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# Weekly Outlook

## 02 – 06 April 2018

### SINGAPORE: Data Focus For First Week Of April Will Be On PMIs & 1Q Home Prices

Singapore markets will be closed on 30 March for Good Friday holiday. In the 1<sup>st</sup> week of April, the key data are the official purchasing managers index (PMI) for Mar (2 Apr), the prelim 1Q URA private home price index (2 Apr) and the Nikkei PMI (4 Apr).

### KEY ASIAN ECONOMIES: RBA & RBI Decisions In A Holiday-Shortened Week For Many Asian Economies

Financial markets in some parts of Asia will be closed to celebrate Good Friday on 30 Mar, including Indonesia, Philippines, India, HK, New Zealand, Australia and Singapore. The key China data will be the official manufacturing and non-manufacturing PMI survey for March on Sat (31 Mar) but attention is likely on any further Chinese response to US tariff announcements and plans to curb Chinese investments in the US technology sector. Taiwan financial market will have a special trading session on Sat (31 Mar) while South Korea will report its March trade data on Sun (1 Apr).

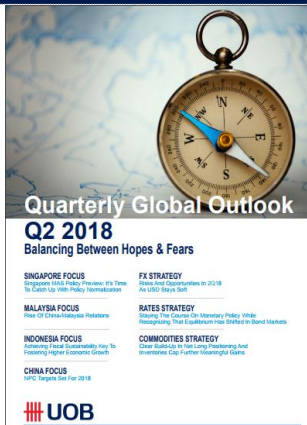
Note that some Asian-Pacific Markets will be closed for Easter Monday (2 Apr) including Australia, New Zealand, and Hong Kong. The start of the new month brings forth manufacturing PMI surveys (for March) from developed economies (final print) and key economies in Asia (including China's Caixin manufacturing PMI) on 2 Apr, and March CPI data from some Asian countries (such as Thailand & Indonesia on 2 Apr while South Korea on 3 Apr). Other key data for the week will be China's March Caixin services PMI (4 Apr), Australia Feb retail sales & building approvals (4 Apr), Philippine Mar CPI (5 Apr), Feb trade data from Australia and Malaysia (both on 5 Apr), Mar FX reserves data from various Asian economies (6 Apr) and lastly, China's Mar FX reserves data (7 Apr). The Reserve Bank of Australia (RBA, 3 Apr) and the Reserve Bank of India (RBI, 5 Apr) are the only Asia-Pacific central banks with monetary policy decisions this week, and both are expected to stay on hold. This will be a short work week for some North Asian economies which will commemorate Tomb Sweeping festival including Taiwan (4-6 Apr), China (5-7 Apr) and Hong Kong (5 Apr) while North Korea celebrates Cheongmyeong festival on 5 Apr.

### US AND DEVELOPED ECONOMIES: Easter Monday In Europe While Busy Data Week For US & Japan

Most developed economies (except for Japan markets) will celebrate Good Friday (30 Mar) including US, Canada and most of Europe which will enjoy an extended long-weekend for Easter Monday (2 Apr). There is no G7 central bank monetary policy this week (02-06 Apr) but there are some senior Fed officials speaking in public forums including FOMC voter Mester (4 Apr). US domestic politics will continue to draw attention even as the market gets ready for another US corporate earnings reporting season with some firms reporting this week (including Monsanto on 4 Apr) but the focus is likely on the major US banks reporting the week after. The key Japan data of interest are the 1Q Tankan Survey (2 Apr) and Feb household spending and labor earnings (both on 6 Apr). And while there is a substantial US data docket including March ISM manufacturing (2 Apr) & non-manufacturing (4 Apr), Feb construction spending (2 Apr), Feb factory orders (4 Apr), ADP employment changes (4 Apr) and Feb trade data (5 Apr), the most important data will be the US March Labor Market report (6 Apr) and we again expect 250k NFP in Mar (from 313k in Feb, and Bloomberg consensus forecast is at 189k as of 29 Mar) while unemployment rate may ease further to 4% (from 4.1%). The wage growth data will continue to take on added importance as the Fed is now seen to be more hawkish on inflation expectations. US wage growth may pick up to +0.2% m/m, +2.8% y/y in Mar (from +0.1% m/m, 2.6% y/y in Feb).

### CHART OF THE WEEK

#### UOB 2Q 2018 Quarterly Global Outlook: Balancing Between Hopes & Fears



#### EXECUTIVE SUMMARY - [Balancing Between Hopes & Fears](#)

**SINGAPORE FOCUS** - [Singapore MAS Policy Preview: It's Time To Catch Up With Policy Normalization](#)

**MALAYSIA FOCUS** - [Rise Of China-Malaysia Relations](#)

**INDONESIA FOCUS** - [Achieving Fiscal Sustainability Key To Fostering Higher Economic Growth](#)

**CHINA FOCUS** - [NPC Targets Set For 2018](#)

**VIETNAM'S CONSUMER INSIGHTS** - [The Bright Spot In The Mekong Region](#)

**FX STRATEGY** - [Risks And Opportunities In 2Q18 As USD Stays Soft](#)

**RATES STRATEGY** - [Staying The Course On Monetary Policy While Recognizing That Equilibrium Has Shifted In Bond Markets](#)

**COMMODITIES STRATEGY** - [Clear Build-Up In Net Long Positioning & Inventories Cap Further Meaningful Gains](#)

FULL REPORT: [https://www.uobgroup.com/assets/pdfs/research/QGO\\_2q18.pdf](https://www.uobgroup.com/assets/pdfs/research/QGO_2q18.pdf)

## RECENT RESEARCH PUBLICATIONS

**26 – 30 March 2018**

29 Mar [Malaysia: BNM 2017 Annual Report – Stronger Growth Outlook](#)

28 Mar [Thailand's MPC Votes 6-1 To Hold Policy Rate At 1.5% In March](#)

28 Mar [Rates Strategy: Encouraging 2Y And 5Y Auctions Amidst Challenging Funding Markets](#)

26 Mar [Singapore: Manufacturing Sector Continues To Hold Up](#)

## KEY DATA/EVENTS: ASIA & OCEANIA

| Date   |           | Data/Event  | Mth                         | Prior     | Date   |   | Data/Event   | Mth                         | Prior   |            |
|--------|-----------|---|-----------------------------|-----------|--------|---|--|-----------------------------|---------|------------|
| 30 Mar |           | <b>Asian-Pacific Markets closed for Good Friday include Australia, New Zealand, Hong Kong, Indonesia, Philippines, Singapore and India</b>    |                             |           | 04 Apr | <b>TW</b>                                       | <b>Taiwan markets closed for Tomb Sweeping holiday (4-6 Apr)</b>   |                             |         |            |
|        | SK        | Industrial Production YoY (MoM=1%)  | Feb                         | 4.60%     |        | <b>CH</b>                                       | <b>Caixin China PMI Services</b>                                   | Mar                         | 54.2    |            |
|        | TH        | Exports (YoY=16.7%)   | Feb                         | \$19914m  |        | CH  | Caixin China PMI Composite   | Mar                         | 53.3    |            |
|        | TH        | Imports (YoY=22.5%)   | Feb                         | \$18583m  |        | IN  | Nikkei India PMI Services  | Mar                         | 47.8    |            |
|        | TH        | Trade Balance   | Feb                         | \$1331m   |        | SI  | Automobile COE Open Auction  | Apr-04                      |         |            |
| 31 Mar | <b>CH</b> | <b>Non-manufacturing PMI</b>  | Mar                         | 54.4      | SK     | Foreign Reserves                                | Mar  | \$394.80b                   |         |            |
|        | <b>CH</b> | <b>Manufacturing PMI</b>  | Mar                         | 50.3      | NZ     | ANZ Consumer Confidence Index                   | Mar  | 127.7                       |         |            |
|        | <b>TW</b> | <b>Taiwan financial markets open for a special trading session</b>  |                             |           | NZ     | ANZ Consumer Confidence MoM                     | Mar  | 0.60%                       |         |            |
| 01 Apr | <b>SK</b> | <b>Exports YoY</b>  | Mar                         | 4.00%     | AU     | ANZ Roy Morgan Weekly Consumer Confidence Index | Apr-01   | 117.4                       |         |            |
|        | <b>SK</b> | <b>Trade Balance</b>  | Mar                         | \$3311m   | SI     | Nikkei Singapore PMI                            | Mar  | 55.3                        |         |            |
|        | <b>SK</b> | <b>Imports YoY</b>  | Mar                         | 14.80%    | AU     | Building Approvals MoM (YoY=12%)                | Feb  | 17.10%                      |         |            |
| 02 Apr |           | <b>Asian-Pacific Markets closed for Easter Monday include Australia, New Zealand, and Hong Kong. Sudden holiday declared in Mumbai, India</b> |                             |           | AU     | Retail Sales MoM                                | Feb  | 0.10%                       |         |            |
|        | IN        |   |                             |           | 05 Apr | <b>CH</b>                                       | <b>China markets closed for Tomb sweeping holiday (5-7 Apr)</b>    |                             |         |            |
|        | Asia      | Nikkei PMI Mfg for South Korea, Taiwan, Vietnam, Malaysia, Indonesia, India, Thailand & Philippines   | Mar                         | 50.3      |        | <b>HK</b>                                       | <b>China markets closed for Tomb sweeping holiday (5 Apr only)</b> |                             |         |            |
|        | <b>CH</b> | <b>Caixin China PMI Mfg</b>   | Mar                         | 51.6      |        | <b>NK</b>                                       | <b>North Korea celebrates Cheongmyeong festival</b>                |                             |         |            |
|        | TH        | CPI YoY (NSA MoM=-0.23%)  | Mar                         | 0.42%     |        | <b>IN</b>                                       | <b>RBI Repurchase Rate</b>   | Apr-05                      | 6.00%   |            |
|        | TH        | CPI Core YoY  | Mar                         | 0.63%     |        | <b>IN</b>                                       | <b>RBI Reverse Repo Rate</b>                                       | Apr-05                      | 5.75%   |            |
|        | ID        | CPI Core YoY  | Mar                         | 2.58%     |        | <b>IN</b>                                       | <b>RBI Cash Reserve Ratio</b>                                      | Apr-05                      | 4.00%   |            |
|        | ID        | CPI YoY (NSA MoM=+0.17%)  | Mar                         | 3.18%     |        | NZ  | QV House Prices YoY  | Mar                         | 6.50%   |            |
|        | SI        | Electronics Sector Index  | Mar                         | 52.1      |        | AU  | AiG Perf of Services Index   | Mar                         | 54      |            |
|        | SI        | Purchasing Managers Index   | Mar                         | 52.7      |        | AU  | CBA Australia PMI Services   | Mar                         | 54.2    |            |
|        | SI        | URA Private Home Prices QoQ   | 1Q P                        | 0.80%     |        | AU  | CBA Australia PMI Composite  | Mar                         | 54.3    |            |
|        | 03 Apr    | <b>AU</b>   | <b>RBA Cash Rate Target</b> | Apr-03    |        | 1.50%   | SK   | BoP Current Account Balance | Feb     | \$2680.4 m |
|        |           | AU  | AiG Perf of Mfg Index       | Mar       |        | 57.5  | SK   | BoP Goods Balance           | Feb     | \$8109m    |
| AU     |           | CBA Australia PMI Mfg   | Mar                         | 55.6      |        | NZ  | ANZ Commodity Price  | Mar                         | 2.80%   |            |
| SK     |           | CPI YoY (MoM=0.8%)  | Mar                         | 1.40%     | PH     | CPI YoY 2006=100 (MoM=0.8%)                     | Mar  | 4.50%                       |         |            |
| SK     |           | CPI Core YoY  | Mar                         | 1.20%     | PH     | CPI Core YoY 2006=100                           | Mar  | 4.40%                       |         |            |
| AU     |           | CoreLogic House Px MoM  | Mar                         | -0.30%    | AU     | Trade Balance                                   | Feb  | A\$1055 m                   |         |            |
| AU     |           | ANZ Job Advertisements MoM  | Mar                         | -0.30%    | TH     | Consumer Confidence Economic                    | Mar  | 66.2                        |         |            |
| AU     |           | Commodity Index SDR YoY (Index=139.8)   | Mar                         | -1.00%    | MA     | Trade Balance MYR                               | Feb  | 9.71b                       |         |            |
| TA     |           | Foreign Reserves  | Mar                         | \$456.72b | MA     | Imports YoY                                     | Feb  | 11.60%                      |         |            |
| HK     |           | Retail Sales Value YoY  | Feb                         | 4.10%     | MA     | Exports YoY                                     | Feb  | 17.90%                      |         |            |
| HK     |           | Retail Sales Volume YoY   | Feb                         | 2.20%     | TH     | Foreign Reserves                                | Mar-30   | --                          |         |            |
| AU     |           | Melb. Inst. Inflation MoM (YoY=2.1%)  | Mar                         | -0.10%    | 06 Apr |   | <b>Taiwan and China markets remain closed for holiday</b>          |                             |         |            |
| 04 Apr |           |   |                             |           |        |   | HK   | Nikkei Hong Kong PMI        | Mar     | 51.7       |
|        |           |   |                             |           |        |   | MA   | Foreign Reserves            | Mar-30  | \$103.9b   |
|        |           |   |                             |           |        |   | ID   | Foreign Reserves            | Mar     | \$128.06b  |
|        |           |   |                             |           |        | PH  | Foreign Reserves   | Mar                         | \$80.6b |            |
|        |           |   |                             |           | 07 Apr | <b>CH</b>                                       | <b>Foreign Reserves</b>  | Mar                         | \$3134b |            |

## KEY DATA/EVENTS: US AND DEVELOPED ECONOMIES

| Date   |    | Data/Event   | Mth        | Prior        | Date   |    | Data/Event   | Mth        | Prior         |
|--------|----|--|------------|--------------|--------|----|--|------------|---------------|
| 30 Mar |    | <b>US, Canada, UK and most of Europe will be closed for Good Friday</b>  |            |              | 05 Apr | GE | Factory Orders MoM (YoY=8.2%)                        | Feb        | -3.90%        |
|        | JN | Job-To-Applicant Ratio   | Feb        | 1.59         |        | UK | New Car Registrations YoY                            | Mar        | -2.80%        |
|        | JN | Jobless Rate   | Feb        | 2.40%        |        | EC | Markit Eurozone Services PMI                         | Mar F      | 55            |
|        | JN | Industrial Production YoY (MoM=-6.8%)  | Feb P      | 2.50%        |        | EC | Markit Eurozone Composite PMI                        | Mar F      | 55.3          |
| 31 Mar | JN | Vehicle Production YoY   | Feb        | -3.80%       |        | UK | Official Reserves Changes                            | Mar        | \$651m        |
| 02 Apr |    | <b>Most of Europe will remain closed for Easter Monday while US and Canada returns from Good Friday holiday.</b> |            |              |        | UK | Markit/CIPS UK Services PMI                          | Mar        | 54.5          |
|        | JN | <b>Tankan Large Mfg Index</b>  | <b>1Q</b>  | <b>25</b>    |        | UK | Markit/CIPS UK Composite PMI                         | Mar        | 54.5          |
|        | JN | <b>Tankan Large Mfg Outlook</b>  | <b>1Q</b>  | <b>19</b>    |        | EC | PPI MoM (YoY=1.5%)                                   | Feb        | 0.40%         |
|        | JN | <b>Tankan Large Non-Mfg Index</b>  | <b>1Q</b>  | <b>23</b>    |        | EC | Retail Sales MoM (YoY=2.3%)                          | Feb        | -0.10%        |
|        | JN | <b>Tankan Large Non-Mfg Outlook</b>  | <b>1Q</b>  | <b>20</b>    |        | US | Challenger Job Cuts YoY                              | Mar        | -4.30%        |
|        | JN | <b>Tankan Large All Industry Capex</b>   | <b>1Q</b>  | <b>7.40%</b> |        | US | Initial Jobless Claims                               | Mar-31     | --            |
|        | JN | Nikkei Japan PMI Mfg   | Mar F      | 53.2         |        | US | Continuing Claims                                    | Mar-24     | --            |
|        | JN | Vehicle Sales YoY  | Mar        | -4.90%       |        | US | Trade Balance  | Feb        | -\$56.6b      |
|        | US | Markit US Manufacturing PMI  | Mar F      | 55.7         | 06 Apr | US | <b>Change in Nonfarm Payrolls</b>                    | <b>Mar</b> | <b>313k</b>   |
|        | US | Construction Spending MoM  | Feb        | 0.00%        |        | US | <b>Two-Month Payroll Net Revision</b>                | <b>Mar</b> | <b>54k</b>    |
|        | US | <b>ISM Manufacturing</b>   | <b>Mar</b> | <b>60.8</b>  |        | US | <b>Unemployment Rate</b>                             | <b>Mar</b> | <b>4.10%</b>  |
|        | US | <b>ISM Prices Paid</b>   | <b>Mar</b> | <b>74.2</b>  |        | US | <b>Avg Hourly Earnings MoM (YoY=2.6%)</b>            | <b>Mar</b> | <b>0.10%</b>  |
|        | US | ISM New Orders   | Mar        | 64.2         |        | US | <b>Labor Force Participation Rate</b>                | <b>Mar</b> | <b>63.00%</b> |
| 03 Apr | JN | Official Reserve Assets  | Mar        | \$1261.7 b   |        | US | Consumer Credit                                      | Feb        | \$13.90 6b    |
|        | JN | Monetary Base YoY (Amt=JPY475.2tn)   | Mar        | 9.40%        |        | JN | <b>Household Spending YoY</b>                        | <b>Feb</b> | <b>2.00%</b>  |
|        | GE | Markit/BME Germany Manufacturing PMI   | Mar F      | 58.4         |        | JN | <b>Labor Cash Earnings YoY</b>                       | <b>Feb</b> | <b>0.70%</b>  |
|        | EC | Markit Eurozone Manufacturing PMI  | Mar F      | 56.6         |        | JN | Real Cash Earnings YoY                               | Feb        | -0.90%        |
|        | UK | Markit UK PMI Manufacturing SA   | Mar        | 55.2         |        | JN | Leading Index (coincident=114.9)                     | Feb P      | 105.6         |
|        | IT | Budget Balance   | Mar        | -6.3b        |        | GE | IP SA MoM (YoY=5.5%)                                 | Feb        | -0.10%        |
|        | GE | Retail Sales MoM (YoY=2.3%)  | Feb        | -0.70%       |        | FR | Trade Balance  | Feb        | -5560m        |
|        | US | Wards Domestic Vehicle Sales   | Mar        | 12.94m       |        | FR | Current Account Balance                              | Feb        | -1.6b         |
|        | US | Wards Total Vehicle Sales  | Mar        | 16.96m       |        | FR | Budget Balance YTD                                   | Feb        | -10.8b        |
| 04 Apr | US | <b>Fed's Mester Speaks on Diversity in Economics</b>   |            |              |        | GE | Markit Germany Construction PMI                      | Mar        | 52.7          |
|        | UK | BRC Shop Price Index YoY   | Mar        | -0.80%       |        | EC | Markit Eurozone Retail PMI                           | Mar        | 52.3          |
|        | JN | Nikkei Japan PMI Services  | Mar        | 51.7         |        | UK | Unit Labor Costs YoY                                 | 4Q         | 1.30%         |
|        | IT | Unemployment Rate  | Feb P      | 11.10%       |        | IT | Istat Releases the Monthly Economic Note             |            |               |
|        | UK | Markit/CIPS UK Construction PMI  | Mar        | 51.4         |        | PO | Bank of Spain's Linde Speaks at Conference in Lisbon |            |               |
|        | EC | Unemployment Rate  | Feb        | 8.60%        |        |    |  |            |               |
|        | EC | CPI Estimate YoY (Core=1.0%)   | Mar        | 1.20%        |        |    |  |            |               |
|        | US | MBA Mortgage Applications  | Mar-30     | --           |        |    |  |            |               |
|        | US | <b>ADP Employment Change</b>   | <b>Mar</b> | <b>235k</b>  |        |    |  |            |               |
|        | US | Fed's Bullard Speaks on U.S. Economy and Monetary Policy   |            |              |        |    |  |            |               |
|        | US | Markit US Services PMI   | Mar F      | 54.1         |        |    |  |            |               |
|        | US | Markit US Composite PMI  | Mar F      | 54.3         |        |    |  |            |               |
|        | US | <b>ISM Non-Manf. Composite</b>   | <b>Mar</b> | <b>59.5</b>  |        |    |  |            |               |
|        | US | Factory Orders   | Feb        | -1.40%       |        |    |  |            |               |
|        | US | Durable Goods Orders   | Feb F      | 3.10%        |        |    |  |            |               |
|        | US | Durables Ex Transportation   | Feb F      | 1.20%        |        |    |  |            |               |



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