

Economic & Financial News

Research & International Division

3/3/2015

*... South Korea's consumer prices grew less than 1% for the third month in a row ...
... Manufacturing activity in Italy grew at the fastest rate in eight months ...*

South East Asia

Nearly 4,000 businesses registered in Cambodia, a 29% y-o-y increase in 2014. According to the commerce ministry, 3,850 businesses registered last year, up from 2,986 in 2013. Trademarks registered with the ministry also rose from 5,866 in 2013 to 6,075 - 4,829 of which were foreign.

Indonesia's inflation eases in February after fuel price cut. The CPI was 6.3% in February from 6.95% in the previous month on the yearly basis. The subsidised-fuel price cut has impacted on the reduction of transport cost and food prices. Core inflation reached 4.96% in February, falling from 4.99% in January.

Indonesia sees January drop in foreign tourist arrivals. The number of foreign tourists on a y-o-y basis slid by 4.0 % this January to 723,000, down from 753,100 recorded in January last year. The decline was due to the Chinese Lunar New Year, which this year took place in February and was one of the main boosters. The number of foreign tourist arrivals last year rose by 7.2% to 9.4 million, up from 8.8 million in 2013.

The prices of diesel and kerosene are going down in the Philippines while that of gasoline is moving up. Petron, Shell and Seoil announced the prices of diesel would be lowered by PHP0.40 per litre and kerosene by PHP0.80 per litre, while prices of gasoline were raised by PHP0.15 per litre. Eastern Petroleum, PTT Philippines and Phoenix Petroleum imposed the same adjustments.

Philippine investment pledges down by 32% in 2014 to PHP186.9 billion. This was despite the numerous trade missions in the past and the government's declaration that foreign investors were coming in following the strengthening of the economy and the investment-grade ratings from international agencies.

Singapore is the world's most expensive city for the second year running, according to the Economist Intelligence Unit. The top five most expensive cities in the world remain unchanged from a year earlier and include, in descending order, Paris, Oslo, Zurich and Sydney. The city's strong currency combined with the high cost of running a car and soaring utility bills contributed to Singapore topping the list. It is also the most expensive place in the world to buy clothes along with Seoul.

Newly registered FDI in Vietnam down by 22.5% in the first two months of 2015, compared with the same period of last year. Total newly licensed and added FDI in Vietnam as of Feb. 20 reached USD1.2 billion. In the first two months, a total of 148 FDI projects were newly licensed with registered capital of USD712.3 million, up 21.3% in volume and down 14.3% in value y-o-y.

North East Asia

The Chinese economy is expected to grow 7% in the Q1 of 2015. A steady slowdown is expected for the Chinese economy, with investment growth in the property and manufacturing sectors continuing to slow. The Q1 is likely to see investment in fixed assets grow around 14.3% and real estate around 7%.

China's non-manufacturing activity picked up in February due to robust consumption during the Spring Festival holiday. The PMI for the non-manufacturing sector recovered to 53.9 in February from 53.7 in January.

Japanese corporate capital expenditures grew in Q4 from a year earlier but the pace slowed from the prior quarter. The 2.8% y-o-y increase in capital spending in the Q4 followed a 5.5% annual gain in Q3.

Macau's retail sales rose a mere 1% y-o-y to MOP67.6 billion last year. Sales of watches and jewellery accounted for 27% of the total. In the Q4 of last year, retail sales reached MOP17 billion, up 8% from the previous quarter, but down 8% y-o-y. Sales of watches and jewellery dropped 21% y-o-y in the Q4.

South Korea's consumer prices grew less than 1% for the third month in a row in February, with the pace of growth the slowest since mid-1999. The country's CPI edged up 0.5% last month from a year earlier, down from the 0.8% growth reached in December and January. Compared with January, CPI growth remained flat.

South Korea's energy imports dropped to the lowest in over 5 years in February, largely due to a plunge in global oil prices. In February, the country's total energy imports amounted to USD8.3 billion, down 47.1% from USD15.7 billion in the same month last year.

South Korea's industrial output fell sharply in January from a month earlier, mainly due a drop in demand for automobiles and machinery equipment and a strong showing in December. Production in the mining, manufacturing, gas and electricity industries dropped 3.7% from a month earlier.

South Korea's trade surplus hit an all-time high in February as imports declined at a faster pace than exports. Trade surplus amounted to a fresh record high of USD7.66 billion in February. Exports retreated 3.4% from a year earlier to USD41.46 billion last month. Imports plunged 19.6% to USD33.8 billion.

Australasia

Australia's central bank kept its cash rate steady at a record low of 2.25% today, surprising some who had looked for another easing to follow February's cut.

Australian apartment sales jumped 9.9% in January, however sales in houses remained flat for the month. New home sales in January lifted by 1.8%, with major growth in multi-unit, or apartment sales. Detached homes sales increased by just 0.1%.

Australia's manufacturing sector contracted for the third consecutive month in February. The Australian Industry Group Australian PMI for February stood at 45.4, a fall of 3.6 points from January.

New Zealand residential property values rose at the fastest pace in five months in February, driven by strong demand in Auckland. National property values rose 6.4% over the past year, ahead of the 5.7% pace in January.

India Sub-Continent

Bangladesh's foreign exchange reserve is over USD23 billion in February. The country's foreign exchange reserves stood at USD23.0 billion in February after reaching USD22.0 billion in January. A feeble growth in imports has largely contributed to the rise in foreign exchange reserves.

India's eight core industries grew at 3.9% in January 2015 compared to a growth of 6.5% during the corresponding month of last year. The index of eight core industries with a combined weightage of 37.9% in the Index of Industrial Production (IIP) stood at 174.8 in the month under review.

Pakistan's annual inflation fell to 3.24% in February from 3.96% in January, with the key factor being a fall in fuel prices. On m-o-m basis, prices rose 0.92% in February. Average inflation in the period from July to February was 5.45%.

Middle East and North Africa

Egypt's M2 money supply was up 16.4% at the end of January from a year earlier. M2 money supply stood at EGP1.6 trillion (USD213 billion) at the end of January 2015, compared to EGP1.4 trillion at the end of January 2014.

Iraq's oil exports rose in February to an average 2.6 million barrels per day (bpd) from 2.5 million bpd in the previous month. February shipments generated USD3.4 billion in revenue. Iraq sold its crude for USD47.43 per barrel.

Saudi Arabia banking sector's lending growth is close to 11% in 2014. The lending to private sector was above 11%, government sector was above 7% and to non-financial public sector enterprises was close to 4%. The deposit growth was above 12%.

UAE's GDP is unlikely to be affected from the drop in oil prices since the country's dirham is currently pegged to the dollar benefiting from a strong US dollar.

Business activity growth in the UAE non-oil private sector slowed to a five-month low in February but remained strong and above the average for 2014. The HSBC UAE PMI fell to 58.1 points last month from 59.3 in January.

Western Europe

British Markit's manufacturing PMI edged up to 54.1 in February 2015 from the revised 53.0 in January 2015, registering a nine-month high of the reading. Analysts said waning inflation and its effects on the industry as well as on the economy is becoming the focal point these months.

The eurozone unemployment rate was 11.3% in February, increase slightly from 11.2% in January, the lowest rate since April 2012. In the wider EU, the unemployment rate was 9.8% in January 2015, down from 9.9% in December 2014.

Annual inflation of the euro zone is expected to be minus 0.3% in February, up from minus 0.6% in January. The main factors behind the trends were cheaper energy prices, which were 7.9% lower than that of February 2014, and a 0.2% decline in prices of non-energy industrial goods.

A downturn in France's manufacturing sector worsened in January, as a sharp decrease in new orders and sluggish demand fuelled more job-cutting. Markit's final PMI fell to 47.6 in February from 49.2 in January.

Manufacturing activity in Italy grew at the fastest rate in eight months in February. Italian manufacturing PMI rose to a seasonally adjusted 51.9 last month from 49.9 in January.

North America

The Mexican government's income wilted in January, as oil revenues plunged with the decline in oil prices, and the country's fiscal deficit ballooned from a year earlier. Mexico had a fiscal deficit of MXN91.5 billion (USD6.1 billion) in January, compared with MXN4.9 billion in January of last year.

Economic activity in the US manufacturing sector slowed in February to its weakest pace in more than a year. The manufacturing index registered 52.9%, a decrease of 0.6 percentage point from a month ago.

US consumer spending dropped 0.2% in January second monthly decline, due to a decreasing in gas prices. While income grew 0.3% in January as wages and salaries increased a strong USD42.4 billion. Solid job gains and low unemployment will bolster consumer spending and lift economic growth this year.

US construction spending down 1.1% in January following a 0.8% increase in December, reflecting weakness in spending on office buildings and other non-residential projects and in government activity.

South America

Argentina's tax revenue has reached ARS106,558 million in February, registering a y-o-y growth of 31.3%. Incomes from exports suffered a significant setback and one of the worst performances.

Argentina's economic activity up 0.6% in December compared to the same month of 2013. The hike is explained by an increasing internal demand boosted by payment plans and tourism. However industrial production continued on a downward path for the 18th straight month in January. Manufacturing was 2.1% down in January in the yearly comparison, although it showed a 1.1% improvement when compared to December.

Brazil posted its biggest trade deficit ever for the month of February as prices of key exports continued to drop. Brazil recorded a trade deficit of USD2.8 billion in February. A plunge in the price of key exports such as iron ore and soy pushed Brazil's trade balance into the red last year for the first time in 14 years.

Brazil's utilities were granted an average special rate hike of 23.4% as of yesterday to cover the costs of energy subsidy program that the government has decided to stop funding directly.

Oil & Gas News

Brent crude oil prices rose more than a dollar to above USD60.50 a barrel, tracking firmer Asian markets, but analysts warned the market remained oversupplied.

Commodity News

Asian spot liquefied natural gas (LNG) prices have re-established a premium over rival European benchmarks, reversing a month-long trend, as Atlantic markets sucked up more supply triggering deficits elsewhere. The Asian spot price rose to USD7.65 per million British thermal units (mmBtu) on Feb. 27, while the British front-month gas contract slumped to USD7.57 per mmBtu on Monday amid an influx of planned LNG arrivals.

Currency News

Australia's dollar surged more than 0.6% in the minute before the central bank unexpectedly refrained from cutting interest rates, spurring speculation the decision had been released early. The currency climbed from 77.74 US cents.

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-Feb-15	1,213.18	2.73	62.58	22.92	1.52	2.09	1.36	0.95	9484.07	87.90	2.66	32.49	23.86	3,402.86
03-Mar-15	1,209.53	2.67	60.38	22.61	1.52	2.10	1.36	0.94	9523.81	87.87	2.66	32.36	23.73	3,423.32
% Change	-0.30	-2.20	-3.52		0.22	0.29	0.54	-0.11	0.42	-0.03	-0.13	-0.41	-0.54	0.60

Economic & Financial News

Research & International Division

4/3/2015

*... Brunei's GDP rebased to 2010 ...
... Singapore led Asia in real estate investments in 2014 ...*

South East Asia

The JPKE will be rebasing Brunei's GDP baseline to the year 2010. The newly rebased GDP will enable government stakeholders to analyse the current structure of the economy and formulate plans on how to best channel investment and resources. The new GDP estimates were adopted to replace the base year 2000, taking into account structural changes in the economy, as well as the results of latest surveys and censuses.

Malaysia's furniture industry will receive a boost from a weaker ringgit, with exports to gain by more than 10%. However, the challenge for local furniture industry would be to move up the value chain by having better and more creative designs. The goods and services tax (GST), which would be implemented next month, would have only a slight short-term impact on the industry but should normalise by July.

A total of 250,000 public transport vouchers worth SGD30 each were given to needy families last year and this year in Singapore. Several concession schemes, including those for students, senior citizens and full-time National Servicemen, have also been improved over the years. This year, fares will remain unchanged for more than 1.1 million commuters. These include senior citizens, persons with disabilities, lower-wage workers and commuters travelling on monthly travel passes.

Singapore again led Asia in real estate investments in 2014 with USD11.9 billion (SGD16.2 billion) worth of properties acquired across the world, a 26.6% increase from 2013, said CBRE Research. This was the second year in a row the country came out tops as a source of outbound capital, followed by China and Hong Kong. In 2014, China investors spent USD10.1 billion on real estate, followed by Hong Kong (USD6.3 billion), Malaysia (USD2.1 billion) and Taiwan (USD1.6 billion).

Vietnam saw USD61 million trade deficit in the first 2 months of 2015, compared to a trade surplus of USD1.35 billion during the same period of 2014. In the 2 month period, Vietnam earned USD23 billion from exports, up 8.6% y-o-y. Among those, domestic sector contributed USD7 billion, up 0.7% y-o-y while that of foreign-invested sector hit USD16 billion, up 12.4% y-o-y. In the same period, the country spent over USD23 billion on imports, up 16.3% y-o-y.

North East Asia

Activity in China's services sector grew modestly in February as new orders rose at their quickest pace in three months. The HSBC/Markit Services Purchasing Managers' Index (PMI) picked up to 52.0 last month from January's 51.8 and remained above the 50-point level that separates contraction from growth in activity on a monthly basis.

Hong Kong retail sales retreated 14.6% y-o-y in January to HKD46.6 billion (USD6.01 billion). The volume of total retail sales in January fell by 13.9% y-o-y. Decline in retail sales in January was partly due to the difference in timing of the Lunar New Year, which fell in mid-February this year but in late January last year.

Macau February casino revenue halved on lacklustre Lunar New Year from a year ago. Gross gaming revenue sank 48.6% to MOP19.54 billion, the largest drop in the five years.

Wages earned by workers in Japan rose in January by 1.3% y-o-y to JPY272,779 on average, increasing for the 11th straight month. But the price-adjusted real wage index fell 1.5%, falling for the 19th consecutive month. Regular wages rose 0.8% to JPY240,275 on average.

Japan will produce up to 10,000 silver coins for the Laotian central bank to commemorate the 60th anniversary this year of the establishment of diplomatic relations between the two countries. The commemorative coin depicts Pha That Luang, and has a face value of LAK50,000 (USD6). The back of the coin shows a cherry blossom and plumeria, the Laotian national flower.

Auto purchases in South Korea hit 4 year high in January buoyed by a steady boost in truck buyers amid the protracted economic slump. A total of 177,807 new vehicles were registered in January, up 5.3% y-o-y.

Corporate loans in South Korea continued to rise in Q4 but its pace of growth had slowed compared to Q3 as demand by builders waned. Outstanding corporate loans extended by banks and non-bank institutions reached KRW882.9 trillion (USD801 billion) as of end-December, growing KRW10.4 trillion from Q3.

Taiwan's export orders surged in January by 8.1% y-o-y to USD39.04 billion, following December's 4.5% annual growth, thanks to continual robust demand for handsets. On a monthly basis, the figure declined 11.7% from the previous month's USD44.23 billion due to seasonal factors.

Australasia

Australia's economy grew at a slower pace in Q4 as the mining investment boom continued to fade and businesses reined in spending amid low confidence. Australia's GDP grew 0.5% in the three months to the end of 2014. On an annual basis, GDP grew 2.5%.

India Sub-Continent

India's central bank cut interest rates by 25 basis points to 7.5% in a surprise announcement, days after the new right-wing government's first full-year budget.

Middle East and North Africa

Growth in Saudi Arabia's non-oil private sector accelerated to a four-month high in February as lavish hand-outs to citizens by the new king buoyed the economy despite the plunge in oil prices. The seasonally adjusted HSBC Saudi Arabia PMI rose to 58.5 points last month, from 57.8 in January.

Turkish consumer price inflation accelerated in February. Consumer inflation rate rose to 7.55%, from 7.24% in the previous month. While food prices rose by an annual 13.7%, a core inflation index seen by the central bank as a key indicator of pricing behaviour slowed to 7.73%.

Eastern Europe

Russia's foreign currency reserves dropped by almost 10% in dollar terms in February after the government sought to fill a hole in the state budget, where revenues have suffered due to low oil prices. The fund fell from USD85.09 billion to USD77.05 billion. The fall in ruble terms was sharper, almost 20%, since the ruble gained ground against the dollar and other currencies during February.

Ukraine's central bank sharply hiked its benchmark rate from 19.5% to 30%, as financial authorities seek to reverse the rapid devaluation of the national currency. The measure was aimed at tempering panic in the currency market and reining in inflation.

Western Europe

German retail sales rose strongly in January. Retailers' sales climbed 2.9% m-o-m in January. The previous month, retail sales increased by 0.6%. On a 12-month basis, business improved even more, jumping by 5.3% y-o-y in January.

Portuguese unemployment rate closed January at 13.3%, down from 15% a year ago, against a broader Eurozone rate of 11.2%.

Switzerland's economy posted growth in Q4. Fuelled by private consumption and government spending, the Alpine nation's economy grew 0.6% q-o-q in the final quarter of 2014. The economy expanded 1.9% y-o-y.

North America

Mexico is the largest silver producer in the world, followed by Peru and China. However, these countries trail Mexico by more than 50 million ounces (Moz). Mexico produced a record 186 Moz of silver in 2013, but this declined to 184 Moz in 2014.

South America

Extreme poverty in Venezuela dropped to record low of 5.4%. The index dropped from 5.5% last year, falling despite an economic slowdown caused by economic sabotage and falling oil prices. This means that more than 36,300 people escaped critical levels of poverty in 2014.

Oil & Gas News

Brent held above USD60 after Saudi price increases. The April Brent contract was down 29 cents at USD60.73 by 0043 ET, after rising 2.5% 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
03-Mar-15	1,209.53	2.67	60.38	22.61	1.52	2.10	1.36	0.94	9523.81	87.87	2.66	32.36	23.73	3,423.32
04-Mar-15	1,205.20	2.74	60.64	22.13	1.53	2.10	1.36	0.94	9493.97	87.76	2.66	32.31	23.71	3,426.62
% Change	-0.36	2.62	0.43		0.15	-0.13	0.04	-0.60	-0.31	-0.13	-0.05	-0.15	-0.10	0.10

Economic & Financial News

Research & International Division

5/3/2015

... Indonesia's gas supply for industrial and home use will face shortages in the next few years ...
... China plans a wider budget deficit this year ...

South East Asia

Indonesia's gas supply for industrial and home use will face shortages in the next few years as most of the additional supply will be used to feed new gas-fired power and fertilizer plants. Total gas demand will reach 11,049 million standard cubic feet per day (mmscfd) in 2019, rising by almost 15% from the estimated 9,688 mmscfd demand this year.

Laos and Vietnam have agreed to eliminate tariffs on more than 95% of goods moved between the two countries. More than 9,000 lists of goods from the two neighbours will enjoy zero tariffs under the agreement.

Philippine inflation quickened a bit in February from a month earlier as fuel prices and household utility rates went up. Consumer prices accelerated to 2.5%, compared with 2.4% in January, but were much slower from 4.1% a year earlier.

Malaysian capital market grew to MYR2.8 trillion in 2014, equivalent to 2.6 times the size of the Malaysian economy. The capital market continued to be an important source of financing for the economy with MYR91.9 billion raised.

Vietnam's Purchasing Managers Index (PMI) increased to 51.7 in February, with new orders and output both rising at faster rates than in January.

North East Asia

China plans a wider budget deficit this year as the government adds fiscal fuel to monetary stimulus to cushion the economy's slowdown. The government projects a budget shortfall of CNY1.6 trillion (USD258 billion) in 2015, estimated at 2.3% of GDP.

China has raised its defence budget by 10.1% to CNY887 billion (SGD193.4 billion) this year, keeping its nearly two-decade run of double-digit increases in military spending unbroken.

China aims to increase its imports and exports by around 6%. The growth rate is lower than the target of around 7.5% set last year. Hit by waning global market demand, China's imports and exports rose by a mere 2.3% in 2014.

China's financial institutions received CNY51.9 billion (USD8.4 billion) in net FDI in 2014. The figure is higher than the CNY26.5 billion in net FDI received in 2013. Net overseas direct investment from China's financial institutions, including banks, insurers and securities firms, totalled CNY38.3 billion in 2014, lower than the CNY71.6 billion in the previous year.

Business conditions in Hong Kong's private sector improved last month. The HSBC Hong Kong PMI rose to 50.7 last month, from 49.4 in January.

Macau's unemployment rate remained unchanged at 1.7% in the November 2014 to January 2015 survey period compared to the October-December 2013 period, the Statistics and Census Bureau said. Macau's total labour force reached 404,500. Total employment was 397,800, while 6,700 people were unemployed. Y-o-y, the jobless rate also remained unchanged.

Macau's imports of gold jewellery in January fell 56.5% y-o-y to MOP641 million. Mobile phones were Macau's number-one import item in January, ahead of food and beverages. Total imports decreased 1.2% to MOP8.5 billion, while total exports rose 2.9% to MOP960 million p, resulting in a merchandise trade balance deficit of MOP7.7 billion.

South Korea's short-term foreign debt inches up in 2014. The country's short-term external debt with a maturity of one year or less totalled USD115.3 billion as of the end of 2014, gaining USD3.5 billion from a year earlier. Korea's total external debt stood at USD425.4 billion as of the end of last year, also growing USD1.9 billion from the previous year.

The Bank of Korea's net profit for 2014 came in at KRW2.0 trillion (USD1.8 billion), shrinking 4% from the previous year and marking the weakest bottom line since the KRW444.7 billion won net loss in 2007.

Taiwan's industrial production index in January rose 8.1% y-o-y to 109.49, marking its 12th consecutive month of annual growth. The January rise was driven mostly by manufacturing, while chemical output fell 4.6% and commercial sales fell due to the later holiday period.

Australasia

Australia's trade deficit widened in January. The nation's trade deficit widened a seasonally adjusted 95% to AUD980 million. The result followed a deficit of AUD503 million in December. Exports rose by 1% in the month, while imports lifted by 3%.

Australia's retail sector had a healthy start to 2015, with sales growing in January. Retail trade increased by 0.4% in the month, in seasonally adjusted terms, to AUD23.88 billion. The result followed a more modest rise in sales of 0.2% in December. The largest contributor growth was clothing, footwear and personal accessories, which jumped 0.7%.

Property prices in Australian capital cities increased by 0.3% in February, taking the annual rise in values to 8.3%. Sydney again recorded the largest increase at 13.7% y-o-y followed by Melbourne at 7.4%, according to the CoreLogic RP Index.

Middle East and North Africa

Dubai ranked first in the Middle East and Africa region for quality of living, according to a report released by Mercer. The 2015 Quality of Living report, which ranks 230 cities, indicates that Dubai was ranked 74th globally, having dropped one spot from 2014.

Egypt's foreign reserves rose by USD26 million to USD15.5 billion in February, up from USD15.4 billion in January. Last year foreign reserves slipped sharply as Egypt repaid a USD700 million six-month premium on foreign debt owed to the Paris Club in December, following the repayment of a USD2.5 billion to Qatar.

Morocco's customs revenue up 1.9% in 2014 to MAD85.6 billion against MAD84.04 billion y-o-y, despite the stagnations of imports. This performance which is the double of 2002 receipts is due to efforts to fight trade fraud with MAD2.6 billion of taxes and duties by late 2014, versus MAD2 billion in 2013 (+8.7%), as well as the revenue of domestic consumption taxes.

Tunisia's trade deficit fell of over 23.7% during the last two months in 2015 to reach TND453.4 million for the first time since 1993. During the same period of 2014, the trade deficit had increased of 24.3%.

Eastern Europe

Inflation-weary Russians saw the price of fruit and vegetables increase by 22% in January, increasing pressure on households already reeling from an economic crisis.

North America

The Bank of Canada kept its key interest rate unchanged at 0.75%, saying benchmark crude oil prices and inflation are close to policy makers' assumptions and a weaker currency will boost non-energy exports.

South America

Brazil's central bank raised the basic interest rate to 12.75% from 12.25%, the highest level since 2009, as the economy was hit by the effect of the global financial slump.

Industrial production in Brazil fell 5.2% in January compared with the same month last year, despite a 2% rise for the month. Production had been falling since last March and was down 3.5% over 12 months.

Commodity News

Gold edged above USD1,200 an ounce today after a three-day losing streak as equities weakened, but gains were limited by robust U.S. economic data and strength in the dollar. Spot gold had ticked up 0.4% to USD1,203.70 an ounce by 0343 GMT.

Currency News

The Australian dollar held its ground yesterday. The Aussie nudged up to USD0.7824, from a session low of USD0.7795, after figures showed GDP rose a moderate 0.5% in the Q4 for an annual rate of 2.5%.

Pound falls a fourth day versus dollar before Bank of England rates decision. The pound fell 0.2% to USD1.5229 at 6:39 a.m. London time, extending its 1.1% decline over the previous three days.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
04-Mar-15	1,205.20	2.74	60.64	22.13	1.53	2.10	1.36	0.94	9493.97	87.76	2.66	32.31	23.71	3,426.62
05-Mar-15	1,202.76	2.79	60.58	21.71	1.52	2.09	1.36	0.94	9514.75	87.80	2.66	32.35	23.74	3,402.51
% Change	-0.20	1.82	-0.10		-0.29	-0.24	-0.15	-0.01	0.22	0.04	0.19	0.13	0.14	-0.70

Economic & Financial News

Research & International Division

7/3/2015

*...Philippines poverty rate up at 25.8% in H1 2014...
... Russian President Vladimir Putin announced salary cut ...*

South East Asia

Philippines gross international reserves (GIR) reached their highest level in more than a year in February, boosted by increases in the national government's net foreign currency deposits and foreign exchange income from its investment abroad. Preliminary data released by the Bangko Sentral ng Pilipinas (BSP) on Friday showed that the GIR rose USD620 million to USD81.3 billion in February from USD80.7 billion in January since the USD83.1 billion posted in December 2013.

Increases in consumer prices last year and the impact of Super Typhoon Yolanda have raised the poverty level among Filipinos in the first half of 2014 to 25.8% from 24.6% a year earlier, the latest official survey shows. Among Filipino families, poverty incidence increased by 1.1 percentage points to 20% during the six-month period from 18.8% in the comparative months of 2013.

Thailand's Finance Ministry is ready to push a tax amnesty for small and medium-sized enterprises (SMEs) aimed at encouraging 2.8 million operators to pay tax correctly. The amnesty is among proposals from the Joint Public-Private Consultative Committee, which recently agreed in principle on a proposal to abolish backdated tax probes as a means to draw SMEs into the tax system.

Malaysian exports decreased to MYR63.6 billion from MYR63.9 billion last year, coming in below market expectations. A trade surplus of MYR9.0 billion was recorded, the 207th consecutive month of trade surplus, and also an increase of 41.8% from last year.

Singapore Government's spending on fighting crime is set to rise to around 1.3% of nominal GDP yearly over the next five years, up from 1.1% now. Alerting Parliament to an increase in cybercrimes, the ever-present threat of terrorism and a higher demand for emergency medical services as the population ages, Deputy Prime Minister Teo Chee Hean said on Friday that the Ministry of Home Affairs' spending in financial year 2015 alone will jump 11.7% to 1.2% of GDP.

North East Asia

China's Commerce Minister Gao Hucheng said that China is confident of managing 6.1% of trade growth this year, even though both international and domestic market demand remain soft. The minister said China's exports volume in March will show a positive performance as China manufacturing activities recovered in a stable pace after the Spring Festival holiday in February.

The outstanding loans extended to small and micro businesses in China rose by CNY3.1 trillion (USD500 billion) from the start of 2014 to hit CNY20.7 trillion by the year end, China Banking Regulatory Commission said on Friday.

Australasia

New Zealand's economy is expected to grow at an annual pace close to 3% this year as increased building activity in its two biggest cities, Auckland and Christchurch, offsets the sharp decline in dairy prices last year, according to global rating agency Moody's Investors Service.

Eastern Europe

Russian President Vladimir Putin announced he was cutting his salary by 10% as well as the earnings of several top government officials by 5% to 20% starting on May 1, 2015. The wage reduction also applies to all of those employed by the presidency and the council of ministers. The measures are part of the government's emergency plan to address collapsing revenues due to the fall in global oil prices and economic sanctions imposed on the country.

Russian inflation reached 16.7% in February as lower oil prices and Western sanctions over Ukraine caused the biggest jump in prices over one year since 2002, the state statistics service said. The most dramatic rise was in food prices, soaring 23.3% over the past year and 3.3% in February alone.

Imports into Russia this year have fallen by more than a third as Russia struggles with the low value of the ruble and a predicted recession. The customs service says that imports in January and February 2015 were valued at USD28.98 billion, down 36.9% on the same period of last year.

Western Europe

France budget deficit narrowed to EUR9.4 billion (USD10.3 billion) in January, Budget Ministry's data showed on Friday. Struggling to cut public expenditure to reach healthy finances, the government reported EUR1.5 billion less in its spending with its total value stood at EUR31.1 billion over the period when compared to January 2014.

German industrial production grew more than expected in January while the figure for December was corrected sharply upward. According to regular data compiled by the economy ministry, factory output increased 1% in December corrected for seasonal factors, far higher than the 0.1% announced initially.

North America

Canada's exports posted a trade deficit of CAD2.5 billion for January. The deficit came as Statistics Canada revised its initial estimate for the December deficit to CAD1.2 billion from its earlier reading of a deficit of CAD649 million.

US employment growth accelerated in February and the jobless rate fell to a more than six-and-a-half-year low of 5.5%, signs that could encourage the Federal Reserve to consider hiking interest rates in June. The decline in the unemployment rate from 5.7% in January took it to its lowest level since May 2008 and near what many Fed officials consider to be full employment.

The US trade deficit fell to USD41.8 billion in January from December as imports declined more than exports, the Commerce Department said yesterday. The trade gap narrowed from a revised December reading of USD45.6 billion, previously estimated at USD46.6 billion. The January number was slightly less than analysts expected.

Consumer borrowing in the US increased in January as Americans cut back on their credit-card use. The USD11.6 billion advance followed a USD17.9 billion gain in the previous month that was bigger than previously estimated, Federal Reserve figures showed Friday in Washington.

South America

Brazil's inflation rose to a near 10-year high in February, after recent increases in fuel taxes pushed prices higher than expected, the government's official statistics agency, the IBGE said. The consumer price index, stood at 1.22% in February from 1.24% in January.

Oil & Gas News

Brent crude oil rose to around USD61 a barrel on Friday. Brent was up 60 cents a barrel at USD61.08 by 0835 GMT. U.S. light crude was up 30 cents at USD51.06 a barrel.

Commodity News

Gold fell almost 2% to a two-month low after better-than-expected US non-farm payrolls fueled speculation the Federal Reserve will raise rates sooner rather than later. Spot gold dipped 1.8% to its lowest since Jan. 2 at USD1,175.40 an ounce earlier and was down 1.6% at USD1,178.64 by 1401 GMT.

Currency News

The rupiah interbank trade rate in Jakarta on Friday morning strengthened slightly by three basis points to IDR12,972 per US dollar from IDR12,975 per US dollar in earlier trade.

The New Zealand dollar is heading for a 0.9% weekly decline ahead of US employment figures. The kiwi fell to 74.95 US cents in Wellington from 75.60 cents on Friday. It traded at 74.60 US cents at 8am and 75.50 cents yesterday.

The euro sank 3.1% to USD1.0844 this week in New York and touched USD1.0840.

The Japanese currency declined 1% to 120.83 per dollar and reached 121.28, the weakest in three months.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
05-Mar-15	1,202.76	2.79	60.58	21.71	1.52	2.09	1.36	0.94	9514.75	87.80	2.66	32.35	23.74	3,402.51
07-Mar-15	1,167.29	2.84	59.73	21.03	1.51	2.09	1.37	0.93	9480.47	87.63	2.66	32.22	23.67	3,417.51
% Change	-2.95	1.79	-1.40		-0.80	-0.20	0.51	-0.40	-0.36	-0.19	-0.08	-0.40	-0.32	0.44

Economic & Financial News

Research & International Division

10/3/2015

*... Japan logged a current account surplus for the seventh consecutive month in January ...
... Qatar continues to generate trade surplus ...*

South East Asia

Cambodia's construction sector received USD2.5 billion investment last year, down 10% from USD2.8 billion in 2013. The country provided licenses to 1,960 construction projects last year, up 19% from 1,641 projects a year earlier. The construction sector remains one of the four pillars supporting the economy.

Bank Indonesia estimates current account deficit will decrease to 1.6-1.8% of GDP in Q1/2015. This is lower than the previous estimation. Previously, the central bank predicted would reach 2.8% in Q1.

The mining output in Laos continues to rise but the value of mining exports has declined due to the falling global prices of mineral products. The total value of mining exports in 2013-14 reached more than LAK12.6 trillion (about USD1.6 billion).

Philippine merchandise exports contracted by 0.5% in January. The negative growth was mainly brought about by the decrease of five major commodities out of the top 10 commodities for the month. Electronic products remained as the country's top export, accounting for 46.8% of total export.

Money pumped by foreign investors into the Philippines reached USD6.2 billion in 2014, a 65.9% increase from 2013's USD3.7 billion. The record high FDI were buoyed by strong investors' confidence in the country's solid macroeconomic fundamentals.

Singapore's labour market will be tightened significantly due to lower workforce growth as well as continued curb on foreign workers. Local employment rate will drop sharply from 95,000 in 2014 to just 20,000 per year in the last part of the decade, mainly because of the declining birth rate of younger generation and the baby-boomer generation gradually quitting the labour market.

North East Asia

China February inflation quickens to 1.4% from the 0.8% gain in January. The recovery was attributed to rising food and travel prices during the Chinese Lunar New Year Holiday. Distortions caused by the timing of the Spring Festival, which fell on January 31 last year but on Feb. 19 this year, also played a part.

China's trade rebounded in February from the previous month's surprise contraction, but imports were subdued in another sign of continued weakness in the world's second-largest economy. Exports surged 48.9% y-o-y (CNY1.0 trillion or USD 169.1 billion) in February, reversing the 3.2% decline in January. However, imports plunged by 20.1% (CNY666.1 billion), accelerating from the previous month's 19.7% fall. As a result, trade surplus widened to CNY370.5 billion.

China's producer price index (PPI) declined 4.8% y-o-y in February amid weak domestic demand. The factory-gate price decline deepened from January's 4.3% and December's 3.3%, and posted its steepest fall since March 2012 when the index started a downward trend. However, on a monthly basis, PPI contracted 0.7% in February, narrowing from 1.1% fall in January.

Japan's GDP revised down to annual 1.5% growth in Q4. While inflation-adjusted GDP for the reporting quarter was also revised down to a 0.4% increase from the previous quarter.

Japan logged a current account surplus for the seventh consecutive month in January, with the balance standing at JPY61.4 billion (USD509 million) led by higher exports amid a weaker yen and lower oil imports. Exports grew 15.3% y-o-y to JPY6.3 trillion, while imports fell 8.9% to JPY7.2 trillion, pushing down the goods trade deficit by JPY1.5 trillion to JPY864.2 billion.

South Korea's exports of ICT products dropped slightly from a year earlier last month from a cut in the number of working days. Outbound shipments of ICT products slipped 3.1% on-year to USD12.5 billion in February.

South Korea's household loan growth decelerated in January due mainly to seasonal factors. Outstanding household lending by local lenders and non-banking institutions reached KRW746.5 trillion (USD668.7 billion) in January, gaining KRW671 billion from a month earlier.

Taiwan's exports fell 6.7% in February from a year ago due to fewer working days during the Chinese Lunar New Year holiday and lower global oil prices. Exports fell to USD19.9 billion in February, while imports lost 22.4% to hit USD15.3 billion, a surplus of USD4.6 billion in the month. For the first two months, exports dipped 1.3% y-o-y to USD45 billion, while imports dropped 13.2% y-o-y to USD35.6 billion.

Taiwan's PMI dropped to 47.8% last month from 53.5 in January, weighed down by a drastic decline in new orders and production.

Taiwan's CPI in February was 0.36% higher than in January but was down 0.19% compared with the same month in 2014, dragged down by cheaper fuel prices and electricity rebates, though the food and entertainment industries were boosted by the Lunar New Year holiday.

Australasia

New Zealanders increased spending on debit and credit cards in February, led by gains in hospitality and apparel as low inflation makes households more relaxed about their consumption. The value of core retail spending rose 1.2% to a seasonally adjusted NZD3.9 billion last month, accelerating from January's revised 1% gain.

India Sub-Continent

India's domestic passenger car sales grew by 6.9% to 171,727 units in February this year as compared to 160,717 units in the same month of 2014. Total sales of commercial vehicles were up 10.1% to 52,843 units from 47,982 units in the year-ago period.

Middle East and North Africa

Egypt's urban consumer inflation rose to 10.6% in February from 9.7% in January. Inflation spiked in Egypt after the government slashed energy subsidies in July 2014. It peaked at 11.8% in October.

Egypt's total exports decreased by 27.4% in February, registering USD1.4 billion (EGP10.5 billion), compared to USD1.9 billion in the same month last year. Total exports for January decreased by 20.9% to USD1.4 billion, compared to the corresponding month in 2014, which gained USD1.7 billion in exports.

Qatar continues to generate trade surplus, which totalled QAR73.5 billion in Q4 2014, although imports have risen and exports fallen. Qatar's trade surplus dropped last year from QR94.7 billion in Q4 2013. The value of Qatar's total exports amounted to QAR104.2 billion in end-2014, down 13.8% on QAR121 billion registered in the Q4 of 2013.

The UAE central bank's foreign currency assets rose 3.5% y-o-y to AED313.3 billion (USD85.4 billion) in January.

Western Europe

Economic activity in France slowed slightly in February as the manufacturing sector cooled off, the results of a survey by the country's central bank showed. The Banque de France's (BdF) business sentiment index for last month slipped to a reading of 96 points from a print of 98 points in the month before.

German surplus of foreign trade narrowed in January. Trade surplus fell to EUR19.7 billion in the first month of 2015 from EUR21.6 billion in December last year. Exports dropped by 2.1% in January when compared with the previous month, while imports declined by 0.3% m-o-m. Y-o-y, German exports declined slightly by 0.6% in January, while imports reduced by 2.3%. Destatis attributed the fall in exports to weak demands in Germany's euro zone partners where received 4.5% fewer goods from Germany than a year earlier.

Spanish housing prices rose by 1.8% in the Q4 of 2014 in comparison with the same period a year earlier. The figure marked the first increase at the end of a year since the financial crisis started in 2008, when the housing bubble burst and prices started falling. The biggest falls in prices were registered in 2012 and 2013, when housing prices fell by 13.7% and 10.6%, respectively.

North America

Canadian consumer confidence fell sharply in February, driven down in part by a perception of poor future job prospects. The Conference Board of Canada's index of consumer confidence fell 11.4 points to 95.6 in February.

Mexican consumer prices rose modestly in February. The CPI rose 0.19% last month, and was up 3% from a year before, compared with 3.07% at the end of January. Inflation in the 12 months through February eased to 3%, down from 3.07% in January.

South America

Chile logged a USD2.1 billion trade surplus in the first two months of this year compared with USD431 million in the same period of 2014. February's trade surplus was USD748 million, on exports of USD5.24 billion, 16.6% below the value one year earlier and imports of USD4.49 billion, 15.3% less than February 2014.

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-Mar-15	1,167.29	2.84	59.73	21.03	1.51	2.09	1.37	0.93	9480.47	87.63	2.66	32.22	23.67	3,417.51
10-Mar-15	1,158.49	2.69	58.15	21.62	1.50	2.08	1.38	0.94	9461.63	87.65	2.67	32.05	23.58	3,399.31
% Change	-0.75	-5.28	-2.65		-0.87	-0.38	0.86	0.69	-0.20	0.03	0.35	-0.52	-0.35	-0.53

Economic & Financial News

Research & International Division

11/3/2015

*... Japan's core machinery orders fell in January ...
... US small business confidence rose in February ...*

South East Asia

Brunei to run into a deficit of BND2.28 billion for fiscal year 2015/2016, as falling global oil prices are expected to continue hurting the Sultanate's revenue in its main source of income. Brunei projects total government revenue to decrease by BND1.572 billion in the new fiscal year.

Brunei's defence spending for the 2015/2016 fiscal year is lower by 25.26% as Brunei's revenue is projected to decline from falling global oil prices. The BND537.49 million budget for the Ministry of Defence was down from the previous year's BND719.15 million.

Indonesia's retail sales in January picked up pace on the back of sales of information and communication equipment, as well as food, beverages and tobacco. January's retail sales accelerated to 10.4%, from a 3.3% growth in December.

Singapore's non-landed private residential resale market kept flat in February from the previous month, with resale volume remained low. Non-landed private residential resale prices dropped 3.2% y-o-y. Compared with the recent peak in January 2014, prices have declined 5.8% m-o-m.

Thailand's Energy Policy Administration Committee has resolved to reduce petrol's contribution to the Oil Fund by THB2 per litre from the present THB9.15, that of gasohol 95 to THB2.25 per litre from THB3.25, and that of gasohol 91 to THB1.25 per litre from THB2.25 currently.

Thai government has relaxed a new law on land and building tax in order to push for prompt implementation of a new tax structure that previous administrations failed to bring in. The government has raised the maximum value of land and buildings exempt from tax from THB1 million to THB1.5 million.

Vietnam approved an increase in environmental taxes on oil and gas products that would take it to three times the current levels. The environmental tax levied on petrol (except for ethanol) and aviation fuel will increase from VND1,000 to VND3,000 (USD0.47 to USD1.4) per litre; on diesel from VND500 to VND1,500 per litre; and on lubricating oil and grease from VND300 to VND900 per litre.

North East Asia

China's auto sales accelerated in the first two months of this year, led by demand for sport utility vehicles (SUVs) and minivans. Retail deliveries of passenger vehicles increased by 16% to 3.49 million units in January and last month.

Japan's core machinery orders fell in January by 1.7% m-o-m, underscoring the challenges facing the government as it attempts to nudge firms into boosting spending on wages and equipment with its aggressive stimulus policies.

The price of gasoline in Seoul is poised to rise back above KRW1,600, some two months after it fell to below that level. The average gasoline price in the capital stood at KRW1,594.8 per litre as of 5 p.m. and would pass KRW1,600 by the middle of this week.

The South Korean government allocated fewer funds to purchase oil products, missing out on the opportunity to stock up on emergency energy reserves at the lowest costs in decades. The government plans to purchase 219,000 barrels of petroleum products, mostly gasoline, this year as part of its emergency reserve.

Sales at South Korean department stores and discount outlets rose sharply in February after contracting for five straight months, helped by demand caused by the Lunar New Year holiday. Sales at local discount store chains surged 30.5% on-year last month, with numbers for department stores rising 7.1%.

Taiwan's average daily exports grew despite February decline, due to fewer working days in the month. The average daily export rate grew 5.8% y-o-y to USD1.324 billion.

Indian Sub-Continent

Bangladesh slashed annual development spending for its Annual Development Program (ADP) by 6.61% in the current 2014/15 fiscal year (July 2014-June 2015). The National Economic Council meeting approved the revised ADP fund to BDT750 billion.

Bangladesh's annual inflation rate rose in February, ending a declining trend since August, as political unrest disrupted the country's supply chain, sending food and non-food prices higher. Consumer prices in February rose 6.14%, up from 6.04% a month earlier.

India's current account deficit (CAD) eased to 1.6% of GDP in Q3 of the current fiscal year, compared with 2% in Q2, but double from a year earlier. The CAD hit USD8.2 billion between October and December, against USD10.1 billion in the previous quarter.

Pakistan's external debt servicing increased by USD76 million, or 5.2%, in Q2 of the current fiscal year, putting the balance of payments position of the country at risk.

Pakistan received a record of USD11.750 billion in remittances from its citizens overseas in the first eight months of the current fiscal, compared with USD10.248 in the same period last year.

Middle East and North Africa

Oman's crude oil and condensate production touched 26.8 million barrels, which is equivalent to 957,000 barrels per day, in February 2015. Total crude oil exports last month reached 26.16 million barrels or 934,289 barrels per day, showing a robust growth of 14.83% over the previous month.

Poverty in Turkey has been at its lowest level in the last 10 years, the World Bank said. Current poverty rate in Turkey is at 5%, while 10 years ago it was about 16%. Turkey's economic transformation is an inclusive transformation and growth will continue to go in this direction, referring to the growing middle class.

Turkish central bank said it was adjusting its reserve option coefficients to meet the temporary foreign exchange (forex) liquidity needs of the financial sector in a move that could release some USD1.5 billion from its reserves.

Eastern Europe

New vehicle sales in Russia last month plunged over a year earlier. Sales of new cars and light commercial vehicles in Russia fell 38% y-o-y to 128,298 units in February, after a 24% drop in January. In 2014, sales were down 10%, but industry officials said a surge in demand in December from Russians seeking to use up their rapidly devaluing rubles buoyed volumes.

Western Europe

French industrial production continued to rise in January. French industrial production rose 0.4% on the month in January after a 1.4% gain in December. Energy output and the automobile sector recorded strong rises in January, while declined in electrical equipment output.

Greek consumer prices fell 2.2% y-o-y in February, with the annual pace of deflation slowing from a 2.8% decline in January.

Italian industrial production fell in January, after rising for two straight months, as manufacturing struggled to pick up amid the country's worst postwar recession. Industrial output in the eurozone's third-largest economy slipped 0.7% on the month in seasonally-adjusted terms.

Spanish retail sales rose for the sixth straight month in January. After registering its first noticeable annual expansion for five years in 2014, Spain's economy is expected to grow as much as 2.5% this year as consumer confidence grows and shoppers return to stores.

The impact of the high franc has influenced the significant job losses in Switzerland. The unemployment rate at 3.5% in February, unchanged from the previous month. The number of people registered at regional job offices fell by 1,025 to 149,921 last month from January.

North America

US small business confidence rose in February as job market kept moving forward. The National Federation of Independent Business (NFIB) said its Small-Business Optimism Index rose 0.1 point to 98 in February, a solid result despite some unfavourable conditions.

US wholesale businesses increased their stockpiles by a modest amount in January as sales plunged by the largest amount in six years. Stockpiles held by wholesale businesses rose 0.3% in January, after no change in December and a 0.8% November increase.

Oil & Gas News

Brent rebounded towards USD57 after US crude stocks fall. Brent for April delivery LCOc1 rose 27 cents to USD56.66 a barrel by 2327 ET after dropping USD2.14, or 3.66%, in the previous session.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
10-Mar-15	1,158.49	2.69	58.15	21.62	1.50	2.08	1.38	0.94	9461.63	87.65	2.67	32.05	23.58	3,399.31
11-Mar-15	1,163.69	2.73	56.6	20.73	1.50	2.09	1.39	0.94	9431.29	87.94	2.67	31.96	23.56	3,382.78
% Change	0.45	1.49	-2.67	-0.09	0.46	0.31	0.28	-0.32	0.33	-0.11	-0.27	-0.08	-0.49	

Economic & Financial News

Research & International Division

12/3/2015

*... Malaysia's external debt swelled to MYR740.7 billion ...
... South Korea's central bank cuts policy rate to 1.75% an all-time low ...*

South East Asia

Malaysia's external debt swelled to MYR740.7 billion in Q3 2014 from MYR196 billion in Q4 2013. The sharp increase was due to a new definition for international debt reporting, which had been in place since 2014. External debt now showed the level of ringgit-denominated security debt held by foreigners, which comprised two-thirds for the increase. As at December 2014, the government's debt stood at MYR582.8 billion or 54.5% of the country's GDP.

Domestic demand sustained by private consumption will remain the mainstay of the Malaysian economy this year, Bank Negara said. The central bank expects steady growth for the economy despite external headwinds and the impact of the upcoming goods and services tax (GST) on household spending.

Malaysia's Industrial Production Index (IPI) grew 7% in January 2015 compared with the same month a year ago. The increase was due to the positive growth in all indices of manufacturing (6.5%), mining (8.3%) and electricity (6.3%).

The number of unemployed Filipinos fell further in January 2015. Employment grew by 2.8% to 37.5 million from 36.4 million in the same period last year. This means an additional 1.0 million Filipinos employed from January 2014 to January 2015, almost four times the 281,000 jobs generated in the previous year. The labour market got a boost from all sectors mainly driven by services which grew by 3.9%, contributing a 766,000 net employment gain in January 2015.

Bank of Thailand trims policy rate by 25 basis points to 1.75%, in a bid to spark the stubbornly sluggish economy. The central bank said this year's economic growth will be below its 4% forecast. It said consumer and government spending were less than expected.

Vietnam's fuel retail prices rebound following environment tax hikes. The country's most popular gasoline grade 92-octane (92 RON) is now sold at around VND17,286 (nearly USD0.80) per litre, up 10.2%. Another grade of gasoline, 95 RON, saw a similar hike, while diesel fuel is newly priced at about VND15,883 (USD0.73) per litre, a rise of 4.6%. Fuel import taxes are due to be down from 35 to 20% between 2015 and 2017.

North East Asia

China's industrial output grew 6.8% in the first two months of 2015, down 1.1 percentage points compared to growth for December. M-o-m, industrial output in February grew 0.45% from the previous month. In a breakdown, the output of manufacturing rose 7.5% during the first two months while the mining industry saw output grow 4.2%; growth for electricity, heating, gas and water was 4%.

China's retail sales grew 10.7% y-o-y to CNY4.8 trillion (USD779 billion) in the first two months of 2015. The rate slowed from the 12% annual gain seen in 2014. The slowdown was attributed to China's anti-corruption drive, sluggish property sales, as well as the economic downturn's effect on public spending. In breakdown, the catering sector reported an 11.2% y-o-y rise in revenues, while sales of other consumer products increased 10.7%. Online retail sales continued to be a bright spot, surging 44.6% y-o-y to CNY475.1 billion.

China's property market showed no signs of improvement in the first two months of the year, highlighting continued weakness in the sector and concerns about the broad economy. Investment in China's property sector rose 10.4% y-o-y to CNY878.6 billion (USD142.6 billion) in the two-month period, 0.1 percentage points lower than the pace for all of 2014.

China's fixed-asset investment rose 13.9% y-o-y to CNY3.5 trillion (USD560.1 billion) in the first two months in 2015.

Hong Kong's exporter confidence rose in Q1 of this year, with the latest Export Index rebounding 6.7 points to 44.9 points. Among industry sub-indices, machinery and electronics performed better, recording 49.1 and 45.6 respectively. Except for jewellery, the indices of other industries also picked up compared to the Q4 2014.

South Korea's central bank cuts policy rate to 1.75% an all-time low by 25 basis points. It was the first time that the country's policy rate fell below 2%. Bank of Korea lowered the seven-day repurchase rate by 25 basis points each in August and October last year to a record low of 2%.

Australasia

New Zealand's central bank held interest rates at 3.5%, saying lower oil prices were helping to contain inflation. The Reserve Bank of New Zealand said the official cash rate was likely to remain unchanged for some time as long-term inflation forecasts remain in the middle of its 1-3% target range.

Indian Sub-Continent

Pakistan's trade deficit widened 16% to USD14.1 billion from July through February on the back of a fall in exports and persistent growth in imports. Exports contracted 4.9% in July-February period of current fiscal year, totalling USD16.0 billion. The import bill rose to USD30.6 billion, an increase of USD1.2 billion or 4% over imports in the first eight months of the previous fiscal year.

Middle East and North Africa

Egypt's foreign reserves have slightly stabilised in February, registering USD15.5 billion, compared to USD15.4 billion in January. International reserves have been revolving around the same value for several months as it was recording USD15.3 billion in December, down from USD15.8 billion in November 2014.

Egypt is cancelling a 5% tax on wealths decreed by President Abdel Fattah al-Sisi in 2014. The 5% tax imposed on individuals and corporations with annual income above one million Egyptian pounds will be cancelled. The move comes as part of a decision by the government on Tuesday to reduce the maximum for corporate income tax from 25% to 22.5%.

Oman's real estate added 10% of GDP last year, contributing about OMR1.3 billion to the economy. Real estate transactions in 2014 increased by 27% and stood at over OMR2.9 billion compared to OMR2.3 billion in 2013.

Qatar's government is moving the end of its fiscal year to Dec. 31 from March 31 and giving more power to the finance ministry in reforms designed to help the government carry out tens of billions of dollars of infrastructure projects. The state budget for the current fiscal year to March 31, which originally envisaged a 3.7% rise in government spending to QAR218.4 billion (USD59.98 billion), will be extended to the end of 2015.

Turkey's current account deficit narrowed to USD2 billion in January as declining oil prices cut the value of imports sharply. The expected deficit for January was USD2.9 billion, adding that USD2 billion account gap is the lowest figure since 27 months. The annual current-account gap fell to USD42.9 billion in January on annual basis from USD45.9 billion in the previous month.

The UAE economy is stronger than ever and will not be impacted due to drop in oil prices. The UAE's dependence on oil has fallen sharply over the years. The country is adopting a new strategy in the energy sector, which includes amalgamation of nuclear energy and creation of renewable sources to meet the energy demand.

Western Europe

Italy is planning to introduce a national minimum wage as part of its labour market overhaul, although the level is yet to be established. The country is mulling setting the wage at EUR6.30 or EUR7 an hour, with the details set to be woven into the so-called Jobs Act and addressed by the cabinet over the next few weeks.

UK manufacturing output fell in January as computer and electronics production plunged. Output declined 0.5% after a 0.1% increase in December. Total industrial production, which accounts for about 15% of GDP, fell 0.1% in January.

UK economy grew by 0.6% in quarter ending February. The continued strong growth is a slight improvement on the figure of 0.5% GDP growth for the Q4 of 2014 recorded in official figures.

Currency News

Indonesia government is striving to strengthen the rupiah by increasing the use of the local currency in domestic transactions. Many transactions conducted in US dollars could be found in the infrastructure sector in industrial zones in Jakarta and its surrounding areas. A lot of business players in the service sector still used dollars in their transactions although the 2011 Currency Law prohibited the use of currencies other than the rupiah for transactions within the Indonesian territory.

Malaysia's central bank said ringgit is undervalued but rules out US dollar peg. The ringgit which plunged 14.4% against the US dollar since September, is sharply undervalued but ruled out reintroducing capital controls. The ringgit has slid to 3.70 to the dollar, making it one of Asia's worst performing currencies recently.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
11-Mar-15	1,163.69	2.73	56.6	20.73	1.50	2.09	1.39	0.94	9431.29	87.94	2.67	31.96	23.56	3,382.78
12-Mar-15	1,162.81	2.81	58.03	20.65	1.48	2.09	1.39	0.95	9506.61	87.50	2.68	31.97	23.57	3,360.62
% Change	-0.08	2.93	2.53	-0.95	0.09	0.13	0.52	0.80	-0.50	0.35	0.02	0.01	-0.66	

Economic & Financial News

Research & International Division

14/3/2015

*... Japan's lower house of parliament passed USD793 billion budget ...
... US retail sales fell in February ...*

South East Asia

Indonesia plans to factor in productivity into a new rule to set annual minimum wage gains, in an effort to lift the skills of workers and avoid labour disputes. The new system is still being discussed with unions and the main employers' association.

Indonesia will increase the minimum bio content in diesel fuel for transport from 10% to 15%, in a move it hopes will help cut costly diesel imports. A greater use of palm oil in biodiesel would likely support benchmark palm futures, little changed this year after falling nearly 15% in 2014. Prices, though, are expected to ease back later this year as supply rises.

The Indonesian government has decided to postpone the imposition of new taxes on toll road users and revoke a regulation that requires proof of bank deposit taxes — underscoring challenges to efforts in collecting more taxes to meet this year's ambitious target.

The Philippines' economy remained strong in Q1 due to strong household consumption. Prospects for the domestic economy remain favourable as private domestic demand is expected to continue to deliver positive impulses to the economy. Economic growth accelerated to 6.9% in Q4, from a dismal 5.3% growth in Q3 last year.

The Philippines' export growth may be lower than the projected 10% for this year due to the weakening of the currencies of major export markets of Europe and Japan. Last year, the country's merchandise exports were valued at USD61.810 billion, up 9% from the USD56.698 billion posted in 2013.

Unemployment in Singapore stayed low in 2014 despite the fact that more workers were laid off in Q4 amid ongoing business restructuring. The unemployment rate in 2014 was 2% overall, and 2.9% for Singaporeans. This is largely the same as the previous year's figures, which were 1.9% and 2.9%, respectively.

Social service professionals in Singapore can expect a pay rise of between 3% and 19% this year, depending on their level of competency. The government will increase its funding for voluntary welfare organisations (VWOs) by SGD16 million from next month.

North East Asia

China is cutting the number of industries in which it restricts foreign investment, in a move to further open up the market. Guidelines set to be published in April focused on service and manufacturing sectors. The number of restricted sectors has been cut from 79 to 38.

Japan's powerful lower house of parliament passed a record USD793 billion budget, including fresh economy-boosting stimulus and more defence spending as Tokyo eyes an increasingly assertive China. The government plans to spend JPY96.34 trillion for the fiscal year to March 2016 under the budget which will now be sent to the upper house for final approval.

South Korea's import prices extended their fall in February from the previous year on tumbling oil prices. In local currency terms, import prices dropped 17.8% on-year last month, slightly slowing from a 19.4% on-year fall in January. It marks the 30th straight month in which import prices posted a decline.

Australasia

Australia's consumer sentiment remains near its recent high, and part of the story may be a somewhat stronger-than-expected job market. The latest reading from the Westpac-Melbourne Institute Index of Consumer Sentiment came in at 99.5, just 1.2% lower than February's reading, which was the highest level in a year.

Indian Sub-Continent

India's industrial output in January rose by 2.5%, up from the previous month's 1.7%, while its inflation stood controlled at 5.37% in February. Industrial activity measured according to Index of Industrial Production rose by 2.6% in January, from 1.1% in the corresponding month in 2014.

India's merchandise exports in February declined 15% to USD21.54 billion while imports were down to USD28.39 billion leaving the trade deficit at a 17-month low of USD6.8 billion. The trade gap narrowed mainly due to lesser import of crude oil last month. Crude oil imports were down more than 55% m-o-m.

Middle East and North Africa

Egypt plans to build a new administrative capital east of Cairo within five to seven years at a cost of USD45 billion. The new capital is planned to be the size of Singapore. The aim was to ease congestion and overpopulation in Cairo over the next 40 years.

Jordan's inflation during the first two months of 2015 went down by 0.8% y-o-y. The drop was attributed to lower transportation charges and a decline in the prices of fuel, vegetables, beans and beverages.

Saudi's February inflation slowed to 2.1%. Prices of housing and utilities increased 2.8% y-o-y, while food and beverages rose 1.7% y-o-y.

The flow of foreign investments in Tunisia edged up 6.5% y-o-y to TND116.5 million in January. However, the flow of foreign investments fell by 43.5% and 32.3%, respectively, compared with 2013 and 2012.

Eastern Europe

Russia's central bank cut its key interest rate by one percentage point to 14% in an attempt to support the economy, which is sliding into a brutal recession. It is the second interest rate cut in as many months as the central bank reverses some of the sharp rate increases it made in December, when it hiked them from 10.5% to 17% to support the then-collapsing ruble.

Western Europe

Greece's jobless rate increased in Q4 as the economy weakened. Unemployment rose to 26.1%, or 1.25 million people, from 25.5% in Q3. The rate is down from a record-high 27.8% in the same period of 2013. Among those aged 15 to 24, the jobless rate was 51.5%.

Italy's public debt increased in January by EUR31 billion (USD32.5 billion), raising it up to EUR2.1659 trillion. The newly issued figure is close to the record of EUR2.1677 trillion published in July 2014. The rise is due to a EUR36.3 billion increase in the Treasury's available liquidity. Italy's massive public debt was about 132% of its GDP, which goes far beyond the European Commission's mandated debt-to-GDP target of 60%, and makes it the second only to Greece in the eurozone.

Spanish public debt reached 97.7% of GDP in 2014, which stood at EUR1.033 trillion (USD1.083 trillion). The figure meant a 7% y-o-y increase when Spanish debt stood at EUR966.170 billion and represented 92.1% of GDP.

North America

Canada shed 1,000 jobs in February, an increase in the number of people looking for work sent the unemployment rate up to 6.8%. Overall, jobs in the goods-producing sector decreased by 24,100, while employment in the services sector increased by 23,200, helped by hiring in trade and educational services. The labor participation rate, which the Bank of Canada watches closely, rose to 65.8% from 65.7%, its highest level in three months.

Canadian home sales rose in February in Vancouver and Toronto, the nation's largest real estate markets. Canadian home sales increased 1% last month, following a decline of 3.1% in January and 5.8% in December. Prices rose 3% during the month.

The Mexican private sector generated 133,691 new jobs last month, 6.5% more than in the same month a year ago. With these new posts, the private sector recorded 17.4 million workers in the Mexican Social Security Institute.

US federal government budget deficit totaled USD192.3 billion in February, down from USD193.5 billion a year ago but the imbalance through the first five months of the budget year is still running ahead of last year. For the first five months of this budget year, the deficit totaled USD386.5 billion, up 2.7% from a deficit of USD376.4 billion during the first five months of the 2014 budget year.

US wholesale prices fell for a fourth straight month in February as a decline in food prices offset an increase in gasoline prices. The US labor department's producer price index dropped 0.5% in February. The figure follows a 0.8% fall in January, which had been a record decline in a government series that goes back to 2009.

US retail sales fell for a third straight month in February. Consumers spent 0.6% m-o-m less on retail goods in February. The US retail sales growth rate has been on a downward trajectory since January 2014. Except for a slight uptick with holiday season spending, the retail growth rate has declined or been absolutely negative for every month except one.

Americans' net worth reached a record high in Q4 2014, fueled by higher stock and home values. Household wealth rose 1.9% during Q4 to nearly USD83 trillion.

South America

Argentine inflation hit 0.9% in February, compared to the same month of 2014. Prices accumulate a 2.1% rise during the first two months of the year. Meanwhile, wholesale prices increased 0.2% in February and 0.4% during the first two months of 2015.

Brazilian retail sales bounced back partially in January, beating market expectations and likely curbing fears that the sector was entering a tailspin after a terrible holiday season. Sales volumes were up 0.8% m-o-m in January in seasonally adjusted terms.

Peru kept borrowing costs unchanged for a second month in a bid to bolster the local currency amid increased volatility in financial and currency markets. The board held the key rate at 3.25%.

Oil & Gas News

Oil dropped 9% on week on stronger dollar. Benchmark Brent oil settled near a one-month low below USD55 a barrel and US crude settled near a 2-1/2 month low under USD45.

Currency News

Brazilian authorities will not bow to market pressure to increase support for the real, despite the currency's sharp sell-off on Friday. The real weakened nearly 4% on Friday, hitting 3.28 per dollar, its weakest level since April 2003, due a surge of the dollar abroad.

The US dollar surged on Friday as weak inflation data failed to stem expectations the Federal Reserve will move to tighten monetary policy, and the greenback's rise pressured stocks and commodities. The dollar index rose 0.8%, setting up its first close above 100 since April 2003. The Fed's policy-setting committee meets next week.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
12-Mar-15	1,162.81	2.81	58.03	20.65	1.48	2.09	1.39	0.95	9506.61	87.50	2.68	31.97	23.57	3,360.62
14-Mar-15	1,158.48	2.73	54.67	20.03	1.47	2.06	1.38	0.94	9531.07	87.77	2.67	31.99	23.70	3,362.77
% Change	-0.37	-2.85	-5.79		-0.85	-1.62	-0.25	-0.85	0.26	0.31	-0.21	0.07	0.58	0.06

Economic & Financial News

Research & International Division

17/3/2015

*... Growth in China's fiscal revenue slowed sharply ...
... Russia's economy shrank 0.7% in the Q1 2015...*

South East Asia

Indonesia has issued a number of policies, which include tax allowance for companies investing in Indonesia, companies creating employment, companies that are export-oriented and companies that carry out research and development. The government would also issue an anti-dumping policy by imposing a temporary anti-dumping tax and a temporary security import tax on imported products that are traded unfairly. The government would give a free-visa facility to 30 new countries.

Indonesia's trade balance remained positive in February posting a surplus of USD738.3 million. The surplus was bigger than the USD709.4 million recorded in January, which was largely driven by shrinking imports. Exports dropped by 16.0% to USD12.3 billion from the same month last year on the back of lower shipments of both oil and gas and non-oil and gas. Imports slid by 16.2% to USD11.6 billion on a yearly basis, primarily due to fewer purchases of non-oil and gas commodities.

Indonesia government will continue to optimise the absorption of gas from domestic sources by, among others things, developing liquefied natural gas (LNG) receiving terminals in a number of regions.

Vietnam's real estate inventory was valued at over VND73.1 trillion (USD3.4 billion) as end of February, a 22.6% reduction or a VND55.4 billion (USD2.6 billion) drop from the Q1 of 2013.

Vietnamese garment exports in January and February posted an 18% y-o-y increase to USD3.4 billion. The surge has made the achievement of this year's export target of USD28 to USD28.4 billion a strong possibility.

North East Asia

Growth in China's fiscal revenue slowed sharply in the first two months of 2015 while expenditure increased. Fiscal revenue rose 3.2% y-o-y to reach CNY2.6 trillion (USD417.5 billion) in the first two months of 2015. This was a sharp slowdown from the 8.6% gain seen in 2014, as downward pressure on the economy continued. Due to pressure from a housing slowdown, softening domestic demand and unsteady exports, the economy grew 7.4% in 2014, its weakest annual expansion in 24 years.

China's electricity consumption fell 6.3% y-o-y in February, reaching 359.5 billion kilowatt hours (kwh). This brings the total power consumption of the first 2 months of the year to 845.4 billion kwh, up 2.5% y-o-y.

The Chinese central bank has expanded its medium-term lending facility (MLF), which is now estimated at a total CNY450-500 billion (USD72-80 billion). The People's Bank of China rolled over all of the around CNY350 billion in MLF that was due to mature on Tuesday and added more for some banks.

Hong Kong's Gross National Income (GNI) in the Q4 of 2014 increased by 4.8% over a year earlier to HKD625.6 billion (about USD80.6 billion) at current market prices. The GDP preliminarily estimated at HKD611.6 billion at current market prices in the same quarter, recorded a 4.6% increase over the same period.

The Bank of Japan decided to maintain its ultra-loose monetary policy and assessment of the country's economy as moderately recovering. It downgraded its outlook on consumer prices and said the y-o-y rate of increase in the consumer price index "is likely to be about 0% for the time being" due to declining energy prices.

Macau's economy shrank by a whopping 17.2% in the Q4 of 2014. Macau's GDP fell 0.4% in real terms last year, the first annual drop since the establishment of the Macau Special Administrative Region (MSAR), as Beijing's anti-corruption campaign scared visitors away from the gambling mecca with gamblers also staying home.

Macau government to introduce minimum wage by 2018 following its initial introduction for cleaning and security personnel working in property management companies.

South Korea's exports of agricultural products dropped 8% from a year earlier in February as shipments of both fresh foodstuff and processed goods dwindled. Outbound shipments of farmed goods amounted to USD420.1 million last month, compared with USD456.5 million in the same month last year.

South Korea posted a trade surplus for the 37th month in a row in February, mainly due to the sharp drop in imports that outpaced the decline in exports. The country's trade surplus topped USD7.7 billion last month, up from USD5.36 billion tallied for the previous month and USD850 million a year earlier.

Middle East and North Africa

Morocco's trade deficit fell by 37.2% y-o-y in the first two months of the year, due to lower energy imports as oil prices fell. The trade gap was MAD20.5 billion dirhams (USD2.0 billion), down from MAD32.64 billion dirhams at the end of February 2014. Energy imports fell 45.2% while total imports were down 15.2%. Exports rose 8.2%, led by a 10.1% rise in auto exports and 20.4% hike in phosphate sales. Tourism receipts declined 8.2%.

Tunisia's food trade balance recorded a surplus for the second time since the beginning of this year to TND134.6 million at the end of February compared with 151 MTD in January 2015. The food trade balance had posted a deficit of TND293.3 in February 2014.

The unemployment rate in Turkey was 10.9% in December 2014, a four-year high and an increase from November's rate of 10.7%. Around 3.15 million people were without jobs in December.

Turkish civil servant wages too low to offset inflation. Their purchasing power has weakened last year, with a least-paid-public worker experiencing an annual loss of TRY732. The government upped the wages of civil servants by 3% y-o-y in January of this year, and it is expected to increase them by an additional 3% in July. The inflation rate in 2014, meanwhile, grew to 8.2%.

Eastern Europe

Russia's economy shrank 0.7% in the Q1 2015. However, the Bank of Russia said that its models paint a more optimistic economic outlook than the majority of official forecasts.

Russia's industrial production fell in February, hit by a slump in the manufacturing and utilities sectors. Industrial production fell in annual terms for the first time since November, contracting by 1.6% last month. In January, industrial production grew 0.9%, and for the whole of 2014 it rose by 1.7%.

Western Europe

Retail sales in Switzerland fell in January, dampening optimism over the health of the country's economy. Retail sales declined at annualised rate of 0.3% in January. Retail sales growth in December was revised down to a gain of 1.9% from a previously reported increase of 2.2%.

North America

US industrial production edged up 0.1% in February, after falling for two months running. The Fed revised January's growth down to a negative 0.3%. The manufacturing output remained soft in recent months. It went down 0.2% in February.

South America

Brazilian economic activity contracted slightly in January, underscoring expectations of a recession this year. The Brazilian central bank's IBC-Br economic activity index dropped a seasonally adjusted 0.11% in January from December.

Peru's economy grew 1.7% during January 2015 as compared to the same month last year. As well, there was a 0.5% seasonally-adjusted expansion in economy measured between December 2014 and January 2015. Peru's economy has been slow to pick up, experiencing poor performances in various sectors.

Currency News

The Bank of Russia is considering halting currency trade if the ruble shows excessive volatility. The central bank would like to avoid a situation when strong ruble fluctuations are driven by very low trading volumes.

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-Mar-15	1,158.48	2.73	54.67	20.03	1.47	2.06	1.38	0.94	9531.07	87.77	2.67	31.99	23.70	3,362.77
17-Mar-15	1,151.29	2.79	52.7	18.89	1.47	2.06	1.39	0.94	9510.22	87.14	2.66	31.89	23.63	3,369.95
% Change	-0.62	2.20	-3.60	-0.28	-0.14	0.62	-0.15	-0.22	-0.72	-0.32	-0.30	-0.31	0.21	

Economic & Financial News

Research & International Division

18/3/2015

*... Malaysian halal product export amounted to MYR37.7 billion in 2014 ...
... The US not reconsidering entry to the AIIB ...*

South East Asia

Bank Indonesia maintained its benchmark interest rate at 7.5% to help support the country's economy. The central bank also decided to maintain both the deposit facility rate and lending facility rate at 5.5% and 8%, respectively.

Malaysia depends on over 2 million foreign workers. The increase of foreign workers in Malaysia is due to the lack of interest and high turnover among local workers.

Malaysian halal product export in 2014 amounted to MYR37.7 billion, nearly doubling the target of MYR19 billion set for in 2020. Lately, Malaysia has perfect environment for developing halal industry, with better promotion agencies and religious institutions than its neighbouring countries.

Singapore's exports fell in February as momentum in the global economy remained modest and as the slowdown in China took a heavy toll. Non-oil domestic exports (NODX) slid 9.7% y-o-y in February. The disappointing performance in February was partially due to the Lunar New Year holidays, which fell on January in 2014. On a m-o-m seasonally adjusted basis, NODX declined 9.4% in February.

Thailand's cabinet approved a plan to borrow THB57 billion (USD1.73 billion) for road and water projects as the military government tries to revive growth. The government will start borrowing in April or May and will spend THB34 billion on road construction and another THB23 billion on water management projects.

Thailand is likely to maintain value-added tax (VAT) at 7% for another year or two to help domestic consumption as the economy continues to struggle. The government earlier said the VAT might be raised by at least one percentage point this fiscal year to finance the government's planned budget deficit.

FDI in Vietnam in 2014 decreased by 1.9% y-o-y to USD21.92 billion. Earlier in December, the country had attracted USD20.23 billion in FDI for the year, down 6.5%. About 1,843 new foreign-invested projects received investment licences by the end of 2014, with a total registered capital of USD16.5 billion – 14% higher than the previous year's figure.

North East Asia

China's foreign direct investment in the first two month of this year rose 17% y-o-y to USD22.48 billion, with three countries – Saudi Arabia, France and Germany registering the fastest growth rates. FDI inflow from Saudi Arabia surged 873.8% y-o-y to USD240 million, and that from France rose 366.7% to USD280 million. Investment from Germany jumped 59% to USD410 million.

China's overseas direct investment (ODI) surged last month as a state-owned oil company put nearly USD3 billion into a Dutch transaction, while inbound investment slowed. ODI jumped 68.2% y-o-y to USD7.25 billion, while for the first two months of the year it rose 51% to USD17.4 billion.

China's home prices dropped in more cities last month as an economic slowdown weighed on demand even after the government removed property curbs and reduced borrowing costs. New-home prices fell in 66 of the 70 cities tracked by the government from a month earlier, compared with 64 in January. Prices rose in two cities and were unchanged in another two.

Japan posted a goods trade deficit of JPY424.6 billion in February, down 47.3% from a year earlier. The balance in goods trade remained in the red for the 32nd straight month. Exports rose 2.4% from a year earlier, while imports dropped 3.6%.

Japan's y-o-y growth in the core CPI is expected to be about 0% for the time being. Although the central bank launched its quantitative and qualitative easing policy in April 2013 in a bid to realize 2% inflation in the country in about two years, it appears difficult for the bank to achieve the goal in April this year.

South Korea's jobless rate rose to a five-year high in February as more college graduates and cash-strapped retirees flooded the increasingly tight job market. The jobless rate was 4.6% in February, up from 3.8% in January and 4.5% a year ago.

Australasia

Australia's central bank said another interest rate cut could be needed to support an economy that is expanding at a below-average pace, while noting emerging risks in the nation's commercial property market.

New Zealand's current account deficit widened in Q4 2014, as overseas companies took higher profits from the growing economy. The current account went from a deficit of NZD2.4 billion in Q3 2014 to NZD2.6 billion in Q4. The goods deficit widened to NZD458 million as imports increased by more than exports, though the services surplus improved as tourists spent more while in New Zealand. On an annual basis, the current account deficit rose from NZD6.1 billion to NZD7.8 billion, or 3.3% of national output.

Indian Sub-Continent

FDI in India more than doubled in January to USD4.48 billion, highest in the last 29 months. In January 2014, the country received USD2.18 billion in FDI. It was in September 2012 that India attracted FDI worth USD4.67 billion. During the April-January period, foreign inflows have grown 36% y-o-y to USD25.52 billion.

Pakistan received FDI of USD615.4 million in the first eight months of FY 2014/15, which is 3.8% less than the FDI received during July-February of the preceding fiscal year. FDI decreased by USD24.6 million y-o-y in July-February, as it amounted to USD640.1 million in the first eight months of 2013/14. FDI in February was USD74.9 million as opposed to the net flows of USD86.8 million in the preceding month.

Middle East and North Africa

Saudi Arabia exported nearly 466.6 million barrels of crude oil in the last two months of the current year with proceeds amounting to SAR87.5 billion. Domestic consumption during the same period reached nearly 150 million barrels, or 20% of the total output.

Turkey's central bank left interest rates on hold as the lira's slide to record low risks stoking inflation. The bank left the one-week repo rate at 7.5% and the overnight borrowing rate at 7.25%. The overnight lending rate remained at 10.75% and the primary dealers' overnight borrowing rate at 10.25%.

Western Europe

The eurozone's annual inflation rate was minus 0.3% in February, from minus 0.6% in January. The rate was 0.7% in the eurozone in February 2014. The EU annual inflation was minus 0.2% in February, up from minus 0.5% in January.

North America

The US is not reconsidering entry to the Asian Infrastructure Investment Bank (AIIB) despite the agreement by more of its European allies to join the China-proposed institution.

US privately-owned housing starts were 897,000 in February at a seasonally adjusted annual rate plunging 17% from the revised January estimate and down 3.3% from a year ago.

South America

Colombia's economy in 2014 grew by 4.6%, with construction providing much of the momentum in the face of falling oil prices. GDP growth in Q4 slowed to 3.5%.

Oil & Gas News

Brent fell toward USD53 after US crude stocks rise. Brent for May delivery fell 24 cents to USD53.27 a barrel by 0108 GMT after ending the previous session 7 cents up at USD53.51.

Commodity News

Gold demand in Asia is set to double by 2030 and boost prices to a record high as investment and jewelry purchases climb. Gold for immediate delivery was at USD1,147.61 at 3:11 p.m. in Singapore.

Currency News

The pressure is on Chinese exports as the euro sinks against the yuan. The yuan was up 10.8% against the euro until March 13, when the euro devalued 13.2% against the US dollar.

Ringgit forwards fell as Fitch Ratings said Malaysia's credit ranking sits "more naturally" in the BBB range, suggesting a possible downgrade. One-month non-deliverable forwards for the ringgit declined 0.19% to 3.7115 a dollar as of 11:53 a.m. in Kuala Lumpur, after earlier rising as much as 0.17%.

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-Mar-15	1,151.29	2.79	52.7	18.89	1.47	2.06	1.39	0.94	9510.22	87.14	2.66	31.89	23.63	3,369.95
18-Mar-15	1,147.56	2.84	53.44	18.82	1.47	2.06	1.39	0.94	9510.22	87.37	2.66	31.98	23.70	3,368.66
% Change	-0.32	1.79	1.40		0.14	0.19	-0.24	0.50	0.00	0.26	-0.03	0.26	0.31	-0.04

Economic & Financial News

Research & International Division

19/3/2015

*... Thailand economy seen growing at 3% in Q1 2015 ...
... Bank of England keeps interest rate at 0.5% ...*

South East Asia

Indonesia is likely to increase the price of diesel by between IDR100 (USD0.75) and IDR200 per litre next month. This is due to the impact on oil prices of the weakened rupiah.

Over 85,000 employers in Singapore will receive the second tranche of their Wage Credit Scheme (WCS) payouts by the end of this month. Small and medium-sized enterprises (SMEs) will receive about three-quarters of the SGD1.4 billion to be disbursed.

Thai economy is expected to show annual growth of 3% in the Q1, and growth is expected to be in the range of 3.5-4% for 2015. Faster government spending and a strong performance by the tourism sector were key factors in the estimate of Q1 growth. Last year, the economic growth was 0.7%.

Vietnam's total loans rose 14.16% to VND3,970 trillion (USD185 billion) in 2014, up from an earlier estimate of 13%. Bad debts in the banking system edged up to 3.88% of total loans as of November 2014, from 3.87% the previous month.

Vietnam could raise its annual credit growth this year to 17% to ensure an economic growth of more than 6%. A strong rise or fall of oil prices will have adverse impact on the stability of the macro economy.

North East Asia

China's maritime economy generated a total of CNY5.99 trillion (USD962.4 billion) in 2014, a 7.7% increase over 2013. China's maritime economy total output accounted for 9.4% of the total GDP in 2014. It also employed some 35.54 million people.

Number of foreign visitors to Japan in February jumped 57.6% from a year before to a monthly record of 1,387,000, up for the 25th straight month. The figure was substantially higher than the previous record high of 1,271,705, set in October last year.

Financial assets held by Japanese households as of the end of last December grew 3% y-o-y to a record high of JPY1.69 quadrillion. The year-end balance of assets rose for the sixth straight year.

South Korea's producer prices fell for the seventh straight month in February as global oil prices continued to weaken. The producer price index reached 101.97 in February, tumbling 3.6% from the previous year. Prices of coal and petroleum products fell 35.4% on-year in February, decelerating from a 37.1% fall in January.

South Korea's tax earnings for January rose by around KRW400 billion (USD354.2 million) compared to the year before mainly due to a rise in property transactions and more import duties.

South Korea's gambling and lottery industry grew for the ninth year in a row in 2014, with total sales hitting more than KRW19.87 trillion (USD17.64 billion). Gambling-related sales grew 1%, or by KRW199.2 billion, from KRW19.67 trillion the year before.

South Korea will aim to nearly double its exports over the next decade through a second manufacturing boom that infuses production with advanced technology.

Australasia

The New Zealand economy is growing at its fastest pace since the start of the global financial crisis. Growth for the Q4 of 2014 was 0.8%. That takes growth for the December 2014 year to 3.3%, the highest since 2007. Driving the growth in the Q4 was a strong showing in the retail and accommodation sectors, which increased 2.3%.

Indian Sub-Continent

India's exports grew marginally by 0.88% to USD286.58 billion during the April- February period of the current fiscal. India's merchandise exports was USD284.07 billion in the same period in the previous year.

Sri Lankan economy is estimated to have grown by 7.4% in 2014 compared to 7.2% in 2013. This growth was mainly supported by the expansion in the industry sector, which grew by 11.4% and the services sector, which grew by 6.5%.

Middle East and North Africa

Egypt expects greater investment and ongoing fiscal reforms to boost economic growth in the 2015/16 fiscal year to 4.5-5% and shrink its budget deficit to 9.5-10% of GDP.

Kuwait public spending remains solid amid lower oil revenues. Government spending was up 12.6% y-o-y and stood at KWD11.9 billion fiscal-year-to-date in January. Both current and capital spending witnessed healthy gains. Revenues growth continued to trend downwards on the back of lower oil prices.

Oman's M2 money supply growth accelerated to 14.1% y-o-y in January from 12% in December. But bank lending growth in January edged down to 11.1% from 11.3%.

Saudi Arabia's crude oil exports rose 7.8% in January to the highest level in 11 months. The world's biggest oil exporter shipped 7.47 million barrels a day in the month compared with 6.93 million in December. The kingdom produced 9.68 million barrels a day of crude in January, up 0.5% or 50,000 barrels a day, from the previous month.

Saudi Arabia is investing heavily in its downstream business and developing captive markets to enter global oil market domination and counter the threat of US tight oil. Saudi Arabia has come in sharp focus after the kingdom convinced other OPEC producers to maintain oil production. Oil prices have fallen 50% since June 2014, but Saudi officials have been unmoved as they see their strategy working. That suggests that the country has effectively handed over the role of swing producer to more expensive non-OPEC producers.

The volume of retail market in Saudi Arabia is exceeding SAR370 billion, 44% of which is represented by the food sector, or SAR160 billion. However, expatriate workers are controlling over 70% of the retail sector, which puts enormous economic pressures on the country.

Western Europe

British unemployment rate was at 5.7% in the three-month period ending January 2015, the same as the three months leading up to December 2014, remaining at the lowest level since mid-2008. There were 1.86 million unemployed people, 102,000 fewer than from August to October 2014, and 479,000 fewer than a year earlier.

Bank of England is to hold benchmark interest rates this month, as they keep a cautious eye on strong sterling. The bank rate would stay at 0.5% and the stock of asset purchases, or quantitative easing policy, maintain at GBP375 billion (USD549.10 billion).

Eurozone trade in goods surplus EUR7.9 billion in January. The first estimate for euro area exports of goods to the rest of the world in January was EUR148.2 billion, nearly stable compared with the previous month. Meanwhile, the euro zone's imports stood at EUR140.3 billion, registering a fall of 6% on a monthly basis.

Eurozone construction production up by 1.9% in January and by 1% in the 28- EU nation European Union (EU) in January compared with the previous month. On a yearly basis, production in construction grew by 3% in the euro area and by 1.4% in the EU.

Europe car sales grew for 18th consecutive month, where double-digit car sales growth in Spain, Italy and Britain helped auto registrations rise in Europe. Car sales grew 7.3% annually in February to 924,440 units.

France will stick to its commitments to bring down its budget deficit, but will be very careful not to do anything that would destroy growth, Prime Minister Manuel Valls said. The Commission has agreed to extend by two years until 2017 the deadline for France to bring its budget deficit below 3% of GDP. The target for 2015 is 4%, which would require a further EUR4 billion of savings. Any budgetary effort that weakened growth would not be taken seriously.

South America

Chile's economy grew 0.9% in the Q4 of 2014, compared to the Q3, picking up speed from prior three-month periods. Overall growth in GDP in 2014 was 1.9%, a five-year low, after expanding 1.8% in October to December versus a year earlier. The economy of the top copper producer has slowed sharply on the back of waning consumption and cooling investment, especially in the crucial mining sector.

Oil & Gas News

Brent crude falls below USD56 on oil inventory built. Brent crude oil futures for May delivery fell 22 cents to USD55.69 a barrel by 0155 GMT, after jumping as much as 6% in the previous session.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
18-Mar-15	1,147.56	2.84	53.44	18.82	1.47	2.06	1.39	0.94	9510.22	87.37	2.66	31.98	23.70	3,368.66
19-Mar-15	1,172.70	2.91	55.35	19.02	1.47	2.05	1.39	0.94	9480.47	87.38	2.66	32.20	23.71	3,375.43
% Change	2.19	2.46	3.57		0.40	-0.45	-0.04	0.08	-0.31	0.02	0.11	0.71	0.02	0.20

Economic & Financial News

Research & International Division

21/3/2015

*... New Zealand consumer confidence edges up in March ...
... South Korea to increase budget spending, investment to spur recovery ...*

South East Asia

The Philippines posted a balance of payment (BOP) surplus of USD985 million in February, the highest since July of 2013, due to strong investment flows that drove an increase in the economy's dollar income to its highest level in nearly a year and a half. This brought the year-to-date BOP position to a surplus of USD1.12 billion. In contrast, a deficit of USD4.13 billion was recorded in the same two-month period last year.

Malaysia's CPI increased at a lower rate of 0.1% to 109.9 compared with 109.8 recorded in the same month last year. It was attributed the lower rate to a significant 11.8% decline for the transport indices.

Myanmar's Union Parliament adopted an urgent proposal on raising state employees' salaries beginning the next fiscal year of 2015-16. Myanmar government has allocated MMK2.9 trillion (USD2.82 billion) for government employees' salaries for 2015-16 fiscal year, adding that there are 1.4 million government employees in the country.

Thailand's February export figures are expected to remain in the red due largely to the strong baht and slow global economic recovery. A ministry source said exports fell for a second consecutive month, down by 3.4% y-o-y. Exports in January contracted by 3.46% y-o-y to USD7.2 billion, the biggest fall since last August.

Industrial parks (IPs) and economic zones (EZs) in Vietnam have lured some USD122.5 billion of FDI cumulatively as of the end of 2014. A total figure of USD85.5 billion U.S. dollars in FDI was registered to pour into IPs during the period, of which USD49 billion were disbursed, accounting for 57%.

North East Asia

Japan will double surcharges based on the government's feed-in tariff program in fiscal 2015 for the purpose of broadening adoption of renewable energy. The monthly surcharge for an average household with monthly electricity use of 300 kilowatt-hours is expected to be JPY474. Monthly surcharges for an average household rose from JPY120 in fiscal 2013 to JPY225 in fiscal 2014. The total burden is expected to rise to JPY1.3 trillion in fiscal 2015 from JPY650 billion in fiscal 2014.

Japan's electricity sales by 10 major power suppliers in February dropped 3% from a year earlier to 74.19 billion kilowatt-hours, down for the 10th consecutive month. Power demand for heating decreased due to relatively warm weather, and demand from large industrial users was weak after a rise a year before ahead of the consumption tax hike to 8% from 5% in April last year.

Japanese auto sales seen falling below 5 million units, down 5.4% from the projected level for fiscal 2014, slipping below the five-million mark for the first time in four years.

South Korea will increase budget spending in the first half of the year to spur demand as its economic recovery remains weak and investment sluggish. There have been some signs of improvement in hiring and in asset markets, but this recovery has not spread to consumption or investment. In order to boost public demand, spending by end-June will be boosted by KRW3 trillion (USD2.68 billion), with KRW2 trillion coming from the annual budget and the remainder coming from funds left over from a spending project launched last year.

Carmakers in South Korea have faced a decline in exports in the first two months of the year as their shipments to Russia shrank significantly due to its prolonged economic slump and the plunging currency. Five local carmakers' combined exports came to 460,209 units of vehicles during the January-February period, down 8.4% from a year earlier.

Taiwan's export orders dropped 2.7% y-o-y to USD29.89 billion last month due to fewer working days because of national holidays, and fell 23.4% from the previous month.

Taiwan's electricity rates will drop some 7.34% beginning in April, with the price for 1 kilowatt hour of power to be set at TWD2.8852, down from the current TWD3.1139.

Australasia

New Zealand consumer confidence edged up in March with both current and future measures increasing. The ANZ-Roy Morgan consumer confidence index rose to 124.6 in March from 124 in February. The current conditions index advanced to 123.7 from 123, while the future conditions index gained to 125.3 from 124.6.

Indian Sub-Continent

India has built up record foreign exchange reserves of nearly USD340 billion to insulate the economy from capital flight as the US prepares to lift interest rates. The central bank's intervention has seen reserves rise by about a quarter since the end of 2013 to USD338 billion and headed off a sharp appreciation in the rupee.

Pakistan's current account deficit narrowed significantly in the first eight months of the current fiscal year 2014-15 as weak oil prices and substantial uptick in remittances' inflows eased pressure on the balance of payments. The current account deficit trimmed to USD1.614 billion or 0.8% of the GDP during July to February period of the fiscal year 2014/15. The country reported deficit of USD2.453 billion deficit in the same period of last fiscal year.

Middle East and North Africa

Algeria's reserve currency dropped to USD178.938 billion by the end of 2014, from USD185.273 billion by late September in the same year. The new fall in currency reserves followed a stabilisation at the first half of 2014 to USD193.269 billion from USD194.012 in late December 2013. In spite of this drop, reserves level remains adequate, while foreign debt is still at a historically low level, to USD3.735 billion in late December 2014.

Egypt's current account deficit widened to USD2.9 billion in the three months to December from USD1.4 billion in the same period the previous year. The deficit stood at USD4.3 billion in the first half of the fiscal year which began on July 1, compared with a deficit of USD866 million in the same period a year before.

Morocco's consumer price inflation eased to an annual 1.3% in February from 1.6% in January as rising food and non-food prices slowed. Food inflation was up 1.8% after rising 2.1% in the 12 months till January. The non-food price index rose 0.9% from the previous month. Transport costs fell 3.8%, while housing was 5% more expensive, without elaborating.

A 20.4% increase in phosphate sales has reduced Morocco's trade deficit by 37.2%. The trade gap has narrowed to MAD20.5 billion by the end of February against MAD32.64 billion a year earlier.

Eastern Europe

Russia will support its internal auto producers with a RUB10 billion (USD166 million) subsidy strategy, aiming to support the struggling industry that was hit by the economic collapse.

North America

Annual inflation in Canada held steady at 1% in February, as food and clothing costs rose. Gasoline prices fell in February from a year ago, but on a m-o-m basis recorded their biggest advance in nearly eight years.

Canadian retail sales fell in January, reaching the lowest level in 10 months, on a decline in receipts from gasoline stations. Retail sales fell 1.7% to a seasonally adjusted CAD41.36 billion (USD32.50 billion) in January.

South America

Argentina's current account deficit widened to USD5.07 billion in 2014 from a revised deficit of USD4.70 billion a year earlier. Latin America's No. 3 economy, which grew an anemic 0.5% last year, posted deficit of USD1.68 billion in the Q4.

Chile's central bank held the benchmark interest rate steady at 3% for a fifth consecutive month, as widely expected, and reiterated its neutral bias on future policy.

Colombia's central bank kept borrowing costs unchanged at 4.5% for a seventh straight month, arguing that the fastest inflation since 2009 is mainly caused by temporary factors that will self-correct.

Currency News

Singapore dollar outlook worst since Asian financial crisis. The Singapore dollar is heading for a third straight quarterly loss versus its US counterpart, having tumbled to a four-and-a-half-year low of SGD1.3941 last week. That was partly driven by data showing that the slowdown in China, Singapore's largest trading partner is continuing into this year. The local unit recovered some ground to SGD1.3865 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
19-Mar-15	1,172.70	2.91	55.35	19.02	1.47	2.05	1.39	0.94	9480.47	87.38	2.66	32.20	23.71	3,375.43
21-Mar-15	1,182.54	2.79	55.32	19.83	1.48	2.05	1.39	0.94	9440.20	87.12	2.68	32.35	23.61	3,412.44
% Change	0.84	-4.12	-0.05		0.54	-0.13	-0.19	-0.45	-0.42	-0.30	0.72	0.46	-0.42	1.10

Economic & Financial News

Research & International Division

24/3/2015

*... Hong Kong recorded a balance of payment surplus of HKD26.7 billion ...
... German trade surplus hits record high in 2014 ...*

South East Asia

The Indonesian government plans to ease the export ban on bauxite minerals in a bid to boost construction of smelting facilities in the country. Indonesia imposed a ban on mineral exports early last year to push miners to set up smelting and processing facilities to boost the domestic downstream sector.

A soft housing rental market and a fall in private road transport costs in Singapore pushed inflation into negative territory for a fourth straight month in February. Consumer prices fell 0.3% last month from the same period a year ago. But it was a touch higher than January's reading of minus 0.4%. The slight edging up in last month's inflation was due to higher food and services inflation.

Enterprise spending on IT products and services in Singapore will reach USD19.1 billion in 2015, according to a new report by Gartner. Communications, media and services, banking and securities, government and manufacturing will be the dominant sectors in 2015. These sectors will together account for 70% of total enterprise IT spending in Singapore this year.

March's CPI in Vietnam's two largest cities have both risen. Hanoi's CPI rose 0.38% over the previous month and was up 0.65%, compared with the same period last year. Meanwhile, the Ho Chi Minh City's reported a growth of 0.16% in the city's CPI for March.

North East Asia

Hong Kong recorded a balance of payment surplus of HKD26.7 billion (4.4% of GDP) in Q4 2014, compared with the surplus of HKD68 billion (11.7% of GDP) in Q3 2014. Reserve assets also increased by HKD26.7 billion in Q4 2014. For 2014 as a whole, there was a balance of payments surplus of HKD139.1 billion (6.2% of GDP).

Macao's gross revenue of gaming industry was MOP350 billion (USD45.5 billion) in 2014, while the gross revenue of the non-gaming industries exceeded MOP190 billion (USD23.8 billion). Macao's fiscal reserve reached MOP432.4 billion (USD54.1 billion), while the foreign exchange reserve stood at MOP133.3 billion (USD16.69 billion).

South Korea's price of imported farm products fell to an over-seven year low in February mainly due to a drop in international grain, vegetable and fruit prices. The farm produce import price index stood at just 97, down 4.5% from January and 4.1% from a year earlier.

South Korea is expected to offer KRW33.1 trillion (USD29.9 billion) in tax relief to support economic recovery this year, the finance ministry said. The government's expected tax relief for this year was slightly higher than an estimated KRW33 trillion in 2014, but smaller than the KRW33.8 trillion in 2013.

South Koreans' excess cash holdings rise in 2014. The value of excess funds reached KRW91.7 trillion (USD82.1 billion) last year, up from KRW87.4 trillion in 2013. Consumer spending growth was similar compared to the previous year. It seems that a rise in income growth played a bigger role.

Taiwan's industrial production for February shrank m-o-m because of the decreased number of workdays due to the Lunar New Year holiday. In February, the industrial production index dropped 16.26% from the previous month to 91.21. Compared with the level of the same month of last year, the index posed a growth of 3.32%.

Taiwan's unemployment fell 0.4 percentage points annually to 3.7% last month. Compared with the previous month, unemployment dropped 0.02 points. Last month, the number of unemployed people fell by 2,000 from the previous month to 428,000.

Indian Sub-Continent

India's government will borrow INR3.6 trillion (BND79.5 billion) in the first-half of the fiscal year that begins in April. The amount borrowed in April-September would be 66.7% of the full 2015/16 year target of INR6 trillion announced by the government in its annual budget unveiled late last month. The borrowing would help fund a fiscal deficit of 3.9% of GDP for the year.

The State Bank of Pakistan reduced the benchmark discount rate by 0.5% to 8% for the next two months, bringing the cumulative decline in interest rates in the economy to 2% since November 2014, due in large part to a sharp decline in inflation.

Middle East and North Africa

Bahrain's real GDP growth slowed to 4% y-o-y in the Q4 of 2014, the weakest rate since 3.2% in the Q1 of the year.

11,909 jobs were created in Egypt in January. Jobs created were in the private and investment sectors. The total number of Egyptian labourers abroad holding contracts reached 42,200 during January.

Egypt ran an overall balance of payments deficit of USD1 billion for the first half of the 2014/15 fiscal year, compared to a surplus of around USD2 billion in the same period the year before. Egypt's current account deficit widened to USD4.3 billion. At the same time last year, the current account deficit stood at USD866 million.

Kuwait consumer price inflation continued to slow in January, while core inflation remained steady. Inflation slowed from 3% y-o-y in December 2014 to 2.8% y-o-y in January 2015. Core inflation was stable at 3.2% y-o-y. The ease in headline inflation came on the back of a slowdown in most of the CPI's components, especially food. The relatively strong dinar against major currencies, with the exception of the US dollar, has also helped keep the overall inflation rate at ease of late.

Qatar's economy is expected to grow around 7% this year, underpinned by the ongoing strong momentum in the non-oil as well as gas sectors as the government continues to implement major projects.

Turkish consumer confidence index fell 5.4% in March and decreased to 64.4 points from 68.6% the previous month. Consumers are worried about their finances and the economy.

Western Europe

Consumer confidence in March increased sharply in both the EU (by 2.6 points to minus 1.8) and the euro area (by 3.0 points to minus 3.7) compared to February.

German trade surplus hits record high in 2014 with an amount of EUR216.9 billion (USD236.2 billion). It was the highest level since 2007 when the balance of foreign trade in Europe's biggest economy was EUR195.3 billion. In 2014, Germany exported goods worth EUR1.1 trillion and imported goods worth EUR916.6 billion. Foreign trade contributed slightly to the growth of the German economy in 2014. The huge surplus accounted for roughly 7.5% of the GDP.

North America

Slightly more Americans bought homes in February, but tight inventories, affordability problems and nasty winter weather point to sluggish sales in the coming few months. Sales of existing homes rose 1.2% last month to a seasonally adjusted annual rate of 4.88 million, a slight rebound after plunging in January yet still underperforming by historical standards.

South America

Argentina's economy grew 0.5% for the whole of 2014. The collapse of imports of goods and services in 2014 largely explains why the Argentine economy was able to avoid another recession.

Peru's construction sector will grow above 8% in 2015. This will consolidate as one of the main sources of employment in the country. It will also "recover its position" among the most important sectors driving Peru's economy.

Peru's economy is starting to show an upward trend leading to a 4.2% GDP growth rate this year and an over 5% expansion in 2016 and 2017.

Oil & Gas News

Brent begins week steady at USD55 a barrel. It seems hopes of an OPEC intervention remain faint as Saudi Arabia is now producing in the order of 10 million barrels per day. In London trading Brent crude was up 0.7% changing hands at around USD55.70 per barrel.

Currency News

Ringgit leads Asian advance on Fed outlook. The ringgit rose 1%, the biggest advance since Feb. 4, to 3.6950 a dollar in Kuala Lumpur.

Ruble set for 2015 high as USD9 billion tax deadline spurs demand. The ruble traded 0.8% stronger at 58.7850 versus the dollar by 6:42 p.m. in Moscow.

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-Mar-15	1,182.54	2.79	55.32	19.83	1.48	2.05	1.39	0.94	9440.20	87.12	2.68	32.35	23.61	3,412.44
24-Mar-15	1,186.99	2.74	55.69	20.32	1.49	2.06	1.38	0.93	9485.87	87.09	2.68	32.54	23.65	3,413.75
% Change	0.38	-1.79	0.67	0.54	0.50	-0.61	-1.13	0.48	-0.03	-0.19	0.60	0.18	0.04	

Economic & Financial News

Research & International Division

25/3/2015

*... China's manufacturing activity fell in March ...
... US' CPI increased in February ...*

South East Asia

Brunei's car sales have slowed down since the turn of the year, dropping by 6.2% m-o-m in January, and a further 14.3% last month. Sales in January slumped to 1,411 from 1,504 in December. Sales continued to decline February, with only 1,209 units sold.

Malaysia's unemployment rate in January rose marginally to 3.1%, from 3% the previous month. Comparing annually, however, showed a lower unemployment rate from the 3.3% in January 2014. The labour force participation rate declined to 67.2% in January, compared to 67.9% in the previous month. This decline was due to a reduction of population aged 20 to 34 in the labour market.

Vietnam's CPI in March increased by 0.15% m-o-m, after four consecutive months of reduction. The March CPI surged 0.93% compared with the same period last year, but slipped 0.1% against December 2014. The surge in CPI in March was mainly due to an increase in petrol and gas prices on March 11.

North East Asia

China's manufacturing activity in March fell again to an 11-month low of 49.2, signalling weaker growth momentum and pressure on policymakers to further ease policies. The HSBC flash manufacturing PMI for March, the lowest since May 2014, came after a reading of 50.7 in February and was much weaker than the market consensus of 50.5.

Japanese manufacturing activity in March expanded at a much slower pace than the previous month as domestic orders contracted in a worrying sign that the recovering economy may be losing some momentum. The Markit/JMMA flash Japan Manufacturing PMI fell to a seasonally adjusted 50.4 in March, from a final 51.6 in February.

Macau inflation in February stood at 5.3%. It was attributed the steep rise to rising residential rents and the higher cost of eating out, as well as higher charges for package tours during the Chinese New Year holiday.

South Korea's economy in 2014 grew 3.3%, after rising 2.9% in the prior year. Real GDP increased 3.3% in 2014 as private consumption and exports maintained a growing trend. On a quarterly basis, the real GDP growth kept falling: from 1.1% in Q1 2014 to 0.8% and 0.3% in Q3 and Q4, respectively. Nominal GDP was USD1.35 trillion in 2014, up 3.9% from a year earlier.

South Korea's terms of trade neared the highest level in five years in February as weaker oil prices sent import prices lower compared with export prices. The country's net terms-of-trade index for goods reached 100.52 last month, jumping 12.6% from the previous year.

Australasia

New Zealand recorded a smaller trade surplus in February, due to weaker demand from China. Official figures show a surplus of NZD50 million, compared with a NZD797 million surplus in February 2014. Exports fell 13% to NZD3.9 billion because of lower prices for milk powder, butter and cheese. Imports rose 4% to NZD3.9 billion. On an annual basis, the country recorded a wider deficit of NZD2.2 billion.

Middle East and North Africa

The total value of trade of non-oil merchandise through Abu Dhabi's ports in Q4 2014 reached AED39.4 billion, a 15.8% increase over the same quarter of 2013. Meanwhile, imports decreased by AED1.6 billion (5.9%), while non-oil exports increased by Dh524 million (12.6%) and re-exports by Dh3.3 billion (91.6%) during the last quarter of the year.

Number of tourism arrivals in Egypt in January has increased by 5.5% y-o-y, registering 677,000 arrivals up from 642,000 arrivals last year.

Morocco's central bank held its benchmark interest rate at 2.5% because inflation would remain under control and economic activity is improving. The bank said 2015 GDP was expected to grow 5%, up from 4.4% previously announced, and up from 2.5% in 2014, as agricultural output expanded.

Western Europe

The Bank of France has bought around EUR18 billion (USD19.5 billion) of assets under the European Central Bank's quantitative-easing plans.

France's private sector expanded for the second straight month in March, chiming with recent data that shows the euro zone's second-largest economy is edging back to growth. Data compiler Markit's preliminary composite purchasing managers' index stood at 51.7 in March, only the second time since April 2014 that the reading was above the 50-point line denoting growth.

Germany's private sector grew in March, the strongest rate since July, in a further sign that Europe's largest economy is gaining pace. Markit's flash composite PMI jumped to an eight-month high of 55.3, from 53.8 in February.

The European Central Bank (ECB) asked Greek banks not to increase their holdings of Greek government debt, including Treasury bills. Greece depends on aid from the European Union, the International Monetary Fund and the ECB. But with this aid frozen, the ECB's move increases the pressure on Athens to reach rapid agreement with its creditors on a reform package to unlock fresh cash.

Portugal's deficit in February dropped to almost EUR240 million (about USD262 million). The deficit in January was EUR549 million. The improved results were due to revenue growth rising 2.1%. The country raised almost EUR6.4 million from January to February, mostly due to a rise in indirect taxation.

North America

US' CPI increased for the first time in four months in February, potentially encouraging the Federal Reserve to move closer to its first interest-rate hike in nearly a decade. The CPI increased 0.2% on a seasonally adjusted basis in February, and over the last 12 months, the index was unchanged before seasonal adjustment.

Oil & Gas News

Oil futures settled above USD49 a barrel, at their highest level in more than two weeks, with turmoil in Yemen raising concerns over crude supplies in the Middle East. May Brent crude on London's ICE Futures exchange rallied USD1.37, or 2.5%, to USD56.48 a barrel.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
24-Mar-15	1,186.99	2.74	55.69	20.32	1.49	2.06	1.38	0.93	9485.87	87.09	2.68	32.54	23.65	3,413.75
25-Mar-15	1,195.13	2.73	56.35	20.64	1.49	2.05	1.37	0.93	9473.29	87.47	2.68	32.66	23.79	3,419.02
% Change	0.69	-0.36	1.19	0.33	-0.61	-0.58	0.10	-0.13	0.43	0.13	0.35	0.62	0.15	

Economic & Financial News

Research & International Division

26/3/2015

*... Singapore consumer confidence hits 8 month high in March ...
... Iraq's oil revenue rose in February ...*

South East Asia

Indonesian Government is unlikely to achieve its goal of raising total revenues by 14.6% this year, due to projections that oil and gas revenues will decline by 57%, the World Bank said. The space for additional revenue gains in 2015 through policy and administration changes is shrinking and a revenue shortfall of IDR282 trillion (USD21.8 billion) appears likely, putting pressure on the Government's plan to increase development spending.

Petrol prices were again adjusted downward in Laos by LAK140 kip for gasoline/litre bringing the price to LAK8,060. Diesel was also adjusted downward by LAK160 to LAK7,060 per litre. This is the sixth time this year that fuel prices have been adjusted downward. Since early this year, the price of petrol has decreased more than LAK1,000 per litre.

Singapore's consumer confidence rose in March 2015, driven mainly by greater confidence about personal financial situations and the outlook for the Singapore economy following Budget 2015. The ANZ-Roy Morgan Singapore consumer confidence index climbed 3.8 points to 124.5 this month, an eight-month high.

Thailand expects to borrow THB57 billion (SGD2.39 billion) domestically for road and water projects, instead of taking out foreign loans as previously planned, the finance ministry said.

North East Asia

China's loan for agriculture stood at CNY23.6 trillion (USD3.84 trillion) in 2014, up 13% y-o-y. The volume took up 28.1% of the country's year-round total loans, and its growth rate is 0.7 percentage point higher than the average growth speed of other loans.

Japan's services producer price index for February rose 3.3% from a year earlier, up for the 20th consecutive month, led by the tourism and temporary staffing sectors.

Taiwan's exports are too highly concentrated in a limited number of products and markets. The rates of product and market concentration is higher than those in South Korea, Japan and China and could leave Taiwan vulnerable to major economic changes.

Indian Sub-Continent

The Indian government will boost imports of liquefied natural gas (LNG) to improve electricity generation and revive plants worth billions of dollars to fuel economic expansion. India's plan to import LNG will boost power supply by 79 billion units valued at about INR420 billion (USD6.74 billion) and could spur spot prices of the super cooled gas trading at about USD7.60 per million British thermal units in Asia LNG-AS.

Middle East and North Africa

Iraqi oil revenues rose in February, reaching USD3.4 billion compared to January's revenues of USD3.2 billion. The exported quantities of crude oil and the generated revenue for the month of February amounted to 72.7 million barrels.

Saudi housing costs to halve with new land tax. The first big economic policy initiative since King Salman took the throne in January, aims to encourage owners to sell land so it can be developed.

Eastern Europe

Russia's consumer inflation rate was 0.2% for the fourth consecutive week in the week to March 23. Consumer prices rose 0.2% in the week, compared with inflation of nearly 1% a month earlier. Since the beginning of the year, consumer prices have risen 6.9% compared with 2.3% in the same period a year earlier.

Western Europe

French unemployment registered a slight rise in February, dashing hopes of a sustained improvement in the labour market. The number of category A jobseekers defined as registered job seekers who are fully unemployed, rose 0.4% in February from January to reach 3,494,400. January had marked a 0.5% m-o-m decline after a long period of rising unemployment.

UK inflation rate fell to 0% in February, the lowest since records began. Lower prices for food and computer goods helped to cut the rate from 0.3% in January.

North America

Mexico's economic activity index rose 2.6% in January relative to the same month of 2014, driven by growth in the agricultural sector. The rise in that index was the result of 13.4% growth in primary activities (agriculture), a 0.8% increase in secondary activities (services) and a 3.1% rise in tertiary activities (manufacturing). Mexico's GDP rose 2.1% in 2014, up from the 1.4% growth rate registered in 2013.

Mexican annual inflation inched below the central bank's 3% target in early March, even as a weaker peso threatened to push up prices in Latin America's second-biggest economy. Inflation in the 12 months through mid-March eased to 2.97%.

New orders for US manufactured durable goods declined in February after rising in the previous month. Orders for durable goods dropped 1.4% in February from January to USD231.3 billion, following a 2% increase in January. The orders were down in three of the previous four months.

South America

Bank lending in Brazil rose slightly in February while credit defaults were stable. Commercial lending expanded 0.5% in the month, while revised figures showed a drop of 0.16% in January from December.

Wet weather could squeeze food supplies and push up inflation in Peru this month. Higher food costs could push the annual inflation rate back above the upper limit of the central bank's 1 to 3% target range after it eased to 2.77% last month.

Oil & Gas News

Oil rises on Mideast disruption risk as Saudi Arabia bombs Yemen. Brent for May settlement rose as much as 77 cents, or 1.4%, to USD57.25 a barrel on the London-based ICE Futures Europe exchange.

Commodity News

Copper prices slipped on Wednesday as some investors sold to lock in recent gains while nickel also fell after inventories hit an all-time peak. Three-month copper on the London Metal Exchange ended down 0.3% at USD6,125 a tonne.

Gold has hit two-and-a-half-week highs. Spot gold was up 0.3% at USD1,196.35 an ounce by 5.52am (AEDT), having earlier touched its highest since March 6 at USD1,199.70.

Spot silver was up 5% at USD16.96 an ounce after rising to a five-week high at USD17.11.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
25-Mar-15	1,195.13	2.73	56.35	20.64	1.49	2.05	1.37	0.93	9473.29	87.47	2.68	32.66	23.79	3,419.02
26-Mar-15	1,199.33	2.73	58.89	21.57	1.49	2.03	1.37	0.93	9472.39	87.56	2.68	32.78	23.82	3,430.94
% Change	0.35	0.00	4.51	0.00	-0.67	-0.26	-0.26	-0.01	0.11	-0.19	0.38	0.11	0.35	

Economic & Financial News

Research & International Division

28/3/2015

*... India's foreign exchange reserves shot up to an all-time high ...
... Oman posted a government budget deficit in 2014 ...*

South East Asia

Brunei's export revenues in January increased basis by 0.4% m-o-m to BND955 million on the back of higher crude shipment. Compared to exports posted in December 2014, oil export revenues rose 8.4% to BND288.2 million. This was attributed to increased trade volume of crude oil from 101,000 barrels per day in December to 137,860 barrels per day in January.

Close to 1 million Lao households gain permanent access to electricity. The Lao PDR government has placed the number of households nationwide with permanent access to electricity up to 2014 at more than 986,000. The figure represents 88.7% of the total population in Laos.

Thailand's exports recorded a sharp fall in February largely due to a slower global economic recovery and lower global oil and farm product prices. Exports in February totalled USD17.2 billion, a 6.1% on-year decline while imports rose 1.5% on-year to USD16.9 billion.

Vietnam's disbursement of FDI increased 7% to end at USD3.1 billion in the Q1 of the year. During the reviewed period, the country attracted more than USD1.8 billion in FDI, equivalent to 55.1% of the same period last year.

Vietnam's GDP edged up 6.0% in the Q1 of this year on the strength of "effective contributions" from mining and manufacturing industries. The mining sector experienced a 6.7% y-o-y growth in the Q1. The manufacturing industry grew by 9.5% on-year during the same period. The industrial and construction sector posted 8.4% growth, while the service sector dipped slightly over last year to post a 5.8% growth.

Vietnam recorded a trade deficit of USD1.8 billion in the first three months of this year, accounting for 9% over the total export-import turnover. Of those, the FDI sector, including crude oil, had a trade surplus of USD2 billion. Domestic enterprises had a trade deficit of USD3.8 billion. Export turnover for the Q1 was evaluated at nearly USD35.7 billion, a y-o-y increase of 6.9%.

North East Asia

China's crude oil production stood at 34.21 million tonnes in January and February, up 1.2% from a year earlier. The country refined 76.1 million tonnes of crude oil during the first two months, up 1.5% y-o-y, while output of refined products rose by 3% to 47.9 million tonnes. Apparent consumption of refined oil products rose 8% from a year earlier to 42.9 million tonnes.

China's natural gas output rose 7.7% y-o-y to 23.5 billion cubic meters in the first two months of 2015, while imports climbed 15.5% to 10.7 billion cubic meters. Apparent consumption of natural gas rose 6.2% y-o-y to 34.1 billion cubic meters.

China will reduce price of gasoline by CNY240 (USD39.1) per tonne and diesel by CNY230. The adjustment means benchmark retail price of gasoline will drop by CNY0.18 per litre and that for diesel down by CNY0.2.

China's industrial profits for the first two months of the year declined 4.2% y-o-y, narrowing from the 8% decrease seen last December. Profits of Chinese industrial businesses hit CNY745.24 billion (USD121.5 billion) in the first two months, with high-tech manufacturing scoring the best performance.

Japan's seasonally adjusted unemployment rate fell 0.1 percentage point from the previous month to 3.5% in February. The number of jobless people decreased 50,000 to 2.3 million while that of workers increased 20,000 to 63.76 million.

Japan reported lacklustre inflation and wages data for February that suggested Friday that its economic recovery remains in the doldrums. Core inflation excluding volatile food prices was 2% in February, down from 2.2% in January.

Macau had a tourism carrying capacity ranging from 89,374 to 92,325 visitors per day last year, while the annual carrying capacity range was between 32.62 million and 33.7 million.

Apartment prices in South Korea increased at a faster rate in the Q1 compared with a year earlier. On a nationwide basis, prices gained 0.87% on-year in the January-March period, accelerating from 0.67% growth in the previous year.

Indian Sub-Continent

India's foreign exchange reserves shot up to an all-time high of USD340.0 billion, after a USD4.3-billion increase over the week ended March 20, driven by a rise in core currency assets. Total reserves had dropped by USD2.1 billion to USD335.7 billion in the previous week, after touching an all-time high at USD338.1 billion a week earlier.

India's natural gas prices will fall 10% to USD5.02 per unit from April 1, after the first price revision since the new gas formula was announced by the government last year. The Indian government will also announce in the next few days the premium that producer can charge on the price of gas pumped from new discoveries in challenging, deep-water fields.

Foreign exchange reserves held by the Pakistan's central bank decreased 1.4% on a weekly basis on March 20. Liquid foreign exchange reserves decreased by USD159 million to USD11,067 million compared to USD11,226 million in the previous week.

Middle East and North Africa

Oman posted a government budget deficit of OMR360.8 million (USD937 million) in 2014 compared to a surplus of OMR401.0 million in 2013.

Saudi Arabia has begun drawing down its foreign currency reserves for the first time since 2009 to cover a record state budget deficit caused by the plunge in oil prices. The central bank's net foreign assets fell 1.4% from a year earlier to SAR2.7 trillion (USD707 billion) in February.

Eastern Europe

Russia's economic contraction deepened in February with GDP falling 2.3% on the year. Russia's economy is contracting for the first time since 2009, feeling the impact of Western sanctions and a rapid slide in prices for oil, its key exports.

Russia's plan to increase the salaries of state workers could be revised as the country faces economic headwinds. The finance ministry has said that it will not adjust salaries for all state workers in line with this year's inflation rate, which now stays close to 17% in annual terms.

Western Europe

British house prices growth softened to 5.1% in March from 5.7% in February on y-o-y basis. British average house price was GBP189,454 (about USD282,000) in March, merely 0.1% higher than the previous month.

France's public deficit was equivalent to 4% of GDP last year and compared with 4.1% in 2013. The slightly improved result has opened the possibility to revise lower the public deficit for 2015, at around 3.8% of GDP.

German real wages rose by 1.7% on the year, revising up its preliminary estimate by 0.1 percentage points. They had fallen by 0.1% in 2013. A full-time worker in Germany earned an average of EUR46,575 before tax in 2014, including special payments.

Greek banks suffered heavy out-flows of deposits in February. Depositors withdrew EUR7.6 billion during the month, leaving total private sector deposits at EUR140.5 billion – 14.5% less than end-November levels.

North America

Mexican factory-made exports in February. Manufactured exports fell 0.3% in February compared with January in seasonally adjusted terms, its second monthly contraction this year. While auto exports fell 2.1%, shipments of other factory-made goods ticked up 0.67%.

US economic growth unchanged at 2.2% in Q4 of 2014. For the whole year 2014, the US economy expanded 2.4%, slightly higher than that in 2013.

South America

Brazil's unemployment rate jumped higher in February, as Latin America's largest economy continues to struggle. Joblessness in six major metropolitan areas rose to 5.9% in February, from 5.3% in January. Last year, Brazil's economy shrank an estimated 0.1% and this year it will contract 0.5%.

Oil & Gas News

Oil dives 5% as worries about Iran talks trump Yemen. Brent settled down USD2.78 at USD56.41 a barrel. U.S. crude settled USD2.56 lower at USD48.87. Both fell further after the market settled.

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28-Mar-15	1,198.55	2.64	56.41	21.37	1.49	2.03	1.37	0.94	9533.80	87.15	2.68	32.72	23.80	3,450.10
% Change	-0.07	-3.30	-4.21		-0.24	0.13	0.24	0.77	0.65	-0.47	0.00	-0.17	-0.09	0.56