

Tuesday January 10, 2012

NEWS UPDATE

Stock Markets Rap (as of Jan 9)

	Close	Chg	(%)
Dow	12,393	+33	+0.3
Nasdaq	2,677	+2	+0.1
S&P 500	1,281	+3	+0.2
Global Dow	1,814	+2	+0.1
VIX	21.07	+0.44	+2.1

	Close	Chg	(%)
FTSE 100	5,612	-37	-0.7
DAX	6,017	-41	-0.7
CAC	3,128	-10	-0.3

	Close	Chg	(%)
ASX 200	4,105	-3	-0.1
Nikkei	8,390	-98	-1.2
Shanghai	2,226	+62	+2.9
HSI	18,866	+273	+1.5
H Shares	10,226	+238	+2.4
FTSE STI	2,691	-24	-0.9
SET	1,045	+9	+0.8
LSX	891	-21	-2.3
Vietnam	339	+3	+0.8

Currencies Rap (as of Jan 9)

	Last	Chg	(%)
DXY	80.99	-0.27	-0.33
THB/USD	31.76	+0.05	+0.16
THB/LAK	252.72	-0.44	-0.17
LAK/USD	8,021.50	0.00	0.00
USD/EUR	1.2762	+0.00	+0.35
JPY/USD	76.81	-0.16	-0.21

Commodities Rap (as of Jan 9)

	Close	Chg	(%)
Gold	1,608.10	-8.70	-0.54
Silver	28.78	+0.10	+0.35
WTI	101.31	-0.25	-0.25
Brent	112.45	-0.61	-0.54
BDI	1,308	-39	-2.90

Source: Bloomberg

*Nikkei 225 Index as of Jan 6

Merkel, Sarkozy Pile Pressure on Greece

Germany and France on Monday pressed Greece and its bondholders to agree on a reduction of Athens's debt burden, warning that Greece's bailout loans from the euro zone and the International Monetary Fund are on hold until a deal is reached with private investors. German Chancellor Angela Merkel and French President Nicolas Sarkozy met in Berlin on Monday to discuss the euro zone's plans to tackle the debt crisis on the bloc's periphery, and to flesh out their proposals for closer coordination of economic and budget policies among the euro's 17 member countries. [\[WSJ\]](#)

US Debt Is Now Equal to Economy

The amount of money the federal government owes to its creditors, combined with IOUs to government retirement and other programs, now tops \$15.23 trillion. That's roughly equal to the value of all goods and services the U.S. economy produces in one year: \$15.17 trillion as of September, the latest estimate. Private projections show the economy likely grew to about \$15.3 trillion by December — a level the debt is likely to surpass this month. "The 100% mark means that your entire debt is as big as everything you're producing in your country," says Steve Bell of the Bipartisan Policy Center. [\[CNBC\]](#)

China Seeks Measures To Boost Capital Markets

China will open its capital markets further to foreign investors and seek a greater role for long-term institutional investors in a bid to boost the country's sagging stock market, the chief of the country's securities regulator said Monday. His comments come after Chinese Premier Wen Jiabao said over the weekend that the central government will support the stock market. The regulator also pledged to further open the yuan-denominated A shares market to foreigners by raising the investment quota for Qualified Foreign Institutional Investors, as well as expand its recently launched Renminbi QFII program. [\[WSJ\]](#)

Vietnam May Adjust Reference Rate 5%-6%, Weakening Dong

Vietnam's government may weaken the dong this year as gold buying puts downward pressure on the currency, according to economists who advise the prime minister. The country may adjust the dong-dollar reference rate by five percent to six percent in 2012, the National Financial Supervisory Commission wrote in a report released in Hanoi Monday. The currency is allowed to trade up to 1 percent on either side of the fixing. Fluctuations in gold prices can "increase pressure on the exchange rate, widen the trade deficit and negatively affect the overall balance of payments," the researchers, led by Chairman Vu Viet Ngoan, wrote. [\[Bloomberg\]](#)

Myanmar Said to Cancel Big Power Plant Linked to Planned Major Industrial Zone

Myanmar's government has decided to halt construction of a large coal-fired power plant. Minister of the Electric Power Ministry 2 Khin Maung Soe told reporters at a briefing Monday that the ministry is halting the \$8 billion, 4,000-megawatt plant at the Dawei deep sea port project in southern Myanmar because it could have a negative environmental impact. The Dawei project, undertaken by Thailand's Italian-Thai Development construction company, is to be a massive heavy industry zone with a total investment of more than \$50 billion, and the cancellation of the power plant may hinder its development. Surplus electricity was to have been exported to Thailand. The minister said the government will also take another look at plans to build a smaller 400-megawatt coal-fired plant. [\[The Washington Post\]](#)

Lao PDR: Govt Relaxes Foreign Share Ownership Restriction

Lao Securities Exchange Chairman and CEO Mr Dethphouvang Moularat said yesterday the government had given the green light for foreigners to own 20 percent of the total shares listed in the stock market. Under previous regulations, foreigners were allowed to purchase only 10 percent of listed companies' shares. However, foreign institutions are still banned from owning more than five percent of total shares in the market and a single individual may not own more than 1 percent of the total. Mr Dethphouvang said the Bank of the Lao PDR had sufficient foreign reserves to accommodate the opening up of the stock market to foreign investors. To further boost investment in the stock market, a Lao-Korean joint venture plans to launch an online trading system, which will allow foreign investors to post buy and sell orders over the internet, Mr Dethphouvang added. The market has signed a memorandum of understanding with Enterprise of Lao Telecom to secure a high-speed internet signal. Three more companies - ETL, Lao World Group and Indochina Group — plan to list on the stock market in the near future. [\[Vientiane Times\]](#)

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