

Asia Morning Bites

US House passes bill on TikTok. Hong Kong PPI and India trade data are due out today ahead of US retail sales



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Global Macro and Markets

- **Global Markets:** US Treasury yields continued to move slightly higher yesterday. Yields on the 2Y UST rose 4.8 basis points while those on the 10Y rose 3.9bp taking the yield to 4.19%. EURUSD also moved higher, rising to 1.0951 currently, just down from its intraday peak of 1.0964. The AUD followed a similar path, rising to 0.6624. Cable was roughly flat at 1.2801, as was the JPY at 147.64. Most of the Asian FX pack were slightly weaker against the USD yesterday, led by the THB and KRW. USDCNY has moved up to 7.1868. US equities remained under pressure yesterday, and the S&P 500 fell 0.19% while the NASDAQ dropped 0.54%. In China, the Heng Seng fell just 0.07%, but the CSI 300 fell 0.7%.
- **G-7 Macro:** It's quite a busy day for US data today. US advance retail sales for February provide the latest snapshot on the macroeconomy following the higher-than-expected CPI figures, and are forecast to come in at a robust 0.8% MoM, though this would simply offset the 0.8% decline in January. A 0.4% MoM rise in the control group would also simply offset the same drop the month before. PPI data for February are also released, as well as weekly jobless claims.
- **India:** Trade data for February are forecast to show a slight widening of the trade deficit from USD 17491m in January. This will have little or no impact on the INR.

- **China:** The big news overnight for Chinese markets was the US House passing a bill in the interest of data security to ban TikTok from app stores unless it is sold by ByteDance, its parent company, ostensibly to a US-controlled entity. The policy still needs to be passed by the Senate and signed into law by President Biden (who previously said that he would sign if the bill reached him). This move is of major significance for several reasons: 1) it is a highly visible sign of US-China tensions in an election year, where we are likely to see more measures as policymakers try to look tough on China to garner support, 2) if this ban is successfully enforced, there is concern that this may set a precedent for this sort of ultimatum being given to other businesses.
- **Hong Kong:** In Hong Kong, we get the PPI and industrial production data today for 4Q23, which is expected to trend slightly weaker. These indicators are unlikely to have much market impact given the late publication date and a generally low importance to the outlook.

What to look out for: Indian trade data, US retail sales

- Hong Kong PPI and industrial production (14 March)
- US retail sales and PPI (14 March)
- China MLF (15 March)
- Indonesia trade (15 March)
- Philippines remittances (15 March)
- US industrial production and University of Michigan sentiment (15 March)

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