

Morning Coffee News (Asia)

12 April 2024

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Top News* Global Banks Ramp Up Roadshows for Clients Eager to Bet on Japan

Investors are hankering for more insights into Japan with the market becoming a hot destination for fund flows, and Wall Street banks are responding.

Citigroup Inc. has intensified efforts to bring its Japan analysts to clients while Morgan Stanley recently dispatched a large team to financial hubs in Asia. This comes as a resurgent stock market boosts demand for information about the country's companies and markets.

Overseas marketing by analysts at Citigroup's Japan securities arm jumped more than five-fold last year from the previous year and the momentum continues in 2024, according to Kota Ezawa, its head of Japan research. "Japan Day" events have been organized worldwide, where its country head, analysts, strategists and traders discuss investment opportunities in the country from the equity, fixed income and foreign exchange perspectives, the bank's spokeswoman added.

Morgan Stanley's majority-owned joint venture brokerage with Mitsubishi UFJ Financial Group Inc. sent more than 30 Tokyo-based researchers to Hong Kong and Singapore last month for a week-long visit, a spokesperson said. The tour introduced equity analysts, economists and strategists to customers after the two banks reorganized their research operations, as well as responded to global interest in Japan, he said.

Japan's economic revival is bringing back shine to jobs from bond trading to corporate analysis after their allure faded during the nation's lost decades of deflation. Institutional investors in the country expect to use more research providers this year after reducing the number every year since 2019, according to a report from consultancy Coalition Greenwich.

Market News APAC

- Samsung Electronics Co. is preparing to take the wraps off a \$44 billion investment in US chipmaking as soon as next week, a signature project in Washington's broader effort to bring semiconductor production back to America. It's secured more than \$6 billion of US government grants for an investment outlay that's expanded significantly to a total of \$44 billion over multiple years. The award is the latest in a spate of multibillion-dollar handouts from the Biden administration, which is using the 2022 Chips and Science Act to try and revitalize American chipmaking after decades of production shifting to Asia.
- Singapore's central bank kept its monetary policy unchanged for a fourth straight time on still-elevated price pressures, a decision seen by some economists as indicative that tight settings will probably stay in the months ahead. That will keep the local dollar on an appreciating path to blunt imported inflation.

Indices Asia	Last	Change	YTD
Nikkei225	39642.66	0.51%	18.46%
KOSPI Comp	2692.54	-0.53%	1.63%
S&P/ASX200	7794.60	-0.24%	2.53%
Hang Seng	16807.08	-1.68%	-1.30%
Shanghai Comp.	3033.76	-0.02%	2.02%
TWSE Taiwan	20810.24	0.27%	15.89%
MSCI Singapore	1381.24	0.00%	3.04%
MSCI Malaysia	486.15	-0.34%	5.41%
JCI Indonesia*	7286.88	0.45%	0.19%
SET Thailand*	1396.38	-0.84%	-1.38%
PCOMP Philippines*	6716.84	0.59%	3.90%
VN-Index*	1261.10	0.23%	11.76%
Sensex India*	75038.15	0.47%	3.87%

*as of yesterday

Indices USA	Yesterday	Change	YTD
DJIA	38459.08	-0.01%	2.04%
S&P500	5199.06	0.74%	9.00%
Nasdaq100	18307.98	1.65%	8.81%
VIX	14.91	-5.63%	19.76%

Indices Europe	Yesterday	Change	YTD
EuroStoxx50	4966.68	-0.68%	9.85%
SMI	11465.74	-0.26%	2.94%
DAX	17954.48	-0.79%	7.18%
MSCI UK	8070.00	-0.65%	2.04%
CAC40	8023.74	-0.27%	6.37%

Currencies	Last	Change	YTD
USD/CHF	0.9104	0.04%	-7.52%
EUR/USD	1.0720	-0.06%	-2.84%
GBP/USD	1.2550	-0.02%	-1.37%
USD/JPY	153.2000	-0.05%	-7.91%
AUD/USD	0.6534	-0.06%	-4.02%
NZD/USD	0.6002	0.08%	-4.97%
USD/KRW	1372.9900	0.65%	-5.71%
USD/HKD	7.8360	-0.02%	-0.31%
USD/SGD	1.3549	0.13%	-2.48%
USD/THB	36.4090	-0.20%	-5.85%
USD/IDR	15848.0000	-0.28%	-2.83%
USD/INR	83.1938	-0.15%	0.02%
USD/PHP	56.4540	-0.09%	-1.87%
USD/TWD	32.2840	0.17%	-5.25%
USD/CNH	7.2562	0.01%	-1.78%

Treasury	Yield	Change	YTD
US10Y	4.56	-0.03%	17.61%
EUR10Y	2.46	0.03%	21.77%
JGB10Y	0.84	-0.02%	38.40%
AUD10Y	4.28	0.02%	8.16%
NZD10Y	4.82	0.05%	0.28%
CNY10Y	2.28	-0.01%	N.A.

Commodities	Last	Change	YTD
Gold	2388.34	0.67%	15.78%
Silver	28.83	1.35%	21.21%
Brent Crude Oil	90.33	0.66%	18.06%

Singapore Time: 11:29:59 AM

* Numbers and values in the tables were extracted later than, and may therefore vary from, the numbers and values mentioned in the news extracts.

What to Watch*

- Ex-Macquarie Banker's Activist Hedge Fund Strategy Soars 42%
- Gold Hits Fresh High as Mideast Tensions Boost Haven Demand
- Japan's Property Shares Jump as Mitsui Fudosan Rises on ROE Plan
- Solar Equipment Prices Drop in China as Material Costs Plunge
- Chinese Gold Stocks Jump as Bullion Rises to Fresh Record
- Singapore Economy Expands Slower Than Expected in First Quarter
- New Zealand Manufacturing Suffers Longest Contraction Since 2009

Market News EU & US

- Apple Inc., aiming to boost sluggish computer sales, is preparing to overhaul its entire Mac line with a new family of in-house processors designed to highlight artificial intelligence. The company, which released its first Macs with M3 chips five months ago, is already nearing production of the next generation – the M4 processor – according to people with knowledge of the matter. The new chip will come in at least three main varieties, and Apple is looking to update every Mac model with it, said the people, who asked not to be identified because the plans haven't been announced. The new Macs are underway at a critical time. After peaking in 2022, Mac sales fell 27% in the last fiscal year, which ended in September. In the holiday period, revenue from the computer line was flat. Apple attempted to breathe new life into the Mac business with an M3-focused launch event last October, but those chips didn't bring major performance improvements over the M2 from the prior year. Apple also is playing catch-up in AI, where it's seen as a laggard to Microsoft Corp., Alphabet Inc.'s Google and other tech peers. The new chips are part of a broader push to weave AI capabilities into all its products. Apple is aiming to release the updated computers beginning late this year and extending into early next year. There will be new iMacs, a low-end 14-inch MacBook Pro, high-end 14-inch and 16-inch MacBook Pros, and Mac minis – all with M4 chips. But the company's plans could change. An Apple spokesperson declined to comment. Apple shares climbed 4.3% to \$175.04 on Thursday in New York, the biggest single-day gain in 11 months. They had been down 13% this year through Wednesday's close.
- A handful of top German industrials may prove the biggest drag on quarterly results in Europe in the coming weeks, an ominous sign for the country's benchmark DAX Index as it hovers near a record high.

Carmakers BMW AG and Mercedes-Benz Group AG, chemicals giant BASF SE, drugs and crop chemicals maker Bayer AG and chipmaker Infineon Technologies AG are among seven Euro Stoxx 50 companies expected to drive a 7% drop in earnings per share for the index, excluding the energy sector, according to calculations by Bloomberg Intelligence. French drugmaker Sanofi SA and Dutch chip-making equipment supplier ASML Holding NV are also seen posting sharp declines. Consensus shows Infineon's adjusted EPS for the quarter ended March 31 falling 46%, amid a broader slump in demand from industrial customers. Shares of the supplier to Chinese electric-vehicle firms slid in March after Bloomberg reported that the government in Beijing had quietly asked EV makers to sharply increase their purchases from local chipmakers. Investor concerns around this may be overblown as China's semiconductor industry is still in development, Citi analyst Andrew Gardiner wrote in a note last month. But even though the trough may have been reached in the broader industry cycle, material signs of improvement have yet to emerge, throwing into question the company's ability to meet its full-year guidance, Gardiner said. Meanwhile, a "worrying" slowdown in EV demand and "fierce" competition in China on pricing and technology point to a challenging 2024 for carmakers, according to Berenberg analyst Romain Gourvil. Mercedes and BMW are discounting heavily as pricing pressure grows, BI analyst Michael Dean said.

Overnight News

- Fed's Collins Says Data May Warrant Later, Fewer Cuts This Year
- Morgan Stanley Drops on Report of US Probes Into Wealth Unit
- IMF Warns of 'Tepid Twenties' as Global Growth Inches Higher
- Big Tech Earnings Supremacy to Ease Valuation Fears
- Handful of ECB Officials Needed Extra Convincing to Back Hold
- Thyssenkrupp Plans to Cut Jobs, Slash Steel Capacity in Overhaul

Earnings Releases (Source: Bloomberg)

- Arlands Corp. (9842 JP)
- BayCurrent Consulting Inc. (6532 JP)
- Bic Camera Inc. (3048 JP)
- Cosmos Pharmaceutical Corp. (3349 JP)
- Create Restaurants Holdings In (3387 JP)
- DCM Holdings Co. (3050 JP)
- Dip Corp. (2379 JP)
- Institute for Q-shu Pioneers o (5595 JP)
- Money Forward Inc. (3994 JP)

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- Ryohin Keikaku Co. (7453 JP)
- Takashimaya Co. (8233 JP)
- Takeuchi Manufacturing Co. (6432 JP)
- Tian An China Investment Co. Lt (28 HK)
- West Holdings Corp. (1407 JP)

Rating Changes (Source: Bloomberg)

- James Hardie GDRs Cut to Neutral at Macquarie; PT A\$62.40
- Monash IVF Rated New Sector Perform at RBC; PT A\$1.50
- Chervon Cut to Equal-Weight at Morgan Stanley; PT HK\$22.50
- Raytron Technology Cut to Neutral at Goldman; PT 31.50 yuan
- Yangtze Optical Fibre & Cable Joint Stock Ltd Co 601869 CH Cut to Neutral at CCB Intl; PT 25 yuan
- Nifco Raised to Buy at Nomura; PT 5,000 Yen
- Mitsubishi Electric Cut to Neutral at Daiwa; PT 2,100 Yen

Key Economic Event for this Asia-Pacific Week (Last Update on 8 April 2024)

Time	SG/Country	Event	For	Survey	Prior
Monday, 8 Apr 2024					
(Exchange: Indonesia, Thailand)					
7:30	JN	Labor Cash Earnings YoY	Feb	1.80%	2.00%
7:30	JN	Real Cash Earnings YoY	Feb	-1.40%	-0.60%
7:30	JN	Cash Earnings - Same Sample Base YoY	Feb	2.00%	2.00%
7:30	JN	Scheduled Full-Time Pay - Same Base YoY	Feb	2.00%	2.00%
7:50	JN	BoP Current Account Balance	Feb	¥3050.0b	¥438.2b
7:50	JN	BoP Current Account Adjusted	Feb	¥1995.0b	¥2727.5b
7:50	JN	Trade Balance BoP Basis	Feb	-¥189.5b	-¥1442.7b
9:30	AU	Owner-Occupier Loan Value MoM	Feb	--	-4.60%
9:30	AU	Home Loans Value MoM	Feb	2.00%	-3.90%
9:30	AU	Investor Loan Value MoM	Feb	--	-2.60%
12:00	MA	Manufacturing Sales Value YoY	Feb	--	3.20%
12:00	MA	Industrial Production YoY	Feb	1.80%	4.30%
15:00	PH	BSP Overnight Borrowing Rate	8-Apr	6.50%	6.50%
15:00	PH	BSP Standing Overnight Deposit Facility Rate	8-Apr	6.00%	6.00%
Tuesday, 9 Apr 2024					
(Exchange: Indonesia, Philippines)					
13:00	JN	Consumer Confidence Index	Mar	39.5	39.1
14:00	JN	Machine Tool Orders YoY	Mar P	--	-8.00%
16:00	TA	CPI Core YoY	Mar	--	2.90%
16:00	TA	PPI YoY	Mar	--	0.32%
16:00	TA	CPI YoY	Mar	2.50%	3.08%
17-Apr	TH	Consumer Confidence Economic	Mar	--	57.7
Wednesday, 10 Apr 2024					
(Exchange: Indonesia, Malaysia, Philippines, Shanghai, Shenzhen)					
7:50	JN	PPI YoY	Mar	0.80%	0.60%
7:50	JN	PPI MoM	Mar	0.30%	0.20%
9:00	PH	Unemployment Rate	Feb	--	4.50%
10:00	NZ	RBNZ Official Cash Rate	10-Apr	5.50%	5.50%
15:05	TH	BoT Benchmark Interest Rate	10-Apr	2.50%	2.50%
16:00	TA	Exports YoY	Mar	7.20%	1.30%
16:00	TA	Imports YoY	Mar	-2.50%	-17.80%
16:00	TA	Trade Balance	Mar	\$7.50b	\$7.89b
Thursday, 11 Apr 2024					
(Exchange: Indonesia, Malaysia)					
9:00	AU	Consumer Inflation Expectation	Apr	--	4.30%
9:00	PH	Imports YoY	Feb	4.00%	-7.60%
9:00	PH	Exports	Feb	--	\$5940.0m
9:00	PH	Exports YoY	Feb	10.70%	9.10%
9:00	PH	Trade Balance	Feb	-\$3993m	-\$4221m

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9:00	PH	Imports	Feb	--	\$10160.0m
9:30	CH	PPI YoY	Mar	-2.80%	-2.70%
9:30	CH	CPI YoY	Mar	0.40%	0.70%
10:00	JN	Tokyo Avg Office Vacancies	Mar	--	5.86%
Friday, 12 Apr 2024					
(Exchange: Indonesia, Thailand)					
6:45	NZ	Card Spending Total MoM	Mar	--	-1.90%
6:45	NZ	Card Spending Retail MoM	Mar	--	-1.80%
6:45	NZ	Food Prices MoM	Mar	--	-0.60%
8:00	SI	GDP YoY	1Q A	3.10%	2.20%
8:00	SI	GDP SA QoQ	1Q A	0.60%	1.20%
12:30	JN	Industrial Production MoM	Feb F	--	-0.10%
12:30	JN	Industrial Production YoY	Feb F	--	-3.40%
12:30	JN	Capacity Utilization MoM	Feb	--	-7.90%
--	CH	Trade Balance	Mar	\$69.10b	\$39.71b
--	CH	Exports YoY	Mar	-2.00%	5.60%
--	CH	Imports YoY	Mar	1.00%	-8.20%

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