

Thursday June 21, 2012

Stock Markets Rap (as of June 20)

	Close	Chg	(%)
MSCI World	1,230	+3	+0.2
Dow	12,824	-13	-0.1
Nasdaq	2,930	+1	+0.0
S&P 500	1,356	-2	-0.2
Euro Stoxx	2,207	+9	+0.4
FTSE 100	5,622	+36	+0.6
DAX	6,392	+29	+0.5
CAC	3,127	+9	+0.3
ASX 200	4,132	+9	+0.2
Nikkei	8,752	+96	+1.1
Shanghai	2,293	-8	-0.3
Hang Seng	19,519	+102	+0.5
H Shares	9,821	+21	+0.2

	Close	Chg	(%)
FTSE ASEAN	547	+4	+0.8
Singapore	2,856	+13	+0.5
Thailand	1,173	+0	+0.0
Malaysia	1,604	+9	+0.6
Indonesia	3,944	+63	+1.6
Philippines	5,146	+65	+1.3
Vietnam	433	+2	+0.4
Lao PDR	1,017	-8	-0.8
Cambodia	710	-5	-0.8

Currencies Rap (as of June 20)

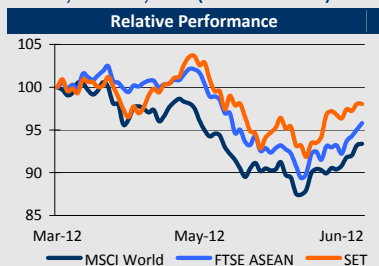
	Last	Chg	(%)
DX	81.58	+0.20	+0.25
USD/EUR	1.2686	+0.01	+0.59
JPY/USD	78.97	+0.09	+0.11
THB/USD	31.50	+0.12	+0.38
VND/USD	20,940	-25.00	-0.12
LAK/USD	8,001.00	-5.00	-0.06
KHR/USD	4,073.75	-38.70	-0.94
MMK/USD	844.78	-6.52	-0.77
VND/THB	664.78	-2.56	-0.38
LAK/THB	254.01	-1.08	-0.42
KHR/THB	128.00	0.00	0.00
MMK/THB	26.82	-0.30	-1.12

Commodities Rap (as of June 20)

	Close	Chg	(%)
Gold	1,615.80	-7.40	-0.46
Silver	28.39	+0.02	+0.07
Copper	339.60	-4.50	-1.31
WTI	81.80	-2.23	-2.65
Brent	92.69	-3.07	-3.21
BDI	972	+18	+1.89

Source: Bloomberg

World, ASEAN, SET (as of June 20)



Source: Bloomberg

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MACRO NEWS

- Fed Expands Operation Twist to Year-End, Cuts Growth Outlook
- BoE Lends Banks \$7.86B from New Support Facility
- BoE Mulled QE Expansion at Latest Meeting
- Germany's Merkel Says EFSF Bond Buys Possible
- Greece's Samaras Sworn in as Prime Minister
- China Lowers Entry Barrier for Foreign Investors

CORPORATE NEWS

- JPMorgan [JPM:US] - JPMorgan Has Sold Off Majority of Losing Position
- Procter & Gamble [PG:US] - P&G Cuts Forecasts as Sales Growth Slows in Europe, U.S.

MACRO NEWS

Fed Expands Operation Twist to Year-End, Cuts Growth Outlook

The Fed will expand its Operation Twist program to extend the maturities of assets on its balance sheet and said it stands ready to take further action to put the unemployed back to work. Fed will prolong the program through the end of the year, selling \$267 billion of shorter-term securities and buying the same amount of longer-term debt in a bid to reduce borrowing costs and spur the economy. "If we don't see continued improvement in the labor market, we'll be prepared to take additional steps if appropriate," Fed said. Policy makers repeated their view that economic conditions will probably warrant keeping interest rates "exceptionally low" at least through late 2014. The FOMC has kept the main interest rate in a range of zero to 0.25% since Dec 2008. Policy makers now see 1.9%-2.4% growth in 2012, down from their April forecast of 2.4%-2.9%. The unemployment rate will end the year at 8%-8.2%, up from 7.8%-8% in April. Unemployment will end 2014 at 7%-7.7%, up from a 6.7%-7.4% in April. [\[Bloomberg\]](#)

BoE Lends Banks \$7.86B from New Support Facility

The Bank of England said Wednesday it lent banks GBP 5 billion (USD 7.86 billion) in the first use of a facility set up late last year to shield the U.K. financial system from fallout from the euro-zone debt crisis. The BOE said it allotted the full GBP 5 billion on offer in the auction and banks taking up the six-month loans will pay 0.75% interest, 25 basis points above the BOE's key rate. Wednesday's auction is the first for the BOE's new extended collateral term repo facility, or ECTR, which BOE Governor Mervyn King activated last week in response to mounting tensions in financial markets over the deepening debt crisis in the euro zone. In March, Paul Fisher, the BOE's executive director for markets, said banks had parked around GBP 265 billion of collateral eligible for ECTR loans at the central bank, enabling the BOE to extend sterling loans of roughly GBP 160 billion. [\[MarketWatch\]](#)

BoE Mulled QE Expansion at Latest Meeting

Four members of the Bank of England's Monetary Policy Committee voted in favor of an increase in the bank's asset purchase program, while the committee unanimously agreed on keeping interest rates at a record low of 0.5%, minutes from the latest meeting in early June showed Wednesday. Three members recommended raising the quantitative easing program by GBP 50 billion (USD 78.6 billion) to GBP 375 billion, while one member preferred to increase the program to GBP 350 billion. [\[MarketWatch\]](#)

Germany's Merkel Says EFSF Bond Buys Possible

Angela Merkel dug her heels in ahead of what promises to be a week of intense negotiations, stressing on Wednesday that there are no concrete plans to use the European Financial Stability Facility (EFSF) to buy euro-zone sovereign bonds on the secondary markets, but verified that it's possible under the agreements governing the bailout fund. French, Italian, and other Europeans have discussed the use of existing bailout funds, the EFSF and the soon-to-be-born European Stability Mechanism to buy euro-zone sovereign bonds in order to pre-empt vicious cycles from taking hold. [\[WSJ\]](#)

Greece's Samaras Sworn in as Prime Minister

Greek conservative leader Antonis Samaras was sworn in as prime minister Wednesday at the head of a three-party coalition that is tasked with carrying out the country's harsh European-led bailout. Combined with the forces of the Socialist and the small Democratic Left party, the coalition will hold 179 seats out of total 300. Mr. Samaras said his new cabinet--which is expected to be sworn in Thursday--would immediately get to work tackling Greece's economic crisis that has pushed the economy into a deep recession and sent jobless rates to record highs. Mr. Samaras has already named Vasilios Rapanos--current chairman of the National Bank of Greece S.A. (NBG), the country's largest lender--as finance minister. [\[WSJ\]](#)

China Lowers Entry Barrier for Foreign Investors

The government will cut the minimum requirement on assets under management to \$500 million from \$5 billion for companies seeking a license under the Qualified Foreign Institutional Investor program, the China Securities Regulatory Commission said yesterday. The regulator also said it will allow them to invest in the country's interbank bond market. Foreign investors will be required to have at least 2 years of operational experience under the new rules, compared with the current minimum requirement of 5 years. Qualified investors will also be allowed to hold a combined maximum 30% stake in any single yuan-denominated stock, compared with 20% previously, the CSRC said. [\[Bloomberg\]](#)

CORPORATE NEWS

JPMorgan [JPM:US] - JPMorgan Has Sold Off Majority of Losing Position

JPMorgan Chase has sold off most of the losing corporate-credit position put on by a trader nicknamed the London Whale, marking a significant step toward putting an embarrassing chapter behind it. In recent weeks, the JP Morgan has divested itself of 65 to 70% of its holdings in a credit, or bond, derivative index known as the CDX IG 9, which tracks a certain cross-section of corporate debt instruments. The position played a major role in what JPMorgan has estimated to be at least \$2 billion in losses. [\[CNBC\]](#)

Procter & Gamble [PG:US] - P&G Cuts Forecasts as Sales Growth Slows in Europe, U.S.

Procter & Gamble, the world's largest consumer-goods company, declined after cutting its earnings and revenue forecasts for the second time in less than two months, hurt by slowing sales growth in Europe and the U.S. Fiscal fourth-quarter organic sales, which exclude acquisitions, divestitures and foreign-currency fluctuations, will rise as much as 3%, compared with a prior projection of a maximum of 5%, CEO Bob McDonald said. Earnings per share excluding some items will be as much as 79 cents, down from a previous forecast of a maximum of 85 cents. That trails the 84-cent average estimates. [\[Bloomberg\]](#)