

ASEAN morning bytes

General market tone: Slight risk-on.

Market players will likely await fresh leads as they digest conflicting reports about the stance of the US on rolling back tariffs on China.



International theme: Mnuchin and Lighthizer supposedly on opposing sides regarding China

- The market saw directional trading as reports initially showed that the US may be looking to rollback tariffs on China, only to be denied afterward by the Treasury officials. Meanwhile, more Fed speakers seem to be taking on dovish rhetoric with Vice Chair Williams on deck to speak on Friday.

EM Space: Investors may bargain hunt on Friday but gains to be capped

- **General Asia:** Traders may also refrain from taking on large positions amid conflicting reports about the US-China trade prospects.
- **Indonesia:** Bank Indonesia (BI) kept policy rates unchanged at 6.0% on Thursday, a move widely expected by the market. With the Fed seen to hike at a less aggressive pace in 2019 compared to 2018, BI felt that they had space to refrain from hiking rates as the IDR has

been an outperformer Asian currency so far this year. Governor Warjiyo had indicated that the key rate was likely close to peak but he also vowed to remain pre-emptive and ahead of the curve. After being one of the busiest central banks in 2018, BI may be on hold for now for as long as the IDR remains relatively stable.

What to look out for: China GDP and central bank meetings

- Thailand reserves (18 January)
- US consumer sentiment, industrial production, trade and retail sales (14-18 January pending shutdown)
- Fed Williams speaks (18 January)
- China GDP, retail sales and industrial production (21 January)
- Taiwan trade (21 January)
- South Korea GDP (22 January)
- Malaysia GIR (22 January)
- US existing home sales (22 January)
- Malaysia inflation (23 January)
- Singapore inflation (23 January)
- Philippines GDP (24 January)
- Malaysia policy meeting (24 January)
- ECB policy meeting (24 January)
- South Korea policy meeting (24 January)

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