

ASEAN Morning Bytes

Market players likely to turn defensive as focus shifts back to economic reports



EM Space: Economic reports continue to point to deep economic pain ahead

- **General Asia:** US President Trump announced he is preparing “guidelines” for reopening select parts of the US economy by May even as healthcare officials and respective US state governors expressed caution on doing so as testing capability in the US lags other countries. Economic data showed cratering retail sales and plunging factory activity which was echoed by the Fed’s beige book, pointing to impending economic gloom in the coming months. Trading will likely take its cue from the dismal economic numbers while investors also monitor Covid-19 developments with the rate of new infections failing to decelerate substantially just yet.
- **Singapore:** Singapore will release its non-oil domestic exports data on Friday morning (17 April). We are looking for a 21% YoY NODX fall, much weaker than consensus 8% decline. Meanwhile, property in Singapore appears to be bearing the brunt of the Covid-19 outbreak. Home sales were down 32% in March over February, led by a 90% fall in luxury home sales. With all these bad March figures, we imagine a steeper GDP fall in 1Q20 than the -2.2% advance estimate.
- **Philippines:** Bangko Sentral ng Pilipinas (BSP) delayed the report on remittances to

Thursday, likely due to the inability of banks to send in their reports due to the ongoing lockdown measures in the country. The government announced that roughly 100,000 Filipinos are returning to the Philippines, which is another sign that labor markets around the world are feeling the heat from Covid-19 pandemic. We expect the recent strength of the PHP to fade once lockdown measures are lifted (scheduled for 1 May) as import demand resumes while remittance support is missing.

What to look out for: Covid-19 developments

- Philippines remittances (16 April)
- China home prices (16 April)
- US housing starts (16 April)
- Singapore non-oil exports (17 April)
- China GDP, industrial production and retail sales (17 April)