

Daily Flash

Asia

Asian stock markets were lower today, most notably Japan's Nikkei (-0.8%) following its recent, sharp rising trend since mid-November (when the previous PM Noda called for an election), during which time it has gained close to 22%. The Japanese yen, after depreciating by more than 10% over the same period - and closing at its lowest level versus the US dollar in over two and a half years on Friday (88.1/USD) - rose today by +0.6%, trading at 87.7/USD.

Taiwan posts better than expected exports, inflation remains steady

Taiwan's December exports were better than expectations, growing by 9.0% y/y (consensus: 4.5% y/y) from 0.9% y/y in November. Double digit year-on-year growth was observed across major export destinations, including to Europe (11.0% y/y), which showed its first gain since May 2012. With a gradually stabilizing external environment, we think Taiwan's exports are likely to continue recovering at a steady pace. Meanwhile, Taiwan's headline inflation in December remained at 1.6% y/y, the same rate as in November. As a result, full year 2012 headline inflation grew by 1.9% y/y on average, below the government's official 2% target. In 2013, we see inflationary pressures remaining near the authorities' comfort zone (BBVA forecast: 1.7% y/y), though upward risks will need to be closely watched if commodity prices increase.

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With contributions from the BBVA Research Asia Team

Calendar Indicators

Australia	Date	Period	Prior	Cons.	Actual
Retail Sales s.a. (MoM)	09-Jan	Nov	0.00%	--	--
China	Date	Period	Prior	Cons.	Actual
New Yuan Loans	10-15 JAN	Dec	522.9B	600.0B	--
Money Supply - M2 (YoY)	10-15 JAN	Dec	13.90%	14.00%	--
Imports YoY%	10-13 JAN	Dec	0.00%	3.50%	--
Exports YoY%	10-13 JAN	Dec	2.90%	5.60%	--
Trade Balance (USD)	10-13 JAN	Dec	\$19.63B	\$20.60B	--
Consumer Price Index (YoY)	11-Jan	Dec	2.00%	2.40%	--
Producer Price Index (YoY)	11-Jan	Dec	-2.20%	-1.80%	--
India	Date	Period	Prior	Cons.	Actual
Imports YoY%	10-15 JAN	Dec	6.40%	--	--
Exports YoY%	10-15 JAN	Dec	-4.20%	--	--
Japan	Date	Period	Prior	Cons.	Actual
Current Account Total	11-Jan	Nov	¥376.9B	--	--
Trade Balance - BOP Basis	11-Jan	Nov	¥450.3B	--	--
Malaysia	Date	Period	Prior	Cons.	Actual
Exports YoY%	09-Jan	Nov	-3.20%	--	--
Industrial Production YoY	10-Jan	Nov	5.80%	--	--
Philippines	Date	Period	Prior	Cons.	Actual
Total Exports (YoY)	10-Jan	Nov	6.10%	--	--
South Korea	Date	Period	Prior	Cons.	Actual
Unemployment Rate (SA)	09-Jan	Dec	3.00%	--	--
Taiwan	Date	Period	Prior	Cons.	Actual
CPI YoY%	07-Jan	Dec	1.59%	1.38%	1.61%
Total Exports (YoY)	07-Jan	Dec	0.90%	4.50%	9.0%

Calendar Events

Thailand - Benchmark Rate, January 9

We expect the benchmark rate to remain unchanged

Current	Consensus	New
2.75%	2.75%	--

Indonesia - BI Reference Rate, January 10

We expect the benchmark rate to remain unchanged

Current	Consensus	New
5.75%	5.75%	--

South Korea - 7-Day Repo Rate, January 11

We expect the benchmark rate to remain unchanged

Current	Consensus	New
2.75%	2.75%	--

Markets Data

STOCK MARKETS	INDEX	Last price	% change over a day	% change over a week	Year to date	% change over 1 Y
	China - Shanghai Comp.	2285.4	0.4	3.0	0.7	5.6
Hong Kong - Hang Seng	23329.8	0.0	2.9	3.0	25.5	
Taiwan - Weighted	7755.1	-0.7	1.4	0.7	8.9	
Japan - Nikkei 225	10599.0	-0.8	5.1	2.0	26.3	
Korea - Kospi	2011.3	0.0	1.2	0.7	9.1	
India - Sensex 30	19741.1	-0.2	1.6	1.6	24.4	
Australia - SPX/ASX 200	4717.3	-0.1	1.0	1.5	14.8	
Singapore - Strait Times	3222.2	-0.1	1.0	1.7	18.7	
Indonesia - Jakarta Comp	4392.4	-0.4	2.6	1.8	13.5	
Thailand - SET	1420.3	0.3	1.7	2.0	37.1	
Malaysia - KLCI	1691.4	-0.1	0.1	0.1	11.7	
Philippines - Manila Comp.	6044.9	1.2	4.3	4.0	34.8	

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FOREIGN EXCHANGE MARKETS	CURRENCY	Spot	% change over a day	% change over a week	Forward 3-month	Forward 12-month
	China (CNY/USD)	6.23	0.01	0.01	6.30	6.32
Hong Kong (HKD/USD)	7.75	0.01	-0.01	7.75	7.75	
Taiwan (TWD/USD)	29.0	0.05	0.09	28.88	28.55	
Japan (JPY/USD)	87.72	0.49	-1.11	87.71	87.46	
Korea (KRW/USD)	1064	-0.01	0.06	1069	1082	
India (INR/USD)	55.2	-0.17	-0.32	56.09	58.43	
Australia (USD/AUD)	1.05	0.08	0.90	0.96	0.98	
Singapore (SGD/USD)	1.23	-0.43	-0.87	1.23	1.23	
Indonesia (IDR/USD)	9670	1.22	1.27	9748	10085	
Thailand (THB/USD)	30.5	0.00	0.39	30.59	31.00	
Malaysia (MYR/USD)	3.04	0.13	0.50	3.06	3.10	
Philippines (PHP/USD)	40.9	0.03	0.22	40.75	40.70	

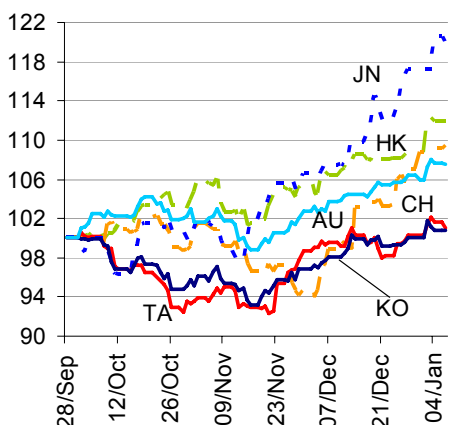
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INTERBANK RATES	INDEX	Rate	net change over a day	net change over a week	net change over a month
	China (SHIBOR/7D)	3.20	-0.42	-1.40	0.12
Hong Kong (HIBOR/1W)	0.13	0.00	0.00	0.00	
Taiwan (TAIBOR/1W)	0.57	0.00	0.00	-0.01	
Japan (TIBOR/1Y)	0.76	0.00	0.01	0.01	
Korea (KORIBOR/1M)	2.80	0.00	0.00	0.02	
India (MIBOR/7D)	3.50	-0.10	-0.49	-0.40	
Singapore (SIBOR/1W)	0.25	0.00	0.00	0.00	
Indonesia (JIBOR/1W)	4.29	0.00	-0.19	0.00	
Thailand (BIBOR/1W)	2.78	0.00	0.00	0.00	
Malaysia (KLIBOR/1W)	2.90	0.00	0.00	0.00	
Philippines (PHIBOR/1W)	0.63	0.25	0.94	-0.38	

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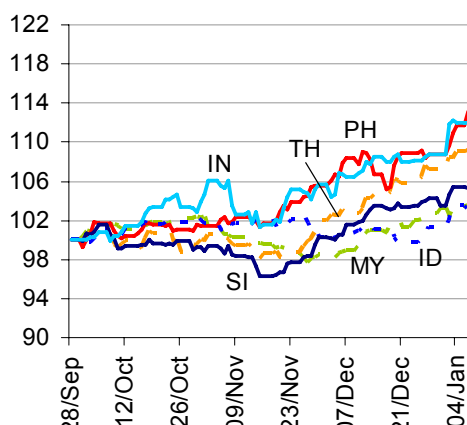
Charts

Chart 1
Stock Markets



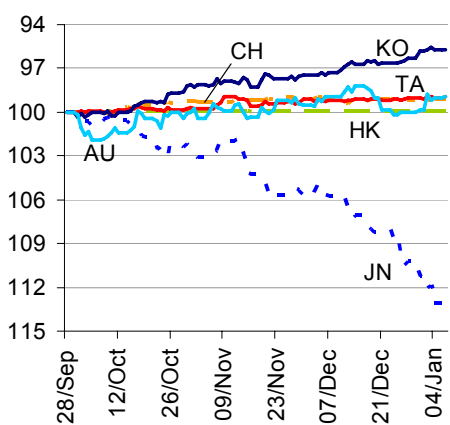
Source: BBVA Research and Bloomberg

Chart 2
Stock Markets



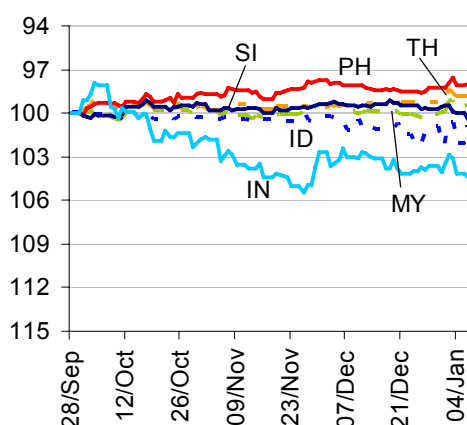
Source: BBVA Research and Bloomberg

Chart 3
Foreign Exchange Markets



Source: BBVA Research and Bloomberg

Chart 4
Foreign Exchange Markets



Source: BBVA Research and Bloomberg

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