

## ASEAN morning bytes

### General market tone: risk off

US stocks saw a wild session with stocks ending lower for the session, weighed down by energy shares as crude oil prices saw another round of hefty declines. Hopes for a Brexit deal sparked some optimism in Europe which was offset by Italian budget concerns.



### International theme: Energy drops more than 7% on global growth fears

- Concerns about oversupply dropped oil prices by more than 7% overnight with OPEC forecasting slower global demand in the coming months. Market players, however, remain wary of possible supply cuts by OPEC members, with Saudi Arabia recently sounding off on a substantial decrease in output to support market prices.

### EM Space: Frayed nerves to keep investors sidelined, awaiting Chinese retail sales data

- **General Asia:** Risk-off sentiment may continue to dominate on Wednesday with market payers focusing on falling oil prices with a watchful eye on Chinese economic data reports later in the session. US government officials have confirmed that the US and China have resumed trade talks, which could help reverse the current mood.

- **Thailand:** The Bank of Thailand (BoT) will be meeting to decide on policy with the market expecting the central bank to keep rates on hold at least for now. BoT has taken on a hawkish stance but faces headwinds ahead with a slowdown in tourism while erstwhile performers, exports and manufacturing, have shown signs of deceleration. Officials have indicated that increases in interest rates would not derail overall growth momentum but with inflation at 1.23%, comfortably within the 1-4% target, the BoT could keep its current stance for the time being.
- **Philippines:** The national food authority failed to secure bids for its tender of 203,000 MT of rice as vendors and the agency remained at odds with the pricing of the all-important grain. The government offered a reference price of \$447.88/ton while Vietnam and Thailand submitted bids at \$483/ton and \$480.8/ton, respectively. The auction was for the first tranche for delivery on end-November with only 47,000 MT successfully bid out. The delay in the auction could mean that rice supply remains tight, exerting upward pressure on rice prices and the overall inflation print until food stocks can arrive.

## What to look out for: China retail sales and BoT meeting

- CH retail sales (14 November)
- JP 3Q GDP (14 November)
- TH central bank meeting (14 November)
- EZ 3Q GDP (14 November)
- US CPI inflation (14 November)
- UK CPI inflation (14 November)
- CH retail sales (14 November)
- PH central bank meeting (15 November)
- ID central bank meeting (15 November)
- ID trade data (15 November)
- PH OF remittances (15 November)
- US retail sales (15 November)
- MY 3Q GDP (16 November)

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