

ASEAN Morning Bytes

General market tone: Slight risk-on.

Increasingly good news on the US-China trade negotiations sustains risk appetite even as economic data falters.



EM Space: Awaiting a possible US-China summit

- **General Asia:** Speculation that both the US and China are close to signing a deal will keep market players slightly upbeat with some reports indicating that a signing summit could take place as early as mid-March. Meanwhile, investors will also be looking to the slew of economic data reports, the ECB meeting and developments on Brexit for direction.
- **Malaysia:** January trade data is due. Despite outperformance in 2018, we don't think exports are immune to the accelerated weakness seen elsewhere in Asia. This is the last piece of economic data before the central bank (BNM) meeting tomorrow. BNM policy meetings have been boring lately but tomorrow's is likely to be less so in view of the negative inflation in January for the first time in nearly a decade. We believe deflation is transitory and policymakers see through the data and leave the policy on hold.
- **Indonesia:** Indonesia's inflation continued to decelerate, with February prices registering only a 2.57% increase from a year ago, the slowest pace of growth since November 2009. The reading was below median expectations for price gains and clings to the lower end of the 2.5-4.5% inflation target. The decelerating trend in inflation coupled with the recent strength of the Rupiah continues to add fire to the case for eventual policy easing

from Bank Indonesia amid a possible pause in the Fed tightening.

What to look out for: US jobs data and China trade data

- Malaysia trade (4 March)
- South Korea GDP and inflation (5 March)
- Philippines inflation (5 March)
- China Caixin PMI composite (5 March)
- Australia RBA meeting (5 March)
- Malaysia BNM meeting (5 March)
- US ISM Manufacturing services (5 March)
- Australia GDP (6 March)
- Taiwan GIR (6 March)
- US ADP employment and trade (6 March)
- Fed Barkin speech (6 March)
- Australia retail sales and trade (7 March)
- Malaysia GIR (7 March)
- EZ GDP and ECB meeting (7 March)
- Fed Williams and Mester speech (7 March)
- Japan GDP (8 March)
- Taiwan trade and inflation (8 March)
- US NFP employment (8 March)
- China trade (8 March)

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