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DECISION ECONOMICS, INC.

Information for Decisions™

Global Economic Developments

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China: A Few Thoughts on the Next Five Years

The meeting of the National People's Congress, the political body which formally adopts China's 5-year governing plan, has allowed the authorities to highlight the important policy shift already underway and which the new Plan seeks to deepen.

The details of their deliberations are, as always, not known, and no formal document is yet available with all the specifics of the new economic program. There has been however, a public statement of the goals of the new 5-year plan, as well as several pronouncements by the Chinese leadership, from which it is clear that the government will intensify their efforts to shift the economy towards a consumer-driven model. This is obviously not shockingly new. Nonetheless, what's on display is an apparently firm determination to pursue that goal, despite considerable costs and risks. Indeed, the next five years are a critical period in modern China's economic history, containing the danger that growth could decelerate abruptly in a variety of possible scenarios.

The one that drives policymakers' push for a domestic-demand- (more specifically, private-consumption-) driven economy is the likely exhaustion of the US, and to a lesser extent, the European demand engine, which would over the medium-term constrain the dynamism of China's exports despite the rise of emerging markets.

China can hardly afford to "adjust" its exchange rate to boost exports, given the political frictions that are collateral to such an approach, and more importantly because it is in conflict with price-stability in both goods and assets.

Thus, the clearest alternative is a general realignment of incentives at the macroeconomic level over the next few years to de-emphasize the role of exports and boost private consumption. In particular, the 5-year plan would lead to an enlarged services sector, which would rise from 43 Percent of GDP to 47 percent, an increase largely resulting from domestic demand's greater weight. The underlying calculation seems to be that the growth path for the goods sectors of the economy may suffer as a result of less dynamic export demand, and that services would need to rise faster than GDP to make up for the potential slack if the real GDP growth target is to be achieved.

And it should be noted that the latter has been reduced by half a percentage point, from 7.5% to 7.0%. This is a clear acknowledgment of the difficulties of the transition that lies ahead, as well as a reflection of the government's political willingness to "pay a price" to move towards a less unequal (geographically and across social classes) distribution of income—a rising political concern for the authorities. There is an immediate and certain cost in shifting incentives away from the export sector, but it may take some time (and there are some risks) to have domestic consumption offset the growth-costs of less rapid foreign sales.

At the core of the incentive-shift is an appreciation of the real-exchange rate, which until recently was thought possible only (or at least mostly) through a substantial re-valuation of the nominal renmimbi. But with inflation in China significantly above that of its key trading partners, and more specifically, with wage inflation not only relatively fast but now *targeted* to be high (in the government's language: "Minimum wage standard to increase by no less than 13 percent on average each year"), China's real exchange rate is appreciating, and it should continue to appreciate, also as a result of differential nominal costs. This obviously reduces the need for a sharp adjustment of the nominal exchange rate, but it does not mean that the rate can remain stable, because China still has, on average, a catch-up advantage in terms of productivity increases.

The bottom line: the gradual approach to exchange-rate reform is now inserted into a more coherent policy framework, likely gaining support among China's central bank policymakers, and potentially becoming less controversial abroad to the extent that—as it has been already occurring—the new domestic-consumption-centered dynamics of the Chinese economy leads to a shrinking of the country's trade surplus.

— Francisco J. Larios, DE Miami

Europe

France

- **Growth and Production:** *Manufacturing rebounds strongly.* Clearly exceeding expectations, manufacturing output jumped 1.8% M/M in January, more than unwinding the 0.2% slide seen in the preceding month. Y/Y growth still picked up to a fresh high of 6.8%. The latest data reflected generally better messages among the various sectors, with it clear that poor weather through December may have been at play in boosting energy sensitive areas and curbing activity in that month only to then fall back in January. Nevertheless, despite a correction in energy production, overall production, rose further in January, rising 1.0% in M/M terms (after a 0.2% December rise), albeit with its Y/Y rate of growth easing to 5.4%. Construction was clearly stronger, however.

- **Employment:** *Employment rises further.* Coming in bit higher than the preliminary data, final numbers showed that (non-farm) employment increased by 0.2% Q/Q in Q4, up a notch from the rise of the previous quarter. The latest rise was the fourth in a row. The Q4 figure still showed that the gains in jobs remained purely services based. The overall Y/Y rate turned more positive at 0.8%, up from 0.6% in the previous quarter

- **Trade:** *Trade gap widens.* For the second successive month, the trade gap widened by more than expected, increasing to € 5.89 bln in January from December's hardly revised gap of € 5.06 bln. The latest outcome came in spite of a bounce-back in exports of 1.5% M/M, but a recovery that was overshadowed by a 3.4% leap in imports, much of which was oil related. Through the whole of last year, the deficit was € 51.44 bln, some € 7 bln up on the same period last year.

Germany

- **Growth and Production:** *Industrial production recovers from weather-hit.* Largely matching expectations, January industrial production rose by 1.8% M/M, more than repairing the pared-back drop of 0.6% seen in December. Of some note, manufacturing production growth actually slowed, rising just 0.2% after an upwardly revised 1.0% December gain, with the stronger overall reading reflecting massive (36.3% jump) in construction activity.

- **Trade:** *Exports fall back.* Coming in lower than expected, the (unadjusted) trade surplus was € 10.1 bln in January, still up from the € 8.1 bln result in the same month of 2010, albeit falling from the December surplus of € 12.2 bln. On a seasonally adjusted basis, the trade surplus was also down on the December outcome, sliding to € 11.8 bln from € 14.1 bln. The latter development was as a result of a 1.0% M/M decrease in exports being accompanied by a 2.3% jump back in imports. Meanwhile, the (unadjusted) January current account surplus improved to € 7.2 bln from € 5.6 bln in the same month of 2010.

Italy

- **Growth and Production:** *Industrial production stumbles.* Very much weaker than expected, industrial production slumped afresh in January, dropping 1.5% in M/M terms, with the downside surprise accentuated by pared-back readings for preceding months, with the December rise now estimated at 0.2%. The breakdown, however, showed mixed developments, but with the most notable being a correction back in energy alongside a fresh fall in consumer goods output. As a result, the overall work-day adjusted Y/Y rate of growth weakened sharply from 5.6% to just 0.6%.

Switzerland

- **Inflation:** *Inflation rises back.* Coming in slightly ahead of expectations, consumer price inflation moved back to 0.5% Y/Y in February, having fallen down to 0.3% in January. Prices increased 0.4% in M/M terms last month, partly a result of a seasonal recovery in clothing costs, but with broad gains evident, including higher energy prices. Reflecting the broad gains, the underlying inflation measures increased somewhat. Indeed, the measure that excludes food, drink and energy moved back up a notch to 0.1% Y/Y, while the measure that also excludes administrative prices increased twice as much but also to 0.1%.

- **Employment:** *Lower unemployment.* Largely matching expectations, the seasonally adjusted unemployment rate fell 0.1 percentage point to 3.4% in February, a fresh cycle-low. The unadjusted jobless rate was also down, albeit to 3.6% from 3.8%.

Netherlands

- **Inflation:** *Lower inflation.* Consumer price inflation slipped from a 22-month high of 2.0% Y/Y in January, easing 0.1 percentage point to 1.9% last month. This latest outcome came on the back of a 0.7% M/M rise, the latter mainly reflecting a seasonal recovery in clothing prices. Meanwhile, the EU-harmonized reading remained at 2.0% Y/Y.

Norway

- **Growth and Production:** *Manufacturing bounces.* Manufacturing production picked up afresh in a largely as-expected manner, rising 0.6% M/M in January, albeit failing to fully unwind the 1.0% drop seen in the previous month. As a result, the numbers very much again underscored the clear volatility in the data seen of late. Nevertheless, the better tone to the numbers was seen in the recovery of the Y/Y rate (up 1.2 percentage points to 3.3%), with this outcome still largely chiming with the improvement seen in recent PMI data. Meanwhile, and in contrast, overall industrial production slumped 2.7% in January, undermined by a drop in oil and gas extraction and marked fall in utilities.

- **Inflation:** *Still soft core inflation.* Very clearly undershooting expectations once again, headline CPI inflation in February dropped another 0.8 percentage points to 1.2% Y/Y, the lowest in 16 months. Prices rose by 0.4% M/M last month. The drop back in the Y/Y rate reflected falls in electricity charges this February (thereby accentuating favorable base effects), offsetting a fresh rise in food price inflation. As a result, the headline rate moved further below the Norges Bank target of 2.5%. Notably, the officially recorded core rate (CPI-ATE, which excludes taxes and electricity) edged up 0.3 percentage point to 0.8% Y/Y, rising from a January reading which was the lowest in well over four years.

Sweden

- **Growth and Production:** *Output surges back.* Surprising very much to the upside this time around, industrial production surged 4.1% M/M in January, more than repairing the 2.1% drop posted in December, the latter having been the first fall in four months. As a result, the Y/Y rate of growth increased clearly to 15.0%, a fresh cycle high. On a less upbeat note, and indicative of an increasing month-to-month volatility superimposed over a flattish underlying trend, there was a drop back in industrial orders, which slid 1.6% M/M, unwinding some of 2.1% rise posted in December reading. The January slide, however, was driven entirely by a fall back on the domestic side (export orders rose further).

- **Inflation:** *Steady inflation.* Largely matching expectations, February headline CPI inflation remained at 2.5% Y/Y, still a cycle-high (actually the highest in 26 months). Prices increased 0.6% in M/M terms last month, a result of a broad-based rise, save for a further fall in clothing costs. In contrast, the long-standing core measure (CPIX, which excludes mortgage costs and taxes) was down 0.1 percentage point to 1.0% Y/Y, a 17-month low. Meanwhile, the underlying measure (CPIF) which the Riksbank puts more emphasis on (and which holds mortgage interest expenditure constant) fell the same amount, but to 1.3%.

United Kingdom

- **Growth and Production:** *Manufacturing strength continues.* Surprising to the upside, January manufacturing output jumped 1.0% in M/M terms, more than wiping out the surprise 0.1% drop recorded in December, the latter having been the first fall since the distorted outcome seen last April. The data saw no material revisions. Unsurprisingly, a still sturdy tone was evident in the three-month rate of growth (favored by statisticians), it edging up 0.2 percentage points to 1.3%. The Y/Y growth rate was also higher, actually a fresh cycle-high of 6.8%. The marked rise in manufacturing in January came in contrast to a more modest rise in overall industrial production, the latter rising by a 0.5%, similar to previous months, undermined by a slump back in energy (utility) output.

- **Trade:** *Record export trigger narrower trade gap.* Showing a much smaller shortfall than expected, the total visible trade gap narrowed from an upwardly revised record-high of £ 9.69 bln in December to a deficit of £ 7.06 bln in January, an 11-month low. The latest data reflected a sharp pick-up in exports alongside a sharp drop in imports, both developments partly accentuated by swings in both oil and erratics. As a consequence, excluding oil and erratics, deficit on this basis also narrowed but largely unwound the deterioration seen in December. In terms of import prices, the data showed a fresh and broad rise.

Central Europe

Czech Republic

- **Growth and Production:** *Output up.* Seasonally adjusted data showed industrial production rising by 3.4% M/M in January, more than canceling out the 0.6% drop in December. Moreover, that slip was revised from an initial drop of 0.9%. The breakdown revealed the headline M/M jump to have been driven by a 6.0% surge in manufacturing output, as both the mining and utilities sectors contracted in January. On an unadjusted basis, meanwhile, output growth rose from 12.0% Y/Y to 16.9% Y/Y, the highest reading in over six years and surprising on the up-side. As with the M/M reading, the stronger Y/Y growth was due to surge in manufacturing growth, albeit with the mining sector also expanding at a faster pace. However, the utilities sector contracted.

- **Inflation:** *Consumer price inflation inches up.* Surprising on the downside once again, consumer price inflation inched up a mere 0.1 percentage point to 1.8% Y/Y last month following the 0.6 percentage plunge seen in the preceding month. Indeed, the reading was still the second-lowest since June last year. On a M/M basis, prices still rose by 0.1%, as a jump in food and package holiday costs were tempered by falling clothing and furnishings prices. The Y/Y breakdown, meanwhile, actually showed a fall back in food price inflation, from 4.3% to 4.2% and with clothing prices falling more acutely than in the preceding month. Most other components faced weakening price pressures as well, but with transport. However, providing the upward impetus affecting the headline reading, transport (fuel) price inflation rose from 2.1% to 2.8% in February, the highest in nine months. Indeed, excluding domestic fuel prices, consumer price inflation was unchanged at 1.4% Y/Y last month.

- **Employment:** *Unemployment falls.* Coming in slightly below expectations, the February unemployment rate dropped 0.1 percentage points to 9.6%, compared with the pervious month. The level of unemployment also fell, to 566 900 from 571 900 in January, with job vacancies rising by roughly 800 to 32 200.

- **Trade:** *Trade gap narrows.* January trade data showed the largest (seasonally adjusted) M/M and (unadjusted) Y/Y increase in both exports and imports seen in over two years. Exports rose by 5.2% M/M despite a 0.5 percentage point upward revision to the pervious month's results (to 2.5%), bringing Y/Y growth to 28.4%. Imports saw a M/M increase of 6.0%, following a 1.5% gain in December. In Y/Y terms, growth climbed 2.8 percentage points to 30.9%. The (unadjusted) trade balance was largely unchanged at CZK 15.7 bln compared to CZK 15.3 bln in January 2010. However, the seasonally adjusted trade balance decreased to CZK 13.1 bln from 14.1 bln in December as import growth exceeded export growth for an eleventh successive month. *Current account deficit narrows.* Balance of payments data for Q4 showed the current account in deficit to the tune of CZK 20.9 bln, but with this outcome still an improvement in the same quarter of 2009 (a shortfall of CZK 22.5 bln). The smaller shortfall reflected a much narrower income deficit, as both the goods and services surpluses shrank. *According to the Czech National Bank, the deficit in Q4 was roughly equal to 3.8% of GDP, the same as in Q3.*

Hungary

- **Growth and Production:** *Output rebounds.* Surprising clearly on the up-side, preliminary data showed industrial production rising a seasonally adjusted 15.5% M/M in January, the highest reading in over 10 years and more than offsetting the revised 13.3% drop in December. Admittedly, much of the December weakness was due to the extremely poor weather seen in that month, with the January rebound a an effect of the depressed December outcome. Regardless, on a Y/Y basis, industrial production growth nearly doubled from a nine-month low of 5.9% to 10.9%, but with the January reading still below the November outcome.

- **Inflation:** *Consumer price inflation down.* In line with expectations, consumer price inflation inched up 0.1 percentage point in February to 4.1% Y/Y. On a M/M basis, meanwhile, consumer prices rose by 0.4%, as higher food and transport (fuel) costs was partially tempered by an outright fall in clothing and durable goods prices. The Y/Y breakdown, meanwhile, saw food prices still rising clearly and at a pace that was faster than in January (7.4% vs 76.4%). Indeed, the February reading was the strongest since September 2008. There was a also a pick-up in utilities price inflation, but with most other components seeing easing price pressures and with durable goods prices falling outright. Nevertheless, core inflation – which excludes food, electricity and some other components – was still up 0.2 percentage point to 1.9% Y/Y last month, offsetting most of the January slip.

- **Trade:** *Trade gap narrows.* Preliminary trade data for January showed export growth rising by 4.4 percentage points to 28.6% Y/Y, the highest in five-months and a fourteenth successive gain. Import growth increased by an even larger 9.2 percentage points to 32.6%, also hitting a 5 month high and showing a twelfth consecutive gain. The trade surplus narrowed to HUF 109.9 bln from HUF 122.4 in the same month of 2010, dragged down by a fifth straight month where import growth has exceeded export growth.

Turkey

- **Growth and Production:** *Stronger output growth.* Industrial production rose by a seasonally adjusted 0.5% M/M in January, a second straight gain but one that was much less marked than December’s 5.5% jump. Nevertheless, the rise was the third in the last four months of data. However, the January breakdown revealed a very modest gain in manufacturing output (0.1% M/M) with the boost instead coming from the mining and utilities sectors, the former jumping 4.7% and the latter 1.2%. On an (unadjusted) Y/Y basis, meanwhile, industrial production growth was up as well, rising from 16.7% to a 10-month high of 18.9%. Moreover, the rise confounded expectations of slower growth and the breakdown revealing broad-based gains across sectors. Of some note, in workday-adjusted terms growth was up 18.8% Y/Y, ie in line with the unadjusted gain, but from a stronger December reading of 17.2%. On a Y/Y basis, the January reading provided an up-beat start to Q1. Using the latest figure as a very tentative proxy for the current quarter, output growth jumped to 12.7% from 12.1% in the last quarter of 2010.

Asia and Pacific

Australia

- **Employment:** *Continued mixed employment dynamics.* The February labor force survey revealed continued mixed developments with regards to the employment backdrop, with the headline figure falling by 10 100 last month, the first outright drop since August 2009. However, the drop was entirely due to a 57 700 plunge in part-time employment (partially offsetting the 19 900 jump in the preceding month and dragged on in the aftermath of the natural disasters). In contrast, full-time employment rose by 47 500 last month more than offsetting the 12 200 January drop and posting the largest gain in thee months. Nevertheless, employment growth continued to ease back in February, slipping back 0.3 percentage point to 3.0%, a six-month low. The seasonally adjusted unemployment rate, meanwhile, was unchanged at 5.0% in February – the lowest since January 2009 – and with the number of unemployed virtually unchanged at 605 000. The participation rate, however, was down 0.1 percentage point to 65.7%, a five-month low

China

- **Growth and Production:** *Output growth inching up.* Industrial production growth rose from 13.5% Y/Y in December to 14.9% last month, the highest since May last year. However, the January/February average was 14.1%, suggesting that the February gain followed some weakness in the preceding month and with both readings clearly influenced by the timing of the Chinese New Year. The breakdown showed that the January/February pick-up in output growth was fairly broad-based, but most notable in electricity generation (a gauge of the performance of heavy industry), which grew by 11.7% in the first two month of 2011, having seen much more modest growth of 5.1% in December. However, compared to December, vehicle sales output growth slowed, slipping from 23.9% to 10.8% in Jan/Feb.

- **Inflation:** *Stable price pressures.* Coming in slightly above expectations, consumer price inflation was unchanged at the two-year high of 4.9% for a second straight month in February. The Y/Y breakdown showed that the unchanged reading was due to stronger food price inflation being offset by weaker non-food price pressures. The former rose from 10.3% to 11.0%, the strongest in 2½ years, while the latter slipped from 4.6% to 3.8% as services price inflation weakened. Moreover, most other components was price pressures easing back, save for a pick-up in clothing prices.

- **Trade:** *Trade gap narrows.* Preliminary trade data for January showed export growth rising by 4.4 percentage points to 28.6% Y/Y, the highest in five-months and a fourteenth successive gain. Import growth increased by an even larger 9.2 percentage points to 32.6%, also hitting a 5 month high and showing a twelfth consecutive gain. The trade surplus narrowed to HUF 109.9 bln from HUF 122.4 in the same month of 2010, dragged down by a fifth straight month where import growth has exceeded export growth.

Malaysia

- **Monetary and Fiscal Policy:** *Rates on hold, but policy tightened.* Surprising no-one, Bank Negara Malaysia (BNM) left its benchmark interest rate – the Overnight Policy Rate (OPR) – unchanged at 2.75% following its latest policy meeting. This was the fourth unchanged decision following three consecutive hikes. However, in an unexpected move, the BNM decided to raise the reserve requirement from 1.0% to 2.0%, pointing to large capital inflows. In the statement accompanying the rate decision, the BNM repeated that global economic recovery was continuing, but also reiterated that it differed markedly across regions. On a more hawkish note than the last (January) meeting, the BNM now highlighted the rise in global inflation, while repeating its concerns about the in global liquidity (with capital inflows into Asia). As to the domestic economy, the central bank seemed more up-beat. Admittedly, it expected growth to be moderate in the first half of this year, but suggested it would then pick up in Q3 outwards, boosted by a 'strong' expansion in domestic demand. Indeed, the description of domestic demand was more up-beat this time round, with the BNM having referred to it as 'firm in January. With regards to consumer price inflation, the Bank noted that the pick-up in January had been mostly due to higher food and energy prices, but in contrast the previous statement now also acknowledged that there were signs of demand-driven inflation pressures emerging.

- **Growth and Production:** *Further deterioration in output growth.* Surprising on the downside once more, total industrial production growth slowed from 4.5% Y/Y in December to 1.0% in January, the smallest gain since output began expanding again in late 2009. The breakdown, showed manufacturing sector growth nearly halving from 8.2% Y/Y to 4.5%, a 14-month low, accompanied by a plunge in utilities price pressures (from 2.4% to 0.3%) and with the mining sector continuing to contract and at a faster rate than in December.

Philippines

- **Trade:** *Export growth falls.* Coming in below expectations, January export growth dropped to 11.8% Y/Y from 26.5% in the preceding month. Meanwhile, exports fell by 4.8% in M/M terms. The Y/Y breakdown revealed that the result can largely be attributed to a 13.2 percentage point decrease in manufacturing export growth (to 8.5%), driven by a slump in electronic products exports which saw growth falling from 19.4% in December to 5.3%. The geographical breakdown showed export growth rising for most regions but falling back significantly for China (down 94 percentage points), Hong Kong (60.2 percentage points) and Japan (28.8 percentage points).

New Zealand

- **Monetary and Fiscal Policy:** *Rate cut.* As expected by most, the Reserve Bank of New Zealand announced a cut in its benchmark interest rate (the Official Cash Rate), reducing it by 50 bp to 2.50%. Admittedly, the size of the gain took many analysts by surprise, having anticipated a smaller cut. In the accompanying quarterly Monetary Policy Statement (MPS), RBNZ Governor Bollard spelled out quite clearly that the cut was a response to the earthquake in Christchurch. Indeed, Bollard said that it had caused substantial damage to property and immense disruption to business activity. However, he underlined that it was still too early to know how large and long-lasting these effects would be, but it was clear that it would have a negative impact on the national economy. Moreover, Governor Bollard also highlighted that, even disregarding the impact of the earthquake, GDP growth had been weaker than forecast in the last (December) MPS, with household spending still very cautious and with increasing income used to pay off debt, rather than consumption. Indeed, the updated growth forecast showed GDP growth for the current year revised down from 1.7% to 0.9% and with a downward revision to 2012 as well, in spite of the reconstruction efforts beginning to boost growth in that year. In contrast, there were clear upward revisions to growth in the following two years. As for consumer price pressures, Bollard made no mention of them and the MPS forecast still had them within the RBNZ's target-band of 1-3% from Q4 2011 onwards, ie once the inflationary hike in the Goods and Sales Tax has washed out. Admittedly, there were still some slight upward revisions to the forecast, but nothing the overly worry the central bank at this juncture.

South Korea

- **Monetary and Fiscal Policy:** *Policy tightened.* As was universally expected, the Bank of Korea (BoK) hiked benchmark interest rates (the Bank Rate) by 25 basis points to 3.00% following its March meeting. This was the third rate-hike in the last five meetings, with hikes in November 2010 and January. The accompanying statement, meanwhile, saw only slight changes to the language regarding economic growth used in comparison to the February counterpart. Indeed, the BoK repeated that the upward trend in domestic demand activity 'had been maintained' and that domestic demand had steadily increased alongside continued strong export growth. The statement also continued to underscore the strength of the labor market, something first mentioned back in October last year. As for the global backdrop, the BoK, continued to point to the favorable performance of emerging markets, also stating that the major advanced countries have continued their recovery trend. However, the central bank focused more clearly on the downside risks to this outlook; risk which now included the political turmoil in North Africa/the Middle East, alongside, the previous bugbears of rising commodity prices and sovereign debt concerns remained. Concerning domestic consumer prices, meanwhile, the language used by the BoK was more hawkish. Indeed, the statement called attention to the 4.5% Y/Y rice in prices in February and noted that these inflationary pressures may persist, driven in the main by demand pressures as the economy continued to expand. However, the BoK also made it clearer (than in February) that rising inflation expectations and elevated commodity prices would also boost price pressures, and the BoK also drew attention to the ongoing rise in house price inflation.

Taiwan

- **Inflation:** *Rising consumer price pressures.* Contrary to expectations of a stable reading, consumer price inflation rose from 1.10% Y/Y in January to 1.33% last month. In M/M terms, prices saw a clear gain, rising 0.76%, as a continued plunge in clothing prices (-3.3%) was more than offset by clearly stronger housing, miscellaneous and education costs. The Y/Y breakdown, meanwhile, showed a broadly-based rebound in consumer price pressures, led by food price inflation rising to a three-month high of 2.69% (from 1.99%) and with clothing and transport costs up clearly as well. Indeed, the only component to buck the upward trend was education, which saw price inflation slipping from 1.44% to 0.77%.

- **Trade:** *Export growth strengthens.* Surprising clearly on the upside, export growth jumped from a 15-month low of 16.6% in January to a seven-month high of 27.3% last month. The breakdown showed the crucial electrical equipment component facing moderately stronger growth (22.7% Y/Y vs 19.1%), but with most other components seeing a much more clear-cut improvement in the pace of growth. Of some note, however, precision instrument export growth bucked the positive trend and fell from 7.1% Y/Y to 6.1%, a three-month low. On a geographical basis, the situation remained mixed, with stronger growth to most Japan, China and Singapore, but with exports to the USA and South Korea weakening. Imports, meanwhile, rose by 28.7% Y/Y in February, a larger gain than in January (22.0%). As a result, the trade balance was in surplus to the tune of $ 0.92 bln last month, virtually unchanged from the same month of 2010 $ 0.89 bln).

India

- **Growth and Production:** *Industrial production growth picks up.* Surprising on the upside for once, manufacturing growth rose from an upwardly 2.0% Y/Y in January to 3.3% a three-month high. The improvement reflected stronger consumer goods output (with non durable goods output expanding again) alongside more modest improvements in basic and intermediate goods growth. However, in contrast, capital goods production contracted clearly for a second straight month and more acutely so than in December (-118.6% Y/Y vs -9.3%). Mining output, meanwhile, rose by 1.6% Y/Y, a slower pace of growth than the December reading of 5.7% but with electricity generation growth picking up, rising 4.5 percentage points to 10.5%. Consequently, total industrial production grew by 3.7% Y/Y, also a faster pace than in December (2.5%) and a three-month high.

Thailand

- **Monetary and Fiscal Policy:** *Policy tightened once more.* As expected, the Bank of Thailand (BoT) raised its benchmark interest rate by another 25 bp to 2.50% following its latest policy meeting, the fifth hike in the last six meetings. The accompanying policy statement noted that the global economy had maintained its growth momentum, with growth in Asia described as 'robust'. Moreover, in the view of the central bank, unless the political unrest in the Middle East became more widespread and affected global oil supply, the current jump in oil prices would not have a significant impact on the recovery. As for the domestic economy, the central bank remained upbeat, describing the economy as expanding steadily, helped by exports and domestic demand. Indeed, the BoT underscored that the relatively strong fundamentals were resilient to the current surge in commodity and oil prices. Nevertheless, the commodity and oil price pick-up still provided increased consumer price pressures compared to the last (January meeting), necessitating the further tightening in policy.

The Americas

Canada

- **Employment:** *Employment data a bit soft.* The Canadian economy added 15,100 jobs in February, less than forecast, and the jobless rate held at 7.8%. At first glance, the details were a bit on the soft side, with full-time employment down 23,800, though that was largely a result of a 34,500 drop in building and business support services, which can be a volatile category. The goods sector added 13,900, with 9,000 of those due to manufacturing (up for a third consecutive month), and a 6,100 increase in construction jobs. The service sector added only 1,100 as gains in healthcare (+17,800), education (+13,100) and accommodation (+15,300) were offset by the aforementioned drop in business support services. Meanwhile, the public/private breakdown showed continued momentum in public sector growth, up 9,600 after a 26,400 in January, while private employment fell 20,000. The number reported as self-employed rose by 25,500. Taken as a whole, the report is still consistent with a continuation of the recent pickup in activity, with positive signs in the manufacturing sector, as higher commodity prices are boding well for the near-term performance of the energy sector. The stop-and-go pattern evidencing itself in the private employment numbers still suggests some lingering caution in business hiring, a theme also seen in the preference for part-time workers in recent months.

- **Trade:** *Trade surplus narrows on import strength.* Data for January revealed a narrowing in the trade surplus to just C$0.1 billion, from a downwardly-revised C$1.7 billion surplus the month prior (earlier $3.0 billion). Encouragingly, exports held their ground after the December surge, rising 0.8% in January, with strength in automotive products (+16%) and industrial goods (+3.8%) offset by an 8.9% drop in machinery and equipment exports. Imports, meanwhile, rose 5.3% on strength in energy products (+13.8%) and autos (+16.2%). The larger machinery and equipment, and industrial goods categories changed only modestly, machinery up 1.8% and industrial goods down 0.8%. In volume terms, exports rose 1.0% and imports 5.5%, meaning volumes, not prices, were behind the headline strength. The geographic breakdown showed the exports to the U.S. rose 3.3% and imports 6.5%, narrowing the U.S. facing surplus to $3.8 billion, from $4.3 billion. Exports to the U.S. rose for a fourth consecutive month, suggesting that while the stronger CAD is likely having a dampening impact, it is not causing outright declines.

Africa

South Africa

- **Growth and Production:** *Stronger manufacturing backdrop.* Manufacturing output rose a seasonally adjusted 0.4% M/M in January, more than offsetting the preceding month's drop (of 90.3%) and posting the third gain in the last four months of data. On an (unadjusted) Y/Y basis, meanwhile, output growth picked up from 0.2% to 1.3, but with the latter reading still clearly down on November's 4.6% outcome.

Comparative International Economic Indicators

	Real Growth*			Consumer Prices*		
	Latest Period	Chg. Over Prev. Period	Chg. Over Year Ago Period	Latest Period	Chg. Over Prev. Period	Chg. Over Year Ago Period
United States	2010:Q4	2.8	2.7	2011:M1	0.4	1.7
Canada	2010:Q4	3.3	3.2	2011:M1	0.3	2.3
Eurozone	2010:Q4	1.1	2.0	2011:M1	-0.7	2.3
United Kingdom	2010:Q4	-2.3	1.5	2011:M1	0.1	4.0
Germany	2010:Q4	1.5	4.0	2011:M2	0.1	2.1
France	2010:Q4	1.5	1.7	2011:M1	-0.2	1.8
Italy	2010:Q4	0.5	1.5	2011:M2	0.3	2.3
Switzerland	2010:Q4	3.5	3.2	2011:M2 •	0.4	0.5
Japan	2010:Q4	-1.3	2.5	2011:M1	-0.2	0.0
Korea	2010:Q4	2.2	4.9	2011:M2	0.8	4.5
Taiwan	2010:Q4	19.0	6.9	2011:M2 •	0.7	1.3
Hong Kong	2010:Q4	21.6	6.2	2011:M1	0.6	3.6
Singapore	2010:Q4	2.0	12.0	2011:M1	1.6	5.5
Australia	2010:Q4	3.0	2.7	2010:Q4	0.4	2.7
Mexico	2010:Q4	5.1	4.4	2011:M2 •	0.4	3.6

**Seasonally adjusted annualized rate, otherwise not seasonally adjusted and reported only on a year-over-year basis.*

**Not seasonally adjusted except for United States and Germany.*

	Industrial Production*			Current Account (Billions of Dollars)			
	Latest Period	Chg. Over Prev. Period	Chg. Over Year Ago Period	Latest Period	Trailing 12-Month Sum	2010 Total	2009 Total
United States	2011:M1	-0.1	5.2	2010:Q3	-460.5		-378.4
Canada	2010:M12	1.1	6.3	2010:Q4	-48.5	-48.5	-38.6
United Kingdom	2011:M1 •	0.6	4.5	2010:Q3	-43.0		-37.1
Germany	2011:M1 •	1.8	12.4	2010:Q4	170.4	170.4	170.2
France	2011:M1 •	1.1	5.5	2010:Q4	-53.9	-53.9	-51.9
Italy	2011:M1 •	-1.5	0.9	2010:Q4	-72.4	-72.4	-43.2
Switzerland	2010:Q3	1.8	5.8	2010:Q3	75.0		57.3
Japan	2011:M1	-10.0	4.7	2010:Q4	193.9	193.9	142.4
Korea	2011:M1	-1.4	13.7	2010:Q4	28.2	28.2	32.8
Taiwan	2011:M1	-2.5	17.2	2010:Q4	40.6	40.6	42.9
Hong Kong	2010:Q4 •	-1.5	5.8	2010:Q3	14.5		18.0
Singapore	2011:M1	5.9	10.5	2010:Q4	49.5	49.5	35.1
Australia	2010:Q4	-0.8	-0.3	2010:Q4	-31.7	-31.7	-43.3
Mexico	2010:M12	-1.5	4.9	2010:Q4	-5.7	-5.7	-6.3

**Seasonally adjusted except for Switzerland, Korea, Taiwan, Hong Kong, Singapore and Mexico. Switzerland and Australia are quarterly numbers.*

**Eurozone refers to the EU25 for the Current Account Figure.*

	Unemployment Rate*				Long-Term Government Bond Yield		
	Latest Period	Latest	Prev. Period	Year Ago Period	Latest	Prev. Month	Year Ago
United States	2011:M2	8.9	9.0	9.7	3.40	3.65	3.73
Canada	2011:M2 •	7.8	7.8	8.2	3.27	3.45	3.51
United Kingdom	2011:M1	4.5	4.5	5.0	3.55	3.87	4.15
Germany	2011:M1	6.5	6.6	7.3	3.21	3.31	3.18
France	2011:M1	9.6	9.7	9.9	3.33	3.37	3.48
Italy	2010:Q3	8.3	8.4	8.0	4.87	4.76	3.96
Switzerland	2011:M2 •	3.4	3.5	4.1	1.84	1.98	1.90
Japan	2011:M1	4.9	4.9	5.1	1.26	1.34	1.33
Korea	2011:M1	3.8	3.5	5.0	4.44	4.82	4.89
Taiwan	2011:M1	4.6	4.7	5.7	1.40	1.46	1.43
Hong Kong	2011:M1	3.8	4.0	4.9	2.65	3.09	2.63
Singapore	2010:Q4	2.0	1.8	2.1	2.41	2.79	2.71
Australia	2011:M2 •	5.0	5.0	5.3	5.48	5.75	5.67
Mexico	2011:M1	5.4	4.9	5.9	3.32	3.22	3.36

Seasonally adjusted except for Italy, Switzerland, Korea, Taiwan and Mexico.

	Call Money Rate			Exchange Rate			
	Latest	Prev. Month	Year Ago	Latest Level	Chg. Over Last Week	Chg. Over Prv. Month	Chg. Over Year Ago
Euro	1.00	1.00	1.00	1.3909	-0.6	1.3	1.7
United States	0.15	0.17	0.16	79.48§	0.1	-0.9	-5.2
Canada	1.00	1.00	0.25	0.9716	0.2	2.2	5.1
United Kingdom	0.50	0.50	0.48	1.6083	-1.1	-0.1	6.8
Germany	1.00	1.00	1.00	1.4061	0.6	-1.3	-1.7
France	1.00	1.00	1.00	4.7157	0.6	-1.3	-1.7
Italy	1.00	1.00	1.00	1392.00	0.6	-1.3	-1.7
Switzerland	0.04	0.06	0.02	0.9294	-0.5	3.0	13.0
Japan	0.10	0.11	0.10	81.90	0.5	0.6	9.5
Korea	2.97	2.77	2.02	1124.2	-0.9	-1.4	0.8
Hong Kong	0.07	0.10	0.03	7.7878	0.0	0.0	0.4
Singapore	0.16	0.16	0.16	1.2677	-0.1	0.5	9.3
Australia	0.00	4.75	4.00	1.0149	0.1	0.2	10.9
Mexico	4.50	4.47	4.53	11.9121	0.8	1.4	5.2

Note: All figures in percent unless otherwise indicated. • Data updated in the last week.

§ Morgan Guaranty Trade-Weighted Index.

Comparative International Economic Indicators (Cont.)

Real Growth*

	Latest Period	Chg. Over Prev. Period	Chg. Over Year Ago Period
Belgium	2010:Q4	2.0	2.0
Netherlands	2010:Q4	2.3	2.1
Denmark	2010:Q4	0.9	2.6
Sweden	2010:Q4	5.1	7.2
Norway	2010:Q4	10.1	1.5
Finland	2010:Q4	7.0	5.0
Spain	2010:Q4	0.9	0.6
Portugal	2010:Q4	-1.2	1.2
Indonesia	2010:Q4	-5.7	6.9
Philippines	2010:Q4	82.1	7.1
Malaysia	2010:Q4	6.1	4.8
Thailand	2010:Q4	29.6	3.8
India	2010:Q4	43.8	9.7
China	2010:Q4	---	9.8
Argentina	2010:Q3	1.5	8.8
Brazil	2010:Q4	3.0	5.0

**Seasonally adjusted annualized rate, otherwise not seasonally adjusted and reported only on a year-over-year basis. China is in nominal terms.*

Consumer Prices*

	Latest Period	Chg. Over Prev. Period	Chg. Over Year Ago Period
Belgium	2011:M2	0.6	3.4
Netherlands	2011:M2 •	0.7	1.9
Denmark	2011:M2 •	1.2	2.7
Sweden	2011:M2 •	0.6	2.1
Norway	2011:M2 •	0.4	1.2
Finland	2011:M1	0.4	3.0
Spain	2011:M2	0.1	3.6
Portugal	2011:M2 •	0.0	3.5
Indonesia	2011:M2	---	---
Philippines	2011:M2	1.1	4.3
Malaysia	2011:M1	0.6	2.4
Thailand	2011:M2	0.4	2.8
India	2011:M1	1.6	9.3
China	2011:M2 •	---	4.9
Argentina	2010:M12	0.8	10.9
Brazil	2011:M2	0.6	6.0

**Not seasonally adjusted.*

Industrial Production*

	Latest Period	Chg. Over Prev. Period	Chg. Over Year Ago Period
Belgium	2010:M12	-6.9	9.8
Netherlands	2010:M12	0.0	4.6
Denmark	2011:M1 •	2.1	5.9
Sweden	2011:M1 •	2.4	10.3
Norway	2011:M1 •	-2.7	-6.8
Finland	2011:M1 •	-2.8	7.7
Spain	2011:M1	2.3	6.0
Portugal	2011:M1	2.3	-1.3
Indonesia	2010:M12	0.1	2.5
Philippines	2010:M12	2.4	25.7
Malaysia	2010:M12	-1.1	4.0
Thailand	2010:M11	-4.0	16.3
India	2010:M12	-7.7	5.6
Argentina	2011:M1	-7.4	7.1
Brazil	2011:M1	-3.8	2.5

**Not seasonally adjusted except for Netherlands, Sweden, Norway, Finland, and Spain. Thailand reported as 12-month moving average.*

Current Account (Billions of Dollars)

	Latest Period	Trailing 12-Month Sum	2010 Total	2009 Total
Belgium	2010:Q3	5.4		3.6
Netherlands	2010:Q3	48.6		36.6
Denmark	2010:Q4	16.9	16.9	6.8
Sweden	2010:Q4	29.1	29.1	28.3
Norway	2010:Q4	53.5	53.5	50.1
Finland	2010:Q4	6.9	6.9	6.8
Spain	2010:Q4	-63.5	-63.5	-80.4
Portugal	2010:Q4	-22.5	-22.5	-25.6
Indonesia	2010:Q4	6.3	6.3	31.8
Philippines	2010:Q3	9.7		21.8
Malaysia	2010:Q4	28.0	28.0	8.6
Thailand	2010:Q4	14.8	14.8	7.1
India	2010:Q3	-54.7		10.2
Argentina	2010:Q3	5.1		11.0
Brazil	2010:Q4	-47.5	-47.5	-24.3

Unemployment Rate*

	Latest Period	Latest	Prev. Period	Year Ago Period
Belgium	2011:M1	8.0	8.1	8.3
Netherlands	2011:M1	4.3	4.3	4.5
Denmark	2011:M1	4.2	4.1	4.2
Sweden	2011:M1	7.9	7.8	8.9
Norway	2011:M2	3.0	3.1	3.0
Finland	2011:M1	8.2	7.9	9.5
Spain	2011:M1	20.4	20.4	19.2
Portugal	2011:M1	11.2	11.2	10.5
Indonesia	2010	7.1	7.9	7.9
Philippines	2010:Q4	7.1	6.9	7.1
Malaysia	2010:Q4	3.2	3.2	3.5
Thailand	2010:M12	0.7	1.0	0.9
China	2009	4.3	4.2	4.2
Argentina	2010:Q4	7.3	7.5	8.4
Brazil	2011:M1	6.1	5.3	7.2

** Not seasonally adjusted except for Denmark, Netherlands is a 3-month moving average.*

Long-Term Government Bond Yield

	Latest	Prev. Month	Year Ago
Belgium	4.24	4.24	3.68
Netherlands	3.49	3.49	3.44
Denmark	4.24	4.24	3.68
Sweden	3.37	3.50	3.26
Norway	3.77	3.94	3.87
Finland	3.10	3.24	3.31
Spain	5.43	5.32	3.87
Portugal	7.60	7.36	4.24
Indonesia	—	—	—
Philippines	—	—	—
Malaysia	4.08	4.06	4.24
Thailand	3.84	3.89	3.97
China	—	—	—
Argentina	—	—	—
Brazil	—	—	—

Call Money Rate

	Latest	Prev. Month	Year Ago
Belgium	1.00	1.00	1.00
Netherlands	1.00	1.00	1.00
Denmark	0.75	0.75	0.75
Sweden	1.88	1.45	0.25
Norway	2.00	2.00	1.75
Finland	1.00	1.00	1.00
Spain	1.00	1.00	1.00
Portugal	1.00	1.00	1.00
Indonesia	6.24	6.09	6.23
Philippines	4.00	4.00	4.00
Malaysia	0.00	0.00	0.00
Thailand	—	—	—
India	6.35	6.85	3.30
China	—	—	—
Argentina	10.55	10.55	10.00
Brazil	11.16	11.16	0.00

Exchange Rate

	Latest Level	Chg. Over Last Week	Chg. Over Prv. Month	Chg. Over Year Ago
Belgium	29.0006	-0.6	1.3	1.7
Netherlands	1.5843	-0.6	1.3	1.7
Denmark	5.3620	-0.6	1.2	1.4
Sweden	6.3338	0.2	1.6	11.0
Norway	5.5975	-0.5	2.8	4.6
Finland	4.2744	-0.6	1.3	1.7
Spain	119.62	-0.6	1.3	1.7
Portugal	144.13	-0.6	1.3	1.7
Indonesia	8782.0	0.1	1.7	4.5
Philippines	43.650	-0.9	-0.3	4.5
Malaysia	3.0393	-0.3	-0.1	8.4
Thailand	30.360	0.3	1.2	7.1
India	45.243	0.6	-0.5	-0.8
China	6.5745	-0.1	0.2	3.7
Argentina	4.0264	0.1	-0.2	-4.4
Brazil	1.6649	-0.6	-0.3	5.6

Note: All figures in percent unless otherwise indicated. • Data updated in the last week.

Week ended: 3/11/2011

Focus on Switzerland

The Swiss economy is seemingly enjoying the very enviable combination of low inflation and solid, if not, strengthening growth. Indeed, consumer price inflation was just 0.5% Y/Y in February, with underlying inflation even lower at 0.1%. Meanwhile, GDP rose by 0.9% Q/Q in Q4, a notch higher than the upwardly revised gain of 0.8% seen in Q3 and the sixth straight increase. As a result, the Y/Y rate of growth improved further, with the unadjusted version rising from 2.6% to 3.1%, the highest in two and a half years. The data underscore a very upbeat backdrop in Switzerland, something reinforced by both monetary data (a development almost unique to Switzerland among developed countries) and survey numbers, including the much more upbeat PMI number for February (see upper chart). Indeed, the Q4 GDP data has several notable features: consumer spending continued to be rather subdued, with overall consumption growth boosted more by a pick-up in government spending. Moreover, the data showed a very strong capex outcome, alongside a recovery in exports that suggest the strong franc is not significantly eroding sales abroad.

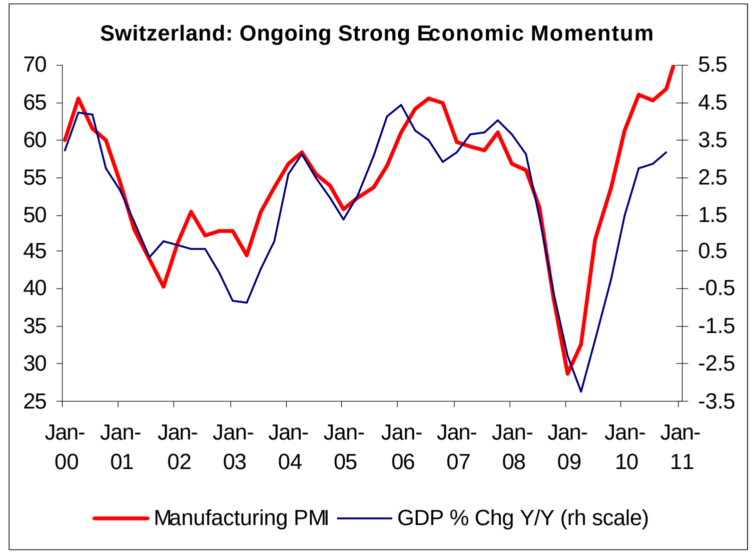
More notably, activity as denoted by the Q4 GDP figures is slightly better than perceived by the SNB in its last (December) policy assessment, when it pointed to average growth last year of around 2.5%. Moreover, the level of GDP in Q4 is notable in having now more than fully recovered all of the loss of output during the recession, the first major European economy to have done so, a development implying a lack of any sizeable output gap.

In contrast, the CPI data suggest that a clear overshoot of SNB projections is on the cards, at least for the current quarter, albeit still very much a result of higher food and energy prices given the very subdued core readings. Even so, SNB comments of late have started to acknowledge that previous worries about deflation have abated, a swing in thinking probably more a result of the buoyancy in the economy and domestic monetary conditions than a reflection of recent price swings. Indeed, it is notable that the likes of house and construction price developments hardly provide a cause for concern either as an inflationary impulse or as a sign of economic imbalances emerging (see lower chart).

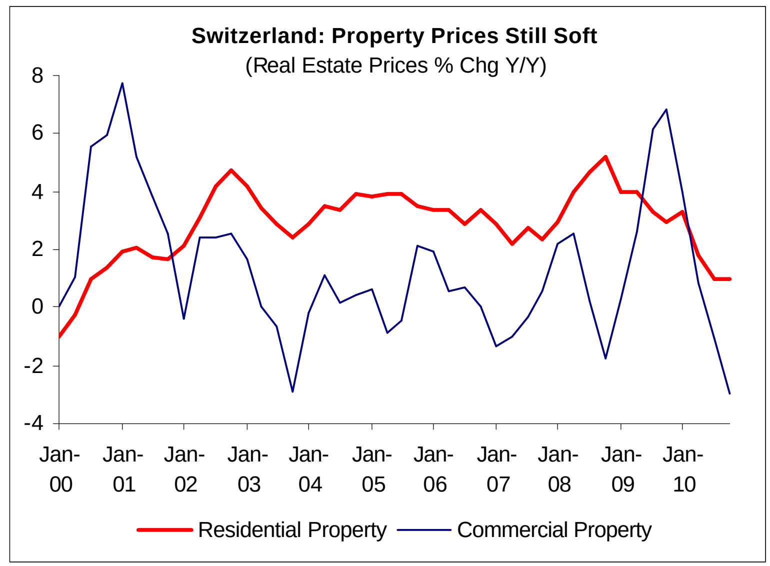
Admittedly, despite the resilience in exports, the (strong) currency remains a cause for concern, albeit not a to a degree that is making the SNB even contemplate fresh FX intervention of the ilk seen through the first half of 2010 and which caused unprecedented damage to its balance sheet, highlighted in the central bank annual results published earlier this month. However, given the recent upbeat economic signals, it is likely that the next SNB quarterly assessment (scheduled this coming Thursday) will have to acknowledge a firmer economy. Indeed, the momentum with which the economy left 2010, alongside the upbeat signals since, suggests that the SNB projection for 2011 GDP growth (1.5%) is far too timid.

Such an upgrading of the GDP projection may leave the SNB with little option but to acknowledge that inflation may move above target somewhat sooner than the mid-2013 timetable projected back in December, thereby offering a rate-hike signal possibly more clearly than it did in December by its failure to repeat that policy was appropriate. Of some note, given the clear hints from the ECB that it too is about to embark on raising official rates, the SNB may be more willing to acknowledge such a scenario itself, given diminished fears that such a rate hike hint would trigger a fresh rally in the franc.

— Andrew Wroblewski, DE London



Source: SECO, Credit Suisse



Source:SNB

DECISION ECONOMICS March 11, 2011

	Latest	Week Ago	% Chg. YTD *	12/31/10
Yen/$	81.88	82.32	0.9	81.12
$/Euro	1.3906	1.3987	-3.9	1.3384
Yen/Euro	113.86	115.14	4.9	108.57
$/STG	1.6081	1.6269	-3.0	1.5612
Sfr/$	0.9293	0.9245	-0.6	0.9352
Can$/US$	0.9710	0.9734	-2.7	0.9980
Mexican Peso/$	11.914	12.008	-3.5	12.340
Brazil Real/$	1.6649	1.6546	0.2	1.6613
Thai Baht/$	30.360	30.460	1.0	30.060
Malaysian Ringgit/$	3.0393	3.0290	-0.8	3.0635
Indonesian Rupiah/$	8782.0	8792.0	-2.4	8996.0
Korean Won/$	1124.2	1114.6	-0.2	1126.0
Philippines Peso/$	43.650	43.271	-0.3	43.800
India Rupee/$	45.243	44.988	1.2	44.705

* For Year-to-Date change calculations, all signs refer to the movement of the U.S. dollar, except for the Yen/Euro rate, where the sign refers to the euro.

BENCHMARK YIELDS				
SHORT-TERM (3-Month LIBOR)**				
U.S.	0.31	0.31	0.01	0.30
Canada	1.22	1.22	-0.02	1.23
Euro	1.13	1.12	0.19	0.94
U.K.	0.81	0.81	0.05	0.76
Japan	0.19	0.19	0.00	0.19
LONG-TERM (10-Year Benchmark)**				
U.S.	3.40	3.49	0.10	3.30
US 10 Year Swap Rate	3.51	3.61	0.13	3.38
Canada	3.27	3.33	0.15	3.12
Italy	4.87	4.89	0.05	4.82
Germany	3.21	3.27	0.25	2.96
U.K.	3.55	3.63	0.15	3.40
Switzerland	1.84	1.87	0.12	1.72
Japan (JGB)	1.26	1.31	0.13	1.13
Australia	5.48	5.58	-0.06	5.55
Brazil	4.56	4.67	-0.06	4.61
India	7.95	7.94	0.03	7.92
Spreads to US 10-Year				
10 Year Swap Spread	0.11	0.12	0.03	0.08
10 Year - 2 Year	2.76	2.81	0.07	2.70
Moody AAA	1.62	1.60	-0.21	1.83
UK Gilt	0.15	0.14	0.05	0.10
German Bund	-0.18	-0.22	0.15	-0.33
Italian 10-year	1.47	1.39	-0.05	1.52

** Year-to-date changes are calculated from the difference in yields.

STOCK MARKETS				
U.S. (DJIA)	12044	12170	4.0	11578
S&P 500	1304	1321	3.7	1258
NASDAQ Composite	2716	2785	2.4	2653
Russell 2000	803	825	2.4	784
Canada (TSE-300)	13674	14253	1.7	13443
Mexico (Bolsa)	36090	36901	-6.4	38551
Argentina (Merval)	3404	3426	-3.4	3524
Brazil (Bovespa)	66685	67282	-3.8	69305
Germany (DAX, XETRA)	6981	7179	1.0	6914
U.K. (FT-SE 100)	5829	5990	-1.2	5900
France (CAC-40)	3929	4020	3.3	3805
Switzerland (SMI)	6354	6531	-1.3	6436
Japan (Nikkei-225)	10254	10694	0.2	10229
Hong Kong (Hang Seng)	23250	23409	0.9	23035
Australia (All Ordinaries)	4735	4959	-2.3	4847
South Korea (KOSPI)	1956	2005	-4.7	2051
Thailand	1007	996	-2.5	1033
India (BSE)	18174	18486	-11.4	20509
China (Dow Jones Shanghai Index)	373	375	4.8	356
Singapore (Straights Times Index)	3043	3061	-4.6	3190

COMMODITIES				
Gold (USD/Troy Ounce)	1416.78	1430.90	-0.3	1420.78
Crude Oil (WTI, Spot)	101.37	104.42	10.9	91.38
CRB Futures	351.88	362.88	5.7	332.80
CRB Raw Industrials (Spot)	565.15	568.52	8.6	520.33