

August 23, 2012

Stock Markets Rap

	Close	Chg	(%)
MSCI World	1,293.43	3.7	0.3%
Dow	13,203.58	-0.0	-0.5%
Nasdaq	3,067.26	-8.9	-0.3%
S&P 500	1,413.17	-5.0	2.2%
Euro Stoxx	3,108.27	66.2	2.2%
FTSE 100	9,247.85	101.3	1.1%
DAX	8,846.05	165.8	1.9%
CAC	4,383.87	88.5	2.1%
ASX 200	4,592.17	47.6	1.0%
Nikkei	115.38	-0.1	-0.1%
Shanghai	333.21	1.9	0.6%
Hang Seng	2,591.29	-0.4	-0.0%
H Shares	1,266.75	4.1	0.3%
	Close	Chg	(%)
FTSE ASEAN	576.91	1.1	0.2%
Singapore	2,454.19	11.3	0.5%
Thailand	1,188.62	1.0	0.1%
Malaysia	1,649.79	-0.3	-0.0%
Indonesia	4,160.51	18.5	0.4%
Philippines	5,206.81	-12.7	-0.2%
Vietnam	416.84	-20.4	-4.7%
Lao PDR	1,056.10	4.1	0.4%
Cambodia	698.92	0.0	0.0%

Currencies Rap

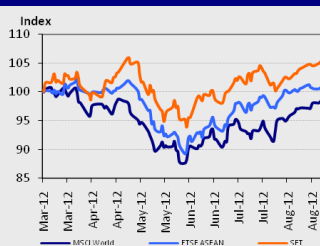
	Last	Chg	(%)
DX	81.91	-0.5	-0.7%
USD/EUR	1.24	0.0	0.8%
JPY/USD	79.48	-0.0	-0.1%
THB/USD	31.44	-0.0	-0.2%
VND/USD	20,845.00	0.0	0.0%
LAK/USD	7,997.65	-36.6	-0.5%
KHR/USD	4,051.70	6.7	0.2%
MMK/USD	871.47	-4.4	-0.5%
VND/THB	662.96	1.4	0.2%
LAK/THB	254.36	-0.6	-0.2%
KHR/THB	662.96	1.4	0.2%
MMK/THB	27.72	-0.1	-0.3%

Commodities Rap

	Close	Chg	(%)
Gold	1,625.30	9.38	0.6%
Silver	28.94	0.81	2.9%
Copper	3.46	0.08	2.4%
WTI	96.84	0.58	0.6%
Brent	114.64	0.94	0.8%
BDI	709.00	-2.00	-0.3%

World, ASEAN, SET

Relative Performance



MACRO NEWS

- EU: Greek Crisis Evasion to Fore as Merkel Hosts Hollande in Berlin
- US: Sales of U.S. Existing Homes Increase From Eight-Month Low
- US: Many on FOMC Favored Easing Soon if No Pickup in Growth

CORPORATE NEWS

- Hewlett-Packard [HPQ: US] - Hewlett-Packard Trims High End of Forecast as PC Sales Fall
- Citygroup [C: US] - Citigroup Expands European Credit Trading as Rivals Cut Back

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MACRO NEWS**Greek Crisis Evasion to Fore as Merkel Hosts Hollande in Berlin**

Chancellor Angela Merkel hosts President Francois Hollande today as officials look for ways to stave off an immediate crisis after a report due next month from Greece's international creditors on the health of its finances. Options raised in Germany in recent days include front-loading aid payments to Greece to help it over liquidity hurdles; lowering the interest rate or extending maturities on loans; and pushing for a second debt writedown, this time focusing on bonds held by public institutions, notably the European Central Bank. With the leaders of Europe's two biggest economies still at the confidence-building stage, Merkel and Hollande are seeking common ground on Greece and the wider euro-area debt crisis almost three years after its inception. While Merkel publicly stresses meeting targets, France sees them as too harsh given the state of the Greek economy, a French government official said on condition of anonymity because the talks are private. Merkel and Hollande will give statements at 7 p.m. in Berlin. "On balance we still take the view that they'll keep Greece ticking over," David Owen, chief European financial economist at Jefferies International Ltd. in London, said by phone. "If that does require giving it more time, so be it." [Bloomberg]

Sales of U.S. Existing Homes Increase From Eight-Month Low

Sales of existing homes climbed in July from an eight-month low, adding to signs U.S. housing may pick up in the second half. Purchases of previously owned houses, tabulated when a contract closes, increased 2.3 percent to a 4.47 million annual rate, figures from the National Association of Realtors showed today in Washington. The data were posted on the group's website ahead of the usual 10 a.m. release time. The median forecast of 73 economists surveyed by Bloomberg called for a rise to a 4.51 million rate. Buoyed by cheaper properties and record-low mortgage costs, demand for real estate is bolstering the industry that helped trigger the recession. Minutes of the Federal Reserve's latest meeting, due later today, will be a reminder that policy makers are monitoring data such as housing to determine whether the world's largest economy needs more stimulus. "This is a continuation of good news, but we've got to continue to build momentum," said Brian Jones, a senior U.S. economist at Societe Generale in New York, who forecast sales would rise to 4.46 million. "The home sales numbers are going to continue to go higher. As much as the employment numbers aren't great, they aren't horrible either, so those that have jobs are feeling a little bit better about their situations." Stocks were little changed, after the Standard & Poor's 500 Index briefly topped a four-year high yesterday, as Japan's exports slid and Greece sought more time on changes while investors awaited the Fed minutes. The S&P 500 Index fell less than 0.1 percent to 1,412.4 at 10:37 a.m. in New York. [Bloomberg]

Many on FOMC Favored Easing Soon if No Pickup in Growth

Many Federal Reserve policy makers said additional stimulus probably will be needed soon unless the economy shows signs of a durable pickup, according to minutes of their most recent meeting. "Many members judged that additional monetary accommodation would likely be warranted fairly soon unless incoming information pointed to a substantial and sustainable strengthening in the pace of the economic recovery," according to the record of the Federal Open Market Committee's July 31- Aug. 1 gathering released today in Washington. U.S. stocks and bonds rose as investors saw greater odds the central bank will increase accommodation. Chairman Ben S. Bernanke will have an opportunity to clarify his views in an Aug. 31 speech at a forum for central bankers in Jackson Hole, Wyoming, where he signaled a second round of bond buying by the Fed in 2010. Fed officials next meet on Sept. 12-13. "They're closer to doing QE3 than I would have guessed," said John Silvia, chief economist at Wells Fargo Securities LLC in Charlotte, North Carolina, referring to a third round of bond purchases known as quantitative easing. "It may not be September. It could be October." Many participants at the Fed's meeting said a new large-scale asset-purchase program "could provide additional support for the economic recovery," according to the minutes. Policy makers said in a statement after the meeting that they will step up record stimulus if needed to spur growth and cut a jobless rate stuck above 8 percent since February 2009. [Bloomberg]

CORPORATE NEWS**Hewlett-Packard Trims High End of Forecast as PC Sales Fall**

Hewlett-Packard Co. (HPQ) cut the high end of its forecast for full-year profit amid falling demand for personal computers and business-technology services, underscoring the turnaround challenge facing Chief Executive Officer Meg Whitman. Profit excluding certain costs will be \$4.05 to \$4.07 a share in the year that ends in October, the Palo Alto, California-based company said today in a statement. That's at the low end of a forecast for \$4.05 to \$4.10 issued in May and below the average \$4.08 analyst estimate compiled by Bloomberg. Under Whitman, the largest personal computer maker is stepping up investment in research and development and revamping its PC, printer and enterprise-services groups. Sales are under pressure as competitors such as Apple Inc. siphon off demand for computing devices and rivals including International Business Machines Corp. vie for corporate customers. "HP seems to have lost share in all of the key enterprise segments," Abhey Lamba, an analyst at Mizuho Securities USA Inc. in New York, wrote in a research note after the results. The PC market remains weak, and the company is in the "early stages" of turnaround, Whitman said on a conference call with analysts. Shares fell 2.5 percent to as low as \$18.73 in late trading after earlier slipping 3.7 percent to \$19.20 at the close. The stock has fallen 25 percent this year, compared with a 26 percent increase in the Standard & Poor's 500 Index. [Bloomberg]

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Citigroup Expands European Credit Trading as Rivals Cut Back

Citigroup Inc. (C), the third-biggest U.S. bank, plans to increase the headcount for its European credit sales and trading team by as much as 5 percent to seize market share from rivals cutting back in the region. The bank is looking to hire more staff for the business in the next six to 12 months, according to Conor Davis, head of credit sales for Europe. Citigroup, which has about 100 people in the team, is growing while European firms including Royal Bank of Scotland Group Plc and Deutsche Bank AG (DB) shed thousands of workers. Citigroup is expanding in European debt sales and trading as lenders across the continent sell assets to meet tougher capital requirements and weather the region's debt crisis. The growth comes as the New York-based firm, led by 55-year old Chief Executive Officer Vikram Pandit, cuts jobs elsewhere to pare costs. "Whilst keeping headcount flat globally we have been gradually increasing staff in Europe for the past four years, filling in the gaps in our franchise, with investment-grade corporate debt trading and distressed being the two areas of focus," Davis said in an interview from his London office. Citigroup's credit sales and trading team will seek to profit from matching buyers and sellers as European lenders shrink and sell assets. [Bloomberg]