

Headlines

- [Germany hints at preparations of a Plan B on Greece](#). *Reuters.com*, 26 April 2015
- [More central banks meet, but ability to pilot economies in doubt](#). *Reuters.com*, 26 April 2015
- [UK economy seen losing steam in final pre-election growth data](#). *Bloomberg.com*, 25 April 2015
- [Iraq will export new crude grade in May after setting discounts](#). *Bloomberg.com*, 26 April 2015

Weekly Review (for week ending 24 April 2015)

■ German investor sentiment slips unexpectedly in April: ZEW

Investor sentiment in Germany fell for the first time in six months in April as weak global growth weighed on confidence. The widely watched ZEW investor confidence index slipped by 1.5 points to 53.3 points in April, disappointing analysts' expectations for a further increase this month, ZEW said in a statement. The sub-index measuring financial market players' view of the current economic situation in Germany jumped by 15.1 points to 70.2 points in April, its highest level since July 2011.

■ Australia inflation benign in Q1, up 0.2%, no bar to rate cut

Australian consumer prices rose at the slowest pace in almost three years last quarter as petrol prices plunged, though rising education and healthcare expenses kept core inflation a shade above forecasts. The headline CPI inched up 0.2% in Q1, while the annual pace of inflation slowed to 1.3% from 1.7%, matching expectations. Key measures of underlying inflation favoured by the RBA, which strips out the effects of volatile price movements, rose 0.6% in Q1 for an annual rate of 2.35% and remained in the lower half of the RBA's long-term target band of 2% to 3%, suggesting inflation alone would be no bar to a further cut in interest rates if needed.

■ Singapore consumer confidence inches up despite passing of Lee Kuan Yew

Singapore consumers have become slightly more confident in April, according to the ANZ-Roy Morgan Singapore Consumer Confidence survey. The monthly survey index was at 125.7 points in April, up 1.2 points from March. The survey began in January 2014. The average since then is 121.7. ANZ's chief economist said that consumer confidence rose "despite what we considered to be the considerable uncertainty over the impact on the Singaporean psyche" from the death of former prime minister Lee Kuan Yew.

■ US existing home sales vault to 18-month high as supply improves

US home resales surged to their highest level in 18 months in March as more homes came on the market, a sign of strength in housing ahead of the spring selling season. Existing home sales increased 6.1% to an annual rate of 5.19 million units in March, the highest level since September 2013. The percent rise was the largest since December 2010. Last month's sales outpaced economists' expectations for a 5.03 million-unit rate. In March, the inventory of unsold homes on the market increased 5.3% from a month ago to 2 million units, the highest level since last November. However, supply was up only 2% from a year ago. At March's sales pace, it would take 4.6 months to clear houses from the market, down from 4.7 months in February. The median price increased 7.8% from a year ago to US\$212,100.

■ China April flash HSBC factory PMI contracts to 49.2, lowest in a year

Chinese factory activity contracted to its lowest level in a year in April, suggesting that economic conditions are still deteriorating despite increasingly aggressive policy easing by the central bank. The flash HSBC/Markit PMI fell to 49.2 in April. After a brief rebound in February, it is now back in contraction for two consecutive months. Economists polled by Reuters had forecast a preliminary reading of 49.6, equal to March's final reading. New orders declined further to a one-year low of 49.2 from March's final reading of 49.8.

■ Singapore inflation unchanged at -0.3% in March

Singapore's CPI inflation was -0.3% year-on-year in March, similar to that in February. This is the fifth consecutive month that inflation has stayed negative. While food inflation eased and accommodation cost fell further, the decline in private road transport cost was more modest. Food inflation moderated to 2.1% from 2.5% in February, on account of a slower rise in non-cooked food prices as demand eased after the Chinese New Year. Services inflation was stable at 1.5%. Accommodation cost decreased by 2.2% in March, extending the 2.1% decline in the previous month, as the housing rental market continued to soften. Private road transport cost fell by a more moderate 4.0% compared to the 5.8% drop in February, following the increase in petrol duty rates. MAS Core Inflation, which excludes the costs of accommodation and private road transport, came in at 1.0% compared to 1.3% in February, mainly reflecting the lower food inflation.

■ US new home sales tumble after months of strong gains

Purchases of new US homes slumped more than forecast in March from a 7-year high, a sign progress in the industry will be halting. Sales dropped 11.4% to a four-month low 481,000 annualised pace. Economists had called for a 515,000 rate. February's reading was revised up to 543,000, the highest since February 2008. Figures for December and January were also stronger than previously estimated.

■ US durable goods orders jump 4% in March, but business investment spending falls for 7th straight month

Orders for durable US goods jumped a seasonally adjusted 4% in March, after a 1.4% decline in February, but the increase was driven almost entirely by higher demand for autos, commercial jets and military hardware. A key measure of business investment fell for the seventh straight month to underscore a slowdown in how much companies are spending. Core capital goods orders (excluding defense and aircraft), a closely watched proxy for business spending plans, declined 0.5% in March after a revised 2.2% drop in February (previously reported to have declined 1.1%), which was the biggest decline since July 2013. Economists had forecast a gain of 0.3%.

Market Snapshot

Selected Equity Indices	Last (Apr 24)	1-week return	Year-to-date return
Dow Jones Industrial Average	18,080.14	1.42%	1.44%
S&P 500 Index	2,117.69	1.75%	2.86%
FTSE 100 Index	7,070.70	1.09%	7.69%
Euro Stoxx 50	3,713.96	1.09%	18.04%
Nikkei 225	20,020.04	1.87%	14.72%
Hang Seng Index	28,060.98	1.47%	18.88%
Shanghai SE Composite	4,393.69	2.48%	35.83%
BSE Sensex Index	27,437.94	-3.53%	-0.22%
Straits Times Index	3,513.00	-0.35%	4.39%

Source: Bloomberg

Week Ahead

Economic Calendar (Selected Events)				
Mon, Apr 27	Tue, Apr 28	Wed, Apr 29	Thu, Apr 30	Fri, May 1
Dallas Fed Mfg Survey	S&P Case-Shiller HPI	<i>GDP</i>	<i>Jobless Claims</i>	PMI Manufacturing Index
	Consumer Confidence	Pending Home Sales Index	<i>Personal Income and Outlays</i>	<i>ISM Mfg Index</i>
		EIA Petroleum Status Report	Employment Cost Index	Consumer Sentiment
		<i>FOMC Meeting Announcement</i>	Chicago PMI	Construction Spending

Red: Market moving indicator

Black: Merits extra attention

Source: Bloomberg



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