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Flash Notes

Singapore: Dec Capped A Sterling Year For NODX Growth

Singapore's non-oil domestic exports grew 9.4% y/y in Dec, slightly down from market estimates of 11.1% y/y and 5.2% m/m s/adj, but nevertheless capping off a sterling year in which NODX surged 22.9% in 2010, the fastest in 7 years. Non-electronic exports contributed to the rise while exports of electronics contracted. Most segments of electronics products showed a decline in exports, except for ICs and diodes and transistors, resulting in electronic exports falling 1.1% y/y. The downturn in electronics could be the result of the slowdown after the boost from the Christmas season. Non-electronics were lifted by petrochemicals, while pharmaceutical exports contracted 2.8% resulting in non-electronics growing 16.2% y/y. Overall, NODX has performed strongly for 2010, but going into 2011, exports growth might possibly moderate to a single-digit pace, on a high base effect as well as the lessened effects of inventory rebuilding.

Bearing this out is the overall PMI which fell to 50.7 in Dec from 51.4 in Nov, although still in expansion mode. Electronics PMI which is a gauge of the electronics manufacturing sector here, was also lower at 52.2 in Dec compared to 53.2 in Nov. The outlook for semiconductors exports, which have been supporting the electronics sector so far, is also dimming. The semi book to bill ratio in the US has dropped to below 1.0, at 0.98 in Oct, implying fewer orders received than filled up.

On a 3mma basis, exports to key countries also looked to be easing. NODX to EU grew 35.4%, but was slower than Nov's 38.0% and Oct's 68.8% growth rate. NODX to US also moderated to a 27.9% pace, from 39.1% in Nov and 48.8% in Oct, while NODX to China was lower at 27.6% from 33.7% in Nov and 33.3% in Oct.

Dec Capped A Sterling Year For NODX Growth (y/y%)			
	Oct 2010	Nov 2010	Dec 2010
Total NODX	34.3	9.9	9.4
Electronics	34.0	10.8	-1.1
ICs	78.9	38.6	16.6
Parts of PCs	1.5	-9.1	-13.9
Disk Drives	-0.6	-28.8	-45.2
Parts of ICs	20.0	-19.3	-28.8
Diodes and Transistors	29.5	41.2	36.5
Non-Electronics	34.5	9.4	16.2
Pharmaceuticals	26.1	-34.2	-2.8
Petrochemicals	18.5	30.7	30.4
<i>Source: IE Singapore</i>			

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