

Wednesday July 11, 2012

Stock Markets Rap (as of July 10)

	Close	Chg	(%)
MSCI World	1,219	-5	-0.4
Dow	12,653	-83	-0.7
Nasdaq	2,902	-29	-1.0
S&P 500	1,341	-11	-0.8
Euro Stoxx	2,242	+14	+0.6
FTSE 100	5,664	+37	+0.7
DAX	6,438	+51	+0.8
CAC	3,175	+19	+0.6
ASX 200	4,098	-20	-0.5
Nikkei	8,858	-39	-0.4
Shanghai	2,164	-6	-0.3
Hang Seng	19,396	-32	-0.2
H Shares	9,387	-61	-0.6

	Close	Chg	(%)
FTSE ASEAN	559	+7	+1.2
Singapore	2,965	+36	+1.2
Thailand	1,204	+17	+1.5
Malaysia	1,624	+4	+0.2
Indonesia	4,010	+25	+0.6
Philippines	5,240	-23	-0.4
Vietnam	405	-3	-0.7
Lao PDR	995	+1	+0.1
Cambodia	677	-5	-0.8

Currencies Rap (as of July 10)

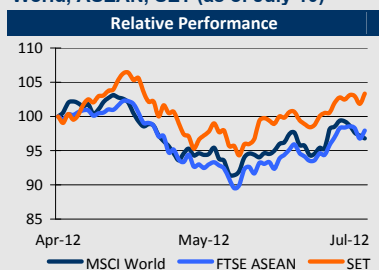
	Last	Chg	(%)
DX	83.40	+0.24	+0.29
USD/EUR	1.2308	+0.00	+0.04
JPY/USD	79.45	-0.09	-0.11
THB/USD	31.64	-0.11	-0.35
VND/USD	20,880	0.00	0.00
LAK/USD	8,021.00	-5.00	-0.06
KHR/USD	4,086.95	-56.05	-1.35
MMK/USD	882.22	-0.87	-0.10
VND/THB	660.03	+2.43	+0.37
LAK/THB	253.55	+0.79	+0.31
KHR/THB	128.50	+0.50	+0.39
MMK/THB	27.89	+0.08	+0.28

Commodities Rap (as of July 10)

	Close	Chg	(%)
Gold	1,579.80	-9.3	-0.59
Silver	26.88	-0.56	-2.05
Copper	339.8	-3.35	-0.98
WTI	83.91	-2.08	-2.42
Brent	97.97	-2.35	-2.34
BDI	1,160	-2	-0.17

Source: Bloomberg

World, ASEAN, SET (as of July 10)



Source: Bloomberg

MACRO NEWS

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- Italy May Need Bailout Fund Help to Cut Spreads
- U.K. Manufacturing Unexpectedly Jumps on Work-Day Boost: Economy
- Fitch affirms U.S. AAA Credit Rating, Outlook Still Negative
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CORPORATE NEWS

- Apple [AAPL:US] - Apple Chasing Asia Sales Says Next iPad Arrives in China
- PetroChina [857:HK] - China in 3rd Fuel Price Cut Since May, Demand Tepid

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MACRO NEWS

German High Court's ESM, Fiscal Pact Decision May Take Months

Germany's top court said a decision on whether to suspend legislation for the euro bloc's permanent bailout fund and fiscal treaty could take months rather than weeks due to the complexity of the ruling. The Federal Constitutional Court heard arguments Tuesday on whether to put German approval of the European Stability Mechanism and fiscal pact on hold until it rules on their legality. Both houses of parliament approved the new laws on June 29 with a two-thirds majority. The complaints targeting the ESM and fiscal pact were brought by a group of lawmakers, academics and political groups filing separate suits seeking an injunction. They argue that the legislation designed to overcome the three-year-old debt crisis transfers constitutionally mandated authority from German lawmakers to Brussels and undermines democratic rule. German Finance Minister warned that a delay in the activation of the ESM "could lead to a significant worsening of the current crisis." An injunction "could mean huge broader uncertainty in markets far beyond Germany and a huge loss of confidence in the euro area -- and in its ability to make necessary decisions in sufficient time," [\[Bloomberg\]](#)

Italy May Need Bailout Fund Help to Cut Spreads

Italian Prime Minister Mario Monti reiterated Tuesday that Italy won't need a Greek-style bailout but suggested that the country might at some point need the European Stability Mechanism, or ESM, to buy Italian bonds and keep soaring yield spreads under control. "It wouldn't be prudent to say that Italy will never need to use that fund," Mr. Monti told. The Italian premier, however, confirmed that Italy won't be asked to comply with further country-specific commitments in case it decides to activate the so-called stabilization mechanism, which was brokered at a key EU summit at the end of June and backed by Eurogroup members in a final statement earlier Tuesday. The Italian premier fought hard at a June 28-29 meeting of euro-zone leaders to allow the region's bailout funds to be used more flexibly to help nations like Italy and Spain reverse surging bond yields. [\[WSJ\]](#)

U.K. Manufacturing Unexpectedly Jumps on Work-Day Boost: Economy

U.K. manufacturing unexpectedly surged the most in a year in May, boosted by an additional working day after the government moved a public holiday to June. Factory output rose 1.2% from April, when it fell 0.8%, the Office for National Statistics said Tuesday. The median forecast of 26 economists was for a decline of 0.1%. Italian industrial output also unexpectedly increased in May, gaining 0.8% from April, when it fell 1.9%. French industrial production dropped. [\[Bloomberg\]](#)

Fitch affirms U.S. AAA Credit Rating, Outlook Still Negative

Fitch Ratings on Tuesday affirmed its AAA credit rating on the United States and maintained a negative outlook, citing a diversified and wealthy economy that is undermined by the government's inability to agree on deficit reduction measures. "The uncertainty over tax and spending policies associated with the so-called 'fiscal cliff' weighs on the near-term economic outlook," Fitch said in a statement. A negative outlook gives Fitch 12 to 18 months by which it is expected to make a decision on the U.S. sovereign credit, pushing a decision well beyond the next presidential and congressional election cycle. "Absent material adverse shocks, Fitch does not expect to resolve the Negative Outlook until late 2013," Fitch said. [\[Reuters\]](#)

China Imports Disappoint, Exports Slow

China's imports grew at a weaker-than-expected rate in June while exports also slowed, according to data out Tuesday, adding to growing evidence of a deepening slowdown and raising pressure on policy makers for more direct stimulus. Imports grew 6.3% in June from a year earlier, versus expectations for an 11.3% rise tipped in a Dow Jones poll, and below a 12.7% gain in May, according to official data. Export shipments grew 11.3% for the month, ahead of the 9% rise expected, but down from May's 15.3% rise. Tuesday's data also showed the monthly trade surplus grew to \$31.7 billion during the month, sharply higher than the \$24.4 billion trade surplus expected, and well above the \$18.7 billion surplus recorded in May. [\[MarketWatch\]](#)

CORPORATE NEWS

Apple [AAPL:US] - Apple Chasing Asia Sales Says Next iPad Arrives in China

Apple said the latest iPad will arrive in China on July 20, working to extend its lead in the tablet market by courting new business in the world's most populous nation. The new iPad, which went on sale in the U.S. in March, will cost \$499 to \$829, depending on the amount of memory and the device's wireless-connection compatibility, Cupertino, California-based Apple said yesterday in a statement. China has become Apple's second-biggest market after the U.S., as rising wages give Chinese citizens more disposable income to spend on iPhones, iPads and Mac computers. China accounted for \$7.9 billion of Apple's \$39.2 billion sales in the fiscal second quarter, which ended March 31. That was more than triple the company's sales in the country a year earlier. The iPad is Apple's second-best selling product behind the iPhone, accounting for 17% of sales in the second quarter. Apple, the world's largest company by market value, will report third-quarter results on July 24. [\[Bloomberg\]](#)

PetroChina [857:HK] - China in 3rd Fuel Price Cut Since May, Demand Tepid

China, the world's second-largest user of fuel, will cut retail prices by around 5% from Wednesday, its third reduction in just over two months and a move that leaves refiners in the red but may lure consumers back to the pumps. Oil demand in China, which still makes up nearly half of the incremental global total, posted its first yearly fall in at least three years in April and edged up just 0.8% in May as economic growth slowed. The latest cut would bring the reductions to a combined 13 to 14% since early May, which came off record highs of about \$1.22 per litre for diesel and \$1.17 for gasoline. The cut could also deal a blow to refiners such as China Petroleum and Chemical Corp (Sinopec Corp) and PetroChina, who are struggling to recoup crude costs amid a downward spiral in oil prices. The much anticipated price cut has prompted some analysts to slash earnings outlooks for refining giant Sinopec. [\[Reuters\]](#)