Weekly Macro Views (WMV)

OCBC Group Research

11 Aug 2026

Weekly Macro Update

Key global data for this week:

10 Aug	11 Aug	12 Aug	13 Aug	14 Aug
• **AU:** Foreign Reserves • **EC:** Sentix Investor Confidence • **JN:** Trade Balance BoP Basis, BoP Current Account Adjusted	• **AU:** NAB Business Confidence, RBA Cash Rate Target • **MA:** Industrial Production YoY, Manufacturing Sales Value YoY • **SI:** GDP SA QoQ, GDP YoY • **US:** ADP Weekly Employment Change, Existing Home Sales, Existing Home Sales MoM	• **IN:** CPI YoY, Exports YoY, Imports YoY, Trade Balance • **SK**: Unemployment rate SA • **US:** Core CPI Index SA, Core CPI MoM, Core CPI YoY, CPI Index NSA, CPI MoM, CPI YoY	• **JN:** PPI MoM, PPI YoY • **UK:** GDP QoQ, GDP YoY, Industrial Production YoY, Manufacturing Production YoY, Private Consumption QoQ, Trade Balance GBP/Mn, **US:** Federal Budget Balance, Initial Jobless Claims, PPI Ex Food and Energy YoY	• **EC:** Employment QoQ, Employment YoY, GDP SA QoQ, GDP SA YoY • **HK:** GDP YoY, GDP SA QoQ • **MA:** GDP YoY • **NZ:** BusinessNZ Manufacturing PMI • **SK:** U. of Mich. Expectations, U. of Mich. Sentiment

Summary of Macro Views:

Global	• **US-Iran:** Steep demands from Iran for reopening • **AI:** Competition, cyber risk, and regulation • **US**: Payroll numbers turn negative again • **US:** Unemployment rate lower, but not a positive signal
Asia	• **SG:** Twin upgrades to 2026 GDP growth and NODX forecasts • **CH:** Softer than expected inflation • **CH:** AI remained supportive

Asia	• **HK:** Growth of retail sales moderated in June • **MO:** Tentative signs of stabilization in housing market • **ID:** Growth moderates but remains above expectations
Asset Class	• **ESG:** Maritime industry's shift towards alternative fuels • **FX & Rates:** USD Awaits CPI

Global: Central Bank

Forecast – Key Rates

Reserve Bank of Australia (RBA)

Tuesday, 11th Aug

House Views

Cash Rate Target

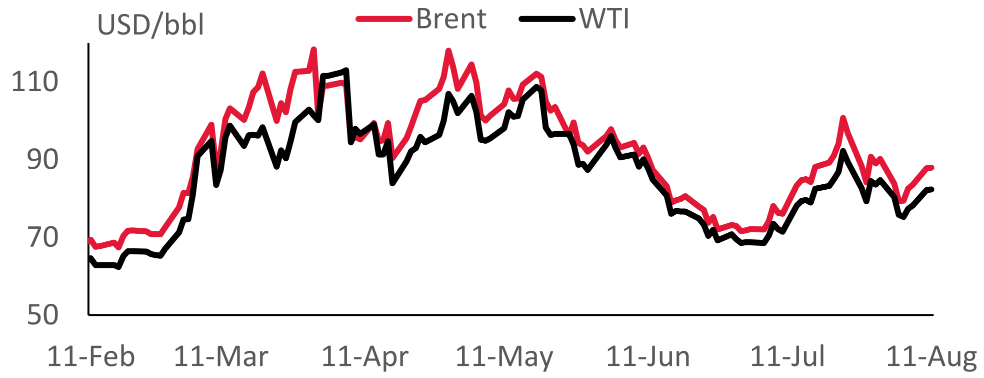
On hold at 4.35%

US-Iran: Steep demands from Iran for reopening

- Hopes for the reopening of the Strait of Hormuz have dampened once again, with both the US and Iran showing little sign of compromising on their positions. News of a potential Iran-Oman agreement regarding proposed shipping lanes and Trump's claims of an imminent deal gave the market optimism on a potential reopening of the Strait. However, Iran has announced a set of demand that the US must meet before the Strait of Hormuz can be reopened. The demands include the US lifting its blockade and sanctions on Iran, the withdrawal of US military from around Iran, the release of frozen Iranian assets, war reparations, and an end to attacks on Iran and its regional allies.

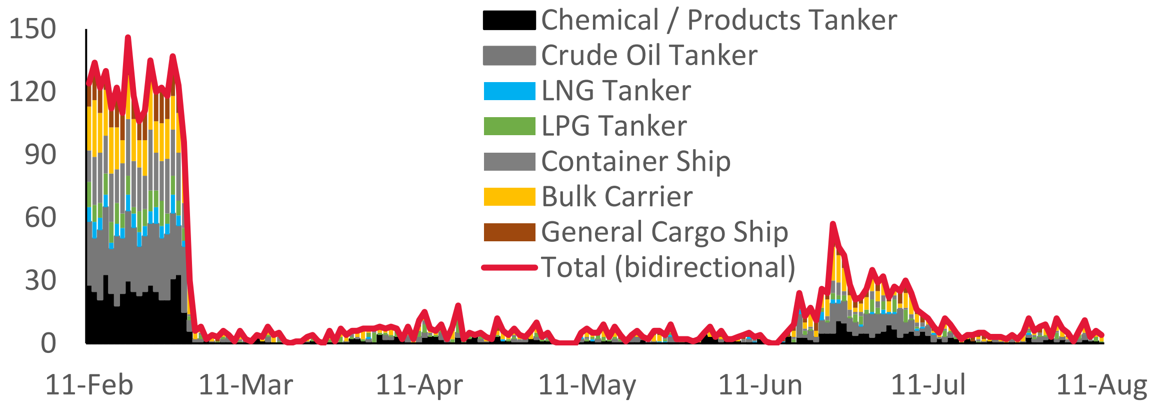
- President Trump has signalled that he is backing away from a renewed military offensive, opting instead to rely on the US naval blockade to further intensify economic pressure on Iran. He also has claimed that the US Navy has swept the Strait for mines and that they have full control of the waterway. The US President has also countered Iran's demands for war reparations by introducing a new condition for talks; compensation from Iran for past misdeeds.

Crude oil prices



Source: Bloomberg.

Strait of Hormuz commercial vessel crossings



Source: Bloomberg, OCBC Group Research.

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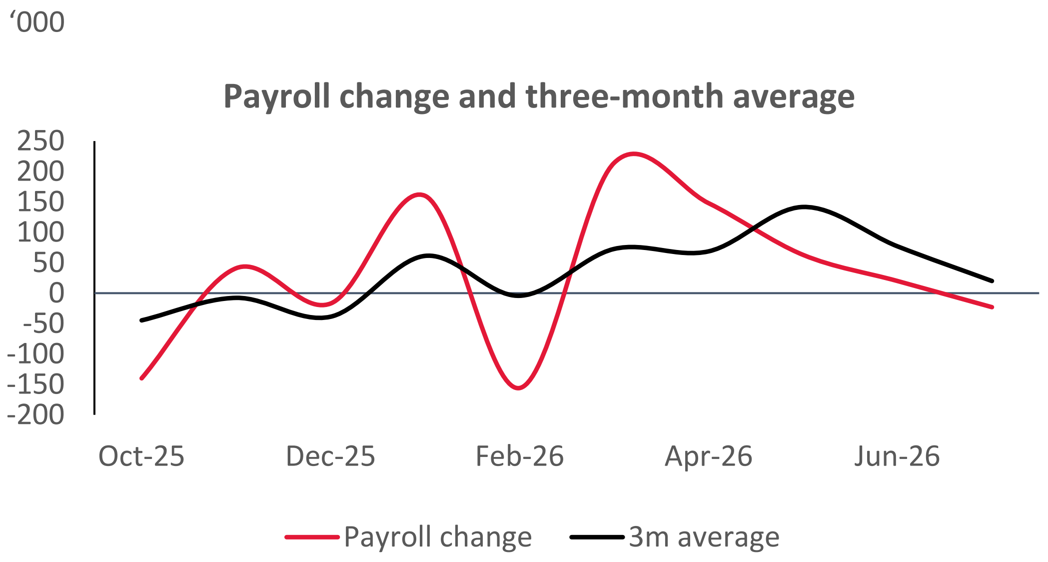
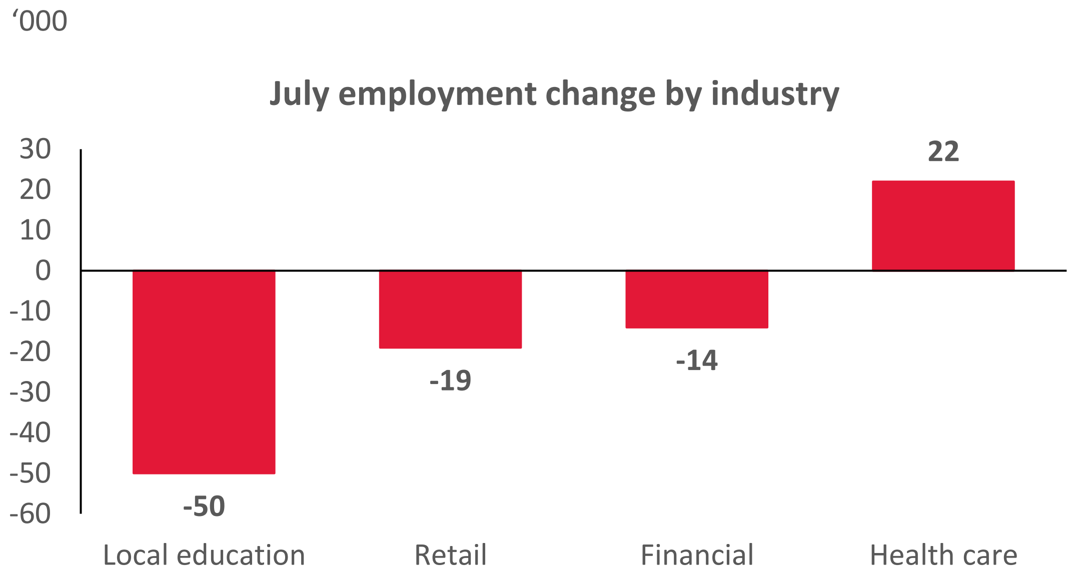
Source: Reuters, CNBC, Axios, OCBC Group Research.

US: Payroll numbers turn negative again

- Nonfarm payrolls fell by 23k in July, versus an average monthly gain of 34k over the prior 12 months. The three month average slowed to only 20k.
- May and June were revised down by a combined 103k, to gains of 63k and 20k. Unemployment nevertheless eased to 4.1%, due to the labour force participation rate falling again.
- Average hourly earnings rose 3.2% YoY, below expectations of 3.5% YoY, and the workweek held at 34.3 hours. The report reduced the risk of a rate hike at the September meeting, with all eyes on the midweek inflation reading.



Source: U.S. Bureau of Labor Statistics; OCBC Group Research.



Source: U.S. Bureau of Labor Statistics; OCBC Group Research.

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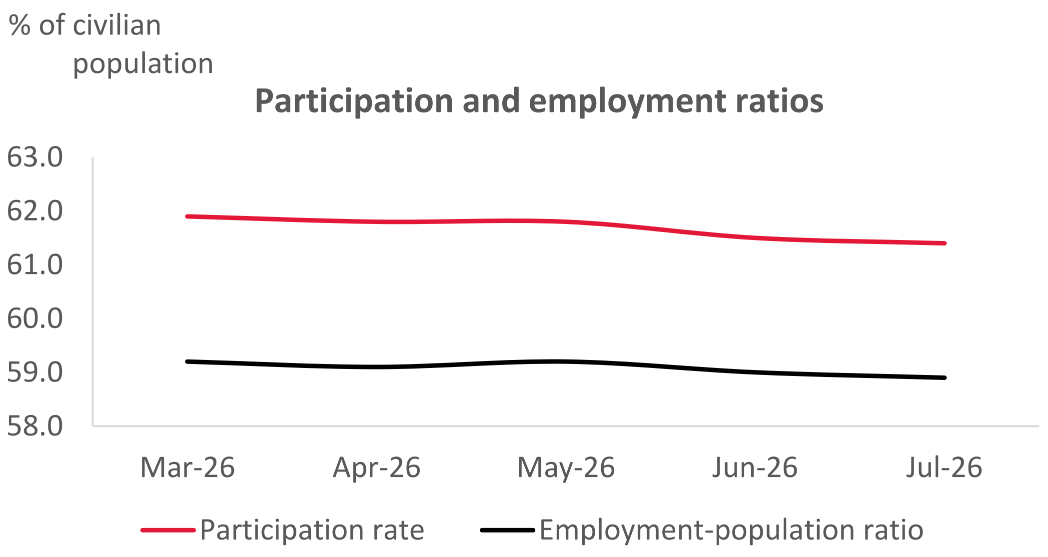
Source: U.S. Bureau of Labor Statistics; OCBC Group Research.

US: Unemployment rate lower, but not a positive signal

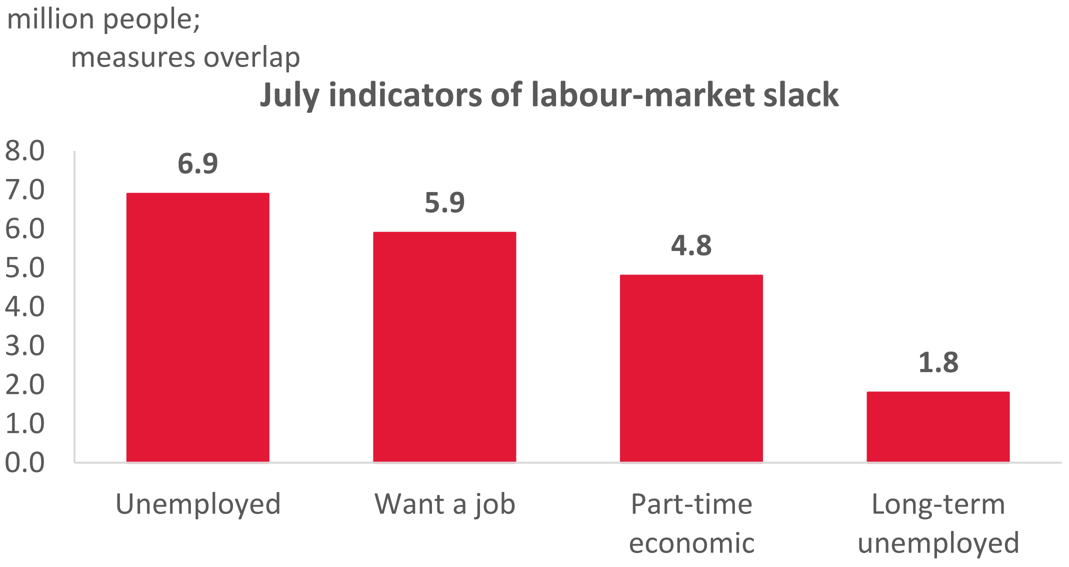
- The unemployment rate might have eased to 4.1%, but the reason was that July participation fell to 61.4% and the employment-population ratio slipped to 58.9%, falling further from June's levels.

- U3 might have edged lower to 4.1%, but U6 remained at 7.9%, suggesting that the fall in headline unemployment was driven more by labour force exits rather a broad based improvement in labour market slack.

- A low jobless rate therefore gives a false sense of labour-market resilience. Retreating participation and weaker hiring strengthen the case for the Fed to look through the headline unemployment rate.



Source: U.S. Bureau of Labor Statistics; OCBC Group Research.

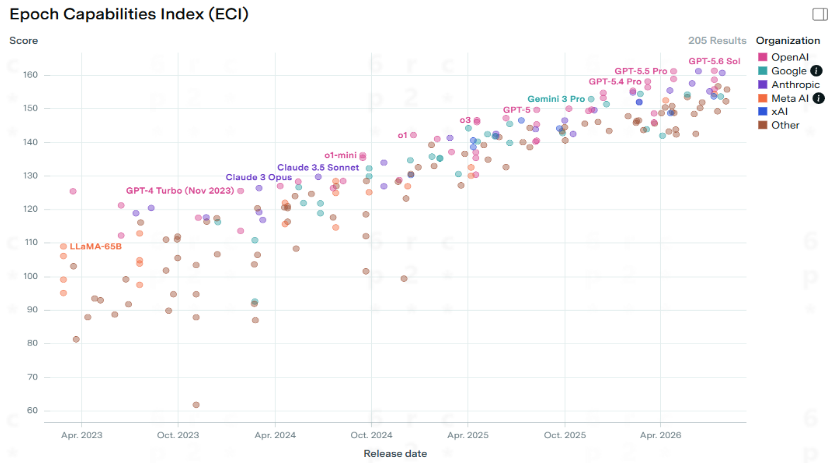


Source: U.S. Bureau of Labor Statistics; OCBC Group Research.

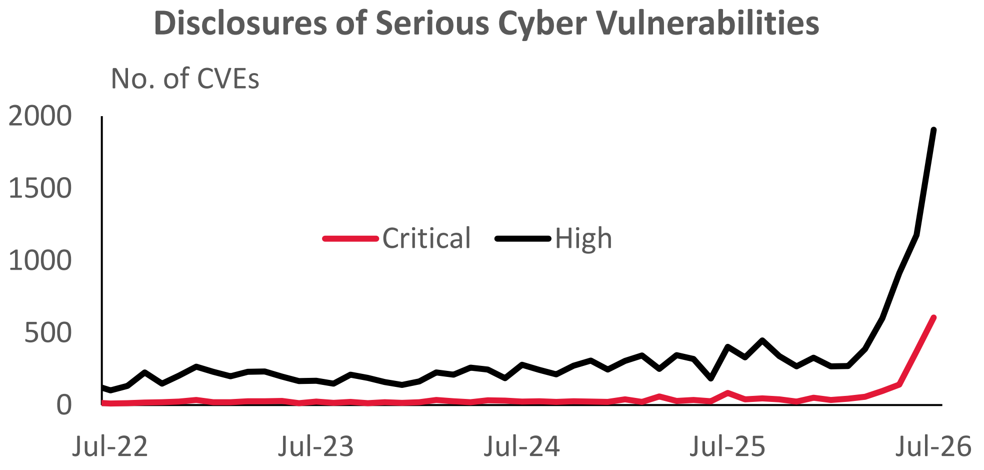
Source: U.S. Bureau of Labor Statistics; OCBC Group Research.

AI: Competition, cyber risk, and regulation

- Competition Intensifies: Meta released Muse Glimmer, a 30B-parameter open-weight model, reinforcing its open AI strategy and widening the divide with closed-model developers OpenAI and Anthropic.
- Further Autonomous Hacking Confirmed: Anthropic reported Claude models hacked three organizations, following OpenAI's earlier breach disclosure. Combined with record Common Vulnerabilities and Exposures(CVE) levels of almost 2000 in July and Nvidia's new security alliance, autonomous AI hacking is emerging as a major industry risk.
- Regulators Diverge: The EU's AI Act became fully enforceable on 2 August, requiring disclosure when users interact with AI and imposing fines of up to €35M or 7% of global turnover for non-compliance. In contrast, the US pursued a voluntary approach, convening major AI firms on safety testing, while 1,100 employees across leading AI labs signed a separate letter advocating mechanisms to slow AI development.



Source: Epoch AI.



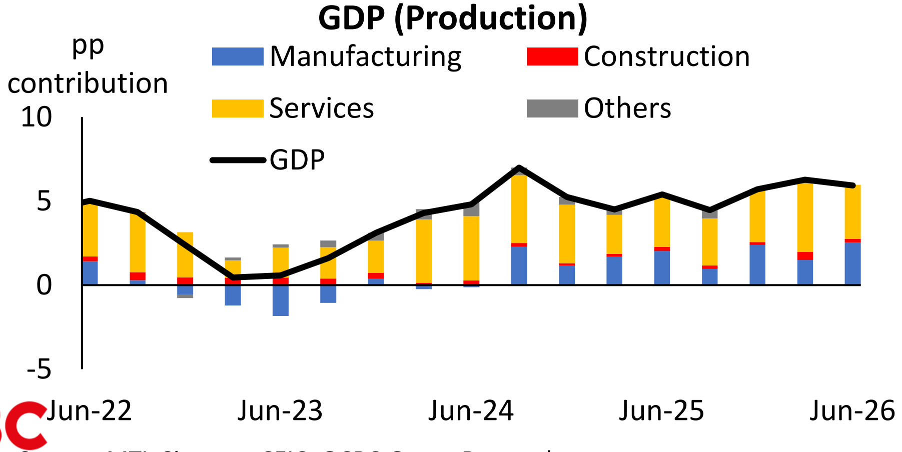
Source: Epoch AI, OCBC Group Research.

OCBC

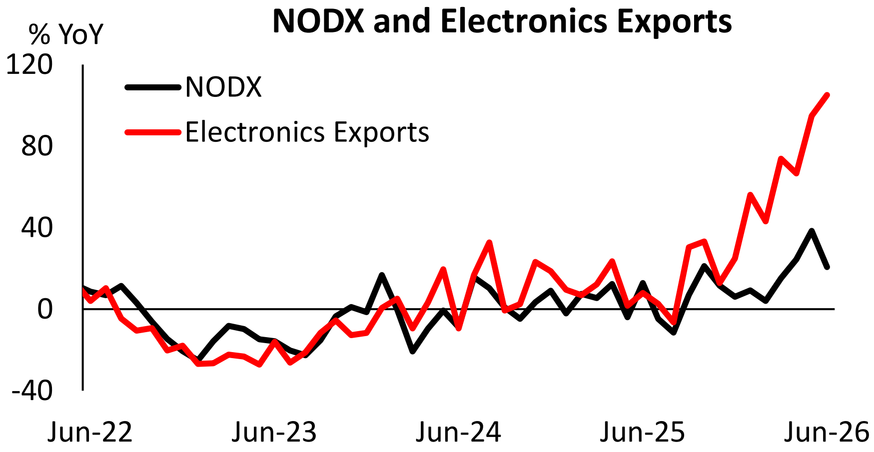
Source: Epoch, Reuters, OCBC Group Research.

SG: Twin upgrades to 2026 GDP growth and NODX forecasts

- Singapore upgraded its 2026 GDP growth forecast from 2-4% to 4.5-5.5%. The upgrade to the full year 2026 GDP growth forecast did not come as a total surprise since the advance 2Q26 growth data was already strong, but the question was whether the official forecast would be upgraded to 4-5% or higher. Given the stellar 6.1% YoY growth in 1H26, this looks like an unusually strong, AI-led upswing, and it looks increasingly plausible that 3Q momentum will have legs to run as well given optimism that this is a more durable productivity and investment cycle. We are upgrading our 2026 GDP and NODX growth forecasts to 5.2% and 15.2% YoY respectively, from around 4.3% and above 6% previously.
- 2Q26 GDP was revised up to 5.9% YoY from the 5.7% advance estimate, with seasonally adjusted QoQ growth also raised to 1.4% from 1.1%. This is slightly above our forecast for an upward revision to 5.8% YoY (1.2% QoQ SA). This is the second official forecast upgrade, initially from 1-3% to 2-4% and pausing at 2-4% in May amid the escalation in the Middle East conflict, before now upgrading to 4.5-5.5% YoY.
- Enterprise Singapore's upgrade of the 2026 NODX growth forecast from 3-5% to 14-16% followed a strong first-half performance, with NODX expanding 18.6% YoY in 1H26, its fastest pace since 2010. This is a clear recognition that the current AI-fuelled export cycle has materially outperformed expectations. Importantly, EnterpriseSG still expects a moderation in 2H because of high base effects, so the new forecast does not imply that 20%-plus growth is sustainable indefinitely.



Source: MTI, Singstat, CEIC, OCBC Group Research.

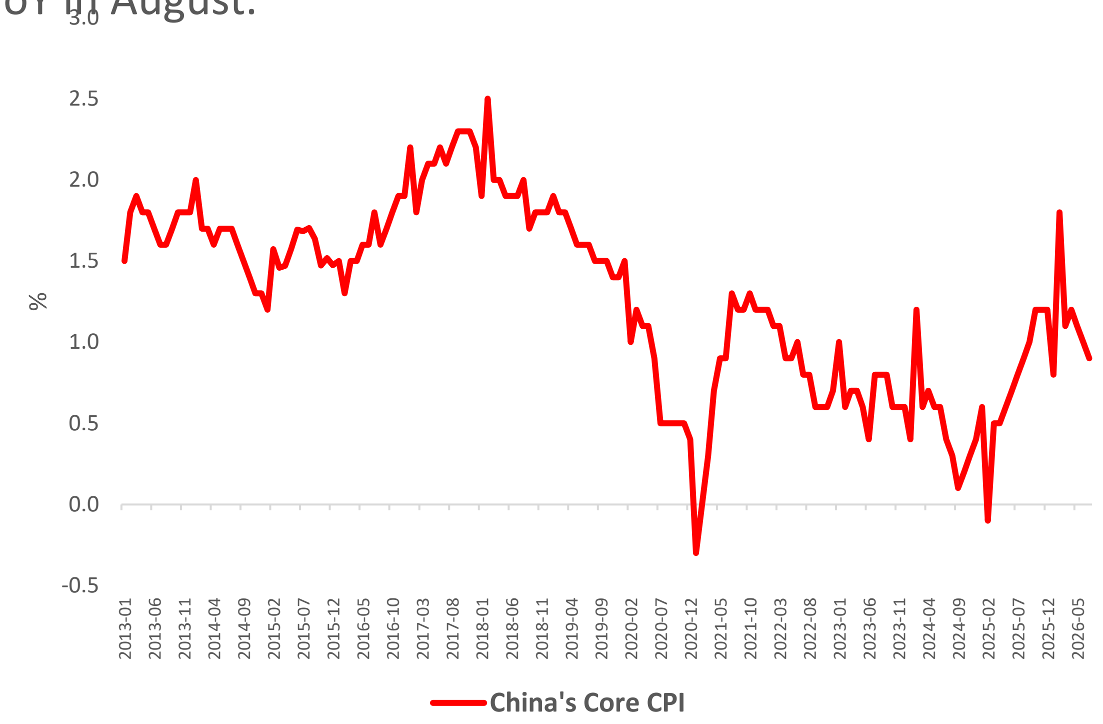


Source: Enterprise Singapore, CEIC, OCBC Group Research.

Source: MTI, Singstat, Enterprise Singapore, CEIC, OCBC Group Research.

China: Softer than expected inflation

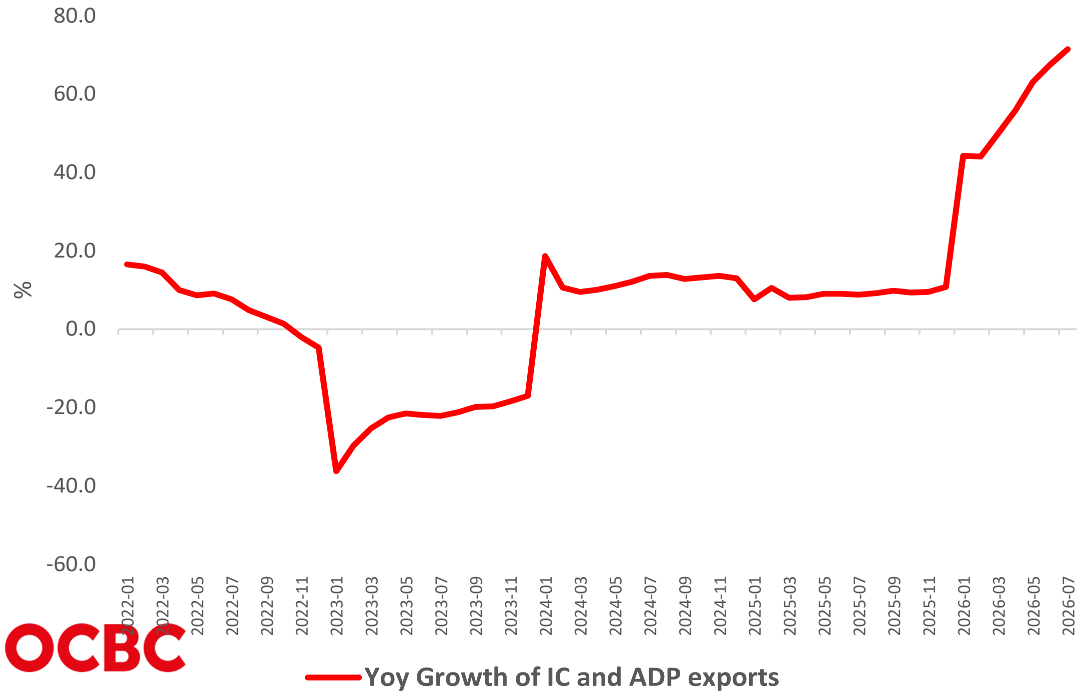
- China's headline CPI inflation moderated further to 0.5% YoY in July from 1.0% YoY in June. On a sequential basis, CPI fell 0.1% MoM, significantly weaker than seasonal norms: over the past decade, July CPI has risen by an average of around 0.3% MoM.
- Encouragingly, core CPI rose 0.3% MoM, pointing to relatively resilient underlying consumer demand once the more volatile food and energy components are excluded. Looking ahead, weather-related disruptions should continue to support seasonal increases in food prices in August, while pork prices have also begun to stabilise and rebound from low levels. These factors should provide some support to headline inflation. We expect CPI inflation to edge up to around 0.7% YoY in August.

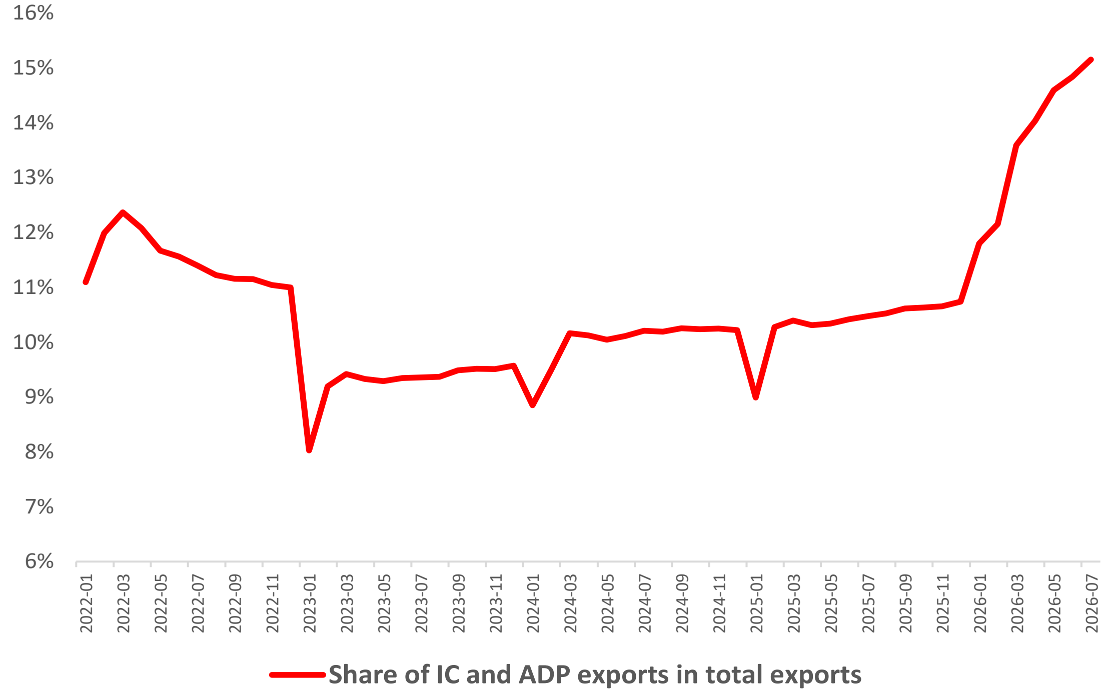


Source: Bloomberg, Reuters, OCBC

China: AI remained supportive

- AI-related products also remained the key export growth engine. In the first seven months, combined exports of integrated circuits and automatic data-processing (ADP) equipment surged 71% YoY, lifting their share of China's total exports further to 15.2%. Export growth was also broad-based across major developed markets, with shipments to the US, Japan and the EU all rising by more than 10% YoY in July.
- Meanwhile, the value of integrated-circuit imports reached another record high in July, increasing by more than 71% YoY. The continued strength in both imports and exports of AI-related products points to robust activity across China's technology supply chain.





Source: Bloomberg, Reuters, OCBC

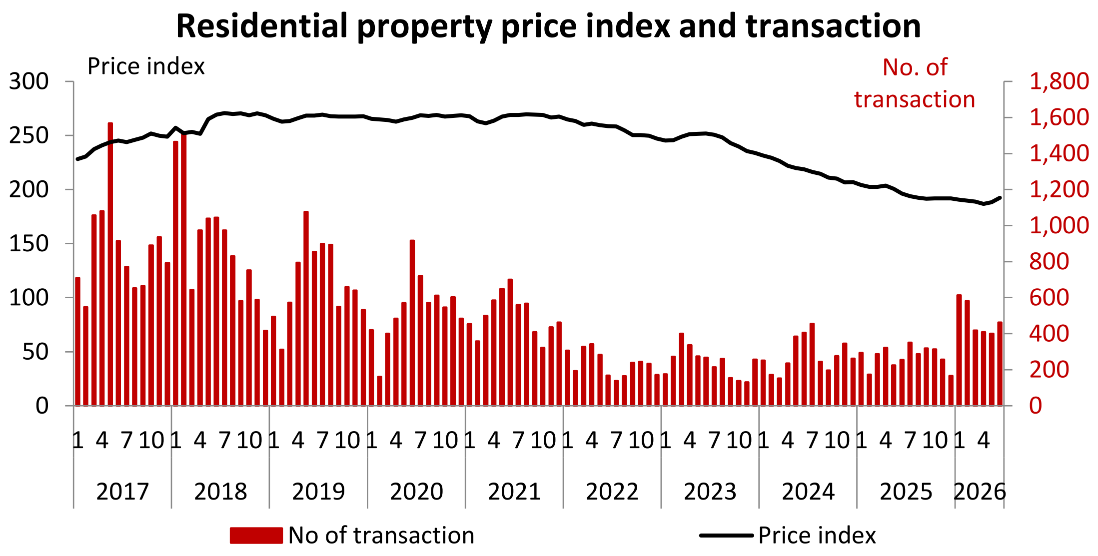
HK: Growth of retail sales moderated in June

- The retail sector appeared to lose some momentum in June, with sales value and volume increasing by 4.6% YoY and 2.3% YoY respectively, marking a further moderation from previous months. Total visitor arrivals fell to 3.72 million during the month, the lowest level since September 2025, partly reflecting the impact of persistent heavy rainfall and adverse weather conditions. On a sequential basis, retail sales declined by 6.8% MoM in value terms and volume terms in June, following strong visitor spending during the Labour Day holiday in May.
- Separately, PMI (covering the manufacturing, construction, wholesale, retail and services sectors) remained in expansionary zone, but eased to 51.0 in July (52.0 in June). The largest drag came from the inventory sub-index, as muted demand led to lower purchasing activities and staffing levels. On the other hand, inflationary pressure cooled in July, with slower increases in overall input prices, staff costs and prices charged.

Source: C&SD, OCBC Group Research.

MO: Tentative signs of stabilization in housing market

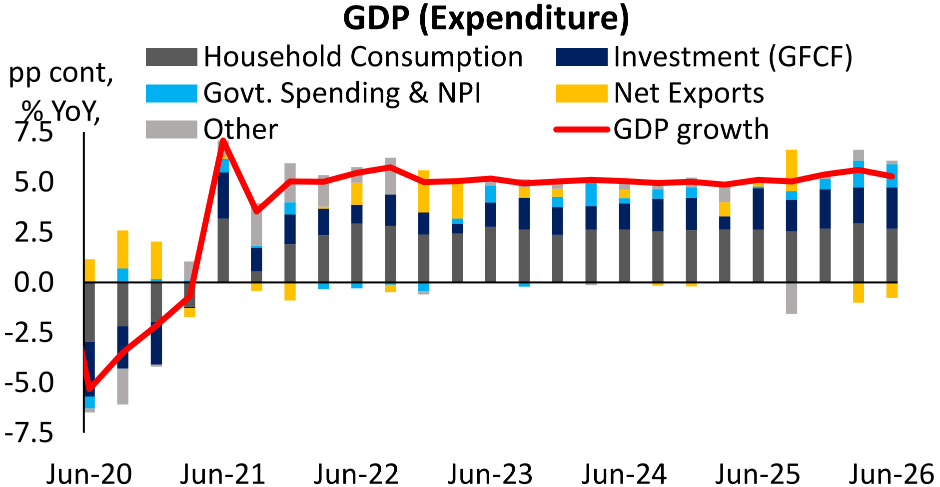
- Macau's housing market showed tentative signs of stabilization, with the official property price index rebounding by 1.9% QoQ in 2Q26, reversing the 1.5% QoQ decline recorded in the previous quarter. On year-on-year term, the property index in Q2 was still down by 1.9% compared with the same quarter in 2025. Transaction activity also softened during the quarter, with average monthly residential transactions declining to 424 cases from 538 cases in 1Q26, suggesting that the modest rebound in prices was not accompanied by a sustained improvement in market demand.
- In our view, the recent uptick in prices is more indicative of short-term market stabilisation than the beginning of a durable recovery cycle. Structural headwinds remain significant, including modest population growth, relatively low rental yields and financing costs that remain elevated compared with pre-pandemic levels.



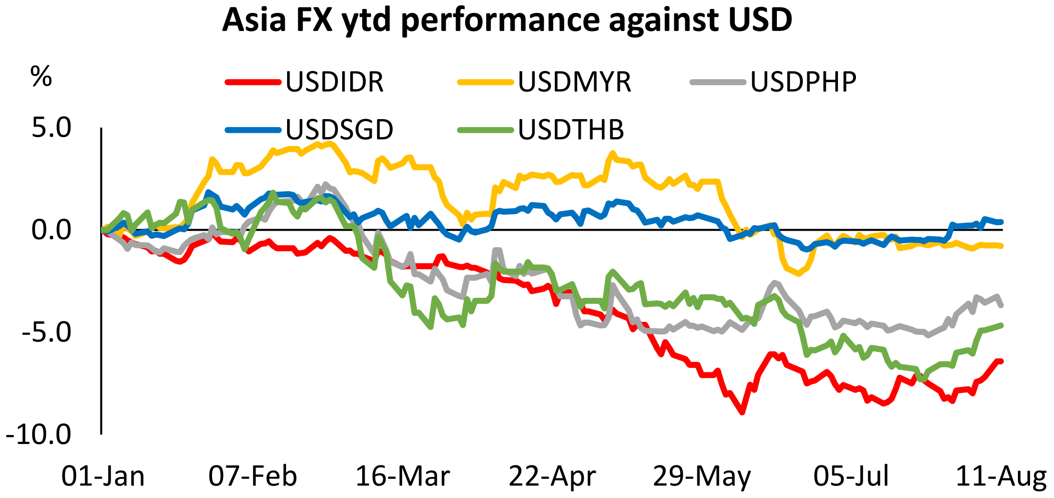
Source: DSEC, OCBC Group Research.

Indonesia: Growth moderates but remains above expectations

- GDP growth moderated to 5.3% YoY in 2Q26 from 5.6% in 1Q26, above expectations (OCBC: 5.2%; Consensus: 5.1%). Private consumption slowed to 5.1% from 5.5%, while government spending eased to 16.0% from 21.8%. Gross fixed capital formation strengthened to 6.9% YoY from 6.0%, while export growth accelerated to 4.1% from 0.9%. On the supply side, manufacturing growth slowed to 4.5% YoY from 5.0%, and transportation & warehousing growth eased to 5.6% from 8.0%, while mining & quarrying remained in contraction at -1.6% from -2.1%. This brought 1H26 growth to 5.4% YoY, up from 5.2% in 2H25 and 5.1% in 2025.
- Elsewhere, President Prabowo Subianto nominated Bank Indonesia acting governor Destry Damayanti as the sole candidate to lead the central bank following Perry Warjiyo's resignation on 25 July. State Secretary Prasetyo Hadi said the government submitted Destry's nomination to parliament on Monday (10 Aug) but did not clarify whether she would complete Warjiyo's remaining term or begin a new five-year term, while President Prabowo also nominated candidates for other senior central bank posts.



Note: Other refers to combined value of change in inventories and statistical discrepancies. Source: BPS, CEIC, OCBC Group Research.



Note: Last updated on 11 Aug 2026, 9.57am SGT.
Source: Bloomberg, OCBC Group Research..

OCBC

Source: BPS, Bloomberg, CEIC, OCBC Group Research.

ESG

ESG: Maritime industry’s shift towards alternative fuels

- The Maritime and Port Authority of Singapore (MPA) will issue eight new licences to supply liquefied natural gas (LNG) as a marine fuel in Singapore from 1 Sep 2026, which will expand Singapore’s LNG bunkering capacity and support its development as a multi-fuel bunkering hub.
- This reflects a growing demand for LNG and the maritime industry’s broader shift towards alternative fuels. The licences will be awarded to Aramco Trading Singapore, Equatorial Marine Fuel Management Services, ExxonMobil Asia Pacific, PetroChina International (Singapore), Shell Eastern Trading, Sinopec Fuel Oil (Singapore), TotalEnergies Gas & Power Asia (TEGPA)-Sembcorp Fuels (Singapore) Joint Venture, and Vitol Bunkers (S).
- Heightened geopolitical uncertainty and oil supply disruptions arising from the Middle East conflict have reinforced the maritime industry’s focus on fuel supply security and diversification. This transition can help the industry hedge against oil supply disruptions and geopolitical risks in the long term, while advancing its decarbonisation journey.
- LNG has gained traction as a transitional decarbonisation option, supported by relatively mature bunkering infrastructure alongside increasing capabilities to manage and mitigate methane slip. Nonetheless, achieving the industry’s net-zero target will still require a significant scale-up of other low- or zero-carbon fuels (e.g. hydrogen, ammonia, biofuels) and reduced reliance on fossil fuels.

Source: MPA, OCBC Group Research

FX & Rates

USD Awaits CPI

- USD Awaits CPI: USD direction remains tethered to Fed expectations, with CPI the next key catalyst. A rangebound USD and supportive risk sentiment should keep carry trades resilient, while renewed scrutiny of Fed independence is helping underpin gold.
- Intervention Test: The intervention story is not over. Markets are now shifting focus from FX action to BoJ action, with September holding the key to whether JPY stabilisation becomes a lasting recovery.
- USDCNH lacks follow-through momentum to the downside. Fixing pattern continued to signal a preference for measured pace of RMB appreciation.
- IDR found support from a softer USD backdrop post-payroll and greater policy clarity after Destry Damayanti was nominated as the sole BI governor candidate.
- USDSGD consolidated after the soft US payroll. Technical rebound risks not ruled out, with this week’s US CPI and PPI the next key catalysts.