

Mid-Day News (Asia)

July 29, 2010

China

China's stocks rose, sending the benchmark index to the highest in two months, after the central bank said it will keep a "moderately loose" monetary policy and steelmakers rallied on improving earnings prospects. Baoshan Steel gained 3.4% to CNY6.63, heading for its biggest advance since May 18. Hebei Iron & Steel Co., the listed unit of China's biggest steelmaker, rose 2.7% to CNY4.19. Angang Steel Co. added 4.1% to CNY8.88. China's cement industry was raised to "overweight" by Citic analyst Pan Jianping, who cited construction of low-income housing and government-backed industry mergers in a report today. Anhui Conch, China's biggest cement maker, gained 2.4% to CNY20.05. Gansu Qilianshan Cement Group Co. Surged 5.4% to CNY16.27. Tangshan Jidong Cement Co. added 1.6% to CNY18.66. ICBC dropped 0.2% to CNY4.35. The bank will sell up to 0.6 shares for every 10 held, or as many as 15.06 billion shares in Shanghai and 4.98 billion in Hong Kong, according to a statement to the Shanghai Stock Exchange yesterday. Chinese manufacturing data could jolt global markets by showing the 1st contraction in 17 months, according to analysts at Societe Generale SA and Westpac Banking Corp. Seasonal factors mean there is a "tangible risk" the government-backed Purchasing Managers' Index for July will slip below 50 for the 1st time since February 2009, said Glenn Maguire, chief Asia economist for Societe Generale in Hong Kong. A Bloomberg survey showed that the official PMI index probably fell to 51.4 this month from 52.1 in June. The figure is due Aug. 1.

Hong Kong

Hong Kong stocks fluctuated after the US Federal Reserve said growth slowed in some areas of the world's biggest economy, overshadowing gains in ASM Pacific Technology Ltd. ASM Pacific surged 9.4% to HKD70.90 after reporting record profit of HKD1.15 billion for the 1st 6 months of this year. HSBC fell 0.9% to HKD80.15. China Merchants Holdings (International) Co., the owner of stakes in ports that move a 3rd of the country's cargo containers, declined 0.5% to HKD28.35. China Southern Airlines Co. jumped 4.7% to HKD3.81. The country's biggest carrier by fleet size said it expects 1st-half profit to increase more than 50-fold. Mengniu slid 3% to HKD24.15. Jinniu Milk Industry Ltd. and Yinniu Milk Industry Ltd. are offering about 50.7 million shares at between HKD23.75 and HKD24.15 each.

Indices Asia	Last	Change
Nikkei225	9,700.42	-0.54%
KOSPI Comp	1,770.21	-0.18%
S&P/ASX200	4,512.20	-0.39%
Hang Seng	21,065.74	-0.12%
Shanghai Comp.	2,645.40	0.45%
STI Singapore	2,982.42	-0.10%
Sensex India	17,957.37	-0.67%
SET Thailand	853.78	0.01%
JCI Indonesia	3,059.51	0.07%
KLCI Malaysia	1,357.80	0.19%
Indices USA	Yester-	Change
Dow Jones-(Ind.)	10,497.88	-0.38%
S&P500	1,106.13	-0.69%
Nasdaq100	1,872.62	-0.86%
Indices Europe	Yester-	Change
EuroStoxx50	2,766.11	-0.12%
SMI	6,277.49	0.04%
DAX	6,178.94	-0.46%
FTSE100	5,319.68	-0.86%
CAC40	3,670.36	0.11%
Currencies	Last	Change
USD/CHF	1.0564	-0.03%
EUR/USD	1.3000	0.04%
GBP/USD	1.5604	0.03%
USD/JPY	87.2100	-0.30%
AUD/USD	0.8938	0.0672
NZD/USD	0.7228	-0.6187
USD/KRW	1,187.30	0.26%
USD/HKD	7.7676	0.00%
USD/SGD	1.3663	-0.1097
USD/THB	32.2600	0.06%
USD/MYR	3.1965	0.20%
USD/IDR	9.006	0.00%
USD/CNY	6.7774	-0.01%
Treasury	Yield	Change
US10Y	2.75	0.06
US5Y	1.11	0.03
US2Y	0.22	0.00
JGP10Y	0.83	-0.01
AUD10Y	5.15	0.05
NZD10Y	5.09	0.19
Commodities	Last	Change
Gold	1,165.43	0.16%
Silver	17.60	0.72%
Brent Crude Oil	76.08	0.03%

Singapore Time:

11:12:36 AM



Singapore

Singapore's Straits Times Index was little changed as of 9:30 a.m. local time. 13 stocks on the 30-member gauge, while eleven fell. Elec & Eltek International Co., a maker of printed circuit boards, climbed 3.6% to USD2.87. The company said 2nd-quarter profit increased to USD24.1 million from USD10.2 million. Kreuz Holdings Ltd., a provider of engineering services to the oil and gas industry, was trading at SGD0.325 on its debut, after rising to as high as SGD0.345. The company sold 80 million shares at SGD0.27 each in its initial share sale. Lian Beng Group Ltd., a Singapore-based construction company said full-year profit, rose 1.7% to SGD0.30. The company's full-year profit increased 41% to SGD24 million from a year earlier. Singapore Post Ltd., the city-state's biggest postal service provider, rose 0.9% to SGD1.14. The company said 1st-quarter profit rose 3.2% to SGD40.7 million from a year earlier.

Australia

Australia's S&P/ASX 200 Index declined as of 12.04 p.m. in Sydney. Woodside Petroleum Ltd., Australia's 2nd-largest oil and gas producer, dropped 0.9% to AUD41.77. Rival Santos Ltd. declined 1.7% to AUD13.57. Alesco Corp Ltd. surged 2.4% to AUD2.58. The maker of building materials and home products was raised to "overweight" from "neutral" at JPMorgan Chase & Co. Austar United Communications Ltd. fell 3.9% to AUD0.975 after the company reported 1st-half net income fell 42%. Centro Properties Group jumped 10% to AUD0.22 after the company said it will extend and refinance USD2.7 billion of loans in its US business. JB Hi-Fi Ltd. lost 1.3% to AUD19.03. Australia's 2nd-largest electrical retailer was downgraded to "underperform" from "neutral" at Credit Suisse Group AG.

Japan

Japan's Nikkei 225 Stock Average fell as at the midday trading break in Tokyo. NEC Corp. lost 3.3% to JPY236. Japan's largest maker of personal computers reported its 1st-quarter net loss widened to JPY43.1 billion from JPY33.8 billion a year earlier after sales from its technology-services and phone-network businesses declined. Nomura Research Institute Ltd. tumbled 9.6% to JPY1,762, headed for the biggest drop since October 2008. The information-technology provider said 1st-quarter net income fell 33% to JPY4.08 billion due to increased personnel costs. Oki Electric Cable Co. jumped 12% to JPY162. The cable maker reversed its 1st-half forecast to net income of JPY80 million from a JPY50 million loss, citing recovering orders from machinery and machine tools makers. Sanyo Electric surged 26% to CNY149, headed for the steepest advance since November 2008. The electronics maker returned to profit in the 1st quarter and raised its forecast for 1st-half net income. Sumitomo Rubber Industries Ltd. advanced 3.5% to JPY888. Japan's 2nd-largest tire-maker by market value said in a preliminary earnings statement 1st-half net income amounted to JPY10 billion, beating its JPY7 billion forecast on recovering overseas demand. Sumitomo Rubber also said it will invest USD297 million to expand output in China. Also, bigger rival Bridgestone Corp. climbed 2.9% to JPY1,578. Yokohama Rubber Co. rose 1.7% to JPY475.

Thailand

Thailand's benchmark stock index, the SET Index, fell as at 10:05 a.m. Declines in the SET Index were led by PTT, Kasikornbank PCL and Total Access Comm.. True Corp Pcl, which fell THB0.02 to THB4.36, was the most active stock by value in Thailand. The next most-active issues were BTS Group Holdings Pcl, which rose THB0.02 to THB0.83, and Thai Union Frozen Products PCL, which rose THB3.00 to THB49.75.

Malaysia

Malaysia's FTSE Bursa Malaysia KLCI Index rose for a 5th day, set for its highest close since Feb. 28, 2008. The gauge has rebounded 10% from this year's low set on Feb. 9. George Kent (Malaysia) Bhd., a water treatment company and supplier of water tanks, rose 2.9% to MYR1.40, headed for its highest close since June 28. The company said its venture won a MYR129.8 million contract to build a water treatment plant. Daibochi Plastic and Packaging Industry Bhd., a maker of plastic bags and packaging materials, slid 1.2% to MYR3.29, set for its lowest close since July 15. The company said 2nd-quarter profit fell 27% from a year earlier to MYR4.19 million.

Indonesia

The Jakarta Composite index rose. PT Astra Agro Lestari, Indonesia's largest listed plantations company by market value posted a 17.3% decline in its unaudited 1st-half net income to IDR636.5 billion because of lower sales. The stock was cut to "underperform" from "neutral" by Credit Suisse Group AG analyst Teddy Oetomo after the brokerage cut its earnings estimates on lower production and higher costs. The brokerage lowered its share-price estimate to IDR17,400 from IDR21,070. Astra Agro fell 3.7% to IDR19,750. PT Gudang Garam, the cigarette maker was rated "outperform" in new coverage by Credit Suisse Group AG analyst Ella Nusantoro, who cited the outlook for selling prices and an expansion in the company's earnings, margins and return on equity. Gudang Garam dropped 2% to IDR34,850. PT Timah, Indonesia's largest tin producer, advanced 1% to IDR2,425. PT Unilever Indonesia, the company was rated "underperform" in new coverage by Credit Suisse Group AG analyst Ella Nusantoro, who cited a lack of catalysts for further re-rating and the stock's "demanding" valuation. Unilever Indonesia, the nation's biggest detergent maker, slid 0.6% to IDR16,550.

Korea

South Korea's Kospi index fell as of 9:31 a.m. Doosan Heavy Industries & Construction Co., South Korea's biggest power-equipment maker, added 1.1% to KRW76,400. The company will probably win an order to build a thermal power plant in Rabigh, Saudi Arabia. LG Electronics Inc., the world's 3rd-largest mobile-phone maker, lost 1.8% to KRW99,200. The company, which yesterday reported a record quarterly loss for its mobile-phone division, expects the business to recover in the 4th quarter of the year, Chief Financial Officer David Jung said. It "may not be easy" for the handset division to recover in the current quarter, Jung said. Woori Investment & Securities Co. and Tong Yang Securities Inc. cut their share-price estimates on the stock.

New Zealand

New Zealand's NZX 50 Index was little changed at 3,022.32.

Asia Currencies

JPY rose for a 2nd day against the EUR and the USD as signs the global recovery is slowing boosted demand for Japan's currency as a refuge. The JPY advanced against all its 16 major counterparts before reports that economists said will show US gross domestic product grew at a slower pace and confidence at European manufacturers stayed negative. The JPY strengthened to JPY113.33 per EUR as of 11:35 a.m. in Tokyo from JPY113.66 in New York yesterday when it advanced 0.5%. Japan's currency climbed to JPY87.25 per USD from JPY87.47, after rising to JPY86.27 on July 16, the strongest since Dec. 1.

As expected, RBNZ central bank Governor Alan Bollard raised rates for a 2nd month. In his statement, the governor said "pace and extent" of future increases would be more moderate than earlier projections. NZD fell against all the major currencies. NZD fell 0.7% to USD0.7220 per NZD, and declined 0.9% to JPY63.01.

KRW weakened on concern exports will falter and the central bank may intervene to prevent gains. The Bank of Korea said its index measuring manufacturer's expectations for next month dropped to 102 for August, from 104 for July. The KRW fell 0.3% to KRW1,187.69. The KRW reached a 5-week high of KRW1,181.33 on July 27 before retreating yesterday as traders said the central bank bought USD to counter the KRW's appreciation.



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