

October 25, 2012

Stock Markets Rap

	Close	Chg	(%)
MSCI World	1,271.85	-2.5	-0.2%
Dow	12,756.18	-58.9	-0.5%
Nasdaq	2,883.89	-20.4	-0.7%
S&P 500	1,374.53	-5.5	0.8%
Euro Stoxx	2,493.14	19.6	0.8%
FTSE 100	5,786.25	19.0	0.3%
DAX	7,169.12	0.4	0.0%
CAC	3,430.60	18.9	0.6%
ASX 200	4,379.80	-68.2	-1.5%
Nikkei	8,661.05	-15.4	-0.2%
Shanghai	2,047.89	-31.4	-1.5%
Hang Seng	21,188.65	-241.6	-1.1%
H Shares	10,230.07	-213.4	-2.0%
	Close	Chg	(%)
FTSE ASEAN	586.24	-0.5	-0.1%
Singapore	3,007.57	-2.0	-0.1%
Thailand	1,289.07	-5.4	-0.4%
Malaysia	1,637.59	-3.5	-0.2%
Indonesia	4,332.08	13.5	0.3%
Philippines	5,455.92	-14.8	-0.3%
Vietnam	385.22	-3.4	-0.9%
Lao PDR	1,168.98	18.3	1.6%
Cambodia	666.67	0.0	0.0%

Currencies Rap

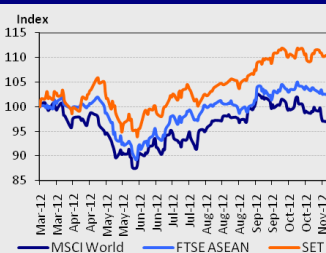
	Last	Chg	(%)
DX	81.08	0.0	0.1%
USD/EUR	1.27	-0.0	-0.3%
JPY/USD	79.47	0.0	0.0%
THB/USD	30.68	0.0	0.1%
VND/USD	20,845.00	-3.0	-0.0%
LAK/USD	8,018.25	0.4	0.0%
KHR/USD	3,992.00	-9.9	-0.2%
MMK/USD	850.25	-0.2	-0.0%
VND/THB	679.54	-0.9	-0.1%
LAK/THB	261.36	-0.3	-0.1%
KHR/THB	679.54	-0.9	-0.1%
MMK/THB	27.71	-0.0	-0.1%

Commodities Rap

	Close	Chg	(%)
Gold	1,726.67	-10.20	-0.6%
Silver	32.40	-0.30	-0.9%
Copper	348.30	0.40	0.1%
WTI	85.38	-0.19	-0.2%
Brent	108.26	-0.81	-0.7%
BDI	985.00	20.00	2.1%

World, ASEAN, SET

Relative Performance



MACRO NEWS

- US : Chicago Luxury Homes Rebound as Foreclosures Plague South Side
- EU : German Investor Confidence Unexpectedly Fell in November
- EU : U.K. Inflation Quickens More Than Forecast on Tuition Fees

CORPORATE NEWS

- Goldman Sachs [GS:US]: Goldman's Risk-Weighted Assets Seen Jumping Under New Rules
- Cisco [CSCO:US]: Cisco Profit Exceeds Estimates as Price Cuts Spur Sales
- BofA [BAC:US]: Bank of America Offers to Buy MBIA Bonds to Block Amendment
- PetroChina [857:HK]: PetroChina Profit Squeeze Erodes Ratings Helping Putin

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MACRO NEWS**Chicago Luxury Homes Rebound as Foreclosures Plague South Side**

Belgravia Group Ltd., which started construction about a month ago on a Chicago row-house development, is charging almost \$1 million for each of the 14 Lincoln Park homes as buyer demand surges in the neighborhood. A rebound in residential construction is taking hold in such Chicago areas as West Loop and the upscale Lincoln Park, driven by a supply shortage and slowly improving economy, even as the third-largest U.S. metropolitan area remains plagued by foreclosures and a surge in homicides that's hurting home sales in some neighborhoods. Developers began construction on 90 units of for-sale housing in Chicago this year through September, and the total for all of 2012 will probably be about 150. For-sale housing starts in the city of 2.7 million fell last year to 38 units, the lowest in data going back to 2004. In 2006, construction starts on single-family homes, townhouses and condominium units totaled 11,485, the highest for years tracked by Huecksteadt. [Bloomberg]

German Investor Confidence Unexpectedly Fell in November

German investor confidence unexpectedly declined in November as the sovereign debt crisis curbs growth in Europe's largest economy. The ZEW Center for European Economic Research in Mannheim said its index of investor and analyst expectations, which aims to predict economic developments six months in advance, fell to minus 15.7 from minus 11.5 in October. That's the first drop since August. Economists forecast an increase to minus 10, according to the median of 43 estimates in a Bloomberg News survey. Today's report is the latest to suggest that the debt crisis is finally taking its toll on Germany. Exports, factory orders and industrial production all fell more than forecast in September. Growth ground to a near standstill in the third quarter, according to a Bloomberg survey of economists, and the Bundesbank says the deterioration probably continued in the fourth. [Bloomberg]

U.K. Inflation Quickens More Than Forecast on Tuition Fees

U.K. inflation accelerated more than economists forecast in October as higher university tuition fees pushed consumer-price growth away from the Bank of England's target. Consumer prices rose 2.7 percent from a year earlier, the fastest since May, compared with a near three-year low of 2.2 percent in September, the Office for National Statistics said in London today. Inflation was forecast to quicken to 2.4 percent, based on the median of 36 estimates in a Bloomberg News survey. The figures come on the eve of the Bank of England's quarterly Inflation Report, which may incorporate Governor Mervyn King's view that annual price gains could remain above the central bank's 2 percent target "well into next year." The report, which presents new projections, will also signal how the bank balances the outlook for inflation against the risk of a relapse in growth after policy makers halted expansion of their bond-purchase program last week. [Bloomberg]

CORPORATE NEWS**Goldman's Risk-Weighted Assets Seen Jumping Under New Rules**

Goldman Sachs Group Inc. (GS), the fifth- biggest U.S. bank by assets, would have \$728 billion in risk- weighted assets under new capital rules, a 67 percent jump from the amount it had under earlier regulations. The investment bank plans to cut the figure to \$700 billion by the end of next year, Chief Executive Officer Lloyd C. Blankfein said at an investor conference in New York. About \$18 billion of the reduction will come from cutting credit risk, and \$11 billion from market risk. The comments mark Goldman Sachs's first public estimate of how new Basel III rules have increased the risks the firm must assign to its assets, a factor in determining the size of the company's capital buffer. While larger banks such as Citigroup Inc. and JPMorgan (JPM) Chase & Co. face a smaller jump in RWAs, they will have to hold more capital against those assets based on their size and business mix. [Bloomberg]

Cisco Profit Exceeds Estimates as Price Cuts Spur Sales

Cisco Systems Inc. (CSCO), the biggest maker of computer networking equipment, reported quarterly profit that exceeded analysts' estimates as price reductions helped spur sales and cost cuts kept margins intact. Profit excluding some costs was 48 cents a share in the first fiscal quarter, which ended Oct. 27, Cisco said in a statement today. That compares with analysts' average estimate for 46 cents a share. Chief Executive Officer John Chambers boosted profit by cutting costs, shutting businesses and reducing prices to win back sales lost to Hewlett-Packard Co. (HPQ) and Arista Networks Inc. Cisco's pricing and job cuts appeared to drive earnings growth, pleasing some investors while highlighting concerns about the company's ability to maintain profit margins. [Bloomberg]

Bank of America Offers to Buy MBIA Bonds to Block Amendment

Bank of America Corp. (BAC) is seeking to buy the majority of \$329 million of MBIA Inc. (MBI) bonds to block the insurer's efforts to distance itself from a cash-strapped unit that sold products protecting the lender from losses on more than \$6 billion of debt. MBIA fell the most in three years. Bank of America's bid follows a move by MBIA last week to persuade bondholders to change the terms governing almost \$900 million in bonds, which would prevent a regulatory seizure of its MBIA Insurance Corp. unit from dragging the parent into bankruptcy. That would leave policyholders including Bank of America holding guarantees from an insurer that can't make good on claims. [Bloomberg]

PetroChina Profit Squeeze Erodes Ratings Helping Putin

PetroChina Co. (857) is losing the support of analysts who say earnings growth at Asia's biggest oil producer is stunted by its unprofitable natural-gas imports. China's growing appetite for gas is squeezing the company more than competitors, pushing it to seek cheaper imports from exporters such as Russia. State-controlled PetroChina, which trades in Hong Kong, Shanghai and the U.S., is forced to import more natural gas every year for resale in the world's largest energy market at below-market prices. The Chinese government curbs fuel costs for industries from power generation to fertilizer manufacturing to help limit inflation. The company will face increased pressure to do import deals involving Russian President Vladimir Putin or foreign operators in the U.S., which is years ahead in using advanced techniques to extract gas from rock formations that previously were off limits to explorers. [Bloomberg]