

Tuesday May 22, 2012

Stock Markets Rap (as of May 21)

	Close	Chg	(%)
MSCI World	1,191	+13	+1.1
Dow	12,504	+135	+1.1
Nasdaq	2,847	+68	+2.5
S&P 500	1,316	+21	+1.6
Euro Stoxx	2,150	+5	+0.3
FTSE 100	5,304	+37	+0.7
DAX	6,331	+60	+1.0
CAC	3,027	+19	+0.6
ASX 200	4,074	+27	+0.7
Nikkei	8,634	+23	+0.3
Shanghai	2,348	+4	+0.2
Hang Seng	18,922	-30	-0.2
H Shares	9,582	+5	+0.1

	Close	Chg	(%)
FTSE ASEAN	533	-2	-0.4
Singapore	2,790	+11	+0.4
Thailand	1,135	-19	-1.7
Malaysia	1,539	+6	+0.4
Indonesia	3,940	-40	-1.0
Philippines	4,954	+75	+1.5
Vietnam	448	+13	+3.0
Lao PDR	1,014	-7	-0.7
Cambodia	785	-5	-0.7

Currencies Rap (as of May 21)

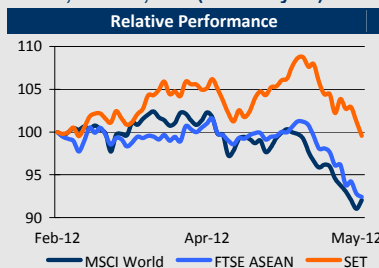
	Last	Chg	(%)
DX	81.08	-0.21	-0.26
USD/EUR	1.2770	-0.00	-0.08
JPY/USD	79.30	+0.28	+0.35
THB/USD	31.34	-0.07	-0.22
VND/USD	20,855	+5.00	+0.02
LAK/USD	8,015.00	-4.50	-0.06
KHR/USD	4,035.00	+10.00	+0.25
MMK/USD	829.34	-4.06	-0.49
VND/THB	665.28	-0.35	-0.05
LAK/THB	255.74	-0.31	-0.12
KHR/THB	129.00	+1.00	+0.78
MMK/THB	26.46	-0.15	-0.55

Commodities Rap (as of May 21)

	Close	Chg	(%)
Gold	1,588.70	-3.20	-0.20
Silver	28.32	-0.39	-1.37
Copper	350.20	+3.35	+0.97
WTI	92.57	+1.09	+1.19
Brent	108.81	+1.67	+1.56
BDI	1,141	0	0.00

Source: Bloomberg

World, ASEAN, SET (as of May 21)



Source: Bloomberg

MACRO NEWS

- German, French Finance Chiefs Pledge Support for Greece Staying in Eurozone
- More Chinese Cities to Join VAT Trial: Report

CORPORATE NEWS

- JPMorgan [JPM:US] - JPMorgan Halts Buybacks While Keeping Payout, Dimon Says
- Apple [AAPL:US] - Apple Jumps on Bullish iPhone Reports
- China Mobile [941:HK] - China Mobile Subscribers Rise 1.1% to 1.02 Bln in April
- Sands China [1928:HK] - Macau Labor Shortage Seen as Hurdle for Casino Expansion
- Royal Dutch Shell [RDS/A:US] - Cove Says Shareholders Should Accept Shell Offer

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MACRO NEWS

German, French Finance Chiefs Pledge Support for Greece Staying in Eurozone

German Finance Minister Wolfgang Schaeuble and his French counterpart, Pierre Moscovici, met in Berlin to prepare for an informal summit of European Union leaders Wednesday in Brussels. Schaeuble said Germany and France want Greece to remain in the 17-nation euro bloc after a second round of Greek parliamentary elections next month. But Schaeuble said a new Athens government must adhere to the austerity plan agreed to earlier this year in exchange for billions of dollars in new bailout funds. Schaeuble and Moscovici disagreed on a call by new French President Francois Hollande for the creation of eurobonds, debt jointly issued by the currency bloc as a way to boost economic growth throughout the region and cut the cost of borrowing for weaker governments. [\[Voice of America\]](#)

More Chinese Cities to Join VAT Trial: Report

More Chinese cities will implement a trial tax reform by replacing business tax with lower value-added tax, including Beijing, Tianjin, Chongqing, Xiamen and Shenzhen, the Shanghai Securities News reported Tuesday. Five provinces, including Jiangsu, Hunan, Hainan, Anhui and Fujian will also implement the tax reform, the paper added. The plan for the expansion will be announced at the end of May or June, and the trial should be rolled out by the second half of the year, the paper said. Chinese Premier Wen Jiabao said Sunday that government will speed up the expansion of the tax reform pilot begun in Shanghai, amid other remarks highlighting the importance of adjusting policies to avoid an economic slowdown. Under the program, certain industries in Shanghai had their business tax replaced with a lower value-added tax starting this year, as part of the country's broader tax reforms and efforts to selectively boost certain sectors without loosening overall macroeconomic policy too much. [\[MarketWatch\]](#)

CORPORATE NEWS

JPMorgan [JPM:US] - JPMorgan Halts Buybacks While Keeping Payout, Dimon Says

JPMorgan Chase & Co. suspended its daily stock repurchase program because the bank needs the money to meet international capital rules, not because of trading losses, CEO Jamie Dimon said. The quarterly dividend won't change, he said. JPMorgan agreed with regulators to increase capital levels to "what we think our Basel III target will be," Dimon said, referring to international bank rules that require the largest global financial companies to maintain higher capital levels. While Dimon said he intends to restart buybacks, he won't say when. "We want to box those things first," he said. The shares have fallen 20% since the loss was disclosed on May 10 and are trading below tangible book value, which is the estimated value of the company if it had to be liquidated today. [\[Bloomberg\]](#)

Apple [AAPL:US] - Apple Jumps on Bullish iPhone Reports

By the closing bell, Apple was up 5.8% at \$561.28. Several factors have weighed on the stock. A shortage of the type of 28-nanometer chips used in high-end smartphones, which would take at least a couple of quarters to work through and would likely depress overall smartphone shipments for the year. Another concern has been subsidies from wireless carriers such as AT&T and Verizon. While such subsidies have long existed in the wireless market, the high prices paid for the iPhone have weighed on the profit margins of the carriers. Goldman Sachs said reductions in smartphone subsidies are unlikely to significantly impact the Apple model or the longer-term value of the platform". Piper Jaffray maintained its iPhone shipment target, despite the risk of the 28-nanometer chip shortage. It said there is an 80% chance the company can meet the target of shipping nearly 50 million iPhone units in the December quarter, when he expects the company to launch the iPhone 5. [\[MarketWatch\]](#)

China Mobile [941:HK] - China Mobile Subscribers Rise 1.1% to 1.02 Bln in April

China, the world's largest mobile phone market, saw a 1.11% monthly increase in total mobile subscribers to 1.02 billion in April. The number of mobile subscribers in China has been growing steadily with handset vendors such as Apple Inc, Samsung Electronics Co Ltd, Huawei Technologies Co Ltd and ZTE Corp clamouring for more market share. China Mobile, the country's largest mobile carrier, said its mobile subscribers in April increased to 672.48 million, including 61.87 million 3G subscribers. Second-ranked China Unicom said mobile subscribers rose to 212.75 million, including 51.78 million 3G subscribers. Mobile subscribers at China Telecom climbed to 138.51 million, including 45.56 million for 3G subscribers. [\[Reuters\]](#)

Sands China [1928:HK] - Macau Labor Shortage Seen as Hurdle for Casino Expansion

Macau's \$34 billion gaming industry has an obstacle. With 28 million visitors and 21% economic growth last year, Macau is confronting a severe labor shortage. Casino operators such as Las Vegas Sands Corp., Wynn Resorts Ltd. and Hong Kong-traded Galaxy Entertainment Group Ltd. are having trouble finding workers as they seek to draw more of the Chinese tourists who drove gambling revenue up 42% last year. Rules requiring firms to hire staff from Macau's population of about half a million are driving up wages and have casino operators scrambling for card dealers, construction workers and executives. [\[Bloomberg\]](#)

Royal Dutch Shell [RDS/A:US] - Cove Says Shareholders Should Accept Shell Offer

British oil explorer Cove Energy said shareholders should accept a \$1.8 billion takeover offer from Royal Dutch Shell, with just days remaining before a deadline for the deal. "The board is mindful that, to date, Shell Bidco is the only firm bidder and that Shell Bidco has already secured the consent of the Government of Mozambique," Cove said in a statement on Monday. "The board of Cove strongly recommends its shareholders to tender their acceptances for the offer as soon as possible." Thailand's PTT Exploration and Production last month declined to rule itself out of the race [\[Reuters\]](#)