

Monday May 21, 2012

Stock Markets Rap (as of May 18)

	Close	Chg	(%)
MSCI World	1,178	-13	-1.1
Dow	12,369	-73	-0.6
Nasdaq	2,779	-35	-1.2
S&P 500	1,295	-10	-0.7
Euro Stoxx	2,145	-2	-0.1
FTSE 100	5,268	-71	-1.3
DAX	6,271	-38	-0.6
CAC	3,008	-4	-0.1
ASX 200	4,046	-111	-2.7
Nikkei	8,611	-265	-3.0
Shanghai	2,345	-34	-1.4
Hang Seng	18,952	-249	-1.3
H Shares	9,577	-124	-1.3

	Close	Chg	(%)
FTSE ASEAN	535	-8	-1.5
Singapore	2,779	-44	-1.5
Thailand	1,154	-19	-1.6
Malaysia	1,532	-12	-0.8
Indonesia	3,980	-	-
Philippines	4,879	-138	-2.7
Vietnam	435	-8	-1.7
Lao PDR	1,021	-11	-1.1
Cambodia	790	+16	+2.1

Currencies Rap (as of May 18)

	Last	Chg	(%)
DXY	81.29	-0.09	-0.11
USD/EUR	1.2780	+0.01	+0.68
JPY/USD	79.02	-1.25	-1.56
THB/USD	31.41	-0.02	-0.06
VND/USD	20,850	+7.00	+0.03
LAK/USD	8,019.50	+2.50	+0.03
KHR/USD	4,025.00	+0.00	+0.00
MMK/USD	833.40	+3.74	+0.45
VND/THB	665.63	+2.22	+0.34
LAK/THB	256.05	+0.94	+0.37
KHR/THB	128.00	0.00	0.00
MMK/THB	26.61	+0.21	+0.79

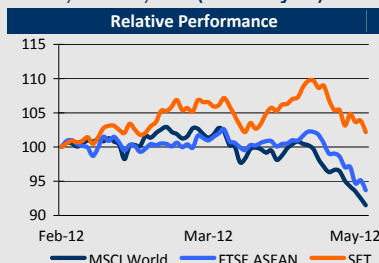
Commodities Rap (as of May 18)

	Close	Chg	(%)
Gold	1,591.90	+17.00	+1.08
Silver	28.72	+0.70	+2.48
Copper	346.85	-1.05	-0.30
WTI	91.48	-1.08	-1.17
Brent	107.14	-0.35	-0.33
BDI	1,141	+4	+0.35

Source: Bloomberg

* Indonesia Composite Index as of May 16

World, ASEAN, SET (as of May 18)



Source: Bloomberg

MACRO NEWS

- Euro Crisis Resolution Sought by France-Germany Following G-8
- Cameron Urges EU to Prepare for Greek Exit From Euro
- Spanish Bad Loans Ratio Hits 17-Year High
- China Q2 Growth Could Slow Down to 7.5%, China Think-tank Claims
- China Premier Wen: To Make Growth A Bigger Priority -Xinhua

CORPORATE NEWS

- JPMorgan [JPM:US] - J.P. Morgan Struggles to Unwind Huge Bets
- Tencent [700:HK] - Tencent Revamps Businesses to Expand in Mobile, Grow Overseas
- Google [GOOG:US] - Google Wins Approval in China for Motorola Mobility Purchase
- BHP Billiton [BHP:US] - BHP May Start Share Buyback After Trimming Spending, RBC Says

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MACRO NEWS

Euro Crisis Resolution Sought by France-Germany Following G-8

German and French leaders meet this week to map out a revised plan for the euro as the Group of Eight exposed disagreement on a rescue strategy, Greece lurched toward a possible exit and Spain's budget deficit widened. German Finance Minister Wolfgang Schaeuble will for the first time discuss the 17-nation currency at a meeting with his newly installed French counterpart, Pierre Moscovici, in Berlin today as European Union leaders prepare for a summit meeting in Brussels on May 23. After three shorter meetings in the last week, Chancellor Angela Merkel and French President Francois Hollande will seek to balance France's desire to jump-start growth with Germany's preference for spending cuts. [\[Bloomberg\]](#)

Cameron Urges EU to Prepare for Greek Exit From Euro

U.K. Prime Minister David Cameron said European leaders should make contingency plans for a Greek exit from the European single currency. "They can vote to stay in the euro-zone and meet their commitments, or they can vote to give up on their commitments and, in effect, give up on the euro-zone," Cameron said. "I think the point that was very clear from the G-8 was that the euro-zone has to put in place the most robust contingency plans for both eventualities." [\[Bloomberg\]](#)

Spanish Bad Loans Ratio Hits 17-Year High

Bad debts held by Spanish banks rose to a 17-year high in March and the cost of insuring the debt of two major Spanish banks against default hit a record Friday, underscoring the continuing challenges posed by the country's five-year property slump. The central bank said that 8.37% of the loans held by banks, or EUR147.97 billion, were more than three months overdue for repayment in March, up from 8.3% in February--the highest ratio since September 1994. The total number of non-performing loans is now almost 10 times higher than the level reported in 2007, just as Spain's decade-high property boom peaked. The rapid deterioration of the loan books was one of four reasons cited by Moody's Investors Service as it downgraded credit ratings of Banco Santander SA (STD), Banco Bilbao Vizcaya Argentaria SA (BBVA) and 14 other banks in the country late Thursday. [\[WSJ\]](#)

China Q2 Growth Could Slow Down to 7.5%, China Think-tank Claims

The China Information Center forecast the country's GDP will grow 7.5% in 2Q12 from the same period of last year, the slowest since the first quarter in 2009. The forecast is in line with Premier Wen Jiabao's remarks in March, and was lower than the 8.1% growth in 1Q12. The think-tank also expected inflation to cool to 3.3% in 2Q12 due to weaker domestic demand. The Consumer Price Index rose 3.4% in April on an annual basis. [\[Shanghai Daily\]](#)

China Premier Wen: To Make Growth A Bigger Priority -Xinhua

Chinese Premier Wen Jiabao has vowed to make growth a bigger priority, marking a decisive shift in rhetoric toward stimulating growth, as the Chinese economy has shown signs of weakness. China will put more emphasis on ensuring steady growth while maintaining a proactive fiscal policy and a prudent monetary policy, the official Xinhua News Agency on Sunday quoted Wen as saying. [\[WSJ\]](#)

CORPORATE NEWS

JPMorgan [JPM:US] - J.P. Morgan Struggles to Unwind Huge Bets

J.P. Morgan Chase & Co. is struggling to extricate itself from disastrous wagers by traders such as the "London whale," in a sign that the size of its bets could bog down the bank's unwinding of the trades and deepen its losses by billions of dollars. The nation's largest bank has said publicly that its losses on the trades have surpassed \$2 billion, and people familiar with the matter have said they could over time reach \$5 billion. But the losses could be even bigger if the company sells its positions into a market that has turned against its positions, some traders say. Improvements in the markets could slice the bank's losses. [\[WSJ\]](#)

Tencent [700:HK] - Tencent Revamps Businesses to Expand in Mobile, Grow Overseas

Tencent Holdings Ltd., China's biggest Internet company, is reorganizing its business units to expand services for smartphone and social-networking users and accelerate growth of its online games operations overseas. Operations will be split into 6 businesses including social networks and mobile Internet, the Shenzhen, China-based company said. Tencent also plans to set up an e-commerce subsidiary, it said. [\[Bloomberg\]](#)

Google [GOOG:US] - Google Wins Approval in China for Motorola Mobility Purchase

Google Inc. won approval from Chinese regulators for its \$12.5 billion purchase of Motorola Mobility Holdings Inc., clearing a final hurdle for a deal that boosts its patents portfolio and steps up competition with Apple Inc. The acquisition, announced last year, has already received approvals in Europe, the U.S. and other jurisdictions worldwide. Motorola Mobility had said in a regulatory filing in February that it needed approval in China. [\[Bloomberg\]](#)

BHP Billiton [BHP:US] - BHP May Start Share Buyback After Trimming Spending, RBC Says

BHP Billiton Ltd., the world's biggest mining company, may start a new share buyback after this week trimming an \$80 billion spending plan over five years, RBC Capital Markets said. "We believe that the company may well embark on a modest buyback program if cash generation exceeds projected capital spending in a slower world economy," Des Kilalea and Richard Hatch, London-based analysts at RBC, said in a report. BHP completed a \$10 billion buyback in Sydney and London last June, six months ahead of schedule. [\[Bloomberg\]](#)