

Economic & Financial News

Research & International Division

1/8/2013

*...US economy finds momentum in Q2...
...Turkish June trade deficit widens to US\$8.57 billion...*

South East Asia

Indonesia will likely see its trade deficit reach a record high of US\$5 billion this year, more than double the figure last year, as the bleak export outlook continues.

Money supply in the Philippines grew 20.3% to P5.699 trillion as of the first semester; its fastest pace in a little more than six years. However, loan growth slowed as funds that flowed out of the special deposit accounts make their way to different channels such as government securities.

Malaysia's producer price index (PPI) for June declined by 2.7% to 124.5 from 128 in the same month last year, said the Statistics Department.

Singapore's unemployment rose to 2.1% and more workers lost their jobs in the Q2 of 2013, even as employment growth stayed strong, according to a Manpower Ministry report released yesterday.

Thailand had a cumulative current-account deficit of US\$3.8 billion in the first half of the year, due mainly to weaker global demand and capital outflows, according to Bank of Thailand data. The country's trade deficit for the period came in at \$768 million.

Electricity price in Vietnam will go up by 5% starting today, August 1, following a recent decision of the Ministry of Industry and Trade, according to the state-run Electricity of Vietnam Group.

North East Asia

China's capital and financial account registered a deficit of US\$1.6 billion in the Q2, compared with a surplus recorded in the January-March period, swinging back from a surplus in the Q1, according to a report from the State Administration of Foreign Exchange.

Japan is considering an ¥8 trillion target for budget-deficit cuts over the next two years as officials debate how to proceed with a sales tax increase that threatens to damage an economic rebound. The goal is based on the assumption that the consumption levy is raised as planned to 8% in April, from 5% now.

South Korea's trade surplus slightly widened last month as its overall trade volume grew from a year earlier. In July, the country's exports amounted to

US\$45.84 billion, up 2.6% from the same month last year, according to the Ministry of Trade, Industry and Energy.

Australasia

The Australian Bureau of Statistics has revised down the weighted median measure of consumer prices to show a rise of 0.6% in the Q2, from the originally reported 0.7%.

Indian Sub-Continent

India's fiscal deficit stood at US\$43.57 billion in the Q1 of the current fiscal year to March 2014, government data showed on Wednesday. India's fiscal deficit during 2012-13 fiscal year ending March came down to 4.9% of the country's GDP, compared with 5.8% a year ago.

Overseas Pakistanis sent home a record US\$13.920 billion in the previous fiscal year (July 2012-June 2013), showing a growth of US\$733.64 million compared with US\$13.187 billion a year earlier.

Middle East and North Africa

Turkey's foreign trade deficit continued to widen in June by 19% to US\$8.6 billion, driven by the on-going rise in gold imports and the fall in exports, according to the Turkish Statistical Institute's foreign trade.

Iran exported 3,295,000 tons of condensates valuing over US\$2,918 million during the Q1 of the current 2013 mainly included refinery equipment and chemicals used in petrochemical complexes, Director-General of Pars Special Economic Energy Zone, Ahmad Pourheidari said.

Eastern Europe

Russia's economy has expanded at a slower pace than expected in the Q2 of 2013, growing at an annual rate of 1.9% between April and June. President Vladimir Putin has repeatedly cited the figure of 5% of annual growth as a prerequisite for Russia to meet the demands of its social sector and modernise its economy.

Ukraine's economy contracted for the Q4 on an annual basis as industrial production slumped because of weak global demand for the country's products. GDP shrank 1.1% in the Q2 from the same period a year ago.

Western Europe

French consumer spending fell 0.8% in June compared to May, national statistics office INSEE reported. Q2 spending rose 0.3% on the previous quarter. The data was in line with the fragile economic recovery and bad weather, said the agency.

The unemployment rate in Germany held steady at 6.8% in July, the federal labour agency said on Wednesday, while the number of jobless fell by 7,000.

Italy's annual rate of CPI fell to 1.1% in June, down from 1.2% the month before. Compared to the month before, the CPI was flat, down from a 0.3% rise in May. Italian unemployment fell slightly to 12.1% in June from 12.2% the month before.

The adjusted retail sales fell 5.1% y-o-y in June, according to National Statistics Institute data, offering a snapshot of the shrinking consumer spending that is hampering a long-awaited economic recovery. While the Bank of Spain said the current account posted a €2.4 billion surplus in the previous month.

The unemployment rate in Portugal fell again in June to 17.4%, 0.2 percentage points below the figure in May, Eurostat said. Despite this slight improvement, Portugal still has the third higher rates in Europe after Greece (26.9% in April) and Spain (26.3%).

The volume of Ireland's retail sales fell 1.6% in June to stand 1.5% lower on the year, provisional figures from the Central Statistics Office showed.

The IMF said Greece needs to take more action to promote growth and deliver promised structural reform. On Monday it backed the next payment of €1.7 billion after its fourth review of the country. But now it says Greece must deliver rapidly on structural reforms to unlock growth and create jobs. It also pointed to a potential €10.9 billion "financing gap" over the next two years.

North America

The US economy grew 1.7% in the Q2 after a 1.1% pace in the Q1, according to the Commerce Department report released Wednesday. The report revealed a slowdown in consumer spending, which accounts for two-thirds of US economic activity. A separate report showed private employers adding to 200,000 jobs in July, the ADP National Employment Report showed, after hiring 198,000 workers in June.

The Canadian economy grew by 0.2% in May from April, according to Statistics Canada data on Wednesday. Goods production fell by 0.3% in May, mainly due to a 2.2% decline in oil and gas output. Some of this was because of maintenance at some oil facilities. However, manufacturing advanced 0.3%. Services grew by 0.5%.

Mexico's economy likely grew 2.5% in the Q2, the Finance Ministry said. The economy posted an annual growth rate of 4.5% in the Q2 of 2012. The Mexican economy has been posting slower growth since the second half of last year due to weaker demand for its exports in the United States, less robust domestic consumption and a drop in construction.

South America

Brazil will not renew higher duties due to expire later this year on 100 imported goods, a government official told Reuters, in a move that aims to lower inflationary pressures stemming from a weaker local currency.

Non-traditional exports to countries that have free trade agreements with Peru rose by 6.5% last year, Peru's foreign commerce and tourism promotion board said.

Oil & Gas News

Brent crude futures rose towards US\$108 a barrel on Thursday as robust economic data from the United States and China brightened the outlook for demand in the world's two largest oil consumers.

Commodities News

Copper rose to the highest level in almost a week after China's official manufacturing data unexpectedly strengthened. Metal for delivery in three months gained as much as 1% to US\$6,950 a metric ton.

Currency News

The yen fell against all of its 16 major peers as a rebound in Asian stocks reduced demand for Japan's haven assets. The yen slid 0.4% to 98.24 per dollar as of 11:53 a.m. in Tokyo from yesterday.

The Aussie pared earlier losses after government figures showed China's manufacturing Purchasing Managers' Index unexpectedly advanced last month. The Aussie dropped 0.2% to 89.60 U.S. cents as of 12:34 p.m. in Sydney.

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-Jul-13	1,332.18	3.44	106.83	31.06	1.68	1.94	1.27	115.23	8099.13	77.51	2.55	34.21	24.64	3,234.59
01-Aug-13	1,322.11	3.43	107.91	31.46	1.69	1.94	1.27	114.90	8064.52	77.04	2.55	34.18	24.62	3,237.35
% Change	-0.76	-0.29	1.01		0.41	-0.24	0.38	-0.29	-0.43	-0.62	0.05	-0.09	-0.06	0.09

Economic & Financial News

Research & International Division

3/8/2013

*...China's central bank vows stable policies...
...German car sales increase...*

South East Asia

Indonesia's GDP moderated slightly on a y-o-y basis to 5.81% in Q2 2013 on softer domestic demand.

Malaysian government remained committed to strengthening the country's macroeconomic and fiscal position, PM Datuk Seri Najib Tun Razak said in response to Fitch Ratings' concern over the ability of the Malaysian government to rein in its debt and spending. Najib said the reaffirmation on the country's long-term foreign and local currency was "something positive".

Philippines' public spending on infrastructure continued to pick up, rising 42.2% to P125.5 billion in the first semester. The higher public infra spending, coupled with improved year-on-year spending in other expense classes, helped push total government spending up 12% y-o-y to P890.8 billion in the first six months.

Thailand critically needs to improve its competitiveness and education system in order to strengthen the economy over the long term, former finance minister Thanong Bidaya said. "The current strong economic growth is unsustainable. Even though key economic figures seem to be good, if we do not do anything now we will have a greater risk of entering a crisis", he told in a seminar.

The total FDI in Vietnam reached more than US\$11.9 billion in the first seven months of this year, a y-o-y rise of 19.6%. The registered capital of 677 newly-licensed projects posted US\$6.9 billion U.S dollars, 93.5% of the number of projects and a 10% rise in capital. Also, 266 operational projects increased their capital by US\$4.9 billion.

North East Asia

China's central bank vowed to maintain stable and consistent monetary policies with in-advance tuning and fine-tuning properly and on a timely basis. The central bank will balance strategies to stabilise growth, restructure industries, boost reforms and guard against risks to build a stable financial environment and monetary conditions.

The IMF has expressed concern about the fiscal situation in Japan, where public debt keeps soaring. Simulations by the IMF "suggest that global output losses could reach 2% of GDP" if Japan is "exposed to a reconsideration of sovereign risk by investors" and experiences a long-term interest rate jump of two percentage points, the IMF said in a report.

Korean exports last month at US\$45.84 billion, up 2.6% from last year, the Ministry of Trade, Industry and Energy on said tentatively. In June, exports contracted by 1%. July's imports were worth US\$43.13 billion, up 2.7% from a year ago, resulting in a trade surplus of US\$2.71 billion. Korea has posted trade surplus for 18 months in a row.

Transactions of residential and commercial properties in Taipei and New Taipei for July rose more than 15% from a month earlier as the impact of the luxury tax faded, according to statistics released Friday.

Australasia

Australia said its budget deficit has blown out to A\$30 billion and revenues are shrinking, as it unveiled a pre-election mini-budget that includes a controversial plan to tax bank deposits. The government also cut its growth outlook for the fiscal year to June next year as the mining-driven economy grapples with a Chinese slowdown that has seen prices of commodities tumble.

Indian Sub-Continent

The central bank will roll back the curbs it imposed on the trading of foreign-exchange derivatives only when the currency market stabilises, Reserve Bank of India Governor Duvvuri Subbarao said. Undue volatility of the exchange rate is harmful for growth and stability and such volatility should be curbed, he said.

The World Bank has asked Pakistan government to curb growth in wasteful expenditures in order to create fiscal space for utilising funds on infrastructure needs and achieve millennium development goals.

Middle East and North Africa

Central Bank of Egypt unexpectedly lowered its main overnight interest rate by 50 basis points at a policy meeting, saying it was more concerned about boosting growth than taming resurgent inflation.

The World Bank will fund a US\$6.4 million project to boost Lebanon's mobile Internet systems and help create employment opportunities, especially among youth and women, said a statement released by the World Bank. It is aimed at strengthening innovation and entrepreneurship in the Lebanese mobile Internet ecosystem.

The Turkish Ministry of Economy has called for businessmen to invest in Greece, inviting them to benefit from the bargain investment opportunities. The ministry had prepared a 300-project list of potential investment opportunities over a wide range of sectors including tourism, real estate, food and export fields.

Western Europe

The latest attempt by a French government to rescue the country's deprived housing estates was put before the cabinet on Friday. French President François Hollande wants to hand over €5 billion worth of investment that would be directed into creating jobs, improving housing and overall urban renewal.

A total 253,146 new cars were registered last month, a rise of 2.1%, according to the official KBA agency. But over the first seven months of the year combined, 1.756 million cars were registered, 6.7% fewer than in the same period a year earlier. German manufacturers have held up better than many other carmakers in Europe, particularly with the export of high-quality cars.

Greek Prime Minister Antonis Samaras' hope that international lenders will yet agree to cut Greece's debt even if it makes them take losses is still alive, at least with IMF Managing Director Christine Lagarde, who said Europe should find a way to help Greece meet its fiscal targets.

Spanish unemployment could be stuck above 25% for another five years as it calls for decisive reforms to generate jobs and growth. Key external risks to Spain's recovery identified by the IMF include a new bout of financial market stress, a delayed banking union (both of which would raise borrowing costs) and a slowdown in emerging markets which would undermine exports.

Britain's house prices continued rising in July at 0.8%, said the Nationwide building society. The rises of house prices brought the average home price to £170,825.

North America

U.S. employers added 162,000 jobs in July. The Labour Department said that unemployment declined from 7.6% in June as more Americans found jobs. Consumer spending rose 0.5% and income growth slowed to a 0.3% rise in June. Spending on non-durable goods was up 1.3%, reflecting in part rising gas prices, while demand for durable goods rose 0.8%, reflecting strength in auto sales.

Mexico's central bank said remittances fell 9.7% to US\$10.7 billion in the half year of 2013. Experts attribute the decline to continued weakness in economic sectors that employ migrants in the United States, where most Mexican expats reside. Remittances represent about 2% of Mexico's GDP.

South America

Argentina's unemployment rate fell to 7.2% in the Q2 of 2013 compared with 7.9% in the Q1 of the year. "This proactive policy to substitute imports, to give credits for local production, helping young Argentines to have their first manufacturing job, all of this contributes to falling unemployment", President Cristina Fernandez announced during a speech.

Colombia should hold its policy rate at its current "expansionary" level of 3.25% for the next six to nine months to ensure that economic growth returns to its full potential, central bank co-director Carlos Gustavo Cano said. The economy is growing less than full capacity, with low inflation expectations, industry contracting and an "uncertain" outlook for the world economy, Cano said.

Oil & Gas News

World oil prices dipped on Friday as traders sat tight before US employment figures and following recent gains spurred by positive economic data in energy guzzlers the United States and China. Brent North Sea crude for delivery in September fell 16 cents to \$109.38 a barrel.

Commodities News

Gold futures capped the first weekly decline in a month as better-than-expected U.S. economic data increased speculation that the Federal Reserve may slow the pace of fiscal stimulus.

Currency News

The New Zealand dollar is heading for a 2.4% weekly decline amid upbeat US economic data and jobs figures tipped to show an improving labour market.

The dollar fell against the majority of its 16 most-traded peers after U.S. employers added fewer workers than forecast in July, damping speculation the Federal Reserve will slow the pace of asset purchases anytime soon.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
01-Aug-13	1,322.11	3.43	107.91	31.46	1.69	1.94	1.27	114.90	8064.52	77.04	2.55	34.18	24.62	3,237.35
03-Aug-13	1,312.03	3.35	108.95	32.52	1.69	1.93	1.28	113.69	8060.62	77.87	2.55	34.18	24.61	3,254.13
% Change	-0.76	-2.33	0.96	-0.15	-0.49	0.14	-1.05	-0.05	1.08	-0.05	0.00	-0.05	0.52	

Economic & Financial News

Research & International Division

6/8/2013

*...No Plan B for Greece...
...Egypt's foreign reserves jump to US\$18.8 billion in July...*

South East Asia

Indonesia has been displaced by the Philippines as ASEAN economic leader, according to Standard & Poor's (S&P). S&P sees the Philippine economy growing by 6.9% this year, faster than other ASEAN economies.

Lao parliament has agreed to bring in tax incentives in an attempt to bolster scientific research and technological development, a senior government said. The National Assembly approved a new Science and Technology Law, which offers tax cuts or exemptions on the import of machines, materials and documents.

Malaysia's exports contracted in June by 6.9% on y-o-y basis, due to weaker demand from its major trading partners. Total exports in June amounted to RM56.7 billion, compared with RM60.97 billion in the corresponding period in 2012, according to the International Trade and Industry Ministry.

The Philippines government spent P316.38 billion to pay its debt in H1 2013; 12.8% lower than the previous year. The decline in debt servicing was due to lower principal payments. The Philippines' manufacturing sector is expected to get a boost from China's recent pledge to increase its imports from ASEAN as part of its rebalancing effort after bilateral trade started to favour China in H2 2012.

The Bank of Thailand has asked commercial banks to set aside extra reserves to cushion against global economic uncertainty and the potential decay of debt service ability in the period ahead, the governor said. Mr Prasarn said loan-loss reserves can act as a buffer in case banks suffer big financial losses.

North East Asia

China should loosen its rein on capital outflow when enterprises go overseas, to promote the opening-up of capital accounts, the People's Bank of China said. For a long time China has been favouring capital inflow but checking outflow. There is almost no limit for foreign direct investment, but small and medium-sized enterprises and individuals still have few channels to conduct outbound investment.

The IMF urged the Japanese government to go ahead with the consumption tax hike next April as planned, as it is an essential first step to contain fiscal vulnerabilities. If implemented as planned, the consumption tax would rise to 8% in April from the current 5%, and to 10% in October 2015.

South Korea's household debts grew in the Q2, mainly pushed by the government's moves to bolster the sagging property markets, spawning concerns that households' capacity to repay debt is worsening. Household loans by local banks, including home-backed and credit loans, reached US\$420.1 billion as of end-June.

Taiwan's CPI rose 0.08% in July compared to a year earlier. The Directorate General of Budget, Accounting and Statistics said increases in the costs of meat, fuel and dining-out drove inflation over the month.

Australasia

The Australian government pledged a new A\$200 million bailout package for the auto industry. Mining, a major contributor to the economy, is facing low market prices, writedowns by big players and layoffs. Industry Minister Kim Carr said the funds would ensure the automotive manufacturing sector has a strong future and continues to provide high-skill, high-wage jobs for Australians.

Indian Sub-Continent

During the Q1 of 2013-14, India's textiles and clothing exports have increased to US\$7.79 billion, from US\$7.76 billion over the same period of the 2012-13, Minister of State for Textiles Panabaaka Lakshmi said. In 2012, the volatility in major markets including the US and EU affected severely India's textiles and clothing exports, she said. America and Europe account for 65% of the country's total textiles exports.

Under an IMF agreement, Pakistan is required to slash the budget gap by 2.8 percentage points or RS733 billion this year to bring it down to 6%. Following improved numbers, the government may have got some breathing space now.

Middle East and North Africa

Egypt's foreign reserves reached US\$18.8 billion in July, represent a nearly US\$4 billion increase or about 26% from US\$14.9 billion at the end of June, the central bank said. It came after Saudi Arabia, the United Arab Emirates and Kuwait pledged a total of US\$12 billion dollars in aid to Egypt's military-backed interim government.

Iran's inflation hit 33.9% in July, the Statistical Centre of Iran announced. The country's inflation index stood at 165.2 in the same month, the IRNA News Agency reported. The inflation index was 2.3% more than its preceding year.

Strong economic and demographic growth associated with rapid urbanisation has led to an increase in energy demand to meet rising electricity and desalinated water needs in the Middle East and North Africa (MENA) region. The report estimates that investments worth US\$145.7 billion will be needed for power generation from 2013.

Turkey's inflation rate for July rose by 0.31% from the previous month, the Turkish Statistical Institute reported. The inflation showed an 8.8% increase last month from the same period a year earlier. The highest monthly increase was 2.28% in transportation. The highest monthly decrease was 4.68% in clothing and footwear.

Western Europe

France's rigid labour market, high taxes and inefficient public spending are dragging down its economy, the IMF warned. France's rigid employment contracts make firing expensive and many companies have become reluctant to hire. A high unemployment coupled with rising taxes were sapping France's ability to compete. France's taxes are already some of the highest in the world.

Finance Minister Yannis Stournaras, who is betting on austerity, and hopes for growth, said it had better work because there's no backup Plan B in place. The pay cuts, tax hikes, slashed pensions, public worker firings and privatisation will be successful will mean Greece will not need to try to impose losses on its international lenders. He does not believe Greece will need a debt restructuring and that it will achieve a primary surplus.

The Bank of Italy head reported more signs that Italy's economy may finally be improving. Italian banks are solid, but distressed areas in the Italian financial system persist, causing the Bank of Italy to pay particular attention to capital ratios, the source added.

Spain's consumer confidence increased by 1.5 points from June to July 2013 to 63.3 points indicating a pessimistic perception of the Spanish economy, the Sociological Research Centre reported. Although y-o-y, July's figure registered a huge improvement from 37.6 points in July 2012, the Consumer Confidence Indicator suggested that the Spanish public are still pessimistic of the country's economy.

The Bank of England governor, Mark Carney, will unveil new guidance for setting interest rates on today. He will attempt to convince consumers, small businesses and international money markets that only when the upturn is established will borrowing costs rise. George Osborne asked Carney to review the Bank's remit, which is to maintain inflation at 2%.

North America

The consensus is for the U.S. trade deficit to decrease to US\$43 billion in June from US\$45 billion in May, the trade balance report for June from the Census Bureau.

President Enrique Peña Nieto is set to unveil a long-awaited proposal next week to change the constitution to try to lure back major private oil companies to Mexican oil fields for the first time since the country's 1938 nationalisation. The move could attract billions of dollars in investment and boost Mexico's image as an emerging economy.

Oil & Gas News

Brent crude oil fell below \$108 a barrel on news of improving production from Libya and the North Sea and after Eurozone data showed retail sales declined across the board for the first time in three months.

Natural-gas futures eased, as forecasts for lingering mild weather in August. Natural gas for September delivery on the New York Mercantile Exchange settled 2.8 cents, or 0.8%, lower at \$3.319 a million British thermal units.

Commodities News

Gold dropped in quiet trading on Monday after signs of an improving British business sector and better US manufacturing activities. Spot gold was down 0.6% at \$1,304.06 an ounce by 2:46 p.m. EDT.

Currency News

The yen rose against all major peers as stocks dropped. The yen rose 0.4% to 97.93 per dollar as of 9:49 a.m. in Tokyo following a 1.2%, two-day gain.

Australia's dollar held near the lowest in almost three years against the greenback before the Reserve Bank decides on policy today. The Australian currency slipped 0.1% to 89.24 U.S. cents as of 11:40 a.m. in Sydney from yesterday.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
03-Aug-13	1,312.03	3.35	108.95	32.52	1.69	1.93	1.28	113.69	8060.62	77.87	2.55	34.18	24.61	3,254.13
06-Aug-13	1,298.41	3.32	108.6	32.71	1.69	1.94	1.27	112.65	8094.54	77.74	2.55	34.24	24.65	3,216.75
% Change	-1.04	-0.90	-0.32		0.05	0.53	-0.39	-0.91	0.42	-0.17	0.23	0.20	0.14	-1.15

Economic & Financial News

Research & International Division

7/8/2013

*...NZ unemployment rate rises to 6.4% in Q2...
...SBV expands money printing factory...*

South East Asia

Philippines' inflation eased to its slowest pace in nearly four years in July as the bulk of basic commodities posted slower price increases. Inflation was 2.5%, down from the revised 2.7% in June and 2.8% in May.

Thai government stimulus measures and easy monetary policy have driven household debt to a record high. Household debt is equivalent to nearly 80% of GDP in July. The central bank's governor has cited the household debt level as a reason not to cut rates further. But Finance Minister Kittirat Na Ranong maintained such debt was "not too high" and anyway had been pushed up partly by purchases of property, which he called "good assets".

The State Bank of Viet Nam (SBV) and contractors started construction work on expanding the national money printing factory. The project aims to enhance the production capacity of the factory and to contribute to national currency security. The project is expected to be completed by 2014 and begin operations in 2015.

North East Asia

China's sector industrial value-added output raised 9.2% y-o-y. The growth rate also marked a 0.2-percentage point rise compared to the same period last year, according to data released by the China Machinery Industry Federation. In 2012, the industrial value-added output grew 8.4%.

A government panel proposed to raise the average hourly minimum wage by ¥14 to ¥763 in fiscal 2013. After proposing to raise wages in the previous years, the proposed hike would solve the issue of workers under the minimum wage earning less than welfare benefits in 10 out of the 11 prefectures that currently face the problem, officials said.

Sales at Korean department stores were estimated to have shrunk 2.1% on-year in July, a sharp turnaround from June's 4.1% growth, raising worries that private-sector spending still remains weak, according to finance ministry.

Australasia

Australia's trade surplus of A\$602 million in June, up A\$95 million or 19%, from A\$507 million surplus in May,

the Australian Bureau of Statistics said. The value of exports in June fell by 1.1% m-o-m, to A\$26.1 billion, while imports were down 1.5% to A\$25.5 billion. Resources exports fell 2.8%, or A\$364 million, to A\$12.7 billion, driven by a drop in metal ores and minerals and other mineral fuels.

Australia's central bank cut interest rates to a new record low of 2.5%, underscoring fears of a major economic slowdown shaping up as a key election battleground. The economy has been growing a bit below trend over the past year. This is expected to continue in the near term as the economy adjusts to lower levels of mining investment.

New Zealand's unemployment rate increased to 6.4% in the Q2 and up from 6.2% in the Q1, Statistics New Zealand said. An additional 5,000 people were available for work and looking for work, boosting the unemployment number, and the participation rate increased 0.1 percentage point to 68%. The labour market is improving, with employment growing slowly and unemployment down from a year ago.

Indian Sub-Continent

India picked the former chief economist at the IMF to head its central bank yesterday. Raghuram Rajan, known for predicting the credit crunch two years before it began, will start a three-year term at the Reserve Bank of India in September.

Middle East and North Africa

Saudi investments in the automobile industry are likely to create more than 77,000 jobs, said Mohammed Al-Madhi, vice chairman and CEO of Saudi Basic Industries Corporation. These projects will help Saudi Arabia attract investment from the world's major automobile manufacturers and create real platforms to make auto spare parts.

Eastern Europe

Russia's foreign trade surplus fell 10.5% y-o-y in the first half 2013, the Federal Customs Service said. The foreign trade balance was positive at US\$103.3 billion, US\$12.1 billion less than in first half 2012. In the first half of 2013, Russia's exports fell by 2.7% to US\$253.9 billion and imports rose 3.4% to US\$150.7 billion.

The Czech Republic's heavily export-reliant economy has been hit by faltering demand. The industrial production fell by 5.3% y-o-y, mainly squeezed by a fall in mining, which has suffered due to a global glut of gas and coal as well as shrinking coal deposits. The June foreign trade surplus was at US\$1.69 billion, but imports falling 4.8%, while exports fell 0.5%.

Western Europe

The IMF said that Germany will have to "recalibrate" its fiscal policies if growth falters in. The IMF maintained its outlook for 0.3% GDP growth this year in Germany and 1.3% in 2014, but said Berlin will have to rethink its tax-and-spend plans if growth falls short. The IMF report commended Berlin for prudent economic policies and providing "an important anchor of regional stability".

Greece stayed in deflation territory for the fifth month in a row in July as consumer prices fell 0.7% on an annual basis after a drop of 0.4% in June, statistics service data showed. A deep recession, wage cuts and ample spare capacity combine to exert downward pressure on prices, setting in motion an internal devaluation process that could render the country's economy more competitive.

Italy's GDP fell only 0.2% in the Q2 compared to the Q1. GDP was 2% down compared to the Q2 of 2012. The industrial production climbed 0.3% in June, rising, however tentatively for the second time m-o-m; and automotive industrial production soared 7.4% in June compared to May, according to Istat.

Portuguese banks' cumulative borrowing from the European Central Bank (ECB) rose 1.5% to €50.1 billion in July, the Bank of Portugal said. Lisbon, which ended an internal rift in the country's ruling coalition late last month, is fighting to repair its public finances and gain full access to debt markets.

British manufacturing grew much more strongly in June, suggesting the country's recovery is broadening. Manufacturing rose by 1.9% in monthly terms. UK car sales grew at an annual 12.7% for the month.

North America

Canada's trade deficit in June shrank to C\$469 million from C\$781 million in May, the Statistics Canada reported. The exports grew 1.4% to C\$39.57 billion, led by higher shipments of unwrought precious metals, passenger cars and light trucks. Imports advanced by 0.6% to C\$40.04 billion on increased shipments of crude oil, crude bitumen and aircraft.

The U.S trade gap fell 22.4% to US\$34.2 billion from US\$44.1 billion in May, Commerce Department said. Exports of goods and services increased 2.2% to US\$191.2 billion managed by broad-based, with food, industrial supplies, capital goods and consumer goods rising. Imports of goods and services fell 2.5% to US\$225.4 billion due to declining in petroleum imports and industrial supplies and materials.

Mexican auto production fell 1.4% to 234,757 units while exports eased dipped 7.3% to 192,940 units last month compared to a year ago. Exports to the United States dropped 10.9% to 125,540 units. Cars are a key component of Mexico's manufacturing sector, the Mexican Auto Industry Association said.

South America

The European Union (EU) will reduce funds in its aid program to Peru in the next six years, EU's country representative Hans Allden said. EU will focus on the areas of cooperation that are most urgent, since funds will be cut to reflect Peru's already advanced stage of development. One of the priority issues is facilitating trade exchange, especially the export of Peruvian products to Europe. Another is providing training for local governments in the management of public finances.

Oil & Gas News

Brent futures slipped towards \$108 a barrel on Tuesday as supply fears from key exporters such as Libya eased, but losses were stemmed with a forecast fall in crude inventories in the world's largest oil consumer the United States.

Commodities News

Gold retreated to the lowest level in three weeks, on speculation that the Federal Reserve will start to reduce bond purchases. Bullion for immediate delivery lost as much as 0.8% to \$1,273.55 an ounce at 9:20 a.m. in Singapore.

Currency News

The U.K. currency weakened 0.3% to 86.56 pence per euro at 4:45 p.m. London time after appreciating to 86.19 pence.

Brazil's real climbed from a four-year low on speculation the central bank will intervene to stem the currency's declines to curb inflation. The real appreciated 0.3% to 2.2983 per U.S. dollar at 5:01 p.m. in Sao Paulo after falling yesterday to 2.3060.

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
06-Aug-13	1,298.41	3.32	108.6	32.71	1.69	1.94	1.27	112.65	8094.54	77.74	2.55	34.24	24.65	3,216.75
07-Aug-13	1,278.02	3.3	108.13	32.77	1.68	1.94	1.27	113.13	8118.86	77.47	2.55	34.35	24.78	3,235.86
% Change	-1.57	-0.60	-0.43		-0.38	0.24	-0.30	0.43	0.30	-0.35	-0.20	0.32	0.53	0.59

Economic & Financial News

Research & International Division

8/8/2013

*...Mexican family incomes have not recovered from the crisis...
... Venezuela's annual inflation hit 42.6 in July...*

South East Asia

Indonesia will have to import at least 600,000 tons of rice later this year due to low production caused by weather anomalies and poor irrigation systems. Indonesia was self-sufficient in rice in 2008 and 2009, but imported rice in 2010 to maintain reserves after failed harvests, before seeing a gradual increase in production in subsequent years.

Laos needs to forge ahead with its strength and competitiveness to ensure it benefits from the ASEAN Economic Community (AEC), the Foreign Minister said. The minister highlighted eight activities required for Laos include strengthening the country's macro- and micro-economic management, improving and developing quality infrastructure including transportation and logistics systems, and establishing Laos as a link in regional integration.

Malaysia's industrial production index (IPI) for June 2013 rose 3.3% from a year ago, boosted mainly by the mining and electricity indices. According to the Statistics Department, the increase was contributed by all indices; with mining up 8.1%, electricity 6% and manufacturing 1.5%.

The Philippines' gross international reserves (GIR) rose to US\$82.9 billion as of end-July 2013. Preliminary data showed that the July GIR was higher by US\$1.7 billion than the end-June GIR.

More than 16,600 new businesses with a total registered capital of US\$3.23 billion were licensed in Ho Chi Minh City in the first seven months of 2013, a y-o-y rise of 5%. Over the same period, 20,860 existing businesses registered to increase their capital by US\$3.06 billion.

North East Asia

China's CPI is likely to grow 2.8% in July from a year earlier, slightly up from the 2.7% growth seen in June, according to Bank of Communications. July's official CPI is due to be released by the National Bureau of Statistics (NBS) on Friday.

Japanese Prime Minister Shinzo Abe will set up a panel to study the impact of a planned sales tax hike on the economy, the government's top spokesman said on Thursday. The planned doubling of the sales tax over the next two years has come into focus as Abe looks

to balance the need to stimulate growth via his "Abenomics" policies.

South Korea's economic recovery will be driven by exports during the second half of this year, the finance minister said Thursday, pointing to growing demand for the country's major export items.

A total of 1,146 new companies have been registered in Macao in the Q2 of 2013, increasing by 20.7% over 2012, according to figures released on Wednesday by the city's Statistics and Census Service.

Australasia

Australia's unemployment rate was steady in July, but the overall outlook for employment is still not as good as it could be. The unemployment rate stayed at 5.7% in July, but the total number of people with jobs fell 10,200 in the month. The participation rate fell to 65.1%, the lowest level in seven months.

The number of people employed in manufacturing fell by 3600 when compared to the Q1 of 2013, and is down 3900 when comparing y-o-y, to the Q2 of 2012., the New Zealand Manufacturers and Exporters Association said.

Indian Sub-Continent

India should cap local gas prices after a scheduled rise in April to avoid hurting the slowing economy, a parliamentary panel report said on Wednesday, renewing pressure on the government to review its new pricing policy.

The Pakistani government has reportedly prepared a list of loss making Public Sector Enterprises (PSEs) for privatisation including Pakistan International Airlines and Pakistan Steel Mills as committed with the IMF. Sources said that government is likely to privatise 34 public sector entities during the current financial year 2013-14 mainly included banking, petroleum and energy sector companies.

Middle East and North Africa

Turkey's inflation rose in July to almost 9%, a level likely to support the central bank's case for a further tightening of monetary policy. Consumer prices raised 0.31% m-o-m in July, the Turkish Statistics Institute said.

Egypt's urban consumer inflation quickened to its fastest in two years last month, the central bank said yesterday, driven by higher food prices and a sliding currency. Urban consumer inflation rose to an annual 10.28% in July, up from 9.75% in June.

Eastern Europe

Although recent tax changes have helped oil and gas companies overall and boosted oil production **Russia**, fiscal pressures will discourage the government from providing further relief. Tax breaks have stimulated "greenfield" oil production and will keep total Russian output rising to a peak above 11 million b/d in 2018.

Western Europe

The French economy, bumping along in recession, is likely to grow by 0.1% in the Q3 of the year, the Bank of France said on Wednesday.

German industrial production strongly rebounded in June driven by all sectors. The figure for June represented a 2.4% increase from the outcome the previous month which was revised slightly upwards to show a 0.8% drop, according to initial data from the Economy Ministry.

The credit crunch in recession-hit Italy worsened for shops, tourism and service businesses in the Q2 2013, retailers association Confcommercio said. The proportion of businesses who had requests for loans granted fell to 26.9% in the Q2, the lowest level since 2009, compared to 29.6% in the Q1 of the year.

Portugal's unemployment rate has fallen for the first time in two years. The National Statistics Institute on Wednesday said preliminary estimates show the jobless rate in the Q2 dropped to 16.4% from a record 17.7% in the Q1.

Swiss annual consumer prices were steady in July compared to a year ago. Prices fell 0.4% m-o-m, with the decline driven mainly by clearance sales in the clothing sector. Prices for groceries and petrol rose, though the cost of car and air transport fell.

North America

U.S. consumer credit increased at an annual rate of 5.9% in June, a slower gain than 7.5% in the previous month, the U.S. Federal Reserve said. Total consumer borrowing rose from a revised US\$2.83 trillion in May to a seasonally adjusted US\$2.85 trillion in June. Credit-card

spending decreased to US\$853.6 billion in June, down 3.8% from the May figure.

Incomes in Mexico's 31 states and the District Federal have not yet recovered from the shock of the economic crisis of 2008, according to the National Institute of Statistics and Geography. Nationally, the average current quarterly income fell 10.2%, from US\$3,229 over the three months in 2008 to US\$2,901 in 2012.

South America

Inflation in Brazil slowed sharply in July after authorities in several cities and states rolled back public transport fare increases to quell the largest street protests in decades, data showed on Wednesday. Annual inflation slowed to 6.27% through July from a 20-month high of 6.70% in June, IBGE said.

Colombia's oil production increased 9% between July 2012 and July 2013, reported the Ministry of Mines and Energy. This represents an average of 1,020,000 barrels per day. Oil production averaged 935,000 barrels a day in the same month last year. Gas production also rose 14.8% throughout the same period.

Venezuela's annual inflation rate hit 42.6% in July, even as the m-o-m rise of consumer prices slowed to 3.2%, from 4.7% in June, the central bank said. The increase in July, which takes accumulated inflation to 29% for the first seven months of the year, was spurred by a 6.4% jump in transport costs and a 4.9% rise in the cost of clothing and footwear.

Oil & Gas News

West Texas Intermediate crude rose for the first time in five days as exports and imports climbed last month in China. Futures advanced as much as 0.5% in New York, snapping four days of declines.

Commodities News

Copper climbed to the highest level in seven weeks. Copper for delivery in three months on the London Metal Exchange rose as much as 2% to \$7,146 a metric ton.

Currency News

The yen fell 0.4% to 96.67 per dollar at 12:06 p.m. in Tokyo.

The yuan rose 0.05% to 6.1164 per dollar as of 11:39 a.m. in Shanghai.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
07-Aug-13	1,278.02	3.3	108.13	32.77	1.68	1.94	1.27	113.13	8118.86	77.47	2.55	34.35	24.78	3,235.86
08-Aug-13	1,295.27	3.23	107.78	33.37	1.69	1.94	1.27	113.69	8108.33	76.67	2.57	34.39	24.81	3,229.91
% Change	1.35	-2.12	-0.32		0.37	-0.04	0.13	0.50	-0.13	-1.03	0.64	0.11	0.16	-0.18

Economic & Financial News

Research & International Division

14/8/2013

*...Indonesia to maintain domestic consumption as main pillar for growth...
...Portugal consumer prices slip 0.2%...*

South East Asia

The Indonesian government will continue to maintain domestic consumption as a main pillar for the country's economic growth, Chief Economic Minister Hatta Rajasa said.

Philippines' merchandise exports recovered in June, gaining 4.1% y-o-y to US\$4.49 billion due to increases posted by four major commodity groups, namely woodcrafts and furniture, other mineral products, metal components and other electronics.

The commerce minister yesterday insisted that the cumulative cost to the country of the government's rice-pledging scheme over its first two years had not exceeded Bt650 billion, and said the government would be able to bring the figure down to Bt500 billion this year through stepped-up selling of rice stocks.

Ha Noi will provide roughly US\$15 million in zero-interest loans between July 2013 and April 2014 in a bid to stabilise the price of essential goods, the Ha Noi Department of Industry and Trade said.

North East Asia

China's slowing economy has hammered businesses supplying the raw materials for growth, with coal and aluminium firms at risk of defaults and closures after clocking up at least US\$490 billion of debt in a rush to expand.

Japanese Prime Minister Shinzo Abe may look at cutting corporate taxes to ensure he can push through a planned sales tax increase as he seeks to show he has a strategy to both foster an economic recovery and contain the country's enormous public debt.

The Korean jobless rate remained unchanged 3.1% last month. The jobless rate adjusted for inflation also stayed unchanged at 3.2% over the cited period, according to the report by Statistics Korea.

Australasia

New Zealand retail sales grew were picking in the Q2 this year, led by record gains in the hospitality sector. The total volume of retail sales rose 1.7%, seasonally adjusted, to \$17.94 billion in the three months ended June

30, from a 0.9% pace of growth in the Q1, according to Statistics New Zealand.

Indian Sub-Continent

Reserve Bank of India's Governor D Subbarao has said to prevent 2008-like crisis, it is essential that banking firms and non-banking financial companies (NBFCs) be under a unified regulation of the central bank. For monetary policy to be effective, credit creation should be regulated by the central bank.

The IMF has agreed that Pakistan can seek a loan package worth US\$6.6 billion, a boost for Prime Minister Nawaz Sharif as he seeks to fix the moribund economy. The IMF will formally approve the package, as long as Pakistan has made some fiscal reforms. The government has already slashed costly subsidies on electricity and sent out notices to 10,000 delinquent taxpayers last month.

Middle East and North Africa

Egypt's cabinet said it has started drafting a document for an economic road map to formulate a strategic vision of the country's future and make timetables for short and long-term projects. The document would also create an economic and social vision for short and long-term plans to secure energy sources and supplies and to boost investment opportunities and combat unemployment.

Jordanian CPI rose at the end of July by 6.4%, according to the Department of statistics. The computed figure was the outcome of an increase in the prices of fuel, vegetables and fruits, lighting and transport services, coupled with a drop in the prices in a few other commodities.

The total value of ongoing projects in the GCC region currently stands at \$2.62 trillion, with the Kingdom accounting for \$875 billion. The Kingdom's strong construction market is being driven by government spending and high oil prices, according to a recent Global Investment House report.

Turkish industrial production saw a m-o-m rise of 1.4% in June and grew on average 3.2% in the Q2, according to the Turkish Statistics Institute.

Eastern Europe

Russia's economy could grow just 2% this year, the central bank said, and the economy minister called for the inflation target to be broadened, which would give more scope to ease interest rates to support growth.

Romania recorded the European Union's highest y-o-y growth in industrial production in June with an increase of 9.6%, according to the EU's statistics office Eurostat.

Western Europe

German inflation in July hit a high for 2013 due primarily to an increase in food prices. The Federal Statistics Office Destatis said the inflation increased 1.9% y-o-t, up from 1.8% in June and 1.5% in May. The cost of living was pushed up by a 5.7% increase in food.

Greece's economy shrank by 4.6% on an annual basis in the Q2, marking a gradual deceleration of the country's longest recorded recession, while the government reported a surplus for the first seven months of the year, official data showed on Monday.

Norway's economy appears to be back on track thanks to a rebound in its massive oil industry and rising spending by its cash-rich consumers. Retail sales fell 0.2% on the month in June, while broader goods consumption grew by 0.4%

Portugal's inflation fell by 0.2% in July as by clothing and footwear prices fell 9.1% due to summer sales, the National Statistics Institute said. The data showed y-o-y inflation also decelerated, to 0.8% in July from 1% in June. Average annual inflation slowed down to 1.3%.

Spanish CPI raised 1.8% y-o-y in July according to the National Statistics Institute, compared to 2.1% in June due to lower price rises for medicine, housing and transport.

UK consumer price inflation edged lower in July as expected to an annual rate of 2.8%, from 2.8% in June, according to the Office for National Statistics. The largest contributions to the fall came from air fares, recreation and cultural, and clothing & footwear.

North America

Canada's merchandise exports grew 1.4% in June, to CAD39.6 billion, outpacing a rise in imports of 0.6%, to CAD40 billion, according to Statistics Canada.

U.S. retail sales edged up in July despite a drop in auto sales. The Commerce Department said that retail sales increased 0.2% in July from June. Sales had risen 0.6% in June from May on a surge in auto sales.

Mexican President Enrique Pena Nieto proposed on reforms that would open up the country's oil sector to foreign investors for the first time in 75 years, reforms that could spur economic growth and spotlight Mexico as a rising power as other big emerging markets struggle.

South America

Banco Central do Brasil is pressing ahead with its rapid increase in lending, urged on by the government, even as the economy slows and its private-sector rivals hold back. Low unemployment, rising salaries and ample credit have fueled strong consumer demand, while industry has contracted.

Chile's central bank kept its key benchmark interest rate at 5%, as expected, but again hinted that slowing economic growth and domestic demand could prompt an imminent rate cut.

Oil & Gas News

West Texas Intermediate crude snapped a three-day rising streak after an industry report showed fuel stockpiles increased in the U.S., the world's largest oil consumer. Futures slid as much as 0.4% after advancing 3.3% since Aug. 8.

Commodities News

Gold fell for the first time in a week as signs of gains in the U.S. economy. Gold futures for December delivery fell 1% to settle at \$1,320.50 an ounce at 1:47 p.m. on the Comex in New York.

Currency News

The dollar held gains from yesterday against most of its major peers as signs of economic recovery. The dollar bought 98.13 yen as of 11:29 a.m. in Tokyo from 98.20 yesterday, when it rose 1.3%.

The won dropped 0.4% to 1,119.82 per dollar as of 10:12 a.m. in Seoul, the biggest decline since July 31, according to data compiled by Bloomberg.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
08-Aug-13	1,295.27	3.23	107.78	33.37	1.69	1.94	1.27	113.69	8108.33	76.67	2.57	34.39	24.81	3,229.91
14-Aug-13	1,322.35	3.3	109.36	33.14	1.68	1.95	1.26	115.24	8149.30	77.10	2.58	34.63	24.76	3,242.94
% Change	2.09	2.17	1.47		-0.36	0.42	-0.47	1.36	0.51	0.56	0.52	0.68	-0.21	0.40

Economic & Financial News

Research & International Division

15/8/2013

*...MMK 410 billion loan approved for state owned enterprises...
...Morocco jobless rate tops 1 million...*

South East Asia

Bank Indonesia (BI) is likely to end its series of monetary tightening in response to the slowdown in economic growth after performing bold interest rate hikes over the last two months. Top BI officials will convene in its monthly board of governors' meeting later today, when, economists say, they will keep the BI rate steady at 6.5%.

SMEs would need to contribute more to economic growth for Malaysia to achieve its target to become a high-income nation, the secretary-general Tan Sri Mohd Irwan Serigar Abdullah said. "Without creative and innovative entrepreneurs, Malaysia will never realise developed and high-income nation status," he said. Current contribution from SMEs stands at 33% to GDP.

The Parliament has approved a proposal from the Minister of Finance U Win Shein to grant a MMK 410 billion (around US\$420.5 million) loan at an interest of 4% per annum owing to capital deficit in state-owned enterprises under four ministries.

The Philippines' manufacturing sector grew at a slower 9.9% pace in June from a revised 21.7% expansion posted in May, due to a slowdown in the performance of petroleum products and electrical machinery industries.

The International Trade Promotion Department will launch more than 200 activities to promote Thai goods overseas throughout the remainder of the year, amid many worrying signs for exporters. The Commerce Ministry will maintain an overall export-growth target for this year of 7-7.5%, with total exports worth between Bt245 billion and Bt246 billion.

Vietnam's total money supply in the past five months of the year rose 5.3% against December last year to reach US\$181.34 million, according to the State Bank of Viet Nam. The figure was also 3.88% higher than the same period last year. Total outstanding loans for the whole banking system at the end of May were estimated to have grown 3.13% from last December to nearly US\$148.27 million.

North East Asia

Power consumption in China rose 8.8% in July from a year earlier, according to the National Energy Administration. The growth was 4.3 percentage points higher than a year earlier. China aims to support the

consumption of information products and services and make the sector a new engine for boosting domestic demand and driving economic growth.

The exchange fund's foreign assets in Hong Kong decreased by HK\$29.7 billion (about US\$3.8 billion) to HK\$2.48 trillion in July, the Hong Kong Monetary Authority said.

Japan's economy expanded at a slower pace 0.6% in the Q2, indicating an annualised increase of 2.6%, according to the latest government figures. That is down from the 4.1% annual rate in the Q1 this year.

South Korea needs to transform its economic and industrial structures into energy-saving ones as part of efforts to tackle potential power shortage problems caused by the prolonged nationwide heat wave, the finance minister said.

Indian Sub-Continent

Driven by vegetables, wholesale price index-based inflation again moved out of the comfort zone of the Reserve Bank of India to stand at 5.79% in July against 4.86% in the previous month. Fuel prices also showed a rise in inflation and manufactured items saw a bit of increase in the rate of rise over the period.

The 17th Instalment of IMF under SBA facility amounting to US\$145.3million paid by Pakistan indicating fiscal discipline maintained by the country. The on time regular payments of IMF instalment to the donor agency despite financial crisis is a plus point which help in getting consent of IMF for another loan.

Middle East and North Africa

Rising rents and utility costs are driving inflation across the Emirates to its highest level in two years as Dubai's property recovery spreads to secondary locations. In Dubai, housing and utility costs rose 1.4% over the year and 0.2% during the month, the Dubai Statistics Centre revealed. Housing costs account for almost 44% of consumer expenses in the emirate's calculations. The overall change was 1.6% y-o-y.

Unemployment in Morocco rose in the Q2 of 2013. The number of people without jobs grew by 100,000 to a total of 1,049,000, according to a High Commission for Planning. The national jobless rate now stands at 8.8%,

up from 8.1% a year ago. Layoffs and business failures are the chief causes.

Oman's potential oil reserves are estimated at 50 billion barrels, of which 5 billion barrels are ready for production, according to H.E. Nasser al Jashmi, undersecretary of the Ministry of Oil and Gas.

Eastern Europe

CPI inflation in Poland amounted 1.1% y-o-y in July, statistics office GUS announced. The m-o-m CPI figure was 0.3%. Prices of housing-related goods and services grew by 1.5% m-o-m, those in the transportation sector grew by 1.1% and those in recreation and culture grew by 0.6%.

Romania's economy grew by 0.3% in the Q2 of 2013 compared to the Q1, driven by strong industrial output, AFP informed. GDP expanded by 1.7% in the first half of 2013 compared to the same period a year earlier, the National Statistics Office said.

Hungary's economy grew in the Q2. On a quarterly basis, GDP grew 0.1% after 0.6% in the Q1, when Hungary exited recession with growth outperforming many other eastern and central European economies. Hungary's industrial output dipped in June by 0.6% y-o-y.

Western Europe

France's economy has jumped out of recession, posting stronger-than-expected 0.5% q-o-q growth in Q2, its best result in two years. The expansion was largely to improved domestic consumption, the national statistics agency INSEE said in a statement.

German economy was gaining momentum in the Q2 of 2013, with its GDP increasing 0.7% compared with the Q1, which saw a stagnation of the Europe's largest economy, according to German Federal Statistical Office. Positive contributions were made mainly by domestic demand.

Ireland's trade surplus narrowed in June from May as exports grew slower than imports. Ireland is counting heavily on exports to help it emerge from its debt crisis. The trade surplus fell to €2.989 billion euros in June from €3.064 billion in May, the Central Statistics Office said in a statement.

Dutch economy shrank by 0.2% in the Q2 of 2013, the Central Bureau for Statistics reported. This was the fourth consecutive quarterly contraction for the Dutch economy. Y-o-y, the economy shrank by 1.8%.

The turnover of services sector in Spain fell by 4.2% in June compared to the previous year, according to the National Institute of Statistics. On a monthly basis, the services sector turnover decreased by 2% compared to May.

Unemployment in the UK held steady in the Q2 at 7.8%, but the outlook brightened as jobless claimants fell almost twice as fast as expected and the number of people in work hit a record high.

North America

The Canadian Conference Board says its research is pointing to a lean period ahead for corporate profits in Canada. The Ottawa-based think-tank's profitability index fell for the third consecutive month in July, pointing to continued slow growth in the Canadian economy.

US producer prices were flat in July and pointed to very little inflationary pressure in the economy. The Labour Department said on Wednesday a drop in natural gas and gasoline costs held back its seasonally adjusted producer price index rose to 0.1%.

Oil & Gas News

The price of oil fell to near US\$106 a barrel yesterday as traders responded cautiously to data showing that a stubborn recession in the Eurozone has ended.

Commodities News

Demand for cocoa will exceed output by 119,000 metric tons in the 12 months starting in October, the first shortage in four years, according to Macquarie Group Ltd.

Currency News

The Swiss franc slid 0.2% to 1.23995 per euro as of 5 p.m. in New York after depreciating to 1.24269 after EU pulled out of recession Q2.

The Canada's currency gained as much as 0.2% to C\$1.0319 per U.S. dollar before trading little changed at C\$1.0342 at 5 p.m. in Toronto.

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-Aug-13	1,322.35	3.3	109.36	33.14	1.68	1.95	1.26	115.24	8149.30	77.10	2.58	34.63	24.76	3,242.94
15-Aug-13	1,343.90	3.34	110.59	33.11	1.68	1.96	1.27	115.41	8119.52	77.26	2.58	34.55	24.68	3,229.35
% Change	1.63	1.21	1.12		0.05	0.30	0.41	0.15	-0.37	0.21	0.03	-0.21	-0.33	-0.42

Economic & Financial News

Research & International Division

17/8/2013

*...Thai SMEs still not up to speed on AEC...
...Peru's June GDP Increased 4.4%...*

South East Asia

Brunei's trade balance slipped 3.8% in May from April with a 2.5% decrease in total trade, the Department of Economic Planning and Development said. The CPI for June rose 0.8% y-o-y.

The Indonesian government is trying to cut the ratio of its debts to GDP at the end of 2014 to 22-23% to achieve sustainable fiscal self-reliance. The ratio is far lower than those of other developing nations which reach 33%.

About 5,600 Lao people have secured jobs as construction workers at the Xayaboury dam, thanks to the project's employment policy, according to the project's Public Relations Advisory, Mr Khamkhong Kongvongsa.

Fitch basically downgraded its outlook for Malaysia, casting doubt over the Government's ability to be fiscally responsible at a time when the fiscal debt to GDP ratio seems to be going up.

The Philippines government's outstanding debt rose by almost 7% y-o-y to P5.451 trillion as of June. The latest figure was also 1.6% higher than the previous month. Of the total government debt stock as of June, 64.2% was borrowed from domestic lenders, while the other 35.8% was borrowed from foreign lenders.

Singapore's non-oil domestic exports continue to decline in July, due to a contraction in the electronics sector. Exports eased by 0.7% last month from a year ago, following an 8.9% decrease in the previous month, the Trade agency International Enterprise said.

Thailand is ahead of its ASEAN peers in preparation for the ASEAN Economic Community (AEC), but local small and medium-sized enterprises are urged to pick up the pace. Thailand has a 70% readiness level, but the country needs to develop the remaining 30% before the AEC starts in 2015, said Deputy Prime Minister.

Viet Nam's auto sales eased by 3% m-o-m to 9,360 units in July, Viet Nam Automobile Manufacturers' Association reported yesterday. It noted that this figure was still up 26% against July last year.

North East Asia

China's government debt situation is unlikely to become critical in the short term, as it urged quicker reform of the public finance system to strengthen the

fiscal position of local governments. The Development Research Center of the State Council said the net value of China's government liabilities as of the end of 2010 stood at \$1.85 trillion.

Hong Kong economy grew 3.3% in Q2 of this year in real terms over a year earlier, slightly up from the 2.9% growth in Q1 as local consumption and spending by inbound tourists helped make up for continuing weaknesses in demand.

Japanese government officials are planning to propose cutting tariffs on about 80% of items in the coming Trans-Pacific Partnership free trade talks

South Korea's state-run companies and other public institutes had employed nearly 13,000 young people through their internship program during the first half of this year, the finance ministry said.

Taiwan's property transaction prices remained unchanged in June, with the highest housing property unit transaction price reaching NT\$1.805 million per ping, the Ministry of the Interior reported.

Indian Sub-Continent

The Reserve Bank of India cut the overseas investment limit for companies to 100% of their net worth from 400%, and further curbed gold imports. Any foreign investment more than 100% of a company's value would require central bank approval. Large state companies were exempted from the rules, which came into effect immediately.

Pakistan has attracted \$60.7 million FDI in the first month of the current fiscal year compared to \$51.7 million received during the same month in 2012, the State Bank of Pakistan reported. FDI increased by 17.4% during July 2013.

Middle East and North Africa

Saudi Arabian inflation rate reached 3.7% last July, the highest since last May when it stood at 3.8%. The rise in inflation rate coincided with Ramadan — a time when demand for food and beverages prices skyrocket.

Turkish unemployment rate increased 8.8% June 2013 y-o-y from 8.2%. The seasonally adjusted, the unemployment rate rose from the periods of May to June from 9.4% to 9.6%, the Turkish Statistics Institute said.

The UAE saw a 40% surge in consumer demand for gold during the Q2 of the year over the same period last year, according to the World Gold Council. The total gold demand in the country increased to \$1.04 billion or 23% during the Q2 of 2013, compared to \$843 million.

Western Europe

Exports from Eurozone rose 3% in June from May, when they dropped 2.6%, the EU statistics office said. Shipments from Germany gained 6.3%, after a 9% decline the prior month. Inflation in the Eurozone was flat in July at an annual rate of 1.6%. Compared with June, the consumer prices fell 0.5%, the Eurostat data agency said.

Greek businesses want a 13% wage cut, affecting about 500,000 retail workers, the President of the National Confederation of Greek Commerce, Vassilis Korkidis said. That would lower their monthly wage before taxes from €863 to €751.

By the end of this month €220 million will have been allocated to small and medium-size businesses throughout Portugal as part of an attempt to boost the nation's productivity via a programme named 'Revitalizar'.

High inflation in the Netherlands is only expected to be temporary, De Nederlandsche Bank said, as the effect of government measures eases off this year. Dutch inflation was almost twice as high as euro-area inflation at 3.1% in July.

Spanish public debt rose by over €6 billion in June from May, the Bank of Spain said, to just under its full-year target as a percentage of GDP.

British retail sales volumes jumped 1.1% last month and annual rise of 3%, as a heat wave boosted sales of barbecue food and outdoor items, the Office for National Statistics said.

North America

U.S Commerce Department said builders began work last month on houses and apartments at a annual rate of 896,000. That was up 6% from June. U.S. The non-farm business sector labour productivity rose at a 0.9% annual rate from Q2, from 1.7% decline in the Q1 this year, the U.S. Labour Department said.

Canadian manufacturing sales fell a 0.5% to \$48.2 billion during the month, falling short of the consensus estimate of a modest 0.3% gain, and revised the previous

two months down. This directly impacts economic output, as production fell 1.3%, Statistics Canada reported.

South America

Argentina's central bank said it will use \$2.5 billion to pay public debt through the rest of 2013, a move that will further diminish reserves already stretched by heavy state spending ahead of the October midterm election. Argentina's inflation rate was 0.9% in July.

Brazil's economic activity slowed down in the Q2 of 2013, compared with the Q1 of the year, the central bank said. The growth edged up 0.89% in the period, while the Q1 witnessed a 1.1% growth. Compared on a yearly basis, economic activity expanded 3.97%, said the bank.

The Chilean Congress gave the green light to a draft bill to increase minimum wages to 210,000 pesos (US\$420 dollars) from current US\$386 - far lower than the amount demanded by workers and without a retroactive effect.

Colombia has left its interest rate unchanged for four months at 3.25% after cutting them by 200 basis points between July 2012 and March to breathe life into an economy whose growth slowed to 4% in 2012 from 6.6% in 2011.

Peru's economy expanded 4.4% in June 2013 compared to the same month a year ago, national statistics agency INEI said. Peru's GDP increased 5.1% in the first half of this year. The economy grew 1.4% in June compared to May.

Oil & Gas News

Brent crude edged up towards \$110 a barrel on Friday and was on track for a weekly rise as unrest in Egypt stoked supply fears.

Commodities News

Gold bar and coin investment grew by 78% globally in Q2 2013 compared to the same quarter last year, topping 500 tonnes in a quarter.

Currency News

The pound posted a second weekly gain versus the euro and the dollar amid signs the U.K. economic recovery. The pound was little changed at 85.32 pence per euro at 4:40 p.m. London time, after appreciating to 85.05 pence yesterday.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
15-Aug-13	1,343.90	3.34	110.59	33.11	1.68	1.96	1.27	115.41	8119.52	77.26	2.58	34.55	24.68	3,229.35
17-Aug-13	1,376.57	3.37	110.4	32.76	1.70	1.99	1.27	116.50	8163.27	76.86	2.58	34.46	24.63	3,197.53
% Change	2.43	0.90	-0.17		0.85	1.46	0.24	0.94	0.54	-0.52	-0.03	-0.27	-0.20	-0.99

Economic & Financial News

Research & International Division

20/8/2013

*...Thailand unexpectedly entered recession since global financial crisis...
...India to launch subsidised food programme...*

South East Asia

Indonesia reduced its balance of payment deficit to US\$2.5 billion in Q2 2013 from US\$6.6 billion in Q1 2013, Bank Indonesia has stated. The decline was attributed to effective fiscal policies adopted by the central bank and the government.

The Philippine economy is seen to expand at an average of 6.4% from 2013 to 2016, as the government continues to improve the investment climate in the country, credit ratings agency Standard and Poor's (S&P) said.

Thailand cut its 2013 growth forecast, as it entered recession for the first time since the global financial crisis. The GDP unexpectedly shrank 0.3% in the three months through June from the previous quarter, when it contracted a revised 1.7%, the National Economic and Social Development Board said.

Vietnam hasn't committed to injecting capital into the country's banks, following its recommendations calling for measures beyond buying bad debt from lenders, according to the IMF.

North East Asia

China's coal output and sales both declined in the first seven months of 2013, down 3.5% and 3.9% respectively, from the same period last year. China is the world's largest producer and consumer of coal in 2012.

Home prices in China's major cities continued to rise in July due to unabated demand from first-time buyers and increasing momentum in the land market across the country, the National Bureau of Statistics said. Excluding government-subsidized affordable housing, new home prices rose in 62 of the 70 cities.

Hong Kong's jobless rate was steady at 3.3% for May-July. Total employment grew steadily further to another record high and was able to absorb about two-thirds of the additional labour supply.

Japan's trade deficit nearly doubled last month as a weaker yen sent Japan's energy import bill soaring, the government said. The finance ministry reported a bigger-than-expected deficit of 1.024 trillion yen for July.

Japanese exports rose in July at the fastest annual pace in nearly three years as the benefits of a weak yen finally started to take hold, and brisk sales of cars and electronics to the United States, Asia and Europe showed a recovery in overseas demand.

The Agency for Natural Resources and Energy in Tokyo says that, as of Aug 14, the national average for the price of regular gasoline has risen to 160 yen per liter, 0.1 yen higher than the previous week.

Indian Sub-Continent

India's services exports in June this year stood at USD 12.35 billion, down 3.5% from the preceding month, Reserve Bank data showed.

The Indian government is to launch a programme to provide subsidised food to two thirds of the population. The ambitious legislation, which will cost 1.3 trillion rupees (\$23.9bn; £15.8bn) a year, is being called one of the world's largest welfare schemes.

Middle East and North Africa

The Middle East and North Africa (MENA) region had the highest unemployment rate across the world in 2012 at 19%, Gallup, the global research company, said in its latest annual "Payroll to Population (P2P)" survey.

The Saudi economy created two million jobs in a four-year period (2009-2012) of which 1.5 million jobs went to non-Saudis, local media said.

Eastern Europe

Russia's economy showed small signs of improvement in July, with business investment returning to growth and retail sales suggesting greater consumer confidence.

Western Europe

German economy will return to "normal, steady growth" in the second half of 2013, but sounded cautious about investment, the Bundesbank wrote in its August monthly report.

France may impose a new tax on airline tickets to fund a planned rail link between Paris and the capital's Charles de Gaulle (CDG) airport, the transport ministry said on Monday.

The Confederation of British Industry raised its forecasts for U.K. economic growth this year to

1.2% and 2.3% in 2014 as business and consumer confidence strengthens and credit conditions improve.

Australasia

National Australia Bank met forecasts with a 7% rise in 3rd quarter profit, struck on slightly higher revenue due to growth in mortgages and a better customer margin, while bad debt charges eased.

North America

Jobless rates in US dropped in only eight states in July from the previous month and rose in 28, the Labor Department said, as employment gains sputtered. The slight improvement in employment last month came after jobless rates fell in only 11 states in June from May.

Oil & Gas News

West Texas Intermediate oil was little changed after declining yesterday for the first time in seven

days. Brent for October settlement decreased 25 cents to \$109.65 a barrel.

Commodities News

Gold fluctuated between gains and losses after dropping from a two-month high. Spot gold rose and fell at least 0.2%, and traded \$2.19 higher at \$1,368.17 an ounce in Singapore.

Currency News

Indonesia's rupiah fell to 10,500 per US dollar for the first time since 2009.

The ringgit closed lower against the US dollar yesterday on weaker demand for the local note. It weakened against the US dollar at 3.2845/2875 from 3.2748/2778.

The dollar traded around ¥97.50 in Tokyo trading 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
17-Aug-13	1,376.57	3.37	110.4	32.76	1.70	1.99	1.27	116.50	8163.27	76.86	2.58	34.46	24.63	3,197.53
20-Aug-13	1,368.80	3.47	109.72	31.62	1.70	1.99	1.27	117.47	8225.04	76.59	2.58	34.23	24.59	3,173.33
% Change	-0.56	2.97	-0.62		0.18	0.25	0.31	0.83	0.76	-0.34	-0.08	-0.67	-0.15	-0.76

Economic & Financial News

Research & International Division

20/8/2013

*...More U.S. investments will be pouring into ASEAN...
...Greece will need another bailout to plug a forthcoming funding gap...*

South East Asia

Indonesia's manufacturing sector is expected to expand to 7% next year by the government, to help sustain economic growth amid the potential for a further slowdown.

Malaysia's economic growth likely picked up in April-June as activity recovered after a tense national election, but skittish investors could focus more on signs that weak exports are pushing the current account towards a deficit.

The annual growth of the general wholesale price in the Philippines rose to 2.8% in June from 0.3% in May. Increases were noted in the mineral fuels, lubricants and related materials index; chemicals including animal and vegetable oils and fats index; and miscellaneous manufactured articles index.

Singapore's inflation probably edged higher in July, with the consumer price index (CPI) rising at a faster y-o-y pace for a third consecutive month on the back of an increase in food and car prices.

Singapore's domestic wholesale trade dipped 1.1% in Q2 of 2013 compared to a year ago. Excluding petroleum, domestic wholesale trade remained unchanged from the corresponding quarter last year.

The Hanoi Capital's Statistics Office on August 21 announced an increase of 3.16% in Consumer Price Index (CPI) in August, which was 1.5 times higher than last seven months and 2.5 times higher than in February.

The fact that Vietnam imported US\$18 billion more than it exported in 2008, exported US\$748.8 million more than it imported in 2012 and saw a trade deficit of only US\$733 million in the first seven months of 2013 is a significant achievement.

North East Asia

Hong Kong's consumer prices rose 6.9% in July over the same month a year earlier, rising from the 4.1% gain in June.

China's state-owned enterprises saw their profits pick up for 3 months in a row to the end of July. Net profits at SOEs grew by 7.6% year on year in the first 7 months of the year.

Taiwan's export orders recovered slightly in July, ending five successive monthly declines on improving demand from major markets including the United States and China, the government said.

South Korean exports rose by a strong 15.6% from a year earlier, adding to signs of the trade-dependent economy gathering momentum.

South Korean short-term external debt totaled \$119.6 billion as of the end of June, down \$2.6 billion from three months earlier, according to the Bank of Korea (BOK).

Australasia

The Royal Bank Australia (RBA) has cut its benchmark cash rate to a record low 2.5% at its August 6 policy meeting, saying low inflation and slowing economic growth permitted the move.

Indian Sub-Continent

India's economic crisis is has seen more than US\$11 billion pulled from its markets in less than two months, according to the Financial Times.

Western Europe

The key Euribor bank-to-bank lending rate held steady on Monday as expectations of an ECB interest rate cut faded after data last week showed the euro zone exited recession in the second quarter.

Greece will need another bailout to plug a forthcoming funding gap, according to Germany's finance minister Wolfgang Schaeuble.

North America

The United States' manufacturing is overtaking competitors and stands to grab up to \$115 billion more in export business from rivals by 2020, according to the Boston Consulting Group study. A more productive US factory sector, enjoying cheaper energy and relatively lower wages, will pull production from leading European countries, Japan and China.

More U.S. investments will be pouring into ASEAN, according to the latest ASEAN Business Outlook Survey 2013-2014. American business sentiment towards ASEAN

remains optimistic -- 91 per cent of respondents expect their companies trade and investment in ASEAN to increase over the next five years.

Oil & Gas News

World oil prices fell for a second straight day on Tuesday, with the New York benchmark futures contract down 2 percent on its last day of trade.

West Texas Intermediate crude declined to its lowest in more than a week. WTI for October delivery slid as much as 68 cents to \$104.43 a barrel and was at \$104.53.

Commodities News

Gold fluctuated between gains and losses before the U.S. Federal Reserve releases minutes from its last meeting. Spot gold rose and fell at least 0.4%, and was 0.2% lower at \$1,368.57 an ounce.

Currency News

The Indonesian rupiah hit a four-year low on Wednesday on bond outflows and dollar demand from importers amid thin greenback liquidity, while investors kept an eye on the psychologically important 11,000 support level.

The Malaysian ringgit turned weaker before the country's Q2 current account and growth data later in the day. The Thai baht hit another 13-month low on selling from real money and hedge funds.

India's rupee slumped to a new record low against the dollar on Tuesday, prompting suspected central bank intervention, amid fears that measures to stabilise the currency and kickstart the economy will not work.

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-Aug-13	1,368.80	3.47	109.72	31.62	1.70	1.99	1.27	117.47	8225.04	76.59	2.58	34.23	24.59	3,173.33
21-Aug-13	1,364.35	3.44	109.55	31.85	1.71	2.00	1.28	115.85	8212.20	76.33	2.58	34.20	24.76	3,128.75
% Change	-0.33	-0.86	-0.15		0.45	0.42	0.27	-1.38	-0.16	-0.34	0.10	-0.08	0.66	-1.40

Economic & Financial News

Research & International Division

22/8/2013

**Malaysia's economy expanded by 4.3% in the second quarter of this year...
Thailand holds interest rate amid economic weakness...**

South East Asia

The Indonesian government launched the development of its first bioethanol plant in cooperation with a Japanese counterpart in Mojokerto, East Java.

Indonesia will find it hard to achieve its target of growing the economy by 6.3% for this year due to a change in US economic policies which affects the global economy, said President of Indonesia.

Malaysia's economy grew 4.3% in Q2, slowing considerably on a Y-O-Y basis and prompting the central bank to lower its full-year growth forecast.

The Bangko Sentral ng Pilipinas is set to issue a new reporting system called Credit Card Business Activity Report to assess the credit card situation in the country in order to determine the number of credit cards issued and the number of cardholders in the country.

Thailand left its benchmark interest rate at 2.5% amid concerns over sluggish economic growth. This comes after official figures showed persistent weakness in the kingdom's economy in the first two quarters of the year.

The Bank for Investment and Development of Viet Nam yesterday cut its monthly deposit interest rate for the Vietnamese dong to 5%, as much as a 1.5 percentage point lower than its old rate.

North East Asia

China ranks top target of European Union's punitive trade measures in the first seven months of 2013, according to the latest report issued by the European Commission. All of the Union's four anti-dumping and anti-subsidy investigations from January 1 to July 31 were targeted against China.

Transactions in China's booming online business-to-consumer market grew 82% in Q2 2013 from the same period last year, bounced from a mild first quarter as promotions by major e-retailers spurred consumption.

Japanese Cabinet Office will hold six-day meetings to intensively discuss the possible impact of the planned two-stage consumption tax hike on Japan's economic and fiscal conditions.

Indian Sub-Continent

Foreign direct investment into India increased by about 16% y-o-y to USD 1.44 billion in June.

The Indian government is expected to propose a higher levy for the super-rich under the new direct tax law, including a 35% levy on those earning more than Rs 10 crore and a heavier burden for people with wealth of more than Rs 50 crore. The Direct Taxes Code Bill that will replace a 50-year-old legislation is to be discussed by the Union Cabinet.

Middle East and North Africa

Egypt plans to avoid raising taxes or cutting spending but instead use billions of dollars in aid pledged by Gulf States to spur the economy through new investments, Finance Minister said.

Supported by government efforts to diversify the economy away from hydrocarbon sector, Oman's economy is expected to grow by 4.6% in 2013 and 4.1% in 2014, according to global credit ratings agency Moody's.

Eastern Europe

Russia's retail sales rose 0.6% month-on-month in July, the Ministry of Economic Development said.

Russia's net trade surplus fell 15% to \$91.6 billion for the first half of 2013, the Federal State Statistics Service reported.

Western Europe

The European Central Bank reaffirmed the euro zone would help the country trim debt as long as it stuck to its latest aid program, but stopped short of indicating that Greece would need a new bailout.

Southern Europe's cash-strapped governments are courting wealthy Chinese homebuyers, seeking to bolster their battered real estate markets by offering visas to those who purchase prime properties.

Turkey raise the overnight lending rate a day after the lira hit a record low against the euro, in spite of domestic political resistance to tighter monetary policy.

North America

The timing of the Federal Reserve's plan to reduce its stimulus programme remained unclear after minutes of their last meeting showed divisions over the strength of economic growth.

Sales of previously owned US homes jumped in July despite rising mortgage interest rates, with prices continuing to post year-on-year double-digit gains, an industry report said.

Oil & Gas News

Oil prices on Wednesday retreated for a third straight day as global markets fixated on the timing for the Federal Reserve to scale back its stimulus programme. US benchmark West Texas Intermediate for October delivery dropped \$1.26 to \$103.85 per barrel.

Commodities News

Gold futures in New York fell after regular trading as the Federal Reserve released minutes from its July meeting showing officials support Chairman Ben S. Bernanke's timeline for reducing stimulus. Gold futures for December delivery slid 0.1% to \$1,370.80 an ounce.

Currency News

Thailand's baht fell to the weakest level since August 2010 after Federal Reserve minutes showed officials support a cut in stimulus this year if the U.S. economy improves. The baht dropped 0.8 % to 32.09 per dollar in Bangkok.

India's rupee plunged to a new record low of 64.60 to the dollar on Wednesday despite suspected central bank attempts to prop up Asia's worst performing major currency 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
21-Aug-13	1,364.35	3.44	109.55	31.85	1.71	2.00	1.28	115.85	8212.20	76.33	2.58	34.20	24.76	3,128.75
22-Aug-13	1,360.05	3.47	109.64	31.60	1.71	2.00	1.28	115.34	8420.34	76.13	2.58	34.27	24.88	3,108.99
% Change	-0.32	0.87	0.08		0.46	0.05	-0.05	-0.44	2.53	-0.27	-0.08	0.20	0.48	-0.63

Economic & Financial News

Research & International Division

24/8/2013

*... Indonesia still top destination in Southeast Asian region ...
... Germany's budget surplus rose ...*

South East Asia

Inflation in Singapore inched up slightly to 1.9% in July, from 1.8% in June as private road transport costs rose after two consecutive months of decline.

Indonesia remains the top destination in the Southeast Asian region for corporate expansion, according to a survey carried out by the American Chamber of Commerce in Singapore and the US Chamber of Commerce.

The recent typhoons and monsoon rains that hit the Philippines will not have much impact to economic growth for Q3 2013, according to the chief economist of the Department of Finance. Combined damage to agriculture amounted to P2.6 billion, equivalent to 0.09% of projected Q3 GDP.

Thailand's economic growth could reach 4% this year despite a weak GDP expansion in the second quarter of 2.8% y-o-y on faltering domestic and global demand.

Viet Nam cannot export 6.8 million tonnes of rice as expected for the first seven months of the year due to the cancellation of nearly one million tonnes of rice shipments by buyers.

North East Asia

Foreign direct investment into China grew 7.09% y-o-y in the first seven months of 2013, citing optimism towards the domestic economy among foreign investors.

South Korean households' disposable income grew for a ninth consecutive quarter in annual terms during the April-June period, but consumption continued to fall as they dealt with heavy debt and an uncertain outlook.

Government debt held by large Japanese banks as of end June fell to its lowest level since March 2010, suggesting that the central bank's effort to increase lending may be showing some signs of success.

Indian Sub-Continent

The Indian economy is estimated to have grown at close to 5% in the April-June quarter of 2013-14, dashing hopes of a continued recovery and raising the prospect of more problems for the government which is already stressed by the widening current account deficit and the volatile rupee.

Middle East and North Africa

Qatar's government spending rose 2.2% to a record 178.2 billion riyals (US\$48.9 billion) in its last fiscal year, slowing sharply from double-digit increases seen in the previous decade, official data showed.

Eastern Europe

Russia's food exports fell 19.6% while food imports rose 5.2% in the first half of the year, the Federal State Statistics Service reported.

Russia's investments rose 1.1% (seasonally adjusted) in July, the Ministry of Economic Development said.

Western Europe

Britain's economy grew faster than thought in Q2, extending a broadly based recovery. GDP grew by 0.7% in Q2, the Office for National Statistics (ONS) said.

Business activity across the euro zone has picked up this month at a faster pace than expected, led by Germany as it benefited from growing demand for its exports, according to Markit's Flash Composite Purchasing Managers' Index (PMI).

Germany's budget surplus rose to 0.6% of GDP in H1 2013, boosted by higher tax income, data from the German Federal Statistical Office, Destatis indicated. Surplus was 8.5bn euros (US\$11.3 billion) in the period between January and June.

Economic growth in the United Kingdom for Q2 2013 has been revised up to 0.7% by the Office for National Statistics (ONS). The revision reflected small upward adjustments to the estimated output of several industries.

North America

The number of Americans filing new claims for unemployment benefits rose last week but held close to a six-year low and gave a positive signal for hiring during the month. Initial claims for state unemployment benefits climbed 13,000 to 336,000, Labour Department data showed.

Oil & Gas News

World crude oil prices rallied on Friday after a disappointing US new-home sales report fuelled speculation about the Federal Reserve's intentions to wind down stimulus.

Commodities News

Gold jumped to a 11-week high, topping US\$1,400 an ounce in spot trading, as sales of new U.S. homes fell more than forecast, boosting speculation that the Federal Reserve will maintain economic stimulus.

Copper futures rose in New York. Copper futures for delivery in December added 0.7% to settle at US\$3.3345 a pound in New York.

Currency News

The Indonesian currency fell 3.7% this week to 10,780 per dollar yesterday in Jakarta; the rupee also weakened 2.6% to 63.33. The baht dropped 2.1% to 31.93 and the ringgit declined 0.7% to 3.3005.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
22-Aug-13	1,360.05	3.47	109.64	31.60	1.71	2.00	1.28	115.34	8420.34	76.13	2.58	34.27	24.88	3,108.99
24-Aug-13	1,397.74	3.49	111.04	31.82	1.71	2.00	1.28	115.46	8468.83	77.34	2.58	34.57	24.97	3,089.40
% Change	2.77	0.58	1.28		-0.34	-0.29	0.21	0.10	0.58	1.59	0.21	0.87	0.35	-0.63

Economic & Financial News

Research & International Division

27/8/2013

... *Rate of unemployed Saudi women increased ...*
... *US Treasury to hit debt limit in October ...*

South East Asia

The Indonesian government is trying to calm the debt market, reassuring it that it has sufficient funds at its disposal to pay its dollar debts, as the local currency continues to weaken against the US dollar.

Philippine economic growth is expected to have slowed to 7.2% in Q2 2013 from the 7.8% in Q1, Moody's Analytics said. The level is faster than the 6% economic growth recorded in Q2 last year.

Singapore's manufacturing sector expanded 2.7% in July compared to a year ago, as the city-state's electronics sector continued to show signs of improvement.

Thailand's Commerce Ministry reported that exports declined by 1.5% in July from a year earlier to US\$19.1 billion, while imports rose by 1.1% to \$21.3 billion, leading Thailand to post a trade deficit of \$2.3 billion.

Thailand government has bowed to a proposal by rice farmers, agreeing to maintain the pledging price at 15,000 baht per tonne for the main crop and 13,000 baht per tonne for the second crop in the 2013/14 season.

Vietnam reported trade deficit of US\$300 million in August, after obtaining trade surpluses in June and July. The deficit for the first eight months of this year is US\$600 million, compared with US\$400 million in the same period a year earlier.

Vietnam CPI rose to 7.5% y-o-y in August.The biggest hike was felt across medicine and healthcare, with the lowest price increase in household commodities. Prices remained constant in the postal, telecoms and service sectors.

12% credit growth target set for Vietnam commercial banks this year is within reach. Director of the State Bank of Viet Nam's Department of Monetary Policies said the banking sector had achieved a credit growth of 5.3% over late 2012 figures.

North East Asia

China's culture industry output grew 16.5% year-on-year to US\$ 296 billion in 2012, making up 3.5% of the country's GDP. The proportion was 0.2 percentage point higher than that in the previous year, the National Bureau of Statistics said.

In Hong Kong, high-skilled jobs decline. The number of high-skilled jobs fell by 0.9% y-o-y in Q2 2013, following a 2.4% drop in Q1. By contrast, non-professional jobs surged 3.8% in Q2 after rising 4.7% in the first.

Prime Minister Shinzo Abe has given no instructions to mull a cut in Japan's corporate tax, Japanese Economics Minister said. The remark was made at a news conference after a regular cabinet meeting.

Indian Sub-Continent

India's parliament passed a flagship 18-billion-dollar programme to provide subsidised food to the poor that is intended to "wipe out" endemic hunger and malnutrition in the aspiring superpower.

Middle East and North Africa

Iraq's oil ministry, struggling with sputtering output, has blamed Anglo-Dutch energy giant Shell over \$4.6 billion in lost revenue due to production delays.

Unemployment among Saudi women in the private sector increased by 2.3% in 2012, according to new statistics release by the Ministry of Labor.

Eastern Europe

Russia's trade surplus rose 11% to \$13 billion in July, the Ministry of Economic Development said.

Russia's gold reserves rose 0.6% to over 1,000 tonnes in July, the Federal State Statistics Service reported.

Western Europe

The European Central Bank is unlikely to keep its interest rates low for years, the head of the German Bundesbank said, but warned that the eurozone crisis is far from over.

Mark Carney's plans to keep interest rates low for another three years took another blow today as new figures showed the UK's dominant services sector grew at its fastest rate for six years in the three months to August.

European Central Bank Governing Council member Jens Weidmann urged governments not to rely on the ECB to solve their problems, saying it would do best by sticking to its mandate.

North America

The US will hit its statutory debt ceiling in mid-October, making it hard for the government to meet all of its obligations after that, Treasury Secretary Jacob Lew said.

New orders for US manufactured goods fell 7.3% in July after three straight months of gains, the Commerce Department said on Monday.

Oil & Gas News

Global crude oil prices fell on Monday after a disappointing US manufacturing report raised questions about the health of the world's largest energy consumer. West Texas Intermediate for delivery in October, closed at \$105.92 a barrel, down 50 cents from Friday. Brent North Sea crude for October, was trading at \$110.94 a barrel, down 10 cents from its Friday settlement.

Commodities News

Gold retreated from the highest level in more than two months. Silver and platinum fell. Bullion for immediate delivery dropped as much as 0.6% to \$1,396.01 an ounce, and traded at \$1,397.71 in Singapore after earlier touching \$1,407.42.

Currency News

Thailand's baht fell toward a three-year low. The baht dropped 0.5% to 32.09 per dollar in Bangkok.

India's rupee fell to within 0.3% of a record low on concern geopolitical tensions will push up oil prices. The rupee weakened 1.6% to 65.36 per dollar in Mumbai.

The Australian dollar lost 0.7% to 89.63 U.S. cents in Sydney.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
24-Aug-13	1,397.74	3.49	111.04	31.82	1.71	2.00	1.28	115.46	8468.83	77.34	2.58	34.57	24.97	3,089.40
27-Aug-13	1,398.22	3.5	111.13	31.75	1.71	1.99	1.28	115.64	8481.04	77.12	2.58	34.56	24.97	3,084.41
% Change	0.03	0.29	0.08		0.22	-0.14	-0.05	0.16	0.14	-0.28	-0.15	-0.02	0.02	-0.16

Economic & Financial News

Research & International Division

28/8/2013

*...Interpreting the eight issues of the G20 summit...
...Japan's debt-funding costs to hit US\$257 billion...*

South East Asia

Cambodia was expected to export as much as 400,000 tons of milled rice in 2013 thanks to rising demand on international markets and the country's efforts in developing rice industry, Agriculture Minister Chan Sarun said.

The Indonesian government said its recent policy changes and banking measures will ensure the country's labour intensive industries keep jobs and continue exporting. New measures such as tax breaks will look at creating a more orderly wage-setting system in a country that's posted a vast increase in the minimum wage.

Bank Negara Malaysia said its accommodative monetary policy has enabled domestic demand to fuel Malaysia's economic growth in the first half of the year. The GDP grew at 4.2% in the first six months, recording a 4.1% expansion in Q1 and 4.3% in Q2.

The Philippines merchandise imports continued to decline in June due to the weak performance of electronic products and five other commodity groups. The National Statistics Office said yesterday imports went down 4.8% to \$4.860 billion in June from the \$5.103 billion recorded in the same month last year.

The current capital outflows were not unmanageable thanks to the Thailand's large international reserves, which are used to provide some liquidity to foreign investors when they need to move their capital out of the country, Pongpen Ruengvirayudh, deputy governor of the central bank said.

Several Vietnamese enterprises with healthy and transparent finances and effective business plans have been given loans at a rate of only 6.5-7% per year, according to the State Bank of Viet Nam.

North East Asia

China's farm produce prices continue to rise. The wholesale prices of 18 kinds of vegetables went up 2.7% in the week ending Aug. 25 compared with the week earlier, a Ministry of Commerce statement said.

Hong Kong's total exports and imports of goods both showed year-on-year increases in July 2013, at 10.6% and 8.3% respectively, the city's Census and Statistics Department said.

Japan expects to spend a record US\$257 billion to service its debt during the next fiscal year, underscoring the huge burden created by the government's borrowings. The amount to be allocated for debt-servicing for the year that will begin on April 1 is nearly as large as the GDP of Singapore.

South Korea's revised capital rule will bring new changes to the country's financial sector, including paving the way for brokerage firms to grow into investment banks, which is set to be implemented later this week.

Ministry of Economic Affairs of Taiwan announced yesterday that on Oct. 1 electricity prices will increase by 7-10% for households using 1,001 kWh or more per month and by 0-8% for businesses using 1,501 kWh or more.

Australasia

Australian new home loans approved by banks and other lenders jumped by 28% to \$79 billion in the Q2, amid growing signs of a recovery in the residential property market. Australian lenders' total exposure to residential property at \$1.13 trillion, an amount that has increased by 7.3% in the year to June.

New Zealand's encouraging economic performance this year is translating into a healthier cash flow cycle across the business community, with companies paying their bills faster over the past 12 months, according to the latest analysis of business-to-business payments by credit bureau Dun & Bradstreet.

Indian Sub-Continent

Indian cabinet committee on investment had approved 36 projects across sectors including, power, oil, railways, and roads to remove bottlenecks that were stalling work on them. India has cleared the way for 1.83 trillion rupees (Dh102.34 billion) of infrastructure projects in an effort to kick-start investment.

Pakistan, keen to show its commitment to fixing its ailing finances, yesterday reported a 25% rise in tax revenues since the beginning of the fiscal year due to a raft of new tax collection measures introduced by the new government.

Middle East and North Africa

Iran's finance minister blamed the housing policies of the previous administration for Iran's runaway inflation and serious budget problems. Tayebnia said that building cheap houses for people is a sacred mission but the previous government raised the market liquidity from US\$22 billion to US\$145 billion in order to develop the Mehr Housing Scheme.

Qatar's government has undershot its budget for the first time since 1990, despite spending a record \$48.9 billion by the end of Q1 2013, Reuters reported. The difference in expenditure - QR178.2 billion versus the budgeted QR178.6 billion - seems small, but is significant because the country has historically overspent its state budget - by an average of 23% for the past 10 years.

Turkey increased its gold reserves in July as bullion prices recovered from near three-year lows. Turkey lifted its gold holdings by 22.5 tons, the biggest increase seen among 15 central banks last month whose reserves rose, the IMF said.

Eastern Europe

The presiding host Russia has determined that growth and employment will be the themes of the upcoming G20 summit this year, and set eight priority issues: a strong, sustainable and balanced growth framework; employment; reform of the international financial structure; reinforcement of financial regulation; energy sustainability; development; promotion of multilateral trade; anti-corruption.

Western Europe

At the end of July, unemployment in France inched up 0.2% from June and recorded a y-o-y growth of 10%, the French Labour Ministry said. With the "jobs of the future" plan, the government aims to recruit 150,000 young people, mainly poorly qualified workers from disadvantaged suburbs and rural areas, in public sector.

German Finance Minister Wolfgang Schaeuble said the eurozone's problems are not solved, but "we are in a much better shape than we used to be some years ago." Schaeuble acknowledged that Greece will need further assistance, but said there will be no further "haircuts" such as €100 billion euros in losses Greek debt holders were forced to incur last year for Greece or any other eurozone nation.

The Dutch government reached a deal on an austerity package for 2014 in a bid to meet European Union budget requirements. The coalition government struck a deal on €6 billion in tax increases and spending cuts, Finance Minister Jeroen Dijsselbloem said.

North America

Robust SME investment activity increased demand for Business Development Bank of Canada (BDC) financing and services. During fiscal 2013 ending March 31st, BDC's clients accepted a total of \$4.3 billion in loans and subordinate financing.

Asia could become twice as important to Mexico as an export market over the next five years as the country strengthens trade ties with the fast-growing economies of the region, Mexican Economy Minister Idefonso Guajardo.

US home prices rose 12.1% in June from a year earlier, nearly matching a seven-year high. But month-over-month price gains slowed in most markets, a sign that higher mortgage rates may weigh on the housing recovery.

Oil & Gas News

Brent crude edged up to near \$111 a barrel on Tuesday as rising tensions over a suspected chemical weapons attack in Syria raised the prospect of more military action in the Middle East.

Commodities News

Gold bullion for immediate delivery rose as much as 0.3% to \$1,419.55 an ounce and was at \$1,415.75 at 8:43 a.m. in Singapore. Prices climbed to \$1,423.95 yesterday, the highest since May 15. Gold for December delivery declined 0.3% to \$1,415.90 an ounce on the Comex after rising 2% yesterday.

Currency News

The yen held its biggest gains in 2 1/2 months against the dollar as traders sought haven investments amid escalating tension in Syria. The yen slipped 0.2% to 97.20 per dollar as of 10:46 a.m. in Tokyo from yesterday, when it rallied 1.5%.

Canada's dollar appreciated 0.3% to C\$1.0474 per U.S. dollar at 5 p.m. in Toronto from almost a seven-week low after crude oil, the nation's biggest export, climbed to the highest level since July on speculation tension in Syria.

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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28-Aug-13	1,415.41	3.55	115.45	32.52	1.71	2.00	1.28	115.23	8488.96	76.68	2.60	34.64	25.09	2,999.46
% Change	1.23	1.43	3.89		0.15	0.19	0.23	-0.35	0.09	-0.58	0.73	0.24	0.46	-2.91

Economic & Financial News

Research & International Division

29/8/2013

*...Australian construction activity remains weak...
...Philippines economy slows to 7.5% in Q2...*

South East Asia

Indonesia will push for a relaxation of its controversial ban on metal ore exports amid a scramble to support the rupiah and restore confidence in the ASEAN largest economy. However, the ban on unprocessed mineral exports from January 2014 has hit the industry and uncertainties over the country's mining rules have dented its credibility with foreign investors.

Malaysia's government may include a 4% GST in its upcoming October budget to tackle a fiscal deficit that has widened to RM14.9 billion. Finance Ministry's secretary general, Mohd Irwan Serigar Abdullah, saying several economic reforms to bolster the country's fiscal position were being discussed including rationalising subsidies and curbing government spending.

The Philippine economy remained strong in the Q2, albeit growing slower by 7.5% from 7.8% in the Q1, mainly driven by a resilient services sector and robust manufacturing and construction activities, National Statistical Coordination Board said.

Singapore's resale prices of private homes climbed 0.2% in July from June. The price growth in July was due to higher prices of transactions recorded in the non-central region and for small units, according to the latest Singapore Residential Price Index.

The Energy Ministry has vowed to eliminate regulations that obstruct the expansion of renewable energy, saying investment in the sector is vital to Thailand's economic growth. Energy Minister Pongsak Raktapongpaisal said yesterday that the ministry is speeding up the revisions to support investments such as rooftop solar panels.

As of mid-August this year, Vietnam posted an overspending of around US\$4.8 billion, roughly the same as in the same period last year, according to the General Statistics Office.

North East Asia

Tax systems concerning business turnover, consumption, resources and property will continue to be reformed in order to promote economic development, China's Financial Minister Lou Jiwei said. The country will widen its pilot scheme of replacing turnover tax with VAT to sectors including railway transportation, postal services and telecommunications.

Bank of Japan board member Yoshihisa Morimoto warned of looming uncertainties over the global economy including an outflow of funds from emerging nations, driven by expectations that the U.S. Federal Reserve will soon taper its bond-buying programme.

South Korea's current account surplus fell at US\$6.77 billion last month, the Bank of Korea said today, down from US\$7.24 billion in June, due to downward trend to increased expenditure on overseas trips during the summer holiday season.

Australasia

Building of homes, shops and offices and engineering work on bridges, roads and mines was weaker in the Q2, and the looming federal election could be to blame. The amount of construction work done in Australia fell 0.3% in the Q2, the Australian Bureau of Statistics reported.

New Zealand researchers will receive NZ\$278 million in government funding for new research investment, Science and Innovation Minister Steven Joyce announced. The 51 research programs receiving funding were in the biological industries, high-value manufacturing and services, energy and minerals, environmental and health and society sectors.

Indian Sub-Continent

The Reserve Bank of India will provide dollars directly to state oil companies in its latest attempt to shore up a currency that has slumped to a record low, reflecting the stiff economic challenges facing the country in an uncertain global environment.

The manufacturing sector is suffering in Pakistan not only because of recession, power crisis and past flawed state policies but also because of weak associations related to industry, as trade bodies that acted proactively have succeeded to deliver adverse circumstances.

Middle East and North Africa

Bahraini Industry and Commerce Minister Dr Hassan Fakhro has called on local manufacturers to develop a culture of export which would not only enable them to diversify their income sources but also enhance competitiveness.

Egypt's interim cabinet will approve a plan to stimulate the economy over the next nine months, Planning Minister Ashraf al-Arabi said. The government plans to avoid raising taxes or cutting spending to reduce the country's mushrooming budget deficit, and instead will use aid pledged by Gulf Arab states to spur growth. The stimulus plan provides investment of at least US\$1.4 billion.

Eastern Europe

Russia's largest bank, Sberbank, reported a big rise in provisions against bad loans, highlighting concerns that households might struggle to keep up debt repayments in a slowing economy. Russian banks have piled into high-margin consumer lending as demand for credit has slowed at companies.

Western Europe

German business confidence rose in August, indicating the recovery in Europe's largest economy is gathering pace. German GDP expanded 0.7% in the Q2, led by private consumption and included the first increase in plant and machinery investment since 2011.

Greek bank deposits dropped for the second straight month in July, as their gradual increase since the middle of last year has run out of steam. Deposits of businesses and households fell 0.2% from the previous month to €162.39 billion from €162.67 billion in June, according to the Bank of Greece.

Italian retail sales dipped 3% in the first half of the year from the same period of 2012, Istat reported. Retail sales declined 0.2% in June from May. The June monthly fall showed how recent weak and still uncertain signs of economic recovery have failed to produce any effect on family consumption.

The Dutch coalition government said it had agreed an additional €6 billion budget cut next year in its battle to reduce its deficit despite a year long recession. But the Netherlands remains in recession, making any reduction in the deficit an even more of a difficult challenge.

Five years after a huge property crash devastated the Irish economy, prices are finally stabilising, but a booming urban market where supply is scarce and competition fierce is raising concerns about a new bubble in the capital. Prime Dublin house price rises of 12% driving recovery.

North America

Canadian ministers said they had work across multiple government levels to review shale oil and gas with the aim of diversifying the national economy. Canada aims to get more of its crude oil to international markets.

Unemployment rates were lower in July than a year earlier in 320 of the 372 U.S. metropolitan areas, evidence of the improving U.S. job market, the Labor Department said. Nationally, U.S. unemployment rate edged down to 7.4% in July from 7.6% in June.

South America

Argentina's central bank international reserves pierced the psychological barrier of US\$37 billion and ended Tuesday at US\$36.9 billion, which is the lowest in over six years and will continue to drain since next month the country must repay in full US\$2 billion of a 2007 sovereign bond.

Peru will likely post a US\$1 billion trade deficit this year and an US\$800 million trade gap in 2014 - the first time since 2001 that imports will overtake exports in the Andean country, the central bank said.

Oil & Gas News

WTI for October delivery fell as much as 99 cents to \$109.11 a barrel in electronic trading on the New York Mercantile Exchange and was at \$109.27 at 11:26 a.m. Sydney time.

Commodities News

Copper dropped 0.6% to at \$7,243.50 a metric ton and traded at \$7,265.25 at 11:41 a.m. in Tokyo, mounting tensions in Syria, adding to the case for the Federal Reserve to taper stimulus.

Currency News

The pound strengthened 0.4% to 85.81 pence per euro at 4:24 p.m. London time, after depreciating 0.4% to 86.52 pence, as Bank of England Governor failed to convince investors to keep a low interest rates.

The won rose 0.3% to 1,112.03 per dollar as of 10:38 a.m. in Seoul, as South Korea's finance minister said the nation's current-account surplus will support the currency.

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28-Aug-13	1,415.41	3.55	115.45	32.52	1.71	2.00	1.28	115.23	8488.96	76.68	2.60	34.64	25.09	2,999.46
29-Aug-13	1,410.34	3.58	115.81	32.35	1.72	1.99	1.28	114.43	8534.61	75.67	2.60	34.81	25.18	3,027.07
% Change	-0.36	0.85	0.31		0.09	-0.23	0.02	-0.69	0.54	-1.32	0.10	0.49	0.37	0.92

Economic & Financial News

Research & International Division

31/8/2013

*...Brazil's GDP rose to 1.5% in Q2...
...Migrant workers in Italy preferred to locals...*

South East Asia

The IMF has encouraged Indonesia to continue its focus on reining in the current account deficit and containing inflationary pressures. IMF Advisor said that Indonesia's move to let the exchange rate absorb some of the pressure was positive and this would generate "meaningful adjustment" of the current account over the near to medium term.

Electricity bills are likely to go up as the government is expected to reduce subsidies for natural gas in its bid to improve Malaysia's fiscal position, MyPower Corp CEO Datuk Abdul Razak Majid said. The last electricity tariff hike took effect in June 2011 when the subsidised gas price was raised to RM13.70 per mmbtu from RM10.70 per mmbtu previously.

The Philippines matched China's expansion in the Q2, becoming the two fastest growing economies in Asia, as strong fundamentals, domestic spending and investments buttressed the ASEAN from regional fund outflows.

There were signs that the Thai economy would become more lively in the Q3. Thailand's economic stability, both internal and external, remains solid given inflation and unemployment rates at 2% and 0.5% y-o-y respectively, said the Finance Ministry. The country's foreign reserves are as high as US\$172 billion, sufficient to cope with the global economic volatility.

North East Asia

The Chinese central government and the government of the Macao Special Administrative Region signed a Supplement to Closer Economic Partnership Arrangement (CEPA), representing the 10th expansion since 2004, which will become effective in January 1st next year.

Japan's CPI increased to 0.7% in July, as energy costs rise and Prime Minister Shinzo Abe makes progress in pulling the economy out of 15 years of deflation, the Statistics Bureau said. While the unemployment rate fell to 3.8% in July, down from 3.9% in the previous month.

Korea's fiscal deficit widened in the H1 due to frontloaded spending and decreased tax revenue amid the economic slowdown, the Ministry of Strategy and Finance said. The government's fiscal account, excluding social

security funds such as pension and employment insurance, posted a deficit of US\$41.7 billion.

Macao's Gross Domestic Product grew by 10.2% y-o-y in Q2 2013, spurred by increase in exports of services, according to the figures released by Macao's Statistics and Census Service. Macao's trade deficit for July of 2013 widened by 21% over the same period of last year to US\$ 798.7 million, the Statistics and Census Service said.

Australasia

Kevin Rudd's hardline stance on foreign ownership could undermine Australia's ability to secure free-trade agreements with key Asian trading partners and risks crucial foreign investment, Business groups including the Business Council of Australia have warned.

Total income for New Zealand businesses rose by 5.9% in the 2012 financial year. Total income for all businesses was NZ\$610.6 billion, following a 4.9% increase in the 2011 financial year, according to Statistics New Zealand.

Indian Sub-Continent

The Indian economy grew 4.4% in Q2, lower than the 5.4% growth in the year ago period, the Statistics Ministry said. India is liaising with other emerging-economy countries on a plan to co-ordinate intervention in offshore currency markets blamed for fuelling a currency rout over the past three months.

The Federal Finance minister Ishaq Dar told the country's top bankers that strong fiscal measures are necessary for Pakistan in order to get financial assistance from the IMF, said the sources in the banking sector.

Middle East and North Africa

There is a need to double up trade and investments between Egypt and the EU, as the EU is keen to inject more investments in the Egyptian market in order to create more job opportunities, also an attempt to create a favourable economic climate restoring confidence in investment and establishing economic stability in the Egypt, EU Ambassador in Cairo James Moran said.

Nearly half of Iran's monthly earnings from crude oil exports are accumulating in accounts overseas

because of sanctions that restrict Tehran's access to the money, the U.S. has concluded.

The Lebanese government has estimated around 1.5 million Syrian refugees, corresponding to an increase in Lebanon's population of more than 25%. Syrian refugees put pressure on the Lebanese economy and health-care system.

The European Commission (EC) has announced first part of its agenda in 2013 for Morocco in terms of a commitment of a total of €110 million euros for economic and social development in that country in line with the new approach of the European Neighbourhood Policy, said Stefan Fule, EC.

Turkey's trade deficit widened more than 20% y-o-y in July, highlighting its vulnerability to volatile capital inflows. The trade gap widened to \$9.806 billion from \$8.005 billion in the same period a year earlier, according to the Turkish statistics institute.

Eastern Europe

BRICS countries have played a leading role in strengthening G20 as a tool to counter the global financial crisis, the Foreign Ministry's coordinator for G20 and BRICS affairs said. BRICS countries from the start saw G20 as a floor to push their reforms of the international financial-economic architecture.

Western Europe

Annual inflation in the Eurozone is expected to decline to 1.3% in August from 1.6% in July, EU statistics office Eurostat said. The prices for alcohol and tobacco products were the key inflationary factor in August, which rose by 3.3% y-o-y.

German retail sales fell by 1.4% in July compared with the last month. German's unemployment rose slightly in August, up by 7,000 people.

Even with thousands of Italians without a job, some business owners prefer to employ migrants. They say they work harder and are more committed to their jobs than the locals. Italian unemployment rates remained stable at 12% in July, said the national statistics agency Istat.

Greece's jobless rate is continuing its unrelenting rise, setting another record for May of 27.6%, up 0.6% from the previous reporting period and with nearly 1.4 million people out of work, EU statistics agency Eurostat reported.

Swiss companies are recovering their competitiveness with the euro region as the central bank succeeds in capping the franc and they enjoy the biggest advantage for six months in credit markets.

A surge in mortgage approvals, a rise in house prices and higher consumer confidence and business lending added to signs of momentum in Britain's economic recovery. Bank of England Governor Mark Carney said he was ready for the challenge, but stuck to his commitment to keep interest rates at rock bottom for years to come.

North America

The U.S. economy grew at a 2.5% annual rate from Q2. The steep revision was largely because U.S. companies exported more goods and imports declined, the Commerce Department said.

South America

Brazil's GDP was up 1.5% in the Q2. President Dilma Rousseff has promoted stimulus measures such as tax cuts and consumer credits in her struggle to pull Latin America's largest economy from its two-year slowdown.

Chile's manufacturing production rose 4.7% y-o-y in July, according to the National Statistics Institute, boosted by a strong rise in wine output, with bubbly domestic spending also lending resilience to the South American economy.

Oil & Gas News

WTI crude for October delivery dropped \$1.15 to settle at \$107.65 a barrel on the New York Mercantile Exchange.

Commodities News

Premiums to obtain the metal will drop 60% to about \$100 a metric ton as a result of the new rules the London Metal Exchange is expected to approve in October.

Currency News

The Australian dollar added 0.1% to 89.40 U.S. cents as of 4:43 p.m. in Sydney yesterday, paring its decline in August to 0.5%.

The rupiah slumped 5.9% in August to 10,920 per dollar as of 4:15 p.m. in Jakarta yesterday, prices from local banks show.

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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31-Aug-13	1,395.27	3.58	114.01	31.85	1.69	1.98	1.28	114.16	8560.18	77.01	2.59	34.97	25.16	3,028.94
% Change	-1.07	0.00	-1.55		-1.60	-0.63	-0.52	-0.24	0.30	1.77	-0.54	0.46	-0.08	0.06