

Friday November 11, 2011

NEWS UPDATE

Stock Markets Rap (as of Nov 10)

	Close	Chg	(%)
Dow	11,894	+113	+1.0
Nasdaq	2,625	+4	+0.1
S&P 500	1,240	+11	+0.9
Global Dow	1,816	-10	-0.5
VIX	32.81	-3.35	-9.3

	Close	Chg	(%)
FTSE 100	5,445	-16	-0.3
DAX	5,868	+38	+0.7
CAC	3,065	-10	-0.3

	Close	Chg	(%)
ASX 200	4,244	-102	-2.3
Nikkei	8,501	-255	-2.9
Shanghai	2,480	-45	-1.8
HSI	18,964	-1,051	-5.2
H Shares	10,300	-618	-5.7
FTSE STI	2,787	-72	-2.5
SET	968	+0	+0.0
LSX	905	0	0.0
Vietnam	401	-4	-1.0

Currencies Rap (as of Nov 10)

	Last	Chg	(%)
DXY	77.61	-0.31	-0.40
THB/USD	30.82	+0.11	+0.36
THB/LAK	260.03	-0.77	-0.29
LAK/USD	8,014.00	+5.00	+0.06
USD/EUR	1.3583	-0.01	-0.69
JPY/USD	77.63	-0.05	-0.06

Commodities Rap (as of Nov 10)

	Close	Chg	(%)
Gold	1,759.60	-32.00	-1.79
Silver	34.11	-0.25	-0.74
WTI	97.78	+2.04	+2.13
Brent	113.71	+1.40	+1.25
BDI	1,840	+38	+2.11

Source: Bloomberg

U.S. Jobless Claims Fall, Sept Trade Gap Narrows

New U.S. claims for unemployment benefits fell last week to their lowest since early April and the trade deficit unexpectedly shrank in Sept, pointing to a slight improvement in the economy. The Labor Department said initial claims for state unemployment benefits fell for the 2nd week, down 10,000 to a seasonally adjusted 390,000. In a separate report, the Commerce Department said the seasonally adjusted U.S. trade deficit shrank to \$43.1 billion in Sept. That was its narrowest since Dec. thanks to record-high exports and suggests the U.S. economy closed the 3Q11 a little stronger than expected. [\[Reuters\]](#)

Italian Bonds Rise on ECB Debt Purchases; French Spread Widens

Italian government bonds rose as the European Central Bank was said to purchase the securities and after the nation sold the maximum amount of one-year bills on offer at an auction. The advance pushed yields on Italian debt lower after they reached euro-era records Wednesday. Italy sold 5 billion euros of bills at an average yield of 6.087%, up from 3.570% on similar-maturity securities sold last month. Demand was 1.99 times the amount on offer, compared with 1.88 times last month. The French yield premium over German bonds reached a euro-era record as Standard & Poor's said it erroneously sent a message suggesting the nation's top credit rating had been lowered. The French-German yield spread jumped 21 basis points to 169 basis points. [\[Bloomberg\]](#)

France Rating Cut A Mistake, AAA Rating Unchanged

Standard & Poor's Ratings Services erroneously issued a message saying the ratings firm had cut France's triple-A credit rating, prompting it to clarify that the nation's rating remains unchanged and adding to already heightened anxiety in European bond markets. The French Finance Ministry has asked regulators to investigate the incident. "The ratings on Republic of France remain 'AAA/A-1+' with a stable outlook, and this incident is not related to any ratings surveillance activity," the firm wrote. [\[WSJ\]](#)

Papademos is New Greek PM, Vows to Stick with Euro

Senior banker Lucas Papademos was appointed prime minister Thursday of an interim Greek unity government that seeks to cement a European debt deal and stave off national bankruptcy. Papademos immediately called for unity and promised to seek cross-party cooperation to keep Greece firmly in the 17-nation eurozone. The 64-year-old former vice president of the European Central Bank will lead a government backed by both the governing Socialists and the opposition conservatives that will operate until early elections, tentatively set for February. [\[Associated Press\]](#)

Silvio Berlusconi Backs ex-EU Chief Monti to Replace Him as Italy PM

Market panic over Italy's debt crisis and political deadlock receded after Mario Monti, a respected former EU commissioner, appeared set to take over the reins of government from the outgoing prime minister, Silvio Berlusconi, and implement tough economic reforms. However, hopes for a smooth transition receded somewhat on Thursday night after senior officials from Berlusconi's Freedom People party appeared to throw a spanner in the works by opposing plans to hand over power to a technical government run by Monti, despite apparent support for the idea from Berlusconi. [\[The Guardian\]](#)

Indonesia Unexpectedly Cuts Rate Half a Percentage Point to Shield Growth

Indonesia unexpectedly cut interest rates by half a percentage point to a record low to shield the economy from a faltering global recovery. The rupiah weakened. Bank Indonesia lowered the reference rate to 6%, it said in a statement in Jakarta Thursday, confounding all 19 economists surveyed by Bloomberg News. Eight had predicted a quarter-point cut and the rest expected no change. The reduction is the biggest since March 2009. The move aims to minimize the impact of worsening global economic prospects on the nation's expansion, Bank Indonesia said. The decision took into account the rupiah's level. [\[Bloomberg\]](#)

China Exports Slow as Europe Clouds Global Outlook

China's exports rose at the slowest pace in almost two years in October as Europe's deepening debt crisis crimped demand, adding pressure on policy makers to support growth. Overseas shipments rose 15.9% from a year earlier. The trade surplus was \$17 billion, lower than estimates. Imports climbed a more-than-forecast 28.7 percent. [\[Bloomberg\]](#)

Thanawat Patchimkul

Global Strategist

Email: thanawatp@ktzmico.com

Tel: + 66 2 673 5300

Assisted by

Denruthai Krishnamra