

12 March 2018

## Global

### Tracking Global News

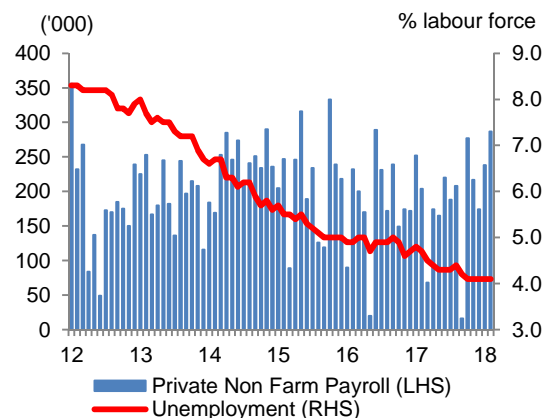
1. US Non-Farm Hiring Jumps in January, But Wage Growth Slows
2. Cautious Bank Of Japan Holds Line On Monetary Policy
3. China Removes Presidential Term Limits
4. China New Yuan Loans Drop in February, M2 Stable
5. China's CPI Up on Base Effects

**US Non-Farm Hiring Jumps in January, But Wage Growth Slows.** The US unemployment rate was maintained at 4.1% of the total labour force in February, unchanged from January and December. This was mostly due to the participation rate, the share of the working-age population in the labour force, which climbed to 63% in February, from 62.7% January that mitigated the sharp increase in the US labour force during the month. Meanwhile, average hourly earnings slowed to 0.1% MoM in February, after increasing by +0.3% in the previous month.

Indeed, US non-farm payrolls added a further 313,000 jobs to the labour market, compared to a revised 239,000 jobs added in January. As it stands, the goods-producing sector picked up their hiring in January, as the manufacturing and construction sector hired more workers during the month. At the same time, the services sector also increased their hiring in February, as companies in the trade & transport, retail trade, financial and business services industries hire more workers, while the information sector retrenched less workers during the month. Furthermore, the government picked up their hiring of workers in January. As a whole, the private sector added 287,000 workers in February, higher compared to an addition of 238,000 workers in the previous month.

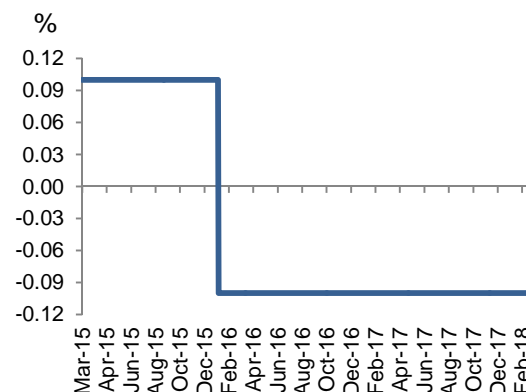
Solid hiring gains and a lack of wage pressures reaffirm the assessment that the economic cycle remains vibrant, and has not entered its twilight phase. Similarly, contained labour costs will allow the Fed to proceed with tightening policy in a continued, gradual fashion. The economy is witnessing a classic mid-cycle hiring reacceleration, and a controlled Fed response should enable the cycle to ultimately surpass the record-long 40-quarter expansion of the 1990s. (Source: Bloomberg)

US Non-Farm Payrolls & Unemployment Rate



Source: Bloomberg

Bank of Japan Policy Rate



Source: Bloomberg

### Major Countries' Economic Growth

Annualised	2016	2017	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17
US	1.6	2.5	2.8	1.8	1.2	3.1	3.2	2.5
Eurozone	1.7	2.4	1.8	2.6	2.5	2.9	2.9	2.4
UK	2.0	1.6	1.5	2.3	0.9	1.1	2.0	1.6
Japan	1.0	1.6	0.9	1.4	1.5	2.9	2.5	1.6
China (% YoY)	6.7	6.8	6.7	6.8	6.9	6.9	6.8	6.8
Russia (% YoY)	-0.2	1.8	-0.4	0.3	0.5	2.5	1.8	n.a
Brazil (% YoY)	-3.6	2.1	-2.9	-2.5	-0.4	0.4	1.4	2.1

Source: Bloomberg

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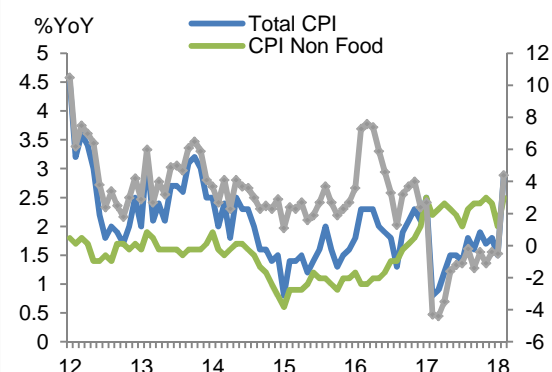
**Cautious Bank Of Japan Holds Line On Monetary Policy.** BOJ stayed the course with its monetary stimulus on Friday at Governor Haruhiko Kuroda's final policy meeting before his new term begins next month. As widely expected, BOJ kept monetary policy steady, maintaining short-term interest rate target at -0.1% while maintaining 10-year Japanese government bonds (JGBs) yield target around 0% in an 8-to-1 vote. With its yield-curve control settings unchanged, its asset purchases remained unaltered too. With inflation still a far cry from the BOJ's target, Kuroda made it clear that the current stimulus program will not be wound down until the inflation target is reached. Kuroda pointed out that the "powerful" monetary stimulus effort has helped drive strong economic growth and tight labour market conditions that are likely to help the economy finally realise 2% inflation. "We're not thinking at all about weakening the degree of easing, or changing the current monetary easing policy framework, before we achieve 2%," Kuroda said. This places BOJ further behind its global peers, who are either raising interest rates or leaning toward normalising policy. (Source: Bloomberg)

**China Removes Presidential Term Limits.** China's parliament voted to repeal presidential term limits, allowing President Xi Jinping to retain power indefinitely in a formal break from succession rules set up after Mao Zedong's turbulent rule. The National People's Congress agreed Sunday to strike a 36-year-old constitutional provision barring the president from serving more than two consecutive terms. The amendment -- announced by the Communist Party two weeks ago removes the only barrier keeping Xi, 64, from staying on after his expected second term ends in 2023. The vote -- never in doubt -- gives Xi more time to enact plans to centralise party control, increase global clout and curb financial and environmental risks. It also ties the world's most populous country more closely to the fate of a single man than at any point since reformer Deng Xiaoping began establishing a system for peaceful power transitions in the aftermath of Mao's death. (Source: Bloomberg)

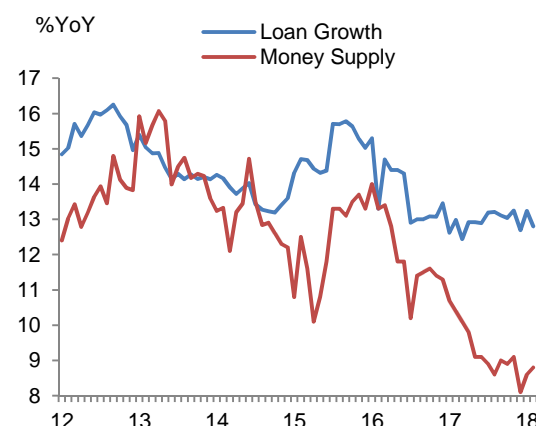
**China New Yuan Loans Drop in February, M2 Stable.** China's new CNY-denominated loans in February stood at CNY839.3bn (USD132.3bn), CNY326.4bn less than the same period a year earlier. The M2, a broad measure of money supply that covers cash in circulation and all deposits, reached CNY172.91trn at the end of February, up 8.8% YoY, compared with an 8.6% increase a month earlier. The government will maintain a moderate growth in M2 monetary supply, credit and aggregate financing, according to the government work report, without giving specific targets. "M2 as a key indicator is becoming less correlated with the overall economic trend with financial innovation of the market," said PBOC deputy governor Yi Gang. (Source: Xinhua)

**China's CPI Up on Base Effects.** China's consumer price inflation picked up to 2.9% YoY, up from 1.5% in January, mainly due to base effects from food prices, which fell sharply in February 2017. Food is the most significant component of China's CPI. There were few signs of broader price pressure building. Non-food prices rose 2.5% year on year, up from 2.0% in January. That was at the top of the range for the last few months but not outside it. The producer price index came down to 3.7% year on year from 4.3% as factory gate price pressure eases. The People's Bank of China -- under Governor Zhou Xiaochuan and whoever takes the helm after him -- has a hawkish bias as they attempt to contain risks from high leverage. Faster headline inflation will strengthen their hand in arguments about nudging money market rates upward. But with the move in the CPI mainly food related, the inflation data itself doesn't make a case for tightening. (Source: Bloomberg)

China Inflation Rate



China Loan Growth &amp; Money Supply



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Figure 5: Central Bank Meetings Calendar 2018

14-15 Mar 2-3 May 13-14 June 25-26 July	US Federal Reserve Federal Open Market Committee (FOMC) Meeting	8-9 Mar 26-27 Apr 14-15 June 30-31 July	Bank of Japan Monetary Policy Meeting	Reserve Bank of India Monetary Policy Review	
				10 May 11 July 05 Sep	Bank Negara Malaysia Monetary Policy Committee Meeting
08 Mar 26 Apr 16 Jun	European Central Bank Governing Council Monetary Policy Meeting	22 Mar 10 May 21 June 02 Aug	Bank of England Monetary Policy Committee Meeting	21-22 Mar 18-19 Apr 16-17 May 27-28 June 18-19 July	Bank Indonesia Board of Governors Meeting
				28 Mar 16 May 20 June 09 Aug	Bank of Thailand Monetary Policy Committee Meeting
6 Mar 3 Apr 1 May 5 June 3 July	Reserve Bank of Australia Monetary Policy Meeting	10 May 09 Aug 08 Nov	Reserve Bank of New Zealand Monetary Policy Meeting	22 Mar 10 May 21 June	Central Bank of Philippines Monetary Board Meeting

Figure 6: US Economic Calendar

13-Mar	20:30	CPI
16-Mar	20:30	Housing Starts, Building Permits
21-Mar	22:00	Existing Home Sales
23-Mar	20:30	Durable Goods Orders
23-Mar	22:00	New Home Sales
28-Mar	22:00	Pending Home Sales
29-Mar	20:30	Personal Income
02-Apr	22:00	Construction Spending
04-Apr	22:00	Factory Orders, Durable Goods Orders
05-Apr	20:30	Trade Balance

Figure 7: Eurozone Economic Calendar

16-Mar	18:00	CPI
19-Mar	18:00	Construction Output
22-Mar	17:00	Manufacturing PMI
27-Mar	16:00	Money Supply
27-Mar	17:00	Economic Confidence
04-Apr	17:00	Unemployment Rate
05-Apr	17:00	Retail Sales
18-Apr	17:00	Construction Output
20-Apr	22:00	Consumer Confidence
23-Apr	16:00	Manufacturing PMI

Figure 8: Asia Economic Calendar

Singapore	12-Mar	13:00	Retail Sales	Production,	China	02-Apr	09:45	Caixin China PMI Mfg
Malaysia	13-Mar	12:00	Industrial Manufacturing Sales		Thailand	02-Apr	11:00	CPI, Business Sentiment
Japan	16-Mar	12:30	Industrial Production		Thailand	05-Apr	11:30	Consumer Confidence
Japan	19-Mar	07:50	Trade Balance		Malaysia	11-Apr	12:00	Industrial Production
Malaysia	21-Mar	12:00	CPI		Singapore	12-Apr	13:00	Retail Sales
Japan	22-Mar	12:30	All Industry Activity Index		China	13-Apr		Trade Balance
Singapore	23-Mar	13:00	CPI		Indonesia	16-Apr	12:00	Trade Balance
Vietnam	25-Mar		CPI, GDP, Retail Sales, IPI, Trade Balance		China	17-Apr	10:00	GDP, Retail Sales
Singapore	26-Mar	13:00	Industrial Production		Japan	17-Apr	12:30	Industrial Production
Japan	29-Mar	07:50	Retail Sales		Japan	18-Apr	07:50	Trade Balance
Singapore	29-Mar	10:00	Money Supply		Malaysia	18-Apr	12:00	CPI
Japan	30-Mar	07:50	Industrial Production		Singapore	23-Apr	13:00	CPI
Japan	30-Mar	13:00	Housing Starts		Vietnam	25-Apr		Trade Balance, CPI, Industrial Production
Thailand	30-Mar	15:30	Trade Balance		Singapore	26-Apr	13:00	Industrial Production

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