

Thursday June 14, 2012

Stock Markets Rap (as of June 13)

	Close	Chg	(%)
MSCI World	1,190	-2	-0.1
Dow	12,496	-77	-0.6
Nasdaq	2,819	-24	-0.9
S&P 500	1,315	-9	-0.7
Euro Stoxx	2,144	+0	+0.0
FTSE 100	5,484	+10	+0.2
DAX	6,152	-9	-0.1
CAC	3,030	-17	-0.6
ASX 200	4,064	-9	-0.2
Nikkei	8,588	+51	+0.6
Shanghai	2,319	+29	+1.3
Hang Seng	19,027	+154	+0.8
H Shares	9,658	+139	+1.5

	Close	Chg	(%)
FTSE ASEAN	533	+2	+0.3
Singapore	2,787	-10	-0.4
Thailand	1,158	-5	-0.4
Malaysia	1,576	+0	+0.0
Indonesia	3,860	+8	+0.2
Philippines	5,110	+34	+0.7
Vietnam	428	-1	-0.1
Lao PDR	1,007	0	0.0
Cambodia	731	0	0.0

Currencies Rap (as of June 13)

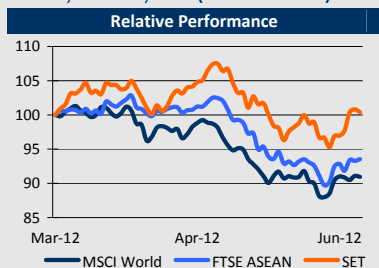
	Last	Chg	(%)
DX	82.06	-0.36	-0.44
USD/EUR	1.2533	+0.00	+0.22
JPY/USD	79.69	+0.14	+0.18
THB/USD	31.58	-0.10	-0.32
VND/USD	20,955	+15.00	+0.07
LAK/USD	8,014.00	-4.00	-0.05
KHR/USD	4,092.95	-43.60	-1.05
MMK/USD	842.81	-5.30	-0.62
VND/THB	664.19	+3.20	+0.48
LAK/THB	253.89	+0.80	+0.31
KHR/THB	128.00	0.00	0.00
MMK/THB	26.70	-0.07	-0.26

Commodities Rap (as of June 13)

	Close	Chg	(%)
Gold	1,619.40	+5.60	+0.35
Silver	28.94	-0.01	-0.03
Copper	333.95	+0.40	+0.12
WTI	82.62	-0.70	-0.84
Brent	97.13	-0.01	-0.01
BDI	902	+9	+1.01

Source: Bloomberg

World, ASEAN, SET (as of June 13)



Source: Bloomberg

MACRO NEWS

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- Euro-Area Industrial Output Falls Second Month on Germany

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- Procter & Gamble [PG:US] - Procter & Gamble May Need to Break Up, Bernstein Says
- BHP Billiton [BHP:US] - BHP Cuts Outlook For Commodities Prices

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MACRO NEWS

Spain Hit with Double Downgrade; Moody's, Egan-Jones Slash Views

Spain was hit with two downgrades Wednesday as Moody's Investors Service and Egan-Jones Ratings Co. slashed their views on the euro-zone member. Moody's, one of the three biggest ratings firms along with Fitch Ratings and Standard & Poor's, cut its rating on Spain to Baa3 from A3, putting it one level above junk status. Moody's also said it will keep Spain on review for a possible further downgrade. Moody's now rates Spain the lowest among the three big ratings firms. Meanwhile, Egan-Jones continued its aggressive cutting of Spain's rating. It slashed its view on the European nation for the fourth time in the past six weeks. Egan-Jones now rates Spain as triple-C-plus, down from single-B. Both the new and old ratings are considered junk. European bond markets had closed for the day at the time of Wednesday's announcements. At the close of trading, Spanish 10-year bonds were yielding 6.72%, little changed from Tuesday, following a sharp runup in the first two days of the week. [\[WSJ\]](#)

US Producer Prices, Retail Sales Decline as Energy Plunges

U.S. retail sales fell for a second straight month in May and wholesale prices dropped by the most in three years, offering more evidence of a downshift in the economic recovery. Retail sales slipped 0.2% as demand for building materials sagged and declining gasoline prices weighed on receipts at service stations, a Commerce Department report showed on Wednesday. April's sales were revised to show a 0.2% drop instead of the previously reported 0.1% gain. Separately, the Labor Department said its producer price index dropped 1% last month as energy costs slumped 4.3%. [\[CNBC\]](#)

Greece: We Will Keep Greece in the Euro Zone: Leftists

Greek leftist party Syriza is committed to keeping Greece in the euro zone, its leader Alexis Tsipras said on Wednesday. He said it was not his party's intention to take the country out of the currency union if it wins a mandate in elections in four days' time. But he said if Syriza does win, he will seek to renegotiate the terms of the country's current bailout deal with the EU, IMF and ECB – the so-called Troika. "The people of Greece want to replace the failed old memorandum of understanding (as signed in March with the EU and IMF) with a 'national plan for reconstruction and growth'. The Syriza leader also promised to "reform Greece's corrupt and inefficient political and regulatory systems. The Syriza leader said he would not only raise taxes if he becomes Greece's next prime minister, but ensure those taxes were adequately collected. [\[CNBC\]](#)

Euro-Area Industrial Output Falls Second Month on Germany

Euro-area industrial production declined for a second month in April, led by a drop in Germany, adding to signs of a deepening economic slump. Output in euro area slipped 0.8% from March, when it decreased a revised 0.1%, the European Union's statistics office said. Economists had projected a drop of 1.2%. From a year earlier, production fell 2.3%. German industrial output fell 2% in April from the previous month, when it rose 0.9%. Italy and Spain reported monthly declines of 1.9% and 0.7%, respectively. Portugal had a slump of 6.5%. Ireland, France and Greece had a gain in the month. European manufacturers are cutting spending and jobs as global growth weakens. [\[Bloomberg\]](#)

CORPORATE NEWS

JPMorgan [JPM:US] - JPMorgan CEO Says Execs May Have Pay Taken Back

JPMorgan Chase CEO Jamie Dimon told Congress on Wednesday that senior bank executives responsible for a \$2 billion trading loss will probably have some of their pay taken back by the company. Under bank policy, stock grants and bonuses can be recovered from executives, even for exercising bad judgment, Dimon told the Senate Banking Committee. The policy has never been invoked, he said, but he strongly suggested that it will be. "It's likely that there will be clawbacks," he said. The JPMorgan CEO contended that the trading loss, disclosed in a surprise conference call with reporters and banking analysts, was meant to hedge risk to the company and to protect it in case "things got really bad." Sixteen of the 22 members of the banking panel, including Chairman Sen. Tim Johnson, D-S.D., and senior Republican Sen. Richard Shelby of Alabama, have received money from the bank's political action committee, according to figures compiled by the Center for Responsive Politics. [\[AP\]](#)

Procter & Gamble [PG:US] - Procter & Gamble May Need to Break Up, Bernstein Says

Procter & Gamble Co., the world's largest consumer-products company, should consider breaking itself up if it doesn't improve earnings this year, an analyst at Sanford C. Bernstein & Co. said Wednesday. Procter & Gamble, based in Cincinnati, would have a market value of as much as \$208 billion in a breakup based on 2013 earnings estimates, according to analyst Ali Dibadj's sum-of-parts analysis. The company has a current market value of about \$171 billion. A split would improve focus within the separate units, wrote Dibadj, a New York-based analyst at Sanford Bernstein. Procter & Gamble, led by Chief Executive Officer Robert McDonald, said in May it would pull back on spending in emerging markets to focus on larger regions, where it has lost market share. The company will gain \$10 billion in cost cuts and savings through 2016, Procter & Gamble said in February. [\[Bloomberg\]](#)

BHP Billiton [BHP:US] - BHP Cuts Outlook For Commodities Prices

BHP Billiton, the world's largest miner, has trimmed its outlook for commodities prices over the next 3-5 years, a sign that natural resources groups are braced for a lasting impact from the global financial crisis. The miner, which has operations from Chile to Australia and produces commodities from copper to natural gas, is a bellwether for the natural resources industry. In its latest review, BHP reduced the medium-term outlook for commodities prices. The cuts were small and did not affect the longer-term view of the market. A mining specialist at investment bank Jefferies in London, said that as BHP trimmed its internal cash flow assumptions, some projects could fall below the necessary profitability hurdle rate. The natural resources industry is reassessing expenditure plans as slowing Chinese demand growth and the European sovereign debt crisis depress the outlook for commodities prices and as rising costs threaten to erode profitability. [\[Financial Times\]](#)