

Wednesday April 4, 2012

Stock Markets Rap (as of Apr 3)

	Close	Chg	(%)
Dow	13,200	-65	-0.5
Nasdaq	3,114	-6	-0.2
S&P 500	1,413	-6	-0.4
VIX	15.66	+0.02	+0.1
MSCI World	1,317	-7	-0.6

	Close	Chg	(%)
FTSE 100	5,838	-37	-0.6
DAX	6,982	-74	-1.1
CAC	3,407	-56	-1.6
Euro Stoxx	2,392	-38	-1.6

	Close	Chg	(%)
ASX 200	4,337	+8	+0.2
Nikkei	10,050	-59	-0.6
Shanghai	2,263	+11	+0.5
HSI	20,791	+269	+1.3
H Shares	10,859	+201	+1.9

	Close	Chg	(%)
STI	3,015	-1	-0.0
Malaysia	1,607	+3	+0.2
PSEi	5,056	-54	-1.1
SET	1,211	+12	+1.0
LSX	1,005	-13	-1.3
Vietnam	446	+5	+1.1
Indonesia	4,215	+49	+1.2
FTSE ASEAN	586	+3	+0.6

Currencies Rap (as of Apr 3)

	Last	Chg	(%)
DX	79.36	+0.54	+0.69
THB/USD	30.81	-0.02	-0.06
LAK/THB	259.12	-0.24	-0.09
LAK/USD	7,983.50	-7.00	-0.09
USD/EUR	1.3339	+0.00	+0.01
JPY/USD	82.01	-0.68	-0.82

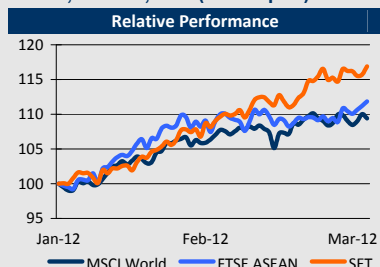
Commodities Rap (as of Apr 3)

	Close	Chg	(%)
Gold	1,672.00	-7.70	-0.46
Silver	33.27	+0.17	+0.50
Copper	391.90	-0.20	-0.05
WTI	104.01	-1.22	-1.16
Brent	124.86	-0.57	-0.45
BDI	931	-3	-0.32

Source: Bloomberg

* Shanghai SE Composite Index as of Mar 30

World, ASEAN, SET (as of Apr 3)



Source: Bloomberg

MACRO NEWS

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- Exxon Mobil [XOM:US]** - Obama Speeds Oil Output on U.S. Lands as Industry Complains
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MACRO NEWS

Fed Minutes Deflate Market Expectations of More Easing

Stocks slumped, bond yields rose, and the dollar strengthened, as traders saw no deeper commitment to easing in the Fed's March meeting minutes. Market expectations for more Fed easing—both quantitative easing or an extension of its 'operation twist'—have seesawed back and forth in the past several weeks. In the beginning of March, markets factored out quantitative easing based on comments from Fed Chairman Ben Bernanke that it might not be needed and that the economy was showing improvement. Barclays economists noted that the minutes showed that what was a "number" of FOMC members in December, became only a "couple" of members at the March meeting that said additional accommodation could be necessary. In January, it was a "few" members. [\[CNBC\]](#)

Spain Heading for Highest Debt Level in 22 Years

Spain's public debt will jump to its highest level since at least 1990 this year as the economy sinks into recession, the government said in its budget on Tuesday, worrying investors who sold Spanish bonds. Analysts say it will struggle to meet this year's deficit target despite new budget cuts. Investors are worried the euro zone's debt problems are returning, sending the premium they demand to hold Spanish and Italian bonds higher on Tuesday. Spain's debt-to-GDP ratio will soar to 79.8% in 2012, below the European average but a big rise from 68.5% last year, the budget documents showed. Spain must reduce its deficit to 5.3% of GDP this year and to the EU limit of 3% of GDP in 2013 from 8.5% last year. [\[Reuters\]](#)

China's Non-Manufacturing PMI Shows Healthy Growth

A revised version of China's non-Manufacturing Purchasing Managers' Index (PMI) that is seasonally adjusted showed the services sector grew last month to extend a healthy pace of expansion seen this year, with the index hitting 58 in March. The China Federation of Logistics and Purchasing said on Tuesday the revised services PMI rose in March from February's 57.3 and January's 55.7. The growth trend in the revised services PMI is markedly better than the original series, which was not seasonally adjusted and had shown the index falling to 48.4 in February from January's 52.9. [\[China Post\]](#)

China's Wen Says Bank Monopoly Must Be Broken: State Media

China's state banks make money "far too easily" and their monopoly on financial services has to be broken if cash-starved private enterprises are to get timely access to capital, state media cited Premier Wen Jiabao as saying on Tuesday. "Frankly, our banks make profits far too easily. Why? Because a small number of major banks occupy a monopoly position, meaning one can only go to them for loans and capital," China National Radio quoted Wen as telling local businesses. "That's why right now, as we're dealing with the issue of getting private capital into the finance sector, essentially, that means we have to break up their monopoly," The Big Four banks, including Industrial and Commercial Bank of China, Bank of China, Agricultural Bank of China and China Construction Bank, have long maintained a stranglehold on virtually every aspect of the financial services industry. [\[Reuters\]](#)

CORPORATE NEWS

Apple [AAPL:US] - Apple Shares Boosted By Brokerage Calls

Apple Inc. got a boost Tuesday from a trio of bullish broker notes—one of which predicted that the high-flying stock could hit the \$1,000 mark within the next couple of years. Analysts for Piper Jaffray and J.P. Morgan raised their price targets on Apple before Tuesday's opening bell. Both firms already rate the stock as a buy. Another broker—Auriga USA—initiated the stock at a buy rating. "We believe shares of Apple will reach \$1,000 in 2014, which would imply a roughly \$1 trillion dollar market cap, the first in history," Piper analyst Gene Munster wrote in a note to clients. Mark Moskowitz of J.P. Morgan raised his price target on Apple to \$715 from \$625, citing iPhone and iPad sales as "key drivers" of the company's results. [\[WSJ\]](#)

Exxon Mobil [XOM:US] - Obama Speeds Oil Output on U.S. Lands as Industry Complains

The Obama administration will speed permitting for oil- and natural-gas drilling on federal lands to lure more fracking and rebut Republican and industry complaints the government is blocking energy production. Companies such as Chevron Corp. and Exxon Mobil Corp. are buying leases in states including Pennsylvania and North Dakota to extract oil and gas using hydraulic fracturing. The American Petroleum Institute, the largest industry trade group, has said most of the new U.S. production is on private property because permits for federal land take longer to acquire. [\[Bloomberg\]](#)

JPMorgan [JPM:US] - JPMorgan Lead Over Morgan Stanley Widening on Rating Cuts

Morgan Stanley and UBS may be lowered three grades, Moody's said Feb. 15, and Citigroup Inc. and Bank of America Corp. could join Morgan Stanley at Baa2, two levels above junk. The cuts would raise funding and collateral costs, making the lowest-rated firms less desirable counterparties in over-the-counter derivatives trades, according to analysts and executives. That may push more business to JPMorgan Chase & Co. (JPM) and Deutsche Bank AG, which would be the highest-rated firms among the top nine global investment banks if Moody's goes through with its maximum reductions. Those two firms already have the highest market share in fixed-income trading and had the biggest gains in share last year as investors grappled with fears about global contagion from Europe's debt crisis. [\[Bloomberg\]](#)

PetroChina [857:HK] - Temasek, RRJ Buy Half of PetroChina Unit's \$1.3 Bln Offer

Singapore state investor Temasek Holdings and private equity firm RRJ Capital bought nearly half of the shares in the \$1.34 billion offering by PetroChina Co's unit Kunlun Energy Co Ltd, two sources with direct knowledge of the deal said on Tuesday. Temasek and RRJ, founded by Malaysia-born dealmaker Richard Ong, snapped up \$600 million worth of shares in the deal, said the sources. [\[Reuters\]](#)