

# Daily Flash

## Asia

*The release of the IMF's latest World Economic Outlook was widely covered in Asia today. The IMF made modest upward revisions to its 2012 growth projections for the region, with the exception of a small downward revision for India. Much in line with our own assessment, the report highlighted the region's strong domestic demand as an offset to weaker external demand: "resilient domestic demand in China, limited financial spillovers, room for policy easing and the capacity of Asian banks to step in as European banks deleverage suggest that the soft landing is likely to continue." Together with positive spillovers from overnight trends in the US, the report helped to lift market sentiment, with the Nikkei (+2.1%), Shanghai (+2.0%) and the Hang Seng (+1.1%) among the day's biggest advancers.*

### China's housing prices post another decline in March

Official data released today show an eighth consecutive monthly decline in national housing prices. The data, covering 70 cities, show an average year-on-year price decline (including new and second-hand housing) of -1.5%. On a monthly basis, average housing prices declined by -0.3% in March, an acceleration from previous monthly declines. On a cumulative basis, we estimate national housing prices to have now fallen by -1.5% since their peak in July 2011. Falling housing prices have been a source of investor concern given the importance of the sector in generating GDP growth. Nevertheless, we view the declines as moderate so far and in line with our expectations. Meanwhile, the government is maintaining its property curbs in order to ensure housing affordability.

### Indonesia to ban certain commodity exports starting next month

Media reports indicate that Indonesia will ban certain exports of unprocessed metal ores starting next month to encourage local processing. The new rules reportedly apply to holders of 'Mining Business Licenses' issued after 2009, though companies which hold a 'Contract of Work' will be allowed to ship ores until 2014, at which point all companies must process such ores domestically. The policy could be interpreted by some investors as another step in the direction of rising economic nationalism ahead of 2014 Presidential elections, following recent discussions to lower foreign ownership limits in the banking and mining sectors.

### Briefly noted:

- **The Philippines will hold its regular monetary policy meeting tomorrow.** We expect the benchmark interest rate to remain steady at 4.0% after two consecutive 25bps cuts over the last two meetings

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## Calendar Indicators

<b>China</b>	<b>Date</b>	<b>Period</b>	<b>Prior</b>	<b>Cons.</b>	<b>Actual</b>
Actual FDI (YoY)	17-Apr	MAR	-0.90%	-13.60%	-6.10%
<b>Hong Kong</b>	<b>Date</b>	<b>Period</b>	<b>Prior</b>	<b>Cons.</b>	<b>Actual</b>
Unemployment Rate SA	19-Apr	MAR	3.40%	3.50%	--
<b>India</b>	<b>Date</b>	<b>Period</b>	<b>Prior</b>	<b>Cons.</b>	<b>Actual</b>
Monthly Wholesale Prices YoY%	16-Apr	MAR	6.95%	6.65%	6.89%
<b>Japan</b>	<b>Date</b>	<b>Period</b>	<b>Prior</b>	<b>Cons.</b>	<b>Actual</b>
Industrial Production (MoM)	17-Apr	FEB F	-1.20%	--	-1.60%
Industrial Production YOY%	17-Apr	FEB F	1.50%	--	1.50%
Capacity Utilization (MoM)	17-Apr	FEB F	3.40%	--	-1.70%
Merchandise Trade Balance Total	19-Apr	MAR	¥32.9B	¥223.2B	--
Tertiary Industry Index (MoM)	20-Apr	FEB	-1.70%	0.70%	--
<b>Malaysia</b>	<b>Date</b>	<b>Period</b>	<b>Prior</b>	<b>Cons.</b>	<b>Actual</b>
CPI YoY	20-Apr	MAR	2.20%	2.10%	--
<b>Philippines</b>	<b>Date</b>	<b>Period</b>	<b>Prior</b>	<b>Cons.</b>	<b>Actual</b>
Overseas Remittances (YoY)	16-Apr	FEB	5.40%	--	5.80%
<b>Singapore</b>	<b>Date</b>	<b>Period</b>	<b>Prior</b>	<b>Cons.</b>	<b>Actual</b>
Non-oil Domestic Exports (YoY)	17-Apr	MAR	30.50%	7.10%	-4.30%
<b>Taiwan</b>	<b>Date</b>	<b>Period</b>	<b>Prior</b>	<b>Cons.</b>	<b>Actual</b>
Export Orders (YoY)	20-Apr	MAR	17.60%	-3.91%	--
<b>Thailand</b>	<b>Date</b>	<b>Period</b>	<b>Prior</b>	<b>Cons.</b>	<b>Actual</b>
Customs Exports (YoY)	18-19 APR	MAR	0.90%	-2.30%	--
Customs Imports (YoY)	18-19 APR	MAR	8.30%	3.50%	--

## Calendar Events

### India - India REPO cutoff yield, April 17

We expected a 25bps cut in the repo rate

Current	Consensus	New
8.50%	8.25%	8.00%

### Philippines - Overnight borrowing rate, April 19

We expect the overnight rate to remain unchanged

Current	Consensus	New
4.00%	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.	2380.8	2.0	3.1	8.2	-22.1
	Hong Kong - Hang Seng	20780.7	1.1	3.2	12.7	-12.8
	Taiwan - Weighted	7605.0	0.3	-0.7	7.5	-12.7
	Japan - Nikkei 225	9667.3	2.1	2.2	14.3	1.2
	Korea - Kospi	2004.5	1.0	0.5	9.8	-6.2
	India - Sensex 30	17392.4	0.2	1.1	12.5	-8.9
	Australia - SPX/ASX 200	4348.7	1.4	2.4	7.2	-10.6
	Singapore - Strait Times	3000.6	0.5	1.8	13.4	-4.6
	Indonesia - Jakarta Comp	4166.2	0.2	0.9	9.0	11.8
	Thailand - SET	1168.1	0.7	-1.2	13.9	7.1
	Malaysia - KLCI	1598.9	0.2	0.1	4.5	4.6
Philippines - Manila Comp.	5186.2	0.6	3.4	18.6	21.5	

Last update: today, 17.45 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)	6.30	-0.02	0.08	6.32	6.35
	Hong Kong (HKD/USD)	7.76	-0.04	0.03	7.76	7.75
	Taiwan (TWD/USD)	29.5	-0.05	0.05	29.45	29.18
	Japan (JPY/USD)	81.48	-0.77	-0.76	81.41	80.97
	Korea (KRW/USD)	1137	0.30	0.64	1146	1159
	India (INR/USD)	51.7	-0.34	-0.45	52.67	54.74
	Australia (USD/AUD)	1.04	-0.18	0.69	0.97	1.00
	Singapore (SGD/USD)	1.25	-0.22	0.53	1.25	1.25
	Indonesia (IDR/USD)	9179	-0.05	-0.07	9249	9571
	Thailand (THB/USD)	30.9	-0.16	0.10	31.01	31.45
	Malaysia (MYR/USD)	3.06	0.03	0.53	3.08	3.11
Philippines (PHP/USD)	42.6	0.04	0.27	42.89	43.26	

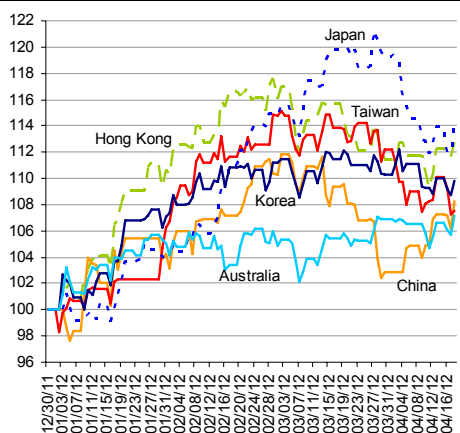
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INTERBANK RATES	INDEX	Rate	net change over a day	net change over a week	net change over a month
	China (SHIBOR/7D)	3.70	-0.07	-0.10	0.80
	Hong Kong (HIBOR/1W)	0.11	0.00	0.00	0.00
	Taiwan (TAIBOR/1W)	0.65	0.00	0.01	0.01
	Japan (TIBOR/1Y)	0.76	0.00	0	0
	Korea (KORIBOR/1M)	3.38	0.00	0.00	0.00
	India (MIBOR/7D)	4.00	0.24	-0.08	1.10
	Singapore (SIBOR/1W)	0.25	0.00	0.00	-0.06
	Indonesia (JIBOR/1W)	3.81	0.00	0	0
	Thailand (BIBOR/1W)	3.02	0.00	0.00	0.00
	Malaysia (KLIBOR/1W)	2.90	0.00	0.00	0.00
	Philippines (PHIBOR/1W)	3.69	-0.06	0.00	0.00

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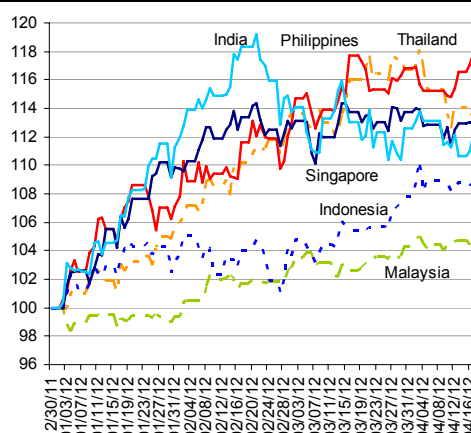
# Charts

Chart 9  
Stock Markets



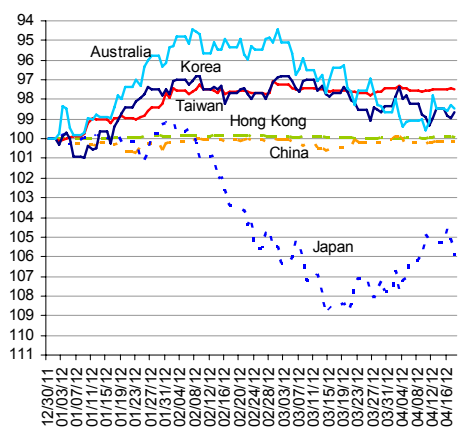
Source: BBVA Research and Bloomberg

Chart 10  
Stock Markets



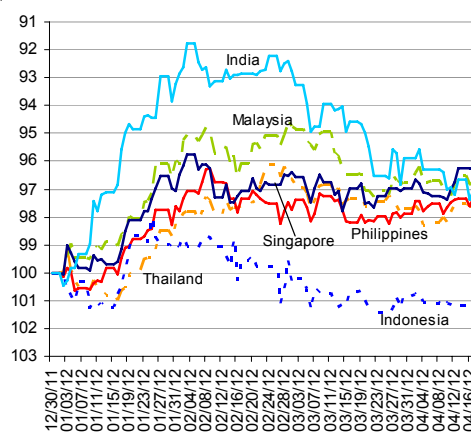
Source: BBVA Research and Bloomberg

Chart 11  
Foreign Exchange Markets



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Chart 12  
Foreign Exchange Markets



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