

NODX extending March's doldrum

Friday, 13 May 2016

- NODX shrank for a second month by 7.9% yoy (+4.5% mom sa) in April, worse than our forecast of -6.5% yoy (+9.2% mom sa) and the March NODX data was also revised a tad down to -15.7% yoy.
- Electronics exports contracted by 7.4% yoy, following a 9.1% slump in March, as PCs, PC parts and ICs exports underperformed.
- Non-electronics exports also declined 8.1% yoy, weighed down by volatile ship & boat structures (-94.3% yoy), petrochemicals (-16.7% yoy) and civil engineering equipment parts (-54.0% yoy), despite pharmaceuticals exports rising 17.9% yoy (the silver lining?).
- Separately, NODX to all 8 of the top 10 NODX markets fell in April, dragged down by Taiwan (-22.5% yoy), South Korea (-16.7% yoy) and Indonesia (-20.4% yoy), and with the exception of EU28 (+20.6% yoy) and Hong Kong (+13.5% yoy).
- The trade outlook, especially for the region, remains lacklustre, and this NODX slump could drag into 2Q16. We expect 2Q16 GDP growth to potentially contract up to 1.0% qoq saar as manufacturing underperformance persists (forecast: -2.1% yoy).

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