

ASEAN Morning Bytes

Powell remained neutral at his speech while US core inflation slipped, leaving markets to look to Chinese data for direction.



EM Space: China in focus

- **General Asia:** Concerns about the ongoing trade war flared up on Wednesday, while Fed Chair Powell struck a neutral chord about the policy. All eyes today are on remaining Chinese activity data for October for what it says about the trade war impact on that economy.
- **Thailand:** The Bank of Thailand's deputy governor Mathee Supapongse signalled yet another cut to central bank's GDP growth forecasts for this and next years, currently 2.8% and 3.3% respectively, at the next policy meeting on 18 December. He also sees room for further monetary easing after a 25bp cut earlier this month pushed the policy rate to a record low of 1.25%. We expect 3Q GDP next week to show a further dip in growth to 2.0% from 2.3% in 2Q, which tipped us for another cut to our full-year growth forecast to 2.3% from 2.5% and that for 2020 to 3.0% from 3.3%. However, we don't think the BoT will cut the rates again in December.
- **Philippines:** Bangko Sentral ng Pilipinas (BSP) decides on monetary policy today. We are part of an unanimous consensus forecast that the central bank will keep policy rates unchanged following such signals recently from the Governor Diokno. While we expect the BSP pause to last through the end of this year as inflation is forecast to remain within target

going into 2020, we do expect another round of easing as early as the first quarter of next year.

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

- China industrial production, retail sales (14 November)
- Philippines BSP meeting (14 November)
- US PPI, initial jobless claims (14 November)
- Malaysia GDP (15 November)
- Indonesia trade (15 November)
- Thailand GIR (15 November)
- Hong Kong GDP (15 November)
- US retail sales (15 November)
- Philippines OF remittances (15 November)