

Monday December 26, 2011

NEWS UPDATE

Stock Markets Rap (as of Dec 23)

	Close	Chg	(%)
Dow	12,294	+124	+1.0
Nasdaq	2,619	+19	+0.7
S&P 500	1,265	+11	+0.9
Global Dow	1,803	+12	+0.7
VIX	20.73	-0.43	-2.0

	Close	Chg	(%)
FTSE 100	5,513	+56	+1.0
DAX	5,879	+27	+0.5
CAC	3,102	+30	+1.0

	Close	Chg	(%)
ASX 200	4,140	+50	+1.2
Nikkei	8,395	-65	-0.8
Shanghai	2,205	+18	+0.8
HSI	18,629	+251	+1.4
H Shares	10,133	+188	+1.9
FTSE STI	2,676	+12	+0.4
SET	1,037	-5	-0.5
LSX	915	+8	+0.9
Vietnam	356	-4	-1.2

Currencies Rap (as of Dec 23)

	Last	Chg	(%)
DXY	79.93	-0.03	-0.04
THB/USD	31.30	+0.04	+0.13
THB/LAK	256.34	-0.20	-0.08
LAK/USD	8,023.50	+4.00	+0.05
USD/EUR	1.3044	-0.00	-0.11
JPY/USD	78.09	-0.02	-0.03

Commodities Rap (as of Dec 23)

	Close	Chg	(%)
Gold	1,606.00	-4.60	-0.29
Silver	29.08	+0.04	+0.13
WTI	99.68	+0.15	+0.15
Brent	107.96	+0.07	+0.06
BDI	1,738	-49	-2.74

Source: Bloomberg

* Nikkei 225 Index as of Dec 22

U.S. Personal Spending, Durable Goods Orders Rise

U.S. consumer spending rose less than forecast in November as wages declined for the first time in three months. Purchases rose 0.1%, Commerce Department figures showed Friday. Incomes also grew 0.1%, the weakest in three months. Meanwhile, orders for U.S. durable goods rose 3.8% in November after no change in the prior month. [\[Bloomberg\]](#)

US: New Home Sales at 7-Month High in November

New U.S. single-family home sales rose to a seven-month high in November and the months' supply of houses on the market was the lowest in 5-1/2 years, adding to signs of a budding recovery in the sector. Coming on the heels of data last week showing a rise in sales of previously owned homes and surge in housing starts, the report implied a recovery was starting to take shape in the housing market. [\[Reuters\]](#)

Italian Yields Drift Back Above 7%

Italian bond yields rose above 7% on Friday as worries about the government's debt problems resurfaced. The yield on 10-year Italian government bonds edged up to 7.04%, after falling below 6% earlier this month. Italian yields first topped 7% in November amid fears that Italy could fall victim to the same debt crisis that led to bailouts for Greece, Ireland and Portugal. But yields dropped sharply in the first week of December on hopes for a comprehensive solution to the eurozone debt crisis. The uptick Friday comes one day after the Italian Senate gave final approval to a €30 billion package of austerity measures backed by newly-appointed Prime Minister Mario Monti, according to local media reports. [\[CNN Money\]](#)

REFILE-S&P Report on Euro Zone Ratings Expected in Jan -Sources

Standard & Poor's is expected to release its eagerly awaited verdict on debt ratings for 15 euro zone countries in January, two independent European government sources told Reuters. "We have got an informal signal from Standard & Poor's that they will come only in January," said one source who declined to be named because exchanges with the rating agency are confidential. [\[Reuters\]](#)

China Likely to Further Cut Reserve Requirements Next Year

China will further cut reserve requirements in 2012 to pump liquidity into the country's banking system, but that will not indicate a shift in the country's monetary policy, a senior economist said Sunday. Wu Xiaoling, a former deputy governor of the People's Bank of China, the country's central bank, said at a forum that China will use the tool of reserve requirements more frequently in macroeconomic regulation next year. [\[Xinhua\]](#)

China, Japan to Back Direct Trade of Currencies

Japan and China will promote direct trading of yen and yuan without using dollars and will encourage the development of a market for the exchange, to cut costs for companies, the Japanese government said. Japan will also apply to buy Chinese bonds next year, the Japanese government said after a meeting between Prime Minister Yoshihiko Noda and Chinese Premier Wen Jiabao in Beijing. [\[Bloomberg\]](#)

Japan to Ask Myanmar to Join Bilateral Pact: Kyodo

Japan's foreign minister will suggest that Myanmar enter negotiations on a bilateral investment accord when he holds talks with the country's top officials next week, Kyodo News reported Sunday. Japanese Foreign Minister Koichiro Gamba is traveling to Myanmar Sunday to meet his counterpart, Win Aung Myint, as well as the president this week. In Naypyitaw, Gamba will discuss the investment accord, which would promote cross-border investment and allow trade disputes to be settled under international frameworks, Kyodo said, citing a government source. [\[Reuters\]](#)

Myanmar Approves Transferring Money of Migrant Workers via Private Banks

Myanmar Ministry of Finance and Revenue has given green light to proposals of authorized dealer license holder banks to handle transferring of remittance for workers in Singapore, Thailand and Malaysia to their families in the country, an official daily report Saturday. Meanwhile, Myanmar has exempted its citizens living abroad from paying income tax in foreign currency out of their salary earning there which will be effective from Jan. 1, 2012. On Nov. 25, the Central Bank of Myanmar has granted 11 private banks to trade foreign currencies in line with rules and regulations set by the Central Bank of Myanmar. [\[Xinhua\]](#)

Thanawat Patchimkul

Global Strategist

Email: thanawatp@ktzmico.com

Tel: + 66 2 673 5300

Assisted by

Denruthai Krishnamra