

October 25, 2012

Stock Markets Rap

	Close	Chg	(%)
MSCI World	1,298.76	-1.2	-0.1%
Dow	13,077.34	-25.2	-0.2%
Nasdaq	2,981.70	-8.8	-0.3%
S&P 500	1,408.75	-4.4	0.5%
Euro Stoxx	2,490.58	12.7	0.5%
FTSE 100	5,804.78	6.9	0.1%
DAX	7,192.85	19.2	0.3%
CAC	3,426.49	20.0	0.6%
ASX 200	4,505.82	-37.3	-0.8%
Nikkei	8,954.30	-60.0	-0.7%
Shanghai	2,115.99	1.5	0.1%
Hang Seng	21,763.78	66.2	0.3%
H Shares	10,638.73	-104.1	-1.0%
	Close	Chg	(%)
FTSE ASEAN	592.65	-2.5	-0.4%
Singapore	3,044.73	-6.2	-0.2%
Thailand	1,295.00	-15.4	-1.2%
Malaysia	1,667.99	3.1	0.2%
Indonesia	4,335.38	5.2	0.1%
Philippines	5,398.69	-33.6	-0.6%
Vietnam	395.45	-2.3	-0.6%
Lao PDR	1,047.94	-1.0	-0.1%
Cambodia	677.42	0.0	0.0%

Currencies Rap

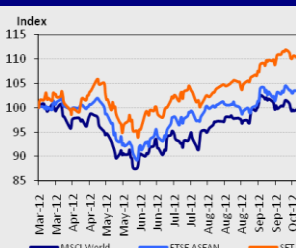
	Last	Chg	(%)
DX	79.91	-0.1	-0.1%
USD/EUR	1.29	-0.0	-0.5%
JPY/USD	79.77	-0.1	-0.2%
THB/USD	30.73	-0.0	-0.1%
VND/USD	20,850.00	-5.0	-0.0%
LAK/USD	7,995.45	-0.3	-0.0%
KHR/USD	4,039.10	4.3	0.1%
MMK/USD	851.05	0.1	0.0%
VND/THB	678.63	0.4	0.1%
LAK/THB	260.23	0.2	0.1%
KHR/THB	678.63	0.4	0.1%
MMK/THB	27.70	0.0	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

- US : Bernanke Seen Attacking Jobless Rate With QE Until His Term Ends
- US : Sales of New Houses in U.S. Probably Climbed to Two-Year High
- EU : Draghi Defends Bond Purchases With Warning of Deflation Risk
- EU : Euro-Area Recession Deepens as Manufacturing Shrinks
- Asia: China May Forgo Easing as Economy Rebounds, Survey Shows

CORPORATE NEWS

- Apple [AAPL: US] : Apple iPad Mini Leaves Rivals Room to Undercut Price
- Boeing [BA: US] : Boeing Boosts 2012 Forecast Third Time as Deliveries Rise
- Facebook [FB: US] : Facebook Shares Soar After Beating Estimates on Mobile
- BofA [BAC: US] : Bank of America Sued by U.S. Over Mortgage Loan Sales
- Samsung [005930: KS] : Samsung Infringes Four Apple Patents, Trade Judge Says

MACRO NEWS**Bernanke Seen Attacking Jobless Rate With QE Until His Term Ends**

Federal Reserve Chairman Ben S. Bernanke says he'll stoke the economy until the job market recovers "substantially." That promise may force him to keep buying bonds until the final months of his term ending in January 2014, according to economists in a Bloomberg survey. Sixty-eight percent of 60 economists said the Fed chairman's third round of quantitative easing will last until late next year or beyond. Just 51 percent of them said the strategy will help boost employment, with a median estimate of 116,000 jobs over the course of next year. Bernanke and his colleagues on the Federal Open Market Committee will conclude a two-day meeting in Washington today and release a statement on policy, including their current plan to buy \$40 billion in mortgage-backed securities each month for an indefinite period. [Bloomberg]

Sales of New Houses in U.S. Probably Climbed to Two-Year High

Purchases of new homes in the U.S. probably rose in September to the highest level in more than two years as the industry that helped bring on the last recession forged its way toward recovery, economists said before a report today. Sales, tabulated when contracts are signed, climbed 3.2 percent to a 385,000 annual pace, the most since buyers took advantage of a government tax credit in April 2010, according to the median estimate in a Bloomberg survey of 75 economists. Demand for new homes is being driven by record-low mortgage rates and population growth, which will help generate business for builders like Hovnanian Enterprises Inc. (HOV). A lack of jobs and strict lending conditions still pose hurdles to a more pronounced rebound. [Bloomberg]

Draghi Defends Bond Purchases With Warning of Deflation Risk

European Central Bank President Mario Draghi defended his plan to buy government bonds in the German parliament today with a warning about deflation risks. The ECB's so-called Outright Monetary Transactions "will not lead to inflation," Draghi told lawmakers in Berlin, according to a text provided by the ECB. "In our assessment, the greater risk to price stability is currently falling prices in some euro-area countries," he said. "In this sense, OMTs are not in contradiction to our mandate: in fact, they are essential for ensuring we can continue to achieve it." [Bloomberg]

Euro-Area Recession Deepens as Manufacturing Shrinks

Euro-area services and manufacturing output contracted more than economists forecast in October and German business confidence dropped to the lowest in more than 2 1/2 years as Europe's recession deepened. A composite index based on a survey of euro-area purchasing managers in services and manufacturing fell to 45.8, the lowest in more than three years, from 46.1 in September, London-based Markit Economics said today. Economists had forecast a reading of 46.5, according to a Bloomberg News survey. In Germany, the Ifo institute's business climate index unexpectedly dropped to 100.0 from 101.4 in September. [Bloomberg]

China May Forgo Easing as Economy Rebounds, Survey Shows

China's economy is improving enough for leaders to forgo interest-rate and bank reserve-requirement cuts that analysts forecast as recently as last month, Bloomberg News surveys show. The central bank will probably keep the benchmark one-year lending rate at 6 percent through the end of 2012, based on median estimates in a survey conducted between Oct. 18 and Oct. 22, instead of prior forecasts for a quarter percentage-point reduction. China may lower the reserve ratio by a half point this year, the survey showed, compared with the full point projected in September. Government data showed factory output and retail sales accelerated in September and Premier Wen Jiabao said the economy will keep showing "positive changes" even as growth slowed for a seventh quarter. Any extension of China's three-month pause from monetary easing would contrast with stepped-up stimulus in the U.S. and Japan and interest-rate cuts by South Korea, Australia and Brazil. [Bloomberg]

CORPORATE NEWS

Apple iPad Mini Leaves Rivals Room to Undercut Price

Apple Inc. (AAPL) Chief Executive Officer Tim Cook unveiled a smaller, thinner iPad that carries a price high enough to shore up profit while leaving room for competitors to sell their tablets more cheaply. Apple said yesterday that the 7.9-inch iPad mini will cost \$329 to \$659, depending on memory and wireless features. With that starting price, the company is sticking to its strategy of charging a premium for its products to preserve industry-leading margins as it competes in a market that NPD DisplaySearch predicts will more than double to \$162 billion in five years. [Bloomberg]

Boeing Boosts 2012 Forecast Third Time as Deliveries Rise

Boeing Co. (BA) boosted its full-year forecast for the third time this year after quarterly earnings topped estimates amid higher deliveries of commercial and military aircraft. Earnings will be \$4.80 to \$4.95 a share, the planemaker said today, a projection that exceeds the \$4.70 average estimate of 29 analysts in a Bloomberg survey. Chief Executive Officer Jim McNerney previously lifted his forecast by 25 cents to \$4.40 to \$4.60 a share in July. "Strong core operating performance drove increased earnings in both our major businesses, along with higher overall revenues," McNerney said in a statement today. [Bloomberg]

Facebook Shares Soar After Beating Estimates on Mobile

Facebook Inc. (FB), the biggest social networking site, surged in German trading after reporting sales that topped analysts' estimates, allaying concerns over its ability to make money from mobile ads. Sales rose 32 percent to \$1.26 billion during the third quarter, Menlo Park, California-based Facebook said yesterday in a statement. That compares with the average estimate of \$1.23 billion, according to data compiled by Bloomberg. That also matched the growth rate of the second quarter, snapping a streak of slowing sales increases. Ads delivered to people on mobile devices generated about \$150 million during the quarter, or 14 percent of all advertising revenue. That compares with about \$10 million in the second quarter, according to an estimate by Brian Wieser, an analyst at Pivotal Research Group. Chief Executive Officer Mark Zuckerberg is showing early success with the more than a half dozen services unveiled since March that are designed to help businesses woo social-network users on tablets and smartphones. [Bloomberg]

Bank of America Sued by U.S. Over Mortgage Loan Sales

Bank of America Corp., the second-biggest U.S. lender by assets, sold defective residential mortgage loans to Fannie Mae and Freddie Mac that later defaulted, the U.S. government said in a \$1 billion fraud lawsuit against the bank. The Justice Department filed the complaint today in Manhattan federal court, claiming the bank and its Countrywide Financial unit generated thousands of defective loans and sold them to the two home-mortgage finance companies now under government control. The lawsuit, which covers conduct from 2007 to 2009, is the first by the Justice Department to allege fraud over mortgage loans sold to the two entities, Bharara said. Bank of America, which acquired Countrywide in 2008, was among 17 financial institutions sued in September 2011 by Fannie Mae (FNMA) and Freddie Mac's regulator, the Federal Housing Finance Agency, over losses on mortgage securities sold to the companies. [Bloomberg]

Samsung Infringes Four Apple Patents, Trade Judge Says

Samsung Electronics Co. (005930) lost the first round of a U.S. trade case brought by Apple Inc. (AAPL), its second big defeat this year in America as the companies battle worldwide over smartphone and tablet computer technology. Samsung infringes four patents, including one for the front face of the iPhone and one for touch-screen technology co-invented by Steve Jobs, U.S. International Trade Commission Judge Thomas Pender said in a notice yesterday on the agency's website. The judge's findings are subject to review by the full commission, which has the power to halt products at the U.S. border and is scheduled to finish its investigation by Feb. 25. [Bloomberg]