

A poll has found that 51 percent of Britons would now keep European Union membership while 41 percent want to leave the bloc, a near reversal of last year's referendum result.

China, UK vow to bolster economic cooperation

China and Britain have vowed to continue and strengthen cooperation on a wide range of economic, financial and trade issues, including speeding the introduction of a London-Shanghai stock connect program.

In a joint statement on Saturday, coinciding with an official visit to China by British finance minister Philip Hammond, the countries also said they opposed trade protectionism and reaffirmed their support for the World Trade Organization as a key pillar of the global trade system, according to Reuters.

The statement comes as China, in an unusual step, accused the US and the EU of breaking promises that they made when China joined the WTO.

Speaking at a press conference in Beijing together with Chinese Vice Premier Ma Kai, Hammond said the two countries were also discussing a long-awaited London-Shanghai stock connect program, as well as a possible scheme to connect their bond markets.

"We have agreed to accelerate the final preparations for the London-Shanghai stock connect initiative and we've agreed to commence feasibility studies for a UK-China bond connect and for mutual recognition of funds between the two jurisdictions," he said.

Hammond, who also visited a separate forum on Saturday where the London and Shenzhen stock exchanges signed a pact on supporting innovative companies, said he hopes to see more Chinese small firms "make the most of our country's startup expertise, networks and capital raising capabilities."

Fang Xinghai, vice chairman of China Securities Regulatory Commission, told the forum that China is looking to increase cooperation with Britain.

"China's savings are ample and we should create conditions to turn more



Britain's Chancellor of the Exchequer Philip Hammond and Chinese Vice Premier Ma Kai

savings into capital of innovative firms, rather than letting most of the savings stay in the property market," said Fang.

"If we can achieve this, China's economy will move up to a new level."

Talks on the Shanghai-London stock connect scheme, which would allow investors on one course to invest in the other, started two years ago, but progress has been slow partly due to Britain's unexpected decision to leave the EU.

Closer ties between China and UK capital markets would be welcomed by London, whose future as a global financial hub is clouded by Brexit. It would also be a boon to the London Stock

Exchange Group, which is grappling with turmoil including the recent abrupt departure of its CEO, Xavier Rolet.

For China, connecting London and Shanghai's exchanges would mark another milestone in its deregulation of capital markets. Beijing's commitment to financial reform has won global recognition, with US index publisher MSCI agreeing to include China A-shares in its global indexes next year.

The London-Shanghai stock connect is modeled after a similar scheme that links Hong Kong and Shanghai, but it faces more technical and regulatory challenges, as Chinese and British investors trade in different time zones.

Other areas of cooperation highlighted in Saturday's joint statement include encouraging each country's banks to increase their presence and activity in the other country, the promotion of China-UK cross-border yuan business, an agreement to cooperate on ultra-low-emission vehicles, and support of the yuan as a settlement currency.

China and the UK will establish a new joint expert group to exchange views on macroeconomic and fiscal policy, the joint statement said.

Former British prime minister David Cameron will also be involved in a proposed \$1 billion bilateral investment fund, the statement added.

Main Indices of TSE

Index	Value	Change	Percent
Total Index	95658.2	2522.5	3.11
Industry Index	84308.7	2306.2	3.29
Free Float Index	102199	3826	4.27
First Market Index	68232.2	2388.7	4.21
Second Market Index	202066.3	2030.5	1.14

Overall Index details on 20171217

First	94606.4	Change end of year(%)	919.04%
High	95658.2	Historical highest	89500.6 (20140105)
Low	94820.9	Historical lowest	100 (1369/1/6)
Close	95658.2	Base Value	100 (1369/1/6)
Change	2522.5		

Industry Index details on 20171217

First	83308.6	Change end of year(%)	1034.32%
Max Value	84466.4	Historical highest	75181.9 (20140105)
Max Value	80352.4	Historical lowest	1226.8 (1377/8/25)
Closing	84308.7	Base Value	
Closing	2306.2		

Free Float Index details on 20171217

First	101009	Change end of year(%)	
Max Value	101009.1	Historical highest	105040 (20140105)
Max Value	94579.3	Historical lowest	
Closing	102199	Base Value	
Closing	3826		

Main Board Index details on 20171217

First	67578.7	Change end of year(%)	787.77%
Max Value	68369.0	Historical highest	67441.4 (20140105)
Max Value	66686.6	Historical lowest	
Closing	68232.2	Base Value	4740.4 (1381/6/2)
Closing	2388.7		

Secondary Index details on 20171217

First	199467.5	Change end of year(%)	1317.58%
Max Value	202357.5	Historical highest	181353 (20170522)
Max Value	193894.2	Historical lowest	
Closing	202066.3	Base Value	4740.4 (1381/6/2)
Closing	2235.2		

Japan's debt-mired economy debilitated further by deflation

Japan's economy, the third-largest in the world, has huffed and puffed its way through 2017, mired in the same negative cycles since its asset price bubble's collapse in the early 1990s.

And 'Abenomics', while rich in Japanese Prime Minister Shinzo Abe's magnificence, is still lacking in actual invigoration, experts have said, Xinhua reported.

At first glance, the world's third-largest economy growing an annualized 2.5 percent in the July-September quarter and beating the preliminary reading of a 1.4 percent expansion, bodes rather well for Japan.

But this comes thanks to a significant upgrade to capital expenditure figures driven higher by an upswing in tourism owing to relaxed visa regulations, yet against a very bleak backdrop of mounting public debt and the ever-increasing threat of what economists have dubbed as a ticking 'demographic time-bomb'.

And despite years and various incarnations of the prime minister's 'Abenomics' policy mix, which includes the Bank of Japan's (BoJ) ultra-loose monetary easing policy, Japan has yet to break free from the shackles of deflation and the 'deflationary mindset' plaguing its people.



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Debt woe

Japan has a public debt level globally never seen before at more than double the size of its \$5-trillion economy. According to the Organization for Economic Cooperation and Development (OECD) in its latest evaluation, Japan, with its debt the highest in the industrialized world, poses "a serious risk."

Japan's sky-high debt resulted from the government here being unable to give up its decades-long fiscal addiction of lending, spending and borrowing.

"Japan's over-reliance on debt has been

prolonged by the government urging citizens to buy government bonds (IGB's) in a cycle that has seen the government, in the private sector, lend and spend at will by constantly obtaining new debt borrowing," said Hisao Katayama, a senior equity analyst at Nomura Securities Co.

"And such loose monetary policies, when other major economies are tightening theirs, are a double-edged sword," Katayama added.

"While the policies include drastically lowered interest rates aimed at bolstering capex and wages, increased public services investment, has, in fact, as with years

passed, hammered the government's balance sheet this year. Expenditures have continued to spiral way beyond stimulus targets and a further delay to a scheduled tax hike for a third time to 2019 will prolong the deficit," he said.

Deflated nation

According to Japan's Economy Minister Toshimitsu Motegi, the recent run of unbroken economic growth and the increasing output gap is evidence that Japan can finally escape from decades of deflation, especially if wages can be increased. "There are a lot of improvements in the economy that point toward an end to deflation. To make sure this happens, we need to focus on productivity and wages," Motegi said in November.

But economists have been quick to point out the fact that wages this year have stagnated and consumer prices have been painfully slow to rise.

Japanese wages rose just 0.2 percent in October from a year earlier, after adjustment for inflation, according to the labor ministry, marking their first rise since December 2016. A month earlier, wages dropped 0.1 percent from a year ago, down for a fourth consecutive month.

South Korea overseas investment funds reach record high this year

South Korea's overseas investment funds have attracted a record amount of money this year as investors are searching for higher returns abroad amid low interest rates at home, data showed on Sunday.

The combined net worth of overseas funds came to 107.69 trillion won (\$98.79 billion) as of the end of November, according to the Korea Financial Investment Association (KFIA), Yonhap wrote.

The amount has steadily increased this year to surpass the 100 trillion-won mark in late September for the first time, the association said.

The KFIA said institutions have expanded their investment in foreign real estate and special assets, such

as airplanes and ships, over the past decade as part of efforts to diversify their global portfolio.

Foreign real estate funds drew a net 28.73 trillion won through November to account for 26.1 percent of the total, which was 66 times the investment from 2007, the association said.

Funds betting on special assets received 16.81 trillion won over the period, also skyrocketing from 78.1 billion won in 2007.

Overseas equity funds took in 17.43 trillion won, while investment in derivatives and bonds drew 12.65 trillion won and 8.7 trillion won, respectively, it added.



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Major Currencies

Currency	To USD	Currency	To USD
Turkish Lira	0.2587	Japanese 100 Yen	0.8880
Euro	1.1750	Chinese Yuan	0.1512
British Pound	1.3325	UAE Dirham	0.2722
Australian Dollar	0.7650	Kuwaiti Dinar	3.3046
Canadian Dollar	0.7777	Iraqi 100 Dinar	0.0840

Major Commodities

Crude Oil	\$57.36	Silver	\$16.10
Gold	\$1258.10	Platinum	\$893.70
Copper	\$3.13	Wheat	\$418.50