

Friday October 14, 2011

NEWS UPDATE

Stock Markets Rap (as of Oct 13)

	Close	Chg	(%)
Dow	11,478	-41	-0.4
Nasdaq	2,620	+16	+0.6
S&P 500	1,204	-4	-0.3
Global Dow	1,826	-12	-0.7
VIX	30.70	-0.56	-1.8

	Close	Chg	(%)
FTSE 100	5,403	-38	-0.7
DAX	5,915	-80	-1.3
CAC	3,187	-43	-1.3

	Close	Chg	(%)
ASX 200	4,245	+40	+1.0
Nikkei	8,823	+84	+1.0
Shanghai	2,439	+19	+0.8
HSI	18,758	+428	+2.3
H Shares	9,803	+347	+3.7
FTSE STI	2,734	-4	-0.1
SET	937	-16	-1.7
LSX	914	0	0.0
Vietnam	413	+2	+0.4

Currencies Rap (as of Oct 13)

	Last	Chg	(%)
DXY	77.06	+0.06	+0.08
THB/USD	30.89	+0.08	+0.26
THB/LAK	259.49	-0.77	-0.30
LAK/USD	8,021.50	-4.00	-0.05
USD/EUR	1.3746	-0.01	-0.47
JPY/USD	76.88	-0.50	-0.65

Commodities Rap (as of Oct 13)

	Close	Chg	(%)
Gold	1,668.50	-14.10	-0.84
Silver	31.67	-1.12	-3.42
WTI	84.23	-1.34	-1.57
Brent	111.11	-0.25	-0.22
BDI	2,155	+28	+1.32

Source: Bloomberg

* LSX Composite Index as of Oct 11

Greece's Bondholders Brace for Bigger Losses to Solve Crisis: Euro Credit

Greek bondholders are preparing to lose as much as 60% of their investments as European leaders try to impose a solution that reduces the nation's debt burden by enough to end the debt crisis. German banks are preparing for losses of as much as 60% on their Greek holdings. Hatching a fresh plan for Greece would mean rewriting the package agreed on in July, which included a 21% voluntary reduction in repayments on some bonds. The price of two-year notes slid to as little as 36.79% of face value on Sept. 13, indicating dwindling faith in the nation's ability to repay investors even after the so-called haircut. **[Bloomberg]**

ECB Report Warns Bond Writedowns Could Damage Euro

The European Central Bank reiterated a broad warning on Thursday that any form of government debt writedown that forces the private sector to take losses could damage the euro and the bloc's banks. "Private sector involvement (forcing writedowns) could damage the reputation of the single currency internationally, possibly adding to volatility in foreign exchange markets. **[Reuters]**

Berlusconi Faces Confidence Vote; Seen Surviving For Now

Italy's Prime Minister Silvio Berlusconi is expected to scrape through a vote of confidence on Friday, despite the scandals, economic stagnation and intense pressure from financial markets plaguing him and his administration. **[Reuters]**

Slovakia Ratifies Euro Bailout Fund, Completes Regional Approval Process

Slovakia approved Europe's enhanced bailout fund, completing ratification across the 17 euro countries. The expanded powers of the 440 billion-euro (\$600 billion) EFSF would allow the fund to buy the debt of stressed euro-area nations, aid troubled banks in the region and offer credit lines to governments. The EFSF's current role is to sell bonds to finance rescue loans. **[Bloomberg]**

Revised EU Stress Test Would See 66 Banks Fail, Analysts Say

At least 66 of Europe's biggest banks would fail a revised European Union stress test and need to raise about 220 billion euros (\$302.3 billion) of capital, Credit Suisse AG said. Royal Bank of Scotland Group Plc, Deutsche Bank AG and BNP Paribas SA would need the most, a combined total of about 47 billion euros. Societe Generale SA and Barclays Plc would each need about 13 billion euros of fresh capital. Credit Suisse's analysis is based on a re-run of the EBA's July stress tests updated to reflect banks' first-half results. It uses a 9% core Tier 1 capital ratio, rather than the 5% rate used in July. **[Bloomberg]**

S&P Cut Spain; Fitch Downgrades UBS, Puts BofA, Others on Watch

Spain had its credit rating cut one level by Standard & Poor's as rising defaults threaten efforts to stem Europe's sovereign-debt crisis and limit risks for the region's banks. The ranking slid to AA-, with a negative outlook. Fitch Ratings downgraded UBS on Thursday and placed seven other U.S. and European banks on credit watch negative, citing challenges in the economy and financial markets, as well as the impact of new regulations. Fitch lowered UBS's long-term issuer default rating to A from A+. Fitch is also reviewing ratings for Barclays Bank, BNP Paribas, Credit Suisse Group, Deutsche Bank, Societe Generale, Bank of America, Morgan Stanley and Goldman Sachs Group for further possible downgrades. **[Bloomberg]**

IMF Trims Asian Growth Forecasts as Risks Grow

The risks to Asia's growth are "decidedly tilted to the downside" reflecting the negative outlooks for Europe and the U.S., which are the major markets for the region's exports, the IMF said in a twice-yearly report. Asia's economic growth is forecast to average 6.3% in 2011, rising to 6.7% in 2012. That's lower than the IMF's April forecast of nearly 7% in both years. **[AP]**

India Frees State Firms to Compete With China for Mines Abroad

India granted state-run companies greater powers to acquire coal, oil and other mineral assets overseas without consulting the government as it bids to compete with China for resources to power its economy. Companies including Oil & Natural Gas Corp., India's biggest energy explorer, and Coal India Ltd., the world's largest producer of the fuel, are scouring the world for energy and mining assets to meet demand in the country. **[Bloomberg]**

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