

**Survey Date
June 8, 2015**

Every month, Consensus Economics surveys over 180 prominent Asia Pacific financial and economic forecasters for their estimates of a range of variables, including future growth, inflation, foreign trade and exchange rates. All of the countries listed below are covered and the reference data, together with analysis and polls on topical issues, is rushed to subscribers by express mail and e-mail.

Survey Highlights

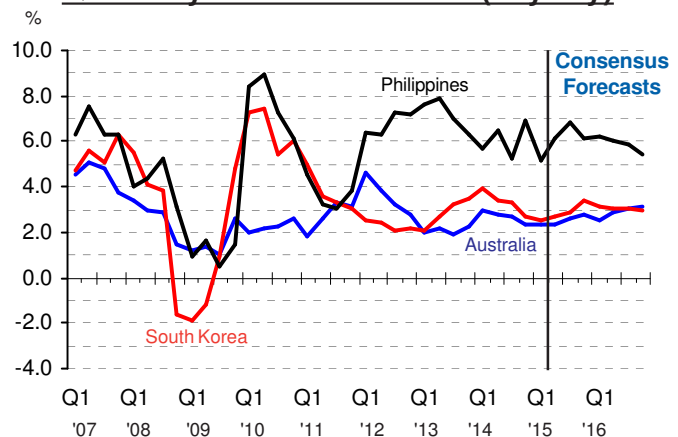
- ◆ The release of first quarter national accounts data showed that the majority of Asia's countries experienced weaker growth at the start of this year as a faltering global economy and slowing exports took their toll. In particular, the **Philippines** recorded a sharp slowdown, while **Thailand** recorded only a tepid recovery and persistent weakness in **South Korea** has led to another interest rate cut recently. Furthermore, Asia's largest economy, **China**, has shown scant signs of a recovery and lingering softness at the start of Q2 hints at another weak performance. Still, there were a number of bright spots in the region, most notably India's exceptionally robust outturn (7.5% y-o-y) in the March quarter, while **Singapore** did not fare too badly according to the final GDP report for Q1.

Our next issue of **Asia Pacific Consensus Forecasts** will be available at the end of the day on **July 16, 2015** and will include a survey on **Economic Policy Evaluation**.

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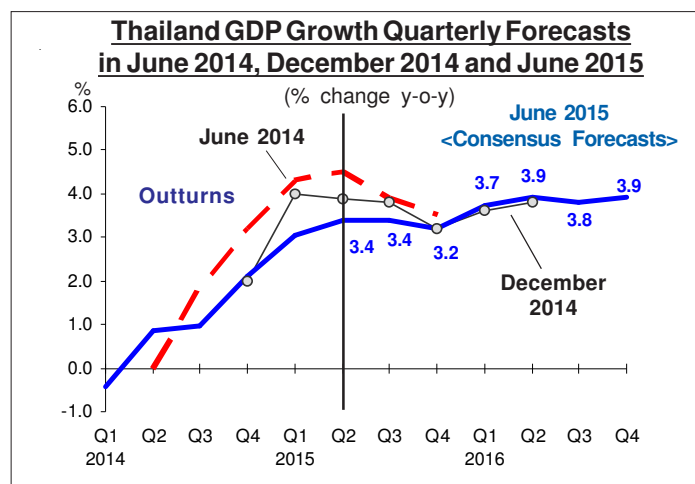
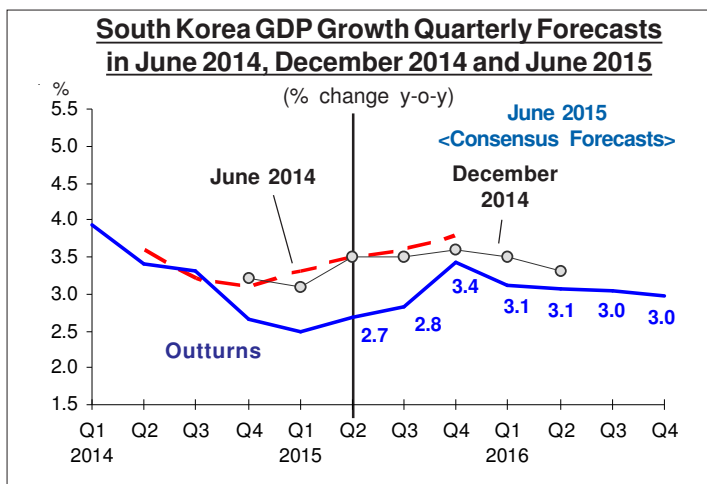
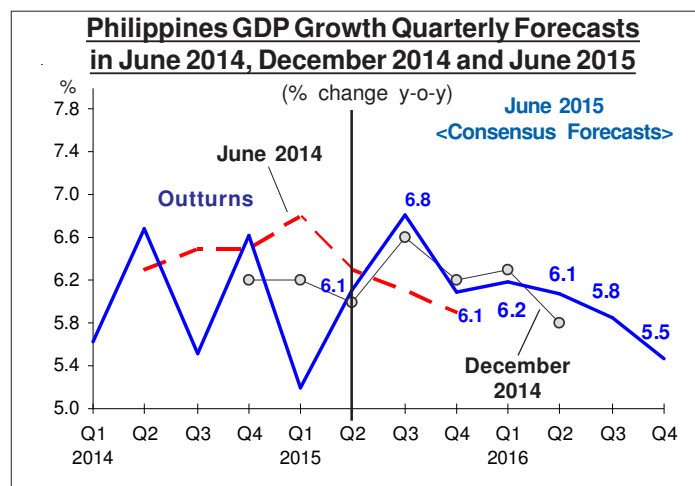
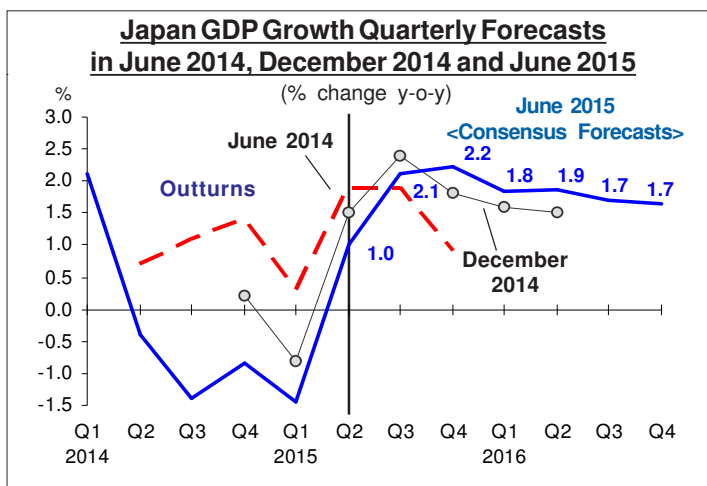
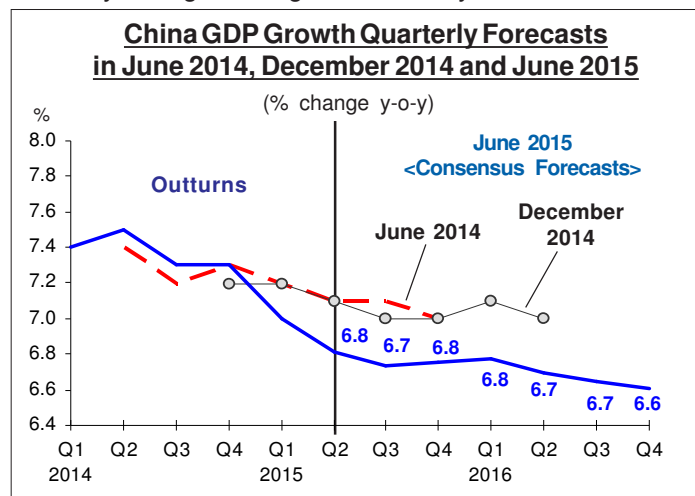
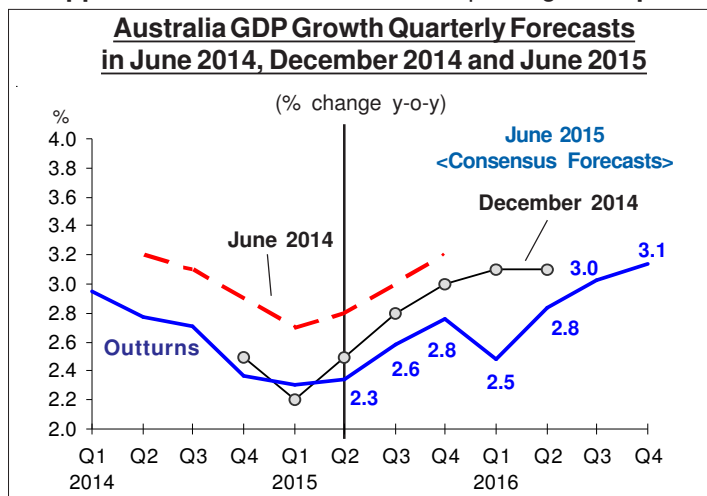
Quarterly Real GDP Growth (% y-o-y)



In this month's special survey we asked our panellists to provide us with their quarter-by-quarter forecasts for a range of macroeconomic variables, including **real GDP growth, inflation, trade balances** and **short-term interest rates**. These quarterly consensus forecasts through to the fourth quarter of 2016, can be found on pages 2, 3, 32 and 33.

The charts on this page show the evolution of **Quarterly Forecast Trends for GDP Growth** in six Asia Pacific economies. Each chart includes estimates from our surveys in June 2014 (red line), December 2014 (black) and the current June 2015 survey (blue). This data is also in tabular form on pages 3, 32 and 33. The release of Q1 GDP data provides the first clear picture of a country's growth performance at the start of this year and lends some insight into the outlook for growth prospects in future quarters. The latest raft of national accounts data has clearly influenced our panel's quarterly growth projections in this month's survey. When comparing these expected outturns with data from past surveys, we encounter somewhat of a mixed bag, with growth forecasts having fallen for **Australia, China, the Philippines** and **South Korea**, but improving for **Japan**.

Asia's second largest economy, Japan, is certainly looking much healthier than six months ago. Although Q1 GDP contracted by -1.0% (y-o-y), this was due to base effects and the economy's q-o-q performance was actually encouraging with growth of +1.0%. While quarterly GDP forecasts in this month's survey are clearly an improvement on December's growth expectations, the slowdowns in China and the US could still hinder Japan's performance going forward. In South Korea, meanwhile, growth expectations have deteriorated once again as key indicators continue to suggest that the economy will struggle to match the 3.3% expansion recorded last year. Consequently, another rate cut was implemented this month in spite of already low borrowing costs. Similarly, the outlook is also markedly bleaker for Australia, despite a relatively strong showing in Q1 of this year.



In addition to their regular forecasts, country panellists were asked to provide forecasts for individual quarters covering the period through the fourth quarter of 2016. Figures in normal type are official, published data with consensus forecasts – based on the arithmetic averages of our panels' forecasts – shown in **bold italics**. Unless otherwise noted, all definitions correspond to those used on the individual country pages, and figures represent percentage changes over the same quarter of the previous year. Readers should note that the four quarterly consensus forecasts covering a year may not equate to the annual consensus forecast shown for the same variable on pages 4-29, since the groups of survey respondents may be different, or because of rounding.

Australia												
* % change over same quarter of previous year	2014				2015				2016			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Gross Domestic Product*	2.9	2.8	2.7	2.4	2.3	2.3	2.6	2.8	2.5	2.8	3.0	3.1
Industrial Production*	5.1	5.4	4.4	3.8	2.8	3.0	3.0	3.3	2.8	2.7	2.7	3.0
Consumer Prices*	2.9	3.0	2.3	1.7	1.3	1.5	1.9	2.4	2.7	2.6	2.7	2.7
Trade Balance (A\$bn)	2.7	-5.1	-4.0	-2.7	-3.7	-4.8	-5.9	-5.5	-4.7	-2.9	-2.9	-2.1
90-day Dealer Bill Rate, % ¹	2.7	2.7	2.7	2.8	2.2	2.2	2.2	2.2	2.3	2.3	2.4	2.5

China												
* % change over same quarter of previous year	2014				2015				2016			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Gross Domestic Product*	7.4	7.5	7.3	7.3	7.0	6.8	6.7	6.8	6.8	6.7	6.7	6.6
Industrial Production*	8.7	8.9	8.0	7.6	6.4	6.9	7.1	7.1	7.2	7.0	7.2	7.1
Consumer Prices (Nationwide)*	2.3	2.2	2.0	1.5	1.2	1.3	1.4	1.5	1.9	1.9	2.0	2.1
Trade Balance (US\$bn)	16.6	85.9	128.1	149.5	123.7	124.8	144.4	151.3	145.9	149.1	160.4	158.5

Hong Kong												
*% change over same quarter of previous year	2014				2015				2016			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Gross Domestic Product*	2.7	2.0	2.9	2.4	2.1	2.4	2.4	2.5	2.6	2.4	2.6	2.7
Consumer Prices*	4.2	3.6	4.9	5.0	4.4	3.8	3.4	3.3	3.3	3.3	3.3	3.2
Unemployment Rate (%)	3.1	3.3	3.4	3.1	3.2	3.3	3.3	3.3	3.3	3.3	3.3	3.3
Trade Balance (US\$bn)	-16.0	-18.2	-16.0	-20.8	-15.4	-18.4	-16.6	-18.8	-16.1	-18.4	-17.0	-20.9
3-month Interbank Rate, % ¹	0.4	0.4	0.4	0.4	0.4	0.4	0.6	0.7	1.0	1.1	1.3	1.4

¹ End period

After ending last year on a fairly soft note most Asian countries have struggled to recover their growth momentum going into the start of 2015. An uneven global recovery has contributed to softer activity across Asia, with **China**, continuing to slide in Q1 to 7.0% (y-o-y). Elsewhere, weakness was evident in Q1 GDP data for **Hong Kong**, **Indonesia**, the **Philippines**, **Malaysia**, **South Korea** and **Thailand**. In particular, the

slowdown in the **Philippines** came as a surprise since it has been the top performer among the ASEAN countries. However, our panel reckons a sharp rebound is likely to occur in the latter half of 2015 after a pickup in public spending. Meanwhile, **India's** March quarter performance has proved particularly positive (7.5% y-o-y), even outperforming China to become the fastest growing major economy. **To page 32**

- BoP - Balance of Payments
- fob - free on board
- IMF - International Monetary Fund
- OECD - Organisation for Economic Co-Operation and Development
- y-o-y - year-on-year
- GDP - Gross Domestic Product
- cif - including cost, insurance and freight
- na - not available
- q-o-q - quarter-on-quarter
- m-o-m - month-on-month
- Measures of GDP, consumption, fixed investment and industrial production are expressed in real (i.e. inflation-adjusted) terms unless otherwise noted. These variables, and most others unless otherwise indicated, are expressed as average percentage changes over the previous year.
- All individual country forecasters on pages 4-29 are listed in descending order of their 2015 real GDP estimates. Consensus forecasts are arithmetic averages of the listed individual estimates.

	Average % Change on Previous Calendar Year												Annual Total		Year Average			
	Gross Domestic Product		Household Consumption		Business Investment		Gross Operating Profits		Industrial Production		Consumer Prices		Wage Cost Index		New Housing Approvals (thousand units)		Unemployment Rate (%)	
Economic Forecasters	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
Econ Intelligence Unit	2.9	3.1	2.7	2.8	na	na	na	na	2.7	3.2	1.8	2.8	na	na	na	na	6.1	5.8
JP Morgan Chase	2.9	3.3	2.5	2.9	-2.4	0.2	na	na	na	na	2.0	2.7	3.0	3.2	185	180	6.5	6.0
Melbourne Institute	2.8	3.1	2.8	3.2	na	na	na	na	na	na	2.0	2.5	2.8	3.0	na	na	6.0	5.8
Barclays	2.7	3.3	2.8	3.5	-6.3	1.1	na	na	na	na	1.9	2.8	na	na	na	na	6.2	5.9
Oxford Economics	2.6	2.8	2.7	3.0	-2.4	0.9	na	na	2.7	2.3	1.9	3.0	2.1	3.2	na	na	6.1	5.7
HSBC Australia	2.6	3.0	3.1	3.2	na	na	na	na	1.9	3.9	1.8	2.8	2.6	2.9	na	na	6.4	6.2
Moody's Analytics	2.6	2.7	3.4	2.5	-0.3	2.6	na	na	1.7	1.7	1.9	2.8	na	na	na	na	6.4	6.2
BIS Shrapnel	2.5	3.2	2.6	3.4	-6.1	-0.5	2.2	9.3	4.1	4.2	1.9	2.8	2.4	3.0	211	200	6.3	6.4
National Australia Bank	2.5	2.7	2.5	2.6	-10.2	-10.3	-3.2	4.7	na	na	1.7	3.1	2.2	2.6	na	na	6.3	6.2
Merrill Lynch Australia	2.5	2.8	2.5	3.1	-6.2	-1.1	0.6	5.9	na	na	1.8	3.0	2.1	2.1	199	175	6.3	6.3
IHS Economics	2.5	2.7	2.7	4.1	na	na	na	na	3.1	2.6	1.5	2.5	na	na	na	na	6.3	6.1
ANZ Group	2.4	3.0	2.8	3.1	-8.8	-6.2	-4.1	8.5	na	na	1.7	2.9	2.6	2.7	na	na	6.4	6.5
QIC	2.4	3.1	2.4	2.6	-7.1	-3.7	-3.2	5.2	na	na	1.8	2.8	2.5	2.9	204	198	6.3	6.3
Westpac Banking Corp	2.4	3.0	2.4	2.9	-7.3	-3.0	na	na	na	na	2.0	2.5	2.3	2.6	220	209	6.3	6.4
Citigroup	2.4	3.0	2.9	3.4	-6.2	-2.9	na	na	na	na	1.9	2.7	na	na	na	na	6.6	6.5
UBS	2.3	2.7	2.6	2.8	-7.7	-6.2	na	na	na	na	1.7	2.5	2.4	2.9	210	200	6.3	6.5
BT Financial Group	2.3	2.7	2.7	2.8	-5.5	-3.0	1.5	6.0	na	na	1.7	2.6	2.8	3.0	202	192	6.2	6.0
Capital Economics	2.0	2.0	2.2	1.6	-8.0	-6.0	na	na	na	na	1.7	2.0	2.2	2.0	na	na	6.4	7.1
Consensus (Mean)	2.5	2.9	2.7	3.0	-6.0	-2.7	-1.0	6.6	2.7	3.0	1.8	2.7	2.5	2.8	205	193	6.3	6.2
Last Month's Mean	2.5	3.0	2.8	3.0	-5.1	-2.3	-1.3	7.4	2.2	3.1	1.8	2.7	2.6	2.8	204	194	6.3	6.2
3 Months Ago	2.6	3.1	2.9	3.1	-5.0	-1.2	1.5	7.7	2.4	3.3	1.7	2.9	2.6	3.0	197	189	6.3	6.0
High	2.9	3.3	3.4	4.1	-0.3	2.6	2.2	9.3	4.1	4.2	2.0	3.1	3.0	3.2	220	209	6.6	7.1
Low	2.0	2.0	2.2	1.6	-10.2	-10.3	-4.1	4.7	1.7	1.7	1.5	2.0	2.1	2.0	185	175	6.0	5.7
Standard Deviation	0.2	0.3	0.3	0.5	2.7	3.6	2.8	1.9	0.9	1.0	0.1	0.3	0.3	0.4	11.1	12.1	0.1	0.3
Comparison Forecasts																		
IMF (Apr. '15)	2.8	3.2																
OECD (Jun. '15)	2.3	2.9	2.7	3.0							1.6	2.4					6.0	5.8

Government and Background Data

Prime Minister - Mr. Tony Abbott (centre-right Liberal-National coalition). **Government** - The coalition won 90 seats of the 150-seat House of Representatives (lower house) and the opposition (Australian Labour party) secured 55 seats. **Next Elections** - 2016 (Parliamentary). **Nominal GDP** - A\$1,554.8bn (2013). **Population** - 23.3mn (mid-year, 2013). **US\$/A\$ Exchange Rate** - 0.967 (average, 2013).

Quarterly Consensus Forecasts

Historical Data and Forecasts (bold italics) From Survey of June 8, 2015

	2014		2015				2016			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Gross Domestic Product*	2.7	2.4	2.3	2.3	2.6	2.8	2.5	2.8	3.0	3.1
Consumer Prices*	2.3	1.7	1.3	1.5	1.9	2.4	2.7	2.6	2.7	2.7
Trade Balance (A\$bn)	-4.0	-2.7	-3.7	-4.8	-5.9	-5.5	-4.7	-2.9	-2.9	-2.1

*Percentage Change (year-on-year)

Historical Data

* % change on previous year	2011	2012	2013	2014
Gross Domestic Product*	2.7	3.6	2.1	2.7
Household Consumption*	3.1	2.5	1.7	2.5
Business Investment*	18.6	15.1	-1.8	-6.1
Gross Operating Profits*	10.0	-5.4	1.2	2.0
Industrial Production*	1.1	3.7	1.7	4.7
Consumer Prices*	3.3	1.8	2.4	2.5
Wage Cost Index*	3.7	3.6	2.9	2.6
Housing Approvals, '000 units	154	156	179	203
Unemployment Rate, %	5.1	5.2	5.6	6.1
Trade Balance (BoP, A\$bn)	12.4	-22.2	-10.4	-9.2
Current Account (BoP, A\$bn)	-42.6	-64.1	-51.8	-44.5
Commonwealth Budget fiscal years, A\$bn**	-51.1	-47.0	-21.0	-52.5
90 day Dealer Bill, % (end yr)	4.5	3.1	2.6	2.8
Yr Govt Bond, % (end yr)	3.8	3.3	4.2	2.8

** Data are for fiscal years beginning in July and ending the following June (i.e. 2014 = July 2013 to June 2014, corresponding to FY13/14).

Annual Total				Fiscal Years July - June		Rates on Survey Date			
Goods & Services Trade Balance (BoP basis, A\$bn)		Current Account Balance (A\$bn)		Common-wealth Budget Balance (A\$bn)		2.2%		3.1%	
						90-day Dealer Bill Rate (%)		10 Year Government Bond Yield (%)	
2015	2016	2015	2016	FY 14/15	FY 15/16	End Sep '15	End Jun '16	End Sep '15	End Jun '16
-15.3	4.3	-53.7	-29.8	na	na	na	na	na	na
3.2	8.0	-50.0	-45.0	-49.0	-45.0	2.2	2.2	2.9	3.2
-11.5	na	-50.5	na	na	na	2.3	na	2.8	na
-32.5	-47.4	-61.8	-79.2	na	na	na	na	na	na
-7.6	1.7	-43.1	-44.8	-44.1	-35.9	2.5	2.8	2.6	3.1
-10.7	-5.0	-42.1	-35.7	-40.4	-31.2	2.1	2.4	2.2	2.5
-8.7	2.1	-44.9	-34.6	-41.1	-39.0	2.2	2.7	2.2	3.1
-15.7	9.5	-48.8	-32.3	na	na	2.4	2.2	2.4	2.9
-21.8	-4.7	-50.1	-33.7	-41.1	-35.1	2.2	2.2	2.9	3.1
-19.5	-19.1	-44.5	-54.5	-43.8	-41.9	2.3	2.6	2.9	3.2
-20.3	-18.0	-50.7	-49.8	na	na	na	na	na	na
-7.8	17.6	-42.7	-25.7	na	na	na	na	na	na
-31.6	-22.3	-69.8	-65.4	-40.3	-42.3	2.1	2.1	3.2	3.4
-27.0	-14.0	-55.0	-57.0	-43.2	-44.8	2.2	2.2	2.9	3.3
-11.9	-7.6	-57.9	-63.6	na	na	1.9	1.8	2.7	3.0
-26.8	-20.9	-55.4	-51.3	na	na	2.1	2.1	3.0	3.2
-12.7	-10.5	-47.0	-48.0	-41.0	-35.0	2.2	2.4	2.9	3.3
-12.0	10.0	-40.0	-20.0	na	na	na	na	na	na
-16.1	-6.8	-50.4	-45.3	-42.7	-38.9	2.2	2.3	2.7	3.1
-13.1	-2.1	-49.7	-42.2	-42.1	-35.2				
-11.0	1.6	-49.9	-41.8	-40.1	-34.4				
3.2	17.6	-40.0	-20.0	-40.3	-31.2	2.5	2.8	3.2	3.4
-32.5	-47.4	-69.8	-79.2	-49.0	-45.0	1.9	1.8	2.2	2.5
9.3	16.0	7.6	15.7	2.8	4.9	0.2	0.3	0.3	0.2

Q1 Growth Exceeds Expectations

Australia's economy grew by a seasonally adjusted 0.9% (q-o-q) during Q1, coming in above most analysts' expectations. Real net national disposable income edged up by 0.2% (q-o-q) and final consumption expenditure increased by 0.5%, but total gross fixed capital formation contracted by -1.2%, while the terms of trade decreased by -2.9%. In annual terms, growth moderated to 2.3% in Q1, down from 2.4% in the previous quarter and much lower than the 2.9% expansion posted in Q1 2014, although it was roughly in line with the Reserve Bank of Australia's (RBA) revised full-year growth forecast of 2.5%. Faced with weak growth, the RBA held the official cash rate target steady at 2.0% earlier this month, with Reserve Bank Governor, Glenn Stevens, stating that current growth in Australia is below the country's long-term average, and emphasising the need for an accommodative monetary approach in order to facilitate borrowing and spending. Furthermore, the RBA trimmed its 2015 inflation forecast from 2-3% previously to 2.5%, although our panel is still expecting inflation to come in lower than this, at 1.8%.

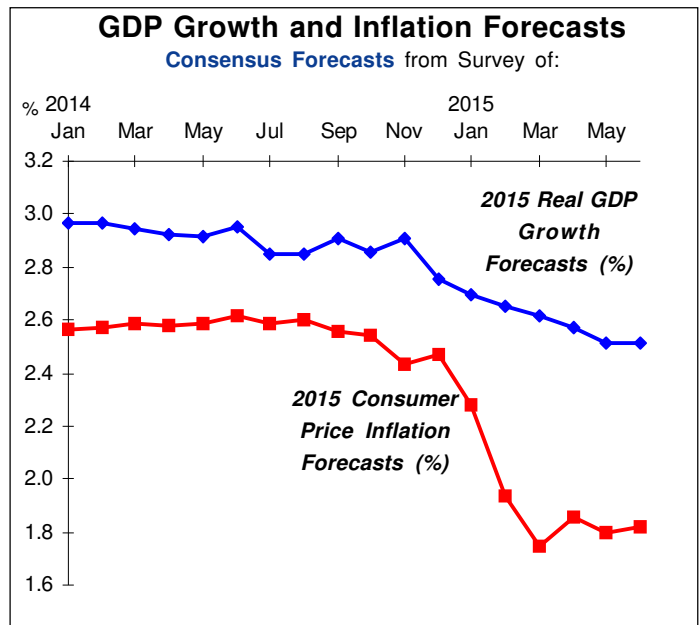
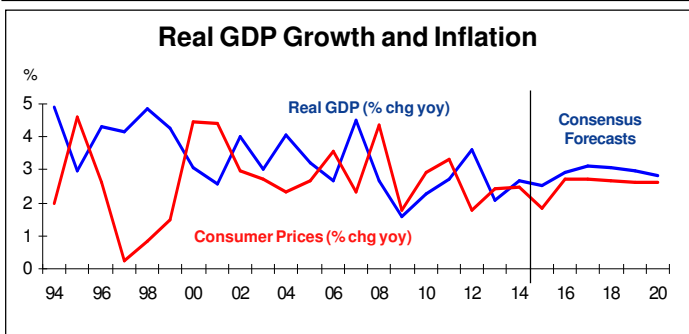
Last month's budget was an indication of the government's commitment to helping small businesses, with Treasurer Joe Hockey stressing the difficulty faced by the country following the end of the mining boom. In a bid to support the labour market, Mr Hockey pledged to reduce youth unemployment by means of a new A\$212mn youth transition to work programme. Other budget proposals included plans for a A\$4.4bn families package, which is designed to improve childcare and encourage greater levels of participation in the workforce. The government is planning to run up a deficit of A\$-35.1bn during the forthcoming fiscal year, but our panel is expecting a slightly higher shortfall of A\$-38.9bn.

Major Export Markets (% of Total)		Major Import Suppliers (% of Total)	
China	33.7	China	20.5
Japan	18.0	United States	10.6
South Korea	7.4	Japan	6.8
United States	4.2	Singapore	4.9

Likelihood of a RBA Interest Rate Change
The panel's estimated average probability of a change in the Reserve Bank of Australia's Official Cash Rate Target (currently 2.0%) at the next monetary policy meeting (July 7, 2015) was:

% probability of:		
INCREASE	NO CHANGE	DECREASE
1.3	+ 81.1	+ 17.6
= 100 %		

Most likely rate change mentioned was: -0.25%



	Average % Change on Previous Calendar Year										End Year, % change		Annual Total			
	Gross Domestic Product (Real)		Retail Sales (Nominal)		Fixed Asset Investment (Nominal)		Industrial Production (Value Added of Industry)		Consumer Prices (Nationwide)		Producer Price Index for Manufactured Goods		Money Supply (M2)		Merchandise Exports (fob, US\$bn)	
Economic Forecasters	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
China Int'l Capital Corp	7.1	7.5	11.0	11.1	14.5	15.1	6.8	7.4	1.3	1.8	-2.1	2.2	13.0	12.0	2493	2774
HSBC Economics	7.1	7.4	10.0	10.5	15.0	16.0	7.8	8.2	1.2	1.3	-4.0	-3.2	13.5	13.0	2441	2624
JP Morgan Chase	7.0	na	9.8	na	10.4	na	6.1	na	1.3	na	-3.8	na	11.9	na	2506	na
Bank of China (HK)	7.0	7.0	11.0	11.8	14.0	14.0	6.4	6.4	1.5	2.3	-3.5	-2.1	12.0	12.2	2483	2632
Bank of East Asia	7.0	7.0	10.6	12.0	13.5	13.5	6.5	9.0	1.5	2.0	na	na	12.0	11.5	2413	2605
BBVA	7.0	6.6	13.5	14.0	13.5	12.5	7.5	7.2	1.7	2.5	-1.9	-1.9	11.5	11.5	2625	2750
BofA - Merrill Lynch	7.0	6.8	na	na	na	na	na	na	1.7	2.8	na	na	12.4	12.0	2453	2588
Hang Seng Bank	7.0	6.8	12.0	12.5	14.0	13.5	8.0	7.8	1.5	1.5	na	na	12.0	12.0	2532	2684
Moody's Analytics	7.0	6.7	11.0	na	na	na	6.9	7.3	1.7	3.1	-2.2	0.0	11.5	10.0	na	na
ING	6.9	6.8	12.0	12.0	15.5	15.5	10.0	10.0	1.0	1.2	-1.0	1.0	12.5	12.5	2436	2607
Timetric	6.9	7.0	11.3	11.6	14.1	13.9	7.7	7.5	1.5	1.9	-2.5	0.2	12.2	12.0	2491	2628
Citigroup	6.9	6.7	na	na	na	na	7.0	6.9	1.5	1.9	na	na	na	na	2499	2562
Goldman Sachs Asia	6.8	6.7	11.2	12.1	14.1	12.9	na	na	1.2	2.1	na	na	12.3	11.6	2328	2423
Econ Intelligence Unit	6.8	6.6	na	na	na	na	5.3	5.4	1.2	2.2	-3.2	1.9	10.9	9.4	2488	2669
Barclays	6.8	6.6	na	na	na	na	na	na	1.2	1.6	na	na	na	na	na	na
Nomura	6.8	6.5	10.5	10.3	13.0	11.9	6.2	5.9	1.5	1.8	-2.8	-1.2	12.5	12.0	2486	2573
Societe Generale	6.8	6.3	10.9	10.9	12.0	10.3	6.4	6.2	1.5	2.1	-4.1	-1.6	11.3	10.8	2385	2510
UBS	6.8	6.5	na	na	na	na	na	na	1.2	1.6	na	na	12.0	11.5	2472	2645
FERI	6.6	6.8	9.7	10.9	13.6	14.0	7.3	7.4	1.1	1.4	-4.1	-2.0	9.4	10.0	2442	2659
Oxford Economics	6.6	6.1	10.1	9.9	na	na	6.0	5.4	1.3	1.4	-4.3	-0.5	11.0	9.8	2289	2443
IHS Economics	6.5	6.3	10.2	10.1	na	na	6.8	6.7	1.4	1.7	-2.9	1.6	11.9	11.0	2408	2573
Consensus (Mean)	6.9	6.7	10.9	11.4	13.6	13.6	7.0	7.2	1.4	1.9	-3.0	-0.4	11.9	11.4	2456	2608
Last Month's Mean	6.9	6.7	11.0	11.3	13.9	13.4	7.0	7.2	1.4	1.9	-3.1	-0.4	11.8	11.3	2473	2625
3 Months Ago	7.0	6.8	11.7	12.0	14.5	14.3	7.9	7.7	1.5	2.0	-2.1	0.3	12.0	11.5	2487	2637
High	7.1	7.5	13.5	14.0	15.5	16.0	10.0	10.0	1.7	3.1	-1.0	2.2	13.5	13.0	2625	2774
Low	6.5	6.1	9.7	9.9	10.4	10.3	5.3	5.4	1.0	1.2	-4.3	-3.2	9.4	9.4	2289	2423
Standard Deviation	0.2	0.3	1.0	1.1	1.3	1.6	1.1	1.2	0.2	0.5	1.0	1.7	0.9	1.0	74.0	90.3
Comparison Forecasts																
Asian Development Bank (Mar. '15)	7.2	7.0							1.8	2.3						
Chinese Academy of Social Science (Jun. '15)	7.1	7.0	11.5	11.3	14.8	13.0	7.7	7.6	1.5	1.3	-1.5	-1.0	12.0	12.0	2413	2485
IMF (Apr. '15)	6.8	6.3							1.2	1.5						
OECD (Jun. '15)	6.8	6.7							1.6	2.0						
State Info. Ctr. (Jun. '15)	7.0		10.5		13.5		6.6		1.5		-3.5		12.0		2441	

Government and Background Data

President - Mr. Xi Jinping. **Prime Minister** - Mr. Li Keqiang **Government** - Chinese Communist Party (CCP), which elects a State Council comprising a premier and ministers. **Next Party Elections** - A new government will be approved at the National People's Congress in March 2018. **Nominal GDP** - Rmb58,667bn (2013). **Population** - 1.4bn (mid-year 2013). **Renminbi/US\$ Exchange Rate** - 6.150 (average, 2013).

Quarterly Consensus Forecasts

Historical Data and Forecasts (bold italics) From Survey of June 8, 2015

	2014		2015				2016			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Gross Domestic Product*	7.3	7.3	7.0	6.8	6.7	6.8	6.8	6.7	6.7	6.6
Consumer Prices*	2.0	1.5	1.2	1.3	1.4	1.5	1.9	1.9	2.0	2.1
Trade Balance (US\$bn)	128	149	124	125	144	151	146	149	160	158

*Percentage Change (year-on-year)

Historical Data

* % change on previous year	2011	2012	2013	2014
Gross Domestic Product (real)*	9.3	7.7	7.7	7.4
Retail Sales (nominal)*	17.1	14.3	13.1	12.0
Fixed Asset Inv. (nominal)*	23.8	20.3	19.1	15.7
Industrial Production (real)* (Value Added of Industry)	13.9	10.0	9.7	8.3
Consumer Prices (Nationwide)*	5.4	2.6	2.6	2.0
Producer Price Index for Manufactured Goods*	6.0	-1.7	-1.9	-1.9
Money Supply (M2), end year*	13.6	13.8	13.6	12.2
Merch. Exports (fob, US\$bn)	1898.4	2048.7	2209.0	2342.8
Merch. Imports (cif, US\$bn)	1743.5	1818.4	1950.0	1960.3
Trade Balance (fob-cif, US\$bn)	154.9	230.3	259.0	382.5
Current Account Bal. (US\$bn)	136.1	215.4	148.2	219.7
General Gov. Budget. Bal. (Rmb bn)	-519.0	-850.0	-1060.0	-1131.0
1-year Base Lending Rate for Working Capital (%) (end year)	6.6	6.0	6.0	5.6

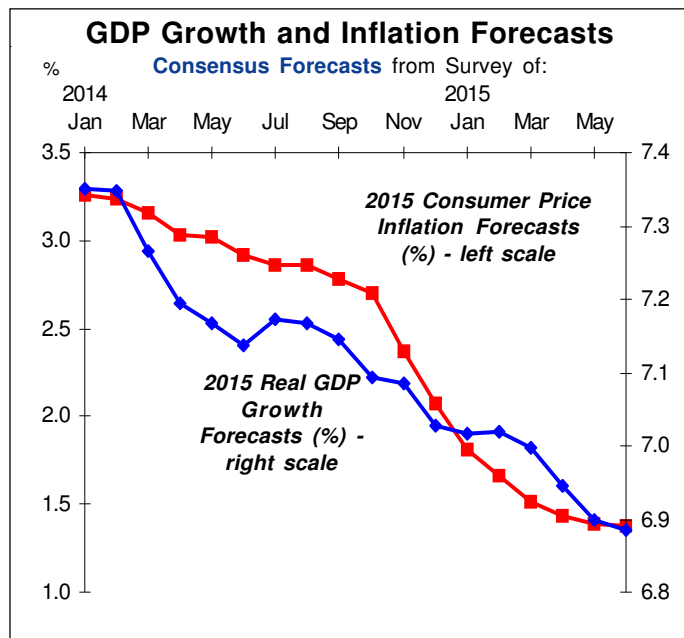
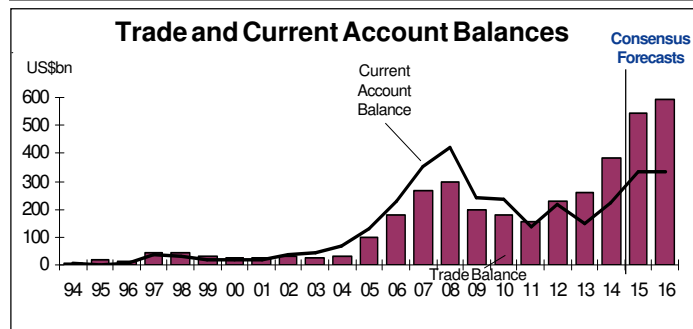
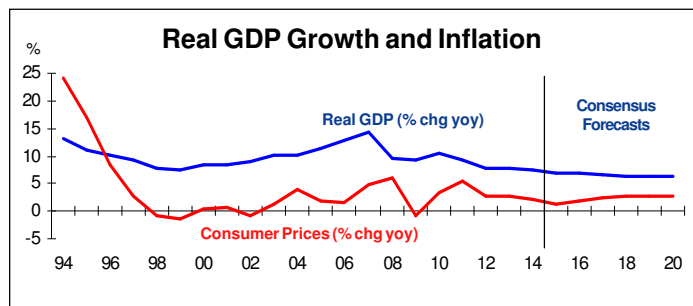
Annual Total								Rate on Survey Date	
								5.1%	
Merchandise Imports (cif, US\$bn)		Trade Balance (fob-cif, US\$bn)		Current Account Balance (US\$bn)		General Government Budget Bal. (Rmb bn)		1-year Base Lending Rate for Working Capital (%)	
2015	2016	2015	2016	2015	2016	2015	2016	End Sep '15	End Jun '16
1780	1970	713	804	na	na	-1600	na	5.1	na
2033	2155	408	469	356	383	-1900	-1962	4.9	4.6
1936	na	570	na	294	na	-1586	na	na	na
2058	2161	425	471	260	280	-1600	-1360	4.9	4.4
1862	2002	551	603	na	na	na	na	na	na
2317	2435	308	315	250	260	-1430	-1430	4.6	4.6
1981	2105	472	483	312	260	na	na	na	na
2036	2098	496	587	na	na	na	na	na	na
na	na	na	na	na	na	na	na	4.9	4.9
2082	2269	354	338	221	228	-2053	-1535	4.9	4.6
1989	2112	502	516	na	na	na	na	na	na
1893	1976	606	586	300	302	na	na	na	na
1871	1940	457	483	284	240	na	na	na	na
1905	2106	583	563	344	285	-1829	-2138	na	na
na	na	na	na	384	411	na	na	na	na
1935	1964	551	609	288	200	-1890	-2040	4.9	4.6
1787	1837	598	673	294	303	-1694	-2165	na	na
1882	1995	590	650	354	362	na	na	na	na
1782	1809	660	850	433	565	-675	-691	na	na
1607	1692	682	752	410	405	-2020	-3093	na	na
1809	1924	599	649	432	421	-960	-1055	4.9	4.6
1923	2031	533	578	326	327	-1603	-1747	4.9	4.6
1948	2066	525	559	306	294	-1599	-1715		
2022	2148	466	489	307	302	-1611	-1665		
2317	2435	713	850	433	565	-675	-691	5.1	4.9
1607	1692	308	315	221	200	-2053	-3093	4.6	4.4
151.5	173.1	109.0	143.1	64.5	96.6	416.8	679.7	0.1	0.2
1980	2000	433	486	240	280	-1620	-1750	5.1	5.1
				356	380				
1851		591		267	250	-1620			

Little Evidence of a Recovery at the Start of Q2

Following a sub-par first quarter performance, China looks unlikely to recover its growth momentum any time soon given scant evidence of an acceleration at the beginning of Q2. Leading indicators of the country's economic performance in April remained lacklustre despite three interest rate reductions in recent months and a succession of cuts in banks' reserve requirement ratio. Policymakers' recent stimulus efforts are clearly not helping to foster a turnaround in activity after the Q1 slowdown and this ongoing softness is underscored by the latest batch of data releases. On the output side, industrial production expanded by 5.9% (y-o-y) in April, although this was up on March's 5.6% gain, it was still the slowest pace of growth since late 2008. Other indicators proved to be just as subdued, with fixed asset investment growing by 12.0% in the four months to April, down from 13.5% in the January-March period. Furthermore, growth in nominal retail sales moderated further to 10.0% (y-o-y) in the period, down from 10.2% in March. This comes on top of a slowdown in bank lending despite easier credit conditions, weak M2 money supply growth and subdued inflation in the month of April. Our panellists continue to predict that full-year growth for 2015 will come in below the government's official 7.0% target – at 6.9% this month.

In another sign of weak growth in China, April's trade report showed that exports unexpectedly fell by 6.4% (y-o-y), following a 14.6% drop in March. The contraction in imports was even worse at -16.2% (y-o-y) versus -12.7% in the prior month. As a result, April's trade surplus jumped to US\$34.1bn, up from US\$3.1bn in March. The disappointing data stemmed from weak global demand and a strong currency.

Direction of Trade - 2014			
Major Export Markets (% of Total)		Major Import Suppliers (% of Total)	
United States	16.9	South Korea	9.7
Hong Kong	15.5	Japan	8.3
Japan	6.4	United States	7.9
South Korea	4.3	Germany	5.3



	Average % Change on Previous Calendar Year								End Year, % change		Year Average		Annual Total					
	Gross Domestic Product		Private Consumption		Gross Fixed Investment		Consumer Prices (Composite Index)		Money Supply (HK\$M2)		Unemployment Rate (%)		Re-Exports (US\$bn)		Merchandise Exports (fob, US\$bn)		Merchandise Imports (cif, US\$bn)	
Economic Forecasters	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
Capital Economics	3.0	3.0	3.2	3.0	3.0	4.0	3.5	3.5	na	na	3.5	3.5	na	na	na	na	na	na
Goldman Sachs Asia	2.9	3.0	2.5	2.8	5.1	5.0	2.8	3.2	5.0	5.0	3.5	3.5	na	na	515.7	562.8	586.1	638.0
BBVA	2.8	3.0	3.6	3.8	3.5	4.0	3.5	3.5	10.2	9.8	3.4	3.5	475.0	495.8	487.8	512.2	565.9	594.2
Oxford Economics	2.8	3.2	4.1	3.7	4.2	3.3	2.3	2.0	6.3	6.3	3.3	3.5	na	na	515.0	563.3	582.4	628.3
IHS Economics	2.6	3.0	2.8	2.9	3.7	4.0	3.4	2.9	10.1	10.2	3.3	3.2	na	na	476.5	492.5	541.5	557.5
Citigroup	2.6	3.0	2.0	1.5	na	na	3.7	3.4	na	na	3.5	3.5	na	na	500.4	534.3	556.4	582.9
Bank of China (HK)	2.5	2.8	2.9	3.1	4.5	4.8	4.0	3.6	9.0	8.8	3.3	3.4	496.0	508.0	497.3	524.6	571.3	602.7
Barclays	2.5	2.4	2.9	3.0	5.0	5.0	3.3	2.4	na	na	na	na	na	na	na	na	na	na
HSBC Economics	2.5	3.0	2.9	2.8	16.3	4.3	3.2	3.9	10.0	10.0	3.3	3.3	na	na	na	na	na	na
Nomura	2.5	3.0	3.0	3.2	4.5	4.0	3.7	4.3	na	na	3.4	3.4	na	na	505.9	552.8	574.5	627.2
Bank of East Asia	2.4	2.8	2.5	1.5	3.0	4.0	3.5	3.5	7.5	7.0	3.4	3.4	481.5	500.7	487.9	507.4	557.7	577.2
Hang Seng Bank	2.4	3.0	3.3	3.5	5.5	5.0	3.3	4.0	12.0	12.5	3.4	3.7	na	na	485.3	509.6	563.3	597.1
JP Morgan Chase	2.3	na	na	na	2.5	na	2.9	na	9.5	na	3.4	na	na	na	na	na	na	na
UBS	2.3	2.0	3.4	1.9	3.5	0.8	3.7	2.0	na	na	3.6	3.9	na	na	474.9	487.2	541.1	557.8
OCBC Wing Hang Bank	2.2	na	2.1	na	1.0	na	3.0	na	9.0	na	3.5	na	466.0	na	490.0	na	555.0	na
Econ Intelligence Unit	2.1	2.1	2.9	1.3	2.4	-1.6	3.1	2.7	9.3	4.8	3.3	4.0	na	na	494.7	519.8	559.1	590.2
ING	2.0	2.0	2.3	2.5	2.9	3.1	4.0	3.5	na	na	3.5	3.5	429.6	450.9	483.5	507.5	554.2	581.8
BofA - Merrill Lynch	2.0	2.8	na	na	na	na	3.5	3.9	na	na	na	na	na	na	489.7	490.3	554.9	557.0
Credit Suisse	1.6	2.2	2.7	2.4	6.5	6.7	3.5	3.5	6.6	6.7	na	na	501.9	532.0	512.1	542.9	591.3	629.2
Consensus (Mean)	2.4	2.7	2.9	2.7	4.5	3.8	3.4	3.3	8.7	8.1	3.4	3.5	475.0	497.5	494.5	521.9	563.6	594.4
Last Month's Mean	2.4	2.7	2.8	2.7	4.2	3.9	3.3	3.1	8.9	8.1	3.4	3.5	479.6	501.3	496.5	524.4	567.3	597.3
3 Months Ago	2.6	2.8	2.8	2.8	3.8	4.0	3.3	3.1	8.9	8.3	3.4	3.6	478.1	496.0	498.1	527.2	569.3	601.4
High	3.0	3.2	4.1	3.8	16.3	6.7	4.0	4.3	12.0	12.5	3.6	4.0	501.9	532.0	515.7	563.3	591.3	638.0
Low	1.6	2.0	2.0	1.3	1.0	-1.6	2.3	2.0	5.0	4.8	3.3	3.2	429.6	450.9	474.9	487.2	541.1	557.0
Standard Deviation	0.3	0.4	0.5	0.8	3.3	2.0	0.4	0.7	2.0	2.5	0.1	0.2	25.9	29.5	13.1	25.8	15.0	27.9
Comparison Forecasts																		
Asian Development Bank (Mar. '15)	2.8	2.9					3.3	3.4										
Government of Hong Kong (May '15)	2.0	3.5					3.2	3.0										
IMF (Apr. '15)	2.8	3.1					3.2	3.4										

Government and Background Data

Chief Executive - Mr. Leung Chun-ying **Government** - Special Administrative Region of China. Governed by the Legislative Council (Legco), which is composed of 30 directly elected members and another 30 elected by functional constituencies. **Next Election** - 2017 Chief Executive election; 2016 (Legco and District Councils). **Nominal GDP** - HK\$2,126bn (2013). **Population** - 7.2mn (mid-year, 2013). **HK\$/US\$ Exchange Rate** - 7.756 (average, 2013).

Quarterly Consensus Forecasts

Historical Data and Forecasts (bold italics) From Survey of June 8, 2015

	2014		2015				2016				
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Gross Domestic Product*	2.9	2.4	2.1	2.4	2.4	2.5	2.6	2.4	2.6	2.7	
Consumer Prices*	4.9	5.0	4.4	3.8	3.4	3.3	3.3	3.3	3.3	3.2	
Trade Balance (US\$bn)	-16.0-20.8-15.4- 18.4-16.6-18.8-16.1-18.4-17.0-20.9										

*Percentage Change (year-on-year)

Historical Data

* % change on previous year	2011	2012	2013	2014
Gross Domestic Product*	4.8	1.7	3.1	2.5
Private Consumption*	8.4	4.1	4.6	3.2
Gross Fixed Investment*	10.2	6.8	2.6	-0.2
Consumer Prices (composite index)*	5.3	4.1	4.3	4.4
Money Supply (HK\$M2), end yr*	12.9	11.1	12.4	9.5
Unemployment Rate (annual avg.)	3.4	3.3	3.4	3.3
Re-Exports (US\$bn)	420.3	435.2	451.9	466.5
Merch. Exports (fob, US\$bn)	428.7	442.8	459.0	473.6
Merch. Imports (cif, US\$bn)	483.6	504.4	523.6	544.1
Trade Balance (fob-cif, US\$bn)	-54.9	-61.6	-64.6	-70.4
Goods and Services Bal. (US\$bn)	9.6	3.0	1.6	0.1
Consolidated Budget Bal. (HK\$bn)¹	66.7	64.8	21.8	72.8
3 mth Interbank Rate, % (end yr)	0.4	0.4	0.4	0.4
Prime Lending Rate, % (end yr)	5.0	5.0	5.0	5.0

¹Data for fiscal years beginning April 1 ending March 31 (i.e. 2014 = April 2014 to March 2015, corresponding to FY14/15).

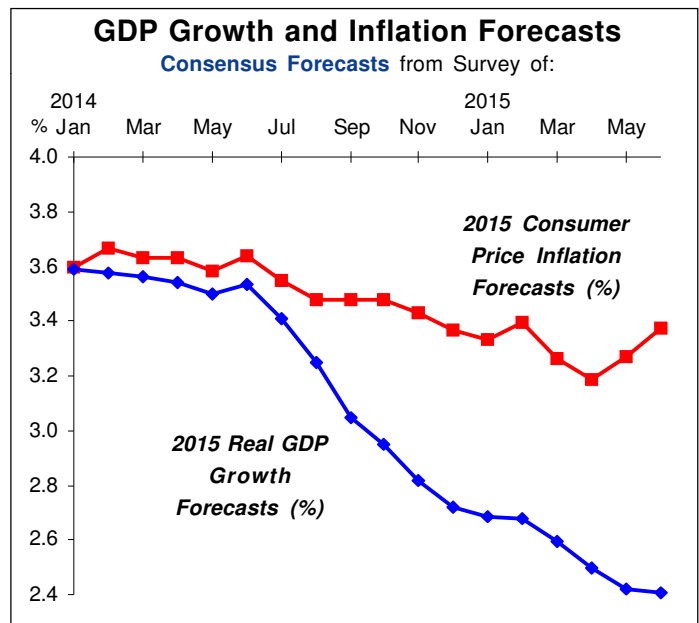
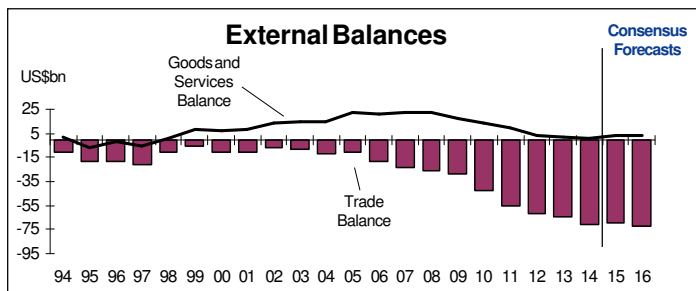
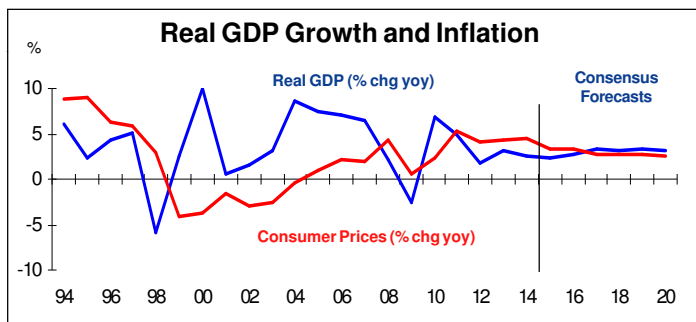
Annual Total				Fiscal Years		Rates on Survey Date			
				April-March		0.4%		5.0%	
Trade Balance (fob-cif, US\$bn)		Goods & Services Balance (US\$bn)		Consolidated Budget Balance (HK\$bn)		3-month Interbank Rate (%)		Prime Lending Rate (%)	
2015	2016	2015	2016	FY 15/16	FY 16/17	End Sep '15	End Jun '16	End Sep '15	End Jun '16
na	na	na	na	40.0	11.5	na	na	na	na
-70.3	-75.2	na	na	na	na	na	na	na	na
-78.1	-82.0	8.5	8.0	20.0	20.0	0.4	0.7	5.0	5.0
-67.4	-65.0	11.1	13.1	34.4	44.8	0.4	0.9	na	na
-65.0	-65.0	5.9	7.2	na	na	na	na	5.0	5.5
-56.0	-48.6	na	na	na	na	0.5	0.9	na	na
-74.0	-78.1	2.8	3.2	56.0	48.0	0.4	1.0	5.0	5.3
na	na	na	na	na	na	na	na	na	na
na	na	-9.0	-8.1	36.8	17.1	0.9	1.5	5.3	5.5
-68.6	-74.3	na	na	36.8	na	0.7	1.2	na	na
-69.8	-69.9	na	na	na	na	0.8	1.7	5.0	5.5
-78.0	-87.6	na	na	na	na	na	na	na	na
na	na	1.9	na	na	na	na	na	na	na
-66.2	-70.6	0.2	-0.8	na	na	na	na	na	na
-65.0	na	na	na	na	na	0.6	1.2	5.0	5.5
-64.4	-70.4	9.2	8.1	-2.2	-21.3	na	na	na	na
-70.7	-74.2	10.6	7.1	35.3	28.2	0.6	1.5	na	na
-65.2	-66.7	na	na	na	na	na	na	na	na
-79.2	-86.3	-3.1	-7.5	na	na	na	na	na	na
-69.2	-72.4	3.8	3.4	32.1	21.2	0.6	1.2	5.0	5.4
-70.7	-72.9	4.2	3.7	31.2	16.2				
-71.2	-74.2	5.3	5.5	26.0	11.9				
-56.0	-48.6	11.1	13.1	56.0	48.0	0.9	1.7	5.3	5.5
-79.2	-87.6	-9.0	-8.1	-2.2	-21.3	0.4	0.7	5.0	5.0
6.2	9.9	6.5	7.4	17.0	23.3	0.2	0.3	0.1	0.2
				36.8	17.1				

Q1 GDP Adversely Affected by Drop in Chinese Tourists

Pro-democracy protests gripped the city for more than two months late last year and political tensions have continued to simmer as lawmakers gear up to vote on Beijing's electoral reform plan this month. The territory's increasingly tense political climate as well as the growing animosity felt by the locals towards mainland shoppers have taken their toll on the economy as Chinese visitors shun the city in favour of other destinations in Asia. National accounts data for Q1 illustrate the impact of the recent slowdown in tourism from China after economic growth moderated to 2.1% (y-o-y), down from 2.4% in Q4. In q-o-q terms, real GDP growth came in at 0.4%, compared to 0.2% in the prior three months. Weaker private consumption growth and lacklustre exports weighed on activity, with the economy being hit by a slump in retail sales. This came amid a downturn in tourist spending and continues to be reflected in data for April. Retail sales by value contracted by -2.2% (y-o-y), and for the first four months of 2015 fell by -2.3%, whereas sales by volume were up 2.4% (y-o-y) in the same month, but rose by just 0.5% in the January-April period. In particular, performance in the sector was dragged down by a marked fall in the sale of luxury good items. Aware of the territory's heavy reliance on spending by tourists, the government has pledged to support tourism-related industries. Furthermore, the Hong Kong Tourism Board has launched a campaign this summer to promote tourism in the territory.

Real GDP growth expectations for the territory have been steadily trending lower since mid-2014 (see chart below) and our panel now foresees growth of 2.4% for this year, slightly weaker than the 2.5% recorded in 2014. However, a moderate recovery of 2.7% is being pencilled in for next year.

Direction of Trade - 2014			
Major Export Markets (% of Total)		Major Import Suppliers (% of Total)	
China	53.9	China	47.1
United States	9.3	Japan	6.8
Japan	3.6	Singapore	6.2
Germany	2.0	United States	5.2



	Average % Change on Previous Fiscal Year												End Year, % change		Annual Total			
	Gross Domestic Product at market prices		Private Final Consumption Expenditure		Gross Fixed Investment		Industrial Production		Consumer Prices		Wholesale Prices		Money Supply (M3)		Merchandise Exports (fob, customs basis, US\$bn)		Merchandise Imports (cif, customs basis, US\$bn)	
<i>Annual data are for fiscal years beginning April 1</i>																		
Economic Forecasters	FY15	FY16	FY15	FY16	FY15	FY16	FY15	FY16	FY15	FY16	FY15	FY16	FY15	FY16	FY15	FY16	FY15	FY16
Credit Suisse	8.1	8.9	8.2	9.0	4.5	9.0	6.5	6.5	5.4	5.8	na	na	13.0	14.0	na	na	na	na
Citigroup	8.1	8.4	7.8	8.3	na	na	7.2	8.2	5.0	5.0	na	na	na	na	314	334	438	477
Nomura	8.0	8.3	7.6	8.8	8.3	10.2	na	na	5.0	5.1	-0.7	2.4	na	na	321	340	470	506
Confed of Indian Industry	8.0	na	7.9	na	5.7	na	5.0	na	5.6	na	0.0	na	12.5	na	318	na	465	na
Morgan Stanley	7.9	8.4	6.8	7.0	5.8	8.0	4.8	6.5	4.7	4.9	-1.0	4.3	na	na	311	341	437	504
Barclays	7.8	8.0	7.3	7.4	7.5	8.0	na	na	5.0	5.7	na	na	na	na	na	na	na	na
FERI	7.8	7.6	6.8	6.5	6.1	6.8	4.9	6.4	5.9	6.3	-1.0	3.6	8.9	15.6	325	375	457	526
HSBC	7.8	8.3	7.6	8.3	7.7	9.1	6.7	7.7	5.2	5.8	2.0	4.9	16.8	16.8	317	349	466	528
IHS Economics	7.7	8.1	7.0	8.3	6.6	7.9	6.0	7.7	5.4	5.5	2.1	4.3	13.0	14.9	333	367	471	523
Timetric	7.7	8.5	6.9	7.5	6.2	6.7	4.7	7.0	5.5	5.7	2.5	3.0	13.2	14.9	330	356	461	501
BBVA	7.6	7.8	6.3	6.5	5.4	7.2	4.3	5.2	5.8	5.5	na	na	15.0	17.0	na	na	na	na
Bk of Tokyo-Mitsubishi UFJ	7.6	7.9	6.2	6.8	5.2	6.7	4.9	5.8	5.4	5.6	2.4	3.2	13.1	14.2	317	326	457	470
Goldman Sachs	7.6	7.9	6.8	7.0	7.0	8.9	4.2	5.3	5.4	6.3	na	na	16.0	17.0	370	407	524	584
Oxford Economics	7.6	7.2	6.5	7.6	5.9	7.7	5.9	6.4	5.8	5.9	2.0	0.9	12.9	12.8	334	380	478	525
UBS	7.5	8.3	7.3	8.0	6.4	9.0	6.0	7.9	5.3	5.0	na	na	15.0	15.0	319	338	410	439
JP Morgan Chase	7.5	na	na	na	na	na	9.3	na	5.4	na	1.1	na	18.0	na	315	na	459	na
Consensus (Mean)	7.8	8.1	7.1	7.6	6.3	8.1	5.7	6.7	5.4	5.6	0.9	3.3	14.0	15.2	325	356	461	508
Last Month's Mean	7.8	8.1	7.4	7.7	6.4	7.9	6.0	6.7	5.3	5.5	1.8	3.2	14.0	15.2	329	365	463	517
3 Months Ago	7.7				6.3		5.3		5.5		2.6		13.5		347		484	
High	8.1	8.9	8.2	9.0	8.3	10.2	9.3	8.2	5.9	6.3	2.5	4.9	18.0	17.0	370	407	524	584
Low	7.5	7.2	6.2	6.5	4.5	6.7	4.2	5.2	4.7	4.9	-1.0	0.9	8.9	12.8	311	326	410	439
Standard Deviation	0.2	0.4	0.6	0.8	1.0	1.1	1.4	1.0	0.3	0.4	1.5	1.3	2.4	1.4	15.4	24.3	26.2	37.8
Comparison Forecasts																		
Asian Development																		
Bank (Mar. '15)	7.8	8.2							5.0	5.5								
IMF (Apr. '15)	7.5	7.5																

Government and Background Data

Prime Minister- Mr. Narendra Modi (BJP Party). **Government** - The Hindu nationalist Bharatiya Janata Party won 282 seats out of a total of 543 in the lower house of parliament. **Next Election** - 2019 (Parliamentary). **Nominal GDP** - Rs105.4tn (2013/14). **Population** - 1.3bn (mid-year, 2013). **Rupee/US\$ Exchange Rate** - 58.45 (average, 2013/14).

Quarterly Consensus Forecasts

Historical Data and Forecasts (bold italics) From Survey of June 8, 2015

	2014		2015				2016			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GDP at market prices*	8.4	6.6	7.5	7.4	8.0	7.7	8.0	7.8	8.1	8.3
Consumer Prices*	6.7	4.1	5.3	5.0	5.1	5.7	5.7	5.6	5.4	5.3
Trade Balance (US\$bn)	-40.0	-39.1	-26.0	-40.0	-39.1	-26.3	-31.8	-38.3	-41.7	-44.0

*Percentage Change (year-on-year)

Historical Data¹

* % change on previous year	FY11	FY12	FY13	FY14
GDP at market prices* (new)	6.7 ³	5.1	6.9	7.3
Private Final Consumption Exp*	na	5.5	6.2	6.3
Gross Fixed Investment*	12.3	-0.3	3.0	4.6
Industrial Production*	2.9	1.1	-0.1	2.8
Consumer Prices* ²	8.3	10.2	9.5	6.0
Wholesale Prices*	8.9	7.4	6.0	2.0
Money Supply (M3), end yr*	13.5	13.6	13.2	11.3 e
Merch. Exports (fob, US\$bn)	306.0	300.4	314.4	310.5
Merch. Imports (cif, US\$bn)	489.3	490.7	450.2	447.5
Trade Balance, (fob-cif, US\$bn)	-183.4	-190.3	-135.8	-137.0
Current Account Bal. (US\$bn)	-78.2	-88.2	-32.4	-27.7 e
Gross Central Government				
Fiscal Balance (Rs bn)	-5160	-4902	-5245	-5042 e
91-day T-bill Rate, % (end yr)	8.9	8.2	8.9	8.3
10 Yr Bond Yield, % (end yr)	8.6	8.0	8.8	7.7

¹ All data are for fiscal years (i.e. FY12 = April '12 to March '13). ² Historical data through FY11 shows the CPI for Industrial Workers. From FY12 onwards data refers to the All India Combined (Rural plus Urban) CPI series. ³ GDP at factor cost (old) for FY11. e = consensus estimate based on latest survey

Annual Total				Fiscal Years (Apr-Mar)		Rates on Survey Date			
Trade Balance (fob-cif, US\$bn)		Current Account Balance (US\$bn)		Gross Central Govt Fiscal Balance, (R\$bn)		7.7%		7.8%	
						91-day Treasury Bill Rate (%)		10 Year Government Bond Yield (%)	
FY15	FY16	FY15	FY16	FY15	FY16	End Sep '15	End Jun '16	End Sep '15	End Jun '16
na	na	-40.2	-55.0	na	na	na	na	na	na
-124	-143	-9.1	-22.9	na	na	7.4	7.1	7.5	7.5
-149	-166	-29.5	-43.9	-5360	na	na	na	7.5	7.3
-146	na	-43.3	na	-5556	na	na	na	na	na
-126	-163	2.3	-30.5	-5331	-5404	na	na	na	na
na	na	2.4	-24.0	na	na	na	na	na	na
-131	-151	-46.0	-59.1	-6517	-7266	na	na	8.0	8.2
-150	-179	-31.1	-39.6	-5037	-5121	8.1	7.9	7.5	6.5
-138	-156	-32.2	-53.8	na	na	na	na	na	na
-131	-145	-35.1	na	na	na	na	na	na	na
na	na	na	na	na	na	na	na	7.5	7.3
-140	-144	-25.5	-33.9	na	na	na	na	na	na
-154	-177	-34.0	-58.2	na	na	na	na	na	na
-144	-145	-24.8	-36.3	-6240	-6227	8.1	8.1	7.7	7.5
-91	-100	11.1	9.5	na	na	na	na	na	na
-144	na	-28.2	na	na	na	na	na	na	na
-136	-152	-24.2	-37.3	-5673	-6004	7.9	7.7	7.6	7.4
-135	-152	-23.2	-37.1	-5634	-6014				
-137		-24.4		-5593					
-91	-100	11.1	9.5	-5037	-5121	8.1	8.1	8.0	8.2
-154	-179	-46.0	-59.1	-6517	-7266	7.4	7.1	7.5	6.5
16.5	21.4	17.6	19.5	577.5	963.0	0.4	0.5	0.2	0.6
		-29.4	-39.8						

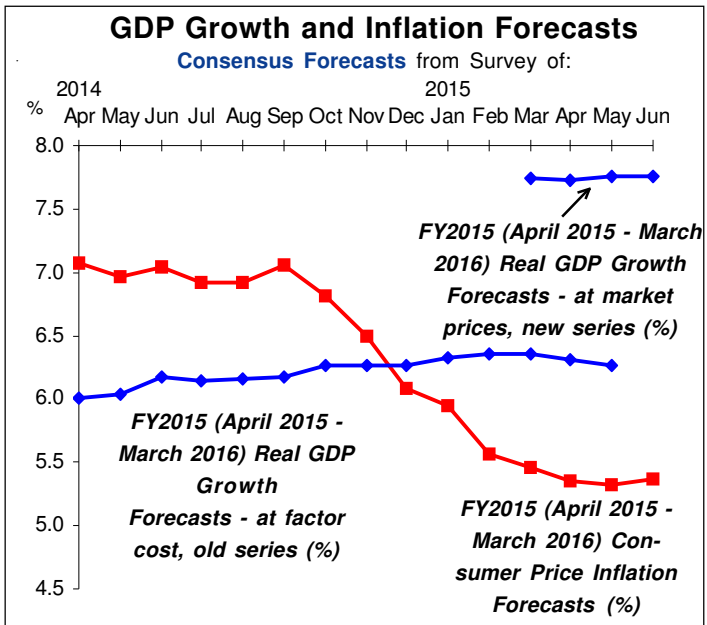
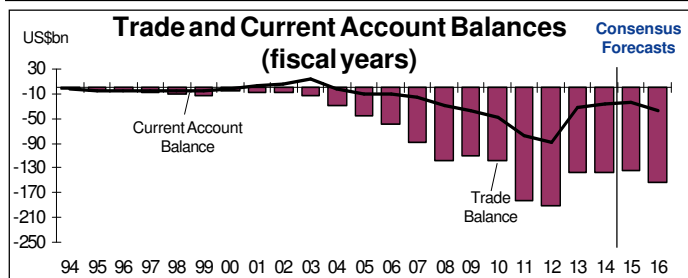
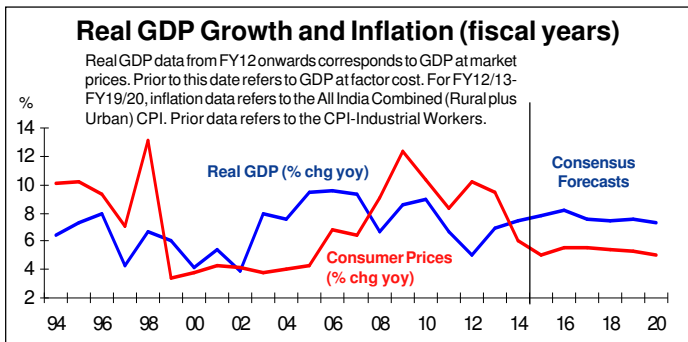
RBI Cuts Rates Again Despite Strong March Quarter

Following interest rate reductions in both January and March this year, the Reserve Bank of India (RBI) recently cut rates again in order to support the economy. The key repo rate was trimmed by 25 basis points to 7.25%, the lowest level since May 2013. The rate cut came despite real GDP growth increasing by 7.5% (y-o-y) in the three months to March and even eclipsing China's 7.0% expansion in the same period. However, many commentators believe that this month's interest rate cut is the last in the current easing cycle, especially since the US looks set to tighten monetary conditions later this year. While the headline growth figure for the March quarter proved to be surprisingly strong, it stands at odds with other leading monthly indicators, which appear to suggest that there is still considerable slack in the economy. For example, growth in industrial production fell to a 5-month low of 2.1% (y-o-y) in March, after jumping by 4.9% in the previous month. Elsewhere in the economy, other signs of softness include weak credit growth and subdued investment growth. In addition, softness was also evident in the external sector as exports contracted (-14.0% y-o-y) for a fifth straight month in April to come in at US\$22.0bn, while imports fell by -7.5% to US\$33.0bn, resulting in a trade deficit of US\$-11.0bn. Besides weaker activity painted by leading monthly indicators, subdued inflationary pressures have allowed the RBI to loosen monetary conditions this year. However, inflation could pick up later in the year, especially if a deficient monsoon pushes up food prices.

Consensus growth expectations for this year have remained firm at 7.8% this month following the robust March quarter performance. Our panel, however, continues to slash their forecasts for wholesale inflation, which now stands at 0.9%.

Direction of Trade – 2014

Major Export Markets (% of Total)		Major Import Suppliers (% of Total)	
United States	13.4	China	12.7
United Arab Emirates	10.4	Saudi Arabia	7.1
Hong Kong	4.3	United Arab Emirates	5.9
China	4.2	United States	4.6



	Average % Change on Previous Calendar Year												End Year, % change		Annual Total					
	Gross Domestic Product		Household Consumption		Gross Fixed Investment		Manufacturing Production		Consumer Prices		Money Supply (M2)		Non-Oil and Gas Exports (fob, US\$bn)		Merchandise Exports (fob, US\$bn)		Merchandise Imports (fob, US\$bn)			
Economic Forecasters	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016		
HSBC Economics	5.5	5.8	5.5	5.7	4.9	5.8	4.5	4.8	6.5	4.6	11.1	12.7	na	na	169.4	177.7	163.5	171.2		
Mandiri Sekuritas	5.3	5.8	5.2	5.4	6.2	8.0	na	na	6.0	5.1	11.6	na	136.0	na	163.8	167.3	145.2	148.3		
Barclays	5.3	5.6	5.2	5.2	6.2	6.7	na	na	6.1	4.5	na	na	na	na	na	na	na	na		
BBVA	5.2	5.7	5.0	5.4	5.8	6.4	5.0	5.5	5.4	5.0	12.2	13.0	na	na	na	na	na	na		
Oxford Economics	5.1	5.9	5.1	5.9	6.6	8.3	4.7	5.0	6.7	4.6	8.9	9.0	na	na	162.1	179.4	156.1	170.1		
BofA - Merrill Lynch	5.1	5.7	5.1	5.7	5.0	6.0	na	na	6.5	4.5	13.0	14.0	155.3	152.7	176.5	180.7	166.5	171.8		
DBS Bank	5.1	5.5	5.2	5.3	5.3	5.7	4.8	5.6	6.4	5.7	14.0	16.5	140.0	148.0	168.0	181.0	165.0	174.0		
IHS Economics	5.0	5.3	5.1	5.2	4.6	7.3	4.5	4.9	6.1	4.0	11.8	12.9	na	na	162.9	172.4	151.1	160.7		
ANZ Bank	5.0	5.8	4.9	5.0	5.8	7.5	4.7	5.5	6.3	4.9	13.0	13.0	146.2	153.8	164.1	173.3	151.2	160.4		
Econ Intelligence Unit	4.9	5.3	4.9	5.1	5.0	6.1	4.6	5.0	5.5	4.3	13.6	13.9	na	na	163.9	175.4	153.2	164.2		
Goldman Sachs Asia	4.9	6.0	4.9	5.5	7.1	8.6	na	na	6.5	5.5	14.5	15.3	na	na	na	na	na	na		
Citigroup	4.8	5.2	4.6	4.7	na	na	na	na	6.5	5.2	na	na	na	na	154.7	160.7	143.5	151.5		
ING	4.8	6.0	5.5	5.5	6.0	7.0	5.0	5.0	6.5	4.0	12.0	15.0	138.3	142.5	178.9	184.2	169.5	173.7		
Nomura	4.8	5.3	4.8	5.4	5.2	5.6	na	na	6.8	4.7	na	na	na	na	169.0	167.1	162.3	161.4		
Credit Suisse	4.8	5.7	4.7	5.0	5.3	8.0	4.1	6.4	5.7	5.1	10.0	13.0	na	na	na	na	na	na		
FERI	4.6	4.6	4.1	5.0	5.0	4.8	na	na	6.1	5.3	12.2	11.3	na	na	161.3	162.2	145.5	148.5		
JP Morgan Chase	4.4	na	na	na	7.5	na	na	na	5.5	na	12.0	na	na	na	187.8	na	182.5	na		
Consensus (Mean)	5.0	5.6	5.0	5.3	5.7	6.8	4.6	5.3	6.2	4.8	12.1	13.3	143.2	149.2	167.9	173.5	158.1	163.0		
Last Month's Mean	5.1	5.7	5.0	5.3	6.0	7.0	4.6	5.5	6.1	4.8	12.3	13.1	143.2	149.2	170.4	178.3	160.9	167.2		
3 Months Ago	5.4	5.7	5.1	5.4	6.0	6.8	5.0	5.6	6.0	4.6	12.1	12.8	148.3	149.7	174.6	182.6	165.9	173.1		
High	5.5	6.0	5.5	5.9	7.5	8.6	5.0	6.4	6.8	5.7	14.5	16.5	155.3	153.8	187.8	184.2	182.5	174.0		
Low	4.4	4.6	4.1	4.7	4.6	4.8	4.1	4.8	5.4	4.0	8.9	9.0	136.0	142.5	154.7	160.7	143.5	148.3		
Standard Deviation	0.3	0.4	0.3	0.3	0.8	1.1	0.3	0.5	0.4	0.5	1.5	1.9	7.8	5.2	8.7	7.7	11.4	9.6		
Comparison Forecasts																				
Asian Development Bank (Mar. '15)	5.5	6.0							5.5	4.0										
IMF (Apr. '15)	5.2	5.5							6.8	5.8										
OECD (Jun. '15)	4.9	5.5	4.9	5.4	5.0	6.0			6.2	5.0										

Government and Background Data

President: Mr. Joko Widodo **Government** - The Indonesian Democratic Party of Struggle (PDI-P) won the 2014 April legislative elections with 109 seats out of a total of 560 seats. They have formed a coalition with the NasDem Party, National Awakening Party (PKB) and the Hanura Party, giving the coalition control of 207 seats. **Next Elections** - House and Senate (July, 2019). **Nominal GDP** - Rp9,084tn (2013). **Population** - 249.9mn (mid-year, 2013). **Rupiah/US\$ Exchange Rate** - 10,411 (average, 2013).

Quarterly Consensus Forecasts

Historical Data and Forecasts (bold italics) From Survey of June 8, 2015

	2014		2015				2016			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Gross Domestic Product*	4.9	5.0	4.7	4.8	5.0	5.1	5.3	5.5	5.6	5.8
Consumer Prices*	4.4	6.5	6.5	6.7	6.4	4.7	4.5	4.7	5.1	5.1
Manufacturing Production*	5.0	4.2	3.9	4.9	5.1	4.9	5.1	5.1	5.4	5.1

*Percentage Change (year-on-year)

Historical Data

* % change on previous year	2011	2012	2013	2014
Gross Domestic Product*	6.2	6.0	5.6	5.0
Household Consumption*	5.1	5.5	5.4	5.1
Gross Fixed Investment*	8.9	9.1	5.3	4.1
Manufacturing Production*	6.3	5.6	4.5	4.6
Consumer Prices*	5.3	4.0	6.4	6.4
Money Supply (M2), end yr*	16.4	15.0	12.8	11.9
Non-Oil and Gas Exports (fob, US\$bn)	151.4	149.8	146.7	145.0
Merch. Exports (fob, US\$bn)	191.1	187.3	180.3	173.8
Merch. Imports (fob, US\$bn)	157.3	178.7	176.2	168.3
Trade Balance (fob-fob, US\$bn)	33.8	8.7	4.1	5.5
Current Account Bal. (US\$bn)	1.7	-24.4	-29.1	-25.4
3 mth Deposit Rate, % (end yr)	5.5	4.9	8.0	7.3
10 Yr Govt Bond, % (end yr)	6.0	5.5	8.4	7.8

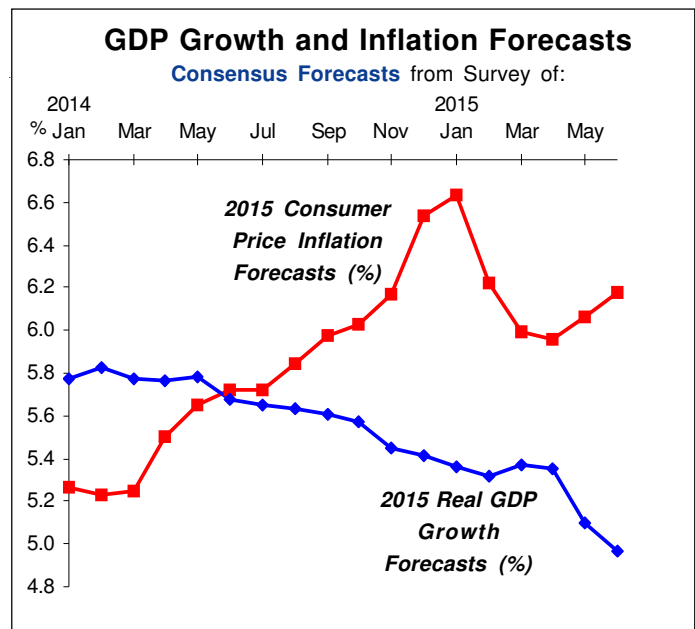
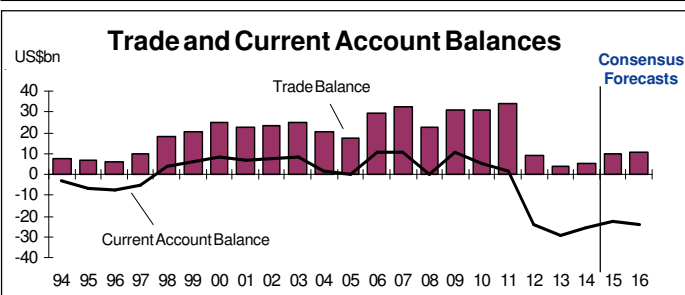
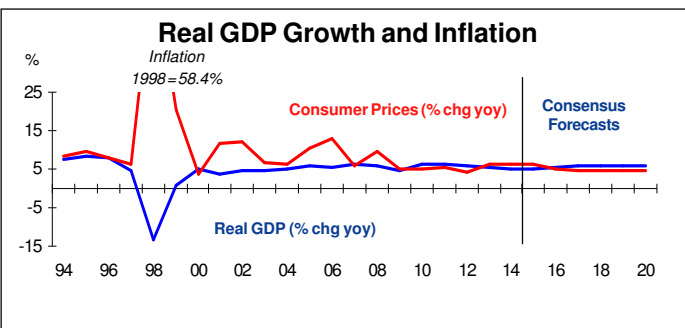
Annual Total				Rates on Survey Date			
Trade Balance (fob-fob, US\$bn)		Current Account Balance (US\$bn)		6.7%		8.8%	
2015	2016	2015	2016	3-month Deposit Rate (%)	10 Year Government Bond Yield (%)	End Sep '15	End Jun '16
5.9	6.5	-26.2	-26.6	6.6	6.6	6.9	6.8
18.6	19.0	-23.8	-28.3	na	na	7.8	7.9
na	na	-20.8	-21.1	na	na	na	na
na	na	na	na	na	na	na	na
6.1	9.3	-21.3	-19.4	7.0	7.8	8.1	8.4
10.0	8.9	-22.3	-24.5	na	na	na	na
3.0	7.0	-24.0	-24.0	7.0	7.0	8.2	8.5
11.9	11.7	-21.1	-26.4	na	na	na	na
12.9	12.9	-19.8	-19.1	na	na	na	na
10.6	11.2	-22.9	-21.1	na	na	na	na
na	na	-24.9	-24.0	na	na	na	na
11.2	9.2	-20.3	-23.1	na	na	8.0	7.3
9.4	10.5	-18.5	-17.4	na	na	7.8	6.3
6.7	5.7	-25.8	-31.8	na	na	na	na
na	na	-23.9	-27.0	na	na	na	na
15.9	13.6	-24.0	-25.2	na	na	na	na
5.3	na	-26.7	na	na	na	na	na
9.8	10.5	-22.9	-23.9	6.9	7.1	7.8	7.5
9.5	11.1	-23.6	-24.0				
8.6	9.6	-23.7	-22.7				
18.6	19.0	-18.5	-17.4	7.0	7.8	8.2	8.5
3.0	5.7	-26.7	-31.8	6.6	6.6	6.9	6.3
4.4	3.7	2.4	3.9	0.2	0.6	0.5	0.9
		-18.9	-21.4				

Current Account Deficit Falls

Indonesia's current account deficit narrowed during the first quarter to US\$-3.8bn, a figure which equates to around 1.8% of GDP. The deficit has become a great cause for concern amongst government officials in recent months, but Bank Indonesia Governor, Agus Martowardojo, has stated that the data lends support to the central bank's forecast for a 2.8% deficit in 2015. Trade surpluses for each of the first three months of the year contributed to the narrowing of the current account shortfall, and this trend continued in April with a monthly trade surplus of US\$454mn. However, despite the overall surplus, the trade breakdown paints a bleak picture of the economy with figures revealing an 8.5% (y-o-y) decline in exports, and a 22.3% (y-o-y) fall in imports. On top of this, the manufacturing sector remains weak, with the PMI displaying a contraction for an eighth consecutive month in May, although the 47.1 reading represented a slight improvement on the April figure of 46.7. Even so, Bank Indonesia has remained positive despite the country's lacklustre economic performance of late, and is still expecting real GDP growth of between 5.4-5.8% this year. Our panel remains less optimistic, forecasting growth of just 5.0% this month.

The CPI rose sharply in May, with data showing a 0.5% (m-o-m) increase in prices. The upsurge was attributed to higher electricity prices, coupled with stock piling ahead of the start of Ramadan, which begins on June 18. In annual terms, inflation stood at 7.2%, up from 6.8% in April, with the spike in prices of late likely to prove a major obstacle to potential interest rate cuts in the coming months. The BI rate was maintained at 7.5% in May, with Vice President Jusuf Kalla's desire to see the key policy rate reduced to 6.5% by the end of the year looking increasingly remote at present.

Direction of Trade – 2014			
Major Export Markets (% of Total)		Major Import Suppliers (% of Total)	
Japan	13.1	China	17.2
China	10.0	Singapore	14.1
Singapore	9.5	Japan	9.5
United States	9.4	South Korea	6.6



	Average % Change on Previous Calendar Year												Annual Total					
	Gross Domestic Product		Private Consumption		Business Investment		Industrial Production		Consumer Prices		Domestic Corporate Goods Prices		Total Cash Earnings (nominal)		New Car Registrations (mn)		Housing Starts (mn)	
Economic Forecasters	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
Nippon Steel & Sumikin Rsrch	1.7	2.8	0.8	2.5	3.0	5.3	0.8	2.3	0.7	0.6	-1.4	0.4	0.9	2.8	2.8	3.0	0.90	0.94
Mizuho Securities	1.4	1.9	0.5	2.3	3.7	5.5	2.2	5.6	0.7	1.5	-1.1	2.0	1.7	3.2	na	na	0.88	0.92
Econ Intelligence Unit	1.3	2.0	0.7	1.1	na	na	1.9	2.9	1.0	1.6	-0.9	1.9	na	na	na	na	na	na
Daiwa Institute of Research	1.3	1.8	0.2	1.3	3.1	5.0	0.2	3.4	na	na	-1.5	1.0	na	na	na	na	na	na
Mitsubishi Research Institute	1.3	1.4	0.2	1.4	2.7	3.0	1.6	2.6	0.7	1.6	-1.0	1.9	na	na	na	na	0.89	0.92
ITOCU Institute	1.2	1.7	0.3	1.5	2.9	1.7	2.5	2.7	0.6	1.0	0.1	1.2	1.0	1.4	2.5	2.7	0.87	0.87
Toyota Motor Corporation	1.2	1.9	0.9	2.2	1.9	3.6	na	na	0.9	1.0	na	na	na	na	na	na	na	na
Bank of Tokyo-Mitsubishi UFJ	1.1	na	0.5	na	1.4	na	2.8	na	0.8	na	-0.6	na	na	na	na	na	na	na
Merrill Lynch - Japan	1.1	1.8	0.3	2.3	3.2	2.8	2.0	3.7	0.8	1.4	na	na	na	na	na	na	na	na
Mizuho Research Institute	1.1	2.0	0.1	1.4	2.9	3.0	1.5	3.2	0.5	1.0	-1.0	1.1	0.9	1.3	na	na	0.90	0.96
Nomura Securities	1.1	1.8	0.0	1.7	2.9	4.5	0.7	1.9	0.8	1.2	-3.1	-1.2	0.7	1.5	na	na	na	na
IHS Economics	1.0	1.5	0.2	1.5	2.5	3.2	1.3	4.3	1.0	1.4	-1.0	1.8	na	na	na	na	0.91	0.97
Dai-ichi Life Research	0.9	1.8	-0.1	1.7	2.9	4.1	0.8	3.7	0.5	0.8	na	na	na	na	na	na	na	na
Goldman Sachs	0.9	1.2	-0.1	1.0	2.5	2.1	0.4	2.3	0.7	0.8	-0.3	2.5	na	na	na	na	na	na
NLI Research Institute	0.9	1.8	0.3	2.1	0.5	4.1	1.8	3.5	0.6	1.1	-1.4	1.3	1.2	2.0	na	na	0.90	0.92
UBS	0.9	1.8	0.4	1.7	2.4	4.9	1.1	2.2	0.8	0.9	na	na	na	na	na	na	na	na
Oxford Economics	0.8	1.8	0.4	2.1	-0.4	1.5	1.2	2.3	0.3	0.6	-1.7	1.4	0.4	-0.6	na	na	0.94	0.97
HSBC	0.8	1.1	0.0	1.6	1.6	1.6	2.3	3.9	0.7	1.0	-1.3	1.2	0.8	1.6	na	na	na	na
Deutsche Securities	0.8	1.8	0.1	1.5	0.3	3.2	1.6	3.2	0.8	0.9	-1.2	1.3	0.8	1.9	na	na	na	na
Barclays	0.7	1.7	0.0	1.2	2.6	4.4	na	na	0.3	0.3	na	na	na	na	na	na	na	na
Citigroup Japan	0.7	2.0	0.3	1.8	0.9	4.8	1.9	3.0	0.7	0.9	na	na	na	na	na	na	na	na
Morgan Stanley	0.7	2.0	0.1	1.7	0.6	4.8	na	na	1.0	1.4	na	na	na	na	na	na	na	na
Japan Ctr for Econ Research	0.7	1.5	0.2	1.7	0.2	3.4	1.3	2.2	0.6	1.0	-1.8	1.1	0.8	0.5	na	na	0.92	0.95
Mitsubishi UFJ Research	0.6	1.4	0.0	1.6	0.0	2.7	0.5	2.1	0.6	0.5	-0.3	0.4	0.6	0.5	na	na	0.90	0.97
Credit Suisse	0.5	1.0	0.1	1.2	0.6	0.9	1.8	2.1	0.5	0.6	na	na	na	na	na	na	na	na
Consensus (Mean)	1.0	1.7	0.3	1.7	1.9	3.5	1.5	3.0	0.7	1.0	-1.1	1.2	0.9	1.5	2.7	2.9	0.90	0.94
Last Month's Mean	0.9	1.7	0.2	1.6	1.3	3.4	2.1	3.1	0.6	1.0	-1.4	1.1	1.1	1.5	2.5	2.7	0.89	0.93
3 Months Ago	1.1	1.7	0.3	1.5	1.8	3.5	2.4	3.0	0.7	1.1	-1.1	1.2	1.1	1.3	2.6	2.7	0.90	0.93
High	1.7	2.8	0.9	2.5	3.7	5.5	2.8	5.6	1.0	1.6	0.1	2.5	1.7	3.2	2.8	3.0	0.94	0.97
Low	0.5	1.0	-0.1	1.0	-0.4	0.9	0.2	1.9	0.3	0.3	-3.1	-1.2	0.4	-0.6	2.5	2.7	0.87	0.87
Standard Deviation	0.3	0.4	0.3	0.4	1.2	1.3	0.7	0.9	0.2	0.4	0.7	0.8	0.4	1.1	0.2	0.2	0.02	0.03
Comparison Forecasts																		
IMF (Apr. '15)	1.0	1.2	0.6	2.0					1.0	0.9								
OECD (Jun. '15)	0.7	1.4	0.3	2.0					0.7	1.1								

Government and Background Data

Prime Minister - Mr. Shinzo Abe of the Liberal Democratic Party of Japan (LDP) was elected as Prime Minister in December 2014. **Parliament** - President Abe's LDP won 291 of the 475 seats of the Lower House of Parliament and has formed a coalition with the minority party, Komeito Party. **Next Elections** House of Councillors (December, 2016). **Nominal GDP** - ¥478.1tn (2013). **Population** - 127.1mn (mid-year, 2013). **Yen/\$ Exchange Rate** - 97.51 (average, 2013).

Quarterly Consensus Forecasts

Historical Data and Forecasts (bold italics) From Survey of June 8, 2015

	2014		2015				2016			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Gross Domestic Product*	-1.4	-0.9	-1.0	1.0	2.1	2.2	1.8	1.9	1.7	1.7
Private Consumption*	-2.9	-2.4	-4.1	1.6	1.8	1.8	1.8	1.7	1.6	1.8
Consumer Prices*	3.3	2.5	2.3	0.2	0.1	0.4	0.9	1.0	1.1	1.2

*Percentage Change (year-on-year)

Historical Data

* % change on previous year	2011	2012	2013	2014
Gross Domestic Product*	-0.4	1.7	1.6	-0.1
Private Consumption*	0.3	2.3	2.1	-1.3
Business Investment*	4.1	3.6	0.6	3.6
Industrial Production*	-2.6	0.2	-0.6	2.1
Consumer Prices*	-0.3	0.0	0.4	2.7
Domestic Corporate Goods Prices*	1.5	-0.9	1.3	3.2
Total Cash Earnings (nominal)*	-0.2	-0.9	-0.4	0.4
New Car Registrations, mn	2.4	3.0	2.9	2.9
Housing Starts, mn	0.83	0.88	0.98	0.89
Unemployment Rate, %	4.6	4.4	4.0	3.6
Current Account, ¥tn	10.2	5.0	3.8	2.6
General Govt Budget Balance, SNA basis, fisc. years ¹ , ¥tn	-41.9	-41.0	-36.7	-31.3 e
3 mth TIBOR, % (end yr)	0.3	0.3	0.2	0.2
10 Yr Govt Bond, % (end yr)	1.0	0.8	0.7	0.3

¹Data for fiscal years beginning April 1 ending March 31 (i.e. 2014=April 2014 to March 2015, corresponding to FY14/15).
e = consensus estimate based on latest survey

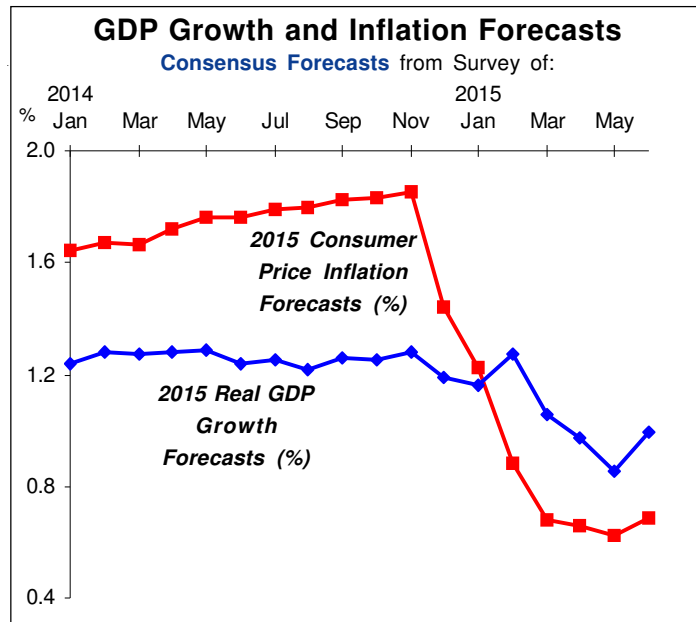
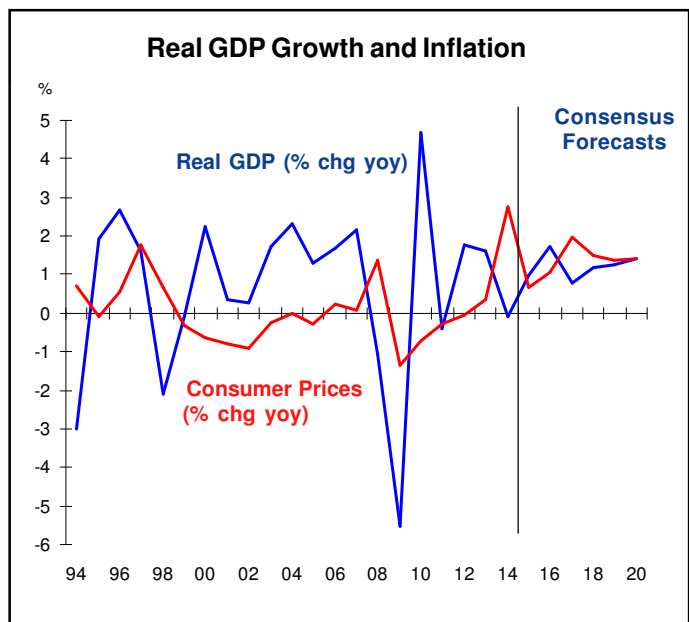
Year Average	Annual Total		Fiscal Years (Apr-Mar)		Rates on Survey Date				
					0.2%		0.4%		
Unemployment Rate (%)	Current Account (¥tn)	General Government Budget Balance (¥tn)		3 month Yen (TIBOR) Rate (%)		10 Year Govt Bond Yield (%)			
2015 2016	2015 2016	FY 15-16	FY 16-17	End Sep '15	End Jun '16	End Sep '15	End Jun '16		
3.3	2.9	19.4	25.3	na	na	0.2	0.2	0.4	0.7
3.4	3.3	14.5	14.5	na	na	0.2	0.2	0.5	0.9
3.5	3.3	na	na	na	na	na	na	na	na
3.4	3.2	16.3	18.1	na	na	0.2	0.2	0.4	0.6
3.4	3.3	15.8	15.8	na	na	na	na	0.5	0.6
3.4	3.2	11.7	12.1	-27.3	-26.2	0.2	0.2	0.4	0.6
3.4	3.3	na	na	na	na	na	na	na	na
na	na	15.1	na	na	na	0.2	na	0.6	na
3.5	3.3	13.1	12.3	na	na	na	na	0.3	0.3
3.4	3.3	15.0	14.1	na	na	0.2	0.2	0.5	0.6
3.4	3.3	19.6	20.3	na	na	na	na	0.6	0.9
3.4	3.4	na	na	na	na	0.2	0.3	0.6	0.8
3.3	3.2	18.0	17.0	na	na	0.2	0.2	0.5	0.7
3.4	3.4	13.5	15.4	na	na	na	na	na	na
3.4	3.3	15.2	12.5	-36.4	-35.3	0.2	0.2	0.5	0.6
3.3	3.2	7.7	10.1	na	na	na	na	na	na
3.5	3.6	8.7	5.2	-33.7	-30.1	0.1	0.1	0.3	0.2
3.4	3.2	17.0	8.1	-26.3	-23.7	0.1	0.1	0.3	0.4
3.4	3.3	14.0	13.2	-25.8	-21.9	0.2	0.2	0.6	0.7
3.4	3.3	na	na	na	na	na	na	na	na
3.4	3.2	12.6	15.1	-33.0	-31.8	0.1	0.1	0.4	0.5
na	na	na	na	na	na	na	na	na	na
3.5	3.4	12.9	9.9	-23.8	-21.3	na	na	0.4	0.4
3.5	3.4	13.9	13.9	-28.6	-26.2	0.2	0.2	0.5	0.6
3.4	3.0	13.0	10.0	na	na	na	na	na	na
3.4	3.3	14.4	13.8	-29.4	-27.1	0.2	0.2	0.5	0.6
3.4	3.3	13.5	13.3	-29.2	-26.5				
3.4	3.3	14.3	14.2	-29.3	-26.7				
3.5	3.6	19.6	25.3	-23.8	-21.3	0.2	0.3	0.6	0.9
3.3	2.9	7.7	5.2	-36.4	-35.3	0.1	0.1	0.3	0.2
0.1	0.1	3.0	4.5	4.5	5.0	0.0	0.1	0.1	0.2
3.7	3.7								
3.5	3.3								

Positive Growth Surprise in Q1

Q1 activity surprised many forecasters, beating expectations to grow by 1.0% (q-o-q) as a result of a 2.7% (q-o-q) increase in capital expenditure. However, GDP still fell by -1.0% (y-o-y) in annual terms due to base year effects as spending ahead of the April 2014 sales tax hike boosted Q1 GDP last year. Moreover, private consumption contracted by a massive -4.1% (y-o-y) in Q1 2015, despite climbing by 0.4% in q-o-q terms. In addition to the encouraging q-o-q GDP data, the PMI netted a reading of 50.9 for May, meaning that the manufacturing sector has returned to expansion following a slump in April. Unemployment also slid to 3.3% in April, its lowest level since 1997, as the employment rate rose to 57.3% from 57.1% in March. Going forward, slowdowns in the Chinese and US economies will negatively impact on Japanese export demand. Trade figures showed 8.0% (y-o-y) export growth in April, but this represented a slight dip from the 8.5% (y-o-y) increase posted for March, and observers predict that the downturn could affect corporate activity and have a damaging effect on wage growth. Real wage growth occurred in Japan for the first time in two years in April, and our panel is currently expecting total cash earnings to rise by around 0.9% and 1.5% in 2015 and 2016, respectively.

Inflation came in flat in April as falling energy prices pushed the core CPI further away from the Bank of Japan's (BoJ) 2.0% goal. The outturn puts increased pressure on BoJ Governor Haruhiko Kuroda. Commenting on the situation at the end of last month, Mr. Kuroda re-emphasised his view that inflation will accelerate during the second half of the current fiscal year, and affirmed that he expects it to reach 2.0% at some point during the first half of FY 16/17.

Direction of Trade – 2014			
Major Export Markets (% of Total)		Major Import Suppliers (% of Total)	
United States	18.9	China	22.3
China	18.3	United States	9.0
South Korea	7.5	Australia	5.9
Hong Kong	5.5	Saudi Arabia	5.9



	Average % Change on Previous Calendar Year										End Year, % change		Annual Total			
	Gross Domestic Product		Private Consumption		Gross Fixed Investment		Manufacturing Production		Consumer Prices		Money Supply (M3)		Merchandise Exports (fob, US\$bn)		Merchandise Imports (fob, US\$bn)	
Economic Forecasters	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
Econ Intelligence Unit	5.5	5.6	7.5	6.5	5.5	6.0	na	na	1.7	3.2	na	na	242.0	259.2	207.9	224.2
ING	5.5	5.5	5.5	5.5	5.1	5.5	3.8	3.7	2.0	2.5	6.0	6.0	242.3	257.8	200.6	212.4
Goldman Sachs Asia	5.2	5.1	6.4	5.9	5.9	4.8	na	na	2.8	3.1	7.3	7.1	na	na	na	na
FERI	5.1	5.3	5.5	5.4	5.9	5.4	3.6	4.3	2.9	3.1	9.8	10.4	224.3	245.0	185.9	206.0
Kenanga Research	5.1	na	6.1	na	7.4	na	4.3	na	2.2	na	6.7	na	214.3	na	183.3	na
Affin Hwang Capital	5.0	5.5	5.5	6.0	7.0	7.5	4.9	5.5	2.2	3.0	6.5	7.0	193.5	207.7	166.8	178.0
Citigroup	5.0	4.8	5.5	6.3	na	na	na	na	2.2	3.0	na	na	201.0	221.6	176.7	185.5
HSBC Economics	4.8	5.5	6.3	5.2	4.8	6.4	5.5	5.5	2.9	3.1	10.2	9.1	190.0	196.4	160.0	164.2
IHS Economics	4.8	5.0	6.6	5.6	4.0	4.1	4.5	3.3	2.3	3.2	7.5	7.2	194.1	208.4	166.7	175.3
Nomura	4.7	4.3	5.6	5.4	5.9	5.5	na	na	2.2	3.2	na	na	189.6	193.1	151.3	157.2
BofA - Merrill Lynch	4.6	5.2	6.1	6.0	2.9	4.4	na	na	2.3	2.5	na	na	232.0	248.0	214.0	228.0
Oxford Economics	4.5	4.3	4.7	4.4	4.3	4.1	4.1	3.2	2.0	3.3	10.1	8.3	187.8	199.9	165.0	176.0
ANZ Bank	4.5	5.1	5.2	5.5	6.4	6.8	4.4	4.7	3.4	3.0	na	na	207.3	231.0	180.1	186.0
Barclays	4.5	5.3	6.2	6.4	4.2	5.0	na	na	2.1	2.5	na	na	na	na	na	na
Deutsche Bank	4.5	5.4	4.9	6.5	6.8	6.3	4.2	4.0	1.6	2.8	8.0	8.8	197.2	210.4	170.6	186.3
JP Morgan Chase	4.5	na	na	na	6.0	na	4.0	na	1.1	na	4.0	na	228.6	na	200.4	na
Credit Suisse	4.4	5.4	5.5	5.8	1.7	3.6	2.0	3.1	2.0	3.5	6.0	5.0	na	na	na	na
UBS	4.4	4.3	4.7	4.3	6.8	3.6	3.0	4.2	2.1	3.2	na	na	na	na	na	na
Consensus (Mean)	4.8	5.1	5.8	5.7	5.3	5.3	4.0	4.1	2.2	3.0	7.5	7.6	210.3	223.2	180.7	189.9
Last Month's Mean	4.8	5.1	5.8	5.7	4.7	4.9	3.8	4.1	2.5	3.1	7.4	7.8	215.2	227.4	185.9	194.6
3 Months Ago	4.8	5.0	5.8	5.6	4.7	5.1	3.7	4.2	2.6	3.0	7.5	7.4	218.5	232.9	188.3	198.8
High	5.5	5.6	7.5	6.5	7.4	7.5	5.5	5.5	3.4	3.5	10.2	10.4	242.3	259.2	214.0	228.0
Low	4.4	4.3	4.7	4.3	1.7	3.6	2.0	3.1	1.1	2.5	4.0	5.0	187.8	193.1	151.3	157.2
Standard Deviation	0.4	0.4	0.7	0.7	1.5	1.2	0.9	0.9	0.5	0.3	1.9	1.7	20.0	24.2	19.0	22.8
Comparison Forecasts																
Asian Development Bank (Mar. '15)	4.7	5.0							3.2	2.9						
IMF (Apr. '15)	4.8	4.9							2.7	3.0						

Government and Background Data

Prime Minister - Mr. Najib Razak. **Government** - The 14-Party National Front coalition, led by the United Malays National Organisation (UMNO), holds 133 of the 222 seats. **Next Election** - 2018 (Parliamentary). **Nominal GDP** - RM986.7bn (2013). **Population** - 29.7mn (mid-year, 2013). **Ringgit/US\$ Exchange Rate** - 3.149 (average, 2013).

Quarterly Consensus Forecasts

Historical Data and Forecasts (bold italics) From Survey of June 8, 2015

	2014		2015				2016			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Gross Domestic Product*	5.6	5.7	5.6	4.5	4.6	4.5	4.3	5.1	5.4	5.5
Consumer Prices*	3.0	2.8	0.7	2.7	3.2	2.9	3.8	2.9	2.9	2.9
Manufacturing Production*	5.1	5.0	5.6	3.5	3.5	3.2	3.0	3.7	3.9	4.0

*Percentage Change (year-on-year)

Historical Data

* % change on previous year	2011	2012	2013	2014
Gross Domestic Product*	5.3	5.5	4.7	6.0
Private Consumption*	6.9	8.3	7.2	7.0
Gross Fixed Investment*	6.4	19.0	8.2	4.8
Manufacturing Production*	5.7	5.2	4.2	6.1
Consumer Prices*	3.2	1.7	2.1	3.1
Money Supply (M3), end yr*	14.3	9.0	7.3	7.0
Merch. Exports (fob, US\$bn)	215.2	208.8	202.5	207.8
Merch. Imports (fob, US\$bn)	169.2	172.2	171.8	173.1
Trade Balance (fob-fob, US\$bn)	45.9	36.6	30.7	34.7
Current Account Bal. (US\$bn)	32.5	16.2	11.3	14.5
3 mth Interbank Rate, % (end yr)	3.2	3.2	3.2	3.7
10 Yr Govt Bond, % (end yr)	3.8	3.6	4.4	4.2

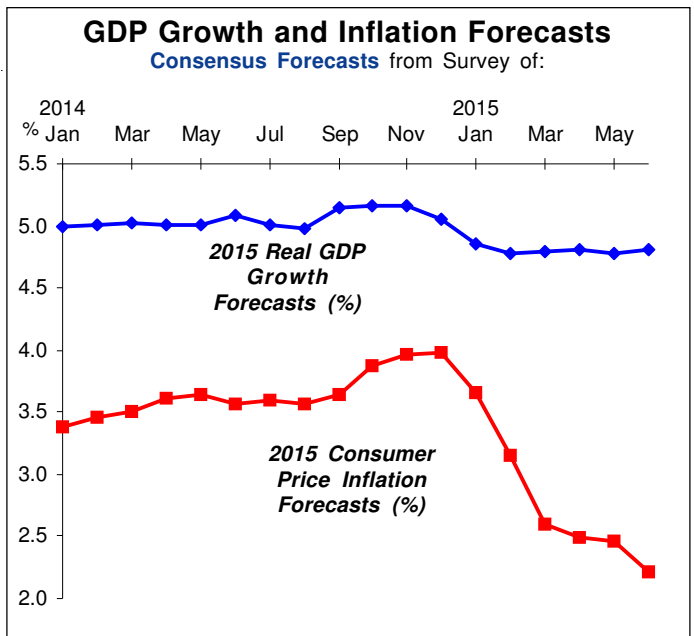
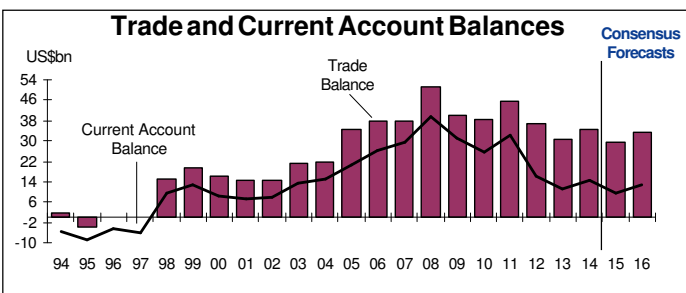
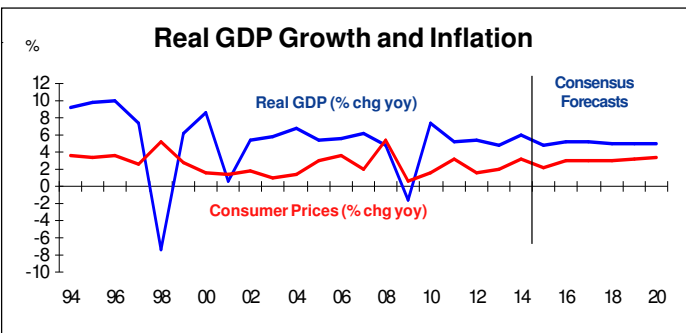
Annual Total				Rates on Survey Date			
				3.7%		4.2%	
Trade Balance (fob-fob, US\$bn)		Current Account Balance (US\$bn)		3-month Interbank Rate (%)		10 Year Government Bond Yield (%)	
2015	2016	2015	2016	End Sep '15	End Jun '16	End Sep '15	End Jun '16
34.2	35.0	9.8	14.1	na	na	na	na
41.7	45.3	20.7	23.5	3.7	3.7	3.7	3.7
na	na	13.4	14.1	3.9	3.8	na	na
38.4	39.1	16.0	18.7	3.4	3.4	na	na
31.0	na	7.8	na	3.6	na	3.7	na
26.7	29.7	8.4	10.0	3.8	3.7	4.0	3.9
24.2	36.1	10.3	17.2	3.9	4.1	3.7	3.7
30.0	32.2	8.9	12.8	3.4	3.4	4.0	4.1
27.4	33.1	5.8	9.7	na	na	na	na
38.3	35.9	10.5	9.0	na	na	na	na
18.0	20.0	12.1	20.4	na	na	na	na
22.8	23.9	10.6	11.5	3.8	4.2	na	na
27.2	45.0	7.5	15.6	na	na	na	na
na	na	7.2	10.0	na	na	na	na
26.6	24.1	5.2	6.9	3.7	na	4.3	na
28.1	na	5.9	na	na	na	na	na
na	na	5.9	11.5	na	na	na	na
na	na	1.4	0.9	na	na	na	na
29.6	33.3	9.3	12.9	3.7	3.8	3.9	3.9
29.3	32.8	9.3	13.1				
30.2	34.0	10.4	14.3				
41.7	45.3	20.7	23.5	3.9	4.2	4.3	4.1
18.0	20.0	1.4	0.9	3.4	3.4	3.7	3.7
6.6	8.0	4.4	5.5	0.2	0.3	0.2	0.2

Solid Growth During Q1

In spite of low energy prices, which inevitably had a negative impact on palm oil and petroleum based exports, Malaysia managed to maintain its strong growth momentum during the first quarter as the economy advanced by 5.6% (y-o-y). The Q1 figure was down just a tad from the 5.7% expansion posted for the final quarter of last year, and means that the government is well on course to hit the upper boundary of its 4.5-5.5% growth target for 2015. An expenditure breakdown showed that private consumption jumped by 8.8% (y-o-y), while gross fixed investment was up by a robust 7.9%. On the supply side, the services sector advanced by 6.4% on the back of solid performances in wholesale and retail trade. Furthermore, manufacturing also put in a strong performance, with output rising by 5.6% versus 4.3% in Q4. Bank Negara Governor, Tan Sri Dr Zeti Akhtar Aziz, has said that the figures demonstrate the resilience of the Malaysian economy, and highlight the country's ability to grow even in the face of weak energy and fuel prices. Our panel is forecasting a fairly decent performance of 4.8% for this year.

Looking ahead, the release of the eleventh economic plan last month sees the government targeting 5-6% growth over the next five years as Malaysia aims to become a developed nation by 2020. If the plan is successfully executed, a 20% rise in labour productivity will enable gross per capita incomes to hit RM54,000 in five years' time, with the gini-coefficient being reduced to around 0.39 as income inequality falls. Prime Minister Najib Razak stated that geopolitical risks, together with the realignment of exchange rates, present some uncertainty, and emphasised the need to press ahead with measures which will provide long-term benefits for all Malaysian citizens.

Direction of Trade – 2014			
Major Export Markets (% of Total)		Major Import Suppliers (% of Total)	
Singapore	14.2	China	16.9
China	12.0	Singapore	12.5
Japan	10.8	Japan	8.0
United States	8.4	United States	7.7



	Average % Change on Previous Calendar Year										End Year, % change		Year Average		Annual Total						
	Gross Domestic Product		Private Consumption		Gross Fixed Investment		Manufacturing Production		Consumer Prices		Labour Cost Index		Money Supply (M3)		Unem- ployment Rate (%)		Merchan- dise Exports (fob, NZ\$bn)		Merchan- dise Imports (fob, NZ\$bn)		
Economic Forecasters	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	
IHS Economics	3.3	2.8	3.2	2.6	6.2	0.7	1.4	2.5	0.3	2.3	na	na	8.1	9.2	5.6	5.2	48.9	52.7	51.1	53.3	
Infometrics	3.2	2.8	4.1	2.4	2.1	5.2	na	na	0.5	2.3	na	na	na	na	5.1	5.1	44.9	51.0	52.2	59.7	
UBS	3.1	3.0	3.7	3.0	8.5	7.7	3.0	2.5	0.5	1.9	1.6	2.1	5.0	5.0	5.9	5.7	50.8	52.4	52.6	57.3	
ANZ Bank	3.1	2.8	3.5	2.8	6.6	4.7	na	na	0.3	1.4	1.7	2.1	na	na	5.7	5.5	46.5	48.9	51.0	56.0	
Westpac Banking Corp	3.0	3.0	4.4	3.7	5.0	5.7	na	na	0.2	1.5	1.6	1.8	na	na	5.5	4.7	47.2	50.7	49.3	51.8	
HSBC Economics	3.0	2.8	3.6	2.4	10.0	5.8	na	na	0.8	2.1	2.2	2.4	na	na	5.3	4.9	49.6	51.8	53.6	55.9	
Oxford Economics	2.9	2.8	3.3	2.6	6.8	5.7	2.9	2.8	0.7	1.8	na	na	na	na	5.4	5.2	na	na	na	na	
JP Morgan Chase	2.9	2.4	3.3	3.6	9.8	4.1	na	na	2.0	2.5	na	na	na	na	5.3	5.5	50.0	52.0	54.3	53.4	
NZIER	2.9	2.8	3.9	3.0	5.4	3.8	na	na	0.4	1.7	1.8	2.1	1.7	3.9	5.9	5.1	48.2	49.6	51.7	56.2	
Deutsche Bank NZ	2.9	2.6	3.6	2.3	4.2	3.8	3.0	3.1	0.4	1.8	1.7	1.9	6.0	6.0	5.6	5.3	46.9	49.3	49.1	51.1	
First NZ Capital	2.8	2.5	2.9	2.4	5.6	4.8	na	na	0.3	1.8	1.9	2.2	na	na	5.6	5.3	49.0	53.0	51.0	56.0	
Econ Intelligence Unit	2.8	2.9	3.2	2.9	6.6	4.6	na	na	1.0	2.4	na	na	na	na	5.2	4.9	50.1	53.5	52.1	57.8	
Bank of New Zealand	2.7	2.0	3.8	2.0	6.0	4.9	2.9	2.3	0.4	2.0	1.8	2.4	7.0	7.0	5.8	6.1	47.8	55.0	50.3	55.6	
ASB Bank	2.3	2.6	3.7	3.3	4.2	3.5	na	na	0.6	2.1	1.7	2.1	na	na	5.8	5.5	47.6	52.9	51.4	58.4	
Capital Economics	2.3	2.0	3.8	2.6	2.2	2.0	na	na	0.8	1.6	na	na	na	na	6.1	6.3	na	na	na	na	
Consensus (Mean)	2.9	2.7	3.6	2.8	5.9	4.5	2.6	2.6	0.6	1.9	1.8	2.1	5.6	6.2	5.6	5.4	48.3	51.7	51.5	55.6	
Last Month's Mean	2.9	2.6	3.6	2.7	6.7	4.3	2.8	2.5	0.7	2.0	1.8	2.1	5.9	5.8	5.6	5.3	48.8	52.6	51.4	55.5	
3 Months Ago	2.9	2.7	3.4	2.6	7.2	3.9	3.3	2.5	0.8	2.2	2.0	2.2	6.5	6.3	5.2	5.0	49.0	53.7	52.0	56.3	
High	3.3	3.0	4.4	3.7	10.0	7.7	3.0	3.1	2.0	2.5	2.2	2.4	8.1	9.2	6.1	6.3	50.8	55.0	54.3	59.7	
Low	2.3	2.0	2.9	2.0	2.1	0.7	1.4	2.3	0.2	1.4	1.6	1.8	1.7	3.9	5.1	4.7	44.9	48.9	49.1	51.1	
Standard Deviation	0.3	0.3	0.4	0.5	2.3	1.7	0.7	0.3	0.4	0.3	0.2	0.2	2.5	2.0	0.3	0.4	1.7	1.8	1.5	2.6	
Comparison Forecasts																					
IMF (Apr. '15)	2.8	3.2							0.8	2.1											
OECD (Jun. '15)	3.4	3.0	3.7	2.8	7.5	6.1			0.4	1.7					5.6	5.3					
Reserve Bank of New Zealand (May. '15)	3.3	3.5	4.4	3.8	8.2	7.6			0.2	1.5	1.9	2.0			5.3	4.8					

Government and Background Data

Prime Minister - Mr. John Key (National Party). **Government** - The National Party won 60 of the 121 seats at the September 2014 election and has formed a coalition with the ACT party, United Future party and Maori party. **Next Election** - 2017 (Parliamentary). **Nominal GDP** - NZ\$221.29bn (2013). **Population** - 4.5mn (mid-year, 2013). **US\$/NZ\$ Exchange Rate** - 0.820 (average, 2013).

Quarterly Consensus Forecasts

Historical Data and Forecasts (bold italics) From Survey of June 8, 2015

	2014		2015				2016			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Gross Domestic Product*	3.2	3.5	3.1	3.2	2.9	2.7	2.8	2.9	2.8	2.8
Consumer Prices*	1.0	0.8	0.1	0.3	0.4	0.7	1.7	1.8	2.0	2.0
Trade Balance (NZ\$bn)	-2.0	-0.9	0.5	0.3	-2.9	-1.8	-0.2	0.2	-3.1	-1.8

*Percentage Change (year-on-year)

Historical Data

* % change on previous year	2011	2012	2013	2014
Gross Domestic Product*	1.8	2.4	2.3	3.3
Private Consumption*	2.1	2.8	2.9	3.2
Gross Fixed Investment*	5.7	7.9	8.6	8.6
Manufacturing Production*	-0.6	0.7	1.1	2.4
Consumer Prices*	4.0	1.1	1.1	1.2
Labour Cost Index*	1.9	1.9	1.7	1.6
Money Supply (M3), end yr*	6.5	6.0	5.8	5.5
Unemployment Rate (%)	6.5	6.9	6.3	5.8
Merch. Exports (fob, NZ\$bn)	48.2	46.5	48.4	50.5
Merch. Imports (fob, NZ\$bn)	45.4	46.4	47.2	49.4
Trade Balance (fob-fob, NZ\$bn)	2.9	0.1	1.2	1.1
Current Account Bal. (NZ\$bn)	-5.9	-8.5	-7.4	-7.8
Govt Operational Bal. (NZ\$bn)**	-18.4	-9.2	-4.4	-2.9
90 day Bank Bills, % (end yr)	2.7	2.7	2.8	3.7
10 Yr Govt Bond, % (end yr)	3.8	3.6	4.7	3.7

**Data are for fiscal years beginning in July and ending in the following June (i.e. 2014 = July 2013 to June 2014, corresponding to FY13/14).

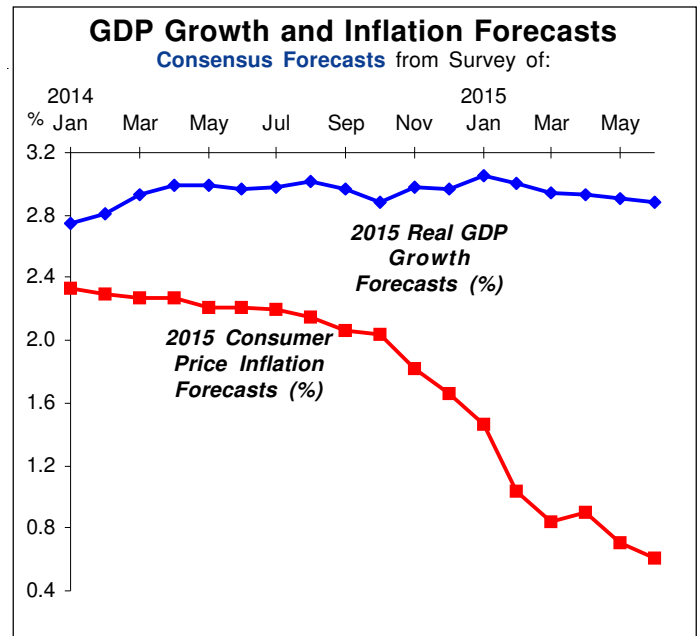
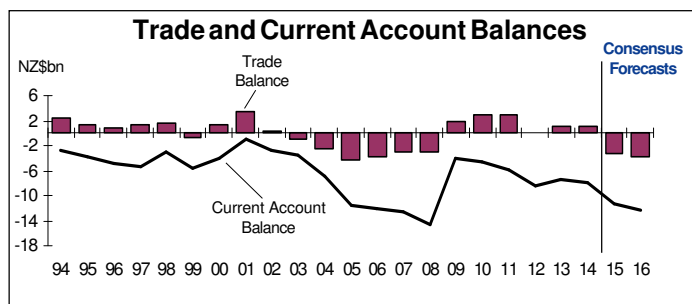
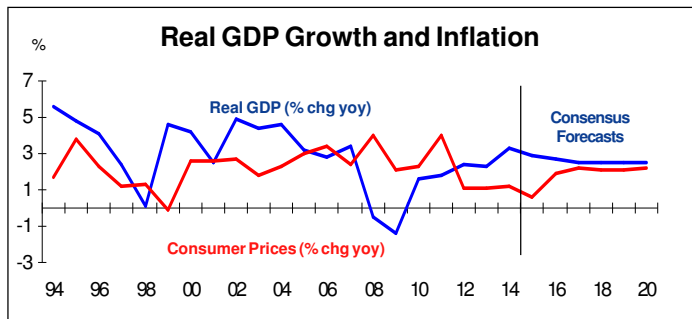
Annual Total				Fiscal Years July - June		Rates on Survey Date			
Trade Balance (fob-fob, NZ\$bn)		Current Account Balance (NZ\$bn)		Government Operational Balance (OBEGAL) (NZ\$bn)		3.5%		3.9%	
2015	2016	2015	2016	FY 14/15	FY 15/16	End Sep '15	End Jun '16	End Sep '15	End Jun '16
-2.2	-0.6	-13.3	-12.8	na	na	na	na	na	na
-7.2	-8.7	-14.8	-16.9	-0.4	-0.4	3.6	3.7	3.5	3.8
-1.8	-4.9	-11.4	-14.7	-0.5	0.0	3.6	3.9	3.5	4.2
-4.4	-7.1	-11.9	-13.8	-0.6	0.2	3.2	3.2	3.4	3.4
-2.2	-1.2	-11.6	-11.8	na	na	3.7	3.7	3.5	3.8
-4.0	-4.1	-11.0	-11.9	0.3	0.8	4.1	4.1	3.5	3.8
na	na	-8.5	-9.0	1.0	2.8	3.5	4.0	na	na
-4.3	-1.4	-12.8	-15.7	0.5	1.2	3.5	3.5	3.7	3.8
-3.5	-6.6	-4.9	-6.4	-0.7	0.2	3.5	3.7	3.6	4.0
-2.2	-1.7	-10.5	-10.4	-0.8	0.3	3.2	3.2	3.9	4.0
-2.0	-3.0	-12.5	-14.0	-0.5	0.1	3.1	3.1	3.9	4.1
-2.0	-4.4	-11.3	-13.2	na	na	na	na	na	na
-2.5	-0.5	-11.5	-10.2	-0.2	0.3	3.7	3.8	3.8	4.0
-3.8	-5.4	-12.1	-14.5	-0.7	0.1	3.3	3.1	3.2	3.4
na	na	-11.0	-11.0	na	na	3.0	2.8	na	na
-3.2	-3.8	-11.3	-12.4	-0.2	0.5	3.5	3.5	3.6	3.8
-2.6	-2.9	-12.4	-13.7	-0.3	0.8				
-2.9	-2.5	-12.7	-13.3	-0.3	0.9				
-1.8	-0.5	-4.9	-6.4	1.0	2.8	4.1	4.1	3.9	4.2
-7.2	-8.7	-14.8	-16.9	-0.8	-0.4	3.0	2.8	3.2	3.4
1.5	2.7	2.2	2.7	0.6	0.9	0.3	0.4	0.2	0.3
		-12.5	-14.5	-0.5	0.9	3.7	3.7		

Run of Trade Surpluses Continues

Latest figures for April show that New Zealand recorded a larger than expected monthly trade surplus of NZ\$123mn, which represented its fourth consecutive month in the black following a string of deficits towards the end of last year. However, the April figure was much lower than the NZ\$754mn surplus posted for March, with exports declining by a seasonally adjusted 2.0% (m-o-m) due to an 8.1% fall in milk powder, butter and cheese exports, while imports fell by a seasonally adjusted 0.3%. Looking ahead, Prime Minister John Key is looking to improve trade ties with India by establishing a free trade agreement between the two countries, a move which could provide fresh export demand for the nation, and reduce New Zealand's reliance on trade with China and Australia. Despite the recent run of monthly trade surpluses, our panel is presently forecasting trade deficits of NZ\$-3.2bn and NZ\$-3.8bn for 2015 and 2016 respectively.

The recent ability of the New Zealand economy to outperform its OECD neighbour meant that net migration occurred from Australia to New Zealand in April for the first time since the early 1990s. Monthly figures showed a net gain of one hundred persons from Australia, an increase which contributed to an overall net migration total of around +57,000 for New Zealand, which represented over 1% of the country's population. However, the huge number of arrivals from abroad is putting pressure on the housing market, with property prices rising at an alarming rate. The impact is being felt most in the nation's most populous city Auckland, where house prices rose by 17% (y-o-y) in the year to May. Latest figures show that apartment consents hit a seven-year high in April, and large-scale building projects will be necessary going forward if supply is to rise in line with demand.

Direction of Trade – 2014			
Major Export Markets (% of Total)		Major Import Suppliers (% of Total)	
China	20.0	China	17.0
Australia	17.5	Australia	12.3
United States	9.3	United States	11.7
Japan	5.9	Japan	6.7



	Average % Change on Previous Calendar Year										End Year, % change		Annual Total	
	Gross Domestic Product		Personal Consumption Expenditure		Gross Domestic Fixed Capital Formation		Manufacturing Production Volume		Consumer Prices		Money Supply (M3)		Merchandise Exports (fob, US\$bn)	
Economic Forecasters	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
Citigroup	6.7	6.5	5.7	5.8	na	na	na	na	2.1	3.1	na	na	49.0	50.9
Econ Intelligence Unit	6.6	6.4	6.3	5.5	8.1	7.5	7.7	6.4	2.8	3.7	na	na	49.4	51.3
Moody's Analytics	6.6	5.3	5.1	4.5	6.2	6.1	7.1	6.8	2.1	3.6	10.5	11.5	69.5	79.3
Barclays	6.5	6.0	5.6	6.0	7.7	6.8	na	na	2.3	3.5	na	na	na	na
Deutsche Bank	6.5	6.5	6.0	5.4	6.3	7.4	9.1	6.4	2.7	3.7	11.8	11.0	45.6	49.0
Dun & Bradstreet	6.5	5.8	5.9	5.4	10.0	8.0	na	na	2.6	3.0	na	na	56.0	62.0
Credit Suisse	6.4	6.4	5.7	5.4	6.3	7.0	6.4	7.5	2.2	3.7	10.5	11.0	na	na
ANZ Bank	6.1	6.3	5.0	5.4	6.3	4.7	12.8	9.8	3.0	3.5	9.0	9.8	69.5	79.3
BofA - Merrill Lynch	6.1	6.1	na	na	na	na	na	na	2.4	3.3	na	na	58.1	61.0
ING	6.1	6.8	5.2	6.0	11.2	13.0	7.4	9.0	2.0	3.0	10.0	10.0	55.7	60.8
Nomura	6.1	7.0	5.8	6.3	12.2	16.0	na	na	2.5	3.2	na	na	52.6	55.2
HSBC Economics	6.0	6.1	5.4	5.5	4.7	5.9	8.0	8.0	2.6	3.6	7.0	7.0	52.7	56.9
UBS	6.0	5.8	5.5	5.4	5.5	5.9	na	na	2.6	4.2	na	na	na	na
FERI	5.9	5.5	5.0	4.9	8.3	6.3	8.1	3.7	2.4	3.5	na	na	54.0	59.1
Oxford Economics	5.8	6.5	5.6	5.8	7.6	7.9	7.9	8.5	2.7	3.9	10.6	10.4	66.6	71.2
Goldman Sachs Asia	5.8	6.5	5.4	5.6	4.0	5.3	na	na	2.5	2.9	12.4	17.5	73.0	76.2
IHS Economics	5.3	5.3	5.3	5.2	8.2	6.3	6.5	6.7	1.9	3.9	15.0	15.8	na	na
JP Morgan Chase	5.2	na	na	na	8.0	na	na	na	1.5	na	10.0	na	65.2	na
Consensus (Mean)	6.1	6.2	5.5	5.5	7.5	7.6	8.1	7.3	2.4	3.5	10.7	11.5	58.4	62.5
Last Month's Mean	6.4	6.2	5.6	5.5	8.1	7.3	8.2	7.3	2.6	3.5	10.5	11.6	60.1	64.6
3 Months Ago	6.4	6.2	5.7	5.6	7.9	7.2	8.5	7.6	2.7	3.5	10.5	11.5	60.1	64.4
High	6.7	7.0	6.3	6.3	12.2	16.0	12.8	9.8	3.0	4.2	15.0	17.5	73.0	79.3
Low	5.2	5.3	5.0	4.5	4.0	4.7	6.4	3.7	1.5	2.9	7.0	7.0	45.6	49.0
Standard Deviation	0.4	0.5	0.4	0.4	2.2	3.0	1.8	1.7	0.4	0.4	2.1	3.2	8.8	10.7
Comparison Forecasts														
Asian Development Bank (Mar. '15)	6.4	6.3							2.8	3.3				
IMF (Apr. '15)	6.7	6.3							2.1	2.8				

Government and Background Data

President - Mr Benigno Aquino III (Liberal Party of the Philippines). **Government** - Benigno Aquino III was elected as president with over 40% of the votes. His Liberal Party has 75 members in the House of Representatives, of whom 22 defected from the Lakas-Kampi-CMD coalition. **Next Election** - 2016 Presidential, legislative and local elections. **Nominal GDP** - Peso 11548.2bn (2013). **Population** - 98.4mn (mid-2013). **Peso/US\$ Exchange Rate** - 42.44 (average, 2013).

Quarterly Consensus Forecasts

Historical Data and Forecasts (bold italics) From Survey of June 8, 2015

	2014		2015				2016			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Gross Domestic Product*	5.5	6.6	5.2	6.1	6.8	6.1	6.2	6.1	5.8	5.5
Consumer Prices*	4.7	3.6	2.4	2.1	2.0	2.5	3.4	3.7	3.7	3.7
Manufacturing Production*	6.0	7.9	6.8	6.9	7.3	7.0	7.4	7.4	7.3	7.4

*Percentage Change (year-on-year)

Historical Data

* % change on previous year	2011	2012	2013	2014
Gross Domestic Product*	3.7	6.7	7.1	6.1
Personal Consumption Exp*	5.6	6.6	5.6	5.4
Gross Domestic Fixed Capital Formation*	-1.9	10.8	12.2	6.8
Manufacturing Production*	1.1	7.7	14.0	7.4
Consumer Prices*	4.6	3.2	3.0	4.1
Money Supply (M3), end yr*	7.1	9.4	31.8	11.2
Merch. Exports (fob, US\$bn)	38.3	46.4	44.5	47.8
Merch. Imports (fob, US\$bn)	58.7	65.3	62.2	63.6
Trade Balance (fob-fob, US\$bn)	-20.4	-18.9	-17.7	-15.9
Current Account Bal. (US\$bn)	5.6	6.9	11.4	12.7
91-Day T-bill Rate, % (end yr)	1.6	0.2	0.0	1.4
10 Yr Govt Bond, % (end yr)	5.4	4.4	3.8	4.4

Annual Total						Rate on Survey Date			
						2.1%		4.3%	
Merchandise Imports (fob, US\$bn)	Trade Balance (fob-fob, US\$bn)		Current Account Balance (US\$ bn)		91-Day Treasury Bill Rate (%)		10 Year Government Bond Yield (%)		
	2015	2016	2015	2016	2015	2016	End Sep '15	End Jun '16	
63.6	66.5	-14.7	-15.6	13.1	12.7	na	na	na	na
62.3	66.5	-13.0	-15.2	13.8	13.4	na	na	na	na
70.8	79.5	-1.3	-0.2	na	na	na	na	na	na
na	na	na	na	18.2	16.1	na	na	na	na
65.7	71.0	-20.2	-22.1	11.0	12.3	2.3	na	4.0	na
70.0	77.0	-14.0	-15.0	13.0	12.0	na	na	na	na
na	na	na	na	18.9	17.9	na	na	na	na
70.8	79.5	-1.3	-0.2	9.3	10.9	na	na	na	na
66.1	69.4	-8.0	-8.4	8.0	8.0	na	na	na	na
76.5	82.7	-20.8	-21.9	9.4	10.4	2.4	2.9	na	na
65.0	69.8	-12.4	-14.6	12.3	11.4	na	na	na	na
70.2	75.4	-17.5	-18.5	12.2	12.0	1.8	1.8	3.7	4.0
na	na	na	na	17.1	16.2	na	na	na	na
68.9	75.1	-14.9	-16.0	9.0	8.6	na	na	na	na
78.0	83.8	-11.4	-12.6	13.5	14.1	2.7	3.9	4.6	5.6
89.2	96.3	-16.2	-20.1	12.6	13.3	na	na	na	na
na	na	na	na	17.2	14.4	na	na	na	na
77.7	na	-12.5	na	15.6	na	na	na	na	na
71.1	76.3	-12.7	-13.9	13.2	12.7	2.3	2.9	4.1	4.8
71.1	76.4	-11.1	-11.9	12.9	12.5				
71.3	77.0	-11.2	-12.6	13.2	12.3				
89.2	96.3	-1.3	-0.2	18.9	17.9	2.7	3.9	4.6	5.6
62.3	66.5	-20.8	-22.1	8.0	8.0	1.8	1.8	3.7	4.0
7.2	8.3	5.9	7.1	3.3	2.7	0.4	1.1	0.4	1.1

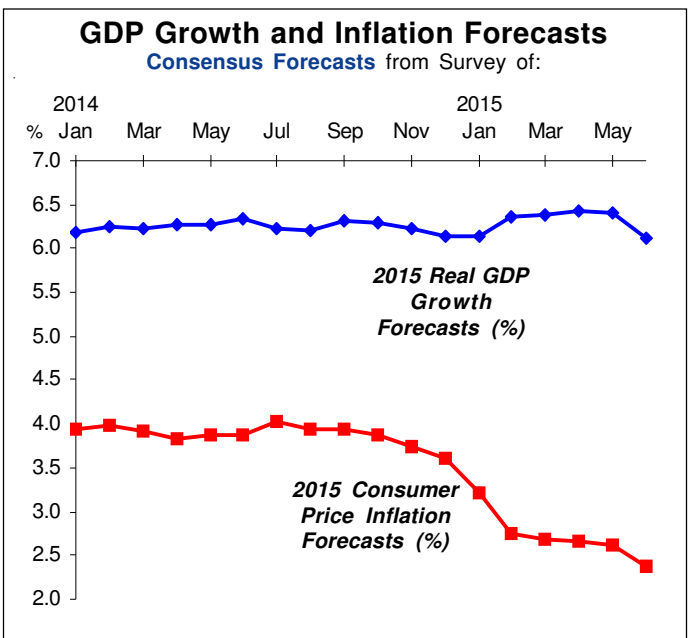
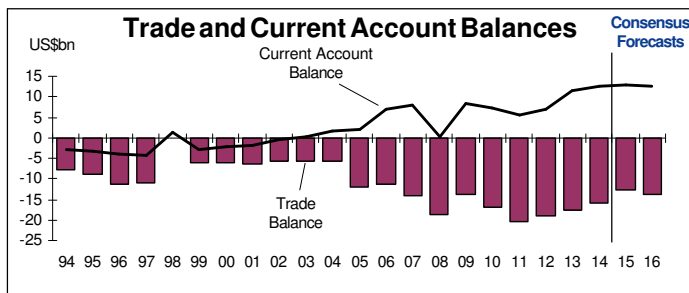
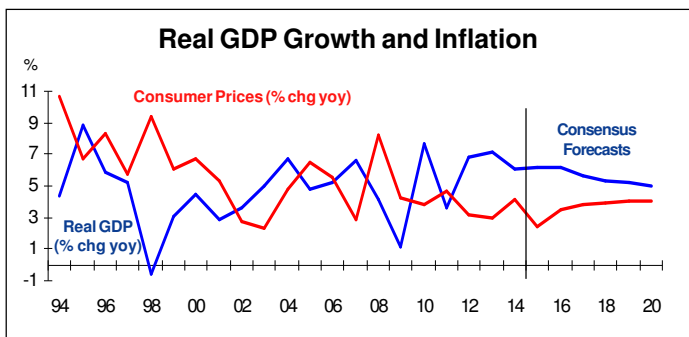
Economic Slowdown at the Start of 2015

After finishing 2014 on a fairly strong footing, whereby real GDP growth rebounded by 6.9% (y-o-y) in Q4, the Philippine economy looks to have hit the skids again at the start of this year. This is demonstrated by the fact that growth slowed to a 3-year low in the three months to March after registering a 5.2% (y-o-y) expansion. The subdued performance compares with somewhat firmer growth of 5.6% in the same period a year earlier. And in seasonally adjusted q-o-q terms, Q1 economic activity decelerated to 0.3%, down from 2.5% three months earlier. The growth slowdown stemmed from lower government spending and weaker export growth. In Q1, the former rose by just 4.8% (y-o-y), growing at half the pace of the previous quarter, while the latter decelerated to just 1.0%, the slowest rate in seven quarters. However, there was one piece of good news in the latest GDP report and that was the 10.1% (y-o-y) gain witnessed in gross fixed capital formation. Despite the disappointing GDP reading, many analysts believe that the growth slowdown at the start of this year is just a temporary soft patch. Given that the economy is in better shape than many of its South East Asian peers, faster growth later in the year looks likely, especially as public spending picks up and exports recover. Still, the government's target of 7.0-8.0% growth for this year now looks decidedly ambitious and consensus growth forecasts have been scaled back further to 6.1% this month.

In spite of weaker growth, interest rates are not expected to come down over the course of this year. While inflation has been slowing in recent months, El Nino, a weather phenomenon, threatens the inflation outlook, especially for food prices. This, along with higher US rates later in the year, could prompt rates to head upwards in the coming months.

Direction of Trade – 2014

Major Export Markets (% of Total)		Major Import Suppliers (% of Total)	
Japan	22.5	China	15.0
United States	14.1	United States	8.7
China	13.0	Japan	8.0
Singapore	7.2	Singapore	7.0



	Average % Change on Previous Calendar Year										End Year, % change		Annual Total					
	Gross Domestic Product		Private Consumption		Gross Fixed Investment		Manufacturing Production		Consumer Prices		Money Supply (M2)		Non-Oil Domestic Exports (fob, US\$bn)		Merchandise Exports (fob, US\$bn)		Merchandise Imports (fob, US\$bn)	
Economic Forecasters	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
Barclays	3.4	3.0	2.5	2.5	2.5	3.8	na	na	0.1	1.5	na	na	na	na	na	na	na	na
DBS Bank	3.2	3.5	2.2	2.6	0.3	2.4	1.2	4.3	0.4	1.3	4.2	5.0	133.2	134.8	441.2	450.2	368.3	379.0
Credit Suisse	3.2	4.7	1.3	0.9	4.0	4.0	2.8	5.2	-0.3	0.9	3.0	3.5	na	na	na	na	na	na
Econ Intelligence Unit	3.1	3.2	3.3	3.1	3.9	4.5	2.0	3.3	0.3	1.8	6.5	7.1	na	na	411.7	433.6	332.4	352.5
ING	2.9	3.1	2.8	2.5	2.0	2.4	1.0	2.0	0.0	0.5	3.5	3.5	127.1	130.9	414.2	426.8	336.1	347.3
Oxford Economics	2.9	3.6	3.5	4.2	4.7	5.1	0.2	4.2	-0.5	1.4	5.9	4.0	na	na	377.5	405.4	293.4	320.9
Goldman Sachs Asia	2.9	3.5	3.0	3.2	-5.2	4.2	na	na	0.2	2.0	5.0	5.7	na	na	na	na	na	na
ANZ Bank	2.8	2.9	2.9	2.4	4.3	3.0	0.2	2.2	-0.3	1.3	4.0	4.0	123.4	124.3	377.9	385.9	308.6	318.2
JP Morgan Chase	2.7	na	na	na	-3.2	na	1.4	na	0.1	na	8.0	na	na	na	471.6	na	409.1	na
Nomura	2.7	na	2.2	na	2.7	na	na	na	0.2	na	na	na	na	na	378.0	379.5	306.3	324.6
HSBC Economics	2.6	3.6	2.0	1.3	3.5	4.1	0.9	4.7	-0.2	1.0	11.8	12.1	na	na	409.2	419.4	342.0	349.1
BofA - Merrill Lynch	2.5	2.8	2.5	2.5	-1.0	2.0	na	na	0.1	1.6	3.1	4.5	na	na	417.6	417.0	345.6	343.5
OCBC Bank	2.5	3.1	3.4	3.0	5.9	3.8	0.5	2.3	0.0	1.7	na	na	na	na	na	na	na	na
UBS	2.5	2.5	1.3	1.8	2.6	2.4	0.0	3.2	-0.1	1.1	na	na	136.7	142.2	na	na	na	na
FERI	2.4	3.6	2.7	2.9	3.2	3.9	0.3	2.1	-0.1	1.7	2.8	6.4	na	na	392.5	408.8	301.0	315.6
Citigroup	2.3	2.7	1.0	-0.1	na	na	na	na	-0.4	0.9	na	na	na	na	445.0	453.0	380.0	385.0
Consensus (Mean)	2.8	3.3	2.4	2.3	2.0	3.5	1.0	3.4	0.0	1.3	5.3	5.6	130.1	133.0	412.4	417.9	338.4	343.6
Last Month's Mean	2.9	3.3	2.4	2.5	2.2	3.5	1.4	3.7	0.1	1.5	5.2	5.5	129.8	132.5	419.6	427.1	346.3	353.8
3 Months Ago	3.1	3.4	2.2	2.6	2.5	3.5	2.5	3.9	0.3	1.5	5.2	5.5	131.7	135.2	424.5	436.1	351.6	362.8
High	3.4	4.7	3.5	4.2	5.9	5.1	2.8	5.2	0.4	2.0	11.8	12.1	136.7	142.2	471.6	453.0	409.1	385.0
Low	2.3	2.5	1.0	-0.1	-5.2	2.0	0.0	2.0	-0.5	0.5	2.8	3.5	123.4	124.3	377.5	379.5	293.4	315.6
Standard Deviation	0.3	0.5	0.8	1.1	3.1	1.0	0.9	1.2	0.2	0.4	2.7	2.6	6.0	7.5	30.7	24.4	36.2	24.5
Comparison Forecasts																		
Asian Development Bank (Mar. '15)	3.0	3.4							0.2	1.5								
IMF (Apr. '15)	3.0	3.0							0.0	1.7								

Government and Background Data

Prime Minister - Mr. Lee Hsien Loong. **President** - Dr. Tony Tan. **Government** - The People's Action Party won 60.1% of the votes and 81 of the 87 seats in the parliamentary elections on May 7, 2011. **Next Elections** - 2016 (Parliamentary), 2017 (Presidential). **Nominal GDP** - S\$372.8bn (2013). **Population** - 5.4mn (mid-year, 2013). **S\$/US\$ Exchange Rate** - 1.251 (average, 2013).

Quarterly Consensus Forecasts

Historical Data and Forecasts (bold italics) From Survey of June 8, 2015

	2014		2015				2016			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Gross Domestic Product*	2.8	2.1	2.6	2.9	2.9	2.9	3.1	3.4	3.5	3.4
Consumer Prices*	1.0	0.0	-0.3	-0.4	0.0	0.3	0.8	1.1	1.3	1.4
Manufacturing Production*	1.7	-1.1	-2.7	0.3	3.1	4.4	6.1	4.2	2.5	3.1

*Percentage Change (year-on-year)

Historical Data

* % change on previous year	2011	2012	2013	2014
Gross Domestic Product*	6.2	3.4	4.4	2.9
Private Consumption*	4.0	3.4	3.6	2.5
Gross Fixed Investment*	5.2	8.6	1.1	-1.9
Manufacturing Production*	7.8	0.3	1.7	2.7
Consumer Prices*	5.2	4.6	2.4	1.0
Money Supply (M2), end yr*	10.0	7.2	4.3	3.3
Non-Oil Domestic Exports, fob (US\$bn)	141.0	142.7	134.1	131.4
Merch. Exports (fob, US\$bn)	435.7	439.4	441.7	437.3
Merch. Imports (fob, US\$bn)	364.1	371.9	367.2	361.0
Trade Balance (fob-fob, US\$bn)	71.5	67.5	74.5	76.4
Current Account Bal. (US\$bn)	60.6	49.8	54.1	58.8
3 mth S\$ Interbank, % (end yr)	0.4	0.4	0.4	0.5
10 Yr Govt Bond, % (end yr)	1.6	1.3	2.6	2.3

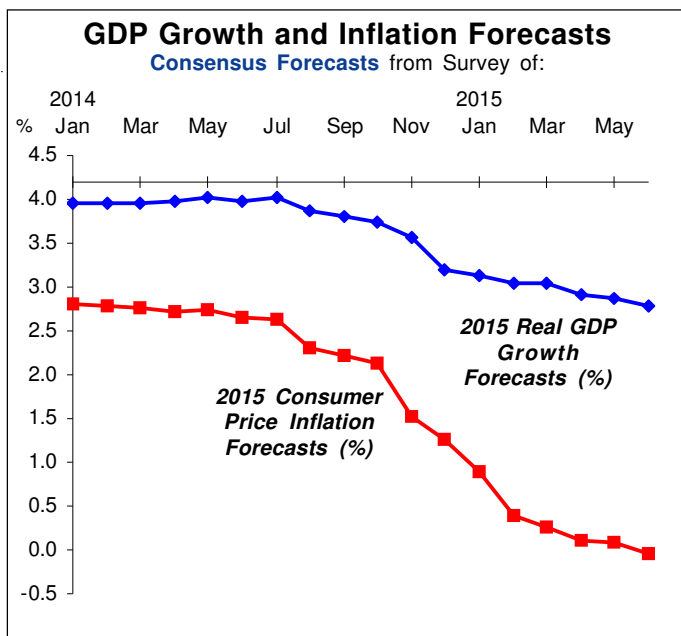
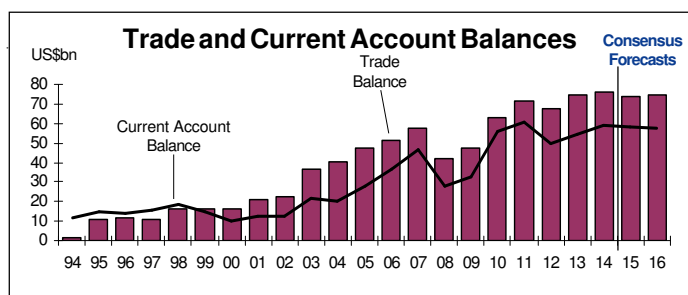
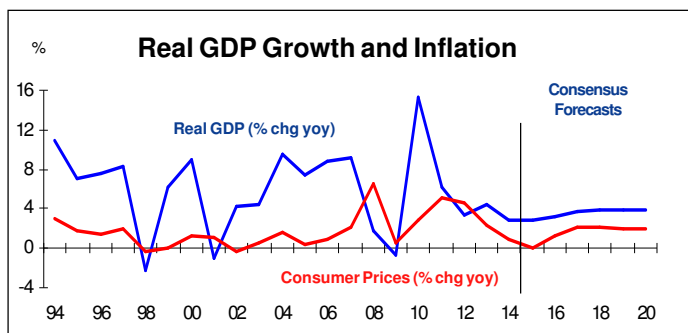
Annual Total				Rates on Survey Date			
				0.8%		2.8%	
Trade Balance (fob-fob, US\$bn)	Current Account Balance (US\$bn)			3-month S\$ Interbank Rate (%)		10 Year Government Bond Yield (%)	
2015	2016	2015	2016	End Sep '15	End Jun '16	End Sep '15	End Jun '16
na	na	60.1	55.7	na	na	na	na
72.9	71.2	52.2	51.8	na	na	na	na
na	na	59.9	56.4	0.8	1.5	na	na
79.4	81.0	61.0	62.3	na	na	na	na
78.0	79.5	66.8	65.3	na	na	na	na
84.1	84.5	58.5	56.8	0.4	1.0	2.4	3.0
na	na	64.0	55.0	1.1	1.5	na	na
69.3	67.7	57.1	55.6	na	na	na	na
62.5	na	43.0	na	na	na	na	na
71.7	54.9	57.9	42.5	1.2	na	na	na
67.2	70.3	46.2	50.4	1.6	1.9	2.9	3.0
72.0	73.5	58.4	60.0	na	na	na	na
na	na	na	na	1.0	na	na	na
na	na	67.0	68.0	na	na	na	na
91.5	93.1	73.9	76.9	na	na	na	na
65.0	68.0	52.4	50.9	1.3	1.5	3.0	2.9
74.0	74.4	58.6	57.7	1.0	1.5	2.8	3.0
73.3	73.3	55.9	55.2				
72.9	73.3	58.1	58.6				
91.5	93.1	73.9	76.9	1.6	1.9	3.0	3.0
62.5	54.9	43.0	42.5	0.4	1.0	2.4	2.9
8.6	10.6	8.0	8.5	0.4	0.3	0.3	0.1

Q1 Growth Stronger Than Initially Thought

As has often been the case for Singapore in recent quarters, final GDP data revealed a much stronger performance in Q1 than was initially suggested by preliminary estimates. The final outturn of 2.6% (y-o-y) was a marked improvement on the 2.1% reported in the advance report. A breakdown showed that in spite of a contraction in manufacturing of -2.7% (y-o-y), the economy benefited from robust growth in the construction industry of 3.1% and a pick up in the wholesale and retail trade sector, which rebounded from 0.6% in Q4 to 4.1%. Following the final GDP release, the Ministry of Trade and Industry (MTI) chose to maintain its 2015 growth forecast of 2-4%, a range which is identical to that of the Monetary Authority of Singapore's (MAS) projection. In its statement, the MTI explained that it expects strong domestic demand will aid ASEAN economies, but warned of certain external risks which may arise as a result of uncertainty surrounding the Chinese real estate market and tighter monetary policy in the US. Despite these concerns, the external sector continues to perform better than anticipated, with April data showing a 2.2% (y-o-y) rise in non-oil domestic exports, thanks to a 4.7% increase in non-electronics shipments.

Singapore has been experiencing a period of prolonged deflation, and April data again displayed a negative headline reading of -0.5% (y-o-y), along with a -0.6% (m-o-m) fall in prices. Of more concern perhaps is the deceleration in the core measure of inflation, which showed a price increase of just 0.4% (y-o-y), its lowest level in five years. Both MAS and MTI believe that inflation should rise towards the end of the year as global oil prices pick up, but our panel is expecting the CPI to remain flat this year.

Direction of Trade – 2014			
Major Export Markets (% of Total)		Major Import Suppliers (% of Total)	
China	12.6	China	12.1
Malaysia	12.2	Malaysia	10.7
Hong Kong	11.0	United States	10.3
Indonesia	9.4	South Korea	5.9



	Average % Change on Previous Calendar Year						End Year, % change		Year Average		Annual Total									
	Gross Domestic Product		Household Consumption		Gross Fixed Investment		Industrial Production		Consumer Prices		Average Monthly Earnings		Money Supply (M2)		Unemployment Rate (%)		Merchandise Exports (fob, US\$bn)		Merchandise Imports (fob, US\$bn)	
Economic Forecasters	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
Capital Economics	3.7	4.0	3.0	3.0	3.5	3.0	na	na	1.0	2.0	na	na	na	na	3.5	3.5	na	na	na	na
Barclays	3.5	4.5	2.6	3.2	4.2	5.3	2.0	4.2	0.9	2.2	na	na	na	na	3.4	3.5	na	na	na	na
Econ Intelligence Unit	3.1	3.5	2.4	2.7	3.6	4.0	2.0	2.8	1.2	2.4	na	na	7.0	7.5	4.1	3.8	538.2	554.7	458.8	483.7
JP Morgan Chase	3.0	na	na	na	4.2	na	3.0	na	1.0	na	na	na	6.0	na	3.4	na	628.2	na	515.8	na
Citigroup	3.0	3.3	2.2	2.8	na	na	1.0	1.9	1.0	2.2	na	na	na	na	3.5	3.4	na	na	na	na
BofA - Merrill Lynch	3.0	3.5	2.2	2.4	4.6	4.2	na	na	na	na	na	na	na	na	3.2	3.2	698.9	786.7	594.5	688.0
ING	3.0	3.0	1.9	2.0	3.0	4.5	2.3	2.8	0.5	1.0	na	na	7.5	7.5	3.5	3.5	633.9	649.7	554.4	576.6
Samsung Securities	3.0	3.2	2.0	2.3	3.7	4.1	-0.3	0.4	0.9	1.8	2.5	3.5	9.0	9.5	3.5	3.4	586.3	617.6	448.1	474.1
Credit Suisse	3.0	3.6	3.2	3.2	2.9	3.0	na	na	0.3	1.4	na	na	8.8	9.8	na	na	627.4	636.7	511.1	517.1
Oxford Economics	2.8	3.4	2.7	3.4	4.9	4.9	0.5	4.4	0.9	1.9	na	na	9.0	7.9	3.6	3.6	574.0	646.7	458.3	528.6
HSBC Economics	2.8	2.8	1.9	2.2	2.6	2.7	-0.9	-0.8	0.8	2.1	1.7	1.7	6.6	7.3	3.7	3.4	562.6	566.9	430.4	420.3
Goldman Sachs Asia	2.8	3.8	2.6	3.4	4.4	5.3	1.9	2.4	0.8	2.1	na	na	na	na	na	na	na	na	na	na
UBS	2.7	2.9	2.0	1.7	3.1	2.5	na	na	0.6	1.0	na	na	na	na	3.5	3.5	na	na	na	na
Nomura	2.5	3.0	na	na	na	na	na	na	0.8	1.8	na	na	na	na	3.4	3.5	596.7	614.6	479.1	504.5
FERI	2.4	3.3	2.1	3.4	3.4	3.7	2.0	2.2	0.8	2.0	3.2	3.5	5.9	4.8	3.6	3.7	532.8	462.4	417.4	380.0
Consensus (Mean)	3.0	3.4	2.4	2.8	3.7	3.9	1.4	2.3	0.8	1.8	2.5	2.9	7.5	7.8	3.5	3.5	597.9	615.1	486.8	508.1
Last Month's Mean	3.1	3.5	2.4	2.8	3.5	3.9	1.7	2.7	0.9	1.9	2.5	2.9	7.1	7.3	3.5	3.5	619.8	662.8	512.2	556.5
3 Months Ago	3.4	3.6	2.5	2.8	3.8	4.4	1.8	3.1	1.1	2.0	2.6	3.0	6.5	7.1	3.4	3.4	640.7	689.8	537.4	587.2
High	3.7	4.5	3.2	3.4	4.9	5.3	3.0	4.4	1.2	2.4	3.2	3.5	9.0	9.8	4.1	3.8	698.9	786.7	594.5	688.0
Low	2.4	2.8	1.9	1.7	2.6	2.5	-0.9	-0.8	0.3	1.0	1.7	1.7	5.9	4.8	3.2	3.2	532.8	462.4	417.4	380.0
Standard Deviation	0.3	0.5	0.4	0.6	0.7	1.0	1.2	1.7	0.2	0.4	0.8	1.0	1.3	1.7	0.2	0.2	50.6	87.6	56.5	89.1
Comparison Forecasts																				
Asian Development Bank (Mar. '15)	3.5	3.7							1.3	2.1										
IMF (Apr. '15)	3.3	3.5							1.5	2.5										
OECD (Jun. '15)	3.0	3.6	2.3	2.8	4.0	4.4			0.8	1.8					3.6	3.5				

Government and Background Data

President - Ms. Park Geun-Hye (Saenuri or New Frontier Party).
Government - The New Frontier Party (Formerly the Grand National Party) holds 152 of the 299 seats in the National Assembly. The main opposition United Democratic Party holds 127 seats. **Next Election** - 2017 (Presidential). 2016 (National Assembly). **Nominal GDP** - Won 1,428.3tn (2013). **Population** - 49.3mn (mid-2013). **Won/US\$ Exchange Rate** - 1094.3 (average, 2013).

Quarterly Consensus Forecasts

Historical Data and Forecasts (bold italics) From Survey of June 8, 2015

	2014		2015				2016			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Gross Domestic Product*	3.3	2.7	2.5	2.7	2.8	3.4	3.1	3.1	3.0	3.0
Consumer Prices*	1.4	1.0	0.6	0.5	0.8	1.3	1.4	1.6	1.6	1.7
Trade Balance (US\$bn)	21.7	26.8	25.2	36.3	32.6	32.5	25.4	30.0	28.1	29.5

*Percentage Change (year-on-year)

Historical Data

* % change on previous year	2011	2012	2013	2014
Gross Domestic Product*	3.7	2.3	2.9	3.3
Household Consumption*	2.7	1.2	1.4	1.6
Gross Fixed Investment*	0.8	-0.5	3.3	3.1
Industrial Production*	5.9	1.1	0.4	1.1
Consumer Prices*	4.0	2.2	1.3	1.3
Average Monthly Earnings*	1.0	5.3	3.9	2.5
Money Supply (M2), end yr*	5.5	4.8	4.6	8.1
Unemployment Rate, %	3.4	3.2	3.1	3.5
Merch. Exports (fob, US\$bn)	587.1	603.5	618.2	621.3
Merch. Imports (fob, US\$bn)	558.0	554.1	535.4	528.6
Trade Balance (fob-fob, US\$bn)	29.1	49.4	82.8	92.7
Current Account Bal. (US\$bn)	18.7	50.8	81.1	89.2
91-day CD (%), end yr	3.6	2.9	2.7	2.1
10 Yr Govt Trsly Bond (%), end yr	3.8	3.2	3.6	2.6

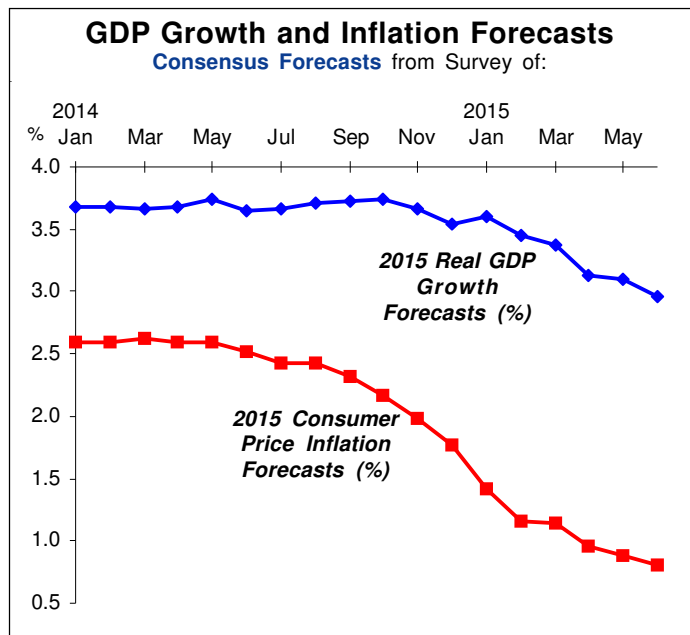
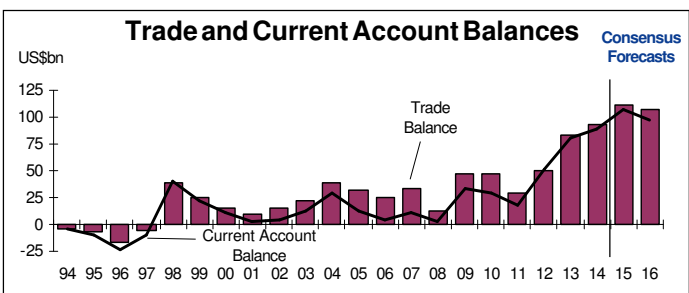
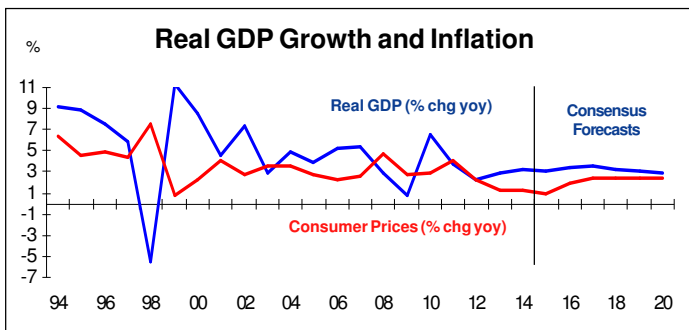
Annual Total				Rates on Survey Date			
				1.8%		2.4%	
Trade Balance (fob-fob, US\$bn)		Current Account Balance (US\$ bn)		91-day Certificate of Deposit (%)		10 Year Government Bond Yield (%)	
2015	2016	2015	2016	End Sep '15	End Jun '16	End Sep '15	End Jun '16
na	na	105.0	na	na	na	na	na
na	na	95.0	84.0	na	na	na	na
79.5	71.0	79.1	66.8	na	na	na	na
112.4	na	100.0	na	na	na	na	na
na	na	100.3	98.2	1.7	1.7	na	na
104.4	98.7	114.8	108.6	na	na	na	na
79.5	73.2	94.9	92.3	1.7	1.7	2.2	2.2
138.2	143.5	135.2	131.5	1.8	1.8	2.6	2.9
116.3	119.6	105.2	101.6	na	na	na	na
115.7	118.1	101.8	90.2	1.8	2.3	2.6	3.1
132.2	146.6	116.5	121.6	1.7	1.7	2.4	2.7
na	na	97.7	87.9	na	na	na	na
na	na	130.0	100.1	na	na	na	na
117.6	110.1	120.0	110.0	na	na	na	na
115.4	82.4	108.1	73.2	na	na	2.9	3.6
111.1	107.0	106.9	97.4	1.7	1.8	2.5	2.9
107.6	106.3	104.6	97.4				
103.3	102.6	101.5	94.9				
138.2	146.6	135.2	131.5	1.8	2.3	2.9	3.6
79.5	71.0	79.1	66.8	1.7	1.7	2.2	2.2
19.2	28.1	14.5	18.1	0.1	0.3	0.3	0.5
		98.2	97.9				

Latest Indicators Highlight Weak Activity

The latest raft of leading economic indicators shows that the South Korean economy is still plagued by weakness and this is continuing to add pressure on policymakers to take action to prop up growth. The Bank of Korea last lowered borrowing costs in March and on June 11 trimmed rates to a new low of 1.5% in the face of prolonged economic softness. Latest data on the trade front lend support to the gloomy assessment of the South Korean economy after exports fell by 10.9% (y-o-y) to US\$42.4bn in May. This was the worst annual fall in almost six years and represented the fifth straight month that exports have fallen. The sharp drop in overseas shipments reflected fewer working days last month, as well as weak growth in China and lower prices for petrochemical products. However, imports declined too (-15.3% y-o-y), suggesting weak domestic demand, and this took the trade surplus to US\$6.3bn in May.

On the domestic front, meanwhile, readings from the latest spate of indicators were largely downbeat as industrial production fell in both y-o-y and m-o-m terms in April. Furthermore, the outlook for the sector does not appear promising given that the manufacturing PMI remained in contractionary territory for the third straight month in May, signalling a further deterioration in operating conditions. It is no surprise that business confidence also fell in May, especially as exporters are struggling with a strong won. However, one bright spot in the economy is the moderate recovery seen in retail sales in April, although this was boosted by favourable base effects. Given the weak nature of the overall economy, consensus growth expectations for this year have now edged lower this month to 3.0%.

Direction of Trade – 2014			
Major Export Markets (% of Total)		Major Import Suppliers (% of Total)	
China	25.4	China	17.1
United States	12.3	Japan	10.2
Japan	5.6	United States	8.7
Hong Kong	4.8	Saudi Arabia	7.0



	Average % Change on Previous Calendar Year										End Year, % change		Year Average		Annual Total			
	Gross Domestic Product		Private Consumption		Gross Fixed Investment		Manufacturing Production		Consumer Prices		Money Supply (M2)		Unemployment Rate (%)		Merchandise Exports (fob, US\$bn)		Merchandise Imports (fob, US\$bn)	
Economic Forecasters	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
Barclays	4.0	4.3	3.9	3.4	5.1	5.6	na	na	0.3	2.1	na	na	na	na	na	na	na	na
Econ Intelligence Unit	3.9	3.1	3.4	2.4	2.0	1.8	4.4	3.5	0.1	1.3	6.3	5.0	3.8	3.7	313.5	329.8	261.5	282.9
Goldman Sachs Asia	3.8	3.7	3.4	2.6	6.0	5.4	2.8	2.8	1.0	1.3	5.5	6.0	na	na	327.0	355.4	280.0	314.4
Citigroup	3.8	4.0	3.2	3.4	na	na	na	na	-0.4	2.4	na	na	3.7	3.6	321.8	343.4	273.3	294.2
Taiwan Inst of Econ Rsrch	3.7	na	3.0	na	3.5	na	6.6	na	0.1	na	5.1	na	3.7	na	319.3	na	265.9	na
Societe Generale	3.6	3.6	2.9	2.9	0.3	2.3	na	na	-0.3	1.7	6.3	5.3	3.7	3.9	na	na	na	na
IHS Economics	3.5	3.6	2.8	3.0	2.3	3.4	4.2	4.9	-0.3	1.0	5.9	5.9	3.7	3.6	307.6	316.9	248.4	272.9
Credit Suisse	3.5	3.7	2.3	2.7	2.8	3.6	na	na	0.2	1.1	6.5	6.8	na	na	348.2	376.1	308.0	335.0
BofA - Merrill Lynch	3.5	3.7	2.6	3.0	-1.3	1.9	na	na	0.3	1.2	4.6	5.2	4.1	4.2	304.9	315.4	245.4	257.0
HSBC	3.5	3.3	3.5	3.5	1.9	4.2	2.1	6.4	-0.2	1.5	5.5	5.5	3.7	3.5	333.2	357.8	298.8	337.0
Nomura	3.5	3.8	2.4	3.0	2.4	3.0	na	na	-0.3	2.0	na	na	4.0	4.0	324.3	334.4	267.8	282.3
UBS	3.3	2.7	3.0	2.5	0.7	1.5	na	na	-0.3	1.2	na	na	3.8	3.6	na	na	na	na
JP Morgan Chase	3.2	na	na	na	2.1	na	3.3	na	0.0	na	4.8	na	3.9	na	322.8	na	266.6	na
ING	3.0	3.3	3.0	3.0	3.2	3.5	3.2	4.0	-1.0	1.0	5.8	5.5	3.7	3.7	314.7	324.1	260.6	273.6
Oxford Economics	2.7	3.5	2.4	3.1	-0.3	4.8	2.0	4.4	-0.4	1.3	5.6	6.8	3.7	3.6	301.0	325.5	237.5	271.0
Consensus (Mean)	3.5	3.6	3.0	3.0	2.2	3.4	3.6	4.3	-0.1	1.5	5.6	5.8	3.8	3.7	319.9	337.9	267.8	292.0
Last Month's Mean	3.6	3.6	3.0	2.9	3.1	3.6	4.1	4.7	-0.1	1.5	5.8	5.9	3.8	3.7	329.3	346.9	278.1	299.9
3 Months Ago	3.7	3.5	3.1	2.9	4.4	4.0	5.9	5.3	0.4	1.5	5.0	5.0	3.9	3.8	332.7	352.7	285.5	310.5
High	4.0	4.3	3.9	3.5	6.0	5.6	6.6	6.4	1.0	2.4	6.5	6.8	4.1	4.2	348.2	376.1	308.0	337.0
Low	2.7	2.7	2.3	2.4	-1.3	1.5	2.0	2.8	-1.0	1.0	4.6	5.0	3.7	3.5	301.0	315.4	237.5	257.0
Standard Deviation	0.3	0.4	0.5	0.3	2.0	1.4	1.5	1.2	0.4	0.4	0.6	0.7	0.1	0.2	13.0	19.9	20.6	27.7
Comparison Forecasts																		
Asian Development Bank (Mar. '15)	3.7	3.6							0.5	1.0								
DGBAS - Govt (May '15)	3.3								0.1									
IMF (Apr. '15)	3.8	4.1							0.7	1.3								

Government and Background Data

President - Mr. Ma Ying-jeou (KMT). **Premier** - Mr. Mao Chi-kuo.
Government - The ruling Kuomintang retained its majority in the 113 Legislative Yuan, capturing 64 seats. The main opposition Democratic Progressive Party won 40 seats. **Next Elections** - January 2016 (Presidential and Parliamentary). **Nominal GDP** - T\$14,560.56bn (2013). **Population** - 23.4mn (2013). **T\$/US\$ Exchange Rate** - 29.68 (average, 2013).

Quarterly Consensus Forecasts

Historical Data and Forecasts (bold italics) From Survey of June 8, 2015

	2014		2015				2016			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Gross Domestic Product*	4.3	3.5	3.4	3.4	3.2	3.7	3.5	3.4	3.5	3.1
Consumer Prices*	1.5	0.8	-0.6	-0.8	-0.4	0.3	1.6	1.4	1.2	0.9
Trade Balance (US\$bn)	10.3	14.2	14.0	14.1	15.2	13.3	10.3	12.4	14.1	11.3

*Percentage Change (year-on-year)

Historical Data

* % change on previous year	2011	2012	2013	2014
Gross Domestic Product*	3.8	2.1	2.2	3.8
Private Consumption*	3.1	1.8	2.4	3.0
Gross Fixed Investment*	-1.1	-2.6	5.0	1.8
Manufacturing Production*	4.7	-0.3	0.6	6.6
Consumer Prices*	1.4	1.9	0.8	1.2
Money Supply (M2), end yr*	4.8	3.5	5.8	6.1
Unemployment Rate (annual avg.)	4.4	4.2	4.2	4.0
Merch. Exports (fob, US\$bn)	306.0	299.1	303.2	311.4
Merch. Imports (fob, US\$bn)	279.4	269.1	267.8	269.9
Trade Balance(fob-fob,US\$bn)	26.5	29.9	35.5	41.5
Current Account Bal. (US\$bn)	39.9	49.0	55.3	65.4
Consolidated Budgt Bal. (T\$bn)	-306.8	-356.8	-207.6	-329.7 e
91-day Com. Paper, % (end yr)	0.8	0.8	0.6	0.8
10 Yr Govt Bond, % (end yr)	1.3	1.2	1.7	1.6

e = consensus estimate based on latest survey

Annual Total						Rate on Survey Date			
						0.9%		1.6%	
Trade Balance (fob-fob, US\$bn)	Current Account Balance (US\$bn)	Consolidated Central Govt. Budget Bal. (T\$bn)		91-day Commercial Paper Rate (%)	10 Year Government Bond Yield (%)				
2015	2016	2015	2016	2015	2016	End Sep '15	End Jun '16	End Sep '15	End Jun '16
na	na	68.9	72.1	na	na	na	na	na	na
52.1	46.9	73.1	69.5	na	na	na	na	na	na
47.0	41.0	76.7	69.1	na	na	na	na	na	na
48.5	49.2	63.0	55.4	na	na	na	na	1.7	1.8
53.4	na	na	na	na	na	0.7	na	na	na
na	na	69.7	64.3	-190.2	-145.4	na	na	1.7	2.0
59.2	44.0	78.2	67.3	na	na	0.7	1.1	1.7	2.0
40.2	41.1	71.0	68.8	na	na	na	na	na	na
59.5	58.4	85.6	87.2	na	na	na	na	na	na
34.5	20.8	54.2	48.6	-111.0	-112.0	1.2	1.2	1.8	2.2
56.5	52.1	65.0	54.1	-340.4	-345.4	na	na	1.4	1.8
na	na	75.8	70.2	na	na	na	na	na	na
56.3	na	73.6	na	na	na	na	na	na	na
54.1	50.5	78.5	73.3	na	na	0.9	1.2	1.6	1.6
63.5	54.6	89.1	84.8	-267.6	-246.3	0.7	1.0	1.6	2.1
52.1	45.9	73.0	68.0	-227.3	-212.3	0.8	1.1	1.6	1.9
51.1	47.0	71.5	67.0	-223.9	-208.7				
47.2	42.2	67.0	62.2	-189.6	-167.9				
63.5	58.4	89.1	87.2	-111.0	-112.0	1.2	1.2	1.8	2.2
34.5	20.8	54.2	48.6	-340.4	-345.4	0.7	1.0	1.4	1.6
8.4	10.5	9.0	11.0	98.9	105.5	0.2	0.1	0.1	0.2

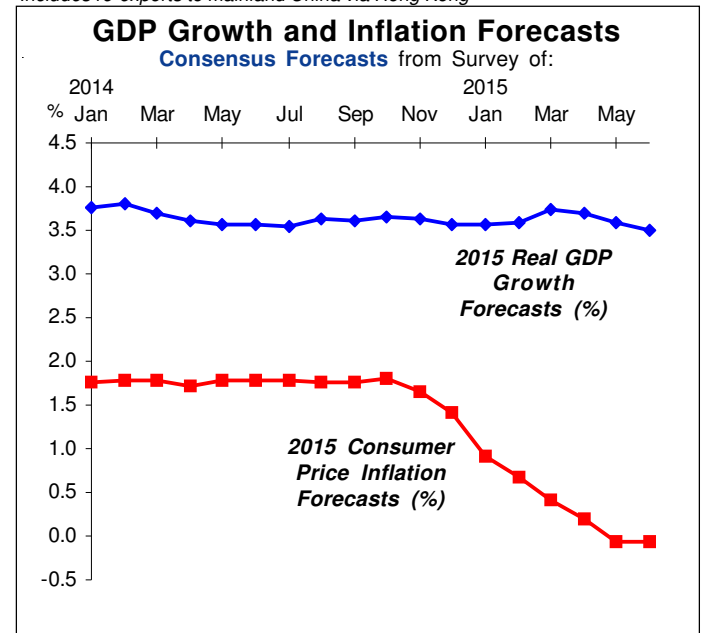
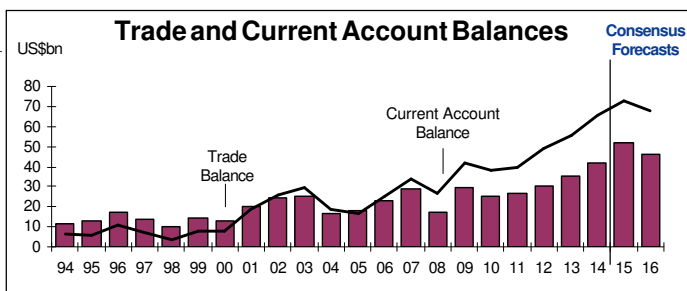
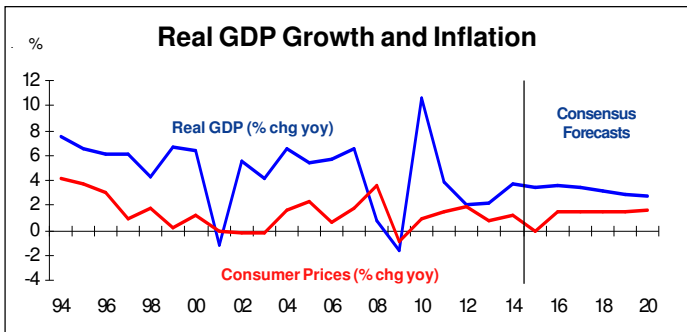
Weak Start to Q2

Following a decent growth performance in Q1, which saw real GDP growth revised slightly lower from the preliminary reading of 3.46% (y-o-y) to 3.37%, the economy looks to have started the current quarter on a weaker footing. This is backed up by the latest batch of data releases which showed that activity came in on the weak side in April. Taiwan's tech sector received a boost from the launch of Apple's iPhone 6 last year, but support from this source is clearly fading as the island's leading indicators point to weak external demand in Q2. For example, industrial production came in below expectations in April, with output contracting by 2.4% over the previous month and slowing markedly from 6.7% (y-o-y) in March to 1.1%. In particular, weakness was most pronounced in the tech industry. Looking ahead, prospects for the sector appear downbeat, especially as forward looking indicators such as the island's official manufacturing PMI fell from 54.7 in April to 51.1 in May, dragged down by a contraction in output and new orders. Meanwhile, external indicators have been just as disappointing as reflected in April's trade report. It revealed that exports declined (-11.7% y-o-y) at their fastest pace in more than two years, while imports tumbled by 22.1%. Base effects and weak global demand were behind the poor showing and, judging by export orders for the same month – which recorded their worst fall in more than two years – external sector weakness is likely to persist going forward.

Given sluggish growth in the global economy and the prospect of weaker exports this year, the government decided last month to downgrade its real GDP growth target from 3.78% previously to 3.28% for 2015. This new projection now comes in slightly below the consensus forecast of 3.5%.

Major Export Markets (% of Total)		Major Import Suppliers (% of Total)	
China	26.8	Japan	16.0
Hong Kong	12.9 ¹	China	15.8
United States	10.7	United States	9.3
Singapore	6.4	South Korea	5.8

¹Includes re-exports to mainland China via Hong Kong



	Average % Change on Previous Calendar Year										End Year, % change		Annual Total			
	Gross Domestic Product		Private Consumption		Gross Fixed Investment		Manufacturing Production		Consumer Prices		Money Supply (Broad Money)		Merchandise Exports (fob, US\$bn)		Merchandise Imports (cif, US\$bn)	
Economic Forecasters	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
ANZ Bank	3.9	4.3	3.9	4.0	6.5	6.5	3.4	4.3	0.3	2.3	na	na	226.3	229.9	208.0	219.0
FERI	3.8	4.4	3.2	3.8	6.2	4.9	2.1	3.0	-0.9	2.0	2.4	5.3	233.9	259.1	209.8	238.3
Barclays	3.7	4.5	4.7	4.0	6.0	5.7	na	na	-0.4	2.5	na	na	na	na	na	na
HSBC Economics	3.6	3.1	2.1	3.0	3.6	4.4	2.3	3.4	0.0	2.6	4.9	5.1	228.3	234.2	206.7	217.5
Citigroup	3.5	4.0	2.8	3.0	na	na	na	na	-0.5	1.7	na	na	215.8	222.3	192.6	201.3
OCBC	3.5	na	1.9	na	8.0	na	na	na	0.0	na	na	na	225.9	na	204.8	na
JP Morgan Chase	3.5	na	na	na	10.5	na	6.4	na	-0.3	na	12.0	na	227.2	na	198.4	na
Econ Intelligence Unit	3.5	3.9	2.1	2.4	4.6	5.1	2.0	5.2	0.5	3.2	5.6	6.2	225.2	236.3	214.2	229.7
UBS	3.5	4.1	2.2	3.9	5.4	6.0	3.3	4.0	0.2	2.4	na	na	na	na	na	na
BofA - Merrill Lynch	3.3	3.7	na	na	na	na	na	na	0.2	2.3	na	na	223.7	232.2	196.2	211.9
Phatra Securities	3.3	3.7	3.3	3.7	5.2	7.7	3.0	5.5	0.2	2.3	6.0	6.5	223.7	232.2	196.2	211.9
Oxford Economics	3.3	3.6	2.3	3.5	7.9	3.7	2.8	6.4	0.1	3.3	1.9	3.0	231.7	249.4	219.2	241.6
DBS Bank	3.2	4.5	2.4	3.6	5.0	6.0	2.0	4.0	-0.2	2.0	7.0	7.5	228.0	240.0	223.0	234.0
TISCO	3.2	4.0	2.5	3.2	7.3	9.9	3.4	na	-0.4	2.3	na	na	223.9	227.0	208.4	217.2
Credit Suisse	3.1	3.8	2.6	3.0	4.2	7.3	0.4	0.2	0.3	2.3	6.5	8.0	na	na	na	na
IHS Economics	3.0	3.3	2.8	2.9	4.0	4.2	0.6	3.4	-0.8	1.8	3.8	4.8	223.5	232.7	196.0	210.1
ING	3.0	3.5	2.5	2.5	3.0	3.5	3.5	4.0	0.0	1.0	6.5	7.0	232.2	243.8	210.2	224.9
Siam Commercial Bank	3.0	3.6	1.4	2.7	3.1	6.4	0.2	2.2	0.1	2.7	na	na	221.7	229.6	191.3	204.5
Goldman Sachs Asia	2.9	3.9	2.5	3.4	na	na	na	na	0.2	2.0	2.4	2.6	na	na	na	na
Nomura	2.7	na	1.7	na	4.7	na	na	na	0.3	na	na	na	225.3	233.9	199.0	209.6
Consensus (Mean)	3.3	3.9	2.6	3.3	5.6	5.8	2.5	3.8	-0.1	2.3	5.4	5.6	226.0	235.9	204.6	219.4
Last Month's Mean	3.5	3.8	2.6	3.2	4.3	5.5	2.9	4.2	0.1	2.3	5.6	5.4	228.8	240.1	205.4	222.6
3 Months Ago	3.8	3.9	2.9	3.3	5.4	5.5	3.5	4.2	0.4	2.3	6.0	6.1	231.9	244.9	210.4	228.6
High	3.9	4.5	4.7	4.0	10.5	9.9	6.4	6.4	0.5	3.3	12.0	8.0	233.9	259.1	223.0	241.6
Low	2.7	3.1	1.4	2.4	3.0	3.5	0.2	0.2	-0.9	1.0	1.9	2.6	215.8	222.3	191.3	201.3
Standard Deviation	0.3	0.4	0.8	0.5	2.0	1.7	1.6	1.6	0.4	0.6	2.9	1.8	4.4	9.5	9.4	12.6
Comparison Forecasts																
Asian Development Bank (Mar. '15)	3.6	4.1							0.2	2.0						
IMF (Apr. '15)	3.7	4.0							0.3	2.4						

Government and Background Data

Prime Minister - Prayuth Chan-ocha (Military General). **Military Government** - On May 22, 2014 Thailand's military suspended the constitution and took control of the government. **Next Election** - New election date pending (Parliamentary). **Nominal GDP** - Bt11,898.7bn (2013). **Population** - 67.0mn (mid-year, 2013). **Baht/US\$ Exchange Rate** - 30.71 (average, 2013).

Quarterly Consensus Forecasts

Historical Data and Forecasts (bold italics) From Survey of June 8, 2015

	2014		2015				2016			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Gross Domestic Product*	1.0	2.1	3.0	3.4	3.4	3.2	3.7	3.9	3.8	3.9
Consumer Prices*	2.0	1.1	-0.5	-0.7	0.0	0.9	1.8	2.2	2.2	2.2
Manufacturing Production*	-3.9	-2.3	0.1	0.1	1.7	2.8	2.6	3.1	2.5	1.9

*Percentage Change (year-on-year)

Historical Data

* % change on previous year	2011	2012	2013	2014
Gross Domestic Product*	0.8	7.3	2.8	0.9
Private Consumption*	1.8	6.3	0.8	0.6
Gross Fixed Investment*	4.9	10.2	-0.8	-2.6
Manufacturing Production*	-8.5	2.2	-3.2	-4.6
Consumer Prices*	3.8	3.0	2.2	1.9
Money Supply (Broad), end yr*	15.1	10.4	7.3	4.6
Merch. Exports (fob, US\$bn)	219.1	225.9	225.4	224.8
Merch. Imports (fob, US\$bn)	202.1	219.9	219.0	200.2
Trade Balance (fob-fob, US\$bn)	17.0	6.0	6.4	24.6
Current Account Bal. (US\$bn)	8.9	-1.5	-2.5	13.1
3 mth Interbank (%), end yr	3.2	2.9	2.4	2.2
10 Yr Govt Bond (%), end yr	3.3	3.5	3.9	2.8

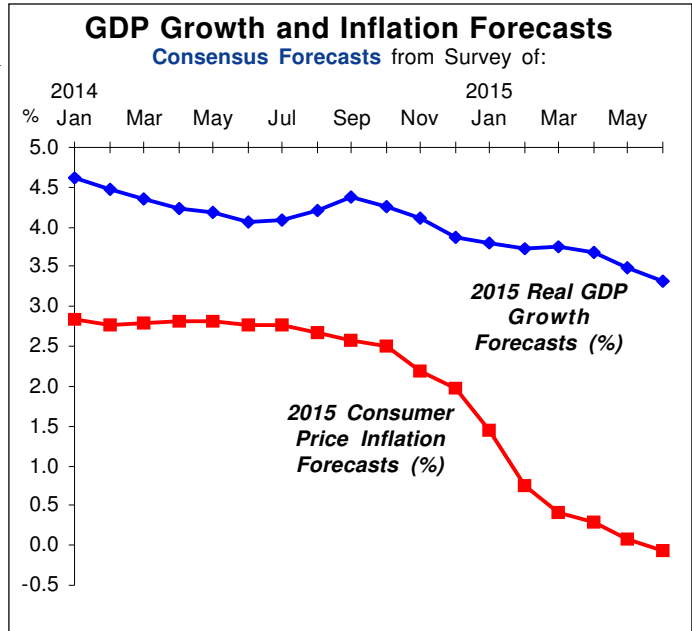
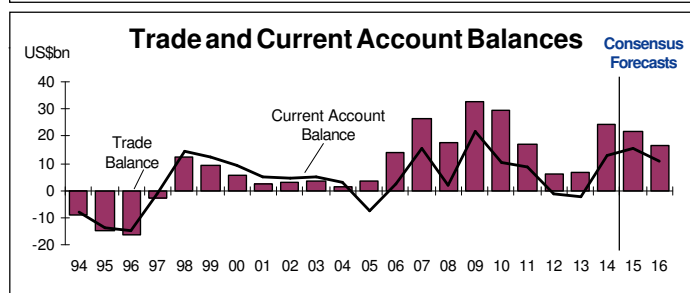
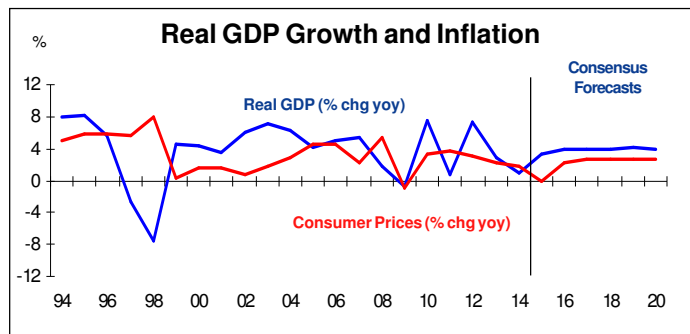
Annual Total				Rates on Survey Date			
				1.7%		3.0%	
Trade Balance (fob-fob, US\$bn)		Current Account Balance (US\$bn)		3-month Interbank Rate (%)		10 Year Government Bond Yield (%)	
2015	2016	2015	2016	End Sep '15	End Jun '16	End Sep '15	End Jun '16
18.3	10.9	12.3	8.2	na	na	na	na
24.1	20.8	13.3	9.7	na	na	2.9	3.2
na	na	29.1	23.9	na	na	na	na
21.6	16.8	12.2	10.4	1.8	2.1	2.6	2.9
23.2	21.0	13.3	9.6	1.4	1.9	2.7	3.0
21.1	na	na	na	na	na	na	na
28.8	na	21.0	na	na	na	na	na
10.9	6.6	7.7	7.1	na	na	na	na
na	na	22.4	15.0	na	na	na	na
27.5	20.3	17.4	9.3	na	na	na	na
27.5	20.3	17.5	9.3	1.8	2.0	2.8	3.2
12.5	7.9	15.7	12.9	1.6	2.1	2.8	3.8
5.0	6.0	18.0	10.0	1.7	2.0	2.7	3.0
15.5	9.9	8.6	4.7	na	na	na	na
na	na	21.3	14.7	na	na	na	na
27.5	22.6	21.5	18.6	na	na	na	na
22.0	18.9	10.1	8.7	1.7	1.5	2.4	2.4
30.4	25.1	25.0	20.0	na	na	na	na
na	na	5.0	2.1	2.2	2.6	na	na
26.3	24.3	8.9	na	na	na	na	na
21.4	16.5	15.8	11.4	1.7	2.0	2.7	3.1
23.4	17.4	15.8	11.2				
21.5	16.3	13.9	10.1				
30.4	25.1	29.1	23.9	2.2	2.6	2.9	3.8
5.0	6.0	5.0	2.1	1.4	1.5	2.4	2.4
7.2	6.8	6.5	5.6	0.2	0.3	0.2	0.4

Q1 GDP Growth Disappoints

Q1 national accounts data revealed another below par performance as GDP expanded by just 0.3% (q-o-q) in seasonally adjusted terms. This came on the back of waning export demand from China and Japan, two of Thailand's major trading partners. In annual terms, the country's performance was much better as the 3.0% expansion was a significant improvement on the revised 2.1% recorded in Q4. Improvements were evident in private consumption, which grew by 2.4% (y-o-y), versus 2.1% in the previous quarter, while manufacturing production expanded by 0.1% in the period, the first time it has been in positive territory since Q1 of 2013. However, these outturns still fell short of expectations of a sharp economic rebound, and as a result, the Thai economic planning agency recently lowered its 2015 growth forecast to 3-4%, down from 3.5-4.5% previously. The governmental department did state that a decent economic recovery had begun, with first quarter growth benefiting from strong private investment, increased public spending and a pick up in the tourism industry. However, it noted the country's weak external sector, and is now aiming for export-value growth of just 0.2% this year.

The CPI fell by -1.3% (y-o-y) in May, reaching a new five-year low following the -1.0% figure posted in April. This was the fifth straight month of deflation in Thailand, and this trend is set to persist until later in the year as food and telecommunications prices continue to fall. Core inflation fell to 0.9% (y-o-y) in the period, but The Thai Commerce Ministry believes that deflation is beginning to bottom out after prices edged up by 0.2% (m-o-m). With global oil prices likely to recover over the coming months, the Commerce Ministry is anticipating inflation of between 0.6-1.3% in 2015.

Major Export Markets (% of Total)		Major Import Suppliers (% of Total)	
China	11.0	China	16.9
United States	10.5	Japan	15.7
Japan	9.6	United States	6.4
Hong Kong	5.5	Malaysia	5.6



ADDITIONAL COUNTRIES

JUNE 2015

Forecasts for a number of additional countries, shown below, were provided by the following leading economic forecasters:

Capital Economics
Economist Intelligence Unit
IHS Economics

Citigroup
FERI
JP Morgan

Dun & Bradstreet
HSBC
Oxford Economics

e = consensus estimate from latest survey

BANGLADESH Popn - 156.6mn (mid-year, 2013)	Historical Data					Consensus Forecasts	
Economy Nominal GDP - US\$173.0bn (2013)	2011	2012	2013	2014		2015	2016
Gross Domestic Product (% change on previous fiscal year)*	6.5	6.0	6.1	6.1	e	6.2	6.3
Consumer Prices (% change on previous year)	10.8	6.2	7.5	7.0		6.2	6.3
Current Account (US Dollar bn)	-0.2	2.6	2.4	2.3	e	2.0	1.3
<small>* GDP data for fiscal years starting from July 1. 2012 = July 2012 to June 2013. Other data are for calendar years.</small>							
Exchange Rates	2011	2012	2013	2014	Latest	Sep. '15	Jun. '16
Bangladeshi Taka / US Dollar (end period)	81.83	79.86	77.68	77.91	77.78	78.82	79.84

PAKISTAN Population - 182.1mn (mid-year, 2013)	Historical Data					Consensus Forecasts	
Economy Nominal GDP - US\$249.9bn (2013)	2011	2012	2013	2014		2015	2016
Gross Domestic Product (% change on previous fiscal year)*	3.8	3.7	4.0	4.2		4.6	4.8
Consumer Prices (% change on previous year)	11.9	9.7	7.7	7.2		4.9	6.4
Current Account (US Dollar bn)	-2.2	-2.3	-4.0	-3.8	e	-1.9	-3.2
<small>* GDP data for fiscal years starting from July 1. 2012 = July 2012 to June 2013. Other data are for calendar years.</small>							
Exchange Rates	2011	2012	2013	2014	Latest	Sep. '15	Jun. '16
Pakistan Rupee / US Dollar (end period)	89.91	97.20	105.51	101.10	101.88	105.34	110.14

SRI LANKA Population - 21.3mn (mid-year, 2013)	Historical Data					Consensus Forecasts	
Economy Nominal GDP - US\$67.2bn (2013)	2011	2012	2013	2014		2015	2016
Gross Domestic Product (% change on previous year)	8.2	6.4	7.2	7.4		7.2	6.9
Consumer Prices (% change on previous year)	6.7	7.5	6.9	3.3		2.5	4.6
Current Account (US Dollar bn)	-4.6	-4.0	-2.5	-2.0		-1.6	-2.0
Exchange Rates	2011	2012	2013	2014	Latest	Sep. '15	Jun. '16
Sri Lankan Rupee / US Dollar (end period)	113.9	127.2	130.8	131.3	134.0	133.5	135.5

VIETNAM Population - 91.7mn (mid-year, 2013)	Historical Data					Consensus Forecasts	
Economy Nominal GDP -US\$171.2bn (2013)	2011	2012	2013	2014		2015	2016
Gross Domestic Product (% change on previous year)	6.2	5.2	5.4	6.0		6.1	6.2
Consumer Prices (% change on previous year)	18.6	9.2	6.6	4.1		2.2	4.8
Current Account (US Dollar bn)	0.2	9.3	9.5	8.5	e	6.9	6.2
Exchange Rates	2011	2012	2013	2014	Latest	Sep. '15	Jun. '16
Vietnamese Dong / US Dollar (end period)	21034	20840	21095	21388	21815	21755	22086

OIL PRICES

JUNE 2015

Brent, US\$ per barrel		
Range 1990-2015	9.10 - 143.95	
Spot Rate (Jun. 8)	61.33	
June Survey (Source: Consensus Forecasts, Jun. 8)	Forecast for	
	End Sep. 2015	End Jun. 2016
Mean Forecast	63.5	69.6
High	83.0	87.0
Low	54.0	60.0
Standard Deviation	4.5	5.7
No. of Forecasts	66	60

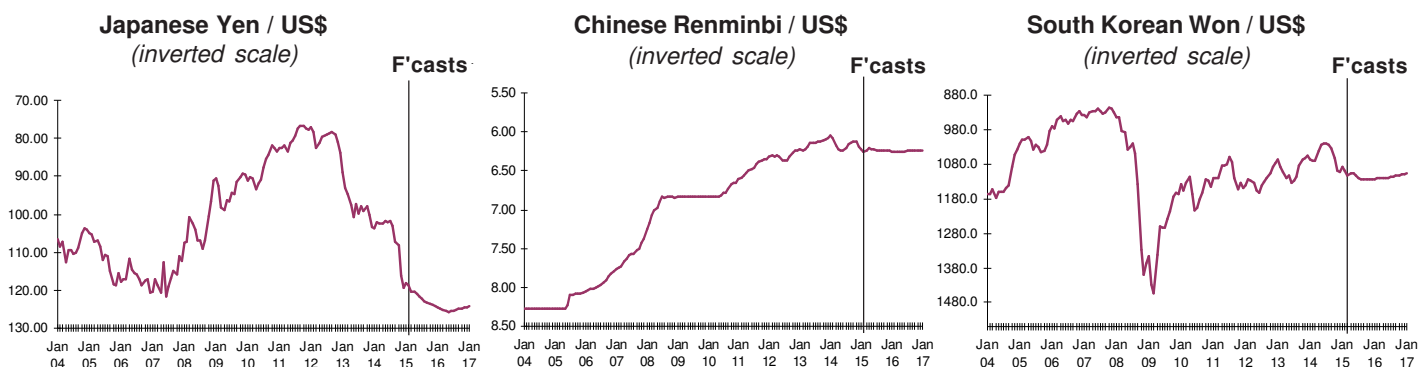
Downward Price Pressures

China's oil imports fell 11% (y-o-y) in May, and strong import growth in previous months suggest a buildup of crude inventories in this oil-consuming country. This has helped to push the price of both Brent and West Texas Intermediate (WTI) down to around US\$60 per barrel. On June 8, the Brent spot price stood at US\$61.33. Moreover, OPEC's decision to keep production levels unchanged at the beginning of June has also weighed on prices. Saudi Arabia's record output has offset indications that US shale production is on the decline as the US sector cuts costs. Supply fundamentals could be further boosted by a potential nuclear deal between Iran and the major world powers by June 30. Sanctions on Iranian exports could thereafter be lifted.

The following foreign exchange forecasts represent the consensus (mean) estimates of those forecasters polled in our latest survey.

Foreign Exchange Rates against the US Dollar											
All rates are amounts of foreign currency per US dollar except the A\$ and the NZ\$ which are the reciprocals.	Historical Data				Latest Spot Rate (Jun. 8)	Consensus Forecasts					
	Rates at end of:					Forecast End Sep. 2015	Percent Change	Forecast End Jun. 2016	Percent Change	Forecast End Jun. 2017	Percent Change
	2011	2012	2013	2014							
Australian Dollar	1.016	1.040	0.895	0.818	0.763	0.741	-2.9	0.717	-6.0	0.737	-3.4
Bangladeshi Taka	81.83	79.86	77.68	77.91	77.78	78.82	-1.3	79.84	-2.6	83.48	-6.8
Chinese Renminbi	6.301	6.290	6.054	6.204	6.206	6.221	-0.2	6.233	-0.4	6.304	-1.5
Hong Kong Dollar	7.766	7.751	7.754	7.755	7.753	7.776	-0.3	7.784	-0.4	7.768	-0.2
Indian Rupee	53.26	54.78	61.86	63.12	64.13	64.01	+0.2	64.29	-0.3	65.07	-1.4
Indonesian Rupiah	9068	9670	12170	12385	13380	13485	-0.8	13648	-2.0	13233	+1.1
Japanese Yen	77.72	86.47	105.11	119.90	125.34	123.92	+1.1	126.55	-1.0	125.16	+0.1
Malaysian Ringgit	3.177	3.058	3.276	3.497	3.768	3.715	+1.4	3.699	+1.8	3.580	+5.2
New Zealand Dollar	0.771	0.820	0.823	0.782	0.708	0.708	0.0	0.682	-3.7	0.682	-3.7
Pakistani Rupee	89.91	97.20	105.51	101.10	101.88	105.34	-3.3	110.14	-7.5	115.48	-11.8
Philippine Peso	43.93	41.19	44.38	44.73	45.03	45.11	-0.2	45.12	-0.2	45.04	0.0
Singaporean Dollar	1.301	1.224	1.263	1.325	1.358	1.379	-1.5	1.385	-1.9	1.368	-0.7
South Korean Won	1152	1071	1055	1099	1123	1120	+0.3	1139	-1.4	1144	-1.8
Sri Lankan Rupee	113.9	127.2	130.8	131.3	134.0	133.5	+0.4	135.5	-1.1	136.9	-2.1
Taiwanese Dollar	30.28	29.04	29.80	31.60	31.08	31.63	-1.7	31.82	-2.3	31.40	-1.0
Thai Baht	31.69	30.63	32.86	32.90	33.83	33.78	+0.1	33.98	-0.5	34.35	-1.5
Vietnamese Dong	21034	20840	21095	21388	21815	21755	+0.3	22086	-1.2	22866	-4.6

Note: A positive (+) sign for the percent change implies an appreciation of the relevant currency against the US Dollar and vice versa.



The **Japanese yen** broke from its narrow trading range in mid-May and depreciated at its fastest pace in six months. Its slide has brought it to 12 year lows and was partly driven by relative confidence in the US economy, which lifted the US dollar, and capital outflows caused by the search for yields. Some signs of stability emerged in the run-up to our June 8 survey date, after the Q1 GDP growth estimate in Japan was revised sharply higher by the national statistic agency. However, the recovery in the economy remains patchy, making the currency vulnerable to further volatility. Certainly, additional policy stimulus has not been ruled out by the Bank of Japan, which could deepen its program of bond purchases in a bid to lift inflation, which fell to 0.6% (y-o-y) in April. Some observers warn that an extended decline in the yen could have a negative effect on Asian FX dynamics. Both **South Korea**

and **Taiwan** have warned of policy responses to the perceived unfair loss of currency export competitiveness. The former recently cut rates to a new low of 1.5%, while the latter is reported to have intervened to hold down the T\$, which ended its recent uptrend in late May and depreciated in early June. In **Australia**, the Reserve Bank decided against another rate cut on June 2, following a move in May, partly due to the boom in house prices in Sydney and parts of Melbourne. However, the slump in commodities, sluggish investment and excess capacity in the economy have added to speculation about further monetary easing. The A\$ has lost 7.0% of its value in the year to date, but the consensus is predicting a further 6.0% decline over the next twelve months, making it the weakest performer in the Asia Pacific region (see FX forecast table above).

India												
* % change over same quarter of previous year	2014				2015				2016			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
GDP at market prices* (new)	6.7	6.7	8.4	6.6	7.5	7.4	8.0	7.7	8.0	7.8	8.1	8.3
Industrial Production*	-0.4	4.5	1.3	2.0	3.2	4.4	5.4	5.3	5.9	6.5	6.6	6.8
Consumer Prices*	8.2	7.8	6.7	4.1	5.3	5.0	5.1	5.7	5.7	5.6	5.4	5.3
Wholesale Prices*	5.4	5.8	3.9	1.0	-1.8	-1.5	-0.5	1.6	3.7	3.9	3.9	3.7
Trade Balance (US\$bn)	-28.7	-34.1	-40.0	-39.1	-26.0	-40.0	-39.1	-26.3	-31.8	-38.3	-41.7	-44.0

Please note that the quarterly forecasts for India are on a calendar year basis i.e. first quarter corresponds to the January-March period.

Indonesia												
* % change over same quarter of previous year	2014				2015				2016			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Gross Domestic Product*	5.1	5.0	4.9	5.0	4.7	4.8	5.0	5.1	5.3	5.5	5.6	5.8
Manufacturing Production*	4.5	4.8	5.0	4.2	3.9	4.9	5.1	4.9	5.1	5.1	5.4	5.1
Consumer Prices*	7.8	7.1	4.4	6.5	6.5	6.7	6.4	4.7	4.5	4.7	5.1	5.1
Trade Balance (US\$bn)	2.8	-0.7	1.2	2.2	2.7	5.1	6.3	6.0	4.9	3.5	4.4	4.7

Japan												
* % change over same quarter of previous year	2014				2015				2016			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Gross Domestic Product*	2.1	-0.4	-1.4	-0.9	-1.0	1.0	2.1	2.2	1.8	1.9	1.7	1.7
Private Consumption*	3.2	-2.9	-2.9	-2.4	-4.1	1.6	1.8	1.8	1.8	1.7	1.6	1.8
Industrial Production*	7.7	2.7	-0.3	-1.4	-2.2	1.2	3.4	3.3	2.3	3.1	3.0	3.3
Consumer Prices*	1.5	3.6	3.3	2.5	2.3	0.2	0.1	0.4	0.9	1.0	1.1	1.2
3 month Yen (TIBOR) rate, % ¹	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2

Malaysia												
* % change over same quarter of previous year	2014				2015				2016			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Gross Domestic Product*	6.3	6.5	5.6	5.7	5.6	4.5	4.6	4.5	4.3	5.1	5.4	5.5
Manufacturing Production*	6.9	7.4	5.1	5.0	5.6	3.5	3.5	3.2	3.0	3.7	3.9	4.0
Consumer Prices*	3.4	3.3	3.0	2.8	0.7	2.7	3.2	2.9	3.8	2.9	2.9	2.9
3-Month Interbank Rate, % ¹	3.3	3.4	3.7	3.7	3.7	3.7	3.8	3.7	na	na	na	na

New Zealand												
* % change over same quarter of previous year	2014				2015				2016			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Gross Domestic Product*	3.1	3.3	3.2	3.5	3.1	3.2	2.9	2.7	2.8	2.9	2.8	2.8
Manufacturing Production*	2.5	2.4	2.4	2.3	1.9	3.4	1.6	1.7	2.7	2.3	2.2	2.4
Consumer Prices*	1.5	1.6	1.0	0.8	0.1	0.3	0.4	0.7	1.7	1.8	2.0	2.0
Trade Balance (NZ\$bn) ++	2.4	1.6	-2.0	-0.9	0.5	0.3	-2.9	-1.8	-0.2	0.2	-3.1	-1.8
90-Day Bank Bill Rate, % ¹	3.1	3.6	3.7	3.7	3.6	3.4	3.5	3.6	3.6	3.6	3.6	3.7

++ not seasonally adjusted ¹ End period

Philippines

* % change over same quarter of previous year	2014				2015				2016			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Gross Domestic Product*	5.6	6.7	5.5	6.6	5.2	6.1	6.8	6.1	6.2	6.1	5.8	5.5
Manufacturing Production*	3.4	12.1	6.0	7.9	6.8	6.9	7.3	7.0	7.4	7.4	7.3	7.4
Consumer Prices*	4.1	4.4	4.7	3.6	2.4	2.1	2.0	2.5	3.4	3.7	3.7	3.7

Singapore

* % change over same quarter of previous year	2014				2015				2016			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Gross Domestic Product*	4.6	2.3	2.8	2.1	2.6	2.9	2.9	2.9	3.1	3.4	3.5	3.4
Manufacturing Production*	9.6	1.3	1.7	-1.1	-2.7	0.3	3.1	4.4	6.1	4.2	2.5	3.1
Consumer Prices*	1.0	2.2	1.0	0.0	-0.3	-0.4	0.0	0.3	0.8	1.1	1.3	1.4
Trade Balance (US\$bn)	16.5	19.7	20.7	19.4	23.2	23.6	18.0	16.8	na	na	na	na
3-Month S\$ Interbank Rate, % ¹	0.4	0.4	0.4	0.5	0.7	0.9	1.0	1.1	1.2	1.5	1.6	1.9

South Korea

* % change over same quarter of previous year	2014				2015				2016			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Gross Domestic Product*	3.9	3.4	3.3	2.7	2.5	2.7	2.8	3.4	3.1	3.1	3.0	3.0
Consumer Prices*	1.1	1.6	1.4	1.0	0.6	0.5	0.8	1.3	1.4	1.6	1.6	1.7
Trade Balance (US\$bn)	17.7	26.4	21.7	26.8	25.2	36.3	32.6	32.5	25.4	30.0	28.1	29.5
91-Day Cert. of Deposit Rate, % ¹	2.7	2.7	2.4	2.1	2.0	1.8	1.7	1.7	1.7	1.7	1.7	1.7

Taiwan

* % change over same quarter of previous year	2014				2015				2016			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Gross Domestic Product*	3.4	3.9	4.3	3.5	3.4	3.4	3.2	3.7	3.5	3.4	3.5	3.1
Manufacturing Production*	3.3	6.9	8.1	7.9	6.5	3.9	5.5	5.6	na	na	na	na
Consumer Prices*	0.8	1.6	1.5	0.8	-0.6	-0.8	-0.4	0.3	1.6	1.4	1.2	0.9
Trade Balance (US\$bn)	6.9	10.2	10.3	14.2	14.0	14.1	15.2	13.3	10.3	12.4	14.1	11.3
91-Day Com. Paper Rate, % ¹	0.6	0.6	0.7	0.8	0.9	0.8	0.8	0.9	1.0	1.1	1.2	1.3

Thailand

* % change over same quarter of previous year	2014				2015				2016			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Gross Domestic Product*	-0.4	0.9	1.0	2.1	3.0	3.4	3.4	3.2	3.7	3.9	3.8	3.9
Manufacturing Production*	-7.1	-5.0	-3.9	-2.3	0.1	0.1	1.7	2.8	2.6	3.1	2.5	1.9
Consumer Prices*	2.0	2.5	2.0	1.1	-0.5	-0.7	0.0	0.9	1.8	2.2	2.2	2.2
Trade Balance (US\$bn)	6.3	5.9	4.8	7.6	7.4	5.1	5.2	6.4	na	na	na	na
3-Month Deposit Rate, % ¹	2.2	2.2	2.2	2.2	2.0	1.7	1.7	1.6	1.8	1.8	1.8	1.9

¹ End period

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ASIA PACIFIC CONSENSUS FORECASTS: WORLD ECONOMIC ACTIVITY

June Survey	Real GDP % increase			Consumer Prices % increase			Current Account Balance, US\$bn		
	2014	2015	2016	2014	2015	2016	2014	2015	2016
Australia	2.7	2.5	2.9	2.5	1.8	2.7	-40.2	-38.4	-32.8
China	7.4	6.9	6.7	2.0	1.4	1.9	219.7	326.1	327.0
Hong Kong	2.5	2.4	2.7	4.4	3.4	3.3	0.1	3.8	3.4
India	7.3	7.8	8.1	6.0	5.4	5.6	-27.7	-24.2	-37.3
Indonesia	5.0	5.0	5.6	6.4	6.2	4.8	-25.4	-22.9	-23.9
Japan	-0.1	1.0	1.7	2.7	0.7	1.0	24.7	117.6	109.8
Malaysia	6.0	4.8	5.1	3.1	2.2	3.0	14.5	9.3	12.9
New Zealand	3.3	2.9	2.7	1.2	0.6	1.9	-6.5	-8.2	-8.5
Philippines	6.1	6.1	6.2	4.1	2.4	3.5	12.7	13.2	12.7
Singapore	2.9	2.8	3.3	1.0	0.0	1.3	58.8	58.6	57.7
South Korea	3.3	3.0	3.4	1.3	0.8	1.8	89.2	106.9	97.4
Taiwan	3.8	3.5	3.6	1.2	-0.1	1.5	65.4	73.0	68.0
Thailand	0.9	3.3	3.9	1.9	-0.1	2.3	13.1	15.8	11.4
Australasia ¹	2.8	2.6	2.9	2.4	1.7	2.6	-46.7	-46.6	-41.3
North East Asia ²	6.7	6.2	6.1	1.9	1.3	1.9	374.4	509.8	495.8
South East Asia ³	4.4	4.6	5.0	4.1	3.1	3.5	82.2	80.8	77.0
Asia Pacific ⁴	4.6	4.7	4.9	2.7	1.7	2.2	404.7	635.8	602.0
Asia (ex-Japan) ⁵	6.2	6.0	6.0	2.7	2.0	2.5	426.7	564.9	533.5
North America ⁶	2.4	2.1	2.7	1.6	0.3	2.1	-448.6	-507.4	-535.7
Western Europe ⁷	1.3	1.7	1.9	0.7	0.3	1.3	420.0	385.9	377.7
Latin America ⁸	1.1	0.4	2.0	11.3	14.1	11.9	-176.3	-174.1	-162.6
Eastern Europe ⁹	1.6	-0.3	2.0	7.4	8.6	5.7	9.2	0.7	3.9

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Regional GDP and inflation totals are weighted averages calculated using 2013 GDP weights converted at 2013 average exchange rates. Current account data have been converted into US dollars, where necessary, using forecast average exchange rates. Forecasts for North America, Western Europe, Eastern Europe and Latin America are taken from the latest issues of **Consensus Forecasts**, **Eastern Europe Consensus Forecasts** and **Latin American Consensus Forecasts**. ¹Australia and New Zealand. ²China, Hong Kong, South Korea and Taiwan. ³Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam. ⁴All countries listed above plus Sri Lanka and Vietnam. In the case of India, the forecast period is on a fiscal year basis (April 1 to March 31). For example, regional GDP, inflation and current account totals for 2015 are calculated using FY15/16 forecasts for India. ⁵Asia Pacific excluding Australia, Japan and New Zealand. ⁶United States and Canada. ⁷Germany, France, the United Kingdom, Italy, Austria, Belgium, Denmark, Finland, Greece, Ireland, the Netherlands, Norway, Portugal, Spain, Sweden and Switzerland. ⁸Eighteen countries including Argentina, Brazil, Chile, Colombia, Mexico, Peru and Venezuela. Inflation figures are on a December/December basis. ⁹Twenty-seven countries including the Czech Republic, Hungary, Poland, Russia (Inflation figures are on a December/December basis) and Turkey. Data for Eastern Europe and Latin America are taken from prior surveys.

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