

Economic & Financial News

Research & International Division

2/5/2015

*... Russia cuts key interest rate to 12.5% ...
... Venezuela has raised minimum wage by 30% ...*

South East Asia

Cambodia's 40 Microfinance Institutions (MFIs) had reported a 13% rise in loan disbursements in the Q1 of 2015. The MFIs had lent about USD2.29 billion to customers as of March this year, up 13% from USD2.03 billion at the end of last year, adding that around 1.78 million customers had borrowed money from the MFIs.

Malaysia's semiconductor export will be adversely affected by global economic slowdown. The proportion of Malaysia's semiconductor in global exports will probably drop from 8% in 2014 to 5% by 2015. The investment in manufacturing industries jumped by 38 percent in 2014 to reach MYR71.9 billion (about USD20.3 billion) including MYR11.1 billion in electronics and electrical industries. Electronics and electrical industries are still the main driver of economic growth in Malaysia.

Thailand's central bank relaxed curbs on capital outflows. Thailand will allow Thais to freely purchase foreign currencies for deposit up to a limit of USD5 million. It will also allow Thais to purchase properties overseas up to a value of USD50 million per year.

North East Asia

China's deficit in foreign service trade reached CNY92.1 billion in March, up from CNY76.7 billion in February. Last month, the country spent a total of CNY205.3 billion in international service trade. China's deficit in foreign merchandise and service trade amounted to CNY103.6 billion in March, contrasted with a surplus of CNY289.2 billion in the previous month.

China will improve agricultural subsidy policies in an effort to deepen rural reform, promote agricultural modernisation and increase peasants' income. A total of CNY14 billion (USD2.3 billion) will be given directly to grain farmers. Another CNY20.4 billion will go to farmers to promote good crop varieties.

China pledged new steps to encourage entrepreneurship and boost job creation, as economic growth slows and employment pressures rise. The State Council will support small businesses' efforts to hire university graduates and encourage skills training, especially for unemployed and rural residents.

Japan's unemployment stood at 3.4% in March, down 0.1 percentage point from the previous month, improving for the second straight month thanks to a better employment situation for young people. The total number of jobless fell by 90,000 to 2.21 million.

Japan's core consumer prices stripped of the effects of the sales tax hike last April rose 0.2% in March after hitting zero in February. Consumer prices rose 2.2% from a year earlier to 103.0 against the base of 100 set in 2010.

Foreign visitors to Japan spent JPY706.6 billion (USD5.95 billion) from Q1, a record high for one quarter and an increase of 64.4% from the same period of the previous year. The number of travelers to Japan in the Q1 rose 43.7% from a year earlier to 4,131,400.

The South Korean economy maintained a record-breaking trend of trade surplus in April as imports reduced at a faster pace than exports. Exports declined 8.1% from a year earlier to USD46.22 billion in April. Imports tumbled 17.8% to USD37.73 billion in the same period, indicating a faltering domestic demand. Trade surplus was USD8.49 billion in April, keeping a record-breaking surplus trend for three months in a row.

South Korea's inflation rate in April remained at its lowest level since 1999, fanning concerns that Asia's fourth-largest economy is slipping towards a period of deflation. The CPI was up 0.4% in April from a year earlier, unchanged from the rate in March. Rises in rents and services were largely offset by sharp declines in energy costs as oil prices plunged 20.9% from a year ago.

The volume of South Korea's energy imports inched up on-year in the Q1 of 2015, but its value dropped sharply due mainly to weak international crude oil prices. South Korea imported 78.24 million tons of energy products, including crude oil, coal and natural gas, during the January-March period, up 1.4% from a year earlier.

Indian Sub-Continent

India's foreign exchange reserves rose USD1.4 billion in the week ended April 24 to touch USD344.6 billion, creating a new record. The Reserve Bank of India has added close to USD25 billion in the reserves kitty since January as overseas investors poured in dollars in the local debt and equities market on the hope of economic revival.

Indian petrol prices were raised by INR3.96 per litre and diesel by INR2.37 a litre, tracking global cues after two rounds of cuts. Prices of petrol in Delhi will be Rs INR63.16 a litre as against the current INR59.20; while diesel will cost INR49.57 per litre as against INR47.20.

Middle East and North Africa

Egypt's total foreign debt declined to USD41.3 billion in the Q2 of the 2014/2015 fiscal year compared to USD44.8 billion dollars in the Q1. The total foreign debt owed by the country in the Q2 of the 2013/2014 fiscal year stood at USD46.1 billion dollars, which means that it has declined by 10.3% since then to reach USD41.3 billion.

Egypt's M2 money supply was up 17% at the end of March from a year earlier. M2 money supply stood at EGP1.6826 trillion (USD221 billion) at the end of March, compared with EGP1.4384 trillion at the end of March 2014.

Turkey's foreign trade deficit surged in March. The deficit soared to USD6.15 billion, up 17.2% from USD5.25 billion for the same month last year. Foreign trade deficit ceased its downward move as a decline in exports was more significant than the drop in imports. March exports at USD12.57 billion, a 14.4% decline y-o-y, imports also down to USD18.7 billion, a 6.1% decline.

Eastern Europe

Russia cuts key interest rate to 12.5% to help economy as it heads into recession. A reduced threat of runaway inflation, which slowed slightly to 16.5% in April, had made the cut possible, but said there remained a risk of a significant cooling of the economy.

Western Europe

British bank lending to businesses rose for the third month in a row in March. Net lending to non-financial firms increased by GBP2.7 billion, its strongest increase since the Bank of England data series began in May 2011. There were increases of GBP1.3 billion in February and GBP1.9 billion in April.

Britain's manufacturing sector grew at the slowest pace in seven months in April, raising concerns over the strength of the economy days before the general election. The PMI for the manufacturing sector fell to 51.9 in April, from a downwardly revised reading of 54 in March.

The Greek unemployment rate slightly eased to 25.7% in January, compared to December 2014, but remained the highest in the Eurozone and the EU. The number of unemployed people fell to 1.22 million in January. The unemployment rate among young people, aged below 25, fell to 50.1% in January from 50.8% in December.

Spain's consumer prices fell by 0.6% in April when compared with the same month of a year earlier. The figure is 0.1% higher than the inflation rate registered in March, when prices fell by 0.7%. This variation is due to higher electricity prices.

North America

The number of Americans initially applying for unemployment aid fell to the lowest level in 15 years, the latest sign of a strengthening job market. In the week ending April 25, the advance figure of seasonally adjusted initial claims for jobless benefits fell by 34,000 to 262,000, the lowest level since April 2000.

US construction spending fell in March to a six-month low as outlays on private residential construction spending declined sharply, which could add to concerns about the economy's ability to rebound strongly from the Q1's soft patch. Construction spending slipped 0.6% to an annual rate of USD966.6 billion, the lowest level since September.

South America

Brazilian government generated a primary surplus of BRL239 million (USD80.4 million) in March. That is an improvement from February's deficit of BRL2.3 billion, but it also left the 12-month result still in the red, at a deficit measuring 0.7% of GDP. March's fiscal result was the worst since the central bank began tracking it in 2001.

Peru's budget deficit will rise to 2% of GDP this year as the government boosts spending and cuts taxes to try to jump-start sluggish economic growth. Peru posted a 0.2% deficit last year as its mining-fueled economy slowed to its weakest growth rate in five years, 2.35%, amid a drop in metals exports and investments.

Venezuela has raised minimum wage for the second time this year to help workers being battered by the world's highest inflation. Venezuelan President said he is boosting the minimum wage and pensions for pensioners by 30%, with two-thirds of the increase coming this month and the rest on July 1. And he would raise salaries for government employees and military personnel.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
30-Apr-15	1,204.04	2.59	65.99	25.48	1.45	2.03	1.32	0.95	9823.18	90.03	2.70	33.52	24.72	3,474.83
02-May-15	1,178.46	2.78	66.46	23.91	1.47	2.04	1.32	0.95	9778.04	89.93	2.70	33.70	24.85	3,487.39
% Change	-2.12	7.34	0.71		1.43	0.74	0.20	-0.26	-0.46	-0.11	0.19	0.53	0.52	0.36

Economic & Financial News

Research & International Division

7/5/2015

*... China will further lift controls on the prices of commodities and services ...
... Greek unemployment eased to 25.4% in February ...*

South East Asia

The total investment coming into Brunei from ASEAN countries in 2014 totaled USD141 million (BND186 million). This accounted for a quarter of total global FDIs into Brunei in 2014.

Indonesian growth slipped to its slowest pace since 2009 in Q1 2015, signaling a tough road ahead for President Joko Widodo to revive Southeast Asia's top economy. The economy expanded 4.7% y-o-y in Q1.

Indonesia's unemployment rate increased in February at 5.8%, amid slower economic growth. There were 7.5 million unemployed people out of the total workforce of 128.3 million in the country.

Indonesia's central bank will use its arsenal of policies to help revive economic growth. Bank Indonesia will coordinate with the government and the central bank will respond in the form of a policy mix.

Laos recorded an export of USD1.8 billion and an import of USD2.4 billion in the first six months of fiscal 2014-2015, leaving a deficit of USD640 million. Economic growth in Laos has boosted demand for imports including fuel and equipment for construction and capacity expansion in capital-intensive sectors such as mining and hydroelectric power generation.

Vietnam continued to reduce import taxes on oil products, effective April 4. Import tariffs on diesel and fuel oil dropped by 8 and 12% to 12 and 13%, respectively. Meanwhile, import taxes levied on other products were kept unchanged. The adjustment of import tariffs was aimed at preventing an increase in domestic oil prices when the country tripled the environmental protection fees on petroleum products beginning in May this year.

FDI in real estate accounted for 40% of Vietnam's total foreign investment last year. The real estate sector came in second to processing and manufacturing in FDI attraction.

North East Asia

China will further lift controls on the prices of commodities and services. The proposed revised catalog will limit price controls to just 7 major categories namely natural gas, water supply, electricity, special medicines and blood, important transportation services, postal services and certain professional services.

Hong Kong's retail sales for March dropped by 2.9% y-o-y to an estimated HKD38.4 billion, worse than market predictions, due to weaker-than-expected local buying.

Japan's monetary base stood at a record JPY305.9 trillion (USD2.6 trillion) at the end of April, up 35.6% from a year earlier, as the Bank of Japan continued to provide more liquidity to raise the inflation rate to its targeted 2%.

South Korea's foreign exchange reserves resumed a record-breaking trend in nine months thanks to a rise in conversion value of non-dollar assets such as the euro. Foreign reserves amounted to USD369.9 billion as of end-April, up USD7.2 billion from a month earlier. It marked a new record high, topping the prior high of USD368 billion tallied in July 2014.

South Korea's labor productivity continued to improve in 2014 from a year earlier largely on a gain in the service sector. The country's overall labor productivity index rose 1.5% to 101.9 last year, marking the second consecutive year of on-year gain.

Australasia

Australia's unemployment rate rose to 6.2% in April, up from a rate of 6.1% in March. The total number of people employed in Australia dropped by 2,900 to 11.7 million in the month, on a seasonally adjusted basis. The jobless rate is a touch below January's 12-year high figure of 6.4%.

Australia's central bank cut its benchmark interest rate to a record low of 2% to try to reinvigorate the struggling economy as a long China-fuelled mining boom fizzles out.

New Zealand's strongly growing economy created 16,000 jobs in the Q1, keeping pace with an increase in the workforce to hold the jobless rate steady. Employment growth was led by the technical, services and construction sectors, but the jobless rate held steady at 5.8%. The participation rate rose to a record 69.6%.

New Zealand's wage inflation slowed in the Q1 as an expanding labour market soaked up growing capacity, helping lift participation to a new record. The labour cost index shows private sector wages rose 0.3% in the Q1, slowing from a 0.5% pace in December. That's the slowest pace since the Q1. Annual wage inflation for the private sector was unchanged at 1.8%.

Indian Sub-Continent

Pakistan's annual inflation has slowed down to 2.11% in April from 2.49% in the previous month on the back of drop in petroleum and commodities prices.

Middle East and North Africa

Egypt's foreign reserves jumped to USD20.5 billion at the end of April 2015, compared to USD15.3 billion the preceding month. The increase is attributed to the recent arrival of USD6 billion in Gulf deposits from Saudi Arabia, Kuwait and the UAE.

Jordan's gross domestic and foreign debt rose 1.2% to JOD20.8 billion (USD29.3 billion) at the end of February compared with the end of last year. Gross net domestic debt rose to JOD12.77 billion at the end of February against JOD12.52 billion at end of 2014.

Libya burned through more than a quarter of its foreign currency reserves in 2014 to offset a fall in vital oil revenues and keep the country running. Central bank forex reserves were USD76.6 billion at the end of 2014 compared with USD105.9 billion a year earlier.

The unemployment rate in Morocco was 9.9% in the Q1 of 2015, down four-tenths of a per cent from 10.3% during the same period of last year. The number of jobless people currently stands at 1,157,000, down from 1,191,000 in 2014 or a decrease of 34,000 (12,000 in urban areas and 22,000 in rural areas).

Growth in Saudi Arabia's non-oil private sector slowed to a three-month low in April as the effects of a one-off injection of government cash into the economy faded. Output growth slowed sharply to 64.2 points from 67.6, though it remained fast in absolute terms, while new order growth fell less steeply to 65.9 from 67.3.

Tunisian inflation rate remained stable at 5.7% in April, at the same level of that of March 2015, according to the Trade Ministry.

FDI in Tunisia rose 24% in the Q1 of 2015 y-o-y. The figure for that period, from January to March, was TND396 million (USD206 million). The manufacturing industry drew most of the investment flow, followed by the services sector.

Eastern Europe

Russian consumer price inflation edged down in April for the first month since July. Annual consumer price inflation eased to 16.4% in April from 16.9% a month earlier. Monthly inflation fell to 0.5% from 1.2% over the same period, with food, non-food and services sectors all showing a slower pace of price increases.

The number of mortgages issued in Russia surged to more than 1 million last year, even as an economic slowdown began to strike borrowers. The number of mortgages granted in 2014 surged 22.8% from the previous year, while the total volume of mortgage lending in monetary terms rose 30.3% to RUB1.7 trillion.

Ukraine's auto sales up 26% in April. Last month, a total of 3,057 passenger cars were sold in the eastern European country, compared with the 2,259 units in March. Ukraine's auto market has been severely hit by the political and economic crisis, amid which banks have curtailed car loan programs.

Western Europe

The seasonally adjusted retail trade volume dropped by 0.8% and 0.6% in the euro zone and the EU in March respectively. On a y-o-y basis, retail sales increased by 1.6% in the euro zone and 2.5% in the EU.

Greek unemployment eased to 25.4% in February from a 25.6% in the previous month. February's is the lowest since July 2012 when unemployment stood at 25.3%. The jobless rate hit a record high of 27.9% in September 2013.

Ireland's manufacturing production increased by 2.8% in March when compared to the previous month. It was attributed the increase to the significantly expanded high-tech and chemical sectors during the month. On an annual basis, production for March 2015 increased by 45.5% when compared with March 2014.

Portugal's unemployment rate rose to 13.7% in the Q1 of 2015. Over 712,000 people were jobless in the Q1, translating into around 14,000 more jobless people than the previous quarter.

Spain's unemployment fell by 2.67% in April, which meant 118,823 fewer unemployed people in comparison with March. A total of 4,333,016 people were unemployed in the fourth month of the year, which meant a 7.5% fall on a y-o-y basis, with 351,857 fewer people unemployed.

North America

US labor productivity continued to fall in the Q1 of this year, reaffirming a weak economy at the start of this year. Nonfarm business sector labor productivity decreased at a 1.9% annual rate during Q1, following a decline of 2.1% in the Q4 of 2014. On a y-o-y basis, the productivity increased 0.6%.

US trade gap widened further in March, driven by a surge in imports. The country's trade deficit expanded 43% from the previous month to USD51.4 billion in March, the largest since October 2008. In March, exports increased USD1.6 billion from February, or 0.9%, to USD187.8 billion, while imports rose 7.7% to USD239.2 billion.

US factory orders rose in March for the first time since July, while Eurozone fell slightly. Orders in the US increased 2.1% following seven monthly declines. And in further good news, orders in a key category that tracks business investment plans eked out a 0.1% rise. It was the first advance in this category since last August.

South America

Argentina announced a progressive reduction in income tax for workers earning between ARS15,000 (USD1,685) and ARS25,000. The reduction will benefit 68% of taxpayers. Married couples with two children will see a 6% increase in take-home pay, while singles will see a 5% increase. The reduction will cost the government ARS6 billion in lost revenue.

The number of real estate sales in Buenos Aires City rose 23.6% in March, compared to the same month last year, a rare positive sign that could be the first hint of a recovery for the slumped market.

New-vehicle sales in Brazil fell sharply in April, as the country's struggling economy continued to hurt consumer confidence. Sales of cars and light vehicles, trucks and buses plummeted 25.19% in April from a year earlier to 219,350 units.

Brazil posted a USD491 million trade surplus for April, taking an accumulated deficit for the year to date to USD5.066 billion. Exports over the month hit USD15.156 billion over imports totaling USD14.665 billion as the April figure came in 2.96% down on the same month in 2014.

Purchase real estate prices all over Brazil have fallen a combined 3.47% in real prices the first months of 2015. The index collected real estate prices in twenty Brazilian cities and measured them against inflation, registering monthly price rises below inflation for the sixth time in a row.

Chile's economy grew at a modest pace in March, weighed down by devastating floods and mudslides in its northern region. The IMACEC economic activity index rose 1.6% in March from the same month a year ago.

Oil & Gas News

Oil prices eased on Thursday after hitting 2015 highs in the previous session, as an OPEC delegate indicated the group would stick to a strategy of pursuing market share rather than cutting output and traders took profits after a multi-week rally. Brent crude was trading 13 cents lower at USD67.64 per barrel at 0658 GMT. It rallied to a 2015 peak of USD69.63 on Wednesday before closing below USD68 a barrel.

Commodity News

Gold prices moved further below the USD1,200 level on Thursday. On the Comex division of the New York Mercantile Exchange, gold futures for June delivery shed USD8.10, or 0.68%, to trade at USD1,182.20 a troy ounce during European morning hours after hitting a session low of USD1,181.80.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
02-May-15	1,178.46	2.78	66.46	23.91	1.47	2.04	1.32	0.95	9778.04	89.93	2.70	33.70	24.85	3,487.39
07-May-15	1,184.11	2.77	67.68	24.43	1.49	2.02	1.33	0.94	9799.12	90.33	2.69	33.53	25.05	3,434.30
% Change	0.48	-0.36	1.84		1.48	-1.05	0.36	-0.08	0.22	0.45	-0.35	-0.49	0.80	-1.52

Economic & Financial News

Research & International Division

9/5/2015

*... Japan government debt at record JPY1,053 trillion (USD8.8 billion) at end of March ...
... Reserve Bank of Australia cuts interest rates to record low of 2% ...*

South East Asia

Indonesia's foreign currency reserves reduced by USD700 million to USD110.9 billion in April from a month earlier due to increasing payment of foreign debts.

Indonesia's government has targeted a deficit of 1.9% of GDP this year and will not allow it to widen to more than 2.2% of GDP. The target is dependent on total revenue increasing by 14% and tax collection by 30%.

Malaysia registered a trade surplus of MYR21.3 billion in Q1 2015, with total trade valued at MYR345.2 billion, comprising MYR183.2 billion in exports and MYR161.9 billion in imports. In March, exports of manufactured goods to Malaysia contributed about 79.2% of the total exports, valued at MYR52.7 billion, an increase of 5.7% y-o-y. The increase was driven by higher exports of electrical and electronic products.

Bank Negara Malaysia kept the Overnight Policy Rate (OPR) unchanged at 3.25% as the current level remains accommodative and supportive of economic activity. Domestic demand has continued to support growth in Q1 2015.

In a bid to shore up natural rubber prices, the Malaysian government will used about 10% of total rubber production to construct rubberised roads.

Thailand's consumer sentiment fell to a 10-month low in April, indicating weak economic conditions in the first three months of this year. Thailand's consumer-confidence index slipped to 76.6 in April, compared with 77.7 in March.

Bad debt in Vietnam banking system inched up from 3.3% of outstanding loans recorded at the end of last year to 3.5% as of January 31, 2015. In terms of value, total bad debt was estimated to hit USD6.4 billion.

The Vietnamese government imposed a new export tax of 2% on gold jewellery which is more than 95% in purity. A 0% duty is maintained on gold jewellery that is 95% or less in purity.

North East Asia

China will raise the consumption tax of cigarette at the wholesale level, starting from May 10. The tax rate imposed on cigarette wholesalers on the basis of taxable prices will be increased from 5% to 11%, and they will also pay an additional CNY0.005 for each sold cigarette.

China's foreign trade volume dropped by 10.9% y-o-y to CNY2.0 trillion (USD320.6 billion) in April. Exports shed by 6.2% to CNY1.1 trillion, while imports shrank by 16.1% to CNY873.9 billion. Trade surplus soared by 85.2% to CNY210.2 billion last month.

Chinese banks' loans to small and micro businesses increased by 16.8% y-o-y to CNY21.4 trillion (USD3.5 trillion) by the end of March. The pace was 3.5 percentage points faster than average loan growth.

Japan government debt at record JPY1,053 trillion (USD8.8 billion) at end of March, in a result that puts pressure on the government to take further austerity measures.

Foreign luxury car sales in South Korea kept growing last month on strong demand for German luxury brands. Foreign automakers sold a combined 18,202 vehicles here in April, up 8.9% from a year earlier.

Australasia

Reserve Bank of Australia cuts interest rates to record low of 2%. Lower growth and higher unemployment concerns prompted official interest rates to be cut to a historic low this week.

Indian Sub-Continent

Bangladeshi export earnings in April slid to USD2.4 billion against USD2.6 billion in March. If the slide continues it is likely to dent the country's growth in the current fiscal year which ends on June 30.

House price inflation in India slowed to the lowest in almost four years in Q4 2014. The All-India Residential Property Price Index increased less than 4% in the Q4 from the previous year.

Pakistan's foreign exchange reserves fell to USD17.7 billion during the week ended May 1. The foreign currency holdings (forex) decreased USD48 million to USD12.5 billion from the preceding week.

Pakistan's money supply inched up to 5.7% during the first 10 months of the current fiscal year, as compared with 5.1% in the same period last year. The money supply (M2) expanded by PKR568 billion between July 1, 2014 and April 24, 2015 as against PKR451 billion a year earlier.

Sri Lanka's tourist arrivals rose 8.5% to 122,217 in April 2015, from a year earlier, driven by India and continued strong growth from China. Sri Lanka exceeded its target of 1.5 million tourist arrivals last year and earned USD2.206 billion from tourism.

Middle East and North Africa

Egypt's budget deficit in nine months from July to March of FY2014/2015 hiked to 9.4% of the country's GDP, from 7.3% in the same period last year. The shortfall amounted to EGP218.3 billion (USD28.6 billion,) compared to EGP145 billion in the same period during the previous financial year.

Saudi Arabia's central bank is expected to stabilise inflation in Q2 2015, with weak global commodity prices offsetting any upward pressure due to seasonal demand. Saudi consumer prices rose 2% from a year earlier in March, the slowest rate since at least September 2012.

Tunisia's trade deficit dropped by 20.8% in the first four months of 2015, compared with the same period last year. The decrease was TND933.6 million in value.

Eastern Europe

The Czech central bank kept borrowing costs near zero and maintained its cap on koruna gains as disinflationary risks prevailed even. The central bank held its benchmark interest rate at 0.05% for a 20th meeting.

Poland's unemployment continued to decline in April, dropping to 11.3% as a result of robust economic recovery and a seasonal rise in job supply. Some 295,000 people were registered as unemployed, down 76,000 from a month earlier when the jobless rate reached 11.7%.

Russia and China signed a USD25 billion deal to boost Chinese lending to Russian firms and a host of other accords deepening economic cooperation on Friday as Moscow's ties with the West fray over the Ukraine crisis.

Western Europe

Austria's 2014 current account surplus fell to EUR2.6 billion from EUR3.1 billion a year earlier as its goods trade gap continued to widen. The merchandise trade deficit swelled to EUR2.3 billion from EUR1.9 billion.

British house prices rose by 1.6% between March and April as the economy continued to pick up but new housing remained in short supply, according to Halifax. The annualised rate of house prices went to 8.5%, up from 8.1% in March.

Dutch inflation rate rose for the third month in a row in April, reaching 0.6%. In March the inflation rate was 0.4% and in February 0.2%.

France's trade deficit widened in March from February as oil imports increased in volume and price. The eurozone's second-largest economy recorded a EUR4.6 billion (USD5.2 billion) trade deficit in March compared with EUR3.6 billion in February.

French industrial production contracted 0.3% in March compared with February, as declines in the production of energy and water offset gains in other industries.

Germany's industrial output and its trade surplus were both hit by surprise falls in March. The slight fall of 0.5% in production after seasonal adjustments. The slide is mostly due to a dip in earnings from investment products (-1.4%). While exports did grow by 1.2% over the month to EUR98.9 billion, imports ticked up faster to EUR79.6 billion.

Italian industrial production rose in March, confirming the positive trend seen in February. Industrial output advanced 0.4% on the month in seasonally adjusted terms. The rise was led by a 1.4% increase in consumer goods.

Spanish housing sales increased by 2.1% y-o-y in March. A total of 27,280 operations were registered, which meant that housing sales have been rising for seven consecutive months on a y-o-y basis, especially as a result of a rise in sales of second-hand houses.

Spain has the most competitive tourism industry in the world especially thanks to its cultural resources, infrastructure and adaptation to new technologies, according to a report issued by the World Economic Forum. Spain has come out on top of a list of 141 countries for the first time.

Switzerland's foreign-currency edged down to CHF521.9 billion (USD570.8 billion) in April, from CHF522.4 billion in March, largely because of the weakness of the dollar.

The Swiss unemployment rate fell for the second month in a row in April, dipping to 3.3% from 3.4% in the previous month. The number of people registered for jobless benefits dropped by almost 4,000 people to 141,131 as of April.

North America

Canada shed 19,700 jobs in April as losses in part-time work offset gains in full-time positions. The jobless rate stayed at 6.8% in April. Part-time employment dropped by 66,500 jobs, the biggest fall since the loss of 77,500 in March 2011. But full-time employment rose by 46,900.

Canadian housing starts to decline in April. The seasonally adjusted annualised rate of housing starts fell to 181,814 in April from a downwardly revised 189,546 units in March.

Mexican consumer prices fell in April on lower electricity rates and a drop in vacation costs after the Easter holiday period. The consumer-price index fell 0.3% last month for a 12-month rate of 3.1%.

The US economy pumped out a solid 223,000 net new jobs in April, rebounding modestly from a dismal March. The jobless rate fell to a seven-year low of 5.4%, down 0.1 percentage point from the previous month. The number of unemployed Americans was virtually unchanged at 8.5 million, as was the labor force participation rate, at 62.8%, compared with above 66% before the 2008-2009 recession.

US consumer borrowing expanded USD20.5 billion in March. Consumers increased their borrowing by the largest amount in nearly a year as borrowing on credit cards rebounded following two months of declines. Borrowing in the category that covers credit cards shot up USD4.4 billion to USD889.4 billion in March. Borrowing in the category that covers auto and student loans rose USD16.2 billion to USD2.5 trillion.

South America

The unemployment rate in Brazil in Q1 2015 rose to 7.9% from the 6.5% registered in Q4 2014. The rate is the highest since the Q1 of 2013.

Brazil's consumer price inflation slowed in April, but not enough to prevent the 12-month rate from remaining well above the central bank's target. Brazil's CPI, the IPCA, rose 0.71% in April, compared with a rise of 1.32% in March.

Chile's CPI rose in April, on the back of price increases for transportation, health, food and non-alcoholic beverages. The CPI rose 0.6% in April. Inflation in the 12 months to April was 4.1%, remaining above the central bank's 2% to 4% target range for the 13th month in a row.

Oil & Gas News

Brent oil posted its first weekly loss in a month on Friday as the market fretted again about global oversupply while US crude rose for an eighth straight week, helped by jobs growth data and the first storm of the hurricane season forming. Brent, the more globally-used benchmark for oil, settled down 15 cents, or 0.2%, at USD65.39 a barrel. It was down 1.6% on the week.

Commodity News

The gold price in international and domestic markets remained firm on back of steady buying while hedging put market under firm sentiments. Price remained favourable for buyers in international and domestic markets during trading session and gold closed at USD1,186 an ounce with no variation while domestic bullion price also witnessed firm trend.

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-May-15	1,184.11	2.77	67.68	24.43	1.49	2.02	1.33	0.94	9799.12	90.33	2.69	33.53	25.05	3,434.30
09-May-15	1,188.39	2.88	65.39	22.70	1.49	2.06	1.33	0.95	9873.62	89.98	2.71	33.53	25.20	3,452.01
% Change	0.36	3.97	-3.38		0.15	2.10	0.38	0.71	0.76	-0.39	0.57	0.00	0.58	0.52

Economic & Financial News

Research & International Division

12/5/2015

*... China overtook the US as the world's top importer of crude oil ...
... The Bank of England has decided to keep its interest rates on hold this May ...*

South East Asia

Indonesia's airline passengers preferred to travel to domestic destinations in Q1 2015, as a weak rupiah against the US dollar discouraged travelers from going overseas. The number of airline passengers traveling within Indonesia in Q1 rose 13% y-o-y to 15.2 million from 13.5 million. However, the number of Indonesians traveling to international destinations dropped 3.5% to 3.2 million from 3.3 million.

Laos' mineral exports quadruple from USD2 billion during 2006-2010 to USD8 billion over the past five years. The government has estimated more than 15,000 of people employed in the mining industry and livelihoods have gradually improved with some families graduating from poverty.

Philippines' FDI climbed 18% y-o-y in February, reflecting the continued operations and expansion of foreign firms in the country. FDIs rose to USD359 million in February from USD305 million in the same month last year.

Philippine March exports up 2.1% y-o-y after three consecutive months of declines on the back of higher shipments of manufactured goods.

The Philippines automotive industry continues in its growth path with year to date growth of 20.7% as total sales already reached 84,141 units versus 69,737 units in the same first four months of 2014 despite a 10% decline in sales in April.

The resale prices and volume of non-landed private homes in Singapore continued to slip in April, with SRX's price index for such homes falling 0.7% last month compared to March.

Thailand's credit-card and personal loans surged at a double-digit pace in Q1 2015, reinforcing signs that individuals' debt repayment ability is deteriorating amid the stuttering economy. Non-performing loans (NPLs) for credit-card spending jumped almost 22% over the same period last year to THB8.9 billion as of March 31, while that of personal loan rose at a faster pace of 27.4% to THB15.5 billion.

North East Asia

China overtook the US as the world's top importer of crude oil for the first time in April. China's crude oil imports hit a record of almost 7.4 million barrels a day (bpd) last month, putting it ahead of the US estimated imports of 7.2 million bpd for April.

China will raise the retail price of gasoline by CNY255 (USD41.71) per tonne and that of diesel by CNY245. The adjustment is effective on Tuesday, means retail prices will rise by CNY0.19 per liter for gas and CNY0.21 per liter for diesel. The increase followed gains in international oil prices due to a tense geo-political situation in the Middle East and a weakening dollar.

China's foreign trade will pick up in H2 2015 thanks to structural improvements. Exports continued to grow and import decline narrowed during the start of the year. Total foreign trade posted a 7.6% decrease in the first four months, falling to USD1.2 trillion, with exports rising 1.6% and imports dropping by 17.3%.

The Chinese automobile market reported a sharp contraction in April as sales declined 11% m-o-m to 2.0 million units. Sales volume also dropped 0.5% y-o-y. Auto output reached 2.1 million units last month, down 8.9% from March.

China cuts interest rates to bolster real economy by 25 basis points (bps) starting May 11. After the cut, the one-year deposit rate will stand at 2.25%, and one-year lending rate at 5.1%.

Japan plans to set a medium-term target to achieve its key fiscal reform goal in fiscal 2020, aiming to reduce the ratio of the primary deficit to GDP to around 1% in fiscal 2018.

South Korea's auto production reduced on weak exports with car production in domestic factories was 424,402 vehicles in April, up 2.2% from a year earlier. The reduction came as auto exports declined 6% from a year earlier to 282,019 units in April.

South Korea's home transactions soared nearly 30% in April from a year earlier, pointing to a possible recovery of the housing market. The number of home transactions came to 120,488 in April, up 29.3% from a year earlier and 7.7% from the previous month.

South Korea's ICT exports shrink in April marking the third consecutive month of drop. Outbound shipments of ICT products amounted to USD14.3 billion last month, down 2.7% from the same month last year. Imports gained 3.9% on-year to USD7.6 billion.

Taiwan's tax revenue during the first four months of this year reached TWD456 billion (USD14.8 billion), up 5.8% y-o-y and a 15-year high.

Australasia

Australia's home loan approvals have risen 1.6%, as record-low interest rates fuelled a boom in investor loans during March. There were 54,686 approvals in March, compared to 53,811 approvals in February. The value of total housing finance rose 3.5% in the month to AUD31.6 billion.

The number of houses sold in New Zealand increased nearly 30% over the past 12 months. The national median house price gained another NZD22,750 in April to NZD455,000 compared to a year ago.

Indian Sub-Continent

Bangladesh's trade deficit increased by 56.8% y-o-y to USD7.1 billion in the first nine months of the current financial year 2014-15 due to a massive drop in export earnings against a higher import payment.

The Reserve Bank of India (RBI) bought USD54.8 billion from the foreign exchange market in 2014-15 to prevent the rupee from rising sharply due to strong dollar inflows. The central bank had purchased a net USD7.7 billion in March, slightly lower than the USD7.8 billion in February.

Pakistan's economy has racked up USD17.9 billion foreign trade deficit during the first 10 months of 2014/15 fiscal year, indicating that this huge amount went out of the economy on excess imports. Exports stood at USD19.9 billion during July-April 2014/15, while imports were recorded at whopping USD37.9 billion.

The remittances sent into Pakistan by its citizens living abroad jumped 25.1% y-o-y in April to USD1.6 billion.

Middle East and North Africa

Egypt's annual inflation rate in April 2015 rose by 11%, with March figures recording 11.8%, and 10.7% in February. The monthly inflation slightly declined, however, by about 0.1% over last April, recording 164.7 points compared to 164.8 in March.

Egypt has secured billions of dollars in investment commitments and loans, but the country's public finances are still severely strained and the next big challenge will be to focus on reforms. Egypt recorded a budget deficit of EGP186 billion (USD24.4 billion) in the 2014/15 fiscal year that ended in February, an increase of 50% over the previous year's deficit.

Jordanian inflation in Q1 2015 went down by 1%, compared to the same period of 2014. Main item groups that contributed to the decline are transportation (15.7%), fuel and lighting (11.7%), vegetables and dried and canned legumes (7.9%), meat and poultry (0.3%) and beverages (1%).

Jordan's public debt rose by 1.4% to JD20.8 billion at the end of March, comprising 76.8% of estimated GDP. The net public debt reached at the end of 2014 about JD20.5 billion, 80.8% of GDP.

Oman's average CPI averaged 0.41% for the four-month period ended April. The rate in April dropped 0.14% from a year earlier, and was down 0.24% from the previous month. The decline is attributed to a fall in prices of foodstuff and non-alcoholic beverages.

Western Europe

The Bank of England has decided to keep its interest rates on hold this May, keeping them unchanged for the first time since the general election. The central bank maintained its rates at their historic lows of 0.5% for the whole of the last Parliament.

Non-performing loans at Italian banks totalled EUR189.5 billion in March, up 14.9% from a year earlier, central bank data showed at a time when the government is studying ways to help domestic banks offload bad loans.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
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12-May-15	1,184.68	2.82	64.99	23.05	1.49	2.06	1.33	0.95	9841.55	89.85	2.70	33.44	25.16	3,437.87
% Change	-0.31	-2.08	-0.61	-0.43	-0.22		0.10	-0.09	-0.32	-0.15	-0.22	-0.26	-0.16	-0.41

Economic & Financial News

Research & International Division

13/5/2015

*... Indonesia will suffer the deepest cut from Australia's plans ...
... Greece was scrapping the bottom of the barrel for cash ...*

South East Asia

Indonesia will suffer the deepest cut from Australia's plans to slash foreign aid by almost 20% in the next fiscal year. The Australian government plans to cut Indonesian aid, the largest recipient share in East Asia, by 40% from AUD543 million to AUD323 million. Australia wants to cut its aid budget to AUD4.1 billion next year.

Indonesia may cut the loan-to-value ratio for the property and auto sectors as soon as this month, the central bank governor said. Indonesia's economic growth in the Q1 slumped to its weakest annual pace since 2009, hit by a collapse in commodities and weak government spending. GDP rose 4.71% in Q1 from a year ago.

April was a positive month for Vietnamese auto sales, though carmakers have claimed difficulties conducting business in the country's unstable and undeveloped automobile industry. April's sales figures showed that nearly 18,200 units were sold in the domestic market, marking an increase of 11% from March this year and 60% from the same period last year.

North East Asia

Current account surplus in 2015 Q1 hit CNY484.4 billion (USD78.9 billion). Q1 deficit under the capital and financial account was CNY484.4 billion. The international reserve assets decreased by CNY492.5 billion. In 2014, the surplus under the current account was CNY1.35 trillion, while the capital and financial account surplus was CNY232 billion. International reserve assets rose by CNY720.9 billion in 2014.

FDI on the Chinese mainland jumped 11.1% y-o-y in the first four months of 2015, settling at CNY273.61 billion (USD44.49 billion). The pace slowed from the 11.3% increase registered in the Q1 but far exceeded the annual growth rate posted for 2014 of 1.7%.

Growth of China's industrial output picked up in April after hitting a six-year low in March, pointing to tentative signs of improvement for the world's second largest economy amid downward pressure. The industrial output grew 5.9% y-o-y in April, up from 5.6% growth in March, the lowest monthly level since December of 2008.

China's fixed asset investment rose 12% from a year earlier to CNY12 trillion (USD1.96 trillion) in the first four months of the year. The increase slowed from the 13.5% growth registered in the Q1.

Investment in China's property sector rose 6% y-o-y to CNY2.37 trillion (USD387.25 billion) in the first four months of the year. The figure dropped from the 8.5%-increase seen in the Q1, indicating lingering weakness in the sector.

China's retail sales grew 10% y-o-y to CNY2.24 trillion (USD366 billion) in April. In the first four months, retail sales grew 10.4%. Growth in rural areas outpaced that in cities. Sales in rural areas rose 11.4% in April and 11.5% in January-April period, in contrast to the 9.8% and 10.2% growth seen in urban areas.

Japan posted its biggest current account surplus since 2008 in March at JPY2.80 trillion (USD23.3 billion) before seasonal adjustment, as a weaker yen, falling oil prices, increased investment from overseas and a drop in import costs contributed to an improved trade balance.

South Korea's import prices in April dropped at the same pace in annual terms as the previous month, enabling the central bank to keep its expansionary monetary policy amid low inflation. Import prices in won terms fell 17.1% in April compared with a year earlier, down for the 32nd month in a row.

South Korea saw new jobs added by the lowest in 26 months in April, with its jobless rate unchanged at 3.9% from a year earlier. The number of those employed totaled 25.9 million in April, up 216,000 from a year earlier.

South Korea's overseas direct investment rise 5.2% in Q1 on demand for spending capital in building factories in Europe and the US. Overseas direct investment was amounted to USD7.72 billion during the Q1, up 5.2% from the same period of last year.

South Korea will maintain its expansionary fiscal policy stance for the time being to prop up economic growth, while taking steps to reduce unnecessary outlays. The plan comes amid lingering concern over the economy's performance.

Australasia

The Australian government unveiled a budget that would support small businesses and promote jobs growth. Instead, the government will roll out a AUD5.5 billion small business package, mostly consisting of tax cuts, to stimulate investment in the sector, as well as a AUD4.4 billion boost to funding for family-focused policies.

Australian wages are rising at their slowest pace since records began. Wages rose by 0.5% in the Q1, taking the annual rate of increase to 2.3 %. The best job for a pay rise was in utilities, in which wages rose by 3.3%. Public sector wages outpaced the private sector by 0.6% to 0.4% in the quarter.

New Zealand food prices fell to a four-month low in April after discounting in supermarkets and cheaper fruit and vegetables. The food price index fell 0.3% in April, after a 0.1% gain in March. On an annual basis food prices were 1% higher in April than they were in the same month last year, rising at a slower pace than March's 1.9% gain, which was the biggest increase in three years.

New Zealand's central bank plans tighter lending restrictions for Auckland property investors to curb an overheated housing market in the nation's largest city. Investors will need to have a deposit of at least 30% for any bank loan to buy residential property in the Auckland area. The proposed new policy would come into force from Oct. 1.

Indian Sub-Continent

India's central bank stays on sideline as rupee hits 20-month low. It is estimated that the central bank spent only USD2 billion to USD3 billion on intervention last week as the rupee weakened past the INR64 to the dollar, its lowest since September 2013.

India's inflation rate fell to its lowest level in four months and growth in industrial output slowed, increasing calls for an interest rate cut next month. Consumer inflation eased to 4.87% in April from a year earlier, the slowest pace since December, on the back of lower food costs, and down from 5.25% in March.

Middle East and North Africa

Tourism activity in Lebanon grew by 21% in the Q1 of 2015 compared to the same period in 2014. Lebanon's tourism activity grew by 6% in the Q3 of 2014, following a drop from 2.2 million tourists in 2010 to 1.3 million in 2013.

The building sector consumes more than 80% of the Saudi Arabia's generated electricity. Air-conditioning sets alone swallow nearly 70% of the building sector's total energy consumption at an annual growth rate of 12%.

Eastern Europe

Unemployment in the Czech Republic decreased to 6.7% in April from March's 7.2%, the number of unemployed dropped below 500,000 to 491,585 and employers were offering 83,692 jobs, the highest number since December 2008.

Hungary's economy maintained its growth momentum in the Q1 as an increase in car production helped defy forecasts for a slowdown. GDP grew 3.4% from a year earlier.

Western Europe

France's economic growth accelerated in the Q1, as the country and the wider eurozone show signs of snapping out of the economic torpor that has gripped the currency area. GDP in the eurozone's second-largest economy was 0.6% higher in the Q1 of the year than in the Q4 of 2014.

GDP in Germany expanded 0.3% in Q1 from the previous quarter, or 1.1% on an annualised basis. That marked a sharper-than-expected slowdown from the 0.7% rate of growth recorded in the Q4 of 2014.

Greece admitted yesterday it was scrapping the bottom of the barrel for cash as another huge debt repayment loomed, adding pressure to reach a rescue deal with its EU-IMF creditors to avoid default and crashing out of the eurozone. Athens only managed to repay EUR750 million (USD845 million) due yesterday to the International Monetary Fund by tapping into an emergency account.

North America

Mexico's industrial production was unchanged in March from February as a rebound in construction after a slow start to the year offset lower oil production and a drop in manufacturing output. March production was up 1.7% from a year-before. That brought industrial output growth to 1.4% in the Q1.

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-May-15	1,184.68	2.82	64.99	23.05	1.49	2.06	1.33	0.95	9841.55	89.85	2.70	33.44	25.16	3,437.87
13-May-15	1,194.92	2.90	67.24	23.19	1.49	2.09	1.34	0.94	9854.16	89.71	2.71	33.46	25.23	3,455.54
% Change	0.86	2.84	3.46		0.54	1.42	0.41	-0.74	0.13	-0.15	0.24	0.06	0.30	0.51

Economic & Financial News

Research & International Division

14/5/2015

*... Saudi Arabia raised its crude production in April to a record high ...
... South Korean youth unemployment reached 10.2% ...*

South East Asia

Cambodia's insurance industry earned a total premium of USD16.9 million during the Q1 of 2015, up 21.6% from USD13.9 million over the same period last year. The remarkable increase in insurance premiums was thanks to better economic situation.

Cambodia's garment exports up 11% in Q1. The country exported apparel products in equivalent to USD1.73 billion during the Q1 this year, from USD1.56 billion over the same period last year. Garment products, accounted for 80% of the country's total exports.

An increase in tourism to Myanmar is pushing up FDI in the country's hotel sector and reached up to USD2.7 billion. Investment in the Tourism industry has created over 150,000 jobs. There are 47 hotels invested in by foreign investors with overseas investors pouring more than USD8 billion into the country. Myanmar investment in the sector was a reported USD55 million in 2011 and the amount increased heavily to USD553 million in 2014. Myanmar received 3.5 million visitors last year.

Vietnam's inflation rate this month is expected to be stable or slightly increase over the previous month due to balanced demand and supply as well as strengthened price stabilisation.

North East Asia

China's new yuan-denominated lending in April hit CNY707.9 billion (USD114.18 billion), up CNY185.5 billion from a year earlier. M2 increased 10.1% y-o-y to CNY128.08 trillion at the end of April. Total outstanding loans stood at CNY92.24 trillion at the end of last month, up 13.4% from the previous year.

China's steel consumption will likely fall 6% this year, underlining how a slowdown in the world's No. 2 economy will continue to hurt industrial demand. Chinese crude steel consumption dropped 3.4% last year, shrinking for the first time since 1981, and fell again in the Q1, spurring producers to sell more steel overseas.

South Korean youth unemployment reached 10.2% last month, the highest figure on record. A total of 445,000 people aged 15 to 29 were unemployed in April, up 19,000 from a year ago. But the economic participation rate for this age group rose 1.2% on-year to 45.8% last month. This suggests that more young people are looking for jobs but few are being created.

South Korea will maintain its expansionary fiscal policy stance for the time being to prop up economic growth, while taking steps to reduce unnecessary outlays. The plan comes amid lingering concern over the economy's performance. Seoul originally set this year's growth target at 3.8%, up from 3.3% in 2014.

Taiwanese cabinet approved a draft integrated house and land sales tax with a maximum rate of 45%, as part of the government's move to create a more rational taxation system and curb property speculation. The maximum tax rate in the latest version of the capital gains tax scheme is higher than the 35% set in the previous version before the cabinet's review.

Australasia

New Zealand's seasonally adjusted retail sales rose to NZD19.6 billion in the three months to March, a rise of 1.7% on the previous quarter. A growing economy and more people in work have boosted consumer spending, which has generally been rising since 2009. Sales volumes jumped 2.7%, the biggest quarterly gain since the series began in 2003.

New Zealand manufacturing activity fell for the second consecutive month in April, while still remaining in expansion, as slowing economic growth in Australia weighed on trans-Tasman firms. The BNZ-BusinessNZ performance of manufacturing index fell to a seasonally adjusted 51.8 from 54.6 in March.

Middle East and North Africa

Consumer prices in Abu Dhabi edged up 0.2% in April 2015 compared to March 2015, with the 'Restaurants and Hotels' category recording the highest price increases (up 2.8%). Abu Dhabi region accounted for the largest share of inflation in the emirate, contributing 87.2%.

Egypt's total investments are projected to reach EGP417 billion (USD54.65 billion) in FY 2014/2015, including EGP180 billion for general investments. General investments are into EGP75 billion governmental investments, EGP55 billion funded investments and the rest from foreign grants and loans.

Qatar April inflation fell to 0.9% y-o-y. In April, housing and utility costs rose 3% from a year earlier while food and beverage costs gained 0.3% y-o-y. Housing rents in Qatar have been rising sharply, this had the effect of lowering the overall inflation rate.

Top global oil exporter Saudi Arabia raised its crude production in April to a record high, feeding its flourishing Asian market share and its own power plants and refineries. The world's top oil exporter pumped 10.308 million barrels of oil per day in April, compared to 10.29 million bpd in March.

Eastern Europe

Bulgaria's fiscal reserve by the end of the Q1 amounted at BGN11.1 billion. The cabinet approved on the cash implementation of the state budget and the major indices on the consolidated fiscal programme for the Q1 of 2015.

Romania's economic expansion accelerated in the Q1, probably because of a pick-up in exports and industry. GDP increased 4.3% from a year earlier, compared with 2.7% in the Q4.

The Bank of Russia resumed buying foreign currency in the market, making its first net purchases since June to replenish international reserves decimated by its defense of the ruble last year. The central bank is buying USD100 million to USD200 million daily starting Wednesday.

New car sales in Russia fell 41.5% y-o-y in April, the steepest drop for the month in a decade. Russia's car market has crumpled in recent months as the economy contracts under pressure from Western sanctions over Ukraine and the low price of oil, the country's main export. Over the first four months of this year 516,135 vehicles were sold, 37.7% less than in the same period last year.

Western Europe

The pay of British workers picked up slightly more in the Q1, while the unemployment rate fell to its lowest since mid-2008. Total average weekly earnings in the Q1, including bonuses, rose 1.9% compared with the same period a year earlier, from 1.7% in February.

Eurozone growth at 0.4% in Q1, highest in nearly 2 years, up from the 0.3% recorded in the previous quarter. It matches the rate recorded when it emerged from its longest-ever recession in the Q2 of 2013.

France's inflation slightly up in April at 0.1% after it had increased by 0.7% a month earlier. The slight rise in consumer prices in April was due mainly to increases, partially seasonal, in prices of some services and manufactured products and to firmer petroleum product prices. The index was also up by 0.1% y-o-y.

Germany, Europe's biggest economy crept higher in April with consumer prices rising by 0.3% y-o-y. However in Spain, where prices have been falling since last July, inflation came in at -0.7% in April. This was a bit better than the 0.8% deflation registered in March in the eurozone's fourth-largest economy.

The Greek economy returned to a recession in the first trimester of 2015, amidst renewed uncertainty over the country's economic prospects. Greece's GDP grew by 0.3% on an annual basis in the period from January to April this year compared to the same period in 2014. However, the Greek economy in the first months of 2015 shrunk by 0.2% in comparison to the Q4 of 2014.

Portuguese economy grew 1.4% in Q1 2015 as exports accelerated. The economy grew 0.4% of GDP compared to the previous quarter. Portugal last year ended the EUR78 billion bailout programme it signed in 2011 when it was on the verge of bankruptcy.

Spanish prices fell by 0.6% in April when compared with the same month of a year earlier. The annual inflation rate of April is 0.1% higher than that of March, when Spanish prices fell by 0.7%.

North America

US chalks up biggest budget surplus in 7 years. A flood of tax payments pushed government receipts to an all-time high in April and left the country with the largest monthly budget surplus in seven years. The April surplus totaled USD156.7 billion, up from a surplus of USD106.9 billion a year earlier. Government receipts totaled USD471.8 billion, the largest monthly total on record.

Oil & Gas News

Oil slipped as weak data from the world's top economies raised concern about the outlook for global fuel demand, offsetting data that showed a large drawdown in US crude stockpiles last week. June Brent crude fell 18 cents to USD66.63 a barrel as of 0623 GMT after settling 5 cents lower 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
13-May-15	1,194.92	2.90	67.24	23.19	1.49	2.09	1.34	0.94	9854.16	89.71	2.71	33.46	25.23	3,455.54
14-May-15	1,215.59	2.94	66.59	22.65	1.50	2.09	1.34	0.94	9876.54	89.83	2.70	33.54	25.25	3,449.40
% Change	1.73	1.38	-0.97		0.41	0.34	-0.34	-0.51	0.23	0.13	-0.27	0.22	0.07	-0.18

Economic & Financial News

Research & International Division

19/5/2015

*... New Zealand will tighten tax rules on residential property ...
... Oman's imports has seen sustained decline over the past two years ...*

South East Asia

Brunei's March sees climb in number of jobseekers.

The JPKE recorded an increase in the number of local jobseekers (aged 18 to 59 years) from 14,814 people in February 2015 to 15,081 in March. Of this total, 70% unemployment is from Brunei Muara district.

Indonesia recorded a USD454.4 million of surplus in April

as imports dipped 22% to USD12.63 billion during the month from the past year. Exports also dropped to 8.46% to USD13.08 billion on a yearly basis, caused by a 45% fall in oil and gas exports to USD1.46 billion amid low global oil prices. Imports of machinery and mechanical equipment suffered the most, slumping by 186% to USD1.87 billion from the past year.

Indonesia will continue to increase its budget allocation for the development of renewable energy in the coming years. For next year, the ministry will propose a total budget of about IDR25 trillion (USD1.9 billion), of which about IDR10 trillion will be spent on the development of renewable energy and energy conservation efforts.

Laos is expecting that economic growth will decline slightly to 7.6% this fiscal year before reaching 7.8% next fiscal year. The main economic driver would be hydropower projects - some major hydropower projects have been recently completed and are about to begin commercial generation.

Malaysia's natural rubber output was 60,918 tons in March, a monthly decline of 18.2% or 13,551 tons. Compared with the same period last year, March rubber output was an increase of 45.2% or 18,952 tons.

Thailand's economic expansion has to rely on government spending and domestic consumption this year as export contraction in the Q1 dragged down growth in GDP. Its GDP growth prediction from the range of 3.5-4.5% to 3.0-4.0%.

North East Asia

China's real estate market remained anemic with new home prices in April registering m-o-m declines in most of surveyed cities. Of 70 large and medium-sized cities surveyed, new home prices dipped in 48 in April from the previous month.

China home prices fall 6.1% y-o-y, the eighth consecutive month in April from a year earlier but were flat from March, adding to hopes that a property downturn which is weighing heavily on the economy is beginning to bottom out.

China has approved close to CNY250 billion (USD40.30 billion) of railway and subway projects, as Beijing ramps up efforts to support growth amid a wider slowdown in the world's second-largest economy.

Japan's core machinery orders in March rose a seasonally adjusted 2.9% on a monthly basis to JPY869.4 billion (about USD7.28 billion). The orders were stronger than a seasonally adjusted and revised 1.4% drop in February and a 2.5% increase in January, reflecting an increase in corporate investment.

Unemployment among young South Koreans with no prior job experiences reached an over 12-year high last month. There were some 95,000 people in their 20s and 30s who never held a job before and were not employed in b April. Of the total, 89,000 were people in their 20s.

Australasia

Oil price drop holds down New Zealand producer prices in the quarter ending March. The output producers price index (PPI), the measure of prices received was down 0.9%, while the input PPI, the measure of prices paid by producers, was down 1.1%.

New Zealand's government will tighten tax rules on residential property, acting in tandem with the central bank to arrest Auckland's housing boom. From Oct. 1, gains on residential property sold within 2 years of purchase will be taxed unless it is the seller's main home, inherited from a deceased estate or transferred as part of a relationship property settlement.

Middle East and North Africa

Egypt's unemployment rate fell to 12.8% in the Q1 of 2015, compared to 13.4% in the same period a year ago. The labour force grew 0.5% y-o-y in the Q1 to 27.7 million, less than one-third of the total population, CAPMAS said. About two-thirds of the 3.5 million unemployed Egyptians are youth.

Egypt's government froze plans for a 10% tax on capital gains, reversing a central component of its economic reform agenda that investors had criticised. It kept in place a 10% tax on stock dividends.

Oman's imports has seen sustained decline over the past two years recording OMR11.3 billion by the end of 2014 compared with OMR13.2 billion at the end of 2013. On the other side, non-oil exports increased by 6% by the end of 2014 to OMR3.6 billion.

Western Europe

Britain sees deflation in April as transport costs drop. Britain's CPI fell by 0.1% in the year to April 2015. The core annual inflation rate rose 0.8% y-o-y. Compared to the previous month, however, British CPI increased by 0.2%.

German employment increases in Q1, suggesting the stability of the labor market of Europe's biggest economy. In the Q1, the number of employed persons in Germany increased by 0.7% from the same period of previous year and reached 42.2 million. The rise of employment was mainly due to a growth in the service sector where business service recorded the largest yearly employment increase of 2%.

Greece wants to reach a loan deal by end of May to resolve an acute cash shortage. Greece's new radical Syriza-led government and its EU-IMF creditors have been stuck in a deadlock for four months over the reforms needed to release a final EUR7.2 billion in bailout funds. Athens faces a hefty repayment schedule to the IMF and the ECB in the coming months, and also needs to continue paying salaries and pensions.

Swiss retail sales drop again in March after biggest fall since 2002, adding to signs of deflation in Switzerland after the central bank abandoned its cap on the currency. The Swiss National Bank stopped capping the franc at 1.20 per euro on Jan. 15, sending the currency soaring and removing a shield against deflation. Retail sales were down 4.6% in March y-o-y in nominal terms, and were down 2.8% even when adjusted for inflation.

South America

The Brazilian government plans a new round of tax hikes to meet its fiscal goal this year despite recent efforts to limit public expenditures. President Dilma Rousseff has agreed to increase the PIS and Cofins taxes after the administration announces a spending freeze of up to BRL80 billion (USD26.58 billion) later this week.

Improving domestic demand and increased mining output helped drive Chile's economy to grow 1% in the Q1 of 2015, compared with the prior quarter, signaling that the economy is beginning to rebound after a slow 2014. On an annual basis, growth was 2.4%. Although investment contracted in the Q1, demand overall grew 1.3%, compared to zero last quarter, as household spending rose. A boost also came from an increase in the government spending.

Oil & Gas News

Crude oil prices fell on May 19 as sluggish economic growth and high exports meant that markets remain oversupplied. Brent futures were down 60 cents at USD65.67 a barrel, after an almost 1% fall on May 18 on near-record Saudi exports.

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-May-15	1,215.59	2.94	66.59	22.65	1.50	2.09	1.34	0.94	9876.54	89.83	2.70	33.54	25.25	3,449.40
19-May-15	1,208.70	3.03	64.67	21.34	1.51	2.08	1.32	0.94	9920.63	90.49	2.70	33.61	25.33	3,454.04
% Change	-0.57	3.06	-2.88		0.71	-0.70	-0.97	0.45	0.45	0.73	0.05	0.21	0.32	0.13

Economic & Financial News

Research & International Division

20/5/2015

*... Pakistan's per capita income grew by a tenth ...
... Thailand's economy expanded 0.3% in the Q1...*

South East Asia

Indonesia keeps interest rate unchanged as inflation pressure mounts. Indonesian central bank held its benchmark interest rate steady at 7.5% despite slowing economic growth, as inflation accelerated ahead of fasting month and rupiah kept weakening against the US dollars.

The Philippine government approved USD1.43 billion worth projects that seek to further spur economic development in key growth areas. The projects include two road improvement programs, an irrigation, a dam, extension of an existing light railway system in Metro Manila, acquisition of firetrucks, and investment program for Local Government Units (LGU).

The Philippines' balance of payments (BOP) swung back to a surplus of USD380 million in April from a deficit of USD244 million recorded in March, boosted by higher foreign currency deposits by the government and the central bank's income from its investment abroad.

Thailand's economy expanded 0.3% in the Q1, highlighting the task ahead for the military junta that seized power in a coup last year vowing to kick-start growth after months of political instability. Y-o-y Q1 growth came in at 3%.

The Thai government is to accelerate mega-investment projects to stimulate the national economy to grow by 3.7% on average this year. The budget disbursement acceleration was set to start when the country enters its 2019 fiscal year in October in order to boost the Thai economy late this year.

Vietnamese banking system has resolved roughly USD14.33 billion of non-performing loans (NPLs) in 2012-14, accounting for 67% of total NPLs reported in September 2012. The ratio of NPLs had been reflected more accurately and transparently since late 2014, adding that the NPL ratio had declined from 3.61% in late 2013 to 3.25% in late 2014.

Vietnamese exports reached USD59 billion in four months, a y-o-y increase of 6.9%. Meanwhile, the country's imported goods were worth USD51.77 billion, so the country's trade deficit during the period was USD2.07 billion. Ho Chi Minh City led the country in terms of exports, with a total export value of USD9.75 billion.

Vietnam's fuel price stabilisation fund balance rose to nearly VND2.8 trillion (USD129 million) during the Q1 of this year. The fund balance as of December 31, 2014, was VND4.05 trillion (USD184 million), and fuel trading firms extracted an estimated VND3.3 trillion (USD152 million) from the fund during the three-month period.

North East Asia

Chinese consumer confidence dropped to a record low in May, as businesses and households remained concerned about slowing economic growth despite recent easing measures. The ANZ-Roy Morgan China Consumer Confidence report fell 0.5 points to a record low 144.0 in May.

Hong Kong's unemployment rate decreased to 3.2% in February-April period from 3.3% in January-March period and the underemployment rate also decreased from 1.4% to 1.3% correspondingly. Total employment decreased by around 8,800 from 3,801,100 in January-March period to 3,792,300 in February-April period. Over the same period, the labor force also decreased by around 8,600 from 3,928,400 to 3,919,800.

Japan reached an annualised 2.4% in the Q1 of 2015, as the housing market picked up and exports held steady, although consumer spending remains weak. Meanwhile, the country's real GDP was up 0.6% in the reporting period from January to March, adding Japan's consumption in the reporting quarter grew a real 0.4%

South Korea's corporate tax revenue rose in the Q1 of this year as companies logged better profits, contributing to an overall gain in state revenue. In the first three months of 2015, taxes collected from businesses reached KRW12.8 trillion (USD11.7 billion), up KRW1.4 trillion from the year before.

Indian Sub-Continent

Pakistan's per capita income grew by a tenth to USD1,513 but targets to increase investment and savings were missed again during the outgoing fiscal year. There was a continuous decline in new private investment in the electricity and gas distribution sectors that slipped to only 0.3% of GDP in the outgoing fiscal year 2014-15.

Middle East and North Africa

Iran's average import tariffs down to 18.7%. Import tariffs have witnessed its highest decline in the current Iranian year, which started on March 21, by falling from 19.7% to 18.7%.

Oman cuts public expenditure by 20% in January this year, compared to the same month of 2014. The current expenditure spending has witnessed a decline by 17.3%, as well as a decline in defence and national security expenses decreased by 37.1% while spending rose in civil ministries by 5.6%. Moreover, there was also a decline in oil production expenditure expenses by 33.3%.

Tunisia's growth reached 1.7% in the Q1 of 2015. The GDP posted a 0.2% decrease in this period (Q1 of 2015), compared with the Q4 of 2014 (0.7%).

Eastern Europe

The Russian economy contracted by 1.9% in the Q1 y-o-y, hit by sanctions and falling energy prices. However, a recent stabilisation of financial conditions, reflected in a rebound of the ruble, has fueled hopes that the worst of the crisis is over, helped by a partial recovery in oil prices and February's peace deal in Ukraine.

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Western Europe

Poverty increased by fully one-third in Italy during the six years of the economic crisis, helping fuel the demand by more than 15,000 applicants for Italy's new baby bonus. The percentage of poor households in Italy rose to 25% from 18% before the crisis. The number of poor grew to 15 million from 11 million.

North America

Up to 185,000 Canadian jobs could be lost in 2015 as the oil and gas industry curbs capital and operational spending by an anticipated CAD31 billion in reaction to lower oil prices. More than two-thirds of the potential losses in direct and indirect jobs would happen in Alberta, while B.C. could lose 20,000 and Ontario 14,000, said the the Petroleum Labour Market Information (PetrolMI) Division of Enform.

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Argentina's unemployment was stable in the Q1, at 7.1% in the yearly comparison, but that is only because some of the jobless have stopped looking for work, as employment rates continued a declining trend which started in 2011. From an economically active population of 18 million, 2.64 million have job problems, as 1.28 million are unemployed and 1.37 million are underemployed.

The CPI for Sao Paulo, Brazil's largest city, slowed in the four weeks ended May 15, as housing-related costs eased. The CPI rose 0.83% in the period, compared with a rise of 1.04% in the four weeks ended May 7.

Oil & Gas News

Crude oil prices bounced back from steep falls in the previous session as strong Japanese economic growth surprised markets. Brent futures LCOc1 rose as high as USD64.75 a barrel in early trading before retreating to USD64.40 at 0651 GMT, still up 38 cents.

Currency News

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% Change	-0.07	-2.31	0.37		-0.68	0.02	0.44	-0.17	-0.02	-0.18	-0.08	-0.27	-0.79	-0.24

Economic & Financial News

Research & International Division

20/5/2015

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Economic & Financial News

Research & International Division

21/5/2015

*... The Vietnamese government has increased gasoline prices ...
... Turkey's central bank left its one-week repo rate unchanged at 7.5% ...*

South East Asia

The Indonesian government aims to realize an expansive, measurable and directed budget deficit to strengthen the country's competitiveness by optimising state revenues and improving the quality of state spending. The government strives to keep the budget deficit in between 1.7% and 2.1% of GDP.

Singapore's Q1 domestic wholesale trade down 25.8% y-o-y, arising from lower prices of petroleum and chemical products. Excluding petroleum, domestic wholesale trade declined 12.6% when compared to the Q1 2014.

The Vietnamese government has increased gasoline prices by VND1,200 (USD0.06) per litre in the wake of increasing global fuel prices. The new prices are VND21,030 (USD1) per litre for RON 95 gasoline, VND20,430 (USD0.97) per litre for RON 92 gasoline and VND20,100 (USD0.95) per litre for biofuel E5.

North East Asia

Visitors to Japan hit 43.3% y-o-y in April to 1.8 million hitting a monthly record for the third straight month. The growth chiefly reflected strong demand for cherry blossom viewing at a time, thanks to the yen's weakening and relaxed visa requirements.

Taiwan's export orders in April declined 4% y-o-y, the first drop since July 2013. The semiconductor packaging and electronics assembly industries continued to enjoy increasing export orders due to strong international demand.

Middle East and North Africa

Morocco's consumer price inflation rose to an annual 1.7% in April from 1.6% in March. Food inflation was 2.5% from 2.1% the previous month. The non-food price index eased to 1% from 1.2%.

Revenues from Egypt's Suez Canal reached USD422.1 million last April. The international waterway, which is the fastest shipping route between Europe and Asia, saw USD420.1 million in revenues during the previous month.

Tunisia's private investment up 11.2% in agriculture and fisheries totaled TND156.8 in the first four months of 2015, edging up 11.2% in comparison with the same period in 2014.

Turkey's central bank left its one-week repo rate unchanged at 7.5%, refraining from monetary policy tweaks ahead of a June 7 parliamentary election that comes at a time of flagging growth and a volatile lira.

North America

Wholesale trade in Canada rose in March after two consecutive months of declines, another. Wholesale trade receipts in March rose 0.8% to a seasonally adjusted CAD53.9 billion (USD44.1 billion). This marked the first increase in wholesale trade since December.

Oil & Gas News

Saudi Arabia and its main Middle East OPEC partners are turning down Chinese requests for extra oil as they hold back fuel for their own refineries as demand from the world's biggest crude importer hits new records.

Oil prices inched up but stay within range. Brent first dipping to a low of USD64.83 per barrel, but prices then rose to USD65.20 by 0216 GMT.

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% Change	0.30	-0.68	0.55		-0.84	-0.27	0.61	0.32	-0.64	0.15	0.05	-0.41	-0.16	-0.17

*... Ministry of Finance Vietnam cuts interest rates on State investment and export credit ...
... Gaza's economy is in a worse state than any other in the world ...*

South East Asia

International rating agency Standard & Poor's (S&P) upgraded its outlook for Indonesia's sovereign credit rating due to "improved policy credibility" even as the country's economic management was questioned recently due to deteriorating growth, fiscal balance and foreign exchange reserves. S&P announced Thursday it set Indonesia's credit rating at BB+, or one notch below investment grade, but upgraded the outlook of Indonesia's sovereign credit rating to "positive" from "stable".

Malaysian consumer prices came in lower than expected in April. The consumer price index gained 1.8% y-o-y for the month. Compared with March, there was a 0.9% increase. The Government had expected a 1.1% jump.

The Philippines central bank has revised its projection for this year's BOP to a surplus of US\$2 billion from a previous surplus forecast of US\$1 billion. The new forecast also reflects the BSP's confidence it could reverse the US\$2.9 billion deficit the country incurred in full-year 2014.

Vietnam's rice exports have struggled to compete with cheaper shipments from Thailand in the first four months of 2015 as the Thai government has sought to offload inventories at highly discounted prices. As a result, a representative of the Vietnam Food Association (VFA) said the country's exports to highly price sensitive markets such as those in Africa could fall by as much as 60% from the figures in 2014.

In a move to ease businesses' access to loans, the Ministry of Finance Vietnam this week cut interest rates on State investment and export credit. According to the ministry, effective from May 19, 2015, interest rate on State investment credit has been cut by 1.05% to 8.55% per year, while interest rate on State export credit has been reduced by 0.3% to 6.9% per year.

Vietnam's credit grew 3.7% from the end of 2014 to May 8, its central bank said, citing stable macroeconomic growth and lenders' improved financial capacity. Stable inflation and credit incentive programmes by the government have allowed banks to allocate loans more efficiently at lower cost, the State Bank of Vietnam said.

Vietnam's consumer confidence index rose from 106 to 112 points. It is the third consecutive increase and the country's highest score since 2010, making Vietnam the sixth optimistic nation in the world.

North East Asia

The Bank of Japan held fire on launching more stimulus, days after official data showed Japan grew more than expected in Q1. Policymakers kept the central bank's annual 80 trillion yen (US\$662 billion) monetary easing program in place after a two-day meeting and investors will now be watching a briefing by governor Haruhiko Kuroda later in the day.

South Korea recorded the highest poverty rate for elderly citizens among 34 members of the Organization for Economic Cooperation and Development, a report from the Paris-based organization showed. According to the report, 49.6% of senior Koreans aged 65 or more were found to have lived below the poverty line as of 2012.

The monthly income of South Korean households increased 2.6% y-o-y in Q1 due to more employment and increased wages, a government report showed. The monthly income of households averaged 4.5 million won (\$4,131) in Q1, according to the report by Statistics Korea. When adjusted for inflation, income increased 2%. The growth rate accelerated from a 2.4% gain reached in the final quarter of last year.

Middle East and North Africa

Jordan's economy is robust, despite spill over violence along its borders from wars in Syria and Iraq, the central bank governor said. Weak oil prices that have cut the current account deficit to about 9% have put Jordan on track for about 3.8% growth in gross domestic product (GDP) against 3.1% in 2014, Zaid Fariz said.

Iraq's oil exports have held above 3 million barrels per day (bpd) so far in May, keeping shipments from OPEC's second-largest producer close to a record high. Another strong month from Iraq adds to signs of high output from major members of the Organization of the Petroleum Exporting Countries focused on keeping market share, weighing on global oil prices.

Gaza's economy is in a worse state than any other in the world, with unemployment at a global high, output contracting sharply, and the long-term prospects worrying, the World Bank said. Repeated rounds of conflict, internal divisions, and the embargo Israel and Egypt impose have left the territory "on the verge of collapse", the report states, with its 1.8m population facing poverty and destitution despite vast aid.

Australasia

New Zealand consumer confidence slipped in May as sentiment about current and future conditions eased. The ANZ-Roy Morgan consumer confidence index fell to 123.9 in May from 128.8 in April. The current conditions index dropped to 124.6 from 130.3 last month, while the future conditions index declined to 123.4 from 127.8.

Western Europe

The UK's public sector net borrowing in the year ending in March 2015 was 11% less than it was the year before, the Office for National Statistics said. In a report that revealed monthly borrowing in April was £2.5bn lower than the same month in 2014, the ONS said the public sector was slowly cutting the deficit and it announced the public deficit went down by 26.9% to £6.8bn.

North America

Canadians are paying a little less these days mainly to weaker energy prices, leaving consumers with additional cash to buy more expensive items such as cars, food and alcohol. The annual pace of price gains eased to 0.8% in April, when overall inflation was running at just 0.7%, Statistics Canada said.

California's unemployment rate dipped slightly in April to 6.3% as the economic recovery created nearly 30,000 new jobs. The state Employment Development Department reported that California's rate fell from 6.5% in March. California still exceeds the U.S. unemployment rate of 5.4%. Nearly 1.2 million Californians are unemployed, though that is a quarter-million fewer than last year.

Ohio's unemployment rate rose slightly to 5.2% in April 2015, up from 5.1% in March. The state added 6,400 jobs from March to April, the Ohio Department of reported. Y-O-Y the state's April unemployment rate was down from 5.9% from April last year. The number of workers unemployed in Ohio in April was up 3,000 workers from 294,000 in March.

South America

Colombia kept borrowing costs unchanged after the central bank trimmed its growth forecast and inflation accelerated. The seven-member board voted unanimously to maintain the benchmark rate at 4.5%, central bank Governor said.

Oil & Gas News

Oil prices fell in Asia. US benchmark WTI for delivery in July dropped US\$1 to finish at US\$59.72 a barrel on the New York Mercantile Exchange. Brent North Sea crude for July closed at US\$65.37 a barrel in London, down US\$1.17 from Thursday's settlement.

Commodities News

Gold futures fell as rising U.S. consumer prices signal an approach to the Federal Reserve's inflation target. On the Comex in New York, gold futures fell less than 0.1% to settle at US\$1,204 an ounce. The metal declined 1.7% this week.

Currency News

The Australian dollar shed near 1 US cent on Saturday morning. The Australian dollars was at US78.31¢, after earlier sliding as low as US78.11¢. On Friday the currency had a local close of US79.12¢.

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% Change	-0.44	-1.70	0.15		-0.27	0.73	-0.30	0.29	0.10	0.25	-0.24	0.15	-0.15	0.30

Economic & Financial News

Research & International Division

26/5/2015

*... Singapore's consumer prices recorded their biggest y-o-y drop in five years in April ...
... Japanese trade gap returns to deficit in April ...*

South East Asia

The Philippines budget deficit narrowed by 60% in Q1 2015 from a year earlier, as the rise in public spending trailed the increase in revenue collection during the period. The government incurred a P33.5 billion fiscal deficit in Q1, smaller by P50.6 billion from P84.12 billion gap posted in Q1 of 2014, data released by the Department of Finance shows.

Philippine merchandise imports dropped 6.8% in March, reversing robust growth rates in February this year and March of last year, preliminary data from the Philippine Statistics Authority (PSA) showed. Imports value in March fell to US\$5.1 billion from US\$5.5 billion in the corresponding month of 2014.

Singapore's GDP rose 3.2% y-o-y in the three months through March from the previous quarter, the Ministry of Trade and Industry said, compared with an earlier estimate of 1.1%.

Singapore's manufacturing output declined 8.7% y-o-y in April 2015, according to the latest data by Economic Development Board (EDB). Excluding biomedical manufacturing, output fell 1.9% on-year. On a seasonally adjusted m-o-m basis, manufacturing output decreased 5.8%, and excluding biomedical manufacturing, output fell 2.2% m-o-m.

Singapore's consumer prices recorded their biggest y-o-y drop in five years in April, an outcome analysts said could open the way to further monetary easing if economic growth disappoints later this year. The all-items consumer price index fell 0.5% in April from a year earlier, official data showed.

Thailand reversed to a trade deficit in April as exports fell, according to the Commerce Ministry. Raw customs data indicated Thailand's exports were US\$16.9 billion in April, a 1.7% on-year fall. Thailand's exports shrank 4.5% year-over-year in March, and 4.7% for Q1 2015.

Vietnam's May index of industrial production (IIP) increased an estimated 7.5% from the same period last year, the General Statistics Office said. The IIP annual growth in January-April was revised up at 9.6% from the initial estimation of 9.4%, the office said.

North East Asia

Japan posted a trade deficit in April following a single-month's surplus in March. The 53.4 billion yen (US\$439.6 million) deficit in April compared with a 227.4 billion yen surplus in March.

South Korea's central bank fell into a deeper dilemma after U.S. Federal Reserve Chair Janet Yellen's comments indicated a rate hike within this year. Bank of Korea (BOK) Governor said that the central bank cannot help but closely monitor the movements in the global financial market after Yellen's comments hinted at the rate hike within this year.

South Korea's terms of trade improved in April as lower oil prices worked to drag down import prices more sharply compared with the fall in export prices, data showed. South Korea net terms-of-trade index for goods climbed 11.7% y-o-y to 99.6 last month, slightly picking up from 11.3% growth in March, according to the preliminary data by the Bank of Korea.

Middle East and North Africa

Qatar's trade surplus tumbled 50% y-o-y in Q1 2015, weighed down by lower value of energy exports. The trade balance surplus fell to QR52.8 billion from QR106.2 billion recorded in Q1 2014.

Australasia

New Zealand's annual trade deficit for the year ending April was the worst since the global financial crisis and was driven by falling dairy exports and prices and slowing demand from China. Government's statistics agency Statistics New Zealand said that at the end of April 2015, annual trade deficit was 2.6 billion NZ dollars (US\$1.9 billion).

Western Europe

The Property price in Spain has increased by 2.7% in Q1 2015. The PRA data shows that residential home sales increased 9.1% to 90,534 transactions compared to the same period in 2014. The rise in sales was largely due to robust growth in the resale market, with 67,864 transactions.

North America

The cost of living in the United States excluding food and fuel rose at a faster pace than expected in April, indicating inflation is inching toward Federal Reserve's goal. The core consumer-price index climbed 0.3%, reflecting broad-based increases, a Labour Department report showed. Prices including those of food and fuel rose 0.1%.

Oil & Gas News

Crude oil futures rose on Monday as firm global demand offset a strong dollar. Brent crude gained 53 cents to \$65.90 a barrel, after touching an intraday low of \$64.72. US crude was up 8 cents at \$59.80 a barrel.

Currency News

The peso closed at its weakest level against the dollar. The Philippine currency lost strength to end at P44.61:\$1 in Monday's trade.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
23-May-15	1,206.21	2.89	65.37	22.62	1.48	2.09	1.33	0.95	9864.85	90.69	2.69	33.43	25.05	3,450.18
26-May-15	1,197.09	2.85	65.08	22.84	1.47	2.07	1.34	0.95	9847.37	90.88	2.69	33.33	25.07	3,461.09
% Change	-0.76	-1.38	-0.44		-0.89	-0.78	0.51	0.77	-0.18	0.21	-0.03	-0.31	0.06	0.32

*... The IMF has declared that the yuan is no longer undervalued ...
... Russia is increasing its gold holdings ...*

South East Asia

President Joko Widodo has instructed the central government, regional administrations and state-owned enterprises to maximize the use of electronic budgeting and purchasing to minimize leakages in the procurement of goods and services worth Rp 2.6 quadrillion (US\$20 billion) this year. He stressed the importance of improving supervision at ministries, government institutions and regional administrations to help eradicate corruption.

The International Monetary Fund (IMF) kept its growth projections for the Philippine for 2015 and 2016 but raised its headline inflation estimates given the expected impact of El Nino phenomenon on food prices. This was the IMF's statement at the conclusion of the 2015 Article IV Consultation Mission to the Philippines held on May 14 to 26.

Philippine economic growth in Q4 2014 was revised down to 6.6% from 6.9%, but the full year expansion remained at 6.1%, the statistics agency said. Full year GDP growth in 2013 was also revised to 7.1% from 7.2%.

Labour productivity in Singapore fell by 0.6% y-o-y in Q1 2015. For the whole of 2014, labour productivity dipped y-o-y by 0.8%. The drop was due mainly to a 3.8% decrease in productivity in accommodation and food services, as well as a 2.9% contraction in productivity in the business services sector.

Vietnam exported US\$6.3 billion worth of commodities in the first half of May, a decrease of 9.5% compared over the previous fortnight, the General Department of Customs reported. For imported goods were worth US\$8.2 billion, an increase of 34.7% compared to the second half of April.

North East Asia

The International Monetary Fund (IMF) has declared that China's currency the yuan is no longer undervalued in light of gains against many currencies aside from the dollar in recent months.

Japanese households are expected to pay more for earthquake insurance policies starting as early as fall 2016, with premiums to be increased gradually by 20-30% on average.

Prices of imported farm products in Korea hit the lowest level in April mainly due to a drop in international grain and vegetable costs, government data showed. According to the data by the Korea Customs Service, the price index for imported farm produce stood at 95.1, down 1.9% from 96.9 the month before and 98.1 tallied a year earlier.

Household credit in South Korea soared to an all-time high in Q1, adding to growing concerns over South Korea already fast-growing household debt. Household credit totalled 1,099.3 trillion won (US\$992.1 billion) as of end-March, up 11.6 trillion won from a revised 1,087.7 trillion won at the end of last year, according to the data compiled by the Bank of Korea.

Australasia

The amount of construction work done in Australia fell 2.4% in the March quarter. In the 12 months to March it was down 8.8%, the Australian Bureau of Statistics said. Total building work done on homes and non-residential buildings such as offices and shops, rose 3.3% in the March quarter.

Eastern Europe

Russia is increasing its gold holdings because gold is a reserve asset that is free from legal and political risks, a senior central banker said. According to Central Bank data, Russia's gold reserves rose to 40.1 million troy ounces as of May 1 compared with 39.8 million ounces a month earlier.

North America

New U.S. single-family home sales rose more than expected in April, suggesting the housing market recovery was gaining traction. The Commerce Department said sales increased 6.8% to a seasonally adjusted annual rate of 517,000 units. March's sales pace was revised up to 484,000 units from the previously reported 481,000 units.

Retail sales in Mexico fell less-than-expected last month, official data showed. Mexican Retail Sales fell to a seasonally adjusted 5.5%, from 5.6% in the preceding month.

Texas manufacturing activity in May edged lower for the third month in a row as the effects of the oil slump continued to ripple through the state. About 28% of the state's manufacturers reported a slowdown, according to the Federal Reserve Bank of Dallas' monthly survey.

Oil & Gas News

Brent crude for July delivery was down \$1.68 at \$63.84 a barrel. US July crude was off \$1.44 at \$58.28, having slipped to \$58.22 intraday and testing support in the area of \$58.30 anticipated by brokers.

Commodities News

Spot gold dropped to a two-week low of \$1,185.35 an ounce earlier and was down 1.6% at \$1,187.59. US gold futures for June delivery were down \$16.70 at \$1,187.30 an ounce. Silver fell 2.2% to a two-week low of \$16.62 an ounce.

Currency News

The rupiah exchange rate in trades in Jakarta yesterday weakened by 18 points to Rp 13,205 per US dollar from Rp 13,187.

The Russian ruble was 1.2% weaker against the dollar at 50.58 and down 0.4% to 54.82 versus the euro.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
26-May-15	1,197.09	2.85	65.08	22.84	1.47	2.07	1.34	0.95	9847.37	90.88	2.69	33.33	25.07	3,461.09
27-May-15	1,189.20	2.83	63.83	22.55	1.47	2.08	1.34	0.95	9809.69	90.55	2.69	33.21	25.02	3,420.93
% Change	-0.66	-0.70	-1.92		0.01	0.27	0.44	-0.56	-0.38	-0.37	-0.11	-0.36	-0.20	-1.16

Economic & Financial News

Research & International Division

28/5/2015

*... Japanese retail sale rise 5.0% y-o-y ...
... Oil prices fell by up to 3% for a second straight day yesterday ...*

South East Asia

Viet Nam's index of industrial production (IIP) in the first four months of the year increased by 9.2% y-o-y, the General Statistics Office (GSO) said. This is the third consecutive increase of the IIP this year, following a 9.1% increase in Q1 and a 9.4% rise in April.

Viet Nam's central bank stands ready to help stabilise the dollar/dong exchange rate and will keep the 2% band movement for the rest of the year, a senior official from the State Bank of Viet Nam said. The central bank is ready to sell foreign currency for intervention.

North East Asia

Profits of Chinese industrial businesses rose 2.6% y-o-y to 479.5 billion yuan (US\$78.3 billion) in April, official data showed. The increase reversed the 0.4% dip in March, according to the National Bureau of Statistics (NBS).

Japanese retail sales rose 5.0% y-o-y in April, less than a median market forecast for a 5.4% increase, government data showed. In April last year, the government increased the sales tax to 8% from 5%. The move took a severe hit on private consumption and nudged the economy into recession.

Australasia

Australian business investment fell twice as fast as economists predicted last quarter, signalling the central bank's targeted transition to growth outside mining is yet to gain traction. The currency slumped half a U.S. cent. Capital spending fell 4.4% from the final three months of last year, compared with a median forecast for a 2.2% drop.

Western Europe

The European Central Bank yesterday left the amount of emergency funds available to Greek banks unchanged at 80.2 billion euros, amid signs of slowing depositor withdrawals, a Greek banking source said. It was only the second time the ECB did not raise the ceiling of its emergency liquidity assistance (ELA)

programme for Greek banks since February, when it started a weekly review of the country's crisis-battered lenders.

French consumer confidence slipped in May, as households' assessment of their ability to make savings slumped. Consumer confidence in the France fell to 93 in May from 94 in April, French statistics bureau Insee said.

Eastern Europe

Price inflation in Russia slipped below 16% y-o-y, as the strengthening of the rouble soothes blistering price rises. Prices rose 0.1%, a report by state statistics service Rosstat said. This brought y-o-y inflation to 15.8 - 15.9%, down from 16.1% the previous week, the Interfax news agency calculated.

North America

Canada's central bank maintained its key lending rate at 0.75% as a recovery in the United States, Canada's neighbour and largest trading partner remained sluggish. Lower oil and gas prices also continued to keep inflation low, while domestic consumption has held strong, the Bank of Canada said.

US Treasury yields rose yesterday as traders braced for incoming supply and took profits from gains in 30-year Treasuries, after yields on long-dated bonds fell on Tuesday. The Treasury sold \$35 billion in five-year notes the second round of this week's hefty \$90 billion in new supply of U.S. government debt.

South America

Outstanding loans in Brazil's banking system rose 0.1% in April from the previous month, the central bank said. The 90-day default ratio, the most widely followed gauge of loan delinquencies, increased to 4.6% last month, from 4.4% in March, the bank said.

Brazil's Planning Ministry cut its forecast for 2016 economic growth to 1.0%, from 1.3% previously, according to slides shown during a Congressional hearing with Minister Nelson Barbosa. The forecast is in line with market expectations compiled by the central bank.

Oil & Gas News

Oil prices fell by up to 3% for a second straight day yesterday, as a resurgent dollar weighed on the market ahead of US inventory data. Brent crude settled down \$1.66, or 2.6%, at \$62.06 a barrel.

Currency News

The rupiah interbank trade rate yesterday strengthened by 44 basis points to Rp 13,198 per dollar from Rp 13,220 per dollar in the previous trade.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
27-May-15	1,189.20	2.83	63.83	22.55	1.47	2.08	1.34	0.95	9809.69	90.55	2.69	33.21	25.02	3,420.93
28-May-15	1,187.65	2.84	62.55	22.02	1.47	2.08	1.35	0.96	9793.36	91.13	2.69	33.13	25.02	3,417.77
% Change	-0.13	0.35	-2.01		-0.12	0.08	0.42	0.61	-0.17	0.65	0.13	-0.24	0.02	-0.09

Economic & Financial News

Research & International Division

30/5/2015

*... Bank lending in Singapore fell for the fifth straight month in April ...
... India's GDP grows by 7.3% in FY2014-15...*

South East Asia

Philippines domestic liquidity in April, as measured by M3, rose 9% y-o-y to P7.6 trillion despite a cooling of demand for credit. Data released by the Bangko Sentral ng Pilipinas (BSP) showed that the M3 growth in April was faster than the revised 8.7% growth posted in March. On a seasonally adjusted basis, M3 expanded by 0.9% m-o-m.

The BSP has approved new rules on the leverage ratio of banks in line with the international standards issued by the Basel Committee on Banking Supervision known as the Basel 3 reforms. The policy-making Monetary Board set a minimum ratio of 5% compared with the Basel minimum of 3%.

Bank lending in the Philippines for April grew at a slightly slower pace from the previous month as lending for production activities decelerated. BSP data showed that outstanding loans granted by commercial banks, excluding reverse repurchase placements (RRPs) with the central bank, increased by 15.4% against the revised 16.1% growth recorded in March.

Bank lending in Singapore fell for the fifth straight month in April, as Singapore dollar loans for general commerce and financial institutions continued to weaken. Latest data from the Monetary Authority of Singapore (MAS) released yesterday showed that total loans and advances by domestic banks fell 1.1% to S\$594.3 billion in April, from S\$601.1 billion a month earlier.

Viet Nam's retail sales and service revenue in the first five months of 2015 totalled VND1,305 trillion (US\$60.7 billion), according to the General Statistics Office (GSO). The figure represents a 9.1% y-o-y, the GSO said, adding that it rose 8.2% excluding inflation.

Rice exports in Viet Nam have declined sharply in the first five months, indicating that the industry is struggling, according to the Ministry of Agriculture and Rural Development's report. In those period, Viet Nam has exported 2.4 million tonnes of rice worth US\$1.1 billion, declines of 11.4% and 14.6% respectively over the same period last year.

North East Asia

Asian imports of Iranian crude rose 12% m-o-m in April to a four-month high of almost 1.2 million barrels per day (bpd). Imports by Iran's four biggest buyers China, India, Japan and South Korea totalled 1.2 million bpd last month, down 4.1% y-o-y and the highest since hitting 1.2 million bpd in December, government and tanker-tracking data showed.

China's latest cuts to import duties will reduce fiscal revenue while boosting domestic consumption, said vice finance minister yesterday. The Ministry of Finance announced that China will cut import taxes on clothing, cosmetics and some other goods from June 1.

Japan's unemployment rate dropped 0.1 percentage point to 3.3% in April, helped by strong corporate hiring and a fall in the number of job seekers amid a modest economic recovery.

Industrial output in Japan has improved in April, though household spending continued to fall, a sign a full-fledged recovery in consumption, which accounts for around 60% of the economy, has yet to come.

Japan's CPI rose 0.6% y-o-y in April, at par with market expectations and compared to an advance of 2.3% in March. Meanwhile, the nation's jobless rate unexpectedly fell to an 18-year low level of 3.3% in April, compared to a reading of 3.4% in the prior month, while markets expected it to remain unchanged.

Indian Sub-Continent

The Indian economy grew 7.3% in 2014-15 from the 6.9% increase in the previous fiscal, according to the government data. The growth in India's gross domestic product (GDP) was estimated to have expanded by just 4.7% in 2013-14 as per the earlier estimate. But after a revision in base year to 2011-12, the growth stood altered to 6.9%.

Australasia

The Reserve Bank of New Zealand has announced new mortgage regulations for lenders, requiring them to hold capital of at least 40% against all loans issued to residential property investors.

New Zealand business confidence slid to its lowest level. A net 15.7% of respondents were optimistic about the general economy in May, down 15 points from April's reading, and its lowest level since September last year, according to the ANZ Business Outlook.

Western Europe

Switzerland's economy shrank in Q1, as exporters felt the impact of a strong Swiss franc, which surged after the central bank removed the currency's cap against the euro in January. GDP fell by 0.2% q-o-q compared to revised growth of 0.5% in the previous quarter, the State Secretariat for Economic Affairs (SECO) said.

Spanish consumer prices fell by 0.2% in May when compared with the same month of a year earlier, according to advanced data of the Consumer Price Index (CPI) published yesterday by Spain's Statistical Office (INE). The figure is 0.4% higher than the inflation rate registered in April, when prices fell by 0.6%.

North America

The US economy shrank 0.7% in Q1, the Commerce Department said yesterday demonstrating the continuing weakness of the recovery from the Great Recession.

Canada's economy contracted in Q1 as lower oil prices reduced business investment in the energy sector and household spending stalled. GDP declined 0.6% on an annualized basis in the quarter, to 1.8 trillion Canadian dollars (US\$1.4 trillion), Statistics Canada said.

South America

Brazil's economy contracted by 0.2% in Q1 2015 the government said, kicking off a rough year in which it is expected to continue shrinking. Annual inflation stood at 8.2% in April, well above the target of 4.5%.

Brazil's budget surplus in April was larger than economists estimated. The nominal budget surplus in April was 11.2 billion reais (US\$3.5 billion), larger than the median estimate of a 5 billion reais surplus. That was a reversal from a deficit of 69.2 billion reais a month earlier.

Oil & Gas News

Oil rose more than 3% yesterday. Brent was up \$2.10, or 3.4%, at \$64.68 a barrel. US crude was up \$1.90, or 3.2%, at \$59.58.

Currency News

The rupiah interbank trade rate yesterday strengthened by 30 basis points to Rp 13,193 per dollar from Rp 13,223 per dollar in the previous trade.

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-May-15	1,187.65	2.84	62.55	22.02	1.47	2.08	1.35	0.96	9793.36	91.13	2.69	33.13	25.02	3,417.77
30-May-15	1,190.58	2.64	65.56	24.83	1.48	2.07	1.35	0.97	9811.62	91.81	2.71	33.06	25.02	3,392.11
% Change	0.25	-7.04	4.81		0.50	-0.60	-0.21	1.42	0.19	0.74	0.60	-0.21	0.01	-0.75