

October 22, 2012

Stock Markets Rap

	Close	Chg	(%)
MSCI World	1,322.28	-17.3	-1.3%
Dow	13,343.51	-205.4	-1.5%
Nasdaq	3,005.62	-67.2	-2.2%
S&P 500	1,433.19	-24.1	-1.2%
Euro Stoxx	2,542.24	-32.0	-1.2%
FTSE 100	5,917.05	6.1	0.1%
DAX	7,437.23	42.7	0.6%
CAC	3,535.18	7.7	0.2%
ASX 200	4,559.44	31.2	0.7%
Nikkei	8,982.86	176.3	2.0%
Shanghai	2,131.69	26.1	1.2%
Hang Seng	21,518.71	102.1	0.5%
H Shares	10,636.25	144.8	1.4%
	Close	Chg	(%)
FTSE ASEAN	597.18	-4.2	-0.7%
Singapore	3,048.92	-11.4	-0.4%
Thailand	1,307.71	-3.5	-0.3%
Malaysia	1,666.35	0.9	0.1%
Indonesia	4,331.25	-25.7	-0.6%
Philippines	5,432.36	-3.6	-0.1%
Vietnam	398.23	-0.3	-0.1%
Lao PDR	1,049.98	1.0	0.1%
Cambodia	677.42	-5.4	-0.8%

Currencies Rap

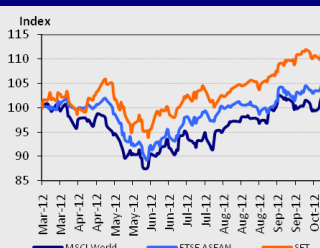
	Last	Chg	(%)
DX	79.62	0.3	0.3%
USD/EUR	1.30	-0.0	-0.6%
JPY/USD	79.32	0.1	0.1%
THB/USD	30.71	0.0	0.2%
VND/USD	20,845.00	0.0	0.0%
LAK/USD	8,006.95	-3.7	-0.0%
KHR/USD	4,031.95	1.5	0.0%
MMK/USD	853.83	1.4	0.2%
VND/THB	678.63	-1.6	-0.2%
LAK/THB	260.71	-0.7	-0.3%
KHR/THB	678.63	-1.6	-0.2%
MMK/THB	27.80	-0.0	-0.1%

Commodities Rap

	Close	Chg	(%)
Gold	1,721.75	-22.67	-1.3%
Silver	32.08	-0.94	-2.8%
Copper	363.75	-10.55	-2.8%
WTI	90.05	-2.05	-2.2%
Brent	110.14	-2.28	-2.0%
BDI	1,010.00	21.00	2.1%

World, ASEAN, SET

Relative Performance



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MACRO NEWS

- Asia : Southeast Asia Seen Leading Rate Increases Next Year
- US : Consumer Spending Probably Lifted Growth
- Japan : Japan Needs More Monetary Easing, Policy Stimulus

CORPORATE NEWS

- JPMorgan [JPM: US] : Fannie Mae Limiting Loans Helps JPMorgan Mortgage Profits
- Tesco [TSCO: US] : Tesco Stumbles With Wal-Mart as China Shoppers Buy Local
- Lenovo [992: US] : Lenovo Sees PC Slowdown as Reason to Sell Smartphones
- Hedge Funds Cut Bets to 12-Week Low as Prices Drop: Commodities

Increases Next Year

to abandon this year's monetary easing and raise interest rates before their north Asian peers in 2013, as economic gloom. Thailand, Malaysia, the Philippines and Indonesia will probably raise rates next year, HSBC

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Holdings Plc, UBS AG, and Australia & New Zealand Banking Group Ltd. predict, even as interest-rate swaps show investors expect little or no tightening. The banks expect China to refrain from changing its monetary policy stance and India to cut borrowing costs. [Bloomberg]

Consumer Spending Probably Lifted Growth

Spending by American consumers probably picked up in the third quarter, helping the world's largest economy overcome a slump in business investment that is holding back the expansion. Gross domestic product rose at a 1.8 percent annual rate after expanding at a 1.3 percent pace the prior quarter, according to the median forecast of 66 economists surveyed by Bloomberg ahead of Commerce Department data Oct. 26. It would be the first back-to-back readings lower than 2 percent since the U.S. was emerging from the recession in 2009. [Bloomberg]

Japan Needs More Monetary Easing, Policy Stimulus

Japanese Economy Minister Seiji Maehara said the country needs more monetary easing and policy efforts to encourage growth as the government prepares for election against an opposition that has stronger public support. The government plans to inject about 200 billion yen (\$2.5 billion) into the economy, Maehara said on a Fuji Television program, without giving details on the source of those funds. Spending this fiscal year includes 910 billion yen of stimulus programs requiring parliament's approval, 400 billion yen for earthquake recovery and a further 347.8 billion yen, he said. [Bloomberg]

CORPORATE NEWS

Fannie Mae Limiting Loans Helps JPMorgan Mortgage Profits

Fannie Mae and Ginnie Mae are seeking to protect taxpayers as a flood of new lenders apply to do business with them. That's also helping big banks' profit and blunting Federal Reserve efforts to boost housing. Fannie Mae, the government-supported mortgage financier, has begun limiting how many loans annually it will guarantee or buy from certain firms. Ginnie Mae has moved slowly with responses to applications, said David Lykken, an industry consultant. The U.S.-owned bond insurer is also considering tougher rules, a Ginnie Mae official said earlier this year. Limited competition in the industry and a lack of capacity to meet demand is helping JPMorgan Chase (JPM) & Co. Chief Executive Officer Jamie Dimon get "very high" mortgage margins. That's frustrating central bankers such as William Dudley, the Federal Reserve Bank of New York president, who said this month that mortgage rates are higher than they could be after the Fed said it plans to acquire \$40 billion of home-loan securities a month. [Bloomberg]

Tesco Stumbles With Wal-Mart as China Shoppers Buy Local

Tesco Plc (TSCO) this week is trying to lure Chinese shoppers with promotions on soy sauce, cooking oil and apples. Hindered by the country's slowest economic growth since the 2009 financial crisis and competition from local markets and regional chains, the Cheshunt, England-based retailer's China same-store sales declined 1 percent in the second quarter. Tesco's China pullback reflects the hurdles global big box retail chains face in Asia, where the realities of complex local markets and slowing economies are damping dreams of easy expansion. The world's largest retailer, Wal-Mart Stores Inc. (WMT), is also adding outlets more gradually than it had planned in China's 3.5 trillion yuan (\$560 billion) grocery industry. [Bloomberg]

Lenovo Sees PC Slowdown as Reason to Sell Smartphones

Lenovo Group Ltd. (992) said slowing demand in the personal-computer market, where it overtook Hewlett-Packard Co. (HPQ) as the global leader last quarter, is good reason for the company to expand into smartphones. Lenovo is already the second-largest smartphone maker in China and plans to seize the top spot from Samsung Electronics Co., Milko Van Duijl, president for the Asia-Pacific and Latin America regions, said in Hong Kong today. "Our goal is definitely to get to number one and not only to take smartphones into the China market but also into emerging markets." [Bloomberg]

Hedge Funds Cut Bets to 12-Week Low as Prices Drop: Commodities

Hedge funds cut bullish commodity bets to the lowest since July as speculation that governments in China and Europe aren't doing enough to boost growth drove prices to the biggest loss in five weeks. Speculators reduced net-long positions across 18 U.S. futures and options by 4.4 percent to 1.18 million contracts in the week ended Oct. 16, the lowest since July 24, U.S. Commodity Futures Trading Commission data show. Gold bets slid 7 percent, the first decline since Aug. 14, and those in silver fell 5.8 percent, the first drop in 12 weeks. [Bloomberg]