

## Singapore production better than expected

Headline production rose 8.9%YoY in February - beating expectations, but there were downward revisions to the history and the strength is quite narrow, so this is not quite as good as it appears first glance



### Manufacturing output fell 0.5%MoM in February (it fell less if biomedical excluded)

This is another Asian release where semiconductor production soared, and everything else looked fairly ordinary. That wouldn't matter so much, but semiconductor production is not a very labour intensive activity, so this probably doesn't help much in terms of job prospects, wages and anything that could support the broader Singaporean growth story.

Electronics output was up 17.4% in February, within which, semiconductors grew 26.7%. Other electronic stuff (info-comms, consumer electronics, data storage and other electronics) all fell, though this is probably a lunar new year story as the holiday fell in a different month in 2017). Jan to Feb compared to a year ago (to try to escape the holiday effects) was up 23.0% in the electronics cluster. Not bad, albeit largely a semiconductor story.

Biomedical output growth in February was a respectable 8.4%YoY, with pharmaceuticals

output growing 15.2%. This production cluster managed an 8% growth rate in Jan-Feb 2018 compared to the same period in 2017.

Chemicals output was also stronger driven by petrochemicals, where the resumption of production after maintenance-related shutdowns led to a 17% YoY growth rate in February.

8.9%YoY

February Manufacturing output growth

-0.5%MoM

Better than expected

## Not bad, but is it good enough?

This report on production output growth comes across as still fairly narrowly driven, though the better results from pharmaceuticals are comforting after fairly disappointing data recently. Having recently chopped out our forecast of a MAS policy tightening at the April meeting, it is a little disconcerting to see any release that beats expectations. But against the threat of trade wars and some previously very disappointing data, including NODX, we wonder if this is too little too late for the MAS?

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