

ASEAN morning bytes

General market tone: Risk off.

Trading will remain defensive on Thursday with investors still wary of slowing global economic growth and with the OPEC meeting in focus.



International theme: Risk sentiment still impaired by US-China trade deal while OPEC meeting begins

- Global markets took a hit on Wednesday with concerns about global growth festering. Traders will likely adopt more caution on Thursday with the OPEC meeting starting in Vienna.

EM Space: Emerging markets to remain defensive amidst revived geopolitical tension

- **General Asia:** Investors will likely remain on the backfoot with investors looking to the OPEC meeting in Vienna on whether major oil producers would slash production substantially. Details on the recent US-China truce remain elusive which will help drive direction in the coming days.
- **Malaysia:** October trade surplus hit an all-time high of MYR 16.3bn on an 18% YoY surge in exports led by strong growth in electric and electronics and oil-related exports. Malaysia's

external payments position continues to be supportive of the MYR. But a widely expected global growth slowdown and the resultant double whammy to the economy from slower exports and lower commodity prices will be negative. Overall, we expect the economic outlook to be mildly negative for the MYR, guiding us to a view that the USD/MYR will hover near the 4.2 level through 2019 (spot 4.16).

- **Indonesia:** Indonesia will report November data on consumer confidence on Thursday with the previous reading at 119.2. Confidence has been waning in the second half, dragged down by weak IDR, but we can expect a slight rebound given the recent consolidation in the currency.
- **Philippines:** November inflation surprised on the downside at a 6.0% year-on-year rate on lower food price inflation. Core inflation, however, was higher at 5.1% as excise tax implications continued to push prices higher for select products. BSP Governor retained his hawkish bias, indicating that the central bank would remain vigilant against the build-up in price pressures.

What to look out for: OPEC meeting

- Thailand consumer confidence (6 December)
- US ISM non-manufacturing (6 December)
- US trade balance (6 December)
- OPEC meeting (6-7 December)
- Malaysia GIR (7 December)
- Philippines GIR (7 December)
- Thailand GIR (7 December)
- US non-farm payrolls (7 December)
- US consumer confidence (7 December)