

# Economic & Financial News

Research & International Division

1/9/2015

*... China PMI slips to three year low to 49.7 in August ...  
... Australia keeps interest rate unchanged at 2% ...*

## South East Asia

**Indonesia recorded 777,200 foreign holidaymakers in July**, an increase of 4.76% from a year earlier. Indonesia received a total of 5.47 million foreign tourists in the first seven months of this year, up 2.69% on year. The government plans to revive the tourism industry by extending free visa facilities to 45 countries and regions.

**The Indonesia's banking industry has seen a steady increase in non-performing loans (NPLs)** as the domestic economy faces continuous pressure from the global slowdown. Weak demand nationwide had negatively affected companies' cash flow. Banks' gross NPL stood at 2.56% in June, an increase of 0.1% from 2.46% in May.

**Indonesia's inflation reached 7.18% in August**, falling from 7.26% in July, amid growing food prices and transport costs.

**Malaysia's petrol and diesel prices will drop by MYR0.10 and MYR0.15 per litre in September.** The prices of both RON95 and RON97 petrol have been set at MYR1.95 and MYR2.35 per litre, down MYR0.10 from its prices in August. The price of diesel price will be MYR1.80 per litre, down MYR0.15 from MYR1.95 previously.

**Malaysia Felda's second generation settlers could now buy a house to call their own for between MYR60,000 and MYR70,000**, announced by the Prime Minister. The country will resize and redesign each unit from 1,100 sq. ft. to 850 sq. ft. Previously, it was priced at MYR120,000.

**The Myanmar government has urged factory owners to follow the new minimum wage standard** by signing employment contracts with their workers within the first month of their employment starting September. The announcement came after the government's National Minimum Wage Committee designated on last Friday a basic and standard minimum 8-hour daily wage of MMK3,600 (about USD2.83) for all workers in the country.

**The Philippine government's tax and revenue efforts continued to improve in the H1** of the year, outpacing the growth of the economy. Revenue collection as a percentage of GDP hit 17.1% in the H1, higher than the 15.5% booked a year earlier. Revenue in the H1 grew 16% to PHP1.086 trillion.

**Thailand's consumer prices continued to fall for the eighth consecutive month in August** on the back of falling oil prices. The headline inflation rate dropped 1.19% from a year earlier and 1.1% from the preceding month. During the first eight months of 2015, headline CPI fell 0.89% from last year.

**Thailand's private consumption and investment slipped in July**, adding to the pessimism over weak exports that suggests a still fragile economic recovery. The Bank of Thailand's private consumption index for July fell 1.1% from June, its biggest monthly drop in a year. In June, the index was revised to a 1.4% rise from 0.9%.

**Vietnam's index of industrial production (IIP) in the first eight months of 2015** gained 9.9% y-o-y due to the recovery in national industrial production. National industrial production had made a strong recovery since February of this year as the IIP in the first two months of this year showed growth of 12% against the same period last year.

## North East Asia

**China saw a bigger deficit in foreign service trade in July** compared with the previous month. Service trade deficit was CNY107.6 billion (USD16.8 billion) in July, increasing from CNY90.9 billion in June. Last month, income from trade in services stood at CNY116.9 billion, while expenditure in service trade was CNY224.5 billion.

**Business activity in China's non-manufacturing sector expanded in August** with slightly slowed pace from June and July. The purchasing managers' index (PMI) for the non-manufacturing sector fell to 53.4 in August, down from 53.9 for July.

**China cuts down payment for second homes purchases in most cities to 20%** from 30%, the Ministry of Housing and Urban- Rural Development said, after easing rules on foreign purchases last week. The change takes effect from today and applies to all cities except Beijing, Shanghai, Shenzhen and Guangzhou.

**Hong Kong retail sales decline for fifth month** amid fewer tourist arrivals and stock turmoil. The value of total retail sales in July dipped 2.8% y-o-y to HKD37.6 billion, following a 0.4% y-o-y drop in June. The fall in July was the biggest since March's decline of 2.9%.

**Capital spending by firms in Japan increased 5.6% on Q2.** However, the figure was a drop from the 7.3% pace logged in the Q1. Not including firms' outlays on software, capital expenditure in this segment, which accounts for 90% of Japan's total, gained 6.6% in the Q2, down from 8.1% logged in the previous quarter.

**Japanese manufacturing activity in August** expanded at the fastest pace in seven months as domestic orders rose. The Markit/Nikkei Japan Final Manufacturing PMI stood at a seasonally adjusted 51.7 in August, from 51.2 in July.

**Japan's industrial output fell in July** in a worrying sign that high inventories and weak overseas demand could further hamper an economy struggling to recover from a slump in the Q2. The 0.6% decline in output in July was much worse than the median estimate for a 0.1% increase and follows a 1.1% rise in June.

**Macau's GDP for the Q2 of 2015 contracted by 26.4% y-o-y** in real terms, dragged down by poor performance in exports of services, down further from the 24.5% drop in the Q1. The economic contraction of Macau was mainly caused by the falling in exports of gaming services, which decreased by 40.5%.

**South Korea's inflation grew less than 1%** for the ninth month in a row in August, as Asia's fourth-largest economy grapples with deflation concerns. The country's CPI inched up 0.7% last month from a year earlier. The latest number remains unchanged from 0.7% on-year growth tallied for July.

**South Korea's net foreign credit hit a record high in the Q2** this year due to slower foreign debt growth than foreign credit. External credit came in at USD711.9 billion as of the end of June, up USD30.2 billion from three months earlier.

**South Korea's exports fell for an eighth straight month in August** and at the fastest pace since 2009, as an economic slowdown in its biggest trade partner China dissipates foreign demand. Exports slumped 14.7% on-year to USD39.3 billion in August, posting their sharpest decline since August 2009 while imports plummeted 18.3% to USD35.0 billion.

## Australasia

**Australia's central bank left the official cash rate unchanged at a record low of 2%.** The Reserve Bank of Australia's official cash rate has remained unchanged since May. The fall in key commodity prices and Australia's terms of trade at a time when recent global volatility and financial conditions remain very accommodative.

**New Zealand's goods terms of trade in the Q2** as dairy exports drove an unexpected boost. The merchandise terms of trade rose 1.3% in the Q2, due to export prices rising more than import prices. The latest figures followed a rise of 1.2% in the Q1. Exported goods prices grew 2.1% which were up 6%, contributing the most to the rise.

## Indian Sub-Continent

**The Indian economy logged a 7% growth in the Q1** of this fiscal from Q2, lower than the 7.5% expansion in the quarter before. But the growth was much higher than 6.7% registered in the Q1 of last fiscal. The growth was led mainly by a 12.8% expansion in commercial services, 8.9% in financial services and 7.2% in manufacturing output.

**India's manufacturing sector grew at a slower pace in August** as order flow turned sluggish and forced the companies to cut prices. The Nikkei India Manufacturing PMI stood at 52.3 in August, down from a six-month high figure of 52.7 in July.

## Middle East and North Africa

**Algeria's import bill of building materials totaled USD1.49 billion over the first seven months** of 2015, against USD2.12 billion during the same period in 2014, down by 29.87%.

**Egypt's M2 money supply was up 16.5% at the end of July** from a year earlier. M2 money supply stood at EGP1.8 trillion at the end of July 2015, compared with EGP1.55 trillion at the end of July 2014.

**Kuwait is looking into imposing taxes on luxury items and introducing tolls** on some highways as new sources of fiscal income that will help avoid budget deficits. Other measures being mulled over by the northern Arabian Gulf states include a review of the pricing of goods and public services, and of the fees collected by the state for services and land rental.

**Kuwait's trade surplus shrank further in Q1 2015,** as oil export revenues continued to tumble. The surplus fell to a six year low of KWD1.7 billion in Q1, or an annualised 20% of projected GDP in 2015. The fall is mainly attributed to the decline in export receipts as a result of lower oil prices.

**Qatar's CPI inflation remained moderate in the first seven months of 2015.** CPI is estimated to have averaged 1.5% in the year to July compared with 3.1% in 2014. Inflation has been lower this year mainly due to falling rents as well as lower foreign inflation owing to declining international food prices.

**Qatar's fiscal balance went into a deficit of USD5 billion in the Q1 of 2015.** Impacted by lower oil and gas prices, the country's external surplus has narrowed to 12.8% of GDP in Q1.

**The UAE's non-oil trade reached AED270.1 billion during the Q1 of 2015,** marking a 6% increase over the Q1 of last year. Non-oil imports amounted to AED170.8 billion in the Q1 of 2015 — up from AED166.8 billion in same period last year, while exports amounted to AED40.6 billion, recording a 35% growth rate.

## Eastern Europe

**Poland's economy grew by an annual rate of 3.3% in the Q2**, led by 6.4% growth investments. While Q1 growth estimated at 3.6% y-o-y.

## Western Europe

**Euro area inflation kept stable in August at 0.2%.**

Price of food, alcohol and tobacco rose by 1.2%, more than the 0.9% in July. Services inflation rate also turned out to be 1.2%, stable compared with July. The two sectors contributed most to this month's inflation. Non-energy industrial goods followed, with the price up by 0.6%, more than the 0.4% in July.

**German retail sales rose m-o-m at their strongest pace in nine months in July**, reinforcing expectations

that private consumption will support growth in Europe's largest economy this year. The increase was 1.4% in real terms. The June reading was revised to a drop of 1%. On a y-o-y basis, retail sales posted their second strong month of strong gains, rising 3.3% after a 5.2% increase in June.

**Greek retail sales by volume slipped 0.4% in June**

compared to the same month a year earlier, led lower by pharmaceuticals, cosmetics and furniture sectors. Data on GDP released last week showed resilience in Greek consumer spending, which rose 1.1% in the Q2 and helped the economy expand by 0.9%.

**Switzerland's economy grew 0.2% in the Q2.**

Exports and consumer spending increased, as well as construction and machinery investments. The Swiss National Bank's decision to remove the cap on the franc currency placed the country in a precarious position. Overall, exports rose 0.5%, particularly in such areas as watchmaking, jewelry and pharmaceuticals.

## South America

**Brazil has dropped the idea of reinstating a tax on financial transactions** to bridge a gaping fiscal deficit.

The government was planning a bill reintroducing a 0.38% levy on financial transactions, known as CPMF, to raise an estimated BRL68 billion (USD19 billion) a year in revenue. Tax was needed to cope with Brazil's fiscal crunch in a recession.

**Peru's President Ollanta Humala asked Congress to approve a budget for 2016 that would be 6% bigger than this year's budget blueprint**

amid signs economic growth this year and next will be weaker than previously expected. Peru's copper and gold mining-powered economy is now seen expanding 3% this year, slower than a previously forecast 3.5% to 4.5%, and 4.3% in 2016 as low global metal prices continue to weigh.

## Oil & Gas News

**Oil prices drop 3% as investors retreat from overnight gains.**

Both Brent and US crude prices dropped nearly USD2 a barrel shortly after trading in Brent started on Tuesday, before partly recovering later in the session. Brent crude for October delivery had dropped USD1.50 to USD52.65 a barrel, or 2.8%, as of 0638 GMT after climbing USD4.10, or 8.2%, in the previous session. US crude for October delivery dropped USD1.54, or 3.1%, to USD47.66 a barrel, after it settled up USD3.98, or 8.8% 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
29-Aug-15	1,133.60	2.72	50.05	18.40	1.58	2.17	1.41	0.99	9922.60	86.40	2.98	33.22	25.47	2,955.94
01-Sep-15	1,142.30	2.69	52.21	19.41	1.59	2.16	1.41	1.00	10011.18	84.95	2.96	33.15	25.36	2,900.85
% Change	0.77	-1.10	4.32		1.11	-0.18	0.02	1.28	0.89	-1.68	-0.58	-0.21	-0.42	-1.86

# Economic & Financial News

Research & International Division

2/9/2015

*... Saudi Arabia's GDP grew at its fastest pace in Q2 ...  
... Canada technically in recession ...*

## South East Asia

**Trade volume in Myanmar has risen only slightly since the same time last year**, with total imports and exports looking set to fall below an optimistic government forecast for the financial year. Total imports and exports for the first five months of the 2015/16 fiscal year were USD11.19 billion, a modest rise of USD860 million from September 2014.

**Myanmar has approved the country's first minimum wage for garment workers** of MMK3,600 (US\$3.22) per day. The wage is for a standard eight-hour work day and effective immediately. It will apply to workers across all sectors and industries for businesses employing more than 15 people.

**The Philippines' government will need to play catch-up on capital spending over the next two quarters** but record revenues collected for the first six months of the year gives it ample space to do so. As of H1 2015, capital spending accounted for 2.84% of economic output, an improvement from last year's 2.56%, but below the 4.4% target for the year.

**Filipinos took out more consumer loans in Q1 2015**, with demand fueled by the country's growing economy. At the end of March, consumer loans reached PHP932.8 billion, up 3.36% q-o-q and 26% y-o-y. Consumer loans have been rising every quarter since 2008.

**Thailand has approved economic measures worth a combined THB136 billion (USD3.81 billion)** aimed at boosting spending power in rural areas, as the junta struggles to lift economic growth. The measures include soft loans via village funds worth THB60 billion and a budget of THB36 billion for sub-districts, and speed up spending on small projects with THB40 billion.

## North East Asia

**China's central bank continued to pump billions of yuan into the financial system** to ease liquidity strains. The People's Bank of China (PBoC) conducted CNY150 billion (USD23.6 billion) of seven-day reverse repurchase agreements (repo). The reverse repo was priced to yield 2.35%, unchanged from the yield of the last reverse repo conducted by the PBoC on Aug 27.

**South Korea's current account surplus narrowed in July** from a record high in the previous month due mainly to a fall in the goods balance. The current account surplus reached USD10.11 billion in July, compared with the USD12.11 billion surplus in June.

**South Korea's retail sales inched up in July** from a year earlier as the MERS scare receded. Retail sales reached slightly over KRW30.14 trillion (USD25.6 billion) in July, up 0.5% from KRW29.98 trillion a year earlier. It was also up from KRW29.33 trillion in June.

**South Korea's travel account deficit reached a seven-year high in July.** July's travel account deficit stood at USD1.45 billion, the worst reading since the USD1.65 billion shortfall in July 2008, and widening from a USD1.04 billion deficit in the previous month.

**Growth in credit card spending by South Koreans remain unchanged in July** from a year ago, pointing to the slow recovery of consumer spending. Overall credit card spending rose 14.5 y-o-y to KRW56.78 trillion in July thanks to increased spending by businesses.

## Australasia

**Australia posted its slowest quarterly growth in four years in Q2**, as a fading mining-investment boom and falling export revenue continued to put a brake on the economy. The resource-rich country's GDP climbed by 0.2% q-o-q and 2% y-o-y, the weakest quarterly performance since March 2011.

**The tourism sector is continuing to pick up speed after the collapse of the mining boom**, with an influx of visitors from China and India since the Sydney Olympics were held in 2000. Total spending rose by 10% to a record AUD33.4 billion in the 12 months to June 30, outpacing a 7% rise in visitors to 6.6 million in the same period.

## Indian Sub-Continent

**Pakistan's annual inflation rate fell in August** to 1.72%, the lowest annual inflation in over 12 years, from 1.8% in July. Pakistan's inflation has been relatively low in the past year, mainly due to lower electricity and international oil prices.

## Middle East and North Africa

**Saudi Arabia's Q2 GDP grew at its fastest pace in over a year**, growing 3.79% to reach SAR617.88 billion, compared to SAR595.31 billion in the same quarter of the previous year. However, GDP at current prices fell by 11.93% to SAR631.03 billion.

## Western Europe

**The British manufacturing purchasing managers' index (PMI) slipped in August** to 51.5, from 51.9 in July. The performance of British manufacturing remained sluggish in August, as the continued strength of the consumer goods sector was again offset by lacklustre output growth by intermediate goods producers and the ongoing downturn in the capital goods industry.

**Eurozone jobless rate improves in July** to 10.9%, from the reading of 11.1% in June, suggesting the bloc is on track to a slow economic recovery. The European Union described the figure as the lowest since February 2012. As a result, the number of unemployed people in euro area decreased by 213,000 from the last month.

**The Eurozone manufacturing sector continued to expand at a solid steady pace in August**, with the employment rising at the quickest pace in four years. The manufacturing PMI was 52.3 in August, only a shade below the earlier flash estimate and July's final posting, both of 52.4, according to Markit.

**French car manufacturers sold 10% more new vehicles in August** compared to the same month in 2014. New car sales stood at 92,052 units with French brands growing by 9.7% over the period.

**German unemployment fell in August** after a temporary increase the previous month. When adjusted for seasonal swings, the number of unemployed people fell by 7,000 to 2.79 million in August. The jobless rate remained unchanged at 6.4%, the lowest level since the country's reunification 25 years ago.

**Italy's economy grew in H1** and unemployment fell in July, fueling optimism that the policies passed by Prime Minister Matteo Renzi may help create jobs as the country emerges from a record-long recession. GDP rose 0.4% in Q1 and 0.3% in Q2, up from a previous estimate of 0.3% and 0.2%, respectively. Unemployment dropped to 12% in July, from a revised 12.5% in June.

## North America

**Canada has fallen into a recession**, dragged down by falling energy prices and economic troubles in China. The Canadian economy retreated at an annual pace of 0.5% in Q2, after sliding 0.8% in Q1. Two consecutive negative quarters are the technical definition of a recession.

**US construction spending in July** climbed to its highest level in more than seven years, boosted by an increase in the building of houses, factories and power plants. Construction spending rose 0.7% to a seasonally adjusted annual rate of USD1.08 trillion, the highest level since May 2008. The report also revised up the June increase in construction spending to 0.7%, from 0.1% previously.

## South America

**Argentina's tax revenue jumps in August** to ARS132.52 billion (US\$14.25 billion), 33% higher than revenue registered in the same period last year. The country collected ARS999.57 billion in revenue in the first eight months of 2015, which represents a rise of 33% over January-August 2014.

**Brazil's trade surplus grew in August**, as the country's weaker currency led to a decline in imports. The country posted a surplus of USD2.69 billion in August, up from USD2.38 billion in July. Exports fell to USD15.5 billion in August, from USD18.5 billion in July, though imports fell to USD12.8 billion from USD16.1 billion.

## Currency News

**Hong Kong's monetary authority spent HKD15.5 billion in two money market interventions on Tuesday** to prevent the territory's currency from breaking through its dollar peg's upper limit due to inflows from investors switching out of the yuan following the yuan's devaluation last month. When the Hong Kong dollar hit the high end of its peg to the US dollar, the quasi central bank was forced to buy a total USD2 billion of the latter, selling the equivalent in the former to weaken the local currency.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
01-Sep-15	1,142.30	2.69	52.21	19.41	1.59	2.16	1.41	1.00	10011.18	84.95	2.96	33.15	25.36	2,900.85
02-Sep-15	1,141.81	2.67	48.96	18.34	1.59	2.16	1.41	1.01	9994.00	84.94	2.98	33.06	25.28	2,885.66
% Change	-0.04	-0.74	-6.22	-0.23	-0.14	0.29	0.38	-0.17	-0.01	0.73	-0.25	-0.32	-0.52	

# Economic & Financial News

Research & International Division

3/9/2015

*... Worker productivity in U.S. revised up to 3.3% in Q2 ...  
... Singapore's PMI falls to 49.3 in August ...*

## South East Asia

**Indonesia will double sales of project Islamic bonds next year** as it seeks to kick start a slowing economy with spending on roads, ports and power plants. Some IDR13.7 trillion of Shariah-compliant sovereign debt tied to particular ventures will be offered, up from IDR7.14 trillion in 2015.

**Singapore's manufacturing contracted further in August**, with the Purchasing Managers' Index (PMI) dropping to 49.3, down from 49.7 in the previous month. This is the second consecutive month of contraction, and the drop is mainly due to further drop in new orders, new export orders, production output as well as input prices.

**Singapore's resale volume of Housing and Development Board (HDB) flats slipped again** in August after registering a decline in July. A total of 1,447 HDB resale flats were sold last month, down 6.8% from the 1,552 transacted units in July.

**Domestic retail sales of Vietnam's goods and services reached VND2,116.67 trillion**, a 10.1% increase over the same period last year, or 9.1% if inflation is excluded. Retail sales of accommodations, restaurants and catering services posted growths of 11.7%, while the tourism sector accounted for 0.9%.

## North East Asia

**China's crude steel output continued to decline** after recording its first half-year drop in two decades. Crude steel production dipped 1.8% y-o-y to 476 million tonnes in the first seven months of 2015, compared with a 2.7% increase in the same period of last year.

**Hong Kong's property sales down 29% in August** after recorded 5,197 sale and purchase agreements for all building units and down 34.2% y-o-y.

**Activity in Japan's services sector expanded at the fastest pace in almost two years in August**, as companies turned more optimistic on business conditions in a sign the economy may be bouncing back. The Markit/Nikkei Japan Services PMI rose to a seasonally adjusted 53.7 from 51.2 in July to reach the highest since October 2013.

**South Korea's foreign reserves declined for two straight months** on the back of strong US dollar that reduced the conversion value of non-dollar assets. Foreign reserves amounted to USD367.94 billion as of end-August, down USD2.88 billion from a month ago.

**South Korea's economic growth slowed in Q2 2015** compared to the previous quarter due to the fallout from the MERS outbreak and one of the worst droughts in a century. The economy grew 0.3% in the Q2, sharply decelerating from the 0.8% on-quarter expansion three months earlier.

## Australasia

**Australia's trade deficit narrowed to AUD2.5 billion in July** from a revised June deficit of AUD3.1 billion. The value of exports rose by 2% from June, while the figure for imports was unchanged. The month of July saw a sharp increase in the value of coal exports to Japan.

**Australia's retail sales fell for the first time in over a year last month**, a disappointing start to the Q3 that sent an already-wobbly Australian dollar down a quarter of a US cent. Retail sales eased 0.1% in July from June when they surprised with a strong 0.6% jump.

## Indian Sub-Continent

**Bangladesh's foreign exchange reserve hit an all-time high of USD26.18 billion in August**, reflecting the country's strength in the economy. The country's foreign exchange reserves stood at USD26,175.34 million on Aug. 31 after reaching at USD25,464.28 million in July.

**Bangladesh's annual inflation eased in August** after picking up for two months in a row. The rise in consumer prices edged down in August to 6.17% from 6.36% a month earlier. The government raised heavily subsidised gas and electricity tariffs this month, which could push inflation up again.

## Middle East and North Africa

**UAE'S seasonally adjusted Emirates NBD PMI rose to 57.1 points last month** from 55.8 in July. The sharp rise in the UAE PMI in August confirms our view that Ramadan likely contributed to the softer readings in June and July.

**Qatar follows Saudi Arabia in raising money from local banks** as the slump in oil prices buffets finances. Qatar issued QAR15 billion (USD4.1 billion) of bonds on 1 September as the country takes advantage of low borrowing costs to replenish funds eroded by the decline in oil prices.

## Eastern Europe

**Unemployment in the Czech Republic was recorded at 5.2% for July.** Whilst it is slightly higher than in June when unemployment stood at 5.1%, it is still 0.8% lower than the same period last year.

**Poland left its interest rates unchanged at 1.5%.** The central bank in March cut its main rate to 1.5%, the lowest on record, and said it was unlikely it would return to more easing any time soon.

**Activity in Russia's service sector fell in August,** in the latest sign that overall economic conditions remain weak. Markit's PMI fell to 49.1 in August from 51.6 in July. A weak rouble was adding to cost pressures.

## Western Europe

**Industrial producer prices fell by 0.1% in the euro area in July** compared with the previous month. In the European Union, prices also fell by 0.2% in July compared with June.

**The French jobless rate was stable in Q2** at 10.3%. Excluding overseas districts, the unemployment rate in France stood at 10%, or 2.9 million people, in the Q2, unchanged from the previous quarter.

**Spain registered in August its first increase in jobless claims in seven months,** but with elections just months away the government dismissed it as a seasonal uptick that does not wipe away improvements over the past year. Jobless claims increased last month by 21,679, or 0.54%, to 4.07 million.

## North America

**US productivity in the spring rose at the fastest pace since late 2013,** while labour costs declined. Worker productivity increased at an annual rate of 3.3% in the Q2. That was a rebound from the Q1 when productivity had fallen at a 1.1% rate. Labour costs fell at a 1.4% rate in the Q2, indicating that wages are not rising even as unemployment declines.

**US banks' earnings jumped 7.3% in Q2** from a year earlier as revenues increased and the volume of soured loans banks had to write off fell to the lowest level since before the financial crisis. US banks earned USD43 billion in Q2, up from USD40.1 billion a year earlier.

## South America

**Brazil's central bank kept its key interest rate at 14.25%,** breaking with a string of seven consecutive hikes aimed at holding back soaring inflation. The world's seventh biggest economy is in a recession predicted to extend through 2016 and previous rate rises have not prevented a steady rise in inflation.

## Currency News

**Ringgit falls on concern data to show further reserve depletion.** The ringgit fell 0.5% to 4.2325 a dollar as of 10:50 a.m. in Kuala Lumpur, adding to Wednesday's 1.1% decline.

## Oil & Gas News

**Oil prices fall on surprise US inventory build.** Brent dropped 31 cents to USD50.19 a barrel as of 0650 GMT, having gained 94 cents in the previous session. Brent hit a low of USD49.95 earlier in the day.

**OPEC oil output fell in August** from the highest monthly level in recent history, as disruptions to flows on Iraq's northern pipeline halted supply growth from the group's second-largest producer. OPEC supply fell in August to 31.71 million barrels per day (bpd) from a revised 31.88 million bpd in July.

## Commodity News

**Gold added to overnight losses on Thursday,** hurt by a stronger dollar. Spot gold had eased 0.1% to USD1,132.45 an ounce by 0637 GMT, after dropping 0.5% yesterday.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
02-Sep-15	1,141.81	2.67	48.96	18.34	1.59	2.16	1.41	1.01	9994.00	84.94	2.98	33.06	25.28	2,885.66
03-Sep-15	1,133.30	2.65	50.26	18.97	1.59	2.16	1.42	1.01	10001.65	85.01	2.99	33.02	25.30	2,903.78
% Change	-0.75	-0.75	2.66	0.03	-0.01	0.19	-0.09	0.08	0.08	0.08	0.24	-0.15	0.08	0.63

# Economic & Financial News

Research & International Division

5/9/2015

*... US unemployment rate fell to a seven-year low in August ...  
... Crude futures fell 2% on Friday ...*

## South East Asia

**Indonesia has unexpectedly dumped the much-vaunted plans for its first high-speed railway** in favour of a slower and cheaper rail option, in a blow to Japan and China who have been fiercely competing to win the multi-billion contract this week.

**The international reserves of Bank Negara Malaysia moved slightly higher** to MYR357.7 billion (USD94.7 billion) as at Aug 28. The reserves position is sufficient to finance 7.4 months of retained imports and is 1.0 times the short-term external debt. The international reserves is made up of USD86.4 billion in foreign currency reserves, USD0.8 billion in IMF reserves position, USD1.8 billion in small debt resolutions, USD1.4 billion in gold and USD4.3 billion in other reserve assets.

**The Philippines' inflation rate hit an all-time low of 0.6% in August** with the decline in the prices of food, energy, and oil rates. The August inflation was lower than the 0.8% recorded in July and 4.9% in August last year, bringing the year-to-date level to 1.7%, below the target range of 2-4% set by the government for this year.

**Singapore recorded the second-biggest annual drop in private property prices in Asia in Q2.** It noted that apartment prices fell 3.2% in Q2 over the same period a year earlier. China was the only Asian country to fare worse, with values there dropping 5.7% in the same period. Overall, Singapore had the eighth biggest price decline among 56 global residential markets tracked by the Knight Frank Global House Price Index.

**Thailand's consumer confidence index fell in August** to 72.3 points, from 73.4 in July, the eight consecutive months of decline. The consumers now placed their hopes on the new economic team to turn things around as well as the government's stimulus package worth THB136 billion, the Thai Chamber of Commerce University said.

**Vietnam eyes 6.7% growth in 2016 as macroeconomic situation stables in the January-August period.** Consumer price index fell 0.07% m-o-m in August. Total credit lent to the national economy rose 9.3% from January 1 to August 20. Total exports rose 9% to USD106 billion in the first eight months. State budget revenue reached 67% of the year's estimate, an increase of 7% over the same period in 2014. In the same period, total registered and added FDI rose by 30% to USD13 billion, and total retail sales revenue increased by 10%.

**Vietnam's domestic structural steel market has seen a 25%-30% growth in sales** thanks to the strong recovery of the domestic real estate market. The market demand for building materials, especially structural steel products, had strongly increased since the beginning of the year.

## North East Asia

**Japan's real wages in July rose** by an annual 0.3% to mark the first increase in 27 months, which offers some relief to policymakers struggling to sustain a virtuous cycle of rising corporate profits leading to a boost in consumption through higher wages. Total cash earnings also rose 0.6% to JPY367,551 in the year to July, after plunging in June.

**Japan's medical expenses in the year to March 2015 are certain to hit a new high above JPY40 trillion** on the back of the nation's graying population. Spending is likely to set a record for the 12th straight year as the released data, which accounts for around 98% of the total but excludes expenses such as those related to industrial injury insurance, came to JPY39.96 trillion.

**Taiwan's foreign exchange reserves as of the end of August increased** by USD2.835 billion to amount to USD424.79 billion, a record high in history. Meanwhile, foreign funds outflow reached USD3.483 billion, a new high in 47 months. The bank attributed the increase to profits generated by investments made with the nation's foreign exchange reserves, and the appreciation of the euro and other reserve currencies against the US dollar.

## Indian Sub-Continent

**Money sent home by Bangladeshis working overseas rose in August** by 1.1% y-o-y to USD1.19 billion. The figure was lower than the USD1.39 billion netted in July, when remittances fell 7% y-o-y in the first annual dip since February.

**Tourist arrivals in Sri Lanka rose in August** by 18.7% y-o-y, with the number of foreign visitors increasing for the 76th straight month since the near three-decade civil war ended in 2009. Monthly arrivals exceeded 100,000 for the 15th consecutive month in August, while the number of foreign visitors rose by 17.1% in the first eight months of the year.



## Middle East and North Africa

**Unemployment among Saudis is relatively high**, pointing to the negative impact of retreating oil prices on the economy and labor market, Labor Minister Mufrej Al-Haqabani said. The minister said that the Kingdom has embarked on a comprehensive reform process by launching initiatives and programs that include the development of legislation and systems to employment opportunities to nationals.

**Qatar will begin enforcing a law that ensures workers get paid on time** from early November. The Wage Protection System (WPS) has been delayed from an initial start date of August 18 to allow companies more time to prepare for the change, following criticism by rights campaigners.

## Eastern Europe

**Romania's GDP growth in H1 2015 was supported by almost all branches of the economy**, with trade, information and communication and industry having the highest contributions. The country grew a seasonally adjusted 3.8% from the same period in 2014.

**Russia's inflation accelerated for the second month in a row in August**, on the back of the ruble's rapid depreciation. Consumer prices rose 15.8% in August compared with a year earlier, after increasing 15.6% in July. The central bank aims to bring inflation down to 4% in the next few years.

## Western Europe

**French consumer confidence was stable in August** at a level below the long term average. Consumer confidence in the eurozone's second-largest economy was 93 in August.

**German industrial orders fell more than expected in July on lower foreign demand**, pointing to some weakness in the export engine that supported growth in Europe's largest economy in the first half of this year. Contracts for goods fell by 1.4% on the month.

**UK's new car registrations rose in August** by 9.6% y-o-y to 79,060 vehicles. The poor weather that might have dampened high street clothes sales seems to have triggered a stampede into car showrooms with a 10% increase in monthly vehicle sales.

## North America

**Canada's unemployment rate increased slightly in August** to 7%, as more people sought work and the public sector did most of the hiring. An increase of 54,000 in full-time jobs in August was mostly offset by a loss of 42,000 part-time positions.

**Consumer confidence in Mexico fell in August** for a second consecutive month, as consumers were more pessimistic about the country's economy despite seeing improvements in their own prospects. Consumer confidence fell 1.2% seasonally adjusted from July. The decline in confidence followed a 2% decrease in July.

**The US trade gap narrowed in July as imports fell.** The US trade deficit shrank by 7.3% m-o-m to USD41.9 billion in July. In the month, exports went up 0.4% m-o-m (USD0.8 billion) to USD188.5 billion, while imports fell 1% m-o-m (USD2.5 billion) to USD230.4 billion.

**The US unemployment rate fell to a seven-year low in August** as employers added a modest 173,000 jobs, a key piece of evidence for the Federal Reserve in deciding whether to raise interest rates from record lows later this month. The unemployment rate fell to 5.1% from 5.3%, the lowest since April 2008.

## South America

**Argentina's automotive sector produced 364,574 units in the first eight months of 2015**, down 9.7% compared to the 403,534 units of vehicles sold for exportation last year.

**Brazil's new vehicles sales, production and exports dropped in August**, as consumer confidence remains low. Sales of cars, light vehicles, trucks and buses totaled 207,250 in August, down 23.9% y-o-y. In the January-August period, vehicles sales dropped 21.4% y-o-y totaling 1.75 million units.

## Oil & Gas News

**Crude futures fell about 2% on Friday** as traders shrugged off a drop in the number of US rigs drilling for oil and focused instead on a supply glut and declining stock prices on Wall Street. Brent, the global oil benchmark, settled down USD1.07, or 2.1%, at USD49.61 a barrel. It was down almost 1% on the week.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
03-Sep-15	1,133.30	2.65	50.26	18.97	1.59	2.16	1.42	1.01	10001.65	85.01	2.99	33.02	25.30	2,903.78
05-Sep-15	1,121.85	2.66	49.61	18.65	1.59	2.16	1.42	1.02	9935.91	83.54	3.03	32.96	25.27	2,863.81
% Change	-1.01	0.38	-1.29	-0.17	-0.17	-0.08	0.57	1.06	-0.66	-1.73	1.35	-0.16	-0.12	-1.38

# Economic & Financial News

Research & International Division

8/9/2015

*... China's FDI surges by 7.9%, ODI up 20.8% ...  
... Philippines recorded tourism receipts of P130.2 billion, up by 3% ...*

## South East Asia

**Indonesia's foreign exchange reserves was recorded at USD105.3 billion by the end of August or USD2.3 billion lower than USD107.6 billion a month earlier.** Executive Director of Bank Indonesia said the central bank is set to remain in the market to keep rupiah from diving lower against the US dollar in order to sustain macro-economic stability and financial system.

**The Philippine government announced it sustained a budget deficit for the second consecutive month in July,** although data showed the gap narrowed from June as infrastructure spending dropped m-o-m. The budget deficit for July contracted to PHP32.2 billion from a PHP72.7-billion gap in June.

**The Philippines recorded tourism receipts of PHP130.22 billion (USD2.77 billion) from 3.11 million visitors in the first seven months of 2015,** up by 3% from the PHP126.33 billion registered in the same period last year.

**The Philippines' foreign exchange reserves thinned for the second straight month in August amid the weakness of regional currencies including the peso** as well as the higher debt payments by the government. Gross International Reserve (GIR) slipped for the second straight month to USD80.3 billion in August.

**The Ministry of Industry and Trade announced that Viet Nam's trade deficit with China continued to grow,** currently at USD22.3 billion. The recently released figure predicts 2015 will result in a y-o-y increase of 29%.

**Credit in Vietnam this year has grown robustly and might surpass the 15-17% annual target,** however, commercial banks will find it difficult to balance lending and deposit sources. Statistics from the State Bank of Viet Nam showed that credit as of August 20 rose 9.31% against December last year, doubling the 4.07% rising rate in the same period last year.

**Vietnam produced 12.3 million tons of crude oil between January and August,** up 8.7% y-o-y even though the government has been urged to cut oil production given sharp decline in global prices this year. August oil output reached 1.5 million tons, posting a 3.5% m-o-m increase.

## North East Asia

**China's Foreign exchange reserves shrank by USD93.9 billion in August,** reflecting the scale of intervention by the central bank to support the yuan after a surprise devaluation last month. Reserves had dropped to USD3.557 trillion, having descended from a record USD3.99 trillion in June 2014, as capital outflows escalated due to fears over China's economic slowdown and prospects of rising US interest rates.

**FDI into China grew 7.9% y-o-y to 471.1 billion yuan (USD74 billion) through the first seven months of this year,** while China's Outbound Direct Investment (ODI) grew at a dynamic pace in the January-July period, jumping 20.8% on a y-o-y basis to USD63.5 billion. China became a net capital exporter last year as the ODI figure of USD116 billion exceeded capital inflows for the first time.

**China's exports declined in August,** adding to growth pressures facing the world's second-largest economy. Overseas shipments fell 6.1% from a year earlier in yuan terms. Imports dropped 14.3%, widening from an 8.6% decrease, leaving a trade surplus of 368 billion yuan (USD58 billion).

**Japan's key composite index of economic indicators, reflecting the current state of the economy fell in July,** due to a slowdown in manufacturing activity. The index of coincident indicators, such as industrial output, retail sales and new job offers, dropped 0.1 points from the previous month to 112.2 against the 2010 base of 100.

**Japanese foreign exchange reserves totaled USD1.24 trillion at the end of August,** up USD1.83 billion from a month before. The balance grew due to a rise in the dollar value of euro-denominated assets held by the government on the back of the currency's advance against the greenback.

## Indian Sub-Continent

**Sudan's inflation rate fell to 11.3% in August from 14.1% in July,** the Central Statistics Office said. Prices soared in Sudan after South Sudan seceded in 2011, taking with it three-quarters of the country's oil output, the main source of foreign currency used to support the Sudanese pound and to pay for food and other imports.

## Middle East and North Africa

**Saudi Arabia's headline inflation is likely to remain at 2.0% to 2.5% during the rest of the year.** Broad money supply (M3) rose by an annualized 10.5% in June, indicating continued expansion of economic activity, said NCB's Saudi Economic Review for August 2015.

**Egypt's foreign currency reserves fell to USD18.096 billion at the end of August from USD18.534 billion the previous month,** the central bank said. Saudi Arabia, the United Arab Emirates and Kuwait have provided billions of dollars in aid since the army overthrew elected Islamist President Mohamed Mursi in mid-2013 following mass protests against his rule.

**Jordan's exports of fruits and vegetables increased by 3.5% in August reaching 88,000 tons** compared to the same month in 2014. Total exports of fruits and vegetables during the first eight months of the year amounted to 580,000 tons, compared to 626,000 tons recorded during the same period of 2014, a decrease by 7.5%.

**Despite concerns about the global economy and falling oil prices, some companies in the UAE have increased the salaries of their staff by an average of 4% this year,** slightly above the country's inflation rate. Those working in the automotive and retail sectors have enjoyed higher adjustments of 6.4% and 6.6%, respectively.

## Australasia

**Australian Consumer confidence plunged last week after weak economic growth** and retail data sparked worries Australia could be facing a sharp economic slowdown and even its first recession in a generation. The ANZ-Roy Morgan consumer confidence index dropped 5.8%, when sentiment was still affected by the measures of Coalition government's first budget.

**Statistics New Zealand corrected some consumer-price index figures for Q1 and Q2 of this year,** due to what it termed a one-off processing error. Statistics New Zealand said the CPI for the three months ended March fell 0.2% from the previous quarter, versus the previously published 0.3% decline. The CPI for Q1 rose 0.3% from a year earlier, versus the previously published rise of 0.1%. For the Q2, the q-o-q rise in CPI was unchanged at 0.4%, but Statistics New Zealand revised the y-o-y rise to 0.4% from a rise of 0.3%.

## Eastern Europe

**Rental rates for apartments in Moscow have dropped by 8% this year as demand plummets,** the RBC news website reported. While in the same period last year the average cost of renting a one-room apartment was between 32,500 rubles and 33,000 rubles (USD490 and USD500) a month, today the cost of a one-room apartment is 30,000 rubles (USD450), according to first deputy director of Miel-Arenda, RBC reported.

## Western Europe

**German exports and imports rose to their highest level on record in July.** Seasonally-adjusted exports climbed by 2.4% to 103.4 billion euros on the month, while imports increased by 2.2% to 80.6 billion euros.

**State Secretariat for Economic Affairs said that Switzerland's unemployment rate remained unchanged at a seasonally adjusted 3.3%,** from 3.3% in the preceding month.

**UK retail sales fell during August,** though supermarkets fared better as the recovery in food sales accelerated. Like-for-like retail sales fell 1.0% in August compared to the same month in 2014, versus blindly optimistic consensus forecasts of a 0.9% rise, while total sales fell 0.1%.

## Oil & Gas News

**US benchmark West Texas Intermediate for October delivery fell 34 cents to USD45.71** while Brent crude for October eased 38 cents to USD49.23.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
05-Sep-15	1,121.85	2.66	49.61	18.65	1.59	2.16	1.42	1.02	9935.91	83.54	3.03	32.96	25.27	2,863.81
08-Sep-15	1,120.84	2.67	48.03	17.99	1.59	2.16	1.42	1.01	9990.01	83.82	3.02	32.94	25.25	2,846.23
% Change	-0.09	0.38	-3.18		0.04	0.24	0.07	-0.36	0.54	0.34	-0.20	-0.08	-0.05	-0.61

# Economic & Financial News

Research & International Division

10/9/2015

*Philippines jobless rate rises to 6.5% in July ...  
... Saudi Arabia's crude oil production dipped by 100,000 bpd ...*

## South East Asia

**Indonesian banking industry is in a fairly good condition** despite the economic slowdown, said President Joko Widodo. The bankers ensured him that there is no serious problem in non-performing loan as well as in credit growth. Bank credits grew 15-16%, lower than normal growth of more than 210% per year.

**Malaysian Industrial Production Index (IPI) rose by 6.1% in July 2015** compared with the corresponding month a year ago. The July increase was supported by positive growth in manufacturing (4.2%) and mining (14%), while the electricity index decreased 1.2%.

**Unemployment in the Philippines rose to 6.5% in July from 6.4% in April** as more people lost jobs as a result of the impact of El Nino on agriculture. Compared with the year earlier, the rate of unemployment in the country slowed from 6.7%.

## North East Asia

**China's CPI rose to 2% in August from a year ago**, mainly on higher food prices and not due to a pick-up in economic activity. Deflation fears in China are growing as manufacturers continue to cut prices.

**China's manufacturers slashed prices at the fastest rate in August** as commodity prices fell and demand cooled. The producer price index fell 5.9% in August from the same period last year.

**China's imports fell to 14.3% in August from a year ago, while exports fell by 6.1%.** The steep fall in the value of imports reflects lower commodity prices globally, particularly crude oil. China's monthly trade surplus expanded by close to 40% from the month earlier to USD57.8 billion.

## Indian Sub-Continent

**Indian Consumer inflation was expected to have slowed to a record-low in August**, hit by slack global energy costs and low food prices, likely increasing pressure on the Reserve Bank of India (RBI) to cut rates at its meeting later this month.

**India needs 50-100 basis points of interest rate cut, to boost India's sluggish economy**, putting pressure on the cautious reserve bank ahead of a policy review later this month. At its last policy review, the central bank left policy repo rates on hold at 7.25%, tying future cuts to inflation outlook.

## Middle East and North Africa

**Egypt's annual urban consumer inflation slowed to 7.9% in August from 8.4% in July.** Inflation soared in Egypt after the government slashed energy subsidies in July 2014.

**Saudi Arabia's crude oil production dipped by 100,000 barrels per day (bpd) in August**, but still maintained historically high output levels in line with a strategy of defending market share. Saudi Arabia pumped 10.26 million bpd in August, while crude supplied to the market was at 10.18 million bpd, down by about 78,000 bpd.

**The general index of wholesale prices in Saudi Arabia recorded a monthly decline by 0.6% in August from the previous month**, and also registering a decline by 1.6% annually compared to its level in August 2014. The general index of wholesale prices in Saudi fell to 156.9 points in August 2015, against 157.9 last July and compared to 159.5 in August 2014, to record on a monthly basis a decline of 0.6%, and on an annual basis a decline by 1.6%.

**Turkey's GDP expanded 3.8% in Q2**, compared with a revised 2.5% in the previous quarter, the statistics agency said. Household demand, which makes up roughly two-thirds of GDP, grew 5.6% while public consumption expanded 7.2%, compared with a 2.5% gain in the previous quarter.

**Turkey's current-account deficit widened to USD3.15 billion in July, an increase of USD768 million compared to the same month last year.** Experts forecast that Turkey's year end current account deficit would stand at USD38.6 billion. Turkey's foreign trade deficit fell to USD30.7 billion in the first seven months of the year, down from USD34.2 billion in same period last year. Declining oil prices have had a significant positive effect on the current account deficit and inflation, which stood at 7.14% in July.

## Western Europe

**UK House prices rose 3% quarter on quarter and 9% higher than in the same quarter a year earlier**, according to Halifax's latest house price index. The strong jobs market and low mortgage rates have supported demand from buyers, while the number of homes coming on to the market remains at its lowest level in at least three decades.

## Currency News

**Malaysia's ringgit fell 1.1% to 4.3770 a US dollar**, the lowest level since January 1998 as a renewed decline in stocks and a downgrade in Brazil's credit rating reignited concerns capital will flow out of emerging markets as the US prepares to raise interest rates.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
08-Sep-15	1,120.84	2.67	48.03	17.99	1.59	2.16	1.42	1.01	9990.01	83.82	3.02	32.94	25.25	2,846.23
10-Sep-15	1,107.87	2.68	47.86	17.86	1.59	2.18	1.42	1.01	10075.57	84.79	3.06	33.02	25.47	2,890.37
% Change	-1.16	0.37	-0.35		0.29	0.79	-0.26	-0.73	0.86	1.15	1.19	0.26	0.86	1.55

# Economic & Financial News

Research & International Division

12/9/2015

*... Australia's unemployment rate fell to 6.2% in August ...  
... Malaysia's central bank kept interest rate unchanged at 3.25% ...*

## South East Asia

**Malaysia's central bank kept its benchmark interest rate unchanged at 3.25%**, with the ringgit continuing to slide and the global economic outlook remaining uncertain. Malaysia's export-dependent economy is being threatened by a rout in commodity prices and the country's woes are being exacerbated by an exodus of foreign funds as they dumped about USD3.8 billion of the nation's shares this year.

**Malaysian Prime Minister Najib Razak is expected to announce measures to strengthen the economy on Monday** as falling commodity prices weigh on growth and the ringgit currency plumbs near 18-year lows. Slowing demand from China and a political crisis swirling around Najib have also shaken investors in the country in recent months, pushing the ringgit down nearly 19% against the US dollar so far this year.

**Thailand's public debt rose to THB5.72 trillion from THB33.98 billion m-o-m**, or 42.85% of GDP, at the end of July on the back of the government's and state agencies' increased debts.

**Vietnam posted a budget deficit of more than VND115 trillion** in the year to August, up 10.17% from the same period last year. The eight-month figure was also 14.2% higher than the VND100.7 trillion deficit recorded in the Jan-July period. State budget revenue in the year to August topped VND618 trillion, whereas government expenditures stood at VND733 trillion.

**Vietnam's crude oil exploitation output this year is estimated to reach 17.58 million tonnes**, up 4.6% against the government's annual target. The ministry also made a forecast that the crude oil output next year would decline to 16.03 million tonnes, a fall of 8.8 % against this year's figure.

## North East Asia

**China is considering more than CNY1 trillion yuan in fiscal stimulus over the next three years**, according to a latest report from the China International Capital Corporation (CICC). A total of CNY1.2 trillion (USD188 billion) to CNY1.5 trillion may be taken from the government coffers to replenish the capital for investment projects, mainly those already approved by the authorities, the investment bank estimated.

**Japan's machinery orders fell for a second straight month in July**, ratcheting up pressure on the Bank of Japan to offer fresh stimulus. Core machinery orders, a highly volatile data series regarded as an indicator of capital spending in the coming six to nine months, fell 3.6% in July.

**Wholesale prices dropped 3.6% in Japan from a year earlier in August**, the largest decline in five years and eight months, due to falling crude oil prices. The index of corporate goods prices decreased for the fifth straight month to 102.7 against the 2010 basis of 100.

**South Korea's central bank left its benchmark policy rate unchanged at a record low of 1.5% for September** as it extended its wait-and-see mode amid rising growth uncertainties and heightened volatility in the global financial market.

**Growth in South Korean banks' household lending gathered pace in August** from the previous month on robust property trade and a seasonal increase in demand for holiday spending. Outstanding household loans extended by local lenders totaled KRW609.6 trillion as of the end of last month, increasing KRW7.8 trillion from July.

**South Korea's tourism income has dropped over 10% in recent months**, mainly due to the outbreak of MERS. Spending by foreign tourists in the H1 of the year was USD5.5 billion, an 11% decline from the H2 of 2014, when the total was USD6.2 billion. This is the biggest drop since 2009, when tourism was hit by the plunging Japanese yen.

**The number of new jobs dipped in August in South Korea** below 300,000 for just the second time this year. There were only 256,000 more jobs in August compared to the same month last year. That was the lowest on-year growth since the global financial crisis.

**The South Korea government plans to create a KRW185 billion investment fund** that can be used to support South Korea's future growth industries.

**Import prices in South Korea continued to fall in August**, extending their on-year decline to a 36th straight month. In local currency terms, import prices dropped 13.6% in August, slightly slowing from a revised 14% on-year drop in July. The decline was attributed to weakening import prices of coal and oil products compared with the previous year.

## Australasia

**Australia's unemployment rate fell to 6.2% in August** with thousands of new jobs created, as the economy continues to shift away from a massive resources investment boom. A total of 17,400 jobs were added to the economy last month, 11,500 full-time and 5,900 part-time.

## Indian Sub-Continent

**India's industrial production expanded more than 4%** for the second consecutive month in Q2 2015. For July, it increased 4.2%, against 4.4% in June.

**India's current account deficit (CAD) narrowed to USD6.2 billion** or 1.2% of GDP in April-June of 2015-16, from USD7.8 billion or 1.6% of GDP a year ago. The merchandise trade deficit stayed virtually flat at \$34.2 billion for April-June compared with USD34.5 billion in the corresponding quarter the previous year.

**Pakistan's trade deficit declined by 8.38% to USD3.762 billion for the July 2015 to August 2015 period**, compared with a deficit of USD4.106 billion for the same period last year. Exports declined to USD3.432 billion in the two month period from USD3.825 billion the previous year. Imports rose to USD7.194 billion from USD7.931 billion.

**Remittances sent by overseas Pakistani workers rose 5.42% during the first two months** of the current fiscal year 2015/16. Pakistani migrants living abroad remitted an amount of USD3.190 billion during July-August FY16 as compared to USD3.026 billion in the corresponding period of the previous year.

## Middle East and North Africa

**Egyptian inflation dropped for the third month running in August**, reaching its lowest level in more than two years and paving the way for rate cuts that could stimulate much-needed investment. Urban consumer inflation dropped to 7.9% in August from 8.4% in June. The fall was driven by a variety of goods and services. Core annual inflation dropped to 5.61% from 6.49%.

**Jordan's CPI decreased by 0.6% in the first eight months of 2015** compared with the same period in 2014. The decline was attributed mainly to lower transportation costs, which went down by 14%, fuel and electricity, which fell by 12%, and vegetables and beans, which dropped by 1%.

**Kuwait's consumer prices saw a small increase in July**, rising from 3.5% y-o-y in June to 3.6% y/y. Inflation across all components, with the exception of food, either slowed or remained unchanged in July. Food inflation rose ahead of the Eid holiday, when the demand for food typically sees a stronger pick up.

**Morocco among countries where the price of diesel is below the worldwide average** (USD0.92 per liter), Global Petrol Prices said. The report noted that drivers pay on average USD0.84 a liter for diesel in Morocco. UK leads the list of world's most expensive diesel at USD1.67 a liter, followed by Israel (USD1.60) and Norway (USD1.59).

## Eastern Europe

**Russia's central bank opted to keep the main interest rate at 11%** after lowering its rate five times this year, citing a serious deterioration in the economic situation.

**Capital outflow from Russia will stand at USD85 billion in 2015**, Central Bank of Russia reported. For the year, the bank project current balance at USD73 billion. Further on capital outflow from Russia is expected to slow down to USD50-60 billion per year.

## Western Europe

**French industrial production dropped in July** after stagnation in June, indicating that the economy lacks strength at the start of the Q3. Industrial output in the country contracted 0.8% in July from June as manufacturing output fell 1%.

**Inflation in Germany stood at just 0.2% in August**, amid concerns that prices could begin to fall again in the 19-country eurozone. Falling energy prices were the main factor behind the stubbornly low rates.

**Greek unemployment in the country reached 25.2% in June**. Those numbers are slightly better than the figures from June 2014, when the jobless rate was at 26.6%. But the situation is worse than in May 2015, when unemployment was at 25%.

**Consumer prices in Spain fell by 0.3% during August** and the rate of inflation currently stands at 0.4%. That 0.3% fall represents a fall of 0.5 points from August 2014, when prices were rising by 0.1%. The main reason for the fall in prices is the reduction in transport costs, driven by a drop in the cost of fuel and lubricants.

**UK construction output fell in July**, in further evidence that UK growth is slowing. Output fell by 1% compared with June, when the sector grew by 0.9%. The sector was dragged down by a 1.5% decline in new work, as housebuilding fell sharply and public sector cuts started to bite.

## North America

**Canadian household debt climbed to a record high in the Q2**, underlining what the central bank has called a key vulnerability in the economy. Credit-market debt such as mortgages rose to 164.6% of after-tax income from 163% in the prior three months.

**US import prices in August recorded their biggest drop in seven months** as the cost of petroleum and a range of goods fell, indicating that a strong dollar and soft global demand continued to put downward pressure on imported inflation. Import prices fell 1.8% last month, the largest decline since January, after an unrevised 0.9 p% drop in July. Import prices have now declined in 12 of the last 14 months.

**The US federal government budget deficit decreased in August**, providing fresh confidence that the country is poised to meet its deficit cuts goal. The budget deficit stood at USD64.4 billion in August, 50% less than the amount recorded a year ago. In the first eleven months of the fiscal year 2015, which started last October and ends in September this year, the deficit is running 10% below last year's level.

**US producer prices stayed unchanged in August**, indicating the inflation pressure remains cool. Prices of goods fell 0.6%, with energy cost tumbling 3.3%. Food prices rose 0.3% while egg prices surged more than 20% due to avian flu epidemic. Prices of services rose 0.4% last month, driven largely by rising retailing costs in garment and accessories.

**US consumer sentiment for early September fell to the lowest level in a year**, affected by lower expectation of domestic economy, the Thomson Reuters/University of Michigan index of consumer sentiment showed Friday. The preliminary reading of the consumer sentiment for September went down from 91.9 in August to 85.7 at present.

**The number of Americans initially applying for unemployment aid fell last week**, a signal of an improving job market. In the week ending Sept. 5, the advance figure of seasonally adjusted initial claims for jobless benefits decreased to 275,000, 6,000 less than the revised level of the previous week.

## South America

**Colombia's economy grew 3% in the Q2**, a y-o-y figure that analysts said could prompt the central bank to raise its benchmark interest rate to counteract inflationary pressure.

**Peru increased borrowing costs for the first time in four years** as a slide in the sol fans the fastest inflation since 2012. The central bank board raised its key lending rate to 3.5% from 3.25%.

## Oil & Gas News

**Oil ends down about 2% as Goldman Sachs cuts price forecast.** US crude CLc1 settled down USD1.29, or 2.8%, at USD44.63 a barrel. Brent LCOc1, the global benchmark for oil, closed down 75 cents, or 1.5%, at USD48.59.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
10-Sep-15	1,107.87	2.68	47.86	17.86	1.59	2.18	1.42	1.01	10075.57	84.79	3.06	33.02	25.47	2,890.37
12-Sep-15	1,107.95	2.69	48.14	17.90	1.60	2.18	1.41	1.00	10084.79	85.39	3.05	33.08	25.51	2,888.03
% Change	0.01	0.37	0.59		0.54	-0.09	-0.59	-0.69	0.09	0.71	-0.30	0.16	0.13	-0.08



# Economic & Financial News

Research & International Division

15/9/2015

*... Malaysia's Prime Minister announced measures to strengthen economy ...  
... German economic sentiment in September hit its lowest level in 10 months ...*

## South East Asia

**Malaysia's Prime Minister announced measures to strengthen economy**, amidst the current challenging situation. The government will reactivate ValueCap, a state equity investment firm, with a fund of MYR20 billion as a measure to stabilise the financial market.

**The Philippines government's spending for infrastructure and capital outlay in July surged by 92.9%** or almost PHP19 billion over levels posted in July 2014, as it attributed the pace to catch-up measures that agencies were prodded to take. Government disbursements for that month rose by PHP42.2 billion or 25% y-o-y, bringing total disbursements to PHP210.7 billion and marking the fastest that public spending has grown since the year began.

**Retail sales in Singapore increased 5.2% y-o-y in July.** The total retail sales value in July was estimated at SGD3.5 billion, up from SGD3 billion in July 2014. Excluding motor vehicles, retail sales rose 0.8% y-o-y in July.

**Vietnamese automobile sales in August decreased 10% m-o-m** to 18,236 units. This is seen as a sudden reduction in the domestic automobile market, which had witnessed strong and continuous growth in sales since early last year.

## North East Asia

**China cranked up its fiscal spending by 26% in August** from a year earlier as Beijing tries to re-energise flagging economic growth and convince reluctant local officials to spend. The spending increase to CNY1.3 trillion last month was the biggest percentage rise in central and local government fiscal expenditure since April, when it leapt 33%.

**China's value-added industrial output expanded 6.1% y-o-y in August.** The growth rate was up slightly from 6% in July. The m-o-m increase was attributed to improving performance in key industrial sectors and accelerated growth in high-tech industries. In August, high-tech manufacturing grew by 10.5% y-o-y and the growth rate was up 0.9 percentage points from July.

**China's fixed-asset investment grew 10.9% y-o-y** to CNY33.9 trillion in the first eight months. Growth retreated from the 11.2% registered in the first seven months. It was attributed to slumping investment growth in the property and manufacturing sectors. Despite the decrease in growth rate, the industrial structure has improved.

**Japanese government is planning to help lower mobile phone fees.** A conceivable specific measure would set smartphone fees according to data communication levels more finely, providing a fee plan for data communications of up to 1 gigabyte for those who use less data communication than others. The average monthly bill for smartphone users in March was JPY6,342 (USD53), the MM Research Institute, a private research firm, said in a survey report in June.

**Japan's industrial production for July fell a revised 0.8%** from the previous month, against the preliminary reading of a 0.6% drop. The seasonally adjusted production index for the manufacturing and mining sectors stood at 97.5 against 100 for the base year of 2010.

**The Macau government's receipts dropped 32.3% y-o-y** to MOP72.7 billion in the first eight months of the year. The government's income from direct gaming taxes fell 35.5% to MOP58.6 billion. Gaming tax payments accounted for 80.6% of the government's total revenue between January and August.

**Standard & Poor's raised South Korea's sovereign currency rating to AA-minus from A-plus**, commending the strength of its economic growth, decline in short-term debt component of external borrowings, and reduced foreign indebtedness of its banks.

**South Korea posted a trade surplus for the 43rd month in a row in August** as imports dropped at a much faster pace than exports. The country's trade surplus reached USD4.3 billion in August, up from USD3.3 billion the year before but smaller than the USD6.9 billion reached in July.

**Bank loans by individual business owners have soared this year** as household debt set a new record high of KRW1,130 trillion in June. Bank loans taken out by the self-employed amounted to KRW229.7 trillion as of the end of August, up KRW20.4 trillion from the end of last year.

## Australasia

**Activity in New Zealand's services sector expanded in August**, after two months of little movement, rising to the highest level in 13 months. The BNZ-BusinessNZ performance of service index rose 1.6 points to 58.2, the highest reading since July last year.

## Indian Sub-Continent

**India's retail inflation came down below 4% to 3.66% in August**, backed by lower prices of fruits and vegetables, but pulses remained costlier. Food inflation in August was slightly higher than in July, and came in at 2.2%.

## Middle East and North Africa

**Algeria is considering higher taxes, import duties and a hike in subsidised diesel and electricity prices** to help cover its deficit after a slump in crude oil prices eroded its revenues. Algeria relies on energy for 60% of its state budget. Oil and gas exports account for 95% of all the North African country's sales abroad.

**Bahrain's real Q2 GDP growth rose to 3.7% y-o-y** from 2.8% in the Q1, data from the Central Informatics Organisation showed.

**The unemployment rates in Egypt retreated to 12.7% in June 2015** against 13.3% a year earlier. The decline in the unemployment rates was attributed to the witnessing significant activity in economic sectors, notably the building and construction.

**Morocco's trade deficit fell 20.4%** to MAD104.0 billion (USD10.8 billion) in the first eight months of 2015 compared with a year earlier, thanks to lower energy imports as oil prices fell.

**Oman's inflation declined by 0.12% in the Q2 of 2015** compared to the same quarter last year, mainly driven by a fall in prices of the food and non-alcoholic beverages set at 0.92%, as also a 1.53% drop in the clothing and footwear segment.

## Eastern Europe

**Industrial production in Hungary saw a y-o-y rise of 3.4% in July**, with the index adjusted for working days being equal to the non-adjusted index, while output grew by 6.7% in the first seven months of 2015.

**Industrial production in Poland increased 3.9% y-o-y in July**, after an increase of 5.1% y-o-y in the previous month.

## Western Europe

**French consumer prices rose in August** from July as many manufactured goods rebounded following the summer sale discounts made by retailers in July, offsetting falling prices for fresh. France's CPI rose 0.3% in August from July but was unchanged on the year.

**German economic sentiment in September hit its lowest level in 10 months** amid growing concerns over the growth outlook in key emerging market economies, especially China. The ZEW think tank said that its indicator of economic expectations fell for the sixth straight month, to 12.1 in September from 25.0 in August.

**The total debt of Spanish banks to the European Central Bank (ECB) fell by 1.2%** from July to August. Spanish banks owed a total of EUR137.9 billion to the ECB in August, which meant a 15.1% fall when compared with the same month of a year earlier, when the debt stood at EUR162.5 billion.

## North America

**Canada posted a budgetary surplus of CAD1.9 billion** for the fiscal year which ended on March 31, 2015. The budgetary surplus exceeds the fiscal projection for 2014-15 presented in the 2015 budget, which forecasted a budgetary deficit of CAD2 billion.

## South America

**Brazil announced a massive USD17 billion austerity package** in a bid to boost its ailing economy amid a deepening crisis that already caused a downgrade of the country's credit rating. The package announced includes freezing public sector salary raises and hiring, entirely eliminating 10 of 39 ministries, cutting 1,000 jobs and slashing housing and health-related social spending.

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-Sep-15	1,107.95	2.69	48.14	17.90	1.60	2.18	1.41	1.00	10084.79	85.39	3.05	33.08	25.51	2,888.03
15-Sep-15	1,107.40	2.77	46.48	16.78	1.59	2.16	1.40	1.00	10262.73	85.69	3.07	33.35	25.69	2,847.49
% Change	-0.05	2.97	-3.45		-0.93	-0.81	-0.83	0.24	1.76	0.35	0.83	0.81	0.74	-1.40

# Economic & Financial News

Research & International Division

16/9/2015

*... Inflation pushes up Indonesian poverty numbers ...  
... China's power consumption suggest improvement in economic activity ...*

## South East Asia

**Indonesia's trade surplus fell sharply** to USD430 million in August from a revised USD1.38 billion in July as imports rose faster than exports. Exports rose 10.79% from a month earlier to USD12.27 billion, but dropped 12.28% from a year earlier. Imports increased 21.69% to USD12.27 billion from July, and dropped 17.06% from the previous year.

**The number of people living in poverty in Indonesia has increased** for the first time in two years due to slow economic growth and high inflation rates. In March this year, there were 28.6 million people, or 11.2% of Indonesia's population, living in poverty, earning an income less than IDR330,776 (USD23.05) a month. This is an increase from 27.7 million living in poverty, or 10.9% of Indonesia's population, in September last year.

**Singapore's employment of locals declined by 8,900 in the H1 of 2015** amid weaker economy, while foreign employment continued on its downward growth trajectory and moderated to 8,000, registering the lowest half-yearly growth since 2009. The decline in the foreign workforce did not include foreign domestic workers.

**The Thai cabinet has approved more tax incentives**, in an effort to make Thailand more attractive for investment. The new proposal made is to exempt corporate income tax for 13 years, up from 8 years. It would also raise the reduced rate for corporate income tax to 90% for 10 years after tax holidays from 50% for 5 years now. But the new privileges would be offered only to targeted industries such as those using high technology or promoting research and development.

**Thailand has unveiled six strategies to support sustainable export growth.** The strategies focus on cross-border trade, creating industrial clusters, prioritising markets for roadshow missions and solving trade obstacles, increasing human-resource efficiency, increasing trade fairs' efficiency, and reaping the benefits from the rise of e-commerce.

## North East Asia

**China's online retail sales continue to show strong momentum**, growing 48.7% during the H1 this year. Online retail sales hit CNY1.6 trillion, 11.4% of total retail sales in China. The number of online shoppers rose 19.1% to 417 million.

**China's electricity consumption returned to positive territory in August**, suggesting a slight improvement in economic activity. Power consumption rose 1.9% y-o-y to 512.4 billion kilowatt hours (kwh), compared with a 1.3% decline in July and a 1.8% increase in June. In the first eight months of 2015, total power use edged up 1% y-o-y to 3.68 trillion kwh.

**Foreign visitors to Japan stood at 13,424,000 as of last Thursday**, already hitting an annual record high. The previous all-time high was some 13,413,000 in 2014. The total number of visitors from abroad may reach 19 million this year.

**Average land prices in both residential and commercial areas in Japan showed smaller y-o-y falls** for the sixth year in a row. As of July 1, per-square-meter residential land prices had dropped 1% on average nationwide, falling for the 24th straight year, while the average commercial land price declined 0.5%, down for the eighth year.

**South Korea's public-sector debt ratio is expected to fall below the 200% mark in 2015** for the first time in five years thanks to reforms and measures taken to enhance state companies' fiscal health.

## Australasia

**New Zealand has turned to a current-account deficit in Q2** with the country earning less from the export of travel services, such as tourist spending. The current-account deficit was NZD1.2 billion in Q2, from a revised surplus of NZD821 million a year earlier. The annual deficit was NZD8.3 billion, or 3.5% of GDP, from a revised gap of NZD8.06 billion, or 3.4%, in the Q1.

## Indian Sub-Continent

**India's merchandise exports shrank in August**, falling for the ninth month and adding to Prime Minister Narendra Modi's concerns that Asia's third-largest economy may not be creating enough jobs for unemployed youth. Goods exports, equivalent to about 15% of GDP, contracted 20.7% y-o-y because of continuing weak global demand. The trade deficit marginally narrowed to USD12.5 billion last month from USD12.8 billion in July, helped by cheaper oil imports.

**Pakistan received FDI of USD119.3 million in the first two months of 2015-16**, which is 7.5% higher than the FDI received in the same period of the preceding fiscal year. The FDI increased USD8.3 million y-o-y in July-August, as it amounted to almost USD111 million in the corresponding months of 2014-15.

**Pakistani farmers will receive USD3.2 billion in grants**, subsidies and loan advances from the government, in a bid to spur sluggish growth in one of the country's main economic sectors.

## Middle East and North Africa

**Abu Dhabi's consumer prices climbed 1.2% in August 2015** compared with July 2015, with the largest price increases recorded in the transport sector (up 12%).

**Inflation index increase at a rate of 2.6% in Iraq**, as a result of rising food prices Department and non-alcoholic beverages at a rate of (4.1%) in August of 2015 compared with the same month of last year. As well as the Department of Housing prices rise at a rate of (3.3%).

**Tunisia unveils outlines of five-year plan to cut joblessness**. The plan, published by the development ministry, envisages average annual GDP growth of 5%, starting off with a moderate gain next year and accelerating from 2018.

## Eastern Europe

**Polish consumer prices declined at a slower pace in August**. Prices dropped 0.6% in August from a year earlier, after a 0.7% decline in July. The annual drop in prices reflected a decline in prices of fuel and clothing.

**Consumer prices in Russia rose 0.1% in the week to Sept. 14**, down from a rise of 0.2% in the preceding week. The latest data bring Russia's accumulated inflation rate since the beginning of the year to 10.1%, compared with 6.3% in the year-earlier period.

## Western Europe

**Seasonally-adjusted industrial production rose by 0.6% in the euro zone** and by 0.3% in the EU in July compared with the previous month, reverting to a positive upward trend after June's falling. The 0.3% increase in the euro zone was due to production of energy rising by 3%, capital goods by 1.4% and durable consumer goods by 1.3%.

**Britain's annual inflation rate fell back to zero in August**, as the cost of clothes rose at a slower pace compared with a year earlier. Last month's 12-month inflation rate compared with 0.1% in July, dragged lower also by falling fuel and food prices.

## North America

**US automakers cut back sharply on production in August** after a big gain in July, lowering overall factory output last month. Manufacturing production dropped 0.5%, the biggest decline since January 2014. The drop in auto output accounted for most of the decline. Production of computers, airplanes and furniture also fell.

**US consumer spending grew at a fairly healthy pace over the past two months**, providing the Federal Reserve a mixed picture of the economy ahead of a rate-setting meeting later this week. Retail sales excluding automobiles, gasoline, building materials and food services increased 0.4% in August after an upwardly revised 0.6% increase in July.

## South America

**The Argentine industrial production grew 0.4% for July** compared to the same month in 2014 with seasonally-adjusted figures, while in absolute terms the sector decreased 0.8%.

**Chile's central bank held its benchmark interest rate at 3%**, but said above-target inflation and other economic indicators will likely prompt a tightening of policy in the short term.

**Peru's economy grew by 3.26% in July** from the same month a year ago thanks to surging copper production. Peru's mining-fuelled economy expanded 2.54% in the first seven months of 2015 and 2.07% in the past 12 months through July from their year-earlier periods.

## Oil & Gas News

**Oil prices rose more than 3% on Wednesday**, paring gains made earlier in the session after government data showed a drop in US crude stockpiles but large builds in oil products. US crude oil stocks fell by 2.1 million barrels to 455.89 million barrels in the week to Sept. 11. Brent crude LCOc1 for November was up USD1.69 at USD49.44 a barrel.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
15-Sep-15	1,107.40	2.77	46.48	16.78	1.59	2.16	1.40	1.00	10262.73	85.69	3.07	33.35	25.69	2,847.49
16-Sep-15	1,108.19	2.73	48.31	17.70	1.58	2.15	1.40	1.00	10313.53	85.80	3.08	33.35	25.70	2,881.99
% Change	0.07	-1.44	3.94		-0.28	-0.54	-0.02	-0.08	0.50	0.13	0.09	0.00	0.03	1.21

# Economic & Financial News

Research & International Division

17/9/2015

*... 60% women in APEC member economies do not have savings accounts ...  
... New Zealand economy expands 0.4% in Q2 ...*

## South East Asia

**Indonesia will aim to provide incentives for property developers** in its bid to encourage more companies to build houses for the poor. The incentives include a simplified property licensing procedure as well as a plan to revise the ceiling price of low-cost houses.

**The Philippines government is on track toward meeting its goal of raising infrastructure investment to 5% of the country's GDP by next year** as it has raised its allocations for public works and communications under the proposed 2016 national budget. These allocations will help support the country's economic growth targets, as well as ensure prompt delivery of goods and services to the public.

**Non-oil domestic exports (NODX) in Singapore fell 8.4% y-o-y in August 2015**, following a contraction in both electronic and non-electronic exports. On a m-o-m seasonally adjusted basis, NODX fell 4.6% in August. The level of NODX was SGD13.3 billion in August, lower than SGD14 billion recorded in the previous month.

**The Thailand government had approved THB 78 billion in investment projects** and offered tax benefits to speed up investment, as the military government seeks to help a stumbling economy. The latest approvals include a THB6.27 billion investment by Ford Motor (Thailand) to produce pick-up trucks, a THB18.7 billion investment by Thai AirAsia X and a THB6.75 billion investment by Nok Air.

**Some 60% of women in the APEC member-economies do not have savings accounts**, according to The Asia Pacific Economic Cooperation (APEC) Women and The Economy Dashboard 2015 report. The report noted that despite APEC's initiatives to improve women's financial literacy and access to capital, women's use of financial services remains low.

## North East Asia

**Japan's trade deficit narrowed in August from the year before** as costs for crude oil imports plunged and exports to the U.S. showed steady growth. The customs data showed a 4.2% drop from August a year earlier in the volume of exports, likely mainly reflecting weakness in shipments to China.

**Japanese exports slowed further in August**, offering yet more evidence of global difficulties spurred by China's stumbling economy. The finance ministry said exports rose 3.1% y-o-y to JPY5.88 billion thanks to a rise in "automobiles and ships". That was slower than the previous month and included a 4.6% tumble in shipments to China.

**South Korea's central bank chief said, lower fuel prices were largely responsible for an easing in annual consumer inflation by 1.4 percentage points in recent months**, adding inflation would have been at or above 2%. South Korea's consumer inflation stood at an annual rate of 0.7% in August.

**Taiwan's fixed asset investment in manufacturing dropped to 3.5% y-o-y in the Q2 of 2015**, but added that it was optimistic about investment prospects for the H2 of the year. Taiwan saw a total of TWD229.5 billion of fixed asset investment in the manufacturing sector during the Q2.

## Australasia

**Australia is facing a period of slow economic growth likely to stretch into next year**, according to a report. The Westpac-Melbourne Institute leading index of economic activity fell in August, taking it further below its trend growth rate and, according to Westpac's chief economist Bill Evans, suggesting the economy was losing momentum.

**New Zealand's economy grew by 0.4% in the quarter to the end of June**, according to official statistics but critics highlighted the fact that GDP was growing at a slower rate than the population. Growth in services and primary industries supported the increase in GDP in the Q2, with agricultural production up 3% due to increased meat and dairy farming.

## Indian Sub-Continent

**Sri Lanka's GDP during the Q2 grew by 6.7% from the same quarter last year** with all three pillars of the economy; agriculture, industry and services performing better. The services sector was the fastest to grow at 7.9% y-o-y while the agriculture, forestry and fishing activities grew by 5% and industry by 2%.

**India requires sustained low inflation and a credible programme for fiscal rectitude to lower the cost of capital**, deputy governor of the Reserve Bank of India (RBI) said, striking a hawkish note after government calls for interest rate cuts to boost the economy. The central banker also said that he expected current account deficit (CAD) to be 1.5% of GDP in the 2015/16 fiscal year.

## Middle East and North Africa

**Dubai's inflation rose to 4.4% y-o-y in August.** Housing and utility costs, which account for almost 44% of consumer expenses, climbed 6.6% from a year earlier and edged up 0.2% from the previous month.

**Iraq's Finance Ministry has proposed a 2016 government budget worth IQD113.5 trillion** (USD99.65 billion) with a budget deficit of IQD29.4 trillion. The budget forecasts oil at USD45 a barrel and presumes the continuation of a 2014 deal with the semi-autonomous Kurdistan region over oil revenues.

**Bank lending growth in the UAE accelerated to 8.6% y-o-y in August** from 8.2% in July. Money supply (M3) shrank 1.2% y-o-y in August, the first contraction since July 2012, after rising 0.7% in July. The central bank attributed this to decreases in quasi-monetary deposits and government deposits.

## Western Europe

**The number of unemployed people in Britain in the three months to July reached 1.82 million**, up by 10,000 from the February-April period. But the number of jobless was lower compared with 1.85 million a month ago. The unemployment rate was unchanged at 5.5%, compared with February to April 2015 but lower than for a year earlier at 6.2%.

**British wages grew at their fastest rate in more than six years** in the three months to July, adding to signs that a first interest rate hike by the Bank of England is approaching. Growth in average weekly earnings, not including bonuses, rose by 2.9% in the May-July period.

**Inflation in the 19-country eurozone fell to 0.1% in August**, in a sign that a dangerous spell of falling prices could be returning to Europe. The EU's Eurostat agency slashed its first estimate of 0.2%. Falling oil prices had the biggest effect on prices. This latest data will increase the prospect for more stimulus by the ECB, which has downgraded its inflation forecasts for the coming years.

## North America

**Canadian manufacturing sales rose 1.7% to CAD52.2 billion in July.** The move higher was fuelled by higher sales in the motor vehicle parts and assembly industries.

**US consumer prices edged down in August**, marking the first decline in seven months and fueled by a big drop in gasoline prices. CPI slipped by 0.1% in August after a small 0.1% rise in July. Gas prices, which had been rising for three months, dropped by 4.1% amid the recent fall in global oil prices.

## South America

**Brazilian retail sales fell in July as consumers' confidence remained at low levels** amid a negative economic outlook and less available credit. Retail sales dropped 1% in July from June in seasonally adjusted terms.

## Oil & Gas News

**US West Texas Intermediate (WTI) crude futures were trading at USD47.15 per barrel**, virtually unchanged from their previous close. Brent prices were also flat, at USD49.77 per barrel.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
16-Sep-15	1,108.19	2.73	48.31	17.70	1.58	2.15	1.40	1.00	10313.53	85.80	3.08	33.35	25.70	2,881.99
17-Sep-15	1,120.40	2.66	50.05	18.82	1.58	2.17	1.40	0.99	10335.92	86.18	3.04	33.28	25.61	2,890.38
% Change	1.10	-2.56	3.60	-0.09	0.86	-0.14	-0.61	0.22	0.44	-1.04	-0.19	-0.34	0.29	

# Economic & Financial News

Research & International Division

19/9/2015

*... The Indonesia government officials overseeing energy have agreed to lower the oil price assumption in the 2016 state budget ...*

*... The US Federal Reserve decided not to raise key interest rates ...*

## South East Asia

**Brunei's car sales have been declining in the past few months.** Car sales fell in August, with total of 1,005 passenger and commercial vehicles sold, down 11.7% from July. Fluctuating business cycles, a shift in preference between asset classes and financial regulatory reform may have impacted the demand and sales of cars in the country in recent months.

**The number of jobseekers among the Brunei's local population is estimated at 14,257 in July** this year for ages from 18 to 59 years, the Department of Economic Planning and Development said.

**Cambodia attracted investment projects with a total capital of USD3.3 billion** in the first six months of this year. Some USD2.5 billion were invested in infrastructure, USD360 million in industries, USD352 million in agriculture and USD74 million in tourism.

**Indonesia's foreign debt grew at a slower pace in July**, as the rupiah further depreciated against the US dollar and both the private and public sector were hesitant to add offshore debt. The country's total foreign debt rose 3.7% to USD303.7 billion in July y-o-y.

**The Indonesia government officials overseeing energy have agreed to lower the oil price assumption in the 2016 state budget** amid a global supply glut and to cut subsidised diesel fuel on slowing demand. They decided lower the oil price assumption to USD50 per barrel from USD60 per barrel previously.

**The Philippine balance of payments (BOP) reverted to a deficit in August** from surpluses in the preceding month and the year-earlier period. It showed a USD450 million deficit in August, the biggest deficit on record since USD4.480 billion was posted in January 2014.

**Vietnamese fuel traders increased retail gasoline prices** for the first time after five consecutive cuts over the last three months, following the global upward trend. The price of 92-RON gasoline went up by VND612, or 4%, at VND17,950 (USD0.80) per liter. Diesel rose by 4% to VND13,886 per liter. Kerosene now retails at VND12,790 per liter, also up 4% from earlier.

## North East Asia

**Home prices in China rose for a fourth consecutive month in August**, offering hope that the ailing property sector is becoming less of a drag on the slowing economy. Average new home prices inched up 0.3% in August from the previous month, the same pace as in July.

**China continued to see a foreign exchanges settlement deficit in August**, indicating forex was flowing out of the country at the retail level. Chinese banks sold USD250.4 billion worth of foreign currencies to individuals and institutions, and bought USD206.9 billion from them, resulting in a net sale of USD43.5 billion last month. The forex settlement deficit came in at USD192.3 billion in the first eight months of 2015.

**The total number of visitor arrivals to Hong Kong in August fell 6.6%**. The decline of visitor arrivals to Hong Kong in August has been narrowed down, comparing to July when the number fell 8.4%.

**Producer prices in South Korea declined to the lowest in about five years** on the back of cheaper crude oil. The producer price index (PPI) slid 0.5% from a month earlier to 100.88 in August, the lowest since August 2010 when it recorded 100.47. From a year earlier, the PPI tumbled 4.4% last month, keeping a downward trend for 13 months in a row.

**South Korea's exports of ICT products rose slightly in August** from a year earlier on a rise in shipments of key products. Outbound shipments of ICT products amounted to USD14.4 billion last month, up 0.7% from a year earlier. Imports also surged 11.4% on-year to USD7.6 billion last month, with the country logging a surplus of USD6.9 billion.

## Australasia

**New Zealand households were a little perkier in September**, ending a four-month slide, as the pessimism over the nation's economic outlook eased. The ANZ-Roy Morgan consumer confidence index rose 1 point to 110.8 from a three-year low in August.

## Indian Sub-Continent

**The India government raised the import duty on crude and refined edible oils** by five percentage points in a bid to protect farmers' interests and provide a level-playing field to domestic oilseed processors.

**Pakistan current account deficit narrowed to 0.8% of the GDP in the July-August period of the current fiscal year**, as low global oil prices kept trade deficit low while remittances into the country remained robust. The current account deficit in the first two months of the fiscal year 2015-16 was a provisional narrowed to USD394 million as compared with a deficit of USD1.5 billion in the same period last year.

## Middle East and North Africa

**Egypt's central bank kept its benchmark interest rates unchanged** at a monetary policy committee meeting on Thursday, citing the need to balance inflation risks with economic growth. The overnight deposit rate stayed at 8.75% and the overnight lending rate was held at 9.75%.

## Eastern Europe

**Ukraine is now experiencing m-o-m deflation**, following inflation in the Ukraine that had peaked at 60.9% y-o-y in April. The m-o-m was 0.4%, with the previous month showing deflation of 1%. Inflation in the Ukraine for the first eight months of 2015 is 38.2%. The country's budget takes into account that GDP in the Ukraine will fall by 5.5% this year.

## Western Europe

**France's credit rating was cut by Moody's Investors Service**, which said slow economic expansion and political constraints will hamper the country's ability to reduce its debt burden. The nation's credit grade was lowered one step to Aa2, the third highest investment-grade level. The country's outlook was changed to stable from negative.

**Spain's vehicle production rose by 13.6% in July.** Spanish factories have manufactured 264,718 units in July this year, while manufacturing 1,722,421 units in the first seven months of the year, which meant a 12.9% increase when compared with the same period of a year earlier. The rise in production is due to a rise in both domestic and external demand, which make Spanish factories work more in order to satisfy demand.

## North America

**Canada's annual inflation rate held steady in August** as lower gasoline prices moderated the higher cost of food, suggesting the Bank of Canada has room to keep interest rates low. Annual inflation was 1.3% last month.

**The US Federal Reserve decided not to raise key interest rates**, saying inflation remains below the target and further downward pressure could come from a weak global economy. The Fed committee reaffirmed its view that the current 0 to 0.25% target range remains appropriate in order to support continued progress toward maximum employment and price stability.

## South America

**Argentina's economy expanded in line with forecasts in the Q2** as the government ramped up spending to encourage private consumption ahead of October's presidential elections. GDP in South America's second-largest economy grew by 2.3%.

## Oil & Gas News

**Oil prices tumbled on Friday**, with US crude falling 5%, after a selloff in Wall Street equities offset the positive impact of a third weekly decline in the US oil rig count. A rise in the dollar, fears that OPEC oil production will not slow and reduced political tensions in the Middle East from US-Russia talks on Syria also weighed on oil. US crude futures' front-month settled down USD2.22, or 4.8%, at USD44.68 a barrel. The front-month in Brent, the global oil benchmark, fell USD1.61, or 3.3%, at USD47.47.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
17-Sep-15	1,120.40	2.66	50.05	18.82	1.58	2.17	1.40	0.99	10335.92	86.18	3.04	33.28	25.61	2,890.38
19-Sep-15	1,139.23	2.61	47.47	18.19	1.58	2.18	1.40	0.99	10289.61	85.63	3.02	33.21	25.47	2,879.59
% Change	1.68	-1.88	-5.15		0.17	0.30	0.13	-0.04	-0.45	-0.64	-0.87	-0.22	-0.58	-0.37



# Economic & Financial News

Research & International Division

22/9/2015

*... China's e-commerce market saw strong growth in H1 this year despite economic headwinds ...  
... Russia's gold reserves rose to 42.4 million troy ounces ...*

## South East Asia

**The Indonesia government proposes that electricity subsidies only be disbursed to poor subscribers**, starting next year. Under the plan, as stated in the draft of the 2016 state budget, only 24.7 million subscribers will receive subsidies, which should cost around IDR37.3 trillion (USD2.6 billion).

**Indonesia's foreign exchange reserves have fallen to USD103 billion.** Bank Indonesia Governor Agus Martowardojo did not say why reserves have dropped, but the central bank often uses them to defend the rupiah, Asia's second worst-performing currency so far this year. In August, Indonesia's foreign reserves totaled USD105.4 billion, down from USD107.6 billion at the end of July.

**Malaysia is facing several long-term structural issues in its economy** that needs to quickly adjust in accordance with the new realities of the global economy. This was the conclusion of a panel discussion by three leading rating agencies – Standard & Poor's Ratings Services (S&P), Moody's Investors Service and Fitch Ratings during Malaysia's Economic Update 2015 Forum. One of the issues that needed to be quickly addressed was the state of education in the country and being stuck in the "middle-income trap" was something that should be of concern to Malaysia. Meanwhile, it is needed to attract more high-value investments.

**Billions of dollars will be spent in pursuit of the increase in Myanmar's exports** envisioned in the National Export Strategy released earlier this year, according to the Ministry of Commerce's Trade Promotion Department. The National Export Strategy prioritises 11 different sectors, some of which cannot be adequately funded by the private sector, necessitating increased state expenditures to succeed.

**Thailand's automobile exports jumped by nearly 14% in August**, according to reports issued by the Federation of Thai Industries (FTI). The country shipped 101,982 motor vehicles last month, up 13.9% from August 2014. The increase was attributed to a commencement of exports of new pickup-truck models and continued good export performance of eco-cars. By value, last month exports grew by 23.4% to THB52.9 billion.

**Viet Nam's total export and import turnover over the past eight months of the year exceeded USD216.8 billion**, a 12.9% y-o-y increase, according to the Viet Nam Customs. The figure included an export value of USD106.5 billion and an import value of USD110.3 billion, up 9.2% and up 16.8%, respectively, resulting a trade deficit of USD3.8 billion.

## North East Asia

**China's e-commerce market saw strong growth in H1 this year despite economic headwinds.** E-commerce in the world's second-largest economy reached CNY7.63 trillion (USD1.2 trillion) in the January-June period, up 30.4% from a year earlier, the China E-Commerce Research Center said in its a report.

**Hong Kong's inflation slowed to 2.4% in August**, compared with 2.5% in July. The upside risks to inflation should remain limited in the near term, in view of the soft international commodity prices and import prices as well as the moderate local cost pressures.

**The average ratio of job offers to seekers for high school students set to graduate in March 2016.** The ratio stood at 1.54 as of the end of July, up 0.26 point from a year before, rising for the fifth straight year to be the highest since 1.98 for graduates in March 1994. Companies are gradually shifting to hire and train new graduates due to difficulties securing experienced workers, a Health, Labour and Welfare Ministry official said.

**Macau's inflation narrowed to 4.64% y-o-y in August.** The CPI growth eased continuously since May, with the rate for August dropping further by 0.12% from July. The increment in August was attributable to higher rentals for dwellings and rising charges for eating out.

**Loans extended by South Korean local banks to individuals for home rentals have spiked over the past five years**, amid a surge in rental prices driven by record-low interest rates and a shortage of homes for rent. Loans extended by the six largest local lenders specifically for home rentals amounted to about KRW18.5 trillion (USD15.8 billion) as of the end of August, spiking from around KRW2.0 trillion at the end of 2010. The rise is apparently tied to a surge in home rental prices.

**South Korea's card spending grew more than 10% y-o-y in August**, but the average spending per card was lower amid an ongoing slump in the labor market. Last month, total card spending reached KRW53.7 trillion (USD45.6 billion), up 10.2% from the KRW48.76 trillion tallied in the previous year, according to the data compiled by the Credit Finance Association.

**The amount of tax incentives to South Korean individuals and companies will edge down nearly 1% in 2016** from this year as the government scales back support for large businesses, a government report showed. Tax deductions, tax credits and other tax breaks are estimated at KRW35.3 trillion (USD30.1 billion) next year, down KRW333.1 billion, or 0.9%, from this year.

**Taiwan's rate of unemployment in August was 3.9%**, up 0.08 percentage points from July but down 0.18 points from a year ago. In August, the number of unemployed in Taiwan stood at 456,000, up 11,000 from a month earlier.

**The monthly earnings of the average worker in Taiwan rose 3.5%** in the first seven months of this year from a year earlier, due largely to an increase in year-end and performance bonuses. In the seven-month period, the average employee earned TWD51,454 (USD1,575) a month.

**Taiwan's export orders contracted for a fifth month in August**, as demand from China and key markets continued to deteriorate, putting the economy on track for its slowest growth in six years. Annual export orders in August declined 8.3%.

## Indian Sub-Continent

**India's merchandise exports will be between USD265-268 billion in 2015-16**, significantly lower than USD310.5 billion in the previous fiscal, stung by the sharp erosion in commodity prices globally, according to a study done by the Associated Chambers of Commerce of India.

## Middle East and North Africa

**Algeria posted a trade deficit of USD9.1 billion in the first eight months of 2015**, reversing a USD4.3 billion surplus a year earlier, after a sharp fall in energy earnings because of the oil price drop. The value of overall exports during the period dropped 39.7% y-o-y to USD26.4 billion, while imports fell 10.0% to USD35.4 billion.

**The number of foreign tourists in Tunisia dropped by 20%** to 4 million from early January up to September 10, down from 5 million in the same period last year after two extremist attacks that killed dozens of Western visitors.

**The consumer confidence index in Turkey dropped to 58.52 in September**, its lowest value since January 2009, the period when the global financial crisis had the greatest impact, amid political uncertainties, market fluctuations and security concerns. According to the index released by the Turkish Statistics Institute, the consumer confidence index was at 62.35, in August. The index fell by 6.1% in September against the previous month.

## Eastern Europe

**Russia's gold reserves rose to 42.4 million troy ounces** as of September 1 compared with 41.4 million troy ounces a month earlier, the Russian central bank announced. The monthly accumulation of 1 million ounces in just one month was one of the more sizeable monthly purchases by Russia and equates to 31.1 metric tonnes in August alone. The value of the bank's holdings rose to USD47.7 billion from USD45.0 billion a month earlier.

## North America

**The Bank of Mexico kept the overnight interest rate at a record-low 3%**, after the US Federal Reserve's inaction on rates last week provided some relief to the peso. Mexico's central bank hopes to keep supporting a weak economy that is experiencing the lowest annual inflation in 45 years.

## South America

**Brazilian economic activity fell in July**, showing no signs of recovery amid low consumer and business confidence. The Brazilian central bank's economic-activity index fell 0.02% in July from the previous month on a seasonally adjusted basis.

## Commodity News

**Gold was steady on Tuesday** and trading below a near three-week high, retaining overnight losses as investors propped up equities and the US dollar. Spot gold was little changed at USD1,133.35 an ounce by 0042 GMT, after a 0.5% drop on Monday. The metal had climbed to a near three-week high of USD1,141.50 last week.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
19-Sep-15	1,139.23	2.61	47.47	18.19	1.58	2.18	1.40	0.99	10289.61	85.63	3.02	33.21	25.47	2,879.59
22-Sep-15	1,135.00	2.58	48.36	18.74	1.58	2.19	1.41	0.99	10258.51	85.24	3.04	32.94	25.45	2,894.06
% Change	-0.37	-1.15	1.87	-0.06	0.77	0.87	-0.13	-0.30	-0.45	0.70	-0.81	-0.08	0.50	

# Economic & Financial News

Research & International Division

23/9/2015

*... Singapore consumer confidence down in September ...  
... Vietnam's public debts forecast to occupy 62.3% of GDP in 2015 ...*

## South East Asia

**Indonesia will borrow USD4.2 billion in multilateral loans** from the World Bank and Asian Development Bank to cover a widening budget deficit, a finance ministry official said. The loans would strengthen forex reserves, which the central bank said fell to USD103 billion this week from USD105.35 billion at the end of last month.

**Malaysia's international reserves rose in the first two weeks of September** in a welcome boost to the country's weakened external position, indicating the central bank may have eased off slightly from defending an embattled ringgit currency. Currency reserves increased to USD95.3 billion as of Sept 15, Bank Negara Malaysia said, from USD94.7 billion on Aug. 28. The reserves are sufficient to finance 7.3 months of retained imports, and are 1.1 times the short-term external debt.

**Consumer confidence in Singapore retreated by 0.9 points** to 129.6 in September on increased concerns about Singapore's economy over the next five years. This was according to the ANZ-Roy Morgan Singapore Consumer Confidence index. However, the index is still 8.9 points higher than a year ago (September 2014: 120.7) and remains clearly above its long-term average of 123.5.

**The Thai Cabinet has approved in principle the setting up of six "Super Clusters" in nine provinces** across the country to increase Thailand's production, industrial and export competitiveness. The six clusters are automobile and parts, electronics, appliances and telecommunications, petrochemicals and other environmental friendly chemical products, digital, garment and clothing, and processed food. The Industry Ministry will set up the clusters with support from the Board of Investment, which will provide tax and non-tax incentives for targeted industries within the clusters.

**Credit growth for Vietnam's banks could accelerate to 16.5% this year**, beating a government target and quickening from a rise of 14.16% in 2014. The new projection comes after banks posted credit growth of 10.23% in the first eight months of the year versus the end of 2014, nearly doubling the pace seen a year ago, said the State Bank of Vietnam.

**Vietnam's public debts are projected to make up 62.3% of the country's GDP** by the end of this year, still within the permitted debt ceiling of 65%, according to a senior official from the Ministry of Finance.

## North East Asia

**Activity in China's factory sector shrank to a 6-1/2 year low in September**, raising fears of a sharper slowdown in the world's second-largest economy that could spell more turmoil for financial markets. The preliminary Caixin/Markit China Manufacturing Purchasing Managers' Index (PMI) fell to 47.0 in September, the worst since March 2009 and below market expectations of 47.5 and August's final 47.3.

**Revenue of large manufacturing companies in South Korea posted the largest decline in 12 years** during the Q2 due to lower commodity prices and the slump in the shipbuilding industry. According to the Bank of Korea's sample survey of about 16,000 companies, their average revenue shrank 4.3% in the Q2 from a year earlier after sliding 4.7% in the prior quarter.

**South Korea will concentrate all of its available resources on helping create new jobs for young people** who find it really hard to get hired. The country remains dogged by high youth unemployment. In August, the jobless rate for people between the ages of 15 and 29 hit 8%, much higher than the headline rate of 3.4%.

## Middle East and North Africa

**Algeria's annual inflation rate stood at 5.1% in August 2015**, following a stagnation of 5% in June and July, against 4.8% in May and 4.5% in April. The CPI rose by 4.5% last August, compared to the same month in 2014.

**Kuwait's budget deficit in the first five months of its fiscal year stood at KWD1.094 billion** after a deduction for the Future Generations Fund. The deficit from April 1 to August 31 stood at KWD361.38 million before the 10% contribution of KWD733.50 million to the Future Generations Fund, part of Kuwait's sovereign wealth fund.

**Oman recorded a 3.2% rise in oil production for the January–August period this year**, at 237.36 million barrels, compared with 230 million barrels in the corresponding period of 2014. In August, the sultanate's daily average production came in at 988,800 barrels per day (bpd), slightly below the record of 1 million bpd recorded in July.

**Morocco's central bank held its benchmark interest rate stable at 2.5%**, citing uncertainties still surrounding the national and international outlooks. The drop in global oil prices has revived public finances and reduced deficits in the biggest regional energy importer.

**Morocco's consumer price inflation eased to an annual 1.7% in August**, as compared to 2.4% in July as non-food prices dropped. Food inflation fell slightly to 3.5% from 3.8% in the 12 months to July. Non-food price inflation eased to 0.4% after rising 1.3% in the previous month.

**Central Bank of Turkey kept its benchmark one-week repo and overnight borrowing rates at 7.5% and 7.25%**, respectively. Tight fiscal policies and macro prudential measures are keeping growth rates at modest levels, while positive developments in the international terms of trade and consumer loans supports the decrease in Turkey's foreign account deficit.

**UAE August inflation rises to 4.9%, highest since Feb 2009.** Housing and utility costs, which account for over 39% of consumer expenses, jumped 9.9% from a year earlier in August and rose 0.1% from the previous month. Abu Dhabi, the biggest emirate in the UAE, hiked electricity and water tariffs from Jan. 1.

## Eastern Europe

**Hungary's central bank left its main interest rate unchanged at 1.35%** and switched to a new three-month policy tool, which is expected to boost liquidity and increase local banks' demand for government paper.

## Western Europe

**German workers earned 2.7% more than a year ago in the Q2 of 2015.** This was the fastest growth pace since the record started in 2008, said German federal statistical office Destatis. In unadjusted terms, German wages rose by 3.2% y-o-y. Wages received by unskilled workers and those from less-developed eastern German states rose significantly. The statutory minimum wage, EUR8.50 per hour, which was introduced at the year start had an impact on the increase.

## North America

**US home sales slid in August by the most since January** as tight supplies and rising prices discouraged potential buyers. The National Association of Realtors said that sales of existing homes fell 4.8% from the previous month to a seasonally adjusted annual rate of 5.31 million, the lowest level since April. That's down from 5.58 million in July, which was the highest in more than eight years. Solid job growth and low mortgage rates have boosted sales 6.2% in the past year.

## South America

**Argentina's foreign trade balance show a surplus of USD51 million in August**, a whopping 95% down on the same period last month according to an INDEC report. Exports totaled USD5.54 billion across the month, representing a fall of 16% compared to August 2014. Financial troubles in Argentina's biggest trading partner, Brazil, and the fall in commodity prices have contributed to a sharp reduction in exportation over the last year.

**Brazil had a USD2.5 billion current-account deficit in August**, versus a USD6.2 billion deficit in July. The August deficit compares with a USD5.5 billion deficit recorded a year earlier. The new balance is equal to 4.34% of GDP. Foreign direct investment in August was USD5.2 billion, with the 12-month reading reaching USD73.6 billion, down from USD78.4 billion a year earlier.

## Oil & Gas News

**Oil prices dipped as China economic concerns pull down commodities.** As a result, crude futures turned negative, with US West Texas Intermediate (WTI) crude CLc1 trading at USD46.18 per barrel at 2238 EDT, down 18 cents from their last settlement, and globally traded Brent futures LCOc1 down 26 cents at USD48.82 per barrel.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
22-Sep-15	1,135.00	2.58	48.36	18.74	1.58	2.19	1.41	0.99	10258.51	85.24	3.04	32.94	25.45	2,894.06
23-Sep-15	1,127.00	2.58	48.97	18.98	1.58	2.18	1.42	1.00	10310.34	84.26	3.06	32.88	25.42	2,842.67
% Change	-0.70	0.00	1.26		0.07	-0.44	0.64	0.85	0.51	-1.15	0.55	-0.17	-0.11	-1.78

# Economic & Financial News

Research & International Division

26/9/2015

*... Vietnam's property sector loans surged this year...  
... Number of tourist arrivals in Egypt increased in H1 2015 ...*

## South East Asia

**Brunei's exports in July fell** 47.8% y-o-y to USD647.4 million due to a sharp decline in oil and gas exports, according the Department of Economic Planning and Development. Oil and gas export revenues, which account for over 90% of the sultanate's exports, declined by 49.5% to BND593.4 million. Export value for crude oil and liquefied natural gas (LNG) declined by 60.9% and 37%, respectively. Lower global prices of both crude oil and LNG squeezed Brunei's oil and gas export revenues.

**Indonesia's central bank will announce a new policy package next month to support the rupiah**, a central bank official said, even as the currency completed its steepest weekly drop in almost two years amid worsening growth and signs that the US will raise interest rates this year.

**Singapore's industrial production (IP) last month declined** 7% y-o-y, extending from July's revised 6.4% decline, Economic Development Board data showed. Manufacturing output contracted for a seventh consecutive month amid a factory slowdown across the region.

**Consumer prices in September continued its downward trend from August in Vietnam.** It has declined 0.21% against August but increased 0.34% against December of 2014. The reduction in the September CPI included decrease of petrol and oil prices twice on August 19 and September 3.

**Vietnam's export value until September increased** by nearly 10% to USD120.7 billion while imports surged 16% to USD124.6 billion. This has pushed the trade deficit to USD3.9 billion, the Ministry of Planning and Investment reported. The export growth was attributed to increasing export revenue from processed products, garment, and wood, apart from telephones and components.

**Vietnam's loans in the property sector surged this year** by 70% in comparison with the lowest level in 2012 to touch VND333 trillion (USD14.8 billion). In the first eight months of the year, the total loans in the real estate sector rose by 10% y-o-y. This is a relatively high growth rate, as the rate was 4.33% during the same period last year.

## North East Asia

**China will lower 12 administrative charges**, estimating the cuts will save enterprises and individuals CNY4 billion. Effective from Oct. 15, fees including those for property transfers, trademark registration and software copyright applications will be lowered, the National Development and Reform Commission has announced.

**Japanese Prime Minister Shinzo Abe vowed to raise GDP by nearly a quarter to JPY600 trillion**, pledging to refocus on the economy after the passage of controversial security bills that eroded his popularity.

**Japan's consumer prices fell overall in August on cheap oil**, the first decline since the country's current round of monetary easing began in April 2013. The CPI excluding fresh food slipped 0.1% on the year in August. The price of gasoline tumbled 17.8%, while electricity prices fell 5.1%.

**Japan's services producer prices in August rose** 0.7% from a year before. The services producer price index rose for the 26th straight month but fell 0.2% from the previous month.

**Mortgage loan rates in South Korea hovered near the record-low level**, propping up concerns that the low interest rates would boost household debts further. Rates on fresh home-backed loans extended by banks averaged at an annualised rate of 2.94% in August, down 0.02 percentage points from a month earlier.

**The growth of housing loans in Taiwan for August fell to a new two-year low** as the local property market has shown signs of slowing down. The growth of housing loans for August stood at 2.93%, while growth of loans for housing construction also fell to a new low in 19 months at 4.26%.

## Indian Sub-Continent

**India's exports in August fell** 20.66% y-o-y to USD21.26 billion, compared to USD26.80 billion a year earlier. Imports also shrank by 9.95% during the month compared to corresponding period last year. The country's imports stood at USD33.74 billion last month as compared to USD37.47 billion during the same period last year.

**India's foreign exchange reserves in the week ending September 18 rose** by USD631.5 million to USD352.02 billion. The reserves gained USD2.35 billion to rise to USD351.38 billion in the week ended September 11.

## Middle East and North Africa

**The amount of customs collected during the fiscal year (FY) 2014/2015 inched up in Egypt** by EGP3.418 billion to record EGP21.73 billion. The figures showed an increase of 19.4% compared to figures recorded in FY 2013/2014. This was attributed to the revival of the economic and security stability in Egypt, which led to the increase in Egyptian imports.

**The number of tourists arriving in Egypt in H1 2015 increased**, latest figures from the Central Agency for Public Mobilization and Statistics showed. Tourist arrival rose by 8.2% to 4.8 million in H1 2015, compared to 4.4 million during the same period in 2014. The total number of tourists recorded 9.9 million and 9.5 million in 2014 and 2013, respectively.

**Oman's natural gas production and imports for the first eight months of this year rose** 5.3% to 26,269 million cubic metres (MNCM), from 24,942 MNCM in the same period last year. Of this figure, associated gas production declined 0.8% to 4,595 MNCM, while non-associated gas grew 6.7% to 21,675 MNCM.

## Eastern Europe

**The National Bank of Ukraine decided to cut its key interest rate by 5 percentage points** to 22%. The decision, which takes effect on Sept. 25, was taken due to the reduction of inflation risks and stabilisation of the foreign currency exchange market, a statement on the bank's website said.

## Western Europe

**Growth of loans to the private sector in the euro area** is picking up speed, albeit very slowly. After long months of contraction, the volume of loans to private businesses and households increased by 1% y-o-y in August. That is only incrementally faster than the previous month when private sector loans had increased by 0.9% y-o-y.

**The number of registered jobseekers in France rose in August**, reversing a slight decline in July and setting a fresh record high. The number of "category A" job seekers, defined as registered job seekers who are fully unemployed, rose by 20,000 in August to reach 3,571,600. That marked a 0.6% rise from July 2015 and a 4.6% rise from August 2014.

**French consumer confidence jumped in September** to a level not seen since the financial crisis plunged France into a prolonged period of economic weakness and rising unemployment. Consumer confidence, as measured by the statistics agency Insee, rose three points from the previous month to 97 in September, the highest level since October 2007.

**German business confidence increased in September** as companies benefited from strengthening domestic demand in Europe's largest economy, shrugging off risks from slowing growth in emerging markets. The Ifo Institute's business climate index climbed to 108.5 from 108.4 in August.

**Moody's has maintained its deep junk "Caa3" credit rating for Greek government debt**, but has upgraded its outlook following recent political breakthroughs. The key drivers behind the confirmation are the approval of the third bailout program, and the emergence of a political configuration that is slightly more supportive than its predecessors for the implementation of reforms which the program will require.

**The number of home mortgages granted to prospective buyers in Spain increased in July.** A total of 21,863 home mortgages were granted to prospective buyers in July, which meant an increase of 21.8% y-o-y and 1.9% m-o-m.

## North America

**Mexico's trade deficit in August widened** as imports of petroleum products far outstripped oil exports, and as manufactured goods sold abroad fell from the same month a year ago. The nation's trade deficit last month was USD2.8 billion, while the January-August deficit was USD9.12 billion, more than double compared with the same period last year. Overall exports fell 6.8% to USD31.03 billion, while imports dropped 1.9% to USD33.83 billion.

**Mexico's consumer prices rose more in early September**, although annual inflation hit a new low, giving room to the Bank of Mexico to hold rates unchanged at record-low levels. The CPI increased 0.32% in the first half of September, lowering the 12-month inflation to 2.53% from 2.59% at the end of August.

**Mexico's central bank held borrowing costs steady at 3%**, flagging tame inflation but signalled it is prepared to raise rates if a slump in the peso hits consumer prices.

**The US economy was turbocharged in the spring, but a build-up in inventories over H1 2015 could slow output** to a more moderate pace over the remainder of 2015. GDP grew at a seasonally adjusted annual rate of 3.9% in Q2. That was mostly a rebound from the sluggish Q1, weighed down by a harsh winter and labour strife at West Coast ports, which grew at an anaemic 0.6%.

## South America

**Joblessness in Brazil rose last month to the highest rate since 2009**, as this year's rapid deterioration in the labour market appeared to pause. Brazil's unemployment rate rose to 7.6% in August, from 7.5% in July and 5% a year earlier.

**Consumer confidence in Brazil fell to the lowest level ever in September**, as the country's economic conditions showed no signs of recovery. Brazil's main consumer confidence index was at 76.3 points, down from 80.6 points in August, the Getulio Vargas Foundation said.

**Colombia's central bank raised borrowing costs for the first time in more than a year** as the decline in the peso pushed the inflation rate to its highest level since 2009. The seven-member board voted unanimously to increase the benchmark rate 25 basis points to 4.75%.

## Oil & Gas News

**Oil prices rose for the second straight day on Friday**, supported by a rally on Wall Street and a lower US rig count, although the decline in drilling was the smallest in four weeks and not particularly exciting to traders. Brent settled up 43 cents, or 0.9%, at USD48.60 a barrel.

## Commodity News

**A glut of metal and sagging demand growth in top consumer China could come back to haunt copper bulls**, who are feeling more confident with prices rising back above USD5,000 a tonne from the 6-1/2 year lows hit last month. Benchmark copper on the London Metal Exchange tumbled to USD4,855 on Aug. 24, its lowest since July 2009 and a drop of 25% from the 2015 high of USD6,481 hit in May.

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-Sep-15	1,127.00	2.58	48.97	18.98	1.58	2.18	1.42	1.00	10310.34	84.26	3.06	32.88	25.42	2,842.67
26-Sep-15	1,146.20	2.56	48.6	18.98	1.59	2.17	1.42	1.00	10312.47	84.32	3.08	32.87	25.44	2,832.64
% Change	1.70	-0.78	-0.76		0.47	-0.71	0.17	0.21	0.02	0.08	0.89	-0.05	0.08	-0.35

# Economic & Financial News

Research & International Division

29/9/2015

*... Saudi Arabia has withdrawn as much as USD70 billion from global asset managers ...  
... Malaysia's ringgit fell, headed for its biggest quarterly loss since 1997...*

## South East Asia

**Brunei's consumer prices rose 0.4% m-o-m in August** owing to higher prices of clothing and footwear, the Department of Economic Planning and Development (JPKE) reported. Clothing and footwear index increased by 7.4% as prices of textiles, garments, accessories and shoes went up last month.

**Resale prices of Singapore's private homes fell 0.6% m-o-m in August**, according to the flash estimates released by National University of Singapore's Institute of Real Estate Studies. Singapore Residential Price Index (SRPI) showed overall prices declined 0.6% in August compared with the previous month. In July, resale prices fell 0.2% from a month earlier.

**Thailand's export value in the first eight months of 2015 slid by 4.9% y-o-y** to USD142.7 billion (THB5.2 trillion), largely because of low oil prices and weak global trade. In August, exports fell for the eighth consecutive month, contracting by 6.7% from the same month last year to USD17.7 billion. Imports last month were valued at USD16.9 billion, down by 4.8% y-o-y.

**The Thai government has set a target of supporting 70,000 SMEs next year.** The goal includes helping to create 10,000 start-ups. Among the 70,000 companies, 50,000 are healthy but need some help from the government to expand, while 10,000 are in a critical financial situation and urgently need government help. The remaining 10,000 will be start-ups the government intends to create in order to help move the economy into modern trade and the digital economy.

**Vietnam can only buy 30,000 cubic metres of crude oil out of a planned 150,000 cubic metres** for national reserve. The country might delay the purchase of the total volume of crude oil needed by one to two years. The target was still under consideration to ensure a balance of the State's budget because the State's total budget still had difficulty in 2014 and 2015. In addition, the general department does not have its own warehouses to store crude oil and still uses those of the Dung Quat Oil Refinery Plant based in Quang Ngai Province.

**Vietnam's national index of industrial production rose 10% y-o-y in the first nine months** of this year. The industrial production sector continued its growth, especially in the processing and manufacturing sectors.

## North East Asia

**Chinese industrial firms' profits further declined in August**, indicating increased downward pressure on the economy. Profits of China's major industrial firms fell 8.8% y-o-y in August, sharply down from a 2.9% decline posted in July. The poor performance was mainly caused by drop in industrial goods prices due to weak domestic demand, a rise in unit costs, the stock market rout, and volatility in the yuan exchange rate.

**Not one Japanese company applied for a subsidy program aimed at promoting more women to senior jobs**, an embarrassing blow for Tokyo's push to boost the economy with female workers. Under the plan launched last year, successful firms would each receive up to JPY300,000 in compensation. But a JPY120 million budget earmarked for 500 expected applicants went unused. The strict conditions was blamed for qualifying the scheme, a government official said. A less stringent offer would begin from October with the payout doubled in some cases.

**The South Korea government is mulling a 3% wage increase for public-sector corporations in 2016** as it tries to push state-run companies to set the pace for the country to switch to a wage peak system aimed at creating more jobs. The increased rate that will be finalised in early December is the same as those for government workers, but lower than the 3.8% hike agreed upon for 2015, according to the finance ministry.

**South Korea's mandatory spending will likely exceed 50% of fiscal spending in 2018**, raising concerns that the government's capacity to counter the economic slump could weaken down the road. The government's mandatory spending will rise from KRW172.6 trillion (USD144.5 billion) in 2015 to KRW183.4 trillion in 2016, KRW195 trillion in 2017 and KRW206.5 trillion in 2018.

**The growth of housing loans in Taiwan for August fell to a new two-year low** as the local property market has shown signs of slowing down, according to the central bank. The growth of housing loans for August stood at 2.9%, while growth of loans for housing construction also fell to a new low in 19 months at 4.3%.



## Indian Sub-Continent

### **The Reserve Bank of India cut its short-term lending rate by 50 basis points to a four-year low.**

The repurchase rate was cut to 6.75%, while the indexed reverse repo rate automatically was cut to 5.75%. The move will allow commercial banks to lower their own lending rates for personal, automobile, housing and commercial loans.

**Sri Lanka's trade deficit contracted 32.3%** to USD602 million in July 2015 from USD889 million a year earlier. The increase in the cumulative trade deficit in July was 6%, down from 15.6% recorded in June this year, due to a sharp deceleration in imports during July 2015. Export earnings dropped by 2.6% to USD932 million in July 2015, reflecting a y-o-y decline in both industrial and agricultural exports.

## Middle East and North Africa

### **Iran plans to use its billions of dollars in frozen overseas funds to boost Tehran's sovereign profile**

as the country rebuilds an economy battered by years of international sanctions. Iran expects the funds held in its central bank accounts to be released in January following its nuclear deal this summer. After gaining access to the money, about USD29 billion in its central bank accounts abroad, Iran plans to retain it and not lend or spend it, a deputy governor of Iran's central bank said.

**Qatar's investment income has surged by 14%** or QAR13.7 billion to hit QR111.8 billion during the 2014/15 fiscal. Its contribution to the country's total public revenues increased to 33.2% in the fiscal, compared to 28.6% increase reported in the previous fiscal.

**Saudi Arabia has withdrawn as much as USD70 billion from global asset managers** as OPEC's largest oil producer seeks to plug its budget deficit after crude slumped, according to financial services market intelligence company Insight Discovery.

**The flow of Tunisia's foreign investments has increased 41% in August 2015** to TND1,622.6 million, boosted by FDI in the energy sector (TND710 million), according to the latest the Foreign Investment Promotion Agency.

**Business confidence among Turkish manufacturers fell to its lowest in nearly three years in September**, dropping to 99.1 points from 103.7 points a month earlier, central bank data showed. In the meantime, Turkey's capacity utilisation rate rose to 75.9% in September from 74.8% in August. Capacity usage has been above 70% since April 2010.

## Western Europe

**Italian business confidence and consumer confidence jumped this month**, buttressing Prime Minister Matteo Renzi's claims that he has put the country on a credible growth path. The business gauge rose to 104.2 in September, statistics agency Istat said. Consumer confidence rose to 112.7.

## North America

**Canadian consumer sentiment rebounded to its highest in more than two months**, as households become less wary of the nation's economic outlook. The Bloomberg Nanos Confidence Index rose to 54.4 for the week ending Sept. 25, the highest reading since mid-July.

**Mexico's seasonally adjusted unemployment rate held steady in August.** The seasonally adjusted unemployment rate was 4.3% in August, the same as July. The country's jobless rate has fallen back from a high last year but levels are still above those seen before the 2009 recession.

**US consumer spending rose at a healthy rate in August**, while income growth slowed after a big jump in July. Consumer spending advanced 0.4% compared to July, when spending also increased by 0.4%. In both months, the figures reflected strong gains in purchases of durable goods such as autos.

## Currency News

**Malaysia's ringgit fell, headed for its biggest quarterly loss since 1997**, as the relatively low level of import cover afforded by the nation's foreign-exchange reserves makes the currency more vulnerable to an emerging-markets selloff. The currency depreciated for a sixth day and was down 1.1% at 4.4735 a dollar as of 11.29am in Kuala Lumpur, according to prices from local banks compiled by Bloomberg.

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-Sep-15	1,146.20	2.56	48.6	18.98	1.59	2.17	1.42	1.00	10312.47	84.32	3.08	32.87	25.44	2,832.64
29-Sep-15	1,126.97	2.67	47.49	17.79	1.61	2.17	1.43	1.00	10265.89	83.54	3.12	32.79	25.48	2,765.39
% Change	-1.68	4.30	-2.28		1.31	0.21	0.53	0.14	-0.45	-0.93	1.31	-0.24	0.18	-2.37

# Economic & Financial News

Research & International Division

30/9/2015

*... Iran to win back quota in global oil markets by doubling its current output ...  
... Americans feeling more confident this month ...*

## South East Asia

**Brunei's GDP at constant prices in Q2 2015 rose** by 1.5% y-o-y due to increased oil and gas production, the Department of Economic Planning and Development said. Brunei's GDP grew to BND4.72 billion from BND4.65 billion in Q2 2014. The oil and gas sector expanded by 0.8% to BND2.83 billion in Q2, due to higher oil production. The non-oil and gas sector also contributed to the overall GDP growth, expanding by 2.5% to BND1.98 billion.

**Indonesia announced a second package of economic stimulus measures in the next three weeks**, increasing efforts to lure investment, prop up the battered rupiah and revive growth in Southeast Asia's largest economy. The new measures include cutting the number of permits needed for mining exploration and for establishing a business in an industrial economic zone. The government will also remove value-added taxes for ships, planes and trains. The first instalment of the stimulus package, announced on Sept. 9, had little impact on markets.

**Bank lending in August rose at a weaker pace in Singapore** compared to a month ago, dragged by zero growth in consumer lending. Loans stood at SGD613 billion in August, up 0.5% from July.

**Thailand's state revenue for the 11 months through August has fallen THB113 billion short of target.** The government mustered almost THB2 trillion for the first 11 months of fiscal 2015, missing the target by 5.4% but rising 6.1% y-o-y.

**Vietnam's total retail sales and services revenue reached USD110 billion**, rising 9.8% over the same period last year, or 9.1% if inflation is excluded. The retail sales of goods and services in September alone is estimated to reach VND270.6 trillion (USD12.27 billion) or 0.6% increase against August.

**Vietnam's economy in Q3 grew 6.81%** from a year earlier, accelerating from 6.47% in the previous quarter, fueled by strong exports and manufacturing and record foreign direct investment.

**As many as 68,000 new enterprises were established in Vietnam** in the first nine months of this year with a total capital of VND420 trillion (USD18.06 billion), leading to a rise of 28.5% y-o-y in new enterprises and 31.4% y-o-y in total capital.

**Unemployment rate among the working age in Vietnam is estimated to reach 2.36%** in the first nine months of 2015. The figures for the three quarters were recorded at 2.43%, 2.42% and 2.24%, respectively. The number of Vietnamese workforce in the working age is estimated to reach 47.78 million people as of Oct. 1, an increase of 9,300 people compared to the same period in 2014.

## North East Asia

**China's electricity consumption rose slowly in the first eight months this year**, suggesting economic headwinds. Power use rose 1% y-o-y to 3.68 trillion kilowatt hours in the January-August period, the China Electricity Council said.

**Japan's industrial output in August fell** a seasonally adjusted 0.5% m-o-m due to slowing exports to China amid increasing concerns over its economic outlook.

**South Korean manufacturers remain pessimistic about their business conditions in October** due mostly to falling domestic consumption and exports. The business survey index of manufacturing businesses came to 70 for October, down from 71 for the previous month.

**Taiwan's consumer confidence dropped slightly this month**, weakening for the fifth straight month, a monthly survey by National Central University showed. The consumer confidence index dropped to 85.32, down 0.83 points from last month's 86.15.

## Australasia

**Unemployment among Australia's professional mining workforce has surged over the past year** and is now three times the national jobless average. A report from the Australasian Institute of Mining and Metallurgy found that 16.2% of Australia's mining professionals are now out of work. That figure is up from 12.2% last year and 1.7% in 2012.

**The gap between property price growth rates in the eight Australian capital cities has widened.** The Australian Bureau of Statistics showed that over the year to June 2015, the price index rose by 9.8% with a 4.7% increase occurring during Q2 2015. Sydney led the way with price growth of 18.9%, far more than any other capital city. Prices in Melbourne grew 7.8% but all other cities were way behind, opening a considerable gap.

**New Zealand businesses grew less gloomy about the economy's prospects in September,** snapping five months of declining confidence, in a period when dairy prices rallied from their lows, soothing concerns about the strength of the nation's biggest export. A net 19% of firms were pessimistic about the general outlook for the economy over the coming year, an improvement on the net 29% pessimists in August, according to the ANZ Business Outlook survey.

## Indian Sub-Continent

**India has jumped 16 places in the World Economic Forum's global competitiveness ranking,** a result of the positive way in which the current government is viewed by investors. The rankings show India ranked 55 out of 140 countries.

## Middle East and North Africa

**Egypt aims to generate around EGP98.5 billion (USD12.58 billion) additional revenue this financial year** by launching economic legislation and financial reforms, Finance Minister Hany Kadry Dimian said. In July, Egypt projected revenue for the financial year 2015/16 to amount to EGP622.2 billion, and expect a budget deficit of 8.9% of GDP.

**Iran will win back its quota in global oil markets by doubling its current output** to 2 million barrels per day within six months once the sanctions are lifted, said deputy oil minister for planning and monitoring of hydrocarbon resources.

**Iran needs USD150 billion of investment to reach 8% growth a year and lower youth unemployment,** President Hassan Rouhani said in an address to Iranian-Americans in New York. Last year, Iran created 700,000 new jobs, short of the 800,000 needed for new entrants to the job market. He was appealing to the Iranian diaspora for greater involvement in the country.

**Kuwait's inflation in August went up** by 3.8% y-o-y and 0.29% m-o-m. The general index of consumer prices last April showed a rise in four major groups and a decline in four other groups, while it remain unchanged in others.

## Eastern Europe

**The average unemployment rate in Hungary dropped** to 6.7% in the June-August period, with the number of unemployed, in absolute terms, averaging 303,800. The rate was down from 6.8% in the previous May-July period, and from 7.7% in June-August 2014.

## Western Europe

**British consumer morale fell more in September** as people worried about China's economic slowdown and Europe's migration crisis. Market research firm GfK's monthly consumer confidence index slipped to +3 from +7 in August, which had matched June's figure as the highest since January 2000.

**British house price growth accelerated in September** and there were signs the market in London is heating up again, according to mortgage lender Nationwide, adding to evidence the housing market has regained momentum. House prices rose 0.5% m-o-m in September and was up from 0.4% in August. On an annual basis, prices rose 3.8%, from 3.2% last month.

**German retail sales fell in August following a bumper July,** but economists said the outlook for retailers remains good in light of a buoyant labor market and solid wage increases. Retail sales in August dropped 0.4% m-o-m, adjusted for inflation and seasonal swings, but rose 2.5% y-o-y.

**German annual inflation turned negative in September for the first time in eight months,** preliminary data from the Federal Statistics Office showed, undershooting the consensus forecast for consumer prices in Europe's largest economy to stagnate. German prices harmonised to compare with other European countries fell by 0.2%, the weakest reading since January, after a 0.1% rise in August.

**Spain's consumer prices in September fell** by 0.9% y-o-y. The figure is 0.5% lower in comparison with the annual inflation rate of August, when prices fell by 0.4% y-o-y. The prices fell mainly due to lower prices of electricity, fuel and gasoline.

## North America

**Americans are feeling more confident this month,** a good sign for consumer spending and the economy, the Conference Board said. The business research group's consumer confidence index rose again to 103 in September, after rising sharply in August to 101.3. The September reading was the highest since January.

## South America

**Brazil's national unemployment rate rose sharply in the May-July period and wages declined**, as the economy likely continued to deteriorate. Joblessness rose to 8.6%, from 8% in the previous three-month period and 6.9% a year earlier, the Brazilian Institute of Geography and Statistics said. Average monthly wages adjusted for inflation fell to BRL1,881, the lowest level since the September-November period of 2014.

**Brazil's general price index (IGP-M) picked up in September**, generating additional pressure for the central bank in its fight against high inflation. The IGP-M rose 0.95% m-o-m in September, compared with an increase of 0.28% m-o-m in August. The IGP-M for September measured prices from Aug. 21 to Sept. 20. The index is used to calculate annual adjustments in rental contracts of housing and commercial properties across Brazil.

**Brazil's central government primary budget deficit shrank last month.** The gap, which excludes interest payments as well as municipalities and government-run companies, was BRL5.1 billion (USD1.3 billion) in August, Brazil's Treasury reported.

## Oil & Gas News

**Crude oil futures fell in Asian trade** on Wednesday after US inventories showed a weekly buildup that far exceeded analyst expectations. Brent crude, the global oil benchmark, fell 29 cents to USD47.94 a barrel. On Tuesday, the contract rose 89 cents, or 1.9%, to USD48.23.

## Currency News

**The euro fell across the board** early on Wednesday as investors focused on the prospect of a negative euro zone inflation reading that would boost expectations of further asset purchases by the European Central Bank. The euro fell 0.3% to USD1.1215, and was down against the British pound and the yen, hurt in part by weak German retail sales for August.

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
29-Sep-15	1,126.97	2.67	47.49	17.79	1.61	2.17	1.43	1.00	10265.89	83.54	3.12	32.79	25.48	2,765.39
30-Sep-15	1,125.07	2.60	47.87	18.41	1.60	2.16	1.43	1.00	10285.95	84.15	3.12	32.84	25.51	2,791.41
% Change	-0.17	-2.62	0.80		-0.45	-0.47	-0.46	-0.22	0.20	0.72	-0.09	0.15	0.10	0.94