

ASEAN Morning Bytes

General market tone: Wait and see.

Get ready for an exciting week featuring resumption of the US-China trade talks, key central bank policy meetings, and a raft of activity data from across the region.



EM Space: US data beats expectations, all eyes still on Fed and trade talks

- **General Asia:** A slew of July economic indicators from around the region will provide a sense of where Asian economies are headed in the second half of 2019, while report cards for the second quarter performance continue to stream in. Adding to the investor anxiety are the resumption of the US-China trade negotiations and central bank policy decisions in the US, UK, and Japan.
- **Indonesia:** Bank Indonesia (BI) Governor Warjiyo vowed to maintain the central bank's presence in the market to keep the IDR stable. He attributed recent volatility to market players reacting to developments related to the US and Brexit. Warjiyo said that low inflation affords the central bank some "ability" to boost economic activity. We believe he will utilize this scope upon return of the IDR stability.
- **Philippines:** Bangko Sentral ng Pilipinas (BSP) Governor Diokno vowed to be forward-looking in setting monetary policy, while he also assured market participants of effective communication of potential policy directions. BSP is widely expected to ease further with

currently "tame" inflation allowing Governor to deliver on his previous promises to slash policy rates. We maintain our call of another 25bp policy rate cut at the next BSP meeting on 8 August.

What to look out for: Trade talks and Fed

- Japan retail sales (29 July)
- Japan job-to-applicant ratio
- Thailand manufacturing production (30 July)
- BoJ policy balance rate (30 July)
- US personal income(30 July)
- US pending home sales (30 July)
- Korea industrial production (31 July)
- China PMI non-manufacturing (31 July)
- Australian inflation (31 July)
- Thailand trade (31 July)
- Taiwan GDP (31 July)
- Fed meeting (1 August)
- Korea inflation (1 August)
- Korea trade (1 August)
- Taiwan PMI manufacturing (1 August)
- China Caixin PMI manufacturing (1 August)
- Thailand inflation (1 August)
- Hong Kong retail sales (1 August)
- Indonesia inflation (1 August)
- Malaysia trade (2 August)