

ASEAN Morning Bytes

General market tone: Risk-off.

Taking a cue from the US market, players in Asia may turn defensive today ahead of China's GDP report on Wednesday, which may provide some direction.



EM Space: Awaiting important data from the US and China

- **General Asia:** Investors will likely take their cue from the pullback on Wall Street and play defensive ahead of China GDP and US retail sales data. Crude oil prices slipped on reports Russia may break away from a pact to curb production.
- **Indonesia:** The trade balance posted surplus for the second consecutive month in March. The \$540m surplus in the last month was a result of the continued fall in imports with inbound shipments down 6.8% YoY, while exports remained in the red with another 10% decline. This puts the 1Q trade balance at \$190m deficit on the back of a sharp slowdown in capital goods and raw materials imports. Although the improved current account balance may seem positive, the pullback of investment-related imports could hit sap the growth momentum in the period ahead.
- **Philippines:** February remittances by overseas Filipino remittances surprised on the downside with only 1.5% YoY growth to \$2.3bn as against the consensus of 3.9% growth. Still, this remains a stable source of foreign dollar inflows with the year to date growth pegged at 2.9%.
- **Philippines:** The President finally signed the PHP 3.7tr 2019 budget after months of delay,

bringing to an end a public squabble between lawmakers over appropriations. In signing the law, the President removed roughly PHP 95bn in appropriations for smaller infrastructure projects added on by select lawmakers. Growth projections for 2019 have been shaved after budget delays are seen to hamper government spending. The government is now targeting only 6-7% growth for the year.

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

- 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)