

Thursday November 17, 2011

NEWS UPDATE

Stock Markets Rap (as of Nov 16)

	Close	Chg	(%)
Dow	11,906	-191	-1.6
Nasdaq	2,640	-47	-1.7
S&P 500	1,237	-21	-1.7
Global Dow	1,816	-19	-1.0
VIX	33.51	+2.29	+7.3

	Close	Chg	(%)
FTSE 100	5,509	-8	-0.2
DAX	5,913	-20	-0.3
CAC	3,065	+16	+0.5

	Close	Chg	(%)
ASX 200	4,247	-38	-0.9
Nikkei	8,463	-79	-0.9
Shanghai	2,467	-63	-2.5
HSI	18,961	-388	-2.0
H Shares	10,332	-306	-2.9
FTSE STI	2,807	-4	-0.1
SET	997	+12	+1.2
LSX	940	0	0.0
Vietnam	391	+3	+0.8

Currencies Rap (as of Nov 16)

	Last	Chg	(%)
DXY	78.38	+0.51	+0.65
THB/USD	30.83	-0.02	-0.06
THB/LAK	259.91	+0.24	+0.09
LAK/USD	8,012.50	+1.50	+0.02
USD/EUR	1.3483	-0.01	-0.38
JPY/USD	76.96	-0.05	-0.06

Commodities Rap (as of Nov 16)

	Close	Chg	(%)
Gold	1,774.30	-7.90	-0.44
Silver	33.82	-0.63	-1.84
WTI	102.59	+3.22	+3.24
Brent	111.88	-0.51	-0.45
BDI	1,884	+38	+2.06

Source: Bloomberg

U.S. Banks Face Serious Risk From Europe: Fitch

"Fitch believes that unless the euro zone debt crisis is resolved in a timely and orderly manner, the broad credit outlook for the U.S. banking industry could worsen," Fitch said. Banks in the U.S. have manageable exposure tied to stressed European markets in Greece, Ireland, Italy, Portugal and Spain, "but further contagion poses a serious risk," The six largest U.S. banks had \$50 billion in aggregate exposure to the five stressed countries at the end of the third quarter, Fitch said in the report. So-called cross-border outstandings to France were \$188 billion for the top five U.S. banks, according to Fitch. [\[Bloomberg\]](#)

Moody's Downgrades 10 German Lenders

Nearly all of Germany's public-sector lenders were downgraded by Moody's after the ratings company said it is less likely that the German government will step in with a bailout. The downgrades affect the senior debt and deposit ratings of 10 German banks, primarily the so-called Landesbanks. The Landesbank downgrades reflect that "future government (or systemic) support for German public-sector banks has become less certain, partly owing to the new bank resolution regime that enables the government to impose losses on creditors outside of liquidation,". Moody's downgraded Dekabank by 1 notch, and Helaba, SaarLB and HSH Nordbank by 2 notches. BayernLB, Deutsche Hypothekenbank AG, LBBW, NordLB, NordLB Luxembourg and BremerLB were downgraded by 3 notches. [\[WSJ\]](#)

Bank of England Slashes UK Economic Growth Forecast

The Bank of England has warned the economy is grinding to a halt and has slashed its growth forecast for the coming year, leaving the door open for it to pump more electronic money into the economy. The Bank indicated that growth could stagnate until the middle of 2012 and would only reach 1% for the year as a whole – half its previous forecast – as Britain battles pressure from the eurozone debt crisis. [\[Guardian\]](#)

U.K. Unemployment Soars, Youth Joblessness Exceeds 1 Million

U.K. unemployment jumped in the third quarter as the number of young people looking for work climbed above 1 million for the first time in at least 19 years. Unemployment as measured by International Labour Organization standards rose by 129,000 to 2.62 million, the most since 1994, the Office for National Statistics said. The jobless rate climbed to a 15-year high of 8.3%. The number of unemployment-benefit claims rose 5,300 to 1.6 million in October. [\[Bloomberg\]](#)

BOJ Cuts Economic View as Europe Crisis Becomes Growing Risk

The Bank of Japan cut its economic assessment as Governor Masaaki Shirakawa called the European debt crisis the biggest danger for the nation's export-led recovery. "Developments in Europe's sovereign-debt problems are the largest risk now," Shirakawa told reporters in Tokyo today after the BOJ left its asset-buying fund unchanged at 20 trillion yen (\$260 billion). A few board members have become more concerned the economy's outlook has worsened since October, he said. [\[Bloomberg\]](#)

U.S. Economy: Production Picks Up While Inflation Cools

Industrial production in the U.S. advanced more than forecast in October, adding to evidence the world's largest economy is weathering disruptions in financial markets caused by the crisis in Europe. Output at factories, mines and utilities climbed 0.7% after a revised 0.1% drop in September, figures from the Federal Reserve showed. The cost of living dropped in October for the first time in four months, data from the Labor Department showed. The consumer-price index declined 0.1% from the prior month after a 0.3% rise in September. The so-called core rate that excludes volatile food and fuel costs rose 0.1%, matching September as the smallest gain this year. [\[Bloomberg\]](#)

China FDI Remains Strong, Export Outlook Darkens

Foreign direct investment (FDI) into China climbed nearly 16% in the first 10 months of 2011 from a year earlier as foreign investors continued to flock to the world's fastest-growing major economy despite the global economic malaise. China drew \$95 billion in FDI in 10M11, up 15.9% from 10M10, the Commerce Ministry said, putting it on track for another record year of FDI inflows. "China's export outlook in the near future is not very optimistic," the ministry's spokesman said. China's exports grew 15.9% in October from a year earlier, their most sluggish expansion in 8 months. After stripping out the traditionally volatile month of February, October's growth was the slowest since November 2009. [\[Reuters\]](#)

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