

ASEAN Morning Bytes

General market tone: Wait and see.

Risk sentiment looks set to improve as President Trump downplays trade spat with China.



-\$509m

Consensus on Indonesia's April trade balance

Swing to deficit from \$540m surplus in March

EM Space: Trump indicates trade talks would resume and could still succeed

- **General Asia:** Donald Trump downplayed the recent escalation in trade tensions after the two countries traded tariffs, helping lift some sentiment overnight. This positive sentiment may feed into Asia with trade numbers out from Indonesia and India while China reports retail sales and industrial production.
- **Indonesia:** April trade data is due today with the market expecting sustained import compression as the government looks to help limit the current account deficit. Exports are still seen to struggle given the ongoing trade tensions between the US and China despite the recent efforts to bolster the export sector via incentives. A likely swing in trade balance

to a deficit in April from a surplus in March may exert additional pressure on the IDR although the central bank has pledged to support the currency.

- **Philippines:** April road vehicle sales continued to struggle with the month seeing only a 0.8% growth as passenger car sales contraction was slightly offset by strong growth of commercial vehicles. Car sales figured in the weaker GDP growth in the first quarter of 2019.

What to look out for: Lots of trade data from Asia

- China's April economic data (15 May)
- EU revised 1Q19 GDP (15 May)
- India April trade (15 May)
- Indonesia April trade (15 May)
- Philippines March OCW remittances (15 May)
- US April retail sales and industrial production (15 May)
- Bank Indonesia policy decision (16 May)
- Malaysia 1Q19 GDP and balance of payments (16 May)
- Singapore April NODX (17 May)