

# Daily Flash

## Asia

*Expectations are growing of further monetary easing in China through cuts in required reserve ratios following remarks by PBoC officials reported in the media. While investors kept a nervous eye on developments in Europe, prospects of policy easing in China were enough to send the Hang Seng index up by 1.0%, although markets in the rest of the region finished in mixed territory.*

### Japan's exports accelerate in March, as BoJ hints at further policy easing

Exports growth exceeded expectations (5.9% y/y vs. consensus: 0.2%), boosted by auto sales to the US, and resulting in a lower-than-expected trade deficit. Imports grew by 10.5% y/y for the month due to higher oil and gas purchases needed to replace Japan's dwindling nuclear power supply. Additionally, on Wednesday, Bank of Japan Governor Masaaki Shirakawa expressed the central bank's intention to continue monetary easing. This increases the likelihood of additional quantitative easing at the BoJ's next policy meeting on April 27<sup>th</sup>.

### Hong Kong's unemployment rate stays unchanged at 3.4%

Hong Kong's seasonally adjusted unemployment rate was unchanged in the January - March period (consensus: 3.5%). The outturn reflects continued strong demand for labor, although the market remains vulnerable to external headwinds given Hong Kong's dependence on the export sector. We expect the unemployment rate to inch up in the coming months.

#### Briefly noted:

- **The Philippines kept interest rates unchanged today, citing improving growth prospects.** The decision was in line with expectations, and rates remain at 4.00% following consecutive 25bps cuts at its two previous policy meetings. Positive market sentiment continues to build in the Philippines, where the stock market touched a record high yesterday, before declining by 0.3% today, to 5,173.
- **India's trade balance widens in FY 2012.** Provisional data on India's full year trade was released today, showing that exports rose by 21.0% y/y while imports rose 32.1% y/y. While the export outturn exceeded the government's 20% annual growth target, the widening trade deficit (USD 184.9 bn in FY12) adds to concern about the current account deficit for the coming year, which has led to downward pressure on the rupee.

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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%	-3.40%
<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	¥82.6B
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%	--

## Calendar Events

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

We expected a 25bps cut in the repo rate

<b>Current</b>	<b>Consensus</b>	<b>New</b>
8.50%	8.25%	8.00%

### **Philippines - Overnight borrowing rate, April 19**

We expected the overnight rate to remain unchanged

<b>Current</b>	<b>Consensus</b>	<b>New</b>
4.00%	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.	2378.6	-0.1	1.2	8.1	-20.7
	Hong Kong - Hang Seng	20995.0	1.0	3.3	13.9	-10.7
	Taiwan - Weighted	7622.7	0.2	-0.5	7.8	-11.8
	Japan - Nikkei 225	9588.4	-0.8	0.7	13.4	1.6
	Korea - Kospi	1999.9	-0.2	0.7	9.5	-5.8
	India - Sensex 30	17528.7	0.8	1.1	13.4	-8.3
	Australia - SPX/ASX 200	4362.7	0.3	1.9	7.5	-9.0
	Singapore - Strait Times	3008.2	0.3	1.0	13.7	-3.7
	Indonesia - Jakarta Comp	4163.7	-0.1	0.6	8.9	11.5
	Thailand - SET	1185.3	1.5	1.7	15.6	8.2
	Malaysia - KLCI	1596.6	-0.1	-0.3	4.3	4.9
Philippines - Manila Comp.	5173.3	-0.2	2.5	18.3	21.9	

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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)	6.30	-0.01	0.06	6.32	6.34
	Hong Kong (HKD/USD)	7.76	0.00	0.04	7.76	7.75
	Taiwan (TWD/USD)	29.5	0.08	0.07	29.41	29.15
	Japan (JPY/USD)	81.56	-0.37	-0.82	81.49	81.06
	Korea (KRW/USD)	1138	-0.07	0.21	1145	1158
	India (INR/USD)	51.9	-0.15	-0.52	52.88	55.01
	Australia (USD/AUD)	1.04	0.24	-0.52	0.97	1.00
	Singapore (SGD/USD)	1.25	0.02	0.28	1.25	1.25
	Indonesia (IDR/USD)	9181	-0.02	0.01	9253	9573
	Thailand (THB/USD)	30.9	-0.13	-0.36	31.05	31.46
	Malaysia (MYR/USD)	3.07	-0.03	0.10	3.08	3.11
Philippines (PHP/USD)	42.6	-0.01	0.14	42.87	43.24	

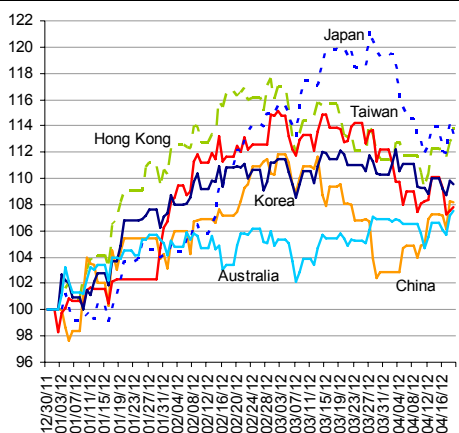
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INTERBANK RATES	INDEX	Rate	net change over a day	net change over a week	net change over a month
	China (SHIBOR/7D)	3.80	0.10	0.00	0.92
	Hong Kong (HIBOR/1W)	0.11	0.00	0.00	0.00
	Taiwan (TAIBOR/1W)	0.65	0.00	0.01	0.01
	Japan (TIBOR/1Y)	0.76	0.00	0	0
	Korea (KORIBOR/1M)	3.38	0.00	0.00	0.00
	India (MIBOR/7D)	4.15	0.15	0.30	1.25
	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)	3.75	0.06	0.06	-0.06

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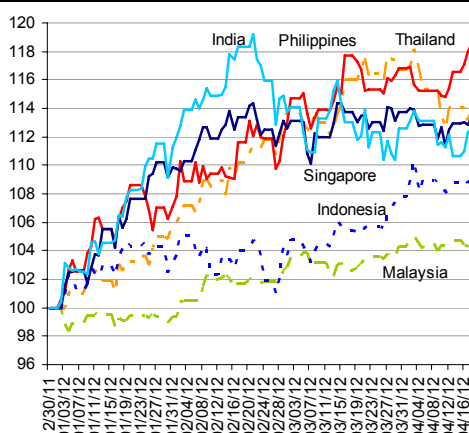
# Charts

Chart 9  
Stock Markets



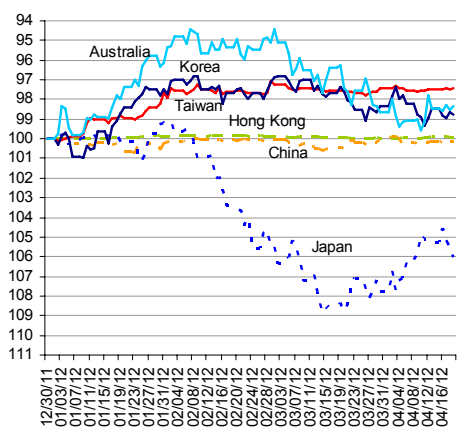
Source: BBVA Research and Bloomberg

Chart 10  
Stock Markets



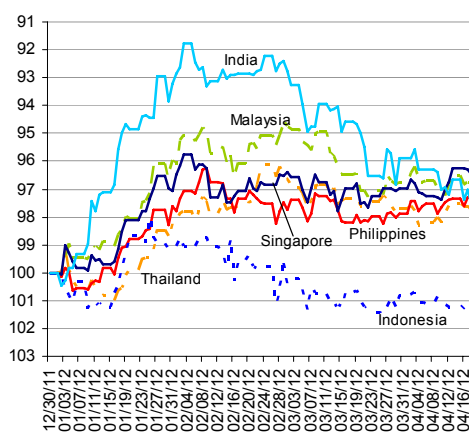
Source: BBVA Research and Bloomberg

Chart 11  
Foreign Exchange Markets



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Chart 12  
Foreign Exchange Markets



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