

## ASEAN Morning Bytes 19 March 2019

General market tone: Wait and see.

Investors are likely to keep sidelined with the Fed beginning a two day meeting.



### EM Space: The FOMC meets and the market waits

- **General Asia:** Traders will likely stay defensive with the Fed going into a two-day policy meeting later on Tuesday. The markets are pricing in a dovish pause from the Fed given prevailing market conditions.
- **Malaysia:** Vehicle sales contracted by 1.8% YoY in February but production growth improved to 4.8% in the month after a steep, 19% contraction in the previous month. Data sends mixed signals about the overall manufacturing sales and output growth in the last month. Our view of a continued slowdown in GDP growth in the current quarter to 4.2% from 4.7% in 4Q18 remains on track.
- **Philippines:** The Philippines recorded a surprise January budget surplus as revenue rose steadily at 7% but expenditures before interest payments were down more than 10%. With the Congress debating the legality of the 2019 budget, the government is operating under the 2018 budget and thus spending has been curtailed, leading to the surplus. This will lead to slower growth in the first half of the year.

## What to look out for: central bank super Thursday

- Germany ZEW expectations (19 March)
- US factory orders and durable goods (19 March)
- Philippines BOP (19 March)
- Thailand BoT meeting (20 March)
- US FOMC meeting (20-21 March)
- Philippines BSP meeting (21 March)
- Taiwan CBC meeting (21 March)
- BoE meeting (21 March)
- US initial jobless claims (21 March)
- Indonesia BI meeting (21 March)

### Author

#### Nicholas Mapa

Senior Economist, Philippines

[nicholas.antonio.mapa@asia.ing.com](mailto:nicholas.antonio.mapa@asia.ing.com)

### Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("ING") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies)*. The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit <http://www.ing.com>.