

Wednesday October 5, 2011

NEWS UPDATE

Stock Markets Rap (as of 4 Oct)

	Close	Chg	(%)
DOW	10,809	+153	+1.4
Nasdaq	2,405	+69	+3.0
S&P 500	1,124	+25	+2.2
Global Dow	1,669	-7	-0.4
VIX	40.82	-4.63	-10.2

	Close	Chg	(%)
FTSE 100	4,944	-131	-2.6
DAX	5,217	-160	-3.0
CAC	2,851	-76	-2.6

	Close	Chg	(%)
ASX 200	3,872	-25	-0.6
Nikkei	8,456	-89	-1.0
Shanghai	2,359	-6	-0.3
HSI	16,250	-572	-3.4
H Shares	8,103	-306	-3.6
FTSE STI	2,531	-90	-3.4
SET	855	-14	-1.6
LSX	931	-10	-1.1
Vietnam	418	-4	-0.9

Currencies Rap (as of 4 Oct)

	Last	Chg	(%)
DXY	79.06	-0.37	-0.46
THB/USD	31.23	+0.07	+0.22
THB/LAK	257.09	-0.47	-0.18
LAK/USD	8,029.50	+4.50	+0.06
USD/EUR	1.3274	+0.00	+0.05
JPY/USD	76.84	+0.15	+0.20

Commodities Rap (as of 4 Oct)

	Close	Chg	(%)
Gold	1,616.00	-41.70	-2.52
Silver	29.84	-0.96	-3.10
WTI	75.67	-1.94	-2.50
Brent	99.79	-1.92	-1.89
BDI	1,885	-1	-0.05

Source: Bloomberg

* Shanghai SE Composite Index as of Sep 30

US Stocks Finish Higher After Big Comeback In Final Hour

The Dow Jones Industrial Average closed up 153.41 points, or 1.44%, to 10808.71, after falling as much as 251 points during the session. It surged 344.81 points in the final hour of trading. The reversal late in the session came after the Financial Times reported EU finance ministers concluded that they hadn't done enough to convince financial markets that Europe's banks could withstand the debt crisis. [\[WSJ\]](#)

EU Ministers Look at Bank Aid Plans

EU finance ministers are examining ways of co-ordinating recapitalisations of financial institutions after they agreed that additional measures were urgently needed to shore up the region's banks. "Capital positions of European banks must be reinforced to provide additional safety margins and thus reduce uncertainty," Olli Rehn, European commissioner for economic affairs said. "This should be regarded as an integral part of the EU's comprehensive strategy to restore confidence and overcome the crisis." [\[Financial Times\]](#)

Dexia to Set Up 'Bad Bank' With Guarantees From France, Belgium

Dexia SA, Belgium's biggest bank, plans to pool its troubled assets into a "bad bank" with Belgian and French government guarantees to protect depositors and its municipal-lending business. The Belgian-French lender will put its "legacy" division, which held 113 billion euros (\$150 billion) of assets at the end of June, into the bad bank. Moody's Investors Service put Dexia's three main operating units on review for a downgrade on Oct. 3 on concern the lender was struggling to fund itself. "Dexia has experienced further tightening in its access to market funding," Moody's said in a statement. [\[Bloomberg\]](#)

EU Hints at Extra Investor Burden in Second Greek Bailout

European governments hinted that bondholders may be saddled with bigger losses on Greek debt, intensifying market jitters that a second aid package designed to quell the fiscal crisis might unravel. Finance ministers considered recrafting a July deal that foresaw investors contributing 50 billion euros (\$66 billion) to a 159 billion-euro rescue. The plan targeted bondholder losses of 21%. [\[Bloomberg\]](#)

Greece Has Cash to Meet Needs Until Mid-November, Venizelos Says

Finance Minister Evangelos Venizelos said Greece has enough cash to operate until mid-November, after euro-region finance ministers delayed a decision on the nation's next emergency-loan payment. With cash needs covered until then, Greece has time to carry out reforms demanded in return for a new bailout plan, Venizelos said after returning from the ministers' meeting in Luxembourg. [\[Bloomberg\]](#)

Italy's Credit Rating Cut by Moody's on Weak Growth Outlook

Italy's credit rating was cut by Moody's Investors Service for the first time in almost two decades on concern that Prime Minister Silvio Berlusconi's government will struggle to reduce the region's second-largest debt amid chronically weak growth. Moody's lowered Italy's rating three levels to A2 from Aa2, with a negative outlook yesterday. The action comes after Standard & Poor's downgraded Italy on Sept. 20 for the first time in five years. Italy was last cut by Moody's in May 1993. [\[Bloomberg\]](#)

Bernanke Says U.S. Bank Exposure to European Risk Is 'Minimal'

Federal Reserve Chairman Ben S. Bernanke said the U.S. banking system has manageable exposure to European nations buffeted by the sovereign debt crisis. "We have looked very carefully at bank exposures both to foreign sovereigns and to foreign banks," Bernanke said. "The exposure of U.S. banks to the most troubled sovereigns -- Portugal, Ireland and Greece -- is quite minimal. So the direct exposures there are not large." [\[Bloomberg\]](#)

China Says U.S. Risks Trade War as Senate Considers Measure Targeting Yuan

China said the U.S. risks triggering a trade war through legislation before the Senate that would punish the Asian nation for what lawmakers say is the undervaluation of its currency, the Yuan. The People's Bank of China said it "regrets" the Senate vote yesterday to consider the bill, and the Foreign Ministry said the measure would violate World Trade Organization rules. The bill is aimed at letting American businesses seek duties on Chinese imports to make up for the weak currency. [\[Bloomberg\]](#)

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