

Thursday April 26, 2012

Stock Markets Rap (as of Apr 25)

	Close	Chg	(%)
MSCI World	1,286	+14	+1.1
Dow	13,091	+89	+0.7
Nasdaq	3,030	+68	+2.3
S&P 500	1,391	+19	+1.4
Euro Stoxx	2,323	+39	+1.7
FTSE 100	5,719	+9	+0.2
DAX	6,705	+114	+1.7
CAC	3,233	+64	+2.0
ASX 200	4,360	+8	+0.2
Nikkei	9,561	+93	+1.0
Shanghai	2,407	+18	+0.8
Hang Seng	20,646	-31	-0.1
H Shares	10,813	-4	-0.0

	Close	Chg	(%)
FTSE ASEAN	574	+1	+0.1
Singapore	2,980	+5	+0.2
Thailand	1,201	+2	+0.1
Malaysia	1,579	-3	-0.2
Indonesia	4,164	-7	-0.2
Philippines	5,205	+35	+0.7
Vietnam	473	+7	+1.6
Lao PDR	1,032	+14	+1.4
Cambodia	995	-48	-4.6

Currencies Rap (as of Apr 25)

	Last	Chg	(%)
DX	79.07	-0.16	-0.20
USD/EUR	1.3213	+0.00	+0.38
JPY/USD	81.25	+0.01	+0.01
THB/USD	30.93	-0.04	-0.13
VND/USD	20,855	-5.00	-0.02
LAK/USD	7,991.00	-3.50	-0.04
KHR/USD	4,025.00	0.00	0.00
MMK/USD	820.93	-0.25	-0.03
VND/THB	674.13	+3.42	+0.51
LAK/THB	258.34	+0.12	+0.05
KHR/THB	130.00	0.00	0.00
MMK/THB	26.54	+0.02	+0.06

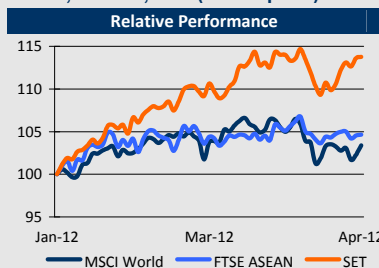
Commodities Rap (as of Apr 25)

	Close	Chg	(%)
Gold	1,642.30	-1.50	-0.09
Silver	30.43	-0.39	-1.27
Copper	370.75	+2.65	+0.72
WTI	104.12	+0.57	+0.55
Brent	119.12	+0.96	+0.81
BDI	1,137	+21	+1.88

Source: Bloomberg

* S&P/ASX 200 index as of Apr 24

World, ASEAN, SET (as of Apr 25)



Source: Bloomberg

MACRO NEWS

- Fed Raises Economic Outlook, Leans Toward 2014 Hike
- UK Back In Recession As First-Quarter GDP Shrinks
- India's Growth Story Dims on S&P Downgrade

CORPORATE NEWS

- Apple [AAPL:US] - Apple Surges Back Above \$600
- Coca-Cola [KO:US] - Coca-Cola Board Recommends 2-for-1 Split, First Stock Split in 16 Years
- Johnson & Johnson [JNJ:US] - J&J CEO: Need to Get Recalled Items Back on Shelves
- Tencent [700:HK] - China's Internet Advertising Volume Reaches 14 Bln Yuan in Q1

Thanawat Patchimkul
Global Strategist
Email: thanawatp@ktzmico.com
Tel: + 66 2 695 5451
Assisted by
Denruthai Krishnamra

Thursday April 26, 2012

MACRO NEWS

Fed Raises Economic Outlook, Leans Toward 2014 Hike

The Fed predicts the economy will grow between 2.4% and 2.9% in 2012. That compares with its forecast in January, when it estimated growth this year between 2.2% and 2.7%. The Fed is estimating that unemployment, now at a three-year low of 8.2%, will be between 7.8% and 8% at year's end. Its prediction for inflation is slightly higher but remains below its 2% target. And 11 Fed officials expect the first interest rate hike will not occur until 2014 or later. But the statement was a bit more hawkish in sentiment, with seven Open Market Committee members seeing a rate hike in 2014. The forecast is critical in that it is indicative of whether the Fed will take on a third round of quantitative easing measures to boost the economy. An improving economy would suggest that QE3 is not imminent, though Chairman Ben Bernanke reiterated that the central bank is keeping its options open. "We remain entirely prepared to take additional balance sheet actions if necessary to achieve our objectives," he said. [CNBC]

UK Back In Recession As First-Quarter GDP Shrinks

The U.K. slid back into recession in the first quarter of 2012, dealing a fresh blow to Prime Minister David Cameron's governing coalition and complicating its efforts to fix the nation's public finances. The Office for National Statistics said GDP shrank 0.2% in the 1Q12 compared with 4Q11, when output shrank 0.3%. Production in 1Q12 was flat compared with 1Q11. Sterling fell sharply against other currencies after the release of the data, while U.K. government bond prices rose. The ONS said the fall in output in the first quarter was driven by a slump in construction and weakening industrial production. Construction-sector output contracted 3.0% in the first quarter--its biggest quarterly decline since the first quarter of 2009--and industrial production activity fell 0.4%. The U.K.'s dominant services sector eked out growth of just 0.1%. [WSJ]

India's Growth Story Dims on S&P Downgrade

Standard & Poor's announced that it has revised its outlook on India's long-term rating—which had been stable—to negative. According to S&P, there's a one-in-three chance of a downgrade to India's BBB- sovereign credit rating. The threats to India's rating include a weakening global economy, falling growth prospects for Indian GDP, and political paralysis threatening fiscal reforms. At the same time, S&P revised its outlook to negative for seven "government-related entities," including the Export-Import Bank of India, the India Infrastructure Finance Co., the Indian Railway Finance Corp., and the Power Finance Corp. [Bloomberg]

CORPORATE NEWS

Apple [AAPL:US] - Apple Surges Back Above \$600

Shares of Apple Inc. rallied more than it had in three and a half years to close back above \$600 Wednesday as Wall Street applauded the technology bellwether's strong quarterly results. The stock closed up \$49.72, or 8.9%, to \$610, recovering much of what it had lost over the previous 11 sessions. That marked the biggest one-day point gain in its history and the largest percentage gain since Nov. 24, 2008. A host of Wall Street analysts helped fuel the gains by suggesting the shares still have a lot further to rally. Goldman Sachs bumped up its price target on Apple to \$850 from \$750, Wedbush Morgan lifted its target to \$800 from \$570 and Canaccord Genuity raised its target to \$775 from \$740. J.P. Morgan said "Apple remains in a league of its own," while analysts at Gabeli & Co. said Apple's valuation "remains very compelling." [WSJ]

Coca-Cola [KO:US] - Coca-Cola Board Recommends 2-for-1 Split, First Stock Split in 16 Years

The Coca-Cola Co. is seeking its first stock split in 16 years. The world's biggest beverage maker said Wednesday the 2-for-1 split is in line with its plan to double revenue over this decade. The Atlanta-based company's stock began trading in 1919. Since then, the stock has been split only 10 other times. Companies split stocks when they think their share price has gotten too expensive or if the stock is trading too far above similar companies' stock. If approved, Coke's split would increase the number of its shares to 11.2 billion from 5.6 billion. Shareholders would receive one additional share of stock for each share held in early August. The move is subject to approval by shareowners on July 10. [The Washington Post]

Johnson & Johnson [JNJ:US] - J&J CEO: Need to Get Recalled Items Back on Shelves

Johnson & Johnson's new CEO, Alex Gorsky, told CNBC that his first order of business is to get the company's recalled products back on store shelves. "We've got to address the operational issues with our consumer brands," he said, the day before J&J's annual shareholders meeting when he formally succeeds William Weldon. "We've got to get them back to the market." Gorsky, 51, the current vice chairman of the Executive Committee with responsibilities for medical devices and the global supply chain, said recalled products Tylenol Severe Cold, Tylenol Children's and Tylenol Sinus, are already back and the company is "starting to see the benefit." Getting the other products back on shelves, however, will be a multi-year process. [CNBC]

Tencent [700:HK] - China's Internet Advertising Volume Reaches 14 Bln Yuan in Q1

The market size of China's online advertising reached 14.03 billion yuan (about \$2.22 billion) in the first quarter of 2012, according to survey results released on Wednesday. The figure represents 56.2% year-on-year increase, and 5.6% decrease compared to the last quarter of 2011, according to the results of a seasonal survey of the online advertising market conducted by Enfodesk, a think tank that researches new media economics in China. Baidu, Alibaba and Google China, the country's leading Internet companies, took the greatest advertising market share in the first quarter, the survey results said. Sohu, Sina, Tencent and Netease, the country's largest Internet portals, took a market share of about 12% during the period, the results said. [Xinhua]