

Tuesday July 17, 2012

Stock Markets Rap (as of July 16)

	Close	Chg	(%)
MSCI World	1,225	-0	-0.0
Dow	12,727	-50	-0.4
Nasdaq	2,897	-12	-0.4
S&P 500	1,354	-3	-0.2
Euro Stoxx	2,252	-7	-0.3
FTSE 100	5,662	-4	-0.1
DAX	6,566	+9	+0.1
CAC	3,180	-1	-0.0
ASX 200	4,105	+23	+0.6
Nikkei	8,724	-	-
Shanghai	2,148	-38	-1.7
Hang Seng	19,121	+29	+0.2
H Shares	9,219	-18	-0.2

	Close	Chg	(%)
FTSE ASEAN	563	+3	+0.6
Singapore	2,999	+3	+0.1
Thailand	1,214	+4	+0.3
Malaysia	1,636	+10	+0.6
Indonesia	4,047	+28	+0.7
Philippines	5,298	+83	+1.6
Vietnam	414	-3	-0.7
Lao PDR	1,010	+5	+0.4
Cambodia	677	0	0.0

Currencies Rap (as of July 16)

	Last	Chg	(%)
DX	83.10	-0.25	-0.30
USD/EUR	1.2186	-0.01	-0.51
JPY/USD	79.00	-0.18	-0.23
THB/USD	31.61	+0.04	+0.13
VND/USD	20,860	0.00	0.00
LAK/USD	8,023.50	-7.00	-0.09
KHR/USD	4,102.00	-9.55	-0.23
MMK/USD	878.67	-4.54	-0.51
VND/THB	660.11	+0.86	+0.13
LAK/THB	253.90	+0.17	+0.07
KHR/THB	129.00	+1.00	+0.78
MMK/THB	27.81	-0.10	-0.36

Commodities Rap (as of July 16)

	Close	Chg	(%)
Gold	1,591.60	-0.40	-0.03
Silver	27.32	-0.05	-0.18
Copper	348.50	-1.90	-0.54
WTI	88.43	+1.33	+1.53
Brent	103.55	+1.15	+1.12
BDI	1,102	-8	-0.72

Source: Bloomberg

*Nikkei 225 Index as of July 13

World, ASEAN, SET (as of July 16)

Relative Performance



Source: Bloomberg

MACRO NEWS

- IMF Cuts Global Growth Forecast as Emerging Economies Slow
- US Retail Sales Fall for Third Straight Month in June
- China: Wen Says China's Economic Recovery Yet to Show Momentum

CORPORATE NEWS

- Citigroup [C:US]** - Citigroup Posts Earnings Beat; Revenue Off but Shares Rise
- Royal Dutch Shell [RDS/A:US]** - Shell Drops Cove Bid, Rethinks East Africa Gas Plan
- Sands China [1928:HK]** - Sands Gets Extension for New Macau Casino, to Pay Penalty

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MACRO NEWS

IMF Cuts Global Growth Forecast as Emerging Economies Slow

IMF said emerging market nations, long a global bright spot, were being dragged down by the economic turmoil in Europe. It said a drop in exports in these countries would combine with earlier policies meant to prevent overheating and slow growth more sharply than hoped. The IMF shaved its 2013 forecast for global growth to 3.9% from the 4.1% it projected in April, trimming projections for most advanced and emerging economies. It left its 2012 forecast unchanged at 3.5%. It also trimmed its forecast for emerging economies, projecting they will expand 5.9% in 2013 and 5.6% in 2012. Both figures are 0.1 of a percentage point lower than in April. Earlier this year, policymakers in emerging economies were worried about large-scale capital inflows and excessive appreciation of their currencies. Now, concerns have shifted to a rapid depreciation and increased volatility in exchange rates. Currencies like the Brazilian real and Indian rupee have depreciated by between 15 and 25% in less than a quarter, the IMF noted. The IMF cut its 2012 growth forecast for China to 8.0% from 8.2%, and said it now expects growth of 8.5% next year from 8.8%. It revised its growth projections for India to 6.1% this year from 6.9%, and chopped its 2013 forecast to 6.5% from 7.3%. [\[Reuters\]](#)

US Retail Sales Fall for Third Straight Month in June

Retail sales fell in June for the third straight month, the longest run of consecutive drops since 2008 when the country was mired in recession. Sales slipped 0.5%, with declines across a wide swath of industries from electronics and cars to building supplies, the Commerce Department said on Monday. Analysts had expected a small increase. The dollar declined against the euro and the yield on 10-year U.S. government bonds dropped to an all-time low as the data stoked worries the economy was floundering and could need more help from the Federal Reserve. U.S. stock prices sank. Fed Chairman Ben Bernanke will testify to lawmakers on Tuesday and Wednesday on the Fed's view of the economy. Job creation in the United States has slowed dramatically in the last few months as employers worry about a sagging global economy hurt by Europe's snowballing debt crisis. Bernanke's peers at central banks in China, the euro zone and Britain have eased monetary policy this summer to prop up their economies. [\[Reuters\]](#)

China: Wen Says China's Economic Recovery Yet to Show Momentum

China's Premier Wen Jiabao warned that the nation's recovery is yet to build up momentum, fueling speculation that extra economic support measures may be announced after a cabinet meeting this week. "It should be clearly understood that the momentum for a stable rebound in the economy has not yet been established," Wen said during an inspection tour in southwest Sichuan province, according to a Chinese-language report from the official Xinhua News Agency Saturday. At the same time, expansion is within the targeted range and measures to stabilize growth are "bearing fruit," he said. China's State Council may this week give details of easing measures to support growth after provincial visits by Wen and Vice Premier Li Keqiang to check on the economy, Nomura Holdings Inc. said. The China Securities Journal reported that a meeting as early as July 18 may be followed by policy steps, citing unidentified analysts. Wen in March set a 2012 growth goal of 7.5%, down from an 8% target in place since 2005. [\[Bloomberg\]](#)

CORPORATE NEWS

Citigroup [C:US] - Citigroup Posts Earnings Beat; Revenue Off but Shares Rise

Citigroup reported quarterly earnings that beat Wall Street's expectations on Monday, sending shares of CITI higher. After the earnings announcement, the third-largest U.S. bank's shares rose about 3%, despite revenue that fell short of analyst estimates. The company posted second-quarter earnings excluding items of \$1 per share, down from \$1.09 a share in the year-earlier period. Revenue fell to \$18.64 billion from \$20.62 billion a year ago. Citi attributed the revenue decline to the wind-down of Citi Holdings, which the bank formed to handle the toxic assets it had left from the collapse of the subprime mortgage industry. Revenues for Citi Holdings, which represents 10% of Citi's total assets, fell by 62% from last year. Analysts had expected the company to report earnings excluding items of 89 cents a share on \$18.76 billion in revenue. Overall, Citigroup's net income declined 12% from 2Q11 to \$2.9 billion. Income was hurt by a \$424 million loss the bank took from selling its 10% stake in Turkey's Akbank. The volatility in 2Q12 from the European debt crisis hurt Citi's earnings in the investment banking division. Investment banking revenue declined 21% to \$854 million. [\[CNBC\]](#)

Royal Dutch Shell [RDS/A:US] - Shell Drops Cove Bid, Rethinks East Africa Gas Plan

Royal Dutch/Shell abandoned its bid for Cove Energy Plc on Monday, leaving smaller Thai rival PTT to complete a \$1.9 billion takeover and fuelling talk it has found a new way to access east Africa's gas discovery boom. The move will have cost hedge funds dear. An auction process had been due to start this week, and Cove stock had been bid well above PTT's offer price of 240 pence a share in anticipation that Shell would raise its 220 pence offer. Cove shares, which closed at 275.5 pence last week, dropped 13.6 percent to finish just shy of PTT's offer at 238.5 pence after the news. "Shell Bidco has today decided not to revise its offer of 220 pence in cash for each share of Cove, and not take part in the auction procedure for Cove," Shell said in a statement. Shell gave no reason for withdrawing, but a source familiar with the bid process said it did not want to overpay and was confident it could get into east Africa gas action by other routes. [\[Reuters\]](#)

Sands China [1928:HK] - Sands Gets Extension for New Macau Casino, to Pay Penalty

Sands China Ltd. said it was given more time to build a casino resort in Macau on land granted by the government and expects to pay a penalty for the delay. The Macau government extended a deadline to develop a plot called Parcel 3 to April 17, 2016, from April 2013, Sands said in a statement to the Hong Kong Stock Exchange today. The government also said the casino operator will be notified about the penalty amount for delaying the construction, according to the statement. Construction has yet to begin on Parcel 3, which is slated for the company's biggest project after the \$5 billion Cotai Central resort opened this year. The Parcel 3 resort would increase Sands's presence on Cotai, a strip of reclaimed land. Operators are adding resorts there to draw more of the Chinese tourists who boosted Macau's casino gambling revenue by 42% last year. [\[Bloomberg\]](#)