

ASEAN morning bytes

General market tone: Wait and watch.

Investors will likely be defensive on Wednesday as uncertainty over Brexit and US shutdown outweigh positive sentiment emanating from China stimulus hopes.



International theme: US shutdown continues while May gets thumbs down

- The US shutdown lingers with Republicans and Democrats still far apart on resolving the funding issue for Trump's border wall. Investors digest May's defeat as well as rising crude oil prices ahead of the US supply data.

EM Space: Emerging markets to remain in wait and see mode

- **General Asia:** Investors may go into a holding pattern as they await details on so-called Chinese stimulus efforts as reported by media outlets.
- **Indonesia:** Trade deficit narrowed to \$1.1bn in December from \$2.1bn in the previous month on a sharp slowdown in import growth and a steady decline in exports. This brought the full-year 2018 trade gap to \$8.6bn, the widest annual deficit ever coming off 20% import and 6.7% export growth. The government has pledged to implement measures to curb imports in order to limit the country's current account deficit.

- **Philippines:** November overseas remittances growth of 2.8% YoY was a significant downside miss (consensus 8.3%). The year-to-November inflow of \$26.1bn was up 3.1% from the same period in 2017, consistent with the BSP's downwardly revised growth target for 2018.

What to look out for: Fed speakers

- Bank Indonesia policy meeting (17 January)
- Singapore non-oil domestic exports (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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