

Asia Morning Bites

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



Asia Morning Bites

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

Author

Robert Carnell

Regional Head of Research, Asia-Pacific

robert.carnell@asia.ing.com

Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("ING") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies)*. The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit <http://www.ing.com>.