ASEAN Morning Bytes

General market tone: Slight risk-on.

China's PMI data will set the tone for the markets ahead of the start of the FOMC meeting.

EM Space: Taking cue from China purchasing manager index

- **General Asia:** Positive sentiment from the solid report from the US may drive buying momentum although investors will also take a cue from China's manufacturing report. Meanwhile, trade talks between the US and China resume this week with Secretary Mnuchin hoping this round seals the deal.
- **Thailand:** March manufacturing index and balance of payments data due today will indicate the risks to our 1Q19 GDP growth forecast of 3.1%. The accelerated export decline in March leads us to expect a much weaker manufacturing growth of -3.5% YoY (consensus -2.1%). And for the same reason, we expect the current account surplus to narrow to $4.4bn in March from $6.5bn in February. The finance ministry yesterday cut its GDP growth forecast for 2019 to 3.8% from 4.0% on a view of much slower export growth than previously expected (3.4% vs. 4.5%). Yet, the central bank's (BoT) persistent hawkish tone keeps us from expecting policy support with a rate cut this year.
- **Philippines:** The Philippines is projected to grow by roughly 6% in 1Q19, according to Socioeconomic Planning Secretary Ernesto M. Pernia. This forecast is roughly in-line with the Bangko Sentral ng Pilipinas' assessment that demand conditions remain firm, which is one of the reasons why the central bank has refrained from cutting rates thus far to support

growth.

What to look out for: China PMI, FOMC and NFP

- China PMI (30 April)
- Thailand trade (30 April)
- Philippines domestic liquidity (30 April)
- Taiwan GDP (30 April)
- Thailand inflation (1 May)
- US ADP PMI (1 May)
- China Caixin PMI (2 May)
- Hong Kong GDP (2 May)
- Indonesia inflation (2 May)
- FOMC (2 May)
- Malaysia trade (3 May)
- US NFP and PMI services (3 May)

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