OCBC Bank

Research Monitor (September)

1 September 2020

Treasury Research & Strategy
+65 6530 8384

Key Themes

1. **Let's run it hot! The US Federal Reserve's landmark policy shift to achieve average 2% inflation targeting as well as to use its full range of tools to achieve its maximum employment and price stability goals was articulated by Fed chair Powell at the recent Jackson Hole symposium ahead of the September FOMC.** The Fed recognised that due to the proximity of interest rates to the effective lower bound and the increased downward risks to employment and inflation, essentially following periods when inflation has been running persistently below 2%, appropriate monetary policy will likely aim to achieve inflation moderately above 2% for some time. This has provided the green light for the current risk rally and likely handicaps the USD further as the Fed commits to its zero-interest rate policy for the foreseeable future.

2. **A K-shape recovery trajectory?** Forget about a V, L or U-shape recovery as there is a new alphabet in town with "K". A K-shaped recovery from the Covid-19 pandemic means the divide between the haves and have-nots will widen, with the digitally savvy white-collar workers making a seamless transition to working from home, while essential and gig workers may be displaced and disproportionately affected. Similarly, different businesses may also see an uneven recovery depending on firm size, their cash hoards/access and industry dispersion. The implication is that monetary policy accommodation and especially fiscal policy assistance is likely to extend longer than expected. In turn, this could add to the reflation story, and attendant steeper yield curves, into 2021.

3. **It takes two to tango: US-China tensions have continued to notch higher** amid the South China Sea tensions, the placing of firms on entity lists and the economic sanctions etc even though bilateral phone calls have reaffirmed that the Phase 1 trade deal remains intact for now. As we have flagged before, noise levels are likely to ratchet higher into the 3 November elections, but this may not fully derail the current risk rally. One of the new parameters adding to the current US-China tension is Trump administration's increasing reliance on economic sanction to confront China. However, we think China's reaction function to the economic sanction could be different and China is unlikely to go down the path of tit-for-tat as we saw in 2018 during the trade war. As long as China plays a patient card to avoid a tit-for-tat trap, the impact of the escalating tension on global financial market may be limited.

4. **Gold broke above $2000/oz in early August** but its rally has lost steam late in the month as back-end Treasury yields began rising while the dollar began stabilising. We remain bullish on gold, even with the recent increase in Treasury yields. The Fed's larger inflation tolerance and the continued issuance of Treasury bills should, theoretically, bolster the appeal of gold as a safe haven and inflation hedge. We expect gold to continue trading between $1900/oz to $2000/oz in the near term.

Asset Class Views

	House View	Trading Views	
FX	**G10 FX:** The broad USD is once again poised to break lower. Familiar USD-negative drivers remain in place, if not even more pronounced. In the near-term, the risk-on / firmer equities market dynamic shows no signs of exhaustion, and the firm correlation between the equity and FX markets leaves the broad USD firmly pinned to the downside. Further out, there is still limited relief from the roll-off of fiscal stimulus in the US after both sides of the political divide failed to come to a deal. This keeps the market negative on the US macro recovery. More importantly, the Fed has lurched to the dovish end of the central bank spectrum after Jackson Hole, effectively committing to an ultra-accommodative monetary policy stance for the foreseeable future. While the other central banks can be expected to follow suit eventually, relative central bank dynamics, as it stands now, is also not favourable for the USD. Thus, the environment remains starkly negative for the USD. One potential positive is back-end rate differentials. If the Fed can engender sufficient market confidence on its new policy framework's ability to lift inflation down the road, back-end UST yields may react higher. However, for this driver to gain traction, 10y UST yields will need to move materially higher towards the 1.00% area, a prospect that is currently not forthcoming. Overall, with the USD still heavy and risk sentiment supported by central bank accommodation, expect the cyclicals (esp. AUD, NZD) to potentially lead the next leg of USD weakness.	Sell USD on rallies. Commodity currencies may be leading the next leg of USD weakness	
	Asian FX and SGD: Sentiment remains broadly positive after Sino-US trade relations were re-affirmed, and the market continues to shrug off tensions in other areas. Furthermore, the fact that the RMB is reactive to USD weakness leaves the rest of USD-Asia implicitly heavy as well. However, do watch for idiosyncratic domestic weaknesses, especially for the likes of the KRW, IDR and THB. In Singapore, the MAS continues to view monetary policy as "appropriate" despite the recent string of subdued data. This leaves us to believe that the underlying SGD NEER policy will not change just yet. The SGD NEER should remain broadly anchored around the parity level, and the USD-SGD movement reactive to global cues. Expect the USD-SGD to track the USD and USD-CNH lower in the coming weeks	Stay negative on the USD-CNH and USD-SGD. IDR and KRW may underperform on idiosyncratic concerns.	
Commodities	**Energy**: Crude oil prices have continued to trade in a very tight range, only briefing breaking above its consolidation pattern on supply disruption fears over Hurricane Laura. We remain bullish crude oil but prefer to express this view via an increase in prices at the back end of the price curve.	Crude oil stockpiles in the US, although still high, have started to decrease gradually and have recorded five straight weeks of falling stock levels. Gasoline implied demand in the US is now less than 3% away from pre-coronavirus levels.	↑
	Gold: Gold broke above $2000/oz at the start of the year but has consolidated around the $1950/oz since then. Given the close correlation between gold and the dollar recently, the rebound in dollar strength may cap any further price gains for gold in the short term. Long term we expect gold prices to continue rising.	A stabilizing dollar and rising Treasury yields have sent gold lower. The precious metal has been hovering around $1950/oz, but we expect the continued high T-bill issuances and the Fed's increasing tolerance for higher inflation to boost the demand for gold beyond the short term.	↑

Research Monitor (September)

1 September 2020

<table>
<tr><th></th><th>House View</th><th>Trading Views</th><th></th></tr>
<tr><td rowspan="2">Rates</td><td rowspan="2">Fed has given the green light for the risk rally to sustain into September with the articulation of its policy framework shift to average inflation targeting and asymmetric bias towards employment shortfalls. What is also repeated in other Fed official rhetoric including from Clarida is that the Yield Curve Control option remains on the table, but negative rates is a no-no for now. With the front-end rates well-anchored as the Fed migrates to the more dovish end of the central bank spectrum, the case for a sustained chase for yield into September still holds, but watch the longer-dated yields for potential further curve steepening.</td><td>Market appetite remains on par for digesting recent record funding issuance, but the potential for Fed to run inflation hotter in the short-term argues for a curve steepening bias. However, this curve play appears to be relatively capped into the month-end, but do watch the 10-year yield if it would make another run higher if the refinements to their 17 Sep FOMC messaging, especially the Summary of Economic Projections, point to zero Fed Funds rate through 2023 and higher inflation forecasts.</td><td>↔</td></tr>
<tr><td>Longer-dated SGS bonds sold off by up to 31bps over the course of August, contributing to the 2-10 yield curve steepening by 14bps. The worst performer was the 20-year as the $1b 30-year re-opening fetched a 1.15% cut-off yield and a bid-cover ratio of 2.08x. Front-end interest rates remain well-anchored with the 3-month T-bill yielding around 30bps and the 3-month SIBOR and SOR also rangebound at 0.41% and 0.19% respectively. There is a 20-year re-opening on 1 October and a new 5-year on 1 November.</td><td>↔</td></tr>
<tr><td rowspan="2">Credit</td><td rowspan="2">On the back of a strong issuance momentum in August, US corporate IG issuance broke records with USD1.5trn issued in YTD2020, surpassing the previous record set in 2017 (USD1.4trn). Conversely, HY issuances has hit a late-August lull, though the slower pace of issuance has allowed spreads to continue grinding tighter (Bloomberg Barclays US Corporate High Yield Average OAS Index: 11bps tighter m/m). In comparison, spreads of IG issuances is largely flat m/m due to supply pressure. We can expect more deals to be priced with companies still looking to borrow at low rates and boost liquidity. Looking ahead, we think credit spread trends may no longer remain one-way. While inflation had largely been slain in the previous decade which facilitated the outperformance of bonds, the Fed is looking to revive this nemesis of bonds by allowing inflation to run above the 2% target for some time, contributing to the 23bps m/m increase in 10Y UST to 0.76%.

In contrast to the US corporate space, Asiadollar issuance declined m/m to ~USD20bn in August due to concerns around US-China trade war and a possible tech war. SGD market fared worse with only ~SGD830mn issued, contributed largely by the issuance of SGD500mn OLAMSP 4% ‘26s, SGD125mn AAREIT 5.65% PERP and SGD100mn AREIT 2.65% ‘30s. Amidst the lack of new supply in the SGD market and pent-up demand for high quality names, the deal by Ascendas REIT (“AREIT”) was oversubscribed by 7x and the bond has traded up by more than 2 points. On the other hand, OLAMSP 4% ‘26s is trading slightly below par, which we think demonstrates limited room by the market to digest a large issue from higher yielding name.</td><td>MCTSP 3.055% ‘29s: We think the MCTSP 3.055% ‘29s look interesting trading at 2.72% yield versus recent high grade issues with a similar tenor. While tenant sales and footfall has declined at VivoCity during the circuit breaker period, committed occupancy for the mall remained high at 98.4%. Mapletree Commercial Trust (“MCT”)’s operating performance is also buffered by its commercial office properties and SGD1bn of cash and undrawn committed facilities on hand.</td><td>↑</td></tr>
<tr><td>CS 5.625% PERP: CS announced solid 2Q2020 numbers although reminders of COVID-19 are in materially higher credit loss provisions. Results appear to have given management the freedom to try and chart their own course forward with a restructuring of existing businesses. While yields have already compressed since April, spreads at current levels still look interesting.</td><td>↑</td></tr>
</table>

Macroeconomic Views

	House View	Key Themes
US	The Jackson Hole symposium has highlighted the Fed's preference to keep interest rates lower for longer and its higher tolerance for inflation. The September FOMC will be keenly watched for more details on the committee's average inflation targeting methodology. Our view is a Biden election win with a divided Congress may not elicit a steepening bias per se.	The "lower for longer" rates outlook was made abundantly clear by Fed Chair Powell in the Jackson Hole symposium. His announcement of higher inflation tolerance had the effect of steepening the Treasury yield curve. Markets are keenly awaiting the September FOMC for further details, including how the average inflation might be calculated by the Fed and how high an inflation rate is tolerable to the Fed. We see implicit green light for the rally in risk assets to continue, but whether the reflation trade and a yield curve steepening has more room to run in the short-term depends on the adjustments to the Strategic Economic Projections. Further out, the 3 November elections remain a key event risk.
EU	The worst is likely over for the Eurozone, after it posted a 15.0% yoy contraction in Q2 2020. The ECB has shown little inclination to further ease monetary policy at this stage, but would likely keep its benchmark rates negative, continue its QE programme and continue to sound dovish in the near term. ECB next meets on 10 Sep.	Confidence in the Eurozone is returning, as seen in the various polls. The Sentix investor confidence along with the economic, industrial and services confidence surveys all came in better than expected in August. The recent resurgence in Covid-19 cases in Germany, France and Spain may cap the lid on the Eurozone's recovery, but we expect the 15.0% yoy GDP growth contraction in Q2 2020 to be the trough for the shared currency bloc. ECB's Schnabel suggested incoming data doesn't point to a need for further stimulus. However, inflation turned negative for the first time since 2016 at -0.2% yoy, which may still keep the ECB on their toes.
Japan	Despite Shinzo Abe's abrupt resignation, we do not expect a sharp divergence in the country's adoption of *Abenomics,* with the inflation target of 2% still likely to be one the key focus of the BOJ. Yoshide Suga appears likely to succeed Abe. Negative interest rates are likely to continue.	Japanese prime minister Shinzo Abe has resigned due to health reasons. The Liberal Democratic Party (LDP) is set to hold elections soon to elect a new president of the party, who would then hold the post until the end of Abe's LDP in September 2021. Known for his brand of economics (dubbed "Abenomics"), which aims to stimulate Japan's long history of stagnant growth via monetary policy, fiscal stimulus and structural reforms, we expect continuity in these policies even after the newly elected PM comes into power. The BOJ's negative interest rate policy will likely remain too.
Singapore	The 2020 official GDP growth forecast has been narrowed to -7% to -5%, while our house forecast remains around -5.5%. With monetary policy stance remaining appropriate into the October review, the focus has turned to labour market conditions and particularly the recent tightening measures for EP and S Pass minimum salary criteria.	Economic indicators continue to suggest a muted recovery in 3Q, with July industrial production contracting more than expected by 8.4% yoy (1.6% mom sa) due to soft biomedical and electronics output, as well as July NODX which eased to 6.0% yoy (1.2% mom sa) after a revised June bounce of 13.9% yoy (-1.4% mom sa). Bank loans growth also contracted for the second straight month by 0.3% yoy (June: -1.0%), dragged down by consumer loans (-3.1%), especially housing loans (-1.4%), even though business loans accelerated to 1.5%. Bank loans are tipped to shrink 1% yoy in 3Q and 2020 could print at just 0.2% despite the 1.4% growth in Jan-Jul.

	House View	Key Themes
Indonesia	Indonesia reported its Q2 GDP. At a contraction of 5.32% yoy, it came worse than expected and marked the worst outturn since the Asian Financial Crisis. Multiple wounds can be seen, with impact in consumption and even deeper hits in investment and export activities. Overall, we remain hopeful of at least some nascent recovery in H2 that would allow for growth of 0.5% and 2% yoy in Q3 and Q4. The 2020 full-year growth will be at flat 0% in that baseline scenario.	Against the backdrop of economic challenges, the government remains keen on extending its economic stimulus. For 2021, while the budget deficit is softening only slightly from the projected 6.34% deficit/GDP this year to 5.5%; which remains relatively high. Still, the overall fiscal posturing would need to be one of consolidation – so that the government can concretely signal its intention to return to the deficit cap of 3% by 2023. The challenge remains how to speed up the still-slow fiscal disbursement. On debt monetization, market was a bit concerned by President Jokowi's comment that there would continue to be burden-sharing with BI in 2021. Although Finance Minister Sri Mulyani clarified that the debt monetization move was a one-off, and that BI would merely be supporting via primary auction mechanism, it may rekindle concerns that BI may have to step in more forcefully once again.
China	The Chinese economy rebounded strongly by 3.2% yoy in the second quarter of 2020. We expect China to grow by 2.2% in 2020.	The US-China tension continued to escalate in August with focus shifted to Taiwan Straits and South China Sea. We think China's reaction function to the economic sanction could be different and China is unlikely to go down the path of tit-for-tat as we saw in 2018 during the trade war. Domestically, PBoC clarified the definition of flexible monetary policy. China will continue to treasure the room for conventional monetary policy, which hints that market funding cost is likely to be around the official rate. RMB strengthened against both dollar and its major trading partners in August on the back of tighter liquidity and removal of tail risk from phase one trade deal. We expect RMB to extend its gain.
Hong Kong	Covid-19 outbreak has added further downward pressure to the crippled economy. 2Q GDP contracted by 9% yoy despite global recovery, pent-up local demand and relief measures. We expect the economy to contract 6%-7% yoy in 2020 depending on Covid-19 development. HKD may remain strong while HKD rates may stay at low levels on increased interbank liquidity amid busy IPO pipeline, equity inflows and additional fiscal stimulus.	With daily new cases declining and mass testing starting from 1st Sep, the containment measures may be relaxed gradually from late Aug. This coupled with low base effect, global benign recovery and the upcoming additional relief fund may allow GDP's decline to narrow in 2H. The government cut GDP growth forecast to a contraction of 6% to 8% while we tip a recession of 6%-7%. Though the US ended three bilateral agreements with HK, the impact on the economy may be limited. Rather, against murky economic outlook, commercial property market may remain sluggish despite HKMA raised LTV ratio on mortgage loans for non-residential properties. Finally, following Nongfu Spring's IPO, more is expected to come in Sep and Oct and may support HKD to re-test 7.75. Despite that, HKD rates may remain relatively low amid flushed liquidity.
Macau	The worst may be over for the pillar sectors including tourism and gaming on China's phased resumption of visa approvals to Macau. However, full recovery remains fall off amid subdued external demand and the existing travel restrictions with the rest of the world. We tip a recession of around 40% for 2020.	2Q economic contraction deepened to a record 67.8% yoy as travel restrictions brought the two pillar industries gaming and tourism to an almost standstill. Moving into 2H, the economy may regain steam as local pandemic remains well contained. More importantly, China's phased resumption of visa approvals to Macau may help to revive gaming and tourism especially given the upcoming National Day Holiday and Mainlanders' pent up travelling demand. However, we doubt that the two pillar industries could rebound strongly before an effective vaccine is widely available. We tip a recession of about 40% yoy for 2020 as a whole.

Research Monitor (September)

1 September 2020

	House View	Key Themes
Malaysia	Q2 GDP data show pain all around for the economy. At -17.1% yoy, Malaysia's economic slump is the sharpest ever and came much worse than we and the market had expected. As nasty as the numbers were, silver linings could be gleaned. Most activities have rebounded sharply by June, signaling that the worst may be over. We see a potential for growth to start breaking even at 0% in Q4, with full-year growth at -5.1% yoy, broadly in line with central bank expectation of -5.5 to -3.5%.	While BNM sounded relatively sanguine about H2 economic outlook globally and domestically, pointing out that most economic activities have rebounded by June, we believe that the central bank might undertake another 'insurance cut' in September. For one, the economic damage in Q2 was deeper than expected, and the outlook ahead remains riddled with uncertainties arising from virus resurgence and geopolitical tensions globally and political manoeuvrings on shore. Given the resolute dovishness and still-uncertain outlook in H2 due to virus resurgence fears, the bar for another cut later this year has gotten lower than before. 1.75% may not be historic low for long since September may invite another cut. The timing is propitious as well, coming just before the end of the blanket loans moratorium.
Thailand	The BoT is likely to keep its key rate on hold for now, choosing to preserve its monetary buffer in the event the economic slowdown is worse than expected.	As widely expected, the Bank of Thailand kept its benchmark rate constant at 0.50% in its August meeting. GDP growth in Q2 came in better than expected at -12.2% yoy, but still the deepest downturn on record. The increasing political noise adds another set of headwinds to the country's economic recovery. We expect the GDP growth contractions to continue through this year, and the first yoy growth to only arrive in Q1 2021.
South Korea	Despite the recent deterioration in coronavirus cases, South Korea is still expected to have one of the smallest GDP growth contractions this year and may not need further monetary easing for now.	As widely expected, the Bank of Korea left the benchmark rate constant at 0.50% in the August meeting. Despite downgrading its GDP growth forecast for 2020 from -0.2% yoy to -1.3% yoy, South Korea has one of the lowest GDP growth contractions and relatively speaking, may see a less pressing need to cut its benchmark rate in the near term. If the virus situation worsens in South Korea, however, the BoK may begin to feel the inclination to begin loosening monetary policy once more.
Philippines	The Philippines endured a shocking 16.5% yoy GDP growth contraction in Q2, with only Malaysia posting a worse growth rate. We expect the BSP to continue its monetary loosening stance.	At -16.5% yoy, GDP growth performance in Q2 performed materially below expectations of -9.4% yoy, with private consumption bearing most of the downturn. At 2.25%, the benchmark rate in the Philippines has relatively more ample monetary buffer than its Asian counterparts. We expect the BSP to reduce the benchmark rate at least one more time this year to 2.00%.

Research Monitor (September)

1 September 2020

FX/Rates Forecast

USD Interest Rates	3Q20	4Q2020	2021	2022
Fed Funds Target Rate	0-0.25%	0-0.25%	0-0.25%	0-0.25%
1-month LIBOR	0.15%	0.13%	0.20%	0.25%
2-month LIBOR	0.20%	0.18%	0.25%	0.30%
3-month LIBOR	0.25%	0.23%	0.30%	0.35%
6-month LIBOR	0.31%	0.30%	0.35%	0.40%
12-month LIBOR	0.45%	0.45%	0.50%	0.55%
2-year swap rate	0.24%	0.24%	0.30%	0.40%
3-year swap rate	0.23%	0.25%	0.32%	0.43%
5-year swap rate	0.24%	0.26%	0.34%	0.44%
10-year swap rate	0.34%	0.35%	0.40%	0.45%
15-year swap rate	0.72%	0.74%	0.82%	0.90%
20-year swap rate	0.94%	0.95%	1.03%	1.08%
30-year swap rate	1.04%	1.06%	1.15%	1.23%
SGD Interest Rates	**3Q20**	**4Q2020**	**2021**	**2022**
1-month SIBOR	0.25%	0.24%	0.29%	0.35%
1-month SOR	0.13%	0.12%	0.15%	0.20%
3-month SIBOR	0.41%	0.40%	0.45%	0.55%
3-month SOR	0.19%	0.17%	0.22%	0.30%
6-month SIBOR	0.61%	0.60%	0.65%	0.71%
6-month SOR	0.24%	0.22%	0.28%	0.35%
12-month SIBOR	0.81%	0.80%	0.86%	0.95%
1-year swap rate	0.26%	0.25%	0.37%	0.44%
2-year swap rate	0.31%	0.30%	0.40%	0.50%
3-year swap rate	0.38%	0.35%	0.44%	0.53%
5-year swap rate	0.58%	0.55%	0.65%	0.76%
10-year swap rate	0.94%	0.95%	1.06%	1.14%
15-year swap rate	1.08%	1.09%	1.15%	1.23%
20-year swap rate	1.08%	1.10%	1.20%	1.26%
30-year swap rate	1.11%	1.12%	1.25%	1.31%
MYR forecast	**3Q20**	**4Q2020**	**2021**	**2022**
OPR	1.50%	1.50%	1.75%	2.00%
1-month KLIBOR	1.65%	1.65%	1.80%	2.10%
3-month KLIBOR	1.75%	1.75%	1.85%	2.15%
6-month KLIBOR	1.90%	1.90%	2.00%	2.30%
12-month KLIBOR	2.00%	2.00%	2.10%	2.35%
1-year swap rate	1.70%	1.70%	1.85%	2.40%
2-year swap rate	1.73%	1.73%	1.95%	2.45%
3-year swap rate	1.75%	1.75%	2.00%	2.50%
5-year swap rate	2.00%	2.00%	2.10%	2.55%
10-year swap rate	2.50%	2.50%	2.60%	2.70%
15-year swap rate	2.80%	2.80%	2.90%	3.02%
20-year swap rate	3.00%	3.00%	3.10%	3.20%

Research Monitor (September)

1 September 2020

UST bond yields	3Q20	4Q2020	2021	2022
2-year UST bond yield	0.13%	0.13%	0.19%	0.25%
5-year UST bond yield	0.27%	0.30%	0.35%	0.45%
10-year UST bond yield	0.71%	0.75%	0.85%	0.96%
30-year UST bond yield	1.49%	1.54%	1.65%	1.72%
SGS bond yields	**3Q20**	**4Q2020**	**2021**	**2022**
2-year SGS yield	0.24%	0.25%	0.30%	**0.35%**
5-year SGS yield	0.54%	0.55%	0.60%	0.68%
10-year SGS yield	0.99%	1.04%	1.11%	1.20%
15-year SGS yield	1.31%	1.35%	1.40%	1.46%
20-year SGS yield	1.40%	1.41%	1.44%	1.51%
30-year SGS yield	1.26%	1.30%	1.45%	1.56%
MGS forecast	**3Q20**	**4Q2020**	**2021**	**2022**
3-year MSG yield	1.65%	1.65%	1.90%	2.40%
5-year MGS yield	1.95%	1.95%	2.05%	2.45%
10-year MGS yield	2.45%	2.45%	2.55%	2.65%

FX	Spot	Sep-20	Dec-20	Mar-21	Jun-21
USD-JPY	105.67	106.48	104.74	104.67	103.78
EUR-USD	1.1981	1.2070	1.2025	1.1884	1.2034
GBP-USD	1.3410	1.3569	1.3436	1.3293	1.3467
AUD-USD	0.7401	0.7494	0.7476	0.7349	0.7502
NZD-USD	0.6761	0.6839	0.6779	0.6712	0.6860
USD-CAD	1.3004	1.2891	1.2917	1.3067	1.2888
USD-CHF	0.9009	0.8939	0.8959	0.9038	0.8934
USD-SGD	1.3566	1.3486	1.3500	1.3617	1.3479
USD-CNY	6.8161	6.7983	6.8102	6.8329	6.7554
USD-THB	30.97	31.27	31.41	31.33	30.66
USD-IDR	14,578	14,777	14,476	14,883	14,454
USD-MYR	4.1440	4.1303	4.1385	4.1596	4.1137
USD-KRW	1183.15	1178.49	1176.03	1187.73	1168.93
USD-TWD	29.341	29.292	29.259	29.395	29.111
USD-HKD	7.75	7.7500	7.7567	7.7667	7.7567
USD-PHP	48.50	48.39	48.33	48.59	48.13
USD-INR	72.79	72.36	72.45	73.05	71.95
EUR-JPY	126.60	128.53	125.95	124.39	124.89
EUR-GBP	0.8935	0.8896	0.8949	0.8940	0.8936
EUR-CHF	1.0793	1.0790	1.0773	1.0741	1.0752
EUR-SGD	1.6253	1.6278	1.6233	1.6182	1.6221
GBP-SGD	1.8191	1.8299	1.8139	1.8101	1.8152
AUD-SGD	1.0039	1.0106	1.0092	1.0007	1.0112
NZD-SGD	0.9172	0.9223	0.9152	0.9140	0.9247
CHF-SGD	1.5057	1.5086	1.5068	1.5065	1.5086
JPY-SGD	1.2838	1.2665	1.2889	1.3008	1.2988
SGD-MYR	3.0549	3.0627	3.0655	3.0548	3.0519
SGD-CNY	5.0249	5.0411	5.0445	5.0181	5.0118

Macroeconomic Calendar

Date Time	C	Event	Period	Surv(M)	Actual	Prior
09/01 07:30	JN	Jobless Rate	Jul	3.00%	2.90%	2.80%
09/01 12:30	AU	RBA Cash Rate Target	Sep-01	0.25%	--	0.25%
09/01 15:50	FR	Markit France Manufacturing PMI	Aug F	49	--	49
09/03 20:30	US	Initial Jobless Claims	Aug-29	950k	--	1006k
09/04 20:30	US	Change in Nonfarm Payrolls	Aug	1370k	--	1763k
09/08 07:50	JN	GDP SA QoQ	2Q F	--	--	-7.80%
09/09 22:00	CA	Bank of Canada Rate Decision	Sep-09	0.25%	--	0.25%
09/10 19:45	EC	ECB Main Refinancing Rate	Sep-10	--	--	0.00%
09/10 20:30	US	Initial Jobless Claims	Sep-05	--	--	--
09/14 12:30	JN	Industrial Production MoM	Jul F	--	--	8.00%
09/17 02:00	US	FOMC Rate Decision (Upper Bound)	Sep-16	0.25%	--	0.25%
09/17 09:30	AU	Unemployment Rate	Aug	--	--	7.50%
09/17 19:00	UK	Bank of England Bank Rate	Sep-17	--	--	0.10%
09/17 20:30	US	Initial Jobless Claims	Sep-12	--	--	--
09/23 10:00	NZ	RBNZ Official Cash Rate	Sep-23	--	--	0.25%
09/23 15:15	FR	Markit France Manufacturing PMI	Sep P	--	--	--
09/24 16:00	GE	IFO Business Climate	Sep	--	--	92.6
09/24 20:30	US	Initial Jobless Claims	Sep-19	--	--	--
09/30 07:50	JN	Industrial Production MoM	Aug P	--	--	--
09/30 14:00	UK	GDP QoQ	2Q F	--	--	-20.40%
09/30 14:00	UK	GDP YoY	2Q F	--	--	-21.70%
09/30 20:30	US	GDP Annualized QoQ	2Q T	--	--	-31.70%

Central Bank Interest Rate Decisions

Date Time	C	Event	Period	Surv(M)	Actual	Prior
09/01 12:30	AU	RBA Cash Rate Target	Sep-01	0.25%	--	0.25%
09/01 12:30	AU	RBA 3-Yr Yield Target	Sep-01	0.25%	--	0.25%
09/01 14:30	AU	Commodity Index SDR YoY	Aug	--	--	-12.0%
09/09 22:00	CA	Bank of Canada Rate Decision	Sep-09	0.25%	--	0.25%
09/10 15:00	MA	BNM Overnight Policy Rate	Sep-10	--	--	1.75%
09/10 19:45	EC	ECB Main Refinancing Rate	Sep-10	--	--	0.00%
09/10 19:45	EC	ECB Deposit Facility Rate	Sep-10	--	--	-0.50%
09/10 19:45	EC	ECB Marginal Lending Facility	Sep-10	--	--	0.25%
09/17/2020	JN	BOJ Policy Balance Rate	Sep-17	--	--	-0.10%
09/17/2020	JN	BOJ 10-Yr Yield Target	Sep-17	--	--	0.00%
09/17 02:00	US	FOMC Rate Decision (Upper Bound)	Sep-16	0.25%	--	0.25%
09/17 02:00	US	FOMC Rate Decision (Lower Bound)	Sep-16	0.00%	--	0.00%
09/17 09/21	HK	Composite Interest Rate	Aug	--	--	0.53%
09/17 15:20	ID	Bank Indonesia 7D Reverse Repo	Sep-17	--	--	4.00%
09/17 19:00	UK	Bank of England Bank Rate	Sep-17	--	--	0.10%
09/23 10:00	NZ	RBNZ Official Cash Rate	Sep-23	--	--	0.25%
09/23 15:05	TH	BoT Benchmark Interest Rate	Sep-23	--	--	0.50%

Source: Bloomberg

Treasury Research & Strategy

Macro Research

Selena Ling
Head of Research & Strategy
LingSSSelena@ocbc.com

Tommy Xie Dongming
Head of Greater China Research
XieD@ocbc.com

Wellian Wiranto
Malaysia & Indonesia
WellianWiranto@ocbc.com

Terence Wu
FX Strategist
TerenceWu@ocbc.com

Howie Lee
Thailand, Korea & Commodities
HowieLee@ocbc.com

Carie Li
Hong Kong & Macau
carierli@ocbcwh.com

Dick Yu
Hong Kong & Macau
dicksnyu@ocbcwh.com

Credit Research

Andrew Wong
Credit Research Analyst
WongVKAM@ocbc.com

Ezien Hoo
Credit Research Analyst
EzienHoo@ocbc.com

Wong Hong Wei
Credit Research Analyst
WongHongWei@ocbc.com

Seow Zhi Qi
Credit Research Analyst
ZhiQiSeow@ocbc.com

This publication is solely for information purposes only and may not be published, circulated, reproduced or distributed in whole or in part to any other person without our prior written consent. This publication should not be construed as an offer or solicitation for the subscription, purchase or sale of the securities/instruments mentioned herein. Any forecast on the economy, stock market, bond market and economic trends of the markets provided is not necessarily indicative of the future or likely performance of the securities/instruments. Whilst the information contained herein has been compiled from sources believed to be reliable and we have taken all reasonable care to ensure that the information contained in this publication is not untrue or misleading at the time of publication, we cannot guarantee and we make no representation as to its accuracy or completeness, and you should not act on it without first independently verifying its contents. The securities/instruments mentioned in this publication may not be suitable for investment by all investors. Any opinion or estimate contained in this report is subject to change without notice. We have not given any consideration to and we have not made any investigation of the investment objectives, financial situation or particular needs of the recipient or any class of persons, and accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of the recipient or any class of persons acting on such information or opinion or estimate. This publication may cover a wide range of topics and is not intended to be a comprehensive study or to provide any recommendation or advice on personal investing or financial planning. Accordingly, they should not be relied on or treated as a substitute for specific advice concerning individual situations. Please seek advice from a financial adviser regarding the suitability of any investment product taking into account your specific investment objectives, financial situation or particular needs before you make a commitment to purchase the investment product. OCBC Bank, its related companies, their respective directors and/or employees (collectively "Related Persons") may or might have in the future interests in the investment products or the issuers mentioned herein. Such interests include effecting transactions in such investment products, and providing broking, investment banking and other financial services to such issuers. OCBC Bank and its Related Persons may also be related to, and receive fees from, providers of such investment products.

This report is intended for your sole use and information. By accepting this report, you agree that you shall not share, communicate, distribute, deliver a copy of or otherwise disclose in any way all or any part of this report or any information contained herein (such report, part thereof and information, "Relevant Materials") to any person or entity (including, without limitation, any overseas office, affiliate, parent entity, subsidiary entity or related entity) (any such person or entity, a "Relevant Entity") in breach of any law, rule, regulation, guidance or similar. In particular, you agree not to share, communicate, distribute, deliver or otherwise disclose any Relevant Materials to any Relevant Entity that is subject to the Markets in Financial Instruments Directive (2014/65/EU) ("MiFID") and the EU's Markets in Financial Instruments Regulation (600/2014) ("MiFIR") (together referred to as "MiFID II"), or any part thereof, as implemented in any jurisdiction. No member of the OCBC Group shall be liable or responsible for the compliance by you or any Relevant Entity with any law, rule, regulation, guidance or similar (including, without limitation, MiFID II, as implemented in any jurisdiction).

Co.Reg.no.:193200032W