

ASEAN morning bytes

General market tone: Risk-off.

The risk-off tone will likely dominate Wednesday's trading with investors reacting to the IMF outlook and concerns about trade.



EM Space: Investors will likely stay defensive over concerns about slowing global growth

- **General Asia:** Negative fallout from the IMF's global outlook coupled with conflicting reports about the US-China trade negotiations will likely send investors to head for cover on Wednesday. Trading will likely take its cue from developments on the trade front but the tone will be defensive for the time being.
- **Malaysia:** The BNM's policy committee begins its first meeting of the year today and will announce the outcome tomorrow around 3 pm local time. We believe the central bank will assess economic risks being fairly balanced between growth and inflation (read more here), and leave the policy on hold throughout 2019, which is also the consensus view.
- **Singapore:** CPI data for December is due today. The consensus is centered on no change in the headline inflation from 0.3% YoY but an uptick in core measure to 1.8% from 1.7% in November. The balance of economic risks is tilted toward growth as reflected by disappointing NODX in December, reducing odds of continued MAS policy tightening this year.

- **Philippines:** The Bureau of the Treasury (BTr) issued PHP20bn worth of 20-year bonds and opened the tap facility to take in PHP10bn additional as the government looks to secure funding for its aggressive spending plan, which unfortunately has gone unpassed by Congress. Furthermore, the government is open to issuing another US Dollar denominated bond sometime in 3Q should conditions be favorable. The BTr had successfully issued 10-year Dollar bonds worth \$1.5bn in January.

What to look out for: Central bank meetings

- Singapore inflation (23 January)
- South Korea policy meeting (24 January)
- Philippines GDP (24 January)
- Malaysia inflation (24 January)
- Malaysia policy meeting (24 January)
- ECB policy meeting (24 January)