

# Economic & Financial News

Research & International Division

2/2/2013

*...China posted a \$117.3 billion deficit...  
...RBNZ's governor urges tax and regulation reforms...*

## South East Asia

**The Singapore White Paper's projected population of 6.9 million** by 2030 is a "worst case scenario", such figure need to ensure that infrastructure could accommodate, however it simply states the assumptions going forward, said the National Development Minister.

**Malaysia's broad money (M3) expanded at annual rate of 8.8%**, reflecting credit extension to the private sector by the banking system and government spending, the Bank Negara Malaysia said.

**Indonesia's CPI rose 1.03% in January**, its highest monthly level in four years as massive floods that hit many parts of the country during the month caused a sharp increase in food prices, the Central Statistics Agency reported.

**Indonesia suffered its first ever annual trade deficit in 2012**, reaching US\$1.65 billion as shipments to most of the country's major trading partners fell during the year amid the slowdown in the global economy.

**The Philippines is poised to attain investment grade sooner** amid the bright prospects for the local economy, officials of JP Morgan, a leading global investment bank, said.

**The Vietnam's State Bank has set a target to increase** the total money supply by between 14-16% and credit growth by 12%, State Bank of Vietnam has said.

**Thailand's growth is expected** to be 4.5% this fiscal year in 2012, with investment-driven growth supporting the economy's return to its potential growth range of 4-5 % as flood-induced spending tapers off.

## North East Asia

**China's official Purchasing Managers Index** came in at 50.4 for January, down from 50.6 in December, the National Bureau of Statistics stated.

**China posted a \$117.3 billion deficit in its capital and financial account in 2012**, preliminary data from the country's foreign exchange regulator showed on Friday.

**Japan's unemployment rate rose** to 4.2% in December from 4.1% in November. The number of employed persons in December was 62.28 million, a

decrease of 0.6% on a year ago, the Ministry of Internal Affairs and Communications said.

**South Korea's exports surged** 11.8% from the same period last year to US\$46.08 billion in January, according to the Ministry of Knowledge Economy. Imports grew 3.9% on-year to \$45.21 billion, leaving a \$874 million trade surplus.

## Middle East and North Africa

**Saudi Arabia's inflationary pressures will be stable** during the first quarter of 2013. Average inflation in the world's top oil exporter eased to 4.5% last year, the lowest level since 2007, from 5.0% in 2011, the Saudi Arabian Monetary Agency said in a report.

**Kuwaiti crude oil was** up USD 1.09 per barrel to sell for USD 109.93 pb on Wednesday, said the bulletin of Kuwait Petroleum Corporation.

## Indian Sub-Continent

**Indian wholesale onion prices rose** 50-60% in December and are up six fold from a year ago, due to crops were hit by dry conditions in onion-producing areas, Delhi's chief minister said.

**The Bangladeshi Bank (BB) announced an expansionary monetary policy** for the second half of the current 2012-13 fiscal year with an aim to increase fund flow to the market. The BB plans to reduced repo and reverse repo rates by 0.5 basis points to 7.25 and 5.25% respectively.

## Europe

**Euro zone inflation fell to 2.0% y-o-y in January** as companies cut prices at a time of record joblessness, the EU's statistics office Eurostat said.

**Inflation in Germany slowed** to 1.7% in January from 2.1% in December, according to preliminary data compiled by the national statistics office.

**The contraction of manufacturing across the eurozone slowed in January** amid signs that the worst may be over, according the Markit Purchasing Managers' Index.

## Eastern Europe

**The Finance Ministry has rejected the Economic Development Ministry's idea** of establishing a fund to finance infrastructure projects at the expense of a fund that protects the budget against falling revenue, Deputy Finance Minister Sergei Storchak said on Friday.

**Russia's economy grew** by 3.4% last year, which is lower than in 2011 by 4.3%, the Russia's state statistics agency said.

**Group of 20 should focus on making new commitments to curb borrowing**, and not rush to judge Japan's bid to reflate its economy when policy makers meet this month, Russia's top financial diplomat said.

## North America

**Initial jobless claims in the United States, rose** by 38,000 to 368,000 in the week ending January 26, the Labor Department reported on Thursday.

**U.S. consumers held tight to their wallets** in December, despite a rise in incomes and household spending edged up 0.2% from November, Commerce Department said.

**Mexico's GDP has grown** around 4% in real terms in 2012 and 3.6% in the fourth quarter of the year, while deficit totaled at 403.6 billion pesos, the Finance and Public Credit Secretariat said.

## Australasia

**Australian commodity prices were higher** in January at 2.6% in terms of a basket of foreign currencies

compared with December and up by 7.6% from the two-year low reached in October, Reserve Bank of Australia reported.

**Queensland farmers are facing losses of \$A100 million** and urgently need government grants to get back on their feet, the Queensland Farmers' Federation said.

**Reserve Bank of New Zealand's governor has tax and regulation reforms** to foster local savings and investment, saying they would help improve the nation's economy, stated in his public speech.

## Oil & Gas News

**Oil capped the longest stretch** of weekly advances in more than eight years after reports showed that U.S. hiring and manufacturing expanded last month.

## Commodities News

**Gold gained** for the third time in four days as U.S. hiring picked up in the past three months, signaling an improving economy that may fuel inflation as the Federal Reserve adds more stimulus.

## Currency News

**The euro touched the highest level** against the dollar in 14 months as the European Central Bank's balance sheet contracted while the Federal Reserve said it would continue pumping money into the U.S. economy.

**The pound declined** for a fourth week against the euro, the longest streak since September, as economic reports on consumer confidence and manufacturing suggested the U.K. economic recovery is petering out.

Date	Gold	Henry Hub (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
31-Jan-13	1,674.80	3.31	114.62	34.63	1.67	1.95	1.23	1.29	7,910	73.61	2.49	32.93	24.11	3,280.39
02-Feb-13	1,667.40	3.3	116.76	35.38	1.69	1.97	1.24	1.29	7,863	73.96	2.50	32.84	24.08	3,291.14
% Change	-0.44	-0.30	1.83		1.41	1.23	0.53	-0.08	-0.59	0.49	0.47	-0.25	-0.15	0.33

# Economic & Financial News

Research & International Division

5/2/2013

*... US Justice Department sues Standard & Poor's Ratings Services ...  
... Weakening growth in UK and India expected ...*

## South East Asia

**Indonesia's GDP** fell to 6.11% in January, from 6.17% in December 2012, Bank Sentral Republik Indonesia said.

**The Indonesian government** plans to allocate funds from the state budget to back the construction of local smelters, as the clock counts down to the 2014 deadline for a full ban on exports of unprocessed minerals.

**The Philippines** is looking at cutting rice importation by more than half in 2013, from 500,000 metric tons in 2012, as the lean months become shorter as a result of the early cropping scheme implemented by the National Rice Program.

**Singapore** increased the stamp duty for foreigners buying property from 10% to 15% in January.

**Myanmar's budget deficit** is falling, the Finance and Revenue deputy minister Dr. Maung Maung Thein told Parliament recently. The deficit was 4.9% of GDP in fiscal year 2011 and is on track to fall to 3.2% in the fiscal year ending in March 2013.

**Vietnam will unveil a roadmap** to overhaul 52 state-owned enterprises that account for about 37% of GDP by June, Deputy Finance Minister Truong Chi Trung said in an interview.

## North East Asia

**Shanghai's cost of living ranked 30th** among 131 cities, climbing 11 places due to increased consumer demand and currency controls, according to the EIU's Worldwide Cost of Living 2013 survey.

**China's ratio of current-account surplus to GDP** fell to 2.6% in 2012, from 2.8% in 2011, the country's foreign-exchange regulator said.

**Major Japanese car makers** reported double-digit gains in January sales in China, the first year-on-year growth in five months, with a boost from a calendar shift as well as the waning impact of a territorial dispute between Beijing and Tokyo.

## Indian Sub-Continent

**India is forecasted to grow** 4.5% in 2012, revised down from the earlier 4.9% due to weak investments, according to the IMF.

**India's exports to ASEAN** fell 18.6% to \$19.17 billion in the first eight months of this financial year, compared with \$23.55 billion in 2011-12, according to latest data available.

## Europe

**National supervisors across the EU have acted independently** to impose "allegedly disproportionate prudential measures" on local arms of non-domestic EU banks, the EU's executive European Commission warned.

**France is concerned about the appreciation of the euro** against major global currencies but would rather seek a dialogue on the issue than "launch an offensive" on it, Finance Minister Pierre Moscovici told AFP.

**Britain's banks will be broken up** if they fail to ring-fence retail operations from their investment divisions to avoid any future state bailouts of lenders, Chancellor George Osborne warned.

**Britain's economy** will grow 0.7% this year instead of the 1.1% forecast in November and 1.5% in 2014, according to data from the National Institute of Economic and Social Research.

## Eastern Europe

**Russia's oil exports** fell 3.5% to 19.8 million tons in January, the State Statistics Service reported.

**Russia** has not confirmed that it has reached agreements with Ukraine to decrease the price of gas supplies without Ukraine joining the Customs Union, a Kremlin representative said on Monday.

## North America

**The US Justice Department** sued Standard & Poor's Ratings Services late Monday, alleging the firm ignored its own standards to rate mortgage bonds that imploded in the financial crisis and cost investors billions.

## Australasia

**The Reserve Bank of Australia** kept interest rates on hold at its first board meeting of the year, after reducing the overnight cash rate to 3% in December.

**New vehicles sales in Australia** were up 11.3% in January, from the year before, newly released data showed.

**House prices in Australia** rose 1.6% in Q4 2012, a Bureau of Statistics report revealed.

**Australia's trade deficit** shrank to \$427 million in December, from \$2.79 billion in November, as more iron ore was shipped to China.

## Oil & Gas News

**Oil** traded near the lowest level in more than a week in New York, after sliding the most in two months, before a report that may show rising stockpiles in the US, the world's biggest crude consumer.

## Commodities News

**Gold** is up 0.1% at \$US1675.7, Bloomberg reported.

**Platinum supplies** are falling to a 13-year low as mines in South Africa, the world's biggest producer, close.

## Currency News

**The New Zealand dollar** rallied against the Aussie following the Reserve Bank of Australia's decision to hold interest rates.

**The yen** rose against most major peers as investors bought haven assets after Asian equities slid.

**Australia's dollar** fell after the central bank kept interest rates unchanged while saying the inflation outlook allows scope for further easing.

**The euro** fell against the yen, amid corruption allegations against Spanish Premier Mariano Rajoy and uncertainty ahead of Italian elections this month.

Date	Gold	Henry Hub (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
2-Feb-13	1,667.40	3.3	116.76	35.38	1.69	1.97	1.24	1.29	7,863	73.96	2.50	32.84	24.08	3,291.14
5-Feb-13	1,673.93	3.33	115.54	34.70	1.69	1.94	1.24	1.29	7,812	74.87	2.50	32.77	24.01	3,271.59
% Change	0.39	0.90	-1.06		-0.04	-1.29	-0.22	-0.02	-0.66	1.21	0.03	-0.21	-0.28	-0.60

# Economic & Financial News

Research & International Division

6/2/2013

*... China announces tax reforms ...*  
*... Malaysia introduced Skim Prihatin Pendidikan 1Malaysia...*

## South East Asia

**The Indonesian economy grew by 6.2% in 2012** down from 6.5% in 2011 and seen falling exports, a weakening currency as well as lack of government infrastructure spending, the Central Statistics Agency said.

**Malaysia has introduced the Skim Prihatin Pendidikan 1Malaysia (SPP1M)** - to help parents who have the fund but need a little extra to finance their children's education. The SPP1M provides loans up to RM150,000 for those who are studying in critical fields and those who wish to specialise in certain areas in medicine.

**Philippine CPI rose 3.0% y-o-y in January**, as expected, but the central bank is likely to keep interest rates on hold in the near term as inflationary pressures stay manageable.

## North East Asia

**China has announced tax reforms** including raising its minimum wage to tackle the widening income gap between rich and poor. The minimum wage would increase to 40% of average urban salaries by 2015.

**China's four largest banks extended 370 billion yuan (\$59.4 billion) of new loans in January**, up from 320 billion yuan last year, the official China Securities Journal reported.

## Indian Sub-Continent

**India's services output in January grew at its fastest pace in a year as new orders rose**, the seasonally adjusted HSBC Service Sector Business Activity Index survey showed, amid strengthening signs of a pickup in the economy.

## Europe

**The euro zone's battered economy is probably recovering** but the gulf between its two biggest members is widening, according to the Markit's Eurozone Composite PMI. The PMI rose in January to a 10-month high of 48.6 from 47.2 in December.

**French President Francois Hollande urged the euro zone to set a mid-term target for its currency's exchange rate** and to forge a jobs policy to fight voter disillusionment.

**The Royal Bank of Scotland** stated that it expected to pay "significant penalties" and face other sanctions from British and US financial regulators over its role in the Libor rate-rigging scandal.

**The Netherlands had its top credit rating on outlook cut to negative** by Fitch Ratings as it suffers from a deepening housing slump and persistent bank system woes.

## Eastern Europe

**Moscow agreed in principle to lift an embargo on Georgia** in a step towards rebuilding relations and imports of Georgian mineral water and wine could resume this spring, officials from both countries said.

## North America

**US President Barack Obama called for a balanced program** of stop gap spending reductions and tax reforms to avert punishing multi-billion dollar automatic budget cuts due to kick in on March 1.

**U.S. factory orders increased 1.8% in December** even though companies trimmed their orders for goods that signal investment plans, according to the Commerce Department.

**A "perfect storm" could be brewing in the global economy** and that massive capital flows to emerging markets and some strong performing advanced economies could lead to asset price bubbles, according to Bank of Mexico Governor Agustín Carstens.

## Australasia

**Australian retail sales unexpectedly fell 0.2%** to A\$21.4 billion (\$22.2 billion) m-o-m in December amid a deteriorating employment outlook.

## Oil & Gas News

**Oil fluctuated in New York after its biggest gain in a week** as an industry report showed U.S. crude and gasoline stockpiles increased last week, while distillate inventories declined.

## Commodities News

**Palm oil dropped a second day** on concern that inventories in Malaysia, the biggest supplier after Indonesia, will stay near an all-time high even as production decreases because of the low-output season.

**Platinum rallied to a four-month high**, trading at the biggest premium to gold since 2011.

**Copper rose to near a four-month high** to \$8,322 a metric ton on the London Metal Exchange as signs of a recovery from China to the U.S. strengthen the outlook for demand for industrial metals.

## Currency News

**Thailand's baht snapped a three-day rally** on concern the central bank will intervene to slow an appreciation that hurts exports.

**The yen weakened to 94 per dollar for the first time since May 2010** on speculation Japan's government will hasten the selection of a new central bank chief to take further steps to end deflation.

**The won fell toward a three-month low** as faded concern South Korea will intervene to protect exports.

**Australia's dollar fell to the lowest this year** adding to prospects the Reserve Bank will cut interest rates next month.

**Canada's dollar approached the strongest level in more than a week versus its U.S. counterpart** as crude oil, the nation's biggest export, and stocks rose amid a jump in risk appetite.

Date	Gold	Henry Hub (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
5-Feb-13	1,673.93	3.33	115.54	34.70	1.69	1.94	1.24	1.29	7,812	74.87	2.50	32.77	24.01	3,271.59
6-Feb-13	1,670.66	3.42	116.36	34.02	1.67	1.95	1.24	1.29	7,835	74.63	2.50	32.83	24.04	3,273.60
% Change	0.39	2.63	0.70		-1.12	0.25	-0.10	-0.38	0.30	-0.33	-0.10	0.18	0.15	0.06

# Economic & Financial News

Research & International Division

7/2/2013

*... Oil rose as US demand climbed while supplies fell ...  
...Coding smart fuel cards to combat illegal gasoline trade at borders...*

## South East Asia

**Further foreign labour curbs could jeopardise Singapore's position** as a business hub for the Asia-Pacific region, the Singapore International Chamber of Commerce (SICC) stated.

**Malaysia's export growth may have slowed** to 1.4% y-o-y in December, due to lower demand for electronics (Reuters).

**The IMF is stepping up its policy assistance to Myanmar** as the nation undertakes economic and social reforms.

**Philippines' Gross International Reserves** amounted to \$85.8 billion at the end of January, due to the central bank's foreign exchange operations; income from investments abroad; and foreign currency deposits by the national government, the Bangko Sentral ng Pilipinas said.

**Philippines' government targets to more than double the number of foreign visitors to the Philippines** to 10 million a year in 2016, and make tourism one of the country's biggest sources of foreign exchange together with remittances and foreign investments in business process outsourcing (BPO).

**Indonesia's Energy and Mineral Resources Minister** announced the possibility of a relaxation over export restriction if geothermal development gains pace, amid growing calls for the government to prioritize domestic consumption of the country's massive natural gas reserves.

## North East Asia

**Cost of living rose in cities across China.** Hong Kong led Chinese cities, followed by Shanghai which ranked 30th out of 131 cities, up 11 places from last year, a survey by the Economist Intelligence Unit showed.

**China's medical foreign trade** grew by a record 10.5% y-o-y in 2012, and is expected to surge even higher this year, according to the Industry's Chamber of Commerce.

**China's central bank signalled concern at inflation risks** and said that monetary easing by nations may push up commodity prices and make global capital flows more volatile, the People's Bank of China said in the quarterly monetary policy report.

**Japan's core machinery orders surged** 2.8% in December, due to the recent yen weakness on the back of Japan's aggressive monetary easing stance.

**Hong Kong's government approved a 7% rise in the city's minimum wage**, and will take effect from May 1.

## Indian Sub-Continent

**India's central bank should refrain from cutting interest rates until inflation is contained** even as the nation faces a subdued economic recovery, the IMF said.

**India's GDP will climb** 5.4% in the 12 months through March 2013, and 6% the following fiscal year. Inflation will ease to 7.2% by March 2014, from 7.8% in March this year, the latest IMF data showed.

## Europe

**European leaders are set for another clash over the EU budget** at a two-day summit starting on Thursday, with the only certainty being that any deal will include serious spending cuts.

**The euro is not currently overvalued and exchange rates should not be used to try and boost competitiveness**, the German government said, rejecting French calls for ways to cap euro's recent rise.

**Germany unveiled new tougher banking rules** which it hopes will help prevent financial crises in the future and make banks bear more of the responsibility.

**UK borrowing is likely to be £64 billion higher in 2014-15** than forecast in 2010, according to the Institute for Fiscal Studies (IFS) study. Public service spending could fall by a third by 2018.

**Poland's central bank cut its main interest rate to 3.75%** to avert the biggest economic slowdown in more than a decade after consumer spending plunged amid Europe's debt crisis.

## Middle East

**Iran has earned \$19.5 billion tax revenues** during the first ten months of the current Iranian calendar year, which began on March 20, 2012. The revenues collected were 17% higher y-o-y.

**Iran has started trading oil for goods to bypass US-generated sanctions.** Iraq, China, the United Arab Emirates, Afghanistan and India were the top importers of Iranian goods during the first 9 months of the Iranian calendar.

**Iran has started coding smart fuel cards to combat illegal gasoline trade at borders.** Gasoline is currently traded at about \$1.2 per litre at Iran's borders as renting fuel smart cards to other people is frequent. Studies show that up to 3 million litres of gasoline per day are smuggled from Iran to neighbouring countries.

**Jordan's state budget for 2013** are likely to result in a subdued 2013 for Jordanian retailers and conservative consumer spending. The budget aims to reduce the deficit from 7.9% in 2012 to 5.4%, a result the government hopes to achieve by lowering recurrent spending by more than 2%.

## Eastern Europe

**Russian ruble real effective rate** rose 1.7% in January, the central bank said.

**The Russian government** has not asked the central bank to ease its credit policy so far, the First Deputy Chairman Alexei Ulyukayev said.

## North America

**The US economy will grow** at a slow, inflation-adjusted rate of 1.4% this year, with unemployment rate falling from 7.9% this year, to 5.3% by 2023, the Congressional Budget Office report also stated.

**The US Treasury announced plans to auction \$72 billion in debt securities** next week, in line with expectations, also adding that it is planning to issue floating-rate notes in the next year.

**The US federal budget deficit will drop** below \$1 trillion, at \$845 billion this year, the Congressional Budget Office report stated.

**Canadian Finance Minister Jim Flaherty** aims to balance the country's budget as planned by 2015 through additional spending cuts, even as the government's revenue outlook weakens.

## Australasia

**Australian business conditions deteriorated** last quarter as sales and portability waned despite cuts in interest rates, the quarterly National Australia Bank indicated.

**Australian unemployment rate** remained steady at 5.4%, figures from the Australian Bureau of Statistics indicated.

## Oil & Gas News

**Oil rose** for the second time in three days after a report showed US fuel demand climbed while crude supplies shrank at Cushing, Oklahoma, the biggest US storage hub.

## Commodities News

**Platinum climbed** to the highest level in more than 16 months, widening its premium over gold to the most since 2011, on concern that supplies will decline from South Africa, producer of about 73% global output.

**Zinc dropped** for a third day on speculation an oversupply of the metal is building with stockpiles up 3.9% this year in China, the world's largest buyer.

## Currency News

**The euro slipped against the US dollar** ahead of the ECB's policy meeting, expected to keep monetary policy on hold.

**The Japanese yen pulled higher** after hitting three-year lows on Tuesday.

Date	Gold	Henry Hub (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
6-Feb-13	1,670.66	3.42	116.36	34.02	1.67	1.95	1.24	1.29	7,835	74.63	2.50	32.83	24.04	3,273.60
7-Feb-13	1,677.06	3.44	116.81	33.96	1.68	1.94	1.24	1.28	7,830	75.80	2.50	32.85	24.06	3,259.06
% Change	0.38	0.58	0.39		0.61	-0.64	-0.03	-0.43	-0.07	1.54	-0.03	0.05	0.06	-0.45



# Economic & Financial News

Research & International Division

9/2/2013

*...Russia's Central Bank to keep rates flat by Apr-Jun despite higher CPI...  
...Philippines's fourth quarter inflation decelerates to 2.9%...*

## South East Asia

**Some S\$600 million will be invested in the upcoming Terminal 4 at Changi Airport** while a further S\$680 million will be set aside for the development of additional parking stands and supporting infrastructure, Changi Airport Group released in a report.

**Malaysia's exports declined 5.8% y-o-y to RM57.27bil** in December while November's export was 3.3%, due to a decline in shipments of electrical and electronic products as well as commodity exports, data released by the Statistics Department.

**Indonesia posted a 1.03% monthly inflation rate in January** — the highest in four years — but the central bank's governor believed that high inflation was caused by cyclical shocks caused by bad weather, rather than structural problems in the economy.

**Philippines' inflation rate during Q4 2012** decelerated to 2.9%, said the Bangko Sentral ng Pilipinas (BSP).

**The value of the Thai ICT market is expected to grow by 9.8%** to US\$21 billion (Bt625 billion), from \$19.1 billion last year, according to International Data Corporation.

**Vietnam's two-way trade turnover in Malaysia reached more than US\$7.9 billion in 2012**, up 17% from the previous year, Official statistics from Viet Nam Trade Office in Malaysia showed.

## North East Asia

**China's foreign trade surged 26.7%** y-o-y to 2.17 trillion yuan (345.59 billion U.S. dollars) in January, according to data from the General Administration of Customs.

**Japan's current account came in at Y4.7 trillion in 2012**, the smallest annual surplus since 1985, the finance ministry said.

**South Korea's national tax revenue came to 203 trillion won** (US\$186 billion) last year, up from the 192.4 trillion won tallied in the previous year, the ministry said in a press release.

## Middle East and North Africa

**The value of exports from Iran to Egypt has increased by 1500%** in the first ten months, ISNA reported.

**Qatar's state budget turned a hefty surplus of QR94.6bn** (\$26bn) in the second quarter (July to September) of the current fiscal year (2012-13), Qatar Central Bank has said.

## Indian Sub-Continent

**India is likely to produce 250.14 million tonnes of foodgrain during 2012-13** despite a drop of 7 million tonnes in kharif crop due to erratic monsoons, the agriculture ministry said.

**India's per capita income is estimated to have gone up 11.7%** to Rs 5,729 per month in 2012-13 at current prices, compared with Rs 5,130 in the previous fiscal, said the Central Statistics Office.

## Europe

**EU leaders agreed to cut back EU's budget to €960bn** (£812bn; \$1.3tn), a fall of around 3% compared with the previous budget.

**British Prime Minister David Cameron has hailed the EU budget** as "good for the UK and good for Europe".

**Spain remains at investment-grade BBB with a negative outlook**, according to Fitch's rating agency. The company predicted debt will peak at 96% of GDP in the FY2014/15 and then decline "gradually."

## Eastern Europe

**Russia's central bank** may keep its refinancing rate, now at 8.25%, and other key rates unchanged until April-June as inflation growth rates will slow down soon, analysts said on Friday.

**Russia's trade surplus** rose 0.6% to \$212 billion in 2012, the Federal Customs Service said.

## North America

**The US trade deficit shrank in December, to \$38.5 billion**, as imports dropped sharply, Commerce Department data released.

## Australasia

**Australia's unemployment rate has increased** from 5.1% to 5.4%, according to Bureau of Statistics data.

**The unemployment rate fell** 0.4 of a percentage point to 6.9% in the September quarter, according to Statistics New Zealand's household labour force.

## Oil & Gas News

**Brent crude surged to a nine-month high** in London while oil in New York slipped after stronger- than-expected

trade data from China signaled increased fuel demand in the world's second-biggest consuming country.

## Commodities News

**Soybean futures fell the most in three months and corn extended the longest slump** since December after the U.S. government forecasts bigger global inventories of both crops than analysts expected.

## Currency News

**The 17-nation currency traded 0.3%** from a two-week low against the greenback as European Union leaders meet in Brussels to seek agreement on the 2014-2020 budget.

**The Canadian dollar touched the weakest level** this month versus its U.S. counterpart, sliding below parity, as an unexpected drop in employment in January added to concern the world's 11th-largest economy is slowing.

Date	Gold	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-Feb-13	1,667.06	3.44	116.81	33.96	1.68	1.94	1.24	1.28	7,830	75.80	2.50	32.85	24.06	3,259.06
09-Feb-13	1,667.25	3.27	118.9	36.36	1.66	1.95	1.24	1.27	7,814	75.49	2.50	32.84	24.06	3,270.30
% Change	0.01	-5.20	1.76		-1.16	0.51	0.10	-0.53	-0.20	-0.40	0.00	-0.03	0.01	0.34

# Economic & Financial News

Research & International Division

12/2/2013

*...EU leaders agreed to cut back EU's budget to €960bn...  
...Bank of Canada says credit growth slowing, but risks remain...*

## South East Asia

**The National Family Council has launched a pilot scheme** to encourage youths to start projects that promote family values and bonding, will provide successful applicants a one-time funding of up to S\$10,000.

**Malaysia's exports declined 5.8% y-o-y to RM57.27bil** in December while November's export was 3.3%, due to a decline in shipments of electrical and electronic products as well as commodity exports, data released by the Statistics Department.

**Indonesia's House of Representatives is finalising a draft law on industry** to replace the 1984 Industry Law, rendered obsolete by fast developments in industry and rapid changes in global activities.

**Foreign direct investment (FDI) to the Philippines reached \$1.2 billion** in the first 11 months of 2012, surpassing the \$469-million registered during the same period in 2011, the Bangko Sentral ng Pilipinas (BSP) said.

**The value of the Thai ICT market is expected to grow by 9.8%** to US\$21 billion (Bt625 billion), from \$19.1 billion last year, according to International Data Corporation.

**Vietnam's two-way trade turnover in Malaysia reached more than US\$7.9 billion in 2012**, up 17% from the previous year, Official statistics from Viet Nam Trade Office in Malaysia showed.

**Cambodia is considered "the most promising country" in the ASEAN community** where Thai business entrepreneurs could set up trade and investment projects. Additionally, Cambodia has cheaper daily labour wage of less than 100 baths from Thais, Roongrote said.

**Myanmar received US\$794 million in foreign investment** over nine months of the 2012-2013 fiscal year, according to an announcement from the Myanmar Investment Commission.

## North East Asia

**The Chinese government saw its fiscal revenue from personal income tax drop 3.9% y-o-y** in 2012, sharply down from the 25.2% growth seen during the previous year, according to latest data from the Ministry of Finance.

**Japanese government outstanding debt hit a record 997.22 trillion yen** at the end of last year, up 13.92 trillion yen from three months before, the Finance Ministry said.

**South Korean households' consumption fell in Q3, 2012** from a year earlier, as Korean rising household debts gave limited leeway in their spending.

## Middle East and North Africa

**Iraqi Kurdistan will press ahead with building its own oil export pipeline to Turkey.** The autonomous Kurdish region is locked in a turf war with the central government in Baghdad over how to exploit Iraq's hydrocarbon riches and divide up the proceeds.

**The economies of hydrocarbon producers in the Gulf and other regional countries are expected to have grown by around 5.5% in 2012** but growth could moderate to 3.9% in 2013 due to lower oil, the institute for International Finance said in a study.

## Indian Sub-Continent

**The RBI cut its key lending rate** in January for the first time in nine months to support a slowing economy, RBI said.

**India's current account deficit is likely to reach a record high in the fiscal year** that ends in March, its central bank governor warned, a gap which the central bank said.

## Europe

**EU leaders agreed to cut back EU's budget to €960bn** (£812bn; \$1.3tn), a fall of around 3% compared with the previous budget.

**British Prime Minister David Cameron has hailed the EU budget** as "good for the UK and good for Europe".

**Spain remains at investment-grade BBB with a negative outlook**, according to Fitch's rating agency. The company predicted debt will peak at 96% of GDP in the FY2014/15 and then decline "gradually."



# Economic & Financial News

Research & International Division

13/2/2013

*...India's retail inflation rises to 10.79%...  
...Thai cabinet approves 2.52 trillion baht fiscal budget...*

## South East Asia

**Total trade for Malaysia grew at a slower pace of 3%** amidst a challenging global environment, said the International Trade and Industry Minister.

**Indonesia yesterday kept its benchmark interest rate unchanged at a record-low of 5.75%**, PT Bank Central Asia's head of treasury Branko Windoe said.

**Philippines merchandise exports reached \$51.994 billion as of year-end 2012** and posting a 7.6% growth over the \$48.3-billion exports posted in 2011, the National Statistics Office reported yesterday.

**Thai cabinet meeting approved a 2.52 trillion baht fiscal budget for 2014**, government spokesman Thosaporn Sereerak said on Tuesday.

**End of 2012, basic building material inventories were valued at VND6.753 trillion** (US\$321.57 million), according to Ministry of Construction statistics of VietNam.

## North East Asia

**The Chinese government will provide fiscal support to the service sector.** The funds will be allocated from the central coffers to benefit housekeeping, e-commerce, resource recycling, second-hand car trade and other businesses, said a document jointly released by the Ministry of Finance and the Ministry of Commerce.

**China is planning to promote standard green buildings on all government-invested buildings from 2014**, said an official with the National Development and Reform Commission (NDRC).

**Japanese average daily balance of cash in circulation in the country last month increased 3.1%** from a year earlier to ¥79.7 trillion, logging the biggest rise in six years and 11 months, the Bank of Japan said Tuesday.

**The jobless rate stood at 3.4%** last month, up from the previous month's 2.9%, according to the report by Statistics Korea.

## Middle East and North Africa

**Saudi Arabia netted its highest income from oil exports in 2012 because of a surge in production**

**and prices** but the earnings are projected to dive by nearly \$68 billion in 2013, according to a key Saudi investment firm.

**Lebanon will post a primary deficit of around \$460 million in 2012**, raising the total budget deficit to around 10% of GDP, according to Ministry of finance.

## Indian Sub-Continent

**India's index of industrial production fell 0.6%** annually in December, data released by the Central Statistics Office showed.

**Rising for the fourth consecutive month, retail inflation remained in double digits at 10.79%** in January, driven by higher prices of vegetables, edible oil, cereals and protein-based items, Reserve Bank of India said.

## Europe

**"Excessive volatility" in exchange markets undermines stability**, in a statement by current Group of Seven top industrialised nations.

**UK inflation remained unchanged at 2.7% in January**, official data has shown, the Office for National Statistics (ONS) said. A big rise in the prices of alcohol and tobacco was the biggest factor.

**Britain's Financial Services Authority (FSA) handed Swiss banking giant UBS a £9.45-million (\$14.7 million) fine** for mis-selling an AIG investment fund.

**Barclays intends to cut at least 3,700 jobs this year** and the bank, hit by the Libor rate-rigging scandal, added that it had plunged into an annual net loss after tax of £1.04 billion (\$1.63 billion) for 2012 compared with a net profit of £3.0 billion in 2011.

## Eastern Europe

**The Central Bank of Russia kept the one-day auction repo rate unchanged at 5.5%**, while the fixed one-day repo rate, a de facto ceiling for the money market, remains at 6.5%. The overnight deposit rate, a floor for interbank rates, was left at 4.5%.



# Economic & Financial News

Research & International Division

14/2/2013

*...UK inflation rate will remain high...  
... Korean government ministries will cut 10% of their operating expenses...*

## South East Asia

**Indonesia's current account deficit in 2012 was 2.7%** of GDP, wider than the initial target of 2.4%, the central bank said.

**Philippine investment pledges climbed** to a record last year as Japanese companies plan expansions, boosting prospects for the nation's economic growth, Trade Secretary Gregory Domingo said.

**The Bank of Thailand is keeping a close watch on the global oil situation**, and will consider revising this year's inflation figures if the price of crude continues to rise, said the BOT.

**The Mekong Delta city of Can Tho is implementing plans to build three industrial zones** with a total area of 1,400 hectares. They are O Mon (600ha), O Mon Bac (400ha), and Thot Not (400ha).

**Private residential property in Cambodia is being seen by some investors as relatively cheap**, with potential for attractive returns, Bonna Group said.

## North East Asia

**China's central government is spending 87.5 billion yuan on helping low-income people**, rural residents with poor living conditions as well as vagrants and beggars, the Ministry of Finance has said.

**Wholesale prices fell 0.2% in January from a year earlier**, reflecting a continued decline in prices of steel and information and communications equipment, including mobile phones, the Bank of Japan said.

**Korean government ministries and agencies will cut 10% of their basic operating expenses** in their 2013 budget in an attempt to tighten their belts amid the protracted economic downturn, the Ministry of Strategy and Finance said.

## Middle East and North Africa

**Egypt has finished revising an economic reform plan needed for a \$4.8 billion IMF loan**, the prime minister said.

## Indian Sub-Continent

**Exports in January grew 0.82% to \$25.5 billion compared with last month**, while imports rose 6.1% to \$45.6 billion, data released by the commerce and industry ministry of India.

**India posted its second highest ever monthly trade deficit of US\$20 billion** in January, piling pressure on a widening current account deficit and limiting scope for the central bank to cut interest rates.

## Europe

**No commercial sectors have been excluded from the EU's free trade talks the United States**, but the EU will introduce "sensitive sectors" later, EU trade Chief Karel De Gucht said. The EU and the United States plan to start free trade negotiations by the end of June.

**The EU will propose for the financial transactions tax to be collected worldwide by 1 January 2014** by the 11 nations that have so far signed up to participate.

**The British economy would experience a "slow but sustained" recovery with GDP** expected to grow by about 2.0% by the end of 2014, the Bank of England said in its latest quarterly report.

**The UK inflation rate will remain high**, currently 2.7% and expected to rise to at least 3% by July and remain above 2% for two years, Sir Mervyn King, Governor of the Bank of England has said.

**Turkey is committed to joining the European Union** but has little appetite for adopting the euro currency, Turkey's chief negotiator said.

## Eastern Europe

**Debts for electric power in Russia** rose over 60% in 2012, President Putin said.

## North America

**Retail sales in the U.S. rose 0.1%** in January for a third consecutive month, according to Commerce Department.





# Economic & Financial News

Research & International Division

16/2/2013

*...The eurozone posted a 2012 trade surplus of €81.8 billion...  
... Taiwanese government does not plan to scrap the luxury goods tax...*

## South East Asia

**Scores of domestic workers and activists in Yogyakarta, Indonesia staged a rally** on Friday demanding that the House of Representatives pass a bill on the protection of domestic workers.

**Personal remittances from overseas Filipino workers (OFWs)** reached US\$2.2 billion in December 2012, representing an increase of 9.7% year-on-year. This brought cumulative cash transfers to US\$23.8 billion for the full year of 2012, higher by 6.4% than the level posted in the same period last year.

**The Bank of Thailand appears less concerned about a stronger baht**, saying appreciation has eased and stayed within the same range as other regional currencies.

**Vietnam, which has invested some US\$4.9 billion in 429 projects**, is the biggest foreign investor in Laos, Vietnam News Agency reported

**Contractors working on the construction of a high-speed highway between Hanoi and the port city of Hai Phong** should "drastically" accelerate the pace, the government said.

**Oil prices in Cambodia hit the highest of all time on Friday**, with a liter of premium gasoline going for US\$1.45 at all petrol stations in the capital.

**Myanmar's Ministry of Commerce has announced that US \$63 million in bean exports** via sea routes was recorded for the month of January 2013.

## North East Asia

**Total retail sales in China were 14.7% ahead of last year**, hitting 539 billion yuan (\$86 billion) from last Saturday to Friday, according to the latest data from the Ministry of Commerce.

**Taiwanese government does not plan to scrap the luxury goods tax** which requires owners of two or more properties, worth over NT\$500,000 to pay between 10% and 15% of the item's sale price if they are sold within two years of purchase, officials said.

**Japan's government plans to offer ¥1 trillion in loan guarantees** for projects aimed at securing cheaper liquefied natural gas, industry minister Toshimitsu Motegi said Friday.

**The Bank of Korea has left its key interest rate unchanged at 2.75%** for the fourth straight month, Officials said.

## Middle East and North Africa

**Qatar and Peru yesterday decided to start negotiations to reach a bilateral agreement on avoidance of double taxation** in an important move to promote the flow of foreign investments between the two countries.

## Indian Sub-Continent

**India's vegetable oil imports soared 27% from a month ago** to an all-time high in January on purchases of cheap palm oil, a trade body said.

**India and Mauritius have started the process of setting up of Joint Business Council and a Joint Working Group** on trade and investment to enhance economic ties between the countries.

## Europe

**The eurozone posted a 2012 trade surplus of €81.8 billion (\$108 billion)**, reversing a deficit of €15.7 billion in 2011, the Eurostat agency data indicated.

**The European Union will urge the United States and Japan to consolidate public finances** over the medium term to remove one of the main risks to the global economy now.

## Eastern Europe

**The Central Bank could cut interest rates** if inflation continues to fall over coming months, bank chairman Sergei Ignatyev said Friday.

## North America

**U.S. manufacturing output fell 0.4% in January from December**, the Federal Reserve said Friday. The decline followed increases of 1.1% in December and 1.7% in November.

**Canadian manufacturing sales recorded the biggest decline at 3.1% in December**, due mainly to weaker

auto production but also on lower sales across most other industries, Statistics Canada said on Friday.

**A recently approved overhaul of rigid labour rules and planned changes to tax, energy and antitrust laws by Mexican President** are aimed at helping create jobs and reduce the size of the underground economy, starting a virtuous cycle of greater investment, employment and lending.

## Australasia

**A further interest rate cuts will be needed to prevent unemployment rising** and boost underperforming sectors of the economy once the mining investment boom peaks later this year, ANZ chief economist said.

**The total volume of retail sales rose 2.1%**, seasonally adjusted, in the final three months of 2012 and rose 2.9% from the same period a year earlier, according to Statistics New Zealand.

## Oil & Gas News

**Crude for March delivery slid \$1.45, or 1.5%**, to settle at \$95.86 a barrel on the New York Mercantile Exchange.

## Commodities News

**Crude palm oil shipments will be taxed at 4.5% next month** as the reference price was set at RM2,306.11 a metric ton, which is in the minimum band for a levy to be applied, according to a Malaysian Customs Department.

## Currency News

**The IMF said that worries over currency wars are "overblown"** and that it did not see major currency values as being particularly out of line.

**The pound had its steepest weekly drop** versus the dollar since June after data showed U.K. retail sales unexpectedly fell in January, adding to evidence the economic recovery is faltering.

Date	Gold	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-Feb-13	1,644.80	3.29	117.98	35.86	1.66	1.92	1.24	1.28	7,833	75.72	2.50	32.89	24.14	3,294.38
16-Feb-13	1,610.15	3.15	117.66	37.35	1.65	1.92	1.23	1.28	7,835	74.86	2.51	32.88	24.17	3,283.07
% Change	-2.15	-4.44	-0.27		-0.65	-0.08	-0.02	0.08	0.02	-1.14	0.27	-0.03	0.16	-0.34

# Economic & Financial News

Research & International Division

19/2/2013

*...India's trade deficit at US\$20 billion in January...  
...Mexican economy grew at 3.9% in 2012...*

## South East Asia

**Malaysia's exports to the United States surged to RM60.79 billion (S\$24.3 billion),** up 5.4% over 2011.

**Singapore's non-oil domestic exports (NODX) inched up 0.5% y-o-y in January,** missing forecasts and posting weaker growth compared to other markets in the region.

**Indonesian Energy and Mineral Resources Minister said Indonesia could rely on its big gas reserves** to make up for dwindling reserves of oil as a major export earner.

**The Philippines' government will now focus on expanding Filipinos' access to financial services** in succeeding years, the National Economic and Development Authority (NEDA) said.

**Thailand's economy records growth in Q4 of 2012** as industry recovered from the impact of the kingdom's worst floods in decades. According to the government's National Economic and Social Development Board (NESDB), Thai's GDP soared 18.9% in 3 months.

**Figures released by the State Bank have shown that at the end of 2012, the total assets of the entire domestic banking system recorded a growth of 2.54%** compared with 2011, meaning that last year's total for the entire system rose by nearly VND126 trillion (US\$6 billion).

## North East Asia

**Inland provinces are holding job fairs to attract migrant workers home to work,** leading enterprises in coastal manufacturing hubs to fear increasingly serious labor shortages.

**Japan and Kazakhstan have agreed rules on foreign investment,** as Tokyo looks to shore up minerals and energy to feed its resource-hungry industry, Japan's Ministry of Foreign Affairs said.

**South Korea's producer prices fell by the most in more than three years in January** on the local currency's ascent to the U.S. dollar and an on-year fall in oil prices, the central bank.

## Middle East and North Africa

**Oman's average oil production increased 3.8% in 2012** to 918,500 barrels per day compared to a year earlier to boost its annual earnings and wipe out a fiscal deficit, official figures shows.

## Indian Sub-Continent

**India posted its second highest ever monthly trade deficit of US\$20 billion in January** as imports surged to record highs, piling pressure on a widening current account deficit and limiting scope for the central bank to cut interest rates.

**India cut its annual borrowing program** as Finance Minister Palaniappan Chidambaram reined in spending and raised as much as 220 billion rupees (\$4 billion) selling stakes in state companies.

## Europe

**Mario Draghi, Head of the ECB warned that keeping interest rates low for a long period** could harm saving returns as well as possibly fuelling bubbles in-house prices.

**The eurozone's current account surplus narrowed to €13.9 billion (\$18.5 billion) in December** from €15.9 billion in November, ECB data showed.

**Germany will avoid recession and return to growth in Q1 of 2013** after GDP shrank by 0.6% in Q4 2012, the German central bank, Bundesbank said in its February monthly report.

**France will await European Commission growth forecasts this week** before adjusting its 2013 fiscal plans, Finance Minister Pierre Moscovici said.

## Eastern Europe

**Russia's producer price index** fell 0.4% in January, the fourth month in a row, the State Statistics Services reported.

## North America

**With natural gas prices stuck in a prolonged funk that not even winter's cold can cure**, Canada's energy industry is about to turn the switch on a series of efforts to stoke new demand on highways, waterways and railroads.

**Mexico's national statistics institute says the country's economy grew 3.9%** in 2012, thanks in part to a rise in agricultural activity.

## Australasia

**High-tech manufacturers are proposing a tax incentive** to support export-oriented local production as a "no cost" alternative to industry grants and the federal government's \$1 billion innovation package, said the AusBiotech.

**The Reserve Bank of Australia kept the cash rate at 3%** at its first meeting of the year, after cutting it by a quarter of a percentage point at the previous meeting in December, said the RBA.

## Oil & Gas News

**Oil prices have traded narrowly mixed** in quiet trading as dealers mulled the outcome of a G20 weekend meeting amid a public holiday in the United States.

## Commodities News

**Soybeans advanced by the most in almost three weeks** on concern that importers will struggle for supplies before the next U.S. harvest even as South American crops increase to a record.

## Currency News

**The Singapore dollar slid** on Monday after worse-than-expected export data, though it later recouped some of its early losses as it neared a key chart support level. The Singapore dollar was down 0.2% at 1.2396 per US dollar.

**The Australian dollar is higher against its US counterpart** after the greenback sold off against most major currencies during the local session.

Date	Gold	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
16-Feb-13	1,610.15	3.15	117.66	37.35	1.65	1.92	1.23	1.28	7,835	74.86	2.51	32.88	24.17	3,283.07
18-Feb-13	1,613.81	3.18	117.3	36.89	1.65	1.92	1.24	1.28	7,803	75.90	2.50	32.77	24.11	3,291.11
% Change	0.23	0.94	-0.31		0.17	0.15	0.42	-0.35	-0.41	1.37	-0.25	-0.34	-0.29	0.24

# Economic & Financial News

Research & International Division

20/2/2013

*...S. Korea's local renewable energy industry came to US\$6.9 billion in 2012...  
...Cambodia achieved a GDP growth rate of 7.3 % last year...*

## South East Asia

**The services sector is set to be the engine of growth for the Malaysian economy going forward**, with a target contribution of 70% to the GDP by 2015, according to the Ministry of International Trade and Industry.

**The sales of cement in Indonesia increased by 14.5% y-o-y to 4.7 million ton** in January, indicating acceleration of infrastructure project development in the country.

**The Philippines' Balance of Payments rose 136% to US\$2 billion** at the end of January this year from the same period a year ago.

**Transfers of residential rights in Bangkok and nearby provinces in 2012 were up 3% y-o-y**, the Government Housing Bank reported on Tuesday.

**Cambodia achieved a GDP growth rate of 7.3 % last year**, Prime Minister Hun Sen said Wednesday, forecasting that the growth would be higher than 7% this year.

**Vietnam is not considering any plans to devalue the dong against the dollar** even though financial experts have proposed the currency be devalued by 2-4% to support exports, a central bank official said.

## North East Asia

**Fuel prices in China are expected to be raised** by between 250 and 300 yuan per tonne, Energy consultancy C1 Energy said.

**FDI inflow into China shrank by 7.3% y-o-y to US\$9.27 billion** in the first month of 2013, the Ministry of Commerce said Wednesday.

**Japan's trade deficit swelled to a record 1.63 trillion yen (\$17.4 billion)** on energy imports and a weaker yen. Exports climbed 6.4% in January from a year earlier.

**S. Korea's local renewable energy industry came to 7.4 trillion won (US\$6.9 billion)** last year, down 7.86% from 8.1 trillion won tallied two years earlier, according to the data compiled by the state-run Export-Import Bank of Korea.

## Middle East and North Africa

**Qatar's ambitious megaprojects will surge ahead, with \$120 billion worth of projects** to be undertaken until 2020, government official said.

## Indian Sub-Continent

**India, the world's biggest sugar producer after Brazil, is unlikely to export the sweetener for up to three years** as high production costs price shipments out of the global market and a drought in major growing regions squeezes output.

## Europe

**Some countries may be forced to leave the euro zone** if the ECB does not become a lender of last resort, former Italian PM Silvio Berlusconi stated.

**Negotiations to introduce a cap on bankers' bonuses in the EU stalled**, after EU countries and the bloc's parliament clashed over how far to go in curbing pay for the industry's top earners.

**German investor confidence jumped more than forecast** in February to the highest in almost three years, according to the ZEW Center for European Economic Research in Mannheim said.

**Spanish banks will still face funding and liquidity pressures** in coming months even though some were able tap bond markets earlier this year, Moody's Investors Service said.

## North America

**The top priority for the nation is to bolster economic growth and create jobs** for the middle class, warning that drastic government spending cuts will hurt US economic recovery, US President Barack Obama said on Tuesday.

**The British Columbia government will take another year to finalize details of its proposed tax** on exports of liquefied natural gas, casting uncertainty over the fledgling industry just as it contemplates major new investments.

## Australasia

**Australian wage index rose at** advanced 0.8% from the previous three months, when it rose 0.7%, the statistics bureau said.

**New Zealand Statistics figures show input prices, which is a measure of wholesale inflation, declined 0.3%** in the three months to December compared with the previous quarter, while output prices slipped 0.1%.

## Oil & Gas News

**Crude oil options volatility increased** as the underlying futures gained the most in a week after operators said the flow of crude on the Seaway pipeline will climb.

## Commodities News

**Gold declined** in New York. Gold futures for April delivery fell 0.3% to settle at \$1,604.20 an ounce.

## Currency News

**The New Zealand dollar shed more than half a US cent** after Reserve Bank governor outlined the central bank's criteria to intervene in currency markets, and said he was prepared to act when those were met.

**The ringgit opened slightly higher** against the US dollar in early trading Wednesday on the back of buying interest for the local currency, dealers said.

Date	Gold	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
18-Feb-13	1,613.81	3.18	117.3	36.89	1.65	1.92	1.24	1.28	7,803	75.90	2.50	32.77	24.11	3,291.11
19-Feb-13	1,608.05	3.28	117.52	35.83	1.65	1.92	1.24	1.28	7,833	75.65	2.50	32.78	24.12	3,310.22
% Change	-0.36	3.05	0.19		0.04	-0.17	-0.09	0.24	0.39	-0.33	0.07	0.03	0.05	0.58

# Economic & Financial News

Research & International Division

21/2/2013

*...China will proactively introduce a set of new taxation policies...  
...Russia's consolidated budget surplus fell to 263 billion rubles...*

## South East Asia

**Malaysia's economy accelerated to an annual pace of 6.4% in Q4**, beating expectations with the fastest growth since 2008. The CPI increased by 1.3% in January compared to the corresponding month last year.

**The median monthly household income from work in Singapore rose by 2.7% y-o-y** in real terms in 2012, the Department of Statistics said.

**The Ministry of Finance asks for restrictions on further foreign access to financial sector** to reduce pressures on balance of service deficit, acting Head of Fiscal Policy Agency at the Ministry of Finance said. Indonesia's financial sector is very wide open where foreigners may acquire 99% ownership.

**The Philippine government debt hit 5.44 trillion pesos (US\$133.92 billion) in 2012**, up 9.8% on year on back of a sharp increase in domestic loans, the Bureau of Treasury said.

**The Bank of Thailand has successfully defied the government's pressure for a rate cut**, as yesterday's decision to maintain the policy rate at 2.75% did not cause a further appreciation in the baht as feared, the central bank said.

**Vietnamese exporters will now enjoy better conditions for exporting goods to Argentina**, after the South American country decided to remove its non-tariff trade measures, according to the Ministry of Industry and Trade of Viet Nam.

## North East Asia

**China will proactively introduce a set of new taxation policies designed to preserve the environment**, including a tax on carbon dioxide emissions, according to a senior official with the Ministry of Finance.

**Japan's imports of liquefied natural gas hit a monthly record of 8.23 million tonnes** in January, on an increased need for fuel to generate electricity after the nuclear sector was hit by the Fukushima crisis, customs-cleared Ministry of Finance data showed.

**Bank of Korea considered domestic factors in deciding monetary policy in the past**. International cooperation is now as important in monetary policy as in real economy, the BOK governor said.

## Middle East and North Africa

**Egypt's economy grew 2.4% in the last half of 2012**, citing consumer spending as a main driver for an economy battered by two years of political turmoil, Egypt's minister for planning and international cooperation.

## Indian Sub-Continent

**India policymaking should prop up investment cycle to create jobs** rather than unduly squeezing capital flows to the productive sectors, Commerce and Industry Minister Anand Sharma today said.

## Europe

**The EU moved closer to centralised oversight on national budgets**, negotiators said.

**Britain's economy could see a fresh injection of cash stimulus**, according to minutes of a Bank of England meeting published on Wednesday.

**UK unemployment fell by 14,000 to 2.5 million or 7.8% in Q4 2012**, while the number of people in work jumped by 154,000 to 29.7 million, the Office for National Statistics (ONS) said.

**France's CPI fell by 0.5% in January** from a month earlier on a drop in manufacturing costs, the country's Statistics Institute Bureau INSEE said Wednesday.

**Spanish deficit ended 2012 at a level below 7% of GDP**, Spain's PM Mariano Rajoy said.

## Eastern Europe

**The IMF has kept its 2013 Russia's GDP growth forecast** at 3.75%, more optimistic than the government's 3.6% prediction, Odd per Brekk, the IMF's senior resident representative in Russia, said at a news conference.

**Russia's consolidated budget surplus fell to 263 billion rubles in 2012**, the Federal Treasury said.

**The number of Russia's unemployed** stood at 4.5 million people, or 6% of the economically active population in January, the Prime reported.

## North America

**Canadian goods exports to China surged 15% last year to \$19.3-billion**, paced by a near-doubling of canola seed and canola oil shipments, according to newly tabulated government trade figures.

**U.S housing starts fell 8.5%** from December to an annual rate of 890,000, the Commerce Department said.

## Australasia

**Soaring resource exports have created about 500,000 jobs** in Australian's mining industry during the past seven years, according to significant new findings that counter claims that key sectors are being damaged by the boom.

**Auckland International Airport has reported \$76.9 million profit** for the six months to December was 11.3% higher than the same period the previous year.

## Oil & Gas News

**US oil prices tumbled on Wednesday**, raising speculation of a massive sell-off by an investment fund.

## Commodities News

**Gold fell more than 2% to a seven-month low on Wednesday** after the minutes of the Federal Reserve's meeting last month showed the US central bank could slow or stop buying assets before a pick-up in the job market.

## Currency News

**The pound slumped to a 15-month low against the euro** after Bank of England minutes showed more officials voted to expand asset purchases at this month's meeting, a policy that typically debases a currency.

**Mexico's peso dropped the most among major Latin America currencies** after Federal Reserve minutes indicated a debate over further stimulus for the biggest market for the Latin American country's exports.

Date	Gold	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-Feb-13	1,608.05	3.28	117.52	35.83	1.65	1.92	1.24	1.28	7,833	75.65	2.50	32.78	24.12	3,310.22
21-Feb-13	1,563.80	3.26	115.04	35.29	1.66	1.91	1.24	1.28	7,839	75.57	2.50	32.85	24.13	3,300.80
% Change	-2.83	-0.61	-2.16		0.33	-0.30	-0.17	0.19	0.08	-0.11	0.08	0.19	0.04	-0.29



# Economic & Financial News

Research & International Division

26/2/2013

*...Bank of Thailand currently employed interest rates as the main policy instrument...  
... South Korea's FDI totalled US\$39.01 billion last year...*

## South East Asia

**The Monetary Authority of Singapore will reintroduce financing restrictions on motor vehicle loans** granted by financial institutions, MAS said.

**Bangko Sentral ng Pilipinas could raise key policy rates** in the fourth quarter of the year, Barclays Economic Research said.

**Indonesia's inflation rate in February 2012 is estimated to decrease at 0.3% – 0.4%.** This figure is expected to realize, given inflation in January touched 1.03% due to flood, said the Minister of Finance.

**The Bank of Thailand currently employed interest rates as the main policy instrument** based on three criteria, which are the ability to control monetary policy conditions and to mitigate the impact from the economic cycle to ensure growth and inflation stability, said BOT's governor.

**The total trade turnover between Viet Nam and the EU reached around US\$29.09 billion in 2012,** up 19.77% against 2011, according to the General Department of Customs.

**The Ministry of Commerce of Myanmar has eased laws for local businesspeople** by passing a bill that will allow all imports and exports to proceed without licenses as from April 1, reported by an official from the ministry.

**The Lao PDR government last week approved policies to boost investment and drive economic growth,** at its monthly meeting for February, Lao News Agency said.

## North East Asia

**China produced 403.1 tons of gold in 2012,** up 42.1 tons or 11.66% y-o-y, according to new data released by the Ministry of Industry and Information Technology.

**Sales of luxury goods at domestic department stores are rapidly growing,** as the economy shows signs of life apparently due to PM Shinzo Abe's economic policies.

**South Korea's FDI totalled US\$39.01 billion last year,** compared with \$45.53 billion tallied a year earlier, according to the report by the finance ministry.

## Middle East and North Africa

**Iran has exported \$37.69 billion worth of non-oil goods and imported \$48.38 billion of non-oil goods** during the 11-month period, ISNA reported on Sunday, citing data by the Iranian Customs Administration Office.

## Indian Sub-Continent

**India's tax authorities are seeking billions of dollars** from some of the world's biggest multinational companies, saying that they haven't properly valued transactions with their Indian subsidiaries.

**An official figure indicates just a 6.1% rise in property prices** in the October-December quarter over the June-September quarter last year, for the entire city, according to Reserve Bank of India.

## Europe

**A lack of trust in banks is holding back the global economic recovery** and regulatory reforms would prove insufficient in rebuilding public confidence unless they were accompanied by cultural change, the governor-designate of the Bank of England Mark Carney has said.

**France's budget deficit will be 3.7% of GDP in 2013,** short of its 3% target under European rules, the European Commission forecast indicated.

**France and Germany urged Cyprus' new government to negotiate a bailout quickly** and welcomed the election of rightwinger Nicos Anastasiades as the president of the financially crippled EU state.

## Eastern Europe

**Russia's oil exports** fell 1.8% to 239.9 million tonnes in 2012, the Federal State Statistics Service said Wednesday. Oil accounted for 34.5% of exports and 49% of its energy exports.

**The average export price for Russian oil** fell 2.1% m-o-m in December, to \$735.7 per tonne. The average price of the Urals blend amounted to \$790.8 per tonne.

**Russia's seasonally adjusted GDP** fell 0.3% month on month in January, the Prime reported.

## North America

**Foreign portfolio investments in Mexico doubled from \$40.6 billion in 2011 to \$80.2 billion last year,** showed data from the central bank on Monday.

## Australasia

**Australia's central bank has the option to cut interest rates further** to help offset the impact of the strong Australian dollar, a top central bank official said today.

**The minimum wage is to rise by 25c an hour to \$13.75,** New Zealand's Labour Minister Simon Bridges said.

## Oil & Gas News

**West Texas Intermediate oil fell to the lowest level in seven weeks** in electronic trading after the settlement as partial election results in Italy heightened concern that the euro-zone debt crisis may deepen.

## Commodities News

**Copper use in China will jump 8%** to a record 8.833 million metric tons this year, boosting global demand and creating a 6,000-ton product deficit versus a surplus of 216,000 tons in 2012, according to Goldman Sachs Group Inc.

**Wheat dropped to an eight-month low** on speculation that a snowstorm today in the U.S. Great Plains will help ease drought conditions before crops emerge from winter dormancy.

## Currency News

**The yen dropped against the dollar** as traders sold the currency near this month's high on speculation the Bank of Japan will ease monetary policy further to boost growth.

**The Canadian dollar fell against its U.S. counterpart** for a seventh day as investors' risk appetite declined and concern increased that the nation's economic growth is slowing more than forecast.

Date	Gold	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-Feb-13	1,563.80	3.26	115.04	35.29	1.66	1.91	1.24	1.28	7,839	75.57	2.50	32.85	24.13	3,300.80
26-Feb-13	1,600.35	3.44	113.6	33.02	1.63	1.87	1.24	1.27	7,835	75.87	2.50	32.84	24.09	3,253.90
% Change	2.28	5.23	-1.27		-1.47	-1.88	0.23	-0.57	-0.06	0.40	0.00	-0.01	-0.15	-1.44

# Economic & Financial News

Research & International Division

28/2/2013

*...India's finance minister proposed a 16% rise in public spending...  
... Singapore's aerospace industry produced a total output of S\$8.7 billion last year...*

## South East Asia

**Bank Negara Malaysia will tighten rules on the fixing of onshore reference rates** for the ringgit currency, two sources with direct knowledge of the plans told Reuters on Thursday.

**Singapore's aerospace industry produced a total output of S\$8.7 billion last year** - more than double the output a decade ago, the Association of Aerospace Industries of Singapore said.

**The Energy Regulatory Commission approved a PHP24 million budget** to organise the electricity market in Mindanao, which they hope will ease the supply problem there, the ERC said.

**Indonesia plans to crack down on tax evaders,** boost the number of collectors and is studying new debt rules to shore up state revenue as slower global growth hurts its budget, the nation's tax chief said.

**The Commerce Ministry will tomorrow propose that to revise down its pledged price** from Bt15,000 a tonne to Bt13,000 or Bt14,000 a tonne for white paddy rice in April's second-crop harvest season.

**Viet Nam has decided to maintain the local retail fuel prices, import duties, and the deduction from the fuel price stabilization fund.** The decision was made following an order from Viet Nam's PM Nguyen Tan Dung.

## North East Asia

**Shanghai's annual tax revenue declined about 20 billion yuan (US\$3.2 billion) in 2012,** the Tax bureau said.

**Japanese factories boosted output last month at 1%,** ramping up output of cars, steel and electronics, the Economy and Trade ministry reported.

**Production in the mining, manufacturing, gas and electricity industries dropped 1.5% last month** from a month earlier, according to the report by Statistics Korea.

## Middle East and North Africa

**Egypt's government deficit rose by more than a third** in the seven months to the end of January from the

same period a year earlier, state media reported on Wednesday.

## Indian Sub-Continent

**India's finance minister proposed a 16% rise in public spending** on Thursday in his annual budget as he sought to balance demands for pre-election spending with alarm over the public deficit.

## Europe

**ECB President Mario Draghi signaled the bank has no intention of tightening monetary policy anytime soon** with inflation projected to "significantly" undershoot its 2% target next year.

**Eurozone bank loans to the private sector declined** by 0.9% on a monthly basis in January, ECB data showed.

**EU officials have struck a provisional deal on new financial rules,** including capping bank bonuses at a year's salary, but can rise to two year's pay if there is explicit approval from shareholders.

**The UK economy revised its growth estimate** from zero to 0.2% for the year 2012, official figures from the Office for National Statistics (ONS).

## Eastern Europe

**Russia's migrant workers account for 7% of its labour force,** Federal Migration Service Director Konstantin Romodanovsky said Wednesday.

**Consumption in Russia was the main driver of expansion in 2012,** underwriting 3.2 of the 3.4 percentage points of growth, the Moscow Times reported. But high levels of inflation are likely to lessen its effect this year, with the 12-month inflation accelerating by 7.1% in January.

## North America

**White House-backed legislation in the Senate to replace \$85 billion in across-the-board spending cuts** would raise the deficit through the end of the budget year by tens of billions of dollars, officials said late

Wednesday as the two parties maneuvered for public support on economic issues.

**Mexican state and local governments owe a total of 17.9 billion pesos (\$1.42 billion),** according to a Reuters report.

## Australasia

**The federal government's future fund will offload A\$222 million worth of tobacco company investments** because of the "damaging health effects" to tobacco products, Chairman David Gonski said.

**In New Zealand, total sheep meat exports for December increased 51%** on the previous December to 35,157 tonnes, driven by record export volumes to China, which increased threefold to 11,053 tonnes.

## Oil & Gas News

**Oil supplies climbed 1.1 million barrels last week,** data from the Energy Information Administration showed.

## Commodities News

**Gold futures have settled below \$US1,600,** amid renewed concerns the Federal Reserve would roll back its monetary easing measures sooner than investors expect.

**South Korea, Asia's second-biggest corn buyer, may reduce imports from the U.S.** for a third year as it increases cheaper purchases from South America, the largest local feed miller said.

## Currency News

**The Australian dollar is more than half a US cent higher,** after it bounced back after the release of local business investment figures.

**Indonesia's rupiah forwards** headed for the best month since June after global investors bolstered holdings of the nation's stocks by the most since April 2011.

Date	Gold	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-Feb-13	1,600.54	3.44	111.85	32.51	1.62	1.87	1.24	1.27	7,825	74.27	2.50	32.92	24.10	3,266.81
% Change	0.01	0.00	-1.56		-1.10	-0.27	-0.17	-0.62	-0.12	-2.16	0.05	0.24	0.04	0.40