

Wednesday May 30, 2012

Stock Markets Rap (as of May 29)

	Close	Chg	(%)
MSCI World	1,202	+11	+1.0
Dow	12,581	+126	+1.0
Nasdaq	2,871	+33	+1.2
S&P 500	1,332	+15	+1.1
Euro Stoxx	2,160	+12	+0.6
FTSE 100	5,391	+35	+0.6
DAX	6,397	+74	+1.2
CAC	3,085	+42	+1.4
ASX 200	4,114	+46	+1.1
Nikkei	8,657	+64	+0.7
Shanghai	2,390	+28	+1.2
Hang Seng	19,055	+254	+1.4
H Shares	9,858	+210	+2.2

	Close	Chg	(%)
FTSE ASEAN	533	+2	+0.3
Singapore	2,802	+15	+0.5
Thailand	1,154	+14	+1.2
Malaysia	1,565	+10	+0.7
Indonesia	3,919	+0	+0.0
Philippines	5,023	+70	+1.4
Vietnam	431	-4	-0.9
Lao PDR	998	+3	+0.3
Cambodia	785	0	0.0

Currencies Rap (as of May 29)

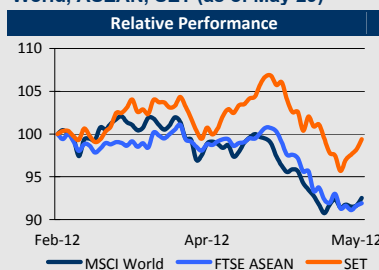
	Last	Chg	(%)
DXY	82.48	+0.08	+0.09
USD/EUR	1.2536	-0.00	-0.37
JPY/USD	79.53	+0.18	+0.23
THB/USD	31.73	+0.12	+0.38
VND/USD	20,850	-10.00	-0.05
LAK/USD	8,025.50	+0.50	+0.01
KHR/USD	4,099.15	+15.80	+0.39
MMK/USD	844.33	+3.26	+0.39
VND/THB	657.71	-2.47	-0.37
LAK/THB	253.01	-0.95	-0.37
KHR/THB	128.00	-0.50	-0.39
MMK/THB	26.62	+0.00	+0.01

Commodities Rap (as of May 29)

	Close	Chg	(%)
Gold	1,551.00	-20.20	-1.29
Silver	27.79	-0.59	-2.10
Copper	346.20	+1.40	+0.41
WTI	90.76	-0.10	-0.11
Brent	106.68	-0.43	-0.40
BDI	986	-26	-2.57

Source: Bloomberg

World, ASEAN, SET (as of May 29)



Source: Bloomberg

MACRO NEWS

- U.S. Home Prices Rise But Consumer Confidence Cools
- ECB Opposes Helping Fund Spain's Bankia
- Spain: Record Drop in Retail Sales Adds to Spain's Woes
- China State Council Has Approved Expansion of VAT Reform to Beijing - Source

CORPORATE NEWS

- China Construction Bank [939:HK]** - China Big Four Banks a Huge Buying Opportunity: Goldman
- JPMorgan [JPM:US]** - JPMorgan Chase Sells \$25 Billion In Securities To Offset 'London Whale' Losses
- Citigroup [C:US]** - Citigroup Kills Panel Overseeing Toxic-Asset Division
- Google [GOOG:US]** - Google, Samsung Unveil New Version of Chromebook

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MACRO NEWS

U.S. Home Prices Rise But Consumer Confidence Cools

U.S. home prices edged higher for the second month in a row in March as the housing recovery picked up traction, while gains in some of the hardest hit areas suggested the improvement was becoming more broad-based. But consumer confidence cooled in May to its lowest level in four months, separate data showed on Tuesday, as Americans turned gloomy about the job market and the economic outlook. The S&P/Case Shiller composite home price index of 20 metropolitan areas gained 0.1% in March on a seasonally adjusted basis, though it fell shy of economists' forecasts for a gain of 0.2%. The Conference Board showed consumer confidence fell to its lowest level since the start of the year, making for the third month of declines. The index of consumer attitudes fell to 64.9 from a downwardly revised 68.7 the month before, confounding expectations for a gain to 70.0. [\[CNBC\]](#)

ECB Opposes Helping Fund Spain's Bankia

European Central Bank officials signaled they would oppose any attempt to fund the €19 billion (\$23.8 billion) recapitalization of Spain's Bankia via the central bank's lending facilities. Spain has pledged the rescue of Bankia, its third-largest lender by assets, at a time when its finances are stretched to their breaking point and the government is desperately trying to ward off an international bailout. Spain's own bailout fund has only about €9 billion left and, though it can be replenished through debt issuance, recent auctions have seen soaring borrowing costs and falling demand. ECB officials have repeatedly said it is up to governments to fix problems in their domestic banking systems, not the ECB. [\[WSJ\]](#)

Spain: Record Drop in Retail Sales Adds to Spain's Woes

Retail sales dropped 9.8%y-o-y in April as the country battled against its second recession in three years and a 24.4% jobless rate that is expected to rise. The fall in sales was the 22nd straight monthly decline. The central bank predicts the economy will keep shrinking at least until the end of June, after contracting 0.3% in 1Q12, as Spain endures a double-dip recession. The government has predicted a 1.7% contraction for the whole of 2012. Bank of Spain governor Miguel Fernandez Ordonez announced after markets closed that he is stepping down a month before his term ends in mid-July. The central bank said in a statement that Ordonez decided a new governor should be in place by June 11, which is the deadline for Spanish banks to provide the government with their recovery plans as part of an expected wholesale reform of the country's financial system. [\[Associated Press\]](#)

China State Council Has Approved Expansion of VAT Reform to Beijing - Source

China's State Council, its cabinet, has approved the expansion of an experimental value-added tax reform to Beijing, a person with knowledge of the matter told Dow Jones Newswires on Tuesday. Under the reform program, implemented in Shanghai since the start of this year, certain service sectors have transitioned from paying a business tax, levied on total revenue, to a value-added tax, lowering their overall tax burden. The move amounts to the latest in a series of initiatives by the Beijing government to use fiscal policy to stimulate the economy. It is also consistent with China's long-term goal of economic restructuring to rely less on traditional manufacturing and more on emerging services industries. [\[WSJ\]](#)

CORPORATE NEWS

China Construction Bank [939:HK] - China Big Four Banks a Huge Buying Opportunity: Goldman

Worries over a slowdown in earnings growth have led investors to sell shares in Industrial and Commercial Bank of China (ICBC), Agricultural Bank of China (ABC), Bank of China (BOC) and China Construction Bank (CCB) in the recent months. Goldman Sachs has a buy call on ICBC, BOC and ABC, with a 12-month price target of HK\$7.00 (\$0.90), HK\$4.20 and HK\$4.90 respectively — marking 40-50% upside from current levels. [\[CNBC\]](#)

JPMorgan [JPM:US] - JPMorgan Chase Sells \$25 Billion In Securities To Offset 'London Whale' Losses

JPMorgan Chase & Co has sold an estimated \$25 billion of profitable securities in an effort to prop up earnings after suffering trading losses tied to the bank's now-infamous "London Whale," compounding the cost of those trades. CEO Jamie Dimon earlier this month said the bank sold corporate bonds and other securities, pocketing \$1 billion in gains that will help offset more than \$2 billion in losses. As a result, the bank will not have to report as big an earnings hit for the second quarter. Taxes on the gains, if calculated at the 38% tax rate that JPMorgan uses to illustrate its business to analysts, would mean a \$380 million cost to realize the gains. That would leave a net gain to earnings of \$620 million, or 16 cents a share. [\[Reuters\]](#)

Citigroup [C:US] - Citigroup Kills Panel Overseeing Toxic-Asset Division

Citigroup Inc., to have regulators reject its capital plan this year, dismantled a board committee created during the credit crisis to police the disposal of toxic and unwanted assets. About \$200 billion of such assets remained when directors broke up the Citi Holdings oversight panel last month under new Chairman Michael O'Neill. Assets in Citi Holdings have shrunk from about \$600 billion since Chief Executive Officer Vikram Pandit created the unit in 2009 after the bank almost collapsed. The division, with losses of \$19 billion since inception, still holds Spanish and Greek loans, overdue U.S. mortgages, bonds worth a fraction of face value and a consumer lender that Pandit has yet to sell. The loss at Citi Holdings widened to \$1.03 billion in 1Q12 from \$1.02 billion a year earlier. Credit Suisse analyst, estimates the unit's 2012 losses will climb 10% from last year to \$4.64 billion. [\[Bloomberg\]](#)

Google [GOOG:US] - Google, Samsung Unveil New Version of Chromebook

Google will try to win more converts to a computer operating system revolving around its popular Chrome Web browser with a new wave of lightweight laptops built by Samsung. Google's Chromebooks don't have a hard drive. They function like terminals dependent on an Internet connection. [\[AP\]](#)