

Tuesday November 15, 2011

NEWS UPDATE

Stock Markets Rap (as of Nov 14)

	Close	Chg	(%)
Dow	12,079	-75	-0.6
Nasdaq	2,657	-22	-0.8
S&P 500	1,252	-12	-1.0
Global Dow	1,847	-15	-0.8
VIX	31.13	+1.09	+3.6

	Close	Chg	(%)
FTSE 100	5,519	-26	-0.5
DAX	5,985	-72	-1.2
CAC	3,109	-40	-1.3

	Close	Chg	(%)
ASX 200	4,305	+8	+0.2
Nikkei	8,604	+89	+1.0
Shanghai	2,529	+48	+1.9
HSI	19,508	+371	+1.9
H Shares	10,717	+287	+2.8
FTSE STI	2,830	+39	+1.4
SET	984	+13	+1.4
LSX	940	+19	+2.0
Vietnam	392	-5	-1.2

Currencies Rap (as of Nov 14)

	Last	Chg	(%)
DXY	77.54	+0.60	+0.78
THB/USD	30.75	-0.04	-0.13
THB/LAK	260.33	+0.52	+0.20
LAK/USD	8,005.00	-6.00	-0.07
USD/EUR	1.3698	-0.01	-0.38
JPY/USD	76.91	-0.29	-0.38

Commodities Rap (as of Nov 14)

	Close	Chg	(%)
Gold	1,778.40	-9.70	-0.54
Silver	34.02	-0.66	-1.90
WTI	98.14	-0.85	-0.86
Brent	111.89	-2.27	-1.99
BDI	1,818	-17	-0.93

Source: Bloomberg

Italy Sells Bonds; Yield Hits New Euro Lifetime High

The yield on Italy's bonds hit a new euro lifetime high in an auction on Monday when the country managed to sell the full amount it wanted to raise. Italy sold 3 billion euros (\$4.08 billion) worth of five-year bonds at a gross yield of 6.2%, compared with 5.3% in a similar auction in mid-October, according to Reuters data. The bid-to-cover was 1.46, Dow Jones reported. [\[CNBC\]](#)

France, Spain Default Risk Rises to Records

The cost of insuring against default on French and Spanish government bonds rose to records, according to traders of credit-default swaps. Swaps on France climbed six basis points to 207 as of 3 p.m. in London, surpassing the record closing price of 203.5 on Nov. 10, according to CMA. Contracts on Spain climbed 21 basis points to a record 441. [\[Bloomberg\]](#)

ECB Lowered Bond Purchases to \$6.2 bln Last Week despite Turmoil in Italy

The European Central Bank slowed down its purchases of government bonds last week, allowing Italy's borrowing rates to spiral to dangerous highs, a clear indication it resists being Europe's safety net against the debt market turmoil. The ECB said Monday it bought bonds worth €4.5 billion (\$6.2 billion), down from €9.5 billion a week earlier. [\[Associated Press\]](#)

Euro-Area Industrial Production Drops Most in 2 1/2 Years

European industrial production declined the most in 2 1/2 years in September, led by capital and consumer goods, as the sovereign-debt crisis pushed the economy toward a recession. Production in the 17-nation euro area dropped 2% from August, when it rose 1.4%, the European Union's statistics office in Luxembourg said Monday. Economists had forecast a drop of 2.3%, according to the median of 35 estimates. From a year earlier, September production increased 2.2%. [\[Bloomberg\]](#)

Fitch Cuts Hungary's Outlook to Negative

Rating agency Fitch revised the outlook on Hungary's long-term foreign and local currency issuer ratings to "negative" from "stable" and affirmed the ratings at 'BBB-' and 'BBB', respectively on Friday. [\[Reuters\]](#)

India's Inflation Exceeds 9% for 11th Month, Reducing Scope for Rate Pause

India's inflation exceeded 9% for an 11th straight month, crimping the central bank's scope to keep interest rates unchanged and shield the economy from a faltering global recovery. The wholesale-price index rose 9.73% in October from a year earlier, the commerce ministry said Monday. That compares with a 9.72% jump in September and the forecast of 9.65%. Asian nations from Indonesia to South Korea are either cutting rates or keeping them on hold to protect expansion as Europe's debt crisis threatens to trigger a global slump. India's central bank last month signaled it's nearing the end of monetary tightening, provided inflation slows, after it raised rates for the 13th time since mid-March 2010. [\[Bloomberg\]](#)

Vietnam Bank Deposits Continue to Fall: Report

Deposits at banks fell for a second month in a row in October, while credit grew slightly by only 0.05%, the central bank said in a new monthly report. According to the State Bank of Vietnam, dong deposits fell 1.29%, while dollar deposits rose 1.73% compared to September. During the past year, total deposits in the banking system increased 8.59%. It has been expected that dong deposits would drop after the central bank ordered all commercial banks to strictly abide by the interest rate cap of 14% per year. Some experts, however, said the drop is temporary and should not be seen as a cause for worry. [\[Thanh Nien News\]](#)

Laos-China Railway Not Losing Speed: Planning Official

The Laos-China high speed railway has been delayed but its construction won't take any longer than other large-scale investment projects, a high-ranking official has said last week. Deputy Minister of Planning and Investment Dr Khamlien Pholsena said it took 10 years to build the US\$1 billion Nam Theun 2 hydropower plant, so it is not surprising that the US\$7 billion railway project has been delayed. Last year the government announced that construction of the railway would begin in April, but the project was postponed. China wants to build the railway to link Yunnan province to Laos, Thailand, Malaysia and Singapore in order to maximise the benefits of the free trade agreement made with Asean member countries that came into effect in 2010. [\[Vientiane Times\]](#)

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