

Daily Flash

Asia

Events in Cyprus and the EU receded further from investor worries in Asia today, as shares finished mixed across the region. Meanwhile, tensions between North and South Korea resurfaced on speculation of a cyber attack on several South Korean bank and broadcasting computer systems that caused temporary disruptions, and sent Korean share prices down by -1.0% for the day. In China, the Shanghai Composite surged by +2.7%, with positive spillovers in Hong Kong (+0.9%) ahead of tomorrow's release of China's March flash HSBC PMI estimate, which will be watched closely after the release of mixed activity indicators in January/February.

Taiwan export orders disappoint to the downside

February export orders fell by -14.5% y/y (consensus: -3.0%) after an 18.0% jump in January. More than half of the decline was accounted by a fall in orders from China and Japan of more than -20% y/y. The outturn is a reminder of the still-weak external demand environment, despite improving export trends in China (which rose by 23.6% y/y in January/February). That said, the February export orders data should be taken with a grain of salt given distortions from the Chinese New Year timing, and given that orders for the January/February period still increased by +1.1% y/y, even after the disappointing February outturn.

Malaysia February inflation stays low, but edges up in February as expected

Consumer price inflation rose slightly to 1.5% y/y in line with the consensus, from 1.3% in January. The rise was mainly due to increases in food and housing prices. Inflation pressures are expected to trend up in the following months amid implementation of minimum wage increases and transfers to lower-income consumers. The central bank has maintained its policy rate at 3.0% for the past 22 months.

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Calendar Indicators

China	Date	Period	Prior	Cons.	Actual
Actual FDI (YoY)	19 Mar	Mar	-7.30%	-4.80%	6.30%
HSBC Flash Manufacturing PMI	21 Mar	Mar	50.4	50.9	--
Hong Kong	Date	Period	Prior	Cons.	Actual
Unemployment Rate SA	18 Mar	Feb	3.40%	3.40%	3.40%
Composite Interest Rate	19 Mar	Feb	0.28%	--	0.25%
CPI - Composite Index (YoY)	21 Mar	Feb	3.00%	4.00%	--
Japan	Date	Period	Prior	Cons.	Actual
Merchnds Trade Exports YoY	21 Mar	Feb	6.40%	-1.20%	--
Malaysia	Date	Period	Prior	Cons.	Actual
CPI YoY	20 Mar	Feb	1.30%	1.50%	1.50%
Singapore	Date	Period	Prior	Cons.	Actual
Non-oil Domestic Exports (YoY)	18 Mar	Feb	0.40%	-16.00%	-30.60%
Taiwan	Date	Period	Prior	Cons.	Actual
Export Orders (YoY)	20 Mar	Feb	18.00%	-3.00%	-14.50%
Unemployment Rate - sa	22 Mar	Feb	4.20%	4.20%	--

Calendar Events

India - REPO Cutoff Yield, Mar 19

We expect a 25 bps cut in the benchmark rate

Current

7.75%

Cons.

7.50%

New

7.50%

India - Cash Reserve Ratio, Mar 19

We expect a 25 bps cut in the benchmark rate

Current

4.00%

Cons.

4.00%

New

4.00%

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.	2317.4	2.7	2.4	2.1	-2.5
Hong Kong - Hang Seng	22256.4	1.0	-1.3	-1.8	6.6	
Taiwan - Weighted	7798.0	-0.5	-2.5	1.3	-2.2	
Japan - Nikkei 225	12468.2	2.0	1.2	19.9	22.9	
Korea - Kospi	1959.4	-1.0	-2.0	-1.9	-4.1	
India - Sensex 30	18862.4	-0.8	-2.6	-2.9	8.9	
Australia - SPX/ASX 200	4967.4	-0.4	-2.5	6.8	16.2	
Singapore - Strait Times	3248.4	-0.6	-1.2	2.6	8.2	
Indonesia - Jakarta Comp	4831.5	0.2	-0.1	11.9	20.1	
Thailand - SET	1548.1	-1.3	-1.9	11.2	29.4	
Malaysia - KLCI	1631.5	0.4	-0.9	-3.4	3.4	
Philippines - Manila Comp.	6419.6	-0.1	-5.3	10.4	25.8	

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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)	6.21	0.06	0.04	6.28	6.31
Hong Kong (HKD/USD)	7.76	0.00	-0.04	7.76	7.75	
Taiwan (TWD/USD)	29.8	-0.09	-0.36	29.70	29.40	
Japan (JPY/USD)	95.31	-0.16	0.86	95.25	94.91	
Korea (KRW/USD)	1116	-0.45	-1.69	1120	1133	
India (INR/USD)	54.4	-0.03	-0.15	55.46	57.98	
Australia (USD/AUD)	1.04	0.14	0.84	0.97	0.99	
Singapore (SGD/USD)	1.25	0.03	-0.10	1.25	1.25	
Indonesia (IDR/USD)	9724	-0.04	-0.36	9835	10223	
Thailand (THB/USD)	29.1	0.52	1.79	29.23	29.59	
Malaysia (MYR/USD)	3.12	0.00	-0.44	3.14	3.18	
Philippines (PHP/USD)	40.7	-0.06	-0.44	40.69	40.63	

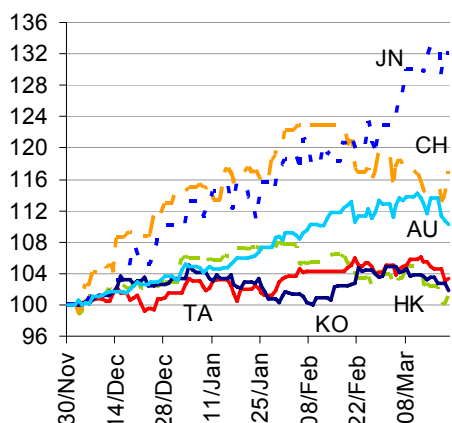
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INTERBANK RATES	INDEX	Rate	net change over a day	net change over a week	net change over a month
	China (SHIBOR/7D)	3.25	0.25	-0.15	0.30
Hong Kong (HIBOR/1W)	0.10	0.00	0.00	0.00	
Taiwan (TAIBOR/1W)	0.55	0.00	0.00	-0.01	
Japan (TIBOR/1Y)	0.76	0.00	0.01	0.01	
Korea (KORIBOR/1M)	2.75	-0.01	-0.01	-0.02	
India (MIBOR/7D)	3.58	0.61	0.54	0.13	
Singapore (SIBOR/1W)	0.25	0.00	0.00	0.00	
Indonesia (JIBOR/1W)	4.28	0.00	0.00	0.00	
Thailand (BIBOR/1W)	2.77	0.00	0.00	0.00	
Malaysia (KLIBOR/1W)	2.90	0.00	0.00	0.00	
Philippines (PHIBOR/1W)	0.56	-0.31	-0.38	-0.75	

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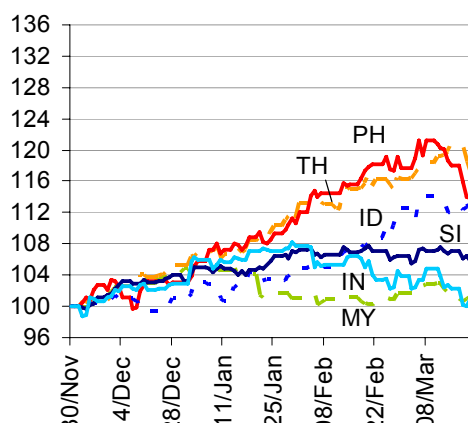
Charts

Chart 1
Stock Markets



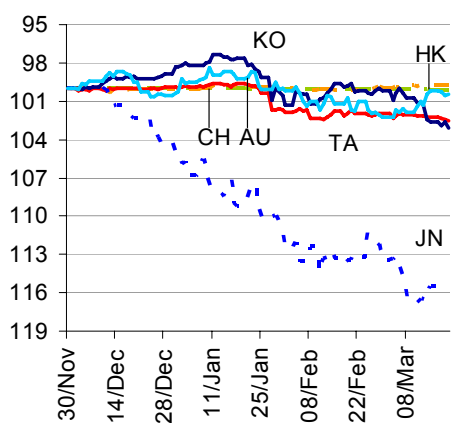
Source: BBVA Research and Bloomberg

Chart 2
Stock Markets



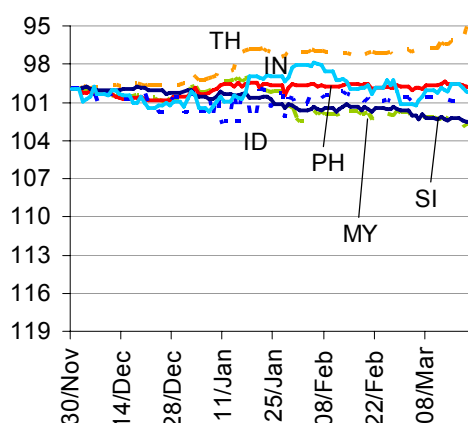
Source: BBVA Research and Bloomberg

Chart 3
Foreign Exchange Markets



Source: BBVA Research and Bloomberg

Chart 4
Foreign Exchange Markets



Source: BBVA Research and Bloomberg

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