

Wednesday February 1, 2012

Stock Markets Rap (as of Jan 31)

	Close	Chg	(%)
Dow	12,633	-21	-0.2
Nasdaq	2,814	+2	+0.1
S&P 500	1,312	-1	-0.0
Global Dow	1,915	+3	+0.2
VIX	19.44	+0.04	+0.2

	Close	Chg	(%)
FTSE 100	5,682	+11	+0.2
DAX	6,459	+14	+0.2
CAC	3,299	+33	+1.0

	Close	Chg	(%)
ASX 200	4,263	-10	-0.2
Nikkei	8,803	+9	+0.1
Shanghai	2,293	+8	+0.3
HSI	20,390	+230	+1.1
H Shares	11,299	+153	+1.4
FTSE STI	2,907	+18	+0.6
SET	1,084	+9	+0.9
LSX	937	+8	+0.8
Vietnam	388	+3	+0.8

Currencies Rap (as of Jan 31)

	Last	Chg	(%)
DXY	79.28	+0.11	+0.14
THB/USD	30.97	-0.17	-0.55
THB/LAK	258.88	+2.01	+0.78
LAK/USD	8,002.00	+3.00	+0.04
USD/EUR	1.3071	-0.01	-0.44
JPY/USD	76.29	-0.03	-0.04

Commodities Rap (as of Jan 31)

	Close	Chg	(%)
Gold	1,740.40	+6.00	+0.35
Silver	33.26	-0.27	-0.79
WTI	98.48	-0.30	-0.30
Brent	110.98	+0.23	+0.21
BDI	680	-22	-3.13

Source: Bloomberg

GLOBAL NEWS

China Manufacturing Unexpectedly Expands on Jump in New Orders, Index Says

China's manufacturing unexpectedly expanded last month on increased new orders, suggesting the world's second-biggest economy is withstanding Europe's debt crisis and a government-induced property slowdown at home. The purchasing managers' index rose to 50.5 from 50.3 in December, China's statistics bureau and logistics federation said today. That compares with a median estimate of 49.6. A reading above 50 indicates an expansion. [\[Bloomberg\]](#)

Europe: Banks Set to Double Crisis Loans from ECB

European banks are preparing to tap the European Central Bank's emergency funding scheme for up to twice as much as the ECB supplied in its debut €489bn auction last month, providing further evidence of the sector's liquidity squeeze. Several of the eurozone's biggest banks have told the Financial Times that they could well double or triple their request for funds in the ECB's three-year money auction on February 29. "Banks are not going to be as shy second time round," said the head of one eurozone bank at last week's World Economic Forum in Davos. "We should have done more first time." Three bank chief executives, all of whom asked to remain anonymous, said they were planning to increase their participation twofold or threefold. [\[Financial Times\]](#)

U.S. Home Prices Drop, and Consumers Turn Gloomy

U.S. home prices fell more steeply than expected in November, and consumer confidence soured in January, highlighting the hurdles still facing the economic recovery. The S&P/Case-Shiller composite index of single-family home prices in 20 metropolitan areas declined 0.7% on a seasonally adjusted basis, a survey showed on Tuesday, a bigger drop than the 0.5% economists expected. Separately, a report from The Conference Board said an index of consumer attitudes fell to 61.1 in January from a revised 64.8 the month before, as Americans turned gloomy about the job market and their income prospects. [\[Reuters\]](#)

China Yuan Up Late; Exporters Settle On Weaker PBOC Guidance

China's yuan rose sharply against the U.S. dollar late Tuesday as businesses took advantage of a weaker-than-expected central bank rate-setting for the yuan to sew up their export settlements. Ahead of trading, the People's Bank of China fixed the dollar/yuan central parity rate at 6.3115, up from Monday's 6.3056, and above market expectations of a fixing below 6.3100. Dealers said export settlements flooded in after the weaker-than-expected rate-setting for the yuan, leading the local unit to strengthen significantly. "This rate is a boon for exporters as their margins have lately been squeezed by a steadily rising yuan, as well as by higher wages and costs," an Asian bank trader said. [\[Bloomberg\]](#)

INDOCHINA NEWS

Thailand: Baht Enjoys Biggest Jump in Six Months

The baht had its biggest monthly advance since last July after international investors raised holdings of the nation's assets on optimism that economic growth will improve this year. Global funds bought US\$117 million more in Thai equities than they sold in January and purchased a net \$2.5 billion in government notes, market data showed. The baht climbed 2.2% for the month and 1% yesterday to 30.88 to the US dollar in Bangkok. The currency touched 30.85 earlier, its strongest level since December. [\[Bangkok Post\]](#)

Analysis: Fed-Watching Gives Asian Central Banks Cause to Pause

Asia's central bankers have yet another reason to hesitate now that the U.S. Federal Reserve looks likely to keep interest rates low for longer. Indonesia, Thailand, Australia and the Philippines have all cut interest rates at least once in the past three months to try to shore up economic growth, and many economists predict more easing to come this year from India and South Korea. [\[Reuters\]](#)

Lao PDR: Reform or Die, Cement Producers Warned

Before Laos joins the Asean Free Trade Area (AFTA) in 2015, cement producers must overhaul their marketing policy or they will not survive. Vientiane Industry and Commerce Department officials point out that imported cement is cheaper than the cement that is produced in Laos. If this situation continues, it will pose a serious challenge when Lao cement factories go head to head with overseas producers in 2015, when cheap imported cement will flow freely into the country. One of the reasons for the high price of Lao-produced cement is that the factory has to import charcoal from Vietnam. [\[Vientiane Times\]](#)

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