



# Weekly Macro Views (WMV)

OCBC Group Research

15 June 2026

# Weekly Macro Update

## Key Global Data for this week:

15 June	16 June	17 June	18 June	19 June
<ul style="list-style-type: none"> <li>• <b>ID</b> External Debt</li> <li>• <b>SK</b> Bloomberg June SK Economic Survey</li> <li>• <b>EC</b> IP SA MoM, Trade Balance SA, Trade Balance NSA</li> <li>• <b>US</b> Empire Manufacturing, IP MoM, Manufacturing Production MoM, Capacity Utilisation</li> </ul>	<ul style="list-style-type: none"> <li>• <b>SK</b> Export Price Index YoY, Import Price Index YoY</li> <li>• <b>CH</b> Retail Sales YoY, IP YoY</li> <li>• <b>SK</b> Money Supply M2 SA MoM</li> <li>• <b>HK</b> Unemployment Rate 3M</li> <li>• <b>US</b> ADP Weekly Employment Change, Import Price Index YoY, Export Price Index YoY</li> </ul>	<ul style="list-style-type: none"> <li>• <b>AU</b> Westpac Leading Index MoM</li> <li>• <b>EC</b> CPI YoY, Core CPI YoY</li> <li>• <b>US</b> MBA Mortgage Applications, Retail Sales Advance MoM, Pending Home Sales NSA YoY</li> </ul>	<ul style="list-style-type: none"> <li>• <b>US</b> FOMC Rate Decision (Lower and Upper Bound), Fed Reverse Repo Rate</li> <li>• <b>US</b> Initial Jobless Claims, Initial Claims 4W Moving Avg, Philadelphia Fed Business Outlook, Continuing Claims, Leading Index</li> <li>• <b>CH</b> Swift Global Payments CNY</li> <li>• <b>PH</b> BSP Overnight Borrowing Rate, BSP Standing Overnight Deposit Facility Rate</li> <li>• <b>ID</b> BI-Rate</li> </ul>	<ul style="list-style-type: none"> <li>• <b>US</b> Total Net TIC Flows,</li> <li>• <b>SK</b> PPI YoY</li> <li>• <b>MA</b> CPI YoY, Exports YoY, Imports YoY, Trade Balance MYR</li> <li>• <b>TH</b> Forward Contracts, Gross International Reserves</li> </ul>

## Summary of Macro Views:

<b>Global</b>	<ul style="list-style-type: none"> <li>• <b>US:</b> US–Iran agree framework deal; Ceasefire and further talks ahead</li> <li>• <b>US:</b> Inflation re-accelerates, led by energy prices</li> </ul>	<b>Asia</b>	<ul style="list-style-type: none"> <li>• <b>ID:</b> BI hikes 25bp intermeeting; more ahead</li> <li>• <b>MY:</b> Resilient April activity data</li> <li>• <b>TH:</b> Consumer confidence remains soft</li> </ul>
<b>Asia</b>	<ul style="list-style-type: none"> <li>• <b>SG:</b> Labor Market Report 1Q26</li> <li>• <b>SG:</b> Still resilient labour market conditions</li> <li>• <b>SG:</b> NODX is expected to expand further</li> <li>• <b>CH:</b> Household deleverage continues</li> <li>• <b>CH:</b> Household deposit behavior appears to be shifting</li> <li>• <b>CH:</b> Weak corporate loan demand</li> </ul>	<b>Asset Class</b>	<ul style="list-style-type: none"> <li>• <b>ESG:</b> Strengthening maritime supply chain resilience with alternative fuels</li> <li>• <b>FX &amp; Rates:</b> De-escalation Trade On, But Maturing</li> </ul>

# Global: Central Banks

## Forecast – Key Rates

Reserve Bank of Australia (RBA)



Tuesday, 16<sup>th</sup> June

*Cash Rate Target*

Likely **hold** at **4.35%**

Federal Open Market Committee (FOMC)



Thursday, 18<sup>th</sup> June

*Fed Funds Target Rate*

Likely **hold** at **3.50% to 3.75%** range

Bank of England (BoE)



Thursday, 18<sup>th</sup> June

*Bank Rate*

Likely **hold** at **3.75%**

### House Views

# Global: Central Banks

## Forecast – Key Rates

Bangko Sentral ng Pilipinas (BSP)



Thursday, 18<sup>th</sup> June

Bank Indonesia (BI)



Thursday, 18<sup>th</sup> June

### House Views

*Overnight Borrowing Rate*

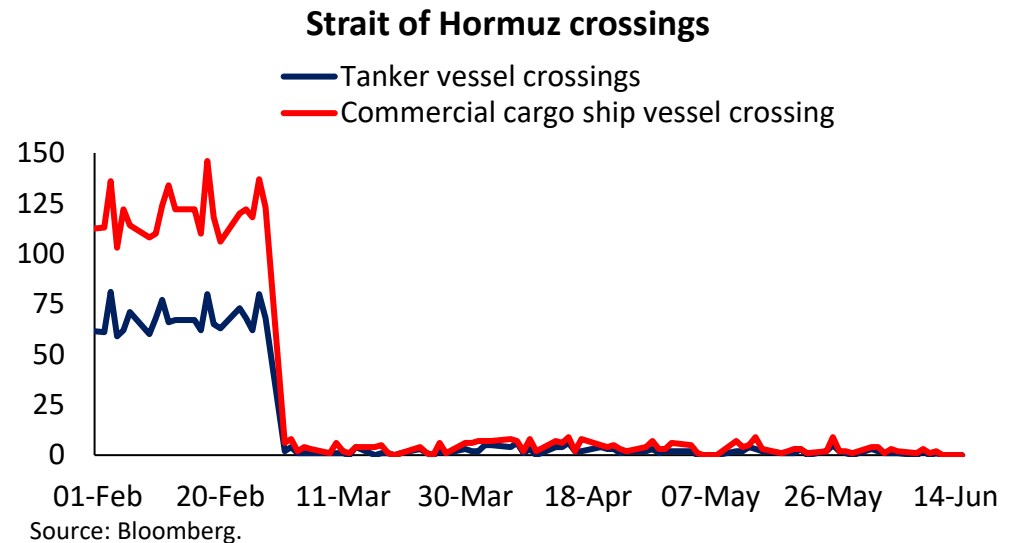
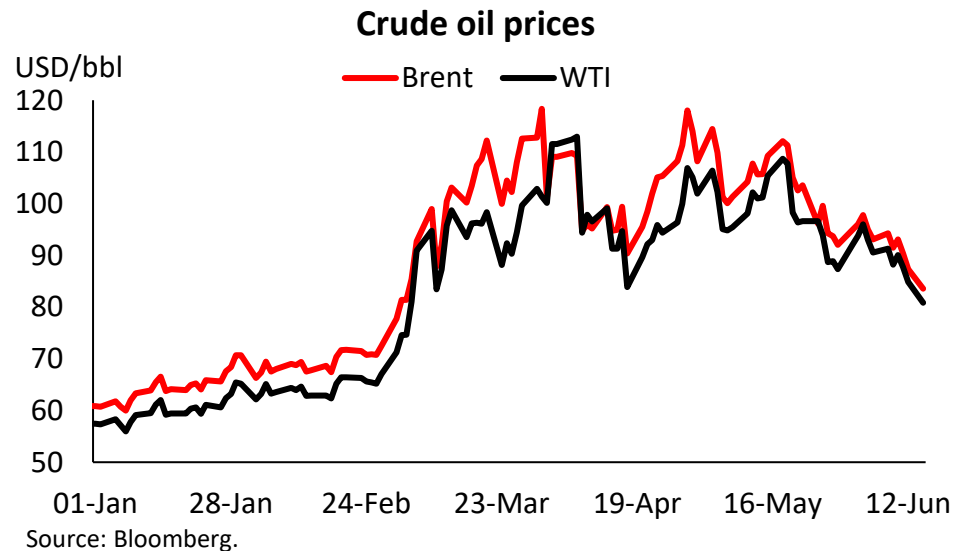
Likely *hike* by **25bps**  
from **4.50%** to **4.75%**

*BI-Rate*

Likely *hike* by **25bps**  
from **5.50%** to **5.75%**

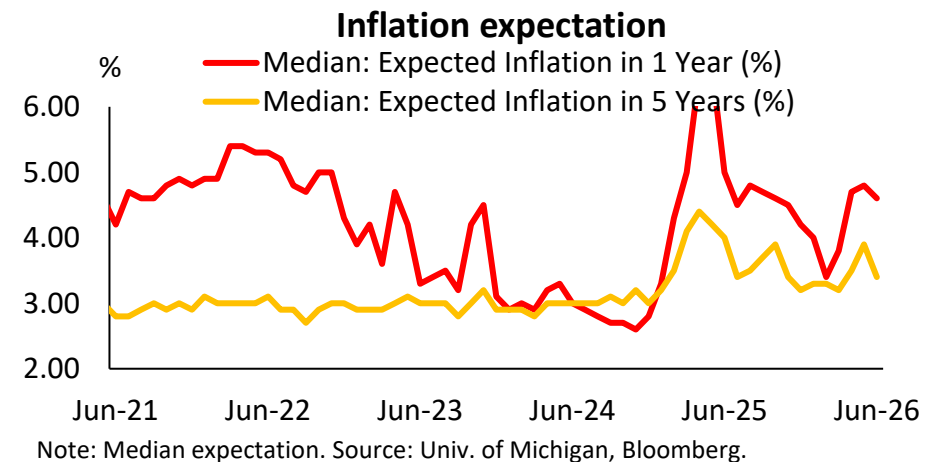
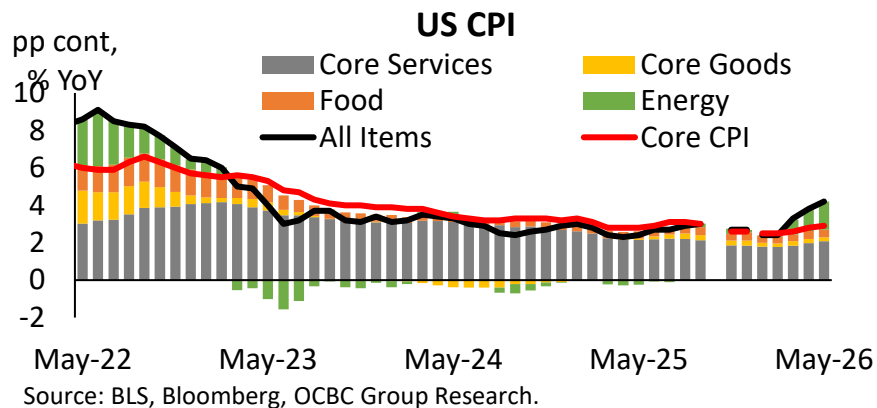
# US: US–Iran agree framework deal; Ceasefire and further talks ahead

- The United States and Iran have agreed on a preliminary framework to end ongoing hostilities, lift the US blockade of Iranian ports, and reopen the Strait of Hormuz. The memorandum of understanding, facilitated by Pakistan, is expected to be formally signed in Switzerland on 19 June, although key terms have not yet been disclosed. The agreement includes an immediate and permanent cessation of military operations across all fronts, including Lebanon, where fighting has complicated negotiations. Iran confirmed that hostilities would cease from Monday night, while Israel, which was not part of the talks, has not responded to the announcement.
- The reopening of the Strait of Hormuz and easing of trade restrictions contributed to a sharp decline in oil prices, with Brent crude falling more than 4% to around USD83/barrel.
- A 60-day ceasefire period is expected to allow further negotiations, particularly on sanctions relief and the future of Iran’s nuclear programme, which remains unresolved. While the framework marks a de-escalation, key issues such as uranium stockpiles and enforcement mechanisms, will be addressed in subsequent talks.



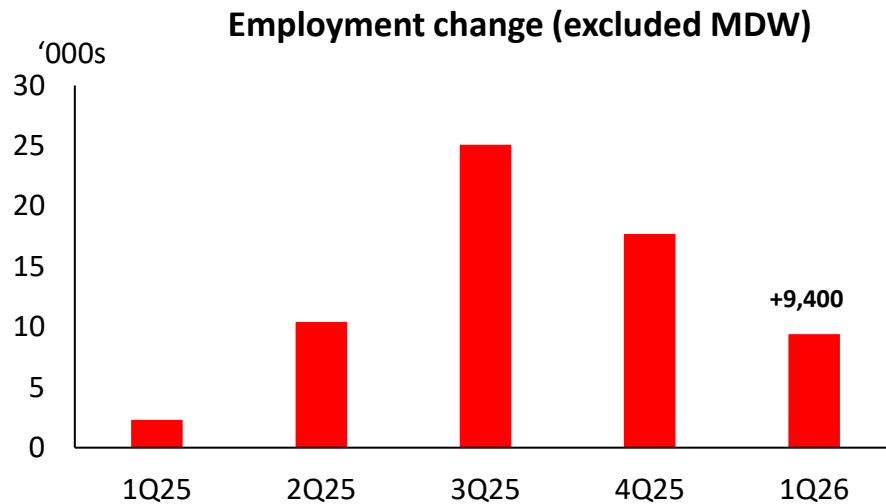
# US: Inflation re-accelerates, led by energy prices

- US inflation re-accelerated in May, with headline CPI rising by 4.2% YoY (0.5% MoM) from 3.8% YoY (0.6% MoM) in April. Energy was the main driver, rising 23.5% YoY and accounting for more than 60% of the monthly increase, led by higher gasoline prices. Food inflation eased slightly, but remained sticky, at 3.1% YoY in May from 3.2% in April. Core CPI rose by 2.9% YoY from 2.8%, although the monthly gain slowed to 0.2% MoM from 0.4%. Shelter CPI remained firm at 3.4% YoY from 3.3%, while medical care, recreation, household furnishings and apparel also posted notable annual increases.
- Producer-side inflation pressures were more pronounced. Final demand PPI rose by 6.5% YoY in May from 5.7% in April, marking the largest annual increase since November 2022. On a monthly basis, PPI was up 1.1% MoM for a second consecutive month. The increase was driven mainly by goods prices, especially energy, with final demand goods up 2.8% MoM and final demand energy up 10.7%.
- Inflation expectations remained elevated, albeit easing slightly from the previous month. The University of Michigan year-ahead inflation expectations fell to 4.6% in June from 4.8% in May, but remained well above 3.4% in February, before the start of the Iran conflict. Long-run inflation expectations also eased to 3.4% from 3.9%, but still above the 2.8% to 3.2% range seen in 2024.

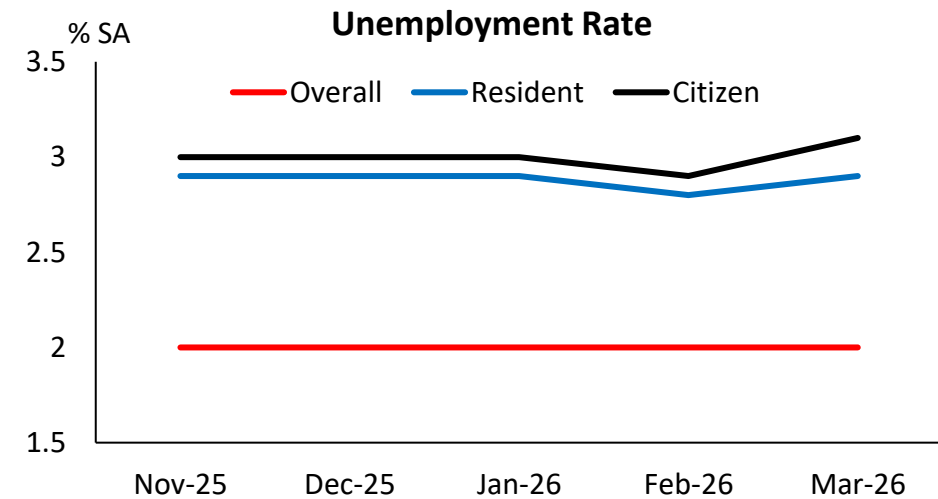


# Singapore: Labor Market Report 1Q26

- The labour market continued to expand in 1Q26, with total employment increasing by 9.4K. This marks the 18th consecutive quarter of growth since 4Q21, driven mainly by resident employment gains of 5.4K. However, overall employment growth moderated from the 17.7K increase recorded in 4Q25, primarily due to slower growth in non-resident employment, particularly in the construction and manufacturing sectors.
- Unemployment remained low and stable in March 2026, with the overall unemployment rate at 2.0%, while resident and citizen unemployment rates stood at 2.9% and 3.1%, respectively. Resident unemployment rates are largely stable across age groups in March. For instance, the unemployment rate for workers below 30 came in at 6.2% in March 2026 versus 5.8% in December 2025.
- Additionally, the long-term unemployment rates remained broadly stable in March, across most age groups.



Source: Ministry of Manpower, OCBC Group Research.

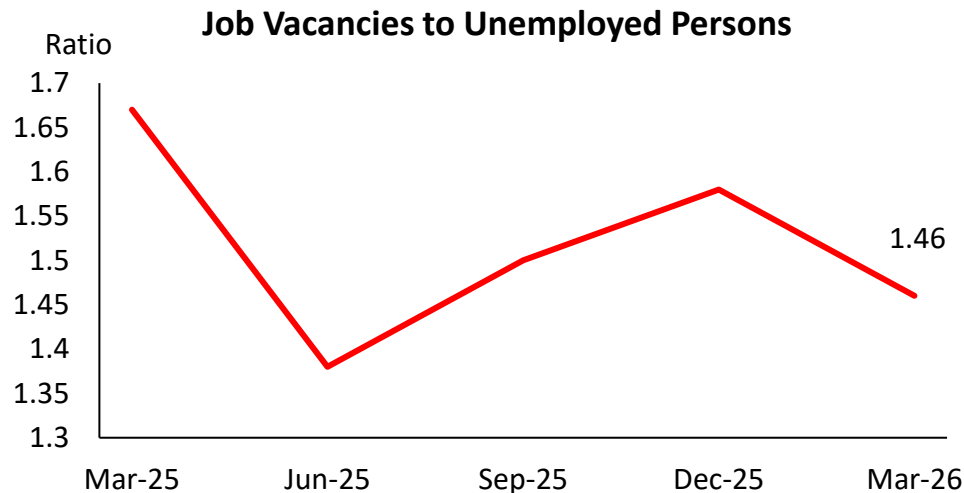


Source: Ministry of Manpower, OCBC Group Research.



# Singapore: Still resilient labour market conditions

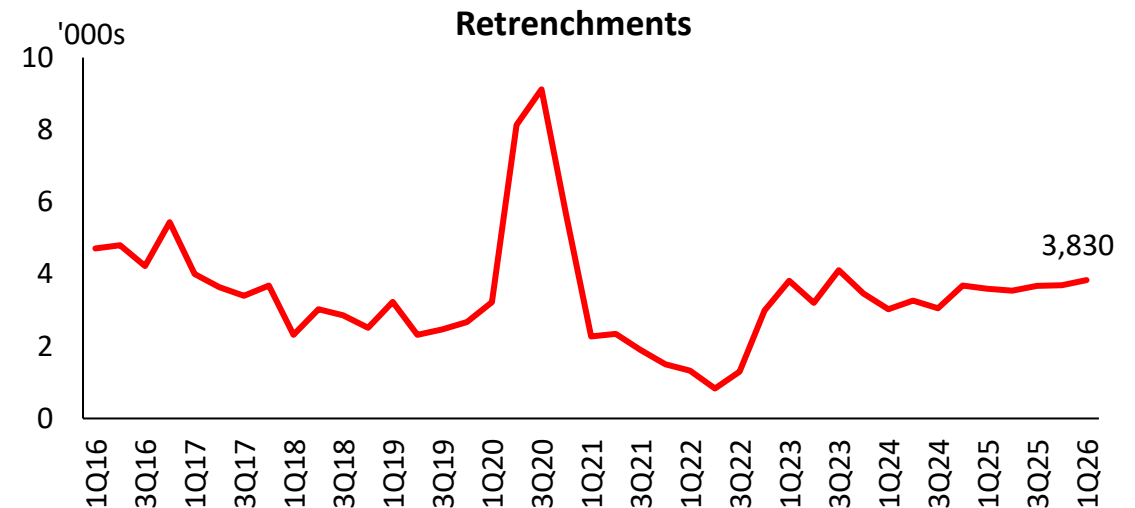
- Job vacancies declined to 73,300 in March 2026, from 77,700 in December 2025, mainly driven by a decrease in non-PMET vacancies. Thus, the overall job vacancies to unemployed persons ratio declined to 1.46 in March 2026, from 1.58 in December. Despite this overall resilience, the total number of retrenchments edged up slightly to 3,830 in 1Q26 from 3,690 in 4Q25, with increases concentrated mainly in external-oriented sectors such as manufacturing (from 570 to 670), financial services (from 510 to 560), and professional services (from 410 to 570).
- According to MoM, “labour market conditions are expected to remain resilient, although firms may adopt a more cautious approach in hiring and wage increases amid heightened global economic uncertainty and geopolitical tensions. Labour demand is likely to moderate if external conditions weaken further and elevated global input costs persist.”



Source: Ministry of Manpower, OCBC Group Research.



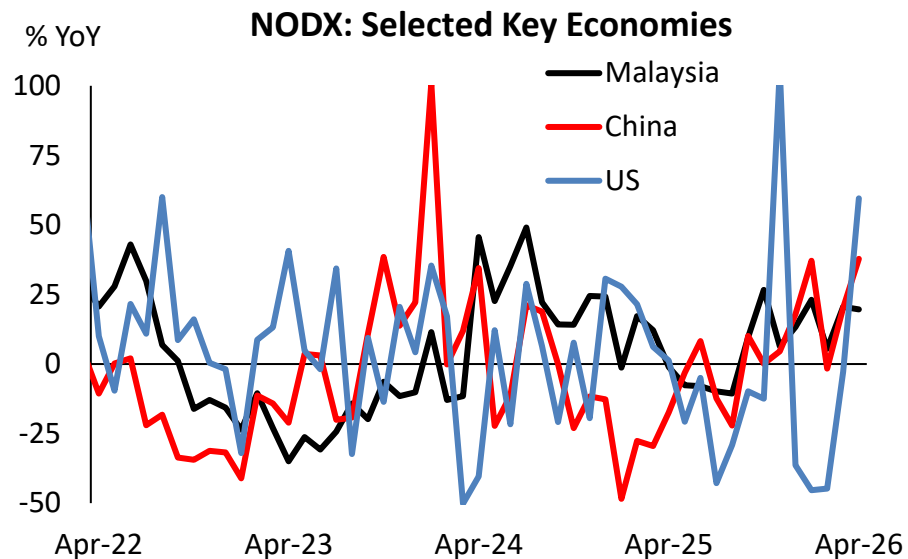
Source: Ministry of Manpower, OCBC Group Research.



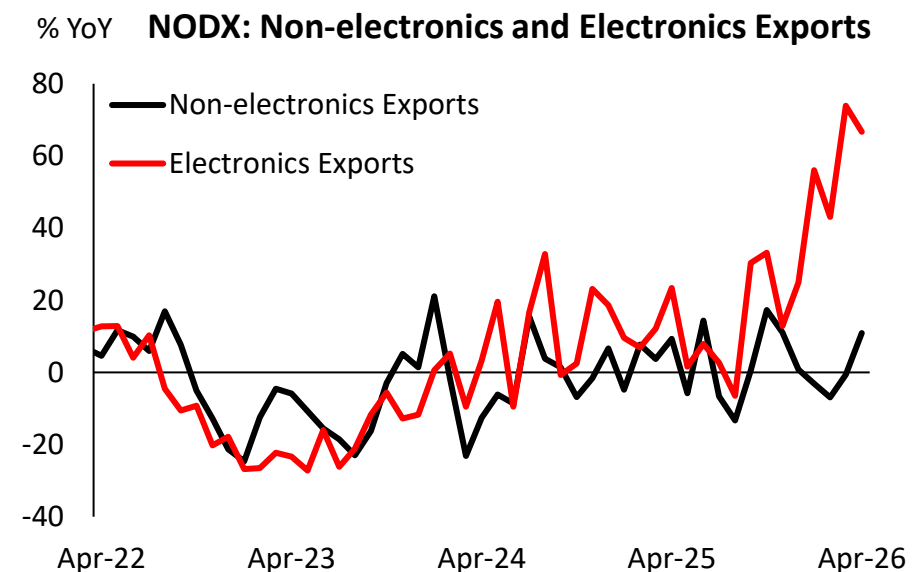
Source: Ministry of Manpower, OCBC Group Research.

# Singapore: NODX is expected to expand further

- NODX due on Wednesday is likely to have surged 30.5% YoY (-1.9% MoM SA) in May, versus 24.5% YoY (11.0% MoM SA) in April.
- Previously, NODX expanded by 24.5% in April, extending the growth in March. Electronics continued to expand (66.7% in April versus 73.9% in March), supported by robust AI-related demand, driven mainly by ICs, disk media products and PCs. By markets, NODX to the US, China and South Korea expanded in April 2026 by 59.6%, 37.8%, 71.2% respectively, while NODX to Indonesia contracted by 60.8%.
- While we had pencilled in potential downside risks from a prolonged Iran war on business and consumer confidence, the uplift from the 1Q26 performance was too large to ignore, especially with the April-May economic indicators such as industrial production, non-oil domestic exports (NODX) and Purchasing Managers Indices (PMIs) still coming in red-hot at this juncture. Looking ahead, our NODX forecast for FY2026 is at 6%.



Source: Enterprise SG, CEIC, OCBC Group Research.

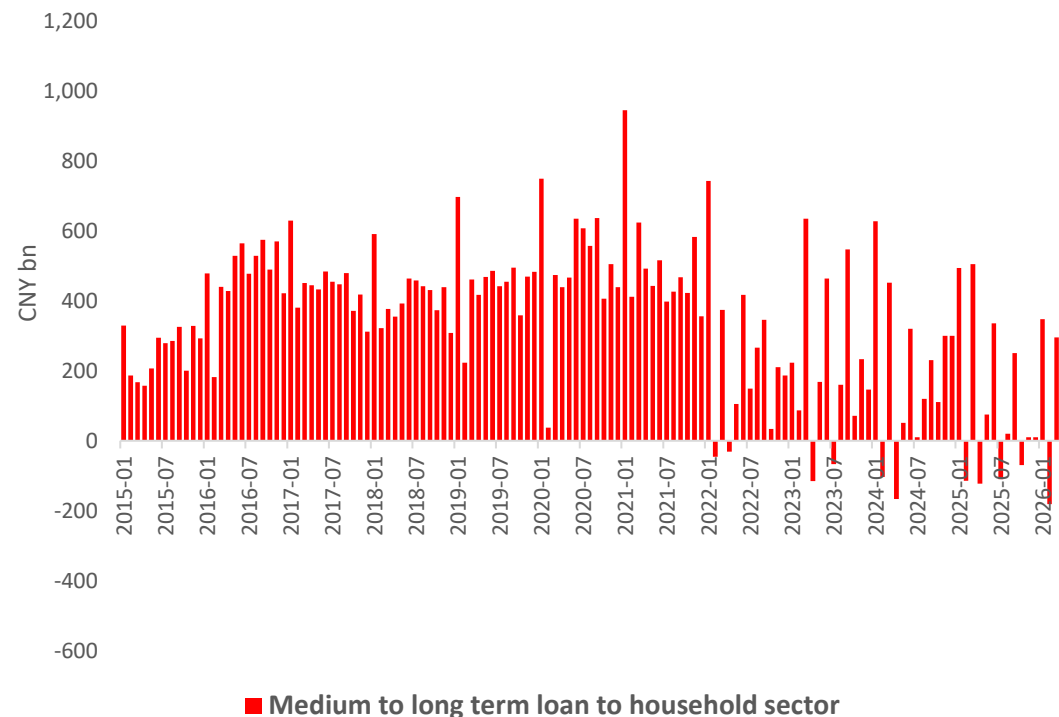


Source: Enterprise Singapore, CEIC, OCBC Group Research.



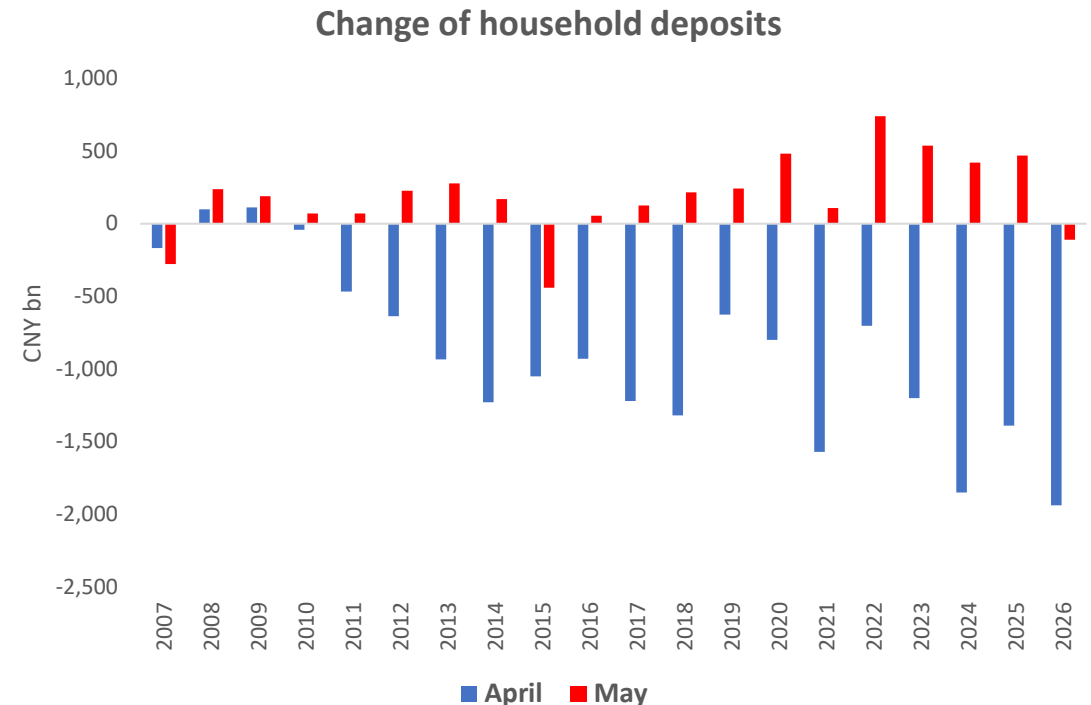
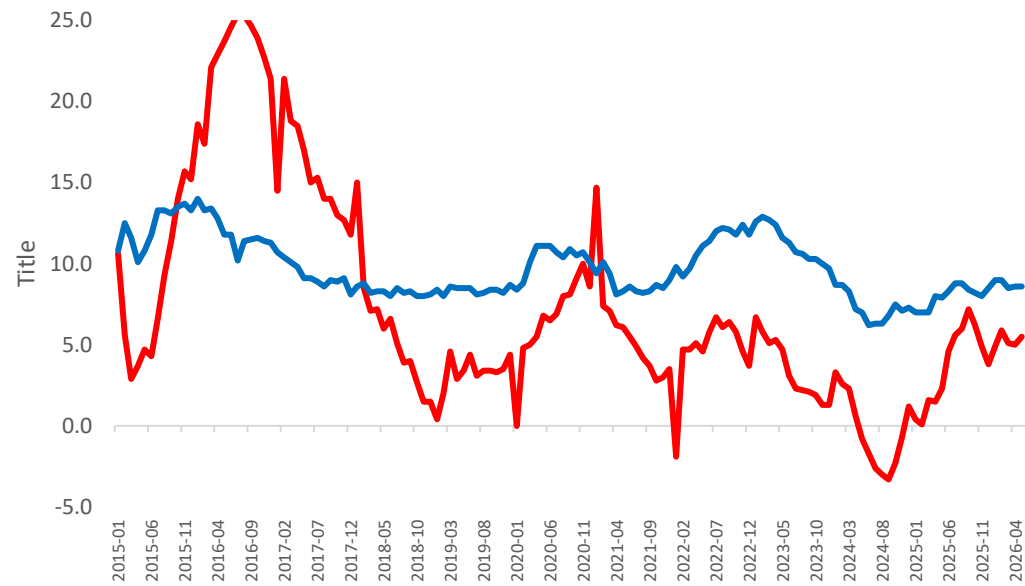
# China: Household deleverage continues

- The continued contraction in household medium- and long-term loans appears inconsistent with the perceived recovery in housing transactions in China's first-tier cities. Medium- and long-term household loans declined for a second consecutive month in May, pointing to continued household deleveraging. One possible explanation is that the recent improvement in the property market has been concentrated in low-ticket, owner-occupier demand. In Shanghai, for example, improving rental yields have supported demand for homes priced below RMB3mn. Many of these purchases may have been financed through housing provident fund loans and self-owned funds rather than commercial bank mortgages. As a result, the recovery in housing market sentiment has not been fully reflected in bank credit data.



# China: Household deposit behavior appears to be shifting.

- After household deposits fell by RMB1.94 trillion in April, they declined by a further RMB110 billion in May, marking the first two consecutive months of contraction since 2015.
- The primary driver appears to be the continued decline in deposit rates.
- On a more positive note, while precautionary savings remain elevated amid ongoing pressure on employment and household income, the composition of savings is beginning to change. Rather than simply accumulating deposits, households appear increasingly focused on asset allocation and return optimization. This suggests a gradual shift from a "savings mindset" toward an "investment mindset."

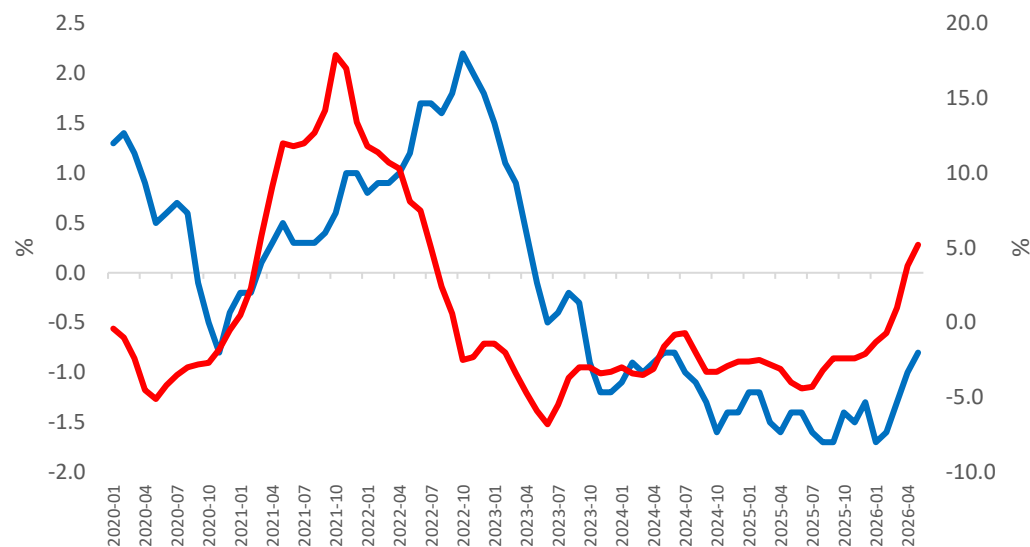


— M1 — M2

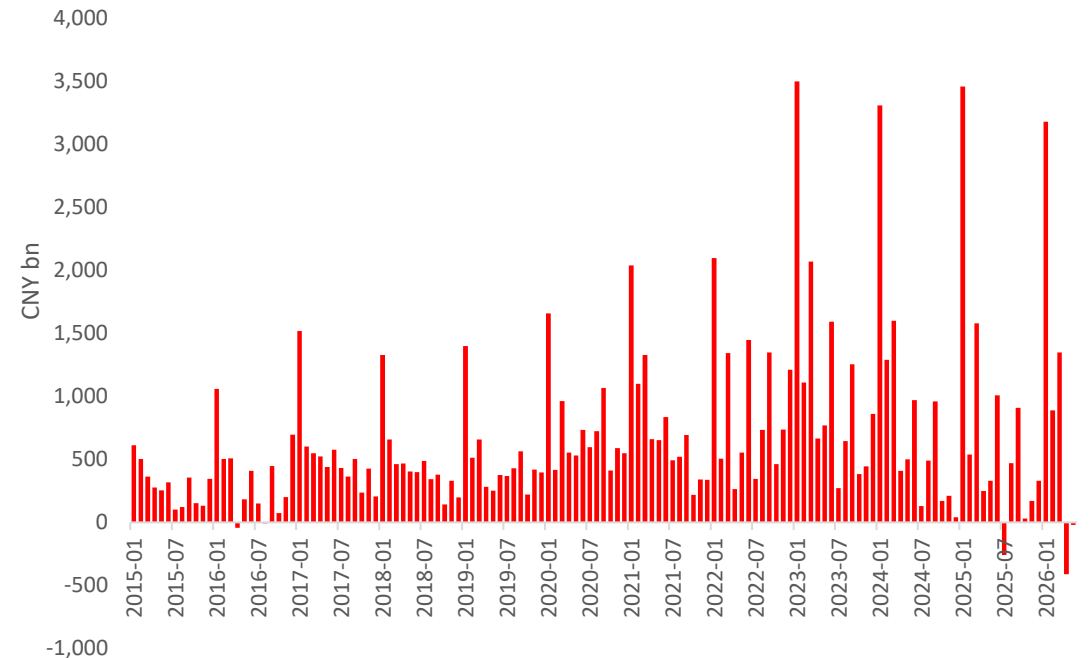
Source: Bloomberg, Reuters, OCBC Group Research.

# China: Weak corporate loan demand

- The rebound in PPI inflation and industrial profits has yet to translate into stronger corporate borrowing, Corporate medium- and long-term loans contracted for a second consecutive month in May. This contrasts with the rebound in PPI inflation to 3.9% YoY and the recovery in industrial profits, suggesting that stronger headline data have not translated into a broad-based improvement in corporate investment sentiment.
- One possible explanation is the increasingly pronounced K-shaped divergence across sectors.



— PPI consumption related LHS  
— PPI production related RHS

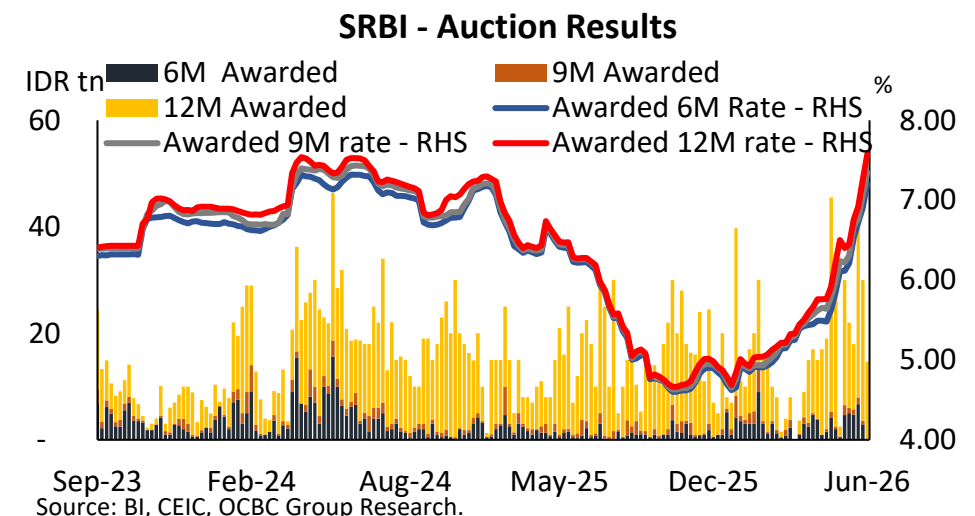
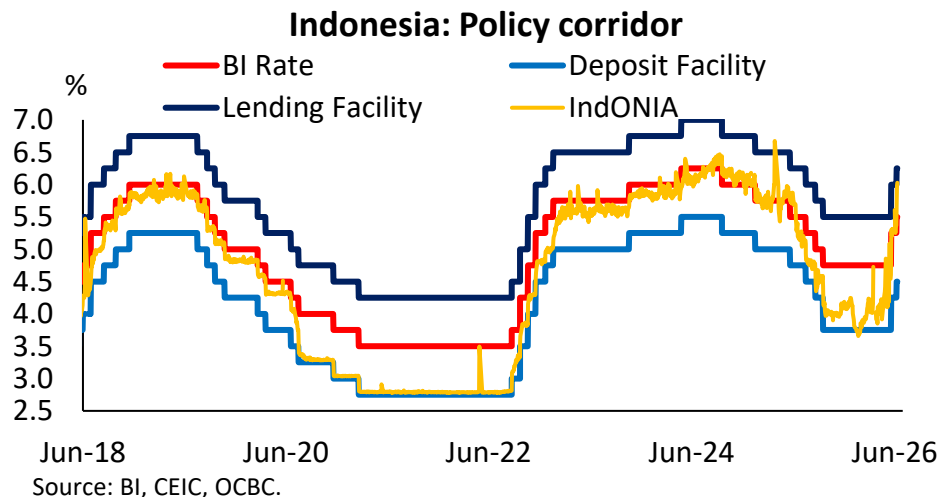


■ Medium to long term loan to corporate sector



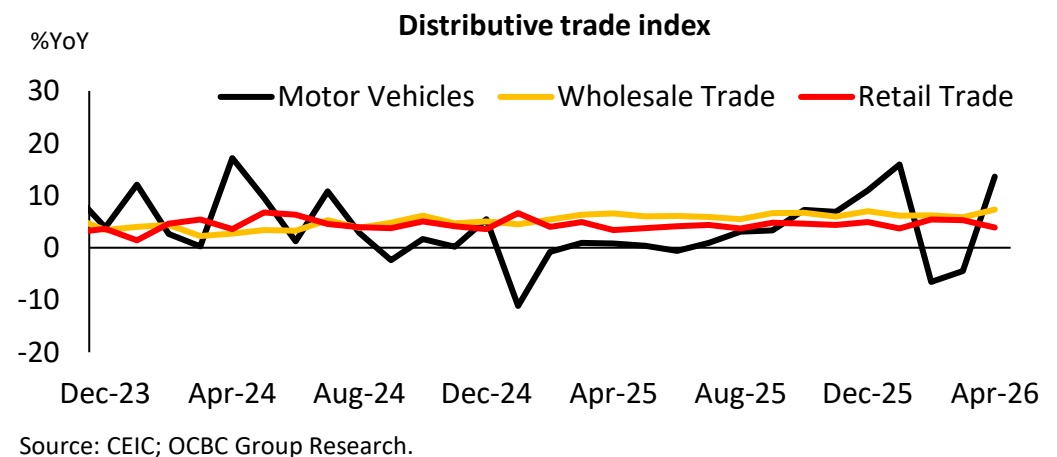
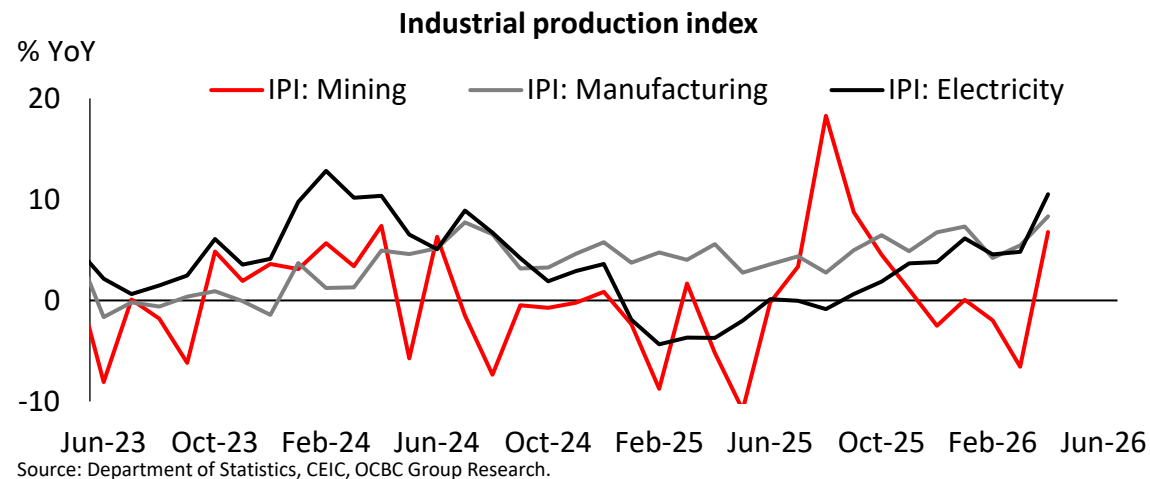
# Indonesia: BI hikes 25bp intermeeting; more ahead

- Bank Indonesia (BI) raised its policy rate by 25bp on 9 June (intermeeting), following a 50bp hike on 20 May, framing moves as pre-emptive to keep inflation within the 2.5±1% target for 2026–2027 ahead of its 18 June meeting. BI also took additional measures aimed at bolstering capital inflows. These include increasing the interest rate structure of SRBI across all 6-, 9-, and 12-month tenors, introducing a 10% reduction in the hedging swap rate for foreign investors and reopening the repo instrument auction window for 3-, 6-, 9-, and 12-month tenors for banks to ensure adequate liquidity in the money and banking markets.
- To sustainably backstop the recent slide in sentiment further follow through will be required from the government and BI. Policy backstops from the government could include materially cutting back on flagship expenditures, providing longer timelines and constructive discussions on the recently announced export policies.
- We expect a cumulative 100bp in rate hikes from BI through to end 2026, taking the policy rate to 6.50%. This assumes 25bp in rate hikes almost every meeting, including this week (18 June), or larger magnitudes at some meetings. This will also take the policy rate to the highest since 2015, tightening financial conditions.



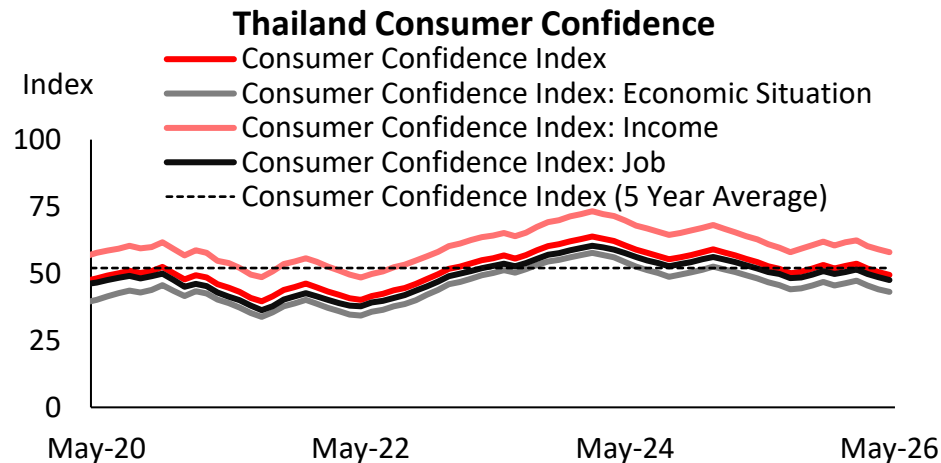
# Malaysia: Resilient April activity data

- Industrial production rose by 8.2% YoY in April versus 3.1% in March, signaling a robust start to 2Q26. The uptick was supported by still strong manufacturing sector growth (8.3% YoY versus 5.5% in March) along with a reversal of mining output to 6.8% YoY in April from -6.5% in March. Electricity output was up 10.5% YoY versus 4.8% YoY in March.
- The other incoming activity data also pointed to a resilient start to 2Q26. Motor vehicles sales recorded growth of 13.6%YoY versus -4.5% in March while wholesale trade grew 7.3% YoY in April versus 5.9% in March. Retail sales growth slowed to 3.9%YoY versus 5.2% in March likely reflecting some incipient signs of the impact of Middle East tensions.
- We continue to forecast 2026 GDP growth to slow to 4.4% from 5.2% in 2025, with the slowdown more pronounced in 2H26 rather than 1H26. We expect Bank Negara Malaysia (BNM) to keep its policy rate unchanged at 2.75% at its 9 July meeting.

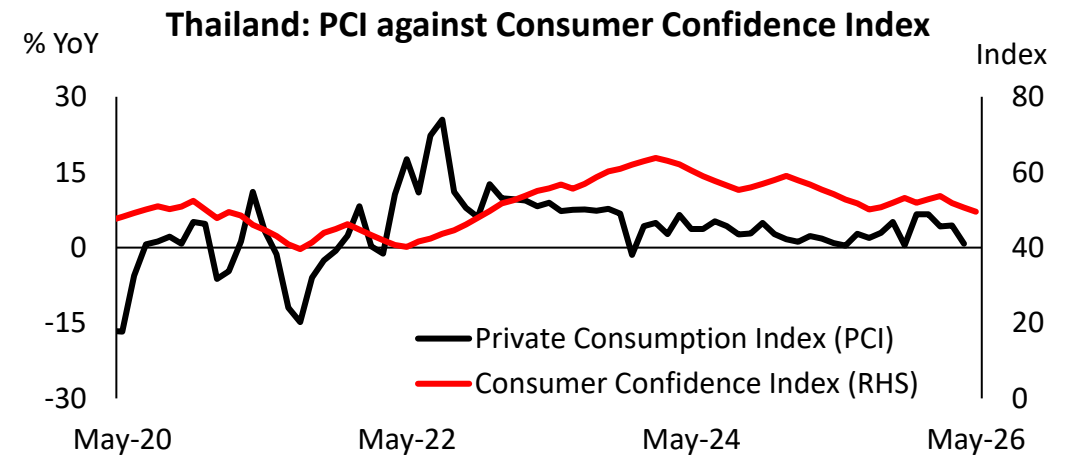


# Thailand: Consumer confidence remains soft

- The consumer confidence index (CCI) fell for the third consecutive month, declining to 49.5 in May from 50.6 in April. This decrease in the CCI was broad-based across its sub-indices: 'economic situation' (43.1 versus 44.1 in April), 'income' (57.9 versus 59.0 in April), and 'job' (47.5 versus 48.6 in April).
- According to the University of the Thai Chamber of Commerce (UTCC), the decline was largely driven by concerns that the Middle East war and sustained high oil prices would hamper Thailand's economic growth and increase cost-of-living pressures. The UTCC added that the June reading would be a key indicator of whether economic sentiment is beginning to improve, as the government's Thais Help Thais Plus co-payment scheme started on June 1 and will continue until end-September.
- Under the scheme, the state covers 60% of each purchase, subject to a limit of THB200 per person per day and THB1,000 per month for four months, helping households reduce daily expenses amid rising living costs from the Middle East conflict. The scheme applies to consumer goods and transport tickets.



Source: Center for Economics and Business Forecasting, University of the Thai Chamber of Commerce, CEIC, OCBC Group Research.



Source: Center for Economics and Business Forecasting, University of the Thai Chamber of Commerce, Bank of Thailand, CEIC, OCBC Group Research.



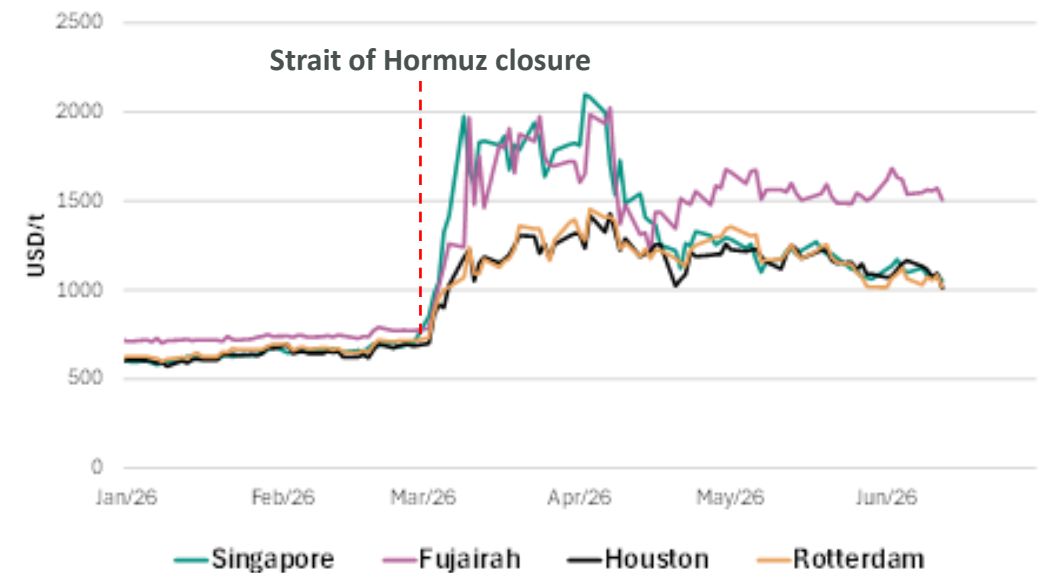
**ESG**



# ESG: Strengthening maritime supply chain resilience with alternative fuels

- There is renewed interest in alternative fuels as the Middle East conflict has highlighted the risks of traditional bunker fuel supplies, and the importance of fuel diversification to ensure resilient supply chains in the long term.
- Despite slowing regulatory progress with the one-year delay of the International Maritime Organisation (IMO)'s Net-Zero Framework, the maritime industry is actively exploring alternative fuels, including LNG, methanol, ethanol, ammonia, biofuels and hydrogen. However, the technologies and infrastructure for these alternatives are still developing.
- For example, major shipping companies including Maersk are turning to ethanol as an alternative marine fuel to reduce emissions, as abundant supply and lower cost make it a more attractive option than other low-carbon fuels such as hydrogen. Ethanol's main feedstock is corn, which top producers, the US and Brazil, have in abundance.
- Depending on location and volume, the cost of ethanol is broadly comparable to conventional low-sulphur fuel oil (LSFO) but cheaper than green methanol. As ethanol has similar properties to methanol, ethanol can run on an existing methanol-compatible engine without major retrofits.
- Further commercial usage of ethanol in the maritime industry is expected as early as next year, as bunker hubs are also developing the infrastructure and standards aimed at scaling alternative fuels.

Low-sulphur marine gasoil (LSMGO) prices at four bunker hubs



# FX & Rates



# FX & Rates: De-escalation Trade On, But Maturing

- **De-escalation Trade On But Maturing:** Oil's drop on US-Iran deal hopes has boosted risk and eased rate pressure. Importer FX may outperform near term, but de-escalation trades look mature. Stay neutral USD, prefer selective carry and commodity FX.
- **ECB Eyes Another:** ECB hikes again and signals more to come. We expect one more move, but less than market pricing. Any EURUSD strength on US-Iran deal looks tactical and likely fades on widening US-eurozone growth divergence.
- **Guidance in Focus:** Policy rates likely unchanged, but guidance turns key. Fed likely neutral shift and any hawkish signals support USD. BoJ may hike but pace uncertain. RBA near peak. AUD supported by carry, but AUDNZD looks toppish.
- **Oil, Rates, Gold:** Rising yields have weighed on gold, but structural tailwinds persist. Easing energy pressures and steady central bank accumulation could help gold hold key support and gradually rebuild upward momentum.

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