

Asian Markets

Friday, 15 February 2013

Line-Up For The Day

- Light Asian data today. Singapore will release the retail sales numbers for December and is expected to rise 0.6%, while Thailand will announce foreign reserves numbers. The Philippines will also release December numbers for overseas remittances and is expected to rise 7%. Filipino annual remittances account for about 10% of the Philippines's GDP and in the 3 months to November 2012, it averaged \$1.9bil, hitting a historical high. This will provide added boost to domestic consumption.
- The markets in China, Taiwan, and Vietnam remains closed today.

Forex

- At closing yesterday, the SGD closed higher against the USD at 1.2366/USD while the THB remained flat at 29.80/USD.

SGD

- The USD/SGD traded at a lower range of 1.2343 – 1.2371 yesterday, and will likely continue to weaken in the near term. On a trade-weighted basis, the SGD NEER is trading stronger today at 0.26% above the midpoint this morning. We expect it to trade tightly between the midpoint and 0.5% above midpoint today, implying the USD/SGD range of 1.2383 – 1.2321 based on current FX levels.

SGS

- SGS reacted in line with overnight moves in the UST. Sellers were quick to target the benchmark 10y and 20ys driving yields higher by 4bp. Moves in SGS were reinforced by IRS so market was always going to face an uphill task climbing out of the hole. 30y held out well in the sell off, support was found in the historical high yields and appetite to test this resolve was not there. The MAS bill auction came out as a huge outlier cutting at 0.30% and 0.35% respectively. On that basis, it starts to pay to assume some rollover risks. Opening levels: 2y 99.95/03 0.28/0.24; 5y 107.80/00 0.46/0.41; 10y 113.55/75 1.59/1.57; 15y 114.70/00 2.27/2.25; 20y 105.90/30 2.46/2.43; 30y 98.55/15 2.82/2.79.

Foreign Exchange Rates (as of 14 Feb 2013)					
FX	Asian Close	Asian High	Asian Low	NY High	NY Low
SGD	1.2366	1.2373	1.2342	1.2381	1.2348
MYR	3.0890	3.0910	3.0830	-	-
IDR	9657	9670	9640	-	-
THB	29.80	29.82	29.74	-	-
PHP	40.63	40.64	40.60	-	-
TWD	29.750	29.750	29.512	-	-
KRW	1083.80	1086.80	1083.20	-	-
HKD	7.7552	7.7557	7.7552	-	-
CNY	-	-	-	-	-

UOB's Estimation of SGD NEER (as of 15 Feb 2013) Assuming 2.0% on each side of the pivot point	
Lower-End	1.2633
Upper-End	1.2138
Mid-Point	1.2381

Market Holiday	Date	Event
CN/TW	11-15 Feb	Chinese New Year
TH	25 Feb	Makha Bucha Day
TW	28 Feb	Peace Memorial Day

Interest Rates	Current	Next CB Meet	UOB's Forecast
SGD 3-Mth SIBOR	0.38%	-	-
MYR O/N Policy Rate	3.00%	07 Mar	3.00%
IDR O/N Rate	5.75%	07 Mar	5.75%
THB 1-Day Repo	2.75%	20 Feb	2.75%
PHP O/N Reverse Repo	3.50%	14 Mar	3.50%
TWD Discount Rate	1.88%	21 Mar	1.88%
KRW Base Rate	2.75%	14 Mar	2.75%
HKD Base Rate	0.50%	-	0.50%
CNY 1-Yr Wking Capital	6.00%	-	6.00%

Stock Indices (as of 14 Feb 2013)	Closing	% chg	ytd % chg
FTSE Straits Times Index	3290.47	-0.32	+3.90
FTSE Bursa Malaysia KLCI Index	1630.89	-0.02	-3.44
Jakarta SE Composite Index	4588.67	+0.37	+6.30
Thailand SET Index	1526.74	+0.83	+9.69
Philippines SE PSEi Index	6513.41	-0.22	+12.05
Taiwan SE Weighted Index	-	-	-
Korea SE KOSPI Index	1979.61	+0.18	-0.87
Hong Kong Hang Seng Index	23413.25	+0.85	+3.34
Shanghai SE Composite Index	-	-	-
India Sensex 30 Index	19497.18	-0.57	+0.36

Equities

- **Asian markets performance were mixed yesterday with gains seen coming mainly from North Asian countries**, such as the Nikkei 225 (+0.50%), Hang Seng index (+0.85%), Shanghai Composite (+0.57%), KOSPI (+0.18%), and Taiwan TAIEX (+0.25%). Opening for the first day after the CNY holiday, the Hang Seng closed higher with gains coming from financials (+1.20%), and the oil & gas (+0.90%) sectors.

- The Straits Times index closed down 0.28% yesterday mainly from weak performance in the telco (-2.47%), consumer services (-0.49%), and healthcare (-0.38%) sectors, reversing gains in the consumer goods (+0.52%), industrials (+0.39%) and oil & gas (+0.15%) sectors.

Economic News

- **South Korea kept its 7-day repo rate unchanged at 2.75%.**
- India's January monthly wholesale prices came in at 6.62% y/y, lower than previous month's 7.18%.

Economic Indicators						
Date	Time	Indicators	Month	Actual	Market Forecast	Previous
14 Feb	0900	KRW Base Rate	Feb	2.75	2.75	2.75%
15 Feb	1300	SG Retail Sales y/y	Dec		0.2	-1.1%
	1530	TH Foreign Reserves	Feb		-	181.6bn

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