

Asian stocks mixed in year-end lull US stocks close higher in post-Christmas trade

AFP, Tokyo

Asian stocks were mixed on Friday, in light trading with several markets still closed for the Christmas holiday and investors bracing themselves for a grim new year, dealers said.

Tokyo closed up 1.63 percent to a six-week high as dealers brushed aside more grim economic data and welcomed an easing of the yen, whose recent spike has scared exporters.

Sydney and Hong Kong were closed. Shanghai was flat and Seoul fell 0.94 percent as dealers reported thin trade across Asia and low confidence.

"Amid lingering concerns over the global economy, market confidence remained weak," said Capital Securities analyst Chen Yu-yu, referring to trading in Taipei where shares rose 0.26 percent.

"So, bargain hunting failed to boost interest to significantly lift the broader market."

In Tokyo, dealers sought out holiday bargains after this year's heavy falls but volume was thin there, as elsewhere, with many dealers away for the holiday season.

Those that did trade were nervously looking ahead to what the new year might bring, after Asia's biggest economy published more grim economic data.

Before the opening bell, Japan said production fell at the fastest rate on record in November as firms closed factories and cut jobs due to slumping demand brought on by the global economic crisis.

But dealers said they already expected grim indicators as Japan's economy, the world's second largest, has contracted for two straight quarters.

Hirokazu Fujiki, a strategist at Okasan Securities said the market welcomed a stabilising of the yen's recent strength which has hurt Japanese exporters by making their yen-priced goods more expensive to overseas buyers.

But he said players did not want to move aggressively as they believed market sentiment could rapidly change, even during the holidays.

"There can be another wave of tough news anytime early next year," he said. "Players will be restless as they ring in the new year."

Manila and Wellington were also still closed for Christmas.

TOKYO: Japanese share prices closed up 1.63 percent. The Tokyo Stock Exchange's benchmark Nikkei index rose 140.02 points to close at 8,739.52, its highest close since November 11.

The broader Topix index of all the Tokyo Stock Exchange First Section issues gained 10.56 points or 1.26 percent to 846.58.

Volume was thin at just under 1.13 billion shares.








Internet and telecom giant Softbank Corp. ended up 5.2 percent. Memory chip maker Elpida Memory gained 3.8 percent.

SHANGHAI: Chinese shares closed almost flat.

The benchmark Shanghai Composite Index closed down 0.90 points or 0.05 percent to a six-week low of 1,851.52 on turnover of 34.9 billion yuan (5.1 billion dollars).

Home-appliance producer Wuxi Little Swan dropped

Asia-Pacific markets December 26 closings

TOKYO	HONG KONG	TAIPEI	SYDNEY
			
1.63%		0.26%	
Nikkei	Hang Seng	Weighted	SP/ASX
8,739.52 (+ 140.02)	Closed for holiday	4,425.08 (+ 11.63)	Closed for holiday
SINGAPORE	SHANGHAI	SEOUL	BANGKOK
			
0.66%	0.05%	0.94%	0.45%
ST Index	Composite Index	KOSPI Index	SET Index
1,725.61 (- 11.38)	1,851.52 (- 0.90)	1,117.86 (- 10.65)	446.62 (+ 1.98)

6.4 percent to 4.42 yuan. Beijing Hualian Department Store slid 6.8 percent to 4.50 yuan.

China Vanke, the country's largest property developer by market value, fell 2.5 percent to 6.53 yuan and Poly Real Estate dropped 3.1 percent to 14.79.

TAIPEI: Taiwan share prices closed up 0.26 percent.

The weighted index rose 11.63 points to 4,425.08 on turnover of 29.92 billion Taiwan dollars (907 million US).

SEOUL: South Korean shares closed 0.94 percent lower.

The KOSPI index ended down 10.65 points at 1,117.86. Volume was moderate, with 332.3 million shares worth 2.94 trillion won (2.3

billion dollars) changing hands.

BANGKOK: Thai shares closed 0.45 percent higher.

The Stock Exchange of Thailand (SET) composite index gained 1.98 points to close at 446.62 points on turnover of 2.16 billion shares worth 6.4 billion baht (182.83 million dollars).

Thailand's leading energy firm, Banpu, gained 6.00 baht to close at 226.00 baht.

The kingdom's biggest lender Bangkok Bank edged down 0.50 to 68.50.

MUMBAI: Indian shares fell 2.51 percent.

The benchmark 30-share Sensex index fell 239.8 points to 9,328.92 as investors unwound positions on concerns of weak corporate quarterly earnings in January, dealers said.

AFP, New York

US stocks closed higher in thin post-Christmas trading Friday after the US Federal Reserve threw a lifeline to the finance arm of ailing automaker General Motors.

The Dow Jones Industrial Average advanced 47.07 points (0.56 percent) to end the week at 8,515.55 as investors shrugged off another dismal US retail sales report Friday.

The tech-rich Nasdaq rose 5.34 points (0.35 percent) to 1,530.24, while the broad Standard & Poor's 500 index increased 4.65 points (0.54 percent) to 872.80.

Stocks climbed back toward early Friday highs at the closing bell in broad-based buying interest, although gains remained modest.

The market cheered the US Federal Reserve approval Wednesday of a request by GMAC, the automaker's troubled finance arm, to become a bank holding company, clearing the way for the firm to receive a share of government bailout funds and emergency loans.

"The shift to a bank may help ease the threat of default that threatened to dry up credit for GM dealers," Wachovia Securities chief market strategist Al Goldman said.

The GMAC move, announced only hours before Christmas Day, came after the US government approved a 13.4-billion-dollar

rescue loan package last week for GM and Chrysler to stave off collapse amid tight credit and dismal sales.

GMAC faced possible bankruptcy, jeopardizing financing for GM car dealers and customers, and its demise could have dragged down the Detroit automaker's fortunes with it.

General Motors shares on Friday rose 12.62 percent to close at 3.66 dollars while those of Ford, another of the top US automakers, climbed 8.53 percent to 2.29 dollars.

A preliminary report early Friday that US retail sales dropped by up to eight percent for the traditional November-December shopping period was shrugged off by the market.

The report by the MasterCard Inc.'s SpendingPulse unit said the year-end retail sales was one of the worst holiday shopping periods in decades, with the apparel, and electronics and appliance categories the worst hit.

Although retail sales remained sluggish, Michael McNamara, vice president of research and analysis for SpendingPulse, said there were few signs of "relative strength."

Sectors that sold food, such as grocery and general merchandise stores and some sectors of the restaurant sector, helped keep total declines in the single digit range, according to the report.

Amazon says holiday season was 'best ever'

AP, Seattle

Online retailer Amazon.com Inc. called this holiday season its "best ever," saying Friday that it saw a 17 percent increase in orders on its busiest day - a rare piece of good news in a season that has been far from merry for most retailers, including online businesses.

Amazon customers ordered more than 6.3 million items on Dec. 15, compared with roughly 5.4 million on its peak day last year, the company said. It shipped more than 5.6 million products on its best day, a 44 percent rise over 2007, when it shipped about 3.9 million on its busiest day.

The company did not provide dollar figures and wouldn't say whether the average value of orders had changed, and the jumps it reported Friday are in line with increases Amazon has seen since it started releasing the figures in 2002.

Amazon's best-sellers included the Nintendo Wii game console, Samsung's 52-inch LCD HDTV and Apple Inc.'s iPod touch.

Analysts agreed Amazon's report was good news for the online shopping giant, but they were divided over whether the results indicate strength in online commerce in general.

Forrester Research analyst Sucharita Mulpuru said Amazon's experience shows the current economy is favoring discount retailers, both online and offline.

"The Amazon story doesn't surprise me because Amazon has always traditionally been a leader on price, and they're one of the first places consumers go when they're looking for things online," Mulpuru said. "In many ways they're like the Wal-Mart of the online world."

Wal-Mart is one of very few traditional retailers where revenue has risen this holiday season over last.

Holiday sales typically account for 30 percent to 50 percent of a retailer's annual total, but rising unemployment, home foreclosures, the stock market decline and other economic worries led many shoppers to slash their shopping budgets this year.

SpendingPulse - a division of MasterCard Advisors - said its preliminary data show that online sales fell 2.3 percent compared with the 2007 holiday season, while retail sales overall fell 5.5 percent to 8 percent, including sales of cars and gasoline. The decline was 2 percent to 4 percent when auto and gas sales are excluded.

Online shopping may have gotten a boost from winter storms during last two weeks before Christmas, which made travel to brick-and-mortar stores more difficult.

And, although Amazon's orders rose, the company didn't say whether orders were, on average, worth more or less than last year. Spokeswoman Sally Fouts said the company would release revenue results in its fourth-quarter earnings report, due in about a month.

South Korean economy may contract

AFP, Seoul

President Lee Myung-Bak said Saturday South Korea's economy could shrink in the first half of next year for the first time since the 1997 Asian financial crisis.

"For the whole of 2009, we might achieve positive economic growth, but we might suffer an economic contraction in the first and second quarters," Lee was quoted as saying by Yonhap news agency.

Few countries would register positive economic growth rates in the fourth quarter of 2008 and the first quarter of 2009, he said before receiving government policy briefings at the presidential Blue House.

"The South Korean economy is also expected to hit bottom in the first half," he said.

Lee's remarks come after the government on December 16 cut its 2009 economic growth forecast by one percentage point to three percent, citing the deepening global economic crisis.

The Ministry of Strategy and Finance said in its Outlook and Policy Outline for 2009 that growth next year would be "more or less three percent," compared with this year's expected 3.6 percent.

Even the revised growth target is one percentage point higher than the central Bank of Korea's prediction of two percent made earlier this month.

Natixis to slash 85pc jobs in Tokyo

AFP, Paris

French investment bank Natixis, severely hit by the global banking crisis, is to slash jobs at its Tokyo branch from around 100 to 15, a bank spokeswoman said Saturday.

But she denied that Natixis was planning to close down its Tokyo offices altogether as reported in the French economy daily La Tribune on Saturday.

"We will not close our Tokyo operations but we explained on December 18 that we would end our activity in complex markets," she told AFP.

"We will remain active on the shares markets in Japan, which requires a local presence."



Last minute holiday shoppers leave Macy's at the Manassas Mall in Manassas, Virginia. Retailers have reduced prices in hopes of salvaging something from the dismal retail holiday season.

As recession bites, Germany opens pet soup kitchens

AFP, Berlin

In a sign of the times in Europe's biggest economy, poodles, pinschers, terriers and sheep dogs are queuing up for rations at Berlin's first soup kitchen for pets.

The venue is a disused night school in the former communist east Berlin where the smell of straw, dry food and wet dog lingers in the air as a Jack Russell in a checkered coat waddles past on its way to the kibbles line for biscuits.

Pensioners and those on the dole qualify for the free pet food buffet which opened in the district of Treptow in mid-October, allowing those with no disposable income the chance to hold on to their beloved dogs and cats.

"We've already signed up nearly 400 people and our stocks are dwindling fast. Today cat owners are just getting a single tin each," said Julia Raasch, who

heads the capital's sole animal soup kitchen, run by Tiertafel (Animal Dining Table), a pet welfare association.

Berlin, where unemployment hovers around 13 percent, has some 100,000 registered dogs, many of them owned by pensioners.

The soup kitchen also caters to other pets -- including cats, rabbits, guinea pigs and budgerigars. Twelve volunteers hand out food and advice, while keeping an eye on the animals' health.

Food rations, donated by individuals and food companies alike, will normally cover the animal's needs for four to five days.

Tiertafel, launched two years ago, now runs 19 soup kitchens across the country. With the looming prospect of the longest and deepest recession in Germany since World War II, the group is planning on opening 30 more.

Claudia Hollm, who owns three dogs herself, said she came up with the idea of pet soup

kitchens after seeing a television report about a family having to give their dog to an animal rescue centre after the father was made redundant.

"The dog didn't understand what was going on; all the family was upset, and we just thought -- it just can't be that for the sake of 30 or 40 euros (42 or 56 dollars) they've got to turn their pet out," she said.

"Everyday we see people who can't keep their pets anymore because of the cost," according to Evamarie Koenig, spokeswoman for Berlin's central animal rescue centre.

The facility takes in more than 10,000 animals each year, with one in three handed over by owners who say they can no longer look after them, she added.

At the Treptow soup kitchen, animal owners -- known as "customers" -- must initially turn up with the animal in order to register. And they must show proof the pet has been vaccinated.

They must also prove financial need by showing their welfare papers, unemployment registration or pension card.

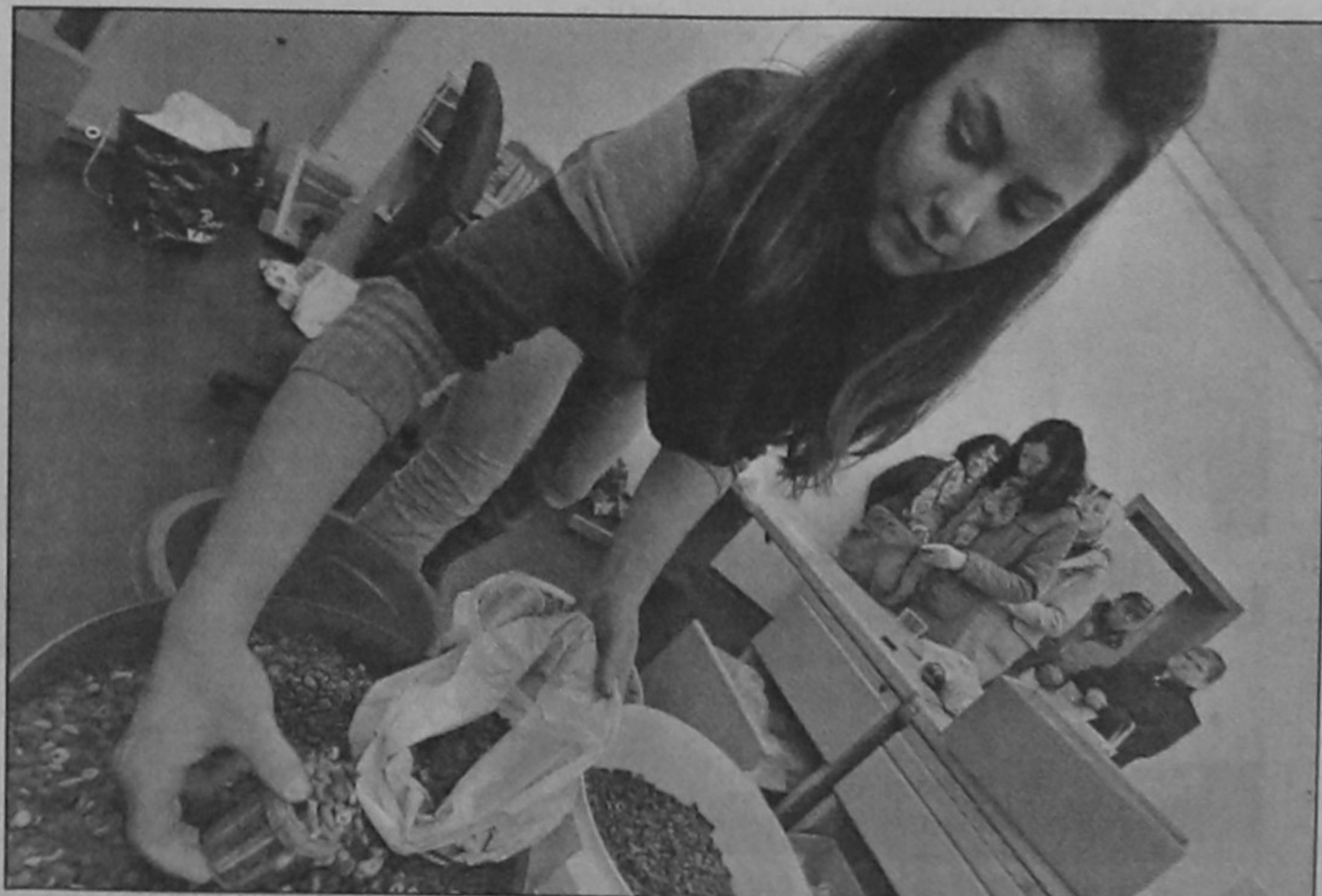
"It's easy for someone to go from middle-income wage earner to someone on Hartz IV," Hollm said, referring to the state allocation granted to people on long-term welfare which is worth about 350 euros a month.

Poverty further isolates people who sometimes must rely on their pet for their sole company, she said.

"Half our customers are old people for whom a cat or dog is their last social link," she said.

It also quickly became obvious that people needed more than just a tin of animal food, Hollm said, pointing to the need to make sure pets stay healthy.

Amid the holiday season, the association is calling for extra donations so that volunteers can lay out bones, pigs' ears, toy mice and scratching posts under the Christmas trees set up in each of its soup kitchens.



A volunteer scoops pet food into a plastic bag as dogs and their owners queue at the "Tiertafel" (animal table) soup kitchen for pets, in Berlin's Treptow district. In a sign of tough times in Europe's biggest economy, poodles, pinschers, terriers, and sheep dogs are queuing up for food rations at Berlin's first soup kitchen for pets.