

Monday December 19, 2011

NEWS UPDATE

Stock Markets Rap (as of Dec 16)

	Close	Chg	(%)
DOW	11,866	-2	-0.0
Nasdaq	2,555	+14	+0.6
S&P 500	1,220	+4	+0.3
Global Dow	1,752	+2	+0.1
VIX	24.29	-0.82	-3.3

	Close	Chg	(%)
FTSE 100	5,387	-14	-0.3
DAX	5,702	-29	-0.5
CAC	2,972	-26	-0.9

	Close	Chg	(%)
ASX 200	4,159	+19	+0.5
Nikkei	8,402	+24	+0.3
Shanghai	2,225	+44	+2.0
HSI	18,285	+259	+1.4
H Shares	9,867	+189	+1.9
FTSE STI	2,659	+24	+0.9
SET	1,034	+10	+1.0
LSX	924	+9	+1.0
Vietnam	366	+2	+0.4

Currencies Rap (as of Dec 16)

	Last	Chg	(%)
DXY	80.26	-0.06	-0.08
THB/USD	31.28	-0.08	-0.26
THB/LAK	256.01	+0.19	+0.07
LAK/USD	8,023.50	+2.00	+0.02
USD/EUR	1.3046	+0.00	+0.31
JPY/USD	77.76	-0.13	-0.17

Commodities Rap (as of Dec 16)

	Close	Chg	(%)
Gold	1,597.90	+20.70	+1.31
Silver	29.67	+0.40	+1.36
WTI	93.53	-0.34	-0.36
Brent	103.35	-1.74	-1.66
BDI	1,888	-1	-0.05

Source: Bloomberg

EU Finance Ministers Seek \$261 Billion IMF Debt-Crisis Funding Deal Today

European finance ministers today will seek to meet a self-imposed deadline for drawing additional aid to the debt crisis and to form new budget rules as investor confidence that a comprehensive solution is achievable wanes. Euro-area finance ministers will hold a conference call at 3:30 p.m. Brussels time to discuss 200 billion euros (\$261 billion) in additional funding through the International Monetary Fund and the mechanics of a so-called fiscal compact that was negotiated at a Dec. 9 European Union summit, according to two people familiar with the planning. [\[Bloomberg\]](#)

Fitch May Cut France, 6 Other Euro Zone Countries

Fitch Ratings on Friday warned it may downgrade France and six other euro zone countries as it believes that a comprehensive solution to the region's debt crisis is "technically and politically beyond reach." France's possible downgrade is not imminent but could come in two years, Fitch said, as it revised the outlook to the country's AAA rating to negative. For the other countries - Belgium, Cyprus, Ireland, Italy, Slovenia and Spain - a downgrade could come much faster. Those nations, which already had a negative rating outlook, were placed on credit watch negative, which traditionally signals the possibility of a downgrade within three months. [\[Reuters\]](#)

Moody's Downgrades Belgium's Debt by 2 Notches

Moody's Investors Services on Friday downgraded Belgium's credit rating by two notches, citing strains on eurozone countries as they try to finance their heavy debt loads amid the regional financial crisis. The ratings agency cut Belgium's local- and foreign-currency government bond ratings to "Aa3" from Aa1," with a negative outlook. The ratings remain investment grade. Moody's said the downgrade comes as soaring borrowing costs strain the finances of heavily indebted countries that use the euro, like Belgium. The strains are also making it difficult for Belgium to reduce debt and rein in spending. [\[Bloomberg\]](#)

IMF Chief Warns No Country Immune From Crisis

No country is immune from an "escalating" euro zone crisis and each one must act to head off the risk of a global depression, the head of the International Monetary Fund said on Thursday. IMF Managing Director Christine Lagarde, speaking at the U.S. State Department, said the outlook for the world economy is "quite gloomy" and warned that failure to act collectively could lead to protectionism and isolation reminiscent of the 1930s depression. "There is no economy in the world, whether low-income countries, emerging markets, middle-income countries or super-advanced economies that will be immune to the crisis that we see not only unfolding but escalating," Lagarde cautioned. [\[Reuters\]](#)

Gold to Slip Below \$1,500 in Next 3 Months: Poll

Gold prices will fall below \$1,500 an ounce over the next three months and are unlikely to retest September's all-time highs until later 2012 at the earliest, according to a Reuters poll of 20 hedge fund managers, economists and traders. The bleak forecast, coming after gold has lost 11% of its value so far this month, is likely to fuel fears that bullion is close to ending its more than decade long bull run and entering a bear market. Almost half of respondents predicted bullion will fall to 1,450 an ounce in the first quarter next year, with three seeing prices as low as \$1,400 an ounce. [\[CNBC\]](#)

U.S. Inflation Eases, Creates Space for Fed Stimulus

U.S. consumer prices were flat in November as Americans paid less for cars and gasoline, a further sign of a cool down in inflation that could give the Federal Reserve more room to help a still-weak economy. The Labor Department said on Friday the Consumer Price Index was unchanged last month. Economists had expected an increase of 0.1%. Prices spiked earlier in the year but the report showed the trend has shifted. Over the past 12 months, prices have risen 3.4%. That marked a 2nd monthly decline from a 3-year high in September. Economists and investors see inflation slowing further over the coming months, which could help convince the Fed to do more to bring down the country's 8.6% unemployment rate. [\[Reuters\]](#)

China's November Home Prices Post Worst Performance This Year Amid Curbs

China's home prices posted their worst performance this year with more than half of the 70 biggest cities monitored in November recording declines after the government reiterated plans to maintain property curbs. [\[Bloomberg\]](#)

Thanawat Patchimkul
Global Strategist

Email: thanawatp@ktzmico.com

Tel: + 66 2 673 5300

Assisted by
Denruthai Krishnamra