

Financial News – US & Far East

- U.S. stocks fell for a sixth day
- Rate cuts didn't convince the market
- U.S. may take ownership stake in banks
- Nikkei up 1.3 % on hopes for more steps

Today's main events:

- DEM Trade Balance & Current Account
- SEK Consumer Price Index
- USD Initial Jobless Claims



American Time Zone:

U.S. stocks fell for a sixth day

U.S. stocks fell for a sixth day after Treasury Secretary Henry Paulson said more banks may fail and unprecedented global interest-rate cuts failed to convince investors the economy will avoid a recession.

Bank of America Corp. slumped 7.7 % after selling shares at a discount to shore up capital. Alcoa Inc., the largest U.S. aluminium producer, slid 13 % as a reduction in manufacturing caused by the credit crisis left the company with earnings that trailed analyst estimates.

Russia, Indonesia, Ukraine and Romania shut their exchanges and Brazil's benchmark index fell to the lowest level in two years in the worst week for emerging markets in at least two decades.

Rate cuts didn't convince markets

The dollar declined the most against the euro in more than two weeks as global central banks made coordinated reductions in borrowing costs, reducing demand for the U.S. currency as a haven from credit market turmoil.

However, the yen rose to a three-year high against the euro and gained versus the dollar on concern the

interest-rate cuts may fail to boost confidence, encouraging the sale of higher-yielding assets.

Oil price at 10 month low

Crude oil fell to the lowest in 10 months after the U.S. government reported a bigger-than-expected gain in crude and gasoline inventories as the global economic crisis curbed demand.

Far East Time Zone:

U.S. may take ownership stake in banks

Having tried without success to unlock frozen credit markets, the Treasury Department is considering taking ownership stakes in many United States banks to try to restore confidence in the financial system, according to government officials.

Nikkei up 1.3 % on hopes for more steps

The Nikkei average rose 1.3 % on Thursday as coordinated worldwide cuts in interest rates sparked hopes that governments might take more action to battle the financial crisis, but gloomy results from retailer Aeon Co weighed on the market.

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The benchmark added 115.08 points to end the morning session at 9,318.40. It finished the previous day at 9,203.32, its lowest close since June 2003.

The broader Topix climbed 1.8 % to 915.49.

Japan machinery orders dive as recession looms

Japan's core private-sector machinery orders tumbled 14.5 % in August, four times more than expected, in a bad sign for capital spending as the nation's economy spirals toward a recession.

A day after the Nikkei plunged 9 %, Japanese Prime Minister Taro Aso instructed senior ruling party officials to consider a new emergency package to cope with the global financial uncertainty, Kyodo news agency reported.

The early snapshot of corporate outlays comes on mounting fears that the deepening turmoil could deal a serious blow to the world economy, hit Japanese exports and further weaken corporate activity.

USDJPY traded between 98.90 and 100.74.

Oil price fell below USD 88 on downturn fears

Oil slid by more than a dollar to below USD 88 a barrel on Thursday, as a series of bold rescue moves by policy makers around the world failed to lift fears the global economy was heading for a meltdown.

A much larger than expected rise in U.S. crude and gasoline inventories underlined worries that the economic crisis would hit oil demand, a concern that has sent crude tumbling about USD 60 a barrel from its record high above USD 147 in July.

U.S. light crude for November delivery fell USD 1.13 to USD 87.82 a barrel. On Wednesday oil hit a 10-month low of USD 86.05, but pared some of those losses during the session.

London Brent crude fell 88 cents to 83.48 a barrel.

O/N BRIEFING

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Stocks			Commodities		
Indices	Level	%-change		Prices	Change
DOW JONES INDUS. AVG	9258	-2,0	CRB	311,66	-1,15
NIKKEI 225	9318	1,3	Brent 1. pos.	84,36	-0,58
DAX INDEX	5014	-5,9	Gold Spot	903,1	-0,4
FTSE 100 INDEX	4367	-5,2	LME Copper	5240	-390
OMX STOCKHOLM 30 INDEX	664	-6,2	CRB Raw	423,04	-5,43
S&P 500 INDEX	985	-1,1			
NEMAX ALL-SHARE PRICE IX	611	-6,6			
NASDAQ COMPOSITE INDEX	1740	-0,8			
OMX COPENHAGEN 20 INDEX	293	-4,8			
PHILA SEMICONDUCTOR INDX	256	-0,7			
AMEX PHARMACEUTICAL INDX	264	-2,1			
NASDAQ BIOTECH INDEX	719	-0,3			
NASDAQ TELECOMM INDEX	168	-0,2			

Interest rate futures

	Pct.
DEC 08	
EuroUSD	2,91
EuroYen	0,84
Euribor	4,37
EuroStg	5,15
EuroChf	2,38

Bonds

10-year	Rate	Pct.		Spread	Change
Tbond DEC 08	115,16	4,13	2Y-5Y US	110	0
JGB DEC 08	138,80	1,53	5Y-10Y US	102	-1
Bund DEC 08	116,85	3,93	10Y-30Y US	38	-4
Gilts Cash	113,39	4,34	CorpAA-30YUS	188	
Sek10Y Cash	104,74	3,17	OAS-30YUS	108	
			EMBI Global Div.	#N/A	Sec

FX-range	New York 16:00-23:00		Far East 23:00-05:30	
	Range	Open	Range	Open
EUR/SEK	965,30/973,00	970,10	967,95/968,60	968,00
EUR/NOK	836,80/746,15	845,25	836,75/837,80	837,00
EUR/DKK	745,15/745,65	745,65	745,25/745,35	745,30
USD/DKK	541,85/546,85	545,25	544,25/548,80	545,30
EUR/USD	136,29/137,54	136,75	135,80/136,94	136,68
USD/JPY	99,31/100,62	100,40	98,90/100,74	99,35
EUR/JPY	135,71/138,00	137,40	134,96/137,87	135,79
USD/CHF	112,12/113,47	113,20	112,57/113,11	112,57
EUR/CHF	153,74/155,14	154,90	153,58/154,34	153,86
GBP/USD	172,63/174,09	173,80	171,73/173,08	173,00
EUR/GBP	78,55/79,38	78,70	78,87/79,15	79,00
AUD/USD	65,80/68,04	67,50	66,50/68,95	67,55
NZD/USD	59,67/61,41	60,60	59,10/60,75	60,75
USD/CAD	111,06/112,57	111,18	112,27/112,80	112,27

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