

Thursday December 1, 2011

NEWS UPDATE

Stock Markets Rap (as of Nov 30)

	Close	Chg	(%)
Dow	12,046	+490	+4.2
Nasdaq	2,620	+105	+4.2
S&P 500	1,247	+52	+4.3
Global Dow	1,823	+64	+3.6
VIX	27.80	-2.84	-9.3

	Close	Chg	(%)
FTSE 100	5,505	+168	+3.2
DAX	6,089	+289	+5.0
CAC	3,155	+128	+4.2

	Close	Chg	(%)
ASX 200	4,120	+18	+0.4
Nikkei	8,435	-43	-0.5
Shanghai	2,333	-79	-3.3
HSI	17,989	-267	-1.5
H Shares	9,509	-205	-2.1
FTSE STI	2,702	+14	+0.5
SET	995	+7	+0.7
LSX	923	0	0.0
Vietnam	381	-2	-0.6

Currencies Rap (as of Nov 30)

	Last	Chg	(%)
DXY	78.39	-0.62	-0.78
THB/USD	31.16	-0.11	-0.35
THB/LAK	257.46	+0.87	+0.34
LAK/USD	8,022.50	-1.00	-0.01
USD/EUR	1.3279	-0.01	-1.05
JPY/USD	78.15	+0.39	+0.50

Commodities Rap (as of Nov 30)

	Close	Chg	(%)
Gold	1,745.50	+32.10	+1.87
Silver	32.73	+0.88	+2.76
WTI	100.36	+0.57	+0.57
Brent	110.52	-0.30	-0.27
BDI	1,846	+18	+0.98

Source: Bloomberg

Central Banks Cut Cost of Borrowing Dollars

Six central banks led by the Federal Reserve made it cheaper for banks to borrow dollars in emergencies in a global effort to ease Europe's sovereign-debt crisis. The Fed coordinated the move with the European Central Bank and the central banks of Canada, Switzerland, Japan and the U.K. The six central banks also agreed to create temporary bilateral swap programs so funding can be provided in any of the currencies "should market conditions so warrant." Those swap lines were also authorized through Feb. 1, 2013. The new pricing will be applied to operations starting on Dec. 5. Seven-day loans would carry an interest rate of about 0.58%, down from 1.08%, based on the 1-week overnight index swap rate of 0.08%. **[Bloomberg]**

German Note Yields Fall Below Zero on ECB Rate Outlook, Demand for Safety

German one-year notes rallied, pushing the yield below zero for the first time, amid speculation the European Central Bank will intensify its economic stimulus and crisis-fighting measures. Two-year German yields fell to a record after the ECB and five other central banks agreed to reduce the interest rate on dollar liquidity swap lines to ease strains in financial markets. Euribor futures advanced, signaling investors were adding to bets for lower borrowing costs. Belgian and Italian bonds rallied. The one-year yield fell nine basis points to minus 0.01% at 4:15 p.m. London time after dropping to minus 0.07%, the first time it has declined below zero. **[Bloomberg]**

China Cuts Bank Reserve Ratio By 50 Basis Points

China's central bank cut the reserve requirement ratio for its commercial lenders on Wednesday for the first time in nearly three years to ease credit strains and shore up an economy running at its weakest pace since 2009. The move comes amid increasing concern among policymakers worldwide that the global economy is on a slippery slope as the euro zone struggles to decisively tackle its two year debt crisis. China's central bank said it lowered the reserve ratio by 50 basis points. That reduces the ratio for the biggest banks to 21% from a record high 21.5%, freeing up funds that could be used for lending to cash-strapped small firms. **[CNBC]**

China's Manufacturing Shrinks for First Time Since 2009 on Europe Impact

China's manufacturing contracted for the first time since February 2009 as the property market cooled and Europe's crisis cut export demand, a survey showed. The Purchasing Managers' Index fell to 49.0 in November from 50.4 in October, the China Federation of Logistics and Purchasing said in a statement today. The median estimate was 49.8. A level above 50 indicates expansion. **[Bloomberg]**

Thailand Cuts Interest Rate as Floods Force First Policy Easing Since 2009

The Bank of Thailand cut interest rates for the first time in more than two years and lowered its 2011 economic growth forecast as the nation reels from the worst floods in almost 70 years. The central bank reduced its one-day bond repurchase rate by 0.25% to 3.25% yesterday. Nine of 17 economists in a Bloomberg News survey predicted the decision, with the rest expecting a half-point cut. The central bank said gross domestic product will rise 1.8% in 2011, less than an earlier 2.6% estimate. **[Bloomberg]**

Lao PDR: EDL-GEN Eyes US\$50m in Revenue as Nam Ngum 1 Dam Turns 40

Electricite du Lao-General Public Company (EDL-GEN) expects revenue from the Nam Ngum 1 dam to top 400 billion kip (about US\$50 million) this year, an increase of more than 50% from last year. EDL-GEN Managing Director Mr Sisavath Thiravong made the forecast yesterday at an event to mark the 40th anniversary of the dam. Mr Sisavath pointed out that during this time the installed capacity of the plant has risen from 30 MW to the present 155 MW, and could increase by a further 120-150 MW in the future. **[Vientiane Times]**

Myanmar: Clinton Myanmar Visit May Augur Business Opening After Apple-to-Pepsi Exit

Secretary of State Hillary Clinton's arrival yesterday in Myanmar may give Western companies an opening to return to the former dictatorship 14 years after her husband banned new investment on human-rights concerns. Clinton's three-day visit, the highest-level U.S. trip in more than five decades, comes after Myanmar President Thein Sein released political prisoners and eased media censorship. Boycott threats prompted companies such as PepsiCo Inc., Levi-Strauss & Co. and Apple Inc. to pull out of Myanmar even before then- President Bill Clinton imposed sanctions in 1997. **[Bloomberg]**

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