

August 14, 2012

Stock Markets Rap

	Close	Chg	(%)
MSCI World	1,276.26	-2.1	-0.2%
Dow	13,169.43	-0.0	-0.3%
Nasdaq	3,022.52	1.7	0.1%
S&P 500	1,404.11	-1.8	0.0%
Euro Stoxx	2,980.11	1.3	0.0%
FTSE 100	9,153.72	-10.5	-0.1%
DAX	8,526.55	-11.1	-0.1%
CAC	4,228.19	4.4	0.1%
ASX 200	4,465.90	-29.9	-0.7%
Nikkei	113.43	-0.2	-0.2%
Shanghai	335.62	-5.2	-1.5%
Hang Seng	2,588.27	-7.4	-0.3%
H Shares	1,264.99	-11.8	-0.9%
	Close	Chg	(%)
FTSE ASEAN	575.98	-0.5	-0.1%
Singapore	2,459.92	6.3	0.3%
Thailand	1,188.62	1.0	0.1%
Malaysia	1,646.32	1.0	0.1%
Indonesia	4,102.53	-39.0	-0.9%
Philippines	5,271.78	8.4	0.2%
Vietnam	426.17	0.6	0.1%
Lao PDR	1,016.40	-9.2	-0.9%
Cambodia	709.68	0.0	0.0%

Currencies Rap

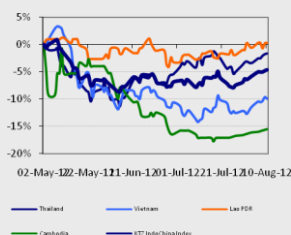
	Last	Chg	(%)
DX	82.44	-0.1	-0.1%
USD/EUR	1.23	0.0	0.4%
JPY/USD	78.27	-0.0	-0.0%
THB/USD	31.41	-0.0	-0.2%
VND/USD	20,850.00	-15.0	-0.1%
LAK/USD	8,012.95	-2.0	-0.0%
KHR/USD	4,063.20	-3.7	-0.1%
MMK/USD	871.69	-2.0	-0.2%
VND/THB	663.80	1.5	0.2%
LAK/THB	255.11	0.5	0.2%
KHR/THB	663.80	1.5	0.2%
MMK/THB	27.75	0.0	0.0%

Commodities Rap

	Close	Chg	(%)
Gold	1,623.28	3.13	0.2%
Silver	28.06	-0.05	-0.2%
Copper	3.37	-0.04	-1.1%
WTI	92.73	-0.14	-0.2%
Brent	113.60	0.65	0.6%
BDI	764.00	-10.00	-1.3%

World, ASEAN, SET

Relative Performance



MACRO NEWS

- US: Refinance Rebuilds U.S. Savings as Growth Delayed
- Greek: Greek GDP Sinks as Crisis Batters Economy

CORPORATE NEWS

- BP PLC [BP: US] – BP Sells Refinery, Arco Retail to Tesoro for \$2.5 Billion
- PEPSI [PEP: US] – Pepsi to re-enter Burma with new distribution agreement

KT Zmico Research
 Research@ktzmico.com
 66 (0) 2695-5000

MACRO NEWS

Refinance Rebuilds U.S. Savings as Growth Delayed

Americans' drive to rebuild savings and pay down debt may mean the gains from the current mini boom in mortgage refinancing will accrue over years rather than have a more immediate effect on the U.S. economy. Aided by record-low interest rates and an expansion of government programs, the value of home loans refinanced this year will rise to \$932 billion from \$858 billion in 2011, according to projections from the Mortgage Bankers Association. The group's gauge tracking the volume of credit being reworked climbed at the end of July to the highest level in three years. The typical borrower redoing a \$200,000 mortgage last quarter will save about \$2,900 in interest over the next year, according to figures from Freddie Mac. Nonetheless, the extra cash may not be spent soon as households continue to focus on repairing finances. "The initial benefit is not as significant as the large dollar-savings figures would seem to indicate," said Mark Vitner, senior economist at Wells Fargo Securities LLC in Charlotte, North Carolina, a subsidiary of the largest U.S. mortgage lender. "It does provide a benefit to the economy, but that benefit actually grows over time." The Standard & Poor's 500 Index fell for the first time in seven days, ending the longest winning streak in 20 months, as slower-than-forecast economic growth in Japan added to investor concern of a global slowdown. The S&P 500 declined 0.1 percent to 1,404.11 at the 4 p.m. close in New York. [Bloomberg]

Greek GDP Sinks as Crisis Batters Economy

Athens is keen to convince euro zone partners and the International Monetary Fund of its will to bring an economic adjustment plan back on track before asking for modifications and more time to spread out the pain of more cutbacks. But the fiscal drag caused by the pursued austerity policies coupled with liquidity constraints and lingering uncertainty is likely to keep recessionary headwinds in full force. "We project **GDP** to contract by 7.1 percent in 2012 and by 2.4 percent in 2013, on the back of further significant declines in disposable incomes, rising unemployment and plummeting investment activity," Eurobank economist Theodore Stamatou said. Greece's jobless rate has already climbed to 23.1 percent, with nearly 55 percent of those aged 15-24 out of work, a desperate situation that fed into the popularity of **anti-bailout parties** in **elections** earlier this year. The three-party coalition government that emerged after two rounds of polls is working to nail down 11.5 billion euros of savings and plans to revive a labor measure targeting 40,000 public servants for eventual dismissal. Without the additional savings the government's budget will still show a primary deficit of 1 percent of GDP in 2014, well short of a targeted 4.5 percent surplus to help stabilize debt. [Bloomberg]

CORPORATE NEWS

BP Sells Refinery, Arco Retail to Tesoro for \$2.5 Billion

BP [BP 42.09 ▼ -0.31 (-0.73%)] said Monday that Tesoro is paying \$2.5 billion cash for the refinery, pipelines, storage terminals, and Arco-branded retail outlets in southern California, Arizona, and Nevada. BP is also selling the Arco brand rights for northern California, Oregon, and Washington, and will lease them back from Tesoro [TSO 38.87 ▲ 3.37 (+9.49%)]. Earlier Monday, BP announced it was selling two gas processing plants in Texas to Eagle Rock Energy Partners [EROC 8.72 ▼ -0.24 (-2.68%)] for \$227.5 million in cash for the Sunray and Hemphill gas processing plants in Texas. BP says it has now sold or agreed to sell assets worth \$26.5 billion since 2010. The company has a target of \$38 billion in disposals by the end of next year to help pay the costs of the Macondo well blowout in the Gulf of Mexico. [CNBC]

Pepsi to re-enter Burma with new distribution agreement

PepsiCo, one of the world's largest drinks makers, has announced plans to re-enter Burma as the country opens up its markets after various sanctions against it were lifted. It has signed an agreement with a Burmese firm to distribute Pepsi-Cola, 7-Up and Mirinda brands in the country. PepsiCo, which pulled out of Burma in 1997, said it was also exploring the option of setting up production there. The firm's rival Coca-Cola has also announced plans to return to Burma. "We are constantly looking for new growth opportunities that will put our food and beverage brands in the hands of more consumers," said PepsiCo chairman and chief executive Indra Nooyi. Ms Nooyi added that Burma was "a market with great potential" and "over time, we believe we can build a strong business" in the country. The drinks maker has been expanding its operations in developing and emerging markets. Its revenues from these economies nearly tripled to \$22bn (£15bn) in 2011 from \$8bn in 2006. PepsiCo said that it will also partner with the United Nations Educational, Scientific and Cultural Organization (UNESCO) to launch vocational training initiatives in Burma in a bid to improve labour skills in the country. "PepsiCo and UNESCO plan to work together to provide programs that focus on managerial skills training to support the country's development, empower its people and strengthen the workforce as PepsiCo looks to expand its business in the future," it said. [BBC]