

# Daily Flash

## Asia

*Hopes that yesterday's surge in the Shanghai and Hong Kong stock markets might signal a reversal of recent weakness went unmet today, with most Asian stock markets little changed (the Shanghai Composite and Hang Seng both declined by -0.1%, after yesterday's 2.9% and 2.2% increases, respectively). The Nikkei was an outlier today, rising by +0.8% -to a 7-month high - as shares in exporters continue to benefit from a weaker yen, which closed traded today at around 82.5/USD.*

### Improvement in Australia unemployment rate beats expectations

The unemployment rate for November fell to 5.2% from 5.4% in October (consensus 5.5%). The improvement was due to better-than-expected job creation of 13.9k (consensus: Ok), and also a decline in the labor participation rate. The stronger job data pushed the AUD slightly higher against the USD, as it may reduce prospects of another rate cut by the RBA at its next policy meeting in February. This past Tuesday, the RBA cut rates by 25bps to 3.00%, the sixth rate cut since November 2011.

### Indian Parliament votes 'yes' to foreign investment in retail sector

Despite strong political opposition, the Indian government yesterday managed to win a crucial vote in the lower house of parliament to allow foreign capital in multi-brand retail. - a reform that had been postponed from last December. The win raises hopes of further traction in investment reforms in other sectors of the economy. Looking ahead, investors will be eyeing final details on the country's new National Investment Board (NIB), an independent body that will be authorized to approve and expedite large-scale investment projects in the country.

### Briefly noted:

- **Korea's 'final' third quarter GDP was announced at 1.5% y/y, below the initial estimate of 1.6% y/y.** Though exports have picked up in recent months, Korea's economy remains sluggish, and we wouldn't rule out rate cuts in the early part of 2013 after the country's Presidential election is held on December 19th.

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## Calendar Indicators

<b>Australia</b>	<b>Date</b>	<b>Period</b>	<b>Prior</b>	<b>Cons.</b>	<b>Actual</b>
Retail Sales s.a. (MoM)	03-Dec	Oct	0.50%	0.40%	0.00%
Current Account Balance	04-Dec	3Q	-11801M	-14550M	-14900M
Australia Net Exports of GDP	04-Dec	3Q	0.30%	0.00%	0.10%
Gross Domestic Product (QoQ)	05-Dec	3Q	0.60%	0.60%	0.50%
Gross Domestic Product (YoY)	05-Dec	3Q	3.70%	3.10%	3.10%
Unemployment Rate	06-Dec	Nov	5.40%	5.50%	5.20%
Trade Balance	07-Dec	Oct	-1456M	-2200M	--
<b>China</b>	<b>Date</b>	<b>Period</b>	<b>Prior</b>	<b>Cons.</b>	<b>Actual</b>
Manufacturing PMI	01-Dec	Nov	50.2	50.8	50.6
Non-manufacturing PMI	03-Dec	Nov	55.5	--	55.6
HSBC Manufacturing PMI	03-Dec	Nov	49.5	50.4	50.5
HSBC Services PMI	05-Dec	Nov	53.5	--	52.1
<b>Hong Kong</b>	<b>Date</b>	<b>Period</b>	<b>Prior</b>	<b>Cons.</b>	<b>Actual</b>
Purchasing Managers Index	05-Dec	Nov	50.5	--	52.2
<b>Indonesia</b>	<b>Date</b>	<b>Period</b>	<b>Prior</b>	<b>Cons.</b>	<b>Actual</b>
Inflation (YoY)	03-Dec	Nov	4.61%	4.57%	4.32%
Inflation NSA (MoM)	03-Dec	Nov	0.16%	0.30%	0.07%
Core Inflation (YoY)	03-Dec	Nov	4.59%	4.60%	4.40%
Exports (YoY)	03-Dec	Oct	-9.40%	-4.60%	-7.60%
<b>Malaysia</b>	<b>Date</b>	<b>Period</b>	<b>Prior</b>	<b>Cons.</b>	<b>Actual</b>
Exports YoY%	07-Dec	Oct	2.60%	-1.70%	--
<b>Philippines</b>	<b>Date</b>	<b>Period</b>	<b>Prior</b>	<b>Cons.</b>	<b>Actual</b>
Consumer Price Index (YoY)	05-Dec	Nov	3.10%	3.00%	2.80%
<b>Singapore</b>	<b>Date</b>	<b>Period</b>	<b>Prior</b>	<b>Cons.</b>	<b>Actual</b>
Purchasing Managers Index	04-Dec	Nov	48.3	49.0	48.8
<b>South Korea</b>	<b>Date</b>	<b>Period</b>	<b>Prior</b>	<b>Cons.</b>	<b>Actual</b>
Ext Trade - Export (YoY)	01-Dec	Nov	1.20%	1.60%	3.90%
Consumer Price Index (MoM)	03-Dec	Nov	-0.10%	0.00%	-0.40%
Consumer Price Index (YoY)	03-Dec	Nov	2.10%	2.00%	1.60%
GDP (QoQ)	06-Dec	3Q F	0.20%	--	0.10%
GDP (YoY)	06-Dec	3Q F	1.60%	--	1.50%
<b>Taiwan</b>	<b>Date</b>	<b>Period</b>	<b>Prior</b>	<b>Cons.</b>	<b>Actual</b>
CPI YoY%	05-Dec	Nov	2.36%	2.04%	1.59%
Total Exports (YoY)	07-Dec	Nov	-1.90%	7.60%	--
<b>Thailand</b>	<b>Date</b>	<b>Period</b>	<b>Prior</b>	<b>Cons.</b>	<b>Actual</b>
Consumer Price Index (YoY)	03-Dec	Nov	3.32%	3.20%	2.74%
Core CPI (YoY)	03-Dec	Nov	1.83%	1.90%	1.85%

## Calendar Events

<b>Australia - RBA Cash Target, December 4</b>	<b>Current</b>	<b>Consensus</b>	<b>New</b>
We expected the benchmark rate to remain unchanged	3.25%	3.00%	3.00%

## 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.	2029.2	-0.1	3.3	-7.7	-12.8
	Hong Kong - Hang Seng	22249.8	-0.1	1.5	20.7	17.5
	Taiwan - Weighted	7623.3	-0.3	1.6	7.8	9.6
	Japan - Nikkei 225	9545.2	0.8	1.5	12.9	11.3
	Korea - Kospi	1949.6	0.1	0.8	6.8	2.5
	India - Sensex 30	19418.2	0.1	1.3	25.6	15.5
	Australia - SPX/ASX 200	4509.3	-0.2	0.7	11.2	5.8
	Singapore - Strait Times	3078.2	0.1	1.1	16.3	12.0
	Indonesia - Jakarta Comp	4292.6	0.1	-0.6	12.3	14.4
	Thailand - SET	1340.7	0.8	3.1	30.8	30.2
	Malaysia - KLCI	1616.2	0.2	0.6	5.6	9.1
	Philippines - Manila Comp.	5763.6	1.3	2.3	31.8	34.6

Last update: today, 17:00 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)	6.23	-0.04	-0.08	6.28	6.31
	Hong Kong (HKD/USD)	7.75	0.00	0.00	7.75	7.75
	Taiwan (TWD/USD)	29.1	-0.08	0.02	28.98	28.69
	Japan (JPY/USD)	82.46	0.01	-0.41	82.39	82.09
	Korea (KRW/USD)	1083	-0.15	0.10	1088	1100
	India (INR/USD)	54.3	0.45	0.95	55.12	57.42
	Australia (USD/AUD)	1.05	0.19	0.39	0.96	0.98
	Singapore (SGD/USD)	1.22	-0.01	0.10	1.22	1.22
	Indonesia (IDR/USD)	9649	-0.05	-0.16	9717	10059
	Thailand (THB/USD)	30.7	0.10	0.13	30.82	31.23
	Malaysia (MYR/USD)	3.05	-0.22	-0.10	3.06	3.10
	Philippines (PHP/USD)	40.9	-0.16	-0.26	40.88	40.89

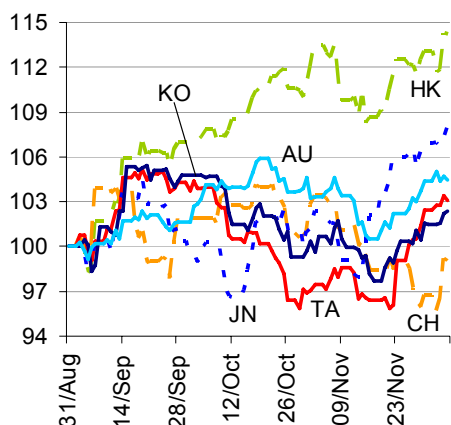
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INTERBANK RATES	INDEX	Rate	net change over a day	net change over a week	net change over a month
	China (SHIBOR/7D)	2.90	0.10	-0.50	-0.30
	Hong Kong (HIBOR/1W)	0.13	0.00	0.00	0.00
	Taiwan (TAIBOR/1W)	0.58	0.00	0.00	-0.02
	Japan (TIBOR/1Y)	0.76	0.00	0.01	0.01
	Korea (KORIBOR/1M)	2.78	0.00	0.00	0.00
	India (MIBOR/7D)	2.88	0.06	-0.46	-0.36
	Singapore (SIBOR/1W)	0.25	0.00	0.00	0.00
	Indonesia (JIBOR/1W)	4.29	0.00	0.00	0.00
	Thailand (BIBOR/1W)	2.78	0.00	0.00	0.00
	Malaysia (KLIBOR/1W)	2.90	0.00	0.00	0.00
	Philippines (PHIBOR/1W)	0.69	0.00	0.50	-1.38

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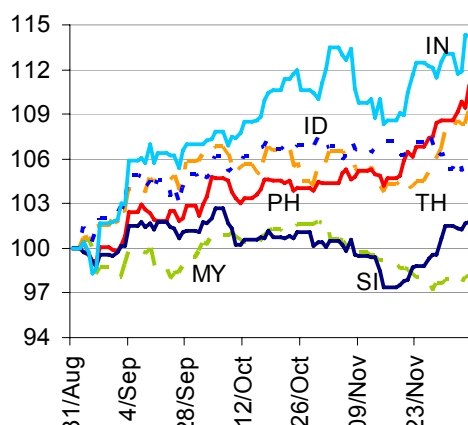
# Charts

Chart 1  
Stock Markets



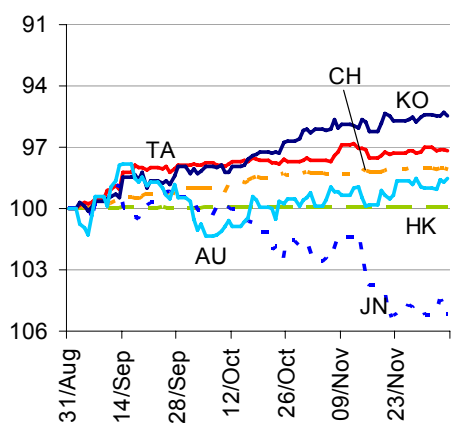
Source: BBVA Research and Bloomberg

Chart 2  
Stock Markets



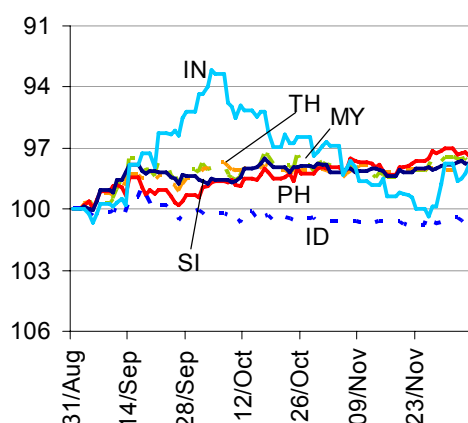
Source: BBVA Research and Bloomberg

Chart 3  
Foreign Exchange Markets



Source: BBVA Research and Bloomberg

Chart 4  
Foreign Exchange Markets



Source: BBVA Research and Bloomberg

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