

Thursday October 27, 2011

NEWS UPDATE

Stock Markets Rap (as of Oct 26)

	Close	Chg	(%)
Dow	11,869	+162	+1.4
Nasdaq	2,651	+12	+0.5
S&P 500	1,242	+13	+1.1
Global Dow	1,865	+8	+0.4
VIX	29.86	-2.36	-7.3

	Close	Chg	(%)
FTSE 100	5,553	+28	+0.5
DAX	6,016	-31	-0.5
CAC	3,170	-5	-0.1

	Close	Chg	(%)
ASX 200	4,243	+15	+0.3
Nikkei	8,748	-14	-0.2
Shanghai	2,427	+18	+0.7
HSI	19,067	+98	+0.5
H Shares	10,051	+190	+1.9
FTSE STI	2,770	+9	+0.3
SET	939	-4	-0.4
LSX	896	-9	-1.0
Vietnam	412	+3	+0.7

Currencies Rap (as of Oct 26)

	Last	Chg	(%)
DXY	76.22	+0.09	+0.12
THB/USD	30.79	0.00	0.00
THB/LAK	260.13	-0.00	-0.00
LAK/USD	8,009.00	0.00	0.00
USD/EUR	1.3830	-0.01	-0.63
JPY/USD	76.06	+0.12	+0.16

Commodities Rap (as of Oct 26)

	Close	Chg	(%)
Gold	1,723.50	+23.10	+1.36
Silver	33.31	+0.26	+0.78
WTI	90.20	-2.97	-3.19
Brent	108.91	-2.01	-1.81
BDI	2,145	-16	-0.74

Source: Bloomberg

* FTSE Straits Times Index as of Oct 25

EU to Set June 2012 Target for Banks to Reach 9% Capital

European Union leaders have set a deadline of June 30, 2012, for banks to have core capital reserves of 9% after writing down their holdings of sovereign debt. The reserves must be of the "highest quality," the leaders said in a statement after a summit today. Lenders are expected first to tap private sources to make up any capital shortfall and "should be subject to constraints regarding the distribution of dividends and bonus payments until the target has been attained. [Bloomberg]

EU Banks Must Raise \$147 Billion of Extra Capital, EBA Says

Europe's banks will need to raise 106 billion euros (\$147 billion) in fresh capital under tougher rules being introduced in response to the euro area's sovereign debt crisis, the European Banking Authority said. Seventy banks were tested, the ETA said, with Spanish banks needing 26.2 billion euros and Italian banks 14.8 billion euros in core tier 1 capital. The lenders have until Dec. 25 to submit their plans for raising the money to national supervisors. The extra reserves are needed to meet a temporary requirement for lenders to hold 9% in core reserves, after sovereign debt writedowns. [Bloomberg]

Euro Zone Aims to Leverage EFSF "Several Fold" - Draft Statement

The euro zone aims to leverage its 440 billion euro bailout fund, the EFSF, "several fold" but finance ministers will only agree the details of how that will be done in November, according to a draft statement to be issued after a summit on Wednesday. The statement says two options are being considered to leverage the fund, one involving it issuing risk insurance and the other built around it taking part in a special purpose investment vehicle. Both models could be deployed simultaneously. [Reuters]

Sarkozy Said to Plan Plea for China Investment to EU Rescue Fund

French President Nicolas Sarkozy plans to call Chinese leader Hu Jintao on Thursday to discuss China contributing to a fund European leaders may set up to bolster its debt-crisis fight, said a person familiar with the matter. The investment vehicle was one of the options being considered by European leaders at a summit last night to expand the reach of its 440 billion-euro (\$612 billion) European Financial Stability Facility. Sarkozy's plea to his Chinese counterpart would come the day before a planned visit to Beijing by Klaus Regling, chief executive officer of the EFSF, to court investors. [Bloomberg]

Brokers See Policy Easing as China Premier Signals Change

China may cut banks' reserve requirements before the end of this year to stoke lending to small companies and boost the economy, said Guotai Junan Securities Co., Mizuho Securities Asia Ltd. and Barclays Plc. China's stocks have gained this month as reports showing easing inflation and slowing economic growth spurred the government to introduce measures including tax breaks and easier access to loans to help smaller companies. [Bloomberg]

Lao PDR: High Voltage Power Grid to Be Expanded

Electricite du Laos (EDL) has granted Chinese company Dongfang Electric International Corporation (DEC) the sole mandate to conduct a survey for the construction and installation of 115kV transmission lines. EDL Managing Director Mr Khammany Inthirath said the transmission lines will allow the Nam Leuk power plant to supply electricity to the Thabok and Pakxan areas, as well as allow the energy generated by the Nam Ngiep 1 plant to be delivered to the areas. EDL desires to develop the 115kV transmission lines and substation project to create a reliable power grid system to ensure reliable power supply for the region, according to press release. [Vientiane Times]

Thai Baht, Bonds Gain as Foreign Investors Boost Asset Holdings

Thailand's baht rose for a second day and government bonds advanced after international investors boosted holdings of the nation's assets. Global investors bought \$194 million more Thai equities and \$114 million more government debt than they sold on Tuesday, according to data from the stock exchange and the Thai Bond Market Association. Gains in the baht may be limited on concern the nation's worst floods in five decades will hurt economic growth as a deluge of water approaches the capital, according to Bangkok Bank Pcl. The baht added 0.2% to 30.79 per dollar as of 4:27 p.m. in Bangkok, according to data compiled by Bloomberg. The currency has advanced 0.7% this week. [Bloomberg]

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