

Wednesday December 21, 2011

NEWS UPDATE

Stock Markets Rap (as of Dec 20)

	Close	Chg	(%)
Dow	12,104	+337	+2.9
Nasdaq	2,604	+81	+3.2
S&P 500	1,241	+36	+3.0
Global Dow	1,774	+41	+2.4
VIX	23.22	-1.70	-6.8

	Close	Chg	(%)
FTSE 100	5,420	+55	+1.0
DAX	5,847	+176	+3.1
CAC	3,055	+81	+2.7

	Close	Chg	(%)
ASX 200	4,053	-7	-0.2
Nikkei	8,336	+40	+0.5
Shanghai	2,216	-2	-0.1
HSI	18,080	+10	+0.1
H Shares	9,740	+13	+0.1
FTSE STI	2,614	-4	-0.1
SET	1,033	-0	-0.0
LSX	916	+9	+1.0
Vietnam	366	-2	-0.5

Currencies Rap (as of Dec 20)

	Last	Chg	(%)
DXY	79.83	-0.42	-0.52
THB/USD	31.29	-0.01	-0.03
THB/LAK	256.42	+0.10	+0.04
LAK/USD	8,023.50	0.00	0.00
USD/EUR	1.3083	+0.01	+0.45
JPY/USD	77.98	+0.09	+0.12

Commodities Rap (as of Dec 20)

	Close	Chg	(%)
Gold	1,617.60	+20.90	+1.31
Silver	29.54	+0.66	+2.29
WTI	97.22	+3.34	+3.56
Brent	106.73	+3.09	+2.98
BDI	1,878	-7	-0.37

Source: Bloomberg

Housing Starts in U.S. Increase to 19-Month High

Builders broke ground in November on more houses than at any time in the past 19 months, led by a surge in multifamily units, signaling the market is stabilizing heading into 2012. Starts increased 9.3% to a 685,000 annual rate, exceeding the highest estimate and the most since April 2010, Commerce Department figures showed Tuesday in Washington. Building permits, a proxy for future construction, also climbed to a more than one-year high. [\[Bloomberg\]](#)

German Business Confidence Unexpectedly Rose a Second Month

German business confidence unexpectedly rose for a second month in December, suggesting Europe's largest economy is weathering the region's debt crisis. The Ifo institute's business climate index, based on a survey of 7,000 executives, rose to a three-month high of 107.2 from 106.6 in November, the Munich-based institute said Tuesday. Economists expected a drop to 106. [\[Bloomberg\]](#)

Spain Borrowing Costs Slide as Demand for Three, Six-Month Debt Increases

Spain sold 5.64 billion euros of three-month and six-month bills, the Bank of Spain said, compared with a maximum target of 4.5 billion euros the Treasury had set for the sale. The average yield on the three-month debt dropped to 1.735%, compared with 5.110% when the securities were last issued on Nov. 22, and the average six-month yield fell to 2.435% from 5.227% last month. [\[Bloomberg\]](#)

Fed Proposes New, Tougher Rules for Big Banks

The Federal Reserve on Tuesday said the largest U.S. banks and financial companies should hold extra cash on their balance sheets to cushion themselves against financial crises. The proposal by the chief U.S. banking regulator will affect banks with over \$50 billion in assets. There are even stricter rules for companies with over \$500 billion in assets such as JPMorgan Chase & Co., Goldman Sachs Group Inc. and Citigroup Inc. Most U.S. banks opposed the rules. They argued holding too much extra cash would hamper their ability to make loans. [\[Associated Press\]](#)

Japan November Exports Fall as Asia Demand Weakens

Japan's exports fell at the fastest annual pace in six months in November as a persistently strong yen, Europe's sovereign debt crisis and a slowdown in emerging economies weighed on overseas demand. The decline in exports and a jump in imports tipped Japan's trade balance into a deficit of 684.7 billion yen (\$8.8 billion), bigger than forecast and the second straight month in the red, data showed on Wednesday. The 4.5% annual decline in November exports was bigger than a market forecast of a 4.0% fall. [\[CNBC\]](#)

Japan Considers Buying Chinese Bonds

Japan should consider holding Chinese government bonds to strengthen ties with its Asian neighbor, its finance minister said Tuesday, but analysts say such a step could be a move toward diversifying Japan's foreign reserves, now mainly denominated in dollars. Finance Minister Jun Azumi made the comments just days ahead of a planned visit to China by Prime Minister Yoshihiko Noda. It was the first time Japan clearly indicated an intention to shift part of its foreign reserves into yuan-denominated Chinese debt. [\[WSJ\]](#)

China Starts Regional Trading Of Yuan Against Thai Baht - Source

The Chinese authorities have started to allow regional trading of the yuan against the Thai Baht, a person familiar with the matter told Dow Jones Newswires Tuesday. Branches of six Chinese banks in the southwestern province of Yunnan that borders Thailand received approval to start trading the yuan/baht currency pair on the interbank market with Bangkok Bank on Monday, the person said. [\[Dow Jones\]](#)

Thai Firms Eye Burma Investments

Business leaders would like to hear assurances from the Thai government about Burma's opening up of the economy before investing in the resource-rich neighbouring country. Although there have been positive signs since Burma's election about a year ago, the country need to understand it must open up the economy for investments from abroad, said Arin Jira, chairman of the Asean Business Advisory Council. Prime Minister Yingluck Shinawatra is taking a two-day visit to Myanmar, partly to promote the development of a deep-sea port in Dawei. Thailand's largest contractor was awarded a concession to develop the port last year, with infrastructure costs running to US\$4 billion. [\[Bangkok Post\]](#)

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