

Friday October 28, 2011

NEWS UPDATE

Stock Markets Rap (as of Oct 27)

	Close	Chg	(%)
Dow	12,209	+340	+2.9
Nasdaq	2,739	+88	+3.3
S&P 500	1,285	+43	+3.4
Global Dow	1,953	+89	+4.8
VIX	25.46	-4.40	-14.7

	Close	Chg	(%)
FTSE 100	5,714	+161	+2.9
DAX	6,338	+322	+5.3
CAC	3,369	+199	+6.3

	Close	Chg	(%)
ASX 200	4,348	+106	+2.5
Nikkei	8,927	+178	+2.0
Shanghai	2,436	+8	+0.3
HSI	19,689	+622	+3.3
H Shares	10,566	+515	+5.1
FTSE STI	2,848	+78	+2.8
SET	960	+21	+2.3
LSX	904	+8	+0.9
Vietnam	415	+3	+0.6

Currencies Rap (as of Oct 27)

	Last	Chg	(%)
DXY	75.03	-1.21	-1.59
THB/USD	30.48	-0.31	-1.01
THB/LAK	262.84	+2.71	+1.04
LAK/USD	8,011.50	+2.50	+0.03
USD/EUR	1.4184	+0.04	+2.56
JPY/USD	75.81	-0.25	-0.33

Commodities Rap (as of Oct 27)

	Close	Chg	(%)
Gold	1,747.70	+24.20	+1.40
Silver	35.11	+1.80	+5.41
WTI	93.96	+3.76	+4.17
Brent	112.08	+3.17	+2.91
BDI	2,091	-54	-2.52

Source: Bloomberg

EU Tackles Crisis With 50% Greek Writedown, \$1.4 Trillion Fund

European leaders cajoled bondholders into accepting 50% writedowns on Greek debt and boosted their rescue fund's capacity to 1 trillion euros (\$1.4 trillion) in a crisis-fighting package intended to shield the euro area. The 17-nation euro and stocks climbed while bond spreads narrowed after leaders emerged early today from a 10-hour summit in Brussels armed with a plan they said points the way out of the quagmire, albeit with some details still to be ironed out. [\[Bloomberg\]](#)

Sarkozy Wins China Cooperation Pledge as Japan Plans EFSF Aid

French President Nicolas Sarkozy conferred with his Chinese counterpart Hu Jintao as European policy makers seek to build support for an enlarged rescue fund. The phone call between the leaders came hours after a euro-region summit ended with an agreement to boost the European Financial Stability Facility to about \$1.4 trillion, leveraging existing guarantees by as much as five times. Japan plans to support the increase, and is waiting to hear from European officials on details for the program. [\[Bloomberg\]](#)

S&P 500 Extends Best Month Since '74, Euro Rises

Stocks surged, extending the biggest monthly rally for the Standard & Poor's 500 Index since 1974, and the euro strengthened as European leaders agreed to expand a bailout fund to stem the region's debt crisis. Treasuries sank, while metals and oil led a rally in commodities. The S&P 500 jumped 3.4% to 1,284.59 at 4 p.m. in New York, sending its October gain to 14% and erasing its 2011 loss. [\[Bloomberg\]](#)

U.S. GDP Grew at Faster Pace; Jobless Claims Fell

The U.S. economy grew in the third quarter at the fastest pace in a year. Gross domestic product, the value of all goods and services produced, rose at a 2.5 percent annual rate, Commerce Department figures showed today in Washington. Separately, first-time jobless claims decreased by 2,000 to 402,000 in the week ended Oct. 22, according to the Labor Department. [\[Bloomberg\]](#)

German Inflation Dips; Boosts ECB Rate Cut Hopes

German annual inflation unexpectedly slowed in October, strengthening the case for a growth-boosting interest rate cut by the European Central Bank in the near future as the region's economy weakens. Prices still rose 2.5% on the year -- well above the ECB's target of just under 2%. But this was mostly due to energy prices, the Federal Statistics Office said on Thursday, and down from a reading of 2.6% in September when inflation jumped unexpectedly to a three-year high. [\[Reuters\]](#)

BOJ Eases Policy with Eye on Yen, Europe Crisis

The Bank of Japan on Thursday eased monetary policy by boosting purchases of government bonds as the yen's recent rise to record highs and Europe's lingering debt woes cloud the outlook for the world's third-biggest economy. The central bank kept its policy rate unchanged at a range of zero to 0.1% but topped up its asset buying program by 5 trillion yen to 20 trillion yen (\$263 billion), offering its second monetary stimulus in three months. [\[Reuters\]](#)

Lao PDR: Business Credit Tight Despite Banking Sector Growth

The latest Doing Business report, by the International Finance Corporation (IFC) and World Bank, ranks Laos 166th out of 183 economies for credit availability this year, worse than the country's 155th place in the previous survey. The Lao government will need to revise regulations to make starting a business easier. Other issues the government needs to address are the difficulty in obtaining a construction permit, complexity of the tax, and the enforcing contracts. However, the country has seen improvement in other areas such as access to electricity and cross border trade. [\[Vientiane Times\]](#)

Chinese Banks Post Big Profits Amid Fears

China's major banks posted mostly robust profit growth in 3Q11, but the results are unlikely to cheer investors who have sold off the shares in recent months on deeper concerns about the quality of the banks' balance sheets. Industrial & Commercial Bank of China, the largest lender, net profit rose 28%y-o-y whist Bank of Communications, the 5th largest bank, profit rise 31%. Bank of China 3Q11 profit up 9%y-o-y and Agricultural Bank of China profit surged 40% during the same period. [\[WSJ\]](#)

Thanawat Patchimkul

Global Strategist

Email: thanawatp@ktzmico.com

Tel: + 66 2 673 5300

Assisted by

Denruthai Krishnamra