

ASEAN Morning Bytes

Central banks back in the limelight in Asia with the Bank of Japan meeting today, Bank Indonesia tomorrow, and Bank Negara Malaysia on Thursday



EM Space: IMF growth projections show gradual recovery

- **General Asia:** The IMF nudged down its 2020 growth forecast for the ASEAN to 4.8% from 4.9% and for 2021 to 5.1% from 5.2%, while global growth is expected to settle at 3.3% this year (down from 3.4%). Asian central banks back in focus with the Bank of Japan meeting today, Bank Indonesia tomorrow, and Bank Negara Malaysia on Thursday.
- **Thailand:** The Bank of Thailand announced the relaxation of mortgage lending rules yesterday. The loan-to-value (LTV) limit for the first home of more than THB 10 million was raised to 90% from 80%, while buyers at all prices were also allowed an additional 10% loan for furniture and decorations. There is also easing of LTV rules for second home buyers and the risk-weight requirement for some home mortgages. The latest easing of mortgage rules follows tightening in April 2019 and we don't see these carrying any material impact for the economy plagued by persistently weak domestic demand.
- **Philippines:** The overall balance of payments (BoP) showing a surplus of \$7.8bn in 2019 as the financial account swung into surplus in the last year on improved investor sentiment, while the current account remained in deficit albeit some narrowing of trade deficit. We see the BoP reverting back to the deficit this year as a surge in import demand from the

infrastructure spending plan is likely to swell the current account deficit.

What to look out for: Asian central bank meetings and Trump impeachment

- Taiwan GDP (21 January)
- Hong Kong inflation (21 January)
- Bank of Japan meeting (21 January)
- Philippines agriculture output (22 January)
- Thailand trade (22 January)
- Malaysia inflation (22 January)
- Taiwan industrial production (22 January)
- US existing home sales (22 January)
- Philippines GDP (23 January)
- Singapore inflation (23 January)
- Bank Indonesia meeting (23 January)
- ECB meeting (23 January)
- US PMI manufacturing (24 January)