ASEAN Morning Bytes

After a busy weekend of tariff slinging comes thawing of trade tension as sentiment booster for markets.

-3.8%

Consensus on Thailand's July manufacturing growth

Year-on-year

EM Space: : Some relief for markets

- **General Asia:** The markets may breathe some relief after President Trump and China pullback on trade rhetoric. It may not be a lasting relief though, as the uncertainty about which side really wants a deal continues. Meanwhile, data on China industrial profits may give some additional color for the day.
- **Indonesia:** Bank Indonesia (BI) Governor Perry Warjiyo kept his dovish rhetoric, referring to "herbs" of growth and stability as he looked to give the economy a boost via two policy rate cuts. Warjiyo defended his "preemptive" move to slash borrowing costs. He could cut rates further should the global outlook worsen as he now appears to support growth more than the stability of the IDR.
- **Singapore:** July manufacturing surprised on the upside with a -0.4% YoY and +3.6% MoM SA

growth. Strong monthly gain is consistent with 3.7% MoM SA NODX growth in the month. And just as for NODX, electronics was a source of manufacturing strength, which suggests to us that Singapore is coming along some other regional electronics heavy-weights (Taiwan, Malaysia) signaling bottoming of the technology sector downturn.

- **Thailand:** July industrial production is due today with the consensus forecast of a smaller fall in output by 3.8% YoY than June's 5.5% fall. A surprising swing in exports to positive growth in July bodes well for manufacturing. Tourist arrivals rose by 4.7% YoY in July, the strongest reading since January. The economy is off to a good start in the third quarter, supporting a view of some retracement of GDP slowdown in the first two quarters of the year.

What to look out for: Lots of activity data

- China Industrial profits (27 August)
- Korea Business Survey (29 August)
- Thailand manufacturing (29 August)
- US revised 2Q GDP (29 August)
- EU CPI (30 August)
- India 2Q19 GDP (30 August)
- Bank of Korea policy meeting (30 August)
- Thailand balance of payments (30 August)
- US Core PCE deflator (30 August)

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