

Thursday October 6, 2011

NEWS UPDATE

Apple Co-founder Steve Jobs Dead at 56

Apple Inc co-founder and former CEO Steve Jobs, counted among the greatest American CEOs of his generation, died on Wednesday at the age of 56, after a years-long and highly public battle with cancer and other health issues. The Silicon Valley icon who gave the world the iPod and the iPhone resigned as CEO of the world's largest technology corporation in August, handing the reins to current chief executive Tim Cook. [\[Reuters\]](#)

IMF Floats Euro Zone Bond-buying Idea, Backs Away

An IMF official said the global lender could buy Spanish or Italian bonds alongside a euro zone bailout fund, but he later appeared to back away from his own suggestion. Antonio Borges, the IMF's European head said the IMF could possibly "invest alongside the European Financial Stability Facility. We would certainly be ready to play that role." Later, however, Borges said "The fund can only lend its resources to countries, and cannot use these resources to intervene in bond markets directly," he said, adding that the IMF had no additional requests currently for financial support. [\[Reuters\]](#)

More Euro Nations Face Downgrade After Italy, Moody's Says

Moody's Investors Service followed its three-level downgrade of Italy by warning that euro-area nations rated below the top Aaa level may see their rankings cut amid contagion from the region's debt crisis. The Moody's warning underscores the deterioration in euro- region sovereign finances as growth slows and debt piles up. Eleven of the 17 nations that share the single currency have ratings below Aaa. The top ranking is held by Austria, Finland, France, Germany, Luxembourg and the Netherlands. [\[Bloomberg\]](#)

UK Economic Growth Slower Than Previously Thought

The UK economy grew by 0.1% between April and June, less than the 0.2% estimated previously. Output from the service sector grew by 0.2% in the quarter, compared with the previous estimate of 0.5%, the Office for National Statistics (ONS) said. [\[BBC\]](#)

IMF Warns That Countries May Need to Reverse Cuts

Europe's stronger economies should avoid imposing drastic budget cuts at the expense of growth, a report by the International Monetary Fund has said. If things worsen in the UK, Germany or France, they should "consider delaying" cuts, because they can borrow "at historically low" interest rates. The IMF also warned that a recession in Europe in 2012 could not be ruled out. [\[BBC\]](#)

Consumer-credit Delinquencies Rise: US

Delinquency rates for consumer loans rose in the second quarter, as employment weakness persisted and higher gas and food prices pressured family budgets, according to a report released Wednesday by the American Bankers Association. Delinquencies rose in nine of 11 loan categories, led by home-equity loans. The ABA's composite ratio, which tracks delinquencies in eight closed-end installment loan categories, rose 17 basis points to 2.88% of all accounts in 2Q11, compared with 2.71% in 1Q11. Delinquencies are late payments that are at least 30 days overdue. [\[MarketWatch\]](#)

Surprise Inventory Drop Lifts Crude 5%

Oil futures soared more than 5% Wednesday, lifted by a surprise drop in U.S. oil inventories and a rallying stock market. Futures rallied after the U.S. Department of Energy said crude-oil inventories last week fell 4.7 million barrels. The decline surprised analysts, who had expected an increase in stockpiles, and came on the back of a decline in U.S. crude imports. [\[Dow Jones\]](#)

China Bill Could Violate Trade Rules: White House

The White House Wednesday voiced concern that legislation the U.S. Senate is expected to approve this week designed to press China to let its currency rise could violate international trade rules. On Monday, the U.S. Senate voted 79-19 to start debate on the bill, which calls for U.S. tariffs on imports from countries with deliberately undervalued currencies, prompting an angry rebuke from China. The Democratic-controlled U.S. Senate on Thursday is expected to approve the controversial Currency Exchange Rate Oversight Reform Act of 2011. The bill would then go to the House of Representatives. [\[CNBC\]](#)

Stock Markets Rap (as of 5 Oct)

	Close	Chg	(%)
DOW	10,940	+131	+1.2
Nasdaq	2,461	+56	+2.3
S&P 500	1,144	+20	+1.8
Global Dow	1,704	+35	+2.1
VIX	37.81	-3.01	-7.4

	Close	Chg	(%)
FTSE 100	5,102	+158	+3.2
DAX	5,473	+256	+4.9
CAC	2,974	+123	+4.3

	Close	Chg	(%)
ASX 200	3,927	+54	+1.4
Nikkei	8,383	-73	-0.9
Shanghai	2,359	-6	-0.3
HSI	16,250	-572	-3.4
H Shares	8,103	-306	-3.6
FTSE STI	2,529	-2	-0.1
SET	863	+7	+0.8
LSX	931	0	0.0
Vietnam	417	-1	-0.2

Currencies Rap (as of 5 Oct)

	Last	Chg	(%)
DXY	79.00	-0.59	-0.75
THB/USD	31.15	-0.08	-0.26
THB/LAK	257.67	+0.58	+0.22
LAK/USD	8,029.50	0.00	0.00
USD/EUR	1.3311	+0.00	+0.28
JPY/USD	76.85	+0.01	+0.01

Commodities Rap (as of 5 Oct)

	Close	Chg	(%)
Gold	1,641.60	+25.60	+1.58
Silver	30.35	+0.51	+1.72
WTI	79.68	+4.01	+5.30
Brent	102.73	+2.94	+2.95
BDI	1,908	+23	+1.22

Source: Bloomberg

* Shanghai SE Composite Index as of Sep 30

* Hang Seng and H-Shares Index as of Oct 4

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