

**Key Developments in Asian Local Currency Markets**

Yet another week of active FCY and LCY bond issuance in Asia was highlighted by huge issuances from Malaysian oil company Petroliaam Nasional Berhad (Petronas) and Indonesia's state utility firm PT PLN. Petronas issued bonds amounting to USD4.5 billion, the largest corporate bond offering in Asia in the last 5 years: USD3 billion 10-year conventional notes with a coupon of 5.25% and USD1.5 billion 5-year *sukuk* (Islamic bonds) at 4.25%. Both were priced to yield 162.5 basis points over comparable US Treasuries. PT PLN issued USD750 million in bonds with a 10-year maturity and priced to yield 8.125%. Japan issued JPY600 million of 30-year government bonds with a coupon of 2.3%. In Singapore, property developer CapitaLand issued SGD1.1 billion of 7-year convertible bonds to fund new investments and working capital.

The pipeline for planned bond issuance by state-owned corporations in Asia also remained robust. Malaysian national mortgage corporation Cagamas Berhad (Cagamas) is planning to issue more bonds totaling MYR4 billion to achieve its target of MYR12 billion for 2009. In Indonesia, state fertilizer producer PT Pupuk Kaltim is planning to issue IDR1.3 trillion in bonds to fund its ongoing projects. PT PLN also plans to sell LCY bonds amounting to IDR1.5 trillion in the fourth quarter of this year. In Viet Nam, the state-owned Viet Nam Bank for Social Policies is planning to issue VND3 trillion of 2-year bonds to finance the government's social welfare projects. Nam Bay Bay Joint Stock Co. plans to issue VND3 billion in 3-year bonds to fund its City Gate Tower project.

On 5 August, Bank Indonesia (BI) reduced its benchmark interest rate by another 25 basis points (bps) to 6.50%, which has now shed 300 bps since December 2008. Meanwhile, Bangko Sentral ng Pilipinas (BSP) said that its current monetary policy stance remains appropriate, given that the liquidity in the system will continue to boost growth. Inflation in the Philippines is expected to stay at manageable levels with consumer price inflation in July slowing to 0.2% year-on-year (y-o-y), bringing the year-to-date average down to 4.3%.

The Purchasing Managers' Index (PMI) for the People's Republic of China (PRC) and Singapore pointed towards expansion in July. The China Federation of Logistics and Purchasing reported that the PMI in July stood at 53.3. Singapore's PMI for July was 51.5, slightly higher than the 51.1 in June.

The Bank of Thailand has relaxed its rules on overseas investments in derivatives and securities transactions by institutional and retail

**Viet Nam Market Summary** [read more](#)

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**10-Year Selected LCY Government Security Yields** Close of 07 August 2009

basis point change from

Markets	Latest Closing	Previous Day*	Previous Week*	1-Jan-09*
US	3.85	10.01	37.06	163.79
EU	3.51	13.60	21.00	56.00
Japan	1.44	-0.50	2.10	26.60
PRC	3.54	2.00	6.00	78.00
Hong Kong, China	2.52	1.40	19.40	132.90
India	7.14	4.20	-0.80	190.10
Indonesia	10.58	15.10	51.00	-131.40
Malaysia	4.22	0.00	-5.60	99.70
Korea, Rep. of	5.40	-3.00	7.00	118.00
Philippines	7.83	-7.50	-5.00	45.00
Singapore	2.55	1.00	14.00	50.00
Thailand	3.83	4.40	12.30	117.10
Viet Nam	9.86	19.90	-13.90	-32.70

**TABLES & GRAPHS**

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- ▶ Benchmark Yield Curves - Local Currency Government Bonds
- ▶ 2-versus-10 Yield Spread Chart
- ▶ Policy Rate versus Inflation Rate Charts
- ▶ Credit Default Swap Spreads & Exchange Rate Indexes
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investors. The China Banking Regulatory Commission also issued a circular that will prevent domestic banks from trading derivatives with overseas counterparties to limit the risk of trading.

Government bond yields generally rose for most Asian markets last week, although yields fell for all maturities in Viet Nam and for most maturities in Malaysia. Yields increased for most maturities in PRC, Indonesia, Singapore, and Thailand. In the Philippines, yields fell for 4-year, 5-year, and 10-year maturities, while they climbed on the shorter-end of the curve.

## Selected Government Security Yields

### Malaysia's Petronas and Indonesia's PT PLN Sells Foreign Currency Bonds

Last week saw two huge foreign currency (FCY) bond sales from Malaysia's Petroliaam Nasional Berhad (Petronas) and Indonesia's PT PLN.

The Malaysian oil company, Petronas, sold USD4.5 billion of debt in two tranches, consisting of USD3 billion in conventional 10-year notes at 5.25% and USD1.5 billion of 5-year *sukuk* (Islamic bonds) at 4.25%. Both the conventional bonds and *sukuk* were priced to yield 162.5 basis points over comparable United States (US) Treasuries. The Petronas bonds were the largest corporate bond offering out of Asia in the last 5 years. They attracted USD19 billion in total orders, allowing Petronas to price the bonds at the lower end of its initial price guidance.

Indonesia's state utility firm PT PLN also sold USD750 million worth of bonds last week. The bonds had a 10-year maturity and were priced to yield 8.125%. Proceeds from the issue will be used by the company mainly for capital expenditures. The bonds were oversubscribed with demand reaching USD8.6 billion. PT PLN also plans to issue local currency (LCY) bonds amounting to about IDR1.5 trillion in the fourth quarter of this year.

### Japan Sells JPY600 Billion in 30-Year Government Bonds; Singapore's CapitaLand Issues SGD1.1 Billion in 7-Year Convertible Bonds

Japan successfully issued JPY600 billion worth of 30-year Japanese government bonds (JGBs) on 6 August, drawing higher demand than expected. The bids for the securities with a 2.3% coupon reached JPY1.804 trillion, which was about three times oversubscribed, on concerns that the Bank of Japan will probably forecast that deflation will extend into 2011 even as the economy recovers.

In Singapore, property developer CapitaLand issued SGD1.1 billion (USD762.3 million) in 7-year convertible bonds to fund new investments and working capital. The issue carried a coupon of 2.875% a year and is convertible into new CapitaLand ordinary shares at a conversion price of SGD4.79, which is priced at a 20% premium. Credit Suisse (Singapore) Ltd., which is the sole book runner and lead manager for the issue, may exercise an option by 29 August to increase the size of the issue by up to SGD1.2 billion.

### More Planned Bond Issuance Announcements from Indonesia, Malaysia, and Viet Nam

PT Pupuk Kaltim, a state fertilizer producer in Indonesia, is preparing to issue IDR1.3 trillion in bonds to help fund its ongoing projects. The bonds will comprise both conventional bonds and shari'a-compliant bonds. The firm has appointed Dana Reksa as the underwriter for its bond issue.

In Malaysia, national mortgage corporation Cagamas Berhad (Cagamas) is planning to issue bonds totaling MYR4 billion to achieve its target of MYR12 billion worth of bond issuance for 2009. Chief Executive Officer Steven Choy said that they have already issued MYR8 billion this year.

Finally, in Viet Nam, the state-owned Vietnam Bank for Social Policies (VBSP) announced plans to issue VND3 trillion (USD168.4 million) of 2-year bonds to finance the government's social welfare projects. The auction will be on 11 August at the Hanoi Stock Exchange. In its last auction on 15 July, VBSP failed to sell VND2 trillion (USD117 million) of bonds as bidders were seeking interest rates between 9.5% and 10.0%, which were higher than the 9.1% allowable maximum as set by the government.

Nam Bay Bay Joint Stock Co. (NBB) intends to sell VND3 billion of 3-year bonds in order to fund its City Gate Tower project, which has total investment capital of VND1.71 trillion. These bonds will have a face value of up to VND1 billion per bond. The coupon rate will be set at 11.5% in the first year. In succeeding years, it will be based on the average VND 12-month saving rate in three banks—Agribank, Vietcombank, and Vietinbank.

### Bank Indonesia Cuts Rate by 25 Basis Points to 6.50%; BSP Sees No Need for Shift in Monetary Policy

Bank Indonesia has reduced its benchmark interest rate by another 25 basis points to 6.50%, effective 5 August. Bank Indonesia has lowered its benchmark rate by 300 basis points since December of last year. In a press release, Bank Indonesia said the decision was taken after the Board of Governors concluded that inflation would maintain a declining

## Selected Government Security Yields

### Bank Indonesia Cuts Rate by 25 Basis Points to 6.50%; BSP Sees No Need for Shift in Monetary Policy (cont...)

trend in view of the present limited domestic demand and steady decline in inflation expectations. Consumer price inflation in July was reported at 2.71% year-on-year (y-o-y), its slowest pace in 9 years. The government is confident that inflation will be within its 4.0% target for 2009.

Meanwhile, the Bangko Sentral ng Pilipinas (BSP) said that its current monetary stance remains appropriate for now, given that liquidity in the system remains sufficient to help boost growth and inflation is expected to stay within manageable levels. BSP's Monetary Board had slashed a total of 200 basis points from the policy rate since December 2008, bringing the current rate to a historic low of 4.0% in an effort to help reverse the economic downturn. The inflation rate in July further slowed to 0.2% y-o-y, bringing the year-to-date average down to 4.3% and within the target range for 2009. According to BSP, the downward trajectory of inflation is driven primarily by the base effect of high prices for commodities last year, while assuring the public that the economy is not facing any threat of deflation. BSP will continue to monitor monetary conditions to ensure that settings are appropriately calibrated to the inflation outlook and the requirements of the Philippine economy.

### Purchasing Managers' Indexes Rise in the People's Republic of China and Singapore in July

The China Federation of Logistics and Purchasing reported that the purchasing managers' index (PMI) in July stood at 53.3. The People's Republic of China's (PRC) purchasing price index rose 2.1 points to 59.9 in July, the eighth monthly increase since December. Meanwhile, the PRC's output index in July was up 0.2 points from a month ago to 57.3, and the new order index was the same in both June and July at 55.5.

Singapore's PMI for July was 51.5, slightly higher than the 51.1 in June. The increase in July was due to further expansion in new orders, overall production output, and stocks of finished goods. Overall employment also grew, while input prices continued to contract.

An index reading of above 50 indicates an expansion, while below 50 indicates contraction.

### Thailand Relaxes Regulation on Overseas Investments in Securities and Derivatives Transactions

The Bank of Thailand (BOT) has relaxed regulations on overseas investments in derivatives and securities transactions by institutional investors and "persons in Thailand". According to BOT Assistant Governor Suchada Kirakul, this move was made in order to promote greater flexibility in foreign exchange transactions and to further increase alternative investment and risk management channels. Mrs. Kirakul added that the measure will raise Thailand's investments abroad and bring the country into position as a net creditor.

The key issues in the relaxation of these regulations include: (i) increase the types of institutional investors by allowing "juristic persons" registered under Thai law—who have at least THB5 billion in assets and principal businesses in manufacturing, services, or trading—to invest in securities abroad not exceeding USD50 million per entity; (ii) allow institutional investors to engage in derivatives transactions linked to foreign variables, and securities borrowing and lending, repurchase agreements, and reverse repurchase agreements; 3) allow "juristic persons" and individuals, who have assets below THB5 billion and need BOT approval to invest in securities overseas via private firms and securities firms, to further invest in securities overseas and to engage in certain financial transaction; (iv) allow "persons in Thailand" to engage in derivatives transactions for foreign exchange hedging purposes with domestic commercial banks; and (v) allow "persons in Thailand" to engage in transactions involving derivatives, structured deposits, and structured notes that have returns linked to foreign variables and are not related to exchange rates involving the Thai baht.

### CBRC Moves to Regulate Derivatives

The China Banking Regulatory Commission (CBRC) will prevent domestic banks from trading derivatives with overseas counterparties in a move to limit the risks of trading in these products after a number of companies posted large derivatives losses. In a circular posted on its website on 5 August, CBRC said that banks should also evaluate the risks of domestic derivatives, and their relevance to the real economy. In addition, CBRC said banks should update clients on the status of their derivatives exposures on a monthly basis.

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**Selected Government Security Yields****CBRC Moves to Regulate Derivatives (cont...)**

Foreign banks, some of which have strategic tie-ups with domestic banks, have been assisting banks in the PRC in marketing and selling overseas derivatives to customers in the domestic market.

China Eastern Airlines recently reported losses of CNY6.2 billion on fuel hedging contracts last year, while Citic Pacific said it posted a HKD15 billion loss on foreign exchange derivatives contracts.

Meanwhile, the People's Bank of China (PBOC) is reported to be considering measures to regulate over-the-counter derivatives trading. At the same time, the bank is also considering steps to promote the development of new derivatives products.

**PRC Money Market Rates Decline While Bill Yields Rise**

With the lack of large-cap initial public offerings (IPOs) in the upcoming week, money market rates in the PRC (predominantly 7-day repo transactions in the inter-bank market) fell last week. The 7-day repurchase (repo) rate, a measure of interbank liquidity, fell to 1.60%—down 50 basis points on the week—in afternoon Shanghai trading on 7 August. The 50 basis point drop was the largest weekly fall in almost a year. The 7-day interbank repo rate climbed to a 6-month high of 2.64% on 3 August—the day before Everbright Securities, the brokerage unit of the largest government-owned investment group, completed its CNY11 billion IPO.

Although demand for short-term liquidity has been dampened by the absence of new IPOs in the week ahead, yields on newly-issued People's Bank of China (PBOC) bills again reached their highest levels this year. Yields on 1-year bills have risen in each of the four auctions since the resumption of 1-year bill issuance on 9 July following an 8-month break.

On 6 August, PBOC issued CNY75 billion in 3-month bills yielding 1.2876%, the highest yield since the fourth quarter of last year. On 4 August, PBOC sold CNY18 billion in 1-year bills at 1.7397%, the highest yield for the 1-year instrument this year. On the same day, the bank entered into a 28-day repurchase agreements totaling CNY120 billion at a 1.16% rate.

PBOC said in a quarterly report on 5 August that it would “unswervingly implement the appropriately loose monetary policy while fine tuning policy with market-oriented tools in line with the economic changes at home and abroad.” The report comes amid concern that funds from massive bank lending this year—encouraged by authorities in an effort to boost domestic spending—has fuelled property and stock market bubbles.

On 6 August, the China Construction Bank, the world's second largest bank by market capitalization, said that it would cut new lending in the second half of the year by 70% to avert a wave of bad loans. A cutback in lending is expected in the second half after new loans reached a record USD1.1 trillion in the first 6 months of the year.

### 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-09*
US	0.17	0.51	-0.51	9.94
EU	0.37	0.50	-1.10	-128.40
Japan	0.14	-0.40	-1.40	-5.70
PRC	1.30	0.00	-3.00	38.00
Hong Kong, China	0.08	0.00	2.00	3.00
India	3.22	-7.00	0.00	-128.00
Malaysia	1.92	0.00	-2.70	-100.60
Korea, Rep. of	2.16	0.00	6.00	-49.00
Philippines	3.95	35.53	2.50	-167.50
Singapore	0.29	0.00	5.00	-28.00
Thailand	1.10	-0.04	-2.04	-99.00

Close of 07 August 2009

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

Markets	Latest Closing	basis point change from		
		Previous Day*	Previous Week*	1-Jan-09*
US	3.85	10.01	37.06	163.79
EU	3.51	13.60	21.00	56.00
Japan	1.44	-0.50	2.10	26.60
PRC	3.54	2.00	6.00	78.00
Hong Kong, China	2.52	1.40	19.40	132.90
India	7.14	4.20	-0.80	190.10
Indonesia	10.58	15.10	51.00	-131.40
Malaysia	4.22	0.00	-5.60	99.70
Korea, Rep. of	5.40	-3.00	7.00	118.00
Philippines	7.83	-7.50	-5.00	45.00
Singapore	2.55	1.00	14.00	50.00
Thailand	3.83	4.40	12.30	117.10
Viet Nam	9.86	19.90	-13.90	-32.70

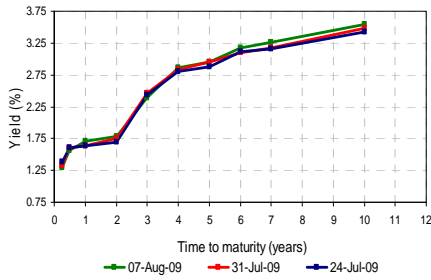
Close of 07 August 2009

Source: Based on data from Bloomberg, LP.

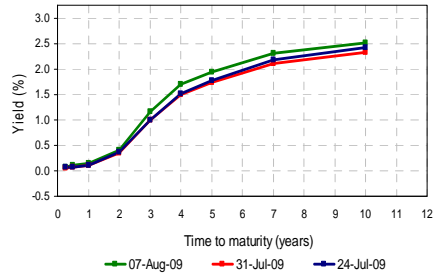
Benchmark Yield Curves – Local Currency Government Bonds

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

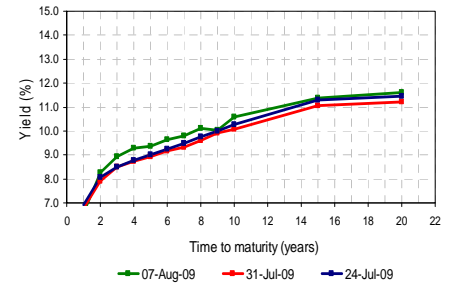
China, People's Rep. of



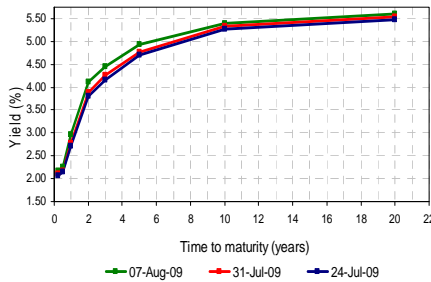
Hong Kong, China



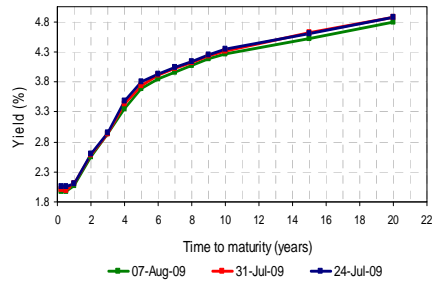
Indonesia



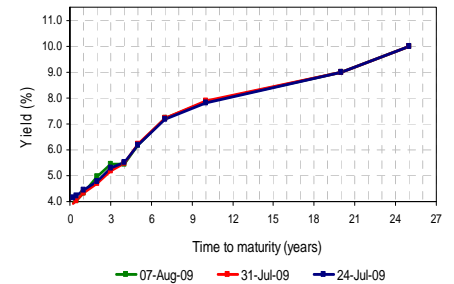
Korea, Republic of



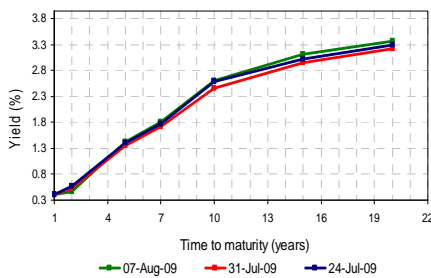
Malaysia



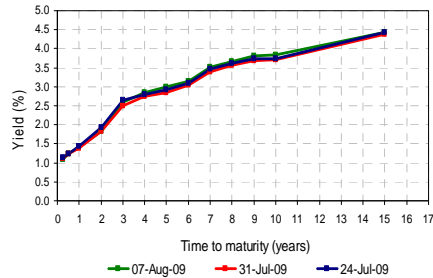
Philippines



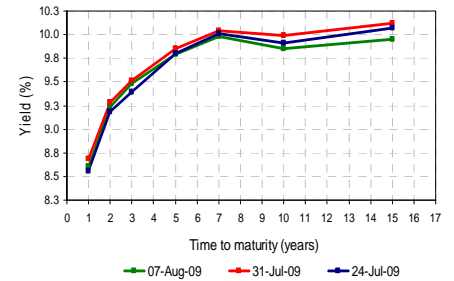
Singapore



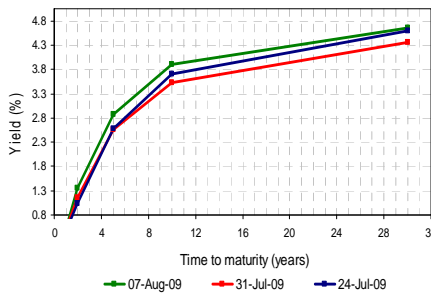
Thailand



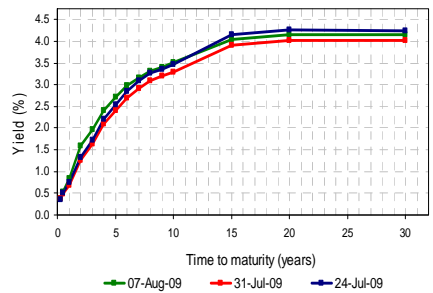
Viet Nam



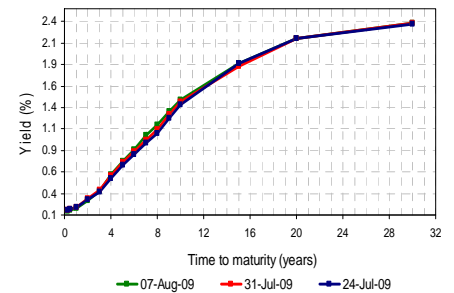
US



EU



Japan

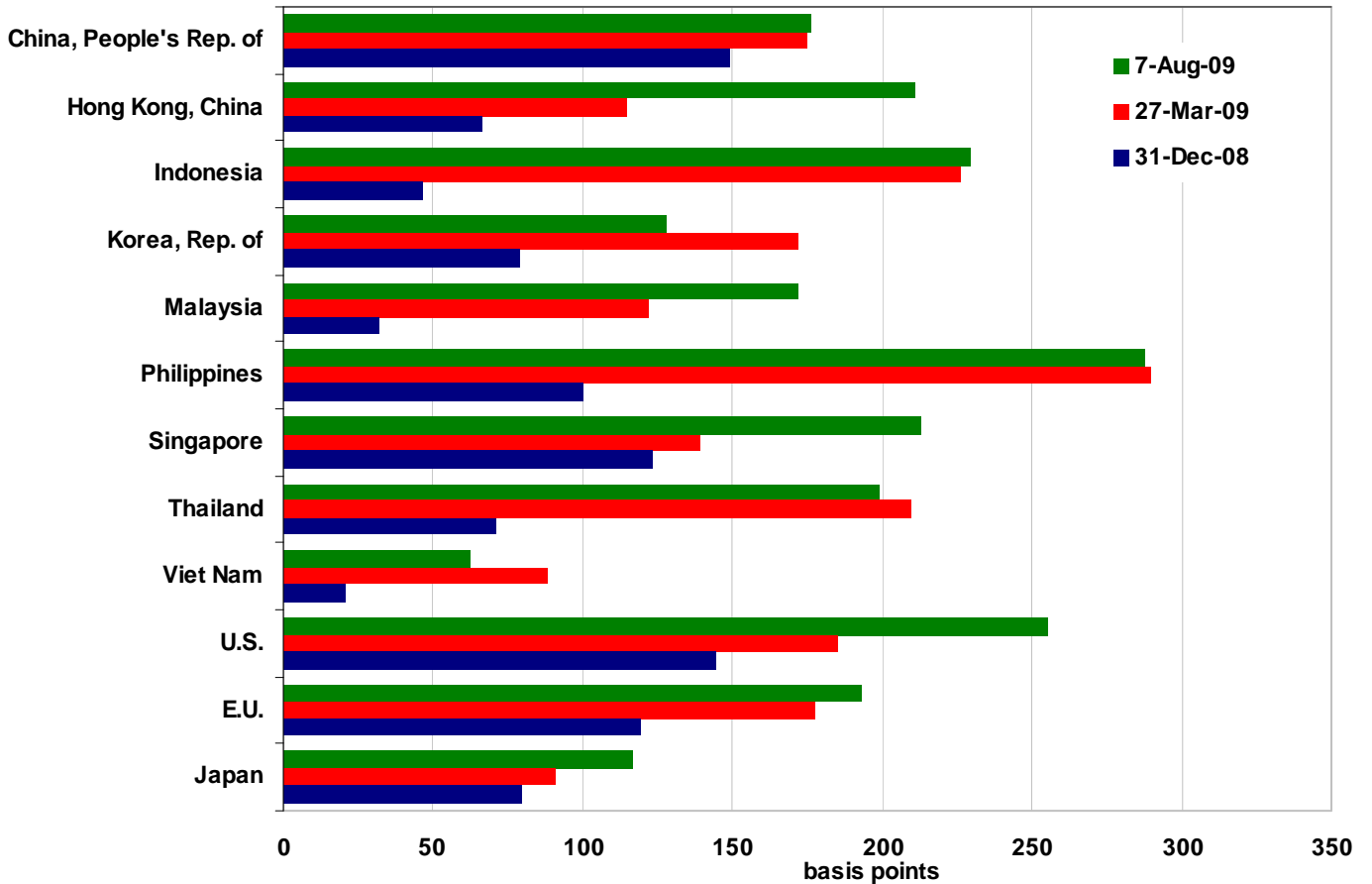


Source: Based on data from Bloomberg.

**2-versus-10 Yield Spread Chart**

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

**Yield Spread Between the Two- and Ten-Year Government Bonds**

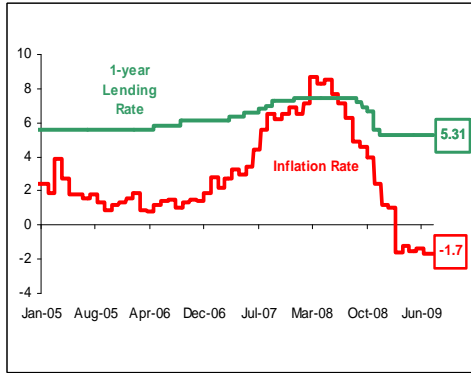


Source: Based on data from Bloomberg.

**Policy Rate versus Inflation Rate Charts**

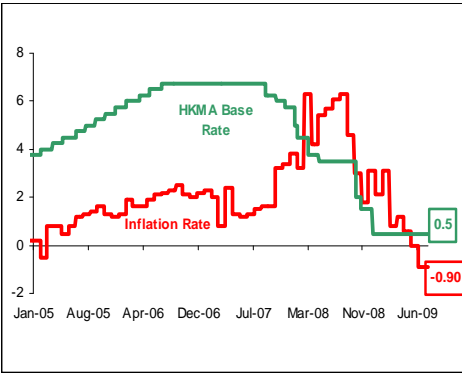
Tip: Zoom-in on the table using the Acrobat zoom tool

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



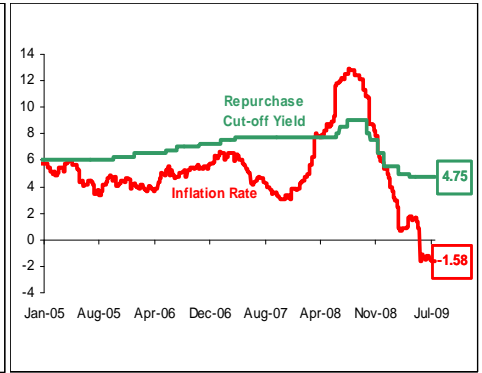
PRC uses 1-year lending rate as one of its policy rates. Source: Bloomberg, LP.

**Hong Kong, China**



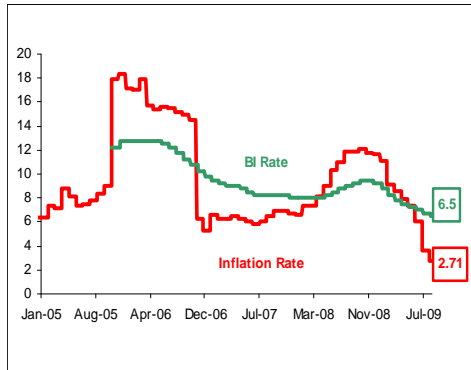
The Hong Kong Monetary Authority maintains a Discount Window Base Rate. Source: Bloomberg, LP.

**India**



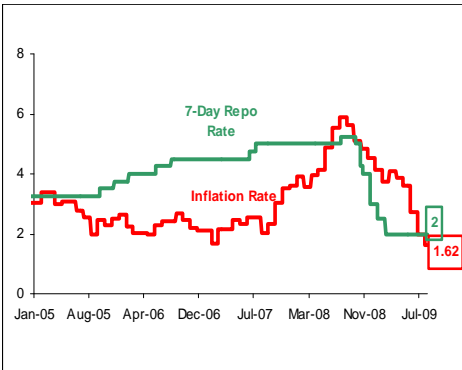
The Reserve Bank of India uses the repurchase (repo) cut-off yield as its policy rate. Source: Bloomberg, LP.

**Indonesia**



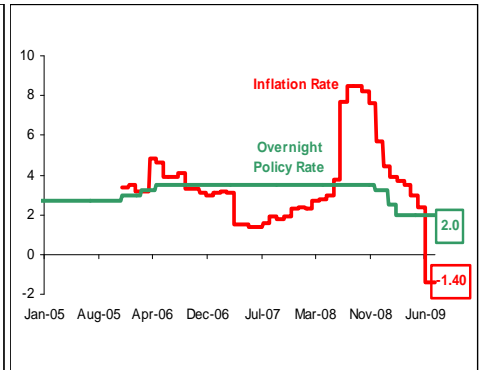
Bank Indonesia uses its reference interest rate (BI rate) as its policy rate. Source: Bloomberg, LP.

**Korea, Republic of**



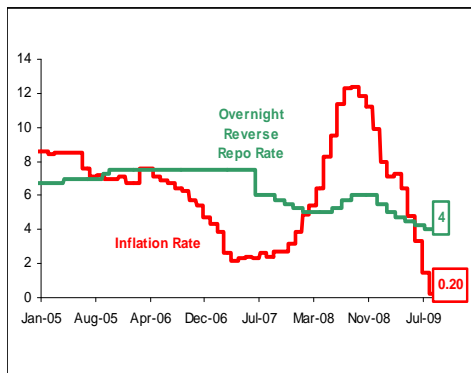
The Bank of Korea shifted its policy rate from the overnight repurchase (repo) rate to the 7-day repo rate in March 2008. Source: Bloomberg, LP.

**Malaysia**



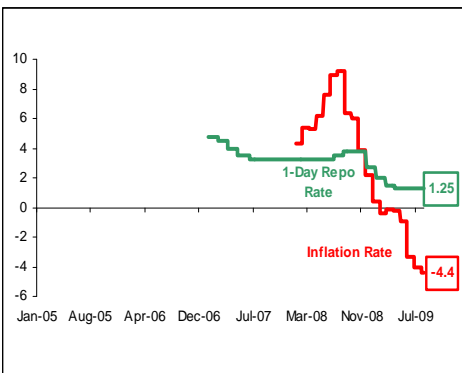
Bank Negara Malaysia uses the overnight policy rate (OPR) as its policy rate. Source: Bloomberg, LP.

**Philippines**



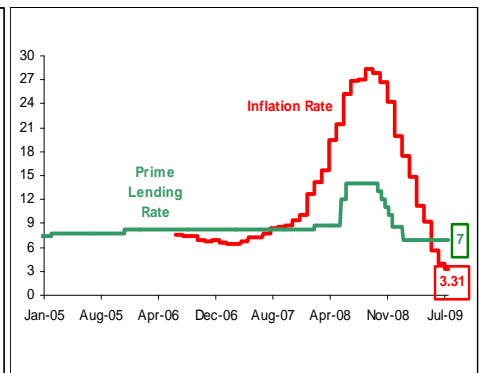
Bangko Sentral uses the Philippine overnight reverse repurchase agreement rate as one of its policy instruments. Source: Bloomberg, LP.

**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**

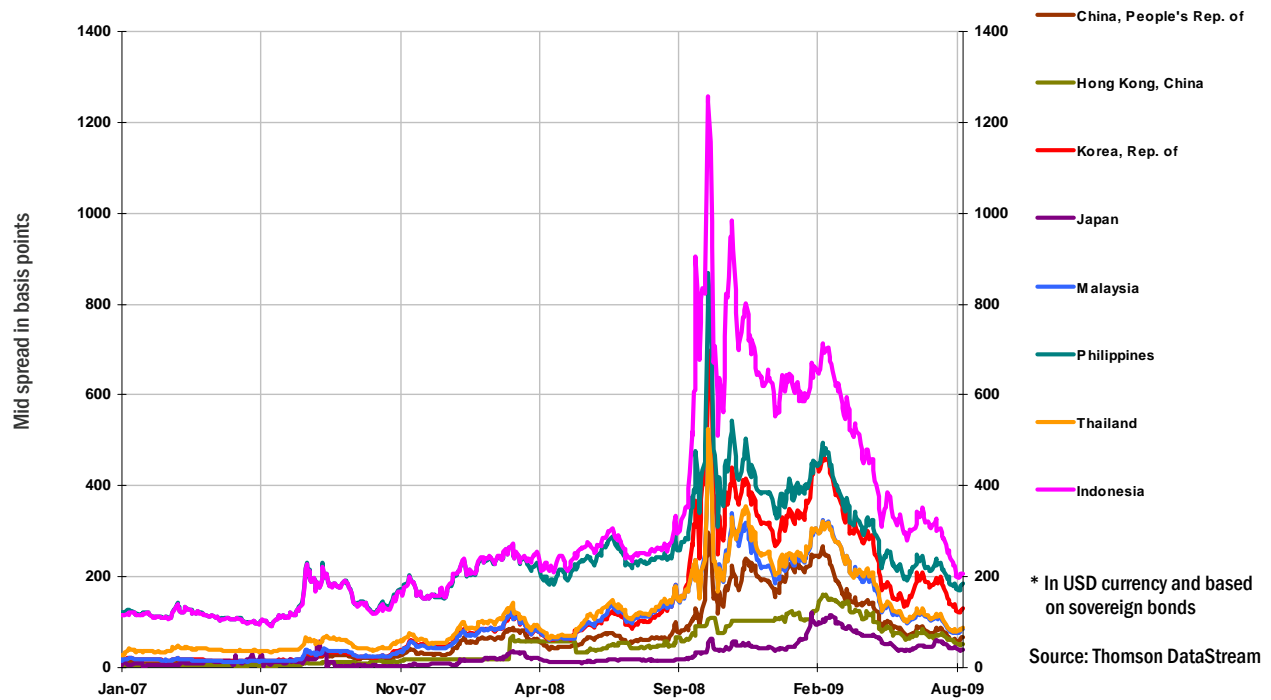


The State Bank of Viet Nam uses a benchmark prime lending rate as its policy rate. Source: Bloomberg, LP.

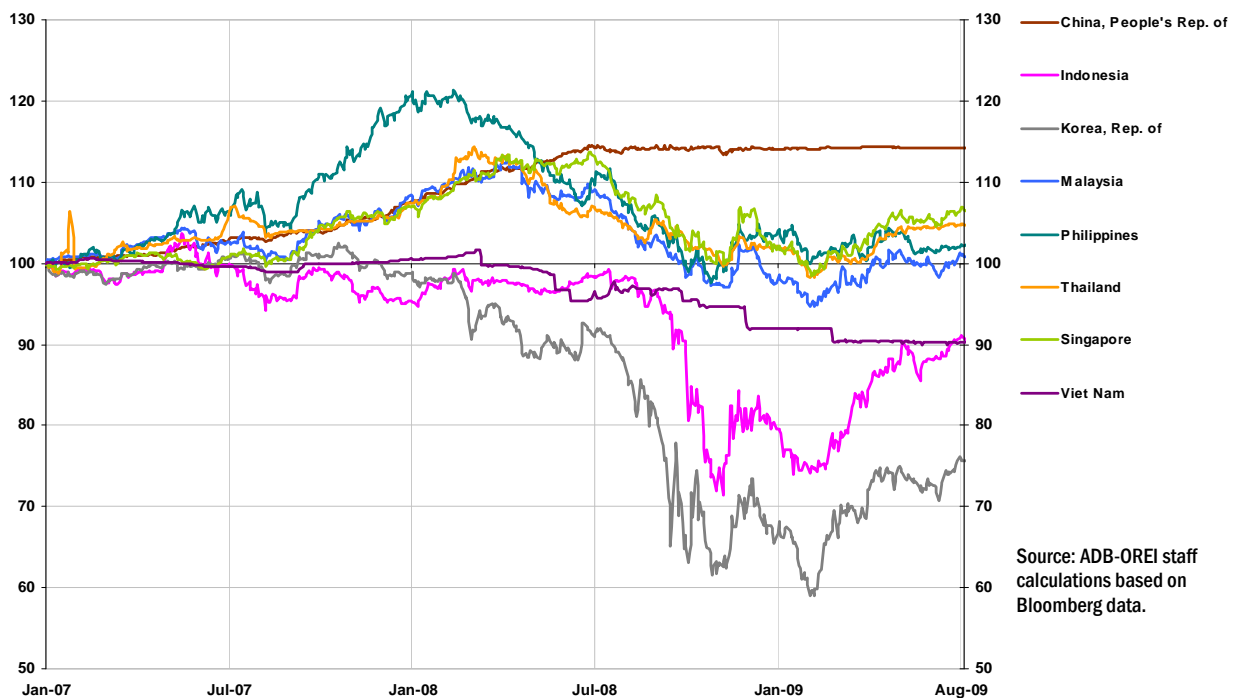
### Credit Default Swap Spreads & Exchange Rate Indexes

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 (Week of August 03 - 07, 2009)

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

Markets	Auction Date	Type of Security	Average Yield (%)	Coupon (in %)	Amount Offered LCY Billions	Amount Issued LCY Billions
PRC	4-Aug	1-year PBOC Bills	1.74		18.0	18.0
	5-Aug	5-year Treasury Bonds		2.90	26.0	27.6
	6-Aug	91-day PBOC Bills	1.29		75.0	75.0
HK	4-Aug	2-year Exchange Fund Notes		0.43	1.2	1.2
		91-day Exchange Fund Bills		0.09	19.3	19.3
ID	5-Aug	28-day SBI	6.59			29,110.0
		28-day Shari'a SBI	6.59		* 46,550	930.0
		91-day SBI	6.67			11,780.0
		182-day SBI	6.77			2,500.0
KR	3-Aug	28-day Monetary Stabilization Bonds	2.09		1,500.0	1,040.0
		91-day Monetary Stabilization Bonds	2.20		1,500.0	1,150.0
		182-day Monetary Stabilization Bonds	2.29		500.0	350.0
		3-year Treasury Bonds	4.34		2,283.0	2,511.0
	5-Aug	2-year Monetary Stabilization Bonds	4.15		2,200.0	2,200.0
JP	4-Aug	6-month Treasury Discount Bills	0.17		3,500.0	3,253.4
		10-year Government Bonds	1.45		2,100.0	1,917.5
	5-Aug	3-month Treasury Discount Bills	0.15		5,700.0	5,344.9
	6-Aug	30-year Government Bonds	2.32		600.0	551.4
MY	6-Aug	182-day Treasury Bills	1.93		0.1	0.1
SG	3-Aug	91-day Treasury Bills	0.00		3.4	3.4
TH	3-Aug	28-day Treasury Bills	1.01		5.0	5.0
		91-day Treasury Bills	1.07		7.0	7.0
		182-day Treasury Bills	1.23		7.0	7.0
	4-Aug	28-day BOT Bills	1.02		12.0	12.0
		91-day BOT Bills	1.08		10.0	9.0
		182-day BOT Bills	1.23		7.0	7.0
	6-Aug	364-day BOT Bills	1.41		50.0	50.0
		14-day BOT Bills	1.00		50.0	50.0
		7-Aug	14-day BOT Bills	0.99		50.0

Sources: Local market sources and Bloomberg, LP.

\* - Overall indicative target for SBI auction was at IDR46.55 trillion.

## Selected Asia Data Releases (Week of August 11 - 17, 2009)

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

Country Variable	Release Date	Historical Data	Recent Trends
<b>People's Republic of China</b> <b>Urban Fixed Asset Investment YTD</b> YOY % JUL	08/11	06/08: 26.8% 07/08: 27.3% <b>05/09: 32.9%</b> <b>06/09: 33.6%</b>	The consensus estimate for year-on-year (YOY) growth of urban fixed asset investment in the People's Republic of China (PRC) is 34.0% year-to-date (YTD) through July.
<b>People's Republic of China</b> <b>Trade Balance</b> USD billion JUL	08/11	06/08: 21.00 07/08: 25.28 <b>05/09: 13.39</b> <b>06/09: 8.25</b>	The consensus estimate for the PRC's trade balance in July is USD10.6 billion. The country's trade balance in each of the 3 months of the second quarter was below levels in the same months of last year.
<b>Japan</b> <b>BOJ Target Rate</b> % AUG 11	08/11	07/08: 0.5% 08/08: 0.5% <b>06/09: 0.1%</b> <b>07/09: 0.1%</b>	The consensus estimate for the Bank of Japan's (BOJ) key policy rate remains at 0.1%.
<b>Republic of Korea</b> <b>BOK Base Rate</b> % AUG 11	08/11	07/08: 5.00% 08/08: 5.25% <b>06/09: 2.00%</b> <b>07/09: 2.00%</b>	The consensus estimate is for the Bank of Korea (BOK) to keep its base rate steady at 2.0%.
<b>People's Republic of China</b> <b>M2 Growth</b> YOY % JUL	08/11 to 08/14	06/08: 17.37% 07/08: 16.40% <b>05/09: 25.70%</b> <b>06/09: 28.46%</b>	The PRC's money supply, as measured by M2, increased in June by a record 28.46% YOY on the back of fiscal stimulus and monetary easing policies. The consensus estimate for the PRC's money supply growth in July is 28.7%.
<b>People's Republic of China</b> <b>Monthly New Loans</b> CNY billion JUL	08/11 to 08/14	06/08: 332.4 07/08: 381.8 <b>05/09: 664.5</b> <b>06/09: 1530.0</b>	Total new loans extended in June amounted to CNY 1,530 billion, more than twice the value of loans extended in May (CNY664.5 billion) and April (CNY591.8 billion).
<b>People's Republic of China</b> <b>Retail Sales</b> YOY % JUL	08/12	06/08: 23.0% 07/08: 23.3% <b>05/09: 15.2%</b> <b>06/09: 15.0%</b>	The consensus estimate for growth in the PRC's retail sales in July is 15.0% YOY.
<b>People's Republic of China</b> <b>Industrial Production</b> YOY % JUL	08/12	06/08: 16.0% 07/08: 14.7% <b>05/09: 8.9%</b> <b>06/09: 10.7%</b>	The consensus estimate for growth in the PRC's industrial production in July is 11.5% YOY.
<b>Philippines</b> <b>Budget Deficit-Surplus</b> PHP billion JUL	08/13 to 08/17	06/08: 0.769 07/08: -15.429 <b>05/09: -11.384</b> <b>06/09: -30.200</b>	The Philippines' June budget deficit was PHP30.2 billion as compared to a PHP0.769 billion surplus in June 2008. The projection for 2010's annual budget deficit may narrow to PHP208.4 billion from this year's projected PHP250.0 billion.
<b>Hong Kong, China</b> <b>GDP</b> YOY % 2Q2009	08/14	1Q08: 7.3% 2Q08: 4.1% <b>4Q08: -2.6%</b> <b>1Q09: -7.8%</b>	Hong Kong, China's gross domestic product (GDP) contracted 7.8% YOY in the first quarter of the year following a 2.6% contraction in the previous quarter. The consensus estimate for the second quarter is a 5.0% contraction in GDP.
<b>Thailand</b> <b>Car Sales</b> Units JUL	08/14 to 08/18	06/08: 50,108 07/08: 44,772 <b>05/09: 40,539</b> <b>06/09: 43,402</b>	Total car sales in Thailand fell by 13.4% YOY to 43,402 units in June, compared to 50,108 in the same month one year ago.
<b>Republic of Korea</b> <b>Department Store Sales</b> YOY % JUL	08/15 to 08/18	06/08: 11.2% 07/08: 5.9% <b>05/09: 5.4%</b> <b>06/09: 3.6%</b>	The Republic of Korea's department store sales rose 3.6% YOY amid signs the economy is recovering from the global slow down.
<b>Singapore</b> <b>Non-Oil Domestic Exports</b> YOY % JUL	08/17	06/08: -10.6% 07/08: -5.8% <b>05/09: -12.3%</b> <b>06/09: -11.0%</b>	Singapore's non-oil domestic exports fell by 11.0% YOY in June, which is an improvement from the 12.3% YOY decline recorded in May.
<b>Philippines</b> <b>Overseas Remittances</b> YOY % JUN	08/17	05/08: 15.6% 06/08: 30.0% <b>04/09: 2.2%</b> <b>05/09: 3.7%</b>	Bangko Sentral ng Pilipinas (BSP) reported that overseas remittances rose in May by 3.7% YOY for an increase of USD6.98 billion, or 2.8%, in the first 5 months of 2009 compared to the year before.

Source: AsianBondsOnline, Bloomberg LP, and Reuters.

## News Articles: Sources for Further Reading

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### Malaysia's Petronas and Indonesia's PT PLN Sells Foreign Currency Bonds

- [Petronas Said to Be Selling \\$4.5 Billion of Bonds](#)  
Bloomberg (06 August 2009)
- [Petronas debt issues dragged down](#)  
Business Times (06 August 2009)
- [Petronas bond sale a boost for energy debt](#)  
Business Times (06 August 2009)
- [PLN sells \\$750 million worth of bonds for expansion](#)  
The Jakarta Post (05 August 2009)

### Japan Sells JPY600 Billion in 30-Year Government Bonds; Singapore's CapitaLand Issues SGD1.1 Billion in 7-Year Convertible Bonds

- [Japanese Bonds Advance as 30-Year Debt Auction Attract Demand](#)  
Bloomberg LP (06 August 2009)
- [CapitaLand Convertible Bond Raises \\$762.3 Million](#)  
The Wall Street Journal (03 August 2009)

### More Planned Bond Issuance Announcements from Indonesia, Malaysia, and Viet Nam

- [Pupuk Kaltim issues Rp 1.3t in bond](#)  
The Jakarta Post (05 August 2009)
- [Cagamas eyes additional RM4b bond issuance](#)  
Business Times (04 August 2009)
- [Bank for Social Policies Seeks VND3trillion from Bond Sale](#)  
ThanhNien News (06 August 2009)
- [3Tr Dong of VBSP's Bonds To Be Tendered on August 11](#)  
Intellasia (06 August 2009)
- [NBB To Issue 300B Dong of Bonds](#)  
Intellasia (06 August 2009)

### Bank Indonesia Cuts Rate by 25 Basis Points to 6.50%; BSP Sees No Need for Shift in Monetary Policy

- [BI Rate Eases 25 bps to 6.50%](#)  
Bank Indonesia (05 August 2009)
- [Inflation, slowest in 9 years](#)  
The Jakarta Post (04 August 2009)
- [BSP sees no need for shift in monetary policy](#)  
Philippine Daily Inquirer (06 August 2009)

- [Inflation Drops Further to 0.2 Percent in July](#)  
Bangko Sentral ng Pilipinas (06 August 2009)

### Purchasing Managers' Indexes Rise in the People's Republic of China and Singapore in July

- [China's PMI of manufacturing sector rises to 53.3%](#)  
China View (01 August 2009)
- [Singapore's manufacturing economy expands in July](#)  
Channel News Asian Development Bank (04 August 2009)

### Thailand Relaxes Regulation on Overseas Investments in Securities and Derivatives Transactions

- [Relaxation of Regulations on Investment in Securities Abroad and Derivatives Transactions](#)  
Bank of Thailand (05 August 2009)
- [Rule Adjustments Made to Facilitate Foreign Investment](#)  
The Nation (06 August 2009)

### CBRC Moves to Regulate Derivatives

- [CBRC Moves to Regulate Derivatives](#)  
Caijing (06 August 2009)

### PRC Money Market Rates Decline While Bill Yields Rise

- [China Money-Market Rate Has Biggest Weekly Decline in 11 Months](#)  
Bloomberg (07 August 2009)
- [Hong Kong Stocks Decline; China Banks Fall on Lending Curb News](#)  
Bloomberg (07 August 2009)
- [China Money-Market Rate Drops as IPO Demand Cools; Yuan Stable](#)  
Bloomberg (06 August 2009)
- [Shanghai stocks fall 2% after PBOC pledges 'fine tuning'](#)  
Marketwatch (06 August 2009)
- [China Money Rates Decline Most in More Than a Month; Bonds Gain](#)  
Bloomberg (04 August 2009)

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