

Weekly Market Recap

Asia Pacific | 14 Aug 2017

Week in review

			Survey	Actual	Prior
CN	CPI m/m	Jul	-	0.1%	-0.2%
CN	PPI m/m	Jul	-	0.2%	-0.2%
JP	PPI m/m	Jul	0.2%	0.3%	0.1%

Week ahead

- 14/8 -**CN** - Retail sales
- 14/8 -**JP** - GDP
- 14/8 -**EU** - Indust. Prod.
- 16/8 -**U.S.** - Housing starts
- 17/8 -**U.S.** - Indust. Prod.

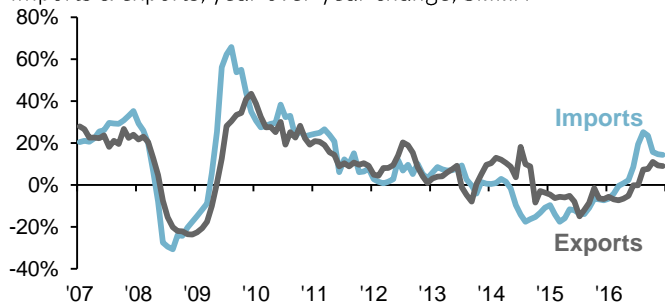
Thought of the week

China's latest merchandise trade number showed a modest slowdown in momentum. Exports were slower mainly due to falls in lower-end consumer goods and tech products. On the import side, a drop in major commodity shipments was the main driver. While these numbers may hint at a future slowdown, other recent data such as the Caixin PMI were higher than consensus, suggesting stability. Despite this, some political uncertainties including the upcoming 19th National Congress and North Korea action may affect China's economy. Adding to issues may be a return of trade tensions, with the U.S. announcing a preliminary decision to levy an import tax on Chinese aluminium foil. Although a minor action, it might add pressure at a difficult time. Though China is still growing steadily, investors should be cautious of the geopolitical risks and keep an eye on the U.S.'s next step on trade.

Chart of the week

China trade showing slowing momentum

Imports & exports, year-over-year change, 3MMA*

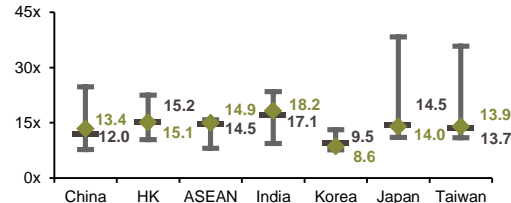


EQUITIES (Indices: 7 Aug to 11 Aug)

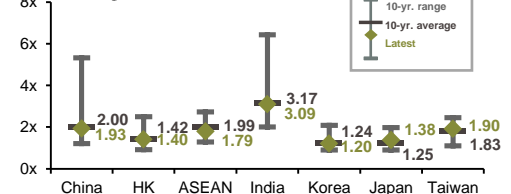
	% w/w	% m/m	% YTD
MSCI AC Asia Pac ex JP U\$	-2.4	1.9	21.0
MSCI AC Asia Pac ex JP	-1.9	0.9	16.5
MSCI US	-1.5	0.6	9.2
MSCI Europe U\$	-2.4	1.4	14.7
MSCI EM U\$	-2.3	2.4	20.9
MSCI World U\$	-1.5	1.2	10.7
Countries			
Hong Kong Hang Seng	-2.5	3.9	22.2
Taiwan SE Weighted	-1.7	-0.8	11.6
Korea SE Composite	-3.2	-3.2	14.5
Japan Topix	-0.9	-0.6	6.5
MSCI Japan U\$	0.6	3.9	12.1
Shanghai SE A Share	-1.6	0.2	3.4
MSCI China U\$	-1.8	5.3	31.6
Singapore Straits Times	-1.4	1.9	13.8
KLCI Composite	-0.4	0.7	7.6
Bangkok SET	-1.1	-0.5	1.2
Philippine SE Composite	-0.1	0.9	15.9
Jakarta SE Composite	-0.2	-0.1	8.9
MSCI ASEAN U\$	-1.1	1.7	14.7
India BSE100	-3.7	-0.6	20.0
ASX All Ordinaries	-0.5	-0.4	0.4

Asian equity markets valuations

Consensus forward (NTM) P/E Ratios



Trailing P/B Ratios



GOVT 10-YEAR YIELDS	Change (bps)			
	11/8/2017	w/w	m/m	YTD
China	3.66	1	5	59
Korea	2.29	4	2	20
Germany	0.38	-9	-17	18
Japan	0.05	-1	-4	2
UK	1.06	-11	-22	-3
India	6.70	7	4	-15
Australia	2.59	-3	-11	-17
US	2.19	-8	-17	-25
Thailand	2.40	4	-12	-25
Singapore	2.07	-5	-15	-48
Indonesia	6.86	-2	-16	-104

CURRENCIES	Change (%) (per USD)*			
	11/8/2017	w/w	m/m	YTD
Euro EUR/USD	1.1792	0.3	3.3	11.8
Australia AUD/USD	0.7874	-0.5	3.4	8.7
Thailand USD/THB	33.24	0.0	2.6	7.7
Japan USD/JPY	109.15	1.6	4.9	6.9
Taiwan USD/TWD	30.36	-0.5	0.7	6.2
Singapore USD/SGD	1.3621	-0.1	1.7	6.1
India USD/INR	64.13	-0.8	0.7	5.8
Canada USD/CAD	1.2685	-0.3	1.9	5.7
Korea USD/KRW	1,144	-1.6	0.7	5.6
Swiss USD/CHF	0.9628	1.1	0.6	5.6
UK GBP/USD	1.2977	-0.5	1.1	5.0
New Zealand NZD/USD	0.7297	-1.5	1.3	4.6
Malaysia USD/MYR	4.2950	-0.4	0.1	4.4
China USD/CNY	6.6669	0.8	2.0	4.2
Indonesia USD/IDR	13,363	-0.4	0.2	0.8
Philippines USD/PHP	50.98	-1.6	-0.9	-2.5

COMMODITIES	Change (%)			
	11/8/2017	w/w	m/m	YTD
Crude Oil (WTI, \$/bbl)	48.81	-1.5	8.3	-9.2
Nat. Gas (HH, \$/mm BTU)	2.91	5.4	-2.3	-21.6
Silver (\$/troy oz)	17.09	2.3	10.2	5.2
Gold (\$/troy oz)	1,286	2.3	6.2	12.2
DJ/UBS Commodity Index	83.70	0.5	0.8	-4.4
Copper (\$/ton)	6,354	0.4	9.6	15.5

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Source: Factset, National Bureau Statistics of China, J.P. Morgan Asset Management.

*3MMA stands for 3-month moving average

Data reflect most recently available as of 11/8/17.

All returns in local currency except where stated.

* 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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Material ID: 0903c02a81eb4b04