

Asia Morning Bites

Philippine trade data and Australian business confidence set for release



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Global Macro and Markets

- **Global Markets:** US Treasury yields took a slight breather on Monday after the big moves last Friday. 2Y yields kept in a narrow range and are roughly unchanged over the last 24 hours. 10Y yields managed a 3.4bp rise to 4.467% ahead of tomorrow's FOMC and US CPI data. EURUSD also didn't move too much further, dropping only slightly to 1.0763 despite the snap election called in France. The AUD has crept back above 66 cents, but Cable is pretty flat at 1.2726 and the JPY has lost a little ground against the USD, rising to 157.06. Asian FX caught up with their G-10 counterparts on Monday and there were decent rises across the board. The KRW and THB led the gains, though other SE Asian currencies also did well. Mainland China and Taiwan were out for Dragon Boat holidays but return today. US stocks made small gains on Monday, but equity futures don't suggest that this continues today.
- **G-7 Macro:** It was a quiet day for G-7 Macro yesterday. The NY Fed 1Y ahead inflation expectations survey edged down to 3.17% from 3.26%, which will be some relief as other inflation expectations measures have been showing signs of increase recently. Today, is also quiet. The US NFIB small firm business survey will be released. And in the UK, we get labour data for April.

- **Philippines:** Philippine trade data is out today. Exports are projected to bounce after sliding 7.3% year-over-year last month. Exports are forecast to rise 13%YoY in April while imports are expected to remain in contraction. Meanwhile, the overall trade balance is predicted to stay in deficit at roughly -\$3.8bn, suggesting the current account remains in deficit. A chronic current account deficit means pressure on the PHP should continue, all the more so with the BSP sustaining talk of cutting rates ahead of the Fed.
- **Australia:** The NAB survey of business confidence is released at 0930 SGT/HKT. The index has been going roughly sideways for more than a year now and there is no expectation for any deviation from this trend today.

What to look out for: US NFIB survey

- Philippine trade (11 June)
- Australia business confidence (11 June)
- US NFIB business optimism (11 June)
- Japan PPI (12 June)
- South Korea unemployment (12 June)
- China CPI and PPI (12 June)
- India trade and CPI inflation (12 June)
- Thailand BoT policy (12 June)
- US CPI inflation (12 June)
- US FOMC decision (13 June)
- Australia unemployment (13 June)
- Taiwan CBC policy (13 June)
- US initial jobless claims and PPI (13 June)
- Japan industrial production (14 June)

- US Univ of Michigan (14 June)

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