

ASEAN Morning Bytes

Market sentiment to remain jittery on virus concerns although Monday's focus maybe the oil deal



EM Space: Monday's focus may be on oil but Covid-19 will continue to dominate

- **General Asia:** The deal between major oil players will likely be the focus for Monday but investors will likely take their cue from developments related to the virus. Despite early and hopeful signs on the number of cases, infections and fatalities continue to mount across the globe and sentiment will continue to be affected by Covid-19 until we gain more clarity on the matter. In terms of data, market will likely be focused on reports out from China later in the week with GDP, retail sales and industrial production on deck.
- **Philippines:** Bangko Sentral ng Pilipinas (BSP) Governor Diokno indicated he would likely be lowering policy rates below 3% in the near term as the country continues to battle the virus. Previously, Diokno had pointed to 3% as a de facto floor or "normal rate" but he has since shown willingness to cut further to keep the economy afloat. Diokno will also cut reserve requirements by another 200 bps, possibly as early as this week to shore up liquidity in the financial market.
- **Indonesia:** After Indonesia implemented stricter social distancing guidelines in the country's capital last Friday, neighbouring towns of Bekasi, Depok and Bogor announced they are set to implement similar measures this Wednesday. Despite these measures, Indonesia's

Jokowi remains defiant on implementing a full lockdown of the economy with the central bank now forecasting GDP to dip to 2.4% with IDR gradually returning to the 15,000 level.

What to look out for: China data and Covid-19 developments

- Philippines money supply (13 April)
- Malaysia industrial production (13 April)
- Bank Indonesia policy meeting (14 April)
- China trade (14 April)
- Indonesia trade (15 April)
- Philippines remittances (15 April)
- US retail sales and industrial production (15 April)
- China home prices (16 April)
- US housing starts (16 April)
- Singapore non-oil exports (17 April)
- China GDP, industrial production and retail sales (17 April)