

Asia Morning Bites

Asian Markets have yet to fully respond to Friday's mixed payrolls report. Indonesian 2Q23 GDP today



Asia Morning Bites

Source: shutterstock

Global Macro and Markets

- **Global markets:** US equities dipped slightly on Friday after a mixed labour report that contained some hints that the US economy was slowing. The S&P 500 declined 0.53% and the NASDAQ fell 0.36%. Chinese stocks had a better end to the week. The Hang Seng rose 0.61% and the CSI 300 rose 0.39%. US Treasury yields retreated sharply on Friday. The 2Y yield dropped 11.7bp, and 10Y Treasury yields fell 14.1bp to 4.034%. The USD also softened against the EUR. EURUSD rose sharply to 1.104 intraday, before settling back to just over 1.10. The AUD took a look above 0.66 but has also settled back to 0.6572. Cable rose to 1.2747, and the JPY dropped to 141.91. Asian FX was mostly weak against the USD on Friday but will likely recover lost ground in early trading today. The KRW and THB were the two weakest currencies on Friday. The KRW is now 1309.70.
- **G-7 Macro:** Friday's labour report was very mixed, with the headline payroll numbers coming in a bit lower than expectations, but wages growth rising and the unemployment rate falling. [James Knightley thinks this should keep the FOMC on hold at their September meeting](#). Fed speakers last week gave conflicting messages. Bostic suggested that as the labour market was now slowing, the Fed did not need to hike any more - a view that is in line with our house forecast. Bowman said that more hikes were likely. There is nothing of

any note from the G-7 today. Later this week, we get July CPI inflation from the US, which could move slightly higher again from June's 3.0% reading. Core inflation is forecast to stay at 4.8%YoY.

- **Indonesia:** 2Q23 GDP is set for release today. The market consensus points to a 5.0%YoY expansion for 2Q with consumption getting a lift from fading inflation. Meanwhile, softer export growth, partly due to moderating global commodity prices likely capped growth momentum amidst slower global trade. This would match the expansion reported in 1Q with growth on track to meet government expectations. Bank Indonesia recently retained its growth outlook for 2023 at 4.5-5.3%YoY.

What to look out for: Fed speakers

- Thailand CPI inflation (7 August)
- Indonesia 2Q GDP (7 August)
- Fed's Bowman and Bostic speak (7 August)
- South Korea BoP current account balance (8 August)
- Japan trade balance (8 August)
- Australia Westpac consumer confidence (8 August)
- China trade (8 August)
- Philippines trade (8 August)
- Taiwan trade (8 August)
- US trade balance (8 August)
- South Korea unemployment (9 August)
- China CPI inflation (9 August)
- Taiwan CPI inflation (9 August)
- US MBA mortgage application (9 August)

- Japan PPI inflation (10 August)
- Philippines GDP (10 August)
- RBI policy meeting (10 August)
- US initial jobless claims and CPI inflation (10 August)
- Singapore CPI inflation (11 August)
- Hong Kong GDP (11 August)
- US PPI inflation, University of Michigan sentiment (11 August)

Author

Robert Carnell

Regional Head of Research, Asia-Pacific
robert.carnell@asia.ing.com

Nicholas Mapa

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