Weekly Macro Views (WMV)

OCBC Group Research

3 Aug 2026

Weekly Macro Update

Key global data for this week:

3 Aug	4 Aug	5 Aug	6 Aug	7 Aug
• **AU:** Melbourne Institute Inflation MoM • **CH:** RatingDog China PMI Mfg • **ID:** CPI YoY, Exports YoY • **IN:** HSBC India PMI Mfg • **SI:** Purchasing Managers Index • **US:** ISM Manufacturing • **VN:** CPI YoY	• **HK:** Retail Sales Value YoY • **JN:** Monetary Base YoY • **SK:** CPI YoY, CPI MoM • **US:** Trade Balance, Durable Goods Orders	• **CH:** RatingDog China PMI Services • **ID:** GDP YoY • **IN:** RBI Repurchase Rate • **PH:** CPI YoY 2018=100 • **SI:** Retail Sales YoY, Automobile COE Open Bid Cat A • **US:** ISM Services Index	• **AU:** Trade Balance • **SK:** BoP Current Account Balance • **TH:** CPI YoY, CPI Core YoY, CPI NSA MoM • **US:** Initial Jobless Claims, Continuing Claims, Wholesale Inventories MoM	• **CH:** Exports YoY, Trade Balance, Imports YoY, Foreign Reserves • **HK:** Foreign Reserves • **MA:** Foreign Reserves • **PH:** GDP YoY, Foreign Reserves • **US:** Change in Nonfarm Payrolls, Unemployment Rate, Change in Manufact. Payrolls

Summary of Macro Views:

Global	• **US-Iran:** Strikes halted, talks set to begin • **US:** Three-way dissent challenges the hold • **US:** Domestic demand outpaces the GDP headline • **UK:** A hawkish hold on the surface, with dovish follow-up • **EU:** Q2 rebound remains uneven • **AU:** Headline CPI lower, underlying inflation unchanged
Asia	• **JN:** The 1% BoJ hold leaves a tightening bias • **SG:** Services Sector Outlook Brightens • **SG:** Manufacturing Outlook Remains Positive • **SG:** Resilient Labour Market • **SG:** Steady Labour Demand Ahead • **CH:** Weak PMI reinforced the case for more supports

Asia	• **CH:** Five takeaways from the Politburo meeting • **HK:** 2Q GDP growth moderated • **HK:** Uptrend in housing prices may lose momentum • **MO:** Downward revision of 2026 growth forecast to 4.0% • **ID:** Trade performance improved in June • **ID:** Headline inflation eased in July • **TH:** Growth likely slowed in 2Q26 • **VN:** Activity remained robust in July; inflation eased
Asset Class	• **ESG:** Draft Singapore Sustainability Disclosure Standards • **FX & Rates:** JPY's Big Backstop

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Global: Central Bank

Forecast – Key Rates

Reserve Bank of India (RBI)

Wednesday, 5th Aug

House Views

Repurchase Rate

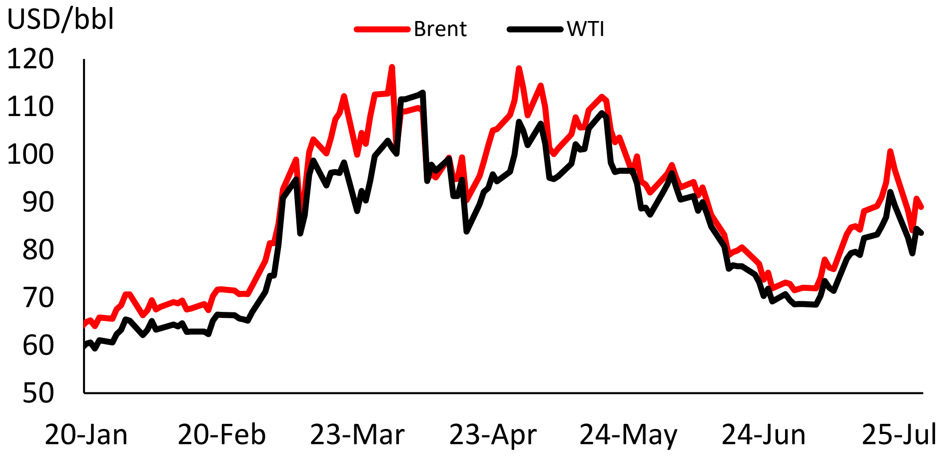
Likely a hold at 5.25%

US-Iran: Strikes halted, talks set to begin

- Prospects for de-escalation and a renewed agreement improved over the weekend after President Trump called off a planned bombing campaign against Iran and signalled progress toward a potential deal. On Friday (31 Jul), reports indicated that the US and Israel were preparing strikes on Iran's energy infrastructure. However, Trump announced yesterday (1 Aug) that the operation was cancelled following appeals from Iran and Middle Eastern allies, adding that a preliminary framework had been reached, which includes the reopening of the Strait of Hormuz and the de-nuclearization of Iran. Iranian state media have denied Trump's claims that Tehran requested the US to halt military action. US-Iran talks are scheduled to commence on Monday, although this remains unconfirmed by Tehran.

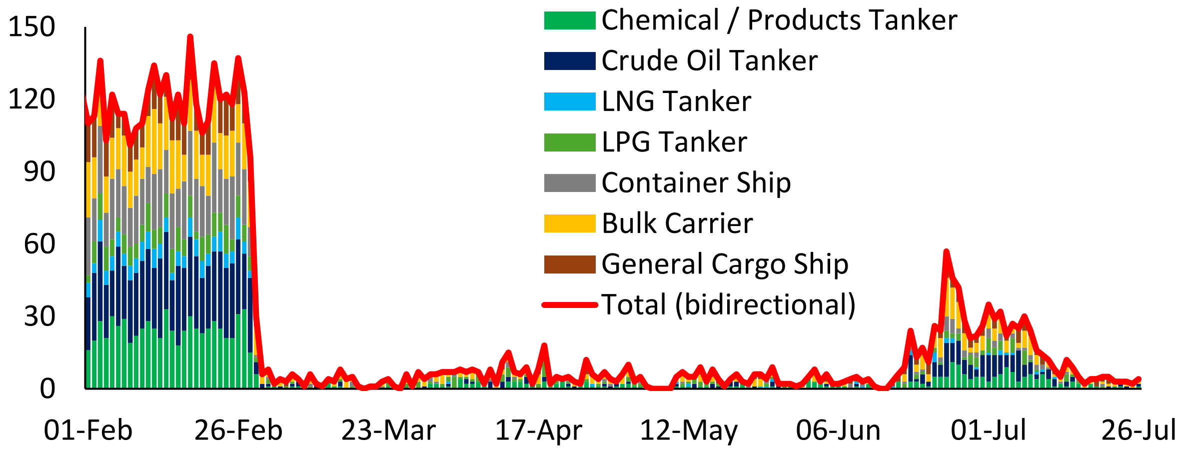
- Separately, Iran's Foreign Minister stated that negotiations with Oman regarding the management of the Strait of Hormuz are in their final stages. He clarified that this does not constitute a reopening of the strait, but rather an effort to establish a mutually acceptable shipping route that safeguards the sovereign rights of both countries. Under the proposed arrangement, the current northbound and southbound channels would be replaced by a single agreed route.

Crude oil prices



Source: Bloomberg, OCBC Group Research.

Strait of Hormuz commercial vessel crossings

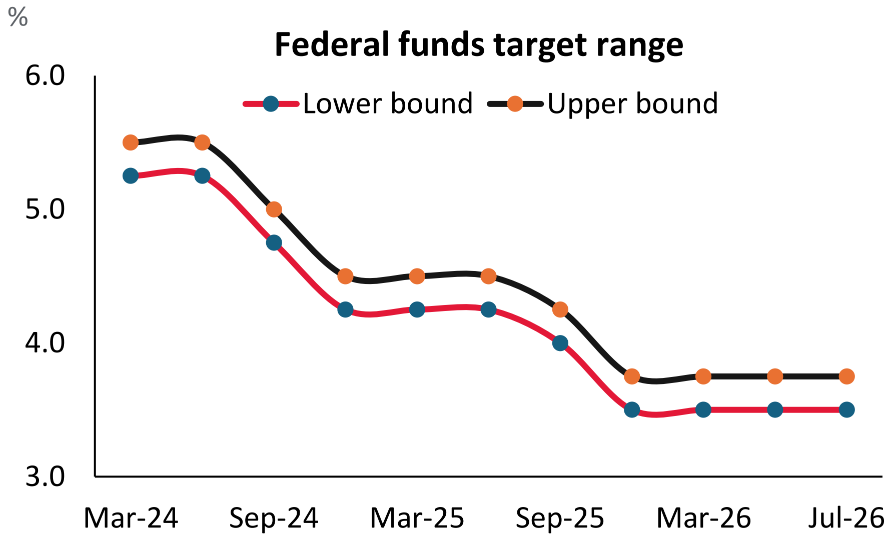


Source: Bloomberg, OCBC Group Research.

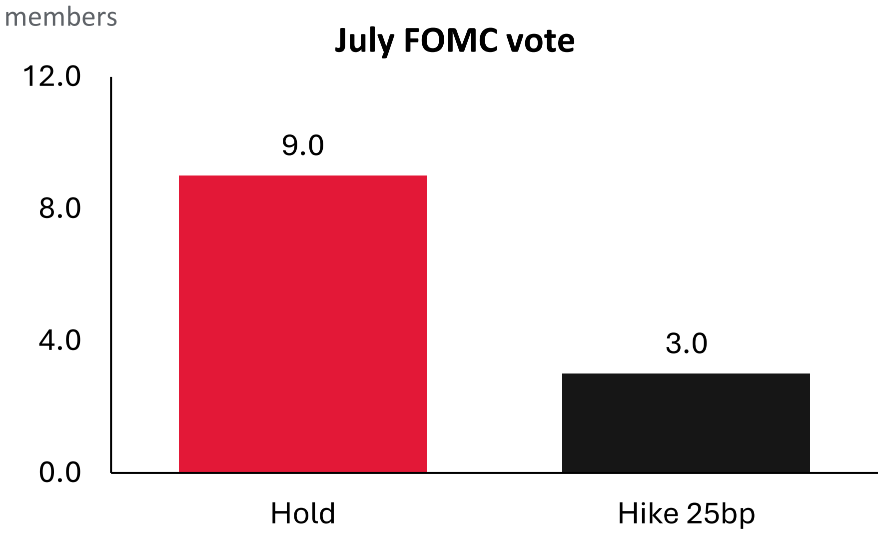
Source: Reuters, Bloomberg, OCBC Group Research.

US: Three-way dissent challenges the hold

- The 9-3 hold at 3.50-3.75% produced a significant hawkish bloc, following the hawkish shift in the dot plot previously in June when 9 members saw a rate hike this year
- The dissenters were Cleveland President Beth Hammack, Minneapolis President Neel Kashkari, and Dallas President Lorie Logan, all of whom voted in favor of raising rates by 25 bps.
- House call is still for unchanged Fed funds rate through 2026, though we acknowledge that risks are increasingly tilted towards a hike.



Source: Bloomberg (FDTRFTRL Index; FDTR Index), retrieved 3 Aug 2026

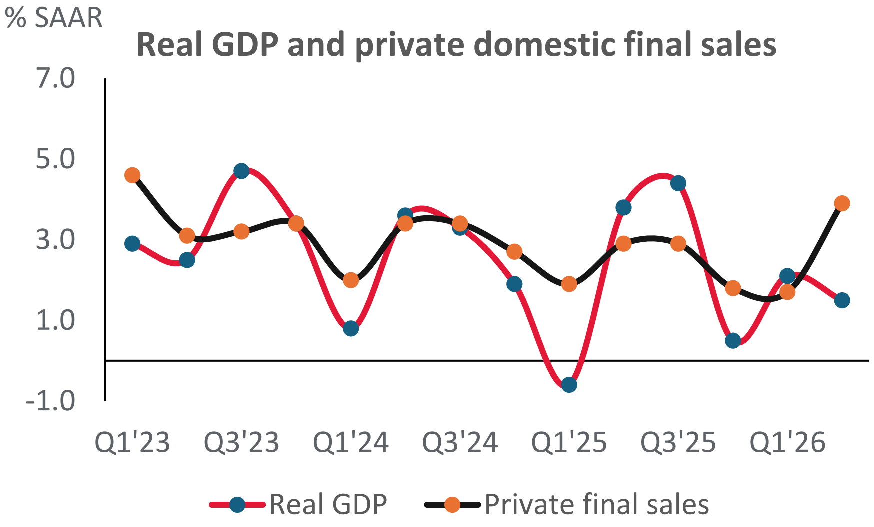


Source: Federal Reserve Board, 29 Jul 2026

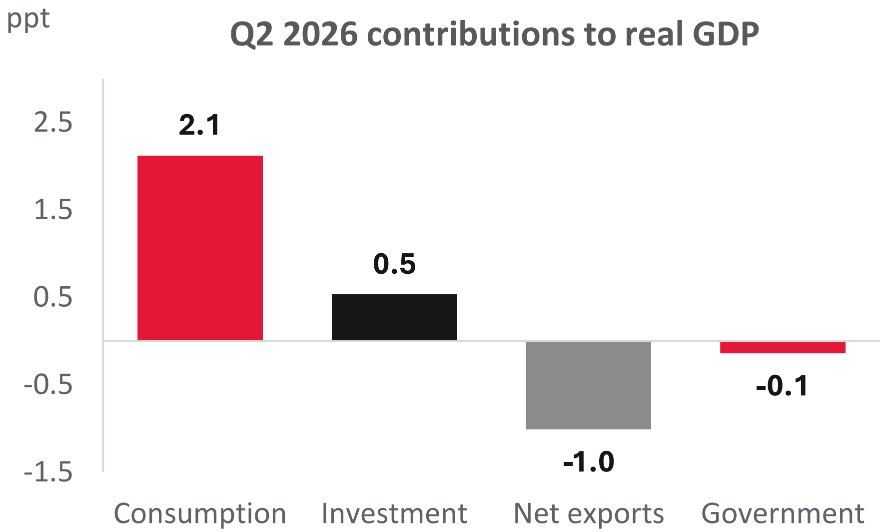
Source: Federal Reserve Board, Bloomberg, OCBC Group Research.

US: Domestic demand outpaces the GDP headline

- Real GDP slowed to 1.5% QoQ SAAR, but private domestic final sales accelerated to 3.9% QoQ SAAR, pointing to firmer underlying demand than the headline.
- Consumption contributed 2.12pp while net exports subtracted 1.01pp, so the slowdown largely reflects composition rather than broad weakness.
- AI-related capital spending stayed strong. Equipment investment rose 15.2% QoQ SAAR and intellectual-property investment rose 8.8% QoQ SAAR, although capital-goods imports diluted measured GDP.



Source: BEA, OCBC Group Research.



Source: BEA, OCBC Group Research.

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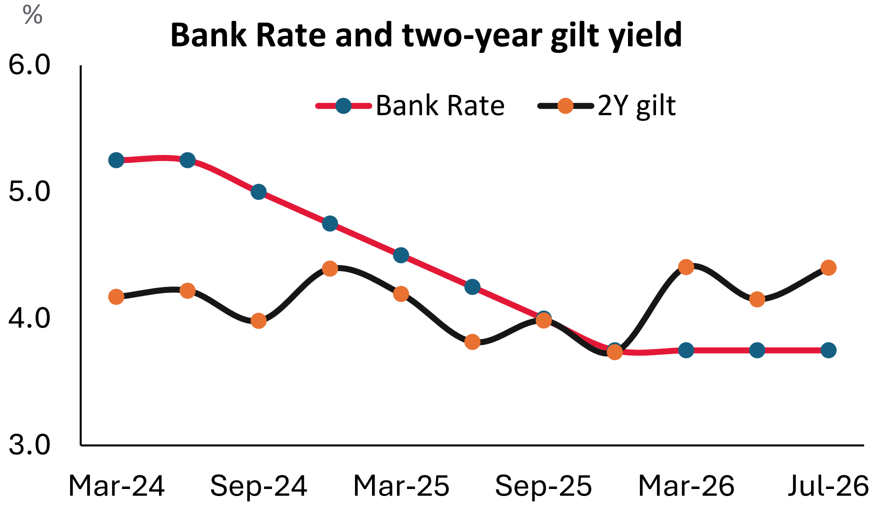
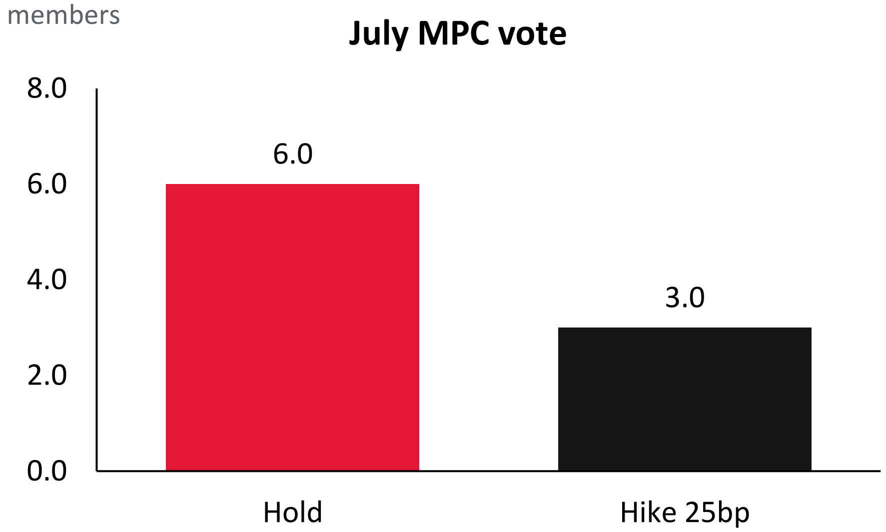
Source: U.S. Bureau of Economic Analysis, OCBC Group Research.

UK: A hawkish hold on the surface, with dovish follow-up

- A 6–3 hold at 3.75% gave the MPC decision a hawkish look initially as one-third of the MPC preferred an immediate 25bp hike.
- However, Governor Bailey also told reporters not to interpret the meeting as the Bank edging “towards a hike”, and there is “tentative evidence that inherited inflation persistence may be weaker than had been presumed”
- The current Monetary Policy Report explicitly outlines adverse, central, and milder scenarios, providing clearer guidance on the MPC's assessment of the most likely economic path



Source: Bloomberg, OCBC Group Research

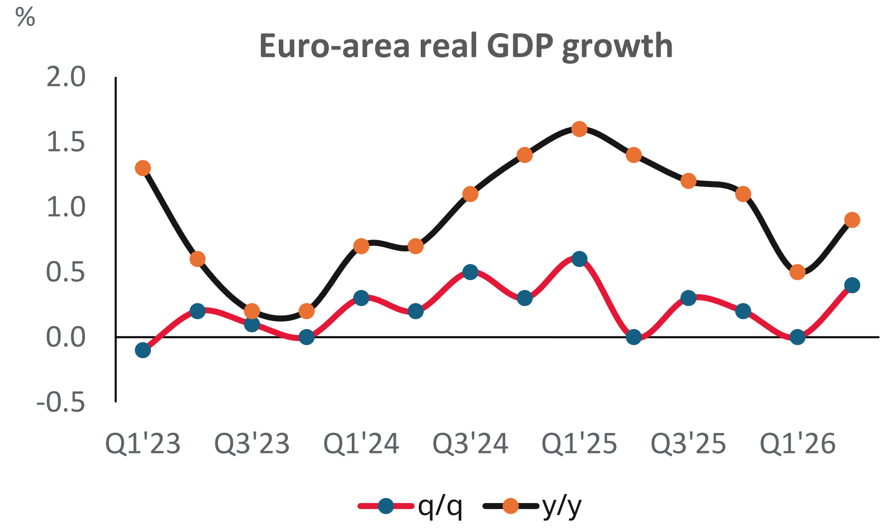


Source: Bank of England, OCBC Group Research.

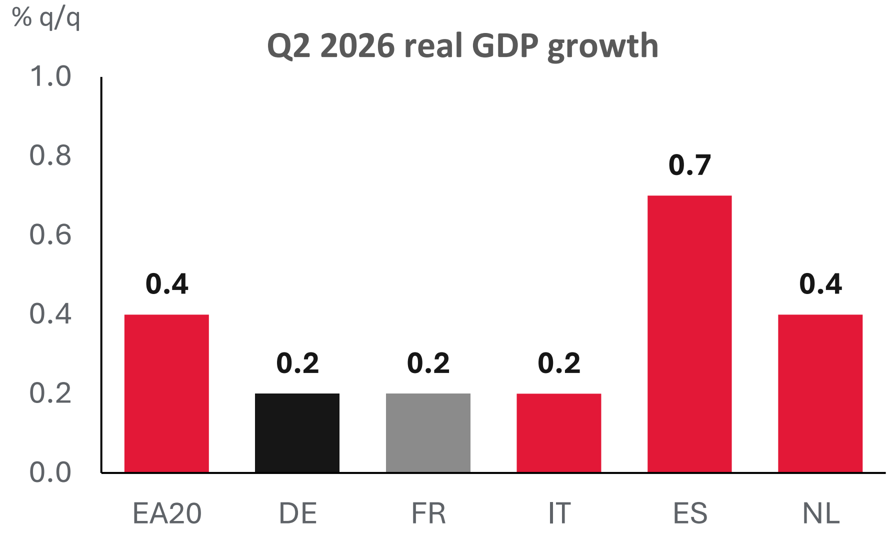
Source: Bank of England, Bloomberg, OCBC Group Research.

EU: Q2 rebound remains uneven

- Q2 GDP accelerated to 0.4% QoQ and 0.9% YoY but the recovery is not broad enough to signal a self-sustaining regional upswing.
- Spain's 0.7% QoQ expansion did most of the heavy lifting; 0.2% QoQ growth in Germany, France and Italy leaves the core vulnerable to weak demand.
- Growth drivers remained uneven across countries, with trade supporting Germany and France, while domestic demand and services underpinned Italy and Spain.



Source: Eurostat, OCBC Group Research.

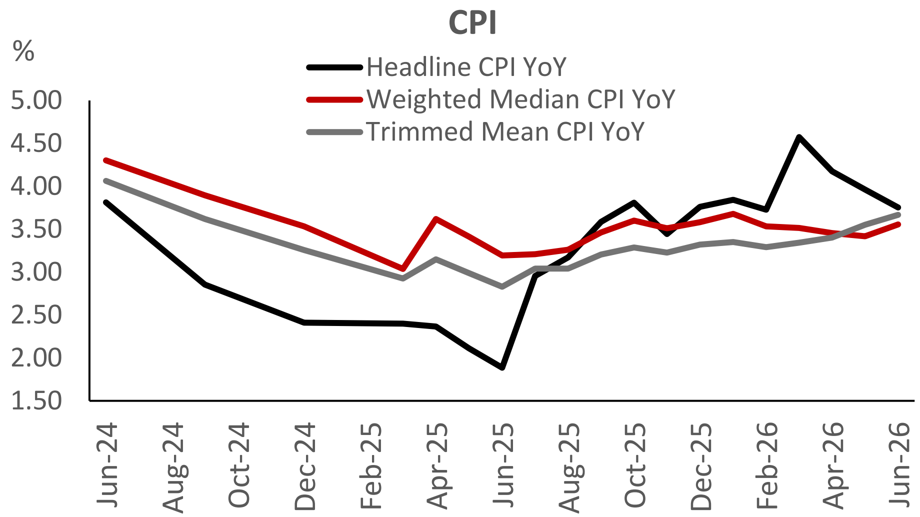


Source: Eurostat, OCBC Group Research.

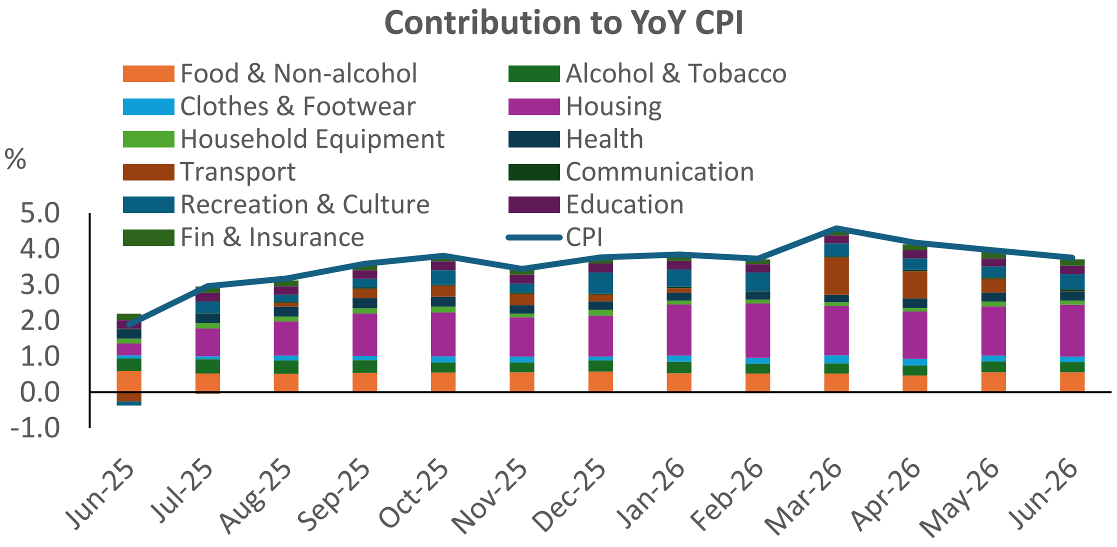
Source: Eurostat, OCBC Group Research.

Australia: Headline CPI lower, underlying inflation unchanged

- Headline inflation surprised to the downside, coming in at 3.8% YoY in June, down from 4.0% in May. However, trimmed mean inflation remained steady at 3.6% in June, unchanged from May. Goods inflation slowed to 3.5% from 4.2% in May, while services inflation increased to 4.0% from 3.7%. A similar divergence was observed between tradables and non-tradables inflation: tradables inflation eased to 1.5% from 2.5%, while non-tradables inflation rose to 4.9% from 4.7%.
- The largest downward contribution to headline inflation came from transport, which fell 2.7% MoM, driven by a sharp decline in automotive fuel prices amid lower global oil prices and government fuel excise relief measures. Offsetting this, the largest contributors to inflation were food and non-alcoholic beverages, which rose 3.3% YoY due to higher ingredient costs and wage pressures, and housing, which increased 6.8% YoY, reflecting higher electricity prices and continued pass-through of elevated labour and material costs to new dwelling prices.



Source: ABS, CEIC, OCBC Group Research.

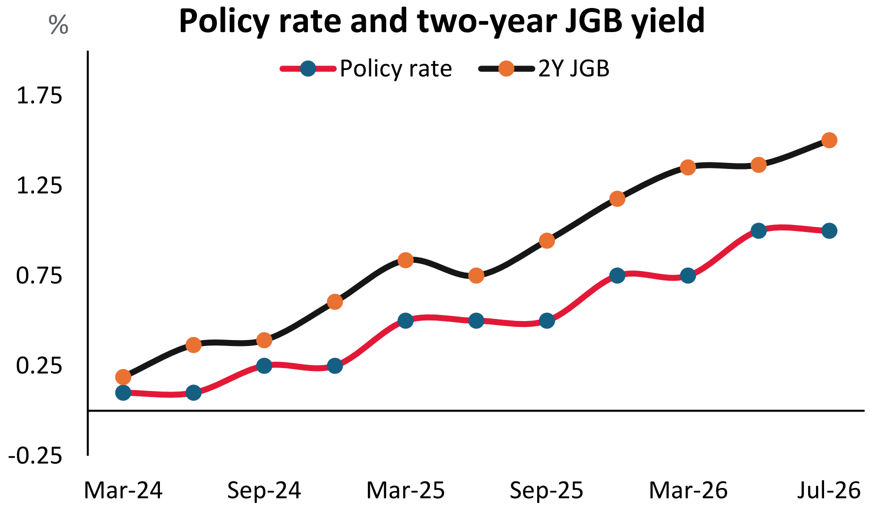


Source: ABS, CEIC, OCBC Group Research.

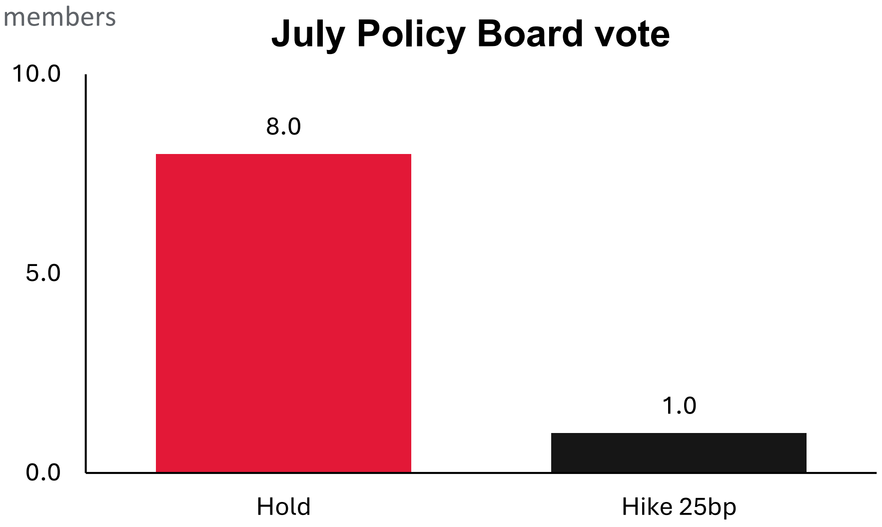
Source: ABS, CEIC, OCBC Group Research.

Japan: The 1% BoJ hold leaves a tightening bias

- The 8–1 decision kept the overnight rate near 1.0%, with Takata dissenting in favour of an immediate hike to 1.25%, citing growing inflation risks.
- Near-term inflation forecast cut, but underlying pressures remain firm. The BOJ lowered its FY2026 core CPI forecast—excluding fresh food—to 2.5% from 2.8%. However, it raised FY2027 inflation to 2.4% from 2.3%.
- The BOJ stated that it would continue raising interest rates and reducing monetary accommodation, with inflation risks now skewed to the upside. Future timing will depend particularly on the yen, Middle East developments and strong global AI-related demand.



Source: Bloomberg (BOJDTR Index; GJGB2 Index), OCBC Group Research.



Source: Bank of Japan, OCBC Group Research.

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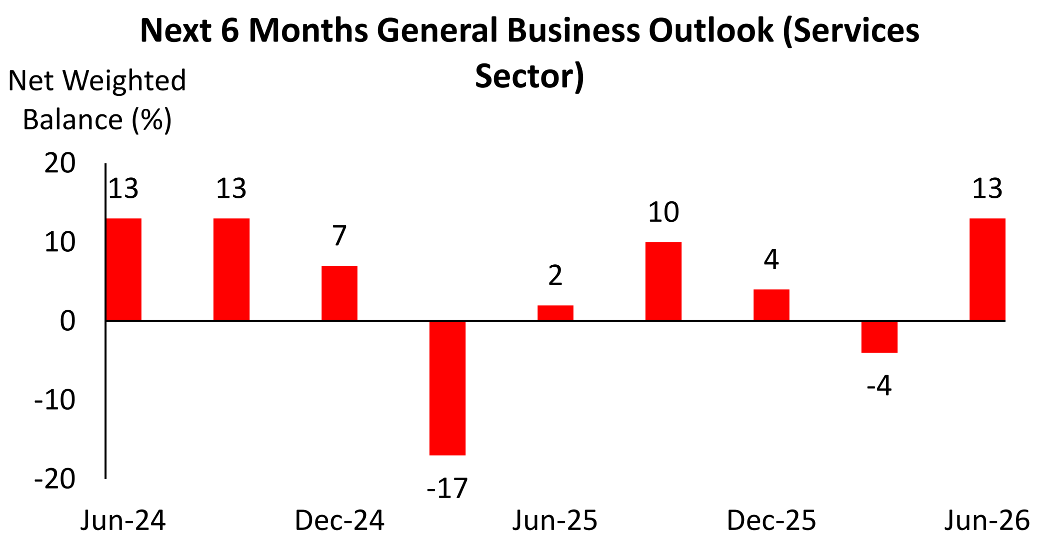
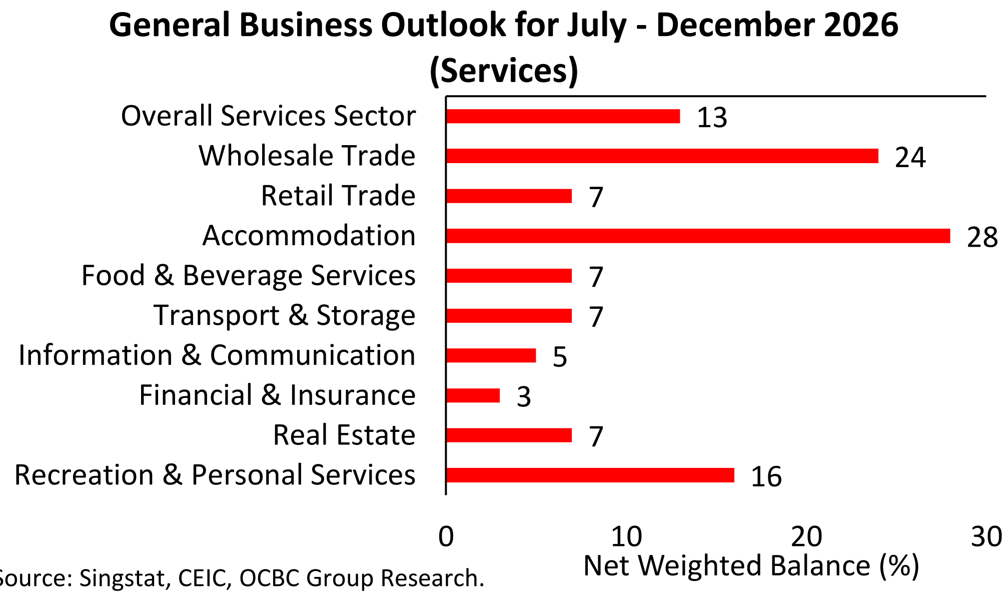
Source: BoJ, Bloomberg , OCBC Group Research.

SG: Services Sector Outlook Brightens

- Business expectations for the services sector improved significantly to a net weighted 13% of firms anticipating a better six months outlook, up from -4% a quarter ago and also significantly better than the +2% a year ago.
- The optimism was broad-based across the services sectors, led by the accommodation (+28% versus -11% a quarter ago), wholesale trade (+24% versus +11%), recreation, community & personal services (+16% versus +11%), administrative & support services (+14% versus +1%) etc.
- Given the strong pipeline of events and activities like F1, BTS etc, it is not surprising that the confidence has improved for some of these services industries that are hospitality-related. Given that the 3Q26 output and employment outlook remains broad-based across all the services industries, this bodes well for 3Q26 growth momentum and also the labour market prospects in the near-term.



Source: Singstat, CEIC, OCBC Group Research.



Source: Singstat, CEIC, OCBC Group Research.

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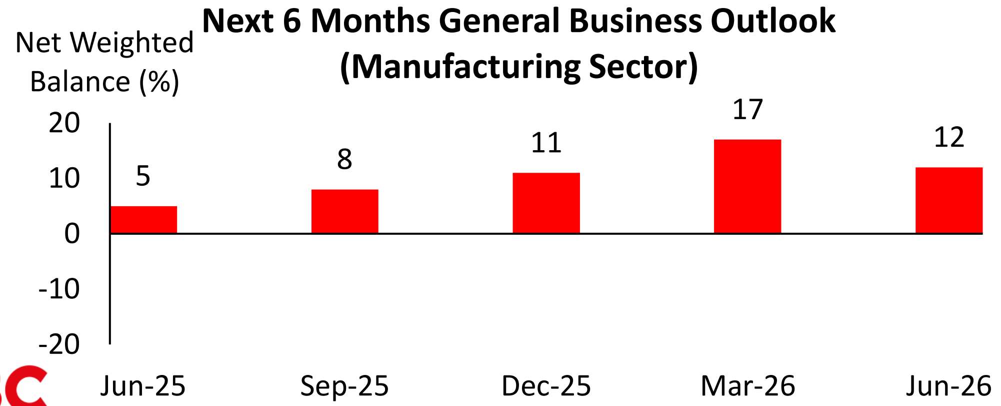
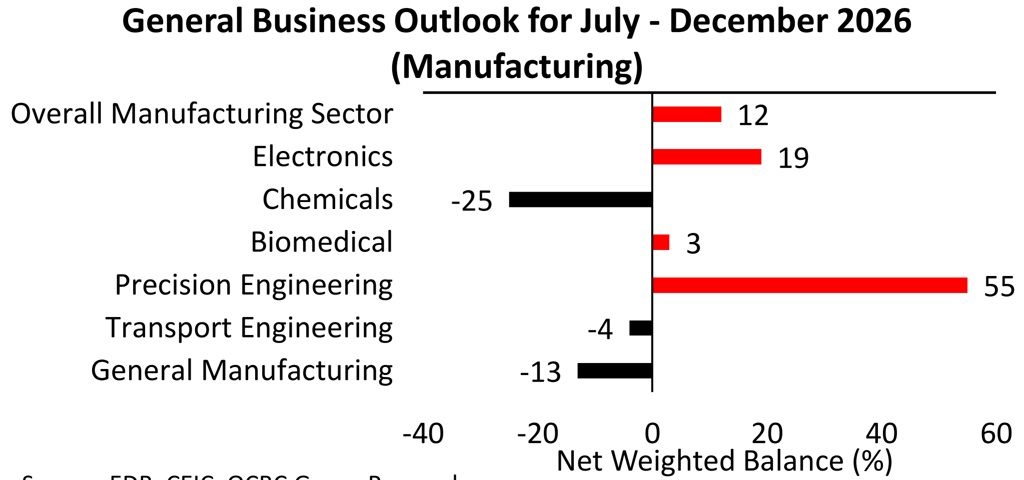
Source: Singstat, CEIC, OCBC Group Research.

SG: Manufacturing Outlook Remains Positive

- Business expectations for the manufacturing sector turned a tad less bullish with a net weighted 12% of firms still anticipating a better six months outlook, lower than the 17% three months ago, but still higher than the 5% a year ago.
- The global AI-related investment cycle continued to benefit the electronics and precision engineering industries domestically. Notably, the most bullish was the precision engineering cluster with a net weighted 55% of firms seeing a more favourable 6-month outlook ahead (up from 51% three months ago). The second most bullish was the electronics cluster with a net weighted 19% of firms staying bullish, albeit this was a pullback from the 42% of firms seen three months ago.
- In contrast, the transport engineering cluster had turn net bearish at -4% (versus +8% three months ago), dragged down by the aerospace (-4% versus +24%) – the latter is interesting since the Middle East conflict had begun in late February and had contributed to higher global energy prices, but Asia was supposed a beneficiary of the air traffic diversion, which suggests that the MRO pipeline is likely facing a bottleneck in supply chain for aircraft component constraints and rising business costs rather than a demand crunch per se.



Source: EDB, CEIC, OCBC Group Research.

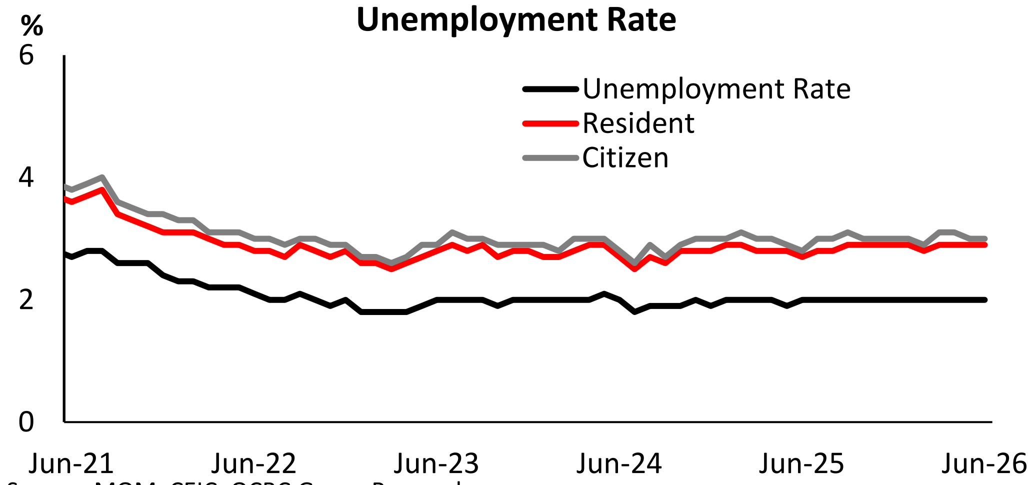


Source: EDB, CEIC, OCBC Group Research.

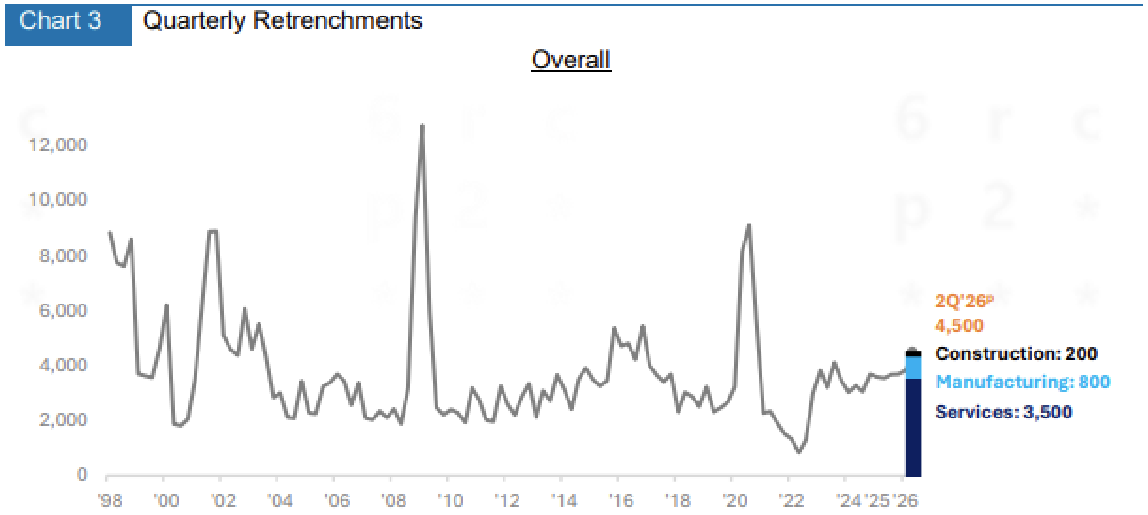
Source: EDB, CEIC, OCBC Group Research.

SG: Resilient Labour Market

- The 2Q26 manpower report revealed that the domestic labour market remained fundamentally resilient even though employment created eased to 10.7k (versus 9.4k in 1Q26 and 10.4k a year ago) and retrenchments had picked up to 4.5k (versus 3.83k). The unemployment rates remained relatively stable at 2.0% (overall), 2.9% (resident) and 3.0% (citizen) respectively in 2Q26, similar to the 2.0%/2.9%/3.1% seen at the end of 1Q26.
- The employment growth was generated mainly for non-residents in the construction and manufacturing sectors, while the resident employment growth slowed but were largely in the essential and public sectors.
- Notably, the retrenchments were primarily driven by business restructuring and reorganisation, especially in externally-oriented industries like manufacturing, financial services and professional services.



Source: MOM, CEIC, OCBC Group Research.



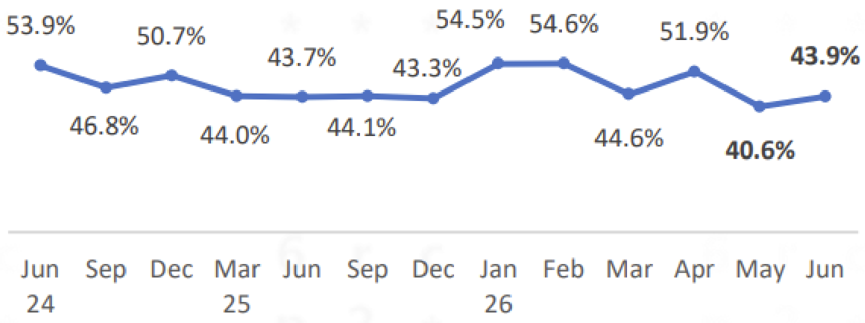
Source: Labour Force Survey, Manpower Research & Statistics Department, MOM.

Source: Labour Force Survey, Manpower Research & Statistics Department, MOM, CEIC, OCBC Group Research.

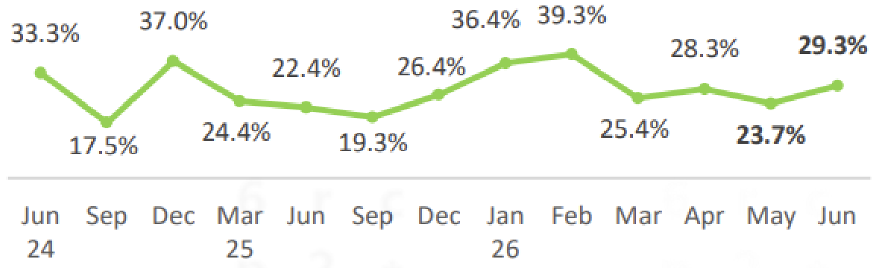
SG: Steady Labour Demand Ahead

- The share of firms expecting to retrench also declined from 3.2% to 2.7%. All these suggest that labour demand conditions are actually relatively steady – while global uncertainties remain due to geopolitical tensions, US tariff policy uncertainties, and changing demand for AI adoption and digitalisation, hiring intentions may have become more selective amid elevated business costs.
- The business expectations survey for both the services and manufacturing sectors also remains generally supportive of the domestic labour market conditions in 2H26. As such, a sudden or sharp deceleration in the domestic labour market is unlikely at this juncture.

Plans to Hire (%)



Intention to Raise Wages (%)



Source: Manpower Research & Statistics Department, MOM.

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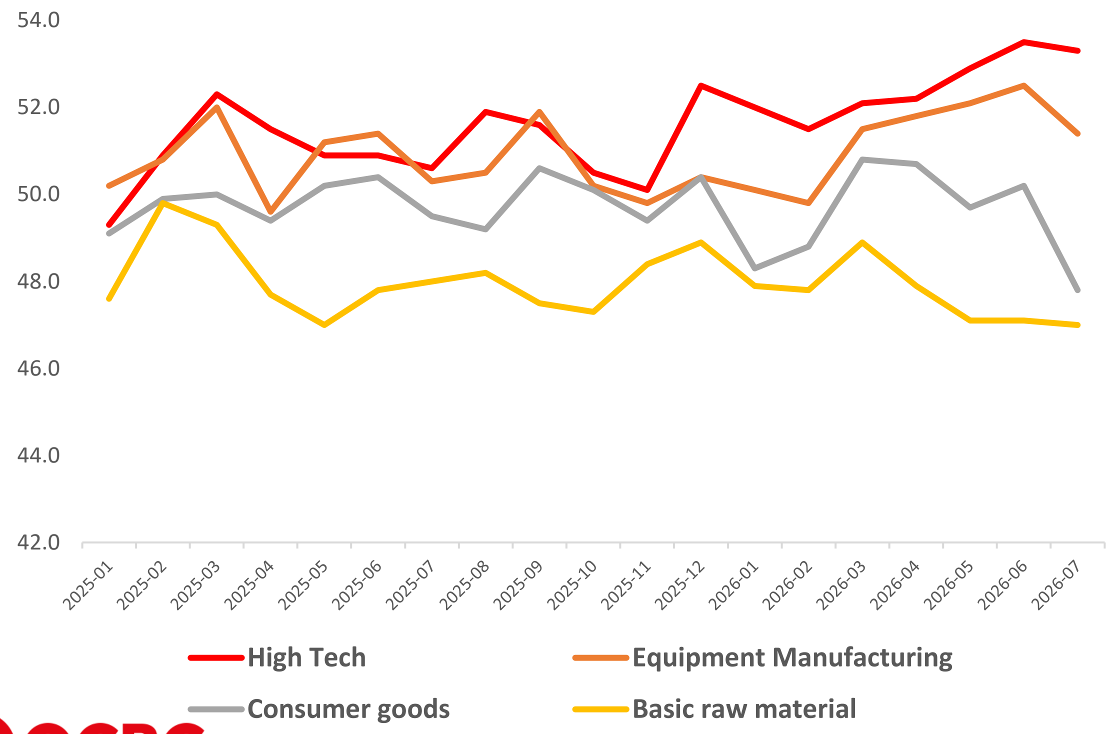
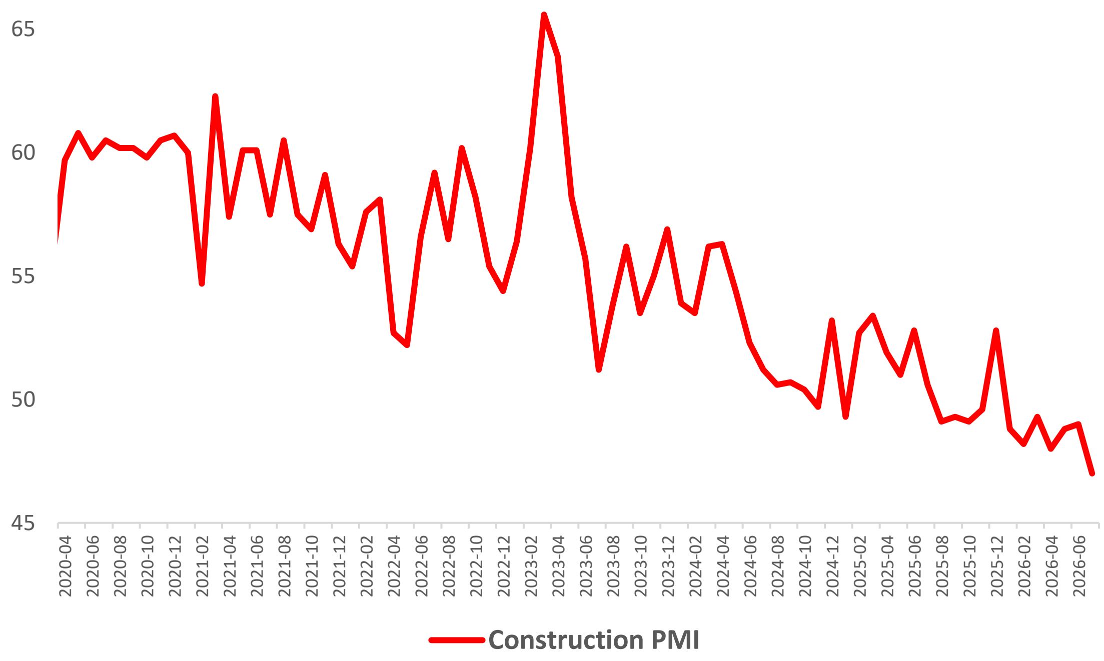
Source: Labour Force Survey, Manpower Research & Statistics Department, MOM, CEIC, OCBC Group Research.

China: Weak PMI reinforced the case for more supports

- Both manufacturing and services PMIs declined more sharply than seasonal norms and slipped into contraction in July. The data pointed to four key divergences: supply outperformed demand, external demand outperformed domestic demand, price pressures remained weak, and new growth drivers continued to outperform traditional sectors. The broad-based slowdown reinforces the case for faster policy implementation, particularly through fiscal deployment and infrastructure-related financing, although the resilience of high-tech manufacturing and export demand provides some offset.





Source: Bloomberg, Reuters, OCBC Group Research.

China: Five takeaways from the Politburo meeting

- No policy bazooka: Near-term support will focus on deploying existing policy capacity, with October's Fifth Plenum the next key catalyst.
- Reform and execution upgraded: Greater emphasis was placed on institutional reform, capital-market restructuring and faster fiscal deployment.
- Policy priorities are shifting: Infrastructure support is moving towards new-economy networks, while direct support for household demand remains limited.

Five takeaways from the Politburo meeting
There was a clear shift towards institutionalisation and legislation. The anti-involution campaign is evolving from a temporary policy initiative into a more permanent governance framework.
the language on capital markets was notably upgraded.
the fiscal-policy emphasis shifted from funding availability to policy execution. The "six networks" framework was mentioned again, providing greater clarity on future infrastructure priorities.
the external-policy tone was relatively moderate. References to "room for cooperation", services trade and attracting foreign investment suggest that Beijing is seeking to maintain a constructive external environment.
the approach to domestic demand is becoming more supply-oriented. Consumption policy remains centred on improving supply, expanding service-sector offerings.

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Source: Bloomberg, Reuters, OCBC Group Research.

Hong Kong: 2Q GDP growth moderated

- Hong Kong's economy remained on a solid growth trajectory in the second quarter of 2026, although the pace of expansion moderated from the exceptionally strong performance recorded in the previous quarter and fell short of market expectations. Real GDP grew by 4.3% YoY in 2Q26, easing from a five-year high of 5.9% in 1Q26. On a seasonally adjusted quarter-on-quarter basis, GDP contracted by 0.6%.
- Private consumption and gross domestic fixed capital formation expanded at a slower pace of 2.9% YoY and 4.6% YoY (1Q26: 4.9% YoY and 18.3% YoY), respectively. Together, these two components contributed approximately 2.0 percentage points (pp) and 0.8pp respectively, to headline growth (excluding inventory changes). The external sector remained a drag on growth, but the negative contribution narrowed significantly compared with previous quarters. Goods and services exports grew by 28.8% YoY and 3.4% YoY respectively, while imports rose by 29.3% YoY and 2.8% YoY respectively. As a result, the net exports subtracted 1.5pp from GDP growth in the quarter.
- Reflecting the better-than-expected underlying momentum in the first half of the year, we revise our full-year GDP growth forecast upward by 0.4 percentage points to 3.8%.

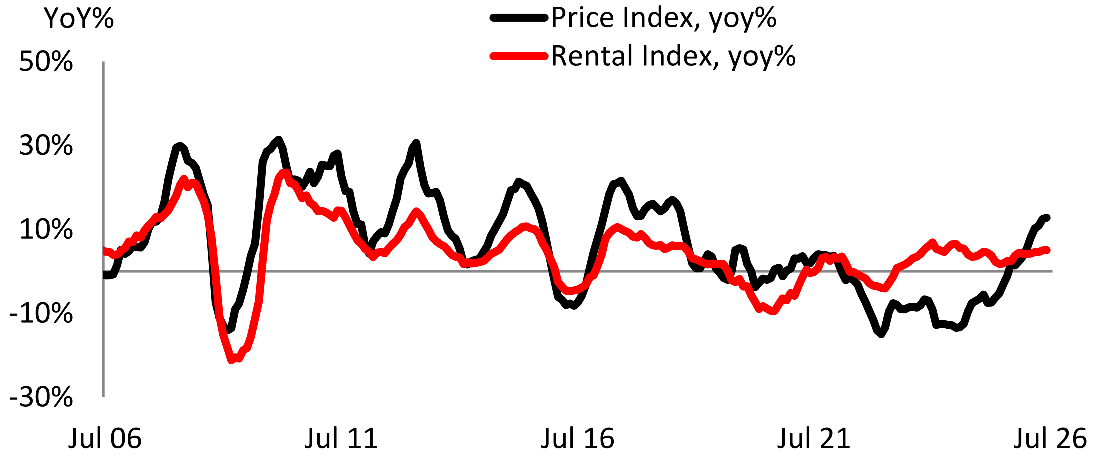
Year-on-year change	1Q26	2Q26
GDP	5.9%	4.3%
Private consumption expenditure	4.9%	2.9%
Government consumption expenditure	2.8%	0.5%
Gross domestic fixed capital formation	18.3%	4.6%
Exports of goods	23.8%	28.8%
Exports of services	3.3%	3.4%

Source: C&SD, OCBC Group Research.

Hong Kong: Uptrend in housing prices may lose momentum

- Housing prices rose by the 13th consecutive month in June, reaching a two-and-a-half-year high, though the pace of rally slowed on hawkish repricing of the Fed policy path, correction in the local equity market, and heightened global macroeconomic uncertainty. On a sequential basis, the residential property price index increased in a moderated pace of 0.3% MoM in June (1.5% MoM in May). In contrast, the increase in rental index accelerated to 0.9% MoM from 0.5% MoM previously, underscoring the resilient leasing demand.
- Looking ahead, the uptrend in housing prices is likely to lose momentum as elevated interest rates, lingering macroeconomic uncertainty, and softer financial market conditions weigh on buyers' sentiment.
- In the first half of 2026, the official residential property price and rental index rose cumulatively by 7.9% and 2.6% respectively. While the strong first-half performance has already brought property prices close to our full-year forecast at 8.5%, we continue to expect a more moderated pace of appreciation in housing prices in the second half. On the other hand, given the stronger-than-expected rental market performance, we have revised our full-year rental growth forecast upward to 4.5% from 3.5% previously.

Year-on-Year Change of Residential Price and Rental Index



Source: RVD, OCBC Group Research.

Macau: Downward revision of 2026 growth forecast to 4.0%

- Real economy grew marginally by 0.3% YoY in 2Q26, down from 7.1% in the previous quarter. For the first half of 2026 as a whole, Macau's economy expanded by 3.7% YoY, bringing the total economic output back to 89.1% of its 2019 level.
- Breaking down, total exports of services and private consumption expenditure grew at still solid pace of 7.2% YoY and 2.8% YoY during the quarter, while government consumption expenditure and gross fixed capital formation recorded contraction.
- The adverse impact of FIFA World Cup on inbound tourism and foot traffic in casinos, as well as the weaker-than-expected momentum in investment, have prompted a slight downward revision of our full-year 2026 growth forecast to 4.0% from the previous estimate of 4.2%.
- Separately, Macau's gross gaming revenue (GGR) fell 8.4% YoY in July, to MOP20.26 billion, partly due to the FIFA World Cup which have diverted interest away from gambling services. Year-to-date, GGR amounted to MOP147.16 billion, 4.4% higher than in the prior-year period.

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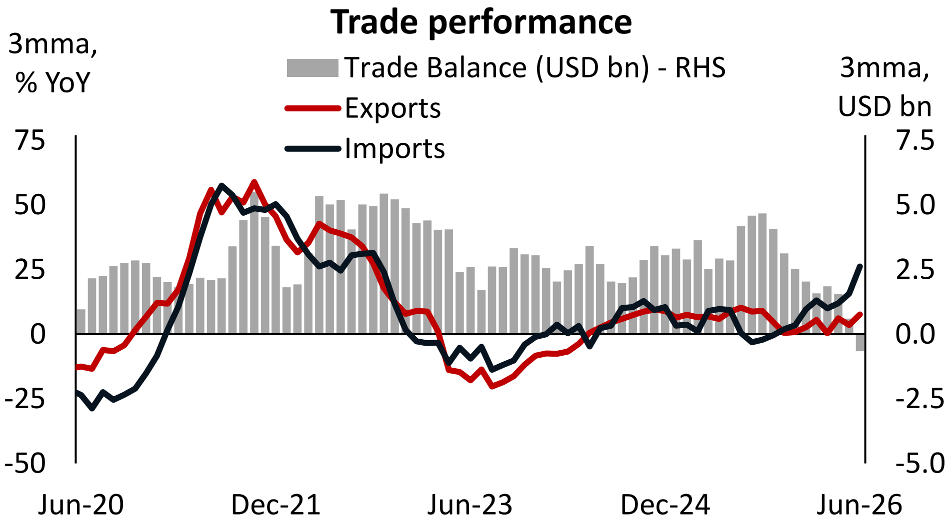
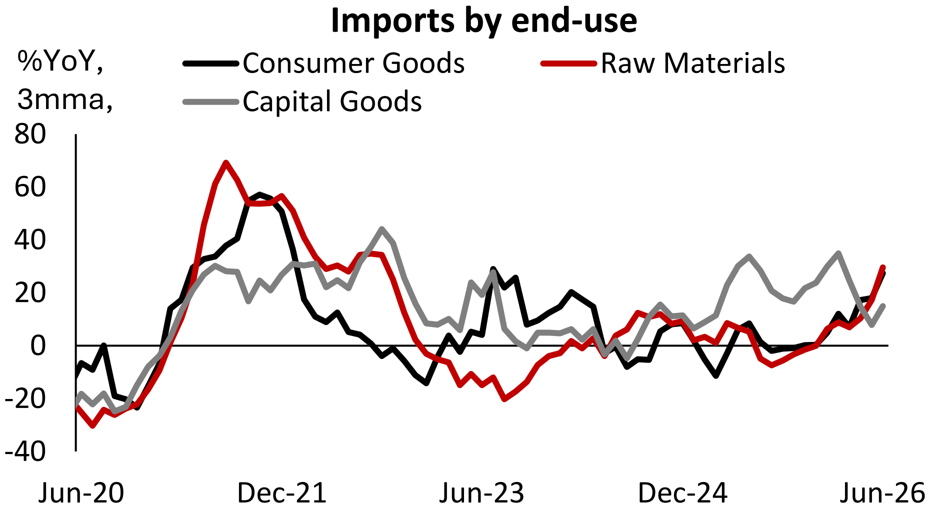
Source: DSEC, OCBC Group Research.

Indonesia: Trade performance improved in June

- Trade performance improved in June, with both export and import growth outpacing expectations, while the trade deficit narrowed to USD0.5bn from USD1.6bn in May. Specifically, exports grew 8.8% YoY in June from -5.7% in May, exceeding both our forecast (OCBC: 7.8%) and the consensus estimate (-1.5%), driven by stronger non-oil & gas (9.5% from -4.5%) exports, while oil & gas exports remained in contraction (-3.8% from -31.8%). Within non-oil & gas exports, growth was led by manufacturing (9.9% from -3.6%) and mining & other products (10.9% from -5.7%). Meanwhile, import growth reaccelerated to 34.3% YoY from 22.2%, also beating expectations (OCBC: 9.7%; Consensus: 23.3%). By end use, slower consumer goods imports (17.5% YoY in June from 22.0% in May) were more than offset by stronger raw materials (38.9% from 25.2%) and capital goods (26.5% from 12.7%) imports.
- The June print brought 2Q26 export growth to 7.6% YoY from 0.3% in 1Q26, while import growth accelerated to 26.2% from 10.0%. Statistics Indonesia is scheduled to release the 2Q26 GDP data on Wednesday (5 Aug), where we expect GDP growth to ease slightly to 5.2% YoY from 5.6% in the previous quarter.



Source: BPS, CEIC, OCBC Group Research.



Source: BPS, CEIC, OCBC Group Research.

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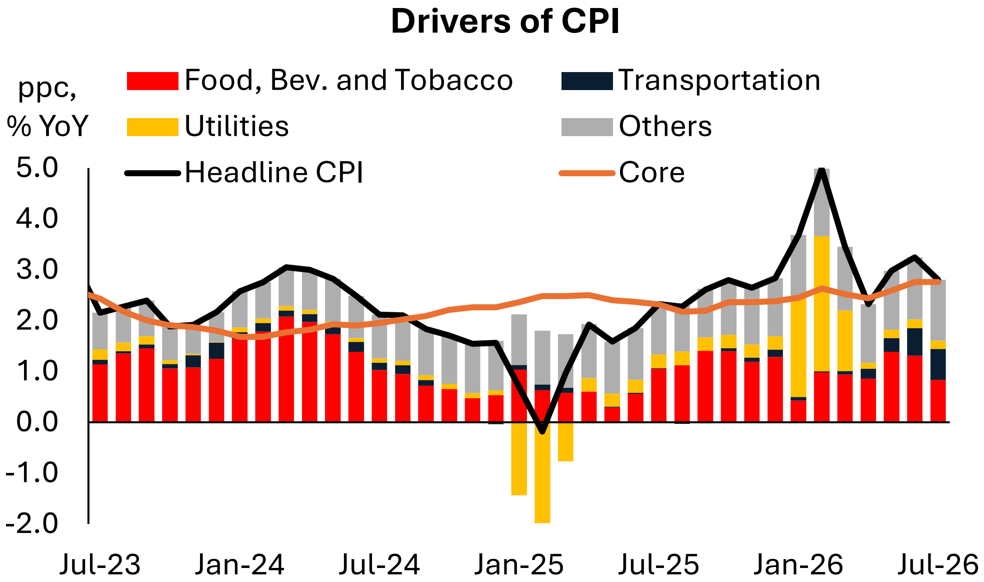
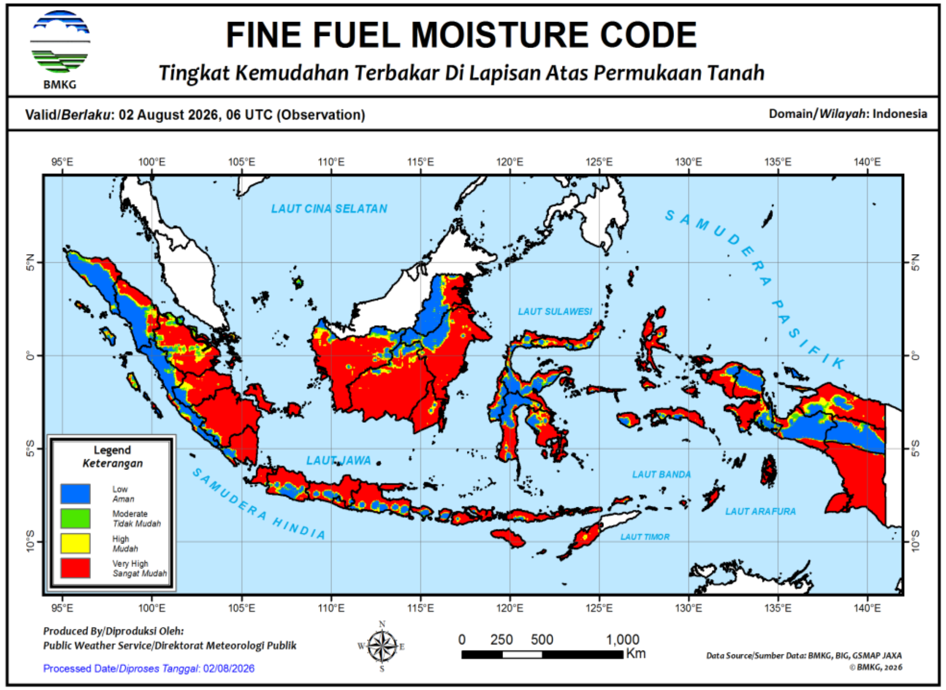
Indonesia: Headline inflation eased in July

- Headline inflation eased to 2.9% YoY in July from 3.3% in June, broadly in line with our expectations (OCBC: 2.9%; Consensus: 3.2%). The softer print mainly reflected slower food, beverage & tobacco inflation (3.0% from 3.7%), alongside lower education (1.0% from 1.3%) and personal care & other services (9.0% from 10.1%) inflation. This was partly offset by higher transportation inflation, which accelerated to 5.1% YoY in July from 4.6% in June. Meanwhile, core inflation remained broadly stable at 2.8%, unchanged from the previous month.
- We maintain our forecast for headline CPI to average 3.0% in 2026, implying stable and modest inflation for the remainder of the year. Nonetheless, risks remain tilted to the upside as El Niño conditions intensify. Specifically, the weather agency noted that the country has recorded more than 5,000 hotspots, exceeding levels seen during previous El Niño episodes, as the expanding dry season and prolonged rainless conditions raise the risk of forest and land fires across Sumatra and Kalimantan between July and September 2026.



Source: BPS, CEIC, OCBC Group Research.

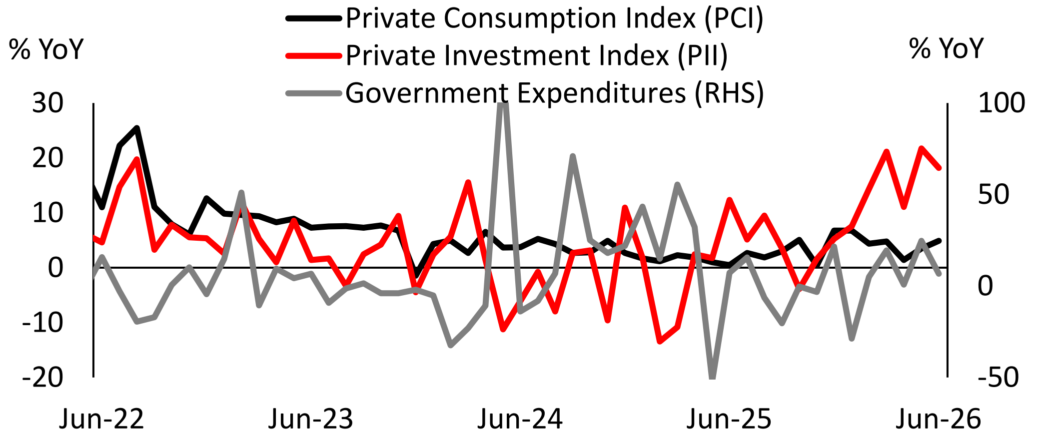


Source: BPS, BMKG, Reuters, CEIC, OCBC Group Research.

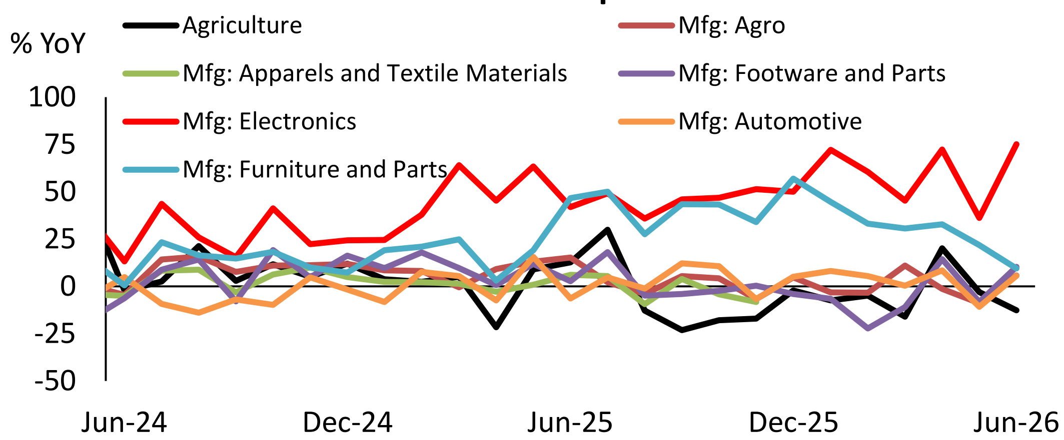
OCBC

Thailand: Growth likely slowed in 2Q26

- The activity data for June continues to paint an uneven picture for economic growth, with domestic demand conditions showing mixed signals of improvement while external demand remained well supported by solid export growth.
- We estimate that 2Q26 GDP is tracking 2.3% YoY versus 2.8% in 1Q26. With 1H26 GDP growth at 2.6%, we see upside risks to our full year 2026 GDP growth forecast of 1.5%. The resilience in the electronics export sector has been particularly supportive of growth alongside resilient investment spending. The Constitutional Court's ruling that there were no constitutional issues with the THB400bn emergency decree on 5 July also removes an overhang over potential fiscal support in the coming months. As such, growth would likely remain supported in 2H26.
- We continue to expect the Bank of Thailand to remain on hold through 2026, before normalising the policy rate to 1.50% in 2027. The timing of the rate normalisation will depend on inflationary and growth pressures and will likely be spaced out.



Source: Bank of Thailand, CEIC, OCBC Group Research.



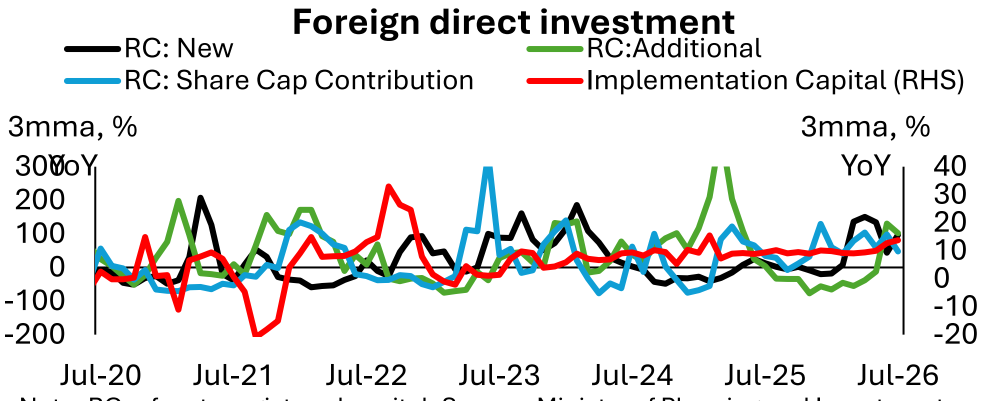
Source: Bank of Thailand, CEIC, OCBC Group Research.

OCBC

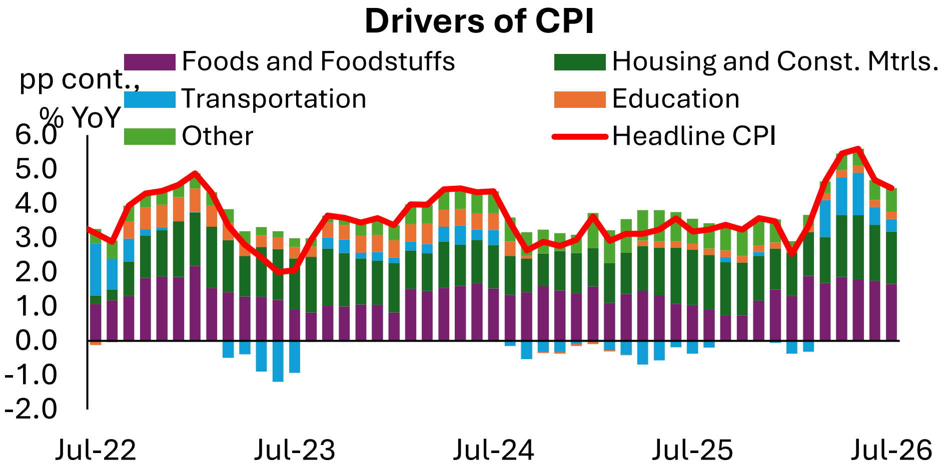
Source: Bank of Thailand, CEIC, OCBC Group Research.

Vietnam: Activity remained robust in July; inflation eased

- Economic data releases continue to show a robust economy in July 2026, with exports rising 25% YoY (from 28.1% in June) while imports remained resilient at 41.4% (from 45.2%), reflecting robust purchases of raw materials, machinery and spare parts for expanding production. Reflecting the robust manufacturing sector, the industrial production (IP) growth accelerated to 14.5% in July from 12.7% in June, led by manufacturing (15.0% from 12.6%). Notably, the manufacturing of computer, electronics (21.9% YoY), electronic components (31.0%), and consumer electronics (10.6) IP growth were robust.
- Meanwhile, registered FDI rose by 32.7% YoY reaching USD3.4bn in July, easing from 214.4% growth (USD9.8bn) in the previous month. Disbursed FDI growth remained strong, rising 15.4% YoY in July to USD2.2bn following a 16.3% (USD3.2bn) in the previous month. Cumulatively, disbursed FDI reached USD15.2bn in the 7M26, an increase of 11.8% YoY.
- On the inflation front, headline CPI slowed to 4.5% YoY in July from 4.7% in June, slightly below expectations (OCBC: 4.9%; Consensus: 4.6%), largely reflecting lower food & foodstuff (4.6% from 4.9%) and transportation (3.7% from 5.3%) CPI. Meanwhile, core CPI rose slightly to 4.6% in July from 4.5% in June.



Note: RC refers to registered capital. Source: Ministry of Planning and Investment, CEIC, OCBC Group Research.



Source: GSO, CEIC, OCBC Group Research.

Source: GSO, CEIC, OCBC Group Research.

ESG

ESG: Draft Singapore Sustainability Disclosure Standards

- ACRA is seeking public feedback until 25 Oct on the draft Singapore Sustainability Disclosure Standards, based on disclosure standards issued by the International Sustainability Standards Board (ISSB), with adjustments for Singapore's context. ACRA's Interim Sustainability Standards Committee proposes that the Singapore Sustainability Disclosure Standards comprise two standards. The first standard (S1) that sets out disclosure requirements for sustainability-related information will be voluntary, while the second (S2) that focuses specifically on climate-related disclosures will be mandatory given Singapore's climate-first approach.
- ACRA is also preparing the necessary legislation to implement Singapore's climate reporting and assurance requirements, providing further clarity to the industry on the reporting requirements moving forward.

Table 1: Summary of Climate Reporting Requirements

Mandatory requirements	Timeline			
	Listed companies			Large non-listed companies[6]
	Straits Times Index (STI) constituents	Non-STI constituent listed companies ≥S$1B market cap	Non-STI constituent listed companies <S$1B market cap	
Scope 1 and Scope 2 greenhouse gas (GHG) emissions	Financial year beginning on or after (FY) 2025			FY2030
Other ISSB-based climate-related disclosures[7]	FY2025	FY2028[8]	FY2030	FY2030
Scope 3 GHG emissions	FY2026[9]	Voluntary	Voluntary	Voluntary
External limited assurance for Scope 1 and Scope 2 GHG emissions	FY2029			FY2032

- It represents a significant step towards strengthening the consistency and credibility of sustainability disclosures in Singapore. By aligning with ISSB standards, Singapore can enhance the interoperability of its reporting framework with global sustainability reporting frameworks, reducing compliance complexity for companies and improving the quality of information available to investors.

Source: ACRA, OCBC Group Research

FX & Rates

JPY's Big Backstop

- **JPY's Big Backstop:** Rare US-Japan intervention has shifted the near-term balance in favour of JPY strength. More action could drive USDJPY below 155, but a sustained turnaround ultimately requires a more hawkish BoJ and greater repatriation flows.

- **Credibility in Question**: Markets are questioning the Fed's inflation-fighting resolve, leaving the USD on the back foot. Near-term headwinds remain, but stronger US data could reignite support for the USD.

- **Asian FX paths are likely to remain differentiated** in 3Q26, as elevated oil prices and still-high US rates weigh more on selected currencies, before a more gradual regional recovery emerges.

- **We calibrated RMB, SGD and KRW forecasts slightly stronger,** while calibrating IDR slightly weaker. IDR is still expected to recover over the forecast horizon, while KRW may see some near-term retracement after its sharp gains.

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