



# AMG Weekly Market Update

22<sup>nd</sup> Mar, 2010

## The rescue package for Greece

The Eurozone member are working to offer last minute help to Greek government before the pressing need to refinance on debt maturing which amounts to EUR 13 billion in April and EUR 8.5 billion in May 2010. After a standstill over the source of funding, the Eurozone members now come up with a proposal to have a mixed package of IMF loans and Eurozone member bilateral loans as a last resort of finance for members in need. But, there will not be any concession on the interest rate. The loans will not be available at market rate.

The purpose of the arrangement is to prevent the default of member countries to result in disastrous damage to the Euro, but also to prevent debt burdened countries to use it for quick fix of their debt problem. Since the IMF has always imposed very strict conditions on the loans to it members, the borrowers countries will need to commit to very harsh deficit cutting plan and the result is often deep recessions.

For the Eurozone and global investment market, the deal would likely offer some relief to the worries about Euro for a short period of time. But, we must not forget that European countries like Portugal, Spain and Italy are also threatening by high debt. The Euro will still be affect by these countries. If they call for external help, it will drag on the currency.

### Weekly economic indicator update

Country / Region	Economic Indicator		Time period	Latest	Last
US	Industrial production	Mom change	Feb 2010	0.1%	0.9%
US	Capacity utilization	%	Feb 2010	72.7%	72.5%
US	New homes start	Annualized rate	Feb 2010	575K	591K
US	CPI	Mom change	Feb 2010	0.0%	0.2%
US	CPI	Yoy change	Feb 2010	2.2%	2.7%
US	Leading indicator	Mom change	Feb 2010	0.1%	0.3%
EMU	Core HICP	Yoy change	Feb 2010	0.9%	1.1%
Germany	ZEW business sentiment index		Mar 2010	44.5	45.1
France	CPI	Yoy change	Feb 2010	1.3%	1.1%
South Korea	Unemployment rate	%	Feb 2010	4.9%	4.8%
Singapore	Retail sales	Yoy change	Jan 2010	2.3%	-4.9%
Singapore	Domestic non-oil exports	Yoy change	Feb 2010	23%	21%



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Philippines	Unemployment rate	%	Jan 2010	7.3%	7.1%
Malaysia	CPI	Yoy change	Feb 2010	1.2%	1.3%

\* All figures and information are collected from www.bloomberg.com, Center for European Research (ZEW), Eurostat, National Institute of Statistics and Economic Studies (INSEE), Bank of Korea, Statistics Singapore, National Statistics Office of Republic of the Philippines, Department of Statistics Malaysia.

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