

Monday October 10, 2011

NEWS UPDATE

Stock Markets Rap (as of Oct 7)

	Close	Chg	(%)
DOW	11,103	-20	-0.2
Nasdaq	2,479	-27	-1.1
S&P 500	1,155	-10	-0.8
Global Dow	1,757	+5	+0.3
VIX	36.20	-0.07	-0.2

	Close	Chg	(%)
FTSE 100	5,303	+12	+0.2
DAX	5,676	+30	+0.5
CAC	3,096	+20	+0.7

	Close	Chg	(%)
ASX 200	4,163	+93	+2.3
Nikkei	8,606	+84	+1.0
Shanghai	2,359	-6	-0.3
HSI	17,707	+535	+3.1
H Shares	8,888	+316	+3.7
FTSE STI	2,640	+37	+1.4
SET	909	-5	-0.5
LSX	932	+1	+0.1
Vietnam	418	-3	-0.8

Currencies Rap (as of Oct 7)

	Last	Chg	(%)
DXY	78.73	+0.09	+0.12
THB/USD	30.98	-0.03	-0.10
THB/LAK	259.05	+0.22	+0.08
LAK/USD	8,025.50	-3.50	-0.04
USD/EUR	1.3378	-0.01	-0.44
JPY/USD	76.73	+0.01	+0.01

Commodities Rap (as of Oct 7)

	Close	Chg	(%)
Gold	1,635.80	-17.40	-1.05
Silver	30.99	-1.01	-3.16
WTI	82.98	+0.39	+0.47
Brent	105.88	+0.15	+0.14
BDI	2,000	+33	+1.68

Source: Bloomberg

* Shanghai SE Composite Index as of Sep 30

* LSX Composite Index as of Oct 6

Italy, Spain Ratings Cut by Fitch; Belgium on Review by Moody's

Spain had its foreign and local currency long-term issuer default ratings cut to AA- from AA+, while Italy had the same set of ratings lowered to A+ from AA-, Fitch said. The outlook for both countries is negative. Fitch also maintained Portugal's rating at BBB-, saying it would complete a review of that ranking in the fourth quarter. Belgium's Aa1 local- and foreign-currency ratings were placed under review for a downgrade by Moody's because of rising funding risks for euro region nations with high levels of debt and additional bank support measures which are likely to be needed. [\[Bloomberg\]](#)

Merkel, Sarkozy Pledge Euro-Zone Solution This Month

German Chancellor Angela Merkel and French President Nicolas Sarkozy on Sunday pledged to do all that is needed to stabilize the euro zone and to present a comprehensive package of measures by the end of October. "We are determined to have a sustainable and comprehensive solution by the end of this month because Europe should have resolved its problems by the G-20 summit in Cannes [Nov. 3-4]," said Sarkozy. The leaders of Germany and France also said they would ensure that European banks had sufficient capital to face any crisis-related shocks. [\[Dow Jones\]](#)

Dexia Bailout Set as Wider Bank Rescue Muled

Franco-Belgian bank Dexia was set to be broken up and partly nationalised after being slammed by a funding squeeze in the latest warning sign about the health of Europe's struggling lenders. The rescue of Dexia, which has global credit risk exposure of \$700 billion -- more than twice Greece's GDP -- came as the leaders of French and Germany agreed that European banks needed to be recapitalised, but papered over differences on how that would happen. The burden of bailing out Dexia led ratings agency Moody's to warn Belgium late on Friday that its Aa1 government bond ratings may fall. [\[Reuters\]](#)

Euro-Indebted Emerging Currencies May Weaken More on Growth

The worst declines since at least 2008 for emerging-market currencies may have further to go as the debt and banking crisis in Europe buffets economies once resistant to the global slowdown. European lending of \$3.4 trillion to developing nations is almost triple that from U.S. and Japanese institutions combined, according to Bank for International Settlements data through March 2011. "The problems are centered in western Europe and the U.S. so those asset prices moved first and it's now trickling down to emerging markets," Nick Chamie, the global head of emerging market research at Royal Bank of Canada's RBC Capital Markets unit in Toronto. [\[Bloomberg\]](#)

US: Corporate Profit Rebound Loses Steam in 'Grind-It-Out' Economy

This year's rebound in corporate earnings is losing steam as slower economic growth and greater strain on consumers threaten sales and profit margins at companies from Texas Instruments Inc. to Google Inc. Earnings per share for the Standard & Poor's 500, excluding financial companies, rose 14% in 3Q11, the smallest gain since the end of 2009, analysts' estimates show. That compares with 19% in the 2Q11 and 20% in 1Q11. Analysts have begun reducing forecasts for the current quarter and beyond. [\[Bloomberg\]](#)

US: Gross Says Jobs Gains Not Enough for Growth

Payrolls climbed by 103,000 workers after a revised 57,000 increase the prior month that was more than originally estimated, Labor Department data showed. The median forecast called for a rise of 60,000. The gain reflected the return to work of 45,000 telecommunications employees. The jobless rate held at 9.1%. Pacific Investment Management Co.'s Bill Gross said job gains in September aren't enough to sustain growth in the U.S. economy and that neither political party understands what's needed to boost employment. The economy needs 200,000 to 250,000 new jobs per month to expand. [\[Bloomberg\]](#)

China's Sept service sector PMI rises to 59.3

China's Purchasing Manager Index for its services sector rose to 59.3 in September from 57.6 in August, data from the China Federation of Logistics and Purchasing (CFLP) showed on Saturday. Growth in consuming sectors, like retail sales, contributed to the rise in the whole service sector, CFLP said in a statement. [\[Reuters\]](#)

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