

Economic & Financial News

Research & International Division

2/7/2013

*...Big American companies paid a fraction of corporate tax rate...
...Brazil's central bank was removing incentives for banks...*

South East Asia

Indonesia's poverty rate dropped by 520,000 to 28.1 million in March from September last year. The drop was as result of better incomes, BPS Head Suryamin said.

Although inflation has continued to drop, Thailand has not yet faced deflation. Consumers are still spending money as usual. The lower inflation last month was due to less pressure from rising foods and goods prices following the raining season, Vatchari Vimooktayao, permanent secretary of the Commerce Ministry said.

More than 600 Malaysian companies are operating in ASEAN countries and involved in the global and regional supply and value chains, reflecting greater regional economic integration, said Ministry of International Trade and Industry Secretary-General Datuk Dr Rebecca Sta Maria.

Banks will not be able to approve a loan if the monthly repayments of a buyer's total debt obligations exceed 60% of gross monthly income. Banks would then have to relook how much they can lend under the new Total Debt Servicing Ratio framework which applies to loans for all property types, Monetary Authority of Singapore said.

Vietnam's economic growth accelerated 5% in the Q2 after the central bank cut refinancing rate 8 times since 2012 to revive lending to businesses and rising foreign investment at 5.6% in the first half 2013 boosted the nation's exports, according to Ministry of Planning & Investment.

North East Asia

The People's Bank of China has arranged a US\$1.94 billion re-lending quota to boost financial support for small and micro-businesses and rural areas. The re-lending will increase the availability of credit for small and micro-businesses and rural areas, the central bank said.

South Korea's exports fell in June at 0.9% y-o-y to \$46.73 billion while imports dropped 1.8% to \$41.22 billion, resulting in a surplus of \$5.52 billion, the Ministry of Trade, Industry and Energy said. The drop in exports was largely caused by fewer working days in June.

Middle East and North Africa

Liquidity in Iran rose 26% in May y-o-y amounted to US\$381 billion in May, Iran's Central Bank Governor Mahmoud Bahmani said. The inflation rate for the 12-month period concluding at June hit 34%.

Investments into Saudi Arabia's petrochemical sector have reached a staggering SR 3.6 trillion, making the Kingdom a primary source of material for related products such as packaging and plastic. Domestic plastics production alone topped 1.7 million tons last year.

The World Bank has approved a \$585.4m loan to finance Egypt's Helwan South Plant Project, a new gas-fired power plant that will contribute up to 10% to new electricity generation nationwide.

Qatar's insurance industry expanded at an annual average growth rate of 11.3% between 2008 and 2012 and reached US\$1.3 billion, driven by Qatar's economic development and rising population.

Bahrain's banks' combined net profits nearly doubled to US\$1.1 billion in the first three months in 2013, said the central bank. The rebound in profits was across all sectors of the banking industry, including conventional wholesale and retail banks.

Indian Sub-Continent

India state-run fuel retailers decided to raise diesel price by 50 paise per litre, excluding state levies. The new rate would come into effect from today.

Europe

Germany and France, hold the keys in their hands towards a smoother and more effective rebalancing of the European economy. If both nations work together to achieve this, they do a great service for the entire Eurozone by providing stronger growth, creating more jobs and reducing social tensions, European Commissioner for Economic and Monetary Affairs Olli Rehn said.

French President reiterated pledge his promise to create 100,000 in 2013. Hollande launched a "great battle" to bring down the double digit rate in December via state-financed job contracts and stimulus to improve competitiveness. His scheme will cost €2.3 billion to be compensated by removing tax exemptions from taxes on overtime work.

Unemployment in recession-hit Italy climbed to a new record high of 12.2% in May, according to labour minister Enrico Giovannini. Around 3.14 million people were unemployed in May, up 56,000 on April.

Economic crisis puts brakes on Spanish birth rates. Since the crisis, the number of births has dropped by 13%, number of deaths increased and fewer people of working age. Spanish couples are increasingly giving up on having children and there are fewer women of childbearing age.

High household debt, falling house prices, public spending cuts and the reluctance of banks to lend are keeping the Dutch economy depressed, credit agency Standard & Poor's said.

The Belgian Federal Government reached full agreement on a package of savings measures and new taxes to put the 2013 budget back on track. The measures agreed should raise €750 million this year. The agreement also involves savings worth €2.37 billion that will take effect next year.

Austria needs to take further steps to strengthen its banking system, including increasing capital buffers, creating a bank resolution scheme and winding down all the nationalised banks, even if it means taking a hit to the public budget, IMF has said.

Finnish government is monitoring the nation's housing market to ensure record-low euro-zone rates do not fuel risks, Prime Minister Jyrki Katainen said. Finland house prices have surged about 35% as mortgage borrowing sends household debt burdens to a record 119% of disposable incomes.

Eastern Europe

Poland will run an economy balanced between fiscal discipline and economic expansion, signaling it will not sacrifice growth to spending cuts, Prime Minister Donald Tusk said.

Romania's central bank cut its benchmark interest rate to a record low of 5%, with slowing inflation giving the bank room to nurture a still fragile economy.

The unemployment rate in Bulgaria was 12.7% in May, registering a slight decrease from 12.8% in April. Meanwhile, youth unemployment in Bulgaria remains higher than the EU average at 26.2%.

North America

Big American companies paid a fraction of corporate tax rate. Large corporations enjoyed a 12.6% tax rate far below the 35% tax that is the statutory rate imposed by the federal government on corporate profits, according to Government Accountability Office.

South America

Brazil's central bank was removing incentives for banks to buy up loan portfolios from smaller lenders. The measures to date helped inject more than US\$20.6 billion into smaller banks, bringing their liquidity to desired levels.

Argentina's tax collection rose 27.3% in June against the same month of 2012, reaching 74,696 billion pesos, the head of AFIP tax agency Ricardo Echegaray reported.

Australasia

The Reserve Bank board is expected to leave the cash rate on hold at 2.75% at today's meeting. However, some economists think the RBA will cut as low as 2% to tame the Australian dollar and to counter a sluggish economy.

Oil & Gas News

Brent crude extended gains to a second day and edged higher above \$103 a barrel on Tuesday due to concerns about supply disruptions in the Middle East and Africa.

Commodities News

Gold spot bullion rose as much as 0.7% to \$1,260.90 an ounce and was at \$1,257.64 at 12:43 p.m. in Singapore.

Currency News

The U.S dollar was 0.6% from the highest level in almost a month against the euro as signs of improvement in the U.S. economy.

The Australian dollar fell 0.5% to US\$0.9182, after the central bank said there may be scope for further easing and that the Australian dollar could fall further.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
29-Jun-13	1,234.53	3.57	102.16	28.62	1.65	1.93	1.27	117.12	7846.83	78.14	2.51	34.19	24.64	3,150.44
02-Jul-13	1,258.90	3.58	103.11	28.80	1.65	1.93	1.27	116.26	7843.75	78.41	2.50	33.99	24.50	3,170.43
% Change	1.97	0.28	0.93		-0.21	-0.24	0.13	-0.73	-0.04	0.34	-0.55	-0.57	-0.57	0.63

Economic & Financial News

Research & International Division

3/7/2013

*...More foreign investment is needed to stimulate the suffering Italian economy...
...Singapore households are among the most indebted in Asia...*

South East Asia

Inflation in Indonesia stood at 5.9% y-o-y in June.

The inflation was expected because it is a direct impact of the subsidised-fuel price hike, Bank Indonesia said. Overall, Bank Indonesia estimated inflation in 2013 to stand at 7.2%.

Despite deciding to raise the minimum price for rice back to Bt15,000 a tonne under its price-pledging scheme, the government plans to cut the pledging amount to Bt13,000 a tonne for the next harvest season, due to begin by November, a Commerce Ministry source said.

The abolishing of excise duties does not guarantee that the prices of cars will drop, according to the Deputy International Trade and Industry Minister Datuk Hamim Samuri. He said that slashing excise duties cannot be done drastically because car prices are determined by other factors such as manufacturing companies, the exchange rate, transportation costs, insurance and loan interests.

Singapore households are among the most indebted in Asia relative to what they earn, according to a Standard Chartered report. Households had borrowings worth 151% of their annual income last year, second in the region only to Malaysia, with debt at 182% of income.

The volume of domestic trade transactions in the Philippines rose by 26.7% y-o-y in Q1 2013. Trade volume reached 5.99 million tons from 4.73 million tons reported during the same period in 2012. Most of the commodities were transported through water.

The State Bank of Vietnam will continue to keep an eye on the local gold market as it has done recently, as it will help stabilise the country's macroeconomic situation, said a senior SBV official.

North East Asia

Japan's monetary base rose to ¥173.12 trillion at the end of June, up 34.4% y-o-y and up 8.8%, or ¥13.96 trillion, month on month, the Bank of Japan said.

The government vowed to put their policy focus on easing the debt burden of the socially vulnerable, as part of a broader effort to induce a soft landing on the country's mounting household debt. The outstanding amount of household debt in South Korea reached US\$847.5 billion as of the end of March, according to Financial Services Commission.

Middle East and North Africa

Most of the profits end up in the pockets of retailers owned by foreign multinationals and individual expatriates, according to a local economist. About 80% of retail stores in Saudi Arabia are owned by expatriates. He estimates that Saudis only get 10 to 20% of the sector's profits.

The IMF expects Iraq's \$150 billion economy will surge 9% this year after jumping 8.4% in 2012. Iraq's economic resurgence has been underpinned by the country's formidable oil sector, which the International Energy Agency sees contributing 45% to the entire world's incremental oil supply this decade.

The Lebanese economy contracted between 0.5 and 1% in the first half of the year, a senior economist at the Institute of International Finance. Net private capital flows have steadily declined from a peak of US\$12 billion in 2009 to US\$2.4 billion in 2012.

Indian Sub-Continent

India's external debt was a US\$390 billion in March 2013. More worryingly, the short term debt payable within a year has ballooned to US\$172 billion in 2013, from \$54 billion in 2008. India has to pay back \$172 billion to foreign lenders by March 2014. This is nearly 60% of its current foreign exchange reserves.

Europe

France was working to generate €14 billion in spending cuts next year and in 2015 as it wants to tame the public deficit to 3% of economic output by 2015, Finance Minister Pierre Moscovici said Tuesday.

More foreign investment is needed to stimulate the suffering Italian economy, President Giorgio Napolitano said on Tuesday. An influx of investments is crucial to give an innovative stimulus to economic recovery and employment, pointing out that the public administration should promote policies to attract investors.

The measure adopted by the Dutch Council of Ministers will enable business owners to reduce their tax payments over the course of the next few years, thereby creating extra scope for investment totalling around €400 million, according to the Dutch Finance Ministry.

There has been a big jump in the number of Flemish jobless. Flemish jobless totals are up 9.3% or 17,574 people in the half year ended 2013.

Further action is needed to enable the Austrian pension system to meet the challenges posed by the country's ageing population, the OECD has said. Public pension spending is already above 12% in the central European country.

Croatia, which has joined the EU on July 1, has expanded the market and opened up new possibilities both for itself and for other members of the Community, Martynas Lukoševičius, an adviser to Lithuanian President Dalia Grybauskaitė, has said.

Iceland's economy is recovering at a moderate pace and is now more balanced than before the crisis, although more remains to be done in private-sector deleveraging, reducing non-performing loans and lowering external indebtedness, according to OECD.

Eastern Europe

The European Commission has adopted a €10 million programme to support Small and Medium Sized enterprises (SMEs) and trade opportunities in the Eastern Partnership (EaP) countries. SMEs can play a key role in generating jobs and economic growth because they respond quickly to opportunities created by the market.

The seasonally adjusted unemployment rate in Poland was at 10.7% in May, equal to that recorded in April. In May 2012, the unemployment rate was 10% Eurostat said.

Ivan Iskrov, Governor of the Bulgarian National Bank, has cautioned banks to be careful with lowering their interest rates in view of an upcoming global trend for tightening monetary policy.

North America

New orders for U.S. manufactured goods rose to US\$485 billion or 2.1% in May, U.S. Department of Commerce said on Tuesday. New orders for durable goods such as computers, cars and machinery, jumped 3.7% to US\$231.2 billion dollars in May. New orders for non-durable goods, including food, paper products, petroleum and coal products, advanced 0.7% to US\$253.8 billion.

The slowdown in Canada's economy in the second half of 2012 certainly had a significant impact on government finances. The data show that federal government revenues sunk nearly 4% in the quarter, while local government revenues rose almost 1%, Statistics Canada revealed the data.

Remittances sent by Mexicans living abroad fell 13.2% to \$2.03 billion in May, compared to the same month in 2012, the Bank of Mexico said.

South America

Brazil's industrial production fell 2% in May compared to 1.9% in April, as the government's fight against inflation complicates its strategy to revive growth, the national statistics agency said. Inflation accelerated to 6.67% in the year through mid-June.

Argentine national debt equals 44.9% of the GDP, and underlined "Argentina's commitment" to pay its creditors, Finance secretary Adrián Consentino said. Last year, the debt was worth US\$197.47 billion, marking a growth of 10.3%.

Peru and the World Bank will work together to narrow the inequality gap in the Andean country, paving the way for its development and welfare, Peruvian President Ollanta Humala has announced.

Australasia

Australian retail sales rose 0.1% to AU\$21.8 billion in May as consumers cut spending on dining out and household goods. Australia's trade surplus expanded in by almost AU\$500 million. According to data from the Australian Bureau of Statistics, the nation's trade surplus for the month expanded 292% to a seasonally-adjusted AU\$670 million.

Oil & Gas News

Crude oil surged, with West Texas Intermediate exceeding \$100 a barrel on shrinking U.S. stockpiles and concern political turmoil in Egypt will lead to Middle East supply disruptions.

Commodities News

Spot gold rose 0.2% to \$1,244.06 an ounce by 0014 GMT, while U.S. gold was little changed at \$1,243.5.

Currency News

The pound fell 0.1% to \$1.5136 at 8:24 a.m. London time after sliding to \$1.5130, the lowest level since May 30.

The Australian dollar dropped to US\$0.91, before trading 0.8% lower at US\$0.91 as of 4:16 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
02-Jul-13	1,258.90	3.58	103.11	28.80	1.65	1.93	1.27	116.26	7843.75	78.41	2.50	33.99	24.50	3,170.43
03-Jul-13	1,239.04	3.64	104.66	28.75	1.65	1.93	1.27	116.79	7845.60	78.64	2.50	34.21	24.43	3,131.68
% Change	-1.58	1.68	1.50		0.25	-0.03	-0.04	0.46	0.02	0.30	0.15	0.64	-0.27	-1.22

Economic & Financial News

Research & International Division

4/7/2013

*...The UK government will take two decades to restore the economy...
...Thailand's government took a U-turn on its decision...*

South East Asia

The contribution of the Indonesian government spending toward economic growth was relatively small (9%), the Finance Minister said. Therefore, the government was still dependant on domestic consumption and investment to maintain national economic resiliency.

Thailand's government took a U-turn on its decision to drop the price ceiling of mortgaged rice. The rice-pledging subsidy programme incurred a loss of US\$4.4 billion. 18 million tonnes of rice are still stuck in warehouses. Since the subsidy started, Thailand has suffered a 37% drop in rice exports. The Commerce Ministry has been selling rice cheaper price at US\$5 per kilo compared to the domestic market for US\$7.

The Malaysia's household debt exposure is not at a worrying level and the non-performing loan (NPL) ratio is still under control, said Second Finance Minister Datuk Seri Ahmad Husni Hanadzlah.

Singapore's manufacturing economy remains in expansion territory, with the June PMI clocking in at 51.7. This is up 0.6 point from May and above market estimates of 51.0. The increase comes on the back of new orders and new export orders, which continue to expand, but at a slower pace, OCBC Bank reported.

Subsidies to state-owned and controlled corporations by the Philippines government fell 19.5% y-o-y to P10 billion in the first 5 months of 2013. The National Housing Authority continued to be the top recipient, as the government set aside a large amount of funds for the relocation of informal sector families staying in Metro Manila's danger zones.

The number of private sector enterprises in VietNam rose by 2.56 times between 2006 and 2011 while the number of State-owned enterprises (SOEs) over the same period fell by 12.7%. This underlines the effectiveness of policies that encouraged a diversity in business ownership and the equitisation of SOEs in VietNam over the last few years, said deputy head of the General Statistics Office Tran Thi Hang.

Laos is moving ever-closer to its goal of reducing its poverty rate to below 19% by 2015, according to a Committee for Rural Development and Poverty Eradication report.

North East Asia

The China's cabinet called for using fiscal funds more efficiently. The country will increase financial input to areas such as the renovation of dilapidated neighbourhoods, energy conservation and environmental protection, improvements in public services, urban infrastructure construction and boosting consumption, State Council said.

The Japanese Pension Investment Fund said its profits from investments in fiscal 2012 hit a record high of ¥11.22 trillion.

South Korea unveiled a set of measures, including expanded tax benefits, to stimulate business activity in the service sector Thursday, as it believes the area will likely help create more jobs and lead to overall economic growth, said the Ministry of Strategy and Finance.

It is more important that Taiwan gets the opportunity to expand its service market in China first and the government will make greater efforts to back up the industry, while minimizing the impact of the recently concluded cross-strait service trade agreement, President Ma Ying-jeou said.

Middle East and North Africa

Oman's expansionary fiscal policy stance continues to underpin the private sector, and the country has a series of ambitious infrastructure projects in the pipeline. However, real GDP will grow 4.4% in 2013, down slightly from an estimated 4.9% in 2012.

Indian Sub-Continent

The Reserve Bank, in its June policy, had left the repo rate, the rate at which the RBI lends short-term funds to banks, unchanged at 7.25%.

Western Europe

The UK government will take two decades to restore the economy to pre-recession levels, Cabinet Secretary Sir Jeremy Heywood has warned. He added that the British economy will also have to endure at least four more years of austerity measures as it fights a 20-year generational battle to bolster financial stability.

Germany and Ireland are to exchange information and ideas on how to get young people back to work, including how to increase the number of apprenticeships. It follows on from agreement on an EU youth guarantee scheme, which will see €6 billion allocated in 2014 and 2015 to get younger people back to work.

Italy will consider paying a backlog of tens of billions of euros of overdue bills to companies more quickly in an attempt to stimulate a still-stagnant economy, Economy Minister Fabrizio Saccomanni said.

Harvesting potatoes was traditionally work taken up by immigrants in Spain, but as the country battles crippling unemployment, some young Spaniards are opting to take on the role as the country wrestles with economic crisis and youth unemployment levels above 50%. Official statistics showed 4.76 million people were registered as jobless, a 2.6% fall compared to May.

Sweden's central bank kept interest rates on hold. Sweden's economy grew surprisingly strong in the Q1, after a slowdown last year as the euro zone debt crisis curbed exports. Riksbank Chief Stefan Ingves said the economy was now facing two years of gradual recovery.

Swiss jobless rate stood at 3% in June, the Swiss State Secretariat for Economic Affairs reported. In addition, at 99.24, the Consumer Price Index in Switzerland has also seen four months in a row of higher figures.

Greece's deputy prime minister says he is confident the country will complete tough new negotiations with rescue creditors and avoid a delay in upcoming loan payouts worth €8.1 billion.

Eastern Europe

Poland's domestic debts have reached US\$176 billion at the end of June, the Polish finance ministry reported.

The retail trade volume fell by 3% in Romania in May this year on the previous month, becoming the biggest drop among the countries of the EU, Eurostat said.

In the first five months 2013 Bulgarian banks collected fees and commissions valued at BGN 373 million, the Bulgarian National Bank statistics data showed. BGN 331 million from this amount is their net profit. The data shows bank expenses are on average 9 times lower compared to what they charge their clients.

North America

The US trade deficit widened to \$US45 billion up from a revised \$US40.1 billion in April, the Commerce Department reported. The US exported \$US187.1 billion in goods and services and posted imports of \$US232.1

billion. In May, exports were \$US0.5 billion less than in April, while imports increased \$US4.4 billion.

Canada's ability to sell its wares globally remains a key weak link in the economic recovery. The overall trade deficit for the month actually narrowed to \$303 million from \$951 million in April, but that was almost entirely due to a 3.2% decline in imports. Exports fell by 1.6% over the month and slipped 0.7% in real terms, which directly impacts the country's GDP.

South America

Brazil's central bank said it removed a 360-day limit for repayment of trade-finance that gives exporters up-front cash for their products before the overseas customer receives their goods or pays for them.

An investment slowdown in Chile will last all year but will become less intense than in the Q1, Central Bank President Rodrigo Vergara said. Investment, especially in the mining sector, has helped buoy the Andean country's robust economy but easing investment and domestic demand have led to a sharper economic slowdown in recent months.

Australasia

A recovery in the home building sector seems to be taking hold, with approvals for houses gaining for the fifth month in a row. Approvals for fully-detached houses rose 2.5% in May, seasonally adjusted, Australian Bureau of Statistics figures showed.

Oil & Gas News

Developments in Egypt and U.S. oil stocks figures kept oil prices jittery. Light crude futures contracts rose 3 cents to US\$101.27 a barrel on Asian markets, while Brent futures dropped 20 cents to US\$105.56.

Commodities News

Global coffee production, including robusta that accounts for 41% of supply, will exceed demand by 4.46 million bags in 2013-2014, from a 10 million-bag surplus a year earlier, according to the USDA.

Currency News

The euro lost 0.1% to \$1.30 as of 6:32 a.m. in London from \$1.3009 in New York yesterday, when it touched \$1.2923, the lowest since May 29.

The dollar climbed to 100.86 yen yesterday, the most since May 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
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04-Jul-13	1,254.28	3.67	105.45	28.73	1.65	1.93	1.27	115.83	7808.23	79.15	2.50	34.11	24.43	3,153.40
% Change	1.23	0.82	0.75	-0.19	0.08	0.50	-0.82	-0.48	0.64	-0.10	-0.30	0.00	0.00	0.69

Economic & Financial News

Research & International Division

6/7/2013

*...Norway has established a US\$7 million Norwegian ASEAN Regional Initiatives Fund...
...Indonesia is at risk of seeing a wider budget deficit this year...*

South East Asia

Indonesia is at risk of seeing a wider budget deficit this year. The government managed to collect only US\$48.82 billion in tax revenues by the end of June; only 42% of the tax revenue target stated in the revised 2013 state budget.

Bank of Thailand is not concerned about low inflation since there is no momentum indicating the Thai economy is in a state of deflation, where prices fall while the economy slows down, said Mathee Supapongse, the central bank's senior director of macroeconomic and monetary policy. The Commerce Ministry reported June headline inflation of 2.25% y-o-y, while private consumption index contracted by 0.2% y-o-y in May.

Malaysia's exports for the month of May slumped 5.8% y-o-y to RM55.37 billion on lower shipments of palm oil, crude petroleum as well as electrical and electronic products, according to the Statistics Department.

The Philippines Gross International Reserves fell to US\$81.6 billion in June, from US\$82 billion in May. This is adequate to cover 11.8 months' worth of imports of goods and payments of services and income. The Philippines' inflation rose slightly in June to 2.8%, from 2.6% in May and April. This was due to higher annual increments in the indices for alcoholic beverages and tobacco, health, transport, recreation and culture, and education.

The total amount in outstanding loans that credit institutions in Ha Noi had reached nearly US\$31.6 billion by the end of June. The figure represents a rise of 1.7% over the beginning of this year and an increase of 8.5% y-o-y, according to the State Bank. Total deposits at the institutions had surpassed \$45.1 billion, an increase of 5.7% over last December.

North East Asia

China's cabinet reiterated to maintain a prudent monetary policy and a reasonable money and credit scale to support economic restructuring after a cash crunch sent interbank borrowing rates to record high last month. The guideline issued for the financial sector is that China will strike a balance between stabilising economic growth, adjusting the economic structure, stemming consumer inflation and guarding against financial risks.

Japanese consumers' inflation expectations remained at 3% for a Q2 in June, in a sign that Bank of Japan Governor Haruhiko Kuroda's reflationary drive may

be succeeding. Kuroda is counting on unprecedented monetary easing to encourage spending and credit demand.

A trilateral council of government, labour and management representatives agreed Friday to raise the country's minimum wage for next year by 7.2% to US\$4.57 per hour.

Taiwanese inflation in rose 0.6% in June compared with a year ago, according to Directorate General of Budget, Accounting and Statistics. The rise was mainly due to vegetable and meat prices going up 5.15% and 4.05%, respectively.

Middle East and North Africa

Annual inflation in Kuwait was 3% in May, the Gulf state's KUNA news agency said.

Sudan's former finance minister Abdel-Rahim Hamdi has called upon the Sudanese expatriates to take advantage of investment opportunities in the real estate sector through collective mechanisms and investment funds.

Indian Sub-Continent

India's gold and silver imports are expected to have declined substantially to US\$2-2.5 billion in June following recent steps taken by the government as well as the central bank to curb imports of the yellow metal.

Western Europe

Official Development Assistance provided by France represents only 0.46% of its gross national income, below the international commitment it has made, said the Organization for Economic Cooperation and Development.

Italy's economy was in decline. The public debt reached 127% of GDP last year, placing the country second in the EU after Greece. Tax burdens continued to be a major obstacle to recovery, increasing to 44% of GDP in 2012. Italian households have been largely cutting back on spending. The percentage of those cutting back on food quality or quantity rose to 62.3%, the national statistics institute Istat said in a report.

Spain's cabinet passed a new law to enhance the unity of market rules across Spain's 17 regions. If a

company meets the law of a particular region, other regions cannot ask for additional requirements when the company wants to do business in another region. The law is a big support to businesses and will help to create jobs, Spanish Deputy Prime Minister said. This rule could increase Spanish GDP by €1.5 billion a year.

Germany and Spain have concluded a deal under which Berlin will provide €800 million to ease a credit crunch for small and Spanish SMEs. Germany's state-owned KfW development bank loan the money to its Spanish counterpart, the ICO. German Finance Minister Wolfgang Schäuble says the accord aims to help expand Spanish SMEs workforces and train young people.

Spain does not currently require further funds beyond the €41.3 billion it already requested from a 100-billion European fund to bail out its banking sector. That's according to a joint document by the European Commission and the European Central Bank.

Norway has established a US\$7 million Norwegian ASEAN Regional Initiatives Fund (NARIF) to boost its engagement with the 10-member regional grouping, the ASEAN Secretariat announced on Friday. The fund will support selected cross-cutting activities of regional importance in-line with ASEAN's Roadmap for establishing an ASEAN Community by the end of 2015.

Greece could get its next tranche of international aid in instalments, the EU's top economic official said yesterday. Athens had hoped that euro zone finance ministers would sign off on the next €8.1 billion tranche of aid when they meet on Monday.

Two-thirds of new jobs in Ireland created by entrepreneurs. The latest Global Entrepreneurship Monitor reveals that 19,000 businesses were started-up in Ireland in 2012. Irish early stage entrepreneurs have a stronger focus on international markets and exports than their OECD and EU counterparts.

By the end of 2013, Iceland's banks will have forgiven almost €1.6 billion in consumer debt equal to more than 14% of GDP, according to estimates from the Icelandic Financial Services Association.

Eastern Europe

Russia is adding the economic growth language as policy makers prepare to begin formally targeting inflation starting in 2015 and following a dispute among government officials earlier this year about whether the central bank needed to move more quickly to support the economy by lowering interest rates.

North America

The U.S. employers added 195,000 jobs to nonfarm payrolls in June, and the unemployment rate held steady at 7.6%, the Labour Department reported Friday.

The unemployment rate in Canada was unchanged at 7.1% in June although job growth has slowed, the government's data office said. An average 14,000 jobs were added to the Canadian economy each month in the first half of 2013.

South America

Brazil will trim its 2013 budget by US\$6.7 billion, Brazilian Finance Minister Guido Mantega said. Most of the cutbacks will be made to the current expenses of various government ministries, without affecting any social programs, adding the areas targeted for cuts include travel, equipment, third-party services and rents.

Australasia

Australia's growth in 2013-14 will be slow, but it won't stop. The mining investment boom has probably peaked, but will decline only gradually. Unemployment will rise in coming months, but will stay below 6%.

Almost 128,000 jobs were advertised on seek.co.nz, New Zealand's largest job site, since January. With the New Zealand economy continuing to gain momentum of increased business confidence and job market, SEEK New Zealand General Manager, Janet Faulding said.

Oil & Gas News

Oil prices jumped nearly \$2 a barrel on Friday to notch their biggest weekly gain in a year, boosted by concerns over rising tensions in Egypt.

Commodities News

Gold falls as dollar jumps to three-year high on jobs. Gold futures for August delivery slumped 3.1% to settle at \$1,212.70 an ounce at 1:46 p.m. in New York.

Currency News

The pound slumped below \$1.50 to the weakest level in more than three months against the dollar amid speculation the Bank of England is ready to add more stimulus that tends to weaken a currency.

Asian currencies fell this week, led by India's rupee, as speculation the Federal Reserve will taper stimulus.

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
04-Jul-13	1,254.28	3.67	105.45	28.73	1.65	1.93	1.27	115.83	7808.23	79.15	2.50	34.11	24.43	3,153.40
06-Jul-13	1,223.14	3.62	107.72	29.76	1.65	1.92	1.28	116.45	7792.41	78.59	2.50	34.02	24.42	3,169.73
% Change	-2.48	-1.36	2.15		-0.33	-0.47	0.25	0.54	-0.20	-0.71	-0.12	-0.26	-0.06	0.52

Economic & Financial News

Research & International Division

9/7/2013

*...New Zealanders are spending nearly 6% more than a year ago...
...German exports had their biggest fall...*

South East Asia

Sales of motorbikes in Indonesia increased 21.7% in June from a year ago, as higher fuel prices prompted consumers to switch away from cars, industry data showed.

Thailand's economic growth is expected to expand in a range of 4.5% to 4.7% this year, Deputy Prime Minister Kittiratt said. About BT120 billion from the government's investment could boost GDP by 0.1%, so the government's BT2 trillion infrastructure projects are essential for long-term economic.

Singapore's economic growth is expected to rebound in the Q2. Singapore's industrial production rose 5% y-o-y in April, and 2.1% in May. That growth was largely due to a spike in pharmaceutical production, and a recovery in the electronics industry.

More jobs in Brunei for Filipinos are anticipated as 4 major projects that have a combined investment cost of more than BND20 billion are currently being pushed in that country. The 4 major projects were selected and proposed by cooperative Koperasi Bumiputera Bersatu Berhad (KBBB), which are geared toward enhancing and complementing the developmental goals of the Brunei Darussalam BIMP-EAGA Business Council.

Vietnam is losing its advantages over other regional countries in attracting FDI, Bui Quang Vinh, Minister of Planning and Investment said. Previous advantages in cheap labour, abundant and cheap natural resources and preferential policies are wearing off over time.

North East Asia

Chinese Vice Premier Zhang Gaoli has called for heightened attention and intensified efforts to resolve the complicated economic problems. China's economic conditions are generally stable, but work remained arduous as the country is undergoing a difficult transformation period and the external environment is complicated and grim.

Outstanding loans held by Japanese banks rose 1.9% in June from a year earlier, Bank of Japan data showed. Japanese bank lending marked its biggest annual increase in four years in June, though service sector sentiment worsened for the third straight month.

South Korea will seek to stimulate service sector investment by improving its taxation, finance and regulatory systems. The special tax deduction for small and medium-sized enterprises and the tax credit for job-creating investment will be expanded for services, Deputy Prime Minister Hyun Oh-Seok said.

Taiwanese exports in June rose 8.6% from a year earlier, boosted by brisk electronics shipments and sales to China and Japan, Ministry of Finance said.

Middle East and North Africa

Turkey needs a faster industrial production rise to reach its midterm targets as the global economic outlook remains obscure, Turkish Economy Minister Zafer Çağlayan said. The industrial production decreased by 0.6% compared with the previous month.

Iran offers one 100% tax exemption for an unlimited period of time to foreign investment in the agriculture sector, the Iranian deputy economy minister Behrouz Alishiri said.

The employment in Iraq is increasing, MP Barzad Shaaban of the Parliamentary Social Affairs Committee stated. Iraq has limited job opportunities and unequally distributed among the provinces where the unemployment is increasing among the graduated students.

Bahrain will need further public spending in skills development and job creation to secure fiscal health and stability. According to ICAEW Middle East regional director Peter Beynon, investing in training and skills, is key to making sure the growing numbers of young people are equipped to drive the economy forward.

Indian Sub-Continent

India's central bank has tabled reforms to the funding practices of non-bank lenders as some observers believe underlines its determination to limit the growth of a shadow-banking system. Lending by non-banking financial companies has grown at an annual rate of around 28% over the last decade.

Western Europe

German exports had their biggest fall since late 2009 in May while imports rose. Seasonally-adjusted exports tumbled 2.4%, the Federal Statistics Office said.

Shipments abroad are suffering this year as the Eurozone crisis eats away at demand in Europe.

The French government plans a 5% increase in electricity tariffs in August and 5% more in August next year to cover rising costs at state-owned utility EDF, the energy and environment ministry said on Tuesday.

The number of Spanish job seekers dropped by 127,248, representing a reduction of 2.6% and leaving around 4.76 million people currently seeking employment. This is due to the continuing success of the tourism industry since May.

The housing market is the biggest problem facing the Dutch economy, a member of the European central bank's board said. In Netherlands, mortgages are putting enormous pressure on the banks financial positions, Asmussen said.

Austrian banks need to find as much as €8 billion in fresh capital to meet minimum international standards by 2022, the country's central bank said. The sector's biggest challenge is replacing €5.15 billion in state aid that lenders got as the global financial crisis raged.

Greece has received another financial lifeline to prevent bankruptcy, with the Eurozone and the IMF agreeing to a \$9.5 billion deal that spares the country from defaulting on debt in August.

The tough budget reform was and still is unavoidable in crisis-hit Eurozone countries, European Central Bank chief Mario Draghi said. Portugal is just one of the examples where the economic situation remains stressed and social distress is indeed very high.

Eastern Europe

The unemployment rate in Poland dropped 13.2% in June, according to Ministry of Labour and Social Policy. In May, the jobless rate was 13.5%,

Czech June inflation boosted mainly by the cost of food, as policy makers debate whether interventions to weaken koruna are needed to maintain price stability. The inflation rate rose to 1.6%, from 1.3% in May, the Prague-based Statistics Office said in a statement today.

In May, industrial production in Bulgaria shrank for a third consecutive month compared to a year earlier, data of the National Statistical Institute showed.

North America

U.S. consumers continued to pay down debt in the Q1 of 2013 as household wealth rose above its pre-recession peak, the American Bankers Association said.

A composite ratio fell to 1.7% of all accounts from 1.99% the prior quarter.

The City of Ottawa will receive \$36.6-million in 2013-2014 from the provincial Gas Tax Program. The money will be used to improve the city's public transit system, including building the Confederation Line.

South America

Chile posted a trade surplus in June of \$608 million, 39% lower than the \$991 million surplus posted in June 2012, the Central Bank of Chile said.

The World Bank President Jim Yong Kim said he has a very great optimism about Peru's future. There is a great understanding of the importance of private sector's growth and the role of Peru in the global market.

Australasia

Australia's small to medium-sized businesses will get the support they need to take up new opportunities in Asian markets under a new AU\$36 million national investment, Trade & Innovation Minister said.

New Zealanders are spending nearly 6% more than they did a year ago, according to Statistics New Zealand data released today. Electronic card spending in the retail sector rose to 1.1% in June.

Oil & Gas News

World oil prices eased on Monday. Brent North Sea crude for delivery in August shed 65 cents to stand at \$107.07 a bafrel in London.

Commodities News

Gold for immediate delivery climbed as much as 1.9% after data showed China's inflation accelerated more than estimated in June.

Currency News

The euro strengthened 0.4% to ¥130.46 yen at 8 a.m. London time, as EU finance ministers agreed to release €3 billion of aid for Greece.

The won rose 0.5% to 1,146.04 per dollar as of 10:36 a.m. in Seoul on speculation South Korean exporters took advantage of the currency's decline to repatriate income.

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-Jul-13	1,223.14	3.62	107.72	29.76	1.65	1.92	1.28	116.45	7792.41	78.59	2.50	34.02	24.42	3,169.73
09-Jul-13	1,256.99	3.75	107.03	28.54	1.65	1.91	1.28	116.36	7749.54	78.83	2.50	34.00	24.49	3,183.93
% Change	2.77	3.59	-0.64		0.09	-0.43	0.68	-0.08	-0.55	0.32	0.10	-0.05	0.31	0.45

Economic & Financial News

Research & International Division

11/7/2013

*...The Bank of Japan is set to keep policy steady...
...Spain's rescue programme remains on track...*

South East Asia

Indonesia experienced a budget deficit of Rp153.3 trillion in the 2012 fiscal year, or up to 80.6% of the 2012 revised budget recorded at Rp190.10 trillion.

The Thai Chamber of Commerce raised concerns about serious risks facing the country's economy in the second half of this year. The decline in exports will lead to cutbacks in production capacity from 70% to 50%, which in turn will increase the cost per unit. The trend of rising petroleum price, up to US\$103 per barrel from \$95 per barrel in week.

Malaysia's unemployment rate of less than 3% is enviable. According to the Statistics Department, although Malaysia has a labour force of 13 million, about 7 million working-age Malaysians are not in the work market, with more than 750,000 being tertiary or pre-university-level certificate holders.

The Singapore government will set aside SG\$17 million for small and medium-sized enterprises (SMEs) to assess, monitor and improve their energy use so that they can better manage business costs, said S Iswaran, Minister in the Prime Minister's Office. The goal is to help some 300 SMEs achieve at least 10% savings in energy costs over the next 3 years.

Philippine merchandise exports contracted by 0.8% in May 2013 y-o-y to US\$4.891 billion. Philippines' net inflow of foreign direct investments rebounded in April, rising 61.6% to US\$202 million from a net outflow of US\$78 million a month ago.

Statistics from the Viet Nam Steel Corporation reported steel production was over 191,800 tonnes, a drop of 30% over the corresponding period last year, in the 6-months period. The market's total sales were also only 11,000 tonnes, 84% y-o-y decrease against last year.

North East Asia

China's exports in June dropped 3.1% from a year earlier to \$174.32 billion, while imports edged down 0.7% y-o-y to \$147.19 billion, the General Administration of Customs said. Decline in exports is due to economic transformation and upgrading.

The Bank of Japan is set to keep policy steady and upgrade its view of the economy on expectations that a weak yen and its massive monetary stimulus already in

place will be enough to offset the hit from slowing Chinese growth.

The Korean government announced a set of special measures aimed at boosting the country's exports in the second half that include an expansion of government support to deal with foreign exchange risks. The government will raise the ceiling for its guarantee on exchange risk insurance by US\$442 million to US\$2.64 billion, the Ministry of Trade, Industry and Energy said.

Taiwan's tax revenue is contracted by 1.3% y-o-y in the first half of 2013. The nation's tax revenue totaled US\$34.28 billion in the first six months, down US\$470 million from a year earlier, with revenue for last month dropping by 5.2% y-o-y to US\$10.8 billion.

Middle East and North Africa

Turkey's central bank sold \$1.3 billion on Wednesday to prop up the lira as foreign capital that had flooded in earlier this year continued to flee on fears over U.S. monetary policy and domestic political uncertainties. The lira has fallen almost 9% against the dollar since May.

Saudi Arabia made SR 22.25 billion in revenues last year, 13.5% more than the revenue of 2011, the Custom Department said. Tariff exemption given to imported products valued at SR 6.4 billion in 2012.

Jordan's inflation increased by 6.5% during the first half of this year compared with the same period of last year, according to the Department of Statistics. The rise was the outcome of higher costs in transport services, energy, rent, vegetables, and meat and poultry.

Indian Sub-Continent

The rupee's problems are not over. Intervention by the Reserve Bank of India, designed to curtail speculation in currency derivatives trading, temporarily stalled the rupee's deterioration. The reprieve will be short at best.

The Pakistanis working abroad remitted over \$13.9 billion during just-concluded last fiscal year ranging from July 2012 to June 2013, the State Bank of Pakistan said.

Western Europe

Germany rejected a proposal by the European Commission for a European Resolution Board that

would, from 2015, have the power to shut down or use creditor funds to recapitalise any struggling bank under the supervision of the European Central Bank.

France has launched a double-pronged effort to harness insurers' deep pockets to boost lending to underfunded small and mid-sized companies (SMEs), seeking to ease their longtime reliance on bank funding.

Britain's economy grew by 0.6% in the Q2, the National Institute for Economic and Social Research said. This was driven by growth in private services sector.

Italian government is considering shifting the tax burden to the wealthy in order to satisfy demands for broad-based fiscal easing and meet its 2013 deficit target, Italian Finance Undersecretary Pier Paolo Baretta said.

Spain's rescue programme remains on track and there is currently no need to inject extra cash into the banking sector despite the country's challenging economic and fiscal situation, the European Commission has said.

Norway's underlying inflation rate was unchanged in June at 1.4% as the krone weakened amid signals of further easing from the central bank.

So far this year 2,285,054 million Belgians have filed their annual tax returns online via the tax-on-web website. The Finance Ministry is reminding people that 17 July is the very last deadline.

The cumulative borrowing from the euro zone central bank rose from €48.75 billion at the end of May, representing a reversal from a 2% drop in the previous month, the Bank of Portugal said.

Eastern Europe

Russian government unveiled plans to channel \$9 billion by 2020 into rural Russia to trigger economic and social development, Prime Minister Dmitry Medvedev said.

Bulgaria's exports to the EU increased for a fourth consecutive month, jumping 13.3% in April, y-o-y. Exports amounted to US\$5.5 billion in April, National Statistical Institute data showed.

Latvia is set to adopt the euro as its currency as of Jan.1, 2014, becoming the 18th member of the single currency area, according to EU finance ministers' decision.

North America

U.S. employers posted slightly more job openings in May 0.7% to 3.828 million from 3.8 million in April. While U.S unemployment rate stood at 7.6% June, the U.S Labour Department reported.

Mexican inflation fell through June totaled 4.09%, the national statistics agency said.

South America

The Brazilian Central Bank raised its key interest rate by a half-point to 8.5%, as part of a battle to tamp down persistent inflation, even as economic growth remains sluggish.

Venezuela's June inflation slowed from the previous month to 4.7%, the central bank said, but the annualised rate soared to 39.6% following a currency devaluation and heavy state spending last year.

Chile inflation spikes in June but ends in the first half year at 1.9%, up sharply from 0.9% in May as costs jumped for accommodation, electricity, fuel products and water, the National Statistics Agency said in a report.

Australasia

Australia's unemployment rate has increased to 5.7% in June from 5.6% in the previous month. The figures show 4,400 full-time jobs were lost, while 14,800 part-time jobs were created.

New Zealand food prices rose 2.1% in June, led by a seasonal jump in prices of vegetables such as tomatoes and lettuce, according to Statistics New Zealand.

Oil & Gas News

Total OPEC crude oil production averaged 30.38 million b/d in June, representing a decline of 0.31 million b/d, compared with previous month, the OPEC said. This was led by the output reduction of Libya, whose output decreased by 206,000 b/d in June.

Commodities News

Spot gold rose as much as 2.4% to \$1,289.80 an ounce, the highest level since June 25, and traded at \$1,284.02 by 11:27 a.m. in Singapore.

Currency News

The pound strengthened 0.4% to \$1.4933 at 4:29 p.m. London time, amid speculation a selloff in the past week was excessive.

India's rupee, the world's worst-performing currency in June, is poised to rebound from a record low.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
09-Jul-13	1,256.99	3.75	107.03	28.54	1.65	1.91	1.28	116.36	7749.54	78.83	2.50	34.00	24.49	3,183.93
11-Jul-13	1,283.98	3.66	108.33	29.60	1.63	1.90	1.28	117.02	7797.88	79.03	2.49	33.97	24.47	3,235.05
% Change	2.15	-2.40	1.21	-0.87	-0.58	-0.52	0.57	0.62	0.24	-0.22	-0.10	-0.08		1.61

Economic & Financial News

Research & International Division

13/7/2013

*...South Koreans wire US\$5 billion to tax havens since 2008...
...ECB funding to Greek banks down by €4.26 billion in June...*

South East Asia

Bank Indonesia raised its benchmark policy rate by 50 basis points, as the central bank continued to surprise with aggressive steps to battle accelerating inflation, halt foreign outflows and bolster its weak currency.

The Thai government was confident that its Bt15,000-per-tonne pledging price for paddy could support rice farmers without there being any negative fiscal effect. Deputy Prime Minister, Kittiratt Na-Ranong said. The public-debt figure remained satisfactory and government revenue had been higher than targeted, with an appropriate current-account balance.

Bank Negara Malaysia has announced a series of rules to tighten lending conditions, with immediate effect, which will apply across the country's financial sector and are credit positive for commercial banks, Moody's said.

Singapore's economy grew 15.2% in the Q2 from the previous three-month period, the government said Friday, powered by a strong rebound in manufacturing as global demand picked up.

The World Bank Group affirmed its commitment to the Philippines by transferring to the government the US\$300-million budget support under a development policy loan. The loan will support the country's critical reforms for accelerating growth that creates more jobs and reduces poverty.

Viet Nam budget revenues in the customs sector in the first half of 2013 fell US\$4.57 billion, accounting for only about 40% of the year's target, the General Department of Customs has said. But with improved import-export values, a rise in petroleum tariffs and some rallying major firms boosting foreign trade activities, the revenue figure showed an increase of 5.5% this year.

Myanmar's president has signed a law giving the central bank more autonomy from the Finance Ministry and opening the way for development of the fledgling banking sector.

North East Asia

China's credit growth remained flat in June as the central bank maintained a prudent policy stance and properly adjust liquidity to keep the market stable overall. Chinese banks added US\$1.4 billion in new yuan loans last month, up nearly 30% from May, but less than the

US\$1.49 billion recorded a year earlier, according to the People's Bank of China.

Japanese economy is starting to recover modestly. The Bank of Japan (BoJ) plans to pump more than US\$606 billion a year into the economy. The BoJ has been flagging up steady improvements in the economy for the past 6 months. Japan's economy is expected to recover moderately on the back of the resilience in domestic demand and the pick-up in overseas economies.

South Koreans wire US\$5 billion to tax havens since 2008, including at least three tax havens, in the last five years, a parliamentary report showed. The amount of foreign currency-denominated funds transferred by individuals and businesses to tax havens abroad between 2008 and 2012 reached US\$5.06 billion, according to the Bank of Korea.

Middle East and North Africa

Saudi Arabia is leading the Culf Cooperation Council region to develop non-oil sector where the value of the ongoing nonoil projects is estimated at US\$17 billion, Gulf Investment Corporation said.

Indian Sub-Continent

India's industrial output shrank by 1.6% in May from a year ago, official data showed Friday. The contraction by India's factories, mines and utilities was well below market expectations of a 1.5% production rise.

Western Europe

The Fitch Ratings downgraded France's long-term foreign and local currency issuer Default Ratings (IDR) to 'AA+' from 'AAA' with stable outlook.

The U.K. auto industry Friday highlighted its commitment to remain at the forefront of European car manufacturing as it announced a joint £1 billion investment with the government to create a technology center focussed on both new and existing developments in the industry.

Prime Minister Enrico Letta is bracing for a tax-policy showdown that threatens to destabilise his two-month-old parliamentary coalition. Lawmakers in Letta's alliance have demanded tax cuts and spending measures that, taken together, total more than €7 billion. That is

more than Italy can afford as its recession deepens, Italian Finance Undersecretary Pier Paolo Baretta said.

Spain's overhaul will establish new formulas for calculating levels of reasonable profitability for electricity transportation and distribution and renewable-energy production. This will reduce payments to companies serving the nation's electrical system by around €2.7 billion annually, Energy Minister José Manuel Soria said.

The largest decreases in industrial production in the EU over the past year were in Ireland and Sweden, according to the latest statistics from Eurostat. In both countries production fell by 7.7%, while the monthly variation for Ireland in May was 2.7% the biggest monthly drop since January.

European Central Bank funding to Greek banks fell by €4.26 billion in June while emergency liquidity assistance (ELA) from the country's central bank increased by €930 million, Bank of Greece data showed.

Eastern Europe

The Bank of Russia kept its key rates unchanged at 5.5% for the tenth month in a row Friday as inflation slowed to 6.9% in June from 7.4% in May. The central bank introduced a new lending tool secured by non-marketable assets with a minimum floating rate of 5.75% for one year.

Poland's foreign trade deficit amounted to US\$781 million in the first five months of this year, the Central Statistical Office announced. The exports in the first five months of 2013 in Poland measured US\$81.3 billion and increased 6.2% y-o-y, imports fell by 1.9% y-o-y to US\$82.1 billion.

Bulgaria's youth unemployment rate was 28.1% in 2012, or the ninth highest in the European Union, according to Eurostat.

North America

Rising tax revenue, public spending cuts and big payments to the Treasury from government-backed mortgage companies helped the government take in US\$117 billion more last month than it paid out, the US Treasury said.

South America

Brazil's economic activity in May fell the most since December 2008, as accelerating inflation slows

consumption in the world's second-largest emerging market. The seasonally adjusted economic activity index, a proxy for GDP, fell 1.40% in May after rising a revised 0.96% in April, the central bank said.

Peru's central bank kept borrowing costs unchanged at 4.25% as domestic demand and construction fuels growth, offsetting a drop in metal prices, said the central bank.

Australasia

The number of home loans approved in Australia continued to rise this year. Loan approvals for the purchase of owner-occupied homes rose 1.8% in May from April, Australia's statistics bureau said Friday.

The New Zealand government Friday laid out its goals for boosting investment and trade with the 10-nation ASEAN bloc. "Already ASEAN as a bloc is New Zealand's fourth largest trading partner and over the past 10 years New Zealand's total trade with ASEAN has grown at 9% per year on average," PM John Key said.

Oil & Gas News

The price of oil rose to near US\$106 a barrel yesterday, supported by continuing tensions in Egypt and a sharp drop of US crude stockpiles.

Gas prices are heading up again due to rising crude oil prices and a fall in U.S. supplies. Prices at the pump rose 4 cents the past week to a national average of \$3.52 a gallon.

Commodities News

Arabica-coffee futures fell the most in a week on signs that crops being harvested in Brazil, the world's largest producer, will avoid frost damage. Arabica coffee for September delivery fell 2% to \$1.209 a pound.

Currency News

The Singapore dollar eased 0.1% to 1.2600 to the US dollar as of 0430 GMT yesterday, despite stronger growth in the Q2, with most emerging Asian currencies taking a breather after notching solid weekly gains.

The dollar gained 0.2% to \$1.3067 per euro at 5 p.m. New York time after touching \$1.3207 yesterday as investors bet the Federal Reserve will withdraw monetary stimulus faster than the European Central Bank.

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
11-Jul-13	1,283.98	3.66	108.33	29.60	1.63	1.90	1.28	117.02	7797.88	79.03	2.49	33.97	24.47	3,235.05
13-Jul-13	1,285.59	3.64	108.81	29.89	1.65	1.91	1.26	115.58	7920.79	78.56	2.51	34.40	24.69	3,236.06
% Change	0.13	-0.55	0.44		1.02	0.72	-1.35	-1.23	1.58	-0.59	0.68	1.29	0.87	0.03

Economic & Financial News

Research & International Division

16/7/2013

*...Australian Prime Minister has announced AU\$4 billion cuts...
...Viet Nam has used up 98% of the fuel price stabilisation fund...*

South East Asia

Indonesia's manufacturing sector is growing slowly, as exports remain low amid uncertainty in the global market. An HSBC survey shows Indonesia's Purchasing Managers' Index (PMI) rose slightly to 51.4 in Q2 2013 from 50.5 in Q1, a slight improvement in the manufacturing sector.

Bank of Thailand Governor Prasarn Trairatvorakul has slammed government policies as geared towards short-term consumption, saying they have shortcomings and cannot sustain economic competitiveness in the long term. Prasarn urged the government to pay more attention to national development plans.

A total of 218,588 Malaysians were placed in the job market through the Job Emplacement Programme (3P) last year, said Deputy Human Resource Minister Datuk Ismail Abdul Muttalib.

Singapore's new private home sales rose by 24% month on month to 1,806 units in June, according to statistics released by the Urban Redevelopment Authority. The rise was mainly driven by a newly launched project in the west of the island nation.

Personal remittances from overseas Filipino workers (OFW) rose 6.2% y-o-y to US\$2.1 billion in May 2013. It brought the cumulative remittances for the first 5 months of the year up 6.4% to US\$9.7 billion compared with the same period last year.

Viet Nam has used up US\$138.3 million or 98% of the fuel price stabilisation fund in the first half, Ministry of Finance said. The fund only had around US\$2.6 million left at the end of June, after inheriting US\$35.7 million from last year and accreting US\$105.2 million this year.

Cambodia has granted operating licenses to 1,368 new companies in the first half of this year, down 19% compared with the 1,694 firms over the same period last year, the Ministry of Commerce said. Among the new companies, 710 firms are owned by Cambodians.

North East Asia

China's annual GDP growth slowed to 7.5% in April to June the ninth quarter in the last 10 that expansion has weakened putting pressure on Beijing to quicken reforms rather than slow them to take up the economic slack. The government has been reluctant to spur growth with

monetary easing or state-led investment this time, as local government debt and real estate bubbles bloated to risky levels amid previous stimulus.

Japanese consumers are poised to become net buyers of gold for the first time in eight years as the yen's decline and looming inflation drive them to seek refuge in bullion, Bruce Ikemizu, the head of commodities trading in Tokyo at Standard Bank Plc.

South Korea's FDI in the first half grew 12.5% on-year according to the Ministry of Trade, Industry and Energy. The foreign investment in the first six months was US\$8 billion.

Middle East and North Africa

Saudi Arabia, one of the best performing G-20 economies in recent years, which has supported the global economy through its stabilising role in the global oil market, expects its private sector to sustain growth, the IMF Executive Board said in the conclusion of its 2013 Article IV Consultation with Saudi Arabia.

Despite an overall sound Qatari economy, Standard & Poor's Ratings Services said in its Banking Industry Country Risk Assessment report about Qatar that high exposure to real estate, banks' aggressive expansion abroad, (and) material, although recently decreasing, reliance on cross-border funding pose as weaknesses of the country.

Jordanian tax revenues during the first half of this year reached JD1.66 billion, 5% higher than the JD1.58 billion collected in the same period of last year, according to Income and Sales Tax Department.

Indian Sub-Continent

Due to fast increase on food prices, India's inflation rises to 4.86% in June, versus 4.75% in May, according to data released by the Ministry of Commerce and Industry.

Western Europe

The recovery of the French economy is underway, French President François Hollande said. Both industrial production and consumption in France are rising. The government is following a consistent strategy and that

100,000 jobs for youth would be created by the end of 2013.

The average bonuses of UK bankers earning more than €1m have come down significantly, but they are still worth more than three times their salary, a report by Europe's banking regulator revealed.

Italy's government was determined to avoid increases on a controversial property tax called the IMU as well as on Italy's 21% value added tax (VAT), Industry Minister Flavio Zanonato said. He added that government leaders were working to identify financial coverage for public finances to avoid the tax hikes.

Portugal's outlook remains stark, as the country enters a third year of recession. In 2012, GDP fell by 3%, and it is likely to decline a further 2.3% in 2013. Last year unemployment reached 18%, and this year's youth unemployment approaching to 40%. Public debt continues to mount, while budgets have become moving targets.

Spain's economic problems could tempt its banks to cut lending further, but they need to resist this and boost their capital ratios by cutting cash dividends or issuing new shares instead, the IMF said.

Denmark's central bank is inviting financial instability by urging the nation's lenders to ignore a European rule easing how risks for small- and medium-sized business loans are calculated, Danish Bankers Association said.

Eastern Europe

The Russian government approved a roadmap for the domestic IT industry in a move to diversify the economy away from raw material exports. The roadmap for 2013-2018 stipulates the development of IT research, infrastructure, specialist training and the creation of tax and legal benefits for IT companies.

Poland's budget deficit amounted to US\$8 billion in the first six months this year and it equals to 73% of the total deficit planned for 2013, the Polish finance ministry said.

Hungary is considering paying back early a bailout loan from the International Monetary Fund (IMF) and also wants to close the organization's office in Budapest. In 2008, Hungary received a rescue credit line of €20 billion from the IMF and other creditors. But Prime Minister Viktor Orban's government chose not to renew the deal in 2010 to avoid closer IMF scrutiny of its economic policies.

The stability of the banking system is an achievement that gives hope a more reasonable economic policy can

send Bulgaria back on the growth path. The recovery of the economic prospects is a prerequisite for general social and economic stabilisation of the country, said Bulgarian Prime Minister Plamen Oresharski.

North America

U.S retail sales increased 0.4% last month, lifted by demand for automobiles and higher gasoline prices. However growth is not slowing abruptly, with other data showing factory activity accelerating in July as new orders and employment improved.

Australasia

Prime Minister Kevin Rudd has announced nearly AU\$4 billion cuts in government spending including to environment programs, to pay for his promise to bring forward by one year the move from a carbon tax to an emissions trading scheme. Cuts to the public service sector will deliver AU\$248 million in savings. The car fringe benefits tax will be tightened, saving AU\$1.8 billion and expected to hit 320,000 car owners.

New Zealand's annual inflation rate slipped to a 14-year low in the 12 months to June, with cheaper telecoms bills helping contain the cost of living. Inflation was 0.2% in the April-June quarter, bringing the on-year figure to 0.7%, Statistics New Zealand said.

Oil & Gas News

Natural gas for August delivery rose 3 cents to settle at \$3.674 per million British thermal units on the New York Mercantile Exchange. Trading volume was 14% below the 100-day average at 2:45 p.m. Prices have advanced 9.6% this year.

Commodities News

Spot gold declined as much as 0.2% to \$1,281.60 an ounce, and traded at \$1,282.96 by 9:21 a.m. in Singapore.

Currency News

The yen traded at 99.91 per dollar as of 9:29 a.m. in Tokyo from 99.86 yesterday, having weakened 0.9% in the past two sessions. The currency slid 0.1% to 130.56 per euro from yesterday.

The Canadian dollar dropped 0.3% to C\$1.0427 per U.S. dollar at 5 p.m. in Toronto. It gained 1.8% last week.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
13-Jul-13	1,285.59	3.64	108.81	29.89	1.65	1.91	1.26	115.58	7920.79	78.56	2.51	34.40	24.69	3,236.06
16-Jul-13	1,283.18	3.68	108.99	29.62	1.65	1.91	1.26	114.94	7925.81	78.52	2.52	34.37	24.64	3,236.44
% Change	-0.19	1.10	0.17		0.16	-0.13	0.29	-0.55	0.06	-0.05	0.33	-0.11	-0.20	0.01

*...Personal loans top lenders' exposure in Brunei Darussalam...
...India eases foreign investment rules in new reform push...*

South East Asia

Personal loans still constitute the biggest exposure of banks in the Sultanate, according to AMBD. Personal loans totalled B\$1.56 billion, or 32.9% of total exposure amounting to B\$4.748 billion for the period, in its monthly statistical bulletin show. The figure is lower when compared to the B\$1.91 billion it recorded in the same period in 2012. Loans made to improve interior decorations of homes dramatically increased to B\$153 million in the Q1 from B\$33 million last year.

The growth of the five largest economies in the ASEAN will continue to be solid this year, growing at 5.2%, according to a new Asian Development Bank outlook. It added that the ASEAN-5 will further expand by 5.6% in 2014.

Credit rating agency Moody's did not have any plan to change its "stable" outlook for Malaysian banks over the medium term, despite the prevailing risks faced by the industry in relation to high household debt and a potential price correction in the country's property market.

The electronic payment cards will be available in Myanmar this September if the Central Bank grants permission. Cooperative Bank said that Myanmar-based bank will forge ahead in an attempt to issue both MasterCard and Visa credit cards before the year is out. Currently, domestic banks cannot issue the cards, which are largely unavailable to foreigners and locals.

Singapore's non-oil exports rose at 3.2% in June, but weakness in its key electronics sector suggests the recent improvement in factory output may not be sustainable and could weigh on growth.

Moody's Investors Service has urged Thai government to manage its budget for the rice-pledging scheme as planned, while Deputy Prime Minister and Finance Minister Kittiratt Na-Ranong insists the programme will not become a heavy burden on the state.

There are at least six new steel making projects set to start construction in the second half of this year, even though there is already a supply surplus in the domestic consumption market, Vietnam Steel Association said.

North East Asia

Some 440,900 foreign-invested companies had been set up in China by the end of June, up 0.93% y-o-y, according to State Administration of Industry and

Commerce. Their registered capital rose 6.99% from a year earlier to US\$1.95 trillion.

Japan should make efforts to increase the employment of women as the country faces the need to make full use of human resources amid the falling working age population, the OECD said. Around 92% of men aged between 25 and 54, have jobs, the second highest after Switzerland, while the rate of same age women with jobs stands at 69%.

South Korean government will finalise its stance on whether to permanently cut tax rates for home purchases by September amid worries that the prolonged property market slump could hamper the country's overall economic recovery, the finance minister said.

Middle East and North Africa

The Central Bank of Jordan said it received US\$50 million from the World Bank as part of a 70-million-dollar loan to support small and medium-sized projects. The money will be lent to businesses through local banks, adding that the rest of the World Bank loan will be transferred before the end of the Q1 of 2014.

The Islamic Development Bank has approved new finances worth \$790 million to carry out different projects in member countries. The board agreed to give \$220 million to the renewable energy program of the Development Bank of Turkey, \$200 million for an electricity project in Damietta, Egypt and \$140 million for a water project in Agadir, Morocco

Indian Sub-Continent

Indian cabinet ministers cleared plans to remove the foreign investment cap in telecoms and relax overseas ownership rules in a host of sectors in a new economic reforms push. The ministers approved raising the ceiling on FDI in telecommunications to 100% from 74%. They also decided to abolish the need for government approval for certain levels of FDI in single-brand retail and petroleum refining.

Commercial banks have emerged the largest financier of the government's budget deficit as government borrowing from banks has crossed Rs1 trillion-mark during the last fiscal year between July 1, 2012 and June 28, 2013, according to State Bank of Pakistan.

Western Europe

British annual inflation jumped to 2.9% in June from a rate of 2.7% the previous month, the Office for National Statistics said.

Customers shopping at petrol stations Austria are having to pay almost twice as much as in supermarkets. Statistics published by the Chamber of Labour revealed that the price of purchasing food, drinks and general items from the petrol pump stores works as 48% more expensive than an average supermarket.

Cyprus government said that the sale of its gold reserves was not the only option to pay down its debt and other alternatives were being considered. The possibility of selling gold is known, but only as an option, Finance Minister Harris Georgiades said.

Greek exports in the first four months of this year posted an 8% increase on an annual basis according to Eurostat. The total value of Greek exports in the same period amounted to €9.1 billion, from €8.4 billion in the same period in 2012. Meanwhile, imports declined by 6%, from €16.7 billion to €15.7 billion. As a result the country's trade deficit amounted to €6.6 billion, down from €8.3 billion in 2012.

The number of mobile phone customers in Spain rose in May, data from the telecoms regulator showed. The mobile market grew by 31,326 connections overall in May from April, with 97,187 people signing up for new contracts.

Eastern Europe

The Russian central bank's move to cut the cost of long-term funding for banks to spur lending should do more to shore up the slowing economy than cutting interest rates, the Economy Minister said.

The Bulgarian Finance Ministry proposes an increase in the budget deficit by BGN 493.4 million to 2% of the GDP. In order to provide a fiscal reserve buffer to minimise potential liquidity risks, the borrowing ceiling is increased by BGN 1 billion.

Polish government would increase its budget deficit by some 1% of GDP, an equivalent of some \$15.6 billion, Finance Minister Jacek Rostowski said.

Ukraine's budget deficit jumped threefold from a year earlier in the first half year of 2013. The budget gap stood at nearly US\$2.81 billion against US\$838 million in the same period last year, Financial Policy Department of the Finance Ministry said. Its fiscal revenue in the first half of 2013 rose 0.8% y-o-y to reach nearly US\$17.8 billion.

North America

Mexico has unveiled a "transformational" six-year plan to invest \$316 billion in thousands of miles of new roads, railways, telecoms infrastructure and overhauling ports that Enrique Peña Nieto, the president, says will boost competitiveness for exporters and power growth.

U.S. inflation rose 0.5% in June on seasonally adjusted basis, the Labour Department reported. The energy prices jumped 3.4% last month, with gasoline prices rose sharply by 6.3%. Food prices also moved up by 0.2%.

South America

The Chavimochic multipurpose irrigation project is expected to contribute US\$1.5 billion to Peru's GDP annually, accounting for 30% of northeastern region La Libertad's GDP, Peru's Ministry of Economy and Finance said.

Australasia

The New Zealand government claimed yesterday that its wealth gap had stabilised with a 2.3% rise in the median household income in 2011.

Oil & Gas News

West Texas Intermediate for delivery in August was down 45 cents at \$105.55 a barrel in morning trade, while Brent North Sea crude for the new September contract shed 26 cents to \$107.88.

Commodities News

Rubber for delivery in December on the Tokyo Commodity Exchange gained as much as 2.1% to 239.6 yen a kilogram (\$2,414 a metric ton) and traded at 238.8 yen at 10:20 a.m.

Currency News

The Australian currency fell 0.3% to 92.30 U.S. cents as of 12:21 p.m. in Sydney following a 2.3%, two-day gain.

The U.S dollar advanced 0.4% to 99.46 yen as of 11:46 a.m. in Tokyo after losing 0.8% yesterday. It strengthened 0.2% to \$1.3139 per euro. The pound slid 0.1% to 86.923 pence per euro after touching 87.07 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
16-Jul-13	1,283.18	3.68	108.99	29.62	1.65	1.91	1.26	114.94	7925.81	78.52	2.52	34.37	24.64	3,236.44
17-Jul-13	1,290.67	3.67	109.4	29.81	1.65	1.91	1.26	115.53	7952.92	79.03	2.52	34.38	24.63	3,217.60
% Change	0.58	-0.27	0.38		-0.18	-0.28	-0.19	0.51	0.34	0.66	0.13	0.05	-0.02	-0.58

Economic & Financial News

Research & International Division

18/7/2013

*...Bank of Canada sticks to low interest rate policy...
...Egypt's new ministers set out economic priorities...*

South East Asia

Indonesia is set to keep its inflation from exceeding the target of 7.2-7.8% this year as set in the revised 2013 state budget.

Bank Negara Malaysia must be commended for its measures to cool consumer borrowing: at almost 83% of GDP, the country's household debt level is among the highest in the region and could prove worrisome for the financial sector. The three measures announced include a maximum tenure of 10 years for personal loans; a maximum tenure of 35 years for property loans; and a ban on preapproved personal financing products.

The Philippines' public infrastructure spending is seen to more than double to P834.5 billion by 2016 as the government allocates more funds to build more roads, railways, airports and bridges to support its goal of inclusive and sustainable growth.

The Office of Small and Medium Enterprises Promotion will grant short-term, low-interest loans to local small and medium-size enterprises (SMEs), which have been impacted by the Bt300 minimum wage hike, Industry Minister Prasert Boonchaisuk announced.

Vietnam's retail sales for the first half of the year grew at the slowest pace since 2004, according to the General Statistics Office. It said purchases rose by 12% to US\$54 billion compared to 17-30% increases in the last nine years.

North East Asia

FDI inflow in China's non-financial sectors reached US\$14.39 billion in June, up 20.12% y-o-y, the largest expansion since March 2011 and also the fifth consecutive monthly increase since February, according to the Ministry of Commerce. In the first half, FDI totaled US\$62 billion, up 4.9% y-o-y.

Some policymakers of the Bank of Japan presented at their meeting last month opinions in favor of extending the period of the central bank's low-rate loans to commercial banks, the meeting's minutes revealed Wednesday.

South Korea's pension reform committee has concluded that high-income elderly citizens should be excluded from a new pension scheme to be launched next year, apparently due to a shortage in funds, its chief said Wednesday. Most of the members agreed the new

pension should be given only to those in the lower 70% income bracket.

Middle East and North Africa

Prime Minister Recep Tayyip Erdoğan turned his sights on banks, calling on people to stop using credit cards and contributing to profits of the interest rate lobby. According to Turkey's Interbank Card Center data, there were 56.4 million credit cards circulating in the country as of May.

Several of the newly-appointed Egyptian ministers have already stated their respective priorities in their initial statements. These include creating more job opportunities, subsidizing basic commodities are within the safe limit, increasing natural gas production, resuming imports of diesel and low-quality mazut fuel, solving issues of halted projects, providing power, bolstering security in industrial areas and setting minimum wage policies.

Saudi crude oil exports surged by 345,000 barrels per day (bpd) from April to 7.789 million bpd in May, according to Joint Data Initiative on Wednesday.

Indian Sub-Continent

Pollution and other environmental degradation costs India US\$80 billion a year, nearly 6% of GDP, the World Bank said in a report released on Wednesday. The government points to air pollution and contaminated water supplies as some of the main problems.

Western Europe

German Finance Minister Wolfgang Schaeuble will offer Greece €100 million for a fund to promote economic growth in a visit to Athens on Thursday in a move unlikely to appease protesters who resent his firm stance on austerity measures.

France's Socialist government will announce €3 billion in subsidy cuts and tax rebates as it seeks to rein in its public deficit.

The number of people claiming unemployment benefit in the UK dropped by 21,200 in June. The fall boosted hopes of a fragile economic recovery, though a renewed rise in the rate of long-term joblessness underscored the human cost of the recession. The Office for National Statistics also revised up May's decline, to 16,200.

The VAT rate on food services would be reduced to 13% from 23% as of August 1, Greek Prime Minister Antonis Samaras announced. Athens expects that the tax reduction, the first after three years of tax hikes will strengthen consumption and subsequently revenues and support employment in the country hit hard by deep recession.

The economic crisis in Italy plunged 1.4 million into poverty last year, according to national statistics agency. The number of people living in "absolute poverty" went up to 4.81 million in 2012, meaning 8% of the population struggle to obtain adequate food clothing, or shelter, up from 3.42 million in 2011.

Spain's public debt rose to 89.6% of its GDP in May, according to data released on Wednesday by Bank of Spain. The bank said Spain's public debt increased by €23.349 billion since April, or 2.2%, to a total of €937.334 billion in May. Dividing that figure by the 46.704 million people living Spain, according to National Statistics Institute, every resident of the country owes €20,060.

Eastern Europe

Russia investment dropped 3.7% in June from a year earlier, the Federal Statistics Service said. Retail-sales growth accelerated 3.5%, real wages rose 6% and real disposable incomes advanced 2.2% in the same period.

Polish production rose 3% from a year earlier in June, after declining 1.8% the previous month, the Central Statistical Office said. Output expanded 2.8% from May and gained 3.1% seasonally adjusted from a year earlier.

Ukraine's industrial output dipped 5.3% y-o-y in the first half of 2013, Ukraine's State Statistics Service said. In June alone, the country's industrial production was down 5.7% y-o-y, mainly because of contractions in the machine building industry and metallurgy.

North America

The head of the U.S. central bank says the Federal Reserve will eventually reduce efforts to stimulate the economy, but do so only gradually when a strengthening economy makes it clear that less help is needed. One Fed program is intended to bolster the economy by pushing down long-term interest rates. The complex process involves purchasing US\$85 billion worth of securities each month.

Canada's central bank is maintaining its trendsetting policy rate at the low level of 1% and declaring the monetary stimulus will remain until conditions improve. The bank sees some hope for a pickup

in Canadian growth starting in the second half of 2013 as the U.S. economic recovery firms and helps boost Canadian exports.

South America

Argentina's economic activity jumped 7.8% in May from a year earlier, President Cristina Fernandez said in a televised speech on Wednesday. Between January and May, Argentina's economy expanded 4.1% versus the same period last year. In April, economic activity grew a faster-than-expected 7%.

Venezuelan legislators voted to raise the country's debt ceiling for this year by 65% in a move the government hopes will fuel economic activity after growth slowed sharply during the Q1.

Australasia

Australia's international merchandise imports rose in May as a sharp drop in oil offset higher imports of capital goods. The Australian Bureau of Statistics reported imports on a seasonally adjusted balance of payments basis fell by 2% in June to AU\$20.14 billion.

Oil & Gas News

West Texas Intermediate oil traded near the highest price in a week after U.S. crude inventories dropped to the lowest level since January. Futures were little changed in New York after rising 0.5% yesterday. Stockpiles fell by 6.9 million barrels to 367 million, the Energy Information Administration said.

Commodities News

Gold traded little changed after the biggest drop in almost two weeks. Spot gold traded at \$1,276.54 an ounce by 9:28 a.m. in Singapore from \$1,276.11 yesterday, when prices retreated 1.3%.

Currency News

The yen fell 0.2% to 99.76 per dollar as of 11:41 a.m. in Tokyo from yesterday, when it lost 0.5%. It slid 0.1% to 130.79 per euro from yesterday, when it touched 131.36, the weakest since June 5.

The bath appreciated 0.4%, the most since July 11, to 30.97 per dollar as of 8:31 a.m. in Bangkok, 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
17-Jul-13	1,290.67	3.67	109.4	29.81	1.65	1.91	1.26	115.53	7952.92	79.03	2.52	34.38	24.63	3,217.60
18-Jul-13	1,277.34	3.63	108.49	29.89	1.66	1.91	1.26	116.46	7964.32	78.72	2.53	34.36	24.61	3,218.79
% Change	-1.03	-1.09	-0.83		0.49	0.04	-0.05	0.80	0.14	-0.39	0.33	-0.08	-0.10	0.04

Economic & Financial News

Research & International Division

20/7/2013

*...World Bank says received no payments from Iran in six months...
...Mexican government plans to raise income taxes on the wealthy...*

South East Asia

The Authority for Info-communications Technology Industry of Brunei Darussalam has increased the grant amount it offers for the development of local ICT and digital media industries to B\$300,000 from the previous B\$250,000. These include production houses, to acquire enhancement, ownership and marketing assistance for their existing made-in-Brunei product or prototype that has significant commercial potential.

The Indonesian Employers Association (Apindo) has proposed a 20% increase of provincial minimum wage in 2014 in effort to balance the inflation that is expected to continue to rise.

The Philippines' balance of payments surplus hit a five-month high of US\$692 million in June due to sustained inflows of remittances from overseas Filipino workers, business process outsourcing receipts and investments.

Malaysia's prices remained stable in June with the inflation up 1.8% compared with a year ago due to increases in the prices of food and non-alcoholic beverages as well as non-food items, according to the Statistics Department.

A short-term stimulus package is not essential, as the Thai's economy is expected to turn around in the second half, despite the slowdown in the Q1 and Q2, said the central bank's governor. He cited employment and per capita income as the main reasons, saying they are still stable, while signs of recovery in the US and Japanese economies will help to increase Thailand's exports.

While 5% bio-ethanol (E5) is still a new type of energy source in Viet Nam, other countries have made more progress in producing and applying 85 and 100% ethanol bio-fuel. Currently, only six factories have produce ethanol, with a capacity of 418,000 tonnes each year. But more than 80% of the bio-fuel produced is used for export. The bio-fuel consumption rate in the domestic market is under 20%.

North East Asia

China's central bank announced a key move to liberalise bank lending rates, underlining the government's resolve to push market reform to revitalise the slowing economy. The floor limit for lending interest rates will be cancelled and financial institutions can decide their own rates following commercial principles, said a People's Bank of China statement.

Department stores across Japan enjoyed increased sales for a wide variety of goods for the first half period, with total sales up 2.3% on a y-o-y basis to ¥3.2 trillion, according to Japan Department Stores Association. High-end products saw particularly higher sales against the backdrop of improved consumer sentiment.

South Korean government has carried out more than 60% of its annual fiscal spending during the first half of the year in line with the efforts to front-load its budget to stimulate the slowing economy, the finance ministry said Friday.

Australasia

Consumer spending across Australia has continued to grow, in trend terms, with annual growth reaching a five-and-a-half year high. The figures lifted 1% in trend terms in June with annual growth reaching a five-and-a-half year high at 8.7%, according to Commonwealth Bank Business Sales Indicator.

Indian Sub-Continent

India's Prime Minister Manmohan Singh assured the industry that the government will further relax FDI norms and Reserve Bank will soon start granting bank licences. He expressed the hope that the impact of the reforms will boost economic growth rate in the second half of this year.

Pakistan's foreign exchange reserves have now fallen to below adequate levels and government should take urgent measures to arrest this dangerous trend as it will create serious problems for the economy, Islamabad Chamber of Commerce and Industry has warned.

Middle East and North Africa

Iran has not paid back any of its loans to the World Bank for more than six months, the bank said, a further sign of the strains on the sanctions-hit Iranian economy. Faced with a combination of poor fiscal management and Western economic sanctions, Iran has suffered from spiraling prices and high unemployment in the last year. Iran owed the bank US\$697 million on June 30, of which US\$79 million was overdue.

Expatriates' remittances went up during the first half of this year by 2.5% compared to the same period in

2012, reaching US\$1.8 billion, up from US\$1.7 billion, according to the Central Bank of Jordan.

The aid Egypt has received from Arab countries will allow the transitional government to operate without further adding to the national debt, Planning Minister Ashraf al-Araby said.

Eastern Europe

The Central Bank is trying to limit Russian banks depositing money with their foreign counterparts by reclassifying the transactions as high-risk, which would make them more expensive and less attractive, Kommersant reported.

Poland is turning to international lenders to fund a growing budget deficit at loan rates that are lower than those available from debt markets. The government is seeking €2 billion in loans by Aug. 30 to show that there is another option for financing than market auctions, Deputy Finance Minister Wojciech Kowalczyk said.

Ukraine will keep utility prices stable in the near future as a requirement to resume borrowing from the UIMF, Vice Prime Minister Oleksandr Vilkul said. The government will monitor each case of hike in prices paid by households and will respond accordingly.

Western Europe

The British economy received a £9.9 billion trade and investment boost from the London Olympic and Paralympic Games, one year into a four-year program of activity and events, the UK Trade & Investment (UKTI) and Department for Business, Innovation & Skills reported Friday. The boost came from businesses securing contract wins, additional sales and new foreign investment in 2012.

Greece's wealthy ship-owners have agreed to donate millions of euros over the next three years to help the economy. According to a government statement, 441 shipping companies with 2,769 ships will make voluntary payments. The ministry estimates that the contribution is worth about €75 million for the rest of this year and up to €140 million in a full year.

Ireland launched a 50-point action plan to fight long-term unemployment. The plan, called Pathways to Work 2013, will specifically focus on combatting long-term unemployment. The plan will build on the progress made over the past year by the government to tackle the unemployment challenge.

Spain trade deficit narrowed sharply in May at €27.5 million largely due to booming exports 7.3% from the

level a year ago to €20.89 billion led by energy and textile sectors, the finance ministry said.

North America

The retail sector grew in June, adding 37,000 new jobs to the U.S. economy, according to the latest Bureau of Labor Statistics report. Retail hiring has been driven by increases in auto sales, building and garden supply sales, and an overall improved economy.

Canadian consumer prices jumped at an annual rate of 1.2% in June, led by higher new car and gasoline prices, the government statistical agency said Friday.

Mexican government plans to raise income taxes on the wealthy in a bold move that seeks to make an unpopular extension of sales taxes to some food and medicines more palatable to the Mexican public, President Enrique Peña Nieto said.

South America

A drop in transportation and food prices helped Brazil's inflation rate fall back below the ceiling of the government's target in the year to mid-July. Brazil's inflation rose 6.4% in the 12 months through mid-July, down from 6.67% one month earlier, according to government statistics agency IBGE.

Oil & Gas News

Oil on both sides of the Atlantic climbed above \$109 a barrel yesterday, after encouraging economic data and a sharp decline in US crude stockpiles signalled stronger demand for fuel in the world's top oil consumer.

Commodities News

Wheat gained for the first time in six sessions after China, increased purchases of the grain from the U.S. where exporters sold 120,000 metric tons.

Currency News

The dollar weakened 0.3% to \$1.3143 per euro at 5 p.m. New York time, after Federal Reserve Chairman Ben S. Bernanke damped speculation that a reduction of U.S. monetary stimulus was imminent.

The rupiah declined 0.4% to 10,103 per dollar as of 1:15 p.m. in Jakarta as the central bank manages a gradual depreciation of the onshore exchange rate toward offshore levels.

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
18-Jul-13	1,277.34	3.63	108.49	29.89	1.66	1.91	1.26	116.46	7964.32	78.72	2.53	34.36	24.61	3,218.79
20-Jul-13	1,296.03	3.79	108.07	28.51	1.67	1.93	1.27	116.40	7973.21	78.92	2.52	34.23	24.55	3,213.26
% Change	1.46	4.41	-0.39		0.47	1.26	0.52	-0.05	0.11	0.25	-0.28	-0.37	-0.24	-0.17

*...Russia is nearing the end of stagnation...
...France is in a worrying situation...*

South East Asia

Indonesia's inflation rate is poised to peak after rising "quite substantially" in June and July, Finance Minister Chatib Basri said. Price gains quickened after fuel costs rose and the rate may be back to normal in a "couple of months," he said.

President Aquino will submit his proposed P2.268-trillion national budget for 2014 to Congress Tuesday. The proposed 2014 budget is 13.1% or about P262 billion higher than this year's spending level. The budget chief has said the President's budget proposal would essentially aim to promote "inclusive growth," which means making the benefits of growth trickle down to the poor.

Last year, Malaysia exported halal products worth RM35 billion, contributing four 4% to the country's GDP. This is because the halal food and products market was very large, at more than RM3 trillion. Deputy Minister of International Trade and Industry Datuk Hamim Samuri urged more Muslim entrepreneurs to step forward and become suppliers of halal products.

The government is asking the agriculture ministry to quickly draw up policies to promote partnership between farmers and agribusiness companies in Vietnam, since the lack of such a partnership has been identified as the main reason why the sector has been lagging behind.

North East Asia

China should continue to carry out a proactive fiscal policy and prudent monetary policy, as well as make macro-economic controls more targeted and timely, Vice Premier Zhang said. The government should implement decisive policy measures in financing and pricing. He also pledged more support for the service sector and export enterprises, especially small and SMEs.

Japan's government must push through reforms to restore the country's tattered finances to help ensure a sustained economic recovery, adding a planned sales tax hike was needed to control huge public debt. The central bank would inject more stimulus if Japan's recovery was threatened, pointing to risks such as slowing growth in China and other emerging nations, the central bank's board member, Takehiro Sato said.

The Korean government will finalize its stance on when and how to lower the acquisition tax rates for home purchases by the end of August as part of efforts to

stimulate the prolonged slump in the local property market.

Taiwan's export orders dropped 3.5% in June from a year earlier to US\$35.1 billion, due to weaker demand from Taiwan's major export market such as China, the Ministry of Economic Affairs said. Except for a 0.4% increase in orders for high-end semiconductors and chips, orders for other products all slid.

Indian Sub-Continent

India's macro-economic weaknesses will get exposed over the next few months unless it can take decisive steps to prepare for the US Fed's potential exit from the quantitative easing programme and weaker global sentiment for emerging markets.

The IMF is willing to provide US\$6.3 billion credit against the demand of US\$7.3 billion to bailout Pakistan from fast dwindling foreign exchange reserves. The Finance Ministry, World Bank and ADB have started negotiations with the authorities in Islamabad for \$1 billion loan for budgetary support. Pakistan wants US\$500 million each from World Bank and ADB as this will help strengthen the macroeconomic indicators.

Middle East and North Africa

The signal sent by the Turkish Central Bank with the increase of the interest rate in the beginning of last week was correctly interpreted and only in four days the country attracted more than US\$1 billion, Deputy Prime Minister Ali Babacan announced.

Saudi Arabia's real GDP grew by around 2.1% in the Q1 compared with 4.4% in the Q4 last year and 6.6% in the Q1 of 2012, according to a Saudi investment firm.

The EU pledged grants and loans to Egypt worth €5 billion have been prolonged as a result of the Egyptian government's lack of a clear economic vision, James Moran, EU ambassador to Egypt said. The aid package remains available but we have not been able to move as fast as we would like because of the lack of a framework for economic reform, Moran said.

Jordan's public debt increased by the end of May this year to JD17.3 billion, representing 71.8% of the estimated GDP for 2013. The finance ministry attributed the rise in tax revenues to an increase in the overall collected taxes on trade, international transactions and

real-estate sale coupled with a drop in the outcome of collected income taxes.

Eastern Europe

Russia is nearing the end of stagnation, and the Ministry of Economic Development anticipates the economy will expand more rapidly in the next two quarters, fuelled by investment. In the Q2, Russia's economy grew by 1.9%, an improvement from the 1.6% growth it posted in the Q1. Trade promises strong growth. In June exports rose 0.4% to US\$41.6 billion, and imports rose by 5.7% to US\$27.9 billion.

Poland's finance minister has repeatedly criticised the monetary policy council to have increased interest rates in May 2012 and have kept them on hold until November amid slowing inflation and flagging growth. The central bank's governor, on the other hand, argued the tightening of government finances in 2011 and 2012 were behind the slowdown.

Western Europe

The German economy is forecast to slow after a strong Q2, the Bundesbank said. The signs of a slowdown in economic growth are becoming more evident, in line with the general trend, the central bank said. It gave no growth or contraction figures. It said it believed industry and construction made important contributions to the rebound in the Q2.

France is in a worrying situation but growth will return in the second half of the year as measures to stimulate job creation bear fruit. France's economy contracted by 0.2% in the Q1 2013, confirming fears that the country had entered recession. In the second half, France will be getting better as the government reforming the labour market, competitiveness, pension system, and also helping companies and the state of local authorities to invest in the future.

Applications for new home mortgages dropped by 10%, amidst Italy's lingering recession in the first half of 2013 compared with the same period last year.

Greece's public debt rose to 160.5% of GDP in the Q1 2013, an indicator that the economy is not getting better as the government said. Greek debt was 24.1% higher than in the Q1 of 2012 and 3.7% higher than in the fourth, the biggest increase in the EU.

The total expenditure in the average Spanish household was badly hit by effects of the economic crisis during 2012. The average household saw its spending reduced by 3.4% on that of 2011 to a total of

€28,152 with spending cut in all areas with the exception of education and in health, where spending rose by 7.4% and 0.3% respectively, National Institute of Statistics said.

North America

President Barack Obama pledged to unveil "bold" ideas to help America's struggling middle class as part of a fresh offensive to boost the economy. Obama has regularly traversed the country to rally support for his vision of the US economy, in which the government would collect more taxes from the wealthy and corporations to invest in infrastructure improvements, education and clean energy.

South America

Brazil will freeze an additional US\$4.4 billion in budgeted spending, in an effort that is unlikely to dispel investors' mistrust in the government's commitment to fiscal austerity.

Average land prices for new office buildings and apartments in Lima have risen by 44% in the last year. It was because construction firms are no longer willing to pay the high asking prices, as Peruvian's per capita income is not keeping up with the rising estate prices.

Oil & Gas News

Brent crude futures hovered above US\$108 on Tuesday, buoyed by a weaker dollar as investors waited for U.S. crude oil inventory data for further clues on the outlook for demand in the world's largest oil consumer.

Commodities News

Strong steel output growth in top producer China helped push global crude steel production up 1.9% to 132 million tons in June from the same month last year, industry data showed.

Currency News

The Australian dollar is higher following a surge in gold prices and weaker-than-expected US data that put downward pressure on the greenback.

The pound strengthened 0.6% to \$1.5365 at 4:55 p.m. London time after appreciating to \$1.5377, after Prime Minister David Cameron said an improving economy may allow the government to cut taxes.

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-Jul-13	1,296.03	3.79	108.07	28.51	1.67	1.93	1.27	116.40	7973.21	78.92	2.52	34.23	24.55	3,213.26
23-Jul-13	1,336.25	3.71	108.16	29.15	1.66	1.93	1.26	116.36	7971.30	79.17	2.52	34.25	24.52	3,244.90
% Change	3.10	-2.11	0.08		-0.24	-0.02	-0.39	-0.03	-0.02	0.32	-0.20	0.07	-0.13	0.98

Economic & Financial News

Research & International Division

24/7/2013

*...Colombia's economic policies 'repress' banks...
...Malaysia's unemployed goes up 8.9% in May...*

South East Asia

Indonesian FDI rose 18.9% to US\$6.72 billion in the Q2 of 2013, slower than the 30.2% growth rate in the same period last year, Indonesian Investment Coordinating Board said. The growth is driven mainly by capital inflow into mining, transportation and base chemical sectors.

A total of 435 infrastructure construction projects valued at almost US\$70 million have been approved by Vientiane in the first six months of this fiscal year. The majority of projects are road construction, improvement projects, services and land concessions.

There were 439,4000 unemployed individuals in Malaysia in May 2013. This represented an increase of 35,800 persons (8.9%) from the preceding month, the Statistics Department reported.

Singapore's headline inflation registered slightly higher to 1.8% in June from a y-o-y rise of 1.6% in May, mainly due to petrol pump prices which increased with the recent pick-up in global oil prices, the central bank and Ministry of Trade and Industry jointly said yesterday.

Investment in solar panels and related businesses in Thai is set to boom after the National Energy Policy Council last week revised the target for overall solar power to 3 gigawatts from 2GW and the 25-year feed-in tariff for purchasing rooftop solar panels and community-based solar power, according to energy experts.

The export value of Vietnamese fine arts and handicrafts is expected to outstrip US\$2.5 billion this year, according to the General Statistics Office. In the first half, shipments of arts and handicrafts jumped 18.3%.

North East Asia

President Xi Jinping called for more efforts to boost the development of rural areas and promote more urban and rural integration. 400 million to 500 million people will still live in rural areas. Those regions must not become deserted.

Japan has logged a US\$1.82 billion trade deficit for June, reversing a small year-earlier surplus and marking the 12th straight month of shortfalls, official data showed. The deficit came as import costs outpaced gains in exports to key markets in the US, China and Europe.

The government will soon disclose its detailed plans to reduce the supply of homes in Seoul and its surrounding areas, a move aimed at normalising the

prolonged slump in the overall housing market, the finance minister said.

Australasia

The Australian Treasury has admitted it is virtually powerless to stop multinational companies and warned that many of the risks posed by profit shifting by multinationals were underpinned by "deeply entrenched features of Australia's corporate tax system and policy developments" beyond Australia's borders or control.

New Zealand's trade surplus was NZ\$414 million in June for an annual deficit of NZ\$777 million, as imports of petrol and petroleum products fell faster than exports of dairy products, according to Statistics New Zealand.

Indian Sub-Continent

The Reserve Bank of India moved to tighten gold imports again, making them dependent on export volumes with an eye to reducing a record current account deficit, but offered relief to domestic sellers by lifting restrictions on credit deals.

Middle East and North Africa

Saudi Arabia has transferred US\$2 billion to the Central Bank of Egypt. The Saudi funds arrived in the form of a 5-year interest-free deposit, Egyptian Central Bank Governor Hisham Ramez said. The Middle East powerhouse has promised to grant Egypt a further US\$2 billion in the form of oil and gas products and US\$1 billion in cash. Kuwait has also promised US\$4 billion to help the crashing Egyptian economy back on its feet.

Eastern Europe

Russia's car market is expected to decline by up to 4% this year, the deputy trade and industry minister said. In the Q1, Russia's economy only expanded by 1.6%.

Retail trade in Poland increased by 1.8 percent year-on-year and by 1.5% m-o-m in June, according to statistics office GUS. Poland's unemployment rate was 13.2% in the same month.

Hungary's central bank cut its main interest rate to a new low of 4% to boost the sluggish economy, and is

expected to continue cutting despite an increasingly uneasy global environment.

Western Europe

French President François Hollande announced a new set of measures aimed at tackling spiralling unemployment rates. He said 100,000 trainings would be opened in 2014 to get people into jobs where companies say there's a dearth of qualified applicants.

Germany cut its public debt to 81.2% of the GDP in the Q1 from 81.9% in the Q4 of 2012, Eurostat data showed.

Recession-hit Italy is set to suffer a net loss of 250,000 jobs in the private sector this year, according to Association of Italian Chambers of Commerce. There will be 750,000 new hires in 2013 in the industry and service sectors, but almost one million people will leave the labour market because of redundancies, dismissals and retirements.

The pace of the contraction in the Spanish economy slowed in the Q2 of this year due to the ongoing dynamism of the export sector and a slightly less negative contribution from domestic demand. The Bank of Spain said the GDP declined 0.1% in the period April-June from the previous three months after falling 0.5% in the Q1 and 0.8% in the Q4 2012.

Portuguese are among the Europeans most concerned about unemployment and most pessimistic about the jobs outlook, with three quarters believing that the worst is yet to come, according to a study released by the European Commission.

North America

United States has made enormous progress in economy over the last five years, President Barack Obama has said, asserting that the businesses have created 7.2 million jobs over the last 40 months.

Canadian retail sales rose 1.9% in May to \$40.4 billion, the biggest month-to-month jump since March 2010, Statistics Canada said. The biggest increase in dollar terms was in motor vehicles and parts dealers, with a 4.3% increase from April.

Banco de Mexico said that the reserves last week reached a new record of US\$166,994 billion after a US\$243 million increase over the previous week, partly due to dollar purchases by the federal government.

South America

Argentina's June trade surplus grew by 26.9% to US\$1.16 billion from US\$910 million in the same month last year, the INDEC institute said. Exports grew by 8% from a year earlier, to US\$7.55 billion, reflecting a stronger grains harvest after last year's drought. Imports grew a more modest 5% to US\$6.4 billion.

Brazil's current account deficit narrowed in June from a year ago, central bank data showed on Tuesday. FDI in the country jumped to \$7.17 billion in June from \$3.88 billion in May, it will still fall short of what is needed to cover the current account gap this year. In the first six months of the 2013, the country received \$30 billion in FDI.

Colombia's banks claimed that "repressive" government policies are slowing them down and creating detrimental, informal markets. In Colombia, the controls on interest rates, forced investments to be made by banks in agricultural development, the tax on financial transactions, and capital requirements have been used in different occasions as instruments of 'financial repression'.

Oil & Gas News

West Texas Intermediate swung between gains and losses after crude and fuel stockpiles declined in the U.S. Futures fluctuated in New York after rising 0.3% yesterday. U.S. crude inventories fell by 1.44 million barrels last week.

Commodities News

Gold fluctuated as investors weighed the U.S. Federal Reserve's next move on monetary stimulus against the prospects for demand amid higher prices. Spot gold rose and fell 0.3%.

Currency News

The dollar was 0.2% higher at \$1.3203 per euro as of 11:24 a.m. in Tokyo as weaker U.S. economic indicators bolstered the argument for the Federal Reserve.

The ringgit was quoted at 3.1640/1650 for a US dollar against 3.1770/1800 yesterday. The ringgit continues to open sharply higher today as investors holding the greenback are reversing their positions.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
23-Jul-13	1,336.25	3.71	108.16	29.15	1.66	1.93	1.26	116.36	7971.30	79.17	2.52	34.25	24.52	3,244.90
24-Jul-13	1,343.62	3.72	108.21	29.09	1.67	1.94	1.26	116.99	8105.70	78.91	2.51	34.21	24.52	3,252.26
% Change	0.55	0.27	0.05		0.25	0.47	-0.07	0.54	1.69	-0.33	-0.20	-0.14	0.00	0.23

Economic & Financial News

Research & International Division

25/7/2013

*...Private sector may not keep pace with Saudi youth bulge...
...Interest rate rise could hurt many households in Singapore...*

South East Asia

Brunei's contribution to the general budget of the World Trade Organization went down slightly this year. Brunei's contribution to the overall budget of the organisation was at B\$92,458. This is lower than the contribution of B\$102,533 made by the sultanate last year. WTO contributions are determined according to each member economy's share of international trade.

Indonesia saw a 29.8% y-o-y increase in investments, which topped Rp 99.8 trillion (US\$9.78 billion). The strong investment growth was driven by domestic direct investments, which expanded by a high level of 59.1%, as compared to 18.9% in FDI that is the lowest growth since 2010.

The Philippines' foreign exchange reserves likely rebounded in July after three straight months of decline, the top executive of the Bangko Sentral ng Pilipinas said. Reserves fell to US\$81.640 billion in June, the lowest level since August last year.

More than 9,000 households in Singapore may have trouble paying off their mortgages when interest rates rise. The central bank has said that 5 to 10% of borrowers here have probably overstretched themselves on their property purchases. Their total debt is amount to more than 60% of their income. If mortgage rates were to rise by 3 percentage points, the proportion of borrowers at risk could reach 10 to 15%.

The Board of Investment (BoI) remains confident that this year's investment will meet the target of BT1 trillion, said secretary-general of the BoI. In the second half of 2013, Thailand would face five main risks such as shortage of local labour, rising wages, rising interest rates overseas prompting capital outflow, declining consumption in Thailand and the declining demand in global markets.

Vietnam's insurance sector will focus on restructuring the market as well as its businesses so as to maintain stability and sustainable development, the Ministry of Finance's Insurance Supervisory Authority said. The industry expects to see a total premium of US\$2.082 billion this year, a rise of 6.5% over last year.

North East Asia

Growth of China's manufacturing sector slowed to an 11-month low this month, according to a preliminary survey by HSBC. The bank's Purchasing Managers' Index (PMI) fell to 47.7 from 48.2 in June, reading below 50

means contraction in the manufacturing industry, while a reading above 50 indicates expansion.

Japan's export growth unexpectedly eased in June from a year earlier at 7.4% in a worrying sign that China's slowing economy is hurting overseas demand and could potentially undermine Tokyo's efforts to revive the world's third-biggest economy. Japan's imports rose 11.8% in June from a year ago.

The Seoul Metropolitan government will establish nine light-rail lines reaching a combined 85.41 kilometres over the next decade to promote mass transit and boost public convenience, the municipal government said.

Australasia

Australian median house prices rose by 2.8% in the June quarter and 5.4% in the year to June, a level of growth not seen since March 2010, according to the Australian Property Monitors quarterly housing report.

New Zealand's central bank held its official interest rate at a record low 2.5% Thursday amid signs of slowing growth in major trading partners Australia and China. Although removal of monetary stimulus will likely be needed in the future, the official cash rate was not expected to change before the end of the year.

Indian Sub-Continent

The Reserve Bank of India took new steps to support the rupee, signalling it will stay the course with its defence of the currency despite the risks to economic growth. The central bank tightened liquidity further and made it even harder for lenders to access funds.

Pakistan's production of petroleum products surged by 15.21% during the first eleven months of the fiscal year 2012-13 against the corresponding period of last year. On y-o-y basis, the production increased 4.24% in May 2013 when compared to the production of May 2012, according to the Pakistan Bureau of Statistics.

Middle East and North Africa

Saudi Arabia may not be able to create all the private sector jobs it needs for its rapidly growing population, which could lead to higher unemployment, the IMF said. Most of expatriates work in the private sector, in

retail and construction jobs that Saudi citizens may not want or have the skills for. A large number of young people will enter the labour market in the next decade and beyond, and creating an insufficient number of jobs.

Eastern Europe

Small and medium-sized enterprises in Russia are facing an uphill battle. The government is not providing enough support, which is hindering SMEs' development and dragging the overall economy.

The Slovak government has promised companies lower electricity prices, which is the same as in the Czech Republic, are being pushed up by the boom of solar power plants. The difference will be paid by electricity producers, which will be burdened by a new fee. The biggest electricity buyers will also get other allowances.

Western Europe

Italians have been on a "forced diet" since 2007, eating less and less due to the long-running economic crisis, consumer group Codacons said. Italy's retail sales increased in May by 0.1% with respect to April 2013, but fell y-o-y by 1.1%, the statistics agency Istat said. May figures for food sales were up slightly, 0.6%, while non-food goods dropped 0.2% from April.

The Dutch economy faces a prolonged period of economic stagnation and the government is wrestling to satisfy the EU's budget rules, the Wall Street Journal said. The country's economic woes are largely home-grown, with households cutting spending to pay down mortgages while facing austerity-driven tax increases, rising unemployment and pension cuts.

Parliament gave its approval for Prime Minister Antonis Samaras' government to cut the payroll by as many as 40,000 public workers by the end of 2014. It has been reported that 1.1 million out of 4.8 million workers and pensioners declared an annual income of less than €6,000 last year. This officially puts them below the poverty line.

After four months with a minor increase in unemployment, the unemployment rate has again dropped slightly, and is back at 3.5% of the labour force, Norway Statistics reported.

Dropping unemployment, low interest rates, tax cuts and a stabilised housing market have all helped improve the Danish economic outlook. Between April and May, unemployment dropped by almost 7,000 people to 149,399, while car sales rose by 7% and credit card use rose by 6.3% over the past 12 months. Industrial

production is also improving and was 5.4% higher in May 2013, the Statistics Denmark reported.

House prices in Ireland have risen, when the property bubble dragged the country into a deep recession. This has caused property market exposed banks to heavy losses and resulted in being bailed-out by the troika of international creditors to the tune of €85 billion. Residential property price were up by 1.2% in June, compared to the same month last year.

North America

Sales of new homes in the U.S. surged in June to a seasonally adjusted annual rate of 497,000, a sign that a spike in interest rates did little to deter buyers, the Census Bureau said Wednesday.

Mexico's inflation unchanged in the first two weeks of the month, the national statistics agency said. The annual rate fell to 3.53%, compared with 4.09% in June. Core prices, which exclude energy and farm costs, climbed 0.04% in the first two weeks of the month.

South America

Brazil's unemployment rate rose in June, signalling a weakening labour market. The jobless rate jumped to 6% last month from 5.8% in May, according to a report today on the National Statistics agency's website.

Oil & Gas News

West Texas Intermediate for delivery in September, was down 57 cents at \$104.82 a barrel in mid-morning trade, while Brent North Sea crude for September shed 36 cents to \$106.83.

Commodities News

Copper declined for the first time in six days after manufacturing in China, the biggest user, weakened and Goldman Sachs Group Inc. said a global surplus may almost double in two years.

Currency News

The rupiah declined 0.1% to 10,266 as of 10 a.m. in Jakarta, after reaching 10,286 earlier, the weakest level since July 2009, prices from local banks show.

The dollar maintained a gain from yesterday against its major peers. The dollar was little changed at \$1.3198 per euro as of 11:11 a.m. in Tokyo.

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-Jul-13	1,343.62	3.72	108.21	29.09	1.67	1.94	1.26	116.99	8105.70	78.91	2.51	34.21	24.52	3,252.26
25-Jul-13	1,321.16	3.71	106.86	28.80	1.67	1.94	1.26	117.13	8108.98	78.88	2.51	34.19	24.46	3,245.68
% Change	-1.67	-0.27	-1.25		0.31	0.15	0.22	0.12	0.04	-0.04	0.05	-0.04	-0.24	-0.20

Economic & Financial News

Research & International Division

30/7/2013

*...DOF expects 16.6% hike in individual income tax take...
...More bankruptcies in Norway...*

South East Asia

The Indonesian government is preparing Rp 18.4 trillion (US\$1.8 billion) fiscal space in the 2014 state budget that can be used, among other things, for infrastructure spending and the National Social Security System. The 2014 budget deficit would be set at 1.49% of GDP, while the debt ratio would decline to 22.8% of GDP from 23%.

More Malaysians seeing children as economic burden. "We have to make them seen as an asset and not a liability", said Malaysian Chinese Association Economic Bureau chairman Dr Fong Chan Onn. Tying this with a dropping fertility rate, the Malaysian government needed an economy that would make children more productive to families dealing with rampant inflation.

The Department of Finance (DOF), Philippines expects a 16.6% hike in individual income tax collections this year as the Bureau of Internal Revenue steps up efforts to crack down on tax avoidance. The government is targeting to collect P248.16 billion from individual taxes this year compared with last year's P212.82 billion.

Resale prices of private homes slipped 0.4% in June from May. The price dip in June was largely due to price falls in the central region and small units, according to the latest Singapore Residential Price Index.

Thai government expenditure would become a main engine to drive the economy. Around 69% of the national budget has been disbursed and about 94% is expected to be disbursed for the whole of this fiscal year. The remaining budget for disbursement amounts to Bt600 billion. Exports contracted by 3.4% in June and 2.2% in the Q2 y-o-y. Local spending dropped partly because of a high base.

Viet Nam's goods and services sector maintained impressive momentum during the first seven months of 2013 as total retail sales reached US\$70.9 billion, representing a y-o-y increase of 12%. According to General Statistics Office, the country's total retail sales reached VND213.3 trillion in July, up 0.4% due to a range of factors with stronger consumer demand one of the main drivers.

North East Asia

China's state-owned enterprises (SOEs) posted a net profit increase of 18.2% y-o-y in the first half of

2013. The net profits of central SOEs totalled US\$102.3 billion during the period. The total revenues of central SOEs during the half year of 2013 raised 9% y-o-y.

A planned increase in the sales tax rate would not hurt the economy and was needed to repair public finances, amid growing signs on Monday the prime minister could delay or even water down the policy, Bank of Japan Governor Haruhiko Kuroda said.

South Korea's industrial output grew slightly in June despite tough economic conditions at home and abroad, a government report showed. According to the report by Statistics Korea, production in the mining, manufacturing, gas and electricity industries expanded 0.4% last month from a month earlier.

Australasia

Australia may be heading towards softer economic growth with interest rates falling to record lows and resources construction activity expected to peak soon. Deloitte Access Economics said the value of the 947 Australian investment projects in its Investment Monitor database, that are valued at AU\$20 million or more, fell 5.6% in the June quarter from the March quarter.

Indian Sub-Continent

India's current account deficit in 2013-14 would be around the same level as last year's US\$88 billion, but stressed that financing it will not be a problem, Finance Minister P Chidambaram said. The central bank's mandate should not be limited just to price stability, but also promote growth and generate employment, he said.

Middle East and North Africa

The Saudi economy continues to benefit from the on-going diversification of development strategies set forth by the government and implemented in partnership with the private sector, the National Commercial Bank said. The value of awarded contracts rebounded in June to reach SR20.8 billion.

Eastern Europe

Russia continues its gold buying spree, adding 0.3 tonnes to its 996.4 tonne stockpile, marking a nine month increase, according to the IMF's June statistics report. In

May, 8% of Russia's official reserves were gold, and President Putin continues to buy nearly half a billion dollars worth of gold each month.

Hungary's government will pay back the outstanding sums, worth €2.2 billion euros, owed to the IMF from a 2008 bailout by August 12, the Economy Ministry said in a statement.

Ukraine must participate in post-program monitoring because of its relatively large debt to the IMF, subjecting its economic policies to greater scrutiny. The IMF said the enhanced monitoring was triggered by its rules, but it could also be a sign that the Fund is worried about Ukraine's ability to pay back the US\$8 billion it owed the IMF at the end of June.

Western Europe

German inflation probably slowed in July for the first time in three months, signaling price gains in Europe's largest economy remain subdued. Germany's inflation rose 1.8% from a year ago, compared with 1.9% in June.

Bank of England figures revealed a £238m million increase in lending to small businesses during June – the biggest rise since the Bank began collecting the data two years ago, and bucking a £1.3 billion decline in business lending overall.

The number of bankruptcies in Norway continues to go up. In the Q2, the number of bankruptcies was 1,316, a rise of 46% compared with the same quarter last year, Statistics Norway reported. A total of 910 bankruptcies were related to enterprises. 27% of these were in construction, while 25% were in wholesale and retail trade.

The IMF released a new tranche of loan to Greece in the amount of about US\$2.3 billion after completing a latest round of economic review of the Eurozone nation. The IMF's Executive Board completed the 4th review of Greece's performance and this review enables the disbursement of loan special drawing rights. This brings the total disbursements to US\$10.94 billion.

Cyprus's central bank has agreed to a 47.5% haircut with international creditors on deposits exceeding €100,000 in the Bank of Cyprus in an attempt to recapitalize it. In return for a €10 billion bailout, the international creditors demanded the winding up of the island's second largest banker Laiki and a haircut on deposits over €100,000 in the Bank of Cyprus.

North America

The federal government expected to borrow US\$444 billion from the market to fund its operation in the second half of this year, the U.S. Treasury Department announced. The budget deficit of the U.S. federal government topped around US\$1.1 trillion in the 2012 fiscal year ending in September. Due to financial crisis and economic recession, borrowings of the U.S. federal government increased dramatically over the past years.

Mexico's poverty rate fell slightly between 2010 and 2012, dropping 0.6% to 53.3 million people, although half a million more people entered the ranks of the poor, the government's social development agency Coneval said. While, the percentage of Mexicans living in extreme poverty fell from 11.3% in 2010 to 9.8% in 2012, or 11.5 million people.

Oil & Gas News

US oil prices have retreated slightly as mediocre economic news gave investors a chance to pause from the bullishness of recent weeks. The price of US benchmark West Texas Intermediate for September delivery fell 15 cents to close at US\$104.55 a barrel.

Commodities News

Gold edged lower after three weeks of gains as investors awaited the results of a key Federal Reserve policy meeting this week. Spot gold fell 0.7% to \$1,323.96 an ounce by 0703 GMT, after gaining 9% over the last three weeks. US gold climbed about \$2 to \$1,323.90.

Currency News

Malaysia's ringgit fell to a three-year low on concern global investors will repatriate funds after \$2.9 billion of sovereign debt matures tomorrow. The ringgit declined 0.3% to 3.2365 per dollar as of 10:03 a.m. in Kuala Lumpur.

The Canadian dollar reached a one-month high as crude oil, the nation's largest export, remained above \$100 per barrel for the 18th day. The Canadian dollar gained 0.1% to C\$1.0265 per U.S. dollar at 5 p.m. in Toronto. It touched C\$1.0253 per U.S. dollar, the strongest since June 19.

Date	Gold Spot	NYMEX Natural		Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
		Gas (\$/MMBtu)													
25-Jul-13	1,321.16	3.71		106.86	28.80	1.67	1.94	1.26	117.13	8108.98	78.88	2.51	34.19	24.46	3,245.68
30-Jul-13	1,327.88	3.47		107.3	30.92	1.68	1.95	1.27	117.42	8108.33	77.27	2.54	34.23	24.61	3,251.07
% Change	0.51	-6.47		0.41		0.69	0.32	0.13	0.25	-0.01	-2.04	1.12	0.11	0.63	0.17

Economic & Financial News

Research & International Division

31/7/2013

*...Spanish recession eases in Q2...
...UAE's fiscal surplus doubles...*

South East Asia

Indonesia's annual inflation rate climbed to 8.18% in July, the country's central bank governor said. In June, during fuel prices were hiked by an average 33%, the annual headline inflation rate was 5.9%. He also said the current account deficit reached US\$8 billion in the Q2.

The government has approved an additional quota of 25 million litres of diesel following high demand from consumers during the festive season. Deputy Domestic Trade, Cooperatives and Consumerism Minister Datuk Ahmad Bashah Md Hanipah said the situation was under control, and added that there was ample supply during the festive period.

Bangko Sentral ng Pilipinas expects policy rates to remain at their record low levels through 2015, saying that inflation forecasts indicate consumer prices will not be a threat to growth in the future, Governor Amando M. Tetangco Jr.said.

Singapore's public officers re-hired before the latest change in rules will not be short-changed. The government will review the salaries of some 1,150 officers who were re-employed when they turned 62 between July 2011 and December last year. This is to ensure that they are not worse off when the new pay terms kick in tomorrow.

Thai Cabinet yesterday approved in principle a draft bill to revise the personal and business (non-juristic person) income tax rates, which would lower the tax burden on lower-income groups and introduce a more equitable income tax structure. It also approved to forward the bill to the House for consideration so that it can take effect in time before the tax payment deadline next year.

Vietnam's banks that have generously granted credit cards to customers are now paying the price as many of the card holders have defaulted on their debts. While bad debts from credit card were estimated at only US\$47.54 million as of the end of 2011, the figure rose double just a year after that.

North East Asia

China should continue to implement prudent monetary policy and keep liquidity conditions relatively ample in the economy to boost growth. The chairman of the National Development and Reform Commission said that the government will unveil an urbanisation plan in the

second half and will continue to push ahead with housing registration system and land reforms.

Japan's industrial production dropped a seasonally adjusted 3.3% in June from the previous month in the first decline in five months, due mainly to weaker output of automobiles and electronic parts, the Ministry of Economy, Trade and Industry said.

South Korea's state-run agencies including public enterprises will expand their investment for 2013 in such areas as infrastructure construction and energy projects by more than US\$449.6 million, the Finance Ministry sources said.

Taiwan's GDP posted a 2.27% annual growth in the Q2 of this year, the government said Wednesday. The GDP growth reflected higher-than-anticipated exports and a mild recovery in private consumption, the Directorate General of Budget, Accounting and Statistics said.

Australasia

Credit growth plodded along at a sedate pace in June, the Reserve Bank of Australia said. The amount of credit provided by domestic financial institutions in June was 0.4% higher in June, after rising by 0.3% in May. The main reason for the slightly above-average rise was a jump in business credit.

New Zealand business confidence rose to its highest in more than 14 years in July, amid signs of a broader economic expansion. A net 52.8% of firms expect general business conditions to improve in the year ahead, up from 50.1% in June, according to the ANZ Business Outlook.

Indian Sub-Continent

It is not the Reserve Bank of India alone but the Indian government too that should facilitate re-pricing imports and restoration of export competitiveness. The Reserve Bank of India's latest monetary policy review is notable for the absence of a clear signal on its future stance with regard to the recent liquidity tightening measures.

Middle East and North Africa

A \$22.5 billion plan to build Riyadh's first metro rail system aims to achieve more than improving the quality of life in the congested Saudi capital: it is part of an

ambitious effort to shift the country's economy beyond oil. Six rail lines carrying electric, driverless trains and extending 176 kilometres are to be completed by 2019.

The UAE's overall fiscal position improved last year, the IMF report said. While federal employees were given a salary increase and Abu Dhabi made one-off grants to state companies, there were reductions in capital expenditures. This brought the UAE's fiscal surplus to about 9 % of its GDP last year, more than double what it was in 2011.

Europe

Italian mid-sized banks are likely to have to raise more equity to offset capital pressures because of a deep recession and rising bad debts, rating agency Fitch said yesterday. The Bank of Italy said it had increased scrutiny of bad loans at 20 lenders and was reviewing the entire loan portfolio for eight of them.

Portugal's prime minister insisted there will be no veering off the strict terms of the country's EU/IMF bailout as the economy shows signs of nearing a turnaround after a long, deep recession. Although the government has also promised to promote growth by lowering corporate taxes, the premier warned the country has to take a gradual approach in any fiscal reform.

Spain's recession eased in the Q2, official data shows, as booming exports helped to offset weak domestic demand in the Eurozone's fourth-biggest economy. GDP shrank by 0.1% - its eighth straight quarterly decline. This came after a 0.5% drop in the Q1 and a decline of 0.8% in the Q4 of 2012, the National Statistics Institute said on Tuesday.

Swedish GDP declined 0.1% during the April through June period compared with the Q1, as rising household consumption failed to offset weak exports to destinations in the euro zone, the Statistics Sweden said.

In June the economic climate index in Greece decreased to 91.7 from 93.5, according to European Commission. During the last month, there has been a decline in consumer trust, too, having an impact on industry, trade and services. The construction sector was the only domain that an improvement has been noted.

North America

Consumer confidence in the United States dipped in July as consumers worried more about the economy and jobs, the Conference Board said. The consumer confidence index retreated to 80.3 from a five-year high reading of 82.1 in June.

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, President Cristina Fernandez said in a speech.

Brazil posted a primary budget surplus of US\$2.40 billion in June, central bank data showed, narrowing slightly from the previous month as government revenue continued to disappoint. Even with the deterioration of the public finances the public sector's net debt remained relatively stable in June at 34.5% of GDP.

Chile posted a fiscal surplus of 0.6% of estimated GDP for the January through June period, equivalent to US\$1.77 billion, the nation's budget office said. The export-dependent nation also posted a fiscal deficit of 0.2% of estimated GDP for the April through June period, the budget office added.

Oil & Gas News

West Texas Intermediate oil traded near the lowest price in almost a month after dropping the most in a week. Futures were little changed in New York after slipping 1.4% yesterday.

Commodities News

Under the new rules, Indonesia increased the purity of shipments to 99.9% tin from 99.85%. Shipments will extend the decline in August and September as miners stop work for the Eid al-Fitr holiday.

Currency News

The pound weakened for a sixth day against the euro amid bets the Bank of England, is more likely to say it favours additional stimulus. The pound fell 0.5% to 86.90 pence per euro as of 3:36 p.m. London time.

Thailand's baht headed for a fourth monthly drop, on concern an economic slowdown in China ASEAN's exports. The baht depreciated 1% this month and 0.3% today to 31.37 per dollar as of 9:09 a.m. in Bangkok,

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
30-Jul-13	1,327.88	3.47	107.3	30.92	1.68	1.95	1.27	117.42	8108.33	77.27	2.54	34.23	24.61	3,251.07
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
% Change	0.32	-0.86	-0.44		-0.02	-0.24	0.21	-1.87	-0.11	0.32	0.25	-0.06	0.11	-0.51