

## Singapore: Slower-Than-Expected NODX Growth In June

Singapore's non-oil domestic exports grew slower than expected at 1.1% y/y, -4.5% m/m s/adj in June, compared to market estimates of 3.8% y/y, -2.1% m/m s/adj. Electronics exports contracted more sharply in June than in May, at -17.2% y/y compared to -15.2% y/y, while the expansion in pharmaceuticals were slower, at 1.1% y/y compared to 61.8% y/y in May.

With the impact of the supply chain disruption on local exports waning, we're looking at exports picking up slightly in the 2H. The US semiconductor book to bill ratio, is at around 0.97, from 0.87 in Feb and 0.95 in Mar, suggesting a pick up in orders received. We think the outlook for electronics should improve with global demand for personal electronic products like gadgets going strong and spurring demand for semiconductors. In tandem with the gradual recovery in exports and manufacturing, we are projecting growth in domestic GDP to average around 6.7% y/y for 2H 2011, maintaining our full year GDP growth of 5.7% for this year.

Contraction in electronic exports, were more pronounced in June, with exports of the major electronic products weakening more. On a 3mma basis however, the softness in exports of the major 5 electronic products seem to have plateaued, at -15.8% y/y in Jun, from -15.7% in May and -15.4% in Apr. In terms of exports to key countries, exports to US and China continued to decline on a m/m s/adj basis, at -11.0% and -7.2% respectively in Jun, which could be stemming from a slowdown in these countries.

<b>June NODX Grows Slower Than Expected (y/y%)</b>			
	Apr 11	May 11	Jun 11
<b>Total NODX</b>	<b>-2.0</b>	<b>7.6</b>	<b>1.1</b>
<b>Electronics</b>	<b>-10.5</b>	<b>-15.2</b>	<b>-17.2</b>
ICs	-0.8	1.8	-5.1
Parts of PCs	-11.5	-24.9	-15.9
Parts of ICs	-34.7	-47.2	-50.9
Disk Drives	-53.0	-43.7	-51.1
Diodes and Transistors	28.9	19.8	17.6
<b>Non-Electronics</b>	<b>2.6</b>	<b>22.8</b>	<b>12.0</b>
Total Chemicals	21.9	29.7	3.6
Pharmaceuticals	48.6	61.8	1.1
Petrochemicals	-11.6	0.2	-1.1
<i>Source: IE Singapore</i>			

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