

# Economic & Financial News

Research & International Division

03/02/2018

*... Malaysia, Cambodia central banks to link ATM network ...  
... China manufacturing PMI falls to 51.3 ...*

## Commodities

**Gold predicted to trade in a wide band in 2018 year the average of US\$1,318 a troy ounce**, according to a survey by the London Bullion Market Association of analysts. Gold was under pressure in New York with metal for delivery in April exchanging hands for US\$1,332, down US\$16 on the day as bond yields in the US spike to four year highs.

## Oil & Gas News

**Oil prices finished lower on 2 February 2018 to tally a weekly loss**, as recent U.S. monthly data show domestic crude production in record territory. March West Texas Intermediate crude fell 35 cents, or 0.5%, to settle at US\$65.45 a barrel on the New York Mercantile Exchange. April Brent the global benchmark, dropped US\$1.07, or 1.5%, to end at US\$68.58 a barrel on the ICE Futures Europe Exchange. The contract marked a weekly loss of roughly 2.2%.

## ASEAN

**Bank Negara Malaysia (BNM) and the National Bank of Cambodia will explore the setting up of a link between the national automated teller machine (ATM) networks** in both countries to facilitate efficient cross-border ATM cash withdrawals and retail payments. In a statement, BNM said both central banks also agreed to enhance collaboration on the application of technology in financial inclusion.

**The Indonesian government is revising a regulation on tax holidays and tax allowances** to simplify the procedures to obtain such facilities in hopes of garnering interest from business people.

**Philippines' Department of Finance (DOF) would consider a reduction in the value-added tax rate if government successfully improves tax collection by eliminating all lines of VAT exemptions.** Finance Secretary Carlos Dominguez III said the government needs to be careful in reducing the current VAT rate of 12% considering the various infrastructure and social protection programs that need to be funded.

**Singapore's manufacturing sector expanded for the 17th consecutive month in January to record its highest reading in eight years.** The Purchasing Managers' Index (PMI) came in at 53.1 points, an increase of 0.3 from the previous month, according to data released by the Singapore Institute of Purchasing and Materials Management (SIPMM).

## ASEAN+3

**China official manufacturing PMI falls to 51.3 in January from 51.6 in December.** The slowdown of activity may stem from production curbs aimed at reducing pollution in the winter months, other signs of a softness in investment and consumption also point to weaker momentum in the economy.

**The Bank of Japan (BOJ) offered to buy government bonds at a fixed rate from the money market without setting a ceiling on the purchase amount,** the first such unlimited operation since 7 July 2017. The operation was intended to hold down long-term Japanese Government Bond (JGB) yields, which have recently been on an uptrend on the back of rises in foreign bond yields.

**South Korea's exports posted a double-digit increase in the first month of this year** thanks to strong demand for locally-made semiconductors and general machinery. Exports, which account for about half of the economy, reached US\$49.21 billion in January, up 22.2% from a year earlier, according to the Ministry of Trade, Industry and Energy.

## Australasia

**The Australian government announced tighter controls on foreign investment in electricity grids and agricultural land,** amid concerns about growing Chinese influence in business, politics and society.

## Indian Sub-Continent

**India's fiscal deficit rose from 3.2% to 3.5% against the estimates for March 2018** and further the deficit for the next fiscal year has been set at 3.3% from the original plan of 3%, rating agencies have threatened to downgrade India's sovereign rating if the government fails to mind its deficit math. Economic Affairs Secretary Subhash Chandra

Garg said the government will try to convince rating agencies on its commitment to fiscal consolidation.

## Eastern Europe

**Unemployment in Bulgarian in December 2017 was 6.1%, down from 6.7% in December 2016** and again below the average for the European Union, according to figures released on January 31 by EU statistics agency Eurostat. In December 2017, joblessness among under-25s in the bloc was 16.1%, in Bulgaria the rate was 12.3%.

**The National Bank of Ukraine forecasts a slowdown in real GDP growth of Ukraine to 2.9% in 2019-2020** after the projected 3.4% growth in 2018. As stated in the NBU inflation report for January, the fiscal mitigation factors will exhaust themselves, while the tight monetary policy necessary to reduce inflation will also have its effect. According to the NBU estimates, consumer inflation in Ukraine will gradually decrease to 8.9% at the end of 2018, 5.8% in 2019, and 5% at the end of 2020.

## Western Europe

**Unemployment in Germany hit a new low in January**, official figures showed, as Europe's largest economy made a strong start to the year while Berlin inches towards forming a government. Just 5.4% of workers were jobless in January, the federal employment agency (BA) said in figures adjusted for seasonal and calendar variations, down from 5.5% in December 2017.

**Italian inflation increased above estimates in January**, while monthly prices fell on post-holiday store sales. Consumer prices based on European Union criteria rose last month 1.1% from a year earlier, national statistics agency Istat said in a preliminary report in Rome.

**Spain's economy expanded by 3.1% last year**, according to preliminary data from national institute INE,

one of the fastest rates in the euro zone and in line with forecasts from the government and the central bank.

## North America

**The U.S. added 200,000 jobs in January**, continuing the trend of steady job growth for another month, the Bureau of Labor Statistics reported. The economy has now added jobs for 88 months in a row. And, significantly, wages are on the rise, too. Average hourly earnings rose by 9 cents to US\$26.74, with a y-o-y growth of 2.9% the highest rate of growth the BLS recorded since June 2009. The unemployment rate held steady at 4.1%.

## South America

**Brazil ended 2017 with a primary budget deficit for the fourth year in a row**, but easily beat its annual target, the central bank said on Wednesday. Brazil's public sector, comprised of the central government, regional governments and state-owned firms, posted a budget deficit of 110.583 billion reais (\$35.1 billion) in 2017 before interest rate payments.

**Chile registered a fiscal deficit of 2.8% of GDP in 2017**, as government spending rose alongside revenues from rising copper prices in the world's top copper producer, officials said. The fiscal gap was slightly higher than the government's earlier estimate of 2.7% of GDP.

**The Venezuelan government has made the unprecedented announcement that it will unify its formerly tiered exchange rate system as part of a bid to overhaul its forex model.** In an official gazette published, the government formally issued the "FX Agreement 39", representing one of the most far-reaching attempts to liberalise its foreign currency exchange system in more than eight years. The new model would "establish a mechanism through which private currency offers will replace public offers to generate a private market where buyers and sellers come together in a system".

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
1-Feb-18	1,340.87	2.89	69.51	24.05	1.64	1.87	1.31	0.95	10,248.86	83.66	2.96	39.21	23.89	3,547.23
3-Feb-18	1,333.39	2.85	68.58	24.06	1.64	1.86	1.32	0.96	10,194.54	83.54	2.95	39.17	23.87	3,529.82
% Change	-0.56	-1.38	-1.34		0.18	-0.19	0.46	0.33	-0.53	-0.14	-0.44	-0.09	-0.10	-0.49

# Economic & Financial News

Research & International Division

06/02/2018

*... Malaysia and Singapore to set up stock market trading link ...  
... Irish households remained the fourth most indebted in the European Union...*

## Commodities

**India's gold imports dropped in January as prices rebounded and buyers postponed purchases in expectation of cuts in the import tax**, provisional data from precious metals consultancy GFMS and bank dealers showed. The drop in purchases by India could weigh on global prices, which have risen over 7% in eight weeks.

## Oil & Gas News

**Oil prices extended declines from the end of last week amid a wider market sell off and a stronger dollar**, with Brent crude falling to its lowest in nearly a month. Brent was down 68 cents, or 1%, at US\$67.91 a barrel, after falling 1.5%. Brent's weekly drop was 2.75% last week. U.S. West Texas Intermediate (WTI) crude declined 72 cents to US\$64.73 a barrel, after dropping 0.5% in the previous session. WTI fell by 1% during the last week.

## ASEAN

**Malaysia ranked the 4th lowest domestic electricity tariff in the world** after Sweden, China and Taiwan, according to The Ministry of Energy, Green Technology and Water (KeTTHA). Malaysia had a good track record in managing and utilizing its energy resources for domestic purposes, only requiring additional energy resources from other countries for the building and construction sector.

**Malaysia and Singapore will set up a stock market trading link between Bursa Malaysia (BM) and Singapore Exchange (SGX) by the end of this year**, regulators from both countries announced. The initiative is part of efforts by the ASEAN Capital Markets Forum to deepen financial connectivity across the region's capital markets.

**Myanmar's export of agricultural products in the current fiscal year (FY) increased by US\$178 million**, compared with the same period last FY, according to the Ministry of Commerce. The export of agricultural products last FY reached US\$2.281 billion and the vast majority being exported by the private sector.

**Philippines consumer prices in January rose at the fastest pace in over 3 years, as the government implemented the first tranche of tax reforms.** The

consumer price index rose 4%, compared to the 3.3% increase last December. The Bangko Sentral ng Pilipinas, is targeting inflation at 2% to 4% this year.

**Domestic property market in Vietnam reported more sales in January compared to December 2017**, according to the Ministry of Construction Housing and Property Market Management Department. In January 2018, the capital city of Hanoi reported 1,650 transactions, an increase of 13.8% than December, and the southern metropolis Ho Chi Minh City recorded 1,900 deals, a rise of 8.6% over December's figures.

## ASEAN+3

**China will step up measures to block all websites related to cryptocurrency trading** and initial coin offerings (ICOs), including any onshore or offshore platforms, in a bid to finally quash the market completely.

**Japan's PMI rose to 51.9 in January 2018 from 51.1 in December 2017.** A reading above 50 indicates economic expansion, while a reading below 50 points towards contraction.

**South Korea's current account surplus narrows to US\$4.05 billion in December last year** comparing from a surplus of US\$6.96 billion a year earlier due to a sharp rise in the deficit in the service account.

## Australasia

**Australia experienced a 2.2% decline in online retail sales** across the board in the month of December 2017, but growth is still occurring within the online industry, according to the National Australia Bank.

**New Zealand commodity prices rose 0.7% in January** with meat, dairy, forestry and aluminium prices and was up 4.1% in the year.

## Indian Sub-Continent

**The Reserve Bank of India will keep interest rates on hold through at least the middle of 2019** even though inflation is above its medium-term target and is expected to stay that way. While retail inflation hit a 17-month high in December and is expected to remain above the RBI's 4% target over the coming 12 months, growth in

Asia's third-largest economy likely slowed markedly in the fiscal year ending March 31, complicating the RBI's policy path.

**Pakistani budget deficit at 2.26% of GDP.** Ministry of Finance has made initial assessment of the budget deficit and estimated at standing close to 2.3% of GDP for first six months of current fiscal year 2017-18 against 2.4% of GDP or Rs799 billion in the same period of last financial year 2016-17.

## Middle East and North Africa

**The headline seasonally adjusted Emirates National Bank of Dubai (NBD) UAE Purchasing Managers' Index (PMI) posted 56.8 in January**, down from 57.7 in December but still signalling a marked monthly improvement in business conditions.

**Iran gained a higher score at 50.9 in the 2018 Index of Economic Freedom**, making the economy the 156th freest out of 180 countries. Overall, it has increased by 0.4 point, with modest improvements in monetary and labor freedom, government integrity offsetting lower scores for the fiscal health, government spending and judicial effectiveness indicators.

**Saudi Arabian economy will grow by an estimated 1.5% in 2018**, according to a report from Riyadh-based economic analysts. The new estimate of GDP this year is broadly in line with the recent update from the International Monetary Fund, which forecast 1.6% growth.

## Eastern Europe

**The volume of retail trade in Poland grew by 9.2% y-o-y in December**, according to a data release from the EU's statistics office Eurostat. In m-o-m terms, it increased by 0.2%. According to the Polish Central Statistical Office, retail sales (in current prices) grew by 6% y/y in December.

## Western Europe

**Britain's services sector grew at its slowest pace** as consumer spending on experiences such as visiting hotels and restaurants dipped. The sector drew a reading of 53 in January, down from 54.2 in December and lower than the expected 54.3, according to IHS Markit's latest purchasing managers index (PMI).

**Ireland's household debt increased since the crash in Q3 2017**, new Central Bank of Ireland figures show. Total household debt stood at €141.8 billion at the end of September, or €29,592 per capita, which was €76 million up on the previous quarter. Household debt rose rapidly from 2003 to 2008, driven mainly by large increases in mortgage debt. It reached a peak of €204.2 billion in Q3, 2008. Since then, it has fallen by more than 30%.

## North America

**U.S. services sector activity raced to a near 12-1/2-year high in January 2018**, buoyed by robust growth in new orders, the latest sign of strong momentum in the economy at the start of the year. Economic growth is showing strength even before the stimulus from a US\$1.5 trillion tax cut package, which came into effect last month, has started to filter through.

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
5-Feb-18	1,342.58	2.77	66.91	24.16	1.64	1.87	1.31	0.95	10,245.90	83.54	2.96	39.41	23.91	2,831.70
6-Feb-18	1344.86	2.78	66.95	24.08	1.64	1.86	1.32	0.96	10,238.56	83.43	2.96	39.07	23.90	3,402.38
% Change	6.47	0.73	16.93		3.22	3.85	-2.73	-1.60	1.65	0.00	-2.05	5.31	-1.50	-17.29

# Economic & Financial News

Research & International Division

10/02/2018

*... Bank Negara Malaysia international reserves up 0.7% to US\$103.7 billion ...  
... Egypt's foreign debt up to US\$80.8 billion in 2017...*

## Commodities

**Commodities from crude oil to metals and iron ore dropped** as the global equity rout and surge in market volatility spurred investors to pare risk, cutting positions in raw materials even as banks and analysts stood by the asset class given the backdrop of solid global growth.

**Gold prices dropped** holding near four-week lows hit in the previous session, on a firmer greenback amid the expectation of more US interest rate increases this year. Spot gold was down 0.4% to US\$1,313.51/oz, as of 3.51am GMT. In the previous session, it hit its lowest since January 10 at US\$1,311.66.

## Oil & Gas News

**Egypt's fuel subsidy costs jumped by 34% in the first half of the 2017-18 fiscal year**, the Egyptian oil minister said on 7 February 2018, rising to £51 billion (US\$2.9 billion) from £38 billion but are still £4 billion below allocated amounts for fuel subsidies in the 2017-18 budget as the government had budgeted an estimated £110 billion.

## ASEAN

**Indonesia's foreign exchange reserves increased to US\$131.9 billion as of January, up from US\$130.2 billion in the previous month.** The increase was attributed to tax and foreign exchange receipts from the government's share of oil and gas exports, the withdrawal of the government's foreign loans and proceeds from the auction of foreign currency-denominated Bank Indonesia Securities (SBBI).

**Bank Negara Malaysia's (BNM) international reserves increased 0.7% to US\$103.7 billion as at Jan 30, 2018, compared with US\$103 billion as at Jan 15, 2018.** The central bank said the reserves position were sufficient to finance 7.2 months of retained imports and were 1.1 times the short-term external debt.

**The Philippines' inflation increase to 4% in January 2018 from 3.3% in December 2017** as the implementation of the tax reform law translated to higher prices, the Philippine Statistics Authority (PSA) reported.

**Singapore's household income grew in 2017**, the median monthly income grew 2% in nominal terms to S\$9,023 last year, from S\$8,846 in 2016. Factoring in inflation, the increase was 1.5% in real terms, data from the Department of Statistics showed.

**Foreign Direct Investment (FDI) enterprises, which have enjoyed multiple tax incentives in Vietnam, pay the lowest state taxes despite reporting high profits.** According to the latest report by the General Statistics Office (GSO), FDI enterprises have achieved the highest profit growth among the economic sectors, generating VND327.4 trillion (US\$14.4 billion) in pre-tax profits in 2016, an increase of 17.3% on average in the 2010-16 period.

## ASEAN+3

**China's monthly trade surplus decreased to US\$20 billion in January 2018**, as imports surged by nearly 37% compared to the same period last year. China's foreign trade grew by 22% y-o-y to US\$380.7 billion in January 2018, with exports and imports increasing by 11.1% and 36.9% respectively.

**Wages of Japanese workers fell in December at their fastest pace in five months**, in a possible sign that consumers could cut back on spending and further complicate the central bank's quest to reach its 2% inflation target.

**Japan logged a current account surplus of 797.2 billion yen (US\$7 billion) in December.** Goods trade registered a surplus of 538.9 billion yen, declining from a year earlier due to an increase in imports.

**South Korea's domestic supply in manufacturing down 3.3% in Q4** from a year earlier to stand at 112.5 during the October-December period.

## Australasia

**New Zealand unemployment rate dropped to 4.5% in December quarter but an influx of workers has kept a lid on wage inflation.** Employment rose 0.5% in the quarter to 2.61 million and was 3.7% higher than a year earlier.



## Indian Sub-Continent

**India's central bank kept interest rates at a seven-year low**, citing concerns over accelerating inflation and rising oil prices as a reason not to cut them. The Reserve Bank of India (RBI) said the benchmark repo rate, the level at which it lends to commercial banks, would remain unchanged at 6%.

## Middle East & North Africa

**The Central Bank of Egypt (CBE) stated on 7 Feb 2018 that Egypt's total foreign debt jumped to US\$80.8 billion by the end of December 2017**, witnessing an increase of US\$1.8 billion, compared to end of June 2017. Foreign debts rose by 2.3% by end of 2017, compared to end of 2016 in which the debts amounted to US\$67 billion, the CBE revealed.

**Saudi Arabia, Jeddah National Commercial Bank (NCB) net income rises 5.2% in 2017.** It had reached SR9,802m compared to SR9,317m from the previous year, achieving an increase of SR485m, with a growth rate of 5.2% compared to 2016. The Q4 net income reached SR2,556m compared to SR2,287m in Q4 of the previous year, achieving an increase of 11.8%.

**Iran's gold jewelry demand in 2017 reached 45.4 tons, which was up 12% for the year and the most since 2013.** Iran came close to beating Saudi Arabia, the region's biggest buyer, which bought 45.7 tons of gold jewelry in 2017. Demand slowed in the fourth quarter, with a gain of 2%.

## Eastern & Western Europe

**Romania's central bank raise its benchmark interest rate to 2.25%**, marking the second quarter-point increase since the beginning of the year, so as to contain inflation.

**Russia's consumer price index fell to a record low of 2.2% in January y-o-y** leaving more room for the central bank to cut interest rates.

**French trade deficit fell to EUR 3.5 billion in December from EUR 5.6 billion in November** as exports grew much faster than imports. Exports recovered

strongly by 5.9% monthly in December after a 2.2% decrease in the prior month. Imports rose 0.4% from November, when it dropped by 0.7%.

**German industrial output slipped 0.6% m-o-m in December**, after rising by 3.1% the previous month.

**Netherland's higher energy taxes pushed inflation up to 1.5% in January from 1.3% in December.** Electricity bills were 12.8% higher in January while the price of gas rose by 5.9%. These price increases were due to higher energy taxes brought in by the new government.

## North & South America

**Canada's trade deficit increased to US\$3.2 billion in December** as record imports outpaced the growth in exports, Statistics Canada said on 6 Feb 2018. The result compared with a deficit of US\$2.7 billion in November, while economists had expected a deficit of US\$2.2 billion, according to Thomson Reuters.

**Mexico's central bank has decided to raise its key interbank interest rate from 7.25% to 7.5%**, citing expectations of a U.S. rate increase in March and continued volatility in exchange rates for the Mexican peso.

**Brazil's central bank cut its benchmark interest rate on 7 February 2018 to a new low of 6.75%**, but hinted it was now done with a historic easing cycle. The bank lowered the Selic rate by 0.25 percentage point, its 11th consecutive cut aimed at helping Latin America's largest economy emerge from a stifling two-year recession.

**Chile posted a trade surplus of US\$1.21 billion in January**, thanks in part to a sharp rise in copper exports. Copper exports increased by 7.0% over the same month the previous year, boosted by rising prices of the red metal. Copper prices jumped more than 30% in 2017, sharply boosting export revenues in the world's top copper producer.

**Venezuela's annual inflation rate has risen to 4,068% over the past year.** For January, inflation was 84.2%, which analysts estimate would amount an annual inflation of more than 150,000%, with prices doubling every 35 days.

Date	Gold Spot	NYMEX Natural Gas (\$/MMBtu)	Brent Oil (\$/bbl)	oil/nat. gas ratio	EUR	GBP	USD	AUD	Indo RUP	YEN	MYS RM	Phil Peso	Thai Baht	SGX Index
8-Feb-18	1,315.35	2.71	65.22	24.07	1.63	1.84	1.32	0.96	10,280.66	82.97	2.97	38.86	23.88	3,384.60
10-Feb-18	1,315.70	2.58	62.79	24.34	1.63	1.86	1.33	0.96	10,240.66	81.85	2.96	38.72	23.89	3,377.24
% Change	0.03	-4.80	-3.73		0.02	0.92	1.10	0.17	-0.39	-1.34	-0.33	-0.36	0.01	-0.22

# Economic & Financial News

Research & International Division

13/02/2018

*... Tourist arrivals, spending in Singapore hit record high for 2<sup>nd</sup> straight year ...  
... S. Korea's Underground Economy Accounts for 19.8% of GDP ...*

## Commodities

**Spot gold was up 0.3% at US\$1,320.19 an ounce, on 12 February 2018.** Prices touched their lowest since 4 January 2018 at US\$1,306.81 last week. Spot gold fell 1.2% last week, recording its second straight weekly loss.

## Oil & Gas News

**Oil prices unchanged on 13 February 2018 as a weaker dollar spurred a rebound** from an early slide after the International Energy Agency (IEA) forecast supply could outstrip demand. Brent futures LCOc1 hit a two-month low early in the day's session, but the benchmark settled at US\$62.72 a barrel, up 13 cents or 0.2%. U.S. West Texas Intermediate crude futures CLc1 closed 10 cents, or 0.2%, lower at US\$59.19 a barrel.

## ASEAN

**Indonesia needs to boost its exports amid rising foreign debt as the government seeks to accelerate its infrastructure projects,** said Bank Indonesia (BI). Indonesia has an external debt to GDP ratio of 34.5%, similar to Thailand's 33.9%. However, Indonesia's external debt to current account receipt was 169.9% while Thailand and Malaysia's were 46.4 and 9.0% respectively.

**Malaysia's overall CPI rose by 5.3%,** with high price increases in food and non-alcoholic beverages (7.6%), housing and utilities (4.3%), transportation (10.8%), health services (4.7%), restaurants and hotels (4.5%). As a result, SMEs are struggling with the high cost of doing business, in wages, rents, compliance and business regulations.

**Philippines' tax collections of the Bureau of Internal Revenue (BIR) rose 15% in January 2018** from the P147.4 billion reported in January 2017, due to the collection of excise taxes on sugar-sweetened beverages.

**Singapore hit a record high in tourist arrivals and spending.** The overall number of arrivals increased y-o-y by 6.2% to 17.4 million, while tourism receipts rose by 3.9% to US\$26.8 billion. The jump in spending was driven by growth in arrivals across all 10 of Singapore's top markets, including high-spending ones such as China, South Korea and the US.

**The Department of Business Development Thailand approved 22 foreign entities,** with a total investment of Bt735 million, to start doing businesses in January 2018. Most of the investors are Japanese, German and Chinese, and will create 400 jobs.

**Vietnam's balance of the petrol price stabilisation fund surged to more than US\$224 million** at the end of Q4 2017 reported by the Ministry of Finance.

**Vietnam sold as many as 26,037 cars in January 2018,** marking a y-o-y increase of 28%. The sale of passenger cars grew 25% to 18,371 units, while the volume of commercial cars and special-purpose cars reduced by 38% and 78% to 7,363 units and 303 units, respectively.

## ASEAN+3

**China's banks extended a record 2.9 trillion yuan (US\$458.3 billion) in new yuan loans in January 2018,** nearly five times the previous month as policymakers aim to sustain solid economic growth while reining in debt risks.

**Japan's economic growth slowed in Q4 2017.** It expanded at an annualized rate of 0.5% in Q4 2017, against analyst forecasts of 0.9%. Despite the disappointing data, consumer spending, which accounts for about 60% of Japan's economy, rose by 0.5% compared with the quarter before, against expectations for a rise of 0.4%.

**South Korea shadow economy at 19.8% of GDP,** according to report by IMF. Shadow economy was defined as all economic activities which are hidden from official authorities for monetary, regulatory and institutional reasons, including avoiding paying taxes and governmental bureaucracy or the burden of regulation.

## Australasia

**Australian consumer confidence fell by 2.6% to a reading of 119.5, reversing its gains over the previous two weeks.** Households were less optimistic about their finances, as the view towards financial conditions over the next 12 months fell by 2.6%.

## Indian Sub-Continent

**The Reserve Bank of India's relentless high interest rates are killing the new entrepreneurial class and India's growth rate has now fallen below the average of the past 30 years.** The total sum of non-performing loans has reached US\$1.4 trillion, and worst of all, no fewer than 500 companies that had invested this money are now facing bankruptcy proceedings, and will have their remaining assets sold off at a fraction of their value in the next few years.

## Eastern & Western Europe

**Poland's average remuneration increased by 3.4% y-o-y in 2017 to reach PLN 4,271.51 before tax.** Last year, the growth reached 4.2% with the average monthly salary at PLN 4,047.21. In Q4 alone, wages grew by 6.1% q/q and 7.1% y/y reaching PLN 4,516.69.

**Germany's green energy production up by 1,000% since 1990.** Germany's production of "green" electricity in 2017 amounted to almost 217 TWh, of which almost half (105 TWh) was supplied by wind farms, 46 TWh by biomass combustion, 40 TWh by solar panels and 7 TWh by biogas combustion.

## North & South America

**Canada's economy was seen losing 88,000 jobs in January 2018** with the unemployment rate rising to 5.9% up from 5.7% in December 2017.

**Mexico's auto production in January increase to 4.1% to just under 304,000 vehicles,** and exports rose 9.2% to just over 231,000. Exports to the U.S. were up 10% to 178,667 vehicles. That represents about 16% of all new light vehicles sold last month in the U.S.

**Brazil's central bank cut its key interest rate by 25 basis points to a record low** as it signalled the end of the most aggressive easing cycle in the last decade amid risks that reforms could falter and push up prices.

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-Feb-18	1,321.30	2.58	63.34	24.55	1.63	1.84	1.33	0.96	10,278.55	82.00	2.97	38.97	23.85	3,376.98
13-Feb-18	1,323.50	2.59	63.03	24.34	1.63	1.84	1.33	0.96	10,278.55	82.00	2.97	38.97	23.85	3,431.27
% Change	0.59	0.39	0.38	-0.21	-1.06	-0.48	-0.13	0.37	0.18	0.33	0.65	-0.16	1.60	



# Economic & Financial News

Research & International Division

20/02/2018

*... Japanese exports rose for a 14th straight month in January ...*

*... Hourly wage rates in Australia grew in the last quarter of 2017...*

## Commodities

**Gold prices slid for a third straight session on February 20** as the dollar rebounded from over three-year lows, while investors waited for the minutes of the latest Federal Reserve meeting for clues on the outlook for U.S. interest rates. Spot gold was down 0.2% at US\$1,343.22 an ounce at 0112 GMT.

## Oil & Gas News

**US crude hit a near two-week high in a choppy session on February 20** amid inventory declines at a key storage hub and on expectations that top producers could extend cooperation beyond 2018, while Brent fell under pressure from a stronger dollar. Brent crude futures ended the session 42 cents (0.6%) lower at US\$65.25 a barrel after trading between US\$65.81 and US\$64.78 a barrel.

## ASEAN

**Brunei Darussalam is the 70th freest economy globally among 180 economies**, according to the 2018 Index of Economic Freedom drawn up by the Washington-based think-tank Heritage Foundation published recently. Brunei's economic freedom score is 64.2. Its overall score has decreased by 5.6 points, with a drop in the score for fiscal health due to a drop in government spending and big budget deficits.

**Indonesia's motorcycle sales in January rose 1.8% from a year earlier**, data from an industry association showed on February 16. Motorbike sales stood at 482,537 in January, up from 473,879 sold a year earlier. Sales were also higher than the 415,996 bikes sold in December, a 16% increase. Motorbikes are hugely popular in Southeast Asia's biggest economy and their sales are a key indicator of consumption.

**Malaysian GDP grew slightly faster than projected at 5.9% in the fourth quarter of 2017**, compared with the same quarter the previous year, after climbing 6.2% in the third quarter. The slightly higher than expected growth was boosted by a global trade recovery and rising private consumption. Overall, the GDP grew 5.9% for the full year in 2017.

**Bangko Sentral ng Pilipinas (BSP) on February 15 cut the banks' reserve requirement.** The move will free up an estimated PHP90 billion from bank vaults which could be used productively as loans to corporations, consumers or investments in equity or debt securities. In a press statement, the BSP said its policy-making Monetary Board approved the reduction in the reserve requirement ratio by 1 percentage point, currently at 20%, effective on 2 March 2018.

**The Singaporean government announced on February 20 that Singaporeans aged 21 and above will get a "one-off" bonus "hong bao" in 2018** of up to S\$300, depending on their income. The bonus comes after Singapore's trade-reliant economy grew 3.6% in 2017, its best pace in three years.

**Thailand's economy expanded by 4.0% in the last quarter of 2017**, due to growing consumption and investment in the private sector as well as rising exports. For the year, Thailand grew an inflation-adjusted 3.9% in 2017, up from 3.3% the previous year, marking its fastest expansion since 2012, according to government statistics released on February 19.

## ASEAN+3

**China's holdings of US government debt swelled to US\$1.18 trillion by the end of 2017, up US\$127 billion from a year earlier**, according to US Treasury Department data published on February 15. That's an annual increase of 13%, the biggest since 2010. China remains the top foreign holder of US Treasury debt, a position it's held for most of the past decade.

**Japanese exports rose for a 14th straight month in January**, rising 12.2% from a year earlier, helped by strong demand for hybrid cars and semiconductor production machinery from China, data from Japan's finance ministry showed on February 19. Imports also increased 7.9%, reflecting a surge in the value of crude oil imports, resulting in Japan's trade balance for January to amount to a deficit of ¥943.4 billion (US\$8.87 billion), the first trade deficit in eight months.

**The South Korean government has designated the city of Gunsan as a 'crisis zone' for industry and employment**, said presidential spokesman Kim Eui-kyeom on February 20, after General Motors announced last week it would be shuttering a factory there. Designated crisis zones become eligible for special government subsidies like cheap loans and financial support for those laid off.

## Australasia

**Hourly wage rates in Australia grew by 0.55% in the last quarter of 2017**, leaving the annual increase at a two-year high of 2.08%, according to data released by the Australian Bureau of Statistics (ABS). Wages in the public sector rose 0.62% over the quarter, outpacing the private sector which rose 0.48%.

## South Asia

**Earnings from Bangladesh medicine exports rose 29.69% y-o-y in 2017**, the Health and Family Welfare Minister Mohammad Nasim said on February 19. The country earned BDT31.96 billion (US\$0.38 billion) from drugs export to 142 countries in 2017 as the quantity of drug export and the number of countries is gradually increasing. In 2016, the country earned BDT22.47 billion (US\$0.27 billion) from medicine export to 127 countries in the world.

## Middle East & North Africa

**Iran exported more than 53.33 million tons of mineral products worth over US\$7.58 billion during the first 10 months of the current fiscal year** (March 21 – January 20), down 1% in volume and up 4.6% in value

compared with last year's corresponding period. Imports during the same period stood at 9.55 million tons worth US\$4.46 billion, a 78.7% and 32.4% y-o-y growth in volume and value, respectively.

**The Saudi Arabian Monetary Authority (SAMA) has signed an agreement with blockchain-based company Ripple to help banks in the Kingdom improve their payments infrastructure.** The pilot program is the first of its kind to be launched by a central bank. Participating banks from Saudi Arabia will use Ripple's 'xCurrent' software solution to instantly settle payments sent into and out of the country. SAMA's use of xCurrent has the potential to radically shift how banks in Saudi Arabian send money globally.

## Eastern & Western Europe

**Bulgaria's economy posted 0.8% growth in the fourth quarter of 2017**, the National Statistical Institute (NSI) said in a flash estimate on February 14. In real terms, GDP in Bulgaria in the last three months of last year was 27.88 billion leva (US\$17.56 billion).

**France's unemployment rate fell below 9% at the end last year for the first time in almost nine years**, the country's statistics agency Insee said on February 15. The unemployment rate fell to 8.9% at the end of 2017, from 9.6% at the end of the previous quarter. The rate declined for all age categories and for both women and men.

## North & South America

**Economic activity in Brazil expanded at a faster-than-expected pace in December**, capping the first annual increase in four years following the deepest recession in decades. The central bank's economic activity index rose 1.41% m-o-m on a seasonally adjusted basis, the bank said on February 19.

**Spending at US retailers dropped in January**, signaling a weak start to the year for consumers despite low unemployment and rising wages. Retail and food-services sales declined a seasonally adjusted 0.3% m-o-m in January, the Commerce Department said on February 14.

# Economic & Financial News

Research & International Division

27/02/2018

*... US Gross National Debt higher by US\$1 trillion in less than 6 months ...  
... Brazil Federal tax revenue up 10% in January ...*

## Oil & Gas News

**Price of oil rose on 26 February 2018, hitting three-week highs, supported by strong U.S. demand and comments from Saudi Arabia that it would continue to curb production in line with OPEC-led efforts.** Brent crude rose 19 cents to settle at US\$67.50 a barrel. During the session, it hit a three-week high of US\$67.90. U.S. West Texas Intermediate futures rose 36 cents to settle at US\$63.91 a barrel, after hitting a 20-day high of US\$64.24.

## ASEAN

**Reports showed that Cambodia was exporting much less rice than its neighbors Thailand and Vietnam.** Cambodia exported about 700,000 tons of rice in 2017, a 17.3% increase over 2016 rice levels. Yet it exports less than Vietnam, which exported 6 million tons, and Thailand, 11 million tons over the same period. Number of issues were raised, such as price manipulation, conflicts of interest among the Cambodian Rice Federation's leadership, favoritism and mistrust.

**The Philippines central bank is selling its dollar reserves as a defensive measure to manage excessive volatility** driven by speculation against the peso, which is hovering near 11-year lows at 52.34 pesos per dollar on 19 February 2018. It ended the week at 51.89.

**Singapore's Consumer Price Index (CPI) inflation stayed at zero in January**, compared to a 0.4% increase for the last month of 2017, said the Ministry of Trade and Industry and the Monetary Authority of Singapore (MAS).

**FDI in Vietnam registered a record nearly US\$1.25 billion in January.** This include funding for new projects, in addition to existing projects and buying stakes in projects which will equal 75.9%, compared to the same period last year.

## ASEAN+3

**Chinese consumers spent US\$146 billion on activities ranging from eating out to moviegoing** during the week-long holiday from February 15 to 21, a rise of 10.2 % from a year ago, according to China's Ministry of Commerce.

**The Bank of Korea kept its key interest rate unchanged at 1.5%**, taking note of muted inflationary

pressure and showing caution ahead of any further monetary tightening from the US Federal Reserve's policy meeting on 20-21 March.

## Australasia

**New Zealand increased its trade activity at the start of 2018, with imports and exports both reaching new highs for the month of January.** Goods exports jumped 9.5% to US\$4.31 billion compared with January last year, while imports surged 17% to US\$4.88 billion, resulting in a trade deficit of US\$566 million, wider than the US\$227 million deficit in January last year and the largest for the month since 2007.

## Indian Sub-Continent

**The Reserve Bank of India (RBI) kept the key policy rate unchanged at 6%** for the third consecutive time in the last policy meet in view of the firming inflation. Inflation is expected to trend higher and though the RBI may keep policy rates on hold in 2018-19, there are also increasing chances of a rate hike.

## Middle East & North Africa

**Iran's largest steel producer Mobarakeh Steel Company (MSC) registers solid growth in sales value and double-digit upticks in production and sales volume.** MSC sold 6.3 million tons of steel products worth over 140 trillion rials (US\$3.1 billion) during the period, indicating a 10.47% and 54.97% growth in tonnage and value respectively compared with last year's similar period.

**The UAE has ranked first in the Middle East and 17th globally in terms of economic prosperity and government productivity**, according to World Economic Forum's latest Global Competitiveness Index. The report, which comes out yearly, assesses a country's government productivity in a specific set of institutions, ranging from infrastructure and innovation to education and markets, based on empirical and theoretical research.

## Eastern & Western Europe

**CPI in Poland stood at 1.6% y-o-y in January 2018 after a 1.7% growth in December.** In m-o-m terms, prices increased by 0.2%. CPI inflation in Poland stood at 1.9% in January y-o-y.

**Bulgaria had the lowest minimum wage in the European Union (EU)** as at January 2018. According to statistics agency Eurostat, Bulgaria had the lowest gross minimum wage, of 261 euro a month.

**UK's total mortgage lending rose by 9.7% to £21.9 billion in January 2018** compared with the same month a year ago. However, lending to businesses contracted by 1.4%, with construction falling. Spending on credit cards rose by 5.8%, or much faster than the growth in personal incomes, although the banks said that repayment levels on credit cards were also high.

## North & South America

**US debt ceiling was suspended on February 8, at which gross national debt rose to US\$20.8 trillion** from US\$19.8 trillion in less than 6 months.

**Brazil's federal tax revenues reached US\$48.11 billion** in January, 10.12% more than reported in the same month a year earlier, government data showed.

**Peru had a current account deficit of 1.3% of the GDP in 2017**, its smallest in the last eight years, thanks to higher revenues from its mining exports, the central bank said. The deficit in 2016 was 2.7% of GDP.