

# Daily Flash

## Asia

*After a strong rally over the past month, stocks were broadly lower today across Asian markets; the Hang Seng retreated by (-1.1%) while Shanghai was down (-0.5%) ahead of tomorrow's release of China's Flash PMI (note that Jakarta remained closed today for a public holiday). Despite today's losses, as elsewhere in the world, markets are generally up this month, led by the Kospi (up 8.2% over the past 20 trading days), while the Nikkei has also advanced by 7.4%, on improving global sentiment, better US data, and positive signs out of Europe.*

### Japan's exports in July slump amidst global downturn

Japan's exports in July fell by a more-than-expected -8.1% y/y (consensus: -2.9% y/y), as shipments to Europe plunged 25.1% y/y, and exports to China declined 12% y/y. On the other hand, imports rose by 2.1% y/y, slightly lower than market expectation (consensus: 3.1% y/y). A widening trade deficit (517 billion yen) and an improving US economy are causing downward pressure on the yen, which has depreciated by 1.3% over the past month to stand at 79.25/USD. Today's data make further policy easing by the Bank of Japan more likely through increases in its asset purchase program, most likely in October.

### Briefly noted:

- **According to media reports, Korea's financial regulator, the FSC, announced plans to introduce a new short-term reference rate for bank loans** in order to better reflect banks' funding costs. Announced every Wednesday, the index will be based on 3-month funding costs gathered from 9 major domestic banks.

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With contributions from the BBVA Research Asia Team

## Calendar Indicators

<b>China</b>	<b>Date</b>	<b>Period</b>	<b>Prior</b>	<b>Cons.</b>	<b>Actual</b>
HSBC Flash Manufacturing PMI	23-Aug	Aug	49.3	--	--
<b>Hong Kong</b>	<b>Date</b>	<b>Period</b>	<b>Prior</b>	<b>Cons.</b>	<b>Actual</b>
CPI - Composite Index (YoY)	21-Aug	Jul	3.70%	3.40%	1.60%
<b>India</b>	<b>Date</b>	<b>Period</b>	<b>Prior</b>	<b>Cons.</b>	<b>Actual</b>
CPI (YoY)	21-Aug	Jul	10.02%	--	9.86%
<b>Japan</b>	<b>Date</b>	<b>Period</b>	<b>Prior</b>	<b>Cons.</b>	<b>Actual</b>
All Industry Activity Index (MoM)	21-Aug	Jun	-0.30%	0.20%	0.20%
Merchnds Trade Balance Total	22-Aug	Jul	¥61.7B	¥270.0B	¥517.4B
Merchnds Trade Exports YoY	22-Aug	Jul	-2.3	-2.9	-8.1
Merchnds Trade Imports YoY	22-Aug	Jul	-2.2	3	2.1
<b>Philippines</b>	<b>Date</b>	<b>Period</b>	<b>Prior</b>	<b>Cons.</b>	<b>Actual</b>
Balance of Payments	22-Aug	Jul	\$14M	--	\$3182M
<b>Singapore</b>	<b>Date</b>	<b>Period</b>	<b>Prior</b>	<b>Cons.</b>	<b>Actual</b>
CPI (MOM) - NSA	23-Aug	Jul	0.00%	0.70%	--
CPI (YoY)	23-Aug	Jul	5.30%	4.50%	--
Industrial Production MoM SA	24-Aug	Jul	3.90%	-4.00%	--
Industrial Production YoY	24-Aug	Jul	7.60%	6.40%	--
<b>Taiwan</b>	<b>Date</b>	<b>Period</b>	<b>Prior</b>	<b>Cons.</b>	<b>Actual</b>
Export Orders (YoY)	20-Aug	Jul	-2.62%	-2.98%	-4.39%
Unemployment Rate - sa	22-Aug	Jul	4.24%	4.30%	4.25%
Industrial Production (YoY)	23-Aug	Jul	-2.44%	-1.70%	--
<b>Thailand</b>	<b>Date</b>	<b>Period</b>	<b>Prior</b>	<b>Cons.</b>	<b>Actual</b>
Gross Domestic Product SA (QoQ)	20-Aug	2Q	11.00%	2.00%	3.30%
Gross Domestic Product (YoY)	20-Aug	2Q	0.30%	3.10%	4.20%
<b>Vietnam</b>	<b>Date</b>	<b>Period</b>	<b>Prior</b>	<b>Cons.</b>	<b>Actual</b>
CPI (YoY)	24-Aug	Aug	5.35%	--	--
Exports YTD (YoY)	24-31 AUG	Aug	19.00%	--	--
Retail Sales YTD (YoY)	26-31 AUG	Aug	18.70%	--	--

## Calendar Events

There are 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.	2107.7	-0.5	-0.5	-4.2	-16.2
	Hong Kong - Hang Seng	19887.8	-1.1	-0.8	7.9	2.1
	Taiwan - Weighted	7496.6	-0.1	0.4	6.0	2.5
	Japan - Nikkei 225	9131.7	-0.3	2.3	8.0	5.8
	Korea - Kospi	1935.2	-0.4	-1.1	6.0	13.1
	India - Sensex 30	17846.9	-0.2	1.2	15.5	9.2
	Australia - SPX/ASX 200	4376.0	-0.2	2.2	7.9	7.2
	Singapore - Strait Times	3049.5	-0.5	-1.2	15.2	11.6
	Indonesia - Jakarta Comp	4160.5	0.4	0.7	8.9	5.2
	Thailand - SET	1234.1	0.2	0.6	20.4	15.6
	Malaysia - KLCI	1652.3	0.1	-0.1	7.9	12.2
Philippines - Manila Comp.	5152.2	-1.0	-2.3	17.8	18.7	

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FOREIGN EXCHANGE MARKETS	CURRENCY	Spot	% change over a day	% change over a week	Forward 3-month	Forward 12-month
	China (CNY/USD)	6.35	0.07	0.17	6.37	6.45
	Hong Kong (HKD/USD)	7.76	0.00	0.01	7.75	7.75
	Taiwan (TWD/USD)	30.0	-0.12	0.00	29.96	29.68
	Japan (JPY/USD)	79.26	0.04	-0.34	79.19	78.83
	Korea (KRW/USD)	1136	-0.42	-0.30	1142	1153
	India (INR/USD)	55.5	0.21	0.37	56.45	58.97
	Australia (USD/AUD)	1.04	-0.44	-0.61	0.97	0.99
	Singapore (SGD/USD)	1.25	-0.04	-0.10	1.25	1.25
	Indonesia (IDR/USD)	9505	-0.02	0.08	9646	10078
	Thailand (THB/USD)	31.4	0.03	0.45	31.56	31.97
	Malaysia (MYR/USD)	3.12	-0.07	0.21	3.13	3.17
Philippines (PHP/USD)	42.3	0.00	-0.13	42.37	42.65	

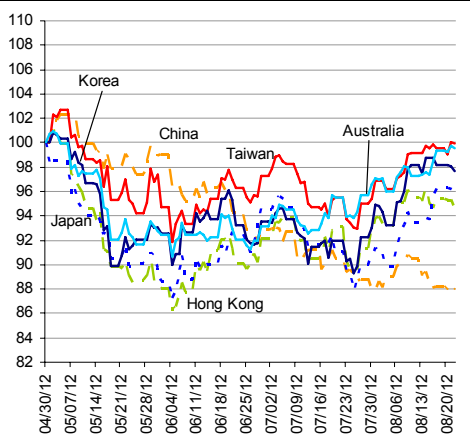
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INTERBANK RATES	INDEX	Rate	net change over a day	net change over a week	net change over a month
	China (SHIBOR/7D)	3.75	0.00	-0.20	0.20
	Hong Kong (HIBOR/1W)	0.13	0.00	0.00	0.00
	Taiwan (TAIBOR/1W)	0.63	0.00	0.00	-0.01
	Japan (TIBOR/1Y)	0.76	0.00	0.01	0.01
	Korea (KORIBOR/1M)	3.04	0.00	0.00	-0.03
	India (MIBOR/7D)	3.80	0.02	0.20	0.23
	Singapore (SIBOR/1W)	0.25	0.00	0.00	0.00
	Indonesia (JIBOR/1W)	4.49	0.03	0.29	0.32
	Thailand (BIBOR/1W)	3.02	0.00	0.00	0.00
	Malaysia (KLIBOR/1W)	2.90	0.00	0.00	0.00
	Philippines (PHIBOR/1W)	1.94	1.13	-0.25	-0.44

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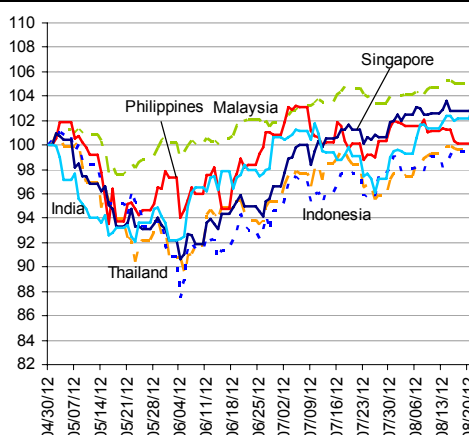
# Charts

Chart 9  
Stock Markets



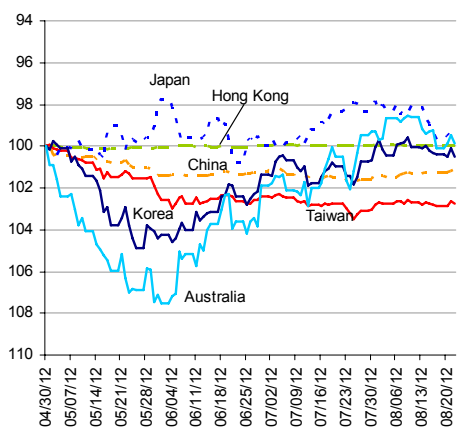
Source: BBVA Research and Bloomberg

Chart 10  
Stock Markets



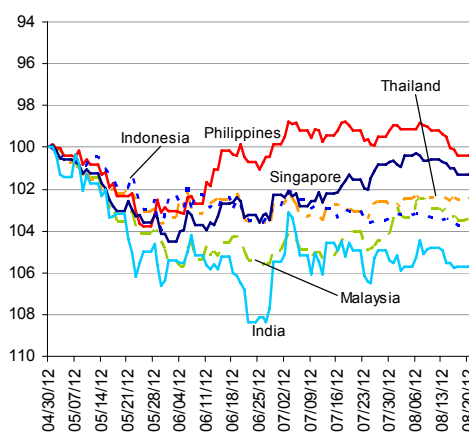
Source: BBVA Research and Bloomberg

Chart 11  
Foreign Exchange Markets



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Chart 12  
Foreign Exchange Markets



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