

ASEAN Morning Bytes

General market tone: Risk-on.

Markets are seen to remain upbeat as Trump signals flexibility on March trade deadline and Fed stays dovish.



EM Space: US-China trade negotiations continue with Fed Williams singing dovish tune

- **General Asia:** Fed Williams tuned a dovish leaf on Tuesday, indicating that the economy would need to take a turn before additional policy tightening was warranted. The dovish tilt from the erstwhile hawk is seen to boost risk sentiment, all the more with Trump indicating that the fast-approaching March deadline on tariffs was not cast in stone.
- **Thailand:** The Bank of Thailand releases policy meeting minutes. We will be gleaning the document for the policymakers thinking on resurgent Thai baht, while they have been signaling a stable policy this year and also measures to curb excessive currency movements. We continue to expect a spike in the political anxiety in the run-up to the 24 March election to exert weakening pressure on the THB.
- **Philippines:** The Philippines reported a balance of payments (BoP) surplus of \$2.7 bn in January, up from \$2.3 bn in the previous month after the nation issued \$1.5 bn worth of Dollar-denominated debt early in the year. The current BoP also reflects the central bank's foreign exchange operations and investment income from abroad, leading to the end-

January gross international reserves of \$82.5bn.

What to look out for: US-China trade talks and Fed minutes

- US durable goods (21 February)
- Indonesia policy meeting (21 February)
- Fed minutes (21 February)

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