

ASEAN Morning Bytes

General market tone: Wait and see.

Investors will likely focus on key economic releases from the US to get more clues to the threat of recession.



EM Space: US retail sales and job numbers will be the focus for the week

- **General Asia:** Traders will be focused on the release of advance retail sales from the US on Monday and the jobs numbers out on Friday for direction. Over the weekend Fed speakers attempted to downplay recession fears with Randal Quarles even expecting a rate hike “at some point” as the economy recovers. Trade talks between the US and China may also add flavor for the week.
- **Indonesia:** Bank Indonesia Deputy Governor Dody Budi Waluyo shot down initial speculation that the central bank would turn dovish in the near term to track the change in tone of the Fed. The official indicated that the central bank’s main focus remained stability and that they needed to maintain the attractiveness of Indonesian domestic financial markets to attract foreign players. Waluyo also maintained that the economy remained safe amid current global economic weakening.
- **Philippines:** The Bangko Sentral ng Pilipinas (BSP) forecasts inflation to settle at the 3.1-3.9% range with market players expecting price gains to have reached 3.4% for March. Food

prices will likely be the main drag on inflation with upside pressure still emanating from the steady rise in crude oil prices. The 2nd month of inflation below target will start to help convince the BSP to finally ease policy, perhaps at the May 9 meeting.

What to look out for: Market looks to US data for clues

- South Korea trade (1 April)
- China Caixin PMI (1 April)
- Thailand inflation (1 April)
- US retail sales and PMI (1 April)
- Indonesia inflation (1 April)
- South Korea (1 April)
- RBA meeting (2 April)
- US durable goods (2 April)
- US ADP employment, PMI services (3 April)
- India RBI meeting (4 April)
- Philippines inflation (5 April)
- US NFP (5 April)