

Tuesday November 8, 2011

NEWS UPDATE

Stock Markets Rap (as of Nov 7)

	Close	Chg	(%)
Dow	12,068	+85	+0.7
Nasdaq	2,695	+9	+0.3
S&P 500	1,261	+8	+0.6
Global Dow	1,863	+3	+0.2
VIX	29.85	-0.31	-1.0

	Close	Chg	(%)
FTSE 100	5,511	-16	-0.3
DAX	5,929	-37	-0.6
CAC	3,104	-20	-0.6

	Close	Chg	(%)
ASX 200	4,273	-8	-0.2
Nikkei	8,767	-34	-0.4
Shanghai	2,510	-18	-0.7
HSI	19,678	-165	-0.8
H Shares	10,647	-59	-0.5
FTSE STI	2,848	+38	+1.4
SET	956	-1	-0.1
LSX	905	0	0.0
Vietnam	411	-0	-0.0

Currencies Rap (as of Nov 7)

	Last	Chg	(%)
DXY	76.98	+0.02	+0.02
THB/USD	30.66	+0.03	+0.10
THB/LAK	261.30	-0.26	-0.10
LAK/USD	8,011.50	+1.00	+0.01
USD/EUR	1.3776	-0.00	-0.12
JPY/USD	78.05	-0.19	-0.24

Commodities Rap (as of Nov 7)

	Close	Chg	(%)
Gold	1,791.10	+35.00	+1.99
Silver	34.83	+0.74	+2.18
WTI	95.52	+1.26	+1.34
Brent	114.56	+2.59	+2.31
BDI	1,766	-18	-1.01

Source: Bloomberg

* FTSE Straits Times Index as of Nov 4

Italian Vote Will Test Berlusconi's Majority as Allies Defect

Italian PM Silvio Berlusconi must show today whether he still has enough support in parliament to stay in power and implement austerity measures to trim the region's 2nd-biggest debt and bring down record borrowing costs. The yield on Italy's 10-year bond reached a euro-era record 6.68% yesterday before sliding back to 6.63% after reports that Berlusconi was poised to resign. He denied and pledged to call a confidence vote himself next week to secure passage of an austerity package that aims to boost growth in the region's 3rd-largest economy and lower the 1.9 trillion-euro (\$2.6 trillion) debt. [\[Bloomberg\]](#)

France Forced to Cut Budget Again as Election Looms

France announced 65 billion euros of tax hikes and budget cuts over five years on Monday, as President Nicolas Sarkozy seeks to protect the country's creditworthiness in financial markets without killing his chances of re-election in six months time. The main goal was to protect a top-notch credit rating that allows France to fund itself as cheaply as possible at a moment when the debt market crisis that started in Greece threatens to engulf far bigger fish such as Italy. [\[Reuters\]](#)

BRICS Ready to Help Euro Zone Via IMF: Russia

Major emerging economies are ready to provide financial help to the euro zone via the IMF but in return want commitments to reform the IMF to be implemented, Russian foreign minister Sergei Lavrov said on Monday. The BRICS nations "are ready to take part in joint efforts, including the provision of credits, under those rules and channels that exist in the IMF," Lavrov told a news briefing in Moscow. [\[CNBC\]](#)

EU to Roll Out Bigger Rescue Fund, Keeps Pressure on Greece

European finance ministers pledged to roll out a bulked-up rescue fund next month, leaving Greece and Italy on the front lines until then in the battle to contain the debt crisis. Greece was ordered to provide written acceptance of bailout terms in order to win an 8 billion-euro (\$11 billion) loan installment by the end of November, while Italy was pressed to turn budget-cut promises into reality. European officials are consulting investors and credit-rating companies over two options for translating the rescue fund's 440 billion euros in guarantees into as much as 1 trillion euros of spending power. [\[Bloomberg\]](#)

Fed Says Fewer Banks Eased Business-Loan Terms Last Quarter

Fewer banks eased standards on loans to businesses in 3Q11, and lenders tightened standards on credit to European banks and their affiliates, according to a Federal Reserve survey. In a special set of questions on lending to firms with European exposure, about half of U.S. banks said they made loans or extended credit lines to European counterparts. About two-thirds of all banks that made loans to European banks tightened their standards, and many "indicated that the tightening was considerable." [\[Bloomberg\]](#)

Gold Hovers above \$1,790 on Italy Worries

Gold prices hovered above \$1,790 on Tuesday, after soaring more than 2% in the previous session, supported by safe haven demand as Italy took centre stage in the euro zone debt crisis. [\[Reuters\]](#)

U.S. Consumer Credit Rose \$7.4 Billion in September, Fed Says

Consumer borrowing in the U.S. rose in September, boosted by a gain in non-revolving credit that includes financing for auto purchases and school loans. The \$7.4 billion jump was more than forecast and followed a \$9.7 billion decrease the previous month, Federal Reserve figures showed Monday. Credit was projected to rise \$5.2 billion, according to the median forecast in a Bloomberg News survey. [\[Bloomberg\]](#)

China Housing Prices Decline

A decline in China's property prices is picking up steam, suggesting Beijing has had some success in taming housing costs, while also raising concerns that prices could drop too far and fast when the rest of the world is relying on the country as an engine of growth. Prices in the major southern cities of Shanghai and Guangzhou are down from their levels at the start of the year, according to data released by the China Real Estate Index System. Prices fell by 0.23% nationally in October compared with September, faster than the 0.03% drop posted in September from August, according to data from the same index. [\[WSJ\]](#)

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