

## ASEAN morning bytes

General market tone: Slight risk on.

Risk sentiment improved overnight and is seen to carry over to Tuesday with investors likely picking up bargains after previous sessions' steep falls. However, gains are likely to be capped ahead of key speeches by Fed officials.



### International theme: Bargain hunting but nothing too deep

Monday was characterized by bargain hunting with sentiment improving on strong sales from the US and a Brexit deal breakthrough. Oil prices recovered although most of the rally was simply bargain hunting after the recent swoon. The market will continue to remain optimistically cautious ahead of speeches from Fed officials and the G20 meeting on Friday

### EM Space: Oil and stock rebound overnight likely to aid a mild rally in Asia

- **General Asia:** With risk sentiment improving overnight, markets in Asia will likely track the recovery enjoyed in the US and Europe. Oil also managed to recover some losses but gains were tempered with important central bank speeches slated throughout the week which will be highlighted by Friday's start of the G20 summit.
- **Singapore:** October industrial production surprised on the upside with the growth of 4.3% YoY (2.0% MoM SA). The transport and offshore marine engineering was the bright spot,

while electronics, chemicals and petrochemicals, and pharmaceuticals continued to be weak. Electronics remained a drag on manufacturing. Our forecast of a modest recovery in GDP growth to 2.7% in 4Q18 from 2.2% in 3Q is on track.

- **Thailand:** October industrial production data due today will be an indication of where GDP growth is headed in the current quarter. The BoT Governor Veerathai has signaled a downgrade of the central bank's 4.4% GDP growth forecast for this year, which is at odds with his signal of a policy rate hike as early as next month.
- **Philippines:** October budget balance showed a deficit of PHP59.9bn, wider than the PHP21.8bn in the same period in 2017 as spending net of interest payments accelerated by 37%. The year-to-date deficit of PHP438.1bn was 84% of the full year target of PHP523.7bn. Budget secretary Diokno indicated that spending could begin to slow as the government is confident of not breaching their target.

## What to look out for: Fed speakers, G20

- US consumer confidence (27 November)
- Fed Clarida speech (27 November)
- US GDP (28 November)
- Fed Bostic speech (28 November)
- Philippines bank lending and money supply (29 November)
- Eurozone GDP (29 November)
- Fed Powell speech (27 November)
- Thailand current account (30 November)
- Thailand trade (30 November)
- Taiwan GDP (30 November)
- China non-manufacturing PMI (30 November)
- G20 meeting (30 November)
- OPEC meeting (6 December)

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