

Economic & Financial News

Research & International Division

5/1/2016

*... Singapore posts strong Q4 growth ...
... China PMI falls to 48.2 in December, below expectations ...*

South East Asia

The Burmese government has earmarked some MMK30 trillion for domestic investment in the 2016 financial year, according to the proposed National Planning Bill. The figure is higher than the previous year, but the state-owned sector will see a rare drop in investment.

Indonesia's annual inflation has fallen to the lowest rate in five years, as consumer prices last year increased by just 3.35%. Monthly inflation in December 2015 was measured at 0.96%, driven largely by higher food prices. In December 2015, food prices recorded the highest increase at 3.2%.

The number of Indonesians living in poverty continued to be on the rise as of last September, as weakening economic growth curbed income opportunities among the country's most underprivileged, data from the Central Statistics Agency showed. More than 28.5 million people, or 11.1% of Indonesia's population, earned an income considered to be below the poverty line at IDR344,809 (USD24.8) a month.

Oil companies in the Philippines this week have implemented another round of diesel and kerosene price cuts while raising the cost of gasoline products. Diesel was down by PHP0.15 per liter but gasoline was up by PHP0.10 per liter. Pilipinas Shell Petroleum Corp. and Petron Corp., which sell kerosene they would also reduce the retail cost of the product by PHP0.25 per liter.

Singapore economy's expansion accelerated in the Q4 of 2015. Advance estimates released by the Ministry of Trade and Industry showed that it grew 5.7% on a seasonally adjusted and annualised basis from the Q3, which grew 1.7%. The services-producing and construction sectors propelled much of the growth. In y-o-y, the economy grew 2% in the Q4, as compared to the preceding quarter's 1.8%.

Thailand's disinflation continued in December for the 12th consecutive month as local fuel and food prices remained weak, the Commerce Ministry said. The country's headline inflation dropped 0.85% in December from the previous year, compared with a 0.97% y-o-y decline in November.

North East Asia

China will speed up integrative development of primary, secondary and tertiary industries in rural regions to increase farmer income and modernise agriculture. China will accelerate agricultural restructuring, extend rural industrial chains, encourage cooperatives and family farms, bring in private capital, innovate financial services and improve infrastructure, according to the guideline released by the State Council.

China Manufacturing Purchasing Managers' Index (PMI) edged down to 48.2 in December from November's 48.6. The reading was the lowest since September, according to the survey by Markit and sponsored by Caixin Media Co Ltd. Operating conditions faced by Chinese goods producers continued to deteriorate in December. Production declined for the seventh time in the past eight months, driven in part by a further fall in total new work.

Japanese manufacturing activity expanded in December at the same pace as the previous month as new orders grew at a faster rate in a sign the economy maintained momentum at the end of 2015. Japan Manufacturing PMI was a seasonally adjusted 52.6 in December versus a flash reading of 52.5 and unchanged from a final 52.6 in November – the highest reading since March 2014.

The Japanese government submitted a supplementary budget plan for fiscal 2015 calling for additional general-account expenditures of JPY3.321 trillion. The extra budget will boost the total size of Japan's general-account expenditures for the current year ending in March to JPY99.663.3 trillion.

South Korea's trade volume fell below US\$1 trillion for the first time in five years last year due to the global economic slump compounded by low oil prices. But imports declined faster than exports, resulting in a record trade surplus of US\$90.4 billion. Trade volume amounted to US\$964 billion in 2015, down 12.2% compared to 2014. Exports amounted to US\$527.2 billion and imports to US\$436.8 billion.

South Korea's economy posted the longest current account surplus for 45 months in a row due to faster fall in imports than exports, keeping a so-called recession-type surplus trend. Current account surplus reached USD9.40 billion in November, up from a surplus of USD9.12 billion in October, the Bank of Korea said.

Taiwan's PMI for the manufacturing sector rose slightly in December, but it is still uncertain whether the economy will return to stable growth as it continues to undergo a period of economic adjustment. The December PMI climbed 1.5 percentage points from the previous month to 46.6, according to the Chung-Hua Institution for Economic Research.

Indian Sub-Continent

Indian manufacturing activity contracted in December for the first time in more than two years, hurt by softening domestic demand, adding pressure on the central bank to ease policy. Nikkei's Manufacturing PMI, compiled by Markit, fell to a 28-month low of 49.1 in December from November's 50.3.

Nearly 1.8 million tourists visit Sri Lanka in 2015. Sri Lanka's tourist arrivals rose 15.4 percent in December last year compared to the same period in 2014 with the arrival of 206,114 tourists compared to the 178,672 arrived in December 2014. In 2015 a total of 1,798,380 tourists arrived in the island recording a 17.8% increase from the 1,527,153 came during 2014.

Middle East and North Africa

Algeria's car import bill went down by 40.3% in 2015 compared to 2014. In 2014, car import bill totalled USD6.34 billion for 439,637 cars, against USD3.781 billion in 2015, down by 40.3% in terms of value, and -32% in terms of quantity. This decline in car imports resulted from the implementation of the new terms and conditions for car dealers.

Egypt's foreign currency reserves rose to USD16.445 billion in December from USD16.422 billion the previous month. Egypt's foreign reserves stood at about USD36 billion before the 2011 revolt which overthrew Hosni Mubarak but have dwindled since the uprising scared off tourists and foreign investors, key sources of foreign exchange.

Oman's government has released a five-year plan to halve the economy's dependence on the oil industry as low crude prices pressure government finances. The 2016-2020 plan, said over 500 programmes and policies would seek to diversify the Omani economy into sectors such as manufacturing, mining, transport and tourism. The plan aims to cut the oil industry's contribution to GDP to 22% from 44%; the contribution of natural gas would drop to 2.4% from 3.6%.

Saudi Arabia has come out with a broad outline for fiscal reforms immediately following the 2016 budget emphasising the importance of both streamlining of government spending while augmenting and diversifying government revenue. The sweeping energy, water and electricity administered price changes decreed shortly after the budget announcement are first steps in the five-year fiscal consolidation and economic transformation strategy expected to be unveiled this year.

Turkey's exports reached USD143,9 billion in 2015, an 8.6% decline from USD157.6 billion in 2014. The trade deficit narrowed 25.5% in 2015, as exports fell. Imports saw a 14.5% decline in the same period to USD207.1 billion in 2015 from USD220.4 billion in the previous year.

Eastern Europe

Poland has estimated that prices in December fell by 0.5% y-o-y, with experts believing that the Central Bank might cut interest rates later this year. In November 2015 inflation was at minus 0.6% y-o-y, which means that December saw a slight reduction in deflation. Prices in December were 0.2% lower than in the previous month.

Poland aims to raise tax collection by up to USD2.6 billion this year, partly by barring companies from using tax heavens abroad, to boost social spending, the Deputy Prime Minister said.

Western Europe

The British manufacturing PMI registered 51.9 in December 2015, down from 52.5 (originally reported as 52.7) in November, survey provider Markit released. Manufacturing production expanded for the 33rd successive month in December. The consumer goods sector remained the prime driver of production and new order growth, despite seeing its rates of expansion ease over the month.

The number of people employed in Germany hit the highest level on record in 2015 as Europe's largest economy continued to expand and immigrants helped offset the labor shortage. In 2015, roughly 43 million people living in Germany were employed, an 0.8% rise from 2014, marking the highest level since the country reunified 25 years ago.

North America

Canada's manufacturing sector contracted for the fifth consecutive month in December as activity fell to a record low, the latest indicator that the economy may have been weaker than anticipated in the final quarter of the year. The RBC Canadian Manufacturing PMI fell to a seasonally adjusted 47.5 in December from 48.6 in November.

South America

Brazil registered a trade surplus of USD19.68 billion last year, which did not result from better export performances but a sharp fall in imports. The surplus, the biggest since 2011, has enabled Brazil to compensate the trade deficit of USD4.05 billion posted in 2014. In 2015, Brazil's exports amounted to USD191.13 billion, down 14.1% from 2014, while imports totalled USD171.45 billion, down 24.3% compared with 2014.

Oil & Gas News

Crude prices stabilized on Tuesday along with Asian stock markets, following heavy losses late in the previous session, although weak market fundamentals with production levels persistently above demand kept a lid on gains. Brent crude LCOc1 was trading at USD37.21 a barrel at 0740 GMT (2.40 a.m. ET), mostly unchanged from its previous close.

US natural gas prices moved lower as investors returned to the markets after the long New Year weekend on Monday. Natural gas for delivery in February on the New York Mercantile Exchange shed 2.0 cents, or 0.83%, to trade at USD2.317 per million British thermal units during US morning hours.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
31-Dec-15	1,063.43	2.30	36.7	15.96	1.55	2.10	1.41	0.97	9772.31	85.16	3.04	33.18	25.53	2,882.73
05-Jan-16	1,077.98	2.30	37.26	16.20	1.54	2.10	1.42	0.97	9704.03	83.91	3.05	33.01	25.35	2,827.71
% Change	1.37	0.00	1.53	-0.26	0.06	0.76	0.63	-0.70	-1.46	0.40	-0.51	-0.73	-1.91	

Economic & Financial News

Research & International Division

6/1/2016

*... China central bank to launch new macro-prudential regime to curb risks ...
... Saudi Arabia plans to introduce VAT ...*

South East Asia

Indonesia's first private credit bureau has launched operations that will provide enhanced information on customers to banks and financial services firms. Pefindo Biro Kredit (Pefindo Credit Bureau) was allowed to collect and enhance various raw data from Bank Indonesia's debtor information system (SID) and customer database in the multi-finance industry and also collect non-loan customer databases owned by the Home Ministry, non-financial companies and public utility operators.

Indonesia saw almost 8.8 million foreign tourists visit its shores from January to November this year. Up to 8.795 million foreign tourists from various countries visited throughout the year, a 3.23% increase from the January-November period of last year, against the backdrop of weak domestic and global economies.

Thailand has launched a new tax amnesty scheme designed to encourage small and medium-sized (SMEs) businesses to move from the informal economy and register for income tax. Under the program, which commenced on January 1, 2016, eligible SMEs will be exempt from corporate tax for 2016 and will pay half the regular 20% corporate tax rate for the subsequent year. In addition, qualifying firms will not be subject to prior year tax investigations by the tax authority.

The Thai government has set aside a significant portion of the central budget to finance economic stimulus measures that are likely to be necessary in the Q1 and Q2 of this year to maintain growth momentum. The central budget for fiscal year 2016 was set at THB402.13 billion, or 14.78% of the overall state budget worth THB2.72 trillion.

Thailand is speeding up its effort to restructure the personal-income-tax system, with details of an amendment to the Revenue Code expected to be approved by the Cabinet in March. The finance ministry is studying whether to lower the tax ceiling or adjust the number of tax brackets. Currently individuals earning less than THB150,000 per year are exempt from income tax, while those making more than THB4 million per year are currently subject to the top 35% bracket.

North East Asia

Foreign investment in China reached a record USD126 billion in 2015. In the first 11 months of the year, China took in USD114 billion in non-financial investment, up 7.9% y-o-y, the Ministry of Commerce (MOC) said. Nearly 24,000 foreign-funded enterprises were founded in the first 11 months, 11% more than in the same period of 2014. Guided by the Chinese government, an increasing amount of foreign capital flowed to the service sector and advanced manufacturing.

South Korea's foreign reserves rose by USD4.4 billion in 2015 compared with a year earlier. Foreign reserves reached 367.96 billion as of the end of December, up USD4.4 billion from a year earlier, according to the Bank of Korea (BOK). The increase was attributable to a continued growth in investment income and an income from foreign exchange moves.

South Korea's state pension fund posted a profit of more than KRW20 trillion (USD16.8 billion) in the first 10 months of 2015 on increased earnings from bond and stock investments. The National Pension Service (NPS) said its profit reached KRW20.8 trillion in the January-October period, with the rate of return standing at 4.24%.

Taiwan's inflation fell in 2015 for the first time since 2009 when the global financial crisis derailed the country's economy, dragged down in large part by plummeting energy prices. The full-year CPI fell 0.31%, with big declines in the prices of fuel, electricity and natural gas exceeding increases in the prices of food and services.

Indian Sub-Continent

Bangladesh's total exports in the H1 of the current 2015-16 fiscal year (July 2015-June 2016) exceeded USD16 billion, up about 8% from the same period a year ago. According to the country's Export Promotion Bureau data, Bangladesh fetched USD16,083.90 million from exports in six months of the current fiscal year. Export performance for December was USD3.20 billion, 12.66% higher than that in the same month a year ago. Bangladesh export income in the 2014-15 fiscal year (July 2014-June 2015) grew at a moderate rate of over 6% to USD31.21 billion.

Growth in India's services firms rose at its fastest pace in 10 months in December as demand picked up. The Nikkei/Markit Services Purchasing Managers' Index surged to 53.6 in December from November's 50.1, marking a sixth month above the 50-level that separates growth from contraction.

Pakistan's economy is expected to grow at more than 5% in the current fiscal year due to some bold economic reforms, Prime Minister Nawaz Sharif said, faster than a 4.2% growth in the previous year. The government has placed strong emphasis on bold economic reforms to achieve significant improvement in all sectors of the economy.

Middle East and North Africa

Turkish government expects to gain around TRY3.6 billion (USD1.2 billion) of income from recent tax hikes in alcohol, cigarettes and mobile phones, and hikes in bridge and highway tolls. Electricity prices also increased by 6.8% as of Jan. 1, just two days after the minimum wage saw a 30% increase.

Tunisian prices of three oil products will be cut from January 6, 2016, the Ministry of Industry, Energy and Mining announced. Gasoline price will be reduced by TND0.02 per litre, diesel and diesel 50 prices will be cut by TND0.05 per litre.

Eastern Europe

Hungary's official unemployment rate dropped by 1% y-o-y, decreasing by approximately 37,000 to 284,000 workers, in the period of September-November, Hungary's Central Statistical Office (KSH) reported.

Western Europe

French consumer confidence was stable in December for the third consecutive month, statistics showed Wednesday, belying concerns that the November terror attacks would rattle households in the eurozone's second largest economy. Consumer confidence measured by Insee was stable at 96 in December.

Average Italian inflation slowed down for the third consecutive year, hitting its lowest level since 1959 in 2015, Istat national statistics agency said. Inflation slowed from +0.2% in 2014 to +0.1% last year, dropping to its lowest level since 1959 when it was at -0.4%.

Spanish unemployment fell by nearly 8% in 2015 from the previous year, the labour ministry said. The number of jobless dropped by 354,203 to 4.04 million, the largest annual decline ever.

North America

Americans are buying more new cars than ever before as automakers reported December and full-year sales. US auto sales hit a record high of 17.47 million in 2015, topping the old record of 17.35 million set in 2000. Low gas prices and historically low interest rates left more money in buyers' pockets.

South America

Fear of unemployment among Brazilians decreased slightly in December despite a recent surge in job losses, in a rare sign of mood improvement as the country sinks into a deep recession. An index measuring fear of unemployment fell to 102.3 at end-2015 from a near record high of 105.9 in September, according to the survey commissioned by the National Industry Confederation (CNI).

Oil & Gas News

Brent crude oil prices gave back earlier gains on Wednesday, retreating almost 1% and close to 11-year lows as concerns over growing supply and rising stock levels outweighed tensions between key Middle East producers. Global Brent crude benchmarks were at USD36.13 a barrel at 0744 GMT (2.44 a.m. ET), down 29 cents or 0.8 percentage points from their previous settlement, and close to an 11-year low of USD35.98 a barrel they hit in December.

Commodity News

Gold retained gains from a two-day rally on Wednesday, buoyed as markets shifted away from risk amid escalating tensions in the Middle East, fears of a slowdown in China and a slide in global equities. Spot gold was little changed at USD1,077.80 an ounce by 0046 GMT, after gaining 1.6% in the last two sessions. It reached a four-week high of USD1,083.30 on Monday.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
05-Jan-16	1,077.98	2.30	37.26	16.20	1.54	2.10	1.42	0.97	9704.03	83.91	3.05	33.01	25.35	2,827.71
06-Jan-16	1,082.50	2.34	36.07	15.41	1.54	2.10	1.43	0.98	9688.04	82.88	3.05	32.81	25.30	2,806.60
% Change	0.42	1.74	-3.19	-0.22	0.08	0.47	0.55	-0.16	-1.23	0.15	-0.58	-0.19	-0.75	

Economic & Financial News

Research & International Division

7/1/2016

*... Singapore posts strong Q4 growth ...
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South East Asia

The Indonesian government will announce new economic package policy next week, a move aiming at luring investment and propping up economic growth, a senior minister said. The policy would be the ninth of a series economic package issued by President Jokowi.

The Philippine government managed to slightly reduce its outstanding debt in November, following the redemption of issued securities, repayments and depreciation of third-country currencies against the dollar. Data from the Bureau of Treasury show the state's general debt declined 0.1% to PHP5.953 trillion compared with end-October. The total, however, was 4.1% above the PHP5.716 trillion posted a year earlier.

Thai energy demand is expected to rise by 3% this year, up from an average demand of 132 million litres per day in 2015, say energy policymakers. The forecast is based on the oil price moving in a range of USD35-45 a barrel, GDP growth of 3-4% and a foreign exchange rate of THB36-37 to the dollar.

The Purchasing Managers' Index (PMI) in Vietnam increased 51.3 in December from 49.4 in November, a Nikkei report said. The first increase in new orders in four months supported the strengthening of the manufacturing sector, amid improving client demand. New export orders also grew in December.

North East Asia

New automobile sales in Japan in 2015 fell 9.3% from the previous year to 5,046,511 units, posting the first drop in four years. Although new vehicle sales topped 5 million units for the fourth straight year, they dropped y-o-y due to a fall in demand after the consumption tax rise from 5% to 8% in April 2014 and a mini-vehicle tax increase in April 2015, industry officials said.

South Korean foreign exchange reserves fell to just shy of USD368 billion in December, down USD500 million from a month earlier. The Bank of Korea attributed the second consecutive month of declines to a devaluation of non-dollar assets on the back of the appreciation of the greenback. The total was USD4.4 billion higher from a year ago.

Sales of imported cars in South Korea jumped 24.2% y-o-y in 2015, driven by a marked growth in demand for European car brands. According to the data by the Korea Automobile Importers and Distributors Association, 243,900 foreign vehicles were newly registered in the country last year, compared with the previous year's 196,359 units.

Australasia

Australia's trade deficit has decreased in November, narrowing at a slightly faster pace than economists expected as exports rose. According to figures from the Australian Bureau of Statistics (ABS) the nation's trade deficit narrowed a seasonally adjusted 11% to AUD2.906 billion. The result follows a deficit of AUD3.305 billion in October. Exports increased 1%, while imports declined by 1%.

Australian motorists bought more cars than ever before last year, snapping up more than one million new vehicles for the sixth successive year. Australians purchased 1.155 million new vehicles in 2015, eclipsing the previous full-year record of 1.136 million sales set in 2013, Federal Chamber of Automotive Industries said.

Middle East and North Africa

Algeria's foreign exchange reserves dropped by USD6.33 billion to USD152.7 billion in the Q3 of 2015 as global crude oil prices plunged, the central bank said. The North African OPEC member relies heavily on energy earnings, which make up 95% of total exports and account for 60% of the country's budget.

Morocco's economy grew 4.7% y-o-y in the Q4 of 2015, up from 2.2% in the similar 2014 period thanks to higher agricultural output. Morocco announced a record cereal crop of 11 million tonnes last year after favourable rainfall. Agriculture accounts for more than 15% of the economy.

Tunisia's inflation rate has dropped to 4.1% in 2015 from 4.8% in 2014 and 5.7% in 2013, said the National Institute of Statistics (INS). This rate has followed a roller-coaster ride in 2015, with an average rise of 5.7% in February, March and April and then a 4.2% decrease in September.

Eastern Europe

Hungary posted a general government deficit of HUF1,218.6 billion in 2015. Hungary's central budgetary sub-system posted HUF 247.8 billion deficit in the last month of 2015, the Economy Ministry announced. About HUF2.8 trillion were spent on European Union projects instead of the targeted HUF2.5 trillion, which means the cabinet spent nearly HUF300 million more from its own pocket than it planned to.

Ukraine's annual inflation rate rose in 2015 to 43.3%, its record level since 1996, according to the State Statistics Service. Last year, utility costs in Ukraine surged 103%, food prices went up 40.1%, while clothing and footwear costs increased by 35%. In December, prices in Ukraine rose 0.7% on an annual basis, slowing down from 2% in the previous month.

Western Europe

British new car registrations hit an all-time high last year, helped by rising consumer confidence, the strength of the pound and cheap car loans. The headline number will be around 2.63 million. The previous record for registrations in Britain was set in 2003 when 2.58 million new cars were sold.

North America

Canada's trade deficit for November was smaller than expected as the country's trade surplus with the US grew. The country's trade deficit with the world narrowed to CAD2.0 billion in November from CAD2.5 billion in October. Imports fell 0.7% to CAD45.2 billion in November with the largest drop in electronic and electrical equipment and parts as well as energy products. Meanwhile, total exports for the month rose 0.4% to CAD43.3 billion in November.

US private companies added workers at a brisk clip in December, pointing to underlying strength in the economy despite signs that growth slowed sharply in the Q4. Payrolls processor ADP said private-sector employment rose by 257,000 last month, the largest gain since December 2014, after increasing by 211,000 in November.

The US trade deficit dropped to the lowest level in nine months in November as exports fell to a nearly four-year low. The November deficit fell 5% to USD42.4 billion. Exports contracted 1.6% to USD182.2 billion, the smallest monthly total since January 2012. Imports were also down, shrinking 1.7% to USD224.6 billion. The import declines this year reflect the big drop in global oil prices. American manufacturers have been hurt by a strong dollar, which makes their products more expensive in overseas.

South America

Vehicle production in Argentina slumped 12% in 2015, the ADEFA association of car makers said, hurt by a sharp fall in demand from recession-hit Brazil and an artificially strong peso. ADEFA said auto makers produced 543,467 vehicles in 2015 and reported a 31.3% slide in vehicle exports.

Oil & Gas News

Markets to fall further as Brent oil nears USD33. Brent crude futures have sunk 2.5% to USD33.38 per barrel in early Asian trade as a huge supply overhang and near-record output levels continue to drag on prices.

Natural gas prices flipped Wednesday to their biggest losses in a week after weather updates show warmer weather and pessimistic signs for heating demand in late January. Future for February delivery settled down 5.8 cents, or 2.5%, at USD2.267 a billion British thermal units.

Commodity News

Gold traded near a seven-week high on Thursday as investors channelled money into the safe-haven metal amid a global stock market rout, worries over the Chinese economy and heightened geopolitical tensions. Spot gold had eased 0.1% to USD1,092.90 an ounce by 0043 GMT. But it wasn't far from USD1,095.30 reached on Wednesday, its highest since November 16.

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06-Jan-16	1,082.50	2.34	36.07	15.41	1.54	2.10	1.43	0.98	9688.04	82.88	3.05	32.81	25.30	2,806.60
07-Jan-16	1,098.71	2.31	32.86	14.23	1.55	2.10	1.44	0.99	9675.86	82.32	3.07	32.75	25.27	2,739.91
% Change	1.50	-1.28	-8.90		1.01	0.11	0.32	0.86	-0.13	-0.68	0.71	-0.18	-0.11	-2.38

Economic & Financial News

Research & International Division

9/1/2016

*... Australian retail sales rose in November ...
... Germany's adjusted trade surplus slipped to EUR19.7 billion in November ...*

South East Asia

The Indonesia government plans to lower import tariffs for incompletely knocked-down (IKD) vehicle parts in a bid to make sedans more affordable and drive up demand. Currently, demand for sedans is low because the car type is subject to luxury tax; sedans with an engine below 1,500 cc are taxed 30%, those with 1,501 to 3,000 cc 40% and those above 3,000 cc 70%. Meanwhile, taxes for MPVs and hatchback cars stand at 10%.

Sales of new vehicles in Laos increase by nearly 20%. Over 300,000 vehicles including over 180,000 motorbikes have been registered nationwide over the last five years which is an increase of around 50,000 vehicles or almost 20% from the figure recorded in 2011. In 2015 alone, 60,000 vehicles were registered nationwide. The increase in the number of vehicles is attributed to an increase in purchasing power.

Thailand's Budget Bureau plans to allocate an additional expenditure budget of between THB70 billion and THB100 billion for the 2016 fiscal year, aiming to stimulate the economy in an effort to deal with possible impacts from external factors. About THB70 billion will be gleaned from the upfront licence fees from last year's 4G spectrum auction, and the remaining THB30 billion might be borrowed.

Foreign capital flowing into Vietnam reached a record high last year, promising more economic growth but more competition for domestic companies. According to the General Statistics Office, there were over 2,000 FDI projects with total capital of USD15.6 billion, along with another 814 projects expanding their investment to USD7.2 billion by the end of 2015, a y-o-y increase of 12.5%.

North East Asia

China's consumer inflation continued to slow in 2015 due to lackluster domestic demand amid a slowing economy. The consumer price index (CPI), a main gauge of inflation, increased 1.4% y-o-y in the last year, down from a 2% increase in 2014 and 2.6% in 2013, the National Bureau of Statistics (NBS) said in a statement.

China's foreign exchange reserves fell to USD3.33 trillion in December 2015. The reserves dropped by USD107.9 billion from November, compared with a m-o-m decline of USD87.2 billion registered in November, according to the People's Bank of China.

China's producer prices continued to drop in 2015, marking high deflationary pressure on the economy. The producer price index (PPI) dropped 5.2% y-o-y in 2015, widening from a 1.9% slip registered in 2014, according to the National Bureau of Statistics (NBS). The decline mainly to price drops in oil and natural gas exploitation, ferrous metal smelting, coal mining and fuel gas supply.

Japan's wages decreased for the first time in five months in November as a decline in special pay including bonuses kept overall wages from rising as fast as consumer prices. Average inflation-adjusted wages fell 0.4% from the same month a year earlier, while nominal wages remained flat at JPY274,108 amid an 8.6% decrease in special pay, the Ministry of Health, Labor and Welfare said in a preliminary report.

Taiwan's exports performance for 2015 was not the worst in the Asian region or even in the world, although the country suffered an annual drop of more than 10% in outbound sales amid weakening global demand, the Ministry of Economic Affairs said. Taiwan's exports for December fell 13.9% from a year earlier to USD22.06 billion, dropping y-o-y for the 11th consecutive month. For the entire 2015, Taiwan's outbound sales dipped to a six-year low of USD280.48 billion.

Australasia

Australian retail sales rose in November, in the latest sign that consumer sentiment and spending remain healthy. Retail sales rose 0.4% in November from a month earlier, the Australian Bureau of Statistics said. Sales for October were upwardly revised to 0.6% from 0.5% when the figures were first released. Sales have risen over the past four months. Online retail sales rose strongly in November, resulting in the highest monthly revenue in nearly a year.

Indian Sub-Continent

The Federal Board of Revenue (FBR) of Pakistan has collected PKR1.4 trillion (USD13.46 billion) in taxes up to January 5 (six months period) of the current fiscal year 2015-16, exhibiting a 19% y-o-y growth. In the same period last year, the FBR collections amounted to PKR1.115 trillion.

Sri Lanka's budget deficit overshot to 7.2% of GDP in 2015, against a target of 6%, swelled by unexpected payments for contractors, Finance Minister Ravi Karunanayake said. The government had to spend a huge amount of money due to unexpected contract payments for infrastructure projects under the previous government headed by former leader Mahinda Rajapaksa, who was defeated in polls on Jan. 8 last year.

Middle East and North Africa

Morocco's government adopted a bill outlining planned pension reforms that unions have vowed to block, saying it would damage workers' rights. It is the last major reform that the Islamist-led government has passed since it came to power after protests following subsidy cuts, tax reforms and freezing hiring in public sectors. Morocco has been struggling to repair its public finances for the last four years after it spent heavily in 2011 and 2012 to calm the pro-democracy protests.

The UAE's non-oil private sector reported a slower growth in December 2015 with business conditions improving at the slowest rate in 40 months, according to the Emirates NBD UAE Purchasing Managers' Index (PMI). Data showed the PMI declined to its lowest level in over four years, with a reading of 53.3 in December 2015.

Eastern Europe

Bulgaria's industrial production index for November 2015 has increased both on monthly and annual basis, the country's statistical office NSI announced. The index, adjusted for the number of working days, rose by 0.8% compared to October 2015 and was 1.7% higher in comparison with November 2014.

International reserves of the National Bank of Hungary (MNB) dropped close to EUR30 billion euros in December 2015, which is the lowest level in 6.5 years. Hungary's international reserves decreased by EUR2.8 billion over December to EUR30.3 billion by the end of the month.

Unemployment in Poland stood at 7.2% in November, according to Eurostat, the statistical office of the European Union. In the eurozone as a whole, the figure stood at 10.5%, raised mainly by Greece and Spain with an unemployment rate of 24.6% and 21.4% respectively. The figures for Greece were from September 2015.

Romania's central bank kept borrowing costs unchanged for a fifth meeting and resumed easing via banks' reserve requirements as emerging-market turbulence and risks of prolonged deflation cloud the outlook for one of the European Union's fastest-growing economies. The benchmark interest rate was left at a record-low 1.75%.

Polish November retail sales increased by 5.9% y-o-y, after 5.6% growth in October, and edged up by 1.6% month on month, according to a release by the EU Statistics Office Eurostat. Annual retail sales growth of 3.3% in November on a monthly growth of 5.7%.

Northern Europe

Denmark's central bank has increased a key interest rate by 0.10 percentage points, a move to support the national currency following nine months of market interventions to bolster it. Nationalbanken said Thursday the interest rate on certificates of deposit would be minus 0.65%.

Western Europe

German industrial production declined unexpectedly in November, a sign that Europe's largest economy is struggling to gain momentum after a weak Q3. Total industrial production, adjusted for seasonal swings and calendar effects, dropped 0.3% in November from the previous month. Manufacturing production dropped 0.8% from October, but construction output surged 1.6%.

Germany's adjusted trade surplus slipped to EUR19.7 billion in November from EUR20.6 billion in October. A 0.4% monthly rise in exports was outstripped by a 1.6% jump in imports, the Federal Statistical Office said. Germany's exporters have been feeling the pinch from weak orders from China, Russia and other developing economies.

Italy's unemployment rate unexpectedly fell to its lowest in three years in November, supporting Prime Minister Matteo Renzi's view that his government's policies are favoring job creation. The rate dropped to 11.3% from 11.5% in the previous month, national statistics agency Istat said.

North America

Canada's economy added nearly 23,000 jobs in December, but the unemployment rate stayed level at 7.1% as more people joined the labour market in search of jobs. The December numbers were driven by job creation in Ontario, which accounts for all of the new jobs created at the end of the year, according to Statistics Canada figures released.

The US economy is motoring ahead despite slowing global growth that caused upheavals in financial markets around the world this week. Employers added a robust 292,000 jobs last month, and the unemployment rate stayed low at 5%, the Labor Department said. Job gains in the Q4 averaged 284,000, the best three-month increase since last January.

South America

Brazil's inflation rate hit a 13-year high in 2015, in what analysts called the result of years of economic mismanagement, worsened by a political crisis in Latin America's biggest economy. Annual inflation reached 10.67% in 2015, the highest rate since 2002 and more than double the government's 4.5% target.

Brazilian industry contracts 12.4% in the year to November. Brazilian industry contracted in November, breaking all negative estimates as the country's worst recession in decades deepened. Industrial production declined 2.4% from October in seasonally adjusted terms and 12.4% from November 2014.

Peru's net international reserves totalled USD61.48 billion on 31st December 2015, the Central Reserve Bank of Peru (BCR) informed. According to BCR's Weekly Economic Report, reserves were made up mainly of liquid international assets. This level of reserves is equivalent to 32% of the country's GDP.

In the period comprised between January and November 2015, Peruvian exports totalled USD30.764 billion. According to its weekly report, last November shipments totalled USD2.760 billion. Traditional and non-traditional product exports amounted to USD1.808 billion and USD945 million, respectively. In the said month, exports volume grew by 3.5. Imports totalled USD34.057 billion in the first eleven months of 2015.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
07-Jan-16	1,098.71	2.31	32.86	14.23	1.55	2.10	1.44	0.99	9675.86	82.32	3.07	32.75	25.27	2,739.91
09-Jan-16	1,097.80	2.47	33.55	13.57	1.56	2.10	1.43	0.99	9688.04	82.50	3.05	32.78	25.27	2,702.26
% Change	-0.08	7.01	2.10		0.42	-0.10	-0.16	-0.05	0.13	0.22	-0.82	0.07	-0.01	-1.37

Economic & Financial News

Research & International Division

12/1/2016

*... Foreign Investment in Thailand down 78% despite incentives ...
... Malaysia November industrial output growth slips to weakest in 16 months ...*

South East Asia

The number of Brunei's unemployment aged 18 to 59 years old slightly increased from 10,313 persons in October to 10,385 persons in November last year, data released by the Department of Economic Planning and Development (JPKE) showed. JPKE reported that just over half of jobseekers were female (5,751 persons) out of the 10,385 jobseekers in November.

The Cambodian government eliminates inheritance tax on property. Transferred property is typically subject to a tax of 4% of its assessed value minus eligible exemptions. The directive states that transfers between spouses, parents and children, or grandparents and grandchildren, will no longer require this tax, effective immediately.

The value of construction projects approved by the Cambodia government in 2015 increased by 33% to about USD3.33 billion compared to the previous year. The 2,305 projects approved last year by the Ministry of Land Management, Urban Planning and Construction covered approximately 7.7 million square meters of construction area.

Malaysia's November industrial production growth slowed to its weakest pace in 16 months, hurt by weaker global demand and a decline in mining production. Factory output in November grew 1.8% from a year earlier, its slowest since July 2014. The country has been hit by falling oil prices and a slowdown in China. The ringgit was Asia's worst performer last year, slumping more than 18% against the dollar.

The amount of import duties and other taxes collected by the Philippines in 2015 not only fell y-o-y but also settled below its goal on the back of lower crude oil prices. The Bureau of Customs reported that its collections last year reached PHP366.9 billion, down 0.6% from the PHP369.3 billion haul in 2014. This attributed the decline in collections to an overall decrease in the total value of imports, without citing specific figures.

The number of Filipino families who went hungry in Q4 2015 declined by an estimated 900,000 families, bringing down the hunger incidence in the country to its lowest level in 11 years, according to the Social Weather Stations (SWS).

About 3-4 million Thai people are expected to be added to the personal income tax system after the full-scale implementation of national e-payments, the Revenue Department said. The higher number of taxpayers will boost state coffers without raising tax rates. About 10.9 million people submit tax filings but 6.4 million are exempted because their incomes are too low.

Foreign investment in Thailand plunged 78% on the year for the January-November period of 2015, an unwelcome development for a government trying to charge the economy with corporate tax incentives. The total amount listed in direct investment applications fell to THB93.8 billion (USD2.62 billion) and the number of applications tumbled 37% to 513.

The Thailand government and private sector are preparing more tourism packages to drive domestic travel and boost total tourism revenue from THB2.2 trillion in 2015 to THB2.4 trillion this year. One of the big campaigns being planned is to hold a lucky draw for THB1 million every month for 12 months. Tourists who purchase packages from travel agents will have a chance to win these grand prizes. Besides the cash prizes, some other big gifts include a car, house and travel deals.

Vietnam's per capita GDP in 2015 was estimated at VND45.7 million (USD2,100), up USD57 compared with 2014, according to the General Statistics Office. Vietnam's GDP in 2015 is estimated to increase 6.68% over 2014.

The price of Vietnam's domestic cars have soared since the beginning of this year. Under the new tax calculation in January 1, 2016, the special consumption tax for imported cars with 24 seats and below would be based on the importer's price, but the price must not be lower than 105% of the cost of an auto, which includes the car's import price, import tax and special consumption tax at the importing point.

North East Asia

Japan's current account logged a surplus of JPY1.14 trillion (about USD9.72 billion) in November for the 17th straight month in the positive territory largely on poor crude oil prices. Goods trade posted a deficit of JPY271.5 billion, with exports falling 6.3% on year and imports sliding 10.9%.

South Korea's surplus in trade of industrial parts and components exceeded USD100 billion for two straight years in 2015. Trade surplus in the sector was USD105.1 billion in 2015 after logging USD107.8 billion in 2014, according to the Ministry of Trade, Industry and Energy. Exports of industrial parts and components came in at USD264.7 billion in 2015, down 4.1% y-o-y.

South Korea's home sales reached an all-time high in 2015, apparently buoyed by a series of government measures to boost the local property market. The number of home transactions surged 18.8% on-year to 1,193,691 last year, marking the largest annual tally since 2006, according to the Ministry of Land, Infrastructure and Transport. For December, home sales fell 3.6% on-year to 88,000.

South Korea's tax revenue rose sharply on-year in the first 11 months of 2015 thanks to higher cigarette prices and increased real estate transactions, the finance ministry said. In the January-November period, the government collected some KRW206.2 trillion in taxes, up KRW16.8 trillion y-o-y, as more dues were collected from a rise in real estate transactions and higher tobacco prices.

Australasia

Major petrol companies in New Zealand have dropped their petrol and diesel prices as crude oil prices declined to a 12-year low. BP reduced petrol by NZD0.02 per litre and diesel by NZD0.03 per litre on Tuesday bringing unleaded 91 to NZD1.83 per litre and diesel to NZD0.97 per litre.

Houses in Auckland are more affordable than they were in September, but are still 59% less affordable than anywhere else in the country. The report from Massey University, which covers the Q4 2015, showed that despite continuing high values and severe unaffordability in Auckland, there had been a slight quarterly improvement of 1.4%. This reflects the overall affordability of housing in New Zealand.

Indian Sub-Continent

India's passenger vehicle sales in December grew in double digits for the third month in a row, posting the highest ever volumes in December ever, reports the Bureau in New Delhi. SIAM data show, however, that two-wheeler sales were disappointing, dragged down by motorcycle sales into negative territory. While passenger vehicles posted a growth of 10.45%, which mainly came on the back of heavy discounts by automakers in December combined with a slew of new launches in the previous months, two-wheeler sales shrank 3.1% with motorcycle sales contracting 5.93%

Middle East and North Africa

Bahrain announced a hike of more than 50% in petrol prices following its cut in subsidies for energy products as oil producing countries struggle with nosediving crude prices. The government said the price of regular petrol will increase Tuesday from USD0.20 per litre to USD0.33, an increase of 56.3%. Earlier this month, Bahrain cut government subsidies for diesel and kerosene following similar moves by its Gulf neighbours.

Egypt's central bank said it had amended credit market rules to encourage banks to lend to a wider range of clients, as part of efforts to mitigate credit risk and boost growth. The central bank cut the maximum amount that banks are allowed to lend to a single client to 15% of their Tier One capital, down from 20% previously, to reduce the risks associated with lending to a small number of large clients.

Egypt's urban consumer price inflation was steady at 11.1% in December, unchanged from the previous month, while its core inflation eased to 7.23%, the central bank and the state's official statistics agency CAPMAS said. Core inflation eased to 7.23% in December from 7.44% in November. The country of around 90 million relies heavily on imports of food and energy and has been struggling to earn hard currency since a popular uprising in 2011 drove tourists and foreign investors away.

Jordanian inflation in 2015 edged down by 0.9%, compared to 2014, the Department of Statistics (DoS) announced. Main item groups that contributed to the drop were transportation (14.2%), fuel and lighting (13.3%), beverages (1.5%) and personal objects (3.5%).

The interim Kuwaiti public finance figures for the first eight months of FY15/16 point to a decline in government spending, as the price of oil fell to a seven-year low, the National Bank of Kuwait (NBK) report said. However, despite the decline in overall spending, wages & salaries and capital spending still rose. The latter continued to reflect an accelerated pace of project execution. Meanwhile, non-oil revenues remained well below their 5-year average.

Morocco's net international reserves amounted to MAD224.6 billion until December 31, 2015, recording a 23.5% increase on an annual basis, Bank Al-Maghrib announced. The central bank explained in its weekly indicators that the reserves recorded a 1% weekly increase. During the period December 31, 2015, to January 6, 2016, the central bank injected MAD21.9 billion.

Sudan's annual inflation rate eased to 12.58% in December from a 12.8% in November, a monthly report from Sudan's 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.

Turkey's current account deficit narrowed to USD2.1 billion in November 2015, a decrease of USD3.689 billion from November of the previous year, the central bank said. The 12-month rolling deficit narrowed to USD34.7 billion in November 2015 from USD38.4 billion the previous month. The country's current account gap declined to USD135 million in October 2015.

Eastern Europe

The unemployment rate in the Czech Republic rose to 6.2% in December 2015 from 5.9% in November, the Employment Office said. The number of jobless people increased by nearly 22,000 to 453,118.

Ukraine consolidated budget revenue 38.1% up in 2015. Consolidated budget revenue amounted to UAH587.1 billion in 2015, which is more by UAH162 billion, or 38.1%, as compared with the previous year, the State Fiscal Service reported.

Northern Europe

Inflation in Denmark is at its lowest level in 62 years. From 2014 to 2015, Denmark's average inflation rates rose 0.5%, the smallest gain for a calendar year since 1953, when it registered a fall of 0.5% on an annual basis, according to Danmarks Statistik. The reason the inflation gain was so low was due to categories which are not included in the underlying inflation rate that keep the annual rise in the overall index down.

Western Europe

Spain's industrial production rose by 5.7% in November 2015 in comparison with the same month of a year earlier according to the Index of Industrial Production (IPI) published by Spain's Statistical Office (INE). The INE reported that production of consumer goods rose by 6.4% in November on a y-o-y basis, with production of durable consumer goods and non-durable consumer goods rising by 6.6% and 6.4% respectively.

North America

Mexico's industrial production stagnated in November, amid weak manufacturing expansion and a decline in oil and gas output. Output increased 0.1% in November from a year earlier, the national statistics institute said. Production fell 0.5% from a month earlier. Manufacturing expanded 1.8% from a year prior.

South America

Brazil's fiscal situation leaves no room for subsidies for the auto sector, according to a statement from the Finance Ministry. The auto industry, which contributes about a quarter of Brazil's annual industrial production, has suffered from a deepening economic recession owing to tight credit, rising unemployment and crumbling consumer confidence.

In 2015, Peru's GDP may have reached USD191.187 billion; the said figure may have exceeded the USD170.759 billion from 2011. The amount is more than double the level registered in 2005 and nearly four times higher compared to that of 2000, the Presidency of the Council of Ministers (PCM) affirmed.

Oil & Gas News

Crude oil fell 3% on Tuesday, heading toward USD30 per barrel and levels not seen in over a decade. International benchmark Brent crude futures LCOc1 dropped over 3% to a low of USD30.43 per barrel on Tuesday, a level last seen in April 2004, before edging back to USD30.69 by 0744 GMT (2.44 a.m. ET), still down 86 cents from their last settlement.

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
09-Jan-16	1,097.80	2.47	33.55	13.57	1.56	2.10	1.43	0.99	9688.04	82.50	3.05	32.78	25.27	2,702.26
12-Jan-16	1,096.80	2.32	30.65	13.21	1.57	2.09	1.44	0.99	9625.57	81.67	3.06	32.91	25.26	2,695.79
% Change	-0.09	-6.15	-8.64	0.33	-0.33	0.36	0.66	-0.64	-1.00	0.28	0.41	-0.04	-0.24	

Economic & Financial News

Research & International Division

13/1/2016

... South Korean business sentiment for Q1 2016 fell to a three-year low ...
... Bangladesh remittances rose 2.57% y-o-y in H1 of fiscal year 2015-16 ...

South East Asia

Brunei car sales in 2015 fell by 21% y-o-y with a sales shortfall of 3,800 units from 2014, according to the latest statistics from the Brunei Automobile Traders Association. The total sales of cars amounted to 14,324 in 2015, compared to 18,124 units in 2014. An industry insider said that the sales outlook for 2016 is expected to be tougher with industry players trying to find ways to adapt to smaller profit margins.

The Cambodia government collected USD1.3 billion in tax revenue in 2015, a 21.67% y-o-y increase, from USD1.06 billion in 2014, according to the Ministry of Economy and Finance. Within this, corporate profit tax and salary tax rose 27.2% and 18.6%, respectively.

The Philippines automotive industry sustained its strong growth, rising by nearly a quarter last year to 288,609 units, mainly driven by the robust performance of the passenger car segment. Based on a joint report by the Chamber of Automotive Manufacturers of the Philippines Inc. and the Truck Manufacturers Association, vehicle sales grew 23% from 234,747 units sold in 2014. For December alone, sales increased by 25.1% to 26,679 units.

The Philippines export revenue slid for the eighth straight month in November, dropping by 1.1% y-o-y to USD5.117 billion even as electronics, the country's top export earner showed signs of recovery that month. The Philippine Statistics Authority showed that export sales declined in November from USD5.175 billion in the same month in 2014, bringing the 11-month receipts down by 5.8% to USD53.988 billion from USD57.299 billion a year ago.

The Bangko Sentral ng Pilipinas further trimmed its losses by 47.5% in the first 11 months in 2015 as it continued to enjoy higher gains from foreign exchange fluctuations. The net loss of the central bank amounted to PHP3.77 billion from January to November last year, PHP3.42 billion lower compared to the PHP7.19 billion in the same period in 2014. Revenues jumped 12.3% to PHP52.02 billion from PHP46.31 billion, while expenses rose 3.9% to PHP65.72 billion from PHP63.25 billion.

Vietnam received USD12.25 billion in remittances in 2015, higher than the USD12 billion in 2014, according to the World Bank. The country ranks 11th in the world and 3rd in the East Asian-Pacific region in terms of foreign remittance, following China and the Philippines.

North East Asia

China's exports rose 2.3% y-o-y to CNY1.43 trillion (USD217 billion) in December, offering a rare bright spot for the world's second-biggest economy. However, imports dropped 4% to CNY1.05 trillion, the General Administration of Customs said, resulting in a trade surplus of CNY382.1 billion. For the year, China's exports fell 1.8% to CNY14.14 trillion, while imports slumped 13.2% to CNY10.45 trillion. That left a trade surplus of CNY3.69 trillion yuan in 2015, up 56.7%. One of the main reasons for China's weak exports in 2015 was due to weak external demand.

Vehicle sales in China surged to a record 24.6 million units last year, but at a much lower growth rate, as demand waned due to uncertain economic conditions. Passenger vehicle sales grew 7.3% y-o-y to 21.1 million units in 2015, while that of commercial vehicles declined by 10%. Demand for trucks dropped by 11.4%, according to the China Association of Automobile Manufacturers. The growth rate in 2015 was 4.7%, a three-year low, largely due to slowing economic growth and volatile stock markets.

South Korea posted the highest jobless rate among youths at 9.2% last year, up 0.2 percentage points from a year earlier, according to Statistics Korea, as companies refrained from employing college graduates on concerns about economic slump. The number of economically active population among youths increased 80,000 last year, but the number of youth employment increased 68,000 in 2015.

South Korean business sentiment for Q1 2016 fell to a three-year low due to the slowing economy in South Korea and in China. The Korea Chamber of Commerce and Industry said that the Business Survey Index for the quarter stood at 81 points, six points down from the previous quarter and the lowest since Q1 2013.

South Korea import and export prices continued to drop at a fast clip in December largely due to a plunge in energy and raw material prices. Export prices in terms of local currency dropped 6% y-o-y last month, from the 8.6% y-o-y decline in November. The December tally marks a 0.3% m-o-m rise, largely attributed to the weakening of the South Korean won against the US dollar.

Taiwan has collected TWD2.12 trillion (USD62.97 billion) in tax revenues in 2015, an increase of 7.2% from 2014, aided in part by a last-minute surge in property transactions, the Ministry of Finance said. Property taxes totalled TWD2.36 billion in December alone, more than double the level a year earlier, from a total of 112,072 transactions, a 72% y-o-y increase. The sharp increase in property taxes was attributed to home sellers desire to avoid paying higher taxes on transactions.

Indian Sub-Continent

Bangladesh in H1 of the current fiscal year 2015-16 ending in June received USD7.48 billion in remittances from its millions of expatriate workers, a central bank official said. Overseas Bangladeshis in December sent home USD1.31 billion, an increase of 2.57% y-o-y.

India's consumer price inflation accelerated to 5.6% in December, the Statistics Ministry said. A steep increase in food prices drove the inflation rate up to a 15-month high in December. It marked the fifth month in a row that inflation had gained pace, with consumer prices increasing 5.4% in November and 5% in October.

India's annual industrial output contracted in November, its worst performance in more than four years. Industrial output contracted 3.2% y-o-y in November, compared with upwardly revised growth of 9.9% in October, Ministry of Statistics data showed.

Pakistan's trade deficit narrowed to USD11.924 billion in H1 of fiscal year 2015/16, from USD12.087 billion in the July-December period of the last fiscal year. This fall was helped by soft oil prices, bolstering the outlook for the country's current account balance. Exports fell 14.4% y-o-y to USD10.322 billion, while imports dropped 7.86% to USD22.246 billion in July-December 2015. In December alone, exports fell 16.80% y-o-y to USD1.788 billion.

Middle East and North Africa

Egypt's central bank announced new measures to limit retail and consumer loans and to encourage banks to expand their client base, in an attempt to control credit risk and delinquency rates. The new regulations stipulate that the total instalments of a personal, car or a non-mortgage housing loan not exceed 35% of the client's monthly net income, a move that aims to secure debt repayment. Consumer loans in Egypt have come to make up 50 to 60% of certain banks' total lending portfolio.

Bahrain and Oman are reducing subsidies on gasoline, becoming the latest Gulf Arab countries to try to cut back on spending and offset the effect of oil prices, which have fallen to their lowest level since 2003. On Tuesday, gas prices at the pump rose by up to 60% in Bahrain, climbing to USD1.25 per gallon for regular gasoline and USD1.60 per gallon for premium fuel. Bahrain ended subsidies on meat and poultry in October, increasing consumer prices between three and four-fold. Bahrain plans to make further cuts in electricity and water subsidies in March. Meanwhile, Oman said it would reduce gasoline subsidies starting Friday, with prices set to rise by 33% for premium fuel and 23% for regular fuel. The moves come as crude prices closed Monday at USD31.41 a barrel on the NYME, the lowest in 12 years. To reduce their growing budget deficits, the UAE and Saudi Arabia reduced fuel subsidies last year. Kuwait's parliament is planning to study subsidy reform too.

Bahrain will remain competitive and business-friendly even as the government raises domestic energy prices and tariffs and curbs spending, the Economic Development Board has said. The government's strategy had three pillars: streamlining government expenditure, further redirecting subsidies towards citizens, and a series of economic reforms and infrastructure projects worth more than USD32 billion to increase investment and maintain growth. Independent studies had shown that Bahrain was at least 40% cheaper than many of its neighbours in terms of the cost of doing business. Continued diversification efforts have led to stable economic growth, which is expected to be 3.6% last year and the contribution of financial services, manufacturing and construction sectors exceeded that of the oil sector, which contributes to only a fifth of GDP.

Iran is preparing for unfreezing its USD30 billion which have been blocked in overseas banks as a result of the sanctions. The money could be made available to the Central Bank of Iran as early as next week.

Iraq plans to finance its balance of payments deficit by drawing its foreign exchange reserves down to USD43 billion in 2016 from USD59 billion at the end of October. The deficit is expected to reach USD14 billion in 2015, before narrowing to USD11 billion in 2016. Iraq estimated GDP would grow by 1.5% in 2015 and 10.6% in 2016 on increased oil production, while falling oil prices would create a budget deficit of 15% of GDP in 2015 and 10% in 2016.

Kuwait's trade surplus narrowed in Q3 2015 on the back of lower oil revenues. However, the surplus remains relatively healthy at 17% of GDP. The surplus slipped to KWD1.8 billion in Q3 2015 as lower oil prices continued to weigh down on revenues. Oil export revenues fell from KWD4.3 billion in Q2 2015 to KWD3.7 billion in Q3 2015 as oil prices edged lower. Kuwait export crude slid from an average of USD58 per barrel in Q2 2015 to USD47 per barrel in Q3 2015. As a result of the lower oil price, oil export receipts have declined by 48% y-o-y.

Libya's crude oil production remains under 400,000 barrels per day after attacks on oil facilities last week, the Tripoli-based National Oil Corporation said. Oil output has dwindled to less than one quarter of a 2011 high of 1.6 million barrels per day reached before an uprising toppled Qaddafi in 2011.

The volume of Saudi exports in 2015 surged to 54 million tons at a value of SAR158 billion, compared with 2014 when they amounted to 53 million tons valued at SAR194 billion. Imports touched 83 million tons in 2015 at a value of SAR640 billion, as against 85 million tons, valued at SAR655 billion in 2014, the Saudi Customs said.

Tunisia's trade balance deficit went down by TND1,588.2 million to TND12,047.7 in 2015 from TND13,635.9 in the same period in 2014. The National Institute of Statistics said the rate of coverage of imports by exports has improved by two points to 69.6% from 67.6% in 2014 and 70.1% in 2013.

Turkey's national income per capita has been forecasted to decrease below USD10,000 for the next two years, projected to lower to USD9,286 in 2015 and USD9,364 in 2016 on the dollar-basis rather than purchasing power in the government's new medium-term economic program. The national income per capita was USD10,390 in 2014. Turkey aims to increase this amount above the USD10,000 threshold again by 2017, according to goals outlined in the medium-term economic program.

Eastern Europe

In 2015 the inflation in Belarus made up 12%, the National Statistics said. In 2015, prices for foods went up 11%, prices for non-foods and paid services rose by 11.5% and 15.7% respectively.

Poland's unemployment rate registered 9.8% in December, still the lowest level since 2008, Labor Ministry said. Poland had last recorded a single-digit end-year unemployment rate in 2008. The number of registered jobless at end-December stood at 1.564 million, the ministry said. The end-November tally had come to 1.531 million, according to the Central Statistics Office. Employers filed 77,600 job offers last month, up by 22,700 or 41.4% y-o-y.

Russian annual inflation for 2015 was set at 12.9%, according to Rosstat's final statistics for the year. Russia saw an economic downturn in 2014 after the US and the EU imposed economic sanctions on Moscow over its alleged involvement in the Ukrainian crisis. The ruble lost about half its value against the dollar.

North America

US job openings increased in November, a sign its labour market was bolstering the world's largest economy toward the end of 2015. The number of positions waiting to be filled rose by 82,000 to 5.43 million, from a revised 5.35 million in the prior month, a report from the Labour Department showed.

Currency News

The Saudi Arabian riyal hit a record low in the forwards market on Tuesday, breaching the key 1000-point mark as a fresh slip in oil prices raised fears that the kingdom will eventually scrap or loosen its currency peg to the US dollar. One-year dollar/riyal forwards climbed as high as 1020 points in very volatile trade. This topped their previous record of 850 points hit during a bout of speculation against the riyal in 1999, according to Thomson Reuters' data.

Oil & Gas News

Crude futures rose on Wednesday for the first time in eight days, with US oil pulling further away from the widely watched USD30-per-barrel level breached the previous session, after US crude stocks unexpectedly fell last week. Brent crude LCOc1, the global benchmark, was up 28 cents at USD31.14 a barrel. The contract fell 69 cents to settle at USD30.86, after bottoming at USD30.34, on Tuesday.

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-Jan-16	1,096.80	2.32	30.65	13.21	1.57	2.09	1.44	0.99	9625.57	81.67	3.06	32.91	25.26	2,695.79
13-Jan-16	1,081.00	2.28	30.94	13.57	1.55	2.07	1.43	0.99	9659.04	82.39	3.06	33.11	25.28	2,684.49
% Change	-1.44	-1.72	0.95		-0.77	-0.85	-0.28	-0.33	0.35	0.88	0.18	0.61	0.10	-0.42

Economic & Financial News

Research & International Division

14/1/2016

*... Australia's economy shed 1,000 jobs in December ...
... Indonesia now allows foreigners to own houses ...*

South East Asia

The Indonesia government now allows foreigners living in Indonesia to own houses as part of efforts to boost the economy, following the release of a regulation signed by President Joko "Jokowi" Widodo. The regulation stipulates that foreigners who hold resident permits are allowed to own houses under the Right to Use Title. The properties can also be inherited if the owner dies. The heirs must also have resident permits or be Indonesians who married foreigners. Foreigners are able to own landed houses and apartments. They can own their houses for up to 80 years. The first Right to Use Title lasts for 30 years and it can be extended twice, for 20 and 30 years.

The Philippines government spending jumped by 10-16% in the Q4 of last year, speeding up economic growth during the period. Expenditures on infrastructure, meanwhile, increased by about 13% between October and December. Based on Department of Budget and Management data, a 16% growth in disbursements during the Q4 would be equivalent to about PHP609.6 billion spent on public goods and services. The figure spent between October and December exceeded the PHP525.5 billion in actual expenditures during the Q4 of 2014.

North East Asia

China's cabinet decided to abolish more items requiring administrative approval and step up support for small high-tech firms to unleash economic vitality. The government will cancel administrative approval power for another 150-plus items at the local level. Authorities will also abolish more than 10 administrative licensing items that have held back innovation and entrepreneurship, and official qualification will no longer be demanded for 61 occupations.

China will not cut its domestic retail fuel prices when international oil prices fall below USD40 a barrel, the country's economic planner said. Previously, China set a ceiling for domestic retail fuel prices, which will not be raised if international oil prices rise above USD130 per barrel. The floor and ceiling aim to buffer the negative effects of violent fluctuations in international oil prices. Since the H2 of 2014, global oil prices have experienced sharp changes, prompting China to improve its pricing mechanism for oil products.

The Hong Kong government will produce 97,100 public housing units in Hong Kong over next five years, of which about 76,700 will be public rental units. On private housing, projected supply from the first-hand residential property market for the coming three to four years is 87 000 units, which Leung said is a record-high since 2004. Chief executive Leung Chun-ying pledged to continue his policy to increase housing supply and curb property speculation in Hong Kong as he reiterated the need to develop Lantau Island.

South Korea's central bank froze interest rates at a record low, keeping a wait-and-see stance for seven straight months. Bank of Korea decided to keep the benchmark 7-day repurchase rate on hold at 1.5%. The bank lowered it by 25 basis points in March and June last year each to the all-time low.

South Korea household loans extended by local banks continued to rise at a fast clip in December though the rate of growth slowed from the previous month following the recent US rate hike. Outstanding household loans extended by local banks came to KRW639.1 trillion as of end-December, up KRW6.9 trillion from a month earlier, according to the data from the Bank of Korea. The on-month gain marks a slight drop from a KRW7.5-trillion on-month increase in November.

Australasia

Australia's economy shed 1,000 jobs in December, undershooting expectations of a loss of 10,000 positions over the month. Meanwhile, the unemployment rate was unchanged at a seasonally adjusted 5.8% in December compared to the previous month, the Australian Bureau of Statistics said. The workforce participation rate fell to 65.1% in December from 65.3% in November and a consensus expectation of 65.2%.

New Zealand property values rose 14% in 2015, with the annual pace slowing from a peak in November, as regulatory curbs imposed by the government and central bank took the steam out of the Auckland market, according to state-owned valuer Quotable Value. The average value of a New Zealand home rose to NZD558,146 in December from NZD488,674 a year earlier, accelerating from the 4.9% increase in 2014.

New Zealand retail spending on electronic cards fell in December, led by a decline in purchases of durable goods, in a month when consumer confidence dipped. Spending on core retail fell a seasonally adjusted 0.4% to NZD4.02 billion in December, Statistics New Zealand said.

Middle East and North Africa

Oman's State's Council approved an Income Tax Law, Insurance Companies Law and Foreign Capital Investment Law on Tuesday. The Economic Committee has decided to levy a 15% tax on all the corporates annual income without any exception or discrimination. Previously, Oman's corporate tax rate stood at 12% but only applied to businesses earning over OMR30,000. The proposal of levying taxes will be forwarded to the Council of Ministers, the cabinet that is led by Sultan Qaboos Bin Saeed for review and approval.

The UAE is still in the preparation phase for the law on introducing the Value-Added Tax (VAT) in 2018 that would range from three to 5%, according to Younis Al Khouri, undersecretary at the country's Ministry of Finance. While GCC countries are yet to finalise their policy on implementation, certain sectors such as health care, education, social services, and staple food items are going to be excluded from VAT.

Eastern Europe

Inflation in Romania turned negative in 2015 for the first time in more than 20 years, with the consumer price index of 0.9% lower at the year-end in annual terms, the latest data by the National Institute of Statistics showed.

The Russian government would cut its projected budget for the Q1 by 10%. The Finance Ministry told that all government ministers have been asked to present areas where there can be spending cuts by Jan. 15. Total value of the cuts is about USD10 billion, based on the published budget proposal by the government. The ruble fell to a new low of 77 to the dollar, down from about 74. Russia could balance its budget if the price of oil rose to USD82 per barrel.

Western Europe

The French consumer price index (CPI) increased by 0.2% in December 2015 as increasing prices of services and manufacturing products drove up the country's inflation rate. On a yearly basis, the CPI rose by 0.2%, the national statistics bureau Insee said.

The Germany government said it has balanced its budget for the second consecutive year in 2015. Germany has recorded a surplus of EUR12.1 billion (USD13.1 billion) last year, up from EUR5 billion in 2014. Spending totalled EUR299.3 billion, slightly below the previous year's EUR301.9 billion.

Greek inflation returned in December, ending almost three years of non-stop price declines during the country's economic and political crisis. The 0.4% increase, based on an EU measure, followed a 0.1% drop in November and marked the first positive reading since February 2013.

North America

The US federal budget deficit increased in December and for the third month is running ahead of last year's pace. The deficit totalled USD14.4 billion in December. That compares to a small surplus of USD1.9 billion in December 2014. For the first three months of this budget year, the deficit stood at USD215.5 billion, an increase of 22% over the same period a year ago.

South America

Inflation in Argentina's capital accelerated the most in two years last month as businesses hiked prices ahead of an expected devaluation of the peso under newly elected President Mauricio Macri. Consumer prices rose 3.9%, the biggest jump since February 2014, according to the city government's statistics agency. Inflation rose 26.9% from a year earlier.

Retail sales in Brazil recovered in November as holiday sales revived demand for appliances and electronics, although volumes deepened their drop from a year earlier due to a recession. Sales volumes rose a seasonally adjusted 1.5% in November from October, government statistics agency IBGE said.

Oil & Gas News

Crude oil fell in Asian trade on Thursday, with Brent marking another 12-year low amid gloom over a world awash with supply and concerns about global economic growth hitting equity markets. Brent LCOc1 dropped as far as USD29.73, the lowest since February 2004 and down more than 1.5%. It was down 47 cents at USD29.84 a barrel at 0145 GMT and the contract has fallen every trading this year.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
13-Jan-16	1,081.00	2.28	30.94	13.57	1.55	2.07	1.43	0.99	9659.04	82.39	3.06	33.11	25.28	2,684.49
14-Jan-16	1,091.85	2.27	29.92	13.18	1.57	2.09	1.44	0.99	9625.57	81.67	3.06	32.91	25.26	2,652.24
% Change	1.00	-0.44	-3.30		0.77	0.86	0.28	0.33	-0.35	-0.87	-0.18	-0.60	-0.10	-1.20

Economic & Financial News

Research & International Division

16/1/2016

*... Venezuela declared a state of economic emergency ...
... China is officially launched the AIIB ...*

South East Asia

Indonesia's trade deficit narrowed to USD230 million in December from USD350 million in November, thanks to a rebound in crude palm oil prices, the official Statistics Agency said. Exports rose 6.98% in December to USD11.89 billion m-o-m, as crude palm oil exports rose 14.85%. Y-o-y, exports fell 17.66%. For the entire 2015, Indonesia recorded a USD7.51 billion trade surplus, swinging from a USD1.89 billion deficit in 2014.

Indonesia's central bank cut its benchmark interest rate by 25 basis points to 7.25% to support sagging economic growth, the first rate change in 11 months. Bank Indonesia (BI) also cut its overnight deposit facility rate and lending facility rate by 25 basis points to 5.25% and 7.75%, respectively.

Myanmar is seeing good prospects in tourism industry in 2016, with increasing number of tourists to be expected during the year. Tourists arrivals, as of the end of November last year, reached more than 4.2 million. Myanmar attracted USD2.64 billion foreign investment in 47 projects in the sector of hotels and tourism in 2015, up USD1.5 billion from 2011's USD1.14 billion in 36 projects.

Around 100,000 housing units were launched in Greater Bangkok, down 10% y-o-y, but the value rose by 20% to THB416.55 billion, according to the independent survey firm Agency for Real Estate Affairs. The average price per unit in 2015 was THB4.05 million, up 33% from THB3.04 million in 2014. Condominiums were the most popular, at 61,975 units or 60% of total launches.

North East Asia

Chinese President Xi Jinping launched a new international development bank, the Asian Infrastructure Investment Bank (AIIB), seen as a rival to the US led World Bank on Jan. 16, as Beijing seeks to change the unwritten rules of global development finance. The AIIB is expected to lend USD10 billion-USD15 billion a year for the first five or six years and will start operations in the Q2 of 2016.

Tourism continued to boost the Chinese economy in 2015 with investment and consumption rising. For the first time in history, tourism investment in China reached CNY1 trillion (USD152 billion) in 2015, registering 42% y-o-y growth. The sharp rise comes in spite of a deceleration in investment growth in general.

China's new yuan-denominated lending in 2015 hit CNY11.72 trillion (USD1.79 trillion), up by CNY1.81 trillion from one year earlier. In December, new lending by banks reached CNY597.8 billion, down by CNY345.3 billion from the same month of 2014, said the People's Bank of China.

Japan's core machinery orders tumbled 14.4% the most in 18 months in November after solid gains in prior months, adding to uncertainty over the outlook as domestic demand stays subdued and China's slowdown dims global growth prospects. The orders totaled JPY773.8 billion (USD6.6 billion).

The average retail price of regular gasoline in Japan as of Tuesday dropped JPY1.5 from a week before to JPY118.9 per liter, marking the lowest level in six years and eight months, the Natural Resources and Energy Agency said. The average fell for the 11th straight week, as crude oil prices slumped. The average retail price of kerosene decreased JPY30 to JPY1,197 per 18 liters, losing ground for the 26th straight week and hitting the lowest level in six and a half years.

Indian Sub-Continent

Bangladesh Bank has cut its key interest rate by 50 basis points (bps) to 6.75% and repo rate by 50 basis points to 5.25%. In the monetary policy statement (MPS) for the H2 of the fiscal year 2015-16, the central bank also announced a downward revision in the private sector credit growth projection to 14.8% from the earlier 15% and public sector credit growth projection to 18.7% from 23.7%.

India's annual rate of inflation stood at minus 0.73% for December 2015 (over December 2014) based on monthly wholesale price index (WPI), according to the provisional data released by the Office of the Economic Adviser, Ministry of Commerce and Industry.

Middle East and North Africa

Egypt aims to reduce its import bill by 25% in 2016 compared to the previous year after the central bank imposed sweeping new import controls last month. The country plugged major loopholes that had long allowed some importers to dodge customs tariffs, robbing the government of revenues and making it harder for local producers to compete.

Gulf Arab states are putting the finishing touches on draft laws on value-added taxes (VAT) of up to 5% that could be imposed from 2018 to boost revenues hit by falling oil prices. The tax can be introduced as soon as two GCC members are ready to implement it.

Morocco's trade deficit fell 18.7% to MAD152.27 billion (USD15.43 billion) in 2015 compared with a year earlier, thanks to lower import costs and higher exports. Total imports fell 5.6% and total exports rose 6.7% y-o-y to MAD214.27 billion, led by a 21% rise in auto exports and 16.3% hike in phosphate sales.

The government of Oman has borrowed USD1 billion as the Gulf country tries to cope with strains on its finances as oil prices plummet. The sultanate, a small oil exporter, raised funds through a syndicated loan at 120 basis points over the London interbank offered rate (Libor), under-secretary at the ministry of finance said. Eleven banks took part in the five-year loan. The country has become the latest Gulf government to seek funds from either the international bond or loan market to plug budget deficits opened up by the decline in oil, which has lost three-quarters of its value since June 2014.

Qatar raised domestic prices of gasoline by 30% from midnight on Thursday, as low oil and gas prices put the squeeze on the national budget. The government said last month that it expected a budget deficit of QAR46.5 billion (USD12.8 billion) in 2016, its first deficit in 15 years. Memos from state fuel company Woqod, posted at gasoline stations across the capital Doha, gave a few hours' notice of the increase to QAR1.30 (USD0.357) per litre from QAR1.00 for Super 97-Octane. The new price will still be one of the lowest in the world.

Saudi Arabia maintains its third position in the global ranking for ease of tax payment, the latest release of the Paying Taxes report by The World Bank and PwC said. With the least demanding tax framework, well below the world average, the Kingdom has a total tax rate of 15.0%, an average number of three payments and an average time to comply of 64 hours.

Eastern Europe

Bulgaria's consumer price was 0% m-o-m in December 2015. The annual inflation in December 2015 compared to December 2014 was -0.4%. The annual average inflation, measured by CPI, in the last 12 months (January - December 2015) compared to the previous 12 months (January-December 2014) was -0.1%.

The Polish central bank's have left interest rates unchanged at 1.5% in the country. The official reason to keep the rate at a record low was to keep the country on a 'sustainable growth path.'

Romania's industrial production has registered an upward trend during the first 11 months of 2015, with production going up by 3.1% as adjusted series (2.6% as gross series) y-o-y, while turnover in Romanian industry registered a 2.2% rise, data from the National Institute for Statistics (INS) showed.

Northern Europe

Icelandic pension funds will be able to invest ISK20 billion (EUR141 million) overseas over the first four months of 2016, after the country's central bank further relaxed strict capital controls in place since 2008.

Norway's exports decreased by 6.7% in 2015 mainly due to low oil prices while imports rose sharply by 9.5%. Norway's exports were NOK847.7 billion (USD96.6 billion) last year, down about 6.7% from 2014, while imports rose by 9.5% to NOK614.1 billion kroner, according to the Statistics Norway. The trade balance went down from NOK347.7 billion in 2014 to NOK233.7 billion in 2015, representing a decline of 32.8%. The sharp fall in the trade surplus is caused by both lower exports and an increase in imports.

Western Europe

The French government budget deficit fell to EUR70 billion in 2015 and the government goal is to bring down the deficit to the equivalent to 3% of GDP in 2017, the Finance Minister Michel Sapin said. The deficit was EUR4 billion less than the government had expected and EUR15 billion below the 2014 deficit.

The German economy expanded by 1.7% in 2015, its growth accelerating slightly. Economists, however, warned that it was not yet time to celebrate, as the growth was mainly driven by consumption, while investment and exports, another two key engines, remained subdued. In 2015, German households spent 1.9% more on consumption than in 2014. Government spending also rose by 2.8%.

Italian industrial production declined in November, prompting concerns the recovery in the euro region's third-biggest economy may be running out of steam. Output fell 0.5% from the previous month, which registered a 0.5% increase.

Italy's average inflation rate was just 0.1% in 2015, down from 0.2% in 2014. It is the third consecutive year that the average rate has dropped. Low or negative inflation is seen as a threat to recovery prospects. The Italian economy endured periods of deflation both in 2015 and in 2014. The annual inflation rate for December was steady at 0.1%, the same as November.

Spain's annual inflation rate stood at zero, showing no variations in prices, according to the National Institute of Statistics (INE). This is the first time Spain's inflation rate stands at zero by the end of the year since 1961, when the CPI was first reported. Spain's annual inflation rate was negative almost throughout 2015 except from the months of June, July and December with rates of 0.1%, 0.01% and 0%, respectively.

North America

US retail sales dropped in December 2015, making last year the weakest year for sales growth since the recession ended. In December, retail sales fell 0.1% from the previous month, with November's growth revised to 0.4% from previous reading of 0.2%, said the Commerce Department. Total sales for 2015 were up 2.1% from 2014, the smallest gain since 2009 and well down from 3.9% in 2014.

US producer prices declined again in December 2015, showing inflation remained muted as the Federal Reserve considers further increases in interest rate. The produce price index (PPI) for final demand decreased 0.2% last month, compared to an increase of 0.3% in November, the Labor Department reported.

The US industrial production continued to fall in December 2015 primarily as a result of cutbacks in mining and utilities output. The US industrial production fell 0.4% in December, following a revised-down 0.9% decrease in November, said the Federal Reserve. The manufacturing output dropped 0.1%, following a decrease of 0.1% in November.

South America

Argentina's central bank would issue higher denomination banknotes in 2016 and 2017. Currently, largest bank note is the 100 peso bill, currently worth USD7.4. Cash machines often run out of money over long weekends because they cannot contain enough bills to satisfy demand. From mid-year, the Central Bank will start circulating 200 peso and 500 peso bank notes, and next year will introduce the 1,000 peso note.

Brazil's unemployment rate rose between August and October, as layoffs continued. Joblessness rose to 9% from 8.6% in the previous three-month period and 6.6% a year earlier, the IBGE said.

Economic activity in Brazil slowed in November for the ninth straight month as the country sank into one of the world's deepest recessions for the year. The Brazilian central bank said that its IBC-Br economic activity index fell 0.52% from October after seasonal adjustments.

Chile's central bank held the benchmark interest rate at 3.5% on Thursday, as expected, and maintained its bias toward gradual tightening in the coming months.

Peru's economy grew 3.96% y-o-y in November from and will likely register another strong pace in December, the government and central bank said. The official reading for November marked the first surprise on the upside since July.

Peru's net international reserves amounted to USD61.74 billion on January 7, the Central Reserve Bank of Peru (BCR) reported. This level of reserves is equivalent to 32% of the country's GDP.

A total of 3,157,997 foreign visitors arrived in Peru as at November last year, a 7.8% increase from the same period in 2014, that is, 228,364 additional tourists, said Trade and Tourism Ministry. Foreign tourist arrivals in November totaled 272,924, up 6% compared to the same month the previous year.

The Venezuelan government declared a state of economic emergency on Friday, to last 60 days, in order to lead a "transformation" of the country's beleaguered economy. According to Luis Salas, the Minister of Economy, the actions taken under this state of emergency will serve to "protect the people from the economic war and the precipitous drop in oil prices."

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
14-Jan-16	1,091.85	2.27	29.92	13.18	1.57	2.09	1.44	0.99	9625.57	81.67	3.06	32.91	25.26	2,652.24
16-Jan-16	1,088.88	2.10	28.94	13.78	1.57	2.05	1.44	1.01	9678.67	81.25	3.06	33.16	25.22	2,630.76
% Change	-0.27	-7.49	-3.28	0.47	-1.80	0.15	1.70	0.55	-0.51	0.21	0.74	-0.16	-0.81	

Economic & Financial News

Research & International Division

19/1/2016

... China's economy grew 6.9% y-o-y in 2015 ...

... Iran plans to increase oil production by 500,000 barrels per day amid a global oil price slump ...

South East Asia

Brunei's exports in November 2015 rose by 3.7% m-o-m owing to an increase in exports of Liquefied Natural Gas (LNG), the Department of Economic Planning and Development (JPKE) said. Exports of LNG increased by 31.9% from 702,758 MMBtu per day in October 2015 to 957,411 MMBtu per day in November 2015. Meanwhile, exports of crude oil decreased by 14.1% as trade volume of crude oil export decreased to 114.88 kbbl per day in November from 123.07 kbbl per day. Imports of goods decreased by 0.4% from BND342.2 million in October to BND341 million in November due to a decline in imports of mineral fuels by 34.4%, Food (19.5%) and manufactured goods (2.2%).

Twelve transportation projects will be started in Indonesia in Q1 2016 as President Joko Widodo witnessed the signing of 12 contracts totalling IDR2.1 trillion (USD148 million). The early implemented projects, aimed at speeding up budget spending, consisted of two roadways, four infrastructure installations for sea transportation, three for air transportation, two railways and a human resource development project.

Thailand's industrial sentiment continued to improve for the fourth consecutive month in December, bolstered by the New Year shopping tax break and falling oil prices. The Thai industries sentiment index (TISI) rose to 87.5, the highest in eight months, up from 85.8 in November and 84.7 in October, the Federal of Thai Industries.

North East Asia

China cuts more than CNY300 billion (USD46.2 billion) of taxes in 2015 to boost mass entrepreneurship and innovation. Among this, tax exemptions and breaks on small enterprises reached CNY100 billion and tax cuts designed to encourage high technology development totalled CNY140 billion, according to the State Administration of Taxation. Besides, a policy to cut tax for vehicles with smaller engines resulted in nearly CNY15 billion of tax cuts from October to December. China halved the vehicle-purchase tax to 5% for passenger vehicles with engines that are 1.6 liters or smaller. The tax cut took effect on October 1, 2015 and will end on December 31, 2016.

China's economy grew 6.9% y-o-y in 2015, the slowest annual expansion in a quarter of a century, according to data from the National Bureau of Statistics (NBS). Growth in the Q4 came in at 6.8% y-o-y, the lowest quarterly rate since the global financial crisis.

China's industrial output grew 5.9% y-o-y in December, down from the 6.2% growth recorded in November. Y-o-y growth for 2015 was 6.1%, lower than the 8.3% growth in 2014, the NBS said.

China's national per capita disposable income stood at CNY21,966 (USD3,349) in 2015, up 7.4% from 2014 in real terms, outpacing GDP growth. Separately, urban per capita disposable income and rural per capita net income reached CNY31,195 and CNY11,422 in 2015, respectively, up 6.6% and 7.5% in real terms after adjusting for inflation from 2014.

China's retail sales of consumer goods performed well in December thanks to pro-consumption policies from the government. Retail sales rose 11.1% y-o-y to CNY2.9 trillion (USD436 billion), according to the NBS. The growth rate was still encouraging although slightly down from 11.2% in November. In 2015, retail sales grew 10.7% y-o-y, slower than the 12% increase registered in 2014. Online sales remained strong last year, jumping 33.3% y-o-y to CNY3.88 trillion.

China's services sector contributed 50.5% to the country's GDP in 2015, up from 48.1% in 2014. The ratio, which kept growing over the last two decades, for the first time exceeded 50%, indicating that China's economic restructuring was improved, said the NBS.

China's real estate sector warmed further in December, with more major cities reporting month-on-month rises in new home prices. Of the 70 large and medium-sized cities surveyed in December, new home prices climbed m-o-m in 39, up from 33 in the previous month, the NBS said. Meanwhile, 27 reported m-o-m price declines, level with November.

China collected CNY11.1 trillion (USD1.7 trillion) in taxes in 2015, up 6.6% y-o-y. The growth pace was in line with overall economic growth last year, according to the State Administration of Taxation. Tax collected from tertiary industry accounted for 54.8% of the total, up 1.3 percentage points from the previous year and 9.7 percentage points higher than the secondary sector.

The annual growth of China's urban fixed-asset investment continued to cool in 2015 to 10% y-o-y, down from 15.7% in 2014.

The annual growth of China's property investment continued to cool in 2015 to 1% y-o-y, sharply down from the 10.5% growth for 2014.

China will require foreign financial institutions in the country to hold yuan in reserve, the central bank said as it seeks to stabilise the currency, which has been hit by capital flight. Until now, overseas banks in China have been set a reserve requirement ratio — the amount of depositor funds they must keep aside — of zero.

Producer prices in South Korea dipped to a new six-year low in December due largely to a drop in prices of industrial goods. The producer price index came to 99.06 last month, down from a revised 99.25 the previous month, according to preliminary data from the Bank of Korea.

Australasia

Persistent worries over a slowdown in China's economy and international stock market jitters are troubling Australian consumers. The ANZ-Roy Morgan consumer confidence index fell 0.8% in the week ending January 17, after falling 1.9% the previous week. Levels are now just a tick above the long-run average.

New Zealand's business confidence rebounded in the Q4 and companies' activity remains healthy, the New Zealand Institute of Economic Research's Quarterly Survey of Business Opinion showed. A seasonally adjusted net 13% of companies now expect business conditions to improve over the next six months, compared with a net 9% that had expected conditions to deteriorate in the Q3.

Middle East and North Africa

Abu Dhabi's inflation was up 0.4% in December 2015 compared to November, according to a report from Statistics Centre Abu Dhabi. This reflects the net outcome of the rises and falls in the price of the goods and services of the consumer basket and during the aforesaid period. The rise last month was mainly due to increase in prices of hotels and restaurants (up 3.8% m-o-m) and housing, water, electricity, gas and other fuels (up 1.6% m-o-m).

Algeria's trade balance recorded a deficit of USD13.7 billion in 2015, against a surplus of USD4.3 billion in 2014, the Finance Ministry said. The exports decreased to USD37.8 billion in 2015 against USD62.9 billion in 2014, falling by 40%. As for the imports, they have also declined but at slower pace to stand at USD51.5 billion in 2015 against USD58.6 billion in 2014, down 12%.

Bahrain's non-oil growth in Q3 2015 reached 3.3%, according to the latest Bahrain Economic Quarterly (BEQ) issued by the Economic Development Board (EDB), with growth in the first three quarters as a whole reaching 4.2% in the nonoil sector. Overall growth in the economy reached 2.4% in the Q3 and 3% over the first three quarters as a whole. Growth was driven by the continued resilience of the nonoil sector.

Egypt received USD1.5 billion in foreign direct investment in the Q1 of the 2015-16 fiscal year that began in July but expects a bigger inflow later in the year, Investment Minister Ashraf Salman said.

Iran plans to increase oil production by 500,000 barrels per day amid a global oil price slump, now that sanctions have been lifted under a landmark nuclear deal with world powers including the US and UK. Iran used to export 2.3 million barrels per day but its crude exports fell to 1 million in 2012.

Saudi Arabia shipped the most oil in seven months in November in a sign that overseas refineries were getting prepared to put plants back on line after seasonal maintenance. Saudi shipments rose to 7.7 million barrels a day, the highest since April, from 7.4 million in October, according to data on the website of the Joint Organisations Data Initiative based in Riyadh.

Saudi Arabia plans to create a new sovereign fund to manage part of its oil wealth and diversify its investments, and has asked investment banks and consultancies to submit proposals for the project. Plunging oil prices have strained Saudi Arabia's finances. The new fund could change the way tens of billions of dollars are invested and affect some of the world's leading asset managers, particularly in the US, where the bulk of Saudi Arabia's foreign assets are managed.

Unemployment rates in Turkey rose by 0.2 points on monthly basis and 0.1 points in annual basis to 10.5% level, in the October term including September, October and November. According to Turkstat data, number of unemployed persons aged 15 years old and over was at 3,147,000 persons with an increase of 104,000 persons increased in the period of October 2015 in Turkey compared to the same period of the previous year.

Eastern Europe

Russia saw a net capital outflow of USD58.9 billion last year, almost three times less than in 2014, preliminary data published by the central bank showed. Capital flight slowed sharply in the H2 of last year, with a USD9.2 billion outflow in the Q4 following a net inflow of USD3.4 billion over July to September. Officials had estimated outflows for this year of about USD90 billion. In 2014 capital flight accelerated to a record USD153 billion amid sanctions and a worsening economic slump.

Russia's current account surplus of the payment balance increased to USD65.8 billion in 2015, the central bank said. The growth was due to a substantial reduction of the negative contribution of the balance of services and investment income, including decline in external debt payments against a reduction of total debt to non-residents.

Western Europe

French president declared economic emergency, unveiling a EUR2 billion (USD2.2 billion) plan to revive hiring and catch up with a fast-moving world economy. The measures he proposed, however, are relatively modest, and he said they would not "put into question" the 35-hour workweek. He said EUR1 billion would be spent on training schemes for unemployed people. Joblessness, which stands at around 10% or 3.6 million people was the "only issue that ranks above security for the French people," the president said.

Spanish banks' bad debts as a percentage of total loans fell to 10.4% in November, according to data published by the Bank of Spain. Bad loans stood at EUR138.9 billion (USD151.3 billion) in the eleventh month of 2015, its lowest level since November, 2011, while overall lending stood at EUR1.3 trillion.

South America

Colombia's Council of Ministers decreed new austerity measures to reduce public spending. One of the measures taken is that Ministers of State purchase economy class tickets for domestic flights in order to avoid extra costs. Also, the council decided that all government advertising and public events will have to first pass through the Presidency Communication Office to decide whether they are necessary or not. President Santos said these "smart austerity" measures represent savings worth around USD3 million, while recalling that in the last Budget Law, he ordered that public agencies cut 10% of their spending to generate additional savings.

Oil & Gas News

Natural gas futures slump to 3-week low on forecasts for less cold. Natural gas for delivery in February on the New York Mercantile Exchange dropped 2.0 cents, or 0.95%, to trade at USD2.081 per million British thermal units by 14:20 GMT, or 9:20AM ET. It earlier fell to USD2.044, a level not seen since December 24.

Oil prices stabilized on Tuesday, supported by strong Chinese fuel consumption and halting a slide to 2003 levels earlier in the week after the full return of Iran to markets added to an already huge supply overhang. Front-month Brent crude futures LCOc1 were trading at USD28.94 per barrel at 0439 GMT (11.39 p.m. ET on Monday), up 39 cents from their last settlement.

Commodity News

Copper prices bounced back from a new seven-year low in Europe trade on Monday, but gains remained limited amid ongoing concerns over the health of the global economy. The red metal is sensitive to the economic growth outlook because of its widespread uses across industries. Copper for March delivery on the Comex division of the NYME sank to a session low of USD1.935 a pound, a level not seen since March 2009, before recovering to trade at USD1.965 by 08:50GMT, or 3:50AM ET, up 1.7 cents, or 0.85%.

Gold steadied in early deals on Tuesday as weaker stock and oil prices pushed investors towards safe-haven assets, but slow physical demand in Asia kept bullion under USD1,100 an ounce. Spot gold was little changed at USD1,089.20 an ounce by 0035 GMT, after a lethargic session on Monday. US gold for February delivery slipped 0.2% to USD1,088.90 an ounce.

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-Jan-16	1,088.88	2.10	28.94	13.78	1.57	2.05	1.44	1.01	9678.67	81.25	3.06	33.16	25.22	2,630.76
19-Jan-16	1,089.21	2.12	29.18	13.76	1.57	2.05	1.44	1.01	9657.17	81.73	3.05	33.13	25.22	2,612.72
% Change	0.03	0.95	0.83		-0.41	-0.09	-0.14	-0.35	-0.22	0.58	-0.55	-0.10	0.02	-0.69

Economic & Financial News

Research & International Division

20/1/2016

*... In Norway, number of people unemployed with higher education increased ...
... Saudi Arabia's retail sector is booming ...*

South East Asia

Indonesia's total outstanding foreign debt growth has picked up pace in November last year, according to data from Bank Indonesia, with the central bank remaining on alert about the short-term private debt level. As of the end of November, the country's total outstanding foreign debt rose 3.2% y-o-y to USD304.6 billion in, compared to an increase of 2.5% y-o-y in October.

Vietnam has cut retail fuel prices for the second time this month on Tuesday as international crude oil prices have plunged to their lowest in 12 years. Diesel prices were cut by 8.2% to VND10,200 (USD0.46) per litre while kerosene prices were slashed 8.7% to VND9,380, state-owned fuel importer and distributor Petrolimex said. Gasoline retail prices were reduced by 3.7% to VND15,440 per litre, while the prices of other oil products were slashed by up to 3.9%. Oil prices have dropped to 12-year lows as a global supply glut will likely last until at least late 2016, according to the International Energy Agency.

North East Asia

Japan's parliament enacted a JPY3.32 trillion (USD28.2 billion) extra budget for fiscal 2015 to bolster the economy through enhanced welfare services and a more competitive farm sector. The extra budget plan is designed to realise some of the key policies including steps to support child-rearing and prevent people from leaving their jobs to take care of elderly family members.

The number of foreign visitors to Japan in 2015 hit a record high for the third straight year, rising by 47.1% y-o-y to 19,737,400, the Japan National Tourism Organization said. The annual growth reflected the popularity of trips to Japan among people in other Asian countries such as China, which is backed by the yen's weakness, easing of visa requirements and an expansion of flights, according to the Japan National Tourism Organization.

Australasia

Auckland house sale prices barely moved last month and sales volume fell. Real Estate Institute data showed the city's median sale prices only rose 0.7% m-o-m in December while sales volume fell 11.5%.

New Zealand's inflation weakened in Q4 2015, as falling gasoline prices slowed annual price growth to the lowest level since September 1999. Statistics New Zealand said the consumer price index rose 0.1% y-o-y in the December quarter, with an 8.1% fall in gasoline prices dragging on the index.

Middle East and North Africa

Algeria's earnings from oil and gas dropped almost 41% y-o-y in 2015, opening up a USD13.71 billion trade deficit and underscoring the North African state's need to rationalise spending and diversify its energy-reliant economy. Energy earnings reached USD35.72 billion in 2015 against USD60.3 billion in the prior year, according to the finance ministry. For several years, Algeria has used its energy earnings to pay for imports and cope with social problems, by increasing the wages of state employees and subsidising almost everything, from food to fuel, housing and healthcare. But its finances have worsened since June 2014 when global oil prices started falling. The value of overall exports declined 40% to USD37.78 billion, while imports fell 12% to USD51.501 billion in 2015.

Algeria's inflation rate reached 4.8% in 2015 (against 2.9% in 2014 and 3.3% in 2013), the National Statistics Office said. This increase was driven by the rising level of prices of industrial food products, which stood at 4.66% in 2015 (against 2.6% in 2014).

Egypt's tourism receipts were down 15% y-o-y in 2015 as a falling Russian rouble and escalating terrorist attacks took their toll on the sector, the country's tourism ministry announced. Egypt saw USD6.1 billion in tourism revenue last year, as the total number of tourists dropped by 6% to 9.3 million and the total number of tourist nights declined by 14%.

Iraq wants foreign oil companies to cut spending as the nation seeks to narrow a budget gap caused by lower crude prices, oil minister Adel Abdul Mahdi said in a statement. Service agreements with foreign oil companies are putting Iraq's budget under strain as the government pays them a fixed fee for increasing production at ageing fields when its own revenue is dropping with falling oil prices.

Kuwait is planning to gradually cut subsidies on energy products. The move comes as the country follows in the footsteps of its Arabian Gulf neighbours seeking to relieve pressure on their finances hit by dwindling oil income, a Kuwaiti official said yesterday.

Saudi Arabia's imports in November fell 14.4% y-o-y, while non-oil exports declined 12.6% y-o-y, data from the Central Department of Statistics and Information showed. Non-oil exports dropped to SAR15.032 billion (USD4 billion) in November 2015, compared to SAR17.189 billion in the same month the previous year. However, exports recorded a rise from SAR13.938 billion in October 2015.

Saudi Arabia's retail sector is booming as the government eases restrictions on foreign investment and its young population keeps spending amid the fall in oil prices. The country is ramping up efforts to diversify its economy away from its reliance on the oil sector, which accounts for about 80% of its GDP. Retail is expected to be a main beneficiary of this drive with its population of 27 million, including about 20 million Saudis, particularly appealing to the region's retailers. The government has also recently allowed foreign investors to own 100% of retail and wholesale businesses.

Turkey's central bank left its main interest rate on hold at 7.5% for the 11th straight month on Tuesday, a widely expected move that could put more pressure on the languishing lira currency.

Eastern Europe

Bulgaria's trade deficit for the first 10 months of 2015 has decreased compared with the same period of the 2014, as exports rose faster than imports. Bulgaria ran a trade deficit of EUR2.40 billion for January-October 2015, lower than a shortfall of EUR3.26 billion recorded a year earlier, the Bulgarian National Bank said.

Northern Europe

The number of people in Norway with higher education who are registered unemployed has increased by 13% from November 2014 to November 2015. The increase in registered unemployment among those with higher education was closely linked to the decline in oil-related industries, where the level of employees' education is relatively high. A total of 79,158 people were registered unemployed in November 2015, up 11.5% from the same month the year before.

Western Europe

German annual inflation rate declined to 0.3% in 2015, hitting the lowest level since 2009. The CPI has been declining since 2011, according to German federal statistics office Destatis. In 2014, the consumer prices rose by 0.9% annually. The low annual rate of price increase in 2015 was largely due to the development of energy product prices. This was mainly the result of the sharp decline in crude oil prices in the world market. In December 2015, German annual inflation rate also amounted to 0.3%.

North America

The US government estimates deficit will rise to USD544 billion, an increase over prior estimates that can be attributed largely to tax cuts and spending increases passed by Congress last month. The deficit and debt picture over the long-term has also worsened considerably.

Confidence among US home builders held steady in January even though builders' expectations about future sales dipped slightly. The National Association of Home Builders/Wells Fargo builder sentiment index stood at 60 in January, matching the December reading.

Oil & Gas News

Oil fell 2%-3% on surplus worries, as US drops toward USD27. Brent futures LCOc1 dropped 61 cents to USD28.15 a barrel, or 2.1%, not far from the 12-year low hit on Monday. It settled up 21 cents, or 0.7%, 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
19-Jan-16	1,089.21	2.12	29.18	13.76	1.57	2.05	1.44	1.01	9678.67	81.69	3.05	33.18	25.23	2,612.72
20-Jan-16	1,092.84	2.09	28.15	13.47	1.58	2.03	1.44	1.01	9665.57	81.31	3.04	33.23	25.24	2,571.41
% Change	0.33	-1.42	-3.53	0.57	-0.71	0.03	0.02	-0.14	-0.46	-0.24	0.15	0.02	-1.58	

Economic & Financial News

Research & International Division

21/1/2016

*... Unemployment in the UK has fallen to its lowest level since October 2005...
... Malaysia's consumer prices in December rose 2.7% y-o-y ...*

South East Asia

Malaysia's consumer prices in December rose 2.7% y-o-y, but was a tad faster than the previous month's inflation rate. The gains in the consumer price index (CPI) was driven by higher prices of tobacco and alcohol as well as costlier food, according to the Department of Statistics.

The State Bank of Vietnam will control property loans to limit risks this year. Although credits grew positively with the majority of loans poured into production and business activities last year, many banks pumped too much capital into the real estate market. Property loans grew by 18% y-o-y in 2015, as commercial banks accelerated financing both property developers and homebuyers. Outstanding loans in the real estate sector total about VND360 trillion (USD16 billion), a rise of 80% from the figure recorded three years ago.

North East Asia

Foreign direct investment (FDI) into the Chinese mainland slipped 5.8% y-o-y in December of 2015, its first yearly drop since August 2014, data from the Ministry of Commerce (MOC) showed. FDI in December reached CNY77.02 billion (USD12.23 billion). It was attributed the decline to a higher base in the same month of 2014 as well as changing currency trends and market conditions, without elaborating.

China's non-financial outbound direct investment (ODI) rose 6.1% y-o-y in December, slowing from a 12.6% increase in November, data from the MOC showed. China brought in CNY86.5 billion (USD13.89 billion) of ODI in December. ODI for 2015 hit an all-time high of USD118 billion, with investment in ASEAN member countries and the US soaring more than 60% y-o-y.

Around 13.23 million tourists came to South Korea last year, down 6.8% compared to 2014 and the first decline in 12 years. The decline was mainly due to the outbreak of Middle East Respiratory Syndrome here last year, which led to 140,000 fewer Chinese and 440,000 fewer Japanese tourists coming to Korea.

Taiwan's export orders plunged 12.3% annually last month on weak demand for iPhones, while the whole-year figure for last year fell from a year earlier for the first time in six years, Ministry of Economic Affairs statistics showed. Export orders sank for the ninth month, reaching USD38.81 billion last month from USD44.23 billion a year earlier. Total export orders last year shrank 4.4% from a record of US\$472.81 billion in 2014 to USD451.81 billion.

Australasia

Growth in New Zealand's manufacturing sector surged to its highest level of 2015 in December, according to the latest performance of manufacturing index (PMI). The BNZ-Business New Zealand PMI for December was 56.7. The level was 1.8 points higher than November, the highest level of expansion since October 2014, and continued a straight run of expansion that began in October 2012.

Middle East and North Africa

Value Added Tax (VAT) will be introduced in Oman by the middle 2017, or even earlier, a member of the Majlis Al Shura's economic committee said. Once implemented, the VAT amount would be about 3-5%, with foodstuff and certain other products to be exempted from the tax. Through the introduction of VAT, the committee estimate that Oman will be able to earn between OMR200 million and OMR300 million extra every year.

Saudi Arabia's finance ministry has cut advance payments to firms doing construction work for the government to 5% of the contract value from 20%, in a fresh sign of a clampdown on state spending. The ministry has been cutting expenditure and trying to improve efficiency as low oil prices saddle the government with a budget deficit that totalled almost USD100 billion last year.

Saudi Arabia ranked third among G20 countries in terms of GDP per capita based on purchasing power parity, just after the UK and the US. Saudi Arabia's GDP per capita amounted to roughly USD53,600 in 2015, up by 2.4% from 2014, according to an International Monetary Fund (IMF) report.

Western Europe

Spain's vehicle production rose by 13.7% y-o-y in 2015 to 2,733,201 units, the Association of Car Manufacturers (ANFAC) reported. The rise meant that 133,000 more vehicles were produced in 2015 when compared with 2014. These figures had not been reached since the crisis "when in 2007 a total of 2.9 million vehicles were manufactured."

Unemployment in the UK has fallen to its lowest level since October 2005, buoying Britain's Conservative government as it imposes its austerity-led agenda. The Office of National Statistics said the unemployment rate dropped in the three months ending in November 2015 from 5.8% to 5.1% compared to a year earlier.

UK car manufacturing has reached a 10-year high, with more vehicles exported than ever before. Almost 1.6 million cars were built in the UK in 2015, an increase of 3.9% over the previous year, reported the Society of Motor Manufacturers and Traders (SMMT).

North America

The Bank of Canada decided to hold its benchmark interest rate at current levels of 0.5%, ruling that the risks to the profile for inflation are roughly balanced and the current stance of monetary policy is appropriate.

US consumer prices fell in December of 2015, largely because of the falling energy prices. Consumer Price Index (CPI) went down 0.1% in December on a seasonally adjusted basis, while the index was unchanged in the previous month, said the Labor Department. On a y-o-y basis, the index increased 0.7%.

South America

Brazil's central bank leaves interest rate unchanged at 14.25% despite rising inflation, opting against an increase that could put a further brake on the world's seventh-biggest economy.

Oil & Gas News

Oil prices dip again to USD27 as oversupply weighs on market. International benchmark Brent LCOc1 was down 30 cents at USD27.58, after also hitting its lowest since 2003 in the previous session.

Commodity News

Physical gold demand in Asia slowed this week as prices rose, curbing seasonal buying in China ahead of the Lunar New Year holiday and moving Indian offers to a discount. Spot gold touched a 1-1/2-week high of USD1,109.20 an ounce on Wednesday as tumbling equities and oil prices burnished bullion's safe-haven draw.

Currency News

Saudi Arabia's central bank has instructed the country's banks to stop selling a financial product used to bet against the kingdom's exchange rate. One-year dollar-riyal forwards rose above 1020 points last week before declining, indicating a higher likelihood that the Saudi currency would fall relative to the dollar over the next year.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
20-Jan-16	1,092.84	2.09	28.15	13.47	1.58	2.03	1.44	1.01	9665.57	81.31	3.04	33.23	25.24	2,571.41
21-Jan-16	1,099.75	2.16	27.68	12.81	1.57	2.04	1.44	1.01	9658.10	81.45	3.04	33.27	25.21	2,538.16
% Change	0.63	3.35	-1.67		-0.56	0.26	0.02	-0.76	-0.08	0.17	-0.09	0.13	-0.09	-1.29

Economic & Financial News

Research & International Division

23/1/2016

*... The ECB announced that its key interest rates would remain unchanged ...
... Venezuela's inflation will pass 700% this year ...*

South East Asia

Foreign direct investment (FDI) in Indonesia picked up in Q4 2015, a sign President Joko Widodo's reforms may be starting to increase interest in Southeast Asia's largest economy. Investment from overseas rose to USD7.9 billion in the Q4, up 7% from the Q3, the Investment Coordinating Board said. It rose 3% in 2015 to USD29.3 billion, after stagnating in 2014.

Malaysia's central bank retained its key policy rate but eased the reserve requirement for local banks to ensure liquidity. On Thursday, Bank Negara Malaysia (BNM) cut the statutory reserve requirement (SRR) ratio to 3.5% from 4%, effective Feb. 1, while it kept its benchmark overnight policy rate (OPR) unchanged at 3.25%.

Vietnam attracted USD23 billion worth of foreign direct investment (FDI) capital in 2015. The figure is expected to be even higher in 2016 as foreign investors have been flocking to Vietnam to take full advantage of free trade agreements (FTAs).

North East Asia

Employment in China held steady last year despite the economic slowdown and there were no large-scale layoffs although certain sectors did cut jobs. The registered jobless rate in China's cities was 4.1% at the end of 2015, flat from three months earlier, official data showed yesterday. China created 13.1 million new jobs for urban residents last year.

China's foreign exchange (forex) market posted turnover of CNY110.9 trillion (USD16.7 trillion) last year, the State Administration of Foreign Exchange (SAFE) said. In December, forex market turnover totalled CNY12.2 trillion.

Unemployment in Taiwan fell 0.04 percentage points to 3.87% in December, the second lowest level for the month in eight years. The rate of unemployment in November rose 0.01 percentage points from October to reach 3.91%, according to the the Directorate General of Budget, Accounting and Statistics (DGBAS). The seasonally adjusted unemployment rate stood at 3.84%.

Taiwan's industrial production declined 6.2% in December 2015, the eighth consecutive month of annual contraction. The result translated into a 1.7% decline in industrial output from 2014 and was the first annual decline since 2013. The Ministry of Economic Affairs forecast that production would continue to fall this month at a slower rate due to semiconductor inventory digestion.

Sales in Taiwan's retail industry and food and beverage services in 2015 totalled TWD4.02 trillion and TWD421.1 billion, respectively, both record highs, the Ministry of Economic Affairs said. The figures represent growth of 0.3% and 2.7%, respectively, from the previous year. Wholesale industry sales, however, declined 3.9% to TWD9.7 trillion in 2015.

Indian Sub-Continent

Sri Lanka's national inflation measured by Consumer Price Index (CPI) in December 2015 slowed down to 4.2% from 4.8% a month ago, data released by the Department of Census and Statistics (DCS) showed. The CPI for December rose index points 1.2 or 1.1% — 0.89% from food and non-alcoholic beverages and 0.12% from non-food items — compared to November for which the index was 112.00.

Middle East and North Africa

The price of Kuwaiti oil went up by 36 cents to settle at USD19.50 per barrel compared to USD19.14 per barrel last Wednesday, said Kuwait Petroleum Corporation (KPC). In the world market, the price of oil rose due to a surge of cold wave that hit the US and Europe, which created an increase of demand on oil for heating purposes.

Kuwait's credit saw a healthy increase in November 2015, with growth slipping only slightly to 6.5% y-o-y. Total credit rose by KWD189 million during the month, a pace that was slightly ahead of the monthly average during the previous 12 months. Household borrowing remained robust, with November seeing some strength in real estate and securities borrowing.

Morocco's consumer price inflation eased to an annual 0.6% in December from 0.9% in November as food prices dropped, the country's High Planning Authority said. Food inflation eased to 1.1% from 2.1% in the 12 months to December. Non-food price inflation was flat at 0.2%, the same rate as in the last month.

People in Oman will have to pay approximately OMR162 million extra for petrol and diesel as the government has deregulated prices to lessen its burden and cushion the OMR3.3 billion budget deficit. Oman could earn an extra OMR162 million per annum from the latest price hike. On January 15, prices of super grade petrol were raised to 160 baisas per litre, from 120 baisas a litre; they were increased to 140 baisas for regular grade petrol, up from 114 baisas a litre, and 160 baisas for diesel per litre, against an earlier 146 baisas per litre.

Northern Europe

Denmark's consumer confidence index fell to 4.6 in January from 6.1 points in December, the statistics office said. Consumer confidence 4.6 6.1 8.9 The monthly survey asks a cross section of Denmark's population its views on current personal and national economic trends, along with consumer intentions for the coming months.

Iceland's wage index reported a m-o-m increase of 0.9% in December 2015, according to Statistics Iceland. The figures showed that the wage index in December 2015 was 542.7, an increase of 0.9% compared with 537.6 in November 2015. In the past 12 months, the monthly wage index has increased by 9.7%. The real wage index in December 2015 was 129.2, an increase of 0.6% compared with that of the previous month.

Western Europe

The European Central Bank (ECB) announced that its key interest rates would remain unchanged at record low levels. Interest rates on the main refinancing operations, marginal lending facility and the deposit facility would remain unchanged at 0.05%, 0.3% and minus 0.3% respectively.

Portugal's newly appointed Socialist government said it will reverse public wage cuts and lower some taxes this year, but it will still manage to cut the country's budget deficit by increasing other taxes and projecting higher economic growth.

North America

Canadian retail sales in November blew past expectations with the strongest gain since June of last year on the strength of car sales and pre-Christmas season promotions. The value of Canadian retail sales rose 1.7% to a seasonally adjusted CAD44.27 billion (USD31 billion), Statistics Canada said.

South America

Brazil lost 1.5 million payroll jobs in 2015 amid a contracting economy that has led to high inflation and layoffs in the manufacturing and service sectors, the labour ministry said. Around 39.7 million workers were formally employed at the end of last year, compared to 41.2 million at the end of 2014 and 40.8 million in 2013.

Brazil's inflation slowed in the month through mid-January after the central bank resisted calls to raise interest rates this week. Inflation as measured by the IPCA-15 index decelerated to 0.92 per cent from 1.18% a month earlier, the national statistics agency said.

Venezuela's inflation will pass 700% this year, the International Monetary Fund said. The inflation would more than double in the economically struggling South American country in 2016, reaching 720%. Venezuela already suffers from the world's highest inflation rate. The IMF estimates that inflation here was running at 275% last year. Last week, Venezuela's Central Bank published economic data for the first time in more than a year. The bank said inflation reached 141.5% by September of last year.

Oil & Gas News

The NYMEX February natural gas futures contract settled at USD2.139/MMBtu Friday, up 0.1 cent, after a trading day that saw little movement for the front-month contract in either direction.

Oil rips 10% higher on Friday as bears race to cash in on crash. Brent LCOc1 rose USD2.93, or 10%, to settle at USD32.18 a barrel. It was the biggest daily rise since a fierce short-covering rally in late August, when prices had just tested post-financial crisis lows around USD42 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
21-Jan-16	1,099.75	2.16	27.68	12.81	1.57	2.04	1.44	1.01	9658.10	81.45	3.04	33.27	25.21	2,538.16
23-Jan-16	1,097.95	2.14	32.18	15.04	1.55	2.04	1.43	1.00	9659.97	82.89	2.99	33.36	25.18	2,577.09
% Change	-0.16	-0.93	16.26	-1.35	0.08	-0.54	-0.73	0.02	1.77	-1.65	0.27	-0.13	1.53	

Economic & Financial News

Research & International Division

26/1/2016

*... Japan's trade deficit fell to its lowest level in four years in 2015...
... China to expand VAT reform in 2016 ...*

South East Asia

Brunei's consumer Price Index (CPI) fell by 0.4% over the past year due to lower prices for transport, clothing and footwear, and education. According to the latest report from the Department of Economic Planning and Development (JPKE), the cost of goods for the whole of 2015 was 0.4% lower than the year before, noting price decreases in the index of Transport by 3.5%, clothing and footwear by 3.5% and education by 2.6%.

An estimated 4.8 million tourists visited Cambodia in 2015, up 6% from the 4.5 million visitors last year. The mark falls short of Prime Minister Hun Sen's projection of 5 million visitors announced in February, but matches a prediction made by the Ministry of Tourism in July.

Thailand's cabinet approved a budget of THB52.82 billion (USD1.47 billion) to join the China-led Asian Infrastructure Investment Bank (AIIB) seen as a rival to the U.S.-led World Bank. The Thai government will hold around 1.43% share of the bank. Payment will start with five instalments, each at THB2.112 billion (USD58.90 million), due by the end of 2019.

Thailand's cabinet approved a THB35 billion (USD972.22 million) to boost rural economy. Villages can apply to receive up to THB500,000 each to improve farm production and efficiency, according to a statement by the government. Funds would be disbursed over six months once approved.

Thailand ended 2015 with trade surplus for the first time in five years despite continued export and import contraction. The country recorded a trade surplus of USD1.48 billion in December, compared with USD299 million in November. For the whole of 2015, Thailand's trade surplus stood at USD11.72 billion.

North East Asia

In 2015 23.85 million new cars were registered in China, taking car ownership up to 172 million. As of the end of last year, vehicle ownership had reached 279 million, with over 61% being cars, marking a transition from motorcycles to automobiles as a major means of motor transportation.

Chinese Premier Li Keqiang has called for efforts to expand VAT reform in 2016 to reduce the burden on enterprises and help industrial upgrades. A pilot VAT scheme was tested in 2012 and gradually expanded. This year, China will replace business tax with VAT in the remaining four industries -- finance, construction, property and consumer services, the Ministry of Finance said. Once all industries shift to VAT in 2016, the overall tax saving will be more than CNY900 billion, or 0.4% of GDP.

Hong Kong's exports last year posted their first annual drop since 2009, reflecting subdued regional production and trading activity amid sluggish global demand. In December, the value of total exports of goods decreased 1.1% y-o-y to HKD309.2 billion, after a y-o-y fall of 3.5% in November, the Census and Statistics Department said. For 2015 as a whole, the value of the city's goods exports declined 1.8% from 2014.

Japan's trade deficit fell to its lowest level in four years in 2015, the Finance Ministry reported Monday, as import costs dropped thanks to the collapse in oil prices. Preliminary figures show exports rose 3.5% in 2015 from the year before, while imports dropped 8.7%. The deficit compared with a record JPY12.8 trillion deficit in 2014. The December trade surplus of JPY140.2 billion compared with a deficit of JPY379.7 billion in November and a deficit of JPY665.6 billion in December 2014.

South Korea's economic growth slowed in the Q4 of 2015 as a drop in construction investment outweighed an improvement in consumer spending, the country's central bank said. The economy expanded by a mere 0.6% in the Q4 from the Q3. It was a slowdown from the 1.3% growth in the Q3. For the entire year, South Korea's expanded by 2.6%, the lowest level since 2.3% growth in 2012.

Australasia

Australia's business conditions and confidence remained strong to close 2015 despite the global market turmoil, the latest business confidence index shows. The National Australia Bank (NAB) monthly business confidence index eased in December to plus three, down two points from November, while the gauge of business conditions fell to plus seven from plus 10 in November.

The New Zealand government's budget deficit topped NZD1.6 billion for the first five months of the 2015-16 financial year. The Government's showed the operating balance before gains and losses was in the red by NZD1624 million. The tax take was NZD212 million lower than forecast while interest income was NZD180 million down on forecast leaving the deficit NZD383 million worse than tipped in the H1 update just before Christmas.

Middle East and North Africa

Morocco's net international reserves amounted to MAD230 billion until January 15, 2016, recording a 25.7% increase on an annual basis. The reserves recorded a 1.5% weekly increase, the central bank pointed out in its weekly indicators. During the week of January 14-20, 2016, the central bank injected MAD18 billion.

North America

Mexico's economic activity rose 2.4% in November 2015, compared to the same month in 2014, thanks to strength in the agricultural and service sectors, the National Statistics Institute, or INEGI, said.

Oil & Gas News

Oil prices surged on Tuesday, settling more than 4% higher as investors found reasons to hope for output cuts that could eventually reduce one of the biggest global supply gluts in decades. Brent crude LCOc1 settled up USD1.30, or 4.26%, at USD31.80 a barrel, rebounding from a decline at the start of the session to top out at USD32.72. US crude CLc1 rose 3.7%, or USD1.11, to settle at USD31.45 a barrel. During the session it rose as high as USD32.41.

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-Jan-16	1,097.95	2.14	32.18	15.04	1.55	2.04	1.43	1.00	9659.97	82.89	2.99	33.36	25.18	2,577.09
26-Jan-16	1,121.70	2.18	31.8	14.59	1.55	2.04	1.43	1.00	9722.90	82.62	3.00	33.56	25.15	2,546.18
% Change	2.16	1.87	-1.18		0.39	-0.31	-0.06	0.69	0.65	-0.33	0.33	0.60	-0.10	-1.20

Economic & Financial News

Research & International Division

27/1/2016

*... Russia's economy shrank 3.7% in 2015...
... Germany proposes creating up to 500,000 short-term jobs ...*

South East Asia

Singapore's manufacturing output declined by 7.9% y-o-y in December, the 11th consecutive month of decline, the Economic Development Board announced. Excluding biomedical manufacturing, manufacturing output fell by 13% y-o-y. On a seasonally adjusted m-o-m basis, manufacturing output increased by 2% in December compared with the previous month.

The export turnover of Vietnam is estimated to touch VND308,202 billion (USD13.7 billion) in January, slightly increasing by 0.5% against the previous month, according to the General Statistics Office. The FDI sector contributed VND216,635 billion to the country's export revenue, rising by 4.8%, while the domestic sector witnessed a drop of 8.7% in export value.

North East Asia

The profits of China's major industrial firms in 2015 fell y-o-y for the first time in over a decade. Industrial companies with annual revenues of more than CNY20 million (about USD3.1 million) recorded total profits of CNY816.7 billion last month, down 4.7% from December 2014 and accelerating from November's 1.4% drop, the National Bureau of Statistics said. The firms' profits in the whole of 2015 fell 2.3% from 2014 to around CNY6.4 trillion.

China's dependency on imported oil exceeded 60% for the first time in 2015 and is expected to rise further this year. Actual oil consumption rose 4.4% last year, up 0.7 percentage points from a year earlier, bringing the proportion of net imports in total oil consumption to 60.6%, said a report released by the China National Petroleum Corporation (CNPC) Economics & Technology Research Institute.

South Korea's electricity consumption moved up a modest 1.3% y-o-y in 2015, helped by a rise in demand from the industrial and private sectors. The country used 4,837 kilowatt-hour (kWh) of power last year, up from 4,776 kWh in 2014, the Ministry of Trade, Industry and Energy said.

South Korean bank lending rates on new household loans rose slightly from a month earlier in December apparently due to a US rate hike, central bank data showed. The average rate for new household loans gained 0.07 percentage points from the previous month to 3.23% last month, according to data from the Bank of Korea.

South Korean consumers' sentiment slipped in January, with more people expecting their income and overall economic conditions to further decline, central bank data showed. The Composite Consumer Sentiment Index came in at 100 for January, falling from the revised 102 for December.

South Korea's housing market continued its upside mode in the Q4 of last year on the back of a government-led stimulus and low borrowing costs. Home prices in the country rose an average of 4.4% y-o-y in the October-December period, up from a 4.1% y-o-y gain in the previous quarter, according to a report compiled by the state-run Korea Development Institute (KDI).

The average price of land in South Korea rose 2.4% y-o-y in 2015, fuelled by low interest rates and easing regulations on property development. The increase is the highest since 2008, when land prices dipped 0.32% compared to the year before as Asia's fourth-largest economy struggled with the fallouts of the global financial crisis.

Australasia

Australian consumer prices rose 0.4% in the Q4 and were up 1.7% y-o-y, the Australian Bureau of Statistics said. Tobacco and domestic and international vacation travel contributed to the rise in consumer prices during the quarter, offset by falling prices of motor fuels and telecommunications services.

Middle East and North Africa

Egypt's central bank announced that it would raise the monthly limit to USD250,000 from USD50,000 for importers of food, machinery, spare parts, capital goods and medicine. It removed a daily ceiling for the same group of importers as long as they do not exceed the monthly cap.

Eastern Europe

Hungary's central bank left its benchmark rate unchanged for a sixth month, as policy makers said they're ready to consider more unconventional monetary easing if needed to combat lower-than-forecast inflation and slowing economic growth. The National Bank of Hungary left the three-month deposit rate at a record-low 1.35% on Tuesday.

Poland's economy grew at its fastest pace in four years in 2015, driven mainly by domestic demand that analysts expect will be sustained this year despite external risks and a recent credit rating downgrade. The USD425 billion economy grew by 3.6% last year compared with 3.3% in 2014, statistics office preliminary data showed. The growth is nearly twice as fast as the average in the European Union, estimated by the bloc at 1.9%.

Russia's economy shrank 3.7% in 2015, the worst drop since the depths of the global financial crisis, as the country struggled with a drop in the price of its oil exports and international sanctions, the state statistics service said. The decline is the sharpest for Russia since 2009, when the world economy was suffering from the effects of a credit crunch and financial crisis. Last year saw a 10% drop in retail sales -- including a 15.3% plunge in December against a year before -- and a one-third drop in foreign trade. Oil and gas contribute around half of Russian state revenues and the government has said it will have to make cuts to the budget for 2016.

Western Europe

Germany proposes creating up to 500,000 short-term jobs to help Syrian refugees survive in overburdened Middle Eastern host countries, the minister for economic cooperation said during a visit to Jordan. Participants would be paid about EUR300 (USD325) a month. Germany would initially contribute EUR200 million (USD217 million), with money to start flowing in mid-2016, and would ask other donors to contribute.

North America

Mexico's unemployment rate was 4.4% in December 2015, up from the 4.2% level registered in the same month of 2014, the National Institute of Statistics and Geography, or INEGI, said. The jobless rate also came in at 4.4% last month on a seasonally adjusted basis, up 0.2 percentage points from November. Mexico has a population of 119.5 million, according to the latest projections based on the 2010 census, of whom 55.3 million live in poverty.

Oil & Gas News

Oil futures surged on Wednesday after Russia indicated there was a possibility of co-operation with OPEC, fanning hopes for a deal to reduce a global oversupply that sent prices to the lowest levels in over a dozen years last week. Brent crude LCOc1 rose USD1.30, or 4.1%, to settle at USD33.10 a barrel, after touching a session high of USD33.49.

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-Jan-16	1,121.70	2.18	31.8	14.59	1.55	2.04	1.43	1.00	9722.90	82.62	3.00	33.56	25.15	2,543.01
27-Jan-16	1,124.60	2.15	33.86	15.76	1.55	2.05	1.43	1.00	9724.79	82.70	2.98	33.53	25.11	2,546.18
% Change	0.26	-1.42	6.48		0.05	0.63	-0.16	-0.59	0.02	0.10	-0.57	-0.07	-0.19	0.12

Economic & Financial News

Research & International Division

28/1/2016

*... The US Federal Reserve held interest rates unchanged ...
... Japan's jobless rate remained flat in December 2015...*

South East Asia

Vientiane recorded public debt of more than LAK6.946 trillion, including LAK6.931 trillion of state investment debt remaining on contracts and LAK15 billion owed to utilities and other expenses. According to the Finance Department, to address public debt for fiscal year 2015-2016 Vientiane authorities were assigned to collect revenue of more than LAK1 trillion, accounting for 2.85% of GDP. So far, authorities have collected more than LAK221 billion or equal to 20.72% of the annual plan. Authorities have earmarked expenditure of over LAK619 billion, and up until January 18 they had recorded expenditure of LAK157 billion or about 25.35% of the annual plan.

The Bangko Sentral ng Pilipinas said big banks' outstanding loans increased by 13.1% y-o-y in December 2015, lower compared to November's 13.9% expansion. Bank lending amounted to PHP5.119 trillion at the end of 2015.

Vietnam drew more than USD1.3 billion in newly-registered and additional capital from FDI projects in January, up 101.2% against the same period last year. As of January 20, the country granted new investment licences to 127 projects worth over USD1 billion, a y-o-y rise of 157.9%, according to the Ministry of Planning and Investment's Foreign Investment Agency.

North East Asia

Japan's jobless rate remained flat at 3.3% in December 2015, the Ministry of Internal Affairs and Communications said in a report. The jobs-to-applicants ratio jumped to 1.27 in December, which means that for every 100 people seeking jobs, 127 positions are available.

South Korea's cigarette imports surged in 2015 after contracting for four straight years despite government efforts to discourage smoking by sharply raising prices. Imports of cigarettes spiked 117.3% y-o-y to over USD34.56 million in 2015, with the volume also increasing 128.1% to 1,877 tons, the Korea Customs Service (KCS) said.

Indian Sub-Continent

Unemployment in Pakistan is around 8.5% of its economically active population, although the government puts the rate at 6%. It is estimated that the number of unemployed Pakistani exceeds 5.3 million.

Sri Lanka's trade deficit exceeded USD7,570 million from January to November 2015 despite the slowdown in imports, 1% higher than the previous year. The trade deficit is motivated by the decline in key exports such as tea, rubber and textiles due to the international economic situation.

Consumer prices in Sri Lanka's capital Colombo has dropped to 0.9% y-o-y in January 2016, down from 2.8% in December 2015 with the inflation index dropping 0.2 percent in the month, the state statistics office said.

Middle East and North Africa

Tunisian trade balance deficit shrank by TND1.6 billion (11.6%) to TND12.048 billion (i.e. an average deficit of TND1 billion), as a result of the drop of exports (-2.8%) at a lower pace than imports (-5.7%), the Central Bank of Tunisia said. Exports had increased by 2.5% and imports by 6.4% in 2014.

Tunisia's central bank has kept its key interest rate unchanged at 4.25%. Tunisia's central bank last October cut its main interest rate to 4.25% from 4.75% to boost economic growth, as inflation fell. The inflation rate was 4.9% in 2015 against 5.5% in 2014.

Eastern Europe

Russia's consumer prices rose 0.2% in the week to Jan. 25, at the same pace as a week ago, data from the Federal Statistics Services showed. Steady weekly inflation suggests that the annual reading kept declining lately due to base effect. Data also showed that producer prices in Russia rose 10.7% on the year in December 2015 compared with a 5.9% increase in the same month of 2014.

President Vladimir Putin is to chair a meeting over a RUB1.7 trillion (USD22 billion) plan to protect the Russian economy from major economic crises. It said at least RUB737 billion roubles were included in a contingency plan sent to Prime Minister Dmitry Medvedev. The Russian economy, which is heavily dependent on energy exports, contracted by 3.8% in the Q4 of last year, mainly due to the falling price of oil amid an oversupply crisis. Measures to prop up the ailing economy are aimed at structural overhaul and to improve the investment climate, as well as supporting the regions and ensuring social stability.

Northern Europe

Iceland saw its balance of trade amount to a deficit of ISK30.3 billion (USD233.1 million) in the whole year of 2015, down from a surplus of ISK4.3 billion in 2014, Statistics Iceland said. Figures show the value of exported goods amounted to about ISK626.3 billion in 2015, 6.1% higher than that in the same period of the previous year. The value of imported goods amounted to about ISK656.6 billion in 2015, 12% higher than that in the same period of the previous year.

Western Europe

The unemployment in France grew by 0.4% in December 2015 from a month earlier and saw a year-on-year growth of 2.6%. According to the Labour Ministry's monthly data, a total of more than 3.59 million people in the French mainland were reported to be jobless in the last month of 2015, adding more pressure on the government on its battle to lower the joblessness rate currently at 10.2%.

The German consumer climate will remain stable at a high level with the overall indicator at 9.4 points for February, following a value of 9.4 points in January, market research group GfK reported Wednesday. Income expectations have suffered losses, while both economic expectations and willingness to buy have risen by a small amount.

Italy has agreed a plan with European officials to relieve the Italian banking sector of as much as EUR200 billion in bad debts. The eurozone's third biggest economy was hard hit by the region's debt crisis, and plunged into three years of recession that lasted until 2014. Many loans turned sour during that period. Italy was left with one of the highest levels of bad debt in Europe.

The number of home mortgages granted to prospective buyers in Spain increased by 16.4% in November 2015 when compared with the same month of a year earlier, according to data published by Spain's Statistical Office, INE. A total of 19,247 home mortgages were granted in November, which meant a 0.3% rise when compared with October. The amount of capital loaned in November the year increased by 18.2% when compared with November, 2014 to EUR2.052 billion (USD2.230 billion), while the average value per mortgage stood at EUR106,655, 1.5% more than in the same month of a year ago.

North America

The US Federal Reserve will maintain the target range for the federal funds rate at 0.25% to 0.5%, pledging to keep the accommodative monetary policy to support economic growth. Labour market conditions improved further even as economic growth slowed late last year and household spending and business fixed investment have been increasing at moderate rates in recent months.

South America

Brazil's government announced it will apply a 25% tax over tourism services, such as hotel reservations and car rentals paid abroad. A deteriorating economic scenario and the steep depreciation of the Brazilian real in relation to the US dollar discouraged Brazilians from traveling and spending abroad last year. Government tax on tourism services abroad is likely to dampen plans for many Brazilians this year. Brazilians spent 32.1% less overseas in 2015, for a total of USD17.357 billion, the lowest volume since 2010.

Oil & Gas News

Oil prices rose for the third straight day on Thursday on hopes of the first global deal in over a decade between among oil-producing countries to help clear a glut that has depressed prices for over a year and a half. By the close, Brent LCOc1 was up only 79 cents, or 2.4%, at USD33.89 a barrel, after trading as high as USD35.84.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
27-Jan-16	1,124.60	2.15	33.86	15.76	1.55	2.05	1.43	1.00	9724.79	82.70	2.98	33.53	25.11	2,546.18
28-Jan-16	1,118.40	2.13	33.61	15.77	1.56	2.04	1.43	0.99	9706.85	82.94	2.96	33.45	25.05	2,549.62
% Change	-0.55	-0.84	-0.74		0.46	-0.49	0.20	-0.58	-0.18	0.29	-0.77	-0.25	-0.22	0.14

Economic & Financial News

Research & International Division

30/1/2016

*... US economy loses pace in Q4 in line with expectations ...
... BOJ to adopt negative interest rate amid falling oil prices ...*

South East Asia

Non-tax revenue collected from the Cambodian mining sector increased more than fourfold in 2015

compared with the year before, according to figures released by the Ministry of Mines and Energy. Non-tax revenue rocketed to about USD17.25 million in 2015 from just over USD4 million in the previous year. These revenues include royalties, land rent, fines and penalties, administration charges and signature bonuses.

The Indonesia government plans to increase this year's capital expenditure (capex) during the

upcoming revision of the 2016 state budget (APBN-P) in a bid to achieve its economic growth target. Finance Minister Bambang Brodjonegoro said the amount of the revised capex would be higher than in 2015 and the original 2016 budget. Last year we allocated around IDR290 trillion (USD20.91 billion) in total funding for infrastructure. We have jacked it up to more than IDR310 trillion in 2016," he said in a press briefing.

The Lao government has approved a set of documents on future development,

and will seek more appropriate mechanisms for the implementation of its plans. The documents include a national strategy on human resources until 2025, a national action plan on development for the next five years (2016-2020), a strategy on rural development and poverty reduction for 2016-2020, and a vision for development over the next 15 years.

Malaysia slashed 2016 spending plans

as the economy reels from the slump in oil prices, dealing a new setback to embattled Prime Minister Najib Razak. Finance Ministry officials said the budget revision will include cutting MYR5 billion (USD1.2 billion) from development expenditure and MYR4 billion (USD952 million) from operating expenses. Worker contributions to a national provident fund will be slashed from 11% to 8% from March until December 2017. Some two million tax payers will also be given special tax relief. The government will lose MYR350 million (USD83 million) but it will give the taxpayers total savings of MYR475 million (USD113 million). The government also plans to change the status of illegal immigrants, allowing them to work to meet labour shortages in various industries.

Business outlook in the manufacturing sector in Singapore is expected to be weak in the H1 of 2016,

on the back of global economic uncertainties, the ongoing slowdown in China and a low oil price environment, according to a survey by Singapore Economic Development Board (EDB). A weighted 7% of manufacturers expects business conditions to improve while a weighted 29% foresees deterioration. Overall, a net weighted balance of 22% of manufacturers anticipates a less favourable business situation for the period, compared to the Q4 of 2015.

Thailand's industrial production continued to improve in December

despite lower manufacturing activity by major industrial sectors. The Ministry of Industry said Thailand's manufacturing-production index rose 1.3% in December from the previous year, compared with a revised 0.28% increase in November.

North East Asia

China's 2015 fiscal revenue growth fell to a 28-year low of 5.8%,

the lowest since 1987. General fiscal revenue including taxes and fines rose 5.8% to CNY15.22 trillion (USD2.42 trillion), the Ministry of Finance said. Same revenue in 2014 grew 8.6% and 10.2% in 2013. GDP growth slowed to 6.9% in 2015, the lowest reading since 1990. The ministry attributed the weak revenue growth to deep decline in producer price index, setbacks in industrial output, investment and corporate profits, which weighed on major tax items such as value-added taxes, custom duties, and corporate income tax.

China saw a government spending splurge of 13.17% growth in 2015.

The government spent CNY17.58 trillion to pay for civil services, as well as the costs of education, healthcare, and other items. The upsurge in government outlay is to counter the economic slowdown.

Japan's core inflation rate slipped to 0.5% in 2015,

as low oil prices hindered efforts by Prime Minister Shinzo Abe to spur growth by pushing prices higher. While, consumer spending fell 4.4% y-o-y in December, suggesting that households are choosing to save rather than splurge on any gains from the low oil prices that are slowing inflation. It was the fourth straight month of y-o-y declines.

The Bank of Japan decided to adopt a negative interest rate in a surprise move to further ease its monetary grip, with tumbling oil prices hampering its efforts to achieve its inflation target. The central bank in its latest price and economic outlook pushed back the time frame for meeting the 2% inflation target for the third time since it introduced aggressive stimulus measures and the inflation goal in 2013.

Japan's retail sales fell in December, suggesting that sluggish household spending will keep Q4 economic growth subdued. Retail sales fell 1.1% in December from a year earlier to mark the second straight month of declines, more than a median market forecast for a 0.1% decline, trade ministry data showed.

South Korea's industrial production rose 1.2% m-o-m in December, posting the first rebound in three months. The production in all industries declined 1.3% in October and 0.4% in November each before gaining 1.2% m-o-m in December, according to Statistics Korea. The rebound came on the back of improvement in both production and investment among manufacturers.

Debit card use in South Korea continued to rise in 2015 on tax benefits, data showed Friday, in a sign that the direct payment system is taking root in the country. According to the data by the Credit Finance Association of Korea (CREFIA), purchases made with debit cards reached KRW131.5 trillion (USD108.9 billion) last year, or 20.6% of the KRW636.81 trillion worth of transactions made using various types of cards.

Unemployment in Macau remained relatively low, edging up by 0.1 percentage point from the previous year to 1.8% in 2015, the Statistics and Census Service said. The median monthly earnings of the employed residents reached MOP18,000 by the end of 2015, climbing by 20% y-o-y. The total labor force was 400,600.

Taiwan's economy expanded by 0.85% y-o-y in 2015, marking the lowest pace in six years, the statistics authority said. The island's real GDP last year reached TWD15.65 trillion (about USD466 billion), with a per capita GDP of USD22,344. The consumer price index dropped by 0.31% y-o-y, the first yearly decline since 2009.

Middle East and North Africa

Kuwait's 2016-17 draft budget forecasts a deficit of KWD12.2 billion (USD40.2 billion), nearly 50% higher than the previous year, due to falling crude prices. The ministry said in a statement that expected revenues will be KWD7.4 billion while expenditures are expected to be KWD18.9 billion, a drop of 1.6% y-o-y.

Net foreign assets at Saudi Arabia's central bank declined 3.1% in December from the previous month to SAR2.283 trillion (USD609 billion), the central bank said. Assets dropped 15.9% y-o-y earlier to their lowest level since August 2012. They reached a record high of USD737 billion in August 2014 before starting to shrink.

Qatar's foreign merchandise trade surplus was at QAR9.3 billion for December 2015. It showed a decline of QAR11.7 billion, or 55.8%, compared to December 2014. The surplus decreased by QAR1.6 billion, or 14.8%, compared to November 2015. In December 2015, the total exports of goods amounted to QAR20.3 billion, showing a decrease of 36.9% compared to December 2014 and a fall of 4.7% compared to November 2015. Imports of goods in December 2015 amounted to QAR11 billion, showing a decrease of 1% over December 2014..

Tunisia's average inflation in 2015 remained within the levels of 2014 that is 4.9%, the Central Bank of Tunisia said Thursday of a fall in inflation as regards foodstuff and manufactured goods. Inflation averaged 5.2% and 4.8% in these two groups against 5.4% and 5.2% respectively in 2014.

Turkey's foreign trade deficit in 2015 shrank 25.2% from 2014, according to data released by the Turkish Statistical Institute (TurkStat). The foreign deficit shrank to USD63.3 billion in 2015 from USD84.6 billion in 2014. The value of imports decreased to USD207.2 in 2015 from USD242.2 in 2014, marking a decrease of 14.4%. Exports saw a decline of 8.7% from USD157.6 in 2014 to USD143.9 in 2015.

Eastern Europe

The Bank of Russia kept interest rates unchanged Friday, citing inflationary risks stemming from the weakening value of the ruble and lower oil prices, but said it could tighten monetary policy if inflation rises. The central bank held its key rate at 11% for the fourth successive board meeting, shrugging off calls from businesses and policy makers to cut rates to reduce borrowing costs amid a lasting economic crisis.

Ukraine's central bank left its benchmark interest rate unchanged, affirming this year's inflation forecast while warning of risks from commodities and currency markets, and trimming its outlook for economic growth. The discount rate will stay at 22%, the National Bank of Ukraine said Thursday in a statement. The bank sees consumer prices rising 12% in 2016, with GDP advancing 1.1%, less than half its previous 2.4% projection.

Western Europe

British GDP increased by 0.5% in the Q4 of 2015 compared with previous quarter, according to the preliminary estimate by the Office for National Statistics (ONS). Compared with the same quarter a year ago, British GDP increased by 1.9%, the first time it has been below 2% since the start of 2013.

France's economy grew 1.1% last year, its biggest jump in four years, which the government hailed as a confirmation of a turnaround after years of economic stagnation. The country posted growth of 0.2% in the Q4, down from 0.3% in the Q3, the INSEE said.

French consumer prices fell 1% in January compared with December, pushed down by falling oil prices and seasonal sales, the statistics agency Insee said. Those sales helped push down the price of manufactured products. Compared with a year ago, overall consumer prices rose 0.2%.

German retail sales dipped in December, marking a weak end to the year and suggesting private consumption, which has been a pillar of support for Europe's largest economy, could lose steam in the Q4. Retail sales were down by 0.2% m-o-m in real terms after climbing by 0.4% the previous month, the Federal Statistics Office said.

Italy's black economy is worth at least EUR540 billion (nearly USD752 billion), or around a third of its GDP, Eurispes research agency estimated in a report. The Italian black economy accounted for around EUR270 billion in dodged taxes. In addition, more than EUR200 billion were generated by the criminal economy.

Spain's unemployment fell by 12.43% in 2015, according to the Statistical Office (INE). The fall meant that 678,200 fewer people were out of work in the country when compared with a year earlier. Spain's unemployment rate stood at 20.9% in 2015 and 4,779,500 people were out of work. The fall in unemployment is the biggest in absolute terms since 2002.

The Spanish economy grew at a 3.5% annual clip in the Q4, as consumer spending, tourist income and industrial investment continued to drive a strong recovery from the country's worst recession in decades.

North America

Canada's economy resumed growth in November, expanding by 0.3% from the month before, thanks mainly to increases in trade, manufacturing and oil and gas extraction. The monthly growth follows no growth at all in October and a drop of 0.5% in September, Statistics Canada reported.

Mexico's economic expansion slowed slightly in the Q4 as the pace of services growth held up even as industrial expansion ground to a halt. The economy grew by about 0.6% from the prior quarter, according to estimates by the national statistics agency. That was below the 0.8% rate in the Q3.

US economic growth braked sharply in the Q4 as businesses stepped up efforts to reduce an inventory glut and a strong dollar and tepid global demand weighed on exports. GDP increased at a 0.7% annual rate, the Commerce Department said, also as lower oil prices continued to undermine investment by energy firms and unseasonably mild weather cut into consumer spending on utilities and apparel.

South America

The Brazilian government announced the opening of credit lines amounting to BRL83 billion (USD20.3 billion) in a bid to boost the economy. With the new credit lines, the government hopes to mitigate the impacts of reduced economic activities, rising inflation and unemployment. The credit lines will be used to fund farm production, real estate operations, infrastructure projects, small businesses and exports.

Brazil's government had in 2015 its worst fiscal results on record, the central bank said, defying attempts to improve public finances and setting a worrisome tone for this year. Brazil ended last year with a budget deficit equal to 10.34% of GDP, the highest level on the central bank's record, which started in 2002, and up from 6.05% in 2014.

Chile's unemployment rate fell to a two-year low, defying a slowdown in the economy that saw manufacturing output contract for a third straight month in December and retail sales growth weaken. The jobless rate slid to 5.8% in the Q4 from 6.1% in the month earlier period, the National Statistics Institute said.

Chilean factory output capped a weak year performance in December, highlighting struggles by the top copper exporter to get growth going again. Manufacturing production fell 2.8% in December from a year earlier. It was flat compared to November. For all of 2015, output declined 0.6% compared with a year ago, the INE statistics agency said. It emphasized that falling production of metal products and equipment parts in particular contributing to the drop.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
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30-Jan-16	1,116.40	2.30	34.74	15.10	1.54	2.03	1.42	0.99	9665.57	84.95	2.91	33.50	25.07	2,629.11
% Change	-0.18	7.93	3.36	-1.08	-0.49	-0.49	-0.49	-0.18	-0.43	2.42	-1.70	0.16	0.06	3.12