

Tuesday March 27, 2012

Stock Markets Rap (as of Mar 26)

	Close	Chg	(%)
Dow	13,242	+161	+1.2
Nasdaq	3,123	+55	+1.8
S&P 500	1,417	+19	+1.4
VIX	14.26	-0.56	-3.8
MSCI World	1,323	+15	+1.2

	Close	Chg	(%)
FTSE 100	5,903	+48	+0.8
DAX	7,079	+84	+1.2
CAC	3,502	+26	+0.7
Euro Stoxx	2,471	+12	+0.5

	Close	Chg	(%)
ASX 200	4,263	-8	-0.2
Nikkei	10,018	+7	+0.1
Shanghai	2,351	+1	+0.0
HSI	20,669	+0	+0.0
H Shares	10,592	-67	-0.6

	Close	Chg	(%)
STI	2,975	-16	-0.5
Malaysia	1,583	-3	-0.2
PSEi	5,030	-13	-0.3
SET	1,188	-6	-0.5
LSX	971	0	0.0
Vietnam	459	+5	+1.1
Indonesia	4,032	-10	-0.2
FTSE ASEAN	570	-3	-0.5

Currencies Rap (as of Mar 26)

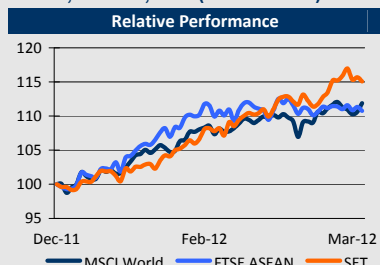
	Last	Chg	(%)
DX	78.92	-0.43	-0.54
THB/USD	30.69	-0.04	-0.13
LAK/THB	260.39	-0.04	-0.01
LAK/USD	7,989.00	-5.00	-0.06
USD/EUR	1.3328	+0.01	+0.44
JPY/USD	82.81	+0.46	+0.56

Commodities Rap (as of Mar 26)

	Close	Chg	(%)
Gold	1,688.20	+23.30	+1.40
Silver	32.75	+0.48	+1.48
Copper	388.75	+7.90	+2.07
WTI	107.03	+0.16	+0.15
Brent	125.65	+0.52	+0.42
BDI	912	+4	+0.44

Source: Bloomberg

World, ASEAN, SET (as of Mar 26)



Source: Bloomberg

MACRO NEWS

- Bernanke Says Accommodative Policy Needed to Cut Joblessness
- German Business Confidence Rises Again
- Banks Set to Cut \$1 Trillion From Balance Sheets
- China Banks Said to Underestimate Local Government Risks

CORPORATE NEWS

- Apple [AAPL:US] - Apple Plans Further Investment in China as Cook Visits
- Apple [AAPL:US] - Apple Offers Royalty-Free Licenses For Nano-SIM
- Exxon Mobil [XOM:US] - Senate Agrees to Debate Bill Repealing Oil-Industry Tax Breaks
- JPMorgan [JPM:US] - JPMorgan Ready to Take Wall Street Top Spot

Thanawat Patchimkul
Global Strategist
Email: thanawatp@ktzmico.com
Tel: + 66 2 695 5451
Assisted by
Denruthai Krishnamra

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MACRO NEWS

Bernanke Says Accommodative Policy Needed to Cut Joblessness

Federal Reserve Chairman Ben S. Bernanke said while he's encouraged by the unemployment rate's decline to 8.3%, continued accommodative monetary policy will be needed to make further progress. The drop in unemployment may reflect "a reversal of the unusually large layoffs that occurred" in 2008 and 2009, and this process may now be over, Bernanke said in a speech. Reducing the jobless rate further will probably require a quicker expansion of business production and consumer demand, which "can be supported by continued accommodative policies," he said. Stocks rallied as some investors bet Bernanke's comments indicate further policy easing is still under consideration. The Federal Open Market Committee on March 13 raised its assessment of the economy while repeating that interest rates are likely to stay low at least through late 2014. [\[Reuters\]](#)

German Business Confidence Rises Again

A closely-watched survey shows German business confidence is up for the fifth month in a row as Europe's biggest economy continues to outperform much of the debt-hobbled continent. The Ifo Institute reported Monday its confidence index rose to 109.8 points from 109.6 in February. Economists had predicted a slightly lower rise to 109.7. Germany's economy, traditionally powered by exports but helped lately by increasingly strong domestic demand, has been a bright spot over the past couple of years. However, even Germany's not immune from the ripple effects of Europe's debt crisis. Its economy contracted by 0.2% in last year's fourth quarter though it grew by a solid 3% over 2011 as a whole. [\[Bloomberg\]](#)

Banks Set to Cut \$1 Trillion From Balance Sheets

Investment banks are to shrink their balance sheets by another \$1 trillion or up to 7% globally within the next two years, says a report that foresees a shake-up of market share in the industry. Higher funding costs and increased regulatory pressure to bolster capital will force wholesale banks also to cut 15%, or up to \$0.9 trillion, of assets that are weighted by risk, a joint report by Morgan Stanley and consultants Oliver Wyman predicts. Banks are expected take out \$10-12 billion in costs by reducing pay, firing employees and paring back investments in areas that are no longer considered core. The report says investment banks have taken out about 7% of capacity last year and will cut up to another 10th in the next two years. The scale of the cuts would help banks to come back to return on equity levels of 12 to 14% in the next two years, up from an average of 8% in the past year. [\[CNBC\]](#)

China Banks Said to Underestimate Local Government Risks

Chinese banks misclassified about 20% of their outstanding loans to local governments, understating the risk that slowing revenue will cut borrowers' ability to repay, a person with knowledge of the matter said. The China Banking Regulatory Commission told lenders last month that they had incorrectly placed about 1.8 trillion yuan (\$286 billion) of loans to local government financing vehicles in the safest category of lending, the person said. The banks erred in calculations and underestimated risks when they decided the loans were fully covered by cash flows from the projects, the person said. Reclassifying the debts may force banks to set aside greater loan-loss provisions and seek more collateral from regional authorities. [\[Bloomberg\]](#)

CORPORATE NEWS

Apple [AAPL:US] - Apple Plans Further Investment in China as Cook Visits

Apple Inc. said it plans "greater investment" in China as Chief Executive Officer Tim Cook visited the world's most populous country, where store openings have trailed a forecast the company made two years ago. China is Apple's second-largest market after the U.S., Cook said in October. Demand for the iPhone in China was "staggering" and the company "didn't bet high enough," Cook said Jan. 24. Since opening its first store in Sanlitun in 2008, Apple now has two stores in Beijing; three in Shanghai and one in Hong Kong, for a total of six. That's fewer than the 25 stores that then-head of retail Ron Johnson projected over two years on Feb. 25, 2010. Johnson left Apple last June to become J.C. Penney Co.'s chief executive officer. [\[Bloomberg\]](#)

Apple [AAPL:US] - Apple Offers Royalty-Free Licenses For Nano-SIM

Apple Inc. is pushing to have its next-generation nano-SIM card technology adopted as an industry wide standard, saying it would grant royalty-free licenses for the technology to rivals. The Subscriber Identity Module, or SIM, stores the information used to identify subscribers on mobile phones and is embedded into a removable card. Apple is offering to grant royalty-free licenses for any patents essential to its new type of SIM card, known as nano-SIM, provided the technology is adopted as a standard and other patent holders reciprocate. [\[WSJ\]](#)

Exxon Mobil [XOM:US] - Senate Agrees to Debate Bill Repealing Oil-Industry Tax Breaks

The U.S. Senate agreed to take up legislation that would repeal oil-industry tax breaks, a signal that both political parties see an advantage in debating energy policy amid rising gasoline prices. Republicans said eliminating tax breaks for oil companies, such as Exxon Mobil and Chevron would hurt the U.S. economy by encouraging producers to drill overseas and raising consumer prices. The lawmakers sought to link the proposal with President Barack Obama, whose 2013 budget proposes repealing oil industry breaks. "Raising taxes will, in fact, translate into higher prices," Senator John Cornyn, a Texas Republican, said. Democrats said U.S. oil companies are profiting from high gasoline prices and can afford to pay more. [\[Bloomberg\]](#)

JPMorgan [JPM:US] - JPMorgan Ready to Take Wall Street Top Spot

JPMorgan is on track to score a rare Wall Street "Hat Trick" as it tops the merger advisory, equity and debt underwriting rankings. Preliminary first quarter data shows that JPMorgan led all banks in M&A advisory, equity underwriting and debt issuance volumes in the first quarter, making it the only Wall Street banking unit likely to earn over \$1 billion in fee revenue, according to Dealogic. [\[The Street\]](#)

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