

ASEAN Morning Bytes

General market tone: wait and see

Markets look to digest developments on the trade front while looking to Friday's jobs numbers from the US for direction. US-Canada deadline at 12 noon on Monday.



International theme: US data remains strong, US-Canada deadline at 12 noon (GMT+8)

- US economic data continued to point to steady growth with consumption still growing while inflation remains above target. Investors now await developments on trade for direction.

EM Space: Asian markets open 4Q looking to trade developments and US NFP for direction

- **General Asia:** Asian markets will likely open mixed, reacting to the PMI numbers reported out from China (manufacturing down, services up) over the weekend. This may show that the initial impact of the US-China trade war is beginning to take root. US-Canada deadline at noon could provide some direction for trading in the afternoon.

- **Thailand:** September CPI inflation is due. We believe August's 1.6% YoY inflation was the peak of the current cycle and expect a slowdown to 1.1% in September coming from slower inflation in the food and transport components. If materialized, this will be more reason for the BoT to leave monetary policy unchanged through the end of the year.
- **Philippines:** The Philippines saw money supply grow 10.4% in August, slightly slower than the previous month's pace as Peso liquidity continues to tighten. Bank lending remained in expansion at 18.9% as the economy continues to march higher, but also a slower pace from the last period. Higher rates and inflation will likely continue to weigh on bank lending but overall growth will remain robust.
- **Philippines:** September inflation will be reported on Friday with BSP's range between 6.3-7.1%, which could see BSP hike another 25 bps by year-end to safeguard the 2019 inflation target. September was the month where crop damage from a tropical storm may have kept food prices elevated.

What to look out for: US NFP and Asian inflation data

- US-Canada trade negotiations (deadline: end of September)
- Argentina-IMF credit line request (on-going)
- Manufacturing data out from China (30 September)
- Manufacturing data out from EZ (1 October)
- Manufacturing data out from US (1 October)
- Central bank meeting Australia (2 October)
- Philippine inflation (5 October)
- Central bank meeting India (5 October)
- US non-farm payrolls (5 October)