

August 27, 2012

## Stock Markets Rap

|             | Close     | Chg   | (%)   |
|-------------|-----------|-------|-------|
| MSCI World  | 1,285.84  | 0.6   | 0.0%  |
| Dow         | 13,157.97 | 0.0   | 0.8%  |
| Nasdaq      | 3,069.79  | 16.4  | 0.5%  |
| S&P 500     | 1,411.13  | 9.1   | -0.1% |
| Euro Stoxx  | 3,053.77  | -2.4  | -0.1% |
| FTSE 100    | 9,145.51  | -24.3 | -0.3% |
| DAX         | 8,738.93  | -1.5  | -0.0% |
| CAC         | 4,303.87  | -13.3 | -0.3% |
| ASX 200     | 4,510.48  | -58.4 | -1.3% |
| Nikkei      | 115.29    | -1.6  | -1.4% |
| Shanghai    | 329.17    | -3.4  | -1.0% |
| Hang Seng   | 2,562.95  | -32.7 | -1.3% |
| H Shares    | 1,247.29  | -20.9 | -1.6% |
|             | Close     | Chg   | (%)   |
| FTSE ASEAN  | 575.57    | -4.0  | -0.7% |
| Singapore   | 2,441.37  | -9.6  | -0.4% |
| Thailand    | 1,188.62  | 1.0   | 0.1%  |
| Malaysia    | 1,648.22  | -3.4  | -0.2% |
| Indonesia   | 4,145.40  | -17.3 | -0.4% |
| Philippines | 5,143.35  | -59.5 | -1.1% |
| Vietnam     | 399.72    | 6.9   | 1.8%  |
| Lao PDR     | 1,056.10  | 0.0   | 0.0%  |
| Cambodia    | 693.55    | -5.4  | -0.8% |

## Currencies Rap

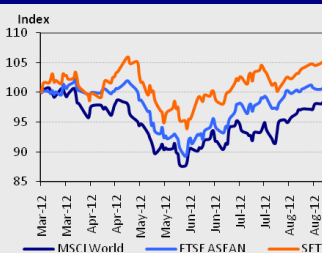
|         | Last      | Chg   | (%)   |
|---------|-----------|-------|-------|
| DX      | 81.59     | 0.2   | 0.3%  |
| USD/EUR | 1.25      | -0.0  | -0.3% |
| JPY/USD | 78.67     | 0.0   | 0.1%  |
| THB/USD | 31.22     | 0.0   | 0.0%  |
| VND/USD | 20,905.00 | -15.0 | -0.1% |
| LAK/USD | 8,012.00  | 38.0  | 0.5%  |
| KHR/USD | 4,068.55  | 20.4  | 0.5%  |
| MMK/USD | 873.13    | 3.1   | 0.4%  |
| VND/THB | 668.43    | 4.4   | 0.7%  |
| LAK/THB | 256.55    | 1.1   | 0.4%  |
| KHR/THB | 668.43    | 4.4   | 0.7%  |
| MMK/THB | 27.96     | 0.1   | 0.3%  |

## Commodities Rap

|        | Close    | Chg   | (%)   |
|--------|----------|-------|-------|
| Gold   | 1,670.50 | 8.95  | 0.5%  |
| Silver | 30.78    | 0.49  | 1.6%  |
| Copper | 3.49     | -0.01 | -0.3% |
| WTI    | 96.15    | -0.12 | -0.1% |
| Brent  | 113.59   | -1.42 | -1.2% |
| BDI    | 717.00   | 2.00  | 0.3%  |

## World, ASEAN, SET

### Relative Performance



## MACRO NEWS

- EU: Merkel Tries to Calm Storms Over Greece, ECB Policy
- China: Wen Says China Need Measures to Promote Export Growth

## CORPORATE NEWS

- Apple [AAPL: US] - Apple's \$1 Billion Verdict May Lead to Samsung Sales Ban
- HSBC [HBC: HK] - HSBC in Settlement Talks With U.S. Over Money Laundering

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## MACRO NEWS

### Merkel Tries to Calm Storms Over Greece, ECB Policy

Angela Merkel tried to calm a growing storm over euro zone crisis strategy on Sunday after the Bundesbank likened ECB bond-buying plans to a dangerous drug and a conservative ally of the German leader said Greece should leave the currency bloc by next year. (*Read the story:* Bundesbank chief says ECB bond buying "like a drug") The comments, from central bank chief Jens Weidmann and a senior figure in the Bavarian Christian Social Union (CSU), Alexander Dobrindt, point to mounting unease in Germany with the policies being used to combat the three-year old debt crisis. Domestic criticism has narrowed Merkel's room for maneuver at a time when Greece is in dire need of more aid and policymakers are scrambling to prevent contagion from enveloping big countries like Spain and Italy. Two days after Greek Prime Minister Antonis Samaras visited Berlin and made an impassioned plea for politicians there not to talk up the possibility of a Greek euro exit, Merkel herself sent a warning to allies who have said the euro zone would be better off without its weakest link. "We are in a very decisive phase in combating the euro debt crisis," Merkel told public broadcaster ARD in an interview. "My plea is that everyone weigh their words very carefully." Dobrindt, whose party is preparing for a regional election in Bavaria and the federal vote next autumn, told top-selling German daily Bild he expected Greece to leave the euro zone in 2013. His comments drew a swift rebuke from Foreign Minister Guido Westerwelle who said "bullying" of euro members must stop. In addition to Greece, policymakers have been sparring over European Central Bank President Mario Draghi's plans to buy up the bonds of Spain and Italy. The ECB is assuming a greater role in the crisis while governments negotiate legal and political hurdles to coordinating a longer-term response. The bank's Italian head is expected to detail his plans after a September 6 meeting of its 23-member governing council. Merkel gave her tacit support to Draghi on a trip to Canada earlier this month and reiterated in the ARD interview that she believed the ECB's policies were in line with its mandate to ensure stable prices in the bloc. [CNBC]

### Wen Says China Need Measures to Promote Export Growth

China's Premier Wen Jiabao urged extra measures to support exports and help meet economic targets as evidence mounts that the nation's slowdown is deepening. "The third quarter is a crucial period for realizing full-year targets on export growth," Wen said during an inspection tour of Guangdong, the nation's biggest exporting province, the official Xinhua News Agency said Aug. 25. "Facing the current difficulties, China should substantially improve the environment for companies' operation and improve companies' confidence." Wen's visit was the latest in his tours of export-reliant provinces on the coast as he tries to boost confidence in an economy at risk of the weakest expansion in 13 years. Policy makers have limited the scale of stimulus after interest-rate cuts in June and July as they seek to support growth without fueling inflation or driving a rebound in property prices. "The most important thing right now and the purpose of Wen's trips is to reboot the confidence of businesses and focus more on employment," said Helen Qiao, chief China economist with Morgan Stanley in Hong Kong. "We've seen a significant deterioration in exports and the government really has very few tools to stimulate external demand, but it's an important gesture that the government shows it's trying to help." The MSCI Asia Pacific Index rose 0.3 percent as of 10:10 a.m. in Tokyo on speculation that policy makers in Asia and the U.S. will do more to support growth. [Bloomberg]

## CORPORATE NEWS

### Apple's \$1 Billion Verdict May Lead to Samsung Sales Ban

Apple Inc. (AAPL) won more than \$1 billion after a jury found Samsung Electronics Co. infringed six of seven patents for its mobile devices in a verdict that may lead to a ban on U.S. sales of handheld electronics a judge deems to violate Apple's rights.

Apple won less than half of what it sought in damages in the first lawsuit to go before a U.S. jury in the fight to dominate the global smartphone market, though U.S. District Judge Lucy Koh may later triple the damages against Samsung under federal law. Samsung avoided a finding of damages for antitrust law violations or breach of contract. Koh, who presided over the four-week trial, scheduled a hearing next month to consider Apple's request to make permanent a ban on U.S. sales of Samsung devices including its Galaxy Tab 10.1 computer, as well as to extend the ban to other Samsung products. Jurors in federal court in San Jose, California, found after just three days of deliberations that Samsung infringed three software patents related to its tablet computer and two of those related to Samsung's smartphones. "This is a huge victory for Apple," Mark Lemley, a Stanford Law School professor, said in an e-mail. "The verdict is just large enough to be the largest surviving patent verdict in history." "Even more important is the injunction Judge Koh is likely to issue," Lemley said after the verdict on Aug. 24. "The real question is whether this is enough to derail the momentum the Android ecosystem has gained in the marketplace." [Bloomberg]

### HSBC in Settlement Talks With U.S. Over Money Laundering

HSBC Holdings Plc (HSBA), which is under investigation by U.S. regulators for laundering funds of sanctioned nations including Iran and Sudan, is in talks to settle the matter, two people with knowledge of the case said. The bank, Europe's largest by market value, made a \$700 million provision in July for any U.S. fines after a Senate Committee found it had given terrorists and drug cartels access to the U.S. financial system. That sum might increase, Chief Executive Officer Stuart Gulliver has said. An HSBC settlement regulators and the Manhattan District Attorney were aiming to conclude as early as September may have been slowed when New York's banking superintendent accused Standard Chartered of laundering \$250 billion for Iran. Regulators had been talking with both banks about universal accords when Benjamin Lawsky on Aug. 6 threatened to revoke Standard Chartered's license. Deals with the London-based banks next month are still possible, said the people, who asked not to be identified because the investigations are confidential. "This is an epidemic of banks willfully, consistently violating economic sanctions," Jimmy Gurule, a former undersecretary for enforcement at the U.S. Treasury, said of sanctioned-nation money laundering. "It calls for more serious sanctions than a monetary fine for an individual bank that does nothing more than harm shareholders." [Bloomberg]