

Monday, 18 April 2011

Flash Notes

Singapore: NODX Growth In Mar Surprised On Upside

Singapore's non-oil domestic exports grew +10.0% y/y, -2.9% m/m s/adj in Mar, surpassing market estimates of 5.0% y/y, -1.3% m/m s/adj, and higher than Feb's revised 6.9% y/y, +2.0% m/m s/adj. The NODX growth came from non-electronics, which expanded 24.5% from 18.3% in Feb, on "ships and boats, specialized machinery and primary chemicals" according to IE Singapore. Other components of non-electronics, such as chemicals, petrochemicals and pharmaceuticals showed rather subdued growth rates, with pharma exports growing 4.4% from 1.3% in Feb.

Contraction in electronic exports was more pronounced in Mar, down 13.8% from -12.8% in Feb. Exports of ICs shrank 2.8%, from an expansion of 1.4% in Feb. Most other major electronic products also saw a deeper contraction in exports. Signs are pointing to further contraction in electronic exports. On a 3mma basis, electronic exports contracted 7.2% y/y in Mar, from -2.4% in Feb. Electronic PMI in Mar although still showed expansion at 51.3, was down from Feb's 52.6 reading. The semiconductor book to bill ratio fell to 0.87 from 1.23 in early-mid last year, and suggests less orders received than billed. The outlook for electronic exports might continue to be slow, exacerbated by supply chain disruptions in Japan, as well as the waning external demand.

Exports to key countries show some weakening trend. On a 3mma basis, NODX to EU expanded 19.7% y/y in Mar, from 27.0% y/y in Feb. NODX to China stayed flat at 12.9% y/y while NODX to US is showing some uptick at 14.1% y/y compared to 12.2% in Feb.

Strong growth in 1Q manufacturing notwithstanding, we think the NODX data should come down this year due to the high base effect in 2010, and a tapering off in Singapore's exports, both in the electronics and non-electronics sectors. The overall PMI reading for Mar has come down to 50.1 from 52.3 in Feb, providing some indication that manufacturing and exports are in for some moderation.

Mar NODX Growth Surprises (y/y%)			
	Jan 2011	Feb 2011	Mar 2011
Total NODX	20.7	6.9	10.0
Electronics	5.8	-12.8	-13.8
ICs	20.0	1.4	-2.8
Parts of PCs	0.6	-21.1	-15.4
Parts of ICs	-29.3	-42.6	-50.7
Disk Drives	-41.9	-59.9	-57.2
Diodes and Transistors	42.8	63.8	39.7
Non-Electronics	30.2	18.3	24.5
Total Chemicals	29.1	16.4	12.2
Pharmaceuticals	38.6	1.3	4.4
Petrochemicals	31.2	37.2	8.6

Source: IE Singapore

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