

Monday March 19, 2012

Stock Markets Rap (as of Mar 16)

	Close	Chg	(%)
Dow	13,233	-20	-0.2
Nasdaq	3,055	-1	-0.0
S&P 500	1,404	+2	+0.1
VIX	14.47	-0.95	-6.2
MSCI World	1,321	+7	+0.5

	Close	Chg	(%)
FTSE 100	5,966	+25	+0.4
DAX	7,158	+13	+0.2
CAC	3,595	+15	+0.4
Euro Stoxx	2,536	+11	+0.4

	Close	Chg	(%)
ASX 200	4,276	-2	-0.0
Nikkei	10,130	+7	+0.1
Shanghai	2,405	+31	+1.3
HSI	21,318	-36	-0.2
H Shares	11,216	-24	-0.2

	Close	Chg	(%)
STI	3,011	-15	-0.5
Malaysia	1,571	-8	-0.5
PSEi	5,146	+114	+2.3
SET	1,190	+18	+1.6
LSX	951	+9	+0.9
Vietnam	439	-3	-0.8
Indonesia	4,029	-11	-0.3
FTSE ASEAN	574	+1	+0.3

Currencies Rap (as of Mar 16)

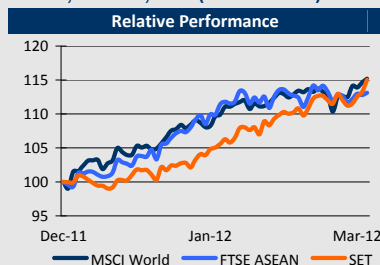
	Last	Chg	(%)
DX	79.79	-0.36	-0.45
THB/USD	30.73	+0.01	+0.03
LAK/THB	260.55	+0.05	+0.02
LAK/USD	7,999.00	-7.50	-0.09
USD/EUR	1.3175	+0.01	+0.56
JPY/USD	83.44	+0.11	+0.13

Commodities Rap (as of Mar 16)

	Close	Chg	(%)
Gold	1,655.80	-3.70	-0.22
Silver	32.60	-0.12	-0.37
Copper	387.80	-1.95	-0.50
WTI	107.06	+1.95	+1.86
Brent	125.81	+2.26	+1.83
BDI	874	+8	+0.92

Source: Bloomberg

World, ASEAN, SET (as of Mar 16)



Source: Bloomberg

MACRO NEWS

- US Gasoline Pushes up US Inflation, Dents Confidence
- China Home Prices Fall in More Than Half Cities Tracked

CORPORATE NEWS

- Apple [AAPL:US] - Apple to Host Call Monday Morning on Cash Holdings
- Citigroup [C:US] - Fed Acknowledges Error in Citi's Stress Test
- McDonald's [MCD:US] - McDonald's, Carrefour Apologize to Chinese Consumers
- Google [GOOG:US] - Google Gives Search a Refresh
- China Mobile [941:HK] - iPhone Can Lift China Mobile Sales by 12% in 2014

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MACRO NEWS

US Gasoline Pushes up US Inflation, Dents Confidence

U.S. consumer prices rose the most in 10 months in Feb as the cost of gasoline spiked, but there was little sign that underlying inflation pressures were building up. Surging gasoline prices put a small dent in consumer confidence. Consumer Price Index rose 0.4% in Feb after advancing 0.2% in January. Gasoline accounted for more than 80% of the rise. Thomson Reuters/University of Michigan index on consumer sentiment down to 74.3 early this month from 75.3 in Feb. Other data on Friday showed the economy continues to expand moderately. Production at the nation's mines, factories and utilities held steady last month after a 0.4% gain in January, the Fed said. Manufacturing output rose 0.3%, even as automakers cut production by 1.1% after two big monthly gains. Carmakers had raised production to meet pent-up demand for popular models. [\[Reuters\]](#)

China Home Prices Fall in More Than Half Cities Tracked

China's February home prices fell in more than half of the 70 cities monitored by the government with only three cities recording gains as the country maintained curbs on the property market. Prices fell in 45 cities last month as compared with January, while 22 cities were unchanged, the National Statistics Bureau said Sunday. That compares with 47 cities recording a decline in January. New home prices in the cities of Shanghai, Beijing, Shenzhen and Guangzhou dropped for a fifth month. February new home prices in Beijing fell 0.1% from January, while prices dropped by 0.2% in Shanghai. Existing home prices in Beijing and Shanghai both dropped 0.2% from January. [\[Bloomberg\]](#)

CORPORATE NEWS

Apple [AAPL:US] - Apple to Host Call Monday Morning on Cash Holdings

Apple Inc said it would host a conference call on Monday morning to discuss the outcome of discussions about its cash balance as investors clamor for a return from its massive holdings. Apple has \$98 billion in cash and securities, sparking calls by investors to put the huge hoard to work. ISI Group analyst Brian Marshall said the cash balance equates to \$104 a share. Analysts have said the return of cash to shareholders could take the form of a one-time dividend or share buyback to address a longstanding desire on the part of investors, while potentially opening the stock to a new class of investors who seek a dividend yield. ISI's Marshall said a dividend would drive additional stock purchases from top 20 dividend mutual funds and other investors as they make Apple a top holding. Marshall said a dividend could be as high as \$14.65 per share annually. [\[Reuters\]](#)

Citigroup [C:US] - Fed Acknowledges Error in Citi's Stress Test

The Federal Reserve made an error in its stress test of Citigroup that led it to overstate a crucial measurement of losses on the bank's mortgages, the central bank acknowledged on Friday. The Fed also issued corrections for Bank of America, Ally Financial, MetLife and Wells Fargo. It said the corrections did not change the capital ratios projected by the stress tests, which estimated the losses that a bank could bear amid situations that include a severe recession and a market meltdown. The Fed projected losses on Citigroup's first-lien home loans that would be equivalent to 9.7% of its total mortgages. But the Fed now says that the loss rate is 9.3%. The change occurred after the Fed moved projected losses on Citigroup's foreign mortgages to another category. As a result, the 9.3% loss rate is just for mortgages in the United States. The change seems small but it signals that the Fed failed to include nearly \$40 billion of foreign mortgages in its loss-rate calculation for Citigroup's mortgage. [\[The New York Times\]](#)

McDonald's [MCD:US] - McDonald's, Carrefour Apologize to Chinese Consumers

CCTV reported late Thursday that a Beijing branch of McDonald's sold chicken wings an hour and 24 minutes after they had been left on a warming tray, compared with the 30-minute limit that the store sets. The report also said outlet personnel cooked and sold beef that had fallen on the outlet's kitchen floor. The network also said a Carrefour outlet in Zhengzhou, in central Henan province, sold expired chicken and labeled regular chicken as more the expensive free-range variety. China's Food and Drug Administration said that it sent health investigators to the McDonald's outlet and ordered the company to act in accordance with food-safety laws and to boost employee food-safety awareness. A statement from McDonald's said the incidents were isolated events caused by some employees and is "not consistent with McDonald's high standard for food quality." [\[WSJ\]](#)

Google [GOOG:US] - Google Gives Search a Refresh

Over the next few months, Google's search engine will begin spitting out more than a list of blue Web links. It will also present more facts and direct answers to queries at the top of the search-results page. The changes to search are among the biggest in the company's history and could affect millions of websites that rely on Google's current page-ranking results. At the same time, they could give Google more ways to serve up advertisements. [\[WSJ\]](#)

China Mobile [941:HK] - iPhone Can Lift China Mobile Sales by 12% in 2014

"Their 3G/CDMA network is going to be revitalized by an iPhone that will come out probably towards the end of this year and we see them going back to double digit revenue growth of 11-12% for 2014," HSBC's Head of Regional Telecommunications Research, Tucker Grinnan, told CNBC on Thursday. China Mobile is the only company among China's three wireless firms that does not offer the iPhone, and according to Grinnan, the deal to offer iPhone contracts, if it comes through, will boost the company's stock, which has been lagging the broader market. China Mobile shares listed in Hong Kong have seen an upside of about 10% so far this year compared to a 13% rise in the Hang Seng Index. HSBC has upgraded the stock to overweight with a 12-month target price of HK\$100 (US\$12.90), which is about a 19% upside on current prices. [\[CNBC\]](#)