

ASEAN Bulletin

Regional Outlook and Footprints
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Right By You

October in ASEAN



Singapore

- ❖ The Singapore market was relatively flat this month as investors turned cautious ahead of the US presidential election in November 24. The Strait Times Index (STI) and MSCI Singapore posted modest gains of 0.70% and 0.24% month-on-month (MoM), respectively, outperforming the broader Asian markets (MSCI Asia ex Japan Index: 1.66%, SGD terms)
- ❖ September's industrial production remained steady at 9.8% year-on-year (YoY), supported by growth in the Pharmaceutical and Biomedical sectors, despite robust sequential expansions in July and August. As expected, the Monetary Authority Singapore (MAS) kept the S\$NEER unchanged amid softening inflation.
- ❖ By sector, Transportation, Financials, and Retail outperformed, while Utilities, Real Estate/REITs, and Consumer Staples lagged.



Malaysia

- ❖ The FBM KLCI fell 2.9% MoM in October, as foreign investors booked profits amid heightened geopolitical tensions in the Middle East and cautious sentiment ahead of the US presidential election.
- ❖ Foreign investors turned net sellers in October, with outflows amounting to RM1.8 billion. The best-performing sectors were Construction, REITs, and Healthcare while Utilities and Telecommunications underperformed.
- ❖ Budget 2025, an expansionary fiscal plan, included expenditure for higher civil servant wages. The rationalization of the Ron95 subsidy was announced for mid-2025, although further implementation details are awaited.



Thailand

- ❖ The SET Index gained 1.19% in October, buoyed by positive performance in the first half of the month before retreating due to profit-taking in the latter half.
- ❖ Institutional investors recorded net inflows of 34 billion baht, while foreign investors were net sellers at 28.1 billion baht.
- ❖ The Bank of Thailand cut its policy rate by 25bps, from 2.5% to 2.25%. September inflation came in at 0.61% YoY, below the forecast 0.75% YoY.



Vietnam

- ❖ The Vietnam Stock Index (VN-Index) declined 2.28% MoM in October, pressured by a stronger USD, cautious sentiment around Q2 earnings, and uncertainties ahead of the US presidential election.
- ❖ Banking, Real Estate, and Materials sectors saw profit-taking pressure, while Transportation (led by Vietnam Airlines) and Software (driven by FPT Corporation) were the only positive contributors.



Indonesia

- ❖ Prabowo assumed office in October with a “continuity” cabinet featuring familiar faces to ensure a smooth transition.
- ❖ The Jakarta Composite Index (JCI) gained 0.56% MOM, despite foreign outflows totaling US\$718.8 million. The market was weighed down towards the end of the month by Trump’s victory, as his potential inflationary policies raised concerns on the comeback of inflation which could derail the path of rate cuts.
- ❖ Corporate earnings for 9M24 were subdued, with banks performing in-line with expectations, while Consumer staples lagged due to higher soft-commodity prices. Other sectors reported results that were slightly below or in-line with estimates.

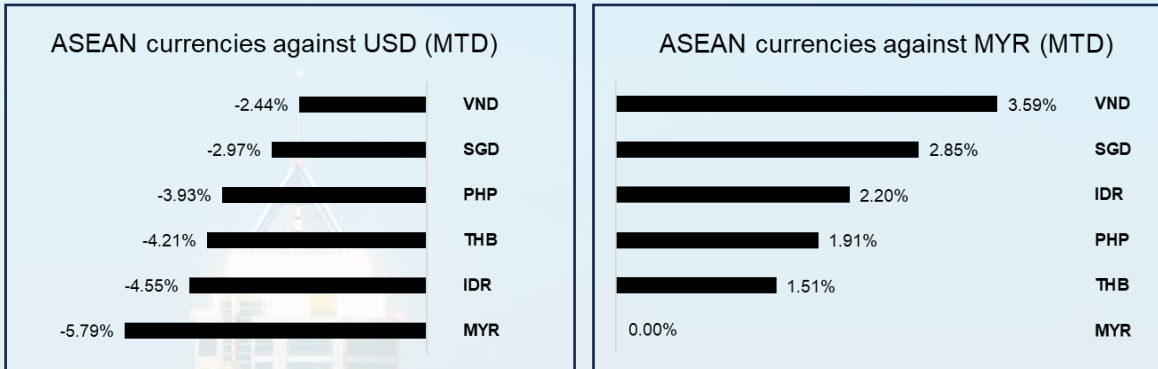


Philippines

- ❖ The Philippines Composite Index fell 1.4% in a volatile month, influenced by strong manufacturing data, the US presidential election, and geopolitical tensions.
- ❖ Sector performance was mixed in October, with resilience in some consumer stocks offset by weakness in Telecommunications and Energy, which were impacted by Typhoon Trami.
- ❖ The central bank reduced its key interest rate by 25bps for the second time this year, supported by favourable inflation data that may allow for further easing.

ASEAN Currencies

Riding the waves against USD and MYR



*Data as of October 2024

Our Perspective

With the Trump presidency on the horizon, ASEAN markets are likely to demonstrate relative resilience among emerging markets, underpinned by their defensive characteristics and the ongoing benefits of the China+1 strategies. Over the medium to long term, ASEAN offers compelling opportunities driven by structural trends. The region’s manufacturing sector stands to benefit from supply chain diversification away from China, while ASEAN remains a key destination for global FDI. Beyond manufacturing, the region presents attractive investment opportunities stemming from expanding middle class.

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