

Tuesday May 29, 2012

Stock Markets Rap (as of May 28)

	Close	Chg	(%)
MSCI World	1,190	+2	+0.1
Dow	12,455	-	-
Nasdaq	2,838	-	-
S&P 500	1,318	-	-
Euro Stoxx	2,148	-14	-0.6
FTSE 100	5,356	+5	+0.1
DAX	6,323	-17	-0.3
CAC	3,043	-5	-0.2
ASX 200	4,068	+39	+1.0
Nikkei	8,593	+13	+0.1
Shanghai	2,361	+28	+1.2
Hang Seng	18,801	+88	+0.5
H Shares	9,648	+109	+1.1

	Close	Chg	(%)
FTSE ASEAN	531	+3	+0.6
Singapore	2,787	+14	+0.5
Thailand	1,140	+7	+0.6
Malaysia	1,555	+4	+0.2
Indonesia	3,919	+16	+0.4
Philippines	4,953	+27	+0.5
Vietnam	435	-2	-0.4
Lao PDR	996	0	0.0
Cambodia	785	0	0.0

Currencies Rap (as of May 28)

	Last	Chg	(%)
DX	82.40	0.00	0.00
USD/EUR	1.2583	+0.01	+0.53
JPY/USD	79.35	-0.33	-0.41
THB/USD	31.61	-0.06	-0.19
VND/USD	20,860	0.00	0.00
LAK/USD	8,025.00	0.00	0.00
KHR/USD	4,083.35	+10.95	+0.27
MMK/USD	841.07	-1.47	-0.18
VND/THB	660.17	+1.87	+0.28
LAK/THB	253.96	+0.70	+0.28
KHR/THB	128.50	0.00	0.00
MMK/THB	26.62	+0.03	+0.10

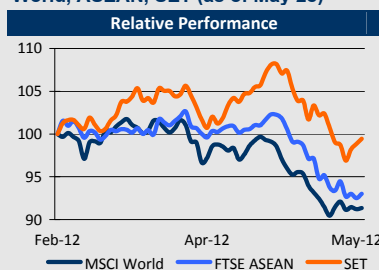
Commodities Rap (as of May 28)

	Close	Chg	(%)
Gold	1,571.20	-	-
Silver	28.39	-	-
Copper	344.80	-	-
WTI	90.86	-	-
Brent	107.11	+0.28	+0.26
BDI	1,012	-22	-2.13

Source: Bloomberg

*Dow, Nasdaq, S&P500 Index, Gold, Silver, Copper
WTI Futures as of May 25

World, ASEAN, SET (as of May 28)



Source: Bloomberg

MACRO NEWS

- Greece Pours \$22.6 Billion Into Four Biggest Banks
- Spain's Borrowing Costs Near Crisis Level
- China Stimulus May Be 2 Trillion Yuan, Credit Suisse Says
- China To Start Direct Yuan-Yen Trading From June 1

CORPORATE NEWS

- Citigroup [C:US] - Citigroup Completes Sale Of 10.1% Equity Interest In Akbank
- JPMorgan [JPM:US] - JPMorgan Injects \$394 Million in China Unit on Faster Growth
- BHP Billiton [BHP:US] - KKR Interest Cools in BHP Diamond Mine: Report

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MACRO NEWS

Greece Pours \$22.6 Billion Into Four Biggest Banks

Greece handed EUR18 billion (\$22.6 billion) to its four biggest banks on Monday allowing the stricken lenders to regain access to European Central Bank funding. The long-awaited injection—via bonds from the European Financial Stability Facility rescue fund—will boost the nearly depleted capital base of National Bank, Alpha, Eurobank and Piraeus Bank. Huge writedowns from a landmark restructuring to cut Greece's debt nearly erased the capital base of its biggest four banks, which rely on the ECB and the Bank of Greece to meet their liquidity needs, after savers began pulling their cash out on fears that Greece could go bankrupt and out of the euro zone. Last week the ECB stopped providing liquidity to some Greek banks because their capital base was depleted. [\[CNBC\]](#)

Spain's Borrowing Costs Near Crisis Level

Spain's borrowing costs have jumped as lingering worries over the state of the country's banking system and the cost to the state of nationalising Bankia continued to pound sentiment. Yields on Spain's 10-year government bonds on Monday moved above 6.50% once again -- moving closer to the 7% level that prompted bailouts for Greece, Portugal and Ireland. Spreads on Spanish 10-year bonds over German Bunds were also flirting with euro-era highs, climbing above 500 basis points. While Spain has taken action to deal with worries at Bankia, many analysts continue to believe the government has not gone far enough in addressing wider issues affecting the country's banks, which lent heavily during the property bubble and are sitting on an estimated €180bn of bad real estate loans. Last week Mariano Rajoy's government unveiled its latest plan to tackle problems in its banking system, announcing it would make an emergency €19bn injection in to Bankia, Spain's second-largest bank by domestic deposits. [\[CNN\]](#)

China Stimulus May Be 2 Trillion Yuan, Credit Suisse Says

The Chinese government's stimulus in response to the nation's economic slowdown will probably be as high as 2 trillion yuan (\$315 billion), half the size of 2008's package, Credit Suisse Group AG said. Spending on investment will range from 1 trillion yuan to 2 trillion yuan, compared with the 4 trillion yuan stimulus enacted in response to the global financial crisis, Tao Dong, a Hong Kong-based economist, said in a research note Monday. The government actions will aid a rebound in growth that may slow to 7% or "slightly below" this quarter, Tao said. China has sped up the approval process for major projects, the official Xinhua News Agency said in a report today. The country will also encourage greater private investment in banks, according to guidelines released by the China Banking Regulatory Commission in a statement posted on its website May 26. [\[Bloomberg\]](#)

China To Start Direct Yuan-Yen Trading From June 1

China's central bank has approved the China Foreign Exchange Trade System, an arm of the central bank, to launch direct trading of the yuan and the Japanese yen from June 1 to promote bilateral trade between the two countries, the CFETS said Tuesday. The daily central parity rate for the yuan versus the yen will be given by the weighted average of prices given by market makers from Friday. The move could help strengthen the financial cooperation of the two countries and lower companies' foreign-exchange fees, the People's Bank of China said in a separate statement Tuesday. [\[WSJ\]](#)

CORPORATE NEWS

Citigroup [C:US] - Citigroup Completes Sale Of 10.1% Equity Interest In Akbank

Citigroup Inc. said Friday it sold 404 million common shares in Turkish lender Akbank TAS, representing a 10.1% stake, for 5.24 Turkish lira per share. The U.S. bank said it expects proceeds from the transaction to total \$1.15 billion, resulting in an after-tax loss of about \$243 million in the second quarter. The deal will also generate about 23 basis points of Tier 1 Common capital under Basel III, it added. Citi also agreed with Akbank parent Sabanci Holding AS to hold its remaining 9.9% stake in Akbank's common shares for a three-year lock-up period following the sale, while the Turkish banking-to-retailing conglomerate agreed to waive its right of first offer regarding the sale of Citi's 10.1% stake. Citi and Sabanci also agreed to continue their strategic cooperation. [\[Dow Jones Newswires\]](#)

JPMorgan [JPM:US] - JPMorgan Injects \$394 Million in China Unit on Faster Growth

JPMorgan Chase & Co., the biggest U.S. bank, increased the capital of its China unit by 2.5 billion yuan (\$394 million) to meet rising demand for financial services in the world's fastest-growing major economy. The second infusion since the local subsidiary was incorporated in 2007 will bring its capital to 6.5 billion yuan, JPMorgan said Monday. The U.S. bank also received approval from the China Banking Regulatory Commission to open a branch in Suzhou. China is the world's third-biggest banking market, where local currency loans have grown by an average 22% a year since 2008. Foreign banks may lend a maximum of 10% of their net capital to a single borrower, which limited their participation in the three-year lending boom. JPMorgan's China unit earned 297.3 million yuan in 2011, compared with 70.4 million yuan a year earlier, according to its annual report. JPMorgan has branches in Beijing, Shanghai, Tianjin, Guangzhou, Chengdu and Harbin. The company also offers investment banking services in China through a joint venture with First Capital Securities Co. [\[Bloomberg\]](#)

BHP Billiton [BHP:US] - KKR Interest Cools in BHP Diamond Mine: Report

Private equity house KKR & Co. L.P. has cooled its interest in BHP Billiton Ltd.'s Ekati diamond mine in Canada, raising questions about demand for such assets, the Financial Times reported Sunday, citing unnamed sources. BHP said in November it was reviewing the Ekati mine, which industry participants say is worth between US\$750 million and US\$1.2 billion, the Financial Times said. The sale had also attracted initial interest from private equity firm Apollo Global Management, the newspaper reported. [\[MarketWatch\]](#)