

Key Themes

Treasury Research & Strategy

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1. **With the US elections out of the way and the transition to President-elect Biden beginning to be underway, market focus has reverted to vaccine optimism and also Biden's Cabinet appointments.** With rising hopes that a Covid-19 vaccine roll-out could materialise before the year-end in the US and the UK, and with more than 150 countries including China in the global Covax initiative pledging to equitably distribute vaccines, this could be the best Christmas present ever and could cement the reflation theme into 2021. Any US fiscal stimulus forthcoming will be the icing on the cake.
2. **On the central bank front, FOMC and ECB are tipped to tweak their bond purchase programs soon, possibly as early as December 2020.** The November meeting minutes showed that "many participants judged that the Committee might want to enhance its guidance for asset purchases fairly soon", with new guidance potentially coming at the 15 December FOMC. There was also Fed consensus that its exit strategy should be to taper its asset purchases before any rate hikes. This came as financial conditions tightened slightly, albeit still very accommodative due to the rally in risk assets and softer USD. The 3-month LIBOR continues to hover around the 0.22% handle and while issuance activity may slow into the year-end, there are little signs of any year-end funding crunch.
3. **China's recovery momentum remained strong in November with both manufacturing PMI and non-manufacturing PMI posting positive growth.** We keep our 2020 GDP forecast unchanged at 2.0% yoy but revised up our 2021 GDP forecast to 9.2% yoy from 8.2% yoy previously. China's rates traders may face a tougher time ahead, as the room for more easing is limited given the strong growth momentum and China's shift towards keeping leverage ratio in check. On credit, volatility in both China's onshore RMB credit market and offshore dollar credit market increased in November for different reasons. Domestically, the default of AAA rated SOEs affected the credibility of China's implicit guarantee. Externally, the outgoing Trump Administration continues to pressure Chinese companies, as more firms are sanctioned on alleged military ties. Nevertheless, we think the impact of Trump's new confrontation policy is likely to be temporary. Currency wise, given China's increasing focus on the independence of monetary policy, control over the currency volatility is likely to loosen gradually. This suggests that China's tolerance for a possible overshoot of the RMB may increase in the near term.
4. **Brent almost attempted \$50/bbl in November** – a remarkable turnaround for an asset that traded briefly below \$20/bbl just six months ago. In the commodity space, the energy complex had the largest selloff this year. The rotation of funds into value sectors has benefited crude oil, with Brent and WTI outperforming nearly all other commodities since the vaccine breakthrough early last month. We expect the outperformance to continue.

Research Monitor (December)

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Asset Class Views

	House View	Trading Views
FX	<p>G-10 FX: Quick succession of positive vaccine developments, and the fizzling out of Trump's challenges, allowed the market to move on from the US elections in a rather positive mood. This is offset by the rising cases in the US, and other more risk-positive developments, such as US fiscal support, being pushed back in the calendar. This backdrop leaves market sentiment leaning risk-on by default, but not bubbling over into a euphoric state. Into December, we expect this dynamic to be retained, with the market balancing expectations of the first vaccine approvals against the rising cases. Questions over the vaccine availability and uptake will be pushed into 2021. Overall, this translates into a rather negative posture for the broad USD, as haven demand continues to be pared. Nevertheless, we do not see any immediate catalyst for the broad USD to capitulate lower, leaving USD weakness more of a slow grind. The setup provides scope for periodic, technical-driven USD bounces, which we do not expect to negate the downside bias. We expect the antipodeans to benefit most from USD weakness. Global risk cues and firmer commodity complex support, together with the re-rating of RBNZ expectations. The EUR should also continue to flex against its resistance levels against the USD in a largely USD-driven move. We note, however, that the macro picture in Europe is still largely anaemic and it may be difficult to justify a significantly firmer EUR. The USD-JPY may instead retain its largely range-bound action, as USD weakness is offset by risk sentiment.</p>	<p>Expect antipodeans to outperform; use periodic USD bounce to reload USD shorts</p>
	<p>USD-Asia and SGD: We continue to back RMB strength. Near term consolidation in the USD-CNH between 6.5500 and 6.5900 should not impinge on the implicit downside bias towards 6.5000 as the next waypoint. The resilient RMB should continue to lend the rest of the Asian currencies strength. In addition, a better growth outlook has also allowed portfolio inflows to return to EM Asia, providing further support for the local currencies. These positives are set against increasingly edgy central banks, who are concerned about its negative impact on exports. Expect the MYR and IDR, where the central banks are less concerned about currency appreciation, to potentially outperform in the near-term. For the SGD, we expect it to be held within a narrow range on a basket basis. This, however, implies that there will be downward pressure on the USD-SGD amid persistent USD weakness.</p>	<p>Sell USD-CNH on bounces; MYR and IDR to outperform in the short term</p>
Commodities	<p>Energy: We expect Brent to mostly trade in backwardation from here on as the cyclical rotation of funds and vaccine optimism drives front-month prices higher.</p>	<p>Our base case is still for OPEC+ to delay the output hike of 1.9mbpd from 1 Jan 2021 by three months to 1 Apr 2021. Given how the market has already largely priced in this postponement, members will likely seek to avoid a sharp price drop by agreeing to a output hike delay.</p> <p>↑</p>
	<p>Gold: We think gold may find a bottom at \$1750/oz, given the strong selling pressure on the precious metal complex from the vaccine optimism. We expect gold to resume its rally in 2021.</p>	<p>With cyclical rotation very much the theme of the markets now, gold has borne most of the selloff. However, until we see a pullback in monetary and fiscal aid from the Fed and the US government, we think gold may continue its rally.</p> <p>↑</p>

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Asset Class Views

	House View	Trading Views	
Rates	<p>Despite increasing market optimism about recent vaccine developments, major central banks continue to telegraph caution about the recent global resurgence of Covid cases and the need to keep policy options open and on the table. Hence initial signs of US Treasury Secretary Mnuchin's demand for the Fed to return \$455b in unused funds for the Cares Act to fund a stimulus bill was not well received by market players. On the flip side, US President-elect Biden's pick of Janet Yellen to be Treasury Secretary is seen as a familiar and stable hand. Other nominations include Neera Tanden to lead the Office of Management and Budget, and Cecilia Rouse to head the Council of Economic Advisors.</p>	<p>The 10-year UST bond yield has run up from the year-to-date low of 0.51% on 4 August to 0.96% on 10 November before backing off to the current level of ~84bps in line with our call a month ago. This was on the back of rising Covid cases and fading funding concerns arising from a Blue wave from the recent US elections. Looking ahead, seasonal effects will likely start to exert, with a last burst of issuance, before trading activity thins out, thankfully, there are no real signs of tightening funding across the year-end.</p>	↔
		<p>The 2021 SGS issuance calendar, comprising of 8 re-openings and 2 new bond issues in addition to two optional mini-auctions, will kick off with a 30-year SGS bond auction in February. With headline and core CPI in disinflation territory in 2020, the real interest rate environment remains favourable for now despite the absolute low nominal yields. However, core CPI will revert back to positive territory from early 2021, so the bias could be for some modest steepening of the yield curve, even if MAS monetary policy remains at status quo for the April 2021 MPS. The 3-month SIBOR and SOR remains anchored ~0.40% and 0.18% respectively.</p>	↔
Credit	<p>US corporate credit issuance slowed in November amid post-election uncertainty with ~USD126bn issued against ~USD134bn in October. Despite the recent resurgence of Covid-19 cases, positive vaccine news resulted in a broad risk-on rally with the Bloomberg Barclays US Corporate High Yield Average OAS tightening 78bps m/m to 410bps and spreads of IG issuances tightening 17bps m/m to 106bps. With expectations that the Fed is likely to stay supportive for longer and investors on the lookout for opportunities, borrowers could continue to take advantage of attractive financing costs before the year end. Asiadollar issuance slowed in November despite President elect Biden's win affording some clarity to financial markets. November's issuance was down 68% m/m to USD12.0bn, anchored by Bank of Communications' USD2.8bn perpetual. Chinese issuers dominated the markets yet again, accounting for around 90% of total issuance in a month which included several Chinese credit defaults such as Tsinghua Unigroup and Brilliance Auto Group Holdings Co. The SGD space saw new issue activity return with SGD2.4bn priced though the primary market was relatively quiet in the first two weeks. Aviva Singlife Holdings Pte Ltd's SGD550mn Tier 2 issue saw solid demand, indicating the market's continued strong appetite for high grade issues. Elsewhere, longer dated bonds were priced by Singapore Post Ltd (SGD250mn 10Y), Singapore Airlines Limited (SGD500mn 10Y) and Housing & Development Board (SGD600mn 15Y). All up, the SGD market is expected to remain constructive though market liquidity could tighten towards the year end.</p>	<p>MCTSP 3.05% 29s: We like MCTSP 3.05% '29s as it is offering a yield of 2.3% which is interesting and better value than some of its comparable peers. We like that MCT holds mostly office properties along with VivoCity which has seen good recovery in both shopper traffic and tenants' sales.</p>	↑
		<p>HSBC 4.7% PERPc22s: We are overweight the HSBC 4.7% PERP with a ~4.08% yield and a spread of ~387bps given its slightly better value against the HSBC 5.0% PERP and higher reset spread. While the range of outcomes and impacts to HSBC for the short to medium term remain wide considering the operating environment and HSBC's ongoing execution of its substantial restructuring plan, recent results indicate that the worst for HSBC is over although conviction on its outlook will likely remain elusive.</p>	↑

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Macroeconomic Views

	House View	Key Themes
US	The US economy remains relatively resilient despite the stalemate on fresh fiscal stimulus. With the election uncertainties behind us, market optimism is centred on the impending vaccine distribution before the year-end, even as Dr Fauci warned of “surge upon surge” post-Thanksgiving holidays.	Fed chair Powell reiterated that the US economic outlook remains “extraordinarily uncertain” amid rising Covid cases, and while vaccine developments are “very promising” for the medium term, “it remains difficult to assess the timing and scope...with any degree of confidence”. While Treasury Secretary Mnuchin has granted a 90-day extension for 4 of the Fed’s emergency programs, the other 5 will expire at year-end, including the corporate debt buying and Main Street lending programs. Meanwhile, the labour market appears to be softening as the next tranche of fiscal stimulus remains up in the air, albeit the incoming Biden administration is likely to place the passing of a fiscal deal through Congress as its first and top priority.
EU	With the souring virus, growth and inflation outlook, as well as fresh lockdowns which will take a toll on growth in 4Q20 and potentially extending out to 1Q21, the ECB is under pressure to deliver more policy accommodation sooner rather than later. Germany’s partial lockdown is also likely to be extended into January.	The IMF has urged ECB to consider all options including boosting its asset purchases as well as a rate cut amid the worsening economic outlook with the virus resurgence and new lockdowns. The ECB is tipped to ease at their 10 December policy meeting, possibly increasing and extending their EUR1.35t asset purchase program and offer more cheap loans. Meanwhile, Euro area finance ministers have agreed to beef up the European Stability Mechanism which can provide EUR500b in emergency loans to member economies, as well as the early introduction of the ESM as a backstop to the Single Resolution Fund in 2022 (two years ahead of plan).
Japan	A weak economy coupled with a virus wave has prompted fresh containment measures and a third extra budget that may not be the last. Tokyo’s core CPI fell a faster 0.7% yoy in November, but may not prompt BOJ into action yet.	Japan’s capital spending fell for a second straight quarter by 10.6% in 3Q20, while unemployment rate rose to 3.1% in October, suggesting that businesses remain uncertain about the economic outlook. While the BOJ is unlikely to add to additional monetary policy stimulus in the near-term, lawmakers are preparing a third extra budget. Support for PM Suga has slid 5% points to a new low of 58%, according to a Nikkei and TV Tokyo survey, amid the uptick in virus cases.
Singapore	The official 2020 GDP growth forecast has been revised from -7% to -5% to -6.5% to -6%, but growth is tipped to rebound to 4-6% in 2021 (which is in line with our house forecast). Budget 2021 will likely still be modestly expansionary, but monetary policy is likely static out to at least April 2021 MPS.	Recent economic indicators point to a 4Q20 GDP growth wobble amid shaky October NODX and industrial production data. Bank loans also fell for the 5 th month by a faster 2.0% yoy (-0.3% mom) pace in October, dragged down by both business (-2.0% yoy) and consumer (-2.1% yoy) loans. With bank loans expanding a tepid 0.6% yoy YTD, full-year 2020 will eke out marginal gains, but should improve into 2021 with the growth rebound. With monetary policy accommodation on wait and see mode, any growth wobble is likely to be compensated by a mildly expansionary fiscal position through Budget 2021. Short-term interest rates should stay anchored, but watch out for 30-year SGS bond issue in February 2021.

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	House View	Key Themes
Indonesia	Bank Indonesia started to cut rate again as we expected, for the first time since July, to another record low of 3.75%. Even if BI might have been reluctant to say it, lest it dampens confidence, growth is still too fragile to be left on its own accord and requires further easing to help. If exchange rate stability remains favourable like now, we might see another rate cut to 3.5%. However, going further below that would be deemed too risky due to yield differential consideration, which still underpins bond inflows into Indonesia.	Indonesia's coronavirus cases remain on the uptick, and the government is likely to scrap the long year-end holiday for fear of stoking the spread further. While such measures might help prevent things from getting worse, the situation will likely remain unsettled until widespread vaccination occurs. To that end, the authorities have been proactive in securing supplies of vaccine. The most promising one remains its supply agreement with AstraZeneca, although the recent news on its need for a repeat trial may put a dampener on any hope of widespread adoption anytime soon. Elsewhere, Indonesia has agreements with China's vaccine suppliers too although its own regulator has refrained from giving authorization thus far due to lack of Phase 3 trial results.
China	The Chinese economy is expected to grow by about 2% yoy in 2020. We revised up our 2021 GDP forecast for China to 9.2% from previously 8.2%. We expect the USDCNY to test 6.30 in 2021.	Volatility in both China's onshore RMB credit market and offshore dollar credit market increased in November for different reasons. Domestically, the default of AAA rated SOEs broke the trust in China's implicit guarantee. Externally, the outgoing Trump Administration continued to press Chinese companies adding more companies to the sanction list with military ties. Nevertheless, we think the impact of Trump's new confrontation policy is likely to be temporary. China's both manufacturing PMI and non-manufacturing PMI rose to 52.1 and 56.4 in November, highest in 2020, signalling solid momentum of Chinese economy. We expect China's growth to accelerate to around 6% yoy in 4Q 2020. This will translate to about 2% annual growth in 2020, making China the only major economy delivering growth this year.
Hong Kong	Covid-19 outbreak has added further downward pressure to the crippled economy. The economic recession showed signs of easing in 3Q but the recovery will still be a bumpy ride given the 4 th wave of Covid-19. We expect the economy to contract by about 6% yoy in 2020. HKD rates' downside may be capped by seasonal factors, IPO effect and HKMA's additional bill issue.	The government tightened the containment measures once again and delayed the Air Travel Bubble with Singapore given the signs of virus resurgence. Unless the fourth wave of Covid-19 is brought under control in a short run, it is unlikely for the countries other than Singapore to establish travel bubble with Hong Kong in the near term. This, together with the virus resurgence in other major economies, may hinder the economic recovery in 4Q. Adding on the expiry of Employment Support Scheme, we expect the overall unemployment rate which remained static at 6.4% to edge up in the coming quarter. Elsewhere, for the 2020 Policy Address, apart from some measures to combat the virus and revive growth, the focus is on integration with the GBA, stabilizing the property market, the advocacy of multilateralism as well as sustainability.

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	House View	Key Themes
Macau	Tourism and gaming sectors regained traction thanks to China's full resumption of visa approvals to Macau. However, recovery may be slow as cross-border travel will not resume normalcy anytime soon and the weak labour market across the globe may keep denting external demand. We tip a recession of about 54% for 2020.	The decline of GDP narrowed from -68% yoy in 2Q to -63.8% yoy in 3Q on the back of Mainland China's phased resumption of visa approvals to the city. According to 2021 Policy Address, despite the widening fiscal deficit, the fiscal reserves remain strong and allow the government to sustain the social welfare including cash handouts. This may continue to bolster the local consumer sentiment. Adding on the gradual recovery of tourism and gaming activities, GDP growth may improve further. Specifically, visitor arrivals increased by 29.6% mom while gaming revenue surged by 228.8% mom in October. In conclusion, we expect the GDP to contract around 54% yoy in 2020 and rebound by more than 60% yoy in 2021.
Malaysia	Malaysia saw a rapid recovery in Q3, as signalled by a sharp sequential uptick of 18.2% on a seasonally adjusted basis. In yoy terms, it came in at -2.7%, better than the -4.0% that we and market had in mind. Even as private consumption remains wounded by the pandemic, it has nonetheless shown signs of recovering. External demand, however, was the hero. Powered by exports demand on electrical and electronic products, manufacturing posted 3.3% yoy growth. Looking forward, Q4 growth is likely to be curtailed by the virus resurgence and may see -1.5% yoy rate. We still do see continued recovery, but the pace of uptick is likely to be hurt.	The relatively encouraging Q3 GDP print has offered space for BNM to observe Q4 more cautiously and the chances of Jan 2021 rate cut would now be reduced. Unlike BI, BNM has also stressed that it is not keen on undertaking large-scale government bond purchases. Meanwhile, Malaysia's parliament approved the government's proposal for Budget 2021 on Nov 26. The passage marked a removal of a political overhang that has affected market sentiment, given that it was seen as a potential de facto confidence vote on PM Muhyiddin Yassin. Still, the exact tally of his support in the parliament remains an unknown, since the budget vote was determined in a voice vote rather than a clear count via bloc voting. The continued rumblings of political discord would likely continue despite the budget win. The government has also had to tweak the budget proposal to accommodate requests from other parties. EPF lump sum withdrawal is now allowed for up to MYR10k for those who have lost their jobs or suffered pay cuts. Loans moratorium for the B40 segment of the population will now be automatic too.
Thailand	The BoT is likely to continue keeping to its current playbook for now, namely keeping the benchmark rate constant and employing other methods to tame the baht strength.	The Thai baht was one of the best performing Asian currencies in November. To that end, the strength of the baht has prompted action from the BoT as they seek to keep their exports competitive, including the recent liberalisation of foreign currency deposits and increasing the investment limit in foreign securities for Thai investors. More measures to slow the baht's appreciation are likely in the pipeline, according to Finance Minister Arkhom Termpitayapaisith.
South Korea	We think the policy benchmark rate has likely bottomed out at 0.50%.	There are signs that South Korea's economic recovery is picking up steam. Q3 GDP grew 2.1% qoq, higher than the prior flash estimate of 1.9% qoq. The BoK also raised its 2020 GDP growth forecast to -1.1% yoy from -1.3% yoy previously. Exports in November may clock a second consecutive month of yoy growth and is estimated at 7.5% yoy, the highest since Aug 2018. With the increasing demand in electronics and China's economic recovery, South Korea may see its own economic recovery accelerate.
Philippines	The BSP may still perform further rate cuts, but that will likely be highly dependent on its Covid cases and economic recovery trajectory.	The BSP surprised with a rate cut in November, reducing the key borrowing rate from 2.25% to 2.00%. With the extension of movement curbs in Manila, the need for further monetary accommodation has increased. The rate cut cycle may take a pause this month but may resume in 2021.

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FX/Rates Forecast

USD Interest Rates	4Q20	1Q21	2Q21	3Q21	4Q21	2022	2023
Fed Funds Target Rate	0-0.25%	0-0.25%	0-0.25%	0-0.25%	0-0.25%	0-0.25%	0-0.25%
1-month LIBOR	0.15%	0.16%	0.16%	0.16%	0.16%	0.18%	0.20%
2-month LIBOR	0.18%	0.19%	0.19%	0.20%	0.20%	0.24%	0.30%
3-month LIBOR	0.23%	0.23%	0.24%	0.24%	0.25%	0.28%	0.35%
6-month LIBOR	0.26%	0.26%	0.27%	0.27%	0.28%	0.32%	0.38%
12-month LIBOR	0.33%	0.34%	0.34%	0.35%	0.35%	0.40%	0.45%
1-year swap rate	0.22%	0.23%	0.23%	0.24%	0.25%	0.30%	0.35%
2-year swap rate	0.23%	0.24%	0.25%	0.26%	0.27%	0.32%	0.37%
3-year swap rate	0.27%	0.28%	0.29%	0.29%	0.30%	0.35%	0.40%
5-year swap rate	0.43%	0.44%	0.44%	0.45%	0.46%	0.50%	0.55%
10-year swap rate	0.85%	0.86%	0.87%	0.88%	0.89%	0.94%	0.99%
15-year swap rate	1.08%	1.09%	1.10%	1.11%	1.12%	1.17%	1.23%
20-year swap rate	1.20%	1.21%	1.22%	1.23%	1.24%	1.27%	1.30%
30-year swap rate	1.27%	1.27%	1.28%	1.29%	1.30%	1.34%	1.38%
SGD Interest Rates	4Q20	1Q21	2Q21	3Q21	4Q21	2022	2023
1-month SIBOR	0.25%	0.26%	0.27%	0.27%	0.28%	0.30%	0.33%
1-month SOR	0.14%	0.14%	0.15%	0.15%	0.15%	0.18%	0.21%
3-month SIBOR	0.41%	0.41%	0.42%	0.43%	0.44%	0.47%	0.50%
3-month SOR	0.19%	0.19%	0.19%	0.20%	0.20%	0.23%	0.27%
6-month SIBOR	0.59%	0.60%	0.61%	0.61%	0.62%	0.65%	0.68%
6-month SOR	0.19%	0.19%	0.20%	0.20%	0.21%	0.25%	0.28%
12-month SIBOR	0.81%	0.82%	0.82%	0.83%	0.83%	0.85%	0.88%
1-year swap rate	0.18%	0.19%	0.20%	0.20%	0.21%	0.28%	0.32%
2-year swap rate	0.23%	0.24%	0.25%	0.26%	0.27%	0.32%	0.35%
3-year swap rate	0.30%	0.31%	0.32%	0.32%	0.33%	0.38%	0.41%
5-year swap rate	0.50%	0.51%	0.52%	0.54%	0.55%	0.59%	0.63%
10-year swap rate	0.86%	0.87%	0.88%	0.89%	0.90%	0.94%	0.98%
15-year swap rate	0.99%	1.00%	1.01%	1.01%	1.02%	1.05%	1.10%
20-year swap rate	1.02%	1.02%	1.03%	1.03%	1.04%	1.10%	1.14%
20-year swap rate	1.02%	1.03%	1.04%	1.05%	1.06%	1.13%	1.17%
MYR forecast	4Q20	1Q21	2Q21	3Q21	4Q21	2022	2023
OPR	1.75%	1.50%	1.50%	1.50%	1.50%	1.50%	1.75%
1-month KLIBOR	1.85%	1.60%	1.61%	1.61%	1.62%	1.65%	1.85%
3-month KLIBOR	1.93%	1.68%	1.69%	1.69%	1.70%	1.75%	1.90%
6-month KLIBOR	2.07%	1.82%	1.83%	1.84%	1.85%	1.90%	2.05%
12-month KLIBOR	2.20%	1.95%	1.97%	1.98%	2.00%	2.05%	2.20%
1-year swap rate	1.95%	1.80%	1.81%	1.82%	1.83%	1.85%	1.98%
2-year swap rate	1.98%	1.82%	1.83%	1.84%	1.85%	1.88%	2.02%
3-year swap rate	2.10%	1.85%	1.86%	1.87%	1.88%	1.93%	2.06%
5-year swap rate	2.28%	2.08%	2.09%	2.09%	2.10%	2.13%	2.26%
10-year swap rate	2.69%	2.48%	2.49%	2.49%	2.50%	2.55%	2.65%
15-year swap rate	2.93%	2.75%	2.76%	2.77%	2.78%	2.83%	2.88%
20-year swap rate	3.08%	2.85%	2.86%	2.87%	2.88%	2.92%	3.00%

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UST bond yields	4Q20	1Q21	2Q21	3Q21	4Q21	2022	2023
2-year UST bond yield	0.14%	0.16%	0.17%	0.18%	0.19%	0.23%	0.27%
5-year UST bond yield	0.33%	0.35%	0.37%	0.38%	0.40%	0.42%	0.46%
10-year UST bond yield	0.77%	0.80%	0.83%	0.85%	0.88%	0.93%	0.96%
30-year UST bond yield	1.54%	1.56%	1.58%	1.61%	1.63%	1.68%	1.74%
SGS bond yields	4Q20	1Q21	2Q21	3Q21	4Q21	2022	2023
2-year SGS yield	0.28%	0.28%	0.29%	0.29%	0.30%	0.33%	0.36%
5-year SGS yield	0.49%	0.50%	0.51%	0.52%	0.53%	0.56%	0.60%
10-year SGS yield	0.88%	0.89%	0.90%	0.91%	0.92%	0.97%	1.04%
15-year SGS yield	1.13%	1.13%	1.14%	1.14%	1.15%	1.20%	1.29%
20-year SGS yield	1.18%	1.18%	1.19%	1.19%	1.20%	1.25%	1.32%
30-year SGS yield	1.14%	1.17%	1.20%	1.23%	1.26%	1.28%	1.36%
MGS forecast	4Q20	1Q21	2Q21	3Q21	4Q21	2022	2023
3-year MSG yield	1.91%	1.72%	1.73%	1.74%	1.75%	1.79%	1.90%
5-year MGS yield	2.20%	1.99%	1.98%	1.96%	1.95%	2.00%	2.15%
10-year MGS yield	2.75%	2.50%	2.52%	2.53%	2.55%	2.59%	2.75%

FX	Spot	Dec-20	Mar-21	Jun-21	Sept-21	Dec-21
USD-JPY	104.27	103.89	103.73	103.48	103.02	102.56
EUR-USD	1.1976	1.2022	1.2089	1.2191	1.2244	1.2298
GBP-USD	1.3356	1.3273	1.3333	1.3557	1.3648	1.3738
AUD-USD	0.7352	0.7403	0.7542	0.7590	0.7595	0.7600
NZD-USD	0.7033	0.7078	0.7117	0.7138	0.7140	0.7142
USD-CAD	1.2971	1.2910	1.2859	1.2832	1.2830	1.2827
USD-CHF	0.9064	0.9029	0.9028	0.9049	0.9003	0.8957
USD-SGD	1.3408	1.3368	1.3291	1.3197	1.3196	1.3194
USD-CNY	6.5717	6.5381	6.4879	6.4441	6.4548	6.4655
USD-THB	30.26	30.14	30.12	30.14	29.76	29.3879
USD-IDR	14,130	13,939	13,789	13,841	13,716	13,592
USD-MYR	4.0792	4.0519	4.0237	4.0088	4.0077	4.0065
USD-KRW	1106.15	1100.70	1092.96	1084.98	1089.90	1094.82
USD-TWD	28.676	28.581	28.441	28.333	28.254	28.176
USD-HKD	7.7526	7.7550	7.7533	7.7500	7.7500	7.7500
USD-PHP	48.05	47.96	47.84	47.93	47.56	47.19
USD-INR	73.62	73.23	72.72	72.30	72.06	71.82
EUR-JPY	124.87	124.90	125.40	126.16	126.15	126.13
EUR-GBP	0.8967	0.9057	0.9067	0.8992	0.8972	0.8951
EUR-CHF	1.0855	1.0854	1.0914	1.1031	1.1023	1.1015
EUR-SGD	1.6057	1.6070	1.6068	1.6089	1.6157	1.6225
GBP-SGD	1.7908	1.7743	1.7722	1.7892	1.8009	1.8126
AUD-SGD	0.9858	0.9896	1.0024	1.0016	1.0022	1.0027
NZD-SGD	0.9430	0.9461	0.9459	0.9421	0.9422	0.9423
CHF-SGD	1.4793	1.4805	1.4722	1.4585	1.4657	1.4731
JPY-SGD	1.2860	1.2867	1.2813	1.2753	1.2808	1.2864
SGD-MYR	3.0436	3.0311	3.0273	3.0376	3.0371	3.0366
SGD-CNY	4.9010	4.8910	4.8813	4.8829	4.8916	4.9003

Research Monitor (December)

2 December 2020

Macroeconomic Calendar

Date Time	C	Event	Period	Surv(M)	Actual	Prior
12/01 07:30	JN	Jobless Rate	Oct	3.10%	--	3.00%
12/01 16:30	HK	Retail Sales Value YoY	Oct	-10.00%	--	-12.90%
12/01 21:30	US	ISM Manufacturing	Nov	57.6	--	59.3
12/03 16:30	US	Initial Jobless Claims	Nov-28	--	--	778k
12/04 21:30	US	Change in Nonfarm Payrolls	Nov	500k	--	638k
12/08 07:50	JN	GDP SA QoQ	3Q F	--	--	5.00%
12/08 18:00	GE	ZEW Survey Expectations	Dec	--	--	39
12/09 09:30	CH	CPI YoY	Nov	--	--	0.50%
12/10 21:30	US	CPI MoM	Nov	--	--	0.00%
12/14 12:30	JN	Industrial Production MoM	Oct F	--	--	--
12/15 15:00	UK	CPI YoY	Nov	--	--	0.70%
12/16 16:15	FR	Markit France Manufacturing PMI	Dec P	--	--	--
12/17 05:45	NZ	GDP SA QoQ	3Q	--	--	-12.20%
12/17 08:30	AU	Unemployment Rate	Nov	--	--	7.00%
12/18 17:00	GE	IFO Business Climate	Dec	--	--	90.7
12/22 17:30	UK	GDP YoY	3Q F	--	--	-9.60%
12/22 21:30	US	GDP Annualized QoQ	3Q T	--	--	33.10%
12/23 13:00	SI	CPI YoY	Nov	--	--	-0.20%
12/23 23:00	US	U. of Mich. Sentiment	Dec F	--	--	--
12/25 07:30	JN	Jobless Rate	Nov	--	--	--
12/28 07:50	JN	Industrial Production MoM	Nov P	--	--	--
12/31 21:30	US	Initial Jobless Claims	Dec-26	--	--	--

Central Bank Interest Rate Decisions

Date Time	C	Event	Period	Surv(M)	Actual	Prior
12/01 11:30	AU	RBA Cash Rate Target	Dec-01	0.10%	--	0.10%
12/04 14:15	IN	RBI Repurchase Rate	Dec-04	4.00%	--	4.00%
12/14 14:15	IN	RBI Reverse Repo Rate	Dec-04	3.35%	--	--
12/09 23:00	CA	Bank of Canada Rate Decision	Dec-09	0.25%	--	0.25%
12/10 20:45	EC	ECB Main Refinancing Rate	Dec-10	--	--	0.00%
12/10 20:45	EC	ECB Deposit Facility Rate	Dec-10	--	--	-0.50%
12/10 20:45	EC	ECB Marginal Lending Facility	Dec-10	--	--	0.25%
12/10 20:45	HK	Composite Interest Rate	Nov	--	--	0.29%
12/17 03:00	US	FOMC Rate Decision (Upper Bound)	Dec-16	0.25%	--	0.25%
12/17 15:20	ID	Bank Indonesia 7D Reverse Repo	Dec-17	--	--	3.75%
12/17 16:00	PH	BSP Overnight Borrowing Rate	Dec-17	--	--	2.00%
12/17 20:00	UK	Bank of England Bank Rate	Dec-17	--	--	0.10%
12/18	JN	BOJ Policy Balance Rate	Dec-18	--	--	-0.10%
12/23 15:00	TH	BoT Benchmark Interest Rate	Dec-23	--	--	0.50%

Source: Bloomberg

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