

EMTA Asia 2020: Audience polls

Audiences in Hong Kong and Singapore share their views with us, but don't always share the same opinions as each other



EMTA Logo

Source: EMTA

EMTA and ING

The Emerging Market Traders Association (EMTA) has just held its virtual 2020 meetings in Hong Kong and Singapore. And as ING sponsors this event (for the last 16 years), I have been able to moderate the panel for the last 4 years, and also to ask our audiences at each event what their thoughts are.

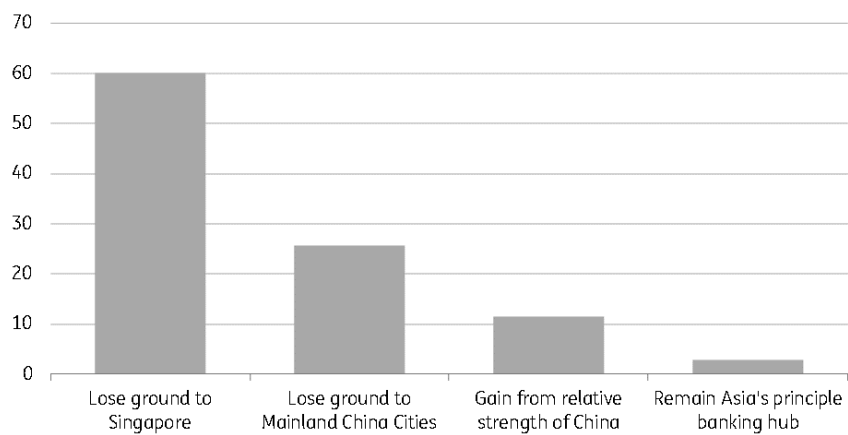
The following shows that traders in Singapore and Hong Kong don't always see eye to eye.

Singapore vs Hong Kong?

The first question was a little cheeky, and was worded slightly differently for the two audiences, but essentially, the audience was asked if they anticipated Hong Kong losing ground to other Asian centres (e.g. Singapore) or to Mainland China cities, or to be boosted by China's relative strength, or as a round-up category, to retain its position as #1 banking hub in Asia.

There was a fair bit of difference between the two audiences, with 60% of Singapore respondents (shown below) thinking that Singapore would steal market share from Hong Kong, and more than 25% thinking that Hong Kong would lose ground to Mainland China cities. In contrast, only a combined 45% of the Hong Kong audience thought that they would lose out to either other Asian centres or Mainland China, with a small majority expecting to retain market positioning or gain from China. Neither view is terribly surprising, or perhaps all that informative.

How do you see Hong Kong's relevance over the coming year ? (Singapore answers shown)

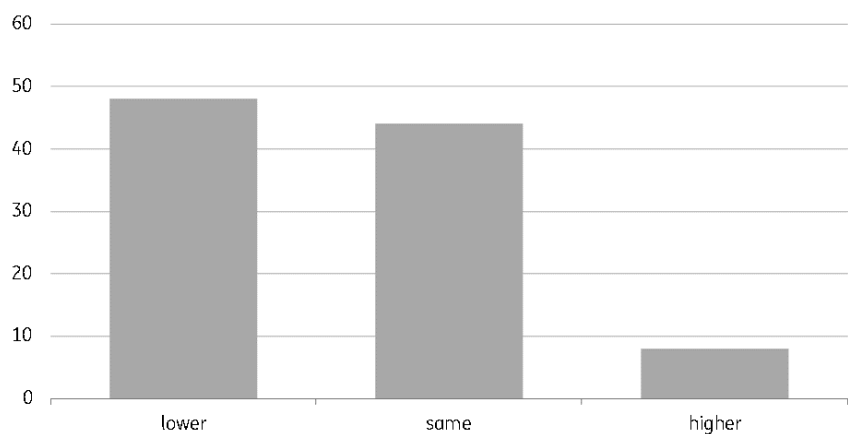


Source: EMTA, ING
Relative position HK

More agreement over the outlook for USDCNY

There was more agreement over the outlook for USDCNY, with the Hong Kong audience a little more upbeat on the outlook for the CNY than the Singapore audience, which leant slightly towards no-change. But there wasn't much in it.

Outlook for USDCNY % (Hong Kong responses shown)

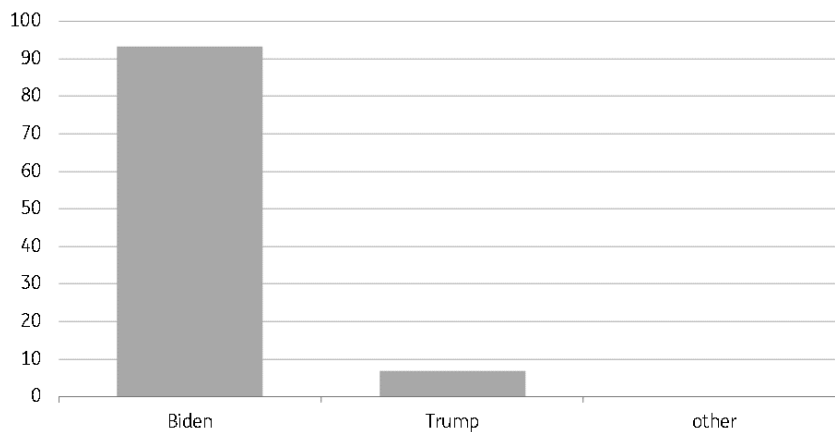


Source: EMTA, ING
USDCNY outlook

Clear winner expected in US election race

There was also broad unanimity on the US election outcome, with both centres seeing a very strong likelihood of a Biden win. This was 93% in Singapore, but closer to 85% in Hong Kong.

US election outcome (Singapore responses shown)

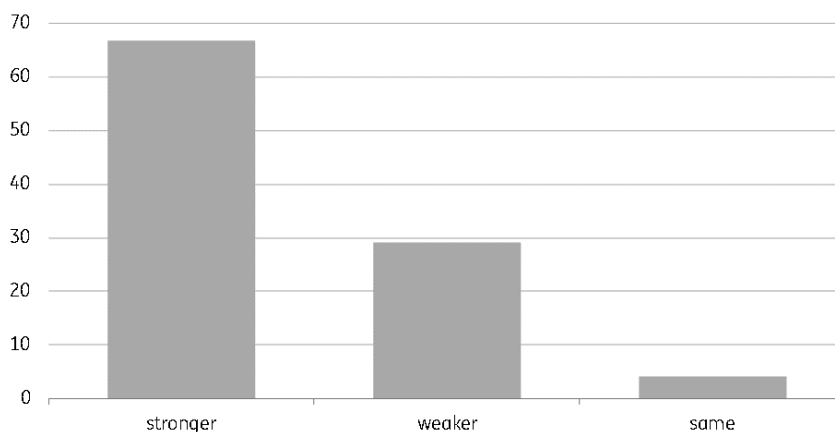


Source: EMTA, ING
US election expectation %

Emerging market outlook was positive

Perhaps not surprisingly, if you ask a group of Emerging Market (EM) traders if they are positive or negative about their market's outlook, they will give a positive answer. And that was true of almost 70% of the Hong Kong respondents, with most of the rest taking no strong view, and less than 10% seeing a softer market. That is perhaps not too surprising if you see the Fed on hold, huge fiscal stimulus coming down the tracks and perhaps a more congenial trade and US-China atmosphere? The Singapore audience was a little more circumspect, but nearly 60% of them were also positive about EM prospects one year ahead.

Emerging Market outlook 1 year ahead (Hong Kong responses shown)



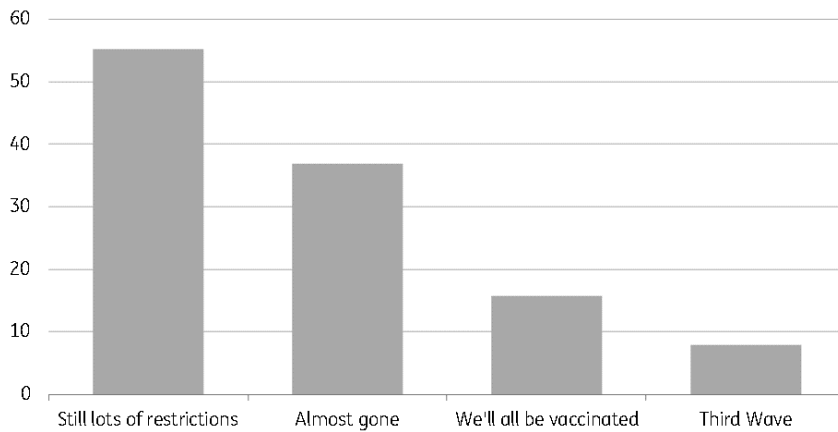
Source: EMTA, ING
EM outlook 1 year ahead

Pandemic raging or waning

Despite a slightly different expectation for EM strength 12 months ahead, this cannot be explained by differences in the outlook for the Covid-19 pandemic. Both centres had about a 60% response

rate viewing it as likely that there would still be a lot of restrictions on movement and travel a year from now. Only about a quarter thought that the virus would be almost gone by this time, and about 10% thought we would all be vaccinated in a year's time.

Outlook for the pandemic % (Singapore responses shown)

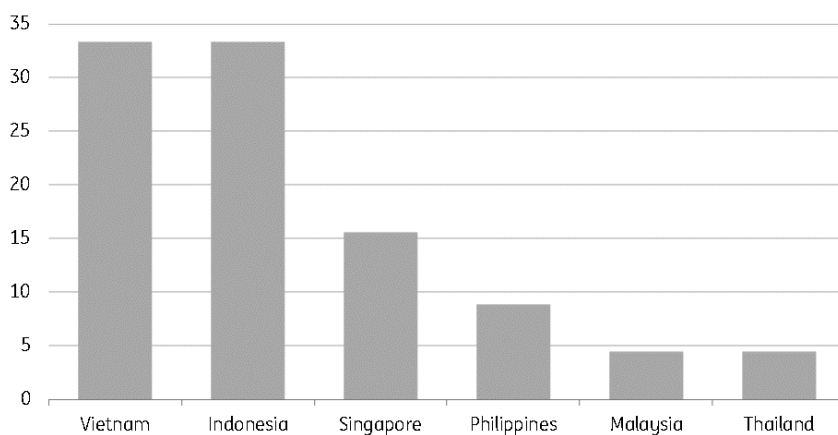


Source: EMTA
Pandemic outlook %

Some center-specific questions

Not all the questions were the same for each centre. Singapore was asked which SE Asian market they preferred over the coming year, and for the second year running picked Vietnam - not daunted by recent currency manipulation tagging. Indonesia tied for first place, which may reflect a generally upbeat view about EM markets and the pandemic from one of the region's most affected economies.

Preferred SE Asian market over next year % (Singapore responses)

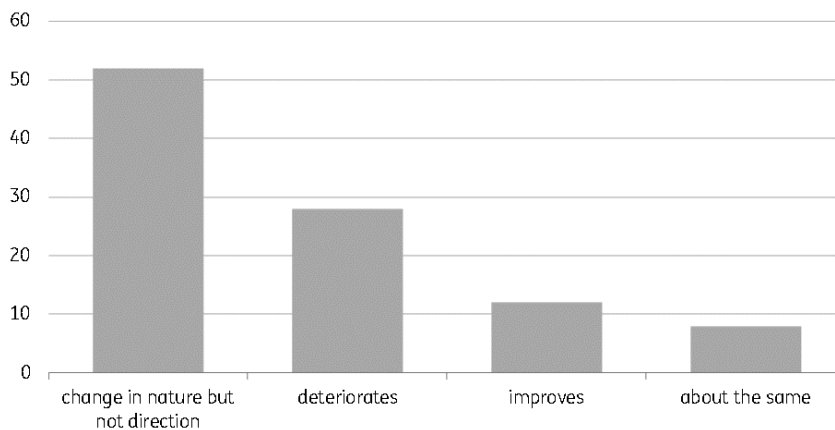


Source: EMTA, ING
Preferred SE Asian market

US-China relations seen changing, not improving

Hong Kong was also asked how it saw the evolution of relations between China and the US, tying into their strong expectation for a Biden Presidential win. But they did not anticipate that this would lead to an improvement in relations (12%) with the majority just seeing relations "changing" in nature (52%) but not direction.

US-China relations over next year % (Hong Kong responses)

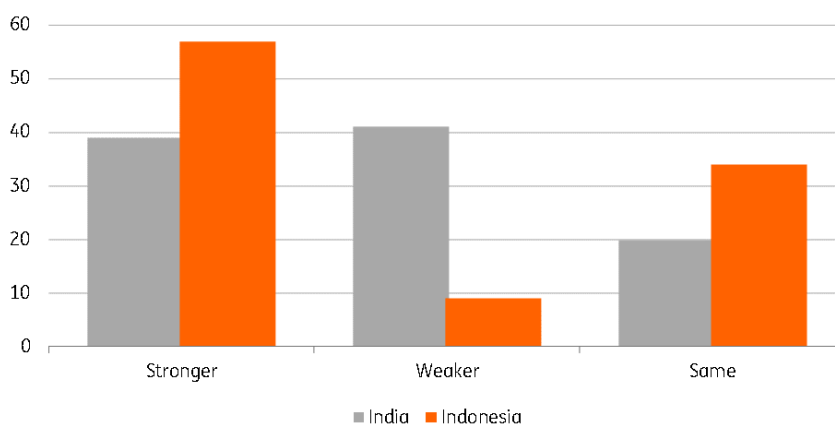


Source: EMTA, ING
US-China relations in 1 year

Indonesia preferred to India

The Singapore audience was also asked to provide their views on India and Indonesia in two independent questions (a long-standing question). Combining their answers shows a marked preference for Indonesian markets over the next year with nearly 60% seeing these strengthen versus less than 40% for India, where there was a slight lean towards weaker markets.

Indonesia versus India market outlook 1 year ahead % (Singapore respondents)



Source: EMTA, ING
India versus Indonesia

For the data nerds

For those of you who wish to calculate the statistical significance of differences in outlook or between Singapore and Hong Kong, the Singapore questions were answered on average by about 45 of those dialled in (about 70-80), while the Hong Kong audience was a little smaller (50-60) and slightly more reticent, with about 25 answers on average per question.

All views shown above are those of the audiences at the respective EMTA meetings that took place this week and last in Hong Kong and Singapore and do not represent the ING house view - or the views of the panel members. We were just asking the questions

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