

# Daily Flash

## Asia

### Hong Kong selects new Chief Executive

Hong Kong completed the selection process on Sunday, as scheduled, for its new Chief Executive. An election committee of 1,200 representatives chose candidate C.Y. Leung with 689 votes, over Mr. Henry Tang with 285 votes. In the near term, Mr. Leung will face challenges in mending fences with the business community after a divisive campaign against his pro-business rival. He will also have to allay lingering concerns about his commitment to upholding Hong Kong's autonomy, as typified today in an op-ed piece in the *Wall Street Journal* noting, rightly or wrongly, the public's perception of Leung having an "authoritarian streak". Leung will also have to oversee Hong Kong at a time of economic uncertainty given its vulnerability to the European debt crisis and slowdown in China. His policy platform emphasizes affordable housing and narrowing income disparities. Markets took the election in stride, with the Hong Kong stock market essentially flat for the day, in comparison to declines elsewhere in the region.

### Briefly noted:

- **Singapore's February industrial output surprises to the downside**, with data released today showing that IP grew 12.1% y/y (consensus: 16.2%), and a seasonally adjusted decline of -1.1% over the previous month (consensus: 5.0%). Industrial production data was driven down mainly by a surprise slump in electronics. Although the IP data are notoriously volatile, together with March inflation to be released next week, the data will be an important input for the Monetary Authorities' six-monthly policy meeting in mid-April.
- **Vietnam's inflation still on a steady slowing path**, easing to 14.2% y/y from 16.4% y/y the month before, the lowest in a year according to data released yesterday. Inflation has been slowing since August last year, providing justification for Vietnam's central bank to cut rates two weeks ago on concerns about slowing growth.
- **China and Indonesia issued a joint statement seeking to strengthen ties** following joint statement in Beijing yesterday as Indonesian President Susilo Bambang Yudhoyono completed a three-day State visit to China. The countries expressed their commitment to strengthening political, security, economic, social, and cultural cooperation.

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## Calendar Indicators

<b>Australia</b>	<b>Date</b>	<b>Period</b>	<b>Prior</b>	<b>Cons.</b>	<b>Actual</b>
Private Sector Credit MoM%	30-Mar	FEB	0.20%	0.30%	--
Private Sector Credit YoY%	30-Mar	FEB	3.50%	3.30%	--
<b>China</b>	<b>Date</b>	<b>Period</b>	<b>Prior</b>	<b>Cons.</b>	<b>Actual</b>
PMI Manufacturing	01-Apr	MAR	51	51	--
HSBC Manufacturing PMI	01-Apr	MAR	49.6	--	--
<b>Hong Kong</b>	<b>Date</b>	<b>Period</b>	<b>Prior</b>	<b>Cons.</b>	<b>Actual</b>
Exports YoY%	27-Mar	FEB	-8.60%	0.30%	--
Imports YoY%	27-Mar	FEB	-10.50%	9.50%	--
Retail Sales - Volume (YoY)	29-Mar	FEB	9.10%	16.50%	--
<b>India</b>	<b>Date</b>	<b>Period</b>	<b>Prior</b>	<b>Cons.</b>	<b>Actual</b>
Current Account Balance	31-Mar	4Q	--	--	--
<b>Japan</b>	<b>Date</b>	<b>Period</b>	<b>Prior</b>	<b>Cons.</b>	<b>Actual</b>
Retail Trade MoM SA	29-Mar	FEB	4.10%	0.00%	--
Retail Trade YoY	29-Mar	FEB	1.90%	1.40%	--
Jobless Rate	30-Mar	FEB	4.60%	4.60%	--
Natl CPI YoY	30-Mar	FEB	0.10%	0.00%	--
Natl CPI Ex Food, Energy YoY	30-Mar	FEB	-0.90%	-0.90%	--
Industrial Production YOY%	30-Mar	FEB P	-1.30%	3.70%	--
<b>Singapore</b>	<b>Date</b>	<b>Period</b>	<b>Prior</b>	<b>Cons.</b>	<b>Actual</b>
Industrial Production MoM SA	26-Mar	FEB	3.30%	5.00%	-1.10%
Industrial Production YoY	26-Mar	FEB	-8.80%	16.20%	12.10%
M2 Money Supply (YoY)	30-Mar	FEB	9.90%	--	--
<b>South Korea</b>	<b>Date</b>	<b>Period</b>	<b>Prior</b>	<b>Cons.</b>	<b>Actual</b>
GDP (QoQ)	30-Mar	4Q F	0.40%	--	--
GDP (YoY)	30-Mar	4Q F	3.40%	--	--
Industrial Production (MoM)	30-Mar	FEB	3.30%	1.10%	--
Industrial Production (YoY)	30-Mar	FEB	-2.00%	11.40%	--
Ext Trade - Export (YoY)	01-Apr	MAR	22.70%	2.90%	--
<b>Thailand</b>	<b>Date</b>	<b>Period</b>	<b>Prior</b>	<b>Cons.</b>	<b>Actual</b>
Mfg. Production Index ISIC NSA (YoY)	28-Mar	FEB	-15.15	-7	--
Total Exports YOY%	30-Mar	FEB	-6.10%	--	--
<b>Vietnam</b>	<b>Date</b>	<b>Period</b>	<b>Prior</b>	<b>Cons.</b>	<b>Actual</b>
Exports YTD (YoY)	26-31 MAR	MAR	24.80%	--	--
Imports YTD (YoY)	26-31 MAR	MAR	11.80%	--	--
GDP Constant Prices YTD (YoY)	26-31 MAR	1Q	5.90%	--	--
Industrial Production Index YoY	27-30 MAR	MAR	22.10%	--	--

## Indicator of the Week

### China: PMI for March (April 1)

Forecast: 51.0

Consensus: n/a

Prior: 51.0

The official PMI outturn will be closely watched following recent indications of a further slowing in growth momentum. The private sector flash PMI estimate came in weaker than expected on March 22, raising expectations of a decline in the forthcoming PMI outturn after 3 consecutive months of a pick-up. Although underlying growth momentum is weakening, we expect the official PMI to remain unchanged from the previous month due to a seasonal rebound from the Chinese New Year in January. A more significant set of indicators will be released in mid-April, including Q1 GDP, industrial production, retail sales, and investment.

## Calendar Events

No calendar events scheduled for this week.

## 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.	2350.6	0.0	-2.5	6.9	-21.1
	Hong Kong - Hang Seng	20668.9	0.0	-2.1	12.1	-10.8
	Taiwan - Weighted	7967.6	-1.3	-0.9	12.7	-7.5
	Japan - Nikkei 225	10018.2	0.1	-1.1	18.5	5.1
	Korea - Kospi	2019.2	-0.4	-1.4	10.6	-1.7
	India - Sensex 30	17079.3	-1.6	-1.1	10.5	-9.2
	Australia - SPX/ASX 200	4262.8	-0.2	-0.7	5.1	-10.1
	Singapore - Strait Times	2974.5	-0.5	-0.5	12.4	-3.1
	Indonesia - Jakarta Comp	4031.7	-0.2	0.1	5.5	13.4
	Thailand - SET	1190.1	-0.4	0.1	16.1	14.7
	Malaysia - KLCI	1583.0	-0.2	0.6	3.4	4.4
Philippines - Manila Comp.	5029.6	-0.3	-1.9	15.0	29.8	

Last update: today, 17.45 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)	6.32	-0.12	0.12	6.33	6.34
	Hong Kong (HKD/USD)	7.77	-0.01	-0.08	7.77	7.76
	Taiwan (TWD/USD)	29.6	-0.14	-0.31	29.59	29.36
	Japan (JPY/USD)	82.70	-0.42	0.79	82.63	82.25
	Korea (KRW/USD)	1142	-0.55	-1.70	1148	1161
	India (INR/USD)	51.4	-0.39	-2.30	52.67	54.84
	Australia (USD/AUD)	1.05	-0.12	-1.44	0.97	0.99
	Singapore (SGD/USD)	1.26	-0.11	-0.56	1.26	1.26
	Indonesia (IDR/USD)	9204	-0.08	-0.83	9324	9666
	Thailand (THB/USD)	30.8	-0.16	-0.29	30.95	31.37
	Malaysia (MYR/USD)	3.08	-0.14	-0.82	3.10	3.13
Philippines (PHP/USD)	43.1	-0.29	-0.31	43.29	43.69	

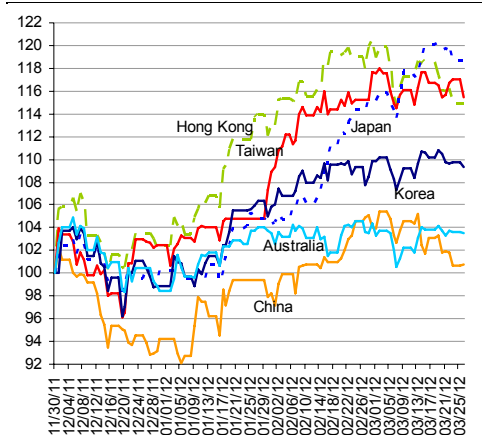
Last update: today, 17.45 Hong Kong time.

INTERBANK RATES	INDEX	Rate	net change over a day	net change over a week	net change over a month
	China (SHIBOR/7D)	3.35	0.18	0.25	-1.65
	Hong Kong (HIBOR/1W)	0.11	0.00	0.00	-0.01
	Taiwan (TAIBOR/1W)	0.64	0.00	0.00	0.00
	Japan (TIBOR/1Y)	0.76	0.00	0	0
	Korea (KORIBOR/1M)	3.38	0.00	0.00	0.00
	India (MIBOR/7D)	3.35	0.36	0.45	-1.66
	Singapore (SIBOR/1W)	0.25	0.00	-0.06	-0.06
	Indonesia (JIBOR/1W)	3.81	0.00	0	0
	Thailand (BIBOR/1W)	3.02	0.00	0.00	0.01
	Malaysia (KLIBOR/1W)	2.90	0.00	0.00	0.00
	Philippines (PHIBOR/1W)	3.50	-0.06	-0.31	0.13

Last update: today, 17.45 Hong Kong time

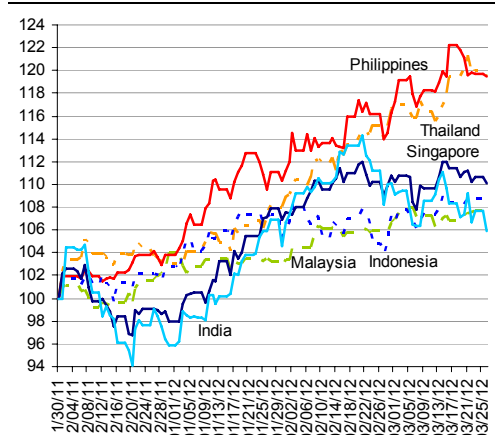
# Charts

Chart 9  
Stock Markets



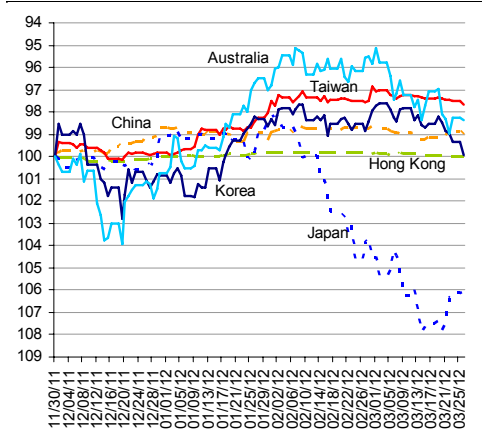
Source: BBVA Research and Bloomberg

Chart 10  
Stock Markets



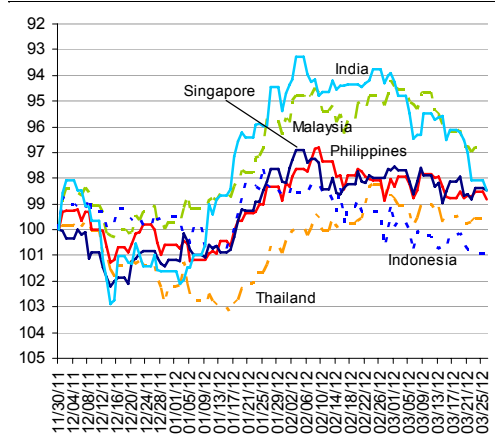
Source: BBVA Research and Bloomberg

Chart 11  
Foreign Exchange Markets



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Chart 12  
Foreign Exchange Markets



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