

## ASEAN Morning Bytes

The coronavirus overshadows everything else that matters for the markets



### EM Space: Coronavirus overshadows everything else

- **General Asia:** Numbers are rising with over 7,700 infections world over and 170 deaths in China from the coronavirus overshadows everything else that matters for the markets. Fed signalled reluctance to change policy direction and the EU cleared the UK's way out of the Union this Friday. The Asian economic calendar continues to be light today.
- **Thailand:** Yesterday's manufacturing data for December pointed to a continued slowdown in GDP growth in the fourth quarter, while the hit to tourism from the coronavirus is clouding the outlook for 2020. We believe conditions are ripe for more rate cuts from the Bank of Thailand and there could be one as early as next week ([read more here](#)). The USD/THB rate traded above 31.00 yesterday with 31-33 likely shaping to be the new near-term trading range.
- **Singapore:** 4Q19 labour report is due today. The continued anaemic GDP growth provides no reasons to expect a recovery in the jobs market. The jobless rate hit a decade high of 2.3% in 3Q, which is where we expect it to stay.
- **Philippines:** The December bank lending and domestic liquidity data tomorrow should show a recovery in both indicators on the back of recent monetary easing by the Bangko Sentral ng Pilipinas (BSP). The sustained improvement in bank lending should lead the BSP for

further reduction in the reserve requirements (RR).

## What to look out for: US GDP and Brexit

- Hong kong trade (30 January)
- Singapore jobless rate (30 January)
- US 4Q GDP(30 January)
- China manufacturing and services PMI (31 January)
- Thailand trade (31 January)
- US core PCE (31 January)
- UK exit deadline