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Snap

## Singapore: December Non-oil domestic exports disappoint

Total non-oil domestic exports rise 3.1%YoY, fall 5.0%MoM, with an electronics export decline unwinding all of last month's electronics gains

### Underperforming the regional trends

Asian exports are battling much tougher year-on-year comparisons and most of the trade releases over the last month have shown year on year growth slowing. But exports from Malaysia and Korea have held up quite well despite some slight moderation of pace. Taiwan's exports even registered some year on year acceleration. The Philippines did less well, and now Singapore's key trade statistics puts it into the underperformer camp too.

# 3.1%YoY

Worse than expected

Singapore's Non-Oil domestic Exports (NODX)

Down 5.0%MoM - electronics exports soft

### Weak exports to China. Hong Kong account for much of the undershoot

By country, some of the biggest month-on-month declines in USD terms were in Singapore's exports to Mainland China and to Hong Kong (which may also be destined for Mainland China ultimately). This also tallies with recent soft China import data, which we had put down partly to declines in imports of solid waste, but clearly also has hit imports from other regional electronics parts suppliers too.

Other than electronics, pharmaceuticals put in a creditable performance, rising 7.0%YoY, and chemicals exports held up reasonably at 7.1%YoY, only slightly down from 9.9% in November.

### Singapore still on track for April policy change by MAS

Despite this disappointment, we don't believe today's data drastically changes our outlook for a modest tweak to the MAS currency policy at their April meeting, which we believe will shift to a very slight nominal effective exchange rate (NEER) appreciation. But we would be happier if we could see some more evidence that the domestic economy was picking up some of the slack that the tradeables sector now seems to be leaving. We will be keeping this forecast under review in case we need to downgrade it.

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