

# Economic & Financial News

Research & International Division

2/4/2016

*... China PMI rebounds to nine-month high at 50.2 ...  
... US economy adds 215,000 jobs as unemployment rate inches up to 5% ...*

## South East Asia

**Indonesia's annual inflation rate picked up pace in March** due to higher basic food prices, the statistics bureau said. March's annual rate was 4.45%, higher than the 4.42% recorded a month earlier. The CPI increased by 0.19% on a monthly basis after falling 0.09% in February. Core inflation, which excludes volatile food and administered prices and is more affected by Bank Indonesia's policy to manage demand, was 3.5%, lower than February's annual rate of 3.62%.

**The number of foreign tourists visiting Indonesia rose 3.31% y-o-y in February**, after increasing 2.2% in January, the statistics bureau said. A total of 768,118 tourists entered Indonesia in February, up from 698,057 in January. Last year, 9.73 million tourists came. As part of efforts to boost the sector, the government plans to allow greater foreign ownership in tourism-related businesses.

**The Philippines net liabilities slightly slid to USD29 billion at the end of 2015** as external financial assets grew at a faster pace during the Q4, the Bangko Sentral ng Pilipinas reported. The country's end-December preliminary international investment position (IIP) was below end-September's USD29.6 billion. At end-2015, total external financial assets rose 2.1% q-o-q to USD155.1 billion. The BSP attributed the q-o-q rise in external financial assets to the increase in other investments, particularly loans extended by local banks to non-residents and local corporates' deposits abroad.

**Thailand's deflation continued for the 15th straight month in March** despite a slight recovery in oil prices, the Commerce Ministry said. The country's headline consumer price index dropped 0.46% in March from the previous year, easing slightly from the 0.50% on-year fall in February, data from the ministry showed. However, the March CPI edged up 0.21% from the previous month, accelerating from a 0.15% on-month rise in February.

**Thailand's economic conditions had a slow pace of recovery in February**, with growth mostly driven by tourism and public spending. Thailand's private consumption index rose 3.1% from a year earlier and 0.3% from a month earlier in February. The consumption appeared stable after the impact of the government's tax rebate at the end of last year and the accelerated car purchases ahead of a price increase on Jan. 1.

**The Bank of Thailand will ease foreign exchange rules** to let individuals invest in products linked to foreign exchanges and buy foreign currency of up to USD5 million per person. The new regulations will take effect from April 18. Under the eased regulations, local commercial banks are permitted to offer structured notes, whose returns are linked to exchange rates, to retail investors. Individuals are also allowed to engage in derivatives transactions linked to foreign exchange rates but not involving the baht.

**Vietnam's total budget revenue in the Q1 of this year** reached VND230.5 trillion (USD10.3 billion), equalling 22.7% of this year's target revenue, an increase of 0.3% over last year said the Ministry of Finance. Of the total revenue for Q1, the domestic revenues totalled roughly VND194 trillion (USD8.7 billion), equivalent to 24.7% of annual estimated revenues and 10% higher than the same period last year.

## North East Asia

**China's current account surplus rose 19% y-o-y** to USD330.6 billion last year, or 3% GDP. The goods-trade surplus hit USD567 billion in 2015, but the service trade posted a deficit of USD182.4 billion, the State Administration of Foreign Exchange (SAFE) said. Deficit under the capital and financial account rose to USD142.4 billion at the end of December, up from USD121.9 billion at the end of the Q3 of 2015.

**Chinese residents charged USD133 billion overseas using credit cards last year.** Cash withdrawals from credit cards were the second most common type of overseas transaction. In 2015, Chinese residents withdrew USD23.1 billion from cards while overseas, accounting for 17% of total credit card spending abroad. Chinese residents prefer using credit cards for big expenses such as accommodations (USD6 billion), catering (USD2.6 billion), transportation (USD3.6 billion) and education (USD1.9 billion), which all together accounted for 20% of overseas credit card spending last year using credit cards abroad, the Foreign Exchange Bureau reported.

**China's manufacturing activity rebounded in March** to its highest level since last August, thanks to the government's continued structural reforms. The purchasing managers' index (PMI) came in at 50.2 in March, up from February's 49, according to the National Bureau of Statistics (NBS) and the China Federation of Logistics and Purchasing.

**910,000 of Japanese started their first day on the job Friday** in an annual ritual born from the country's fast-disappearing jobs-for-life work culture. April 1 is the start of Japan's fiscal year, a day when new hires—some awkwardly struggling to get comfortable in formal attire—fan out across Tokyo and other major cities to report for their first day of work.

**South Korea's headline inflation managed to stay above 1% in March** on the back of surging food prices, which may have led consumers to feel that prices are much higher than the official data showed. Consumer prices rose 1% in March from a year earlier, after gaining 1.3% the previous month, Statistics Korea data showed.

**South Korea's current account balanced stayed in the black for 48 months in a row**, keeping the longest monthly surplus due to a faster fall in imports than exports that is called recession-type surplus. Current account surplus reached USD7.51 billion in February, almost unchanged from the previous month, according to the Bank of Korea (BOK). Trade terms improved as cheap crude oil helped lower energy costs and pull down imports at a faster clip than exports.

**Global car sales by South Korean automakers reduced last month** on weak overseas demand that offset brisk sales in the domestic market. The country's five automakers, including Hyundai, Kia, GM Korea, Renault Samsung and Ssangyong, sold a total of 794,505 vehicles globally in March, down 0.94% y-o-y. Combined domestic car sales jumped 17% to 127,216 units thanks to demand for passenger cars and sport utility vehicles (SUVs), but overseas sales declined 4.3% to 674,846 units amid global economic slowdown.

## Australasia

**Australian home prices rose only marginally in March** while annual growth braked to its slowest in 31 months, a cooling that should please policy makers worried about the risk of a borrowing-fuelled bubble. Friday's figures from property consultant CoreLogic RP Data showed its index of home prices for the combined capital cities rose 0.2% in March, compared to February when prices increased by 0.5%.

## Indian Sub-Continent

**India's fiscal deficit was INR5.73 trillion (USD86.49 billion) during April-February**, or 107.1% of the full-year target. The deficit was 117.5% of the full-year target during the same period a year ago. The deficit figure tends to exceed the budgeted target nearer to the end of fiscal year, but gets adjusted against hefty tax inflows in March, when the fiscal year ends. Net tax receipts were INR7.36 trillion in the first eleven months of the fiscal year to end-March 2016, while total spending was INR15.56 trillion.

**Pakistan's annual inflation eased to 3.9% in March 2016** from 4% in the preceding month on the back of decrease in prices of non-perishable products. On a m-o-m basis, prices rose by 0.15% in March from February. The CPI, used to measure prices of 481 commodities, has been on a downward trajectory for the past few months except February 2016, the Pakistan Bureau of Statistics said. Pakistan's public debt rose 6.18% to PKR18.9 trillion in the six-month period to December 2015, but the debt-to-GDP ratio dropped to 61.5%, the central bank said.

## Middle East and North Africa

**Egypt's President Abdel Fattah al-Sisi approved the 2016-2017 draft budget**, as well as an economic development plan, and sent both to parliament for passage. The draft budget reduces the deficit for 2016-17 to 9.8% of GDP from the current 11.5%, and the development plan targets a growth rate of 5.2% versus 4.4% now.

**Iran's trade balance was positive** in the last Iranian year (March 21, 2015-March 19, 2016), registering a surplus of USD916 million, according to the latest report by the Islamic Republic of Iran Customs Administration. A total of USD42.41 billion worth of goods were exported during the period, posting a 16.11% decline compared with the previous year's corresponding data. Meanwhile, imports stood at USD41.49 billion, which registered a 22.53% decrease. Figures also show that exports and imports reached 93.52 million tons and 35.07 million tons respectively, registering a 7.18% and 18.47% decline compared with the preceding year's corresponding figure.

**Morocco's economic growth stood at 4.5% in 2015**, a rise of 0.2 point compared to forecasts by the High Planning Commission (HCP) which is 4.3%. This progress is due to the good economic activity at the Q4 of 2015, with a growth of 5.2% instead of 2.2% y-o-y. The GDP growth was 7.1%, thus generating an increase in its implicit price of 1.9% instead of 1.1%. The national economic growth in the Q4 of 2015 was driven by agriculture value added and an amelioration in non-agricultural activities.

**Saudi Arabia is getting ready for the twilight of the oil age by creating the world's largest sovereign wealth fund** for the kingdom's most prized assets. Over a five-hour conversation, deputy crown prince Mohammed bin Salman laid out his vision for the Public Investment Fund, which will eventually control more than USD2 trillion and help wean the kingdom off oil. As part of that strategy, the prince said Saudi will sell shares in Aramco's parent company and transform the oil giant into an industrial conglomerate. The initial public offering could happen as soon as next year, with the country currently planning to sell less than 5%.

**Saudi Arabia will agree to freeze crude oil production levels only if Iran and other major producers do so**, the kingdom's deputy crown prince said in an interview with Bloomberg. Iran has said it will not join fellow OPEC and non-OPEC members in a plan to be discussed in a Doha conference on April 17 to freeze oil production in an attempt to boost prices.

**Tunisia's central bank kept its key interest rate unchanged at 4.25%.** The bank last cut its main interest rate in October, from 4.75%, in a bid to boost economic growth as inflation fell. The inflation rate was 4.9% in 2015, down from 5.5% in 2014. The central bank said tourism revenue in first two months in 2016 fell by 54% to TND182 million (USD90.21 million) compared with the same period in 2015.

**Turkey's consumers last year drove one of the fastest economic expansions in the world.** The economy grew 5.7% in the Q4 of 2015, the highest among the G20 group of nations after China and India, according to data compiled by Bloomberg. Household consumption rose 4.7% as families increased spending on everything from clothing to housing and dining out, the government statistics bureau said.

## Eastern Europe

**Romania kept borrowing costs unchanged** for a seventh meeting as the central bank signalled it's looking for ways to tackle an expected pickup in inflation amid uncertainty stemming from monetary easing elsewhere in Europe. The benchmark interest rate was left at a record-low 1.75%. Governor Mugur Isarescu reiterated plans to narrow the interest-rate corridor used for liquidity management, though he didn't reaffirm that increases in the benchmark would follow.

**Russia's economy contracted by 3.7% in 2015** compared with the previous year, Russia's state statistics service. Since the middle of 2014, Russia's economy has staggered because of Western sanctions connected to the annexation of Crimea and the Russia-backed separatist conflict in eastern Ukraine, and by the sharp decline in world prices for oil, Russia's primary export commodity. As of Friday, the ruble has depreciated by 55% since 2014. The economic output in 2015 totalled RUB80.8 trillion (USD1.2 trillion). The hardest-hit sectors were wholesale and retail, with a 10% y-o-y decline and construction, down 7.4%. Agriculture, however, showed a 3.1% increase.

## Western Europe

**The British economy ended 2015 with more momentum** than previously estimated. GDP rose 0.6% in the Q4 instead of the 0.5% reported last month, the Office for National Statistics said. There were upward revisions to services, industrial output and construction. GDP rose 0.4% in the Q3. The figures paint a picture of an economy continuing to be driven by consumers at a time of deepening troubles in the world economy.

**French preliminary consumer prices rose further in March.** France's consumer-price index rose 0.7% in March from February, statistics agency Insee said. French consumer prices fell 0.2% y-o-y, in line with estimates.

**French consumer spending rose 0.6% in February,** boosted by consumption of energy products and food, statistics agency Insee said. Consumer purchases exceeded a previous peak set in 2011, the agency said, as low energy prices continue to support the spending power of French consumers. Spending rose 1.8% compared with a year ago. Spending on automobiles rose 0.5%, while spending on shoes and clothing fell sharply after the January sales.

**Germany shaved EUR24 billion off its overall public debt burden to EUR2.153 trillion in 2015,** the Bundesbank said. Measured against the GDP, that meant Germany's total public debt ratio fell to 71.2% last year from 74.7% in 2014, the Bundesbank calculated. Under EU rules, a member state's overall debt must not exceed 60% of GDP. Nevertheless, the EU average stands at 86%, and Germany has pledged to bring its own debt back below the 60% limit by 2020. Germany's public finances have been in surplus since 2014, thanks to the robustness of its domestic economy and low interest rates and the government is using the budget surplus to bring down its overall debt.

**Greek retail sales by volume dropped 2.2% in January** compared to the same month a year ago after a downwardly revised 0.2% rise in December, statistics service ELSTAT said. Retail sales were led lower by fuels, lubricants, foods and electrical appliances.

**Italy's unemployment rate rose to 11.7% in February,** up 0.1 of a percentage point on January, according to provisional data released by Istat. The national statistics agency said the number of unemployed people increased 7,000 in February. Furthermore, it said that there were 97,000 fewer employed people in February, largely due to a decrease of 92,000 in the number of people working with permanent, open-ended contracts with respect to the previous month.

**Portugal's unemployment rate rose 0.2 percentage points in February** from the previous month, to 12.3%, according to the Portuguese National Statistics Institute (INE). Around 622,200 people were unemployed in February, according to the statement, 5,500 more people than that in January this year. Thousands of people have been left jobless in Portugal and had their salaries drastically cut amid a financial crisis that forced Portugal to ask for a EUR78 billion bailout in 2011, leading to continuous protests around the country.

**Spain's car sales rose by 6.9% in the Q1 of this year.** Car sales reached 285,495 in the Q1 of 2016 which, according to the sector, meant the best quarter since 2010 and allowed the sector to predict 1.1 million purchases for 2016. March car sales reached 111,512 purchases which meant a 0.7% fall when compared with March 2015.

**Spain reported a 2015 budget deficit of 5.16% of GDP,** missing by a wide margin the target set by the European Union's executive arm. Spanish officials' own targets also proved too optimistic. Budget Minister Cristóbal Montoro attributed the overshoot largely to the failure of Spain's regions to meet their own deficit targets because of one-off costs, such as certain health-care expenditures.

## North America

**Canada's economy beat growth expectations in January**, expanding for a fourth consecutive month as the manufacturing sector recorded its strongest gains in more than a decade. GDP rose 0.6% from a month earlier to CAD1.67 trillion (USD1.29 trillion), Statistics Canada said.

**The Mexican government plans to cut spending by an additional USD10 billion in 2017** amid moderate economic growth, lower oil production and continued low oil prices, the Finance Ministry said. In a preliminary outline of next year's budget, the ministry said it would reduce spending by MXN175 billion, in addition to the MXN132 billion cut from this year's budget.

**The overall US jobless rate nationwide inched up to 5% from 4.9% in February**, though non-farm employment increased by a meagre margin of 215,000, the Labour Department said. The department revised the job gains in the previous two months, with the data in January and February 1,000 less than previously reported. The labour force participation rate, the share of the working-age population employed or looking for a job, rose to 63%, indicating that more workers joined the job market.

**More Americans sought unemployment benefits last week**, but applications still stayed near historic lows that point to a stable job market. Applications for jobless aid rose 11,000 to a seasonally adjusted 276,000, the Labour Department said. The less-volatile four-week average rose 3,500 to 263,250. The number of people receiving unemployment checks has fallen 6.3% over the past year to 2.17 million.

## South America

**Argentina raised prices for natural gas that should save the government USD4 billion a year** as part of its drive to cut subsidies that were the main cause of the largest fiscal deficit in almost two decades last year. Government-controlled gas prices for residents, businesses, transport and power plants were raised. The average increase in prices for residents and businesses will be 174%, according to an Energy and Mining Ministry spokesman. Car drivers filling up their tanks began paying about 6% more for their gasoline. The government is also planning to raise water prices by up to 500%.

**Brazil's industrial output fell the most in more than three years in February** as Latin America's largest economy sank into its second straight year of recession. Production sank 2.5% in February after a 0.4% increase the prior month, the national statistics agency said. From a year earlier, industrial production fell 9.8%, and marked two full years without recording y-o-y growth.

**Brazil's central bank said it sees no room for cutting borrowing costs** as inflation will remain above its 2017 target despite a prolonged recession. Consumer prices will rise 4.9% in 2017, above the 4.5% government target, the central bank said in its quarterly inflation report. In the previous report released in December, the bank forecast inflation would slow to 4.8% by December of 2017.

**Peru's credit to private sector grew 9.4% in February 2016** from the same month last year, underpinned by the credit granted in national currency, which continued to show strong dynamism, mainly the consumer credit, Central Reserve Bank of Peru informed. Credit in domestic currency continued to show greater dynamism, at an annual growth rate of 27.2%, reflecting the de-dollarisation process driven by measures the Central Bank adopted by the end of 2014. Meanwhile, credit in foreign currency continued to reduce (20.6% in February 2016).

## Oil & Gas News

**Oil tumbled 4% on Friday** after data showed the global crude glut was likely to grow. Brent crude fell USD1.70, or 4.2%, to USD39.07 a barrel by 11:29 a.m. ET (1529 GMT). It was on track to a similar loss on the week, after ending the Q1 up 6% and March 15% higher.

## Commodity News

**Gold fell more than 1% on Friday** after US payrolls data for March beat expectations. Spot gold was down 1.4% at USD1,214.66 an ounce at 1330 GMT, having earlier touched a low of USD1,213.10, while US gold futures for June delivery were down USD18.90 an ounce at USD1,216.50.

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
31-Mar-16	1,226.04	1.99	39.06	19.63	1.53	1.94	1.35	0.97	9834.78	83.19	2.90	34.06	26.07	2,839.79
02-Apr-16	1,222.20	1.96	38.67	19.77	1.54	1.94	1.35	0.97	9762.76	83.10	2.89	34.12	26.02	2,835.35
% Change	-0.31	-1.71	-1.00	0.52	-0.04	0.01	0.04	-0.73	-0.11	-0.55	0.18	-0.21	-0.16	

# Economic & Financial News

Research & International Division

5/4/2016

*... Saudi Arabia's GDP grew 3.6% y-o-y in the Q4 of 2015...  
... German industrial orders dropped in February ...*

## South East Asia

**Thai consumer confidence fell to a five-month low in March**, as the worst drought in over 20 years hurt the farm sector and concern over the global economy weighed on sentiment. Sentiment was also hurt by the central bank lowering its 2016 growth forecast in March, the University of the Thai Chamber of Commerce said. Overall Consumer Confidence Index job opportunities and future income, dropped to 73.5 points in March, compared with 74.7 in February and 75.5 in January.

**Three of Thailand's four biggest banks cut interest rates** on Tuesday in moves they said would help the country's flagging economy, and the central bank said it expects more banks to follow suit. The cuts were the first by Thai commercial banks since May 2015, after the last policy rate trim by the Bank of Thailand (BOT). Siam Commercial Bank has cut its minimum lending rate (MLR) by 15 basis points (bps) to 6.375%, with immediate effect. Fourth-ranked Kasikornbank said it is cutting its MLR by 25 bps to 6.25%, effective on Thursday. Second-largest lender Krung Thai Bank cut its MLR by 25 basis points to 6.275%.

**The shortage of long-term capital coupled with low competitiveness should be blamed for the rising number of firms going bankrupt in Vietnam** and temporarily halting operations in the Q1 of 2016. The General Statistics Office (GSO) revealed that the number of firms closing down reached more than 2,900 in the Q1 of this year, representing a rise of 13.8% over the same period last year. Of note, 93% of them were small enterprises with registered capital below VND10 billion (USD446,500). Struggling firms that were forced to temporarily halt operations in the quarter totalled more than 20,000, rising by 23.9% against the same period.

## North East Asia

**China's working age population is starting to decline**, which could have dire consequences for the second largest economy in the world. The number of workers aged 16 to 59 dropped by a record 4.87 million in 2015, down from the previous year's drop of 3.71 million, according to China's National Bureau of Statistics.

**Japan's real wages rose for the first time in four months in February** as base pay and other scheduled wages hit a more than 10-year high. Average inflation-adjusted wages gained 0.4% y-o-y, while nominal wages rose 0.9% to JPY262,558 (around USD2,350), the Health, Labour and Welfare Ministry said in a preliminary report.

**Japan's monetary base stood at a record-high JPY375.70 trillion** (USD3.36 trillion) at the end of March, up 27% y-o-y, as the Bank of Japan continued to provide more liquidity to bolster inflation. The monetary base reached an all-time high for the fourth straight month, as the BOJ continued trying to eliminate lingering deflationary pressure on the economy with drastic quantitative easing.

**Macau's casino revenue fell last month** as mainland gamblers vanished after February's week-long Chinese New Year holiday. Gross gaming revenue decreased 16.3% y-o-y to MOP17.98 billion, the Gaming Inspection and Co-ordination Bureau announced, marking 22 consecutive months of declines. In January, revenue was down 21.4% y-o-y. Macau casinos have been in a downturn since mid-2014 as the central government's anti-graft campaign and the mainland's slowing economy.

**South Korea's foreign reserves rebounded for the first time in five months** due to an increase in conversion value of non-dollar assets. Foreign currency reserves reached USD369.84 billion as of end-March, up USD4.08 billion from a month earlier, according to the Bank of Korea.

**FDI into South Korea posted a double-digit growth in the Q1 of this year** due to investment demand from the European Union and China. A total of 4.24 billion U.S. dollars was reported as foreign direct investment into the Asia's No.4 economy during the January-March period, up 19.3% from the same period of last year, according to the Ministry of Trade, Industry and Energy.

**South Korea's exports of small and mid-sized companies (SMEs) rose for the first time in eight months in February.** The SME Administration said SMEs' exports rose 0.6% y-o-y to USD14 billion. And the proportion of South Korea's total exports by SMEs increased 4.9 percentage points to 38.4%. In spite of an overall decline in Korean exports, shipments by SMEs fared well because they sold more ships, mobile device components and cosmetics.

**New car sales picked up sharply last month in Taiwan** from February as promotion campaigns by dealers and the government's subsidy policy paid off. New car sales reached 37,589 units last month, indicating a 74.3% increase from February's 21,561 units. The increase had much to do with the government stimulus that provides TWD50,000 (USD1,544) in subsidies for new car buyers.

## Australasia

**Australia posted a wider-than-expected trade deficit in February.** The seasonally adjusted trade deficit widened to AUD3.41 billion in February, compared with a deficit of AUD3.16 billion in January, the Australian Bureau of Statistics said. Exports fell 1.0% in February, while imports were unchanged. Falling commodity prices, a rising Australian dollar, and weakness in Chinese demand are putting pressure on Australia's trade accounts. The Australian dollar is around 12% higher since mid-January.

**A net 1% of firms' opinion expect general business conditions to deteriorate,** turning from an optimistic net 13% reading three months earlier, the New Zealand Institute of Economic Research's quarterly survey said. A net 18% of firms experienced better trading activity, unchanged from December, while just 6% anticipate a pick-up in trading compared to 20% three months earlier.

## Indian Sub-Continent

**The Reserve Bank of India (RBI) cut its policy interest rate by 25 basis points,** bringing it to 6.5%, the lowest since January 2011. The RBI also introduced a host of measures to smoothen liquidity supply so banks can lend to productive sectors.

**Sri Lanka's unemployment rate narrowed to 389,062 persons** or 4.3% during the Q4 of 2015 from 4.4% y-o-y but the fall in unemployment is sharp from the Q3 where the rate was 5%. Sri Lanka's total employed population increased to 8,558 million by end-December 2015, up from 8,395 million a year ago, indicating a new 162,669 jobs created during the 12 months.

## Middle East and North Africa

**Algeria's prices of the industrial production of the public sector, non-hydrocarbons, recorded a 3.5% growth in the Q4 of 2015** compared to the same period in 2014, the National Office of Statistics reported. Compared to the Q3 of 2015, the prices of industrial production, non-hydrocarbons, increased by 1.2% in the Q4.

**Egypt's non-oil private sector was firmly entrenched in a downturn during March,** as business conditions worsened for the sixth straight month. Falling from 48.1 in February to 44.5, the headline seasonally adjusted Emirates NBD Egypt Purchasing Manager Index (PMI) was at its lowest in 31 months during March.

**Egypt's net foreign reserves rose to USD16.561 billion in March,** the central bank said. Reserves stood at USD16.53 billion in February. Egypt had roughly USD36 billion in reserves before an uprising in 2011 overthrew Hosni Mubarak and ushered in a period of political turmoil that scared away tourists and foreign investors.

**Morocco's net international reserves amounted to MAD235.8 billion until March 25, 2016,** recording a 28.6% increase on an annual basis, Bank Al-Maghrib said. During the week of March 24-30, the central bank injected MAD9 billion. Over the course of this period, the interbank rate fell to 2.25%, while the average daily exchanged volume amounted to MAD2.1 billion against MAD1.2 billion one week before.

**Saudi Arabia's GDP, adjusted for inflation, grew 3.6% y-o-y in the Q4 of 2015,** the same rate as in the Q3, data from the Central Department of Statistics showed. GDP growth in 2015 slowed from 3.6% in 2014. Latest figures are preliminary; previous figures are revised. Base year is 2010.

**Turkish inflation cooled to a seven-month low in March,** helped by a slowdown in volatile food prices, raising the likelihood the central bank will cut rates again even though core inflation remains high. Inflation, which topped 9.5% y-o-y, is seen as one of Turkey's most pressing economic problems and cited by economists as evidence that a tightening of monetary policy is long overdue.

**March data signalled a second consecutive pick-up in the rate of improvement in the health of the UAE's non-oil private sector.** Business conditions improved at the strongest pace in four months, mainly driven by sharper rises in output and new orders. Adjusted for seasonal factors, the headline Emirates NBD UAE PMI climbed to a four-month high of 54.5 in March.

## Eastern Europe

**Russia's oil production rose 0.3%** to 10.91 million barrels per day in March, its highest level in nearly 30 years, raising questions over Moscow's commitment to freeze output ahead of a producers' meeting in Doha later in April. Energy Ministry data showed that in tons, oil output reached 46.149 million in March versus 43.064 million, or 10.88 million bpd, in February.

## Western Europe

**The British Construction PMI registered 54.2 in March,** unchanged from last month, the financial information services company Markit released. The British construction companies indicated a sustained upturn in overall business activity during March, but the pace of expansion remained relatively subdued in comparison to the trends seen for much of the past three years.

**German industrial orders dropped in February** due to weaker foreign demand, particularly from euro zone countries, suggesting a slowdown in the global economy was leaving its mark. Contracts for 'Made in Germany' goods were down 1.2% on the month, the Economy Ministry said, marking the biggest monthly fall in six months. Domestic demand in Europe's biggest economy rose by 0.9% while foreign orders slipped 2.7%, with demand from euro zone countries tumbling 3.7%.

**Italian households' purchasing power rose 0.8% in 2015**, the first increase since 2007, Istat said. The national statistics agency added, however, that there was a 0.7% drop in spending power in the Q4 of 2015 with respect to the previous three months. Despite this Italian households' purchasing power in the Q4 of 2015 was still 0.9% higher than in the same period of 2014. Italian households consumer spending, meanwhile, rose 1% in 2015.

**Malta's unemployment for February indicated overall decreases y-o-y** in registered unemployment among all age groups, according to a report released by the National Statistics Office. In February 2016, the number of people registering for work stood at 4,511 compared to 6,190 in the corresponding month last year.

**The number of people registered as unemployed in Spain fell by 1.4%** from February to March, according to the Spanish Ministry of Employment and Social Security. The fall meant there were 58,216 fewer unemployed people in March, leaving the total figure of unemployed people at 4,094,770, while reporting that on a y-o-y basis unemployment fell by 357,169 people, a 8.02% fall.

**Spain's consumer confidence fell slightly by 2.6 points** from February to March to 92.6 points, indicating a negative perception of Spain's economic situation, the Sociological Research Center reported. The CCI has been falling for three consecutive months. In January it fell by 8.3 points and in February it fell by 3.9 points.

## South America

**New-vehicle sales in Brazil fell in March** and in the Q1 of 2016, as the country's economic recession hurts consumer confidence. Sales of cars, light vehicles, trucks and buses plunged 23.6% y-o-y in March to 179,294 units, the national auto dealers association, known as Fenabrave, said over the weekend. In the Q1, sales dropped nearly 29% to 481,390 units. Falling sales have pushed some auto makers in Brazil to lay off employees, implement voluntary severance programs and force mandatory vacations.

## Oil & Gas News

**Natural gas futures rose to the highest in almost eight weeks** in New York on speculation that unseasonably cold weather will trim a fuel stockpile glut. Natural gas futures for May delivery jumped 4.2 cents, or 2.2%, to settle at USD1.998 per million British thermal units on the New York Mercantile Exchange, the most since Feb. 10. Prices are down 15% so far this year.

**Oil prices fell on Monday**, with Brent touching one-month lows as investors doubted that producers will freeze output to rein in a worldwide glut. Brent crude futures were down 60 cents at USD38.07 a barrel by 4:55pm GMT. The session low was USD37.96, the lowest since March 4.

## Commodity News

**Gold futures pushed higher in European trade on Tuesday**, as retreating oil prices and steep declines in global equity markets underpinned demand for assets perceived as safer. Gold for June delivery on the Comex division of the NYME rallied USD11.50, or 0.94%, to trade at USD1,230.80 a troy ounce by 07:55GMT, or 3:55AM ET.

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
02-Apr-16	1,222.20	1.96	38.67	19.77	1.54	1.94	1.35	0.97	9762.76	83.10	2.89	34.12	26.02	2,835.35
05-Apr-16	1,225.14	2.01	37.6	18.71	1.55	1.93	1.36	0.97	9746.59	81.75	2.89	34.05	26.08	2,796.03
% Change	0.24	2.76	-2.77		0.53	-0.09	0.34	0.63	-0.17	-1.63	0.17	-0.19	0.26	-1.39

# Economic & Financial News

Research & International Division

6/4/2016

*... Reserve Bank of Australia left interest rates at 2% ...  
... Canada's trade deficit tripled to CAD1.9 billion in February ...*

## South East Asia

**Cambodia exported 162,220 tons of milled rice in the Q1 of 2016**, an increase of 8.5% y-o-y. The Southeast Asian country has exported its milled rice to over 50 countries and regions, said the report compiled by the Secretariat of One Window Service for Rice Export. Cambodia produced over 9 million tons of paddy rice a year. With this amount, it has over 3 million tons of milled rice left over for annual exports.

**Indonesia's tax revenue in the Q1 this year was lower** than the same period last year as consumption remains low amid slow economic growth, Finance Minister Bambang Brodjonegoro said. Tax revenue reached IDR194 trillion (USD15 billion) in March, or 2% lower than IDR198.2 trillion accumulated in the same period last year. It was mainly due to lower income from value-added taxes on the back of tax restitution and low consumption in the period.

**Thai energy policymakers yesterday agreed to keep the retail price of liquefied petroleum gas (LPG) unchanged** at THB20.29 per kilogramme even as the global gas price rose. The Energy Policy Administration Committee approved a plan to maintain the retail price of LPG although the benchmark propane contract price of Saudi Aramco rose by USD30 to USD332 per tonne. This increase pushed up the domestic retail price by THB0.34 per kg. However, the Epac agreed to spend cash from the state Oil Fund to subsidise the local retail LPG price at a higher rate of THB0.71 per kg, up from THB0.36, to keep the domestic retail price unchanged.

**Thailand's public debt in the Q1 of fiscal budget year 2016 (October-December 2015) totalled THB238.53 billion**, or 1.7% of GDP, an increase of 9.1% over the same period of the previous fiscal year. The public sector's total revenue stood at THB1.59 trillion, down by THB158.49 billion, or 9.1%. The decrease was attributed to lower revenue from state enterprises. Meanwhile, total public expenditures were THB1.83 trillion, down by THB138.68 billion or 7.1% from the same period of last fiscal year, mostly from lower expenditures by PTT and Thai International Airways.

## North East Asia

**The total number of bank cards issued by China's financial institutions reached 5.44 billion at the end of last year**, putting average per capita bank card ownership at 3.99, latest data from the central bank showed. Debit card issuance reached 5.1 billion and credit cards totalled 432 million.

**Land sales slowed sharply in China last year**, as the property market cooled and the country faced economic headwinds, the Ministry of Finance said. Land sales by local governments amounted to CNY3.37 trillion (USD520.5 billion), plunging 21.6% y-o-y. Sales fell y-o-y by 23.6% in east China, by 17.3% in central China, and by 21.2% in the west.

**Business activity in China's service sector rose slightly in March on stronger demand.** The Caixin China General Services PMI (Purchasing Managers' Index) came in at 52.2 in March, up from 51.2 in February, according to the survey conducted by Markit and sponsored by Caixin Media Co., Ltd.

**The Nikkei Hong Kong Purchasing Managers Index fell to seven-month-low of 45.5 in March** from 46.4 in February, suggesting a further deterioration in Hong Kong's private sector amid the cloudy local and global outlook, index compiler Markit Group Ltd. said.

**The Bank of Japan is set to print an additional 180 million of its highest denomination banknotes** as the population hides them away from a rainy day. Fewer JPY10,000 notes are being circulated widely, leading to the need for more in the fiscal 2016 year.

## Australasia

**House values in the rampant Auckland market continued to flatten out in March**, but there are signs that the market has not yet run its course. According to valuation service QV, average Auckland house prices in March were NZD931,061, down 0.2% in the last three months, although they still nearly 17% higher than a year ago. Elsewhere in the country, most areas saw house prices on the rise. The national average for house prices is now NZD559,492, up 11.4% in the last year.



**Reserve Bank of Australia Governor Glenn Stevens left interest rates at 2%** and said a rebounding Aussie could "complicate" an economic adjustment that's under way. Policy makers are trying to gauge if record jobs creation late last year is holding up and reaffirmed they're prepared to lower rates if needed to support demand.

## Indian Sub-Continent

**Bangladesh's economy grew 7.05%** in the first three quarters of the financial year ending in June 2016, Planning Minister Mustafa Kamal said. The South Asian country's economy grew by an average of more than 6% a year during the past decade.

**Bangladesh's exports rose 9.2% y-o-y in March** to USD2.83 billion, driven by stronger sales of garments. Exports for July to March, the first three quarters of the country's 2015-16 financial year, rose 8.95% y-o-y to USD24.95 billion, the Export Promotion Bureau said.

**The general point-to-point inflation rate in Bangladesh was 5.65% in March**, a slight increase from February's 5.62%. Planning Minister AHM Mustafa Kamal has attributed the overall rise in inflation to increase in the prices of pulses, meat, fish, spices, sugar and tobacco products.

## Middle East and North Africa

**The growth rate of the Algerian industrial production of the national non-hydrocarbon sector increased by 3.9% in 2015** compared to 2014 thanks to the resumption of several manufacturing industries and despite the drop in some others, according to the National Office of Statistics. In 2014, the non-hydrocarbon industrial public sector recorded an annual growth of only 1.6% compared to 2013.

## Eastern Europe

**Russia's annual inflation rate slowed further in March**, data from the Federal Statistics Service showed. Consumer prices rose 7.3% on the year in March after rising 8.1% on the year in February. Even though annual inflation is now far below the central bank key rate of 11%, the Bank of Russia is widely expected to keep rates unchanged at its forthcoming board meeting on April 29 after it warned last month that it will stick to tight monetary policy for longer than previously thought.

## Northern Europe

**Norway's overall inland sales of petroleum products ended at about 8.2 billion liters in 2015**, 700 million liters less than the previous year and the fifth consecutive year that total sales decreased, the country's statistics bureau said. Total sales of gasoline and diesel, which make up 47% of the total sales of petroleum products, amounted to 3.86 billion liters in 2015, 284 million liters less than the previous year.

## Western Europe

**British services purchasing managers' index (PMI) registered 53.7 in March** from 52.7 in February, said data supplier Markit. Total activity remained sluggish in March, and on a quarterly basis growth over the Q1 of 2016 was the weakest since the Q1 of 2013. Service providers continued to expand workforces in March. The rate of job creation was solid overall, but remained weaker than the trend shown over the current 39-month sequence of growth.

**Ireland's unemployment rate fell** from 8.8% in February to 8.6% in March. The figures from the Central Statistics Office showed that on a seasonally adjusted basis, 2,900 fewer people were unemployed in March compared to February.

## North America

**Canada's trade deficit tripled to CAD1.9 billion in February** due to a sharp decrease of exports, according to the official Statistics Canada. January saw a deficit of CAD628 million. In both price and volume terms, February's exports fell 5.4% from a record high in January, pushing the total value of exports down to CAD43.7 billion.

**The US trade deficit rose in February** to the highest level in six months as the growth in imports outpaced a modest rise in exports. The trade gap widened to USD47.1 billion, up 2.6% from a January imbalance of USD45.9 billion, the Commerce Department reported. Boosted by stronger sales of US made autos, exports increased 1% to USD178.1 billion. It was the first climb since September. Imports were up 1.3% to USD225.1 billion, despite a drop in oil imports which fell to the lowest level in 13 years.

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-Apr-16	1,225.14	2.01	37.6	18.71	1.55	1.93	1.36	0.97	9746.59	81.75	2.89	34.05	26.08	2,796.03
06-Apr-16	1,226.25	1.94	38.41	19.80	1.54	1.92	1.36	0.98	9749.44	81.50	2.89	34.11	26.00	2,809.19
% Change	0.09	-3.48	2.15	-0.27	-0.78	-0.03	0.21	0.03	-0.31	-0.14	0.16	-0.32	0.47	

# Economic & Financial News

Research & International Division

7/4/2016

*... Thailand is offering up to THB500,000 annually to the business owners ...  
... Greece's jobless rate rose to 24.4% in January ...*

## South East Asia

**The Thai government is offering up to THB500,000 annually to the business owners who improve their products with science, technology and innovation.** The sponsorship of THB300,000-500,000 would go to producers of locally made products, be they start-up entrepreneurs, existing enterprises, or established companies seeking growth.

## North East Asia

**China will invest more in the country's high-tech research and development,** as well as infrastructure development, including railway, fixed assets, water conservancy projects. Total investment is estimated to exceed CNY6 trillion this year, half of which will be special funds targeting projects such as transportation, environment protection, urban planning, and tourism.

**A hike in food prices in March gave a boost to the Taiwanese consumer price index (CPI)** for the month, the Directorate General of Budget, Accounting and Statistics said. The March CPI rose 2% y-o-y after food prices registered an 8.62% y-o-y increase in the month, the highest growth since August 2012, when food prices rose 8.69% y-o-y.

## Northern Europe

**Poland's central bank said it's taking its cue from the economy in leaving borrowing costs unchanged for a 13th month,** as the revamped policy council looks past the longest bout of deflation in 60 years to defy expectations for deeper easing. The 10-member Monetary Policy Council left the seven-day reference rate at a record-low 1.5%.

## Western Europe

**German industrial production declined 0.5% in February,** despite strong construction activity. The figures released by the Economy Ministry compared with an increase of 2.3% revised downward from 3.3% in January. Mild weather, cheap loans and a lack of affordable housing in major cities has fuelled a construction boom in Germany.

**Greece's jobless rate rose to 24.4% in January** from an upwardly revised 24.3% in the previous month, statistics agency ELSTAT said. The number of officially unemployed reached 1.169 million people. Hardest hit were young people aged 15 to 24 years as their jobless rate increased to 51.9% from 50.5% in the same month a year earlier. The Greek jobless rate hit a record high of 27.9% in September 2013.

## South America

**Colombian inflation accelerated to the fastest pace since 2001** as the El Nino weather phenomenon hit food supplies and a fall in the peso pushed up import costs. Consumer prices rose 7.98% y-o-y, double the upper limit of the central bank's target range.

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-Apr-16	1,226.25	1.94	38.41	19.80	1.54	1.92	1.36	0.98	9749.44	81.50	2.89	34.11	26.00	2,809.19
07-Apr-16	1,227.55	1.90	40	21.05	1.54	1.91	1.35	0.97	9773.26	80.87	2.88	34.17	26.09	2,814.37
% Change	0.11	-2.06	4.14		-0.10	-0.72	-0.35	-0.10	0.24	-0.78	-0.12	0.17	0.35	0.18

# Economic & Financial News

Research & International Division

9/4/2016

*... Egypt will reduce spending on fuel subsidies by nearly 43% in the 2016/17 budget ...  
... India's foreign exchange reserves swelled to a record high ...*

## South East Asia

**Thailand's total value of investment submitted to the Board of Investment (BOI) in the Q1 of this year** jumped 234% to THB89.9 billion due to the government's investment measures and the BoI's proactive approach, according to Deputy Prime Minister Somkid Jatusripitak. The figure was a significant leap from THB26.9 billion in the same period of last year.

**Spending during the forthcoming Songkran festival in Thailand is expected to hit a three-year high** thanks to the long holiday and government stimulus measures, including a tax deduction of up to THB15,000 for dining expenses from April 9-17. According to the latest survey by the University of the Thai Chamber of Commerce, Songkran spending for Thais is forecast to rise by 4.51% this year to THB125 billion, up from THB119 billion in 2015, THB117 billion in 2014 and THB114 billion in 2013.

**Vietnam drew nearly USD4.03 billion in newly-registered and additional capital from FDI projects in the Q1 of this year**, up 119.1% against the same period last year. According to the Foreign Investment Agency under the Ministry of Planning and Investment, up to 473 FDI projects valued at USD2.74 billion were licensed between January-March, a y-o-y rise of 125.2%.

## North East Asia

**China's foreign exchange reserves rose in March** for the first time since November, as fears about a weak yuan and capital outflow eased while the country's economy shows signs of warming. Foreign exchange reserves increased by USD10.26 billion to top USD3.21 trillion in March, according to data from the People's Bank of China.

**Japan posted a current account surplus for the 20th consecutive month in February**, led by a sharp decline in the price of crude oil imports and an increase in the number of foreign tourists that pushed up a travel surplus. The surplus stood at JPY2.43 trillion (USD22.5 billion), up 63.7% y-o-y, the Finance Ministry said. Exports fell 5.5% y-o-y to JPY5.64 trillion amid a slowdown in emerging markets, while imports plunged 14.6% to JPY5.22 trillion.

**Japan's consumer confidence improved in March** for the first time in three months on the back of rising wages and the stabilising stock market. In the consumer confidence survey, the seasonally adjusted index of sentiment among households made up of two or more people rose 1.6 points from February to 41.7.

## Indian Sub-Continent

**India's foreign exchange reserves swelled to a record high of USD360 billion for the week ended April 1**, largely on account of the central bank's dollar purchases to rein in the rupee's strength as foreign funds poured into Indian financial markets. Foreign investors added Indian debt and equities worth USD3.7 billion in March, the highest in a year, after being net sellers in the previous two months.

## Middle East and North Africa

**Egypt will reduce spending on fuel subsidies by nearly 43% in the 2016/17 budget** due mainly to lower global energy costs. Finance Minister Amr al-Garhy told a news conference state energy subsidies would fall to EGP35 billion (USD3.94 billion) from about EGP61 billion in the 2015/16 budget.

**Iran's unemployment rate was 11% in the past year**, which represents an increase of 0.4% from the previous year. The unemployment rate for men is reported at 9.3% and 19.4% for women, the Statistical Centre of the Islamic Republic reported. Youth unemployment is reported at 26.1%, with young men between 15-24 experiencing a rate of 22.3% while young women in the same age range shoulder a rate of 42.8%.

**Oman's non-oil exports fell by 27.2%** to OMR3,003.9 million in 2015 from OMR4,125.5 million in the previous year. A fall in commodity prices, which constitute a sizeable share of Oman's exports, must have caused the fall in export revenue last year. Among various non-oil product categories, mineral exports plunged by 54.4% to OMR572.8 million last year. Total exports also showed a 34.7% fall to OMR13.35 billion in 2015 from OMR20.46 billion in the previous year, mainly on account of a 41.9% plunge in oil and gas exports at OMR7.78 billion last year, in the aftermath of a dip in international crude prices.

## Eastern Europe

**Hungary's consumer price index (CPI) was down 0.2% on average in March**, as compared to the same month a year earlier, Central Statistical Office said. Data showed that vehicle gas prices dropped significantly in the month, while the highest price rise was measured for alcoholic beverages and tobacco as well as consumer durables.

**Hungary's external trade surplus reached EUR979.2 million in February**, up EUR112.1 million as compared to the same period a year earlier, according to a first release of data published by the Central Statistical Office. Exports increased by 8% y-o-y reaching EUR7.773 billion in February while imports rose to EUR6.794 billion.

## Western Europe

**Dutch CPI inflation was 0.6% higher on an annualised basis in March**, same as it was in February, driven by a mix of lower fuel prices but higher hotel and airplane ticket costs, Statistics Netherlands said. The price increase figure has now been hovering at around the 0.6 level for more than half a year. Stripping out the effect of lower energy prices, and of alcohol and tobacco products, inflation would have been unchanged at 1.3% higher.

**France's budget gap widened by EUR2.2 billion** to EUR25.6 billion in February compared to the same month last year, the French Budget Ministry said. French revenues reached EUR48.4 billion in February, up by 1% from the same month in 2015 while public expenditure was at EUR60.6 billion in total, down from EUR64.2 billion. For the whole year of 2016, the French government is targeting a budget deficit of 3.3% of the GDP against 3.5% in 2015.

**Spain's industrial production rose by 5.9% in February y-o-y**, according to figures published on by Statistical Office. The INE reported that production of consumer goods rose by 7.3% in February on a y-o-y basis, with production of durable consumer goods rising by 2.9% and that of non-durable consumer goods increasing by 7.7%.

## North America

**Canada's labour market saw a surge in full-time and private-sector work last month**, increases that helped drive the national unemployment rate down to 7.1%, Statistics Canada said. The findings of the agency's labour force survey offered fresh clues that Canada's economy could be building momentum. The job market generated 40,600 net new positions in March, lowering the jobless rate from its 7.3% reading in February. This was the largest month-over-month increase since 43,100 jobs were added in October.

**US wholesale businesses reduced their stockpiles for the fifth straight month in February**, while their sales dropped for the fourth straight month, the Commerce Department said. Inventories held by wholesale businesses slid by 0.5% from January. It was the biggest drop since a 0.6% decrease in May 2013. Sales fell by 0.2% in February, the smallest drop since sales were flat in October.

## South America

**Brazil's consumer inflation slowed in March** as the impact of government-regulated price increases faded and a prolonged recession crippled Latin America's largest economy. The benchmark IPCA consumer price index rose 0.43% from the previous month, following a 0.9% jump in February.

**Peru's net international reserves totalled US\$61.28 billion in March**, Central Reserve Bank of Peru informed. This figure denotes an increase of USD1.08 billion from the amount recorded at the end of February. Such reserves were mainly made up of liquid international assets. This level of reserves is equivalent to 32% of the country's GDP and 20 months of imports.

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
07-Apr-16	1,227.55	1.90	40	21.05	1.54	1.91	1.35	0.97	9773.26	80.87	2.88	34.17	26.09	2,814.37
09-Apr-16	1,242.50	1.99	41.94	21.08	1.54	1.90	1.35	0.98	9729.52	80.38	2.91	34.18	26.03	2,812.89
% Change	1.22	4.74	4.85		-0.22	-0.27	0.03	0.81	-0.45	-0.60	0.93	0.03	-0.26	-0.05

# Economic & Financial News

Research & International Division

12/4/2016

*... Indonesia plans to cut its corporate tax rate to 20% ...  
... Russia's current account surplus shrivelled by more than half in the Q1...*

## South East Asia

**Indonesia plans to cut its corporate tax rate to 20% this year** from 25%, as it tries to attract investment to spur the economy. The move comes as President Joko Widodo's government is falling short of its revenue collection targets, putting its 2016 Budget spending plans at risk. Indonesia will gradually cut its corporate tax rate to around 17.5% to discourage companies from booking profits in lower-tax countries such as Singapore. The move to cut the corporate tax rate will need the approval of Indonesia's Parliament.

**Malaysia's industrial production picked up pace in February**, led by a surge in electricity output and an increase in manufacturing activities. The industrial production index rose 3.9% y-o-y in February, the Department of Statistics said in a statement.

**FDI in Myanmar during the fiscal year in March totalled USD9.4 billion for 217 projects.** Myanmar saw a record-high inflow in the last fiscal year under the former semi-civilian government, according to data compiled by the Directorate of Investment and Company Administration. Myanmar received USD8 billion in FDI in 2014/15, compared with USD4.1 billion in 2013/14.

**Net inflows of FDI to the Philippines more than doubled to a four-month high in January** y-o-y, the Bangko Sentral ng Pilipinas reported. FDI logged a USD587 million net inflow as the year opened, more than double the USD263 million recorded in January 2015 and December's USD273 million. The figure is also the biggest since the record-high USD1.519 billion recorded in September.

**Buying activity in the non-landed Singapore's private homes resale segment picked up in March**, with transactions jumping to its highest in eight months. A report by SRX Property showed that resale volume is estimated to increase by 47.6% m-o-m in March to 577 transactions after a slow February due to the Chinese New Year holidays. This is the highest since last July's 586 sales. On a y-o-y basis, resale volume in March was 19% higher compared to 485 units resold in March 2015.

## North East Asia

**China's producer prices continued to drop in March** with the contraction narrowing from the previous month, indicating more robust demand in the industrial sector. The producer price index (PPI) dropped 4.3% y-o-y in March, narrowing from a 4.9% drop in February and 5.3% decline in January, according to the National Bureau of Statistics (NBS).

**Auto sales in China, the world's biggest auto market, surged 8.8% y-o-y** to 2.44 million automobiles in March. A total of 2.06 million passenger cars were sold last month, up 9.8% y-o-y, according to the China Association of Automobile Manufacturers.

**China's consumer prices grew 2.3% in March** from one year earlier, the same as in February. The consumer price index (CPI) shrank 0.4% in March from February, the National Bureau of Statistics said in a statement. It was attributed the inflation growth mostly to high vegetable and pork prices.

**Japan's core private-sector machinery orders fell a seasonally adjusted 9.2% in February** on a plunge for manufacturers, a reversal from the previous month that saw large orders from the steel industry. The orders totalled JPY848.7 billion (USD7.9 billion).

**South Korea's export prices slipped from a month earlier in March** due to a strengthening local currency against the US dollar, central bank data showed. The export price index stood at 80.72 last month, down 1.5% from a revised 81.96 in the previous month, according to preliminary data from the Bank of Korea. From a year earlier, the March reading marked a 4.5% decline. It was also a turnaround from an on-month gain in February.

**South Korean domestic auto sales reached 368,492 cars in the Q1 of the year**, the highest first-quarter total since 2003. The Korea Automobile Manufacturers Association said that Q1 sales rose 6.9%. The strong Q1 performance was attributed to a six-month extension of tax cuts on car purchases until June.

**South Korea's tax revenue grew significantly from a year earlier** in the first two months of the year, partly due to an increase in income and consumer spending. National tax revenue came to some KRW42.7 trillion (USD37.25 billion) in the January-February period, up KRW10.9 trillion from the same period last year, according to the by the Ministry of Strategy and Finance.

**Taiwan's exports declined 11.4% y-o-y to USD22.72 billion last month**, contracting for 14 consecutive months as the global economy fares weaker than expected and China decreases its dependence on Taiwan-made electronic and optical products, the Ministry of Finance said.

## Indian Sub-Continent

**India has witnessed a 53% growth in the FDI last year** triggered by manufacturing in automobile, power, pharmaceuticals, among others, and the government is determined to further simplify the process of doing business. The Indian government has undertaken major initiatives to simplify doing business, and that has triggered an upgrade in ranking in ease of doing business by the World Bank.

**Pakistan's central bank left interest rates unchanged for a third straight meeting** to contain a rebound in inflation and support the rupee. The State Bank of Pakistan kept the target policy rate at 6%, governor Ashraf Mahmood Wathra said in a statement.

**The government of Pakistan decided to withdraw tax exemptions over PKR100 billion**, amounting to 0.3% of GDP, in the budget 2016-17 with the aim to bring the deficit down. In the first two phases, exemptions worth PKR225 billion, granted through statutory regulatory orders (SROs) have been withdrawn to improve tax collection.

## Middle East and North Africa

**A total of 11,600 hire-purchase housing units will be delivered by the National Agency for Housing Improvement and Development (AADL)** nationwide in early Ramadan (the holy month of fasting), said the Ministry of Housing, Urban Planning and the City. The authority gave directives to fulfil AADL commitments by gradually delivering housing units to the subscribers to 2001-2002 programme as from Ramadan.

**Egypt's core inflation jumped to 8.41% y-o-y in March**, up from 7.5% in February, the central bank said. Egypt's annual urban consumer price inflation eased to 9% in March from 9.1% in February, the official statistics agency CAPMAS said earlier.

**Exports exceeded imports in the last Iranian year (March 2015-16) by USD916 million**, marking the first-ever positive trade balance for the country since the 1979 Islamic Revolution. According to the Iran Customs Administration, a total of USD42.41 billion worth of goods were exported during the period, posting a 16.11% decline compared with the previous year's corresponding data.

Imports stood at USD41.49 billion, registering a 22.53% decrease compared to two years ago.

**Kuwait awarded projects worth KWD10 billion in 2015**, a compound annual growth rate (CAGR) of 84% compared to 2013, said the Head of Research at Kuwait Financial Centre. The rise in projects is "an indicator of a strong sign of growth" on the impact of 2014-15 state procurement on the Kuwaiti financial sector.

**Saudi Arabia has drawn substantial demand for its first foreign borrowing in more than a decade**, and looks likely to increase the size of the loan, banking. The world's top crude oil exporter asked banks for a loan worth between USD6 billion and USD8 billion that would run for five years, as the kingdom seeks to plug a record budget deficit caused by low oil prices.

**Standard & Poor's Ratings Services estimated that Saudi Arabia's hydrocarbon sector accounted for about 28% of nominal GDP in 2015**, down from 42% in 2014, due to the sharp fall in oil prices. Before the drop, the sector represented about 80% of exports and three-quarters of government revenues.

**Turkey's current account deficit stood at USD1.79 billion for February**, a fall of more than USD1.5 billion y-o-y, the Central Bank said. The 12-month rolling deficit fell to USD30.5 billion, down from USD42.8 billion in February last year. A fall in the deficit on goods and primary income from employment and investments was the main reason for the reduction.

**The UAE's retail sector is expected to reach AED200 billion by 2017**, growing by 5% on average each year, according to an analysis by the Dubai Chamber of Commerce and Industry. Consumer spending is also expected to continue rising in the medium term, with growth rates projected to stabilise at about 4% on average per year, leading to a total spending of more than AED750 billion by 2017 across many categories.

## Eastern Europe

**In March 2016 the index of CPI for commodities and services in Belarus made up 100.8%** in comparison with February 2016 and 105.7% as against December 2015, the National Statistics Committee said.

**Bulgaria's CPI in March 2016 compared to February 2016 was 99.3%**, i.e. the monthly inflation was -0.7%. The inflation rate since the beginning of the year (March 2016 compared to December 2015) has been -1% and the annual inflation in March 2016 compared to March 2015 was -1.5%, National Statistical Institute announced.

**Polish consumer prices fell 0.9% in annual terms in March**, confirming an earlier flash estimate, said the national statistics. Prices rose 0.1% from February. The central bank's governor, Marek Belka, said last week it would consider a cut to its interest rates only if there was a significant economic slowdown.

**Russia's current account surplus shrivelled by more than half in the Q1 of 2016** compared with a year earlier, while capital outflows declined more than fourfold. The declines show that while low oil prices are weighing on the value of Russia's exports, a reduction in the burden of foreign debt repayments has greatly reduced the size of the capital flows the country makes abroad. The Q1 current account surplus was worth an estimated USD11.7 billion, down from USD30 billion a year earlier.

## Northern Europe

**No inflation was recorded in Denmark in March** as compared to the same month last year, said Danmarks Statistik. Excluding energy and unprocessed food, the underlying inflation rose 0.5% in March y-o-y. Data also showed that Denmark's CPI increased 0.1% in March compared to February, pulled up by the price rise for clothes, oil and shoes.

## Western Europe

**Ireland showed a continued solid growth in spending in the Q1 of 2016** according to the latest data for Visa Europe's Consumer Spending Index for Ireland. The figures show that spending was up +5.6% y-o-y across all payment types. This represented a slowdown from the +11.3% increase seen in February, when the extent of the rise had been flattered by the extra trading day as a result of 2016 being a Leap Year coupled with additional Valentine's Day spending.

**French Prime Minister Manuel Valls proposed new measures worth EUR500 million.** The move comes after public anger over a planned labour code reform. French Premier announced new subsidies worth between EUR100 and EUR550 for about 126,000 new graduates suffering from poor economic situations. He pledged to prolong their study-grant for four months to support them to find a job.

## North America

**Mexican industrial output dipped in February** as construction contracted sharply but factory production picked up. Industrial output fell 0.1% from January in seasonally adjusted terms, the national statistics agency said. Among the components of industrial output, the construction sector fell 2.5% m-o-m after posting a big increase in January.

## South America

**Peruvian traditional exports volume expanded by 5.5% last February** driven by greater shipments of mining, fishery and farming products, the National Institute of Statistics and Informatics reported. Growth was possible due to the recovery in mining exports (11%), mainly those of copper to China (57.1% of total volume).

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-Apr-16	1,242.50	1.99	41.94	21.08	1.54	1.90	1.35	0.98	9729.52	80.38	2.91	34.18	26.03	2,812.89
12-Apr-16	1,255.94	1.93	42.74	22.15	1.54	1.90	1.35	0.98	9752.29	80.12	2.89	34.23	26.04	2,811.67
% Change	1.08	-3.02	1.91	0.04	0.12	-0.33	-0.02	0.23	-0.33	-0.87	0.14	0.05	-0.04	

# Economic & Financial News

Research & International Division

13/4/2016

*... Philippines tourism sector turned in a record feat in February ...  
... China's exports surged 18.7% y-o-y in March ...*

## South East Asia

**Philippines tourism sector turned in a record feat in February** as international arrivals registered the biggest growth rate and volume over the past five years. Latest data from the Department of Tourism showed international tourists for February rose 20.4% to 549,725 from 456,524 in the same period last year, the highest in the past 62 months. Receipts from tourism activities surged 42% to PHP27.49 billion in February from the PHP19.35 billion earnings generated a year ago.

**Philippines merchandise exports fell for the 11th consecutive month in February** on lower earnings across five major export commodities, the Philippine Statistics Authority (PSA) reported. Earnings from outbound shipments fell 4.5% to USD4.3 billion in February from USD4.5 billion in the same month last year.

**Singapore's rental prices for Housing and Development Board (HDB) flats and non-landed private properties continued their downward trend in March**, led by private apartments in the city fringes. Rental prices for private apartments fell by 1% in March compared to the previous month. Y-o-y, rents were down 5.3%, according to flash estimates by SRX Property.

**Thailand estimates its tax revenue collection will exceed its THB496 billion target** by THB18 billion this fiscal year after collection in the first six months surpassed the target by THB9 billion. The higher-than-expected revenue collection is attributable to the recent revamp of the excise tax structure for automobiles, cigarettes and fuel as well as higher consumption.

## North East Asia

**China's exports surged 18.7% y-o-y in March**, while imports dipped 1.7%. That led to a monthly trade surplus of CNY194.6 billion (USD29.9 billion), down from February's CNY209.5 billion, according to the General Administration of Customs. Foreign trade in the Q1 was 5.9% lower than a year earlier at CNY5.2 trillion, with exports down 4.2% and imports down 8.2%. Trade surplus for the Q1 widened 8.5% from one year earlier to CNY810.2 billion.

**China's electricity consumption rose 5.6% y-o-y in March**, reaching 476.2 billion kilowatt hours (kwh). Power consumption stood at 1.35 trillion kwh for the first quarter, up 3.2% y-o-y, the National Development and Reform Commission said.

**Japan's wholesale prices fell 3.8% y-o-y in March** marking the 12th successive month of decline, the Bank of Japan said in a report. The index of corporate goods prices stood at 99.6 against the base of 100 set in 2010. Export prices dropped 9.1%, while import prices tumbled 20.2% in yen terms. Exports of electric & electronic products, as well as transportation equipment and textiles, contributed to the decline, while imports were impacted by wood, lumber & related products, foodstuffs and electric & electronic products' prices slipping.

**FDI in the Chinese mainland continued to rise in the Q1 of the year.** FDI, which excludes investment in the financial sector, rose 4.5% y-o-y to CNY224.21 billion (USD34.7 billion) in the Jan-March period, the Ministry of Commerce said. Investment in the service sector accounted for 68.9% of total inflow during the period, reaching CNY154.38 billion. FDI in the high-tech service industry soared 104.3% y-o-y during the period to CNY25.52 billion. In March, FDI grew 7.8% y-o-y to CNY82.34 billion.

**South Korea's exports of ICT products fell for the seventh consecutive month in March** as weak global demand and a Chinese slowdown weighed heavily on the country's key industries. Outbound shipments of ICT products reached USD13.97 billion last month, down 5% from USD14.7 billion tallied a year before, according to the the Ministry of Trade, Industry and Energy.

**South Korea's tax revenue grew significantly from a year earlier** in the first two months of the year, partly due to an increase in income and consumer spending. National tax revenue came to some KRW42.7 trillion (USD37.25 billion) in the January-February period, up KRW10.9 trillion from the same period last year, according to the the Ministry of Strategy and Finance.



## Indian Sub-Continent

**India's retail inflation eased to 4.83% y-o-y in March** after a 5.26% increase in February. Industrial output expanded 2% in February compared with an estimated 0.8% gain. The July-September monsoon rains are crucial to keep prices in check as it accounts.

**Pakistan's trade deficit rose 5.5% to USD16.909 billion for the July to March 2016 period**, compared with a deficit of USD16.027 billion for the same period last year, as the country's imports continued to outweigh the falling exports.

## Middle East and North Africa

**Qatar's public debt is set to rise above 31% of GDP** as the government issues bonds and taps bank credit to finance its spending. With revenues impacted by lower energy prices, the fiscal balance swung into deficit in 2015: -7.7% of GDP in Q2 of 2015. Crude output dropped to an average of 660 kb/d in 2015 due to conservative management of Qatar's maturing oil fields, NBK said in its updated Qatar Chart Book citing official figures.

## Eastern Europe

**Consumer inflation in Ukraine in the Q1 of 2016, standing at 1.6%**, was 2.4 percentage points lower, which was estimated at 4%. The majority of factors that influenced inflation in the Q1, have a short-term nature and with a high probability their impact could change for contrary in subsequent quarters.

## Northern Europe

**Swedish inflation accelerated more than anticipated last month**, cooling pressure on the central bank to add stimulus at next week's policy meeting. Consumer prices rose an annual 0.8% in March compared with 0.4% the previous month, Statistics Sweden said.

## Western Europe

**France registered a 0.2% m-o-m rise in the number of new enterprises set up in March.** Last month, France saw the creation of 45,875 new firms, up from 45,804 companies created in February, as a 16.7% growth in industrial activities offset a sluggish construction sector.

**German retailers assessed the current business situation as the most favourable in past five years** and were optimistic about their sales performance in 2016, said German retailers' association HDE. In the first two months of this year, German retail sales increased by 2.8% compared with the same period of 2015, adding that it saw the industry on track to reach a 2% sales growth this year.

**Greece's main electricity supplier Public Power Corp. (PPC) plunged to a loss last year** as it set aside hundreds of millions of euros to cover the cost of bills left unpaid by customers hit by years of economic crisis. PPC, which is 51% state owned, made a loss of EUR102.5 million (USD114.6 million) last year, compared with a net profit of EUR91.3 million in 2014.

**UK inflation accelerated to a 15-month high in March** as an early Easter boosted air fares and clothing prices increased. Consumer prices rose 0.5% y-o-y, the fastest pace since December 2014.

## South America

**Retail sales in Brazil rose in February** on strong demand for supermarket items and furniture, in a surprising sign of life from an economy mired in a deep recession for more than a year. Retail sales volumes, excluding cars and building materials, rose a seasonally adjusted 1.2% in February from January, statistics agency IBGE said.

**Chile's central bank held the benchmark interest rate steady at 3.5%**, and toned down its bias towards future rate hikes. The bank has been grappling with above-target inflation and soft economic growth in the top copper producer Venezuela is spiralling down fast while its biggest problems are skyrocketing up.

**Inflation in Venezuela is projected to increase 481% this year** and by a staggering 1,642% next year, according to new estimates released by the International Monetary Fund (IMF). Venezuela will have an unemployment rate of 17% this year and nearly 21% next year.

## Oil & Gas News

**Oil futures fell around 2% on Wednesday** on concerns that a producer meeting planned for Sunday could fail to rein in ballooning overproduction, while a stronger dollar also weighed on fuel markets. As of 0716 GMT, Brent crude LCOc1 had dropped 78 cents to USD43.90 a barrel, or 1.7%, after hitting a four-month high in the previous session, when it settled up USD1.86, or 4.3%.

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
12-Apr-16	1,255.94	1.93	42.74	22.15	1.54	1.90	1.35	0.98	9752.29	80.12	2.89	34.23	26.04	2,811.67
13-Apr-16	1,247.10	2.03	44.23	21.79	1.53	1.92	1.35	0.97	9739.94	80.91	2.87	34.16	26.00	2,886.25
% Change	-0.70	5.18	3.49	-0.45	0.88	-0.08	-1.76	-0.13	0.99	-0.46	-0.19	-0.15	2.65	

# Economic & Financial News

Research & International Division

14/4/2016

*... The Singapore economy grew by 1.8% y-o-y in Q1 ...  
... Australia's jobless rate fell in March ...*

## South East Asia

**The Singapore economy grew by 1.8% on a y-o-y basis for the Q1**, the same pace of growth as in the previous quarter, advance estimates from the Ministry of Trade and Industry showed. The manufacturing sector contracted by 2% for the Q1 this year, following the 6.7% decline in the previous quarter. It was primarily weighed down by a decline in the output of the transport engineering, precision engineering and electronics clusters. Services producing industries expanded by 1.9% y-o-y, moderating from the 2.8% growth in the previous quarter.

**The Monetary Authority of Singapore decided to set the rate of appreciation of the Singapore dollars to 0%** with immediate effect as the Singapore economy is projected to expand at a more modest pace in 2016 and also in a bid to stabilise the inflation.

## North East Asia

**The number of newly established firms has continued to increase in China.** About 1 million new companies were registered in the Q1 of 2016, up 25.9% y-o-y, statistics from the State Administration for Industry and Commerce showed. The number of newly registered firms in tertiary industries rose 27.4% to 862,000, over 80% of new registrations.

**South Korea posted trade surplus in the industrial parts and components sector for 20 straight quarters** thanks to the lowest dependence on Japanese products. Trade surplus in the sector recorded USD23.1 billion in the Q1, keeping the surplus trend for 20 quarters in a row. Exports in industrial parts and components amounted to USD59.4 billion during the January-March period, down 10.9% y-o-y. Imports shrank 10.7% to USD36.3 billion.

**South Korea's home sales plunged 30.4% y-o-y last month** amid some signs of a slowdown in the local property market. The number of home transactions reached 77,853 in March compared with a record 111,869 tallied a year ago. It also marked a 9.9% drop from a five-year average of 86,000, while it jumped 31.4% from the previous month's 59,265. For the first three months of the year, home sales slid 26.1% to 199,483.

**Taiwan's net tax revenue totalled TWD345.5 billion (USD10.67 billion) in the Q1 of this year**, representing a decline of 2.2% or TWD7.9 billion from the same period last year, the Ministry of Finance said. The cumulative total net tax revenue for the Q1 of 2016 accounted for only 95.4% of the distributed budget, falling short by TWD16.6 billion.

## Australasia

**Australia's jobless rate fell in March** as a lift in business confidence was reflected in the labour market, signalling the economy's resilience to a resurgent currency. Unemployment dropped to 5.7% from 5.8%. Employment rose 26,100 from February. Full-time jobs fell by 8,800; part-time employment rose by 34,900.

**New Zealand's activity in the manufacturing sector has eased**, with employment falling for a second consecutive month. The BNZ-Business New Zealand Performance of Manufacturing Index fell by a seasonally adjusted 1.2 points in March to 54.7.

## Indian Sub-Continent

**India's fuel demand grew 11% y-o-y in March**, the fastest pace in records going back to fiscal 2001. Fuel use rose to 183.5 million metric tons from 165.5 million tons in the previous period, according to the website of the Oil Ministry's Petroleum Planning & Analysis Cell. Diesel consumption rose 7.5% to 74.6 million tons, while gasoline usage rose 14.5% to 21.8 million tons.

## Middle East and North Africa

**Qatar's cost of living, based on CPI was unchanged in March** this year compared to the previous month's levels; even as it rose to 3.3% y-o-y, official estimates has suggested. The country's annual CPI inflation was expected to moderate to 1.5% in 2015 and stay firm in the subsequent year before edging up to 2% in 2017, according to Qatar Economic Outlook 2015-17 Update of the Ministry of Development Planning and Statistics.

## Eastern Europe

**Hungary will continue cutting interest rates** as long as monetary conditions become consistent with its 3% inflation target, rate-setters said in the minutes of the central bank's March 22 rate meeting. The National Bank of Hungary cut its benchmark interest rate in March for the first time since July last year to 1.20% from 1.35%.

**Romania's parliament overwhelmingly approved a law on that enables property buyers to walk away from their mortgage debts**, which domestic and foreign critics say poses serious risks to the economy. The law caps the value of the loan to be ditched at EUR250,000 and would apply retroactively, which contravenes EU rules. A state-guaranteed programme that subsidises first-time home buyers was exempted from the law. Central bank data show 495,000 mortgage or other loans with real estate guarantees worth a total of RON70.8 billion (USD17.91 billion) at the end of 2015.

## Western Europe

**Greece said on Tuesday it would submit pension and tax reform bills to parliament next week**, as it seeks to persuade its international lenders that it is doing enough to receive more aid under a multi-billion euro bailout agreed a year ago. The latest review of Greece's progress on the terms of its bailout deal reached last July has dragged on for months, largely due to differences among its lenders over the country's economic progress and resistance in Athens to unpopular measures.

**Spain's consumer prices fell by 0.8% in March** when compared to March 2015, according to Consumer Price Index (CPI) data confirmed by Spain's statistical office. The figure is the same as that of February, when Spain's consumer prices fell by 0.8% compared to February last year. Transport prices fell by 5.3% in March y-o-y, while prices of food and non-alcoholic drinks rose by 1.7% and those of hotels, cafes and restaurants increased by 1.6%.

## North America

**The Bank of Canada kept the main interest rate unchanged**, but raised its growth outlook for 2016. It maintained its benchmark rate at 0.5%. Canada's economic prospects are improving because of the federal government's extra spending and a better-than-expected start to 2016, the central bank said.

**Mexico will use USD13.6 billion from a central bank surplus to pay down debt** and boost its rainy day fund, shoring up finances as it prepares a support plan for the beleaguered state oil company Petroleos Mexicanos. The Finance Ministry will spend MXN167 billion (USD9.5 billion) of the transfer to buy back debt and reduce bond issuance this year, while MXN70 billion will go to boost the nation's budget revenue stabilisation fund.

## South America

**The volume of the services industry in Brazil fell by 4% in February**, compared to the same period of 2015. According to a report released by the Brazilian Institute of Geography and Statistics (IBGE) the services sector accumulated a decline of 4.5% in the year, with a 3.7% drop over the last twelve months.

## Oil & Gas News

**OPEC continued to maintain its high level of oil output in the past months** despite the price of the crude oil plunged. OPEC crude oil production in March averaged 32.25 million barrels per day, a marginal increase of 15,000 barrels per day over the previous month. Crude oil output increased mostly from Iran, Iraq and Angola, while production decreased in the UAE, Libya and Nigeria.

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-Apr-16	1,247.10	2.03	44.23	21.79	1.53	1.92	1.35	0.97	9739.94	80.91	2.87	34.16	26.00	2,886.25
14-Apr-16	1,233.93	2.04	43.6	21.37	1.54	1.93	1.36	0.96	9703.09	80.28	2.87	33.94	25.82	2,916.71
% Change	-1.06	0.49	-1.42		0.36	0.42	1.29	-0.53	-0.38	-0.78	-0.26	-0.66	-0.68	1.06

# Economic & Financial News

Research & International Division

16/4/2016

*... Russia's federal budget deficit amounted to RUB712.9 billion ...  
... China economy expanded 6.7% y-o-y in Q1...*

## South East Asia

**Indonesia's imports in March 2016 rose 11.01% to USD11.29 billion from USD10.07 billion a month earlier**, the Central Statistics Agency (BPS) said. Non-oil/non-gas imports in March 2016 increased 7.88% to USD9.77 billion from USD9.05 billion the month before. However, they tumbled 5.56% from USD10.34 billion in March 2015.

**Indonesia's central bank said it will use the seven-day reverse repo rate as its benchmark policy instrument to help spur lending and support growth in Indonesia.** The new rate which is the interest the central bank pays to borrow from commercial lenders will replace the 12-month reference rate from Aug 19, Bank Indonesia said. The reverse repo rate is currently at 5.5%.

**Cash sent home by Filipinos abroad last February increased at its fastest pace in eight months**, growing 9.1% y-o-y to USD2.11 billion amid steady job orders overseas, the Bangko Sentral ng Pilipinas (BSP) said yesterday. In the first two months of 2016, cash remitted through banks totalled USD4.13 billion, up 6.2% from USD3.89 billion during the same period last year.

**Singapore's sales of private homes last month more than doubled in March**, rising by 178% from the previous month as developers launched more units. The rise in sales came as developers launched more units, with 682 non-EC units launched in March, up from the 209 units launched in the previous month.

**Retail sales in Singapore fell 3.2% in February compared with the previous year**, mainly due to a fall in the food & beverage sector, the Department of Statistics said. Excluding motor vehicles, retail sales fell 9.6% compared with a year ago. However, when compared with the previous month, retail sales rose by 1.7% in February. Excluding motor vehicles, retail sales declined 1.1%.

**Vietnam ended Q1, 2016 with a trade surplus of USD1.36 billion**, as exports grew and imports declined year on year, figures released customs showed. Foreign-invested businesses continued to dominate, accounting for 70.4% of exports and 60.1% of imports. There had been a trade deficit of USD3.54 billion last year after three straight years of surpluses.

**Vietnam could export more than 3 million tons of rice in the first half of 2016, up 12% from a year ago**, on rising demand from China and other Southeast Asian nations amid supply concerns caused by drought, the government said. Vietnam, the world's third-largest rice exporter after India and Thailand, shipped 1.55 million tons of rice in the January to March period, up 38% from a year ago, according to Vietnam Customs data.

## North East Asia

**China economy expanded 6.7% y-o-y in Q1**, in a sign of stabilisation after Beijing took a page from its old playbook of bolstering growth with stimulus measures and property investment. Although it is the lowest level in the last six years, Beijing is taking the 6.7% rise in Q1 gross domestic product as a "good start" for 2016.

## Middle East and North Africa

**Tourists spent more than BD3 billion in Bahrain throughout the year 2015**, the official statistics said. The Minister of Industry, Commerce and Tourism said that BD338.5 million is the contribution of Bahrain's tourism sector to GDP which is 3.6%. He also revealed that 11.6m people visited Bahrain last year, in which 59% of them were Saudis.

**Israel's Consumer Price Index (CPI) fell 0.2% in March to 98.1 points**, the Central Bureau of Statistics reported, after falling 0.3% in February and 0.5% in January. The index without housing costs fell more sharply by 0.4% in March. Over the past 12 months, the CPI fell 0.7% and it has fallen 1% in Q1 of 2016, fuelled by the fall in world oil prices.

**Inflation rate in Oman increased by 0.11% during March 2016 compared to the rate recorded in March 2015**, according to the statistics released by the National Center for Statistics and Information (NCSI). The inflation rate also dropped by 0.31% compared to February 2016.

**The outlook for Saudi Arabian construction remains bright as the industry's output value is forecast to rise at 7.05% by 2020**, compared with 6.35% during the review period (2011-2015). However, low oil prices present major downside risks to the forecast. The growth will be supported by increased government participation and investments in sectors such as health care, education and infrastructure construction to diversify the country's economy away from oil and to support economic growth.

## Eastern Europe

**Russia's federal budget deficit amounted to RUB712.9 billion (USD10.8 billion at current price), or 3.7% of Russia's GDP in Q1 of 2016**, the Russian Finance Ministry said. Federal revenue totalled RUB2.908 trillion in the first three months, while federal expenses reached RUB3.621 billion, said the ministry.

## Western Europe

**Trade surplus in Ireland declines by 21% from January to February to €3.77bn.** Exports fell by EUR616 million, or 7%, to EUR8.75 billion from January to February, new figures from the Central Statistics Office show. At the same time, imports rose by EUR409 million, or 9%, to EUR4.98 billion leading to a 21% fall in the trade surplus to EUR3.77 billion.

**New car sales rose again in Europe last month, before the financial and economic crisis hit the car industry.** New car registrations in the EU rose by 6% from a year earlier to 1.74m in March 2016, according to the European Automobile Manufacturers' Association.

## North America

**U.S. industrial production fell 0.6% in March after a 0.6% drop in February**, data by the Federal Reserve showed. Manufacturing output dropped by the most in a year while mining output continued to shrink, signalling a slump in economic growth in Q1.

## South America

**Peru kept borrowing costs unchanged for a second month** as slowing inflation and a rally in the sol give policy makers more time to gauge the impact of earlier rate increases. The central bank board, led by bank President Julio Velarde, maintained the key rate at 4.25%.

## Oil & Gas News

**Brent crude futures were down 2% at \$42.93 yesterday.** US West Texas Intermediate (WTI) futures were also down 2%, trading at USD40.63, having lost as much as 3% earlier in the day.

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
14-Apr-16	1,233.93	2.04	43.6	21.37	1.54	1.93	1.36	0.96	9703.09	80.28	2.87	33.94	25.82	2,916.71
16-Apr-16	1,233.99	1.90	43.1	22.68	1.53	1.93	1.36	0.95	9664.64	80.51	2.87	33.89	25.78	2,923.94
% Change	0.00	-6.86	-1.15		-0.12	0.01	-0.07	-0.63	-0.40	0.29	0.09	-0.12	-0.18	0.25

# Economic & Financial News

Research & International Division

23/4/2016

*... Morocco's annual consumer price inflation rose to 1.8% in March ...  
... Philippines Banks tightened their lending standards for firms during Q1, 2016 ...*

## South East Asia

**Bank Indonesia (BI) kept its benchmark rate unchanged at 6.75%** at the conclusion of its two-day board of governors meeting. The central bank will use the BI seven-day repo rate as the new benchmark interest rate as of Aug. 19, 2015 in an effort to expedite the reduction of both deposit and lending rates.

**Philippines inflation rose slightly in the Q1, 2016 to 1.1%**, nudged upward by modest upticks in selected food items, data from the central bank showed. Growth in the consumer price index (CPI) rose from 1% in Q4, 2015 the Bangko Sentral ng Pilipinas (BSP) said in Q1, 2016 Inflation Report. Meanwhile, non-food inflation remained steady overall as declines in utility rates were offset by increases in other items such as transport fares.

**Debt watcher Standard & Poor's (S&P) has maintained the Philippines' BBB investment grade credit rating with "stable" outlook**, saying the country's strong external position will lead to higher per capita income. The rating is assigned a "stable" outlook, indicating it will likely stay the same over the short term (12-18 months) in the absence of significant risks to the country's creditworthiness.

**Philippines Banks tightened their lending standards for firms during Q1, 2016** showing a reduced tolerance for risk, the Bangko Sentral ng Pilipinas (BSP) reported. Based on the central bank's Q1, 2016 Senior Bank Loan Officers Survey (SLOS). A positive DI indicates that the proportion of banks that tightened credit standards is greater than those that did otherwise, whereas a negative DI indicates more banks relaxed their rules.

## Middle East and North Africa

**Morocco's annual consumer price inflation rose to 1.8% in March from 0.9% in February**, due to higher food prices, the High Planning Authority said. Annual food inflation jumped to 3.6% from 1.1% the previous month. Non-food price inflation eased to 0.4%. Transport costs fell 2.1%, but hotels and restaurants were 2.2% more expensive, the agency said.

## Indian Sub-Continent

**Sri Lanka's CPI in March 2016 rose to 2.2% from 1.7% recorded in February 2016**, on y-o-y basis, the Department of Census and Statistics reported. This increase was mainly due to 0.22% of price increase in food commodities.

## North America

**Canada's inflation rate slowed to an annual increase of 1.3% in March**, thanks in large part to gasoline prices that were much cheaper during the month than they were in the same time period a year earlier. Prices dropped 13.6% at the pumps in March.

**Mexico's annual inflation rate rose less than expected in the first half of April**, remaining below the central bank's target and giving policymakers room to keep interest rates unchanged. Inflation in the 12 months through mid-April was 2.60%, the national statistics institute said.

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
14-Apr-16	1,233.93	2.04	43.6	21.37	1.54	1.93	1.36	0.96	9703.09	80.28	2.87	33.94	25.82	2,916.71
16-Apr-16	1,233.99	1.90	43.1	22.68	1.53	1.93	1.36	0.95	9664.64	80.51	2.87	33.89	25.78	2,923.94
% Change	0.00	-6.86	-1.15		-0.12	0.01	-0.07	-0.63	-0.40	0.29	0.09	-0.12	-0.18	0.25