

Economic & Financial News

Research & International Division

1/8/2015

... Japan's unemployment rate worsened for the first time in five months ...
... Job prospects for Australian university graduates have weakened ...
... Russia's central bank cut interest rates further by 50 basis points to 11% ...

South East Asia

Cambodia's microfinance sector is continuing to grow at a rapid pace. The amount of loans issued by the country's 39 microfinance institutions (MFIs) and six NGOs that provide microfinancing increased 47%, from USD1.6 billion in the first six months of last year to about USD2.4 billion over the same period this year.

Indonesia's central bank estimated the country's inflation to accelerate by 7.1% y-o-y in July from 7.1% in June. That allows the lender to keep avoiding loosening policy at its upcoming meeting in the beginning of August.

Malaysia's retail prices of RON95, RON97 and diesel will be reduced by MYR0.10 a litre from midnight Saturday. The new prices will see RON95 retailed at MYR2.05, RON97 at RM2.45 and diesel at MYR1.95 per litre. In June, prices saw a MYR0.10 hike across the board. This was followed by another hike in July – MYR0.10 for RON 95 and MYR0.20 for RON97.

Myanmar's fuel imports rose by 47.7% in financial year 2015, which ended on 31 March. The country imported 2.2 million tonnes of fuel in financial year 2013, 2.4 million tonnes in financial year 2014 and 3.5 million tonnes in financial year 2015.

Philippine major sectors of the economy remain poised for expansion, but growth may slow and hiring prospects may contract, indicators tracked by the Bangko Sentral ng Pilipinas showed. The composite purchasing managers index (PMI) score of three industries, namely services, manufacturing, and retail and wholesale trade, stood at 57.1 points in April.

Vietnam's foreign exchange reserves in July 2015 had reached USD37 billion and the country has 10 tons of gold reserves.

Vietnamese property market attracted USD1.7 billion in FDI for 15 projects in the first seven months of 2015. This figure accounted for 19.3% of the total FDI capital of USD6.9 billion.

North East Asia

China continued to see a deficit in foreign service trade in June but the volume has narrowed. The country's service trade deficit came in at CNY90.9 billion (USD14.9 billion) in June, retreating from CNY111.7 billion in May. In June, China saw a surplus of CNY291.6 billion in foreign merchandise trade.

China's service sector activity further picked up steam in July. The PMI for the non-manufacturing sector expanded to 53.9 in July, up from 53.8 for June.

The value of total retail sales in Hong Kong fell 0.4% y-o-y in June to HKD37.0 billion (about USD4.8 billion), after the 0.1% drop in May. For H1 2015, the value of total retail sales decreased 1.6% compared with the same period in 2014.

Japan's unemployment rate worsened for the first time in five months to 3.4% in June, up 0.1 percentage point from May, as more people sought jobs in a sign that labour market conditions continue to improve.

Japan's consumer prices rose 0.1% y-o-y in June for the 25th straight monthly increase, with inflation remaining under pressure from declines in crude oil prices.

Retail sales in South Korea shrank the most in more than four years in the aftermath of the outbreak of MERS. Retail sales declined 3.7% m-o-m in June, the fastest slide since February 2011 when the sales in retail stores dropped 5.8%.

South Korea's exports again shrank y-o-y in July. The country's overall outbound shipments came to USD46.6 billion last month, down 3.3% from the same month last year. However, the country's trade surplus jumped from USD2.3 billion in July 2014 to USD7.8 billion last month as imports plunged 15.3% on-year to USD38.9 billion. The drop in exports was largely attributed to the cut in global oil prices.

South Korea's industrial output rose for the first time in four months in June mainly due to greater demand for refined petroleum and machinery equipment products. Industrial output gained 2.3% last month from May. The increase marks a rebound after three straight months of minus growth and is the sharpest growth since February when numbers also hit 2.3%.

Taiwan growth slowed in Q2, hammered by a plunge in its export sector. Growth came in at just 0.6% y-o-y in the Q2, sharply down from 3.4% in the Q1 and badly missing a forecast of 3.1%. Compared with the Q1 the economy shrank 7.7%. Exports fell 9.8% as inventory of electronic products remain high and China expands supply chains within the mainland.

Australasia

Job prospects for Australian university graduates have weakened to their lowest level in three decades as the economy falters, but having a degree remains a big advantage for job seekers. A survey of 113,000 graduates found that 68% were in full-time work within four months of their course ending, down from over 80% during the 2000s. The average starting salary for graduates with bachelor's degrees stood at AUD52,500 - the same as two years ago, the Graduate Careers Australia reported.

Indian Sub-Continent

The Indian government announced a INR700 billion recapitalisation package for public sector banks that will help them tide over equity constraints and provide them funds to lend at a time when some of the lenders are grappling with mounting bad debt, prompting them to go slow on sanctioning loans.

India's oil companies cut the prices of petrol by INR2.43 a litre and diesel by INR3.60 on Friday, the third reduction in July. The price cuts came into effect at midnight yesterday. In Delhi, petrol will now cost INR64.47 and diesel INR46.12.

Middle East and North Africa

The Central Bank of Egypt decided to hold the overnight deposit and lending rates "unchanged" at 8.75% and 9.75% respectively. The Bank's Monetary Policy Committee also maintained CBE's main operation and the discount rate at 9.25% each.

Imports of food including wheat are dropping sharply to Libya, which has the highest per capita bread consumption in the world, as foreign shippers run scared of making direct deliveries due to worsening turmoil.

Turkey's foreign trade deficit fell 21.6% in June from the same month in 2014 and 16.43% in the H1 of the year from the same period in 2014, indicating improvement for three months in a row. Exports were down 6.9% to USD11 billion, and imports dropped 12.5% to USD18.2 billion y-o-y.

Eastern Europe

Russia's central bank cut interest rates further by 50 basis points to 11%, shrugging off inflation fears after a recent slide in the ruble to make the fifth reduction this year.

Western Europe

The inflation in Eurozone stayed unchanged in July at 0.2%, suggesting the single currency bloc still faces challenges to meet its ambitious inflation goal.

Inflation in the 19-nation Eurozone was unchanged in July while the jobless rate for June was also flat, suggesting the economy was maintaining a modest recovery. Consumer prices ticked up by 0.2% in July, the same rate as the previous month. Unemployment meanwhile was unchanged at 11.1% in June.

French households consumption of manufactured products grew by 0.4% in June mainly due to boosted sales of foods. However in the Q2, consumer's expenditure inched down by 0.1% after recording 1.5%-growth in the Q1 of the year as falling consumption of energy products offset the dynamism of food consumption.

French consumer spending accelerated in June, in a sign of France's tepid economic recovery. Consumer spending in the Eurozone's second largest economy rose 0.4% in June after inching up 0.1% in May. Spending on durable goods rose 0.4% in June, including a 0.7% rise in spending on cars. Compared with June 2014, total consumer spending rose 1.4%.

German inflation continued to slow and hit a five-month low level in July, raising pressures on the European Central Bank (ECB) to continue its expansionary monetary policy. Compared with the same month of previous year, consumer prices in Germany rose merely by 0.2% in July.

Retail sales in Germany increased strongly in the H1 of 2015, adding signals that private consumption would boost German economic growth in current year. Compared with the same period of previous year, retail sales in Germany rose by 2.5% in real terms during the first six months of 2015.

Greece unemployment was the highest in Europe for the month of June with 25.6% of its potential workforce unemployed. The total number of unemployed people in Europe reached 23.3 million, with 17.8 million of them belonging to Eurozone countries. Greece is first from the bottom with highest unemployment, followed by Spain with 22.5% and Cyprus with 16.2%.

Greek retail sales by volume rose 4.2% in May compared to the same month a year earlier. Sales volumes had risen for five months in a row through to October 2014 on a pickup in consumer spending, as the economy showed signs of picking up after a protracted recession.

Ireland's general government gross debt at face value stood at EUR204 billion, or 104.7% of annualised GDP at the end of the Q1, compared to a level of EUR203 billion or 107.6% of annualised GDP at the end of the Q4.

Irish economy sees robust growth in opening quarter. Ireland's GDP in the Q1 of this year rose by 1.4% q-o-q, with an increase of 6.5% y-o-y. Ireland's domestic demand was strong last year with consumer spending increasing 2% y-o-y.

Spain's prime minister promised a 1% pay rise for Spain's 2.5 million civil servants in the 2016 budget, their first hike in five years after public spending was reined in because of the country's economic crisis.

Spain's GDP grew by 1% in the Q2 of the year. Spain's economy has been growing by eight consecutive quarters on a quarterly basis and by seven consecutive quarters on a y-o-y basis. On a y-o-y basis the country's GDP grew by 3.1% in the Q2 in 2015, which meant a 0.4% increase when compared with the figure of the Q1.

Spain's consumer prices fell by 1% in July when compared with June. Spain's annual inflation rate stood at 0.0% in July, which meant a 0.1% fall in comparison with the country's annual inflation rate of June. This fall would be due to lower prices of fuels.

Switzerland's central bank posted a first-half loss of CHF50.1 billion on Friday, after the strength of the franc against the euro inflicted hefty losses on its holdings of the single currency.

North America

Canada's economy shrank for the fifth straight month in May, weighed down by weak results in manufacturing output, oil and gas extraction and wholesale trade. GDP fell 0.2% to CAD1.64 trillion in May from the previous month. The results follow a 0.1% decline in April's GDP.

Mexico's central bank kept borrowing costs unchanged at a record low of 3%, saying the outlook for growth has worsened, while also expanding programs designed to prop up the peso.

US economy rose at a faster pace in the Q2 after a weak start of this year. The US economy expanded at an annual rate of 2.3% in the Q2, a moderate bounce from the revised 0.6% increase in the Q1. Strong personal consumption led the rebound as consumers spent more of the windfall gains from lower oil prices they had saved in the Q1, and many of the temporary factors that restrained growth in the Q1 faded.

The number of Americans initially applying for unemployment aid last week rose from an almost 42-year low, while the whole job market kept moving upward. In the week ending July 25, the advance figure of seasonally adjusted initial claims for jobless benefits increased to 267,000, up 12,000 from the unrevised level of the previous week.

US consumer sentiment declined in July affected by disappointing economic growth, the Thomson Reuters/University of Michigan index of consumer sentiment revealed. The final reading of the consumer sentiment for July fell to 93.1 from 96.1 in June.

South America

Brazil posted a primary budget deficit of BRL9.3 billion (USD2.8 billion) for June, as public accounts continue to suffer under a weakening economy. A drop in tax revenue was regarded as the main cause for the negative results.

Chile posted a fiscal deficit of 0.3% of estimated GDP in the H1 of 2015, due to weak copper revenue. The deficit was the equivalent of USD792 million. Chile is the world No.1 copper producer and has suffered as prices languish at multiyear lows due to worries over demand in key buyer China.

Chilean manufacturing gained in June, retail sales rose faster and copper production was the highest since January, easing concern that a rebound in growth has petered out. Manufacturing expanded 1.7% from a year earlier. Retail sales climbed 4.1% over the same period.

Colombia's central bank held the benchmark lending rate at 4.5% as policymakers grapple with the twin constraints of inflation and an economy weakened by the drop in global oil prices.

Oil & Gas News

OPEC policymakers seem confident in a sustained recovery of oil prices from this year's lows as demand improves. On the benchmark September Brent options contract, a quarter of total holdings of puts are gathered in options that carry the right to sell below USD52 a barrel, just below the current price of the underlying futures contract around USD54.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
30-Jul-15	1,086.91	2.87	53.63	18.69	1.51	2.13	1.36	1.00	9863.88	90.50	2.80	33.34	25.58	3,249.45
01-Aug-15	1,095.80	2.72	52.21	19.19	1.50	2.14	1.37	1.00	9824.15	90.28	2.78	33.26	25.59	3,202.50
% Change	0.82	-5.23	-2.65		-0.54	0.64	0.67	-0.39	-0.40	-0.24	-0.56	-0.25	0.02	-1.44

Economic & Financial News

Research & International Division

4/8/2015

*... Philippine local pump prices dropped for the seventh straight week ...
... Bangladesh's foreign exchange reserves hit a record USD25.5 billion in July ...*

South East Asia

Indonesia's inflation in July stood at 7.3% y-o-y, compared with that in June, as demand for food and transport cost up. The Muslim country witnessed the Islamic festivity of Eid el- Fitr on July 17 and 18, during which the demand for food regularly hikes before the festivity and transport cost is commonly up before and after it. On month, the CPI accelerated at 0.9% in July from 0.5% in June.

Philippine local pump prices dropped for the seventh straight week, as oil firms adjusted to the continuing oil supply glut in the world market. Shell and Seoil announced the following price cuts: PHP0.40 per litre for gasoline, PHP0.90 per litre for diesel and PHP0.70 per litre for kerosene. Petron cut gasoline prices by PHP0.45 per litre, PHP0.90 per litre for diesel and PHP0.70 per litre for kerosene.

Thailand's deflation continued in July as consumer prices fell for the seventh consecutive month amid low oil prices. The country's headline consumer price index fell 1.05% from a year earlier. July headline CPI slipped on-month for the first time in six months by 0.07%.

North East Asia

Activity in China's smaller manufacturing companies slumped to a two-year low in July on reduced orders and weak exports, dampening hopes of an economic recovery, a survey said. The final Caixin China Manufacturing Purchasing Managers' Index (PMI) dropped to 47.8 points for the month, its lowest level since July 2013, and down from 49.4 a month earlier.

China's e-commerce trade soared in 2014 despite an anaemic economy, thanks to improved Internet infrastructure and an increase in cellphone users. Transaction volume of Chinese shopping websites totalled CNY16.4 trillion (USD2.7 trillion) last year, up 59.4% y-o-y.

Macau's gross gaming revenues increased 7.2% in July to MOP18.6 billion (USD2.3 billion). The same month Macau relaxed rules for Chinese citizens entering the gambling hub. Macau has witnessed a revenue decline for 14 consecutive months, with gross earnings down 34.5% y-o-y this month.

Macau's gold jewellery imports dropped 32.2% y-o-y to MOP3.4 billion in the H1 of the year. Imports of watches fell 11.8% to MOP3.4 billion, while those of handbags and wallets dropped 18.3% to MOP1.5 billion.

South Korea's consumer prices rose 0.7% in July from a year earlier, keeping the 0% increase for eight straight months. The consumer price inflation fell below 1% in December 2014 and stayed at the 0% level for eight months in a row.

South Korea's current account surplus soared to a fresh record high in June as an increase in the surplus in the goods balance offset a widening service account deficit caused by the outbreak of MERS. The current account surplus reached USD12.2 billion in June, compared with a revised USD8.6 billion surplus in May.

South Korea's online sales surged in June as consumers stayed away from supermarkets and department stores amid the outbreak of MERS. Online retail sales totalled KRW4.4 trillion in June, up 26.6% compared to the same month last year.

Korean automakers' total sales dwindled 5% in July compared to the same month a year ago to 681,142 vehicles.

Mortgage loans extended by major South Korean banks continued to increase in July on the back of a recovery in the local housing market and a low rate trend. The outstanding mortgage lending by seven commercial banks reached a combined KRW321.6 trillion (USD275.7 billion) at the end of July, up KRW527 billion from the KRW321.4 trillion a month earlier.

Australasia

New vehicle sales in New Zealand have slowed as economic growth shows signs of easing. New vehicles sales in the year to the end of July were up 5% on the same period last year to 75,928. Total new vehicle registrations for July were up 1% y-o-y to 10,366, with new passenger car registrations up 2.8% to 7,272 vehicles, making it the strongest month of July since 1986.

Sydney house prices grew at their fastest annual pace in nearly 13 years in July. Sydney house prices jumped 5.4% in the Q2, to be 18.4% higher from the same period a year earlier, said property research firm CoreLogic RP Data.

Indian Sub-Continent

Bangladesh's foreign exchange reserves hit a record USD25.5 billion in July, fuelled by steady exports and remittances. The slower pace of import growth, on the back of a fall in global commodities prices, also helped to boost reserves about 19% over the corresponding period last year. The reserves are sufficient for seven months of imports.

The Reserve Bank of India decided to leave its key interest rates unchanged as it awaits greater transmission of the effects of the previous three rate reductions into the economy. The Reserve Bank of India, maintained its repo rate at 7.25% and the reverse repo rate at 6.25%.

India is the largest importer of gold, which mainly caters to the demand of the jewellery industry. In 2014-15, India imported 915.5 tons of gold as against 661.7 tons in the previous financial year. India's gold imports surged by about 61% to 155 tons in the first two months of the current fiscal mainly due to weak prices globally and the easing of restrictions by the Reserve Bank.

India's factory output climbed to a six-month high in July on strong demand, easing pressure on the central bank to cut rates when it meets this week. Nikkei said its PMI increased to 52.7 points in July from 51.3 a month before.

Pakistan consumer prices inflation dipped 12-year low at 1.8% y-o-y in July, as prices of food and petroleum products were on the downward trajectory.

Sri Lankan inflation declined to -0.2% y-o-y in July 2015, from 0.1% recorded in June 2015. Annual average inflation declined from 1.7% in June 2015 to 1.3% in July 2015.

Middle East and North Africa

Algeria has increased crude oil output by 32,000 barrels per day after starting production at two fields, an Energy Ministry official said. Production increased when the Bir Sebaa field started producing 20,000 bpd in addition to 12,000 bpd from the Bir Msana field in Hassi Messaoud area.

Egypt aims to reduce its debt to foreign oil companies to USD2.9 billion by the end of August, from USD3.5 billion, and would repay the rest by the end of 2016, pushing back the deadline by about six months. The payments to oil and gas companies have been delayed by economic instability since a popular uprising ousted leader Hosni Mubarak in 2011.

Kuwait faced a huge deficit of KWD 2.7 billion in the last fiscal year which ended on March 31. Kuwait will face bigger shortage in this fiscal year if the current decline in oil prices does not cease.

Oman's budget deficit for the first five months of this year surged ahead to OMR1,501.1 million, against a surplus of OMR232.9 million for the same period of 2014, mainly due to a plunge in oil prices. This is against a government target of OMR2.5 billion deficit for the whole of 2015.

Oman has ramped up its oil production to a record high in June, adding to a global supply glut that has hit oil prices, as the Gulf Arab country compensates for the drop in its oil revenue. June production reached 992,700 barrels per day of crude oil and light oil condensate, the highest ever according to official records going back to 2002. It produced an average of 975,000 bpd in May.

Industries in Qatar reported a 20% increase in Q2 profit, although its half-year profit fell because of declining petrochemicals prices versus a year earlier. The petrochemicals, steel and fertiliser producer made a profit of QAR1.5 billion (USD412 million) in the three months. This was up from 1.3 billion riyals a year ago.

Growth in Saudi Arabia's non-oil private sector rose in July after hitting a record low in June. The seasonally adjusted Emirates NBD Saudi Arabia PMI Index climbed to 57.7 points last month from 56.1 in June, which was its lowest level since the survey was launched in August 2009.

Turkey's inflation rate fell to 6.8% in July from 7.2% in June, according to the Turkish Central Bank. The CPI saw a 0.39 percentage point decline in July from June.

Business activity growth in the UAE's non-oil private sector rebounded in July from a 22-month low in June. The seasonally adjusted Emirates NBD UAE PMI rose to 55.8 points last month from 54.7 in June.

Eastern Europe

Poland's seasonally-adjusted unemployment edged down to 7.7% in June from 7.8% in May. Poland's own unemployment reading in June, based on registrations rather than a labor force survey, measured 10.3%.

Western Europe

British manufacturing PMI rebounded to 51.9 in July 2015 from a 26-month low of 51.4 in June 2015. The data was higher than the market estimates consensus of 51.5, and it has stayed above the neutral 50.0 mark in each month since April 2013.

The Eurozone manufacturing sector continued to expand at a solid, steady pace at the start of the Q3, even as Greek manufacturing activity plunged in July to an all-time low. The manufacturing purchasing managers' index (PMI) was 52.4 in July, above the earlier flash estimate of 52.2 and close to June's 14-month peak.

German manufacturing activity rose slightly for the eighth straight month in July, in a sign that a major sector of Europe's largest economy began the third quarter in growth mode. Markit's PMI for manufacturing stood at 51.8 compared with 51.9 in June.

North America

US consumers' personal income continues rising while spending growth slowed in June, the latest sign of Americans' cautious consumption attitude. In the month, personal income increased 0.4% following the same growth in May. Personal spending rose 0.2%, the smallest gain since February. In May, personal spending grew 0.7%.

US consumer spending in June rose by the smallest amount in four months as shoppers cut back on purchases of cars and other big-ticket items. Consumer spending edged up 0.2% in June, the poorest showing since a similar increase in February.

US factories were a little less busy last month. The Institute for Supply Management's manufacturing index slipped to 52.7 last month from 53.5 in June. Factories' exports are contracting, partly because a strong dollar makes U.S. goods more expensive.

South America

Argentina's tax revenues for July reached record levels, bringing in ARS146.0 billion in an increase of 36.3% on the same month last year. The seventh month of the year saw positive data from value-added taxes, which raised ARS35.9 billion to rise 28.3%.

Brazil had a trade surplus of USD2.4 billion in July, government data showed. In June, they posted a trade surplus of USD4.5 billion. After running a deficit for most of 2015, Brazil's trade balance has turned positive as a weaker local currency bolsters exports and a shrinking economy weighs on imports.

The PMI for the Brazilian manufacturing sector rose to a seasonally adjusted 47.2 in July from 46.5 in June. Brazilian manufacturers have long struggled with high inflation, falling consumer confidence and rising interest rates. Industrial output is on track to drop 5% this year, dragging economic growth down to its worst level in a quarter century.

Oil & Gas News

Oil prices edged up on Tuesday, following a 5% drop in the previous session, as high global production and a weakening economic outlook in Asia prompted analysts to warn of further falls. Although prices rose on Tuesday, with Brent 35 cents higher at USD49.87 a barrel by 0647 GMT (2:47 a.m. EDT) and U.S. crude Clc1 up 47 cents at USD45.64 a barrel.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
01-Aug-15	1,095.80	2.72	52.21	19.19	1.50	2.14	1.37	1.00	9824.15	90.28	2.78	33.26	25.59	3,202.50
04-Aug-15	1,090.65	2.79	49.93	17.90	1.51	2.15	1.37	1.00	9830.91	90.30	2.80	33.25	25.50	3,185.03
% Change	-0.47	2.57	-4.37		0.36	0.13	0.02	0.04	0.07	0.03	0.62	-0.03	-0.36	-0.55

Economic & Financial News

Research & International Division

5/8/2015

*... Business activity in Egypt's non-oil economy weakened in July ...
... Spanish jobless claims fell in July ...*

South East Asia

Cambodia's garment industry is struggling to stay competitive due to low productivity, labour unrest and rising wages, according to a report by the Garment Manufacturers Association in Cambodia. Among the key factors impacting Cambodia's productivity is the number of holidays mandated by law in Cambodia.

Indonesian consumers were less optimistic in July than the previous month, a Bank Indonesia survey showed. On a yearly basis, the central bank's consumer confidence index fell to 109.9 in July from 111.3 in June. Despite slipping 1.4 points, consumer confidence remained at an optimistic level.

The Indonesian government will step up efforts for fiscal stimulus through increased budget absorption in the central and local governments, the central bank said.

The long-awaited revision of the Indonesian government's tax holiday policy is expected to attract more investors to enter Indonesia's strategic industries despite the controversies that surrounded the granting of such a tax facility in the past.

Leading Myanmar rice exporters decided to temporarily suspend exports until Sept 15, when rice is harvested at the end of the rainy season in an effort to stop prices rising during heavy floods across the country.

The Thai cabinet has approved urgent aid worth TBH6.5 billion to help poor people and drought-stricken farmers. The extra budget would focus mainly on people in locations affected the most by drought and the country's economic slowdown

North East Asia

Japan's inflation-adjusted real wages fell in June from a year earlier at the fastest pace in seven months and nominal wages tumbled by the most in more than five years, in a warning that consumer spending could weaken. Total cash earnings fell 2.4% in the year to June, falling the most since December 2009. Inflation-adjusted real wages fell an annual 2.9% in June after being unchanged in May, in a warning sign for consumption.

Japan's monetary base was at a record-high at the end of July, rising by 33.9% y-o-y to JPY325.74 trillion (USD2.63 trillion), as the Bank of Japan continued to provide more liquidity to raise the inflation rate to its targeted 2%.

Japan's services sector activity expanded in July at a slightly slower pace than the previous month, suggesting only a moderate rebound in the economy after an expected contraction in Q2. The Markit/Nikkei Japan Services Purchasing Managers Index (PMI) fell to a seasonally adjusted 51.2 in July, from 51.8 in June.

Australasia

Australia's trade deficit has widened again in June, amounting to AUD2.9 billion. However, the headline grabbing figure was a downward revision of April's seasonally adjusted trade deficit to AUD4.1 billion, now comfortably the largest deficit has recorded since it started collating the data 45 years ago.

The Reserve Bank of Australia (RBA) has left interest rate on hold at the record low 2% for the third straight month. RBA governor Glenn Stevens appeared upbeat talking about the Australian economy, toning down the rhetoric on the need for the Australian dollar to fall.

The services sector in Australia has expanded for a second straight month as the strong housing market help support activity. The Australian Industry Group performance of services index rose 2.9 points to 54.1 in July, the highest level since February last year.

New Zealand's jobless rate has risen in the second quarter of the year as the number of new jobs created fails to keep pace with an expanding working population driven by record migration. The unemployment rate rose to a seasonally-adjusted 5.9% in Q2, from 5.8% in Q1.

Middle East and North Africa

Business activity in Egypt's non-oil economy weakened in July, indicating that the nascent recovery of North Africa's largest economy may already be stalling. The Emirates NBD Purchasing Managers Index for the whole economy fell to 49.2, the lowest since February, from 50.2 in June.

Tunisia foreign reserves drop marginally after militant attack. Net assets in foreign currency totalled TND13.36 billion (USD6.78 billion) at the end of July, equivalent to 115 days of Tunisia's imports, compared to TND13.50 billion dinars or 117 days in mid-June.

Eastern Europe

The Czech Labour and Social Affairs Ministry wants to raise minimum wage by 7.9%, between CZK700 to CZK900, as of next January. Under the proposal, the lowest earning of the people with invalidity pension should be changed, too. At present, the people collecting this type of pension have a lower minimum wage of CZK8000. It is to be raised either to CZK9000 or to CZK9300.

The volume of Hungary's exports in May 2015 grew by 1.7% y-o-y, whereas the volume of imports declined 0.8% in the same period. In the fifth month of the year, the external trade surplus increased by EUR 225 million compared to May 2014.

The National Bank of Romania decided to maintain the key interest rate at 1.75% per year and the reserve requirements for banks' liabilities to 8% for RON (Romanian currency) and 14% for foreign currency.

Russia's consumer prices accelerated again in July, driven by a one-off increase in utility tariffs. Consumer prices rose 15.6% y-o-y in July, climbing higher from the June reading of 15.3%, and closer to the reading of 15.8% in May. Consumer prices rose 0.8% on the month in July, after adding 0.2% in June.

The Slovak government is set to spend EUR1 billion on three social packages. The social measures from the Slovak government will neither exacerbate Slovakia's debt, nor its deficit.

Western Europe

Industrial producer prices fell by 0.1% both in the euro area and the EU in June compared with the previous month. In the euro zone, the decrease is due to a fall of 0.2% in the energy sector, while prices remained stable for both intermediate goods and non-durable consumer goods.

Irish manufacturing sector growth rebounded from a 16-month low in July as the weak euro boosted exports. The Investec Manufacturing PMI rose to 56.7 in July, from 54.6 in June.

Spanish jobless claims fell in July for the sixth straight month by 74,028 (1.8%) to 4.05 million. July is traditionally a relatively strong month for the Spanish jobs market, as retailers, restaurants and other service providers bolster their staff for the busy summer tourist season. The number of registered unemployed was down by 373,584 (8.4%) over July 2014.

Property prices in Switzerland are on the rise again as low borrowing costs and the lack of alternative investments drive demand for housing in the country's prime residential areas. A market-monitoring index compiled by UBS AG rose to 1.37 in Q2, from 1.27 in Q1.

The pace of UK's house price growth increased in July, with the average house price edging closer to GBP200,000. House prices in July increased by 0.4% m-o-m, an improved performance on June's 0.2% decline. Over the past year, property prices have risen 3.5%, compared with the 3.3% annual increase reported in the year to June.

North America

Canada's manufacturing sector remained in positive territory in July for the second month in a row. The RBC Canadian manufacturing index was 50.8 last month, indicating purchasing managers in the sector generally saw expanded production and new business volumes.

US factory orders advanced 1.8% in June. The jump, however, was fuelled by a surge in demand for commercial aircraft, a volatile sector that can swing widely from month to month.

South America

The industrial production in Brazil for June declined 0.3% m-o-m, when the country's production had signalled a slight recovery by growing by 0.6%.

Oil & Gas News

Oil price unlikely to recover as Saudi refining hits market. Oil prices currently near USD50 a barrel are already under pressure, in part from an oversupply of fuels produced by refiners enjoying healthy margins from cheap crude as a result of the US shale boom and record OPEC output.

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-Aug-15	1,090.65	2.79	49.93	17.90	1.51	2.15	1.37	1.00	9830.91	90.30	2.80	33.25	25.50	3,185.03
05-Aug-15	1,087.98	2.81	50.61	18.01	1.51	2.15	1.38	0.99	9787.61	89.87	33.15	25.46	25.46	3,193.06
% Change	-0.24	0.72	1.36		0.15	0.28	0.55	-0.38	-0.44	-0.48	1,084.66	-23.43	-0.15	0.25

Economic & Financial News

Research & International Division

6/8/2015

*... Indonesia's growth slid in the Q2 ...
... Italy's industrial production fell more in June ...*

South East Asia

Cambodia collected approximately USD3.5 million in non-tax revenue from the extraction industry during the first six months of the year—about 92% of what it collected from the sector in all of 2014. The H2 of 2015 would see similar non-tax revenue from mining and dredging firms, resulting in roughly USD7 million by the end of this year, compared to USD3.8 million at the end of last year.

Indonesia's growth slid in the Q2 to levels unseen since 2009. The economy grew at 4.67% y-o-y in the three months to the end of June, from 4.72% in the previous quarter. Q1 growth was revised up from 4.71%.

Malaysia's exports in June 2015 grew 5% from a year ago to MYR64.3 billion, boosted by higher exports to China, Taiwan and the US. When compared with May, the exports were up MYR3.8 billion, or 6.3% on a m-o-m basis. The higher exports were mainly electrical and electronics (E&E) products, palm oil and palm-based products, liquefied natural gas (LNG) and nature rubber.

The Myanmar Rice Federation has agreed with traders to suspend rice exports until September as more than 500,000 acres of paddy fields are flooded nationwide, leading to a sharp rise in prices over the past few days.

Inflation in the Philippines plunged further to 0.8% in July, hitting a new lowest level in 20 years. The July inflation rate was much lower from the 1.2% in the previous month and 4.9% in July last year. Y-o-y, inflation reached 1.9%, below the inflation target range of 2% to 4% for this year. It was attributed the drop on inflation to the negative annual rates in the indices of housing, water, electricity, gas and other fuels and transport.

Singapore's resale volume of Housing and Development Board (HDB) flats slumped 9.2% in July, after hitting a two-year high in June. A total of 1,552 HDB resale flats were sold last month, down from the 1,709 transacted units in June. However, compared to a year ago, resale volume was up 15.6%.

Thailand's central bank held its benchmark interest rate after the baht fell to a six-year low, and said the weaker currency helps support an economic recovery. The Bank of Thailand held its one-day bond repurchase rate at 1.5%.

Vietnam's retail price of RON 92 petrol has been reduced by VND816 to touch VND19,304 (USD0.88) per litre from 3pm yesterday. The price of the E5 RON 92 biofuel has also been reduced by VND816 to reach VND18,809 (USD0.86) per litre, while the price of diesel has come down by VND819 to touch VND13,862 (USD0.63) per litre.

North East Asia

South Korean foreign exchange reserves fell for the first time in six months in July. South Korea's reserves stood at USD370.8 billion as of the end of last month, down nearly USD4 billion from June. The decline was due to the strengthening greenback, which lowered the conversion value of non-dollar currencies.

Taiwan's consumer prices for July fell 0.66% from a year earlier due to a further decline in fuel prices and a cut in electricity rates. Falling fruit prices due to lower-demand during the Dragon Boat Festival were also cited as a reason for the contraction of local consumer prices in July. In the first seven months of this year, the CPI fell 0.65% from a year earlier.

Australasia

Unemployment rose in New Zealand in the Q2 as the working-age population increased on the back of rising migration. The seasonally adjusted unemployment rate was 5.9% in the Q2. The participation rate was 69.3% versus 69.5% in the Q1. In the Q2, the working-age population increased by 24,000 people or 0.7%.

Indian Sub-Continent

Bangladesh's inflation rate went up to 6.36% in July from June's 6.25% due to soaring non-food costs. Non-food inflation soared last month due to Eid-ul-Fitr, the end of the Muslim fasting month of Ramadan, which was celebrated here on July 18.

The value of India's gold imports could plunge over 18% to USD28 billion this fiscal year due to lower prices and despite likely higher volumes, helping to narrow the trade deficit. Gold is India's second-biggest expense on the import bill after oil, and purchases of USD54 billion two years ago forced the government to raise the duty on the metal to 10%.

Middle East and North Africa

Egypt's foreign currency reserves fell to USD18.534 billion at the end of July from USD20.080 billion the previous month. Reserves stood at about USD36 billion before the 2011 revolt that ousted Hosni Mubarak and led to the elections that put Mursi in office.

Tunisian inflation rate has dropped for the third consecutive month to 4.2% in July from 5% in June, 5.3% in May and 5.7% in April. This decrease is due mainly to the fall recorded in annual shift by the "food and beverages group" which prices increased 0.1% against 1.2% compared to the same period last year.

Eastern Europe

Retail sales in Hungary saw a y-o-y rise of 7.2% in June, following a y-o-y increase of 4.4% in May. Retail sales were up 6.2% y-o-y in June. Food sales increased 4.5%, non-food sales were up 8.1% and fuel sales increased 9.0%.

The volume of seasonally adjusted retail trade in Poland grew by 5.5% y-o-y in June. In m-o-m terms the decline was 1.4%. Throughout the EU retail trade increased by 2% y-o-y and dropped by 0.5% m-o-m. Retail sales rose by 3.8% y-o-y in June.

Western Europe

The seasonally adjusted volume of retail trade in June fell by 0.6% in the eurozone compared with the previous months. In the 28-member EU, the retail sales index also fell by 0.5% in June compared with May 2015. On an annual basis, the retail trade volume increased by 1.2% in the euro zone and by 2% in the 28-member EU. Eurozone retail trade decreased in June due to falls of 0.8% for food, drinks and tobacco and of 0.2% for non-food products, while automotive fuel remained stable.

German industrial orders rose in June thanks to strong demand from abroad, suggesting that output from industry in Europe's largest economy is likely to rise in the coming months. German goods were up by 2% on the month.

Italy's industrial production fell more in June, as it contracted in almost all sectors, reversing the rise seen in the previous month, in a sign that the recovery from the country's worst post-war recession is still fragile. Industrial output in the country fell 1.1% on the month in seasonally adjusted terms.

Consumer price inflation in Switzerland fell into negative territory in July, fuelling concerns over the threat of deflation. Consumer price inflation decreased by 0.6% from a month earlier in July. Swiss consumer prices inched up 0.1% in June. Y-o-y, Swiss consumer prices decreased at an annualised rate of 1.3% last month, after falling 1.0% in June.

North America

The US trade deficit increased in June as solid consumer spending pulled in more imports, while the strong dollar restrained exports. The trade gap jumped 7% to USD43.8 billion in June, up from USD40.9 billion in May. Imports increased 1.2% to USD232.4 billion, while exports edged lower to USD188.6 billion from USD188.7 billion.

Oil & Gas News

Crude oil futures up slightly in early Asian trade. Brent LCOc1, the global oil benchmark, was trading 12 cents higher at USD49.64, after reaching a six-month in the previous session.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
05-Aug-15	1,087.98	2.81	50.61	18.01	1.51	2.15	1.38	0.99	9787.61	89.87	33.15	25.46	25.46	3,193.06
06-Aug-15	1,089.42	2.81	49.69	17.68	1.51	2.15	1.39	0.98	9754.19	89.81	2.80	33.03	25.34	3,196.66
% Change	0.13	0.00	-1.82		-0.35	0.03	0.34	-1.24	-0.34	-0.06	-91.56	29.71	-0.45	0.11

Economic & Financial News

Research & International Division

8/8/2015

*... Net foreign reserves in Saudi Arabia's central bank fell in June ...
... US employers added jobs in July ...*

South East Asia

Cambodia's banking sector saw robust expansion in H1 2015, with loan disbursements growing by more than 33% and deposits growing by 26%. Loan disbursements increased to about USD13 billion, compared to USD9.75 billion in H1 2014.

Indonesia's tax revenue growth stagnated in the first seven months of 2015 amid a slowing economy. The government is targeting a 30% y-o-y increase in government revenue this year, to IDR1,294 trillion (USD96 billion), as it seeks to double spending for the country's roads, bridges, airports and seaports. However, the government has only succeeded in collecting IDR531.1 trillion in the January-July period, and only up 0.04% from IDR530.8 trillion in the same period last year.

Indonesia's foreign exchange reserves last month shrank by USD40 million, marking continued efforts from the central bank to prop up the persistently depreciating rupiah. Foreign exchange reserves stood at USD107.6 billion by the end of July, from USD108 billion in June.

The Lao government has invested almost LAK300 billion (USD36 million) in over 760 state investment projects in the central provinces over the first half of this fiscal year (2015-2016). In H1 FY2015/16, the government has spent over LAK2.8 trillion (USD341 million) or 58% of the total state budget on 3,283 construction projects across the country.

Bank Negara Malaysia's international reserves totalled MYR364.7 billion at end-July, a decline of MYR14.7 billion (USD3.8 billion) from two weeks ago. The reserves position is sufficient to finance 7.6 months of retained imports and is 1.1 times the short-term external debt. The reserves had fallen from the MYR379.4 billion as at July 15. The reserves position as at July 15 was sufficient to finance 7.9 months of retained imports and was 1.1 times the short-term external debt.

The Philippines' foreign exchange reserves slipped in July on the back of the strengthening US dollar as well as the decline in the price of gold in the world market. The country's gross international reserves (GIR) stood at USD80.4 billion in July, compared to USD80.6 billion in June and July last year.

Vietnam's state budget deficit reached VND100.68 trillion (USD4.66 billion) in the first seven months of 2015, accounting for 44.5% of the whole year's estimate. During the seven-month period, the government generated total revenues of VND544.6 trillion (USD25.21 billion), up 6.6% y-o-y, making up 59.8% of the whole year's estimate. Meanwhile, expenditures hit VND645.3 trillion (USD29.87 billion) in the January-July period, up 8.1% y-o-y, accounting for 56.3% of this year's estimate.

North East Asia

Chinese exports and imports fell in July, reinforcing expectations that the government will roll out more stimulus to support the world's second-largest economy. Exports slumped 8.3% y-o-y, reversing a 2.8% gain in June. Imports fell 8.1%, after a 6.1% decline in June, highlighting soft domestic demand and lower commodity prices.

Production growth in China's machinery sector slowed sharply in H1 2015, predicting a moderate rebound amid grim conditions. The sector expanded 5.7% in the H1, compared to the growth of 11.2% in the same period last year. China's total industrial production increased 6.3% in H1, and growth in the machinery sector fell short of the national average.

China's money supply (M2) grew faster in Q2, and is expected to grow even faster in the future. The outstanding broad money supply by the end of June increased 11.8% y-o-y to CNY133 trillion.

China's forex reserves in July declined by USD42.5 billion implying more capital outflows amid expectations of a fragile economic rebound and a stronger dollar. The nation's reserves dropped to USD3.65 trillion last month, down by USD42.5 billion from the level in June, the sharpest monthly decline since March.

Taiwan's exports in July fell 11.9% y-o-y, the sixth consecutive month in which they registered a drop. July exports amounted to USD23.55 billion, while imports in that month fell 17.4% y-o-y to USD19.93 billion. The trade balance for the month was favourable, reaching USD3.62 billion.

Australasia

Australia's jobless rate in July jumped to 6.3%. The jobless rate has edged up over the past year to around a decade-high, while wages growth has been weak and business investment outside the mining sector remains soft. A total of 38,500 jobs were created last month, with 12,400 of the positions added to the economy were full-time while 26,100 were part-time.

New Zealand manufacturing and export sales in June were down 6.42% y-o-y, continuing a trend that began in May. While better than the 9.13% y-o-y drop in May, the result pointed to worsening export figures. Export sales were down 11.49% y-o-y, from a fall of 7.59% in May. Domestic sales were down 1.35%, compared with a drop of 11.2% in May.

Indian Sub-Continent

India's trade deficit with China touched USD8 billion during April-May this fiscal year. The trade deficit has increased to USD48.47 billion in 2014/15, from USD36.2 billion in 2013/14.

Middle East and North Africa

Morocco's unemployment rate in Q1 2015 fell to 8.7%, from the reported 9.3% in the same period last year. The overall rate of unemployment has decreased by 37,000 people at the national level in Q1 2015.

Net foreign reserves held by Saudi Arabia's central bank in June fell to SAR2.492 trillion (USD664.5 billion), down 1.2% from the previous month. Saudi Arabia has been drawing down its reserves to cover a huge state budget deficit caused by low oil prices.

Tunisia's trade deficit at the end of July 2015 has dropped for the 7th consecutive month by 8.4%, amounting to TND7,043 million, from TND7,687.1 in the same period of 2014.

Turkish industrial production was up sharply in June, as manufacturing and energy output surged. Industrial production increased 5.5% y-o-y in June. Production was also up 2.4% m-o-m. The largest increase was in durable consumer goods with a 13.3% m-o-m jump in June.

Eastern Europe

The Czech Republic's foreign-exchange reserves rose in July, as the country's central bank made limited transactions in spot markets earlier in the month. The central bank said its end-July reserves were worth EUR51.21 billion, up from EUR51.00 billion at the end of June.

Ukraine's auto production in July rose 48.9% y-o-y to 844 units. The growth in the industry was driven mainly by an increase in passenger car output, which jumped 82.2% y-o-y to 625 units.

Western Europe

Britain's trade deficit in Q2 narrowed to its smallest in four years but worsening figures for June heightened fears for exports, held back by the strong pound. The gap between imports and exports narrowed to GBP4.8 billion in Q2, GBP2.7 billion lower than in Q1 2015. Exports rose by GBP3.1 billion to GBP74.5 billion in Q2, led by chemicals, fuel and machinery and transport equipment, while imports of goods only rose by GBP72 million.

France trimmed June budget gap to EUR58.5 billion compared to EUR59.4 billion registered a year earlier thanks to falling public expenditure. France's revenue grew by 0.6% to EUR152.4 billion while public spending stood at EUR193.8 billion, down from EUR194.4 billion.

German exports fell in June, but failed to hamper prospect of German economic growth in the coming months. German exports declined by 1% m-o-m in June. Imports also fell by 0.5% m-o-m. This was the first drop of exports since February. Adjusted net foreign trade, the balance between exports and imports, thus narrowed to EUR22 billion, but remained near its record high level.

Greek consumer prices in July fell 1.3% as a decline in housing and apparel costs caused deflation to accelerate from June's reading. The EU-harmonised deflation rate followed a 1.1% fall in June.

Greece tax revenues in H1 2015 fell 8.5% y-o-y, accompanying a 12.3% fall in public spending in the same period. These figures grimly reflect the woeful condition of the heavily indebted country's economy.

Italian revenues in H1 2015 rose by 0.7%, in line with the expected economic growth rate for the Italian economy this year. On account of higher consumer consumption, value-added tax receipts rose by 1.5%, compared with H1 2014. However, total indirect tax receipts fell by 1%. Private sector personal income tax receipts rose by 3.8%. Meanwhile, public sector income tax receipts fell by 2.3%. Income tax paid by sole traders grew by 1.2%.

Spain's industrial production in June rose by 7.5% y-o-y. The rate is more than six points higher than that of May, when industrial production had risen by 1.4%. Production of consumer goods rose by 4.4%, with production of durable consumer goods and non-durable consumer goods rising 8.4% and 4%, respectively.

North America

Canadian retail sales in May rose 1% to CAD43 billion, the third increase in four months. Sales were up in nine of 11 subsectors, representing 92% of retail trade. In volume terms, sales were up 0.4% after removing the effects of price changes.

Canada's jobs market is showing enough sustained momentum in pockets of the economy to ease worries the nation is bogged down in a recession. The economy added 6,600 jobs in July, leaving the nation's unemployment rate unchanged at 6.8%. Employment has risen by 102,500 since December.

Mexico's annual inflation rate cooled in July, posting a record low for a third month in a row, pointing to little pressure on prices from a sharp slump in the peso this year. Inflation in the 12 months through July eased to 2.74% from 2.87% in June.

US employers added a solid 215,000 jobs in July, signalling a steadily rising job market. The unemployment rate held at a relatively low 5.3% for a second straight month. Monthly job growth has averaged 211,286 so far this year, indicating that employers are confident that the six-year recovery from the Great Recession can sustain strong consumer demand and require more workers.

South America

Brazil's inflation in July has hit a 12-year high of 9.56%. The rising cost of electricity, in particular, has pushed the rate to its highest level since November 2003. High inflation is compounding Brazil's economic woes. Weaker demand for Brazil's commodities, particularly from the slowing Chinese economy, is the main reason behind the slowdown.

Oil & Gas News

Crude oil dipped on Friday, heads for 6th weekly loss on gasoline glut. Brent LCOc1 settled down 91 cents, or 1.8%, at USD48.61 a barrel on Friday, after touching a more than six-month low of USD48.45.

Commodity News

Copper prices fell Friday as losses in crude oil prompted some investors to shed positions across the commodities sector. The most actively traded contract, for September delivery, fell 0.85 cents, or 0.4%, to settle at USD2.3325 a pound on the Comex division of the NYME.

Gold rose on Friday as investors assessed US non-farm payrolls data that may indicate the Federal Reserve will delay an immediate interest rate hike. Spot gold, which hit a session low of USD1,082.76 an ounce immediately after the US jobs report, managed to rebound 0.5% to USD1,094.54 by 2:31 p.m. EDT (1831 GMT).

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
06-Aug-15	1,089.42	2.81	49.69	17.68	1.51	2.15	1.39	0.98	9754.19	89.81	2.80	33.03	25.34	3,191.39
08-Aug-15	1,094.15	2.80	48.61	17.36	1.51	2.16	1.38	0.99	9777.08	90.13	2.81	33.08	25.42	3,196.66
% Change	0.43	-0.36	-2.17		0.31	0.42	-0.11	0.48	0.23	0.35	0.42	0.18	0.28	0.17

Economic & Financial News

Research & International Division

11/8/2015

*... Russian economy was 4.6% y-o-y smaller in Q2 2015 ...
... Oil prices fall after China devalues yuan ...*

South East Asia

Cambodia's fledgling insurance industry earned a total premium of USD32.2 million in H1 2015, up 20% y-o-y from USD26.8 million. The remarkable rise in the insurance revenue is attributed to better economic situation and greater inflows of FDI into Cambodia.

Malaysia's June industrial production rose 4.3% y-o-y, slightly short of market predictions due to lower electricity demand. June's exports grew 5% y-o-y, a sharp rise from May's decline of 6.7%, as shipments to China surged to its highest level since January 2014.

Malaysia's manufacturing sales value rose 1.7% y-o-y to MYR54.3 million in June 2015 from MYR53.3 million. M-o-m, manufacturing sales value surged 6.8% and on a seasonally adjusted basis, the value increased by 5.3%. The average wages and salaries paid per employee in June climbed by 6.7% annually and it grew by 3.4% from the preceding month.

Singapore's GDP growth for 2015 has been narrowed to between 2 and 2.5%, after the sharp economic slowdown in Q2 2015. The economy grew by 1.8% on a y-o-y basis in Q2, slower than the 2.8% growth in the preceding quarter. On a q-o-q basis, the economy contracted by 4%, a reversal from the 4.1% growth in the preceding quarter.

Singapore's non-oil domestic exports rose by 2.1% y-o-y in Q2 2015. The gain was significantly slower than the 4.8% growth in the previous quarter. On a yearly basis, electronic exports grew slightly by 0.1% in Q2, after the 1.2% increase in the previous quarter. The increase was largely due to higher domestic exports of PCs, integrated circuits and telecommunications equipment.

The Philippine FDI have posted inflows of USD403 million in May, 6.8% y-o-y lower, as reinvestment of earnings and placements in debt instruments plunged. Net equity capital investments more than doubled in May to reach USD160 million from USD75 million during the same month last year.

North East Asia

China's producer prices continued to fall in July, pointing to looming deflation risk. The producer price index (PPI) fell 5.4% y-o-y in July, widening from the 4.8% drop seen a month earlier. The July reading dipped to the lowest level since the end of 2009 and marked the 41th straight month of decline.

China's consumer prices rose to 1.6% y-o-y in July, the highest level seen in 2015. On a monthly basis, consumer prices edged up 0.3% in July. For the first seven months, CPI increased 1.3% y-o-y. It was attributed the CPI hike mainly to higher pork prices. Costs for medical care, vegetables, housekeeping, tobacco, education were also on the rise.

China's new yuan-denominated lending rose sharply in July, thanks to the central bank's easing measures such as interest rate cuts and the government's continuing pro-growth measures. New yuan loans hit CNY1.5 trillion during the last month, up CNY1.6 trillion from a year earlier.

Japan posted 12 straight monthly balance of payments gains in June, taking the half-year surplus to its highest in five years as overseas income and tourism receipts prospered. June's current account surplus was JPY558.6 billion. The gain was driven by a rising primary income surplus, and a gain in the travel account due primarily to growth in tourist numbers.

Japanese consumer confidence tumbled in July to the lowest in six months, raising the risk of weakness in spending that could weigh on the economy this quarter. An index of confidence dropped to 40.3 from 41.7 in June.

South Korea's overseas direct investment rose 12.1% y-o-y in H1 this year, fuelled by local businesses' efforts to strengthen their presence in the US and some Southeast Asian countries. Companies invested a combined USD17.5 billion abroad in the H1 period, compared with USD15.6 billion a year earlier.

South Korea's exports of ICT products dropped in July, partly due to a slowdown in the global market. Outbound shipments of ICT products amounted to USD13.7 billion in July, down 3.9% from the same month last year. The cut in exports was largely attributed to worsening global market conditions.

Import prices in South Korea fell in July, extending their on-year fall to a 35th consecutive month, due mainly to weaker global oil prices. In local currency terms, import prices dropped 13.7% in July, slightly slowing from a 14.1% on-year drop in June. Import prices of coal and oil products dropped 36.9% on-year in July, compared with a 33.7% fall a month earlier.

Taiwan's steel exports for H1 this year fell almost 20% as oversupply sent product prices into a tailspin. The expansion of steel production capacity in China has exacerbated the global supply glut. In H1 2015, steel exports fell 19.4% y-o-y to USD4.3 billion.

Australasia

Australia's consumer confidence has fallen, handing back the gains made in previous weeks. The ANZ/Roy Morgan weekly consumer confidence index fell 0.4% to 112.5 in the first full week of August, after gaining 5.5% in the previous three weeks.

Indian Sub-Continent

Expatriate Bangladeshis have sent home about USD1.4 billion last month, the third highest amount remitted in a month. The amount, however, is about USD53 million less than June. Bangladesh received USD1.5 billion, its highest remittance in a month, in July last fiscal. Expatriates had sent home more money in June ahead of Eid-ul-Fitr in mid-July.

Pakistan's exports dropped 16.9% to USD1.6 billion in the first month of the current fiscal year of 2015/16 as there was a subdued demand of the country's textiles in the EU. The country exported USD1.9 billion worth of products in July 2014. The declines in exports were due to low demand, especially of textile products, from the EU and other developed world. In July 2015, imports rose 4% to USD3.4 billion from USD3.2 billion recorded in July 2014. July exports dipped 20.7% over USD2.016 billion recorded in the previous month of June.

Middle East and North Africa

The annual inflation rate for the Abu Dhabi has increased during Q1 2015 by 1.4% compared to Q4 2014, reaching about 5%, and recorded its highest level since January 2014.

Egypt's core annual inflation rate dropped to 6.5% in July, down from 8.1% in June. Inflation spiked in Egypt after the government slashed subsidies in July 2014, pushing up fuel prices by as much as 78%.

Sudan's inflation rate slowed to 14.1% in July from 18.3% in June. Prices soared in Sudan after South Sudan seceded in 2011, taking with it three-quarters of the country's oil output. Fuel subsidy cuts introduced in 2013 also pushed up inflation.

Eastern Europe

Hungary's exports and imports rose 13.4% and 8.9% respectively y-o-y in June. Exports amounted to EUR8 billion and imports to EUR7.2 billion in June. The surplus on the trade balance was EUR820 million, EUR362 million higher than in the same month last year.

Russian economy was 4.6% y-o-y smaller in Q2 2015 in the wake of plummeting oil prices and Western sanctions. The sharp quarterly decline reported is more than double the 2.2% y-o-y contraction recorded in the previous quarter.

Western Europe

European Central Bank funding to Greek lenders fell by EUR1.5 billion in July due to cash deposit inflows that month. Emergency funding, which is more costly than borrowing from the European Central Bank, fell to EUR85.3 billion in July from EUR86.8 billion in June.

Oil & Gas News

Oil prices fall after China devalues yuan. As a result, front-month Brent futures LCOc1 were at USD50.10 a barrel at 0632 GMT, down 31 cents from their last close. U.S. crude CLc1 fell 39 cents to USD44.57.

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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11-Aug-15	1,112.56	2.84	50.8	17.89	1.54	2.18	1.40	0.97	9737.10	89.21	2.84	32.88	25.26	3,154.16
% Change	1.68	1.43	4.51		2.28	1.00	1.10	-1.18	-0.41	-1.02	1.17	-0.63	-0.60	-1.33

Economic & Financial News

Research & International Division

12/8/2015

*... Japan government's debt hit a record high in June ...
... OPEC oil supply recorded a three-year high in July ...*

South East Asia

Indonesia's exports of coal in the January-July period witnessed a steep decline of 18% y-o-y to 186.8 million tons as weakening global economy has sapped demand. Indonesia's coal outputs also decreased by 15% y-o-y to 232.9 tons in the same period. As much as 46.1 million tons of the total January-July's production was sold in domestic market.

The Philippines' exports plunged for the third consecutive month in June despite the recovery of the electronics sector. Merchandise exports fell by 3.3% y-o-y to USD5.3 billion on account of lower revenues from total agro-based and mineral products.

The Philippines' automotive sales sustained their robust stride in July on the increased purchasing power of consumers and improving economy. Vehicle sales rose 18% y-o-y to 24,569 units from 20,730 units, bringing the total turnover in the first seven months of 2015 to 156,034 units.

North East Asia

China's automobile production and sales posted negligible growth in the first seven months of 2015. Auto production rose 0.8% y-o-y to 13.6 million vehicles, while sales increased 0.39% to 13.3 million. The first seven months' growth of output and sales decelerated drastically from growth in the H1 period, which stood at 2.64% and 1.43%, respectively. The slower growth was attributed mainly to the fall in commercial vehicle output and sales.

China's fiscal revenue in July rose 12.5% y-o-y, while fiscal expenditure jumped 24.1% y-o-y. For the first seven months, fiscal revenue rose 7.5% y-o-y and fiscal expenditure rose 13.4%.

Japan government's debt hit a record JPY1.057 quadrillion in June, up by JPY3.87 trillion from the end of March. The latest figure means that the government owed JPY8.32 trillion per person based on the nation's estimated population of 126.95 million as of July 1.

Japan's wholesale prices in July fell 3% y-o-y, the sharpest decline in more than five years, weighed down by falling crude oil prices. The index of corporate goods prices slid for the fourth straight month to 103.4 against the 2010 base of 100.

South Korea's retail sales recovered modestly from the sharp decline caused by the outbreak of MERS. Sales in department stores rose 0.9% y-o-y in July after tumbling 11.9% in the previous month. Revenue in discount outlets slid 1.9% last month, down from a 10.2% drop in June.

Unemployment rate in South Korea in July fell to a seasonally adjusted annual rate of 3.7%, from 3.9% in the preceding month.

Household loans extended by South Korean lenders slightly slowed in July but still remained high on robust home transactions. Outstanding household loans extended by local banks totalled KRW601.9 trillion (USD509.1 billion) as of the end of last month, gaining KRW7.4 trillion from June.

Indian Sub-Continent

The Indian government's indirect tax collections in July grew 39.1% y-o-y, bolstered by significant growth in excise and service tax collections due to changes in the tax rates. Indirect tax revenue collections have increased to INR56,739 crore in July 2015, from INR40,802 crore in July 2014.

Pakistan local car assemblers have started the new fiscal year with a positive growth of 129% y-o-y. During July 2015, the local vehicle sales including LCVs, Vans and Jeeps stood at 15,909 units.

Middle East and North Africa

Bahrain's unemployment rate in June fell to 3.1%, down from 3.5% in March.

Egypt's annual headline inflation rate in July stood at 8.38%, a reduction from June's rate of 11.39%. Meanwhile, the year's fuel prices remain stable. In July of last year, a cut in fuel subsidies raised commodity prices by up to 78%, sending inflation to its highest monthly increase in six years.

Jordanian inflation in the first seven months of 2015 went down by 0.6% y-o-y. Main item groups that contributed to the drop are transportation (14%), fuel and lighting (11.7%), vegetables, and dried and canned legumes (2%), beverages (1.1%) and personal objects (3.5%).

Kuwait's exports were KWD4 billion in Q1 2015, falling 46% y-o-y, and imports were KWD2.3 billion, rising 11.1% y-o-y. In Q1 2015, balance of trade was KWD1.7 billion, while it was KWD5.4 billion in Q1 2014, a decrease of 68.0%.

Turkey's current account deficit narrowed in June to USD3.36 billion from USD4.44 billion in May, helped by a fall in the oil price that has cut the cost of energy imports.

Western Europe

Greece has reached an agreement on a third bailout with its international creditors that will help the debt-laden country stay afloat in the euro zone and restore economic growth.

North America

Canadian housing starts fell in July but were broadly in line with demographic fundamentals and analysts said housing remained a bright spot in Canada's otherwise sluggish economy. The seasonally adjusted annualised rate of housing starts fell to 193,032 in July from a downwardly revised 202,338 units in June, the Canadian Mortgage and Housing Corp reported.

Mexican industrial output rose in June, bouncing back from a steep drop in the previous month as manufacturing, construction and oil production picked up. Industrial output rose 0.2% m-o-m in June. Factory output edged up 0.1% from m-o-m.

US labour productivity rebounded slightly in Q2 after falling over the previous six months. Nonfarm business sector labour productivity increased at a 1.3% annual rate during the April-June period, following a decline of 1.1% in Q1. On a y-o-y basis, the productivity increased 0.3%, reflecting moderate economic growth in the quarter.

Oil & Gas News

The OPEC oil supply recorded a three-year high in July, reaching 31.51 million barrels a day. OPEC, accounting for over 30% of global oil supplies in July, increased its output by 100,700 barrels a day to 31.5 million barrels a day.

Crude oil prices fell again on Wednesday as China allowed its currency to fall sharply for a second day, triggering concerns over the country's economic health just as oil production hit multi-year highs. Benchmark Brent futures LCOc1 were down 31 cents at USD48.87 per barrel at 0251 GMT.

Currency News

The Singapore dollar hit a fresh five-year low on Wednesday as China's central bank fixed its daily yuan mid-point weaker again. The city-state's currency fell nearly 1% to 1.4150 per the US dollar, its weakest since June 2010.

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-Aug-15	1,112.56	2.84	50.8	17.89	1.54	2.18	1.40	0.97	9737.10	89.21	2.84	32.88	25.26	3,154.16
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% Change	-0.20	0.70	-3.88		-0.57	-0.29	-0.05	0.18	-0.34	-0.03	-0.57	-0.19	-0.02	-2.58

Economic & Financial News

Research & International Division

12/8/2015

*... Japan government's debt hit a record high in June ...
... OPEC oil supply recorded a three-year high in July ...*

South East Asia

Indonesia's exports of coal in the January-July period witnessed a steep decline of 18% y-o-y to 186.8 million tons as weakening global economy has sapped demand. Indonesia's coal outputs also decreased by 15% y-o-y to 232.9 tons in the same period. As much as 46.1 million tons of the total January-July's production was sold in domestic market.

The Philippines' exports plunged for the third consecutive month in June despite the recovery of the electronics sector. Merchandise exports fell by 3.3% y-o-y to USD5.3 billion on account of lower revenues from total agro-based and mineral products.

The Philippines' automotive sales sustained their robust stride in July on the increased purchasing power of consumers and improving economy. Vehicle sales rose 18% y-o-y to 24,569 units from 20,730 units, bringing the total turnover in the first seven months of 2015 to 156,034 units.

North East Asia

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Economic & Financial News

Research & International Division

13/8/2015

*... China's fiscal expenditure rose 24.1% in July ...
... US federal government budget deficit widened in July ...*

South East Asia

Cambodia attracted about 2.3 million foreign visitors in the H1 of 2015, an increase of 5.6% compared with the same period last year. Tourism is one of the four pillars supporting the economy. The country attracted 4.5 million foreign visitors last year, generating the gross revenue of more than USD3 billion.

Malaysia's economy expanded by a moderate 4.9% in the Q2 of 2015, compared with 5.6% in the Q1. The private sector remained the key driver of growth during the quarter. Private consumption expanded at a more moderate rate of 6.4% compared with 8.8% in the last quarter as households adjust to the implementation of the Goods and Services Tax (GST) in April.

The Philippines left its benchmark interest rate unchanged for a seventh straight meeting as policy makers gauge the impact of China's currency devaluation and gird for an impending increase in borrowing costs by the Federal Reserve. Bangko Sentral ng Pilipinas kept the rate it pays lenders for overnight deposits at 4%.

Thailand's public debt ceiling will likely increase by 17.8% to THB1.72 trillion in the next fiscal year, the highest in six years, to support new investment and expansion projects by state enterprises.

North East Asia

China retail sales grew 10.4% in the first seven months, growth in rural areas continued to outpace that in cities. Sales in rural areas rose 11.9% in July and 11.6% in January-July period, in contrast to the 10.3% and 10.2% growth seen in urban areas.

China's value-added industrial output expanded 6% y-o-y in July, down from 6.8% for June. It was attributed the drop mainly to flagging external demand, a weak property sector and less production of some consumer goods, including automobiles and cigarettes.

China's fixed-asset investment grew 11.2% y-o-y to CNY28.85 trillion (USD4.5 trillion) in the first 7 months of 2015. The growth retreated from 11.4% registered in the H1 and much lower than 17% in the corresponding period of last year.

China's electricity output fell 2% y-o-y to 509 billion kilowatt-hours in July. The total electricity output in Jan-July reached more than 3.2 trillion kilowatt-hours, up 0.4% y-o-y.

China's fiscal expenditure rose 24.1% y-o-y to CNY1.27 trillion (USD201 billion) in July, signalling governmental efforts to stimulate economic activity. Total fiscal spending in the first seven months amounted to CNY9 trillion, up 13.4% y-o-y, with spending on social security and employment up 21.4% to CNY1.17 trillion.

FDI in the Chinese mainland rose 5.2% y-o-y in July to CNY50.6 billion (USD8.2 billion). The growth was an acceleration from the 0.7% rise recorded in June. Hi-tech services and manufacturing are attractive to foreign investors, with major international firms increasing their investment.

Japan's core private-sector machinery orders fell a seasonally adjusted 7.9% in June from the previous month for the first decline in four months, signalling a possible dent in corporate investment demand. The value of orders totalled JPY835.9 billion (USD6.72 billion).

South Korea posted a trade surplus for the 42nd month in a row in July as imports dropped at a much faster pace than exports. The country's trade surplus reached USD7.72 billion last month, up significantly from USD2.34 billion the year before. Exports contracted 3.4% on-year to USD46.56 billion in July, while imports nosedived 15.3% to USD38.84 billion.

South Korea's central bank left its key interest rate unchanged at a record-low 1.5%, despite few indications that a looser monetary policy is boosting economic growth.

Australasia

New Zealand's food prices increased by 5.7% and the price of fruit and vegetables accounted for more than half the overall increase in the year to end of the last month.

New Zealand's manufacturing activity expanded at a slower pace in July as a downturn in the dairy sector started to weigh on industrial production. The BNZ-Business performance of manufacturing index (PMI) fell to 53.5 last month from 55.1 in June.

Indian Sub-Continent

Bangladesh's trade deficit ballooned in the last fiscal year 2014-15 concluded in June on the back of an increase in imports. Trade deficit in the last fiscal year 2014-15 (July 2014-June 2015) surged 45.97% to about USD10 billion compared to a year earlier.

Indian inflation rate declined to an eight-month low of 3.78% in July from nine-month high of 5.4% in June as the rate of price rise declined sharply in food items, raising hopes of the Reserve Bank of India (RBI) cutting the policy rate before or in the September monetary review.

Middle East and North Africa

Most prices of imported products by Algeria fell during the first five months of 2015 compared to the same period of 2014. The decrease mainly concerned those of raw food materials and cement. The import prices were down 42% for milk powder, 19% for crude oils, 18% for maize, 17% for white sugar, and 14% for soft wheat.

Western Europe

Britain saw 1.85 million unemployed people in the Q2, 25,000 more than the Q1 in 2015, though 221,000 fewer than a year earlier. British unemployment rate was 5.6% in the Q2 of 2015, little changed compared with the Q1 this year, but lower than the 6.3% in the same period a year earlier. In the same period,

British employees' total pay including bonuses increased by 2.4% in the Q2. Claims for unemployment benefit, however, fell by 4,900 to a total of 792,400 in July 2015 from the previous month.

Dutch retail sales climbed at the fastest pace in seven years in June, the latest sign of a Dutch economic recovery. Retail sales rose 4.7% y-o-y in June, following a revised 1.4% fall in May, the best reading since before the financial crisis.

France's CPI decreased by 0.4% at the end of July from a month earlier mainly due to seasonal falls in manufactured goods. Y-o-y, it rose 0.2%. The July price fall stemmed mainly from a 3.1% decline in manufactured goods due to a sharp decrease in clothing and footwear prices which shrank 14.4% due to summer sales.

Inflation in Germany slowed fractionally in July with consumer prices rising by just 0.2% y-o-y. In June, the index had risen by 0.3% on a 12-month basis. The slowdown was caused by a decline in energy prices.

The Greek economy grew by 0.8% in the Q2 of the year, confounding expectations of a steep contraction. The official figures revised a reading of 0.2% negative growth in the Q1 to a flat reading, showing no change in economic activity.

Ireland's industrial production saw highest increase among the member states of the EU in June when compared to the same month of 2014. Ireland saw growth of 27.6% when comparing June 2015 to June 2014.

Foreign investment in Spanish firms reached EUR28.5 billion in the first seven months of the year. However, the figure could be even higher as data includes completed and announced investments but not those whose figure is unknown or below EUR20 million.

Spain's consumer prices rose by 0.1% in July when compared with the same month a year earlier. Prices of items related to housing fell by 0.1% in July on a y-o-y basis, with prices of gas and fuel for heating falling and those of electricity rising.

North America

Americans bought more cars, restaurant meals and building supplies in July. The spending points to steady economic growth anchored by the improving job market. The US retail sales climbed 0.6% last month, after experiencing a flat June. Sales have increased 2.4% over the past 12 months, evidence that consumers are becoming more confident as the economy entered its seventh year of recovery from the Great Recession.

The US federal government budget deficit widened in July, as some of government payments were shifted to the month from August. The budget deficit stood at USD149.2 billion in July, compared with a deficit of USD94.6 billion last July.

US businesses boosted their stockpiles in June by the largest amount in more than two years. Businesses increased their stockpiles by 0.8% in June, the biggest increase since January 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
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13-Aug-15	1,121.90	2.92	49.89	17.09	1.56	2.20	1.41	0.98	9782.82	88.67	2.85	32.79	25.17	3,098.84
% Change	1.04	2.10	2.17		1.71	0.91	0.97	0.12	0.81	-0.58	0.68	-0.08	-0.35	0.85

Economic & Financial News

Research & International Division

18/8/2015

*... The number of jobseekers aged 18 to 59 years in Brunei has increased by 1.5% m-o-m ...
... The Czech Republic has the fastest expanding economy in Europe in Q2...*

South East Asia

The number of jobseekers aged 18 to 59 years in Brunei has increased by 1.5% m-o-m from 13,854 persons in May 2015 to 14,065 persons in June 2015. Out of this total, 64% had secondary education as their highest education attainment. These changes are due to an addition of 586 persons who have just registered as job seekers and also a reduction of 375 persons who have either acquired jobs or are not interested to seek employment and so on.

The value of Cambodia's international trade increased by about 9% y-o-y in H1 this year. The overall value of Cambodia's trade with other countries rose to USD9.8 billion in H1, compared to USD9.0 billion last year. Exports also rose by 9.5% to USD4.1 billion this year, up from USD3.8 billion last year. The rise was largely driven by the garment sector.

Cambodia exported 61,969 tons of dry rubber in H1 2015, an increase of 47% from 42,189 tons last year. During the H1 this year, the country earned a gross revenue of USD84.2 million from the export of dry rubber, up 12% from USD75 million over the same period last year.

Philippine remittances from overseas Filipinos increased by 5.8% y-o-y to USD2.4 billion in June. The June remittances brought the personal remittances for the first semester of the year to USD13.4 billion, 5.3% higher compared to USD12.7 billion from a year ago level.

Singapore's non-oil domestic exports (NODX) declined by 0.8% y-o-y in July. The decline in exports came after a 4.5% growth in June. The contraction was due to a decrease in non-electronic NODX which outweighed the rise in electronic NODX.

Thailand's economy grew slightly in Q2 but remained sluggish, putting more pressure on the military government to boost sputtering activity as it enters its second year in power. The economy grew 0.4% in Q2 on a seasonally-adjusted basis, barely edging up from 0.3% in the previous quarter.

North East Asia

Japan's GDP shrank an annualised 1.6% in Q2 2015, contracting for the first time in three quarters. The real GDP of Japan in the three month period from Q2 was down 0.4% from the previous quarter. Exports declined 4.4%, marking the first contraction in six quarters due to sluggish shipments of electronics devices amid slowing growth in some emerging economies and imports also saw a decline of 2.6%.

South Korea's steel imports climbed 2.3% y-o-y in July on the back of increased shipments from China. Steel imports came to 2.0 million tons last month, compared with the 1.9 million tons tallied in the previous year.

Australasia

Australia's consumer confidence has risen to a one-and-a-half-month high, driven by an improvement in people's attitudes to the economy and their personal finances compared to a year ago. The ANZ-Roy Morgan weekly consumer confidence index rose 0.6% to 113.2 in the last week, after falling 0.4% the previous week.

Indian Sub-Continent

Pakistan received FDI of USD75 million in the first month of 2015-16, which is up 307.6% from the FDI received in the same month of the preceding fiscal year. FDI increased by USD56.6 million y-o-y in July, as it amounted to USD18.4 million in the same month of 2014-15. The huge difference in FDI in July is mainly on the back of the FDI in the power sector, which clocked up at USD33.1 million against the corresponding figure of USD3.3 million only.

Pakistan's oil import bill was slashed down by 21.3% as it was reduced to USD11.7 billion in the last financial year 2014-15 against USD14.9 billion in the same period of the previous fiscal year 2013-14.

Middle East and North Africa

Algeria's central bank has allowed the country's currency to depreciate to curb rising imports amid falling oil revenues. Imports are expected to reach USD57.3 billion in 2015, by far exceeding exports for the first time.

Egypt's unemployment rate edged down to 12.7% y-o-y in Q2 2015, from 12.8% in the Q1 and below the 13.3% recorded for the same period last year. Egypt's labour force added 66,000 new jobs during the Q2 quarter to reach 27.8 million.

Kuwait has approved projects a worth a total of around KWD3 billion (USD9.9 billion) for the construction of a series of power plants, desalination facilities and other infrastructure projects.

Kuwait's inflation rate rose to 3.5% y-o-y in June, though there were indications that pressures have eased in the last three months. Housing inflation continued to rise in June to 6.5% y-o-y, though pressure appears to be waning in Q2.

The prices of diesel oil and premium gasoline in Morocco drop starting on Sunday. The price of diesel oil will decline by 35 cents per liter to reach MAD8.20 per liter, while the price of premium gasoline will drop by 35 cents per liter to reach MAD10.53 per liter. The new prices will be enforced until August 31.

Total assets of the Central Bank of Oman rose 7.4% to OMR7.8 billion at the end of June this year, compared with OMR7.3 billion in the corresponding period last year. This rise was supported by the central bank's foreign assets, which amounted to OMR7.3 billion, up OMR277 million from a year earlier

The Omani sultanate's crude oil production has hit new highs. Amid the global supply glut and falling prices, Oman, a leading non-OPEC producer, boosted daily average production in July beyond the 1 million-barrel mark for the first time in its history. Daily production averaged 1,001,082 barrels, which was 0.48% higher from a month earlier.

Oman inflation rate rose 0.46% y-o-y in July. The price rise was up 0.53 per cent on a m-o-m basis.

Turkey's unemployment rose to 9.3% y-o-y in Q2, underscoring the lacklustre state of an economy that has been bruised by political uncertainty.

Wages in the UAE's construction sector rose by 17.4% in the 12 months to July 2015. With inflation in the capital rising by approximately 5% in the 12 months to June. Average salaries in the UAE grew by 6.2% in 2014 – about half the pace of wage rises the construction sector.

Eastern Europe

The Czech Republic has the fastest expanding economy in Europe in Q2, with a freshly issued first estimate putting y-o-y growth at 4.4%. It followed GDP expansion of 4% in the first three months of 2015.

Poland's GDP in Q2 2015 grew by 3.3% y-o-y and by 0.9% q-o-q. Poland's Q2 GDP growth was built on domestic demand with weaker q-o-q contribution from net exports.

South America

Colombia produced an average of 945,000 barrels per day (bpd) in July, down 6% from June, when output averaged slightly more than 1 million bpd. Production has averaged 1.01 million bpd so far this year.

Peru's economy grew by 3.9% y-o-y in June a strong uptick from May and one of the fastest monthly expansions of the past year. Peru's mining-fuelled economy has slowed sharply in the past 1-1/2 years as weak mineral prices have curbed investment.

Oil & Gas News

Oil prices dipped again in early Asian trading on Tuesday as traders expected lower refinery consumption after the US summer, while Asia's weakening economies and high global production raised concerns about oversupply. Brent futures LCOc1 were at USD48.61 a barrel, down 13 cents but still some way from their 2015-low of USD45.19.

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18-Aug-15	1,118.15	2.73	48.6	17.80	1.56	2.20	1.41	0.96	9789.53	88.32	2.92	32.86	25.10	3,072.70
% Change	-0.33	-6.51	-2.59		0.03	0.35	-0.25	-1.51	0.07	-0.40	2.63	0.23	-0.27	-0.84

Economic & Financial News

Research & International Division

19/8/2015

*... Foreign visitors to Japan surged in July ...
... German parliament majority voted to back a third bailout for Greece ...*

South East Asia

Indonesia witnessed a surge in trade surplus in July as import was down more sharply than export amid subdued economic growth. The country recorded USD1.33 billion trade surplus in July. Import fell by 28.44% y-o-y to USD10.08 billion in July, and export scaled down by 19.23% y-o-y to USD11.41 billion in July. This was because of the weakening of currency, especially the appreciation of the US dollar against other currencies.

Bank Indonesia kept its benchmark BI rate unchanged at 7.50% as it focuses on rupiah stability after the recent yuan devaluation heightened global uncertainties amid expectations for an interest-rate increase in the United States.

Vietnam's gold consumption in Q2 fell by 23% q-o-q to 14.5 tons. Of the total volume, gold bars accounted for 10.8 tons, down 25% q-o-q, and jewellery made up the remainder, down 16%. The gold consumption in Vietnam in the first half of the year totalled 33.3 tons, almost equivalent to 48% of last year's figure.

Vietnam's building steel output in July rose by 51.5% y-o-y to 613,000 tonnes, marking the record high in the past 10 years. The steel output in the first seven months of the year rose 28% y-o-y to 3.6 million tonnes, while consumption was 3.5 million tonnes.

North East Asia

The State Council of China decided to extend tax breaks to more small businesses for their roles in generating jobs and growth. From Oct. 1, 2015 to the end of 2017, companies with annual taxable income under CNY300,000 (USD46,900) will have their corporate tax halved. Previously, the threshold was CNY200,000.

China's exports are likely to stay in positive territory this year although negative growth cannot be ruled out for a few months. The exports fell 0.9% y-o-y in the first seven months of the year, with exports in July alone slumping 8.9%, compared with a 2.1% increase in June. In July 2014, exports had increased by 14.5% y-o-y.

The People's Bank of China injected CNY120 billion (USD18.7 billion) worth of seven-day reverse repurchase agreements, or short-term loans to commercial lenders, into the interbank market.

FDI into China in July rose 5.2% y-o-y, largely on the back of mergers and acquisitions (M&A) by overseas firms. Overall FDI was USD8.22 billion last month, and USD76.63 billion in the first seven months of the year, a 7.9% increase.

Japan's goods trade deficit for July stood at JPY268.1 billion (USD2.16 billion). The country's export, on a customs-cleared basis, rose 7.6% y-o-y, while imports dropped 3.2% y-o-y.

Foreign visitors to Japan in July surged 51% y-o-y to 1,918,400, hitting a monthly record. The cumulative number of visitors to Japan in the January-July period stood at 11,058,300, topping 10 million at its fastest annual pace. The increase was led by growth in visitors from Asia thanks to the yen's weakening, relaxed visa requirements and a rise in the number of flights to Japan.

South Korea's beer imports in the first seven months of this year soared amid their growing popularity among local drinkers. The value of beer imports reached USD77.6 million in the January-July period, up 23.7% from USD62.7 million a year earlier.

Producer prices in South Korea declined for the 12th straight month in July, tracking a fall in global oil prices. The producer price index reached 101.43 in July, down 4% y-o-y. It also slipped 0.3% m-o-m.

Production in Taiwan's manufacturing sector is likely to drop this year as lower international crude oil prices have eroded the pricing power of local petrochemical firms. Weakening worldwide demand for high-tech gadgets, signs of a declining global economy, and a stronger US dollar have affected purchasing power in emerging markets.

Australasia

New Zealand producer prices fell in Q2, led by lower prices for milk and electricity generation. Prices received by producers slipped 0.2% in the three months through June for a 2.2% annual decline.

Middle East and North Africa

Iran may cut gas exports to supply more to domestic petrochemical producers, which are in the process of boosting production a month after the country clinched a landmark nuclear deal with six world powers.

Morocco's consumer price inflation rose to an annual 2.4% in July, from 2% in June as food prices soared. Food inflation was up to 3.8%, from 2.5% in the 12 months to June. Non-food price inflation eased to 1.3%, after rising 1.5% in the previous month.

Morocco's trade deficit in the first seven months of 2015 fell by 20.5% to MAD92.38 billion (USD9.45 billion) compared with a year earlier, due to lower energy imports as oil prices fell.

Qatar delays reform to protect salaried workers. Qatar has been criticised over workers' safety, late and incomplete wages and the so-called 'kafala' system under which companies may stop employees from leaving. In February, Qatar's emir approved amending labour laws to make companies pay salaried workers by electronic bank transfer. Firms were given six months before the Wage Protection System came into force but the government has now delayed its launch until Nov. 2.

The unemployment rate in Tunisia increased during Q2 2015 reaching 15.2%, compared to 15% in Q1 2015. The number of jobless people reached 605,100 out of the total of the workforce estimated at 3,199,000.

Tunisia's economy in Q2 2015 grew 0.7%, compared with the growth of 1.7% in the first three-month period of the year.

Turkey's central bank left interest rates unchanged at 7.50% after a drop in food and energy prices eased inflationary pressures, maintaining a cautious stance as political tensions drive the lira to record lows.

The Central Bank of UAE announced that the money supply aggregate M1 decreased by 0.7%, from AED464.1 billion at the end of June to AED460.8 billion at the end of July 2015.

The UAE and its neighbours are working towards introducing value-added tax in the region but don't yet have a consensus on tax rates and exemptions. Introducing VAT would be a major economic reform in the GCC states, which have minimal tax systems.

Western Europe

Britain's 12-month CPI in July rose by 0.1%, up from 0% growth in the year to June. A smaller drop in clothing prices on the month compared with a year ago was the main contributor to the rise in inflation. However, falling prices of food and non-alcoholic beverages partially offset the rise.

The German parliament majority voted to back a third bailout for Greece worth EUR86 billion over three years, bringing the new rescue package a big step closer despite the lack of a formal commitment so far from the International Monetary Fund to share the burden.

The European Central Bank (ECB) reduced the maximum level of emergency aid available to Greek banks in a sign the country's financial tensions are easing after a rescue package was agreed with creditors. The ECB's Governing Council decided to cut the ceiling on Emergency Liquidity Assistance provided by the Bank of Greece to EUR89.7 billion from EUR90.4 billion.

North America

US consumer prices inched up in July, extending a slow annual rise since April as the Federal Reserve plans an interest rate increase this year. Its CPI ticked up by 0.1% in July, slowing from a 0.3% gain in June and the smallest monthly increase since April.

South America

Chile's economy in Q2 expanded 1.9% from the same period a year earlier due to gains in a number of sectors, especially services and construction.

Currency News

Malaysia's ringgit fell as the fastest inflation in a year fuelled speculation that interest rates will be raised amid an economic slowdown. The ringgit dropped 0.4% to 4.1033 per dollar in Kuala Lumpur, after rising as much as 0.3% earlier, prices from local banks compiled by Bloomberg show. It reached 4.1340 on Monday, the lowest level since 1998.

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-Aug-15	1,118.15	2.73	48.6	17.80	1.56	2.20	1.41	0.96	9789.53	88.32	2.92	32.86	25.10	3,072.70
19-Aug-15	1,121.93	2.70	48.72	18.04	1.56	2.19	1.41	0.96	9841.55	88.44	2.93	32.95	25.26	3,046.38
% Change	0.34	-1.10	0.25	-0.22	-0.45	-0.10	0.09	0.53	0.14	0.29	0.26	0.62	-0.86	

Economic & Financial News

Research & International Division

20/8/2015

*... Malaysia's halal exports hit RM 10 billion mark ...
... Iraq oil exports drop by 250,000 bpd in August ...*

South East Asia

Asean's real GDP grew 4.6% to reach USD2.57 trillion in 2014. The sustained growth in GDP led to an increase in the GDP per capita from USD3,908 in 2013 to USD4,130 in 2014, the Asean Secretariat said. The services sector continued to be the biggest contributor to growth at 50.1% of the region's total GDP in 2014.

Indonesia is one of the world's largest energy subsidy providers and ranks seventh worldwide, the International Energy Agency's World Energy Outlook 2014 reported. Currently, the biggest subsidies for energy in Indonesia are reserved for electricity. In the Revised State Budget for 2015, the government allocated IDR73.1 trillion (USD5.2 billion) of subsidies for electricity, accounting for 53% of total energy subsidies and 34.5% of the government's total subsidy expenditure.

Malaysia's halal exports hit MYR10 billion (USD2.44 billion), recording a 17.8% growth to MYR10.8 billion in the Q1 of this year, compared with MYR9.1 billion in the same period a year earlier. This was mainly contributed by exports to China, which stood at MYR1.17 billion, followed by the United States at MYR1 billion and Singapore MYR807.58 million.

Malaysia saw its new approved direct investments increase to MYR113.5 billion in the H1 of this year compared with MYR112 billion the same period a year earlier. Investor confidence sustained Malaysia's growth as total investments realised to-date under the 10th Malaysia Plan period was MYR813.5 billion, exceeding the plan's target of MYR740 billion. This was despite the slower growth of private investment in the Q2 of 2015. The services sector was the largest contributor of total investments, standing at 54.4% or MYR61.7 billion, followed by manufacturing sector of 43.6%.

The Singapore government has launched a new LED scheme, which gives small and medium-sized enterprises (SMEs) in response to feedback that tight labour market and current manpower policies are hindering SMEs from restructuring. The Lean Enterprise Development (LED) scheme can be tailored to allow companies to cut down the number of work permit holders without affecting their existing quota for S Pass Holders.

Vietnam's retail price of petrol and biofuel E5 RON 92 fell by VND768 to VND18,536 (USD0.82) and VND18,041 (USD0.80) per litre starting from 3pm yesterday, following a drop in global fuel prices. The price of diesel fell by VND441 to VND13,521 (USD0.60) per litre.

North East Asia

South Korean conglomerates have stepped up their capital spending in the H1 of the year. The combined spending by 266 affiliates under the top 30 local business groups came to KRW38.78 trillion (USD32.7 billion) during the H1 period, up 31.5% from a year earlier, according to the CEO Score.

Australasia

The New Zealand government unveiled a 30-year infrastructure plan that will include building a joint infrastructure market with Australia and initiatives to guide spending on some massive projects. The plan included the development of national shared data standards for roads, buildings and water assets, stronger practices for larger procurements, including increasing the transparency of future intentions, and the development of a trans-Tasman procurement market.

Middle East and North Africa

Egypt will lower the top tax rate and threshold for companies and individuals in high income brackets and freeze a 10% tax on capital gains within two weeks in order to attract investors and boost the economy.

Iraq's oil exports have fallen by at least 250,000 barrels per day (bpd) so far in August, making it less likely the several-month trend of rising OPEC output that has weakened oil prices will be sustained this month. Iraq has been a key driver of higher supply in 2015 from the OPEC, which is focusing on keeping market share rather than curbing supply to support prices.

Morocco is the fourth largest recipient of FDI in Africa, according to 2014-2015 rankings released this month by South Africa-based Rand Merchant Bank (RMB). Morocco came in top in terms of FDI in the Maghreb region with total investments of USD3.6 billion in 2014, registering a 9% increase.

Oman's budget deficit surged ahead to OMR1,918.5 million in the H1 of this year, against a surplus of OMR250 million for the same period in 2014, primarily due to a plunge in oil prices. This is against a government target of OMR2.5 billion deficit for the whole of 2015.

Saudi Arabia's crude oil exports rose by 430,000 barrels per day (bpd) in June. Saudi Arabia ramped up its crude production to a record in June, reaffirming its strategy of defending market share and feeding a rise in global as well as domestic demand.

UAE July inflation rose to 4.4%, highest since Feb. 2009. Housing and utility costs, which account for over 39% of consumer expenses, jumped 10% from a year earlier in July and rose 0.1% from the previous month. Abu Dhabi, the biggest emirate in the UAE, hiked electricity and water tariffs from Jan. 1.

Eastern Europe

Poland's industrial production grew by 3.8% y-o-y in July. On a monthly basis, output declined by 1.3%. The seasonally-adjusted growth stood at 3.9% y-o-y. The volume of retail sales in Poland rose by 3.5% y-o-y in July.

Russia's troubled economy showed no sign of recovery in July as falling oil prices continued to hurt the commodity-dependent country. Retail sales in Russia plunged 9.2% y-o-y in July and have declined by 8.1% in the first seven months of 2015. While, capital investment dropped 8.5% y-o-y in July, following a decline of 7.1% in June.

A slump in Russian wages accelerated more in July, crippling retail sales and underscoring the risk that the latest bout of ruble weakness will deepen the biggest drop in domestic demand. Russian wages adjusted for inflation plummeted 9.2% from a year earlier in July after a revised 8.6% decline in the previous month.

Western Europe

The Dutch economy is staging a broad recovery, with households spending more on big purchases, consumer confidence rebounding and unemployment falling. Household spending rose 2.2% in June, lifted by 5.7% higher durable goods sales, compared with a fall of 1% a year earlier.

Greece is receiving the first EUR13 billion payment of its new bailout, with EUR12 billion earmarked for repaying debts and the remainder for settling arrears to public sector suppliers. Athens is using the funds to repay a EUR3.2 billion debt instalment due Thursday to the ECB.

Spanish exports rose by 4.9% in the H1 of the year when compared with the same period of a year earlier. Exports reached EUR125.122 billion, hitting a record high and rising by 4.9% in comparison with a year earlier. On the other hand, imports reached EUR136.603 billion in the first six months of the year, rising by 4.2% when compared with a year earlier.

North America

Initial and renewal claims for unemployment insurance benefits in Canada rose 5.1% to 266,010 in June. On a 12-month basis, claims jumped 6.5%. Job insurance claims are an indication of the number of people who could begin receiving unemployment benefits.

Mexico's economy advanced at a moderate pace in the Q2 as gains in services compensated for a sluggish industrial sector that was held back by a decline in oil and gas production. GDP expanded 2.2% from the Q2 of 2014, and was up 0.5% seasonally adjusted from the Q1.

South America

Brazil's economic activity contracted by 1.89% in the Q2, compared to the prior quarter. President Dilma Rousseff's administration has implemented a severe fiscal adjustment plan, including large cuts in public spending and higher taxes, in an effort to deal with the economic woes in Brazil. The measures, however, have had the opposite effect, cooling the economy and pushing the jobless rate up to nearly 8%, while stoking inflation.

Brazil's unemployment rate surged to a five-year high last month and came in far worse than expected as the country's troubled economy likely took an ugly turn. The jobless rate in six major metropolitan areas jumped to 7.5% in July, up from 6.9% in June.

Currency News

China's yuan fell the most in a week after the IMF pushed back the earliest date that it can join the lender's basket of reserve currencies. The yuan fell 0.06% to 6.3994 per dollar as of 10 a.m. in Shanghai, based on China Foreign Exchange Trade System prices.

Malaysia will not peg the ringgit currency to the US dollar or implement capital controls. While, Malaysia's international reserves fell below the USD100 billion mark as of July 31, boosting doubts over abilities to defend the worst-performing Asian currency so far this year.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
19-Aug-15	1,121.93	2.70	48.72	18.04	1.56	2.19	1.41	0.96	9841.55	88.44	2.93	32.95	25.26	3,008.96
20-Aug-15	1,138.56	2.71	46.86	17.29	1.55	2.20	1.40	0.97	9848.34	88.49	2.93	33.01	25.38	2,971.01
% Change	1.48	0.37	-3.82	-0.53	0.26	-0.21	0.91	0.07	0.05	-0.09	0.18	0.47	-1.26	

Economic & Financial News

Research & International Division

22/8/2015

*... U.S. PMI fell in August ...
... BI to launch three strategies to strengthen rupiah ...*

South East Asia

Malaysia's foreign-exchange reserves extended their decline beyond USD100 billion in a sign the central bank is still trying to slow Asia's worst currency loss amid the drag from an emerging-market sell-off. Holdings fell 2.3% to a six-year low of USD94.5 billion in the first 14 days of August from two weeks earlier, after they dropped below USD100 billion last month for the first time since 2010.

The Thai government plans to spend up to THB8 billion to improve the quality of halal food and on its promotion for the export market. The aim is to make Thailand among the top five exporters of halal food. With strong promotion, Thailand's halal food exports are forecast to grow by 5% to USD6.1 billion this year. Thailand ranks 13th among halal-exporting countries.

Vietnam's gold consumption in the Q2 reached 14.5 tonnes, down 23% in comparison with the Q1. Of the total volume, gold bars accounted for 10.8 tonnes, down 25% q-o-q, while jewellery made up the remainder, though also down 16%.

North East Asia

Almost all Chinese provincial-level regions posted faster economic growth in the H1 of this year, compared to the Q1. Total GDP reached about CNY29.69 trillion (USD4.65 trillion) in the H1 of this year, a y-o-y increase of 7%. Out of 31 provincial level regions, 27 posted faster growth.

Factory activity in China shrank at its fastest pace in more than six years in August. The private Caixin/Markit manufacturing purchasing managers' index (PMI) dropped to 47.1 from 47.8 in July.

China produced slightly less rice in the first harvest period of the year compared to 2014 due to a shrinking planting area, but the yield per hectare increased. The country produced 33.69 million tonnes of "early rice", that planted in spring and harvested in early summer. This was a decrease of 320,000 tonnes, or 0.9% from a year earlier.

Japanese manufacturing activity expanded in August at the fastest pace in seven months as domestic orders rose. The Markit/Nikkei Japan Flash PMI rose to a seasonally adjusted 51.9 in August from 51.2 in July.

Sales at department stores in Japan in July grew 3.4% from a year earlier on a same-store basis, up for the fourth straight month, thanks to strong demand from Chinese and other foreign tourists.

South Korea's monthly household spending edged up in the Q2 from a year ago, weighed down by the outbreak of MERS. The average household spent just over KRW3.28 million (USD2,750) per month in the Q2 period, up 1% from the same period a year earlier.

South Korea's tax revenue in the H1 of this year increased KRW8.2 trillion compared to a year ago. The tax revenue for the central government from H1 was KRW106.6 trillion, accounting for 49.4% of the total target for this year.

Taiwan reported a y-o-y drop in export orders in July, citing weak global demand. Taiwan's export orders in July fell 5% from a year earlier to USD36.29 billion, a slightly smaller decline than the 5.8% registered in June.

Australasia

New Zealand credit card spending rises at faster pace in July. Credit card spending increased a seasonally adjusted 1.7% m-o-m in July, faster than June's 0.3% rise. In May, spending had risen 1.8%. Domestic billings grew by 1.8% in July from the previous month to NZD2.847 billion and overseas billings rose 0.6% to NZD504 million.

Indian Sub-Continent

Bangladesh intends to establish special economic zones called 'garment villages' as a key part of its plans to ramp up garment manufacturing to reach a target of USD50 billion in exports by 2021.

Indian Finance Minister is stepping up pressure on the central bank to cut rates as the economy struggles and price rises slow, with some bureaucrats working behind the scenes to argue for an immediate cut of as much as 50 basis points.

Middle East and North Africa

Dubai has been ranked the world's 5th fastest growing city economy, up from 18th position in the previous year. Dubai has been ranked among the top 10 cities that are powering economic growth within their nations, according to a report by the Brookings Institution. Dubai's growth was boosted by a 4.7% annual rise in employment. The emirate also recorded the fastest growth relative to its national economy with a 4.5% rise in GDP per capita, versus 1.6% growth for the UAE as a whole.

The Islamic banking sector in the Oman sultanate recorded robust growth during the H1 of 2015, helped by growing awareness of Sharia'a-compliant banking services and increasing number of branches. The combined assets of the sector surged 64% to OMR1.83 billion as on June 30, 2015 against OMR1.11 billion a year ago. Islamic banking now accounts for 6.3% of the total banking assets in Oman, compared with 5.3% in 2014.

Saudi non-oil exports dropped by 21.13% in June, to reach SAR15.38 billion compared to SAR19.5 billion in the same period last year. Meanwhile, Saudi imports fell by 9.92% to SAR51.83 billion compared to SAR57.54 billion in the same period last year.

The share of the tourism sector in Saudi Arabia's GDP stands at 2.7% but for the non-oil GDP it increases to 5.2%. It said that the Kingdom acquired 15.3% of tourism revenues in the Middle East region in 2014, which captured 5% of the tourists of the globe.

Turkey's consumer confidence in August was down by 3.6% from the previous month. The consumer confidence index dropped to 62.35 in August from 64.66 in July. The general economic situation expectation index led the decline, dropping 8% to 77.60 points and the financial situation expectation of household index saw a 2.3% loss to 86.17 points.

Eastern Europe

Czech minimum gross monthly wage will rise by CZK700 to CZK9900, which is an increase of 7.6%, in January after it went up by CZK700 to CZK9200 at the beginning of this year. The minimum wage for disabled people will be raised by CZK1300 to CZK9300.

Western Europe

British government saw public fiscal surplus of GBP1.3 billion. The government received GBP59.1 billion in income in July 2015, or an around 4% rise y-o-y. Of the GBP1.3 billion saving, GBP3.2 billion were saved on the cost of the "day-to-day" activities of the public sector, while the government spent GBP1.9 billion on infrastructure. From April 2015 to July 2015, British public sector has borrowed GBP24 billion, GBP7.3 billion lower than at the same point in the previous fiscal year.

French business activity slumped again in August. The Markit PMI dipped in August in the manufacturing and services sectors, dragging an aggregate of the both down to 51.3 from 51.5 in July.

France is on course to welcome a record number of tourists this year, helping boost sector revenue by about 4%. Revenue from tourism last year represented 7% of France's economic activity and brought in revenue of EUR150 billion.

German private sector growth picked up in August, suggesting Europe's largest economy is on track for a solid Q3. The Markit's flash composite PMI inched up to 54.0 from 53.7 in July.

Germany wants the International Monetary Fund involved in Greece's new bailout because of the economic rigour it brings more than for any financial help.

Spain has seen a record 38 million tourists in the first seven months of the year as a weak euro and security issues in other beach resort nations like Tunisia make it a more attractive destination. Tourism represents about 11% of Spain's GDP.

North America

Canada's inflation rate hits 7-month high in July as higher prices for food and clothing offset the moderating effect of cheaper energy. Annual inflation rose to 1.3% in July. The central bank has cut interest rates twice this year to spur the economy, which was likely in recession in the H1 of 2015.

Canada's retail sales rose more in June, as Canadians opened their wallets to spend more on electronics and gasoline. Retail sales were up 0.6% to CAD43.2 billion in June from the month before. The increase was led by a 9.4% surge in electronics and appliance store sales.

Growth in the US manufacturing sector slowed to its weakest pace in almost two years in August. Preliminary Markit PMI fell to 52.9 in August, its lowest since October 2013, from a final July reading of 53.8.

US home sales soar in July to fastest pace since early 2007. The National Association of Realtors said that sales of existing homes rose 2% last month to a seasonally adjusted annual rate of 5.59 million. Sales have jumped 9.6% over the past 12 months, while the number of listings has declined 4.7%.

The number of Americans filing new applications for unemployment benefits rose last week, but the trend remained consistent with solid labour market momentum that could keep the Federal Reserve on track to raise interest rates this year. Initial claims for state unemployment benefits increased 4,000 to a seasonally adjusted 277,000 for the week ended Aug.

South America

Argentine economic activity grew 3.8% over June compared to the same period last year. June marked the eighth consecutive month with positive figures, with the mark reaching its highest level since September 2013, when the economy grew 4.7% annually.

Industrial employment in Brazil fell in June by the sixth consecutive month as Latin America's largest economy remained in the doldrums. Employment in industry was down 1% from May and by 6.3% compared with June 2014.

Brazil's monthly inflation rate eased in the month to mid-August as the economy moved deeper into what is expected to be its worst recession in 25 years. Brazil's IPCA-15 consumer price index rose 0.43% in the month to mid-August, slowing from 0.59% in the previous month.

Colombia's central bank held its benchmark interest rate at 4.5% for a 12th consecutive month, as policymakers grapple with the twin constraints of faster inflation and an economy weakened by the plunge in global oil prices.

Oil & Gas News

Oil ends down more than 2% as US drilling points to glut. US October crude CLc1 settled 87 cents, or 2.1%, lower at USD40.45 a barrel, having touched a new 6-1/2-year low of USD39.86 a barrel. Brent oil LCOc1 ended USD1.16, or 2.5%, lower at USD45.46 a barrel. It hit a low of USD45.07 and threatened to break below USD45 a barrel for the first time since March 2009.

Currency News

Bank Indonesia is going to launch three short term strategies to create rupiah stability amid the protracted global crisis. The strategies are strengthening the management of rupiah liquidity in the financial market, foreign exchange supply and demand and foreign exchange reserves.

Peru's central bank was tightening reserve requirements on currency derivatives in its latest bid to soften the sol's slide against the dollar after it ended at its weakest level in nine years. The central bank said that it was lowering the limit on currency derivative operations to USD250 million per week from USD350 million starting Monday.

Commodity News

Asia gold appetite remains tepid. Spot gold climbed to a five-week high of USD1,141.75 an ounce on Thursday after minutes from a meeting of the US Federal Reserve in July dashed hopes of an interest rate increase in September, as many had been expecting.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
20-Aug-15	1,138.56	2.71	46.86	17.29	1.56	2.20	1.41	0.97	9832.84	88.22	2.94	33.08	25.32	3,008.96
22-Aug-15	1,160.77	2.68	45.46	16.96	1.59	2.21	1.41	0.97	9899.03	87.29	2.97	33.16	25.34	2,971.01
% Change	1.95	-1.11	-2.99		1.63	0.38	0.19	-0.40	0.67	-1.06	1.14	0.24	0.09	-1.26

Economic & Financial News

Research & International Division

25/8/2015

*... Ukraine's real GDP has decreased by 35% over the past 24 years ...
... Oil prices edge up but market remains cautious ...*

South East Asia

The Indonesia government is expecting to see rising royalties and fees from the mineral and coal sectors this year despite plunging production due to low selling prices. According to the proposed state budget for 2016, the non-tax income from minerals and coal is targeted to reach IDR40.8 trillion (USD3 billion), roughly a 28% jump compared with this year's target of IDR31.7 trillion. Although income is expected to increase, the production plan is lower.

Indonesia has extended its tax incentives for "pioneering" industries, such as oil refinery and infrastructure to help attract more investment into the country as economic growth has slowed to its weakest in six years. Indonesia is now offering a tax reduction of between 10% and 100% for up to 15 years to firms investing a minimum of IDR1 trillion (USD71.5 million) in certain industries.

Indonesia has extended its trade surplus to USD1.3 billion in July, caused by a decline in imports. The country's imports fell 22.3% y-o-y in July to USD10 billion from the same month last year, contributed by the drop in non-oil and gas imports that plunged 21.4% y-o-y and decline of oil and gas imports by 45% y-o-y.

Revenue generated from the special and specific economic zones (SEZs) in Laos has reached over USD11 million. The revenue was mainly sourced from shareholdings, value-added taxes and land concession fees. The rest came from profit taxes and other fees. Laos currently has 11 SEZs and some 213 companies are now investing in those zones with a total registered capital of USD4.2 billion in addition to future investment plans of USD17.4 billion.

Philippines fuel prices fall amid supply glut for a 10th straight week for gasoline. Petron, Shell and Seoil said in separate advisories they cut gasoline prices by PHP1.10 per litre, diesel by PHP0.40 per litre and kerosene by PHP0.25 centavos a litre from 12:01 a.m. Tuesday.

Vietnam's crude oil export value had fallen sharply by nearly USD2.5 billion in January-to-15-August period due to the slumping oil price globally. The country exported more than 5.7 million metric tonnes of crude oil, fetching more than USD2.6 billion, much below the level for the same period last year when it earned more than USD5.0 billion from shipment of 5.9 million metric tonnes.

North East Asia

South Korea's terms of trade continued to rise in July as import prices declined more sharply compared with export prices. The country's net terms-of-trade index for goods climbed 11.9% on-year to 99.83 in July, slightly slowing from a 12% increase in June but still rising for the 11th straight month.

Bank loans to the South Korea's large companies dropped to a 10-month low in July as they repaid their liabilities and increasingly turned to other financing channels. Outstanding bank lending to large firms reached KRW164.7 trillion (USD137.6 billion) as of the end of July, down KRW300 billion from the previous month.

Taiwan's unemployment rates in July hit 3.8%, up by 0.1 percentage points from June but down by 0.2 percentage points from a year earlier, the lowest since 2000. It was attributed the monthly uptick to graduates' entering the job market, but there is no obvious change in the labour force market currently. The jobless population may see a further mild gain this month, from 445,000 last month, an increase of 14,000 from June.

Taiwan's industrial production index (IPI) dropped in July. The IPI by 2.99% annually to 109.16 last month, mainly due to slowing growth in the semiconductor industry and falling output in the machinery industry because of soft global economic growth.

Middle East and North Africa

Bahrain July inflation slows to 1.1% as food prices fall. Housing and utility costs, which account for 24% of consumer expenses, rose 2.3% from a year earlier but were flat from the previous month.

Egypt's national strategy for population targets lowering unemployment rate by 5% within the upcoming five years; 1% per a year. The strategy aims at shrinking the rate of endangered children by 2% as well as decreasing child labour from 9% to 4% in five years.

Moroccan sales of phosphate have recovered, as sales figures increased in the first seven months of 2015 by 17% compared to the same period last year. Sales increased to MAD25.4 billion between January and July 2015, compared to MAD21.7 in the same period last year.

Lebanon's CPI for the month of July 2015 dropped by 0.34% compared to June of the same year. While, CPI dropped by 3.86 percent in July 2015 compared to the same month last year.

Libya is producing between 350,000 bpd and 400,000 bpd, roughly half the level it was a year ago, the chairman of a state oil firm said.

Oman has run an OMR1.8 billion budget deficit so far this year, according to the Ministry of Finance. The approved deficit for 2015 budget stands at OMR2.5 billion, an increase of 38.9% compared to last year.

Eastern Europe

Ukraine's real GDP has decreased by 35% over the past 24 years, which is the worst in the world, according to World Bank data.

Western Europe

New car registrations in Europe saw a 9.1% increase this July as recession-hit countries, along with the major European markets performed strongly. Sales grew from 1.08 million units sold in 2014 up to 1.18 million this year. July also marked 23 consecutive months of sales growth, as new registrations for the H1 of the year went up 8.6%, to 8.59 million vehicles.

Ireland's manufacturing prices rose 6.8% in July when compared to the same month of last year. Computer, electronic and optical products had the biggest increase on last year, up 17.9%. The figures also showed pharmaceutical products rose by 10.1%.

North America

Mexico's consumer prices rose in the first half of August, pushing the inflation rate to a new record low. Prices advanced 0.12% from the previous two weeks. The annual inflation rate dropped to 2.64%, the lowest since biweekly data began in 1989 and down from 2.72% in the second half of July.

South America

Inflation will fall sharply in Brazil in the first months of 2016, central bank chief Alexandre Tombini said. He added that maintaining interest rates at current levels for sufficient time would be fundamental for slowing inflation back to the bank's inflation target next year.

Oil & Gas News

Oil prices edge up but market remains cautious as Asian stocks keep tumbling. U.S. crude futures were trading up 32 cents at USD38.56 per barrel at 0210 GMT, while Brent was up 27 cents at USD42.96.

Currency News

The People's Bank of China injects USD23.4 billion as yuan intervention drains funds. The overnight repurchase rate climbed to a four-month high of 1.85% Monday, and was at 1.83% as of 9.19 am in Shanghai today.

Bank Indonesia (BI) said it is time for exporters to release their foreign currencies. The release of foreign currencies will help equalise the rupiah exchange rate and to maintain the rupiah and keep it balanced was something that required global thinking, especially with respect to imports and exports. The situation may get worse if a global sell off occurs, during which the world's capital market players sell their stocks simultaneously. The rupiah exchange rate had been undervalued; thus, there must be responses taken to overcome the situation

The Malaysian ringgit fell further today, into uncharted territory against the Singapore dollar. It slumped to a low of 3.0303 to the Singdollar at 8:12am before recovering to trade at 3.0194 at 8:45am. Customers flocked to the money changers on Monday to snap up ringgit after the Malaysian currency crossed the psychological threshold of three to the Singdollar.

The Russian ruble plunged 2.3% on Monday to hit a seven-month low amid a further drop in oil prices, the country's key export. The ruble traded at 70.7 to the dollar in early trading in Moscow, its lowest level since Jan. 30, when Russian markets were hit by a combination of low energy prices and Western sanctions.

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-Aug-15	1,160.77	2.68	45.46	16.96	1.59	2.21	1.41	0.97	9899.03	87.29	2.97	33.16	25.34	2,971.01
25-Aug-15	1,153.68	2.66	43.13	16.21	1.62	2.22	1.41	0.99	9976.36	85.20	3.02	33.19	25.30	2,890.17
% Change	-0.61	-0.75	-5.13		2.10	0.31	-0.21	1.61	0.78	-2.39	1.50	0.08	-0.18	-2.72

Economic & Financial News

Research & International Division

26/8/2015

... The Philippines imports rebounded in June ...

... Germany posted budget surplus in H1 2015 ...

South East Asia

Brunei consumer prices decreased in July by 0.5% m-o-m, according to the Department of Economic Planning and Development (JPKE). A decrease of 7.5% was recorded in clothing and footwear due to lower prices of several garments, other articles of clothing and clothing accessories, as well as shoes and other footwear.

Cambodia launched its Industrial Development Policy (IDP) 2015-2025, which sets out a roadmap promoting investment and broadening the country's manufacturing base. The IDP will contribute to achieving the country's vision to become an upper-middle-income country by 2030 and a high-income country by 2050.

Indonesia's Planning Minister proposed regulation that would allow foreigners to purchase house properties in special economic zones. With such incentives, foreign investors would be attracted to put more money in those areas. The regulation was possible, given that special economic zones had their own laws. Under the administration of President Joko "Jokowi" Widodo, the government has made an unprecedented move to allow foreigners to own flats worth more than IDR5 billion (USD357,797).

The Philippines imports rebounded in June by 22.6%, after three consecutive months in the red. The figure equates to the highest growth recorded for the year so far. Spending for imported goods rose to USD5.9 billion in June, from USD4.8 billion in the same month last year. The recovery was spurred by significant increases in the imports of raw materials and intermediate goods (49.2%), capital goods (23.8%), and consumer goods (13.1%).

Vietnam's consumer prices declined in August by 0.07% against the previous month, but increased 0.61% compared with the same month last year. This was the first time the August CPI had seen a reduction in the past decade. Two reductions in petrol and oil prices on July 20 and August 4 as well as a drop in gas price since August 1 had dragged down the CPI.

North East Asia

China's central bank cut its benchmark deposit and lending rates by 25 basis points in an attempt to further ease the debt burden of enterprises, amid weak economic growth. The one-year deposit rate fell to 1.75%, and the lending rate dropped to a record low 4.6%.

China's central treasury allocated more education funds with CNY19 billion to support pre-school and high school education, especially in rural areas. The funds will be split, with CNY15 billion spent to guide and encourage local governments to improve pre-school education resources, while CNY4 billion will be used to upgrade facilities in high schools in impoverished regions.

Hong Kong's exports declined for the third month in a row in July, amid sluggish global demand. Total exports decreased 1.6% y-o-y to HKD320.9 billion in July, after falling 3.1% a y-o-y in June and 4.6% a y-o-y in May.

Japan's white goods (heavy consumer durables) shipments rose in July by 7.1% y-o-y to JPY242.2 billion, up for the third month in a row. The shipments, which include air conditioners, held firm thanks to higher temperatures in Japan in mid-July and later.

Macau's inflation decelerated in July to 4.76% y-o-y, slower from 4.91% in the preceding month. The increase in consumer prices was due to higher rentals for dwelling and rising costs of eating out. Retail sales reached MOP14.26 billion in Q2, down by 12% from MOP16.28 billion in Q1.

South Korea posted a trade deficit in the intellectual property sector in Q1 amounting to USD2.3 billion, compared with a USD2.8 billion deficit in the previous year. The biggest deficit occurred in the electronics products sector, with the trade deficit reaching USD1.9 billion, more than 80% of the total deficit.

South Korea's prices of imported farm products fell in July by 9.6% m-o-m, mainly due to a dip in international grain costs. The price index for imported farm produce stood at 97 last month, a drop from 107.3 tallied the month before.

Australasia

New Zealand's trade deficit was smaller in July as exports of fruit and meat drove overseas sales higher, and offset flat dairy export receipts. The trade deficit narrowed to NZD649 million in July, from NZD943 million a year earlier. Exports climbed 14% y-o-y to NZD4.2 billion, underpinned by a gain of 24% in foreign meat sales and 51% in fruit exports. Imports were up 4.8% to NZD4.85 billion. On an annual basis, the trade deficit was NZD2.69 billion.

Indian Sub-Continent

Reserve Bank of India was not in favour of depreciating the Indian rupee and joining a global wave of monetary measures that have weakened currencies. The devaluation of the yuan and growing fears over the Chinese economy have caused large falls across emerging markets, including India.

Middle East and North Africa

Algeria's annual inflation stabilised in July at 5%, the same rate as in June (against 4.8% in May and 4.5% in April). The consumer prices grew 3.7% in July 2015, compared to the same month of 2014.

Algeria's trade balance recorded USD8.041 billion deficit during the first seven months of 2015, against a USD3.964 billion surplus in the same period of 2014. Exports hit USD22.924 billion in the January-July period, against USD38.49 billion in the same period in 2014, down by 40.44%. As for imports, they reached USD30.965 billion, against USD34.525 billion in the first seven months of 2014, falling by 10.31%.

Kuwait inflation rose in July to 3.6%, highest since April 2012. Prices of food and beverages, which account for more than 18% of the basket, rose 4.1% y-o-y and 0.5% m-o-m. Housing costs, which account for nearly 29% of consumer expenses, jumped 6.5% y-o-y but were flat m-o-m.

Eastern Europe

Hungary's central bank kept its benchmark rate unchanged at 1.35% for the first time in six months, in line with a pledge to maintain the level of borrowing costs stable for an extended period.

Poland's unemployment dropped in July to 10.1%, the lowest level since 2009. Just under 1.59 million people were registered as unemployed in Poland, partly due to seasonal factors including agricultural work.

Western Europe

Germany achieved a budget surplus of EUR21.1 billion in H1 2015 thanks to a strong economy and fiscal conservatism. The German economy expanded by 0.3% in Q1 and by 0.4% in Q2, providing a solid base for tax income. Exports rose by 2.2% q-o-q, while imports increased by 0.8%.

Ifo Business Climate Index in Germany rises slightly in August to 108.3 points, from 108.0 points in July. The climate index in manufacturing and wholesaling have both fallen slightly, while the indicator in retailing and construction both increased to the highest level since June 2011 and since March 2014, respectively.

North America

US house prices remained on an upward track in Q2. House prices increased 1.2% q-o-q in Q2 on a seasonally adjusted basis, the 16th consecutive quarterly price rise, following the 1.45% increase in Q1.

Sales of US new homes bounced back in July, suggesting the housing market is gaining momentum. New home sales increased 5.4% to a seasonally adjusted annual rate of 507,000 units in July. The median sales price of new houses stood at USD285,900 in the month, up 3% from the previous month.

South America

Brazil' current account deficit widened in July amounting to USD6.163 billion, compared to a deficit of USD2.547 billion in June. In the 12 months through July, the current account deficit was equivalent to 4.34% of Brazil's GDP, down from 4.36% in the previous month. Brazil attracted USD5.994 billion in FDI last month.

Consumer confidence in Brazil declined in August, to the lowest level ever, as the country's sluggish economy shows no signs of recovery. Brazil's main consumer confidence index was at 80.6 points, down from 82 points in July.

Peruvian mining investments totalled USD4 billion in the first seven months of this year. The investments, which are a key driver of Peru's economy, are largely due to spending at the Las Bambas copper project and an expansion at the Cerro Verde mine, both in southern Peru.

Oil & Gas News

Oil dips as gasoline build offsets big US crude draw. US crude's front-month contract settled down 71 cents, or 1.8%, at USD38.60 a barrel. The front-month in Brent, the global oil benchmark, finished down 7 cents at USD43.14, after initially trading higher right after the EIA data.

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-Aug-15	1,153.68	2.66	43.13	16.21	1.62	2.22	1.41	0.99	9976.36	85.20	3.02	33.19	25.30	2,890.17
26-Aug-15	1,137.99	2.69	43.46	16.16	1.61	2.20	1.40	1.00	10111.22	85.22	3.03	33.30	25.41	2,887.02
% Change	-1.36	1.13	0.77	-0.30	-0.50	-0.74	-0.30	1.64	1.35	0.02	0.37	0.35	0.46	-0.11

Economic & Financial News

Research & International Division

27/8/2015

*... Brazil's unemployment rate rose to 8.3% in the Q2 ...
... Philippine infrastructure spending jumped by 37.3% in the Q2...*

South East Asia

The Lao cabinet has approved government measures to implement for socio-economic development and budget plans for 2015-2016, with economic growth targeted at 7.5%. The draft of the decree will be revised in accordance with the recommendations provided by cabinet members. Recommendations included greater emphasis on state investment, revenue collection and spending, to ensure their effectiveness.

Philippine infrastructure spending jumped by 37.3% in the Q2, augured well for economic growth during the period. Infrastructure spending increased by over a third to PHP81.8 billion during the Q2 period compared with PHP59.6 billion in the previous year.

Singapore's manufacturing output declined 6.1% y-o-y in July. The output, excluding biomedical manufacturing, fell by 4.1% on a y-o-y basis. On a seasonally adjusted m-o-m basis, manufacturing output decreased 4%. Excluding biomedical manufacturing, output grew 1.2% m-o-m. The decline means that factory activity has contracted for six consecutive months.

Thailand will speed up investment in 17 mega projects worth nearly USD47 billion in fiscal years 2015 and 2016, as pressure mounts on the military-led government to revitalise a flagging economy.

The ANZ-Roy Morgan Vietnam Consumer Confidence index slid 4.9 points to 133.7 points in August, 1.8 points lower than a year ago. The decline was caused by reduced confidence across all components of the survey.

Vietnam welcomed 664,985 international vacationers this month, a 12% increase from a month earlier, and 7.5% from August 2014. This is the second straight month the Southeast Asian country posted a rise in international tourist numbers.

North East Asia

China's cabinet mapped out measures to accelerate financial leasing to bolster economy. The meeting demanded less red tape, including no minimum capital threshold for financial leasing companies to establish subsidiaries and easier procedures for leasing equipment like ships, farming machinery, medical devices and aircraft.

Japan's services producer price index for July rose 0.6% from a year before, up for the 25th straight month. The index stood at 103.1, against 100 for the base year of 2010. In June, the index was up 0.4%. Prices for transportation and mail services climbed higher due to a rise in fares of chartered buses and cargo trucks.

Macau's visitor arrivals dropped 3.8% y-o-y to 2.65 million last month. Same-day visitors fell 6.4% y-o-y to 1.35 million, accounting for 51.1% of the total.

South Korea's household debt soared by KRW32 trillion on-quarter in the Q2 of this year, which is 2.5 times more than the rise in the previous three-month period and the biggest quarterly hike in history. Household credit stood at KRW1,130.5 trillion at the end of June, reaching a new record for the ninth straight quarter.

Consumer sentiment in South Korea inched up in August, improving for a second straight month, as fears over the MERS outbreak ebbed. The overall consumer sentiment index reached 102 in August, gaining from 100 in the previous month.

The South Korea government will lower consumption taxes in its desperate effort to stimulate the sagging economy. The government would temporarily cut consumption taxes on cars and large electronics goods, hoping that the measures would help revitalise economic growth. Private consumption has remained in the doldrums since the MERS outbreak in late May.

South Korea will ease additional regulations governing the country's free economic zones as part of efforts to boost FDI. They also follow a series of deregulation measures aimed at attracting more foreign investment, which included raising a ceiling on the foreign ownership of an aviation maintenance and operations firm in a free economic zone to 100% from 50%.

Middle East and North Africa

Credit in Kuwait has grown by KWD453 million in June. Much of the gain came from lending for securities purchases and household borrowing, yet other sectors also saw notable growth. Meanwhile, real estate saw a third month of decline in outstanding credit. Household borrowing remained robust adding KWD115 million, with growth accelerating to 12.3% y-o-y. While growth in June was largely from instalment loans, consumer loans also rose for the first time in five months.

The GCC countries' corporate sector recorded a 7.2% fall in earnings at USD34 billion in the H1 of 2015, against the same period last year, Kuwait Financial Centre (Markaz) report said. However, the performance of banks and real estate companies were strong. Total earnings of Omani companies fell by 7%, while firms in Kuwait and Saudi Arabia contracted by 19% and 16%, respectively. Qatar had the highest earnings growth in the H1 at 13%, with the rest of the GCC countries recording a decline.

Eastern Europe

Russia's consumer prices rose 0.1% in the week to August 24 after staying unchanged for the four weeks in a row. This takes inflation since the beginning of the year to 9.5% compared with 5.6% in the same period a year earlier. An unexpected pick up in weekly inflation on the back of a rapid depreciation in the ruble makes it more difficult for the Bank of Russia to trim interest rates in a bid to revive the economy.

The Bank of Russia is ready to prolong earlier introduced anti-crisis measures for the Russian banking sector. The regulator introduced currency refinancing operations for banks and allocated USD50 billion for that purpose as one of anti-crisis measures last year. Banks used the greater portion of this limit but resources left are to be enough for the banking sector.

Western Europe

Unemployment in France inched down 0.1% at the in July from June, and recorded a y-o-y growth of 3.9%. Last month, as the government was struggling to bring down joblessness, there were 1,900 less job demands, with the total number of people without work standing at more than 3.551 million in the mainland, the ministry added.

Ireland's jobs recovery is growing stronger with more than 1,300 new jobs added each week since the start of 2015. There was an annual increase in employment of 3% or 57,100 in the year to the Q2 of 2015, bringing total employment to 1,958,700.

Ireland's construction sector employment grew by 18.5% last year. Last year saw construction sector employment grow by almost 20,000 to 126,000 people. Meanwhile, the number of houses being built is increasing and the number of commencement notices for construction of houses has more than doubled when compared to 2014.

UK annual house price growth lowest since mid-2013, a survey from mortgage lender Nationwide showed. House prices rose 3.2% y-o-y in August, the weakest annual rate since June 2013, compared with a 3.5% rise in July.

North America

New orders for US manufactured durable goods went up for two months in a row ending July. Orders for durable goods rose 2% in July from a month ago to USD241.1 billion. In June, the durable goods orders went up 4.1%. Orders for transportation equipment led the increase, totaling USD83.2 billion, up 4.7%.

US consumer confidence hit a seven-month high in August and new single-family home sales rebounded in July, suggesting underlying strength in the economy that could still allow the Federal Reserve to raise interest rates this year. The Conference Board said its consumer index jumped 10.5 points to 101.5 this month, the highest reading since January, amid optimism over the labor market.

South America

Argentina's industrial production grew 0.3% in July compared to the same month last year. The growth was slightly larger when the data was seasonally-adjusted, jumping 0.7%.

The total volume of credit in Brazil's financial system increased slightly in July, as a sluggish economy hurt demand for new loans. Credit volume reached BRL3.11 trillion (USD864 billion) last month, up 0.3% from June. A combination of poor economic conditions and low consumer confidence has hurt Brazilians' demand for more credit.

Brazil's unemployment rate rose to 8.3% in the Q2. The ranks of the jobless expanded to 8.4 million people during the Q2 period. While the number of people with jobs held steady at 92.2 million.

Oil & Gas News

Oil prices rise as global market fears ease, but outlook remains weak. Front-month Brent LCOc1, the global oil benchmark, was up USD1.16, or 2.67%, at USD44.30 a barrel by 0636 GMT (2.36 a.m. EDT). US crude's front-month contract CLc1 was up USD1.11 at USD39.71 a barrel.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
26-Aug-15	1,137.99	2.69	43.46	16.16	1.61	2.20	1.40	1.00	10111.22	85.22	3.03	33.30	25.41	2,887.02
27-Aug-15	1,127.76	2.66	44.36	16.68	1.59	2.17	1.40	1.00	10036.53	85.67	3.01	33.34	25.43	2,942.59
% Change	-0.90	-1.12	2.07		-1.56	-1.33	0.07	-0.20	-0.74	0.52	-0.38	0.10	0.06	1.92

Economic & Financial News

Research & International Division

29/8/2015

*... Russia's GDP dropped 4.6% in July 2015 ...
... Brunei's total trade increased by 5.6% in June 2015...*

South East Asia

Brunei's total trade increased by 5.6% to BND1,167.5 million in June, comprising of exports (BND740.8 million) and imports (BND426.7 million). The trade balance also increased m-o-m by 7.8% to BND14.1 million. The crude oil exports recorded an increase of 3.2% following an increase in trade volume of crude oil to 129.17 kbbl per day in June 2015. Meanwhile, the export of LNG has increased by 5.6%. This was due to an increase in trade volume of LNG to 1,011,251 MMBtu per day in the month.

Cambodia has approved a plan to increase the foreign borrowing by as much as 33% over the next three years, in a bid to counter a decrease in grants and concessional loans. The amount of annual borrowing would be allowed to increase from 600 million (Special Drawing Rights) (or about USD844 million) this year to 800 million SDR (about USD1.127 billion) by 2018.

The government of Myanmar established a minimum wage of MMK3600 (USD2.80) for a standard eight-hour work day across all sectors and industries. The country's first legal minimum wage was announced after months of protest and dispute. The minimum wage will take effect September 1, and apply to all employees, other than small family-run business with less than 15 workers.

The growth in bank lending slowed down in July in the Philippines on the back of lower borrowings from both corporate and individual clients. Outstanding loans of commercial banks expanded 13.5% to PHP4.597 trillion in July this year from PHP4.05 trillion in July last year. The expansion is lower compared to the 14.5% growth in bank lending in June.

The Philippine economy grew by 5.6% in the Q2 from a year ago, slightly below the government's target. The figure brings growth in the H1 to 5.3%, down from 6.2% for the same period a year ago. The economy grew 5% in Q1. The Q2 figure reflects a boost in government spending, especially public construction, which grew 20% from a 24% contraction in the Q1 after efforts to address spending bottlenecks.

The Philippine supply of cash increased at a slower pace in July as bank lending growth moderated given the monetary tightening last year. Growth in domestic liquidity continued to support the growing economy's need for fresh cash.

Thai factory output fell in July on strong growth in the auto sector, but a fifth month of persistently weak production will be a challenge for the new economic team tasked with revitalising Thailand's economy. The manufacturing output in July fell 5.3% from a year earlier.

Vietnam's crude oil export value fell sharply by nearly USD2.5 billion in January-August 15 due to the slumping global oil price. During the period, the country exported more than 5.7 million metric tonnes of crude oil, fetching more than USD2.56 billion, much below the level for the same period last year.

Vietnam attracted USD13.33 billion in FDI in the first eight months of this year, an annual increase of 30.4%. As of August 20, the country had granted investment licenses to 1,219 newly-registered projects worth USD7.87 billion, up 8.7% in value.

Vietnam's trade deficit rose by around USD200 million in August to stand at USD3.6 billion in the first eight months of this year. The slowdown in exports, especially due to the slump in crude oil export value, coupled with rising imports, resulted in the widening of trade deficit.

North East Asia

The decline in Chinese industrial firms' profits accelerated in July, adding to pressures on policy makers already striving to stabilise growth. Profits of China's major industrial firms fell 2.9% y-o-y in July, sharply down from the 0.3% decline posted in June. It was attributed the poor performance to weak domestic demand and a continuous fall in factory gate prices.

China's central bank on Friday injected CNY60 billion into the inter-bank money market through short-term liquidity operations. This marks the second round of short-term liquidity operations this week.

Japan's consumer inflation came to a halt in July for the first time in two years and two months, weighed down by steep falls in energy prices. The core CPI unchanged from a year earlier at 103.4 in July, against 100 for the base year of 2010.

Japan's retail sales in July rose 1.6% from a year before to JPY12.01 trillion, up for the fourth consecutive month. The rise was attributed to brisk sales of summer clothing and other products.

Japanese household spending in July fell 0.2% from a year before in price-adjusted real terms, down for the second straight month, reflecting lower outlays for housing renovations and automobile purchases. The monthly average spending among households with two or more members stood at JPY280,471.

The number of jobless people in Japan decreased by 260,000 from a year before to 2.22 million. The number of jobless people decreased by 260,000 from a year before to 2.22 million.

Bank lending rates for new loans in South Korea continued to fall in July as market rates remained low. The average rate for new loans to households, companies and other organisations came in at 3.43% last month, down 0.06 percentage point from June.

Indian Sub-Continent

Bangladesh has hiked retail power prices by 2.97% and gas prices by 26.29%. The retail price of electricity was raised after one year and that of gas after seven years in Bangladesh. Experts say the markup in these two main utility prices will push up the nation's inflation rate which went up from June's 6.25% to 6.36% in July.

India's external debt increased by USD29.5 billion to stand at USD475.8 billion at the end of March 2015, a 6.6% increase over the last year's debt of USD446.3 billion.

Middle East and North Africa

Number of tourist arrivals in Morocco dropped 2.9% in Q1 of 2015, approximately 4.3 million tourists visited Morocco during the Q1 of 2015, a drop of 2.9% from the same period in 2014.

Net foreign assets at Saudi Arabia's central bank fell 0.5% from the previous month to SAR2.480 trillion (USD661 billion) in July, their lowest level since early 2013. The data showed the decline in Saudi reserves slowing. They dropped 1.2% m-o-m in June and at much faster rates early this year.

Turkey's economic confidence index fell by 1.9% to 84.28 in August against the previous month in result of decreases in all confidence indices that compose the index. Confidence in the Turkish economy weakened among consumers and businesses in August.

Eastern Europe

Russia's GDP dropped 4.6% in July 2015 but was up 0.1% net of the season factor. Mineral resources production, processing industries, production and distribution of electric power, gas and water and retail trade exerted positive influence on GDP dynamics in July net of the seasonal factor.

Russia's foreign trade surplus fell 34% y-o-y in July 2015 to USD11.2 billion. Export of goods in July totalled USD28.2 billion and fell 39% y-o-y and 6.9% m-o-m. Import of goods amounted to USD17.0 billion in July 2015, down 41.9% against July 2014 but up 2.8% vs. June 2015.

Russia's international reserves mostly comprising gold and foreign currency increased by USD1.7 billion in the week of August 14-21 to USD364.6 billion. Russia's international reserves fell by USD124.135 billion or 24.4% in 2014 to USD385.46 billion as of January 1, 2015.

Western Europe

Britain's economy accelerated in the Q2 by 0.7% compared with the Q1 2015. The growth in GDP between Q2 compared with 0.4% expansion in the Q1 of this year.

French producer prices fell 0.1% in July from June, giving a 12-month decline of 1.6%. In June, producer prices rose 0.1% m-o-m and fell 1.8% over 12 months.

The growth of negotiated wages in Germany significantly outpaced the increase in consumer prices in the Q2, boosting Germans' purchasing power which supported economic expansion. Accounting for bonuses and other extra payments, workers in Germany received 3.1% higher wages in the Q2 than in the same period of previous year.

Greece's economy grew 0.9% in the Q2, compared with previous flash estimate of 0.8% earlier this month, helped by consumer spending and net exports. Consumption grew 1.1% q-o-q, with net exports helped by a 4.9% fall in imports compared with the previous three-month period. Exports rose just 0.1%.

Italian annual wage inflation accelerated slightly to 1.2% in July, still close to record lows but far higher than consumer price inflation. On a m-o-m basis wages were up 0.1% in July after an identical rise in June. Consumer prices were up just 0.3% y-o-y in July.

Confidence among Italian employers fell this month amid concerns that Prime Minister Matteo Renzi will run into difficulties in building a sustainable economic recovery. The business confidence index dropped to 102.5 from a revised 103.5 in July.

The Spanish economy grew by 3.1% in the Q2 of the year when compared with the same period of a year earlier. That represented a 0.4% increase when compared with the figure of the Q1, when Spain's economy grew by 2.7% on a y-o-y basis.

Spain's consumer prices fell by 0.4% in August when compared with the same month of a year earlier. Prices fell especially due to lower prices of electricity and gasoline. Spanish consumer prices had been rising for two consecutive months after 11 months of falls.

Foreign tourists spent a total of EUR37.1 billion in Spain in the first seven months of the year. The figure indicated a 7.7% increase when compared with the same period of a year earlier, with average spending per tourist rising by 2.9% to EUR978 and average daily spending increasing by 3.8% to EUR113.

North America

The Canadian government posted a budget surplus in June when higher revenues helped offset an increase in program expenses as a childcare benefit was expanded. June's surplus was CAD1.07 billion, slightly lower than the surplus of CAD1.57 billion in June the year before.

Mexico's trade deficit widened in July as a drop in crude-oil prices continued to weigh on petroleum exports while manufacturing exports grew at a modest pace from a year before. The country registered a trade deficit of USD2.27 billion last month, bringing the accumulated shortfall in the first seven months of the year to USD6.32 billion.

Mexico's oil exports fell 36.8% in July relative to the same month of 2014, while the country's overall trade deficit widened last month to USD2.3 billion. Total exports amounted to USD32.8 billion in July, down 2.6% from the same month of last year. Imports, meanwhile, amounted to USD35.1 billion in July, up 1.1% from the same month of last year. Oil imports fell 2.1% to USD3.2 billion, while non-oil imports rose 1.4% to USD31.9 billion.

The number of Americans initially applying for unemployment aid fell last week, suggesting the job market keeps improving. In the week ending Aug. 22, the advance figure of seasonally adjusted initial claims for jobless benefits decreased to 271,000, down 6,000 from the revised level of the previous week.

US consumers increased their spending moderately in July, as wages and salaries made their biggest jump in eight months. Spending rose 0.3% in July, helped by purchases of big-ticket items such as cars. June's result was revised up to a matching 0.3% gain.

The US revised up its estimate for the real GDP in the Q2 to a growth of 3.7%, much higher than a growth of 0.6% in the Q1. The accelerated GDP growth in the quarter primarily reflected upturns in exports and accelerations in personal consumption expenditures and a deceleration in imports.

South America

The Brazilian GDP contracted for the Q2, sending the economy of Latin America's biggest country into a technical recession. Brazil's economy shrank 1.9% in the Q2 compared with the previous three months. GDP in the Q1 contracted 0.7%. Brazil's economy has been hit by a drop in international commodity prices, sluggish global economic growth, rising inflation and high interest rates.

Brazil's central government posted a primary budget deficit of BRL7.224 billion (USD2.04 billion) in July, the third straight monthly gap as the government struggles with plummeting revenues.

Oil & Gas News

Oil extends short-covering frenzy to second day, topping USD50. Brent, the global oil benchmark LCOc1, closed up USD2.49, or 5%, at USD50.05, after nearly reaching USD51 a barrel. It gained 10% on the week.

Currency News

Indonesia's central bank has tightened its rules for domestic purchases of US dollars as it tries to bolster the fragile rupiah. Effective immediately, Bank Indonesia said dollar purchases at banks or money changers above USD25,000 require a document showing the underlying transaction, such as payments for imports, school tuition and health treatment abroad, or offshore loans. The previous threshold for buying dollars without documents was USD100,000.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
27-Aug-15	1,127.76	2.66	44.36	16.68	1.59	2.17	1.40	1.00	10036.53	85.67	3.01	33.34	25.43	2,942.59
29-Aug-15	1,133.60	2.72	50.05	18.40	1.58	2.17	1.41	0.99	9922.60	86.40	2.98	33.22	25.47	2,955.94
% Change	0.52	2.26	12.83	-0.82	-0.17	0.44	-1.05	-1.14	0.86	-1.32	-0.36	0.14	0.45	