

# Economic & Financial News

Research & International Division

2/2/2016

*... China's manufacturing activity contracted for the sixth straight month in January ...*  
*... South Korea's national debt is expected to exceed USD496 billion for the first time ever ...*

## South East Asia

**Indonesia's annual inflation reached 4.14% in January** with monthly inflation measured at 0.51%, both within the central bank's target range. The increase in the consumer price index (CPI) was mainly driven by higher prices for food, such as chicken and onions.

**Thailand registered its 13th straight month of negative inflation in January**, mainly due to falling oil prices, the Commerce Ministry reported. The country's headline consumer price index fell 0.53% y-o-y and 0.26% from December. Thai CPI fell 0.9% in 2015, with the index languishing in negative territory throughout the year.

**The Thai government had assets worth THB6.6 trillion and liabilities of THB4.6 trillion in fiscal 2015.** From October 2014 to September 2015, revenue collections rose 6% y-o-y to THB2.1 trillion. The increase came from excise tax, up THB470 billion, and state enterprises, up THB260 billion. Expenditures were THB270 billion higher than revenue.

## North East Asia

**China's manufacturing activity contracted for the sixth straight month in January**, signalling persistent weakness, but analysts expect the broader economy to gradually stabilise as positive factors accumulate. The purchasing managers' index (PMI) came in at 49.4, down from 49.7 in December, the National Bureau of Statistics (NBS) and the China Federation of Logistics and Purchasing data showed.

**China's non-manufacturing activity shrunk in January**, indicating slowing expansion in the service sector. The PMI for the non-manufacturing sector came in at 53.5 in January, down from 54.4 in December, according to a report released by the National Bureau of Statistics, and the China Federation of Logistics and Purchasing.

**Japan's new car sales in January fell 4.6% y-o-y in the 13th straight month of decline** as sluggish demand for mini-vehicles lingered. New vehicle sales stood at 382,876 units.

**Japan's monetary base stood at a record-high JPY358.8 trillion (USD3.0 trillion) at the end of January**, up 28.8% 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 second consecutive month, as the Bank of Japan continues trying to eliminate lingering deflationary pressure on the economy with its drastic quantitative easing.

**Gambling revenues for Macau dropped 21.4% in January**, ahead of a Lunar New Year week-long holiday which is expected to boost the number of visitors to the world's largest casino hub. Revenue in the Chinese special administrative region fell for the 20th consecutive month to MOP18.7 billion (USD2.3 billion).

**South Korea's current account surplus topped USD100 billion in 2015** due mainly to faster fall in imports than exports. Surplus reached USD106.0 billion in 2015, surpassing the USD100 billion mark for the first time in the country's history, according to the Bank of Korea (BOK). The 2015 figure was up 25.6% from the previous year's USD84.4 billion and nearly doubled a surplus of USD50.8 billion tallied in 2012.

**South Korea's national debt is expected to exceed KRW600 trillion** (USD496 billion) for the first time ever this week, drawing concerns over the nation's fiscal health amid a slowing economy and rapid population aging, the National Assembly said. The national debt could reach KRW644.9 trillion by the end of the year, a KRW49.8 trillion increase from the KRW595.1 trillion estimated in late 2015.

**South Korea's consumer prices grew less than 1%** for the first time in three months, rekindling concerns about deflation. The country's consumer price index rose 0.8% y-o-y in January, a 0.5 percentage point fall from December's 1.3% gain, according to the report by Statistics Korea.

**Taiwan's manufacturing PMI began expanding again in January** after six months of contraction, according to a report released by the Chung-Hua Institution for Economic Research (CIER). The local PMI index for January rose 4.7 points from a month earlier to 51.3.

## Indian Sub-Continent

**Pakistan's CPI rose to 3.32% y-o-y in January** from 3.19% in December, marking the highest rate since January 2015. The increase in inflation number in January 2016 was primarily due to the low base effect of the last year when inflation collapsed during the Q4 of the fiscal 2014 on the back of lower commodity prices driven by low oil prices.

**Pakistan has decided to keep the interest rate unchanged at 6%**, as the major macroeconomic indicators continued to exhibit improvements in the H1 of the current fiscal year to support a currency that's weakening as inflation accelerates.

**Sri Lanka's foreign debt commitments stands at USD8,231.0 million in 2015.** Those included 'outright' foreign debt servicing commitments of USD4,998.5 million and swap arrangements totalling USD3,232.5 million. Sri Lanka's foreign reserves as at end of last year stood at USD7,303.6 million.

## Middle East and North Africa

**Kuwaiti household debt growth has maintained a robust pace in recent months**, with the pace accelerating over the last six months following nearly two years of moderating growth. Growth came in at 12.9% y-o-y in November 2015.

## Eastern Europe

**Russia's manufacturing sector showed signs of stabilisation in January** but unemployment increased further, a Markit survey of purchasing managers showed Monday. The headline PMI for the manufacturing sector rose to 49.8 in January from 48.7 in December.

**The Ukrainian central bank has left interest rates in the country at 22%.** The bank said in its report that inflation in the county was running at 34.7% in the H2 of last year compared to the same period of 2014. This compares to 43.3% in the H1 of 2015.

## Western Europe

**Austria has seen a renewed increase in its unemployment rate for the month of January**, the 0.3% increase meaning 10.9% or 490,246 people in the country are presently without work.

**Car sales in France rose 3.5% y-o-y in January** from the same period a year earlier, the French car sales federation CCFA said. Last month, new car sales stood at 137,788 units, up from 133,170 vehicles sold in the same month in 2015. Sales of French brands grew slightly by 0.5% over the period due to a decline in Renault sales.

**Germany has total tax revenue, excluding local government taxes, rose by 4.6% in 2015**, thanks to Germany's strong economy. Rising wages, employment growth, and higher profitability had a positive impact on individual and corporate income tax and value-added tax revenues.

## North America

**US consumers kept their spending flat in December** and instead boosted their savings rate to the highest level in three years. Consumer spending was unchanged in December after rising 0.5% in November. Incomes increased 0.3%, matching November's gain.

**US construction spending rebounded slightly in December**, helping push total spending for 2015 to the highest level in eight years. Construction spending increased 0.1% in December after falling in October and November. For all of 2015, construction jumped 10.5% to USD1.1 trillion, the highest total since 2007.

## South America

**Brazil posted a USD923 million trade surplus in January**, nearly double market estimates as a weaker local currency drags down imports. The country had a USD6.24 billion surplus in December and a USD3.2 billion deficit a year earlier. Imports were USD10.3 billion, slightly down from USD10.5 billion the month before.

**Peru's primary activity expanded by 7.4% in 2015** boosted by mining and hydrocarbons (9.3%), fishery (15.9%) and farming (2.8%) sectors. Fishery (82.5%), followed by mining and hydrocarbons (22.4%) and farming (1.7%) sectors essentially contributed to GDP growth during the last month of the past year.

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
30-Jan-16	1,125.40	2.30	34.74	15.10	1.54	2.03	1.42	0.99	9665.57	84.95	2.91	33.50	25.07	2,629.11
02-Feb-16	1,124.75	2.13	33.91	15.92	1.55	2.05	1.43	0.99	9575.79	84.71	2.95	33.51	25.03	2,586.32
% Change	-0.06	-7.39	-2.39		0.75	1.29	0.07	-0.22	-0.93	-0.28	1.34	0.02	-0.16	-1.63

# Economic & Financial News

Research & International Division

3/2/2016

*... Oman remains committed to the peg of its rial currency against the US dollar ...  
... Saudi Arabia's fiscal reserves dropped to a four-year low last year ...*

## South East Asia

**The Vietnamese Purchasing Managers' Index (PMI) increased to 51.5 in January** from 51.3 in the previous month, according to a Nikkei report released. Growth was maintained in the Vietnamese manufacturing sector during January as the output rose on the back of stronger increase in new orders.

**Vietnam's lending declined 0.2%** by January 20, 2016 against the end of last year. Despite the decline, the central bank said that lending in the first month this year was still more optimistic than the same period last year when the lending decreased 0.5%.

## North East Asia

**Hong Kong's December retail sales fall 8.5% y-o-y**, worst in nearly a year. In the Q4 of 2015, the volume of sales was down by 0.9%, seasonally adjusted, from the preceding three months. For 2015 as a whole, the value of total retail sales decreased by 3.7% in value and 0.3% in volume compared with year earlier.

**The Japanese finance ministry will suspend sales of 10-year government bonds sold through banks to retail investors** due to recent drops in yields following the Bank of Japan's decision last week to adopt a negative interest rate.

**South Korea's foreign exchange reserves dwindled for the third consecutive month in January** largely due to a devaluation of non-US dollar assets like the British pound. The country's foreign exchange reserves came to USD367.29 billion at the end of last month, down USD670 million from the previous month.

## Australasia

**Australia posted a seasonally adjusted trade deficit of AUD3.5 billion in December**, compared with a deficit of AUD2.73 billion in November, the Australian Bureau of Statistics said. Australia's trade accounts have been under attack from falling prices for major exports like iron ore and coal, with a slowdown in China's economy hitting hard.

**Australia's central bank Tuesday held interest rates at a record low of 2%**, but kept the possibility of further cuts on the table as it monitors the possible negative impact of global market volatility on domestic demand. The Reserve Bank of Australia has slashed the cash rate 275 basis points since November 2011 to boost the economy as its charts a rocky path away from a dependence on mining.

**Australia's housing construction industry finished 2015 on a very high note**, with home building approvals hitting a five-month high. Approvals for the construction of new homes rose a better-than expected 9.2% in December, following a horror 12.4% dive the month before.

**New Zealand unemployment fell to near a six-year low in the Q4 of 2015** as people left a labour market flooded by strong migration and as employers took on more workers. The kiwi dollar initially jumped almost half a US cent. The unemployment rate fell to 5.3% in the Q4 from 6% three months earlier, according to Statistics New Zealand's household labour force survey.

## Indian Sub-Continent

**India's central bank left interest rates unchanged** for a second straight meeting as it awaits details of the government's budget later this month, providing support for a currency battered by China-led market turmoil. Governor Raghuram Rajan kept the benchmark repurchase rate at 6.75%, the Reserve Bank of India said.

## Middle East and North Africa

**Business activity in Egypt shrank for the fourth straight month in January**, as new export orders tumbled and output declined for the fourth time in as many months. The Emirates NBD Egypt PMI for the non-oil private sector slipped to 48.0 points in January from 48.2 points in December.

**The UAE's non-oil trade reached AED792 billion in the first nine months of 2015**, remaining stable compared to the same period in 2014. Imports recorded a 2% decline in the first nine months of last year, while exports jumped 25%.

**Oman remains committed to the peg of its rial currency against the US dollar**, the head of the central bank said, after the rial dropped to its lowest level in the forward market for a decade. Low oil prices are hurting Oman's state finances and depleting its foreign reserves. One-year dollar/rial forward — deals that will be settled in 12 months' time — jumped on Monday as high as 1,500 points, their highest since 2006. That implied the rial would depreciate about 4% from its peg.

**Saudi Arabia's fiscal reserves dropped to a four-year low last year** as the government sought to finance a budget deficit caused by plunging oil revenues. The reserves of the world's largest crude exporter dropped to USD611.9 billion at the end of 2015, the lowest level since 2011, down from USD732 billion a year before, the Saudi Jadwa Investment said in an economic report.

## Western Europe

**Germany's unemployment rate unexpectedly fell to a record low in January**, in a sign that economic sentiment in Europe's largest economy is withstanding the tumult in global markets. The jobless rate slid to 6.2%, the lowest level since German reunification, from 6.3% the previous month, data from the Federal Labour Agency showed. The number of people out of work declined by a seasonally adjusted 20,000 to 2.73 million.

**Portugal's unemployment in December dropped to 11.8%**, the lowest since the debt-laden country exited a bailout program in May 2014. The number of the unemployed in December was 604,000, down 3.6% from the previous month, according to figures released by the National Institute of Statistics. There were 626,800 unemployed people in November and the unemployment rate was 12.2%.

**Italy's jobless rate was unexpectedly unchanged in December**, signalling the risk that the effect of new labour legislation on hiring might cease without an acceleration of economic growth. The rate remained at 11.4%, a three-year low, national statistics agency Istat said. There were 21,000 fewer people employed in December, Istat said. Youth joblessness fell slightly during the month to 37.9% from 38% in November.

**Ireland's services sector grew at its speediest pace in almost a decade last month** as new business in Europe's fastest growing economy expanded strongly, a survey showed. The Investec PMI of activity in services, which covers businesses from banks to hotels, rose to 64.0 in January from December's 61.8.

**Ireland's unemployment rate fell to 8.6% in January** from 8.8% a month earlier. Employment has increased strongly since the jobless rate hit a high of 15.1% in early 2012 when Ireland was midway through a three-year international bailout, and has fallen from 10.1% a year ago amid a broadening economic recovery.

**The number of people registered as unemployed in Spain rose by 57,247 people in January** from December according to data released by the Spanish Ministry of Employment and Social Security. On a y-o-y basis unemployment fell by 374,936 people, an 8.28% fall, which meant the biggest fall on a y-o-y basis since 2002.

## North America

**Money sent home by Mexicans overseas hit nearly USD24.8 billion last year**, overtaking oil revenues for the first time as a source of foreign income. Remittances were up 4.75% from 2014 when they totalled USD23.6 billion, the Bank of Mexico said. They had never before surpassed petroleum since the Bank of Mexico began tracking them in 1995.

## South America

**Brazil's industrial output fell 8.3% in 2015 y-o-y**, the country's official statistics agency IBGE announced. According to the IBGE, the decrease was the sharpest ever recorded since 2003. The Brazilian economy has been mired in recession and rising inflation, with political crisis adding to the instability.

## Oil & Gas News

**Oil futures extended losses into a third session in Asian trade on Wednesday**, as US crude stocks last week surged to more than half-a-billion barrels and as Iran plans to boost exports from March. Brent for April delivery LCOc1 had dropped 9 cents to USD32.63 a barrel as of 0707 GMT, after settling down USD1.52, or 4.4%.

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-Feb-16	1,124.75	2.13	33.91	15.92	1.55	2.05	1.43	0.99	9575.79	84.71	2.95	33.51	25.03	2,586.32
03-Feb-16	1,127.38	2.05	32.51	15.86	1.56	2.06	1.43	0.99	9642.27	83.55	2.96	33.44	25.03	2,542.10
% Change	0.23	-3.76	-4.13		0.59	0.40	0.49	0.54	0.69	-1.37	0.30	-0.21	0.00	-1.71

# Economic & Financial News

Research & International Division

4/2/2016

*... Thailand has maintained its policy rate at 1.50% ...  
... Singapore's job vacancies declined in 2015 ...*

## South East Asia

**The value of goods exported by Cambodia increased nearly 17% to USD8.03 billion in 2015**, according to a Ministry of Commerce report released this week. Garment exports slowed to a 7% increase, though they continued to drive overall growth, accounting for almost three-quarters of all exports. Footwear and rice exports grew 22% and 43%, respectively.

**Singapore's job vacancies declined in 2015** amid softer economic conditions, said the Ministry of Manpower in its "Job Vacancies 2015" report released. The number of job vacancies declined over the year to 60,000 as of September 2015. On a seasonally adjusted basis, the ratio between job vacancies and unemployed persons declined for the second consecutive quarter to 116 openings per 100 job seekers in September 2015, from 121 in June and 143 in March. The decline in vacancies was broad-based for all occupational groups. However, vacancies remained available for all occupations, with service & sales workers, professionals and associate professionals & technicians most sought after.

**Thailand has maintained its policy rate at 1.50%** due to several key factors to support its economic recovery and ensuring financial stability. Bank of Thailand (BOT) Monetary Policy Committee said it would continue to monitor economic and financial development closely.

**Thailand's consumer sentiment weakened in January** due to global economic and geopolitical concerns, according to the University of the Thai Chamber of Commerce. The university's monthly survey showed that the Thai consumer confidence index fell for the first time in four months to 75.5 in January, compared with 76.1 in December.

## North East Asia

**The value of China's foreign services trade hit an all-time high of USD713 billion in 2015**, up by 14.6% y-o-y. The deficit in foreign service trade last year came in at USD137 billion, according to a Ministry of Commerce official. There was growth in exports of electronics, professional management and consultation as well as advertising.

**Consumer confidence in Japan weakened in January**, with sentiment dented by a slide in oil prices clouding the outlook for the global economy, while an equities rout and a slowdown in emerging economies also added to woes, the Cabinet Office said in a report. Downgrading its assessment for the first time in six months, the government report showed that on a seasonally-adjusted bases the index of sentiment among households made up of two or more people fell to 42.5 from December's 42.7.

**Hong Kong property transactions fell 12% in 2015**, underscoring fears about an economic slowdown in the Asia financial centre even as it faces a growing drag from cooling activity in China. Hong Kong's property prices remain among the highest in the world, although they have eased since September and analysts expect a further decline this year. The total number of domestic sale and purchase agreements received by the Land Registry last year fell 12.3% to 55,982, according to data from Hong Kong's Rating and Valuation Department.

**South Korea's finance ministry announced a new fiscal stimulus package for the Q1 of 2015** on worries that both exports and private consumption may slow down further amid global economic slump and soured consumer sentiment. It included growth in government spending and policy loans by more than KRW2.15 trillion (USD18 billion) during the January-March period. Fiscal expenditure by both central and municipal governments will increase by KRW6 trillion during the quarter to reach KRW144 trillion. It was expected to raise the economy's growth by 0.2 percentage points this year.

## Indian Sub-Continent

**Indian manufacturing sector growth rose to a four-month high in January** driven by rising inflows of new business orders from domestic as well as export clients, says a Nikkei survey. At 51.1 in January, up from 49.1 in December, the seasonally adjusted Nikkei India Manufacturing Purchasing Managers' Index (PMI) moved back above the 50.0 mark.

## Middle East and North Africa

**Turkey's consumer price inflation climbed more than estimated in January.** Consumer prices rose an annual 9.58% through January, up from 8.81% the previous month and almost double the bank's official target, according to figures released on Wednesday by Turkey's statistics bureau.

**The inflation rate in Turkey rose by 1.82% in January,** triggered by persistently high food costs and tax hikes, especially on alcoholic beverages and tobacco products, lifting the annual inflation rate to 9.58%, close to double digit levels and the highest since May 2014.

## Western Europe

**Italy's consumer price index fell in January** after the previous month's flat reading, slipping 0.2% from December, largely as a result of lower energy costs, weaker prices for fresh vegetables and recreational activities, national statistics institute Istat said. The national consumer price index was up 0.3% compared with January 2015.

**Italy's jobless rate was unexpectedly unchanged in December,** signalling the risk that the effect of new labour legislation on hiring might cease without an acceleration of economic growth. The rate remained at 11.4%, a three-year low, the statistics agency Istat said.

## North America

**US businesses added a solid 205,000 jobs last month,** lifted by robust gains in services and construction and extending a streak of steady hiring. Payroll processor ADP said that financial services, retailers and professional services firms also hired at a steady pace. The figures suggest that companies focused on the domestic economy remain healthy, despite gyrations in the financial markets and slowing global growth.

## South America

**Brazil's CPI increased in January,** putting more pressure on the country's central bank as it struggles to control inflation. Brazil's CPI, the IPCA, rose 1.27% in January, compared with an increase of 0.96% in December, the Brazilian Institute of Geography and Statistics, or IBGE, said.

**Brazil's home prices contracted in January,** as the country's economic recession deepened, hurting consumer confidence. Home prices fell 0.08% in January, according to the FipeZap index, which tracks house prices in the country's 20 largest cities. The index is produced by a think tank affiliated with São Paulo State University.

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04-Feb-16	1,140.49	2.04	35.33	17.32	1.57	2.06	1.41	0.98	9669.31	83.35	2.93	33.77	25.17	2,570.44
% Change	1.16	-0.49	8.67		0.38	0.00	-1.24	-0.96	0.28	-0.23	-0.94	0.97	0.57	1.11

# Economic & Financial News

Research & International Division

6/2/2016

*... South Korea's government posted its first tax revenue surplus in four years last year ...  
... Morocco's King Mohammed VI unveiled one of the world's biggest solar plants ...*

## South East Asia

**Indonesia's economy grew at its slowest pace for six years in 2015**, as plunging commodity prices and falling exports to key markets including China hit the Southeast Asia's largest economy hard. It grew 4.8% last year, compared to 5.0% growth in 2014, and well short of the government's 7% target.

**The Indonesian government will likely decide to lower the cost of gasoline due to a further decline in world fuel prices**, when it holds a tri-monthly review on fuel prices in the domestic market in early April.

**Indonesia will issue a new regulation soon that will allow foreign investors to hold 100% ownership of large geothermal power plants.** Investment Coordinating Board said that allowing wholly foreign ownership of large geothermal power plants would be part of the government's program to boost investment in clean energy in the country. The new investment regulation on foreign ownership would apply to geothermal plants with a capacity of 10 megawatts or higher. For plants with a capacity of less than 10 MW, foreign ownership will be capped at 67%.

**Malaysia's exports grew at a slower pace in December** as the global economy weakened, according to the country's statistics department. Malaysia's December exports grew 1.4% on-year, compared to 6.3% y-o-y in November. Imports climbed 3.2% y-o-y in December, from 9.1% y-o-y in November.

**Reserves held by the Bangko Sentral ng Pilipinas (BSP) slipped in January from a year ago and December**, as the central bank paid off external obligations while increasing holdings of foreign currencies. Gross international reserves (GIR) totaled some USD80.2 billion for the month, slipping by 0.7% from January 2015's USD80.71 billion and down by half a billion pesos from the end-2015 level of USD80.67 billion.

**The Philippines inflation eased in January** on the back of sliding oil prices. Preliminary data from the Philippine Statistics Authority showed that the Consumer Price Index (CPI) rose 1.3% last month, compared to December's 1.5% and the 2.4% logged in January last year.

## North East Asia

**Foreign currency reserve assets of Hong Kong were at USD357 billion at end-January**, the Hong Kong Monetary Authority reported. The total was down by 0.5% from USD358.8 billion at the end of December.

**South Korea's government posted its first tax revenue surplus in four years last year**, due to a rise in property transactions leading to increased tax revenue. Gross tax revenue reached KRW217.9 trillion (USD182.2 billion) in 2015, higher than an estimate of KRW215.7 trillion by KRW2.2 trillion won, according to the Finance Ministry. It was up KRW12.4 trillion from the prior year.

**Taiwan's foreign exchange reserves decreased by USD53 million to USD426.0 billion as of the end of January**, the central bank said. The bank attributed the slight decrease mainly to the euro and other reserve currencies depreciating against the US dollar, which caused dollar-denominated foreign exchange reserves to fall. Outflows of foreign funds meanwhile reached USD1.0 billion.

**Credit card spending in Taiwan hits new high in 2015**, the Financial Supervisory Commission said. The top financial supervisor in Taiwan, said that consumers in Taiwan spent a total of TWD2.2 trillion (USD65.7 billion) using credit cards in 2015, up 7.9% y-o-y. It was the sixth consecutive year in which Taiwanese credit card purchases hit a record high. However, the y-o-y growth in credit card spending for 2015 was lower than in 2013 and 2014, when the increase surpassed 8%.

**Taiwan's CPI for January rose 0.81% y-o-y**, marking the highest year-on-year growth level in 14 months, the Directorate General of Budget, Accounting and Statistics said. Despite the growth, local consumer prices remained stable. The 0.81% increase trailed a 0.85% y-o-y rise recorded in November 2014.

## Middle East and North Africa

**Morocco's King Mohammed VI unveiled one of the world's biggest solar plants**, taking advantage of the Sahara sunshine and a growing global push for renewable energy. The USD3.9 billion project in the southern town of Ouarzazate, is the first phase of a project expected to provide 1.2 million Moroccans with power. Row after row of solar panels glisten in the sunlight,

**Morocco's unemployment rate down to 9.7% in 2015** from 9.9% in 2014, pushed by growth in service and construction industries. Services and construction created 32,000 and 18,000 jobs respectively, while manufacturing industry created 15,000 jobs.

**Tunisia's inflation rate edged down to 3.5% in January 2016** from 4.1% in December 2015. This decrease results in particular from the slowing pace of price increases between January 2016 and December 2015 (+ 0.3%) compared to the one recorded between January 2015 and December 2014 (+0.8%).

## Eastern Europe

**Bulgaria's consumer confidence index rose by 1.5 percentage points in January 2016**, compared to October 2015, the National Statistical Institute. Among the urban population the increase was 1.8 percentage points while among the rural population it was 0.6 percentage points.

**Hungary's industrial production was up by 9.4% in y-o-y terms in December**, while the index adjusted for working days grew by 6.9%, Hungary's Central Statistical Office reported. The volume of industrial production in December was below the level of the previous month by 0.7%. In 2015, output increased by 7.5% y-o-y.

**Romania's central bank kept borrowing costs unchanged** for a sixth meeting as tax cuts at the start of the year added downward pressure on prices in the eastern European nation's first bout of deflation since the fall of communism. The benchmark interest rate was left at a record-low 1.75%, the central bank said.

**Russian inflation was the slowest last month since 2014**, offering consumers a break from more than a year of double-digit price growth before the effects of renewed rouble weakness ripple through the recession-hit economy. The consumer-price index declined to 9.8% from 12.9% in December, the y-o-y rate falling for a fifth month to the lowest since November 2014.

**Russia's finance ministry intends to limit the extra cash it gives ministries** to help them cope with the economic crisis to about a third of the RUB270 billion (USD3.5 billion) they have asked for. As the economy shrinks in a low-oil-price environment and with the official budget deficit at 3% of GDP this year, Prime Minister Dmitry Medvedev's administration is trying to keep public spending as tight as possible.

## Northern Europe

**Credit Rating Agency Moody's kept Finland in its highest possible rating AAA**. Finnish analysts had expected a downgrade by Moody's as tangible. Finnish government's economic policy was heading in the right direction. The credit rating of Finland was hit in October 2014 when Standard & Poor's (S&P) downgraded Finnish government long term loans from AAA to AA+.

## Western Europe

**Low demand from domestic and Eurozone markets dragged German factory orders in December 2015**, indicating a weak industrial production at the start of this year. In December 2015, German manufacturers received 0.7% fewer orders than in the previous month, data from German Federal Statistics Office showed. In November 2015, new orders increased monthly by 1.5%.

**France's trade deficit narrowed markedly in December** on a decline in imports. The trade deficit of the economy narrowed to EUR3.9 billion in December from EUR4.5 billion in November. For the whole of 2015, France's trade deficit narrowed to EUR45.7 billion from EUR58.3 billion as export growth outpaced import growth, the customs office said. French 2015 exports rose 4.3% on firming global demand and a weaker euro making French goods more competitive. Imports in 2015 rose only 1.2% as energy costs declined.

## North America

**Overall Canadian employment was virtually unchanged in January**, despite more cuts in the Alberta oil sands, while the unemployment rate edged up to 7.2%. A total 5,700 jobs were shed nationwide, according to Statistics Canada. In Alberta, 10,000 jobs were lost, pushing the province's unemployment rate higher than the national average for the first time since December 1988.

**Mexico's central bank held borrowing costs steady** on Thursday, but said it would monitor increasing risks to inflation from a slump in the peso, suggesting it could hike interest rates if there is further weakness in the currency. The Banco de Mexico left its key rate at 3.25%.

**The US trade deficit grew in 2015** as exports fell for the first time since the recession amid a slowing global economy, while the gap with China hit a record. The US trade shortfall in goods and services widened 4.6% y-o-y to USD531.5 billion, the largest since 2012, the Commerce Department said. Exports fell for the first time since 2009, and outpaced the decline in imports as a strong US dollar and weak foreign demand weighed on the world's largest economy. Exports dropped 4.8% to USD2.2 trillion, the lowest level since 2012. Imports fell 3.1% to USD2.8 trillion.



**US productivity fell sharply in the Q4 of 2015**, closing out a fifth straight year of weak gains in worker efficiency. The Labor Department said that productivity fell at an annual rate of 3% in the Q4. It was the biggest quarterly decline in nearly two years. Productivity last year edged up a slight 0.6% after a tiny 0.7% gain in 2014.

**The US economy added 151,000 jobs in January**, a slowdown from recent months but still a sign of a solid job market. Employers raised pay, more people felt confident enough to look for work and the unemployment rate dipped to 4.9%, its lowest level since 2008. The Labor Department report showed that the US job market remains resilient even as the overall economy is struggling in areas such as manufacturing and facing severe weakness overseas.

## South America

**The Brazilian government has a strategy to ensure the growth of the Brazilian economy in 2016.** Facing the recession with decreasing industry output as well as increasing inflation and basic interest rates, the government will seek the expansion of private and public investments, with priority given to ports, airports and railways in the plan. The president suggested the new Council for Economic and Social Development gather representatives from sectors such as industry, trade unions and civil society to come up with solutions for Brazil's economic woes.

**Colombia's exports decreased by a whopping 34.9% in 2015.** The decline is mainly attributed to the reduction in foreign sales of fuel products, including oil and all petroleum derivatives, resulting from a 47% drop in international oil prices, a report from the National Statistic Department revealed. Colombian exports recorded a decline from nearly USD54.8 billion in 2014 to just under USD35.7 billion in 2015.

**Colombian inflation accelerated to its fastest pace in seven years** as a severe drought hits food supplies and a fall in the peso lifts import costs. Consumer prices rose 7.45% y-o-y in January, the most since 2008.

**Peru registered a trade surplus of USD210 million in December 2015** thanks to exports valued at USD3.2 billion and imports worth USD3.0 billion. Over the said period, such shipments comprised traditional (USD2.1 billion) and non-traditional (USD1.1 billion) products. Likewise, imports amounted to USD3.0 billion. The sector was composed of inputs (USD1.2 billion), followed by capital goods (USD1.0 billion) and consumer goods (USD681 million).

## Oil & Gas News

**Oil prices ended the week lower in choppy trading on Friday**, snapping two weeks of gains, as a frenzy of speculation about a possible deal between top oil producers clashed with concerns about a growing supply glut. Global benchmark Brent crude futures LCOc1 settled down 40 cents, or 1.2% at USD34.06 a barrel, after trading between USD35.14 and USD33.81.

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
04-Feb-16	1,140.49	2.04	35.33	17.32	1.57	2.06	1.41	0.98	9669.31	83.35	2.93	33.77	25.17	2,570.44
06-Feb-16	1,173.40	2.06	34.06	16.53	1.57	2.03	1.40	1.01	9708.74	83.28	2.96	33.99	25.36	2,623.21
% Change	2.89	0.98	-3.59		-0.20	-1.37	-0.80	2.41	0.41	-0.08	1.06	0.68	0.75	2.05



# Economic & Financial News

Research & International Division

9/2/2016

*... Oman lost USD14 billion worth of revenues in 2015 compared to a year earlier ...  
... German industrial output plunged in December and exports and imports also fell ...*

## South East Asia

**Foreign exchange reserves in Indonesia dropped by USD3.8 billion in January**, after the government paid foreign debts and interest on global bonds, the country's central bank said. The reserve shrunk to USD102.1 billion at the end of January, down from USD105.9 billion at the end of December.

**Myanmar's export earnings have fallen this fiscal year by USD1 billion** over the same period last year. Since the start of this fiscal year, Myanmar's total trade is worth USD21.8 billion, down from USD22.8 billion in the same period last year, according to Ministry of Commerce figures.

**The total Vietnamese state budget revenue in January was 95% of the revenue y-o-y** due to about 66% fall in crude oil revenue, the finance ministry said. The total budget revenue last month stood at VND102.6 trillion (USD4.7 billion), or 10.1% of the expected revenue and 95% of the revenue in January 2015.

## North East Asia

**China became the world's third largest insurance market in 2015**, with insurance premiums surging in the past five years, according to the China Insurance Regulatory Commission. With an annual growth rate of 13.4%, insurance premiums increased from CNY1.3 trillion (about USD197.9 million) in 2010 to CNY2.4 trillion in 2015.

**China's foreign exchange reserves dropped by USD99.5 billion from December** to USD3.2 trillion at the end of January, the central bank said. The decrease was milder than a m-o-m decline of USD107.9 billion registered in December, which was the sharpest monthly fall on record.

**Japan posted a current account surplus of JPY16.6 trillion in 2015**, up about 6.3-fold from the previous year, scoring the first growth in five years on the back of slumps on global crude oil markets. The sharp increase came as imports fell for the first time in six years against a backdrop of falls of about 40% in crude oil prices, significantly improving the country's trade balance.

**The average Japanese monthly salary in 2015 grew from a year earlier**, but real wages adjusted for inflation actually fell for a 4th straight year. Labour ministry officials say the average worker earned about USD2,700 a month last year. That was the 2nd year it increased. And it was up one-tenth of a percent from 2014 in yen terms.

## Australasia

**Australian consumer confidence has risen for the first time this year**. The latest ANZ-Roy Morgan consumer confidence index rose by 0.2% last week, snapping a run of four consecutive declines. Despite the small uptick in confidence the index, at 111.4, remains below its long run average of 112.7.

**The Australian unemployment rate held at a two-year low of 5.8%** as 129,000 jobs were created in the three months through December. Low wages and a depreciation in the local currency are help to restore the international competitiveness of the labour force, the central bank said.

## Indian Sub-Continent

**Bangladesh's exports rose 10.4% in January** from a year earlier to USD3.2 billion, driven by stronger sales of garments. Exports for July to January, the first seven months of the country's 2015-16 FY, rose 8.3% y-o-y to USD19.3 billion, the Export Promotion Bureau said. Sales of garments, comprising knitwear and woven items, totalled USD15.8 billion in July-Jan, up 9% y-o-y.

**India's GDP grew by 7.3% in the Q3 of the 2015-16 fiscal year**. This was short of the 7.7% expansion in the previous quarter. The Central Statistics Office put growth rate of the 2015-16 fiscal year, which ends March this year, at 7.6%. As per the official data released by the Central Statistics Office, the growth was pulled down by lower production in agriculture, forestry and fishing, electricity, gas and water supply and other utility services, financial, real estate and professional services.

## Middle East and North Africa

**The Algerian economic growth pace slowed down during the Q3 of 2015**, reaching 3.3% in comparison with the same period of 2014 when it hit 5%, the National Office of Statistics said. This slowdown is driven by the hydrocarbon sector, which experiences important decline in activity, following the year 2014 which seemed to augur a recovery.

**The Jordanian unemployment rate stood at 13.6% during the Q4 of 2015**, according to Department of Statistics. The jobless rate among men stood at 11.7%, while it reached 23% among women. 61.4% of male workers did not complete high school, compared with 12.9% of female employees.

**Oman lost USD14 billion worth of revenues in 2015 compared to a year earlier** due to low oil prices. The government produced around 981,000 barrels of crude oil per day last year compared to 943,500 barrels per day in 2014. Oman sold its oil at an average price of USD56.5 per barrel in 2015, which was 45% less than the previous year, according to the official statistics.

**Oman plans to borrow between USD5 billion and USD10 billion from abroad** to help finance a budget deficit caused by low oil prices, central bank executive president Hamood al-Zadjali said. The government might issue eurobonds by the middle of this year. The government also planned to issue OMR600 million (USD1.56 billion) of domestic bonds this year, or about OMR100 million (USD258.5 million) every two months.

**Turkey's calendar and seasonally adjusted industrial production grew 4.5% y-o-y in 2015**. The figure followed a 3.5% y-o-y increase in industrial production in November. On a m-o-m basis, calendar and seasonally adjusted industrial production was up 0.8% in December, the Turkish Statistics Institute (TurkStat) said.

**The UAE plans to outsource most government tasks to the private sector and cut the number of ministries**, Prime Minister Sheikh Mohammed bin Rashid al-Maktoum said. The announcement comes as energy-rich Gulf Arab states have been hit by low oil prices, encouraging them to streamline institutions and attract more foreign investment. He announced the formation of a single education ministry, abolishing the ministry of higher education, and fused several other state bodies into related ministries.

## Eastern Europe

**Bulgaria's industrial production index increased by 0.5% m-o-m in December 2015** and was 1.6% higher on the year. In a sector breakdown, the seasonally adjusted industrial production index increased by 1.9% m-o-m in the energy sector, the National Statistical Institute said.

**Ukraine's vehicle production plunged 17% y-o-y in January**, marking the first month of decline since October 2015. Last month, Ukrainian carmakers produced only 293 vehicles compared with 1,852 units in the month before and 1,167 vehicles in November 2015, according to a report by the Ukravtoprom Analysis Group.

## Western Europe

**German industrial output plunged in December and exports and imports also fell**, in a sign that Europe's largest economy ended 2015 on a weak footing. Industrial output fell by 1.2% on the month, the strongest decline since August 2014, data from the Economy Ministry showed. Separate data from the Federal Statistics Office showed that seasonally-adjusted exports fell by 1.6% in December while imports were also down by 1.6%, narrowing the trade surplus to EUR18.8 billion.

**Irish consumer sentiment climbed to a 15-year high in January**. The survey, conducted by the KBC Bank Ireland and the Economic and Social Research Institute, indicated that the overall consumer sentiment index rose to 108.6 last month from 103.9 in December, taking it to its strongest level since February 2001.

**Spain's industrial production rose by 3.2% on average in 2015**, according to the Spain's Statistical Office. The country's industrial production grew for the second year in a row in 2015 following a 1.5% rise in 2014, when it recorded the first growth since the financial crisis in 2007.

## South America

**Chilean inflation accelerated in January** as the peso hit a 13-year low and the government raised stamp duty, keeping pressure on the central bank to continue raising interest rates. Consumer prices rose 4.8% y-o-y, the National Institute of Statistics 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
06-Feb-16	1,173.40	2.06	34.06	16.53	1.57	2.03	1.40	1.01	9708.74	83.28	2.96	33.99	25.36	2,623.21
09-Feb-16	1,187.26	2.10	32.89	15.66	1.57	2.02	1.40	1.01	9741.84	82.18	2.98	34.06	25.28	n/a
% Change	1.18	1.94	-3.44		0.30	-0.70	-0.10	0.50	0.34	-1.32	0.76	0.19	-0.31	

# Economic & Financial News

Research & International Division

10/2/2016

*... President Barack Obama is unveiling his eighth and final budget ...  
... Indonesia unveiled plans for a "big bang" loosening of restrictions on foreign investment ...*

## South East Asia

**Indonesian President Joko Widodo unveiled plans for a "big bang" loosening of restrictions on foreign investment in nearly 50 sectors** to encourage competition in an economy long dominated by powerful vested interests.

## North East Asia

**Japan's central government debt stood at JPY1,044.59 trillion at the end of December**, down JPY9.83 trillion from three months earlier. But the ministry expects the debt to reach a record JPY1,087.3 trillion by the end of the current fiscal year on March 31.

**Japan's wholesale prices dropped 3.1% in January** from a year earlier for the 10th straight month of decline, with a slowing Chinese economy and oversupply concerns leading to lower crude oil and other commodity prices, the Bank of Japan said.

**South Korea's automobile exports nosedived at the fastest clip in more than six years in January** as fast-falling oil prices dragged down demand from emerging markets. Outbound shipments of vehicles came to 201,967 units last month, down 18.8% from 248,613 units tallied a year earlier.

## Indian Sub-Continent

**The rate of inflation for the month of January eased further to 6.07%** from 6.10% in December last year. The food inflation also slipped to 4.33% in January from 5.48% in December, 2015.

## Middle East and North Africa

**Oman plans to invest in developing new industrial estates** and expanding existing ones to meet the growing demand for industrial plots from entrepreneurs. The Public Establishment for Industrial Estates (PEIE) plans to build three industrial estates – one each in Thumrait, Shinas and Al Mudhaibi, Hilal bin Hamad Al Hassani.

## Western Europe

**Britain's trade deficit widened in the Q4** as exports fell, underscoring the economy's reliance on domestic spending. The value of imported goods and services outstripped exports by GBP10.3 billion compared with GBP8.6 billion in the Q3.

**The unemployment levels in Switzerland reached 3.8% in January**, up from 3.7% in December 2015. With an additional 5,015 people registered as jobless last month, indicated that 163,644 individuals were registered as unemployed in the period under review.

## North America

**Mexico's annual inflation rose in January** from a record low, partly reflecting a deep slump in the peso. Inflation in the 12 months through January rose to 2.61% and up from a 2.13% rate in December.

**President Barack Obama is unveiling his eighth and final budget, a USD4 trillion-plus proposal** that's freighted with liberal policy initiatives and new and familiar tax hikes — all sent to a dismissive Republican-controlled Congress that simply wants to move on from his presidency.

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-Feb-16	1,187.26	2.10	32.89	15.66	1.57	2.02	1.40	1.01	9741.84	82.18	2.98	34.06	25.28	n/a
10-Feb-16	1,199.00	2.06	30.97	15.04	1.57	2.02	1.39	1.02	9652.51	82.32	2.99	34.12	25.37	2,582.10
% Change	0.99	-1.95	-5.84		0.22	-0.14	-0.55	0.21	-0.92	0.16	0.02	0.18	0.35	

# Economic & Financial News

Research & International Division

11/2/2016

*... Kuwaiti inflation in consumer prices eased for the third consecutive month in December ...  
... Pakistan's trade deficit widened by over 4% during first seven months of the current FY...*

## South East Asia

**New banks will soon be allowed to set up shop in the Philippines after almost 17 years** as the Bangko Sentral ng Pilipinas (BSP) reopens the granting of new licenses in light of the entry of more foreign investors and amid regional integration..

**Thailand's non-performing loans (NPLs) in the credit-card and personal loan segments continued to climb in last year's Q4** amid the tepid economic recovery, according to Bank of Thailand data. Outstanding bad loans associated with credit-card spending amounted to THB10.5 billion, up from THB10.2 billion in the Q3 and THB8.3 billion in the Q4 of 2014.

## Indian Sub-Continent

**Pakistan's trade deficit widened by over 4% during first seven months (July-January) of the current fiscal year over a year ago.** Country's trade deficit, gap between exports and imports, was recorded at USD13.6 billion during July-January of FY2016 as against USD13 billion of same period of the last financial year, according to the latest data of Pakistan Bureau of Statistics. The trade imbalance has widened as country's exports are tumbling fast as compared to the imports.

## Middle East and North Africa

**Egypt's annual core inflation increased to 7.73% in January** from 7.23% in December, the central bank said. Egypt has taken several measures in recent months to combat inflation. The central bank raised interest rates in December and the government has said it would control the prices of certain essential goods.

**Kuwaiti inflation in consumer prices eased for the third consecutive month in December** as price growth in most major components was steady. Headline inflation slowed to 3% y-o-y from 3.1% in November; core inflation also eased in December, slowing to 2.6% y-o-y from 2.8% y-o-y in November. Annual inflation averaged at 3.3% in 2015, higher than the 2.9% reading in 2014, mainly due to stronger gains in housing inflation.

**Sudan's annual inflation rate eased slightly to 12.44% in January** from 12.58% in December, a monthly report from Sudan's Central Statistics Office said, partly due to cheaper global oil prices. Sudan became an oil importer after South Sudan seceded in 2011. The new nation took with it three-quarters of Sudan's oil output, the main source of foreign currency used to support the Sudanese pound and to pay for food and other imports.

**Tunisia's annual inflation rate fell in January to 3.5%** from 4.1% in December. Tunisia's central bank in October cut its main interest rate to 4.25% from 4.75% to boost economic growth, as inflation fell. The inflation rate was 4.9% in 2015 against 5.5% in 2014.

## Eastern Europe

**Bulgaria's budget deficit for 2015 stood at 2.9% of the projected GDP,** while in 2014 the figure was 3.7%. State budget revenues in 2015 reached BGN32.2 billion (some USD18.5 billion) and grew by 9.5% compared to 2014, while spending increased by 6.8% y-o-y to BGN34.7 trillion, the Government Information Service said.

## Western Europe

**British industrial output suffered its sharpest monthly drop in December since 2012** as warmer-than-usual weather curbed demand for electricity and gas, and manufacturing continued its decline, denting hopes for improvement this year. Industrial output fell 1.1% m-o-m in December after a 0.8% drop in November, the Office for National Statistics (ONS) said.

**French industrial production fell 1.6% in December on month,** an unexpected drop that reflected weakness in a range of sectors, statistics agency Insee reported. Analysts were expecting production to increase 0.2%.

**Italy's industrial production fell in December,** posting a decline in all sectors but one, a sign that the country's economic recovery remains fragile after emerging from its longest postwar recession. Industrial output in the eurozone's third-largest economy decreased 0.7% on the month in seasonally adjusted terms, national statistics institute Istat said.

**Spanish housing sales rose by 11.1% y-o-y in 2015**, according to data published by Spain's Statistical Office (INE). Housing sales have been increasing for two consecutive years after sharp falls due to the financial crisis. INE reported 354,132 house purchasing operations were registered in 2015, with sales of second-hand houses reaching 276,267 and sales of new houses reaching 77,865. In December, housing sales increased by 6.8% y-o-y while falling by 3.9% when compared with November.

## North America

**US wholesale businesses cut their stockpiles and registered lower sales for the third straight month in December.** The Commerce Department said wholesale inventories fell 0.1% in December after dropping 0.4% in November. Sales fell 0.3% in December after sliding 1.3% in November.

## South America

**In December 2015, Peru's total goods export volume expanded by 7.8% compared to the same period of 2014**, the National Institute of Statistics and Informatics (INEI) reported. Such progress was possible thanks to higher shipments of traditional (14.5%) and non-traditional (1.4%) products.

## Oil & Gas News

**Crude prices may be days away from hitting USD25 a barrel** or even lower as weakening technical put more pressure on a market already staggering from oversupply. UK's Brent was at USD30.84 a barrel, more USD3 above its 12-year low of USD7.10 hit on Jan. 20.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
10-Feb-16	1,199.00	2.06	30.97	15.04	1.57	2.02	1.39	1.02	9652.51	82.32	2.99	34.12	25.37	2,582.10
11-Feb-16	1,207.20	2.06	30.38	14.78	1.57	2.02	1.39	1.01	9669.31	81.54	2.96	34.14	25.40	2,564.04
% Change	0.68	-0.15	-1.91		-0.39	0.13	-0.36	-0.32	0.17	-0.95	-0.85	0.05	0.14	-0.70

# Economic & Financial News

Research & International Division

13/2/2016

*... India consumer price inflation quickened slightly in January ...  
... US retail sales rose modestly in January ...*

## South East Asia

**Indonesia's balance of payments swung to a deficit of US\$1.1 billion in 2015 from a surplus of US\$15.2 billion in 2014**, Bank Indonesia said. Less positively for current account, Q4 deficit of US\$5.11 billion was the largest quarterly deficit for the year, as exports from South-East Asia's largest economy dropped by 19.66% from the same period a year earlier. For the whole of 2015, the current account deficit narrowed to US\$17.76 billion, or 2.06% of GDP, from US\$27.5 billion, or 3.09% of GDP, in 2014.

**The Malaysian government expects Malaysia's total trade numbers to expand 2% this year**, faster than the 1.2% growth amounting to RM1.47 trillion registered in 2015. International Trade and Industry Minister said he saw rising trade with neighbouring ASEAN countries will more than offset the projected slowdown with China. Exports grew by 1.9% last year despite a challenging economic environment to reach RM779.95 billion, while imports grew by a marginal 0.4% or RM2.71 billion to RM685.65 billion.

**Malaysia's economic growth in Q4 is expected to slow to 4.2% from 4.7% in Q3**, but Citi Research sees Bank Negara holding interest rate steady unless the downside risk worsens. It noted that a slowdown in external demand would lead to moderate growth in manufacturing exports, including electrical and electronics (E&E), although cushioned by the weak ringgit and US demand.

## North East Asia

**South Korea is unlikely to get back 3 trillion won (US\$2.5 billion) in outstanding loans and interest payments** it provided North Korea in the past with the freezing up of relations. According to data provided by the finance ministry and Export-Import Bank of Korea (Korea Eximbank), the country provided 2.5 trillion won worth of direct funds and indirect assistance to its northern neighbour over the years comprising of food shipments; money used to build up roads and railways linking the two Koreas; and funding for the now defunct Korean Peninsula Energy Development Organization (KEDO).

**The South Korean economy is dogged by plunging exports stemming from fast falling oil prices and weakening global demand along with domestic consumption**, the finance ministry said. Outbound shipments dived 18.6% to US\$36.7 billion in January from a year earlier, marking the largest on-year drop in six years, according to the Ministry of Strategy and Finance.

## Indian Sub-Continent

**India's consumer price inflation quickened slightly to 5.7% in January**. The acceleration from a 5.6% rise in December marks the sixth month in a row that inflation gained pace, with the rate driven up by higher food prices.

## Middle East and North Africa

**Qatar's investments as a share of its gross domestic product (GDP) rose to 39.6% in Q2 2015 from 32.4% in Q2 2014** on stable government capital spending. The country's private consumption rose to 20.8% of GDP in Q2 2015 from 14.8% of GDP in 2014, with imports increasing from 30.5% to 36.1% of GDP on growing population needs, QNB Group's monthly report.

## Eastern Europe

**Consumer inflation in Russia is set to slow further in February**, the central bank said. Annual inflation is seen slowing to 8.3%-8.8% in February from 9.8% in January. Inflation has slowed to single-digit readings due to base effect and falling consumer demand, the central bank said.

## Western Europe

**The eurozone economy continued its slow growth in the final quarter of 2015**, but a darkening global outlook and financial-market turmoil mean the best of Europe's recovery is likely behind it, adding to expectations that the European Central Bank will announce extra stimulus measures next month.



**The German economy grew by 0.3% in Q4**, driven primarily by robust domestic demand, the federal statistics office Destatis said. Germany's gross domestic product expanded by 0.3% in the period from October to December 2015, the same rate of growth as in the preceding three months, Destatis said.

**Sweden's central bank Riksbank moved its interest rates deeper into negative territory with an unexpectedly large cut.** Despite the fact that the country's economy is booming, the central bank cut its main repo rate by 15 basis points to minus 0.5%.

**The UK economy is in the slow lane as factors including weak manufacturing output hold back GDP.** The outlook for this year's GDP growth was downgraded from 2.6% in November to 2.3%, while the following will now hit 2.1% instead of 2.4%, according to forecasts by the Confederation of British Industry.

## North America

**US retail sales rose modestly in January**, evidence that Americans kept shopping despite sharp drops in stock prices. The Commerce Department said that retail sales increased a seasonally adjusted 0.2% last month. Excluding the effect of falling gasoline prices, sales rose 0.4%. Sales in December were revised higher from an initial estimate of a 0.1% drop.

## South America

**Brazilian President issued a decree cutting the federal government's discretionary spending limit for the January-to-March period by a third** as the government continues to work on a comprehensive austerity plan. The President has been under pressure to cut the country's budget and reduce taxes in an effort to rein in inflation and kick-start an economy that is struggling through its worst recession in decades.

## Oil & Gas News

**US benchmark West Texas Intermediate for March delivery shot up US\$3.23 (12.3%) to US\$29.44 a barrel** on the New York Mercantile Exchange. Brent crude for April delivery, finished at US\$33.36 a barrel in London, up US\$3.30 (11%).

## Commodities News

**Spot gold has gained 5.5% this week.** Spot gold was down 0.7% at US\$1,237.36, after rising to as high as \$1,260.60 an ounce.

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
11-Feb-16	1,207.20	2.06	30.38	14.78	1.57	2.02	1.39	1.01	9669.31	81.54	2.96	34.14	25.40	2,564.04
13-Feb-16	1,237.97	1.97	33.36	16.93	1.58	2.02	1.40	1.01	9659.97	80.87	2.98	34.07	25.43	2,539.95
% Change	2.55	-4.18	9.81	0.61	-0.01	0.53	-0.65	-0.10	-0.82	0.80	-0.19	0.09	-0.94	

# Economic & Financial News

Research & International Division

16/2/2016

*... The Bank of Japan launched an unprecedented negative interest rate policy on Tuesday ...  
... Thailand's economy slowed in the Q4 2015 ...*

## South East Asia

**Thailand's economy slowed in the Q4 2015**, but growth improved for the year, powered by government stimulus measures and a surge in tourist spending. GDP grew 2.8% y-o-y in the Q4, slowing from a 2.9% growth rate in the Q3. Thailand's economy expanded 2.8% in 2015, improving significantly from 2014's 0.9% growth.

**International tourist arrivals in Thailand rose 15% y-o-y in January**, as the industry continued to expand in a sluggish domestic economy. Tourism accounts for about 10% of Thailand's GDP. The number of visitors recorded in January 2016 was 3 million. The government has forecast 32 million arrivals this year, up 7.1% from last year's 29.88 million.

**Singapore's retail sales increased 2.9% in December** on a y-o-y basis, mainly due to retail sales of motor vehicles. On a m-o-m basis, retail sales decreased 2.1% in December 2015. Excluding motor vehicles, retail sales decreased 3.6%. The total retail sales value in December was estimated at SGD4.1 billion (USD2.93 billion), higher than SGD4 billion in December 2014.

## Australasia

**New Zealand retail sales volumes increased in the Q4 of 2015**, led by housing and tourism activity. The volume of retail sales gained a seasonally adjusted 1.2% in the three months through December, from the Q3, according to Statistics New Zealand.

## North East Asia

**China's foreign trade slumped in January**, with both exports and imports slowing at a faster rate due to weak global demand. Exports dropped 6.6% y-o-y to CNY1.14 trillion (USD175 billion), slowing from 2.3% growth last month, while imports declined 14.4% to CNY737.5 billion, worsening from a 4% slump last month.

**China's new yuan-denominated lending in January jumped to CNY2.51 trillion** (USD385 billion), an increase of 71% y-o-y. January's new yuan loans were also about four times that posted in December of 2015.

**Japan's economy contracted at a worse than expected 1.4% annual pace last quarter** as Prime Minister Shinzo Abe's lavish stimulus policies failed to counter anemic consumer demand and sluggish exports. The Japanese economy stumbling again after a 1.3% expansion in the Q3. The economy shrank by 0.4% in the Q4 from the previous quarter.

**The Bank of Japan launched an unprecedented negative interest rate policy** on Tuesday, with a renewed determination to achieve its 2% inflation goal. The BOJ started applying an interest rate of minus 0.1% to some of the current account deposits held by commercial financial institutions at the central bank, meaning that they have to pay interest to the BOJ. Negative interest rates have already been adopted in the eurozone, Switzerland and Sweden. Until Monday, the BOJ applied an interest rate of plus 0.1% to most of the current account deposits.

**South Korea's exports plunged at the fastest pace in six and a half years last month** as global demand was hit hard by persistent low oil prices and a slowdown in China. The country's outbound shipments stood at USD36.6 billion in January, down 18.8% y-o-y, extending the losing streak to 13 months, according to data compiled by the Korea Customs Service. Imports, meanwhile, sank 20% y-o-y to USD31.4 billion in January, with the trade surplus reaching USD5.2 billion.

**Household loans surged KRW2.2 trillion last month to a record for January**. The Bank of Korea blames a surge in real estate transactions last year that led to an increase in loans to cover downpayments. The central bank said that household loans from commercial banks last month totalled KRW641.3 trillion, up 0.3% from December. In January last year only KRW1.4 trillion worth of new loans were taken out.

## Middle East and North Africa

**Egypt's unemployment rate eased 0.10% in the period from October to December in 2015** compared to the same quarter the year before, state statistics body CAPMAS said. The jobless rate among the age group of 15 to 64 year-olds, in the most populous Arab nation, registered at 12.77% in the Q4 of last year.

**Morocco's net international reserves amounted to MAD230.8 billion until February 5th, 2016**, recording a 26% increase on an annual basis, Bank Al-Maghrib said. The reserves recorded a 0.6% weekly increase, the central bank pointed out in its weekly indicators. During the week of February 4-10, 2016, the central bank injected MAD13 billion.

**Turkey's unemployment rate stood at 10.5% in November**, unchanged from the preceding month and 0.2 percentage points down from a year earlier, while the jobless rate among the young population remained stubbornly high despite a slight upturn. An additional 29,000 jobless added to the unemployed population aged 15 or above, pushing the total number to 3.12 million although no percentage change was seen m-o-m in November, the Turkish Statistics Institute (TurkStat) said.

## Eastern Europe

**The Bulgarian unemployment rate fell to 7.9% in the Q4 of 2015**, reaching the lowest level since the end of 2009, the country's National Statistical Institute said. In the Q4 of 2015, there were 261,000 people registered as unemployed in Bulgaria, and the unemployment rate decreased by 2.7% y-o-y.

**Inflation in Bulgaria stood at 0% in the first month of this year.** The index of CPI in January 2016 compared to the same month last year was 100%, with the monthly and annual inflation both being 0%. Compared to the last month of 2015, there were increases in the prices of food products and soft drinks (0.8%), alcohol drinks and tobacco products (0.5%), entertainment and culture (0.1%), restaurant and hotel services (0.3%).

**Czech economy grew by 4.3% last year**, according to preliminary estimate the Czech Statistical Office (CSU), and this is the biggest annual growth since the year 2007. In the Q4 of last year, y-o-y GDP growth slowed down to 3.9% against the previous quarters. Against the Q3, Czech GDP fell by 0.1%.

## Western Europe

**Greece's annual EU-harmonised inflation rate turned negative in January** after the first positive reading in the previous month that halted 33 straight months of deflation, data from the country's statistics service showed. The data showed the headline consumer price index fell 0.7% y-o-y in January, with the annual pace of deflation accelerating from the previous month.

**Greek housing prices fell 5.1% in 2015**, meaning residential properties are now worth 41.5% less than in 2008, before an enduring recession that forced the country close to bankruptcy, official data showed on Monday. Apartment prices fell by 5.4% y-o-y in the Q4, the Bank of Greece said. While that was less than a 5.8% drop in the Q3, there was no clear indication that the price plunge was close to being over.

## Northern Europe

**The Norwegian economy shrank by 1.2% in the Q4 of 2015**, dragged down by poor performance in oil-based industries, while full-year growth at 1% was the lowest since 2009. Statistics Norway said the economy grew a mere 0.1% in the Q4, up from a flat performance in the Q3. The oil, gas and shipping sector contracted 5.6% compared with growth of 7.8% in the previous quarter. The agency said overall GDP last year was 1.6%, down from 2.2% in 2014.

## North America

**Mexican industrial output slipped in December** for the third month in a row as mining, construction and utilities sank, signaling further headwinds for Latin America's second-largest economy. Industrial output fell 0.1% from November, the national statistics office said. The data showed mining tumbled 1.1%, its biggest contraction since April, as oil production slid by 0.9%.

## South America

**Peru's economy expanded 3.26% last year**, rebounding from a sharp slowdown in 2014 thanks to a December surge in copper output and anchovy catches, state statistics agency Inei said. The official y-o-y reading for December was 6.39%.

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-Feb-16	1,237.97	1.97	33.36	16.93	1.58	2.02	1.40	1.01	9659.97	80.87	2.98	34.07	25.43	2,539.95
16-Feb-16	1,203.20	1.92	32.34	16.88	1.56	2.02	1.40	1.00	9527.44	81.91	2.96	33.89	25.42	2,644.58
% Change	-2.81	-2.74	-3.06		-0.87	0.16	0.42	-1.05	-1.37	1.29	-0.92	-0.52	-0.02	4.12



# Economic & Financial News

Research & International Division

17/2/2016

*... Saudi Arabia, Qatar Russia and Venezuela plan to freeze oil output ...  
... Britain's annual rate of consumer price inflation rose to 0.3% in January ...*

## South East Asia

**The government of Indonesia will relax next year its ban on partially processed minerals exports**, including copper, nickel, zinc and bauxite ore order to prop up its economy. The review of the metal exports rule is part of a wider revision of the 2009 mining law that led to the export edicts and other regulations.

**Singapore's non-oil domestic exports (NODX) declined 9.9% in January on a y-o-y basis**, said the International Enterprise (IE) Singapore. The decrease was due to a contraction in both electronic and non-electronic NODX. On a m-o-m seasonally adjusted basis, NODX expanded by 0.7% in January, compared to the 2.6% contraction in the previous month, due to the increase in electronic NODX which outweighed the decline in non-electronic NODX.

## North East Asia

**China has approved 21 fixed-asset investment projects** with total investment reaching CNY54.1 billion (USD8.3 billion) in January. The projects covered water conservancy, transportation, technology and energy, said National Development and Reform Commission. The annual growth of China's urban fixed-asset investment continued to cool in 2015 to 10% y-o-y, down from 15.7% in 2014.

**China's non-financial outbound direct investment (ODI) in January was 18.2%** higher than in January 2015, Ministry of Commerce (MOC) data showed. Some USD12.02 billion of ODI came out from China last month. The y-o-y increase accelerated from a 6.1% rise in December and was also faster than the annual growth of 14.7% in 2015. The MOC attributed the growth largely to investment in the manufacturing sector, which soared nearly 90% y-o-y to USD1.62 billion in January.

**South Korea's economy added 339,000 jobs in January**, with a jobless rate posting 3.7%. The number of those employed totalled 25.445 million in January, up 339,000 from a year earlier, according to Statistics Korea. The January growth was down from a 495,000 increase in December, which marked the largest monthly advance in 16 months. But, the January figure was relatively positive compared with a 285,000 growth in November last year.

**Taiwan's total exports fell 13% in January** from the same period in 2015 to USD22.2 billion, marking the nation's twelfth consecutive month of decline, the Ministry of Finance said. Taiwan's exports have undergone double-digit decline for eight consecutive months, making it the worst period since the financial crisis in 2008.

## Western Europe

**Britain's annual rate of consumer price inflation rose to 0.3% in January** from 0.2% in December, the highest level in a year. The main contributors were motor fuels. Though oil prices have remained low, they fell more sharply in January 2015 than in January 2016. A drop in air fares also offset the rise.

**German investor confidence is down for the second straight month** over broad concerns about the world economy. The ZEW institute said Tuesday its confidence index fell to 1.0 points for February, down from 10.2 points the month before and the lowest level since October 2014.

## North America

**Canadian manufacturing sales rose in December**, a sign the country's factory and export sectors are capitalising on US economic strength and a lower Canadian dollar. Factory sales rose 1.2% to CAD51.56 billion (about USD37.20 billion) in December from November, Statistics Canada said.

## South America

**Retail sales volumes in Brazil fell 2.7% in December** from November on a seasonally adjusted basis, the government statistics agency IBGE said. December's retail sales were down 7.1% y-o-y, IBGE added.

**Credit rating firm Standard & Poor's has lowered Colombia's credit-rating outlook from stable to negative**, citing the country's deteriorating growth prospects and need of fiscal reform as reasons. The foreign-currency rating was affirmed at BBB, two levels above junk, S&P said in a statement.

## Oil & Gas News

**Saudi Arabia, Qatar Russia and Venezuela plan to freeze oil output.** Top oil exporters have agreed on Tuesday to freeze output levels but said the deal was contingent on other producers joining in a major sticking point with Iran absent from the talks and determined to raise production. The Saudi, Russian, Qatari and Venezuelan oil ministers announced the proposal after a previously undisclosed meeting in Doha. It could become the first joint OPEC and non-OPEC deal in 15 years, aimed at tackling a growing oversupply of crude and helping prices recover from their lowest in over a decade.

**Brent oil fell almost 4% on Tuesday**, erasing early gains after top producers Russia and Saudi Arabia dashed expectations of an outright supply cut by agreeing only to freeze output if other big exporters joined them. Brent settled down USD1.21 at USD32.18 a barrel, after rising earlier to USD35.55. US crude settled down 40 cents at USD29.04, off the day's high of USD31.53.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
16-Feb-16	1,203.20	1.92	32.34	16.88	1.56	2.02	1.40	1.00	9527.44	81.91	2.96	33.89	25.42	2,644.58
17-Feb-16	1,211.50	1.91	31.87	16.66	1.57	2.01	1.41	1.00	9597.85	80.95	2.99	33.89	25.36	2,607.84
% Change	0.69	-0.16	-1.45		0.24	-0.66	0.25	0.68	0.74	-1.17	1.26	0.00	-0.25	-1.39

# Economic & Financial News

Research & International Division

18/2/2016

*... Australia's unemployment rate has jumped to 6% ...  
... Venezuela has announced the first rise in petrol prices in 20 years ...*

## South East Asia

**The Philippines Bureau of Customs' (BOC) collections of import duties and other taxes in January grew by 5.2% to PHP30.9 billion** but missed the target for the month by more than 20% mainly due to cheap oil. Its tax take at the start of the year exceeded the PHP29.4 billion collected in the same month last year.

## North East Asia

**China's producer prices continued to drop in January** but the contraction eased notably, signalling less deflationary pressure. The producer price index (PPI) dropped 5.3% y-o-y in January. It marked the 47th straight month of decline. But the contraction eased in comparison with that of previous months.

**China's consumer inflation quickened in January** due to rising food prices while producer prices declined for 47th straight month, as falling commodity prices and weak demand add to deflationary pressure in the world's second-largest economy. The consumer price index (CPI) rose 1.8% y-o-y in January, up from a 1.6% increase in December.

**Japan's trade balance returned to deficit in January**, with a shortfall of JPY646 billion (USD5.65 billion) as exports fell 13% y-o-y, led by an 18% plunge in the value of shipments to China. Customs data showed that exports dropped to JPY5.35 trillion while imports plunged 18% to JPY6 trillion. The deficit compared with a surplus of JPY140.2 billion in December.

**Japan's core machinery orders rose at a slower pace in December** but companies expect orders to accelerate in January-March, an encouraging sign that industry is ready to increase spending. Core orders rose 4.2% in December, Cabinet Office data showed.

**Unemployment among young Koreans hit a seven-month high last month** after declining briefly, and the highest in 16 years for the month of January. Unemployment among people between 15 to 29 stood at 9.5% in January, up 1.1 percentage points from December, according to Statistics Korea.

**South Korea's trade balance from intellectual property rights remained in the red in the Q3 of last year**, but the deficit shrank to an all-time low on the back of a cut in deficits from industrial property rights. In the Q3 period, Asia's fourth-largest economy posted a trade deficit of USD400 million in the intellectual property sector as it exported USD2.83 billion and imported USD3.23 billion, according to the Bank of Korea (BOK).

## Australasia

**Australia's unemployment rate has jumped to 6%**, surprisingly tracking against the momentum of previous months and lifting to its worst level since August. The Australian Bureau of Statistic said that 7,900 jobs were lost over January, while the number of unemployed people ballooned by 30,200, leading to a higher seasonally adjusted jobless rate of 6%.

**New Zealand consumer confidence slipped to its historical average in February**, according to the latest ANZ-Roy Morgan Consumer Confidence Index. The index declined 2 points to 119.7 in February, in line with the historical average of 119.

## Indian Sub-Continent

**Pakistan's total external debt and liabilities increased 7.1% to USD68.5 billion by December 31, 2015.** The State Bank of Pakistan (SBP) data showed that outstanding stocks amounted to USD64 billion a year ago. The increase in stock was attributed to commercial loans and Euro bonds.

## Middle East and North Africa

**Tunisia's economy expanded 0.8% in 2015**, falling from 2.3% growth in 2014, the state statistics institute said. The Institute also said the unemployment rate rose to 15.4% at the end of 2015 from 15.1% in 2014.

## North America

**Mexico's central bank opted for an interest rate hike of 50 basis points**, citing a weak peso and inflation concerns. The deteriorating external scenario and the sharp drop in global crude prices in particular had adversely affected "public finances and the current account balance."

**US homebuilders are feeling less confident about their sales prospects ahead of the spring home-selling season**, though they remain positive overall that the housing market will continue to improve this year. The National Association of Home Builders/Wells Fargo builder sentiment index released Tuesday slipped to 58 this month, down three points from a revised reading of 61 in January.

## South America

**Venezuela has announced the first rise in petrol prices in 20 years** and a sharp devaluation of the currency which aimed to shore up the flailing economy, hard hit by falling oil prices which make up 95% of foreign income. But according to the president, it would still be the cheapest in the world. Prices at the pump in Venezuela will jump as much as 6,086% for 95 octane gasoline, from VEF0.097 (USD0.01) to VEF6 (USD0.60), and 1,300% for 91 octane to rise about USD0.10 as of Friday. Venezuela under 'economic emergency' as court gives Maduro decree powers.

## Oil & Gas News

**Oil prices climb as Iran endorses oil output cap.** Brent futures LCOc1 rose 21 cents to USD34.71 a barrel by 0740 GMT, having closed 7.2% higher in the previous session after hitting an intraday high of USD34.99.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
17-Feb-16	1,211.50	1.91	31.87	16.66	1.57	2.01	1.41	1.00	9597.85	80.95	2.99	33.89	25.36	2,607.84
18-Feb-16	1,207.28	1.94	34.77	17.92	1.56	2.01	1.40	0.99	9591.41	81.16	2.97	33.87	25.34	2,665.71
% Change	-0.35	1.41	9.10	-0.24	-0.11	-0.14	-0.74	-0.07	0.26	-0.80	-0.06	-0.08	2.22	



# Economic & Financial News

Research & International Division

20/2/2016

*... Saudi Arabia's crude oil exports fell by 3% m-o-m in December ...  
... Venezuela's inflation rate hit 180.9% last year ...*

## South East Asia

**Indonesian central bank trimmed its benchmark interest rate for the second time this year** to spur the economy. Bank Indonesia Governor Agus Martowardojo disclosed that the lender reduced its basic policy rate by a quarter percentage point to 7%. The bank also cut both deposit facility and lending facility rates by 0.5% each to 7.5% and 5%, respectively.

**The Indonesian government is planning to increase its grip on the country's industrial estates** by setting up a special unit under the Industry Ministry tasked with operating the industrial zones. In the first phase, the unit will be responsible for operating the government-initiated industrial zones. Later, it will be tasked to acquire several private-run industrial estates on the condition that it has enough money for the takeover.

**Malaysia's economy expanded by 5% y-o-y in 2015**, with its economic growth in Q4 registering at 4.5%. The country's economic growth slowed down a little compared to the 4.7% increase in Q3. Bank Negara Malaysia said that the economic growth in Q4 was supported mainly by the private sector demand, while on the supply side, growth was underpinned by the major economic sectors.

**Money sent home by overseas Filipino workers (OFWs) rose to a record-high level in December** that brought the full-year total well above a downward-revised official 4% estimate for 2015. The cash remittances totalled some USD2.47 billion in December, the biggest inflows posted in any month and 4.9% more than the USD2.354 billion seen a year prior.

## North East Asia

**China will cut taxes on home transactions as it steps up support for the property market**, after the central government eased mortgage down payment requirements to the lowest level ever earlier this month. China will set the deed tax at 1.5% of the home's value for first residences bigger than 90 square meters (969 square feet) and at 1% for those smaller than that size, the Finance Ministry said in a statement.

**China's auto sales rose nearly 8% y-o-y in January** ahead of national holidays, picking up pace in a traditionally strong period for car purchases. Auto makers sold 2.5 million vehicles in China last month, up 7.7% y-o-y, the China Association of Automobile Manufacturers said in a statement.

**The machinery industry in China is facing tough times as investment has slowed**, but structural changes may offer a silver lining. In 2015, the value-added output of the machinery industry increased 5.5% y-o-y, 4.5 percentage points lower than the growth rate seen in 2014, and slower than the 6.1% rise in the average value-added industrial output, data from the China Machinery Industry Federation showed.

**The average monthly pay for full-time employees in Japan in 2015 climbed 1.5% y-o-y** to JPY304,000, the highest level since 2001, a survey by the labour ministry showed. The average wage increased 1.7% to JPY335,100 for men and 1.7% to JPY242,000 for women.

**South Korea's prices for goods and services traded among suppliers declined to the lowest in almost six years in January** due to lower global crude oil prices. The producer price index (PPI) stood at 98.52 in January, down 0.5% m-o-m, according to the Bank of Korea. It marked the lowest in 5 years and 10 months since March 2010. The producer prices kept a downward trend for seven months through January as global crude oil prices continued to fall on worries about supply glut.

**The financial reserves and other asset values in Macau last year rose by MOP2.4 billion** to MOP345 billion, the Macau Monetary Authority (AMCM) announced. The Macau Special Administrative Region (MSAR)'s "basic reserves" amounted to MOP131.88 billion and its "extraordinary reserves" amounted to MOP210.74 billion at the end of last year. The MSAR's assets and liabilities produced a net income of MOP2.43 billion last year.

**The average price of Macau's residential units in 2015 dropped by 13% y-o-y** to MOP86,826 per square metre of usable area, the Statistics and Census Bureau announced. The average price per square metre of usable area of pre-sale residential units fell by 23.5% to MOP119,526, while the average price per square metre of usable area of existing residential units decreased by 9.1% to MOP77,438.

## Indian Sub-Continent

**India's foreign exchange reserves rose USD4.624 billion in the last four weeks** bringing much relief to the local authorities amid fear of global economic slowdown and capital flight from emerging countries to safer destinations. Reserves rose USD347 million in the week to February 12 to USD351.832 billion, Reserve Bank of India said in its weekly statistical report.

**Indian banks' loans rose 11.5% y-o-y in the two weeks to Feb. 5**, while deposits rose 11.3%, the Reserve Bank of India's weekly statistical supplement showed. Outstanding loans rose INR630.90 billion (USD9.21 billion) to INR71.53 trillion in the two weeks to Feb. 5.

**Sri Lanka raised its benchmark rates for the first time in four years** to support the rupee after it fell to a record low during the recent global sell-off. The Central Bank of Sri Lanka increased its standing lending facility rate to 8% from 7.5% and standing deposit facility rate to 6.5% from 6%.

## Middle East and North Africa

**Algeria's trade deficit stood at USD1.875 billion in January 2016**, against a deficit of USD1.857 billion January 2015, up by 0.97%, the Algerian Customs said. The exports have sharply fell by 25.04% to reach USD1.931 billion last January, against USD2.576 billion in January 2015. The imports have also decreased by 14.4%, totalling USD3.806 billion against the USD4.433 billion recorded last year.

**Iran's inflation rate for urban areas in the month to February 19 fell to 11.8%**, a drop of 0.4% compared to the same period last year. The point-to-point inflation rate in that period reached 8.9%.

**Morocco's trade deficit narrowed by 25.3% y-o-y to MAD7.36 billion (USD752.8 million) in January**, due to lower import costs. Total exports rose by 0.7% y-o-y to MAD18.32 billion. Exports covered 71.3% of imports for the first time in more than a decade. Tourism receipts dropped 4.5% to MAD3.8 billion, while remittances from the 4.5 million Moroccans living abroad fell 0.9% to MAD4.86 billion.

**Saudi Arabia's crude oil exports fell by 3% m-o-m in December** and amounted to almost 7.5 million barrels per day. According to the Joint Organisations Data Initiative, crude oil production in Saudi Arabia dropped by 0.41% in December and amounted to nearly 10.1 million barrels per day. At the same time, domestic refineries increased the refined oil production by over 12% in November 2015 and processed 2.3 million barrels per day.

**The Turkish consumer confidence index fell for the third straight month in a row in February**, data from the Turkish Statistics Institute released, hitting the lowest level in four months. The consumer confidence index dropped from 71.6 in January to 66.6 points in February, with analysts citing growing concern of deteriorating security risks.

## Northern Europe

**Denmark's consumer confidence index fell to 4.0 points in February** from 4.6 points in January, the statistics office said. The monthly survey asks a cross section of Denmark's population its views on current personal and national economic trends, along with consumer intentions for the coming months.

**Sweden's inflation rate reached its highest level since mid-2011 in January**, easing pressure on the central bank to cut already ultra-low interest rates. January figures showed annual CPI inflation was 1.6%, the highest since August 2011.

## Western Europe

**French consumer prices fell in January**, pushed down by falling oil prices and seasonal sales, statistics agency Insee said. The CPI in the economy fell 1% m-o-m in January but was up 0.2% y-o-y.

**Inflationary pressures in Ireland are still fairly weak** according to new figures released by the Central Statistics Office. Prices were down 0.8% in the month in January, giving a headline annual inflation rate of 0.1%, the same as in December.

**A rise in exports by 4.3% in 2015 allowed Spain to reduce its trade deficit by 1.2% in the year**. Spain ended the year with a trade deficit of EUR24,173.9 million, 1.2% less than in 2014 and the second lowest level since 1998, according to figures published by the Spanish Ministry of the Economy and Competitiveness. This is due to a rise in exports to their highest levels since current records began in 1971, as 2015 saw a 4.3% rise in exports to EUR250,241.3 million, while imports rose by 3.7% to EUR274,415.2 million.

**Consumer confidence in the Netherlands fell by 5 points in February**, reaching its lowest point in almost a year. While February's index score of -1 is the first negative score since February 2015, it is still above average for the last 20 years.

**UK retail sales surged at the fastest pace in two years last month** as shoppers snapped up bargains in the January sales. Total sales volumes rose 2.3% m-o-m, according to the Office for National Statistics. The rise also reverses December's drop, when the mild weather hit purchases of winter clothing. On an annual basis, sales rose 5.2%, representing the 33rd consecutive month of growth.

## North America

**Canada's annual inflation rate picked up to 2% in January**, the highest since November 2014, lifted by food prices and a rise in gasoline costs, and underlining expectations the Bank of Canada will keep monetary policy unchanged next month.

**Canadian retail sales in December plummeted**, reversing a strong gain in the previous month driven by holiday-season promotions. Retail sales dropped 2.2% to a seasonally adjusted CAD43.21 billion (USD31.43 billion), the lowest level in six months, Statistics Canada said. On a 12-month basis, retail sales advanced 2.6%.

**US consumer prices were unchanged in January**, as the rising costs of housing and health care were largely offset by cheaper oil. But the annual pace of inflation showed signs of acceleration. The Labour Department said that prices have risen 1.4% over the past 12 months, compared to a year ago when annual inflation was close to zero. Consumer prices climbed at the fastest annual rate since October 2014.

## South America

**Argentina's trade deficit in 2015 came in at USD3.04 billion**, primarily attributable to a 17% drop in the value of exports. The report by the National Statistics and Census Institute showed that exports fell from USD68.3 billion in 2014 to USD56.8 billion last year, while imports decreased by 8%.

**Argentina doubled the threshold for paying personal income tax to ARS30,000 (USD2,000) per month** from ARS15,000, President Mauricio Macri said, responding to demands from labour unions to lighten the burden on inflation-hit workers. The new policy comes as salary talks get started nationwide.

**The Brazilian government announced nearly USD6 billion in spending cuts in its 2016 budget** amid the country's worst recession in decades. The BRL23.4 billion (USD5.9 billion) cut was announced two days after credit agency Standard & Poor's downgraded Brazil's sovereign credit rating to two notches below investment grade territory on "significant political and economic challenges". Brazil's currency has plunged almost 50% against the dollar, and inflation was over 10% at the end of 2015.

**Brazil's Central Bank announced its Economic Activity Indicator (IBC-Br) for 2015**, which showed that the economy has contracted 4.08% last year, hitting the lowest point in 12 years.

**Colombia's central bank raised its benchmark lending rate this month to 6.25%**, the sixth consecutive monthly increase, amid calls for the board to take measures to control the current account deficit and counteract inflationary pressures.

**Peru's exports showed recovery signs after having expanded by 8.4% over Q4 2015**. Between October and December 2015, GDP expanded by 4.7%, the National Institute of Statistics and Informatics reported. Thus, Peruvian exports recorded two "favourable quarters". Shipments grew by 2.3% in Q3 2015, following 1.1% and 1.5% decreases registered in the second and first quarters, respectively.

**Peru's net international reserves amounted to USD60.615 billion on February 15th**, Central Reserve Bank of Peru reported. This level of reserves is equivalent to 32% of the country's GDP.

**Venezuela's inflation rate hit 180.9% last year**. Venezuela's central bank released a long-overdue and little-trusted report. Unfortunately for the global community, as high as this figure sounds, it is way below the true inflation rate.

## Oil & Gas News

**Oil prices clung to steep losses** in early Asian trading on Monday as production outpaces demand and US crude stocks swelled to record levels. US West Texas Intermediate (WTI) crude futures CLc1 traded up just three cents to USD29.67 per barrel by 7.37 p.m. ET, following an almost 4% drop on Friday. International benchmark Brent LCOc1 was up two cents at USD33.03 per barrel after also falling almost 4% in the previous session.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
18-Feb-16	1,207.28	1.94	34.77	17.92	1.56	2.01	1.40	0.99	9591.41	81.16	2.97	33.87	25.34	2,665.71
20-Feb-16	1,226.80	1.80	33.01	18.34	1.56	2.02	1.40	1.00	9614.46	80.22	3.00	33.92	25.44	2,656.87
% Change	1.62	-7.22	-5.06	-0.01	0.78	0.07	0.11	0.24	-1.16	0.94	0.15	0.39	-0.33	



# Economic & Financial News

Research & International Division

24/2/2016

*... Saudi Arabia's inflation accelerated the most in more than three years in January ...  
... German government spending on consumption and public investment drove up economic growth in Q4 2015 ...*

## South East Asia

**Brunei's prices of goods and services declined by 1.8% m-o-m in January**, mainly due to lower transport costs, according to the latest data from the Department of Economic Planning and Development (JPKE). JPKE said transport index declined 5.3% m-o-m due to lower prices of car spare parts and accessories as well as cheaper air fare.

**The Indonesian government aims to see lending rates across the banking industry go down to a single digit** as part of its attempt to create "more affordable" financing to stoke growth in the country. The government was preparing several measures to reach the single-digit rate by the end of 2016.

**Indonesia sought to increase the country's defence budget** in an effort to support facilities of the country's military. The Indonesian government would raise the allocation for defence and security to at least IDR250 trillion (USD18.717 billion), or 1.5% of the country's GDP, in three years. The country's president said that the hike could be achieved if the country's economy, which is the largest in Southeast Asia, increased 6%.

**Malaysia's inflation rate in January surged to the fastest level in nearly two years**, but this is not expected to lead to any hike in the country's benchmark interest rate. The CPI in January rose 3.5% y-o-y, the largest annual increase since March 2014. In December, the annual rate was 2.7%. In November, the government raised excise taxes on tobacco products by 40%.

**Singapore's economy expanded by 2% in 2015**, the weakest annual growth since 2009 when the economy was hit by the global financial crisis, the Ministry of Trade and Industry said. The figure was a sharp drop from the 3.3% growth in the previous year, and was revised downwards from the initially projected 2.1% growth. Growth was mainly supported by the wholesale and retail trade, and finance and insurance sectors.

**Singapore's total merchandise trade declined by 9.5% in 2015**, in contrast to the 0.1% expansion in 2014. Singapore's total merchandise trade reached SGD884.1 billion (USD631.5 billion), lower than the previous year's achievement of SGD997 billion (USD712.1 billion). Total merchandise exports dropped 7.2% in 2015 while merchandise imports declined by 12.1% in the same period.

## North East Asia

**Hong Kong's salaries tax and tax under personal assessment for the fiscal year to March 31 will be reduced by 75%**, subject to a ceiling of HKD20,000 (USD2,570). The measures will benefit 1.96 million taxpayers and reduce government revenue by HKD17 billion. In the new fiscal year, which starts April 1, the basic allowance and the single parent allowance for salaries tax and personal assessment will be raised to HKD132,000 from HKD120,000, and the married person's allowance to HKD264,000 from HKD240,000.

**Prices of corporate services in Japan rose in January for the 31st month in a row.** Bank of Japan officials said the Services Producer Price Index rose 0.2% y-o-y last month. January's index reading came in at 102.5, compared with the 100 baseline set in 2010.

## Australasia

**Australian wages grew at their slowest pace on record in 2015**, fuelling speculation that the country's central bank may introduce more easing measures. Hourly rates of pay excluding bonuses rose by 0.5% in the last three months of 2015 compared to 0.6% in the prior quarter, according to the Australian Bureau of Statistics.

**Australian consumer confidence continued to improve last week**, mirroring the rebound on global financial markets. The ANZ-Roy Morgan consumer confidence index rose by a further 0.6% to 114.3, leaving the index above its long-run average of 112.7. The index has now risen 2.8% over the past three weeks, partially retracing the 4.5% plunge seen in January.

## Indian Sub-Continent

**India's overseas gold purchases are likely to hit a more than two-year low in February**, as rising prices and hopes for a cut in import taxes keep buyers away, industry sources said. While lower purchases by the world's second-biggest consumer could dent the current rally in global bullion prices, it would mean relief for the Indian government which has been struggling to curb gold imports that cost the country USD36 billion in 2015.

**Sri Lanka's consumer prices decelerated by 0.7% y-o-y in January**, compared with a 4.2% rise in December, data from the state statistics office showed. However, it was at a slower pace compared to the recorded 4.8% in November, the new index with a base year of 2013 showed.

## Middle East and North Africa

**Consumer prices in Abu Dhabi jumped 3.2% y-o-y in January**, with the increase largely stemming from a hike in electricity and water tariffs that was introduced in January in the emirate. According to the latest report issued by the Statistics Centre, the "housing, water, electricity, gas, and other fuels" group accounted for the largest share (81.8%) of the overall annual rise in prices. The segment's prices rose by 8.2% over the same month in 2015.

**The Algerian car imports bill decreased to USD141.16 million in January** against USD377.88 million in January 2015, which was a decrease of 62.64%. The quantity imported was almost divided by threefold with 9,309 cars imported in January against 27,497 units in the same month of the previous year, which was a drop of 66.15%, the National Center for Statistics and Customs announced.

**Bahrain is committed to the peg of its dinar currency against the US dollar**, central bank governor Rasheed Mohammed al-Maraj said. The dinar, pegged at 0.376 to the dollar, has come under pressure in the foreign exchange forwards market in the last several months as low oil prices damage Bahraini state finances.

**Inflation in Saudi Arabia accelerated the most in more than three years in January** after government subsidy cuts drove up transportation and commodity prices. Consumer prices rose an annual 4.3%, up from 2.3% in December, the General Authority for Statistics said on its website. That's the most on an annual basis since October 2012. Consumer prices went up 1.9% on the month.

**The Turkish Central Bank kept its benchmark interest rate unchanged at 7.5%** during its meeting on Feb. 23, raising concerns amid a continuing rise in inflation rates. It also kept its overnight borrowing rate at 7.25% and its overnight lending rate at 10.75%.

## Eastern Europe

**Czech producer prices fell at their fastest monthly pace since November 2008**, dropping by a deeper-than-expected 1.6% in January and shows the challenge the central bank faces in lifting overall inflation. In annual basis, factory gate prices decreased by 3.4%.

**Hungary's central bank kept interest rates on hold at 1.35%** but hinted at more monetary easing depending on its own inflation forecasts in March and on further European Central Bank moves.

**Hungary's HUF92 billion budget surplus in January** happened as a result of each subsystem of the government ending the month in the black, the Economy Ministry said in its release of the detailed figures on Monday.

## Northern Europe

**Iceland's wage index reported an increase of 0.4% m-o-m in January**, according to figures released by Statistics Iceland. The figures showed that the wage index was 545.0 in January, an increase of 0.4% compared with 542.7 in December 2015. The index takes the wage in December 1988 as the base (1988=100). In the past 12 months, the monthly wage index has increased by 9.4%.

## Western Europe

**German government spending on both consumption and public investment drove up economic growth in Q4 2015**, while foreign trade dragged the economy. Germany's GDP increased by 0.3% q-o-q during Q4, according to the German federal statistics office Destatis. The government's expenditure on consumption, including spending for goods and services provided to refugees, increased markedly by 1% in Q4, up from the 0.5% in the three months through September, contributing to 0.2 percentage points to the GDP growth.

**The Ifo Institute for Economic Research's business sentiment index for industry and trade in Germany dropped markedly to 105.7 points in February** from 107.3 points in January, marking its third consecutive decrease. According to the Munich-based think tank, assessments of the current business situation were slightly better than last month, but German business companies expressed growing concern, especially in manufacturing.

**Ireland has seen the lowest unemployment figures in seven years**, with 142,300 people back to work since the height of the unemployment crisis. The figures from the Central Statistics Office (CSO) showed the long-term unemployment rate continuing its fall, down from 5.8% to the current 4.7%. There was an annual increase in employment of 2.3% or 44,100 last year.

**Italy's annual inflation rate was 0.3% in January**, up from 0.1% in December 2015, statistics bureau Istat said. Ten large Italian cities experienced price deflation or prices hovering at zero growth rate in January 2016.

## North America

**Mexico's GDP grew 2.5% y-o-y in 2015.** The annual growth rate was in line with forecasts by government agencies and financial analysts, the National Institute of Statistics and Geography of Mexico said. As for Q4 2015, GDP grew 0.5% q-o-q, and 2.5% y-o-y.

**Mexico retail sales climbed at the slowest pace in a year in December**, rising less than analysts forecast and fuelling concern on domestic demand. Retail sales climbed 3.4% y-o-y.

**US home prices increased at a steady clip in December**, helped by a healthy job market and low mortgage rates. The Standard & Poor's/Case-Shiller 20-city home price index climbed by 5.7% y-o-y, same as the annual increase in November.

## South America

**Brazil's annual inflation accelerated in the month through mid-February** after the central bank refrained from raising borrowing costs and the government proposed loosening its fiscal targets. Annual inflation as measured by the IPCA-15 index quickened to 10.84%, its highest level since November 2003, the national statistics agency said.

**Brazil posted a current account deficit of USD4.817 billion in January**, up from a shortfall of USD2.460 billion in December. In the 12 months through January, the deficit was equivalent to 2.94% of Brazil's GDP, down from 3.32% of GDP in the previous month. Brazil attracted USD5.455 billion in foreign direct investment last month, the central bank said.

**Brazil's Congress approved a watered-down bill to increase taxes on capital gains**, giving the government less help than it had wanted in its struggle to shore up fiscal accounts. The proposal raises taxes on capital gains from the sale of real estate and corporate assets, changing the rate from a flat 15% to a progressive scale with a top rate of 22.5% as of 2017.

## Commodity News

**Gold retained sharp overnight gains on Wednesday**, bolstered along with other safe-haven assets as risk-aversion in the market sent equities tumbling. Spot gold was steady at USD1,227.40 an ounce by 0300 GMT, after gaining 1.4% in the previous session.

## Oil & Gas News

**US natural gas futures wallowed near two-month lows on Tuesday**, as mild weather dominated forecasts for the US northeast through the end of the winter heating season. Natural gas for delivery in March on the New York Mercantile Exchange fell 2.5 cents, or 1.37%, to trade at USD1.796 per million British thermal units by 15:35GMT, or 10:35AM ET.

**Oil prices slid on Wednesday**, extending sharp falls from the previous session after top exporter Saudi Arabia ruled out production cuts and industry data showed a further build in US crude stockpiles. US crude futures CLC1 were trading at USD31.25 per barrel at 0758 GMT, down 1.95% from their last settlement. International Brent futures LCOc1 were down around 1% at USD32.90 a barrel.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
20-Feb-16	1,226.80	1.80	33.01	18.34	1.56	2.02	1.40	1.00	9614.46	80.22	3.00	33.92	25.44	2,656.87
24-Feb-16	1,225.17	1.77	32.9	18.59	1.55	1.97	1.41	0.99	9553.84	79.50	3.01	33.89	25.39	2,623.16
% Change	-0.13	-1.67	-0.33	-0.79	-0.79	-2.76	0.21	-0.54	-0.63	-0.90	0.56	-0.09	-0.20	-1.27

# Economic & Financial News

Research & International Division

25/2/2016

*... Iceland's unemployment rate stood at 3.8% ...  
... Taiwan's export orders decline for 10<sup>th</sup> consecutive month ...*

## South East Asia

**Philippines imports in 2015 rose by 2% to USD66.7 billion**, even as the value of shipments declined by 25.8% y-o-y last December, the steepest drop since the height of the global economic crisis in 2009. Payments for imported goods in December last year dropped to USD4.1 billion from USD5.5 billion the previous year.

**Philippines revenue growth across key industries eased to its lowest level in at least 15 quarters** due to a decline in factory sales, the Philippine Statistics Authority (PSA) reported. The gross revenue index expanded by 4.3% during the Q3 of 2015, according to PSA's Quarterly Economic Indices report.

## North East Asia

**China still owns the world's largest currency reserves**, but it has been burning through them at such a pace that some think Beijing might soon have to allow a sharp fall in the yuan or back-pedal on liberalisation and tighten its capital controls. Foreign exchange reserves in China declined USD99.5 billion in January to USD3.23 trillion, following a record fall the previous month, and have shrunk by USD762 billion since mid-2014, more than the GDP of Switzerland.

**Total expenditure for the Hong Kong government is estimated to reach HKD490 billion (USD63 billion) in the 2016-17 financial year**, up 14% y-o-y, according to the Financial Secretary, Tsang Chun-wah. Total government revenue for 2016-17 would be HKD500 billion, of which earnings and profits tax would generate HKD206 billion and land revenue would produce HKD67 billion.

**South Korea's short-term foreign debt slightly decreased last year** from 2014. The country's short-term external debt with a maturity of one year or less totalled USD108.7 billion as of the end of 2015, falling USD7.7 billion from a year earlier, according to the Bank of Korea. Korea's total external debt stood at USD396.6 billion as of the end of last year, also falling USD27.8 billion from the previous year.

**New housing permits in South Korea jumped 42.9% on-year in January**, a sign that low interest rates and stimulus measures continue to prop up the real estate market. The number of new home permits issued reached 47,536 last month, compared with 33,271 a year earlier, according to the data by the Ministry of Land, Infrastructure and Transport.

**Overseas credit card spending by South Koreans last year was record-high KRW15 trillion**, up 8.7% from the year before. Domestic consumption, by contrast, rose by only about 4% last year, showing that people are spending more abroad and less at home. Koreans spent USD13.26 billion on credit cards abroad last year, up from USD12.21 billion in 2014. The main reason is that the number of people traveling abroad increased sharply thanks to more flights on budget airlines and the weak Japanese yen, the central bank said.

**Taiwan's export orders fell 12.4% in January** from the same period last year to USD34.19 billion, marking the 10th consecutive month of decline, the Ministry of Economic Affairs said. The ministry attributed the decline partly to the first quarter being a traditionally slow season for the electronics industry and the lacklustre iPhone sales.

## Eastern Europe

**Russia's central bank decided to introduce new rules to discourage banks from attracting foreign exchange deposits** and firms from taking out forex loans because it wanted to ease pressure on the ruble and curb its volatility. The Russian currency has lost around 60% of its value against the dollar since mid-2014, amid weak oil prices and sanctions on Moscow related to Ukraine.

## Northern Europe

**Iceland's unemployment rate stood at 2.8% in January 2016**, registering a y-o-y decrease of 1.5 percentage points, according to a survey issued by Statistics Iceland. The number of people in the labour force market in January was 192,500, among whom 5,400 were unemployed.



## Western Europe

**At the end of January this year, 27,900 fewer jobless claims were recorded in France** compared to December last year, labour ministry figures showed. Over the period, 3.552 million people have been reported without job, down 0.8% from a month earlier. This decrease confirms the trend which has loomed since last summer. Beyond the monthly changes observed in recent months which characterising a recovery in economic activity, the number of job seekers was stable over the past eight months.

**French consumers showed more pessimism about the economy in February** with the monthly sentiment indicator declining to 95, two points down from January, mainly on rising unemployment fears, the national statistics bureau Insee said. The households' sentiment of their future personal financial situation over the period lost two points to minus 10ht, with their attitudes toward the general economy deteriorating by 7 points after it had improved by five points in January.

## North America

**Mexican consumer prices rose in early February** to their highest since last April on a surge in food costs, but core inflation showed only modest pressure from a deep slump in the peso. Inflation in the 12 months through mid-February MXCPHI=ECI was 2.94%, up from 2.75% in the H2 of January.

## South America

**Brazil's sovereign rating was cut to junk by Moody's Investors Service**, the last of the major ratings companies to strip the country of its investment grade, as President Dilma Rousseff struggles to shore up fiscal accounts amid deepening political turmoil. The country's benchmark stock gauge declined the most in two weeks and the currency weakened after the rating was reduced two steps to Ba2. The outlook is negative, meaning more downgrades may be coming, Moody's said.

**Brazilian tourists spend 62% less abroad in January.** The volume spent in January 2016, USD840 million, was the lowest spent by Brazilian travellers abroad since January of 2009, according to the central bank. The overall economic recession, added to the significant appreciation of the US dollar, in comparison to the Brazilian real, and the newly created tax over tourism services paid abroad, discouraged foreign spending.

**Peru's financial account recorded a surplus of USD10.219 billion in 2015**, and thus experienced 50% growth compared to 2014, the Central Reserve Bank of Peru revealed. In 2015 the favourable performance was explained due to the presence of greater long-term capital linked to private (USD7.296 billion) and public sectors (USD3.957 billion, bonuses placement and other loans).

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
24-Feb-16	1,225.17	1.77	32.9	18.59	1.55	1.97	1.41	0.99	9553.84	79.50	3.01	33.89	25.39	2,623.16
25-Feb-16	1,234.21	1.77	34.27	19.36	1.55	1.96	1.40	0.99	9550.19	79.80	3.00	33.93	25.41	2,630.08
% Change	0.74	0.00	4.16		-0.30	-0.59	-0.23	0.08	-0.04	0.38	-0.38	0.10	0.11	0.26

# Economic & Financial News

Research & International Division

27/2/2016

*... Spain's public debt ended 2015 at 99% of GDP ...  
... Mexico's current account deficit swelled last year to its largest in at least 20 years ...*

## South East Asia

**Business optimism on the Philippine economy slightly dipped as 2016 opened**, the Bangko Sentral ng Pilipinas said, amid worries over the upcoming elections, global growth, the stock market, and other seasonal factors. Results of a Jan. 5 to Feb. 17 central bank survey among 1,539 private firms revealed an overall confidence index (CI) of 41.9% for the first three months of the year, slipping from the 51.3% seen in the Q4 of 2015 and the 45.2% tallied a year prior.

**Singapore households across all income groups earned more last year**, with those in the lowest 30% and top 10% seeing the fastest real income growth. The Department of Statistics said, the median household income from work rose to SGD8,666 last year, up SGD374 from SGD8,292 in 2014. This is an increase of 4.5% in nominal terms, or an increase of 4.9% in real terms, after accounting for inflation.

**Singapore's factory output began the year on a slightly firmer footing**, falling just 0.5% y-o-y last month due mainly to a stronger biomedical cluster. Excluding output from the volatile biomedical sector - which surged 28.9% in January after relatively flat growth in the previous two months - industrial output was down 7%.

**Thailand's exports contracted in January**, showing the trade-dependent economy is still struggling in the face of sluggish global demand and China's slowdown. Thai exports, equal to more than 60% of economic output, tumbled 8.9% y-o-y in January, the Commerce Ministry said. The decline was the 13th straight month and the biggest for any month since November 2011, when severe flooding closed thousands of factories.

**Vietnam gained a trade surplus at USD900 million in the first two months of this year** because of strong reduction in imports and regular increase of exports. The General Statistics Office said that in the first two months, national total import value had a y-o-y reduction at 6.6% to USD22.8 billion while the total export value gained a y-o-y increase of 2.9% to USD23.7 billion.

## North East Asia

**Latest home price data suggest an uneven recovery in China's housing market**, with first-tier cities leading price increases. Of the 70 cities monitored in January, new home prices climbed in 38, compared with 39 the previous month, the National Bureau of Statistics said. There were 24 declines, down from 27 in December. On an annualised basis, 25 cities posted increases with 45 falls, compared with 21 and 49 in December. New-home prices rose most, 52.7% y-o-y, in Shenzhen, followed by Shanghai (21.4%) and Beijing (11.3%). Zhanjiang in Guangdong Province, performed worst, falling 4.9%.

**Japan's consumer prices remained flat in January** compared to the same period a year earlier, the Ministry of Internal Affairs and Communications said. The CPI reading in the recording period stood at 102.6 against the 2010 base of 100, the statistics bureau said. The latest reading follows a negligible 0.1% rise in the previous two months, underscoring the Bank of Japan's (BOJ) struggle to combat deflation and achieve its 2% target, despite unrolling a number of quantitative easing measures.

**Propensity to consume among South Korean people declined to the lowest last year**, boosting concerns about faltering private consumption amid lower household income. Consumption propensity posted 71.9% in 2015, the lowest since the data began to be compiled in 2003, according to Statistics Korea. The figure kept falling for five straight years since 2011. Monthly average income per household was KRW4,373,000 (USD3,532) in 2015, up 1.6% y-o-y. It was the slowest increase since 2009 when the global financial crisis erupted.

**South Korea's household spending fell to an all-time low in 2015** despite a slight increase in income, as households repaid debts and spent less amid an economic slump. The average consumption propensity, or the ratio of total consumption spending to disposable income, came to 71.9%, down 1 percentage point from a year earlier, according to a report from Statistics Korea. The average monthly consumption spending of households came to KRW2.56 million (USD2,070.5) last month, up 0.5% y-o-y.

**South Korea's automobile market grew 10.3% in 2015** in the face of an economic slump, becoming the world's 10th largest in vehicle sales. More than 1.83 million domestically made and imported cars were sold here last year, accounting for 2% of auto sales around the globe, according to the data compiled by the Korea Automobile Manufacturers' Association. In 2014, the country was the 11th-largest auto sales market.

**Unemployment rate in Taiwan remained flat for January**, while the number of people with full-time jobs merely increasing by 0.02%, the smallest in six years. The rate of unemployment in January showed no change at 3.87% from last December but rose 0.16 percentage points from the same period of last year. The employment only increased by 2,000, or 0.02%, the lowest level since 2010, showing slow growth momentum at the job market as a result of weak economy.

## Australasia

**New Zealand unexpectedly posted a trade surplus in January** as exports rose more than forecast, aided by higher shipments of wood, dairy and fruit. Statistics New Zealand said the country had a merchandise trade surplus of NZD8.1 million in January. Exports rose 5.9% to NZD3.9 billion from the year earlier month, while imports increased 7.2% to NZD3.9 billion.

## Indian Sub-Continent

**The Indian government unveiled its railway budget for the financial year 2016-2017**, promising that it would "reflect the aspirations of the people" and aim at restructuring and rejuvenating the world's fourth largest rail network.

**The Reserve Bank of India's foreign exchange reserves fell USD1.5 billion as of Feb. 19** from a week earlier, marking the first weekly fall in five, as the central bank was seen as selling dollars to prevent the rupee from hitting a record low.

**Pakistan's foreign exchange reserves dropped USD55 million** to USD20.3 billion in the week ended February 19. Total foreign reserves amounted to USD20.4 billion a week ago, said the State Bank of Pakistan. During the week, the central bank's forex reserves decreased USD36 million to USD15.5 billion as compared to USD15.5 billion in the previous week.

## Middle East and North Africa

**The cost of Egypt's subsidy on oil has dropped by 42.2%** to record EGP26 billion (USD3.3 billion) in the H1 of fiscal year 2015-16. The cost of oil subsidy has recorded EGP45 billion the same period of fiscal year 2014-15, i.e. the decrease is estimated at EGP19 billion. Egypt targets the cost of subsidy on petroleum materials to reach EGP61 billion during the current fiscal years opposed to around EGP100 billion in FY 2014-15.

## Eastern Europe

**The unemployment rate in Hungary dropped by 1.2 percentage points to 6.2%** in the period of November 2015 to January 2016, compared to the same period a year earlier, the Hungarian Central Statistical Office (KSH) reported.

**Russia's economy is expected to contract by almost 1% in the Q1**, compared with the previous quarter on a seasonally adjusted basis, the central bank said. Hit by a drop in prices for oil, Russia's key export, as well as Western sanctions, the country's economy is widely expected to shrink for the second year in a row in 2016.

**Russia's international reserves mostly comprising gold and foreign currency fell by USD3 billion** in the week of February 12-19 to USD379.4 billion, the Central Bank of Russia said.

## Northern Europe

**Iceland's CPI had increased by 0.68% as of the middle of February**, according to Statistics Iceland. The figures showed the CPI in February was 431.2 points, up 0.68% compared with 428.3 points in middle of January. Among factors influencing the CPI were prices of clothing and footwear that increased by 6.4%, prices of furnishing and household equipment that increased by 11.7%, and the cost of international airfares that decreased by 11.9%.

## Western Europe

**German annual inflation falls to zero in February**, driven by a sharp drop of energy prices, fuelling speculations that the European Central Bank would further loosen its monetary policy next month. Compared with the previous year, CPI in Germany remained unchanged in February, said German federal statistics office Destatis. In January, consumer prices in Europe's biggest economy rose by 0.5% annually.

**Spain's home mortgages rose by 19.8% in 2015** when compared with a year earlier. A total of 244,827 home mortgages were granted in 2015, with the amount of capital loaned rising by 24.1% to EUR25.9 billion (USD28.3 billion) and the average value per mortgage increasing by 3.6% to EUR105,931. The number of home mortgages in December reached 19,362, which meant a 21.2% y-o-y increase. Meanwhile, home mortgages rose by 0.6% from November to December.

**Spain's public debt ended 2015 at 99% of GDP**, roughly in line with expectations and fractionally lower than the previous year after it had spiralled during a deep recession. Bank of Spain data last week showed public debt had risen to EUR1.1 trillion (USD1.2 trillion) by December.

## North America

**US economy in the Q4 of 2015 expanded faster than previously estimated**, as companies' inventory investment decreased less than previously estimated. The GDP increased at an annual rate of 1% during September-December 2015, higher than the advance estimate of 0.7%, said the Commerce Department. In 2015, the real GDP increased 2.4%, the same rate as in 2014.

**Orders to US companies for long-lasting manufactured goods advanced in January** at the strongest pace in 10 months. Moreover, a key category that tracks business investment surged by the largest amount in 19 months. The Commerce Department said orders for durable goods, items ranging from autos and appliances to steel and machinery, grew by 4.9% last month. That represented a rebound from a 4.6% plunge in December.

**More people sought US unemployment benefits last week**, though the figure remained at a low level that suggests layoffs aren't widespread. The Labour Department said weekly applications increased by 10,000 to a seasonally adjusted 272,000. The four-week average, a less volatile figure, declined 1,250 to 272,000.

**American consumers lost a little confidence this month** amid worries that slowing economic growth will hurt the job market, the University of Michigan said. The university said that its consumer sentiment index slipped to 91.7 in February from January's reading of 92. A year ago, the index stood at 95.4.

**Mexico's current account deficit swelled last year to its largest in at least 20 years**, as a collapse in oil prices widened its shortfall in foreign trade. The current account deficit widened to USD32.4 billion from USD24.9 billion in 2014, its biggest since at least 1995. As a proportion of the GDP it rose last year to 2.8%, its largest since 1998. It was 1.9% of GDP in 2014.

## South America

**Brazil posted a primary budget surplus of BRL27.9 billion (USD7.1 billion) in January**, bouncing back from a record deficit in the previous month due to a surge in extraordinary revenues. In the 12 months through January, the primary budget deficit fell to an equivalent to 1.8% of GDP from 1.9% in 12 months through December.

**In 2015 remittances from Peruvians living abroad continued to display significant dynamism** and saw a 3.3% increase leading to USD2.7 billion, Peru's Central Bank reported. During 2015's Q4, remittances experienced steady growth and reached USD716 million, a 5.8% growth compared to the same period in 2014.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
25-Feb-16	1,234.21	1.77	34.27	19.36	1.55	1.96	1.40	0.99	9550.19	79.80	3.00	33.93	25.41	2,630.08
27-Feb-16	1,223.46	1.79	35.1	19.61	1.55	1.96	1.40	0.99	9564.80	80.63	3.01	33.99	25.49	2,649.38
% Change	-0.87	1.13	2.42	0.16	0.26	-0.31	-0.47	0.15	1.04	0.41	0.18	0.32	0.73	