

DAILY MARKET UPDATE

WEDNESDAY, MARCH 17, 2010

EQUITIES

Switzerland

Kuehne & Nagel International AG (KNIN VX)

- The sea-freight forwarder said it won a five-year contract from Akzo Nobel NV's Spanish unit to manage Akzo's Iberian distribution center in Zaragoza.

Roche Holding AG (ROG VX)

- The world's biggest maker of cancer medicines submitted the Actemra rheumatoid arthritis treatment to U.S. regulators, seeking to widen the use to include prevention of structural joint damage and improved physical function.

Raetia Energie AG (REP SW)

- The utility's full-year profit rose to CHF 111mln from CHF 94 mln a year earlier.

Europe

European Aeronautic Defence & Space Co. (EAD FP)

- French President Nicolas Sarkozy and German Chancellor Angela Merkel said they will "examine the implications" of the recent U.S. tender for in-flight refueling tanker planes, expressing "concern" over rules that led to EADS dropping its bid.

Commerzbank AG (CBK GY)

- Germany's second-biggest lender intends to change its bonus evaluation system for about 250 senior executives responsible for private clients by taking into account customer satisfaction, Handelsblatt said.




Publicis Groupe SA (PUB FP)

- The advertising company said Chairman Maurice Levy and the four other management board members will forego their bonuses for 2009 as a gesture of "solidarity" with employees.

Metro AG (MEO GY)

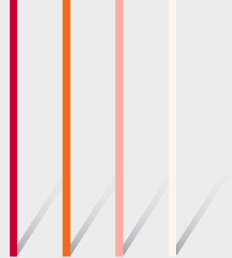
- Germany's largest retailer will split its Cash & Carry wholesale division into two units, managed by Frans Muller and Joel Saveuse.

USA

| Future | Current | Chg Pct 1d | Trend |
|--------------------|---------|------------|---|
| DJIA . Mar '10 | 10703 | 0.16% |  |
| S&P 500 Mar '10 | 1159.5 | 0.80% |  |
| Nasdaq 100 Mar '10 | 1931 | 0.60% |  |

U.S. Market News

Blockbuster Inc. with \$855.9mln in debt said it may file for bankruptcy. **Discover Financial Services** will pay back \$1.2bln to the Troubled Asset Relief Program, making the lender the last of the six biggest U.S. card issuers to return bailout money. **Hartford Financial Services Group Inc.**, the bailed-out insurer that hired a new chief executive officer last year plans to sell shares and debt to raise funds to repay its \$3.4bln U.S. rescue within 10 months. **Massey Energy Co.**, the coal producer, agreed to buy Cumberland Resources Corp. for \$960mln. (Bloomberg)



COMMODITIES

Oil

Crude oil rose for a second day as the dollar's decline buoyed investor demand and as OPEC ministers indicated they would refrain from raising production. Oil climbed the most in four weeks yesterday after Standard & Poor's Ratings Services affirmed its credit ratings on Greece, strengthening the euro against the U.S. currency. The Organization of Petroleum Exporting Countries, which pumps 40% of the world's crude, will probably maintain output targets at a meeting today in Vienna. Crude oil for April delivery gained as much as 59 cents, or 0.7%, to \$82.29 a barrel in electronic trading on the New York Mercantile Exchange. It was at \$82.07 at 12:13 p.m. Singapore time. Yesterday, the contract climbed 2.4%, the most since Feb. 16, to settle at \$81.70. Futures have increased more than 3% this year.

Gold

Gold, little changed in Asia, may fall for the first time in three days as rising equities and a firmer dollar reduce investor demand for commodities as alternative assets. Platinum traded near a two-month high. Immediate-delivery bullion fell as much as 0.2% to \$1,125.55 an ounce and was at \$1,127.35 at 9:40 a.m. in Singapore. Bullion climbed 1.7% yesterday, the most since Feb. 11, after the U.S. Federal Reserve pledged to hold rates low, pushing the greenback down as much as 0.7% against a basket of six major currencies.

Soft Commodities

Corn rose for a second day after the National Oceanic Atmospheric and Administration said the U.S., the world's largest exporter of the crop, faces potential "historic flooding" in the coming weeks. Corn for May delivery added as much as 0.5% to \$3.685 a bushel in after-hours trading on the Chicago Board of Trade, and was \$3.675 a bushel at 10:43 a.m. Singapore time. The upper Midwest states of North Dakota, South Dakota, Minnesota and Iowa are among the states that face above-average flood risk, government forecasters said yesterday. Soybean and corn plantings were delayed by wet weather last year. Corn futures rose to last year's high \$4.7175 a bushel in June after excessive rains in the Midwest, the largest U.S. growing region, delayed planting, raising concern yields may drop and farmers may shift acres to soybeans. Iowa produces an average of 56 million metric tons of the corn a year, more than any country outside the U.S. other than China, Kevin Rempp, a director of the Iowa Corn Promotion Board, which represents farmers in the state, said in September.

FX

The dollar fell against most of its major counterparts before a report forecast to show wholesale prices declined for the first time in five months, backing the Federal Reserve's pledge to keep interest rates near zero. The Canadian currency touched its strongest in almost two years versus the greenback as prices for oil, the nation's largest export, climbed a second day. The yen weakened against the euro as Asian stocks gained and the Bank of Japan doubled the size of its bank-loan program, boosting demand for riskier investments. The greenback fell to \$1.3783 per euro as of 2:10 p.m. in Tokyo from \$1.3766 in New York yesterday. It reached \$1.3796 against the euro on March 12, the lowest level since Feb. 11. Dollar Falls as Fed Outlook Boosts Asian Stocks, Commodities The yen declined to 90.58 per dollar from 90.31, after earlier rising to 90.03. Japan's currency slipped to 124.86 per euro from 124.31, after briefly strengthening to 124.09. Prices paid to U.S. factories, farmers and other producers are projected to fall 0.2% in January, according to the median estimate of 70 economists surveyed by Bloomberg News. Excluding fuel and energy, prices may have climbed 0.1 percent after rising 0.3% in January.

FIXED INCOME

Treasuries dropped, snapping three days of gains, as a rally in Asian stocks damped demand for the relative safety of government debt. Ten-year yields rose from near the lowest level in a week before the Treasury announces tomorrow the amount of two-, five- and seven-year debt it will sell next week. The Federal Reserve said after a policy meeting yesterday the economy has "continued to strengthen," and reiterated it will keep interest rates low for an "extended period." The yield on the 10-year note rose two basis points to 3.67% as of 2:15 p.m. in Tokyo, according to BGCantor Market Data. The 3.625% security due February 2020 fell 5/32, or Treasuries Drop, End Three-Day Gain, as Stock Rally Saps Demand \$1.56 per \$1,000 face amount, to 99 21/32. The yield slid to 3.64% yesterday, the lowest since March 5. The MSCI Asia Pacific Index of shares advanced 1.3% to the highest level since Jan. 20. The Nikkei 225 Stock Average gained 1.2%. The U.S. will sell \$44 billion of two-year notes on March 23, \$42 billion in five-year debt the following day and \$32 billion of seven-year securities on March 25, according to estimates from Wrightson ICAP LLC, an economic advisory firm in Jersey City, New Jersey.

