

## ASEAN morning bytes

General market tone: Risk-off.

Risk aversion may dominate markets with renewed concerns on US-China trade relations.



### EM Space: Traders to head for cover as US charges a Chinese telecommunications company

- **General Asia:** The US-China trade spat is starting to turn ugly with the US Department of Justice filing charges against the CFO of a Chinese teleco giant. Furthermore, the Justice Department is also filing charges against the parent teleco giant for stealing trade secrets from an American company. This leads us to expect a broader risk-off tone today.
- **Indonesia:** Bank Indonesia's Governor Warjiyo expects the IDR to remain stable with a strengthening bias as foreign investor confidence is expected to remain positive. The Governor also sees sufficient liquidity in the spot, swap, and non-deliverable forwards market. Meanwhile, BI reiterated its coordination with the national government and financial services authority to prepare policies to improve the current account balance.
- **Thailand:** The manufacturing data for December due today will help us to fine-tune our GDP growth estimate for the fourth quarter of 2018. Coming on the heels of a steeper export contraction last month, data is poised to surprise the consensus centered on a 0.6% YoY growth (prior 1%). ING forecast is -1.0%. However, the low base effect likely to have aided a slight pick-up in GDP growth to 3.5% in 4Q18 from 3.3% in the previous quarter. We are

wondering why the Bank of Thailand even bothered to tighten the policy in December. We aren't expecting any move this year.

## What to look out for: Fed decision, US-China trade talks

- US wholesale inventories (29 January)
- Hong Kong retail sales (30 January)
- China PMIs (31 January)
- India FY2020 budget (1 February)
- US NFP (1 February)

### Author

#### Nicholas Mapa

Senior Economist, Philippines

[nicholas.antonio.mapa@asia.ing.com](mailto:nicholas.antonio.mapa@asia.ing.com)

### Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("ING") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies).* The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit <http://www.ing.com>.