

## Asia Morning Bites

Asian highlights today include Singapore's October inflation and the Bank of Indonesia (BI) policy meeting. Markets may well be quiet with the US out for Thanksgiving



## Asia Morning Bites

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### Global macro and markets

- **Global markets:** It was another quiet day in markets ahead of what will be an even quieter one today thanks to the US Thanksgiving holidays. This may well stretch to the weekend as Turkey-stuffed US traders may extend their time off to Friday too. Treasury yields rose slightly on Wednesday. The 2Y yield went up 2.7bp to 4.95%, while the 10Y yield barely rose, going up just 1.2bp to 4.404%. EURUSD retraced some of its recent rises, dropping back to 1.0887. The AUD was also slightly softer, at 0.6542, and Cable had a sharp dip in late trading, before partially recovering to 1.2493. The JPY crept higher and is back up to 149.49 now. Other Asian FX pairs were also mostly weaker against the USD. The KRW, IDR and TWD were between -0.49% and -0.87% softer. USDCNY was 0.33% weaker, and moved back up to 7.1648. US stock markets had a modestly positive day, with both the S&P 500 and NASDAQ rising a bit more than 0.4%. Chinese stocks were flat to down. The Hang Seng was unchanged on the day. The CSI 300 fell 1.02% and is down 8.45% year-to-date.
- **G-7 macro:** It was not a particularly exciting day for Macro on Wednesday. The US Durable goods orders numbers came in softer than had been expected. But there was some better news from the University of Michigan consumer sentiment survey, although the inflation

expectations surveys it contains were a bit higher than had been expected. US jobless claims also dropped, following their recent jump, which now looks as if it was just noise. The UK Chancellor, Jeremy Hunt, delivered a GBP21bn stimulus to the UK economy in his Autumn Statement yesterday, estimated to deliver a 0.3pp boost to GDP growth over the coming 5 years. The boost was more than had been expected and has raised concern that the Bank of England may not ease next year as soon or as fast as had previously been imagined. Today we get some preliminary PMI data out of the Eurozone.

- **Singapore:** October inflation is set for release today. Inflation is expected to pick up to 4.5%YoY (from 4.1% previous) for headline while core inflation could move higher to 3.1%YoY (from 3.0% previous). Although price pressures have moderated over the past few months, core inflation remains above the MAS' inflation target which suggests they could extend their current policy stance well into 2024.
- **Indonesia:** Bank Indonesia (BI) meets to discuss policy today. Although BI is tipped to keep rates unchanged, IDR slipped by roughly 0.9% yesterday, which could provoke a surprise rate hike from BI. BI was also expected to pause at their October meeting but substantial pressure on the IDR the day ahead forced Governor Warjiyo to hike rates to 6%. We would not rule out a rate hike if pressure on IDR persists today.

## What to look out for: Bank Indonesia policy meeting and Singapore inflation

- Singapore CPI inflation (23 November)
- Bank Indonesia policy (23 November)
- Japan CPI inflation (24 November)
- Singapore industrial production (24 November)

### Author

#### Robert Carnell

Regional Head of Research, Asia-Pacific

[robert.carnell@asia.ing.com](mailto:robert.carnell@asia.ing.com)

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