ASEAN Morning Bytes

General market tone: Wait and see.

Investors will likely stay defensive and monitor geopolitical developments ahead of China trade data later in the week

EM Space: Brexit deadline pushed back, trade talks continue

- **General Asia:** Keeping with their developed market counterparts, the balance of the central bank policy risks in Asia is shifting toward easing. The Fed minutes confirmed the shift to dovish policy bias and the US CPI data reinforced the same. The ECB President Draghi also maintained his dovish rhetoric, though the central bank had no details of new TLTRO. EU leaders offered an extension to the Brexit deadline to 31 October, though it could be potentially more destabilizing for the UK.
- **Malaysia:** February industrial production data is due today. A sharp fall in exports underlines our forecast of 1% YoY fall in IP as against the consensus of 2.2% growth (prior 3.2% growth). The combined January-February growth will have a good sense of 1Q19 GDP growth. Our forecast of a slowdown in GDP growth to 4.2% YoY in 1Q19 from 4.7% in 4Q18 remains on track. And so is our view of the Bank Negara Malaysia cutting its overnight policy rate by 25bp to 3.00% at the next meeting on 7 May.
- **Philippines:** The Philippines reports trade data for the month of February with market players expecting further struggles from the export side while imports are seen to have

expanded at a moderate pace. The trade balance is also forecasted to remain in a substantial deficit which should continue to validate our fundamental view for PHP weakening bias in the coming months.

What to look out for: China trade data

- Philippine trade (11 April)
- Malaysia industrial production (11 April)
- US PPI (11 April)
- Singapore GDP (12 April)
- China trade (12 April)
- US consumer sentiment (12 April)

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