

Tuesday, 17 March 2009

Flash Notes

Singapore: NODX Declines in Feb But Eases From Jan

The sharp contractions in Singapore's non-oil domestic exports seem to have eased somewhat in Feb at first look. Feb's NODX, fell 23.7% y/y (in line with median market estimates of -23.6%), better than the 34.9% contraction in Jan-which was the biggest drop ever on record. Seasonally adjusted, Feb NODX even increased marginally by 1.8% from the previous month, mainly due to the low base in Jan as a result of the Chinese New Year holiday.

Even though the slump in Feb has been less dramatic than in Jan, we think this is too soon to suggest a pick-up in exports. Feb's NODX showed the decline moderated from Jan, possibly due to the low base effect of the CNY holiday occurring in Feb last year. Moreover, demand from key markets like the US and EU (which in total account for a quarter of NODX) still remain weak, with contractions of 36.7% and 44.4%, respectively in Jan. NODX to China in Feb picked up from Jan, but this could be due to China importing more during the CNY period. We are projecting continued deterioration in NODX for the rest of the year, with full year shrinking 24%.

In Feb, both electronic and non-electronic NODX contributed to the decline, though these have eased from the month before. Electronic NODX went into its 25th consecutive month of y/y contraction of 31.9%, following a 38.4% drop in Jan. This was led by a plunge in exports of parts of PCs, disk drives and parts of ICs. Non-electronic NODX also fell in Feb, though less sharply than the month before, at -18.3% y/y compared to -32.4% in Jan. Lower domestic exports of petrochemicals, pharmaceuticals an electrical circuit apparatus led the decline. With the tepid demand for electronics and non-electronics persisting, more declines in the coming months are inevitable.

Contractions in Electronics and Non-electronics NODX Ease in Feb (y/y%)			
	Dec-08	Jan-09	Feb-09
Total NODX	-20.8	-34.9	-23.7
Electronics	-25.4	-38.4	-31.9
Disk Drives	8.7	-49.1	-45.2
ICs	-0.9	-19.4	-15.6
Parts of PCs	-32.8	-36.3	-35.9
Parts of ICs	-69.7	-64.6	-56.3
Diodes and Transistors	15.4	-9.7	-20.6
Non-Electronics	-17.4	-32.4	-18.3
Pharmaceuticals	-51.1	-4.5	-23.4
Petrochemicals	-41.2	-59.8	-42.6
Source: IE Singapore			

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