

## ASEAN Morning Bytes

General market tone: Risk-off.

The uncertainty about the US-China trade continues to rule the markets, setting the month of September off with a risk-aversion.



### EM Space: Trade uncertainty continues to rule the markets

- **General Asia:** Market players ignored a better-than-expected manufacturing data from China and instead focused on the rebuff for an extension to US tariff implementation causing a risk-off sentiment. We expect much of the same today with both sides unable to set a date for fresh trade talks.
- **Philippines:** Bangko Sentral ng Pilipinas's (BSP) new deputy governor Dakila indicated that growth is set to pick up in the second half of the year. He also indicated that further reductions to reserves would continue but the timing would depend on whether banks were using funds for lending activities.
- **Thailand:** Another [downside inflation surprise](#) leads us to bring forward our forecast for the next 25bp Bank of Thailand policy rate cut from the fourth quarter to the next meeting on 25 September. BoT Assistant Governor Titanun Mallikamas sees low fuel prices sustaining inflation below the 1-4% target this year. Probably adding to its monetary easing rhetoric the government sees the current level of household debt, 78.7% of GDP still at 'safe level' and not an issue for the economy with about 3% growth this year.
- **Indonesia:** August inflation came in right at consensus estimates with prices moving higher

by 3.49% (vs 3.51% expected) while core inflation was also on the uptrend to settle at 3.3%, faster than what market expected. Inflation remains right at the midpoint of the central bank's inflation target but the successive months of accelerating inflation could be a cause of concern.

## What to look out for: Asian manufacturing and US jobs

- Singapore PMI manufacturing (3 September)
- South Korea inflation and 2Q GDP (3 September)
- US ISM PMI manufacturing (3 September)
- China Caixin PMI services (4 September)
- Fed Rosengren and Williams speech (4 September)
- India PMI services (4 September)
- Malaysia trade (4 September)
- US trade (4 September)
- Philippines inflation (5 September)
- India current account (5 September)
- US durable goods (5 September)
- Fed Bowman, Kashkari, Evans and Bullard (5 September)
- Hong Kong GIR (6 September)
- Malaysia GIR (6 September)
- Taiwan inflation (6 September)
- US NFP (6 September)