

Thursday, March 18, 2010

Highlights

- **Federal Reserve Chairman Ben S. Bernanke argued against Christopher Dodd's proposed legislation** which was introduced earlier this week which effectively relegated the Fed to a role of regulating only the largest financial firms.
- **US:** The US Senate passed a \$18 billion Hiring Incentives to Restore Employment (HIRE) Act in an effort to reduce the unemployment rate.
- **Wall Street climbed** with the Dow Jones Industrial Average at a 17-month high. The Dow average gained 0.45 pct to 10,733.75, while S&P rose 0.58 pct to 1,166.21 and Nasdaq climbed 0.47 pct to 2,389.09.
- **Germany:** German Chancellor Angela Merkel suggested that Greece employ IMF's aid to alleviate its fiscal crisis. The surprise shift signaled Merkel's attempts to steer clear of any commitment to a Greek bailout amidst EU's efforts in a contingency plan.

Treasury Advisory

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Today

- US: Feb CPI, initial jobless claims, 4Q current account, Mar Philly Fed, Feb leading indicators.
- EZ: Jan current account, trade balance.
- JP: BOJ Monthly Report, Jan leading index.
- GB: Feb mortgage approvals, M4 money supply, Feb public sector finances, Mar CBI industrial trends survey.
- HK: Feb unemployment rate.

Major Markets

- **US:** The HIRE Bill which aims to reduce unemployment, would exempt companies from paying the 6.2% payroll tax on new employees who were previously unemployed and allow a \$1,000 tax credit if the new hires stay on the job a year later.
- The bill previously proposed by Senator Dodd would limit the Fed's supervisory authority to bank holding companies to only \$50 billion in assets or more and would shift supervision of thousands of banks to other regulators. "We are quite concerned by proposals to make the Fed a regulator only of the biggest banks. It makes us essentially the too-big-to-fail regulator. We don't want that responsibility. The insights provided by our role in supervising a range of banks, including community banks, significantly increase our effectiveness in making monetary policy and fostering financial stability," Bernanke said.
- **Malaysia:** USD-MYR lower late at 3.2960 vs 3.3120, tracking the USD weakness vs regional currencies.

- Bonds flat with yields expected to hold steady on lack of fresh leads. May 2013 MGS and Nov 2019 MGS both down by 1bp at 3.28% and 4.20% respectively, while Aug 2015 MGA and Sep 2017 MGS flat at 3.74% and 3.95% respectively. KLCI up 0.2% at 1301.95 on the back by gains in tech (+2.6%) and property (+1.0%) plays.

Foreign Exchange		Equities and Commodities		
	Current	Index	Value	Net change
USD-MYR	3.3215	DJIA	10733.67	47.69
EUR-MYR	4.5493	Nasdaq	2389.09	11.08
SGD-MYR	2.3780	Nikkei 225	10846.98	125.27
JPY-MYR	3.6741	STI	2919.3	22.87
AUD-MYR	3.0640	KLCI	1301.95	3.09
GBP-MYR	5.0680	JCI	2756.26	86.65
NZD-MYR	2.3743	Crude Oil	82.93	1.43
CAD-MYR	3.2840			

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