

Tuesday February 28, 2012

Stock Markets Rap (as of Feb 27)

	Close	Chg	(%)
Dow	12,982	-1	-0.0
Nasdaq	2,966	+2	+0.1
S&P 500	1,368	+2	+0.1
VIX	18.19	+0.88	+5.1
MSCI World	1,298	-2	-0.2

	Close	Chg	(%)
FTSE 100	5,916	-20	-0.3
DAX	6,850	-15	-0.2
CAC	3,441	-26	-0.7
Euro Stoxx	2,517	-8	-0.3

	Close	Chg	(%)
ASX 200	4,267	-39	-0.9
Nikkei	9,634	-13	-0.1
Shanghai	2,447	+7	+0.3
HSI	21,218	-189	-0.9
H Shares	11,540	-150	-1.3

	Close	Chg	(%)
STI	2,947	-31	-1.1
Malaysia	1,559	+0	+0.0
PSEi	4,799	-94	-1.9
SET	1,135	-11	-1.0
LSX	922	+2	+0.2
Vietnam	428	+5	+1.2
Indonesia	3,861	-34	-0.9
FTSE ASEAN	563	-7	-1.2

Currencies Rap (as of Feb 27)

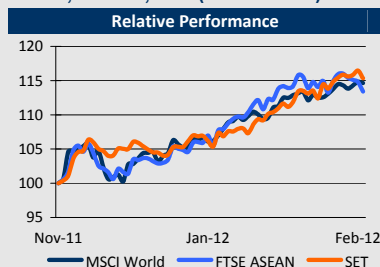
	Last	Chg	(%)
DX	78.53	+0.18	+0.23
THB/USD	30.47	+0.14	+0.46
LAK/THB	262.00	-0.90	-0.34
LAK/USD	7,983.00	-2.50	-0.03
USD/EUR	1.3403	-0.00	-0.33
JPY/USD	80.67	-0.53	-0.65

Commodities Rap (as of Feb 27)

	Close	Chg	(%)
Gold	1,774.90	-1.50	-0.08
Silver	35.60	+0.18	+0.52
Copper	388.90	+1.90	+0.49
WTI	108.56	-1.21	-1.10
Brent	124.17	-1.30	-1.04
BDI	730	+12	+1.67

Source: Bloomberg

World, ASEAN, SET (as of Feb 27)



Source: Bloomberg

MACRO NEWS

- U.S. Pending Home Sales Near 2-Year High
- German Lawmakers Endorse Greek Bailout
- S&P Downgrades Greece to Selective Default
- China Plans 'Buy Local' Rule on Government Cars

CORPORATE NEWS

- Citigroup [C:US] - Volcker Rule Should Exclude All Sovereign Debt
- Exxon Mobil [XOM:US] - Statoil, Exxon Say Tanzania Offshore Gas Find Is Big
- Apple [AAPL:US] - German Court Rejects Sales Ban of iPhone, iPad
- Sands China [1928:HK] - Sands New Recruitment Campaign Pressures SMEs
- JPMorgan [JPM:US] - JPMorgan, BofA Strain for Staff to Clear Foreclosures

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

Tuesday February 28, 2012

MACRO NEWS

U.S. Pending Home Sales Near 2-Year High

Contracts to purchase previously owned U.S. homes neared a two-year high in January, further evidence the housing market was slowly turning the corner. The National Association of Realtors said its Pending Home Sales Index, based on contracts signed in January, increased 2% to 97.0 - the highest reading since April 2010. New contracts generally lead sales by a month or two. Housing data ranging from home building to resales have been relatively upbeat, buttressing other signs of underlying economic strength that should help the U.S. recovery better handle rising gasoline prices and a recession in the euro zone. The housing market is becoming less of a drag on the economy and home construction is expected to add to growth this year for the first time since 2005. [\[Reuters\]](#)

German Lawmakers Endorse Greek Bailout

German lawmakers approved a second Greek bailout package by a wide margin on Monday, but the vote in the Reichstag took a twist when the final tally showed that Chancellor Angela Merkel didn't receive full backing from her own coalition for the rescue. Ms. Merkel's failure to win a so-called chancellor's majority robbed the German leader of a symbolic victory, underscoring the growing unease in her center-right coalition over the rising costs of supporting Greece. [\[WSJ\]](#)

S&P Downgrades Greece to Selective Default

Standard & Poor's on Monday cut Greece's long-term ratings to 'selective default', the second ratings agency to proceed with a widely expected downgrade after the country announced a bond swap plan to lighten its debt burden. S&P said that once the debt exchange is concluded, it would likely raise Greece's sovereign credit rating to the speculative 'CCC' category. "We lowered our sovereign credit ratings on Greece to 'SD' following the Greek government's retroactive insertion of collective action clauses (CACs)," the U.S. ratings agency said. [\[Reuters\]](#)

China Plans 'Buy Local' Rule on Government Cars

China plans to force government officials to stop buying foreign brands like Volkswagen and Toyota and buy only locally branded cars, in its latest effort to bolster the local industry amid slowing growth and toughening competition. The "buy China" effort is likely to have a mostly symbolic impact, according to industry experts, because government purchases make up a small part of a passenger-car market that totaled 14.5 million vehicles last year. Its impact could also be muted depending on the final rule as well as enforcement. [\[WSJ\]](#)

CORPORATE NEWS

Citigroup [C:US] - Volcker Rule Should Exclude All Sovereign Debt

A planned U.S. ban on banks trading for their own profit could hamper monetary policy and the ability of financial firms to manage risk unless foreign government debt is exempted, a top Citigroup executive said. Manuel Medina-Mora warned that the so-called Volcker rule, which forms part of the 2010 Dodd-Frank financial oversight law and bans banks from using their own funds to make risky trades, could prevent lenders from serving their clients. [\[Reuters\]](#)

Exxon Mobil [XOM:US] - Statoil, Exxon Say Tanzania Offshore Gas Find Is Big

Exxon Mobil and Norway's Statoil (STO) said a recent discovery off the coast of Tanzania has proved to hold large quantities of natural gas, further cementing the idea that East Africa could become an exporter of liquefied natural gas to Asian markets. Analysis of the Zafarani discovery in Block 2 offshore Tanzania showed it holds up to five trillion cubic feet of natural gas, the companies said. The gas find was announced a week ago. [\[WSJ\]](#)

Apple [AAPL:US] - German Court Rejects Sales Ban of iPhone, iPad

A German court Monday said Motorola Mobility Holdings (MMI) can't enforce a sales ban on Apple's (AAPL) iPad and iPhone devices in Germany for the time being, while Motorola would be infringing antitrust obligations if it demands Apple cease sales of the affected products. [\[MarketWatch\]](#)

Sands China [1928:HK] - Sands New Recruitment Campaign Pressures SMEs

Sands China launched another recruitment campaign yesterday to feed the human resources needs for its new integrated resort on the Cotai Strip, to be opened in the coming April, prompting concerns that local small-and-medium enterprises will face further pressure from manpower shortages. After a 2011 fair that recruited 5,000 staff, the gaming and resort operator kicked off a new two-day hiring initiative yesterday, hoping to recruit some 500 staff for Sands Cotai Central which consists of a luxury hotel and shopping centre, expected to be opened in the coming April. [\[Macau Daily Times\]](#)

JPMorgan [JPM:US] - JPMorgan, BofA Strain for Staff to Clear Foreclosures

JPMorgan Chase & Co. and Bank of America Corp. told regulators they were straining last year to hire and retain enough qualified people who could clear a backlog of foreclosure complaints. The assessments, released today by the Federal Reserve, were contained in action plans submitted after U.S. banks were ordered last April to clean up foreclosures and mortgage servicing. The order followed a deluge of borrower complaints about lost paperwork, broken promises and missed deadlines that cost some of them their homes. The accord compels the 14 largest servicers to repay homeowners for any losses tied to the errors. [\[Bloomberg\]](#)