

August 16, 2012

Stock Markets Rap

	Close	Chg	(%)
MSCI World	1,276.82	-0.7	-0.1%
Dow	13,164.78	-0.0	-0.1%
Nasdaq	3,030.93	13.9	0.5%
S&P 500	1,405.53	1.6	-0.3%
Euro Stoxx	2,987.23	-8.7	-0.3%
FTSE 100	9,148.54	-51.5	-0.6%
DAX	8,532.75	-69.5	-0.8%
CAC	4,236.65	-18.9	-0.4%
ASX 200	4,460.00	-8.0	-0.2%
Nikkei	113.05	-0.3	-0.3%
Shanghai	332.99	-3.9	-1.2%
Hang Seng	2,584.86	-31.1	-1.2%
H Shares	1,260.58	-17.7	-1.4%
	Close	Chg	(%)
FTSE ASEAN	577.45	-2.4	-0.4%
Singapore	2,449.49	-28.9	-1.2%
Thailand	1,188.62	1.0	0.1%
Malaysia	1,653.78	0.9	0.1%
Indonesia	4,141.99	20.4	0.5%
Philippines	5,266.66	0.7	0.0%
Vietnam	430.77	1.3	0.3%
Lao PDR	1,027.60	3.1	0.3%
Cambodia	709.68	0.0	0.0%

Currencies Rap

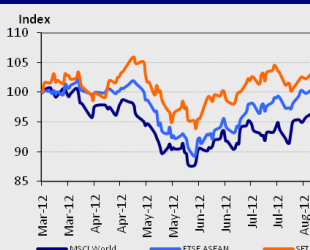
	Last	Chg	(%)
DX	82.65	0.2	0.2%
USD/EUR	1.23	-0.0	-0.6%
JPY/USD	78.95	0.4	0.5%
THB/USD	31.55	0.0	0.4%
VND/USD	20,845.00	-5.0	-0.0%
LAK/USD	8,028.55	-4.9	-0.1%
KHR/USD	4,068.05	15.2	0.4%
MMK/USD	874.00	0.6	0.1%
VND/THB	661.17	-2.4	-0.4%
LAK/THB	254.47	-1.2	-0.5%
KHR/THB	661.17	-2.4	-0.4%
MMK/THB	27.70	-0.1	-0.3%

Commodities Rap

	Close	Chg	(%)
Gold	1,594.73	-17.02	-1.1%
Silver	27.65	-0.22	-0.8%
Copper	3.36	-0.01	-0.3%
WTI	94.33	0.90	1.0%
Brent	116.25	2.22	1.9%
BDI	728.00	-22.00	-2.9%

World, ASEAN, SET

Relative Performance



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MACRO NEWS

- Greek: Greek PM to Meet Euro Leaders, Seeking Budget Leeway
- Brazil: Brazil announces \$60bn stimulus package
- China: China Reluctance on Reserve Cut Signals Inflation Concern

CORPORATE NEWS

- Standard Chartered [STAN: LN]** - Standard Chartered Seen Paying \$1 Billion to End Probes
- Goldman Sachs [GS: US]** - Goldman Bought Knight Capital Stock Before Malfunction

MACRO NEWS**Greek PM to Meet Euro Leaders, Seeking Budget Leeway**

Greek Prime Minister Antonis Samaras will next week have his first meetings with euro zone leaders since taking office, striving to assure them he will honor a pledge for more austerity and gauging whether they could grant him more time to pull it off. Having recovered from eye surgery that has prevented him travelling since June, Samaras will fly to Berlin and Paris to meet German Chancellor Angela Merkel and French President Francois Hollande. Earlier in the week, he will meet euro zone chief Jean-Claude Juncker, a Greek government source said. "The dates are not official yet, they will be announced soon," said the official on condition of anonymity. Samaras will insist he can ram through an austerity package worth about 11.5 billion euros (\$14.2 billion)—a key condition to continue receiving EU/IMF bailout funds and avoid default and a possible exit from the currency club. [CNBC]

Brazil announces \$60bn stimulus package

Brazil's government has unveiled the first phase of a major economic stimulus package designed to boost growth in the flagging economy. More than \$60bn (£38bn) will be invested in the country's roads and railways over the next 25 years, with more than half in the next five years. This includes 8,000 kilometres of new roads and 8,000kms of railways. Further announcements involving investment in ports and airports are expected in the coming weeks. Growth in Brazil is predicted to be less than 2% this year, the weakest annual performance since 2009 and a sharp slowdown from an impressive 7.5% rise in 2010. The government's recent measures, such as the recent devaluation of the currency, the real, and the progressive reduction in interest rates, have so far failed to stimulate growth. "The measures unveiled by the Brazilian government this afternoon are good news insofar as they will help tackle some of the supply-side problems that are holding the economy back," said Neil Shearing at Capital Economics. But he said the benefits would not be felt fully for a number of years. [BBC]

China Reluctance on Reserve Cut Signals Inflation Concern

China's slower-than-forecast cuts in banks' reserve requirements show authorities are reluctant to shake their concern inflation will quicken, three months after Premier Wen Jiabao shifted priorities to boosting growth. China has left the reserve ratio for the biggest banks at 20 percent since mid-May while lowering interest rates in June and July, bucking forecasts from HSBC Holdings Plc and Societe Generale SA that the government would build on three ratio reductions since Nov. 30. Industrial-production and loan data for July that missed estimates last week fueled further speculation the People's Bank of China would cut the ratio as soon as Aug. 10. The hesitation risks increasing the odds that growth will decelerate for a seventh quarter just as Communist Party leaders gather for a once-a-decade power handover. The PBOC said this month that price gains may rebound after August and a newspaper published by the institution said more reserve-ratio cuts would backfire by increasing inflation expectations. "The central bank is still concerned about a rebound in inflation, and it is reluctant to loosen too much on the liquidity side," said Xu Gao, an economist with Everbright Securities Co. in Beijing who previously worked for the World Bank. "The key problem now is that banks have money but the money can't be channeled to the real economy." [Bloomberg]

CORPORATE NEWS**Standard Chartered Seen Paying \$1 Billion to End Probes**

Standard Chartered Plc may have to pay as much as three times more than the \$340 million it was fined by a New York regulator to settle all the probes by regulators into its transactions for Iranian clients. The bank may have to disburse a total of \$1 billion as regulators including the U.S. Treasury, Federal Reserve, Justice Department and Manhattan District Attorney negotiate settlements with the bank, according to Simon Morris, a regulatory lawyer at CMS Cameron McKenna in London. Cormac Leech, an analyst at Liberum Capital, put the total cost at \$700 million. Benjamin Lawsky, head of the New York Department of Financial Services accused Standard Chartered on Aug. 6 of helping Iran launder about \$250 billion in violation of federal laws, threatening to remove the London-based bank's license to operate in the state. That would have hurt Standard Chartered's ability to process dollar payments for clients in Asia and reduced earnings by about 40 percent, according to Chirantan Barua, an analyst at Sanford Bernstein Research in London. "This is not over," said Simon Maughan, a financial industry strategist at Olivetree Securities in London. "But their license is now safe. They have admitted to a technical infringement of the rules. The minute they admitted that, they had to settle." The stock climbed 56.50 pence, or 4.1 percent, to 1,426.50 pence in London trading today for a market value of about 34 billion pounds (\$53 billion). The shares are still about 9 percent below their Aug. 3 close, the last day of trading before the probe was announced. [Bloomberg]

Goldman Bought Knight Capital Stock Before Malfunction

Goldman Sachs Group Inc. (GS) and Vanguard Group Inc. increased holdings in Knight Capital Group Inc. (KCG) during the second quarter before the market-making firm lost \$440 million on a computer malfunction this month. Brokerage and asset-management units at Goldman Sachs increased their stakes in Knight Capital by 73 percent to 2.39 million shares, valued at \$28.5 million at the end of June, according to a regulatory filing yesterday by the New York-based bank. The subsidiaries' convertible-debt holdings climbed by \$2.5 million to \$60.5 million, the filing shows. Vanguard and Dimensional Fund Advisors LP in Austin, Texas also added shares of Knight during the quarter, according to data compiled by Bloomberg. They and Goldman Sachs all rank among Knight's top 10 shareholders, the data show. [Bloomberg]