

Monday November 28, 2011

NEWS UPDATE

Stock Markets Rap (as of Nov 25)

	Close	Chg	(%)
Dow	11,232	-26	-0.2
Nasdaq	2,442	-19	-0.8
S&P 500	1,159	-3	-0.3
Global Dow	1,690	-4	-0.2
VIX	34.47	+0.49	+1.4

	Close	Chg	(%)
FTSE 100	5,165	+37	+0.7
DAX	5,493	+65	+1.2
CAC	2,857	+35	+1.2

	Close	Chg	(%)
ASX 200	3,984	-60	-1.5
Nikkei	8,160	-5	-0.1
Shanghai	2,380	-17	-0.7
HSI	17,689	-246	-1.4
H Shares	9,396	-170	-1.8
FTSE STI	2,644	-33	-1.2
SET	967	-13	-1.4
LSX	931	+2	+0.2
Vietnam	383	+2	+0.4

Currencies Rap (as of Nov 25)

	Last	Chg	(%)
DXY	79.69	+0.55	+0.69
THB/USD	31.40	+0.09	+0.29
THB/LAK	255.41	-0.82	-0.32
LAK/USD	8,022.50	+1.00	+0.01
USD/EUR	1.3239	-0.01	-0.91
JPY/USD	77.73	+0.58	+0.75

Commodities Rap (as of Nov 25)

	Close	Chg	(%)
Gold	1,688.50	-10.30	-0.61
Silver	31.09	-0.87	-2.73
WTI	96.77	+0.60	+0.62
Brent	106.40	-1.38	-1.28
BDI	1,807	-7	-0.39

Source: Bloomberg

IMF Readying Loan of as Much as \$794 Billion for Italy, La Stampa Reports

IMF is preparing a 600-billion euro (\$794 billion) loan for Italy in case the country's debt crisis worsens, La Stampa said. The money would give Italy's Prime Minister Mario Monti 12 to 18 months to implement his reforms without having to refinance the country's existing debt, the Italian daily reported, without saying where it got the information. Monti could draw on the money if his planned austerity measures fail to stop speculation on Italian debt, La Stampa said. [\[Bloomberg\]](#)

Belgium Reaches Budget Deal After Credit Rating Cut by S&P

Belgium reached a deal to reduce the leaderless country's budget deficit, bringing it closer to forming a government after 531 days of post-election brinksmanship. King Albert II Saturday asked Elio Di Rupo, president of the French-speaking Socialist Party to form a government after tensions between the Dutch-speaking north and French-speaking south fueled speculation the country could break up. Belgium's rating was cut one step to AA by S&P Friday, which said the cost of bailing out Dexia SA, a lack of policy consensus and slowing growth will make it difficult to reduce the euro region's fifth-highest debt load. [\[Bloomberg\]](#)

EURO GOVT-Italian, Belgian Yields Rise; Bunds Sell-Off

Italian two-year government bond yields rose to new euro era highs above 8% on Friday after a weak sale of T-bills and zero coupon bonds and despite the European Central Bank buying debt in the secondary market. Italian bonds of other maturities were also under pressure, as was Belgian debt, with the 10-year OLO spread over Bunds widening to 368 basis points. The German Bund future fell to a session low of 134.45, down 60 ticks on the day, with trade thinned one day after the U.S. Thanksgiving holiday. The cost of insuring against a Belgian default hit a record high of 407 basis points, up 14 bps on the day. [\[Reuters\]](#)

Thanksgiving Weekend Sales Increase to Record \$52.4 Billion

U.S. retail sales during Thanksgiving weekend climbed 16% to a record as shoppers flocked to stores earlier and spent more, according to the National Retail Federation. Sales totaled \$52.4 billion, and the average shopper spent \$398.62 during the holiday weekend, up from \$365.34 a year earlier, the trade group said, citing a survey conducted by BIGresearch. "Consumers are clearly demonstrating their desire to spend this holiday season, but are far from throwing caution to the wind when it comes to how much they will spend on gifts," Phil Rist, executive vice president at BIGresearch, said. "Retailers will have to stick to an aggressive holiday promotion schedule to keep consumers interested." [\[Bloomberg\]](#)

China Eyes Western Infrastructure

China Investment Corporation, the country's main sovereign wealth fund, plans to invest in the dilapidated infrastructure of developed countries, starting with the UK, according to Lou Jiwei, the fund's chairman. The \$410bn Chinese fund "is keen to team up with fund managers or participate through a public-private partnership in the UK infrastructure sector as an equity investor", Mr Lou writes in an opinion article in Monday's Financial Times. "Now infrastructure in Europe and the US badly needs more investment," he wrote. "Traditionally, Chinese involvement in overseas infrastructure projects has just been as contractors. Now Chinese investors also see a need to invest in, develop and operate projects." [\[Financial Times\]](#)

Myanmar Grants 11 Private Banks to Trade Foreign Currencies

The Central Bank of Myanmar has granted 11 private banks to trade three foreign hard currencies -- U.S. dollar, Euro and Singapore dollar, official media reported Friday. Earlier, the Bank had granted six private banks to open money exchange counters to operate in Yangon. A total of 19 private banks and 3 state-owned banks in Myanmar can now operate the service. Myanmar is coordinating with IMF to unify Myanmar's exchange rate in a bid to facilitate the country's economic and financial links with the global economy, and development and stabilization of domestic foreign exchange trading market. [\[Xinhua\]](#)

Vietnam Wants 15 Large Lenders by 2015, Central Bank Says

The State Bank of Vietnam will let big banks combine with small lenders through M&A, the Governor told the National Assembly. The 15 companies will account for 80% of the industry, and 2 of them should meet international standards by 2015, he said. Communist Party General Secretary named financial services as one of three areas to focus improvements over the next 5 years to ease economic instability. [\[Bloomberg\]](#)

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