

## Financial News – US & Far East

- USD fell ahead of employment report
- Oil close to four year low
- Asian shares rose

### Today's main events:

- NOK: Manufacturing Output
- SEK: Riksbanks Öberg speaks
- DEM: Factory Orders
- USD: Nonfarm Payrolls



### American Time Zone:

#### U.S. Stocks fell

U.S. stocks fell for the first time in three days, pushed down by concern General Motors Corp. may file for bankruptcy and a plunge in energy shares following Merrill Lynch & Co.'s prediction that oil will hit USD 25 a barrel.

GM lost 16 % after a person familiar with the matter said the largest U.S. automaker is exploring reorganization with workers, creditors and lenders. Southwestern Energy Co., EOG Resources Inc. and Exxon Mobil Corp. slumped, sending the Standard & Poor's 500 Energy Index to a 6.2 % decline. Apple Inc. slipped 4.7 % as Nokia Oyj said the global mobile-phone market will shrink 5 % or more next year.

#### USD fell ahead of employment report

The dollar fell from a two-week high against the euro on bets a U.S. report forecast to show the highest unemployment rate since 1993 will add to the case for the Federal Reserve to lower interest rates toward zero.

The pound dropped to a record low versus the euro after the Bank of England cut its main interest rate to the lowest level since 1951. The euro fell earlier versus the dollar as European Central Bank President Jean-Claude Trichet delivered the biggest interest-rate cut in the bank's 10-year history.

#### Oil close to four year low

Crude oil fell to the lowest in almost four years as the deepening recession in the U.S., Europe and Japan cuts fuel consumption. Prices may dip below USD 25 a barrel next year if the recession spreads to China, Merrill Lynch & Co. said in a report Thursday.

### Far East Time Zone:

#### Asian shares rose

Asian shares rose on Friday following record rate cuts by central banks in Europe, though risk aversion remained, lifting the dollar ahead of what is expected to be dismal U.S. employment data.

Oil prices steadied after slumping USD 3 on Thursday to their lowest level in nearly four years amid bleak economic data that could spell a deeper decline in global energy demand.

Caution was likely to prevail in broader global markets despite the recent sell-offs, with concerns also focusing on the fate of U.S. auto makers, which are seeking billions of dollars in government aid.

The Nikkei average was up 0.3 %, while key indexes in South Korea, Hong Kong and Singapore were up between 1 and 2 %.

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## **China and U.S. have “robust” talks**

China and the United States had "robust" talks about the implications of current financial turmoil on their economies and the importance for China of having domestic-led growth and a market-driven exchange rate, U.S. Treasury Secretary Henry Paulson said on Friday.

In a closing statement after the fifth round of the cabinet-level Sino-American "Strategic Economic Dialogue", Paulson welcomed recent steps by Beijing to boost home-grown demand.

"As in the past, we discussed the importance of domestic-led growth, and the importance of a market-determined currency in promoting balanced growth in China that will contribute to a healthy global economy," Paulson said.

He said the export-import banks of both countries had made an additional USD 20 billion for trade finance available, particularly for creditworthy importers in developing economies.

"Both nations reiterated the importance of completing a successful Doha round and meaningful progress toward that goal by the end of this year," Paulson added, referring to the World Trade Organisation's long-running Doha round of market-opening talks.

# O/N BRIEFING

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Stocks			Commodities		
Indices	Level	%-change		Prices	Change
DJI	8376	-2.5	CRB	217.99	-8.45
Nikkei	7950	0.3	Brent 1. pos	42.28	0.32
DAX	4564	-0.1	Gold Spot	763.80	0.70
FTSE	4164	-0.2	LME Copper	3,270.00	-176.00
OMXS30	640	-0.5	CRB Raw	333.56	-1.25
SP500	845	-2.9	<b>Interest rate futures</b>		
Neu. Markt	547	1.6	Mar09	<b>Pct.</b>	
Nasdaq	1446	-3.1	EuroUSD	2.11	
OMXC20	255	0.3	EuroYen	0.89	
SOX Semicond.	187	-5.8	Euribor	3.47	
DRG Pharma	250	-2.3	Eurostg	3.26	
CXBT Biotech	657	-1.6	EuroChf	0.94	
CUTL Telecom.	132	-3.6			
Bonds					
10-year	Rate	Pct.		Spread	Change
Tbond Mar09	123.98	2.59	2Y-5Y US	72	2
JGB Mar09	139.44	1.47	5Y-10Y US	105	0
Bund Mar09	123.88	3.18	10Y-30Y US	50	0
Gilts cash	119.40	3.67	CorpAA-30Y US	219	
Sek10Y cash	107.37	1.86	OAS-30Y US	93	
			EMBI Global Div.	815	
FX-range					
	New York 16:00-23:00		Far East 23:00-05:30		
	Range	Open	Range	Open	
EUR/SEK	1047,00/1057,90	1056.00	1053.00/1057.00	1056.00	
EUR/NOK	906,70/914,00	907.00	912.00/914.50	912.50	
EUR/DKK	744,90/745,00	745.00	744.85/744.95	744.95	
USD/DKK	579,70/587,90	587.65	582.00/585.05	583.15	
EUR/USD	126,72/128,50	126.78	127.32/127.99	127.75	
USD/JPY	92,07/93,00	92.74	92.10/92.60	92.25	
EUR/JPY	117,24/119,26	117.52	117.60/118.24	117.85	
USD/CHF	119,25/121,21	121.15	119.50/120.06	119.60	
EUR/CHF	152,23/154,00	153.60	152.55/153.22	152.79	
GBP/USD	146,17/148,16	146.38	146.31/146.98	146.80	
EUR/GBP	86,49/87,25	86.58	86.94/87.06	87.02	
AUD/USD	64,09/65,37	64.60	64.20/64.61	64.50	
NZD/USD	52,83/53,92	53.40	53.12/53.40	53.30	
USD/CAD	125,17/128,07	126.55	127.40/127.76	127.70	

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