

October 31, 2012

## Stock Markets Rap

|             | Close     | Chg   | (%)   |
|-------------|-----------|-------|-------|
| MSCI World  | 1,304.85  | 14.3  | 1.1%  |
| Dow         | 13,009.68 | 172.8 | 1.3%  |
| Nasdaq      | 2,966.85  | 40.3  | 1.4%  |
| S&P 500     | 1,409.15  | 18.1  | 0.9%  |
| Euro Stoxx  | 2,557.03  | 21.9  | 0.9%  |
| FTSE 100    | 5,819.14  | 28.1  | 0.5%  |
| DAX         | 7,309.13  | 64.1  | 0.9%  |
| CAC         | 3,528.80  | 30.6  | 0.9%  |
| ASX 200     | 4,413.01  | -0.1  | -0.0% |
| Nikkei      | 9,366.80  | 144.3 | 1.6%  |
| Shanghai    | 2,027.38  | 11.8  | 0.6%  |
| Hang Seng   | 21,913.98 | 170.8 | 0.8%  |
| H Shares    | 10,606.99 | 114.9 | 1.1%  |
|             | Close     | Chg   | (%)   |
| FTSE ASEAN  | 584.09    | 1.3   | 0.2%  |
| Singapore   | 2,989.28  | 2.7   | 0.1%  |
| Thailand    | 1,281.70  | 2.2   | 0.2%  |
| Malaysia    | 1,614.32  | -4.2  | -0.3% |
| Indonesia   | 4,348.81  | 12.9  | 0.3%  |
| Philippines | 5,552.34  | 39.0  | 0.7%  |
| Vietnam     | 381.71    | -1.5  | -0.4% |
| Lao PDR     | 1,233.05  | 9.1   | 0.7%  |
| Cambodia    | 666.67    | 0.0   | 0.0%  |

## Currencies Rap

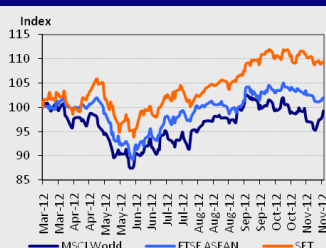
|         | Last      | Chg  | (%)   |
|---------|-----------|------|-------|
| DX      | 80.19     | -0.5 | -0.6% |
| USD/EUR | 1.30      | 0.0  | 0.9%  |
| JPY/USD | 82.40     | -0.2 | -0.3% |
| THB/USD | 30.70     | -0.0 | -0.0% |
| VND/USD | 20,865.00 | 0.0  | 0.0%  |
| LAK/USD | 8,017.65  | 11.4 | 0.1%  |
| KHR/USD | 3,992.00  | 0.0  | 0.0%  |
| MMK/USD | 850.59    | 1.2  | 0.1%  |
| VND/THB | 679.46    | 0.0  | 0.0%  |
| LAK/THB | 261.25    | 0.5  | 0.2%  |
| KHR/THB | 679.46    | 0.0  | 0.0%  |
| MMK/THB | 27.72     | 0.1  | 0.2%  |

## Commodities Rap

|        | Close    | Chg   | (%)  |
|--------|----------|-------|------|
| Gold   | 1,753.00 | 23.04 | 1.3% |
| Silver | 34.09    | 0.74  | 2.2% |
| Copper | 353.90   | 3.25  | 0.9% |
| WTI    | 88.28    | 0.90  | 1.0% |
| Brent  | 111.38   | 0.83  | 0.8% |
| BDI    | 1,090.00 | 6.00  | 0.6% |

## World, ASEAN, SET

### Relative Performance



## MACRO NEWS

- US : Overnight Rates Surge in Fed's Operation Twist
- US : Spending Probably Cooled, Investment Fell: U.S. Economy Preview
- Asia : China Wage Gains Hurt by Weaker Profit Damp Consumption
- Asia : New BOJ Members Sought More-Expansionary Wording

## CORPORATE NEWS

- Walt Disney Co. (DIS) : Disney's ABC Asks Judge to Block Dish's Autohop
- Nokia Oyj (NOK1V), Siemens AG (SIE) : Nokia Siemens Chief Targets U.S. as Rivals Face Hurdles
- Apple Inc. (AAPL) : Samsung's Galaxy Note II Infringes Patents, Apple Says

**MACRO NEWS****Overnight Rates Surge in Fed's Operation Twist**

You wouldn't know the Federal Reserve has done nothing but add to its record monetary stimulus from looking at short-term funding markets. The federal funds effective rate on overnight loans between banks was 0.16 percent on Nov. 21, up from 0.06 percent at the end of September 2011, the month Fed officials announced they would begin swapping short-term securities in their portfolio for long-term debt under Operation Twist. The rate for borrowing and lending Treasuries for one day through repurchase agreements also has surged. Higher overnight interest costs are a side effect of Operation Twist that has persisted despite new accommodation, including a third round of quantitative easing and extending the horizon for near-zero borrowing costs through mid-2015. When the program ends in December, the Fed will have shrunk its portfolio of short-term securities by \$667 billion through Twist sales and redemptions, designed to lower long-term interest rates while keeping the size of the Fed's balance sheet constant. [Bloomberg]

**Spending Probably Cooled, Investment Fell: U.S. Economy Preview**

Consumer spending probably cooled in October and business investment dropped, showing how superstorm Sandy and the looming fiscal cliff are hindering U.S. growth at the end of 2012, economists said before reports this week. Household purchases rose 0.1 percent last month, the smallest advance since June, after increasing 0.8 percent in September, according to the median estimate from 52 economists surveyed by Bloomberg before Nov. 30 figures from the Commerce Department. Orders for durable goods fell 0.8 percent in October, economists forecast another report to show. Sandy shuttered some retailers in the Northeast, temporarily countering the benefits of gains in consumer sentiment that are brightening the holiday-shopping outlook. At the same time, the prospect that the economy will stumble should lawmakers not be able to ward off tax increases and government spending cuts scheduled for 2013 may be prompting companies to put off replacing outdated equipment. [Bloomberg]

**China Wage Gains Hurt by Weaker Profit Damp Consumption**

China's wage gains have moderated on weaker corporate profits, capping consumer demand as the government seeks to sustain a rebound after a seven-quarter economic slowdown. Average urban salaries rose 12 percent in the first nine months from a year earlier without adjusting for inflation, slowing from 14.4 percent for all of 2011 and 13.3 percent in 2010, government data show. Restaurant operator Yum Brands! Inc. (YUM) reports smaller pay increases, and labor ministry data show the same for minimum wages. Deeper declines in wage growth would undermine efforts by China's new leadership under Xi Jinping to boost consumer spending and shift the world's second-biggest economy away from dependence on investment and exports. Overcapacity in manufacturing is weighing on profits, with the latest reading due tomorrow when the statistics bureau releases industrial companies' net income for this year through October. [Bloomberg]

**New BOJ Members Sought More-Expansionary Wording**

Two new members of the Bank of Japan (BOJ)'s nine-person policy board voted for a more-expansionary wording of the bank's price outlook released at its Oct. 30 meeting, minutes of the session show. Takehiro Sato and Takahide Kiuchi, formerly Tokyo-based economists at Morgan Stanley MUFG Securities Co. and Nomura Securities Co., respectively, voted against the expression that the bank will continue its "powerful easing until it judges the 1 percent goal to be in sight," according to the record of the meeting released in Tokyo today. The minutes highlight the two members' expansionary stance on easing as a shrinking economy and election next month encourage politicians to press the central bank for more aggressive action to spur growth and counter deflation. The BOJ expanded its asset-purchase program at the Oct. 30 meeting for the second time in two months, and is expected to ease further after the Dec. 16 poll, according to a Bloomberg News survey. [Bloomberg]

**CORPORATE NEWS****Disney's ABC Asks Judge to Block Dish's Autohop**

Walt Disney Co. (DIS)'s ABC television network is trying to shut down Dish Network Corp. (DISH)'s ad-skipping TV recording feature two weeks after a federal judge denied a similar bid by a different broadcaster. ABC said it will seek a preliminary injunction from U.S. District Judge Laura Taylor Swain, according to a filing late yesterday in Manhattan federal court. On Nov. 7, U.S. District Judge Dolly Gee in Los Angeles rejected a motion for an injunction by News Corp. (NWSA)'s Fox Broadcasting. Fox appealed the ruling. The dispute over Dish's ad-skipping technology, which broadcasters warn threatens their very survival, is being played out in federal courts on both coasts. Dish sued ABC, CBS Corp. (CBS) and Comcast Corp. (CMCSA)'s NBC in New York in May seeking a judgment that its AutoHop feature, which allows viewers to skip ads, doesn't violate network copyrights or contracts. Fox, CBS and NBC sued Dish in Los Angeles for copyright infringement and breach of contract on the same day. [Bloomberg]

**Nokia Siemens Chief Targets U.S. as Rivals Face Hurdles**

Nokia Siemens Networks, trying to sustain nascent sales growth in the cut-throat phone-equipment industry, is targeting the U.S. market where Chinese rivals face political hurdles and rising data use entices carriers to spend. The venture owned by Nokia Oyj (NOK1V) and Siemens AG (SIE) is forgoing less lucrative deals in Africa and the Middle East to focus on the U.S., Chief Executive Officer Rajeev Suri said last week in an interview. In a shrinking global network-gear market, U.S. demand is rising as AT&T Inc. (T) and other carriers add capacity. Suri, into his fourth year as CEO, is trying to find areas of strength for the venture that last month posted its first quarterly sales increase and profit since last year. Chinese rivals Huawei Technologies Co. and ZTE Corp. (000063), which have made gains globally, are struggling to win orders in the U.S. as the country's government advises against buying from them. [Bloomberg]

**Samsung's Galaxy Note II Infringes Patents, Apple Says**

Apple Inc. (AAPL) sought to add infringement claims over six more Samsung Electronics Co. (005930) products including the Galaxy Note II to its multibillion-dollar patent lawsuit against the South Korea-based company. Apple has said that Samsung products running on the new Android "Jelly Bean" operating system, and other products running on the "Ice Cream Sandwich" system should be added to the case, according to filings in San Jose federal court in California. Jelly Bean is Google Inc. (GOOG)'s latest version of the Android operating system that runs on Samsung mobile devices. Apple Nov. 23 asked the court to add to its case the Galaxy S III, running the new Jelly Bean system, the Galaxy Tab 8.9 Wifi tablet computer, the Galaxy Tab 2 10.1 and the Rugby Pro and Galaxy S III mini, according to court papers. "Apple has acted quickly and diligently to determine that these newly released products do infringe many of the same claims already asserted by Apple, and in the same way that the already-accused devices infringe," the Cupertino, California-based computer-maker said in its filing. [Bloomberg]