OCBC TREASURY RESEARCH

Research Monitor (October)

3 October 2019

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Key Themes

1. **After another choppy month in September, more noise is likely to come in October on the trade and geopolitical front,** with US-China trade talks resuming amid the speculation of US delisting Chinese companies from Wall Street, the US House impeachment probe against Trump, UK Supreme Court's ruling that PM Johnson's suspension of Parliament was unlawful, the drone attack on Saudi Arabia's oil facility, and ongoing protests in Hong Kong and now also emerging in Jakarta, Indonesia against some legislations. The market interpretation of the US House impeachment bid as being unlikely to obtain a two-thirds majority in the Senate is accurate in our view, as it would require at least 20 Republicans to vote against Trump. The clock continues to count down to 31 October deadline for Brexit with no solution in sight**.**

2. **No smoke without fire: watch for potential decoupling of US-China economic ties over the medium term, notwithstanding the possibility of a mini-trade deal in the interim.** This decoupling may potentially extend from trade and manufacturing supply chains to US investments in Chinese markets and vice versa. That said, while the Emergency Economic Powers Act of 1977 may be used to bar future transfers of funds to a foreign country, Trump does not have the authority to rescind existing US investments. Moreover, delisting more than 150 Chinese firms listed in the US with a market capitalization of more than US$1 trillion may be costly if there is a kneejerk market reaction**.**

3. **From an asset allocation perspective, we have seen a rotation back from bonds into equities.** Global and US stock indices closed September on a high note, but the six-million-dollar question is whether the momentum will continue to sustain in 4Q19 or tank like back in 4Q18? If WeWorks' pulling of its IPO is any indication, some sense of market reality may be returning amid the US FOMC's reticence to pare interest rates down much further**.**

4. **The impact of trade war news on market sentiment has been increasingly asymmetrical for the past two weeks.** The positive trade headline news is no longer the key driver to China's assets prices as the focus shifts to China's domestic policies. However, negative news still matter. The latest news, about the US considering investment restrictions in China, showed that a financial war, on top of trade and technological wars, is no longer unthinkable. Markets will continue to digest this news ahead of the US-China trade talks, even though the delisting news has been refuted by US officials. Domestically, the clarity of China's policy framework to support growth is good news as it alleviates the pressure for RMB depreciation. However, as China is unlikely to aggressively ease its monetary policy, the modest policy reaction may continue to prevail, which may keep market sentiment in check. China's bond and equity markets may consolidate further before more concrete easing measures materialize.

5. **The drone attacks on Saudi Arabia captured the main headlines for crude oil recently.** Brent prices rose 14.6% in the wake of the attack to almost $70/bbl, but have since retraced back to $62/bbl. The eroding risk premium is largely a result of Saudi Arabia having restored production quickly, but we think a larger premium needs to be attached against the possibility of future attacks. In other words, we think the market is over-bearish at this point.

Asset Class Views

	House View	Trading Views	
FX	**G10 FX:** As the dust settles on the September central bank meetings, we think the playbook into the year-end is well-established. The playbook is characterised by two splits – the split between the Fed and the rest of the central banks amid a rate-cut environment, and the split between market expectations of a further Fed rate cut and the FOMC's own inclinations. Overall, we think this set-up will be sufficient to keep the broad USD on the front foot, even with the political distractions surrounding President Trump. The Fed has emerged as the most neutral-leaning central bank amongst a flight of doves – a USD-positive proposition. In contrast, the likes of the ECB and BOJ are in the midst of an open-ended monetary easing, and with policy rates in deeply negative territory. Despite the noticeable divergence between FOMC members, market implied probabilities continued to suggest one further Fed rate cut by year end. On balance, the risk-reward probably favours a more neutral outlook as it appears difficult for the dovish camp within the FOMC to gain significantly more traction from here. Any paring of rate cut expectations would provide a near-term boost to the broad USD.	Broad USD resilience best expressed against the EUR. Meanwhile, JPY and AUD may be distracted by uncertainties surrounding the scheduled Oct 10^{th}-11^{th} Sino-US meeting.	
	Asian FX and SGD: Asian currencies may still be weighed down by macro growth concerns and a heavy RMB complex. We expect near-term volatility stemming from Sino-US headlines, with USD-Asia staying buoyant unless the scheduled meeting concludes with something tangible. Given the soft local outlook, we think there is room for measured easing by the MAS in the upcoming October MPS. The slope of the SGD NEER policy band may be reduced to a +0.50% p.a. appreciation path, with no change in the other parameters. Overall, in view of the relative resilience of the SGD in basket terms year-to-date, we think there is scope for the SGD to ease lower to provide the economic stimulus needed.	Stay long in USD-Asia in general, but the likes of USD-INR and USD-THB may be less responsive on the upside relative to other pairs. Lower SGD NEER basket on a structural basis.	
Commodities	**Energy:** Brent prices got a boost from the drone attacks on Saudi Arabia's oil facilities, having collapsed in the month of August. Despite the risk of further production outages, the market remains firmly focused on the demand side of the equation, with prices consistently influenced by US-China trade headlines. We advise against complacency on the possibility of more attacks on other key oil facilities not just in Saudi Arabia, but across the world.	The market appeared to have been complacent pre-Saudi attacks, and they look complacent again. Prior to the attacks, tensions in the Middle East were already running high between Iran and US allies. For the market to have priced in almost negligible risk premia back then – based on the collapse in August prices – showed the lack of significance that was attached to the tensions. The drawdown in prices post-attacks looks like another complacent repeat of the market downplaying the tensions. While this is not a situation that calls for \$100/bbl, prices look like they are declining towards \$60/bbl – which is essentially the level pre-attack. That is potentially setting up the market for another big spike in prices if another attack were to happen.	↑
	Gold: Prices have continued to trade closely to the \$1,500/oz level, going to as low as \$1,485.80/oz on one occasion but otherwise traded an average of about \$1,510/oz in September. The support of \$1,500/oz continues to look strong and as long as the Fed stays in its current rate-cut cycle, it is unlikely prices will dip significantly below the \$1,500/oz level.	The Fed in the September FOMC meeting appeared less dovish than expected, with the dot-plot suggesting one more rate cut at best, if at all. We think gold's upside is still warranted, given the escalating political and geopolitical risks globally. Gains may be capped, however, by a Fed that is due to resume hiking rates possibly in 2021. We see prices possibly touching a high of \$1,600/oz.	↓

OCBC Bank

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<table>
<tr><th></th><th>House View</th><th colspan="2">Trading Views</th></tr>
<tr><td rowspan="2">Rates</td><td rowspan="2">The tug of war for global bond markets continues: With global growth prospects still looking depressed out into 2020 amid the US-China trade war, the concern is that major central banks like the Fed and ECB may have expended their monetary policy ammunition too early. Should the Fed really maintain their mid-cycle insurance cut story as coming to an early end, then the volatility in global bond markets may not be over. Moreover, there are growing doubts over the efficacy of monetary policy given the limited amounts of potential easing left.</td><td>UST bond yields have backed up some 17bps over the course of the past month as market participants tapered their expectations for further rate cuts from the Fed following the September dot plot. While US economic data remains resilient, our view remains that downside growth risks going into a US election cycle next year is likely to warrant buying more insurance. We retain our call for one more 25bp rate cut by year-end, followed with a further 25bps rate cut in 1Q20. The 10-year UST bond yield is likely to tread water between past month's range of 1.46%-1.9%.</td><td>↔</td></tr>
<tr><td>The SGS yield curve has been relatively stable lately, notwithstanding the UST bond gyrations. The 3-month SIBOR also remained stable at 1.88% while SOR has dipped back to the lower end of its 1.68%-1.88% recent range. While headline inflation edged up to 0.5% yoy in August, core inflation remained subdued at 0.8% yoy for a second month. The key will be the upcoming MAS policy meeting (likely to be ~11 October) which could see a modest flattening of the S$NEER slope to 0.5% pa with no change to the width or the level at which it is centred. With the 2- and 15-year SGS bond re-openings done, only a 7-year re-opening is left for 1 November.</td><td>↔</td></tr>
<tr><td rowspan="2">Credit</td><td rowspan="2">Whereas August was a one-way street, September had more twists and turns as credit spreads tightened through the first half of the month before some mid-month volatility and a widening trend in the latter parts of the month. In the end, the Bloomberg Barclays Asia USD IG Bond Index ended 3bps tighter month on month by the end of September and the Bloomberg Barclays Asia USD HY Bond Index tightened 33bps over the same period. The conducive tone for credit saw a record start to a September for Asia dollar issuance although the exuberance remains concentrated on higher grade names with IG yields tightening to lows not seen since April 2018. HY on the other hand continues to trade at its widest since Jan 2018 after the sell-off in August. Both investors and issuers alike took cues from August losses on high yield bonds (the first this year) and prevailing event risks from the trade war, various geo-political tensions as well as general macro-economic slowdown.

The SGD space saw a quiet month with SGD1.1bn printed across 4 deals (versus August with 7 deals for SGD2.69bn), anchored by Housing & Development Board's SGD500mn 2.315% '34s. Tellingly, this was the only deal prior to the US Federal Reserve's rate decision indicating some trepidation in the market about the interest rate outlook. Moreover, all of September's completed deals were senior unsecured, compared to August which saw a majority of structurally higher yielding instruments indicating a more conservative stance towards the rates and credit outlook.

We think investors may be increasingly reluctant to put capital to work for the remainder of 2019 without any market conviction, unless there is adequate compensation leading to thinning market liquidity. In this regard and with event risks persisting, we expect a disconnect on return between issuer and investor comfort levels that may become more pronounced and lead to a slow-down in issuance activity. China's Golden Week holidays and the start of earnings season would only add to the shift in pace that could come in October.</td><td>Pricing on ABN AMRO Bank NV's Tier 2 ABNANV 4.75% 26c21s was impacted by recent news of potential fines from the Dutch regulator. However, we think the credit impact is muted given solid annual net income generation and capital position with its current CET1 ratio of 18.0% above its 2019 Maximum Distributable Amount (MDA) trigger level of 12.32%. While the fine amounts remain a question mark, the bank has previously provisioned around EUR200mn for financial crime prevention issues. With the sell-off, we think this bond offers decent yield for a short tenor to call and a relatively high reset spread.</td><td>↑</td></tr>
<tr><td>KREITS 4.98% PERP is offering a yield of 3.32% with a spread of 170bps above swaps for a 13 months tenor. We see a high likelihood of KREIT calling the bond, because KREIT will most likely be able to come to market and raise a new perpetual or a senior bond at a lower coupon rate. Apart from the yield, we think this is particularly interesting given that Business Times reported on 30 Sep 2019 that the sale of Bugis Junction Towers is being sold to a fund managed by Angelo Gordon, a US-headquartered global alternative investment manager for ~SGD547.5mn. With the sale confirmed, we think the proceeds from the sales assets could possibly improve KREIT's credit metrics.</td><td>↑</td></tr>
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Macroeconomic Views

	House View	Key Themes
US	The recent reprieve in US-China trade tensions seem to have boosted risk sentiment slightly but the negotiation road ahead remains fraught with challenges. We think the Fed is still likely to deliver more rate cuts but will only do so reluctantly, as seen from the FOMC dot plot aggregate and the somewhat less dovish FOMC statement. We still see a 25bps rate cut by December and another cut in 1Q20.	The Fed cut rates as widely expected in its September meeting, but it remains to be seen if that alone is enough to revitalize the slowing US economy. Headline consumer confidence has softened, but the jobs market remains resilient to-date even though the manufacturing ISM has slumped to a decade low of 47.8 in September. Data aside, US seem to be heading into greater uncertainty, with an impeachment inquiry now levelled against President Donald Trump. With the trade uncertainty still sapping business and consumer confidence, and global supply chain disruptions likely to persist in the near-term, the prospect of the US economy slowing further cannot be ruled out. As expected, Trump continued to levy criticism of the Fed and Fed chair Powell for the USD strength and insufficiently aggressive interest rate cuts.
EU	The “bazooka” delivered by the ECB during the September meeting did not impress investors. Moreover, given that some members of the ECB Governing Council are already voicing opposition on the restart of the QE program, we see the ECB’s ability to ease further as limited, and do not expect any major moves from them in the upcoming meeting late October.	The EU continues to face a cloudy growth outlook, with the Eurozone composite PMI dropping to near-contraction. Soft German data is solidifying bets that it is on the brink of a technical recession, with data such as manufacturing PMIS and IFO expectations flashing more warnings, and the services side starting to feel some spill-over effects. Incoming ECB chief Christine Lagarde may have big shoes to fill on 1 November. While a no-deal Brexit seems to have diminished somewhat with Johnson’s plans thwarted by the Supreme Court’s ruling of the Parliament suspension as unlawful, it may still be nerve-wrecking in the run-up to 31 October.
Japan	BOJ is again under pressure not to lag too far behind in terms of implementing fresh monetary policy stimulus as other central banks step up their fight to buffer against downside risks. Governor Kuroda said if there is any further monetary policy easing, it would target short- and medium-term rates without flattening the yield curve too much but had no pre-set intentions for the 30 October meeting.	With the sales tax hike from 8% to 10% on 1 October that is estimated to reduce economic output by 2.7% in 4Q19, the Japanese economy may need another booster shot from the BOJ as early as the 30 October policy meeting. BOJ is attempting to steepen the JGB yield curve by hinting it may stop purchasing debt maturing more than 25 years. For now, PM Abe appears to have received a stay on US tariffs on Japan’s auto industry, and the latest Tankan survey suggest that confidence among large companies had been dented but beat market expectations.
Singapore	With 2019 GDP growth tipped in the 0-1% range and core inflation likely to come in at the lower end of the 1-2% forecast range, the focus is centred on MAS delivering the expected S$NEER slope flattening in mid-October, followed by fiscal stimulus at the Budget in February 2020. Our 3Q19 GDP growth forecast is 0.3% yoy (1.9% qoq saar), versus 2Q19’s 0.1% yoy (-3.3% qoq saar).	Recent economic indicators remained mixed, with weaker-than-expected August industrial production data (-8.0% yoy) still flagging that the manufacturing sector is not out of the woods yet. While the September data will be key in determining if the S’pore economy can indeed escape a technical recession in 3Q19, the prognosis for 4Q19 growth momentum remains soft. Bank loans growth accelerated to 0.6% mom (2.2% yoy) in August, aided by business loans (+1.1% mom) which offset lower consumer loans (-0.2% mom), especially housing loans (-0.2% mom). Still, private property prices rose for a second quarter by 0.9% qoq in 3Q19 following a 1.5% jump in 2Q19. With consumer sentiments shored up by the still stable labour market, amid subdued core inflation, MAS may also refrain from adopting an overly dovish tone despite a widely expected slope flattening move at the upcoming October policy meeting.

	House View	Key Themes
Indonesia	We see 2019 growth coming out at 5.1% yoy, supported by government and private consumption. Meanwhile, Bank Indonesia is likely to maintain a relatively dovish stance and looks to cut rate by at least another 25bps in the coming months, pending supportive global environment.	Bank Indonesia is likely to fire another salvo of rate cut – its fourth this year – on October 24th, bringing the 7-day reverse repo policy rate to 5.0%, Such a move would help to bolster growth amidst global uncertainties, utilizing the space given by relatively contained inflation and current account deficit. Market will also focus on the inauguration of President Jokowi in his second term on October 20th, with focus on his cabinet selection. There are expectations for him to continue opting for technocrats in key economic portfolios.
China	The Chinese economy grew by 6.3% yoy in the first half of 2019. The economy is expected to slow down further in the second half due to falling support from property investment. For 2019, we think it is still possible for China to achieve about 6.2% growth target.	China's manufacturing PMI rebounded in September thanks to improving US-China trade talk. China's Vice Premier Liu He is expected to lead the delegation to Washington to resume the trade talk on 10 Oct. Both US and China sides have showed good gesture in September to exempt some goods from the tariff. However, the outlook was clouded by the news that the US is studying the option to restrict its investment in China. Domestically, China clarified its policy framework to support the growth. China will counter the negative impact via three pillars including conventional monetary policy, counter cyclical measures and boosting consumption. However, China is unlikely to ease its monetary policy aggressively to save ammunition for future. As such, the modest policy reaction has kept market sentiment in check. China's bond and equity markets may consolidate further before more concrete easing measures.
Hong Kong	We downgrade 2019 GDP growth forecast from 1%-1.5% to 0.6% due to rising internal and external uncertainties. Both HKD and HIBORs are expected to see two-way volatility. Property market is set to slow down amid rising short-term supply, sour sentiments, relatively high local rates and heightened political uncertainty.	Retail sales, visitor arrivals and hotel occupancy rates fell 11.4% yoy, 4.8% yoy and 5.0% yoy respectively in Jul, and might fall further in Aug as social unrest escalated. Adding on sluggish business sentiment, we are wary of a technical recession in 3Q. Fitch cut HK's rating to AA while Moody's changed HK's outlook to negative. However, resilient financial markets and healthy reserves could cap the impact of the downgrade. Against this backdrop, AB InBev resumed its Asian unit's IPO in HK in Sept. Large IPO and quarter-end effect capped the downside of HKD rates, which, coupled with margin compression on mortgages, prompted commercial banks to keep the loan prime rate static despite the Fed's rate cut.
Macau	With a strong MOP, prolonged trade war and Asia's bleak growth outlook, exports of goods and services may remain muted. The VIP-segment may also succumb to policy risks. Given sluggish fixed investment and a high base, we revise our 2019 GDP growth forecast from around 0% to -1.5%.	Gross gaming revenue saw the largest decline since May 2016 of 8.6% yoy while visitor arrivals increased at the slowest pace since Sept 2018 by 6.5% yoy in Aug, despite summer holiday effect. This could be attributed to China's economic slowdown, a weaker RMB and the negative spill-over effects of HK's social unrest. On a positive note, tourism sector may benefit from the holiday effect during Sept and Oct (visitor arrivals increased by 12.8% yoy during Mid-Autumn Festival and may continue to grow in Global Week Holiday). However, multiple headwinds may still cap the upside of the tourism. Gross gaming revenue may drop by 2% in 2019.

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Malaysia	We now revise our 2019 growth forecast to 4.6% yoy from 4.4% yoy previously, given that the first half of the year came out stronger than expected. Meanwhile, we now expect that Bank Negara Malaysia (BNM) may cut by another 25bps by the end of 2019, bringing the OPR down to 2.75% from 3.00%, amid a worsening external environment.	Post FTSE Russell's decision to kick the can down the road, on whether to exclude Malaysia from its WGBI index, markets may increasingly focus on the possibility that the authorities may continue to loosen its FX prudential policies, to help secure Malaysia's spot in the next review in March 2020. Market will also be zooming in on the October 11th tabling of Budget 2020 by Finance Minister Lim Guan Eng. We expect the government to attempt to strike a balance between fiscal consolidation and the need to boost growth amid global uncertainties. Fiscal deficit is likely to be trimmed down slightly to 3.2% of GDP in 2020, versus 3.4% that is expected for this year.
Thailand	It is likely that the Bank of Thailand may perform just one more rate cut in Q4, before calling a possible end to their rate-cutting exercise.	One more rate cut will send Thailand's benchmark interest rate to its record low of 1.25%, which was reached during the GFC period during 2009-10. Given that Thailand is still experiencing positive albeit slowing growth, it is hard to envisage the need for record-low interest rates at this juncture. Furthermore, rate reductions have done little to dent the strength of the baht, a big focus for the BoT at this stage on top of the high household debt levels. Further efforts to weaken the baht would likely come in the forms of capital controls via a facilitation of investment outflows by Thai investors. It is likely the next rate cut – if at all – will be the BoT's last in this current cycle.
South Korea	The Bank of Korea may likely bring interest rates down to a new record low of 1.00% or lesser if the impact on its electronics trade takes a sustained blow from the ongoing trade spat with Japan.	The Bank of Korea chose to leave its key rate constant at 1.50% in August to observe the impacts from the prior rate cut, but continued weaknesses in exports and a high likelihood of a deflation in October are likely to pressure the BoK into doing more in subsequent policy meetings. The unemployment rate unexpected dipped drastically to 3.1% in August from 4.0% in July, but this is not expected to last. Most of the gains in employment were those aged 60 and above, as a result of of the government's effort to create jobs. The details show a softer underbelly, with manufacturing shedding 24,000 jobs and the retail and wholesale sectors losing 53,000 jobs.
Philippines	Despite three rate cuts under its belt this year already, we think the BSP may continue easing monetary conditions in the remainder of 2019. This may come in the form of one more 25bp benchmark rate cut, or a 100bp reduction in the RRR. We think it will likely be the former as the BSP aims to capitalize on the current low inflation to continue trimming interest rates.	There were little surprises in September as the BSP reduced interest rates for the third time this year. Given that the inflation rate is poised to remain at the 1-2% level for the rest of the year according to our forecasts, we think the BSP would want to capitalize on the low inflation rate to front-load next year's rate cuts. With the last two meetings coming only in November and December, we think that the fourth and final rate cut of 2019 will likely arrive in December, as the BSP allows for more time to observe pass-through effects of its three rate cuts as well as US-China trade talk developments.

FX/Rates Forecast

USD Interest Rates	4Q19	1Q20	2Q20	3Q20
Fed Funds Target Rate	1.5-1.75%	1.25-1.5%	1.25-1.5%	1.25-1.5%
1-month LIBOR	1.70%	1.45%	1.47%	1.48%
2-month LIBOR	1.75%	1.50%	1.51%	1.52%
3-month LIBOR	1.80%	1.55%	1.55%	1.55%
6-month LIBOR	1.85%	1.60%	1.60%	1.60%
12-month LIBOR	1.87%	1.63%	1.63%	1.64%
1-year swap rate	1.75%	1.65%	1.65%	1.65%
2-year swap rate	1.55%	1.53%	1.57%	1.62%
3-year swap rate	1.47%	1.45%	1.52%	1.60%
5-year swap rate	1.43%	1.40%	1.49%	1.59%
10-year swap rate	1.45%	1.50%	1.57%	1.63%
15-year swap rate	1.45%	1.52%	1.59%	1.66%
20-year swap rate	1.53%	1.59%	1.64%	1.70%
30-year swap rate	1.55%	1.61%	1.66%	1.72%
SGD Interest Rates	**4Q19**	**1Q20**	**2Q20**	**3Q20**
1-month SIBOR	1.83%	1.75%	1.68%	1.60%
1-month SOR	1.60%	1.59%	1.58%	1.56%
3-month SIBOR	1.85%	1.65%	1.63%	1.62%
3-month SOR	1.63%	1.62%	1.62%	1.62%
6-month SIBOR	1.88%	1.75%	1.71%	1.68%
6-month SOR	1.66%	1.65%	1.65%	1.65%
12-month SIBOR	2.00%	1.85%	1.79%	1.74%
1-year swap rate	1.62%	1.58%	1.56%	1.55%
2-year swap rate	1.55%	1.48%	1.50%	1.53%
3-year swap rate	1.53%	1.50%	1.52%	1.55%
5-year swap rate	1.55%	1.50%	1.53%	1.57%
10-year swap rate	1.60%	1.55%	1.59%	1.62%
15-year swap rate	1.70%	1.65%	1.67%	1.68%
20-year swap rate	1.75%	1.70%	1.72%	1.73%
30-year swap rate	1.80%	1.76%	1.77%	1.79%
MYR forecast	**4Q19**	**1Q20**	**2Q20**	**3Q20**
OPR	2.75%	2.50%	2.50%	2.50%
1-month KLIBOR	2.95%	2.75%	2.73%	2.72%
3-month KLIBOR	3.10%	2.90%	2.90%	2.90%
6-month KLIBOR	3.25%	3.00%	3.00%	3.00%
12-month KLIBOR	3.40%	3.15%	3.13%	3.12%
1-year swap rate	3.10%	3.00%	3.05%	3.10%
2-year swap rate	3.15%	3.05%	3.15%	3.10%
3-year swap rate	3.20%	3.11%	3.16%	3.21%
5-year swap rate	3.25%	3.15%	3.20%	3.25%
10-year swap rate	3.30%	3.25%	3.29%	3.33%
15-year swap rate	3.40%	3.38%	3.35%	3.33%
20-year swap rate	3.60%	3.58%	3.55%	3.53%

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UST bond yields	4Q19	1Q20	2Q20	3Q20
2-year UST bond yield	1.43%	1.38%	1.42%	1.46%
5-year UST bond yield	1.45%	1.40%	1.45%	1.50%
10-year UST bond yield	1.55%	1.50%	1.53%	1.57%
30-year UST bond yield	2.00%	1.95%	1.95%	1.95%
SGS bond yields	**4Q19**	**1Q20**	**2Q20**	**3Q20**
2-year SGS yield	1.60%	1.57%	1.58%	1.59%
5-year SGS yield	1.62%	1.60%	1.62%	1.64%
10-year SGS yield	1.68%	1.65%	1.67%	1.69%
15-year SGS yield	1.75%	1.70%	1.73%	1.76%
20-year SGS yield	1.85%	1.80%	1.83%	1.85%
30-year SGS yield	1.95%	1.90%	1.92%	1.94%
MGS forecast	**4Q19**	**1Q20**	**2Q20**	**3Q20**
3-year MSG yield	2.97%	2.86%	2.89%	2.92%
5-year MGS yield	3.12%	3.01%	3.04%	3.07%
10-year MGS yield	3.18%	3.05%	3.12%	3.18%

FX	Oct-19	4Q19	1Q20	2Q20	3Q20
USD-JPY	109.08	109.49	109.09	107.71	106.32
EUR-USD	1.0831	1.0763	1.0832	1.1049	1.1265
GBP-USD	1.2196	1.2126	1.2180	1.2325	1.2471
AUD-USD	0.6619	0.6573	0.6643	0.6770	0.6898
NZD-USD	0.6138	0.6080	0.6096	0.6211	0.6326
USD-CAD	1.3301	1.3265	1.3193	1.3125	1.3058
USD-CHF	1.0061	1.0044	0.9938	0.9888	0.9837
USD-SGD	1.3915	1.3940	1.3863	1.3778	1.3693
USD-CNY	7.1652	7.1805	7.1483	7.1036	7.0589
USD-THB	30.59	30.35	30.19	30.08	29.97
USD-IDR	14,328	14,304	14,071	13,929	13786
USD-MYR	4.2042	4.2107	4.1953	4.1574	4.1194
USD-KRW	1203.20	1210.87	1190.49	1182.39	1174.29
USD-TWD	31.091	31.176	30.826	30.715	30.603
USD-HKD	7.8425	7.8450	7.8475	7.8113	7.7750
USD-PHP	51.79	51.72	51.66	51.37	51.07
USD-INR	70.64	71.41	70.21	69.43	68.64
EUR-JPY	118.15	117.85	118.17	119.00	119.77
EUR-GBP	0.8881	0.8876	0.8894	0.8964	0.9033
EUR-CHF	1.0897	1.0811	1.0766	1.0925	1.1081
EUR-SGD	1.5072	1.5005	1.5017	1.5223	1.5425
GBP-SGD	1.6971	1.6905	1.6885	1.6982	1.7076
AUD-SGD	0.9210	0.9163	0.9209	0.9397	0.9582
NZD-SGD	0.8542	0.8475	0.8451	0.8558	0.8662
CHF-SGD	1.3831	1.3879	1.3949	1.3935	1.3920
JPY-SGD	1.2757	1.2732	1.2707	1.2792	1.2879
SGD-MYR	3.0214	3.0205	3.0263	3.0174	3.0084
SGD-CNY	5.1493	5.1509	5.1564	5.1233	5.0898

OCBC TREASURY RESEARCH

Research Monitor (October)

3 October 2019

Macroeconomic Calendar

10/01 07:50	JN	Tankan Large Non-Mfg Outlook	3Q	16	--	17	--
10/01 07:50	JN	Tankan Large Non-Mfg Index	3Q	20	--	23	--
10/01 07:50	JN	Tankan Large Mfg Outlook	3Q	1	--	7	--
10/01 07:50	JN	Tankan Large All Industry Capex	3Q	7.0%	--	7.4%	--
10/01 14:00	UK	Nationwide House Px NSA YoY	Sep	0.5%	--	0.6%	--
10/01 22:00	US	Construction Spending MoM	Aug	0.4%	--	0.1%	--
10/03 22:00	US	Factory Orders	Aug	-0.5%	--	1.4%	--
10/04 20:30	US	Trade Balance	Aug	-$54.9b	--	-$54.0b	--
10/06-10/13	VN	Domestic Vehicle Sales YoY	Sep	--	--	6.3%	--
10/09 22:00	US	Wholesale Inventories MoM	Aug F	--	--	--	--
10/09-10/15	CH	Money Supply M2 YoY	Sep	--	--	8.2%	--
10/11 13:00	SI	Retail Sales YoY	Aug	--	--	-1.8%	--
10/14	CH	Trade Balance	Sep	--	--	$34.84b	--
10/15	PH	Overseas Remittances YoY	Aug	--	--	7.5%	--
10/15 16:30	UK	Claimant Count Rate	Sep	--	--	3.3%	--
10/15 20:30	US	Empire Manufacturing	Oct	--	--	2	--
10/16 07:00	SK	Unemployment rate SA	Sep	--	--	3.1%	--
10/16 16:30	UK	PPI Output NSA YoY	Sep	--	--	1.6%	--
10/16 16:30	UK	PPI Output NSA MoM	Sep	--	--	-0.1%	--
10/16 17:00	EC	CPI MoM	Sep	--	--	0.1%	--
10/17 16:30	UK	Retail Sales Inc Auto Fuel MoM	Sep	--	--	-0.2%	--
10/18 07:30	JN	Natl CPI YoY	Sep	--	--	0.3%	--
10/18 10:00	CH	Industrial Production YoY	Sep	--	--	4.4%	--
10/18 22:00	US	Leading Index	Sep	--	--	0.0%	--
10/21 12:30	JN	All Industry Activity Index MoM	Aug	--	--	0.2%	--
10/22 16:30	HK	CPI Composite YoY	Sep	--	--	3.5%	--
10/24	ID	Bank Indonesia 7D Reverse Repo	Oct 24	--	--	5.25%	--
10/24 07:00	SK	GDP SA QoQ	3Q P	--	--	1.0%	--
10/24 19:45	EC	ECB Deposit Facility Rate	Oct 24	--	--	-0.500%	--
10/25 13:00	SI	Industrial Production YoY	Sep	--	--	-8.0%	--
10/28 20:30	US	Wholesale Inventories MoM	Sep P	--	--	--	--
10/29 17:30	UK	Mortgage Approvals	Sep	--	--	--	--
10/31 16:00	TA	GDP YoY	3Q P	--	--	2.40%	--
10/31 20:30	US	Personal Income	Sep	--	--	--	--
10/31 20:30	US	Personal Spending	Sep	--	--	--	--
10/31 21:45	US	MNI Chicago PMI	Oct	--	--	--	--

Central Bank Interest Rate Decisions

Date Time		Event		Survey	Actual	Prior	Revised
10/01 12:30	AU	RBA Cash Rate Target	Oct 1	1.00%	--	1.00%	--
10/04 14:15	IN	RBI Repurchase Rate	Oct 4	--	--	5.40%	--
10/16 09:00	SK	BoK 7-Day Repo Rate	Oct 16	--	--	1.50%	--
10/24	ID	Bank Indonesia 7D Reverse Repo	Oct 24	--	--	5.25%	--
10/24 15:30	SW	Riksbank Interest Rate	Oct 24	--	--	-0.250%	--
10/24 19:00	TU	One-Week Repo Rate	Oct 24	--	--	16.50%	--
10/24 19:45	EC	ECB Deposit Facility Rate	Oct 24	--	--	-0.500%	--
10/24 19:45	EC	ECB Main Refinancing Rate	Oct 24	--	--	0.000%	--
10/30 22:00	CA	Bank of Canada Rate Decision	Oct 30	1.75%	--	1.75%	--
10/30-10/31	BZ	Selic Rate	Oct 30	--	--	5.50%	--
10/31 02:00	US	FOMC Rate Decision (Upper Bound)	Oct 30	2.00%	--	2.00%	--

Source: Bloomberg

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