

Market Review

- The market ends lower this week with Dow ends up at 12,044.40 and S&P at 1,304.28. The major drag of the decline is the energy and technology sectors. The market is still acting reservedly against oil prices, which will still be the main focus for the following weeks.
- Chinese report trade deficit of \$ 7.3 billion. This worries investors on weak external demand.

Currency

- After downgrade of Greece's and Portugal's debts, the worries about Euro debt crisis spread again, sending Euro lower this week despite the interest raise expectation. Investors think that the central government should have a more comprehensive plan. However, on Friday EUR/USD is trading higher at \$1.3903 on an agreement about a competitiveness pact by European leaders.
- Japanese Yen rises against other major currencies. Companies will repatriate yen to help rebuilding, driving up the demand.
- Investors and fund managers are using currencies to hedge against unexpected events in the market. It is cheaper and more efficient than traditional stock options and government bond hedging.

Commodities

- Copper tumbles this week on concerns about rising oil prices and economy recovery in the US. However, China will resume its purchase of Copper under tightening supplies. The copper future is likely to gone up further in the near future.
- US and Europe crude futures diverges in price on Libya's continuous unrest and surprising jump of US stockpile.
- Increase oversea demand for beef exporting for the US and the tightening supplies send cattle futures to all time highs at \$1.1752 a pound on Wednesday, Also the cost of raising cattle is rising on surging prices for feed grains such as corns.

Bond

- Municipal-bond issuance will hit a new low quarter in the past 11 years, hurting the liquidity. The lack of supply has also postponed many government-funded projects. Investors start to rethink of muni-bonds' prices stability.

Dealbook Review

- New round of team shuffling has started. In effort to increase M&A deals as J.P. Morgan Chase leads the scoreboard this year, Goldman Sachs tapped a third co-head of global M&A and two more executives to lead its America team. Nomura Holdings has promoted Tarun Jotwani to head its global market, part of a broad management shakeup in a bid to bolster profits.
- Many analysts have suggested that M&A volumes are lagging in comparison with historical data in the current bull market even with the recent report on increasing M&A activities.

Mergers & Acquisitions

- LVMH is to take a controlling stake in Bulgari, underscoring the French group's acquisitive streak as the luxury market rebounds
- Sprint Nextel is again discussing options for combining its business with rival T-Mobile, as the two struggle to keep customers from defecting to larger rivals.
- Tokyo Stock Exchange Group Inc. plans to hold merger discussions with Osaka Securities Exchange Co. as takeovers sweep exchanges around the world.
- Cumulus agreed to acquire rival radio broadcaster Citadel Broadcasting in a \$2.5 billion cash-and-stock deal.

Financial Institutions

- Morgan Stanley is considering dropping the 73-year-old Smith Barney name from its roughly 18,000-member brokerage force, and it is also planning to lay off 200 to 300 trainees and lower-producing financial advisers in its brokerage joint venture
- The Treasury Department has received a \$6.9 billion repayment from AIG, the troubled insurer it helped bail out at the height of the financial crisis.
- UBS's profit margins in Asia may shrink for as long as two years as competition for bankers in the world's fastest-growing major economies drives up compensation costs.

Capital Market

- The hospital operator, HCA, priced its IPO at the high end of its range of \$30 a share, making it the largest-ever private-equity-backed IPO in the U.S. It opened at \$31.20 at NYSE on the first day for trade.
- Hong Kong tycoon Li Ka-shing's \$5.8 billion Hutchison Port's IPO in Singapore came to early close for institutional book as it is oversubscribed.