

Monday January 23, 2012

Stock Markets Rap (as of Jan 20)

	Close	Chg	(%)
Dow	12,720	+97	+0.8
Nasdaq	2,787	-2	-0.1
S&P 500	1,315	+1	+0.1
Global Dow	1,907	+7	+0.4
VIX	18.28	-1.59	-8.0

	Close	Chg	(%)
FTSE 100	5,729	-13	-0.2
DAX	6,404	-12	-0.2
CAC	3,322	-7	-0.2

	Close	Chg	(%)
ASX 200	4,240	+25	+0.6
Nikkei	8,766	+127	+1.5
Shanghai	2,319	+23	+1.0
HSI	20,110	+167	+0.8
H Shares	11,147	+9	+0.1
FTSE STI	2,849	+38	+1.4
SET	1,059	-0	-0.0
LSX	885	0	0.0
Vietnam	373	-0	-0.1

Currencies Rap (as of Jan 20)

	Last	Chg	(%)
DXY	80.22	+0.01	+0.01
THB/USD	31.52	-0.10	-0.32
THB/LAK	254.17	+0.65	+0.25
LAK/USD	8,011.50	-5.00	-0.06
USD/EUR	1.2931	-0.00	-0.01
JPY/USD	76.97	-0.26	-0.34

Commodities Rap (as of Jan 20)

	Close	Chg	(%)
Gold	1,664.00	+9.50	+0.57
Silver	31.68	+1.17	+3.82
WTI	98.46	-1.93	-1.92
Brent	109.86	-1.69	-1.52
BDI	862	-31	-3.47

Source: Bloomberg

GLOBAL NEWS

US: Home Sales Hit 11-Month High

Home sales hit an 11-month high in December and the number of properties on the market was the fewest in nearly seven years, pointing to a nascent recovery in the housing sector. The National Association of Realtors said on Friday existing home sales increased 5%. While the home sales pace was a touch below economists' expectations, December marked the third straight month of gains, adding to hopes that a tentative recovery was taking shape. [\[Reuters\]](#)

Greece, Creditors Near Debt Swap Deal With 70% Loss

Greece's private bondholders on Saturday said a long-awaited bond-swap deal to slash the country's debt was coming together, urging all involved to act decisively to finalize an agreement. Private bondholders would most likely incur a real loss of 65 to 70%, with the new bonds having a 30-year maturity and offering a progressive coupon, or interest rate, averaging out at 4%, a banking official close to the talks told Reuters. Cash-strapped Greece is fast running out of time as it pushes to wrap up an agreement by Monday paving the way for a fresh injection of aid before 14.5 billion euros (\$18.5 billion) of bond repayments fall due in March. [\[CNBC\]](#)

Asia Focuses on Central Banks in Week Ahead

With many Asian markets closing for holidays this week, the region's central banks will likely be the main focus for investors, with decisions due from India, Japan and Thailand. The Reserve Bank of India is slated to make its policy announcement Tuesday after standing pat in December, when it signaled that it was done with interest-rate hikes and would now focus on spurring growth. Also Tuesday, the Bank of Japan is slated to issue its policy move. Any tightening of its ultra-low 0-0.1% interest-rate target remains highly unlikely. Unlike its Japanese and Indian peers, the Bank of Thailand may very well cut interest rates when it meets Wednesday. The Thai monetary authorities last cut the policy rate by a quarter point to 3.25% in November in response to catastrophic floods in the nation. [\[Market Watch\]](#)

INDOCHINA NEWS

Vietnam Inflation Slows to 17.27%, Supporting Case for Rate Cuts

Vietnam's inflation slowed for a fifth month in January, giving the central bank more room to cut interest rates as a deteriorating global economy dims the outlook for exports. Consumer prices climbed 17.27% from a year earlier, the General Statistics Office said in Hanoi, compared with an 18.13% pace reported earlier for December. Prices rose 1% in January from December. Vietnam's central bank signaled this month that it may cut rates to "more suitable" levels after the first quarter. [\[Bloomberg\]](#)

Vietnam's Banking Sector Set for Wave of M&A

The banking sector in Vietnam will see big changes in the first quarter, with focus on mergers and acquisitions, the central bank chief has said. Nguyen Van Binh, governor of the State Bank of Vietnam (SBV), said that after Tet (Lunar New Year) there would be five to eight lenders involved in M&A similar to the recent merger between the First Commercial Joint Stock Bank, Vietnam Tin Nghia Commercial Joint Stock Bank, and Sai Gon Commercial Joint Stock Bank (SCB). [\[Asia News Network\]](#)

Dawei Developer Seeks More Funding, Partners

Support from the governments of both Thailand and Myanmar, as well as a balance of foreign partners, is critical for pushing ahead with the capital-intensive Dawei project, says Italian-Thai Development. ITD needs as much as US\$8 billion (252 billion baht) over the next three years to develop infrastructure such as roads, railways, a port, a telecom network and utilities in Dawei, on the southwestern coast of Myanmar. "The funds will be raised in the form of equity, loans and strategic partners," said Somchet Thinaphong, managing director of Dawei Development Co (DDC). [\[Bangkok Post\]](#)

Baht Faces Risks if BOT Takes Over FIDF Debt, US Lender Says

Bank of America Merrill Lynch (BAML) sees risks in the Thai currency and capital controls if the Bank of Thailand is assigned to take total responsibility for the Bt1.14-trillion legacy of debts incurred during bank bail-outs in 1997. If the BOT is required only to service the FIDF debt, it would likely be less negative for the baht, BAML said. But if it has also to pay the principal and roll over the debt that is due this year, that will hurt the currency. [\[The Nation\]](#)

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