

Tuesday January 17, 2012

GLOBAL NEWS

Stock Markets Rap (as of Jan 16)

	Close	Chg	(%)
Dow	12,422	-49	-0.4
Nasdaq	2,711	-14	-0.5
S&P 500	1,289	-6	-0.5
Global Dow	1,842	+2	+0.1
VIX	20.91	+0.44	+2.1

	Close	Chg	(%)
FTSE 100	5,657	+21	+0.4
DAX	6,220	+77	+1.3
CAC	3,225	+29	+0.9

	Close	Chg	(%)
ASX 200	4,147	-49	-1.2
Nikkei	8,378	-122	-1.4
Shanghai	2,206	-38	-1.7
HSI	19,012	-192	-1.0
H Shares	10,490	-147	-1.4
FTSE STI	2,756	-35	-1.3
SET	1,037	-8	-0.7
LSX	910	+16	+1.8
Vietnam	358	+4	+1.0

Currencies Rap (as of Jan 16)

	Last	Chg	(%)
DXY	81.48	-0.04	-0.04
THB/USD	31.89	+0.12	+0.38
THB/LAK	251.79	-0.79	-0.31
LAK/USD	8,029.50	+5.00	+0.06
USD/EUR	1.2673	-0.00	-0.04
JPY/USD	76.77	-0.11	-0.14

Commodities Rap (as of Jan 16)

	Close	Chg	(%)
Gold	1,630.80	-16.90	-1.03
Silver	29.52	-0.60	-2.00
WTI	98.70	-0.40	-0.40
Brent	111.20	+0.76	+0.69
BDI	1,013	-40	-3.80

Source: Bloomberg

*Dow, Nasdaq, S&P 500, VIX for S&P 500,
Gold Futures, Silver Futures and WTI as of Jan 13

EFSF Loses AAA Rating After S&P Downgrades of France, Austria

The European Financial Stability Facility, the euro area's bailout fund, lost its top credit rating at Standard & Poor's after earlier downgrades of France and Austria. The rating was cut to AA+ from AAA, S&P said Monday in a statement and removed the facility from CreditWatch with negative implications. S&P had said on Dec. 6 that the loss of an AAA rating by any of EFSF's guarantors may lead to a downgrade. The EFSF, designed to fund rescue packages for Greece, Ireland and Portugal partially with bond sales, owed its AAA rating to guarantees from its sponsoring nations. Two of those sovereigns, France and Austria, were cut on Jan. 13 to AA+ from AAA by S&P, which also downgraded seven other euro countries. [\[Bloomberg\]](#)

French Bonds Rise as Costs Drop at Sale; Portuguese Debt Slumps

French bonds advanced as borrowing costs fell at the nation's first debt sale since Standard & Poor's stripped it of its top credit rating and cut the grades of eight other euro-area countries. Portuguese bond yields reached a record after they were downgraded by S&P to the second-highest non-investment grade, with a negative outlook, and Citigroup Inc. said the nation's debt will be removed from its European Government Bond Index. France sold 1.895 billion euros (\$2.41 billion) of one-year bills at a yield of 0.406%, down from 0.454% on Jan. 9. The Portuguese bond's decline pushed the rate as much as 203 basis points higher to 14.48%, the most since Bloomberg began collecting the data in 1997. The price fell to 48.69% of face value. Two-year note yields climbed 311 basis points to 15.78%. [\[Bloomberg\]](#)

UK, Hong Kong Team up to Boost London as Yuan Centre

Britain is teaming up with Hong Kong to secure London a top spot as an offshore trading centre for the Chinese currency, as the UK aims to boost trade and investment ties with fast-growing Asian markets. Britain's finance ministry and the Hong Kong Monetary Authority (HKMA) would facilitate a private-sector forum to explore synergies, specifically looking at clearing and settlement systems, market liquidity and the development of new products denominated in yuan. Britain won the Chinese government's backing for London to become an offshore trading centre for the yuan last year. [\[Reuters\]](#)

China Economic Growth May Slow to 10-Quarter Low as Worse to Come: Economy

China's economy probably grew the least in 10 quarters in 4Q11 and may cool further as export demand slumps and officials prolong a campaign against property bubbles. GDP rose 8.7% from a year earlier, the slowest pace since the second quarter of 2009, according to the median forecast. [\[Bloomberg\]](#)

INDOCHINA NEWS

Malaysia's RHB Plans Takeover of OSK Unit

Malaysia's RHB Capital Bhd. plans to take over OSK Holdings Bhd.'s financial-services arm in a deal worth up to \$605 million that would make RHB the country's largest brokerage by market share, people familiar with the situation said. The planned takeover of OSK Holdings' financial businesses through an all-stock transaction also would vault RHB past Hong Leong Bank Bhd. to become the country's fourth-largest bank by assets. As part of the deal, RHB will take over OSK's investment-banking business and other operations, including its brokerage and overseas assets such as a commercial bank in Cambodia, the people said. The deal could be valued between 1.6 billion Malaysian ringgit (\$511 million) and 1.9 billion ringgit. [\[WSJ\]](#)

Thailand: Hydrotek Looking to Tap Markets in Indochina

Hydrotek Plc (Hydro), the MAI-listed water company, expects its international tap- and waste-water treatment services will contribute 40% of revenue over the next three years. Its international focus is on Asean countries, especially Myanmar, Laos and Cambodia, as well as Oman in the Middle East, said chief executive Slib Soongswang. Hydro held a preliminary talk with the Yangon City Development Committee during the weekend to provide tap water for the old capital of Myanmar. [\[Bangkok Post\]](#)

Vietnamese Banks Keen to Invest in Cambodia

Many Vietnamese banks are planning to invest in Cambodia because a more favourable climate for growth is expected this year. Maritime Bank and Sai Gon – Ha Noi Commercial Bank (SHB) are setting up bank branches in Cambodia, with Maritime opening wholly foreign-invested branches this year. The bank is also considering opening joint ventures that operate in securities, insurance, remittances and financial leasing sector in Laos and Cambodia. [\[Asia News Network\]](#)

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