ASEAN morning bytes

General market tone: Risk-off.

Asian risk assets may see some life today on bargain hunting but players will be reluctant to push the rally higher amid elevated uncertainty ahead of the G20 meeting at the end of the month and the OPEC meeting on December 6.

International theme: Risk off sentiment remains as global growth concerns ebb

- The US stocks were staging a minor rally on light volume ahead of the holiday but tech shares failed to join in the up move. Lackluster durable goods orders contributing to concerns about potential Capex slowdown also kept investors on the sidelines.

EM Space: Bargain hunting may lead to brief rally but uncertainties remain

- **General Asia:** Asian risk assets may see some life today on bargain hunting but players will be reluctant to push the rally higher amid elevated uncertainty ahead of the G20 meeting at the end of the month and the OPEC meeting on December 6.
- **Singapore:** Revised GDP estimate for 3Q18 puts growth at 2.2% YoY (3.0% QoQ annualized), sharply below the 2.6% (4.7%) initial print. The slowdown in manufacturing and services

output was the drag on GDP growth in the last quarter. The recent rout in technology stocks in the US clouds prospects of the tech-heavy Singapore manufacturing sector and GDP growth, which will make it hard for the MAS to remain on the tightening course.
- **Thailand:** The trade balance posted a $280m deficit in October, a swing from a $487m surplus in the previous month, as import growth continued to outpace export growth at 11.2% and 8.7% respectively. The year-to-October trade surplus of $2.6bn compares with $13.4bn surplus in the same period of 2017. Net trade has been a drag on GDP growth this year. The BoT deputy governor Mathee Supapongse has flagged a possible downgrade of the central bank's GDP growth forecast for 2018, currently 4.4% (ING forecast 4.1%).
- **Indonesia:** Government officials remained confident that the current account woes of the country were abating. Minister Pandjaitan indicated that the current account deficit would shrink to single digits by 2019 from the official $28bn projection for the current year. The wider current deficit has soured investor sentiments toward the IDR this year. Any improvement going forward will be positive for the currency.
- **Philippines:** Infrastructure spending picked up substantially in 2018 with the Budget Secretary showing a 46% jump in year-to-date spending. This was reflected in GDP figures, which showed public construction leading overall construction spending. However, the government anticipates its spending to slow in 4Q due to the front-loading of investment projects.

What to look out for: US-China trade developments

- MY CPI inflation (23 November)
- SI CPI inflation (23 November)
- TH GIR (23 November)
- G20 meeting (30 November)

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