

ASEAN Bulletin

23 July 2024



June in ASEAN

Singapore



- The MSCI Singapore rose by 1.1% in June, outperforming other ASEAN markets. The Straits Times Index fell by 0.1%, weighed down by Seatrium Ltd (-21.6%) due to litigation concerns. The Communications Services and Retail sectors outperformed, while Industrials, Utilities, and Consumer Discretionary lagged.
- May 2024's Non-Oil Domestic Exports were better than expected at -0.1% Year-on-Year (YoY), compared to market expectations of -1.1%. Non-electronic exports moderated their decline to -6% YoY, improving from April 2024's -12.6%.
- May headline inflation rose by 3.1% YoY (Month-on-Month (MoM): +4 percentage points) driven by higher private transport costs. Core inflation remained stable at 3.1% YoY.

Malaysia



- The FBM KLCI fell by 0.4% in June due to profit-taking in the first half of the month, recovering some losses in the second half as Malaysia continued to receive positive news about data centre investment.
- Malaysia experienced a foreign net outflow of USD12.5 million in June, bringing YTD foreign outflows to USD174 million, the lowest among emerging ASEAN peers.
- Consumption is expected to be supported by the wage hike for civil servants in 2026 and EPF Account 3 withdrawals.

Thailand



- The SET index finished the month at 3.3% lower MoM. Thai stocks were pressured by concerns that political risks may affect economic recovery, especially the potential removal of the Prime Minister.
- Overall, the Thai stock market in July might experience volatility due to the release of Q2 earnings, with some industries potentially still showing weakness due to delays in the 2024 budget disbursement.
- We believe that the expectation of budget disbursement before the end of the fiscal year, as well as the anticipated increase in consumption from both the minimum wage hike and the THB10,000 cash handout measure (or digital wallet policy) are positive factors for the recovery of economic activities and earnings in the second half of the year.

Indonesia



- The Jakarta Composite Index appreciated by 1.3% in June despite a net foreign outflow of USD\$106 million for the month, driven by weakening foreign sentiment as the IDR remained weak.
- Sector-wise, Healthcare and Financials were top performers, while Technology and Industrials underperformed the most.
- Bank Indonesia maintained the interest rate at 6.25%, in line with consensus.
- Looking ahead, the market anticipates Q2 2024 earnings as fundamentals come into play after sentiment-driven month. The expected we think the upcoming mixed earnings, especially banks, seems largely priced in.

Philippines



- The Philippines Composite Index declined by 0.3% in June due to ongoing issues such as inflation risk and elevated interest rate, further complicated by political uncertainty following the resignation of Sarah Duterte as Vice President.
- In the second half of June, some losses were mitigated by Execution Order (EO62) aimed at reducing tariffs on agricultural imports to control inflation.
- The Bangko Sentral ng Pilipinas kept the policy interest at 6.5%, while Fitch Ratings affirmed Philippines credit rating as 'BBB' and maintained a stable outlook.

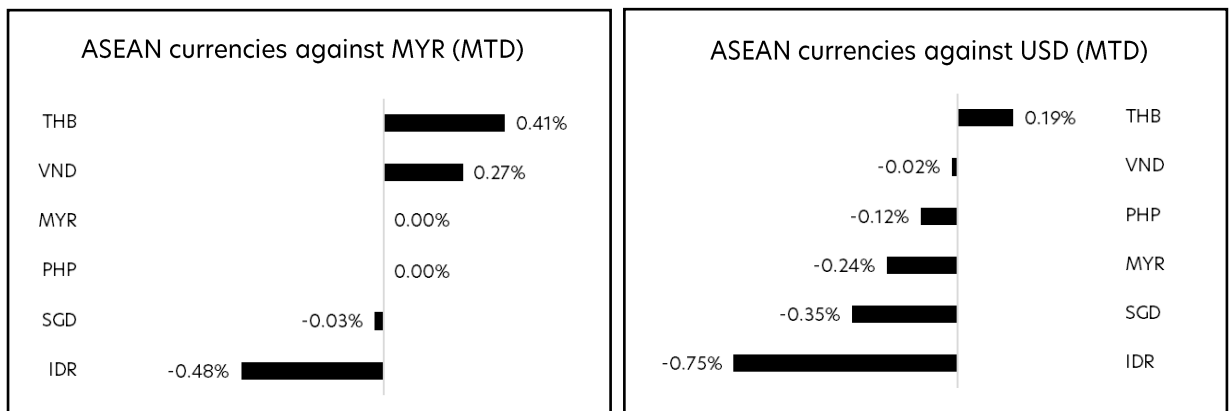
Vietnam



- The Vietnam Stock Index declined by 1.3% in June, narrowing YTD gain to 10.21%. The market saw a slight uptick in the first half of the month but faced strong profit-taking pressure in the last two weeks.
- Vietnam's Q2 GDP grew by 6.9%, surpassing both the government's projection and market expectations.
- The Purchasing Manager's Index (PMI) surged to 54.7 points in June, driven by a strong increase in new orders. Foreign Direct Investment (FDI) inflows remained resilient, while international tourist arrivals rose by +58% YoY in the first half of 2024, supporting consumption.

ASEAN Currencies

Riding the waves against USD and MYR



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