

ASEAN morning bytes

General market tone: Risk-off.

Expectations for lackluster earnings coupled with disappointing Chinese trade data reported to keep a lid on risk sentiment.



International theme: Trump hopeful for a deal with China

- President Trump's remarks that "we are going to be able to do a deal with China" raise hope for some progress on the trade front even as his standoff with the Democrats continues.

EM Space: Markets likely to remain in defensive mode

- **General Asia:** Emerging markets took a hit on Monday after China reported disappointing trade numbers. Defensive theme looks to be intact today with investors worried about slowing global growth while geopolitical concerns remain lurking in the background given the US shutdown and UK Prime Minister May's struggles.
- **Indonesia:** Trade data for December is due today. Analysts' expectations are centered on a narrower trade deficit due to slower import growth of 7.7% as against 11.7% in the previous month, while exports likely recovering to post 1.0% growth after a 3.3% contraction. The government has been active in carrying out measures to lower the current account deficit to GDP ratio from an estimated 3% in 2018. Bank Indonesia's Governor Warjiyo sees the current account deficit in 2019 equivalent to 2.5% of GDP as the government clamps down

on imports.

- **Philippines:** Bangko Sentral ng Pilipinas (BSP) reports data on overseas Filipino remittances for November, an important source of foreign currency to finance wide trade deficit. The consensus estimate of 8.3% YoY rise in inflows follows 8.7% growth in October.

What to look out for: Fed speakers

- Indonesia trade (15 January)
- Philippines OCW remittances (15 January)
- Fed Kashkari, Kaplan and George speak (16 January)
- Bank Indonesia policy meeting (17 January)
- Fed Quarles speaks (17 January)
- Thailand reserves (18 January)
- US consumer sentiment, industrial production, trade and retail sales (14-18 January pending shutdown)
- Fed Williams speaks (18 January)

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