

Friday 2 December, 2011

NEWS UPDATE

Stock Markets Rap (as of Dec 1)

	Close	Chg	(%)
Dow	12,020	-26	-0.2
Nasdaq	2,626	+6	+0.2
S&P 500	1,245	-2	-0.2
Global Dow	1,833	+9	+0.5
VIX	27.41	-0.39	-1.4

	Close	Chg	(%)
FTSE 100	5,489	-16	-0.3
DAX	6,036	-53	-0.9
CAC	3,130	-25	-0.8

	Close	Chg	(%)
ASX 200	4,229	+109	+2.6
Nikkei	8,597	+163	+1.9
Shanghai	2,387	+53	+2.3
HSI	19,002	+1,013	+5.6
H Shares	10,282	+773	+8.1
FTSE STI	2,762	+59	+2.2
SET	1,019	+24	+2.4
LSX	923	0	0.0
Vietnam	380	-1	-0.2

Currencies Rap (as of Dec 1)

	Last	Chg	(%)
DXY	78.30	-0.09	-0.11
THB/USD	30.83	-0.05	-0.16
THB/LAK	259.86	+0.12	+0.05
LAK/USD	8,011.50	-8.00	-0.10
USD/EUR	1.3443	-0.00	-0.04
JPY/USD	77.71	+0.14	+0.18

Commodities Rap (as of Dec 1)

	Close	Chg	(%)
Gold	1,735.30	-10.20	-0.58
Silver	32.70	-0.04	-0.11
WTI	100.20	-0.16	-0.16
Brent	108.99	-1.53	-1.38
BDI	1,862	+16	+0.87

Source: Bloomberg

U.S. Jobless Claims Climb Back Over 400,000

The number of U.S. workers filing new applications for unemployment benefits unexpectedly rose last week, an indication that the jobs market remains shaky amid a slow recovery. Initial jobless claims climbed by 6,000 to 402,000 in the week ended Nov. 26, the highest level in more than a month. Economists had forecast claims would fall by 3,000 to 390,000. Claims are now up 2 weeks in a row. New claims, at 402,000, skipped above 400,000 for the first time since October. Economists generally believe claims must remain consistently below that mark to signal a real turnaround. [WSJ]

ISM Index of U.S. Manufacturing Climbs to a Five-Month High

Manufacturing in the U.S. grew in November at the fastest pace in five months, showing factories will keep supporting the economic expansion through the end of the year. The Institute for Supply Management's factory index increased to 52.7 last month from 50.8 in October, the Tempe, Arizona-based group's data showed Thursday. Readings above 50 indicate expansion, and economists projected a gain to 51.8. Orders and production grew at the fastest pace since April. [Bloomberg]

France-Spain Bond Sales Win Investor Backing After Central Bank Palliative

Spain and France sold 8.1 billion euros (\$10.9 billion) of bonds Thursday, sending yields lower across Europe, a day after six central banks jointly moved to reduce financing costs to banks. Spain sold 3.75 billion euros of notes and had to pay the most since at least 2005 to borrow for 5 years, with investors ordering more than twice the amount sold. France auctioned 4.3 billion euros of debt and managed to sell a 10-year bond at 3.18%, less than at a previous auction on Nov. 3. The debt sales were a test of investor confidence after the Federal Reserve, the European Central Bank and four other central banks in a globally coordinated effort yesterday cut the cost of emergency dollar funding for European banks. [Bloomberg]

Euro-Area Manufacturing Production Declines to 28-Month Low

Europe's manufacturing industry contracted in November, as the region edged toward recession and global demand weakened. A manufacturing gauge based on a survey of purchasing managers in the 17-nation euro region fell to 46.4 from 47.1 in October, London-based Markit Economics said Thursday. That's the lowest since July 2009 and in line with an initial estimate published on Nov. 23. A reading below 50 indicates contraction. Unemployment rose to 10.3 percent in October, the highest in more than 13 years and manufacturers were the most pessimistic in almost two years last month. [Bloomberg]

Australia's Four Largest Banks Downgraded by S&P on Criteria

Commonwealth, Westpac Banking Corp., Australia & New Zealand Banking Group Ltd. and National Australia Bank Ltd. were cut one level to AA- from AA, New York-based S&P said in a statement yesterday. Sydney-based Macquarie Group Ltd., Australia's largest investment bank, was downgraded two grades, to BBB from A-. Standard Chartered Plc was raised to A+ from A, while Japan's Nomura Holdings Inc. was kept at BBB+. "To some extent you could say that we've already baked into our current ratings an expectation of continuing funding difficulties," S&P's head of financial services ratings said. [Bloomberg]

BoE Urges UK Banks to Bolster Capital Buffer

Britain's banks should build up their capital buffers even further as increased insurance against an "exceptionally threatening" environment still dominated by the euro zone debt crisis, the Bank of England said on Thursday. "It is sensible to raise the capital buffer further in order to improve resilience in light of the continuing threat to UK financial stability," the committee's chairman BoE Governor Mervyn King told a news conference. [Reuters]

U.S. Will Ease Some Limits on Myanmar, Clinton Says

Secretary of State Hillary Rodham Clinton said on Thursday that the United States would loosen some restrictions on international financial assistance and development programs in Myanmar, in response to a nascent political and economic opening in the country. The steps Mrs. Clinton announced on Thursday were modest in scale but important symbolically. While the U.S. is not yet considering lifting the sweeping sanctions that ban most imports from Myanmar, Washington will no longer block the World Bank and International Monetary Fund from carrying out assessment programs, and will support the expansion of United Nations development grants for health care and small businesses in Myanmar. [NY Times]

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