

Wednesday December 7, 2011

NEWS UPDATE

Stock Markets Rap (as of Dec 6)

	Close	Chg	(%)
Dow	12,150	+52	+0.4
Nasdaq	2,650	-6	-0.2
S&P 500	1,258	+1	+0.1
Global Dow	1,845	-12	-0.7
VIX	28.13	+0.29	+1.0

	Close	Chg	(%)
FTSE 100	5,569	+1	+0.0
DAX	6,029	-77	-1.3
CAC	3,180	-22	-0.7

	Close	Chg	(%)
ASX 200	4,262	-59	-1.4
Nikkei	8,575	-121	-1.4
Shanghai	2,326	-7	-0.3
HSI	18,942	-237	-1.2
H Shares	10,259	-154	-1.5
FTSE STI	2,749	-17	-0.6
SET	1,031	+1	+0.1
LSX	927	0	0.0
Vietnam	390	-1	-0.3

Currencies Rap (as of Dec 6)

	Last	Chg	(%)
DXY	78.50	-0.07	-0.10
THB/USD	30.84	+0.06	+0.19
THB/LAK	259.84	-0.44	-0.17
LAK/USD	8,013.50	+2.00	+0.02
USD/EUR	1.3416	-0.00	-0.25
JPY/USD	77.75	-0.28	-0.36

Commodities Rap (as of Dec 6)

	Close	Chg	(%)
Gold	1,731.80	-2.70	-0.16
Silver	32.74	+0.37	+1.15
WTI	101.28	+0.29	+0.29
Brent	110.81	+1.00	+0.91
BDI	1,848	-8	-0.43

Source: Bloomberg

EU Talks on Doubling Financial Firewall

Eleventh-hour negotiations have begun to create a much bigger financial “bazooka” to present at this week’s EU summit that could include running two separate rescue funds and winning increased support for the IMF. According to senior European officials, negotiators are considering allowing the eurozone’s existing €440bn bail-out fund to continue running when a new €500bn facility comes into force in mid-2012, almost doubling the firepower of the bloc’s financial rescue system. The proposal, being debated by “sherpas” ahead of Thursday’s crucial eurozone summit, could also include speeding up cash payments into the new €500bn fund – known as the European Stability Mechanism (ESM) – to give it more heft and improve its creditworthiness in the eyes of credit rating agencies. [\[Financial Times\]](#)

Geithner Doesn't See Fed Funding IMF Euro Response

U.S. Treasury Secretary Timothy Geithner said in Germany on Tuesday that the European Central Bank was playing a positive role in the euro zone debt crisis, but he played down talk that the U.S. Federal Reserve could boost IMF funding for the crisis. "The reports I've read in the press about what the Fed can do are not accurate," he told a news conference with German Finance Minister Wolfgang Schaueble, who said Europe can expect further support from the United States and the International Monetary Fund. [\[Reuters\]](#)

S&P Says Euro Region's EFSF May Lose Rating If Any AAA Member Downgraded

The European Financial Stability Facility may lose its top credit rating if any of the bailout fund’s six guarantors face a downgrade from AAA, Standard & Poor’s said. “We could lower the long-term credit rating on EFSF by one or two notches if we were to lower the AAA sovereign ratings, which are currently on creditwatch, on one or more of EFSF’s guarantor members,” S&P said in a statement today. At the same time, the ratings company said it “could affirm the AAA ratings on EFSF and its issues if we affirm the rating on all six of EFSF’s guarantor members currently rated AAA.” Germany, France, the Netherlands, Finland, Austria and Luxembourg are the top-rated nations backing the rescue fund. [\[Bloomberg\]](#)

Australia's Economy Grew More Than Forecast Last Quarter

Australia’s economy expanded more than economists forecast last quarter, driven by consumer spending and mining. Third-quarter GDP advanced 1% from the previous quarter, when it rose a revised 1.4%, a Bureau of Statistics report released today showed. The result compared with the median estimates for a 0.8 % gain. Compared with a year earlier, the economy expanded 2.5% in the third quarter, today’s report showed. Economists forecast a 1.9% year-over-year gain. [\[Bloomberg\]](#)

Australia Cuts Rates, Citing Global Growth Fears

Australia’s central bank cut its key cash rate for the second month in a row on Tuesday amid fears the slowdown in Europe has dampened the outlook for global growth. The Reserve Bank of Australia (RBA) lowered the policy interest rate by a quarter percentage point to 4.25% at its December policy meeting. The central bank highlighted rising downside risks to global growth and a moderation in domestic inflation concerns. [\[MarketWatch\]](#)

Asia Surviving EU 'Test' Boosts Upgrade Chance

Asian economies are withstanding Europe’s debt crisis so well that some investors are positioning for credit-rating upgrades in the region. Five-year credit-default swaps for China, South Korea, Indonesia, Malaysia, the Philippines and Thailand climbed an average 63 basis points to 161 this year, while contracts for 17 eurozone countries, excluding Greece, jumped 118 to 301. Moody’s Investors Service is watching the trading in the swaps, which protect against non-payment, and how Asia copes with capital flows as it weighs rating changes, said Thomas Byrne, a senior vice president at Moody’s in Singapore. [\[Bloomberg\]](#)

Three Vietnam Banks to Merge to Boost Liquidity, Cut Costs

Three Vietnamese banks plan to merge to bolster their liquidity and cut costs as a single entity, the country’s central bank said. First Commercial Joint-Stock Bank, Tin Nghia Commercial Joint-Stock Bank and Saigon Commercial Joint-Stock Bank, which are all unlisted and privately owned, will combine voluntarily at an unspecified date, Governor Nguyen Van Binh said. The state-run Bank for Investment and Development of Vietnam, the country’s third-largest lender by assets, will help the three banks complete the merger. [\[Bloomberg\]](#)

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