

ASEAN Morning Bytes

General market tone: Slight risk-on.

Global markets seen to edge higher on Wednesday given positive undertones on trade and the US shutdown.



EM Space: Trump appears open to negotiate

- **General Asia:** Investors will take solace in general positive developments on both the US-China trade negotiations and the border security issue. Market players will likely be looking out for US inflation and Fed speeches for further direction.
- **Philippines:** The Philippines reported another substantial trade deficit at \$3.75 bn for the month of December, boosting the full-year deficit to \$41.4 bn, up 51.3% from the previous year. Exports recorded another month of contraction, down 12.3% with the mainstay electronics subsector down by more than 15% in a sign of the ill effects of the trade war between the US and China kicking in. Meanwhile, imports contracted across the board with capital goods and raw materials registering surprise contractions. With the trade gap seen to remaining a prevailing theme in 2019, we expect an eventual depreciation pressure on the Peso by the yearend despite its recent strength.

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

- 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)