

Wednesday December 14, 2011

NEWS UPDATE

Stock Markets Rap (as of Dec 13)

	Close	Chg	(%)
Dow	11,955	-66	-0.6
Nasdaq	2,579	-33	-1.3
S&P 500	1,226	-11	-0.9
Global Dow	1,780	-18	-1.0
VIX	25.41	-0.26	-1.0

	Close	Chg	(%)
FTSE 100	5,490	+62	+1.1
DAX	5,774	-11	-0.2
CAC	3,079	-11	-0.4

	Close	Chg	(%)
ASX 200	4,193	-59	-1.4
Nikkei	8,553	-101	-1.2
Shanghai	2,249	-43	-1.9
HSI	18,447	-128	-0.7
H Shares	9,957	-102	-1.0
FTSE STI	2,686	-16	-0.6
SET	1,031	-3	-0.3
LSX	927	+4	+0.5
Vietnam	372	-4	-0.9

Currencies Rap (as of Dec 13)

	Last	Chg	(%)
DXY	80.24	+0.70	+0.88
THB/USD	31.22	+0.01	+0.03
THB/LAK	256.81	+0.04	+0.01
LAK/USD	8,017.50	+5.00	+0.06
USD/EUR	1.3083	-0.01	-0.91
JPY/USD	77.94	+0.07	+0.09

Commodities Rap (as of Dec 13)

	Close	Chg	(%)
Gold	1,663.10	-5.10	-0.31
Silver	31.26	+0.26	+0.83
WTI	100.14	+2.37	+2.42
Brent	109.50	+2.24	+2.09
BDI	1,922	-8	-0.41

Source: Bloomberg

Fed Repeats Rate Pledge, Hints More Easing Possible

The Federal Reserve left monetary policy on hold but said financial market turbulence posed threats to economic growth, leaving the door open to further easing next year. Fed officials are divided among those who think high unemployment and sluggish growth demand more action and those who view the central bank's already-aggressive efforts as bordering dangerously on an invitation to inflation. [\[CNBC\]](#)

Merkel Rejects Raising Lending Limit For ESM-Govt Lawmaker

Germany rejects raising the EUR500 billion lending limit for the planned European Stability Mechanism, or ESM, Chancellor Angela Merkel told a meeting of her ruling party Tuesday, underscoring a rift at a recent European Union summit over the capacity of the euro zone's debt crisis firewall. German lawmakers have repeatedly resisted increasing the country's already massive contribution to euro-zone rescue efforts, fearing an overstretching of the commitments of Europe's biggest economy if countries were to default on their debt. [\[Dow Jones\]](#)

Euro Weakens to 11-Month Low Versus Dollar on Europe Concern

The euro fell to an 11-month low against the dollar on concern European leaders won't agree on ways to expand the region's rescue capacities as debt-strapped nations struggle to fund their deficits. The 17-nation currency dropped against most of its major counterparts after Chancellor Angela Merkel told German coalition lawmakers that the EUR500 billion (\$654 billion) cap on Europe's planned permanent bailout fund will stay in place. The dollar declined against the yen before the Federal Reserve meeting amid speculation officials will maintain their pledge to keep borrowing costs at almost zero. [\[Bloomberg\]](#)

Greek Budget Deficit Widens, Construction Plunges

Greece's budget deficit continued to widen in November and the construction business kept shrinking as an austerity-fuelled recession hit both government revenues and economic activity, data showed on Tuesday. The budget gap of the central government widened 5.1% year-on-year in the first 11 months of the year. This means that Greece will likely miss its 2011 deficit targets and may need additional austerity measures to catch up with its budget goals in 2012, in what is forecast to be its fifth consecutive year of recession. The economy is seen shrinking by at least 5.5% and bleak construction data showed that a deep slump continued in what used to be a key driver of the country's growth. [\[Reuters\]](#)

Oil Surges on Speculation of Supply Disruption in Middle East

Oil rose the most in almost four weeks on speculation that supplies from the Persian Gulf would be disrupted after a report that Iran will hold drills to practice closing the Strait of Hormuz. Futures advanced 2.4% as the state-run Fars news agency said Iran was planning military maneuvers at the strait, a bottleneck for Gulf shipments. Oil rose as much as 3.6% in intraday trading before paring gains on a denial by Iran's Foreign Ministry that the country is closing the waterway. [\[Bloomberg\]](#)

Lao PDR: Private Sector to Pay Higher Minimum Wage from January

The minimum wage for unskilled laborers working for private businesses is set to rise next year, from the current LAK348,000 (USD43.5) per month to a new minimum of LAK626,000 (USD78.25). The minimum wage is separate from other benefits and conditions, and must be paid on top of any productivity bonuses, overtime allowance, lump sum payments, or food allowance. The new wage applies only to Laos-based private businesses, and not to people who work for government agencies or international organizations. [\[Vientiane Times\]](#)

Cambodia: Thai Rail Link Back on Track

Representatives from Cambodia and Thailand agreed to a 2013 completion date for a railway link from Phnom Penh across the Cambodia-Thailand border crossing at Poipet. Although Cambodia's North Line lacked 48 Km of track between the Thai town of Sisophon and the Poipet border crossing, Thailand needed only 6 Km of rail, including a bridge, to complete the line. Thailand was updating and standardizing its rail agreements with Cambodia and other regional countries such as Malaysia. Toll has a 30-year exclusive concession to operate the Cambodian Railway Network once completed. The 388-Km North Line also needs rehabilitation between Phnom Penh and Sisophon. A feasibility study by a Chinese company had shown the rehabilitation of Cambodia's railways would cost about US\$600 million. [\[The Phnom Penh Post\]](#)

Thanawat Patchimkul
Global Strategist

Email: thanawatp@ktzmico.com

Tel: + 66 2 673 5300

Assisted by
Denruthai Krishnamra