

Wednesday December 28, 2011

NEWS UPDATE

Stock Markets Rap (as of Dec 27)

	Close	Chg	(%)
Dow	12,291	-3	-0.0
Nasdaq	2,625	+7	+0.3
S&P 500	1,265	+0	+0.0
Global Dow	1,804	-1	-0.1
VIX	21.91	+1.18	+5.7

	Close	Chg	(%)
FTSE 100	5,513	+56	+1.0
DAX	5,890	+11	+0.2
CAC	3,103	+1	+0.0

	Close	Chg	(%)
ASX 200	4,140	+50	+1.2
Nikkei	8,441	-39	-0.5
Shanghai	2,166	-24	-1.1
HSI	18,629	+251	+1.4
H Shares	10,133	+188	+1.9
FTSE STI	2,674	-3	-0.1
SET	1,028	-4	-0.4
LSX	899	-8	-0.9
Vietnam	348	-5	-1.4

Currencies Rap (as of Dec 27)

	Last	Chg	(%)
DXY	79.84	-0.09	-0.11
THB/USD	31.44	+0.12	+0.38
THB/LAK	255.14	-0.98	-0.38
LAK/USD	8,203.50	0.00	0.00
USD/EUR	1.3076	+0.00	+0.06
JPY/USD	77.88	-0.05	-0.06

Commodities Rap (as of Dec 27)

	Close	Chg	(%)
Gold	1,595.50	-10.50	-0.65
Silver	28.74	-0.34	-1.18
WTI	101.34	+1.66	+1.67
Brent	109.27	+1.31	+1.21
BDI	1,738	-49	-2.74

Source: Bloomberg

*FTSE 100, ASX 200, Hang Seng, H Shares, BDI as of Dec 23

US: Consumer Confidence Perks Up, House Prices Sag

Improving labor market conditions lifted U.S. consumer confidence to an eight month high in December, but persistently weak house prices remain an obstacle to faster economic growth. The sharp rise in sentiment reported by the Conference Board on Tuesday offered hope for a pick-up in consumer spending after an anemic performance in November. The Conference Board's index of consumer confidence rose to 64.5 this month from 55.2 in November, beating economists' expectations for a reading of 58.3. A separate report from Standard & Poor's/Case-Shiller showed house prices in 20 major metropolitan areas declined 1.2% on an unadjusted basis in October after falling 0.7% the prior month. [\[Reuters\]](#)

ECB Reports Record Cash Deposits From Banks

The European Central Bank (ECB) has reported receiving record cash deposits of 412bn euros (£344bn; \$539bn). The total beat the previous record of 384bn euros set in June 2010. The rising usage of the ECB deposit facility since the summer reflects nervousness among Europe's banks about lending the money to each other. The latest jump in deposits comes from cash lent to the banks by the ECB itself last week in order to ward off a fresh banking crisis and credit crunch. The central bank provided 489bn euros of its new three-year loans just before Christmas, of which banks used some 200m euros to repay existing debts. The rest has gone into cash accounts, including the deposit facility. [\[BBC\]](#)

Oil Extends Longest Rally Since 2010

Oil capped its longest rally in more than a year as Iran threatened to block transportation through the Strait of Hormuz and confidence among U.S. consumers beat expectations in December. Crude settled at the highest level in six weeks after Iran's official Islamic Republic News Agency cited Vice President Mohammad Reza Rahimi as saying the country would bar shipments through the strait if sanctions are imposed on its oil exports. Futures also rose as the Conference Board's index reached the highest level since April. [\[Bloomberg\]](#)

Japan Factory Output Falls on Global Slump

Japan's industrial production declined in November as the strong yen and slowing overseas demand hamper the nation's recovery from the March disaster. Factory output fell 2.6% from October, when it rose 2.2%, the trade ministry said in a report in Tokyo today. The median estimate was for output to decrease 0.8%. [\[Bloomberg\]](#)

Asia Clogged by Backlog of IPOs

Despite a year-end uptick, the IPO market in Asia struggled through the second half of 2011, leaving a big backlog of companies hoping to go public in 2012. At the same time, poor performance by this year's class of IPOs has made investors grumpy, potentially forcing those on the waiting list to lower their expectations for raising capital. All of the top 10 Asian initial public offerings this year are trading below their offering prices. Half, including the two largest, Glencore International PLC and Hutchison Port Holdings Trust, are down at least 25%, well below the 19% decline of Hong Kong's Hang Seng Index. [\[WSJ\]](#)

Baht Set for Biggest Annual Loss in 6 Years

The baht fell yesterday and is heading for its biggest annual loss in six years as Europe's debt crisis damped the outlook for exports and economic growth. Bloomberg data showed the baht weakened by 0.6% to 31.42/44 to the US dollar Tuesday. The currency has depreciated by 4.7% this year, the most since it fell by 5.2% in 2005. Meanwhile, SET index shares slid for a fourth day. Most Asian stocks fell, with the MSCI Asia Pacific Index winding down its worst year since 2008. [\[Bangkok Post\]](#)

China Gold Trading Limited to Shanghai Exchanges, PBOC Says

China restricted gold spot and futures trading to the Shanghai Gold Exchange and the Shanghai Futures Exchange as part of efforts to crack down on the illegal buying and selling of commodities. Unauthorized exchanges have been ordered to stop gold trading, the People's Bank of China said. Gold demand in China is surging as rising incomes and concerns about inflation bolster purchases, with the country overtaking India in 3Q11 as the largest gold jewelry market, according to the World Gold Council. Bullion imports from Hong Kong surged 51% to a record in October as investors sought to hedge against turmoil in the financial markets. [\[Bloomberg\]](#)

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