Asia Morning Bites

Indonesian trade data and Philippines remittances ahead of tomorrow's BSP and Bank Indonesia rate meetings

Global Macro and Markets

- **Global Markets:** It was Columbus Day yesterday in the US, and so there's nothing to report on US Treasury markets today. European markets were also fairly uninteresting. EURUSD carried on creeping lower, and after a quick break down through 1.09, has settled at about 1.0909. The AUD dropped close to the 67-cent level yesterday before bouncing and is at 0.6727 now. Cable has been quite choppy, but is roughly unchanged on balance. And the JPY has come within a whisker of 150 but has pulled back to 149.74. Asian FX is mostly weaker against the USD, though the IDR eked out some small gains yesterday, as did the TWD. The KRW lost 0.5% to the USD, followed by the PHP at -0.46%. USDCNY has risen to 7.0897. US equity markets were open despite the holiday yesterday. Both the S&P 500 and NASDAQ made decent gains of 0.77% and 0.87% respectively. Chinese stocks were a bit mixed. The CSI 300 rose 1.91%, but the Hang Seng, returning after a long weekend, lost 0.75%.

- **G-7 Macro:** Yesterday was utterly devoid of any significant G-7 macro releases. Today isn't much better. We do have UK labour market data and Germany's ZEW survey. In the US, there is just the regional Empire Manufacturing survey for October and some inflation expectations numbers from the New York Fed. There were a couple of overnight Fed speakers. Kashkari is reported to have said that he sees “further modest” cuts in the coming quarters, and Waller is said to have remarked that the fed should cut at a “deliberate pace”.

- **Indonesia:** Trade data out at noon SGT/HKT today is expected to show exports growing a little faster than the 7.13% YoY pace they managed in August. However, the same is true for imports, which grew at 9.46% in August and they are expected to accelerate to a double-digit pace in September. That will squeeze the trade balance, which recorded a USD2.9bn surplus in August. This is unlikely to be enough to spur BI into action tomorrow at their rate meeting. Recent USD strength will likely keep BI on hold despite decent inflation numbers.

- **Philippines:** Seasonal fluctuations should result in remittances from overseas workers dipping slightly in August from the USD3.085bn recorded for July. The rate of growth from last year will likely remain steady at 3.1% YoY. This should have no impact on tomorrow's BSP rate decision, which is expected to deliver a further 25bp rate cut.

What to look out for: South Korea import and export price index

October 15th

China: October 1-year medium-term lending facility rate

Indonesia: September imports, exports, trade balance, August external debt

Philippines: August overseas cash remittance

S Korea: September import price index, export price index

October 16th

Australia: September Westpac leading index

Indonesia: October BI-Rate

Japan: August core machine orders, Tokyo dept. store sales

Philippines: October BSP overnight borrowing rate

S Korea: September unemployment rate

US: September import price index, export price index

October 17th

Australia: September employment change, unemployment rate, participation rate

Japan: September imports, exports, trade balance, August tertiary industry index

Singapore: September non-oil domestic exports, electronic exports

US: September industrial production

EU: ECB Meeting

October 18th

China: 3Q GDP, September industrial production, retail sales, surveyed jobless rate

India: October foreign exchange reserves

Japan: September national CPI

Philippines: September BoP overall

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