

ASEAN Morning Bytes

General market tone: Risk-on.

Positive trade data out from China and better US corporate earnings are seen to lift the mood on Monday although gains may be muted.



EM Space: China trade data drives upbeat tone although global growth concerns persist

- **General Asia:** China reported better than expected data over the weekend which boosted risk taking behavior after decent US earnings. Meanwhile, oil prices continue to trend higher on supply disruptions and tightening supply with global leaders concerned about growth momentum.
- **Malaysia:** Once again Prime Minister Dr. Mahathir slammed the currency market speculators. Local media quoted him as saying, “Malaysia cannot allow the market and ringgit to decline and depreciate further due to attacks by currency speculators”. The renewed MYR weakness this month may have triggered the warning, though we don't see this heralding yet another fixed exchange rate era under Dr. Mahathir. Despite the depreciation trend since the last year in line with the broad emerging market trend, the MYR remains a resilient Asian currency.
- **Indonesia:** March trade data are due today with the consensus expectations of a swing in

the trade balance to \$177m deficit from \$330m surplus in February. However, Bank Indonesia (BI) expects the economy's external position to move into surplus with improvement in the current account, according to Senior Deputy Governor Mirza Adityaswara. The current account deficit, which widened sharply in 2018 was one of the key reasons for IDR weakness and this forced BI for an aggressive rate hike by total 175 bps. The IDR should benefit from narrower current account deficit this year.

- **Philippines:** February overseas Filipino remittances data is due today with expectations centered on a 3.9% YoY growth. Bangko Sentral ng Pilipinas (BSP) Governor Diokno highlighted remittances as a stable source of inflows, which was a reason the BSP won't be "scared" of pressure on the Peso when it cuts rates later in the year.

What to look out for: China GDP data and Fed speakers

- Indonesia trade (15 April)
- Philippines remittances (15 April)
- US industrial production (16 April)
- Singapore exports (17 April)
- Fed Kaplan (17 April)
- China GDP (17 April)
- EU inflation (17 April)
- US retail sales (18 April)
- Korea BoK meeting (18 April)
- Fed Bullard and Harker speak (18 April)
- Fed Bostic (19 April)