

**Key Developments in Asian Local Currency Markets**

Emerging East Asia's LCY bond market has expanded to reach a total size of nearly US\$6 trillion but policymakers in the region should brace themselves for further shocks and volatility spillovers from global markets, according to the new issue of the Asia Bond Monitor (ABM). The report assesses the performance of the region's LCY bond markets and shows that spillovers from the Lehman Brothers' collapse and the ongoing eurozone crisis have and may well continue to have significant impacts in many markets. The full issue of the ABM is available at [http://asianbondsonline.adb.org/documents/abm\\_sep\\_2012.pdf](http://asianbondsonline.adb.org/documents/abm_sep_2012.pdf).

People's Republic of China (PRC) President Hu Jintao said in last week's Asia Pacific Economic Cooperation (APEC) meeting in Moscow, that the PRC will pursue its proactive fiscal policy and prudent monetary policy; and ensure continuity and stability in macroeconomic policies - geared towards more targeted, flexible, and forward-looking regulation.

Inflation in the PRC rose to 2.0% year-on-year (y-o-y) in August from 1.8% in July. Industrial output growth was lower at 8.9% y-o-y in August from 9.2% in July. Retail sales growth increased slightly to 13.2% y-o-y in August from 13.1% in July. Exports grew 2.7% y-o-y and imports fell 2.6% in August.

Consumer price inflation in Indonesia and Philippines rose to 4.58% and 3.8% y-o-y, respectively in August.

Last week, Fitch Ratings upgraded the Republic of Korea's long-term foreign-currency issuer default rating to AA- from A+, with the outlook being stable.

Indonesia's exports contracted 7.3% y-o-y in July following a revised 16.0% annual growth in June as global demand remained weak. Malaysia's exports fell 1.9% y-o-y in July, after posting a 5.4% y-o-y growth in June.

The Bank of Korea revised downward real gross domestic product (GDP) growth of the Republic of Korea to 2.3% y-o-y and 0.3% quarter-on-quarter (q-o-q) in 2Q12. Singapore's manufacturing activity contracted again in August, with the index falling to 49.1 from 49.8 in July.

Bank Negara Malaysia (BNM) and the Bank of Thailand (BOT) kept their policy rates unchanged last week at an identical level of 3.0%.

Last week, Overseas-Chinese Banking Corp. (OCBC) of Singapore priced US\$1 billion

**Asia Bond Monitor September 2012** [read more](#)

**10-Year Selected LCY Government Security Yields** Close of 7 September 2012

basis point change from

Markets	Latest Closing	Previous Day*	Previous Week*	1-Jan-12*
US	1.67	-1.03	11.94	-20.84
EU	1.52	-4.00	18.50	-31.00
Japan	0.82	1.20	2.50	-16.60
PRC	3.42	2.00	3.00	-2.00
Hong Kong, China	0.70	1.90	3.30	-76.50
India	8.20	4.10	-4.00	-36.60
Indonesia	5.99	-5.60	-27.50	-3.90
Korea, Rep. of	3.06	7.00	4.00	-73.00
Malaysia	3.49	2.90	0.90	-20.50
Philippines	4.80	-0.50	-6.35	-28.89
Singapore	1.38	5.00	0.00	-25.00
Thailand	3.47	7.50	10.40	18.20
Viet Nam	10.50	0.00	0.00	-200.00

**TABLES & GRAPHS**

- ▶ Selected Government Security Yields
- ▶ Benchmark Yield Curves — Local Currency Government
- ▶ 2- versus 10- Year Yield Spread Chart
- ▶ Policy Rate versus Inflation Rate Charts
- ▶ Credit Default Swap Spreads and Exchange Rate Indexes
- ▶ Selected Debt Security Issuances
- ▶ Selected Asia Data Releases

10.5-year Tier II medium-term notes. SP Power Assets also priced US\$500 million of 10-year bonds with coupon of 2.7%. In Hong Kong, China, the Government of the Special Administrative Region issued HKD3.5 billion of 2-year HKSAR bonds. Meanwhile, Korea Development Bank raised an additional CNH600 million from the re-opening of a 3-year CNH1 billion bond.

The Republic of Korea's LCY bond market registered KRW2.6 trillion worth of net foreign investment outflows in August, a reversal from the KRW1.4 trillion net inflows recorded in July.

Government bond yields fell last week for all tenors in Indonesia, and for most tenors in the Philippines. Yields rose for all tenors in the Republic of Korea, and for most tenors in Malaysia and Thailand. Yield movements were mixed in the PRC and Hong Kong, China; and mostly unchanged in Singapore and Viet Nam. Yield spreads between 2- and 10- year maturities widened in the PRC; Hong Kong, China; and Thailand, while spreads remain unchanged in Viet Nam and narrowed in most other emerging East Asian markets.

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## Summary Text of News Articles

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### PRC's Industrial Production Slows in August, Inflation and Retail Sales Quicken Slightly

The People's Republic of China's (PRC) pace of consumer price increases accelerated in August to 2.0% year-on-year (y-o-y) from 1.8% in July. The acceleration in consumer price inflation is due to an uptick in food prices. Meanwhile, industrial output growth weakened to 8.9% y-o-y in August from 9.2% in July. Retail sales growth, however increased slightly to 13.2% y-o-y in August from 13.1% in July.

For historical data on the PRC's inflation, refer to this link:

[http://asianbondsonline.adb.org/china/data/marketwatch.php?code=policy\\_rate\\_and\\_inflation\\_trends](http://asianbondsonline.adb.org/china/data/marketwatch.php?code=policy_rate_and_inflation_trends)

For historical data on the PRC's value added of industry, refer to this link:

[http://asianbondsonline.adb.org/china/data/macroeconomic\\_credit.php](http://asianbondsonline.adb.org/china/data/macroeconomic_credit.php)

### Inflation in the Philippines and Indonesia Quickens in August

Consumer price inflation in the Philippines rose to a 7-month high of 3.8% y-o-y in August as damage from torrential rains resulted in food price hikes. Rising oil prices also contributed to the jump in monthly inflation. Headline inflation jumped to more than 3.0% y-o-y for the second consecutive month following July's headline inflation rate of 3.2%. The major indices recorded the greatest price upticks: (i) food and non-alcoholic beverages; (ii) clothing and footwear; (iii) housing, water, electricity, and gas and other fuels; (iv) household furnishings and household maintenance equipment; and (v) transport. Core inflation also rose to 4.3% y-o-y in August from 4.1% in July. Year-to-date head and core inflation registered 3.2% and 3.7%, respectively. Bangko Sentral ng Pilipinas (BSP) regarded the increase in August inflation as a "one-off" event and has forecast a lower inflation for September and October.

In Indonesia, consumer price inflation continued rising in August to 4.58% y-o-y mainly due to higher food prices and transportation costs during the Idul Fitri celebrations. According to the Central Statistics Agency (BPS), food was the biggest driver of inflation during the month coinciding with the Muslim festivities of Ramadan and Lebaran. On a month-on-month (m-o-m) basis, consumer prices rose 0.95% in August from 0.70% in July. The inflation level for August however remained within Bank Indonesia's (BI) target range for 2012 of between 3.5% and 5.5%.

For historical data on the Philippines' inflation, refer to this link:

[http://asianbondsonline.adb.org/philippines/data/marketwatch.php?code=policy\\_rate\\_and\\_inflation\\_trends](http://asianbondsonline.adb.org/philippines/data/marketwatch.php?code=policy_rate_and_inflation_trends)

For historical data on Indonesia's inflation, refer to this link:

[http://asianbondsonline.adb.org/indonesia/data/marketwatch.php?code=policy\\_rate\\_and\\_inflation\\_trends](http://asianbondsonline.adb.org/indonesia/data/marketwatch.php?code=policy_rate_and_inflation_trends)

### The Republic of Korea's Long-Term FCY Issuer Default Rating Upgraded to AA-

Fitch Ratings announced last week that it has upgraded the Republic of Korea's long-term foreign-currency issuer default rating to AA- from A+, with the outlook being stable. The ratings agency stated that the upgrade is based on the country's strong macroeconomic policy framework, which includes sustained fiscal discipline, and continued economic and financial stability amid a global environment that remains volatile.

For the latest credit ratings on the Republic of Korea's sovereign bonds, refer to this link:

<http://asianbondsonline.adb.org/regional.php>

### Exports from Indonesia and Malaysia Fall in July

Exports from Indonesia contracted 7.3% y-o-y in July, following revised 16.0% annual growth in June, as global demand remained weak. Import growth was flat in July, rising only 0.8% y-o-y from 11.0% growth in June. A trade deficit was recorded for a fourth consecutive month in July, settling at US\$176.5 million after a record high deficit of US\$1.3 billion in June.

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## Summary Text of News Articles

### Exports from Indonesia and Malaysia Fall in July (cont...)

Malaysia's exports fell 1.9% y-o-y in July, after posting 5.4% y-o-y growth in June, as slower economic activities in the PRC, the Republic of Korea, India, and the European Union led to lower shipments to these markets. Exports of electrical and electronic products dropped 4.8% y-o-y due to declines among semiconductor devices and automatic data processing equipment. On the other hand, exports of refined petroleum products rose 98.3% y-o-y. Meanwhile, imports rose 9.5% y-o-y in July, higher than the 3.6% growth in June. In January-July, total exports rose 3.3% y-o-y to MYR409.3 billion, while total imports increased 8.2% to MYR354.6 billion.

For historical data on Indonesia's exports, refer to this link:

[http://asianbondsonline.adb.org/indonesia/data/macroeconomic\\_credit.php](http://asianbondsonline.adb.org/indonesia/data/macroeconomic_credit.php)

For historical data on Malaysia's exports and trade balance, refer to this link:

[http://asianbondsonline.adb.org/malaysia/data/macroeconomic\\_credit.php](http://asianbondsonline.adb.org/malaysia/data/macroeconomic_credit.php)

### The Republic of Korea's Real GDP Expands 2.3% y-o-y and 0.3% q-o-q in 2Q12; Singapore's PMI Falls to 49.1 in August

The Bank of Korea reported last week that real gross domestic product (GDP) in the Republic of Korea grew 2.3% y-o-y and 0.3% quarter-on-quarter (q-o-q) in 2Q12. These figures were revised downward from advance estimates of 2.4% y-o-y and 0.4% q-o-q released on 26 July, and also lower than the 1Q12 growth rates of 2.8% y-o-y and 0.9% q-o-q. The y-o-y growth in private consumption eased to 1.1% in 2Q12 from 1.6% in 1Q12, while growth in government spending moderated to 3.6% in 2Q12 from 4.7% in 1Q12. Gross fixed capital formation contracted 2.1% y-o-y in 2Q12 following a 4.6% gain in 1Q12. The y-o-y growth in total exports moderated to 3.2% in 2Q12 from 4.7% in 1Q12, while that for total imports eased to 0.5% in 2Q12 from 4.4% in 1Q12.

According to the Singapore Institute of Purchasing and Materials Management, Singapore's manufacturing activity contracted again in August. The purchasing managers index (PMI) remained below the 50-point threshold at 49.1 in August from 49.8 in July. (A PMI above 50 indicates manufacturing expansion, while a reading below 50 indicates a contraction.) The sub-index for new orders fell to 48.1 in August from 49.6 in July. Meanwhile, the sub-index for the electronics sector rose to 50.7 in August after falling to 49.2 in July.

For historical data on the Republic of Korea's real GDP, refer to this link:

[http://asianbondsonline.adb.org/korea/data/macroeconomic\\_credit.php](http://asianbondsonline.adb.org/korea/data/macroeconomic_credit.php)

### Malaysia and Thailand Keep Policy Rates at 3.0%

Bank Negara Malaysia (BNM) decided to keep its overnight policy rate steady at 3.0% after its Monetary Policy Committee meeting on 6 September. BNM expects headline inflation to remain moderate for the rest of 2012 and into 2013. BNM has kept its rate at this level since May last year.

The Bank of Thailand's Monetary Policy Committee decided to keep the policy rate at 3.0% at its 5 September meeting. The Committee stated that risks to the global economy remained elevated on a lukewarm United States (US) economic recovery and the eurozone entering into a recession. It also noted that the economy of Thailand grew at a faster rate than previously forecast in 2Q12. The Committee concluded that current monetary conditions remained accommodative enough to support the country's economic growth.

For historical data on Malaysia's policy rate, refer to this link:

[http://asianbondsonline.adb.org/malaysia/data/marketwatch.php?code=policy\\_rate\\_and\\_inflation\\_trends](http://asianbondsonline.adb.org/malaysia/data/marketwatch.php?code=policy_rate_and_inflation_trends)

For historical data on Thailand's policy rate, refer to this link:

[http://asianbondsonline.adb.org/thailand/data/marketwatch.php?code=policy\\_rate\\_and\\_inflation\\_trends](http://asianbondsonline.adb.org/thailand/data/marketwatch.php?code=policy_rate_and_inflation_trends)

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**Summary Text of News Articles**


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**OCBC Prices US\$1 Billion Tier II Notes;  
SP Power Assets Prices US\$500 Million 10-Year Bonds;  
Telecoms Firm StarHub Sells SGD500 Million 10-Year Bonds;  
Hong Kong, China Issues 2-Year HKSAR Bonds;  
Korea Development Bank Issues CNH600 Million Bonds Via Tap, Prices US\$750 Million 10-Year Bonds;  
National Bank of Abu Dhabi Prices Debut CNH Bonds**

In Singapore, Oversea-Chinese Banking Corp. (OCBC) priced its US\$1 billion 10.5-year Tier II medium-term notes last week. The notes, rated Aa2 by Moody's and A- by Fitch, were issued under OCBC's US\$10 billion Global Medium-Term Note Programme and carry a coupon of 3.15% per annum until the call date of 11 March 2018. If not redeemed, the coupon will be reset to a fixed rate per annum equal to 227.9 basis points over the prevailing 5-year US\$ swap rate. Of the total, 55% were allocated to Asian investors, while US and European investors bought 26% and 19%, respectively.

Also, SP Power Assets priced US\$500 million worth of 10-year bonds. The bonds carry a coupon of 2.7% and are rated Aa3 by Moody's and AA- by Standard & Poor's. Asian investors were allocated 60% of the issuance, European investors 29%, and offshore US investors 11%.

Meanwhile, telecommunications firm StarHub raised SGD500 million from the sale of 10-year bonds last week. The bonds were issued under StarHub's SGD1 billion Multicurrency Medium-Term Note Programme and carry a 3.08% annual coupon. Proceeds from the issuance will be used to finance general corporate funding requirements and investments of StarHub and the StarHub Group.

Hong Kong, China last week issued 2-year government (HKSAR bonds) bonds under its Institutional Bond Programme. The bonds were issued with a total face value of HKD3.5 billion but total tenders reached HKD10.3 billion. The bonds carry a coupon of 2.07% to yield 0.380%.

Korea Development Bank re-tapped its existing 3-year CNH1.0 billion bond and raised an additional CNH600 million. The bond carries a coupon of 3.3% and was re-tapped at a yield of 3.3%. The bank also priced US\$750 million worth of 10-year bonds at a 3.0% coupon last week. Korea Development Bank is rated A1/A/A+ by Moody's, S&P, and Fitch.

Meanwhile, National Bank of Abu Dhabi priced its debut 1-year CNH100 million bond at a coupon of 2.9%.

**The Republic of Korea's Domestic Bond Market Posts Net Foreign Investment Outflows in August**

The Republic of Korea's local-currency (LCY) bond market registered KRW2.6 trillion worth of net foreign investment outflows in August, a reversal from the KRW1.4 trillion net inflows recorded in July, based on Financial Supervisory Service (FSS) data. Investors from the US accounted for the largest outflow, amounting to KRW962 billion followed by those from Thailand at KRW795 billion.

### Selected Government Security Yields

Tip: Zoom-in on the table using the Acrobat zoom tool

#### 3-Month Selected LCY Government Security Yields

Markets	Latest Closing	basis point change from			
		Previous Day*	Previous Week*	1-Jan-12*	
US	0.10	0.00		3.04	9.12
EU	-0.02	-4.20	-4.40		4.10
Japan	0.10	0.00		0.00	0.00
PRC	2.49	0.00	-6.00		-28.00
Hong Kong, China	0.17	0.00		0.00	-5.00
India	8.13	0.00	-8.00		-39.00
Korea, Rep. of	2.85	4.00		1.00	-51.00
Malaysia	3.03	0.00	-0.20		3.40
Philippines	1.25	0.00	-13.00		-13.00
Singapore	0.25	0.00		0.00	-12.00
Thailand	2.99	-0.14		1.00	-13.43

Close of 7 September 2012

#### 10-Year Selected LCY Government Bond Yields

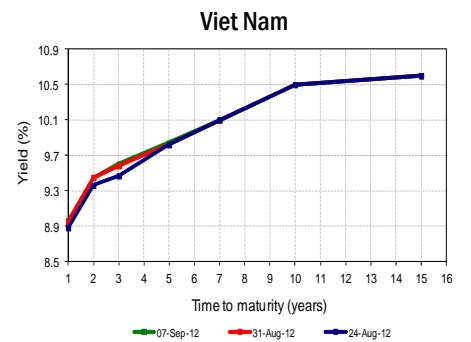
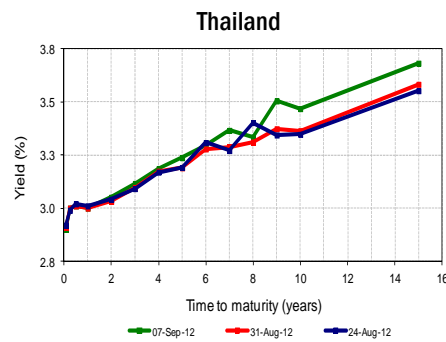
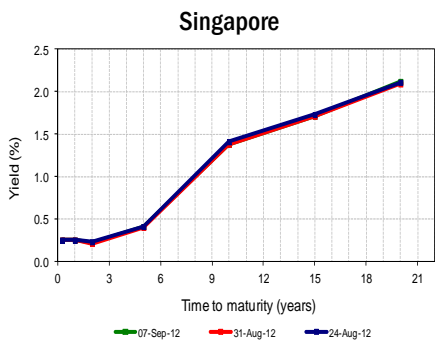
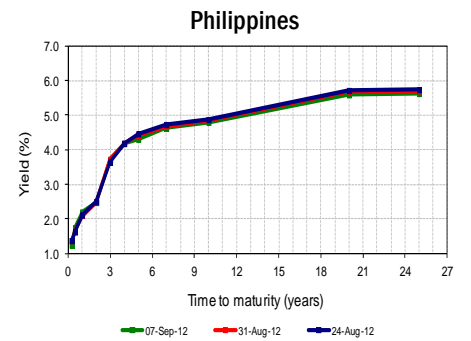
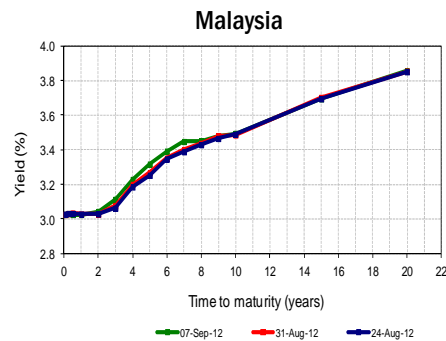
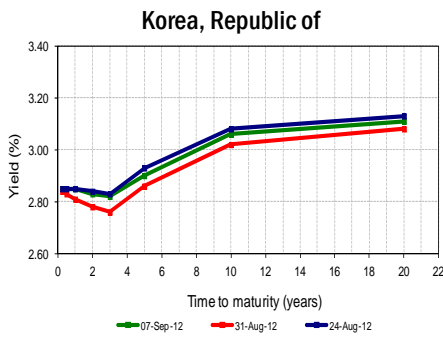
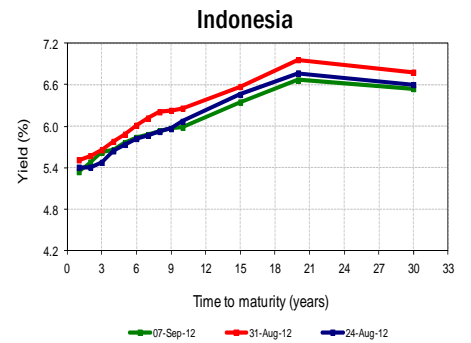
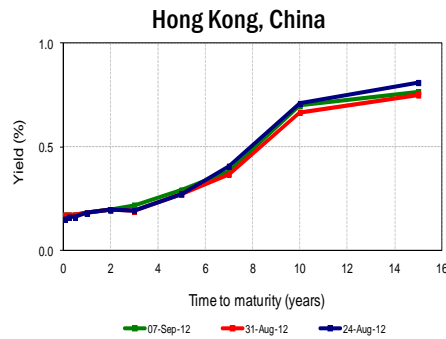
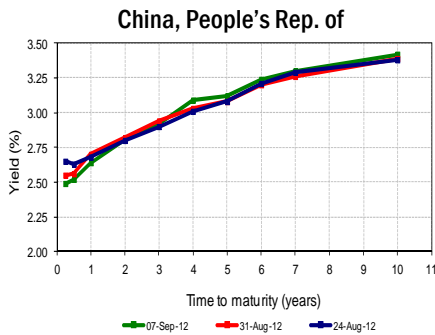
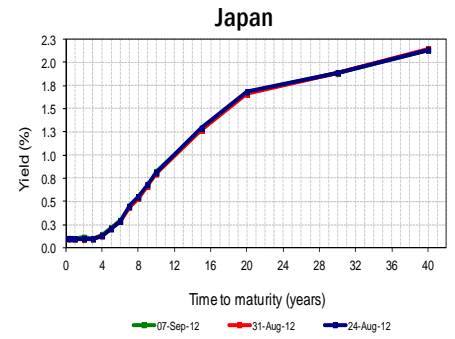
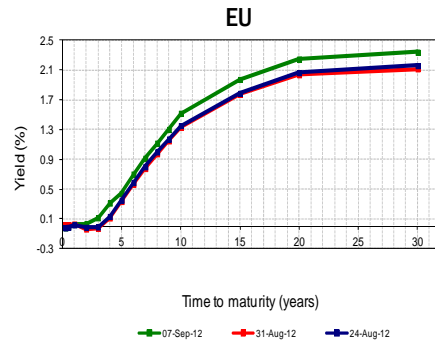
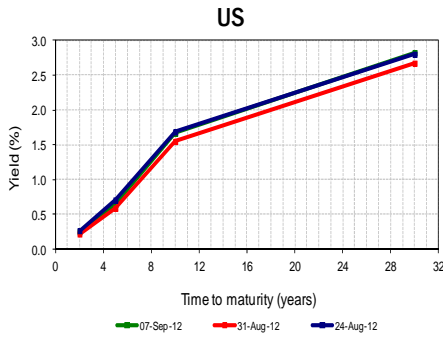
Markets	Latest Closing	basis point change from			
		Previous Day*	Previous Week*	1-Jan-12*	
US	1.67	-1.03		11.94	-20.84
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India	8.20	4.10	-4.00		-36.60
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Korea, Rep. of	3.06	7.00		4.00	-73.00
Malaysia	3.49	2.90		0.90	-20.50
Philippines	4.80	-0.50	-6.35		-28.89
Singapore	1.38	5.00		0.00	-25.00
Thailand	3.47	7.50		10.40	18.20
Viet Nam	10.50	0.00		0.00	-200.00

Close of 7 September 2012

EU = European Union, LCY = local currency, PRC = People's Republic of China, US = United States.  
 Source: Based on data from Bloomberg, LP.

**Benchmark Yield Curves – LCY Government Bonds**

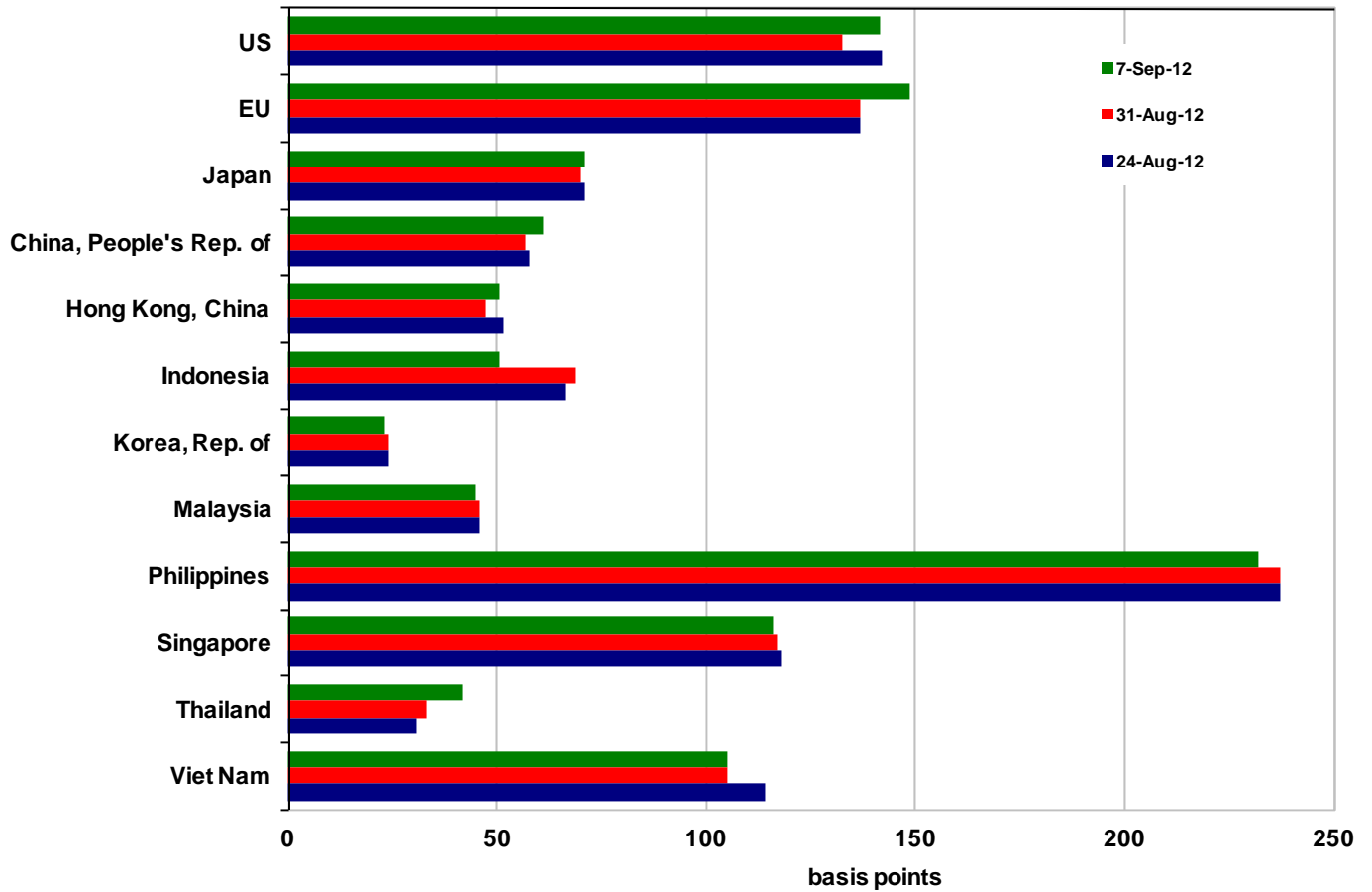
Tip: Zoom-in on the table using the Acrobat zoom tool



EU = European Union, LCY = local currency US = United States.  
Source: Based on data from Bloomberg.

### 2- versus 10- Year Yield Spread Chart

Tip: Zoom-in on the table using the Acrobat zoom tool

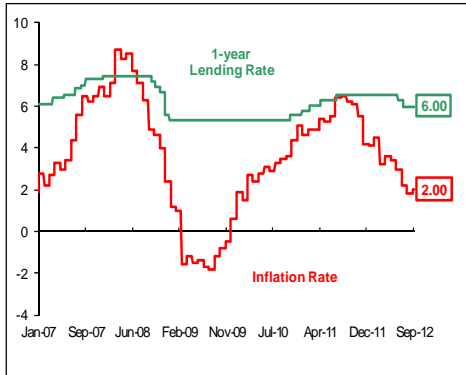


EU = European Union, US = United States.  
 Source: Based on data from Bloomberg LP.

**Policy Rate versus Inflation Rate**

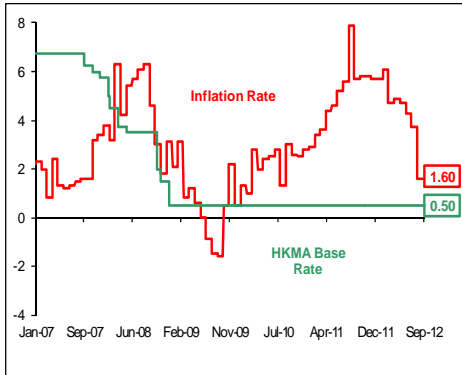
Tip: Zoom-in on the table using the Acrobat zoom tool

**China, People's Rep. of**



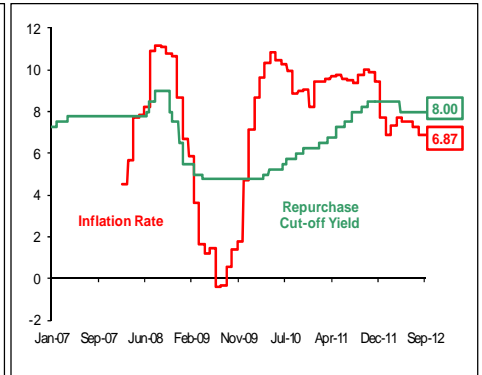
The PRC uses the 1-year lending rate as one of its policy rates.  
Source: Bloomberg LP.

**Hong Kong, China**



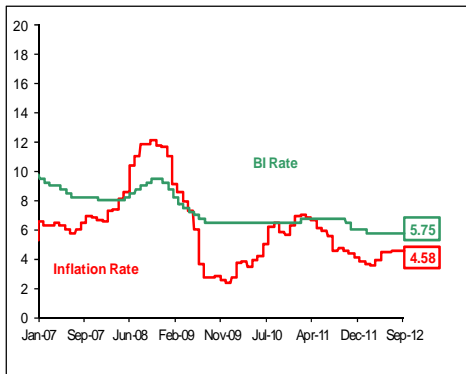
The Hong Kong Monetary Authority maintains a Discount Window Base Rate.  
Source: Bloomberg LP.

**India**



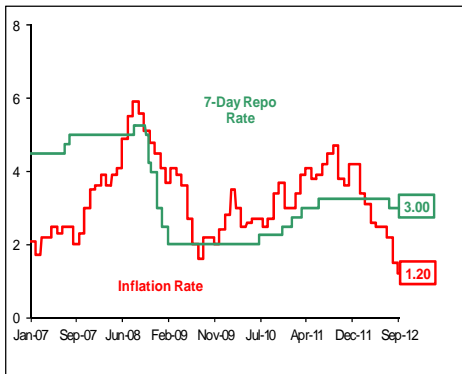
The Reserve Bank of India uses the repurchase (repo) cut-off yield as its policy rate.  
Source: Bloomberg LP.

**Indonesia**



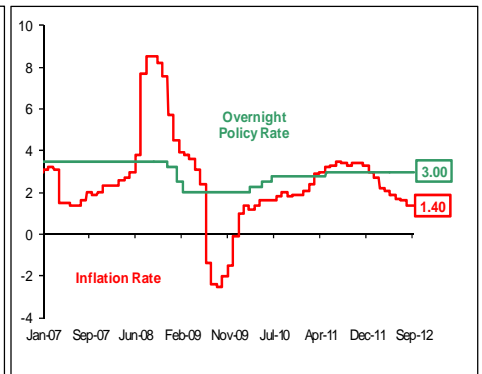
Bank Indonesia uses its reference interest rate (BI rate) as its policy rate.  
Source: Bloomberg LP.

**Korea, Republic of**



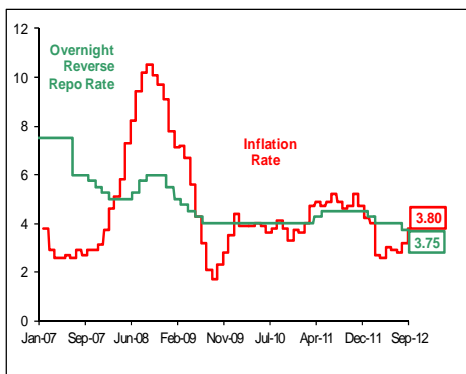
The Bank of Korea shifted its policy rate from the overnight repurchase (repo) rate to the 7-day repo rate in March 2008.  
Source: Bloomberg LP.

**Malaysia**



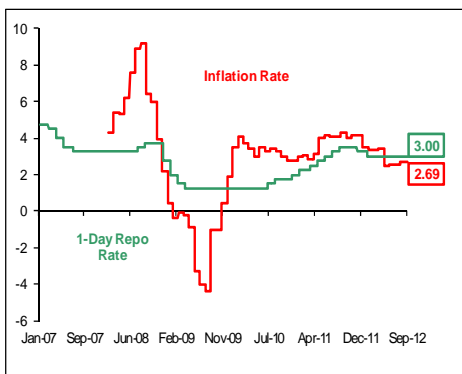
Bank Negara Malaysia uses the overnight policy rate (OPR) as its policy rate.  
Source: Bloomberg LP.

**Philippines**



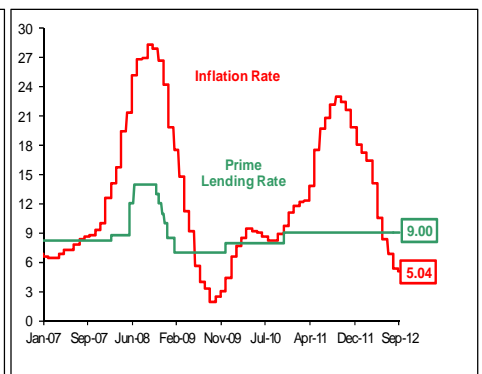
Bangko Sentral uses the Philippine overnight reverse repurchase agreement rate as one of its policy instruments.  
Source: Bloomberg LP.

**Thailand**



The Bank of Thailand replaced the 14-day repurchase rate with the 1-day repurchase rate in January 2007 as its policy rate.  
Source: Bloomberg LP.

**Viet Nam**



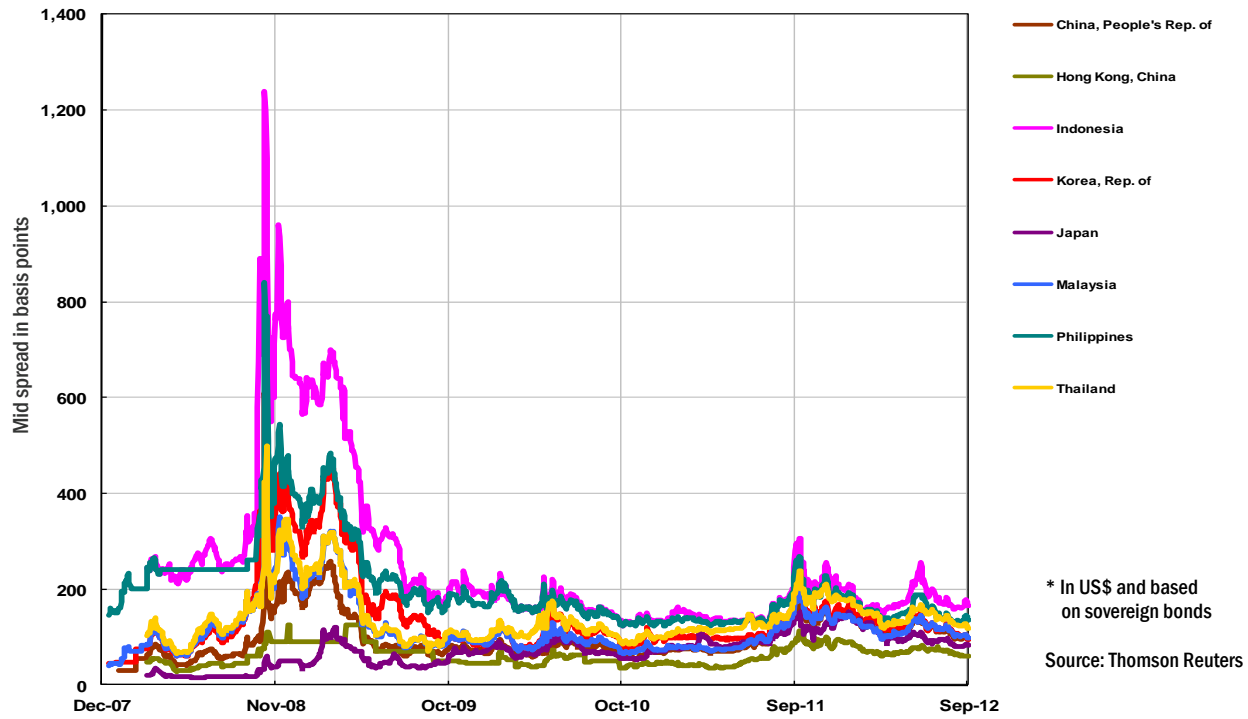
The State Bank of Viet Nam uses a benchmark prime lending rate as its policy rate.  
Source: Bloomberg LP.



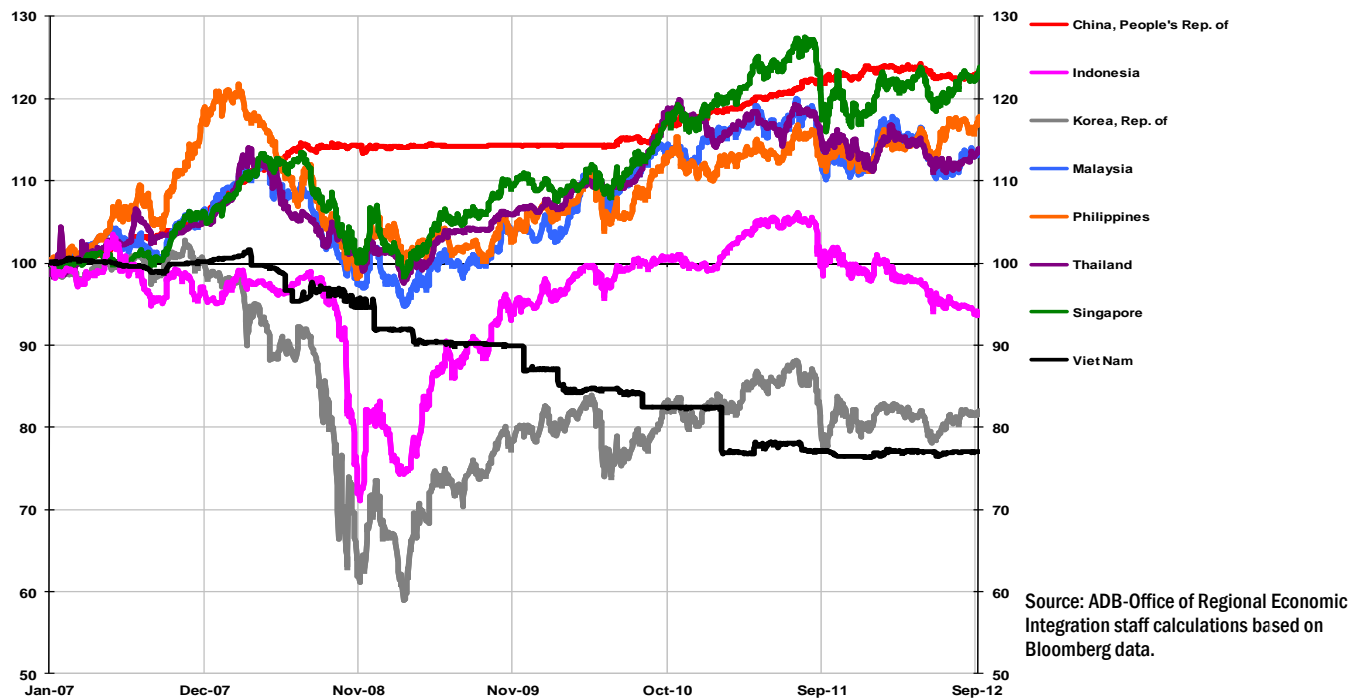
Credit Default Swap Spreads and Exchange Rate Indexes

Tip: Zoom-in on the table using the Acrobat zoom tool

Credit Default Swap Spreads – Senior 5-Year\*



Exchange Rate Indexes (vis-à-vis US\$, 2 January 2007=100)



## Selected Debt Security Issuances (3 – 7 September 2012)

Tip: Zoom-in on the table using the Acrobat zoom tool

Markets	Auction Date	Type of Security	Average Yield (%)	Coupon (%)	Amount Offered (LCY billion)	Amount Issued (LCY billion)
CN	5-Sep	7-year Treasury Bond	3.25		30.00	30.00
HK	4-Sep	91-day Exchange Fund Bills	0.18		25.76	25.76
		182-day Exchange Fund Bills	0.18		8.00	8.00
ID	4-Sep	6-year Islamic Bonds	6.00			660.00
		10-year Islamic Bonds	6.32		500.00	193.00
		25-year Islamic Bonds	6.78			250.00
JP	4-Sep	10-year Japan Government Bonds	0.81	0.08	2,300.00	2,298.95
	5-Sep	6-month Treasury Discount Bills	0.10		3,500.00	3,499.84
	6-Sep	3-month Treasury Discount Bills	0.10		5,700.00	5,739.78
		30-year Japan Government Bonds	1.90	1.90	700.00	699.40
KR	3-Sep	91-day Monetary Stabilization Bonds	2.88		1,200.00	1,200.00
		182-day Monetary Stabilization Bonds	2.81		500.00	500.00
		3-year Treasury Bonds	2.74	3.25	1,400.00	1,400.00
MY	3-Sep	63-day BNM Islamic Notes	3.04		1.50	1.00
		126-day BNM Notes	3.05		1.00	0.50
		210-day BNM notes	2.99		1.50	1.50
		210-day BNM notes	2.99		1.50	1.50
	5-Sep	91-day BNM Islamic Notes	3.04		1.00	1.00
		154-day BNM Islamic Notes	3.05		0.50	0.50
		210-day BNM Notes	2.98		1.00	1.00
PH	3-Sep	364-day BNM Notes	2.91		1.50	1.50
		91-day Treasury Bills	1.25		1.00	1.00
		182-day Treasury Bills	1.71		2.50	2.50
SG	3-Sep	364-day Treasury Bills	2.22		4.00	4.00
		91-day Treasury Bills	0.17		3.00	3.00
		182-day Treasury Bills	0.24		2.00	2.00
TH	4-Sep	28-day BOT Bills	2.85		25.00	25.00
		91-day BOT Bills	2.99		25.00	25.00
		182-day BOT Bills	3.03		25.00	25.00
		363-day BOT Bills	3.02		40.00	40.00
VN		364-day Treasury Bills	8.50		1,000.00	1,000.00

BNM = Bank Negara Malaysia, BOT = Bank of Thailand, LCY = local currency.

Sources: Local market sources and Bloomberg, LP.

## Selected Asia Data Releases (11 – 17 September 2012)

Tip: Zoom-in on the table using the Acrobat zoom tool

Economy and Variable	Release Date	Historical Data	Recent Trends
<b>Philippines</b> <b>Bank Lending</b> y-o-y, % JUL	09/11	06/11: 20.6% 07/11: 23.6% <b>05/12: 13.6%</b> <b>06/12: 12.2%</b>	Growth in bank lending in the Philippines eased to 12.2% year-on-year (y-o-y) in June after rising 13.6% in May.
<b>Philippines</b> <b>Total Exports</b> y-o-y, % JUL	09/11	06/11: -9.3% 07/11: -1.0% <b>05/12: 19.7%</b> <b>06/12: 4.3%</b>	Philippine exports expanded 4.3% y-o-y in June, significantly lower than the 19.7% growth rate logged in May.
<b>Republic of Korea</b> <b>Unemployment Rate (SA)</b> % AUG	09/12	07/11: 3.3% 08/11: 3.1% <b>06/12: 3.2%</b> <b>07/12: 3.1%</b>	The seasonally adjusted (SA) unemployment rate of the Republic of Korea slipped to 3.1% in July from 3.2% in June.
<b>Hong Kong, China</b> <b>Industrial Production</b> y-o-y, % 2Q12	09/13	1Q11: 3.5% 2Q11: 2.0% <b>4Q11: -0.2%</b> <b>1Q12: -1.6%</b>	The decline in Hong Kong, China's industrial production worsened in 1Q12, falling 1.6% from 0.2% in 4Q11.
<b>Indonesia</b> <b>BI Rate</b> % 13 SEP	09/13	08/11: 6.75% 09/11: 6.75% <b>07/12: 5.75%</b> <b>08/12: 5.75%</b>	Bank Indonesia's (BI) Board of Governors decided to keep the benchmark rate steady at 5.75% at its 12 August meeting.
<b>Republic of Korea</b> <b>7-Day Repurchase Rate</b> % 13 SEP	09/13	08/11: 3.25% 09/11: 3.25% <b>07/12: 3.00%</b> <b>08/12: 3.00%</b>	The Bank of Korea's Monetary Policy Committee decided to keep the 7-day repurchase rate steady at 3.0% at its 9 August meeting.
<b>Philippines</b> <b>Overnight Borrowing Rate</b> % 13 SEP	09/13	08/11: 4.50% 09/11: 4.50% <b>07/12: 3.75%</b> <b>08/12: 3.75%</b>	The Monetary Board of Bangko Sentral ng Pilipinas (BSP) lowered its policy rates by 25 basis points on 26 July to discourage speculation amid a manageable inflation environment.
<b>Japan</b> <b>Industrial Production</b> y-o-y, % JUL	09/14	06/11: -0.6% 07/11: -1.7% <b>06/12: -1.5%</b> <b>07/12: -1.0%</b>	Preliminary estimates of industrial production in Japan showed a decline of 1.0% y-o-y, a slight improvement from June's 1.5% drop.
<b>Singapore</b> <b>Retail Sales</b> y-o-y, % JUL	09/14	06/11: 11.1% 07/11: 10.7% <b>05/12: 0.6%</b> <b>06/12: -0.9%</b>	Singapore's retail trade sales fell 0.9% y-o-y in June after posting a 0.6% increase in May.
<b>Philippines</b> <b>Overseas Remittances</b> y-o-y, % JUL	09/17	06/11: 7.0% 07/11: 6.1% <b>05/12: 5.1%</b> <b>06/12: 4.2%</b>	Remittances of overseas Filipino rose 4.2% y-o-y in June, the lowest growth rate in 15 months.
<b>Singapore</b> <b>Non-Oil Domestic Exports</b> y-o-y, % AUG	09/17	07/11: -2.9% 08/11: 3.9% <b>06/12: 6.6%</b> <b>07/12: 5.8%</b>	Singapore's non-oil domestic exports grew 5.8% y-o-y in July, down from the 6.6% growth posted in June.

 Source: *AsianBondsOnline*, Bloomberg LP, and Reuters.

## News Articles: Sources for Further Reading

Tip: Click on link to open a new browser (Acrobat Reader 8); for older versions right-click to open a new browser)

### PRC's Industrial Production Slows in August, Inflation and Retail Sales Quicken Slightly

- [China's August inflation accelerates to 2%](#)  
Xinhua (09 September 2012)
- [China's Aug. industrial output growth slows to 8.9%](#)  
Xinhua (09 September 2012)
- [China's Aug. retail sales up 13.2 pct](#)  
Xinhua (09 September 2012)

### Inflation in the Philippines and Indonesia Quickens in August

- [SUMMARY INFLATION REPORT - CONSUMER PRICE INDEX \(2006=100\) AUGUST AND JULY 2012](#)  
National Statistics Office (05 September 2012)
- [Indonesia Inflation Rises to 4.58% in August](#)  
Jakarta Globe (03 September 2012)

### The Republic of Korea's Long-Term FCY Issuer Default Rating Upgraded to AA-

- [Fitch Upgrades Korea's Long-Term Foreign-Currency IDR to 'AA-'; Outlook Stable](#)  
Fitch Ratings (06 September 2012)

### Exports from Indonesia and Malaysia Fall in July

- [Inflation up, exports tumble](#)  
The Jakarta Post (04 September 2012)
- [Malaysia External Trade Statistics July 2012](#)  
Department of Statistics Malaysia (07 September 2012)

### The Republic of Korea's Real GDP Expands 2.3% y-o-y and 0.3% q-o-q in 2Q12; Singapore's PMI Falls to 49.1 in August

- [Gross National Income: 2nd Quarter of 2012](#)  
The Bank of Korea (06 September 2012)
- [Singapore PMI contracts for 2nd month in Aug on lower orders](#)  
Reuters (04 September 2012)

### Malaysia and Thailand Keep Policy Rates at 3.0%

- [Monetary Policy Statement](#)  
Bank Negara Malaysia (06 September 2012)
- [Monetary Policy Committee's Decision on 5 September 2012](#)  
Bank of Thailand (05 September 2012)

### OCBC Prices US\$1 Billion Tier II Notes; SP Power Assets Prices US\$500 Million 10-Year Bonds; Telecoms Firm StarHub Sells SGD500 Million 10-Year Bonds; Hong Kong, China Issues 2-Year HKSAR Bonds; Korea Development Bank Issues CNH600 Million Bonds Via Tap, Prices US\$750 Million 10-Year Bonds; National Bank of Abu Dhabi Prices Debut CNH Bonds

- [Asian bond rush in full swing in September](#)  
Finance Asia (06 September 2012)
- [StarHub to issue S\\$220m fixed rate notes](#)  
Singapore Business Review (05 September 2012)
- [Tender results of the re-opening of 5-year Government Bonds under the Institutional Bond Issuance Programme](#)  
Hong Kong Monetary Authority (05 September 2012)

- [BONDS: KDB retaps 3.3% June 2015 for Rmb600m](#)  
IFR Asia (05 September 2012)
- [KDB aims to reposition bank as Double A](#)  
IFR Asia (08 September 2012)
- [BONDS: Abu Dhabi bank makes Dim Sum debut](#)  
IFR Asia (06 September 2012)

### The Republic of Korea's Domestic Bond Market Posts Net Foreign Investment Outflows in August

- [Foreign Investments in Domestic Securities in August 2012](#)  
Financial Supervisory Service (05 September 2012)

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