

Singapore: October NODX surprises on the upside

Petrochemicals lifted overall non-oil domestic exports (NODX) in October, offsetting softer pharmaceutical exports.



A deep water port in Singapore

17.9%

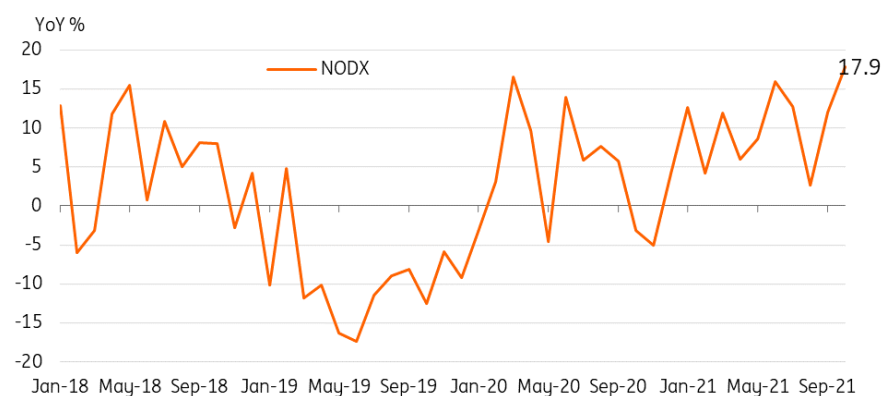
 October NODX change

Better than expected

October NODX up 17.9%

Singapore October non-oil domestic exports (NODX) rose 17.9% YoY compared to expectations for a 15.1% gain. Petrochemical exports jumped 39.1% YoY, offsetting softer pharmaceuticals, which were up by 4.1% compared to last month's 27.3%. Outbound shipments for electronics were relatively flat from September, echoing similar trends in the electronics PMIs. In terms of destination, exports to China sustained their double-digit expansion, rising 35.6% YoY while shipments to Malaysia recorded a 29.4% YoY rise after contracting the previous month. Meanwhile, exports to the US, which accounts for roughly 11% of the total, recorded a contraction of 3.9% YoY.

Singapore non-oil domestic exports



Source: Department of Statistics Singapore

Upbeat NODX to support 4Q GDP

October's NODX growth benefited from the low base recorded in 2020 while also getting a hefty boost from the outsized jump in petrochemical shipments. Given the start-stop nature of the global recovery, the YoY changes remain volatile and susceptible to further swings in the months ahead. Nonetheless, the strong showing for October NODX points to an upbeat outlook for 4Q GDP. The Monetary Authority Singapore (MAS) recently adjusted its monetary stance citing improved economic conditions and the impending threat of inflation. With growth appearing to be on a steadier footing, as evidenced by a decent pickup in NODX and the reduction of mobility curbs, we expect the MAS to remain focused on the inflation outlook while retaining their hawkish bias in the near term.