

Monday July 16, 2012

Stock Markets Rap (as of July 13)

	Close	Chg	(%)
MSCI World	1,226	+18	+1.5
Dow	12,777	+204	+1.6
Nasdaq	2,908	+42	+1.5
S&P 500	1,357	+22	+1.6
Euro Stoxx	2,259	+31	+1.4
FTSE 100	5,666	+58	+1.0
DAX	6,557	+138	+2.1
CAC	3,181	+46	+1.5
ASX 200	4,082	+14	+0.4
Nikkei	8,724	+4	+0.0
Shanghai	2,186	+0	+0.0
Hang Seng	19,093	+68	+0.4
H Shares	9,237	+70	+0.8

	Close	Chg	(%)
FTSE ASEAN	559	+5	+0.9
Singapore	2,996	+24	+0.8
Thailand	1,210	+17	+1.4
Malaysia	1,626	+1	+0.1
Indonesia	4,020	+36	+0.9
Philippines	5,215	+9	+0.2
Vietnam	417	+8	+2.0
Lao PDR	1,006	0	0.0
Cambodia	677	0	0.0

Currencies Rap (as of July 13)

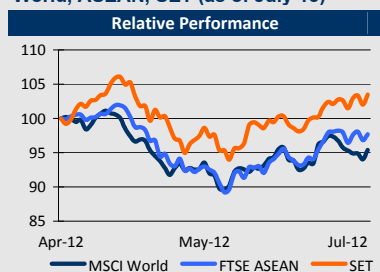
	Last	Chg	(%)
DX	83.35	-0.31	-0.37
USD/EUR	1.2249	+0.01	+0.49
JPY/USD	79.18	-0.14	-0.18
THB/USD	31.57	-0.25	-0.79
VND/USD	20,860	-10.00	-0.05
LAK/USD	8,030.50	+4.50	+0.06
KHR/USD	4,111.55	-19.90	-0.48
MMK/USD	883.21	-5.18	-0.58
VND/THB	659.24	+3.26	+0.50
LAK/THB	253.73	+1.46	+0.58
KHR/THB	128.00	0.00	0.00
MMK/THB	27.91	-0.02	-0.07

Commodities Rap (as of July 13)

	Close	Chg	(%)
Gold	1,592.00	+26.70	+1.71
Silver	27.37	+0.21	+0.77
Copper	350.40	+8.90	+2.61
WTI	87.10	+1.02	+1.18
Brent	102.40	+1.33	+1.32
BDI	1,110	-11	-0.98

Source: Bloomberg

World, ASEAN, SET (as of July 13)



Source: Bloomberg

MACRO NEWS

- China Eases Taxes for Foreign Firms to Boost Investment
- China: Slowing Chinese Growth Meets Forecasts
- Italy Shrugs Off Downgrade, Bond Yields Fall at Auction
- US Producer Prices Edge Up, Consumer Sentiment Cools

CORPORATE NEWS

- JPMorgan [JPM:US]** - JP Morgan 2Q Profit Down 8.7%, Revenue Falls; Whale Losses \$4.4 Billion
- SingTel [Z74:SP]** - SingTel Jumps to Three-Year High on Dividend
- PetroChina [857:HK]** - China Crude Refining Falls to Eight-Month Low as Fuel Prices Cut
- China Mobile [941:HK]** - China Mobile Develops NFC Phones

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MACRO NEWS

China Eases Taxes for Foreign Firms to Boost Investment

China will cut taxes on the profits that foreign companies take out of the country by up to 50% after rules on withholding taxes were relaxed to encourage more overseas investment. The move will also apply to dividends paid by Chinese listed companies to foreign shareholders through the Qualified Foreign Institutional Investor scheme. In both cases, the lower tax rates will apply only to companies and shareholders based in countries, such as the UK, that have double taxation agreements with China. The changes could save companies billions of dollars worth of tax payments, which might initially lead them to repatriate more profits, but ultimately should provide incentives for more investments, according to experts at KPMG. US companies, however, cannot benefit as they are taxed on a global basis by US authorities. The effect will be to make it much simpler and quicker to cut withholding taxes paid on dividends from 10% to as little as 5%, depending on the owner's country of residence. [\[CNBC\]](#)

China: Slowing Chinese Growth Meets Forecasts

China's economy grew 7.6% in the year to June according to the official statistical agency. It is the sixth straight quarter that growth has decelerated, and leaves Chinese GDP expanding at the slowest pace in three years. The 7.6% growth compares to an 8.1% expansion reported for the year to the end of March. Economist estimates for China's economic growth in the year to June 30 ranged from 7.3-8%, with 7.7% the median estimate. China's statistics bureau also released data on industrial production and retail sales, which both came in close to expectations. Ahead of Friday's data release, the Bank of China's chief economist said he expected a soft landing for China, given the recent interest rate cuts by the central bank. [\[ABC News\]](#)

Italy Shrugs Off Downgrade, Bond Yields Fall at Auction

Italy passed a tough market test on Friday as its three-year borrowing costs fell well below 5% at an auction hours after Moody's cut the country's rating to two notches above junk status. The U.S. rating agency surprised markets on Friday by lowering Italy's sovereign debt rating to Baa2. [\[CNBC\]](#)

US Producer Prices Edge Up, Consumer Sentiment Cools

U.S. consumer sentiment cooled again in early July to its lowest level in seven months as Americans took a dim view of their finances and job prospects, a survey released on Friday showed. Separately, producer prices rose only slightly last month as energy costs dropped, suggesting inflation pressures remain muted and leaving the door open for more easing by the Federal Reserve. It was the second month in a row that consumer sentiment eroded after a streak of gains that started in September. The Thomson Reuters/University of Michigan's preliminary reading on the overall index on consumer sentiment fell to 72.0 from 73.2 in June, frustrating economists' expectations for a slight gain to 73.4. It was the lowest level since December 2011. The Labor Department said on Friday seasonally adjusted producer prices rose 0.1% last month. Analysts polled by Reuters expected the index to drop 0.5%. The increase was driven by gains in consumer goods like household appliances, light trucks and pet food. [\[CNBC\]](#)

CORPORATE NEWS

JPMorgan [JPM:US] - JP Morgan 2Q Profit Down 8.7%, Revenue Falls; Whale Losses \$4.4 Billion

J.P. Morgan reported a profit of \$4.96 billion, down from \$5.43 billion a year earlier. On a per-share basis, earnings were \$1.21 versus \$1.27. Analysts expected a per-share profit of 70 cents. Overall, the bank's second-quarter earnings fell 8.7%-o-y, as the bank saw a 16% decline in revenue. Just prior to releasing its results early Friday, the bank said it would reduce its previously reported first-quarter profit by 8.5%, or \$459 million. Revenue on a managed basis fell 16% to \$22.89 billion. Analysts were looking for \$21.79 billion. Results for JP Morgan were weaker than the prior and year-ago quarters, reflecting a common seasonal decline for financial services in addition to what industry watchers say is a particularly weak period in the industry as the economy and markets have struggled. [\[WSJ\]](#)

SingTel [Z74:SP] - SingTel Jumps to Three-Year High on Dividend

Singapore Telecommunications Ltd. climbed toward its highest level in almost three years on speculation Southeast Asia's biggest phone company may increase its dividend payout to shareholders. SingTel, as the company is known, climbed 2.1% to S\$3.44 as of 12:50 p.m. in Singapore, heading for its highest close since August 2009. The stock has risen 11% this year, compared with a 13% advance for the benchmark Straits Times Index. "There's a good chance SingTel will pay a special dividend," said Carey Wong, an analyst at OCBC Investment Research. [\[Bloomberg\]](#)

PetroChina [857:HK] - China Crude Refining Falls to Eight-Month Low as Fuel Prices Cut

China processed oil at the slowest rate in eight months in June as the government cut fuel prices amid the weakest quarterly economic growth in three years. Refining slid to 8.79 million barrels a day last month, the least since October and down 3.4% from May, according to data from the National Bureau of Statistics in Beijing Friday. Economic growth slowed for a sixth quarter to 7.6% in the three months ended June, the lowest rate since the first quarter of 2009, the report showed. The government lowered gasoline and diesel tariffs on June 9, following a reduction on May 10, after international crude costs fell. It cut prices again on July 11. Utilization rates at China's biggest refineries as of June 7 were at 82.1% of capacity, down 4.2% from two weeks previously, amid "high" oil-product stockpiles. [\[Bloomberg\]](#)

China Mobile [941:HK] - China Mobile Develops NFC Phones

China Mobile Ltd, the world's biggest mobile operator by subscriber base, said on July 11 that it successfully developed the first TD-SCDMA 3G mobile phone supporting the Near Field Communication technology. NFC is a short-range communication technology that can be incorporated into mobile phones to perform functions such as paying for goods or swapping information. [\[China Daily\]](#)