

Morning Coffee News (Asia)

18 May 2012

Top news*: Facebook Raises USD 16 Billion in Record Technology Offering

Facebook Inc. raised USD 16 billion in the biggest initial public offering by a technology company in history, pricing the shares at the top end of an increased range. The social network sold 421.2 million shares at USD 38 each, a statement today shows. That values Facebook at USD 104.2 billion, making it the largest company to go public in the U.S. by market capitalization, according to data compiled by Bloomberg and Dealogic. Facebook, led by 28-year-old Mark Zuckerberg, this week expanded the IPO to meet demand, allowing investors Goldman Sachs Group Inc. and Accel Partners to reap more gains.

The offering marks the culmination of Facebook's evolution in less than a decade from a Harvard University dorm-room project into a social network with more than 900 million users. While Zuckerberg persuaded investors to buy the shares at a higher price-to-earnings multiple than almost every company in the Standard & Poor's 500 Index, he now faces stemming slowing sales growth after profit fell 12 percent last quarter. The stock is scheduled to start trading today on the Nasdaq Stock Market under the symbol FB.

Market News APAC*

- ▶ Asian stocks fell, with the regional benchmark index poised to erase this year's gains, after U.S. economic data missed estimates and ratings agencies downgraded Spanish banks and Greece as Europe's debt crisis deepens.
- ▶ Samsung Electronics Co., a consumer-electronics maker that gets about a fifth of its revenue in America, dropped 3.3 percent in Seoul. Japanese machinery makers plunged in Tokyo after sales growth slowed at Caterpillar Inc., the largest maker of construction and mining equipment. GCL-Poly Energy Holdings Ltd., a maker of polysilicon used in solar panels, may be active today in Hong Kong after saying its production volume more than doubled in the first-quarter.
- ▶ The MSCI Asia Pacific Index slid 1.5 percent to 113.71 as of 9:54 a.m. in Tokyo, with only 20 stocks rising on the 1005-member gauge. The index is headed for a 4.1 percent drop for the week, its third-straight week of declines and the longest streak since November. The gauge fell before markets in Hong Kong and China open.
- ▶ Japan's Nikkei 225 Stock Average retreated 2.46 percent. The broader Topix Index dropped 2.2 percent, headed for the longest streak of weekly losses since 2001. Australia's S&P/ASX 200 Index fell 2.05 percent, while South Korea's Kospi Index dropped 2.78 percent.

Indices Asia	Last	Change	YTD
Nikkei225	8,658.56	-2.46%	2.40%
KOSPI Comp	1,793.86	-2.78%	-1.73%
S&P/ASX200	4,072.30	-2.05%	0.40%
Hang Seng	18,765.46	-2.27%	1.79%
Shanghai Comp.	2,362.14	-0.70%	7.41%
STI Singapore	2,776.51	-1.63%	4.88%
KLCI Malaysia	1,529.98	-0.92%	-0.05%
JCI Indonesia*	3,980.50	-1.61%	4.15%
SET Thailand*	1,173.56	0.20%	14.46%
Sensex India*	16,070.48	0.25%	3.98%

*as of yesterday

Indices USA	Yesterday	Change	YTD
DJIA	12,442.49	-1.24%	1.84%
S&P500	1,304.86	-1.51%	3.76%
Nasdaq100	2,509.05	-2.05%	10.15%

Indices Europe	Yesterday	Change	YTD
EuroStoxx50	2,146.91	-1.31%	-7.32%
SMI	5,872.73	0.13%	-1.07%
DAX	6,308.96	-1.18%	6.96%
FTSE100	5,338.38	-1.24%	-4.20%
CAC40	3,011.99	-1.20%	-4.68%

Currencies	Last	Change	YTD
USD/CHF	0.9473	0.16%	-0.97%
EUR/USD	1.2678	-0.16%	-2.18%
GBP/USD	1.5759	-0.24%	1.38%
USD/JPY	79.4300	0.19%	-3.17%
AUD/USD	0.9847	-0.41%	-3.56%
NZD/USD	0.7594	-0.51%	-2.29%
USD/KRW	1,174.8500	1.02%	-1.91%
USD/HKD	7.7703	0.01%	-0.04%
USD/SGD	1.2746	0.18%	1.72%
USD/THB	31.4500	0.32%	0.32%
USD/MYR	3.1348	0.78%	1.06%
USD/IDR	9,365.00	0.44%	-3.19%
USD/CNY	6.3269	0.03%	-0.50%

Treasury	Yield	Change	YTD
US10Y	1.59	-0.05%	1.99%
JGP10Y	0.76	0.22%	0.69%
AUD10Y	3.03	1.22%	4.19%
NZD10Y	3.43	0.41%	2.23%

Commodities	Last	Change	YTD
Gold	1,576.23	0.12%	0.81%
Silver	28.06	0.08%	0.79%
Brent Crude Oil	106.68	-0.75%	0.98%

Singapore Time:

9:53:46 AM

What to Watch*

- ▶ Yen strengthened 1.3 percent overnight, its biggest surge in two months and boosting currency to strongest since Feb.; watch shippers, exporters
- ▶ Watch Komatsu, Hitachi Construction, Sany Heavy after Caterpillar sales growth slowed
- ▶ Chinese solar cells were hit with 31 percent+ import duties by U.S. gov't; affected makers here; note tariff also affects any modules, panels, laminates that use Chinese cells
- ▶ Gold futures spiked most since Oct. on speculation of more Fed easing; watch miners, which surged overnight by most since Jan.
- ▶ Chinese cos. have "alarming levels" of debt, with banks holding much of it, state-run Xinhua reports
- ▶ China's April property prices come 9:30am HK time
- ▶ Japan is close to decision on restart of Kansai Electric Power nuclear reactors
- ▶ Moody's cut ratings on 16 Spanish banks post-mkt in N.Y., capping a tense day for sector that included gov't's denial of a run on Banksia

Key Economic Event for this week (Last update on 14/05/2012)

Country	Event/Data	For	Bloomberg Consensus	Previous
Monday, 14 May 2012				
New Zealand	Retail Sales ex Inflation qoq %	1Q	-0.5	2.2
Japan	Domesic CGPI yoy %	Apr	-0.3	0.6
India	WPI yoy %	Apr	6.6	6.9
Eurozone	Industrial production yoy %	Mar	n.a.	-1.5
Tuesday, 15 May 2012				
Singapore	Retail sales yoy %	Mar	6	19
France	CPI yoy %	Apr	2.2	2.3
France	GDP prelim yoy %	1Q	0.5	1.3
Germany	GDP prelim yoy %	1Q	0.9	2.0
US	CPI yoy %	Apr	2.4	2.7
US	Retail sales mom %	Apr	0.2	0.8
Wednesday, 16 May 2012				
Korea	Unemployment rate %	Apr	3.4	3.4
UK	Unemployment rate %	Apr	5.0	4.9
US	Industrial production mom %	Apr	0.5	0.0
Thursday, 17 May 2012				
Japan	GDP prelim yoy %	1Q	n.a.	-0.6
Singapore	GDP final yoy %	1Q	1.8	1.6
Japan	Industrial production yoy %	Mar	n.a.	13.9
Friday, 18 May 2012				
US	Initial jobless claims (in 000s)	May 18	n.a.	367
Germany	PPI yoy %	Apr	n.a.	3.1

Earnings Releases (Singapore Time)

- Coal India Ltd (COAL IN) 4Q median net income adj. 38.7b rupees (30 analysts)
- MS&AD Insurance (8725 JP) FY oper. loss 7.1b yen (3 analysts)
- NKSJ Holdings (8630 JP) FY oper. loss 22.1b yen (4 analysts)
- Sony Financial (8729 JP) FY oper. profit 67.6b yen (5 analysts)
- State Bank Ind (SBIN IN) 4Q median net income adj. 37.3b rupees (5 analysts)
- Tata Steel Ltd (TATA IN) 4Q median net income adj. 8.81b rupees (34 analysts)
- Tokio Marine Holdings (8766 JP) FY oper. profit 134.3b yen (3 analysts)

IPO Notice

- Nothing major scheduled

New Bond Issues

- Nothing major scheduled

Recent Asian Bond Issues

Date	Issuer	Ratings S&P/Moody's/Fitch	Size	Tenor (Years)	Pricing
16-May-12	GuocoLand Ltd	NR/NR/NR	SGD100mn	2.5yr	4%
16-May-12	Ezion Holding Ltd	NR/NR/NR	SGD 100mn	3yr	5.25%
14-May-12	Huawei Technology Co Ltd	NR/NR/NR	RMB 1bn	3yr	5.3%
14-May-12	Gazprombank OJSC	BB+/Baa3/NR	USD 500mn	5yr	5.625%
11-May-12	China Petrochemical Corp	A+/Aa3/NR	USD 1bn	5yr	CT5+205bp
11-May-12	China Petrochemical Corp	A+/Aa3/NR	USD 1bn	10yr	CT10+210bp
11-May-12	China Petrochemical Corp	A+/Aa3/NR	USD 1bn	30yr	CT30+185bp

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