

The Week Ahead - Trade Data, China PMI, Singapore properties, Monetary Policy

Trade data

THIS week, investors will be turning their attention to trade data for August 2021 along with the manufacturing purchasing managers' index (PMI).

The Statistics Department is expected to release external trade data tomorrow while the IHS Markit Malaysia Manufacturing PMI is due on Friday.

Trade surplus is expected to be RM12bil by the end of this quarter, according to Trading Economics global macro models and analyst expectations.

Malaysia's trade maintained its upward trend in July 2021 with total trade expanding by 13%, reaching RM181bil as compared to RM160.1bil in July 2020.

Exports rose 5% to RM97.3bil compared to July 2020 while imports rose by 24% to RM83.64bil.

Trade surplus contracted 45.8% to RM13.68bil.

The IHS Markit Malaysia Manufacturing PMI was up to 43.4 in August 2021 from 40.1 in the prior month.

China PMI

CHINA is expected to release its September official manufacturing and services PMI on Thursday.

China's Caixin manufacturing PMI will also be released on Thursday.

Bloomberg estimates September's official manufacturing PMI to rise to 50.2 from 50.1 in August and services PMI to 48 from 47.5 in August.

China will start its week-long National Day Golden Week holiday from Oct 1 to Oct 7.

Singapore Q3 property prices

SINGAPORE is expected to announce the month-end bank loans and money supply data for August 2021 on Thursday.

The preliminary third quarter (Q3) Urban Redevelopment Authority (URA) private home price index is expected to be released on Friday.

Singapore's private home prices rose 0.9% in the second quarter from the previous three months.

Monetary policy

BANK of Thailand will decide on its monetary policy this week.

All the analysts polled by Bloomberg including UOB Global Economics and Markets Research expects the Bank of Thailand to keep the policy rate unchanged at 0.5%.

UOB continued to observe that policy space remained very limited, while fiscal policies would likely do the heavy lifting in supporting economic growth.

While UOB keeps to its base-case view for the benchmark rate to stay pat for 2021, the tail-end risk of a 25 basis points rate cut could occur if Thailand's economic environment worsens in the fourth quarter of 2021.

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