

# Daily Flash

## Asia

*Among the region's equity markets, Japan's Nikkei stood out again today (+2.2%, on top of yesterday's 1.9% gain), propelled by expectations of further easing by the Bank of Japan. Prime Minister Yoshihiko Noda dissolved Parliament today, as expected, paving the way for a general election in December where the opposition party headed by Shinzo Abe is widely expected to win. Abe's calls for aggressive easing have caused the yen to weaken (to around ¥81 per USD), boosting Japanese export firms. Elsewhere, equities were mixed (Kospi: -0.5%, Jakarta: +0.4%).*

### Singapore's Q3 GDP comes in lower than expected

Singapore's revised third quarter GDP came in well below expectations, at a seasonally adjusted annualized contraction of -5.9% (consensus: -2.9% saar), as weaker exports weighed heavily on GDP growth. The government said it now expects growth of around 1.5% this year (below our projection of 2.1%, which may need to be revised down), and at the low end of its 1.5%-2.5% range, and forecast growth of 1%-3% in 2013 (against our projection of 2.5%) on expectations that the global economy will remain sluggish. Singapore also announced that non-oil domestic exports rebounded to 7.9% y/y in October (consensus: 2.4% y/y) from a -3.6% y/y contraction the prior month.

### Hong Kong posts slight Q3 GDP rebound, avoiding technical recession

Hong Kong's third quarter GDP rose by 1.3% y/y (consensus: 1.7% y/y) from 1.2% y/y the previous quarter. On a seasonally adjusted q/q basis, GDP growth in Q3 returned to positive territory (0.6%) after a -0.1% contraction in Q2, thereby avoiding a technical recession. By expenditure, consumption (which grew by 2.8% y/y in Q3) remained resilient due to a tight labor market, while investment (up by 8.7% y/y) was also buoyed by accelerated housing building as property prices continued to rise rapidly through September. However, external weakness dragged down the performance in trade. The government slightly revised down its full-year growth projection to 1.2% from 1.5% (BBVA: 1.2%). Risks remain to the downside given that authorities still confront risks in a number of critical areas, including a property market bubble and the potential acceleration of inflation.

### Malaysia posts robust 3Q GDP growth

Malaysia posted robust third quarter GDP growth of 5.2% y/y from a revised 5.6% y/y the previous quarter, beating consensus estimates (4.8% y/y). Domestic demand showed resilience, as construction and services continued growing quickly (by 18.3% y/y and 7.0% y/y, respectively). The outturn reinforces the rationale behind the central bank's decision to refrain from cutting rates thus far this year, despite inflation reaching record lows. We expect growth momentum in the fourth quarter and next year to remain strong on domestic demand resilience, despite the ongoing weakness in exports.

### The Week Ahead: flash PMI for China highlights upcoming data outturns

Next week will be highlighted by two releases from China: the HSBC/Markit flash PMI for China (on Nov 22nd), and property prices for October (on Nov 18th). The release of Japan's October trade balance data (on Nov 21st) will be closely watched to gauge the effect the ongoing territorial dispute with China is having on the country's exports. Japan will also hold its regular monetary policy meeting on Nov 20th, where we expect no change in its current policy stance. Hong Kong, Malaysia and Singapore will release inflation figures (on Nov 22nd for the former, Nov 23rd for the latter two), while Thailand and the Philippines will announce their 3Q GDP growth outturns (on Nov 19th and Nov 23rd respectively).

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## Calendar Indicators

<b>China</b>	<b>Date</b>	<b>Period</b>	<b>Prior</b>	<b>Cons.</b>	<b>Actual</b>
Trade Balance (USD)	10-Nov	Oct	\$27.67B	\$27.30B	\$31.99B
Exports YoY%	10-Nov	Oct	9.90%	10.00%	11.60%
Imports YoY%	10-Nov	Oct	2.40%	3.40%	2.40%
New Yuan Loans	12-Nov	Oct	623.2B	590.0B	505.2B
Money Supply - M2 (YoY)	12-Nov	Oct	14.80%	14.50%	14.10%
<b>Hong Kong</b>	<b>Date</b>	<b>Period</b>	<b>Prior</b>	<b>Cons.</b>	<b>Actual</b>
GDP (YoY)	16-Nov	3Q	1.10%	1.70%	1.30%
GDP sa (QoQ)	16-Nov	3Q	-0.10%	0.50%	0.60%
<b>India</b>	<b>Date</b>	<b>Period</b>	<b>Prior</b>	<b>Cons.</b>	<b>Actual</b>
Exports YoY%	12-Nov	Oct	-10.80%	--	-1.60%
CPI (YoY)	12-Nov	Oct	9.73%	--	9.75%
Industrial Production YoY	12-Nov	Sep	2.70%	2.80%	-0.40%
Monthly Wholesale Prices YoY%	14-Nov	Oct	7.81%	7.90%	7.45%
<b>Japan</b>	<b>Date</b>	<b>Period</b>	<b>Prior</b>	<b>Cons.</b>	<b>Actual</b>
Tertiary Industry Index (MoM)	12-Nov	Sep	0.40%	-0.10%	0.30%
Gross Domestic Product (QoQ)	12-Nov	3Q P	0.20%	-0.90%	-0.90%
GDP Annualized	12-Nov	3Q P	0.70%	-3.40%	-3.50%
Machine Tool Orders (YoY)	12-Nov	Oct P	-2.80%	--	-6.70%
<b>Malaysia</b>	<b>Date</b>	<b>Period</b>	<b>Prior</b>	<b>Cons.</b>	<b>Actual</b>
GDP YoY%	16-Nov	3Q	5.40%	4.80%	5.20%
<b>Philippines</b>	<b>Date</b>	<b>Period</b>	<b>Prior</b>	<b>Cons.</b>	<b>Actual</b>
Total Exports (YoY)	13-Nov	Sep	-9.00%	4.60%	22.80%
Overseas Remittances (YoY)	15-Nov	Sep	7.60%	7.00%	5.90%
<b>Singapore</b>	<b>Date</b>	<b>Period</b>	<b>Prior</b>	<b>Cons.</b>	<b>Actual</b>
GDP (annualized) (QoQ)	11-18 NOV	3Q F	-1.50%	-2.90%	-5.90%
GDP (YoY)	11-18 NOV	3Q F	1.30%	0.90%	0.30%
Retail Sales (YoY)	15-Nov	Sep	3.20%	3.90%	2.50%
Non-oil Domestic Exports (YoY)	16-Nov	Oct	-3.40%	3.10%	7.90%
<b>South Korea</b>	<b>Date</b>	<b>Period</b>	<b>Prior</b>	<b>Cons.</b>	<b>Actual</b>
Unemployment Rate (SA)	14-Nov	Oct	3.10%	3.10%	3.00%

## Indicator of the Week

### Taiwan: Export Orders for October (November 20th)

Forecast: 0.2% y/y	Consensus: -0.5% y/y	Prior: 1.9% y/y
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As a 2-3 month leading indicator of external demand, Taiwan's export orders will be watched for signs of whether a recent pickup in export from the region is sustainable. China's exports for September and October (+11.6% y/y) surprised to the upside, as have Korea's. After a strong September outturn, Taiwan's October exports, however, registered a disappointing -1.9% y/y. We expect new orders to be flat in October, due to continued external headwinds from Europe and, increasingly, Japan. On the other hand, orders from China are likely to hold up, as the economy appears to be gathering speed from increasingly domestic policy support.

## Calendar Events

There are no calendar events scheduled for this week.

## Upcoming Calendar Indicators

China	Date	Period	Prior	Cons.	Actual
Actual FDI (YoY)	15-18 NOV	Oct	-6.80%	1.00%	--
China October Property Prices	18-Nov	Oct	--	--	--
HSBC Flash Manufacturing PMI	22-Nov	Nov	49.5	--	--
Hong Kong	Date	Period	Prior	Cons.	Actual
Unemployment Rate SA	19-Nov	Oct	--	--	--
CPI - Composite Index (YoY)	22-Nov	Oct	3.80%	--	--
Japan	Date	Period	Prior	Cons.	Actual
All Industry Activity Index (MoM)	20-Nov	Sep	0.10%	-0.60%	--
Merchnds Trade Balance Total	21-Nov	Oct	-¥558.6B	-¥365.0B	--
Merchnds Trade Exports YoY	21-Nov	Oct	-10.3	-4.8	--
Malaysia	Date	Period	Prior	Cons.	Actual
CPI YoY	23-Nov	Oct	1.30%	--	--
Philippines	Date	Period	Prior	Cons.	Actual
Balance of Payments	19-Nov	Oct	\$751M	--	--
GDP sa (QoQ)	23-Nov	3Q	0.20%	--	--
GDP (YoY)	23-Nov	3Q	5.90%	--	--
Singapore	Date	Period	Prior	Cons.	Actual
CPI (MOM) - NSA	23-Nov	Oct	0.60%	--	--
CPI (YoY)	23-Nov	Oct	4.70%	--	--
Taiwan	Date	Period	Prior	Cons.	Actual
Export Orders (YoY)	20-Nov	Oct	1.90%	-0.50%	--
Unemployment Rate - sa	22-Nov	Oct	4.30%	4.30%	--
Industrial Production (YoY)	23-Nov	Oct	3.00%	3.21%	--
GDP - Constant Prices (YoY)	23-Nov	3Q F	1.02%	1.00%	--
Thailand	Date	Period	Prior	Cons.	Actual
Gross Domestic Product SA (QoQ)	19-Nov	3Q	3.30%	-0.30%	--
Gross Domestic Product (YoY)	19-Nov	3Q	4.20%	3.00%	--
Customs Exports (YoY)	23-28 NOV	Oct	0.20%	--	--

## Upcoming Calendar Events

### Japan - BOJ Target Rate, November 20

We expect the policy stance to remain unchanged

Current	Consensus	New
0.10%	0.10%	--

## 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.	2014.7	-0.8	-2.6	-8.4	-18.3
	Hong Kong - Hang Seng	21159.0	0.2	-1.1	14.8	11.6
	Taiwan - Weighted	7130.1	-0.2	-2.2	0.8	-3.5
	Japan - Nikkei 225	9024.2	2.2	3.0	6.7	6.6
	Korea - Kospi	1860.8	-0.5	-2.3	1.9	0.3
	India - Sensex 30	18554.0	0.4	-1.8	20.1	10.6
	Australia - SPX/ASX 200	4336.8	-0.3	-2.8	6.9	2.1
	Singapore - Strait Times	2950.8	0.2	-2.0	11.5	5.1
	Indonesia - Jakarta Comp	4351.3	0.4	0.0	13.8	14.1
	Thailand - SET	1277.5	0.3	-1.0	24.6	28.1
	Malaysia - KLCI	1628.4	-0.2	-1.0	6.4	10.2
	Philippines - Manila Comp.	5439.3	0.5	-0.5	24.4	25.3

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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)	6.24	-0.03	0.12	6.30	6.35
	Hong Kong (HKD/USD)	7.75	0.00	-0.01	7.75	7.75
	Taiwan (TWD/USD)	29.2	-0.42	-0.66	29.03	28.77
	Japan (JPY/USD)	81.01	0.20	-1.88	80.92	80.60
	Korea (KRW/USD)	1092	-0.50	-0.40	1095	1106
	India (INR/USD)	54.9	-0.39	-0.26	55.77	58.03
	Australia (USD/AUD)	1.03	0.15	-0.39	0.97	0.99
	Singapore (SGD/USD)	1.23	-0.31	-0.25	1.23	1.23
	Indonesia (IDR/USD)	9629	0.00	0.05	9686	10034
	Thailand (THB/USD)	30.7	0.00	-0.33	30.91	31.33
	Malaysia (MYR/USD)	3.07	-0.11	-0.21	3.09	3.12
	Philippines (PHP/USD)	41.3	-0.20	-0.64	41.32	41.32

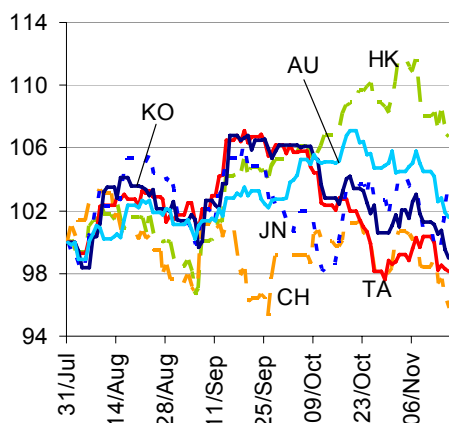
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INTERBANK RATES	INDEX	Rate	net change over a day	net change over a week	net change over a month
	China (SHIBOR/7D)	2.92	-0.43	-0.18	0.15
	Hong Kong (HIBOR/1W)	0.13	0.00	0.00	-0.02
	Taiwan (TAIBOR/1W)	0.59	0.00	0.00	-0.03
	Japan (TIBOR/1Y)	0.76	0.00	0.01	0.01
	Korea (KORIBOR/1M)	2.78	0.00	0.00	0.00
	India (MIBOR/7D)	2.90	-0.50	-0.21	-0.19
	Singapore (SIBOR/1W)	0.25	0.00	0.00	0.00
	Indonesia (JIBOR/1W)	4.28	0.00	0.00	0.02
	Thailand (BIBOR/1W)	2.78	0.00	0.00	-0.24
	Malaysia (KLIBOR/1W)	2.90	0.00	0.00	0.00
	Philippines (PHIBOR/1W)	2.38	0.44	0.94	0.50

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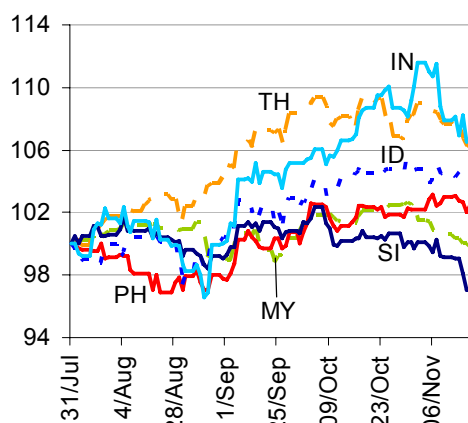
# Charts

Chart 1  
Stock Markets



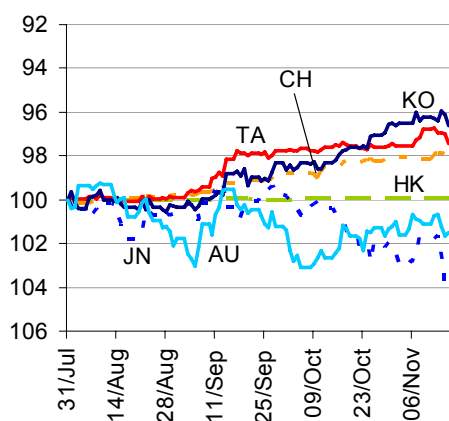
Source: BBVA Research and Bloomberg

Chart 2  
Stock Markets



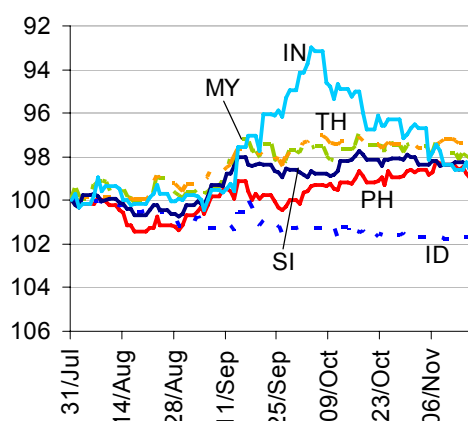
Source: BBVA Research and Bloomberg

Chart 3  
Foreign Exchange Markets



Source: BBVA Research and Bloomberg

Chart 4  
Foreign Exchange Markets



Source: BBVA Research and Bloomberg

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