

ASEAN morning bytes

General market tone: Risk-off.

Risk markets backpedaled on Friday with investors turning their focus on possible slowing growth momentum with energy prices dipping in reaction. Weak data out from China helped cement the picture against the backdrop of the sustained Fed rate hike cycle



International theme: China showing signs of wear and trade war tear?

- Equity markets pulled back on Friday with investors looking to slowing global economic output in the coming months as the trade war continues to wear down the world economy. Disappointing numbers out from China coupled with expectations for a gradual Fed rate hike cycle hurt risk sentiment, sending oil prices lower. Major oil producers like Saudi Arabia have indicated they would slash production by up to 500,000 barrels/day to counter the recent slide, with oil prices seen to be kept in a tight range.

EM Space: Central banks on deck in ASEAN

- **General Asia:** Investors will continue to adopt a cautious stance on Monday with investors gauging the recent dip in oil prices as global growth momentum is expected to slow. Central bank meetings of select ASEAN nations - Indonesia, Philippines, and Thailand - will be in

focus.

- **ASEAN:** World leaders are gathered in Singapore for the 33rd Summit held between 11-15 November. The discussions about the Regional Comprehensive Economic Partnership (RCEP) are likely to dominate the Summit agenda.
- **Indonesia:** Indonesia posted the widest current account deficit since 2014 in 3Q 2018 but the shortfall was slightly less severe than expected at -\$8.85 bn (versus the consensus of a -\$9bn). This translates to a current account deficit to GDP ratio of 3.37% and should keep IDR from strengthening substantially although the currency has rallied of late. As such, Bank Indonesia will likely retain its hawkish stance at the forthcoming policy meeting on Thursday (15 November).
- **Philippines:** Bangko Sentral ng Pilipinas (BSP) Deputy Governor took on a dovish tone indicating that the recent appreciation of the peso may help limit inflationary pressures. These comments were delivered ahead of the BSP's policy meeting on Thursday (15 November). The consensus is split between a 25bp rate hike and on-hold BSP policy this week.

What to look out for: ASEAN central banks decisions

- India: CPI inflation (12 November)
- Japan: 3Q GDP (14 November)
- Thailand: central bank meeting (14 November)
- Eurozone: 3Q GDP (14 November)
- US: CPI inflation (14 November)
- UK: CPI inflation (14 November)
- China: retail sales (14 November)
- Philippines: central bank meeting (15 November)
- Indonesia: central bank meeting (15 November)
- Indonesia: trade data (15 November)
- Philippines: OF remittances (15 November)
- US: retail sales (15 November)
- Malaysia: 3Q GDP (16 November)