

## ASEAN Morning Bytes

General market tone: Risk off.

Fed concedes and pulls rate hikes and balance sheet reduction off the table. Risk markets reacting negatively to excessive dovishness.



### EM Space: None and done! Fed calls for a halt on slowing growth momentum

- **General Asia:** Powell and company cancelled calls for a rate hike in 2019 while also announcing plans to end its balance sheet runoff by September as economic growth and inflation projections were revised lower. The Fed however moved to assure markets that the economy “was in a good place” but that it may have slowed from the blistering pace in 2018 post Trump fiscal boost with Asia seen to benefit from the Fed delay.
- **Philippines:** The Bangko Sentral ng Pilipinas (BSP) is set to decide on monetary policy with analysts not expecting a move just yet from new central bank governor Diokno, who has a dovish leaning. ING however expects the BSP to reduce reserve requirements either on Thursday or next Thursday given relatively tight conditions with domestic liquidity grinding to single digit growth and inflation now back within target.

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

- 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)

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