

ASEAN Morning Bytes

General market tone: Wait and see.

Risk markets will likely stay in holding pattern on Wednesday with trade talks resuming in Washington.



EM Space: Market awaits the US jobs report on Friday

- **General Asia:** With mixed signals being sent by the US economy, market players train their focus on Friday's jobs numbers out from the US. Latest manufacturing numbers are quickly countered by weak capital goods orders. Meanwhile, President Trump and Fed Chair Powell continue their tenuous relationship.
- **Thailand:** In its bid to curb household debt, the Bank of Thailand is now training its focus on automobile loans. The Bangkok Post cited BoT's Governor Veerathai Santiprabhob as saying that they were examining this loan market for apparently relaxed lending norms and they could adopt new measures to control the loan quality. This follows the recent tightening of the mortgage loan market.
- **Indonesia:** Bank Indonesia sees the current environment fostered by the dovish Fed as beneficial to emerging markets. Deputy Governor Adityaswara asserted that the economy remained sound but also vowed to enact policies promoting foreign funds flow and narrow the current account deficit to 2.5% of GDP this year.
- **Philippines:** The damage to agricultural crop from the dry spell has reached PHP 5.05 bn as of March, according to the Agriculture Secretary. Last year's superstorm Mangkhut caused

damage of up to Php14 bn but the dry spell is expected to last until May. As a result, the deceleration in inflation trends will likely continue, albeit at a less pronounced pace. We forecast 3.4% YoY CPI inflation in March, down from 3.8% in February (data due 5 April).

What to look out for: Market looks to US data for clues

- China Caixin services (3 April)
- US ADP employment, PMI services (3 April)
- India RBI meeting (4 April)
- Philippines inflation (5 April)
- US NFP (5 April)

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