

Singapore exports beat expectations in December

Despite a weak external environment, which remains bogged down by covid infections and lockdowns, Singapore's non-oil domestic exports (NODX) rose 6.8%YoY in December, beating expectations.



A deep water port in Singapore

6.8%

NODX

December 2020 YoY%

Better than expected

No surprises in a consensus NODX upside miss

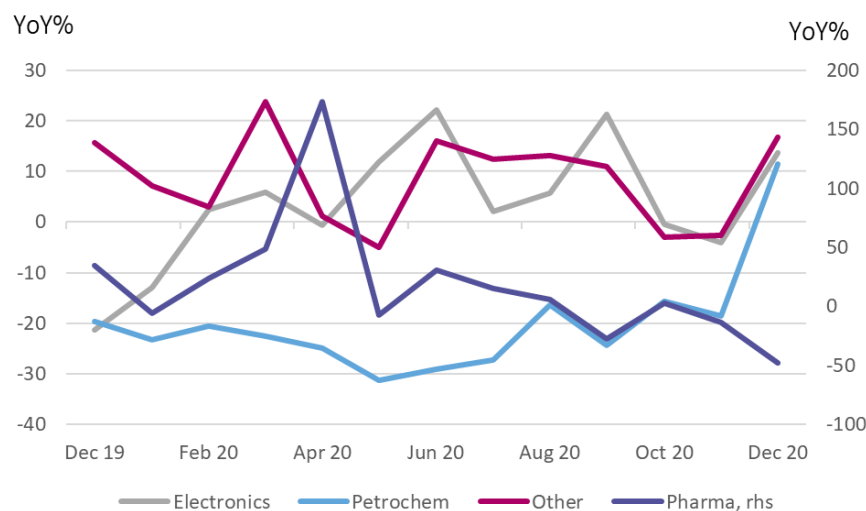
It's not unusual for NODX forecasts to be wide of the mark, this is a series made up of a number of very volatile components. But other trade data for the region has been reasonably positive so far this month, so it is not a big surprise that the miss was on the upside.

The factors leading to the outperformance in this series for December, compared to the consensus expectation for a 0.7%YoY decline, were fairly broad-based, with the big outlier being pharmaceuticals, which fell 47.5%YoY (maybe production is mainly being diverted for local consumption?)

That pharmaceutical result weighed on chemicals as a whole, though petrochemicals bounced back after an 18.6%YoY decline in November to register an 11.5%YoY gain in December.

Other than pharma, it was all good news. Electronics racked up a 13.7%YoY gain, with all major sub-components registering positive growth. We wrote about the positive semiconductor cycle last year, and it still seems to be in full swing if these numbers are anything to go by.

Non-oil domestic exports, YoY% by main component



Source: CEIC
December 2020 NODX

Imports also recovering

The country breakdown of Singapore's December exports makes curious reading. And despite its comparative global strength, China was one of the weakest destinations, registering a 27.5%YoY decline. The US, on the other hand, reeling under Covid-19, registered a 52.5%YoY increase in exports from Singapore. We probably need to see another month or two of this data to make sense of this directional curiosity.

Imports measured on an equivalent non-oil basis also improved slightly, rising 2.5%YoY, up from +1.2%YoY in November, which may indicate the domestic economy beginning to respond to stimulus measures and finding some resilience.

None of this should play into any change in policy measures, with the MAS (in our view) sticking to its flat path for the SGD Nominal effective exchange rate all year.

Author

Robert Carnell

Regional Head of Research, Asia-Pacific

robert.carnell@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.