

Wednesday July 18, 2012

## Stock Markets Rap (as of July 17)

|            | Close  | Chg  | (%)  |
|------------|--------|------|------|
| MSCI World | 1,229  | +4   | +0.3 |
| Dow        | 12,806 | +78  | +0.6 |
| Nasdaq     | 2,910  | +13  | +0.5 |
| S&P 500    | 1,364  | +10  | +0.7 |
| Euro Stoxx | 2,251  | -1   | -0.1 |
| FTSE 100   | 5,629  | -33  | -0.6 |
| DAX        | 6,578  | +12  | +0.2 |
| CAC        | 3,177  | -3   | -0.1 |
| ASX 200    | 4,141  | +36  | +0.9 |
| Nikkei     | 8,755  | +31  | +0.4 |
| Shanghai   | 2,161  | +13  | +0.6 |
| Hang Seng  | 19,455 | +334 | +1.7 |
| H Shares   | 9,381  | +162 | +1.8 |

|             | Close | Chg | (%)  |
|-------------|-------|-----|------|
| FTSE ASEAN  | 567   | +4  | +0.8 |
| Singapore   | 3,015 | +16 | +0.5 |
| Thailand    | 1,224 | +10 | +0.8 |
| Malaysia    | 1,639 | +3  | +0.2 |
| Indonesia   | 4,081 | +33 | +0.8 |
| Philippines | 5,285 | -13 | -0.2 |
| Vietnam     | 418   | +4  | +0.9 |
| Lao PDR     | 999   | -11 | -1.1 |
| Cambodia    | 672   | -5  | -0.8 |

## Currencies Rap (as of July 17)

|         | Last     | Chg    | (%)   |
|---------|----------|--------|-------|
| DX      | 83.03    | -0.07  | -0.08 |
| USD/EUR | 1.2280   | +0.01  | +0.77 |
| JPY/USD | 79.08    | +0.08  | +0.10 |
| THB/USD | 31.57    | -0.05  | -0.16 |
| VND/USD | 20,840   | -20.00 | -0.10 |
| LAK/USD | 8,018.00 | -5.50  | -0.07 |
| KHR/USD | 4,084.10 | -17.90 | -0.44 |
| MMK/USD | 873.84   | -4.83  | -0.55 |
| VND/THB | 660.11   | +0.00  | +0.00 |
| LAK/THB | 254.02   | +0.12  | +0.05 |
| KHR/THB | 129.00   | 0.00   | 0.00  |
| MMK/THB | 27.68    | -0.12  | -0.44 |

## Commodities Rap (as of July 17)

|        | Close    | Chg   | (%)   |
|--------|----------|-------|-------|
| Gold   | 1,589.50 | -2.10 | -0.13 |
| Silver | 27.32    | -0.01 | -0.02 |
| Copper | 345.55   | -2.95 | -0.85 |
| WTI    | 89.22    | +0.79 | +0.89 |
| Brent  | 104.00   | +0.45 | +0.43 |
| BDI    | 1,093    | -9    | -0.82 |

Source: Bloomberg

## World, ASEAN, SET (as of July 17)



Source: Bloomberg

## MACRO NEWS

- Bernanke Offers Gloomy View But Few New Hints on Easing
- US Industrial Output Rose 0.4% in June, Topped Forecast
- US Consumer Price Index in U.S. Was Unchanged, Core Up 0.2%
- Japan Nears China in U.S. Treasury Holdings

## CORPORATE NEWS

- Johnson & Johnson [JNJ:US] - J&J Q2 Sales Lag, Profit View Cut on Forex Factors
- Coca-Cola [KO:US] - Coca-Cola Profit Tops Estimates After Higher Pricing
- BHP Billiton [BHP:US] - BHP Billiton Iron Ore Output Rises 15% to Beat Analyst Estimate

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**MACRO NEWS****Bernanke Offers Gloomy View But Few New Hints on Easing**

Federal Reserve Chairman Ben Bernanke on Tuesday offered a gloomy view of the economy's prospects, but provided few concrete clues on whether the U.S. central bank was moving closer to a fresh round of monetary stimulus. Bernanke told the Senate Banking Committee the economic recovery was being held back by anxiety over Europe's debt crisis and the path of U.S. fiscal policy, and he expressed unease over a stagnant jobs market. The Fed chairman told lawmakers the central bank was considering a range of tools it could employ to help the economy but he hewed closely to the message of watchful waiting that the central bank's policy panel delivered in June. Some investors had hoped the Fed chief would signal that the central bank was moving close to a third round of bond purchases -- or QE3 in market parlance -- to support the economy. The Fed has held overnight borrowing costs near zero since December 2008 and has bought \$2.3 trillion in government and mortgage-related debt to push long-term interest rates lower. As the recovery faltered, it promised to hold rates at rock bottom levels until at least 2014 and, at its June meeting, it extended a program to lengthen the average maturity of bonds in its portfolio to depress long-term borrowing costs. [\[Reuters\]](#)

**US Industrial Output Rose 0.4% in June, Topped Forecast**

U.S. industrial production rose in June as factories made more cars, machines and business equipment, the Federal Reserve said Tuesday. Factory output recovered to levels reached earlier this spring but appears to be leveling off. Factory output rose 0.7% last month, after falling by the same amount in May, the Fed said. Factories produced more machines and vehicles used by businesses. Production of consumer goods edged higher. Overall industrial production rose 0.4% in June. Auto production rebounded after its first decline of the year. Factories are a crucial contributor to economic expansion. Their strong results in June follow a period of shaky growth. Factory output fell in two of the past four months. Over the second quarter, factories growth slowed to an annual rate of 1.4%, after leaping 9.8% in the first quarter. [\[CNBC\]](#)

**US Consumer Price Index in U.S. Was Unchanged, Core Up 0.2%**

The cost of living in the U.S. was little changed in June, a sign inflation may stay subdued as Federal Reserve officials have predicted. No change in the consumer-price index followed a 0.3% drop in May, a Labor Department report showed Tuesday in Washington. The measure matched the median forecast of economists in a Bloomberg News survey. The so-called core measure that excludes volatile food and fuel costs rose 0.2% for a fourth month. The CPI was restrained by a third month of declines in energy prices. Airfares fell, used car prices were unchanged and the cost of shelter posted its smallest gain since September. Economists' estimates ranged from a gain of 0.2% to a decline of 0.6%. [\[Bloomberg\]](#)

**Japan Nears China in U.S. Treasury Holdings**

China remained the largest foreign holder of U.S. Treasuries in May, but Japan continued to threaten to take over the No. 1 position with another month of strong buying, the Treasury Department said Tuesday. Overall, foreigners were net buyers of long-term U.S. financial assets in May, according to the monthly Treasury International Capital report, known as TIC. China's Treasury holdings rose \$5.2 billion in May to \$1.170 trillion, following net buying of \$20.4 billion in April. Meanwhile, Japan's holdings climbed \$15 billion to \$1.105 trillion in May. While China's holdings have fallen by around \$145 billion since July 2011, Japan has boosted its total portfolio by \$220 billion in the same period. [\[Bloomberg\]](#)

**CORPORATE NEWS****Johnson & Johnson [JNJ:US] - J&J Q2 Sales Lag, Profit View Cut on Forex Factors**

Johnson & Johnson reported lower-than-expected quarterly sales on Tuesday and cut its full-year 2012 profit forecast, citing the negative impact of a stronger dollar, but the earnings narrowly beat Wall Street estimates. The diversified healthcare company earned \$1.41 billion, or 50 cents per share, in 2Q12. That compared with \$2.78 billion, or \$1.00 per share in 1Q12. Quarterly sales fell 0.7 percent to \$16.48 billion, shy of Wall Street expectations of \$16.69 billion. Excluding a number of big charges, J&J earned \$1.30 per share in the most recent period. Analysts, on average, expected \$1.29 per share, according to Thomson Reuters I/B/E/S. Citing a weakening dollar in April, J&J raised its 2012 profit forecast to between \$5.07 and \$5.17 per share. But on Tuesday it switched gears, trimmed its forecast to \$5.00 to \$5.07 per share, citing a turnaround in the dollar's direction. [\[Reuters\]](#)

**Coca-Cola [KO:US] - Coca-Cola Profit Tops Estimates After Higher Pricing**

Coca-Cola Co. the world's largest soft-drink maker, reported second-quarter profit that topped analysts' estimates, helped by pricing increases in North America late last year. Net income was little changed at \$2.79 billion, or \$1.21 a share, compared with \$2.8 billion, or \$1.20, a year earlier, Atlanta-based Coca-Cola said Tuesday in a statement. Excluding some items, profit totaled \$1.22 a share. Analysts projected \$1.19, the average of 14 estimates compiled by Bloomberg. Chief Executive Officer Muhtar Kent raised pricing last year to help recoup higher costs for ingredients such as sweeteners and plastic for bottles. Pricing rose 3% in the second quarter, helped by a 5% jump in soft drink pricing in North America. [\[Bloomberg\]](#)

**BHP Billiton [BHP:US] - BHP Billiton Iron Ore Output Rises 15% to Beat Analyst Estimate**

BHP Billiton Ltd.'s fourth-quarter iron ore production gained 15% as the world's largest mining company expands its operations in Australia's Pilbara region, setting a 12th consecutive annual record. Output was 40.9 million metric tons in the three months ended June 30, compared with 35.5 million tons a year earlier, Melbourne-based BHP said today in a statement. That beat the 37.3 million ton median estimate. Rio Tinto Group, the world's third-largest miner, yesterday reported iron ore production in line with expectations as Chief Executive Officer Tom Albanese warned of deteriorating global economic conditions. BHP, planning to more than double production capacity of the steelmaking raw material, said last month it must be flexible in the face of falling commodity prices and deepening global uncertainty. [\[Bloomberg\]](#)