

Friday October 7, 2011

## NEWS UPDATE

### Stock Markets Rap (as of Oct 6)

|            | Close  | Chg   | (%)  |
|------------|--------|-------|------|
| DOW        | 11,123 | +183  | +1.7 |
| Nasdaq     | 2,507  | +46   | +1.9 |
| S&P 500    | 1,165  | +21   | +1.8 |
| Global Dow | 1,752  | +48   | +2.8 |
| VIX        | 36.27  | -1.54 | -4.1 |

|          | Close | Chg  | (%)  |
|----------|-------|------|------|
| FTSE 100 | 5,291 | +189 | +3.7 |
| DAX      | 5,645 | +172 | +3.1 |
| CAC      | 3,075 | +101 | +3.4 |

|          | Close  | Chg  | (%)  |
|----------|--------|------|------|
| ASX 200  | 4,070  | +143 | +3.7 |
| Nikkei   | 8,522  | +139 | +1.7 |
| Shanghai | 2,359  | -6   | -0.3 |
| HSI      | 17,172 | +922 | +5.7 |
| H Shares | 8,571  | +469 | +5.8 |
| FTSE STI | 2,603  | +74  | +2.9 |
| SET      | 914    | +51  | +5.9 |
| LSX      | 932    | +1   | +0.1 |
| Vietnam  | 421    | +4   | +1.0 |

### Currencies Rap (as of Oct 6)

|         | Last     | Chg   | (%)   |
|---------|----------|-------|-------|
| DXY     | 78.64    | -0.28 | -0.35 |
| THB/USD | 31.03    | -0.12 | -0.39 |
| THB/LAK | 258.71   | +1.04 | +0.40 |
| LAK/USD | 8,029.00 | -0.50 | -0.01 |
| USD/EUR | 1.3396   | +0.01 | +0.64 |
| JPY/USD | 76.69    | -0.16 | -0.21 |

### Commodities Rap (as of Oct 6)

|        | Close    | Chg    | (%)   |
|--------|----------|--------|-------|
| Gold   | 1,653.20 | +11.60 | +0.71 |
| Silver | 32.01    | +1.65  | +5.45 |
| WTI    | 82.59    | +2.91  | +3.65 |
| Brent  | 105.73   | +3.00  | +2.92 |
| BDI    | 1,967    | +59    | +3.09 |

Source: Bloomberg

\* Shanghai SE Composite Index as of Sep 30

### Trichet Says ECB to Buy Covered Bonds, Offer Year-Long Loans

The ECB will spend 40 billion euros (\$53 billion) on covered bonds starting next month and will offer banks two additional unlimited loans of 12 and 13-month durations, European Central Bank President Jean-Claude Trichet said in Berlin after policy makers left the benchmark interest rate at 1.5%. He also said the ECB will continue to lend banks as much money as they need in its regular refinancing operations at least until July 2012. [\[Bloomberg\]](#)

### Merkel-Sarkozy Divided on Default Threat to Banks: Euro Credit

Angela Merkel and Nicolas Sarkozy are running out of road. Whether to allow Greece to default and how to manage the fallout, questions they have tried to avoid for more than a year, may finally require answers as European officials turn to fortifying banks and consider ways to ease Greece's debt load. It costs \$6 million plus \$100,000 a year to insure \$10 million of Greek securities for five years, with credit-insurance prices pointing to a 91% chance of default. [\[Bloomberg\]](#)

### Bank of England injects further £75bn into economy

The Bank of England has said it will inject a further £75bn into the economy through quantitative easing (QE). The Bank has already pumped £200bn into the economy by buying assets such as government bonds, in an attempt to boost lending by commercial banks. But this is the first time it has added to its QE programme since 2009. The Bank also held interest rates at the record low of 0.5%. [\[BBC\]](#)

### U.S. 30-Year Mortgage Rate Falls Below 4% for First Time

Mortgage rates in the U.S. fell, sending longer-term borrowing costs below 4% for the first time on record, as stricter credit standards and the slowing economy hold back a housing rebound. The average rate for a 30-year fixed loan dropped to 3.94% in the week ended today from 4.01%, Freddie Mac said in a statement. That's the lowest in the company's records dating back to 1971. [\[Bloomberg\]](#)

### Jobless Claims in U.S. Climbed Less Than Forecast Last Week

Claims for U.S. unemployment benefits rose less than forecast last week to a level that shows companies may be starting to slow the pace of dismissals. Applications for jobless benefits increased by 6,000 in the week ended Oct. 1 to 401,000, Labor Department figures showed today. Economists projected 410,000 claims, according to the median estimate by Bloomberg. Stock-index futures held gains after the report whilst treasuries fell. [\[Bloomberg\]](#)

### Vietnam Central Bank Increases Refinancing Rate to 15% From 14%

Vietnam's central bank increased its refinancing rate for the first time since May to 15% from 14%, as the country tries to fight Asia's fastest inflation and stabilize its currency, effective on Oct. 10. It also raised overnight interest rates on electronic transactions to 16% from 14% and cut the rate on dollar deposits that exceed the compulsory reserve of credit institutions at the central bank to 0.05% from 0.1%. The bank raised the repurchase rate in nine steps from 7% at the start of Nov 2010 to 15% in May 2011, before cutting it in July to 14%. Vietnam is struggling to regain investor confidence hurt by inflation that has exceeded 20%. [\[Bloomberg\]](#)

### ASEAN+3 Agree on Emergency Rice Reserve Financing

The 10 ASEAN member states plus Japan, China and South Korea have committed to financing the ASEAN Plus Three Emergency Rice Reserve (APTERR) agreement. Under the APTERR agreement, 13 countries should provide a rice stock of 787,000 tons to anticipate sudden instabilities in supply and production caused by natural disasters. China, Japan and South Korea will prepare 300,000 tons, 250,000 tons and 150,000 tons of rice respectively, while ASEAN countries will prepare 87,000 tons. [\[Xinhua\]](#)

### San Miguel in Talks With CIMB to Sell Bank Stake, Ang Says

San Miguel Corp., the largest Philippine company by assets that's seeking to expand in Malaysia, said it's in discussions to sell a stake in Bank of Commerce to CIMB Group Holdings Bhd. "We're in talks," San Miguel President Ramon Ang said in an interview in Manila today. CIMB is "one of the biggest banks in Malaysia" and San Miguel plans to sell "a portion" of the Philippine lender to the Malaysian company, he said, declining to provide more details. [\[Bloomberg\]](#)

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