

Economic & Financial News

Research & International Division

2/1/2014

*...India's FDI Policy Will Be Further Liberalised ...
...Iran's Natural Gas Necessary for Turkey's Economic Progress ...*

South East Asia

Brunei Darussalam slipped from 36th to 39th in the latest World Bank ranking on the ease of trading across borders. The ranking covers procedural requirements for exporting and importing a standardised cargo of goods.

Philippines' Department of Finance is eyeing the creation of a calamity resiliency fund to enable the country to respond to and recover from the effects of extreme man-made and natural disasters in a timely and efficient manner.

The Philippines dropped three places to the 90th spot out of 145 countries in the Forbes' Best Countries for Business List for 2013. The same list showed that Singapore was the 7th best country for business, while Malaysia ranked 34th. Thailand got the 74th spot, while Indonesia placed 84th.

The Ministry of Finance of Vietnam has asked local petroleum wholesalers to maintain the current retail rates after receiving their proposals for a fresh price hike to help cover their losses, according to a release seen on the official website of the ministry.

The Lao government plans to generate LAK 25.2 billion for the state budget in 2013-14, of which LAK 5 billion will be grant aid. Expenditure is set at LAK 29.7 billion, to be spent on salaries, LAK10.8 billion for allowance, LAK 4.3 billion for debt clearance and LAK 9.7 billion for investment so as to achieve the plan, according to Finance Minister, Mr Phouphet Khamphounvong.

North East Asia

China has local government debts of CNY17.7 trillion, up 70% from three years ago, according to National Audit Office. China has a total government debt of about 58% of its economic output.

Growth in China's factories slowed slightly in December as export orders and output weakened. The official Purchasing Managers' Index (PMI), dipped to 51.0 in December.

The People's Bank of China injected a net total of CNY113.8 billion (US\$18.6 billion) into the country's banking system through open market operations in 2013, a decrease of 92% compared with 2012, according to a Securities Times estimate.

Bank of Japan Gov. Haruhiko Kuroda indicated the central bank will keep intact its current monetary easing policy in 2014 with prospects that the economy will continue to recover despite possible adverse impact from the consumption tax hike in April.

South Korea's trade surplus widened to a new high of US\$44.19 billion in 2013 as its exports grew at a steady rate while imports dwindled. In 2013, the country's outbound shipments came to US\$559.72 billion, up 2.2% from the previous year, according to the Ministry of Trade, Industry and Energy.

Australasia

The Australian economy could strengthen in the New Year helped by a weaker currency and the policies of central bankers in Washington. One of the reasons the Australian dollar was above parity with the United States dollar for most of the past three years was the US Federal Reserve's economic stimulus programme.

Australian home prices jumped almost 10% in 2013, boosted by a record-low cash rate. Sydney's property market was the strongest, and house values rose by 14.5% in Sydney in 2013, pushing the city's median dwelling price to AU\$655,250, according to the RP Data-Rismark December Home Value Index.

Indian Sub-Continent

The Indian government will continue its endeavour for liberalising the FDI policy further in the coming weeks to ensure India retains its leadership position for attracting foreign investments, Commerce Minister Anand Sharma said.

Middle East and North Africa

Oman's oil output rose 2.5% between January and November of 2013 compared to the same period of the previous year, according to National Center for Statistics and Information.

Turkish Minister of Energy and Natural Resources Taner Yildiz underlined Iran's positive role in Turkey's economy in the past decades, and expressed his country's willingness to continue importing natural gas from Iran as a sustainable and secure source of energy.

Turkey will launch new measures to curb consumer loans and the use of credit cards to pay for goods by monthly instalments in the hope of restricting the country's growing inflation and current account deficit, the Banking Regulation and Supervision Agency said.

The foreign cash reserve in Egypt might decline in 2014 and thereby place more pressure on the Central Bank of Egypt, making it necessary to stimulate foreign investments and promote tourism, which Egypt depends on to support foreign cash.

Kuwait's provisional budget surplus shrank 15% in the first six months of the current fiscal year mainly due to a sharp jump in expenditures, the Finance Ministry said.

Department of Zakat and Income Tax stated that its revenues for 2013 exceeded SAR 25 billion in Saudi Arabia with an increase of 6% compared to 2012, when revenues reached SAR 12.8 billion. Tax returns from foreign companies, ruling out companies working in the oil sector reached SAR 12.3 billion.

Western Europe

President Francois Hollande asked French companies to tackle unemployment what he called "a responsibility pact" under which they would reap the benefit of lower labour taxes in return for hiring more workers.

North America

The White House urged lawmakers to extend unemployment benefits for millions of unemployed Americans. Approximately 1.3 million workers currently receiving extended unemployment insurance (UI) benefits lost them as the program expired on Dec. 28. About 3.6 million additional people will lose access to UI benefits beyond 26 weeks by the end of 2014.

South America

Peru's benchmark consumer-price index rose 2.86% in 2013, which is within the Central Reserve Bank of Peru's annual target range. Statistics agency INEI said the consumer-price index increased 0.17% in December compared with the previous month.

Oil & Gas News

Brent for February settlement gained as much as 27 cents, or 0.2%, to \$111.07 a barrel on the London-based ICE Futures Europe exchange.

Commodity News

Bullion for immediate delivery traded at \$1,212.55 at 10:12 a.m. in Singapore from \$1,205.65 on Dec. 31, when prices sank to \$1,182.27, the lowest level since June 28. Gold slumped 28% in 2013 for the biggest annual loss since 1981.

Copper prices fell in London, capping a 7.2% annual decline, as inventories in 2013 climbed for the first time in four years.

Currency News

The Singapore dollar was little changed against its U.S. counterpart at S\$1.2645 as of 8:46 a.m. local time. The currency weakened more than 3% last year even as the central bank said it would maintain a modest and gradual appreciation to curb inflation pressures.

The yen fetched 105.28 per dollar as of 8:08 a.m. in Singapore after closing at 105.31 on Dec. 31. It fell 18% in 2013.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
31-Dec-13	1,198.61	4.44	111.21	25.05	1.74	2.09	1.27	112.41	9662.77	82.93	2.60	34.96	25.96	3,159.01
02-Jan-14	1,212.60	4.24	111.01	26.18	1.75	2.09	1.27	112.90	9626.49	82.91	2.59	35.09	25.94	3,175.59
% Change	1.17	-4.50	-0.18		0.03	-0.31	-0.32	0.44	-0.38	-0.02	-0.08	0.37	-0.08	0.52

Economic & Financial News

Research & International Division

4/1/2014

*...Singapore's Economy Contracted in Q4 2013...
...Record High Employment in Germany...*

South East Asia

Brunei's transport category was the largest contributor to the increase in the Consumer Price Index (CPI) in November 2013, according to the Economic Planning and Development Department at the Prime Minister's Office. Transport expenses contributed 47.5% of the change in CPI m-o-m.

Singapore's economy contracted in Q4 2013 as manufacturing activity weakened, according to advance estimates from the Ministry of Trade and Industry. The GDP contracted an annualised and seasonally adjusted 2.7% in Q4 2013 from Q3 2013.

The Indonesian government missed its 2013 inflation target of 7.2% as the central bank's success in managing pass-through inflationary effect from June fuel price hike was overshadowed by price level "overshooting" due to restrictions on horticulture imports. CPI surged 0.55% in December, bringing full-year inflation to 8.38%.

Indonesia's trade deficit from January to November 2013 reached US\$5.6 billion, due to oil/gas trade deficit pressure worth US\$11.8 billion, said the Trade Minister.

Mobile phones surpassed textiles to become the export commodity that raked in the largest value for Vietnam in 2013. Last year, Vietnam exported as many as US\$21.5 billion worth of mobile phones and spare parts, while export values of textiles, traditionally the export staple of the country, topped US\$17.8 billion.

Cambodian rice exports increased from 205,717 tons in 2012 to 378,856 tons in 2013 as a result of high demand from the European Union as well as countries in Asia, according to Ministry of Agriculture.

North East Asia

China's home prices continued to grow in December. The average price of new homes in 100 cities across the country rose 0.7% m-o-m to CNY10,833 (US\$1,785) per square meter, China Index Academy said.

South Korea's central bank will stay vigilant to closely monitor the cross-border movement of foreign capital and take steps to stabilise the financial markets if needed, said the Bank of Korea Governor. Changes in the U.S. monetary policy direction and market reactions could increase volatility in cross-border capital flows and price movements.

Indian Sub-Continent

The Reserve Bank of India asked the government to amend laws to empower the central bank with powers to determine policy with regard to benchmark used in money, G-Sec, credit and foreign exchange markets in India and to issue binding directions to the benchmark administrators, calculation agents, submitters, users and such other agencies.

Middle East and North Africa

Saudi non-oil exports rose by 14.5% to reach SR50.69 billion in Q3 2013 compared to the figures of the same period last year, according to Central Department of Statistics and Information.

Oman's 2014 state spending is projected at OMR13.5 billion (US\$35.1 billion), up 5% from 2013 budget. 2014 revenues are estimated at OMR11.7 billion (US\$30.4 billion), up 4.5% from 2013's plan. Though this year's budget projects a deficit, it conservatively assumes an average oil price of US\$85 a barrel.

Fitch Ratings raises Egypt's economic outlook from negative to stable. However, the agency kept its long-term foreign and local currency sovereign credit ratings at B-. Fitch also kept short-term foreign currency credit at B.

Turkish annual inflation rate hit 7.49% in 2013. The CPI increased 0.46% in December on a monthly basis, aided by higher education expenses and rise in prices at cafes and restaurants.

Western Europe

The number of people in employment in Germany hit a record high for the 7th consecutive year in 2013, although the increase was smaller than in the last two years, Germany's Statistics Office said. With 41.8 million people in work, some 232,000 jobs were created last year but the rise was roughly half the size of the average for 2012 and 2011.

Germany's car sales picked up at the end of 2013. The German Association of the Automotive Industry said that 215,300 new cars were registered in Germany in December, 5% more than a year earlier. However full-year sales were down to 2.95 million.

Italy's annual inflation rate was unchanged at 0.7% last month, central statistics agency Istat said in a preliminary estimate. The average inflation rate dropped to 1.3% in 2013, compared with 3.3% in 2012.

The number of unemployed in Spain dropped by a record number 107,570 in December, the second biggest monthly drop in 14 years. The jobless queue shrank by 147,385 people in 2013. The unemployment rate also shrank among young people under 25 years of age reducing the number of jobless by 9.6% in that category.

North America

U.S. economy will fare better in coming quarters supported by easing fiscal policy headwind, a recovering housing market and ongoing monetary policy stimulus, U.S. Federal Reserve Chairman Ben Bernanke said.

Auto sales have risen in the U.S., as cheap loans and a surge in leasing have combined with pent-up demand. Automakers sold about 15.6 million new cars and trucks in 2013, up about 8% from 2012.

Canadian auto sales hit a record in 2013, helping drive the broader economy just four years after the near collapse of the industry. Canadians shrugged off record personal debt levels and a lukewarm economy to purchase 1.743 million vehicles last year, up 4% y-o-y and eclipsing the previous peak of 1.703 million units sold in 2002.

South America

Brazil posted a trade surplus of US\$2.56 billion in 2013, a sharp drop from the US\$19.4 billion surplus posted in the previous year.

Argentina's trade surplus tightened to about US\$10 billion in 2013 while tax revenue rose 26.3% to 858.8 billion pesos (US\$131.7 billion), the government's tax chief said.

Credit card use continues to grow as the Peruvian economy expands. There are more than 8 million credit cards in the nation, according to Peru's Association of Banks.

Oil & Gas News

Brent for February settlement slipped 89 cents, or 0.8%, to end the session at US\$106.89 a barrel on the London-based ICE Futures Europe exchange.

Natural gas for February delivery slid 1.7 cents to settle at \$4.304 per million British thermal units on the New York Mercantile Exchange.

Commodity News

Gold futures for February delivery climbed 1.1% to settle at \$1,238.60 at 1:45 p.m. on the Comex in New York. Earlier.

Copper futures for delivery in March fell 0.8% to settle at \$3.355 a pound at 1:10 p.m. on the Comex in New York, the biggest loss for a most-active contract since Nov. 27.

Currency News

The continued weakening of the baht could result in a rise in goods prices in the near future, as higher import costs feed through into production costs, the Commerce Ministry said.

The pound fell 0.2% to \$1.6422 at 4:35 p.m. in London after climbing to \$1.6603 yesterday, the highest since August 2011. The currency dropped 0.4% this week.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
02-Jan-14	1,212.60	4.24	111.01	26.18	1.75	2.09	1.27	112.90	9626.49	82.91	2.59	35.09	25.94	3,175.59
04-Jan-14	1,236.97	4.3	106.89	24.86	1.73	2.08	1.27	113.30	9640.41	82.27	2.60	35.22	26.04	3,131.47
% Change	2.01	1.42	-3.71		-0.81	-0.12	0.16	0.35	0.14	-0.77	0.21	0.38	0.39	-1.39

Economic & Financial News

Research & International Division

7/1/2014

...Saudi Arabia Introduces Unemployment Insurance...

...Argentina Launches New Price Controls...

South East Asia

A total 196,686 tourists visited Brunei from January until September last year, according to the Tourism Development Department. The Tourism Masterplan had identified 69 projects to raise the tourism industry in Brunei.

The Financial Services Authority and Bank Indonesia are planning to come up with a framework to identify "domestic systematically important banks" (D-SIBs) that are critical to the stability of the country's entire financial industry.

Thailand keeps target for fiscal 2014 revenue collection intact at BT2.27 trillion despite lower-than-expected receipts, while speeding up efficiency improvement at tax-related agencies, the finance ministry said.

Malaysia's GDP will grow an additional 0.3% in the first 12 months of the implementation of the GST on a back of the expectation that exports will increase. Deputy Finance Minister said exports are expected to increase by an extra 0.5% by then as goods to be exported will be zero-rated.

The Philippine economy is expected to remain strong this year, growing 7.5% from an estimated 7.4% in 2013, by First Metro Investment Corp. (FMIC), the investment banking arm of the Metrobank Group. Domestic economy will likely remain resilient this year, anchored on strong economic fundamentals.

The Philippine government's budget deficit for this year is seen to rise to 2.3% of the country's GDP, largely due to the massive rehabilitation work in typhoon-devastated areas, FMIC said.

The prices of petrol and gas will continue to be partly market-driven and partly managed by the Vietnam's government in 2014. However, to ensure stability of local energy prices, Ministry of Finance and the Ministry of Industry and Trade, will continue to manage the prices of petrol and oil with the help of the price stabilisation fund and subsidies.

The Lao government has set up a committee to push for better revenue collection, particularly in the major provinces of Savannakhet, Champassak and Vientiane. The move comes in the wake of the revenue shortfall last fiscal year.

North East Asia

China's Purchasing Managers' Index (PMI) for December further retreated to 51 from 51.4 in November, according to National Bureau of Statistics and the China Federation of Logistics and Purchasing.

Japan's economy is steadily recovering and on the way of shaking off crisis, PM Shinzo Abe said. Abe said that the upcoming ordinary Diet session will focus on realising a virtuous cycle of economy, adding that the government will carry out a ¥5.5 trillion (US\$52.7 billion) economic stimulus package and ¥1 trillion (US\$9.6 billion) tax reform plan. The government is also considering an increase in wages this spring so as to make the Japanese people feel economic recovering.

New car sales in Japan rose slightly in 2013. Industry groups say about 5.4 million new vehicles were sold in 2013, up 0.1 %from the year before.

South Korea will unveil its three-year economic innovation plan next month with a focus on rectifying the "imbalance" in the country's economy, the Finance Minister said.

Australasia

Australia's trade deficit narrowed in November, as imports fell while exports remained flat. Australia posted a seasonally adjusted trade deficit of A\$118 million compared with a revised A\$358 million shortfall in October, the Australian Bureau of Statistics said.

Middle East and North Africa

Saudi Arabia will introduce compulsory unemployment insurance this year for all citizens with jobs. Saudi Arabia is trying to push more citizens into work to tackle long-term unemployment that officials see as unsustainable in light of high population growth and uncertainty over future oil revenue.

Egypt's Net International Reserves (NIR) continued their slide in December 2013 to reach US\$17.7 billion by the end of the year, the Central Bank of Egypt announced. Egypt's reserves have been dwindling since August, when they stood at US\$18.9 billion following a generous injection of financial aid from the Gulf.

Tax adjustments introduced in Turkey at the beginning of the New Year will lead to an increase in inflation of around 0.5 points, if producer prices remain unchanged, Turkey's central bank said. In a surprise move, Turkey raised consumption taxes on new passenger cars, alcoholic drinks, tobacco products and mobile phones on Jan. 1, 2014.

Western Europe

The rate of inflation in Germany inched higher again in December and averaged 1.5% for the whole of 2013. For December alone, the cost of living rose by 1.4% on a 12-month basis, compared with 1.3% in November, the federal statistics office Destatis said in a statement.

French services companies saw business pull back in December, weighing on overall private sector activity, although their outlook for the months ahead brightened. Data compiler Markit said its purchasing managers index for services fell last month to 47.8 from 48.0 in November, slightly better than a preliminary reading of 47.4.

Italy's service sector contracted in December. The Markit/ADACI Business Activity Index, which covers companies from cafes to insurers, rose to 47.9 from 47.2 but stayed well below the 50 line that divides growth from contraction.

North America

U.S. factories orders climbed in November, led by a surge in aircraft demand. Factory orders rose 1.8% in November, totalled a seasonally adjusted US\$497.8 billion. Orders have increased 2.5% over the past 12 months. The improvements could signal accelerating growth in 2014.

South America

Argentina's government is launching its latest price control program to curb high inflation. The one-year program started yesterday sets prices on 194 supermarket

items. The government says inflation is running around 10% a year.

The biggest obstacle for Brazil's credit rating is an increase in indebtedness as economic growth slows, Moody's Investors Service said in a report. Moody's said the ratio of government debt to gross domestic product may rise to 62% in 2014 as the economy expands about 2%. Moody's lowered its outlook on Brazil's Baa2 rating to stable from positive last year.

Oil & Gas News

WTI for February delivery was at \$93.67 a barrel on the New York Mercantile Exchange, up 24 cents, at 2:15 p.m. Sydney time. The contract fell 0.6% to \$93.43 yesterday.

Commodity News

Bullion for immediate delivery gained and lost at least 0.3%, before trading \$4.39 higher at \$1,242.46 an ounce at 10:20 a.m. in Singapore today. Prices climbed to \$1,248.51 yesterday.

The rubber contract for delivery in June fell on the Tokyo Commodity Exchange as much as 1.6% to 258.3 yen a kilogram (\$2,477 a metric ton), the lowest level since Nov. 28, before trading at 258.8 yen at 11:35 a.m. today.

Currency News

The pound weakened 0.5% to 83.13 pence per euro at 4:29 p.m. London time yesterday. It appreciated to 82.71 pence on Jan. 2, the strongest since Dec. 3. The U.K. currency was little changed at \$1.6414.

The euro was little changed at 83.07 pence as of 11:37 a.m. today in Tokyo after rising 0.4% yesterday, the biggest advance since Dec. 11. It held at \$1.3630.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
04-Jan-14	1,236.97	4.3	106.89	24.86	1.73	2.08	1.27	113.30	9640.41	82.27	2.60	35.22	26.04	3,131.47
07-Jan-14	1,243.62	4.34	107.23	24.71	1.72	2.08	1.27	113.52	9640.41	82.30	2.59	35.25	26.09	3,129.18
% Change	0.54	0.93	0.32		-0.41	-0.29	0.13	0.19	0.00	0.03	-0.29	0.08	0.19	-0.07

Economic & Financial News

Research & International Division

8/1/2014

*...Germany's unemployment rate in December increased...
...Outstanding household loans in South Korea increased...*

South East Asia

Indonesian migrant workers sent money to Indonesia amounting to US\$7.4 billion in 2013, a senior manpower official stated. Currently, there are about six million Indonesian workers employed in 160 countries.

Millions of middle-class Malaysians are grappling with the biggest increase in state controlled electricity and gasoline costs since 2008, threatening consumer spending growth and reasserting Malaysia's reliance on exports this year.

Philippine headline inflation for December was at a two-year high, at 4.1% from 3.3% in November as prices of commodity groups increased, attributed to the devastation of Super Typhoon Yolanda and power rate hikes.

The Philippines' gross international reserves surged to US\$83.7 billion in December, the highest level in 11 months. The latest figure was higher than the previous month's revised US\$83.6 billion and was the highest since January 2013 which stood at US\$85.3 billion.

More than 400 State-owned enterprises declared bankruptcy or were dissolved last year in Vietnam, according to the Ministry of Finance. Around 6,400 units last year across the country were restructured, of which 3,659 businesses were recapitalised, while 1,022 companies were restructured into one-member limited companies. Another 380 companies put themselves up for sale.

North East Asia

The Chinese government modified a series of regulations for the China (Shanghai) Pilot Free Trade Zone, in a bid to allow greater involvement of foreign investors in formerly restricted areas such as telecommunications.

Japan's monetary base stood at ¥201.85 trillion at year-end, up 45.8% from one year earlier and up 5.3% from a month before, the Bank of Japan said. The bank plans to raise the balance further to ¥270 trillion by the end of 2014 to support the 2% inflation target.

Outstanding household loans extended by local banks in South Korea, including home-backed and credit loans, reached ₩480.4 trillion (US\$453 billion) as of end-December, up ₩2.9 trillion from the previous month, the Bank of Korea said.

South Korea's money supply grew in November due to an increase in bank lending, the central bank said. South Korea's M2 rose 5.1% to ₩1,923.3 trillion (US\$1.8 billion) in November from a year earlier, compared with a 4.7% on-year gain in October.

Australasia

Auckland's average house price rose in December as property values benefited from a lack of supply heading into the peak summer season. The average sale price rose to \$700,387 in December, from \$684,646 in November and \$624,015 in December 2012.

Indian Sub-Continent

India's iron ore production is set to witness a moderate growth of 10-12% to touch a level of 150 million tonnes in 2014-15 after witnessing a minor decline in the fiscal ending March 2014.

Middle East and North Africa

The continual growth of the Saudi economy is positively affecting consumer confidence and boosting disposable incomes as Saudi consumers continue to upgrade their consumer electronics items regularly.

Libyan oil production has reached over 650,000 barrels per day and hopes the numbers will go up drastically in the near future, the Libyan Oil and Gas Minister Abdelbari al-Arusi said.

Western Europe

The consumer price index in the Eurozone is expected to decline to 0.8% in December 2013 from 0.9% in the previous month, EU statistics office Eurostat said.

Germany's unemployment rate was 6.7% nationwide in December 2013, up 0.2 percentage points than the previous month. Compared with November, the unemployment figure in December rose by 67,000 to 2.873 million, which was 33,000 more y-o-y, the Federal Employment Agency said.

French consumer confidence recovered slightly at the end of December 2013 by one point to 85 in December from a month earlier with economic situation outlook moving up as people became more optimistic over the country's economic prospects and expressed less concerns on unemployment, the French National Statistics Institute Insee said.

The tax burden in Italy reached a record 44.3% in 2013. Last year, the combined burden of taxes and social security contributions rose by €1.6 billion over 2012, while nominal GDP fell by over €8.7 billion, Confcommercio said.

Shop prices fell last month at their steepest annual rate for Britain's squeezed shoppers. The British Retail Consortium's shop price index was 0.8% lower in December than the same month a year ago.

The winter sales period started in Spain with optimism, according to the Spanish Confederation of Commerce (CEC) that predicted €3.9 billion of billing. According to the CEC, Spaniards will spend an average of €60 per person mainly on clothing and equipment.

North America

American exports of goods and services climbed to US\$194.9 billion in November, from US\$193.1 billion in the previous month, and reflects surging domestic energy production and stronger global demand for U.S. products, the Commerce Department said.

Bank of Canada governor Stephen Poloz has cited "underperforming" inflation and a slow rebound in exports among his major concerns for the economy. Poloz said he expected long-term interest rates to rise in response to tapering by the U.S. Federal Reserve.

Mexico's inflation held stubbornly above the central bank's 3% target in 2013, but the Bank of Mexico still managed to squeeze in three interest rate cuts to lower borrowing costs in a sluggish economy.

South America

Chile's economy is slowing down, after economic growth in November fell far below the 3.4% market forecast, registering at 2.8%, Chilean Finance Minister Felipe Larraín said.

Oil & Gas News

Brent for February settlement climbed 8 cents to \$107.42 a barrel on the London-based ICE Futures Europe exchange.

Commodity News

Bullion for immediate delivery lost as much as 0.4% to \$1,226.88 an ounce and was at \$1,228.14 at 11.44 a.m. in Singapore.

Currency News

The won advanced 0.2% to 1,066.15 per dollar as of 10:46 a.m. in Seoul. That's 0.4 percent off an eight-week low of 1,070.72 reached yesterday.

The U.S dollar traded little changed at \$1.3629 per euro as of 11:23 a.m. in Tokyo after reaching \$1.3572 on Jan. 6, the strongest since Dec. 5.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
07-Jan-14	1,243.62	4.34	107.23	24.71	1.72	2.08	1.27	113.52	9640.41	82.30	2.59	35.25	26.09	3,129.18
08-Jan-14	1,228.74	4.32	107.43	24.87	1.73	2.08	1.27	113.38	9657.17	82.37	2.59	35.23	26.10	3,140.65
% Change	-1.20	-0.46	0.19		0.34	0.24	0.05	-0.12	0.17	0.08	-0.10	-0.06	0.03	0.37

Economic & Financial News

Research & International Division

9/1/2014

...The Philippine government recorded a P1-billion budget surplus...

...Malaysia's Jan-Nov total trade rises 3.7%...

South East Asia

Total assets in the Brunei's insurance sector increased by BND 63 million in the Q3 of 2013 when compared to the Q3 of the year before, according to Autoriti Monetari Brunei Darussalam (AMBD).

Indonesia's foreign exchange reserves recorded an increase of US\$2.4 billion to US\$99.4 billion by the end of December 2013, from US\$97 billion in November.

Malaysia's total trade for January-November last year rose by 3.7% to RM1.247 trillion from the RM1.203 trillion recorded in the same period of 2012. From January-November, exports increased by 1.4% to RM654.08 billion, while imports expanded by 6.3% to RM592.91 billion, resulting in a trade surplus of RM61.16 billion.

Malaysia's Industrial Production Index (IPI) increased 4.4% in November 2013 compared with the same month a year ago, the Statistics Department said. The increase was contributed by growth in the manufacturing, mining and electricity.

Bank Negara Malaysia said the country's reserves advanced by 3.4% y-o-y to RM441.7 billion in 2013, as compared to RM427.2 billion as at end-2012, although in US dollar terms it deteriorated by 3.4% in 2013.

Singapore's construction demand hit an all-time high last year and could grow further this year. Contracts for the built environment industry could reach between SG\$31 billion and SG\$38 billion this year, the Building and Construction Authority (BCA) said.

The Philippine government recorded a P1-billion budget surplus in November 2013, reversing the expected deficit of P20.5 billion. Budget surplus in November brought the year-to-date fiscal deficit at P111.5 billion, well within the P173.2-billion program for the period.

The Philippine government's debt reached 5.65 trillion pesos (US\$126.17 billion) as of end-October 2013, the Bureau of Treasury said. The figure is 5.4% higher than the 5.36 trillion pesos (US\$119.69 billion) registered last year.

Agriculture production damage caused by Super Typhoon Yolanda in the Visayas has risen to P31.13 billion (US\$0.7 billion) with the coconut subsector sustaining the greatest damage. Damage to agriculture facilities and infrastructure was valued at P4.06 billion.

North East Asia

China's consumer inflation slowed to 2.5% in December from a year ago, slowing from 3% in November. Producer prices meanwhile fell an annual 1.4% in the month, same as in the previous month, the National Bureau of Statistics reported.

The Bank of Korea held its base rate unchanged at 2.50%, standing back to monitor the effects of the Federal Reserve's stimulus tapering and the weakening of the Japanese yen.

Australasia

Australian retail sales rose 0.7% from a month earlier led by cafes, restaurants and takeaway-food stores, a further sign that record-low interest rates are fuelling consumer spending, the Australian Bureau of Statistics said. It was followed a 0.5% gain in October and 0.9% rise in September.

Indian Sub-Continent

People seeking loan against gold jewellery can now borrow more, as the Reserve Bank of India (RBI) on yesterday allowed non-banking finance companies (NBFCs) to lend up to 75% of the value of the metal from 60% at present.

Middle East and North Africa

Kuwait's non-oil GDP is expected to grow at 4.5% in 2014 and 2015 compared to last year's 4% mainly on the back of high oil prices, large fiscal and trade surpluses.

The Central Bank of Egypt has eased restrictions on foreign currency transfers abroad, allowing individuals to make a one-time transfer of up to US\$100,000 this calendar year.

Western Europe

Seasonally-adjusted unemployment rate of the euro area stood at 12.1% in November, unchanged at a record high since April, EU statistics office Eurostat said Wednesday. In the wider 28-member EU, the overall unemployment rate in November was 10.9%, also stable since May, Eurostat figures showed.

German orders, adjusted for seasonal swings and inflation, gained 2.1% from October, when they fell by the same amount, the Economy Ministry in Berlin said yesterday.

British house prices rose by 5.7% in 2013. House prices in the final quarter of 2013 were 1.9% higher than in the previous three month, with a 0.6% decline in December, Halifax said.

Italy's unemployment rate rose to 12.7% last November, revealed the National Institute of Statistics, with some 55,000 people losing their jobs during the month.

North America

The US Federal Reserve was confident unemployment would continue to fall even if it cut its huge monetary stimulus, according to the minutes released Wednesday of the December policy meeting.

Annual auto sales in Mexico rose 7.7% last year to 1.06 million vehicles, according to the Mexican Auto Dealers Association.

South America

Industrial production in Brazil dropped a seasonally adjusted 0.2% in November from October, buoyed by

pharmaceuticals, fuel refining and office machinery, government statistics agency IBGE said. November's industrial production advanced 0.4% from a year earlier.

Chile's inflation accelerated to 3% from 2.4% in November, the National Institute of Statistics said in a report released in Santiago today.

Oil & Gas News

Brent for February settlement advanced 40 cents to \$107.55 a barrel on the London-based ICE Futures Europe exchange.

Commodity News

Palm oil for March delivery fell as much as 0.9% to 2,524 ringgit (\$770) a ton on the Bursa Malaysia Derivatives today, the lowest price for the most active contract since Nov. 12.

Currency News

The Aussie slid 0.3% to 88.72 U.S. cents at 5:18 p.m. in Sydney from yesterday, and fell 0.2% to NZ\$1.0751.

The U.S dollar bought 104.87 yen at 6:41 a.m. in London after climbing 0.6% over the previous two days.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
08-Jan-14	1,228.74	4.32	107.43	24.87	1.73	2.08	1.27	113.38	9657.17	82.37	2.59	35.23	26.10	3,140.65
09-Jan-14	1,226.60	4.16	107.49	25.84	1.73	2.08	1.27	113.38	10000.00	82.55	2.58	35.22	26.02	3,147.76
% Change	-0.17	-3.70	0.06		0.11	0.12	0.13	0.00	3.55	0.22	-0.21	-0.04	-0.28	0.23

Economic & Financial News

Research & International Division

11/1/2014

*...US Unemployment Rate Fell in December...
...Italy's Nine-month Budget Deficit Widened...*

South East Asia

About 99.7% of Brunei's population has electricity access last month, with the entire urban area having electricity and 98.6% of the rural area enjoying power access. Practically the whole of Brunei has access to electricity, making it one of the top countries in ASEAN, the Asian Development Bank said.

Bank Indonesia attributed the significant increase in foreign-exchange reserves to the aggressive utilisation of its monetary instruments, after it recorded a US\$2.4 billion rise in reserves during December despite the high demand for dollars during the month.

Manufacturing volume in the Philippines increased by 21.3% y-o-y in November. Volume of production index went up by as much as three digits for eight major manufacturing sectors compared to the same period in 2012.

Philippines' net foreign direct investment inflows rose 66% to US\$254 million in October last year from US\$153 million in the same period in 2012 amid the country's robust growth and favorable macroeconomic fundamentals, the Bangko Sentral ng Pilipinas reported.

PM Nguyen Tan Dung has instructed the Ministry of Industry and Trade to boost support for local businesses in 2014 as economic restructuring initiatives continue to be implemented.

North East Asia

China will limit land use in cities with over 5 million residents to prevent city expansion from eroding farmland, Minister of Land and Resources said.

China became the first country in which more than 20 million vehicles were sold in any given year. Total deliveries rose 14% to 21.98 million units last year and may exceed 24 million in 2014, the state-backed China Association of Automobile Manufacturers said.

South Korea announced new and extended incentives on 9 January, including tax breaks, aimed at attracting foreign investment that would spur the local economy. The government will peg the income tax rate at 17% for all foreign employees at the headquarters regardless of the size of their income.

Taiwan's tax revenue in December increased 1% y-o-y to NT\$105.2 billion (US\$3.5 billion), boosting the full-year tax revenue to a 1.2% increase over 2012's result at NT\$1.819 trillion.

Australasia

Australia's home sales rose 7.5% from October, the Housing Industry Association said. It was the biggest increase since January 2010. This indicates that record-low interest rates are fuelling a recovery in other parts of Australia as a long mining boom cools.

Indian Sub-Continent

India's trade deficit widened to US\$10.14 billion in December from US\$9.22 billion recorded in the previous month due to slower growth in exports and increased imports of gold, the Ministry of Trade reported.

India's industrial output unexpectedly declined in November on sluggish consumer spending. Output at factories, utilities and mines fell 2.1% from a year earlier after a revised 1.6% contraction in the previous month, the Statistics Ministry said.

Middle East and North Africa

Bad loans of the Iranian banking system amount to 800 trillion rials (about US\$32 billion), Iran's Central Bank Governor announced.

Fitch Ratings affirmed Bahrain's long-term foreign currency Issuer Default Rating (IDR) at 'BBB' and local currency IDR at 'BBB+'. The outlooks are stable, Fitch said.

Western Europe

Standard & Poor's Ratings Services reaffirmed its AAA rating for Germany's economy stating the outlook is stable. The credit rating agency also highlighted the government's track record of "prudent fiscal policies and expenditure discipline" in addition to its ability to "absorb large economic and financial shocks".

France's industrial output rose by 1.3% in November from a month earlier, the French national statistics bureau Insee reported. This was mainly from a sharp increase in coke and refined petroleum products which jumped by 22.2% over the period due to the resumption of a refinery.

Italy's public deficit rose to 3.7% of GDP over the first nine months of last year, the official data agency said, raising the risk that it could breach the EU threshold.

Industrial output in Spain in November 2013 grew at its fastest pace in close to three years. According to National Statistics Institute, industrial production in November climbed 2.6% from the same month a year earlier after correcting for seasonal factors and differences in the number of working days.

North America

Only 74,000 jobs were added in December 2013, US' Labor Department reported, but unemployment rate fell from 7 to 6.7%. Job growth slowed sharply from the revised 241,000 in November and was less than the average monthly level of 183,000 in the past year.

Mexico's inflation is bound to move above 4% in coming months as a result of new taxes on some consumer goods, but the effect should be temporary, Bank of Mexico Governor said.

Mexican industrial production edged up in November as construction rebounded from a slump. November industrial activity rose up 0.1% compared to October, the national statistics agency said.

South America

Brazilian annual inflation hit 5.91% in 2013, against 5.84% in 2012. The inflation last year was due mainly to the more than 15% devaluation of Brazil's currency against the U.S. dollar and to higher job market and transportation costs.

Chilean copper exports declined to US\$3.49bn in December 2013, down 18.2% compared to US\$4.27bn in December 2012, according to Banco Central de Chile.

Peru's central bank kept borrowing costs at 4% after cutting reserve requirements to a three-year low to fuel a rebound in growth.

Oil & Gas News

WTI for February delivery rose \$1.06, or 1.2%, to settle at \$92.72 a barrel on the New York Mercantile Exchange.

Commodity News

Copper for delivery in three months gained 1.2% to \$7,302.50 a ton (\$3.31 a pound). In New York, futures for March delivery rose 1.3% to \$3.3415 a pound on the Comex.

Currency News

The U.S dollar fell 0.6% to 104.18 yen after rising to 105.44 on Jan. 2, the strongest since October 2008.

Australia's currency was little changed at 89.01 U.S. cents as of 5:38 p.m. in Sydney. It rose 0.2% to NZ\$1.0800.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
09-Jan-14	1,226.60	4.16	107.49	25.84	1.73	2.08	1.27	113.38	10000.00	82.55	2.58	35.22	26.02	3,147.76
11-Jan-14	1,248.50	4.05	107.25	26.48	1.73	2.09	1.27	113.10	9596.01	82.56	2.57	35.14	25.98	3,143.87
% Change	1.79	-2.64	-0.22		-0.12	0.46	-0.04	-0.25	-4.04	0.02	-0.46	-0.22	-0.17	-0.12

Economic & Financial News

Research & International Division

15/1/2014

*...Imported iron ore stockpiles up in China...
...Japan logged its largest current account deficit...*

South East Asia

Singapore's property market is stabilising and the country is not facing a credit bubble that puts the island or its banking system at risk of a crisis. New housing loans have declined and household balance sheets are strong, the Monetary Authority of Singapore said.

Prolonged anti-government protests could be a blow to the Thai economy as purchasing power drops and volatility of the baht affects exports and foreign investment, Kittiratt Na-Ranong, Finance Minister said.

The Philippines government spent P526.98 billion to pay debt from January to November last year, down 20% from P658 billion in the same period in 2012, the Department of Finance said. The government settled a total of P230.29 billion in principal, including P117.57 billion in domestic debt and P112.72 billion in foreign loans.

The Vietnamese government has instructed the State Bank of Viet Nam to issue proper policies in order to mobilise gold hoarded by the public and use it for socio-economic development.

North East Asia

Stockpiles of iron ore at 25 major Chinese ports increased last week, according to China iron ore index report. At the end of the Jan. 7 to Jan. 13 period, inventories of imported iron ore stood at 88.57 million tonnes, up 3.14 million tonnes or 3.68% over the previous period.

Japan logged its largest current account deficit in November 2013, according to data issued by the Finance Ministry. The current account deficit totaled ¥592.8 billion (US\$5.75 billion) on an unadjusted basis, and marked the biggest deficit since record keeping began in 1985, the ministry said in a preliminary report.

South Korea logged a record-high trade surplus in 2013 thanks to strong export growth. South Korea logged a trade surplus of US\$44 billion last year, according to Korea Customs Service.

The South Korean economy created 386,000 jobs in 2013, according to the Finance Ministry. Job creation continued to accelerate last year as the government's massive extra budget plan was implemented in early 2013. The jobless rate kept falling to 3.1% last year. The

hiring rate reached 64.4% in 2013, up from 64.2% from a year earlier.

South Korea's import prices fell in December as prices of raw materials excluding oil declined and the Korean won appreciated against the U.S. dollar, the Bank of Korea said. In local currency terms, the country's import prices declined 3.5% in December from a year earlier, compared with a 4.9% on-year fall in November.

Australasia

Ratings agency Fitch says Australia's banks look stable, but profit growth is likely to be "modest at best". Fitch says the nation's lenders have significant financial reserves to meet an expected rise in bad debts as the Australian economy continues to struggle in its adjustment away from mining to other industries in 2014.

New Zealand house prices rose in December and are expected to increase further this year, the government property valuer said. Quotable Values's (QV) residential property index rose 10% in the year to Dec. 31, compared with a 9.2% annual rate in November.

Indian Sub-Continent

Small store owners in India would lose business if Foreign Direct Investment (FDI) is implemented and would add to widespread unemployment, Chief Minister Kejriwal said.

Middle East and North Africa

China's top crude supplier Saudi Arabia is set to ship about the same volumes to Chinese buyers in 2014 as it did last year, as the world's second-largest oil consumer takes more from Iraq and Central Asia.

Despite a significant increase in spending, Qatar's fiscal position remains strong with a projected surplus of 3.9% of the country's GDP in 2013-14, a new report has shown.

Western Europe

France would cut public spending by €50 billion (US\$68 billion) in 2015-17 and ease the tax burden on companies by phasing out hefty family welfare payroll charges, French President Francois Hollande said.

British inflation fell to 2% in December 2013, down from 2.1% the previous month. This is the first time the inflation rate has hit the Bank of England's target figure of 2% since 2009.

Industrial production in the Euro Area and the European Union jumped to 1.8% and gained 1.5% respectively after both dropping by 0.8% and 0.5% respectively in October, the Eurostat statistics office said.

Italy's consumer price index rose in December, increasing 0.2% from November, reflecting rising food prices while showing most vendors were unable to pass through higher sales taxes, national statistics institute Istat said.

The total debt of Spanish banks to the European Central Bank (ECB) fell by 35% in December 2013 from a year before. The Bank of Spain reported that Spanish banks owed a total of €201.865 billion (US\$276.264 billion) to the ECB in December, which meant an 8.4% fall on a monthly basis.

North America

U.S. year-end holiday retail sales increased 3.8%, reflecting a steady recovery of U.S. economy, said the National Retail Federation. The year-end holiday retail sales for November and December combined rose to US\$601.8 billion. Online and e-commerce sales grew 9.3% to US\$95.7 billion.

The U.S. consumer spending increased solidly in December, the Department of Commerce said. The retail and food services sales for December, which was seasonally adjusted, increased 0.2% from a month ago to US\$431.9. On a y-o-y basis, it was up 4.1%.

Oil & Gas News

Brent for February settlement was at \$106.13 a barrel, down 26 cents, on the London-based ICE Futures Europe exchange.

Commodity News

Bullion for immediate delivery fell as much as 0.5% to \$1,239 an ounce, and traded at \$1,242.03 by 9:26 a.m. in Singapore.

Currency News

The pound appreciated 0.4% to 83.14 pence per euro at 4:28 p.m. London time yesterday after weakening 1.1% in the previous three days.

The U.S dollar advanced 0.3% to \$1.3642 as of 11:55 a.m. in Tokyo after touching \$1.3699 yesterday, the weakest since Jan 2.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
11-Jan-14	1,248.50	4.05	107.25	26.48	1.73	2.09	1.27	113.10	9596.01	82.56	2.57	35.14	25.98	3,143.87
15-Jan-14	1,240.96	4.35	106.22	24.42	1.73	2.08	1.27	114.52	9509.32	81.63	2.57	35.29	25.92	3,145.08
% Change	-0.60	7.41	-0.96		0.11	-0.84	-0.27	1.26	-0.90	-1.13	0.10	0.42	-0.23	0.04

Economic & Financial News

Research & International Division

16/1/2014

*...Australia's jobless rate holds steady...
...Brazil's central bank hikes policy rate to 10.5%...*

South East Asia

Last month's new home sales in Singapore brought the 2013 tally to 15,015, which was 32.4% lower than the 22,197 units sold in 2012, said the Urban Redevelopment Authority (URA) yesterday.

Singapore continued to be an attractive destination for holidaymakers in the Q2 of 2013, the Singapore Tourism Board said. International visitor arrivals saw a 10% on-year growth to 3.9 million, while tourism receipts increased by 2% to SGD 5.6 billion.

The Bank of Thailand is concerned that prolonged political unrest will affect small and medium-sized enterprises in Bangkok, and that the service sector will take the biggest hit because they are dependent on the purchasing power of the people.

Money sent home through banks by Filipinos jumped 7.5% to US\$2.063 billion in November from US\$1.918 billion notched in the same month of 2012, the central bank said in a statement yesterday.

The Philippines GDP growth for the whole of 2013 was within the high end of the range, which was close to 7%, largely due to a combination of improved tax collections and focused spending on services, infrastructure, agribusiness and tourism, Budget Secretary Florencio Abad said.

Sales of domestically assembled cars in Viet Nam rose 19% in 2013, the Viet Nam Automobile Manufacturers Association (VAMA) said. As many as 110,519 vehicles were sold in Vietnam last year. In December alone, local auto makers sold 13,205 units, a y-o-y increase of 32%.

North East Asia

The People's Bank of China plans to maintain its neutral monetary policy stance with fine tuning. For the month of December, Chinese banks made CNY482.5 billion worth of New Yuan Loans. For the whole of 2013, bank loans rose 8% from the previous year to CNY8.89 trillion. The rate of expansion slowed modestly from 10% in 2012. The M2 supply rose 13.6% last month from a year earlier, down from November's 14.2% rise.

Foreign direct investment (FDI) into the Chinese mainland increased 5.25% y-o-y in 2013 to reach US\$117.59 billion, the Ministry of Commerce said. In

December alone, the country's FDI inflow rose 3.3% from one year earlier to US\$12.08 billion.

The Japanese economy will likely continue a moderate recovery and help accelerate the pace of rise in consumer prices for the time being, Bank of Japan Governor Haruhiko Kuroda said today.

The number of registered vehicles in South Korea came to 19,400,864 as of the end of 2013, up 2.8% from 18,870,533 at the end of 2012, according to the Ministry of Land, Infrastructure and Transport.

South Korea's exports of industrial parts surged last year as did the sector's trade surplus. In 2013, outbound shipments of industrial parts and materials reached US\$263.1 billion, up 3.8% from a year earlier, according to the Ministry of Trade, Industry and Energy. The amount accounts for over 47% of the country's total exports in 2013, which came to US\$559.6 billion.

Australasia

Unemployment in December was unchanged at 5.8%, the Australian Bureau of Statistics' (ABS) seasonally adjusted figures show. The number of people unemployed increased by 8,000 people to 722,000 in December.

Indian Sub-Continent

India's headline inflation eased in December on lower vegetable prices. The wholesale price index (WPI), climbed an annual 6.16% last month.

Middle East and North Africa

Unemployment in Turkey soared by 0.6 percentage points to 9.7% in October, data released by the Turkish Statistical Institute (TÜİK) showed Jan. 15, revealing youth unemployment still remains on rise.

Bahrain remains the Middle East North Africa (MENA) region's most economically free country, According to the annual Index of Economic Freedom published by The Heritage Foundation and the Wall Street Journal. Overall, Bahrain is ranked 13th out of 178 economies worldwide, between the United States and the United Kingdom which rank 12th and 14th respectively.

Eastern Europe

A number of emerging-market economies, including Russia, can speak of stagflation, a sharp slowdown in economic growth accompanied by a sharp rise in inflation, Ksenia Yudayeva, Bank of Russia's first deputy head said.

Western Europe

The Eurozone was expected to register a trade surplus of €17.1 billion (US\$23.3 billion) in last November, up from a surplus of 12.5 billion euros in the same period of 2012, the EU statistics office said.

The German economy saw growth nearly halved last year as the sluggish global economy and recession in its European neighbours weighed on activity. German gross domestic product (GDP) grew just 0.4% in 2013, down from 0.7% a year earlier, the federal statistics office Destatis calculated in preliminary data.

Spanish consumer price index (CPI) climbed 0.1% from November, with the annual rate rising to 0.3%. The slight increase was the result of higher fuel prices for transportation and heating. Core, or underlying inflation, which factors out volatile energy and fresh-food prices, fell to 0.2% from 0.4%, INE reported.

North America

U.S. economic activity continued to expand across most regions and sectors from late November through the end of December, driven by consumer spending and industrial production, a Fed report said.

South America

Banco Central do Brasil raised its policy rate by 50 basis points to 10.5%, in an unanimous decision late Wednesday to head off a surge in inflation, even as Latin America's largest economy struggles to gain momentum.

Argentine consumer prices rose (CPI) 1.4% in December compared with November, speeding up from prior months and bringing the rate for the year to 10.9%, the government said.

Chile's economy is gradually slowing as investment cools, manufacturing falters and robust consumption starts to ebb, although it is largely fueled by exports and domestic demand.

Oil & Gas News

WTI for February delivery was at \$94.25 a barrel in on the New York Mercantile Exchange, up 8 cents, at 12:14 p.m. Sydney time.

Commodity News

Gold was little changed today after a two-day decline but a rally in stocks and increasing optimism over global economic growth weighed on the metal's appeal as an alternative investment. Spot gold was flat at \$1,241.31 an ounce by 0012 GMT.

Currency News

The U.S. dollar gained 0.2% to 104.76 yen as of 10:19 a.m. in Tokyo from yesterday, after having risen 1.5% in the previous two sessions.

The loonie depreciated as much as 0.4% to C\$1.0991 per U.S. dollar, before trading at C\$1.0934 at 5 p.m. in Toronto, up 0.1%.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
15-Jan-14	1,240.96	4.35	106.22	24.42	1.73	2.08	1.27	114.52	9509.32	81.63	2.57	35.29	25.92	3,145.08
16-Jan-14	1,240.17	4.34	106.82	24.61	1.73	2.09	1.27	113.37	9503.90	82.14	2.58	35.39	25.81	3,142.48
% Change	-0.06	-0.23	0.56		0.08	0.51	0.28	-1.00	-0.06	0.62	0.31	0.30	-0.42	-0.08

Economic & Financial News

Research & International Division

18/1/2014

*...France's 2013 budget deficit wider than expected...
...Minimum wage soon in Egypt...*

South East Asia

The ongoing flood disaster in several areas across Indonesia may spur inflation throughout this month as it would increase logistics distribution cost, Indonesian Finance Minister Chatib Basri said.

Indonesia's total domestic cement sales rose to 58 million tons in the 12-month period last year, or up 5.5% from 54.9 million tons in 2012, the data showed. That was far below the 12% rate in 2012.

Under the 2014 National Automotive Policy (NAP), the Malaysia's government will be adopting a "localisation" approach in bringing down car prices. It is estimated that locally assembled cars will be priced 20-30% cheaper by the end of 2018.

The improving global economy may also provide more headwinds for the Philippines as more capital may be diverted to advanced economies, Bangko Sentral ng Pilipinas (BSP) Governor Amando M. Tetangco Jr. said.

Foreign investors in Vietnam's retail market are on the rise, which currently account for 40% of over 700 supermarkets and trade centers across the country.

Over the past 25 years, Myanmar received a total of US\$34.2 billion actual foreign investment flow into the country, Deputy Minister of National Planning and Economic Development Dr. Daw Khin San Yi said.

North East Asia

The export of rice to China is likely to double in a couple of years from 500,000 tons exported in the fiscal year ended July 2013, the Rice Exporters Association of Pakistan (Reap) has said.

China's total imports increased 7.3% to US\$1.95 trillion in 2013, while exports rose 7.9% y-o-y to US\$2.21 trillion U.S. dollars, according to data of the China General Administration of Customs.

70 major Chinese cities, 65 saw a m-o-m rise in new home prices and 64 reported price gains in existing and second-hand homes in December last year, the National Bureau of Statistics (NBS) announced.

Overseas investment into China rose 5.3% last year, bouncing back after declining in 2012 for the first time in three years. Foreign direct investment (FDI), which

excludes financial sectors, totalled US\$117.59 billion last year, the commerce ministry said.

China will launch concrete policies and obtain tangible results in economic reform this year, Premier Li Keqiang pledged yesterday.

The Japanese economy "is recovering at a moderate pace," said the monthly economic report compiled by the Cabinet Office. December's assessment said the economy "is on the way to recovery at a moderate pace."

South Korea and India agreed to revise their double taxation avoidance pact in a way that helps reduce tax burden on their companies and expand information sharing on offshore tax evasion, the finance ministry said.

Australasia

Spending continued to grow at a healthy pace across the Australian economy in December 2013, according to Commonwealth Bank of Australia (CBA). The Commonwealth Bank Business Sales Indicator (BSI) rose by 0.9% in trend terms in December, up from 0.8% growth in November.

Middle East and North Africa

Egypt's finance ministry has finalised procedures for the implementation of the minimum wage for public-sector employees starting this month, the ministry said in a statement this week. The minimum wage would not be related to changes in employees' basic salaries, but would be linked to the job level occupied.

Egypt's central bank has kept its deposit rate at 8.25% and its lending rate at 9.25%, as the government tries to stimulate the economy while keeping inflation in check.

Western Europe

Germany has exported more power to its European neighbours as imported last year and thus recorded a trade surplus by over 50% compared to 2012, the Research Institute for Energy Economy (FFE) announced.

Germany's new economy minister will outline reforms to Germany's renewable energy policy - one of the most challenging tasks facing the new government - during a cabinet meeting next Wednesday.

France's budget deficit amounted to €74.9 billion mostly due to lower tax revenues, on the back of the lingering economic crisis and in spite of lower public spending, yet down €12 billion from a year earlier, according to figures released by the French budget and finance ministries.

Fitch Ratings welcomed French President Francois Hollande's proposed pact with business to cut labor taxes but urged the government to provide more details. Cutting non-wage labor costs would help improve competitiveness and, to the extent that it adds to medium-term growth prospects, support the AA+ stable sovereign rating, Fitch said in a statement.

British retail sales jumped 2.6% m-o-m in December, far beyond market expectations of 0.3%, said the Office for National Statistics (ONS).

The European Commission may give Italy more budgetary leeway if Rome respects its fiscal targets, a European Commissioner said.

North America

U.S. industrial production, factories and utilities output, posted its monthly increase in December, the Federal Reserve said. For the Q4, industrial production advanced at an annual rate of 6.8%. Factory output rose 0.4% and was 2.6% above its year earlier level. The production of mines moved up 0.8%, while the output of utilities fell 1.4%.

U.S. consumer inflation 0.3% in December on a seasonally adjusted basis, pushed up by energy and housing prices, the Labor Department said. The index was flat in November and decreased 0.1% in October.

South America

Argentina's economic activity grew 2.2% in November compared with the same month last year, the government said on Friday,

Oil & Gas News

Brent for March settlement increased 73 cents, or 0.7%, to end the session \$106.48 a barrel on the London-based ICE Futures Europe exchange.

Commodity News

Copper for delivery in three months gained 0.4% to settle at \$7,340 a metric ton (\$3.33 a pound) at 5:52 p.m. on the London Metal Exchange.

Currency News

The pound rose 0.6% to \$1.6447 at 4:27 p.m. yesterday in London. The U.K. currency climbed 1% to 82.48 pence per euro after appreciating to 82.31 pence on Jan. 9.

The Philippines peso weakened 0.7% in the past five days to 45.015 per dollar in Manila.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
16-Jan-14	1,240.17	4.34	106.82	24.61	1.73	2.09	1.27	113.37	9503.90	82.14	2.58	35.39	25.81	3,142.48
18-Jan-14	1,254.05	4.33	106.48	24.59	1.73	2.08	1.27	112.18	9524.72	81.97	2.59	35.42	25.73	3,147.33
% Change	1.12	-0.23	-0.32		0.01	-0.32	0.16	-1.05	0.22	-0.20	0.34	0.07	-0.31	0.15

Economic & Financial News

Research & International Division

21/1/2014

*...China's economy grows 7.7% in 2013...
...Singapore's Budget 2014 will be about staying on course...*

South East Asia

Brunei government will not intervene to stop the price spiral of vegetables as the Price Control Act Amendment Order 2012 does not cover the commodity, an official of the Department of Economic Planning and Development (JPKE) said.

With Singapore in the "early to middle stage" of economic restructuring and productivity only beginning to pick up, Budget 2014 will be about pressing on with the quest to upgrade small and medium businesses, create better jobs and raise wages, said Deputy Prime Minister Tharman Shanmugaratnam.

International Trade and Industry Minister Datuk Seri Mustapa Mohamed highlighted that the National Automotive Policy (NAP) 2014 is to promote competitive and sustainable domestic automotive industry including the national automotive companies, to transform Malaysia into a regional automotive hub in energy-efficient vehicles (EEV). Overall, the NAP 2014 provides a total financial package of about RM2 billion.

The Philippines government's outstanding debt amounted to PHP5.675 trillion as of the end of November last year, up 5.48% from a year ago, the Bureau of Treasury reported. The hike in Philippine national government debt in November was due to a 10% y-o-y increase in domestic loans during the period.

The Philippines balance of payments (BOP) position remained in surplus last year, despite being 45% below the level in 2012, the Bangko Sentral ng Pilipinas reported. The country recorded a BOP surplus of US\$5.085 billion last year, down from the US\$9.236-billion surplus recorded in 2012.

Total car sales in Vietnam in 2013 reached over 110,500 vehicles, a 19% y-o-y increase, according to the Vietnam Automobile Manufacturers' Association.

The State Bank of Viet Nam (SBV) recently instructed credit institutions to continue to ease access to loans for enterprises by lowering interest rates, in a bid to assist struggling businesses and guarantee efficient bank operations this year.

North East Asia

China's economy grew 7.7% y-o-y in 2013, the same as 2012, according to National Bureau of Statistics

(NBS). Last year, gross domestic product (GDP) reached CNY56.88 trillion (US\$9.31 trillion).

China's retail sales grew 13.1% y-o-y to CNY23.44 trillion (US\$3.84 trillion) in last year, NBS said. Urban consumption stood at CNY20.25 trillion in 2013, up 12.9% y-o-y. Rural residents spent CNY3.2 trillion, increase 14.6% y-o-y.

Industrial output in China grew 9.7% in 2013 from a year ago, the NBS announced. The figure marks a deceleration from the 10% growth seen in 2012.

The annual growth of China's urban fixed-asset investment cooled to 19.6% in 2013, the NBS announced. Urban fixed-asset investment expanded to CNY43.65 trillion (about US\$7.19 trillion) at the end of 2013.

The Japanese government has announced intentions to make employment in the country easier for migrant workers, as part of the much-anticipated reforms to the country's economy, PM Shinzo Abe and his ministers will reveal detail in the middle 2014.

Japan's factory output in November was weaker than first reported with industrial production turning down 0.1%, according to revised data. However, figures last week showed November machinery orders, jumped 9.3% from October.

Japan can halve its budget deficit by fiscal 2015/16 thanks to higher tax income but more effort is needed for the country to meet its longer-term goal of balancing the budget, a government estimate showed.

South Korea's producer prices rebounded in four months due to higher prices of farm goods and industrial products. The product price index (PPI) rose 0.2% in December from a month earlier after falling 0.2% in the prior month, according to Bank of Korea (BOK).

Australasia

Australian consumer prices rose in December 2013, largely due to the rising cost for fruit and vegetables, tobacco, fuel and holiday travel and accommodation, according to TD Securities and the Melbourne Institute's survey. Inflation Gauge rose by 0.7% in December, following a rise of 0.2% in November.

New Zealand's inflation rose 0.1% in the Q4 2013, Statistics New Zealand said today. Higher international air fares and rising housing and dairy prices were partly countered by lower vegetable prices and cheaper petrol.

Indian Sub-Continent

Cement demand is likely to remain sluggish next fiscal with around 5-6% growth impacted by slowdown in construction and infrastructure sectors, India Ratings and Services said in a report.

Middle East and North Africa

A total of 750,000 unemployed Saudis have been recruited in private sectors in the country during the last 30 months. The report said that the unemployment rate in the same period reduced from 12% to 11.7%, adding that 78% of unemployed are under 29 years old. Saudi Labor Minister Adel Faqih told that the ministry would work to reduce the percentage.

Western Europe

Germany set up schemes that offered generous subsidies to encourage the development of renewable energy installations. Now, just three years later, and in part due to the soaring costs, Germany's energy minister has outlined a new plan to cut subsidies offered to producers of renewable energy.

U.K Small and medium-sized businesses are still struggling because the Government is not providing them with enough information on how they can access much-needed funding, according to MPs.

Oil & Gas News

WTI for February delivery fell as much as 94 cents to \$93.43 a barrel on the New York Mercantile Exchange and was at \$93.90 at 12:27 p.m. Sydney time.

Natural gas futures for February delivery fell as much as 2.8% on the New York Mercantile Exchange and were down 1.5% at \$4.263 per million British thermal units when trading ended at 1:15 p.m. New York time.

Commodity News

The corn contract for March delivery lost as much as 0.4% to \$4.225 a bushel on the Chicago Board of Trade from the close on Jan. 17, and was at \$4.23 by 10:49 a.m. in Singapore.

Currency News

The dollar added 0.5% to 104.65 yen at 12:06 p.m. in Tokyo from yesterday, after falling 0.4% in the past three sessions.

The kiwi rose as high as 83.28 US cents from 82.66 cents, after government figures on Tuesday showed inflation rose 0.1% in the December quarter.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
18-Jan-14	1,254.05	4.33	106.48	24.59	1.73	2.08	1.27	112.18	9524.72	81.97	2.59	35.42	25.73	3,147.33
21-Jan-14	1,253.05	4.3	106.35	24.73	1.73	2.10	1.28	112.12	9482.27	81.43	2.60	35.34	25.76	3,139.58
% Change	-0.08	-0.69	-0.12		-0.32	0.76	0.31	-0.05	-0.45	-0.67	0.18	-0.23	0.10	-0.25

Economic & Financial News

Research & International Division

22/1/2014

...India's central bank moves towards monetary policy overhaul...

...Turkish central bank shies away from rate hike...

South East Asia

Total investment in Indonesia last year scaled up by 25% to Rp398.6 trillion (some US\$32.88 billion), a minister said, despite of the country's subdued economic growth and risks of U.S. plan of reducing fund injection.

Thailand's central bank is expected to cut interest rates at its meeting today as political unrest continues to engulf the exporter of automobiles and electronics.

Philippines total exports likely grew between 5.8 to 7.2% in 2013 from the previous year due to the strong performance of the outsourcing and tourism sectors as well as the recovery in merchandise shipments, the Department of Trade and Industry (DTI) said.

The Bangko Sentral ng Pilipinas (BSP) wants to look into the heavy volume of transactions between banks and their parent firms or subsidiaries. This is part of the proposed amendments to the BSP charter aimed at preserving the stability of the local financial system.

The International Monetary Fund praised Myanmar's economic reform efforts yesterday. He cited the sweeping reforms that included removing exchange restrictions and adopting a floating rate for the kyat in the past year; the establishment of an autonomous central bank; and large increases in government and spending on health and education.

Cambodia's economy grew by 7% in 2013, the National Bank of Cambodia said. Such a performance comes from an increase in investments, particularly in construction and tourism sectors. The growth was lower than that of 2012, which was up to 7.3%.

North East Asia

The People's Bank of China intervened to boost liquidity yesterday, acting to head off a further credit crunch in the country's squeezed and secretive monetary system. Central bank announced that it will ensure stability in markets, and is reported to have injected about CNY255 billion (£25.59 billion) into the country's interbank market.

The decline in China-Japan trade in 2013 was the result of many factors, but the main causes were economic, Shen Danyang, spokesman for the Ministry of Commerce, said. The slow global economic recovery and the slowdown in China's economic growth in the past year were responsible for the dip in trade, Shen said.

Japan's supermarket sales in 2013 fell 0.7% from the previous year on a same-store basis, the Japan Chain Stores Association said. However, sales before adjustment for the number of stores rose 1.5% to ¥12.72 trillion. After the adjustment, overall food sales fell 0.1%, although farm and dairy product sales increased.

The South Korean government urged to step up efforts to stimulate job creation for younger people and boost their entrepreneurship through early education and training, a state-run think tank Korea Development Institute (KDI) reported. Government data showed that the employment rate among people aged 15-29 hit a record low of 39.7% last year.

Australasia

Australian consumer prices rose 0.8% in the Q4 2013 and climbed 2.7% from a year earlier, the Australian Bureau of Statistics said today. The main drivers were a rise in the price of fruits and vegetables, domestic holiday travel and accommodation.

Tighter lending restrictions imposed by New Zealand's central bank may be strengthening bank balance sheets there but have yet to put a cap on booming Kiwi house prices. The median New Zealand house price has increased by NZ\$27,000 since the Reserve Bank of New Zealand placed loan-to-valuation ratio (LVR) restrictions on mortgage lenders last October.

Indian Sub-Continent

The Reserve Bank of India (RBI) should make managing inflation its main objective and set monetary policy by committee, a central bank panel has recommended. They were issued late yesterday by the panel set up by RBI Governor Raghuram Rajan, which also recommended using consumer prices as the primary measure of price changes and setting an eventual inflation target of 4%.

Middle East and North Africa

Turkey's central bank shied away from hiking its main interest rates yesterday despite a tumbling lira and rising inflation. The bank kept its main policy rate, the one-week repo rate, at 4.5%, its borrowing rate at 3.5% and its overnight lending rate at 7.75%.

Fitch Ratings said in a new report that Saudi banks should continue to see strong performance, with ample opportunities for lending provided by a favorable economic outlook.

Western Europe

President Francois Hollande yesterday tied a promise to ease the tax burden on French companies to their readiness to invest in France and to hiring young and old workers, who have been hardest hit by high unemployment.

Italian banks are curbing lending to boost their capital. Gross bad debts rose to €149.6 billion in November on an annual basis, with the number of bank customers having problems paying back their debts reaching 1.2 million. Bad loans were up 23% from a year ago and have risen by €45 billion in the past two years.

North America

A revived auto sector boosted Canada's manufacturing sales in November and helped prevent a slide in wholesale trade. Canadian factory sales jumped 1% to C\$50.5 billion (US\$45.9 billion) in the month, Statistics Canada data showed.

South America

Brazil's trade deficit in chemicals widened by 13.6% in 2013 to a record US\$32 billion, chemical

industry association Abiquim said. Brazil's chemical producers have struggled to compete with imports from countries with lower production costs and access to cheaper feedstock. In 2012, the country posted a US\$28.1 billion trade deficit in chemicals.

Oil & Gas News

Brent for March settlement rose as much as 39 cents, or 0.4%, to \$107.12 a barrel on the London-based ICE Futures Europe exchange.

Commodity News

Gold for immediate delivery traded at \$1,242.86 at 10:22 a.m. in Singapore, after averaging \$1,410.89 in 2013 and \$1,668.75 in 2012.

Wheat for March delivery climbed as much as 0.8% to \$5.665 a bushel on the Chicago Board of Trade and was at \$5.66 by 10:57 a.m. in Singapore.

Currency News

The Canadian dollar is depreciated 0.2% to C\$1.0967 per U.S. dollar at 5 p.m. in Toronto.

The won fell for the third day, weakening 0.3% to 1,068.60 per dollar as of 9:56 a.m. in Seoul, according to data compiled by Bloomberg.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
21-Jan-14	1,253.05	4.3	106.35	24.73	1.73	2.10	1.28	112.12	9482.27	81.43	2.60	35.34	25.76	3,139.58
22-Jan-14	1,242.65	4.48	107.03	23.89	1.73	2.10	1.28	112.52	9501.19	81.98	2.60	35.39	25.72	3,129.89
% Change	-0.83	4.19	0.64		0.09	0.04	-0.04	0.36	0.20	0.68	0.13	0.15	-0.13	-0.31

Economic & Financial News

Research & International Division

23/1/2014

*...Iraq oil exports dip in 2013...
...Thai central bank holds rates...*

South East Asia

Indonesia's total foreign debt declined slightly at the end of last year amid the country's economic slump, according to Bank Indonesia (BI). BI said that the country's external debts had dropped about 1% to US\$260.33 billion in November 2013 from US\$262.87 billion a month before.

The Bank of Thailand is to keep interest rates on hold at 2.25% in split vote, despite expectations that political tension. Thailand's central bank keep interest rates unchanged saying that the current policy rate is appropriate for growth.

Malaysia's general insurance industry grew 6.6% in the Q3 of 2013, driven by a 9.4% increase in motor insurance and 7% fire insurance. Motor insurance with 46.6% share of the general insurance and fire insurance with 16.4%, contributed significantly to the industry gross premium that rose to RM12.43 billion from RM11.66 million in the corresponding period of 2012.

Singapore's Premiums for Certificate of Entitlement (COE) in January recorded motorcycles with the highest increase in COE prices by nearly 36% or SG\$715 to end at SG\$2,704. Premiums for cars above 1,600cc inched up SG\$300 to close at SG\$79,000. Commercial vehicles registered a 2.3%, or S\$1,112, jump to S\$50,001. Meanwhile, COE prices for smaller cars fell marginally by SG\$79 to end at SG\$72,290.

A surprising Q4 gain provided a slight boost to farm output, Agriculture Secretary Proceso J. Alcala said. Agricultural production grew by 1.15% last year, slower than 2012's 2.89% and missing the sector's 4.3-5.3% goal under the Philippine Development Plan.

North East Asia

China seeks self-reliance in staple production, including wheat and rice, following growth in domestic grain output over the past decade. Currently, more than 97% of key grain supplies, including rice and wheat, come from domestic crops, said Chen Xiwen, deputy director of the central agricultural work leading team.

China's central government has given the nod to 12 free trade zones (FTZs) following the one in Shanghai, amid a spurt of nationwide enthusiasm for such schemes. Tianjin Municipality and Guangdong Province have been green-lit to set up FTZs.

The governor of the Bank of Japan dismissed the need for additional monetary easing as prices are headed toward its inflation target and as overseas economies recover, damping expectations for more stimulus to offset the impact of a sales tax rise in April.

The South Korean economy grew 2.8% in 2013, the first rebound in three years, the Bank of Korea (BOK) said. The rebound was bolstered by solid export growth and continued expansion in private spending.

Taiwan's unemployment rate stood at 4.18% in 2013, a decrease of 0.06 percentage points y-o-y, the budget and statistics authorities announced.

Indian Sub-Continent

India will emerge from a bout of economic malaise with an annual growth rate of 8% in the coming years, according to India's finance minister.

Middle East and North Africa

Iraq's oil exports and revenues declined in 2013 compared to the previous year, despite efforts to dramatically ramp up crude sales to fund much-needed reconstruction. Exports totalled 872.3 million barrels, or 2.39 million barrels per day (bpd), last year compared with 2.42 million bpd in 2012, the oil ministry reported.

The impact of Saudi Arabia's crackdown on nearly 1 million illegal foreign workers is spreading through its economy, moving beyond the labour-intensive construction industry to sectors as far afield as banking and telecommunications.

Eastern Europe

Russia's minister for economic development has said he is confident about the country's growth prospects, but stressed the business climate had to improve.

Russia experienced zero growth in industrial output in 2013, Trade and Industry Minister Denis Manturov said. In the first 11 months of 2013, Russia had recorded a 0.1% decline in industrial output.

Western Europe

French Finance Minister Pierre Moscovici said that taxes would start to decrease before 2017 if a deficit-cutting programme remained on schedule and economic growth allowed the government to revise fiscal policy.

Italy's public debt as a proportion of gross domestic product (GDP) fell from 133.3% to 132.9% of GDP between July and September last year, the EU statistics agency said.

Britain's public finances improved in December, when net borrowing fell £2.1 billion to £12.1 billion. Government borrowing eased due to a £1.5 billion reduction in public spending in December, combined with a £1.3 billion jump in tax income, largely driven by a 5.4% rise in VAT receipts. Stamp duty also surged 57.1%.

British unemployment rate dropped to 7.1%, the Office for National Statistics (ONS). The unemployment rate for the September-November period of 2013 was 7.1% of the economically active population, down 0.5 percentage points from the previous three-month period.

U.K. car production rose 3.1% last year driven by home demand and exports outside Europe. The U.K. automotive investment announcements exceeded £2.5 billion in 2013. The number of cars manufactured in Britain rose to 1.51 million units from 1.46 million in 2012.

Spain's trade deficit dropped by 52% from January to November in 2013 when compared with the same period in 2012. The deficit reached €14.125 billion up to November due to an increase in exports.

North America

The Bank of Canada on kept its benchmark interest rate at 1% yesterday. The Bank has attributed this to significant excess supply in the economy and heightened competition in the retail sector.

The U.S. government would run out of borrowing authority by late February if the Congress does not act to raise the debt limit before that time, U.S. Treasury Secretary Jacob Lew said.

Oil & Gas News

WTI for March delivery was at \$96.56 a barrel on the New York Mercantile Exchange, down 17 cents, at 12:14 p.m. Sydney time.

Commodity News

The wheat contract for March delivery gained as much as 0.6% to \$5.645 a bushel on the Chicago Board of Trade and was at \$5.6375 by 10:40 a.m. in Singapore.

Refined-sugar futures for March delivery fell 1% to \$404.50 a ton (18.35 cents a pound) on NYSE Liffe in London.

Currency News

Sterling advanced 0.6% to 81.80 pence per euro at 4:44 p.m. London time after appreciating to 81.76 pence, the strongest since Jan. 10, 2013.

The U.S dollar rose 0.1% to 104.62 yen, after gaining 0.3% in the previous two sessions. It was little changed at \$1.3542 per euro after touching \$1.3508 on Jan. 20.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
22-Jan-14	1,242.65	4.48	107.03	23.89	1.73	2.10	1.28	112.52	9501.19	81.98	2.60	35.39	25.72	3,129.89
23-Jan-14	1,233.63	4.71	107.95	22.92	1.73	2.11	1.28	113.33	9501.19	81.37	2.60	35.42	25.74	3,120.08
% Change	-0.73	5.13	0.86		0.31	0.47	0.13	0.72	0.00	-0.74	0.16	0.07	0.05	-0.31

Economic & Financial News

Research & International Division

25/1/2014

*...Philippine gov't sets aside US\$50.8 million to revive manufacturing sector...
...Vietnam's central bank can now import unrefined gold duty-free...*

South East Asia

Indonesia is expected to secure its growth target this year despite severe flooding that hit several areas across the country as temporary price increases persisted this month, a senior official said.

The Bank of Thailand has conceded that as the prolonged political row paralysing the government delays public-sector investment, this year's economic growth may be less than 3%. However, the central bank is not worried about the exchange rate, as the baht's movements are not out of line with its regional peers.

Manufacturing output in Singapore accelerated at 6.2% in December 2013, which is nearly similar with the revised 6.6% pace in November helped primarily by solid growth in the electronics sector.

Singapore's private residential property price index fell 0.9% in Q4 2013, more than the 0.8% drop based on preliminary data announced on Jan. 2. The decline in suburban housing values was 1%, more than the 0.6% slide in the earlier report.

Philippine's merchandise imports barely grew in November, as the country trimmed purchases of electronic products and mineral fuels. Preliminary data from the imports inching up by 0.5% to US\$5.235 billion that month, National Statistics Office showed.

The Philippine government has allotted PHP2.3 billion (US\$50.8 million) in the 2014 national budget to fund a program aimed at reviving the manufacturing sector, a senior government official said.

The Philippine's central bank monetary policy stance remains appropriate as inflation continues to be within target. The central bank expected inflation to average 4.5% this year, within its 3 to 5% target range.

The Philippines government will open up more technology-driven jobs for communities hit by disasters as well as for returned or displaced overseas Filipino workers and their families.

Prime Minister Nguyen Tan Dung has signed a decision permitting the State Bank of Viet Nam (SBV) to import and export unrefined gold without paying any duty. The decision, which will come to effect on March 15, 2014, is expected to facilitate SBV in the export and import of unrefined gold to produce gold bars for the purpose of stabilising the domestic gold market.

North East Asia

China will cut the per-tonne retail price of gasoline by CNY130 (US\$21.3) and diesel by CNY125. The adjustment, following a cut on Jan. 10, will see the benchmark retail prices of gasoline decrease by CNY0.1 per liter and that of diesel by CNY0.11 per liter, the National Development and Reform Commission said.

China's urban unemployment rate stood at around 4.1% in 2013, the Ministry of Human Resources and Social Security said. The unemployment rate edged up to 4.05% at the end of the Q4, from 4.04% at the end of the previous three-month period.

The yen rate is unlikely to be affected by a scaling-back of asset purchases by the U.S. Federal Reserve, Naoyuki Shinohara IMF's official said.

Indian Sub-Continent

India's crude oil production rose 1.6% in December but natural gas output was down by 10% by the flagging eastern offshore KG-D6 fields of Reliance Industries. Crude oil production in December rose to 3.25 million tonnes (MT) from 3.20 MT a year ago.

Middle East and North Africa

The fluctuation in Turkish markets is temporary though recently was caused by developments in global markets and will not derail the country's economy, Deputy Prime Minister Ali Babacan said.

Morocco's budget deficit fell to 5.4% of GDP 2013, the Finance Ministry said. In 2010, the deficit was 4% but the government spent more on subsidies, creating jobs and boosting public sector salaries to stifle the potential for the mass protests.

Eastern Europe

Russia's unemployment rate which equaled to about 5.5% of economically active population is among the world's lowest, Prime Minister Dmitry Medvedev said. He noted the government had not been going to preserve jobs by any costs, but the process of job cuts must be accompanied with creation of new jobs.

Western Europe

The growth in the euro zone is looking up - and that Germany has played a big part in the nascent recovery. German finance minister, Wolfgang Schaeuble said that reducing Germany's controversial trade surplus would have a negative effect on its euro zone partners.

France wants to "accelerate and amplify" its economic reforms according to finance minister Pierre Moscovici. France has made strong reforms in the last 20 months such as pensions system, labour market, professional training, and reducing the costs of deficits, he said.

Italy's parliament gave a green light to a new law that revalues the capital of the Bank of Italy, which is mostly owned by Italian commercial banks, and sets a 3% limit on stakes that individual investors can own in the central bank.

The Italian government aims to reduce taxes on labour and businesses, Economy Minister Fabrizio Saccomanni said. As a "first sign" in that direction, the government is delaying a payment deadline for the Inail business tax to May, granting three "free" months of liquidity, Saccomanni said.

Italian retail sales were flat in November with respect to October, but they were slightly higher, 0.1%, than in the same month in 2012, national statistics agency Istat said.

North America

Canada's annual inflation rate climbed to 1.2% in December from 0.9% in November, largely due to higher gasoline prices, but remained well below the Bank of Canada's 2% target, Statistics Canada data showed.

South America

Brazil's current account deficit surged to US\$81.374 billion in all of 2013, the biggest gap since

at least 2001. Last year the country had an external gap of US\$54.249 billion. Meanwhile, Brazil attracted US\$64.045 billion in foreign direct investment in 2013, down from \$65.272 billion in 2012.

Recent signs indicate that the Brazilian central bank's monetary policy is working after an unpleasant surprise last year, said central bank President Alexandre Tombini.

Brazil's economy created the lowest net payroll jobs in a decade in 2013; however, unemployment remains at record lows. Excluding seasonal adjustments, farms, industrial factories and retail firms created a net 730,687 payroll jobs in 2013, the Labour Ministry said.

Oil & Gas News

Brent for March settlement increased 30 cents, or 0.3%, to end the session at \$107.88 a barrel on the ICE exchange.

Commodity News

Gold futures for April delivery advanced 0.2% to settle at \$1,264.50 an ounce at 1:46 p.m. on the Comex in New York.

Soybean futures for March delivery rose 0.6% to close at \$12.8475 a bushel at 1:15 p.m. on the Chicago Board of Trade. The price dropped 3% in the previous three days.

Currency News

The yen rose 0.9% to 102.31 per dollar at 5 p.m. New York time after reaching 102, the strongest level since Dec. 6.

The pound declined 0.9% to \$1.6485 at 4:55 p.m. London time after climbing to \$1.6668, the highest level since May 2011. It has gained 0.4% versus the U.S. currency this week.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
23-Jan-14	1,233.63	4.71	107.95	22.92	1.73	2.11	1.28	113.33	9501.19	81.37	2.60	35.42	25.74	3,120.08
25-Jan-14	1,270.06	5.18	107.88	20.83	1.75	2.13	1.28	112.00	9530.16	80.88	2.61	35.47	25.73	3,075.99
% Change	2.95	9.98	-0.06		0.84	0.90	0.00	-1.17	0.30	-0.61	0.16	0.14	-0.03	-1.41

Economic & Financial News

Research & International Division

28/1/2014

*...Malaysia's gov't implementing GST not to reduce debt...
...Mexico attracting investment due to reforms...*

South East Asia

The Malaysian government decided to implement the Goods and Services Tax (GST) not to reduce the country's debts, Deputy Finance Minister Datuk Ahmad Maslan said. He said the government was repaying its debts promptly every year. Our debts are under control. The composition is made up of 97% local debts and only 3% comprise foreign loans.

The Philippines Bureau of Internal Revenue (BIR) has identified 21 priority programs and projects for this year, focused mostly on further improving tax administration, to boost its revenue collections.

The Vietnam's Consumer Price Index (CPI) in January rose 0.69% against the previous month, due to the rapidly increasing demand for commodities prior to the upcoming Lunar New Year. The figure represents a y-o-y increase of 5.45%, according to the General Statistics Office (GSO).

World Bank (WB) is seeking to invest US\$1 billion in Myanmar's power sector including generation, transmission and distribution over the next five years, said Jim Yong Kim, WB President.

North East Asia

Shanghai's financial sector grew 13.7% last year, a significant boost for China's biggest municipal economy. The Shanghai Bureau of Statistics said that the city's financial sector generated CNY282.3 billion (US\$46.66 billion) in revenue in 2013.

Japan has posted a record ¥11.47 trillion trade deficit for 2013, far exceeding the previous record deficit of ¥6.94 trillion posted in 2012, according to Finance Ministry. The value of exports showed a y-o-y increase due mainly to the yen's continued decline against the dollar, but a simultaneous rise in the value of imports, including liquefied natural gas.

South Korea's central bank said that inflation would remain below its target band of 2.5 to 3.5% in early 2014 and that it would closely examine the reasons behind subdued price pressures should they hinder economic growth.

Confidence among South Korean consumers rose, central bank data showed. Composite consumer sentiment index (CCSI) gained 2 points from a month earlier to 109 in January, according to the Bank of Korea (BOK).

Indian Sub-Continent

The Indian government today imposed a 5% export duty on iron pellets, a critical raw material for the steel industry, considering the domestic requirement of iron ore pellets, the Finance Ministry said.

India can review gold import curbs by the end of March if the Indian economy controls the current-account deficit, said federal Finance Minister Panchajanya Chidambaram.

Eastern Europe

Retail sales growth in Russia fell to 3.9% in 2013, down from 6.3% a year earlier, the State Statistics Service said. Retail sales expanded 3.9% in December from the year before, bringing the absolute value of turnover in the sector in 2013 to US\$680 billion.

Russian wages adjusted for inflation grew 1.9% in December from a year earlier, after a downwardly revised 4.1% increase in November, the Federal Statistics Service in Moscow said.

Western Europe

French jobless claims rose a further 10,200 in December. Labor Ministry data showed the number of people registered as out of work in mainland France reached 3,303,200 last month. It represented an increase of 0.3% over one month and 5.7% over one year.

German business confidence rose sharply in December. The Ifo economic institute's business climate index climbed to 110.6 points this month. In December, it had stood at 109.5 points.

Recent turbulence in emerging markets poses no risk to Italy, considered a flashpoint for instability in the euro zone, Italian Economy Minister Fabrizio Saccomanni said.

Poverty in Italy rose from 14% in 2010 to 16% in 2012, the Bank of Italy said Monday. One in three people living below the poverty line is an immigrant, the central bank said in its biannual report on family finances.

North America

Mexican economic activity fell to a seasonally adjusted -0.04%, from 1.33% in the preceding month, Instituto Nacional de Estadística y Geografía said.

Mexico is attracting foreign investment thanks to its growth-enhancing reforms, the country's Finance Minister said, adding that market volatility would subside once investors focus on the good fundamentals of the economy.

South America

The Brazilian Central Bank will fight the effects that the country's weakening currency has on inflation, Central Bank Chief Alexandre Tombini said. The bank has raised interest rates by half a percentage point to 10.50% earlier this month to fight inflation and weather new global financial conditions.

Peru is on track to post a fiscal surplus equal to 0.7% of its GDP in 2013, the Central Bank said. The figure indicates a bigger surplus than the previously forecasted 0.6% of GDP in December.

Oil & Gas News

Brent oil for March settlement rose 29 cents, or 0.3%, to \$106.98 a barrel on the London-based ICE Futures Europe exchange.

Natural gas futures for February delivery climbed as much as 2.2% to \$4.954 per million British thermal units on the New York Mercantile Exchange, and were at \$4.893 at 9:49 a.m. in Singapore today.

Commodity News

Rubber for delivery in June on the Tokyo Commodity Exchange fell as much as 1.2% to 226.5 yen a kilogram (\$2,207 a metric ton) before trading at 227.3 yen at 9:13 a.m. local time.

Currency News

The U.S. currency rose 0.2% to 102.71 yen as of 10:51 a.m. in Tokyo today. It advanced 0.2% yesterday after touching 101.77, the weakest level since Dec. 6.

The won rose 0.4% to 1,079.05 per dollar as of 10:19 a.m. today in Seoul. It touched 1,087.50 yesterday, the weakest level since Sept. 13.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
25-Jan-14	1,270.06	5.18	107.88	20.83	1.75	2.13	1.28	112.00	9530.16	80.88	2.61	35.47	25.73	3,075.99
28-Jan-14	1,258.16	4.89	106.94	21.87	1.75	2.11	1.28	111.53	9584.97	80.21	2.62	35.57	25.77	3,047.79
% Change	-0.94	-5.60	-0.87		-0.05	-0.81	-0.04	-0.42	0.58	-0.83	0.42	0.30	0.16	-0.92

Economic & Financial News

Research & International Division

29/1/2014

*...Reserve Bank of India raised key policy rate...
...Italian consumer confidence rose...*

South East Asia

Thailand's overall industrial production index contracted by 6.1% y-o-y in December due to lower output of canned and frozen seafood products, vehicles, and hard-disk drives, the director-general of the Office of Industrial Economics said.

The consumer sentiments index for Q4 2013 fell to 82.4 points, below the 100-point threshold, as consumers got increasingly cautious with their spending following inflationary pressures and concerns over the current economic conditions, according to the Malaysian Institute of Economic Research.

Singapore's Economic Development Board attracted S\$12.1 billion (US\$9.5 billion) in fixed asset investment in 2013, the investment promotion agency said.

There were 61,900 job vacancies in Singapore in September 2013, a 9.7% increase from the 56,400 the year before. Overall, vacancies as a proportion of total manpower demand over the year rose to 3%, up from 2.8% in 2012, according to the Ministry of Manpower.

The Philippines' foreign direct investment remained "weak" for the past two years compared to other countries in Southeast Asia, which resulted in high levels of unemployment and poverty among Filipinos, according to the Oxford Business Group's report on the country's economy.

North East Asia

Profit growth in China's industrial companies continued to moderate in December. Industrial profit expanded 6% from a year earlier to CNY942.5 billion (US\$155.7 billion) last month, down from the 9.7% rate in November, the National Bureau of Statistics said. China's manufacturers reported a combined profit of CNY6.28 trillion in 2013, up 12.2% on an annual basis.

The Japanese government said it will closely monitor the effects falling currencies in emerging countries will have on the global economy and financial and stock markets.

South Korea's current account surplus reached US\$70.73 billion in 2013, up 47.2% from the prior record high of US\$48.08 billion tallied in 2012, according to the Bank of Korea.

South Korean banks' lending rates rose 4.52% in December as demand for funds by larger firms increased. It was up 0.02 of a percentage point from the previous month, according to the Bank of Korea.

Australasia

The growing worldwide digital economy is putting pressure on New Zealand's tax base, though online retail is a bigger threat than multinational avoidance, according to Finance Minister Bill English.

New Zealand is given the top rating of AAA and a stable outlook by Moody's. Ratings agency Moody's says New Zealand's economy and government finances are on an improving trend.

Indian Sub-Continent

The Reserve Bank of India raised key policy rate by 0.25% to 8% in a bid to curb inflation. Price control remains the central bank's top-most commitment.

Middle East and North Africa

Turkey's central bank unveiled emergency interest rate hikes yesterday when it more than doubled its benchmark one-week lending rate for banks to 10%, from 4.5%. At the same time, it shifted its primary lending to the weekly rate from its overnight rate of 7.75%.

Car sales in the Saudi market touched 570,000 in 2013, registering an increase of 10% over the previous year, and the sales growth trend is likely to continue in 2014.

Oman made a significant move upward in Bloomberg's 2014 Best Countries for Doing Business rankings, climbing from the 55th to 43rd place. Bloomberg gave Oman a 61.6-point score out of 100.

Western Europe

France's consumer confidence index about the economic situation grew by 1 point in January, the national statistics bureau Insee said. Household appreciation for their past financial balance inched down by one point but gained 2 points for the future, compared to a month before.

The British economy grew 1.9% in 2013, the latest in a string of indicators showing that the recovery is gaining momentum, the Office for National Statistics reported. All the sectors assessed posted gains, except construction, with services doing best with a 0.8% rise.

Italian consumer confidence rose in January, reported statistics agency ISTAT. The consumer confidence index rose to 98.0, up from 96.4 in December.

Annual economic growth in Italy will average 0.5% between now and 2016, international ratings agency Standard & Poor's said.

The Spanish public administration deficit stood at 5.44% of GDP up to November. The Ministry of Finance reported that the deficit reached €55.841 billion up to November, which included the deficit of the central administration, regional governments and social security.

The number of home mortgages in Spain fell by 27.4% in November 2013 when compared to November 2012, the Spanish National Institute of Statistics (INE) reported. According to the INE, the number of home mortgages fell to 13,933 in November 2013.

North America

Orders for durable U.S. manufactured goods unexpectedly fell 4.3% in December, pulled down by weak demand for transportation equipment, primary metals, computers and electronic products and capital goods, the Commerce Department said.

South America

There was no panic in emerging markets even as countries like Argentina, India and Turkey were facing sharp capital outflows and currency pressures, the International Monetary Fund said.

Oil & Gas News

WTI for March delivery fell as much as 31 cents to US\$97.10 a barrel on the New York Mercantile Exchange, and was at US\$97.16 at 10:16 a.m. Sydney time.

Commodity News

Bullion for immediate delivery lost as much as 0.6% to US\$1,248.90 an ounce and traded at US\$1,251.87 at 8:15 a.m. in Singapore, extending a two-day 1% drop.

Currency News

The yen slid 0.3% to 103.22 per dollar at 10:43 a.m. in Tokyo from yesterday, extending a 0.6% loss from the previous two days.

The rupee rose 0.9%, the biggest single day gain since November 18, to 62.5150 per dollar in Mumbai.

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28-Jan-14	1,258.16	4.89	106.94	21.87	1.75	2.11	1.28	111.53	9584.97	80.21	2.62	35.57	25.77	3,047.79
29-Jan-14	1,253.01	4.97	107.37	21.60	1.74	2.12	1.27	111.99	9624.64	80.59	2.62	35.56	25.82	3,051.01
% Change	-0.41	1.64	0.40		-0.30	0.40	-0.25	0.41	0.41	0.48	0.13	-0.04	0.19	0.11

Economic & Financial News

Research & International Division

30/1/2014

*...Japanese retail sales increased...
...Reserve Bank of New Zealand held its official cash rate...*

South East Asia

Prices of goods and services in Brunei for 2013 accelerated by 0.4%, from 0.5% in 2012, the Department of Economic Planning and Development said. The slight acceleration was due to an increase in food and non-alcoholic beverages, clothing and footwear, transport, recreation and culture, education as well as restaurants and hotels.

Thai factory output dropped 6.1% in December from a year earlier, adding to worries about how hard the country's political turmoil is hitting the economy and raising the chance of an interest rate cut this quarter.

Bank Negara Malaysia kept the Overnight Policy Rate unchanged at 3% during its Monetary Policy Committee meeting. However, it remained watchful about inflation which had been gradually rising due to disruptions in supply attributed to adverse weather conditions and higher domestic costs.

Philippines' inflation is not expected to increase significantly despite the depreciation of the peso. Philippines' central bank officials said the stability of world commodity prices also helps keep inflation in check.

Vietnam's total trade turnover with countries in South Asia last year reached US\$6.2 billion, posting a 30% increase over the previous year. Vietnam's export turnover to the region was estimated at US\$3.25 billion, increasing 35% against 2012's imports worth US\$2.95 billion, representing a 20 % y-o-y increase.

North East Asia

Japanese retail sales rose 2.6% in December from a year earlier, pointing to firm consumer spending before a sales tax hike in April, data by the Ministry of Economy, Trade and Industry showed.

South Korea's industrial output grew 3.4% in December. This included production in mining, manufacturing, gas and electricity industries according to Statistics Korea.

Australasia

New home sales increased 14.4% in 2013, according to the Housing Industry of Australia (HIA). In the month of December alone, the HIA new home sales report showed that total seasonally adjusted new home sales eased by 0.4%.

The Reserve Bank of New Zealand held its official cash rate at a record low 2.5%, but warned it expects to start increasing interest rates to "more normal" levels soon.

Indian Sub-Continent

The Indian government will take whatever steps necessary to ensure stability in financial markets, and the government and Reserve Bank of India will continue to remain vigilant over the situation, finance minister P Chidambaram said.

Middle East and North Africa

Iran's inflation rate for the 12-month period ending December 21, 2013 fell by 0.5% to 35%, compared to the month earlier.

Western Europe

The average price of a London home broke through the £400,000 level at the end of 2013, while prices across the country continued to grow this month. Land Registry data showed homes in London rose 11.2% on the year in December.

North America

Mexico's central bank is weighing whether monetary policy needs adjusting after a spike in inflation, but price pressures should recede this year without higher rates, bank governor Agustín Carstens said.

South America

The Brazilian government will cut the 2014 federal budget, saying the move is to ensure the country's fiscal health, Brazilian Finance Minister Guido Mantega has confirmed.

Oil & Gas News

WTI for March delivery rose 18 cents to US\$97.54 a barrel in electronic trading on the New York Mercantile Exchange at 11:11 a.m. Singapore time.

Commodity News

Bullion for immediate delivery rose 0.8% to trade at US\$1,266.27 an ounce at 8:07 a.m. in Singapore, from \$1,267.24 yesterday.

Currency News

The ruble depreciated 1.2% against the dollar to 35.1710 and was 1.1% weaker at 48.0060 per euro.

The yen gained 0.1% to 102.16 per dollar as of 12:20 p.m. in Tokyo, having climbed 0.6% yesterday.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
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% Change	0.92	8.65	0.56		-0.26	-0.32	-0.11	0.07	-0.75	0.61	-0.47	-0.26	0.05	-1.14