

Friday July 6, 2012

Stock Markets Rap (as of July 5)

	Close	Chg	(%)
MSCI World	1,242	-8	-0.6
Dow	12,897	-47	-0.4
Nasdaq	2,976	+0	+0.0
S&P 500	1,368	-6	-0.5
Euro Stoxx	2,285	-27	-1.2
FTSE 100	5,693	+8	+0.1
DAX	6,536	-29	-0.4
CAC	3,229	-38	-1.2
ASX 200	4,169	-3	-0.1
Nikkei	9,080	-24	-0.3
Shanghai	2,201	-26	-1.2
Hang Seng	19,809	+99	+0.5
H Shares	9,703	+18	+0.2

	Close	Chg	(%)
FTSE ASEAN	562	+1	+0.2
Singapore	2,971	+23	+0.8
Thailand	1,202	+8	+0.6
Malaysia	1,614	+1	+0.0
Indonesia	4,070	-6	-0.1
Philippines	5,370	+15	+0.3
Vietnam	414	+3	+0.8
Lao PDR	1,003	0	0.0
Cambodia	688	0	0.0

Currencies Rap (as of July 5)

	Last	Chg	(%)
DXY	82.81	+1.03	+1.26
USD/EUR	1.2514	-0.00	-0.37
JPY/USD	79.65	-0.20	-0.25
THB/USD	31.54	+0.08	+0.25
VND/USD	20,880	-10.00	-0.05
LAK/USD	8,016.00	+2.00	+0.02
KHR/USD	4,107.90	+12.50	+0.31
MMK/USD	883.47	+5.28	+0.60
VND/THB	662.18	-1.84	-0.28
LAK/THB	254.15	-0.58	-0.23
KHR/THB	129.00	-1.00	-0.77
MMK/THB	28.01	+0.10	+0.35

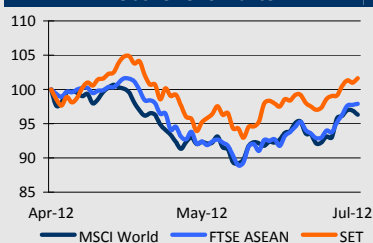
Commodities Rap (as of July 5)

	Close	Chg	(%)
Gold	1,609.40	-12.4	-0.76
Silver	27.67	-0.61	-2.15
Copper	349.30	-4.70	-1.33
WTI	87.22	-0.44	-0.50
Brent	100.70	+0.93	+0.93
BDI	1,138	+35	+3.17

Source: Bloomberg

World, ASEAN, SET (as of July 5)

Relative Performance



Source: Bloomberg

MACRO NEWS

- ECB Cuts Benchmark Rate to Record Low of 0.75%, Deposit to Zero
- BOE Expands QE By GBP 50 Bln, Keeps Rate Unchanged
- China PBOC Cuts Rates in Surprise Move, Second Cut in Month
- US Service Sector Slows to Two-And-A-Half-Year Low in June: ISM
- US Jobless Claims Fall; Private Sector Employment Improves

CORPORATE NEWS

- Apple [AAPL:US] - Apple Said to Pick AutoNavi to Offer iPhone Maps in China
- Apple [AAPL:US] - Apple Mini-iPad Would Be Above \$199: Analyst
- Tencent [700:HK] - Tencent to Set Up Online Game Tie-Up With Activision

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MACRO NEWS

ECB Cuts Benchmark Rate to Record Low of 0.75%, Deposit to Zero

The European Central Bank cut interest rates to a record low and said it won't pay anything on overnight deposits as the sovereign debt crisis threatens to drive the euro region into recession. Some "downside risks to the euro-area economic outlook have materialized," ECB President Mario Draghi said at a press conference in Frankfurt after lowering the main refinancing rate and the deposit rate by 25 basis points to 0.75% and zero respectively. "Economic growth in the euro area continues to remain weak with heightened uncertainty weighing on both confidence and sentiment," Draghi said. While today's moves may not stimulate demand, they will lower borrowing costs for struggling banks and could build on the confidence boost euro-area governments delivered last week when they took steps toward a deeper economic union. [\[Bloomberg\]](#)

BOE Expands QE By GBP 50 Bln, Keeps Rate Unchanged

The Bank of England on Thursday expanded quantitative easing by GBP 50 billion and maintained its record low interest rate. At the end of two-day rate setting meeting, the Monetary Policy Committee decided to raise the size of its asset purchase programme to GBP 375 billion from GBP 325 billion. The bank maintained its bank rate at 0.50% as expected by economists. The committee expects the announced programme of asset purchases to take four months to complete. The scale of the programme will be kept under review, it said. The minutes of the meeting is due on July 18. [\[RTTNews\]](#)

China PBOC Cuts Rates in Surprise Move, Second Cut in Month

China's central bank on Thursday lowered interest rates for the second time in less than a month, a surprising move that signals alarm by the authorities in Beijing at the state of the world's second-largest economy. The People's Bank of China said in a statement it would cut the one-year yuan lending rate by 0.31% and the one-year deposit rate by 0.25%. Rather than another interest-rate cut, market analysts were widely expecting an imminent cut in the required reserve ratio, a less-powerful move that frees up funds to be loaned out by banks. But Goldman Sachs economist Yu Song said the two aren't mutually exclusive. "They could still cut the reserve ratio tomorrow," he said. The benchmark lending rate will fall to 6.00% from 6.31% previously, while the benchmark deposit rate will fall to 3.00% from 3.25%, effective Friday, the PBOC said. In addition, lending rates will be allowed to fall to 70% of the benchmark rate, down from 80% currently. Last month, it lowered the floor on lending rates to 80% of the benchmark from 90% previously, and raised the ceiling on deposit rates to 110% of the benchmark. [\[WSJ\]](#)

US Service Sector Slows to Two-And-A-Half-Year Low in June: ISM

The pace of growth in the services sector slowed in June to its lowest level since January 2010 as new orders waned, though employment improved, an industry report showed on Thursday. The Institute for Supply Management said its services index fell to 52.1 from 53.7 in May, shy of economists' forecasts for 53.0, according to a Reuters survey. A reading above 50 indicates expansion in the sector. The gauge of new orders for exports contracted to 49.5 from 53.0, suggesting the euro zone debt crisis was hampering demand. [\[Reuters\]](#)

US Jobless Claims Fall; Private Sector Employment Improves

Weekly jobless claims fell more than expected, while private sector employment rose and the number of planned layoffs at U.S. firms fell to its lowest level in over a year in June, separate reports showed Thursday. Initial claims for state unemployment benefits dropped 14,000 to a seasonally adjusted 374,000, the Labor Department said. The prior week's figure was revised up to 388,000 from the previously reported 386,000. The initial claims data has no bearing on Friday's employment report, which is expected to show employers added 90,000 to their payrolls in June, after increasing them by 69,000 in May. The unemployment rate is seen steady at 8.2% after rising in May for the first time since August. [\[CNBC\]](#)

CORPORATE NEWS

Apple [AAPL:US] - Apple Said to Pick AutoNavi to Offer iPhone Maps in China

In most of the world, Apple and Google are in an escalating battle to rule smartphone maps. In China, they've found a common friend they can't live without. Apple has selected AutoNavi Holdings Ltd. (AMAP) as a partner for maps on future iPhones and iPads in China, said two people with knowledge of the matter. The Beijing-based maps company has worked with Google since 2006. AutoNavi, which also works with Microsoft and Samsung Electronics, had 45% of China's mobile map data market in the first-quarter, versus 43% percent of its chief rival NavInfo. [\[Bloomberg\]](#)

Apple [AAPL:US] - Apple Mini-iPad Would Be Above \$199: Analyst

If Apple launches a smaller iPad tablet to compete with Google's Nexus 7 Tablet, it won't be priced quite as low as Google's \$199 tablet, but will still be competitively priced, Channing Smith, Capital Advisors vice president said. "This is a two-horse race between Google and Apple. Google is trying to find an angle and a lower price point, Apple's going to come down and match that." Apple currently sells its iPads for \$500 to \$600, but as Apple continues to grow in the international market, the company may begin to knock the price point down with the introduction of smaller iPad. [\[CNBC\]](#)

Tencent [700:HK] - Tencent to Set Up Online Game Tie-Up With Activision

Tencent Holdings, China's biggest Internet company, set up a licensing agreement with Vivendi SA's Activision Blizzard Inc. video-game unit to win players in the world's biggest online market. The companies will offer Activision's "Call of Duty" for online users in China. The agreement marks a significant expansion for "Call of Duty." The game is expected to be competitive with Tencent's top-selling title "Crossfire," which generates about \$1 billion in sales annually for the company. An analyst said it will ramp up to \$500 million in annualized revenue. [\[Bloomberg\]](#)