

Economic & Financial News

Research & International Division

2/6/2015

*... Australia's central bank keeps interest rates on hold...
... France unemployment rate rose 0.7% in April ...*

South East Asia

Indonesia's inflation accelerated in May to its highest level in five months due to increased food prices, as people stocked up before Ramadan. The CPI rose 7.2% y-o-y, according to the official statistics agency, up from a 6.8% increase in April.

Indonesia's foreign tourist arrivals in April rose 3.2%, after increasing 3.1% in March, the statistics bureau said. Data showed around 749,900 tourists came to the country in April, from 789,600 the previous month.

The Philippines recorded a net inflow of \$1.0 billion in foreign portfolio investments in the year to mid-May, reversing the net outflow of \$1.6 billion recorded in the same period last year.

Vietnam's manufacturing growth gathered pace in May, with rising client demand leading to record growth in output and new orders, HSBC Vietnam has said. The Purchasing Managers' Index report said the rate of job creation also picked up pace during the month.

North East Asia

China's official manufacturing index increased in May but the industry still faces multiple strains, the government said. The Purchasing Managers' Index (PMI) released by the National Bureau of Statistics (NBS) came in at 50.2 for May, the strongest since 50.3 in November and the third consecutive month of expansion.

Monthly wages paid to workers in Japan marked the first increase in real terms from a year earlier in April after two years of nominal growth falling short of inflation, according to the labor ministry. It was nonetheless a marginal 0.1%, leaving it uncertain whether the uptrend would be sustained.

Japanese Manufacturing Purchasing Managers Index (PMI) rose to a seasonally adjusted 50.9 in May, unchanged from the preliminary reading but higher than a final 49.9 in April.

Korea's vital exports fell 10.9% in May compared to the same month last year to US\$42.4 billion, the Ministry of Trade, Industry and Energy said. Imports also fell around 15% on-year, so Korea still achieved a \$6.3 billion trade surplus for the 40th-consecutive month.

Indian Sub-Continent

India's central bank cut its policy interest rate by a quarter percentage point today. The Reserve Bank of India lowered the repo rate to 7.25%.

India's factory output rose to a four-month high in May on increased demand, in a further boost for the economy after data showed it was outgrowing China. HSBC said its purchasing managers index (PMI) increased to 52.6 points in May from 51.3 in April.

Australasia

Home prices across Australia's capital cities fell 0.9% in May, likely a welcome development for policy makers keen to take the heat out of inner city markets in Sydney and Melbourne. Prices fell across most cities with Sydney off 0.7% and Melbourne 1.7%.

Australia left its key interest rate unchanged as a weaker currency relieves competitive pressure on companies and the central bank awaits the impact of two rate cuts in the first half of the year. Central bank Governor Glenn Stevens and his board left the cash rate at a record-low 2% in Sydney today.

Middle East and North Africa

Saudi Arabia exported nearly 1.2 billion barrels of crude oil in the first five months in 2015 with proceeds amounting to SR247 billion. Domestic consumption during the same period reached nearly 347 million barrels, or 23% of the total output.

The residential property sales price index in Dubai fell in April 2015 compared to a year earlier, as asking prices for apartments and villas registered a negative growth. Reidian, a property information company, said that apartment sales prices dropped 3.6% last month from the same period last year, while villa sales prices posted a 0.4% y-o-y decline.

Western Europe

Italian manufacturing activity expanded in May, fuelling hopes of a recovery in Italy. A sharp rise in new export orders helped propel the Markit/ADACI Purchasing Managers Index (PMI) to 54.8 from 53.8 in April.

In France, about 26,200 more people were unemployed by the end of April, pushing France's total jobseekers to around 3.5 million, the Labor Ministry's monthly data showed. On monthly basis, the unemployment rate rose by 0.7% last month compared to March figures. Y-o-y 5.1% more people were out of work, the ministry said.

German annual inflation rose 0.7% y-o-y in May 2015, as rising energy costs pushed up consumer prices at the fastest rate in eight months, easing concerns about deflation in the euro zone.

The annual cost of housing in London has reached almost £38 billion, with households forking out an average of £11,329 on mortgage repayments or rent. The research, by real estate firm Savills, shows that London is home to 24 of the top 30 most expensive places to live in the United Kingdom.

Britain's private sector recorded its strongest economic growth for a year in the three months to May, according to the Confederation of British Industry, in contrast to weak official data for Q1 of 2015. The CBI said its monthly growth indicator rose to +33 in May from +19 in April.

North America

A 4.4% rise in tax revenues helped the Canadian Government post a budgetary surplus of CAD2.9bn (USD2.3bn) in the April 2014 to March 2015 period. There was a deficit of CAD11.4bn in the same period in 2013-14. Revenues were up CAD11.7bn and program expenses were down 0.5% (CAD1.2bn).

Oil & Gas News

Oil prices fell yesterday. US benchmark West Texas Intermediate (WTI) for July fell 52 cents to \$59.78 a barrel, while Brent shed 51 cents to \$65.05.

Commodities News

Spot gold rose to \$1,201.99 an ounce and was up 0.9% at \$1,200.21 an ounce. US gold futures for August delivery rose \$10.20 to \$1,200.30 an ounce. Silver climbed 2% to \$17.04 an ounce.

Currency News

The Indonesian rupiah interbank trade rate yesterday rose by 13 basis points to Rp 13,211 per dollar from Rp 13,224 per dollar in the previous trade.

The Malaysian ringgit was lower against the US dollar, in early trade, on lack of demand for the local unit. The ringgit traded at 3.6945/6975 from 3.6820/6850 yesterday. Against other major currencies, the ringgit was traded mixed.

The Filipino peso gained strength against the US dollar yesterday. The Peso closed at P44.53 to \$1 yesterday, gaining 6 centavos from its P44.59 finish on Friday last week.

Economic & Financial News

Research & International Division

3/6/2015

*... Thailand's CPI fell 1.1% in Q2 ...
... Saudi Arabia's non-oil private sector growth slowed in May ...*

South East Asia

Singapore's manufacturing economy expanded in May. The Purchasing Managers' Index (PMI) posted a reading of 50.2. This is an increase of just 0.8 point from the previous month. A reading above 50 indicates that the manufacturing economy is generally expanding, while a reading below 50 means that it is generally declining.

Thailand's annual CPI in Q2 declined 1.1%, the Commerce Ministry said, a contraction that gives the central bank leeway to ease monetary policy further to support the faltering economy. The ministry revised its forecast for the quarter, which had been for a 0.5%-0.7% decline, as it announced that headline inflation contracted 1.27% in May.

Vietnam's Prime Minister Nguyen Tan Dung has signed a decision to lower lending rates for needy households, policy beneficiaries, and students seeking loans at Viet Nam Bank for Social Policies (VBSP). All beneficiaries will be offered loans at a new interest rate of 6.6% per year, instead of 7.2%.

North East Asia

South Korea's monthly current account surplus narrowed in April but continued to extend its surplus streak to a 38th straight month, data showed. The current account surplus reached USD8.14 billion last month, down from a USD10.43 billion surplus in March, according to the provisional data released by the Bank of Korea.

South Korea's consumer prices grew less than 1% in May, a government report showed, fuelling worries of deflation in Korea. The CPI inched up 0.5% last month from a year earlier, the report by Statistics Korea showed.

Indian Sub-Continent

The Reserve Bank of India's net forward dollar book fell by USD3.15 billion for up to one-year maturities in April, compared with a net rise of USD2.49 billion in the previous month, according to the data by the central bank.

Australasia

Australia's economy in Q1 grew 0.9%, boosted by mining, together with financial and insurance services. Official statistics showed that household consumption expenditure boosted the quarterly growth numbers.

Middle East and North Africa

The Turkish CPI in May rose to a seasonally adjusted 0.56%, from 1.63% in the preceding month, according to Turkish Statistical Institute.

Growth in Saudi Arabia's non-oil private sector slowed to a 12-month low in May as expansion of both output and new orders slackened. The data indicates that the impact of low oil prices, which have caused some oil industry projects to be halted, is finally feeding through into the non-oil economy, although private sector growth is still strong.

Eastern Europe

Russian production of oil and gas condensate between January and May rose by 1.2%, compared to the same period in 2014. Russian companies pumped 220,357 million tons of oil and gas condensate in the first five months of the year, or 10.7 million barrels per day, according to data from the Central Dispatching Department of Fuel and Energy Complex (CDU TEK).

Western Europe

Prices in British shops in May were lower by 1.9% y-o-y, the same rate of decline in April when Britain's overall inflation rate turned negative, the British Retail Consortium said. The BRC said food prices fell 0.9%, also unchanged from April, although fresh food prices in particular plunged 1.9%.

Germany's unemployment rate stayed at a record low in May, indicating that private consumption will propel growth in the German economy this year. Data from the German labour office showed the number of people out of work decreased by 6,000 on a seasonally adjusted basis to 2.786 million.

South America

Brazil's industrial production continued its downward spiral in April, declining as the economy was likely mired in recession. Industry output fell 1.2% in seasonally adjusted terms in April from March and plummeted 7.6% from April 2014, the Brazilian Institute of Geography and Statistics, said.

Oil & Gas News

Oil prices fell in Asia. US benchmark West Texas Intermediate for July delivery fell 42 cents to USD60.84, while Brent crude for July eased 39 cents to USD65.10 in afternoon trade.

Currency News

The rupiah strengthened in interbank trade by 27 basis points to Rp 13,183 per dollar in today's first trading session from Rp 12,990 per dollar in previous trade.

Economic & Financial News

Research & International Division

4 /6/2015

*... Myanmar's central bank lowers dollar withdrawal cap...
... The U.S. trade deficit declined 19.2% in April ...*

South East Asia

The quota for Laos sugar imports is 50,000 tonnes this year, and the import tariff is 2.5%, according to the Ministry of Industry and Trade.

The Central Bank of Myanmar has cut the daily limit on dollar withdrawals from bank accounts, aiming to limit a drop in foreign exchange reserves rooted in a widening trade deficit. Dollar-based cash withdrawals had been capped at \$10,000 a day per account, up to \$50,000 a week, but this has been slashed to \$10,000 a week.

Singapore's total wages in the private sector rose in 2014, but the rate of growth was slower than the year before, the Manpower Ministry said. Total wages, went up by 4.9% in 2014, but it was slower than 2013's 5.3%.

About 45,000 completely-built-up (CBU) automobiles, worth US\$1.2 billion, were imported into Viet Nam in the first five months of the year, the industry and trade ministry said. The volume and value of the imports were almost 80% of the total for 2014, at 72,000 units and \$1.57 billion, representing an increase of 62.8% and 60.1%, respectively.

North East Asia

Sales of imported cars in South Korea jumped 20.1% in May from a year earlier, driven by strong demand for German vehicles, industry data showed. According to the data by the Korea Automobile Importers and Distributors Association, 18,386 foreign vehicles were newly registered in May, compared with the previous year's 15,314 units.

Australasia

Australia's trade deficit widened a seasonally adjusted 216% to \$3.88 billion in April, According to figures from the Australian Bureau of Statistics (ABS), as weakness in the export prices of key commodities such as iron ore and coal continued to weigh.

Australian retail sales remained unchanged at a seasonally adjusted 0.0%, from 0.3% in the preceding month, official data showed.

New Zealand's new-car sales dipped in May, on the back of a slight slow-down in the light-commercial segment. Last month, 10,034 vehicles were sold in NZ, which is 30 fewer sales, or 0.3% down on the same month last year when 10,064 found homes.

Middle East and North Africa

The UAE's Purchasing Manager's Index (PMI) data for April showed that the rate of expansion in the non-oil private sector continued at the same pace as in the previous month. Output increased more quickly, underpinned by ongoing growth of new work inflows, indicating overall improvement in business conditions.

Western Europe

A total of 8.8 UK billion households are said to be 'over-indebted' compared to a total population of 64.1 million in mid-2013 based on Office for National Statistics figures. Households are taking on increased levels of debt, as total household debt reached £1.47 trillion in 2014 after rising by £34bn in less than three years.

The European Central Bank raised its forecast for inflation in May and the closely-watched core rate jumped to 0.9%, signalling an end to the threat of deflation that has stalked the currency bloc and prompted the ECB to begin printing money.

Unemployment in the eurozone has fallen to a three-year low but remains more than twice as high as in Britain and the United States. Official statistics agency Eurostat said the jobless rate in the single currency bloc fell from 11.2% in March to 11.1% in April.

North America

The U.S. trade deficit declined 19.2% to \$40.9 billion in April after surging to \$50.6 billion in March, the Commerce Department said yesterday. The exports posted a modest gain and imports fell, raising hopes that trade's drag on economic growth will ease in the current quarter.

South America

Brazil's central bank raised its benchmark interest rate to 13.75% from 13.25% yesterday as inflation remained resilient despite strong signs of recession in Brazil. The bank's goal is to slow the 12-month inflation rate to 4.5% by the end of 2016, from 8.2% in April.

Oil & Gas News

US benchmark West Texas Intermediate for July delivery fell US\$1.62 to US\$59.64 a barrel in New York trade. In London, Brent crude for July lost US\$1.69 to US\$63.80 a barrel.

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
03-Jun-15	1,190.71	2.69	65.02	24.17	1.48	2.06	1.36	0.97	9755.15	92.00	2.73	32.94	24.93	3,348.42
04-Jun-15	1,184.57	2.64	63.69	24.13	1.50	2.07	1.35	0.95	9810.65	92.08	2.73	33.15	25.04	3,352.49
% Change	-0.52	-1.86	-2.05		1.47	0.32	-0.63	-1.46	0.57	0.08	0.11	0.64	0.44	0.12

Economic & Financial News

Research & International Division

6/6/2015

*... Philippines Inflation slows to 1.6% ...
... Canada jobless rate flat in May at 6.8% ...*

South East Asia

Malaysia recorded a productivity growth of 3.5% last year. It places Malaysia on track to achieving its goal of having an annual productivity growth rate of 3.7% by 2020.

Malaysia's April exports fell 8.8% y-o-y, as lower gas prices affected shipments, government data showed. April's imports declined as consumer spending weakened after the implementation of a 6% goods and services tax (GST) on April 1. Imports were strong in Q1 as consumers made big ticket purchases prior to the GST.

Philippine's inflation hit its slowest pace in May, easing to 1.6% as the cost of housing, utilities, fuels and communications sustained a decline, figures released yesterday by the National Economic and Development Authority (NEDA).

North East Asia

Japan's index of leading economic indicators rose to a seasonally adjusted 107.2, from 106.0 in the preceding month, according to the Cabinet Office.

Taiwan's lawmakers has approved a property gains tax of as much as 45% to rein in speculative transactions in the real estate market. Domestic individual sellers will have to pay from 15% to 45%. The tax will be calculated based on market prices instead of government-assessed value currently. Qualified home sellers with gains of less than NT\$4 million (\$174,000) will be exempted from the duty. The rules will apply to property bought after Jan. 1, 2016.

Middle East and North Africa

Saudi Arabia's oil minister Ali al-Naimi said he was 100% comfortable with the oil market. Mr Naimi said markets were witnessing an increase in demand for oil and a slight improvement in global growth and that supply from outside of OPEC member countries had declined.

Eastern Europe

Inflation in Ukraine for May shrank to 2.2% as compared with 14% in April. Food prices rose 2.9%, slowing from 4% in the previous month, while clothing and footwear costs were up 1% as compared to 4.6% increase in April.

Western Europe

Spain's industrial production rose by 2.7% in April, according to the Index of Industrial Production (IPI). Production of consumer goods increased by 1.6%, with production of durable consumer goods rising by 4.6% and production of non-durable consumer goods increasing by 1.4%.

The British Chambers of Commerce forecast for UK GDP was revised downwards from 2.7% to 2.3% for 2015, following weaker than expected growth at the start of the year.

North America

Canada's unemployment rate remained flat at 6.8% in May as a gain of 59,000 new jobs was offset by a jump in job seekers, the government statistics agency s

US employers added a robust 280,000 jobs in May, showing that the economy has regained momentum after starting 2015 in a deep slump. The unemployment rate ticked up to 5.5% from 5.4% in April.

The International Monetary Fund (IMF) cut its 2015 growth forecast for the United States and called on the Federal Reserve to put off a rate hike until conditions are stronger. The Fund said growth would reach only 2.5% this year due to the unexpected Q1 contraction, compared to the previous forecast of 3.1% in April.

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
05-Jun-15	1,171.94	2.59	63.31	24.44	1.50	2.07	1.35	0.95	9810.65	92.08	2.73	33.15	25.04	3,333.67
06-Jun-15	1,184.57	2.64	63.69	24.13	1.51	2.07	1.35	0.96	9863.88	92.36	2.75	33.33	25.04	3,352.49
% Change	-1.07	-1.89	-0.60		-0.52	-0.13	-0.05	-1.20	-0.54	-0.30	-0.79	-0.53	0.01	-0.56

Economic & Financial News

Research & International Division

9/6/2015

*... German exports and industrial production in strong rises in April ...
... China's export decline narrows, imports still troubling ...*

South East Asia

Cambodia exported 243,025 tons of milled rice in the first five months of 2015, a 64% rise from the 148,262 tons over the same period last year. The country produced over 9 million tons of paddy rice a year. With this amount, it has more than 3 million tons of milled rice left over for exports per year.

The Indonesia government has set a 10% increase in foodstuff prices during Ramadhan, which is expected to fall in mid-June, and Idul Fitri. If the prices increased unfairly, the government would intervene through the market-operation mechanism.

Philippines government borrowings up 3.9% in Q1 with PHP100.9 billion sourced from both domestic and foreign lenders. The Q1 figure was higher than the PHP97.1 billion the government borrowed in the Q1 of 2014. From January to March 2015, funds secured from multilateral lenders and project loans, totalled PHP54.4 billion—up from PHP50.1 billion during the Q1 of 2014.

Vietnam's tax revenues up despite hit to crude oil revenues in the first five months of this year. During this period, domestic tax collections were estimated to total VND283.2 trillion (USD13 billion), representing an increase of 16.3% over the same period last year, including VND42.4 trillion (USD1.9 billion) in May. Taxes from crude oil, however, dropped by 34% against the same period to VND30.3 trillion (USD1.4 billion), reaching only 32.6% of the target for the full year.

A credit package worth some VND20 trillion (USD952.3 million) will be released to support Vietnamese homebuyers interested in commercial and urban housing projects. The central bank will disburse the fund through commercial banks in which it has controlling stakes.

North East Asia

China's iron ore imports were down 8.5% by volume in May from a year earlier, threatening Australia's unexpectedly good Q1 GDP growth, which had been helped by strong exports earlier of the key steelmaking commodity to China. China's overall balance of trade fell 10% from a year earlier in May, following another weak month of imports.

China's export decline narrows, imports still troubling. Exports slipped 2.8% y-o-y to CNY1.2 trillion (USD191.2 billion) last month, recovering from a 6.2% drop in April and a 14.6% slump in March. Nevertheless, imports slumped 18.1% from a year ago to CNY803.3 billion, dragging total foreign trade down by a 9.7% drop.

China's consumer inflation eases in May at its weakest level in four months, giving the central bank more scope for further policy easing amid slower economic growth. China's CPI rose 1.2% in May from a year earlier, slower than a 1.5% y-o-y rise in April.

China cuts retail oil prices where gasoline and diesel will respectively be reduced by CNY110 and CNY105 (USD18) per tonne. The benchmark retail price of gasoline will drop by CNY0.08 per litre and that of diesel by CNY0.09.

Japan posted a current account surplus for the 10th straight month in April. The current account surplus declined in April from a month earlier however to JPY1.326.4 billion. Exports rose 4.1% on year to JPY6,229 billion, but the figure was down from a 9.8% increase logged a month earlier. Imports, meanwhile, fell an annual 5.9% to JPY6,374.9 billion after falling 15.8% in March.

Japan's economy grew at an annualised real 3.9% in the Q1 of 2015, a faster pace than initially estimated, adding to the view that it is on a recovery track after last year's consumption tax hike triggered a recession.

South Korea's exports of farmed goods shrank significantly last month with shipments of both fresh foodstuff and processed products slipping. Outbound shipments of agricultural and food products amounted to USD480.4 million in May, down 8.1% from the same month last year. The drop was partly attributed to large cuts in exports to Japan and Russia.

South Korea will ramp up efforts to help young people find jobs in foreign countries in an attempt to cope with stubbornly high youth unemployment. The move comes as the jobless rate among people aged between 15 to 29 stood at 10.2% in April, much higher than the 3.9% national average.

Taiwan's exports remained soft last month at USD25.63 billion, representing a fall of 3.8% y-o-y, due to an increase in the use of its domestic supply chains and an economic slowdown. The figure is an improvement on the 11.7% contraction recorded in April.

Australasia

New Zealand had recorded a core surplus, the operating profit before gains and losses, of NZD448 million in the 10 months to April 30, after a forecast for a deficit of NZD555 million. The nearly NZD1 billion difference was due to higher-than-forecast tax revenue and lower than anticipated expenses.

New Zealand's property values rose 9% in May y-o-y, the fastest pace in 15 months and accelerating from 8.3% in April. Meanwhile values in Auckland, the country's most populous city, rose 16.1% in May, the fastest pace in 11 years and speeding up from April's 14.6% gain.

Indian Sub-Continent

Bangladesh exports earned USD2.8 billion in May, rising 4.4% from a year earlier, driven by an increase in garment shipments. Exports had fallen to USD2.4 billion in April. For July to May, the first 11 months of the 2014-15 financial year, exports rose 2.8% to USD28.1 billion from a year earlier.

Middle East and North Africa

Egypt's current account hits deficit of USD4.1 billion in Q1 from a surplus of USD322.9 million in the same period the previous year. The deficit stood at USD8.4 billion in the nine months of the fiscal year which began on July 1, compared with a deficit of USD543.1 million in the same period the previous fiscal year.

Egypt's non-oil exports have declined by more than 25% since the beginning of the year. The total value of Egypt's non-petroleum exports during the first four months of 2015 came in at USD6.2 billion, marking an almost 21% decline over the same period in 2014.

Egyptian foreign reserves dropped to USD19.6 billion at the end of May, dropping by nearly USD1 billion in a month. This is a decrease from USD20.5 billion at the end of April.

Jordanian industrial sector accounts for some 25% of the GDP and attracts more than 70% of the foreign investment in the Kingdom. The industrial sector includes 18,000 industrial facilities spread across the Kingdom; it has provided 250,000 jobs, mostly for Jordanians.

Oman's inflation declines 0.4% in May. On the other hand, compared to April, inflation rate decreased by 0.04%. The May inflation was mainly driven down by the decreasing price of the foodstuffs and non-alcoholic beverages set which fell by 1.45%, along with the clothing and footwear set which logged a 1.62% decline.

Western Europe

German exports and industrial production in strong rises in April. German merchandise exports to the value of EUR100.4 billion and imported goods to the value of EUR78.3 billion in April 2015. Exports increased by 7.5% and imports by 2.8% in April 2015 y-o-y. Industrial production was up by 0.9% from the previous month on a price. The foreign trade balance showed a surplus of EUR22.1 billion in April 2015. The foreign trade balance recorded a surplus of EUR22.3 billion in April 2015.

North America

Canada housing starts jump, bode well for economic snapback. Housing starts rose to 201,705 units last month, according to the Canadian Mortgage and Housing Corp report.

South America

Chilean consumer prices rose in May, pushing the inflation rate down to the edge of the target range for the first time in 14 months as economic growth remains sluggish. Prices climbed 0.2% in the month, with annual inflation easing to 4% from 4.1%.

Oil & Gas News

Oil prices rise on hopes for China stimulus. Brent for July delivery LCOc1 rose 45 cents to USD63.14 a barrel, having settled down 62 cents in the previous session.

Currency News

Indonesian central bank will remain in the foreign exchange market to maintain stability of the rupiah as the currency trades at its weakest level since August 1998. Besides worries of the US Federal Reserve hiking interest rates and uncertainty over Greece's precarious financial situation, the central bank governor said that Indonesia's level of inflation is also relatively high which is a concern for the forex market.

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
06-Jun-15	1,171.94	2.59	63.31	24.44	1.50	2.07	1.35	0.95	9810.65	92.08	2.73	33.15	25.04	3,333.67
09-Jun-15	1,184.57	2.64	63.69	24.13	1.51	2.07	1.35	0.96	9863.88	92.36	2.75	33.33	25.04	3,352.49
% Change	1.08	1.93	0.60		0.53	0.13	0.05	1.21	0.54	0.30	0.80	0.54	-0.01	0.56

Economic & Financial News

Research & International Division

10/6/2015

*... Thai government to introduce low-cost department stores ...
... Brazil announced USD64 billion infrastructure spending package ...*

South East Asia

The high-interest loans that banks offer to rice millers will likely contribute to Cambodia's failure to meet its goal of exporting 1 million tons of crops by the end of the year. Banks in Cambodia typically charge between 10% and 12% for loans greater than USD50,000 and at least 7% for loans of USD1 million or more. For loans of less than USD30,000, microfinance institutions usually charge between 2% and 2.5%.

Indonesia's central bank has confirmed that a rule taking effect on July 1 means that hotel rooms, airline tickets, property leases and most salaries must be paid in rupiah, as part of a campaign to help prop up the weakening currency. The rule banning use of US dollars for many domestic transactions was announced in April.

Indonesia aims to double its use of renewable energy in 10 years. It plans to have 30,000 megawatts of power generated from geothermal, hydro, wave and solar energy. But the high initial investment in green infrastructure and limited state budget is a major deterrent. And Jakarta is inviting private sectors to chip in as the country attempts to shift towards a green economy.

Gas Malaysia to raise gas price by 10.3% from July

1. The tariff adjustment comes seven months after the last revision in October as part of a previous government plan to cut subsidies and budget deficit. The gas tariff in Peninsular Malaysia will increase to 21.80 per million British thermal units (mmBtu) from 19.77 ringgit per mmBtu. The gas price hike is applicable to commercial and industrial sectors, excluding households.

The Philippines' unemployment rate is down to 6.4% in April, from 7% during the same period last year. Among the unemployed persons, 63.1% were males while 50.4% were from the 15-24 age group and 30.1% were from the 25-34 age group, according to the Labour Force Survey. By educational attainment, 22.2% of the unemployed were college graduates, 12.6% were college undergraduates, and 33.3% were high school graduates.

Local vehicle sales in the Philippines' grew 18% in May from a year ago driven by continued demand for passenger cars and commercial vehicles. Its combined sales reached 23,139 units in May, up from 19,598 units last year.

Singapore's private flat resale prices remain unchanged in May. Last month's values barely moved from April's, after a decline of just 0.2% m-o-m in March. Overall, they are down 2.8% y-o-y, according to flash estimates from the SRX Property's price index.

The Thai government is set to introduce low-cost department stores next week in a bid to tackle the rising cost of living. 136 budget stores nationwide would open on June 19 as a pilot project to sell more than 30 consumer products at prices about 20% lower than similar products sold in general outlets. The budget stores will be run and invested in by the private sector, while the Commerce Ministry will act as the coordinator with suppliers and wholesalers and handle public relations.

The competitiveness of Vietnamese agricultural products is decreasing in the global market, leading to a sharp fall in exports. Agriculture contributed just 0.28% to Vietnam's GDP growth in Q1 2015, the lowest since 2011. Dropping demand had been compounded by the emergence of strong rivals that left local products struggling to compete. Unlike Vietnam, other countries float their currencies, which make foreign products cheaper.

North East Asia

China's producer prices continue to slide in May, falling 4.6% y-o-y, the 39th straight month of declines. On a monthly basis, the PPI contracted 0.1% in May, narrowing from a 0.3% decline in April, which was mainly caused by rising petroleum processing costs.

South Korea's jobless rate dips to 3.8% in May as more people were hired in the manufacturing and service sectors. The jobless rate was down from 3.9% in April. The number of employed people stood at 26.18 million last month from 25.9 million in April, with 379,000 new jobs being created on-year. The increase in jobs represents a sharp gain from the 216,000 new positions created in April.

South Korea's exports of ICT products increased in May despite a significant dip in the country's overall exports. Outbound shipments of ICT products amounted to USD14.28 billion in May, up 2% from the same month last year. Imports gained 1.2% on-year to USD6.84 billion. The country's trade surplus came to USD7.44 billion. The rise in exports follows three consecutive months of an on-year drop.

Taiwan collected TWD293.2 billion (USD9.37 billion) in tax revenue last month, up 5.7% y-o-y as gains in corporate and individual income taxes more than compensated for losses in securities transaction and land gain taxes. Business income taxes rose 15.2% y-o-y to TWD77.6 billion last month, while personal income taxes grew 16.5% to TWD44.5 billion.

Australasia

Australia's consumer confidence falls sharply in June. The index reading of 95.3 was 2.3% higher than in June 2014, but the weakest since the start of this year. The drop wiped out May's 6.4% increase which had followed a cut in interest rates to record lows, Melbourne Institute and Westpac Bank said.

Middle East and North Africa

The Central Bank of Egypt has covered 50% of foreign investors' pending backlog, through direct sales to investors' custodians, amid efforts to ensure the domestic market's efficiency and strength.

Eastern Europe

Czech consumer prices in May rose by 0.3% m-o-m, putting the annual inflation rate at 0.7%. The annual inflation rate accelerated by 0.2 percentage points compared to April's.

Hungarian consumer prices rose for the first time in nine months in May. Inflation was 0.5% y-o-y in May, compared to a 0.3% drop in April. The price trends "continue to point to a moderate inflationary environment."

Ukraine's underlying inflation in May slowed to 1.9%, from 4.6% in April and 10.8% in March. Since the beginning of the year, underlying inflation has reached 27.7%, while in annual terms (compared to the same month last year), it is 46.5%, compared to 47.1% in April and 44.6% in March.

Western Europe

Britain's trade deficit narrowed in April, helped by exports to China, Saudi Arabia and the US. The goods-trade gap narrowed to GBP8.6 billion from GBP10.7 billion in March, the least in 13 months. Exports rose 2.8%, with sales to non-European Union nations surging 4.7%.

Greek economy shrank by 0.2% in Q1 and revenue collapse in May. The public revenue receipts shortage reached EUR1 billion, of which about EUR650 million are from unpaid taxes.

Swiss prices fell in May as deflationary pressure persists. Swiss consumer prices fell 1.2% y-o-y, slightly more than the 1.1% fall seen in the previous month. Prices rose 0.2% on a monthly basis. The monthly increase was mainly due to higher prices for cars, oil products and rent.

North America

Mexican consumer prices fell in May, due to declines in electricity costs and agricultural prices that helped push the annual inflation rate below the central bank's 3% target. The CPI fell 0.50% in May, lowering 12-month inflation to 2.88% from 3.06% at the end of April.

South America

Brazil announced a USD64 billion infrastructure spending package, hoping to revive its flagging economy with investment in highways, railroads, ports and airports. Businesses and analysts have long pointed to overburdened infrastructure as a drag on the world's seventh-largest economy, which pays high prices to ship the raw materials it exports.

Brazil's vehicle production in May fell 25% y-o-y, slumping to levels not seen in the past 10 years. From January to May, vehicle production fell 19% y-o-y, with 1.09 million units produced, the lowest in eight years. Vehicle sales dropped 3% m-o-m in May, and plummeted 27.5% compared to May 2014.

Oil & Gas News

Oil rose 3% in broad rally ahead of expected stockpile drop. Brent futures LCOc1 were up USD1.88, or 3%, at USD64.57 a barrel by 12:29 p.m. EDT (1629 GMT).

Currency News

The Central Bank of Myanmar is moving to strengthen the kyat's use in the local economy, eventually pushing the country's hotels, restaurants and shops to list prices only in the local 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
09-Jun-15	1,184.57	2.64	63.69	24.13	1.51	2.07	1.35	0.96	9863.88	92.36	2.75	33.33	25.04	3,352.49
10-Jun-15	1,175.80	2.84	65.2	22.96	1.53	2.08	1.35	0.96	9881.42	91.94	2.78	33.29	24.91	3,325.29
% Change	-0.74	7.58	2.37		1.48	0.46	0.50	-0.47	0.18	-0.46	0.92	-0.13	-0.52	-0.81

Economic & Financial News

Research & International Division

11/6/2015

*... Chinese government plans to popularise consumer finance companies ...
... South Korea's central bank cut its policy rate to an all-time low ...*

South East Asia

Indonesia is exempting most goods from a luxury tax in a bid to boost household consumption and revive faltering economic growth. Growth in the country has slipped to its most sluggish pace since 2009, and in the Q1 consumption languished at 5%, the slowest for nearly four years, as disposable incomes were squeezed.

Philippine exports reversed previous gains and dropped 4.10% y-o-y in April, hitting a two-year low as weak global demand weighed on eight major commodities. The fall in April erased the 2.06% increase recorded in March and a 1.26% expansion in April 2014.

FDI in the Philippines plunged 54.6% in March from a year earlier as all components of the measure registered lower inflows. Foreign investors placed some USD229 million of investment in various Philippine industries, down sharply from USD506 million in the comparable year-earlier period.

Philippines manufacturing output in April fell 4.2% y-o-y, reversing growth from the same period last year as production in eight major sectors led by petroleum products slumped.

Thailand's central bank held its benchmark interest rate steady after two surprise cuts, saying that the economy is "projected to improve gradually". The Bank of Thailand has also kept one-day bond repurchase rate at 1.5%.

North East Asia

Chinese government plans to popularise consumer finance companies across the country. Consumer finance companies focus on middle and low income families, and will promote consumption by helping these families upgrade major household items. Consumer finance companies are seen in 16 cities at present. They are providing non - mortgage microloans to consumers.

China's retail sales grew 10.1% y-o-y to CNY2.42 trillion (USD396 billion) in May. In the first five months, retail sales grew 10.4%. Growth in rural areas outpaced that in cities. Sales in rural areas rose 11.6% in May and at the same rate in January-May period, in contrast to the 9.9% and 10.2% growth seen in urban areas.

China's May industrial output growth speeds up to 6.1% y-o-y in May, up from the 5.9% growth in April and 5.6 percent in March, the lowest monthly level since December of 2008.

Investment in China's property sector rose 5.1% y-o-y to CNY3.23 trillion (USD528.21 billion) in the first five months of the year. The growth narrowed from the 6% increase seen in the first four months, underscoring lingering weakness in the sector.

China's fixed asset investment rose 11.4% from a year earlier to CNY17.12 trillion (USD2.8 trillion) in the first five months of the year. The increase slowed from the 12% level registered in the Jan.-April period this year.

China approved USD19.3 billion of airport and railway projects, the latest slew of infrastructure approvals as Beijing looks to avert a sharp slowdown in the economy.

Vehicle sales in China fell for a second straight month in May, the first such consecutive drop since late 2011, highlighting the weakness in the world's second biggest economy. Passenger and commercial vehicle sales in China totalled 1.9 million vehicles last month, falling 0.4% y-o-y and following on a 0.5% fall in April.

Japan April core machinery orders up 3.8% from the previous month. Private-sector orders excluding those for ships and power equipment, closely watched as a leading indicator of corporate capital spending, came to JPY902.5 billion.

South Korea's central bank cut its policy rate to an all-time low of 1.5% on concerns that the unabated spread of the Middle East Respiratory Syndrome (MERS) may erode the already lackluster economy.

Household loans extended by South Korean lenders continued to trend higher in May as borrowers opted to lock in low interest rates for home purchases. Outstanding household loans extended by local banks reached KRW586.4 trillion (USD522.7 billion) as of the end of last month, adding KRW7.3 trillion from April.

South Korea's money supply grows most in nearly 5 years in April following a surprise rate cut in March and a continued current surplus streak. The M2 surged 9% on-year to KRW2,149.2 trillion (USD1,915.8 billion) in April, quickening from an 8.3% increase in the previous month.

Australasia

Australia's unemployment rate fell to 6% in May, in a sign the economy could be starting to better adapt to the end of a mining investment boom. Some 42,000 positions were added in the month, as the jobless rate ticked down from an adjusted 6.1% in April. The increase in employment was driven by part-time jobs which rose 27,300 while full-time roles were up by 14,700.

The Reserve Bank of New Zealand cut its official cash rate (OCR) to 3.25%, as economic growth and inflation pressures remain persistently weak. New Zealand made that decision because the economy was growing at a robust rate of around 4%.

Auckland property prices have surged by 20% in the last year - an increase of NZD340 each day. Auckland's median house price hit NZD749,000 last month, a jump of NZD124,000 since May 2014. The number of properties sold over the NZD1 million mark in Auckland last month was up 120% on May last year (843 v 384), the Real Estate Institute of New Zealand said.

Indian Sub-Continent

Pakistan's trade deficit widened in the first eleven months of 2014/15 fiscal year as exports slipped, suggesting trade will probably not be much of a boost to growth during the current year. The trade gap nudged up 11.73% to USD19.735 billion in July-May of fiscal 2014/15. Trade deficit was recorded at USD17.66 billion in July-May FY14.

The car sales in Pakistan which has witnessed 24% improvement during first three quarters of current fiscal year are expected to reach highest rate in next three years. Auto sales in 2015 are expected to hit 165,000 units, nearly reaching the amount sold in 2012.

Middle East and North Africa

Algeria's revenues from oil taxes have significantly declined in the Q1 of 2015, while the ordinary taxation increased. The recoveries of the ordinary taxation paid to the State Budget amounted to DZD566.1 billion during the Q1 of the year, against DZD512.1 billion in the same quarter of 2014, up by 11%.

Egypt's annual urban consumer inflation and core inflation both rose, driven in large part by rising food prices. Urban consumer inflation rose to 13.1% in May from 11% in April.

Saudi Arabia's total spending on development projects reached SAR4.4 trillion during the past five years, with 30% of the amount going to capital projects.

Saudi Arabia's production of steel slumped by 200,000 tons to 800,000 tons from one million tons as manufacturers call for restrictions on steel exports to be eased.

Turkey's economy grew 2.3% y-o-y in the Q1, but analysts saw an uncertain outlook after a weekend election that left the country facing the prospect of a coalition government.

Western Europe

French industrial output falls by 0.9% in April from a month earlier mainly due to a decline in coke and refined petroleum products activity. France also recorded a drop in manufacturing output of 1%.

French consumer prices rose faster in May than April, due principally to seasonal rises in food prices and tourism services ahead of the summer season. The French CPI in May rose 0.2% from April, when it rose only 0.1% on the month.

Italian industrial output posted a fall of 0.3% in April, putting a dampener on recent signs of recovery in the euro zone's third-largest economy. The fall in April was well below expectations for a rise of 0.2% m-o-m and 0.8% y-o-y.

South America

Brazilian inflation picked up in May as food and electricity prices jumped, raising the odds of further interest rate hikes by the central bank despite a likely recession. Brazil's benchmark IPCA CPI rose to 8.47% in May, well above the government's 4.5% inflation target.

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
10-Jun-15	1,175.80	2.84	65.2	22.96	1.53	2.08	1.35	0.96	9881.42	91.94	2.78	33.29	24.91	3,325.29
11-Jun-15	1,183.82	2.91	65.87	22.64	1.53	2.08	1.35	0.97	9849.31	92.00	2.78	33.26	24.93	3,354.44
% Change	0.68	2.46	1.03		-0.39	0.12	-0.02	0.63	-0.33	0.07	-0.11	-0.09	0.08	0.88

Economic & Financial News

Research & International Division

13/6/2015

*... Egypt's public debt increased to 93.8% of GDP in March ...
... UK economy grew faster in Q1 2015 ...*

South East Asia

Indonesia will re-join OPEC in move to secure oil supplies. Indonesia will reactivate its membership in November after all OPEC members approved its application to re-join the oil cartel at a meeting in Vienna last week. The country left the group in 2008 after nearly five decades of being the only Asian member amid declining oil reserves and investment.

The Indonesian government is preparing to cut the lending rate of its subsidised micro credit loan program (KUR) in half as it seeks ways to spur economic growth amid the decline in private consumption and exports. The interest rate of the subsidised KUR loan could be reduced to as low as 12% from the current level of 22% and 24%.

Indonesian cement consumption during the first five months of 2015 slumped by nearly 4% on an annual basis, the biggest decline in the January-May period in the last six years, mired by the country's slowing economy.

Malaysia will fully implement the B10 Bio-diesel Plan from October, which may raise the average extraction rate of oil from 20% to 25% in 2020. Malaysia's domestic palm oil consumption is expected to increase by one million tons, and B7 Bio-diesel be replaced.

Malaysia's national rubber production in April dropped 40.8% m-o-m to 35,850 tonnes. On a y-o-y basis, the production recorded a decrease of 1.4%.

Malaysia's industrial production index (IPI) grew at a slower pace in April compared with a year ago as overseas demand for Malaysian goods slowed. The IPI was 4% higher from a year ago, but declined 0.4% compared with March.

Vietnam's actual FDI in the January-May period rose 7.6% y-o-y to USD4.95 billion. However, new FDI pledges in the first five months fell 19.4% from a year ago to USD2.95 billion, with most of the funds going to processing industries and property projects.

Vietnam earned USD875 million from shipping nearly 2.1 million tonnes of rice abroad in the first five months of 2015. On a y-o-y basis, this was a fall of 10.7% in volume and 13.6% in value for rice exports.

North East Asia

Overseas visitors can now claim tax refunds on purchases made across China, after the State Council's decision to introduce a nationwide tax refund policy in January became operational this week. Tourists from foreign countries and those from Hong Kong, Macao and Taiwan who have lived on the Chinese mainland for no more than 183 days will be eligible for a rebate of 11% on consumer goods bought at designated department stores. The minimum purchase to qualify for a tax refund is CNY500 (USD80.6) at any one store in a day.

China sees more firms established in the January-May period, indicating easier market access and an improving environment for businesses. New firms jumped 22.9% y-o-y to 1.62 million in the first five months. Reforms for the business environment have further unleashed market vitality and stimulated creativity.

China home sales jumped in May as property market stabilised. New-home sales jumped 30% y-o-y to CNY582 billion (USD94 billion), faster than the rise of 16% y-o-y in April.

China's fiscal revenue in May rose 5% y-o-y to CNY1.44 trillion (USD234.6 billion). Combined fiscal revenue in the first five months hit CNY6.43 trillion, rising 5% y-o-y, which is 5.7 percentage points lower than the rise seen in the same period last year.

South Koreans are cutting back on their cash gifts and donations as the economy remains sluggish. Transfer spending that includes cash given as wedding and condolence gifts fell in Q1 after backtracking in Q4 2014. In Q1 2015, outlays dipped 0.3% on-year, with spending falling 5.8% in the previous quarter.

Import prices in South Korea fell in May, extending their on-year decline to 33 consecutive months, due to weaker global oil prices. Import prices tumbled 14.6% y-o-y in May, slowing from a 17.1% drop in April. Export prices fell 3.5% y-o-y in May, decelerating from a 6% slump in the previous month.

Australasia

Sydney house prices near AUD1 million on average.

Australia's median house prices have risen to almost AUD660,000 (USD509,919), with Sydney leading the housing market, according to Real Estate Institute. The median house price in Sydney has gained 4.9% in Q1 to AUD929,842, significantly above next-closest Melbourne at AUD688,000.

Indian Sub-Continent

India's CPI in May rose to a three-month high of 5.01%, even as the food segment saw a decline in the rate of price rise. The inflation had stood at 4.87% in April 2015, and 8.33% in May 2014.

India's forex reserves in the week up to June 5 rose to USD352.71 billion, on account of an increase in foreign currency assets. In the previous week, the reserves had increased by USD917.5 million to USD352.474 billion.

India's industrial production in April grew at a faster pace of 4.1%, hitting a two-month high and easing concern over declining output at factories, mines and utilities that has kept the economy on a sluggish phase since February.

Pakistan's forex reserves on June 5 rose by 3.3% on a weekly basis. Liquid foreign exchange reserves rose USD400 million to USD12,313 million as opposed to USD11,913 million in the previous week.

Middle East and North Africa

Dubai witnessed a 4.5% GDP growth last year and a 6.5% rise in employment driven by long-term planned infrastructure and the ideal investment environment offered by the emirate.

Egypt's public debt in March increased to EGP2.1 trillion (93.8% of GDP), from EGP1.8 trillion (90.4% of GDP) in March 2014. The government is targeting recording of a 10% budget deficit during the current fiscal year (FY) 2014/2015.

The Egyptian government approved a proposal to set up a sovereign investment fund to support economic development through returns on the state's assets and resources. The fund will be state-owned through the National Investment Bank.

Egypt's central bank kept its benchmark interest rates unchanged at 8.75% for overnight deposit rate and overnight lending rate at 9.75%.

Turkey's current account deficit in April was a wider at USD3.4 billion, though below March levels, mainly due to the rise in the outflow of capital, which also included the dividend transfers.

Eastern Europe

Hungary's central bank is moving away from targeting inflation by shifting its attention to economic growth and increasing demand for government debt. The central bank announced plans that will help increase lenders' demand for government debt by up to HUF750 billion (USD2.7 billion) by the end of the year by making its own deposits less attractive.

Polish unemployment rate in May dropped to 10.8% from 11.2% a month earlier, thanks to a robust economic recovery and a seasonal rise in the supply of jobs. Poland's economy is expanding strongly with 3.6% growth in Q1 2015, up from 3.3% in Q4 2014 leading to an improved job market with steadily rising wages.

Inflation in Ukraine in 2015 is projected to stand at 45%-50%, and decelerate to 10%-12% in 2016 and to 7% in 2017. The contribution of the administrative price increase in consumer price growth is estimated at 19.5 percentage points in the current year and 5.1 percentage points in 2016.

Western Europe

Eurozone's industrial production in April up by 0.1% m-o-m in both the euro area and the wider European Union. The increase is due to production of durable consumer goods rising by 1%, capital goods by 0.7% and intermediate goods by 0.3%, while non-durable consumer goods fell by 0.8% and energy by 1.6%.

Spain's consumer prices in May fell 0.2% when compared with the same month of a year earlier. The annual inflation rate of May is 0.4% higher than that of April, when Spanish prices fell by 0.6%. The variation was especially due to higher prices of fuel and food.

The UK economy grew faster in Q1 2015, after revisions showed the construction industry was stronger than originally thought. In the absence of other changes, growth in the three months to March was likely to be 0.4%, instead of its original estimate of 0.3%. GDP for the whole of 2014 would also be revised upwards, to 3.1% from 2.8%.

Standard & Poor's switched to negative the outlook on Britain's top AAA credit rating due to the government's decision to hold a referendum on whether to stay in the European Union.

North America

US wholesale prices jumped at the fastest pace in nearly 3 years in May, pushed higher by a sharp jump in the cost of gasoline and a record increase in the price of eggs related to an outbreak of avian influenza. But outside of increases in volatile food and energy costs, core inflation remained moderate.

South America

Chile and Peru keep key rates unchanged amid sluggish growth. Chile's central bank kept the benchmark interest rate at 3%, meanwhile Peru's central bank maintained its key lending rate at 3.25%. The two Andean economies are recovering more slowly after the end of a decade-long boom in copper, their main export, damped investment and consumer demand.

Colombia's economy in Q1 grew 2.8% from a year earlier, in line with analysts' expectations but the slowest quarterly growth in two and a half years as lower oil prices put a brake on expansion.

Oil & Gas News

Oil fell for the second day, weekly gain cut on Saudi output worry. Brent crude LCOc1 settled down USD1.24, or 2%, at USD63.87. For the week, Brent ended up 0.7%. In May, Saudi Arabia pumped a record 10.3 million barrels per day.

Commodity News

Gold was little changed on Friday as the impact of a stronger dollar and signs of increased momentum in the US economy was offset by lower equities and uncertainty over the Greece crisis. Spot gold, lower initially, was unchanged at USD1,181.60 an ounce by 1413 GMT, while US gold futures for August delivery were up USD1.10 at USD1,181.40 an ounce.

Currency News

The Russian central bank's plan to buy foreign currency to build up its reserves has moved the rouble back towards levels assumed by the country's largest exporters after a spike in its value earlier this year. Russia is the world's second-largest oil exporter and a major player in gas, steel and diamonds, all of which are traded mainly in dollars.

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11-Jun-15	1,183.82	2.91	65.87	22.64	1.53	2.08	1.35	0.97	9849.31	92.00	2.78	33.26	24.93	3,354.44
13-Jun-15	1,179.20	2.75	63.87	23.23	1.51	2.09	1.34	0.96	9905.89	91.85	2.78	33.61	25.04	3,353.85
% Change	-0.39	-5.50	-3.04		-0.87	0.22	-0.71	-0.58	0.57	-0.17	0.19	1.07	0.46	-0.02

Economic & Financial News

Research & International Division

16/6/2015

*... The labour market in Singapore remained tight in the Q1 ...
... Italy's public debt hit a new record high ...*

South East Asia

Cambodia to commence talks over 2016 wage hike for garment sector next month. It added that the final result of the negotiations will be released in early October and the new wage will take effect from Jan. 1, 2016. The garment and footwear sector, the kingdom's largest foreign currency earner (equivalent to USD6.2 billion last year, 80.5% of its total export), consists of 1,087 factories with 700,000 workers. Currently, the basic wage for the sector is USD128 per month.

Indonesia trade surplus rises to USD950 million in May as imports dive from USD454 million in April as imports tumbled in Southeast Asia's largest economy. Indonesia's exports were USD12.56 billion in May, falling 4.11% from a month earlier. Total exports declined 15.24% from a year earlier. Imports fell 8.05% sequentially to USD11.61 billion. From a year earlier, total imports dropped 21.40%.

The decline in the Indonesia's oil production will get worse this year as most oil and gas companies reduce their drilling amid the sharp drop in crude oil prices. The average decline in the national oil production was expected to rise to 30% this year, from around 20% last year. The main driver of the higher decline is the reduction in investment in well drilling and work-over.

Average unemployment rate in Malaysia was at 3% during the first four years of the 10th Malaysia Plan (2011-2015). Although Malaysia had a total of 14 million workers with more than 400,000 people looking for jobs at any given time, the government had set a target that 75% of graduates would find employment within six months of their graduation. More than 53,000 graduates had benefited from the 1Malaysia Training Scheme (SL1M) introduced in 2011.

Natural gas exports earn Myanmar USD170 million each month, with a total of 1.6 billion cubic feet per day of natural gas exported to Thailand and China. This represents 40% of the country's income.

The Philippine government spent PHP205.46 billion in the Q1 to pay down its debt, 6.33% more than the amount it settled in the same period a year ago. Latest data from the Department of Finance showed PHP104.85 billion was used to pay principal obligations comprising PHP73.09 billion in domestic debts and PHP31.76 billion in foreign borrowings.

Personal remittances by overseas Filipino workers remittances grew 4.9% y-o-y in April but lost its momentum from the growth pace seen in March and a year earlier. Personal remittances reached USD2.23 billion in April against USD2.12 billion in the same month last year.

The labour market in Singapore remained tight in the Q1 2015, as overall unemployment rate dipped to 1.8% from the previous quarter's 1.9%. Unemployment rate for residents fell to 2.5% from Q4 2014's 2.7%, while the rate for citizens hit 2.6% from the previous quarter's 2.7%. Employment contracted by 6,100 jobs in the Q1 of the year, compared to the previous quarter, reflecting seasonal declines and sharper moderation in employment growth in sectors with less favourable business conditions.

Retail sales in Singapore rose 5% in April compared to the previous year, mainly due to retail sales of motor vehicles, telecommunications apparatus and computers, as well as at department stores. When compared with the previous month, retail sales rose 0.8% in April. The total retail sales value in April was estimated at SGD3.3 billion, higher than the SGD3.1 billion a year ago.

Singapore's new private home sales down in May. Developers sold 638 private homes in the month, 45% down from 1,167 units in April. Just 499 private homes were launched last month, 64% down from 1,382 units launched in April.

North East Asia

Growth in China's electricity consumption remained at a low level in May. Power use rose 1.6% y-o-y to 456.7 billion kilowatt hours in May, slightly up from the 1.3% rise seen a month earlier.

Japan's output gap narrowed in the Q1 was -1.6%. That compares with a minus 2.4% gap in the Q4 of last year. Japan's Q1 GDP growth was revised up to a 3.9% annualised rate from the preliminary reading of 2.4% due to gains in capital expenditure.

South Korea posted trade surplus for 40th straight month in May. The country's trade surplus reached USD6.3 billion last month, down from USD8.53 billion in April, but significantly higher than USD4.97 billion a year earlier. Exports dropped 10.9% on-year to USD42.36 billion in May, while imports nosedived 15.4% to USD36.06 billion. In May 2014, exports hit USD47.57 billion, with imports standing just under USD42.6 billion.

Indian Sub-Continent

India's wholesale inflation fell for a seventh consecutive month, but the pace of the drop slowed as fuel and food prices rose. The Wholesale Price Index (WPI) fell a lesser-than-expected 2.36% in May from a year earlier.

Spice exports from India during the last fiscal touched a whopping USD2,432.85 million as compared to USD2,268 million a year earlier. In the fiscal 2014-15, a total of 8,93,920 tonne of spices and spice products valued at (USD2,432.85 million) were exported, registering a 9% increase in volume and 7 % in dollar terms in value.

Sri Lanka growth steady at two-year low of 6.4% in Q1 the same pace it recorded in the last quarter. The industrial sector expanded by 6.5% y-o-y and the services sector by 7.5%. The agricultural sector edged up 0.7%.

Middle East and North Africa

Consumer prices in the emirate of Abu Dhabi edged up 0.2% in May compared to April. The food and beverage category saw the largest increase last month, with a 2.8% increase compared to April 2015.

Morocco's trade deficit fell 25.3% to MAD63.12 billion in the five months to the end of May compared with a year earlier, thanks to lower energy import prices as oil prices fell. The trade gap was down from MAD84.54 billion at the end of May 2014, as energy imports fell by a third from a year earlier to MAD27.89 billion.

Tunisia's trade deficit decreased by 17.5% in the first 5 months of 2015 compared to the same period of 2014, Trade Minister Ridha Lahouel said.

Turkey's unemployment rate rose to 10.6% in the three months starting in February, 0.9 percentage points higher than in the same period of last year. The number of unemployed aged 15 years old and above rose by 322,000 to 3,069,000 in the period of March, including February, March and April.

Eastern Europe

Poland will exit deflation at end-year. Poland's May consumer prices were down 0.9% y-o-y after a 1.1% y-o-y decline in April. M-o-m, May consumer prices were flat versus expectations for a 0.2% m-o-m increase.

Russian Central Bank lowered its key interest rate to 11.5% by one percentage point, the fourth cut this year, taking into consideration the weakening inflation risks in a considerable cooling economy in an easing cycle that came after it raised interest rates dramatically in December to 17%.

Western Europe

Eurozone trade surplus at EUR24.9 billion in April, compared to EUR14.9 billion in April 2014. On a y-o-y basis, estimated exports and imports rose by 9% and 3% respectively in the eurozone in April.

Ireland's exports reach all-time high in April by 12% to EUR9.3 billion (USD10.45 billion). Meanwhile, imports for April decreased by EUR279 million or 6%. This leads to a significant increase of EUR1.3 billion or 38% in trade surplus to EUR4.6 billion in April. The main driver behind the April increase was the increase in the exports of medical and pharmaceutical products.

Italy's public debt hit a new record high of EUR2.1945 trillion in April, up EUR10 billion on the previous high set in March. Even though interest rates are down, the debt keeps going up vertiginously and it is threatening the stability of the public finances and of Italian people's savings.

London's tech sector employed over 200,000 people since 2005. London is forecast to boost its economy by GBP18 billion (around USD28.1 billion) in 2015. The number of companies in London's digital technology sector has grown by 46% since the launch of the Tech City program.

Housing sales rose in Spain during April by 1.9% when compared with the same month a year ago. A total of 30,758 transactions took place during the month with house prices continuing to fall. The average cost of a home in Spain in April was EUR1,188 (around USD1,330) per square meter, which is 3.9% lower than in April 2014.

North America

US industrial production declined 0.2% in May, as manufacturing and mining activities remained weak. April's decrease was revised down to 0.5%. Industrial production has been weak since December. The manufacturing output dropped 0.2% in May, compared to an increase of 0.1% in April.

South America

Argentine inflation rate for May reached 1%, with clothing and housing sectors among the areas which saw prices rise the most during the month. CPI over the last 12 months have increased by 15.3%, while a rise of 5.7% is seen for the first five months of 2015.

Peru's economy expanded by 4.25% in April from the same month a year earlier on a surge in mining activity, the fastest growth rate in 13 months. The uptick in April was led by a 18.15 % y-o-y rise in mining activity, the strongest monthly increase in this key sector of Peru's economy since 2008.

Oil & Gas News

Natural gas advances as brewing Gulf storm may threaten output. Natural gas for July delivery rose 13.9 cents, or 5.1%, to settle at USD2.889 per million British thermal units on the New York Mercantile Exchange.

Oil prices rise as Texas braces for tropical storm. US crude futures were up 47 cents at USD59.99 a barrel at 0638 GMT (0238 ET), keeping the contract within a trend channel of USD57-62 per barrel that has been in place since the beginning of May. Brent prices also rose, gaining 10 cents to USD64.05 per barrel.

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-15	1,179.20	2.75	63.87	23.23	1.51	2.09	1.34	0.96	9905.89	91.85	2.78	33.61	25.04	3,353.85
16-Jun-15	1,183.50	2.92	64.3	22.02	1.51	2.10	1.35	0.96	9891.20	91.58	2.79	33.59	25.07	3,297.00
% Change	0.36	6.18	0.67		-0.12	0.40	0.26	0.13	-0.15	-0.30	0.39	-0.08	0.11	-1.70

Economic & Financial News

Research & International Division

17/6/2015

*... Saudi's non-oil exports dropped in April ...
... Britain's CPI in the year to May 2015 rose ...*

South East Asia

Brunei's unemployment in April declines 6.4% compared to the previous month. The number of unemployed locals aged 18-59 years old has decreased to 14,116 persons, from 15,081 persons in March 2015. The reduction in unemployment was due to the 1,296 persons who have "either acquired jobs or are not interested to seek employment". An additional 331 persons were also registered as job seekers in April.

Up to 474,660 villagers in Laos have benefited from poverty-fighting programmes carried out by the Poverty Reduction Fund (PRF) through its second phase, which began in 2012. Over the past years, the PRF has carried out 988 programmes in 44 poor districts of 10 provinces.

Myanmar government has unveiled plans for health insurance beginning in July. The annual premiums will be set at MMK50,000 from all private insurance companies and Myanmar Insurance, with people able to purchase up to five units each at MMK50,000 a unit.

Singapore's non-oil domestic exports (NODX) in May fell 0.2% on-year, due to a decrease in electronic exports. The fall in exports comes after a 2.2% expansion in the previous month.

North East Asia

Japan's trade deficit in May shrank 76.5% y-o-y to JPY216.0 billion (USD1.75 billion), as declining crude oil prices continued to push down imports. The trade balance remained in the red for the second consecutive month, due partly to slower growth in exports, which rose 2.4% y-o-y to JPY5,740.5 billion, smaller than the 8% expansion in the previous month.

Japan will increase spending on reconstruction from the 2011 earthquake by JPY6.5 trillion (USD52.6 billion) in the five-year period starting from the next fiscal year, according to a government source. The government will fund JPY3.2 trillion of this increase by shifting money from the national budget to a special account for reconstruction work and selling some state-owned assets.

South Korea's government ministries and agencies have requested a 4.1% hike in their budgets for next year as they want to spend more on welfare, education and defence. Ministries and state agencies have asked the government to set aside a combined KRW390.9 trillion (USD349.5 billion) for next year, up KRW15.5 trillion from this year's budget of KRW375.4 trillion.

South Korea's cigarette tax revenue jumped in the first five months of 2015 from a year earlier due mainly to a tax hike. Starting this year, the tax levied on a pack of cigarettes rose by KRW2,000 (USD1.79), raising the average price per pack from KRW2,500 to KRW4,500. The government collection on cigarette taxes rose KRW880 billion (USD786 million) y-o-y in the January-May period.

South Korea's public corporations and state-run institutions saw their earnings jump in 2014 from a year earlier thanks to an overhaul of their operations and debt reduction efforts. The combined net of 116 public corporations and institutions reached KRW11.3 trillion (USD10.1 billion) last year, up from KRW5.3 trillion in 2013.

Indian Sub-Continent

India exported USD22.34 billion worth of goods in May, against USD27.99 billion a year ago, a drop of 20.19% in dollar terms. The main exporting sectors, including petroleum products, gems and jewellery, engineering and chemicals reported a negative growth in April. Overall imports fell by 16.52% y-o-y to USD32.75 billion in May.

FDI into Pakistan in the first eleven months of the current fiscal year 2014/15 declined 46.8% to USD803.2 million, compared with USD1,509 billion in the corresponding period of the previous fiscal year. In May, the country witnessed a net capital outflow of USD7 million against the inflow of USD612.2 million in May 2014. Total foreign investment was also down by 31.6% to USD2.628 billion in July-May FY2014/15.

Middle East and North Africa

Egypt recorded a trade balance deficit of EGP26.7 billion in March 2015, an increase of 10.9% on the same period last year where it stood at EGP24 billion. Exports stood at EGP15.21 billion, 15.7% less than the EGP18.04 billion recorded in March 2014. This decline was largely driven by a reduction in the value of key exported products. Imports also witnessed a decline of 0.5% in March, as it stood at EGP41.9 billion, compared to the EGP42.1 billion recorded in the same period a year earlier.

Libya may double crude output to 800,000 barrels per day (bpd) by next month amid mediations to reopen oil and gas pipelines feeding export terminals, on the occasion of the Muslim holy month of Ramadan that starts this week.

Morocco's central bank kept its benchmark interest rate flat at 2.5%, saying that inflation would remain consistent with price stability targets. The drop in global oil prices has revived public finances and reduced deficits in the biggest regional energy importer.

Saudi's non-oil exports in April dropped 14.3% y-o-y to reach SAR15.78 billion. On the other hand, Saudi imports fell by 13.6% to SAR50.12 billion compared to the figures of the same period last year.

Eastern Europe

Russian industrial output fell in May at its fastest pace since October 2009, underlining that the country's sanctions-hit economy has yet to bottom out. Industrial output fell by 5.5% y-o-y in May, worse than a 4.5% fall a month earlier. Particularly sharp falls were seen in the manufacturing sector, which collapsed 8.3% y-o-y.

Western Europe

British house prices in April rose 5.5%, down from 9.6% in the year to March 2015. On a seasonally adjusted basis, average house prices fell by 1.3% between March and April 2015. The average mix-adjusted house price in April 2015 was GBP271,000 (USD423,248) and London continued to be the region with the highest average house price at GBP493,000.

Britain's CPI in the year to May 2015 rose by 0.1%, compared with a 0.1% fall in the year to April 2015. The largest upward contribution came from transport services, notably air fares. There were also significant upward effects from food and motor fuels.

Eurozone's employment in Q1 2015 rose by 0.1% q-o-q in the 19-member euro area and by 0.3% q-o-q the 28-member EU. In Q4 2014, employment also grew by 0.1% in the euro area and by 0.2% in the EU.

Inflation in Germany crept higher in May with consumer prices rising 0.7% y-o-y. The index had risen in April by 0.5% on a 12-month basis.

North America

US housing plunged in a record high in May, but applications for building permits continued to increase, a sign the housing market is gaining steady improvement. US privately-owned housing starts were at a seasonally adjusted annual rate of 1,036,000 in May, plunging 11.1% from the revised April estimate of 1,165,000, but 5.1% higher than the year-ago level. Single-family housing starts in May were at a rate of 680,000, down 5.4% from the revised April figure.

South America

Retail sales in Brazil fell in April as consumers, hit by rising interest rates and debt loads in a floundering economy, cut back on big-ticket purchases. Sales volumes declined 0.4% m-o-m in seasonally adjusted terms in April. Compared with April 2014, retail sales fell 3.5%.

Currency News

No plans to peg the Malaysian ringgit, the Finance Ministry said. The government has no plans to peg the ringgit like it did during the 1997-98 Asian financial crisis. The current situation is influenced by the global development, like how neighbouring countries are going through.

The Bank of Russia continued its daily purchases of foreign currencies to replenish the country's reserves. The central bank bought USD200 million on Thursday. This takes interventions to up to USD3.98 billion since May 13, the day when the central bank started buying foreign currencies in an effort to beef up its depleted reserves.

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
16-Jun-15	1,183.50	2.92	64.3	22.02	1.51	2.10	1.35	0.96	9891.20	91.58	2.79	33.59	25.07	3,297.00
17-Jun-15	1,179.76	2.90	63.77	21.99	1.52	2.10	1.35	0.96	9916.70	91.79	2.79	33.54	25.04	3,341.63
% Change	-0.32	-0.68	-0.82		0.40	0.29	-0.15	-0.40	0.26	0.24	-0.14	-0.14	-0.12	1.35

Economic & Financial News

Research & International Division

20/6/2015

*... Bank Indonesia maintains benchmark interest rate ...
... China's overseas investment hits USD45.4 billion ...*

South East Asia

Indonesia's state-owned enterprises' (SOEs) contribution to state revenues will more than triple to IDR635 trillion (USD47.7 billion) in 2019 from only about IDR211 trillion last year. The skyrocketing revenue target from state enterprises is in line with the national mid-term development plan.

Bank Indonesia has decided to maintain its benchmark interest rate, keeping vigilant about further risks in inflation and exchange rates. The central bank kept the rate at 7.5%, unchanged since March.

Malaysia's CPI in May rose 2.1% from a year earlier after a new consumption tax was introduced the previous month. It attributed the increase to the significant rise in the index for alcoholic beverages and tobacco group, health, restaurants and hotels and food and non-alcoholic beverages, which contributed 76.3% to the CPI's increase.

The Malaysia government has given a guarantee of MYR172 billion or 14.7% to the GDP at the end of 2014. The guarantee is given to public entities which are carrying out infrastructure projects and public transportation operations. The finance ministry added that the government's debt as of March 2015 stands at MYR596.8 billion or 51.0% of the GDP.

The Philippines balance of payments (BOP) position went back to a deficit in May from a surplus in the same month last year due to debt payments made by the government and the private sector. The country incurred a BOP deficit of USD58 million in May, a reversal of the USD373-million surplus in the same period last year.

Vietnam retail prices of petroleum and biofuel E5 RON 92 increased by VND275 per litre to VND20,711 (USD0.95) and VND20,381 (USD0.94) per litre, respectively. The prices of other items have reduced, including diesel, by VND287 per litre; oil (VND275 per litre); and mazut (VND423 per litre).

North East Asia

The overseas assets of China's centrally SOEs have posted an annual growth rate of 16.4% since 2011, when they adopted a strategy of going global. These overseas assets have risen from CNY2.7 trillion at the start of 2011 to CNY4.9 trillion currently.

China has decided to give foreign investors greater freedom in the booming e-commerce industry by allowing them to fully own e-commerce companies in the country. The government would open up the online data processing and transaction processing businesses to foreign investors. The new policy will enable more foreign companies to compete with local firms.

China has made more than USD45.4 billion of non-financial investment in overseas markets in the first five months of 2015, up 47.4% y-o-y. The outbound direct investment (ODI) during the period covered 3,426 overseas-based companies across 146 countries and regions.

New home prices in China rebounded nationwide for the first time in 13 months in May, suggesting a property downturn is bottoming out after a barrage of stimulus from the central bank and local governments since late last year. Average new home prices in China's 70 leading cities climbed 0.2% in May from April, the first rise since May 2014.

Wages earned by workers in Japan in April fell 0.1% from a year before in price-adjusted real terms, a downward revision from a 0.1% increase announced earlier this month.

Department store sales in Japan jump 6.3% in May, up for the second consecutive month. Sales at 239 stores run by 82 companies totalled JPY488.6 billion (USD3.97 billion) in the reporting period, adding the consumption is turning around after a long-time slump following the sales tax hike in April 2014. In May 2014, department store sales fell 4.2% from the previous year.

South Korea's producer prices declined on-year in May in tandem with lower oil prices, data showed. The producer price index, reached 101.87 in May, falling 3.5% from a year earlier.

Indian Sub-Continent

India's central bank forex reserves rose to a new high of USD354 billion at the end of June 12. This is a new high for India's forex reserves, which rose by USD1.575 billion in the reporting.

Australasia

The New Zealand economy suffered a setback in the Q1, with GDP only growing 0.2%, the slowest growth in two years. The downfall is attributed to slowdowns in the dairy industry and the mining sector. New Zealand's dairy industry fell 2.3% in Q1, due to lower production caused by drought in certain parts of the country, and dairy prices fell to levels not seen in six years.

Middle East and North Africa

Egypt's Central Bank has opted to keep interest rates unchanged. Maintaining the same trend since its last rate cut in January, the Central Bank of Egypt has decided to keep its overnight deposit and lending rates at 8.75% and 9.75%.

Egypt's cabinet approved a draft 2015/2016 budget that projects a deficit of 9.9% of GDP, narrowing slightly from an expected gap of 10.8% in the current fiscal year. The draft sees a big increase in expenditure on social welfare programmes.

Morocco's trade deficit was contracted by MAD21.41 billion in May, that is a 25.3% decrease compared to the same period last year. The trade deficit balance stood at MAD63.12 billion in May 2015, compared to MAD84.54 billion the same period last year.

Saudi Arabia's April crude exports fell by 161,000 barrels per day (bpd) as domestic refiners processed more crude. Exports fell to 7.737 million bpd from 7.898 million bpd in March when they hit their highest levels in almost a decade.

Western Europe

The European Central Bank yesterday raised the level of emergency funding for Greek banks by an unspecified amount following a request from the Bank of Greece. The funding cap was raised by EUR3.3 billion (USD3.7 billion).

The Bank of England kept interest rate on hold at 0.5%. The British central bank announced in early this month that Bank Rate would stay at 0.5% and the stock of asset purchases, or quantitative easing policy, maintain at GBP375 billion (or USD590 billion).

The current account surplus of the EU in April increased compared with the previous month. The current account rose to EUR14.9 billion (about USD16.8 billion) in April from EUR11 billion in March and from EUR4.9 billion in April last year.

The UK budget deficit fell to GBP10.1 billion (USD16.05 billion) in May from GBP12.4 billion pounds a year earlier due to strong income tax receipts pushed British government borrowing to its lowest May reading since 2007.

The UK has maintained its position as the number one destination for FDI in Europe after attracting a record number of FDI projects, bringing in the largest financial value and associated jobs over the past year. The UK attracted 1,988 FDI projects – 12% more compared to 2013/14, estimated to have brought with them almost 85,000 new jobs and 23,000 safeguarded jobs.

North America

Canada's consumer prices advanced slightly to 0.9% in May while retail sales for April posted a surprise decline, signs the Q2 recovery the central bank is counting on remains in doubt.

US consumer prices recorded the largest gain in more than two years in May, led by the increases in gasoline prices. CPI went up 0.4% in May on a seasonally adjusted basis, following a 0.1% increase in April and rising for the fourth consecutive month. In the month, the gasoline index increased 10.4% and accounted for most of the increase in the CPI.

US current account trade deficit widened to USD113.3 billion in the Q1, up 9.9% from a Q4 deficit of USD103.1 billion. It was the largest imbalance since a USD118 billion deficit in the Q2 of 2012. For the Q1, the trade deficit increased as exports of goods fell to USD382.7 billion from USD409.1 billion.

South America

Brazil's economy shed a net 115,599 payroll jobs in May, frustrating forecasts for a smaller pace of layoffs as Latin America's largest country heads towards a likely recession. Brazil lost 97,828 jobs in April.

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
17-Jun-15	1,179.76	2.90	63.77	21.99	1.52	2.10	1.35	0.96	9916.70	91.79	2.79	33.54	25.04	3,341.63
20-Jun-15	1,200.27	2.82	63.02	22.35	1.52	2.12	1.33	0.96	9990.01	92.19	2.79	33.75	25.23	3,300.96
% Change	1.74	-2.76	-1.18		-0.06	0.87	-0.88	0.62	0.74	0.43	-0.03	0.64	0.78	-1.22

Economic & Financial News

Research & International Division

23/6/2015

*... South Korea's savings hit a 17-year high in Q1 2015 ...
... Russia cut its budget for hosting the 2018 football World Cup ...*

South East Asia

The Indonesia government is to issue policies to increase the prices of tin, rubber and palm oil, which have suffered drastic recent declines. The tin price has declined from USD24 per metric ton to USD14, or almost by half.

Most local oil companies in the Philippines reduced pump prices of diesel, amid lingering pressure due to excess supply. Petron, Shell and Seaoil cut diesel prices by PHP0.25 per litre at 12:01 a.m. Tuesday. There was no movement for gasoline.

Philippine borrowings slightly slid PHP27.7 billion y-o-y in April, with a total of sourced from domestic and foreign lenders. The amount borrowed last April was 5.3% lower than the PHP29.3 billion in the same month last year. As of end-April, total government borrowings stood at PHP128.6 billion, up 1.8% from PHP126.4 billion during the first four months of last year.

The June CPI in two Vietnam's largest cities have both risen. Hanoi's CPI grew by 0.13% in June over the previous month and 0.98% against the same month last year, buoyed by the increase in petrol prices. The Ho Chi Minh City also reported 0.62% growth in the city's CPI for June and a y-o-y increase of 0.78%. The rise was attributed to the impact of strong increases in the transport and pharmaceutical-healthcare sectors.

North East Asia

Hong Kong's consumer price rose 2.6% y-o-y in May, higher than the 2.8% rate in April, mainly due to the increasing prices of fresh vegetables. Among the various CPI components, prices for electricity, gas and water jumped 21.9% from a year ago, mainly because some households had used up the full amount of government's one-off electricity charge subsidy.

Japanese manufacturing activity contracted slightly in June as new orders fell and output growth slowed in a sign the economy may have lost some momentum. The Markit/JMMA flash Japan Manufacturing Purchasing Managers Index (PMI) fell to a seasonally adjusted 49.9 in June from a final 50.9 in May.

South Korea's tax revenue rose in the first four months of 2015 from a year earlier, helped by more taxes collected from businesses. The government collected KRW78.8 trillion (USD71.5 billion) in taxes in the January-April period, up KRW4.3 trillion from the same period a year earlier.

South Korea's savings hit a 17-year high in Q1 2015, weakening consumption that has been cited for sluggish economic growth. The national savings rate stood at 36.5% in the Q1, up 1.5 percentage points from 35% a year earlier.

South Korea's prices of imported farm products rose more than 5% m-o-m in May mainly due to a rise in international grain and vegetable costs. The price index for imported farm produce stood at 100.4 last month, a gain of 5.6% from 95.1 tallied the month before but down 6.1% from a year earlier.

Taiwan's unemployment fell slightly to 3.6% in May, down 0.2 points from a year earlier. After seasonal adjustments, the jobless rate was 3.8% last month, the same as in April and March. A total of 420,000 people were out of a job in May, 1,000 fewer than in April.

The average regular nominal wage in Taiwan year reached TWD38,452 (USD1,250) for the first four months of this year. The figure represents an increase of 1.5% from last year. In the first four months of this year, the average non-regular nominal wage grew by 11.8% y-o-y to TWD17,774, driven mainly by a stable recovery of business prospects.

Australasia

Australia's international education services sector earned export income of AUD17.6 billion (USD13.6 billion) in 2014. It was an increase of 14% on calendar year 2013 and an increase of 7% from the last reported earnings in financial year 2013.

New Zealand consumer confidence fell in the Q2 to its lowest level in more than two years, as declining dairy prices weighed on optimism over the economy's outlook. The Westpac McDermott Miller Consumer Confidence Index fell to 113 in the three months ending June 30, from 117.4 in the Q1, and is at its lowest level since March 2013.

Middle East and North Africa

The total value of non-oil foreign merchandise in Abu Dhabi reached AED13.4 billion in March 2015 of which, AED9.7 billion were imports, AED2.1 billion were non-oil exports, and AED1.6 billion were re-exports.

Algeria's cereal production foreseen for the current crop year will be marked by a rise of 20% compared to last season. This year's harvest will include a total area of 3.3 million hectares (ha), including 1.5 million ha reserved for durum wheat, a million hectares for barley, 600,000 ha for soft wheat and 100,000 ha for oatmeal.

The overall cost of goods and services in Dubai jumped to its highest level this year, with the annual inflation reaching 4.7% in May. Last month's inflation, driven primarily by housing and utility prices, is the highest since May 2009, when inflation was at 4.7%.

The Egypt government plans to increase allocations of low-income housing to EGP13.7 billion, a growth of 19% from last year's allocations. The allocation by the government includes a social housing programme, worth EGP11 billion, a programme for developing slum areas, worth EGP1.3 billion, and developments in the poorest areas for approximately EGP900 million.

Morocco's consumer price inflation rose to an annual 2% in May from 1.7% in April. Food inflation was 3%, up from 2.5%. The non-food price index rose to 1.3% from 1%. M-o-m, inflation was unchanged at 0.2%.

Omanis are unlikely to take up at least 88.5% of the jobs held by the expatriates. A majority of the expatriate workforce was unskilled and working in the construction and service sector. Most projects where expatriates work were temporary projects, and Omanis were hardly interested in taking up opportunities in such projects without long-term prospects.

UAE May inflation edged up to 4.3% on housing and utility costs. Housing and utility costs, which account for over 39% of consumer expenses, jumped 9.4% from a year earlier in May.

The UAE recorded a nominal GDP of AED1.5 trillion (USD400.6 billion) in the past year, the highest ever in history of the country. The country's economy embarks on robust growth with rosy prospect. The real GDP was 4.6% and the country is set to continue to perform strongly in 2015.

Eastern Europe

Russia cut its budget for hosting the 2018 football World Cup by about RUB30 billion (EUR500 million), as the country struggles with an economic crisis. The new budget, including for building or upgrading a total of 12 stadiums, is about RUB630 billion (EUR10.3 billion). Russia's economy is struggling amid tit-for-tat sanctions with the West over the Ukraine crisis and low prices for oil. Russia's ruble currency has also lost about 40% of its value versus the euro over the past year.

Western Europe

German consumer goods cheaper than most direct neighbouring countries. The price level of private consumption expenditure in Germany in 2014 was by 1.5% higher than the average of the 28 member states of the EU. Only in Poland and in the Czech Republic, the cost of living was lower in the last few years.

North America

Canada's retail sales dropped by 0.1% in April after two months of gains, pulled down by lower spending at food and electronics stores. Overall, sales fell in four of the 11 subsectors in April, accounting for 43% of retail trade. In volume terms, retail sales dropped by 0.2%.

US home sales jump in May, average prices close to 2006 peak. Sales of existing homes climbed 5.1% last month to a seasonally adjusted annual rate of 5.35 million. May was the third consecutive month of the sales rate exceeding 5 million homes.

South America

Brazil's current account deficit shrank to USD3.4 billion in May from USD6.9 billion in April. That left a 12-month current account deficit of USD95.7 billion, equal to 4.4% of GDP. The country's currency has weakened against the dollar this year, making its exports cheaper and more competitive on world markets and damping demand for imports.

FDI in Brazil increased in May from April, to USD6.6 billion from USD5.8 billion, leaving the 12-month accumulated figure at USD83 billion, from USD86.1 billion.

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-15	1,200.27	2.82	63.02	22.35	1.52	2.12	1.33	0.96	9990.01	92.19	2.79	33.75	25.23	3,300.96
23-Jun-15	1,186.31	2.72	63.19	23.23	1.52	2.12	1.33	0.96	9991.01	92.12	2.80	33.80	25.26	3,329.44
% Change	-1.16	-3.55	0.27		-0.05	-0.11	-0.15	0.14	0.01	-0.07	0.56	0.13	0.11	0.86

Economic & Financial News

Research & International Division

24/6/2015

*... China crude oil output rose in the first five months of 2015 ...
... Orders to US factories for long-lasting manufactured goods fell in May ...*

South East Asia

Cambodian trade unions agreed on a USD177 monthly minimum wage for 700,000 garment workers during fast-approaching negotiations, matching the figure they unsuccessfully lobbied for last year. The Labour Ministry raised the minimum wage from USD100 to USD128 in December.

The number of districts, villages and families officially classified as poor in Laos has fallen compared to 2011. Figures pertaining to poverty and development for 2011 to 2015 show that the number of poor districts has dropped from 53 to 23 at present. The number of poor families has also fallen, from 198,600 to 76,600 families this year.

Bangko Sentral ng Pilipinas had foreign exchange swaps of USD3.848 billion as of end-April this year, up 15% from that of March's transactions. The country's foreign exchange reserves as of end-May amounted to USD80.858 billion, almost unchanged from April's USD80.850 billion.

Singapore's consumer prices in May shifted to -0.4%, slightly higher than the -0.5% in April, on account of higher cost of private road transport. Private road transport cost increase 1% in May, after a 2.1% fall in April.

Singapore's services inflation in May decelerated to 0.5%, from April's figure of 1.1%, which is mainly due to budgetary measures. Meanwhile food inflation was down to 1.8% from 2.1% in April, due to slowly increased non-cooked food prices.

North East Asia

China crude oil output in the first five months of 2015 rose 1.7% y-o-y, reaching 87.69 million tons. China refined 195.26 million tons of crude oil during the period, up 3.8% y-o-y. Natural gas output totalled 55.5 billion cubic meters during the January-May period, up 4% y-o-y.

China has approved two subway system projects worth CNY129.8 billion (USD20.91 billion), continuing a run of infrastructure approvals as the government looks to support its slowing economy.

China's manufacturing activity contracted for the fourth straight month in June as demand remained sluggish in the world's second-largest economy. The HSBC Purchasing Managers' Index (PMI) came in at 49.6 in June.

Visitor arrivals to Macau in May increased by 0.9% y-o-y to 2.55 million. Total visitor arrivals to Macau in the five months to May 31 fell by 2.7% from the prior-year period, to 12.51 million.

Macau's CPI for May increased by 4.93% y-o-y, up from the 4.51% growth in April, attributable to higher rentals for residential flats and rising charges for eating out.

South Korea's terms of trade rose to a 5-year high in May as import prices declined at a faster clip compared with export prices. The country's net terms-of-trade index for goods jumped 12.7% on-year to 100.7 last month, hitting the highest level since 102.94 in April 2010.

Taiwan's export orders registered a 22-month low in May, amounting to USD35.79 billion, down 5.9% from the same month of last year. The amount of export orders had shrunk for two consecutive months, with the annual drop the biggest since April 2013.

Australasia

Melbourne is home to thousands of Greeks with many fleeing the debt crisis, turning to extended family in Australia to help them get a second chance. The Greek debt crisis has hit a tipping point for many families, with some workers being paid the paltry salary of just USD155 per week.

Indian Sub-Continent

Remittance sent by Bangladesh expatriates hits USD15 billion before end of 2014/15. In the past 11 months (July 2014 – May 2015), Bangladesh received USD13.88 billion in remittance, which was 7.21% more than the same period in the previous fiscal year. Pushed by the remittance, foreign exchange reserves were USD24.6 billion, the highest in Bangladesh's history.

Middle East and North Africa

Algeria recorded a trade deficit of USD6.38 billion during the first five months of 2015 against a surplus of nearly USD3.44 billion dollars in the same period of 2014. Exports reached USD15.94 billion against USD28.31 in the same period of 2014, a 43.67% drop. As for imports, they totalled USD22.33 billion against USD24.87 billion during the same period last year (-10.22%).

Saudi non-oil exports in Q1 2015 dropped by 14.5% to SAR47 billion compared to the figures of the same period last year. On the other hand, Saudi imports grew by 6.88% y-o-y to SAR162.5 billion.

Tunisia saw less tourists from 1 January to 20 June 2015, receiving 1,901,865 visitors in the period, down 21.9% y-o-y. This drop is due mainly to the free fall of European tourists by 45.2% between 2010 and 2015.

Turkey's central bank kept its main interest rates unchanged at 7.5%, the marginal funding rate at 10.75% and the borrowing rate at 7.25%. The central bank is keeping a careful eye on inflation.

Eastern Europe

Hungary's central bank lowered its benchmark interest rate for a fourth month and flagged its intention to continue. The National Bank of Hungary cut the two-week deposit rate to a record 1.5%, the same level as in Poland, from 1.65%.

The Ukrainian external debt rose to 110.5% of its GDP by the end of Q1 2015, from 95.1% in Q4 2014. As of April 1, the Ukrainian external debt reached USD126 billion. In Q1 2015, Ukraine has received USD5.4 billion from its foreign lenders.

Western Europe

France's manufacturing sector expanded in June, for the first time since April 2014, helping increase the pace of a broader pick-up in private sector business activity that entered its fifth month. In manufacturing, the PMI reading of 50.5 was the first above 50 since April 2014.

Manufacturing activity in Germany grew at the fastest pace in two months in June, boosting optimism over the health of the euro zone's largest economy. German manufacturing PMI rose to a seasonally adjusted 51.9 this month, from 51.1 in May.

Portugal's public debt in April stood at EUR225.72 billion (USD256 billion). The country's public debt in March was EUR226.27 billion, representing a slight fall. At the end of last year, the country's public debt stood at EUR225.28 billion. Portugal signed a EUR78 billion bailout program in 2011 when it was on the verge of bankruptcy.

North America

Orders to US factories for long-lasting manufactured goods fell in May, pulled down by a sharp drop in demand for aircraft. But a category that reflects business investment rose last month. Total orders for durable goods dropped 1.8% in May, after falling 1.5% in April.

South America

A drop of exports in Argentina has led to the trade balance contracting 72.4% in May compared to the same period last year. A surplus of USD355 million showed a steep drop from USD1.29 billion recorded in May 2014, while the trade balance recorded a positive balance of USD252 million in April this year.

Brazil's credit volume in May increased slightly by 0.7% m-o-m to BRL3.08 trillion, as the poor economic performance prevented Brazilians from trying to get more loans. The total volume of credit in Brazil's financial system totalled BRL3.08 trillion (USD993 billion) in May, representing an increase of 10.1% compared to the total volume in May 2014.

Brazil's government announced it would make available over USD9.3 billion for the 2015/2016 Family Farming Harvest Plan. The volume of resources is 20% greater than that made available in the 2014/2015 harvest season. The announcement is part of a 'positive agenda' by which the government hopes to salvage its dwindling popularity.

Oil & Gas News

Oil prices edged up on stronger demand, uncertainty over Iran deal. Brent crude for August delivery had climbed 8 cents to USD64.53 a barrel by 2317 ET, after settling up USD1.11, or 1.8%, in the previous session.

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
23-Jun-15	1,186.31	2.72	63.19	23.23	1.52	2.12	1.33	0.96	9991.01	92.12	2.80	33.80	25.26	3,329.44
24-Jun-15	1,177.62	2.72	64.45	23.69	1.51	2.11	1.34	0.97	9927.53	92.40	2.80	33.71	25.21	3,350.56
% Change	-0.73	0.00	1.99		-0.58	-0.27	0.52	0.60	-0.64	0.30	0.03	-0.25	-0.19	0.63

Economic & Financial News

Research & International Division

25/6/2015

*... India's oil import bill to fall 21.7% this Fiscal Year ...
... German business confidence decline ...*

South East Asia

Brunei's total exports for April had increased to BND836.7 million from BND812.2 million in March due to an increase in major exports of crude oil and liquefied natural gas (LNG). Crude oil exports recorded an increase of 6.6% following an improvement in trade volume of crude oil from 122.45 kbb (thousand barrels) per day in March to 129.49 kbb in April. LNG exports had also increased by 18.9%, from 772,234 MMBtu per day in March to 1,131,860 MMBtu per day.

Indonesia's central bank has reduced the minimum down payments. Bank Indonesia now requires customers to pay a minimum down payment of 20% for motorbikes, down from 25% previously, meanwhile for passenger cars bought using credit is 25%, compared with 30% previously. There was no change to the rule for commercial vehicles remains at 20%. The maximum loan-to-value (LTV) ratios for people buying their first home rises to 80% from 70% previously. For second homes, the maximum LTV ratio is 70% from 60%, accordingly.

The Indonesia government is eyeing productive sectors such as agriculture, poultry and fisheries in a new move that will halve micro-loan (KUR) lending rates to stoke micro and small businesses and spur economic activities. The government would subsidise state banks more so they could cut their lending rate from 21 to 12%, starting in July.

Vietnam's CPI in the first half of this year increased by 0.86% over the same period last year. The average growth of CPI during the period was 0.1% per month, the lowest increase in the past ten years. CPI in June showed m-o-m increase of 0.35%.

The value of Vietnam's textile and garment exports reached USD12.18 billion in the first six months of this year. It was a 10.26% increase compared with the same period last year. The US continued to be the largest importer of country's textile and garment products, accounting for 42% of the national total export value of USD5.18 billion, a surge of 11.01%.

Vietnam's GDP is expected to expand 6.11% y-o-y in the first half of 2015, the highest level during the same period since 2010. The country's six-month economic growth continues the recovery trend.

North East Asia

China becomes world's largest FDI recipient amid mixed global outlook. Global FDI inflows fell to USD1.23 trillion in 2014, down from USD1.47 trillion in 2013, United Nations World Investment Report 2015 said. Representing a 16% drop, the report indicated that the fragility of the global economy, policy uncertainty for investors and increased geopolitical risks were the main reasons behind the decline.

South Korea will draw up a supplementary budget expected to exceed KRW10 trillion (USD9 billion), to help cope with the effects of the outbreak of Middle East Respiratory Syndrome (MERS) and an economic slump. KRW5 trillion will be used to make up for tax deficits, while KRW5 trillion and some more will be for extra spending.

South Korea plans to maintain its expansionary fiscal policy in the second half in a desperate bid to prop up economic growth that has been losing momentum due to slackening exports and weaker-than-expected private consumption.

Taiwan's industrial production index dropped 3.18% annually to 106.71 last month, the first annual decline in the past 15 months, due to weak demand in the semiconductor, computer electronics and optical components industries.

Indian Sub-Continent

India's crude oil import bill is likely to fall by 21.7% this fiscal to USD88 billion on falling international oil prices, which is 80% import dependent to meet its oil needs, spent USD112.748 billion in 2014-15 on import of 189.43 million tonnes of crude oil.

Middle East and North Africa

Egypt's industrial growth has increased to 17% this year from 1.8% last year. EGP76.5 billion has been pumped into the industrial sector in the past 10 months, creating 136,000 job opportunities.

Inward FDI in Bahrain was nearly USD1 billion at the end of last year. The UNCTAD World Investment Report 2015 showed that FDI remained at a similar level in 2014 as in 2013, (2014: USD957 million; 2013: USD989 million).

Oman reduced subsidies on various food items such as rice, flour and sugar as well as fuel and other products by OMR173 million in Q1 of 2015. The total expenditure paid by the government for subsidies decreased by 47.9% in Q1 of 2015 compared with the same period last year.

Oman government staff pays and perks to cost OMR5.2 billion this year for its employees from civilian ministries this year. More than one-third of the country's budget for the current year was allocated to the education and housing sectors.

Eastern Europe

Russia's consumer prices rose 0.1% in the week to June 22, growing at the same pace as in the previous week. Vegetable prices continued to fall, while prices for chocolate candy, meat preserves, wheat bread and tea rose. Consumer prices have increased by 8.5% since the beginning of the year, compared with a growth rate of only 4.8% in the same period of 2014.

Western Europe

The Dutch economy grew by 0.6% in the Q1 of 2015, compared to the Q4 of 2014. Compared to one year previous, the economic growth rate over Q1 was 2.5%. The overall picture of the economy has not changed with growth coming from contributions of investments, consumption and exports.

France's GDP grew by 0.6% in the Q1 after a rise in corporate profit margins and strong household spending. Corporate profit margins rose to 31.1%, the highest since the Q1 of 2011, after a cut in payroll tax.

The number of unemployed people in France rose 0.5% in May from April to 3,552,200. France is struggling to bring down unemployment despite a recent uptick in economic growth.

German business confidence fell sharply in June, as companies trimmed their expectations amid concerns about a Greek debt default and exit from the currency area. The Ifo think tank said that its business climate index dropped to 107.4 in June from 108.5 in May, its lowest level since February.

Portugal's government budgetary deficit was 5.8% of GDP in the Q1 of this year, or around EUR2,444 million (USD2,736 million). The country's deficit in the same period last year was 5.9%. The Q1 of this year it registered a more pronounced increase in revenue compared with expenditure.

UK rental costs are the highest in Europe but homeowners are benefiting from cheap mortgages. Tenants typically spend 39.1% of their income on rent compared with a European average of 28%, figures from the National Housing Federation. However, homeowners are benefitting from competition between lenders.

UK mortgage lending increased for the fifth consecutive month in May, adding more fuel to the housing market. Just over GBP10 billion was given out in mortgages in the month, up from GBP9.7 million in April and back to levels last seen in November 2014.

North America

Mexican consumer prices rose modestly in the first half of June. The CPI rose 0.13% in the first two weeks of this month, led by increases in food and beer prices. The annual rate was 2.87%, little changed from 2.88% at the end of May. Core CPI rose 0.13% in the first half of June for an annual rate of 2.31%.

The contraction of the US economy in the Q1 was less severe than previously estimated. US real GDP decreased at an annual rate of 0.2% in the Q1 this year. Due to strong dollar, exports decreased 5.9% in the Q1, in contrast to an increase of 4.7% in the Q4 last year. Consumer spending increased 2.1% in the Q1.

South America

Colombia kept borrowing costs unchanged for a 10th straight month as a widening current account gap deters policy makers from trying to stimulate the slowing economy. The seven-member board voted unanimously to hold the benchmark rate at 4.5%.

Oil & Gas News

Oil slides after big US gasoline build offsets crude draw. Brent futures LCOc1 settled down 96 cents, or 1.5%, at USD63.49 a barrel. US crude CLc1 ended down 74 cents, or 1.2%, at USD60.27.

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
24-Jun-15	1,177.62	2.72	64.45	23.69	1.51	2.11	1.34	0.97	9927.53	92.40	2.80	33.71	25.21	3,350.56
25-Jun-15	1,177.48	2.77	63.64	22.97	1.50	2.11	1.34	0.96	9899.03	92.32	2.80	33.63	25.18	3,350.64
% Change	-0.01	1.84	-1.26		-0.45	0.06	0.22	-0.73	-0.29	-0.09	-0.22	-0.25	-0.14	0.00

Economic & Financial News

Research & International Division

27/6/2015

*... South Korea announced a KRW15 trillion (USD13 billion) stimulus package ...
... Indonesia is planning to raise the threshold of non-taxable income ...*

South East Asia

The Indonesian government is planning to raise the threshold of non-taxable income for individual taxpayers to help boost the public's purchasing power that will eventually drive up economic growth by 0.1%. Starting next month, individuals with annual incomes of IDR36 million (USD2,700), or IDR3 million per month, will be exempted from paying income tax.

Indonesia's government will involve more banks in its people's credit program that is scheduled by next month. A new KUR type was launched in addition to the existing micro and retail KUR, known as KUR TKI and is specifically for migrant workers. The total amount of loans to be disbursed this year has been set at IDR30 trillion. Under the new rate scheme, the government will provide an additional 7% interest subsidy for the micro KUR and 3% interest subsidy for the retail KUR.

Thai exports dropped in May and imports had their biggest tumble in nearly six years, emphasizing how the country's traditional growth engine of trade is not giving the struggling economy any help. Export fell 5.0% in May from a year earlier. Imports collapsed 20.0%, their biggest fall on an annual basis since August 2009.

The Thai government will invest THB2.4 billion this year in six special economic zones to boost cross-border trade.

Vietnam approved a controversial new USD16 billion airport near Ho Chi Minh City, as the country vies to become one of the world's busiest aviation hubs. The project aims to ease airport congestion in Vietnam's business hub and cater to an ambitious 100 million passengers and five million tonnes of cargo a year by 2050.

Vietnam's trade deficit in the first half of this year could reach USD3.8 billion, swinging from a surplus in the same period a year ago. Exports in the January-June period are estimated at USD77.7 billion, while imports could reach USD81.5 billion.

Foreign investors have ploughed into Vietnam an estimated USD6.3 billion in actual investment in the first half of this year, up 9.6% y-o-y. New FDI pledges in the January-June period fell 21% to USD3.8 billion.

North East Asia

China has recorded a 10.7% hike in retail sales of gold, silver and jewellery in May. Sales from this sector rose to USD4.2 billion from USD3.8 billion from the same period year ago. Total sales from January to May period this year totalled USD21 billion, rose 6% from the corresponding period last year.

Japan's household spending posted its first increase in May in one year and 2 months. Average spending was around JPY286,000, up 4.8% y-o-y before inflation-adjusted terms. The ministry attributes the rise to higher spending on air conditioners and refrigerators as temperatures were higher than average across Japan.

Japan's unemployment rate remained largely unchanged in May m-o-m, as new hires and corporate earnings held steady. The unemployment rate was 3.3%. The number of employed people in May, meanwhile, stood at 64.0 million, a rise of 20,000 from the previous year, with the number of unemployed people totalling 2.2 million.

Japan's core consumer prices rose 0.1% y-o-y in May and follow a 0.3% increase logged in April, marking the 24th successive month of increase, as falling prices for crude oil continues to impact the central bank's reflationary initiatives and help boost the government's overall balance sheet.

Macau's number of imported workers reached 179,416 at the end of last month, up 17.8% y-o-y. Some 71.6% of all non-resident workers came from the mainland, Taiwan and Hong Kong.

South Korea announced a KRW15 trillion (USD13 billion) stimulus package to boost its troubled economy, hammered by the deadly MERS outbreak which has dented consumer spending and business sentiment.

Taiwan's central bank decided to leave its key interest rates unchanged upon conclusion of a quarterly policymaking meeting. The central bank has maintained a discount rate of 1.875%, the rate of accommodations with collateral at 2.25% and the rate of accommodations without collateral at 4.125%.

Australasia

New Zealand's goods trade surplus in May fell slightly as dairy exports to China dropped. Total goods exports fell by 4.7% y-o-y to NZD4.4 billion in May. Goods imports fell 7% to NZD4 billion in May, led by a 43% drop in the import values of crude oil. The goods trade surplus in May was NZD350 million. For the year ended May, the annual goods trade deficit was NZD2.6 billion.

Indian Sub-Continent

Indian government increased sharply the minimum export price (MEP) of onion by USD175 per tonne to USD425 per tonne to ensure adequate domestic supply and contain price rise.

Eastern Europe

Poland's registered unemployment rate edged down to 10.8% m-o-m in May from 11.2%. The number of registered jobless at end-May measured 1.702 million, down by 80,100 people m-o-m.

Western Europe

Greece's international creditors offered Athens a five-month, EUR12 billion extension of its bailout program but said it must seal a deal this weekend to avoid an IMF default next week.

North America

Mexico's global economic activity index rose 2.4% in April compared to the same month of 2014, an increase fuelled by growth in the agricultural sector. The primary sector of the economy grew 4.6%, while the secondary sector rose 1.1% and the tertiary sector expanded 2.8%.

South America

Argentina's GDP increased 1.1% y-o-y in Q1 2015, boosted by the domestic market and growths in the agricultural and construction sectors.

Argentine industrial production fell 0.3% m-o-m in May, marking its 22nd consecutive decrease. Taking into account the first five months of 2015, industrial activity decreased 1.5% compared to the same period of 2014.

The government of Brazil announced its National Export Plan (PNE) with the objective of increasing Brazilian exports to help the country's ailing economy. The government's new export plan is based on five pillars: access to markets, commercial marketing, ease of trade, export financing guarantees and the improvement of the fiscal system related to foreign trade.

Brazil's unemployment rate rose to 6.7% in May, up from 6.4%, a new five-year high and added bad news for the world's seventh-largest economy. It was the fifth straight month of rising unemployment, which stood at 4.8% at the end of last year.

Oil & Gas News

Oil near flat, brent up modestly after two-day drop. Brent settled up 6 cents, or 0.1%, at USD63.26 a barrel. For the week, it rose 0.3%. U.S. crude settled down 7 cents, or 0.1%, at USD59.63. It was down similarly for the week.

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-15	1,177.48	2.77	63.64	22.97	1.50	2.11	1.34	0.96	9899.03	92.32	2.80	33.63	25.18	3,350.64
27-Jun-15	1,175.52	2.77	63.26	22.84	1.50	2.12	1.34	0.96	9918.67	91.80	2.80	33.59	25.14	3,320.90
% Change	-0.17	0.00	-0.60		0.15	0.17	0.13	0.14	0.20	-0.56	0.11	-0.12	-0.16	-0.89

Economic & Financial News

Research & International Division

30/6/2015

*... Industrial output in South Korea fell for three consecutive months ...
... Greek banks will stay closed before July 6 ...*

South East Asia

Brunei's CPI for May had decreased by 0.4% over April. The price index for May had decreased due to fall in prices in passenger transport (0.9%), clothing and footwear (1.3%), and non-durable household goods (1.3%). On the other hand, JPKE recorded an increase in the recreation and culture index due to higher costs.

Malaysia's e-commerce sector is expected to reach MYR72 billion by the end of 2015, but with only 30% of Malaysian SMEs involved in online retail. Due to issues with broadband coverage, consumer trust in online retail, and logistical concerns stand in the way of SMEs expanding into e-commerce. At the end of 2014, the value of Malaysian e-commerce was estimated at MYR53 billion.

Myanmar minimum wage set at USD3.2 (MMK3,600) per day for garment factory workers. The eight-hour daily minimum wage will be applied to businesses with more than 15 workers in all regions and states.

Prices of completed non-landed private homes in Singapore fell 0.6% in May from April. This has translated into a 1.6% decline over the first five months of this year.

Vietnam's GDP is expected to expand 6.4% in Q2 2015, higher than 6.1% growth registered in Q1.

North East Asia

The Chinese government is struggling to meet its fiscal targets this year. The central treasury received CNY3.0 trillion (about USD475 billion) from January to May, a 2% y-o-y increase. The increase is far below the previously budgeted growth rate of 5%. Total national fiscal revenue reached CNY6.4 trillion in the same period of time, up 3.1% y-o-y.

China's central bank cut both its 1-year benchmark lending rate and benchmark deposit rate by 25 basis points (bps) to 4.85% and 2%, respectively. This was the fourth interest rate cut since November last year. In addition, the reserve requirement ratio (RRR) for commercial banks was cut by 50 bps and for large banks the RRR is now 18%.

China's industrial profit growth slowed to 0.6% in May, down 2 percentage points from the pace posted in April. Profits at industrial companies with annual revenues of more than CNY20 million (USD3.3 million) totalled CNY520.7 billion in May.

Hong Kong retail sales fell 0.1% y-o-y in May in value terms, as slower tourist arrivals hurt sales of big-ticket items such as jewellery and watches. Retail sales fell to HKD39 billion (USD5.0 billion) last month, following a revised 2.1% drop in April and a 2.9% decline in March. Sales rose 4.6% in May by volume.

Japan's industrial output declined 2.2% m-o-m in May on a seasonally adjusted, amid slowing sales of automobiles both at home and overseas. The index of output at factories and mines stood at 97.1 against the 2010 base of 100.

Japan's inflation-adjusted real wages slid in May from a year earlier despite a tightening job market, to register a 25th straight month of decline. Total cash earnings rose 0.6% in the year to May, increasing for a second straight month, with regular pay up 0.3%. The jobless rate was steady at an 18-year low of 3.3% and job availability hit a two-decade high in May, reflecting a steady economic recovery. Overtime pay also fell 1.6% to mark the third straight month of declines.

Vehicle output in Japan fell 17.1% y-o-y to 605,745 in May, as auto sales were hit by the double whammy of higher consumption and mini vehicle taxes. Following an 8.2% drop in April, auto production marked the 11th straight month of decline in May.

Industrial output in South Korea fell for three consecutive months due to sluggish exports that damaged production of large exporters. Production in all industries, including manufacturing, services, construction and public administration, declined 0.6% in May from a month earlier after posting falls of 0.4% in April and 0.5% in March.

South Korean companies hired more full-time workers in Q1 this year from a year earlier, reflecting an improvement in the country's job market. Local companies hired 726,000 people over the Q1 period, up 5.3% y-o-y.

Taiwan's consumer confidence index fell 1.06 points in June to 90.58, dragged by sentiment in equity market investment and in national economic outlook, National Central University's latest survey showed.

Australasia

Australia new homes sales dip 2.3% in May. Sales of detached homes fell back by 5.1% in the month, offsetting a 7.6% jump in multi-units. For the three months to May, multi-unit sales were up a hefty 26.7%. Australia is in the midst of a boom in home building thanks to historically low mortgage rates and rapid population growth, with the central bank cutting its rates to a record low of 2% early in May.

Indian Sub-Continent

Sri Lankan economy expanded by 6.4% in Q1 2015, with positive contributions from all three key sectors of the economy. The services sector and the industry sector grew by 7.5% and 6.5%, respectively, while the agriculture sector displayed strong signs of recovery.

Middle East and North Africa

The annual rate of inflation in Algeria reached 4.8% in May, against 4.5% and 4.1% in April and March, respectively. In May 2014, the annual inflation rate was 1.6%. The CPI grew by 5.9% in May 2015 compared to May 2014.

The overall balance of payments position in Oman indicated a surplus of OMR429 million during 2014 leading to a rise in foreign exchange reserves by the same amount. The foreign exchange reserves increased by OMR233 million while government reserves increased by OMR196 million.

The value of Qatar's total exports goods amounted to QAR24.8 billion in May, a decrease of 38.9% y-o-y. However, the total exports of goods increased by 4.7% this May, compared to the previous month.

Saudi Arabia exported nearly 1.4 billion barrels of crude oil in the first six months of 2015 with proceeds amounting to SAR305 billion. Domestic consumption during the same period reached nearly 428 million barrels, or 23% of the total output.

Expatriates' remittances from Saudi Arabia to their respective countries rose by 7% in the first five months of 2015 to reach SAR68.4 billion compared to SAR64.2 billion in the same period last year. For m-o-m basis, it grew by a margin of 0.7% to SAR13.6 billion in May 2015 and y-o-y basis grew by 9% in May 2015.

Consumer and business confidence in the Turkish economy weakened in June, dropping to its lowest level in two years. The economic confidence index dropped by 5.4% in June to 78.99 points from 83.12 in May, Turkish Statistics Institute reported.

Western Europe

Inflation in Germany slowed in June with consumer prices rising by just 0.3 % y-o-y. In May, the index had risen by 0.7% on a 12-month basis. The reason for the slowdown was a sharp decline in energy prices.

Greek banks will stay closed before July 6, one day after a planned referendum on bailout proposals, and ATM withdrawals will be limited to EUR60 a day in the same period. The announcement was made in a decree published in the official government gazette and entitled "Bank Holiday break" in the small hours of the day.

Consumer price inflation in Spain rose more-than-expected last month. In a report, Instituto Nacional de Estadística said that Spanish CPI rose to 0.3%, from 0.5% in the preceding month.

Oil & Gas News

Oil holds near three-week lows as Greek enters second day of bank shutdown. Brent crude futures were down 9 cents at USD61.92 a barrel at 0430 GMT, after falling to USD62.01 on Monday, their weakest finish since June 5.

Commodity News

Gold slips despite Greek crisis on weak safe-haven bids, robust dollar. Spot gold fell 0.2 to USD1,177.60 an ounce by 0344 GMT, after gaining 0.6% in the last two sessions. For the month, the metal is down 1%.

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
27-Jun-15	1,175.52	2.77	63.26	22.84	1.50	2.12	1.34	0.96	9918.67	91.80	2.80	33.59	25.14	3,320.90
30-Jun-15	1,176.95	2.79	61.91	22.19	1.49	2.13	1.35	0.97	9874.59	90.87	2.80	33.43	25.04	3,324.45
% Change	0.12	0.72	-2.13		-0.88	0.44	0.63	0.14	-0.44	-1.02	-0.08	-0.48	-0.40	0.11