

Daily Flash

Asia

China's property prices rise for a second straight month

Data released over the weekend provide further confirmation of a rebound in China's residential property prices. Average national prices rose for a second straight month in July, by 0.06% m/m according to our calculations based on the official NBS data covering 70 major cities. The pace of increase is down slightly from 0.09% m/m in June, but the number of cities reporting an increase in the price of new residential housing rose to 50 from 25 in June. The authorities' ongoing emphasis on curtailing housing price increases may cause the PBoC to proceed cautiously with further monetary easing measures. However, given the emphasis on stabilizing growth after recent disappointing activity outturns, we continue to expect further cuts in interest rates and the RRR in the coming months, perhaps accompanied by targeted measures to prevent housing price increases, such as a further extension of the pilot program on property taxes.

Export orders continue to slump in Taiwan

Taiwan's export orders contracted by -4.4% y/y (BBVA: -2.9%, consensus: -3.0%) in July after falling by -2.6% y/y the previous month, as China (including HK) and Europe remained the major drags on demand among Taiwan's major markets. By product, orders for information and communications products remained sluggish, suggesting the high-end segment of global demand has not yet rebounded due to fears over the global outlook. The near-term outlook remains challenging for Taiwan's exports-reliant economy, which will likely face continued headwinds in the coming months.

Thailand's Q2 GDP growth picks up faster than expected

Thailand's rapid recovery from last year's flooding continued, as GDP grew by a faster-than-expected 4.2% y/y (consensus: 3.1% y/y) in the second quarter from 0.4% y/y the previous quarter, mainly supported by strong public and private consumption, which rose by 5.3% y/y and 5.6% y/y respectively. Investment also posted strong growth of 10.2% y/y. However, with concerns about the external outlook growing, the government announced today a downward revision to its full-year GDP growth forecast for 2012, to 5.5-6.0% from 5.5-6.5% (BBVA: 5.0% y/y). Meanwhile, Thailand's central bank governor stated that inflation is not a concern, reflecting increased worries over the external outlook and raising chances for monetary easing in the coming months.

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Calendar Indicators

China	Date	Period	Prior	Cons.	Actual
HSBC Flash Manufacturing PMI	23-Aug	Aug	49.3	--	--
Hong Kong	Date	Period	Prior	Cons.	Actual
CPI - Composite Index (YoY)	21-Aug	Jul	3.70%	3.40%	--
India	Date	Period	Prior	Cons.	Actual
CPI (YoY)	21-Aug	Jul	10.02%	--	--
Japan	Date	Period	Prior	Cons.	Actual
All Industry Activity Index (MoM)	21-Aug	Jun	-0.30%	0.20%	--
Merchnds Trade Balance Total	22-Aug	Jul	¥61.7B	¥270.0B	--
Merchnds Trade Exports YoY	22-Aug	Jul	-2.3	-2.7	--
Merchnds Trade Imports YoY	22-Aug	Jul	-2.2	3	--
Philippines	Date	Period	Prior	Cons.	Actual
Balance of Payments	22-Aug	Jul	\$14M	--	--
Singapore	Date	Period	Prior	Cons.	Actual
CPI (MOM) - NSA	23-Aug	Jul	0.00%	0.70%	--
CPI (YoY)	23-Aug	Jul	5.30%	4.50%	--
Industrial Production MoM SA	24-Aug	Jul	3.90%	-4.00%	--
Industrial Production YoY	24-Aug	Jul	7.60%	6.40%	--
Taiwan	Date	Period	Prior	Cons.	Actual
Export Orders (YoY)	20-Aug	Jul	-2.62%	-2.98%	-4.39%
Unemployment Rate - sa	22-Aug	Jul	4.24%	4.30%	--
Industrial Production (YoY)	23-Aug	Jul	-2.44%	-1.70%	--
Thailand	Date	Period	Prior	Cons.	Actual
Gross Domestic Product SA (QoQ)	20-Aug	2Q	11.00%	2.00%	3.30%
Gross Domestic Product (YoY)	20-Aug	2Q	0.30%	3.10%	4.20%
Customs Exports (YoY)	20-22 AUG	Jul	-2.50%	-3.10%	--
Vietnam	Date	Period	Prior	Cons.	Actual
CPI (YoY)	24-Aug	Aug	5.35%	--	--
Exports YTD (YoY)	24-31 AUG	Aug	19.00%	--	--
Retail Sales YTD (YoY)	26-31 AUG	Aug	18.70%	--	--

Calendar Events

There are no calendar events scheduled for this week.

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.	2107.0	-0.4	-1.4	-4.2	-16.9
	Hong Kong - Hang Seng	20104.3	-0.1	0.1	9.1	3.6
	Taiwan - Weighted	7431.9	-0.5	-0.1	5.1	1.2
	Japan - Nikkei 225	9171.2	0.1	3.2	8.5	5.2
	Korea - Kospi	1946.3	0.0	0.0	6.6	11.5
	India - Sensex 30	17691.1	0.2	0.7	14.5	9.6
	Australia - SPX/ASX 200	4364.3	-0.1	1.9	7.6	6.4
	Singapore - Strait Times	3062.1	0.0	0.3	15.7	12.0
	Indonesia - Jakarta Comp	4160.5	0.4	0.7	8.9	5.2
	Thailand - SET	1229.0	0.4	0.8	19.9	14.9
	Malaysia - KLCI	1649.8	0.0	0.2	7.8	11.2
	Philippines - Manila Comp.	5206.8	-0.2	-1.1	19.1	20.0

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)	6.36	-0.01	0.05	6.38	6.45
	Hong Kong (HKD/USD)	7.76	0.01	0.00	7.75	7.75
	Taiwan (TWD/USD)	30.0	-0.02	-0.04	29.98	29.72
	Japan (JPY/USD)	79.52	0.05	-1.51	79.45	79.08
	Korea (KRW/USD)	1136	-0.11	-0.39	1141	1153
	India (INR/USD)	55.7	0.05	-0.83	56.75	59.31
	Australia (USD/AUD)	1.05	0.35	-0.58	0.96	0.99
	Singapore (SGD/USD)	1.25	0.02	-0.60	1.25	1.25
	Indonesia (IDR/USD)	9517	0.02	-0.24	9662	10109
	Thailand (THB/USD)	31.5	-0.03	-0.22	31.69	32.10
	Malaysia (MYR/USD)	3.13	0.08	-0.26	3.15	3.18
	Philippines (PHP/USD)	42.4	0.00	-1.00	42.50	42.78

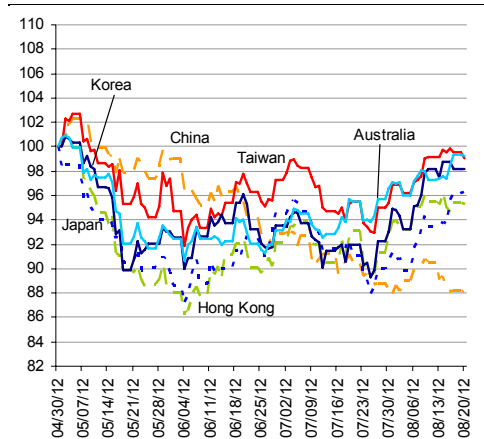
Last update: today, 17.45 Hong Kong time.

INTERBANK RATES	INDEX	Rate	net change over a day	net change over a week	net change over a month
	China (SHIBOR/7D)	3.60	-0.35	0.20	0.05
	Hong Kong (HIBOR/1W)	0.13	0.00	0.00	0.00
	Taiwan (TAIBOR/1W)	0.63	0.00	-0.01	-0.01
	Japan (TIBOR/1Y)	0.76	0.00	0.01	0.01
	Korea (KORIBOR/1M)	3.04	0.00	0.00	-0.05
	India (MIBOR/7D)	3.57	-0.83	0.23	0.00
	Singapore (SIBOR/1W)	0.25	0.00	0.00	0.00
	Indonesia (JIBOR/1W)	4.49	0.03	0.29	0.32
	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)	0.81	-1.31	0.19	-0.69

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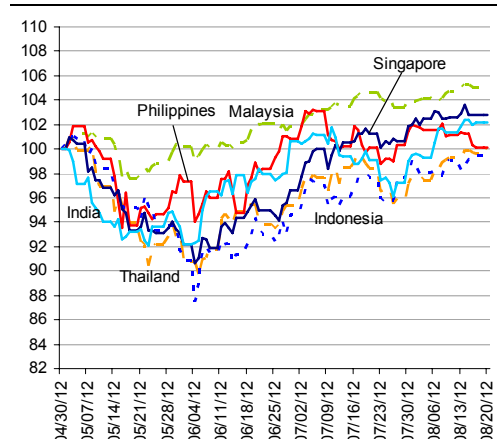
Charts

Chart 9
Stock Markets



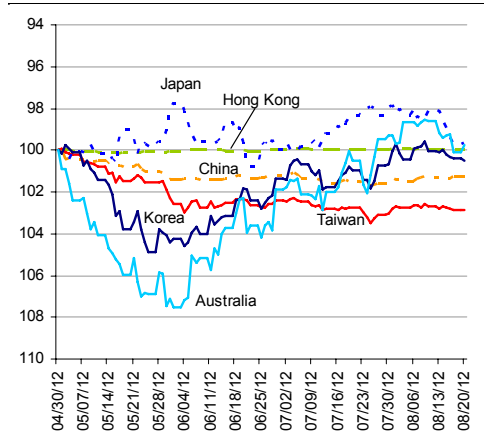
Source: BBVA Research and Bloomberg

Chart 10
Stock Markets



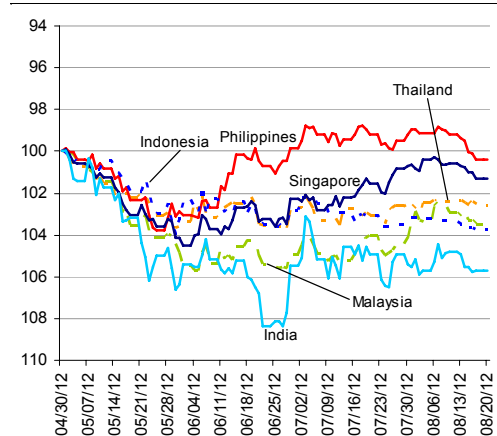
Source: BBVA Research and Bloomberg

Chart 11
Foreign Exchange Markets



Source: BBVA Research and Bloomberg

Chart 12
Foreign Exchange Markets



Source: BBVA Research and Bloomberg

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