

Economic & Financial News

Research & International Division

4/6/2013

*...Thailand's plans to issue first-ever sukuk Islamic bond worth 5 billion baht...
...Euro zone economy on track for recovery this year...*

South East Asia

Indonesia's inflation rate slowed to 5.5% y-o-y or 0.03% m-o-m in May due to lower food prices. Inflation was now back within the government's 2013 inflation target range of 3.5% - 5.5%, after slowing from 5.6% in April.

The Philippines' government received at least P28 billion in dividends and other forms of remittances from government-owned and -controlled corporations (GOCCs) this year, surpassing the collections made last year.

Developments in the Philippines are "credit positive", said Moody's Investors Service. Moody's one of three major debt watchers which has yet to raise the country's credit rating to an investment grade.

Singapore's purchasing managers' index (PMI) rose to 51.1 from 50.3 in April, indicating a third consecutive month of expansion.

Market watchers are expecting sustained demand from Singaporean investors for Johor properties, after the state government said that it will raise tax rates for foreigners owning properties there.

State-owned Islamic Bank of Thailand plans to increase its capital by 7.11 billion baht (US\$234.9mil) and issue a 5 billion baht sukuk, Thailand's first-ever Islamic bond, the bank said yesterday.

Thailand's inflation in May slowed to its weakest pace in 42 months to 2.27% y-o-y, providing room for further policy-rate cuts even though borrowing costs were trimmed recently.

North East Asia

China's factory activity shrank in May to 49.2, the lowest level since October 2012 as both domestic and external demand softened, while growth in the services sector cooled, pointing to slowing momentum.

Japanese wage earners' total cash earnings rose in April for the first time in three months, in a sign PM Shinzo Abe's moves to reflate the economy have had limited impact on wages.

Capital spending by companies in Japan dropped 3.9% in Q1 from a year earlier as companies remained wary of the economic outlook despite the weaker yen and budding hopes for a recovery in exports, the government said Monday.

The economic participation rate for South Korean females in their 20s exceeded that of their male counterparts for Q4 2013, data showed Monday, as more women received college education.

South Korea's finance minister stressed the need to boost job creation and encourage more women to join economic activities. It has pushed for economic stimulus measures, including drawing up an extra budget of 17.3 trillion won (US\$15.3 billion), effectively putting pressure on the BOK to slash the key interest rate.

South Korea's inflation rose 1.0% y-o-y in May, slowing from a 1.2% on-year gain in the previous month, according to Statistics of Korea.

Middle East and North Africa

Bahrain's budget deficit widened sevenfold in 2012 to 227 million dinars (\$601 million), but stayed well below an initial plan as the country reined in spending increases and revenue grew, data showed.

Non-oil business activity in the UAE rose to a three-month high in May as market conditions improved and new orders increased, HSBC said. The bank's purchasing managers index (PMI) jumped to 55.3 in May, the highest reading since February, from 54.0 in April.

Family businesses make up over 85% of the whole Arab World's non-oil GDP, and have significant influence and sway, both societally and politically as a result of their extensive networks and relationships.

Indian Sub-Continent

Indian manufacturing growth nearly stalled in May as factory output shrank for the first time in over four years.

Europe

The pace of decline in the eurozone's manufacturing sector eased in May as new orders picked up, according to Markit's Purchasing Managers' Index (PMI). The PMI rose to 48.3 from April's 46.7, marking its highest level in 15 months.

The euro zone economy is on track for a recovery later this year driven by the European Central Bank's loose monetary policy and demand from abroad, the bank's President Mario Draghi said.

German, French, Italian and Spanish car sales fell in May, bringing the crisis-hit European market closer to a two-decade low and dampening manufacturers' hopes for a recovery this year.

France announced plans to slash tax breaks for families in a move that will save the cash-strapped government more than a billion euros (\$1.3 billion) a year.

Eastern Europe

Russia's Reserve Fund rose 0.5% in May to 2.666 trillion rubles, the Prime reported.

Russia's oil exports fell 1.9% to 99.2 million tonnes in the January–May period, the Agency said.

North America

Manufacturing in the United States unexpectedly contracted in May at the fastest pace in four years, indicating the industry will provide scant support for the world's largest economy.

Australasia

The Australian economy benefited from a larger-than-expected rise in exports during the first three months of 2013 as the current account deficit narrowed to \$8.051 billion in the March quarter, according to the Australian Bureau of Statistics.

The New Zealand Government has reported a smaller operating deficit than predicted in last month's Budget forecasts. The operating balance before gains and losses (obegal) was a deficit of \$3.99 billion in the 10 months ended April 30, smaller than the \$4.65 billion shortfall projected in the Budget Economic and Fiscal Update, according to the Crown's latest accounts.

New Zealand's new building consents rose to a five-year high last month. Building consents rose 43% to 1755 in April from the same month a year earlier, according to Statistics New Zealand.

Oil & Gas News

West Texas Intermediate crude fell after the biggest gain in a month. WTI for July delivery slipped as much as 43 cents to \$93.02 a barrel. Brent for July settlement fell 15 cents to \$101.91 a barrel.

Commodities News

Gold held gains after increasing the most in two weeks yesterday. Spot gold added as much as 0.3% to \$1,415.15 an ounce and was at \$1,413.43 in Singapore.

Copper futures climbed the most in more than three weeks. Copper futures for July delivery climbed 1.2% to settle at \$3.3305 a pound.

Currency News

The Malaysian ringgit was little change against the US dollar as it stood at 3.0940.

The won rose 0.6 percent to 1,121.15 per dollar in Seoul, after U.S. manufacturing unexpectedly shrank.

The Australian dollar is remains higher, despite losing some ground following the release of current account figures. The currency was at 97.37 US cents, up from 96.46 cents yesterday afternoon.

Date	Gold	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
30-May-13	1,381.58	4.15	102.64	24.73	1.63	1.91	1.27	121.37	7730.96	80.53	2.41	33.27	23.74	3,330.99
4-Jun-13	1,411.20	3.97	101.88	25.66	1.64	1.92	1.26	121.30	7785.74	79.85	2.45	33.50	24.17	3,274.68
% Change	2.14	-4.34	-0.74		0.50	0.50	-0.72	-0.06	0.71	-0.85	1.72	0.70	1.79	-1.69

Economic & Financial News

Research & International Division

5/6/2013

....Australia's growth slowed as mining companies slashed spending and investment...

South East Asia

Indonesia, one of the world's largest thermal coal exporters, plans to increase royalties imposed on mining companies, which operate under IUP permits, to 13.5% of net sales in 2014 from the current rate of 5 to 7%, an official has said.

Indonesia's trade balance experienced a deficit of US\$1.6 billion in April, after recording its first surplus for six months in March. Exports fell 9.1% from a year earlier, outpacing a 3.7% slide in imports.

The value of construction from approved building permits in the Philippines for Q1 2013 rose to P58.6 billion. The first-quarter figure was higher compared to the P49.2 billion recorded during the same quarter of 2012.

The Philippines is the 4th fastest growing market in East Asia, according to the latest edition of the Asian Development Bank's Asia Bond Monitor.

The Monetary Authority of Singapore (MAS) is working on giving another push to the fledgling Islamic finance business in Singapore, Minister for Trade and Industry said.

North East Asia

Average home prices in China rose for the 12th straight month in May, though the pace of increase slowed in a sign that government steps to cool the property market may be having an effect.

Japan's monetary base soared 31.6% in May from a year earlier to ¥154.14 trillion, the Bank of Japan said Tuesday, as it continued injecting money into the market under its aggressive easing policy.

Japanese Prime Minister Shinzo Abe pledged on Wednesday to raise incomes by 3% annually over 10 years and set up special economic zones to attract foreign technology, people and funds as part of his strategy to revitalise Japanese Economy.

South Korea's foreign exchange reserves declined in May from the previous month as a stronger U.S. dollar eroded the conversion value of non-dollar assets, the central bank said. The country's foreign reserves reached US\$328.1 billion as of end-May, down \$700 million from April, according to the Bank of Korea (BOK).

Middle East and North Africa

Strong oil prices allied with higher exports to boost Saudi Arabia's net foreign assets by nearly SR72 billion to their highest level at the end of April and the bulk of the funds are controlled by the Saudi Arabian Monetary Agency (SAMA).

Indian Sub-Continent

India imported around 162 tonnes of gold in May, the Finance Minister said, much more than expected and making further measures from the government to curb demand in the world's biggest bullion buyer almost certain.

Europe

The gap between France and its European neighbours will widen unless the country introduces fresh economic reforms, the IMF has warned.

The IMF forecasted France to shrink 0.2% this year, down from a previous estimate of 0.1%, latest data from the IMF.

The number of registered job seekers in Spain fell in May as more firms hired people on a temporary basis ahead of the peak summer season.

Eastern Europe

Russia's CPI increased to 0.7% in May, the highest monthly level since 2008, the Federal State Statistics Service said Tuesday.

Australasia

Australia's central bank kept interest rates at a record low 2.75% yesterday, adopting a wait-and-see approach to a lower Aussie dollar and the impact of earlier cuts on the economy.

Australia's economy grew a lower-than-expected 0.6% in the first three months of 2013 and 2.5% on-year, data showed Wednesday, confirming fears of a mining slowdown.

The New Zealand Commodity Price Index dropped 1.6% to 328.2 in May, from 333.5 in April. Prices for dairy products dropped 5% but remained the second-highest on record.

Oil & Gas News

West Texas Intermediate crude rose as an industry report showed U.S. inventories dropped the most since December. WTI for July delivery climbed as much as 67 cents to \$93.98 a barrel. Brent for July settlement rose as much as 25 cents, or 0.2%, to \$103.49 a barrel.

Commodities News

Gold rebounded to trade above \$1,400 an ounce as equities retreated and the dollar's rally halted, boosting demand for the metal as a store of value. Silver, platinum and palladium increased.

Currency News

Ringgit Malaysia climbed the most in a month before U.S. data that will provide clues on whether the Federal Reserve will reduce asset purchases that have fueled fund flows to emerging markets. The currency gained 0.3% to 3.0830 per dollar in Kuala Lumpur.

Indonesia's rupiah headed for its biggest drop in almost 11 months after global funds sold the nation's assets amid a lack of clarity on fuel-subsidy policy and speculation the Federal Reserve will reduce its stimulus. The Indonesian currency weakened 0.7% to 9,870 per dollar in Jakarta,

Date	Gold	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
4-May-13	1,464.20	4.04	100.95	24.99	1.61	1.92	1.23	126.76	7890.17	79.37	2.47	33.15	23.99	3,369.90
5-May-13	1,403.91	4.01	103.23	25.74	1.63	1.92	1.25	121.57	7825.95	79.67	2.47	33.50	24.29	3,247.41
% Change	-4.12	-0.74	2.26		1.26	0.02	1.40	-4.09	-0.81	0.38	0.22	1.05	1.28	-3.63

Economic & Financial News

Research & International Division

8/6/2013

*...U.S. economy added 175,000 new jobs...
...Indonesia's foreign exchange reserves declined to US\$105 billion...*

South East Asia

Resale prices of non-landed private homes eased slightly at 0.5% to 175.7 last month from April amid weak transaction volumes, flash estimates from the Singapore Real Estate Exchange (SRX) show.

Malaysia's April exports fell 3.3% to RM55.81 billion from a year ago as the country exported less crude petroleum and electrical and electronic (E&E) products, which was below market consensus of a 0.4% increase. The Statistics Department said on Friday the decline in exports was mainly to China, Australia and Japan.

Indonesia's foreign exchange reserves declined to US\$105 billion in May from US\$107.269 billion in April. Bank Indonesia Governor said the decline took place because the central bank needed to utilize the reserve for monetary operational to maintain rupiah exchange rate, which has been weakening over the last month.

The Philippines' Gross International Reserves (GIR) dropped to a seven-month low in May to US\$82.9 billion as gold and foreign exchange holdings slipped. The latest GIR could adequately cover 11.7 months' worth of imports of goods and payments of services and income.

Thailand's credit rating is not in danger of being downgraded because of its rice intervention scheme, rating agency Moody's said, after it warned this week that losses from the scheme might threaten the goal of a balanced budget.

A newly released report says Vietnam's economy will remain sluggish this year with a GDP growth rate of between 5.04 and 5.35%, lower than the target of 5.5%.

Cambodian PM Hun Sen urged local producers to increase production in order to boost the country's exports when ASEAN turns into a community at the end of 2015. "Products must be qualitative and prices must be competitive, or we cannot penetrate our products into foreign markets," he said.

North East Asia

China's central bank said Friday that a long-awaited deposit insurance system is ready to be launched. The system will help "increase the flexibility of commercial banks in terms of financial business innovation

and risk control," the People's Bank of China (PBOC) said in its 2013 financial stability report released Friday.

PM Shinzo Abe's administration promised in the Thursday draft to halve the percentage of the primary balance deficit to the country's gross domestic product by fiscal 2015 from the level in fiscal 2010 and turn the balance into a surplus by fiscal 2020.

Sales of imported vehicles in South Korea jumped 13% in May from a year earlier in the highest monthly sales ever, industry data showed.

Taiwan's exports increased in May totalled US\$26.34 billion, up 0.9% from a year earlier mainly on the back of steady demand for electronic products, the Ministry of Finance said Friday. The country's imports reached US\$21.89 billion, down 8% from a year earlier. In May, Taiwan's trade surplus rose 91.7% from a year earlier to US\$4.46 billion.

Middle East and North Africa

Egypt's foreign currency reserves rose by US\$1.6 billion to reached 16 billion dollars in May, representing 11% increase, Central Bank of Egypt said in a statement Thursday.

Indian Sub-Continent

Ahead of its mid-quarter policy, Reserve Bank of India (RBI) on Friday said its monetary actions in the coming months will be determined by the outlook on monsoon and ensuing impact on inflation.

The foreign exchange reserves plummeted by \$4.18 billion to \$287.90 billion during the week ended May 31 in the wake of sharp fall in currency assets and gold reserves, the Reserve Bank of India said on Friday.

Europe

The decision by the Bank of England (BoE)'s Monetary Policy Committee (MPC) against a further round of Quantitative Easing (QE) program was a sign that the British economy is on the mend and does not need a stimulus at this moment, experts said here on Friday.

France's unemployment rate rose by 0.3 percentage points to 10.4% in the first quarter of this year compared to the last three months of 2012, the national statistical agency Insee said.

Eastern Europe

The Russian finance ministry is working on draft legislation that will increase personal income tax deductions and time frames on capital gains and at the same time decrease the attractiveness of keeping money in the bank, Vedomosti reported.

North America

U.S. economy added 175,000 new jobs, a moderate pace, but the unemployment rate rose to 7.6% from 7.5%, according to the Bureau of Labour Statistics. The largest increase in hiring in May occurred in the fields of professional services (57,000), bars and restaurants (38,000) and retail (28,000). The manufacturing sector cut 8,000 jobs and government employment fell slightly again

9 Outstanding debt grew by US\$11.1 billion in April to \$2.82 trillion, picking up from March's US\$8.4 billion advance, the Federal Reserve said.

A total of 95,000 mostly full-time jobs were created last month in Canada, pushing the unemployment rate down a notch to 7.1%, the government statistics agency said.

Australasia

Data released Thursday by the Australian Bureau of Statistics showed a seasonally-adjusted surplus of AU\$28 million in April, as imports increased and exports fell slightly compared with March.

Oil & Gas News

Oil prices have pushed higher, sustaining a week-long climb broken momentarily by a short-lived drop after US job creation. London Brent crude for July finished at US\$104.56 a barrel, up 95 US cents from Thursday and US\$4.17 from a week earlier.

Commodities News

Commodity investments fell \$27 billion in April, the most in 11 months, on record sales of gold exchange-traded products, Barclays Plc said.

Currency News

The dollar strengthened against major currencies on Friday following a better-than-expected US jobs report. Near 2200 GMT, the euro traded at \$1.3218, down from \$1.3243 late Thursday.

The Australian dollar is slightly higher after it was taken on a roller coaster ride over the past 24 hours. On Thursday afternoon the currency dropped to an almost three-year low of 94.35 US cents.

Date	Gold	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
05-Jun-13	1,403.91	4.01	103.23	25.74	1.63	1.92	1.25	121.57	7825.95	79.67	2.47	33.50	24.29	3,247.41
08-Jun-13	1,382.98	3.83	104.56	27.30	1.65	1.94	1.24	117.84	7882.71	77.60	2.49	33.91	24.69	3,184.72
% Change	-1.49	-4.49	1.29	0.70	1.02	-0.82	-3.07	0.73	-2.60	0.55	1.21	1.63	-1.93	

Economic & Financial News

Research & International Division

11/6/2013

*...Italy's industrial output fell 0.3%...
...Continued confidence in the Philippines economy...*

South East Asia

Some 3,412 people under the Bank Negara Debt Management Programme (DMP) have collectively settled RM130mil of their outstanding bank loans, reducing the number of people under the programme to 89,450 at present, Bank Negara Credit Counselling and Debt Management Agency CEO Koid Swee Lian said the number of young people under the DMP between the ages of 20 and 30 had also been reduced.

Indonesia will spend at least US\$2.7 billion to build crude palm oil (CPO) processing facilities until 2014 to further boost the country's CPO production capacity, an executive from the palm oil producer association has said.

Foreign direct investments plummeted in March, the Bangko Sentral ng Pilipinas yesterday reported, registering a net outflow of US\$78 million. The result was a reversal of the US\$179-million net inflow seen a year earlier and was due to lower equity capital placements/higher withdrawals plus an outflow in debt instrument investments, the central bank said in a statement.

Continued confidence in the Philippine economy, manageable inflation and recent unemployment figures provide more room for the economy to grow, a National Economic and Development Authority (NEDA) official said.

The Bank of Thailand revealed there was a nearly a 60% surge in household loans over the past three years, up from Bt5.57 trillion in 2009 to Bt8.81 trillion last year.

The Vietnamese government currently holds the controlling interests at a number of state-run businesses (SOE), including those operating in sectors that do not necessarily have to be controlled by the state. By the end of last year, the total state capital at SOE was US\$35.35 billion, according to the steering board.

North East Asia

China's National Audit Office (NAO) on Monday warned of the risks relating to some local governments' fast debt growth and the pressure to repay existing arrears. A four-month audit, by the office found liabilities of US\$624.61 billion owed by 36 local governments by the end of 2012.

China's annual consumer inflation slowed in May, according to the latest data released, suggesting that the world's second-largest economy could be weaker. The National Bureau of Statistics said China's consumer inflation surged 2.1%, 0.3 percentage points lower than one month ago.

Japanese PM Shinzo Abe said the government would decide on tax cuts in autumn to encourage companies to boost capital expenditure as part of sweeping reforms to revive the economy from nearly two decades of stagnation.

Japan's economy grew more than the government initially estimated in the Q1. GDP expanded an annualised 4.1%, compared with a preliminary calculation of 3.5%, the Cabinet Office said.

Japan's current account surplus in April rose 100.8% from a year before to 750 billion yen, the Ministry of Finance said Monday.

South Korea will focus its policy capacity on breaking the low growth trend facing its economy, the finance minister said Tuesday, citing the country's weak economic performance in recent quarters.

The majority of South Korean food firms saw their earnings tumble in the Q1 of this year due to business hour regulations on large retailers by the government and weak consumer demand, according to Financial Supervisory Service. Combined operating profit of the country's top food firms came to US\$419.7 million in the January-March period, down 14.55% from a year earlier.

Taiwan's exports in May totalled US\$26.34 billion, up 0.9% from a year earlier and up 5.2% from April, according to statistics released by the Ministry of Finance June 7.

Middle East and North Africa

In another sign that demand for Dubai debt is rising, Investment Corporation of Dubai on Monday said it raised \$2.55 billion through a syndicated loan, more than it initially aimed for, to refinance part of a previous \$6 billion facility that is due to mature in August.

Strong oil prices will ally with high production to boost Saudi Arabia's actual budget revenue by nearly 26% in 2013 and this will widen the actual fiscal surplus by a whopping 19 times, Jadwa Investments said.

Indian Sub-Continent

The Delhi government decided to set up a trade board to address the issues of traders in the capital. While Chief Minister Sheila Dikshit assured that her government and the VAT department would ensure that traders do not face harassment, she expressed pleasure over "constructive contribution" being rendered by the traders in collection of VAT in Delhi.

The growth prospect for India remains "below trend" whereas major developed economies such as the US and Japan are experiencing expansion, the Organization for Economic Cooperation and Development (OECD) said.

Europe

French industrial production surged 2.2% in April, surprising economists who on average had expected just a 0.3% rise, according to OECD figures. This was due to a rise in activity in the metalworking, car-making and textile industries.

Italy's economy shrank for a seventh successive quarter between January and March with its industrial output fell 0.3% in April, according to OECD figures.

Spain's labour cost increased by 2.4% in the Q1 2013 in comparison with the same period of 2012, the Spanish National Institute of Statistics (INE) reported on Monday.

Eurozone recession is lingering and Europe's unemployment rate is rising amid a slow global economic recovery, Russia's Economic Development Ministry said in a monitoring report on Monday.

Eastern Europe

The exchange of information between tax agencies and the fight against tax evasion via offshore shell companies may be key topics at the G20 summit in St. Petersburg in September, Russia's sherpa to the Group of 20 major economies said Monday.

North America

Reserves of oil and gas that can be developed using current technology are 35% greater in 2013 than in 2011, according to a new report by the Energy

Information Administration, the research branch of the Energy Department.

Canadian housing starts jumped much more than expected in May from April, the Canada Mortgage and Housing Corp said on Monday. The seasonally adjusted annualised rate of housing starts was 200,178 units in May, an increase from 175,922 in April.

Australasia

The Federal Government will invest AU\$7 million in a major aquaculture project on Tasmania's west coast. The funding will be used to build wharves and other infrastructure for a AU\$60 million aquaculture hub in Strahan's Macquarie Harbour.

Australia may have over 1000 trillion cubic feet in undiscovered shale gas resource but the enormous cost of infrastructure needed to extract it may outweigh its economic benefit unless shale gas prices rise, a new report from Australian Council of Learned Academies.

Oil & Gas News

West Texas Intermediate crude traded near the lowest level in two-days before a government report that is forecast to show U.S. stockpiles increased. Futures fluctuated in New York after snapping a three-day gain yesterday.

Commodities News

Gold futures rose from the lowest in almost two weeks on bets that demand for the precious metal as a store of value will increase in Asia, the world's top consumer.

Currency News

The Australian dollar is almost half a US cent lower after the release of mixed economic data from its major trading partners. At 7am AEST today, the local unit was trading at 94.66 US cents, down from 95.04 cents on Friday.

The yen held a two day decline against most of its major peers before the Bank of Japan concludes a policy meeting amid speculation it will introduce measures to stem volatility in the nation's government bonds. The yen was little changed at 98.79 per dollar at 8:30 a.m. in Tokyo, after falling 1.2% yesterday.

Date	Gold	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
08-Jun-13	1,382.98	3.83	104.56	27.30	1.65	1.94	1.24	117.84	7882.71	77.60	2.49	33.91	24.69	3,184.72
11-Jun-13	1,384.94	3.79	103.76	27.38	1.66	1.95	1.25	118.04	7821.05	78.24	2.49	33.89	24.50	3,195.88
% Change	0.14	-1.04	-0.77		0.58	0.56	1.02	0.17	-0.78	0.83	0.20	-0.04	-0.75	0.35

Economic & Financial News

Research & International Division

12/6/2013

*...Netherlands is not a tax paradise...
...Brazil government infrastructure spending slows...*

South East Asia

Although still on a recovery path, the Singapore economy grew 1.8% in the Q1 of this year, said the Monetary Authority of Singapore.

Malaysia's industrial output for the month of April increased 4.7% y-o-y. The Statistics Department said in a statement that the increase in the industrial production index was supported by an increase in activity in the manufacturing and electricity sectors.

The Indonesian government says the newly launched tax incentives for the production of inexpensive, fuel-efficient cars will boost sales significantly in the next few years, the Industry Ministry's director general has said.

Exports remained a drag on the Philippines economy, falling 12.8% to \$4.04 billion in April from a year ago as the global environment remained weak, the National Statistics Office reported.

Vietnam always pursues too many goals with its monetary policy, from the economic growth, exchange rate stabilisation and inflation congestion. Meanwhile, these are the contradictory things which should be approached through different ways, the International Monetary Fund (IMF) commented.

North East Asia

China's plastic output expanded 11.5% in the first four months, two percentage points higher than the country's overall industrial output growth, according to China National Light Industry Council. Plastics industry has met some difficulties amid weak economic recovery both at home and abroad.

The Bank of Japan (BOJ) kept its ultraloose monetary policy unchanged Tuesday while upgrading its assessment of the domestic economy, citing signs of recovery in exports and investment, BOJ Governor Haruhiko said.

South Korea will draw up diverse measures aimed at helping grow the country's small and medium sized enterprises (SMEs) as they will play a key role in creating jobs and broaden the middle-class population, the finance minister said Wednesday.

Taiwan's tax revenue decreased by 3.7% from a year earlier to US\$9.74 billion last month mainly due to lower

revenue from the business income tax, the Ministry of Finance said yesterday.

Macao recorded a fiscal surplus of 47.7 billion patacas (US\$5.97 billion) in the first five months this year, growing 35.5% y-o-y and exceeding the annual budgeted surplus (40.4 billion patacas), the city's Financial Services Bureau said.

Middle East and North Africa

The Department of Statistics announced that the increase in consumer price index in Jordan, a measurement of inflation, came at 7% at the end of last month, compared with a 3.9% increase at the end of the same period in 2012.

More than 700,000 Iranians have joined the job market and nearly one quarter of the total work force are jobless in the past five years, according to Iran's official statistics.

Indian Sub-Continent

India's industrial production grew less than expected, at 2% in April from a year earlier. Manufacturing, which constitutes about 76% of industrial production, grew 2.8% from a year earlier, the statistics office said.

Indian credit card consumers are no longer revolving their credit dues, with most customers repaying fully. This is due to the fact that banks are improving their credit card sourcing, as well as increased awareness among customers about the importance of a good credit record, bankers said.

Europe

New figures show that last year half of German pensioners received a state pension of less than €700 - the accepted basic subsistence level for the elderly, forcing hundreds of thousands of them into part-time work, said Bild tabloid on Tuesday.

The British economy is gathering pace and looks set to grow by more than expected this year, a leading think tank said last night. The National Institute of Economic and Social Research said output increased by a 'relatively robust' 0.6% between March and May.

The Netherlands is not a tax paradise, junior finance minister Frans Weekers said. A report by economic

institute SEO said that €278 billion flow through shell companies based in the Netherlands every year. This stems from the tax break on participations, relatively low tax on interest and royalties and the wide tax treaty network with other countries.

The number of home purchases in Spain increased by 10.8% in April in comparison with the same month of 2012, the National Institute of Statistics reported.

The Eurozone's battered economies are slowly emerging from a crippling recession with growth expected to return by the second half of 2013, EU Economic Affairs Commissioner Olli Rehn said.

Greece shuts public TV under EU pressure to cut public sector jobs on Tuesday evening, in a desperate move to slash jobs in public sector and meet the terms of a bailout imposed by the Troika of international creditors.

Eastern Europe

Russia has the world's largest identified shale oil resources, the US Energy Information Administration said. Russia boasts 75 billion barrels of technically recoverable shale oil resources.

Turkey recorded a current account deficit of \$24.3 billion in the first four months, indicating a 17.2% increase over the same period of the previous year, the balance of payment results unveiled by the Turkish Central Bank.

North America

Job openings in the U.S. fell in April, showing companies were waiting to assess the effects of higher taxes and reduced government spending before committing to bigger staff increases. The number of positions waiting to be filled fell by 118,000 to 3.76 million, the fewest since January, the Labour Department reported.

South America

The Brazilian government has spent only 17.6% of the R\$130.4 billion authorised for infrastructure investments in the country in the federal budget this year,

according to a report from the National Treasury. This is less than during the first four months of last year, when the government spent R\$21.1 billion, or 22.58% of 2012's R\$93.4 billion budget.

Australasia

Australia housing finance rises 0.8% in April, data released by the Australian Bureau of Statistics.

New Zealanders spent more using debit and credit cards last month, with the biggest increases in fuel, food and liquor, and hospitality spending. Statistics New Zealand figures showed the total value of card spending rose by 0.6% between April and May, from NZ\$5.74 billion to NZ\$5.78 billion.

Oil & Gas News

OPEC's own crude production rose by 106,000 bpd in May to 30.57 million bpd, according to secondary sources cited by the report, led by higher output in Saudi Arabia.

Daily natural gas output will average 70.01 billion cubic feet, up from 69.9 billion estimated in May, the Energy Information Administration said in its monthly Short-Term Energy Outlook.

Commodities News

Wheat dropped as Australia increased its production estimate after rains boosted soil moisture, adding to global supply. Wheat for July delivery declined as much as 0.5% to \$6.935 a bushel on the Chicago Board of Trade.

Currency News

The euro was less than 0.1% from its highest in 3 1/2 months before European Central Bank executive board member Benoit Coeure speaks as expectations for lower benchmark interest rates in the region decline.

Canada's currency fluctuated against the U.S. dollar as oil dropped as much as 1.8%.

Date	Gold	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
11-Jun-13	1,384.94	3.79	103.76	27.38	1.66	1.95	1.25	118.04	7821.05	78.24	2.49	33.89	24.50	3,195.88
12-Jun-13	1,375.64	3.72	102.33	27.51	1.67	1.96	1.26	118.76	7800.92	78.06	2.50	34.30	24.55	3,151.48
% Change	-0.67	-1.85	-1.38		1.01	0.82	0.44	0.61	-0.26	-0.23	0.30	1.19	0.18	-1.39

Economic & Financial News

Research & International Division

13/6/2013

*...Myanmar is officially readmitted by the European Union...
...Swedish banks must take more steps to avoid future problems...*

South East Asia

Malaysia must choose a flexible and open economy, engage more with regional partners, secure inward investments and open up industries to greater competition, in charting a path to a more prosperous future, Prime Minister Datuk Seri Najib Razak said today.

Trade Minister Gita Wirjawan said the weakening of the rupiah would not have severe repercussions on the trade account. The weakening rupiah would affect the amount of non-manufacture imports, particularly horticultural goods but the price rate of such goods were still manageable. From the export side, it would benefit Indonesia's export dynamic.

Loans extended under the rediscounting facility went down by 11.9% to P14.62 billion in January to May this year from P16.61 billion in the same period last year, although the interest rate charged by the Bangko Sentral ng Pilipinas remained at a record low.

Finance Minister Kittiratt said the softer baht was a boon to the economy, given that the heavy inflows in the early months of the year had caused excess liquidity and currency-management difficulties for many, particularly exporters and importers. The minister said measures to stem the baht's appreciation were now unnecessary.

More than 3,700 foreign tourists have received VAT refunds worth VND12 billion (US\$570,000) under a Government pilot programme, according to the customs department.

Myanmar is officially readmitted by the European Union yesterday to its preferential trading system to help promote the country's economic development and reform. Citing "the positive developments" in Myanmar, Irish Minister said in a statement that "it is important that the EU supports this by facilitating economic growth and development opportunities.

North East Asia

China's new focus on stronger domestic consumption to fuel economic growth is not only helping to diversify its economy but is also becoming a valuable new tool in its trade disputes with the West.

Financial markets will gradually calm down, reflecting positive developments in the Japanese economy, Bank of Japan Governor Haruhiko Kuroda said.

South Korea's major public companies saw their debts shoot up over the past four years as they were forced to undertake government-initiated or economically nonviable projects. The combined debt totalled US\$348 billion at the end of last year, up 8.7% from a year earlier, according to Board of Audit and Inspection.

Taiwan-listed LED companies had combined sales in May of NT\$10.96 billion (US\$367.03 million), up 6.8% from the previous month and 23.8% higher than a year ago, LEDinside said in a research note.

Middle East and North Africa

A statement on foreign exchange policy by Qatar's central bank governor has struck a nerve in financial markets across the Gulf, reminding investors that decades of currency stability will not last forever.

Iran exported 66% more crude oil in May than in April, helped by an increase in purchases by China after congestion eased at the Asian nation's ports, the International Energy Agency said.

Indian Sub-Continent

India's central bank intervened to curb the slide of the rupee after it skidded to new lifetime lows, a government official confirmed, but added monetary authorities were not defending "any particular rate".

Foreign investment limits in government debt hiked by \$5 billion. The measure aims at reversing the outflow of FII funds from debt instruments, one of the reasons for the depreciation in the rupee in recent weeks. Currently, the government debt limit stands at \$25 billion, of which 75% is estimated to have been used up.

Europe

The number of people in employment rose in the U.K. by 24,000 over the period to 29.76 million and the numbers out of work fell by 5,000 to 2.51 million. But the official unemployment rate remained fixed at 7.8%, the Office for National Statistics reported.

The cost of living in Germany increased by 1.5% on a 12-month basis in May, up from 1.2% in April, the federal statistics office Destatis said on Wednesday.

A growth in services costs drove higher French consumer prices index (CPI) by 0.1% in May after inching down a month earlier, official figures showed. The largest upward contributions to the CPI came from transport and communication services.

The Spanish annual rate of inflation rose by 0.3% to stand at 1.7% in May, data released by the Spanish National Institute of Statistics (INE). The INE said rises in the price of food, non-alcoholic drinks, culture, leisure and transport were the "most influential in the variation".

Swedish banks must take more steps to avoid future problems with financial sector stability, central bank governor Stefan Ingves said on Wednesday, delivering one of his strongest calls yet for action to curb a boom in household lending.

The International Monetary Fund (IMF) said it approved Portugal's seventh bailout review and concluded a previously-announced easing of the debt-laden country's deficit targets. It said it will disburse the next tranche worth €657 million after the successful review of a bailout programme.

Eastern Europe

Ukraine foreign investments soar by 76% y-o-y to US\$1.6 billion in the Q1 this year. The PM pledged further steps to liberalise the tax and customs systems, create a favorable trade regime, overcome the dependency on foreign energy, and strengthen the banking system.

North America

Applications for mortgage refinances in the U.S finally swung to the positive last week, rising 5% from the previous week, despite the continued rise in mortgage rates, according to the Mortgage Bankers Association.

Canadian businesses have taken advantage of the adoption of online purchasing, selling over \$122 billion worth of goods and services over the Internet in 2012, according to Statistics Canada.

South America

Brazil's government is offering \$8.7 billion in low-interest loans for people enrolled in a low-income

housing program to outfit their homes with furniture and appliances. President Dilma Rousseff launched the program Wednesday to boost domestic demand as the economy sags.

Peru recorded a trade deficit of US\$452 million in April, compared with a deficit of US\$42 million in the same month last year as the country's exports fell slightly and imports rose, the Central Reserve Bank of Peru said.

Australasia

Australia's jobless rate fell 0.1% to 5.5% in May, official figures show. Full-time employment fell 5,300 to 8.154 million while part-time employment was up 6,400 to 3.51 million.

New Zealand's Reserve Bank on Thursday kept the Official Cash Rate unchanged at 2.5% in its latest review of interest rates. Reserve Bank Governor Graeme Wheeler said on Thursday the economy is picking up but remains uneven.

Oil & Gas News

West Texas Intermediate crude fell for the third time in four days as speculation that fuel demand will falter outweighed concern Middle East supplies are threatened by unrest.

Commodities News

Rubber retreated to a nine-month low as a strengthening Japanese currency reduced the appeal of yen-based contracts and a downward growth revision by the World Bank raised concern that demand is weakening.

Currency News

For local market players, the rupiah rate of 10,000 per US dollar is a sacred and crucial psychological threshold, and that's what Bank Indonesia (BI), the central bank, has failed to protect.

The yen surged, jumping to the strongest level in two months against the dollar, after government data showed Japanese investors were net sellers of overseas bonds and stocks for a fourth-straight week.

Date	Gold	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
12-Jun-13	1,375.64	3.72	102.33	27.51	1.67	1.96	1.26	118.76	7800.92	78.06	2.50	34.30	24.55	3,151.48
13-Jun-13	1,388.60	3.76	103.11	27.42	1.67	1.97	1.26	118.94	7843.75	76.69	2.51	34.32	24.78	3,105.04
% Change	0.94	1.08	0.76	-0.02	0.09	-0.29	0.15	0.55	-1.75	0.30	0.06	0.93	-1.47	

Economic & Financial News

Research & International Division

15/6/2013

*...Italy, Germany, France, Spain push job action at Rome meeting...
...Turkish government is planning to increase tax deductions with more than 2 children...*

South East Asia

Indonesia should be proud since the country's economy is currently the strongest in Southeast Asia. President Yudhoyono noted that Indonesia has remained prosperous in the face of global economic downturn and has even managed to maintain a level of economic growth above 6%.

Each Filipino theoretically owes P56,468 to creditors as of April, of which 35% is due to foreigners and 65% to locals. This as the debt stock of the government at end-April reached P5.039 trillion, the Bureau of the Treasury reported.

The Bank of Thailand (BoT) ramped up its warning that escalating household debt in recent years is posing a risk to the country's financial stability and warrants close monitoring. Even though a portion of household debt was for houses and durable assets, the rapid increase could reduce household liquidity while threatening their debt service ability when risks increase.

The retail price of petrol in Vietnam is to slightly go up a maximum of 426 dong (US\$1 = VND20,800) a litre as of 8:00pm today, according to a decision approved by the Ministry of Finance.

North East Asia

China's electricity consumption rose 5% year on year in May 2013, slowing from the 6.8% increase seen in the previous month, according to newly issued data.

The Bank of Japan should specify a two-year limit for its unprecedented monetary easing experiment to help quell bond-market volatility, according to one of the central bank's board members.

Korea faces a risk of deflation as consumer prices have been rising only about 1% on-year for seven straight months for the first time since the 1998 Asian financial crisis. Consumer prices have risen less than the OECD average for two consecutive years.

Investment deals by Japanese investors in Taiwan rose by more than 60% for the first four months of this year compared to a year earlier, indicating rising business exchanges between Taipei and Tokyo, the Investment Commission said Saturday.

Middle East and North Africa

Turkish government is planning to increase tax deductions for families with more than two children. According to the regulation, workplaces that offer childcare services will be able to claim 100% tax deduction on their expenses. With the new regulation, the deductions will be increased from 5% to 10%.

Saudi e-Commerce in Saudi Arabia is expected to increase in the next two years to SR 50 billion (US\$13 billion), bearing in mind that the Kingdom monopolises 45% of the volume of e-Commerce in the Middle East.

Oman's foreign investments rose 36.5% to OMR5.48 billion by the end of 2011 compared to 2010, according to data released by the National Centre for Information and Statistics (NCSI).

Indian Sub-Continent

In May, the wholesale price index (WPI)-based inflation fell to 4.7% from 4.9% a month ago. While overall inflation is now within the Reserve Bank of India's threshold level of 5%, it is crucial for the monetary policy making to correctly gauge the underlying demand pressures in the economy.

A raid by dozens of tax inspectors on one of India's biggest gold traders this week has tarnished the reputation of an industry worth more than \$ 70 billion a year and put at risk its access to funding, a bullion importers' group said.

Europe

Italy, Germany, France, Spain push job action at Rome meeting. Finance ministers from each country agreed on Friday to seek ways to mobilise funds using the European Investment Bank to combat soaring youth unemployment while keeping budget spending under control.

The Netherlands is bracing for a new round of belt-tightening despite a growing public backlash against austerity, barely a year after similar bind caused the government to collapse. The coalition parties are set to begin negotiations next week on how to cut the budget deficit by €6 billion, next year to satisfy EU budget rules.

Switzerland and Luxembourg are the countries whose tax coffers are most boosted by migrants. The 2013 International Migration Outlook found that migrants to Switzerland helped increase net state tax

revenue by at least CHF6.5 billion (\$7 billion). The only OECD country with a higher percentage was Luxembourg (2%), added the outlook.

Norway's \$480 billion economy is starting to feel the pain as the euro-area's economy contracts for a second year. Unemployment in Norway has risen to the highest since May 2010 and manufacturing labor costs that are almost 70% higher than the average in the EU.

The Spanish public debt climbed to 88.2% of the country's gross domestic product to total of €922.828 billion in the Q1 of 2013, hitting a record high according to new data released by the Bank of Spain.

Annual inflation in the Eurozone rose to 1.4% in May this year, up from 1.2% in April, data from the statistics office of the European Union showed.

The employment rate of Q1 2013 in the Eurozone and the European Union declined by 0.5% and 0.2% respectively compared with the previous quarter, the EU's statistical bureau Eurostat said.

Eastern Europe

President of Ukraine Viktor Yanukovich convinced that the accession of Ukraine's domestic market, its industrial and agricultural facilities in the European Economic Area will have a significant positive impact on the European economic situation and will help Europe overcome the crisis.

North America

The US economic growth is expected to slow to 1.9% this year owing to an excessively rapid pace of fiscal deficit reduction, from last year's 2.2% before accelerating to 2.7% next year, the International Monetary Fund (IMF) said in its annual review of the world's largest economy.

Canadian factory sales unexpectedly fell by 2.4% in April from March, dragged down in part by lower sales of petroleum products due to refinery slowdowns, Statistics Canada data indicated.

South America

Economic activity in Brazil rose slightly, central bank data showed on Friday, signaling a better start for the

second quarter after lackluster growth at the start the year. The Brazilian central bank's IBC-Br economic activity index rose 0.84% in April from March in seasonally adjusted terms.

Argentina's official inflation was reported at 0.7% in May, matching April's rate and coming in just below the 0.8% reading from May 2012, government data showed.

Australasia

For much of the past couple of years it's seemed as though the Reserve Bank of Australia's attempts to boost the economy with low interest rates have been a bit like pushing on a string. The phrase neatly sums up the difficulties in trying to stimulate an economy by lowering interest rates.

The unemployment rate in Australia decreased from a revised 5.6% in April to 5.5% in May. Labour force participation also declined marginally, by 0.1 percentage points to stand at 65.2%. Seasonally adjusted employment continued to expand in May, increasing by 1100, to stand at a record high of 11,663,300.

Oil & Gas News

West Texas Intermediate crude futures have supports around \$93.80 a barrel, where the 200-day and 50-day moving average of the July contract converged, according to a technical analysis by Iitrader.com.

Commodities News

Corn fell, capping the biggest weekly slump since April, on signs of easing global demand as farmers complete planting of a projected record crop in the U.S., the world's top exporter. Wheat and soybeans declined.

Currency News

The US dollar has slipped amid market volatility as traders awaited the Federal Reserve's monetary policy meeting next week.

Asian currencies fell, with India's rupee touching a record low, on concern U.S. policy makers will pare stimulus that has driven inflows to emerging markets.

Date	Gold (Spot)	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
13-Jun-13	1,388.60	3.76	103.11	27.42	1.67	1.97	1.26	118.94	7843.75	76.69	2.51	34.32	24.78	3,105.04
15-Jun-13	1,390.67	3.73	105.93	28.40	1.67	1.97	1.25	119.98	7893.28	75.83	2.50	34.24	24.41	3,161.43
% Change	0.15	-0.80	2.73		-0.06	0.02	-0.35	0.87	0.63	-1.13	-0.37	-0.24	-1.49	1.82

Economic & Financial News

Research & International Division

18/6/2013

*...China's economic fundamentals remain sluggish...
...Italy's cabinet approved emergency measures aimed at boosting growth...*

South East Asia

The growth in the use of electronic payment products, such as credit and debit cards, has added RM13.17 billion to the gross domestic product of Malaysia, according to Moody's Analytics.

Indonesia's parliament paved the way for a jump in gasoline and diesel prices. The average 33% price rise will cut the government's costly fuel subsidies and could give support to the struggling rupiah after the central bank scrambled last week to prop up the currency as it was caught in an emerging market selloff, Reuters said.

The Bureau of Internal Revenue of Philippines, said it raked in P111.9 billion last month, up 18.35% from the P94.551 billion recorded in May 2012. Broken down, collections made by the Large Taxpayers Service totalled P73.42 billion, a 16.08% year-on-year increase.

Thai government rice-pledging scheme has incurred higher losses than initially projected, it will continue with marginally lower prices - from Bt15,000 per tonne to between Bt13,500 and Bt12,000 for future crops, Commerce Minister Boonsong Teriyapirom said.

Viet Nam state-owned enterprises are holding billions of dollars in their coffers, money that could have been submitted to the state budget for spending on infrastructure projects that urgently need funding, experts said.

North East Asia

China's economic fundamentals remain sluggish. China's Premier Li Keqiang is planning to transplant hundreds of millions of Chinese from the countryside to the cities, where incomes are higher. He aims to cut the rural population of 642 million in half, basically by pushing farmers into the cities.

Japan has approved an international treaty designed to prevent transnational tax evasion. It will enable Japan to cooperate in collecting taxes with 55 other signatories, mainly European nations.

Government policies should not put a damper on ordinary business activities, emphasizing that the country's economic recovery hinges on brisk corporate performance, said the Finance Minister Hyun Oh-seok.

The Council for Economic Planning and Development approved a preliminary budget of

US\$5.6 billion for public infrastructure projects in Taiwan next year, the lowest level in 12 years, the council said yesterday.

Middle East and North Africa

Turkish Finance Ministry announced a budget surplus of TL4.56 billion for May. Finance Minister Mehmet Şimşek said the amount of surplus excluding interest payments in May stood at TL8.1 billion.

Petrochemicals production in Saudi Arabia hit 86.4 million tons in 2012, up from 80.5 million tons of capacity in the previous year, the Gulf Petrochemicals & Chemicals Association (GPCA) Annual Report 2012 said.

Egypt is aiming to boost its anaemic economic growth to as high as 7% in two years by improving the environment for private investors, according to Investment Minister Yehya Hamed. He said he would work out reconciliation agreements with business people who had fled abroad since the 2011.

Shoring up the Lebanese industrial sector is the key for restoring economic stability, said officials who celebrated the "Lebanese Industry Day". Industry Minister Vrej Sabounjian urged more robust policies to support the industrial sector, saying it is crucial to create more jobs.

Indian Sub-Continent

India's trade deficit widened to a seven-month high in May as gold imports surged while exports contracted. A nearly 90% annual jump in gold and silver imports saw the trade deficit rise to US\$20.14 billion last month from US\$17.8 billion in April. The rise in gold import growth was slower than an annual 138% surge in April.

Europe

The European Union and the United States launched long-awaited formal negotiations to create the world's biggest ever free trade area. The first round of negotiations would take place in Washington next month.

Eurozone governments must continue to rein in public spending even after early successes in reducing deficits, European Central Bank governing council member Jens Weidmann said. The European Commission has given France, Spain, Poland, Portugal, the Netherlands and Slovenia more time to reduce their budget deficits to within EU limits.

Britain struck a deal clamping down on tax evasion with its overseas territories such as the Cayman Islands and the crown dependencies of Jersey, Guernsey and the Isle of Man, as PM David Cameron prepares to host a G8 summit focusing on trade, tax and financial transparency.

Italy's cabinet approved emergency measures aimed at boosting growth and relieving pressure on struggling Italians, from reducing bills and red tape to increasing credit for businesses.

German wages rose at their fastest pace in almost four years at the start of 2013 and Eurozone exports jumped in April, giving the bloc a basis for a recovery from its long recession. Nominal hourly labor costs rose 3.9% in Germany in the first quarter, faster than the overall Eurozone rate of 1.6%, the Eurostat reported.

Spain is emerging from its financial crisis and may be heading for a "turning point" thanks to strengthened public finances, having narrowly avoided a full-scale bailout in 2012, Budget Minister Cristobal Montoro said.

Eastern Europe

Russia's economy expanded by 1.6% in the first quarter, the Federal Statistics Office confirmed on yesterday, giving a breakdown of production that showed a sharp decline in output of mineral resources.

Polish finance ministry is proposing a new spending rule next year. The purpose of the proposed fiscal rule is to provide more stability in public finances in Poland, the ministry said in a statement. The current system does not ensure sufficient fiscal discipline.

The EU said it planned to end its excessive deficit procedure against Hungary last month, lifting it off the budget blacklist and acknowledging government efforts to cut the deficit below 3% of economic output.

North America

Growth in the New York state manufacturing sector picked back up in June, but the details were less encouraging as new orders and employment fell to their lowest levels in five months, a report from the New York Federal Reserve showed on Monday.

Sales of existing homes in Canada jumped at 3.6% in May from April, the Canadian Real Estate Association (CREA) said. It was the latest data to suggest the Canadian housing market - far from crashing.

Mexico's economy should accelerate in the second quarter as solid growth in the auto industry boosts its manufacturing sector, the country's finance minister said.

The national auto industry is expected to produce a new record of between 3.15 million and 3.2 million light vehicles in 2013.

South America

Brazil's central bank will not shy away from hiking interest rates back to double-digit levels if inflation fails to slow, president Alexandre Tombini said. The central bank raised its benchmark Selic rate to 8% last month, the second increase in a row, after slashing it to 7.25% last year to boost the economy.

Peru's economy rebounded strongly in April after weak growth in the first quarter, according to the National Statistics and Information Bureau, INEI. Peru's gross domestic product in April expanded 7.65% against the same period last year, the agency said.

Australasia

The Reserve Bank of Australia (RBA) has signalled it is counting on further falls in the high Australian dollar to help rebalance the economy. In the minutes from its June board meeting, the RBA said recent cuts to the cash rate had helped tame the currency which was stubbornly high above parity until recently.

Oil & Gas News

Brent crude futures were barely changed around \$105, holding not far off their strongest level in 10 weeks, as investors remained cautious ahead of a U.S. Federal Reserve meeting.

Commodities News

Gold fell for a second day before the U.S. Federal Reserve starts its policy meeting. Spot gold declined as much as 0.4% to \$1,379.26 an ounce, and traded at \$1,379.96 at 1:36 p.m. in Singapore.

Currency News

The Australian dollar is weaker despite another firmer finish on Wall Street. At 0630 AEST on Tuesday, the local unit was trading at 95.56 US cents, down from 96.21 cents on Monday.

The euro declined versus the dollar after European Central Bank President Mario Draghi said the central bank is considering further non-standard monetary policy tools. The euro dropped 0.3% to \$1.3329 at 7:19 a.m. London time.

Date	Gold (Spot)	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
15-Jun-13	1,390.67	3.73	105.93	28.40	1.67	1.97	1.25	119.98	7893.28	75.83	2.50	34.24	24.41	3,161.43
18-Jun-13	105.58	3.89	105.58	27.14	1.67	1.97	1.25	120.65	7877.12	75.57	2.50	34.23	24.45	3,227.55
% Change	-92.41	4.29	-0.33		0.02	0.24	0.23	0.56	-0.20	-0.34	0.07	-0.03	0.16	2.09

Economic & Financial News

Research & International Division

19/6/2013

*...Saudi Arabia topped the list as FDI into Arab states...
...Colombia will invest for the building of 100,000 homes for low-income families...*

South East Asia

The Malaysian government should consider introducing economic benefits to Malaysian companies venturing overseas, to further stimulate the private sector's contribution to the economy, former Prime Minister Tun Dr Mahathir Mohamad said.

The Organisation of Land Transportation Owners of Indonesia will raise public transportation fares by up to 30% despite a potential public outcry, as the Indonesian government is set to increase fuel prices. The fares for public minivans and minibuses would be expected to rise to either Rp 2,500 or Rp 3,000.

The revenue for the Philippines' metal exports slightly increase by 2011 compared to the 2009 to 2010 downtrend of the industry, with imports increasing as well, according to records by from the Metals Industry Research and Development Center. Tool and die exports gathered revenues totalling to US\$3.4 million in 2011, compared to the US\$1.25million in 2010.

Thailand's GDP should expand by 4.75% in 2013 and 5.25% in 2014, thanks to strong private demand and an acceleration of public spending, according to the IMF.

Viet Nam has announced that it will pump an average of US\$1.92 billion worth of liquidity support into the local economy each month from now to the end of this year with a yearly target of 12% credit growth will be realised by year-end, Deputy Prime Minister said.

The average of Lao PDR's GDP has grown by 8.2% over the past mid-term of the current 7th National Socio-economic Development Plan and per capita income increased to US\$1,500 this year, said the Minister of Planning and Investment, Mr. Somdy Douangdy.

North East Asia

China urged other countries to reduce the impact of their monetary policies, and expressed a strong opposition to competitive currency depreciation, a spokesman of the Ministry of Commerce said at a news conference, on Tuesday.

The percentage of the nation's young people not in education, employment or training (NEET) in Japan, hit a record high in 2012, a government report said Tuesday. According to the 2012 white paper on children

and youngsters, NEETs accounted for 2.3% of people aged between 15 and 35.

South Korea's producer price index fell 0.4% in May from a month earlier due to lower prices of farm goods and crude oil, Bank of Korea data showed Tuesday.

Hong Kong's seasonally adjusted jobless rate in March to May fell to 3.4% from 3.5% in the three months ended April, the city's statistics department said. The unemployment rate was mainly observed in the transportation, arts, entertainment and recreation sectors.

Middle East and North Africa

Turkey's Central Bank kept its key interest rates unchanged unsurprisingly, citing pleasing domestic and foreign demand figures. The bank has cut the main interest rates twice in the previous months, kept its benchmark one-week repo rate at 4.5% and its interest rate corridor between 3.5 and 6.5%.

Saudi Arabia topped the list as FDI into Arab states rose by 9.8% last year. Saudi Arabia topped the list of inflows with \$12.2 billion, representing 25.8% of the total of Arab States, the Arab Investment and Export Credit Guarantee Corp. said.

Egypt's current state budget deficit hits US\$31.4 billion or 11% of the GDP, due to the "huge subsidy expenses," especially the petroleum commodities subsidy which reached US\$21.4 billion, official news agency MENA reported.

Tunisia intends to recapitalize its banks and carry on with subsidy and tax reform to strengthen its economy, the government has told the IMF. It follows the country securing US\$1.74 billion in a loan over two years from the Washington-based institution this month.

Indian Sub-Continent

India resources should be mobilised from insurance and pension sectors for infrastructure debt funds as these funds are available for a long-term horizon, Finance minister P Chidambaram said. These products were necessary to give a thrust to investment in the infrastructure sector and attain annual GDP growth of 8%.

Pakistan's government borrowing from domestic banking sources has risen by Rs 47 billion in fiscal year 2012-13, as compared to the same period last year, the State Bank of Pakistan reported. This heavy borrowing from the banking system as shortfall in public finances weighs on the weak economy.

Europe

New car sales across Europe fell to their lowest level in two decades by 5.9% y-o-y to 1.04m in May as the deepening recession hurt demand, according to the industry body, the ACEA.

Britain needs a "radical" overhaul of its scandal-hit banks, with reckless bankers facing jail and bonuses deferred for up to ten years, according to the report by the Parliamentary Commission on Banking Standards, entitled 'Changing banking for good'.

UK inflation rate rose to 2.7% in May, up from 2.4% in April due to increased transport costs, the Office for National Statistics (ONS) stated.

The French government would set up a fund to help municipalities saddled with toxic loans carrying variable interest rates pegged to fluctuations in foreign currencies reach a compromise with their lenders, the government said.

Spanish banks will likely have to cough up another €10 billion in provisions against loan losses in the next two years to counter rising bad debts, Economy Minister Luis de Guindos said.

The last thing Greece needs is the emergence of a new crisis, the Finnish Vice President of the European Commission, Olli Rehn has stated. He expressed his hope that a solution will soon be found so that it will open again, while he underlined the need for respect from the side of the Greek authorities for the dismissals.

Eastern Europe

Russia's finance minister said yesterday he would welcome a weaker ruble to revive flagging economic growth, but while the approach may boost fiscal revenues there is a risk that inflation could become entrenched.

The Hungarian central bank's new lending program undermines the country's monetary policy and may limit the scope for further cuts in interest rates, the European Bank said.

North America

U.S. inflation rose 0.1% in May on seasonally adjusted basis, indicating the inflation remained subdued, the Labour Department said on Tuesday.

Mexico will seek in the coming months by opening the state-run oil and gas industry to private investment and competition, a move the government

hopes will attract billions of dollars in investment, Mexican President Enrique Peña Nieto said.

South America

Colombia will invest \$583 million for the building of 100,000 homes for low-income families, Housing Minister Luis Felipe Henao Cardona said. The program will help families to acquire a house without compromising more than 30% of their monthly income.

Venezuela will boost supplies of dollars to importers as it seeks to alleviate a shortage of goods that is fuelling the fastest inflation in the region, central bank director Armando Leon said. Inflation will slow from May, when consumer prices rose a record 6.1%.

The Peruvian government is teaming up with authorities in rural areas to co-finance public investment projects totalling US\$71 million. President Humala explained that the allocation of these funds is to promote development of towns in rural and border areas.

Australasia

New Zealand's current account deficit is 4.8% of GDP for March, Statistics New Zealand said. There were concerns this year that the deficit could worsen towards 6% of GDP. The seasonally adjusted current account deficit was \$2.2 billion in the March quarter.

Oil & Gas News

West Texas Intermediate crude traded near the highest price in nine months after an industry report showed U.S. stockpiles dropped last week.

Commodities News

Corn declined for the first time in three days on a forecast for warmer weather in the Midwest, aiding crop growth amid signs demand has weakened for supplies from the U.S.

Currency News

The yen declined 0.9% to 95.33 per dollar at 5 p.m. in New York after depreciating 0.2% yesterday.

India's rupee dropped the most in a week on concern the Fed will signal a reduction in asset purchases that have boosted inflows to emerging markets. The currency slid 1.6% to 58.7725 per dollar.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
18-Jun-13	105.58	3.89	105.58	27.14	1.67	1.97	1.25	120.65	7877.12	75.57	2.50	34.23	24.45	3,227.55
19-Jun-13	1,365.89	3.91	106	27.11	1.68	1.98	1.26	119.95	7867.82	75.24	2.50	34.27	24.39	3,209.80
% Change	1,193.70	0.51	0.40		0.76	0.51	0.49	-0.58	-0.12	-0.43	0.18	0.12	-0.22	-0.55

Economic & Financial News

Research & International Division

20/6/2013

*...Debt-loving Canadians saved the economy...
...France Waives CICE Tax Credit Fee For SMEs...*

South East Asia

The poor living in rural areas might have to wait a little longer to receive the government's direct cash assistance (BLSM) due to access problems, Coordinating Minister for People's Welfare Agung Laksono said. The disbursement will begin in 12 major cities of Indonesia. The BLSM is a compensation program to mitigate the effects of subsidised fuel-price hike on the poor.

Thai government will forge closer ties with the private sector and other organisations and would set up an "AEC Trade and Investment Service Centre" soon. The centre will aim to help SMEs access information and learn how to penetrate ASEAN markets, the Commerce Ministry's Trade Negotiations Department Director-general Piraamol Charoenpao has said.

Inflation rate in Malaysia rose by 1.6% in May. As compared with the previous month, the inflation was up 0.3%, the Statistics Department said in a statement. Notable increases were among food and non-alcoholic beverages, housing, water, electricity, gas, other fuels, and transport, the department elaborated.

The Philippines' balance of payments position recorded a surplus of US\$75 million in May. The figure was lower compared to the US\$274-million surplus in April 2013, as well as to the US\$138-million surplus recorded in the same month last year.

Vietnamese exports of telephones and their spare parts may exceed US\$20 billion in 2013. In the first four months 2013, telephone exports reached US\$5.97 billion, a y-o-y rise of 97.26%. This enabled telephone exports to overtake garments and textiles as the largest export commodity, the Ministry of Industry and Trade said.

Over 6 billion kip have been planned for 25 poverty reduction projects in three poor districts (Lamarm, Kaleum, and Dakcheung) of Sekong province in Lao PDR this fiscal year (2012-2013), local official has said. The objective of the poverty reduction projects is to improve living conditions of ethnic people in these districts.

North East Asia

China will continue a prudent monetary policy while ensuring credit growth for the real economy, agricultural sector and small enterprises, according to a statement issued after a State Council meeting Wednesday.

Prime Minister Shinzo Abe has vowed to take steps, including expanding daycare, to help mobilise women power as part of his "Abenomics" plan to end economic stagnation and engineer growth in a country beset by an ageing, shrinking population.

South Korea is expected to unveil a plan next week detailing how to streamline its tax cut and exemption system to raise additional revenue for expanded welfare programs, sources said Thursday. The plan would specify the methods by which the government pushes to secure about US\$15.7 billion over the next five years.

Middle East and North Africa

The GDP per capita index based on Purchasing Power Parity in Turkey is 56, putting it 31 out of 37 countries, state-run statistic body TÜİK said yesterday. The average for the 27 EU countries is 100.

The credit portfolio of Saudi banks continues to be largely comprised of the commerce sector which holds 20.4% of banks' total financing at SR212.5 billion, the National Commercial Bank said.

The emirate of Abu Dhabi's GDP at current prices rose 7.7% on year in 2012 to reach a record Dh911.59 billion, latest data from Statistics Centre Abu Dhabi showed on Wednesday. The non-oil activities and sectors contributed about 43.5%.

The number of real estate loans granted to the Moroccan middle class within the "vogalouge" program reached 12, 000 loans since last November which equals an overall value of MAD 4 billion, according to the ministry of finance and economy.

Oman's continued expansionary fiscal policy could lead to sustainability challenges in the long run given the finite nature of the country's resources, according to the Central Bank of Oman. Oman's fiscal situation has improved considerably in the last three years.

Indian Sub-Continent

The Commodities Transaction Tax (CTT) on non-agricultural commodities futures contracts is likely to be effective in India from July 1. The legal decks have been cleared for the Government to impose this levy at 0.01% of the price. Futures contracts on all agricultural produce will be exempt from CTT, said the Finance Minister P. Chidambaram.

Western Europe

The French Finance Ministry has announced plans to wave the €150 pre-finance fee for the competitiveness and employment tax credit (CICE), for small businesses requesting an advance credit of up to €25,000.

Each day 134 shops, restaurants and bars close in recession-hit Italy, retail association Confesercenti said on Wednesday. Confesercenti, which represents SME businesses in the retail and tourism sectors, said 224,000 enterprises had closed their shutters since the start of the global economic crisis in 2008.

Spain's biting recession may end soon but Madrid must do more to battle the country's unacceptably high unemployment rate at 27.16% (around 6 million people out of work) in the first quarter of 2013. The IMF urged Spain to reduce the cost of dismissals and reduce social security contributions, but increasing sales tax and special taxes in order to increase state revenue.

Swedish unemployment has eased and confidence data improved. The statistics office said unemployment fell to 8.2% in May from 8.7% in April.

Ireland has given "smart and constructive assistance" to a developing international plan for preventing multinationals escaping paying corporation tax altogether, according to OECD. Ireland competed "fairly" for FDI with its 12.5% corporation tax rate.

Eastern Europe

The Russian central bank's priority is to stabilize inflation, its outgoing chairman Sergei Ignatyev said. The central bank supports the government's efforts to ensure balanced economic growth to the extent that it does not contradict the central bank's main goal.

The World Bank has approved a £57.5 million loan to support an energy efficiency project in Belarus.

North America

The chairman of the US Federal Reserve Ben Bernanke has sent the strongest signal yet that he's preparing to wind back his money printing strategy known as quantitative easing. Bernanke said the wind-back could begin later this year and perhaps end midway through 2014.

Debt-loving Canadians saved the economy by borrowing the country through the worst recession since the Great Depression and now it is the turn of businesses to show some confidence and start spending, Bank of Canada Governor Stephen Poloz said.

President Peña Nieto will unveil Mexico's New Infrastructure Program in mid-2013. Mexico is taking on close to 500 projects that potentially represent \$415 billion over the next six years. The largest investment will be in oil and gas production, more than \$76 billion.

South America

Argentina's economy grew 3% first three months of the year as spending, consumption and financial services rebounded even as the nation's trade surplus narrowed on increased imports, National Statistics Institute reported.

Imports to Colombia rose 16.5% in April compared to the same month last year, said the country's national statistics agency. Total foreign purchases increased from \$4.4 billion to \$5.7 billion compared to April 2012. The trade surplus was \$36.8 million. The increase was mainly from manufactured goods.

Australasia

Australians are spending more and more thanks to discounting by retailers and lower interest rates, new figures showed spending leapt by 5.2% in May, seasonally-adjusted, according to the latest Commonwealth Bank Business Sales Indicator.

New Zealand's economic growth slowed to a crawl in the first quarter of 2013 as a major drought hit the farming sector. Statistics New Zealand said GDP expanded just 0.3% in the three months to March 31, about half the level the market expected.

Oil & Gas News

The current oil prices were "fair" and that the Gulf Arab state was producing around 3 million barrels of crude per day, Kuwait's acting oil minister said yesterday.

Commodities News

Oil futures slid as much as 1.8% in New York. U.S. crude inventories rose by 313,000 barrels last week, the Energy Information Administration said yesterday.

Currency News

The dollar rose to its highest in more than a week against the yen before U.S. housing and manufacturing reports.

The pound declined for a third day versus the dollar after Federal Reserve Chairman Ben S. Bernanke said yesterday U.S. policy makers could next year end asset purchases that have debased the U.S. currency.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
19-Jun-13	1,365.89	3.91	106	27.11	1.68	1.98	1.26	119.95	7867.82	75.24	2.50	34.27	24.39	3,209.80
20-Jun-13	1,334.77	3.93	104.59	26.61	1.69	1.97	1.26	119.37	7862.25	75.62	2.51	34.29	24.55	3,150.85
% Change	-2.28	0.51	-1.33		0.18	-0.51	-0.08	-0.48	-0.07	0.50	0.33	0.06	0.63	-1.84

Economic & Financial News

Research & International Division

22/6/2013

*...Japan has initiated an ambitious "three arrows" economic recovery plan...
...Indonesia hikes fuel price increase of up to 44%...*

South East Asia

Indonesia announced a fuel price increase of up to 44%, which will take effect on 22nd June 2013. Following the new policy, more than US\$900 million in cash handouts will be distributed to 15.5 million low-income households for four months to cushion the impact of the fuel price increase.

Thai budget saw a cash deficit of Bt531.6 billion in the first eight months of the fiscal year, a shortfall that was reduced to Bt334.3 billion after government replenishment to the tune of about Bt197 billion, according to Somchai Sajjapongse, Fiscal Policy Office director-general. The figure reflects economic growth driven by domestic consumption, he said.

The Philippines' external debt decreased to US\$59 billion in Q1 2013 from US\$61.6 billion a year ago. The figure was also down from US\$60.3 billion as of end last year. The latest figure accounted for 22.8% of GDP during the review period, down from 26.9% in the same period last year and 24.1% by end-2012.

Low-cost housing in Viet Nam will be reduced from 10% to 5% for one year starting next month. The inventory of low-cost apartments has ballooned to more than 10,000, and officials said the VAT reduction would benefit low-income people without good housing as well as developers.

North East Asia

China's central bank is wrestling with a liquidity crunch of its own creation. A cash shortage that has sent short-term interest rates as high as 25% earlier this week and alarmed the world's markets, eased a bit Friday.

Japan has initiated an ambitious "three arrows" economic recovery plan, christened "Abenomics". The first arrow is a US\$100 billion fiscal stimulus program to increase public spending. The second arrow is a further easing of monetary policy to increase demand, investment and inflation to 2%. The third arrow mandates structural reforms to increase incomes and improve Japan's industrial competitiveness and productivity.

South Korea is prepared to take action immediately against deepening market volatility caused by worries that the U.S. could reduce its quantitative easing policy, the Finance Minister Hyun Oh-seok said yesterday.

Macao's CPI for May this year went up by 4.84% over the same period of last year, according to the figures released Friday by the city's Statistics and Census Service.

Middle East and North Africa

Turkey has requested Russian gas giant Gazprom to increase the amount of gas delivered by private firms at the Western Pipeline by another 4 billion cubic meters, Energy Minister Taner Yildiz said.

Saudi commodity exports rose by 6.5% last year valued at SR 1.45 trillion compared to SR 1.36 trillion in 2011, according to a report released by the Central Department of Statistics and information.

Iraqi crude oil exports decrease with about 220,000 barrels per day since the beginning of June, 2013 due to bad weather on the loading and export operations.

Indian Sub-Continent

Foreign exchange reserves were up by US\$982 million to US\$290.66 billion on the back of healthy rise in the core currency assets, the Reserve Bank of India said on Friday. The total reserves had swollen by US\$1.78 billion to US\$289.7 billion in the previous reporting week.

The State Bank of Pakistan has reduced the policy rate by 50 basis points to bring it down to 9% with effect from 24th June, 2013 indicating a bold instance of the growth based policy under the given circumstances.

Europe

EU finance ministers negotiating almost around the clock broke up unsuccessful talks on how to downsize or close banks without letting taxpayers foot the bill and faced a danger that the divisive issue could undermine trust in Europe's ability to stabilize its financial system.

Eurostat announced the consumer prices in the EU Member States in 2012. The most expensive country in consumer prices for food and non-alcoholic beverages was Denmark being at 143% of EU average. Meanwhile, the lowest consumer prices were observed in Poland at 61%.

France is currently in recession after two successive quarters of negative growth and will remain in recession for the remainder of the year. In addition to a GDP contraction this year, INSEE said that high unemployment levels here would get worse, with average jobless rates rising to 10.7% officially, up from

10.4% in May. There are currently more than 3.2 million people out of work in France.

Italian Prime Minister Enrico Letta is operating in very difficult conditions with great skill and is confronting the short term emergency in a way that should allow Italian companies to join in a still weak global recovery, OECD's Carlo Padoan said. Padoan added that reducing taxes on employment should take priority in any eventual programme of tax cuts.

Norway is better placed to cope with population ageing than most other countries. But it could still do more to improve incentives and opportunities for people to stay working longer which would help ensure the country's long-term future," the OECD said in a statement.

The Greek Finance Ministry is placing its hopes on the second half of the year for a rebound in public revenues, as it showed that in the first five months of the year revenues were €549 million short of projections, the news agency AMNA reported.

Non-performing property loans in Ireland rose in the first quarter, highlighting the failure of the country's banks to tackle arrears on residential mortgage payments. Central bank data showed that almost one in five Irish home loans, worth €25.5 billion, were not being fully repaid at the end of March.

Eastern Europe

President Vladimir Putin unveiled a \$13.6bn investment plan yesterday to build roads and railways across Russia and show he is not steering the country into political and economic stagnation.

North America

Unemployment rates fell in half of U.S. states last month, led by drops in California, West Virginia, New York and Hawaii. The Labour Department said Friday that unemployment rates rose in 17 states and were unchanged in eight.

Consumer prices in Canada rose 0.7% in the 12 months to May, as higher food and shelter costs were partly offset by lower transportation costs, the government statistical agency said Friday.

Mexico's central bank will be attentive to the implications on the inflation outlook of economic activity and Mexico's relative monetary policy with respect to the rest of advanced nations, particularly the United States, policy makers said.

South America

Argentina's imports jumped 17% in May from a year earlier to US\$7.09 billion, driven mainly by a big jump in the purchase of capital goods - including railroad cars and engines from China and parts and accessories for capital goods.

Colombia's economy expanded by 2.8% in the first quarter compared with the same quarter of 2012, the Colombian government statistics agency DANE said in a statement, as the manufacturing sector contracted sharply and the oil and mining industries struggled due to lower global prices.

The Peruvian government has earmarked more than nearly \$800 million for the implementation of various infrastructure development projects across the country.

Australasia

It is extremely unlikely the Australian economy will fall into recession as mining investment fades, crediting the nation's extraordinary dynamism for the impending milestone of 22 years of economic expansion, former Treasury boss Ken Henry said.

Oil & Gas News

Oil prices tumbled for the second straight day amid market fears about Federal Reserve plans to ease stimulus and signs of slowing growth in China. New York's main contract, West Texas Intermediate (WTI) light sweet crude for August, dropped \$1.45 in its first day of trade, closing at \$93.69 a barrel.

Commodities News

Gold prices slid 6.4% yesterday, a day after Bernanke said the central bank may start reducing \$85 billion in monthly debt buying this year and end the program in 2014.

Currency News

The Thai baht, Indonesian rupiah and Indian rupee are likely to be the worst performing Asian currencies this year.

Brazil's real, Chile's peso and Turkey's lira may fall "significantly" to curtail widening current account deficits, according to Goldman Sachs Group Inc.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
20-Jun-13	1,334.77	3.93	104.59	26.61	1.69	1.97	1.26	119.37	7862.25	75.62	2.51	34.29	24.55	3,150.85
22-Jun-13	1,296.42	3.77	100.91	26.77	1.69	1.98	1.28	117.65	7789.38	76.28	2.52	34.40	24.47	3,124.45
% Change	-2.87	-4.07	-3.52		0.08	0.44	1.25	-1.44	-0.93	0.88	0.25	0.33	-0.31	-0.84

Economic & Financial News

Research & International Division

25/6/2013

*...South Korea will keep lower tariff rates on over 50 import items...
...The European Financial Stability Facility approves debt maturity extension...*

South East Asia

Indonesian inflation could surge to as high as 7.9% this year as a result of the rise in the prices of subsidised oil fuels, said Bank Indonesia. The government has predicted the oil fuel price hikes would push up inflation to only 7.2% this year from the original target of around 6%.

Thai Commerce Ministry is set to open bidding for its rice stockpile to exporters at the market price next month, aiming to reduce its stocks and rapidly earn back revenue to offset losses from its price-pledging programme.

The government has no intention of reducing excise duty on cars for now as most car companies are already paying the nominal amount, International Trade and Industry Minister Datuk Seri Mustapa Mohamed said. Some car companies are already paying only 40% to 50% (in excise duty) due to the use of local components even though the tax ranges around 65% to 105%.

Singapore's core inflation outdid the headline inflation rate in May, as a fall in car prices last month was offset by steeper increases in food prices and services fees. The overall CPI rose to 1.6% y-o-y in May, after the inflation rate plunged to a three-year low of 1.5% in April.

Philippines' mineral production is expected to increase from 9% to 10% annually over the next four years, the Department of Environment and Natural Resources said. This is in line with the implementation of the Aquino administration's new mining policy.

Viet Nam's ministries and agencies have put more effort into promoting the progress of State-owned enterprise (SOE) renovation and development. It proposed to the Prime Minister 28 projects on the corporate renovation policies, taking account of 78% of the 2012 plan and 50% of this year's plan.

The development of a 288-acre Special Economic Zone in Muse, Shan State, has been announced at a joint shareholder meeting of Myanmar construction companies Great Hawkham Public. The urbanisation project is designed to facilitate the growing transport and infrastructure demands of the growing gateway city.

North East Asia

China's central bank has urged lenders in the country to strengthen liquidity management,

according to an official note published yesterday, in a sign Beijing does not intend to loosen policy despite a recent credit crunch.

The Bank of Japan has pledged to double the monetary base by the end of next year while Prime Minister Shinzo Abe is promising public spending, tax reform and freer markets to reinvigorate Japan's economy. It's been 21 years since annual inflation in Japan exceeded 2%, according to the World Bank.

South Korea will keep lower tariff rates on over 50 import items in order to help stabilise supplies and prices of products frequently used by ordinary people, the finance ministry said today. Those items will benefit from lowered or zero tariff rates until the end of this year under the tariff quota system, according to the ministry.

Taiwan's jobless rate last month dropped to 4.06% from 4.07% in April, the Directorate-General of Budget, Accounting and Statistics said yesterday. The latest data showed that 463,000 people were unemployed last month, a decrease of 1,000 from the previous month.

Middle East and North Africa

The value of Saudi Arabia exports of non-oil commodities for the first quarter 2013, reached SR 46.84 billion, compared to SR 47.84 billion, or a decrease of 2.1%, according to the Central Department of Statistics and Information.

The UAE economy will grow 3.6% in the current year on the back of higher oil prices and supported by investment, trade and rising tourist arrivals, according to the IMF.

Egypt's economy grew by 2.2% in the first quarter of 2013, unchanged from the previous quarter, Planning Ministry said.

Indian Sub-Continent

The Reserve Bank of India (RBI) has made it easier for property developers to access foreign money in an effort to spur low-cost housing projects, such as slum rehabilitation. The RBI has extended the limit of \$1 billion that can be borrowed through the external commercial borrowing (ECB) scheme to the 2014-2015 financial year.

Pakistan's telecom sector has net outflows of \$390.9 million in the outgoing financial year, official sources told the News on Monday.

Europe

The British cruise sector contributed £2.49 billion to the UK economy last year, up 3.7% compared with 2011, new data has shown.

France and Qatar launched a mixed Franco Qatari fund to invest €300 million in small and medium sized French companies, in a bid to quash concerns raised by a previous Qatari plan to invest specifically in French suburbs.

Italy is likely to need a bailout as the country slides into deeper fiscal crisis and a credit crunch spreads to large companies, a top Italian bank warned. Italy's \$2.8 trillion debt is the world's third largest after those of the United States and Japan, the Telegraph said.

Spain would be receiving €1.5 to 2 billion of EU funds to help combat youth unemployment. The total amount that the EU is planning on spending on the problem, assuming that the plan is approved by the European Council this week, is expected to reach €6 billion.

The board of directors of the European Financial Stability Facility (EFSF) approved the extension of the maturities of its loans to Portugal and Ireland, completing a process that is seen as key to reducing the burden on the two highly indebted states. The EFSF has committed €17.7 billion for Ireland. For Portugal the EFSF has committed €26 billion.

Croatia citizens will enjoy more transparency in bank and financial services after their country join EU. Croatians will have broader choices of institutions to do business because financial institutions and insurance companies with their headquarters in EU, will directly provide their services in Croatia.

North America

Prospective borrowers ranging from U.S. companies to county governments on Monday shelved a raft of deals to raise new capital or refinance debt as a suddenly uncertain interest rate environment dented demand.

Mexican inflation cooled in early June as fresh food prices fell although price gains are set to remain above the central bank's 4% ceiling for the fourth straight month.

South America

Brazilian government will spend \$23 billion more on public transportation and announced five core areas that leaders will focus on to speed political reform and improvements to government services, President Dilma Rousseff said yesterday.

Argentina's May industrial production rose an unexpectedly strong 5.2% from a year earlier, its best performance in nearly two years thanks to a rebound in automobile output, government data showed on Monday.

The IMF said on Monday it had approved a new two-year \$5.84 billion flexible credit line for Colombia as a precautionary buffer against potential risks from the global economy.

Venezuela will make its foreign currency system more flexible by reviving a stalled dollar auction scheme in July and after that allowing a revival of a free-floating secondary currency mechanism, a source in the government's economic team said.

Australasia

Growth in China is continuing to buoy up the New Zealand economy, while New Zealand's other main trading partner, Australia, is slowing, a leading business group announced Monday. The export prices staying high and economic growth forecast to average just over 3% for the next two years.

Oil & Gas News

Brent North Sea crude for delivery in August shed 73 US cents to stand at \$US100.18 a barrel in late London deals.

Commodities News

Gold swung between gains and losses, trading near its lowest level since September 2010, as investors weighed the prospect of reduced monetary stimulus by the U.S. Federal Reserve and slower growth in China.

Currency News

The Japanese currency rose 0.2% to 97.58 per dollar as of 8:37 a.m. in Tokyo after yesterday touching 98.70, the least since June 11.

The days of the Australian dollar being above 100 US cents are done and dusted as the economic fortunes of Australia and its major trading partners change.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
22-Jun-13	1,296.42	3.77	100.91	26.77	1.69	1.98	1.28	117.65	7789.38	76.28	2.52	34.40	24.47	3,124.45
25-Jun-13	1,281.13	3.73	101.31	27.16	1.67	1.96	1.28	117.60	7777.26	77.20	2.52	34.23	24.37	3,095.08
% Change	-1.18	-1.06	0.40	-0.97	-0.77		0.08	-0.04	-0.16	1.20	0.15	-0.51	-0.41	-0.94

Economic & Financial News

Research & International Division

26/6/2013

*...A revised policy on FDI in India seeking to ease investment caps...
...Bahrain's state spending is expected to jump...*

South East Asia

President Susilo Bambang Yudhoyono expected poverty rate in Indonesia to drop to 8 to 10% by the end of his term in 2014. His optimism was based on the country's success in reducing the rate from 16.6% in 2007 to 11.7% in 2012.

The Bank of Thailand is assessing the implications of China's economic slowdown for the Thai economy, already fearful of global jitters over the looming end of the U.S.' quantitative easing.

Malaysia's gross fixed capital formation (GFCF) was valued at RM242 billion in 2012, according to the Statistics Department. Manufacturing which recorded a 10% growth in 2012, continued to contribute to GFCF's growth. The share of GFCF increased to 25.7% of GDP compared with 22.3% in 2011.

Philippine merchandise imports recovered for the first time in four months in April 2013 as it improved 7.4% y-o-y to US\$5.14 billion. Similarly, it increased by 4.5% m-o-m from US\$4.92 billion.

Vietnamese CPI in June inched up by 0.05% after a light reduction of 0.06% in May, the General Statistics Office (GSO) announced yesterday. GSO attributed the June increase to a surge in petrol prices and slight reductions of the price for rice and food.

North East Asia

China's short-term borrowing rates fell for a fourth day on Wednesday morning after the central bank appeared to admit it had underestimated the severity of a credit crunch last week and had already provided extraordinary support to some institutions.

Prime Minister Shinzo Abe's success in rebuilding Japan's economy will depend on his ability to remove regulatory hurdles, the so-called "third arrow" of Abenomics, Orix Corp.'s chief executive officer said.

Volatility in South Korea's financial market has been intensifying amid worries that the U.S. could scale back its stimulus plan and that China's economic growth might be slowing down, the country's finance minister said.

Taiwan's legislature passed a final reading in easing rules on a new capital gains tax, removing uncertainty that has dampened local stock market

turnover. Under the new rule, no tax will be collected from individual investors whose annual transactions are below T\$1bil (US\$33mil). Transactions above T\$1bil will be charged with a 0.1% tax.

Middle East and North Africa

Iran imported some 4,000 tons of goods worth over \$18.6 million from the U.S. in the first two months of the current year, which started on March 21, the ISNA News Agency reported.

Saudi Arabia's monetary aggregates continued to show solid growth reflecting strong economic performance. Expansionary fiscal policy and low interest rate environment played an important role in maintaining such a trend. Growth in broad money (M3) accelerated to 16.2% y-o-y in May from 14% in April, according to a report by Jadwa Investment.

Bahrain's state spending is expected to jump 11% this year, by more than originally planned, after its parliament approved \$462 million in additional expenditure. In the end, parliament added rises in pension payments for both public and private sector retirees, and higher subsidies for food and other items, Mahmood Almahmood, a member of parliament said.

Indian Sub-Continent

A revised policy on foreign direct investment (FDI) in India seeking to ease investment caps in several sectors may be announced by mid-July. The department of industrial policy and promotion will hold discussions with other ministries on the issue, said the Finance minister P Chidambaram.

Prime Minister Nawaz Sharif's government has put the country's economy on the right track and all economic indicators show that economy has started moving in the right direction. By allocating a huge sum of Rs225 billion for controlling energy crisis and promising to resolve circular debt issue in two months.

Europe

The European Central Bank (ECB) has defended its crisis management policies. It said it would continue its accommodative monetary strategy for some time to come despite criticism from some Eurozone leaders.

French Prime Minister Jean-Marc Ayrault reiterated the government's pledge to trim public spending

next year and to stabilise the public expenditure in 2013 to bring down the country's budget gap. Looking to 2014, he wants to cut the public spending by €1.5 billion mainly by squeezing expenditure of local authorities and ministries.

Britain's finance minister George Osborne will unveil his plans for another round of government spending cuts as he tries to keep his deficit-reduction drive on track and free up cash for fresh investment. Around £3 billion of money saved is expected to be ploughed back into infrastructure spending, the Treasury said.

Italy will present emergency measures to try to tackle record-high youth unemployment, including tax breaks for companies that hire young people, Prime Minister Enrico Letta told parliament. Letta has repeatedly said getting young people into work will be the top priority of his fragile.

Spain's labour costs have been falling in part because businesses are taking advantage of their newfound freedom to fire and hire. The new law could be the beginning of a decade of wage moderation, said the Commerzbank Chief Economist Joerg Kraemer.

The Dutch economy contracted 0.4% from the previous three months, according to national statistics bureau. Government spending was slightly higher in the quarter. Estimates of output in mining, trade, transportation and services were revised downward. The number of jobs fell in the first quarter by 51,000, mainly in services industry, trade and transportation.

Greece's trade deficit posted a 20.5% drop in January-April this year, as despite problems, exports are continuing to grow while imports keep falling. According to Hellenic Statistical Authority, total exports for April reached €2.5 billion, representing an 8.5% rise due to an increase in fuel exports.

In another sign that the Finnish economy is losing steam, the country's unemployment rose 0.3 points to 8.5% in May from the April level, official data showed.

North America

New home sales surged in May, and home prices soared in April, but rising mortgage rates threaten future gains, economists say. Home prices rose a record 12.1% in the year ending in April, according to the Standard & Poor's Case-Shiller index released Tuesday.

Economists say flooding in Alberta will cost Calgary's economy billions of dollars and it will be widespread and long-lasting. In Calgary, the floods will cut

into retail sales, tourism and industries that service the energy industry.

Mexico's economy contracted in April by the most in four months compared to March, on weakness in services and industry. Mexico's monthly GDP proxy shrunk by 0.77% in April compared with the prior month, when it grew at a downwardly revised 0.16% rate, Reuters said.

South America

Bank lending in Brazil rose in May after state-controlled banks stepped up disbursements to help the government kick-start activity in Latin America's largest economy. Outstanding loans in Brazil's banking system rose 1.5% from April, the central bank said in a report on Tuesday.

Australasia

Australia, the world's biggest producer of iron ore, has forecast a 14% rise in exports in the 2013-14 fiscal year as the country's big miners press ahead with multi-billion dollar expansions despite signs demand growth is softening.

Oil & Gas News

The price of oil showed a small gain yesterday, as positive US economic news provided some support while traders wait for the latest supply reports. In New York benchmark oil for August delivery rose 14 cents to end at US\$95.32 a barrel.

Commodities News

Gold futures have extended recent losses to set a 33-month low, as a string of stronger US economic data bolstered equities and dampened interest in safe-haven assets like precious metals.

Currency News

The kiwi edged up to 77.30 US cents from 77.16 cents at 5pm in Wellington on Tuesday. In the past 12 hours, the local currency has traded as low as 76.95 cents and as high as 77.95 cents.

The Canadian dollar fell against most of its major peers after reports showed the U.S. economy is strengthening. The Canadian dollar fell 0.1% to C\$1.0515 per U.S. dollar at 5 p.m. in Toronto.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
25-Jun-13	1,281.13	3.73	101.31	27.16	1.67	1.96	1.28	117.60	7777.26	77.20	2.52	34.23	24.37	3,095.08
26-Jun-13	1,253.44	3.65	101.1	27.70	1.67	1.97	1.28	117.54	7791.20	76.28	2.52	34.28	24.28	3,107.63
% Change	-2.16	-2.14	-0.21		0.06	0.28	-0.05	-0.05	0.18	-1.19	-0.10	0.17	-0.38	0.41

Economic & Financial News

Research & International Division

27/6/2013

*...Kevin Rudd has been sworn in as prime minister of Australia...
... About 30 million Mexicans live in the informal economy ...*

South East Asia

Investment in Indonesia's downstream agricultural industry from early 2010 to March 2013 reached US\$12.4 billion, representing 13.1% of overall investment inflows in the period, BPKM Deputy Chief for Investment Promotion said. Much of the investment was from Singapore, Taiwan and Japan.

There is an increased in FDI outflow from and inflow to Thailand, as Thai investors have increased investment in ASEAN countries such as Indonesia, Cambodia, Vietnam and Laos. The investments mostly came from agriculture, food and textile industries which have increased by 44.9% last year to US\$11.9 billion.

Malaysia's FDI scenario is still resilient as the country is adopting a targeted and selective approach in attracting niche quality investments in high-technology projects and not merely emphasising on value of investments, said International Trade and Industry Minister Datuk Seri Mustapa Mohamed. Malaysia's gross FDI inflows fell from US\$10.1 billion last year compared with US\$12.2 billion in 2011.

The Philippines government posted a budget deficit of P42.8 billion in the first 5 months of 2013, which is about 18% of the yearly target of P238 billion. The May deficit reversed the previous month's surplus amounting to P36.803 billion, which was the widest in record.

Newly registered and additional FDI capital in Viet Nam totalled US\$10.5 billion in the first half this year, or a 16% increase over the same period last year. The processing and manufacturing industries remained on top of the list of 18 sectors that received FDI from 259 new and additional projects with capital of US\$9.3 billion, accounting for 89% of the total.

North East Asia

The China's cabinet reiterated that current economic policies will be maintained in order to stabilise market expectations. China's economic condition is generally stable this year and the government can steadily proceed with measures that can balance short-term growth and structural adjustments for long-term benefits, according to Premier Li Keqiang.

The value of Japan's shipments has increased 10% in May from a year earlier, the most since 2010, said

Bloomberg, as the economy responds to Japan Prime Minister Shinzo Abe's stimulus measures ("Abenomics").

South Korea's current account surplus reached US\$8.64 billion in May, up from US\$3.93 billion the previous month as exports of tech products remained solid amid the local currency's weakness to the U.S. dollar, according to the Bank of Korea.

Middle East and North Africa

Petrochemicals production in Qatar hit 16.8 million tonnes in 2012, making it the second largest producer in the GCC downstream sector, after Saudi Arabia.

Overall employment in Kuwait grew by 3.2% in 2012, a pace similar to 2011. Total employment reached 2.25 million, 83% of which were expatriates. Kuwaiti civilian job growth has been somewhat more rapid recording an increase of 4.4% in 2012, while private sector at 5.9%.

Morocco has collected tax revenues in the first half of 2013 reached MAD 300 million collected for the benefit of the state and MAD 530 million for the benefit of local communities, the Minister of Economy and Finance said.

Tunisia unemployment rate decreased from 18.9% to 16.5%, adding that Tunisia had managed to get 200,000 citizens back to work over the past two years, according to Tunisian minister of vocational training and employment Naoufel Jammali.

Indian Sub-Continent

The rural regional banks they could no longer provide loans against gold jewellery and coins the latest move to discourage gold buying as the government seeks to reduce a record current account deficit, India's central bank said.

Europe

EU finance ministers have agreed an outline plan on how to rescue troubled banks without leaving taxpayers to face the bill. The banks' creditors and shareholders will take the first hits, followed by savers with deposits of more than £85,000.

The German economy eked out 0.1% growth in the Q1 on the back of private consumption after contracting in late 2012. It is widely expected to have performed better between April and June. Meanwhile, the German cabinet approved budget plans for the next two years, including a

higher-than-planned deficit for 2013 because of the cost of floods earlier this month.

Weak growth and public finances in France are of acute concern to the European Commission. The economy contracted by 0.2% in the Q1, National Statistics Institute INSEE reported.

Italian cabinet approved an US\$850 per month tax cut for businesses that hire, ANSA reported. The tax credit applies to new hires and to employers who extend jobs that were expected to end. The benefits in the new policies favour workers under age 29 who do not have a high school diploma and youths age 15 to 24. Unemployment in Italy is at a record 12%.

Spain's central bank has asked lenders to calculate the cost of removing minimum interest rate clauses on residential mortgages, a move that could help homeowners benefit from lower borrowing costs, but could hit banks' profits hard.

The Swiss government expects its budget to run a slight deficit in 2014. The Finance Ministry expects a US\$42.6 million financing gap after parliament rejected a package of saving measures.

Norway's unemployment down to 0.2% or 98,000 people were without job last month. About 2.6 million people aged between 15 and 74 or 68.7% of Norway's population were employed in April, Statistics Norway said.

The Polish government, looking to shore up public finances, said it plans to reduce the role private funds play in the country's mandatory pension system in a move that may put large stockholdings of listed companies in the state's hands.

Greece is gradually attracting back FDI to levels reached prior to its headlong descent into economic crisis three years ago, the UN's trade and development body said. FDI in the recession-hit country rose to €2.9 billion in 2012 from €1.1 billion in 2011, according to the UNCTAD.

North America

Canada's heated housing market and near-record personal debt is less of a risk than it was a year ago, but the central bank is not letting down its guard just yet, a Bank of Canada official said. Statistics Canada showed the ratio of household debt to income fell slightly to 161.8% in the Q1.

About 30 million Mexicans live in the informal economy, eroding Mexico's already-low tax base and hindering plans to set up a universal social security system. The country loses 3 or 4 percentage points of GDP every year because 60% of its workers don't

generate any taxes and also don't have social security benefits, Labour Minister Alfonso Navarrete said.

South America

The low production of wheat in 2012 is starting to affect the price of bread nationwide in Argentina, reaching 20 pesos per kilo in some cases. With 9 million tonnes produced, 38% less than 2011, mills are having trouble in supplying the required amount for the local market.

The plans would be discussed with each minister of the appropriate area and actions would be assessed together with the Central Bank of Venezuela, Finance Minister Nelson Merentes said. In an early stage, 23 items with a high inflationary impact have been sorted out and specific plans will be applied to each of them in order to improve output.

Australasia

Kevin Rudd has been sworn in as prime minister of Australia. Kevin Rudd's victory as leader of Australia's may boost consumer and company confidence, according to investors, economists and business leaders.

New Zealand recorded a smaller trade surplus in May as exports, including crude oil and meat, missed estimates. The trade surplus was NZ\$71 million in May, for an annual deficit of NZ\$869 million, according to Statistics New Zealand.

Oil & Gas News

Brent crude rose for a fourth session in a row on Thursday to trade near US\$102 a barrel as weak U.S. economic data eased concerns the U.S. Federal Reserve will soon reduce its monetary stimulus.

Commodities News

Copper rose for delivery in three months on the London Metal Exchange as much as 0.8% to US\$6,788 a metric ton and was at US\$6,785 by 11:37 a.m. in Tokyo.

Currency News

Thailand's baht gained the most in a week amid concern the central bank will step in to halt declines that sent it to a nine-month low. The baht reached 31.25 per dollar on June 21, the weakest since Sept. 7.

India's rupee touched a new record low of more than 60 to the dollar yesterday, deepening the abrupt slide in the currency as overseas funds continue to pull out of emerging markets.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
26-Jun-13	1,253.44	3.65	101.1	27.70	1.67	1.97	1.28	117.54	7791.20	76.28	2.52	34.28	24.28	3,107.63
27-Jun-13	1,239.90	3.74	102.21	27.33	1.66	1.96	1.27	117.56	7813.11	76.88	2.51	34.10	24.41	3,141.98
% Change	-1.08	2.47	1.10	-0.66	-0.39	-0.33	0.02	0.28	0.78	-0.28	-0.54	0.56	1.11	

Economic & Financial News

Research & International Division

29/6/2013

*...Russia forgives debts to many, no one forgives Russia's debts...
...Malaysia urged to accelerate structural reforms...*

South East Asia

Indonesia's central bank estimates that the annual inflation in June was 5.7%, increased by a fuel price hike that took effect June 22, an official said on Friday.

Thailand's exports fell 5.1% in May from a year before after a rise of 3.7% in April, as domestic demand was weak as a big government stimulus scheme wound down, central bank data showed, suggesting the economy is slowing and interest rates should stay low to support growth.

The World Bank has urged Malaysia to accelerate structural reforms to ensure the country's economy remains diversified and dynamic. Malaysia's economic performance in recent years has been skewed towards commodities, especially in oil and gas exports. The economic diversification seems to be slowing down.

Singapore's central bank has introduced rules to ensure that a property buyer's monthly payments do not exceed 60% of his income, a move aimed at cooling the housing market and ensuring investors are not caught out by a rise in interest rates.

The European Union will provide the Philippines with € 8 million for the third leg of a project to enhance trade and investment in the country. The grant will benefit programs aimed to improve trade and competitiveness.

The gold price in the Vietnamese market increased by US\$91 per tael in today evening, selling at US\$1,778 a tael, making the current gap with the world price expand to almost US\$288 a tael.

North East Asia

China's central bank governor promised to ensure there is enough money in financial markets to maintain stability after a credit crunch sparked fears of a possible crisis, Zhou Xiaochuan said. Interest rates paid by banks to borrow from other banks jumped 13.4% when demand for loans outstripped supply.

Prime Minister Shinzo Abe and new central bank governor Haruhiko Kuroda are in the throes of boosting growth through the "three arrows" of a massive programme of money printing, public spending, and structural reforms.

South Korea's industrial output shrank in May 0.4% last month from a month earlier especially in mining, manufacturing, gas and electricity industries, a government report showed Friday.

Middle East and North Africa

The Middle East and North Africa countries have some of the lowest government spending on healthcare. Access to health services is inequitable and the quality of care is well below what people expect. This could be reversed by investing in fair and accountable health systems, the World Bank said.

Turkey increased its exports to all regions with the exception of the Middle East and Far East. Turkey's exports reached US\$13.3 billion, imports US\$23.3 billion and exports coverage of imports was 57.4% in May while exports reached US\$62.8 billion, imports US\$104.8 billion and exports coverage of imports was 60% between January and May, Economy Minister Zafer Caglayan said.

Indian Sub-Continent

India's government had doubled natural gas prices to stimulate investment and reverse a decline in domestic production which has caused power shortages for industry.

Western Europe

German inflation accelerated, while French and German consumers spent more than expected, easing pressure on the ECB to cut interest rates. Higher food and energy costs drove preliminary German annual inflation to 1.8% in June, according to ECB.

France's public debt rose to €1.87 trillion, or 91.7% of GDP in Q1. According to Insee statistics bureau, the country's debt increased by €36.5 billion euros, pulling the debt-to-GDP ratio up by 1.5 percentage points from the final quarter of last year.

Italian Premier Enrico Letta hailed a victory for Italy at EU summit Friday where a deal was struck on an important €6 billion job-creation fund for young people. "We have won the issues of youth unemployment and fairness from the European Investment Bank," said Letta. Youth unemployment has been the principal national commitment.

The Spanish government is struggling to cut one of the Eurozone's largest public deficits during a double-dip

recession, raised taxes on tobacco and alcohol. The tax hikes will generate increased revenues of around €700 million this year, Budget Minister Cristobal Montoro said.

Swedish government is willing to support corporate loan market amid industry complaints that stricter bank rules are damaging companies' access to credit. Sweden is responding to calls to help companies that have cut jobs to contain costs. The unemployment was 8.2% in May, and medium-sized businesses employ about 65% of Sweden's workforce, according to the European Commission.

Portugal's budget deficit in the 12 months to the end of March rose to 7.1% of GDP from 6.4% at the end of 2012, data showed on Friday, but the government said it was on track for the 2013 deficit reduction goal.

Eastern Europe

Russia forgives debts to many, no one forgives Russia's debts. Debts must always be repaid, this is a postulate of global economic policy. The external debt of Russia in 2013 increased from US\$632 billion to US\$684 billion, Central Bank of Russia said. This growth was mainly in the non-financial sector whose debts increased from US\$366 to US\$412 billion.

The Czech economy shrank deeper by 1.3% q-o-q and by 2.4% y-o-y, the statistics bureau said on Friday, because of lower-than-previously assumed income from excise tax on fuels, and lower foreign trade volumes.

The Romanian economy has stabilised. Core inflation remains low, and the fiscal and current account balances are sustainable, the IMF said. But the growth remains weak and that there are downside risks. Structural reforms are critical to realizing Romania's growth potential and creating jobs, while continued fiscal discipline is essential to anchor macroeconomic stability.

North America

The average price of gas for Americans is almost three times more than what Russians pay at the pump, according to Gazprom Senior Financial Director Andrey Kruglov. Russian customers pay \$74.25 per 1,000 cubic meters on the Russian domestic market. This price is 22% lower than corporate customers, and is almost one third of what American customers pay.

Canada's economy got off to a weak start in the Q2, with output in April relying heavily on wholesalers and retailers, and a slight rebound in the manufacturing sector. Statistics Canada said that April's growth came

mainly from service industries, which added 0.3%, driven by wholesale trade, up 0.6%, and retail trade, up 0.5%.

South America

Brazil's focus on fiscal discipline means it cannot grant more tax breaks to bolster targeted industries, Finance Minister Guido Mantega said. Tax incentives on furniture and home appliances, for example, will begin shrinking next month and should disappear by September.

Colombia's central bank will likely hold its benchmark interest rate steady for a third straight month on Friday as benign inflation gives policymakers room to keep nourishing the economy's weak manufacturing and export sector.

Chile's central bank considered cutting its key interest rate in June. As to the monetary policy decision, the option of lowering the rate could be warranted by expectations of a more intense slowdown in activity and domestic expenditure over the coming quarters, and by a delay in the expected normalisation of the inflation rate.

Australasia

The Australian economy continues to expand despite uncertain conditions offshore and significant transitions on the domestic front. The government data showed the national economy rose 0.6% in the quarter to March and 3.1% over the year to March.

Oil & Gas News

Benchmark oil for August delivery fell 49 cents to end at \$96.56 per barrel on the New York Mercantile Exchange.

Commodities News

The gold metal fell 29% this year to \$1,196 in London, and is set for a 25% drop this quarter, the most since at least 1920, according to Bloomberg.

Currency News

The dollar rose 0.8% to 99.14 per yen at 5 p.m. in New York. The greenback added 0.2% \$1.3010 per euro. Japan's currency weakened 0.6% to 128.97 per euro

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29-Jun-13	1,234.53	3.57	102.16	28.62	1.65	1.93	1.27	117.12	7846.83	78.14	2.51	34.19	24.64	3,150.44
% Change	-0.43	-4.55	-0.05		-0.51	-1.49	-0.50	-0.37	0.43	1.64	0.08	0.26	0.91	0.27