

Wednesday July 25, 2012

### Stock Markets Rap (as of Jul 20)

|            | Close  | Chg  | (%)  |
|------------|--------|------|------|
| MSCI World | 1,231  | -16  | -1.3 |
| Dow        | 12,823 | -121 | -0.9 |
| Nasdaq     | 2,925  | -41  | -1.4 |
| S&P 500    | 1,363  | -14  | -1   |
| Euro Stoxx | 2,237  | -65  | -2.8 |
| FTSE 100   | 5,652  | -62  | -1.1 |
| DAX        | 6,630  | -128 | -1.9 |
| CAC        | 3,194  | -70  | -2.1 |
| ASX 200    | 4,199  | -8   | -0.2 |
| Nikkei     | 8,670  | -126 | -1.4 |
| Shanghai   | 2,169  | -16  | -0.7 |
| Hang Seng  | 19,641 | +82  | +0.4 |
| H Shares   | 9,571  | +56  | +0.6 |

|             | Close | Chg | (%)  |
|-------------|-------|-----|------|
| FTSE ASEAN  | 567   | -2  | -0.3 |
| Singapore   | 3,016 | -13 | -0.4 |
| Thailand    | 1,209 | -4  | -0.4 |
| Malaysia    | 1,643 | -2  | -0.1 |
| Indonesia   | 4,081 | -15 | -0.4 |
| Philippines | 5,211 | +22 | +0.4 |
| Vietnam     | 424   | -4  | -0.9 |
| Lao PDR     | 1,006 | +9  | +0.9 |
| Cambodia    | 677   | 0   | 0    |

### Currencies Rap (as of Jul 20)

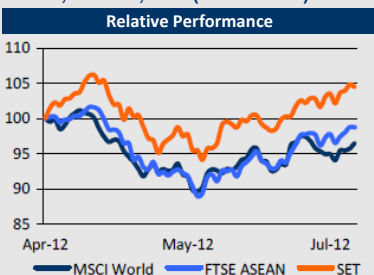
|         | Last     | Chg    | (%)   |
|---------|----------|--------|-------|
| DXY     | 83.48    | +0.59  | +0.72 |
| USD/EUR | 1.2157   | -0.01  | -1.19 |
| JPY/USD | 78.49    | -0.12  | -0.15 |
| THB/USD | 31.67    | +0.03  | +0.09 |
| VND/USD | 20,845   | +5     | +0.02 |
| LAK/USD | 8,018.00 | +2     | +0.02 |
| KHR/USD | 4,100.50 | +26.55 | +0.65 |
| MMK/USD | 877.72   | +5.22  | +0.6  |
| VND/THB | 658.61   | +0.39  | +0.06 |
| LAK/THB | 253.27   | -0.08  | -0.03 |
| KHR/THB | 129      | +0.5   | +0.39 |
| MMK/THB | 27.73    | +0.15  | +0.54 |

### Commodities Rap (as of Jul 20)

|        | Close    | Chg   | (%)   |
|--------|----------|-------|-------|
| Gold   | 1,582.80 | +2.4  | +0.15 |
| Silver | 27.3     | +0.09 | +0.31 |
| Copper | 344.8    | -8.65 | -2.45 |
| WTI    | 91.44    | -1.22 | -1.32 |
| Brent  | 106.83   | -0.97 | -0.9  |
| BDI    | 1,037    | -16   | -1.52 |

Source: Bloomberg

### World, ASEAN, SET (as of Jul 20)



Source: Bloomberg

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### MACRO NEWS

- Spain: Spain Debt Costs Seen Unjustified In Berlin Crisis Talks
- Japan: Japan Flags Yen-Sales Impact as BOJ Newcomer Sees Easing Scope
- China: IMF Says China Downside Risks Significant

### CORPORATE NEWS

- Apple [AAPL:US] - Apple's \$8.8bn profits disappoint
- AT&T [T:US] - AT&T Tops Profit Estimates After Paying Fewer Subsidies

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## MACRO NEWS

### Spain Debt Costs Seen Unjustified in Berlin Crisis Talks

German Finance Minister Wolfgang Schäuble and his counterpart from Madrid said Spain's borrowing costs don't reflect the strength of its economy as they pledged to work toward deeper integration to fight the debt crisis. "The current levels of interest rates on sovereign debt markets don't correspond to the fundamentals of the Spanish economy," Schäuble and Spanish Economy Minister Luis de Guindos said after meeting in Berlin yesterday in a joint statement that also praised Spain's deficit-cutting efforts. Spain's bank bailout and agreements made among European leaders at the end of June to build a so-called banking union should be implemented "quickly," they said. Spanish 10-year bond yields surged to a euro-era record of 7.64 percent yesterday, prompting policy makers to deny an international bailout was being prepared for the euro region's fourth-largest economy. After taking on as much as 100 billion euros (\$121 billion) of bailout loans to aid banks, Spain's government is struggling to maintain access to markets. [\[Bloomberg\]](#)

### Japan: Japan Flags Yen-Sales Impact as BOJ Newcomer Sees Easing Scope

Japan's Finance Ministry judged its record foreign-exchange intervention last year to have proved effective, while a newcomer to the central bank's board said it may be able to do more to stabilize the currency. The comments highlighted the risk of further action by policy makers to counter gains in the yen, which has climbed for four straight weeks against the dollar. Europe's debt crisis is undermining demand for Japanese exports and drove the currency to an 11-year high against the euro this week. Japanese Finance Minister Jun Azumi yesterday indicated increased concern at the yen's advance the government wants to sustain the economy's recovery after last year's tsunami and earthquake as weakness in European demand clouds the outlook for exporters. [\[Bloomberg\]](#)

### China: IMF Says China Downside Risks Significant

The International Monetary Fund said China's slowing economy faces significant downside risks and relies too much on investment, urging leaders to boost consumption and channel citizens' savings away from housing. Achieving a so-called "soft landing" is a key challenge, directors of the IMF executive board said in a statement released today. "China is well placed to respond forcefully, if needed, to a deterioration of the external environment, in particular through fiscal policy," the IMF said. It repeated an assessment that the yuan is "moderately" undervalued, which China disputed. The IMF's assessment highlights the tension between China's efforts to stem a six-quarter slowdown in economic growth and limiting threats to longer-term expansion by tilting more toward consumption. Leaders have cut interest rates and stepped up investment as the ruling Communist Party prepares for a once-a-decade leadership handover starting later this year. [\[Bloomberg\]](#)

## CORPORATE NEWS

### Apple [AAPL: US] – Apple Falls Short of Analysts' Predictions Amid iPhone Slump

Apple's profit and sales fell short of analysts' projections for only the second time since 2003 as customers held off on iPhone purchases while waiting for a new model to be introduced later in the year. Net income climbed 21 percent to \$8.82 billion, or \$9.32 a share, in the period that ended June 30, Cupertino, California-based Apple said today in a statement. Sales rose 23 percent to \$35 billion. Analysts had predicted profit of \$10.37 a share on revenue of \$37.2 billion, the average of estimates compiled by Bloomberg. Shares fell 6 percent in late trading. While Apple outgrew its closest technology-industry peers, the company's sales climbed at the slowest pace since mid-2009. As Chief Executive Officer Tim Cook prepares to overhaul the iPhone, the 26 percent drop in purchases from the second quarter shows how anticipation for the latest model can drag growth in the near term. [\[Bloomberg\]](#)

### AT&T Tops Profit Estimates After Paying Fewer Subsidies

AT&T the largest U.S. phone company, reported sluggish second-quarter sales after signing up fewer wireless customers, even as the slowdown boosted profit by lowering smartphone subsidy costs. Net income attributable to AT&T climbed 8.7 percent to \$3.9 billion, or 66 cents a share, from \$3.59 billion, or 60 cents, a year earlier, Dallas-based AT&T said today in a statement. Analysts projected 63 cents a share on average, according to data compiled by Bloomberg. Sales rose less than 1 percent to \$31.6 billion, compared with an estimate of \$31.7 billion. AT&T added 320,000 monthly contract customers, a smaller number than a year earlier. While the decline hurt sales growth, it meant the company doled out fewer dollars in subsidies -- the payments that make it easier for customers to afford the latest phones. The lack of a new iPhone from Apple Inc. (AAPL) contributed to the lull in subsidy payments, said Joe Bonner, an analyst with Argus Research in New York. "It's all related to the iPhone cycle," said Bonner, who has a hold rating on AT&T shares. "Margins go up without the iPhone, and they go down when they have to pay Apple all those subsidies." AT&T shares fell 2.1 percent to \$34.63 at the close in New York. The stock has climbed 15 percent this year. [\[Bloomberg\]](#)