

ASEAN morning bytes

General market tone: Risk-on.

Risk sentiment is seen to dominate Thursday with Powell turning dovish overnight. Traders will look to Fed minutes tonight and the G20 meeting on Friday for further direction



International theme: Powell walks back previous comments, turns dovish to push risk on sentiment

- Fed Chair Powell made an about-face overnight, turning dovish just weeks after indicating the Fed had some ground to cover before approaching the neutral rate. Powell's dovish comments sparked risk on sentiment which could continue on Thursday although the G20 meeting and Fed minutes still loom on Friday.

EM Space: Emerging markets seen to rally on dovish Powell but gains may be capped ahead of G20

- **General Asia:** Investors will likely take their cue from the Powell-induced rally although gains may be capped ahead of the G20 meeting which starts on Friday.
- **Thailand:** Released yesterday the Bank of Thailand (BoT) minutes 14 November policy meeting noted that "... should economic expansion continue and inflation move within the target, the need for currently extra accommodative monetary policy would start to be

gradually reduced, while the need to have policy space to cushion against possible risks to growth in the future would be increasing.” The consensus is split on a BoT rate hike in December. It’s hard to imagine it will deliver one. And even if it does, it would be ‘one and done’, as Governor Veerathai has recently signaled.

- **Philippines:** Dovish comments from a BSP official who has a vote on monetary policy may signal that the BSP is done hiking rates for the year. Monetary Board member Tolentino indicated that “price pressures had subsided for now” and with the country securing more imports of its important rice staple, we can expect inflation to trend lower in the coming months.

What to look out for:G20

- Philippines bank lending and money supply (29 November)
- Euro zone GDP (29 November)
- Fed Powell speech (27 November)
- Thailand current account (30 November)
- Thailand trade (30 November)
- Taiwan GDP (30 November)
- China non-manufacturing PMI (30 November)
- G20 meeting (30 November)
- OPEC meeting (6 December)

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