

# Economic & Financial News

Research & International Division

1/5/2013

## *Eurozone unemployment at record high China becomes biggest PC market in 2012*

### South East Asia

**The Indonesian government will raise subsidized fuel prices** only when the compensation for the poor is ready, said President Susilo Bambang Yudhoyono.

**Indonesia's annual inflation eases** to 5.57% y-o-y in April 2013 compared to 5.9% y-o-y in the previous month, pressured by a decline in food and gold prices, the statistics bureau said.

**Indonesia's manufacturing activity hit a six-month high in April.** The Purchasing Managers' Index climbed to 51.7, up from a 51.3 reading the previous month, the HSBC Markit's survey showed.

**Exports of Malaysian palm oil products for April fell** 5.6% to 1,292,371 tonnes, compared with 1,368,426 tonnes shipped during March.

**Total bank lending in Singapore rose** 1.5% in March from February, according to the central bank.

**Core inflation is likely to pick up in the second half of 2013** as the economic outlook turns more favourable and cost pressures swell, the Monetary Authority of Singapore said.

**Philippines' domestic liquidity (M3) in March grew** by 11.4% y-o-y to reach P5.1 trillion, the Bangko Sentral ng Pilipinas said.

### North East Asia

**Growth in China's manufacturing sector unexpectedly slowed in April,** with the official purchasing managers' index falling to 50.6 from 50.9 in March, data showed.

**China has overtaken the US as the world's biggest market for personal computers in 2012,** according to a market data report by company consultants, IHS.

**The Hong Kong Special Administrative Region government recorded about US\$ 8.35 billion of surplus** for the year ending March 31 this year, according to the Financial Services & the Treasury Bureau.

**The number of Chinese visitors to Thailand increased sharply by 98% in** Q1 2013 from the same period last year, according to Thailand's Tourism Authority.

**Japanese wage earners' total cash earnings fell** 0.6% in March from a year earlier with overtime pay falling the most in more than 3 years, data showed.

**Housing starts in Japan rose 7.3% in March** from a year earlier, data by the Land Ministry showed.

**South Korea's inflation slowed to 1.2% on-year in April,** reflecting falling oil and vegetable prices, government data showed.

**South Korea's central bank warned that construction, shipping and shipbuilding companies** were faced with sharply higher debt default risks than other sectors due to an extended slump in those industries.

**Policymakers at South Korea's central bank froze the key interest rate in a 4-3 vote in April** when the government had put pressure on the Bank of Korea to lower borrowing costs.

### Middle East and North Africa

**Egypt's economy is poised to grow by only 3% in the fiscal year ending June 2014,** well below the pace needed to generate jobs for the country's disaffected youth, and lower than previously forecast.

**In Tehran, some 69.85 million tons of non-oil commodities, excluding oil condensates,** worth dlrs 32.534 billion were exported during the past Iranian year (ended March 20, 2013).

### Indian Sub-Continent

**The Indian government has no intention to impose a wealth tax on farm land,** Finance Minister P. Chidambaram said.

**India's infrastructure sector output rose 2.9% in March** from a year earlier, government data showed.

## Europe

**Eurozone unemployment hit a record of 12.1% in March**, with 19.2 million people on the dole and an extra 62,000 people joined unemployment queues in just 4 weeks, the Eurostat data agency said.

**Inflation in the Eurozone has fallen to a three-year low to 1.2%** in April, the EU's statistics office Eurostat said.

**International ratings agency Moody's downgraded Slovenia by two notches** to junk status, with a negative outlook, and warned that the eurozone member might need a bailout.

**The Cypriot parliament narrowly approved a controversial EU-IMF bailout deal** after the government warned that a rejection would be "catastrophic" for Cyprus.

## Eastern Europe

**Russia's gold output** grew 13.2% on year in the period from January to March, according to the data released by the State Statistics Services.

**Russia's consolidated budget surplus** fell 50% to 95.7 billion ruble in the January-February period, the Prime reported.

## North America

**US job growth likely to accelerate in April**, but probably still lacked enough muscle to help the economy

head off the blow from deep government budget cuts and higher taxes.

## Australasia

**House prices in Australia fell in April**, according to the RP Data-Rismark Home Value Index. The RP Data Director of Research stated that the housing market recovery will still continue over the coming months.

**The Australian Performance of Manufacturing Index fell 7.7 points** in April to 36.7 on a seasonally adjusted basis, which indicated a contraction in activity. This is the lowest level recorded since May 2009.

## Oil & Gas News

**West Texas Intermediate crude fell for a second day** after OPEC's production increased to a five-month high and an industry group said U.S. stockpiles climbed for the first time in three weeks.

## Commodities News

**Gold fell, extending its worst monthly loss in more than a year**, as investors weighed a record drop in exchange-traded product assets with speculation the Federal Reserve will maintain unprecedented monetary stimulus.

## Currency News

**The pound approached an 11-week high against the dollar**. The pound was 0.1% higher at \$1.5546 after climbing to \$1.5569 yesterday.

Date	Gold	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
30-Apr-13	1,471.90	4.15	103.78	25.01	1.61	1.92	1.23	1.27	7,873	78.98	2.45	33.35	23.69	3,374.25
1-May-13	1,469.40	4.37	101.55	23.24	1.62	1.91	1.23	1.28	7,878	79.35	2.46	33.33	23.76	3,368.18
% Change	-0.17	5.30	-2.15		0.32	-0.28	-0.04	0.28	0.06	0.47	0.07	-0.08	0.28	-0.18

# Economic & Financial News

Research & International Division

2/5/2013

*... Both Indonesia and South Korea recorded a trade surplus ...  
... Inflation in Thailand slowed in April...*

## South East Asia

**The Indonesian government is trimming down the tax obligations of petroleum companies**, in a bid to bolster oil production at a time of dwindling reserves. Oil and gas contractors would be exempt from import duties, value-added tax and luxury-goods sales tax as of April this year.

**Indonesia enjoyed a trade surplus** of US\$304.9 million in March but suffered a deficit for the first quarter of 2013. Oil and gas imports rose 7.5% to US\$11.3 billion during the quarter to meet with the growing consumption of subsidized fuel.

**Election-related spending is seen to support the number of jobs in the Philippines** for the next two quarters, according to First Metro Investment Corp. and the University of Asia and the Pacific Capital Markets Research. Job creation for the year ending January 2013 rose by 456,000, well short of the 1.1 million new jobs recorded in January 2012.

**Investments are still vital** to transform Singapore's economy and to upgrade workers, said the Prime Minister.

**Thailand inflation slowed for a fourth straight month in April** as government measures and subsidies continued to hold down prices and continued baht gains eased energy costs.

**The Bank of Thailand should consider exports the top priority in ensuring continued economic growth**, and any cut in the policy interest rate should have this as the primary focus given that inflation is now well under control, the Commerce Ministry said.

## North East Asia

**China's Government removes 15-year limit on life span of privately owned vehicles**, a new regulation published by the Ministry of Commerce and effective from yesterday.

**China is gradually shifting its education focus** from a pursuit of diplomas to vocational training, in a bid to meet the growing demand for skilled workers in the country's technical upgrade and to filling labor gap.

**The Korean government urged joint efforts by large conglomerates** to overcome difficulties created by the

depreciation of the Japanese currency, also calling for their support of smaller firms.

**South Korea's trade surplus narrowed in April from a year earlier** as local exporters lost ground in overseas markets in the face of a weaker Japanese yen, the government said.

**South Korea's manufacturing activity expanded in April** by the fastest pace in more than two years as new orders continued to grow.

## Middle East and North Africa

**Qatar's economic growth dived** to around 6.2% in 2012 from 13% in 2011 and growth is set to slow down further in 2013 and 2014, according to a Kuwait bank.

## Indian Sub-Continent

**Indian consumer confidence dropped in Q1 2013** to become second after Indonesia due to the 'environment around them'. The index dropped by one point to 120 after topping the global list at 121 in Q4 2012.

## Europe

**The European Stability Mechanism, a massive rescue fund created to ward off further crisis in the Eurozone, has reached more than half its capital target** and is on pace to become the world's richest financial institution, ESM said in a statement.

**The European Central Bank is widely expected to cut interest rates later**, as it seeks to boost growth amid ongoing fears for the eurozone economy. Currently, rates are at 0.75.

**France and Italy presented a united front on the eurozone debt crisis** amid deepening divisions over belt-tightening policies in the European Union as some countries reach breaking point.

## North America

**The Federal Reserve's debate over US monetary policy** could begin to shift away from the prospect of reducing stimulus toward a discussion about doing more, given the signs of economic weakness and slowing inflation.



# Economic & Financial News

Research & International Division

4/5/2013

*... The U.S. added 165,000 jobs in April...  
...India's central bank cuts interest rate...*

## South East Asia

**Standard & Poor's outlook rating on Indonesia's debt was downgraded** to "stable" from "positive", arguing that the country's economic reform had lost its momentum.

**The Philippines government's fiscal deficit doubled**, reaching P66.5 billion in Q1 2013 from P35.2 billion in Q1 2012, due to higher government spending. The fiscal performance was still within the P73.9 billion target for the quarter.

**The Philippines' sovereign credit ratings was raised to investment grade**; from "BB+/B" to "BBB-/A-3", by the Standard & Poor's (S&P) rating agency, due to the country's strengthening external profile, moderating inflation, and declining reliance on foreign currency debt.

## North East Asia

**China's non-manufacturing sector shrank in April.** The purchasing managers index (PMI) for the non-manufacturing sector stood at 54.5%, down 1.1 percentage points from March.

**Average housing prices in 100 of China's largest cities rose** at the fastest pace in 18 months. The average price rose 5.3% in April from a year earlier, the China Real Estate Index System reported.

**Hong Kong property sales drop** 36% m-o-m, and 59% y-o-y in March 2013, the Hong Kong Lands Registry announced.

**South Korean's non-regular's hourly wage is 64% of regular employees' hourly wage**, according to the Ministry of Employment and Labor.

## Middle East and North Africa

**Unemployment rate in Kuwait is 4.9% this year**, with around 19,500 Kuwaitis currently listed as unemployed, State Minister for Cabinet Affairs said.

**Oman's oil price (July delivery) has touched \$99.50**, the Dubai Mercantile Exchange (DME) said. The DME statement said that the price of Oman oil lost \$2.90 compared to that on Tuesday, which was \$102.40.

## Indian Sub-Continent

**India's central bank cut its main interest rate** by 25 basis points on Friday, but said there was "little space" for further reductions to help the slowing economy.

## Europe

**The European Central Bank (ECB) said it was "ready to act if needed"**, should more be required to boost the eurozone's economic health. The ECB also extended its cheap loans to banks until at least July 2014.

**The euro-area economy will shrink** 0.4% this year, according to the European Commission. This follows a 0.6% contraction in 2012 as the euro area remains dependent on exports to offset the impact of the sovereign debt crisis and banking woes.

**France is projected to shrink** 0.1% instead of growing by the same amount, according to the European Commission report.

**France is likely to be given two more years** to reach its budget deficit goals, EU Economic and Monetary Affairs Commissioner Olli Rehn said.

## North America

**U.S. employers added 165,000 jobs in April.** The job increases helped reduce the unemployment rate from 7.6% to a four-year low of 7.5%.

## Australasia

**Australia's headline producer prices rose** 1.6% y-o-y in Q1 2013, compared to 1.0% in the previous quarter.

**Average house prices in Auckland fell** from a record high last month, snapping a three-month advance. The average sale price fell about 0.5% to \$643,089, having reached a record \$645,928 in March.

## Oil & Gas News

**West Texas Intermediate (WTI) crude surged** to the highest level in a month as U.S. employment rose more than forecast in April. WTI for June delivery jumped \$1.62, or 1.7%, to \$95.61 a barrel.

## Commodities News

**Gold fell** 12% to \$1,467.11 an ounce this year in London, after climbing as much as sevenfold in the previous 12 years.

**Wheat fell** on speculation that crop damage was less than expected after freezing, dry weather in the U.S.' Great Plains. Corn also declined, while soybeans advanced.

## Currency News

**Asian currencies rose** for a fourth week, on speculation central banks will provide more policy stimulus after data from China to the U.S. fanned concerns of a slowdown.

**The dollar fell against the euro Friday** despite a strong U.S. April jobs report that otherwise sent stock markets and oil prices soaring.

**The RMB yuan gained 0.77% against the US dollar in April**, continuing an upward trajectory in which the Chinese currency has surged more than 32% against the greenback since 2005.

Date	Gold	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
2-May-13	1,450.27	4.32	99.95	23.14	1.62	1.92	1.23	126.40	7883.33	78.91	2.47	33.38	23.82	3,402.39
4-May-13	1,464.20	4.04	100.95	24.99	1.61	1.92	1.23	126.76	7890.17	79.37	2.47	33.15	23.99	3,369.90
% Change	0.96	-6.48	1.00		-0.65	-0.06	0.06	0.28	0.09	0.58	-0.30	-0.68	0.70	-0.95

# Economic & Financial News

Research & International Division

7/5/2013

*...Banks in Singapore are urgently scrutinising their account holders...  
...Debt-laden Greece has made progress in reducing its budget deficit...*

## South East Asia

**Banks in Singapore are urgently scrutinising their account holders** as an imminent deadline on stricter tax evasion measures forces them to decide whether to send some of their wealthiest clients packing.

**Indonesia's economic growth slowed** to a still robust 6% in Q1 2013 as mining output decreased. The growth rate was down from 6.1% in the final quarter of 2012.

**Philippines' trade deficit for the year 2012** reached US\$10 billion. The resulting trade balance in goods was higher compared to the preliminary series of US\$9.719 billion deficit.

**Philippine inflation in April slowed down** to 2.6% due to lower food and transport costs, the National Statistics Office (NSO) said Tuesday.

**The current coal's export tax of 10% was still high** in comparison with other countries. It proposed the ministry make the export tax on coal similar to the average world prices, Viet Nam National Coal and Mineral Industries Group deputy general director said.

**For this fiscal year, 2012-2013, Vientiane Capital has approved 66 state-funded projects**, totally worth 14.07 billion kip, for three-build districts, and 24 out of these have been complete with 2.60 billion kip having been spent on their implementation.

## North East Asia

**China overtook Japan to become Asia Pacific's biggest real estate investment market** in 2012, a research note by international real estate firm DTZ Research.

**China's private and export-oriented firms** saw service activity grow at the slowest pace in 20 months in April. The HSBC Business Activity Index stood at 51.1 in April, down from March's 54.3.

**The government collected 47.04 trillion won (US\$42.98 billion) in national taxes** during the first quarter of this year, according to the report compiled by the Strategy and Finance Committee of the National Assembly.

**Sales at major department stores in South Korea were estimated to have shrunk** 1.6 % on-year in April. The decline followed a 7.5% gain in March, according to a report by the finance ministry.

**South Korea's foreign reserves stayed at a record level** due to the continued rise in investment returns and an increase in conversion value of non-dollar denominated assets. Foreigner reserves were US\$328.8 billion as of the end of April, according to the Bank of Korea.

## Middle East and North Africa

**UAE banks' foreign assets surged by nearly Dh58 billion** to one of their highest levels at the end of 2012 and most of the increase was in securities abroad, deposits with foreign banks and due from headquarters and branches, according to official data.

**Visa cardholders spent \$4.7 billion** on their cards while visiting the UAE in 2012, a 17.1% increase compared to the previous year, according to data issued by Visa Inc.

**Women in the UAE are feeling worse off than men** in coping with their finances, with many of them not having the means to save independently, financial advisers told Gulf News.

## Indian Sub-Continent

**A working group set up by the Reserve Bank of India** to evaluate the facilities and services provided by banks and financial institutions to exporters said in its report submitted today that the current interest subvention scheme catered only to short-term export finance.

## Europe

**Retail sales across the Eurozone fell 0.1% in March**, after a 0.2% drop in February, according to the EU statistics agency Eurostat.

**Italy's economy will shrink by 1.4% this year**, but will see a 0.7% growth in 2014 and unemployment reaching 12.3% next year, according to the National Statistic Agency, Istat.

**Debt-laden Greece has made progress in reducing its budget deficit**, but it must do more to fight tax evasion, the International Monetary Fund has said.

**The number of people out of work in Spain decreased** by 46,050 people to 4,989,193 in April, the second consecutive month of decline, according to data

published by the Spanish Ministry of Employment and Social Security.

## Eastern Europe

**Russia's Reserve Fund rose** 1.7% in April to 2.653 trillion rubles, the Prime reported.

## North America

**U.S. Senate on Monday approved the online sales tax bill**, which would widely subject online shopping to state sales taxes.

**Mexico's new government has promised** a comprehensive review of its tax system, to be announced in the second half of 2013 along with an overhaul of energy policy.

## Australasia

**Retail sales fell** 0.4% in March, with household goods and clothes retailers suffering the biggest declines, according to figures released by the Australian Bureau of Statistics.

**A rising tax take pushed the New Zealand government's operating deficit** below expectations for the nine months to the end of March, according to figures from the New Zealand Treasury.

## Oil & Gas News

**West Texas Intermediate crude dropped** for the first time in four days before government data that may show U.S. stockpiles rose from an 82-year high.

## Commodities News

**Gold dropped** on signs that physical purchases may be slowing after prices climbed to the highest since April 15, when bullion completed the worst drop in three decades, and as investment holdings extended their decline.

**Rubber surged** the most in a month as Japan's currency dropped to near a four-year low, boosting the appeal of yen-based futures, and as U.S. payrolls climbed.

## Currency News

**Traders' expectations for swings in the Mexican peso fell** to an eight-week low as foreign investors seeking to profit from the country's higher interest rates pour into the Latin American nation, options show.

**The Canadian dollar strengthened** against almost all of its most-traded counterparts after a government report showed March building permits increased more than forecast.

**The Indian rupee lost** 18 paise to Rs 54.36 against the US dollar in early trade on the Interbank Foreign Exchange due to appreciation of the American currency against the euro overseas.

Date	Gold	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
04-May-13	1,464.20	4.04	100.95	24.99	1.61	1.92	1.23	126.76	7890.17	79.37	2.47	33.15	23.99	3,369.90
07-May-13	1,463.23	3.99	104.99	26.31	1.61	1.92	1.23	126.52	7910.77	80.53	2.41	33.19	24.03	3,394.77
% Change	-0.07	-1.24	4.00		0.01	0.01	-0.34	-0.19	0.26	1.47	-2.24	0.12	0.17	0.74



# Economic & Financial News

Research & International Division

8/5/2013

*...The Reserve Bank of India panel mooted 'India Bill Payment System'...  
...The Finance Ministry and the Bank of Thailand have finally agreed on a policy mix...*

## South East Asia

**Indonesia's economy was expected to grow only within a 6.4% range this year** due to on-going weakness in the global economy, said the Coordinating Economic Minister.

**Indonesia's subsidized gasoline consumption will increase by 10% y-o-y to 31 million kiloliters this year**, the Indonesian government predicted. The gasoline consumption forecast is higher than the subsidized gasoline quota of 29.2 million kiloliters set in the 2013 state budget.

**Philippines' gross international reserves (GIR) stood at US\$83.4 billion as of end-April 2013.** This was slightly lower by US\$600 million than the end-March 2013 level. The latest GIR could adequately cover 12 months' worth of imports of goods and payments of services and income.

**The Finance Ministry and the Bank of Thailand have finally agreed on a policy mix** to manage the exchange rate, apparently coming to terms after their conflict intensified in the past weeks as the baht climbed more than 7%.

**The Vietnamese government must pay** a total of US\$6.1 billion, worth of public debts this year, according to the directive approved by the Prime Minister on May 4, in regard to the public debt management program between 2013 and 2015.

## North East Asia

**China's trade growth accelerated** in April. Exports surged by 14.7% in April compared with a year earlier. That is up from 10% in March. Imports also rose by 16.8% up from 14.1%.

**China's richest people are stepping up their investment** in foreign assets as they try to preserve their fortunes in the face of uncertain economic prospects, according to a report by China Merchants Bank and consulting firm Bain & Co.

**Japanese shipbuilders and heavy machinery makers are stepping up efforts** to expand operations, taking advantage of an expected start of full-fledged exports of shale gas, by the United States.

**Hong Kong's official foreign currency reserve assets** amounted to US\$306.5 billion at the end of April, the Hong Kong Monetary Authority announced.

**The surprise 1.9% fall in Taiwan's exports** in April reported by its Finance Ministry yesterday underscores continuing weak global economic growth and the emerging impact of the depreciation of the Japanese yen on global trade.

## Middle East and North Africa

**Saudi Arabia has achieved a growth rate of 7%** due to its sound economic policy and planning carried out with the private sector participation, Finance Minister Ibrahim Al-Assaf said.

## Indian Sub-Continent

**The Indian government approved 17 foreign direct investment (FDI) proposals** based on the recommendations of the Foreign Investment Promotion Board (FIPB).

**The Reserve Bank of India panel on Tuesday mooted 'India Bill Payment System' (IBPS)**, a GIRO-based electronic bill payment system for payment of dues of essential services, insurance premia, utility payments, taxes, university fees, examination fees and school fees.

## Europe

**The euro zone's business downturn dragged on in April**, suggesting it may be falling deeper into recession this quarter, according to the Markit's Eurozone Composite PMI. It edged up in April to 46.9 from 46.5 in March.

**European Central Bank Executive Board member Joerg Asmussen raised concern about keeping interest rates in the euro zone at low levels for too long**, calling upon governments to stick to their reforms.

**European residents will have the right to open a basic bank account in any country of the EU and compare the fees charged by providers**, under new plans by the European Commission.

## Eastern Europe

**The level of monthly inflation in Ukraine stood at zero** in April, according to figures released by the State Statistics Service Tuesday.

## North America

**Consumer borrowing in the U.S. climbed** in March as Americans reduced credit-card purchases for the first time this year. The \$7.97 billion increase followed an \$18.6 billion advance the previous month that was the biggest since May 2012, Federal Reserve figures showed today in Washington.

**U.S. employers posted fewer job openings** in March compared with February and slowed overall hiring, underscoring a weak month of job growth. The Labor Department said Tuesday that job openings fell 1.4% to a seasonally adjusted 3.8 million jobs.

## Australasia

**Victoria, Australia's second-most populous state, plans to boost** management of its water resources by increasing funding by A\$50 million, Water Minister Peter Walsh said in a statement yesterday as the government released its annual budget.

**A potential house price bubble** in New Zealand's two biggest cities is threatening the country's financial stability, the head of the Reserve Bank of New Zealand said Wednesday.

## Oil & Gas News

**Global oil prices have eased** as dealers book profits from three straight days of gains amid expectations of another rise in US crude supplies in this week's inventory report.

## Commodities News

**Gold declined** for a third day in the worst run in a month as assets in the SPDR Gold Trust dropped to the lowest level in four years and U.S. stocks rallied to a record. Silver slumped for a third day.

**Global iron ore supplies will expand faster** than demand over the long term, potentially lowering prices and reducing volatility of the raw material used to make steel, according to BHP Billiton Ltd.

## Currency News

**The Australian dollar has fallen** to a fresh two-month low during overnight trade, before recovering most of its lost ground amid gains on US share markets.

**The US dollar-euro rate was flat** while the yen edged higher on Tuesday in fairly calm forex trade, with the euro holding up on the back of an unexpectedly strong report on German industrial orders.

Date	Gold	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
07-May-13	1,463.23	3.99	104.99	26.31	1.61	1.92	1.23	126.52	43.76	80.53	2.41	33.19	24.03	3,394.77
08-May-13	1,457.50	3.91	104.26	26.66	1.61	1.91	1.23	126.11	44.13	80.50	2.41	33.21	24.09	3,410.64
% Change	-0.39	-2.01	-0.70		-0.30	-0.19	0.02	-0.32	0.86	-0.03	0.05	0.06	0.26	0.47

# Economic & Financial News

Research & International Division

9/5/2013

*...South Korea unexpectedly trimmed its benchmark interest rate...  
...New Zealand's central bank confirmed selling its own currency...*

## South East Asia

**Malaysia's industrial production index fell** 0.2% in March from a year ago due a slight decline in the output from the manufacturing and mining sectors, Statistics Department said.

**Bank Negara Malaysia's international reserves** amounted to RM433.3bil, equivalent to US\$140.3bil, as at April 30.

**Malaysia's total trade in March rose** 1.6% to RM114.94bil compared with the same month a year ago, the International Trade and Industry Ministry said. Exports slid 2.9% to RM60.01bil against March 2012, while imports went up 7% to RM54.93bil.

**Indonesia recorded a slight increase in its oil production** in the past three months at 840,000 barrels per day up from a daily peak of 827,000 barrels earlier.

**Philippines received its third investment grade score.** Japan Credit Rating Agency Ltd. revised its credit rating for the Philippines to BBB- from BB+, up one notch, on the account of the country's robust economic growth achieved against the backdrop of sound fiscal management.

**The Bank of Thailand has come under greater pressure** from the government after the PM's office minister questioned the role of the BOT's Monetary Policy Committee (MPC) in finding a solution to the appreciating baht and also demanded that it report to the Cabinet every six months.

**The State Bank of Viet Nam stated that it would pump** about 10 tonnes of bullion gold into the market if needed in order to stabilise the market.

**Viet Nam's exports to Singapore** reached US\$554 million in the first quarter of 2013, up by more than 30% over the same period last year, according to the Singapore Department of Statistics,

**The import tax on used cars of nine seats or more will increase** on June 20, according to the Viet Nam Prime Minister's Decision.

## North East Asia

**China's exports in April rose** 14.7% from a year earlier, compared with 10% growth in March. Imports rose 16.8%, compared with 14.1% growth the previous month, yielding a trade surplus of \$18.16 billion, the General Administration of Customs said on Wednesday.

**China's inflation grew** 2.4% y-o-y in April, up from 2.1% in March. While China's PPI, fell 2.6% y-o-y in April, the National Bureau of Statistics said on Thursday.

**South Korea unexpectedly trimmed its benchmark interest rate** by 0.25 percentage points Thursday -- the first cut for seven months aimed at boosting an economy hit by slumping exports. The move announced by the central Bank of Korea leaves the key policy rate at 2.50%, following two similar cuts last year in July and October.

**South Korea plans to provide** 26 trillion won (US\$23.9 billion) worth of support for small start-up companies this year as part of efforts to create a business friendly environment for such venture business activities, officials said Thursday.

**The government will soon unveil a set of measures** to bolster start-up business activities as they are expected to generate more jobs and play a role as a new growth engine for the economy, Finance Minister Hyun Oh-seok said.

## Middle East and North Africa

**Turkey accelerated exports to the Middle East** to make up weak demand in its traditional trading partner of the European markets, which is suffering from anemic economy and austerity measures that have drained growth and investments.

**Saudi Arabia's economy remains in an enviable position** with strong growth in its GDP, low debt levels and government spending on infrastructure supporting a positive outlook for the country.

## Indian Sub-Continent

**The central bank will soon introduce on a pilot basis plastic currency notes** as they have longer shelf-life, Reserve Bank Governor D. Subbarao said. He emphasised that plastic note is environment friendly because it has longer shelf-life than the paper notes.

## Europe

**More policy stimulus from the Bank of England** is unlikely later on Thursday due to hopes that an expanded scheme to boost lending may be enough to support an economy that is showing signs of gradual recovery.

## Eastern Europe

**The real effective rate of the Russian ruble** against currencies of the country's major trade partners, adjusted for inflation, preliminary rose 0.7% in January–April, according to the central bank's data released on Wednesday.

## North America

**April's US budget surplus was bigger than a year ago** and the federal government ran a much smaller deficit in the first seven months of the current fiscal year than the previous year, the Congressional Budget Office said.

## Australasia

**Australia's unemployment rate probably remained** at 5.6% in April, according to the median estimate of economists surveyed by Bloomberg.

**New Zealand's unemployment rate dipped slightly** to 6.2% in the quarter to the end of March from 6.8% the previous quarter, the government statistics agency announced Thursday.

**New Zealand's central bank confirmed selling its own currency** for only the second time since the "kiwi" was floated in 1985, reflecting concerns that a flood of global money could undermine a budding economic recovery.

## Oil & Gas News

**West Texas Intermediate crude rose** to a one-month high after supplies fell at Cushing, Oklahoma, the delivery point for the contract. Brent oil's premium to WTI shrank below \$8 for the first time since January 2011.

## Commodities News

**Gold futures posted the biggest gain** in almost two weeks as demand for bars and jewelry increased in India and China, the world's largest consumers of the metal.

## Currency News

**The baht is still on a rising trend** but is likely to move slowly and steadily as investors are still optimistic over the Thai economy despite fears that the monetary authority will put in place capital controls, Paul Mackel, head of Asian currency research at HSBC, said yesterday.

**The euro held the biggest gain** in three weeks versus the greenback from yesterday before data forecast to show German exports rebounded in March, easing concern Europe's largest economy will slip into recession.

Date	Gold	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
08-May-13	1,457.50	3.91	104.26	26.66	1.61	1.91	1.23	126.11	7915.15	80.50	2.41	33.21	24.09	3,410.64
09-May-13	1,473.63	3.95	104.5	26.46	1.61	1.91	1.23	125.42	7903.26	80.44	2.42	33.16	24.04	3,430.64
% Change	1.11	1.02	0.23		0.16	-0.35	0.07	-0.55	-0.15	-0.08	0.27	-0.16	-0.21	0.59

# Economic & Financial News

Research & International Division

11/5/2013

*...Greece will step up the deregulation...  
...Qatar's per capita income was a staggering...*

## South East Asia

**The sales value of the Malaysian distributive trade sector rose** almost 5% y-o-y to RM213.8 billion in the first quarter of this year, the Statistics Department said in a statement.

**Indonesia's Foreign Exchange Reserves strengthened** to US\$107.2 billion by the end of April, after declining for 3 consecutive months. This is due to foreign fund inflows stemming from the government's successful dollar bond sales during the month.

**The Indonesian government will limit subsidized fuel sales up to a reasonable limit** by using information technology system as of July 2013. The restriction will be imposed in stages in accordance with the progress of the installation of the monitoring system devices.

**Manufacturing output in the Philippines grew at a slower pace in March** amid calls for the government to implement measures to boost the country's industrial sector. The volume of production index (VPI) for manufacturing grew 1.2% in March, decelerating from 8.3% in February and 16.6% in January.

**Deputy Prime Minister and Finance Minister Kittiratt Na-Ranong insists that he has yet to see signs of a housing bubble**, while acknowledging that the state's 2-trillion-baht infrastructure spending plan will drive a property boom.

**The State Bank of Vietnam will cut the refinancing rate** to 7% effective May 13, Deputy Governor Nguyen Dong Tien said at a briefing in Hanoi today. The discount rate will be reduced to 5%, he said.

**The Prime Minister of Viet Nam approved a medium-term debt management programme** for the 2013-15 period. The programme aims to lower public debt to less than 65% of GDP by 2015, of which Government loans and foreign debts cannot account for more than half.

## North East Asia

**The China's Finance Ministry data showed that foreign trade** between China and emerging economies and developing countries took a larger share in 2012, 6.2 percentage points more than the previous year.

**A record deficit global trade of goods and services** of ¥9.48 trillion brought the country's annual current account surplus, one of the widest gauges of international trade, to ¥4.29 trillion in the year that ended March 31, the Ministry of Japan said in a preliminary report.

**South Korea has carried out nearly 40% of its fiscal spending plan** so far this year, the finance ministry said Friday. As of end-April, the government had spent 113.4 trillion won (US\$103.2 billion) or 39.2% of 289.1 trillion won set aside for spending this year, according to the ministry.

**A surprise rate cut by South Korea's central bank** and the recently approved extra budget plan are helping improve the overall market sentiment, a senior economic policymaker said Friday.

**"If developed countries take an exit strategy** and raise their interest rates, Asian countries will see losses in their bond investments and huge outflows of foreign capital," Gov. Kim Choong-soo of the Bank of Korea said at a conference in Seoul.

**Hong Kong's economy expanded** by a seasonally adjusted 0.2% in Q1 ended March over the previous three months.

## Middle East and North Africa

**Qatar's per capita income was a staggering \$97,000** in 2012, making it one of the richest nations in the world, global ratings agency Standard & Poor's said yesterday, describing the outlook for the country as stable.

**Average consumer prices in the emirate of Abu Dhabi have seen only a tiny increase** in a year. According to year-on-year statistics released by the Statistics Centre-Abu Dhabi, average consumer prices increased by just one 1% from March 2012 to March 2013.

## Indian Sub-Continent

**The department of industry policy and promotion is set to issue a set of clarifications** on foreign investment in multibrand retail to address their concerns and provide clarity on norms ranging from investment in back-end infrastructure to sourcing from SMEs and farmers.

**The India's industrial output in March surged up** at 2.5%. The rise in the factory output estimates, measured

by the Index of Industrial Production, data released by the Central Statistics Office showed.

## Europe

**Greece will step up the deregulation** of the so-called closed professions and markets to stimulate growth, tackle unemployment and exit the current financial crisis, Greek Finance Minister Yannis Stournaras said.

**Ireland said it has "successfully" concluded the 10th review mission** of its €85 billion European Union/International Monetary Fund (EU/IMF) bailout program.

**Greece's unemployment rate** hit a new record high in February this year, rising to 27% of the working force, the country's statistics authority (ELSTAT) announced.

**British industrial production grew** by 0.7% between February and March, a pace higher than market estimates of 0.2%, according to a report released by the Office of National Statistics.

## Eastern Europe

**Slovenia's cabinet, striving for balancing national budget**, announced a plan that will lead to an additional 540 million euros with new taxes, according to Prime Minister Alenka Bratusek.

**Croatia would keep the national currency** and is in no hurry to introduce euro before preparation well, the country's First Deputy Prime Minister Vesna Pusic said.

## North America

**The federal budget had a surplus** of US\$112.9 billion for the month of April, as tax payments surged ahead the mid-month due date for annual income tax filings for

2012, according to Treasury Department numbers released on Friday.

**Canada's overseas investment and FDI in the country both grew** by more than 5% last year, Statistics Canada said.

## Australasia

**Capital expenditure in the resources sector, the major driver of growth** in the Australian economy in recent years, was likely to remain around its current levels next financial year, the Reserve Bank of Australia on Friday said.

## Oil & Gas News

**West Texas Intermediate crude fell** for a second day as the dollar climbed, reducing the appeal of raw materials priced in the U.S. currency.

## Commodities News

**Global farmers will harvest the biggest grain and soybean crops** ever this year, boosting food reserves to the highest since 2000, the U.S. government said. Corn, wheat and oilseed futures in Chicago slumped.

## Currency News

**The euro dropped back below** the \$1.30 line on Friday while the dollar almost touched 102 yen, underscoring the better economic shape the US finds itself, in contrast to the G7 countries.

**The ringgit closed lower** against the US dollar yesterday on lack of demand for the local currency amid strengthening of the greenback, lifted by positive US job data, dealers said.

Date	Gold	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
09-May-13	1,473.63	3.95	104.5	26.46	1.62	1.91	1.23	125.93	80.43	2.41	33.18	23.96	24.09	3,430.64
11-May-13	1,448.55	3.91	103.91	26.58	1.61	1.91	1.24	124.65	81.73	2.42	33.29	24.00	24.04	3,443.77
% Change	-1.70	-1.01	-0.56		-0.34	0.01	0.60	-1.02	1.62	0.19	0.34	0.18	-0.21	0.38

# Economic & Financial News

Research & International Division

15/5/2013

*...China's electricity consumption increased...  
...An extra €7.3bn (\$9.5bn) is due to be added to the EU's budget...*

## South East Asia

**Bangko Sentral ng Pilipinas has directed pawnshops** to strictly implement identification requirements for customers to help ensure that items being pawned are not stolen goods or illicit covers for money laundering.

**The government will prepay** this year \$300 million worth of loans owed to the Asian Development Bank. National Treasurer Rosalia de Leon said the government deemed it prudent to prepay some of its foreign currency-denominated debt to take advantage of low interest rates and the country's substantial foreign exchange reserves.

**Azerbaijan, one of Indonesia's major suppliers of oil, was planning to build** a US\$4.8 billion oil refinery in Batam and an aluminum plant in Kalimantan to cement the increasingly close relations between the South Caucasus nation and Southeast Asia's largest economy, a top Azerbaijani diplomat said.

**According to Viet Nam Food Association, in April alone, the country's rice exports** are estimated to reach 807,000 tonnes, worth approximately US\$340 million.

**The National Assembly's Finance and Budget Committee has ratified a Government proposal** to make the planned Viet Nam Asset Management Company (VAMC) exempt from value added tax (VAT) and corporate income tax (CIT).

## North East Asia

**China's electricity consumption increased** 6.8% from a year earlier to 416.5 billion kilowatt-hours (kwh) in April, the National Energy Administration (NEA) said on Tuesday.

**The profit margin across the domestic steel industry dropped** to 0.9%, delivering collective industry profits of 2.5 billion yuan (\$406 million) for the quarter, according to latest data from the China Iron and Steel Association.

**Japanese food-makers are increasingly seeking halal certification for their products**, with the global Islamic population forecast to grow from 1.6 billion at present to more than 2 billion by 2030.

**Wholesale prices were unchanged** in April from a year earlier following 12 straight months of decline, the Bank of Japan said Tuesday.

**The jobless rate stood** at 3.2% last month, down from the previous month's 3.5%. The jobless rate adjusted for inflation also declined to 3.1% from March's 3.2%, according to the report by Statistics Korea.

## Middle East and North Africa

**Oman's public spending levels are rising at a brisk pace**, pushing the country's budget breakeven oil price to USD 103 per barrel, compared to USD 67 two years ago, according to Citibank estimates.

## Indian Sub-Continent

**Wholesale price inflation fell** below 5% in April — the first time in more than three years — prompting industry bodies and analysts to demand another cut in policy interest rates by the Reserve Bank of India.

**To improve flow of cheaper funds** into key infrastructure sectors, the Reserve Bank of India on Tuesday eased the norms for external commercial borrowings (ECBs) for the aviation and housing sectors.

**The Reserve Bank of India will take note of falling inflation** when discussing potential interest rate cuts, the central bank's Governor Duvvuri Subbarao said on Tuesday, adding he was very happy about the falling inflation.

## Europe

**EU finance ministers have agreed to start talks with five non-EU countries in a bid to tighten rules on bank secrecy and tax evasion**, the Council of the European Union said in a statement.

**Industrial output in the Eurozone jumped a surprisingly strong 1.0% m-o-m in March**, data from Eurostat data agency showed.

**An extra €7.3bn (\$9.5bn) is due to be added to the EU's budget** for 2013 under a compromise reached between member states in Brussels. Britain and several others still reject the extra funding.

**British PM David Cameron that all subjects and products should be up for discussion** in coming negotiations on the proposed US-EU free trade area.

**Ratings agency Fitch upgraded Greece's credit rating by one notch** from CCC to B-, citing progress in cutting its budget deficit and the risk of a Eurozone exit receding.

## Eastern Europe

**Russia is considering whether to make state companies pay higher dividends** to replenish government coffers and reassure foreign investors worried by a slowing economy, falling commodity prices and an opaque business environment.

## North America

**The US budget deficit will fall** to US\$642 billion this year from US\$1.1 trillion in fiscal 2012, helped by surging revenues and repayments from housing agencies rescued in the 2008 crisis, the Congressional Budget Office said on Tuesday.

**Prices for repeat home sales in Calgary were up 5.5%** in April compared with a year ago, according to the Teranet-National Bank National Composite House Price Index.

## Australasia

**Australia's economic future is strong but uncertain**, according to the Treasurer. The massive resource investment boom is shifting to a boom in production and exports. The rest of the economy is transitioning towards broader sources of economic growth.

**Total retail sales volumes are up 3.5%** in New Zealand on this time last year, despite the negative effect the long summer had on clothing spending. But across the ditch, Australian retail sales have slipped, and their latest budget shows a \$20 billion deficit.

**The IMF says a modest recovery in New Zealand is underway** but warns that could be jeopardised by rising house prices. The Washington-based organisation has forecast the economy to grow 2.25% this year and peak at up to 3% over the medium term.

## Oil & Gas News

**Crude prices have fallen** after the International Energy Agency said the output boom in North America was sending a "supply shock" across the world.

## Commodities News

**Lumber prices, down 13%** this year, may extend the slump to the lowest since October after moving averages formed a "death cross," according to technical analysis by Paul Kavanaugh at FuturePath Trading LLC.

**Copper gained** in London after falling the most in two weeks as investors weighed weak growth in China and improving U.S. data. Lead, aluminum, nickel and zinc also advanced.

## Currency News

**The U.S dollar rose** against major currencies amid gains in US equity markets and increased confidence in the US economic recovery.

**The pound weakened** for a fourth day against the dollar on speculation investors cut their holdings of the U.K. currency before the Bank of England presents its updated inflation forecasts tomorrow.

Date	Gold	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
14-May-13	1,442.30	3.94	102.95	26.13	1.61	1.90	1.24	123.76	7848.68	82.12	2.42	33.13	24.02	3,435.40
15-May-13	1,428.60	4.02	102.68	25.54	1.61	1.90	1.24	123.56	7861.02	82.03	2.41	33.26	23.91	3,437.34
% Change	-0.95	2.03	-0.26		0.16	-0.37	-0.17	-0.16	0.16	-0.11	-0.31	0.39	-0.45	0.06



# Economic & Financial News

Research & International Division

16/5/2013

*...South Korea's housing market is showing signs of recovering...  
... Canadian policy makers seem intent...*

## South East Asia

**Excluding motor vehicles, retail sales in March edged up** 1.2% from a year earlier, data from the Department of Statistics of Singapore showed yesterday.

**Malaysia's GDP grew** 4.1% in the quarter compared with the same period a year ago. The fourth-quarter GDP was revised upwards to 6.5% from 6.4% previously. In the first quarter, the Malaysian economy was significantly affected by the weakness in this external demand, BNM Governor said.

**Filipinos working and living abroad sent home \$1.749 billion** -- the highest monthly result so far for 2013. Remittances totaled \$5.112 billion for the first quarter, jumping 5.58% from the \$4.842 billion notched in the same 2012 period, Bangko Sentral Ng Pilipinas reported.

**Indonesia's cement sales volume rose** by 8.6% to 18.12 million tons in the January to April period this year, from 16.68 million tons in the same period last year, according to the latest sales figures released by the Indonesian Cement Association.

**Industrial zones (IZs) in the northern province of Hai Duong (Viet Nam) have attracted 163 projects** from 30 countries and territories, with capital totaling US\$3 billion. To date, \$1.7 billion (56.7% of the total registered capital) has been implemented, according to the provincial IZ authority.

**Vientiane Capital has planned to implement more than 900 projects** amounting to 125 billion kip for the coming fiscal year (2013-2014) to ensure its constant socio-economic growth, government official said.

## North East Asia

**China's central government has allocated** 8 billion yuan (\$1.30 billion) to support the low-rent housing project of 2013, the Ministry of Finance announced.

**Japan's economy expanded** at an annual rate of 3.5% in the first three months of 2013, Japan's Cabinet Office said Thursday. On a quarterly basis, Japan's gross domestic product increased by 0.9%.

**Japan will enact** its 92.61 trillion yen (906.2 billion U.S. dollars) initial budget for fiscal 2013 Wednesday evening to push through Prime Minister Shinzo Abe's economic

policies in an attempt to end nearly two decades of deflationary recession, local media reported.

**South Korea has recouped 62.5% of the public funds** it spent to bail out troubled financial firms during the 1997-1998 Asian financial crisis, the financial regulator said Thursday. The country has retrieved 105.4 trillion won (US\$94.6 billion) in public funds as of the end of March, according to the Financial Services Commission.

**South Korea's housing market is showing signs of recovering** as the recently unveiled stimulus measures appear to be boosting the almost-frozen transactions, the country's top economic policymaker said Wednesday.

## Middle East and North Africa

**Dubai's inflation remained** at an anaemic 0.1% in April for the second month in a row, data from the Dubai Statistics Center showed.

**The UAE and other GCC member countries, host of more than 15 million foreign workers, sending home more than \$80 billion** (Dh294 billion) in remittance every year, support international efforts to develop relationship between migration and development and improve policies related to labour mobility across borders, Deputy Prime Minister and Minister of Presidential Affairs said.

## Indian Sub-Continent

**The state's annual plan of Rs 34,000 crore** for financial year 2013-14 was approved by the Planning Commission reflecting an increase in the annual plan outlay by 34.4 % over the plan size for 2012-13.

**Indian economy is expected to pick up** and grow in the range of 5.5-6.5% in 2013 even though government steps for new investments have been "relatively small in scope", Moody's said today.

## Europe

**GDP of the Eurozone suffered** a 0.2% fall in the first quarter of 2013 compared to the previous quarter, according to a report released by Eurostat, the statistical office of the EU.

**The EC yesterday urged France** to accelerate the implementation of structural reforms, as the commission confirmed that France would be given two extra years to reach its budget deficit targets following meetings

between French president François Hollande and the European Commission in Brussels.

**The British central bank on Wednesday predicted slightly stronger economic growth** and weaker inflation than it expected three months ago. Delivering its final quarterly inflation report, Bank of England Governor Mervyn King said the central bank had upgraded its GDP expectations in the current quarter to 0.5%.

**The German economy grew** slightly by 0.1% in the first quarter of 2013, official data showed on Wednesday.

**The Dutch economy shrank** by 0.1% compared to a year earlier in the first quarter of 2013 and remains in recession, figures from the Dutch Central Bureau of Statistics (CBS) showed on Wednesday.

## Eastern Europe

**Ukraine's deficit in trade of goods shrank** 32% to 1.987 billion U.S. dollars in the first quarter of 2013 as imports dropped more than exports, data released Wednesday by the State Statistical Service showed.

## North America

**U.S. producer prices recorded their largest drop** in three years in April as gasoline and food costs tumbled, pointing to weak inflation pressures that should give the Federal Reserve latitude to keep monetary policy very accommodative. The Labour Department said its seasonally adjusted producer price index fell 0.7% last month, Reuters said.

**The National Association of Home Builders/Wells Fargo index of builder confidence rose** to 44 from a revised 41 in April, the Washington-based group reported today.

**Canadian policy makers seem intent** on keeping the game going for as long as possible, instead of moving to

reverse the twin risks of low interest rates and rising debt, Bank of Canada said.

## Australasia

**The Government has allocated \$900 million of new money** from the asset sales programme as part of the \$2 billion increase in funding for the rebuild of quake-damaged Christchurch. Christchurch Earthquake Recovery Minister Gerry Brownlee confirmed the Budget would increase funding for the city's recovery from \$13b to \$15b.

**New Zealand manufacturing expanded** at its fastest pace for three years in April, bolstered by new orders. The BNZ-BusinessNZ performance of manufacturing index rose 1.1 to 54.5 in April from March, at its highest April level since 2010, Bank of New Zealand said.

## Oil & Gas News

**U.S. crude oil stocks dropped** 0.16%, or 624,000 barrels, in the week ended May 10, according to a report by the U.S. Energy Information Administration.

## Commodities News

**Gold dropped** below \$1,400 a troy ounce Wednesday, approaching prices not seen since its historic plunge a month ago.

## Currency News

**The euro slid** toward a six-week low before a report that will probably confirm inflation in the 17-nation region was the slowest in three years.

**South Korea's won headed** for a second weekly loss on speculation authorities will weaken the currency to safeguard exports after the yen slumped to a four-year low.

Date	Gold	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
15-May-13	1,428.60	4.02	102.68	25.54	1.61	1.90	1.24	123.56	7861.02	82.03	2.41	33.26	23.91	3,437.34
16-May-13	1,397.53	4.08	103.33		1.61	1.89	1.24	122.95	7846.21	82.23	2.41	33.10	23.92	3,440.33
% Change	-2.17	1.49	0.63		-0.31	-0.30	0.26	-0.49	-0.19	0.25	0.07	-0.48	0.01	0.09

# Economic & Financial News

Research & International Division

18/5/2013

*...Japan's PM has unveiled more details of his economic growth strategies...  
...Malaysia will be able to rake in an additional income...*

## South East Asia

**Malaysia will be able to rake in an additional income** of up to RM27bil if the proposed goods and services tax (GST) is implemented at 7%, similar to Singapore's, Minister in the Prime Minister's Department Datuk Seri Idris Jala said.

**Metal production value in 2012 fell** 18.04% in 2012 due to the suspension of operations of several mines and lower gold purchases made by the Bangko Ng Sentral Pilipinas during the period.

**The Indonesian government is planning to build roads and seaports** in Kalimantan to support the local palm oil industry, which has seen rapid growth in production, Deputy Trade Minister Bayu Krisnamurthi said.

**Thailand's economy probably contracted** in January-March in five quarters as global woes and a strong baht crimped exports while domestic demand grew more slowly after a surge following 2011's bad floods.

**People who are dependent on personal income tax payers will be given their own tax codes** to avoid people lodging claims as dependents of more than one taxpayer. The move would help tax officers verify the accuracy of tax returns and reduce tax fraud, said Nguyen Van Phung, vice head of the Tax Policy Department under the Finance Ministry.

**Regulations on foreigners' rights to buy houses in Viet Nam could be loosened further** in a bid to stimulate the domestic property market, the Ministry of Construction has announced a review of the current regulations.

## North East Asia

**New home prices rose** at 2.1% in Chinese cities in April as the government's recent tightening measures started to take effect, data from the National Bureau of Statistics (NBS) showed on Saturday.

**China imported 4.28 million metric tons of soybeans** in April, lower than the previous estimate of 5.45 million tons, the Ministry of Commerce said.

**Japan's PM Shinzo Abe has unveiled more details of his economic growth strategies.** Abe said the government aims to triple the total exports of infrastructure-related products, eliminate anything

impeding investment growth and Japan will target boosting the total amount of the investment to around 700 billion dollars a year.

**Japanese core machinery orders jumped** a bigger-than-expected 14.2% in March, Reuters said.

## Middle East and North Africa

**Qatar's inflation is not expected to rise "significantly"** beyond the average of 3.8% this year although there is a build-up of pressures in the housing market, according to Beltone Financial.

## Indian Sub-Continent

**India seeks greater access in Japan**, raises concerns over rising trade deficit, Commerce and Industry's Minister Anand Sharma said in a meeting with Japanese Foreign Minister Fumio Kishida.

**The country's forex reserves slipped** for the second consecutive week, dipping by \$616.4 million to \$293.69 billion on a fall in currency assets, the Reserve Bank said.

**Standard & Poor's expects India to grow** around 6% in the current fiscal year ending March 2014.

## Europe

**Bad loans in Italy have been climbing** at an annual rate of 20% in recent months, said Ennio La Monica, the central bank's chief executive.

**French economy saw 46,432 new firms registered**, signaling a 2% reduction from March. Sectors such as communications, financial and insurance reported the worst losses of up to 7%, according to the French National statistics bureau Insee.

**Greece's economy is expected to grow** by 0.6% next year, although it noted this depends on faster reforms in the product and services markets, The European Commission's report released on Friday said

**Spain's trade balance registered a surplus** of €635m in March, according to data released by the economy ministry on Friday. Imports dropped 15% and exports rose 2% compared with the same month last year.

## Eastern Europe

**Slovenia's GDP is expected to contract** by 2% this year and 0.3% next year, which would make one of only two countries in the Eurozone remain in recession in 2014, Fitch said.

## North America

**Construction of new US homes plunged in April** but new building permits soared, official data show, pointing to continued recovery in the housing sector. Housing starts plummeted 16.5% from March to an annual rate of 853,000, according to Labor Department.

## Australasia

**The 2013 Budget will deliver important infrastructure** in Queensland, Federal Treasurer Wayne Swan said.

## Oil & Gas News

**World oil prices have risen** for the third day in a row after a better-than-expected reading on US consumer confidence boosted hopes for stronger energy demand in the top global economy.

## Commodities News

**Gold bears are dominant again** after prices resumed their slump and billionaire George Soros joined investors selling holdings in exchange-traded products that have retreated to a two-year low.

## Currency News

**US dollar remained** in a bullish mood, supported by bullish equity with the Dow and S&P 500 hitting new all-time highs.

**The Australian dollar has dropped sharply** over the past two weeks. It's fallen 6 cents against the US currency, taking it to lows not seen since early last year.

Date	Gold	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
16-May-13	1,397.53	4.08	103.33	25.33	1.60	1.90	1.25	123.19	7824.11	81.99	2.41	33.02	23.80	3,440.33
18-May-13	1,359.50	4.06	104.64	25.77	1.61	1.91	1.25	122.39	7782.10	81.55	2.41	32.82	23.74	3,449.30
% Change	-2.72	-0.49	1.27	0.58	0.80	0.64	-0.65	-0.54	-0.54	-0.12	-0.58	-0.25	0.26	

# Economic & Financial News

Research & International Division

21/5/2013

*...China is trying various ways to build a frugal government...  
...Australian economy was set to grow at a below-average pace ...*

## South East Asia

**Singapore's domestic wholesale trade declined** 7.3% on-year in the first quarter of 2013, partly due to a decline in domestic sales of petroleum & petroleum products, the Department of Statistics said.

**The pre-election promises made by the government will not increase debt levels** to GDP ratio from the current 53.5% as the government is committed to keeping the debts below the 55% ceiling it has set before, said Minister in the Prime Minister's Department Datuk Seri Idris Jala.

**Tax collections of the Bureau of Internal Revenue in the Philippines** exceeded the target as it reached P148.99 billion for the month of April. The April collection was higher by 28% more than collections made a year ago.

**The Philippines' balance of payments position** recorded a surplus of US\$274 million in April from the US\$452-million deficit in March. The cumulative surplus from January to April 2013 stood at US\$1.809 billion. This was higher than the US\$1.164-billion surplus recorded in the first 4 months of 2012.

**Indonesia's economic growth in 2014** was set at between 6.4% and 6.9%, the National Development Planning Minister said. The projection is lower than the target of bringing economic growth up to the 7% to 7.7% the National Middle Term Development Plan for 2009-2014 has set, partly due to the weakening global economy.

**Finance Minister Kittirat Na Ranong repeated his call for a rate cut** after data yesterday showed the economy shrank by a seasonally-adjusted 2.2% in January-March from the previous quarter.

**A meeting of directors of Thai trade offices in overseas markets**, chaired by Commerce Minister Boonsong Teriyapirom, yesterday acknowledged that exports would increase by only 5% this year.

**The Dong Nai Department of Planning and Investment has asked the provincial authorities** to revoke the license of 39 projects in Viet Nam worth US\$2.195 billion because they have been delayed for too long. Four of these are FDI projects.

**Deputy Prime Minister Somsavat Lengsavad has urged officials in Vientiane** and the provinces to accelerate addressing problems that may slow the development of special and specific economic zones (SEZs).

**Myanmar is on course for a big jump in textile exports to Europe** following the return of trade privileges by the European Union (EU), according to the Thailand Textile Institute. Myanmar's textile exports rose 18% last year over 2011, totalling US\$946 million.

## North East Asia

**China is trying various ways to build a frugal government**, which is needed for the present and upcoming economic situation, and critical to improving public services. The latest effort to cut government spending was announced on by the State Council.

**A Japanese government panel warns there is "absolutely no guarantee"** that domestic investors will keep financing the country's massive public debt, citing the risk of a spike in bond yields that could crimp long-term growth prospects, according to a draft report seen by Reuters on Monday.

**South Korea is seeking to resume talks** on a free trade deal with Russia as part of efforts to expand its economic cooperation with the country, the government said Tuesday.

**The seasonally adjusted unemployment rate of Hong Kong** was 3.5% in the February to April period, the same as that for January to March, while the underemployment rate also remained unchanged at 1.6%, the city's Census & Statistics Department announced yesterday.

## Middle East and North Africa

**Qatar is expected to maintain an annual economic growth** 5-6% in the next few years mainly supported by its non-hydrocarbon sector and fiscal deficit is not expected before 2017-18, according to global banking giant Barclays.

**Bahrain's real GDP is estimated to have expanded** 3.9% in 2012 from the 1.9% growth seen in 2011. Even as the oil sector shrank by around 8.5% in 2012, according to Global Investment House's review of the Bahrain economy.

## Indian Sub-Continent

**The Reserve Bank of India said on it has cut the time** that exporters have to bring back into the country the value of goods or software they have exported to nine months from 12.

## Europe

**High inflation is to remain for a long period of time in Britain**, costing heavily on the economy, the Ernst & Young ITEM Club said in a special report on Monday.

**More than 8,000 French households' tax bills topped 100%** of their income last year, the business newspaper Les Echos reported, citing Finance Ministry data.

**France has a special responsibility** as a Eurozone heavyweight to take deficit reduction rules seriously, even though its budget deficit is above target, Bundesbank president Jens Weidmann said in an interview published yesterday.

**A flagship British government scheme to boost mortgage lending** must not become permanent like in the United States, outgoing Bank of England (BoE) governor Mervyn King said.

## North America

**The U.S. economy has improved "quite a lot"** as the central bank maintains record stimulus and expressed confidence policy makers have tools needed to monitor markets for excesses, the Federal Reserve Bank of Chicago President Charles Evans said.

## Australasia

**The Australian economy was set to grow at a below-average pace** in 2013, while the jobs market was expected to remain soft as investment in the mining sector peaked, the Reserve Bank of Australia said.

**The New Zealand government's enthusiasm for mining** does not run to leaving "very concessionary" tax treatment rules for company expenses in place, with Revenue Minister Peter Dunne tabling new legislation to raise around \$30 million a year in extra tax from miners.

## Oil & Gas News

**World oil prices pushed higher** Monday for the fourth straight session after reversing an early sell-off chalked up to profit-taking.

## Commodities News

**Gold fell** on concern that the U.S. Federal Reserve will scale back stimulus on signs the economy is improving and as investor holdings declined, resuming its retreat after rallying yesterday by the most since June.

## Currency News

**The New Zealand dollar rose** as the greenback weakened on traders betting that Federal Reserve chairman Ben Bernanke may say he is still cautious about the pace of recovery in the world's largest economy.

**The euro has rebounded** against the dollar after sharp losses last week, while the yen also pushed higher after Japan's economy minister said it may have fallen far enough.

Date	Gold	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
18-May-13	1,359.50	4.06	104.64	25.77	1.61	1.91	1.25	122.39	7782.10	81.55	2.41	32.82	23.74	3,449.30
21-May-13	1,389.34	4.1	104.99	25.61	1.61	1.91	1.25	122.74	7778.47	81.85	2.41	32.85	23.81	3,440.41
% Change	2.19	0.99	0.33		-0.15	-0.31	-0.01	0.29	-0.05	0.37	-0.05	0.07	0.28	-0.26

# Economic & Financial News

Research & International Division

22/5/2013

*...Germany on track for solid Q2 recovery...  
...Korea plans to scrap electricity subsidies...*

## South East Asia

**Singapore's inflation probably eased** to a near three-year low in April as government measures to rein in car prices took effect, giving authorities more flexibility to deal with an economy that is struggling to grow.

**The Employees Provident Fund (EPF) of Malaysia has invested RM3.91bil more overseas** in global real estate, bonds and equities for the first quarter ended March 31 as part of its diversification strategy to expand its investments abroad, said the EPF's CEO.

**The Bangko Sentral ng Pilipinas' attempt to "collapse" special deposit accounts (SDAs)** is its version of an unconventional monetary policy approach aimed at supporting the economy, Citi said.

**The Vietnamese economy is still facing a myriad of challenges**, ranging from the large amount of nonperforming debts to the rising number of bankrupt businesses, the government and the Committee of Economic Affairs reported.

**The government plans to cut corporate income tax** to 22% from the current 25% next year to stimulate investment and production amid the ongoing economic downturn, Deputy Prime Minister Vu Van Ninh told.

## North East Asia

**China's trade surplus figures in the first four months of the year were over-inflated** by hot money smuggled into the country to profit from interest rate differentials and investments in the real estate and financial sectors amid the yuan's appreciation, according to economists.

**Japan incurred a trade deficit** for the 10th straight month in April with the red-ink expanding a worse-than-expected 69.7% on year to 879.9 billion yen, data from the finance ministry showed.

**The Bank of Japan ended a policy meeting on Wednesday with no change to its strategy** of doubling the monetary base for the sake of reaching a 2% inflation target and jolting the economy out of two decades of stagnation.

**Korea plans to scrap electricity subsidies** for companies next year as it seeks ways to reduce energy consumption and save budget, officials said Wednesday.

The subsidies surged to more than 400 billion won (US\$359 million) in 2012 from 27.4 billion won in 2009.

**The Korea's short-term external debt** totalled US\$122.2 billion as of the end of March, down \$4.5 billion from three months earlier, according to the Bank of Korea.

**Taiwan's jobless rate fell** 0.1 percentage points in April from a month earlier to 4.07%, the Directorate General of Budget, Statistics and Accounting said.

**Macau's property sales dropped** in terms of number of units and total value but pre-sale prices rose in the first quarter, according to data released by the Statistics and Census Bureau. A total of 4,423 buildings units and parking spaces were sold in the first quarter.

## Middle East and North Africa

**Oman's real GDP expanded steadily** over the past few years, with an estimated growth rate of 5.0% in 2012, according to Global Investment House (Global) latest study.

**Saudi Arabia's inflation rates reached an all-time high** in April 2013, where food prices increased by an estimated 6.2% on a y-o-y basis compared with 5.3% in March. Food prices are the single largest contributor to overall inflation in Saudi Arabia, according to a recent report issued by Jadwa Investment.

**Egypt, which needs to cut government expenditure**, plans to introduce ration cards for subsidized fuel by September, the country's new oil minister Sherif Haddara said Tuesday.

## Indian Sub-Continent

**The rate of inflation, which is falling faster** than what was expected even a few months ago, has prompted Barclays India to raise the quantum of Reserve Bank of India's rate cut to 75 basis points in 2013, from just 25 bps earlier.

**Millions of Bangladeshis, living and working abroad, remitted home nearly US\$12.5 billion** in the first 10 months of the current 2012-13 fiscal year ending next month, a central bank official said.

## Europe

**Europe could face a decade of stagnation** unless it makes big reforms and should heed the lessons of Japan,

Bank of Canada Governor Mark Carney said on Tuesday as he highlighted Japan's bold moves to bolster growth.

**Germany, the euro zone's largest economy, is on track for a solid Q2 recovery** thanks to a pick-up in demand for its products from abroad, the Bundesbank said on Tuesday.

**British 12-month inflation slowed** to 2.4% in April, hitting a seven-month low on the back of lower transport costs and oil prices, the Office of National Statistics data showed.

## North America

**The U.S. Federal Reserve might adjust the pace of purchases up or down** as the labour market and inflation outlook changes in a material way, William Dudley, president of the Federal Reserve Bank of New York said Tuesday.

## Australasia

**The New South Wales Treasurer has revealed an accounting change** will wipe \$1 billion off the budget's bottom line this year.

## Oil & Gas News

**West Texas Intermediate crude fell** for a second day after an industry report showed U.S. inventories rose for a fourth week, the longest run of gains since February.

## Commodities News

**World crude steel production of the 63 countries reporting to the World Steel Association rose** to 132 mn tons in April 2013, an increase of 1.2% compared to April 2012.

## Currency News

**The dollar fell** for a third day against the euro before Federal Reserve Chairman Ben S. Bernanke addresses Congress amid concern he will disappoint expectations for a paring back of monetary stimulus.

**Brazil's real dropped** a sixth day, extending its longest losing streak in two months, as the central bank refrained from intervening to prop up the currency.

Date	Gold	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
21-May-13	1,389.34	4.1	104.99	25.61	1.61	1.91	1.25	122.74	7778.47	81.85	2.41	32.85	23.81	3,440.41
22-May-13	1,386.19	4.22	103.56	24.54	1.62	1.91	1.25	123.00	7785.13	81.72	2.40	32.80	23.69	3,459.20
% Change	-0.23	2.93	-1.36		0.37	0.35	0.01	0.21	0.09	-0.16	-0.26	-0.14	-0.50	0.55



# Economic & Financial News

Research & International Division

23/5/2013

*...Tightening monetary policy could stall the US recovery...  
...Qatar has successfully completed its 20-year investment plan...*

## South East Asia

**The Singapore's economy unexpectedly expanded** last quarter as services and construction strengthened, reducing pressure on the central bank to ease monetary policy to boost growth. GDP rose an annualised 1.8% in the three months through March from the previous quarter, when it grew 3.3%, the Trade Ministry said.

**Singapore's exports slid at a faster pace** in the first quarter than in the quarter before, International Enterprise Singapore said on Thursday morning. Non-oil domestic exports contracted 12.5% y-o-y in Q1, deepening Q4's 4.2% decline.

**The Malaysia's consumer price index for April rose** 1.7% to 106.3 from a year ago mainly due to a 3.8% increase in the food and non-alcoholic beverages index, the Statistics Department said in a statement.

**The Indonesian government has resolved to increase the price of subsidised premium gasoline in June** by Rp 2,000 (US\$0.20) to Rp 6,500 per liter and the price of subsidized diesel fuel by Rp 1,000 to Rp 5,500. The new prices will suppress the deficit in the state budget to 2.5%, lower than earlier predictions of 3.8%.

**The IMF had expected the Philippine economy** to have expanded by 6% in Q1 2013 on account of robust household consumption and government spending. In Q1 2012, the economy grew by 6.3%.

**Thai exports are expected to enjoy better growth** in the second half of the year, as companies anticipate concrete government action to stabilise the baht and penetrate new markets.

**The IMF said Burma's economy is on track to top 6% growth** this year as the country's "ambitious reform program is bearing fruit," according to Matt Davies, the IMF's deputy Asia and Pacific chief.

## North East Asia

**Japan's exports rose less** than expected in April from a year earlier due to weak demand from Europe and China. The 3.8% annual increase in exports in April was below the median estimate for a 5.9% rise and followed a 1.1% increase in the year to March.

**Korea's economy saw its trade deficit with Japan** reach US\$2.39 billion in April, up 45.7% from a year earlier, according to the data compiled by Japan's finance ministry.

**South Korea's economic effectiveness remained low** compared with those in advanced economies, indicating that the economy depended on quantitative expansion in labour and capital for its growth, the local think tank said Wednesday.

**Retail sales in South Korea decreased** at 9.8% in April from a year earlier, according to the Ministry of Trade, Industry and Energy.

## Middle East and North Africa

**The Middle East has hit a brick wall in its efforts to provide jobs** for its rapidly expanding number of young unemployed, and without a drastic overhaul of its jobs strategy the weakest performing economies of the region risk laying the ground for further unrest.

**Since 2011, Qatar has successfully completed its 20-year investment plan** to commercialize its natural gas reserves, the third largest globally with 25 trillion cubic meters or 13% of the world's total proven reserves, according to Global Investment House's review of the Qatar economy.

## Indian Sub-Continent

**Passing laws may have become difficult**, but the Government is committed to putting in place a new financial regulatory system that will serve the nation well for at least the next 50 years, said Finance Minister P. Chidambaram.

**The Indian finance ministry has agreed to pay** Rs 40,000 crore of pending subsidy bill to the public sector oil marketing companies for the last fiscal but has extracted an assurance that the pricing of oil products would be reviewed by a committee constituted that will give its report within two months.

## Europe

**The Bank of England on Wednesday decided to keep the base interest rate at 0.5%** but remained divided over whether to expand its quantitative easing (QE) stimulus program. According to minutes of a meeting of the Monetary Policy Committee (MPC) of the central

bank, the committee's nine members disagreed over pumping more money into the British economy.

**EU leaders agreed that automatic sharing of individuals' bank account data**, a key measure to prevent tax evasion, should come into effect by the end of the year, European President Van Rompuy said.

## North America

**US Federal Reserve Chairman Ben Bernanke has warned that tightening monetary policy now could stall the US recovery**, but added that another few months of positive data could lead the central bank to start reining in stimulus.

**U.S home resales rose 0.6%** to an annual rate of 4.97 million units, the highest level since November 2009, the National Association of Realtors said on Wednesday.

**The Canadian government is examining the role of the federal housing agency** in providing insurance for mortgage portfolios held by banks, Finance Minister Jim Flaherty said on Wednesday.

## Australasia

**The Parliamentary Budget Office (PBO) says Australia's structural budget balance improved this year** and is likely to continue to do so. In its first analysis of last week's federal budget estimates, the PBO said the structural deficit in 2012-13 recovered to around 1.5 to 2.5% of GDP after being at 3.5 to 4.5% in 2011-12.

**Australia's total amount of resource investment remains at record levels**, Resources and Energy

Minister Gary Gray said in a statement on Thursday. According to him, the investment has increased 12-fold since 2003 to AU\$268 million.

**A government report has shown the investment stage of the mining boom has possibly peaked.** Capital expenditure in the resources sector is predicted to dive by two-thirds of the next five years, the report said.

## Oil & Gas News

**West Texas Intermediate oil fell** for a third day, extending the biggest decline in three weeks as U.S. gasoline stockpiles unexpectedly gained and manufacturing in China shrank for the first time in seven months.

## Commodities News

**Gold fell** for a third day after U.S. Federal Reserve Chairman Ben S. Bernanke hinted at scaling back stimulus should the world's largest economy strengthen further, and as investor holdings extended declines.

## Currency News

**Japan's currency declined** versus 13 of its 16 major peers yesterday after Bank of Japan policy makers affirmed a plan to double the monetary base over two years.

**The New Zealand dollar fell** after US Federal Reserve chairman Ben Bernanke said the central bank may taper monthly bond purchases if it's confident of sustained gains in the economy.

Date	Gold	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
22-May-13	1,386.19	4.22	103.56	24.54	1.62	1.91	1.25	123.00	7785.13	81.72	2.40	32.80	23.69	3,459.20
23-May-13	1,364.73	4.2	101.91	24.26	1.63	1.91	1.26	123.25	7755.55	81.40	2.40	32.72	23.66	3,438.96
% Change	-1.55	-0.47	-1.59		0.62	-0.29	0.37	0.20	-0.38	-0.39	-0.17	-0.25	-0.12	-0.59

# Economic & Financial News

Research & International Division

25/5/2013

*...Russia plans to switch to a variable tax rate...  
...China will steadily push forward market-oriented reform...*

## South East Asia

**Philippine merchandise imports further decreased in March 2013** by 8.4% y-o-y to US\$4.9 billion, as shipments of major commodity groups recorded negative growths.

**Only 37% of Indonesians rank their economy as doing well**, according to a new report by the Pew Research Center known as the "Global Attitudes Project". China came out on top, with 88% of its citizens saying they are satisfied with their economy. More Malaysians (85%) were happy with their country's economy than any other Southeast Asian country surveyed.

**Vietnamese inflation rose** 6.36% y-o-y in May, the Government Statistics Office said, slightly down from a 6.61% increase reported in April.

**The Viet Nam Steel Association (VSA) recently proposed that the export of iron ore be halted** in order to ensure the adequacy of raw materials available for domestic production. The association said that several furnaces had been forced to stop due to a shortage of ore.

## North East Asia

**China had a surplus of more than \$100 billion** in its capital and financial accounts in the first quarter, compared with \$20 billion for the fourth quarter of 2012, according to the State Administration of Foreign Exchange.

**China will steadily push forward market-oriented reform** in its interest rates and exchange rates mechanisms this year, a central bank report said on Friday.

**South Korea will draw up its economy management plan** for the second half in consideration of possible changes in monetary policies adopted by advanced countries, the country's top economic policymaker said Friday.

**South Korea plans to expand support for foreigners** who establish a business here as part of efforts to attract more foreign talent into the country and thus help boost its economy, government officials said Friday.

## Middle East and North Africa

**The Saudi Arabian Monetary Authority has given banks three months** to outline the jobs that could be reserved exclusively for locals and aims to increase the number of Saudis in the banking sector by 95%.

**The World Bank announced it will provide a special package** of \$150 million in financial support to Jordan to assist with the economic burdens of hosting more than half-a-million refugees.

## Indian Sub-Continent

**Finance Minister P Chidambaram asked countrymen to contain their "uncontrolled passion"** for gold and instead save in financial instruments. "The uncontrolled passion for gold must be contained," Chidambaram said and reeled out data to show how increasing gold imports are hurting the Current Account Deficit.

**The Reserve Bank of India restricted banks** from consignment imports of the yellow metal, except for jewellery exporters, after imports in April jumped more than 150%, despite a 50% hike in import duty in January.

## Europe

**The European Commission announced it was ready to open negotiations with China**, one of the EU's most important trading partners, on an investment protection accord.

**European Central Bank (ECB) president Mario Draghi sees "encouraging signs of tangible improvements"** in the UK economy.

**Germany's economy grew in Q1 2013 to 0.1% q-o-q** as exports and investment shrank, figures show. However, higher domestic consumption – due to rising wages - helped offset the declines in foreign trade and capital investment.

**British economy grew** by 0.3% in the first quarter of 2013 according to the latest estimate released by the British Office for National Statistics on Thursday.

**The Portuguese government announced on tax reduction measures** to create more jobs and revive the country's flagging economy. Portuguese Finance Minister Vitor Gaspar told a news conference that the government

will reduce taxation by 20% for those companies with investment of up to 5 million euros.

## Eastern Europe

**Russia plans to switch to a variable tax rate** on natural gas producers to lessen the burden on companies willing to develop deep and remote fields and to claw back money from exporters who enjoy benefits, the finance ministry said.

**Croatia, soon to become the 28th member** of the European Union, is looking to undiscovered oil and gas fields in the Adriatic Sea to revive its ailing economy, according to the country's president.

## North America

**Orders for U.S. durable goods increased** to 3.3% last month after dropping 5.9% in March, the Commerce Department said today in Washington.

**Unemployment in Mexico rose** in April from the year-earlier month and from March, following sluggish growth in the first quarter. The jobless rate among Mexico's 50-million workforce was 5% last month, compared with 4.9% in April 2012.

**Mexico's current account deficit notched** \$5.53 billion in the first quarter, the central bank said on Friday, narrowing from the fourth quarter of last year. The current account deficit was the equivalent of 1.8% of GDP, the central bank said.

## Australasia

**Australian PM Julia Gillard moved to allay fears** about the economy, saying it had strong fundamentals, after US carmaker Ford announced an end to production in the country. Gillard admitted that the Ford decision to halt production and cut 1,200 jobs had made people anxious.

**The Inland Revenue of New Zealand is withholding GST refunds** from body corporates with leaky buildings, even though it is pretty sure they are entitled to claim them.

## Oil & Gas News

**West Texas Intermediate crude fell**, capping its biggest weekly drop in more than a month, after rising U.S. durable goods orders bolstered concern that the Federal Reserve will scale back stimulus efforts.

## Commodities News

**Gold traders are the most bullish** in a month after Federal Reserve Chairman Ben S. Bernanke signalled record stimulus will continue until the economy improves.

## Currency News

**The pound declined** for a fourth week against the euro as an improvement in German business confidence and speculation the Bank of England will boost stimulus sapped demand for the U.K. currency.

**The dollar erased losses** against the euro, trimming a weekly decline, as a higher-than-forecast increase in orders for U.S. durable goods added to speculation the Federal Reserve may slow monetary stimulus this year.

Date	Gold	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
23-May-13	1,364.73	4.2	101.91	24.26	1.63	1.91	1.26	123.25	7755.55	81.40	2.40	32.72	23.66	3,438.96
25-May-13	1,386.64	4.24	102.64	24.21	1.63	1.91	1.27	122.12	7709.51	81.14	2.39	32.79	23.69	3,393.17
% Change	1.61	0.95	0.72		0.10	-0.12	0.67	-0.92	-0.59	-0.32	-0.10	0.21	0.12	-1.33

# Economic & Financial News

Research & International Division

28/5/2013

*...Egypt is considering restructuring its local and foreign debts...  
...Britain's four biggest banks will have eliminated about 189,000 jobs...*

## South East Asia

**Business receipts of the services industries**, excluding wholesale & retail trade and accommodation & food services, went up 2.8% in first quarter 2013 over the previous quarter, according to the Singapore's Department of Statistics.

**The Philippines Government's fiscal deficit reached the highest level** in April at P36.8 billion. The fiscal deficit exceeded the P32.8 billion program for the month.

**Indonesia's oil reserves currently reach 4.4 billion barrels** or 0.2% of global oil reserves, according to the Upstream Oil and Gas Executive Task Force. China, which has 14.8 billion barrels of oil reserves takes the lead among Asian countries, followed by India with 5.8 billion barrels.

**Indonesia could see the annual inflation rate surging to as high as 7.76%** if the government hikes subsidised fuel prices this year, the new central bank governor said.

**Thailand and Vietnam have joined forces to develop the 900-kilometre R10 route**, or Southern Economic Corridor, to support growing opportunities in trade, investments and tourism, link southern Vietnam to Dawei in Myanmar, and facilitate distribution of goods among Vietnam, Thailand, Cambodia and Myanmar.

**Finance authorities would continue with tight fiscal policies** to stabilise the economy, control inflation and accelerate growth, said the newly-appointed Viet Nam's Finance Minister Dinh Tien Dung.

**Viet Nam's industrial production index (IIP) increased 6.7% y-o-y** in May, placing total growth for the first five months at 5.2%. This represented an improvement over the first quarter, but still dragged behind last year's growth, according to the General Statistics Office.

## North East Asia

**China's industrial firms made total profits** of 1.61 trillion yuan (US\$262.6 billion) in the first four months of 2013, up 11.4% from the same period a year ago, the National Bureau of Statistics said on Monday.

**China's urban unemployment rate stood at 4.1%** in 2012, unchanged from a year earlier, said the Ministry of Human Resources and Social Security.

**South Korea's Finance Minister Hyun Oh-seok is expected to bring attention to the "limits"** of quantitative easing steps taken by advanced countries during a meeting of the Organization for Economic Cooperation and Development (OECD) this week, Ministry of Finance said.

**The value of Hong Kong's total goods exports and imports rose 9% and 7.7% y-o-y** in April, respectively, the city's Census & Statistics Department announced.

## Middle East and North Africa

**Egypt's ministry of finance is considering restructuring its local and foreign debts** totaling EGP 1.29 trillion (US\$ 184.7 billion) in a bid to reduce pressure on the general state budget, finance minister Dr. Fayyad Abdel Moneim has told Zawya.

**Qatar's real economic growth will remain high**, averaging 5.7% in 2012-30, with "potential bursts of high growth" if further gas export projects are approved by the government after its moratorium on new deals expires, according to Economist Intelligence Unit said in its report.

## Indian Sub-Continent

**Finance minister P Chidambaram said that India's growth story is here to stay.** "The country has a huge potential. We have a huge land mass, an entrepreneurial class as well as an aspirational generation of young men and women. Therefore, in the next forty years, India's economy would grow," Chidambaram said.

## Europe

**Britain's four biggest banks will have eliminated about 189,000 jobs** by the end of this year from their peak staffing levels, bringing employment to a nine-year low amid a dearth of revenue. Royal Bank of Scotland Group Plc, HSBC (HSBA) Holdings Plc, Lloyds Banking Group Plc (LLOY) and Barclays Plc (BARC) will employ about 606,000 people worldwide by the end of 2013, according to data compiled by Bloomberg.vv

**European Central Bank (ECB) board member Joerg Asmussen said it would be a mistake to exclude certain investments** from budget deficit calculations, as

favoured by some in the European Union who want public investments excluded to help them meet fiscal targets.

**The European Central Bank (ECB) is willing to offer help** setting up Europe's planned financial transaction tax to ensure the levy does not destabilise financial markets, the Financial Times quoted a policymaker on Monday as saying.

## Eastern Europe

**Planned improvements to transportation infrastructure in the Moscow region that yield greater connectivity** to the city will boost property prices in several regional towns by 10 to 15%, according to research by Metrium real estate agency.

**Hungary's FDI inflow amounted to €10.462 billion** (US\$13.55 billion), 6.7 billion more than in 2011 for an all-time high. At the same time FDI outflow came to €8.210 billion, 5 billion more than the previous year, local wire service MTI reported on Monday.

## Australasia

**Reserve Bank board member Roger Corbett has warned the nation is under-taxed** and labour markets are over-regulated. He argued that a sensible balance needed to be achieved and, at the moment, employment costs are eating away at foreign investment and he wants

to see a middle ground that respects both employer and worker rights.

**Excessive wage demands are threatening major energy projects** in Australia, a federal Labour minister said.

## Oil & Gas News

**West Texas Intermediate crude fell** a fifth day, the longest run of declines this year, as the United Arab Emirates said global demand will stay "relatively weak." OPEC is forecast to keep its supply target unchanged on May 31.

## Commodities News

**The two-year surge in the premium that refined sugar commands** over the raw sweetener is reversing as Thailand and Mexico add record shipments to supplies that are already greater than global consumption.

## Currency News

**Singapore's dollar is suffering** its biggest losses in a year as Asia's economic slowdown confounds local policymakers whose priority is controlling inflation.

**The yen slid** against all its major peers before U.S. data forecast to show consumer confidence improved and regional manufacturing shrank at a slower pace, adding to evidence the world's biggest economy is recovering.

Date	Gold	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
25-May-13	1,386.64	4.24	102.64	24.21	1.63	1.91	1.27	122.12	7709.51	81.14	2.39	32.79	23.69	3,393.17
28-May-13	1,389.64	4.26	102.67	24.10	1.63	1.91	1.26	121.80	7745.93	79.87	2.40	32.92	23.66	3,398.50
% Change	0.22	0.47	0.03		0.35	0.37	-0.21	-0.26	0.47	-1.57	0.10	0.39	-0.14	0.16

# Economic & Financial News

Research & International Division

29/5/2013

*...Viet Nam has failed to grab many chances for development...  
...Japan kept its position as the world's largest creditor nation...*

## South East Asia

**The government is fully committed to the development of intellectual property (IP) financing,** and its use as collateral by small and medium enterprises (SMEs), to expand businesses according to Deputy Secretary-General (Policy) Datuk Mat Noor Nawi.

**Singapore's electronics sector is likely to see an upswing in the next few quarters,** as the semiconductor cluster shifts from manufacturing chips for traditional PCs to mobile computing devices, analyst said.

**Foreign investors cite the lack of a long-term plan** as a hindrance to investing in the Philippine cocochemical sector. Most of the country's coconut production goes to exports, which take up 65% to 70% of the total produced coconuts, while the remaining is domestic consumption.

**Finance Minister Chatib Basri** predicted Indonesia will have an economic growth of 6.4 - 6.9% in 2014. The minister also mentioned that inflation rate will be at 3.5 - 5.5% next year. The government will boost food commodity's production to control food price and implement policies in the energy sector.

**Thailand's Manufacturing Production Index declined 3.8%** in April due to lesser production days, as well as a slowdown in export-oriented production, the Office of Industrial Economics (OIE) revealed yesterday.

**Viet Nam has failed to grab many chances for development** thanks to its slow economic restructuring, according to Vietnam Centre for Economic and Policy Research (VEPR), 2013 Vietnam Economy Report, released on Monday. The country's economic reforms have not been implemented in a strong and determined way as society expected, VEPR's director said.

**Viet Nam earned over US\$10.7 billion** from agro-forestry and fishery exports in the first five months of this year, down 4.6% compared with the same period last year, the Ministry of Agriculture and Rural Development (MARD) has reported.

## North East Asia

**Improving productivity will be of central importance to China** in the next decade to maintain economic growth and avoid the "middle-income trap", an Ernst & Young survey said on Tuesday.

**Japan kept its position as the world's largest creditor nation** for the 22nd straight year in 2012, government data showed Tuesday, as the dollar's gains helped inflate the value of overseas assets.

**South Korea's current account surplus reduced** last month as local companies with a book closing day of December 31 paid dividends to offshore investors, offsetting faster growth in exports. Current account surplus was US\$3.97 billion in April after posting a surplus of US\$4.16 billion in the prior month, according to the Bank of Korea.

**The amount of land owned by foreigners grew slightly** from a year earlier in the first quarter. The amount of land owned by foreign investors or companies came to 226.7 million square meters, up 0.21% from a year earlier, according to the Ministry of Land, Infrastructure and Transport of Korea.

**Taiwan will ease regulations to let insurance companies invest NT\$100bil (US\$3.3bil)** in infrastructure projects as part of a broader package to boost the economy which has been hurt by weak global demand, Cabinet said.

## Middle East and North Africa

**Qatar's exports rose 16%** to a record high of \$133bn in 2012, driven by additional exports of LNG, condensate, gas-to-liquid and petrochemical products, QNB study has shown.

**Enhanced private sector activity stimulated by higher government spending and** growth in the non-oil and gas sector will drive Qatar's real GDP growth to 6.5% this year and 6.8% in 2014, QNB has said in a report.

## Indian Sub-Continent

**The Reserve Bank of India (RBI) today ruled out a ban on sale of gold coins** but asked banks to refrain from aggressively selling the precious metal. RBI Governor D Subbarao told reporters here that the RBI did not intend to ban sale of gold coins by banks.

## Europe

**The number of mortgages granted to prospective homebuyers in Spain plummeted by 34.1%** in March on year-on-year basis, the Spanish National Institute of

Statistics reported on Tuesday. The number of mortgages fell to 16,270 in March, showing the effects of the new fiscal measures implemented by the government at the beginning of the year.

## Eastern Europe

**The rate-setting Monetary Council of the National Bank of Hungary (MNB) announced a quarter-percent cut** in its two-week deposit (benchmark) rate on Tuesday, bringing it down to 4.50%.

## North America

**On a 12-month basis, U.S. home prices were up 10.9%** in March, the largest increase since 2006, and all 20 cities in the index posted gains for the third month in a row.

**Consumer confidence in the United States rose** in May to a five-year high, with expectations of an improved economy jumping after a fall tied to fiscal tightening, the Conference Board said. The index pushed to 76.2 this month, compared to a revised 69.0 in April. The expectations index surged to 82.4 from 74.3 in April.

## Australasia

**Construction work done in Australia fell 2%** in the March quarter and was up 0.2% in the 12 months to March, the Australian Bureau of Statistics said on Wednesday.

**Australian home sales rose again** in April, continuing the housing industry's slow recovery. Just over 6,000 new homes were sold in April, an improvement of 3.9% from March, the Housing Industry Association (HIA) said on Wednesday.

## Oil & Gas News

**Global oil prices have rallied**, supported by data showing an encouraging surge in U.S. consumer confidence and home prices as markets reopened after a long holiday weekend.

## Commodities News

**Gold advanced**, trimming a second monthly decline, as lower prices lured some investors amid an extended drop in holdings in exchange-traded products. Silver headed for a fourth monthly loss, the worst run since June.

## Currency News

**The Australian dollar is lower** after another batch of good US economic data cemented hopes of a winding down of economic stimulus measures by the US central bank.

**The Dollar Index rose** for a second day before U.S. data tomorrow on first-quarter growth amid speculation the Federal Reserve will curb monetary stimulus.

Date	Gold	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
28-May-13	1,389.64	4.26	102.67	24.10	1.63	1.91	1.26	121.80	7745.93	79.87	2.40	32.92	23.66	3,398.50
29-May-13	1,389.60	4.16	104.14	25.03	1.63	1.91	1.26	121.91	7756.75	80.55	2.40	33.12	23.68	3,406.72
% Change	0.00	-2.35	1.43		-0.13	-0.20	-0.09	0.09	0.14	0.86	0.31	0.61	0.08	0.24



# Economic & Financial News

Research & International Division

30/5/2013

*...The European Commission has revealed its economic targets for EU nations...  
...Thailand's central bank cut its benchmark interest rate...*

## South East Asia

**The Philippine economy posted a 7.8% growth** in the first quarter of this year, as against 6.5% in the same period last year, the National Statistical Coordination Board (NSCB) announced Thursday.

**The growth of the general wholesale price in the Philippines declined** by 1.5% in March from 0.2% in February, according to the General Wholesale Price Index (GWPI) of the National Statistics Office.

**Indonesian companies are facing a critical skill shortage in middle management** as the lack of talented workers will continue to worsen in the coming years due to a poor educational system and rapid growth of the services sector, a report by Global consulting firm The Boston Consulting Group (BCG) said.

**Thailand's central bank cut its benchmark interest rate by 25 basis points to 2.5%** yesterday, bowing to government pressure to ease monetary policy after weak 1st quarter economic growth data.

**Thailand's economic growth will rise up to 5.2%** throughout this year, given a speculated rebound in global economies and a continual increase in domestic consumption, according to Thai Prime Minister Yingluck Shinawatra.

**Vietnam's budget deficits during the 2009 – 2011 period were the highest** among Asian countries, according to remarks by the Asian Development Bank and the International Monetary Fund. The average budget deficit in the said three years was 3.7% of GDP per year.

## North East Asia

**China's coal output in the Jan-April period stood at 1.15 billion tonnes**, down 2% from the same period last year, while fixed asset investment in the coal mining industry declined 6.6%, according to China National Coal Association.

**China's CPI is likely to grow 2.5%** in May from a year earlier, the Bank of Communications (BOC) has forecast.

**The Bank of Japan (BOJ) will likely continue its monetary easing in the fourth quarter** to boost its economy, as the country won't meet its inflation target in

hopes of fuelling growth, Massaki Kanno, a chief Japan economist at JP Morgan Securities Japan Co., said.

**The Japanese government seeks to reduce long-term joblessness by 20%** over five years to levels before the global financial crisis, the Nikkei reported.

**South Korea's industrial output grew** in April for the first time in four months amid still lingering economic uncertainties, a government report showed Thursday. According to the report by Statistics Korea, production in the mining, manufacturing, gas and electricity industries increased 0.8% last month from a month earlier.

**South Korea's finance minister has expressed concerns over the negative impact of quantitative easing** by advanced countries and called for debate about an "orderly exit strategy" from such expansionary monetary policy, his office here said Thursday.

## Middle East and North Africa

**The Central Bank of the UAE and Emirates Investment Authority have announced the signing of a memorandum of understanding (MoU)** to establish and operate a mint in the UAE to meet the Central Bank's entire needs of printed currency notes.

**Qatar's overall balance of payments have swung to a \$16bn surplus** in 2012 from a \$14bn deficit in 2011, which reflects changes in the country's international reserves, the Qatar National Bank (QNB) said in a report.

## Indian Sub-Continent

**The Indian government on Wednesday moved a step closer to restructure the coal sector** with a proposal that could potentially benefit the power companies that have been strained by the scarcity and poor quality of coal supplied to them.

## Europe

**The European Commission has revealed its economic targets for EU nations** desperately seeking growth and jobs in the fallout from the debt crisis but gave France and Spain extra time in return for deeper reforms.

**French President Francois Hollande says the European Commission could not "dictate" orders** after it called on Paris to step up reforms and overhaul its costly pension system. "The European Commission cannot

dictate to us what we have to do. It can simply say that France must balance its public accounts," he said.

**Italian Prime Minister Enrico Letta welcomed Wednesday the European Commission's recommendation that Rome be removed from its excess deficit blacklist.** Letta said Italians "should be proud of this result." The European Union's excessive deficit procedure has imposed corrective actions on Italy since 2009 to get its deficit under control.

**The economy of the 17-member euro area is expected to decline by 0.6%** in 2013 before rebounding to 1.1% in 2014, said the Organization for Economic Cooperation and Development (OECD) on Wednesday in its latest outlook report.

## North America

**Sales of U.S. homes in foreclosure fell** in the first quarter, a report from RealtyTrac showed on Thursday. There were 190,121 properties sold that were in the foreclosure process or already seized by lenders, down 18% from the last quarter of 2012 and a decrease of 22% from the first quarter the year before.

## Australasia

**The mining investment boom may have already passed its peak - but it isn't going away any time soon.** Business investment slumped by 4.7% in the March

quarter, led by a drop in expenditure in the mining sector, figures released by the Australian Bureau Statistics said.

**Home building approvals had a big rise at 9.1%** in April, a sign that last year's series of Reserve Bank of Australia interest rate cuts are helping the sector, the Australian Bureau of Statistics reported on Thursday.

## Oil & Gas News

**Oil prices recovered** in Asian trade Thursday following a drop triggered by fresh economic data that highlighted global growth concerns, analysts said.

## Commodities News

**Gold rose** to a one-week high, paring a second monthly decline, as the dollar and stocks retreated while holdings in the largest bullion-backed exchange-traded product expanded. Silver, platinum and palladium advanced.

## Currency News

**The rupiah declined 0.1%** to 9,813 per dollar in Jakarta, after earlier dropping as much as 1% to 9,900.

**India's rupee rose** for the first time in three days as some investors judged its decline to a 10-month low yesterday to be excessive.

Date	Gold	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
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30-May-13	1,381.58	4.15	102.64	24.73	1.63	1.91	1.27	121.37	7730.96	80.53	2.41	33.27	23.74	3,330.99
% Change	-0.58	-0.24	-1.44		-0.01	-0.04	0.45	-0.44	-0.33	-0.02	0.22	0.47	0.27	-2.22