

Monday June 25, 2012

Stock Markets Rap (as of June 22)

	Close	Chg	(%)
MSCI World	1,206	-1	-0.1
Dow	12,641	+67	+0.5
Nasdaq	2,892	+33	+1.2
S&P 500	1,335	+10	+0.7
Euro Stoxx	2,187	-13	-0.6
FTSE 100	5,514	-53	-0.9
DAX	6,263	-80	-1.3
CAC	3,091	-23	-0.7
ASX 200	4,048	-39	-1.0
Nikkei	8,798	-26	-0.3
Shanghai	2,261	-	-
Hang Seng	18,995	-270	-1.4
H Shares	9,504	-159	-1.6

	Close	Chg	(%)
FTSE ASEAN	537	-3	-0.5
Singapore	2,828	-2	-0.1
Thailand	1,153	-6	-0.5
Malaysia	1,603	+2	+0.1
Indonesia	3,890	-12	-0.3
Philippines	5,120	+11	+0.2
Vietnam	427	-4	-0.9
Lao PDR	1,011	0	0.0
Cambodia	715	0	0.0

Currencies Rap (as of June 22)

	Last	Chg	(%)
DX	82.26	-0.03	-0.04
USD/EUR	1.2570	-0.01	-0.80
JPY/USD	80.43	+0.51	+0.64
THB/USD	31.81	+0.12	+0.38
VND/USD	20,905	-15.00	-0.07
LAK/USD	8,008.00	+5.00	+0.06
KHR/USD	4,143.65	+50.00	+1.22
MMK/USD	861.65	+11.73	+1.38
VND/THB	665.52	+5.42	+0.82
LAK/THB	252.13	-0.39	-0.15
KHR/THB	128.00	0.00	0.00
MMK/THB	27.13	+0.31	+1.16

Commodities Rap (as of June 22)

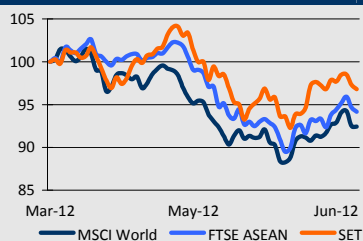
	Close	Chg	(%)
Gold	1,566.90	+1.40	+0.09
Silver	26.72	-0.18	-0.65
Copper	331.50	+0.85	+0.26
WTI	79.76	+1.56	+1.99
Brent	90.98	+1.75	+1.96
BDI	978	0	0.00

Source: Bloomberg

* Shanghai Composite Index as of June 21

World, ASEAN, SET (as of June 22)

Relative Performance



Source: Bloomberg

MACRO NEWS

- ECB Widens Collateral Rules for Banks to Ease Funding Access
- Eurozone Four Leaders Agree Economic Growth Package
- Spain Finance Minister: Direct Aid For Spain Banks Still Possible
- China Said to Propose Limits on Local Government Loans

CORPORATE NEWS

- Google [GOOG:US] - Page Said to Tell Google Staff 'Nothing Seriously Wrong With Me'
- BHP Billiton [BHP:US] - BHP, Rio Profit Downgraded 4% by UBS on Carbon, Mining Taxes
- China Mobile [941:HK] - China Mobile Subscribers Up 1.07% in May to 1.03 Billion

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MACRO NEWS

ECB Widens Collateral Rules for Banks to Ease Funding Access

The European Central Bank said it will relax some rules on the collateral that banks can offer in exchange for central bank loans. The ECB has cut the rating thresholds and amended eligibility requirements for some asset-backed securities, the central bank said. Residential mortgage-backed securities and loans to small and medium-sized enterprises rated at least BBB- at S&P will now be accepted with a valuation haircut of 26%, it said. The previous minimum rating on such securities was A-. The ECB is acting to ensure banks have enough cash after the 17-member euro area's debt crisis worsened, pushing up borrowing costs in nations such as Spain and Italy. Spanish banks would need as much as 62 billion euros (\$78 billion) in capital to withstand a worst-case economic scenario, two consulting firms hired by the government to conduct stress tests on the lenders said last week. [\[Bloomberg\]](#)

Eurozone Four Leaders Agree Economic Growth Package

Leaders of the eurozone's four biggest nations have agreed in principle to measures to boost growth equal to 1% of the currency area's economic output. Germany, France, Italy and Spain outlined plans to push for a 130bn-euros (£104bn; \$163bn) package. There is also still no consensus on issues such as common eurobonds. "We want there to be a significant European growth package," said Italian PM Mario Monti. He appeared at the press conference alongside Spanish PM Mariano Rajoy, German Chancellor Angela Merkel and French President Francois Hollande. The four met in Rome ahead of an EU summit on the euro crisis this week. The growth package is expected to comprise several measures already in the works to boost spending on infrastructure and other investments, backed by European taxpayer money. [\[BBC\]](#)

Spain Finance Minister: Direct Aid For Spain Banks Still Possible

Spain and its European Union partners are still discussing ways to inject EU funds directly into ailing Spanish banks, rather than through the Spanish government, the country's finance minister Luis de Guindos said Friday. "This is definitely a possibility," Mr. De Guindos told reporters on the sidelines of an EU finance ministers meeting here. "This is not a process that will be over right away." Mr. de Guindos said a direct injection of EU funds into banks would be "fundamental" to break the current link between banking and sovereign risks. [\[WSJ\]](#)

China Said to Propose Limits on Local Government Loans

China's banking regulator proposed keeping a cap on local government loans to curtail defaults while encouraging funding for railways, roads and affordable homes. The China Banking Regulatory Commission suggested limiting loans to local government financing vehicles to levels reached at the end of 2011, according to a person with knowledge of the matter who asked not to be named because the proposal is confidential. The watchdog made the recommendation in a report sent to the cabinet after Premier Wen Jiabao's call last month for the government to focus on growth, the person said. China is introducing stimulus measures to arrest a slowdown in the world's second-biggest economy while enforcing risk controls. Bad debts rose for a second straight quarter for the first time since 2005 and banks' earnings growth slowed in the three months to March 31, as steps to curb inflation pushed up funding costs and drove down property prices. [\[Bloomberg\]](#)

CORPORATE NEWS

Google [GOOG:US] - Page Said to Tell Google Staff 'Nothing Seriously Wrong With Me'

Google CEO Larry Page, who is avoiding speaking in public, told employees "there is nothing seriously wrong with me" in an e-mail, according to a person familiar with the matter. Page made the comment to employees June 21, according to the person, who asked not to be identified because the matter isn't public. Executive Chairman Eric Schmidt said the same day at a meeting with shareholders that Page had lost his voice and wouldn't speak at the gathering or two more public events, including the call with analysts next month to review second-quarter results. The announcement may raise some questions among investors, given the time that he won't be speaking. Douglas Anmuth, an analyst at JPMorgan, wrote in a research note. "We have no specific reason to think there is anything more to Larry's condition, but we find it odd that the company would already rule him out of the 2Q call which is likely still a few weeks away," Anmuth wrote. [\[Bloomberg\]](#)

BHP Billiton [BHP:US] - BHP, Rio Profit Downgraded 4% by UBS on Carbon, Mining Taxes

UBS AG downgraded BHP Billiton Ltd. and Rio Tinto Ltd.'s earnings estimates by 4% due to Australia's mining and carbon taxes. BHP will pay \$715 million in mining tax and A\$300 million (\$302 million) in carbon tax in the year ending June 30, 2013, UBS analyst Glyn Lawcock said in an e-mailed statement. The carbon tax will cost Rio \$202 million, while the mining tax will cost the company \$676 million in the 2013 calendar year, he said. Companies including BHP, Rio and Alumina Ltd. may receive assistance with the carbon tax for some of their emissions, he said. This will help Alcoa Worldwide Alumina, in which Alumina has a 40% interest, reduce its carbon tax liability to about A\$20 million from A\$380 million without help, Lawcock said. UBS downgraded Alumina's 2013 earnings 5% to A\$130 million. [\[Bloomberg\]](#)

China Mobile [941:HK] - China Mobile Subscribers Up 1.07% in May to 1.03 Billion

China, the world's largest mobile phone market, saw a 1.07% monthly increase in total mobile subscribers to 1.03 billion in May. The number of mobile subscribers in China has been growing steadily with handset vendors such as Apple, Samsung Electronics, Huawei Technologies, and ZTE Corp clamouring for more market share. China Mobile, the country's largest mobile carrier, said its mobile subscribers in May rose to 677.49 million, including 64.26 million 3G subscribers. Second-ranked China Unicom said mobile subscribers increased to 215.84 million, including 54.50 million 3G subscribers. In May, China Unicom was the only carrier among China's three to see weaker monthly growth in the addition of 3G users. Mobile subscribers at China Telecom, the smallest of the three operators, rose to 141.36 million, including 48.16 million for 3G subscribers. [\[Reuters\]](#)