GLOBAL MARKETS RESEARCH

MAS MPC Preview

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Staying the Course

Policy decision is due 13 Oct. We expect MAS to maintain policy status quo as prevailing appreciating path of the S$NEER policy band remains appropriate given that inflation risks remain, including fresh shocks to global commodity prices and a more persistent-than-expected tightness in the domestic labour market. If history was a guide, MAS did not rush into easing after inflation peaked at previous cycles. Instead, the MAS still kept its appreciating policy stance on hold for a while. That said, we are mindful of policymakers' cautious tone on growth outlook, but we believe MAS remains focused on inflation fighting mode. Our house view forecasts for 2023 headline and core CPI stand at 4.3% and 4%, respectively. Assuming inflation moderates further to sub-3% handle by 4Q2023, then potentially this could pave the way for MAS to ease policy in 2024.

Taking Stock of Recent Market Developments

The dollar index has seen considerable strength, rising over 7% since mid-Jul to print fresh 2023 high before easing off the last few days this week. The surge in back-end UST yields remains a key source of volatility, driving up USD and undermining risk assets, including Asian FX, equities, commodities, bonds and gold. Overall, rates at risk of going higher for longer, relative US growth resilience and hawkish Fed are factors that may continue to underpin support for the USD, until US data starts to show more material signs of softening.

Higher for Longer Fuels USD Strength

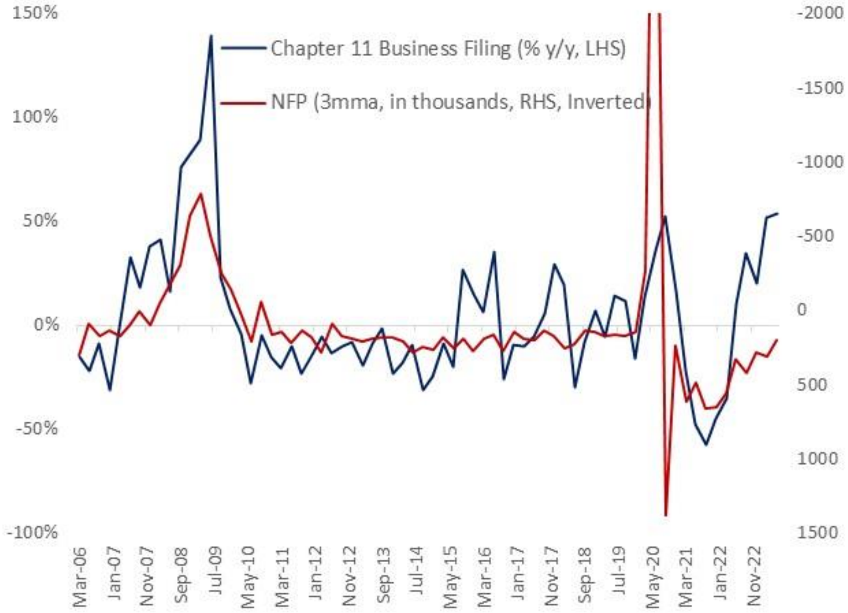
Source: Bloomberg, OCBC Research

We may have to be a bit more patient on the point of dollar inflection as peak rate uncertainty remains (may be pushed higher) and a dovish pivot is yet in sight.

Admittedly, the door remains open for another Fed hike, but we believe the Fed is likely done with tightening for current cycle as inflation pressure is already coming off, alongside inflation expectations and that real rates at >2% (more than 13y high) is already restrictive. And we reckon that the hurdle for Fed to tighten again would be high if incoming data continues to show slowing inflation and further softening in labour market.

To add, signs of stress may be building up in pockets of the US economy. Chapter 11 filing for businesses or subchapter V (for small businesses) have risen sharply this year. And this is a sign that the increase in interest rates, tighter lending standards, higher operating costs, compressed profit margins are putting a big strain on private businesses and entrepreneurs. Growing costs and supply chain disruptions, dried up government subsidies from the pandemic, rising interest rates, labour cost increases were some of reasons being cited for the businesses' financial difficulties. Historically and intuitively, surge in bankruptcy is typically accompanied by declines in NFP (or job losses). Eventual dovish re-pricing when US data softens can lead to softer USD.

Sharp Rise in Chapter 11 Filings Typically Accompanied by NFP Drop

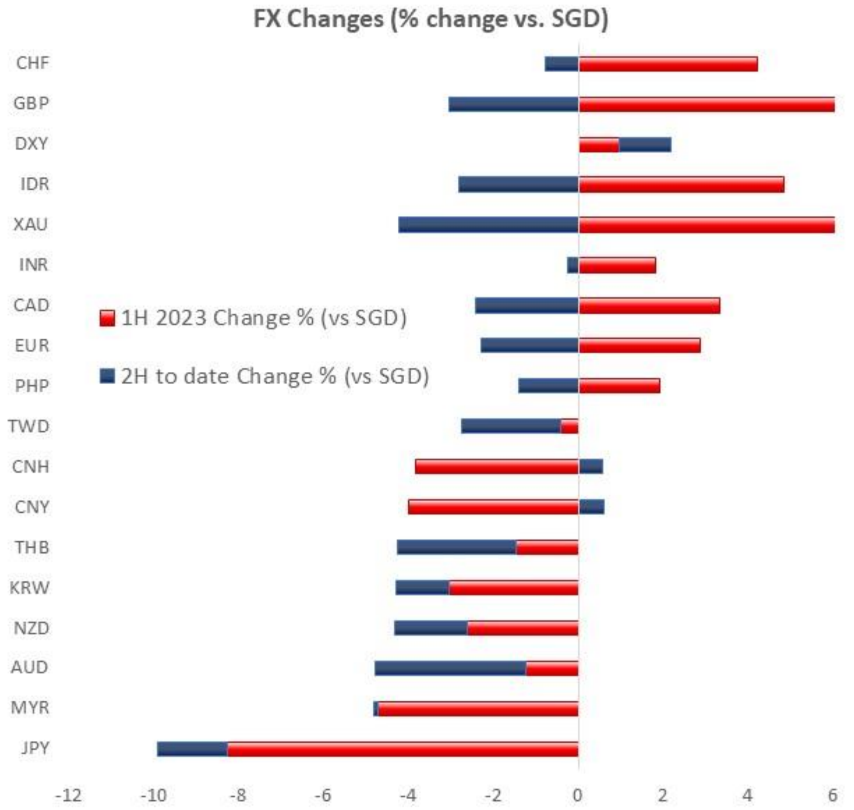


Source: Bloomberg, OCBC Research

How Did the SGD Trade?

SGD has traded mixed YTD, with strength seen vs. DM FX such as JPY, AUD as well as Asian peers such as KRW, MYR, THB but SGD was weak vs. CHF, GBP, gold to name a few.

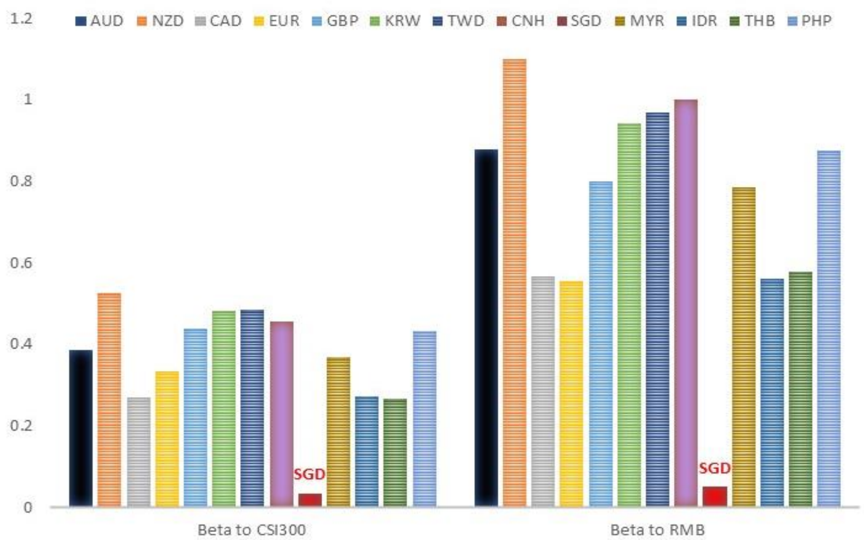
SGD Traded Mixed This Year



Source: Bloomberg (as of 5 Oct), OCBC Research

SGD's low sensitivity to market events such as RMB swings, etc. (beta) and MAS' hawkish policy stance are some factors underpinning SGD's relative resilience.

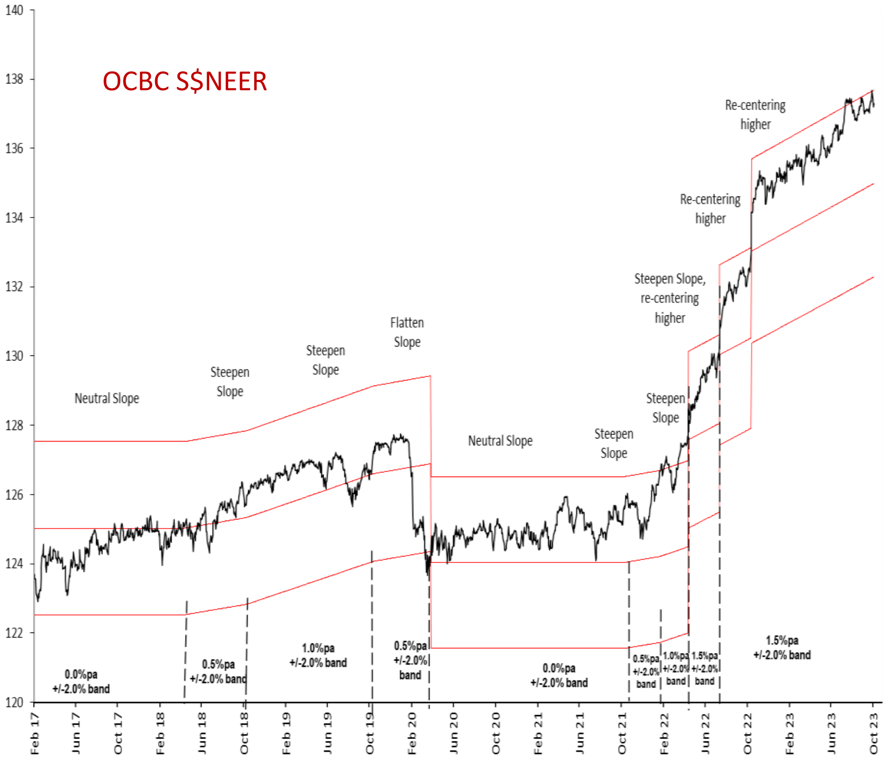
SGD's beta is Lowest Amongst Asia FX to Changes in CNH, Sentiments



Note: OLS regression on daily log values over past 2 years (12 Sep 2021 to 11 Sep 2023)
Source: Bloomberg, OCBC Research

But SGD is not immune to market developments. Higher for longer and US growth resilience thematics remain drivers underpinning USD strength, and it is no surprise that SGD trades softer vs. USD. But looking on, we continue to keep a look out for USD inflection point as well as upcoming MAS MPC.

S$NEER Trading Near the Stronger Side of the Band (+1.9% above model-implied mid)



Source: Bloomberg, OCBC Research

What are MAS's Policy Options – Will They Move?

MAS policy decision will be announced on 13 October (8am) next Fri, alongside the release of 3Q advanced GDP.

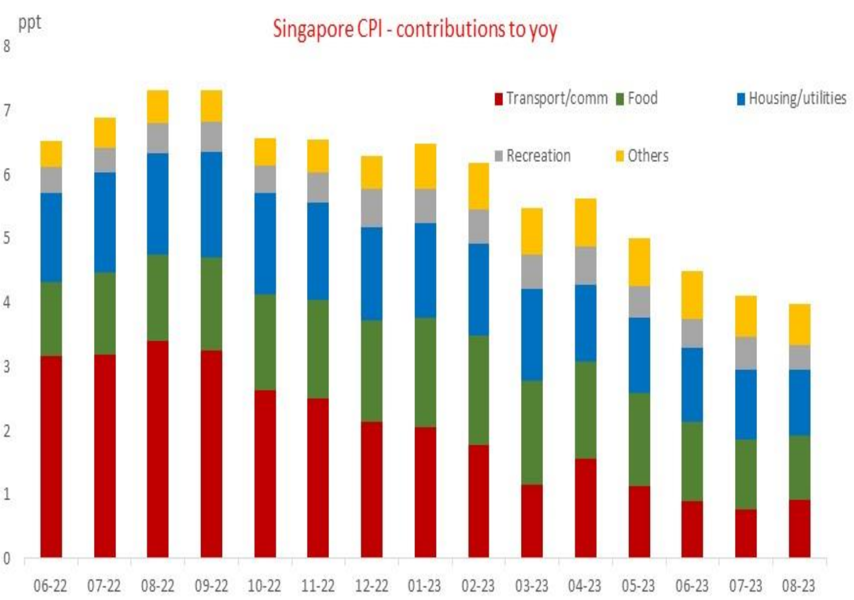
There are various options MAS can go about setting its policy in the upcoming MPC and we highlight them as follows: (1) **adjust the policy band** to allow for an immediate strengthening or weakening of the SGD on a trade-weighted basis; (2) **adjust the policy slope** to influence the pace at which SGD appreciates or depreciates on a trade-weighted basis; (3) **widen the policy band** from current estimated ± 2% in light of volatility across international financial markets; or (4) **do nothing** – to keep policy stance status quo (which is already on an appreciating path) to contain domestic and imported price pressures and ensuring medium-term price stability.

Inflation dynamics – Disinflation on Track

Singapore headline and core CPI moderated to 4.0% and 3.4% YoY in August, down from 4.1% and 3.8% respectively in July. In sequential terms, both headline and core CPI rose 0.9% and 0.1% MoM respectively amid higher accommodation, private transport, food, and services costs. Our Chief Economist indicated that year-to-date, headline and core CPI have risen 5.2% and 4.6% YoY but is expected to decelerate further to average 4.4% and 4.0% respectively for the whole year 2023. This is lower than the 6.1% and 4.1% registered in 2022 and reinforces the story that the cumulative effects of five consecutive monetary policy tightening moves by the MAS in the run-up to April 2023 continue to exert downward pressure on prices trends, especially for imported goods.

Looking at the breakdown, **there are still some domestic cost pressures despite the decline in imported goods prices YoY.** Services inflation is subsiding and rose only 3.1% YoY in August, versus 3.6% in July, amid smaller hikes in holiday expenses (especially in airfares), telecom services and recreational & cultural services costs. Food inflation is also abating at 4.8% YoY in August, versus 5.3% in July, as prepared meals and non-cooked food prices saw more moderate increases. However, the story may evolve towards the year-end as demand for overseas travel picks up again for the festive season and if elevated oil prices sustain given that Russia and Saudi Arabia have extended their production cuts till year-end.

SG Headline CPI: Signs of Moderation in Price Pressures

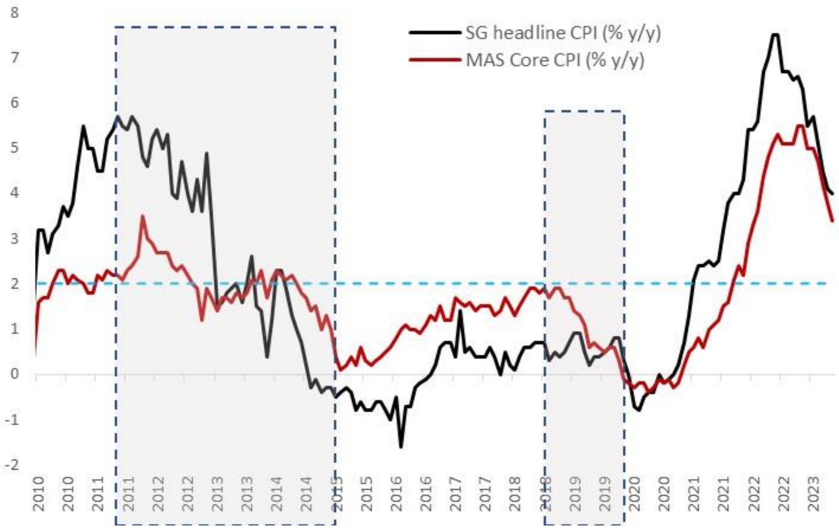


Source: CEIC, MAS, OCBC Research

Past Periods of Policy Action After Inflation Peaked in Past Cycles

We looked back at past episodes of Singapore inflation around its cycle peak and MAS' corresponding policies to get a sense on economic considerations behind previous policy move and infer potential policy responses for this episode.

Periods Post-Peak Inflation in Singapore



Note: Shaded areas represent periods after inflation peaked at respective cycles in Singapore
Source: Bloomberg, OCBC Research

Singapore headline CPI peaked at 7.5% in Sep-2022 while MAS core CPI peaked at 5.5% in Feb-2023. Since then, inflation has slowed discernibly this year.

We singled out 2 main episodes over the past 12 years that saw disinflation trend in Singapore after inflation peaked in respective cycles:

1) **the period from 2012 to early-2015 saw disinflation trend played out.** Headline CPI eased to -0.4% y/y in Jan-2015 from the 5.7% peak in Nov-2011 while MAS core CPI also eased to 1% in Jan-2015 from 3.5% peak in Jan-2012.

   During the period from 2012 to 2014, **MAS adopted a policy status quo** (i.e. no further tightening or easing) and the **policy stance then was a modest and gradual appreciation path**.

   MAS subsequently held an **inter-meeting in Jan-2015 to ease policy by way of reducing the slope of the policy band**. And MAS cited *developments in the global and domestic inflation environment have led to a significant shift in Singapore's CPI inflation outlook for 2015.* Indeed, there was a **sharp decline of**

over 40% in brent prices from Nov-2014 to early Jan 2015 and the sharp decline in oil prices saw import prices declining sharply by an average of 6.5% in Oct-Nov 2014. On net, MAS' decision to ease was due to the change in market development that falls outside of MAS' assessment at Oct-2014 MPC, when core CPI was projected to pick up gradually into early 2015 before easing while headline CPI was expected to stay subdued in late 2014 and throughout 2015.

MAS then kept policy status quo in Apr-2015 but **eased policy again in Oct-2015** (by way of reducing the slope of the policy band). The assessment then was that *the subdued global growth will exert a drag on the external-oriented sectors in Singapore in the quarters ahead.* Singapore industrial production slumped 11.9% y/y in Dec-2015 while NODX contracted 8.6% y/y in Jan-2016. Singapore also **experienced its longest run of negative inflation from Nov-2014 to Oct-2016**.

2) **for most parts of 2019, inflation continued to trend lower after core CPI peaked at 1.9% in Jan 2019.**

   At Apr-2019 MPC, MAS adopted policy status quo (i.e. no further tightening or easing) and the **policy stance then was a modest and gradual appreciation path**.

   But at the **Oct-2019 MPC meeting, MAS eased policy (by way of reducing the slope of the policy band).** The assessment then was *…level of output will remain below potential. Consequently, inflationary pressures should be muted. MAS Core Inflation is likely to remain below its historical average over the next few quarters before rising gradually over the medium term.* Singapore industrial production slumped 12.3% y/y in Nov-2019 while NODX contracted 12.5% y/y in Oct-2019. Singapore also experienced a period of deflation in 2020.

Our House View

We expect **MAS <u>to maintain policy status quo</u>** as prevailing appreciating path of the S$NEER policy band remains appropriate given that inflation risks remain, including fresh shocks to global commodity prices and a more persistent-than-expected tightness in the domestic labour market. **If history was a guide, MAS did not rush into easing after inflation peaked at previous cycles. Instead, the MAS still kept its appreciating policy stance on hold for a while.** The subsequent shift to ease policy typically occurred when growth conditions worsened (for instance, NODX, IP), and inflation eased into negative territories. In the Jan-2015 inter-meeting, the motivation to ease was due to the sharp 40% decline in brent prices.

Today's environment is somewhat different. Headline and core inflation is still around 4% and 3.4%, respectively. While global supply chain bottlenecks have dissipated and food commodity prices have eased, oil prices are still higher than the $82/bbl average for the year.

More importantly, domestic cost pressures remain resilient. In the semi-annual brief (15 Aug 2023), MAS noted that *with the resident labour force participation already near historical highs, constraints on resident workforce growth should keep the domestic labour market structurally tight. For the rest of 2023, the resident unemployment rate should remain low while nominal resident wage growth would stay firm.*

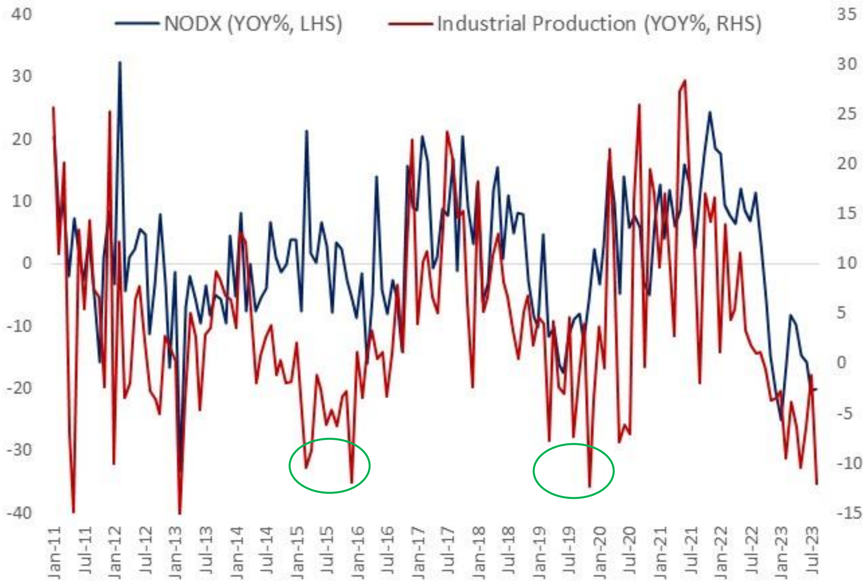
COE premiums have also continued to print fresh highs at the latest auctions on 4 October and this could add to private transport inflation in the coming months. Also, MTI Minister Gan Kim Yong gave a written answer to a parliament question (4 Oct) that the 7% increase in public transport fares (wef 23 Dec 2023) is expected to contribute 0.17ppt to Singapore's core inflation in 2024.

Our Chief Economist also highlighted in a recent Inflation report (25 Sep) that *If energy prices sustain at current elevated levels, then there could still be upward adjustments to household electricity tariffs for 4Q23. Moreover, the cost of delivering water has gone up and will likely continue to rise, following the last review of water prices in 2017 which already saw a 30% jump over two years. Come January 2024, there will also be a further 1%-point GST hike and the carbon tax hike from S$5 to S$25 per tonne of greenhouse emissions.*

But to some extent, we also recognised MTI's cautious tone as it narrowed full year growth forecast to 0.5% to 1.5%, from 0.5% to 2.5% previously, citing China's slowing recovery and global demand downturn as the main factors. Indeed, today's subpar performance in Singapore's NODX and industrial production do resemble the previous periods in 2015 and 2019, when MAS eased policies (reduce slope). In addition, there was mention in the semi-annual brief (15 Aug 2023) that imported cost pressures have come off. On this note, there may be some risk of MAS easing policy (via slope reduction) if MAS switches focus to supporting growth, but we doubt.

We believe previous remarks made by MAS MD Ravi Menon (5 Jul 2023) that MAS is not switching from "inflation-fighting mode" to "growth-supporting mode" still stand and that domestic cost pressures remain resilient.

Singapore Industrial production vs. NODX



Note: Green circled in Jan-2015, Oct-2015 and Oct-2019 when MAS eased policies

Source: Bloomberg, OCBC Research

Recap of Policy Decisions for Current Tightening Cycle

Dates	Policy Action (Est)		
	Slope	Midpoint	Economic Consideration
14 Oct 21	√	-	MAS core inflation expected to rise to 1-2% for 2022 due to accumulating external and domestic core pressures
25 Jan 22*	√	-	MAS revised its core inflation forecast upwards to 2-3% for 2022 due to higher inflation outlook
14 Apr 22	√	√	MAS revised its core inflation forecast higher at 2.5-3.5% for 2022 due to global inflationary pressures and tight domestic labour market
14 Jul 22*	-	√	MAS revised its core inflation forecast higher at 3-4% for 2022 due to elevated inflationary pressures
14 Oct 22	-	√	MAS Core Inflation should come in at 3.5–4.5% on average over the year, and CPI-All Items inflation at 5.5–6.5%.
** Represents offcycle moves from MAS*			

Source: OCBC Research

USDSGD Technical: USDSGD has traded one-way since mid-Jul and has notched fresh high for 2023. Last seen at 1.3680 levels. Daily momentum is not showing a clear bias for now, but RSI fell. Potential rising wedge pattern observed – typically associated with bearish reversal. But on the weekly chart, momentum remains bullish. There may still be some room for upside before we see a more meaningful turn lower. Resistance at 1.3760 (50% fibo retracement of 2022 high to 2023 low), 1.3830 levels. Support at 1.3660 (21 DMA), 1.3590 (38.2% fibo) and 1.3530 levels.

USDSGD (Daily): Bearish Reversal?

USDSGD (Weekly): Looking for Bullish Exhaustion

Source: Bloomberg, OCBC Research

Appendix: MAS Policy decision/ economic consideration during periods post-peak inflation

Meeting Date	Inflation (MAS assessment)	MAS Policy Decision	Slope	Band	Center
13-Apr-12	• CPI-All Items inflation and MAS Core Inflation have come in stronger than expected since October 2011 • And will remain elevated over the next few months, before easing over the remaining course of this year • MAS is revising the forecast for MAS Core Inflation from 1.5-2% to 2.5-3% for 2012 • The forecast for CPI-All Items inflation in 2012 will also be raised from 2.5-3.5% to 3.5-4.5%	MAS will therefore continue with the policy of a modest and gradual appreciation of the S$NEER policy band. **The slope will be increased slightly**, and there will be no change to the level at which the band is centred. MAS is also **restoring a narrower policy band.** This policy stance will help anchor inflation expectations, ensure medium-term price stability, and keep growth on a sustainable path.	Increased	Narrow	
12-Oct-12	• CPI-All Items inflation will remain elevated in Q4 2012 and Q1 2013 • Reflecting significant contributions from imputed rentals on owner-occupied accommodation and car prices • Before moderating gradually over the rest of 2013 • CPI-All Items inflation is likely to come in slightly above 4.5% in 2012, mainly because of higher COE premium • It is expected to ease gradually to 3.5-4.5% in 2013	MAS will therefore maintain the policy of a modest and gradual appreciation of the S$NEER policy band. There will be **no change to the slope and width of the policy band, as well as the level at which it is centred.** This policy stance is assessed to be appropriate in containing inflationary pressures and keeping the economy on a path of restructuring towards sustainable growth. MAS will continue to be vigilant in assessing external economic and financial developments, and their impact on the Singapore economy.		No Move	
12-Apr-13	• Imputed rentals on owner-occupied accommodation will increase at a slower pace. • COE premiums have corrected from the high in early 2013 • COE premiums contribution to CPI-All Items inflation is likely to be lower, and overall inflation should recede from its Q1 high. • For the year as a whole, CPI-All Items inflation is expected to come in at 3-4%, down from 3.5-4.5% projected previously. • More than half of overall inflation in 2013 will be accounted for by imputed rentals on owner-occupied accommodation and car prices.	MAS will maintain its policy of a modest and gradual appreciation of the S$NEER policy band. **There will be no change to the slope and width of the policy band, as well as the level at which it is centred.** This policy stance is assessed to be appropriate for containing inflationary pressures, anchoring inflation expectations, and facilitating the restructuring of the economy towards sustainable growth.		No Move	
14-Oct-13	• Imputed rentals on owner-occupied accommodation will increase at a slower pace • COE premiums could continue to rise in the short term • However, the increases are unlikely to be sustained at the same pace. • For 2013, CPI-All Items inflation is projected to come in at the upper half of the 2-3% forecast range. •For 2014, the forecast for CPI-All Items inflation is similar to that for MAS Core Inflation, at 2-3%.	MAS will therefore maintain its policy of a modest and gradual appreciation of the S$NEER policy band. **There will be no change to the slope of the policy band, and the level at which it is centred. The present width of the band is** sufficient to accommodate temporary fluctuations in the S$NEER, and will be **kept unchanged**. This policy stance is assessed to be appropriate, taking into account the balance of risks between external demand uncertainties and rising domestic inflationary pressures.		No Move	
14-Apr-14	• CPI-All Items inflation will rise in the coming months due to the low base a year ago when COE premiums fell, but it should ease in the second half of 2014. • For the whole year, car prices should add negligibly to inflation. • Amid the large supply of newly-completed housing units, imputed rentals on owner-occupied accommodation are now expected to stabilise in 2014. • MAS is revising the forecast for CPI-All Items inflation in 2014 from 2–3% to 1.5–2.5% • Mainly reflecting this weaker outlook for imputed rentals over the rest of the year.	MAS will therefore maintain its policy of a modest and gradual appreciation of the S$NEER policy band. **There will be no change to the slope of the policy band, and the level at which it is centred. The width of the band will be kept unchanged.** The policy stance is assessed to be appropriate for containing domestic and imported sources of inflation, and ensuring medium-term price stability as a basis for sustainable growth. MAS will continue to be vigilant over developments in the external environment, including in financial markets, and stands ready to curb excessive volatility in the S$NEER.		No Move	
14-Oct-14	• CPI-All Items inflation should stay subdued for the rest of this year and throughout 2015. • Car prices and imputed rentals on owner-occupied accommodation will continue to dampen inflationary pressures • Amid the expected increase in the supply of COEs and newly-completed housing units. • CPI-All Items inflation is now forecast to be 1–1.5% in 2014, given the recent weakness in car prices. • For 2015, it is projected at 0.5–1.5% reflecting also the impact of muted housing rentals.	MAS will therefore maintain its policy of a modest and gradual appreciation of the S$NEER policy band. T**here will be no change to the slope and width of the policy band, and the level at which it is centred.** This policy stance is assessed to be appropriate for containing domestic and imported sources of inflationary pressures, and ensuring that inflation expectations remain well anchored. MAS will continue to closely monitor the impact of external developments and domestic restructuring on the growth and inflation prospects for Singapore.		No Move	

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Meeting Date	Inflation (MAS assessment)	MAS Policy Decision	Slope	Band	Center
28-Jan-15	• Going forward, MAS Core Inflation and CPI-All Items inflation are expected to ease further • For 2015 as a whole, global oil prices are unlikely to show a significant rebound • Car prices and imputed rentals on owner-occupied accommodation will also continue to dampen overall inflationary pressures • Taking these developments into account, MAS is revising its inflation forecasts for 2015. • CPI-All Items inflation is now projected to come in at -0.5–0.5%, from the 0.5–1.5% expected in October. • Meanwhile, MAS Core Inflation is expected to be 0.5–1.5% this year, down from the earlier forecast range of 2–3%.	MAS will therefore continue with the policy of a modest and gradual appreciation of the S$NEER policy band. **However, the slope of the policy band will be reduced, with no change to its width and the level at which it is centred.** This measured adjustment to the policy stance is consistent with the more benign inflation outlook in 2015 and appropriate for ensuring medium-term price stability in the economy.	Reduced		
14-Apr-15	• For 2015 as a whole, global oil prices are likely to average significantly below the US$93 recorded in 2014, while domestic food inflation should also be lower. • Although underlying cost pressures stemming from the tight labour market remain • MAS Core Inflation is expected to come in at 0.5–1.5% in 2015, unchanged from the January MPS. • Car prices and imputed rentals on owner-occupied accommodation will dampen inflationary pressures • For 2015, CPI-All Items inflation is projected at -0.5–0.5%. • MAS Core Inflation and CPI-All Items inflation are expected to ease further before rising towards the end of the year and into 2016	MAS will therefore maintain the policy of a modest and gradual appreciation of the S$NEER policy band. **There will be no change to the slope and width of the policy band, and the level at which it is centred.** This policy stance is consistent with the benign inflation outlook and moderate growth prospects for the whole of 2015, and appropriate for ensuring medium-term price stability in the economy.		No Move	
14-Oct-15	• Oil prices are projected to remain low and increase only slightly in 2016. • Some wage cost pressures remain, but their pass-through to consumer prices will continue to be constrained • MAS Core Inflation is forecast to rise gradually over the course of 2016 towards its historical average of close to 2%. • For the year as a whole, MAS Core Inflation is projected to average 0.5–1.5% in 2016, compared to around 0.5% in 2015. • Car prices and imputed rentals on owner-occupied accommodation will dampen overall inflation • CPI-All Items inflation is forecast to come in at around -0.5% in 2015, and -0.5–0.5% in 2016.	MAS will therefore continue with the policy of a modest and gradual appreciation of the S$NEER policy band. However, the **rate of appreciation will be reduced slightly. There will be no change to the width of the policy band and the level at which it is centred**. This measured adjustment follows the move to reduce the rate of appreciation of the policy band in January this year, and is supportive of economic growth into 2016, while ensuring price stability over the medium term.	Reduced		
14-Apr-16	•External sources of inflation will stay benign given ample supply buffers in the commodity markets and weak global demand conditions. •All in, MAS Core Inflation will rise over the course of this year at a milder pace than earlier anticipated. •For the whole of 2016, it should come in within the lower half of the 0.5–1.5% forecast range, barring upside surprises to global oil prices. •Over the medium term, core inflation is likely to average slightly below 2%. •Car prices and housing rentals will continue to dampen overall inflation •The 2016 forecast for CPI-All Items inflation was revised down to −1.0–0% in February This forecast for headline inflation remains unchanged.	MAS will therefore set the **rate of appreciation of the S$NEER policy band at zero percent,** beginning 14 April 2016. This is not a policy to depreciate the domestic currency, and only **removes the modest and gradual appreciation path** of the S$NEER policy band that was in place. **The width of the policy band and the level at which it is centred will be unchanged. This move to a neutral policy stance of zero percent appreciation** follows the measured steps that MAS has taken to reduce the rate of appreciation of the policy band in January and October 2015 respectively. The actual outcome of S$NEER movements over the six months since October 2015 has in fact been a zero percent appreciation compared to the preceding six-month period. The cumulative effects of past S$NEER movements and the new policy path will continue to ensure price stability over the medium term.	reduced (neutral)		
12-Oct-18	• In the quarters ahead, imported inflation is likely to increase on account of higher global oil and food prices • The pass-through of higher import and labour costs to consumer prices could increase as domestic demand strengthens further • Private road transport costs are expected to increase in 2019 due to an anticipated tapering in the supply of COEs • Imputed rentals on owner-occupied homes will continue to fall • CPI forecast range of 1.5–2%, and average 1.5–2.5% in 2019	MAS has therefore decided to **increase slightly the slope of the S$NEER policy band**. The width of the policy band and the level at which it is centred will be unchanged. This measured adjustment follows the slight increase in the slope of the policy band in April 2018 from zero percent previously, and is consistent with a modest and gradual appreciation path of the S$NEER policy band that will ensure medium-term price stability.	Increased		
12-Apr-19	• In 2019, external sources of inflation are likely to be benign, as global oil prices are expected to come in lower for the year as a whole than in 2018 • MAS is revising the 2019 forecast range for MAS Core Inflation to 1–2%, from 1.5–2.5% previously. • Core inflation is likely to come in near the mid-point of the revised forecast range. • On the non-core components of the CPI, private road transport costs should be largely unchanged from 2018. • The 2019 forecast for CPI-All Items inflation was revised down to 0.5–1.5% from 1–2% in February • This forecast for headline inflation remains unchanged.	MAS will therefore **maintain the current rate of appreciation of the S$NEER policy band. There will be no change to its width and the level at which it is centred**. This policy stance is consistent with a modest and gradual appreciation path of the S$NEER policy band that will ensure medium-term price stability.		No Move	
14-Oct-19	• In the quarters ahead, external sources of inflation are likely to be benign, amid weak demand conditions, and generally well-supplied food and oil commodity markets. • On the domestic front, labour market conditions are softening as firms become more cautious about hiring. • As for the non-core components of the CPI, the negative contribution of imputed rentals to headline inflation should gradually dissipate in the coming months • MAS Core Inflation is expected to come in at the lower end of the 1–2% range in 2019, and average 0.5–1.5% in 2020. • Meanwhile, CPI-All Items inflation is projected to be around 0.5% this year and average 0.5–1.5% in 2020.	MAS will therefore **reduce slightly the rate of appreciation of the S$NEER policy band. There will be no change to the width of the policy band and the level at which it is centred.** This measured adjustment to the policy stance is consistent with medium-term price stability, given the current economic outlook. MAS will continue to closely monitor economic developments and is prepared to recalibrate monetary policy should prospects for inflation and growth weaken significantly.	reduced		

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