

ASEAN Morning Bytes

General market tone: Wait and watch.

Market cautiously awaits China open to check for possible fallout from the recent global growth woes and trade concerns.



EM Space: Heavy data calendar to keep investors on their toes this week

- **General Asia:** The Chinese markets reopen after a long break to react to the recent risk-off amid persistent uncertainty about the US-China trade deal for which the next round of high-level talks takes place this week. Traders will also be awaiting a slew of economic data from around the region and Fed speeches for further direction.
- **Malaysia:** December industrial production data is due with the consensus of a slight pick-up in growth to 2.7% YoY from 2.5% in the previous month. We consider consensus estimate subject to upside risk from firmer exports. Data supports acceleration in GDP growth in the final quarter of 2018.
- **Thailand:** The THB depreciated by 0.8% on Friday, the biggest single-day loss since October as the surprising announcement by Thai Raksa Chart party, the political party aligned to self-exiled former Prime Minister Thaksin, of royal princess Ubolratana Rajakanya as its prime ministerial candidate. King Maha Vajiralongkorn thrashed the move with a royal command. The Election Commission is due to meet today to decide the fate of the Thai

Raksa Chart party that now faces a dissolution. We expect a spike in political risk in the run-up to 24 March elections to keep the THB under weakening pressure.

- **Indonesia:** The current account posted a \$9.1bn deficit in 4Q18, worse than the median estimate of \$8.6bn or about 3.6% of GDP deficit. This brought the annual 2018 current account deficit to 3% of GDP, the widest yearly gap since 2014 as imports outpaced tepid export demand. The current account woes of Indonesia were tagged as one of the main reasons for the IDR's weakness in 2018 that the central bank (BI) tried to counter by aggressively rate hikes.
- **Philippines:** The Asian Development Bank (ADB) issued \$100mn worth of currency-linked bonds to foreign investors with a fixed rate of 5.25% over 4 years. Denominated in Philippine Pesos, the bond offering will be settled in US Dollars.

What to look out for: Heavy data calendar and Fed speakers

- Malaysia industrial production (11 February)
- Hong Kong and China GIR (11 February)
- Philippine trade data (12 February)
- Singapore retail sales (12 February)
- Malaysia GIR (12 February)
- Taiwan inflation (12 February)
- Fed Mester speech (13 February)
- Fed Bostic speech (13 February)
- Taiwan GDP (13 February)
- US inflation (13 February)
- Japan GDP (13 February)
- Malaysia GDP (14 February)
- Fed Harker speech (14 February)
- EZ GDP (14 February)
- US retail sales (14 February)
- China trade (14 February)
- Singapore GDP (15 February)
- China inflation (15 February)
- Indonesia trade (15 February)
- Thailand GIR (15 February)
- Taiwan trade (15 February)
- US industrial production and consumer sentiment (15 February)
- Philippines remittances (15 February)

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