

Wednesday November 30, 2011

NEWS UPDATE

Stock Markets Rap (as of Nov 29)

	Close	Chg	(%)
Dow	11,556	+33	+0.3
Nasdaq	2,516	-12	-0.5
S&P 500	1,195	+3	+0.2
Global Dow	1,759	+9	+0.5
VIX	30.64	-1.49	-4.6

	Close	Chg	(%)
FTSE 100	5,337	+24	+0.5
DAX	5,800	+55	+0.9
CAC	3,027	+14	+0.5

	Close	Chg	(%)
ASX 200	4,102	+44	+1.1
Nikkei	8,478	+190	+2.3
Shanghai	2,412	+29	+1.2
HSI	18,256	+218	+1.2
H Shares	9,714	+104	+1.1
FTSE STI	2,688	-6	-0.2
SET	988	+4	+0.4
LSX	923	+4	+0.5
Vietnam	383	-0	-0.1

Currencies Rap (as of Nov 29)

	Last	Chg	(%)
DXY	79.07	-0.19	-0.24
THB/USD	31.27	-0.03	-0.10
THB/LAK	256.59	+0.28	+0.11
LAK/USD	8,023.50	+1.00	+0.01
USD/EUR	1.3420	+0.00	+0.28
JPY/USD	77.76	+0.09	+0.12

Commodities Rap (as of Nov 29)

	Close	Chg	(%)
Gold	1,713.40	+2.60	+0.15
Silver	31.85	-0.31	-0.96
WTI	99.79	+1.58	+1.61
Brent	110.82	+1.82	+1.67
BDI	1,828	+19	+1.05

Source: Bloomberg

EFSF Gets Ministers' Approval for Expansion of Its Capacity

Euro-area finance ministers agreed today to extend the capacity of the European Financial Stability Fund by "introducing sovereign bond practical risk participation and a co-investment approach," the EFSF said. The EFSF has a current lending capacity of 440 billion euros. Without knowing the exact amounts needed, EFSF should be able to leverage its own resources of up to 250 billion euros, [\[Bloomberg\]](#)

ECB Struggles to Offset Bond Buys, Banks Rush for Funds

The European Central Bank failed to attract enough funds to offset the full value of its euro zone government bond purchases for the first time since May on Tuesday, adding to fears the debt crisis is worsening stress on the bloc's banking sector. The ECB takes interest-paying deposits from banks every week with the aim of neutralising the inflationary threat created by its controversial purchases of government bonds. The bank only managed to draw back 194 billion euros from banks versus a target of 203.5 billion this week. Perhaps of greater concern for policymakers was further signs of banking sector reliance on ECB funding. A total of 192 banks took a combined 265.5 billion euros at the ECB's once-a-week handout of limit-free seven-day loans on Tuesday, beating the 247 billion that 178 banks took last week and the second week running that demand hit a new two-year high. [\[Reuters\]](#)

BofA, Goldman, Citi Credit Ratings Reduced by S&P

Bank of America, Goldman Sachs and Citigroup had long-term credit grades reduced to A- from A by Standard & Poor's after the ratings firm revised criteria for dozens of the world's biggest lenders. S&P made the same cut to Morgan Stanley and Bank of America's Merrill Lynch unit today. JPMorgan Chase was reduced one level to A from A+. S&P upgraded Bank of China and China Construction Bank to A from A- and maintained the A rating on Industrial and Commercial Bank of China, giving all three lenders higher grades than most big U.S. banks. Lenders may have to post billions of dollars of additional collateral and termination payments on trades because of a one-level downgrade in their credit ratings. [\[Bloomberg\]](#)

Greek Aid Payment Approved by Euro-Area Finance Ministers

Euro-area finance ministers approved a 5.8 billion-euro (\$7.7 billion) loan to Greece under last year's bailout after eliciting budget-austerity pledges from Greek political leaders backing a unity government. The go-ahead for the sixth disbursement of funds under the fully taxpayer-funded package of 110 billion euros shifts the spotlight to a second rescue of Greece that foresees 50% losses for private investors in Greek bonds. The new aid plan also includes 130 billion euros in extra public funds. [\[Bloomberg\]](#)

Lao PDR: Economic Growth to Reach 8.2% Despite Floods

Lao National Economic Research Institute Director General, Dr Liber Libuapao, said on Monday economic growth would not drop below 8.2% despite the widespread flooding in the country at the height of the rainy season. Dr Liber, who is widely regarded in Laos, made the comment yesterday after the World Bank cut its GDP growth forecast for Laos this year from 8.6% to 8% in the wake of severe flooding. He said that while agriculture was a major economic base, it was no longer the main driving force of economic growth, as it has been superseded by the industry and service sectors. [\[Vientiane Times\]](#)

Cambodia: Electricity Purchases Shown: Local Supply Short

The Cambodian government has released its first breakdown of energy purchasing from neighbouring countries, highlighting what officials say is the importance of domestic power production and continued investment in the sector. Of the 500 megawatts of power consumed each year by Cambodia, 42% was bought from Thailand, Laos and Vietnam, Toch Sovanna, director of the Ministry of Industry, Mines and Energy (MIME), said last week. [\[Phnompenh Post\]](#)

Myanmar: Firms See Myanmar as Next Frontier

Foreign businesses are ramping up interest in the long-isolated but potentially lucrative market of Myanmar, as signs of a thaw between its government and Western leaders raise hopes of a possible end to Western sanctions. Western companies are looking for ways to get back in, though few are willing to discuss plans in public or in depth because of a possible backlash from customers who remain skeptical about recent reforms in the country. U.S. officials say they don't intend to lift sanctions until they see more changes in Myanmar, including more transparency in the country's dealings with North Korea. [\[WSJ\]](#)

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