



# ASEAN Bulletin

Regional Outlook and Footprints  
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Right By You

## September in ASEAN



### Singapore

- ❖ The Singapore market continued to gain momentum this month, supported by the onset of the Fed's rate cut cycle and positive spillover effects from China's stimulus measures. The Strait Times Index (STI) and MSCI Singapore posted monthly gains of 4.2% and 6.5% month-on-month (MoM), respectively.
- ❖ August's core inflation rose to 2.7% YoY, driven by higher services inflation, while Non-Oil Domestic Exports (NODX) grew 10.7% year-over-year (YoY), coming in slightly below the market expectation of 15% YoY. The Monetary Authority of Singapore (MAS) is expected to maintain its current stance at the upcoming October policy meeting.
- ❖ Sector performance was mixed, with Industrials, Utilities and Communications Services leading gains, while Consumer Discretionary, Financials and Real Estate/REITs lagged.



### Malaysia

- ❖ The FBM KLCI ended September down 1.8%, as liquidity shifted to the Chinese market in the final week of the month, following and unexpected stimulus announcement aimed at boosting growth.
- ❖ Nevertheless, foreign investors remained net buyers of Malaysia equities in September, recording net inflows of RM510 million and bringing the YTD foreign net inflows to RM3.6 billion.
- ❖ The Financials sector benefited from the appreciation of the MYR and continued foreign fund inflows, emerging as the top-performing sector in Q3 2024. In contrast, the export-oriented Technology sector underperformed (-8.5% YTD), with the stronger MYR expected to weigh on earnings.





## Thailand

- ❖ The SET index gained 6.6% MoM in September, as investors' confidence improved on expectations that the new Prime Minister and key ministers would continue policies aligned with the previous Srettha administration, reducing political uncertainties.
- ❖ The appreciation of the Thai Baht, driven by a rate cut from the Fed, also attracted foreign inflows into the Thailand equity market.
- ❖ Looking ahead, we expect some consolidation in October after the sharp rally in September, but The market remains supported by central bank rate cuts, government stimulus measures, and inflows from the Vayupak Fund and ThaiESG, providing a stabilising effect.



## Vietnam

- ❖ The Vietnam Stock Index (VN-INDEX) posted a modest gain of 0.32% MoM in September, underpinned by the removal of the pre-funding requirement for foreign institutional investors and optimism around Vietnam's potential upgrade to Secondary Emerging Market status by 2025.
- ❖ Despite recording a net foreign outflow of US\$88 million, foreign investors turned net buyers in the final two weeks of September, primarily driven by the Commonwealth Bank of Australia's divestment of 148 million shares in Vietnam International Commercial Joint Stock Bank (VIB).
- ❖ Sectoral performance was led by Diversified Finance (+3.5%) and Banking (+3.0%), followed by Capital Goods (+2.2%) and Materials (+2.0%), supported by stronger global steel prices and China's stimulus package. On the downside, Insurance (-5.9%) faced pressure due to typhoon-related claims, while Energy (-4.4%) was impacted by a drop in global oil prices.





## Indonesia

- ❖ Bank of Indonesia (BI) surprised markets with a 25bps cut to the BI rate, bringing it down to 6.00%, citing easing inflation pressures and a stable IDR.
- ❖ The Jakarta Composite Index (JCI) slipped 1.86% in September, as foreign outflows accelerated following China's stimulus announcement on 24th September, prompting a rotation of liquidity towards China.
- ❖ The new cabinet is expected to be appointed following Prabowo Subianto's inauguration as President in October, which could provide greater policy clarity.



## Philippines

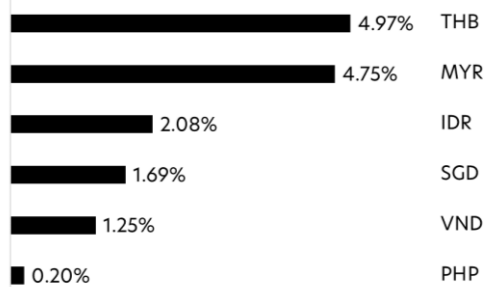
- ❖ The Philippines Composite Index advanced 5.4% in September, showing resilience despite foreign outflows towards the end of the month.
- ❖ August CPI came in at 3.3%, better than the anticipated 3.6%, reflecting slower price increases in food, beverages, and transportation.
- ❖ The central bank's announcement of a 250bps reduction in the reserve requirement ratio (RRR) aims to enhance liquidity and support bank lending. Financials reacted positively, becoming the top-performing sector in September.



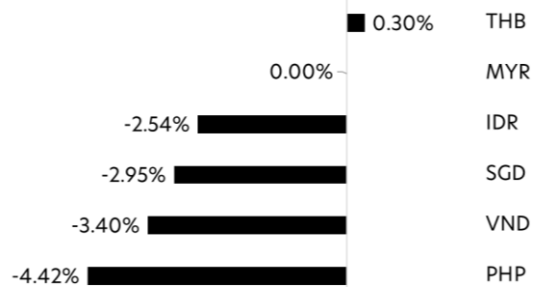
## ASEAN Currencies

Riding the waves against USD and MYR

ASEAN currencies against USD (MTD)



ASEAN currencies against MYR (MTD)



## Our Perspective

The US Dollar Index has weakened as the Fed moves into a rate cut cycle. Historically, a softer US Dollar has been favourable for equities in Emerging Markets, including ASEAN. Looking ahead, we see medium-to-long-term opportunities across ASEAN, driven by key structural trends.

The region's manufacturing sector stands to benefit from supply chain diversification away from China. ASEAN remains a preferred destination for global FDI, While also offering attractive investment prospects through a growing middle class.



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