

Economic & Financial News

Research & International Division

1/11/2014

*...India's petrol price to be cut...
...Bank of Japan further eased its monetary grip...*

South East Asia

Indonesia's economy grew between 5.0-5.1% in Q3 from a year earlier, and the September trade balance was expected to show a small deficit. The exports had been hit by falling prices rather than volumes. The slowdown in China is more significant to the country than normalisation of the U.S.

Lending by major banks in the Philippines grew by 20.5% to PHP4.2 trillion in September as more loans were extended for production activities that support the domestic economy. The lending growth in September was faster than the 20.1% hike seen in August. Loans for production activities which made up 90.4% of the total loan portfolio rose by 18.7% on year to PHP3.74 trillion.

North East Asia

China's top economic planner announced cuts in the retail price of gasoline by CN¥245 per tonne and that of diesel by CN¥235. The adjustment, effective on Saturday, means retail prices will drop by CN¥0.18 per litre for gas and CN¥0.2 per litre for diesel.

The Bank of Japan further eased its monetary grip to boost the country's economy, sparking a rally in Japanese stocks and the dollar-yen. The central bank will expand its massive asset purchase program, adding that the bank will buy Japanese government bonds from financial institutions so that their amount outstanding will increase at an annual pace of about JP¥80 trillion, up about JP¥30 trillion.

Japan's jobless rate for September rose 0.1% from the previous month to 3.6%, up for the first time in three years and four months. It was attributed the rise to the consumption tax hike which made companies reluctant to hire more workers. The number of unemployed people in the reporting period increased seasonally-adjusted 70,000, or 3%, to 2.37 million, while that of employed people rose 200,000, or 0.4%, to 56.26 million.

South Korean exports rose slightly in October but imports saw their sharpest drop in 13 months, dragged down by softer demand for raw materials and capital goods. Exports grew 2.5% to US\$51.8 billion in October from a year earlier and imports fell 3% to US\$44.3 billion. Imports fell by the sharpest annual pace since a 3.5% decline in September 2013. This resulted in a trade surplus of a record US\$7.5 billion, compared to a US\$3.4 billion surplus in September.

Indian Sub-Continent

India's fiscal deficit reached nearly 83% of its full-year target in the first half of the year. A 25% fall in oil prices since June has helped Prime Minister Narendra Modi's government contain oil and fertiliser subsidies, but revenue growth has been slow. India's fiscal deficit was INR4.39 trillion during April-September, or 82.6% of the full-year target.

India's petrol price is to be cut today by Rs2.41 a litre, the sixth reduction since August, and diesel by Rs2.25 per litre on back of falling international oil rates. The reduction in rates of petrol and diesel, which was deregulated for the first time in more than a decade, will be effective from midnight tonight.

Middle East and North Africa

Morocco prices of premium gasoline and special fuel will go down starting November 1, 2014, while the price of diesel fuel will remain unchanged at MAD 9.69/litre. Premium gasoline will hence decrease to MAD 11.97/litre (-83 cents), while the price of fuel oil n2 ONEE will fall by MAD 626,29/ton to reach MAD 4,825.60/ton. As for special fuel, it will drop by MAD 593.77/ton to stand at MAD 5,521.15/ ton, while the price of fuel n 2 will go down by MAD 626,30/ton to reach 5,027.14 MAD/ton.

Qatar's government spending fell 6.6% from a year ago to QAR38.8 billion in Q1 of the current fiscal year, while revenue soared to a record high. The budget surplus in April-June was QAR79 billion, compared with a deficit of QAR24.4 billion a year earlier. The surplus was equivalent to 41.7% of GDP.

Eastern Europe

Russia's central bank has raised its key interest rate to 9.5% from 8% as it seeks to tackle inflation. The bank has already raised rates from 5.5% at the start of the year but the moves have failed to combat inflation. A weak ruble and a ban on western food imports has kept inflation stubbornly high.

Western Europe

The eurozone unemployment rate was 11.5% in September, stable compared with previous month, but down from 12% in September 2013.

The eurozone's estimated annual inflation rate rose to 0.4% in October from 0.3% in September. Among the main components of eurozone inflation, services were expected to have the highest annual rate in October at 1.2%, followed by food, alcohol and tobacco, and non-energy industrial goods.

The 28-nation European Union (EU) seasonally adjusted external current account surplus rose to €32.6 billion in Q2, up from €8.1 billion in the previous quarter.

Inflation in Germany remained at the ultra-low level of 0.8% for the fourth month in October. The last time inflation in Germany was lower than 0.8% was in February 2010.

Germany's unemployment declined in October, suggesting an improvement in the labour market conditions despite weak economic developments. The number of people out of work decreased by 22,000 to 2.887 million in October. The adjusted jobless rate remained unchanged at 6.7% in October.

Over 3.2 million Italian citizens were unemployed in September, the highest level since 2004. The number of the jobless was 48,000 higher in September than in August and 58,000 up on the same month in 2013. Thus the unemployment rate in the country climbed back up to a record level of 12.6% in September.

North America

Canada's GDP shrank in August, led by oil and gas extractors. Output shrank 0.1% to an annualised CA\$1.63 trillion. Oil and gas extraction declined by 2.5% to CA\$96.9 billion.

Mexico's central bank left its benchmark interest rate unchanged at 3% a record low as the economy struggles to rebound from the slowest growth in four years.

Mexico's public sector fiscal deficit rose to MXN412.08 billion during the first nine months of the year, more than double the deficit for the same period last year. The country's accumulated fiscal deficit during the same nine months in 2013 totalled MXN188.42 billion.

The U.S. real GDP increased at an annual rate of 3.5% in Q3 this year after increasing 4.6% in Q2, the U.S. Commerce Department estimated.

South America

Brazil's budget deficit widened in September. The budget deficit widened to BRL69.4 billion as spending by the central government soared and revenue declined. The gap is the biggest since the series began in December 2001, and for the first time ever, Brazil posted a primary deficit for the first nine months of the year, totaling BRL15.3 billion.

Chile's unemployment rate decreased slightly to 6.6% in September from 6.7% in August, self-employment continued to increase, but at a pace more in line with salaried jobs.

Oil & Gas News

Brent for December settlement slid 38 cents, or 0.4%, to \$85.86 a barrel on the London-based ICE Futures Europe exchange.

Commodity News

Gold futures for December delivery fell 2.3% to \$1,171.60 an ounce at 1:50 p.m. on the Comex in New York, after touching \$1,160.50.

Wheat futures for December delivery fell 0.7% to close at \$5.325 a bushel at 1:15 p.m. on the Chicago Board of Trade.

Currency News

The yen slid 2.9% to 112.32 per dollar at 5 p.m. New York time after depreciating to 112.48, the weakest since December 2007.

The Canadian dollar is depreciated 0.7% to C\$1.1266 per U.S. dollar at 5 p.m.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
30-Oct-14	1,205.69	3.80	87.1	22.92	1.62	2.05	1.27	0.89	9552.01	84.98	2.57	35.14	25.53	3,222.17
01-Nov-14	1,172.94	3.87	85.86	22.19	1.61	2.04	1.28	0.89	9457.16	85.58	2.57	35.08	25.42	3,274.25
% Change	-2.72	1.84	-1.42	-0.64	-0.47	0.41	0.00	-0.99	0.70	0.10	-0.15	-0.44	1.62	

Economic & Financial News

Research & International Division

4/11/2014

*... Venezuelan to increase 15% of the minimum wage ...
... Indonesia's trade balance witnessed a small deficit ...*

South East Asia

Indonesia's trade balance witnessed a small deficit of USD270.3 million in September due to high oil import, narrowing from USD310 million deficit in August. The total export in September, USD15.28 billion or rising by 3.87% on year, remained below the total import of USD15.55 billion in the month, which increased by 0.23% on yearly basis.

Indonesia's inflation accelerated faster than in October, as prices of some goods were hiked in anticipation of the new government raising the fuel price. Inflation rose to 4.83% on-year in October from 4.53% the previous month as the cost of everyday items such as cigarettes and cooking gas increased.

Thailand's headline inflation rose 1.48% on-year to 107.32 in October due to lower fresh food and energy prices, easing from the 1.75% y-o-y rise in September. October's headline inflation fell 0.10% on-month.

North East Asia

China's service sector activity slightly slowed in October. The PMI for the non-manufacturing sector posted at 53.8% last month, down 0.2 percentage points from September.

Japan's manufacturing PMI was 52.4 in October as orders increased, less than a preliminary reading of 52.8 but higher than a final 51.7 in September. New export business rose at the strongest pace since December 2013, linked to the weakening yen.

South Korea's annual inflation picked up to 1.2% in October from a year earlier for the first time in three months but the growth trend still remains much subdued thanks to falling farming goods costs. It was slightly ahead of the 1.1% annual rise seen in September.

South Korea posted a trade surplus of USD7.5 billion, compared with a surplus of USD4.88 billion in October 2013. The overall exports came to about USD51.76 billion last month, up 2.5% from the same month last year. Imports dropped 3% on-year to USD44.26 billion.

Taiwan's PMI fell 1.8 points in October from a month earlier to 51.1 the lowest level since February, when the index stood at 50.3, an indication that the pace of growth in Taiwan's manufacturing sector is slowing down.

Australasia

Australia posted a seasonally adjusted trade deficit of AUD2.3 billion in September. The deterioration in the trade balance was driven by a 6% jump in imports, mainly of fuels and lubricants, which rose by 31%. Imports of capital and consumer goods each rose by 3%. Exports increased by 1% in September from the previous month.

Australian retail sales rose a seasonally adjusted 1.2% in September to AUD23.63 billion. It was the strongest rise in retail spending since February 2013. The result was buoyed by electrical and electronic goods retailing, which rose a seasonally adjusted 9.2% in the quarter.

Indian Sub-Continent

India apparel exports were 16% in the first six months of this fiscal April-September this year more than the corresponding period last year. Exports of apparels were to the tune of USD7 billion during the period under reference as against USD6 billion in the same period last year. India is also getting orders from some of the competing countries that are shifting focus from apparel to other sectors.

Pakistan's domestic debt and liabilities surged by 9.3% to PKR11.358 trillion on September 30, 2014 as borrowing from local resources to reduce fiscal deficit continued unabated.

Middle East and North Africa

Egypt's trade balance deficit registered EGP19.46 billion in July 2014, decreasing by 22.5% compared to the EGP25.11 billion recorded during the same month last year. The deficit's decline is due to the 18.8% drop in imports and the 12.7% decrease in exports.

Iraqi oil exports brought in USD6.241 billion revenues in October from selling 76.282 million barrels. The average of the crude oil exports was 2.461 million barrels per day for the month with an average selling price of USD81.82 per barrel.

Inflation in Turkey rose slightly last month, from 8.86% in September to 8.96%, mainly because of a rise in housing, food, non-alcoholic beverage and restaurant prices.

Western Europe

Eurozone manufacturing PMI at 50.6 in October, up from September's 14-month low of 50.3. The eurozone manufacturing sector remained in a state of near-stagnation in October, as weak demand continued to restrict growth of both output and employment across the board.

British manufacturing PMI climbed to 53.2 in October from September's 17-month low of 51.5. The pick-up in growth mainly reflected the resilience of the domestic market, as overseas demand was impacted by the ongoing economic weakness of the eurozone and the euro-sterling exchange rate.

French car sales fell back in October as consumers put off big purchases amid weakening economic confidence. Registrations fell 3.8% to 160,162 cars last month, the first y-o-y decline since February after adjusting for the number of selling days each month.

German factory activity rebounded in October after shrinking slightly in September for the first time in over a year, although there are signs of weak domestic demand in Europe's largest economy. PMI for the manufacturing sector climbed to 51.4 from 49.9 in September,

Italy's GDP is expected to decrease this year by 0.3%, expanding by 0.5% in 2015 and growing by 1% in 2016, in real terms. The recovery of the Italian economy, which is in its third year of recession and has fallen over 9% from its 2008 level, will be gradual and mainly driven by domestic demand.

North America

U.S. factories were busier in October, a sign that manufacturing is on sound footing despite growing concerns about the global economy. Orders, productivity and hiring all grew faster than they did in September. The Institute for Supply Management PMI rebounded to 59 last month from 56.6 in September.

South America

Brazil posted a USD1.18 billion trade deficit in October, the worst figure in 16 years as Latin America's biggest economy heads for almost zero growth this year. The loss following on from a USD939 million September deficit due to 40% fall in iron ore prices and sluggish auto sales, notably in Argentina. Brazil's cumulative deficit for the year to date is USD1.87 billion, with exports down 3.7% at USD191.97 billion and imports also down 3.7% at USD193.84 billion.

Peru's central bank lowered local currency bank reserve requirements to 10% from 10.5%. The policy of flexibility seeks to facilitate an adequate amount of cash for the financial system at a time of lower deposit growth in local currency.

Venezuelan is to increase 15% of the minimum wage starting in December to protect workers from inflation of more than 60%.

Oil & Gas News

Brent for December settlement declined as much as 86 cents, or 1%, to \$83.92 a barrel on the London-based ICE Futures Europe exchange.

Commodity News

Bullion for immediate delivery traded at \$1,168.17 an ounce at 2:58 p.m. in Singapore from \$1,165.63 yesterday.

Aluminum for delivery in three months on the London Metal Exchange rose 0.1 to \$2,072.50 a metric ton at 10:10 a.m. in Hong Kong.

Currency News

Singapore's dollar traded at 1.2913 per U.S. dollar at 12:21 p.m. in New York, down 2.2% this year.

The baht declined 0.1% to 32.679 per dollar as of 9:55 a.m. in Bangkok.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
01-Nov-14	1,172.94	3.87	85.86	22.19	1.61	2.04	1.28	0.89	9457.16	85.58	2.57	35.08	25.42	3,274.25
04-Nov-14	1,167.62	4.06	84.23	20.75	1.61	2.06	1.29	0.89	9398.50	87.54	2.57	34.93	25.34	3,285.73
% Change	-0.45	4.91	-1.90	-0.19	0.62	0.77	0.36	-0.62	2.28	0.08	-0.43	-0.32	0.35	

Economic & Financial News

Research & International Division

5/11/2014

*... U.S. trade deficit rose ...
... Reserve Bank of Australia kept interest rate unchanged ...*

South East Asia

Philippine headline inflation was at 4.3% in October, down from 4.4% in the previous month although higher compared to the 2.9% rate in the same month last year. The slowdown resulted from the lower annual increments in the indices of food and non-alcoholic beverages, clothing and footwear, and restaurant and miscellaneous goods and services

The Purchasing Managers' Index (PMI) for the manufacturing sector in Singapore posted a reading of 51.9 in October, an increase of 1.4 points over the previous month, the Singapore Institute of Purchasing & Materials Management. The increase in the overall PMI was attributed to a rise in new orders and higher production levels.

Singapore has been touted the most SME-friendly in 2013/14, followed by UAE and the UK. SMEs in Singapore consistently record higher levels of government support for investment than their counterparts in other countries, according to ACCA and IMA.

Viet Nam will likely experience a trade deficit next year. Export revenues next year to increase by roughly 10% to USD 163 billion but expected import payments to rise, causing a trade deficit of USD 6 billion to USD 8 billion or 5% of export revenues.

North East Asia

China plans a USD 16.3 billion fund to finance construction of infrastructure linking its markets to three continents as President Xi Jinping pushes forward with his plans to revive the centuries-old Silk Road trading route. The fund will be used to build and expand railways, roads and pipelines in Chinese provinces that are part of the strategy to facilitate trade over land and shipping routes.

China has proposed cutting by more than half the number of sectors restricted or off limits to foreign investors. The new draft decreases the number of restricted sectors from 79 to 35.

The sale and purchase agreements for residential flats in Hong Kong rose 3.9% in October from September this year to 6,189. The total consideration for residential sale and purchase agreements was HKD 49.7 billion, 17.9% higher than that in September.

Home prices in South Korea grew slightly from a year earlier in the Q3, partly on a large increase in the number of transactions. According to the state-run Korea Development Institute, the price of homes went up 0.8% in the three months ended Sept. 30.

South Korea's trade volume will likely reach a new annual high this year, exceeding USD 1 trillion mark around Nov. 25 or 26, in the shortest time ever, a ranking government official said.

Macau's gambling revenues for the month fell some 23% y-o-y, the sharpest drop since the former Portuguese colony started keeping records. October was also the fifth consecutive month of declines.

Taiwan's CPI in October rose by 0.09% from September. Seasonally adjusted, the index fell by 0.18% m-o-m, but rose by 1.07% compared with the same time last year. It increased by 1.3% annually for the January-October period, the same tallies indicated.

Australasia

Australia's central bank kept interest rates at a record low 2.5%, maintaining an unchanged outlook for the country's economy as it continued to call for a weaker currency. The Reserve Bank of Australia has kept the cash rate steady since August 2013, and since February has flagged a "period of stability" in monetary policy as the economy transitions away from mining-led growth.

Activity in the Australian services sector has fallen for an eighth consecutive month, weighed down by slow wages growth and weak consumer confidence. The Australian Industry Group's Australian Performance of Services Index (PSI) was down 1.8 points to 43.6 in October, its lowest since August 2013.

New Zealand's unemployment rate has fallen to a five-and-a-half-year low as employers take on a growing number of migrants and the Canterbury rebuild continues to provide jobs. The unemployment rate fell to 5.4%, or 134,000 people, in the September quarter, from 5.6% in the June quarter, according to Statistics New Zealand's household labour force survey.

New Zealand new vehicle sales reached a record in October and are on track for the highest ever annual total this year as a buoyant local economy and cheaper prices underpin demand. Registrations for new vehicles rose 12% to 12,023 in October from the year earlier month.

Indian Sub-Continent

India's manufacturing activity picked up modestly in October due to stronger output and new order flows. The HSBC manufacturing PMI inched up to 51.6 points in October from the nine-month low of 51 in the previous month, a twelfth straight month of expansion.

Middle East and North Africa

The HSBC Egypt PMI for the non-oil private sector stood at 51 points in October, down from a near-record 52.4 points in September and 51.6 points in August, but still showing growth.

Jordan's real estate trading volume went up by 21% in the first ten months of 2014. Trading is amounted to JOD 6.4 billion, compared to JOD 5.3 billion registered during January-October 2013. Revenues from real estate deals totalled JOD 352 million, 18% higher than the amount collected during the same period of last year.

Growth in Saudi Arabia's non-oil private business sector slowed in October because of competitive pressures and signs of moderating demand, although activity remained robust overall. The seasonally adjusted SABB HSBC Saudi Arabia PMI eased to a five-month low of 59.1 points last month from 61.8 points in September.

UAE's survey's headline PMI rose sharply to 61.2 in October, from 57.6 in September, signalling a rapid improvement in business conditions at non-oil private sector firms, compiled by HSBC and Markit Economics.

Western Europe

German government would stick to its budget target and would not increase government spending or raise new debt for economic stimulation. Chancellor Angela Merkel said German economy was stable, but faced risks from geopolitical tensions abroad. Investment was needed to boost growth. The government would encourage private investment by lifting burdens for the business.

Spain's unemployment increased by 79,154 people (1.78%) from September to October, bringing the total number of unemployed people to 4,526,804. The rise was mainly due to the end of the tourist peak season in the country, which traditionally causes a rise in unemployment.

North America

The U.S. trade deficit rose in September, as a broader global economic weakness caused exports to fall. The trade deficit rose 7.6% to USD 43 billion in September. That marks the first increase in four months. Exports fell 1.5% to USD 195.6 billion, led by declines in shipments of industrial supplies, consumer products and capital goods such as engines and computers.

South America

Brazil's industry once again sputtered in September after two consecutive months of gains, with output falling unexpectedly due to a sharp decline in food products. Industrial production in September fell 0.2% from August in seasonally adjusted terms.

Chilean President Michelle Bachelet has announced new concessions for USD 6 billion – USD 8 billion to boost a weakening economy. Bachelet aims to increase public infrastructure spending to 3.5% of GDP by end-decade from the current 2.5%.

Peru's exports fell 15.3% in September versus the same month last year, marking the third worst decline in the value of shipments abroad so far this year. The total value of exports in September was USD 3.07 billion. The decline was due to a 21.4% decrease in the value of traditional commodity exports, which account for almost 70% of total exports.

Oil & Gas News

Brent for December settlement was 7 cents lower at \$82.75 a barrel on the London-based ICE Futures Europe exchange.

Natural gas for December delivery rose 8.3 cents, or 2.1%, to \$4.129 MBtu on the NYMEX, the highest settlement since Sept. 29.

Currency News

The euro rose 0.1% to 142.69 yen at 12:15 p.m. in Tokyo after climbing to 142.80, the strongest level since April 3.

South Korea's won rose for the first time in five days, advancing 0.1% to 1,075.93 per dollar in Seoul.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
04-Nov-14	1,167.62	4.06	84.23	20.75	1.61	2.06	1.29	0.89	9398.50	87.54	2.57	34.93	25.34	3,285.73
05-Nov-14	1,164.04	4.16	82.6	19.86	1.62	2.06	1.29	0.89	9402.03	88.10	2.58	34.86	25.34	3,285.06
% Change	-0.31	2.46	-1.94	0.48	0.31	0.12	-0.15	0.04	0.64	0.28	-0.21	0.01	-0.02	

Economic & Financial News

Research & International Division

6/11/2014

*... Indonesia's economic growth slows down in Q3 ...
... New Zealand house price growth at two-year low in October ...*

South East Asia

Over 3.77 million visit arrivals were recorded in Laos last year with estimated almost USD 600 million of revenues. The reported figure showed a 13% increase over 2012 in which 3.33 million visitors were reported.

The Indonesian economy grew by only 5.01% in the Q3 of the year, the lowest growth recorded since 2009. The condition was triggered by the global economic slowdown and the fact that China, Indonesia's main trade partner, recorded slower economic growth, impacting the country's export volumes to China.

The Indonesia government would increase oil prices in November, giving more certainty to investors that Indonesia would have more funds for building infrastructures. Minister for Economy Sofyan disclosed that the country's huge oil subsidy, parts of which have reached to wrong targets, would be allocated to more productive sectors.

The Malaysia government has decided to maintain the current electricity tariffs rate until June 2015. The government will absorb the cost of MYR 1.683 billion to maintain the tariff from savings generated from renegotiations with the first generation independent power producers and the maintaining of current gas price supplied by Petronas to the electricity sector.

Production value of Philippine metallic minerals rose by 22% on year to PHP 57.27 billion (USD 1.27 billion) in the first half of the year due to sustained demand for precious and base metals.

Thai central bank decided to retain the policy rate at 2%. The committee projects sustained economic recovery in 2015, and deems that the current monetary policy is sufficiently accommodative and does not hinder the ongoing recovery.

Vietnam collected nearly VND 719.5 trillion (USD 34.1 billion) to the state budget in the first ten months of 2014, up 15.2% y-o-y, accounting for 91.9% of the whole year's estimate. As of the end of October, domestic revenue rose 16.5% y-o-y, making up 90% of the year's estimate, while revenue from import-export activities increased 14.4% y-o-y, accounting for 92.2% of the estimate for the year.

Viet Nam enjoyed a trade surplus of USD 1.87 billion over the past ten months of 2014. In October, the nation earned USD 13.2 billion from exports, up 4.5% compared to the previous month. The exports totalled USD 123.1 billion in 10 months, a y-o-y increase of 13.4%.

North East Asia

The high level of government savings deposits could prove detrimental to long-term economic growth, even as concerns mount over ballooning local government debt in China. Total bank deposits held by government agencies and public institutions reached CNY 18.3 trillion (USD 2.99 trillion) by the end of September and accounted for 30% of total GDP.

Japan's real wages fell at a slower annual rate in September, but doubts about consumer spending are likely to linger as the government has made little progress with policies to promote economic growth. Real wages fell 2.9% in September from a year earlier, following a revised 3.1% annual decline in August.

Japan's bonuses for this summer rose 3.1% from a year earlier, the fastest pace of growth since 6.3% in 1991. Summer bonuses averaged JPY 370,550, growing for the second straight year thanks to an improvement in corporate earnings. The average bonus grew 10.5% at manufacturers, 10% at construction firms and 36% at mining companies.

New Japanese automobile sales in October fell 6% from a year earlier to 396,508 units, down for the fourth consecutive month. The decline in new auto sales, including mini-vehicles with engine displacements of up to 660cc, was larger than the 0.8% drop in September, which was affected by weak demand after the April 1 consumption tax hike.

South Korea's exports of ICT products reached the second-highest monthly tally in October despite a slight drop from a year earlier. Outbound shipments of ICT products amounted to USD 16.07 billion in October, down 1% from the same month last year.

Imported car sales in South Korea jumped 16.1% on-year in October, accounting for more than one-tenth of all new cars sold in the country. The monthly sales figure of 16,436 vehicles is a solid gain from the 14,154 units sold a year earlier.

Australasia

Australia's job market grew slightly in October although the unemployment rate was unchanged at 6.2%. The monthly household survey found that there were 24,100 more people employed last month, compared with September. The participation rate at the same time increased 0.1 percentage point, to 64.6%.

Growth in New Zealand's house prices was at its lowest in two years in October as the pace slowed for the tenth month in a row, the government property valuer said. Quotable Value's (QV) residential property index rose 5.9% in the year to Oct 31, compared with an annual rate of 6.4% in September.

Middle East and North Africa

Iran exported iron ore, iron and steel products, as well as white cement, worth USD 1.2 billion during March 21-September 22. In the same period, the value of Iran's iron ore granules with a purity of less than 40% amounted to USD 497 million and accounted for 3% of the total exports.

Morocco's seafood products exports recorded 4% increase during the first 3 quarters of 2014. The overall volume of seafood exports during this period reached 400,000 tonnes, worth MAD 11.3 billion.

Tunisia's annual inflation is dipping to 5.4% from 5.6% in September thanks to a slight decline in food and drink prices. Inflation in 2014 peaked at 6% in July, before starting to fall.

Eastern Europe

The Central Bank of Russia would intervene in foreign exchange market to smooth the exchange rate fluctuation, as the Russian national currency ruble has entered a "border zone," a senior central banking official said. The central bank will limit the daily volume of foreign exchange operations to USD 350 million in order to stabilize the ruble.

Western Europe

The seasonally-adjusted volume of retail trade in September fell by 1.3% in the eurozone and by 1.2% in the 28-member European Union (EU). In August retail trade rose by 0.9% in the eurozone and 1.1% in the EU respectively.

Germany plans to create heavily subsidized jobs to deal with Germany's intractable long-term unemployment problem. The government subsidies for jobs for the long-term unemployed of up to 100%, funded from an annual budget of EUR 150 million.

North America

Private payrolls in the U.S. increased by 230,000 jobs in October, according to the national employment report compiled by payroll processor Automatic Data Processing Inc. and forecasting firm Moody's Analytics.

South America

Brazil's Senate approved legislation that reduces the interest rate that states and cities pay on their debt with the federal government. The approved bill changes the rate to the official IPCA annual inflation index plus 4% of interest a year, or the central bank's benchmark interest rate if it's lower. The current rate is the IGP-DI inflation index plus 6% to 9% of interest a year.

The millions of Peruvians who have escaped poverty over the past decade are at risk of becoming poor again, according to Oxfam, the global organization that works to reduce poverty. Peru is one of the world's biggest mineral producers. China has eased its demand for natural resources from Peru. At the same time, the US dollar has started to appreciate against emerging market currencies like Peru's sol.

Oil & Gas News

Brent for December settlement was 23 cents higher at \$83.18 a barrel on the London-based ICE Futures Europe exchange yesterday.

Commodity News

Bullion for immediate delivery rose as much as 0.4% to \$1,144.62 an ounce and traded at \$1,143.93 at 9:13 a.m. in Singapore.

Currency News

The pound fell 0.3% to \$1.5962 as of 4:09 p.m. London time, the steepest decline since Oct. 29 and touched \$1.5869, the lowest since Nov. 12, 2013.

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-Nov-14	1,164.04	4.16	82.6	19.86	1.62	2.06	1.29	0.89	9402.03	88.10	2.58	34.86	25.34	3,285.06
06-Nov-14	1,139.92	4.24	83.1	19.60	1.62	2.06	1.29	0.89	9387.03	88.18	2.58	34.82	25.36	3,298.97
% Change	-2.07	1.92	0.61		0.19	-0.02	-0.03	-0.14	-0.16	0.09	0.21	-0.12	0.08	0.42

Economic & Financial News

Research & International Division

8/11/2014

*... France's central state budget deficit narrowed ...
... US economy added 214,000 new jobs in October ...*

South East Asia

Brunei's crude oil export in August decreased by 37.2% m-o-m, leading to a 24.9% decrease in exports. The volume of crude oil export has declined from 145.1 kilo barrels per day (bpd) in July to 94.9 kilo bpd in August. The export value of LNG declined by 14.3% due to lower prices. August's LNG export has decreased from BND 21.39 million British thermal units (MMBtu) to BND 19.88 MMBtu.

Indonesian President Joko Widodo is targeting almost USD6 billion in projects to expand ports across the world's biggest archipelago, where investors are deterred by logistics costs that amount to a quarter of the economy. President Widodo plans to expand five ports on the nation's main islands, seeking to reduce shipping delays and boost trade.

Malaysia's total trade in September this year improved 1.6% to MYR119.72 billion (USD3.72 billion) from MYR117.88 billion (USD3.66 billion) a year ago. The trade surplus was recorded at MYR9.33 billion (USD2.91 billion). For the nine-month period of 2014, Malaysia's trade for the period has exceeded the MYR1 trillion mark with total trade valued at MYR1.078 trillion (USD0.31 trillion).

Bank Negara Malaysia decided to keep the overnight policy rate unchanged at 3.25%. The current stance of monetary policy remains accommodative and is assessed to be appropriate given the developments in monetary and financial conditions.

The Philippines' gross international reserves (GIR) fell to its lowest level in October due to revaluation adjustments on the local central bank's gold holdings. The October GIR level slid to USD79.29 billion in October from the USD79.55 billion recorded in September.

Thai Prime Minister Prayut Chan-ocha is ready to consider lifting martial law in some parts of the country to help boost a struggling tourism sector and economy. The tourism sector, which accounts for nearly 10% of the economy, suffered its biggest fall in June, a month after the military took power.

Thai consumer confidence index for October edged up from the previous month, attributed to the government's planned Bt360 billion economic stimulus measures to be implemented in the remaining months of the year. Confidence in the economy had an index level of 69.6, up slightly from 69.2 in September.

Vietnam will establish domestic credit rating agencies (CRA), the first ever done in the country, which would mark a new stage in development of the domestic finance market.

Retail fuel prices in Vietnam were reduced, the second cut in two weeks and the ninth so far this year. Vietnam reduced prices of RON 92 and RON 95 gasoline by VND950 to VND21,390 and VND21,990 per litre, respectively. The price of 0.05S and 0.25S diesel varieties was also cut by VND520 to stand at VND19,240 per litre.

North East Asia

China's central bank injected CNY769.5 billion (USD126.15 billion) into commercial banks via a new tool in the past two months. The new liquidity management tool, called medium-term lending facility (MLF), was introduced in September.

The total Chinese assets managed by trust companies reached USD2.1 trillion at end-Q3, up 3.77% q-o-q. The quarterly growth rate was significantly lower compared to the 6.4% growth registered in Q2 and 7.52% in Q1.

South Korea's overseas direct investment dropped significantly from a year earlier in the first nine months of the year. In the January-September period, the country's overseas direct investment amounted to USD22.9 billion, down 13% from the same period last year. The drop was attributed to cuts in investment in the manufacturing and financial sectors, which plunged 10.6% and 5.1% y-o-y, respectively.

Australasia

Australian employment rebounded last month to keep the jobless rate steady at 6.2%. The Australian employment rose 24,100 in October, recovering from a revised 23,700 drop the previous month. Encouragingly, all the gains came in full-time jobs, which climbed 33,400.

Middle East and North Africa

Saudi Arabia's oil exports reached 2.29 billion barrels in the first 10 months of 2014 with proceeds amounting to SAR906 billion. Meanwhile, domestic consumption during the same period reached nearly 693 million barrels, or 23% of the total output.

Eastern Europe

Russia's central bank said it was ready to further intervene in the domestic currency market to secure the country's financial stability amid a spike in consumer demand for foreign currencies. The pledge came just two days after the central bank announced measures to stop the ruble's fall against the US dollar and the euro.

Western Europe

France's central state budget deficit narrowed in the first nine months of the year as the government reined in spending and the cost of servicing sovereign debt remained low. The central state budget deficit stood at EUR80.5 billion at end-September, compared with EUR80.8 billion at the same time last year.

French industrial output was stable in September as a rise in energy production offset a decline in the production of agricultural and other goods. Insee also revised down the industrial production figure for August to a 0.2% contraction from a previous reading of no change that month.

German industrial production rebounded 1.4% m-o-m in September, after contracting a revised 3.1% in August, the biggest decline since January 2009, signalling that Europe's largest economy is struggling to recover. Production declined 0.4% in Q3.

German exports expanded by 5.5% in September. In seasonally adjusted terms, Germany exported goods worth EUR97.7 billion in September, up from EUR92.6 billion in August. Imports rose by 5.4% to EUR79.2 billion. That meant the seasonally adjusted trade surplus, grew to EUR18.5 billion in September, from EUR17.5 billion in August.

UK's trade deficit for goods rose to GBP9.8 billion in September, driven mainly by a rise in oil imports and a larger trade deficit with Germany. This was up from GBP9 billion in August, as Britain exported 4.2% more goods but increased imports by a larger 5.8%. The deficit is lower than the GBP 10.1 billion registered in September 2013.

North America

Canada's unemployment rate dropped to 6.5%. The economy generated 43,100 new jobs in October, pushing the jobless rate down 0.3 percentage points from September. This followed an increase of 74,100 jobs for September.

Mexico's CPI rose 0.55% in October, pushing the annual rate up to 4.3% from 4.22% at end-September. Mexican inflation picked up speed in October on higher energy costs, partly offset by a drop in telecommunications rates and an easing of meat prices.

The US economy added 214,000 new jobs in October, and the unemployment rate edged down to 5.8%, from 5.9% in the previous month. The job gains were down from the 256,000 in September.

South America

Brazil's inflation is under control, allowing for policies aimed at freeing up credit to revive domestic consumption. Inflation slowed to 0.42% in October, while annual inflation slowed to 6.59%.

Peru approved a third round of emergency spending increases this year and measures to speed up environmental permitting to overcome a slump in economic growth. The government authorised PEN1.6 billion (USD547 million) in additional spending, including a one-time, year-end bonus for 1.7 million state workers, as well as welfare expenditure and public works.

Oil & Gas News

Brent for December settlement gained 53 cents to close at US\$83.39 a barrel on the London-based ICE Futures Europe exchange.

Commodity News

Gold futures for December delivery rose 2.4% to settle at US\$1,169.80 an ounce on the Comex in New York.

Currency News

The US currency fell 0.5% to 114.60 yen, after touching 115.59.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
06-Nov-14	1,139.92	4.24	83.1	19.60	1.62	2.06	1.29	0.89	9387.03	88.18	2.58	34.82	25.36	3,298.97
08-Nov-14	1,177.97	4.41	83.39	18.91	1.60	2.05	1.30	0.90	9377.34	88.94	2.58	34.77	25.39	3,286.39
% Change	3.34	4.01	0.35	-0.86	-0.86	-0.55	0.56	1.65	-0.10	0.86	-0.08	-0.13	0.13	-0.38

Economic & Financial News

Research & International Division

11/11/2014

*... Vietnam's minimum monthly salary to increase starting next year ...
... Kuwait's government is looking at adjusting its petrol subsidies ...*

South East Asia

Indonesia's annual retail sales growth rose to 17.9% in September from a revised 8.9% in August, bolstered by sales of information and communications equipment, a Bank Indonesia survey showed.

The Central Bank of Myanmar has sharply reduced its sales of US currency to private banks since late October. Since the end of last month, the Central Bank has decreased its sales of US currency by around USD3 million per day, in the face of a strengthening US economy, a weakening kyat and a widening trade deficit in Burma.

Vietnam's minimum monthly salary is to increase by between VND250,000-VND400,000 starting next year. Under a government decree that takes effect January 1, 2015, Vietnam will raise the wage floor to VND2.15 million–VND3.1 million, depending on the location.

North East Asia

China's annual consumer inflation remained near a five-year low in October at 1.6% unchanged from September, allowing more room for monetary easing as growth momentum slips in the country. A 2.5% increase in food costs last month was offset by a 1.2% increase in non-food items.

China's PPI dropped 2.2% y-o-y in October. The PPI declined for the 32nd straight month and in a faster pace than the previous month, which indicated existing pressure from subdued manufacturing activities and economic growth momentum. The PPI had dropped 1.8% y-o-y in September, 1.2% in August and 0.9% in July.

Japan government will aim to lower the effective corporate tax rate by at least 2.5 percentage points in fiscal 2015. The tax rate currently stands at 35.64% for companies based in Tokyo.

South Korea's economic territory will expand to take up about 72% of the world's GDP once the free trade agreement with its biggest trade partner China takes effect. The free trade deal with China was a necessity for Korea which relies for more than 80% of its GDP on trade. The Korea-China FTA which was concluded yesterday is estimated to increase 2-3% of Korea's total GDP, with especially electronics, electrical, machinery and chemical sectors benefiting.

Australasia

The number of Australia's home loans financed has fallen 0.7% in September. However, despite the number of home loans decreasing, the value of housing finance increased in September. The figures reveal an increase of 2.3% in the total value of home lending.

New Zealand's central bank year-old contentious limits on risky house lending are expected to be gradually phased out in the coming year as tame inflation and a slower housing market have reduced the need for them. For the past year retail banks have been restricted to no more than 10% of new home loans for borrowers with deposits of less than 20% of a property's value - called high loan-to-value ratio lending (LVR).

Indian Sub-Continent

The Reserve Bank of India (RBI) has tightened rules for so-called "shadow banks" (also known as non-banking financial companies), raising minimum capital requirements and restricting deposits with a set of changes. RBI tightened Tier 1 capital requirements and they would need to hold capital levels of at least of IDR10 million by the end of March 2016 and IDR20 million by end-March 2017 to avoid losing their right to operate.

Middle East and North Africa

Egypt's annual urban consumer inflation increased to 11.8% in October from 11.1% in September. Inflation fell last month after a rise this summer triggered by the government's introduction of fuel price increases.

Kuwait's government is looking at adjusting its petrol subsidies in order to reduce waste, in a fresh sign that authorities are using this year's oil price plunge to push economic reforms.

Turkey's calendar-adjusted industrial production expanded 2.2% y-o-y in September. The sub sectors of industry, mining and quarrying index increased by 8.9%, the manufacturing index increased by 1.1% and electricity, gas, steam and air conditioning supply index increased by 6.4% in September 2014, compared with the same month last year.

UAE consumers are more optimistic about employment and regular income in 2014 compared with the previous year, according to MasterCard's Consumer Confidence Index released. The index showed that consumer sentiment in the UAE remains steady and optimistic, with a score of 88.7 during the first half of 2014. However, the score is lower than the 94.7 achieved during the second half of 2013.

Eastern Europe

Russia's central bank will allow the ruble to float freely in the market. The Bank of Russia will eliminate the dual currency trading band with the dollar and euro that it has been setting for the ruble. It will also halt regular interventions when the ruble reaches set boundaries. The ruble dropped 14% against the dollar in the past month, due to economic sanctions imposed and the falling price of Russian crude oil. The ruble has continued to depreciate. Russia's foreign reserves have shrunk by about USD80 billion since the beginning of the year.

Western Europe

Italy's industrial production fell by 0.9% m-o-m in September. August's figure was revised down to 0.2% from 0.3%. The decrease was led by a 3.2% decrease in consumer goods, seen as a key driver of Italy's economic recovery, followed by a 2.4% slip in investment goods and a 0.8% decline in intermediate goods.

British retail spending recovered modestly last month after falling sharply in September, helped by consumers splashing out on big-ticket items like furniture, an industry survey showed. The British Retail Consortium said October total retail spending was 1.4% higher than a

year ago, compared with a 0.8% fall in September, the steepest annual drop since April 2012.

Oil & Gas News

Brent for December settlement was 19 cents lower at USD82.15 a barrel on the London-based ICE Futures Europe exchange.

Natural gas for December delivery dropped 15.7 cents, or 3.6%, to settle at USD4.255 per million British thermal units on the NYMEX after rising to USD4.544, the highest intraday price since June 26.

Commodity News

Gold for immediate delivery increased as much as 0.5% to USD1,157.30 an ounce, and was at USD1,156.91 at 9:20 a.m. in Singapore.

Copper futures for December delivery fell 0.6% to settle at USD3.02 a pound at 1:13 p.m. on the Comex in New York.

Currency News

The U.S. currency was little changed at 114.76 yen at 10:22 a.m. in Tokyo from yesterday, when it rose 0.2% to 114.86.

The ruble jumped 2.3% to 45.5910 per dollar by 7:28 p.m. in Moscow, the biggest advance since it surged the most in at least 11 years on Oct. 30.

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-Nov-14	1,177.97	4.41	83.39	18.91	1.60	2.05	1.30	0.90	9377.34	88.94	2.58	34.77	25.39	3,286.39
11-Nov-14	1,155.22	4.29	82.12	19.14	1.61	2.05	1.29	0.89	9423.29	88.63	2.58	34.83	25.43	3,304.11
% Change	-1.93	-2.72	-1.52		0.27	-0.11	-0.57	-0.78	0.49	-0.35	-0.03	0.17	0.14	0.54

Economic & Financial News

Research & International Division

12/11/2014

*... Japan posted a large current account surplus ...
... Russia's central bank has been forced to step up its gold buying ...*

South East Asia

Philippine export earnings expanded by 15.7% on year to USD5.84 billion in September. Electronic products remained as the country's top export in September, accounting for 41.8% of total exports revenue. Receipts from electronic products went up by 13.6% on year to USD2.44 billion.

Malaysia's Industrial Production Index (IPI) grew by 5.4% in September 2014 compared with the same month last year, contributed by the positive growth in all three indices of manufacturing, mining and electricity. The IPI for August remained unchanged at 6.5% y-o-y.

Malaysia's consumer confidence index has steadily rose since the start of the year to 99 points in the Q3 of this year. According to the latest Nielsen Global Survey of Consumer Confidence and Spending Intentions, Malaysian consumers' confidence was previously at 92 points during the Q1, which is the lowest point between 2010 and this year. The index however inched up one point to 93 on Q2.

Singapore rental prices continued to fall in October, marking the ninth consecutive monthly decline in rental prices as rents dipped 0.9% m-o-m, according to SRX Property.

Vietnam is proposing the cutting of the export duty on gold jewellery from 25 to 30% to 0 to 2%. Under the finance ministry's draft circular, gold jewellery that is below 95% in purity will be exempted from the tax while those with more than 95% purity will be assessed a 2% tax.

North East Asia

Japan posted a large current account surplus in September, the third consecutive monthly surplus, as a weaker yen lifted the value of overseas investment income. Japan logged a surplus of JPY963 billion in the current account, up 61.9% from a year earlier.

The number of corporate bankruptcies in Japan dropped 16.5% in October from a year before to 800. The number was down for the first time in two months. Total debts left by failed companies fell 20.1% to JPY124.11 billion, down for the ninth straight month, Tokyo Shoko Research said.

Japan's central government debt stood at JPY1,038.9 trillion at the end of September, slightly down from the record high of JPY1,039.4 trillion three months earlier. The first decrease in debt since the three months through March 2013 came as the government curtailed the issuance of financing bills for short-term needs in the July-September period this year.

South Korea's government has spent KRW154 billion (USD140 million) in interest on its loans in the first nine months of the year to cover a drop in tax revenues as it front-loads its budget.

South Korea's jobless rate remained unchanged from a month earlier in October, but the pace of job creation slowed to a four-month low. The country's jobless rate stood at 3.2% last month. The seasonally adjusted jobless rate also remained unchanged from a month earlier at 3.5%.

South Korea's import prices extended their fall in October compared with a year earlier as global oil prices dropped. In local currency terms, import prices fell 7.4% on-year last month, slowing from an 8.9% drop in September. It marks 26 straight months of an on-year fall in import prices.

The economic slowdown in 2013 led South Korean companies to decrease their social contribution outlays, a report by Federation of Korean Industries. Local businesses spent little over KRW2.81 trillion on various commitments, down a sharp 13.6% from KRW3.25 trillion the year before.

Taiwan's national tax revenues could surpass the government's target of TWD1.87 trillion (USD61.13 billion) by TWD90 billion this year, with tax income expected to reach its highest level since 2007.

Australasia

Australian wages excluding bonuses rose by 0.6% from the Q2, reflecting ongoing weak conditions for businesses and pointing to low inflation and interest rates for the foreseeable future.

Australia's Westpac consumer-sentiment index rose 1.9% over the month, with some strength in stock prices and some stabilisation in the Australian dollar, which fell sharply in September. The index rose to 96.6 points in November from 94.8 points in October.

New Zealand's financial system remains sound but risks in New Zealand's dairy sector have increased as prices for milk products have fallen, the country's central bank said in a statement. However, the central bank expected that dairy prices to recover "somewhat" from early next year, with prices supported over the longer term by growing Chinese demand associated with rising incomes and urbanisation.

Indian Sub-Continent

The Indian government has frozen the budget subsidy for cooking gas at Rs. 20 a kg. This will not mean any increase in price for the consumer right away. With the per-kg budget subsidy fixed, the government will now push the oil companies to ensure it reaches poor people who need the subsidy more but are unable to afford the bigger cylinders.

Middle East and North Africa

The total value of Egyptian exports in October has reached USD1.309 billion, recording a 12.52% decrease compared to September levels that stood at USD1.497 billion.

Kuwait plans more than USD40 billion of investment to significantly increase its capacity to produce oil and gas. The Gulf nation aims to raise the amount of crude oil it can pump by one-quarter, to 4 million barrels per day, by 2020.

Qatar's crude oil production fell in September to 690,000bpd but QP's "redevelopment" plans should stabilise output to around 700,000bpd. In recent years, Qatar Petroleum has implemented a "redevelopment programme" to steady production at its oil fields.

Tunisia's trade deficit has worsened from January to October 2014 to TND11,779.5 million from TND9,893.3 during the same period in 2013, due to the 3.4% decline in the coverage of imports by exports to 69.8%.

Eastern Europe

Russia's central bank has been forced to step up its gold buying this year to absorb domestic production that Western sanctions are making it hard for miners to sell abroad, and to boost liquidity in its foreign reserves. Most Russian gold mine production is sold to domestic commercial banks, which can then sell the metal on to either the central bank or to foreign banks.

Western Europe

Germany's biggest union, IG Metall, will seek a wage rise of up to 5.5% next year for the 3.7 million workers in the country's metals and engineering sector. The union said it would also demand a right to job-related training and better conditions for older part-time workers as part of the upcoming wage round.

North America

Mexican industrial production fell in September, dragged down by falling oil output and a dip in construction activity while factories recovered from a slump in the prior month. Industrial activity fell 0.1% in September compared with 0.2% expansion in August.

South America

Brazil's government is asking congress for authorisation to ease its fiscal target this year. The government submitted a bill to increase the amount it can discount from the 2014 primary budget, to include all tax breaks and investments in infrastructure. Currently it can discount only as much as BRL67 billion (USD26 billion) for the same items.

Chile's CPI rose 1% in October from September. Year-to-date Chile's CPI is now up 5.1% – and over the last twelve months 5.7% – far from Banco Central's target range of 3%.

Oil & Gas News

Brent for December settlement declined as much as 85 cents to USD80.82 a barrel on the London-based ICE Futures Europe exchange and was at \$80.92 at 3:48 p.m. Singapore time.

Commodity News

Gold for immediate delivery traded at USD1,156.89 an ounce in London yesterday and is about 40% below the record reached in September 2011.

Currency News

The yen gained 0.4% to 115.36 per dollar at 7:08 a.m. in London, having declined as much as 0.2%.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
11-Nov-14	1,155.22	4.29	82.12	19.14	1.61	2.05	1.29	0.89	9423.29	88.63	2.58	34.83	25.43	3,304.11
12-Nov-14	1,164.91	4.18	80.9	19.35	1.60	2.05	1.29	0.90	9429.51	89.05	2.59	34.80	25.43	3,283.50
% Change	0.84	-2.56	-1.49		-0.26	-0.20	0.16	0.25	0.07	0.47	0.36	-0.09	0.01	-0.62

Economic & Financial News

Research & International Division

13/11/2014

*... Indonesia aims for economic growth of 5.8% next year ...
... India's CPI hits record low of 5.52% ...*

South East Asia

Cambodia decided to increase the monthly minimum wage in the garment sector to USD123, up 23% from the current USD100. The new minimum wage will be implemented from Jan. 1, 2015 onwards.

Indonesia's new government aims to achieve annual economic growth of between 5.5% to 5.8% in 2015, faster than the 5.1% forecast for this year. In July-September, Southeast Asia's largest economy grew 5.01% from a year earlier, its slowest pace in five years.

Bank Indonesia is expected to hold its benchmark interest rate at 7.5% on Thursday even though economic growth fell to its slowest pace in five years during the Q3.

Malaysia's current account surplus is expected to narrow further in the Q3 on the back of slower export growth, as well as possibly higher outflow of foreign funds. It was expected that the surplus to fall to MYR10.6 billion in the Q3, from MYR16 billion in the Q2.

Standard and Poor's Ratings Services said the outlook for the Thai banking sector remains stable despite the political instability at the beginning of the year. The government's approval of infrastructure mega-projects could help the sector by fuelling loan growth.

North East Asia

Core private-sector machinery orders in Japan rose a seasonally adjusted 2.9% in September from the previous month to JPY831.6 billion (USD7.2 billion). It is the fourth straight month of growth of the core machinery orders after a 4.7% rise in August and a 3.5% growth in July. In September, orders from the manufacturing sector increased 12% to JPY363.7 billion, while those from non-manufacturers were up 1.7% to JPY478.3 billion.

Outstanding bank lending in Japan increased 2.4% in October from a year before, up for the 36th consecutive month, the Bank of Japan said. The daily average balance of loans JPY480.78 trillion. The pace of increase was the biggest since June 2009, expanding from 2.3% growth for September.

South Korea's central bank kept its policy interest rate steady, to assess the effects of this year's two rate cuts as well as policy decisions in the U.S. and Japan. The Bank of Korea's monetary policy committee left its base rate unchanged at 2%.

South Korea's home transactions jumped significantly from a year earlier last month. In October, the total number of home transactions surged 20.4% on-year to 108,721. The figure is the second-highest for October since 2006.

South Korea's unemployment rate remained unchanged in October but the number of young people out of work eased slightly. The seasonally adjusted jobless rate stood at 3.5% for the second straight month. Unemployment among those aged 15 to 29 stood at 8%, down 0.5 percentage points from a month earlier.

South Korea's bank lending to households rose in October by the biggest monthly amount in nearly seven years, led by mortgage borrowings. Bank lending to households rose by a net KRW6.4 trillion (USD5.82 billion) during October, far more than a KRW4.3 trillion gain in September.

Australasia

New Zealand's consumer confidence has slid to its lowest levels in more than a year, but people are still overwhelmingly upbeat. The ANZ-Roy Morgan survey out today shows its confidence index down to 121.8 this month, slightly lower than in October.

Indian Sub-Continent

India's consumer price inflation slowed further to hit a record low of 5.52% in October 2014, from 6.46% in September, following a decline in food prices and a simultaneous increase in industrial production.

India's industrial output grew 2.5% y-o-y in September, the fastest in the past three months led by a spurt in the capital goods segment. In August, industrial output rose an annual 0.5%.

Middle East and North Africa

Iran ranked 3rd in the world and first in the region in cement production. Iran produced 70 million tons of cement in the year ending March 20, 2014. Around 18 million tons of cement were exported during the same period and predicted that cement output will reach 78 millions tons by March 2015, of which 24 million tons will be exported.

Kuwait's government budget surplus reached USD30.84 billion in the first six months of this fiscal year as expenditure remained well below the initial plan. The major oil exporter's public spending was KWD6.12 billion dinars in April-September, below KWD11.61 billion dinars originally planned for the period. It was equivalent to only 26% of the KWD23.21 billion dinar spending plan for the 2014/15 fiscal year.

Saudi Arabia's inflation eased to 2.6% in October. Prices of food and beverages rose 3.5% y-o-y in October and 1% from the previous month. Housing and utility costs increased 2.8% on an annual basis.

Eastern Europe

Russia's price for gasoline is expected to rise steeply next year as new duties and an imbalance of supply and demand take their toll, putting further pressure on the already staggering economy. Since the beginning of the year the prices for gasoline at fuelling stations in Russia have grown by 8 to 10% which was slightly higher than the rate of inflation, which is at around 8%.

North America

The average price of U.S. gasoline will be below USD3 a gallon in 2015, the government predicted. If the sharply lower estimate holds true, U.S. consumers will save USD61 billion on gas compared with this year.

U.S. wholesale businesses posted a modest gain in their stockpiles in September as sales rebounded from a big decline the previous month. Stockpiles at the wholesale level increased 0.3% in September following a 0.6% rise in August. Sales by wholesalers rose 0.2% in September after a sharp 0.8% August decline.

Oil & Gas News

Brent for December settlement dropped as much as 50 cents to USD79.88 a barrel on the London-based ICE Futures Europe exchange.

Commodity News

Bullion for immediate delivery fell as much as 0.4% to USD1,157.54 an ounce, and traded at USD1,158.75 by 9:07 a.m. in Singapore.

Nickel for delivery slid 0.2% in three months on the London Mercantile Exchange to USD15,575 a metric ton at 10:15 a.m. in Hong Kong.

Corn futures for December delivery rose 1.1% to close at USD3.7775 a bushel at 1:15 p.m. on the Chicago Board of Trade.

Currency News

The Aussie dollar dropped 0.2% to 87.04 U.S. cents at 12:30 p.m. in Tokyo, after earlier dropping to as low as 86.7.

The ruble rallied 1.5% to 45.6495 per dollar by 7 p.m. in Moscow, reversing a drop of as much as 0.3% earlier.

The Brazil's real declined 0.5% to 2.5682 per U.S. dollar at the close of trade in Sao Paulo after rising 0.8% earlier today.

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-Nov-14	1,164.91	4.18	80.9	19.35	1.60	2.05	1.29	0.90	9429.51	89.05	2.59	34.80	25.43	3,283.50
13-Nov-14	1,161.92	4.14	80.01	19.33	1.61	2.06	1.29	0.89	9450.01	89.48	2.58	34.76	25.41	3,301.57
% Change	-0.26	-0.96	-1.10		0.47	0.60	0.17	-0.75	0.22	0.48	-0.23	-0.12	-0.06	0.55

Economic & Financial News

Research & International Division

15/11/2014

*... Eurozone posts better than expected growth of 0.2% in Q3 ...
... China's October industrial output slows to 7.7% ...*

South East Asia

Indonesia posted a balance of payments surplus of USD6.5 billion during July to September, bigger than the USD4.3 billion surplus it had in April-June. A surplus of USD13.7 billion was recorded during the Q3's financial and capital account, which offset a USD6.8 billion deficit — equivalent to 3.07% of GDP — in its current account.

Indonesia's coal output last month was in the range of average monthly production, signaling that recent regulation requiring permission to export the commodity had no significant impact. National coal production hit 346 million tons during the January to October period this year.

Malaysia's economy grew at its slowest pace this year during the Q3, as annual growth slipped to 5.6% from a revised estimate of 6.5% growth in the previous quarter, with exports struggling against a fragile global economy.

The number of tourists arriving in Thailand in October rose for the first time since January, up 6.14% from a year earlier. Overall foreign tourist numbers were 2.18 million in October compared with 1.86 million in September.

North East Asia

China cuts the retail price of gasoline by CNY190 (USD30.95) and that of diesel by CNY180 per tonne. The adjustment, effective today, means retail prices will drop by CNY0.14 per liter for gas and CNY0.15 per liter for diesel. The cut has marked the eighth of its kind since July.

China's new yuan-denominated lending in October hit CNY548.3 billion (USD89.3 billion), up CNY42.3 billion y-o-y. Total social financing in October hit CNY662.7 billion, a sharp drop of CNY472.8 billion compared with September. It also represented a fall of CNY201.8 billion compared with the same period last year.

China's fiscal revenue rose 9.4% y-o-y in October, up from a 6.3% rise in September. Revenue stood at CNY1.33 trillion (USD216.2 billion). In the first ten months, fiscal revenue went up 8.2% to CNY12 trillion.

China's industrial output grew 7.7% y-o-y in October, down from an 8% increase in September. For the first 10 months, industrial production growth decelerated to 8.4% y-o-y, down 0.1 percentage points from the first nine months of 2014.

China's retail sales climbed 12% y-o-y to CNY21.31 trillion (USD3.47 trillion) in the first ten months of the year. The country's retail sales in November grew 11.5% from a year ago, with the growth pace falling for five straight months.

China's urban fixed asset investment rose 15.9% from a year earlier to CNY40.62 trillion (USD6.62 trillion) in the first 10 months of 2014. The pace of increase slowed further from the 16.1% growth registered in the January-September period and 20.1% rise posted in the same 10 months last year.

Hong Kong's economy regained some momentum in the Q3, growing by 2.7% in real terms over a year earlier, up from the 1.8% growth in the Q2. This was underpinned by a relative improvement in both services exports and private consumption.

South Korea logged a record high trade surplus in October, thanks to robust exports of chips, ships and oil-related products. The country's overall exports came to USD51.64 billion last month, up 2.3% from the same month last year. Imports declined 3% on-year to USD44.26 billion.

Indian Sub-Continent

India's wholesale inflation eases to five year-low of 1.77% in October. The reading for Wholesale Price Index (WPI) inflation in September was 2.38%. While primary articles inflation dipped to 1.43% versus 2.18% in September, food articles inflation came in at 2.7% versus 3.52% in September.

Western Europe

The eurozone annual inflation rate rose to 0.4% in October from 0.3% in September. The largest upward impacts to euro area annual inflation came from restaurants & cafes, rents and tobacco, while fuels for transport, telecommunications and heating oil had the biggest downward impacts.

GDP in the eurozone expanded by 0.2% in the Q3 of 2014, compared with the previous quarter, with its two biggest economies German and France both narrowly escaped a new recession. Meanwhile, the economy in the 28-nation European Union (EU) expanded 0.3% from the previous quarter.

German economy expanded slightly by 0.1% in the Q3 of 2014 following a contraction in previous months. The growth was mainly driven by private consumption which increased considerably during the period. Net exports also had a slightly positive effect on the economic expansion. Overall investments, however, was decreased.

Greek economy posted an increase of 1.7% y-o-y in the Q3 after six years of recession. The growth is another clear sign of the economy recovering from its worst recession since the Second World War and is ready to exit as soon as next month the international bailout program which kept the country afloat over the past four years.

Italy's GDP fell 0.1% in Q3 2014 compared to the previous three months. During the July to September period, the GDP was 0.4% lower with respect to the same period last year. The Italian economy had zero growth in the January to March period and was down 0.2% in the April to June period. The country's industrial production in all sectors experienced the worst y-o-y performance in September since the same month in 2013.

North America

The U.S. federal government started the new budget year with a higher deficit in October than a year ago. The deficit was USD121.7 billion in October, up USD31.1 billion from a year ago. However, that deterioration reflected the fact that the government had to send out USD41 billion in November benefit payments in October because Nov. 1 fell on a Saturday.

U.S. retail sales rose modestly in October, evidence that recent job gains and lower gas prices are lifting consumer spending as the holiday shopping season begins. Retail sales rose 0.3% last month after falling by the same amount in September.

South America

Argentina's monthly inflation rate eased to 1.2% in October. Argentina's government overhauled its inflation index earlier this year and does not yet publish an annualised rate. Prices rose 21.4% between January and October.

Brazil trimmed 30,283 net payroll jobs in October for the first time in at least 15 years. The numbers point to a likely increase in the jobless rate, a potential blow to newly re-elected President Dilma Rousseff, who has pledged to shore up government finances and stem inflation without increasing unemployment.

Brazilian retail sales rose 0.4% in September for a second straight month and closed the Q3 narrowly in the black, though growth remains sluggish amid generally weak economic conditions. Compared with September 2013, sales were up 0.5%.

Oil & Gas News

Brent for January settlement climbed USD1.92 to end the session at USD79.41 a barrel on the London-based ICE Futures Europe exchange.

Commodity News

Gold futures for December delivery rose 2.1% to settle at USD1,185.60 at 1:38 p.m. on the Comex in New York. Earlier, the price reached USD1,192.90.

Currency News

The yen slid 1.5% to 116.29 per dollar this week in New York, and reached 116.82, the weakest level since October 2007.

The U.K. pound weakened 1.8% from Nov. 7 to 79.93 pence per euro, the biggest weekly loss since February last year, as of 5:13 p.m. in London.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
13-Nov-14	1,161.92	4.14	80.01	19.33	1.61	2.06	1.29	0.89	9450.01	89.48	2.58	34.76	25.41	3,301.57
15-Nov-14	1,188.75	4.02	79.41	19.75	1.61	2.03	1.29	0.89	9434.85	89.67	2.58	34.73	25.39	3,315.67
% Change	2.31	-2.90	-0.75	-0.02	-1.40		0.09	-0.13	-0.16	0.22	-0.08	-0.09	-0.08	0.43

Economic & Financial News

Research & International Division

18/11/2014

*... Brazil to cut public spending that does not support domestic consumption or investment...
... End of Q3 saw 174,000 jobless bachelor's degree holders in Vietnam ...*

South East Asia

Indonesia raised subsidised fuel prices by more than 30%, a move that is expected to save the government more than USD8 billion next year. Indonesian fuel prices, among the cheapest in the world, were raised by IDR2,000 per litre, with subsidised gasoline now costing IDR8,500 rupiah a litre and diesel IDR7,500.

Philippines tax collections in October rose by 6.5% y-o-y, but it still fell short of the target for the month. The country's collections last month reached PHP101.8 billion, higher than the PHP95.6 billion registered in the same month last year.

Philippines' government spending y-o-y increased by PHP74.5 billion, or 6.1% to PHP1.296 trillion by August this year to address spending for high-impact infrastructure projects. The 5.4% growth in infrastructure spending by August this year and other capital outlay reached PHP176.2 billion in the first eight months of 2014 from last year's PHP169.6 billion.

Thailand's economy in Q3 grew slightly on modest consumption and investment, but months of sluggish exports continued to dash the government's hopes for a quicker recovery. Q3 GDP grew 0.6% compared with the same period last year.

Some 174,000 bachelor's degree holders in Vietnam were jobless as of the end of Q3 this year, accounting for 16.8% of the country's total unemployed people. As of the end of Q2 this year, the number of jobless bachelors stayed at 147,000. In Q3, the rate of unemployment among people of the working age was 2.17%, 0.33% higher than the previous quarter's 1.84%.

North East Asia

Japan's GDP shrank an annualised 1.6% in Q3 this year. Real GDP of Japan in the reporting quarter was down 0.4% from the previous quarter. The Japanese economy contracted an annualised 7.1% in Q2 following the first round of tax increase from 5% to 8% on April 1.

The number of part-time workers in South Korea has topped the 2-million mark, as the government is striving to create more jobs amid concerns that the economy may relapse into a slowdown. The number of part-time workers had reached 2.03 million as of August, up 7.9% from a year earlier.

Australasia

New Zealand retail sales volumes rose a seasonally adjusted 1.5% in Q3 from three months earlier, led by supermarkets and grocery stores. Unadjusted sales rose 4.1% from a year earlier. A quarterly gain of 0.8% for an annual increase of 4%.

Indian Sub-Continent

Indian exports shrunk 5.04% to USD26 billion in October and at the same time its imports grew by 3.26% due to increased gold imports, pushing India's trade deficit up. In October this year, Indian imports were USD39.45 billion, against USD38.07 billion in October 2013. Gold imports last month jumped to USD4.17 billion from USD1.09 billion a year ago.

Pakistan received FDI of USD423.8 million in July-October, 47.1% higher than the FDI received during the same four-month period of the preceding fiscal year. FDI increased by USD135.7 million y-o-y in July-October, as it amounted to USD288.1 million in the first four months of 2013-14. FDI remained USD254.3 million in October, up 208% from the preceding month.

Middle East and North Africa

Iran exported USD7.5 billion worth of gas condensates in the seven months ending October 22. China and other Asian states were the main destinations of Iranian gas condensate exports. Iran sits atop the world's largest natural gas reserves.

Morocco's trade deficit was MAD159.69 billion at the end of October, 5.6% less than a year earlier. Exports rose 8.2% to USD164.58 billion in the first 10 months of 2014, with goods sold overseas by the auto sector surging 29.3% and electronics exports jumping 25.3%. Aviation exports climbed 2%.

Unemployment in Turkey reached double digits in August, up from 9.8% in July and the highest since February. Around 2.94 million people were unemployed as of August, an increase of 77,000 from the month of July. Youth unemployment hit 18.9% in August, the highest it has been since January 2011.

Yemen's annual inflation rate hit a one-year high of 10% in August from 8.9% in July, while central bank reserves fell further in September, as the country continues to face political uncertainty.

Eastern Europe

Russian inflation will exceed forecasts to reach 9% by year end and rise further in early 2015 because of the rouble's weakness. The rouble has weakened some 30% versus the dollar this year, as Western sanctions over the Ukraine crisis have made it harder for banks and companies to refinance foreign currency debts and as tumbling oil prices have hurt government revenue.

The Russian government will support major oil producers and tame consumer inflation. Russia expected to produce 525 million tonnes of crude oil this year. By the end of October, growth of customer prices in Russia amounted to 8.4% and food prices alone grew by 11.4% in September.

Western Europe

Germany's economy is likely to limp along in Q4 given tepid global demand and the lack of tangible recovery in most EU countries. Germany's economy advanced just 0.1% in Q3 from Q2, prompting concerns that low energy prices, export benefits from a weaker currency, and solid growth in private consumption will not do enough to lift the country out of the stagnation.

Italian exports increased 7.4% in September in comparison to the same month in 2013 and 1.5% compared to in August this year. Italy had a trade surplus of EUR2 billion in September, EUR700 million more than in the same month in 2013.

Spain's trade deficit reached EUR18.854 billion during the January-September period this year, a 71% increase compared to the same period in 2013. Both imports and exports increased in the first nine months of the year. Imports increased by 6% y-o-y to a total of EUR197.245 billion. Exports increased by 1.9% y-o-y to a total of EUR178.390 billion.

South America

Brazil will cut public spending that does not support domestic consumption or investment to meet its fiscal target next year. The objective of the spending cuts is for Brazil to post a primary budget surplus, which excludes interest payments, of 2% of GDP in 2015.

The Brazilian central bank's IBC-Br economic activity index rose 0.4% in September from August in seasonally adjusted terms. Economic activity in Q3 rose a seasonally-adjusted 0.6% from Q2.

Oil & Gas News

Brent for January settlement dropped 10 cents to USD79.31 a barrel on the London-based ICE Futures Europe exchange yesterday.

Natural gas for December delivery advanced 32.1 cents to settle at USD4.341 per million British thermal units on the New York Mercantile Exchange.

Commodity News

Bullion for immediate delivery traded at USD1,184.72 an ounce at 9:12 a.m. in Singapore from USD1,186.57 yesterday.

Currency News

The rupiah strengthened 0.5%, the most since Oct. 29, to 12,146 per dollar as of 8:53 a.m. in Jakarta.

The yen was little changed at 116.75 per dollar at 9:19 a.m. in Tokyo.

The euro fell 0.6% to USD1.2450 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
15-Nov-14	1,188.75	4.02	79.41	19.75	1.61	2.03	1.29	0.89	9434.85	89.67	2.58	34.73	25.39	3,315.67
18-Nov-14	1,185.96	4.28	78.98	18.45	1.63	2.04	1.30	0.88	9410.88	89.41	2.58	34.64	25.31	3,301.65
% Change	-0.23	6.47	-0.54	0.93	0.40	0.14	-1.16	-0.25	-0.29	-0.08	-0.25	-0.34	-0.42	

Economic & Financial News

Research & International Division

20/11/2014

*... Russia's hard currency reserves have fallen ...
... Japan's trade deficit narrowed by more than a third ...*

South East Asia

Cambodia's microfinance sector continued to experience rapid growth as loan disbursements reached USD1.79 billion over the first three quarters of 2014, a y-o-y increase of 51%.

Money earned by the Philippines from overseas continued to dwindle in October as volatility in financial markets drove cash to other more stable markets. The country's balance of payments (BOP) surplus at USD24 million for October, or the worst since the USD24-million deficit in June.

Thai cars and trucks export volume in October dropped 3.54% to 93,413 units y-o-y due to lower exports to the Middle East, Africa, Central America, and South America. However, the export value rose 1.48% to THB43.973 billion. For the January-October period, the export volume declined by 1.25% to 923,365 units but the value rose 3.08% to THB440.151 billion.

Bad debts in Vietnam's troubled banking system could fall sharply by year-end to 2.5 to 2.7% of total loans thanks to debt restructuring and tighter supervision. Toxic debt eased to 3.88% of bank loans in September from 3.9% in the previous month, compared with 17% in September 2012.

North East Asia

Japan's trade deficit narrowed by more than a third y-o-y in October, helped by higher exports and lower oil prices. The deficit came to JPY709.9 billion against the year-before shortfall of JPY1,100.4 billion, logging a drop of 35.5%. Exports rose 9.6% to JPY6.7 trillion, chalking up the strongest growth in eight months on higher shipments of cars, ships and steel. Overall imports increased 2.7% to JPY7.4 trillion. Oil imports fell 10.8% partly reflecting lower prices.

Japan's gasoline prices dropped for the 18th straight week as of Monday due to falling crude oil prices. The average retail price of regular gasoline fell JPY0.4 from a week before to JPY159.1 per litre, its lowest level since the country's consumption tax was raised in April. Gasoline prices are expected to continue to drop slightly next week, due to weaker supply and demand.

Growth in Japanese manufacturing activity slowed slightly in November but output grew at the fastest pace since March. The Markit/JMMA flash Japan Manufacturing PMI fell to a seasonally adjusted 52.1 in November from a final 52.4 in October.

The number of visitors to Japan in January-October grew 27.1% from a year before to 11,009,000, already topping the full-year record of 10,363,904 marked in 2013.

The Japanese government asked the business sector to raise employee wages to help prop up the flagging economy, which has been seriously affected by sluggish consumer spending following the hike in the consumption tax rate in April.

China's manufacturing activity dropped to a six-month low, according to HSBC'S preliminary purchasing managers' index (PMI). The HSBC flash manufacturing PMI for November dropped to 50.0 from the October final reading of 50.4.

South Korea's national tax revenues increased about KRW300 billion (USD269.1 million) on-year in the January-September period but the rate of collection slowed. The government collected KRW152.6 trillion in national taxes during the cited period, up from KRW152.3 trillion won tallied a year earlier.

Producer prices in South Korea declined for a third straight month in October, due mainly to decreasing oil prices and a fall in prices of vegetables and other agricultural goods. The producer price index stood at 104.56 in October, slipping 0.7% on-year, compared with a 0.5% fall in September.

South Korea's short-term foreign debt decreased in the Q3 of 2014 from three months earlier on a fall in banks' overseas borrowing. The country's short-term external debt totalled USD126.1 billion as of end-September, down USD5.7 billion from three months ago.

The number of construction permits issued for new South Korean homes here rose significantly from a year earlier in October, marking the 10th consecutive month of an on-year increase. The number of new home permits issued last month came to 45,475, up 36.4% from the same month last year.

Australasia

Finance Minister Bill English is warning next month's half yearly fiscal and economic update from the Treasury may not forecast a budget surplus, saying that returning the government's accounts to surplus in 2015 will be "a challenge", given the decline in commodity prices and weak global inflation.

Indian Sub-Continent

Indian government needs to infuse as much as INR2.4 trillion (USD38.78 billion) into state-owned banks by end-March 2019 to meet different kinds of capital requirements including Basel III, provisioning for asset quality, and additional risks.

Pakistan logged a 28.5% rise in current account deficit to USD1.759 billion during the first four months of 2014/15 fiscal year over the same period last year, mainly because of widening trade deficit. The current account deficit was recorded at USD1.368 billion in July-October last fiscal year.

Middle East and North Africa

Algeria's crude oil and natural gas exports fell 1.02% in the first half of 2014 from a year earlier, causing a 1.37% decline in energy earnings. Algeria relies heavily on energy exports to finance state development and social programmes. The country's oil and gas production has stagnated since 2010 due to a decline in exploration activity and a lack of foreign investment.

Kuwait real estate market maintained the same approximate level realised last month, whereby the total real estate deals value indicator dropped by 3.8% only, achieving an annual growth of 33% compared to October 2013. The total value of real estate deals reached KWD383.9 million.

Eastern Europe

Russia's hard currency reserves have fallen by the equivalent of almost USD100 billion in the past year to the lowest since early-2009, contrasting with a rise in holdings in many other emerging economies. Russian reserves stood at USD428.6 billion at the end of October, down from USD524.3 billion a year before due to multibillion dollar central bank interventions to defend the rouble. They have declined further to USD421.4 billion since then.

North America

U.S. construction of new homes fell slightly in October after a big surge in the previous month, but the weakness was largely driven by the volatile apartment sector. Builders started construction at a seasonally adjusted annual rate of 1.009 million last month. That was a drop of 2.8% from September when construction had jumped 7.8% to 1.038 million.

South America

Argentina had a primary budget deficit of ARS4.26 billion (USD500 million) in September, versus a surplus of ARS412.5 million in September 2013.

Brazil's unemployment rate fell for a third straight month in October, as demographic factors continued to limit the impact of a weak local economy on the job market. Joblessness in six major metropolitan areas declined to 4.7% last month from 4.9% in September.

Venezuela will increase taxes on luxury goods, alcohol and tobacco to help shore up the government's finances, the top tax official said, as falling oil prices threaten the OPEC member's coffers. Buyers of luxury goods, including cars worth more than USD30,000, will pay an excise tax of 15%, up from 10%.

Oil & Gas News

Brent for January settlement was 2 cents higher at USD78.12 a barrel on the London-based ICE Futures Europe exchange.

Commodity News

The soybeans contract for January delivery climbed as much as 0.7% to USD10.12 a bushel on the Chicago Board of Trade and was at USD10.11 by 2:23 p.m. in Singapore.

Currency News

The yen slid 0.5% to 118.56 per dollar at 2:08 p.m. in Tokyo after depreciating to 118.58, the weakest level since August 2007.

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-Nov-14	1,193.82	4.22	78.5	18.60	1.62	2.03	1.30	0.88	9365.05	89.86	2.58	34.62	25.27	3,331.42
20-Nov-14	1,184.24	4.39	78.07	17.78	1.63	2.03	1.30	0.89	9338.81	90.15	2.58	34.65	25.24	3,323.37
% Change	-0.80	4.03	-0.55		0.53	-0.06	0.21	0.43	-0.28	0.32	0.03	0.07	-0.12	-0.24

Economic & Financial News

Research & International Division

22/11/2014

*... Malaysia will abolish subsidies for petrol and diesel from December 1 ...
... Peru's government plans to cut taxes for companies and workers ...*

South East Asia

Malaysia will abolish subsidies for petrol and diesel from December 1, taking a bold step that could potentially save the government some MYR20 billion (USD5.97 billion) annually. Malaysia joins Indonesia and India in cutting fuel subsidies amid a sharp decline in oil prices, ending decades-long policies of cheap fuel that have contributed to fiscal deficits.

Malaysia's inflation rate rose 2.8% in October from year ago, due to a spike in transport costs. The CPI increased by 0.5% from September. For January to October, the CPI increased by 3.2%.

The Philippines' balance of payments (BOP) position for 2014 is seen ending in deficit this year from a previous forecast of a surplus. The BOP deficit will hit USD3.4 billion by year-end. The country registered a USD5.1 billion surplus last year.

Business confidence in Philippine economy improved in the Q4 due to an expected increase in consumer demand and the roll out of big-ticket infrastructure projects during the period. The overall confidence index rose to 48.3% in the October to December period from a three-year low of 34.4% recorded in the Q3.

Vietnam has slashed fuel prices for the tenth time this year, and the second within a fortnight, with the latest cut taking effect 11:00 am today, November 22. RON 92 gasoline lost VND1,140 a litre to go from VND21,390 to VND20,250 a litre, the lowest since 2011. The respective price cuts for diesel oil, kerosene, and fuel oil are VND585 a liter, VND459 a liter, and VND536 a kg. Diesel oil now sells at VND18,657 a litre, kerosene VND19,250 a litre, and fuel oil VND15,141 a kg.

The Ha Noi CPI fell 0.3% in November due to lower petroleum prices. There was a sudden change in September attributed to increased education costs at the beginning of the new academic year, followed by a slight increase of 0.04% in October.

North East Asia

Sales at Japan's department stores in October fell 2.2% from a year before on a same-store basis, down for the seventh consecutive month since April, when the consumption tax was raised. The margin of decline expanded from 0.7% in September, as typhoons made landfall in Japan on two consecutive weekends in the first half of October. All-store sales totalled JPY478.3 billion.

Monthly household income in South Korea grew 3% on-year during the Q3 as a hike in employment led to more earnings. The income of households consisting of two members or more averaged KRW4.39 million (USD3,948) per month during the July-September period, up from 4.26 million won a year earlier.

South Korea became a net holder of external asset. External investment reached a record high of USD1.05 trillion as of end-September, up USD10.2 billion from three months earlier. Investment of foreigners into domestic assets reduced USD23.1 billion to USD1.03 trillion in the same period.

Moody's Investors Service has retained its sovereign credit rating on South Korea at "Aa3." Korea has a strong external position, supported by its competitive export industries and large holdings of official foreign exchange reserves that reduce the economy's vulnerability to external shocks.

Middle East and North Africa

Lebanon's public revenues are expected to surge to LBP16 trillion (USD10.6 billion) in 2014, posting double-digit growth from LL14.2 trillion in 2013. The Lebanese government has already reported a large primary surplus of USD579.7 million in the first six months of 2014, compared with a much smaller surplus of USD16.5 million over the same period in 2013.

Morocco's consumer price inflation rose to an annual 0.6% in October from 0.1% in September, as non-food prices climbed. Non-food prices inflation rose 2.1% in the 12 months through October. The food price index dropped 1.3% from 2.3% in the last month.

Eastern Europe

Russian retail sales growth stagnated after the ruble had its worst month in more than two years and joblessness rose to the highest since April. Retail sales advanced 1.7% from a year earlier in October, the same rate as in September.

Western Europe

British public sector net borrowing was GBP7.7 billion (or USD12 billion) in October 2014. Public sector net borrowing excluding public sector banks from April to October 2014 was GBP64.1 billion, an increase of GBP3.7 billion compared with the same period a year earlier. At the end of October 2014, Britain's public sector net debt excluding public sector banks was GBP1,449.2 billion, equivalent to 79.5% of GDP.

The British retail industry rebounded strongly in October after a fall in September, driven by the strength of household goods sales. British retail sales rose by 0.8% m-o-m in October after a fall of 0.3% in September. Retail sales also increased by 4.3% in October compared with a year earlier.

North America

Mexico's economic recovery continued at a moderate pace in the Q3, with gains in agriculture, industry and services all contributing to growth. Gross domestic product expanded 2.2% in the July-September period, compared with the Q3 of 2013, and was up 0.5% from the Q2 in seasonally adjusted terms.

U.S. consumer prices were unchanged in October. CPI was unchanged in October on a seasonally adjusted basis, following a 0.1% increase in the previous month. Over the last 12 months, the index increased 1.7% before seasonal adjustment. Gasoline and other energy indexes declined.

U.S. existing home sales in October rose to its highest level since September 2013 and are above y-o-y levels for the first time in 2014. Total existing-home sales, which are completed transactions that include single-family homes, town homes, condominiums and co-ops, increased 1.5% to a seasonally adjusted annual rate of 5.26 million in October from a revised-up 5.18 million in September.

South America

Argentina's economy weakened slightly in September as high inflation and declining purchasing power curbed sales and industrial production. A proxy for economic growth published by the government fell 0.2% on the year. Growth was up 0.2% from August.

Brazilian government plans to deduct BRL106 billion in investments from its original primary surplus goal of BRL116 billion (USD46.12 billion) or the equivalent of 2.15% of GDP. That leaves a surplus of only BRL10 billion for the year or about 0.19% of GDP. Brazil's original 2014 budget law allowed the government to deduct up to BRL67 billion from the goal.

Peru's government plans to cut taxes for companies and workers and increase spending to offset a slump in investment hurting the USD202 billion economy. The government plans legislation to reduce the corporate tax rate to 28% from 30%. It is also proposing to cut the lowest income tax band for workers to 8% from 15%. Both changes would take effect Jan. 1.

Oil & Gas News

WTI for January delivery advanced 66 cents to settle at USD76.51 a barrel on the New York Mercantile Exchange.

Commodity News

Soybean futures for January delivery rose 1.8% to close at USD10.39 bushel at 1:15 p.m. on the Chicago Board of Trade.

Wheat futures for March delivery advanced 0.2% to USD5.535 a bushel, paring this week's decline to 1.6%.

Currency News

The Canadian dollar added 0.6% to CAD1.1233 per U.S. dollar at 5 p.m. in Toronto.

The euro weakened 1.5% to 145.99 yen at 5 p.m. New York time, reaching the steepest decline since June 2013.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
20-Nov-14	1,184.24	4.39	78.07	17.78	1.63	2.03	1.30	0.89	9338.81	90.15	2.58	34.65	25.24	3,323.37
22-Nov-14	1,201.55	4.27	80.36	18.82	1.63	2.04	1.30	0.89	9379.10	90.72	2.59	34.69	25.27	3,345.32
% Change	1.46	-2.73	2.93		0.18	0.40	-0.20	0.56	0.43	0.64	0.16	0.12	0.11	0.66

Economic & Financial News

Research & International Division

25/11/2014

*... Singapore's CPI slowed in October ...
... Brazil's tax receipts declined in October ...*

South East Asia

Malaysia's budget deficit could fall below 3% of GDP in 2015, the IMF said. Malaysia narrowed the fiscal deficit to 3.9% of GDP in 2013, and Prime Minister Najib Razak wants to further trim the gap to 3.5% this year and 3% in 2015, heading toward a balanced budget by 2020.

The Philippine Economic Zone Authority (PEZA) closed by approving PHP153.94 billion worth of investments in the first 10 months of the year. The approved investments increased the job generation inside PEZA economic zones nationwide by 14.28% to 1,148,469 jobs in January-October 2014, from 1,004,914 in the same period of 2013.

The collections of import duties and taxes at the Philippines ports jumped by more than a fifth last October to hit PHP34.16 billion, biggest-ever monthly haul thus far. The surge in collections last October came on the back of continued growth in the volume and value of imports.

Singapore's economy grew 3.1% on a seasonally adjusted and annualised basis in Q3, as manufacturing activity recovered. It was also a reversal from a 0.3% contraction in Q2. Manufacturing activity expanded 2.8% on quarter on a seasonally adjusted and annualised basis, compared with a 14.9% contraction in Q2.

Singapore's non-oil domestic export (NODX) for 2015 is tipped to move into positive terrain, growing between 1% and 3% y-o-y. The NODX grew 1.1% in Q3, after two straight quarters of decline. Total trade fell by 3.5% in Q3, against a 2.9% rise in Q2.

Singapore's Q3 labour productivity fell 0.8% y-o-y, slightly improved from the 1.4% y-o-y drop in Q2 of 2014. The finance and insurance, and manufacturing sectors were the only ones to show productivity gains of 5.8% and 2.1%, respectively, in Q3.

The consumer price index in Singapore slowed to 0.1% y-o-y in October, mainly on account of base effects associated with fluctuations in car Certificate of Entitlement premiums, as well as sharper declines in the costs of accommodation and oil-related items.

Vietnam is expected to lure USD17.33 billion from FDI in the first eleven months of 2014, down 16.7% y-o-y. In the first 11 months, a total of USD11.2 billion is estimated to be disbursed, up 6.2% y-o-y.

North East Asia

China's leadership and central bank are ready to cut interest rates again and also loosen lending restrictions, concerned that falling prices could trigger a surge in debt defaults, business failures and job losses, said sources involved in policy-making.

Japanese government is considering a new subsidy program aimed at creating 60,000 jobs in rural areas. Under the initiative, the government would provide subsidies to companies hiring people who moved from urban agglomerations to rural districts. The government will shoulder half of these workers' salaries.

South Korea's terms of trade rose in October for the second straight month as import prices posted a steeper decline compared with export prices. The country's net terms-of-trade index for goods reached 90.46 last month, rising 1.3% y-o-y.

The number of South Koreans who were forced to change jobs after being laid off or for other unwanted reasons jumped in 2013, reflecting tough economic conditions. Some 718,000 people had to change jobs last year, up from the previous year's 619,000.

The real monthly earnings of Taiwanese workers rose in September from a year earlier. Average real monthly earnings rose 2.96% y-o-y to TWD44,382 (USD1,435) in September, and averaged TWD46,691 for the first nine months of the year, up 3.02% y-o-y.

Unemployment in Taiwan fell to 3.95% in October, down 0.01 percentage points from September and 0.29 percentage points y-o-y. The latest figure followed a drop in the rate of unemployment rate in September and August. The number of jobless people in October was 457,000, a decrease of 1,000 from the previous month. The total number of employed people in October was 11.12 million, up 21,000 from September.

Taiwan's industrial production index rose in October because of big gains in construction and manufacturing. The overall production index rose 8.97% y-o-y in October to 112.56, buoyed by a 9% rise in the manufacturing sub-index and a 35.66% rise in the construction sub-index.

Middle East and North Africa

Iran will increase the budget for development projects in the next Iranian year (starting March 21, 2015) by 20% compared with the current year. The government has allocated USD16.6 billion to development projects in the draft budget bill.

Syria's state spending is expected to rise 12% to SYP1.55 trillion (USD9.10 billion) next year, driven by higher social support costs. The 2015 draft budget allocates SYP1.14 billion for ongoing costs, while investment spending will increase to SYP410 billion from SYP380 billion.

Yemen's reserves of foreign exchange decreased to USD5.180 billion in August 2014, recording a decline of USD67 million compared with July. The economy of Yemen still suffers due to the economic indicators of foreign reserves or Yemen's revenues from oil exports.

UAE's GDP has grown 236-fold in the past 43 years since the establishment of the Federation, starting at AED1.77 billion in 1971, and is expected to reach AED419 billion by the end of this year. The UAE economy is expected to grow by 4.8% this year.

Eastern Europe

Russia stands to lose USD40 billion due to Western economic sanctions targeting its energy sector. Oil has shed at least a quarter of its value since June because of slow economic recovery and an increase in production from North American shale.

Western Europe

German business confidence rose in November, putting an end to six consecutive months of declines. The Ifo institute said that its confidence index rose to 104.7 points in November, from 103.2 points in October.

North America

Mexico's inflation began to ease in November as lower gasoline prices and telecommunications charges partly offset a seasonal increase in residential electricity rates. The CPI rose 0.71% in the first two weeks of the month, bringing the annual rate down to 4.16%, from 4.3% at the end of October.

South America

Brazil's tax receipts declined in October from a year earlier on an inflation-adjusted basis. Total Brazilian federal tax revenue was BRL106.2 billion (USD41.7 billion) in October. In the first 10 months of this year, tax receipts were BRL968.7 billion, up from BRL907.5 billion in the same period of 2013.

Consumer confidence in Brazil plunged in November to the lowest level in nearly six years on growing concern over job cuts, high inflation and rising interest rates, a private survey showed. The Getulio Vargas Foundation said its confidence index dropped to 95.3 in November, from 101.5 in October.

Oil & Gas News

Brent for January settlement dropped 68 cents, or 0.9%, to USD79.68 a barrel on the London-based ICE Futures Europe exchange yesterday.

Commodity News

Bullion for immediate delivery rose to trade at USD1,197.99 an ounce by 9:39 a.m. in Singapore, from USD1,197.14 yesterday.

Copper futures for March delivery dropped 0.8% to settle at USD3.006 a pound at 1:18 p.m. on the Comex in New York.

Currency News

The yen gained 0.2% to 118.02 per dollar at 10:20 a.m. in Tokyo from yesterday

Russia's currency rose 1.9% per dollar to 44.866 by 6:11 p.m. in Moscow.

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-Nov-14	1,201.55	4.27	80.36	18.82	1.63	2.04	1.30	0.89	9379.10	90.72	2.59	34.69	25.27	3,345.32
25-Nov-14	1,199.08	4.14	79.46	19.19	1.61	2.04	1.30	0.89	9334.45	90.69	2.57	34.58	25.22	3,334.50
% Change	-0.21	-3.04	-1.12		-1.20	-0.11	0.15	-0.76	-0.48	-0.04	-0.54	-0.33	-0.18	-0.32

Economic & Financial News

Research & International Division

26/11/2014

*... Germany's economy barely grew in Q3 ...
... US economy grew even faster in Q3 ...*

South East Asia

Indonesia will see a faster economic growth of 5.8% next year, from an initial forecast of between 5.2 and 5.3% following the government hiked fuel price by almost 31%. The country would build more infrastructure facilities to spur growth after President Joko Widodo freed up state budget.

Malaysia's unemployment rate in September 2014 stayed at 2.7% from the previous month. The labour force participation rate increased to 67.9% in September, compared to 67.1% in the previous month.

Philippines import bill declined by 2.6% y-o-y to USD5.56 billion in September, due to a steep cut in purchases of electronic products from abroad. Total imports in September alone went down from the USD5.719 billion posted in the same month last year. As the growth of Philippine exports outpaced imports, the trade-in-goods deficit as of September narrowed to USD1.5 billion, from the USD4.1 billion reported in the same nine-month period last year.

Philippines merchandise exports rose by 15.7% to USD5.849 billion in September. From January to September, total merchandise export receipts rose 9.9% y-o-y to reach USD46.596 billion.

Visitor arrivals in Thailand were up 6.14% in October thanks largely to a 67% surge in arrivals from China. There were 2.1 million arrivals in October including 501,043 from China, a leading market share of 23%. There were 19 million arrivals in total between January and October.

Vietnam's trade surplus reached USD2 billion in the first 11 months of 2014, a USD100 million increase over the surplus recorded in the first ten months of the year. Vietnam would finish 2014 with a trade surplus and a large contribution from the FDI sector. The country's export revenues reached USD137.33 billion, a 13.7% y-o-y increase, and 67% came from the FDI sector, including crude oil. The FDI sector's exports increased by 13% y-o-y.

Vietnamese lawmakers approved a law allowing broad foreign ownership of property, as the government seeks to boost an ailing real-estate market and accelerate economic growth.

North East Asia

State-owned enterprises in China recorded total profits of CNY2.084 trillion (USD339.41 billion) for the first 10 months this year, indicating a 6.1% y-o-y increase. The total amount of liabilities reached CNY65.513 trillion, climbing 12.1%, with local state-owned enterprises posting a higher growth rate than central state-owned enterprises.

Japan's services producer price index rose 3.6% y-o-y in October. The index stood at 102.5, against 100 for the base year of 2010. Excluding the impact of the April consumption tax hike, the index was up 0.9%, 0.1 percentage point higher than the September increase. On a month on month basis, the index was up 0.1%.

Japan's giant public pension fund total assets swelled to a record JPY130.9 trillion as of Sept. 30, increasing by JPY3.62 trillion over the three months from July.

Japan's central bank governor is urging companies to raise wages and investment to aid the country's efforts to overcome deflation. The central bank was committed to achieving a target of 2% inflation and expects that companies to make their decisions based on that plan.

South Korea will make structural reform one of its key policy objectives for next year, as it focuses on overhauling the inflexible labour market, the Finance Minister Choi Kyung-hwan said.

South Korean financial firms' corporate loan growth slowed in Q3 from the previous quarter. Corporate lending extended by banks and non-bank institutions stood at KRW872.4 trillion (USD78.79 billion) as of end-September, up KRW11.5 trillion from three months earlier.

Debts owed by South Korean households hit a new record high after policy rate cuts and the easing of regulations on mortgage financing. Household credit, including mortgage loans and purchase on credit, reached a record high of KRW1,060.3 trillion (USD950 billion) as of end-September.

The revenue of South Korean companies, excluding finance and insurance firms, totalled KRW2,257 trillion (USD2.03 trillion) in 2013, up 1.1% y-o-y. The annual growth rate kept falling from 16.3% in 2010 to 12.2% in 2011 and 6% in 2012.

Australasia

Australia's total construction work for the September quarter slipped 2.2% to AUD51.15 billion (seasonally adjusted). Construction work is now 5.1% lower than a year ago.

Western Europe

Germany's Q3 private consumption rose 0.7% q-o-q, while public investment rose 0.6%. Overall consumption contributed 0.5 percentage points to growth, while trade provided modest support.

Germany's economy barely grew in Q3 at 0.1% in adjusted terms as flagging investment largely offset increased consumer spending and rising exports amid more concern about the eurozone's drag on the global economy.

Italy spends more than any other OECD country on pensions, while being the fifth-biggest social spender in terms of GDP. Italy set aside 28.64% of its GDP for social spending this year, up from 24.77% in 2007, the OECD said.

Italy remained vulnerable to financial turmoil despite the efforts of the European Central Bank to boost growth with low interest rates and "unconventional" stimulus measures. Italy is one of the eurozone countries most exposed to possible changes in the financial situation, Moody's said.

House prices are expected to increase by a more modest 3-5% across the UK over the whole of 2015 as the supply of homes for sale will start to match the number of house hunters more closely. Annual house price growth peaked at 10.2% y-o-y in July this year and had fallen back to a weaker rate of 8.8% by October, with prices now standing at GBP186,135.

North America

Mexico's current account deficit reached USD2.702 billion in Q3, narrowing from the prior three month period. The deficit for the first nine months was the equivalent of 2% of GDP.

The US economy grew even faster in Q3 at 3.9% (annualised), posting the strongest six months of growth in more than a decade and pulling further ahead of other big economies of the world. It was due to more robust consumer and business spending.

South America

Argentina's trade surplus fell 39% y-o-y to USD361 million in October. Export value in October amounted to USD5.9 billion, but both the volume exported and prices were lower by 13% y-o-y and 4% y-o-y, respectively. Meanwhile, imports went up to USD5.6 billion, as volume went down 19%, but prices increased 6%.

The Peruvian government's plan to lower tax rates and increase spending would not undermine its finances, as the country has relatively little debt, strong financial buffers and a history of prudent fiscal management, Fitch Ratings said.

Oil & Gas News

Brent for January settlement was lower by 10 cents to trade at USD78.23 a barrel on the London-based ICE Futures Europe exchange.

Commodity News

Silver for immediate delivery fell 0.4% to USD16.6274 an ounce, after rising for a fourth day yesterday in the longest run since June.

Soybeans for delivery in January fell 0.4% to USD10.465 a bushel.

Currency News

Australian dollar rose to trade at 85.41 U.S. cents as of 2:46 p.m. in Tokyo, from 85.30 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
25-Nov-14	1,199.08	4.14	79.46	19.19	1.61	2.04	1.30	0.89	9334.45	90.69	2.57	34.58	25.22	3,334.50
26-Nov-14	1,199.93	4.41	78.36	17.77	1.62	2.04	1.30	0.89	9341.43	90.50	2.57	34.52	25.19	3,343.40
% Change	0.07	6.52	-1.38		0.47	0.31	0.22	1.03	0.07	-0.21	-0.05	-0.17	-0.12	0.27

Economic & Financial News

Research & International Division

27/11/2014

*... The European Commission announced a EUR315 billion investment plan ...
... New Zealand's trade deficit narrowed to NZD908 million last month ...*

South East Asia

Indonesia has set an ambitious target to increase realised investments by twofold within five years, buoyed by optimism that the cut in bureaucratic red tape will draw stronger inflows of FDI. Annual realised investments are targeted to hit IDR933 trillion (USD76.5 billion) by the end of 2019, or double this year's estimated figure of IDR456.6 trillion.

Philippine GDP growth slowed to 5.3% in the Q3 from a year earlier as the expansion of all major economic sectors decelerated during the period. GDP growth in the Q3 is lower than the 6.4% recorded in the Q2 and the 7% posted a year ago. The growth of the services sector decelerated to 5.4% in the Q3 from 6.1% registered in the April to May period and the 7.7% posted in the Q3 of 2013.

Sales revenue in Singapore rose 1.1% in the services sector in the Q3 against the second, and was up 3.3% from a year ago. Education reported the highest increase in receipts, up 14.2% q-o-q, followed by business services excluding real estate, rental and leasing, which grew 3.3%. Third was health & social services which went up by 2.2% q-o-q.

Thai exports in October rose 3.97% from a year earlier due were helped by higher shipments of cars and auto components, as well as rice, their highest growth rate since January last year. Exports account for over 60% of GDP.

Vietnam's November industrial production index (IPI) is estimated to increase by 5.3% compared to the previous month. The figure will help bring the 11-month index to rise by 7.5% y-o-y. Of which, the processing and manufacturing sector is estimated to grow by 8.6% y-o-y, contributing 6 percentage points to the overall growth.

More than 7.2 million foreign visitors arrived in Vietnam in the first 11 months of this year, surging 5.4% y-o-y. The number of visitors from Hong Kong saw a y-o-y increase of 61.2%, followed by Germany (51.3%), Russia (25.2%) and Spain (23%).

North East Asia

The profits of Chinese industrial businesses recorded a drop of 2.1% y-o-y, hitting CNY575.47 billion (USD94.34 billion) in October. Profits rose 0.4% in September, decreased 0.6% in August and gained 13.5% in July year on year. It was attributed the drop to sluggish market demand, rising labour costs and dropping product prices.

China's service trade deficit reached CNY105.6 billion (USD17.25 billion) in October, compared with CNY133.4 billion in September. Income from service trade stood at CNY75.9 billion last month, while expenditure in service trade reached CNY181.5 billion.

The main business revenue of China's petrochemical industry will hit CNY14.5 trillion (USD2.36 trillion) in 2014. Business revenue in the January-September period this year hit CNY10 trillion, up 7.7% y-o-y, accounting for 13.1% of all industrial revenue.

Japan's economy is expected to return to growth in the Q4 of this year and its recession will have little impact on Southeast Asian economies, the Asian Development Bank said. Japan earlier this month said its economy slipped into recession in the Q3. It contracted an annualised 1.6% in the July-September period as consumer and corporate spending failed to gain momentum after a sales tax increase in April.

South Korea's current account surplus reached USD9.01 billion in October. It marked the 32nd consecutive month of surplus, heading for the longest monthly surplus trend in the country's history. The figure was lower than the record high of an USD11.11 billion surplus tallied in October last year, but it was up from a USD7.41 billion surplus in the previous month.

Consumer sentiment in South Korea remained positive but soured to a 14-month low in November. The overall consumer sentiment index (CSI) reached 103 in November, slipping from 105 in the previous month.

The number of companies in South Korea grew last year but their combined shipments shrank, apparently affected by sluggish market conditions. The number of companies employing 10 workers or more in the manufacturing and mining areas came to 65,759 as of end-2013, up 2.4% or 1,524 from a year earlier.

Australasia

New Zealand's trade deficit narrowed to NZD908 million last month led by a fall in dairy exports to China while all main imports into the country rose, to be the biggest deficit for the month of October in the last six years, from a September deficit of NZD1.4 billion and a shortfall of NZD169 million in the same month a year earlier. Exports fell 5.1% to NZD4.02 billion from the same month a year earlier, while imports rose 12% to NZD4.94 billion.

Middle East and North Africa

Qatar's y-o-y trade balance in October 2014 declined to QAR26 billion, down by 13.7% compared to QAR30.1 billion in October 2013. Last month the total exports of goods amounted to QAR35.5 billion, showing a decrease of 7.1% compared to the corresponding month of 2013. The y-o-y decrease in the value of total exports was mainly due to lower exports of Petroleum gases and other gaseous hydrocarbons.

Eastern Europe

Russian consumer price inflation will peak in January 2015 and start to abate from February or March, a finance ministry official said. The inflationary impact of the sharp depreciation of the ruble would be exhausted by February.

Western Europe

The European Commission announced a EUR315 billion investment plan to stimulate Europe's growth and send more people back to work. The plan is built on three main strands, one among which is the creation of a new European Fund for Strategic Investments (EFSI), guaranteed with public money, to mobilise at least EUR315 billion of additional investment over the next three years from 2015 to 2017.

Italian consumer confidence fell 100.2 in November, hitting its lowest level since February as household sentiment dropped and the current climate worsened with the country heading to its third annual economic contraction.

The Spanish economy is likely to keep expanding for the rest of the year, after output grew 0.5% q-o-q in the July-September period.

North America

The number of Americans initially applying for unemployment aid last week rose to a three-month high, while the job market kept tight amid recovering economy. In the week ending Nov. 22, the advance figure of seasonally adjusted initial claims for jobless benefits rose to 313,000, a rise of 21,000 from the revised level of the previous week.

South America

Brazil's central government recorded a primary surplus of BRL4.1 billion (USD1.6 billion) in October. The result reversed a BRL20.4 billion primary deficit recorded in September.

Credit issued by Brazil's financial system increased 12.2% in October from a year earlier as subsidised lending grew rapidly. The total amount of credit issued grew to BRL2.9 trillion (USD1.2 trillion) in October, an increase of 0.8% from September.

Oil & Gas News

Brent for January settlement declined as much as USD1.47 to USD76.28 a barrel on the London-based ICE Futures Europe exchange and was USD76.66 at 3:48 p.m. Singapore time.

Commodity News

Bullion for immediate delivery lost as much as 1% to USD1,185.82 an ounce, the lowest since Nov. 20, and traded at USD1,194.72 by 3:36 p.m. in Singapore.

Currency News

The won advanced 0.8% to 1,098.36 per dollar at the close in Seoul.

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-Nov-14	1,199.93	4.41	78.36	17.77	1.62	2.04	1.30	0.89	9341.43	90.50	2.57	34.52	25.19	3,343.40
27-Nov-14	1,194.99	4.35	76.51	17.59	1.62	2.04	1.30	0.90	9358.04	90.63	2.57	34.56	25.23	3,342.76
% Change	-0.41	-1.36	-2.36		0.19	0.00	-0.17	0.66	0.18	0.15	0.13	0.11	0.17	-0.02

Economic & Financial News

Research & International Division

29/11/2014

*... Fall in energy costs pushed inflation across the 18-country Eurozone down ...
... Germany and France are set to present a joint economic reform plan ...*

South East Asia

Indonesia's tax revenues amounted to IDR812.1 trillion as of November 2014, accounting for 75.73% of the target of IDR1.072 quadrillion in the revised 2014 state budget.

Bank Indonesia expected that the country's trade balance will have returned to a surplus in October after suffering a USD270.3 million deficit in September 2014. The trade balance would book a surplus even though the figure would be below USD100 million throughout October. The positive result was supported by the performance of non-oil and gas exports.

On an annual basis, Malaysia's broad money (M3) grew by 5.4% in October. The expansion in M3 was mainly on account of credit extension to the private sector by the banking system.

Singapore's employment rate rose to an all-time high of 79.7% this year - up slightly from the 79% in 2013. The labour market saw an increase in women and older workers. More Singaporeans aged between 25 and 64 were employed this year.

Wages increases most prominent among low-wage Singaporeans. Compared to five years ago, low-income earners now take home 12% more, with a median monthly salary of SGD1,972. Overall, residents in full-time jobs also earned more. The median monthly income grew by 0.4% to SGD3,770.

Loans and advances by banks in Singapore amounted to SGD604.4 billion last month, compared with SGD604.5 billion in September. On a y-o-y basis, total bank lending rose 9% in October from SGD554.3 billion a year earlier. Overall, total consumer loans rose 5.5% last month to SGD234.5 billion from SGD222.2 billion in October last year.

Vietnam's trade surplus in the first 11 months of 2014 has reached USD2 billion, a USD100-million increase over the surplus recorded in the first ten months of the year. The country's export revenues reached USD137.33 billion, a 13.7% y-o-y increase, and 67% came from the FDI sector, including crude oil. The FDI sector's exports increased by 13% y-o-y.

North East Asia

China raises the consumption tax on oil products starting today, the first adjustment since the previous increase in 2009. The consumption tax on gasoline will rise from CNY1 (USD0.16) to CNY1.12 per litre while that on diesel from CNY0.8 to CNY0.94 per litre.

Japan's unemployment rate climbed by 3.5% in October from the previous month's level of 3.6%. The number of employed persons in October 2014 was 63.90 million, an increase of 240,000 or 0.4% from the previous year, while the number of unemployed persons in October 2014 was 2.33 million, a decrease of 300,000 or 11.4%.

South Korea's overall trade volume has reached over USD1 trillion for four straight years, setting course for a record high for the country's annual trade volume. The country's total exports came to USD520.17 billion with imports coming to USD479.83 billion.

Taiwan's GDP grew 3.63% in Q3 from a year earlier. It attributed the Q3 growth to a 7.53% rise of real-value exports prompted by sustained growth in the export of electronic products, basic metal and machinery.

Indian Sub-Continent

The government of India and the central bank will put more restrictions on gold imports, the rule that required trading companies to export 20% of gold imported, known as the 80:20 scheme was scrapped on yesterday evening. This was resulted after gold imports surged 280.4% y-o-y in October.

Indian economy grew by 5.3% in Q2 of the current fiscal. The manufacturing growth was a mere 0.1%, which could push the central bank to lower interest rates. The growth was primarily led by the output of social services. India's economy grew by 5.7% in Q1 of this fiscal year.

Middle East and North Africa

Iran will continue paying cash subsidies the next calendar year, starting March 21, 2015. Around IRR455,000 (about USD14) will be paid to Iranians based on the country's subsidy reform plan. Iran's subsidy reform plan is aimed at easing the pressure on state finances by cutting tens of billions of dollars from government subsidies on food and fuel.

Saudi Arabia's bank lending growth to the private sector accelerated to 15.7% y-o-y in October, the fastest rate since May 2013, from 13.2% in the previous month. Money supply (M3) growth rose to an annual 14.7% in October from 13.4% in September. The central bank's net foreign assets edged down to SAR2.753 trillion from SAR2.762 trillion in September.

Turkey's trade deficit fell to USD6.25 billion in October from USD7.43 billion in October 2013. Exports rose by 7.3% to USD12.93 billion and imports fell 1.5% to USD19.19 billion. In the first 10 months of the year, the trade deficit fell 18.2% to USD67.61 billion.

Western Europe

Fall in energy costs, as a result of a 2.5% dramatic decline in oil markets, pushed inflation across the 18-country eurozone down to 0.3% in the year to November.

Germany and France are set to present a joint economic reform plan. France would make its labour rules more flexible in many sectors, and possibly freeze wages for three years in an effort to make companies more competitive. Germany would double its investment on infrastructure to EUR20 billion by 2018, encourage more women to work and also reform its immigration rules.

Germany's unemployment rate was steady at 6.3% in November as the labour market in Europe's largest economy remained strong. About 2.72 million people were out of work in Germany in November, about 16,000 fewer than in October and not enough to change the unemployment rate.

The Greek economy's GDP growth was revised upwards to 1.9% in Q3 of 2014. The final official estimate on the growth rate from July to September 2014 showed the ailing economy achieved a return to development which was stronger than initially expected, ending six years of steep recession.

Youth unemployment in Italy hit a new high of 43.3% in October. The jobless rate for young people in Italy jumped 0.6% in a month and 1.9% on October 2013. Italy is the third-worst country in the EU for young people to find work.

Spain's youth unemployment rate is the highest in the EU. The unemployment rate for people aged under 25 was 53.8% in October. That figure is down from the 55.5% seen in Q3 of 2013. It also means Spain's youth jobless rate is more than seven times Germany's figure of 7.7%.

North America

Canada's economy slowed in Q3 despite gains in most sectors. Growth dipped to 0.7% in the quarter following a 0.9 % gain in Q2. At an annualised rate, GDP was 2.8%, down from 3.6% the previous quarter.

The Canadian government ran a budget deficit of CAD744 million in the first six months of the 2014/15 fiscal year, down from CAD10.35 billion in the April-September period of 2013.

South America

Brazil clawed out of recession in Q3 on the back of government spending, but the outlook for the economy remains clouded by weak investment, wary consumers and rising interest rates. GDP expanded 0.1% in Q3 on a seasonally adjusted basis from the previous three month.

Colombia's central bank kept its benchmark interest rate unchanged at 4.5% for the third straight month as a slump in oil prices threatens to damp growth in South America's fastest-growing economy. T

Chilean jobless rate slid to 6.4% from 6.6% in the month earlier period. Retail sales fell 0.2% in October from the year earlier, while manufacturing output gained 1%.

Oil & Gas News

The ministers of the OPEC decided to maintain its output level of 30 million barrels a day agreed upon in December 2011 was made despite crude oil price fell to a four-year low level. Crude oil prices fell to below USD74 per barrel after OPEC's decision on Nov. 27.

Commodity News

Silver futures for March delivery on the Comex slumped 6.3% to USD15.556 an ounce, the biggest drop since June 2013.

Currency News

The euro declined 0.3% to USD1.2436 as of 5:59 p.m. Frankfurt time.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
27-Nov-14	1,194.99	4.35	76.51	17.59	1.62	2.04	1.30	0.90	9358.04	90.63	2.57	34.56	25.23	3,342.76
29-Nov-14	1,167.38	4.09	70.15	17.15	1.62	2.05	1.30	0.90	9371.19	90.83	2.59	34.48	25.21	3,350.50
% Change	-2.31	-5.98	-8.31		0.01	0.24	0.17	0.34	0.14	0.23	0.44	-0.22	-0.11	0.23