

European woes continue

Euro under pressure but holding up on negative news as, Eurogroup ministers reject private bondholders offer, insisting the coupon on new bonds must be below 4pct. Greek bonds have now priced in larger haircuts. Reports that Portugal will need a second bailout. S and P downgraded several banks by one notch yesterday; the market barely reacted as this move was widely expected.

Elsewhere the Reserve Bank of India left rates unchanged but cut the cash reserve ratio by 50bp to ease tight liquidity conditions. The BoJ held rates steady, but cut growth projections, forecasting a mild contraction for the year to March.

Light calendar today with EZ Industrial the a highlight.

Economic Indicators

Country	Indicator	Period	Previous	Forecast
EZ	Industrial new order	Nov	1.80%	-2.20%



Benchmark Interest Rates

	Today	Dec '11
US FED FUNDS	0.25	0.25
UK BASE RATE	0.50	0.50
ECB REPO RATE	1.00	1.00
Interest Rates	Bid	Offer
US 1MTH DEP	0.21	0.29
US 3MTH DEP	0.50	0.58
US 6MTH DEP	0.73	0.81
US 1YR DEP	1.05	1.13
UK 1MTH DEP	0.55	0.65
UK 3MTH DEP	0.85	0.95
UK 6MTH DEP	1.15	1.25
UK 1YR DEP	1.60	1.70
EUR 1MTH DEP	0.82	0.90
EUR 3MTH DEP	1.18	1.26
EUR 6MTH DEP	1.47	1.55
EUR 1YR DEP	1.81	1.89

Bond Markets

		Yield	Dec '11
US	6MTH T BILLS	0.06	0.06
US	2 YEAR BOND	0.23	0.24
US	5YEAR BOND	0.91	0.83
US	10 YEAR BOND	2.06	1.88
UK	6MTH T BILLS	0.51	0.31
UK	2 YEAR GILT	0.42	0.32
UK	5 YEAR GILT	1.15	1.05
EUR	2 YEAR BOND	0.21	0.14
EUR	5 YEAR BOND	0.94	0.75



FX Markets

	Today	Dec '11
GBP/USD	1.5555	1.5509
EUR/USD	1.302	1.296
USD/JPY	77.25	76.99
GBP/EUR	1.195	1.1967
USD/CHF	0.9265	0.9387
USD/MAD	8.5614	8.577
USD/ALG	76.3933	75.3535
USD/TUN	1.5042	1.4988
USD/LYD	1.222	1.2567
USD/JOR	0.71	0.71

Commodities & Metals

	Today	Dec '11
GOLD \$OZ	1672.99	1576.38
SILVER	32.25	28.19
COPPER GR A	\$ 5365.00	\$ 7600.00
ALUMINUM HG	\$ 2115.00	\$ 1970.00
BRENT DATED	110.00	107.38
COFFEE FUTURE	\$ 1889.00	\$ 1810.00
RUBBER C/KG	\$ 1133.00	\$ 1032.50
WHEAT	\$ 619.75	\$ 652.75
SUGAR FUT WHITE	\$ 651.20	\$ 602.00

Equities

	Daily Move	Close	Dec '11
FTSE 100	54.01	5782.56	5572.28
DAX	32.23	6436.62	5898.35
DOW JONES	-11.66	12708.82	12217.56
NASDAQ	-2.53	2784.17	2605.15
NIKKEI	19.43	8785.33	8455.35
HANG SENG	167.42	20110.37	18434.40
CAIRO	Closed	375.60	325.81
JORDAN	4.53	4372.18	4648.41
MOROCCO	50.21	11208.79	11027.70
KUWAIT	-9.30	5787.80	5814.20
BAHRAIN	-0.27	1141.15	1143.69
SAUDI	9.97	6460.55	6417.73
DUBAI	6.12	1340.70	1353.39

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