

Monday June 11, 2012

Stock Markets Rap (as of June 8)

	Close	Chg	(%)
MSCI World	1,189	-2	-0.2
Dow	12,554	+93	+0.7
Nasdaq	2,858	+27	+1.0
S&P 500	1,326	+11	+0.8
Euro Stoxx	2,144	+1	+0.0
FTSE 100	5,435	-13	-0.2
DAX	6,131	-13	-0.2
CAC	3,052	-19	-0.6
ASX 200	4,064	-45	-1.1
Nikkei	8,459	-180	-2.1
Shanghai	2,281	-12	-0.5
Hang Seng	18,502	-176	-0.9
H Shares	9,353	-121	-1.3

	Close	Chg	(%)
FTSE ASEAN	523	-6	-1.0
Singapore	2,738	-21	-0.8
Thailand	1,127	+9	+0.8
Malaysia	1,571	-5	-0.3
Indonesia	3,825	-15	-0.4
Philippines	4,994	-29	-0.6
Vietnam	433	-2	-0.3
Lao PDR	1,015	+1	+0.1
Cambodia	742	-5	-0.7

Currencies Rap (as of June 8)

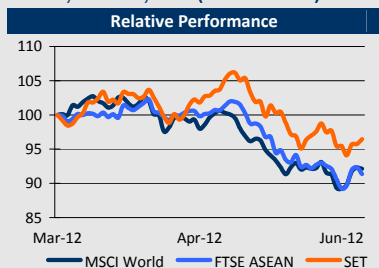
	Last	Chg	(%)
DX	82.51	+0.46	+0.56
USD/EUR	1.2517	-0.01	-0.61
JPY/USD	79.49	+0.12	+0.15
THB/USD	31.62	+0.09	+0.29
VND/USD	20,985	-13.00	-0.06
LAK/USD	8,021.00	+3.00	+0.04
KHR/USD	4,138.70	+85.70	+2.11
MMK/USD	848.00	+11.16	+1.33
VND/THB	662.38	-3.27	-0.49
LAK/THB	253.03	-1.15	-0.45
KHR/THB	128.00	-1.00	-0.78
MMK/THB	26.75	+0.22	+0.84

Commodities Rap (as of June 8)

	Close	Chg	(%)
Gold	1,591.40	+3.40	+0.21
Silver	28.47	-0.06	-0.20
Copper	328.50	-8.55	-2.54
WTI	84.10	-0.72	-0.85
Brent	99.47	-0.46	-0.46
BDI	877	+5	+0.57

Source: Bloomberg

World, ASEAN, SET (as of June 8)



Source: Bloomberg

MACRO NEWS

- Euro Zone Leaders Agree to Lend Spain Up to \$125 Billion
- China Factory Output Rises, but Misses Expectations
- China Inflation Rate Hits Two-Year Low, Producer Price Drops Further
- China Trade Surplus Widens to \$18.7 Billion in May
- US Trade Deficit Narrowed to \$50.1 Billion
- S&P Affirms U.S. Credit Rating on Negative Outlook

CORPORATE NEWS

- McDonald's [MCD:US] - McDonald's May Sales Miss St View as Economy Weighs
- Citigroup [C:US] - Citi Will Not Ask Fed to Raise Dividend This Year
- China Construction Bank [939:HK] - China's Stocks Fall After Rate Cut, Capping Worst Week This Year

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MACRO NEWS

Euro Zone Leaders Agree to Lend Spain Up to \$125 Billion

Euro zone finance ministers agreed on Saturday to lend Spain up to 100 billion euros (\$125 billion) to shore up its teetering banks and Madrid said it would specify precisely how much it needs once independent audits report in just over a week. After a 2 1/2 hour conference call of the 17 European finance ministers, which several sources described as heated, the Eurogroup and Madrid said the amount of the bailout would be sufficiently large to banish any doubts. A bailout for Spain's banks, beset by bad debts since a property bubble burst, would make it the fourth country to seek assistance since Europe's debt crisis began. With the rescue of Greece, Ireland, Portugal and now Spain, the European Union and International Monetary Fund have now committed around 500 billion euros to finance European bailouts. [\[CNBC\]](#)

China Factory Output Rises, but Misses Expectations

China's factory output rose 9.6% in May from a year ago, data showed on Saturday, missing expectations and further entrenching concerns that the world's second-largest economy may slip into its worst downturn in years. Economists polled by Reuters had expected China's industrial output to rise 9.9% in May, improving a shade from three-year lows of 9.3% struck in April. Fixed asset investment, the second-biggest driver of China's economic growth in the first quarter after consumption, climbed 20.1% in the January to May period from a year ago, just above forecasts for a 20% rise. Retail sales underperformed expectations for a 14.3% annual growth, rising instead by 13.8% in May from a year earlier. Saturday's data is the latest evidence that China's economy is fast losing steam. [\[CNBC\]](#)

China Inflation Rate Hits Two-Year Low, Producer Price Drops Further

CHINA'S consumer prices rose at the slowest pace in two years in May, brushing off concerns of inflation and suggesting the reason behind recent government's decision of easing policies. Consumer Price Index expanded 3% from a year earlier last month, the National Bureau of Statistics said Saturday. It compared with the pace of 3.4% in April and previous market estimation of 3.2%. Food costs, which make up nearly one third in the basket, increased 6.4% in May, less than 7% a month earlier. Producer Price Index, the factory-gate yardstick of inflation and a harbinger of future consumer prices, dropped 1.4% last month, extending the loss stream for a third month and deepening from April's 0.7% fall. [\[Shanghai Daily\]](#)

China Trade Surplus Widens to \$18.7 Billion in May

China's trade surplus widened to \$18.7 billion in May from \$18.4 billion in April, data from the General Administration of Customs showed Sunday. The median forecast was \$17.8 billion surplus. Exports rose 15.3% in May from a year earlier, beating economists' expectations for a 6.9% increase. Exports rose 4.9% in April. Imports rose 12.7%, compared with economists' expectations for a 3.0% rise and April's 0.3% increase. [\[Dow Jones Newswires\]](#)

US Trade Deficit Narrowed to \$50.1 Billion

The U.S. trade deficit shrank in April, but only because a big drop in imports offset the first decline in U.S. exports in five months. The Commerce Department said Friday that the trade deficit narrowed 4.9% in April to \$50.1 billion. U.S. exports, which had hit a record the previous month, fell 0.8% to \$182.9 billion. Sales of everything from commercial jetliners to industrial machinery declined. Imports, which also set a record in March, dropped an even faster 1.7% to \$233 billion. [\[Bloomberg\]](#)

S&P Affirms U.S. Credit Rating on Negative Outlook

S&P on Friday affirmed the AA+/A-1+ sovereign-credit ratings on the United States, but said the outlook remains negative because of political and fiscal risks. The negative outlook "could build to the point of leading us to lower our 'AA+' long-term rating by 2014," S&P added. Credit strengths of the United States include its "resilient economy, its monetary credibility" and the currency's status as the world's key reserve currency. [\[MarketWatch\]](#)

CORPORATE NEWS

McDonald's [MCD:US] - McDonald's May Sales Miss St View as Economy Weighs

McDonald's Corp reported a lower-than-expected rise in global sales at established restaurants in May and warned that austerity measures in Europe and global economic volatility were taking a bite out of results. Foreign currency rates and higher costs, due in part to preparations for the summer Olympics in London, also are expected to weigh on earnings this quarter. Sales at McDonald's restaurants open at least 13 months increased 3.3 % globally. Analysts expected a rise of 4.6%-5.2%. Unfavorable foreign currency exchange rates would lower second-quarter profit by 7 cents to 9 cents per share. Analysts, on average, expected McDonald's to earn \$1.41 per share this quarter [\[Reuters\]](#)

Citigroup [C:US] - Citi Will Not Ask Fed to Raise Dividend This Year

Citi said it will re-submit its 2012 plan to the Fed, as required, on Monday. It will decide later this year whether to ask for a dividend increase or share buy backs in its 2013 plan, which is due in January. In March, the third-largest U.S. bank by assets was one of four institutions to fail the Fed's stress test, an embarrassing setback for Pandit's efforts to turn around a bank that needed multiple bailouts during the financial crisis. [\[Reuters\]](#)

China Construction Bank [939:HK] - China's Stocks Fall After Rate Cut, Capping Worst Week This Year

China's stocks fell, capping the biggest weekly slide this year, after the country's first interest-rate cut since 2008 intensified concern that the economic slowdown is deepening. Industrial & Commercial Bank of China Ltd. and China Construction Bank Corp. led declines for lenders after Nomura Holding Inc. and BoCom International Holdings Co. said the rate cut will hurt bank earnings. [\[Bloomberg\]](#)