

ASEAN morning bytes

General market tone: Wait and see.

Traders will move cautiously on Friday with scant developments overnight. Investors will continue to monitor developments on the trade front ahead of the G-20 meeting at the end of the month.



International theme: Risk sentiment remains fragmented with energy prices lower anew

- Hopes for a Brexit deal and headway into the Italian budget deliberations boosted sentiment ever so slightly but investors remain skittish with important meetings coming up. US markets were closed but rising energy stockpile pushed oil lower with investors looking to possible supply cuts at the 6 December meeting.

EM Space: Investors likely to remain sidelined ahead of key meetings in the next two weeks

General Asia: Investors will likely adopt a wait and see approach with still so much up in the air as we approach the G20 meeting at the end of the month. Data calendar remains relatively quiet so trading will be headline driven with any news on US-China negotiations or OPEC seen to provide some impetus to trade.

Singapore: October CPI is due. The downside risk to the consensus forecast of slightly higher

headline inflation of 0.8% than 0.7% in June stems from lower fuel prices and car COE prices and the quarterly rebate on Services and Conservancy Charges (S&CC) for public housing. The core inflation, which strips out accommodation and private transport prices, remains elevated, rising to 1.9% in October from 1.8% in September. With the balance of economic risks tipped toward growth, it would be hard for the MAS to justify further policy tightening in April.

Malaysia: October CPI is due. The implementation of the Sales and Services Tax (SST) in September barely impacted inflation. Aside from the low base effect, there was nothing in October to push it higher to our forecast of 0.5% YoY from 0.3% in September (consensus 0.6%).

Thailand: The BoT Governor Veerathai Santiprabhob said the monetary policy would be data-dependent, adding that even if they raise the policy rate they won't be raising it continually. Growth slipped below the official comfort level of 4% in 3Q18 and, absent any bounce back anytime soon, it will be a long wait for the BoT before it could start raising interest rates.

Indonesia: The finance ministry has decided to cancel bond auctions for the rest of the year after hitting their issuance target for 2018. Algirman, Director of Budget Financing, indicated that revenue collection was positive and that they continue to see a budget deficit of 2.19% of GDP for the year.

Philippines: The bicameral session voted to approve the rice tariff bill which paves the way for a substantial improvement in the inflation outlook. The bill is seen to slash inflation by as much as 0.8 percentage points, which bodes well for BSP hitting their target by mid-2019.

Philippines: Japan and the Philippines have inked roughly \$1.7bn worth of deals on Thursday with infrastructure projects funded via official development assistance bringing in actual funds into the country in the coming months.

What to look out for: G20 meeting

- Malaysia CPI inflation (23 November)
- Singapore CPI inflation (23 November)
- Thailand GIR (23 November)
- G20 meeting (31 November)
- OPEC meeting (6 December)

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