

## Financial News – US & Far East

- Equities rose in New York
- The dollar rose after employment report
- Oil price jumped 4 %
- Japan bank lending growth record as markets dry up

### Today's main events:

- GBP: Producer Price Index
- DEM: Industrial Production
- EUR: Trichet speaks
- USD: FED's Kohn & Fisher speaks



### American Time Zone:

#### Equities rose in New York

U.S. stocks rose reversing an earlier slide, as Hartford Financial Services Group Inc. led a rally in insurers after increasing its profit forecast and saying its businesses are weathering the credit crisis.

Hartford, which tumbled 92 % in 2008 before today, doubled to lead an advance in 20 of 21 insurance companies in the Standard & Poor's 500 Index. Prudential Financial Inc. and MetLife Inc. climbed more than 15 % as UBS AG said they may benefit from potential regulatory changes. The gains helped the market overcome a morning slide spurred by government data showing the nation lost the most jobs in 34 years as the recession deepened last month.

#### The dollar rose after employment report

The dollar rose against the euro for the first time in four days as the U.S. payrolls report showed the biggest job losses in 34 years, increasing the haven appeal of the greenback. Japan's yen was headed for a fifth weekly gain versus the dollar, its longest rally since December 2004, as speculation rose that the Federal Reserve will cut borrowing costs to near zero this month.

#### Oil price lower in New York

Crude oil fell to the lowest in almost four years on concern fuel demand will drop after a government report showed that U.S. employers cut jobs in November at the fastest pace since 1974.

### Far East Time Zone:

#### Oil price jumped 4 %

Oil jumped 4 % to above USD 42 on Monday, clawing back a share of the near-record decline last week when negative economic data heightened fears about the impact of a global recession on fuel demand.

With few signs of immediate economic improvement, traders said the best chances for a rebound in oil prices more than USD 100 off their peaks rested with a U.S. auto sector bailout and next week's OPEC meeting in Algeria.

U.S. crude for January delivery rose USD 1.59 to USD 42.40 a barrel by 0202 GMT after closing on Friday at USD 40.81, the lowest settlement since December 10<sup>th</sup>, 2004. Oil shed a quarter of its value last week; the sharpest weekly fall since January 1991.

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## **Japan bank lending growth record as markets dry up**

Japanese bank lending growth hit a record high in November, with companies tapping their credit lines as access to funds through financial markets narrowed in the wake of the global credit crisis.

Underscoring the pain from the global downturn on Japan's economy, the current account surplus in October more than halved from a year earlier as exports fell and high oil prices until the middle of this year bloated import bills.

Fund-raising has increasingly become a headache for many firms already struggling from slack exports and consumption as the global downturn looks set to hit Japan's economy, already in its first recession in seven years, well into next year.

Reflecting weakening corporate activity, revised GDP data due on Tuesday is expected to show the Japanese economy shrank 0.2 % in July-September, double the preliminary reading of a 0.1 % fall, according to a Reuters poll.

Bank lending grew 3.2 % from a year earlier in November, accelerating from revised growth of 2.1 % in October and marking the biggest increase since records became available in 2001, Bank of Japan data showed on Monday.

The outstanding balance of commercial paper dropped 9.9 % in November from a year earlier after an 8.5 % fall in October, posting the largest decline in nearly two years.

# O/N BRIEFING

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Stocks			Commodities		
Indices	Level	%-change		Prices	Change
DJI	8635	3,1	CRB	208,60	-9,39
Nikkei	7983	0,8	Brent 1. pos	39,74	1,50
DAX	4381	-4,0	Gold Spot	750,50	9,50
FTSE	4049	-2,7	LME Copper	3.050,00	-220,00
OMXS30	609	-5,0	CRB Raw	320,35	-13,21
SP500	876	3,7	<b>Interest rate futures</b>		
Neu. Markt	527	-3,7	Dec08		<b>Pct.</b>
Nasdaq	1509	4,4	EuroUSD		2,13
OMXC20	246	-3,5	EuroYen		0,89
SOX Semicond.	193	3,2	Euribor		3,44
DRG Pharma	257	3,1	Eurostg		3,19
CXBT Biotech	681	3,6	EuroChf		0,92
CUTL Telecom.	138	4,9			
Bonds					
10-year	Rate	Pct.		Spread	Change
Tbond Dec08	122,81	2,71	2Y-5Y US	77	-1
JGB Dec08	138,79	1,53	5Y-10Y US	103	1
Bund Dec08	124,40	3,12	10Y-30Y US	43	0
Gilts cash	119,72	3,63	CorpAA-30Y US	209	
Sek10Y cash	107,21	1,93	OAS-30Y US	137	
			EMBI Global Div.	812	
FX-range					
	New York 16:00-23:00		Far East 19:00-05:30		
	Range	Open	Range	Open	
EUR/SEK	1059,90/1077,00	1064,00	1058,00/1060,25	1060,00	
EUR/NOK	917,00/925,50	918,50	917,25/923,10	922,00	
EUR/DKK	744,90/745,00	744,95	744,90/745,00	744,95	
USD/DKK	584,75/588,70	586,70	582,70/585,85	585,00	
EUR/USD	126,54/127,40	126,97	127,16/127,85	127,34	
USD/JPY	91,77/93,40	91,91	92,57/93,10	92,90	
EUR/JPY	116,20/118,74	116,70	117,90/118,79	118,30	
USD/CHF	121,35/122,51	121,47	121,68/122,25	121,76	
EUR/CHF	154,10/155,50	154,21	155,00/155,71	155,05	
GBP/USD	145,40/147,73	146,25	146,90/147,60	147,20	
EUR/GBP	86,15/87,07	86,82	86,33/86,72	86,51	
AUD/USD	62,90/64,89	63,63	64,55/65,37	64,70	
NZD/USD	52,01/53,51	52,71	53,20/53,75	53,30	
USD/CAD	126,60/130,08	129,60	126,95/127,54	127,10	

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