

Friday November 18, 2011

NEWS UPDATE

Stock Markets Rap (as of Nov 17)

	Close	Chg	(%)
Dow	11,771	-135	-1.1
Nasdaq	2,588	-52	-2.0
S&P 500	1,216	-21	-1.7
Global Dow	1,793	-23	-1.3
VIX	34.51	+1.00	+3.0

	Close	Chg	(%)
FTSE 100	5,423	-86	-1.6
DAX	5,850	-63	-1.1
CAC	3,010	-55	-1.8

	Close	Chg	(%)
ASX 200	4,258	+11	+0.3
Nikkei	8,480	+16	+0.2
Shanghai	2,463	-4	-0.2
HSI	18,817	-143	-0.8
H Shares	10,229	-103	-1.0
FTSE STI	2,778	-29	-1.0
SET	993	-4	-0.4
LSX	940	0	0.0
Vietnam	386	-5	-1.3

Currencies Rap (as of Nov 17)

	Last	Chg	(%)
DXY	78.28	+0.27	+0.34
THB/USD	30.86	+0.03	+0.10
THB/LAK	259.63	-0.29	-0.11
LAK/USD	8,012.50	0.00	0.00
USD/EUR	1.3473	-0.00	-0.07
JPY/USD	76.96	0.00	0.00

Commodities Rap (as of Nov 17)

	Close	Chg	(%)
Gold	1,720.20	-54.10	-3.05
Silver	31.50	-2.33	-6.87
WTI	98.82	-3.77	-3.67
Brent	108.22	-3.66	-3.27
BDI	1,898	+14	+0.74

Source: Bloomberg

Merkel Rejects ECB as Crisis Backstop in Clash With France

German Chancellor Angela Merkel rejected French calls to deploy the European Central Bank as a crisis backstop, defying global leaders and investors calling for more urgent action to halt the turmoil. As the crisis sent borrowing costs in core economies outside Germany to euro-era records, Merkel listed using the ECB as lender of last resort alongside joint euro-area bonds and a "snappy debt cut" as proposals that won't work. Merkel's comments underscore German reluctance to assume more liability for taming the debt crisis even as it roils France, the euro region's second-largest economy, and threatens to trigger a global recession. [\[Bloomberg\]](#)

U.S. Economy: Jobless Claims, Home Starts Signal Strength

Claims for unemployment benefits dropped to the lowest level in seven months and housing starts exceeded forecasts, signaling improvement in the weakest areas of the U.S. economy. Applications for jobless benefits decreased 5,000 in the week ended Nov. 12 to 388,000, Labor Department figures showed. Starts decreased 0.3% to a 628,000 annual rate in October, according to the Commerce Department. The median estimate of economists surveyed by Bloomberg News called for a drop to 610,000. Building permits, a proxy for future construction, jumped 10.9%. [\[Bloomberg\]](#)

Fitch Rattles Market Again, This Time With Warning on Italy

Fitch, which Wednesday doused the US stock market with a gigantic tub of sad by warning about the possible effects of a euro-zone meltdown on US banks, is at it again Thursday, this time warning about Italy. Fitch Ratings has published a Special Report on the challenges facing the new Italian government. Fitch says, essentially, that if Italy were to be shut out of funding markets, then its credit-worthiness might be impaired. [\[WSJ\]](#)

Italy Unveils Broad Reforms, France and Spain Squeezed

Italy's new govt has announced far-reaching reforms in response to a European debt crisis that on Thursday pushed borrowing costs for France and Spain sharply higher, and brought tens of thousands of Greeks onto the streets of Athens. The Spanish govt was forced to pay the highest borrowing costs since 1997 at a sale of 10-year bonds, with yields a steep 1.5 points above the average paid at similar tenders this year. The euro fell in response. France fared a little better, but again had to pay markedly more to shift nearly 7 billion euros of govt paper. Fears that the euro zone's 2nd largest economy is getting sucked into the debt maelstrom have taken the two-year-old crisis to a new level this week. [\[Reuters\]](#)

IMF Won't Release Greek Funds Without Support

The IMF won't release the next tranche of funding for Greece under a 110-billion euro (\$148 billion) package with the European Union until there is broad political support for the measures attached to the loan, a spokesman said. "It's important that the unity government now shares its commitment to the implementation of the economic program" and the decisions agreed by European leaders last month, IMF spokesman David Hawley said. "Once broad political support" for the measures "is assured, then we can proceed with completion" of the review and the release of the tranche. [\[Bloomberg\]](#)

Lao, Viet Banks Extend Frontier Cooperation

The Vietnam Bank for Agriculture and Rural Development (Agribank) signed a Memorandum of Understanding (MoU) on extended banking business cooperation with Phongsavanh Bank on Wednesday. The objective is to provide banking services to promote trade payments, investments and financial transactions in the Dan Savanh-Lao Bao shared border area between Laos and Vietnam. [\[Vientiane Times\]](#)

Vietnam Airlines to Sell Shares to Public - govt

The Vietnamese government said it has allowed national carrier Vietnam Airlines to privatise, but said the state will retain more than half of shares in the firm. Vietnam Airlines now joins the list of major state firms, including lender BIDV, top fuel distributor Petrolimex and the Vietnam Steel Corp (VNSteel), the country's biggest steel manufacturer, which has received the green light for privatisation. Petrolimex and VNSteel have conducted initial public offerings earlier this year but neither of them has listed shares. IPOs and share listing are two separate stages in Vietnam. [\[Reuters\]](#)

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