller iPads This Year, Analyst Says
- PepsiCo [PEP:US] - Pepsi to Sell Yogurt in U.S. in Venture With Muller

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MACRO NEWS

EU Gives Spain More Time on Deficit, Sets Bank Aid

Euro zone ministers agreed early on Tuesday to grant Spain an extra year until 2014 to reach its deficit reduction targets in exchange for further budget savings and set the parameters of an aid package for Madrid's ailing banks. The decisions were aimed at preventing the currency area's fourth largest economy, mired in a worsening recession, from needing a full state bailout which would stretch the limits of Europe's rescue fund and plunge it deeper into a debt crisis. No final figure was agreed for aid to ailing Spanish lenders, weighed down by bad debts due to a housing crash and recession, but the EU has set a maximum of 100 billion euros (\$123 billion) and some 30 billion euros would be available by the end of July if there was an urgent need. A final loan agreement will be signed on or around July 20. The European Commission proposed in return easing Madrid's deficit goal for this year to 6.3% of economic output, 4.5% for 2013 and 2.8% for 2014. The figures highlighted Spain's dramatic fiscal slippage due to a worsening recession. Madrid was originally meant to cut its budget shortfall to 4.4% this year. Prime Minister Mariano Rajoy unilaterally changed the target to 5.8% in March before eventually accepting an agreed goal of 5.3%. [\[Reuters\]](#)

Spanish Yield Tops 7%, Stocks Slip

Spain's 10-year government bond yield crept above the 7% mark—a level deemed unsustainable in the long-term—to 7.06% and the euro dipped to a two-year low against the dollar before recovering later in the session. The Stoxx Europe 600 index slipped 0.4% to 253.46. Spain's IBEX 35 index was out ahead of the rest of Europe on the losing side for most of the session. The index dropped 0.8% to 6,688.30 but had shed more than 6% at one point. Investors in Europe focused on the meeting Monday between euro-zone finance ministers and a meeting Tuesday between the Economic and Financial Affairs Council. But confidence wasn't high. [\[WSJ\]](#)

Draghi Signals ECB May Consider Another Rate Cut If Needed

European Central Bank President Mario Draghi signaled policy makers may be open to another interest- rate cut if the economic outlook warrants it. "We have to look at what the situation is, the data and the developments, and then we will make up our minds on the Governing Council what to do," Draghi told lawmakers in Brussels today when asked if the central bank could cut rates again. While the ECB never pre-commits, it will "do everything to maintain price stability -- from both sides -- in the euro area," he said. The ECB last week cut its main interest rates by 25 basis points, taking the benchmark to a record low of 0.75% and the deposit rate to zero. Policy makers next decide on rates on Aug. 2. [\[Bloomberg\]](#)

Obama Pushing Extension of Middle-Class Tax Cuts

President Barack Obama, eager to shift election-year attention away from the nation's lackluster jobs market, called on Congress Monday to extend tax cuts for only low and middle income earners while allowing taxes to increase for families that make more than \$250,000 a year. "Let's not hold the vast majority of Americans and our economy hostage while we debate the merits of another tax cut for the wealthy," said Obama. The President wants Congress to pass a one-year extension of the Bush-era tax cuts for households making less than \$250,000 before they expire at the end of the year. He said the outcome of his November election contest with Republican rival Mitt Romney would then determine the fate of the tax cuts for higher income earners. Romney supports extending the tax cuts for all income earners. The Bush-era tax cuts are due to expire at the end of the year unless Congress votes to extend them. Economists worry that across-the-board tax increases, along with automatic spending cuts also scheduled to take hold at year's end, could be a blow to the shaky U.S. economy. [\[Associated Press\]](#)

CORPORATE NEWS

Apple [AAPL:US] - Apple May Sell 6 Million Smaller iPads This Year, Analyst Says

Apple Inc. may sell 4 million to 6 million still-to-be-released smaller iPad tablets in this year's fourth-quarter holiday season, according to Piper Jaffray Cos. "We believe the smaller iPad, while potentially cannibalizing 10% of full size iPad sales, could take 30 percent of total Android tablet sales in the December quarter," Gene Munster, an analyst for Minneapolis-based Piper Jaffray, said today in a note to investors containing the forecast. Munster rates Apple overweight, the equivalent of a buy recommendation. Munster has set a target price of \$910. Apple closed on July 6 at \$605.88. Piper Jaffray previously expected the smaller iPad to be released next March. Munster said he expects the smaller iPad to make up 20% of total iPad sales in the December quarter. The product is likely to be priced at \$299 with 16 gigabytes of storage, he wrote. [\[Bloomberg\]](#)

PepsiCo [PEP:US] - Pepsi to Sell Yogurt in U.S. in Venture With Muller

PepsiCo Inc., the world's largest snack food maker, and Theo Muller Group will begin selling premium yogurt products in the U.S. through a joint venture starting this month. Muller Quaker Dairy, the partnership between Theo Muller, the largest-closely held dairy business in Germany, and Purchase, New York-based PepsiCo, will sell yogurt through supermarkets and club retailers in the Northeast and mid- Atlantic states, according to a statement Monday. Chief Executive Officer Indra Nooyi is working to turn PepsiCo into a global dairy player. The company, which sells Quaker Oats as well as its namesake soda, formed the Global Nutrition Group in 2010 to develop more products with fruits, vegetables, grains and dairy. While PepsiCo sells yogurt and milk in Russia and the Middle East, it doesn't sell dairy products in the U.S., where it generated more than half of its \$66.5 billion revenue last year. [\[Bloomberg\]](#)