

## ASEAN Morning Bytes

### General market tone: risk off

Global markets took a tumble as Treasury yields remained elevated and traders scoured the news for evidence to lift market sentiment.



### International theme: Market players seek cover as growth fears take center stage

- Risk sentiment took a big hit on Monday with the US out for a holiday as investors digested the possibility of slower global growth. Fed Bullard's comments failed to lift sentiment.

### EM Space: EM Asia takes a pounding as global growth fears escalate

- General Asia: Asian markets were walloped on Monday with concerns about global growth hitting home even as China looked to pacify anxiety via its RRR cut. Oil prices dipped ever so slightly but only because markets feel growth will slow.
- Indonesia: Despite the struggles of the IDR, Indonesia is seen to be on much better footing than it was in 1997. The ASEAN+3 Macroeconomic Research Office believes that the level of Indonesia's reserves remains quite adequate, thereby lowering the need to tap multilateral standby loans such as the Chang Mai reserve pool. Despite this, the Bank of Indonesia may

need to hike rates again to slow the currency's slide.

- Philippines: Price pressures continue to build with retail gasoline pump prices seeing a hefty 2-3% increase overnight as crude oil prices continue to trend higher. Providing some relief would be the decline in power rates, with prices seen dipping 7.4% over the previous year. BSP contends that inflation will trend lower in the coming months, all the more as non-monetary measures begin to take root. BSP has maintained they would be data dependent in their next decisions but retained their hawkish bias as prices remain well-above their target.

## What to look out for: Fed speakers, IMF-WB meetings

- Fed Williams speaks (9 October)
- Fed Harker and Williams (10 October)
- PH trade balance (10 October)
- US Producer prices (10 October)
- Fed Evans and Bostic speak (11 October)
- US inflation (11 October)
- China trade balance (12 October)
- IMF-WB annual meeting in Bali (12-14 October)