

Economic & Financial News

Research & International Division

3/2/2015

*... Australia's trade deficit narrowed to 57% ...
... US factories expanded last month at the slowest pace in a year ...*

South East Asia

The Indonesia government has proposed a cut in the volume of subsidised fuel to the House of Representatives to 19.9 million kilolitres, down from 46.79 million kilolitres in 2014.

Indonesia's trade performance swung to a USD186.8 million surplus in December after registering USD420 million deficit in the previous month. The surplus in December led the country's trade deficit gap in the whole year of 2014 to narrow to USD1.88 billion from USD4.08 billion deficit in 2013. Total export in December was USD14.62 billion, falling by 13.83% y-o-y, while import reached USD14.43 billion or down by 6.61%.

Indonesia's inflation rate decelerated in January on lower transportation prices, following the government's move to reduce fuel prices amid lower oil prices globally. The CPI eased to 6.96% y-o-y. This compared to 8.36% in December last year.

Indonesia's manufacturing activity slowed for the fourth straight month in January to a level that posed more serious threats of unemployment. HSBC Indonesia Purchasing Managers' Index (PMI) settled at 48.5 in January on falling output and new orders despite edging up from its all-time low level of 47.6 registered in December last year.

Inflation rate in Laos stood at 2.81% in November 2014 was the lowest since 2010. Inflation has been decreasing since the beginning of 2014 from 5.99% in January to 5.66% and 5.32% in February and March, respectively.

Philippine customs revenue collections rose by 21% to PHP369.044 billion (USD8.37 billion) in 2014. In 2013, the country collected PHP304.926 billion (USD6.92 billion).

Singapore has attracted SGD11.8 billion in fixed asset investments last year. The figure was however lower than in 2013 at SGD12.1 billion.

Vietnam's industrial production sector posted a 10% growth in January, compared with the same period last year. The beverage and paper industries took the lead in terms of inventory last month, with a 59.5% and 100% increase, respectively.

North East Asia

China's service sector activity slowed in January, but is still a robust economic driver. The PMI for the non-manufacturing sector retreated to 53.7 in January from 54.1 in December.

The value of Hong Kong's total retail sales fell in fell 3.9% in December 2014 to HKD47.8 billion (USD6.2 billion) from a year ago. For 2014 as a whole, the value of total retail sales went down 0.2% to HKD493.3 billion from a year earlier.

Japanese manufacturing activity sustained growth in January. The final Markit/JMMA Japan Manufacturing PMI was 52.2 in January, slightly above a preliminary reading of 52.1 and higher than 52.0 in December.

South Korea's consumer prices grew at less than 1% for the second month in a row in January, deepening worries of deflation. The country's CPI edged up 0.8% last month from a year earlier, unchanged from a yearly gain reached in December.

South Korea's exports inched down from a year earlier in January. The country's overall outbound shipments slipped 0.4% on-year to USD45.37 billion last month. Imports plunged 11% on-year to about USD39.84 billion. The trade surplus came to USD5.53 billion, compared with a surplus of USD735 million in the same month last year.

South Korea's monthly current account surplus slipped from a record high in the previous month. The current account surplus reached USD7.22 billion last month, down from a revised USD11.32 billion in November.

Australasia

Australia's trade deficit narrowed to a seasonally adjusted 57% to AUD436 million. The result follows a deficit of AUD1.016 billion in November. Exports rose by 1% in the month, while imports fell by 1%

Consumer confidence in Australia has continued to fall despite cheaper petrol prices and the chance of another interest rate cut. The weekly ANZ-Roy Morgan consumer confidence index fell by 0.7% to 112.4 in the week ending Feb. 1.

Middle East and North Africa

Egypt's tourism revenues in 2014 rose to USD7.5 billion from USD5.9 billion the previous year, marking a 27% increase in revenues from one of the country's major sectors. The country received 9.9 million tourists in 2014, up from 9.5 million in 2013.

Kuwait's trade surplus narrowed to KWD5.3 billion in the Q3 of 2014, as oil exports fell and import growth strengthened. The surplus remains strong, though it narrowed to its lowest level in three years mainly on lower oil prices.

Oman's inflation saw an increased 0.8% in December 2014 compared to the same month in 2013. The significant areas that saw price rise were household appliances, equipment and customary maintenance (5.8%), healthcare (4.96%), communication (4.82%), education (4.51%) and foodstuffs and non-alcoholic beverages (0.22%).

Several of Saudi Arabia's largest companies announced payouts worth hundreds of millions of dollars, days after the new king ordered a two-month bonus for all Saudi state employees.

Tunisia's trade balance in industry stood at TND8,135.7 million in 2014 against TND7,183.8 in 2013, despite a 4.9% rise in industrial exports in 2014.

Eastern Europe

Russia's economy grew 0.6% in 2014. Russia's growth in 2014 was the slowest since 2009, amid the Western sanctions and low oil prices. The government expects the economy to contract by about 4% in 2015.

Russian manufacturing activity shrank in January at the fastest rate since mid-2009, as weak oil prices and the Ukraine crisis take their toll on the economy. The HSBC PMI fell to 47.6 from 48.9 in December.

Western Europe

The British manufacturing PMI edged up to 53.0 in January this year from the revised 52.7 in December 2014. Lower input costs, pushed down by the oil price slump, fuelled manufacturing activities.

Spain's manufacturing sector expanded faster in January. Markit's PMI of manufacturing service companies stood at 54.7 in January, up from 53.8 in December.

North America

President Barack Obama proposed USD3.99 trillion budget for fiscal year 2016 that sets up a battle with Republicans over programmes to boost the middle class that are funded by higher taxes on corporations and wealthy Americans.

US factories expanded last month at the slowest pace in a year, as orders, production, and hiring all declined. Its manufacturing index fell to 53.5 in January from 55.1 in December. That is the third straight drop and lowest since January 2014.

South America

Argentina's total tax income for January reached a figure of ARS117.46 billion, 30.1% higher than the same period in 2014.

Brazil had a trade deficit of USD3.17 billion in January, after posting a surplus of USD293 million in December. Last year, Brazil had its first annual trade deficit in more than a decade, of USD3.9 billion. In December the country had a trade surplus of USD293 million.

Oil & Gas News

Oil extends longest rally since August as union strike endures. Brent for March settlement climbed as much as 74 cents, or 1.4%, to USD55.54 a barrel on the London-based ICE Futures Europe exchange.

Commodity News

Copper rises for third day as oil rallies to highest in a month. Copper for delivery in three months on the London Metal Exchange advanced 1.2% to USD5,565 a metric ton at 3:12 p.m. in Hong Kong.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
31-Jan-15	1,283.79	2.69	52.99	19.70	1.53	2.04	1.35	0.95	9339.68	87.34	2.68	32.63	24.22	3,391.20
03-Feb-15	1,279.14	2.70	55.54	20.57	1.53	2.04	1.35	0.95	9379.98	86.96	2.68	32.64	24.12	3,402.93
% Change	-0.36	0.37	4.81		0.12	0.31	0.24	-0.14	0.43	-0.43	-0.05	0.02	-0.40	0.35

Economic & Financial News

Research & International Division

4/2/2015

*... Saudi Arabia's non-oil private sector growth almost unchanged in January ...
... Falling energy prices helped push Italy into deflation in January ...*

South East Asia

FDI in the Philippines likely breached the USD6 billion mark in 2014 amid favourable economic conditions. Net FDI inflows amounted to USD5.32 billion in the January to October period, up 64% from USD3.24 billion in the same period in 2013.

Vietnam's crude oil output last month was estimated at 1.62 million tonnes, including 1.47 million tonnes exploited in the country, increasing 10.6% from the corresponding period last year, with the remaining crude oil coming from overseas.

Both Vietnam's domestic steel production and imports surged in January, in anticipation of an increase in demand. It produced 280,400 tonnes, up 71% y-o-y. The country also imported 1.1 million tonnes of steel, up 91% y-o-y.

North East Asia

Japan's total cash earnings grew 1.6% in the year to December, up for the 10th straight month. Real wages adjusted for inflation fell 1.4% y-o-y in December, down for the 18th straight month, but the pace of falls slowed from the prior month's 2.7% drop.

South Korea's foreign reserves declined again in January, after rebounding in December in five months, as strong US dollar reduced the conversion value of non-dollar assets. Foreign reserves were USD362.19 billion as of end-January, down USD1.41 billion from a month earlier.

Australasia

Australia's central bank cut its benchmark interest rate to a record low of 2.25%, joining a procession of central banks that have eased policy settings since the start of the year in response to the deflationary impact of tumbling oil prices.

New Zealand's unemployment rate rose to 5.7% in Q4 2014, from 5.4% in the previous quarter. Labour force participation is at a record 69.7%, reaching its highest level on record.

Indian Sub-Continent

The Reserve Bank of India left its benchmark lending rate unchanged at 7.75%, deciding to wait for more evidence the country's inflation is under control before it cuts rates again.

Middle East and North Africa

Egypt's non-oil private sector shrank in January for the first time since last July, as both output and new orders fell slightly. The HSBC Egypt PMI dropped to 49.3 points last month, from 51.4 in December.

Jordan's Central Bank cut its benchmark lending rates by 25 basis points, its first reduction since last June, following a record build-up in foreign reserves and an improved inflation outlook. The bank trimmed its discount rate to 4% and overnight repo rate to 3.75%.

Growth in Saudi Arabia's non-oil private sector was almost unchanged in January, suggesting the plunge in oil prices is not so far proving a major drag on the economy. The HSBC Saudi Arabia PMI was 57.8 points in January against 57.9 in December.

The UAE's Purchasing Manager's Index (PMI) for January showed strong improvement in business, indicating that the non-oil private sector continued to grow despite a sharp decline in oil prices. The headline PMI for January was 59.1, up from 58.4, the highest in three months.

Eastern Europe

Russia may consider introducing price regulations if monthly inflation surges above 30%. Inflation has become a growing concern for Russians. It hit 11.4% in 2014 as the value of the ruble slid amid tumbling oil prices and an import ban on certain products from Western countries.

Western Europe

Falling energy prices helped to push Italy into deflation in January when the CPI fell by 0.6% compared to the same month in 2014. Prices on average were 0.4% lower last month when compared with December, further evidence of continuing sluggish demand and economic weakness in Italy.

The number of people receiving unemployment benefits in Spain fell by 6.2% y-o-y in December 2014. Over 57% of Spain's jobless are receiving benefits now compared to 61.4% in 2013.

North America

Remittances sent home by Mexicans living abroad rebounded by 7.8% last year after falling in 2013. Mexicans abroad sent home USD23.6 billion in 2014, up from about USD21.9 billion the year before. Remittances had dropped 3.7% y-o-y in 2013.

US consumer spending slipped 0.3% in December compared to a 0.5% increase in November, as the pace of motor vehicle sales slowed and more Americans saved their money. Cheaper gasoline and fewer auto sales accounted for most of the decline.

US overall orders for manufacturing dropped 3.4% in December, led by a steep drop in transportation. New orders for manufactured goods in December, down five consecutive months, decreased USD16.4 billion or 3.4% to USD471.5 billion, November increase.

South America

Brazil's industrial production contracted sharply in December and finished last year with its worst result since the 2009 recession, as rising interest rates, weak demand and waning confidence from consumers and businesses weighed on output. Production declined 2.8% m-o-m in December in seasonally adjusted terms. Industrial production fell 3.2% in the whole of 2014.

The Brazilian government will increase the blend of ethanol in gasoline from 25% to 27% starting February 15th. The increase of 2% of ethanol in regular gasoline will increase the demand for ethanol by more than one billion litres per year.

Commodity News

Gold was steady but failed to rebound on Wednesday after falling more than 1% in the previous session as Greece's plan to end a standoff with creditors lifted the appetite for risky assets. Spot gold was little changed at USD1,260.86 an ounce by 0018 GMT, after falling 1.2%.

Currency News

Malaysia's ringgit gained the most since September 2013. The currency climbed 2.1% from Jan. 30 to 3.5555 a dollar as of 11:48 a.m. in Kuala Lumpur.

South Korea's won strengthened, boosted by demand for emerging-market assets on signs Greece will remain in the euro area and as oil rebounded. The won strengthened 1.2% to 1,084.62 a dollar, the most since July 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
03-Feb-15	1,279.14	2.70	55.54	20.57	1.53	2.04	1.35	0.95	9379.98	86.96	2.68	32.64	24.12	3,402.93
04-Feb-15	1,264.35	2.75	57.87	21.04	1.53	2.03	1.35	0.97	9338.81	86.68	2.68	32.59	24.05	3,415.14
% Change	-1.16	1.85	4.20		0.07	-0.49	-0.13	1.73	-0.44	-0.33	0.13	-0.15	-0.30	0.36

Economic & Financial News

Research & International Division

5/2/2015

*... Unemployment in Brunei increased by 20.6% in November 2014...
... Indonesia has decided to lower the price of subsidised diesel fuel ...*

South East Asia

Unemployment in Brunei increased by 20.6% in November 2014. The number of unemployed Brunei citizens and permanent residents aged between 18 and 59 years old who are not working and are actively seeking for work increased to 14,267 from 11,834 recorded in October 2014. More than half of the unemployed (7,910 people) are women, according to the JPKE.

Brunei's total export revenues in November declined 14.5% on year to BND950.6 million owing to a sharp decline in oil and gas exports. Oil and gas exports decreased by 18.8% on year to BND882.2 million. Export revenues from crude oil declined by 26.6% to BND299.9 million, while earnings from liquefied natural gas (LNG) dropped by 14% to BND582.3 million.

Cambodia's economy grew by 7.2% in 2014 and is predicted to maintain the growth of at least 7% in 2015, driven by garment exports, agriculture, tourism and construction, the Prime Minister Hun Sen announced.

Cambodia earned USD3 billion from the booming tourism sector last year. Cambodia received 4.5 million inbound tourists, an increase of 5.9% compared to 2013, and USD3 billion in the revenue.

The Indonesia government has decided to lower the price of subsidised diesel fuel by IDR300 per litre, which currently stands at IDR6,400 (USD0.51) per litre, in the near future.

Indonesia expected an increase in state revenues from the coal and mineral sector this year to offset the projected decline in revenues from the oil and gas sector. The government raised state revenues from the mining sector by 28.5% to IDR52.2 trillion (USD4.13 billion) from IDR40.6 trillion in the original budget, or about 50% higher than IDR35.4 trillion last year.

Thailand expects GDP to grow by 4% this year, likely driven by state and private investment. This year, private investment will begin to take off, while the government has been accelerating implementation of its infrastructure projects, including roads and double-track railways, to generate employment.

North East Asia

China's central bank made a system-wide cut to bank reserve requirements yesterday, the first time it has done so in over two years, to unleash a fresh flood of liquidity to fight off economic slowdown and looming deflation. The amount of cash banks must hold back from lending to 19.5% for big banks, a reduction of 50 basis points that would free up CNY600 billion (USD96 billion) or more held in reserve at Chinese banks.

The average monthly wages in Japan in 2014 rose 0.8% from the previous year to JPY316,694, the first increase in four years. The growth reflects pay hikes in "shunto" spring labor-management wage negotiations and higher bonuses.

Japan's monetary base stood at JPY278.6 trillion at the end of January, hitting a record high for the sixth consecutive month. The monetary base climbed 1% from a month before, backed by the central bank's aggressive monetary easing policy.

Australasia

Australian retail sales rose in December from the month prior, helped by cuts in the interest rates and unemployment nudged to its highest levels in a decade. Retail sales rose by 0.2% in December from November, compared with a 0.3% rise. Retail sales volumes rose by 1.5% in the Q4 from the Q3.

Indian Sub-Continent

Pakistan's annual consumer inflation hovered at a record low of 3.88% in January. The CPI inflation was recorded at 4.3% in December 2014.

Middle East and North Africa

The Central Bank of Oman has reduced the rate of interest payable on capital deposits –deposits which licensed banks, leasing and finance companies and money exchange companies are required to maintain with the central bank – by 50 basis points to 1%.

Eastern Europe

Russia's CPI accelerated in the past week, spurred by continuous ruble weakness. Consumer prices rose 0.9% in just one week to February 2 after growing by 0.6% the previous week.

Russian imports decline by 41% in January from a year earlier, due to a sharp weakening of the ruble, sanctions and economic decline. Imports to Russia from countries excluding former Soviet Republics fell to USD9.9 billion from USD16.7 billion in January 2014.

Western Europe

The European Central Bank cut off Greek banks' access to a key source of much-needed cash, piling fresh pressure on the country's new government to reach a deal with international creditors. The ECB would no longer allow Greek banks to use government debt, which has a junk rating, as collateral for loans.

The seasonally adjusted retail trade volume rose by 0.3% in both the Eurozone and the European Union (EU) in December 2014. On a y-o-y basis, retail sales increased by 2.8% in the Eurozone and 3.2% in the EU. It was attributed to sales in automotive fuel, the non-food sector and food, drinks and tobacco. The average retail trade for the year 2014, compared with that of 2013, rose by 1.3% in the Eurozone and 1.9% in the EU.

France's service sector contracted slightly in January. Markit's PMI for the service sector, which accounts for around two-thirds of the economy, fell in January to 49.4 from 50.6 in December.

North America

Economic activity in the US service sector continued expanding in January, indicating the economy is on track for solid growth. The Non-Manufacturing Index (NMI) rose to 56.7% in January, 0.2 percentage point higher than December's reading of 56.5%, the Institute for Supply Management said.

Oil & Gas News

Oil's biggest drop in 2 months ends day-long bull market. Brent for March settlement slipped USD3.75, or 6.5%, to USD54.16 a barrel on the ICE Futures Europe exchange in London.

Commodity News

Industrial metals drop as US dollar climbs on Greece funding woes. Copper for delivery in three months on the London Metal Exchange dropped 0.9% to USD5,652 a metric ton at 10:09 a.m. in Hong Kong. Nickel lost 1.4% to USD14,920 a ton.

Currency News

Euro falls a second day as ECB limits Greek funding. The euro fell 0.3% to USD1.1309 at 8:38 a.m. in Tokyo, after touching USD1.1534 on Feb. 3, the strongest level since Jan. 22.

Ringgit falls as ECB's Greek funding limits add to oil concern. The ringgit retreated as much as 0.8% and traded 0.5% lower at 3.5833 a dollar as of 9:35 a.m. in Kuala Lumpur.

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04-Feb-15	1,264.35	2.75	57.87	21.04	1.53	2.03	1.35	0.97	9338.81	86.68	2.68	32.59	24.05	3,415.14
05-Feb-15	1,272.67	2.67	54.94	20.58	1.54	2.04	1.35	0.95	9372.07	87.63	2.65	32.74	24.22	3,417.57
% Change	0.66	-2.91	-5.06		0.59	0.27	-0.57	-1.42	0.36	1.10	-1.43	0.48	0.69	0.07

*... Malaysia's 2014 trade surplus registered a double-digit growth ...
... Russia's international reserves declined in January 2015 ...*

South East Asia

Indonesia is planning a tax amnesty to convince Indonesians to bring back funds held offshore in order to narrow the country's current-account deficit. The government will revise rules so people repatriating money will not have to pay tax on it and companies will also be given a tax break to keep funds onshore.

Malaysia's 2014 trade surplus registered a double-digit growth of 16.6%. The growth impetus in exports resulted in a trade surplus of MYR83.1 billion. Exports in 2014 rose by 6.4% as compared to 2013 to MYR766.1 billion. Imports increased by 5.3% to MYR683.0 billion. Malaysia's total trade expanded by 5.9% to reach MYR1.5 trillion in 2014 compared with MYR1.4 trillion in 2013.

Philippines' gross international reserves hit USD80.2 billion in January 2015, higher than the revised USD79.5 billion in December 2014. This increase was driven by an upward adjustment in the Bangko Sentral ng Pilipinas' gold holdings, government's foreign currency deposits and foreign exchange inflows.

Thailand's consumer sentiment slipped slightly in January 2015 after hitting an 18-month high the previous month. Thailand's consumer confidence index dipped to 80.4 in January from 81.1 in December. Factors blamed for the weakening sentiment include concerns over Thailand's slow economic recovery, relatively low agricultural produce prices, and weak export growth.

Vietnam's central bank floats USD2.3 billion for new credit package to support the commercial condo segment by enabling local banks to offer local homebuyers long-term lending at preferential rates.

Retailers of biofuel in Vietnam cut prices by 2% in an effort to boost consumption. Vietnam's leading fuel importer and distributor decreased the price of bio gasoline E5 RON 92 by VND320 to VND15,350 (USD0.72) per litre. The decrease was made following the decline of global oil prices over the past time.

Vietnam's import turnover in January 2015 was higher by USD500 million than export turnover. Vietnam exported USD12.9 billion worth of products and services in January. The figure, though representing an increase of 9.7% y-o-y, was not high enough to prevent the trade deficit.

North East Asia

Chinese spending on international travel in 2014 rose to USD165 billion from USD129 billion in 2013, the biggest percentage increase in two years.

South Korea will take proactive measures to prepare for any market volatility that can disrupt efforts to revive economic growth, including revamping the levy on foreign debts.

Middle East and North Africa

Egypt's foreign currency reserves rose to USD15.4 billion at the end of January 2015 from USD15.3 billion the previous month. Reserves had stood at about USD36 billion before the 2011 revolt.

Kuwait's inflation rate remained subdued in December 2014 at 3% y-o-y, after reaching 3.1% in October 2014. The CPI increased by 1% m-o-m at the level of 135.4. In 2014, Kuwait's inflation rate remained stable and has averaged 2.9%.

Kuwait's economic activity is expected to ease to 2.4% in 2014, following a major correction in oil GDP growth and amid soft non-oil sector growth. Oil sector growth is set to post a mere 0.1% in 2014. This is markedly lower than the 15.3% growth rate of 2013. Overall growth should remain around the 2.4% mark over the next two years, as oil GDP growth remains constrained.

Unemployment rate in Morocco reached 9.9% in the 2013-2014 fiscal year, increasing by 0.7 points y-o-y. The number of active unemployed Moroccans increased by 8% nationally, increasing from 1.1 million in 2013 to 1.2 million in 2014. A larger increase in the unemployment rate was noticed in urban areas among the youth aged 15-24 (+2.1 points), women (+1.5 points) and graduates (+1.3 points).

Tunisia CPI reached 5.5% in January 2015 against 5.0% in December 2014. The inflation rate would be of 4.7% in January if "energy" and "food" groups are excluded.

Tunisia's trade deficit was reduced to TND854 million in January 2015, against TND863 million the same month of 2014. However, the trade deficit in the energy sector, remains considerable (TND415 million).

Eastern Europe

Russia's international reserves mostly comprising gold and foreign currency declined in January 2015 by USD9.3 billion to USD376.2 billion. Russia's international reserves fell by USD124.1 billion or 24.4% in 2014 to USD385.5 billion as of January 1, 2015.

Russia's inflation rate in January 2015 hit a 16-year-old high record. Inflation rate in January amounted to 3.9%, comparing to 2.6% in December 2014. The statistics showed a 6.5-time growth y-o-y, as in January 2014 inflation was only 0.6%. Consumer prices in Russia rose by 4.4% in January 2015, including food prices by 5.7%, as the annual growth rates of the two indexes reached 15.9% and 20.7% respectively.

Western Europe

Britain's trade in goods deficit widened sharply in December 2014 on a surge in oil imports, making the trade gap for last year as a whole the biggest since 2010. Export volumes jumped 2.4% in December. The goods deficit grew to GBP10.2 billion from GBP9.3 billion in November.

France saw a narrowed trade deficit at EUR53.8 billion in 2014, calling for more efforts to hunt further lucrative business opportunities in booming Asian markets. In 2014, French exports rose by 0.1% while imports decreased by 1.3%.

German industrial output rose 0.1% in December m-o-m, led by the manufacturing sector in a further sign that Europe's largest economy had a steady if slow end to 2014. November's data is revised up to a 0.1%.

Swiss central bank's foreign exchange reserves edged higher in January 2015. The bank held CHF498.4 billion in foreign currency at the end of January, compared with CHF495.1 billion in December.

North America

The expansion of US employment was solid in January 2015. The US non-farm payroll grew by 257,000 last month, and the unemployment rate was little changed at 5.7%, the Labour Department reported.

The US trade deficit in December 2015 jumped to the highest level in more than two years as exports fell and Americans bought a record amount of imports. The deficit jumped 17.1% to USD46.6 billion in December, resulting in the biggest imbalance since November 2012. The widening trade gap reflected a drop in exports, which retreated 0.8% to USD194.9 billion. Meanwhile, imports soared 2.2% to USD241.4 billion.

South America

Consumer prices in Brazil rose 1.2% in January, bringing inflation over the past 12 months to 7.1%. Inflation last month was the highest since February 2003, when prices increased 1.6%, and substantially higher than December's 0.8% advance. The major drivers of inflation in January were food and beverages, housing and transportation. The 2014 inflation figure was 6.4%.

Oil & Gas News

Oil rallied again, with benchmark Brent crude having its largest two-week gain in 17 years. Crude prices have risen nearly 20% over the past six sessions. Brent futures posted a 9% gain on the week, their biggest since 2011, and 19% over two weeks, the largest since 1998. Brent settled up USD1.23, or 2.2%, on the day at USD57.80 a barrel.

Currency News

The Canadian dollar weakened on Friday after robust US jobs data impressed the market more than a stronger-than-expected Canadian employment report. The Canadian currency hit CAD1.25, soon after the jobs reports were released, before weakening steadily through the session to close at CAD1.2524.

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07-Feb-15	1,234.04	2.58	57.8	22.40	1.54	2.06	1.34	0.95	9384.38	87.23	2.64	32.84	24.23	3,431.36
% Change	-3.04	-3.37	5.21		-0.01	1.13	-0.01	-0.17	0.13	-0.46	-0.13	0.30	0.07	0.40

Economic & Financial News

Research & International Division

10/2/2015

*... Japan reaped record income last year from investments overseas ...
... Egypt's government is working on slashing the budget deficit to 8% of GDP ...*

South East Asia

Cambodia's banking sector has reported a 33.7% y-o-y rise or USD10.8 billion in lending in 2014. The country's banking sector has been serving around 2.2 million borrowers. The growth clearly reflects better economic situation and public confidence in the banking and finance sector.

Philippine government debt slid by 1.5% to PHP7.5 trillion as of the middle of 2014. The outstanding public sector debt as of end-June last year was lower than the PHP7.6 trillion at end-March. This was attributed to the decline in both domestic and foreign liabilities.

Value of the Philippines metallic mineral output grew faster as of September last year even as prices of metals except that of nickel fell in those nine months. Total metals production rose 37% to PHP102.5 billion as of end-September from PHP74.8 billion in 2013's comparable nine months.

Vietnam received about USD12 billion worth of inward remittances last year, up USD1 billion against the previous year, most of which has been invested in production and business activities.

North East Asia

China's retail price of gasoline would be raised by CNY290 (USD47.3) per tonne and diesel by CNY280 per tonne, snapping the trend of 13 consecutive cuts since July. The adjustment that comes into effect today means retail prices will edge up by CNY0.21 per litre for gas and CNY0.24 per litre for diesel.

China's foreign trade tumbled 10.8% y-o-y to CNY2.09 trillion (USD341.2 billion) in January. Exports dropped 3.2% to CNY1.2 trillion and imports slumped 19.7% to CNY860 billion, making the trade surplus expand 87.5% to CNY366.9 billion.

Japan's current account surplus fell 18.8% y-o-y to JPY2.63 trillion (USD22.1 billion) in 2014, suggesting a surge in gas imports and the yen's drop were the main reasons. Exports in 2014 gained 9.3% from the previous year to JPY74.1 trillion, while imports soared 10.3% to JPY84.5 trillion. Thus, the trade deficit, imports minus exports, grew 18.1% to a record JPY10.4 trillion.

Japan reaped record income last year from investments overseas. The surplus from direct investment and foreign securities increased 9.7% to JPY18.1 trillion (USD152 billion), inflated by a weaker yen and fed by revenue from the world's largest foreign net asset position.

South Korea's exports of ICT products rose from a year earlier last month, but its trade surplus in the sector dwindled as shipments of smartphones dropped. Outbound shipments of ICT products amounted to USD14.2 billion in January, up 6.3% from the same month last year. However, the country's trade surplus in the ICT sector shrank 2.2% on-year to USD6.2 billion as imports surged 14% to USD7.9 billion.

The tax burden for ordinary households in South Korea outpaced income gains in the first three quarters of 2014 by nearly double. Average income for a two-person household stood at KRW4,314,334 (USD3,928.9) in the January-September period, up 3.6% from the year before. The monthly tax burden stood at KRW154,276, a 5.9%, or KRW8,606, increase from the year before.

Taiwan's exports in January grew 3.4% y-o-y to reach USD25.1 billion on gains in overseas shipments of electronic products, precision instruments and machinery. The country's imports, meanwhile, were down 4.8% from the same period of 2014, to stand at USD20.3 billion.

Middle East and North Africa

Egypt's government is working on slashing the budget deficit to 8% of GDP in the coming four years. Budget shortfall amounted to an estimated 14% of GDP for FY 2014-2015, before ratified a revised and tightened budget in which the deficit was reduced from EGP292 billion in the initial budget draft to EGP240 billion (10% of GDP) compared to a 12% of GDP deficit for FY 2013-2014.

Egypt's urban consumer inflation fell to an annual **9.7% in January** from 10.1% in the previous month. Inflation spiked in Egypt after the government slashed energy subsidies in July of 2014 but fell in November from a peak of 11.8% in October.

Saudi Arabia's non-oil exports plunged in December, most likely due to a big drop in petrochemicals and plastics prices. Non-oil exports fell to SAR16.8 billion in December, down SAR3.5 billion, or more than 17%, from a year earlier.

Saudi Arabia's central bank governor called for reforms to the country's lavish system of energy and water subsidies, which drain billions of dollars from the state budget and encourage waste by keeping down prices for consumers.

Turkey's industrial production increased 2.6% in December. Industrial production decreased 0.5% in the last quarter of 2014 compared with the previous quarter. For the year 2014, industrial production increased 3.6% compared with the average of the previous year.

FDI contributed 5% to the UAE's GDP. The UAE's FDI grew by 25% in 2014 to more than USD13 billion (AED47 billion) from to USD10.4 billion in 2013. The growth in FDI has helped to boost the oil and non-oil businesses sectors across the emirates.

Eastern Europe

Russia's oil export revenue declined by nearly 11.4% to USD153.8 billion in 2014. The physical volume of oil export edged down 5.6% to 223.4 million tons in 2014 against 236.6 million tons a year earlier. Meanwhile, OPEC estimated that Russia's oil exports in 2015 would drop by 60,000 barrels a day, and oil production by 70,000 barrels a day.

The Russian car market plunged 24% in January. The Russian economy has entered recession for the first time since 2009 and inflation is now at a 16-year high. Y-o-y drop in sales in Russia followed strong demand at the end of 2014, when customers were in a hurry to buy foreign cars before the prices rose.

Western Europe

British retail spending accelerated last month as shoppers splashed out more than usual in the January sales, while food sales rose for the second month in a row. The British Retail Consortium said retail spending was 1.6% higher this January than a year ago, following a 1% y-o-y rise in December.

Bank of England has held interest rates at 0.5% for the 71st month in a row and kept its stimulus programme of quantitative easing (QE) unchanged. UK economy grew by a slower 0.5% in the final quarter of 2014.

Germany exported a record EUR1.1 trillion worth of goods and services last year 3.7% more than in 2013. Imports increased by 2% to EUR915.6 billion. Last year, demand for German goods picked up most significantly in EU countries outside of the debt-laden Eurozone.

North America

Mexico's annual inflation rate cooled sharply in January to 3.07%, its lowest in nearly four years, as a drop in fruit and vegetable prices combined with lower electricity rates and the elimination of long-distance phone charges weighed down on the CPI.

South America

Chile's mining exports grew 23.9% y-o-y in January to USD3.15 billion. January exports declined 22.1%, however, from USD4.1 billion in December. Copper exports last month totalled USD2.9 billion, up 29.8% from USD2.2 billion in January last year. Copper exports fell 23.8% from December's USD3.8 billion.

Oil & Gas News

Benchmark Brent crude oil prices remained below USD58 a barrel today as the United States will remain the world's top source of oil supply growth until to 2020, defying expectations of a more dramatic slowdown in shale output growth. Brent crude slipped 71 cents, or 1.22%, to USD57.63 by 0234 GMT (9.34 p.m EST), ending a three-day rally. The benchmark gained more than 9% last week, its biggest weekly rise since February 2011.

Currency News

The Aussie and the kiwi extended gains after China's consumer prices rose at the slowest pace in more than five years in January. The Aussie rose 0.2% to 78.20 US cents as of 6:48 a.m. in London. New Zealand's dollar advanced 0.2% to 74.29 US cents.

Indian rupee rebounds from four-week low as oil resumes decline. The rupee climbed 0.3% to 61.9825 a dollar as of 11:11 a.m. in Mumbai.

Ringgit drops most in Asia as oil declines after three-day gain. The ringgit weakened 0.5%, the biggest decline since Jan. 28, to 3.5800 a dollar as of 2:03 p.m. in Kuala Lumpur.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
07-Feb-15	1,234.04	2.58	57.8	22.40	1.54	2.06	1.34	0.95	9384.38	87.23	2.64	32.84	24.23	3,431.36
10-Feb-15	1,244.99	2.63	57.58	21.89	1.53	2.06	1.35	0.95	9364.17	87.80	2.63	32.74	24.11	3,431.56
% Change	0.89	1.94	-0.38		-0.51	0.12	0.59	0.10	-0.22	0.66	-0.39	-0.33	-0.52	0.01

Economic & Financial News

Research & International Division

11/2/2015

*... South Korea's import prices continued to fall in January ...
... OPEC producers cut oil prices to Asia ...*

South East Asia

Cambodia's garment exports rose 4% y-o-y in 2014 to USD5.75 billion, less than the 20% jump in garment exports the previous year. The industry employs 600,000 workers, accounts for 80% of Cambodia's total exports and contributes a third of GDP.

Malaysia's Industrial Production Index (IPI) grew 7.4% m-o-m in December 2014. It was underpinned by positive growth in the manufacturing, mining, and electricity sectors.

North East Asia

China's tourism revenue grew 14.7% in 2014 to reach CNY3.38 trillion (USD551 billion). There were 3.6 billion domestic trips made, up 10.7%. Revenues from inbound tourism hit USD56.9 billion, up 10.2%.

China's auto production and sales continued to grow in January, boosted mainly by passenger cars. There were 2.29 million cars made and 2.32 million cars sold in January, a y-o-y rise of 11.5% and 7.6% respectively.

China's consumer prices grew 0.8% y-o-y in January, the slowest rise in more than five years. Food prices, which account for nearly one-third of weight in China's CPI, increased 1.1% y-o-y. On a monthly basis, consumer prices edged up 0.3% in January.

China's marine economy maintained strong momentum in 2014, with the sector's gross output growing 7.6% y-o-y to CNY6 trillion (USD958.7 billion). In 2013, gross output surged 7.6% y-o-y to CNY5.4 trillion.

The fall in China's producer prices widened in January, indicating slowing economic activity further hit domestic demand. Producer price index (PPI) slumped 4.3% y-o-y in January, from December's 3.3% fall.

Japan's central government debt stood at JPY1,029.9 trillion (USD8.69 trillion) at the end of December 2014, down JPY8.99 trillion from three months earlier. The government debt is expected to reach JPY1,062.7 trillion by the end of this fiscal year through March 2015.

Japan's agri exports jumped 11.1% y-o-y in 2014, hitting a record high of JPY611.7 billion (USD5.16 billion). The rise reflects the popularity of Japanese cuisine overseas, adding the yen's depreciation against the US dollar also helped Japanese exports to become more attractive.

South Korea's jobless rate stood at 3.8% last month, with youth unemployment and the number of "underemployed" further increasing up from 3.4% in December and 0.3 percentage point higher than the year before. The number of employed people reached 25.1 million last month, with 347,000 new jobs being created compared with the year before.

South Korea's import prices continued to fall in January from a year earlier as oil prices showed no sign of rising. Import prices dropped 19.2% on-year last month, quickening from a 13% on-year fall in December. Export prices fell 8.5%, a pace of decline that nearly doubled from a 4.4% drop in the previous month.

Australasia

Australian property prices rose 6.8% in 2014. Sydney was the highest rising market by 12.2% annual gain. Brisbane ranked second with 5.3%, while Melbourne was next with a 4.5% rise. All the other capitals grew at 2.5% or less, with home prices below inflation. Total value of Australia's 9.45 million residential dwellings is at AUD5.4 trillion, with an average price of AUD571,500.

Retail spending using electronic cards in New Zealand has edged down for the third successive month, due to falling fuel prices. Spending using debit, credit and charge cards fell 0.4% m-o-m to NZD4.69 billion in January.

Middle East and North Africa

Egypt's core annual inflation rate declined to 7.06% in January, from 7.69% the previous month. The bank cut its benchmark interest rates by 50 basis points last month, citing an easing inflation outlook. Inflation spiked in Egypt after the government slashed subsidies in July, lifting fuel prices by up to 78%.

Egypt's local investment in the country reached EGP7.64 billion in Q1 of the fiscal year that began in July, up 1.27% y-o-y.

Egypt's total exports for January were only USD1.4 billion, decreasing by 20.9% compared to the corresponding month in 2014.

Eastern Europe

Consumer prices in Russia will start to fall in February after peaking in January, as the recent spike in prices was caused by a one-off rise in the government regulated tariffs. Russia's inflation, fuelled by a 50% weakening of the ruble in the past 12 months and a ban on food imports from the Western countries, hit 15% in annual terms in the first week of February.

Western Europe

British industrial output slipped by 0.2% in December 2014. Industrial output increased by 0.1% between Q3 and Q4 of 2014. The main contributors to the increase were computer, electronic and optical products, the manufacture of transport equipment, and the manufacture of food products, beverages and tobacco.

French industrial output rebounded 1.5% m-o-m in December as production rose across the Eurozone's second largest economy.

Italy's industrial production gained 0.4% in December, rising for the second consecutive month for the first time in more than a year. The rise was led by a 3% jump in investment goods, a 1.1% advance in durable goods and a 0.3% increase in intermediate ones.

Portugal's current account surplus had been positive for a third consecutive year, adding that exports grew 3% and rose up to EUR70 billion (USD79 billion) last year. Although Portugal overly relied on domestic markets, the country has seen exports rise significantly, with exports accounting for 41% of the national output in 2014.

North America

The number of available jobs posted by US employers rose in December to the highest level in 14 years, a sign recent strong job gains will likely continue. Job openings rose 3.7% to a seasonally adjusted 5 million, the most since January 2001. Total hires also increased 1.9% to 5.1 million.

US wholesale businesses increased their stockpiles in December at the slowest pace in 17 months, and sales were weak for a fifth month. Wholesale stockpiles edged up a slight 0.1% in December, the smallest increase since a similar 0.1% rise in July 2013. Inventories had been up 0.8% in November.

A record 266,424 automobiles were produced in Mexico in January, up 6.8% from the same month in 2014. The growth in automobile output was bolstered by the plants that started operations last year in Mexico.

South America

Peruvian exports of copper, gold, silver, tin, lead and molybdenum fell in December due to lower prices, while zinc gained. Total metals export revenue dropped 15% to USD1.7 billion in December, as total exports fell 14.5% to USD3.2 billion.

Venezuelan officials announced that they will allow a free-floating exchange rate for the country's battered currency while maintaining a subsidised rate for key imports.

Oil & Gas News

OPEC producers cut oil prices to Asia in battle for market share. Brent crude, the benchmark for more than half of the world's oil, rose 20 cents a barrel, or 0.4%, to USD56.68 on the London-based ICE Futures Europe exchange.

Commodity News

Gold dips as firmer dollar offsets euro zone concerns. Spot gold was down 0.4% at USD1,233.52 an ounce at 3:18 p.m. EST (1618 GMT), while US gold futures for April delivery settled down USD9.30 an ounce at USD1,232.20.

Currency News

The US dollar hovered near a one-month high versus the yen, while uncertainty over a new debt deal for Greece kept a cloud over the euro. The dollar inched up 0.1% to 119.51 yen, staying near Tuesday's peak of 119.62 yen, which was the dollar's highest level since early January.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
10-Feb-15	1,244.99	2.63	57.58	21.89	1.53	2.06	1.35	0.95	9364.17	87.80	2.63	32.74	24.11	3,431.56
11-Feb-15	1,236.77	2.72	56.68	20.84	1.53	2.06	1.35	0.94	9348.42	87.59	2.65	32.79	24.09	3,442.11
% Change	-0.66	3.42	-1.56		0.01	-0.09	0.00	-0.83	-0.17	-0.25	0.64	0.15	-0.05	0.31

Economic & Financial News

Research & International Division

12/2/2015

*... US budget deficit running 6.2% higher than last year ...
... Australian jobless rate jumps to 6.4% in January ...*

South East Asia

Revenue in the Cambodia's insurance sector increased 26.7% in 2014 compared to the previous year, generating USD53 million in total income. The fledgling insurance market has grown by double digits every year since 2009, but last year saw the largest increase during that period.

Indonesia government is preparing specific incentives to spur growth in the labour-intensive industry to help create 2 million new jobs each year. The incentives may comprise fiscal incentives, such as exemption of import duties for raw materials, and non-fiscal incentives.

Foreign tourists arriving Laos in 2014 reached in excess of 4.15 million, an increase of about 10% compared to 2013 when Laos welcomed around 3.75 million visitors to the country.

Malaysia will reduce electricity tariffs from March 1 to June 30 as a decline in global fuel prices gives the government scope to cut costs for businesses and consumers. The government will lower prices by 5.8%, or 2.25 cents per kilowatt hour in Peninsular Malaysia. Tariffs will drop by 3.5% or 1.2 cents per kilowatt hour in the eastern state of Sabah and federal territory of Labuan.

The Philippine vehicle sales grew by 19.3% to 18,662 units in January, driven largely by the strong performance of the passenger car segment.

Thailand's economy is picking up in 2015 as government spending accelerates and urban consumption improves after political turmoil last year choked growth. If the economy continues to improve the government plans to go ahead with plans to raise value-added tax (VAT) by 1 percentage point to 8% by the end of September to boost state finances.

North East Asia

Japan's core private-sector machinery orders jumped 8.3% in December from the previous month to JPY853.6 billion, indicating companies have become eager to boost investment.

China's machinery industry continued to expand in 2014 but at a softer pace due to sluggish domestic demands and piling inventories. The added value of the sector increased 10% y-o-y in the last year, slightly down from 10.9% in 2013. Chinese machinery enterprises posted combined revenues from main businesses at CNY22.2 trillion (USD3.62 trillion), up 9.4% from a year ago. The revenues grew 13.8% in 2013.

South Korea's housing market improved in Q4 2014 with actual prices of homes and transaction numbers all going up. Home prices in the country rose an average 1.3% on-year in the October-December period and 1.2% from the previous quarter.

Australasia

Australia's unemployment rate climbed 6.4% in January to a 12 1/2-year high from 6.1% in the previous month as jobs were lost along the country's eastern seaboard, sending the currency lower and underscoring the central bank's decision last week to cut interest rates to a record low. The number of people employed fell by 12,200.

The BNZ-Business New Zealand's Performance of Manufacturing Index tumbled to 50.9 in January compared with the previous month. Manufacturing activity tends to be quieter in January due to the holidays.

Indian Sub-Continent

Pakistan's trade deficit has widened by 17.96%, as it recorded at USD13.13 billion during July-January of FY2015 as compare to USD11.13 billion of the corresponding period of previous year, as pace of imports had surpassed the exports that are on the declining side due to the deteriorated power crisis of the country.

Middle East and North Africa

Egypt's GDP is expected to grow 4% in the current financial year to the end of June, up from 2.2% last year. The government's budget deficit would come in below 10% of GDP this year, against 14% last year.

Kuwait is not letting a 50% slump in oil over the past 12 months get in the way of driving loan growth to the fastest pace in six years. Credit expansion may surpass 8% in 2015, topping the 7% rate last year, fuelled by consumer spending and government infrastructure projects.

The general level of prices is expected to be relatively stable in Saudi Arabia during the Q1 of 2015. Some commodity prices may witness inflationary pressures due to the royal decree issued on January 29, providing for the payment of two-month salary grant to all Saudi state employees.

Qatar's trade surplus shrank in December as the value of its exports (almost entirely natural gas and oil) fell by 21.9% compared to a year earlier, while imports continued to grow. Exports in December were valued at QAR33.8 billion, down from QAR43.2 billion a year earlier. Imports, meanwhile, were 18% higher at QAR11 billion. That left Qatar's trade surplus in December at QAR22.7 billion, down about 33% on the year.

Eastern Europe

Russia's budget deficit is expected to reach 3.8% of GDP in 2015, mainly due to the impact of falling oil prices. Budget revenues will fall by RUB2.340 trillion (USD35.41 billion) mainly due to oil and gas revenues falling by RUB2.2 trillion (USD33.27 billion).

Russia's consumer price inflation was up again in the past week, prompted by a weak ruble. Consumer prices rose 0.6% in the week to February 9 after growing by 0.9% the previous week, so decelerating slightly.

North America

Mexico's foreign reserves fell by USD204 million last week to USD195.8 billion. Gold and foreign currency reserves dropped in the week ending Feb. 6 mainly due to a change in the value of the bank's foreign assets.

Mexican industrial production shrank 0.3% in December as the economy was hit by the biggest monthly contraction in the manufacturing sector in more than two years and oil production slumped.

The US federal government ran a bigger deficit in January, pushing the imbalance so far this budget year up 6.2% from the same period a year ago. The deficit for January stood at USD17.5 billion compared to USD10.3 billion a year ago.

South America

Brazilian retail sales posted their worst December in at least 14 years, as rising inflation and almost no economic growth sapped consumer confidence and pinched family budgets. Retail-sales volume tumbled 2.6% in December from November in seasonally adjusted terms.

Oil & Gas News

Brent holds near USD55 after big fall on record US crude stocks. March Brent futures were up 34 cents to USD55 a barrel at 0305 GMT, following a 3% loss in the previous session that saw prices break below USD54 at one point.

Commodity News

Gold ticks up from 5 week low as Greek debt drama unfolds. Spot gold fell to USD1,216.45 an ounce, its lowest since Jan. 9, before recovering to trade up 0.2% at USD1,220.60 by 0046 GMT. The metal lost 1.2% on yesterday as the dollar hit a three-week peak against a basket of major currencies on weakness in the euro and the yen.

Currency News

Euro rally fades as Greek deal still up in the air. The common currency slipped to USD1.1309 from a high of USD1.1353 while it eased to 135.95 yen, having earlier scaled a three-week peak of 136.70.

Ringgit extends declines as Greece concern damps risk appetite. The ringgit depreciated 0.5% to 3.6185 a dollar as of 9:45 a.m. in Kuala Lumpur. It earlier fell to 3.6233, the lowest level since Feb. 3, and has lost 2% in four days.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
11-Feb-15	1,236.77	2.72	56.68	20.84	1.53	2.06	1.35	0.94	9348.42	87.59	2.65	32.79	24.09	3,442.11
12-Feb-15	1,220.87	2.82	55	19.50	1.54	2.07	1.36	0.95	9365.93	88.14	2.65	32.70	24.06	3,417.64
% Change	-1.29	3.68	-2.96		0.12	0.32	0.27	0.51	0.19	0.63	0.13	-0.26	-0.13	-0.71

Economic & Financial News

Research & International Division

14/2/2015

*... US retail sales declined in January ...
... World oil prices rose above USD60 for the first time in 2015...*

South East Asia

Household debt continued to be the predominant sector in Brunei, accounting for 52.2% of total loans/financing extended in 2014. Personal loans still represented the largest sector at 28%. However, personal loans continued their downward trend, decreasing by 11.7% to BND1.6 billion in 2014 from BND1.8 billion in 2013. The positive growth in corporate sector of 5.8% was a noteworthy feature in 2014.

Vehicles sold in Brunei jumped 10% m-o-m in December 2014. A total of 1,504 vehicles were sold in December 2014, up from 1,367 in November. An industry insider attributed the increase to the year-end promotional campaigns by distributors.

Indonesia's current account deficit narrowed to 2.81% of GDP in Q4 2014, from 2.99% in Q3. Indonesia reported Q3 deficit to be 3.07% of GDP. The current account gap in Q4 was USD6.2 billion, bringing the full-year 2014 deficit to USD26.2 billion or 2.95% of GDP.

Indonesia's construction sector has the most loan risk in 2014. The construction sector registered 4.4% of Non-Performing Loan (NPL) ratio, or close to the maximum limit of 5% as of December last year. The acceleration of the government's infrastructure projects has significant contribution to the high NPL ratio.

The price of petrol declined in Vientiane, capital of Laos, yesterday due to the world market price. The petrol price reduction will put petrol at LAK9,600 per litre, regular at LAK8,380 per litre, and diesel at LAK7,380 per litre. These prices reflect a reduction of between LAK180 and LAK200 when compared with the last price reduction on 30 January.

Malaysia's GDP grew 5.8% on the year in Q4 2014, buoyed by private sector investment and strong domestic demand. The country's overall GDP growth for 2014 is 6%, but that expansion is likely to slow this year due to slumping oil prices.

The Philippines registered USD591.6 million in net foreign portfolio inflow in January, amid robust investments in the local stock market and a rosy economic outlook. The latest number was a 49% increase from USD397.02 million netted in December 2014. The net portfolio investment figure is a reversal of the net outflow of USD1.844 billion in January 2014.

The Bank of Thailand believes that headline inflation will be close to zero this year and around 2.5% in 2016 while core inflation is expected to be around 1%, giving the central bank confidence that there will be no deflation as domestic demand is still expanding.

Vietnam spent nearly USD603 million on 15.6 tons of gold in Q4 2014, down 13% y-o-y, falling by two spots to ninth in the world for gold sales.

Vietnamese businesses invested more than USD1.78 billion abroad last year. Of this figure, more than USD1 billion came from 109 newly-licensed projects, while the remainder came from 22 operating projects, which ramped up their level of capital.

North East Asia

China's new yuan loans rose in January hitting CNY1.47 trillion (USD239.8 billion), up CNY289.9 billion from one year earlier. M2 increased 10.8% y-o-y to CNY124.27 trillion at the end of January. Total private financing stood at CNY2.05 trillion in January, down CNY539.4 billion from a year ago.

Credit card arrears in China leapt 42% last year to CNY35.8 billion (USD6.2 billion), highlighting rising financial risks in the world's second-largest economy as growth cools to a 24-year old low. Unpaid credit card bills that were outstanding for at least six months jumped CNY10.6 billion last year compared with 2013.

The Japanese government are piling pressure on companies to raise wages to sustain growth as the economy climbs out of a recession triggered by a sales tax increase last year.

South Korean consumers spent the least with what they earned in 2014 as rapid population aging encouraged people to save rather than spend. The propensity to consume, or the ratio of consumption expenditure to disposable income, averaged 72.9% in 2014, down 0.4 percentage points from a year earlier.

South Korea maintained a trend of trade surplus for 36 months in a row as a rapid fall in imports offset declining exports. Exports slid 0.7% y-o-y to USD45.2 billion in January. Imports declined at a faster pace than exports, falling 11% to USD39.8 billion last month. The faster fall in imports sent the January trade surplus to USD5.4 billion.

FDI in South Korea contracted for the third straight year in 2014, mainly due to a drop in manufacturing-related commitments. FDI dipped 1.5% last year to USD35.07 billion, from USD35.59 billion in 2013.

South Korea household income grew 3.4% in 2014 on improved employment, but consumption lagged behind income growth. The monthly income of households with two members or more stood at an average of KRW4.3 million (USD3,875) last year, up from KRW4.16 million in the year before.

Australasia

Australia is unlikely to follow Europe and the United States and slash its official interest rate to near zero to help prop up the struggling economy, the central bank governor said.

New Zealand's food prices rose 1.3% m-o-m in January because of seasonally higher fruit and vegetable prices. Fruit and vegetable prices rose 8.3% in the month.

Indian Sub-Continent

India's trade deficit narrowed to an 11-month low of USD8.3 billion in January 2015 due to weak exports and declining oil prices. Trade deficit in the April-January period of this fiscal year stood at USD118 billion. Exports sharply contracted 11.19% to USD23.8 billion in January, while imports declined 11.39% to USD32.2 billion.

India's inflation rose to 5.11% in January. Food inflation for January rose 6.06% with the combined "Food and Beverages" inflation rate rising 6.13% y-o-y.

India's merchandise exports in January registered their biggest decline in the past three years, falling 11.2% to USD23.9 billion compared to USD26.9 billion in the same month last year, due to a decline in export of petroleum products, gems and jewellery and pharmaceuticals.

India's industrial production growth rate slowed to 1.7% in December last year mainly due to a contraction in the mining and quarrying sector.

Middle East and North Africa

Iran's oil revenues soared to USD2.3 billion in the first ten months of the current Iranian year (March 21-January 22) as compared with last year's corresponding period.

Tourist arrivals in Tunisia fell 21% in January 2015 compared to same month in 2014 and reached about 269,065 persons.

Eastern Europe

Russian gas to Europe could be 35% cheaper in 2015. The average price of Russian gas supplied abroad will be USD222 per 1,000 cubic meters in 2015. It could mean a 35% price cut for Gazprom supplied gas to Europe. The price for Russian gas started to decline last year, as the contract price for Gazprom supplies are directly linked to falling oil prices.

Western Europe

European Union finance ministers on Feb. 17 will move forward with Juncker's investment plan to allocate at least EUR315 billion (USD359 billion) of additional investments in strategic projects at the EU level.

France's economy expanded by 0.4% last year as investment slumped, but the finance minister said growth should pick up this year. Total investment fell by 1.6% in 2014, a higher drop than the previous year.

Germany boosts eurozone by 0.7% in Q4 compared with the previous quarter of 0.1%, driven by private consumption, with exports and imports rising in the period.

Italy's economic output posted zero growth in Q4 2014, marking the end of technical recession. The Italian economic output in Q4 decreased by 0.3% y-o-y. GDP had fallen 0.2% in Q2 and 0.1% in Q3 of last year.

The Portuguese economy grew 0.9% in 2014. Portugal's GDP rose by 0.7% y-o-y in Q4 2014, after growing 1.1% in the previous quarter. The state budget for 2015 estimated the national economy to grow 1% in 2014.

Consumer prices in Spain dropped by 1.5% y-o-y in January, their seventh straight month in negative territory, after falling 1.1% in December, mainly due to falling oil prices and lower costs for food and non-alcoholic beverages.

North America

Applications for US jobless aid rose to 304,000 last week, though it is still at relatively low levels pointing to healthy hiring. Applications rose 25,000 to a seasonally adjusted 304,000. The increase comes two weeks after applications plunged by 42,000.

US retail sales declined in January, the second month in a row despite lower energy prices. Retail sales in January fell 0.8%, compared with a plunge of 0.9% in December.

South America

Chile's central bank held the benchmark interest rate at 3%, and repeated its neutral bias on future policy. The bank cut the rate 200 basis points between October 2013 and October 2014 to stimulate a flagging economy, but has since paused to allow above-target inflation to cool.

Peru kept borrowing costs unchanged at a four-year low as policy makers gauge prospects for a rebound in growth after unexpectedly cutting rates last month. The central bank kept the overnight rate at 3.25%.

Oil & Gas News

World oil prices rose above USD60 for the first time in 2015, as the market found reasons to hope for a decline in US oil production and improved demand in the eurozone. Brent North Sea crude for April, the international benchmark, leapt USD2.24 to USD61.52 a barrel in London trade.

Commodity News

Copper steady as volumes thin ahead of China's Lunar New Year. Three-month copper on the London Metal Exchange (LME) ended at USD5,740 a tonne, up just 0.07% on the day.

Gold held above a five-week low yesterday amid a weaker dollar and uncertainty over debt-laden Greece, but the safe-haven metal was set to close down for a third straight week on expectations of higher US interest rates. Spot gold had climbed 0.4% to USD1,227 an ounce by 0323 GMT.

European Union wheat futures rose yesterday, supported by robust export demand and a short-covering rally in Chicago ahead of a US holiday weekend. March wheat futures on Euronext settled up EUR2.50, or 1.4%, at EUR187.0 a tonne.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
12-Feb-15	1,220.87	2.82	55	19.50	1.54	2.07	1.36	0.95	9365.93	88.14	2.65	32.70	24.06	3,417.64
14-Feb-15	1,229.76	2.80	61.52	21.97	1.55	2.09	1.36	0.95	9415.31	87.67	2.65	32.65	24.05	3,426.22
% Change	0.73	-0.71	11.85		0.74	0.95	-0.02	0.22	0.53	-0.53	-0.24	-0.17	-0.04	0.25

Economic & Financial News

Research & International Division

17/2/2015

*... Thailand's economic growth slowed sharply in 2014 to its weakest pace in three years ...
... Turkey's unemployment rate hit a four-year high ...*

South East Asia

Indonesia posted USD710 million trade surplus in January, as global oil prices slumped. Exports slide 8.1% y-o-y to USD13.3 billion and imports sank 15.6% to USD12.6 billion. Indonesia's economy expanded 5% last year, a sharp slowdown from the 5.8% growth recorded in 2013 and the weakest pace since 2009.

Myanmar's trade deficit is becoming an increasing cause for concern as it widened to MMK2.3 trillion (USD2.2 billion) in the first six months of the 2014-15 financial year. Exports totalled MMK5.6 trillion during the April 1 to September 30 period, far below the MMK8.0 trillion in goods imported during the period.

Singapore household incomes rise amid labour crunch. In households with at least one person working, the median monthly income from work rose to SGD8,290 last year, up from SGD7,870 in 2013. That is a 5.3% jump in nominal terms, or a 4.1% rise in real terms once inflation is taken into account.

Singapore economy grew by 2.9% y-o-y in 2014 compared to 4.4% in 2013. Growth in the manufacturing sector improved from 1.7% in 2013 to 2.6% in 2014, supported by the biomedical manufacturing and chemicals clusters. The construction sector moderated to a 3% increase from 6.3% in 2013, weighed down by private sector construction activities.

Singapore's exports up 4.3% y-o-y in January, due to an increase in both in electronic and non-electronic exports. The rise in exports comes after a 2.3% expansion in the previous month. Electronic exports raised 5% on-year.

Thailand's economic growth slowed sharply in 2014 to its weakest pace in three years. GDP expanded 0.7% last year, well down from the 2.9% recorded in 2013. The figure is the weakest since 0.1% in 2011, when the country was battered by devastating floods.

Vietnam's gold demand falls 29% as local prices remain high. Vietnam's gold bar consumption accounted for 56.4 tons in 2014, a fall of 33% from 2013. Gold consumption weighed in at 69.1 metric tons in total, compared to 97 tons in 2013.

North East Asia

FDI in the Chinese mainland jumped 29.4% y-o-y in January, settling at USD13.9 billion. The pace of growth quickened from a 1.7% increase in 2014, as investment in the country's service industry continued to pick up steam. A total of USD9.2 billion, around 66% of the FDI, went into China's service sector last month. FDI into the manufacturing sector reached USD4.0 billion, accounting for 28.4% of the total.

China allows local refineries to import crude oil conditionally. Qualified local refineries will only be allowed to import crude oil if they cut backward capacity or install natural gas storage facilities.

China sold net CNY108.3 billion (USD17.5 billion) of foreign exchange in January. January is the second straight month that China's financial institutions saw net foreign exchange sales, following net sales of CNY118.4 billion in December, and indicating that capital continues to flow out of China.

Average new home prices in China's 70 major cities fell for the ninth straight month but showed some signs of stabilising in the top cities. Average new home prices were down 0.4% in January from December, a ninth straight monthly drop following December's fall of 0.3%.

Japan comes out of recession with 0.6% growth in Q4 of 2014, compared to the same quarter in the previous year. Japan's GDP also showed an annualised expansion rate of 2.2%.

Japan's industrial output rose a seasonally adjusted 0.8% in December from the previous month, revised down from a preliminary 1% gain. The index of output at factories and mines stood at 98.7 against the base of 100 for 2010, compared with 98.9.

South Korea's central bank froze its policy rate at a record low of 2%, refraining from altering the rate for four straight months, amid various uncertainties such as growing household debts at home and the US Federal Reserve's possible interest rate increase.

South Korea producer prices fall for January fell 3.6% y-o-y, posting the sharpest annual decline since a 3.8% drop seen in July 2009. Among the sub-indices, manufactured goods led the drop, dragged down by coal and oil products.

Taiwan's economy up 3.7% in 2014, its fastest growth rate in almost three years due to strong local demand and steady exports. The GDP last year reached TWD16.9 trillion (USD535 billion), with a per capita GDP of USD22,632. The CPI raised 1.2% y-o-y in 2014.

Indian Sub-Continent

India's wholesale inflation eased 0.4% in January, a second fall in three months, aided by a drop in fuel prices.

Middle East and North Africa

Egypt's unemployment rate shrank slightly in the Q4 of 2014 to 12.9% from 13.1% in the previous quarter. There are 3.7 million Egyptians nationwide who are looking for jobs. The country's labour force totals 27.7 million people.

Oman's GDP at market price grew by 5.2% to touch OMR23.6 billion, against OMR22.5 billion in the previous year. Oil activities grew by 1.4% to touch OMR11.4 billion from OMR11.3 billion in the previous year.

Turkey's unemployment rate hit a four-year high in November 2014. The unemployment rate increased by 0.3% in November, compared to the previous month and reached 10.7%. The unemployed aged 15 and over is almost 3.1 million while those employed are 25.9 million with a rate of 45.1%.

Qatari households' estimated net investable assets touched USD153 to USD172 billion range in 2014. As segment distribution of the assets shows the ultra-high net worth individual households together hold USD68–72 billion in total. The high net worth individual households' assets range between USD65 billion and USD75 billion.

Eastern Europe

Russian banks' ratio of non-performing loans for retail lending could rise to 8% by the end of the year. Banks' non-performing loan ratio for retail lending was at 6.3% in January.

South America

FDI in Chile rose in 2014 to USD23.3 billion, up 15% from a year earlier. FDI inflows into the country totalled USD20.3 billion in 2013. Of the 2014 total, USD10.8 billion corresponded to stock acquisitions, USD6.7 billion to profit reinvestment, and USD5.8 billion to investments in debt instruments.

Peru's GDP grew 2.4% in 2014, sliding for the fifth year in a row. The country saw a slight growth of 0.5% in January, reflecting a slowing down of the productive sector. It was blamed on the slowdown on less demand for raw materials and Peruvian fish products.

Venezuela's annual inflation rate ended 2014 at 68.5%. Consumer prices rose 5.3% in December, or close to the monthly high of 5.7% registered in April and May. Last year's inflation rate eclipsed the 2013 rate of 56%. Oil-rich but import-dependent Venezuela, whose supply of dollars has been curtailed due to the recent sharp drop in global crude prices, also has been experiencing severe shortages of consumer goods.

Oil & Gas News

Oil prices rose in Asian trade Tuesday as the breakdown in Greece's debt negotiations failed to affect bullish sentiment in oil markets, with Brent crude now topping USD62 a barrel. Brent crude for April delivery rose USD0.70, or 1.1%, to USD62.10 a barrel on London's ICE Futures exchange.

Commodity News

Gold took a breather yesterday after a three-day rally as a stronger dollar offset gains from safe-haven bids prompted by a breakdown in talks between Greece and its creditors. Spot gold fell 0.3% to USD1,228.01/oz by 3.45am 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
14-Feb-15	1,229.76	2.80	61.52	21.97	1.55	2.09	1.36	0.95	9415.31	87.67	2.65	32.65	24.05	3,426.22
17-Feb-15	1,222.33	2.84	61.87	21.79	1.55	2.09	1.35	0.95	9412.65	87.40	2.64	32.67	24.07	3,413.56
% Change	-0.60	1.43	0.57	0.00	0.11	-0.12	-0.29	-0.03	-0.31	-0.40	0.08	0.06	0.06	-0.37

Economic & Financial News

Research & International Division

18/2/2015

*... New Zealand retail spending increased in Q4 2014...
... UK inflation rate fell to record low in January...*

South East Asia

Indonesia's central bank cut its policy rate by 25 basis points to 7.5% for the first time since 2012, as the recent drop in oil prices eased inflationary concerns. The country's annual rate of inflation has dropped to 6.96% in January, from 8.36% in December. Bank Indonesia is aiming to control inflation at 3-5% in 2015.

Annual inflation in Malaysia fell to 1% in January as oil prices skidded. The fall was attributed to reduced transport costs stemming from lower fuel prices. On a monthly basis, the inflation rate declined 1.1% in January.

Malaysia's total vehicle sales inched up 1% or 329 units to 50,602 units in January, from the 50,273 units recorded in the same month last year. However, the sales volume for the month was 22% m-o-m lower due to excessive year-end offers given by car companies in December 2014.

Malaysia's agriculture and agro-based industry suffered a loss of MYR299 million due to the recent floods in several states. About MYR194 million was lost due to damages to agriculture produce, MYR99.5 million due to infrastructure damage and MYR5.5 million due to damages to assets.

The Philippines' registered a forex surplus at the start of 2015 as the country's balance of payments (BOP) registered a surplus of USD136 million last January, sustaining the trend during the final month of last year, albeit a lower amount than last December's USD864 million. The January BOP surplus was a turnaround from the record USD4.480 billion deficit in the same month last year.

Singapore's non-oil domestic exports (NODX) rose by 4.3% on year in January. The gain was due to the rise in both electronic and non-electronic NODX. On a yearly basis, electronic exports expanded by 5% in January, after the 0.4% growth in the previous month.

North East Asia

Gold shipments to the Chinese mainland from Hong Kong fell 32% in 2014 from a record a year earlier. Net imports by the mainland were 750 tons last year, down from 2013 when shipments more than doubled to more than 1,100 tons. Imports in December fell 36% y-o-y.

The Bank of Japan decided to maintain its easy monetary policy and raised its assessment of exports and production amid growing concern lower oil prices could complicate its efforts to beat prolonged deflation. The central bank's Policy Board voted to keep its key policy of increasing base money at an annual pace of about JPY80 trillion through massive asset purchases.

Japan's household spending in 2014 declined at its fastest pace in eight years, underscoring the impact of the first consumption tax hike in nearly two decades. Last year, the average household spent JPY251,481 each month, down 3.2% y-o-y and marking the first annual decline since the 2011 Tohoku earthquake and tsunami.

Major South Korean companies are sitting on more cash than ever as they remain reluctant to boost investment and dividends amid the stagnant economy at home and abroad. The cashable assets held by the nation's top 500 companies hit a record KRW158 trillion (USD143.6 billion) as of end-September, adding KRW8 trillion from the end of 2013.

Australasia

New Zealand retail spending had increased in Q4 2014. Kiwis spent more money on vehicle-related purchases, food and beverages. The high retail sales may have been buoyed by a growing jobs market and cheap credit. Retail sales in the country rose to 1.7% in Q4. Sales for consumer products rose while core retail sales on debit and credit cards increase 0.9% in January.

Indian Sub-Continent

Pakistan received FDI of USD545.4 million in the first seven months of 2014-15, which is 1.4% less than the FDI received during July-January of the preceding fiscal year. FDI decreased by USD7.8 million y-o-y in July-January, as it amounted to USD553.2 million in the same period in 2013-14. FDI in January was only USD16.3 million as opposed to the massive net flows of USD106.3 million in the preceding month.

Middle East and North Africa

Morocco's trade deficit narrowed by nearly on a yearly basis in January, reflecting lower energy imports as oil prices fell. The trade gap was MAD11.5 billion (USD1.21 billion), 31.6% y-o-y smaller. Energy imports fell 44.7% while total imports were down 14%. Exports rose 5.8%, led by a 10.5% rise in auto sales. Tourism receipts declined 12.8% while remittances from the 4.5 million Moroccans living abroad rose 2.6%.

More than 32,000 jobs were lost from the textile and leather industries sector of Morocco between 2013 and 2014. Despite a recovery in exports and an improvement of 1.2% in the added value of the sector, it is unlikely that the sector will reboot immediately and create job opportunities.

Western Europe

Investor confidence in Germany has risen to its highest level in a year though the increase was a little short of expectations amid concerns over Ukraine and Greece. The ZEW institute's monthly confidence index, which measures investors' economic outlook for the next six months, rose to 53 points for February, from 48.4 last month.

UK inflation rate fell to record low of 0.3% in January. Cheaper petrol and lower food prices helped by a supermarket price war cut the rate from 0.5% in December.

North America

Sales of existing homes in Canada slipped further in January as the drop in oil prices hurt homebuyer demand in western Canada, the Canadian Real Estate Association (CREA) said. Sales activity was down 3.1% m-o-m last month.

US homebuilders say sales prospects and buyer traffic fell slightly this month. The National Association of Home Builders/Wells Fargo builder sentiment index released Tuesday slipped to 55 in February, from 57 in January.

Oil & Gas News

Oil prices dipped today after gaining more than a per cent in the previous session, but the trading was thin as several Asian countries started the Lunar New Year holidays which will last for the rest of the week. Benchmark Brent crude futures were down 23 cents at USD62.30 a barrel by 0226 GMT, while US WTI crude were 29 cents lower at USD53.24 a barrel.

Commodity News

Gold prices have fallen, with thinner volumes seen as the market approaches the Lunar New Year. On the Comex, gold futures for April delivery rose 0.10% to trade at USD1,209.30 a troy ounce. Meanwhile, copper for March delivery fell 0.24% to trade at USD2.581 a pound.

Chicago soybeans rose to a five-week high on Wednesday, gaining for a fifth consecutive session on strong demand. Chicago Board of Trade March wheat climbed 0.6% to USD5.37-3/4 a bushel by 0250 GMT, having closed up 0.3% on Tuesday when prices hit a near one-month top of USD5.48.

Currency News

Indian rupee declined to a three-week low on economic optimism. One-month implied volatility, used to price options, fell five basis points, or 0.05 percentage point, to 7.47% as of 10:57 a.m. in Mumbai. That's the lowest level since Jan. 29. In the spot market, the rupee declined 0.2% from Monday to 62.2850 a dollar. It has climbed 1.2% in 2015, the best performance in Asia.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
17-Feb-15	1,222.33	2.84	61.87	21.79	1.55	2.09	1.35	0.95	9412.65	87.40	2.64	32.67	24.07	3,413.56
18-Feb-15	1,210.41	2.76	62.25	22.55	1.54	2.08	1.36	0.95	9415.31	87.53	2.65	32.68	24.04	3,435.66
% Change	-0.98	-2.82	0.61		-0.48	-0.33	0.04	-0.24	0.03	0.14	0.64	0.02	-0.10	0.65

Economic & Financial News

Research & International Division

21/2/2015

*... Japan's trade deficit more than halved in January ...
... British retail sales fell slightly in January ...*

South East Asia

The Lao government has made a decision to lift the minimum wage from LAK626,000 to LAK900,000 per month, considering the move an effort to prevent labour from flowing to neighbouring countries. The wage adjustment will take effect on 1 April 2015.

Vietnam is expected to raise its textile and garment production by 20% in order to boost the sector's export value by USD4 billion to USD28.3 billion this year. This is because production costs, including oil and fibre prices, have dropped recently.

North East Asia

China's diamond consumption continued to decline for a fourth consecutive month in January. Last month, the country imported polished diamonds worth USD157 million, down 24% y-o-y. In 2014, polished diamonds worth about USD2.24 billion, up 31% y-o-y.

Japan's trade deficit more than halved in January helped by lower oil prices and the strongest exports in over a year. The shortfall shrank to JPY1.18 trillion from the year-before figure of JPY2.8 trillion. Overall exports grew 17% to JPY6.14 trillion with robust shipments of cars and electronic parts. On the other hand, imports fell 9% to JPY7.32 trillion.

The average monthly pay for full-time workers in Japan rose 1.3% y-o-y in 2014 to JPY299,600, the first increase in two years. The growth in the figure, which does not include bonuses and overtime pay, reflects pay hikes and labour shortages. The average wage increased 1.1% to JPY329,600 for men and was up 2.3% to JPY238,000 for women.

Indian Sub-Continent

Pakistan's current account deficit widened by USD95 million in January, reaching USD2.307 billion in the first seven months (July-Jan) of this fiscal year. The current account deficit still has strong presence in the balance sheet of the country, mainly on account of low exports and increased imports.

Middle East and North Africa

Iran has exported approximately USD42.5 billion of various kinds of non-oil goods in the first ten months of the current Iranian calendar year (March 21, 2014-January 20, 2015).

Turkey's consumer confidence index rose to 68.06 points in February, from a four-year low of 67.71 last month. Turkey must keep fighting inflation until it falls below an annual rate of 5% for good, Finance Minister Mehmet Simsek said.

Yemen's foreign exchange reserves have stabilised after a steep fall due to its political turmoil, but ballooning government debt issuance indicates the country may be moving closer to a fiscal crunch. Gross foreign reserves, which had sunk to USD4.65 billion in November from USD5.35 billion at the end of 2013, recovered slightly in December to USD4.67 billion, equivalent to 4.6 months of the country's imports.

Eastern Europe

Russia's economy contracted 1.5% y-o-y in January. Russia's economy grew by 0.6% at the start of the year, but growth turned negative later in the year as the ruble weakened sharply on falling oil prices and Western sanctions.

Russia's foreign-currency reserves slipped another USD6.4 billion last week as the central bank and the finance ministry continue the battle to prop up the ruble. At that rate, the country's remaining USD368.3 billion will be all but gone by this time next year. Russia's reserves have fallen by more than USD100 billion, from USD469.9 billion in June 2014.

Moody's cut Russia's debt rating by one notch into 'junk' territory, saying the Ukraine crisis, and the fall in oil prices and the ruble will further undermine Russia's economy. The decline in confidence is likely to constrain domestic demand and exacerbate the Russian economy's already chronic underinvestment.

Western Europe

British retail sales fell slightly in January from the previous month despite heavy buying of petrol amid declining oil prices. Sales eased by 0.3% last month. They jumped by 5.4% y-o-y in January.

Greece and euro zone reach accord on loan. Eurozone finance ministers reached an agreement yesterday to extend heavily indebted Greece's financial rescue by four months. An agreement removes the immediate risk of Greece running out of money next month and possibly being forced out of the single-currency area.

Inflation in France was negative in January for the first time in more than five years. Prices declined by 0.4% in January compared to the same month last year.

Poverty in Germany has risen to its highest level since reunification in 1990, with the gap between rich and poor in Europe's top economy getting wider. Some 12.5 million people were classed as poor in 2013, up from 12.1 million a year earlier in the country of about 80 million, the report by Germany's equal welfare association said.

Germany Markit's flash composite Purchasing Managers' Index (PMI) climbed to 54.3 in February helped by expanding private sector, up from a final reading of 53.5 in January.

Italy's industrial turnovers were up by 1.4% m-o-m in December, 0.8% up in domestic market and 2.8% up in non-domestic market. Also in December, orders grew by 4.5% m-o-m, 1.8% up in domestic market and 8.1% up in non-domestic market. For the whole of 2014, turnover were up 0.1% and 1.1% with respect to 2013.

One in four people risked poverty or social exclusion in Italy, 28.4%, compared to an EU average of 24.5%. The crisis has had a huge social impact in Italy, hammering business and consumer confidence, while unemployment has doubled to around 13%, Caritas Europa said in a study.

North America

Canadian retail sales fell sharply in December, with a steep drop in gasoline receipts accompanying broader declines as Canadians spent less than anticipated during the holiday month. The value of monthly sales fell 2.0% to CAD42.08 billion (USD33.67 billion) after an unrevised 0.4% gain in November.

Mexico's economy expanded at the fastest pace in two years in Q4 as a rebound in US demand boosted exports. GDP climbed 2.6% from the year earlier. GDP rose 0.7% from the previous three-month period.

US initial jobless claims fall back below the 300,000 mark in the second week of February, showing a steadily improving job market. In the week ending Feb. 14, the advance figure of seasonally adjusted initial claims for jobless benefits declined by 21,000 to 283,000.

US factory production increased 0.2% in January, after a flat reading in December, as manufacturers cranked out more computers, clothing, steel and other metals, offsetting declines in autos and aerospace.

US wholesale prices fell by a record amount in January, led by the biggest drop in gasoline prices in six years. The producer price index declined 0.8% last month.

South America

Chilean central bank posted a CLP270.36 billion (USD436 million) surplus in 2014. The central bank had negative equity of CLP3.54 billion (some USD5.71 million), down from the CLP3.82 billion (about USD6.16 million) in negative equity it had in 2013.

Colombia's central bank kept its key lending rate unchanged at 4.5% for a sixth straight month on Friday, as economic growth slows in the face of depressed oil prices.

Oil & Gas News

Oil dropped towards USD60 on record US crude stocks. Brent crude futures for April were down 15 cents at USD60.06 and US crude for March delivery was down 21 cents at USD50.95.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
18-Feb-15	1,210.41	2.76	62.25	22.55	1.54	2.08	1.36	0.95	9415.31	87.53	2.65	32.68	24.04	3,435.66
21-Feb-15	1,201.94	2.95	60.22	20.41	1.55	2.09	1.36	0.94	9090.91	87.49	2.66	32.51	23.93	n/a
% Change	-0.70	6.88	-3.26	0.55	0.54	0.40	-0.91	-3.45	-0.04	0.48	-0.51	-0.49	n/a	

Economic & Financial News

Research & International Division

24/2/2015

*... Singapore is expected to run a budget deficit for the fiscal year 2015...
... Iran's inflation rate stood at 15.8% ...*

South East Asia

The Philippine government has lined up 97 projects worth PHP1.4 trillion (USD31.4 billion), of which bulk, or 81%, are critical infrastructure programs and projects, with a total cost of PHP1.2 trillion (USD28.1 billion).

6 oil firms raised fuel prices in the Philippines. Petron, Shell and Seaoil Philippines are raising prices include PHP1 per litre for kerosene, PHP0.85 per litre for gasoline and PHP0.80 per litre for diesel. Phoenix Petroleum, PTT Philippines and Total announced a similar price hike for gas and diesel.

Philippines merchandise imports rose 2.4% to USD63.9 billion in 2014 from USD62.4 billion the previous year.

Singapore is to raise personal income-tax rates for the country's top earners. Expenditure will increase significantly in coming years as more money is allocated for development. The government will extend about SGD7.5 billion to businesses over three years to help them cope with rising costs, and make changes to the national pension system to benefit older and middle-income workers. The city-state had its first budget shortfall since 2009 last year.

Singapore's petrol duty rates were raised yesterday as part of the Government's effort to promote a greener living environment, though motorists will be given a one-off road tax rebate to ease the impact of the move. Duties for premium-grade petrol were raised, with immediate effect, by SGD0.20 per litre to SGD0.64 per litre, with a smaller hike of SGD0.15 for intermediate-grade petrol, to SGD0.56 per litre. The one-year road tax rebate is as follows: 20% for cars, 60% for motorcycles and 100% for commercial vehicles using petrol.

Singapore is expected to run a budget deficit of SGD6.7 billion (USD5.0 billion) for the fiscal year 2015 (FY2015), which is about 1.7% of its GDP. The deficit comes mainly because the government is setting aside SGD6 billion (USD4.4 billion) for future investments.

Singapore's Q4 domestic wholesale trade down 9.4%, due to a plunge in sales of petroleum and petroleum products, general wholesale trade as well as ship chandlers and bunkering. On a y-o-y basis, domestic wholesale trade fell 12.9% in the Q4.

Singapore's consumer prices fell last month for a third consecutive month, largely on the back of a crude oil bust and lower food and services inflation. The overall drop

was 0.4% from the previous year. Core inflation slowed to 1% last month after coming in at 1.5% in December.

North East Asia

China has provided USD10 billion worth of tax concessions to SMEs in 2014 to help them to ward off negative effects of its economic growth which touched a 24 year low last year. China has expanded preferential tax policies for SMEs and reduced their tax burden to boost economic growth and employment. Nearly 80% of urban jobs are provided by small companies. Tax breaks for the SMEs amounted CNY61.2 billion (USD10 billion) in 2014.

China is offering more subsidies on farm machinery to maintain food self-sufficiency as the rural workforce shrinks. In 2014 CNY23.6 billion (USD3.9 billion) went on farm machinery subsidies, up from CNY70 million 10 years before when the subsidy program began.

Growth of China's catering sector picked up in 2014 after an adjustment prompted by the country's austerity drive. Revenue of China's catering sector totalled CNY2.786 trillion (USD445.5 billion) in 2014, up 9.7% from 2013.

Consumption of petroleum products in South Korea hit a three-year low in 2014. A total of 823 million barrels of refined petroleum products were sold domestically last year, down 0.4% from 2013.

The South Korean central government's debt that had reached KRW509 trillion (USD459.6 billion) in November dipped in the last month of 2014, mainly due to efforts to repay state bonds.

South Korea's household loans by banks increased KRW37.3 trillion (USD33.6 billion) last year with home-backed loans spiking KRW35.4 trillion last year.

South Koreans spent the most in over 10 years on alcoholic beverages in 2014, mainly on beer and soju, while demand for cigarettes fell, most likely from the price increase. Local households spent an average of KRW11,267 (USD10.16) monthly to buy alcoholic beverages, a 4.8% increase from the year before.

Taiwan's domestic gasoline and diesel retail prices were raised by TWD0.8 (USD0.03) and TWD0.9 respectively. Starting midnight yesterday, the new prices will be TWD23.4 per litre for super diesel, TWD25.3 per litre for 92 octane unleaded gasoline, TWD26.8 per litre for 95 octane unleaded gasoline and TWD28.8 per litre for 98 octane unleaded gasoline.

Middle East and North Africa

Algeria achieved a trade surplus of USD483 million in January 2015 against USD 847 million in the same month in 2014 (i.e. a decrease of 43%). The decline in the trade surplus was due to a decrease of more than 11% of export earnings from January 2014, induced by the fall in oil price.

Iran's inflation rate stood at 15.8% in the year ending in the Iranian calendar (January 21) compared with the same period last year. The price of commodities and services in urban areas showed 0.8% growth compared to the preceding month.

Kuwait's inflation rose by 2.81% in January compared with the same month of last year. The inflation rate dropped by 0.07% in January 2015 vis-a-vis December 2014, due to decrease in prices of some major groups.

Kuwait's government budget surplus shrank 26% in the first nine months of this fiscal year as lower oil prices cut revenue sharply. The surplus totalled KWD10.6 billion (USD35.9 billion) between April and December, down from KWD14.3 billion a year earlier.

Lebanon's CPI declined by 3.8% y-o-y in January 2015. The cost of communication registered the steepest decline at 23.7%, followed by water, electricity, gas and other fuels at 18.1% and transportation costs at 14.1%. Prices of clothing and footwear increased by 17.5%, followed by rent prices at 9%.

Morocco's consumer price rose to an annual 1.6% in January from 0.4% in December as food and non-food prices increased. Food inflation was up 2.1% in the 12 months through January.

Morocco's economic budget marks MAD5.2 Billion surplus in January, compared to a deficit of MAD141 million a year before. Budget revenues increased by 0.6% (MAD16.6 billion) in the month, compared to MAD16.5 billion a year before. While expenses decreased by 16.6% (MAD14.4 billion), compared to MAD17.2 billion a year before. Investments dropped by 6.7% (MAD8.3 billion), compared to a year before of MAD8.6 billion.

UAE inflation tops 3.7% in January to its highest level since 2009, compared to a rate of 1.5% 12 months earlier after Abu Dhabi ends utilities subsidy reform and school fees continued to rise. Rising energy and water prices also pushed up national inflation figures.

Eastern Europe

Russia plans to open its first Islamic bank this year, seeking to attract Shariah-complaint funds to counter sanctions. The amendments are aimed at attracting capital from Islamic countries first of all, the United Arab Emirates, Arab states, Malaysia and Indonesia.

Western Europe

German business morale inched up to a seven-month high in February, suggesting Europe's largest economy is starting 2015 on a strong footing after growing robustly at the end of last year. Ifo's business climate index increased to 106.8 in February from 106.7 in January.

North America

Mexican retail sales slipped in December, pointing to flagging consumer driven growth in Mexican economy. Retail sales fell 0.8% in December compared to November. In annual terms, sales rose 2.4% compared to December 2013.

Existing home sales in the US declined in January, indicating an uneven recovery of the housing market. Total existing home sales fell 4.9% from the previous month to a seasonally adjusted annual rate of 4.82 million in January, the lowest rate in nine months. But the sales were 3.2% higher than a year ago.

South America

Electricity bills to increase by 70% in Rio de Janeiro and Sao Paulo until the end of the year due to a combination of factors such as high temperatures, drought and the high dollar.

Commodity News

Gold holds above USD1,200 as investors assess rate outlook. Bullion for immediate delivery was at USD1,203.97 an ounce at 9:33 a.m. in Singapore from USD1,201.83 on Monday.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
21-Feb-15	1,201.94	2.95	60.22	20.41	1.55	2.09	1.36	0.94	9090.91	87.49	2.66	32.51	23.93	3,435.66
24-Feb-15	1,200.36	2.87	58.63	20.43	1.55	2.09	1.36	0.94	9417.97	87.48	2.68	32.54	23.94	3,431.29
% Change	-0.13	-2.71	-2.64		0.02	-0.13	-0.01	0.16	3.60	-0.01	0.45	0.07	0.05	-0.13

Economic & Financial News

Research & International Division

25/2/2015

*... China's retail sales surged during Lunar New Year holiday ...
... Strong domestic demand revived German economy in Q4 2014 ...*

South East Asia

Brunei's CPI in January decreased by 1.6% m-o-m. This was attributed to lower costs in transportation, clothing and footwear, furnishings, household equipment and routine household maintenance.

Myanmar government does not intend to increase the amount of natural gas allocated to the domestic market this year from the current supply of 300 million cubic feet per day despite increasing demand.

The Philippines' imports rose 2.4% y-o-y to USD63.9 billion in 2014, although shipments slid by a tenth in December due to lower importation of capital and consumer goods as well as lower prices of oil products. Philippine-made goods shipped overseas rose 9% to USD61.81 billion last year.

Singapore plans to increase the tax allowance for merger and acquisition (M&A) activities. Under Budget 2015, this tax allowance will be raised from the current 5% of the acquisition value to 25%. In addition, M&A benefits would apply to acquisitions of at least 20% shareholding in the target company, down from the current 50%.

Vietnam's CPI fell in February by 0.05% m-o-m on spiralling oil prices, and 0.25% compared to December 2014. CPI has fallen for four consecutive months since November 2014, with a 0.27% fall in November and 0.24% in December last year, and 0.2% in January this year.

Australasia

Australian wages growth remained weak in Q4 2014 due to the softening job market and sluggish economy. Wages excluding bonuses rose by 0.6% from Q3, and climbed 2.5% from a year earlier. In the private sector, wages excluding bonuses rose by 0.6% q-o-q in Q4. Public-sector wages increased by 0.7%.

Australia's construction slumps further in Q4 2014, as the wind-down in resources-related construction continued to drag on the economy. The value of total construction slipped 0.2% in the quarter to AUD50.35 billion. For the year, the fall was 4.8%.

North East Asia

China's retail sales surged during China's Lunar New Year holiday as businesses rushed to take advantage of the nationwide shopping spree. Shops and restaurants across the country pocketed CNY678 billion (USD111.1 billion) in sales volume, up 11% from last year's holiday period.

China's land supply for property construction fell in 2014, the most in at least six years due to a real estate downturn and the authorities' efforts to make more efficient use of natural resources. Land supply to be used for property development dropped 25.5% last year to 151,000 hectares.

Activity in China's manufacturing sector expanded to hit a four-month high in February as domestic demand firms in the world's second largest economy. The HSBC China Manufacturing PMI improved slightly to 50.1 in the flash reading for February, up from 49.7 in January.

Hong Kong to announce record-high government spending of HKD440 billion and hand out more than HKD20 billion sweeteners in the budget today. Spending is up 11%, while the surplus will be more than the HKD20.3 billion this year. Recurrent expenditure will increase by about 6% (or HKD18 billion) in the next fiscal year to more than HKD320 billion. About HKD70 billion will be spent on education, up from HKD67.1 billion this year. The salaries tax rebate will be higher than last year's cap of HKD10,000 and the tax allowance for parents will be increased from HKD70,000 to HKD80,000 per child.

Japan's services producer prices up 3.4% y-o-y in January, slowing down from a revised 3.5% increase in December. The producer price index stood at 102.3 against 100 for the base year of 2010.

Macau residential property prices rose 22% y-o-y to MOP99,795 per square metre of usable area last year. Both the volume and value of real estate transactions suffered annual declines last year: 13,200 building units and parking spaces changed hands at MOP83.69 billion, down by 31.2% and 12.9% respectively.

South Korea to increase its exports of rice, as a way of developing the local industry while also protecting the sector that is now facing a possible oversupply.

South Korea's petrochemicals exports down on reduced demand in China last year, marking the first fall in five years since 2009. Exports of petrochemicals produced by South Korean firms declined 0.3% to USD48.2 billion in 2014, with outbound shipment of petrochemicals to China dropping 6.2% to USD22 billion.

Consumer sentiment in South Korea improved for a second month in a row in February as a growing number of people pinned hopes on economic recovery. The overall consumer sentiment index reached 103 in February, inching up from a revised 102 in the previous month.

South Korean households spent less on clothes and shoes last year, the first such fall on record, a trend economy watchers say reflect crimped spending. A two-person household spent an average KRW169,000 (US\$153) per month on clothes and shoes last year, down 0.1% from the year before.

Middle East and North Africa

The inflation rates across the GCC region ranged between 3.1% and 0.8% in 2014. The highest annual inflation rise was registered in the UAE with 3.1%, followed by 3.04% in Kuwait, 2.7% in Qatar, 2.5% in Bahrain and 2.4% in Saudi Arabia. Oman registered the lowest rise compared to the GCC countries, by 0.08%.

Iran will withdraw up to USD4.8 billion from its sovereign wealth fund to spend on developing its oil and gas fields next fiscal year under a proposal approved by parliament yesterday.

Turkey's central bank trimmed all of its main interest rates due to falling inflation. The bank lowered its main one-week repo rate for the second straight month, trimming it by 25 basis points to 7.5%. It also cut its overnight lending rate by a 50 basis points, lowering commercial banks' cost of funding.

Western Europe

The European Central Bank has unveiled a new 20-euro note with added anti-counterfeiting features. The new note has a "portrait window" security feature. When the banknote is held against the light, the window becomes transparent and reveals a portrait of Europa.

French business confidence in the manufacturing sector ticked down slightly in February, although it remains close to the long term average. Confidence among business leaders in the manufacturing sector fell to 99 in February, from 100 in January.

Millions of German industrial workers are set to get a 3.4% pay increase this year following a deal between employers and a major union. Tuesday's agreement will see the raise take effect in April. Workers will each get a one-time payment of EUR150 for January-March.

Germany's public finances back to surplus in 2014. The surplus represented 0.6% of the country's overall GDP of EUR2.904 trillion. The combined budgets showed an overall surplus of EUR18 billion. It was the first time since unification in 1990 that Germany's public finances have been in the black. The 2014 surplus resulted from the difference between revenues of EUR1.294 trillion and expenditure of EUR1.276 trillion.

Strong domestic demand revived German economy in Q4 last year. The economy grew 0.7% with positive contributions mainly coming from domestic demand, which contributed 0.5 percentage points to the growth of GDP. Household consumption rose by 0.8% q-o-q, government consumption increased by 0.2%, meanwhile investment expanded by 1.2%. Foreign trade also powered economic growth. Exports increased by 1.3% q-o-q while imports also increased by 1%.

North America

Mexican FDI fell by one third in 2014 at almost 36% to USD22.6 billion, after a record 2013. During Q4 2014, FDI reached USD5.6 billion, up 4.2% from the same period in 2013.

US consumer confidence slid after big January gain. The Conference Board reported that its consumer confidence index dropped this month to 96.4, from a revised 103.8 in January.

Oil & Gas News

Brent crude edged up towards USD59 a barrel, helped by Chinese factory activity data, the Federal Reserve's flexible stance on US interest rates and the euro zone's approval of reforms proposed by Greece. Brent had climbed 16 cents to USD58.82 a barrel by 0537 GMT, while US crude futures fell 11 cents to USD49.17 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
24-Feb-15	1,200.36	2.87	58.63	20.43	1.55	2.09	1.36	0.94	9417.97	87.48	2.68	32.54	23.94	3,431.29
25-Feb-15	1,210.92	2.93	58.94	20.12	1.54	2.10	1.36	0.95	9471.49	87.56	2.67	32.58	23.95	3,445.14
% Change	0.88	2.09	0.53	-0.45	0.38	-0.01	0.84	0.57	0.09	-0.32	0.15	0.05	0.40	

Economic & Financial News

Research & International Division

26/2/2015

*... New Zealand's trade balance turned to surplus last month...
... Iran to establish world's biggest methanol producing petrochemical complex ...*

South East Asia

About 150,000 of Singapore's elderly stand to benefit from the new Silver Support Scheme, under which they will receive a payout of SGD300 to SGD750 every quarter. The average recipient will get SGD600 per quarter.

Thailand's exports were weaker in January. Exports, worth more than 60% of the economy, fell 3.46% y-o-y in January to USD17.2 billion. Last December, exports rose by 1.9% y-o-y to USD18.8 billion, but the growth was not large enough for the 2014 performance to escape contraction. Full-year figures showed a decline of 0.41% to USD228 billion, the second straight year for a drop after shipments fell by 0.3% in 2013. The fall in exports was due largely to depressed agricultural and petroleum products on the back of tumbling oil prices.

Thailand is set to halve the maximum rates of the land and buildings tax from the previous proposal and offer a higher layer of tax exemption to soothe anxious homeowners and landlords. The new proposed ceiling rates are 0.25% for land for agricultural use (from 0.5%), 0.5% for residential use (from 1%), and 2% for commercial use (from 4%). Unused or vacant land will be charged at 0.5% and double every three years but not exceed a maximum level of 2% of the appraised value.

Australasia

Australian business investment fell to a three-year low last quarter as miners retrenched in the face of sliding commodity prices, a black mark for the economy that adds to the case for further cuts in interest rates. Investment fell 2.2% to AUD37.47 billion in Q4 2014, the lowest result since late 2011.

New Zealand's trade balance turned to surplus as the impact of weaker crude oil prices on imports outpaced a decline in exports led by dairy products. The trade surplus was NZD56 million in January, compared to a deficit of NZD195 million in December and a surplus of NZD285 million in January 2014. Exports fell to NZD3.7 billion in January, from NZD4.42 billion in December and from NZD4.1 billion in January last year. Imports fell to NZD3.64 billion, from NZD4.58 billion in December and from NZD3.78 billion a year earlier.

New Zealanders' adult minimum wage will increase from NZD14.25 to NZD14.75 an hour from April 1. The starting-out and training hourly minimum will increase by 40 cents to NZD11.80 an hour, and remains set at 80% of the adult minimum wage.

New Zealanders' online spending at overseas sites has continued to grow strongly and was up 14% y-o-y last month. However, the value of online domestic spending was only up 2% y-o-y. Total online spending last month was up 7% y-o-y.

North East Asia

Hong Kong's government plans to reduce taxes, increase welfare spending and support tourism-related businesses after economic growth slowed 2.3% last year, and moderated to 0.4% q-o-q in Q4. Measures announced in its budget include reducing personal tax by HKD20,000 (USD2,580) this fiscal year, providing extra allowances for the poor and elderly, and waiving some fees for the tourism industry.

Macau visitors' per capita spending fell 3.5% in 2014. Visitors' non-gaming spending rose 3.7% y-o-y to MOP61.75 billion last year. Overnight visitors spent MOP50.88 billion, up 2.6%. Visitors' per capita spending last year was MOP1,959, down 3.5%.

South Korea's credit card spending grew slowly in January than a year earlier due to a seasonal effect amid sluggish domestic consumption. Purchases made with credit cards reached KRW48.4 trillion (USD44.1 billion) last month, growing an 11-month low of 3.1% y-o-y. The January figure also marks a slowdown from a 9% y-o-y jump a year ago.

South Korea's terms of trade improved for the fifth straight month on-year in January as weaker oil prices pushed import prices lower compared to export prices. The country's net terms-of-trade index for goods reached 95.82 last month, surging 8.4% on-year.

Taiwan's unemployment fell 0.31 percentage points annually to 3.71% in January, the lowest level for the month in 14 years. The January figure fell 0.08 points from December.

Middle East and North Africa

Iran is to establish the world's biggest methanol producing petrochemical complex in the year to start mid-March 2015. The Iranian petrochemical project will have the capacity to produce 2 million tons of methanol per annum.

Jordan's overall exports rose by 6% in 2014 to reach JOD5.9 billion, from JOD5.6 billion in 2013. National exports were JOD5.1 billion, while re-exports stood at JOD790 million last year. Imports went up by 3.1% to JOD16.1 billion last year, from JOD15.6 billion in 2013. Kingdom's trade deficit increased by 1.4% last year to JOD10.19 billion, compared to JD10.04 billion the year before.

Tunisia's growth rate dropped to 2.3% in 2014 from 2.4% in 2013, down by 0.1 point. The growth rate stood at 2.3%, in Q4 2014, against 2.1% in the same period in 2013, up 0.2 points.

Western Europe

The EU gave France two more years until 2017 to bring its budget deficit back in line with Brussels rules, meaning the euro zone's second-biggest economy avoids an embarrassing fine for now. Paris must, however, present a reform plan to Brussels by April to show how it intends to get its finances back in order. Italy and Belgium will face no action because they have made enough progress toward bringing their deficits back in line with EU spending regulations that were tightened in the wake of the eurozone debt crisis.

Number of jobless in France fell 0.5% m-o-m to 3.48 million in January for the first time since August 2014. 19,100 fewer jobless claims were recorded last month in France's mainland compared to December. On a yearly basis, the figure rose by 4.8%.

Greece faces trouble in making debt payments to the IMF and ECB in the spring and summer, amid no immediate problem with government liquidity. Following interest payments this month of EUR2 billion to private bondholders and official lenders, Greece must repay an IMF loan of EUR1.6 billion that matures in March. Then it needs EUR0.8 billion for interest payments in April and EUR7.5 billion in July and August for maturing bonds held by the ECB and for more interest payments.

North America

Mexico's CPI rose 0.11% in the first two weeks of February, compared to the previous two-week period, bringing the inflation rate over the past 12 months to 3.04%. The core rate of inflation, which excludes volatile food and energy prices, rose 0.28%, with the core inflation rate over the past 12 months at 2.42%.

South America

Brazil's current account gap widened in January from the previous month to its second highest monthly mark on record as crucial exports like iron ore and soybeans continued to dwindle. Brazil posted a current account gap of USD10.654 billion in January, from USD10.317 billion recorded in December.

Brazil's inflation remains at a 12-year high in the month to mid-February, driven up by a sharp increase in electricity rates, fuel prices and school tuition. Brazil's IPCA-15 consumer price index rose 1.33% in the month to mid-February, up from 0.89% in the previous month.

Brazil's consumer confidence dropped in February, marking a record low, amid a toxic combination of poor economic activity and inflationary pressure. Brazil's main consumer-confidence index was at 85.4 points in February, down from 89.8 points in January.

Oil & Gas News

Crude oil prices fell in Asia on Thursday with investors noting the continued battle for market share led by Saudi Arabia. Brent oil prices increased USD2.94 or 5.01% to USD61.60 a barrel yesterday.

Commodity News

US soybeans had climbed 0.2% to USD10.09-3/4 a bushel by 0224 GMT on Chicago Board of Trade March, after ending down 0.8% yesterday.

Currency News

The Australian dollar dropped by third of a cent after the release of the lower than expected capital expenditure data. The currency dropped as low as USD0.7857 at 11.30am AEDT today.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
25-Feb-15	1,210.92	2.93	58.94	20.12	1.54	2.10	1.36	0.95	9471.49	87.56	2.67	32.58	23.95	3,445.14
26-Feb-15	1,209.15	2.88	61.32	21.29	1.54	2.10	1.36	0.94	9496.68	87.50	2.67	32.55	24.00	3,428.13
% Change	-0.15	-1.71	4.04		-0.08	0.00	-0.23	-1.17	0.27	-0.07	0.13	-0.10	0.21	-0.49

Economic & Financial News

Research & International Division

28/2/2015

... Thai factory output fell for a 22nd straight month in January ...
... Russia plans to spend more than USD50 billion from its emergency Reserve Fund in 2015 ...

South East Asia

Thailand's economy showed mixed signs of improvement in January, as tourist arrivals increased but consumption and investment remained flat. More than 2.6 million tourists arrived in Thailand in January - a 15.9% y-o-y rise. However, the country's private consumption index dropped 1.5% y-o-y in the month, widening from a 0.8% y-o-y fall in December. Private investment slipped 0.2% y-o-y in January despite lower production costs as a result of falling oil prices.

Thai factory output fell for a 22nd straight month in January, providing further evidence that the economy continues to struggle. Output in January fell 1.3% from a year earlier. Domestic private spending was flat as consumers remained cautious about spending and businesses still awaited clarity on economic recovery and government's infrastructure investment.

A surge in exports has seen Vietnam's trade deficit drop sharply in the first two months of the year. At the end of February, the trade deficit stood at USD61 million, much lower than the USD361 million recorded in January. This saw the export value soar to USD9.6 billion, USD300 million higher than February imports.

Vietnam's automobile sales touched 19,979 units in January, down 1% from December, but surged 80% from a year ago. January was also the month leading to the Tet (Lunar New Year) holiday, which often sees an upswing in auto purchases and many vehicle manufacturers report record sales during the month.

Vietnamese people spent USD3.0 billion shopping online last year, or 2.1% of the country's total retail revenue. 39% of Vietnam's population had access to the internet in 2014, with 58% of the Internet users shopping online.

Australasia

Australian families will pay up to AUD282 a year more for private health insurance after the federal government yesterday approved a premium up to 6.18% more than three times the inflation rate. The rise is the second largest in a decade and comes as a new policy begins to erode the value of the 30% health insurance rebate provided by the government.

Australia's gender pay gap has hit a record high of 18.8%, prompting calls for the federal government to reverse the upward trend. Men now earn almost AUD300 more per week than women based on the average weekly earnings for full-time workers.

North East Asia

Japan's factory production in January surged 4% m-o-m, growing for the second straight month, from a 0.8% rise seen in December. While industrial production rose in January, firms are predicting a renewed decline in coming months as consumer spending remains sluggish.

Japan's jobless rate worsened by 3.6% in January from the 3.4% in the previous month. The ratio of employment offers to seekers stayed at 1.14 in January, which means 114 positions were available for every 100 job seekers.

The average consumption spending by Japanese households with two or more members fell 5.1% from a year earlier to JPY289,847 in price-adjusted real terms in January, down for the 10th consecutive month.

Japan's consumer prices were up 2.2% y-o-y in January, marking the 20th consecutive monthly growth. The core consumer price index excluding volatile fresh food prices stood at 102.6 against the 2010 base of 100.

South Korea's ratio of deficit households falls to record low in 2014 as spending decreases. 22% of families with two members or more were running a deficit last year, a 0.5 percentage point dip from the year before.

Bank lending rates for new loans in South Korea again trended lower in January after briefly ticking up a month earlier. The average rate for new loans to households, companies and other organizations came in at 3.9% last month, slipping 0.01 percentage point from the previous month.

Middle East and North Africa

Egypt's central bank decides to keep benchmark interest rates unchanged with the overnight deposit and lending rates held at 8.75% and 9.75% respectively.

Tunisia's central bank kept its benchmark interest rate on hold at 4.75% but said that, despite progress in the political process, economic indicators were still "negative" in major sectors such as industry and tourism.

Eastern Europe

Russia plans to spend more than USD50 billion from its emergency Reserve Fund in 2015 as falling oil prices and a slumping economy cause the government's deficit to rise.

Western Europe

British business investment decreased 1.4% at its sharpest rate in nearly six years in the Q4 of 2014. A large part of the fall in business investment came from a fall in investment by the oil and gas extraction industry.

Britain's GDP increased by 0.5% in Q4 2014 q-o-q, the slowest quarterly growth rate in a year. GDP increased by 2.7% in Q4 2014 y-o-y. Britain's economy grew 2.6% in 2014 as a whole, compared with 2013.

French consumer spending rose 0.6% in January from December. Among the areas of growth in household outlays were purchases of durable goods, up 1.9%, and cars, up 3.2%.

German inflation back above zero in February. Consumer prices in Germany increased 0.1% in February when compared with the same month of previous year. The annual inflation rate dropped below zero in January and stood at minus 0.4%.

Consumer prices fall at slower pace in Spain and rise in Italy. Spanish CPI dropped 1.2% on the year in February, compared with a 1.5% decline in January. Italy's consumer prices were 0.1% higher in February than a year earlier, having been 0.5% lower in January.

North America

Mexican factory-made exports sank 3.3% in January, while consumer imports remained flat in a sign that a sluggish economy may struggle to gain pace early this year.

US house prices increased 1.4% in the Q4 of 2014 on a quarterly basis for 14th consecutive quarters, while house prices increased 4.9% compared with the same quarter in 2013.

US consumer prices down sharply in January, pulled by plunging gasoline prices giving the consumer price index its first 12-month fall since 2009. CPI fell by 0.7% in January from December, on the back of an 18.7% drop in gas prices and 9.7% fall for energy overall.

US economy expanded at a 2.2% annual rate in Q4 despite robust consumer spending. In whole 2014, the economy expanded 2.4% y-o-y, compared with an increase of 2.2% in 2013.

Applications for US jobless aid rise to 313,000 last week, though the number of applications was still consistent with steady hiring. More than 3.2 million jobs have been created in the past year. That has helped lower the unemployment rate to 5.7% in January.

South America

Argentina's economic activity rose 0.6% in December compared with the year-ago period. The monthly EMAE economic activity index, showed activity rising 0.1% on the month in December.

Brazil's federal government has placed a ceiling of BRL75 billion (some USD26 billion) on its ministries' spending through April, its latest step in an effort to get public finances in order.

The unemployment rate in Brazil climbed last month to 5.3%. The sharp increase attributed from 4.3% in December to 5.3% last month to layoffs of temporary workers who had been hired during the holidays.

Brazil's central government posted a primary budget surplus of BRL10.405 billion (USD3.61 billion) in January. The primary surplus tends to be high in January due to seasonal factors, but this print was the lowest for the month since 2009 as tax revenues dropped.

Oil & Gas News

Crude oil futures rebounded on Friday, with Brent heading for its biggest monthly gain since May 2009, as supply outages in the North Sea and healthy growth in China's implied oil demand this year supported prices. A reduction in rig counts and expectation of better oil demand have helped Brent prices rise by around 15% so far this month.

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-Feb-15	1,209.15	2.88	61.32	21.29	1.54	2.10	1.36	0.94	9496.68	87.50	2.67	32.55	24.00	3,428.13
28-Feb-15	1,213.18	2.73	62.58	22.92	1.52	2.09	1.36	0.95	9484.07	87.90	2.66	32.49	23.86	3,402.86
% Change	0.33	-5.21	2.05	-1.21	-0.27	-0.01	1.05	-0.13	0.46	-0.32	-0.19	-0.60	-0.74	