

Thursday December 15, 2011

NEWS UPDATE

Stock Markets Rap (as of Dec 14)

	Close	Chg	(%)
Dow	11,823	-131	-1.1
Nasdaq	2,539	-40	-1.5
S&P 500	1,212	-14	-1.1
Global Dow	1,747	-33	-1.8
VIX	26.04	+0.63	+2.5

	Close	Chg	(%)
FTSE 100	5,367	-123	-2.2
DAX	5,675	-99	-1.7
CAC	2,976	-103	-3.3

	Close	Chg	(%)
ASX 200	4,190	-3	-0.1
Nikkei	8,519	-34	-0.4
Shanghai	2,229	-20	-0.9
HSI	18,354	-93	-0.5
H Shares	9,888	-69	-0.7
FTSE STI	2,672	-13	-0.5
SET	1,023	-7	-0.7
LSX	912	-15	-1.7
Vietnam	368	-4	-1.1

Currencies Rap (as of Dec 14)

	Last	Chg	(%)
DXY	80.53	+0.29	+0.36
THB/USD	31.26	+0.08	+0.26
THB/LAK	256.48	-0.50	-0.19
LAK/USD	8,017.50	+5.00	+0.06
USD/EUR	1.3020	-0.02	-1.36
JPY/USD	78.00	+0.21	+0.27

Commodities Rap (as of Dec 14)

	Close	Chg	(%)
Gold	1,586.90	-76.20	-4.58
Silver	28.94	-2.33	-7.44
WTI	94.95	-5.19	-5.18
Brent	105.02	-4.48	-4.09
BDI	1,912	-10	-0.52

Source: Bloomberg

Bernanke: No Fed Plans to Aid European Banks

Federal Reserve Chairman Ben S. Bernanke told Republican senators the Fed plans no additional aid to European banks amid the region's sovereign debt crisis, according to two lawmakers who attended the meeting. Senator Bob Corker said Bernanke made it "very clear" in closed-door comments today the central bank doesn't intend to rescue European financial institutions. Lindsey Graham said Bernanke told lawmakers that "he doesn't have the intention or the authority" to bail out countries or banks. Both senators spoke to reporters after leaving the one-hour session at the Capitol in Washington. [\[Bloomberg\]](#)

Italy Bond Costs Hit New High, Germany's Near Zero

Italy's funding costs reached a new euro era record at auction on Wednesday, piling pressure on the government after last week's EU summit failed to convince markets the bloc's debt crisis can be resolved. Italy paid 6.47% to sell five-paper just minutes after Berlin placed 4 billion euros (\$5.2 billion) of two-year bonds at an average yield of just 0.29% - a sign of how strongly cautious investors favour safety over returns. Saddled with a debt equivalent to 120% of GDP, Italy has seen its funding costs spiral since taking centre stage in the euro zone crisis in early July, raising questions about whether it can afford such rates over the longer term. Italy has trimmed the size of its auctions in reaction to market pressure but it will have to step up issuance in the coming months if it is to meet a gross funding goal of around 440 billion euros next year. [\[Reuters\]](#)

Fitch Downgrades Five European Banks

Fitch said it downgraded Banque Federative du Credit Mutuel, Credit Agricole, Danske Bank, OP Pohjola Group and Rabobank Group. The firm said the downgrades reflect the "broader phenomenon of stronger headwinds facing the banking industry as a whole. Exposure to troubled euro zone countries through their subsidiaries was a direct consideration in the downgrades of Danske Bank and Credit Agricole." [\[CNBC\]](#)

China Postpones Bank Capital Adequacy Rules

China's banking watchdog has decided to indefinitely postpone new bank capital adequacy rules amid increasing concerns about a slowing economy, the Economic Information Daily reported on Wednesday. The China Banking Regulatory Commission (CBRC) had said earlier that China would implement strict banking capital and liquidity rules, which were even stricter than Basel III, and would be introduced on a gradual scale beginning on Jan 1, 2012. But the newspaper, published by the official Xinhua news agency, cited an unidentified source from the CBRC who said Beijing has decided to put that plan on hold. [\[CNBC\]](#)

Lao PDR: Gov't Powers Up Electricity Sector Development

Minister of Energy and Mines Mr Soulivong Daravong yesterday proposed the amended Law on Electricity to the ongoing session of the National Assembly, in an attempt to boost investment in the electricity sector. The minister said the government has amended Article 29 of the existing Law on Electricity, which will enable the government to terminate Memorandums of Understanding (MOU) and Project Development Agreements with electricity power plant developers who fail to work within agreed timeframes. The government believes the amended law would encourage investors to speed up such projects or lose their right to project development. This would enable the government to pass on the project development rights to another investor. [\[Vientiane Times\]](#)

Lao PDR: Officials Get to Grips with Bond Markets

The Ministry of Finance held a bond market development seminar in Vientiane for finance policy makers, university lecturers and business leaders, to inform them about government policy on the issue. The seminar was chaired by Deputy Minister of Finance Santiphab Phomvihane. A representative from the Japanese Ministry of Finance, Ms Kazushi Iwai, some 100 Lao officials and business operators attended the event. The seminar was funded through Japan-Asean Financial Technical Assistance as one of the Asian Bond Market Initiatives. The Lao government makes use of banks and the stock market to source investment capital for government and private investment projects over the next five years. It is expected that the stock market will be a considerable source of investment capital during this period. By developing the bond market, the government will more easily be able to integrate its capital market with regional markets, especially within Asean. [\[Vientiane Times\]](#)

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