

ASEAN Morning Bytes

Asian markets to track gains overnight but take further direction from China data



EM Space: Strong US data to bolster sentiment on Friday

- **General Asia:** Asian markets will likely track gains overnight with optimism driven by positive US data highlighted by retail sales. Investors now turn their focus to a string of China data reports out today (GDP, retail sales and industrial production) while looking out for US consumer sentiment numbers as well. Market players will also be monitoring the fallout from sanctions imposed by the US on Russia, the meeting between Biden and Japan's Suga over the weekend while monitoring developments on the Covid-19 front for more direction.
- **Singapore:** In yet another big upside surprise to market expectations, the March non-oil domestic exports surged by 12.1% YoY and 1.2% MoM SA. The acceleration of year-on-year growth from 4.2% in February underscores a steady export-driven recovery in the Singaporean economy. Electronics remained the key NODX driver with a 24.4%YoY bounce, up from 7.4% in February, as ongoing global chip shortages have been buoying semiconductor exports (up 19% YoY). Pharmaceuticals also helped with more than a 25% YoY surge in shipments. The NODX data heralds strong manufacturing growth in March, lifting 1Q21 GDP growth further up from the +0.2% YoY advance estimate released earlier this week. We believe the MAS will see through the recent export strength and maintain its

neutral policy stance again in the next semi-annual policy review scheduled in October 2021.

- **Philippines:** President Duterte lifted the 9-year ban on new mining that would allow new entrants into the sector as well as permit existing mining deals to enter renegotiations. After the implementation of an executive order, the Department of environment and natural resources will need to formulate the implementation of rules and regulations for these new mining arrangements. Although mining activities account for less than 1% of GDP, authorities hope to attract up to \$12 bn in fresh investments over a period of roughly 5 years.

What to look out for: China GDP and Covid-19 developments

- China GDP, retail sales, industrial production (16 April)
- US housing starts and University of Michigan sentiment (16 April)