Net cash injection

China's central bank made a net cash injection via open market operations for the third consecutive day on Monday in an effort to ease a cash strain.

Asian manufacturing growth hits four-year high

Manufacturing output across a swathe of Asian economies is expanding at its fastest pace for four years, in a further sign of the improving health of emerging markets.

Stripping out China and India, output across emerging Asia was 10.3 percent higher in the three months to December than in the prior quarter, on a seasonally adjusted annualized basis, according to analysis by JPMorgan, FT reported.

The figure is a sharp pick-up from the start of 2016, when manufacturing production was contracting, and is the highest reading since a short-lived spike in output in December 2012 and January 2013.

It is the latest sign that emerging market economies may be returning to rude health after a period of sub-par performance. Earlier this week, the Institute of International Finance — an industry body — suggested the economic growth across EMs hit an annualized pace of 6.4 percent in January, the strongest reading since 2011, while UBS said EM exports are growing at a pace of four-five percent.

"I think there is something fundamental going on," said David Hensley, analyst at JPMorgan, who believed the pick-up in the manufacturing data was more than a temporary blip.

"Growth rates in emerging markets have probably hit the bottom. We are see a capital investment cycle finally after years of stagnation, and that is helping manufacturers in Asia. There have been some pretty impressive output gains for several months now," he added.

William Jackson, senior emerging markets economist at Capital Economics, agreed that manufacturing activity was strengthening, something he attributed to the ending of recessions in Brazil and Russia and early signs that the US, Germany and China might be increasing their demand for imported goods.

"From the data we have, manufacturing in emerging Europe and Asia strengthened at the end of last year, while the pace of contraction eased in Latin America," Jackson said.

According to JPMorgan's data, the gains have been fairly widespread across emerging Asia, with the exception of its two most populous nations.

In the three months to December, the Philippines saw a 26.6 percent rise in manufacturing production over the previous quarter, in seasonally adjusted annualized terms, according to JPMorgan.

Singapore enjoyed a rise of 24.4 percent on the same basis over the same period, and Taiwan 10.8 percent. In Thailand, output rose 11.4 percent in the three months to November, with data for December not yet available.

Hensley said Asia was benefiting from a rise in both domestic and global capital spending, which was bolstering demand across a range of sectors, rebalancing the region's manufacturers away from an over-reliance on the smartphone market.

netdna-cdn.com

"The underlying issue has been lack of capital spending from businesses globally. That is what has changed. The capital spending cycle is turning and that is replacing smartphones with more durable demand," said Hensley, who sees manufacturing output continuing to outstrip historical norms for some time to come.

"Financial conditions eased a bit last year after several tough years and that has promoted growth, especially on the domestic demand side," he added.

Alex Wolf, senior emerging market economist at Standard Life Investments, believed three factors were coming together to boost EM capital spending: a general improvement in global economic activity; the rise in commodity prices, which is spurring a rebound in capex in hard-hit commodity exporting countries; and an increase in capex by US technology companies, which is bolstering activity in supply chain countries such as China, Taiwan and South Korea, particularly given that inventory levels have fallen sharply.

Hensley argued that "the stage is set for a huge increase" in business equipment spending, in Asia at least.

Business equipment spending in emerging Asia, excluding China and India, rose at an annualized rate of more than 20 percent in the fourth quarter of 2016, driven by sharp rises in South Korea, Indonesia, Taiwan, Malaysia and most of all the Philippines, where it jumped 41.5 percent.

However, the nascent recovery in manufacturing production is uneven. According to JPMorgan, activity in China is lagging somewhat, with annualized growth of six percent in the fourth quarter.

Japan back to trade deficit in January

Japan logged its first trade deficit in five months in January, official data showed on Monday, as higher energy prices overwhelmed slower growth in exports due to the lunar new year.

The country routinely falls into deficit in January due to the lunar new year celebrations in key trade partners such as China, which sees an extended holiday, AFP wrote.

But Yuichi Kodama, chief economist at Meiji Yasuda Life Insurance Co. in Tokyo, said that the export weakness would not last.

"Exports are still on the recovery track," he told Bloomberg News. "The global economy is steadily recovering.

"There's no change to the view that Japan's economy is driven by external demand while domestic demand is remaining weak."

Prime Minister Shinzo Abe has been trying to kickstart growth for more than four years with a policy of spending, central bank policy easing and structural reform, but the outcome has been mostly disappointing.

Inflation and consumer spending are weak, and companies have been reluctant to boost wages in the world's third-largest economy.

dailymail.co.uk

For January, the trade deficit came to 1.08 trillion yen ($9.6 billion), expanding 67.8 percent from the same month a year ago.

The deficit was the first since August and marked a sharp reversal from a surplus of 640 billion yen in December.

Japan's China-bound exports increased 3.1 percent in January, sharply lower than the 12.4-percent jump seen in December.

Imports from China, meanwhile, rose 7.2 percent, resulting in Japan recording its 59th straight monthly deficit against Asia's largest economy.

Overall exports rose 1.3 percent, falling short of the market expectation for a five-percent rise, which was the median estimate of economists surveyed by Bloomberg.

Imports increased 8.5 percent — the first rise in more than two years — and came in higher than the market expectation of a 4.8-percent rise.

Increases in commodity prices, triggered by oil producers' agreement last year to reduce production, also boosted energy bills for Japan, which depends mostly on imports from the Middle East.

The yen's relative strength compared with a year ago was also seen weighing on Japanese exports.

Japan's exports to the United States fell 6.6 percent, led by weaker automobile and semiconductor shipments, while imports rose 11.9 percent, driven largely by gas and grains.

Asia-bound exports rose 6.0 percent, led by steel, ships and auto parts.

India's new solar auction lights the way to Modi's green targets

Solar power in India fell to a record 3.30 rupees (5 US cents) a kilowatt-hour on Feb. 10 after a World Bank-backed auction helped the central Madhya Pradesh state tender 750 megawatts of power.

The auction format, which included payment guarantees and was run by the state and central governments, could become a template fueling growth in other regions and bringing energy security to the world's second-most-populous country, according to Bloomberg.

"The outcome for this tender has shown that the holy grail of grid parity has been discovered," said Basant Jain, the director at Mahindra Renewables Pvt., which won the right to build 250 megawatts of capacity in last week's auction. If the auction can be replicated, it would unleash exponential growth in Indian solar and make it the cheapest source of energy available, he said.

India is among a growing list of countries stretching from Asia to Europe that have used auctions to make clean energy more affordable. The result should help Prime Minister Narendra Modi's government meet pledges to install 175 gigawatts of renewable capacity by 2022 and spur discussion about whether solar can replace coal as India's dominant source of energy.

The winning "bid brings the price of solar power in the same range as coal power", said Ajay Mathur, a member of Modi's Council on Climate Change, in an e-mail.

Solar may pass coal and account for all new capacity on the grid in the next decade, according to a February 13 report issued by India's Energy and Resource Institute.

globalriskinsights.com

Main Indices of TSE

Index	Value	Change	Percent
Total Index	77698.2	217.9	0.28
Industry Index	66492.1	208.6	0.32
Free Float Index	84535.6	271.7	0.32
First Market Index	55044.3	280.5	0.51
Second Market Index	165959.3	(239.1)	(0.15)

Overall Index details on 20170220

First	77658.6	Change end of year(%)	866.98%
High	77753.7	Historical highest	89500.6 (20140105)
Low	77697.8	Historical lowest	100 (1369/1/6)
Close	77698.2	Base Value	100 (1369/1/6)
Change	217.9		

Industry Index details on 20170220

First	66447.5	Change end of year(%)	965.74%
Max Value	66540.6	Historical highest	75181.9 (20140105)
Max Value	66362.2	Historical lowest	1226.8 (1377/8/25)
Closing	66492.1	Base Value	
Closing	208.6		

Free Float Index details on 20170220

First	84535.6	Change end of year(%)	
Max Value	84566.6	Historical highest	105040 (20140105)
Max Value	84516.4	Historical lowest	
Closing	84535.6	Base Value	
Closing	271.7		

Main Board Index details on 20170220

First	55081.9	Change end of year(%)	759.07%
Max Value	55147.4	Historical highest	67441.4 (20140105)
Max Value	54716.6	Historical lowest	
Closing	55044.3	Base Value	4740.4 (1381/6/2)
Closing	280.5		

Secondary Index details on 20170220

First	165507.4	Change end of year(%)	1197.83%
Max Value	165959.3	Historical highest	174878 (20160405)
Max Value	163061	Historical lowest	
Closing	165959.3	Base Value	4740.4 (1381/6/2)
Closing	(239.1)		

Major Currencies

Currency	To USD	Currency	To USD
Turkish Lira	0.2755	Chinese Yuan	0.1457
Euro	1.0622	UAE Dirham	0.2722
British Pound	1.2468	Kuwaiti Dinar	3.2754
Australian Dollar	0.7674	Iraqi Dinar	0.0008
Japanese 100 Yen	0.0884	Saudi Riyal	0.2666

Major Commodities

Crude Oil	$53.78	Silver	$17.99
Gold	$1237.10	Platinum	$1005.00
Copper	$2.7	Wheat	$441.00