GLOBAL MARKETS RESEARCH

Research Monitor (November)

1 November 2023

Global Markets Research & Strategy
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Key Themes

1. **More market volatility ahead as investors grapple with growing uncertainties** ranging from the high-for-longer Fed narrative and US funding needs, geopolitical tensions including the recent Israel-Hamas conflict, China's bumpy recovery and overall fickle capital flows. On the US front, consumer confidence slipped to a five-month low in October even as employment costs unexpectedly accelerated in the third quarter, complicating the Fed's future policy path. While the FOMC is widely tipped to stay on hold on 2 November and advocate patience while maintaining policy optionality. So far, the S&P500 has retreated for three consecutive months amid disappointing earnings guidance from tech giants, whereas the 10-year UST yield has fluctuated between a wide 4.56%-4.99% in October, raising concerns about real rates adding to the ongoing financial conditions tightening.

2. **On the central bank front, the BoJ has adopted a more flexible stance on the 1% limit for the 10-year JGB yield** after raising their median FY2024 inflation forecast from 1.9% to 2.8%. BSP also unexpectedly hiked interest rates off-cycle amid renewed domestic inflation concerns, while BI also surprised with a 25bp hike to 6.00% (highest since 2019 and the first hike since January), citing price stability, financial system stability and payment stability to support economic growth. A nascent resurgence in global food and oil prices could complicate the picture for more central banks going ahead into 2024.

3. **Market sentiment in China improved in late October on the back of three factors** including improving economic data, further policy supports, and discussion regarding increased investment by China's social security fund into the A-share market. At the conclusion of the 6th session of China's 14th National People's Congress (NPC) Standing Committee on 24 October, the NPC approved an additional CNY1 trillion government bond issuance quota for this year. This will elevate China's fiscal deficit target for the year to 3.8%, up from the previously target of 3%. The decision to augment the budget deficit in the last quarter of the year sent a robust pro-growth signal, especially since China's growth target of 5% for this year seems well within reach. We anticipate China's 2024 growth target to hover around 5% and China may also set its fiscal deficit higher again. The forthcoming issuance of government bonds could exert upward pressure on yields in the short term. We anticipate the PBoC will intervene to bolster China's proactive fiscal stance with a more accommodative monetary policy. Hence, there is a heightened likelihood of a Reserve Requirement Ratio reduction this quarter.

4. **Flash estimates* indicate that the OCBC SME Index remains contractionary at 49.4 in Oct 2023,** despite an improvement from September's 48.4. Weak economic activity and elevated interest rates continue to weigh on SMEs, albeit core inflation is expected to moderate towards the end of this year. Domestic sectors such as F&B and Building & Construction should prove more resilient in the short-term.

5. **Our house view remains for global oil prices to average US$90/bbl in 4Q23 and US$88/bbl in 2H23,** after a volatile start to 4Q23. Israel-Hamas developments notwithstanding, our fundamental view is that supply tightness will persist in global oil market in 4Q23, following the extension of additional voluntary restrictions by both Saudi Arabia and Russia to the end of the year. This will more than offset demand concerns as growth in China remains lacklustre and sticky inflation keeps global central banks, including the Fed, on a hawkish bias.

**Using data until 21st October*

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OCBC

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Asset Class Views

	House View	Trading Views
FX	**G-10 FX:** Dollar index traded choppy for the month of Oct. Geopolitical tensions, the swings in UST yields, surprise tilt in Fed rhetoric to becoming less hawkish and mixed bag of corporate earnings were some of the drivers of volatility. Israel-Hamas military conflict that broke out on 7 Oct was the latest risk event that confronted markets. Near term, geopolitical uncertainties may drive safe-haven demand and that could favour USD, CHF, and gold. But geopolitical developments remain fluid, and the risks can be 2-way. If the situation is more isolated than widespread, then some of these haven-demand could unwind. Elsewhere, we also highlighted how Fed speaks have somewhat taken a less hawkish tilt. For instance, Fed Chair Powell earlier indicated that the recent run-up in long-end yields, if they persist, could lessen need for further hikes "at the margin". He also emphasized on data-dependence and acknowledged that there are signs the labour market is cooling though he also stressed that a "sustainable" return to 2% inflation is likely to require a period of below-trend growth and some further softening in labour market condition. Harker said disinflation is underway and that he favours holding rates where they are. He said that by doing nothing on rates, we are doing quite a lot. Bostic believes the Fed has finished raising rates while Kashkari said that it is possible that higher bond yields mean Fed can do less. Key focus next on FOMC (2Nov). We reiterate our view that while the door remains open for another hike, we believe the Fed is likely done with tightening for current cycle as inflation pressure is already coming off, alongside inflation expectations and that real rates at >2.4% (more than 10y high) is already restrictive. And we reckon that the hurdle for Fed to tighten again would be high if incoming data shows slowing inflation and further softening in labour market. Markets have shifted their expectations to align with our earlier out-of-consensus view. Fed fund futures indicated zero probability of hike at the upcoming FoMC while probability of hike at Dec FoMC continues to fall to <20%. We expect the Fed to 1/ stick to its recent rhetoric that policy making should proceed carefully, given the uncertainties and risks and how far they have come and 2/ that policy making remains data dependent. On net, we believe USD may still be caught in a tug of war in the interim. On one hand, USD bulls may draw support from geopolitical risks and strong US data, but at the same time, a shift in Fed rhetoric (becoming less hawkish) may somewhat counter against USD bulls. The point of USD inflection would come when market narrative shifts into trading the expectations for "more rate cuts in 2024" and this is highly dependent on how data pans out. A more entrenched disinflation trend and more material easing of labour market tightness, activity data in US should bring about the shift and for the USD to trade softer. For now, USD still retain a significant yield advantage and is a safe haven proxy to some extent. As such, intermittent USD upticks are not ruled out especially if global, China growth momentum stay subdued and geopolitical tensions persist.	Range for now. USD inflection point to come on Fed pivot, softer US data. Expect range of 105.5 – 107 within wider range of 104 – 107.40.
	The EUR attempted to trade higher at one point in Oct but gains eased into month-end as Eurozone PMI slumped into contractionary territory while ECB's last policy move was perceived to be a dovish pause. ECB made no mention of accelerating QT and acknowledged inflation progress at the last Governing council meeting. We expect some discussion of tackling excess liquidity in coming weeks on how to reduce excess liquidity will focus on three areas: 1/ the amount of reserves banks must keep at the ECB; 2/ the unwinding of its bond-buying programmes and 3/ a new framework for steering short-term interest rates. These imply that raising minimum RR is a possible first move. We stay neutral on EUR's outlook as growth momentum in Euro-area slows while ECB tightening cycle has likely concluded, though rates may remain elevated for longer. We still expect Fed to be closer to rate cut as early as 1H 2024 vs. ECB in 2H 2024. Some degree of convergence in ECB-Fed monetary policies is still likely and that could still marginally be supportive of a mild upward trajectory into 2024. That said, China data has been seeing some signs of improvement and recent	Neutral outlook. Likely to trade 1.0500 – 1.0700 range within wider perimeters of 1.0400 – 1.0810.

	SG NODX further confirmed that as NODX to China rebounded. Sustained improvement in China demand may start to show up in European data, and that may help to brighten EU's growth outlook, given peak pessimism and support EUR's recovery. The key risks to EUR's outlook are an earlier than expected dovish ECB pivot and/or growth momentum in Euro-area continues to decelerate sharply. We remained neutral on GBP outlook as UK growth momentum shows signs of deceleration while BoE tightening cycle is likely to have approached its end. Near term, GBP may stay under pressure as UK growth momentum shows signs of slowing while broader risk appetite appears curtailed (owing to geopolitical uncertainties). But looking out, we still hold to a mild upward trajectory for GBP as BoE is likely to keep rates restrictive for a little longer as inflationary pressures remain, and potential BoE-Fed policy convergence may still be supportive of GBP. Risk to our outlook is the pockets of concerns in some aspects of domestic fundamentals (i.e., over-tightening into recession, consumer squeeze, etc.) that could still restrain GBP's recovery to some extent. AUD traded ~1% softer for the month of Oct. A combination of higher UST yields, risk off (US corporate earnings disappointed) and signs of escalation in geopolitical tensions in Israel-Hamas weighed on AUD. For the upcoming MPC, we see chance of a 25bp hike, especially following higher CPI print and RBA Governor's recent remarks that the RBA will not hesitate to hike if there is material upgrade to its inflation outlook. Markets are also pricing in >50% probability of a 25bp hike at the upcoming MPC (vs. 22% probability 2 weeks ago). While the near term risks may be skewed to the downside, we still favour AUD to trade higher in coming months: 1/ on signs that China growth may be stabilising; 2/ possibly warmer ties between Australia and China to support investment and trade flows benefits AUD; 3/ a more moderate-to-soft USD profile into 2024 (as Fed nears end tightening cycle and embark on rate cut cycle in 2024).	Neutral outlook. Likely to trade in 1.2050 – 1.2310 range within wider range of 1.2000 – 1.2500. Bias to buy dips. Range of 0.6300 – 0.6450 within wider range of 0.6250 – 0.6510.
FX	**Asian FX and SGD:** There are tentative signs that the export slump for some countries in Asia may have moderated. Exports growth for Taiwan, Korea, Japan, Vietnam have turned positive for first time in a year while exports of Singapore, China, Indonesia, and Malaysia are less negative. More sustained and broader recovery is needed for exports recovery story to gather traction. When that happens, trade-dependent FX such as KRW, TWD can see a turnaround. This is also highly dependent on when the USD inflection is, when UST yields ease lower, and state of geopolitical situation. USDCNH continue to trade a touch firmer last week, but range was largely subdued as policymakers continue to manage expectations via daily RMB fix. News of China announcing plans to raise fiscal deficit ratio to 3.8% and to issue 1tn RMB sovereign bonds appeared to have limited positive spillover effects on RMB, but it did help Chinese equities rebound. That said, worries over real estate developers (after Country Garden defaulted on international debt), US-China tensions (China restrict exports of graphite in response to US tightening curbs on AI chip exports to China) continue to linger though there was also positive development as US and China are working to setup a Xi-Biden meeting at APEC meeting in San Francisco in Nov. In addition, upbeat China data continues to point to signs of stabilisation in China economy and reinforces our view of a glass half full. Past 2 months of China data has been encouraging – 3Q GDP surprised to the upside; both sets of PMIs indicate that activity is in expansion territory; Industrial production, retail sales rebounded in Aug, Sep; exports and imports data saw its pace of deceleration slowing in Aug, Sep; credit data (aggregate financing and new RMB loans) rebounded significantly for Aug and Sep from July numbers. Overall, we retain the view that quite a fair bit of pessimism is already in the price of RMB. Policymakers have stepped up with support measures (which may seem piecemeal but is rather extensive and targeted), that could potentially bear fruit over time. And if policymakers can address the confidence, sentiment channels, then RMB weakness may moderate especially when there is already so much pessimism in the price. Ultimately for RMB to stabilise fundamentally and recover would still require China economic activities to pick up, confidence to be "repaired" (foreign inflows to return) and USD to turn lower (dependent on timing of Fed pivot).	Sideways. Range of 7.3000 – 7.3500 likely to hold within wider perimeter of 7.2600 – 7.3700.

	USDSGD continued to trade near recent highs as risk sentiments remain fragile (owing to Israel-Hamas geopolitical uncertainty) while UST yields remain elevated. While risks may be skewed to the upside in the interim, we reckon this is temporary. Chance of Fed pause (or potential pivot at some stage) and stabilising China momentum (at some point) should help to turn the pair lower. At the last MPC (13 Oct), MAS maintained policy status quo, as widely anticipated, including ourselves. Key highlights include: 1/ change in frequency of MPC meeting to quarterly from 2024 and the next meeting will be in late Jan. This is part of MAS' continuing efforts to enhance monetary policy communications; 2/ MPS tone was overall more balanced (MAS indicated that risk of a sharp global downturn has receded compared to earlier in the year); 3/ core inflation projected to slow to an average of 2.5-3.5% in 2024 vs. 2023's projection of around 4%. S$NEER is trading near its upper bound and could still continue to do so as MAS's policy stance is still on an appreciation stance (our assumption is 1.5% p.a.). However, should core inflation ease further into 2024 as projected by MAS, then the S$ strength we've seen for large part of this year can potentially taper off against some of its major trade partners. Historically there is a positive correlation between the change in S$NEER and MAS core inflation. i.e. to say if core inflation does ease materially, then there is no need to for the S$NEER policy to be so tight. Looking out into our forecast horizon, we still expect a mild downward trajectory for USDSGD, premised on our view for a moderate-to-soft USD outlook, on expectations that Fed is likely at end of tightening cycle/ to embark on rate cut cycle in 1Q 24) and on expectations that China growth to find a bottom in 2H. USDMYR traded 1.5% higher for the month of October. YTD, MYR has been the worst performing Asian currency (-7.6% vs USD) and MYR also traded a multi-decade low vs USD. MYR's weakness was due to its sensitivity to a multitude of factors including weak sentiments in China (as seen in Chinese equities as proxy to MYR), higher UST yields (MYR highly sensitive), risk-off sentiment (geopolitical tensions Israel-Hamas) and the slump in Malaysia exports. These conditions if persisted may continue to weigh on MYR. A recovery in MYR would require exogenous factors to improve. And developments over the last few session is such that 1/ UST yields have started to ease lower by ~20bps (for 10y UST yield) and 2/ China's announcement to raise fiscal deficit ratio to 3.8% and issuance of 1tn RMB sovereign bonds to support the economy. These have incrementally helped with sentiments. Looking into 2024, we still look for MYR to recover some loss ground on the back of 1/ expectations of softer USD and UST yields as Fed gets closer to end of tightening cycle; 2/ China stabilisation story in 2H 2023 (relief to overall sentiments) and that should benefit MY inbound tourism and trade; 3/ domestic fundamentals remain largely sound.	Consolidate. Range of 1.3620 – 1.3720 likely within wider perimeters of 1.3530 - 1.3760. Consolidate. Range of 4.75 – 4.79 likely within wider range of 4.7250 – 4.8000.

	House View	Trading Views[1]	
Commodities	Our house view remains for global oil prices to average US$90/bbl in 4Q23 and US$88/bbl in 2H23, after a volatile start to 4Q23. Israel-Hamas developments notwithstanding, our fundamental view is that supply tightness will persist in global oil market in 4Q23, following the extension of additional voluntary restrictions by both Saudi Arabia and Russia to the end of the year. This will more than offset demand concerns as growth in China remains lacklustre and sticky inflation keeps global central banks, including the Fed, on a hawkish bias. Our house view on the US economy has shifted from a build-up in recession risks to an economic slowdown in 2024. The slowdown in US economic growth will continue to weigh on the broader global growth outlook, albeit a relatively smaller impact than our previous assumption, and exert downward pressure on global oil prices. As such, we revise upwards our Brent oil prices to average US$80/bbl from US$75/bbl, next year.	Following the initial knee-jerk reaction, oil prices have traded in a wider range of USD84-94/barrel since 8 October 2023. We expect Brent prices to remain within a similar range for November. The Israel-Hamas conflict will keep markets on the edge, with any signs of a regional spillover leading to a spike in oil prices. On the flip side, a persistence in the "higher for longer" narrative from US Fed at the November FOMC could bias oil prices downward. More fundamentally, there are some developments we are closely watching which poses downside and upside risks to our forecasts. On the downside, diplomatic relations between the US and Venezuela are easing. Following significant progress in US-Venezuela diplomatic efforts, most oil sanctions on Venezuela will be lifted for the next six months. With Venezuela's oil flowing into the global market, this will help ease some of the supply tightness in the global, albeit to a limited extent, due to years of under-investment in the country's oil sector. The main upside risk is the broadening of the Israel-Hamas conflict to neighbouring countries. In the event of an escalation, the US will re-impose its sanctions on certain countries, including Iran. This will tighten the oil market which will lead to a knee-jerk reaction that will keep oil prices higher for longer.	→

[1] Arrows point to expected direction of commodity prices and interest rates.

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Rates	UST yields have continued to rise over the past month, led by long-end bonds which have been more reactive to the economic data and bond supply risk. Meanwhile, short-end UST yields have been relatively stable, as was the market pricing of the Fed fund rates over the next 1-2 years. Fed funds futures have price out the chance of a hike at the 1 November FOMC meeting and pushed out the expectation for a 25bp hike to the January FOMC meeting at a chance of around 30%. What matters more for short-end US yields is the outlook for the Fed funds rate over a 2-year horizon, and in turn the prospect for and magnitude of rate cuts. We have pencilled in 100bps of rate cuts for 2024, expecting the easing cycle to start some time in Q2-2024. Fed funds futures price Fed funds rate (upper) at 4.77%, higher than but not too far away from our expected 4.50%. We see a mild downside to the 2Y yield from current level, and as time goes by the expected cuts will carry increasing weights which point to further downside to the 2Y yield. That said, near-term volatility in yields is likely to stay high especially as we are in the late cycle when the Fed appears reluctant to pivot. US Treasury's net borrowing via marketable securities is estimated at USD816bn for Q1-2024; that for Q4-2023 has been revised downward to USD776bn from USD852bn "largely due to projections of higher receipts somewhat offset by higher outlays." Net marketable borrowing of USD776bn is lower than some in the market had expected. Meanwhile, target for TGA balance stayed at USD750bn for end-Q4; US Treasury also put end-of-March TGA target at USD750bn meaning they do not plan for additional build-up of cash balance. This TGA balance target is on the high side, which shall provide some buffer should some drawdowns be needed. The Bank of Japan increased the flexibility in its YCC. The BoJ no longer has a pre-determined fixed offer rate for its daily fixed rate bond-buying operations. Instead, the BoJ "will determine the offer rate for fixed-rate purchase operations each time". This essentially means the BoJ can decide whether to allow	**USD rates**: The UST curve bear steepened over the past month. At these levels, the steepening momentum may be losing some steam without front-end yields adjusting lower. We also note the gap between the 2s10s breakeven slope and the 2s10s UST slope has been narrowing, as short-term inflation expectation rose steadily upon renewed energy and food price pressure. Without a change in the inflation expectation profile, and if rates are still on an uptrend, it would require further, meaningful increases in long-end real yield to extend the steepening move – this move is likely to face resistance. **Asian rates:** **SGD rates** outperformed USD rates from 2Y tenor onwards in the past month. SGS have been supported by the absence of issuance in Q4, while USTs weakened partly because of bond supply concern. SGD rates and SGS yields may trade in relatively stable ranges in the coming weeks. The next focus is the 2024 issuance calendar. MAS usually set issuance amount with reference to multi-year growth in outstanding SGS. Outstanding SGS has grown by a 5Y CAGR (from end 2018 to expected end 2023) of 7.67%; the same rate of growth would translate into a net issuance of SGD12.85bn or a gross issuance of SGD34.05bn. Granted, it may be too early to put an estimate and we prefer to wait for MAS announcement to have a better gauge on its intention; and even with that, there is flexibility for MAS to adjust issuance amounts according to prevailing market conditions. **IndoGBs** underperformed USTs as Bank Indonesia delivered a surprise 25bp policy rate hike. Rates on SRBI have risen by a cumulative 46-54bps since the policy rate hike, reflecting expectation for some more tightening. The high SRBI rates have some spillover effects on IndoGBs. Demand at recent bond auctions was relatively soft. Bond outflows continued, albeit at a slower pace of IDR14.05trn in October (as of 27 October), after outflows of IDR23.3trnin September. Investor may stay cautious at this juncture in view of the risk of further rate hikes and given still narrow yield differentials. **MGS** outperformed USTs at the belly and the long end, while front-end MGS underperformed USTs probably amid mildly tight MYR liquidity and as investors required some premium against the risk of monetary tightening. With the planned reduction in outstanding T-bills, liquidity in the banking system may improve.	↓ → → →

the 10Y JGB yield to rise above 1%. The 1% level is now a "reference", not a strict cap. Given the recent increases in the 10Y JPY OIS and the 20Y JGB yield, the resistance for the 10Y JGB yield has also likely gone up, to the 1.10-1.15% area.

In Australia, Q3 CPI came in firmer than expected. In YoY, trimmed mean decelerated to 5.2% against expectation for 5.0%; in MoM, trimmed mean accelerated to 1.2% while the previous figure was revised mildly upward to 1.0%. PPI also picked up to 1.8%QoQ in Q3. We have kept a final 25bp hike in our expected profile for the RBA and we now think this 25bp hike is likely to be delivered at the November MPC meeting. The central bank may not gain too much insight into the inflation and growth picture by waiting for another month.

Meanwhile, we expect BNM to keep its OPR on hold for an extended period. MGS shall stay resilient. For 2024, we forecast gross MGS+MGII supply at MYR178-180bn in 2024; key risk to our supply forecast is how the MoF would like to adjust outstanding T-bill amounts. Budget deficit in 2024 is narrower than that in 2023, pointing to mildly smaller net supply of MGS, MGII and T-bills combined.

CNY rates eased in late October while CGB yields edged up marginally, as China has raised its 2023 budget deficit thereby increasing supply of CGBs by RMB1trn. Market holds expectation for liquidity injection from the PBoC to buffer the impact of additional bond supply which may explain the softness in repo-IRS. We see heightened chance of an RRR cut which would be helpful as a 25bp cut can already release liquidity which is enough to cover a large portion of the additional bond issuances. Outsized MLF cannot be ruled out, especially if there is no RRR cut. Beyond short-term market reactions, the additional budget shall add to the upward momentum in CNY rates and CGB yields through two channels: higher bond supply and presumably a better economic outlook. In the offshore market, implied CNH rates have eased a lot in recent sessions, as China sentiment improved and pressure on the RMB subsided. Volatility at the front-end may return; at the back end, the much lower onshore CNY curve shall act as a pulling factor for the offshore CNH DF curve.

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Credit	Bloomberg Asia IG spreads widened by 3bps m/m to 126bps (29 September 2023 to 30 October 2023). Spreads were more volatile this month, range bound between 119bps to 129bps due to the heightened macroeconomic uncertainties and geopolitical concerns in the Middle East. Looking at US treasuries, 10Y UST yield breached 5% for the first time in October 2023 before falling back to 4.84% (+27bps compared to end-September 2023) as at 26 October 2023. Country Garden Holdings Co. ("COGARD") was declared in default on 25 October 2023 after failing to make USD15.4mn coupon payments on 18 October 2023. Negative sentiment spilled over to other property names, affecting even the stronger rated China property developers. External rating actions were taken last week on three major Chinese developers that have long been perceived as stronger issuers. China Vanke Co Ltd and Poly Developments and Holdings Group Co Ltd, both of which are investment grade and are mixed-owned (partly owned by entities that are in turned state-owned) were downgraded by one notch. Gemdale Corporation, which is already high yield, was downgraded by a further three notches into high yield territory. The Asiadollar space saw less activity this month with primary issuances of USD7.33bn (02 October 2023 to 30 October 2023), compared to September's USD11.80bn as corporates remain hesitant due to rising yields and geopolitical risks. SGD issuances in October dropped to SGD1.05bn from SGD1.80bn in September. October's issues were largely driven by financial institutions. Largest issuer Commerzbank AG priced a SGD300mn 10.5YNC5.5 Tier 2 note at 6.5%. JPMorgan Chase Financial Co LLC and Macquarie Bank Ltd priced SGD75mn 2Y senior unsecured notes at 4.1% and 4.23% respectively and both are likely private placements. Wing Tai Holdings Limited issued SGD100mn 5Y senior unsecured notes at 4.8%. Cagamas Global PLC also issued a 1Y SGD150mn bond at 4.24%. SGD Credit market rose 0.22% m/m as at 26 October 2023 as all segments except Longer Tenors (>9 Yrs) rose in the range of 0.2% to 0.9% m/m.	**BNPP 5.9% 'PERPc28s:** • BNP Paribas S.A. ("BNPP") is a global systemically important bank with operations that span domestic and international retail banking as well as corporate and institutional banking with its Investment & Protection Services division offering savings, investment, and insurance solutions. Concentrated in Europe, its businesses operate in sixty-four countries with total assets of EUR2,701.4bn as at 30 Sept 2023. The Belgian government is the largest shareholder at ~8.3%. The next largest shareholders are Vanguard Group Inc, Amundi SA and BlackRock Inc. with remaining shareholders dispersed. • BNPP announced solid results with pre-tax income up 6.0% y/y for 3Q2023 to EUR3.81bn. This was driven by positive JAWs and lower cost of risk of 33bps that is below the bank's 40bps guidance over 2022-2025. BNPP's CET1 ratio of 13.4% as at 30 September 2023 translates to a EUR25.5bn distance to its Maximum Distributable Amount restrictions level. • Overall, the recent results affirm BNPP's solid underlying fundamentals and market position, with resilient performance from its diversified business segments. We think the risk adjusted returns of BNPP's Additional Tier 1 looks decent value. BNPP has been an active issuer in the SGD space recently. **OUECT 3.95% '26s:** • OUE Commercial Trust ("OUECT") is a mid-sized diversified REIT in Singapore, with a market cap of SGD1.3bn as of 26 October 2023 while total assets were SGD6.0bn as at 30 June 2023. By 2Q2023 revenue, OUECT's assets are contributed by offices (51%), retail (17%) and hospitality (32%). Within hospitality and retail, it owns Crowne Plaza at Changi Airport, Hilton Singapore Orchard and a retail shopping mall, Mandarin Gallery (adjacent to Hilton Orchard Singapore). For offices, OUECT owns OUE Bayfront (50%-stake), OUE Downtown and One Raffles Place (68%) in Singapore and Lippo Plaza (91%) in Shanghai. • 1H2023 net property income ("NPI") increased 23.1% y/y to SGD115.3mn due primarily to the rebound in the Hospitality segment. 1H2023 Hospitality NPI increased 36.4% y/y to SGD43.0mn. 1H2023 hospitality Revenue Per Available Room ("RevPAR") increased 34.3% y/y to SGD232, higher than pre-covid levels in 2019 (SGD209). Singapore Office committed occupancy fell 0.6ppts q/q to 96.1% as of 30 June 2023 while rental reversion was up by 8.1% q/q in 2Q2023. • Fundamentals were stable as of 30 June 2023 with aggregate leverage of 39.1% and adjusted interest coverage ratio of 2.3x (39.0% and 2.4x) as at 31 March 2023 respectively). • We are Overweight on OUECT's curve with an attractive ask YTW of ~4.6%-4.8% against peers. OUECT's businesses improved substantially particularly the Hospitality segment post easing of COVID restrictions.	↑ ↑

Macroeconomic Views

	House View	Key Themes
US	The US economy has been notably strong especially with the latest 3Q GDP print showing no signs of a slowdown. We expect the US to grow ~2.0% YoY in 2023 (2022: 1.9%). That said, the risk of a significant slowdown in the next 12 months remains amid a still hawkish Fed and the ongoing tightening of credit conditions. Our house view is that the FOMC is likely done with tightening in the current cycle as inflationary pressures have been coming off, alongside inflation expectations, and that real rates are already restrictive.	Advance 3Q23 GDP growth indicate that the economy grew more-than-expected by 4.9% annualised QoQ, much faster than 2Q's 2.1%. Consumer spending remained strong, as evidenced by September retail sales (0.7% MoM) after August's upwardly revised 0.8% MoM print. The manufacturing ISM also improved, to 49.0 in September (albeit still in contraction territory) from 47.6 previously. Meanwhile, core PCE price index eased to 2.4% QoQ in 3Q while headline inflation was sticky at 3.7% YoY (0.4% MoM) in September. Core CPI moderated to 4.1% YoY (0.3% MoM) from 4.3% YoY (0.3% MoM) while the University of Michigan sentiment index fell to a five-month low of 63.8 in September. Separately, the House of Representatives voted in a House Speaker ahead of the 17 November funding deadline. Focus is now on forward guidance from the 2nd November FOMC meeting where the Fed is widely expected to be on hold.
EU	The European Central Bank (ECB) recently kept rates on hold as widely expected. The ECB monetary policy statement sounded pessimistic of the growth outlook stating, "subdued foreign demand and tighter financing conditions are increasingly weighing on investment and consumer spending". They see risk to economic growth remaining "tilted to the downside." We remain of the view that there is likely to be no more rate hikes by the ECB in this cycle. 3Q23 GDP growth already unexpectedly contracted 0.1% QoQ while inflation plunged to its lowest level in more than two years. However, ECB rhetoric remains that talk of any rate cuts is premature.	3Q23 advance estimates indicate that the economy contracted 0.1% QoQ sa (0.1% YoY sa) from last quarter's +0.2% QoQ sa (0.5% YoY sa) as the euro zone faces significant headwinds. Meanwhile, CPI estimates show that headline inflation in October eased to 2.9% YoY (0.1% MoM) from 4.3% YoY (0.3% MoM) previously. Core inflation also eased to 4.2% YoY from 4.5% in September. Leading indicators continue to paint a bleak picture – manufacturing PMI dipped to 43.0 in October, while services PMI also fell to 47.8 from 48.7 previously. Adding to this was consumer confidence which also fell to -17.9 in October from -17.8 previously. At the October ECB meeting, ECB President Lagarde highlighted that the economy is "likely to remain weak for the remainder of this year." Additionally, she opined that "domestic price pressures are still strong" and that a discussion on rate cuts is "totally premature." That said, investors are beginning to bet that rate cuts could be brought forward from July 2024 to as early as June 2024.
Japan	The Bank of Japan (BoJ) increased the flexibility in its YCC. The BoJ no longer has a pre-determined fixed offer rate for its daily fixed rate bond-buying operations. Instead, the BoJ "will determine the offer rate for fixed-rate purchase operations each time". This essentially means the BoJ can decide whether to allow the 10Y JGB yield to rise above 1%. The 1% level is now a "reference", not a strict cap. BoJ Governor Ueda told a press conference after the decision that, "Our basic stance is to maintain both YCC and negative rates until sustained achievement of 2% inflation comes into sight." Given the recent increases in the 10Y JPY OIS and the 20Y JGB yield, the resistance for the 10Y JGB yield has also likely gone up, to the 1.10-1.15% area.	September headline inflation continued to moderate to 3.0% YoY from 3.2% in the previous month while core inflation (excl. 'fresh food') also dipped to 2.8% YoY. September PPI eased to 2.0% YoY (-0.3% MoM), marking the slowest pace since early 2021. The preliminary October manufacturing PMI came out flat at 48.5, while services PMI indicated signs of slowing by declining for a second straight month to 51.1 against 53.8 in September. Meanwhile, the 3Q Tankan large manufacturing survey rose to 9 from 5 last quarter with outlook also improving to 10 from 9 in 2Q. On jobs, the jobless rate in September edged slightly lower in line with consensus expectations to 2.6% from 2.7% while Job-to-applicant ratio was flat 1.29. The BoJ in its October meeting revised upwards its outlook for inflation in the current and following year both to 2.8% YoY from 2.5% and 1.9%, respectively citing the "prolonged effects of a pass-through to consumer prices of cost increases led by the past rise in import prices and the recent rise in crude oil prices." However, the impact on the JPY was muted in the short-term, with the verbal jawboning picking up as the USDJPY tested the 150 handle.

Research Monitor (November)

1 November 2023

	House View	Key Themes
Singapore	Our view is that 2023 GDP growth is likely to come in close to the ~1.0% YoY handle (2022: 3.6% YoY) with signals of recovery in manufacturing remaining mixed based on the latest PMI readings, albeit the latest business expectations survey for both manufacturers and services firms improved slightly regarding the next six months outlook. Forward earnings guidance from chip manufacturers also indicate that external demand remains soft and patchy due to global headwinds. The MAS kept its monetary policy settings unchanged in its October meeting and may be on an extended pause mode. That said, the window for a future easing of monetary policy settings sometime in 2024 is not off the table in our view as it would depend on how the inflation trajectory materialises.	3Q23 growth surprised at 0.7% YoY (1.0% QoQ sa) aided by construction (6.0% YoY), services (1.9% YoY), and a milder contraction in the manufacturing sector (-5.0% YoY). Economic indicators, however, continue to look weak – September industrial output slumped, albeit a milder -2.1% YoY (+10.7% MoM sa) from -12.1% YoY (-10.5% MoM sa) and marking twelve months of contraction. NODX in September also slumped for the twelfth month by 13.2% YoY (+11.1% MoM sa) against -22.5% YoY (-6.6% MoM sa) in August. Headline inflation reaccelerated in September to 4.1% YoY (0.5% MoM sa) as higher private transport prices offset lower inflation in food, retail, and accommodation. Core inflation, however, eased to 3.0% YoY marking the slowest reading since March 2023. 3Q unemployment picked up slightly to 2.0% (Resident: 2.8%; Citizen: 3.0%) from 1.9% in 2Q as retrenchments rose to 4.1K, the highest since 4Q20. Meanwhile, URA private home prices rose 0.8% QoQ in 3Q after declining 0.2% in the last quarter. While maintaining no change in its latest October monetary policy meeting, the MAS switched to quarterly meetings going forward and cited the move as part of efforts to enhance monetary policy communication.
Indonesia	Inflation eased to its lowest level in more than a year in September on account of favourable base effects, while domestic growth momentum remains resilient despite weak external demand. Despite this, Bank Indonesia (BI) surprised with a 25bp rate hike. It characterised the hike as "pre-emptive" aimed at strengthening IDR stability amid challenging external conditions i.e., Fed's higher for longer policy, heightened geopolitical uncertainty, and volatile energy and food prices. BI has now clearly prioritised IDR stability over inflation and/or growth priorities. This has set BI on a renewed hiking cycle, and we now expect it will raise its policy rate by a cumulative 50bp in November and December 2023, taking the policy rate to 6.50% by end-2023.	BI's concerns around IDR stability were warranted to some extent. IDR depreciated 2.7% versus USD in October 2023, underperforming regional peers. Capital outflows intensified in October with BI stating that it is managing FX volatility. Indeed, FX reserves have been declining to USD134.9bn in September from USD137.1bn in August (USD145.2bn in March). That said, the factors driving IDR depreciation are mainly external and hence, it is unlikely that a 25bp hike will help reverse the broader trend. We, therefore, expect that BI will follow up with another 50bp in rate hikes. Encouragingly, foreign direct investments (FDI) remain strong, rising to USD 13.3bn in 3Q23 from USD12.3bn in 2Q23. However, there are some risks on the horizon. Geopolitics remains volatile while the upcoming Presidential elections may drag on through 1H2. The presidential elections will officially feature a three-way race: Anies Baswedan and Muhalmin Iskandar, Ganiar Pranowo and Mahfud MD, and Prabowo Subianto and Gibran Rakabuming Raka. Recent polls show that electability trends are still quite mixed, making a second run-off in June 2024 more likely than not and protracting the election process.

GLOBAL MARKETS RESEARCH

Research Monitor (November)

1 November 2023

	House View	Key Themes
China	China's economy exhibited a robust performance in the third quarter, with a year-over-year growth of 4.9%, surpassing market expectations by a significant margin. We project a reacceleration of China's economic growth in the fourth quarter, potentially reaching approximately 5.5%-6%, spurred by a favorable base effect and intensified restocking activities. This will bring the annual growth to about 5.4%, above government's target of 5%.	China's capital outflows intensified in September marked by a pronounced surge in the demand for foreign currency. Our preferred gauge of FX flows, which encompasses banks' net sales of foreign currency on behalf of clients—including both spot and derivatives such as forwards and options—indicated an escalated outflow of US$36.6 billion, the most substantial since the close of 2016. This recent trend in capital flows underscores a pivotal shift in the supply-demand equilibrium, exerting intensified pressure on the Renminbi (RMB). In response, there may be an imperative for the implementation of enhanced countercyclical measures to bolster the RMB, ensuring its stability amidst the evolving financial landscape. On data, the acceleration in China's finished goods inventory for the second consecutive month to 3.1% in September is a clear sign of restocking. The improvement in the circulation speed of the economy is another positive sign, with the turnover of finished goods inventory decreasing to 20 days in September from 20.3 days in August.
Hong Kong	The chance of a V-shaped rebound in housing price spurred by the relaxation of "spicy measures" is considerably low in the short term, given the high mortgage rate and growing macro-economic uncertainties. Overall speaking, we expect housing price to stay flat this year. However, housing rent should see solid growth as demand for housing was redirected to the rental market. According to the advance estimate, Hong Kong's economic growth accelerated to 4.1% YoY in the third quarter of 2023, up from that of 1.5%YoY in the second quarter, albeit still below market estimates. On a seasonally adjusted basis, Hong Kong's GDP grew marginally by 0.1% QoQ. Entering the last quarter of the year, recovery is set to continue amid sharp revival of inbound tourism, though tighter financial condition will weigh on growth. Overall speaking, we stick to our growth forecast for Hong Kong at 3.2% for this year.	Hong Kong's Chief Executive John Lee delivered his second Policy Address on 25 October. The 2023 Policy Address attempts to shake off pessimism surrounding the modest-to-weak economic recovery, struggling property sector and sluggish stock market. The government announced what can be called the biggest relaxation of demand-side management measures for property market ever. Effective from the date of announcement, the authority would 1) shorten the applicable period of the Special Stamp Duty from three years to two years; 2) halve the tax rates for New Residential Stamp Duty and Buyer's Stamp Duty (from 15% to 7.5%); and 3) put forward a stamp duty suspension arrangement for property buyers in the process of gaining residency via talent schemes. In addition, to revive the market sentiment and boost liquidity, the government cut the stamp duty on stock trading to 0.1% from 0.13%, reversing the hike which had been announced in 2021. Apart from the cut in stamp duty, the government also put forward other measures to boost market liquidity, including cutting the market data fees, and reviewing stock trading spread. After suffering from year-long pandemic induced recession, Hong Kong saw increasing needs to lure new capital and grow the asset and wealth management businesses. To this end, the government re-launched the Capital Investment Entrant Scheme, under which eligible investors who invest at least HK$30mn in assets such as stocks, bonds and funds (excluding real estate) can apply for entry into Hong Kong. In parallel, to entail more corporates to move domicile to Hong Kong, multiple-entry visas into the Mainland would be granted to foreign staff of these companies.

	House View	Key Themes
Macau	Macau's tourism and gaming sectors is on track to return to the pre-pandemic level, hence we pitch the GDP growth rate of Macau at 89% for 2023. We expect total tourism spending (excluding gaming expense) to rise to around 115% of the pre-pandemic level in 2023, while total gross gaming revenue should revert to 65-75% of the pre-Covid level. On the other hand, the outlook of commercial properties (mostly retail stores) should be faring better than that of Hong Kong, amid the solid recoveryof tourism sector.	During the Golden week holiday, visitors from Mainland China reached around 80% of the pre-Covid level with daily arrivals at 88k. For September as a whole, Macau's total visitor arrivals fell to 2.30 million, due to the end of summer travel seasons and more frequent typhoons and floodings. Comparing with the pre-pandemic level in 2019, the total visitor arrival in September was still down by 16.8%. At the same time, Macau's casino gross gaming revenue also fell by 13.2% MoM to MOP14.94 billion in September, amid the closure of casinos during typhoon. For the first nine months of the year as a whole, total gross gaming revenue was down by 41.5% as compared to the level in 2019. Within the total, mass market almost recovered to the 2019 level during the Golden week holiday. In parallel, labour market tightened further with unemployment rate falling to 2.4% in July-September.
Malaysia	The government remained committed to fiscal consolidation in 2024, with the budget announcement including some measures to broaden the revenue base. The government also committed to introduce targeted subsidy rationalisation but did not provide details. This timeline in assessing whether the fiscal deficit of 4.3% of GDP versus 5.0% in 2023 can be achieved. Meanwhile, we do not expect Bank Negara Malaysia (BNM) to succumb to hawkish peer pressure from regional central banks. That said, BNM will remain hawkish into 2024 and entertain the possibility of rate hikes only if inflationary pressures, particularly on core inflation, build up next year.	The Department of Statistics introduced 'advance GDP estimates', which will be released 3 weeks after the end of the stated quarter with the final print to be released 7 weeks after the stated quarter. The advance GDP estimate showed that the economy grew slightly to 3.3% YoY in 3Q23 from 2.9% in 2Q23 boosted by the services and agriculture sectors. The final estimate of 3Q GDP growth will be released on 17 November 2023. Meanwhile, inflationary pressures remained benign with September inflation easing further to 1.9% YoY from 2.0% in August. With year-to-date headline CPI averaging 2.8%, we lower our full year 2023 inflation forecast modestly to 2.7% from 2.9%, previously. For 2024, our forecast is for headline inflation to average 2.5% YoY, but this depends on the governments' timeline for implementing its targeted fuel subsidy rationalisation plan. The government has estimated a wider inflation range of 2.1-3.6% for next year. From BNM's standpoint, it will be crucial to judge whether higher headline inflation is having an impact on core inflation.

	House View	Key Themes
Thailand	Our forecast is for 3Q GDP growth to improve to 2.8% YoY from 1.8% in 2Q supported by resilient private consumption spending. This in turn is supported by government policies aimed at easing the cost-of-living burden. Inflationary pressures, as a result, have remained benign and well below Bank of Thailand's (BOT) 1-3% inflation target range. We do not think BOT will need to raise it policy rate further. Moreover, the government is in internal discussions to reconsider the THB10,000 digital wallet cash handouts. This was an election promise by PM Thavisin but has come under scrutiny as being too generous, especially when private consumption remains resilient.	Tourist arrivals for the week of 02-08 October were down 10% from the previous week, according to the Tourism and Sports Ministry, following the fatal shooting on 03 October at Siam Paragon mall in Bangkok. Nonetheless, the impact seems to be mainly restricted to Bangkok as tourist arrivals into the Phuket and Chiangmai airports continued to pick up in October. Apart from tourism, the resilience on the goods trade front in recent months is a positive surprise. Exports growth rose for a second consecutive month by 2.1% YoY in September versus 2.6% in August driven by agriculture exports but also stronger demand from China. Imports, however, remained weak at -8.3% YoY (August: -12.8%) resulting in a large trade surplus of USD2.1bn in September versus USD0.4bn in August. On the domestic demand front, things were more mixed, the private investment index (PII) continued to contract in September (-3.6% YoY versus -4.4% in August) while the private consumption index (PCI) grew at a slower rate of 6.3% YoY (August: 7.0%). Nevertheless, there was some uplift from government expenditures which picked up 1.4% YoY in September from 0.3% in August. Meanwhile, headline inflation eased further to 0.3% YoY in September from 0.9% in August reflecting the government's decision to sharply lower retail fuel by more than 6% and electricity tariffs by more than 10%. Core inflation, however, eased to a lesser extent at 0.6% YoY in September from 0.8% in August.
South Korea	The Bank of Korea (BoK) kept its base rate on hold during its October meeting. The BoK in its statement expected domestic growth to improve and for inflation to gradually moderate into 2024, however, they highlighted that "upside risks to inflation have increased due to higher global oil prices and exchange rates, and due to the Israel-Hamas conflict." Therefore, the BoK will "maintain a restrictive policy stance for a considerable time." Our house view remains that the BoK will keep its base rate unchanged at 3.50% for the rest of 2023.	3Q growth came in faster than expectations rising by 1.4% YoY (0.6% QoQ sa) against 0.9% YoY (0.6% QoQ sa) in 2Q mainly driven by exports and private consumption. October's exports rose 5.1% after slumping 4.4% in September while the contraction in imports slowed to -9.7% from -16.5% in the previous month leading to a narrower trade surplus of US$1.64 billion (September: US$3.69 billion). September headline inflation accelerated for the second month in a row to 3.7% YoY (0.6% MoM) from 3.4% YoY (1.0% MoM) in August. The headline print was mostly driven by petroleum, utilities, and food inflation. Core inflation, meanwhile, was flat at 3.3% YoY. Leading business indicators appear mixed - November's business manufacturing survey improved to 69 from 67 previously, while non-manufacturing declined to 69 from 77 (Readings above 100 indicate more firms are positive on balance). Looking at jobs, September unemployment rate came in higher from 2.4% sa in August to 2.6% sa but was in line with consensus expectations.
Philippines	Bangko Sentral ng Pilipinas (BSP) characterised its, relatively well flagged, off-cycle meeting of 25bp on 26 October as 'catch up'. Inflationary pressures have been stubbornly high. With year-to-September inflation averaging 6.6% YoY, we revise up our 2023 inflation forecast to 6.2% YoY versus 5.4% previously. Moreover, we have pencilled another 25bp hike at BSP's 16 November meeting. Meanwhile, GDP growth is likely to miss the government's 6% target. We continue to expect 2023 GDP growth of 5.4% versus 7.6% in 2022.	Food prices, rice prices continued to rise to 17.9% YoY in September from 8.7% in August. This may, however, see some reprieve in the coming months. India resumed some of its non-basmati white rice exports to a handful of countries, with the Philippines receiving the highest allocation of non-basmati white rice approved by India for export. Higher inflation may dent consumer spending in 3Q23, but the bright spot is that severe government under spending in 2Q has reversed to some extent. Government expenditure growth picked up to 11.1% YoY in 3Q23 from 1.6% in 2Q23. This complemented with a pickup in August exports growth to 4.2% YoY (July: -0.9%) points to better growth of 5.5% YoY in 3Q from 4.3% in Q2. The stronger 3Q GDP print (to be released on 9 November) and elevated October inflation print (to be released on 7 November) will support our view of another 25bp hike by BSP on 16 November.

	House View	Key Themes
ASEAN-4	'Higher for longer' US Fed rates and risks of a second round of inflation from elevated geopolitical risks and food price disruptions have increasingly become more of a concern for the ASEAN-4 central banks. That said, there remains a clear sense of differentiation in the monetary policy direction for the ASEAN-4 central banks. Meanwhile, 3Q GDP growth in Philippines and Thailand is expected to show a modest improvement versus 2Q while growth will slow in Indonesia.	BI and BSP hiked its policy rates for different reasons over the past month. BI did so as a "pre-emptive" move to defend against IDR depreciation pressures while BSP called it a "catch-up" in the face of persistent inflationary pressures. We expect that BI will continue to hike its policy rate by a cumulative 50bp in November and December while for BSP we cannot rule out another 25bp at its 16 November meeting. BOT and BNM will remain on hold for the rest of the year, defying peer pressure as domestic growth-inflation fundamentals suggest that further policy action is not the need for the hour. GDP growth will slow in the ASEAN-4 economies relative to 2022 while inflationary pressures, expect for the Philippines, remains under control.

FX/Rates Forecast

USD Interest Rates	Current	4Q23	1Q24	2Q24	3Q24	4Q24
FFTR upper	5.50	5.50	5.50	5.25	4.75	4.50
SOFR	5.31	5.30	5.30	5.05	4.55	4.30
3M SOFR OIS	5.38	5.45	5.45	5.20	4.70	4.45
6M SOFR OIS	5.44	5.45	5.45	5.15	4.65	4.40
1Y SOFR OIS	5.35	5.35	5.35	5.10	4.60	4.35
2Y SOFR OIS	4.90	4.90	4.85	4.70	4.40	4.15
5Y SOFR OIS	4.49	4.45	4.40	4.30	4.00	3.85
10Y SOFR OIS	4.48	4.45	4.40	4.30	4.00	3.85
15Y SOFR OIS	4.51	4.50	4.45	4.35	4.05	3.90
20Y SOFR OIS	4.47	4.50	4.45	4.35	4.05	3.90
30Y SOFR OIS	4.27	4.30	4.25	4.15	3.90	3.80
SGD Interest Rates	**Current**	**4Q23**	**1Q24**	**2Q24**	**3Q24**	**4Q24**
SORA	3.82	3.70	3.70	3.65	3.35	3.10
1M SIBOR	4.03	4.00	4.00	3.95	3.70	3.65
3M SIBOR	4.06	4.05	4.05	4.00	3.80	3.80
3M SGD OIS	3.71	3.75	3.75	3.50	3.25	2.95
6M SGD OIS	3.69	3.75	3.75	3.50	3.25	3.00
1Y SGD OIS	3.62	3.70	3.70	3.60	3.35	3.10
2Y SGD OIS	3.47	3.50	3.45	3.35	3.25	3.10
3Y SGD OIS	3.42	3.50	3.48	3.40	3.30	3.15
5Y SGD OIS	3.43	3.50	3.50	3.45	3.35	3.20
10Y SGD OIS	3.46	3.55	3.55	3.55	3.35	3.20
15Y SGD OIS	3.40	3.53	3.53	3.53	3.33	3.18
20Y SGD OIS	3.29	3.35	3.35	3.35	3.30	3.20
MYR Interest Rates	**Current**	**4Q23**	**1Q24**	**2Q24**	**3Q24**	**4Q24**
OPR	3.00	3.00	3.00	3.00	3.00	3.00
1M MYR KLIBOR	3.32	3.25	3.25	3.20	3.15	3.15
3M MYR KLIBOR	3.65	3.60	3.55	3.50	3.45	3.40
6M MYR KLIBOR	3.69	3.65	3.60	3.55	3.50	3.45
1Y MYR IRS	3.75	3.70	3.60	3.50	3.40	3.40
2Y MYR IRS	3.81	3.70	3.65	3.60	3.50	3.45
3Y MYR IRS	3.85	3.75	3.70	3.65	3.55	3.50
5Y MYR IRS	3.96	3.85	3.80	3.75	3.65	3.65
10Y MYR IRS	4.23	4.20	4.15	4.10	4.05	4.00
15Y MYR IRS	4.43	4.40	4.35	4.30	4.25	4.25
20Y MYR IRS	4.58	4.45	4.40	4.35	4.30	4.30
HKD Interest Rates	**Current**	**4Q23**	**1Q24**	**2Q24**	**3Q24**	**4Q24**
1M HKD HIBOR	4.90	4.85	4.85	4.65	4.30	4.05
3M HKD HIBOR	5.24	5.05	5.00	4.80	4.40	4.20
2Y HKD IRS	4.70	4.70	4.60	4.45	4.15	4.10
5Y HKD IRS	4.48	4.50	4.40	4.30	4.20	4.15
10Y HKD IRS	4.52	4.50	4.45	4.35	4.30	4.25

Research Monitor (November)

1 November 2023

UST yields	Current	4Q23	1Q24	2Q24	3Q24	4Q24
2Y UST	5.02	4.85	4.75	4.50	4.05	3.80
5Y UST	4.77	4.60	4.50	4.35	4.05	3.95
10Y UST	4.83	4.70	4.60	4.45	4.10	3.95
30Y UST	4.99	4.80	4.70	4.55	4.30	4.30
SGS yields	**Current**	**4Q23**	**1Q24**	**2Q24**	**3Q24**	**4Q24**
2Y SGS	3.63	3.60	3.50	3.35	3.10	3.05
5Y SGS	3.28	3.35	3.25	3.20	3.05	3.05
10Y SGS	3.36	3.40	3.35	3.25	3.10	3.10
15Y SGS	3.30	3.25	3.20	3.20	3.10	3.10
20Y SGS	3.27	3.20	3.15	3.15	3.15	3.15
30Y SGS	3.11	3.15	3.15	3.10	3.05	3.05
MGS yields	**Current**	**4Q23**	**1Q24**	**2Q24**	**3Q24**	**4Q24**
3Y MGS	3.69	3.55	3.45	3.40	3.40	3.40
5Y MGS	3.89	3.85	3.85	3.75	3.65	3.60
10Y MGS	4.14	4.30	4.30	4.30	4.25	4.25
IndoGB yields	**Current**	**4Q23**	**1Q24**	**2Q24**	**3Q24**	**4Q24**
2Y IndoGB	6.96	7.05	7.05	6.55	6.10	6.00
5Y IndoGB	6.99	7.05	7.05	6.75	6.30	6.25
10Y IndoGB	7.07	7.10	7.10	6.90	6.70	6.60

Source: OCBC Research (Latest Forecast Update: 31st October 2023)

Research Monitor (November)

1 November 2023

FX	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
USD-JPY	148.00	145.00	144.00	143.00	139.00
EUR-USD	1.0700	1.0800	1.0900	1.1000	1.1200
GBP-USD	1.2300	1.2400	1.2400	1.2400	1.2500
AUD-USD	0.6400	0.6500	0.6600	0.6700	0.6800
NZD-USD	0.5900	0.6000	0.6100	0.6200	0.6300
USD-CAD	1.3500	1.3400	1.3200	1.3000	1.3000
USD-CHF	0.9000	0.9050	0.9000	0.8900	0.8900
USD-SEK	10.8200	10.6000	10.2400	10.0000	9.7700
DXY	105.05	103.96	103.00	102.08	100.44
USD-SGD	1.3550	1.3510	1.3490	1.3470	1.3430
USD-CNY	7.2600	7.2000	7.1500	7.1000	7.0500
USD-CNH	7.2600	7.2000	7.1500	7.1000	7.0500
USD-THB	36.300	36.300	36.000	35.800	35.500
USD-IDR	15600	15350	15320	15300	15300
USD-MYR	4.7400	4.7000	4.6800	4.6600	4.6400
USD-KRW	1325.0	1315.0	1310.0	1305.0	1275.0
USD-TWD	32.000	31.800	31.800	31.600	31.400
USD-HKD	7.8200	7.8100	7.8000	7.8000	7.7900
USD-PHP	56.200	55.900	55.600	55.200	54.900
USD-INR	83.000	82.500	82.300	82.000	81.500
USD-VND	24300	24200	24200	24000	23900
EUR-JPY	158.36	156.60	156.96	157.30	155.68
EUR-GBP	0.8699	0.8710	0.8790	0.8871	0.8960
EUR-CHF	0.9630	0.9774	0.9810	0.9790	0.9968
EUR-SGD	1.4499	1.4591	1.4704	1.4817	1.5042
GBP-SGD	1.6667	1.6752	1.6728	1.6703	1.6788
AUD-SGD	0.8672	0.8782	0.8903	0.9025	0.9132
NZD-SGD	0.7995	0.8106	0.8229	0.8351	0.8461
CHF-SGD	1.5056	1.4928	1.4989	1.5135	1.5090
JPY-SGD	0.9155	0.9317	0.9368	0.9420	0.9662
SGD-MYR	3.4982	3.4789	3.4692	3.4595	3.4550
SGD-CNY	5.3579	5.3294	5.3002	5.2710	5.2494
SGD-IDR	11513	11362	11357	11359	11392
SGD-THB	26.790	26.869	26.686	26.578	26.433
SGD-PHP	41.476	41.377	41.216	40.980	40.879
SGD-CNH	5.3579	5.3294	5.3002	5.2710	5.2494
SGD-TWD	23.616	23.538	23.573	23.460	23.380
SGD-KRW	977.86	973.35	971.09	968.82	949.37
SGD-HKD	5.7712	5.7809	5.7821	5.7906	5.8004
SGD-JPY	109.23	107.33	106.75	106.16	103.50
Gold $/oz	1955.0	1980.0	2000.0	2020.0	2040.0

Source: OCBC Research (Latest Forecast Update: 23rd October 2023)

Research Monitor (November)

1 November 2023

Macroeconomic Calendar

Date Time	C	Event	Period	Survey	Actual	Prior
01/11 12:00	ID	CPI YoY	Oct	--	--	2.28%
02/11 07:00	SK	CPI YoY	Oct	3.60%	--	3.70%
06/11 11:30	TH	CPI YoY	Oct	--	--	0.30%
07/11 09:00	PH	CPI YoY 2018=100	Oct	--	--	6.10%
07/11 16:00	TA	CPI YoY	Oct	--	--	2.93%
08/11 15:00	GE	CPI YoY	Oct F	--	--	--
09/11 09:30	CH	CPI YoY	Oct	--	--	0.00%
09/11 10:00	PH	GDP YoY	3Q	--	--	4.30%
10/11 15:00	UK	GDP QoQ	3Q P	--	--	0.20%
10/11 15:00	UK	GDP YoY	3Q P	--	--	0.60%
10/11 16:30	HK	GDP YoY	3Q F	--	--	--
14/11 18:00	EC	GDP SA QoQ	3Q P	--	--	--
14/11 18:00	EC	GDP SA YoY	3Q P	--	--	--
14/11 21:30	US	CPI YoY	Oct	--	--	3.70%
15/11 07:50	JN	GDP SA QoQ	3Q P	--	--	1.20%
15/11 07:50	JN	GDP Annualized SA QoQ	3Q P	--	--	4.80%
15/11 07:50	JN	GDP Deflator YoY	3Q P	--	--	3.50%
15/11 15:00	UK	CPI YoY	Oct	--	--	6.70%
17/11 12:00	MA	GDP YoY	3Q F	--	--	3.30%
17/11 18:00	EC	CPI YoY	Oct F	--	--	4.30%
20/11 09:00	SI	GDP YoY	3Q F	--	--	0.70%
20/11 10:30	TH	GDP YoY	3Q	--	--	1.80%
21/11 21:30	CA	CPI YoY	Oct	--	--	3.80%
23/11 13:00	SI	CPI YoY	Oct	--	--	4.10%
24/11 07:30	JN	Natl CPI YoY	Oct	--	--	3.00%
29/11 21:00	GE	CPI YoY	Nov P	--	--	--
29/11 21:30	US	GDP Annualized QoQ	3Q S	--	--	--
30/11 10:00	VN	CPI YoY	Nov	--	--	--
30/11 16:00	TA	GDP YoY	3Q P	--	--	--
30/11 21:30	CA	Quarterly GDP Annualized	3Q	--	--	-0.20%

Central Bank Interest Rate Decisions

Date Time	C	Event	Period	Survey	Actual	Prior
02/11 02:00	US	FOMC Rate Decision (Upper Bound)	Nov-01	5.50%	--	5.50%
02/11 02:00	US	FOMC Rate Decision (Lower Bound)	Nov-01	5.25%	--	5.25%
02/11 15:00	MA	BNM Overnight Policy Rate	Nov-02	3.00%	--	3.00%
02/11 20:00	UK	Bank of England Bank Rate	Nov-02	--	--	5.25%
07/11 11:30	AU	RBA Cash Rate Target	Nov-07	--	--	4.10%
16/11 15:00	PH	BSP Overnight Borrowing Rate	Nov-16	--	--	6.25%
16/11 15:00	PH	BSP Standing Overnight Deposit Facility Rate	Nov-16	--	--	5.75%
20/11 09:15	CH	1-Year Loan Prime Rate	Nov-20	--	--	3.45%
20/11 09:15	CH	5-Year Loan Prime Rate	Nov-20	--	--	4.20%
23/11 15:20	ID	Bank Indonesia 7D Reverse Repo	Nov-23	--	--	6.00%
29/11 09:00	NZ	RBNZ Official Cash Rate	Nov-29	--	--	5.50%
29/11 15:00	TH	BoT Benchmark Interest Rate	Nov-29	--	--	2.50%
30/11 08:00	SK	BOK Base Rate	Nov-30	--	--	3.50%

Source: Bloomberg

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