

Financial News – US & Far East

- U.S. equities declined
- The dollar declined
- Auto bailout dies in U.S. Senate
- The dollar dives below 90 yen

Today's main events:

- EUR: Industrial production
- USD: Producer Price Index
- USD: University of Michigan Confidence



American Time Zone:

U.S. equities declined

U.S. stocks declined for the second time this week after initial jobless claims jumped to a 26-year high and lawmakers said a USD 14 billion plan to rescue the nation's auto industry lacks the votes to pass the Senate.

Bank of America Corp. and General Electric Co. slumped more than 3.6 % on government reports that 573,000 people applied for first-time unemployment benefits last week and the trade gap deficit grew 1.1 % in October as exports decreased. General Motors Corp. and Ford Motor Co. slid more than 9.6 %. Hess Corp. led a rally in energy shares that limited the market's retreat as oil climbed the most in five weeks.

The dollar declined

The dollar fell against all the major currencies as the cost of borrowing in the greenback tumbled, indicating less demand for year-end funding.

The euro broke through USD 1.34 for the first time in seven weeks as the U.S. trade deficit unexpectedly widened and European Central Bank Executive Board member Juergen Stark signalled policy makers are reluctant to keep cutting interest rates aggressively. The Swiss franc slid against the euro after the central bank cut borrowing costs to a four-year low.

Oil price sharply higher

Crude oil jumped 11 %, the biggest gain in 11 weeks, after the Saudi Arabian oil minister said he had delivered the output cuts promised to OPEC, a sign that world supplies are smaller than traders had estimated.

Far East Time Zone:

Auto bailout dies in U.S. Senate

The U.S. Senate failed on Thursday night to reach a last-ditch compromise to bail out automakers, effectively killing any chance of congressional action this year.

Republican-brokered talks faltered, leaving the chamber at a dead end on an approach for extending USD 14 billion in loans to avert a threatened collapse of one or more automakers, Senate Majority Leader Harry Reid said in remarks on the floor.

Markets across the Asia-Pacific region dropped more than three percent after news the U.S. automaker bailout talks had collapsed.

The dollar dives below 90 yen

The dollar hit a 13-year low below 90 yen on Friday after a proposal to bail out the U.S. auto industry failed in the Senate.

Traders fretted about Japanese government intervention as the dollar fell to 88.1 yen on trading platform EBS, it's lowest since 1995.

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Traders said they were eyeing an all-time low of 79.75 yen.

USD/JPY traded between 88.10 and 91.88.

EURJPY traded between 117.74 and 122.55.

Global markets

Asian stocks fell sharply on Friday after failure to find a compromise on a \$14 billion carmaker bailout in the U.S. Senate put the industry in jeopardy, pushing up U.S. government debt and dragging down the dollar.

U.S. stock futures gapped lower and oil prices extended losses to trade below \$46 a barrel after the majority leader of the U.S. Senate said a procedural vote over the bailout would be held later, but predicted it would not pass.

Asian shares had already been under pressure before the auto industry news because of unease about the shrinking financial sector and economic malaise, which doused the bargain hunting that had helped to drive up shares in the last week.

Japan's Nikkei share average sank 5.3%, snapping four days of rises.

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Stocks			Commodities		
Indices	Level	%-change		Prices	Change
DJI	8565	-2,2	CRB	230,83	9,46
Nikkei	8260	-5,3	Brent 1. pos	47,39	-1,65
DAX	4767	-0,8	Gold Spot	824,90	-9,00
FTSE	4389	0,5	LME Copper	3.320,00	15,00
OMXS30	677	-1,7	CRB Raw	320,50	1,81
SP500	874	-2,9	Interest rate futures		
Neu. Markt	517	-3,0	Mar09		Pct.
Nasdaq	1508	-3,7	EuroUSD		1,85
OMXC20	257	-1,4	EuroYen		0,90
SOX Semicond.	203	-2,5	Euribor		3,26
DRG Pharma	257	0,2	Eurostg		3,05
CXBT Biotech	669	-2,1	EuroChf		0,81
CUTL Telecom.	142	-3,6			
Bonds					
10-year	Rate	Pct.		Spread	Change
Tbond Mar09	124,78	2,51	2Y-5Y US	79	2
JGB Mar09	138,82	1,53	5Y-10Y US	107	0
Bund Mar09	122,42	3,33	10Y-30Y US	50	4
Gilts cash	118,23	3,79	CorpAA-30Y US	236	
Sek10Y cash	107,04	1,99	OAS-30Y US	69	
			EMBI Global Div.	779	
FX-range					
	New York 16:00-23:00		Far East 23:00-05:30		
	Range	Open	Range	Open	
EUR/SEK	1057,50/1061,60	1059,00	1057,00/1064,50	1061,50	
EUR/NOK	913,00/919,00	915,00	914,25/920,60	915,25	
EUR/DKK	744,87/745,00	744,95	744,85/745,00	744,90	
USD/DKK	555,60/563,45	561,50	555,60/560,15	558,00	
EUR/USD	132,21/134,07	132,68	132,98/134,07	133,50	
USD/JPY	91,42/92,03	91,55	88,10/91,88	91,48	
EUR/JPY	121,14/122,73	121,32	117,74/122,55	122,13	
USD/CHF	117,92/119,13	118,75	117,76/118,70	118,43	
EUR/CHF	157,38/158,15	157,55	157,20/158,15	158,10	
GBP/USD	148,92/150,77	149,30	150,00/151,33	150,30	
EUR/GBP	88,56/89,05	88,86	88,56/88,86	88,82	
AUD/USD	66,83/68,00	66,90	65,35/67,35	67,23	
NZD/USD	54,89/55,73	55,30	54,46/55,45	55,20	
USD/CAD	121,63/123,82	123,00	122,84/124,38	123,55	

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