

# Economic & Financial News

Research & International Division

1/4/2014

*... South Korea's exports grow 5.2%...  
...Vietnamese economy shows recovery signs...*

## South East Asia

**Thailand's economy will likely post its first contraction in a year** as consumption and investment fall, the central bank said.

**Broad money (M3) growth moderated to 6.1% in February.** The expansion in M3 was mainly on account of credit extension to the private sector by the banking system, Bank Negara Malaysia said in a statement.

**Outstanding loans of commercial banks and money supply in the Philippines expanded** in February. Data from the local central bank showed loans for production activities, which comprise 80% of the banks' total loan portfolio, went up by 17.8% in February, from 16.2% in January.

**Vietnam maintained steady economic growth** for the 4th consecutive quarter in a row. GDP increased by 4.96% in Q1 2014, higher than the 4.76% growth in Q1 2013. The three sectors experiencing higher growth included services (up 5.95%), industry and construction (up 4.69%) and agro-forestry and fisheries (up 2.37%).

## North East Asia

**Activity in China's factory sector edged up slightly in March.** The official Purchasing Managers' Index increased to 50.3 in March from February's 50.2, the National Bureau of Statistics said.

**China's outstanding foreign debt had hit US\$863.2 billion by the end of 2013**, up 17% from the figure in the previous year, data from the country's forex regulator showed.

**The Japanese government is hiking the levy from 5% to 8% as of April 1** in a bid to tame a massive public debt burden. The government is also mulling another rise to 10%, still modest compared some nations' consumption tax.

**Japanese factory output contracted in February**, The 2.3% fall in output from January—the first decline in three months—is likely to aggravate concerns about the potential impact of the increased levy, which takes effect today.

**South Korea's exports, which account for about half of the economy, expanded 5.2%** from a year earlier to US\$49.76 billion in March after increasing 1.5% a month earlier due to strong demand for locally-made products, according to the Ministry of Trade, Industry and Energy.

**South Korea's consumer prices advanced** at a faster pace than the prior month, but the headline inflation stayed around 1% for 17 straight months. Consumer prices increased 1.3% in March from a year earlier after rising 1% in the previous month, according to Statistics Korea.

## Australasia

**The IMF says New Zealand's economy is stronger**, but warns the Auckland housing market and a sharp slowdown in China could still pose a threat to growth.

## Indian Sub-Continent

**The government will consider easing curbs on gold imports** in consultation with the Reserve Bank of India (RBI), Finance Minister P. Chidambaram told a news conference.

## Middle East and North Africa

**Saudi Arabia witnessed an average annual increase of 8% in electricity demand**, with the number of subscribers significantly rising by an average of 5.2%. The demand in the housing sector particularly remains strong, with the sector consuming 50% of the Kingdom's total electricity production. Industrial electricity consumption, meantime, grew by an average of 6.9%.

**Qatari emir, Shaikh Tamim Bin Hamad Al Thani, approved a budget of 225.7 billion riyals** (US\$61.98 billion) for the 2014-2015 fiscal year, up 3.5% from last year, said Finance Minister Ali Sharif Al Emadi.

**Turkey's net external debt rose to US\$230.5 billion in 2013**, an increase of 21.7% over the previous year, according to Turkish Central Bank.

**Turkey's foreign trade deficit contracted by over 27% in February**, as exports were up 6.2% y-o-y to US\$13.15 billion, while imports decreased by 5.9% to US\$18.25 billion. February's foreign trade deficit decreased by 27.2% from US\$7.9 billion to US\$5.10 billion, the Turkish Statistical Institute's said.

## Western Europe

**Inflation across the 18-country eurozone dropped to 0.5%** last month, the Eurostat statistics agency said, down from 0.7% in February and below forecasts for 0.6%.

**German's retail sales grew** by 1.3% in February compared with the previous month, the Federal Statistical Office (Destatis) said. Clothing sales rose the most, with a y-o-y growth of 6.1%. Turnover in pharmaceutical products increased by 6%.

**Portugal ended 2013 with a budget deficit of 4.9% of GDP**, according to the INE, while Portugal's public debt has risen to 129%.

## North America

**Canada's economy grew by 0.5%** to an annualized C\$1.61 trillion (US\$1.46 trillion), recouping December 0.5% decline, Statistics Canada said.

## South America

**Peru's central bank will lower reserve requirements** for bank accounts denominated in the Sol currency to 12% from the previous 12.5% as part of a drive to stimulate lending, April 1 2014.

## Oil & Gas News

**Brent for May settlement decreased 6 cents** to \$107.70 a barrel on the London-based ICE Futures Europe exchange.

## Commodity News

**Gold for June delivery slid as much as 0.5%** to \$1,277.40 an ounce on the Comex in New York.

**Silver for immediate delivery fell 0.4%** to \$19.6886 an ounce, extending a 6.8% retreat in March.

## Currency News

**The U.S. dollar fetched \$1.3773 per euro** as of 10:53 a.m. in Tokyo after falling 0.2% in the previous two days to \$1.3769 in New York.

**Australia's dollar rose 0.1%** to 92.76 U.S. cents as of 12:52 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
29-Mar-14	1,295.23	4.49	108.07	24.07	1.73	2.10	1.26	0.85	9045.68	80.97	2.60	35.65	25.78	3,172.17
01-Apr-14	1,283.14	4.36	107.67	24.69	1.73	2.10	1.26	0.86	9012.26	81.62	2.59	35.62	25.74	3,198.01
% Change	-0.93	-2.90	-0.37		-0.07	-0.03	-0.07	0.60	-0.37	0.80	-0.23	-0.08	-0.18	0.81

# Economic & Financial News

Research & International Division

2/4/2014

*... Reserve Bank of Australia kept cash rate unchanged ...  
... Brazil posted trade surplus in March ...*

## South East Asia

**Indonesia's trade balance improved to a surplus** of US\$785 million in February, from a deficit of US\$444 million in January. The improvement was driven by a drop in imports. Exports declined further by -3% y-o-y, following a drop of -5.9% y-o-y in January.

**Indonesia's inflation slowed** to 0.08% in March, lower than the 0.63% inflation rate recorded for March last year.

**Thailand's CPI rose** to 2.11% in March, from 1.96% in February. This is mainly due to the increase in food prices, according to the Commerce Ministry.

**Vietnam's Index of Industrial Production (IIP) increased** by 4.7% y-o-y in March. Several industries have seen high growth in the reviewed period, such as textile (20.2%), leather and leather products (19.4%) and ready-made clothes (14%).

**Asian Development Bank (ADB) forecast Lao PDR's economic growth to fall slightly** to 7.3% this year, from 7.6% in 2013, taking into account the fiscal challenges facing the government and a slight slowdown in mining and construction.

**Lao PDR's economy grew** 7.6% last year, driven by services which expanded by 9% and supported by robust consumer spending. A 12% increase in tourist arrivals benefited hotels, restaurants and transportation.

**Tax collections of the Bureau of Internal Revenue, Philippines slowed down** in February, rising by only 5.18% to P78.38 billion. This was 10% short of the P87.32 billion collection goal for the month and half the growth seen in January.

## North East Asia

**Combined debt held by households, companies and the government was almost three times larger than the size of the South Korean economy last year**, data showed. As of end-2013, debts held by economic agents amounted to ₩3.783.9 trillion (US\$3.58 trillion), accounting for 264.9% of nominal GDP. This was a slight increase from 262.5% of nominal GDP in 2012.

## Australasia

**The Reserve Bank of Australia (RBA) has decided to keep the cash rate unchanged** at 2.5% to support the economy in light of the rising national currency and unemployment rate in the country.

## Indian Sub-Continent

**India's coffee volume exports registered a marginal growth** of 2.88% to reach 313,035 tonnes for the year 2013-14, from 304,251 tonnes in the previous year. In value terms, the exporters earned US\$812 million, from US\$879 million in 2012-13.

## Middle East and North Africa

**Central Bank of Egypt announced a total surplus in balance of payment** amounting US\$2 billion during the first half of the fiscal year 2013-2014, from a deficit of US\$551.5 million during the same time last year.

## Western Europe

**Germany's governing coalition agreed to the outlines of an €8.50 euro (US\$12) per hour minimum wage** to be introduced next year, covering all but the roughly one million long-term unemployed.

**Germany's unemployment rate dropped** to 7.1% in March, as the usual springtime increase in jobs was aided by stronger economic growth. The Federal Labor Agency reported that 3.06 million people were registered as unemployed in March, down 83,000 from the previous month.

**French manufacturing purchasing managers' index (PMI) rose** to 52.1 in March, from 49.7 in February, reaching its highest level since June 2011, Markit said.

**British PMI fell** to 55.3 in March, from 56.2 in February, marking the lowest level since last July, Markit reported.

**Unemployment in Italy rose** to 13% in February. Around 3.3 million registered unemployed in Italy, which was higher 9% from the same month last year, national statistical agency Istat reported.

## South America

**Brazil posted a trade surplus of US\$112 million in March**, recovering after two straight monthly deficits but still well below historical levels. Brazil's trade balance has been hit hard by rising fuel imports and a drop in the price of some key exports like iron ore.

## Oil & Gas News

**Brent crude for May settlement slid 2%** (US\$2.14) to end the session at US\$105.62 a barrel on the London-based ICE Futures Europe exchange.

## Commodity News

**Gold futures for June delivery fell 0.3%** to settle at US\$1,280 an ounce at 1:47 p.m. on the Comex in New York, after touching US\$1,277.40, the lowest since Feb. 11.

## Currency News

**The U.S. dollar strengthened 0.2%** to 103.85 yen as of 11:25 a.m. in Tokyo after touching 103.94, the highest since Jan. 23.

**The euro rose 0.2%** to US\$1.3793 at 5 p.m. in New York, after gaining 0.2% during the previous two days.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
01-Apr-14	1,283.14	4.36	107.67	24.69	1.73	2.10	1.26	0.86	9012.26	81.62	2.59	35.62	25.74	3,198.01
02-Apr-14	1,283.13	4.25	105.56	24.84	1.73	2.10	1.26	0.86	8957.36	82.03	2.59	35.59	25.75	3,201.20
% Change	0.00	-2.52	-1.96		0.08	0.08	-0.13	-0.21	-0.61	0.51	-0.10	-0.10	0.04	0.10

# Economic & Financial News

Research & International Division

3/4/2014

*...India kept key rate unchanged at 4%...  
...Indonesia's Islamic finance sector broadens...*

## South East Asia

**Indonesia's Islamic banking assets grew by 24.2%** to 242.3 trillion rupiah (\$21.4 billion) last year, giving the sector a 4.9% share of total banking assets, data from Indonesia's financial service authority showed.

**The Philippines' overall ranking in the World Economic Forum's Enabling Trade Index improved** by eight places to the 64th spot in 2014 from 72nd place in 2012. Among the nine members of ASEAN included in the list, the Philippines placed fifth, following Singapore (1st), Malaysia (25th), Thailand (57th), and Indonesia (58th).

**The purchasing managers' index (PMI) of Singapore was at 50.8 in March.** The PMI reading was slightly lower than 50.9 in February.

**More Singapore's food manufacturing companies are looking overseas to broaden their reach.** Exports from the sector hit S\$7.1 billion in 2013, an increase of nearly 8% annually over the past five years.

**Growth in the Vietnamese manufacturing sector regained momentum** at the end of the first quarter with both output and new orders increasing at faster rates than seen in the previous month, and new export orders returned to growth. According to an HSBC monthly Purchasing Managers Index (PMI) report, employment decreased for the first time since June 2013.

**The Asian Development Bank (ADB) estimated that Burma's GDP grew by 7.5%** in 2013-14 and predicting higher growth of 7.8% both this year and next. Growth in 2013 was supported by rising investment propelled by improved business confidence, commodity exports, buoyant tourism, and credit growth, complemented by the government's ambitious, structural reform program, according to its Asian Development Outlook report.

## North East Asia

**Tax breaks for the small and micro firms will be extended till the end of 2016,** China's cabinet, the State Council, announced yesterday. The cabinet is also considering raising the tax threshold significantly above the current level of 60,000 yuan.

**Japanese monetary base stood at a record ¥219.8 trillion** at the end of March, up 7.4% from a month before, the Bank of Japan said. Y-o-y, the end-of-March balance increased 50.6%.

**Taiwan ranked 24th among 138 countries in the latest global survey on ease of trade,** rising five notches from its last listing two years ago, according to World Economic Forum. Among the Asia-Pacific economies, Taiwan ranked sixth, behind Singapore, Hong Kong, New Zealand, Japan and Australia in that order, the WEF Global Enabling Trade Report 2014 showed.

## Australasia

**The Australian services sector is back in contraction mode following a temporary bounce.** The Australian Industry Group's (AI Group) performance of services index recorded its first expansion in two years in February, jumping to 55.2 - above the 50 level that separates expansion from contraction.

## Indian Sub-Continent

**The Reserve Bank of India has kept key rates unchanged.** The cash reserve ratio (CRR) has also been kept unchanged at 4%. RBI Governor Raghuram Rajan said the downside risks to growth have increased marginally since January.

**Automobile manufacturers reported a decline in March sales due to prevailing economic slowdown** coupled with high fuel and interest costs. Domestic sales in March fell by 5.2% at 102,269 units from an off-take of 107,890 units reported in March 2013.

## Middle East and North Africa

**Egypt's foreign reserves rose to around \$17.42 billion** in March from \$17.307 billion in February, central bank governor Hisham Ramez said, edging further away from critical lows they hit last year.

**Bahrain's economy bounced back, ending last year on a positive note.** The rate of growth topped 5.4% (fixed prices) and soared to 7.1% (current prices) in the Q4 of 2013, compared with the same period in 2012.

**The World Tourism Organization (WTO) has ranked Saudi Arabia at 62 among 142 countries on its global travel and tourism competitiveness index.** The WTO statistics showed that the Kingdom earned SR28 billion in 2013 from spending by 23 million domestic tourists, and SR48 billion from international tourists who made 13 million trips.

## Western Europe

**Some 4.8 million people were unemployed in Spain last month,** a 4.75% fall y-o-y, the Spanish Ministry of Employment and Social Security said. This data showed that Spain's economic recovery was having an impact on unemployment adding that the recovery of the labor market was consolidating as time went by.

**Growth of UK house building activity accelerated again in March,** having eased in February. The Chartered Institute of Purchasing and Supply's construction activity index came in at 62.5 in March, little changed from 62.6 in February.

## North America

**U.S. manufacturing grew at a slightly faster pace in March** compared with February as factory output recovered from disruptions caused by severe winter weather. The Institute for Supply Management, said its manufacturing index increased to 53.7 from 53.2 in February.

## South America

**Brazil's central bank raised its benchmark Selic interest rate to 11%** from 10.75%, prolonging its cycle of tightening after a surge in food prices that has stoked already high inflation in an election year.

## Oil & Gas News

**Brent for May settlement slid 20 cents,** or 0.2%, to \$104.59 a barrel on the London-based ICE Futures Europe exchange.

## Commodity News

**Bullion for immediate delivery traded at \$1,292.07** an ounce by 9:20 a.m. in Singapore, according to Bloomberg generic pricing.

**The copper contract for delivery in three months on the London Metal Exchange retreated** as much as 0.6% to \$6,632 a metric ton and was at \$6,653.25 at 10:01 a.m. in Tokyo.

## Currency News

**The Aussie was the best performer in March** and has gained 3.5% this year. It traded at 92.31 U.S. cents after touching a four-month high of 93.04 on April 1.

**The New Zealand dollar was at 85.58 cents** at 8am in Wellington on Thursday from 86.02 cents at 5pm a day earlier.

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-Apr-14	1,283.13	4.25	105.56	24.84	1.73	2.10	1.26	0.86	8957.36	82.03	2.59	35.59	25.75	3,201.20
03-Apr-14	1,291.91	4.36	104.87	24.05	1.74	2.10	1.26	0.86	8968.61	82.42	2.59	35.53	25.71	3,215.69
% Change	0.68	2.59	-0.65		0.29	-0.11	0.10	0.17	0.13	0.47	0.13	-0.16	-0.16	0.45

# Economic & Financial News

Research & International Division

5/4/2014

*...USA's trade deficit widened in February...  
...Russia's inflation rate rose sharply...*

## South East Asia

**Indonesia's foreign exchange (forex) reserves fell slightly to US\$102.6 billion** throughout March this year from \$102.7 billion the previous month. Total inflows in the first quarter of the year stood at \$5.7 billion.

**Malaysia's trade in February rose by 11%** to RM107.39 billion compared to the same month last year, spurred by higher growth in exports versus imports. Exports to ASEAN countries were up 5.7% to RM15.97 billion, accounting for 27.1% of Malaysia's total exports in February.

**Philippines' annual headline inflation eased in March to 3.9%** from 4.1% in February due to a price slowdown recorded in utilities and other commodity groups. The latest rate remains within the 3.7% to 4.6% forecast range of the central bank.

**Vietnam's credit growth in the first quarter of this year reached 11.59%** compared to the corresponding period last year, leading to investment expansion and a boost to the country's economic growth, the State Bank of Vietnam reported.

## North East Asia

**China's leaders have unveiled a mini-stimulus** aimed at shoring up sputtering growth. Under the measures announced by Premier Li Keqiang, small businesses will get bigger tax breaks, social housing will be built to replace shantytowns and railway construction will be speed up.

**Sales of imported foreign-brand vehicles in Japan shot up 22.9%** from the previous year to 302,018 units in fiscal 2013, which ended in March. The sales were the second-highest on record, after 357,461 units in fiscal 1996, when demand surged ahead of the consumption tax rate hike to 5% from 3% in April 1997, according to Japan Automobile Importers Association.

**South Korean carmakers increased production in Q1 2014** fuelled by rises in domestic and overseas demand. According to the Korea Automobile Manufacturers Association, of the total, 337,587 vehicles were sold in the country, a gain of 4.3%, while exports edged up 1.1% to 788,957 units.

## Indian Sub-Continent

**The Reserve Bank of India will start using consumer prices instead of wholesale prices** as the inflation benchmark for valuing the Indian rupee against other currencies, Governor Raghuram Rajan said.

**India's forex reserves rose to US\$303.67 billion** as of 28 March from US\$298.64 billion in the previous week, as the central bank started to buy dollars regularly in an effort to build up its defences against any potential global turmoil.

## Middle East and North Africa

**Turkish annualised inflation rose to 8.39%** in March from 7.89% in February. The annualised consumer price index (CPI) in March was expected to hit 8.12%. Consumer prices rose 1.13% m-o-m in March, the Turkish Statistics Institute reported.

## Eastern Europe

**The Russian economy is stalling**, Prime Minister Dmitry Medvedev said. Among the factors clogging Russia's economy growth, Medvedev mentioned the situation of global markets as well as Crimea, which Russia absorbed in March.

**Russian March inflation was the fastest in nine months**, driven by the ruble's weakening. Consumer prices rose 6.9% from a year earlier after 6.2% advance in February, the Federal Statistics Service in Moscow said.

## Western Europe

**Domestic demand drove 0.6% rise in German industrial orders** in February. The gain in January orders was revised downwards to 0.1% from an originally reported 1.2%. Domestic orders were up 1.2%, driven by demand for intermediate and capital goods, while contracts from abroad inched up 0.2%.

**The European Central Bank has modelled the effects of buying a trillion euros of assets** to ward off deflation, a day after the ECB's president said radical policy action might be needed.

**The euro zone economy is likely to have grown further in Q1 2014**, a development that is "very encouraging", the vice president of the European Central Bank (ECB) said. The ECB kept its monetary policy stance unchanged on Thursday.

**Markit Eurozone Retail PMI registered at 49.2 in March**, up from February's mark of 48.5. The retail sector remains an area of relative weakness in the Eurozone economy, lagging behind the manufacturing and service sectors which have long been in growth phases.

**The European Commission decided to claim back €318 million** (US\$435 million) of EU agricultural policy funds, which was claimed "unduly spent" by member states.

## North America

**The U.S. unemployment rate stayed unchanged at 6.7%**, the Department of Labor said. Some 192,000 non-farm jobs were created in March and the figure was slightly lower than the revised 197,000 for February.

**The US trade deficit widened** in February. The Commerce Department said the deficit on the trade balance increased 7.7% to US\$42.3 billion. The inflation-adjusted gap widened to US\$50.1 billion from US\$48.5 billion in January.

**Canada's economy added 42,900 net new jobs** that helped shave the unemployment rate to 6.9%. The vast majority of the new employment — 32,500 jobs — went to young Canadians, the 15-24 age group that has mostly been left behind during the recovery.

## South America

**Automobile production and sales in Brazil sank in March** as tighter credit, higher prices and weaker consumer confidence sparked caution at local showrooms and assembly lines. Production fell 3.6% in March from February, according to Brazilian automaker association Anfavea. Automobile sales dropped 7.1% in March after falling 17% in the previous month.

## Oil & Gas News

**Brent for May settlement rose 57 cents**, or 0.5%, to end the session at \$106.72 a barrel on the London-based ICE Futures Europe exchange.

## Commodity News

**Gold futures for June delivery rose 1.5%** to settle at \$1,303.50 an ounce at 1:52 p.m. on the Comex in New York.

**Silver futures for May delivery gained 0.7%** to \$19.946 an ounce on the Comex.

## Currency News

**The pound fell less than 0.1%** to \$1.6577 at 4:03 p.m. in London yesterday after dropping to \$1.6556, the lowest since March 27.

**The U.S. dollar fell 0.6%** to 103.29 yen at 5 p.m. in New York, trimming a third weekly gain to 0.5%.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
03-Apr-14	1,291.91	4.36	104.87	24.05	1.74	2.10	1.26	0.86	8968.61	82.42	2.59	35.53	25.71	3,215.69
05-Apr-14	1,303.50	4.44	106.72	24.04	1.73	2.10	1.26	0.86	8947.75	82.22	2.60	35.60	25.75	3,212.72
% Change	0.90	1.83	1.76		-0.34	0.06	0.31	-0.32	-0.23	-0.25	0.23	0.21	0.15	-0.09



# Economic & Financial News

Research & International Division

8/4/2014

*... U.S. employers added 192,000 jobs in March ...  
... Kuwait has increased its oil production capacity ...*

## South East Asia

**Indonesia's trade and industry ministries plan to impose luxury good sales taxes (PPnBM)** on cell phones across all segments in a bid to spur growth in the domestic industry. Previously, the trade ministry said that the 20% tax would be imposed only on smartphones priced above Rp 5 million (US\$442.28) per unit.

**Indonesia's foreign exchange reserve fell slightly** to US\$102.6 billion by the end of March, 2014 from US\$102.7 billion a month earlier. The foreign exchange reserves are enough to finance 5.9 months of imports and servicing of government foreign debts.

**Singapore's Housing and Development Board (HDB) resale prices rose slightly** by 0.3% last month compared to February, according to Singapore Real Estate Exchange (SRX).

**Philippines' foreign reserves narrowed** to US\$79.8 billion as of end-March from US\$80.5 billion in February, mainly due to payments made by the national government on maturing obligations and revaluation adjustments by Bangko Sentral ng Pilipinas on its gold holdings.

**Vietnam's GDP expanded 4.96% in Q1 2014**, higher than those of the same period in 2012 and 2013, thanks to recovery in agro-forestry-fishery, industrial and construction sectors, Vietnam's National Financial Supervisory Commission's report said.

**Vietnam is the biggest rice supplier of Malaysia**, shipping more than 658,000 tonnes of grain worth RM 812 million (US\$247 million) to the market in 2013.

**Cambodia's economy is forecasted to grow at 7.2% this year**, driven by continued robust growth of the garment and tourism sectors in combination with continued global recovery and political stability, the World Bank said in its Economic Update report.

## North East Asia

**South Korean builders received US\$16.8 billion in industrial plant orders** during the January-March period, up 42.1% from the same period of last year, according to Ministry of Trade, Industry and Energy. Among the total, orders from the Middle East and Africa accounted for 51.9% and 30.5% respectively.

**Hong Kong's official foreign currency reserve assets amounted to US\$316.8 billion** at the end of March, up US\$9 billion from one month earlier, the Hong Kong Monetary Authority said.

**Taiwanese exports rose 2% annually to US\$27.76 billion**, as shipments to the US and EU offset a decline in China, led by electronics and transportation-related goods, the Ministry of Finance said.

**Taiwan's inflation last month rose 1.61% annually**, hitting its highest level for more than one year on food price hikes, while people felt the pinch with a price surge in household essentials, the Directorate-General of Budget, Accounting and Statistics (DGBAS) said.

## Australasia

**New Zealand's house values rose at an annual pace of 8.8%** in March, the slowest annual gain since September when values rose 8.4%, according to state agency Quotable Value. Residential values rose 0.1% in the past three months, down from a 1.8% pace in the three months through February, as they were dented by a 1.5% decline in Christchurch values.

## Indian Sub-Continent

**The notes of 10-rupee denomination** in the Mahatma Gandhi Series-2005 bearing the signature of Governor Rajan will be issued shortly, the central bank said yesterday.

## Middle East and North Africa

**Kuwait has increased its oil production capacity** to 3.3 million barrels of oil a day (bpd) and is hoping to reach 3.5 million bpd in 2015, the head of its state oil company said. Kuwaiti officials have previously said that capacity in the OPEC member state was around 3.1-3.2m bpd.

**Egypt's foreign reserves rose to \$17.414 billion** in March from \$17.307 billion in February, the Central Bank said. Reserves fell sharply after the 2011 uprising but were lifted last year when Gulf Arab states gave billions of dollars in aid.

## Eastern Europe

**Economic slowdown in Russia may affect the remittance flows to the Commonwealth of Independent States (CIS) countries**, told Bikas Joshi, Senior Resident representative of the IMF in Russia. It is unlikely that the policy of the Central Bank of Russia, which is shifting to the floating exchange rate, may have an immediate impact on the dollar value of the ruble-denominated outbound remittances, he added.

## Western Europe

**German industrial output rose** in February, driven by higher production of intermediate goods. Data from the Economy Ministry showed industrial production climbed by 0.4%, helped by a 0.5% increase in manufacturing.

**Italy's public deficit inched down to 2.8%** of GDP in 2013, 0.1 of a point lower than in 2012 and staying below the EU threshold of 3%, official data showed.

## North America

**U.S. employers added 192,000 jobs in March**, a positive sign for the U.S. economy after a slowed growth. The government figures indicate employers added a combined 37,000 more jobs in February and January than

previously reported. Even with the March job gain, the unemployment rate remained unchanged at 6.7%, with 10.5 million workers unemployed.

## Oil & Gas News

**Brent for May settlement fell 90 cents** to \$105.82 a barrel on the London-based ICE Futures Europe exchange yesterday.

## Commodity News

**Gold for June delivery traded at \$1,298.60** an ounce on the Comex in New York from \$1,298.30 yesterday.

**Copper prices fell 9.3% this year**, reaching the lowest level since 2010 last month, on concern that a slowdown in China and a release of metal held as finance collateral is coinciding with a flood of new supply.

## Currency News

**The yen climbed to 102.94 per dollar**, the strongest since March 31, and was up 0.1 percent to 102.95 at 9:15 a.m. in Tokyo today, after a 0.8% two-day gain.

**The euro rallied 0.3% to \$1.3742** versus the dollar after as of 5 p.m. in New York 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
05-Apr-14	1,303.50	4.44	106.72	24.04	1.73	2.10	1.26	0.86	8947.75	82.22	2.60	35.60	25.75	3,212.72
08-Apr-14	1,300.16	4.48	106.14	23.69	1.73	2.09	1.26	0.85	8958.97	81.91	2.59	35.65	25.77	3,191.87
% Change	-0.26	0.90	-0.54	-0.36	-0.36	-0.35	-0.25	-0.19	0.13	-0.38	-0.21	0.12	0.10	-0.65

# Economic & Financial News

Research & International Division

9/4/2014

*... BOJ to maintain its current ultra-loose monetary policy ...  
... More new businesses created in Spain in February ...*

## South East Asia

**Bank Indonesia maintained its benchmark interest rate** at 7.5% during its board of governors meeting on Tuesday afternoon. The central bank has kept the rate at 7.5% since November last year.

**The Malaysian tourism sector contributed RM51.5 billion to the Gross National Income last year**, the Tourism and Culture Minister Datuk Seri Mohamed Nazri Abdul Aziz said.

**Philippines' investment pledges approved by the Board of Investments in Q1 2014 slumped** by 52% to P47 billion, from the P97.19 billion registered in Q1 2013.

**The Vietnam Food Association forecast rice exports for Q2 2014 to continue to face fierce competition** from Thai and domestic rice market fluctuations. Vietnam exported 583,294 tonnes of rice in March, earning gross revenue of US\$256.184 million, up 77.7% compared to February.

**The business environment of the banking and finance sectors in Viet Nam improved in Q1 2014** compared to last year, according to the State Bank of Viet Nam. About 53% of the lenders said that their business situation was currently "good", up from 29% recorded in the previous survey; while 46.5% said it was "normal".

## North East Asia

**More small businesses in China will enjoy tax breaks** as part of the government's efforts to address the pressure on economic growth. Any company with annual taxable income under 100,000 yuan (US\$16,000) will have its business income tax halved starting from 1 January 2014 until end-2016.

**The Bank of Japan (BOJ) decided to maintain its current ultra-loose monetary policy** in a move to further deal with the prolonged deflation, wherein the BOJ will conduct market operations to increase the monetary base at an annual pace of about ¥60 trillion to ¥70 trillion.

**Japanese current account in February returned to surplus** for the first time in five month, standing at ¥612.7 billion (US\$5.94 billion). The balance of goods trade remained in red and came to a deficit of ¥533.4 billion (US\$5.17 billion), Japan's Finance Ministry said.

**Growth in South Korea slowed modestly for the first two months of 2014** due to one-off factors such as weak domestic demand caused by the Lunar New Year's holiday and sluggish exports arising from a cold wave in the United States, a government report showed.

## Australasia

**New Zealand business confidence hovered around a 14-year high in Q1 2014** on the broad-based economic growth, a private think tank said, feeding expectations that interest rates will rise steadily over the next two years.

## Indian Sub-Continent

**The International Monetary Fund projected India's economy to grow** by 5.4% in 2014-15 and 6.4% in 2015-16 on the back of strengthening global growth, improving export competitiveness and implementation of recently approved investment projects.

## Middle East and North Africa

**Saudi Arabia produced 9.566 million barrels per day (bpd) of crude oil in March**, down from 9.849 million bpd in February. The world's largest oil exporter and OPEC heavyweight supplied 9.533 million bpd in March to the market, down from 9.899 million bpd in February.

**Egypt's consumer confidence index declined in February**, data from the state-run Information and Decision Support Centre showed. The index slipped 4.4% to 107 points last month. Egypt's family-income index also dropped 7.2% in February, with only 16% of Egyptians seeing an annual increase in their monthly income.

## Eastern Europe

**Russia saw net capital outflow in Q1 2014** amounting to US\$50.6 billion, according to the central bank. Russia's current account surplus amounted to US\$27.6 billion in Q1, with trade surplus amounting to US\$51.4 billion, according to central bank estimates.

## Western Europe

**Chancellor Angela Merkel's cabinet approved a reform of Germany's renewable energy law** designed to curb a rise in the cost of electricity, driven by the rapid expansion of green power. The reform will slow the growth of green energy, which accounts for 25% of Germany's electricity, and force new investors in green power to take some risk.

**France's trade deficit narrowed in February** to €3.4 billion, from €5.9 billion in January, reflecting a sharp drop in imports especially in the energy sector, the French Foreign Ministry said.

**The French central bank, La Banque de France (BdF), said that the economy will start 2014 on a positive note.** As France's key industrial activity gained ground due to boosted competitiveness and improved business climate, the BdF expected French GDP to grow by 0.2% in the first three months of the year.

**The total number of new businesses created in Spain increased in February** by 3.7%, compared to the same month in 2013, according to National Institute of Statistics (INE). The INE reported that a total of 8,976 new businesses were created in February.

**The British economy continued to record substantial growth,** according to a survey published by the British Chambers of Commerce. The companies in the service sector who said their export sales had grown over the past three months were two percentage points higher than that in Q4 2013, reaching a record high of 38%.

## North America

**US states' tax collections reached a record US\$846.2 billion in fiscal 2013,** the third year of revenue gains after states experienced sizable declines caused by the 2007-09 recession, the US Census reported.

## South America

**Chile's inflation accelerated in March** to 3.5%, from 3.2% the month before as a decline in the peso pushed up import costs, the National Statistics Institute said.

## Oil & Gas News

**Brent for May settlement advanced** 1.7%, or US\$1.85, to US\$107.67 a barrel on the ICE Futures Europe exchange in London.

## Commodity News

**Gold for immediate delivery, which averaged US\$1,292.15 an ounce in Q1, traded 1.1% higher** at US\$1,311.61 at 4:59 a.m. in New York.

## Currency News

**Sterling rose** 0.8% to US\$1.6744 at 4:33 p.m. London time, the steepest advance since February 12.

**The US dollar was little changed** at US\$1.3790 per euro after sliding 0.4% 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
08-Apr-14	1,300.16	4.48	106.14	23.69	1.73	2.09	1.26	0.85	8958.97	81.91	2.59	35.65	25.77	3,191.87
09-Apr-14	1,309.59	4.55	107.62	23.65	1.73	2.09	1.26	0.86	8969.41	81.79	2.59	35.63	25.74	3,207.61
% Change	0.73	1.56	1.39	0.24	0.18	0.18	-0.10	0.06	0.12	-0.14	-0.08	-0.04	-0.13	0.49

# Economic & Financial News

Research & International Division

10/4/2014

*...Indian steel imports dip 31% in FY14 ...  
...South Korea's jobless rate falls to 3.5% in March...*

## South East Asia

**The Philippine government spent P208.45 billion in January** to pay a portion of its debts, up 86.6% from P111.73 billion a year ago. Of the amount, P151.98 billion was used to pay principal obligations while interest payments accounted for the remaining P56.465 billion. Total principal payment grew more than two-fold in January from only P56.89 billion.

**The local banking industry in the Philippines reported a 19% increase in earnings** last year, indicating the continued healthy state and stability of the industry. Data from the Bangko Sentral ng Pilipinas showed universal, commercial, thrift, rural, and cooperative banks reported a net profit of P144.646 billion in 2013, higher than the P121.867 billion recorded in 2012.

**Bank Indonesia (BI) Governor Agus Martowardojo predicted** that loan growth in Indonesia's banking industry would reach between 20 and 21% in March year-on-year. Earlier in January, loan growth reached 20%, while in February there was a slight slowdown in lending, at 19.9%.

**Iskandar Malaysia has attracted investments worth a combined RM133 billion** (S\$51 billion) as of January this year, with Singapore accounting for 24% of foreign investments.

**Premiums for Certificate of Entitlement (COE) ended mixed in the first COE bidding exercise for April.** The premium for small cars went down by S\$1,202 to end at S\$77,400. The COE for commercial vehicles saw a significant decrease, going down by S\$4,388 to close at S\$49,503. The premium for big cars rose S\$1,604 to reach S\$84,504; while the COE price for motorcycles also saw an increase, going up by S\$200 to S\$4,489.

## North East Asia

**China's exports went down 6.6% to US\$170.11 billion in March**, customs data showed. Imports were down 11.3% and total foreign trade volume declined 9%, the General Administration of Customs (GAC) said. Trade balance returned to a surplus of US\$7.71 billion in March after a surprise deficit of US\$22.98 billion in the previous month, the GAC said.

**Core machinery orders of Japan in February fell** a seasonally adjusted 8.8% from the previous month to ¥769.6 billion (US\$7.54 billion), the Japanese government said.

**China's car market has been credited with helping boost the world's car sales** thanks to huge domestic demand. Car sales in China surged by 13.9% in 2013, reaching 21.98 million units, giving the automobile industry a much-needed boost after two years of slow growth.

**South Korea's unemployment rate fell to 3.5%** in March thanks to new jobs created in agriculture and social services, state data showed. The seasonally-adjusted figure compares to 3.9% posted a month earlier, Statistics Korea said. The total number of people in work stood at 25.2 million compared to 24.8 million in February.

**South Korea's M2, or broad money, expanded 1% in February** from a year earlier after rising 0.4% the prior month, according to the Bank of Korea (BOK). It was the fastest growth since February 2010 when the M2 increased 1.4%.

**South Korean central bank froze interest rate for 11 months in a row.** Bank of Korea governor Lee Ju-yeol, who took office on April 1 and convened his first monetary policy meeting, decided to keep the seven-day repurchase rate on hold at 2.5% along with six other monetary policy board members.

## Australasia

**Revenue from the screen industry dropped 4% last year** compared with 2012 but remained above the \$3 billion mark. Most of the movement came from the production and post-production sector, which fell \$190 million, Statistics New Zealand said today.

**Total New Zealand's retail spending was unchanged in March** following a 0.8% increase in February, Statistics New Zealand said. In March, 119 million electronic card transactions were made across all industries with a total value of NZ\$6.2 billion (US\$5.39 billion) and down 0.2%.

## Indian Sub-Continent

**India's steel imports declined by a whopping 31.3% last fiscal to 5.44 MT** due to subdued economic growth and exchange rate volatility. Import of total finished steel showed a southward trend, declining by 31.3% y-o-y in April-March period of 2013-14 at 5.445 MT," Joint Plant Committee (JPC), a unit of the steel ministry, said in a report.

## Middle East and North Africa

**The inflation rate in Iran dropped 5.7%** during the second half of the past Iranian calendar year, which ended on March 20, according to Central Bank of Iran.

## Eastern Europe

**Russia's central bank made the right decision to defend the rouble** in the short term and prevent excessive volatility in the exchange rate when the Ukraine crisis escalated, a senior official at the World Bank said.

## Western Europe

**The EU welcomed aspects of Premier Matteo Renzi's economic blueprint**, but reminded Italy that it was obliged to balance its budget in structural terms, European Economic and Monetary Affairs Commissioner Olli Rehn's spokesperson said.

**The UK's trade deficit decreased slightly in the three months to February**, because falling imports have outpaced a drop in exports. Imports over the three months fell by 4.7%, while exports decreased by 2.5%, meaning the trade deficit in goods was £26.2 billion for the period.

## North America

**Mexico's annual inflation rate fell to 3.76%**, below the 4% upper limit of the target range, from 4.23% in February, the national statistics agency said. Prices climbed 0.27% from a month earlier.

## Oil & Gas News

**Brent for May settlement was 20 cents lower** at \$107.78 a barrel on the London-based ICE Futures Europe exchange.

## Commodity News

**Global steel demand to rise 3.1% in 2014 to 1.52 billion tonnes**, compared to growth of 3.6% last year, the Financial Times reported. Demand growth is then expected to increase slightly in 2015, rising 3.3%, The World Steel Association reported.

**Bullion for immediate delivery traded at \$1,313.13** an ounce at 8:41 a.m. in Singapore from \$1,311.80 yesterday.

## Currency News

**The rupiah weakened 0.4%** from April 8 to 11,338 per dollar as of 8:44 a.m. in Jakarta, the biggest drop since March 20, prices from local banks show.

**Australia's dollar rose 0.2%** to 94.07 U.S. cents as of 12:31 p.m. in Sydney from yesterday, after touching 94.40, the most since Nov. 20.

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-Apr-14	1,309.59	4.55	107.62	23.65	1.73	2.09	1.26	0.86	8969.41	81.79	2.59	35.63	25.74	3,207.61
10-Apr-14	1,315.11	4.57	107.47	23.52	1.72	2.09	1.25	0.85	9028.53	81.54	2.58	35.67	25.77	3,193.89
% Change	0.42	0.44	-0.14	-0.39	0.05	-0.73	-0.24	0.66	-0.31	-0.31	0.11	0.14	-0.43	

# Economic & Financial News

Research & International Division

12/4/2014

*...US Producer Prices Rose in March...  
...India tops Global Remittances List...*

## South East Asia

**The Malaysian finance ministry said the goods and services tax (GST) is not expected to rise sharply** based on the trend of the sales and service tax (SST), which increased only once since its implementation in 1972.

**Vietnam's state budget collection in Q1 2014 recorded a significant increase of nearly 16%** over the same period last year, creating favourable conditions to implement budget spending, ensure a balanced budget and maintain macroeconomic stability.

**Vietnam's Foreign direct investment (FDI) in Q1 2014 accounted for only 50.4%** of that recorded in the same period last year.

**Fewer banks in the Philippines continued to avail of loans under the rediscount facility of the Bangko Sentral ng Pilipinas (BSP)** as of March as liquidity conditions remain adequate for lenders. Loan availments under the peso rediscount facility plunged 96.3% y-o-y to P412 million in the three months to March.

## North East Asia

**Consumer inflation in China remained below the government's target in March** while factory-gate deflation deepened. The consumer price index rose 2.4% from a year earlier. The producer price index fell 2.3%, after a 2% drop in February, extending the decline to 25 months.

**China's factory (industrial) output rose 8.6% in the first two months of 2014 from a year earlier**, missing market expectations, with growth in retail sales also weaker than expected, the National Bureau of Statistics said.

**Corporate goods prices in Japan in fiscal 2013 rose 1.9%** from the previous year, the sharpest increase in five years, on the back of rises in prices of imported items reflecting the yen's weakening, the Bank of Japan said.

## Australasia

**New Zealand Trade and Enterprise (NZTE) is to establish a new regional investment attraction programme** to encourage more international firms to invest in New Zealand's regional economies, Economic Development Minister Steven Joyce said.

## Indian Sub-Continent

**India leads global remittances in the year 2013 with a whopping \$70 billion**, of which \$65 billion were earned from the country's flagship software services exports, the World Bank reported.

**A continuing slump in capital and consumer goods sectors in India** resulted in a surprise 1.9% annual contraction in industrial production in February. The trade gap in March widened to \$10.51 billion, its highest since October 2013, data from the Ministry of Commerce and Industry showed.

**Car sales in India fell for the second consecutive fiscal 2013-14** with a drop of 4.65% as the auto industry continued to struggle with demand slump due to a sluggish economy that has led to an estimated job loss of around 1.5 lakh across the entire value chain.

## Middle East and North Africa

**Turkey's current account deficit fell to \$3.19 billion in February** from a deficit of \$4.83 billion in January. This brought the 12-month moving sum for the current account deficit to \$62.2 billion down from \$64.1 billion in January.

**Egypt's annual core inflation increased to 9.9% in March** from 9.7% in February. Foreign currency shortages have fuelled a thriving black market where the dollar is trading at around 7.47 Egyptian pounds compared with around 6.97 pounds in the official market.

**The International Energy Agency revised global crude import volumes from Iran upwards by 240,000 barrels per day (bpd) to 1.65 million bpd**, the highest since June 2012. China accounted for 168,000 bpd of the rise in imports, India for 93,000 bpd and South Korea for 83,000 bpd.

## Eastern Europe

**The Bank of Russia announced that it will keep the volume of accumulated interventions at \$1.5 billion**, while shifting the ruble trading corridor by 5 kopecks, according to the bank's website. Under the conditions of domestic market volatility caused by the tensions around Ukraine, the Central Bank shifted to a daily determination of exchange rate policy.

## Western Europe

**Inflation rate in Germany continued to decline in March to 1%**, compared with the same month last year, the German Federal Statistical Office said. Falling prices of mineral oil products were attributed as the main reason of the low inflation.

**Portugal is to make a decision on its bailout exit strategy** by 5 May, in time for the country's scheduled Eurogroup meeting, the Portuguese government announced. The debt-laden country is nearing the end of the bailout program it signed with its international creditors three years ago.

## North America

**US' headline producer prices rose 0.5%** in March, while core prices rose 0.6%. The largest contributor to the unexpectedly large gain was trade margins (an implicit profit measure), which rose 1.4%.

**Mexican's February industrial activity rose 0.3% compared with January**, the national statistics agency said, compared to expectations for a 0.45% increase and the upwardly revised 0.6% expansion in January, the fastest in nearly a year.

## Oil & Gas News

**Brent for May settlement slid 13 cents** to end the session at \$107.33 a barrel on the London-based ICE Futures Europe exchange.

## Commodity News

**Nickel for delivery in three months climbed 1.9%** to settle at \$17,400 a metric ton at 5:50 p.m. on the LME.

**Arabica coffee for May delivery climbed 3.1%** to settle at \$2.084 a pound at 1:31 p.m. on ICE Futures U.S. in New York.

## Currency News

**The pound gained 1%** this week to \$1.6732 at 5 p.m. London time yesterday, the biggest advance since the period ending Feb. 14.

**The dollar was little changed at \$1.3885 per euro**, dropping 1.3% this week, the most since the five days ended Sept. 20.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
10-Apr-14	1,315.11	4.57	107.47	23.52	1.72	2.09	1.25	0.85	9028.53	81.54	2.58	35.67	25.77	3,193.89
12-Apr-14	1,318.42	4.62	107.33	23.23	1.74	2.10	1.25	0.85	9170.11	81.39	2.59	35.53	25.88	3,198.22
% Change	0.25	1.09	-0.13	0.64	0.06	-0.09	0.04	1.57	-0.19	0.29	-0.41	0.41	0.14	



# Economic & Financial News

Research & International Division

15/4/2014

*... New Zealand's average annual wage is expected to increase ...  
... Italy's massive public debt hit a record €2.1072 trillion ...*

## South East Asia

**Singapore's economy grew by 5.1%** on year in Q1 this year, mainly due to strong growth in manufacturing and construction sectors, the city-state's Ministry of Trade and Industry (MTI) said.

**Sales of private homes by developers in Singapore fell 35% in March** from February, data compiled by the Urban Redevelopment Authority (URA) showed. From a year ago, new private home sales plunged 83% from March 2013's 2,793 units.

**Retail sales for February slumped 9.5% y-o-y** due to seasonal factors as Chinese New Year took place in February last year. Stripping out the sales of motor vehicles, retail sales were still down 9.2%, according to Department of Statistics.

**Philippines' budget deficit narrowed in February** as state revenue growth surpassed a moderate increase in spending. The government recorded a budget deficit of PHP9.7 billion in February, 17% lower than the fiscal gap recorded a year ago.

**The balance of Vietnam's fuel price stabilization fund** had amounted to more than VND842 billion (about US\$0.40 billion) by the end of March, the highest since last June. Statistics recently released by the Ministry of Finance show the total amount raised for the fund in Q1 and kept at fuel trading houses was over VND1 trillion, while only VND370.7 billion was used by fuel trading firms to offset their losses.

## North East Asia

**China's new yuan-denominated lending in the first quarter amounted to 3.01 trillion yuan (US\$488.9 billion).** M2 increased 12.1% y-o-y to 116.07 trillion yuan at the end of March, the People's Bank of China said.

**All South Korean government offices will be required to first secure means of financing their projects before increasing their spending** next year. The government seeks to encourage each ministry to restructure and reprioritize their spending by further strengthening the general rule that there will be no additional spending without a means to finance such spending," the Ministry of Strategy and Finance said.

## Australasia

**Australian dollar's recovery to its highest levels since the end of last year, leaving it again "high by historical standards,"** means it is now less of a spur to recovery in the economy, the country's central bank said in the minutes to its latest meeting.

**New Zealand's average annual wage is expected to increase by \$7,500** to around \$62,200 a year by 2018 if the country achieves its economic growth forecasts over the next four years, Finance Minister Bill English said.

## Indian Sub-Continent

**Indian wholesale inflation rose to 5.7% in March** from 4.68% in February, driven up by increases in food and fuel costs, according to official data released by the Commerce Ministry.

## Middle East and North Africa

**Turkey's economy debt-rating outlook cut by Moody's from stable to negative** causes growing concern. Moody's affirmed Turkey's Baa3 rating, the lowest investment grade.

## Eastern Europe

**Ukraine's central bank has hiked its benchmark lending rate for the first time in eight months** amid an escalating confrontation with pro-Russian activists. The central bank raised the discount rate from 6.5% to 9.5%.

## Western Europe

**France was "in action" to stick to the pledged deficit reduction by 2015** via a package of measures to spur growth and trim public spending, Finance Minister Michel Sapin said.

**Italy's massive public debt hit a record €2.1072 trillion in February,** the central bank reported Monday. The amount was up €17.5 billion since January, the Bank of Italy said.

**Germany announced that it could no longer accept applicants for its "Job Of My Life" programme** – a scheme created last year giving vocational training to unemployed youth from the rest of the continent.

According to the German labour ministry, the programme was vastly oversubscribed by jobseekers, particularly from struggling Spain and Hungary, while Berlin has had to triple its budget for the scheme due to the overwhelming interest.

## North America

**US retail sales have risen by the largest amount in 18 months**, led by strong gains in sales of cars, furniture and various other products. The 1.1% jump in March, was reported by the Commerce Department. The government also revised February to a 0.7% gain. Sales had fallen in January and December.

## Oil & Gas News

**Brent for May settlement increased \$1.74 to \$109.07** a barrel on the London-based ICE Futures Europe.

## Commodity News

**Bullion for immediate delivery fell 1.3%** to \$1,310.65 an ounce by 9:30 a.m. in London, according to Bloomberg generic pricing.

**Wheat for July delivery was little changed** at \$6.865 a bushel after climbing 2.8% yesterday, the biggest increase since March 24.

## Currency News

**The U.S. dollar gained 0.1%** to \$1.3803 per euro after strengthening 0.5% yesterday, the most since March 19.

**Australia's dollar fell 0.5%** to 93.82 U.S. cents as of 4:51 p.m. in Sydney from yesterday.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
12-Apr-14	1,318.42	4.62	107.33	23.23	1.74	2.10	1.25	0.85	9170.11	81.39	2.59	35.53	25.88	3,198.22
15-Apr-14	1,311.27	4.55	108.64	23.88	1.73	2.09	1.25	0.85	9129.09	81.17	2.60	35.53	25.80	3,241.73
% Change	-0.54	-1.52	1.22		-0.13	-0.06	0.16	-0.34	-0.45	-0.27	0.18	0.02	-0.30	1.36

# Economic & Financial News

Research & International Division

16/4/2014

*... China's economy grew in Q1 2014...  
... Turkey's unemployment rate fell slightly in January...*

## South East Asia

**Brunei's merchandise exports in January rose** by 16% m-o-m thanks to increased shipment of crude oil and LNG, and export revenues increased to BND1.3 billion in January. This was due to higher oil and gas shipment which account for 90% of total exports.

**Brunei's economy in 2013 contracted** by 1.8%, on the back of a 7.2% decline in the oil and gas sector. In Q4 2013, the GDP declined by 5.3% (in constant prices) on year. This was attributed to the 16.7% decline in the oil and gas sector.

**Foreign investors have shifted their focus from Indonesia's mining and plantation industries** to those in the secondary sector such as the food, automotive, chemical and pharmaceutical industries, according to the Investment Coordinating Board. FDI in the secondary sector reached US\$15.8 billion last year from US\$3.3 billion in 2010, while the primary sector saw slower growth.

**Vietnam shipped 1.324 tonnes of rice to overseas markets from 1 January to 10 April 2014**, earning a staggering US\$622.3 million. At present, paddy prices in the Mekong Delta region, Vietnam's largest rice basket, are between VND5,150–5,500/kg (USD0.24–0.26/kg).

**Philippines' remittances continued to rise** in February, the Bangko Sentral ng Pilipinas said. Personal remittances, consisting of cash and non-cash, went up 6% to US\$1.994 billion in February, bringing the two-month figure to US\$3.996 billion.

## North East Asia

**China's economy grew** 7.4% y-o-y in Q1 2014, lower than the 7.7% growth in Q4 2013, the National Bureau of Statistics announced. The figure suggested that growth in the world's second largest economy was generally stable, and marked a nice beginning for the year of 2014.

**China's urban fixed asset investment rose** 17.6% y-o-y to US\$1.11 trillion in Q1 2014, the National Bureau of Statistics said. Investment in property development climbed 16.8%, retreating 2.5 percentage points from the rate seen in the first two months.

**China's retail sales grew** 12% y-o-y to 6.21 trillion yuan (US\$1.01 trillion) in Q1 2014, the National Bureau of Statistics said.

**China's business climate index rose** in Q1 2014. The index was 128 points for Q1, up 3.7 points from the previous quarter, the National Bureau of Statistics said.

**South Korea's tax revenues in the January-February period amounted to ₩31.1 trillion (US\$29.84 billion)**, only 14.4% of the estimated annual total, according to Ministry of Strategy and Finance said.

## Australasia

**New Zealand consumer prices rose less** in Q1 2014 as a hike in tobacco taxes and more expensive housing were offset by cheaper international holidays and in-season vegetables. The consumer price index rose 0.3% in the three months ended March 31, accelerating from 0.1% in Q4 2013, according to Statistics New Zealand.

**New Zealand's Finance Minister Bill English has hinted at changes in the Budget** to make it easier for housing developers to build smaller and cheaper.

## Indian Sub-Continent

**India's non-performing loan ratio increased** from a low of 2.3% in 2011, to around 4% in 2013. Central bank data show publicly-owned Indian banks, which account for about 75% of total lending, are behind the increase in non-performing loans.

## Middle East and North Africa

**Turkey's unemployment rate fell slightly** to 10.1% y-o-y in January, according to Turkish Statistics Institute. The total number of unemployed in Turkey fell to 2.84 million, while non-agricultural unemployment decreased to 12.3% and youth unemployment decreased to 19% in the same period.

**Morocco's economic growth slowed sharply** to 2.5% y-o-y in Q1 2014, and is likely to ease slightly again this quarter as agricultural output shrinks, the country's planning agency said.

**Saudi Arabia's inflation has edged down** to 2.6% in March, from 2.8% in February. Housing rents jumped 4.5% y-o-y in March, while overall housing and utilities increased 4.1%. Food and beverage prices rose 3.8%.

**Saudi Arabia's oil exports hit 715.7 million barrels** in Q1 2014, with proceeds amounting to SR288.9 billion. On the other hand, domestic consumption during Q1 2014 stood at nearly 176 million barrels, or 20% of the total output in the same period.

## Western Europe

**The euro area as a whole recorded a current surplus** amounting to €13.6 billion in February. The growth was driven by exports, which climbed 3% in February to €153.3 billion. Imports were broadly flat, coming in at €139.7 billion, according to figures published yesterday in Brussels.

## North America

**Canada's overall value of manufacturing sales rose** 1.4% in February, the largest increase in a year, to C\$46.75 billion, following a downwardly revised 0.8% increase in January, Statistics Canada said.

## South America

**Brazil's retail sales rose less than the previous month** in February, as volume in supermarkets and hypermarkets fell. Sales rose 0.2% in February after increasing 0.4% in January, the national statistics agency said.

**Argentina's consumer prices rose** 2.6% last month. Argentine President Cristina Fernandez de Kirchner's government placed price caps on basic goods such as bread and milk this year to contain inflation sparked by a 19% devaluation in January.

## Oil & Gas News

**Brent for June settlement slid** 25 cents to US\$109.11 a barrel on the London-based ICE Futures Europe exchange.

## Commodity News

**Bullion for immediate delivery fell** 0.5% to US\$1,295.88 an ounce and traded US\$1,296.83 at 9.49 a.m. in Singapore.

## Currency News

**The New Zealand dollar fell** to trade at 86.45 US cents at 9:30 a.m. in Wellington, from 86.94 cents at the same time yesterday.

**The won declined** 0.3% to 1,043.65 per dollar as of 9:31 a.m. in Seoul, 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
15-Apr-14	1,311.27	4.55	108.64	23.88	1.73	2.09	1.25	0.85	9129.09	81.17	2.60	35.53	25.80	3,241.73
16-Apr-14	1,298.81	4.55	109.17	23.99	1.73	2.10	1.25	0.85	9121.59	81.25	2.60	35.54	25.76	3,254.11
% Change	-0.95	0.00	0.49		-0.05	0.08	0.22	-0.15	-0.08	0.10	-0.03	0.01	-0.17	0.38

# Economic & Financial News

Research & International Division

17/4/2014

*... MENA remittance dips 2% over foreign labour deportations ...  
... British unemployment rate drops to 6.9% ...*

## South East Asia

**Non-oil domestic exports (NODX) in Singapore declined 6.6% on-year in March**, due to a contraction in electronic and non-electronic NODX. The fall in NODX comes after an 8.9% on-year rebound in February.

**Thailand's economy is one of the most vulnerable in the region** to the likely decline in household spending in Japan after its sales-tax increase, resulting in a drag on Thailand's economic growth in this and the next quarter, according to Credit Suisse.

**Viet Nam is listed among the top 10 remittance recipients with US\$11 billion in 2013** and it is likely to stay robust this year, the World Bank reported.

## North East Asia

**China will reduce the amount of cash that village commercial banks keep at the central bank** to increase financial support for the agricultural sector, the State Council has decided. The reserve requirement ratio will be reduced for qualified rural commercial banks and cooperative banks in counties.

**The average incomes of China's urban and rural residents continued to rise in the Q1 of 2014**, revealed the National Bureau of Statistics (NBS). The average per capita disposable income rose 11.1% y-o-y to 5,562 yuan (US\$908.82) in the Q1. Deducting inflation, the actual growth was 8.6%, according to the NBS.

**A total of 201.11 million square meters of property was sold in the Q1 this year**, down 3.8% y-o-y, the NBS said. The fall widened from the 0.1% drop seen in the first two months of the year. In terms of sales revenue, the volume went down 5.2% y-o-y to 1.33 trillion yuan (US\$215.9 billion).

**China's industrial value added expanded by 8.8% in March** from an average growth of 8.6% in the Jan-Feb period, the NBS said. The value added of state-owned enterprises saw a 4.6% growth y-o-y in March, while that of joint stock companies expanded by 10.1%.

**The central bank of Japan will adjust monetary policy when needed**, taking into account risks to the economy and prices, Bank of Japan Governor Haruhiko Kuroda said. He also repeated that Japan was making

steady progress toward achieving its 2% inflation target as the economy continues to recover moderately.

**South Korea's producer prices logged the longest downward trend last month** on the back of lower global oil prices and vegetables that offset higher prices of livestock products and private services, central bank data showed. The producer price index (PPI) declined 0.5% in March from a year earlier, according to the Bank of Korea.

**South Korea will invest ₩15 billion (US\$14.4 million) this year** in fostering its Ultra HD (UHD) industry to secure a competitive edge before the expected sales boom from global sports events, the telecom ministry said.

## Australasia

**The latest benefit figures showing a five year low confirm New Zealand welfare numbers are back to where they were pre-global recession.** Benefit numbers have dropped 5% or nearly 15,000 to 295,320 in the past year (March 2013 – March 2014), Social Development Minister Paula Bennett said.

**Labour's so called 'Manufacturing Policy' once again reheats the same old tired economic policies** that would take New Zealand back to the dark days of high inflation, sluggish growth and low-job prospects, Economic Development Minister Steven Joyce said.

## Middle East and North Africa

**Egypt's tourism revenue dropped 43% in the Q1 of 2014 to \$1.3 billion**, Adela Ragab, the country's economic adviser to the minister of tourism said. The tourism sector has been damaged by the political instability. The sector saw a 41% drop in revenue last year to \$5.9 billion compared to the year earlier.

**Foreign labour deportations from Saudi Arabia dragged regional remittance flows down by 2% to US\$46 billion last year.** The Middle East and North Africa (MENA) was the only region to experience a fall in remittances during the year, according to World Bank.

**The annual inflation in the UAE climbed to 1.9% in March** from 1.8% in February, according to National Bureau of Statistics. Housing cost was the key driver of consumer inflation in the UAE.

## Eastern Europe

**Russia's economy shrank by 0.5% in the Q1 of 2014** from output in the Q4 of 2013. Economy Minister Alexei Ulyukayev said that the economy grew just 0.8% in the Q1 of 2014 from activity in the same period last year. But it contracted 0.5% from activity in the Q4.

**President Vladimir Putin has ordered a special economic zone to be set up in the Russian Far Eastern city of Vladivostok** by June 15. Putin has repeatedly said Russia's priority for future development will be in the east, according to Kremlin's website.

## Western Europe

**The 18-member eurozone's annualized inflation rate climbed down to 0.5% in March 2014**, the Eurostat said. The rate has dropped to its lowest level since November 2009, compared with 0.7% in February and 1.7% a year earlier. Meanwhile, the 28-state European Union's (EU) annualized inflation rate was 0.6% in March, down from 0.8% in February.

**The British unemployment rate dropped to 6.9% in the quarter ending in February**, down from 7.1% recorded from September to November 2013. There were 2.24 million unemployed people in the three months to February, down 77,000 from the previous quarter.

**Italy's trade surplus rose to €2.6 billion (US\$3.6 billion) in February** thanks to a sharp increase in exports within Europe, particularly of cars, official data showed.

**Spanish trade deficit the shortfall of exports to imports in goods and services grew by €1.6 billion (€2.2 billion) in February**, Spain's economy ministry said. Spain's trade deficit fell by almost half to €15.9 billion last year as exports hit a record high due to Spanish firms pushing into new markets outside Europe.

## North America

**U.S builders started work on 946,000 homes at a seasonally adjusted annual rate in March, up 2.8%** from 920,000 in February. Construction of single-family homes rose 6 percent, more than offsetting a 3.1% drop in the construction of apartments, condominiums and town houses, the Commerce Department said.

## South America

**The Brazilian economy grew below expectations in February**, expanding 0.24% compared to the previous month in seasonally adjusted terms, figures from the country's central bank showed.

## Oil & Gas News

**Brent for June settlement was 6 cents higher** at \$109.66 a barrel on the London-based ICE Futures Europe exchange.

## Commodity News

**Bullion for immediate delivery traded at \$1,303.65 an ounce** at 8:55 a.m. in Singapore from \$1,302.53 yesterday.

## Currency News

**The pound gained 0.4%** to \$1.6796 at 4:33 p.m. London time after climbing to \$1.6823 on Feb. 17.

**The dollar fell 0.1%** to \$1.3836 per euro as of 10:08 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
16-Apr-14	1,298.81	4.55	109.17	23.99	1.73	2.10	1.25	0.85	9121.59	81.25	2.60	35.54	25.76	3,254.11
17-Apr-14	1,301.97	4.54	109.62	24.15	1.73	2.10	1.25	0.85	9129.92	81.57	2.59	35.51	25.77	3,252.12
% Change	0.24	-0.22	0.41		-0.08	-0.02	-0.10	0.39	0.09	0.40	-0.23	-0.07	0.05	-0.06

# Economic & Financial News

Research & International Division

19/4/2014

*... Italy cut income taxes for low earners ...  
... Iran's crude oil exports soared ...*

## South East Asia

**The Thai Finance Ministry is still trying to secure some kind of loans for the rice-pledging scheme** in the hope farmers will be paid this month. Caretaker Deputy Finance Minister said the ministry's Public Debt Management Office was attempting to secure loans to cover the payments, and if it were successful, Bt90 billion owed to farmers would be paid this month.

**Cambodia's Ministry of Economy and Finance will scrap customs fees for rice exporters from 1 May 2014** in an effort to reduce production costs and boost Cambodia's competitiveness in the sector.

**The number of graduates produced by Vietnam universities every year is 10 times demand.** According to the unemployment report, the proportion of unemployed workers finishing junior and universities was relatively high, at 20.75%. More than 72,000 holders of bachelors and masters degrees are unemployed.

## North East Asia

**China's fiscal revenue climbed 9.3% y-o-y** in Q1 2014 to reach 3.5 trillion yuan (US\$568.71 billion). Central government revenue stood at 1.55 trillion yuan, up 6.4% y-o-y. Local government revenue stood at 1.95 trillion yuan, up 11.8% from the same period last year.

**Japanese companies' investments in Southeast Asia surged last year to almost 3 times the amount invested in China.** Japanese companies invested ¥2.33 trillion in Singapore, Thailand, Indonesia, Malaysia, Philippines and Vietnam last year, compared to ¥887 billion in China, Japan's largest trading partner, the Japan External Trade Organization said.

**Japan's sales at department stores in March jumped 25.4%** from a year ago on a same-store basis, led by increased demand before the 1 April consumption tax increase from 5% to 8%, the Japan Department Stores Association said. Overall sales at 242 stores operated by 85 companies totalled ¥681.8 billion.

**Japan will abolish its 16% tariff on oranges from Australia during the June-September summer season** in stages over 10 years after a bilateral economic partnership agreement takes effect. Japan will maintain the tariff rates of 16% to 32% during the domestic "mikan" mandarin orange season from October through May.

## Indian Sub-Continent

**India's foreign exchange reserves jumped by US\$2.797 billion** to US\$309.444 billion in the week ended 11 April on the back of a healthy rise in currency assets. Total reserves shot up by US\$2.974 billion to US\$306.647 billion in the previous week.

## Middle East and North Africa

**Iran's crude oil exports hit 1.2 million barrels per day**, almost doubling from eight months ago when the country elected a new president, a top government official said. Iranian oil exports are now 20% higher than in the budget numbers.

**IMF continues to impress on Bahrain to reconsider the structure of the subsidy programme.** Bahrain's subsidy programme continues to be notably generous notwithstanding the fact that the country has the smallest economy among the Gulf Cooperation Council member-states.

## Eastern Europe

**Russia's monthly indicators for retail sales, the unemployment rate and industrial production surprised positively in March**, while real wages and investment growth surprised to the downside. The data for Q1 suggest that the consumer has remained relatively resilient, while capital accumulation has likely slowed substantially.

## Western Europe

**U.K. mortgage lending in 2014 has been far stronger than last year** with £46.3 billion advanced to borrowers in the first three months, 37% higher than the same period in 2013. Last month, lending was a third higher than March 2013, with an estimated £15.4 billion worth of mortgages advanced. The latest figure is also a 4% increase compared with February.

**Italy to cut taxes for 10 million low earners** to try to boost household spending after a two-year recession, Prime Minister Matteo Renzi said. Renzi's cabinet passed a decree to reduce taxes for those earning between 8,000 and 26,000 euros a year by about €80 per month, starting next month.

## North America

**Canada has one of the lowest tax burdens among industrialized countries**, according to Organization for Economic Co-operation and Development (OECD). Last year, the rate stood at 31.1%, ranking the country 26th out of 34.

**More than two-thirds of the US states reported job gains in March.** The nationwide rate stayed at 6.7% in March for the second straight month. That national rate stayed flat because someone was hired for almost every person who entered the job market last month.

## South America

**Brazil's non-seasonally-adjusted jobless rate declined in March** to 5.7% from 5.1% in February.

**Chile kept borrowing costs unchanged** as quickening inflation led the central bank to pause following four reductions in the past six months. Policy makers, led by bank President Rodrigo Vergara, held the key rate at 4%.

## Commodity News

**Gold futures for June delivery fell 0.7%** to close at \$1,293.90 an ounce at 1:40 p.m. on the Comex in New York.

**Coffee futures surged 8.1%**, the most in six weeks, as concerns mounted that crop losses from a drought will increase in Brazil, the world's biggest producer and exporter.

## Currency News

**The ringgit dropped 0.1%** yesterday and for the week to 3.2400 per dollar, according to data compiled by Bloomberg.

**Thailand's baht strengthened 0.3% to 32.184 per dollar**, while Vietnam's dong was little changed at 21,100. China's yuan fell 0.21% to 6.2242.

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-Apr-14	1,301.97	4.54	109.62	24.15	1.73	2.10	1.25	0.85	9129.92	81.57	2.59	35.51	25.77	3,252.12
19-Apr-14	1,294.30	4.74	109.53	23.11	1.73	2.11	1.25	0.85	9136.59	81.53	2.59	35.55	25.74	3,253.80
% Change	-0.59	4.41	-0.08		-0.01	0.50	-0.16	0.03	0.07	-0.05	0.05	0.11	-0.12	0.05



# Economic & Financial News

Research & International Division

22/4/2014

*... Bad loans as proportion of total loans at Spanish lenders fell ...  
... Iran will start cutting petrol subsidies this week ...*

## South East Asia

**Prices of goods and services in Brunei decreased by 0.1%** in March owing to lower prices of clothing and footwear, utilities and housing related products and services, according to the Department of Economic Planning and Development (JPKE).

**Indonesia's crude palm oil (CPO) and its derivative products exports reached 1.79 million tons** throughout March this year, or up by 13% compared to the previous month this year, influenced by increases in soybean price.

**The Philippines' balance of payments (BOP) hit a \$336 million deficit in March** due mainly to net foreign investment outflows amid uncertainty over the pace of stimulus tapering by the United States Federal Reserve, central bank Governor Amando Tetangco Jr. said.

**The Philippines government has kept its inflation targets for this year until 2016** following an inter-agency meeting. The central bank said inflation targets have been maintained at 3% to 5% for this year, and at 2% to 4% for both 2015 and 2016.

## North East Asia

**China's CPI increased 2.4% in March**, up from 2% in the previous month. The acceleration in inflation was attributed to increase of food prices. Food prices gained 4.1% and contributed 1.35 percentage points to the month's CPI growth, according to National Bureau of Statistics.

**Japan posted a record ¥13.75 trillion (about US\$134.24 billion) trade deficit in the fiscal year of 2013 ended in March**, Japan's Finance Ministry said. Exports increased 10.8% from the previous year to ¥70.86 trillion and imports jumped 17.3% to ¥84.61 trillion. In March alone, trade balance stood at a red-inked ¥1.45 trillion (about US\$14.16 billion).

**The income gap between Korean households and companies has widened over the past five years** to indicate that despite the country's robust economic growth, individuals do not have more to spend, data from the central bank showed. Local companies' disposable income grew more than 80% between 2008 and 2013 to record an annual 16.1% average growth.

**South Korea's exports in the Q1 of the year rose to a new first-quarter high on growing shipments** to European countries and emerging markets, including India, the government said. The country's overall exports reached US\$138.2 billion in the January-March period, up 2.2% from the same period last year, according to the Ministry of Trade, Industry and Energy.

## Indian Sub-Continent

**India's local fuel sales increased at their slowest pace in more than a decade in the year to March.** India's economic growth has almost halved to below 5% in the past two years on weak investments and consumer demand. Local oil product sales rose 0.7% to 158.2 million tonnes in fiscal year 2013/14, according to Petroleum Planning and Analysis Cell (PPAC) of the oil ministry.

## Middle East and North Africa

**Iran will start cutting petrol subsidies this week**, an official said yesterday, a move that will test President Hassan Rouhani's public support as higher petrol prices add to inflation in a country already squeezed by economic sanctions.

**Egypt plans to double the price of natural gas piped into some homes and businesses from next month**, but the move will trim its huge fuel subsidy bill only slightly because few premises are connected to the gas network. Energy prices in Egypt are among the lowest in the world, and the cash-strapped government spends more than a fifth of its budget on keeping them down.

## Eastern Europe

**Russia could tip into recession in the second quarter of 2014** after the economy contracted by around 0.5% in the first three months of the year, a Finance Ministry official said.

## Western Europe

**German economic growth will slow in the second quarter** after an unusually mild winter gave Europe's largest economy a boost in the first three months of 2014, the Finance Ministry said. Germany had put in a "very strong" performance between January and March, adding that positive impetus likely came from industrial expansion and construction activity.

**Italy has cut taxes for 10 million low earners** to try to boost household spending after a two-year recession. Renzi's Cabinet passed a decree on last Friday to reduce taxes for those earning between €8,000 and €26,000 a year by about €80 per month, starting next month.

**Spain's households increased their net wealth by more than 25% in 2013** with net financial assets shooting up above €1 trillion (US\$1.4 trillion) for the first time since before the country's economic crisis. The overall assets of Spain's homes soared to hit a record €1.89 trillion in 2013 or 9.1% more than a year earlier.

**Bad loans as proportion of total loans at Spanish lenders fell in February** from a record high in January as the resumption of economic growth started to help banks improve their asset quality. Non-performing loans accounted for 13.7% of lending in February compared with 13.8% in January and 10.4% a year earlier on a like-for-like basis, the Bank of Spain said.

## North America

**Canadian consumer confidence surged to the highest in more than three years** amid rising optimism over the outlook for real estate and the economy. The Bloomberg Nanos Confidence Index climbed to 60.0 in the week ended April 18 from 59.0 the previous period.

## Oil & Gas News

**Brent for June settlement was at \$109.75 a barrel** on the London-based ICE Futures Europe exchange, down 20 cents, at 2:40 p.m. Singapore time.

## Commodity News

**Bullion for immediate delivery was at \$1,289.95 an ounce** at 2:19 p.m. in Singapore from \$1,289.77 yesterday, when prices dropped to \$1,282.

**The wheat contract for July delivery fell as much as 0.4%** to \$6.725 a bushel on the Chicago Board of Trade and was at \$6.7475 by 1:21 p.m. in Singapore.

## Currency News

**The rupiah fell 0.4%** to 11,495 per dollar as of 9:25 a.m. in Jakarta, prices from local banks show.

**The ringgit depreciated 0.4%** to 3.2640 per dollar as of 11:50 a.m. in Kuala Lumpur, 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
19-Apr-14	1,294.30	4.74	109.53	23.11	1.73	2.11	1.25	0.85	9136.59	81.53	2.59	35.55	25.74	3,253.80
22-Apr-14	1,290.47	4.70	109.75	23.35	1.73	2.10	1.25	0.86	9135.76	81.95	2.59	35.51	25.73	3,270.76
% Change	-0.30	-0.84	0.20		-0.10	-0.13	0.10	0.41	-0.01	0.51	0.13	-0.12	-0.03	0.52

# Economic & Financial News

Research & International Division

23/4/2014

*... German government total tax revenue jumped in March ...*  
*... US sales of previously owned homes fell slightly in March ...*

## South East Asia

**Singapore's consumer prices gained at a stronger pace** in March, rising 1.2% following a four-year low of 0.4% in the preceding month, the latest CPI data provided by the Department of Statistics showed.

**The Southeast Asian nations' total trade volume with Cambodia was valued at US\$4.46 billion** in Q1 2014, up 15% from US\$3.88 billion in Q1 2013. Of the amount, the country had exported products equivalent to US\$1.99 billion, up 19% y-o-y, while it had imported goods in a total amount of US\$2.47 billion, up 12% y-o-y.

**Laos registered considerable export growth during the first six months of this fiscal year**, amounting to more than US\$1.1 billion and up 25% over the same period last year. However, Laos continues to face a trade deficit, with imports reaching US\$1.9 billion, an increase of 70% compared to the first six months of last fiscal year.

**The Ministry of Finance, Vietnam increased the retail prices of petrol, kerosene and diesel** effective from 12am yesterday. The increase was between VND130 and VND210, or between 6 and 10 cents, per litre.

**Price hikes on food items continue to trouble low income Vientiane residents.** Many types of goods in Vientiane markets have not been adjusted at the publicly authorised level, causing difficulties for many shoppers.

## North East Asia

**China collected 2.6 trillion yuan (US\$422.1 billion) in taxes in Q1 2014**, up 9.9% y-o-y. The tax collected from the tertiary industry grew by 13.6% in Q1, 7.7 percentage points higher than the secondary industry. Tertiary industry tax accounted for 53.3% of the total in Q1, compared with the 51.6% share in the same period last year.

**The People's Bank of China will cut the reserve requirement ratio** for rural commercial banks at the county level by 2 percentage points and for rural credit cooperatives by 0.5 percentage points, effective from this Friday, noting that this will boost credit in rural areas but will not have a big impact on overall liquidity.

**The number of China's micro-credit companies reached 8,127** as of end-Q1 2014, with their total outstanding loans standing at 844.4 billion yuan (US\$137.06 billion). In the Q1, the companies extended 25.1 billion yuan in new loans.

**China's automobile sales will rise 8 to 10% this year** to a new high. As many as 24.18 million vehicles may be sold in the country this year, according to a report released by the China Association of Automobile Manufacturers.

**The Japanese government is considering allowing companies to apply a performance-based pay system** to a wider range of employees and to stop paying overtime wages. Prime Minister Shinzo Abe called for a new labour system that will promote performance-based assessments of workers, rather than assessments based on work hours.

**South Korea's terms of trade improved in March from a year earlier as import prices fell** at a faster pace than export prices, the central bank said. The country's net terms-of-trade index for goods — a gauge of trade terms — came in at 88.98 in March, up 1.1% from the previous year.

## Australasia

**The price of goods and services rose less than expected** in the 12 months to March, meaning the Reserve Bank of Australia is likely to keep interest rates at their current low. Inflation measured by CPI rose 2.9% in the year to March, the Australian Bureau of Statistics said.

## Middle East and North Africa

**The average rate of women unemployment in 2013 had risen to twice as high as those for men**, the Iran Statistical Center indicated. This increase in the ratio between men and women took place while the overall rate of unemployment in the country fell by 1.7% in 2013. Furthermore, the employment rate for men grew by 1.8% while that for women dropped by 1.3%.

**Saudi Arabia captured 37% of the GCC budget surpluses** at US\$54.9 billion, out of US\$146.7 billion in 2013. Five GCC countries achieved surpluses in 2013 budgets after Saudi Arabia; which are Kuwait (US\$34.1 billion), the UAE (US\$29.7 billion), Qatar (US\$25.3 billion), and Oman (US\$4 billion).

## Western Europe

**Total tax revenue of German government jumped** 7.2% y-o-y to €55.36 billion (US\$76.4 billion) in March, Finance Ministry said. In Q1, tax income amounted to €140 billion, 3.7% higher than a year earlier.

**Construction production in both the euro area and the European Union (EU) for February was up** by 0.1% m-o-m, said Eurostat. Compared to a year earlier, February 2014 saw construction production increase by 6.7% in the euro area and by 5.5% in the EU.

**France's government to set out roadmap to deficit reduction** using optimistic growth forecasts considered risky by its own fiscal watchdog to show how it will meet European budget standards by the end of next year.

## North America

**US sales of previously owned homes fell slightly** in March to the lowest level in more than one-and-a-half years. Existing home sales slipped to 4.59 million (saar) in March, from 0.2% in February.

## South America

**Brazilian companies face challenging environment in 2014** due to the national economic slowdown, according to a new Fitch Ratings report. Fitch projects Brazilian GDP growth of 1.9% and 2.5% for 2014 and 2015, respectively, compared to the 4.3% averaged between 2007 and 2011.

## Oil & Gas News

**Brent for June settlement fell** 3 cents to US\$109.24 a barrel on the London-based ICE Futures Europe exchange.

## Commodity News

**Bullion for immediate delivery fell slightly** to US\$1,283.11 an ounce at 8:12 a.m. in Singapore, from US\$1,283.81 yesterday.

**Copper for delivery in July was little changed** at US\$3.033 a pound in New York.

## Currency News

**Australia's dollar declined** 0.9% to 92.84 US cents as of 7:17 a.m. in London from yesterday.

**The rupiah fell** 1% in the biggest drop since March 20 to 11,641 per dollar as of 9:47 a.m. in Jakarta, prices from local banks show.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
22-Apr-14	1,290.47	4.70	109.75	23.35	1.73	2.10	1.25	0.86	9135.76	81.95	2.59	35.51	25.73	3,270.76
23-Apr-14	1,284.86	4.74	109.3	23.06	1.73	2.11	1.25	0.85	9175.15	81.81	2.60	35.48	25.75	3,256.84
% Change	-0.43	0.85	-0.41		0.10	0.20	0.22	-0.49	0.43	-0.16	0.26	-0.09	0.05	-0.43

# Economic & Financial News

Research & International Division

24/4/2014

*... Britain's public sector net borrowing falls in March ...  
... Strong growth in Turkish insurance market ...*

## South East Asia

**The Philippine government signed a \$150-million loan agreement** to partly fund this year's general budget requirements particularly for fiscal centralization reform program. The loan was obtained from Agence Française de Développement (AFD), a French development finance institution.

**Last year trade volume between Laos and China's Yunnan reached 21 billion kip, increased by 58.61%** as compared to the year before. Vice Minister of Industry and Commerce, Mr Siao Savath Savengsuksa said that most goods imported from China were machinery, electronics, vehicles, furniture, steels and steel products.

**The Bank of the Lao PDR has replenished its supply of foreign reserves in efforts** to secure supply of foreign currency for importers. The central bank governor Somphao Phaysith said that the bank was able to increase its foreign reserve to meet importers' demand. The current foreign reserve is now able to secure imports for about six to seven months.

## North East Asia

**The profits of China's centrally administered SOEs grew by 3.4% in the Q1 of 2014** to reach 310.7 billion yuan (US\$50.1 billion). The growth was slightly slower than the 3.8% profit increase in the whole of 2013, according to State-owned Assets Supervision and Administration Commission. In the Q1, these enterprises made 5.6 trillion yuan in business revenue, up 4.6% y-o-y. This growth was also slower than in 2013, when an 8.4% increase was attained in the whole year.

**China's manufacturing activity continued to contract in April**, but at a slower pace, according to HSBC's preliminary purchasing managers' index (PMI) released. The HSBC/Markit China flash manufacturing PMI for April rose to 48.3 from a final reading of 48.0 in March, said data company Markit in a statement.

**Top officials with Japan's Finance Ministry have kept their assessment of the domestic economy unchanged** because corporate output was recovering and the employment situation was improving. They say economic activity continues to pick up.

**South Korea posted a seasonally adjusted quarterly economic growth of 0.9% in the January-March period** led by exports and construction investment, the same as in the previous quarter, the central bank estimated.

## Australasia

**The Reserve Bank of New Zealand today raises its official cash rate (OCR) by 25 basis points** to 3%, the second rise in six weeks, citing increasing inflation pressures.

## Middle East and North Africa

**The Turkish insurance market grew in 2013** driven by strong economic growth, urbanisation and an expanding middle class, Fitch Ratings said. Its non-life market made a strong profit of TRY768m (€260m) in 2013 after four years of poor results. The improvements were driven by hardening rates in motor prices, a reduction in reserve strengthening and improved investment returns.

**The Sultanate of Oman is seeking to expand into new markets in Africa** as the country is focusing on reducing its reliance on oil revenues through boosting non-oil exports, said a senior official at the Oman Chamber of Commerce and Industry (OCCI).

**Inflation in Abu Dhabi now stands at an annual rate of 2.3%**, according to a report from the Statistics Centre Abu Dhabi (Scad). Prices in the first quarter of the year rose by 0.3% against the previous quarter.

## Western Europe

**Britain's public sector net borrowing (PSB), excluding financial interventions, was £6.7 billion in March 2014**, figures from the Office for National Statistics showed. This figure was £4.7 billion pounds lower than in March 2013. The better performance comes from a rise in receipts (especially tax, sales tax, and housing duty, reflecting a robust recovery), up £2.7 billion pounds, and lower spending by the government.

**The flash Eurozone PMI Composite Output Index increased to 54.0 in April 2014**, up from 53.1 in March, marking the highest increase since May 2011, said Markit.

**German manufacturing and services strengthened** more than economists forecast this month, adding to signs that the euro area's largest economy is underpinning the region's recovery. A factory index based on a survey of purchasing managers rose to 54.2 from 53.7 last month, Markit Economics said

**French manufacturing and services growth cooled** more than economists forecast this month as new business stagnated and employment fell. A Purchasing Managers' Index of factory activity dropped to 50.9 from 52.1 the previous month, Markit Economics said yesterday.

**The Spanish economy would grow on average by 1.5% between 2014 and 2015**, Minister of Economy Luis de Guindos said. He also said that Spain was expected to significantly create job opportunities this year and also in 2015.

## North America

**The number of Americans buying new homes plummeted in March** to the slowest pace in eight months. The Commerce Department said that sales of new homes declined 14.5% last month to a seasonally adjusted annual rate of 384,000.

**Canadian retail sales climbed in February** as consumers spent more at pharmacies and department stores. Receipts rose 0.5% to C\$41.0 billion, Statistics Canada said. The Ottawa-based agency revised its estimate for January's gain to 0.9% from 1.3%.

## Oil & Gas News

**Brent for June settlement rose 28 cents** to \$109.39 a barrel on the London-based ICE Futures Europe exchange.

## Commodity News

**Bullion for immediate delivery was at \$1,283.68** an ounce at 8:57 a.m. in Singapore from \$1,283.91 yesterday, according to Bloomberg generic pricing.

**Mills will produce 32.5 million metric tons of the sweetener in the current 2014-15 harvest**, down from 34.3 million in the previous season, Brazilian sugar industry group Unica said in a statement.

## Currency News

**The Japanese currency was little changed** at 102.52 per dollar as of 8:49 a.m. in Tokyo from yesterday, when it gained 0.1%.

**The kiwi rose 0.3%** to 86.12 U.S. cents as of 8:17 a.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
23-Apr-14	1,284.86	4.74	109.3	23.06	1.73	2.11	1.25	0.85	9175.15	81.81	2.60	35.48	25.75	3,256.84
24-Apr-14	1,286.12	4.76	109.28	22.96	1.74	2.12	1.26	0.86	9263.55	81.56	2.60	35.47	25.76	3,274.08
% Change	0.10	0.42	-0.02		0.39	0.44	0.23	0.53	0.96	-0.31	-0.08	-0.02	0.06	0.53

# Economic & Financial News

Research & International Division

26/4/2014

*... Iran cuts fuel subsidies, nearly doubling petrol price ...*  
*... Singapore's manufacturing output remains strong in March ...*

## South East Asia

**Indonesia saw a sharp slowdown in foreign direct investment (FDI) growth in Q1 2014.** The Investment Coordinating Board reported that FDI realization grew only 9.8% y-o-y to Rp 72 trillion (US\$6.2 billion), compared to the 25.4% growth Indonesia posted a quarter earlier.

**The Indonesian government will soon issue a regulation to control the use of subsidized fuel oils,** Director General of Oil and Gas at the Energy and Mineral Resources Ministry said. The regulation will be a revision of the energy and mineral resources ministry's regulation number 1 of 2013 on the control of fuel oil consumption.

**Singapore's manufacturing output expanded by 12.1%** y-o-y in March, mainly due to double-digit surge in transport engineering and biomedical output. This came after February's revised y-o-y pace of 13.1%, which was revised up from a previous estimate of 12.8% growth.

**The Philippines' merchandise imports growth eased in February** even as eight out of 10 major commodity groups posted gains compared to the same month a year ago, the Philippine Statistics Authority said. Total imported goods amounted to \$4.72 billion in February, a 0.3% increase from the same month last year.

**The cumulative import-export trade volume of Vietnam rose** to over US\$77.97 billion for Q1 2014, up 14% from last year's same period. Trade deficit for the quarter was US\$613 million, bringing the overall trade surplus down from over US\$1 billion to US\$572 million.

**Vietnam is estimated to disburse some US\$4 billion of foreign direct investment (FDI) in the first four months of 2014,** up 6.7% y-o-y, said Foreign Investment Agency under the Ministry of Planning and Investment.

## North East Asia

**China's employed population in urban area increased by 3.44 million in Q1 this year,** with the unemployment rate remaining low at 4.08%, the Ministry of Human Resources and Social Security said.

**China had a current account surplus of US\$7.2 billion in Q1,** down sharply from the US\$47.6 billion surplus seen in the same period in 2013.

**Japanese consumer inflation rose for a 10th straight month in March** as higher energy costs helped push prices up. Stripping out volatile fresh food prices, prices rose 1.3% y-o-y, the same rate since December. Prices were largely driven up by higher energy bills with electricity costs rising 10% and petrol prices rising 2.1%.

**South Korean consumer sentiment remained firm but flat in April** as the local economy continued on a recovery track, the central bank said. The consumer sentiment index came in at 108 for April, unchanged from the previous month, according to the Bank of Korea.

## Australasia

**The Australia federal government says it will commit A\$2.55 billion to its emissions reduction fund,** with further funding to be considered in future budgets. Environment Minister released the government's Emissions Reduction Fund White Paper this afternoon, outlining details of the Direct Action policy and reaffirming a commitment to repeal the carbon tax. The release follows a green paper that outlined a commitment of A\$1.55 billion to the fund.

## Indian Sub-Continent

**Curbs on gold imports in India will not be withdrawn immediately,** but will be done in a calibrated manner, the country's Economic Affairs Secretary said. India last year imposed a record 10% import duty on the metal and said a fifth of all shipments should be re-exported as finished product to help narrow its current account deficit.

**Bilateral trade between India and South Africa grew 31%** to US\$7.6 billion in the financial year, against US\$5.8 billion in the same period last fiscal.

## Middle East and North Africa

**Turkey cut its gold holdings in March** by 14.3 tonnes to 483 tonnes in March, data from the International Monetary Fund showed.

**Iran cut a portion of fuel subsidies yesterday,** nearly doubling some prices at the pump as part of a second round of cuts delayed since 2012. The measure went into effect at midnight.

## Eastern Europe

**Russia unexpectedly raised interest rates for the second time in two months** and suffered its first credit rating cut in five years, highlighting the impact of the Ukraine crisis on the economy. The central bank raised its key rate by 50 basis points to 7.5% to prevent a weakening rouble fueling inflation.

## Western Europe

**France reported stable jobless claims at the end of March** as falling number of young jobseekers offset a rise in demands of aged people without work. Last month, 1,600 jobless people entered the domestic job market or more than 3.349 million unemployed people. On a yearly basis, the joblessness rate rose by 4.1%.

**Britain's retail sales quantities, including auto fuel, increased 0.1% m-o-m in March**, Office for National Statistics said. A large rise in sales in clothing stores (+3.1% m-o-m) was offset by a 1.4% m-o-m decline in sales by food stores.

**The number of home mortgages granted to prospective buyers in Spain plummeted by 33% in February** when compared with the same period in 2013, the National Institute of Statistics said. A total of 16,420 home mortgages were granted in February.

**Fitch upgraded its rating on Spain's sovereign debt from BBB to BBB+ with stable outlook.** Fitch attributed this improvement to Spain's better economic situation and its reduction of public deficit. Fitch said that financing conditions have improved, the economic outlook is more certain, and the risk of Spanish banks posing an additional burden on the sovereign has diminished.

## North America

**Mexico's central bank kept interest rates on hold at a record low**, highlighting signs of improving growth and tame price pressures in the economy. The Banco de Mexico maintained its benchmark interest rate at 3.50%.

**Mexico's economy grew 0.54% in February** from January at a seasonally adjusted pace, up from an upwardly revised 0.24% expansion in January, as a rebound in the service sector pointed to stronger growth ahead after a weak start to the year.

## South America

**Brazil posted a current account deficit of US\$6.248 billion in March**, compared to a deficit of US\$7.445 billion in February. FDI in Brazil was \$4.995 billion in March.

**Argentina posted the smallest Q1 trade surplus since 2000**, the year before it defaulted on a record US\$95 billion, as exports fell 16% in March. The trade surplus narrowed 92% to US\$121 million in the first three months of the year from \$1.61 billion in the same period last year as exports of cereals fell 57%.

## Oil & Gas News

**Brent for June settlement slid 75 cents**, or 0.7%, to \$109.58 a barrel on the London-based ICE Futures Europe exchange.

## Commodity News

**Gold futures for June delivery rose 0.8%** to settle at \$1,300.80 an ounce at 1:45 p.m. on the Comex in New York.

## Currency News

**The yen strengthened 0.2%** to 102.16 per dollar at 5 p.m. New York time after reaching 101.96, the highest since 17 April.

**The rupiah rose 0.3% yesterday**, the most in more than three weeks, to 11,565 per dollar as of 4:34 p.m. in Jakarta.

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-Apr-14	1,286.12	4.76	109.28	22.96	1.74	2.12	1.26	0.86	9263.55	81.56	2.60	35.47	25.76	3,274.08
26-Apr-14	1,303.25	4.65	109.58	23.57	1.74	2.11	1.26	0.86	9211.50	81.42	2.60	35.53	25.73	3,267.57
% Change	1.33	-2.31	0.27		0.07	-0.17	-0.04	0.11	-0.56	-0.17	0.10	0.17	-0.14	-0.20



# Economic & Financial News

Research & International Division

29/4/2014

*... Japanese retail sales rose 11% at annual increase in March ...  
... Local banks in the Philippines have tightened their credit standards for consumers ...*

## South East Asia

**Brunei's exports in January declined 10.6% on year to \$1.3 billion**, weighed down by a sharp fall in oil and gas revenues, the International Merchandise Trade Statistics (IMTS) reported yesterday. Oil and gas account for over 90% of the country's exports. The IMTS said export revenues from crude oil declined by 17.7% on year to \$580.3 million. Likewise, export earnings from LNG went down by 3.5% on year to \$691.6 million.

**Foreign investment in Indonesia's tourism sector allowed to reach 100% share** by the Ministry of Tourism and Creative Economy as long as the investor has a joint venture with a local partner.

**Singapore's resale prices of completed non-landed private homes continued to fall last month**, according to Singapore Residential Price Index (SRPI). The overall prices decreased by 1.1% last month from the month earlier, accelerating from a revised 0.9% decline in February.

**Thailand reported lackluster export activity and lower industrial output in the Q1**. The export-reliant nation saw its overseas shipment slide 1% in the January-to-March period from a year earlier, according to Commerce Ministry.

**Local banks in the Philippines have tightened their credit standards for consumers** in Q1 this year. In its latest Senior Loan Officers Survey, the Central Bank said most banks implemented stricter lending standards for households.

**Philippines' headline inflation accelerated to 4.1% in Q1** from 3.4% in the previous quarter, pushed by tight domestic supply of most food commodities. The rate is projected to grow further going forward due to expected increases in electricity, food and oil prices as the peso continues to weaken.

**Vietnam's consumer spending touched VND939.6 trillion** (US\$44 billion) in the first four months of the year, posting a 10.5 per cent year-on-year increase, the General Statistics Office (GSO) announced yesterday. In April, the consumer spending rose a low 2.4% m-o-m and 11.2% y-o-y.

**Agricultural production in Laos is still facing challenges** including high electricity prices and high interest rates, said Minister of Agriculture and Forestry, Mr Vilayvanh Phomkhe.

## North East Asia

**Overcapacity, excess supply and sagging prices have taken Chinese steel companies from profit to loss in Q1**, and the problems are set to get worse. More than 45% of steel companies reported losses as growth hit an 18th month low of 7.4%. Total losses stood at 2.33 billion yuan (US\$380 million) against almost 8 billion yuan of profits in the same period last year, according to China Iron and Steel Association (CISA).

**Japanese retail sales rose 11% at annual increase in March** and marked the fastest gain since the last time the government raised the sales tax in 1997, as consumers stocked up on electronics, toiletries and clothes to avoid paying higher prices.

**The Korean government expects public organizations to be able to reduce their debt by more than ₩50 trillion won** (US\$48.4 billion) over the coming years if they carry out the reform measures they have promised.

## Australasia

**The 13th Australian Food and Grocery Council (AFGC) CHEP Retail Index shows y-o-y growth in retail sales continued to lift in the March quarter**. The index showed a 5.8% rise in March 2014 compared to March 2013, with a turnover of \$23.01 billion.

**New Zealand's trade surplus has widened** as Chinese demand for dairy products continues to soar, driving the monthly and annual export receipts to new records. The trade surplus was NZ\$920 million in March, from a revised \$NZ793m in February, and NZ\$732m a year earlier, according to Statistics New Zealand.

**A Labour Party-led government will require the Reserve Bank of New Zealand to use changes to the rate of people's compulsory KiwiSaver contributions** rather than interest rates to control inflation while taking pressure off the over-valued kiwi dollar.

## Indian Sub-Continent

**The Indian economy is 'delicately' balanced and needs strong policy reforms** to return to a higher growth trajectory, according to India Ratings. The agency has kept its FY2015 growth forecast unchanged at 5.6%.

## Middle East and North Africa

**The Turkish consumer confidence index (CCI) rose to 78.5 in April**, up from 72.7 in March, a 7.9% increase, according to the results of a Consumer Tendency Survey published by the Turkish Statistics Institute (TurkStat).

**The Egypt's Central Bank kept the lending rate and deposit rate unchanged** at 9.25% and 8.25% respectively. Key interest rates were last changed in December 2013, when the committee cut them 50 basis points. Last month, the committee said that the current rates were appropriate given the balance of risks around inflation and GDP outlook at the time.

**The Saudi Arabia's M3 money supply growth accelerated to 13.6% y-o-y at the end of March**, from 13.2% in the previous month, Saudi Arabian Monetary Agency (SAMA) data showed. Bank lending growth to the private sector rebounded to 12.8% in March from a two-year low of 12.2% in February.

## Western Europe

**Consumer confidence in Italy reached its highest level since January 2010**, the Index of National Statistics Institute (Istat) showed. Istat said consumer confidence soared from 101.9 points in March to 105.4 points in April.

## North America

**Mexico's government expects public and private investment in infrastructure to reach 7.75 trillion pesos** (\$590 billion) over the next five years in an effort to raise the country's economic growth capacity, officials said.

## Oil & Gas News

**Brent for June settlement gained as much as 51 cents** to \$108.63 a barrel on the London-based ICE Futures Europe exchange and was at \$108.57 at 3:25 p.m. Singapore time.

## Commodity News

**Bullion for immediate delivery fell as much as 0.2%** to \$1,293.68 an ounce, and traded at \$1,295.70 at 2:17 p.m. in Singapore.

**Wheat for July delivery dropped 0.4%** to \$7.055 a bushel, snapping a five-day advance. Soybeans retreated 0.2% to \$14.975 a bushel.

## Currency News

**The dollar declined 0.1%** to \$1.3869 per euro as of 6:57 a.m. in London after touching \$1.3879 yesterday, the weakest since April 11.

**The Mexican peso rose 0.1%** to 13.1227 per U.S. dollar as of 5 p.m. in New York.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
26-Apr-14	1,303.25	4.65	109.58	23.57	1.74	2.11	1.26	0.86	9211.50	81.42	2.60	35.53	25.73	3,267.57
29-Apr-14	1,292.83	4.77	108.51	22.75	1.74	2.11	1.26	0.86	9214.89	81.27	2.60	35.47	25.67	3,232.54
% Change	-0.80	2.58	-0.98		-0.10	-0.12	-0.03	-0.04	0.04	-0.18	0.08	-0.17	-0.23	-1.07

# Economic & Financial News

Research & International Division

30/4/2014

*... Bank of Japan kept ultra-loose monetary policy unchanged ...*  
*... Economic confidence in the Eurozone decreased slightly ...*

## South East Asia

**Investment in tourism in Indonesia increased** 256.43% (y-o-y) in Q1 2014 as improvements in the country's economy attracted investors, primarily in Bali and Lombok, according to the Tourism and Creative Economy Ministry. Tourism brought US\$130.1 million into the country in Q1 2014, from US\$36.5 million in Q1 2013.

**Unemployment in Singapore remained low** in Q1 2014, even as the seasonally adjusted unemployment rate rose to 2.1%, from 1.8% in Q4 2013, said the Ministry of Manpower. Total employment grew by 24,900 in Q1, lower than the 40,600 increase in Q4 2013 and 28,900 increase in Q1 2013.

**Philippines' inflation may accelerate this month** following two consecutive months of decline amid higher rice prices and increase in power rates. Inflation is forecast to settle within 3.6% to 4.5% in April, according to the Bangko Sentral ng Pilipinas Governor.

**Weak domestic demand and stable food and energy prices in Vietnam** resulted in January-April inflation posting the lowest rise in 13 years, according to HSBC's report. The country's CPI in the first four months rose 0.88%, well below the 4.45% recorded in the same period last year.

## North East Asia

**Japan's industrial output gained** a seasonally adjusted 0.3% (m-o-m) in March, Japan's Economy, Trade and Industry Ministry said.

**Japan's central bank kept its ultra-loose monetary policy unchanged** in a policy meeting today, despite data suggesting the economic recovery is weaker than expected.

**South Korea's industrial output grew** slightly on-month in March, rebounding from a drop in February, helped by increased production by manufacturers.

**South Korea plans to provide US\$10 billion in loans to businesses starting next month** by tapping into its foreign currency stabilization fund established to counter sharp fluctuations in the currency market, the finance ministry said.

**Macao's trade deficit widened** by 16.6% (y-o-y) to US\$2.43 billion in Q1 2014, data from Statistics and Census Service showed. From January to March, external merchandise trade rose by 17% (y-o-y) to US\$3.05 billion.

## Australasia

**Credit on the books of banks and other lenders expanded** by 0.4% for the third consecutive month in March, data from the Reserve Bank of Australia showed. Gaining since December, the March rise made it the strongest four-month run of credit growth since late 2008.

**New Zealand's business confidence continued its slide** from a 20-year high. A net 64.8% of firms are optimistic about general business conditions this month, down from 67.3% in March and 70.8% in February.

## Western Europe

**Economic confidence in the Eurozone decreased slightly**, according to European Commission survey. Economic Sentiment Indicator in the Eurozone dropped by 0.5% mainly due to a worsening of confidence in services and construction. In the wider 28-nation European Union, economic confidence increased by 0.9 points.

**Consumer prices in Germany picked up** in April, following continuous drops in previous months. The CPI stood at 1% in March, after slowing to 1.2% in February, 1.3% in January and 1.4% in December last year.

**The French National Assembly approved the government's stability program for a savings plan** US\$69 billion for 2015-2017. The savings plan aims to reduce the deficit, which stands at 4.3% of GDP in 2013, to 3% of GDP in 2015.

**The monthly sentiment indicator of French consumers declined** by three points (m-o-m) in April, as they showed more pessimism about their financial situation, national statistics bureau Insee said.

**Britain's GDP grew** by 0.8% in Q1 2014, from 0.7% in Q4 2013, data from Office for National Statistics showed. However, compared with the same quarter a year ago, British GDP grew 3.1% in Q1 2014.

**Italy's 10-year debt costs fell** to a record low of 3.22% at an auction as the country's recovering economy and expectations of further policy action from the European Central Bank fed investor demand.

**Spain's unemployment rate almost hit a staggering 26%** in Q1 2014. There were 184,600 less people in work in Q1, pushing Spain's jobless rate to 25.93%, up from 25.73%, according to the National Statistics Institute.

## North America

**Bank of Canada Governor Stephen Poloz indicated being open to the possibility of an interest rate cut** and said the Canadian dollar was still high in historical terms, despite a recent 10% depreciation.

## South America

**Brazil's government will increase taxes on cold beverages** such as soda beginning June 1 as part of efforts to increase revenue after suffering its first sovereign credit downgrade in a decade last month. It is expected to raise US\$671 million by end-2014 and will only have a minimal impact on inflation.

## Oil & Gas News

**Brent for June settlement decreased** as much as 36 cents, or 0.3%, to US\$108.62 on the London-based ICE Futures Europe exchange.

## Commodity News

**Bullion for immediate delivery fell** to US\$1,295.13 an ounce at 9:30 a.m. in Singapore, from US\$1,295.92 yesterday.

**The wheat contract for July delivery fell** as much as 0.5% to US\$7.1275 a bushel on the Chicago Board of Trade and was at US\$7.15 at 10:26 a.m. in Singapore.

## Currency News

**The baht climbed** 0.4% to 32.310 per dollar as of 11 a.m. in Bangkok, according to data compiled by Bloomberg.

**The pound rose** 0.2% to US\$1.6841 as of 4:10 p.m. London time after climbing to US\$1.6853 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
29-Apr-14	1,292.83	4.77	108.51	22.75	1.74	2.11	1.26	0.86	9214.89	81.27	2.60	35.47	25.67	3,232.54
30-Apr-14	1,293.63	4.81	108.62	22.58	1.74	2.11	1.26	0.86	9221.69	81.57	2.60	35.38	25.69	3,265.04
% Change	0.06	0.84	0.10		0.28	0.13	-0.02	0.36	0.07	0.36	-0.23	-0.28	0.09	1.01