

ASEAN Morning Bytes

General market tone: Risk-off.

Concerns about global growth are seen to keep investors on the sidelines for now to await US retail sales data.



EM Space: Weak NFP and concerns about global growth seen to keep risk taking at bay

- **General Asia:** The downside surprise on the US jobs numbers and concerns about slowing global growth will likely keep investors sidelined for now. Dovish comments from Powell over the weekend mirrors the weak economic data although rising wage growth shows that the US economy is slowing rather than tanking.
- **Thailand:** Kanit Sangsubhan, a member of BoT's monetary policy committee downplayed the risk of a rate hike at the meeting later this month, noting no apparent risks in the financial sector warranting a hike in borrowing rate while inflation continues to undershoot expectations despite firmer consumer confidence. We maintain our view of no changes to the BoT policy this year.
- **Indonesia:** Bank Indonesia (BI) pledged to remain in the market to help provide liquidity to the banking system as the IDR slides on risk aversion. Central bank officials have indicated that BI is in the market, participating with a "large amount" to help slow the rapid depreciation seen in the currency.

- **Philippines:** Newly appointed Bangko Sentral ng Pilipinas governor Diokno appears open to reducing policy rates in the medium term should economic data evolve to warrant it. Decelerating inflation seen in recent months may prompt the central bank to walk back its aggressive rate hike in 2018. We maintain our forecast of two 25bps of rate cuts within 2019 starting from May.

What to look out for: Asia trade data and US retail sales

- US retail sales (11 March)
- Philippine trade (12 March)
- Singapore retail sales (12 March)
- India inflation (12 March)
- US inflation (12 March)
- US PPI and durable goods (13 March)
- China industrial production and retail sales (14 March)
- Indonesia trade (15 March)
- Thailand GIR (15 March)
- India trade (15 March)
- Philippines remittances (15 March)

Author

Nicholas Mapa

Senior Economist, Philippines

nicholas.antonio.mapa@asia.ing.com

Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("ING") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies).* The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit <http://www.ing.com>.