

Tuesday October 11, 2011

Stock Markets Rap (as of Oct 10)

	Close	Chg	(%)
DOW	11,433	+330	+3.0
Nasdaq	2,566	+87	+3.5
S&P 500	1,195	+39	+3.4
Global Dow	1,804	+47	+2.7
VIX	33.02	-3.18	-8.8

	Close	Chg	(%)
FTSE 100	5,399	+96	+1.8
DAX	5,847	+172	+3.0
CAC	3,161	+66	+2.1

	Close	Chg	(%)
ASX 200	4,201	+38	+0.9
Nikkei	8,606	+84	+1.0
Shanghai	2,345	-14	-0.6
HSI	17,711	+4	+0.0
H Shares	8,870	-18	-0.2
FTSE STI	2,668	+28	+1.1
SET	923	+14	+1.5
LSX	914	-19	-2.0
Vietnam	418	-3	-0.8

Currencies Rap (as of Oct 10)

	Last	Chg	(%)
DXY	77.62	-1.11	-1.40
THB/USD	30.86	-0.12	-0.39
THB/LAK	259.97	+0.92	+0.35
LAK/USD	8,024.50	-1.00	-0.01
USD/EUR	1.3642	+0.03	+1.97
JPY/USD	76.68	-0.05	-0.07

Commodities Rap (as of Oct 10)

	Close	Chg	(%)
Gold	1,670.80	+35.00	+2.14
Silver	31.98	+0.99	+3.18
WTI	85.41	+2.43	+2.93
Brent	108.95	+3.07	+2.90
BDI	2,032	+32	+1.60

Source: Bloomberg

* Nikkei 225 Index as of Oct 7

NEWS UPDATE

Greece: New Austerity Law Needed for Rescue Cash

Greece's Finance Minister Evangelos Venizelos says parliament must approve a new package of economic austerity measures before the country receives its next euro8 billion (\$10.9 billion) rescue loan installment. Venizelos said Monday a key review by international debt inspectors was essentially concluded earlier in the day, with remaining "technical details" to be wrapped up Tuesday. EU leaders have delayed a summit for several days till Oct. 23 to conclude talks on Greek aid and Europe's wider debt crisis. **[Associated Press]**

Wall Street Extends Rally on Euro-zone Hopes

U.S. stocks jumped 3% on Monday, extending gains into a second week as a pledge by German and French leaders boosted hopes that the euro-zone debt crisis may be resolved. The gains came on the second-lightest day of trading since July and may not be indicative of a long-term trend. Volume was lighter than average, possibly affected by the U.S. Columbus Day holiday. Government offices and the Treasury bond market were closed for the holiday. The advance has been driven by short-covering and managers buying stocks as they try to catch up to the sharp rally built on headlines out of Europe. **[Reuters]**

China's Yuan Strengthens Most Since July 2005 Amid U.S. Pressure

China's yuan advanced the most since the currency's July 2005 revaluation on speculation policy makers will tolerate gains after the U.S. said the Asian nation undervalues its currency. The yuan appreciated 0.6% to 6.3486 per dollar in Shanghai, the strongest closing level since the country unified the official and market exchange rates at the end of 1993, according to the China Foreign Exchange Trade System. That was biggest daily increase since China loosened the yuan's peg to the dollar on July 21, 2005. China's financial markets were closed for National Day holidays last week. **[Bloomberg]**

Central Huijin Begins Boosting Stakes in China's Biggest Banks

China's state-run Central Huijin Investment Ltd. began buying shares in the nation's four biggest banks after valuations dropped below levels reached during the global financial crisis. Central Huijin started acquiring stock in Industrial & Commercial Bank of China Ltd., China Construction Bank Corp., Agricultural Bank of China Ltd. and Bank of China Ltd. yesterday, according to a statement on its website. The fund will continue with "related market operations," it said. **[Bloomberg]**

Baht Gains for Third Day on Fund Inflows Into Stocks; Bonds Rise

Thai baht advanced for a third day after overseas investors added to holdings of the nation's assets last week. Government bonds climbed. The baht extended its first weekly gain in a month after global funds purchased \$243 million more local equities and \$120 million more government bonds than they sold last week, data from the stock exchange and the Thai Bond Market Association show. The baht strengthened 0.2% to 30.88/USD yesterday. It reached 30.85 on Oct. 7, the strongest level since Sept. 28. **[Bloomberg]**

Lao GDP Growth Faces Developmental Issues

The Greater Mekong Subregion (GMS) is one of the fastest growing regions in the world, with Laos among the frontrunners, according to ADB Principle Economist Dr Jayant Menon at a seminar on post-Asean Economic Community (AEC) prospects for Cambodia, Laos, Myanmar and Vietnam in Vientiane on Friday. "You can see from Laos's real GDP growth rate of 8.4 percent that in 2010 Laos was one of fastest growing countries," Dr Menon said. Bangkok Research Centre President Mr Yasuhiro Yamada said Laos faces various challenges in the form of trade facilitation, investment, small and medium sized enterprise (SME) promotion and industrial development if it is to ensure international competitiveness when the AEC comes into play in 2015. **[Vientiane Times]**

Vietnam Banks Need More Capital: Fitch

Fitch Ratings said Vietnam's lenders are thinly-capitalised compared with their regional peers, although credit growth has eased this year and banks have received capital injections. "Banks in general continue to target rapid growth in a country where credit reached 120% of GDP at end-2010, high by emerging market standards," Mikho Irawady, of Fitch in Singapore said. "This exposes the banks to sharp deterioration in asset quality should the already difficult operating environment take a turn for the worse." Fitch said a greater buffer was needed to protect banks from potential losses, and allow for future expansion. **[AFP]**

Thanawat Patchimkul

Global Strategist

Email: thanawatp@ktzmico.com

Tel: + 66 2 673 5300

Assisted by

Denruthai Krishnamra