

ASEAN Morning Bytes

Strong US data limits case for Fed cut, weak China trade numbers highlights anxiety over phase one deal.



EM Space: Central bank meetings and tariff deadline to dictate trading direction

- **General Asia:** With the data calendar stacked with central bank meetings (Fed, ECB, and BSP) and lots of activity data, it's going to be a pretty busy week for markets. Trade anxiety will continue to play a key role in shaping investor sentiment.
- **Thailand:** The University of the Thai Chamber of Commerce's Consumer Confidence Index fell to more than five-year low of 69.1 in November from 70.7 in October. The ninth consecutive fall foreshadows continued weak domestic demand going into 2020. We are sceptical the proposed hike in the daily minimum wage hike in 2020, the second hike in as many years will do any good to revive confidence.
- **Philippines:** Bangko Sentral ng Pilipinas (BSP) Governor Diokno indicated that inflation and GDP should fall within their respective targets for the year. His comments come a week ahead of the BSP's last policy meeting of the year, where Diokno is expected to leave policy rates unchanged.
- **Indonesia:** Finance minister Indrawati indicated that conditions remained right for further easing from Bank Indonesia (BI) with stable inflation while growth faced global headwinds. Meanwhile, BI's deputy governor Damayanti hinted at more policy easing

ahead, noting that economy had entered an era of low inflation allowing for greater monetary policy accommodation and that BI had other monetary tools at its disposal.

What to look out for: Fed meeting and China inflation

- Taiwan trade (9 December)
- China money supply (9 December)
- Philippine trade (10 December)
- China inflation (10 December)
- US inflation (11 December)
- Fed meeting (11 December)
- BSP meeting (12 December)
- ECB meeting (12 December)
- US PPI inflation (12 December)
- Hong Kong industrial production 13 December)
- US retail sales (13 December)