

Wednesday July 4, 2012

Stock Markets Rap (as of July 3)

	Close	Chg	(%)
MSCI World	1,251	+11	+0.9
Dow	12,944	+72	+0.6
Nasdaq	2,976	+25	+0.8
S&P 500	1,374	+9	+0.6
Euro Stoxx	2,320	+28	+1.2
FTSE 100	5,688	+47	+0.8
DAX	6,578	+82	+1.3
CAC	3,271	+31	+1.0
ASX 200	4,127	-6	-0.1
Nikkei	9,067	+63	+0.7
Shanghai	2,229	+3	+0.1
Hang Seng	19,736	+294	+1.5
H Shares	9,712	+137	+1.4

	Close	Chg	(%)
FTSE ASEAN	561	+7	+1.3
Singapore	2,945	+35	+1.2
Thailand	1,198	+9	+0.8
Malaysia	1,608	+7	+0.4
Indonesia	4,050	+58	+1.5
Philippines	5,366	+65	+1.2
Vietnam	413	-6	-1.5
Lao PDR	1,000	+10	+1.0
Cambodia	688	0	0.0

Currencies Rap (as of July 3)

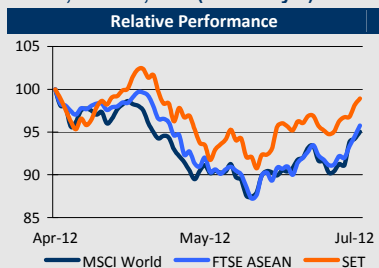
	Last	Chg	(%)
DXY	81.78	-0.09	-0.11
USD/EUR	1.2581	-0.00	-0.32
JPY/USD	79.82	+0.18	+0.23
THB/USD	31.48	-0.12	-0.38
VND/USD	20,890	+10.00	+0.05
LAK/USD	8,016.00	+1.50	+0.02
KHR/USD	4,116.30	+18.15	+0.44
MMK/USD	880.64	+8.48	+0.97
VND/THB	663.81	+2.57	+0.39
LAK/THB	254.72	+1.10	+0.43
KHR/THB	129.00	0.00	0.00
MMK/THB	27.98	+0.38	+1.39

Commodities Rap (as of July 3)

	Close	Chg	(%)
Gold	1,621.80	+24.10	+1.51
Silver	28.28	+0.78	+2.84
Copper	354.00	+7.10	+2.05
WTI	87.66	+3.91	+4.67
Brent	100.68	+3.34	+3.43
BDI	1,063	+50	+4.94

Source: Bloomberg

World, ASEAN, SET (as of July 3)



Source: Bloomberg

MACRO NEWS

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- U.S. Factory Orders Reverse Declines, Pick Up in May
- China Bank Body Sees 1-3 RRR Cuts by Yr-End
- China June Loans Fell Short of Forecasts: Reports

CORPORATE NEWS

- JPMorgan [JPM:US] - JPMorgan Probed Over Potential Power-Market Manipulation
- JPMorgan [JPM:US] - JPMorgan Downgrade 'Long Time Coming': Whitney
- SingTel [Z74:SP] - DBS Cuts SingTel to Hold From Buy
- Tencent [700:HK] - Tencent Launches New Portal Website Design

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MACRO NEWS

Central Bank Stimulus Hopes Shore Up Markets

Expectations that central banks around the world will act to boost the global economy combined with optimism over Europe's latest efforts to deal with its debt crisis to send European stocks higher again Tuesday. A round of disappointing manufacturing surveys on Monday - mainly in China and the U.S., the world's two largest economies - has pushed investors to expect that central banks will ease monetary policy further in the coming weeks. The Federal Reserve has in recent months been hesitant to provide significant new stimulus, but the latest data may be enough to convince it to act decisively. Monday's survey by the Institute for Supply Management showed the U.S. manufacturing sector contracting for the first time since the country was in recession three years ago. On Thursday, the European Central Bank and the Bank of England are widely-expected to provide new help to the economy. The ECB is expected to cut its key interest rate to a record low below 1 percent while the Bank of England appears ready to launch another monetary stimulus that involves boosting the amount of money in the economy. [\[Associated Press\]](#)

U.S. Factory Orders Reverse Declines, Pick Up in May

U.S. factories received more orders in May from April after two consecutive months of declines, as businesses demanded more goods that signal investment plans. The Commerce Department says factory orders increased 0.7% in May. Core capital goods, such as machinery and computers, rose 2.1%. That's better than the 1.6% estimated in a preliminary report a week ago and is a good measure of companies' plans to invest. [\[Associated Press\]](#)

China Bank Body Sees 1-3 RRR Cuts by Yr-End

China's central bank is likely to cut the reserve requirement ratio (RRR) by 1-3 times in the rest of 2012 to support the slowing economy, the China Banking Association said on Tuesday. The central bank has cut RRR three times, at 50 bps each, since November and cut interest rates in early June to bolster economic growth, which is seen dipping below 8% in the second quarter -- the sixth successive quarter of slower growth. The central bank will cut RRR by 1 to 3 times more in 2012, each by 50 bps, enabling banks to extend more loans in the rest of the year, state radio cited the association's latest report as saying, adding that the Chinese yuan will rise at a slower pace this year with more frequent two-way fluctuations. Separately, the China Securities Journal said a cut to the banks' required reserves ratio, currently at 20%, would mitigate the risk of a liquidity crunch in July from a seasonal surge in the reserve payment due to deposit increases. [\[Reuters\]](#)

China June Loans Fell Short of Forecasts: Reports

Banks in China likely issued far fewer new yuan loans in June than what analysts had expected in another worrying sign of a slowing economy and weak corporate appetite for borrowing. China's four largest banks extended CNY180 billion (US\$28.5 billion) in new yuan loans last month, down by around CNY50 billion from a month earlier. Separately, "Securities Times" put the figure at CNY188 billion, down from CNY250 billion in May. The largest four banks usually account for a third of new yuan loans issued by China's banking system. A drop in short-term loans, a barometer of corporate demand for borrowing, could have been the main reason for the decline in new yuan loans last month. Total bank lending in China likely reached CNY700 billion in June well below market expectations of CNY950 billion to CNY1 trillion after Beijing eased monetary policy further and unveiled new measures to boost investment and consumption. New yuan loans issued by Chinese financial institutions totaled CNY793.2 billion in May, down from CNY1.01 trillion in March and up from CNY682 billion in April, when they hit the lowest monthly level so far this year. [\[MarketWatch\]](#)

CORPORATE NEWS

JPMorgan [JPM:US] - JPMorgan Probed Over Potential Power-Market Manipulation

JPMorgan Chase is being investigated over potential power-market manipulation that inflated payments for electricity, according to the U.S. Federal Energy Regulatory Commission. The FERC, which has pledged to combat manipulation of prices, began its probe after reports last year of bidding practices by JPMorgan that the California and Midwest grid operators deemed to be abusive, according to documents provided by the Washington-based agency. "Three of the bidding techniques had together resulted in at least \$73 million in improper payments," the agency said. [\[Bloomberg\]](#)

JPMorgan [JPM:US] - JPMorgan Downgrade 'Long Time Coming': Whitney

Meredith Whitney, CEO of the Meredith Whitney Advisory Group, downgraded JPMorgan to "hold" on Tuesday and told CNBC that it had been a "long time coming." But with JPMorgan rallying back 17 percent and now trading at a little above tangible book value, Whitney said, "we decided to do it before the holiday weekend in light of this Libor event, which I think is going to get a lot bigger." Whitney was referring to Britain's rate-fixing scandal, which this week forced Barclays to pay a \$450 million fine and led to the resignations of its top three executives. [\[CNBC\]](#)

SingTel [Z74:SP] - DBS Cuts SingTel to Hold From Buy

DBS Vickers has downgraded Singapore Telecommunications to 'hold' from 'buy' and cut its target price to S\$3.29 from S\$3.32, on concerns of intensifying competition in India, a weak rupee and its growth in Singapore. DBS said that tariffs in India have been falling rapidly since May, indicating greater competition in the country, while SingTel's affiliate Bharti Airtel has been losing revenue share to competitors such as Vodafone. [\[Reuters\]](#)

Tencent [700:HK] - Tencent Launches New Portal Website Design

Tencent Holdings, China's largest Internet company by revenue, introduces a new version of its Qq.com portal on Tuesday, as Web portals are being overshadowed by the latest Internet services, such as micro blogs. Qq.com has incorporated its micro-blogging and online video services to diversify its text and picture displays. Tencent's micro blog surpassed its portal at the end of 2010 in the number of times searches are made for it. [\[China Daily\]](#)