

Thursday July 5, 2012

Stock Markets Rap (as of July 4)

	Close	Chg	(%)
MSCI World	1,250	-1	-0.1
Dow	12,944	-	-
Nasdaq	2,976	-	-
S&P 500	1,374	-	-
Euro Stoxx	2,312	-8	-0.3
FTSE 100	5,684	-3	-0.1
DAX	6,565	-13	-0.2
CAC	3,268	-3	-0.1
ASX 200	4,172	+45	+1.1
Nikkei	9,104	+38	+0.4
Shanghai	2,227	-2	-0.1
Hang Seng	19,710	-26	-0.1
H Shares	9,684	-27	-0.3

	Close	Chg	(%)
FTSE ASEAN	561	+1	+0.1
Singapore	2,949	+3	+0.1
Thailand	1,194	-4	-0.3
Malaysia	1,614	+6	+0.4
Indonesia	4,076	+26	+0.6
Philippines	5,355	-11	-0.2
Vietnam	411	-2	-0.6
Lao PDR	1,003	+3	+0.3
Cambodia	688	0	0.0

Currencies Rap (as of July 4)

	Last	Chg	(%)
DX	81.78	0.00	0.00
USD/EUR	1.2560	-0.00	-0.17
JPY/USD	79.85	+0.03	+0.04
THB/USD	31.46	-0.02	-0.06
VND/USD	20,890	0.00	0.00
LAK/USD	8,014.00	-2.00	-0.02
KHR/USD	4,095.40	-20.90	-0.51
MMK/USD	878.19	-2.46	-0.28
VND/THB	664.02	+0.21	+0.03
LAK/THB	254.74	+0.02	+0.01
KHR/THB	130.00	+1.00	+0.78
MMK/THB	27.91	-0.07	-0.25

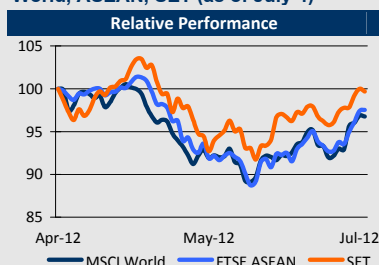
Commodities Rap (as of July 4)

	Close	Chg	(%)
Gold	1,621.80	-	-
Silver	28.28	-	-
Copper	354.00	-	-
WTI	87.66	-	-
Brent	99.77	-0.91	-0.90
BDI	1,103	+40	+3.76

Source: Bloomberg

*Dow, Nasdaq, S&P500 Index, Gold, Silver, Copper
WTI Futures as of July 3

World, ASEAN, SET (as of July 4)



Source: Bloomberg

MACRO NEWS

- Euro-Area June Manufacturing, Services Output Contracts
- German Services Sector Stagnates in June
- UK Service Sector Growth Slumps to Eight Month Low
- Spain Bank Aid Deal May Be Delayed Until July 20
- IMF Cuts U.S. Growth Outlook, Warns of Potential Recession

CORPORATE NEWS

- Apple [AAPL:US] - Apple Suppliers Said to Prepare for Smaller Tablet
- Exxon Mobil [XOM:US] - Exxon Mobil Said to Explore Sale of German Esso Gas Stations

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MACRO NEWS

Euro-Area June Manufacturing, Services Output Contracts

Services and manufacturing output shrank in June for a fifth month in the euro area and services unexpectedly contracted in Germany, adding to signs of a deepening economic slump in the second quarter. A composite index based on a survey of purchasing managers in both industries in the 17-nation euro area rose to 46.4 from May, London-based Markit Economics said. That's above an initial estimate of 46 published on June 21. Europe's economy probably contracted in the second quarter as budget cuts eroded consumer demand and prompted companies to eliminate jobs. The European Central Bank Thursday may lower borrowing costs to a record, after worsening turmoil forced Spain and Cyprus last month to seek external aid. [\[Bloomberg\]](#)

German Services Sector Stagnates in June

Germany's services sector unexpectedly stagnated in June, ending an 8-month period of expansion as new order intake dropped, adding to evidence that Europe's largest economy can no longer be relied upon to save the region from recession. Markit's services Purchasing Managers' Index (PMI) fell to 49.9 in June from 51.8 in May, just below the 50 level that separates growth from contraction and missing an estimate of 50.3. The reading was the lowest since September last year, driven by lower levels of new work for the 3rd month running and a sharp fall in business expectations. [\[Reuters\]](#)

UK Service Sector Growth Slumps to Eight Month Low

Growth in the U.K.'s dominant service sector slowed significantly in June with activity expanding at the weakest pace in 8 months, further denting the likelihood that the economy emerged from recession in the second quarter and strengthening the case for the Bank of England to revive its bond-buying stimulus program on Thursday. The services purchasing managers' index fell to 51.3 in June from 53.3 in May, the survey from data provider Markit and the Chartered Institute of Purchasing and Supply showed. A reading above 50 indicates activity in the sector is expanding. [\[Dow Jones Newswires\]](#)

Spain Bank Aid Deal May Be Delayed Until July 20

A final agreement for European aid of up to 100 billion euros (£80.33 billion) for Spanish banks may be delayed by a few days, until July 20, to allow more time for negotiations. The signature of the Memorandum of Understanding (MoU) was initially scheduled for July 9, when euro zone finance ministers hold their monthly meeting in Brussels. A new meeting of the Eurogroup had been pencilled in on July 20. The source said the first tranche of European money would be sent to Spain's bank restructuring fund FROB on time for the state-rescued banks Bankia, CatalunyaCaixa, NovaGalicia and Banco de Valencia to keep running their day-to-day operations normally. [\[Reuters\]](#)

IMF Cuts U.S. Growth Outlook, Warns of Potential Recession

IMF pared its forecast for U.S. economic growth this year, citing concerns about the euro-zone debt crisis, the ailing U.S. housing market and uncertainty over the government's budget policies. The fund also warned the U.S. economy could fall into recession next year and hurt the global economy if the White House and Congress don't reach a deal to prevent large spending cuts and tax increases scheduled to take effect in the new year, a package of measures known to some as the "fiscal cliff." The IMF also noted the federal government is on track to hit its \$16.4 trillion borrowing limit late this year. Without legislative action to raise this debt ceiling, the government would default on some of its financial obligations, though the Treasury Department has said it could employ extraordinary cash-management measures to postpone that until early 2013. The IMF forecasts the U.S. economy to grow 2% this year and 2.3% next year, lowering both projections by 0.1 percentage point from its previous forecast in April. [\[WSJ\]](#)

CORPORATE NEWS

Apple [AAPL:US] - Apple Suppliers Said to Prepare for Smaller Tablet

Apple Inc.'s AAPL component suppliers in Asia are preparing for mass production in September of a new tablet computer with a smaller screen, people familiar with the situation said, suggesting that the Cupertino, Calif., company is close to launching a smaller tablet. Two of the people said that the new tablet will likely come with a screen smaller than 8 inches, compared with the 9.7-inch screen of Apple's latest version. Officials at Apple's component suppliers, who declined to be named, said this week that Apple has told them to prepare for mass production of the smaller tablet. Apple's plans for a smaller tablet come as the iPad faces new challenges in an increasingly crowded market. Apple's competitors include Samsung Electronics Co. (005930.SE) and Amazon.com Inc. (AMZN), while Microsoft Corp. (MSFT) and Google Inc. (GOOG) recently unveiled tablet devices. Analysts said a smaller tablet could help Apple maintain its dominant share of the tablet market at a time when competition is intensifying. Last year, the iPad held a 62% share of the worldwide tablet market, according to market research firm IHS iSuppli. [\[MarketWatch\]](#)

Exxon Mobil [XOM:US] - Exxon Mobil Said to Explore Sale of German Esso Gas Stations

Exxon Mobil Corp. (XOM), the world's biggest energy company by market value, is weighing a sale of its German Esso gas station chain, according to people familiar with the process. The unit, which includes more than 1,100 gas stations in Germany, may fetch more than 1 billion euros (\$1.3 billion), said two of the people, who asked not to be identified because talks are private. Exxon is in preliminary talks with multiple parties, two or three of which may be from Russia or eastern Europe, people said. No final decision on a sale has been made. Exxon CEO Rex Tillerson has divested almost one-third of the company's filling stations during the past four years to exit markets where fuel demand is stagnating or declining, and has focused investment on higher-profit oil wells and chemical production. Exxon's portfolio of owned or leased filling stations fell to 7,753 as of Dec. 31 from 11,446 at the end of 2007, according to a company statement. [\[Bloomberg\]](#)