

Monday May 14, 2012

Stock Markets Rap (as of May 11)

	Close	Chg	(%)
MSCI World	1,242	-3	-0.2
Dow	12,821	-34	-0.3
Nasdaq	2,934	+0	+0.0
S&P 500	1,353	-5	-0.3
Euro Stoxx	2,255	+7	+0.3
FTSE 100	5,576	+32	+0.6
DAX	6,580	+62	+1.0
CAC	3,130	-0	-0.0
ASX 200	4,285	-10	-0.2
Nikkei	8,953	-56	-0.6
Shanghai	2,395	-15	-0.6
Hang Seng	19,965	-263	-1.3
H Shares	10,143	-147	-1.4

	Close	Chg	(%)
FTSE ASEAN	563	-2	-0.4
Singapore	2,883	-20	-0.7
Thailand	1,191	+0	+0.0
Malaysia	1,584	-4	-0.2
Indonesia	4,114	-19	-0.5
Philippines	5,158	-34	-0.7
Vietnam	480	-6	-1.2
Lao PDR	1,035	0	0.0
Cambodia	774	-38	-4.6

Currencies Rap (as of May 11)

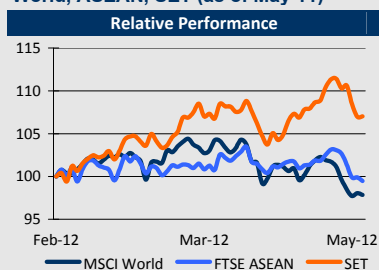
	Last	Chg	(%)
DX	80.26	+0.15	+0.19
USD/EUR	1.2917	-0.00	-0.19
JPY/USD	79.94	+0.24	+0.30
THB/USD	31.20	+0.06	+0.19
VND/USD	20,845	+5.00	+0.02
LAK/USD	8,004.00	-2.00	-0.02
KHR/USD	4,025.00	0.00	0.00
MMK/USD	827.75	+1.57	+0.19
VND/THB	667.68	-1.88	-0.28
LAK/THB	256.62	-0.48	-0.19
KHR/THB	129.00	0.00	0.00
MMK/THB	26.54	+0.01	+0.03

Commodities Rap (as of May 11)

	Close	Chg	(%)
Gold	1,584.00	-11.50	-0.72
Silver	28.89	-0.29	-0.99
Copper	364.80	-4.25	-1.15
WTI	96.13	-0.95	-0.98
Brent	112.26	-0.47	-0.42
BDI	1,138	-8	-0.70

Source: Bloomberg

World, ASEAN, SET (as of May 11)



Source: Bloomberg

MACRO NEWS

- China Cuts Reserve Ratio After Data Signals Slowdown
- China Economy Shows Unexpected Signs of Weakness
- US Consumer Sentiment At 4-year High in Early May
- Euro Nations' Credit Ratings at Risk from Greek Exit, Fitch Says

CORPORATE NEWS

- JPMorgan [JPM:US] - Fitch Cuts JPMorgan Rating as S&P Calls Outlook Negative
- Google [GOOG:US] - ComScore: Google's Share Of US Internet Searches Edged Up In April

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MACRO NEWS

China Cuts Reserve Ratio After Data Signals Slowdown

China's central bank on Saturday lowered the level of reserves that banks must hold, a move to support growth after a spate of data earlier this week revealed weakening economic momentum. The People's Bank of China said Saturday it will cut the reserve-requirement ratio by 0.5%, effective from May 18, which will free up funds to be loaned out by the banking system. It is the third cut in the reserve ratio so far in the current cycle of monetary-policy loosening, with the previous two cuts in November and February. The ratio, or the level of deposits that banks must hold in reserve rather than lend out, will decline to 20% after the latest cut takes effect. [\[WSJ\]](#)

China Economy Shows Unexpected Signs of Weakness

China's economy stuttered unexpectedly in April with lower than expected output data, softening retail sales and easing prices suggesting economic headwinds might be stiffer than thought, requiring more robust policy responses to counter them. Chinese banks made 681.8 billion yuan worth of new loans in April, well below market forecasts of 800 billion yuan. Annual growth in China's broad M2 measure of money supply eased to 12.8%, below Beijing's 14% annual target. Industrial production rose by 9.3% in April, the lowest level since May 2009, while retail sales growth slowed to 14.1%, the weakest in 14 months. Fixed asset investment rose by 20.2% in the first 4 months of the year, the slowest level since December 2002. Annual consumer inflation moderated to 3.4% in April from 3.6% in March, while food prices - which are of most concern for China's people and policymakers - rose by 7%, compared with 7.5% in March. April's producer price index (PPI) dropped by 0.7% after a 0.3% drop in March, overshooting expectations. [\[Reuters\]](#)

US Consumer Sentiment At 4-year High in Early May

U.S. consumer sentiment rose to its highest level in more than four years in early May as Americans were upbeat about the job market and buying plans improved, a survey showed on Friday, offering an encouraging sign for the economic recovery. Separate data earlier in the day showed U.S. producer prices unexpectedly fell in April as energy costs dropped the most in six months, a sign of easing inflation pressures that could give the Federal Reserve more room to help the economy should growth weaken. The preliminary May reading on the overall index on consumer sentiment improved to 77.8 from 76.4 in April, topping forecasts for a small decline to 76.2. It was the highest level since January 2008. Also on Friday, the Labor Department said its seasonally adjusted producer price index dropped 0.2% last month. That was the first drop this year and the biggest decline since October. Economists polled by Reuters had expected prices at farms, factories and refineries to be flat last month. [\[Reuters\]](#)

Euro Nations' Credit Ratings at Risk from Greek Exit, Fitch Says

Fitch Ratings said all euro-area countries would be placed at risk of a downgrade if Greece drops out of the 17-nation currency union. The risk of a Greek euro exit would increase if the country forms a new government opposed to the terms of the existing bailout, Fitch said in a statement Friday. Elections in June, following the possible collapse of coalition talks after the May 6 ballot, will be a "critical event" for Greece and the euro area. "In the event of Greece leaving EMU, either as a result of the current political crisis or at a later date as the economy fails to stabilize, Fitch would likely place the sovereign ratings of all the remaining euro-area member states on rating watch negative as it re-assessed the systemic and country-specific implications of a Greek exit," Fitch said in a statement. [\[Bloomberg\]](#)

CORPORATE NEWS

JPMorgan [JPM:US] - Fitch Cuts JPMorgan Rating as S&P Calls Outlook Negative

JPMorgan Chase & Co.'s long-term issuer default rating was cut to A+ from AA-, and the short-term grade was lowered to F1 from F1+, Fitch said Friday. Fitch placed all parent and subsidiary long-term ratings on rating watch negative. Standard & Poor's cited the possibility of broader problems with JPMorgan's hedging strategies, which the credit rater said isn't "consistent with what we have viewed as the company's sound risk-management practices." A downgrade might result if the missteps prove to be wider, or if management "is pursuing a more aggressive investment strategy than we originally believed" and misses financial targets, according to an S&P statement. S&P affirmed JPMorgan's A rating. JPMorgan is under review by Moody's Investors Service for a possible two-level downgrade. The credit rater said in February it was examining 17 lenders and securities firms with global capital-market operations. Morgan Stanley, Credit Suisse Group AG and UBS AG may be reduced three levels, Moody's said. Analysts said before Dimon spoke that the industry-wide cuts could push more business to JPMorgan, Credit Suisse, Goldman Sachs Group Inc. and Deutsche Bank AG because they'd be left with some of the highest grades if Moody's goes through with all its maximum reductions. [\[Bloomberg\]](#)

Google [GOOG:US] - ComScore: Google's Share Of US Internet Searches Edged Up In April

Google Inc. (GOOG) slightly increased its leading market share among U.S. Internet-search engines last month, while Microsoft Corp.'s (MSFT) Bing search engine also gained market share, according to market researcher comScore Inc. (SCOR). Google's U.S. market share rose 0.1% to 66.5% in April from the prior month. Microsoft's share also edged up 0.1% to 15.4% last month. Yahoo Inc.'s (YHOO) sites remained in the No. 3 spot, slipping 0.2% to 13.5%. IAC/InterActiveCorp.'s (IACI) Ask.com's share and AOL Inc.'s (AOL) shares were unchanged at 3% and 1.6%, respectively. Americans conducted 17.1 billion core search queries last month, down from 18.36 billion in March. Google again ranked first, with 11.4 billion searchers, followed by Microsoft, with 2.6 billion, and Yahoo with 2.3 billion. [\[WSJ\]](#)