

Thursday January 12, 2012

NEWS UPDATE

Stock Markets Rap (as of Jan 11)

	Close	Chg	(%)
Dow	12,449	-13	-0.1
Nasdaq	2,711	+8	+0.3
S&P 500	1,292	+0	+0.0
Global Dow	1,843	+2	+0.1
VIX	21.05	+0.36	+1.7

	Close	Chg	(%)
FTSE 100	5,671	-26	-0.5
DAX	6,152	-11	-0.2
CAC	3,205	-6	-0.2

	Close	Chg	(%)
ASX 200	4,188	+35	+0.8
Nikkei	8,448	+26	+0.3
Shanghai	2,276	-10	-0.4
HSI	19,152	+148	+0.8
H Shares	10,517	+103	+1.0
FTSE STI	2,747	+27	+1.0
SET	1,052	-1	-0.1
LSX	885	0	0.0
Vietnam	347	+3	+0.8

Currencies Rap (as of Jan 11)

	Last	Chg	(%)
DXY	81.26	+0.45	+0.56
THB/USD	31.75	+0.08	+0.25
THB/LAK	252.78	-0.76	-0.30
LAK/USD	8,024.50	-4.00	-0.05
USD/EUR	1.2761	-0.00	-0.28
JPY/USD	76.97	+0.12	+0.16

Commodities Rap (as of Jan 11)

	Close	Chg	(%)
Gold	1,639.60	+8.10	+0.50
Silver	29.89	+0.07	+0.25
WTI	100.87	-1.37	-1.34
Brent	112.24	-1.04	-0.92
BDI	1,193	-65	-5.17

Source: Bloomberg

Fed Says U.S. Economic Growth Improves While Hiring Limited

The U.S. economic expansion improved last month across most of the country while hiring was limited and housing remained stagnant, the central bank said. The economy "expanded at a modest to moderate pace" from late November through the end of December on increased holiday retail sales, demand for services and oil and gas extraction, the Fed said in its Beige Book anecdotal business survey released Wednesday in Washington. At the same time, most industries saw "limited permanent hiring," and the housing market remained "sluggish." [\[Bloomberg\]](#)

Germany on Brink of Recession as Euro Debt Crisis Damps Exports: Economy

Germany may be on the brink of recession after the sovereign debt crisis caused the economy to contract in the final quarter of 2011. Europe's largest economy shrank "roughly" 0.25% in the fourth quarter from the third, the Federal Statistics Office in Wiesbaden said Wednesday in an unofficial estimate. Economists such as Christian Schulz at Berenberg Bank expect gross domestic product to contract again in the current quarter. A recession is defined as two consecutive quarters of declining GDP. [\[Bloomberg\]](#)

Geithner Finds Chinese Resistant to Iran Oil Sanctions

Treasury Secretary Timothy F. Geithner received no specific assurances here Wednesday in response to his request that China reduce its oil imports from Iran, but Chinese officials appeared more open to U.S. attempts to block Iranian access to international finance through Chinese banks. The Obama administration wants to target Iran's oil exports as a way of building sanctions against Iran for its pursuit of a uranium-enrichment program. China is one of the most important customers for Iranian crude, purchasing roughly 22% of Iran's oil last year. Chinese officials, however, have been reluctant to link economic ties with Iran to the nuclear issue, saying publicly that the two matters should be kept separate. [\[The Washington Post\]](#)

Fitch's Riley Says ECB Should Buy More Bonds to Stem Sovereign Debt Crisis

The European Central Bank should step up its government bond purchases to combat the euro region's debt crisis, said David Riley, head of the sovereign-debt unit at Fitch Ratings. "We need to have a credible buyer put in place and we don't have that at the moment," which is "why we have a number of sovereigns under review," Riley said Wednesday. "The ECB needs to be more actively engaged, but it can't save the euro on its own. The crisis won't be over until we have a broad-based economic recovery." [\[Bloomberg\]](#)

China's Gold Imports From Hong Kong Climb to Record on Investment Demand

China's gold imports from Hong Kong surged to a record as consumers bought the metal before the Lunar New Year this month and investors sought to hedge against financial turmoil. Bullion rallied to a 4-week high. Mainland China bought 102,779 kilograms from Hong Kong in November, up from 86,299 kilograms in October, according to the Census and Statistics Department of the Hong Kong Govt. Demand for gold is climbing in China as investors seek to protect their wealth against slumping property prices and equity markets amid an inflation rate above 4%. The nation overtook India in 3Q11 as the largest gold jewelry market, according to the World Gold Council. The country is also the biggest producer. [\[Bloomberg\]](#)

Thai PTT Interested in Investing in Dawei Power Plant

PTT Pcl, said on Wednesday it was interested in investing in a power plant at the Dawei project in Myanmar and was studying what fuel to use. Myanmar's government scrapped a 4,000 megawatt coal-fired power plant planned for the Dawei Special Industrial Zone this week on environmental impact. "We were invited to visit the project site. We are keen to invest in a hydrocarbon power plant, which Myanmar does not have," PTT Chief Executive Officer Pailin Chuchottaworn told reporters. Pailin said natural gas was unlikely because there was no pipeline linking to the Dawei Special Industrial Zone. [\[Reuters\]](#)

Vietnam Signals Rate Cuts as Asia's Fastest Inflation Eases

Vietnam signaled that it may cut policy interest rates to "more suitable" levels after the first quarter and weaken the dong this year as Asia's fastest inflation eases. "The central bank will adjust policy rates to more suitable levels, aiming to help ease the average level of market interest rates," central bank Governor Nguyen Van Binh said Wednesday. The World Bank and IMF said last month Vietnam may undermine progress toward economic stability if it loosens monetary policy too soon. [\[Bloomberg\]](#)

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