

Wednesday January 4, 2012

NEWS UPDATE

Stock Markets Rap (as of Jan 3)

	Close	Chg	(%)
Dow	12,397	+180	+1.5
Nasdaq	2,649	+44	+1.7
S&P 500	1,277	+19	+1.5
Global Dow	1,849	+35	+1.9
VIX	22.97	-0.43	-1.8

	Close	Chg	(%)
FTSE 100	5,700	+128	+2.3
DAX	6,167	+91	+1.5
CAC	3,245	+23	+0.7

	Close	Chg	(%)
ASX 200	4,101	+45	+1.1
Nikkei	8,455	+56	+0.7
Shanghai	2,199	+26	+1.2
HSI	18,877	+443	+2.4
H Shares	10,235	+299	+3.0
FTSE STI	2,688	+42	+1.6
SET	1,025	+1	+0.1
LSX	898	-1	-0.1
Vietnam	350	-2	-0.4

Currencies Rap (as of Jan 3)

	Last	Chg	(%)
DXY	79.66	-0.62	-0.77
THB/USD	31.46	-0.04	-0.13
THB/LAK	255.07	+0.32	+0.13
LAK/USD	8,024.50	-2.00	-0.02
USD/EUR	1.3035	+0.01	+0.68
JPY/USD	76.72	-0.19	-0.25

Commodities Rap (as of Jan 3)

	Close	Chg	(%)
Gold	1,600.50	+33.70	+2.15
Silver	29.57	+1.66	+5.94
WTI	102.96	+4.13	+4.18
Brent	112.13	+4.75	+4.42
BDI	1,624	-114	-6.56

Source: Bloomberg

* Nikkei 225, Shanghai and SET Index as of Dec 30

Manufacturing in U.S. Grows by Most in Six Months: Economy

U.S. factories expanded in December at the fastest pace in six months, adding to evidence manufacturing is improving from India to the U.K. entering 2012. The Institute for Supply Management's factory index climbed to 53.9 last month from 52.7 in November. Fifty is the dividing line between growth and contraction, and economists forecast the gauge would rise to 53.5. Manufacturing figures from around the world today showed the industry is surviving the strains from Europe's sovereign debt crisis. India's manufacturing grew at the fastest pace in six months and a Chinese factory gauge rose by more than economists expected. A gauge of Swiss manufacturing rose to 50.7 in December, the first reading above 50 since August. A U.K. index rose to 49.6 from a revised 47.7. [\[Bloomberg\]](#)

China Dec Services PMI Rebounds - CFLP

The official Purchasing Managers Index for non-manufacturing sectors rebounded strongly to 56.0 from 49.7 in November, the China Federation of Logistics and Purchasing (CFLP) said on Tuesday. Coupled with a slight expansion of PMI in the vast manufacturing sector in December, the index showed that the slowdown may be modest, even though pro-growth policies were still expected. [\[Reuters\]](#)

Fed to Release Forecast for Fed Funds Rate

Federal Reserve officials will start announcing their own forecasts for the central bank's key interest rate in the latest step in Chairman Ben S. Bernanke's drive for greater transparency. "Participants decided to incorporate information about their projections of appropriate monetary policy" into their Summary of Economic Projections starting with their next meeting on Jan. 24-25. Fed officials will show investors their forecast for the federal funds rate in the fourth quarter of 2012 and the next few calendar years, and over the longer run. The quarterly forecasts will accompany projections for growth, the unemployment rate and inflation, already released four times each year. [\[Bloomberg\]](#)

German Unemployment Falls More Than Expected

German unemployment fell more than expected in December, with the jobless rate falling to the lowest level since the unification of Germany two decades ago, data showed on Tuesday. Unemployment fell by 22,000 on the month in December, the Federal Labour Office said, while the adjusted jobless rate fell to 6.8% from 6.9% in November. The median forecasts in a Reuters poll of economists were for a drop of 10,000 and for the rate to remain steady at 6.9%. [\[Reuters\]](#)

World's Biggest Economies Face \$7.6 Trillion Bond Tab as Rally Seen Fading

Governments of the world's leading economies have more than \$7.6 trillion of debt maturing this year, with most facing a rise in borrowing costs. Led by Japan's \$3 trillion and the U.S.'s \$2.8 trillion, the amount coming due for the Group of Seven nations and Brazil, Russia, India and China is up from \$7.4 trillion at this time last year, according to data compiled by Bloomberg. Ten-year bond yields will be higher by year-end for at least seven of the countries, forecasts show. The amount needing to be refinanced rises to more than \$8 trillion when interest payments are included. [\[Bloomberg\]](#)

Gold Rallies Most in 10 Weeks on Iran, Dollar

Gold futures jumped the most in 10 weeks on demand for a haven following a report that Iran produced its first nuclear-fuel rod. Silver surged the most in five months as the dollar's decline spurred a commodity rally. A domestically-made rod was inserted into the core of Tehran's atomic-research reactor, the Iranian Students News Agency said yesterday. The dollar fell against a basket of currencies as global manufacturing expanded, spurring demand for raw materials perceived as riskier assets. [\[Bloomberg\]](#)

Oil Jumps 4 Percent on Iran Anxiety

Oil prices surged on Tuesday, with U.S. crude hitting the highest settlement since May, fueled by strong economic data from the United States and China and mounting concern about supply disruption from Iran. Brent crude jumped \$5 in late activity as markets latched on to data showing U.S. construction spending near a 1-1/2 year peak in November and China manufacturing data that eased concerns of a slowdown in the world's No. 2 oil consumer. Tuesday's gains on the first day of trading in the new year added to Brent's 13% rise in 2011, with support in recent weeks coming from Iranian threat's to choke of crude oil shipments through the strategic Strait of Hormuz in Tehran's ongoing standoff with the West. [\[Reuters\]](#)

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