

Asia Morning Bites

Defensive start to the week likely



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Macro outlook

- **Global:** It's shaping up to be a soft start to the week, with US equities remaining weak at the end of last week in the run-up to the Easter long weekend. Equity futures indicate no sign of bargain hunting, which means Asian markets will likely have to focus on local newsflow to determine their direction today. In FX markets, with Monday a public holiday in most of Europe, EURUSD will likely remain close to its current 1.08 level, and that could see Asian FX remaining range-bound today too. Bond markets still look to be trying to work out where the top for longer-dated maturities will form after the sell-off through the first half of April.
- The Easter public holiday schedule means very little to focus on in the G-7 today, with market attention likely focusing ahead on the early May Fed meeting, and prospects for a 50bp move.
- **China:** China releases its first-quarter GDP today. The data is expected to be highly distorted by last year's high base (18.3%). If the data comes out very low, this will not be due to recent lockdowns as most of these started at the end of March. Retail sales will probably show negative growth due to limited travel within China during the Beijing Winter Olympics. Infrastructure investment should continue to be the main Chinese growth engine.
- Lockdowns are going to affect data for the whole of April, and maybe even longer as more cities are also adopting measures to bring Covid under control. As such GDP growth in 2Q22 could be further revised downward.

- **Singapore:** Non-oil domestic exports for March posted a 7.7% gain even after slipping 2.3% on a monthly basis. March NODX beat market expectations, supported by robust outbound electronics shipments. NODX however could moderate in the near term as global demand takes a hit from the ongoing conflict in Eastern Europe.
- **Indonesia:** March trade figures will be released later on Monday. Both exports and imports will likely post double-digit gains keeping the overall trade balance in surplus. Export growth will be supported by rising global prices for key exports such as palm oil, nickel and coal. Imports are also likely to rise on more expensive crude oil imports. Bank Indonesia (BI) reiterated that policy decisions would take direction from core inflation trends and pricier food imports may nudge core inflation higher in the coming months.

What to look out for: China data dump and geopolitical developments

- China GDP, retail sales and industrial production (18 April)
- Singapore NODX (18 April)
- Indonesia trade (18 April)
- Malaysia trade (18 April)
- Philippines remittances (18 April)
- Japan industrial production (19 April)
- Bank Indonesia policy meeting (19 April)
- US building permits and housing starts (19 April)
- Japan trade balance (20 April)
- PBoC loan prime rate (20 April)
- US existing home sales (20 April)
- Korea PPI and trade (21 April)
- US initial jobless claims (21 April)
- India trade balance (15 April)
- US industrial production (15 April)

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