

ASEAN Morning Bytes

General market tone: Wait and watch.

Setting the mixed tone for markets today, escalation of geopolitical tensions in the Gulf region counters the positive investor sentiment from rising expectations of the US Fed easing.



EM Space: Oil moves higher on attacks in the Middle East

- **General Asia:** Attacks on two oil tankers caused oil prices to rise with the US blaming Iran for the attacks. Economic data from the US supports growing expectations of the Fed easing, while the markets await more economic data out from the US and China today.
- **Indonesia:** Finance minister Indrawati indicated that the government was aware of the downside risks to the country's economic growth momentum, which are mostly external in nature - the trade war and China's moderating growth. But she also highlighted the need for improvement in investments to maintain the overall growth momentum.
- **Thailand:** Moody's sees Thailand's aging society, moderate competitiveness, and labour skill shortages as key headwinds to growth going forward, while the economy is likely to benefit from continued domestic and foreign investment via the Eastern Economic Corridor (EEC) project as well as potential supply chain relocation due to the US-China trade conflict. Moody's investment grade, Baa1 rating on Thai sovereign credit has been in place since 2003, and it's on par with other main rating agencies – S&P and Fitch.

What to look out for: China retail sales and US retail sales

- Thailand GIR (14 June)
- China retail sales, industrial production (14 June)
- US retail sales, consumer sentiment (14 June)