

S'pore's NODX fell a worse than expected 10.1% yoy in January 2019

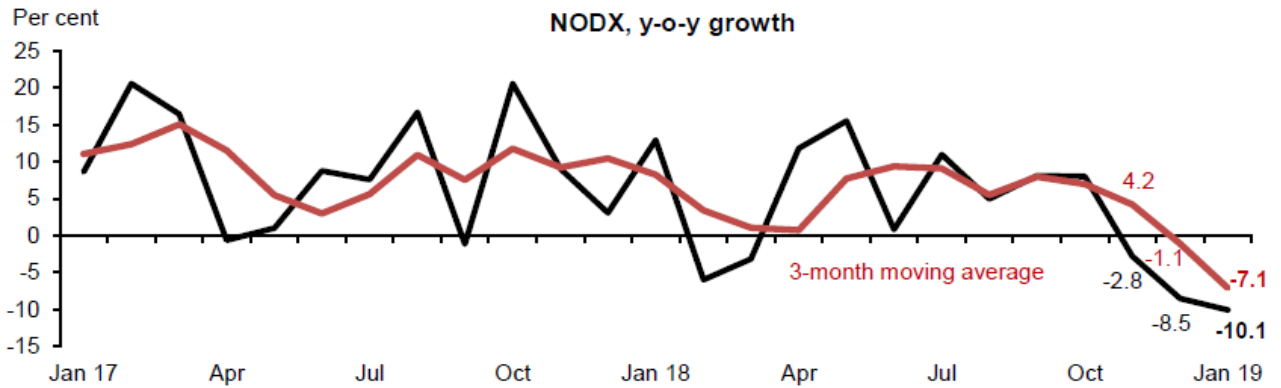
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Highlights

- **Singapore's NODX continued to disappoint in January, contracting by a worse-than-expected 10.1% yoy.** This is the worst NODX performance since October 2016. While this was partly due to the high base last year, nevertheless, the magnitude of the decline reinforces the fact that 2019 is starting on a soft footing for trade. In on-month terms, NODX also fell 5.7% mom sa in January, the worst since June 2018 and also lower than the revised 4.0% mom sa contraction in December.
- **Notably, both electronics and non-electronics exports declined** by 15.9% yoy (worse since June 2014) and 7.9% respectively. In addition, NODX to all top 10 NODX markets saw an on-year contraction in January, led by China (-25.4% yoy), South Korea (-31.4%) and Hong Kong (-11.7% yoy). Understandably, North Asian markets were likely most impacted by the US-China trade tensions, but other regional NODX markets were also soft in January.
- **IESingapore has forecast 0-2% NODX growth in 2019**, which will be a slowdown from the 4.2% growth seen in 2018 and 8.8% in 2017. Our 2019 NODX forecast is -0.2% yoy, which is slightly lower than the official forecast. We'll have to see the February performance for a better picture of the 1Q19 NODX performance, given that January-February is typically volatile due to the timing of the Chinese New Year festive season too. Pending the outcome of the US-China trade talks and if the 1 March deadline for the 90-day truce for fresh tariffs will be extended, the soft NODX patch may potentially drag beyond March into 2Q19. With the release of the revised 4Q18 GDP growth estimates last Friday, MTI had also opined that 2019 GDP growth could come in slightly below the mid-point of its 1.5-3.5% forecast range.

Treasury Research
Tel: 6530-8384

Selena Ling
Tel: 6530-4887
LingSSSelena@ocbc.com



Source: Enterprise Singapore

Non-oil Domestic Exports to Top Markets (% Growth)

Top Market [^]	NODX		Electronic NODX		Non-Electronic NODX	
	2017	2018	2017	2018	2017	2018
US	3.8	38.2	1.8	4.3	4.4	49.4
EU 28	0.1	15.7	9.2	2.2	-1.5	18.4
Japan	17.1	11.4	8.3	-26.2	20.8	25.8
Indonesia	8.1	11.3	6.5	-5.8	8.3	13.6
Thailand	8.0	-1.3	-6.8	-0.9	18.2	-1.5
Malaysia	12.9	-0.9	22.6	2.3	7.3	-3.0
Taiwan	12.2	-4.5	15.0	-1.0	9.2	-8.6
Hong Kong	-1.0	-3.9	5.6	3.2	-10.8	-16.5
South Korea	43.5	-17.6	4.6	-28.3	63.0	-14.2
China	31.1	-8.8	13.5	-12.8	38.3	-7.5

Source: Enterprise Singapore

Non-oil Domestic Exports to Top Markets (% Y-O-Y Growth)

Top Market [^]	NODX		Electronic NODX		Non-Electronic NODX	
	Dec 2018	Jan 2019	Dec 2018	Jan 2019	Dec 2018	Jan 2019
China	15.4	-25.4	60.5	-12.3	1.0	-29.2
South Korea	-39.1	-31.4	-40.6	-32.0	-38.8	-31.2
Hong Kong	-0.1	-11.7	-7.2	-16.2	14.8	-4.4
Taiwan	-10.7	-11.8	-10.1	-0.3	-11.4	-25.4
Malaysia	-15.5	-8.2	-21.1	-17.5	-11.5	-1.7
Japan	-17.5	-9.7	-44.8	-4.2	-7.1	-10.8
US	31.1	-4.6	-17.8	-12.2	45.5	-3.0
EU 28	-28.7	-3.6	-30.1	-23.1	-28.3	0.5
Indonesia	-12.1	-6.1	-23.5	-35.2	-10.4	-1.9
Thailand	-23.2	-0.8	-29.9	-25.8	-19.8	17.7

Source: Enterprise Singapore

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