

Monday July 2, 2012

## Stock Markets Rap (as of June 29)

|            | Close  | Chg  | (%)  |
|------------|--------|------|------|
| MSCI World | 1,236  | +36  | +3.0 |
| Dow        | 12,880 | +278 | +2.2 |
| Nasdaq     | 2,935  | +86  | +3.0 |
| S&P 500    | 1,362  | +33  | +2.5 |
| Euro Stoxx | 2,265  | +107 | +5.0 |
| FTSE 100   | 5,571  | +78  | +1.4 |
| DAX        | 6,416  | +266 | +4.3 |
| CAC        | 3,197  | +145 | +4.8 |
| ASX 200    | 4,095  | +50  | +1.2 |
| Nikkei     | 9,007  | +133 | +1.5 |
| Shanghai   | 2,225  | +30  | +1.3 |
| Hang Seng  | 19,441 | +416 | +2.2 |
| H Shares   | 9,575  | +238 | +2.6 |

|             | Close | Chg | (%)  |
|-------------|-------|-----|------|
| FTSE ASEAN  | 547   | +8  | +1.5 |
| Singapore   | 2,878 | +32 | +1.1 |
| Thailand    | 1,172 | +1  | +0.1 |
| Malaysia    | 1,599 | +5  | +0.3 |
| Indonesia   | 3,956 | +68 | +1.7 |
| Philippines | 5,246 | -10 | -0.2 |
| Vietnam     | 422   | +4  | +1.0 |
| Lao PDR     | 990   | -9  | -0.9 |
| Cambodia    | 683   | 0   | 0.0  |

## Currencies Rap (as of June 29)

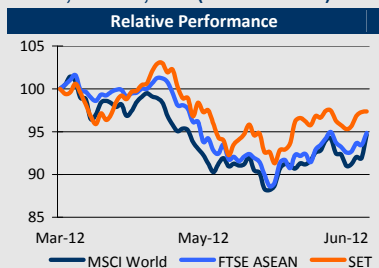
|         | Last     | Chg    | (%)   |
|---------|----------|--------|-------|
| DX      | 81.63    | -1.18  | -1.43 |
| USD/EUR | 1.2667   | +0.02  | +1.93 |
| JPY/USD | 79.80    | +0.41  | +0.52 |
| THB/USD | 31.56    | -0.32  | -1.00 |
| VND/USD | 20,905   | -5.00  | -0.02 |
| LAK/USD | 8,020.50 | +4.50  | +0.06 |
| KHR/USD | 4,110.75 | +28.80 | +0.71 |
| MMK/USD | 872.03   | +3.42  | +0.39 |
| VND/THB | 657.66   | +2.10  | +0.32 |
| LAK/THB | 252.65   | +1.25  | +0.50 |
| KHR/THB | 127.50   | -0.50  | -0.39 |
| MMK/THB | 27.47    | +0.23  | +0.84 |

## Commodities Rap (as of June 29)

|        | Close    | Chg    | (%)   |
|--------|----------|--------|-------|
| Gold   | 1,604.20 | +53.80 | +3.47 |
| Silver | 27.61    | +1.32  | +5.02 |
| Copper | 349.65   | +16.50 | +4.95 |
| WTI    | 84.96    | +7.27  | +9.36 |
| Brent  | 97.80    | +6.44  | +7.05 |
| BDI    | 1,004    | +10    | +1.01 |

Source: Bloomberg

## World, ASEAN, SET (as of June 29)



Source: Bloomberg

## MACRO NEWS

- China's Manufacturing Growth Slows to 7-Month Low
- EU Leaders Agree on Debt Plan to Help Italy, Spain
- ECB, Bank of England Seen Easing Next Week
- China Big 4 Banks Took 29% of 2011 Global Profit

## CORPORATE NEWS

- Apple [AAPL:US]** - Apple Wins 2nd Injunction Against Samsung, Blocking 'Nexus' Phone Sales
- Citigroup [C:US]** - Citigroup Sells Debt for 1st Time Since Moody's Downgrade
- China Construction Bank [939:HK]** - China Construction Bank to Speed Up Overseas Expansion - Chairman

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## MACRO NEWS

### China's Manufacturing Growth Slows to 7-Month Low

China's manufacturing sector grew at its slowest pace in seven months in June, with the purchasing managers index (PMI) for the sector easing further to 50.2%, according to official survey results published on Sunday. The manufacturing sector's PMI reading, which measures the country's manufacturing activity, retreated 0.2% from May and marked the slowest pace of growth in seven months. A reading of 50% demarcates expansion from contraction. For the second quarter, the manufacturing PMI was 51.3%. The output sub-index for June stood at 52%, down 0.9% from May, indicating that the production growth of manufacturing enterprises is still slowing. The sub-index for new orders continued to trend below the boom-or-bust line for two consecutive months by dipping 0.6% from May to 49.2%, signifying that demand in the manufacturing sector is declining. [\[Xinhua\]](#)

### EU Leaders Agree on Debt Plan to Help Italy, Spain

European Union summit leaders decided that they could send loans to distressed banks directly, rather than through national governments, as has been the practice. The move was designed to keep the bank loans off the governments' mounting list of debts, such as a \$125 billion rescue Spain is seeking for its banks, and make the financial institutions responsible for repaying their debts. The EU summit also agreed to create a single supervisor to oversee the eurozone's banks by the end of 2012 and move toward a "genuine monetary union." Greater financial integration in the eurozone could eventually lead to tighter central control of spending by the 17 governments. The EU leaders also agreed to set aside about \$150 billion to stimulate growth in the bloc's weakest economies. [\[Voice of America\]](#)

### ECB, Bank of England Seen Easing Next Week

The ECB, meeting on Thursday, will likely cut its benchmark rate to 0.75% from 1%, analysts at Citi and Credit Suisse forecast. "Our house view is that the ECB will get to 0.5% by the end of the year, but that it will take an incremental approach and end up cutting rates again in the fourth quarter," said Greg Anderson, a currency strategist at Citi. "We acknowledge the outside chance of a 50bps rate cut at the July meeting." Of more importance, however, will be if the ECB opts to restart any of its previous measures that supported financial markets, he said. That could entail buying sovereign debt or another long-term refinancing operation to inject more liquidity into the system. Either of those would be positive for the euro, according to Anderson. The Bank of England's monetary policy committee also meets Thursday. Credit Suisse analysts expect the central bank to expand its current asset-purchase program by 75-billion pounds, although that may be split into two stages of £50 billion and £25 billion. [\[MarketWatch\]](#)

### China Big 4 Banks Took 29% of 2011 Global Profit

Chinese lenders accounted for almost a third of global bank profit last year, up from 4% in 2007, as they grabbed market share given up by struggling European peers, according to The Banker magazine's annual rankings. Three Chinese banks topped the profit table, led by Industrial and Commercial Bank of China for the second successive year, with pretax earnings of \$43.2 billion followed by China Construction Bank, which delivered a \$34.8 billion profit, and Bank of China, with earnings of \$26.8 billion. JPMorgan was fourth with a profit of \$26.7 billion. Euro zone banks accounted for 6% of global profit last year, compared to 46% five years ago and their 45% share of global assets, the Banker estimated. In contrast, Chinese banks accounted for 29.3% of global profit last year. [\[CNBC\]](#)

## CORPORATE NEWS

### Apple [AAPL:US] - Apple Wins 2nd Injunction Against Samsung, Blocking 'Nexus' Phone Sales

Samsung Electronics suffered a second legal setback at the hands of a California judge, who issued a preliminary injunction Friday against one of its flagship smartphones at the request of Apple. The order, which bans Samsung from selling or importing the Galaxy Nexus smartphone into the U.S., marks another win for Apple in its ongoing legal battles with the South Korean handset giant. Apple, which has been waging legal warfare with Samsung and other smartphone rivals in courts in multiple countries, on June 26 won a preliminary injunction against Samsung's Galaxy Tab 10.1 device. Both products use versions of Google Inc.'s Android operating system. [\[WSJ\]](#)

### Citigroup [C:US] - Citigroup Sells Debt for 1st Time Since Moody's Downgrade

Citigroup sold \$750 million of securities due January 2022 at 250bps more than similar-maturity Treasuries in an add-on offering to its 4.5% notes issued in October. There is \$2 billion of debt outstanding on the notes following a \$250 million increment on Dec. 7 to the initial sale of \$1 billion of the debentures, according to data compiled by Bloomberg. Moody's downgraded the New York-based bank on June 21 along with 14 other global lenders. Citi's ratings were cut to Baa2, two levels above speculative-grade, from A3, according to a Moody's statement. The 4.5% notes, initially sold by Citigroup on Oct. 25 at a spread of 245bps, traded yesterday at 103.53 cents, yielding 4.05% with a spread of 247bps more than benchmarks. [\[Bloomberg\]](#)

### China Construction Bank [939:HK] - China Construction Bank to Speed Up Overseas Expansion - Chairman

China Construction Bank plans to accelerate overseas expansion by having a presence in the world's major countries within three years, as part of longer-term plans to become a global financial institution, its chairman said Friday. China's second-largest lender by assets will bankroll the worldwide expansion via its ample cash reserves, said Wang Hongzhang. "Currently, we rank the eighth in the world's banking sector in terms of first-tier capital adequacy ratio," As of the end of March, China Construction Bank's first-tier capital accounted for 11.02% of assets, up 0.05% from the end of 2011. China Construction Bank's expansion plan comes as the Chinese yuan is gaining prominence as an international currency and as the mainland-based lender attempts to diversify revenue streams and transform itself into a global banking brand. [\[Dow Jones Newswires\]](#)