

Tuesday December 6, 2011

NEWS UPDATE

Stock Markets Rap (as of Dec 5)

	Close	Chg	(%)
Dow	12,098	+78	+0.7
Nasdaq	2,656	+29	+1.1
S&P 500	1,257	+13	+1.0
Global Dow	1,858	+19	+1.1
VIX	27.84	+0.32	+1.2

	Close	Chg	(%)
FTSE 100	5,568	+16	+0.3
DAX	6,106	+25	+0.4
CAC	3,201	+36	+1.1

	Close	Chg	(%)
ASX 200	4,321	+33	+0.8
Nikkei	8,696	+52	+0.6
Shanghai	2,333	-27	-1.2
HSI	19,180	+139	+0.7
H Shares	10,413	+62	+0.6
FTSE STI	2,766	-7	-0.3
SET	1,029	+10	+1.0
LSX	927	+4	+0.5
Vietnam	391	+7	+1.9

Currencies Rap (as of Dec 5)

	Last	Chg	(%)
DXY	78.61	-0.02	-0.03
THB/USD	30.78	-0.05	-0.16
THB/LAK	260.28	+0.08	+0.03
LAK/USD	8,011.50	-8.00	-0.10
USD/EUR	1.3449	+0.01	+0.43
JPY/USD	78.03	+0.04	+0.05

Commodities Rap (as of Dec 5)

	Close	Chg	(%)
Gold	1,734.50	-16.80	-0.96
Silver	32.37	-0.31	-0.96
WTI	100.99	+0.03	+0.03
Brent	109.81	-0.13	-0.12
BDI	1,856	-10	-0.54

Source: Bloomberg

* SET Index as of Dec 2, 2011

S&P Places 15 Euro Nations on Warning for Downgrade

Standard & Poor's said Germany and France may be stripped of their AAA credit ratings as the debt crisis prompts 15 euro nations to be put on review for possible downgrade. The euro area's six AAA rated countries are among the nations to be placed on a negative outlook, and their credit ratings may be cut depending on the result of a summit of European Union leaders on Dec. 9, S&P said today in a statement. The euro reversed its gains and U.S. Treasuries rose earlier today after the Financial Times reported that the credit-ranking firm planned to reduce six AAA outlooks. [\[Bloomberg\]](#)

Italy Approves 30 Billion-Euro Emergency Plan for Economy

Italian Prime Minister Mario Monti announced 30 billion euros (\$40 billion) of austerity and growth measures as he seeks to cut the euro-region's second-biggest debt and prevent a breakup of the euro. Monti's Cabinet in Rome passed the measures a day earlier than planned as the new prime minister rushed to reassure investors he is serious about taming a debt of almost 1.9 trillion euros. Italy's economy will contract 0.4% to 0.5% in 2012, Deputy Economy Minister Vittorio Grill said. The Italian budget package comes at the start of a critical week for Europe's efforts to end the debt crisis and prevent Italy and Spain from succumbing and causing a breakup of the single currency. [\[Bloomberg\]](#)

EU Treaty Rewrite Sought in United Franco-German Crisis Push

German Chancellor and French President pushed for a rewrite of the European Union's governing rules to tighten economic cooperation in a demonstration of unity on ending the debt crisis. With the fate of the currency shared by the 17 euro countries at risk, Merkel and Sarkozy presented a common platform for a Dec. 8-9 summit of EU leaders in Brussels that aims to halt the crisis now in its third year. "I want to tell French people that France and Germany totally oppose euro bonds because it isn't at all a solution in this crisis," Sarkozy said. "What a strange idea to put European debts in the same pot." [\[Bloomberg\]](#)

U.S. Services Grow at Slowest Pace Since 2010

Service industries in the U.S. expanded in November at the slowest pace since January 2010 as employment cooled, a sign improvement in the biggest part of the economy will be uneven. The Institute for Supply Management's non-manufacturing index unexpectedly fell to 52 last month from 52.9 in October, the Tempe, Arizona based-group said today. The median forecast called for a gain to 53.9. Fifty is the dividing line between expansion and contraction. [\[Bloomberg\]](#)

ASEAN Stock Exchanges Eye Cross-Border Trading in 2012

Stock exchanges in Singapore, Malaysia and Thailand delayed a plan to set up electronic trading links to attract investment and raise liquidity, saying it would be done in 2012. The plan, set to be finalised this year, will be joined by exchanges in the Philippines, Indonesia and Vietnam at a later date. Singapore Exchange and Bursa Malaysia will link up in June 2012, followed by Thailand. SETI in August, a joint statement said after the heads of the seven stocks exchanges met in Hanoi on Friday. [\[Reuters\]](#)

Lao PDR: Asean, S. Korea Eye Growing Trade

Since 2008, Asean-Korea trade has been steadily increasing and Korea has become Asean's third largest trading partner, with total investments in Laos rising to about US\$556 million. "The main products exported from Laos to Korea are copper, industrial products, textiles, white and black charcoal and wood products," Director General of the Foreign Trade Policy Department of the Ministry of Industry and Commerce Mr Bounsom Phommavithane said, speaking at the Asean-Korea Free Trade Area (AKFTA) seminar in Vientiane yesterday. Goods imported from Korea include vehicles and spare parts, medicines and electrical and electronic appliances. He said the AKFTA is an important instrument enhancing the market access of Asean products into Korea through tariff reduction and elimination. [\[Vientiane Times\]](#)

Lao PDR: Southeast Asia Set to Square Off Again on Xayaburi

Laos's plans to establish itself as the hydroelectric powerhouse of Southeast Asia will likely face a fierce challenge this week from neighboring Vietnam and Cambodia which worry that the proposed \$3.5 billion Xayaburi dam will devastate fish stocks and disrupt crucial sediment flows to the rice-growing Mekong river delta. Thailand, Vietnam, Cambodia and Laos are due to meet in Siem Reap, Cambodia, Thursday to decide whether Laos can proceed with the massive project. [\[WSJ\]](#)

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