

# Economic & Financial News

Research & International Division

6/1/2015

*... Dubai's government is expecting to run a balanced budget in 2015 ...  
... Oil extended losses below USD50 a barrel ...*

## South East Asia

**Myanmar earned a record-breaking USD1.135 billion from the tourism industry** in 2014. Tourism had seen a substantial increase since 2010, in the wake of the change of government and opening up of the country. Myanmar's tourism industry provided a total of 877,500 jobs in 2014, bringing in 6.5% of total new employment last year.

**Thai headline inflation eased to a more than 5-year low** in December as oil prices declined, giving the central bank leeway to cut interest rates to spur the struggling domestic economy. Annual headline inflation in December slipped to 0.6% from 1.26% in November.

## North East Asia

**China will lift controls on prices of 24 commodities and services.** Market will decide the price of tobacco leaves, the last agricultural product to be freed from government price control. Businesses will be allowed to decide how much they want to pay for tobacco leaves, but a minimum price will be set to protect farmers.

**Japanese manufacturing activity showed sustained growth** in December, suggesting domestic demand continues to recover after the economy fell into a surprise recession last year. The final Markit/JMMA Japan Manufacturing Purchasing Manager Index (PMI) was 52.0 in December.

**The Taiwan's PMI in December registered at 50.1,** up 0.9 points from the previous month and reversing a trend of four consecutive months of decline.

**South Korea will invest over USD400 million this year to help develop new and indigenous products and technologies** that will help boost the country's economy and exports. The government seeks to develop 13 new industrial growth engines that include smart wearable devices, self-driving vehicles and a high-speed unmanned aerial vehicle that can take off and land vertically.

**New FDI pledged to South Korea surged over 30%** from a year earlier to a record high in 2014, with the amount that has arrived also climbing to a new high. The new FDI committed to the country came to USD19 billion last year, up 30.6% from 2013. The 2014 figure also marked a 16.6% spike from the previous record of USD16.29 billion in 2012.

**The number of new employment in South Korea is estimated to have reached a 12-year high in 2014** but mostly on an increase in part-time and irregular jobs for the senior population. The number of new hires reached a monthly average of 543,000 in the first 11 months of 2014. Once December figures are factored in, the average may fall but still remain above 530,000.

## Australasia

**Australia's trade deficit widened** in November from October as falling prices for key resources such as iron ore overshadowed rising commodity export volumes as mining companies continued to ramp up production. The trade deficit widened to AUD0.93 billion from AUD0.88 billion in October. Exports rose by 1% from October while imports climbed by the same amount.

## Middle East and North Africa

**Dubai's government is expecting to run a balanced budget in 2015,** even as it increases spending by 9% compared with a year earlier. The no-deficit budget would be Dubai's first in the six years since the global financial crisis.

**Business activity in Egypt expanded** at its fastest rate in three months in December, with rising output and export demand bolstering a fragile economic recovery. The HSBC Egypt PMI for the non-oil private sector rose to 51.4 points in December, from 50.7 points the previous month.

**Oman's budget surplus stood at OMR233.5 million** for the first eleven months of 2014, a decline of 61.7% compared to the same period of the previous year at OMR610.2 million. The government's total revenue fell by 2.5% to OMR12,468.7 million from OMR12,786.6 million. Also, total government expenditure surged ahead by 14.2% to OMR11,135.2 million from OMR9,752.5 million during the period under review.

**Annual inflation in Turkey ticked up to 8.17%** in 2014, slightly higher than 2013 and well over the central bank's medium-term target. Inflation in 2013 was 7.49%. The sharp fall in Turkish inflation last month was an encouraging development, but core inflation remained extremely high.

**Business activity growth in the UAE's non-oil private sector edged up** in December as output rose strongly. The seasonally adjusted HSBC UAE PMI was 58.4 points last month against 58.3 in November.

## Western Europe

**British construction PMI dropped** to 57.6 in December 2014 from 59.4 in November, recording the lowest reading over the past 17 months.

**Annual inflation rate in Germany slumped** to the lowest level in more than five years in December 2014. Compared with a year earlier, CPI in Germany increased by 0.2% in December 2014, attributing the weak inflation to energy prices which dropped by 6.6% y-o-y.

**New car registrations in Germany rose in 2014**, partly reversing two previous years of declines. A total of 3.037 million new cars were registered year, an increase of 3% over the figure for 2013.

**The number of employed people in Germany hit a record high** for the eighth consecutive year in 2014. The figure rose by 0.9% y-o-y to an average of 42.6 million. The number of the unemployed in Germany declined by 77,000 y-o-y to slightly above 2.1 million in 2014, dragging the jobless rate down to 4.7% from the 4.9% in 2013.

**The number of registered jobless in Spain fell** by 1.4% in December from a month earlier, or by 64,405 people, leaving 4.45 million people out of work. The fall in jobless levels was almost entirely due to the service industry, where unemployment was down by 65,275 people, or 2.2%.

## South America

**Argentina's tax revenues jumped 36.2% in 2014** compared with the previous year despite weak economic growth in the South American country's main trading partners and falling export prices. Tax income for the year climbed to ARS1.17 trillion. Tax receipts for December climbed 42.8% to ARS108.6 billion, slightly above the ARS104.3 billion expected by the market.

**Brazil in 2014 posted its first annual trade deficit in 14 years** as commodity prices fell and trade with Argentina shrank. Brazil posted a USD3.9 billion trade deficit last year, as December ended with a surplus of USD293 million. That is the worst annual result since a USD1.2 billion deficit in 1999.

## Oil & Gas News

**Oil extended losses below USD50 a barrel** amid speculation that U.S. crude inventories will expand, exacerbating a global supply glut that's driven prices to the lowest level since April 2009. Brent for February settlement decreased as much as 83 cents, or 1.6%, to USD52.28 a barrel on the London-based ICE Futures Europe exchange. It lost USD3.31, or 5.9%, to USD53.11 on Monday, the lowest since May 1, 2009

**Natural gas rebounded from the lowest price in more than two years** as investors weighed the outlook for demand amid a cold snap in the U.S. Futures advanced as much as 6.8 cents to USD2.950 per million British thermal units on the NYME and were at USD2.922 at 2:22 p.m. in Singapore.

## Commodity News

**Bullion for immediate delivery advanced** as much as 0.6% to USD1,212.01 an ounce, the highest level since Dec. 18, and traded at USD1,208.70 at 3:40 p.m. in Singapore.

## Currency News

**The yen advanced 0.7%** to 118.83 per dollar as of 7:06 a.m. in London, extending its gain in the past two days to 1.4%, the most since the period ended Dec. 16.

**The yuan rose**, halting a two-day decline, as a gauge of the dollar retreated from a record high. The yuan advanced 0.1% to 6.2135 a dollar as of 10:53 a.m. in Shanghai.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
31-Dec-14	1,202.31	3.10	57.5	18.55	1.61	2.06	1.33	0.93	9403.80	90.91	2.64	33.74	24.88	3,369.44
06-Jan-15	1,209.54	2.88	52.68	18.29	1.60	2.04	1.34	0.93	9485.87	90.25	2.65	33.69	24.77	3,280.92
% Change	0.60	-7.10	-8.38		-0.83	-0.75	0.75	0.01	0.87	-0.72	0.32	-0.15	-0.44	-2.63

# Economic & Financial News

Research & International Division

7/1/2015

*... Fuel prices continued to fall in Australia ...  
... US factories' orders dropped in November ...*

## South East Asia

**Brunei's car sales in November fell** 10.1% as the incoming school holidays softened demand. Car sales declined to 1,367 units, or 154 units lower than the 1,521 cars sold in October.

**Cambodia's total trade volume reached USD18.1 billion in 2014**, a 13.8% increase over USD15.9 billion the year before, with the country's trade deficit widening by more than half a billion dollars. The country exported USD7.69 billion worth of goods last year, up from the USD6.9 billion.

**Indonesia's annual retail sales in November grew** at a slower 14.1% compared with 17.6% in October. Retail sales on a yearly basis were expected to slow between December and February in line with softening demand and monsoon season weather disruptions, affecting distribution of goods.

**Philippines' headline inflation down** to 2.7% in December 2014, from 3.7% in the previous month, due to rollbacks in the prices of petroleum and electricity with lower increases in the price of most food items brought.

**The PMI for Singapore's manufacturing sector came in at 49.6** for December, the lowest reading since February 2013. It represents a drop of almost two points from the reading of 51.8 points in November. The drop was largely due to a contraction in new orders and slower growth in export orders, according to the latest index.

**Thai exports this year are projected to grow by only 2.5%**, a slight improvement from the 2014 estimate of a 0.2% contraction, despite lower oil prices, as those declines would also hit the spending power of oil-exporting countries.

**Vietnam spent USD1.57 billion on foreign-made cars in 2014.** Vietnam last year imported 72,000 cars, surging 103.8% and 117.3% in volume and value compared to 2013, respectively.

**Vietnam's retail petrol prices were cut** by VND310 (USD0.01) per litre from 4.30pm yesterday. The price of a litre of RON 92 and E5 have been slashed by VND310 to VND17,570 (USD0.81). Prices of diesel and kerosene have also fallen to VND16,630 (USD0.77) and VND17,110 (USD0.79), respectively.

## North East Asia

**China's aggregate private financing will amount to CNY18 trillion** (USD2.9 billion) in 2015. The figure is 13.6% up on last year, alongside a 12.5% expansion of M2. New loans will hit CNY11 trillion in 2015, up 13.5%.

**South Korea's trade surplus in industrial materials and components reached USD107.9 billion** in 2014, more than double the USD47.4 billion surplus for the overall industry. Exports in the sector increased 4.9% from a year earlier to USD276 billion in 2014, accounting for about half of exports in the overall industry. Imports rose 1.6% to USD168.1 billion.

## Australasia

**Fuel prices continued to fall in Australia** with some petrol selling fuel at the lowest price in more than five years. The lower fuel prices were caused by an oversupply of global oil. One Sydney retailer dropped the price of petrol to AUD0.99 (USD0.81) per litre -- the lowest price since December 2009.

**Australia services sector declined** at a slower pace last month, although sales continued to deteriorate. The Australian Industry Group's Performance of Services Index for December rose 3.7 points to 47.5.

**New vehicle sales in New Zealand surged to a record in 2014**, aided by a buoyant economy and cheaper prices. New vehicle registrations exceeded 126,000 last year, beating the previous record of 113,294 recorded for 2013.

## Middle East and North Africa

**Egypt's foreign currency reserves fell to USD15.33 billion** at the end of December, from USD15.88 billion the previous month. Foreign reserves fell sharply after the 2011 uprising but had risen again on the back of billions of dollars of Gulf Arab aid that has flooded into Egypt.

**Growers of Egypt's high quality cotton will no longer receive any state support** and have been advised not to plant the crop unless they have contracts to sell it, a move some traders say is a final blow to the long-neglected industry.

**The HSBC Saudi Arabia PMI rose** to 57.9 points in December, from 57.6 in the previous month. Growth in Saudi Arabia's non-oil private sector accelerated slightly in December, driven by an expansion in output, though it remained weaker than it was in most of 2014.

## Western Europe

**Prices in British shops fell** last month at a slightly slower pace and food prices edged up after falling for the first time on record in November. Retail prices were 1.7% lower in December than a year earlier, compared with a 1.9% fall in November that was jointly the steepest on record, along with October and July.

**German private sector growth picked up slightly** in December but service firms saw a decline in new work for the first time in 18 months. Markit's final composite Purchasing Managers' Index (PMI) rose to 52.0 in December, from 51.7 in November.

**Spain's service sector grew** in December at its strongest pace since October while sector employment also expanded faster than a month earlier, as the country's economic recovery gained pace following a deep slump. Markit's PMI of service companies stood at 54.3 in December, up from 52.7 in November.

## North America

**US factories' orders dropped** 0.7% in November after a similar 0.7% fall in October. The November weakness came from decreases in demand for primary metals, industrial machinery and military aircraft.

## South America

**Vehicle sales in Brazil dropped last year** despite hefty government incentives, as a weak economy weighed on consumer confidence. Sales of cars and light vehicles totalled 3.32 million units in 2014, down 6.9% y-o-y.

**Housing prices in Brazil showed signs of stabilisation in 2014**, rising roughly in line with inflation after several years of strong gains. House prices increased 6.77% last year.

**Peru's economy expanded at the slowest pace in five years in 2014** after a slump in copper exports hurt investment. GDP grew 2.6% to 2.7%, less than half the pace of 2013. The government cut taxes and increased public investment last year as China curbed purchases of copper, Peru's biggest export. GDP to rise 5% in 2015 as investment picks up.

## Oil & Gas News

**Oil fell below USD50 a barrel in London for the first time since May 2009** amid speculation that US inventories will increase, exacerbating a global supply glut that's driven prices to a five-year low. Brent for February settlement slid as much as USD1.18 to USD49.92 a barrel on the London-based ICE Futures Europe exchange.

## Commodity News

**Bullion for immediate delivery fell** 0.2% to USD1,215.82 an ounce at 4:12 p.m. in Singapore.

**Copper for delivery** in three months on the London Metal Exchange lost 0.3% to USD6,128 at 3:30 p.m. in Shanghai.

## Currency News

**The ringgit pared losses after Malaysia's trade surplus surged to a three-year high**, easing pressure on a currency that's seeing the worst start to a year since the Asian financial crisis amid a drop in oil. The ringgit fell 0.2% to 3.5647 a dollar as of 12:38 p.m. in Kuala Lumpur.

**Indonesia's rupiah dropped, leading a loss in Asian currencies this year**, as investors sought the relative safety of government debt and the dollar amid deteriorating global sentiment. The rupiah declined 0.6% to 12,740 a dollar as of 10:09 a.m. in Jakarta.

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# Economic & Financial News

Research & International Division

8/1/2015

*... Eurozone sees negative inflation of 0.2% in December ...*  
*... Falling crude oil imports push US trade deficit to 11 month low ...*

## South East Asia

**Low-wage Cambodian workers will be able to earn up to USD200 a month** before their salary is taxed at the minimum 5% rate, raising the tax-free threshold by about USD75 from the current USD125. Only workers earning above USD200, will be taxed on their salaries starting this month.

**Indonesia's coal production continues to grow** but consumption in the domestic market remains weak. Total coal production last year was estimated to have reached about 435 million tons. That compares with national output of 474 million tons booked a year earlier. Only 17% of coal produced last year.

**Malaysia's exports grew** 2.1% y-o-y to MYR63.73 billion compared to a 0.7% contraction in November, while imports gained only 0.1% to MYR52.60 billion compared to October's 9.1% rise. November's trade surplus jumped to MYR11.13 billion compared to expectations of a MYR4.10 billion gain, the highest since November 2011, while total trade increased by 1.2% to MYR116.33 billion y-o-y.

**Consumer confidence in Thailand hit an 18-month high in December**, helped by low inflation, reduced gasoline prices and government payments to rice farmers. The consumer confidence index rose to 81.1 in December from 79.4 in November.

**Viet Nam spent USD15.8 billion last year to import materials for the garments and textiles sector**, posting a 16% y-o-y increase. Of these, cotton imports were pegged at 743,000 tonnes, increasing 28% over 2013, with a total value of USD1.4 billion.

**Vietnam increased the import duty on oil and petrol** yesterday by 7 to 11% to touch 35%. Taxes on kerosene and mazut will be bumped up 9% and 1%, respectively, to 35%. The move was made in view of slumping oil prices in the global market since late last year. Meanwhile, the import duty on diesel has been raised to 30% from the current 23%.

## North East Asia

**China's annual economic growth likely slowed to 7.2% in the Q4**, the weakest since the depths of the global crisis, Reuters said, which would keep pressure on policymakers to head off a sharper slowdown this year.

**The government is expecting Japan's economy will shrink in the current fiscal year**, with higher domestic prices triggered by the April 1 consumption tax hike and the weaker yen hurting private spending.

**The number of corporate bankruptcies in Japan surged 2.7 times in 2014** from the previous year to 345 caused by the weak yen. In December alone, the number of such bankruptcies rose to 44, marking a record for the fourth straight month.

**Korea's financial industry has shed its largest number of jobs in five years.** There were 840,000 workers in the local finance sector in the January-November period last year, down 2.8% from the previous year.

**South Korea's exports of ICT products rose** to a new annual high in 2014, partly on record exports of semiconductors. Outbound shipments of ICT products came to USD173.88 billion last year, up 2.6% from a year earlier.

## Australasia

**Australia's building approvals were up 10.1%** over the 12 months to November. November's increase in approvals was driven largely by approvals for apartments, which increase 16.7% in the month to 8,745 approvals. Meanwhile, approvals for houses fell 0.3% in the month.

## Indian Sub-Continent

**India is not planning to impose any further curbs on gold imports** as the current account deficit is under control. The country has imported 7 tons of gold so far in January.

**The rate of growth in the Indian rural wages has grown** at a paltry 3.8% in November. The deceleration in rural wages is lower than the annual CPI of 4.09% for rural India in November — could further strengthen the case for the Reserve Bank of India (RBI) to initiate policy interest rate cuts sooner than later.

## Middle East and North Africa

**Oman has no specific plans to reduce state spending this year**, despite the plunge in oil prices to well below the level assumed in its government budget. In its 2015 budget plan, it would raise state spending by 4.5% from last year's original plan to OMR14.1 billion (USD36.6 billion). Revenues this year were projected at OMR11.6 billion.

## Western Europe

### **Eurozone sees negative inflation rate in December.**

The euro zone's annual inflation is expected to be minus 0.2% in December 2014, down from 0.3% in November. The negative rate for the area's annual inflation in December was driven by a fall in energy prices, which fell down by 6.3%, compared with a 2.6% fall in November.

### **Euro area unemployment rate hits 11.5% in November**

, the same level compared with that of October 2014. The figure was down from 11.9% in November 2013. Eurostat estimates that 24.42 million men and women in the EU, of whom 18.39 million were in the euro area, were unemployed in November 2014.

### **Germany's unemployed population rose slightly**

in December 2014 to about 2.76 million. Compared with November, the unemployment figure in December rose by 47,000 to 2.764 million, which is 110,000 less y-o-y. And the unemployment rate reached 6.4% nationwide, 0.1% more than that in November.

### **The unemployment rate in Italy hit an all-time high**

of 13.4% in November, as the government seeks to reform the labour market amid growing pressure for it to reduce the jobless in the country. The number of people out of work reached 3.457 million in November, up 40,000 from October.

### **Fewer Spaniards stood in jobless queues in 2014.**

The number of people registered as unemployed in last year dipped by 253,627 to 4.45 million.

## North America

### **Canada recorded its largest trade deficit in almost a year**

in November as lower shipments of crude oil weighed heavily on exports. The trade deficit in November widened to CAD644 million (USD544.47 million) from a CAD327 million in October. Exports shrank 3.5% to CAD43.26 billion in November, outpacing a 2.7% drop in imports, with nine of the 11 export sectors posting declines.

**The US trade deficit fell to an 11-month low** in November as declining crude oil prices curbed the import bill. The trade gap narrowed 7.7% to USD39 billion, the smallest since December 2013. October's shortfall on the trade balance was revised down to USD42.2 billion from a previously reported USD43.4 billion.

## South America

### **Auto production in Argentina slumped 22%**

in 2014, because of stagnating economic growth under the weight of trade and currency controls and economic weakness abroad. Auto makers produced 617,329 vehicles in 2014 and reported a 17% slide in vehicle exports.

### **Colombia's minimum wage will be increased**

by 4.6%, or USD12, to USD265 a month in 2015. The minimum wage hike will affect the 1.2 to 1.3 million Colombian workers who currently receive the minimum wage.

### **Chile's December 2014 export revenues came in at USD3.76 billion**

, down over 12% from the year earlier period. Slowing in demand from China, Chile's biggest export customer is a primary factor in the lower revenues, with the strength of the dollar being the other major component.

## Oil & Gas News

### **Brent for February settlement was 14 cents lower**

**at USD51.01 a barrel** on the London-based ICE Futures Europe exchange. It climbed 5 cents to USD51.15 yesterday.

## Commodity News

### **Gold declined**

for a second day as global equities to oil prices rebounded. Bullion for immediate delivery fell as much as 0.5% to USD1,204.97 an ounce, and traded at USD1,207.88 at 3:17 p.m. in Singapore.

## Currency News

### **Malaysia's ringgit halted a four-day**

, 2.4% drop amid an improvement in investor sentiment as global equities and oil rebounded. The ringgit strengthened 0.4%, the biggest gain since Dec. 18, to 3.5680 a dollar as of 10:26 a.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-Jan-15	1,214.96	2.93	49.98	17.06	1.59	2.04	1.33	0.92	9479.57	89.30	2.66	33.72	24.69	3,297.83
08-Jan-15	1,208.87	2.83	50.86	17.97	1.59	2.02	1.34	0.93	9531.98	89.09	2.67	33.73	24.63	3,340.15
% Change	-0.50	-3.41	1.76		-0.50	-0.69	0.04	0.52	0.55	-0.24	0.37	0.03	-0.23	1.28

# Economic & Financial News

Research & International Division

10/1/2015

*... Japan approves extra budget to finance stimulus package ...  
... Oil price dropped to 5 ½ year low ...*

## South East Asia

**Indonesia's foreign exchange reserves rose** in December despite large capital outflows and the central bank's intervention to halt the decline in the rupiah against the US dollar during the month. The country's forex reserves had increased to USD111.9 billion by the end of December from USD111.1 billion a month earlier.

**Malaysia's foreign-exchange reserves dropped to the lowest level since March 2011**, a sign the central bank may have intervened to stem a slide in Southeast Asia's worst-performing currency. The holdings fell 14% to USD116 billion as of end-December from a year earlier. They declined 4% from the previous fortnight.

**Malaysia's industrial production index (IPI) rose** by 4.7% in November 2014 due to growth in all indices, namely manufacturing, mining and electricity. Malaysian manufacturing output grew 3.7% y-o-y in November following an increase of 3.2% in October.

**The Philippine government's outstanding debt slightly increased** to PHP5.716 trillion at the end of the first 11 months of 2014. The end-November figure was higher by PHP2.695 billion from the PHP5.714 trillion in liabilities posted as of end-October last year.

**Value of outbound shipments of the Philippine goods grew at their fastest pace** in five months in November, driven by increased global demand for manufactured items, particularly electronics. Total revenue from exports grew 19.7% to USD5.178 billion from the USD4.325 billion recorded in the same month a year earlier.

## North East Asia

**China's consumer inflation remained weak** in December while price declines at the factory gate level continued to deepen. Growth in the CPI rebounded to 1.5% in December from November's 1.4%, its slowest increase since November 2009.

**China's producer price index (PPI) posted its steepest fall** in more than two years in December amid a slump in global oil prices and weak domestic demand. The factory gate price dropped 3.3% y-o-y in December. PPI dropped 2.7% in November, 2.2% in October, 1.8% in September and 1.2% in August.

**China will not inject large amount of newly added fiscal investment to stimulate the economy in 2015.** China has yet to have a specific number for the total investment in infrastructure projects in 2015. China is accelerating 300 infrastructure projects valued at CNY7 trillion (USD1.1 trillion) this year as policy makers seek to boost growth that's in danger of slipping below 7%.

**The Japanese government approved extra JPY 3.2 trillion budgets** to fund the stimulus effort in order to pull the economy out of recession. The extra budget includes funding for helping Japan's lagging regions and households with subsidies and shopping vouchers and rebuilding after natural disasters.

**Sales at South Korea's department stores and discount chains continued to shrink** from a year earlier in December but at a slower rate. Department stores sales dropped 3.6% on-year last month while discount chain sales slipped 0.3%. In December, the country's credit card spending rose 8.7% on-year while sales of locally-produced vehicles jumped 27.2% over the same period.

**Taiwan's exports and imports rose marginally in 2014** despite falling y-o-y in December. Taiwan's exports grew 2.7% in 2014 to a record high USD313.84 billion, while imports rose 1.6% to USD274.23 billion. Taiwan had a trade surplus of USD39.61 billion in 2014, an increase of USD4.06 billion from the previous year.

## Australasia

**Retail sales in Australia rose by a modest 0.1%** in November from a month earlier, a disappointing result considering interest rates remained at a record low in the run-up to the holiday period.

## Indian Sub-Continent

**India expected falling crude prices to cut its revenue losses** on fuel sales to INR770 billion (USD12 billion) in the current fiscal year ending March, from an earlier estimate of INR850 billion.

**The Indian economy is likely to grow** at about 5.6% in 2014-15 and fiscal and current account deficits no longer pose a threat to macroeconomic stability, India Ratings said. However, the rupee's value is not in line with improvements in fundamentals of the economy.

**Pakistan's trade deficit widened 34%** to USD12.1 billion in the first half of fiscal year 2014-15 on the back of a fall in exports and a persistent double-digit growth in imports. Exports contracted 4.3% in July-December this fiscal year, totalling USD12.07 billion. The import bill rose to USD24.2 billion, an increase of USD2.53 billion or 11.7% over imports in the first half of previous year.

## Middle East and North Africa

**Egypt's annual urban inflation has hiked** to register 9.8% in December, up from 8.5% in November. It was attributed the jump to increasing prices of food and beverage products by 8.4% affected by high prices of vegetables, fruits, meats, dairies and seafood.

**Turkey's annual industrial production growth slowed to its lowest point** since May 2013. Calendar-adjusted industrial production increased by 0.7% compared with the same month last year.

## Western Europe

**France to narrow its trade gap by 25.6%** in November to EUR3.2 billion (about USD3.8 billion) helped by falling purchases, mainly, of energy products. The cumulated trade deficit stood at EUR50.6 billion in total, compared to EUR56.3 billion a year ago. The country's imports went down by 1.9% to at EUR40.4 billion on slowing buying of petroleum products.

**German industrial production slipped** in November. Exports dropped 2.1% compared with the previous month to EUR95.2 billion (USD113 billion). Imports rose 1.5% to EUR77.6 billion, narrowing the country's trade surplus to EUR17.7 billion.

**Portugal's global trade deficit widened** by almost 1% in the three months between September and November from a year earlier even though export growth slightly outpaced that of imports.

## North America

**Canada's job market continued to cool off** in December, shedding 4,300 positions after a loss of 10,700 jobs in November, while the unemployment rate remained at 6.6%.

**Mexican industrial production rose** in November at its slowest pace in two months, as a dip in mining and utilities dragged on an expansion in the construction and manufacturing sectors. Industrial activity rose 0.23% in November compared with 0.51% expansion in October.

**US added 252,000 jobs in December** amid improving employment outlook, with the unemployment rate dropping to 5.6%. The number of unemployed Americans declined by 383,000, which still leaves about 8.7 million people out of work.

## South America

**Brazil announced budget cuts expected to total USD8.4 billion a year** as it reins in government spending at the start of another year with the economy in the doldrums. The cuts would save BRL1.9 billion reais (USD703 million) a month, or about USD8.4 billion a year. Brazil's government may have to increase tax collection if spending cuts fail to slow inflation and boost growth.

**Inflation in Brazil hit 6.41% in 2014**, marginally below a government ceiling of 6.5% but still the highest annual figure since 2011.

## Oil & Gas News

**Oil tumbles to 5 1/2 year low as OPEC reaffirms stance.** Brent for February settlement decreased 85 cents, or 1.7%, to USD50.11 a barrel on the London-based ICE Futures Europe exchange.

## Commodity News

**Copper falls to four-year low as demand concerns mount in China.** Copper futures for March delivery declined 0.5% to settle at USD2.7545 a pound at 1:19 p.m. on the Comex in New York.

**Gold for immediate delivery rose 2.9%** this week to USD1,223.25 an ounce. Last year, prices declined 1.4% as equities surged and an improving U.S. economy cut demand for haven assets. In 2013, the precious metal tumbled 28%.

## Currency News

**Canadian dollar reaches 5 1/2-year low as jobs fall second month.** The Canadian currency depreciated 0.3% to CAD1.1867 per U.S. dollar at 5 p.m. in Toronto.

**Euro skid is longest in four months** as declining consumer prices backed the case for further monetary stimulus from the European Central Bank. The euro currency declined 1.3% to USD1.1842 this week in New York, after reaching USD1.1754 on Jan. 8.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
08-Jan-15	1,208.87	2.83	50.86	17.97	1.59	2.02	1.34	0.93	9531.98	89.09	2.67	33.73	24.63	3,340.15
10-Jan-15	1,223.25	2.95	50.11	16.99	1.58	2.02	1.34	0.92	9455.37	89.41	2.66	33.63	24.59	3,338.44
% Change	1.19	4.24	-1.47		-0.51	-0.25	0.10	-0.82	-0.80	0.37	-0.53	-0.30	-0.16	-0.05



# Economic & Financial News

Research & International Division

13/1/2015

*... Oil extended losses to trade near USD45 a barrel ...  
... The United Arab Emirates will stick with a plan to increase oil-production capacity ...*

## South East Asia

**Indonesia will inject IDR48 trillion this year into state-owned enterprises** mainly in the infrastructure sector as the government's move to slash fuel subsidies will give it more fiscal flexibility.

**Malaysia's natural rubber exports decreased** 15.1% in November 2014 to 46,425 tonnes from October 2014 and was 37% lower than in November last year. Meanwhile, imports of natural rubber in November 2014 totalled 80,457 tonnes, an increase of 4.7%, or 3,596 tonnes, from the preceding month and declined by 14.4%, or 13,497 tonnes, y-o-y.

**Philippines FDI surged by 64%** in the first 10 months of 2014, driven by rosy prospects for the Philippines economy. Net FDI amounted to USD5.32 billion in the 10-months period. The figure was 64%, higher than the USD3.24 billion in the same period last year.

**The Philippines automotive sector continued its strong rally** throughout 2014 as vehicle sales rose 30% to 234,747 units from 181,283 units in 2013. This record performance was backed by robust sales in all product categories.

## North East Asia

**Japanese cabinet ministers have finalised the draft budget for fiscal 2015**, which begins in April. It amounts to a record JPY96.34 trillion (USD814 billion). That figure is nearly USD4 billion greater than the budget for the 2014 fiscal year.

**Japan's government expects the economy to grow 1.5% in fiscal 2015** after adjustments for price moves, a slight upgrade from its previous forecast, due to an expected acceleration in consumer spending.

**South Korea's import prices again fell** in December from a year ago as global oil prices continued to slide. Import prices tumbled 13% on-year last month, quickening from a revised 8% fall in November.

**The Korean government efforts to revitalise the property market seem to be bearing fruit**, as home sales in the country hit an eight-year high last year. The number of housing transactions surged 18% to pass 1 million for the first time since 2006.

**Taiwan collected TWD1.95 trillion in tax revenues in 2014**, the highest ever in the country's history. Revenues from eight types of taxes hit new highs, including for individual income taxes at TWD408.3 billion, TWD322.6 billion from sales taxes, and TWD172.2 billion from commodity taxes.

**Nearly 10 million foreign national arrivals to Taiwan last year** has generated a record-high revenue of TWD437 billion. A record 9.9 million foreigners visited Taiwan last year, marking a 24% annual increase and the largest-ever annual tourism growth for the country.

## Indian Sub-Continent

**India's industrial output rose** 3.8% in November compared to a decline of 1.3% in the previous year ago period and a contraction of 4.2% in October. The rebound was led by an upturn in the manufacturing, capital goods, electricity and mining sectors.

## Middle East and North Africa

**Bahrain's Q3 GDP growth reached 5.1%** y-o-y which continues the momentum from earlier in 2014 and reflects the positive impact of the initiation of a number of significant infrastructure projects. Overall growth for 2014 is forecasted to have been in excess of 4%.

**Egypt's external debt has surged** by 6.6% at the end of June 2014, totalling USD46.1 billion. During the same period the preceding year, external debt stood at USD43.2 billion. The rise in debt is attributed to the increase in net disbursement of loans, facilities and deposits (all maturities) to USD2.4 billion.

**Egypt's GDP rose** to EGP1.84 trillion in September 2014 from EGP1.82 trillion in June. The net balance of government debt totalled about EGP1,614.8 billion at end of September 2014, an increase of EGP76.3 billion during July/September 2014/2015.

## Eastern Europe

**Consumer prices in Russia rose by 11.4% in 2014**, confirming earlier estimates, showing the highest level since the 2008 financial crisis. Many retailers started raising prices in December as the ruble's value against the dollar plummeted over 40% for the year.

**Ukraine's foreign reserves fell** to the lowest in more than a decade as the central bank dipped into its stash to help the government pay off Russian energy debt and purchase natural gas. The holdings declined to USD7.53 billion in December from USD9.97 billion the previous month, the lowest level since at least 2005

## Western Europe

**British retail spending growth slowed** in December after consumers splashed out on November's "Black Friday" bargains and prices continued to fall broadly. Y-o-y retail spending was 1% higher this December than a year ago, the weakest December growth since 2008 and a sharp contrast with November's 2.2% jump.

**Spanish housing sales increased by 14%** in November 2014 in comparison with the same month in 2013. A total of 25,200 sales were registered in November, which meant a 4.8% fall from October to November, the biggest drop for the month in five years.

## North America

**More than 10,000 people working at Mexican oil service companies have been laid off** as state-owned Petroleos Mexicanos cut contracts in the face of the global slump in crude prices. More job losses are expected.

## Oil & Gas News

**Oil extended losses to trade near USD45 a barrel** amid speculation that U.S. crude stockpiles will increase, exacerbating a global supply glut that's driven prices to the lowest in more than 5 1/2 years. Brent for February settlement slid as much as 78 cents, or 1.6%, to USD46.65 a barrel on the London-based ICE Futures Europe exchange.

**The United Arab Emirates will stick with a plan to increase oil-production capacity** to 3.5 million barrels a day in 2017 even as an oversupply pushed prices to the lowest in more than five years. OPEC is battling a U.S. shale boom by resisting production cuts, signalling it is prepared to let prices fall to a level that slows American output, which has surged to a three-decade high.

## Commodity News

**Copper for delivery** in three months was at USD6,025 a metric ton by 9:45 a.m. in Hong Kong on the London Metal Exchange. The metal settled at USD6,017 a metric ton yesterday, touching USD5,966 at one point, the lowest since October 2009.

**Gold** for immediate delivery gained as much as 0.4% to USD1,238.76 an ounce, the highest since October, and traded at USD1,235.55 at 9:42 a.m. in Singapore.

**Soybean futures tumbled the most in six months** after the government said inventories expanded in the U.S., the world's biggest grower. Soybean futures for March delivery dropped 3.4% to close at USD10.16 a bushel at 1:15 p.m. on the Chicago Board of Trade, the biggest decline for a most-active contract since June 30.

**Silver for immediate delivery climbed** as much as 1.2% to USD16.7734 an ounce, the highest level since Dec. 15.

## Currency News

**The ruble weakened for a second day** and the cost of insuring Russian debt against default increased after oil extended losses and Fitch Ratings lowered the country's credit score to one step above junk. The currency of the world's biggest energy exporter dropped 2.3% to 63 versus the dollar by 8 p.m. in Moscow.

**The yen rose against most major counterparts on haven demand.** The yen was at 117.97 per dollar at 10:42 a.m. Tokyo time, up 1.5% this year to lead gains among the 10 major developed currencies.

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-Jan-15	1,223.25	2.95	50.11	16.99	1.58	2.02	1.34	0.92	9455.37	89.41	2.66	33.63	24.59	3,338.44
13-Jan-15	1,238.01	2.81	46.64	16.60	1.58	2.02	1.33	0.91	9433.07	88.84	2.67	33.68	24.64	3,339.72
% Change	1.21	-4.75	-6.92		0.06	0.13	-0.36	-0.93	-0.24	-0.64	0.27	0.14	0.21	0.04

# Economic & Financial News

Research & International Division

14/1/2015

*... New Zealanders increased spending in December ...  
... Oil declined as global surplus seen persisting ...*

## South East Asia

**Vietnam's real estate inventories fell** 21.8% y-o-y in 2014. The country's real estate market has experienced positive recovery over 2013. In 2014, the country's real estate sector witnessed uptrend in the number of transactions and lower inventories.

**Electricity of Vietnam reported a significant loss** of VND16.8 trillion (USD789.6 million) in 2014, despite their increasing retail electricity tariffs. The loss was due to VND8.8 trillion (USD413.6 million) from foreign exchange fluctuations in 2009-10, along with an additional VND8 trillion (USD376 million) last year.

## North East Asia

**China's exports rose** 6.1% y-o-y in 2014, while imports increased 0.4%. Last year, the country's total export and import values increased 3.4% y-o-y. In December 2014, China's foreign trade value hit CNY2.49 trillion, an increase of 4.2% from a year earlier.

**China imported record volumes of commodities last year**, taking advantage of lower prices to maintain its position as a massive buyer of global resources. Import volumes of iron ore, crude oil, copper and soybeans hit an all-time-high in 2014.

**Japan posted a current account surplus** of JPY433 billion in November last year, compared with a deficit of ¥596.9 billion a year earlier. The nation's current account balance improved by more than JPY1 trillion y-o-y mainly because income from overseas investments increased markedly and import growth slowed due to a drop in crude oil prices.

**Japan saw its goods and services trade deficit shrink** 45.1% to JPY743.1 billion. In goods trade, the nation's deficit totalled JPY636.8 billion, down 42.4%. Exports were up 10.8% at JPY6.32 trillion, led by growth in electronic parts exports. Imports rose 2.2% to JPY6.96 trillion, decelerating from the previous month's rise of 7.4%.

**South Korea's jobless rate hit 3.5% in 2014**, a 0.4 percentage point gain from the year before. There were 25.59 million people employed in 2014, up 533,000 from the previous year.

**Prices in South Korean export products declined to the lowest in seven years** last year as cheaper oil reduced production costs. The export price index was 88.11 in 2014, down 6% from a year earlier.

**Household loans extended by South Korean financial institutions rose** by KRW7.5 trillion (USD6.9 billion) in November, slightly slowing from the previous month's record gain but still marking a substantial increase.

## Australasia

**New Zealanders increased their spending on debit and credit cards** in December, with gains in apparel, consumables and hospitality offsetting a drop in spending on durables. It rose to 0.1% m-o-m in December, to a seasonally adjusted NZD3.84 billion, following November's 0.3% gain.

## Indian Sub-Continent

**India's consumer price inflation quickened** in December for the first time in five months. Despite the continued slump in global crude oil prices, annual consumer inflation rose to 5% in December, up from 4.38% in November which had marked a near three-year low.

## Middle East and North Africa

**Bahrain's cabinet has decided to raise prices of natural gas sold to companies** from April 1. The cabinet stressed that the readjusted natural gas prices for power generation will not affect citizens nor will it have an impact on Bahrain's competitiveness.

**Lebanon's industrial exports dropped** 8.8% to USD2.388 billion in the first nine months of 2014, compared to USD2.620 billion in the same period in 2013.

**Iran produced 25.7 million tons of iron ore concentrate, pellet, aggregate and agglomerate** during March 21-December 21, 2014. Around 39.2 million tons of raw iron ore were extracted from iron mines to feed the processing plants.

**Oman's total subsidy projection for the current year substantially fell** by 18.5% to OMR1,310 million, from OMR1,608 million estimate for last year. This was partly due to a 50% plunge in crude oil prices in the international markets and a reduction in subsidy for natural gas supplied to industries located within industrial estates.

**Turkey's current account deficit (CAD) jumped** to USD5.64 billion in November, hitting the highest monthly level in 2014 following a boom in gold purchases. The CAD widened to more than USD1.4 billion in November.

## Eastern Europe

**Russian government expects the highest inflation rate in March-April**, when it may reach 15-17% at an annual rate. Meanwhile, the inflation rate will most likely have double-digit rate or will be close to it at the end of 2015. Import dynamics and rouble rate fluctuations will have an impact on the inflation.

## Western Europe

**Britain's CPI fell** to 0.5% in the year to December 2014, marking an almost 15-year low, down from 1% in November. The main contributions to the fall came from the December 2013 gas and electricity price rises falling out of the calculation and the continuing drop in motor fuel prices.

**The European Union recorded current account a surplus** of EUR15.0 billion (USD17.7 billion) in Q3 of 2014, unchanged from the previous quarter and down from a surplus of EUR16.7 billion in Q3 of 2013.

**The German government reached a budget balance and added no new debt in 2014**, a year earlier than it initially planned. The government initially planned to borrow EUR6.5 billion in 2014 to fund its expenditure, but it turned out to be unnecessary at all. Thanks to significantly lower interest payments, the government spent EUR295.5 billion last year.

**Residential property prices in Ireland increased** 16.2% y-o-y in the 12 months to the end of November 2014; from an increase of 16.3% in October and an increase of 5.6% recorded in the 12 months to November 2013.

**Italy's industrial production rose** 0.3% in November, marking the highest rise since June, in a first sign that the country's struggling economy may be close to a recovery. The rise was led by a 1.8% jump in consumer goods and a 0.8% increase in intermediate goods.

## North America

**Mexico's private sector generated 714,526 new jobs last year**, 54.3% higher than the number of new jobs created in 2013 and the highest in the past four years. As of December, the private sector had 17.2 million employees, or 4.3% more than in December 2013.

**US employers advertised the most job openings in nearly 14 years** in November, evidence that the strong hiring that occurred last year will likely continue into 2015. Job openings rose 2.9% to 4.97 million, the most since January 2001.

## Oil & Gas News

**Oil declined as global surplus seen persisting** as United Arab Emirates and Kuwait predicted a global supply glut will persist to at least the second half of 2015. Brent for February settlement dropped as much as 76 cents, or 1.6%, to USD45.84 a barrel on the London-based ICE Futures Europe exchange.

## Commodity News

**Copper tumbled the most in almost six years** to below USD5,400 a metric ton as speculation that demand for raw materials will not be enough to eliminate a supply glut triggered a sell-off in industrial metals. Copper for delivery in three months on the LME dropped as much as USD506.75 a metric ton to USD5,353.25.

**Gold rose as investors weigh Greek exit from the euro.** Gold futures for February delivery climbed 0.1% to settle at USD1,234.40 an ounce at 1:45 p.m. on the Comex in New York.

## Currency News

**Euro declined to nine-year low on stimulus outlook.** The euro dropped 0.5% to USD1.1773 at 5 p.m. New York time and touched USD1.1753, the weakest level since 2005.

**Yen rose for the fourth day on haven demand.** The yen rose 0.7% to 117.11 per dollar at 12:30 p.m. in Tokyo from yesterday.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
13-Jan-15	1,238.01	2.81	46.64	16.60	1.58	2.02	1.33	0.91	9433.07	88.84	2.67	33.68	24.64	3,339.72
14-Jan-15	1,231.59	2.96	45.84	15.49	1.58	2.02	1.33	0.92	9443.76	88.39	2.68	33.61	24.63	3,327.59
% Change	-0.52	5.34	-1.72		0.10	0.23	0.14	0.55	0.11	-0.51	0.51	-0.21	-0.05	-0.36

# Economic & Financial News

Research & International Division

15/1/2015

*... Indonesia would lower further the price of premium gasoline ...  
... Japan approved its largest-ever defence budget ...*

## South East Asia

**Indonesia would lower further the price of premium gasoline** in response to plunging global oil prices. The new policy might see the price of premium gasoline return to the IDR6,500 (USD0.51) per litre set by then president Susilo Bambang Yudhoyono. In November last year, Jokowi increased the fuel price to IDR8,500 per litre, before lowering it to IDR7,600. The new fuel price could be applied in the next few days and it would not have to wait until February.

**The Lao government has agreed to increase the monthly minimum wage** from the current rate by 30%. The minimum wage will be increased to LAK900,000 from the current rate of LAK626,000. The new rate will take effect in March 2015.

**Retail sales in Singapore saw a 6.5% increase** in November 2014 as compared to November 2013. Although vehicle sales rose significantly (50.2%) over that period, other retail segments saw a drop of 0.4%. The total retail sales value in November 2014 was estimated at SGD3.2 billion, higher than the SGD3 billion in November 2013.

**Singapore's new private home sales for 2014 hit a six-year low** in December. Just 230 new condominium units were snapped up in December, bringing last year's sales tally to 7,378 units - less than half the 15,291 units sold in 2013. New home sales dropped to about 4,382 units during the financial crisis in 2008.

**Vietnam's public debt had reached VND2.395.488 trillion** by December 31, 2014, equal to 60.3% of GDP. Of this, foreign debts are equal to 39.9% of GDP. The foreign debts are estimated at USD73 billion if noting that the GDP is USD183 billion. As the dong has been devalued by 1%, Vietnam will have to pay VND15 trillion more to pay debts.

## North East Asia

**Chinese banks extended CNY697.3 billion (USD112.55 billion) in new loans** in December, well below market expectations despite instructions from the central bank to lend more in the last months of 2014 to support the slowing economy.

**Japan approved its largest-ever defence budget** for the next fiscal year. For the year to March 2016, Tokyo will spend JPY4.98 trillion (USD41.97 billion), rising for the third straight year.

**Rising prices from April to September last year following the April 1 consumption tax hike pushed down consumer spending** by about JPY1 trillion by reducing real income. The reduced consumer spending accounted for 0.2% of the nation's real GDP.

**South Korea's central bank froze its policy rate** on at a record low of 2% amid lingering expectations for additional rate cuts after lowering borrowing costs twice in 2014.

**South Korea plans to provide about KRW100 trillion** (USD92 billion) in 2015 to help promote new growth industries. The assistance plan will focus on the "growth" stage by providing in policy funds for future-oriented, new growth industries.

**South Korea posted a trade surplus of USD5.7 billion** in December last year, keeping the surplus trend for 35 straight months. Exports rose 3.6% from a year earlier to USD49.7 billion in December. Imports fell 0.9% to USD44 billion.

**South Korea aims to export USD7.7 billion worth of agricultural goods this year** by expanding presence in China, Southeast Asia and the Muslim Halal food market.

**Taiwan's exports for 2015 are expected to grow 3.58%** from a year earlier to continue driving the local economy higher. The estimated 2015 export growth will surpass a y-o-y increase of 2.75% seen in 2014 as Taiwan will be able to continue to take advantage of its production technology.

## Australasia

**Growth in Australian house prices will fall in 2015**, according to Fitch Ratings. House price increases are estimated to rise by 4% this year, down from 7% in 2014. Australian house prices are now settling after rising 15% in the past 18 months.

## Indian Sub-Continent

**The Reserve Bank of India (RBI) announced to reduce the interest rate** by 25 basis points to stimulate the economy with the inflation rate to 7.75% as targeted by January.

**India's wholesale inflation rose 0.11% in December**, strengthening the case for a cut in interest rates on February 3. The recent recovery of the rupee and further softening of global commodity and crude prices have added to the argument in support of a reduction in interest rates.

## Middle East and North Africa

**Qatar's overall CPI has increased** by 2.7% in December 2014 compared to the CPI of December, 2013. Prices of various goods and services in all major groups have either remained flat or declined by varying degrees compared to prices in the previous month.

**Tunisia's trade deficit further widened in 2014**, reaching "a worrying level" to TND13,635.9 million. This deficit, 26.7% of which come from the energy balance deficit (TND3,639.8) was translated into a 2.5% drop in the coverage of imports by exports to 67.6%.

## Eastern Europe

**Russia's government promised to maintain a tight lid on spending** as the country faces its worst economic downturn in 15 years. An earlier plan to boost government spending by nearly 12% this year is unrealistic, and some of the planned expenditures should be cut.

## Western Europe

**Eurozone seasonally adjusted industrial production rose** by 0.2% in November 2014. The increase of industrial production in the eurozone is due to production of durable consumer goods rising by 1.9%, non-durable consumer goods by 0.5% and intermediate goods by 0.3%, while capital goods fell by 0.2% and energy by 0.9%.

**French CPI registered a m-o-m rise** of 0.1% in December following a November decline of 0.2%. The seasonal price increases of some services were largely offset by a new drop in energy prices.

**Italy's annual inflation rate dropped to zero** in December, down from 0.2% in November. Prices were also flat in December with respect to the previous month. The inflation rate was dragged down by drops in energy prices. Italy endured several months of deflation last year.

## South America

**The Argentine Central Bank's foreign-exchange reserves have risen** by USD162 million to USD31.3 billion thanks to an influx of Chinese funds.

**Retail sales in Brazil rose** 0.9% in November as consumers pounced on early holiday promotions, reinforcing the rising popularity of the Black Friday shopping trend started in the United States as well as expectations of a softer December.

## Oil & Gas News

**Increased U.S. output bolsters oil glut fears sending prices back down.** Brent for February settlement dropped as much as USD1.14, or 2.3%, to USD47.55 a barrel on the London-based ICE Futures Europe exchange.

**Natural gas extended gains after the biggest surge in 11 months** as a blast of Arctic weather predicted to swoop into the U.S. signalled increased demand after a mild December. Futures for February delivery rose as much as 8 cents, or 2.4%, to USD3.312 per million British thermal units in the NYME and was at USD3.294 at 11:29 a.m. Singapore time.

## Commodity News

**Gold demand will rebound in 2015** as bullion consumption in Asia increases and investors return to exchange-traded products backed by the metal. Gold for immediate delivery traded little changed at USD1,227.74 an ounce at 7:06 a.m. in London.

## Currency News

**Ringgit gains most this year as oil rises.** Malaysia's currency appreciated 0.6%, the biggest advance since Dec. 18, to 3.5742 a dollar as of 9:38 a.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
14-Jan-15	1,231.59	2.96	45.84	15.49	1.58	2.02	1.33	0.92	9443.76	88.39	2.68	33.61	24.63	3,327.59
15-Jan-15	1,227.89	3.29	47.55	14.45	1.57	2.02	1.34	0.93	9430.40	87.94	2.69	33.43	24.57	3,337.96
% Change	-0.30	11.15	3.73		-0.47	-0.01	0.17	1.07	-0.14	-0.50	0.38	-0.53	-0.26	0.31

# Economic & Financial News

Research & International Division

17/1/2015

*... Oil advanced, capping the first weekly gain since November ...  
... U.S. dollar at 11-year high versus Euro on Franc fallout ...*

## South East Asia

**Bank Indonesia kept its benchmark rate unchanged** at 7.75%, maintaining a tight stance to help control a current-account deficit and manage inflation, which is already being helped by lower oil prices.

**FDI in Myanmar is continuing at a staggering pace**, hitting more than USD6 billion in the first nine months of the current fiscal year. From April to the end of December last year, 25 countries spent USD6.62 billion on FDI, and almost doubling the USD3.5 billion total inflows of the 2013-14 fiscal year.

**Singapore's domestic shipments of electronic products made a surprise turnaround** in December to help push overall non-oil domestic exports (NODX) up for a second consecutive month. The NODX rose 2.3% y-o-y last month after 0.8% increase in November.

**Vietnam's central bank will push for bank mergers and force weak institutions into bankruptcy** as it intensifies an overhaul of the country's banking system to boost growth. The State Bank of Vietnam will step up measures to deal with weak banks that have no chance of recovery.

## North East Asia

**China will become the net capital exporter** as outbound investment is expected to exceed FDI soon. The country's non-financial outward direct investment reached USD102.9 billion in 2014, exceeding USD100 billion for the first time, a 14.1% y-o-y rise.

**China's retail sales value is expected to expand** by around 12% in 2014 to nearly CNY27 trillion. This will make China the world's second largest retail market. Notably, online retail sales, estimated to expand by 50%, continued to show robust growth last year.

**Japan's producer price index for 2014 climbed 3.1%** from the previous year, gaining ground for the second straight year. The index stood at 105.1 against 100.

**Japan's core machinery orders rose 1.3%** in November from the previous month, up for the first time in two months, but downgraded its assessment in light of weak recovery.

**Direct investment by South Korean companies into China jumped 29.8%** y-o-y to USD3.97 billion in 2014. The rapid growth in investment by South Korean firms in China marked a striking contrast to Japanese companies, whose direct investment in the world's second largest economy dropped 38.8% to USD4.33 billion last year.

**South Korean builders secured USD66 billion worth of construction orders in 2014**, the second highest annual tally after the country won the United Arab Emirates nuclear plant deal four years prior.

## Indian Sub-Continent

**Pakistan received FDI of USD529.1 million** in July-December, which is 18.8% higher than the FDI received during the same six-month period of the preceding fiscal year.

## Middle East and North Africa

**Egypt's central bank made a surprise 50 basis-point cut in its main interest rates**, saying plummeting global oil prices had eased inflation risks while economic growth was rebounding. The central bank reduced overnight deposit and lending rates to 8.75 and 9.75% respectively.

**Egypt's real GDP hiked significantly** to 6.8% in Q1 of FY 2014/15, the highest annual growth rate since Q4 of FY 2007/08. Real GDP growth rate recorded 2.2% during FY 2013/14.

**Turkey's economy will grow around 4% this year** and inflation will fall to the central bank's forecast of 6.1%. The economy is expected to have grown about 3% in 2014.

## Eastern Europe

**Russia's net capital outflow more than doubled y-o-y in 2014**, reaching USD151.5 billion. The country's financial regulator previously estimated the outflow to total USD134 billion last year.

## Western Europe

**France's central state budget deficit rose slightly** in the first 11 months of 2014 compared to the same period in 2013. The central state budget deficit stood at EUR90.8 billion at the end of November, a slight increase from EUR87 billion in the same period a year earlier.

**The German economy expanded at a three-year-high rate in 2014**, accelerating from weak growth in previous two years. GDP increased by 1.5% last year, following meagre growth of 0.4% in 2012 and 0.1% in 2013.

**Spanish exports were on course for a record high in 2014** as exports rose despite a slowing euro zone economy, but the trade deficit more than doubled from a year ago in the January-November period. Spanish exports were up 2.2% to November compared with the same period in 2013, reaching nearly EUR221 billion.

## North America

**Unemployment in Mexico fell sharply** in December in a sign that labour market conditions improved last year with private-sector employers taking on the most workers since 2010. Unemployment last month was 3.8%, down from 4.3% in December 2013.

**U.S. consumer prices fell** in December by the largest amount in six years, reflecting another big monthly decline in gas prices and providing further evidence of falling inflation pressures. CPI dropped 0.4% last month. For all of 2014, overall inflation was up just 0.8%.

## South America

**Argentina's inflation hit 23.9% last year**, the second worst in South America after Venezuela, but the opposition said the figure is much higher.

**Chile's central bank held the benchmark interest rate unchanged** at 3%. The bank previously cut the interest rate 200 basis points between October 2013 and October 2014 to stimulate a flagging economy.

**Peru's economy grew** 0.3% y-o-y in November, the slowest rate in over half a decade, as declines in mining, metals refining and fishing offset gains in banking, telecommunications and construction.

## Oil & Gas News

**Oil advanced, capping the first weekly gain since November**, after the International Energy Agency lowered forecasts for supplies from outside OPEC and an industry report showed U.S. companies reduced drilling activity. Brent for March settlement rose USD1.90, or 3.9%, to end the session at USD50.17 a barrel on the London-based ICE Futures Europe exchange.

## Commodity News

**Copper gains a second day as China stimulus boosts demand.** Copper for delivery in three months rose 1.5% to close at USD5,715 a metric ton (USD2.59 a pound) at 5:50 p.m. on the London Metal Exchange.

**Gold climbs to four-month high as open interest surges.** Gold futures for February delivery rose 1% to settle at USD1,276.90 an ounce at 1:38 p.m. on the Comex in New York.

## Currency News

**Yuan drops most in four weeks as Swiss shock spurs dollar demand.** The yuan weakened 0.3%, the most since Dec. 18, to close at 6.2066 a dollar in Shanghai. It gained 0.03% this week.

**U.S. dollar at 11-year high versus Euro on Franc fallout.** The dollar, which represents 63% of all known international reserves, surged 0.6% to USD1.1567 per euro at 5 p.m. in New York and touched USD1.1460, the strongest level since November 2003.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
15-Jan-15	1,227.89	3.29	47.55	14.45	1.57	2.02	1.34	0.93	9430.40	87.94	2.69	33.43	24.57	3,337.96
17-Jan-15	1,280.45	3.13	50.17	16.03	1.54	2.01	1.32	0.92	9513.84	87.76	2.70	33.70	24.66	3,300.68
% Change	4.28	-4.86	5.51	-1.99	-0.62	-0.85	-1.01	0.88	-0.21	0.19	0.83	0.37	-1.12	



# Economic & Financial News

Research & International Division

20/1/2015

*... Oil held losses below USD50 a barrel ...  
... Thailand expected to return to dominate global rice exports ...*

## South East Asia

**Indonesia has reduced 5% fares for land transportation** including trains, after a fuel-price decrease coming into effect as of Monday. The fare cut will also apply to ferries, where passengers will enjoy a 4% reduction.

**Laos' new minimum wage may take effect next month**, designed mainly to draw workers back from Thailand. The minimum wage is set to be increased from the current LAK626,000 to LAK900,000.

**Thailand is expected to return to dominate global rice exports**, with shipments estimated at 10-11 million tonnes this year. Thailand exported 10.8 million tonnes of rice last year, a rise of 63.6% from 2013. Export value rose by 22% to USD5.37 billion from USD4.42 billion in 2013.

## North East Asia

**China to ease restrictions on foreign investment** for foreign investors and grant them easier access to the Chinese market. Overseas companies will receive pre-establishment national treatment and the current troublesome case-by-case approval system be replaced by "negative list" management, if the new law is passed.

**China's tourism industry will play a growing role** in the country's economic growth, with direct investment in the sector expected to hit CNY3 trillion in the coming three years. Direct investment in the tourism industry reached CNY650 billion in 2014, up 22% y-o-y.

**The unemployment rate of Hong Kong stood at 3.3%** in Q4 of 2014, same as that in Q3. For 2014 as a whole, both the labour force and total employment grew further by 0.7% and 0.9% respectively, adding the annual unemployment rate edged down from 3.4% in 2013 to 3.2% in 2014.

**Labour unions at 13 major Japanese electronics makers are planning to demand a hike of JPY6,000 in monthly pay** across the board during the upcoming "shunto" annual pay negotiations. It would be the highest demand since a JPY7,000 request filed in 1998. Last year, they demanded a JPY4,000 hike and won half that amount.

**Japan's industrial output fell 0.5%** in November from 0.6% the previous month. The index of shipments was unchanged from the earlier figure at a decrease of 1.4%, while the inventory index marked a 1.1% rise against a 1% increase.

**South Korea's tax revenue for 2014 is expected to lag government's budget plan** by KRW11.1 trillion, days after the central bank said Q4 growth was unexpectedly hit by weak state spending. Last year's tax revenue is estimated at around KRW205.4 trillion.

**South Korea's producer prices in December fell by the fastest clip in 19 months** on an annual basis, as oil prices extended their decline at a time of weak domestic demand. The producer price index for December fell 2% from a year earlier, marking the sharpest annual decline since a 2.6% slump in May 2013.

**South Korea's operational fiscal balance was in the red** by KRW30.2 trillion for January-November period last year, mainly due to a drop in tax earnings while the government spent more. The deficit is significantly larger than the KRW21.1 trillion won deficit for the whole of 2013.

**Taiwan is expected to report record export order of USD470 billion for 2014**, having increased from USD442.93 billion in 2013. Increased exports are being attributed, in part, to strong demand for Apple Inc.'s iPhone 6, whose components are supplied by many Taiwanese companies, and partly due to orders for the Christmas season and the Chinese Lunar New Year.

## Australasia

**Australia's ANZ-Roy Morgan's consumer confidence index rose** by just 1.4% to 113.6 last week, bringing the index back up to its long-run average. Lower petrol prices are failing to give consumer confidence a major boost.

**New Zealand business confidence remains at historically high levels**, but profitability remains weak as firms lack confidence to push up prices in spite of comparative economic buoyancy. Business confidence has stabilised at 21% net optimists.

## Middle East and North Africa

**The inflation rate in Algeria decelerated in 2014**, standing at 2.9% against 3.3% in 2013. The inflation rate of the consumer food prices increased by 3.9% in 2014 against 3.25% in 2013 and over 12% in 2012.

**Iran's economic growth rate had fallen to -9%** in the three months ending June 21, 2013, has risen to +3.7% in the three months ending Sept. 22, 2014. In the three months ending June 21, 2014, the country's economic growth reached 4.4%.

**UAE inflation hit 3.1%** in December, its second-highest level for five years, as housing inflation continued to increase. Q4 inflation rose to 3%, up from 2.6% in the Q3. Housing and utilities costs increased by 5.4% y-o-y, up from 4.4% in November.

## Western Europe

**Millions of British Gas customers will receive a 5% price cut**, worth GBP37 a year, as energy giants finally start to pass on falling wholesale costs.

**Germany has stepped up the repatriation of its gold reserves from overseas storage** last year. In 2014, 120 tonnes of gold were transferred to Frankfurt from storage locations abroad: 35 tonnes from Paris and 85 tonnes from New York. Germany's gold reserves are the second-biggest in the world after those of the United States and totalled 3,384.2 tonnes this month.

**The German economy has managed to shrug off faster the period of weakness** it experienced last year. Among the positive factors contributing to this were the "markedly positive consumer climate - on the back of the favourable employment and income outlook - and falling energy prices.

**Spain will create 1 million jobs in 2 years** by the end of 2015, which is banking on a growing economic recovery. Currently, the unemployment rate is at 23.7%, the second-highest in Europe after Greece. The economy would grow by 2% this year.

## South America

**Brazil increased taxes on fuel, imports and consumer loans** aimed at raising BRL20.6 billion in additional revenues this year. The plan is part of an effort to help balance budget accounts and revive investor confidence. The taxes will help the government collect one-third of the savings it needs to meet debt-reduction goals for the year.

## Oil & Gas News

**Oil held losses below USD50 a barrel** as China's economic growth failed to spur confidence demand will be enough to eliminate a global supply glut. Brent for March settlement was at USD48.64 a barrel on the London-based ICE Futures Europe exchange, down 5 cents, at 2:18 p.m. Singapore time.

## Commodity News

**Gold holds below four-month high as dollar strength hurts demand.** Bullion for immediate delivery rose and fell at least 0.1%, and was at USD1,276.27 an ounce at 2:58 p.m. in Singapore from USD1,275.65 a day earlier.

**Tin miner in Australia boosts supply as Indonesia cuts sales.** Tin has posted the smallest drop after lead this year among six industrial metals traded on the London Metal Exchange, declining 0.4% to USD19,330 a ton as copper fell 9.7%.

## Currency News

**Ringgit leads emerging-market losses while PM Najib revises deficit.** The currency fell as much as 1.2% to 3.6153 a dollar, the lowest level since April 2009 and the biggest drop since Dec. 1. It traded at 3.6135 at 2:26 p.m. in Kuala Lumpur.

**Yen falls third day as China growth beats forecast.** The yen fell 0.7% to 118.41 per dollar as of 7:03 a.m. in London. The euro dropped 0.3% to USD1.1570, after touching USD1.1460 on Jan. 16, the weakest level since November 2003.

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-Jan-15	1,280.45	3.13	50.17	16.03	1.54	2.01	1.32	0.92	9513.84	87.76	2.70	33.70	24.66	3,300.68
20-Jan-15	1,276.85	2.99	48.64	16.27	1.54	2.01	1.33	0.92	9489.47	88.15	2.69	33.61	24.53	3,328.55
% Change	-0.28	-4.47	-3.05		-0.42	-0.06	0.26	0.12	-0.26	0.45	-0.38	-0.27	-0.53	0.84

# Economic & Financial News

Research & International Division

21/1/2015

*... Industrial output in China grew in 2014 ...  
... Japan's department store sales last year rose ...*

## South East Asia

**Bank Indonesia sees fewer bad loans in 2015.** Bank Indonesia estimated that bad loans would decline to less than 2% of outstanding loans this year due to Indonesia's improving economy and greater loan expansion.

**The planned salary increase for Lao government employees would be suspended** amid this fiscal year's budget constraints even though the prices for water supply, electricity, and goods are continuing to increase. The government suggested that salaries should remain at the current level of LAK6,700 per salary index.

**Malaysian central bank will not revise interest rates** for the time being, which at 3.25% is still considered highly accommodative, reflected by significant credit growth.

**Thai cabinet agreed to set aside THB2.72 trillion for expenditure** and run a THB390 billion budget deficit in the 2016 fiscal year (FY). The FY 2016 expenditure budget increased 5.6% or THB145 billion from FY 2015, while the deficit in FY 2016 rose 56% or THB140 billion from FY 2015.

## North East Asia

**Industrial output in China grew** 8.3% in 2014 from a year ago, down from the 9.7% growth seen in 2013. The economy is maintaining steady operation under the new normal, with positive trends of stable growth, optimised structure, enhanced quality and improved social welfare.

**China's retail sales rose** 12% y-o-y in 2014 to CNY26.24 trillion (USD4.28 trillion). Retail sales growth in rural areas outpaced that in urban China. Last year, sales in rural regions rose 12.9% from a year ago, while sales in urban areas climbed 11.8%. Online sales showed robust growth, soaring 49.7% y-o-y in 2014 to CNY2.79 trillion.

**China's annual urban fixed-asset investment continued to cool** in 2014 to 15.7%, down from 19.6% in 2013. China's GDP grew 7.4% in 2014, registering the weakest expansion in 24 years. Slower growth in fixed-asset investment is seen as a key factor in the slower growth in GDP. Urban fixed-asset investment expanded to CNY50.2 trillion (USD8.2 trillion) at the end of 2014.

**China's service sector represented 48.2% of GDP** in 2014, up 1.3 percentage points from a year earlier. The share of the industrial sector was 42.6% of GDP, while the agricultural sector accounted for 9.2%. The contribution of final consumption to GDP growth reached 51.2% last year, up 3 percentage points from a year earlier.

**Japan's department store sales last year rose** 0.3% from the previous year on a same-store basis, up for the third consecutive year. Before adjustment for the number of stores, overall sales came to JPY6.21 trillion. But monthly sales were sluggish after the tax hike, with weakness particularly significant in rural areas.

**South Korean start-ups and venture firms have received over KRW1.5 trillion** (USD1.39 billion) in investment last year on the back of increased funding by institutional investors and a rise in investment funds.

**South Korea will inject KRW81.8 billion** (USD75.5 million) into developing domestic titanium parts and material industry that can make components for aircrafts, medical implant applications and industrial plants.

**Taiwan's export orders grew** 4.5% annually to USD44.23 billion last month, mainly driven by strong demand for handheld devices, such as iPhones and low-cost notebook computers, from Europe and the US.

## Australasia

**Low inflation is helping New Zealand households get ahead**, with wages on average continuing to rise faster than the cost of living. Inflation was only 0.8% for the 2014 calendar year.

## Middle East and North Africa

**Algeria's surplus trade stood at USD4.63 billion in 2014**, against USD9.94 billion in 2013, declining by nearly 53.5%. This decline in the trade surplus is driven by increased exports by 3% last year in comparison with 2013.

**Jordan's trade deficit** for the first 11 months of 2014 was up 4% at JOD9.45 billion (USD13.3 billion), due to a higher bill for imported Saudi oil and lower exports. Imports were up 4.3% in the January-November period to JOD14.87 billion.

**A rise in tax revenues and receivables from the treasury operations** in the first nine months of 2014 helped reduce Lebanon's budget deficit to 21.93% (LBP3.349 trillion/USD2.32 billion) of spending, compared to 31.89% (LBP4.959 trillion) in the same period of 2013.

**Oman's annual inflation rate inched down** to 0.8% in December of 2014, as the cost of most food items and commodities either eased or stabilised. In November last year, inflation fell to 0.95% from 1.02% in October.

**Turkey's Central Bank slightly cut the policy interest rate 50 basis point to 7.75%.** The Monetary Policy Committee decreased one-week repo rate, the policy rate, to 7.75% from 8.25%.

**Five aluminium companies in the Gulf region have collectively produced 4,928,143 tonnes of primary aluminium** in 2014 compared to 3,748,616 tonnes in 2013, an increase of 31%. Gulf Cooperation Council's (GCC) aluminium production constitutes 10% of the total world production.

## Eastern Europe

**Russia's overall foreign debt fell** by nearly USD130 billion in 2014, with total debt standing at USD599.5 billion on Jan. 1, 2015. Foreign debt has been falling rapidly in recent months as companies pay off foreign loans. Foreign exchange reserves have also been falling rapidly, declining last year to USD385.5 billion from USD509.6 billion.

## Oil & Gas News

**Oil rises from biggest slide in week as volatility rises.** Brent for March settlement climbed as much as 51 cents, or 1.1%, to USD48.50 a barrel on the London-based ICE Futures Europe exchange.

**Natural gas drops most in 11 months on milder weather forecasts.** Natural gas for February delivery fell 29.6 cents to USD2.831 per million British thermal units on the NYMEX, the lowest settlement since Jan. 12. Volume for all futures traded was 52% above the 100-day average at 2:34 p.m.

## Commodity News

**Gold exceeded USD1,300 an ounce for first time in five months** on speculation slowing global growth will prompt central banks to boost stimulus, spurring haven demand. Bullion for immediate delivery climbed as much as 0.6% to USD1,303.63 an ounce and traded at USD1,300.58 by 3:20 p.m. in Singapore.

**Zinc in London climbed for second day before US housing data.** Zinc for delivery in three months rose 0.2% to USD2,105 a metric ton on the London Metal Exchange at 11:51 a.m. in Hong Kong.

## Currency News

**Brazil real led global gains as tax increases fuel optimism.** The currency appreciated 1.5% to 2.6131 per US dollar today in Sao Paulo.

**Canadian dollar sinks on speculation Canada's central bank may signal cut possible.** The Canadian dollar depreciated 1.4% to CAD1.2113 per US dollar at 5 p.m. in Toronto. It touched CAD1.2115, the weakest level since April 2009.

**Ringgit three-month loss worst in Asia on rating downgrade risk.** The ringgit weakened 0.5% to 3.6258 a dollar as of 10:07 a.m. in Kuala Lumpur and fell to 3.6277, the lowest level since April 2009.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
20-Jan-15	1,276.85	2.99	48.64	16.27	1.54	2.01	1.33	0.92	9489.47	88.15	2.69	33.61	24.53	3,328.55
21-Jan-15	1,300.70	2.94	48.34	16.44	1.55	2.02	1.34	0.92	9454.48	88.36	2.69	33.39	24.45	3,344.51
% Change	1.87	-1.67	-0.62		0.91	0.28	0.75	-0.23	-0.37	0.24	0.00	-0.67	-0.31	0.48

# Economic & Financial News

Research & International Division

22/1/2015

*... Saudi Arabia Q4 GDP growth lowest in over a year ...  
... Brazil hikes basic interest rate to highest level since 2011 ...*

## South East Asia

**Indonesia's Transportation Ministry is expected to be given one of the biggest budgets** in the draft of the revised 2015 state budget. If the House approves the draft, the ministry would receive an IDR64.95 trillion (USD5.91 billion) budget this year, up IDR20 trillion from the previously stated IDR44.93 trillion.

**Malaysia's CPI in December rose** 2.7% from a year earlier, as soaring domestic food prices from the worst flood in decades offset the effects of falling fuel prices.

**Philippines posted rare balance of payments deficit in 2014.** In December, the country posted a balance of payment surplus of USD843 million, the highest since the USD1.1 billion surplus of July 2013. But throughout 2014, the country posted a deficit of USD2.88 billion, the first for the economy since 2004.

**The growth in Philippine agricultural production revived up** to 1.8% in 2014 at PHP792.2 billion, based on 2006 prices. Growth was better compared to the 1.1% recorded in 2013, when output was valued at PHP777.9 billion.

**Singapore's public transport fares will increase** by as much as 2.8% from April despite the fall in oil prices, due to a rolled-over component and the way cost changes are factored into the fare revision formula with a time lag. The hike will raise fare revenues of public bus and train operators SBS Transit and SMRT Corp by an estimated SGD48.5 million a year.

**Thailand's production of cars and trucks in 2014 dropped** 23.49% to 1.880 million units, due to shrinking domestic demand amid the economic slowdown. The drop in production last year was because of the economic slowdown in Thailand, while export showed a marginal increase.

**Vietnam's retail prices of petrol were lowered** at 4pm yesterday, following orders from the government. The Vietnam National Petroleum Group now lists the price of RON 92 gasoline at between VND15,670 and VND15,980 (USD0.75 and USD0.76) per litre, down from between VND17,570 and VND17,920 (USD0.84 and USD0.85 cents) per litre.

## North East Asia

**Income inequality in China narrowed last year**, a silver lining to the cloud of a cooling economy that grew at the slowest pace since 1990. The Gini coefficient stood at 0.469 in 2014, down from 0.473 in 2013. A Gini reading of 0 represents perfect equality, while a reading of 1 suggests perfect inequality.

**China's e-commerce boomed in 2014** with transactions reaching around CNY13 trillion (USD2.09 trillion), as Beijing looks online for new drivers of growth. They grew 25% y-o-y in 2014.

**China's telecom business revenues increased 3.6%** in 2014, 5.1% lower than in 2013. Last year's telecom revenue stood at CNY1.154 trillion (USD188.4 billion).

**Around 80.3% secured informal job contracts** as of Dec. 1 last year, among job-seeking Japanese university students who will graduate this spring, up 3.7 percentage points from a year before. The rise reflects the increased willingness among companies to hire new employees on the back of labour shortages and economic recovery.

**The retail price of regular gasoline in Japan has dropped 26 weeks in a row** to JPY139.60 per litre. Reflecting continuing falls in crude oil prices, the average gasoline price as of Monday dropped JPY3.00 from Jan. 13, and sank below JPY140 for the first time since August 2012.

**More people are buying gold bullion for investment in South Korea**, with sales soaring to 1,383 kg last year from 704 kg in 2013. As low interest rates on bank deposits have driven investors to gold, the Korea Gold Exchange expects sales to continue to increase.

**South Korea's central bank governor appeared to rule out any further rate cut in the short term**, and the bank's decision to slash its 2015 economic growth was no cause for pessimism. After two rate cuts last year, the Bank of Korea's benchmark rate is currently at a record-equalling low of 2%, a level not seen since 2009-10

**Unemployment in Taiwan registered another 0.10-point monthly fall** in December to 3.79%, the lowest level in 14 years. The latest drop brought last year's average number of unemployed persons to 457,000, or 3.96%, which is 0.22 percentage points lower than in 2013.

## Indian Sub-Continent

**India government may exempt upstream oil companies from sharing the subsidy burden** as long as international crude price stays below the USD60 a barrel mark as it rushes to divest stake in India's Oil and Natural Gas Corporation Ltd. during the current fiscal.

**Public sector borrowing from commercial banks in Pakistan between July 2012 and January 2013 rose** to PKR770 billion (USD7.7 billion) from PKR627 billion (USD6.27 billion) a year ago, as spending grew faster than income in a struggling economy, resulting in higher-than-expected budget deficit.

## Middle East and North Africa

**The Algerian government will continue to support youth and create jobs** with the same pace despite the fall of oil prices in the international markets. Youth employment increased by 51% in 2014.

**Saudi Arabia's economic growth fell to its lowest level** in more than a year in the Q4 of 2014, a sign that the plunge in oil prices may be causing growth to slow. GDP expanded 2% from a year earlier last quarter, down from 2.4% in the Q3 and 4.9% in the Q4 of 2013. For all of 2014, GDP grew 3.6%

**Tunisia lost nearly 0.7% of the GDP** in 2014 because of continuous strikes and blocking of production in the phosphate and mining sector.

## Eastern Europe

**The Russian government announced an anti-crisis plan consisting of USD21 billion** to halt the ongoing economic contraction in the country caused by western sanctions and the drop in oil prices.

**External restrictions on Russia will prompt the country to carry out structural changes** in the economy and push the country to make the structure more energetic, President Vladimir Putin said.

## Western Europe

**Bank of England is to keep interest rates at a record low** of 0.5%, ending months of division on how to best keep Britain's economy growing.

## North America

**The Bank of Canada pushed its key rate down** to 0.75% from 1%, said the rapid oil-price collapse has created many unknowns around economic growth in the oil-exporting nation.

**U.S. construction of new homes rebounded** in December, helping to push activity for the entire year to the highest level since the peak of the housing boom nine years ago. In 2014, builders started construction on 1.01 million new homes and apartments, an increase of 8.8% from 2013.

## South America

**The Brazilian Central Bank raised its key interest rate** by half a percentage point from 11.75% to 12.25%, its highest level since mid-2011 to combat expectations for surging inflation as the government hikes taxes and unwinds some price controls.

**Venezuela's recession-hit economy contracted** 2.8% in 2014, while inflation topped 64%, in almost certainly the worst performance in Latin America.

## Oil & Gas News

**Oil drops as Iraq signals production boost to offset price slide.** Brent for March settlement slid as much as 43 cents, or 0.9%, to USD48.83 a barrel on the London-based ICE Futures Europe exchange.

## Commodity News

**Gold holds below USD1,300 an ounce** as SPDR Assets fall before ECB. Bullion for immediate delivery was little changed at USD1,293.32 an ounce by 9:49 a.m. in Singapore.

**Silver poised for bull market** as economic woes boost demand. Silver for immediate delivery climbed 0.7% to close at USD18.127 on Jan. 21.

## Currency News

**The euro approached an 11-year low** against the dollar amid speculation the ECB will today introduce large-scale bond purchases under quantitative easing. The euro fell 0.1% to USD1.1599 at 12:05 p.m. in Tokyo.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
21-Jan-15	1,300.70	2.94	48.34	16.44	1.55	2.02	1.34	0.92	9454.48	88.36	2.69	33.39	24.45	3,344.51
22-Jan-15	1,292.90	3.03	48.83	16.12	1.55	2.03	1.34	0.91	9397.61	88.11	2.71	33.33	24.48	3,363.41
% Change	-0.60	3.06	1.01	-0.23	0.52	-0.10	-0.43	-0.60	-0.29	0.95	-0.16	0.13	0.57	

# Economic & Financial News

Research & International Division

24/1/2015

*... British retail sales rose in December ...  
... US home resales rebounded in December ...*

## South East Asia

**Myanmar's trade deficit will reach MMK4 trillion** (USD3.9 billion) by the end of next financial year. Inflation is also pegged to average 6.83% y-o-y in 2015-16, though could rise as high as 8.11% by March 2016.

**Singapore's residential prices fell in 2014** following increases of housing supplies and cooling measures put in place earlier. The resale prices of flats built by the Housing and Development Board (HDB), which house about 80% of the population, fell by 6% in 2014, while the number of resale transactions fell by 4.3%. In Q4, the resale prices of such flats fell by 1.5%.

**Singapore's headline inflation came at 1% in 2014**, compared with 2.4% in 2013. The CPI inflation averaged 1.7% in the first half and 0.4% in the second half, respectively.

## North East Asia

**State-owned enterprises (SOEs) directly under the central government administration saw their combined profits hit CNY1.4 trillion** (USD228.2 billion) in 2014, up 4.2% y-o-y. Total business revenues of the centrally-administered SOEs hit CNY25.1 trillion last year, up 3.8%. Meanwhile, the companies contributed CNY2.1 trillion in taxes last year, up 4.4%.

**China's registered unemployment rate in urban areas stood at 4.09%** in 2014, slightly down from the 4.1% recorded in 2013. A total of 13.22 million new jobs were created in urban areas last year, up from 13.1 million posted in 2013.

**China's manufacturing activity rebounds in January.** The HSBC flash manufacturing PMI for January rose to 49.8, from the reading of 49.6 in December. Domestic demand improved marginally while external demand remained solid. The labour market weakened and prices fell further.

**Hong Kong saw its consumer price inflation eased** for the third consecutive month in December, but at a slower pace. The CPI climbed 4.9% y-o-y in December, compared to the 5.1% decline logged in November.

**Japanese manufacturers began the new year on a strong note** as domestic and overseas orders picked up. The Markit/JMMA flash Japan Manufacturing Purchasing Managers Index (PMI) rose slightly to a seasonally adjusted 52.1 in January, from a final 52.0 in December.

**South Korea's economic growth fell to the lowest in more than two years** in Q4 as some unusual factors, such as less fiscal spending caused by lack of tax revenue, weighed down on the economy. Real GDP grew 0.4% in Q4 2014, on a quarterly basis.

**Korea's imports of foreign vehicles reached an all-time high** last year as a growing number of motorists, particularly those in their 20s and 30s, choose to drive imported cars over domestically produced ones. Imports were valued at USD9.12 billion in 2014, up 44% from USD6.33 billion in 2013.

**Overseas direct purchases made by South Koreans reached an all-time annual high** of USD1.54 billion in 2014, as consumers sought better bargains and a wider choice of products. The total represents a 39% increase compared to USD1.04 billion brought in from abroad in 2013.

## Indian Sub-Continent

**India's foreign exchange reserves jumped** by a massive USD2.66 billion to touch an all-time high of USD322.135 billion in the week ended January 16, on account of a surge in foreign currency assets.

**India's central bank relaxed rules for companies and banks** to restructure and reschedule existing overseas borrowings by permitting an increase in the total cost of borrowing offshore.

**Pakistan's large-scale manufacturing posted a growth** of 4.89% y-o-y in November 2014. However, in the first five months of this fiscal year, it expanded by 2.48%.

## Middle East and North Africa

**Iranian foreign trade included USD42.58 billion of exports** while the country's exports amounted to USD43.67 billion in the past 10 months ending January 20.

## Western Europe

**British retail sales rose** in December as shoppers flocked to supermarkets and bought more fuel as oil prices fell, providing a boost for the country's economic recovery that has shown signs of softening. Retail sales volumes rose 0.4% on the month.

**France's private sector contracted** for the ninth straight month in January, even though activity at manufacturers hit an eight-month high. Markit's PMI edged down to 49.5 in January, after jumping to 49.7 in December.

**Germany's private sector expanded faster** in January, but a slight slowdown in manufacturing growth cast some doubt on the prospects for Europe's largest economy. Markit's flash composite PMI rose to 52.6 in January, from a final reading of 52.0 in December.

**Spain received a record 65 million visits from foreign tourists in 2014**, nearly a quarter of them British. The overall number of visits by foreign tourists to Spain was the highest on record and rose by 4.3 million, or more than 7% compared with 2013.

**Spain's unemployment rate fell** for the second straight year in 2014, but at 23.7%, the country's labour market still faces a long road to recovery. Joblessness fell from 25.7% in 2013 as the large services sector took on more staff, driven by a strong tourist season and a rebound in construction activity. Spain added 434,000 jobs in 2014.

## North America

**Canadian retail sales rose** in November as colder-than-usual weather prompted people to buy coats and boots, and retailers held promotional events throughout the month. Retail sales advanced 0.4% to CAD43.03 billion in November.

**Canadian consumer prices crumbled under the weight of falling oil prices** in December, as the country posted its slowest rate of inflation in nine months. The CPI was up 1.5% y-o-y in December, down sharply from 2% in November.

**Mexican annual inflation slowed sharply** to below the central bank's 4% ceiling in the first half of January, even as a weaker peso threatened to push up consumer prices in Latin America's second biggest economy.

**US jobless claims off 7-month high** slipped 10,000 to a seasonally adjusted 307,000 for the week ended January 17.

**US home resales rebounded** in December, but continued low participation by first-time buyers in the market. Existing home sales increased 2.4% to an annual rate of 5.04 million units last month.

## South America

**Argentina's economic activity rose** 0.2% in November on the year. The monthly EMAE economic activity index showed activity shrinking 0.1% on the month in November.

**Brazil's economy shed 555,508 net payroll jobs** in December. December is usually a month of net job losses in Brazil as companies from manufacturers to builders and retailers adjust their payrolls. In 2014, Brazil's economy added just 152,714 jobs, excluding seasonal adjustments.

**Brazil recorded its widest current account deficit ever in 2014** due to a sharp fall in the price of key exports and a sluggish global economy. The country posted a current account deficit of USD10.317 billion in December. In 2014, Brazil's current account deficit totalled USD90.948 billion, or 4.17% of GDP.

## Oil & Gas News

**Oil falls to lowest since 2009 as Saudis signal continuity.** Brent crude for March settlement advanced 27 cents, or 0.6%, to USD48.79 a barrel on the ICE Futures Europe exchange after climbing to USD49.80.

## Commodity News

**Gold falls to pare three-week rally** as Goldman cuts forecasts. Gold futures for February delivery declined 0.6% to settle at USD1,292.60 at 1:52 p.m. on the Comex in New York.

## Currency News

**Rupiah, Philippine peso, India rupee lead Asia as ECB spurs yield hunt.** The peso strengthened 1.2% from Jan. 16, the most since May, to 44.177 a dollar in Manila. The rupiah advanced 0.9% to 12,473, completing its biggest weekly gain in three months, and the rupee rose 0.7% to 61.4375.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
22-Jan-15	1,292.90	3.03	48.83	16.12	1.55	2.03	1.34	0.91	9397.61	88.11	2.71	33.33	24.48	3,363.41
24-Jan-15	1,294.08	2.99	48.79	16.32	1.52	2.01	1.34	0.93	9314.46	88.51	2.69	33.00	24.38	3,411.50
% Change	0.09	-1.32	-0.08		-1.69	-0.94	0.07	2.27	-0.88	0.46	-0.83	-1.01	-0.40	1.43



# Economic & Financial News

Research & International Division

27/1/2015

*... Italy considers setting up a state-backed "bad bank" ...  
... China's retail price of gasoline will be reduced ...*

## South East Asia

**Growth in tourist arrivals slowed down in Cambodia** last year to the lowest rate since the global financial crisis. The number of visitors reached 4.5 million, up just 7% from 4.2 million in 2013. Cambodia has been achieving an average of 13.5% yearly growth in tourist arrivals since 2009, when arrivals grew by only 1.7%.

**Singapore's manufacturing performance contracted** 1.9% y-o-y in December, the third monthly decline in the past four months amid faltering global demand and low oil prices.

**Thailand swung to a trade surplus** of USD1.589 billion in December from a USD78 million deficit in November. The rise in exports was driven by stronger rice and industrial products shipments. In 2014, exports contracted 0.41% and imports fell 8.97%. Thailand ran a trade deficit of USD379 million last year.

**Vietnam's CPI fell** by 0.2% in January, compared to last month. This drop was attributed to the sharp decline in the worldwide price of petroleum in recent months.

**Total FDI in Viet Nam surged 67.1%** to USD664 million in January, up from a year ago. Of the total, USD505 million has been disbursed, reflecting an 8.6% y-o-y growth.

## North East Asia

**China's Premier pledged to create at least 10 million new jobs in 2015.** Last year the country created around 13 million jobs. China's economy grew at its slowest pace in 24 years in 2014 as property prices cooled and companies and local governments struggled under heavy debt burdens, pressuring Beijing to take aggressive steps to avoid a sharper downturn.

**China's retail price of gasoline will be reduced** by CNY365 per tonne and diesel by CNY350 per tonne, the 13th price slash since July. The adjustment means retail prices will drop by CNY0.27 per litre for gas and CNY0.3 per litre for diesel.

**Japan suffered a trade deficit of JPY12.78 trillion in 2014**, marking a record high since 1979. The trade deficit in 2014 was partly due to increases in such imports as LNG. The figure was also attributed to an 8.7% fall in the yen's value from 2013. The currency depreciation caused the value of yen-based imports to rise 5.7% from the previous year to JPY85.88 trillion, another record high.

**Confidence among South Korean consumers rebounded** first in four months, but it was still in a relatively low level amid uncertainties at home and abroad. Composite consumer sentiment index (CCSI), which reflects consumers' assessment of economic conditions, stood at 102 for January, up 1 point from a month earlier.

**South Korea's trade surplus in automobiles fell** 4.8% to USD35.98 billion last year from the year before due to a surge in domestic demand for foreign-made cars. The country's car exports hitting USD43.95 billion or 3.02 million units in 2014, up a marginal 1.6% from the year before. Imports, in contract, jumped 45.4% to USD7.97 billion, or 256,000 vehicles.

## Middle East and North Africa

**Algeria's imports of pharmaceutical products totalled nearly USD2.6 billion** in 2014 against USD2.34 billion a year earlier, up 10.44%.

**Kuwait government has slashed spending** and projected a big deficit in a draft budget for the next fiscal year, as plunging oil prices hit its export revenues. The draft budget for the year starting in April envisages spending of KWD19.07 billion, down by KWD4.14 billion or 17.8% from planned spending for the current 2014/15 year.

**Saudi Arabia's GDP doubled** from SAR1.23 trillion in 2005 to about SAR2.82 trillion in 2014. Referring to the 90.4% fall in government debt from SAR460 billion in 2005 to SAR44 billion at the end of 2014. The ratio of public debt to GDP also dipped from 37.3% in 2005 to 1.6% in 2014, according to the IMF.

**Consumers in the UAE were bigger spenders** in Q4 2014 compared with the previous quarter as the country's confidence score grew by two index points to 114.

## Eastern Europe

**Russia raised its gold reserves** for a ninth straight month in December as the country continued to add to the fifth-biggest gold holdings in the world. Russia increased its bullion holdings by 20.73 tons to 1,208.23 tons in December, the IMF data showed.

## Western Europe

**German business confidence rose** for a third month as falling energy costs and anticipation of more European Central Bank stimulus helped lift optimism about an economic recovery. The Ifo institute's business climate index advanced to 106.7 this month from 105.5 last month.

**Italy considers setting up a state-backed "bad bank"** to help clean up its banking sector, Economy Minister Pier Carlo Padoan said. Bad loans force lenders to set aside money to cover expected losses. They have become the main problem for Italian banks, which fared the worst in a Europe-wide health check of the sector last year.

**Spanish producer prices plunged** the most in more than five years last month, adding to concerns that the economy risks falling into a deflationary spiral. Prices of goods dropped 3.7% in December from a year earlier.

## South America

**Brazil's main consumer-confidence index was at 89.8 points** in January, down from 96.2 points in December, the Getulio Vargas Foundation. The low level of consumer confidence in Brazil was attributed to pessimism over a sputtering economy, particularly inflationary pressures and an increase in interest rates.

## Oil & Gas News

**Oil trades near 6-year low as OPEC fails to turn focus from glut.** Brent for March settlement slid as much as 29 cents, or 0.6%, to USD47.87 a barrel on the London-based ICE Futures Europe exchange.

## Commodity News

**Bullion for immediate delivery traded 0.1% higher** at USD1,282.61 an ounce at 3:26 p.m. on Jan. 27 in Singapore, after dropping earlier to USD1,272.44 an ounce, the lowest price since Jan. 19.

**Nickel leads base metals lower as China industrial profits slow.** Nickel for delivery in three months dropped 1% to USD14,610 a metric ton on the London Metal Exchange at 3:05 p.m. Jan 27 in Hong Kong.

**Wheat's bear market losses deepen** as prices slide to 11-week low. The contract for March delivery lost as much as 0.6% to USD5.175 a bushel on the Chicago Board of Trade, the lowest for a most-active contract since Nov. 10, and was at USD5.1875 by 2:54 p.m. Jan 27 in Singapore.

## Currency News

**Euro rallies from 2003 low on Greek relief.** The euro was little changed at USD1.1245 at 8:54 a.m. in Tokyo, after yesterday sliding to USD1.1098, the lowest level since September 2003.

**Ruble sinks to six-week low after S&P downgrades Russia to junk.** The currency declined as much as 6.2% against the dollar after the S&P announcement, before trading 5.5% weaker at 67.9895 per dollar by 7:02 p.m. in London.

**The U.K.'s currency rose 0.6% to USD1.5072** at 4:38 p.m. on Jan 27 in London. It weakened to USD1.4952 on Jan. 23, the least 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
24-Jan-15	1,294.08	2.99	48.79	16.32	1.52	2.01	1.34	0.93	9314.46	88.51	2.69	33.00	24.38	3,411.50
27-Jan-15	1,281.26	2.96	47.92	16.19	1.50	2.02	1.35	0.94	9310.99	87.39	2.68	32.79	24.23	3,426.52
% Change	-0.99	-1.00	-1.78		-1.08	0.50	0.58	1.20	-0.04	-1.27	-0.24	-0.62	-0.61	0.44

# Economic & Financial News

Research & International Division

28/1/2015

*... China continued to see a bigger deficit in foreign service trade ...  
... Russia government has adopted an anti-crisis plan ...*

## South East Asia

**Philippines imports last November down to a value of USD4.989 billion**, over a tenth lower y-o-y due to a cheaper global oil prices alongside a decline in shipments of capital goods. There was a surplus in the balance of trade worth USD272 million last November, reversing the USD1.268-billion deficit seen the previous year.

**Vietnam earned an estimated USD1.95 billion from exports** of agro-forestry-fishery products in January, reflecting a y-o-y decline of 13.8%.

## North East Asia

**China continued to see a bigger deficit in foreign service trade** in December. The country's service trade deficit amounted to CNY143.9 billion (USD23.4 billion) in December, widening from CNY127.9 billion in November. For the whole of 2014, the aggregate service trade deficit totalled CNY1.216 trillion, with CNY1.138 trillion in revenues and CNY2.354 trillion in spending.

**Profits of Chinese industrial businesses hit CNY6.47 trillion** (USD1.05 trillion) in 2014, up 3.3% y-o-y. The growth rate was 8.9 percentage points lower than 2013.

**China added a record 17 million new cars on the road in 2014** as car ownership reaches 154 million. Strong demand for cars has helped the automobile replace the motorcycle as the main method of transportation. Cars made up 58.6% of total motor vehicles, a sharp rise from 43.9% five years ago.

**China will aim for 8% industrial output growth this year.** China's industrial output grew 8.3% in 2014, down from 9.7% growth seen in 2013. A housing slowdown, softening domestic demand and unsteady exports dragged down December's industrial output growth to 7.9% y-o-y.

**China's apparent demand for natural gas grew by 5.6%** last year to 178.6 billion cubic metres (bcm), less than half the speed of the growth rate in 2013.

**China will impose consumption tax on some batteries and paint** to encourage environmental protection. A 4% tax will be levied on the production, processing and import of batteries and coating from Feb. 1. But cleaner batteries will be exempted.

**Merger and acquisitions activity reached a record high in China last year**, with the number of deals amounting to 6,899 and the total value surging to USD407 billion, both of which went up by around 55%, according to PwC.

**Hong Kong's total exports and imports of goods showed y-o-y increases**, at 0.6% (HKD312.8 billion or USD40.36 billion) and 1.9% (HKD372.0 billion), respectively, in December 2014. For 2014 as a whole, the value of total exports of goods rose by 3.2% over 2013. Concurrently, the value of imports of goods increased by 3.9%. The trade deficit of HKD546.3 billion, equivalent to 12.9% of the value of imports of goods in 2014.

**Japan's services producer price index rose 2.7%** for the whole of 2014 from the previous year, growing for the first time in six years. The y-o-y growth of the index for 2013 was revised down to zero last year. The index stood at 101.7 for 2014.

**South Korea will aim to reform its product distribution structure this year** in order to boost domestic consumption, which is expected to pick up in 2015 compared to last year.

**The amount of electricity used by South Korea's industrial sector grew** in December from a year earlier, partly due to a rise in demand from carmakers and shipyards. Electricity used by the industrial sector topped 23.57 billion kilowatt-hours in the one-month period, up 1.4% from the same month last year.

**Sales at South Korea's discount outlets and department stores continued to shrink** from a year earlier in December but at a slower pace. Discount chain sales dropped 3.8% on-year last month while numbers for department stores were down 0.9%.

**Taiwan has listed a budget of over USD160 million to improve public transportation networks** and facilities this year after noticing that the percentage of public transportation use has grown only slowly in the past several years.

## Australasia

**Australian consumer prices rose** by 0.2% in the Q4 from the Q3 and by 1.7% from a year earlier. Significant price falls in the Q4 included automotive fuels, which dropped by 6.8%, and audio-visual and computer-related equipment, which fell by 5.2%.

## Indian Sub-Continent

**India's consumer confidence continues to remain highest globally** and showed improvement in the Q4 of 2014. With a score of 129 in Q4, urban India's consumer confidence is up by 14 points from a year earlier, according to Nielsen's report.

## Eastern Europe

**Russia government has adopted an anti-crisis plan** that will freeze the level of spending. The plan also sees the budget returning to a surplus as soon as in 2017 and the government preparing structural reforms so that they do not burn recklessly through Russia's sovereign reserves.

## Western Europe

**Britain's GDP in the Q4 of 2014 grew** by 0.5%, compared with growth of 0.7% in the Q3 of this year. The figures also showed GDP was 2.7% higher in Q4 2014 compared with the same quarter a year ago. GDP in 2014 as a whole was up 2.6% on 2013.

**Unemployment in France rose** by 0.2%, or 8,100 people, in December to reach a new record high, with a total of 3.496 million people claiming benefits. In annual terms, unemployment here has risen 5.7%, or by more than 190,000 people and more than 2.2 million people here have now been unemployed for more than a year.

**Online retail sales in France could rise by around 10%** this year to EUR62.4 billion thanks to a growing number of offers on the Internet and the arrival of new shoppers. This would extend the 11% y-o-y rise in 2014, when the French spent EUR57 billion buying online in spite of a weak economic climate and sluggish consumption.

**Spain's public deficit stood at 4.62% of GDP** last November. That would likely put Spain within reach of its year-end deficit target of 5.5% of GDP agreed with Brussels.

**Spanish home loans rose** for the sixth straight month in November, a recovery expected to gather steam this year after European Central Bank efforts to funnel cheap credit to banks. The total amount in the month lent jumped 12%.

**Lending by the major U.K. banks to companies fell** by GBP2.4 billion net of repayments in December, for the second successive month.

## North America

**U.S. orders for durable goods dropped sharply in December** at 3.4% following a 2.1% decline in November, dragged lower by a big 55.5% decline in demand for commercial aircraft.

**U.S. consumers welcomed the new year with a surge in confidence.** The consumer confidence index climbed this month to 102.9, highest level since August 2007, four months before the start of the Great Recession.

**Sales of new U.S. homes accelerated strongly in December**, a sign that home-buying may improve this year after a lacklustre 2014. New home sales climbed 11.6% last month to an annual rate of 481,000.

**The Mexican economy grew** by 2% y-o-y in November 2014, attributed to increases in all the three sectors of the economy -- the primary, secondary and tertiary sectors.

**Mexico ran a trade deficit** of USD2.44 billion last year, a rise of 106% over the 2013 figure. Mexican exports in 2014 totalled USD397.55 billion, up 4.6% from the previous year, while imports climbed 4.9% to USD399.98 billion.

**Mexican factory exports rose** 3.42% in December while consumer imports fell. The uptick was due to a 5.96% increase in non-auto exports. Auto exports declined 1.63%.

## Commodity News

**Gold holds climb on U.S. rates outlook as Federal Reserve meets.** Bullion for immediate delivery traded at USD1,291.21 an ounce by 10:22 a.m. in Singapore.

## Currency News

**Baht and Ringgit falls after Singapore unexpectedly eases monetary policy.** The Thai currency fell 0.2% to 32.62 a dollar as of 10:09 a.m. in Bangkok. The ringgit depreciated 0.5% to 3.6142 a dollar as of 9:31 a.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
27-Jan-15	1,281.26	2.96	47.92	16.19	1.50	2.02	1.35	0.94	9310.99	87.39	2.68	32.79	24.23	3,426.52
28-Jan-15	1,291.91	2.91	49	16.84	1.51	2.03	1.34	0.94	9289.36	87.93	2.69	32.86	24.24	3,410.85
% Change	0.83	-1.69	2.25		0.47	0.55	-0.10	-0.55	-0.23	0.62	0.16	0.21	0.00	-0.46

# Economic & Financial News

Research & International Division

29/1/2015

*... China's dependency on foreign oil nears 60% ...  
... Oil remained weak in Asia ...*

## South East Asia

**Indonesia's FDI in 2014 increased by 13.5%** to IDR307 trillion (USD24.564 billion). In the Q4 of last year, FDI rose by 10.5% to IDR78.7 trillion (USD6.297 billion). A few sectors of mining in the country's main Java Island attracted most of the foreign investment. The total investment of FDI and domestic investment rose by 16.2% to IDR463.1 trillion (USD36.894 billion) last year.

**Indonesia's central bank estimated m-o-m inflation in January tumbled to near zero** from 2.46% in December, after the government cut gasoline prices twice during the month.

**Malaysia's central bank held its key interest rate steady** at 3.25%, as the economy remained on a steady growth path and inflationary pressures were easing despite sharply lower commodity prices and a weakening currency.

**The Philippine output rebounded sharply in the Q4 2014.** The GDP in the Q4 expanded by 6.1%, bouncing from the disappointing 5.3% in the Q3 but slower than the 6.3% growth in the Q4 of 2013. The Philippines was the third fastest growing economy for the period, next to China's 7.3% and Vietnam's 7%. Annual GDP rose 6.1%, slower than the 7.2% growth posted in 2013.

**Singapore's central bank would reduce the slope of the Singapore Dollar Nominal Effective Exchange Rate policy band** while maintaining its modest and gradual appreciation path of the Singapore dollar in 2015. Global oil prices have fallen sharply, which resulted in overall import prices declining, however, the underlying cost pressures stemming from a tight labour market have remained.

**Thailand kept its key interest rate unchanged** at 2% for a seventh straight meeting, refraining from joining global central banks in easing monetary policy to spur economic growth amid dwindling inflation.

**Vietnam's national index of industrial production grew significantly** by 17.5% in January, up from the same period last year. The processing and manufacturing sector, which account for more than 70% of total industrial output, saw a y-o-y growth of 19.4%, while production and distribution in the electricity sector jumped by 20.9%.

## North East Asia

**China's dependency on foreign oil nears 60% in 2014.** Meanwhile, dependency on natural gas grew 32.2% last year. China imported 308 million tonnes of oil and 59 billion cubic meters of natural gas last year.

**China will set a minimum inventory level for commercial crude oil** to keep the domestic oil market stable. All crude oil refineries must keep their crude oil inventories above 15 days' average processing level, and no less than 10 days' deposits if international crude oil prices exceed USD130 per barrel.

**A pilot tax reduction scheme to replace China's turnover tax with value added tax (VAT)** led to a fall in fiscal revenue of CNY191.8 billion (USD31.3 billion) in 2014.

## Australasia

**New Zealand had a NZD159 million trade deficit** in December 2014, from a surplus of NZD492 million in the year-earlier month as aircraft and mobile phones boosted imports while declining milk powder prices pulled down exports. Exports fell 6.9% to NZD4.42 billion in December from the year earlier month. Imports advanced 7.6% to NZD4.58 billion. The annual trade deficit widened to NZD1.15 billion in 2014, from NZD317 million in 2013.

**New Zealand's central bank left the official cash rate unchanged** at 3.5% today, citing falling oil prices as a drag on low inflation and the possibility of deflation in the near future.

## Eastern Europe

**Russian retail sales surged the most in more than two years** as consumers enduring the country's worst currency crisis since 1998. December sales jumped 5.3% from a year earlier, quicker than November's 1.8% advance. Wages adjusted for inflation fell 4.7%.

**Russian capital investment continued to contract in December,** paving the way for a wide-scale economic recession. Capital investment, which used to be one of the key economic growth drivers, fell 2.5% on the year in the last month of 2014 after contracting 4.8% in November.

## Western Europe

**French consumer confidence economic performance in January was stable** from a month earlier. The consumer confidence index remained unchanged at 90 points over the period while households' sentiment to their future personal financial situation stood at minus 15, two points down from December.

**Britain's growth in the Q3 2014 fell** to 0.5% from 0.7% in the third earlier. But for 2014 as a whole, the economy grew by 2.6%, up from 1.7% in 2013 and putting it on track to have been the world's fastest-growing major advanced economy last year.

## North America

**Canada's employers added a net 121,300 positions to payrolls in 2014.** That was down from the 185,700 earlier this month, and the revision brings the December unemployment rate to 6.7%, from 6.6% previously.

## South America

**Commercial banks in Brazil grew their loan books at the slowest pace** in at least seven years in 2014, as weak economic activity weighed down demand for new credit. Outstanding loans in Brazil ended last year at BRL3.022 trillion (USD1.17 trillion), up 11.3% from 2013.

## Oil & Gas News

**Oil remained weak in Asia** after data showing record U.S. stockpiles sent prices tumbling to the lowest level in nearly six years in the previous session. Brent for March settlement rose 13 cents, or 0.3%, to USD48.60 a barrel on the London-based ICE Futures Europe exchange.

## Commodity News

**Gold steadied above USD1,280** an ounce today after the U.S. Federal Reserve reiterated it would be patient in deciding when to raise interest rates, keeping bullion trading in recent ranges.

## Currency News

**Brazil's real declined** as state-controlled oil company Petroleo Brasileiro SA said it was unable to quantify the earnings impact of its corruption scandal. The real dropped 0.1% to 2.5766 per dollar at the close in Sao Paulo.

**U.S. dollar rises on Fed's interest-rate outlook.** The dollar rose 0.3% to 117.94 yen as of 12:19 p.m. in Tokyo.

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
28-Jan-15	1,291.91	2.91	49	16.84	1.51	2.03	1.34	0.94	9289.36	87.93	2.69	32.86	24.24	3,410.85
29-Jan-15	1,281.28	2.87	48.65	16.95	1.53	2.05	1.35	0.93	9248.98	87.40	2.68	32.65	24.14	3,420.66
% Change	-0.82	-1.37	-0.71		1.51	1.08	0.59	-1.22	-0.43	-0.59	-0.24	-0.62	-0.40	0.29

# Economic & Financial News

Research & International Division

31/1/2015

*... Singapore's employment growth remained strong ...  
... Mexico's government will trim its planned spending by USD8.57 billion ...*

## South East Asia

**Cambodia has the fastest-growing aviation sector in Southeast Asia.** Cambodia Airports handled 5.73 million passengers in 2014, representing a 13% increase over the 5.08 million passengers handled in 2013. Vietnam experiencing growth of 11% followed by Indonesia and Malaysia at 5%, Thailand at 3% and Singapore at 1%.

**Singapore's employment growth remained strong.** A total of 129,000 found new jobs last year, lower than that of 2013 (136,200). Employment growth among locals rose, as foreign employment growth continued to moderate. Unemployment was unchanged at 2%. Services (118,600) formed the bulk of employment gains, followed by construction (14,500) and manufacturing (-4,600). But redundancies climbed to 12,800 versus 2013's 11,560, largely because of business restructuring.

**Private consumption and investment in Thailand remained weak in December** as both households and businesses spent cautiously in the face of an uncertain global and domestic economy. Thailand's private consumption index fell 0.6% from a year earlier and 0.7% on-month in December, compared with November's 0.7% y-o-y rise.

## North East Asia

**More than 10 million rural Chinese residents cast off the label of impoverished** in 2014. The governments dispatched around 430,000 officials, forming more than 100,000 work teams to help residents shake off poverty around the country.

**China's general fiscal revenue rose** 8.6% in 2014 to CNY14 trillion (USD2.25 trillion), down from 2013's 10.2% increase and a peak of 32% in 2007. Public expenditure rose 8.2%, the least since 1987.

**China's central bank injected CNY855 billion of funds** from the money market through short-term liquidity operations (SLOs) in December.

**Japan's core consumer prices registered 2.6% growth** in 2014 from a year before, the second straight y-o-y gain and the highest increase since 1991, attributed to companies increasing prices in 2014 for their products and services due to a rise in demand thanks to a pickup in business activities.

**Japan's industrial output gained 1% in December** from the previous month. In the Q4 of 2014, industrial output gained 1.8% from the previous quarter, marking the first rise in three quarters.

**Japan's average consumption spending fell** by 3.4% from a year earlier to JPY332,363 in price-adjusted real terms in December, extending the losing streak to a ninth month.

**Japan's retail sales rose** for a sixth straight month in December, providing evidence of a gradual recovery in private consumption as the economy climbs out of recession. The y-o-y sales growth was 0.2%, followed by 0.5% rise in November.

**Japan's job availability rose in December** to its best level in 22 years while the unemployment rate improved to 3.4%. The ratio of employment offers to seekers climbed from 1.12 in November for the third straight month to 1.15, the highest level since March 1992.

**The Japan government announced a 4.2% hike in standard wages** for construction workers who participate in public works projects. The national average daily wage will stand at JPY16,678 starting this Sunday, rising for the fourth consecutive year.

**Youth unemployment (people aged 15-29) in Seoul soared to over 10%** last year, for the first time since the financial crisis of the late 1990s. Some 241,000 people were unemployed in Seoul last year, up 14.8% on-year.

**Taiwan's GDP grew 3.51% in 2014**, thanks to a stronger Q4 showing led by private consumption amid a slowdown in external demand. The economy expanded 3.17% during the Q4 last year from the same period a year earlier.

## Australasia

**New Zealand's construction sector finished 2014 on a seven-year high**, with residential building consents up 16% on the back of apartments built. Last year's booked the highest annual number of new dwellings seen in seven years, at 24,680. Value was up 20% to NZD9.5 billion.

## Indian Sub-Continent

**India's economy grew almost 50% faster in 2013/14** than earlier thought, after changing a formula, a reminder of the challenges that unreliable statistics present to Indian policymakers.

## Middle East and North Africa

**Iraq's parliament approved a budget worth IQD119 trillion** (USD105 billion), made possible by improved ties between Baghdad and the autonomous Kurdish region but constrained by plunging global oil prices.

**The flow of foreign investments in Tunisia dropped** by 5.8%, to TND1,878.6 million in 2014, and by 22.3% compared to 2010, in which foreign investments reached TND2,417.1.

**Turkey's deficit narrowed 15.4%** to USD84.51 billion in 2014. The total worth of exports increased by 3.9% to USD157.7 billion, while imports decreased by 3.7% to USD242.2 billion. The rate of exports coverage imports increased from 60.3% to 65.1%.

## Eastern Europe

**Russia's central bank cut the interest rate down** from 17% to 15%. The rate was once raised from 10.5% to 17% in mid-December last year against the backdrop of the ruble's panic depreciation.

## Western Europe

**German retail sales increased in 2014 by 1.4%**, the strongest growth in that past four years, confirming that private consumption played a key role in supporting the recovery of Europe's biggest economy last year.

**Italy's unemployment rate fell** for the first time in seven months in December to its lowest level since September. The official jobless rate fell to 12.9% from 13.3% in November.

**Spain's prices fell** by 1.4% in January when compared with the same month of a year earlier, due to lower prices of diesel and gasoline.

**The Spanish economy grew** by 1.4% in 2014. Spain's economy grew by 0.7% in the Q4 in 2014, the biggest q-o-q growth rate in seven years.

## North America

**The Canadian government posted a budgetary surplus** of CAD622 million (USD490 million) in November as an increase in revenues from personal income tax and other sources offset a decrease in corporate income tax.

**Mexico's government will trim its planned spending by USD8.57 billion** in 2015, equivalent to 0.7% of the nation's GDP to cushion the effects of plunging oil prices and adverse global economic conditions, while postponing a controversial high-speed train.

**Mexico's central bank held interest rates** at 3% as policymakers eyed the risk that a sharply weaker peso could fan consumer prices higher while also noting big risks to growth.

**U.S. real GDP retreated sharply** to an annual rate of 2.6% in the Q4 of 2014 as slowing business investment and net exports offset strong personal spending. That was about half of the spectacular pace of the Q3's 5%, the strongest in a decade. For the whole 2014, the economy expanded 2.4%, higher than the 2.2% growth in 2013.

## South America

**Brazil's government ended 2014 with a cumulative primary budget deficit** equivalent to USD12.51 billion. Last year's deficit is equal to 0.63% of GDP. The economy paid USD119.77 billion in debt service last year, which brings the nominal 2014 deficit to USD132.27 billion.

**Chile's fiscal deficit widened in 2014** compared to the previous year as income from its top export copper fell, and government spending rose. The country posted a fiscal deficit of 1.6% of estimated GDP for the full-year 2014, or just under USD4 billion, and a deficit of 1.4% for the Q4.

## Oil & Gas News

**Oil prices surged by nearly USD4 a barrel in late trade Friday**, rebounding from six-year lows on month-end covering and signs the industry is quickly tightening exploration activities.

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
28-Jan-15	1,291.91	2.91	49	16.84	1.51	2.03	1.34	0.94	9289.36	87.93	2.69	32.86	24.24	3,410.85
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
% Change	-0.63	-7.56	8.14		1.30	0.37	0.54	1.41	0.54	-0.66	-0.16	-0.70	-0.08	-0.58