

ASEAN Morning Bytes

Trump issues “guidelines” for state reopening while investors await China data for further direction



EM Space: Key data out from China should help give direction to trading on Friday

- **General Asia:** US President Trump issued “guidelines” for states to reopen even as New York extended its lockdown further into the month of May. Meanwhile, reports that a certain drug was effective against Covid-19 may have some hopeful for an effective treatment. Data out from China on Friday could give investors additional cues with growth, industrial production and retail sales reported later on Friday.
- **Singapore:** March non-oil domestic exports (NODX) posted a 17.6% year-on-year (12.8% month-on-month, seasonally adjusted) gain, a significant outperformance compared with the consensus expectation for an 8.0% fall. A 49% jump in the pharmaceuticals stood out as the main driver of growth as the sector is benefiting from the ongoing global health crisis. Electronics also fared well with a 5.8% rise being the sector's best performance in over two years. This data explains the resiliency of Singapore's manufacturing explained by only a 0.5% YoY fall in the advance GDP estimate. We believe worse lies ahead, as the month-long circuit-breaker to contain the Covid-19 spread will significantly impair activity in April and in the rest of this quarter.
- **Philippines:** Bangko Sentral ng Pilipinas (BSP) cut policy rates by 50 bps at an off-cycle

meeting as the government extended its lockdown until the end of the month. BSP Governor Diokno indicated that the central bank wanted to give Thursday's rate cut enough time to feed into the financial system to cushion the economy against the impending economic slowdown. BSP also allowed banks to book loans to small and medium-sized corporations against the 14% reserve requirement, a move that could free up roughly Php360 bn in fresh liquidity.

What to look out for: Covid-19 developments

- Philippines remittances (17 April)
- Singapore non-oil exports (17 April)
- China GDP, industrial production and retail sales (17 April)