

Thursday November 24, 2011

NEWS UPDATE

Stock Markets Rap (as of Nov 23)

	Close	Chg	(%)
Dow	11,258	-236	-2.1
Nasdaq	2,460	-61	-2.4
S&P 500	1,162	-26	-2.2
Global Dow	1,697	-36	-2.1
VIX	33.98	+2.01	+6.3

	Close	Chg	(%)
FTSE 100	5,140	-67	-1.3
DAX	5,458	-80	-1.4
CAC	2,822	-48	-1.7

	Close	Chg	(%)
ASX 200	4,051	-82	-2.0
Nikkei	8,315	-34	-0.4
Shanghai	2,395	-18	-0.7
HSI	17,864	-387	-2.1
H Shares	9,476	-269	-2.8
FTSE STI	2,677	-41	-1.5
SET	977	-0	-0.1
LSX	931	+20	+2.2
Vietnam	389	+7	+1.8

Currencies Rap (as of Nov 23)

	Last	Chg	(%)
DXY	79.03	+0.77	+0.98
THB/USD	31.33	+0.15	+0.48
THB/LAK	255.63	-1.33	-0.52
LAK/USD	8,010.50	-1.50	-0.02
USD/EUR	1.3390	-0.02	-1.12
JPY/USD	77.18	+0.28	+0.36

Commodities Rap (as of Nov 23)

	Close	Chg	(%)
Gold	1,698.80	-6.70	-0.39
Silver	31.96	-1.07	-3.23
WTI	96.17	-1.84	-1.88
Brent	107.02	-2.01	-1.84
BDI	1,830	-24	-1.29

Source: Bloomberg
Nikkei 225 Index as of Nov 22

German Auction 'Disaster' Stirs Crisis Contagion Concern; Bonds, Euro Fall

Germany failed to get bids for 35% of the 10-year bonds offered for sale Wednesday, propelling borrowing costs in Europe higher and the euro lower on concern the region's debt crisis is driving away investors. Total bids at the auction of securities due in Jan-2022 amounted to 3.889 billion euros, out of a maximum target for the sale of 6 billion euros, according to Bundesbank data. In Wednesday's offering, the debt agency allotted 3.644 billion euros of the securities, leaving the Bundesbank to retain 2.356 billion euros, or 39% of the supply, the highest proportion of unsold debt at a 10-year sale since 1995. The securities were sold at an average yield of 1.98%. In the secondary market, the rate rose to 2.13%. [\[Bloomberg\]](#)

France, Belgium Tussle Over Dexia Spooks Markets

Belgium is leaning on France to pay more into emergency support for failed lender Dexia, spooking investors who thought a 90 billion euro (\$120 billion) rescue deal only needed rubber stamping. The countries are wrangling about short-term funding guarantees meant to wean Dexia's "bad bank" off emergency liquidity and allow it to re-enter financial markets, two Belgian newspapers reported. [\[Reuters\]](#)

China Factory Sector Shrinks Most in 32 Months

China's factory sector shrank the most in 32 months in November on signs of domestic economic weakness, a preliminary PMI survey showed, reviving worries that China may be slipping toward a hard landing and fuelling fears of a global recession. The steep fall in the HSBC flash purchasing managers' index (PMI) to 48 in November from 51 in October largely reflected domestic weakness as both output and new orders shrank even as export orders continued to grow. The flash PMI, the earliest readout of China's industrial activity, was the lowest since March 2009 and suggests the factory sector contracted during the month. A PMI reading of 50 demarcates expansion from contraction. [\[Reuters\]](#)

China Lowers Reserve Ratio for Some Rural Credit Cooperatives

China's central bank is lowering reserve requirements for more than 20 rural cooperative banks by 0.5% to 16%, adding to signs of a shift toward allowing greater credit growth as the economy slows. [\[Bloomberg\]](#)

Fitch Says New Shocks Could Threaten France's AAA

France would have limited room to absorb any new shocks to its public finances without endangering its AAA status, Fitch Ratings said on Wednesday, in the latest sign that the euro crisis could rob France of its cherished top-tier rating. Fitch said France's debt and deficit were consistent with a AAA rating but said shocks such as a further economic slowing or provisions for banking sector support could put the rating in peril. The report kept upward pressure on French borrowing costs after Moody's warned on Monday that a sustained rise in yields coupled with weaker growth could harm France's ratings outlook. [\[Reuters\]](#)

Moody's Warns U.S. Not to Skimp on Deficit Cuts

Moody's Investors Service on Wednesday warned that its top credit rating for the U.S. could be in jeopardy if lawmakers backtrack on \$1.2 trillion in deficit cuts planned over 10 years. The ratings firm said the failure of a U.S. congressional committee to reach an agreement on deficit reduction did not affect the Aaa rating, but any pullback from agreed automatic cuts to take effect starting in 2013 could prompt it to take action. Moody's had placed a negative outlook on its rating on the United States on Aug. 2, setting a general time frame of 18 months to two years in which it could decide whether to cut the rating. [\[Reuters\]](#)

U.S. Consumer Spending, Durable Orders Signal Slower Growth

Consumer purchases, which account for 70% of the economy, increased 0.1% after a 0.7% gain in September, Commerce Department figures showed. Bookings for equipment meant to last at least three years fell 0.7% after a 1.5% drop in September. Unemployment stuck near 9% and confidence at recession levels prompted consumers to curb spending on the eve of the holiday shopping season. [\[Bloomberg\]](#)

First Ever Lao Airlines Flight to Singapore Takes Off Today

Lao Airlines' first ever direct flight to Singapore is scheduled for take-off this afternoon with 135 passengers on board. The official opening of the Vientiane-Singapore-Vientiane flight will take place in Singapore on Friday, attended by Lao government officials, Lao Airlines representatives, and Singapore's Changi Airport. Regular flights are scheduled for Tuesdays, Thursdays and Sundays. [\[Vientiane Times\]](#)

Thanawat Patchimkul
Global Strategist
Email: thanawatp@ktzmico.com
Tel: + 66 2 673 5300
Assisted by
Denruthai Krishnamra