

ASEAN Morning Bytes

Economic data should take centre stage this week with reports likely to remind investors of the negative impact from Covid-19.



EM Space: Data calendar is loaded this week and should give direction for trading

- **General Asia:** After market players reacted to hopeful trends on the virus front last week, economic data should remind investors of the bleak economic situation ahead even as governments from previous hotspots ready the gradual reopening of their economies. Regional PMI manufacturing data kicked off the data dump on Monday, with economies registering deep contractions with most countries employing some form of lockdown by April. The economic calendar is packed in the coming days with growth, trade and inflation data all set for release with downbeat reports likely the backdrop for trading this week.
- **Singapore:** The April manufacturing PMI is due today, with expectations centred on a drop in the index to an all-time low of 40.0 from 45.4 in March. The extended circuit-breaker measures mean the surprising manufacturing strength shown in the first quarter is poised to be reversed in the current quarter, leaving GDP on a path to a record contraction.
- **Malaysia:** March trade figures are due today. Firmer exports from most Asian economies in March impart some upside risk to the -8.3% YoY consensus on Malaysia's exports. However, underlying the weak consensus is the dent to activity due to the Covid-19 lockdown started in mid-March. Trade is the last piece of economic data for the central bank (BNM) beginning

its two-day policy meeting today. We expect a 50bp cut in the overnight policy rate to 2.00%.

- **Indonesia:** Indonesia reports data on inflation for April, with market consensus at 2.8% as depressed crude oil prices help keep price pressures at bay for the time being. Bank Indonesia (BI) Governor Warjiyo indicated that inflation will likely be within target this year, likely due to lower oil prices and subdued demand due to slowing economic growth momentum. We expect inflation to remain well-behaved in the coming months, leaving the door open for further easing from the central bank should the recent IDR rally be sustained as foreign investors return to snatch up both equities and bonds.

What to look out for: Regional data and Covid-19 developments

- Malaysia trade (4 May)
- Indonesia inflation (4 May)
- Hong Kong GDP (4 May)
- US factory orders (4 May)
- Philippines remittances (4 May)
- Thailand inflation (5 May)
- Philippines inflation (5 May)
- Indonesia GDP (5 May)
- Singapore retail sales (5 May)
- Malaysia BNM policy (5 May)
- Hong Kong retail sales (5 May)
- US trade (5 May)
- Hong Kong and Singapore PMI (6 May)
- Philippines trade (6 May)
- Taiwan inflation (6 May)
- US ADP employment (6 May)
- China Caixin PMI services (7 May)
- Philippines GDP (7 May)
- China trade (7 May)
- US initial jobless claims (7 May)
- Malaysia industrial production (8 May)
- Taiwan trade (8 May)
- US non-farm payrolls (8 May)

Author

Nicholas Mapa

Senior Economist, Philippines

nicholas.antonio.mapa@asia.ing.com

Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("ING") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies).* The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial

instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit <http://www.ing.com>.