

# Daily Flash

## Asia

Asian equity markets continued to trend lower for a second straight day throughout Asia following their sharp rise at the start of 2013 (Nikkei: -0.9%). In currencies, however, the RMB is nearing a 19-year high (at 6.224/USD) on prospects of renewed growth momentum (a theme we have been discussing quite often recently with respect to China). Today's latest news item from Shanghai (see below) may further stoke investor interest in the equity market of the world's second largest economy, which down the line may create further positive momentum in the economy.

### Shanghai stock exchange seeks to boost dividend payouts

In China, Shanghai's stock exchange has launched new, non-compulsory "guidance" to encourage greater cash dividends from listed companies. According to a posting on the stock exchange's website, at least 30% of listed companies' net profits should be distributed as cash dividends, a move geared towards increasing long-term investors in the market. In addition, incentives may be given to companies which distribute more than 50% of their net profits in dividends, such as expedited approvals for M&As. The new guidance may also improve the corporate governance of listed companies in China, many of which are effectively state-owned.

### Briefly noted:

- **Australia posted its largest trade deficit since March 2008**, of -2.64 billion AUD (or 2.77 billion USD) in November, as imports growth outpaced improving exports. The trade data underscore a surge in imports due to recent gains in the currency, though an improving global economy has given some renewed support to Australia's commodity exports.

Stephen Schwartz  
Chief Economist for Asia  
stephen.schwartz@bbva.com.hk  
+852 2582 3218

Jeffrey Cantwell, CFA  
Economist  
jeffrey.cantwell@bbva.com.hk  
+852 2582 3173

William Fitchett  
Economist  
william.fitchett@bbva.com.hk  
+852 2582 3246

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 JAN	Dec	0.00%	3.50%	--
Exports YoY%	10 JAN	Dec	2.90%	5.60%	--
Trade Balance (USD)	10 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.	2276.1	-0.4	3.2	0.3	5.2
Hong Kong - Hang Seng	23111.2	-0.9	2.0	2.0	24.3	
Taiwan - Weighted	7721.7	-0.4	0.3	0.3	8.4	
Japan - Nikkei 225	10508.1	-0.9	2.7	1.1	25.2	
Korea - Kospi	1997.9	-0.7	0.0	0.0	8.4	
India - Sensex 30	19717.2	0.1	0.7	1.5	24.3	
Australia - SPX/ASX 200	4690.3	-0.6	0.4	0.9	14.2	
Singapore - Strait Times	3201.5	-0.5	1.1	1.1	17.9	
Indonesia - Jakarta Comp	4397.5	0.1	1.9	1.9	13.6	
Thailand - SET	1416.4	0.1	1.8	1.8	36.7	
Malaysia - KLCI	1687.3	-0.4	-0.1	-0.1	11.4	
Philippines - Manila Comp.	6048.9	0.1	4.1	4.1	34.9	

Last update: today, 17:00 Hong Kong time

FOREIGN EXCHANGE MARKETS	CURRENCY	Spot	% change over a day	% change over a week	Forward 3-month	Forward 12-month
	China (CNY/USD)	6.22	0.09	0.22	6.29	6.31
Hong Kong (HKD/USD)	7.75	-0.01	-0.01	7.75	7.75	
Taiwan (TWD/USD)	29.0	-0.10	0.10	28.94	28.63	
Japan (JPY/USD)	87.43	0.41	-0.84	87.37	87.11	
Korea (KRW/USD)	1063	0.08	0.14	1069	1081	
India (INR/USD)	55.1	0.21	-0.77	56.00	58.37	
Australia (USD/AUD)	1.05	-0.11	0.92	0.96	0.98	
Singapore (SGD/USD)	1.23	-0.02	-0.66	1.23	1.23	
Indonesia (IDR/USD)	9827	-1.60	-0.33	9931	10280	
Thailand (THB/USD)	30.4	0.03	0.49	30.57	30.99	
Malaysia (MYR/USD)	3.04	0.02	0.52	3.06	3.10	
Philippines (PHP/USD)	40.8	0.23	0.45	40.66	40.61	

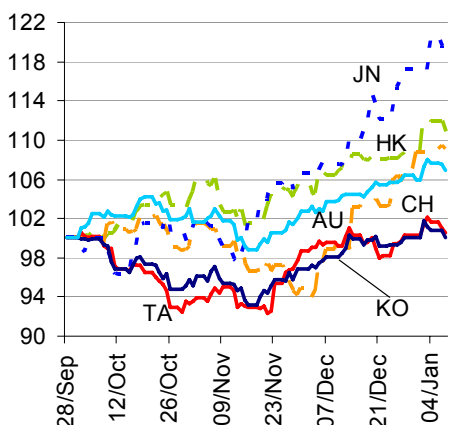
Last update: today, 17:00 Hong Kong time

INTERBANK RATES	INDEX	Rate	net change over a day	net change over a week	net change over a month
	China (SHIBOR/7D)	3.15	-0.05	-1.45	0.07
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)	2.79	-0.01	-0.01	0.01	
India (MIBOR/7D)	3.35	-0.15	-0.70	-0.55	
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)	-0.19	-0.81	0.13	-1.19	

Last update: today, 17:00 Hong Kong time

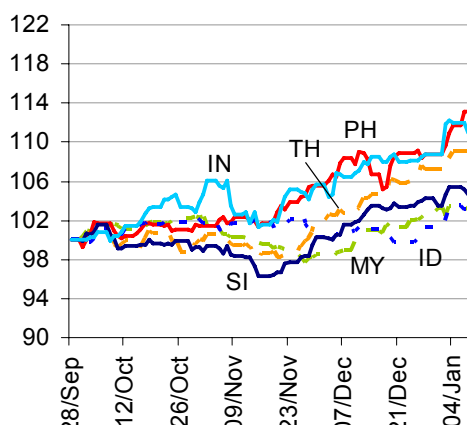
# Charts

Chart 1  
Stock Markets



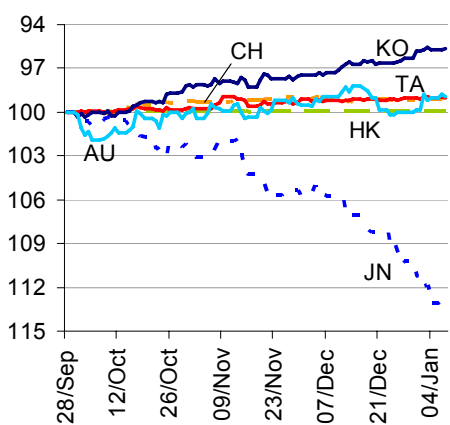
Source: BBVA Research and Bloomberg

Chart 2  
Stock Markets



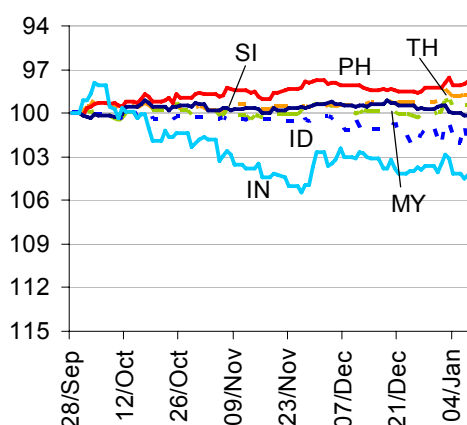
Source: BBVA Research and Bloomberg

Chart 3  
Foreign Exchange Markets



Source: BBVA Research and Bloomberg

Chart 4  
Foreign Exchange Markets



Source: BBVA Research and Bloomberg

Stephen Schwartz  
Chief Economist for Asia  
stephen.schwartz@bbva.com.hk

Fielding Chen  
Senior Economist  
fielding.chen@bbva.com.hk

Le Xia  
Senior Economist (China)  
xia.le@bbva.com.hk

Sumedh Deorukhkar  
Senior Economist (India, Mumbai)  
sumedh.deorukhkar@grupobbva.com


Jeffrey Cantwell, CFA  
Economist  
jeffrey.cantwell@bbva.com.hk

George Xu  
Economist  
george.xu@bbva.com.hk

William Fitchett  
Economist  
william.fitchett@bbva.com.hk

Carrie Liu  
Economist  
carrie.liu@bbva.com

Edward Wu  
Economist  
edward.wu@bbva.com

**BBVA** | RESEARCH  | 10/F., Two IFC, 8 Finance Street, Central, Hong Kong | Tel.: +852 2582 3111 | [www.bbva.com.hk](http://www.bbva.com.hk)

Before you print this message please consider if it is really necessary.

This email and its attachments are subject to the confidentiality terms established in the corresponding regulations and are intended for the sole use of the person or persons indicated in the header. They are for internal use only and cannot be distributed, copied, conveyed or furnished to third parties without prior written consent from BBVA. If this message has been received erroneously, it is forbidden to read, use or copy any of the contents and you are asked to inform BBVA immediately by forwarding the email to the sender and eliminating it thereafter.

BBVA will continue to provide our readers up-to-date reports by emails, but you can also register directly on our website where you can find a full list of our latest reports & presentations <http://serviciodeestudios.bbva.com/KETD/ketd/ing/index.jsp>

If you wish to be excluded from this mailing list, please write to us on [research.emergingmarkets@bbva.com.hk](mailto:research.emergingmarkets@bbva.com.hk) and we shall immediately take you off the list.