

# Weekly Market Recap

Asia Pacific | 19 Mar 2018

## Week in review

			Survey	Actual	Prior
U.S.	Inflation Rate	Feb	2.2%	2.2%	2.1%
CN	Fixed Asset Investment y/y	Feb	7.0%	7.9%	7.2%
CN	Industrial Production y/y	Feb	6.1%	7.2%	6.2%
US	Retail Sales m/m	Feb	0.3%	-0.1%	-0.1%

## Week ahead

- 19/3 - **JP** - Balance of Trade
- 20/3 - **UK** - Inflation, PPI
- 21/3 - **UK** - Unemployment
- 22/3 - **U.S.** - FOMC
- 23/3 - **JP** - Inflation

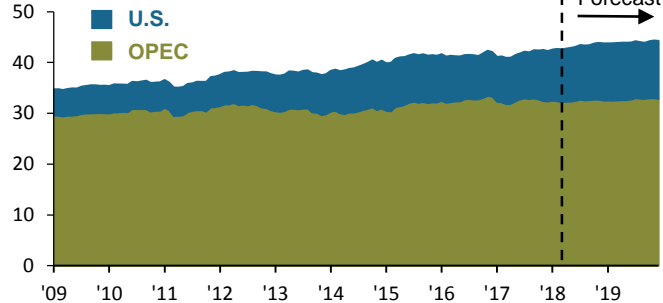
## Thought of the week

Last week, oil prices fell and recovered amid commentary by the Organization of the Petroleum Exporting Countries (OPEC) on the extent of the U.S. shale boom. OPEC acknowledged that production will likely outpace demand this year, despite strong signals of higher Chinese demand, potentially setting up oil price volatility in coming months. An uncertain price trajectory and continued high levels of U.S. production raises the question of OPEC nations' reaction functions. Currently, any major adjustments seem unlikely. In the near term, growing U.S. oil production will continue to be offset by robust demand and OPEC production quotas, likely holding West Texas Intermediate (WTI) crude prices within the \$60-65/bbl range. Consequently, energy contribution to inflation will likely be contained, limiting the chances of an inflation surprise.

## Chart of the week

### U.S. shale production continues to grow

Million barrels per day

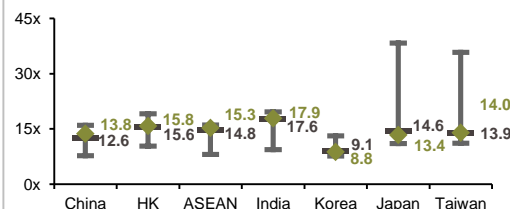


## EQUITIES (Indices: 12 to 16 Mar)

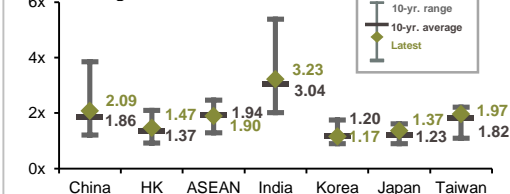
	% w/w	% m/m	% YTD
MSCI AC Asia Pac ex JP U\$	1.1	1.8	3.0
MSCI AC Asia Pac ex JP	1.1	2.2	3.0
MSCI US	-1.2	0.8	3.1
MSCI Europe U\$	-0.4	-2.2	-1.0
MSCI EM U\$	0.5	1.1	4.7
MSCI World U\$	-0.7	-0.2	1.5
<b>Countries</b>			
Hong Kong Hang Seng	1.6	1.2	5.3
Taiwan SE Weighted	1.5	5.8	3.6
Korea SE Composite	1.4	3.0	1.1
Japan Topix	1.2	0.0	-4.5
MSCI Japan U\$	2.1	-0.5	1.6
Shanghai SE A Share	-1.1	2.2	-1.1
MSCI China U\$	2.3	3.3	9.4
Singapore Straits Times	0.8	2.0	3.2
KLCI Composite	0.1	0.4	2.8
Bangkok SET	2.0	0.3	3.3
Philippine SE Composite	-1.6	-4.3	-3.7
Jakarta SE Composite	-2.0	-4.3	-0.8
MSCI ASEAN U\$	0.3	-0.8	2.9
India BSE100	0.0	-2.4	-4.1
ASX All Ordinaries	-0.2	0.8	-1.8

## Asian equity markets valuations

Consensus forward (NTM) P/E Ratios



Trailing P/B Ratios



GOV'T 10-YEAR YIELDS	16/3/2018	Change (bps)		
		w/w	m/m	YTD
US	2.84	-5	-3	43
Singapore	2.36	-8	7	36
India	7.62	-6	4	28
UK	1.43	-6	-15	24
Korea	2.71	-3	-4	24
Indonesia	6.68	-14	30	22
Germany	0.57	-8	-14	14
Thailand	2.39	2	-1	6
Australia	2.69	-10	-21	6
Japan	0.03	-2	-2	-1
China	3.88	1	-3	-6

CURRENCIES	16/3/2018	Change (%) (per USD)*		
		w/w	m/m	YTD
Japan USD/JPY	106.10	0.8	-0.1	6.2
Thailand USD/THB	31.19	0.6	0.2	4.5
Malaysia USD/MYR	3.9095	0.1	-0.4	3.5
China USD/CNY	6.3246	0.2	0.3	3.0
UK GBP/USD	1.3919	0.4	-0.9	2.9
Taiwan USD/TWD	29.09	0.7	0.7	2.3
Euro EUR/USD	1.2280	-0.3	-1.4	2.3
Swiss USD/CHF	0.9532	-0.3	-2.9	2.2
New Zealand NZD/USD	0.7217	-1.0	-2.5	1.5
Singapore USD/SGD	1.3175	-0.2	-0.5	1.4
Korea USD/KRW	1,066	0.3	1.0	0.4
Australia AUD/USD	0.7734	-1.3	-2.4	-1.1
Indonesia USD/IDR	13,751	0.3	-1.4	-1.3
India USD/INR	64.98	0.3	-1.2	-1.8
Philippines USD/PHP	51.93	0.2	0.1	-3.9
Canada USD/CAD	1.3096	-2.0	-4.2	-4.3

COMMODITIES	16/3/2018	Change (%)		
		w/w	m/m	YTD
Crude Oil (WTI, \$/bbl)	62.35	0.5	0.7	3.1
Nat. Gas (HH, \$/mm BTU)	2.61	-3.7	4.8	-29.3
Silver (\$/troy oz)	16.48	-0.1	-2.1	-2.3
Gold (\$/troy oz)	1,310	-0.8	-3.1	1.5
DJ/UBS Commodity Index	87.36	-0.7	-1.0	-0.9
Copper (\$/ton)	6,923	1.7	-3.3	-3.3

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Source: U.S. Energy Information Administration, J.P. Morgan Asset Management

All returns in local currency unless stated otherwise.

\* Currencies' return are based on foreign currencies per U.S. dollar. An appreciation of the foreign currency against the U.S. dollar would be positive and a depreciation of the foreign currency against the U.S. dollar would be negative.

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