

August 7, 2012

Stock Markets Rap

	Close	Chg	(%)
MSCI World	1,267.85	8.2	0.7%
Dow	13,117.51	0.0	0.2%
Nasdaq	2,989.91	22.0	0.7%
S&P 500	1,394.23	3.2	1.6%
Euro Stoxx	2,974.68	47.7	1.6%
FTSE 100	9,073.88	23.7	0.3%
DAX	8,586.13	92.6	1.1%
CAC	4,221.34	47.1	1.1%
ASX 200	4,477.46	59.8	1.4%
Nikkei	111.62	2.8	2.6%
Shanghai	338.02	3.4	1.0%
Hang Seng	2,578.62	42.8	1.7%
H Shares	1,265.27	19.6	1.6%
	Close	Chg	(%)
FTSE ASEAN	575.03	3.4	0.6%
Singapore	2,476.48	20.9	0.9%
Thailand	1,188.62	1.0	0.1%
Malaysia	1,639.43	4.4	0.3%
Indonesia	4,105.50	5.7	0.1%
Philippines	5,284.16	-1.8	-0.0%
Vietnam	423.16	5.0	1.2%
Lao PDR	1,025.56	9.2	0.9%
Cambodia	698.92	0.0	0.0%

Currencies Rap

	Last	Chg	(%)
DX	82.27	-0.1	-0.1%
USD/EUR	1.24	-0.0	-0.3%
JPY/USD	78.29	-0.2	-0.2%
THB/USD	31.49	0.0	0.0%
VND/USD	20,855.00	-10.0	-0.0%
LAK/USD	8,012.00	-6.0	-0.1%
KHR/USD	4,077.25	-29.6	-0.7%
MMK/USD	873.97	-7.3	-0.8%
VND/THB	662.05	1.1	0.2%
LAK/THB	254.35	0.3	0.1%
KHR/THB	662.05	1.1	0.2%
MMK/THB	27.75	-0.2	-0.7%

Commodities Rap

	Close	Chg	(%)
Gold	1,608.24	4.69	0.3%
Silver	27.74	-0.06	-0.2%
Copper	3.39	0.02	0.6%
WTI	92.20	0.80	0.9%
Brent	109.55	0.61	0.6%
BDI	843.00	-9.00	-1.1%

World, ASEAN, SET

Relative Performance



KT Zmico Research
Research@ktzmico.com
66 (0) 2695-5000

MACRO NEWS

- US: Bank Loans at Post-Recession Peak Support U.S. Growth
- Indonesia: Domestic demand of Indonesia's economy boosts expansion

CORPORATE NEWS

- Morgan Stanley [MS: US] - Morgan Stanley Had Trading Losses 15 Days in Last Quarter
- Apple [AAPL: US] - Apple to Drop Google's YouTube From New Version of IOS

MACRO NEWS

Bank Loans at Post-Recession Peak Support U.S. Growth

Banks in the U.S. are lending the most since the recession ended in June 2009, supporting an economy weighed down by 8.3 percent unemployment. Borrowing by consumers and businesses rose in the week ended July 25 to \$7.1 trillion, within 2.9 percent of its October 2008 peak, according to Federal Reserve data. New lending for autos jumped to \$134.3 billion in the first four months of the year, up 56 percent from the same period in 2009, according to credit bureau Equifax Inc. (EFX) The increase in lending may prevent the economy from slowing further after growth cooled to a 1.5 percent annual pace of growth in the second quarter. While the Fed last week moved closer to expanding its record stimulus, the figures on credit indicate that 43 months of near-zero interest rates may finally be giving the economy the jolt it needs, said Jim Paulsen, who helps oversee \$320 billion as chief investment strategist at Wells Capital Management in Minneapolis. "Many pieces of the credit-creation process are starting to work again," Paulsen said. "Banks are lending, people are borrowing, housing prices are going up and a sense of normality is returning." Among the reasons for the pickup in lending: Households, whose spending makes up 70 percent of the economy, have cut debt since the 2008-09 credit crisis, while banks have increased liquidity and bolstered capital buffers. Credit requirements for buyers of new and used cars have eased. [Bloomberg]

Indonesia's economy: Domestic demand boosts expansion

Indonesia's economy expanded more than expected in the second quarter as domestic consumption helped offset a decline in demand for exports. Between April and June, the economy grew by 6.4% from a year earlier. Analysts had expected growth of 6.1%. Economists said low interest rates, stable consumer price growth and strong consumer and business confidence had helped boost domestic demand. Indonesia is South East Asia's largest economy. "As per today's data, Indonesia remains one of the fastest growing, and perhaps more importantly, one of the most stable economies in Asia," said Taimur Baig, an economist with Deutsche Bank. Domestic consumption accounts for almost 60% of Indonesia's overall economy. [BBC]

CORPORATE NEWS

Morgan Stanley Had Trading Losses 15 Days in Last Quarter

Morgan Stanley (MS), which had the largest trading-revenue drop among major U.S. banks last quarter, lost money in that business on 15 days in the period, up from eight days a year earlier. The firm's traders generated more than \$100 million on three days in the period, compared with seven days in the second quarter of 2011, the New York-based company said today in a regulatory filing. None of the daily losses exceeded the firm's value-at-risk, a measure of how much the bank estimates it could lose on 95 percent of days. Morgan Stanley had a 48 percent year-over-year decrease in trading revenue, excluding accounting gains, led by a 60 percent drop in fixed-income revenue. Chief Financial Officer Ruth Porat, 54, said last month that some clients shied away from doing business with the bank as they waited to see whether Moody's Investors Service would cut the firm's credit rating two or three grades. Moody's lowered the assessment two levels in June. Trading revenue accounted for 40 percent of the firm's total in 2011. Chief Executive Officer James Gorman, 54, said last month he will shrink the fixed-income trading business to free up capital. He plans to reduce so-called risk-weighted assets in the unit by 30 percent from the third quarter of 2011 through the end of 2014. Bank of America Corp. (BAC), the second-largest U.S. lender, said in a filing last week that it recorded trading losses on three days in the quarter, with the largest loss at \$11 million. [Bloomberg]

Apple to Drop Google's YouTube From New Version of IOS

Apple Inc. (AAPL) said Google Inc. (GOOG)'s YouTube won't be included in the next version of the software used in the iPhone and iPad, the latest evidence of escalating competition between the two companies. Apple has featured YouTube as a core application since the iPhone debuted in 2007. As Google has pushed into the market with its Android software -- now the most-used smartphone operating system -- the relationship between the two companies frayed. Apple also plans to replace Google's maps application with its own in the next iOS release. "Their two ecosystems are pulling away from each other," said Carl Howe, an analyst at Yankee Group. "This is two companies agreeing they just don't want to work together anymore." Users will see the effects when the next version of Apple's mobile software, called iOS 6, debuts later this year. A license expired that let the company to include YouTube, said Trudy Muller, a spokeswoman for Cupertino, California-based Apple. As a result, the YouTube app won't come pre-installed on future iPhone, iPad and iPod Touch releases or if a user downloads iOS 6 to existing devices. Customers who want to view YouTube on an iPhone will have to access it through Apple's Safari Web browser or an application downloadable from the App Store. Apple is scheduled to unveil the next iPhone -- which is expected to feature the latest iOS version -- at an event on Sept. 12, two people familiar with the plans said last month. [Bloomberg]