

Tuesday December 20, 2011

Stock Markets Rap (as of Dec 19)

	Close	Chg	(%)
Dow	11,766	-100	-0.8
Nasdaq	2,523	-32	-1.3
S&P 500	1,205	-14	-1.2
Global Dow	1,733	-20	-1.1
VIX	24.92	+0.63	+2.6

	Close	Chg	(%)
FTSE 100	5,365	-22	-0.4
DAX	5,671	-31	-0.5
CAC	2,974	+2	+0.1

	Close	Chg	(%)
ASX 200	4,060	-99	-2.4
Nikkei	8,296	-106	-1.3
Shanghai	2,218	-7	-0.3
HSI	18,070	-215	-1.2
H Shares	9,727	-140	-1.4
FTSE STI	2,618	-41	-1.5
SET	1,034	-1	-0.0
LSX	907	-16	-1.8
Vietnam	367	+1	+0.4

Currencies Rap (as of Dec 19)

	Last	Chg	(%)
DXY	80.35	+0.09	+0.12
THB/USD	31.30	+0.02	+0.06
THB/LAK	256.32	+0.30	+0.12
LAK/USD	8,023.50	0.00	0.00
USD/EUR	1.3025	-0.00	-0.16
JPY/USD	77.89	+0.13	+0.17

Commodities Rap (as of Dec 19)

	Close	Chg	(%)
Gold	1,596.70	-1.20	-0.08
Silver	28.87	-0.80	-2.69
WTI	93.88	+0.35	+0.37
Brent	103.64	+0.29	+0.28
BDI	1,885	-3	-0.16

Source: Bloomberg

NEWS UPDATE

Europe Channels \$195 Billion to IMF as U.K. Shuns Crisis Aid

Europe bolstered its anti-crisis arsenal, channeling 150 billion euros (\$195 billion) to the International Monetary Fund as the European Central Bank widened its support for sagging bond markets. Four countries not using the single currency also pledged to add to the IMF war chest while Britain refused to commit, in a sign of the difficulty of attracting outside cash to ease the euro area's home-grown debt burdens. The U.K. will "define its contribution" in early 2012, euro finance ministers said. [\[Bloomberg\]](#)

Draghi Says Break-Up Speculation 'Morbid'

The existence of the euro zone is "irreversible" and speculation about its breakup is "morbid," European Central Bank President Mario Draghi said Monday. "I have no doubt whatsoever about the strength of the euro, about its permanence and its irreversibility. The one currency is irreversible," Mr. Draghi said at his first hearing of the European Parliament's Committee on Economic and Monetary Affairs since he took the helm of the ECB Nov. 1. A break-up of the currency union would have extraordinary costs, he added. [\[WSJ\]](#)

China Opens Up to Offshore Renminbi Investors

China will open more channels for foreign institutions to invest in its stock markets, a move aimed at supporting share prices and helping to counter capital outflows as the economy slows. The Chinese securities regulator announced late on Friday that renminbi held offshore could be used to buy equities within China, a long-awaited reform that is critical to promoting more international use of the Chinese currency. Local media also reported that the government was preparing to expand significantly the number of quotas that allow foreign institutions to invest in China's closely guarded markets. The reforms come as central bank money data for October showed the first evidence of capital outflows since 2007, as concerns have mounted about the country's weakening property market. [\[Financial Times\]](#)

Fed's Lacker Sees Moderate Growth, Urges No New Stimulus

Federal Reserve Bank of Richmond President Jeffrey Lacker predicted the U.S. economy will grow 2% to 2.5% next year, with inflation likely to meet central bank goals, and urged no additional stimulus. "I am hard-pressed to see the rationale for any further monetary stimulus" with growth at 2% or higher and inflation around 2%, Lacker told reporters after a speech today in Charlotte, North Carolina. "Recent economic news in the U.S. has been positive for a couple months now" while prospects in Europe have been "deteriorating," he said. [\[Bloomberg\]](#)

N. Korea Signals Kim Succession as South Braces

North Korean media sought to rally support for a leadership transition to Kim Jong Un as uncertainty around the succession unsettled stock markets from Seoul to Hong Kong. Kim's father, Kim Jong Il, died Dec. 17 from a heart attack brought on by mental and physical strain, the official Korean Central News Agency said. State media urged citizens to "loyally follow" Jong Un, Kim's little-known third son. The transition in the north adds to risks for Asia's fourth-largest economy, which is already contending with slowing export growth as Europe's debt crisis dents global demand. [\[Bloomberg\]](#)

Vietnam to Apply Different Credit Limits on Banks in 2012

The State Bank of Vietnam said it will stop applying one credit growth target for all banks next year, allowing stronger lenders to offer more loans than others. Credit institutions will be divided into four groups and weaker banks will have to face greater credit growth restrictions, according to the plan announced Saturday. The central bank is aiming for an overall credit growth of between 15% and 17% next year. The new plan did not say what criteria will be used to categorize banks. Around 20 banks in the country are facing liquidity problems or have been found violating credit regulations. [\[Thanh Nien News\]](#)

Lao PDR: Govt Seeks Increase in Budget Deficit

Minister of Finance Mr Phouphet Khamphounvong yesterday asked the ongoing National Assembly session to consider and approve an increase in the budget deficit from 3.02% of GDP to 4.61% of GDP for this fiscal year. The increased budget deficit will enable the government to spend an additional 1,100 billion kip on various projects, including about 400 billion kip for flood recovery efforts, about 70 billion kip for poverty reduction projects, and a further 100 billion to host the Asia-Europe Meeting Summit next November. The budget will also be allocated for development of state-owned enterprises, government administration, and for the expansion of Wattay International Airport. [\[Vientiane Times\]](#)

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