

Thursday December 22, 2011

NEWS UPDATE

Stock Markets Rap (as of Dec 21)

	Close	Chg	(%)
Dow	12,108	+4	+0.0
Nasdaq	2,578	-26	-1.0
S&P 500	1,244	+2	+0.2
Global Dow	1,777	+3	+0.2
VIX	21.43	-1.79	-7.7

	Close	Chg	(%)
FTSE 100	5,390	-30	-0.6
DAX	5,792	-56	-0.9
CAC	3,030	-25	-0.8

	Close	Chg	(%)
ASX 200	4,140	+86	+2.1
Nikkei	8,460	+124	+1.5
Shanghai	2,191	-25	-1.1
HSI	18,416	+336	+1.9
H Shares	9,951	+211	+2.2
FTSE STI	2,673	+59	+2.3
SET	1,044	+10	+1.0
LSX	896	-20	-2.2
Vietnam	368	+2	+0.6

Currencies Rap (as of Dec 21)

	Last	Chg	(%)
DXY	80.00	+0.12	+0.15
THB/USD	31.25	-0.04	-0.13
THB/LAK	256.82	+0.39	+0.15
LAK/USD	8,025.50	+2.00	+0.02
USD/EUR	1.3104	+0.00	+0.16
JPY/USD	77.82	-0.16	-0.21

Commodities Rap (as of Dec 21)

	Close	Chg	(%)
Gold	1,613.60	-4.00	-0.25
Silver	29.25	-0.29	-0.97
WTI	98.67	+1.45	+1.49
Brent	107.71	+0.98	+0.92
BDI	1,856	-22	-1.17

Source: Bloomberg

ECB to Lend Greater-Than-Forecast \$645 Billion as Banks Line Up for Funds

The European Central Bank will lend euro-area banks a record amount for three years in its latest attempt to keep credit flowing to the economy during the sovereign debt crisis. The Frankfurt-based ECB awarded 489 billion euros (\$645 billion) in 1,134-day loans Wednesday, the most ever in a single operation and more than economists' median estimate of 293 billion euros. The ECB said 523 banks asked for the funds, which will be lent at the average of its benchmark interest rate -- currently 1% -- over the period of the loans. Europe's debt crisis has increased the risk of government and bank defaults, making institutions wary of lending to each other and driving up the cost of credit. [\[Bloomberg\]](#)

U.S. Faces 2013 Fitch AAA Downgrade Unless Deficit Cuts Made

The U.S.'s AAA rating will probably be cut by Fitch Ratings by the end of 2013 unless lawmakers are able to formulate a plan to reduce the budget deficit after next year's congressional and presidential elections. "Without such a strategy, the sovereign rating will likely be lowered," New York-based Fitch said in a statement today. "Agreement will also have to be reached on raising the federal debt ceiling, which is expected to become binding in the first half of 2013." Fitch assigned a negative outlook on the U.S. in November after a congressional committee failed to agree on budget cuts. The rating firm forecast federal public-debt will exceed 90% of GDP by the end of the decade unless the government addresses rising health and social security spending through tax increases or reductions in expenditures. [\[Bloomberg\]](#)

Malaysia Loosens Foreign Bank Ownership

Malaysia will allow foreign banks to own bigger stakes in local lenders, grant more licenses, and loosen short-selling rules, seeking to triple its financial sector by the end of this decade, the central bank said. The Southeast Asian country will also let companies actively manage foreign currency fluctuations and allow non-residents to trade onshore interest-rate derivatives as it seeks to deepen its money market under a 10-year plan announced by Prime Minister Najib Razak in Kuala Lumpur yesterday. [\[Bloomberg\]](#)

Vietnam's Sacombank May Sell 15% Stake to Credit Suisse

Saigon Thuong Tin Commercial Joint-Stock Bank may sell as much as a 15% stake to Credit Suisse Group AG, the Vietnamese lender's Chief Executive Officer said. Sacombank, as the lender is known, will start negotiations with Zurich-based Credit Suisse on a sale next month, Tran Xuan Huy said in a phone interview Wednesday. A Sacombank stake sale would follow Mizuho Financial Group Inc.'s agreement to buy a 15% stake in state-owned Joint-Stock Commercial Bank, or Vietcombank. Central bank Governor Nguyen Van Binh is encouraging mergers and acquisitions to bolster weaker banks, and said last month consolidating its 42 lenders into 15 large ones would improve economic stability. [\[Bloomberg\]](#)

Thai PTTEP Wins Bid for 2 Myanmar Oil Blocks

Thailand's top oil and gas explorer, PTT Exploration and Production Plc (PTTEP), has won bids for two onshore petroleum blocks in Myanmar, Thai Energy Minister Pichai Naripthanphan said on Wednesday. PTTEP, which ranks among Asia's top 10 explorers and competes with big Chinese oil firms such as CNOOC and Sinopec, had expressed interest in bidding for up to three blocks. International investment in Myanmar has been limited until now because of sanctions imposed for human rights abuses under the former military regime, but hopes of economic reform and increased foreign investment are running high after U.S. Secretary of State Hillary Clinton's recent visit. China, Thailand, India and Singapore are among the biggest investors there at the moment. [\[Reuters\]](#)

Open Funds Officially Allowed in Vietnam

The guidance circular of forming and managing open funds has been issued, which is expected to create a new investment tool in Vietnam market. Especially, close-end funds are allowed to be transferred to open funds to ease the pressure on the market. Nguyen Doan Hung, Vice Chairman of the State Securities Commission (SSC) said that the Circular No 183/2011/TT-BTC was issued on December 16, 2011. This was one of largest documents so far, creating the birth of a series of new investment products designed by institutions. Regarding Circular 183, it is the first foundation for the social security system. SSC expects that the circular will make a new shape for investment field and more useful investment tool. A series of other forms may be established, such as voluntary retirement fund, supplementary retirement fund, ETF, associated insurance products, bond investment funds or monetary investment fund. [\[Vietbiz24\]](#)

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