

## Headlines

- [German finance minister says no more risks of contagion in eurozone](#). *Reuters.com, 23 Nov 2013*
- [ECB can take further action if necessary: board member Asmussen](#). *Reuters.com, 23 Nov 2013*
- [China moves closer to introducing crude oil futures, Xinhua says](#). *Bloomberg.com, 23 Nov 2013*
- [Iran to reap US\\$7 billion in sanctions relief under accord](#). *Bloomberg.com, 24 Nov 2013*

## Weekly Review (for week ending 22 November 2013)

### ■ Signs of green shoots in Singapore October NODX

Singapore's October non-oil domestic exports (NODX) exhibited the first signs of green shoots and grew 2.8% y/y, the first positive growth rate since January this year. It had also surprised consensus estimates of a 1.1% y/y decline and came in better than previous month's contraction of 1.2% y/y. Although overall NODX gained positive grounds, the main drag on NODX came from the 15th consecutive month of contraction in electronics exports. In October, this segment declined 1.4% y/y, but we are observing an improving trend in this segment as the on-year contractions seen across the months were getting smaller (previous month's contraction was 5.5%).

### ■ OECD lowers global growth forecast on risks from emerging markets

Growth in advanced economies will pick up speed this year and next, but mostly at a slower pace than forecast as new risks loom, especially from emerging economies, the OECD said on Tuesday. Japan and the eurozone will both do slightly better than expected this year and next as austerity policies retreat, monetary stimulus is maintained and financial conditions improve, the OECD said. But the US economy will grow less quickly than forecast, with the OECD pointing to political dysfunction in Washington and the eventual tapering of monetary stimulus as factors that could hamper recovery. Global growth forecasts have been "revised down (since May) by just under half a percent for this year and 2014 to 2.7% and 3.6% respectively", it said, adding that global growth should pick up to 3.9% in 2015.

### ■ Bernanke: Fed committed to easy policy for as long as needed

Federal Reserve Chairman Ben Bernanke said on Tuesday the Fed will maintain ultra-easy US monetary policy for as long as needed and will only begin to taper bond buying once it is assured that labour market improvements would continue. Mr Bernanke also said that while the economy had made significant progress, it was still far from where officials wanted it to be.

### ■ Japan's trade deficit nearly doubles on-year in October

Japan's trade deficit nearly doubled on-year to a bigger-than-expected US\$10.9 billion in October as the country's energy bill soared. The shortfall of ¥1.09 trillion was larger than the ¥810 billion in red ink economists had expected on average, and an expansion of 96.1% from the year-before deficit of ¥556.2 billion. It was also the largest deficit for the month of October in comparable data that go back to 1979, said the finance ministry. And it marked the 16th straight month of deficit, the longest spell since 1979. Overall imports jumped 26.1% to ¥7.2 trillion owing much to higher energy costs and rising demand for some electronic components. Exports rose 18.6% to ¥6.1 trillion.

### ■ US retail sales signal rise in demand; inflation tame

A gauge of US consumer spending rose more than expected in October as households bought a range of goods, suggesting upside momentum in the economy early in Q4. Core retail sales (excluding automobiles, gasoline and building materials) increased 0.5% last month after advancing 0.3% in September. Overall retail sales rose 0.4% after being flat in September. The Labour Department said its CPI slipped 0.1% last month as gasoline prices fell sharply, after rising 0.2% in September. It was the first decline in 6 months. In the 12 months through October, the CPI increased 1.0%, the smallest gain since October 2009, after advancing 1.2% in September.

### ■ China's foreign reserves hit US\$3.66 trillion; PBOC says not beneficial to increase reserves

The PBOC said China does not benefit any more from increases in its foreign-currency holdings, adding to signs policy makers will rein in US dollar purchases that limit the yuan's appreciation. China's foreign-exchange reserves surged US\$166 billion in Q3 to a record US\$3.66 trillion, more than triple those of any other country and bigger than the GDP of Germany. "It's no longer in China's favour to accumulate foreign-exchange reserves," Yi Gang, a deputy governor at the PBOC, said in a speech organised by China Economists 50 Forum. The PBOC will "basically" end normal intervention in the currency market and broaden the yuan's daily trading range. Yi, who is also head of the State Administration of Foreign Exchange, said that the yuan's appreciation benefits more people in China than it hurts.

### ■ Singapore ups 2013 GDP outlook to 3.5%-4.0%

Singapore on Thursday raised its full-year growth forecast for 2013 to between 3.5% and 4.0%, up from its earlier forecast of 2.5% to 3.5% growth and last year's 1.3% growth as Q3 GDP numbers exceeded prior estimates, helped by further signs of a recovery in manufacturing and continued strength in services. On an annualised and seasonally adjusted rate, GDP rose 1.3% in Q3 from the preceding quarter, slower than the blistering 17.4% achieved in Q2, but was better than the advance estimate of a 1.0% contraction.

### ■ US weekly jobless claims fall to two-month low

Initial jobless claims, an indicator of the pace of layoffs, fell to 323,000 in the week ending November 16, from an upwardly revised 344,000 in the prior week. The new data bettered analysts' consensus estimate of 333,000 claims. It was the lowest reading since the last week in September, when new jobless claims fell to 308,000 ahead of the October 1-16 government shutdown that furloughed hundreds of thousands of federal workers. The four-week moving average, which helps iron out week-over-week volatility, fell by 6,750 to 338,500.

## Market Snapshot

Selected Equity Indices	Last (Nov 22)	1-week return	Year-to-date return
Dow Jones Industrial Average	16,064.77	0.65%	22.59%
S&P 500 Index	1,804.76	0.37%	26.54%
FTSE 100 Index	6,674.30	-0.29%	13.17%
Euro Stoxx 50	3,055.98	0.05%	15.94%
Nikkei 225	15,381.72	1.42%	47.97%
Hang Seng Index	23,696.28	2.88%	4.59%
Shanghai SE Composite	2,196.38	2.83%	-3.21%
BSE Sensex Index	20,217.39	-0.89%	4.07%
Straits Times Index	3,172.85	-0.89%	0.18%

Source: Bloomberg

## Week Ahead

Economic Calendar (Selected Events)				
Mon, Nov 25	Tue, Nov 26	Wed, Nov 27	Thu, Nov 28	Fri, Nov 29
Pending Home Sales Index	<i>Housing Starts</i>	<i>Durable Goods Orders</i>	US Holiday: Thanksgiving Day	
Dallas Fed Mfg Survey	<i>Housing Starts</i>	<i>Jobless Claims</i>		
	S&P Case-Shiller HPI	Chicago PMI		
	Consumer Confidence	Consumer Sentiment		
		EIA Petroleum Status Report		

Red: Market moving indicator

Black: Merits extra attention

Source: Bloomberg



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