

August 8, 2012

Stock Markets Rap

	Close	Chg	(%)
MSCI World	1,276.40	8.6	0.7%
Dow	13,168.60	0.0	0.4%
Nasdaq	3,015.86	26.0	0.9%
S&P 500	1,401.35	7.1	1.7%
Euro Stoxx	3,026.27	51.6	1.7%
FTSE 100	9,138.62	64.7	0.7%
DAX	8,652.80	66.7	0.8%
CAC	4,288.28	66.9	1.6%
ASX 200	4,489.07	11.6	0.3%
Nikkei	111.86	0.2	0.2%
Shanghai	338.84	0.8	0.2%
Hang Seng	2,588.20	9.6	0.4%
H Shares	1,270.31	5.0	0.4%
	Close	Chg	(%)
FTSE ASEAN	573.50	-1.5	-0.3%
Singapore	2,470.60	-5.9	-0.2%
Thailand	1,188.62	1.0	0.1%
Malaysia	1,631.12	-8.3	-0.5%
Indonesia	4,085.58	-19.9	-0.5%
Philippines	5,284.16	-1.8	-0.0%
Vietnam	422.50	-0.7	-0.2%
Lao PDR	1,025.56	0.0	0.0%
Cambodia	698.92	0.0	0.0%

Currencies Rap

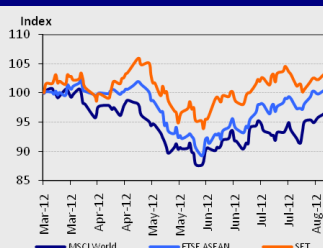
	Last	Chg	(%)
DX	82.21	-0.1	-0.1%
USD/EUR	1.24	0.0	0.5%
JPY/USD	78.37	0.1	0.1%
THB/USD	31.48	-0.0	-0.0%
VND/USD	20,860.00	5.0	0.0%
LAK/USD	8,014.00	2.0	0.0%
KHR/USD	4,063.85	-13.4	-0.3%
MMK/USD	871.08	-2.9	-0.3%
VND/THB	662.78	0.7	0.1%
LAK/THB	254.57	0.2	0.1%
KHR/THB	662.78	0.7	0.1%
MMK/THB	27.67	-0.1	-0.3%

Commodities Rap

	Close	Chg	(%)
Gold	1,615.28	7.04	0.4%
Silver	28.00	0.26	0.9%
Copper	3.44	0.05	1.5%
WTI	93.67	1.47	1.6%
Brent	112.00	2.45	2.2%
BDI	836.00	-7.00	-0.8%

World, ASEAN, SET

Relative Performance



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MACRO NEWS

- China: Electricity Use Seen Overstating China Economic Slowdown
- Greece: Standard & Poor's Cuts Greece's Outlook to 'Negative'

CORPORATE NEWS

- Standard Chartered [STAN: LN] - Shares plunge on laundering charges
- BHP Billiton [BHP: US] - Coal to Drop as Steel Output Slows in BHP Setback

MACRO NEWS

Electricity Use Seen Overstating China Economic Slowdown

A stagnation in electricity output that fanned speculation China's slowdown is intensifying may instead be evidence of an accelerated transition to a more services-based economy. The government will release information on July electricity production tomorrow as part of its report on industrial output. Power generation in June was unchanged from a year earlier even as industrial production rose 9.5 percent. Heavy industries including metals and cement consume about 60 percent of electricity and account for 20 percent of gross domestic product, according to GK Dragonomics, a Beijing-based consultant. The shifts signal that electricity's relevance as an economic indicator is receding five years after Li Keqiang, now the vice premier, was quoted as saying he watched data on power, rail cargo and loans because GDP numbers were "man-made." An evolution within manufacturing to more efficient production is also damping electricity use as China upgrades its factories. "Steel plants, cement plants and refinery facilities -- these big electricity consumers -- have suffered a lot more than service-industry players in the first half," said Dong Tao, Credit Suisse Group AG's Hong Kong-based head of Asia economics excluding Japan. "So electricity consumption is not a benchmark but a reference." Industrial production probably rose 9.7 percent in July from a year earlier, based on the median estimate in a Bloomberg News survey. Data tomorrow may also show consumer inflation decelerated to 1.7 percent in July, the weakest pace since January 2010. [Bloomberg]

Standard & Poor's Cuts Greece's Outlook to 'Negative'

"Following delays in implementing budgetary consolidation measures and a worsening Greek economy, we believe Greece is likely to require additional financing for 2012 under the EU/IMF program," S&P said in a statement. "We are revising the outlook on the long-term ratings on Greece to negative, reflecting the possibility of a downgrade if Greece fails to secure the next disbursement of the EU/IMF Program," S&P said. Greece has made progress in finding budget cuts needed to continue its bailout program, but international inspectors said this week that they will return in September to see if the remaining work is done. Greece has pledged a series of fiscal and reform measures worth 11.5 billion euros to convince international lenders to keep Athens hooked to a 130 billion euro lifeline and avoid bankruptcy. Inspectors from the IMF, the European Commission and the European Central Bank - known as the troika - concluded a visit to Greece on Sunday saying the talks with the new coalition government were productive. "We see the likelihood of shortfalls, owing to election-related delays in the implementation of budgetary consolidation measures for the current year, as well as the worsening trajectory of the Greek economy," S&P said. The ratings agency said it sees the Greece's gross domestic product shrinking by 10 percent to 11 percent, cumulatively, during 2012-2013. S&P also affirmed Greece's CCC rating, which is already well in speculative territory. Moody's Investors Service rates Greece C, and Fitch rates the country CCC. [CNBC]

CORPORATE NEWS

Standard Chartered shares plunge on laundering charges

Shares of Standard Chartered have tumbled despite the bank denying allegations that it illegally "schemed" with Iran to launder money. Shares in London fell 16.7%, about as much as its Hong Kong stock dropped. The New York State Department of Financial Services said the UK-based bank laundered as much as \$250bn (£161bn) over nearly a decade. It said the bank hid transactions for "Iranian financial institutions" that were subject to US economic sanctions. The regulator said that Standard Chartered had hidden 60,000 such secret transactions. However, the bank denied the allegations, saying that it "strongly rejects the position or portrayal of facts as set out in the order" issued by the regulator. [BBC]

Coal to Drop as Steel Output Slows in BHP Setback

Coal used to make steel is set to drop to the lowest price in two years, eroding earnings at BHP Billiton Ltd. (BHP) and Rio Tinto Group (RIO), as European demand wanes and China shifts supply contracts to Mongolia from Australia. The contract price may drop 11 percent to \$200 a metric ton in the three months to Dec. 31 from \$225 a ton this quarter, according to seven analysts and industry officials in a Bloomberg survey. The spot price in China fell 24 percent to \$179.50 as of Aug. 2, the lowest this year, according to data compiled by Bloomberg. A deepening debt crisis in the eurozone has dragged down demand and prices of commodities, forcing the world's largest steelmaker ArcelorMittal (MT) to shutter or idle plants in the region. Slowing economic growth in China, the second-biggest importer of metallurgical coal, has increased chances of output cuts at mills and further shrinkage in demand for the fuel. "Steel demand in Europe is very weak and consumption has slowed dramatically in recent months," said Tim Cahill, an analyst at J&E Davy Holdings Ltd. in Dublin. "It'll get worse in the second half as government spending slows and banks stop lending to home buyers. Unless the U.S., Europe, China pump in serious stimulus, global steel demand will remain subdued." The EU produced 14.73 million tons of steel in June, the lowest output for that month since 2009. [Bloomberg]