

MNI Asia Pac Weekly Macro Wrap

May 1 2026 – By Jon Cavenagh, Jaime Grant, Maxine Koster, Stephen Petrie & Gavin Stacey

JAPAN

- The BoJ held rates steady this week, as expected. Despite more board members voting for a rate increase, Governor Ueda didn't give any fresh hints on rate hike timing. For April, the Tokyo CPI print was below forecasts, with services inflation slowing to 1%y/y. This doesn't add any hawkishness to the June BoJ meeting. In the FX space, focus is on whether we see follow up intervention to Thursday's episode.

AUSTRALIA

- The March/Q1 CPI data printed close to Bloomberg consensus but with trimmed mean picking up 0.1pp to 3.5% y/y in Q1, March holding at 3.3% for the fourth straight month and the 2q/2q annualised rate above 3%, another rate hike at the 5 May RBA meeting remains a clear possibility.

NEW ZEALAND

- While ANZ business confidence fell in April to its lowest since July 2023, it had improved in April from the late March responses at -10.6 compared with -22.5. The RBNZ will likely be pleased to see pricing intentions fairly stable and a moderation in wage expectations, thus signalling limited second-round effects currently, but the inflation trend still appears upwards.
- Still, the ANZ consumer sentiment survey showed plunging sentiment, while inflation expectations rose to 6.6%.

SHORT TERM RATES

- Amidst ongoing uncertainty around the Middle East conflict and its implications for oil prices, interest-rate expectations across the \$-bloc through December 2026 were little changed over the past week, except for Canada's 12bp firming.

CHINA

- China's RatingDog PMI rose to multi year highs in April, while the official PMIs were more mixed. Overall, the growth backdrop looks resilient to start the year. Market expectations for fresh monetary policy easing in the near term remain fairly low.

SOUTH KOREA

- Strength in South Korea's export sector suggests the economy can withstand a rate hike. Next week's CPI update, due Wednesday for April, will help inform the near term BoK outlook.

ASIA

- BoT held rates as expected this week and is now monitoring for upside inflation risks. Philippines trade figures were close to expectations, with the trade deficit around \$4.5bn. USD/PHP and USD/IDR have risen to fresh record highs this week.

ASIA EQUITY FLOWS

- The past week has mostly seen net equity outflow pressure return. This has curbed inflows into tech sensitive plays like Taiwan, after strong gains in April. Oil sensitive markets like India, Indonesia and the Philippines, are seeing on-going outflow pressures.

JAPAN**BOJ: On Hold, 3 Board Members In Favour Of Hike, Inflation Risks Up/Growth Down**

The BOJ held the policy rate at 0.75%, as widely expected, while maintaining a tightening bias. The board vote was 6-3 in favour of holding rates at 0.75%, which compares to a 8-1 vote to hold rates steady at the March policy meeting. In this sense, today's hold can be seen as marginally hawkish, given more votes to hike the policy rate compared to the last meeting. Board members Nakagawa, Takata and Tamura were all in favour of taking the policy rate to 1.00%. We wait to hear from BoJ Governor Ueda later on at 3:30pm local time.

- In terms of forecast shifts, not surprisingly we saw inflation raised for both core CPI and core, ex energy. For the 2026 financial year the core CPI forecast was raised to 2.8% from 1.9% prior, for the ex-energy measure it was raised to 2.6% from 2.2%. The 2027 forecast was also nudged up to 2.3% for core (from 2.0%) and 2.6% (from 2.1%) for core, ex energy.
- The BoJ reiterated that the price trend will be in line with its goal from the second half of the 2026 financial year.
- On growth, the current GDP financial year forecast was cut to 0.5% from 1.0% prior. For the next financial year it was nudged down to 0.7% (0.8% was the prior forecast).
- Not surprisingly, the risks for the current financial year were skewed towards higher inflation and lower growth, given the Iran conflict. Pass through of higher oil prices to food prices and broader goods and services is a watch point. The BoJ noted medium to longer term inflation expectations had risen moderately.
- Financial conditions remain accommodative, which is still expected to support moderate growth.

BOJ: MNI BOJ Review – April 2026: Dissenters & Forecasts Reinforce Hawkish Hold

Executive Summary

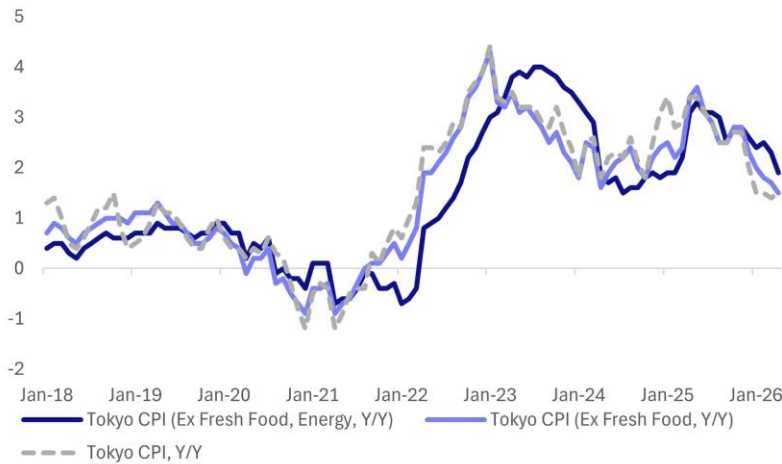
- The Bank of Japan held rates at 0.75% as expected, but the tone was more hawkish, signalling a shift toward gradual tightening rather than a pause.
- Governor Kazuo Ueda said real interest rates remain low and policy will be data-dependent, highlighting rising inflation risks alongside weaker growth prospects.
- A 6–3 vote split, with three members calling for an immediate hike, shows increasing internal pressure to tighten and concern about falling behind the curve.
- Updated forecasts raised inflation to 2.8% and cut growth to 0.5%, pointing to a stagflation-like environment with upside risks to prices.
- Economists expect further tightening but differ on timing, with June or July seen as most likely depending on data and geopolitical or oil market developments.
- See full MNI BOJ Review [here](#)

Tokyo CPI Sub Forecasts, Under 2%/y/y, Services Inflation To 1%/y/y:

Japan Apr Tokyo CPI was below market forecasts. Headline was 1.5%/y/y, versus the 1.7% forecast and 1.4% prior. Core, ex fresh food, printed at 1.5% versus 1.8% forecast and 1.7% prior. The measure which also excludes energy rose 1.9%/y/y, versus 2.2% forecast and 2.3% prior. The chart below plots the trends for these inflation metrics in y/y, with all 3 now under the 2% level. Services inflation fell close to 0.30% in the month, which dragged the y/y print to just under 1%, see the second chart below. The headline was up 0.6%/m/m, while the core ex fresh food rose 0.6% as well, ex energy printed +0.3%/m/m. Utilities rose 7.3%/m/m, while most other segments produced rises in the month, except for Miscellaneous, which fell 3.3% in the month.

* At face value, the data backs a wait and see approach from the BoJ and arguably doesn't add any fresh hawkishness to the June policy outlook (which is currently around 66% priced for a 25bp hike). Our policy team noted: The easing in core CPI was in line with the BOJ's view that inflation would fall below 2% in the first half of this year due to government subsidies aimed at lowering electricity and gas charges. BOJ officials are closely watching how companies are passing on higher costs, as private consumption has yet to show strong momentum.

Fig 1: Japan Tokyo CPI Y/Y Trends



Source: Bloomberg Finance L.P./MNI

Fig 2: Tokyo CPI - Services Y/Y



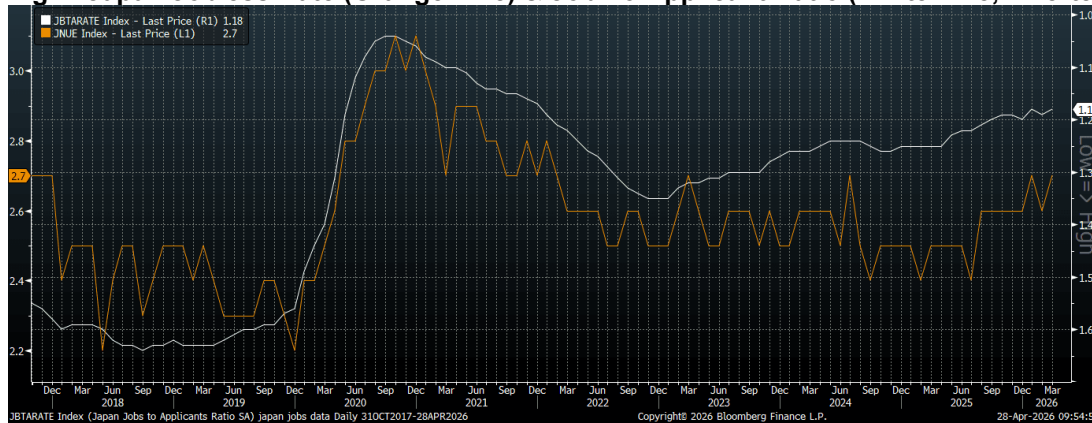
Source: Bloomberg Finance L.P./MNI

JAPAN DATA: Jobless Rate Edges Up, Trend Move Down In Job-To-Applicant Ratio

Japan's Mar jobless rate was 2.7%, against a 2.6% forecast, which was also the Feb outcome. The unemployment rate has edged back up to recent highs, see the chart below. The unemployment line is the orange line on the chart, while the other line is the job to applicant ratio, which is inverted on the chart. This series eased to 1.18, versus 1.19 forecast. Via BBG: "The jobs-to-applicants ratio stood at 1.18 in March, indicating 118 openings for every 100 job seekers." Both series suggest some deterioration in the jobs market, albeit a fairly gradual one and the jobless rate has yet to break higher (with 2.7% representing the peak in the jobless rate back to 2023).

- We have the BoJ meeting outcome later, with a hawkish hold expected. While uncertainty remains elevated, Governor Kazuo Ueda is expected to reiterate the bank's stance of gradually raising the policy rate, citing low real rates and the need to ease yen-selling pressure, leaving the possibility of a June hike open.

Fig 1: Japan Jobless Rate (Orange Line) & Job To Applicant Ratio (White Line, Inverted)



Offshore Inflows Continues Into Local Stocks, Bonds Sold :

The earlier weekly update (for week ending Apr 24) for Japan offshore investment flows showed continued net buying of local stocks. The pace of inflows from offshore investors was at a more moderate pace, but it still brings cumulative inflows over the past month to just over 10trln. This more than offsets the outflows seen through the second half of March. Japan equities sit just off fresh cycle highs from late April, enjoying the broader recover in risk sentiment and the tech related gains.

* Elsewhere offshore investors sold local bonds for second straight week. Going back to the start of March, cumulative flows for this segment are close to flat, with a good degree of week-to-week volatility. In the first few months of the year, we had just over 7.6trln in net inflows. Sentiment has clearly cooled amidst the surge in onshore yields, with higher energy prices playing a role.

* In terms of local investors, they sold offshore bonds for the second straight week, but in much larger size. Even before the March Iran conflict, the trend had been for net selling in this segment. Global bond returns are up from late March lows, but still comfortably off end Feb highs.

* Local investors continued to purchase offshore stocks, but in fairly modest size. This was the fifth consecutive week of net buying of offshore stocks though.

Table 1: Japan Offshore Weekly Investment Flows

Billion Yen	Week ending Apr 24	Prior Week
Foreign Buying Japan Stocks	807.9	2380.6
Foreign Buying Japan Bonds	-786.9	-294.7
Japan Buying Foreign Bonds	-887.7	-8.8
Japan Buying Foreign Stocks	41.2	338.3

Source: Bloomberg Finance L.P./MNI

USD/JPY - Will The BOJ Come In Again ?:

The USD/JPY range today has been 156.50-157.33 in the Asia-Pac session, it is currently trading around 157.25, +0.40%. The pair has drifted warily higher as some of the intervention move is retraced. The BOJ has shown us their line in the sand and after endless threats have finally acted driving the pair lower through intervention. I must say I thought that they might only come in quite a bit higher but they obviously feel 160 is where they draw the line. The previous time they came in there were multiple waves of intervention during various time zones, it seems they have only done a one off so far, though the market will be wary now, potentially expecting another round. If they do not back up last night's selling I suspect the pair will find a base and slowly drift higher again, though the desire to test 160 again could be dampened in the short-term. On the day, the first real support is back toward 152.50-154.50 so it will be interesting to see if the BOJ has another go to test this area. If the BOJ does not come in I suspect we drift back toward 157.75-158.50 where we should then see some sellers come back in.

* MNI BRIEF: Japan Apr Tokyo Core CPI Rises 1.5% Vs. Mar 1.7%. The easing in core CPI was in line with the BOJ's view that inflation would fall below 2% in the first half of this year due to government subsidies aimed at lowering electricity and gas charges. BOJ officials are closely watching how companies are passing on higher costs, as private consumption has yet to show strong momentum.

* Zerohedge on X: "The BOJ spent \$90BN to push USDJPY from 160 to 157. See you at 170."

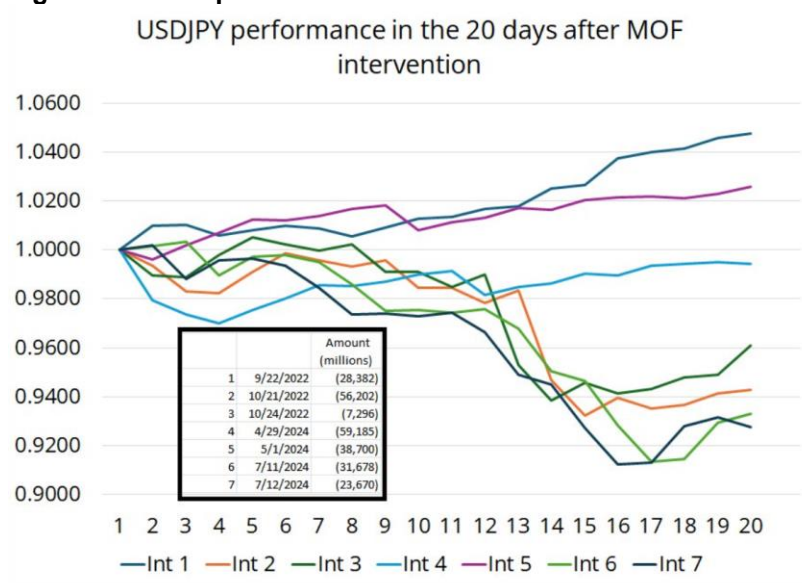
* The Great Martis on X: "Strengthening the yen in an oil import dependent economy like Japan's will have limited effect against stagflation."

* "Japan's top FX official said authorities are maintaining readiness to intervene in the oil futures market, where speculative moves have been affecting the currency." - BBG

* Options : Close significant option expiries for NY cut, based on DTCC data: 155.00(\$505m), 157.00(\$435m), 160.00(\$635m). Upcoming Close Strikes : 158.00(\$753m May 4), 159.15(\$953m May 6), 160.35(\$554m May 5) - BBG.

* The USD/JPY Average True Range(ATR) for the last 10 Trading days: 133 Points

Fig 1 : USD/JPY performance After Intervention



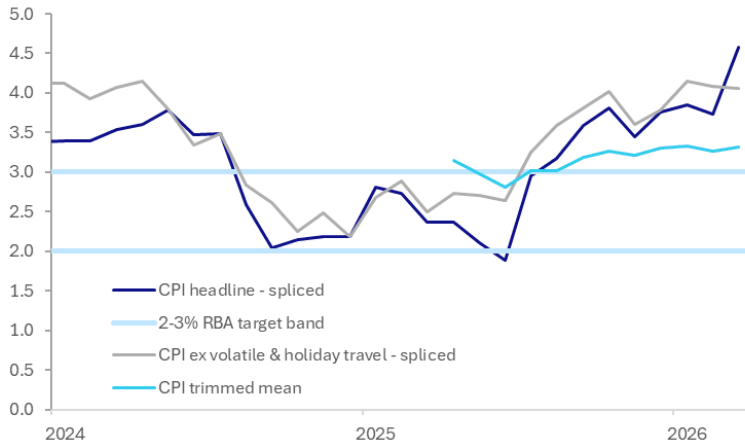
Source: MNI - Market News/@donnelly_brent

AUSTRALIA

AUSTRALIA: Some Stabilisation In Core Inflation Measures

The March/Q1 CPI data printed close to Bloomberg consensus but with trimmed mean picking up 0.1pp to 3.5% y/y in Q1, March holding at 3.3% for the fourth straight month and the 2q/2q annualised rate above 3%, another rate hike at the 5 May RBA meeting remains a clear possibility. Looking through the impact of higher fuel prices on headline inflation, there were some parts of the report that allow for some optimism. Both the quarterly and monthly data are too early to expect to see any second-round effects from higher fuel prices.

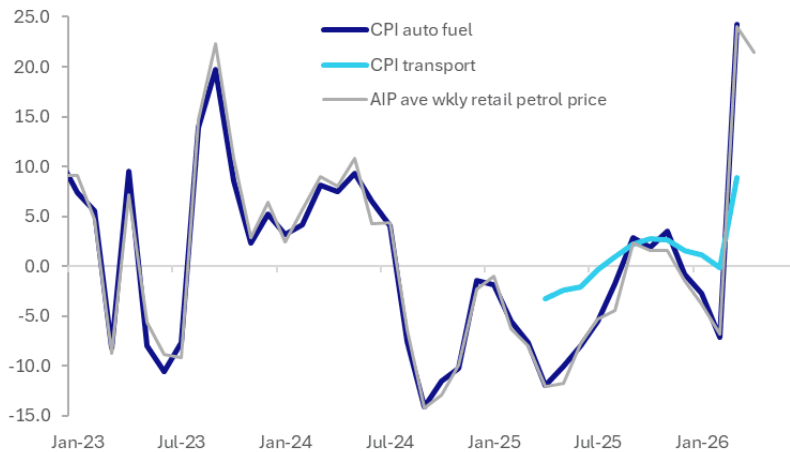
Australia CPI y/y%



Source: MNI - Market News/ABS

- While the RBA's last forecasts were February, before the onset of hostilities in the Middle East, it forecast trimmed mean inflation at 3.7% y/y in Q2, which would require a 0.9% q/q increase. It is realistic to expect its projection still to be achieved but Q2 could also print lower.

Australia CPI transport y/y%



Source: Source: MNI - Market News/ABS/AIP

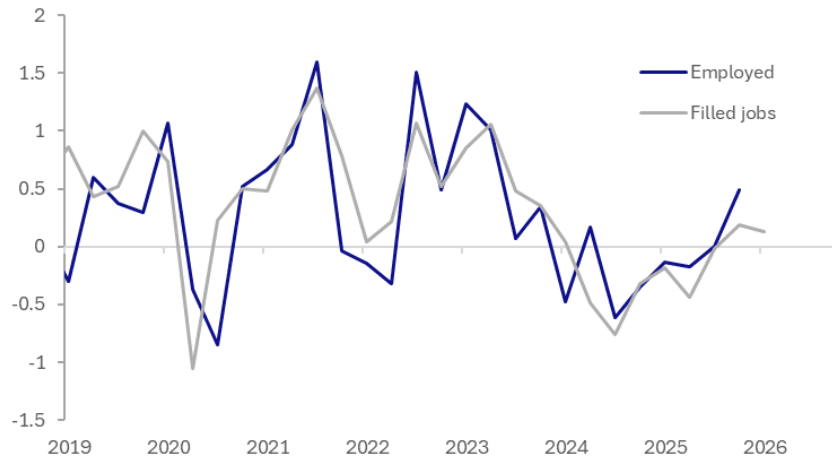
- Monthly trimmed mean rose 0.3% m/m but headline was up 1.1% m/m with transport the main contributor (+9.2% m/m). Automotive fuel increased 32.8% m/m & 24.2% y/y in March after falling over 3% in both January & February. Petrol prices signal some easing in the component in April helped by reducing fuel excise.
- The other good news was services, which is heavily influenced by wages and domestically driven. The March headline rate moderated 0.3pp to 3.6% y/y, lowest since September 2025, while core rose 3.1% y/y after 3.5% in February but the Q1 average was 0.1pp higher at 3.2%. Non-tradeables in Q1 averaged 4.8% up from 4.6%.
- CPI ex volatile items & holiday travel was stable in March at 4.1% y/y, the third consecutive month.
- March housing inflation rose 6.5% y/y, and was the highest contributor to annual headline inflation, but was due to base effects from the end of government electricity rebates. The electricity component rose 25.4% y/y.

NEW ZEALAND

NEW ZEALAND: Slight Rise In Q1 Filled Jobs, Manufacturing Down In March

March filled jobs rose 0.3% m/m while February was revised down to 0.2%. Q1 rose 0.1% q/q after Q4's +0.2% but was still down 0.1% y/y, which was the best annual rate since Q2 2024. Momentum measures of filled jobs are improving with the 3-month rate picking up but remaining soft. Given geopolitical risks, this could easily change. The data signal that Q1 employment, released on 6 May, could rise again on the quarter.

NZ filled jobs vs employment q/q%



Source: MNI - Market News/Statistics NZ/LSEG

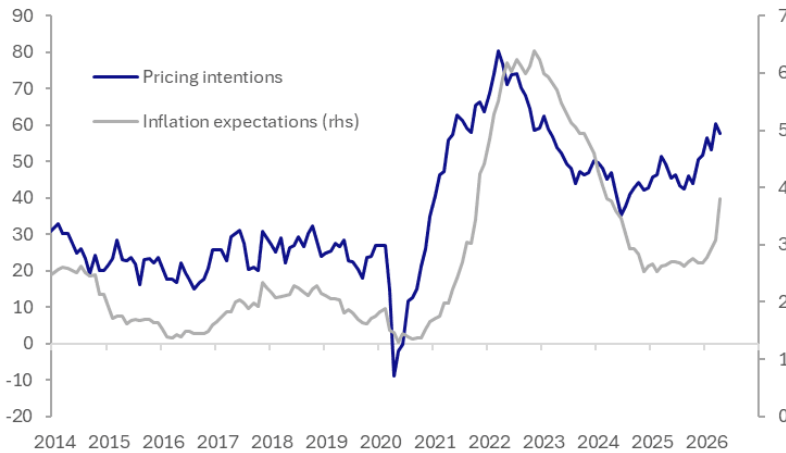
- While March is following the onset of the Iran War, it is too early to see an impact in the labour market as hiring plans would have generally been in place. Possibly the decline in manufacturing filled jobs is a tentative indication. The April release on 28 May could show more of an effect.
- Growth in filled jobs was across broad sectors with primary up 0.6% m/m, services +0.3% and goods +0.1%.
- However, new jobs were driven by non-market areas such as health care (+1.8%), education (+1.5%) and public admin (+3.1%), signalling that private industries remain reluctant to hire. Manufacturing and construction filled jobs both fell 1.5% m/m in March with the former possibly an early signal that the supply shock from Middle East hostilities already had an effect last month. There has not just been a jump in fuel prices but producers have also reported difficulties in obtaining certain inputs.
- Job growth was concentrated in the over 35s with +65s +3.9% m/m. 15-19 year olds in employment fell 3.6% - many have been staying in education due to the labour market weakness.

NEW ZEALAND: Middle East Uncertainty Making NZ Businesses Cautious

While ANZ business confidence fell in April to its lowest since July 2023, it had improved in April from the late March responses at -10.6 compared with -22.5. The activity outlook deteriorated to 19.6 from 22.3 and components showed a broad-based weakening signalling that the current situation in the Middle East and its effect on fuel prices is a major worry for NZ businesses. The RBNZ will likely be pleased to see pricing intentions fairly stable and a moderation in wage expectations, thus signalling limited second-round effects currently, but the inflation trend still appears upwards.

- Price/cost components in the survey were mixed with inflation expectations rising to 3.8% from 3.0% but pricing intentions easing to 57.7 from 60.3 with the change 3-mths out stable at 2.4% due to services at only 2%.

NZ ANZ business survey - pricing



Source: MNI - Market News/LSEG

- Profit expectations fell to -13.3 from +19.7 in line with stable pricing intentions but cost expectations 3-mths out rising 1.6pp to 4.6%, highest since May 2023.
- Wage expectations a year ahead moderated 0.2pp to 2.5% as demands are likely to become more muted with ongoing labour market weakness. Employment intentions deteriorated in April to -2.7 from +9.4.
- Actual activity appears to have been reasonable at the start of Q2 with activity vs a year ago, which has a good correlation with GDP, at 16.9 after 17.5. The decline was due to services with manufacturing rising 10 points to 31.0. Employment compared to last year was positive at +3.0 after -1.4 again due to manufacturing.

NZ ANZ business survey



Source: MNI - Market News/LSEG

ANZ Consumer Sentiment Plunges, Flags Stagflation Risks :

New Zealand's April ANZ consumer confidence measure plunged 12%*m/m* to a 80.3 index reading. This is levels last seen in around mid 2023. Since the Jan highs in sentiment (107.2) we have now fallen 25% in the past 3 months. The chart below plots the ANZ sentiment reading against NZ quarterly private consumption growth, taken from the national accounts. This is by no means a perfect relationship, but lower sentiment readings risk capping upside spending momentum, which the RBNZ has highlighted is important in 2026 for ensuring the economic rebound is sustained.

* In terms of the detail, all the sub indices for the index were lower, with the 1yr ahead economy reading falling to -48 from -25. The buy a major household item fell to -25 from -14. This is the lowest read since Sep 2024.
 * ANZ also notes, via BBG: "Inflation expectations jump to 6.6%".

Fig 1: ANZ NZ Consumer Sentiment Index (Orange Line) & NZ Private Consumption Q/Q

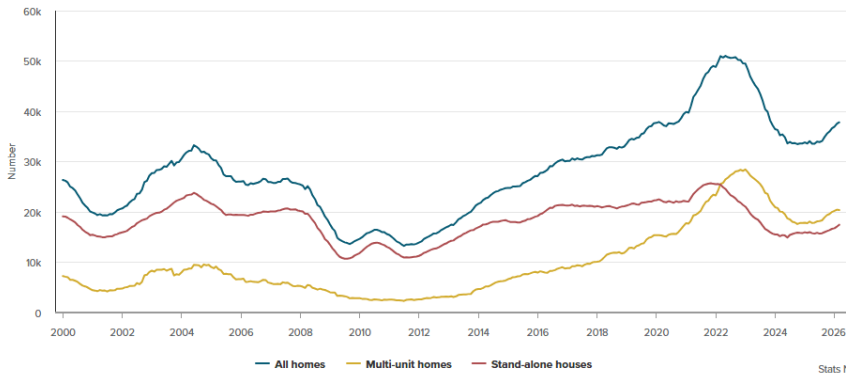


Source: ANZ/Bloomberg Finance L.P./MNI

Building Consents Dip In Mar, Q1 Quarterly Improvement Sustained:

New Zealand building consents fell 1.3%/m/m in March after rising in Jan and Feb. The houses component rose 0.3%, after strong gains in Jan/Feb (up 6.5% and 4.2% respectively in m/m terms). For Q1, stats NZ notes: "In the March 2026 quarter, there were 4,451 stand-alone houses consented, up 22 percent compared with the March 2025 quarter. There were 4,922 multi-unit homes consented, up 8.5 percent over the same period." The chart below, via NZ stats, shows the rolling 12 month totals. We continue to improve from a trend standpoint but remain well off recent cycle highs from 2022/2023.

New homes consented, 12-month rolling totals, January 2000–March 2026



SHORT-TERM RATES \$-Bloc Year-End Pricing Little Changed Over Past Week, Except CA’s Firming:

Amidst ongoing uncertainty around the Middle East conflict and its implications for oil prices, interest-rate expectations across the \$-bloc through December 2026 were little changed over the past week, except for Canada’s 12bp firming.

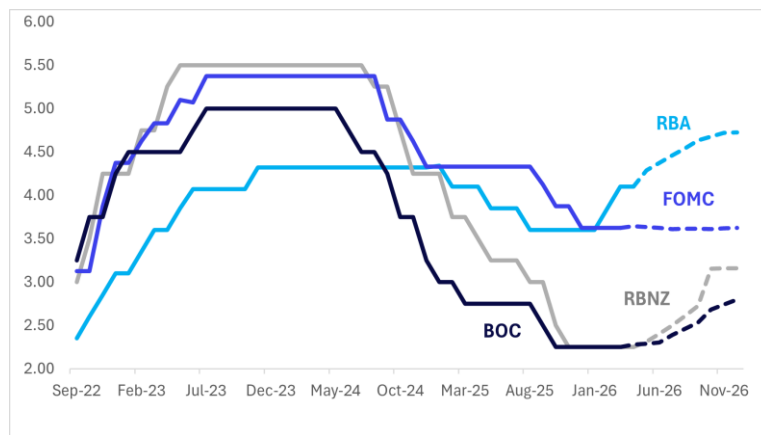
- * Following the past week's moves, \$-bloc pricing relative to late February for December 2026 is 33-62bps firmer across the \$-bloc, with the New Zealand leading and Australia lagging.
- * The FOMC and BOC meetings dominated events over the past week. "The hawkish Fed dissents to the ongoing easing bias as the FOMC suggests that a decent slug of the committee isn't convinced the next move will be a cut." - Bloomberg
- * Chairman Powell sounded cautious on how the inflation outlook has changed since the March meeting: "For a long time, we've been working on the hypothesis, really, that would lead to a one time price increase and that that would go away over time. In other words, it would be no further change.
- * Earlier on the same day, the BOC kept policy rate 2.25% as expected but was ready to prevent higher energy prices from causing persistent inflation. "Our baseline forecast assumes oil prices will come down and US tariffs will

remain at the current levels. If this holds true, a policy rate close to current settings looks appropriate to support adjustment in the economy and return inflation to target," Governor Tiff Macklem says.

* The next major regional policy event is the RBA policy meetings on 5 May. Currently, the market attaches a 75% chance of a 25bp hike.

* Looking ahead to December 2026, current market-implied policy rates expected are as follows: US (FOMC): 3.62%, 0bp; Canada (BOC): 2.80%, +55bps; Australia (RBA): 4.46%, +36ps; and New Zealand (RBNZ): 3.15%, +90bps.

Figure 1: \$-Bloc STIR (%)



Source: Bloomberg Finance LP / MNI

Mis-Pricing? Front End RBNZ Vs RBA :

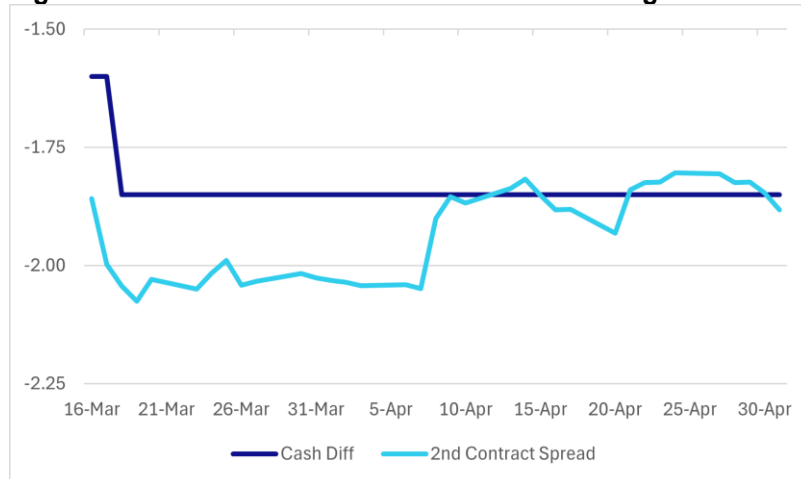
Amidst ongoing uncertainty around the Middle East conflict and its implications for oil prices, interest-rate expectations across the \$-bloc through December 2026 were little changed over the past week, except for Canada's 12bp firming.

* Following the past week's moves, \$-bloc pricing relative to late February for December 2026 is 33-61bps firmer across the \$-bloc, with the New Zealand leading and Australia lagging.

* Accordingly, as previously outlined, NZ front-end rates look too hawkish relative to the RBNZ's guidance, especially versus Australia.

* One possible expression going into next week's RBA policy meeting could be fading front-end RBNZ pricing versus the RBA by way of the 2nd meeting date contract spread. A paid viewpoint of the Jul-26 RBNZ OIS versus Jun-26 RBA spread around current levels (-188bps), with scope to gravitate towards -210bps possible if the above relative policy view unfolds.

Figure 1: NZ-AU - Cash Differential Vs. 2nd Meeting Date Contract Spread

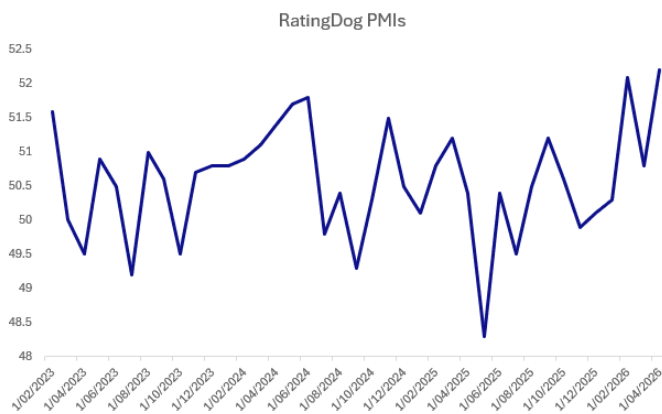


Source: Bloomberg Finance LP / MNI

CHINA

CHINA: RatingDog PMI Mfg Hits Highest Since Dec. 2020

- The RatingDog China PMI Manufacturing surged in April and the best result since December 2020 and the fifth consecutive month of expanding
- Rising +52.2 it topped estimates of +51 and was higher than the prior month of +50.8
- Output was up to +53.8 from +50.8 for the largest expansion in almost 2 years.
- New orders were up relative to the prior month.
- The primary difference between the RatingDog Manufacturing PMI and the Official Manufacturing PMI lies in their sample size and the specific types of companies they track. Whilst both provide a snapshot of China's industrial health, they often tell different stories based on whether the growth is coming from state-backed giants (official) or private companies (RatingDog).
- Generally the RatingDog is considered a better snapshot for true corporate output.

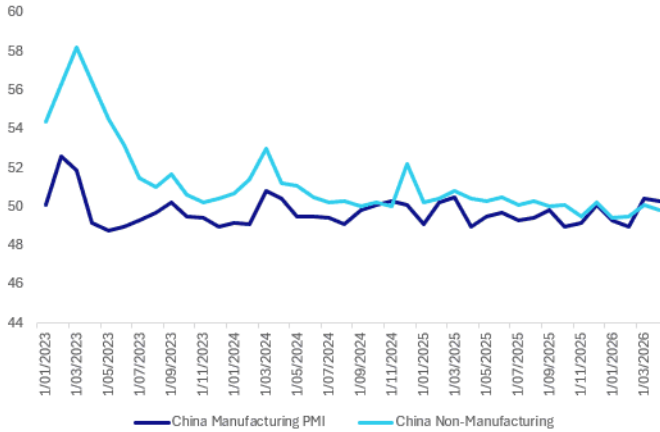


source: Bloomberg Finance LP / MNI

CHINA: Official PMI Manufacturing Expands for a Second Month

- Official Manufacturing PMIs remained above 50 for a second consecutive month.
- PMI manufacturing rose +50.3, from +50.4 in March
- Output was up to 51.5 from 51.4 whilst new orders declined to 50.6 from 51.6.
- Inventories contracted to 49.3 as did employment to 498
- Official non-Manufacturing PMIs declined to 49.4 from 50.1 in March
- New orders declined to 44.3 from 45 and input prices moderated to 51.7 from 52.3
- Employment was steady at 45.5

CHINA Official PMIs



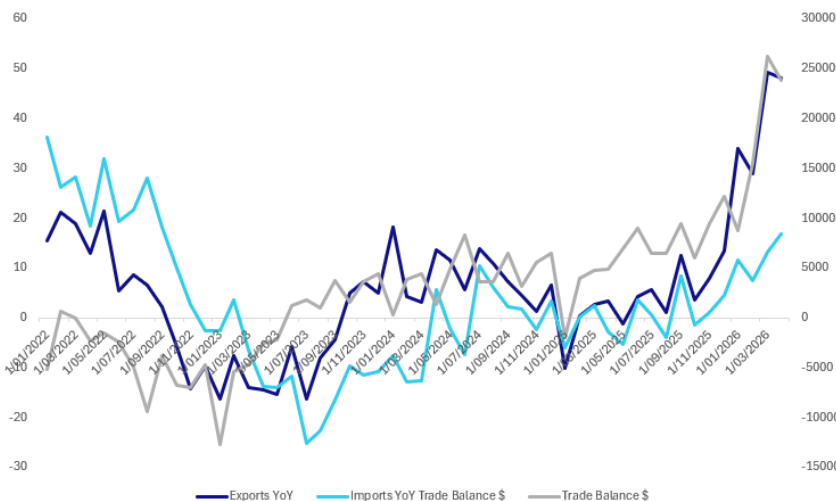
source: Bloomberg Finance LP / MNI

SOUTH KOREA

SOUTH KOREA DATA: April Exports Suggests Economy Could Handle Rate Rise :

- * Economic data in Korea continues to improve, opening the door for a potential Q3 rate hike.
- * The AI tech boom is boosting exports with April surging +48% as shipments of AI chips and computer peripherals drive performance.
- * Imports were strong in April also, up +16.7% suggesting that the domestic consumer remains resilient in the face of oil price led inflation.
- * Outbound shipments totaled \$85.89 billion last month, according to the data compiled by the Ministry of Trade, Industry and Resources whilst Imports rose to \$62.11 billion YoY, resulting in a trade surplus of \$23.77 billion.
- * Our swaps model now has a full hike priced in by August, following moves in recent months.
- * To get ahead of a the looming inflation story, it would seem logical for the BOK to make a pre-emptive move - especially given the hawkish undertones elsewhere from DM banks.
- * In the BOK's favour is the KTB inclusion in WGBI which has the potential to keep a lid on yield rises.

South Korea Trade



source: Bloomberg Finance LP / MNI

Limited New Insights from I/P, Eyes Turn to CPI Next Week :

- * Industrial Production YoY rose +3.6% in March, just missing estimates of +4.0%.
- * The MoM increase was just +0.3% following February's super size expansion of +5.3%
- * The Cyclical leading index rose 0.7 point m/m versus +0.6 point in February
- * The release shows no new insights into the production activity in Korea, as swap markets continue to price in rate hikes.
- * The key will be next week's April CPI. Whilst no survey estimates are out yet, chat from domestic investors shows growing concerns that the number could be larger than initially expected.

ASIA**THAILAND: BoT Now Monitoring Upside Inflation Risks Rather Than Deflation**

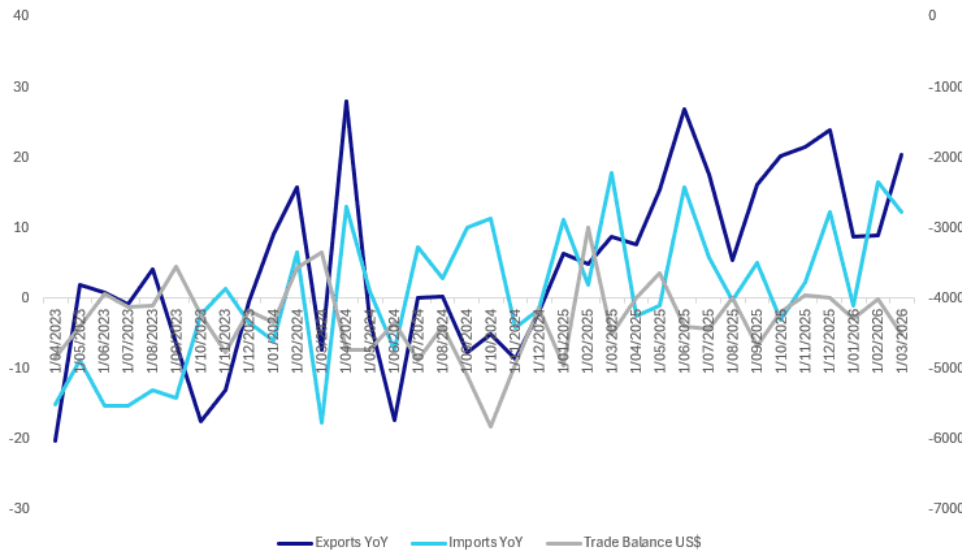
As was expected the Bank of Thailand (BoT) left rates at 1.0% with a 6-0 vote in favour. BoT's list of items it is monitoring has shifted with the impacts of the Iran War now a major concern. It is watching for a higher pass through of costs to prices and weaker growth from lower global demand, incomes and employment. With uncertainties elevated, policy is likely on hold for now.

- While BoT continues to watch credit developments, it is the impact of the Middle East on them that is being monitored.
- The jump in global oil prices due to the Iran War has changed Thailand's inflation picture. BoT is no longer checking deflationary risks but "upside risks to inflation" from higher energy prices and "prolonged supply shortages". Like other central banks, it is watching to see if second-round effects are greater than expected and if medium-term inflation expectations become unanchored.
- It is forecasting core inflation at 1.6% in 2026 and 1.5% in 2027 and its tone shifted from saying that deflationary risks were low as price declines weren't "broad-based" to "price increases are expected to be neither broad-based nor persistent" in April.
- While growth was better-than-expected before the onset of the war, BoT now projects softer growth with 2026 at 1.5% and 2027 at 2.0% with incomes, tourist numbers and uncertainty to weigh on GDP. Tech exports are forecast to remain supportive and possible fiscal measures could also boost growth. BoT is monitoring downside risks to the economy from the Middle East.
- "Limited policy space" wasn't mentioned and the economic implications of the Iran War appear to have overtaken "medium-term financial imbalances" as its main area of concern. With the baht now depreciating, it also seems less worried about the currency.

Philippines Exports Jump +20.5% YoY, Imports +12.3%

- Philippines March exports rose +20.4% YoY, from +8.9% in February.
- Imports in March rose +12.3% YoY from +16.6% in February.
- The resulting trade deficit of \$4.51bn was the largest since September 2025
- By country, the Philippines had the biggest deficit with China (-\$2.4bn), Korea -\$1.08bn
- Exports to the US jumped +42.9% and Hong Kong +33.1% YoY
- By product, the largest gains were seen in Mineral products (+52.7%) and Electronic products (+20.5%)

Philippines Exports, Imports and Trade Balance



source Bloomberg Finance LP / MNI

ASIA EQUITY FLOWS: Outflows Evident Into End April, Taiwan Led:

Net equity flows were mostly negative for EM Asia markets up to the end of April, most notably for Taiwan and South Korea, see the table below. In the past 5 trading days we have seen nearly \$5bn in net selling from Taiwan stocks. This took back April net inflows to just over \$8.4bn. South Korean net inflows for the month were a modest \$595mn. Profit taking after the strong April rally may have been in play, with both local indices down yesterday in the final trading day of the month. These markets are closed today for the Labor Day holiday, as is much of the region. Growth indicators are holding up firmly in both economies, even amidst the energy shock. Taiwan Q1 GDP was up 13.69%/y, although it is too early to show Iran conflict impacts. South Korean exports rose nearly 50%/y for April. Note next Monday we Apr PMIs for both economies.

* In South East Asia, Indonesian outflows have been fairly consistent this past week. The JCI finished Apr back under 7000, which is around recent lows. We saw a pick up in outflow pressures compared to the middle part of April.

* Outflow themes are mostly evident elsewhere, although Malaysia and Thailand still maintain positive 2026 to date sums.

Table 1: Asian Markets Net Equity Flows

	Yesterday	Past 5 Trading Days	2026 To Date
South Korea (USDmn)	-1128	-2360	-36419
Taiwan (USDmn)	-1985	-4817	-10489
India (USDmn)*	-209	-2051	-20169
Indonesia (USDmn)	-86	-525	-2938
Thailand (USDmn)	7	-25	561
Malaysia (USDmn)*	21	-2	399
Philippines (USDmn)	-9	-40	-73
Total (USDmn)	-3389	-9821	-69129

* Data Up To Apr 29

Source: Bloomberg Finance L.P./MNI

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