

Article | 29 August 2024

Asia Morning Bites

Australian private capex will give a first glimpse of next week's 2Q24 GDP prospects on an otherwise quiet day



Asia Morning Bites

Global Macro and Markets

Global Markets: It was another very quiet day for US Treasury markets. Neither the 2Y or
10Y did much, and that was despite some very dovish comments from the Fed's Bostic, who
seemed unconvinced that a September cut was a foregone conclusion. The 10Y yield is
currently 3.835%. Here is a piece by Padhraic Garvey on where we see the 10Y UST heading
over the short and medium run.

EURUSD retreated after the late gains of Tuesday and has dropped back to just 1.1125. Most of the rest of the G-10 pack has followed the EUR weaker, though the AUD has held up a bit better, perhaps on the misplaced view that yesterday's upside CPI miss would keep the RBA on hold for longer. See our note from yesterday for more on this. We don't see the RBA moving before 1Q25, but yesterday's inflation figures weren't as bad as the market reaction seems to imply, Please see the details here.

Asian FX had a mixed day again, though the outperformers are simply lagging the rest of the pack. The KRW propped up the bottom of the daily performance table and USDKRW has risen to 1336.35. USDCNY was little changed at 7.1279. The IDR, THB and MYR will likely reverse yesterday's gains this morning.

US stocks experienced another day of losses. The S&P 500 fell 0.6% and the NASDAQ dropped 1.12%. Chinese stocks were also down. The Hang Seng fell 1.02% and the CSI 300 fell 0.57%.

- G-7 Macro: Yesterday was extremely quiet for macro releases. It is a bit busier today, though the second release of the US GDP figures for 2Q24 is now of mainly historical interest, apart from the profits update which comes with that second release. Advance US goods trade data for July is also published. But trade data is not a big market mover. Initial jobless claims may also get more than the usual glance as the US labour market seems to have become the new benchmark by which the market will estimate the Fed's easing scope and pace. We will also get a lot of German inflation releases, including the national harmonized index. The Eurozone publishes some August business and consumer confidence numbers.
- Australia: Private capital expenditure data which feeds into next week's 2Q24 GDP figure is published at 0930 SGT/HKT today. The net export figures which are released on 3 September are more likely to drive the overall GDP number.

What to look out for: US GDP second release, Australia private capital expenditure

August 29th

Australia: 2Q private capital expenditure

US: 2Q24 GDP second release

August 30th

S Korea: July industrial production

Japan: July jobless rates, Job-to-applicant ratio, industrial production, retail sales, housing starts,

August Tokyo CPI

Australia: July retail sales, private sector credit

Thailand: July BoP current account balance, imports, exports, trade balance, August gross

international reserves

India: 2Q24 GDP and July deficit

US: July PCE and core PCE inflation

China: August Manufacturing PMI, Non-manufacturing PMI (31st August)

S Korea: August Imports, exports, trade balance (1st September)

Author

Amrita Naik Nimbalkar

Junior Economist, Global Macro amrita.naik.nimbalkar@ing.com

Mateusz Sutowicz

Senior Economist, Poland mateusz.sutowicz@ing.pl

Alissa Lefebre

Economist <u>alissa.lefebre@inq.com</u>

Deepali Bharqava

Regional Head of Research, Asia-Pacific <u>Deepali.Bhargava@ing.com</u>

Ruben Dewitte

Economist +32495364780 ruben.dewitte@ing.com

Kinga Havasi

Economic research trainee kinga.havasi@ing.com

Marten van Garderen

Consumer Economist, Netherlands marten.van.garderen@ing.com

David Havrlant

Chief Economist, Czech Republic 420 770 321 486 david.havrlant@ing.com

Sander Burgers

Senior Economist, Dutch Housing sander.burgers@ing.com

Lynn Song

Chief Economist, Greater China lynn.song@asia.ing.com

Michiel Tukker

Senior European Rates Strategist michiel.tukker@ing.com

Michal Rubaszek

Senior Economist, Poland michal.rubaszek@ing.pl

This is a test author

Stefan Posea

Economist, Romania tiberiu-stefan.posea@ing.com

Marine Leleux

Sector Strategist, Financials marine.leleux2@ing.com

Jesse Norcross

Senior Sector Strategist, Real Estate jesse.norcross@ing.com

Teise Stellema

Research Assistant, Energy Transition teise.stellema@ing.com

Diederik Stadig

Sector Economist, TMT & Healthcare diederik.stadig@ing.com

Diogo Gouveia

Sector Economist diogo.duarte.vieira.de.gouveia@ing.com

Marine Leleux

Sector Strategist, Financials marine.leleux2@ing.com

Ewa Manthey

Commodities Strategist ewa.manthey@ing.com

ING Analysts

James Wilson

EM Sovereign Strategist James.wilson@ing.com

Sophie Smith

Digital Editor sophie.smith@ing.com

Frantisek Taborsky

EMEA FX & FI Strategist

frantisek.taborsky@ing.com

Adam Antoniak

Senior Economist, Poland adam.antoniak@ing.pl

Min Joo Kang

Senior Economist, South Korea and Japan min.joo.kang@asia.ing.com

Coco Zhang

ESG Research coco.zhang@ing.com

Jan Frederik Slijkerman

Senior Sector Strategist, TMT jan.frederik.slijkerman@ing.com

Katinka Jongkind

Senior Economist, Services and Leisure <u>Katinka.Jongkind@ing.com</u>

Marina Le Blanc

Sector Strategist, Financials Marina.Le.Blanc@ing.com

Samuel Abettan

Junior Economist samuel.abettan@inq.com

Franziska Biehl

Senior Economist, Germany <u>Franziska.Marie.Biehl@ing.de</u>

Rebecca Byrne

Senior Editor and Supervisory Analyst rebecca.byrne@ing.com

Mirjam Bani

Sector Economist, Commercial Real Estate & Public Sector (Netherlands) mirjam.bani@ing.com

Timothy Rahill

Credit Strategist timothy.rahill@ing.com

Leszek Kasek

Senior Economist, Poland

leszek.kasek@ing.pl

Oleksiy Soroka, CFA

Senior High Yield Credit Strategist oleksiy.soroka@ing.com

Antoine Bouvet

Head of European Rates Strategy antoine.bouvet@ing.com

Jeroen van den Broek

Global Head of Sector Research jeroen.van.den.broek@ing.com

Edse Dantuma

Senior Sector Economist, Industry and Healthcare edse.dantuma@ing.com

Francesco Pesole

FX Strategist

francesco.pesole@ing.com

Rico Luman

Senior Sector Economist, Transport and Logistics Rico.Luman@ing.com

Jurjen Witteveen

Sector Economist jurjen.witteveen@ing.com

Dmitry Dolgin

Chief Economist, CIS dmitry.dolgin@ing.de

Nicholas Mapa

Senior Economist, Philippines nicholas.antonio.mapa@asia.ing.com

Egor Fedorov

Senior Credit Analyst egor.fedorov@ing.com

Sebastian Franke

Consumer Economist sebastian.franke@ing.de

Gerben Hieminga

Senior Sector Economist, Energy

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gerben.hieminga@ing.com

Nadège Tillier

Head of Corporates Sector Strategy nadege.tillier@ing.com

Charlotte de Montpellier

Senior Economist, France and Switzerland charlotte.de.montpellier@ing.com

Laura Straeter

Behavioural Scientist +31(0)611172684 laura.Straeter@ing.com

Valentin Tataru

Chief Economist, Romania valentin.tataru@ing.com

James Smith

Developed Markets Economist, UK <u>james.smith@ing.com</u>

Suvi Platerink Kosonen

Senior Sector Strategist, Financials suvi.platerink-kosonen@ing.com

Thijs Geijer

Senior Sector Economist, Food & Agri thijs.geijer@ing.com

Maurice van Sante

Senior Economist Construction & Team Lead Sectors maurice.van.sante@ing.com

Marcel Klok

Senior Economist, Netherlands marcel.klok@ing.com

Piotr Poplawski

Senior Economist, Poland piotr.poplawski@ing.pl

Paolo Pizzoli

Senior Economist, Italy, Greece paolo.pizzoli@ing.com

Marieke Blom

Chief Economist and Global Head of Research marieke.blom@ing.com

Raoul Leering

Senior Macro Economist raoul.leering@ing.com

Maarten Leen

Head of Global IFRS9 ME Scenarios maarten.leen@ing.com

Maureen Schuller

Head of Financials Sector Strategy <u>Maureen.Schuller@ing.com</u>

Warren Patterson

Head of Commodities Strategy Warren.Patterson@asia.ing.com

Rafal Benecki

Chief Economist, Poland rafal.benecki@inq.pl

Philippe Ledent

Senior Economist, Belgium, Luxembourg philippe.ledent@ing.com

Peter Virovacz

Senior Economist, Hungary peter.virovacz@ing.com

Inga Fechner

Senior Economist, Germany, Global Trade inga.fechner@ing.de

Dimitry Fleming

Senior Data Analyst, Netherlands <u>Dimitry.Fleming@ing.com</u>

Ciprian Dascalu

Chief Economist, Romania +40 31 406 8990 ciprian.dascalu@ing.com

Muhammet Mercan

Chief Economist, Turkey muhammet.mercan@ingbank.com.tr

Iris Pang

Chief Economist, Greater China iris.pang@asia.ing.com

Sophie Freeman

Writer, Group Research +44 20 7767 6209 Sophie.Freeman@uk.ing.com

Padhraic Garvey, CFA

Regional Head of Research, Americas padhraic.garvey@ing.com

James Knightley

Chief International Economist, US <u>james.knightley@ing.com</u>

Tim Condon

Asia Chief Economist +65 6232-6020

Martin van Vliet

Senior Interest Rate Strategist +31 20 563 8801 martin.van.vliet@ing.com

Karol Pogorzelski

Senior Economist, Poland Karol.Pogorzelski@ing.pl

Carsten Brzeski

Global Head of Macro <u>carsten.brzeski@ing.de</u>

Viraj Patel

Foreign Exchange Strategist +44 20 7767 6405 <u>viraj.patel@ing.com</u>

Owen Thomas

Global Head of Editorial Content +44 (0) 207 767 5331 owen.thomas@ing.com

Bert Colijn

Chief Economist, Netherlands bert.colijn@ing.com

Peter Vanden Houte

Chief Economist, Belgium, Luxembourg, Eurozone peter.vandenhoute@ing.com

Benjamin Schroeder

Senior Rates Strategist benjamin.schroder@ing.com

Chris Turner

Global Head of Markets and Regional Head of Research for UK & CEE chris.turner@ing.com

Gustavo Rangel

Chief Economist, LATAM +1 646 424 6464 gustavo.rangel@ing.com

Carlo Cocuzzo

Economist, Digital Finance +44 20 7767 5306 carlo.cocuzzo@ing.com