Weekly Macro Views (WMV)

Global Markets Research & Strategy

22nd April 2024

Weekly Macro Update

Key Global Data for this week:

22 April	23 April	24 April	25 April	26 April
• **TA** Export Orders YoY • **EU** Consumer Confidence • **ID** Exports YoY • **US** Chicago Fed Nat Activity Index	• **SG** CPI • **UK** S&P Global UK Manufacturing PMI • **EC** HCOB Eurozone Manufacturing PMI • **US** S&P Global US Manufacturing PMI	• **ID** BI-Rate • **AU** CPI • **US** Durable Goods Orders • **NZ** Trade Balance	• **US** GDP Annualized QoQ • **SK** GDP YoY • **VN** CPI YoY • **HK** Exports YoY	• **US** U. of Mich. Sentiment • **JN** Tokyo CPI Ex-Fresh Food • **JN** BOJ Target Rate • **SG** Industrial Production YoY • **US** Personal Spending • **US** Personal Income

Summary of Macro Views:

Global	• **Global:** IMF Upgrades Global Growth Outlook • **Global:** US Retail Sales and Manufacturing Above Expectations • **Global:** Global: Japan – March CPI Softer-than-Expected • **Global:** Euro Area Disinflation Intact
Asia	• **SG:** March NODX Tumbled Amid Broad-based Export Weakness • **CN:** 1Q24 GDP Growth Surprised to the Upside • **CN:** External Demand Remains Supportive • **CN:** Mixed Picture for Domestic Demand • **HK:** Revision of HKD Prime Rate Forecast • **HK:** Labour Market Softened Somewhat

Asia	• **ID:** Bank Indonesia April MPC Preview • **ID:** Widening Trade Surplus • **MY:** Better Growth Momentum in 1Q24 • **MY:** Mixed Trade Performance in March
Asset Class	• **Crude Oil:** Skittish on Geopolitics • **FX & Rates:** Relative Calm • **Global Asset Flows**

OCBC

Global: Central Banks

Forecast – Key Rates

People's Bank of China (PBoC)	Bank Indonesia (BI)	Bank of Japan (BoJ)
中国人民银行		
Monday, 22nd April	**Wednesday, 24th April**	**Friday, 26th April**

House Views

1-year Loan Prime Rate	*Policy Interest Rate*	*BoJ Target Rate (Upper bound)*
Held at 3.45%	**Likely hold at 6.00%**	**Likely hold at 0.10%**
5-year Loan Prime Rate		*BoJ Target Rate (Lower bound)*
Held at 3.95%		**Likely hold at 0.00%**

Source: Bloomberg.

Global: IMF Upgrades Global Growth Outlook

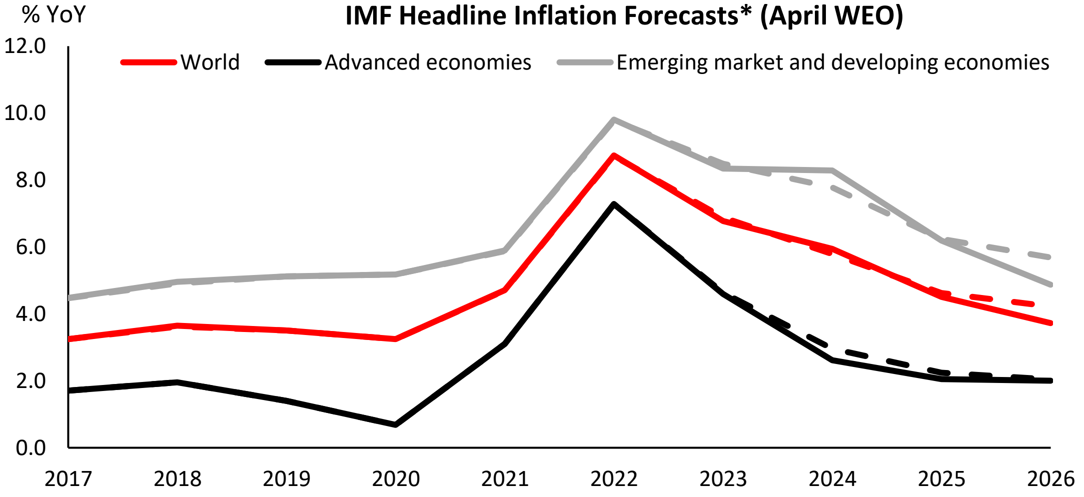
- The IMF slightly raised its global growth forecast in its April 2024 World Economic Outlook update, stressing that the global economy had proven "surprisingly resilient" and that a global soft landing remains its base-case scenario given trends of "steady growth and disinflation".
- Global GDP is expected to grow by 3.2% YoY in 2024 (0.1pp higher from Jan-24 WEO), on account of better-than-expected growth in the US and improved growth prospects in EMs such as India. The IMF upgraded its US GDP projection to 2.7% in 2024 (0.6pp higher from Jan-24 WEO) following stronger 4Q23 activity data, but expects growth to slow to 1.9% in 2025 as gradual fiscal tightening and softening labour markets slow aggregate demand.
- Global headline inflation is expected to fall to 5.9% YoY in 2024 and 4.5% in 2025, with both 2024 and 2025 forecasts revised 0.1pp higher to reflect unchanged projections for advanced economies but upside revisions for EM economies. The IMF flagged volatility and oil prices, stubborn services inflation and possible trade restrictions on Chinese exports as key risks to its inflation outlook.

Real GDP Growth (% YoY) of Selected Economies/Regions	Actual	Projections		Difference from January 2024 WEO Projections*	
	2023	2024	2025	2024	2025
World Output	**3.2**	**3.2**	**3.2**	**0.1**	**0.0**
Advanced Economies	**1.6**	**1.7**	**1.8**	**0.2**	**0.0**
United States	2.5	2.7	1.9	0.6	0.2
Euro Area	0.4	0.8	1.5	0.0	0.2
Japan	1.9	0.9	1.0	–0.1	0.2
Emerging Market and Developing Economies	**4.3**	**4.2**	**4.2**	**0.1**	**0.0**
China	5.2	4.6	4.1	0.0	0.0
India**	7.8	6.8	6.5	0.3	0.0
ASEAN-5***	4.1	4.5	4.6	–0.2	0.2

Note: *Forecasts are presented on a fiscal year basis, and GDP from 2011 onward is based on GDP at market prices with fiscal year 2011/12 as a base year. **Indonesia, Malaysia, the Philippines, Singapore, and Thailand

Source: IMF, OCBC.

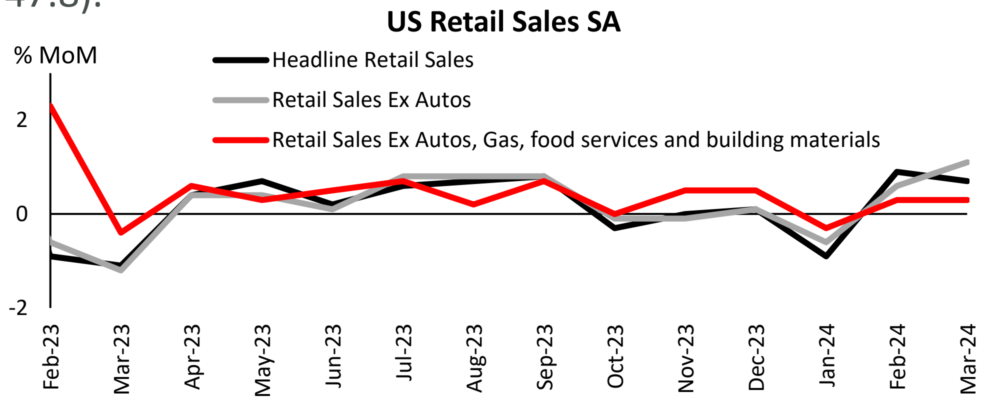
IMF Headline Inflation Forecasts* (April WEO)



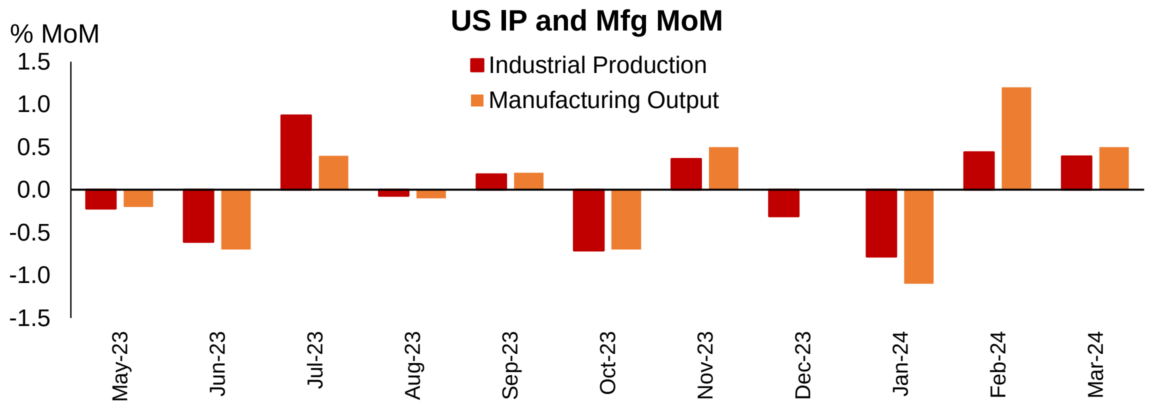
Source: IMF, OCBC. *Dashed lines reflect October WEO forecasts.

Global: US Retail Sales and Manufacturing Above Expectations

- The Commerce Department's March retail sales report gave further signs that the economy ended 1Q24 on solid ground, with headline retail sales up 0.7% MoM sa (Feb: 0.9%; consensus: 0.4%) and retail sales ex-autos rising 1.1% MoM sa (Feb: 0.5%; consensus: 0.6%). Driving the headline figures were an increase in spending at gas stations (2.1%), F&B stores (0.5%), healthcare (0.4%), general merchandise (1.1%) and miscellaneous stores (2.1%). Main drags were from auto sales (-0.7%), electronics (-1.2%), clothing (-1.6%) and sporting stores (-1.8%).
- Meanwhile, industrial production figures reported a 0.4% MoM increase in March, in-line with consensus and remaining steady from February. The expansion largely stemmed from a larger-than-expected increase in manufacturing production, which came in at 0.5% MoM against consensus expectations of a 0.2% rise and a 1.2% upwardly revised print in February. Motor vehicle and parts production rose 3.1% MoM (Feb: 3.4%) and durable goods manufacturing rose 0.3% MoM (Feb: 1.3%).
- Taken together, both retail sales and industrial production figures paint a picture of continued resilience following robust employment gains and a pick-up in CPI for March. Notably, better-than-expected manufacturing output may fit the narrative of the sector turning a corner, following the March manufacturing ISM indicating its first expansion in 16 months (Mar: 50.3; Feb: 47.8).



Source: U.S. Census Bureau, OCBC.

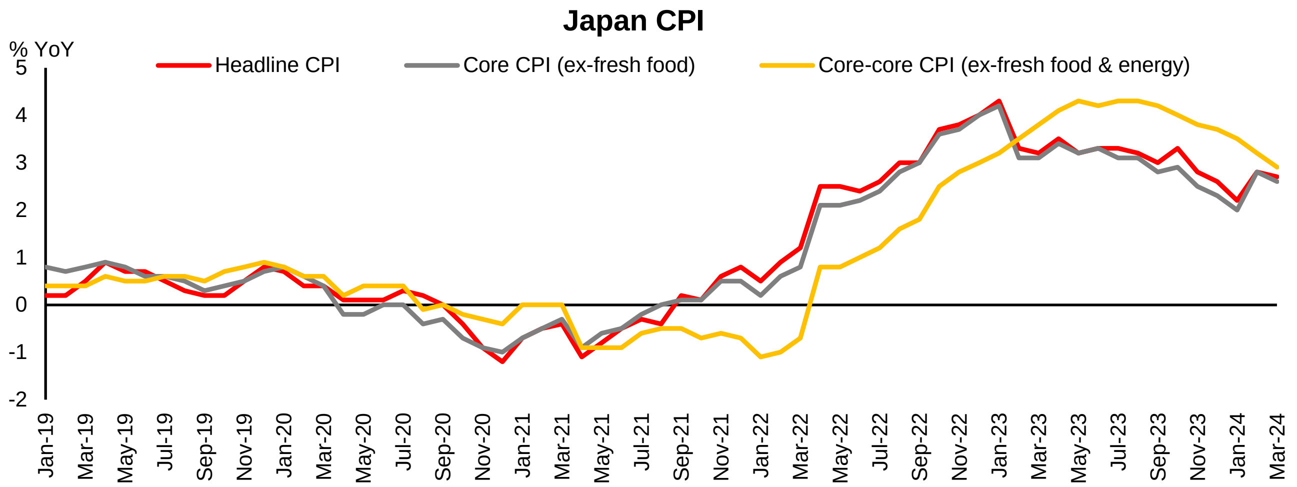


Source: FRED, Bloomberg, OCBC

Source: Census Bureau, FRED, Bloomberg, OCBC.

Global: Japan – March CPI Softer-than-Expected

- March headline inflation slowed to 2.7% YoY in March versus 2.8% in February. Similarly, the core measure (ex-fresh food) and "core-core" measure (ex-fresh food and energy) fell to 2.6% (Feb: 2.8%) and 2.9% (Feb: 3.2%) respectively, both below consensus expectations of 2.7% and 3.0% respectively.
- The slowdown was largely attributable to continued softness in food inflation, which remained the lowest since Sep 2022 at 4.8% YoY, and a slowdown some household durable goods including furniture & utensils (Mar: 3.2%; Feb: 5.1%) and clothes (Mar: 2.0%; Feb: 2.6%). Meanwhile, the upside was driven by fuel prices which declined the least in a year (Mar: -1.7%; Feb: -3.0%), with electricity (Mar: -1.0%; Feb: -2.5%) and gas (Mar: -7.1%; Feb: -9.4%) declining at softer paces as government energy subsidies are gradually phased out (expected to fully end in May).
- Despite the softer-than-expected prints, core inflation remains solidly above the BOJ's 2% target, and we can expect wage hikes from recent negotiations to begin to feed into corporate pricing in the coming quarters.

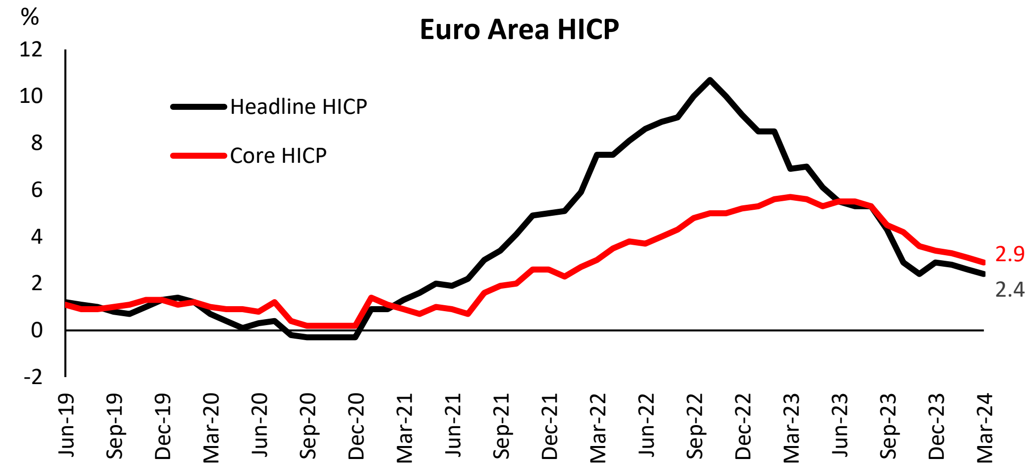


Source: Bloomberg, Statistics Bureau of Japan.

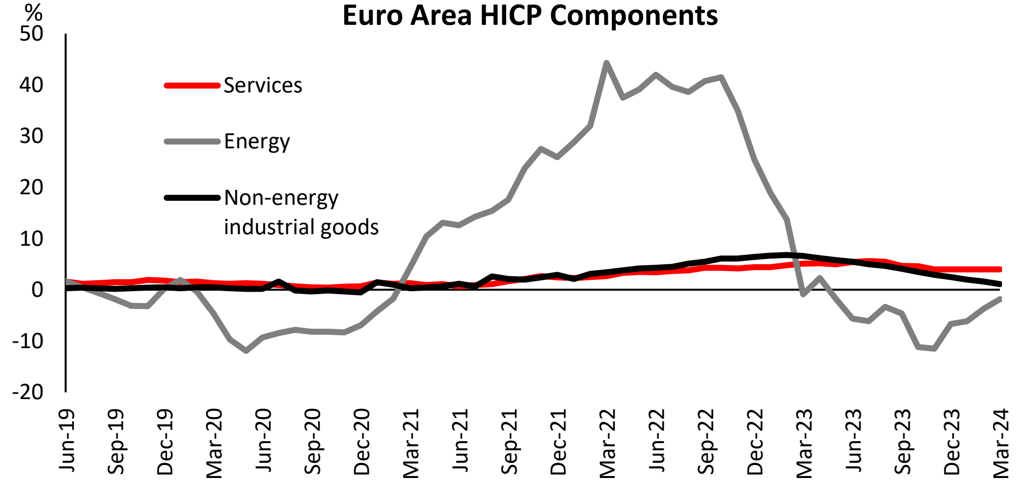
Source: IMF, OCBC.

Global: Euro Area Disinflation Intact

- Final readings for Euro area inflation confirmed that the headline figure decelerated to 2.4% YoY in March from 2.6% in February and the core measure fell 2.9% YoY compared to 3.1% prior, both as reported in the flash readings. Both readings printed slightly below consensus expectations in the flash readings.
- Food was the main drag on headline figures in March, falling sharply to 2.6% YoY from 3.9% in February as spikes in food prices in 2023 were not reflected this time round. Non-energy industrial goods also fell to 1.1% YoY (Feb: 1.6%) whilst energy prices continued to decline at a softer rate at -1.8% YoY (Feb: -3.7%). Services inflation remained the biggest hurdle in the disinflation process, holding steady at 4.0% YoY as it did in February.
- ECB communications have made clear that the current trajectory remains constructive for a June cut, but the rate path beyond that remains uncertain. Muller opined that ECB should not rush further rate cuts after June whilst Lane suggested data-dependency and setting policy on a meeting-by-meeting basis. Kazaks said that it is too early to declare victory over inflation and sees no need to hastily bring borrowing costs down to levels where they stop restraining demand. Wunsch said ECB has a clear case to lower rate twice but what happens after that is difficult to predict because of uncertainty over domestic inflation pressures.



Source: Eurostat, OCBC.

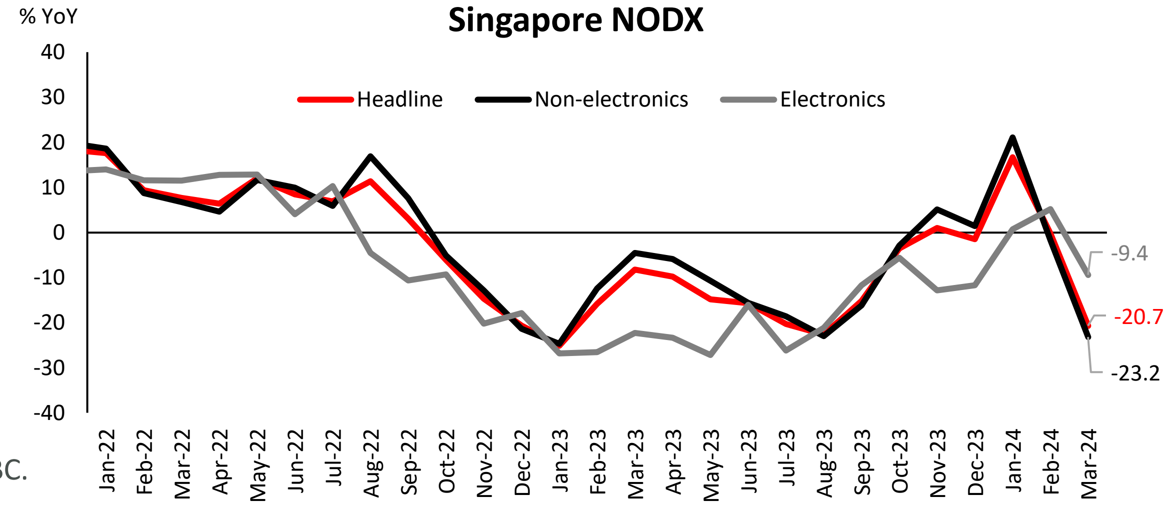


Source: Eurostat, OCBC.

Source: Eurostat, OCBC.

SG: March NODX Tumbled Amid Broad-based Export Weakness

- NODX fell more than expected by 20.7% YoY (-8.4% MoM sa), in March, worse than our forecast of -8.0% YoY and the Bloomberg consensus forecast of -7.4% YoY. The February NODX data was also revised slightly lower to -0.2% YoY (-4.9% MoM sa).
- Notably, electronics exports reversed direction to decline 9.4% YoY in March, after expanding 5.2% in February and 0.7% YoY in January. This marked the weakest electronics exports print since December 2023, and is clearly a damp squib for hopes of green shoots emerging for the electronics industry. Non-electronics exports also deteriorated to -23.2% YoY in March, worse than the revised -1.7% YoY in February. In particular, pharmaceuticals exports slumped 70.3% YoY, possibly the largest decline ever.
- NODX shrank 3.3% YoY in 1Q24, worse than the -1.4% in 4Q23. Given that this is significantly weaker than the +1.8% YoY NODX growth we had forecast for 1Q24 prior to the release of March data, there is some downside risk to our full-year 2024 forecast of 4-6% YoY.
- Given that the overall external demand picture and global growth environment remains largely on track for a soft-landing scenario, the lower end of the 4-6% NODX growth forecast range may still be within reach if the electronics recovery still materialises in 2H24 and non-electronics NODX stabilises from here.

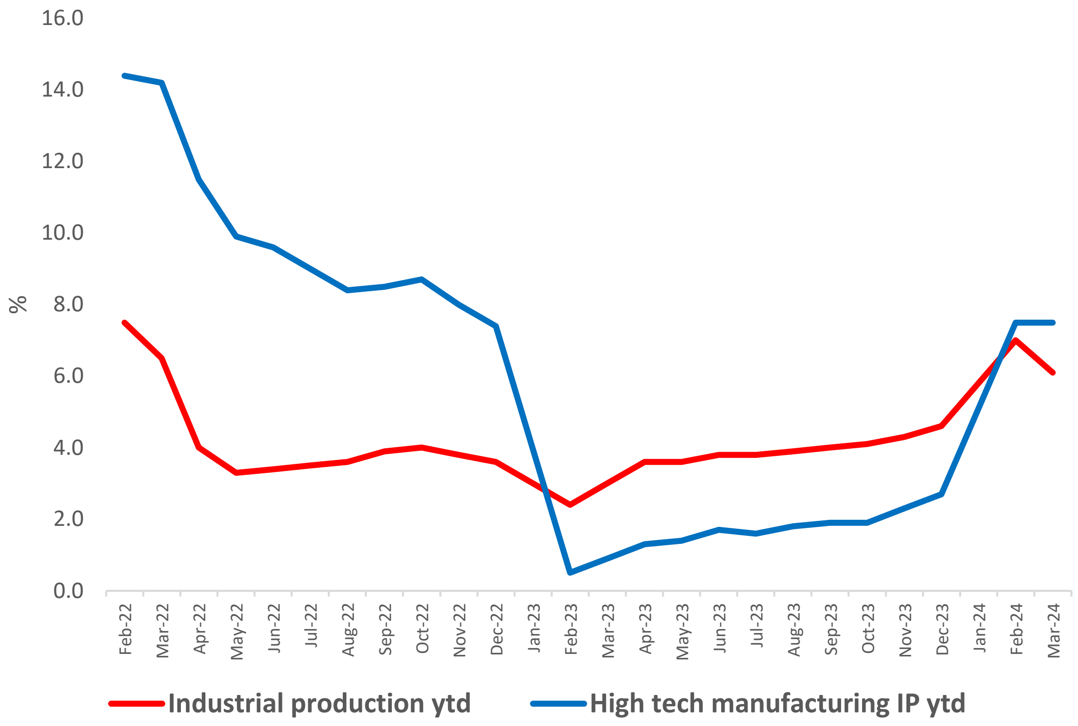


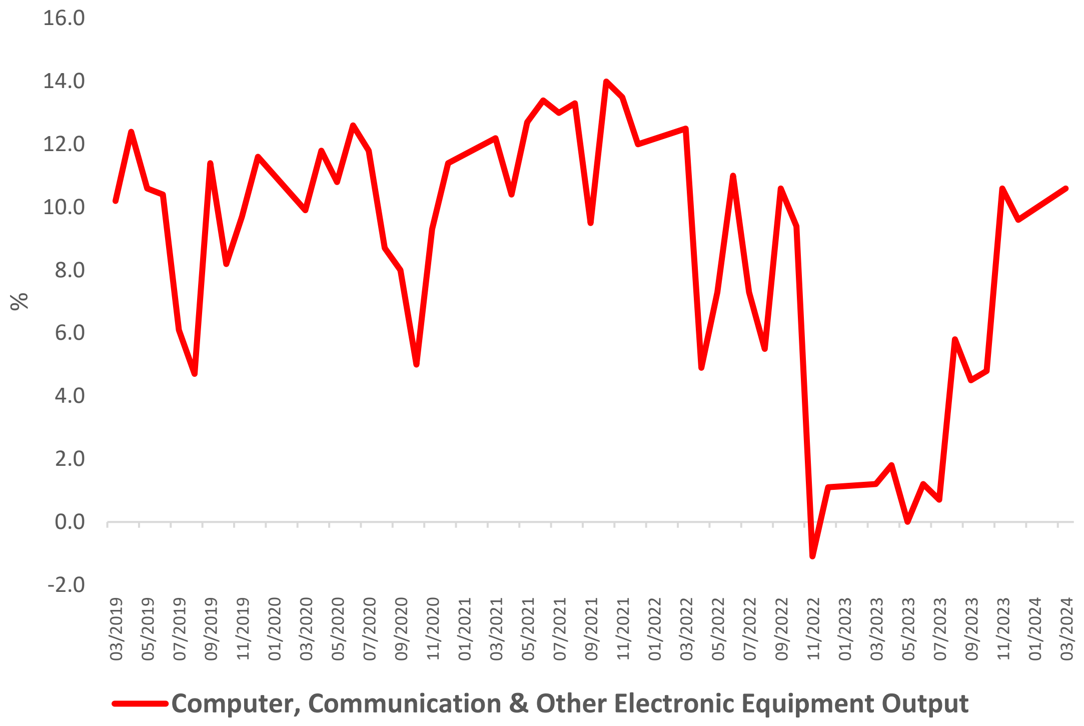
Source: EnterpriseSG, OCBC.

Source: EnterpriseSG, OCBC.

CN: 1Q24 GDP Growth Surprised to the Upside

- The economy exceeded expectations, growing by 5.3% year-on-year in the first quarter, accompanied by a sequential quarter-on-quarter growth of 1.6% seasonally adjusted. This robust expansion was underpinned by several key factors: resilient industrial activities, strong service consumption, and a rebound in external demand.

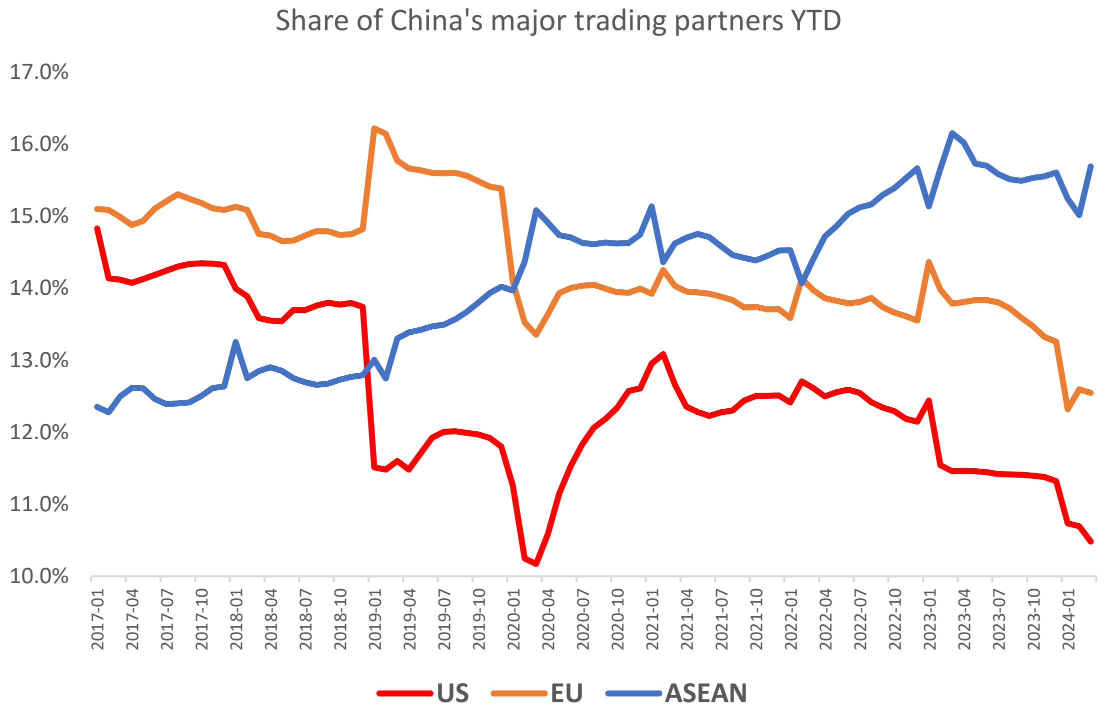




Source: Wind, CEIC, OCBC

CN: External Demand Remains Supportive

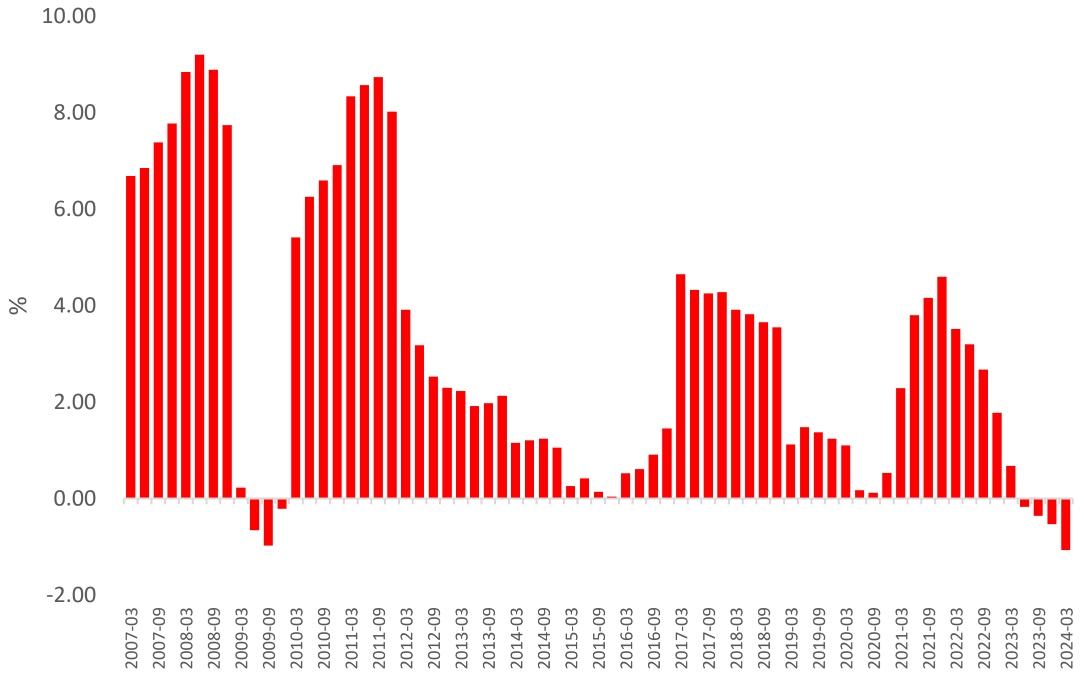
- Exports and imports surprised to the downside in March. Exports in 1Q24 rose by 1.5% year-on-year, rebounding from a 4.6% decline in 2023, aligning with the narrative of a global trade recovery in 2024.
- ASEAN maintained its position as China's largest trading partner in the first quarter, with its share rising to 15.7% from 15% in 2023. Conversely, the share of China's exports to the US decreased to 10.5%, marking the lowest level since the onset of the COVID-19 pandemic.



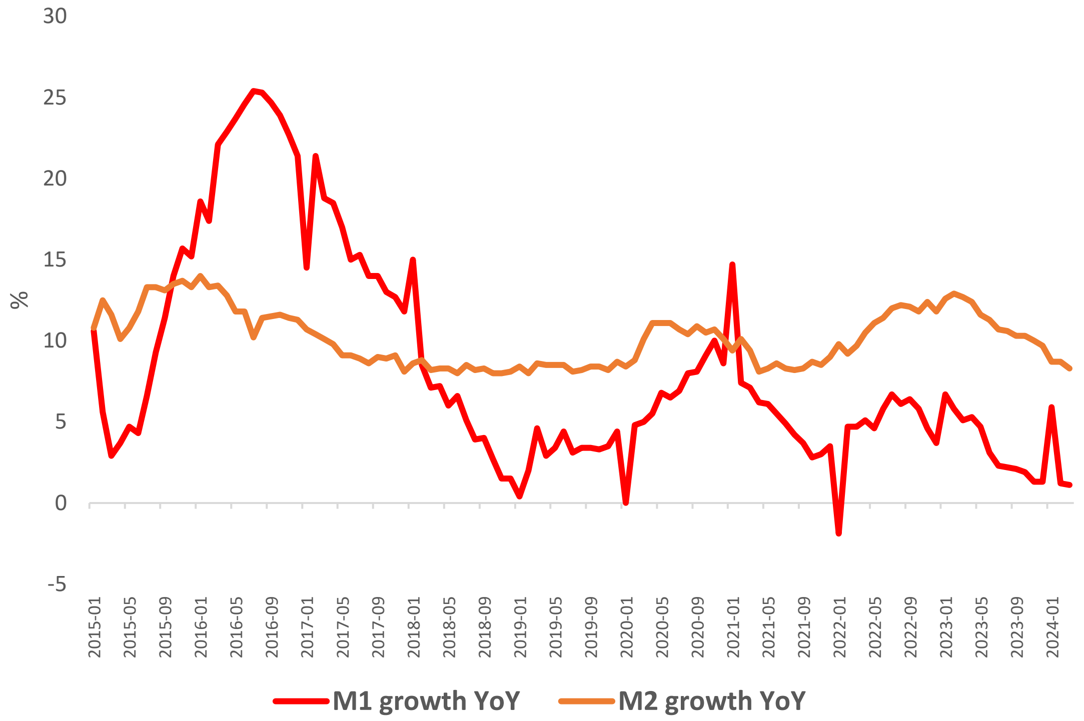
Source: Wind, CEIC, OCBC

CN: Mixed Picture for Domestic Demand

- Despite some initial indications of recovery, recent inflation and credit data continue to reflect an uncertain outlook for domestic demand. China's GDP deflator, estimated to be around -1.07% in the first quarter, has remained negative for the fourth consecutive quarter.
- Given the uncertainties surrounding both domestic and external demand, we believe that the stronger-than-expected first-quarter GDP data is unlikely to deter further monetary easing and demand-side measures.



China's quarterly GDP deflator



Source: Wind, CEIC, OCBC

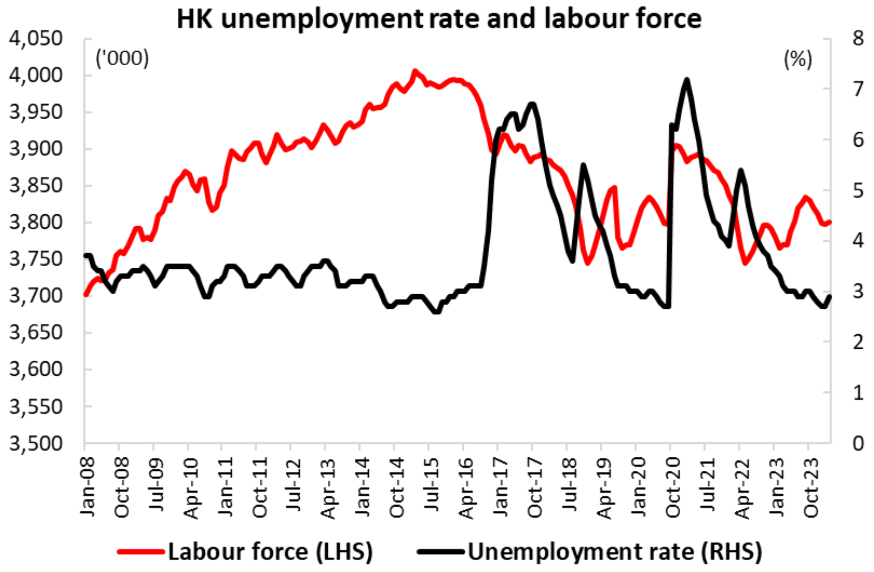
HK: Revision of HKD Prime Rate Forecast

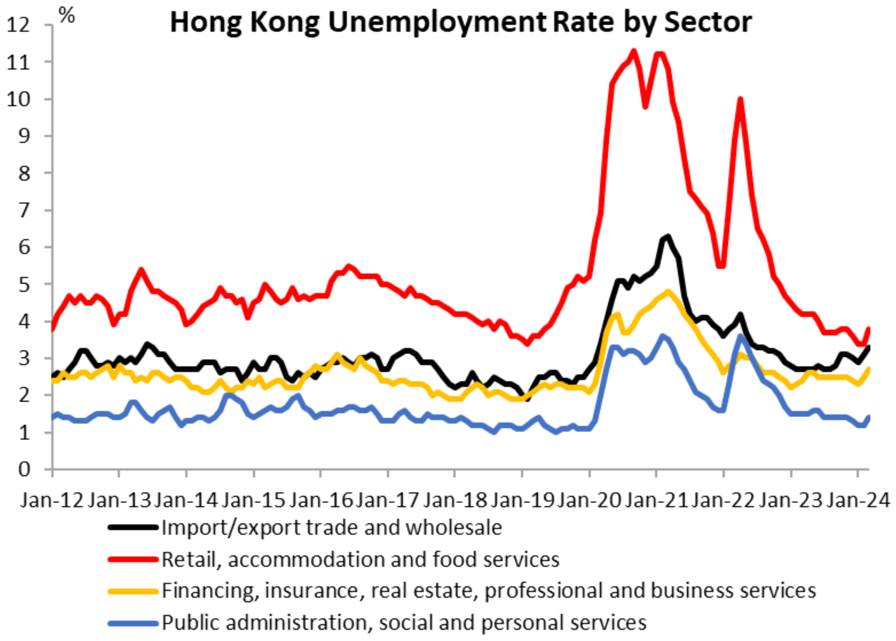
- Following the revision of our in-house US Federal Reserve rate cut profile, we removed 25bp HKD prime rate cut from the projection this year. We now see a total of 25bps cut in 2024, with the first cut likely in the third quarter.
- Based on historical record, the pass-through from Fed's rate decision to Hong Kong commercial banks' prime rate change decision is usually higher in a rate cut cycle than in a hike cycle. Meanwhile, factors such as cost of funding, deposit bases, loan demand, liquidity situation and economic climate also contributes to such decision. In this round, we expect the pass-through to be around 33%, i.e. 75bp cut in Fed fund rate vs. 25bp cut in HKD prime rate, in the face of still-weak loan demand and ample Hong Kong dollar liquidity.
- More recently, HIBORs are fixed lower across curve passing quarter-end, and in the absence of stronger inflows except the usual Southbound Stock Connect flows. HKD liquidity has stayed largely flush, while loan demands stayed on the weak side (loan-to-deposit ratio at 33-month low of 83.71% at end-February 2024). On a multi-month horizon, potential inflows may mean HKD rates underperformance as and when USD rates fall in a more sustained manner. At the same time, the rebound in housing market transactions after the removal of cooling measures, as well as corporates dividend payout and funding activities, may drive up loan demand and HKD rates in the months ahead.

OCBC

HK: Labour Market Softened Somewhat

- The job market softened marginally, with both the seasonally adjusted unemployment rate and underemployment rate edging up by 0.1 percentage point, to 3.0% and 1.1% respectively in the first quarter of 2024. Meanwhile, total labour force saw a mild uptick, alongside the steady labour participation rate.
- The increase in unemployment rate in March was broad-based. Breaking down by industry, unemployment rate in retail, accommodation and food services sector (3.8%) rose the most, when comparing to the figure in December 2023 - February 2024, amid the slackening consumer demand.
- While the total labour force rebounded by 3100 in Jan-Mar 2024, from that of Dec 2023 – Feb 2024, after five consecutive months of decline. Meanwhile, the labour participation rate was steady at 57%, the record low.



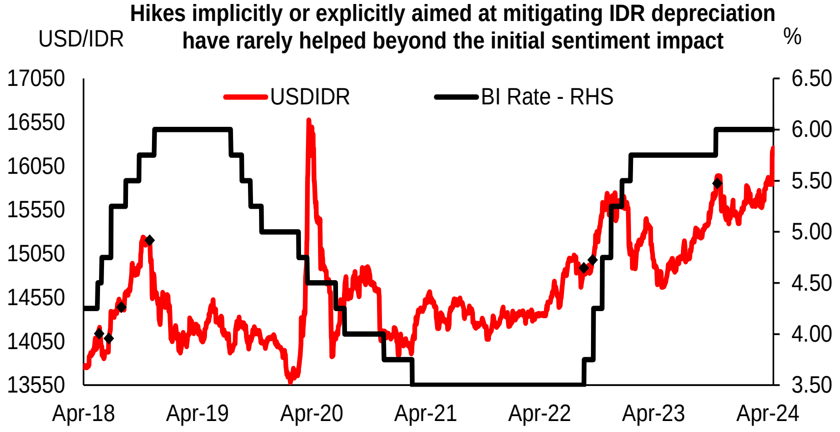


Source: HK Census and Statistics Department, OCBC

Indonesia: Bank Indonesia April MPC Preview

- Market speculation/expectations are rising for BI to hike its policy rate by 25bp at its 24 April meeting in support of the currency, after the USD/IDR exchange rate broke 16,200 levels. Our base case is for BI to keep its policy rate unchanged at 6.00% as a 25bp hike is unlikely sufficient to stem IDR depreciation pressures. Importantly, we believe the trade-off between higher policy rates and growth is becoming sharper. We expect GDP growth to slow to 4.8% in 2024 (2023: 5.0%).

- Our baseline is for no change from BI for the following reasons: (1) If IDR stability is the aim, then one 25bp hike is likely insufficient to help IDR buck the trend of EM Asia FX depreciation, (2) Growth concerns will soon start to take precedence, and (3) Although inflationary pressures have been volatile in 1Q24, it is not at a stage to warrant tighter monetary policy conditions.



Source: Bloomberg; OCBC.

Recent Statement/Quotes		
Perry Warjiyo *Bank Indonesia Governor*	"Bank Indonesia will continue to ensure rupiah stability is maintained with FX intervention and other necessary measures."	Date: 19 April 2024, Source: Bank Indonesia
Sri Mulyani *Finance Minister*	"We have to be careful at this very moment, especially the movement coming from US policy, then EM countries have to be very very vigilant with this development."	Date: 19 April 2024 Source: Bloomberg
Airlangga Hartarto *Coordinating Minister for Economic Affairs*	"It's not wise to keep buying dollars during this time when the rupiah is depreciating," "We encourage state-owned enterprises to restrain huge dollar purchases, especially for imports of consumer goods.	Date: 18 April 2024, Source: Bloomberg
Edi Susianto *Executive Director for monetary and security asset management*	"We enter the market more boldly to maintain market confidence"	Date: 19 April 2024 Source: Bloomberg

Previous MPC decisions that were higher than consensus expectations

Date	Magnitude	End-of-month Rate
May-18*	50	4.75
Jun-18	50	5.25
Aug-18	25	5.50
Nov-18	25	6.00
Aug-22	25	3.75
Sep-22	50	4.25
Oct-23	25	6.00

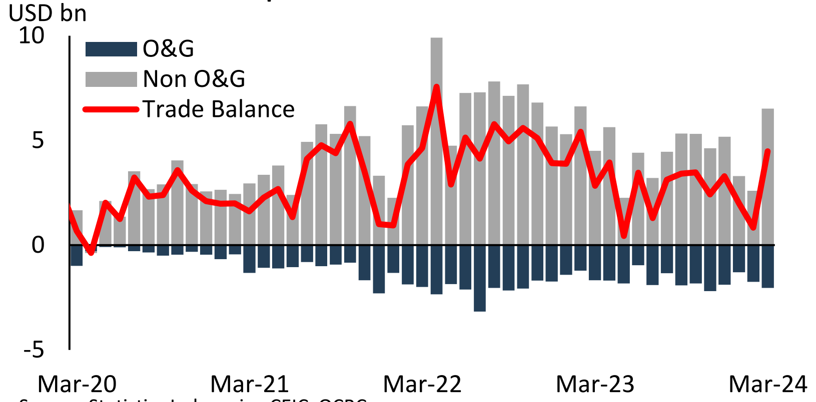
Note: "Magnitude" refers to the total hike in the specified month. *Bank Indonesia raised policy rates by a cumulative 50bp in May 2018, including an off-cycle 25 bp hike on May 30, 2018. Source: Bank Indonesia, OCBC.

Source: Bloomberg, Bank Indonesia, OCBC.

Indonesia: Widening Trade Surplus

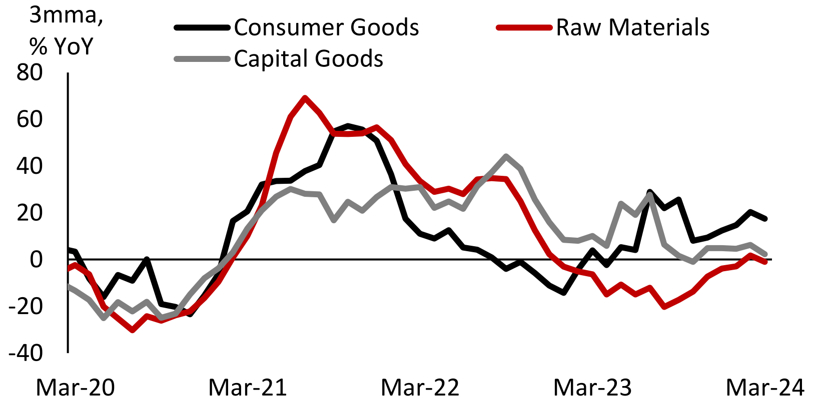
- Export contraction narrowed to -4.2% YoY in March versus -9.6% in February, bringing the 1Q24 exports growth to -7.3% YoY versus -8.3% in 4Q23. The modest improvement was partly supported by non-oil & gas (-7.5% YoY in 1Q24 vs -9.2% in 4Q23) exports, which more than offset the weakness in O&G exports (-2.8% vs +7.4%). Specifically, the improvement in non-O&G exports was led by agriculture (+8.0% YoY in 1Q24 from -12.9% in 4Q24) and mining (-16.8% from -23.0%) exports, while the contraction in manufacturing exports worsened (-5.4% from -4.3%).
- Meanwhile, imports fell by 12.8% YoY in March compared to growth of 15.8% in February. For 1Q24, imports growth stood at -0.1% versus -1.0% in 4Q23. By use type, consumer goods (16.1% YoY in 1Q24 from 12.3% in 4Q24) and raw material (-2.0% from -3.9%) imports growth improved, while capital goods imports slowed (0.1% from 4.2%).
- Consequently, the trade surplus widened to USD4.4bn in March compared to USD833mn in February. On a quarterly basis, the 1Q24 trade surplus narrowed slightly to USD7.3bn versus USD9.2bn in 4Q24.

The trade surplus widened in March-24, led by notable uptick in non-O&G net balance



Source: Statistics Indonesia, CEIC; OCBC

Imports by end-use



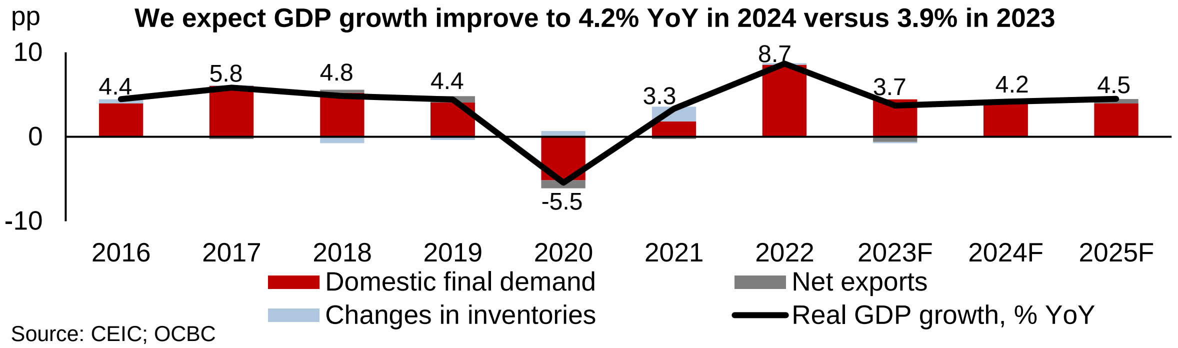
Source: Statistics Indonesia (BPS), CEIC, OCBC.

Source: Bloomberg, Bank Indonesia, OCBC.

Malaysia: Better Growth Momentum in 1Q24

- Growth momentum improved in 1Q24, with GDP growth rising to 3.9% YoY versus 3.0% in 4Q23, according to the advance estimates. This was broadly in line with expectations (Consensus: 3.9%; OCBC: 4.0%). Growth in the services, manufacturing, construction, and mining & quarrying sectors improved in 1Q24 versus 4Q23. In addition, external trade underscored by export and import growth also picked up in 1Q24 versus 4Q23.
- We continue to expect 2024 GDP growth of 4.2%, underscoring improvements in the coming quarters, i.e., average growth of 4.3% YoY in 2Q-4Q24. This based on house view of a bottoming out of the global electronics export downcycle by 1H24, continued support from public sector infrastructure spending and stabilising household spending.
- The balance of risks is skewed to the downside from weaker external demand, heightened geopolitical tensions and delays in rate cuts from key central banks. On the domestic front, the impending fuel subsidy rationalisation announcement will be a risk to growth and inflation depending on the mechanism, timing, and magnitude of the announced measures.

%YoY	1Q23	2Q23	3Q23	4Q23	1Q24
Headline GDP growth	**5.6**	**2.9**	**3.3**	**3.0**	**3.9**
Supply-side contributors					
Agriculture, Forestry & Fishing	1.0	-1.0	0.9	1.9	1.3
Mining & Quarrying	2.4	-2.3	-0.1	3.8	4.9
Manufacturing	3.2	0.1	-0.1	-0.3	1.9
Construction	7.4	6.2	7.2	3.5	9.8
Services	7.3	4.7	5.0	4.2	4.4
Source: CEIC; OCBC					

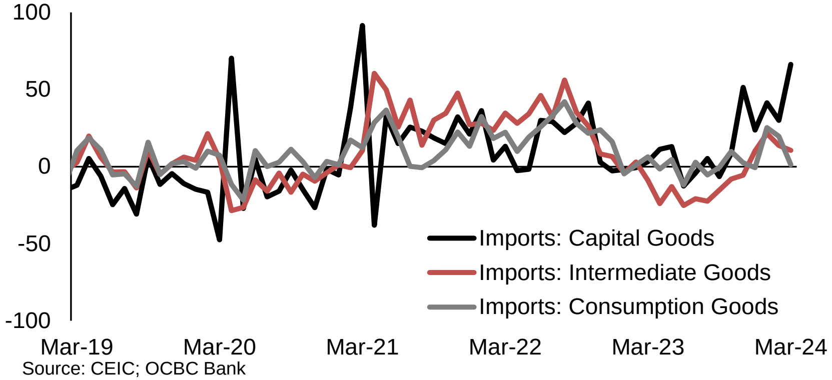


Source: CEIC, OCBC.

Malaysia: Mixed Trade Performance in March

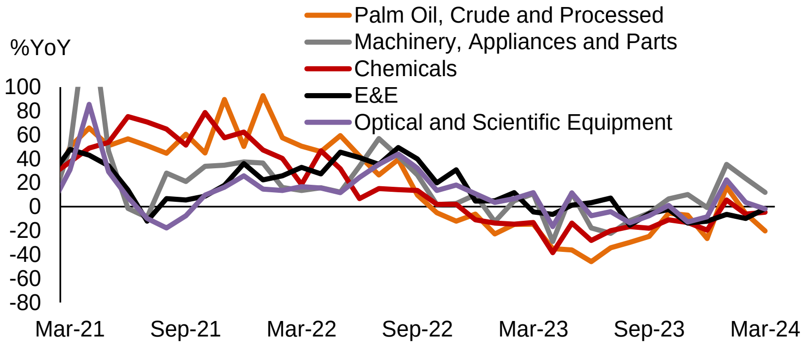
- March trade data was mixed. On the one hand, import growth solid rising to 12.5% YoY in March (Feb: 8.0%), taking 1Q24 growth to 13.1%YoY versus 1.3% in 4Q23. While capital goods imports (+66.2% YoY versus 30.0% in February) was the main driver of March imports, there was clear trend of better import growth across all major end-use categories in 1Q24 versus 4Q23, implicitly pointing to broadening domestic demand strength.
- On the other hand, exports continued to drop by 0.8% YoY in March, similar to February. On a trend basis, however, there was improvement as export growth rose to +2.2% YoY in 1Q24 versus -6.9% in 4Q23 supported by commodities and machinery & appliances. Electronics and electrical appliances (E&E) exports (-5.7%YoY in 1Q24 versus -9.5% in 4Q23), however, were weak.
- The trade surplus, as result, widened modestly to MYR12.8bn versus MYR11.2bn in February. For 1Q24, the trade surplus narrowed to MYR34.2bn from MYR36.9bn in 4Q23 supporting the broader current account surplus. We expect the current account surplus to widen to 2.5% of GDP in 2024 versus 1.2% in 2023.

Imports by end use: Capital goods imports jumped in March driving overall import growth



Source: CEIC; OCBC Bank

Drivers of export growth: These were mixed in March 2024 with 'E&E' export growth still negative



Source: CEIC; OCBC

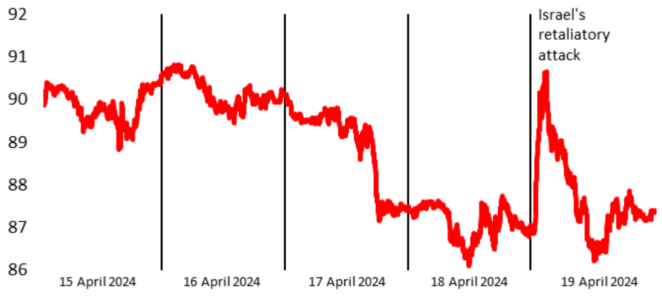
Source: CEIC, OCBC.

Commodities

Crude Oil: Skittish on Geopolitics

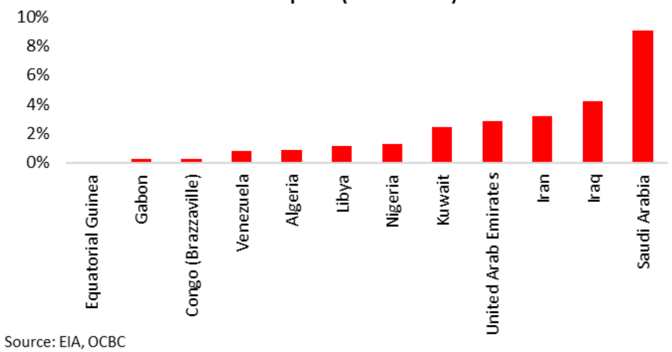
- Crude oil benchmarks declined for a second consecutive week. Both WTI and Brent declined by 2.9% and 3.5% to settle lower at USD83.1/bbl and USD87.3/bbl. The biggest news last week was Israel's retaliatory attack against Iran over its drone and rocket barrages on 13 April.
- To be fair, the tit-for-tat attacks between Israel and Iran were well-telegraphed prior to the event by both sides. Geopolitical tensions are currently balanced on a knife's edge. We see the risks becoming fairly binary at this point of a de-escalation or escalation in tensions, at least over the coming weeks:
    - Scenario of de-escalation: Global diplomatic efforts will take hold. Direct Iran-Israel attacks will be contained but tensions in Gaza may continue. The geopolitical risk premium that has been priced into Brent oil prices over the last two weeks would likely start to unwind as the threat of broader regional conflict de-escalates. We expect Brent oil prices to remain elevated around USD86/bbl in 2Q24.
    - Scenario of an escalation to a broader regional conflict: we do not rule out a series of tit-for-tat attacks between Israel-Iran. Brent oil prices could top USD100/barrel, touching USD120/barrel, reflecting fragile risk sentiment and market edginess of every incident sparking a wider escalation.
- The situation remains fluid and we will continue monitoring implications closely. From a macroeconomic standpoint, we will closely monitor whether oil prices will rise beyond USD100/bbl and importantly persist at those levels. For now, our baseline forecasts remain for WTI and Brent oil prices to average USD79/bbl and USD85/bbl in 2024.

Brent Oil Prices



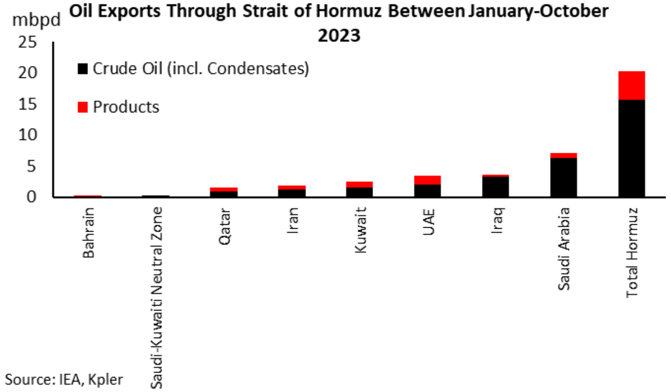
Source: Bloomberg, OCBC

OPEC-12: Crude Oil Production Relative to Global Oil Consumption (March 2024)



Source: EIA, OCBC

Oil Exports Through Strait of Hormuz Between January-October 2023



Source: IEA, Kpler

Source: EIA, IEA, Bloomberg, Kpler, Reuters, OCBC

FX & Rates

FX & Rates: Relative Calm

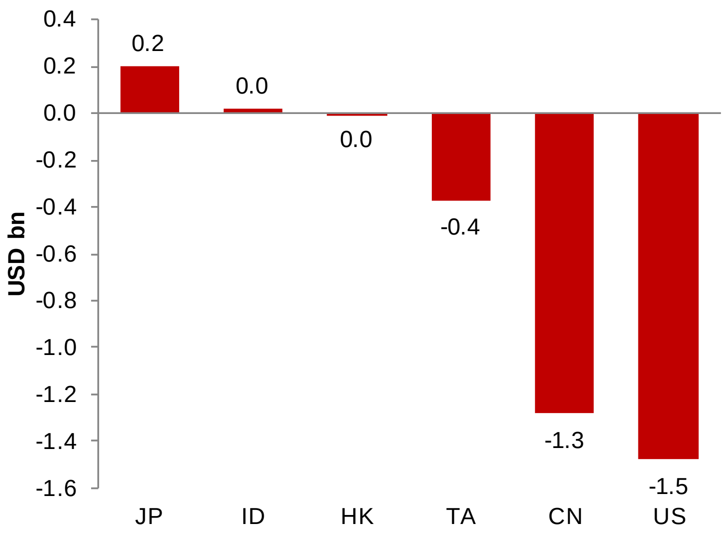
- DXY. There was no follow-through escalation in geopolitical tensions in the Middle East as Iran attempted to defuse tensions. Risk-proxy FX including AUD, NZD firmed while safe-haven proxy such as gold, CHF and JPY slipped. Brent has also fallen in response. That said, geopolitics remains a risk to watch. This week, Fedspeaks enters blackout period ahead of FOMC on 2 May. Focus is the data calendar. US durable goods orders, 1Q GDP and core PCE would be of interest. Recent run of strong US data has built up expectations that upcoming reports may exceed expectations. Hence, any disappointing print on US data may potentially dent USD's momentum.
- EUR's recent decline somewhat stabilized as USD bulls paused while geopolitical tensions in the Middle East eased. While some in the markets have started to bet on Euro reaching parity, we opined that a growth re-rating on the Euro-area/Germany is probably not priced. A better growth story in Euro-area can push back against aggressive rate cut expectations and this can be supportive of EUR. Week ahead brings prelim PMIs (Tue); ECB 1y, 3y CPI expectations.
- USDJPY resumed its uptick as geopolitical tensions faded. The pair continued to trade near recent highs, tracking the moves in UST yields. Last week, Japan's top currency official Kanda said that G7 reaffirmed its commitment to past G7 policy responses, including exchange rates. Some interpreted this as a green light for Japan authorities to intervene while some may see it as BoJ buying time before its next MPC on 26 Apr. At the same time, there was also a joint statement following a trilateral meeting between Finance ministers of Japan, Korea and US which mentioned that they will continue to consult closely on FX market developments in line with existing G20 commitments while acknowledging the serious concerns of Japan and Korea with regards to the sharp depreciation in JPY and KRW. Taken together, we opined that these actions may be sufficient to setup a psychological resistance for the USD.

Asset Flows

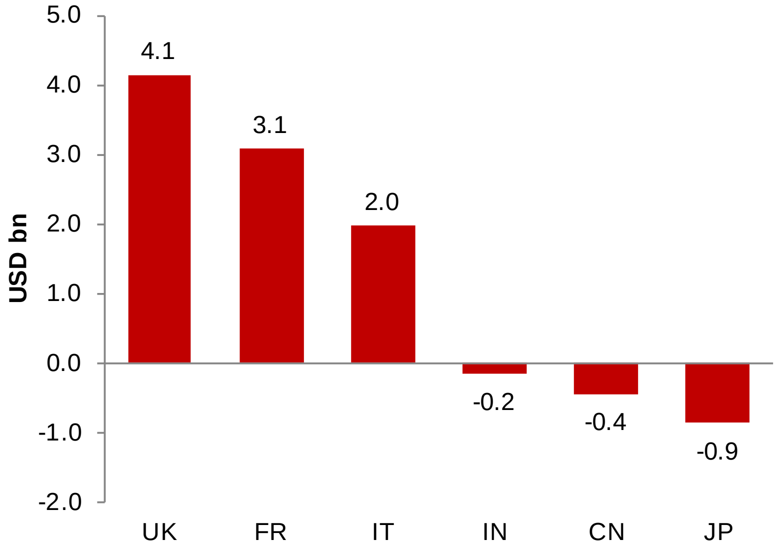
Global Equity & Bond Flows

- Global equity markets saw net outflows of $9.0bn for the week ending 17 April, a decrease from the outflows of $19.6bn last week.
- Global bond markets reported net inflows of $5.7bn, a decrease from last week's inflows of $13.1bn.

Equity top gainers & losers



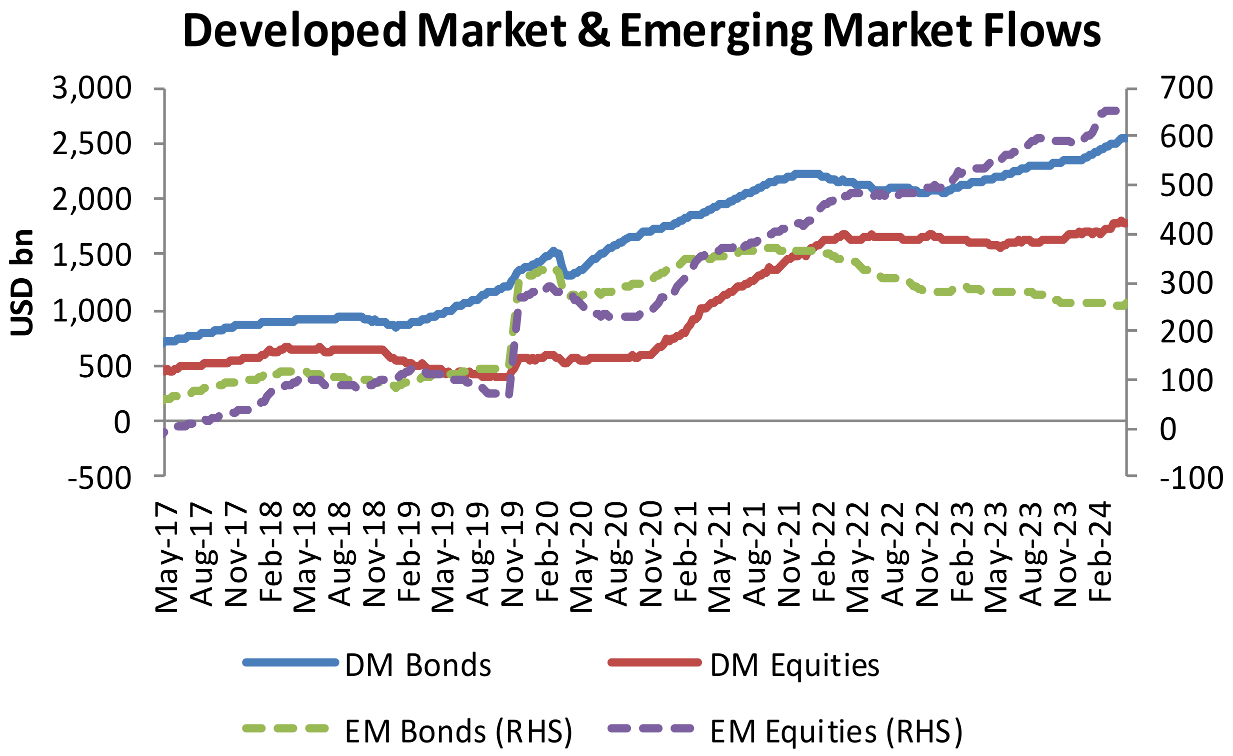
Bonds top gainers & losers



Source: OCBC, EPFR

DM & EM Flows

- Developed Market Equities ($7.1bn) and Emerging Market Equities ($1.9bn) saw outflows.
- Developed Market Bond ($4.3bn) and Emerging Market Bond ($1.3bn) saw inflows.



Source: OCBC, EPFR

Thank you

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