

Asia Morning Bites

Philippine 2Q24 GDP and the Reserve Bank of India could provide some interest today as markets continue to stabilise



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Global Macro and Markets

- **Global Markets:** US Treasuries are stabilising after recent fluctuations. 2Y yields were just 1.3 basis points lower yesterday at 3.962% and the 10Y yield rose a modest 3.1bp to 3.92%. EURUSD is also steady at 1.0930, as are most of the G-10 currencies. The JPY is back to 146.11 after weakening yesterday on reassuring comments from the BoJ about future rate hike plans. Asian FX was very mixed yesterday. The IDR and PHP made decent gains, but there were losses from the MYR and THB. The CNY also weakened. USDCNY has risen to 7.1766. US stocks reverted to weakness on Wednesday. The S&P 500 fell 0.77% and the NASDAQ lost 1.05%. Equity futures suggest more of the same today. Chinese stocks had a better day. The Hang Seng managed a 1.38% gain, though the CSI 300 was roughly unchanged. Risk sentiment may sour on reports of a Ukrainian incursion into Russia.
- **G-7 Macro:** It was a fairly uneventful day in the G-7 yesterday, and today will also be quiet.
- **Philippines:** 2Q24 GDP comes out at 10:00 SGT/HKT today. There is a fairly wide range of forecasts, reflecting differences in view on the impact of base effects on today's number. We are at the higher end of the consensus forecast for a 6.3% YoY increase. A very weak figure may put rate cuts back on the table for next week, though if it is reasonably close to

consensus, we think the BSP may be encouraged to wait a bit longer following the recent inflation disappointments.

- **India:** The RBI will meet to decide on interest rates today. There is little expectation for any change to the 6.5% repurchase rate. But we have had dissenters in recent decisions, and the RBI Governor has noted that they won't need to wait for the Fed to begin easing, so there is an outside chance of a cut today.
- **Taiwan:** Taiwan will publish its trade data this afternoon. We are looking for export and import growth to pull back noticeably after very strong June reads of 23.5% YoY and 33.9% YoY respectively. Exports may cool to high single-digit growth while imports are likelier to still show stronger growth in the teens. Recent export orders data suggests that export strength will continue to be concentrated in tech-related exports; other categories continued to show mixed performance but generally, there were signs of a broader recovery across more industries in the past few months.

What to look out for: Japan BoP current account balance, Taiwan trade balance

August 8th

Japan: BoP current account balance, Trade balance BoP basis

Philippines: 2Q GDP

India: RBI repurchase rate, RBI cash reserve ratio

Taiwan; July imports, exports, trade balance

August 9th

Japan: July money stock M2 & M3

China: July CPI, PPI, Money supply (Due 15th August)

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