Research Monitor (July)

2 July 2024

Key Themes

1. After a resilient first half of the year, where the global soft landing narrative has taken root for 2024, the question in many investors' mind is whether the second half will be different, especially given the overhang of election uncertainties. The first US presidential debate has raised the spectre of a Trump redux and what it means for the real economy and financial markets. Over in Europe, the first French election round is also exacting near-term risk premium ahead of the second round on 7 July and market will be watching the ECB Sintra Forum from 2nd July as well. For China, the market is anticipating the third plenum and expected policy measures. In Asia, the June manufacturing PMIs were mixed with softer prints for China, Malaysia, Indonesia and Philippines, whereas others like South Korea, Taiwan (likely AI-related), Thailand and Vietnam improved. As such, the global economic landscape is not all blue skies yet! The great disinflation trajectory remains intact, but the last mile journey has been bumpy and tricky to navigate. The US Federal Reserve remains shy about cutting rates – as illustrated by the latest June dot plot which had shaved down the number of cuts from three to just one, but the scatter plot suggests that balance is more finely calibrated between 4 opting for no cuts, 7 calling for one cut and 8 calling for 2 cuts. That said, median Fed forecasts see core PCE inflation higher at 2.8% (previously 2.6% in March) for 2024 and 2.3% (previously 2.2%) for 2025, with the Fed Funds rate forecast also adjusted higher to 5.1% (previously 4.6%) and 4.1% (previously 3.9%).

2. Risk sentiment in China turned sour again in June, weighed down by concerns such as the increased number of equity delisting, retroactive inspections about the corporate tax, which lead to lower earnings and sluggish property market. The May data indicated further weakening in property with price corrections deepening. It may take some time for demand and supply to reach a new equilibrium. PBoC Governor Pan Gongsheng shed light on the future monetary policy framework by outlining five main points - the most important hint is the potential main policy rate change. The recent misalignment between PBoC policy rates (e.g. MLF rate and PSL rate) and market rates has led to a shrinkage of the central bank balance sheet, complicating China's deflation fight and weakening central bank policy communication effectiveness. This paves the way for the PBoC to reoptimize its policy rate. With this move, macro policy is expected to be primarily driven by fiscal policy, with monetary policy playing a supportive role. Compared to interest rate cuts, reserve requirement ratio (RRR) cuts are likely to be used more frequently to complement fiscal policy.

3. Flash estimates* indicate that the OCBC SME Index is at 50.0 in June 2024, up from 48.2 in May and bringing 2Q24 into expansionary territory at 50.7 after 5 consecutive quarters of contraction. While domestic sectors such as F&B, Education and Retail should continue to be the main growth drivers, trade-related sectors (e.g., Wholesale Trade, Transport & Logistics) is also expected to improve. Recent port congestion issues have pushed up sea freight rates and transportation costs for businesses. We keep our 2024 growth forecast of around 2% and expect MAS to stay pat at the July MPS.

4. Our forecast is for WTI and Brent oil prices to average USD80/bbl and USD86/bbl in 2H24 versus 78.8/bbl and USD83.4/bbl in 1H24, respectively, due to supply deficit expectations, with Brent tipped around USD84-88/bbl in July. There could still be upside risk given the recent escalation in geopolitical tensions in the Middle East.
**Using data until 21st June 2024*

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Asset Class Views

	House View	Trading Views
FX	**G-10 FX: DXY** traded firmer for the month of June. Fed's guidance for 1 cut for 2024 keeps the high for longer (US rate) narrative alive. Additionally, the recent US Presidential debate (28 Jun) served as a reminder how election risks in US can be fluid and that Trump's better showing over Biden added to USD premium. Elsewhere, seasonality trend points to another bullish quarter for USD, though July seasonality trend may see potential pullback. We continue to note that US exceptionalism has somewhat softened (vs. last few months when most data was still printing red hot). In particular, growing strains are seen on US consumer while the tightness in US labor market has eased. Our house view continues to expect two cuts for 2024, with the first cut happening sometime in 3Q. For the year, we do not expect a significant decline in USD but still expect USD to trend just slightly lower as the Fed is done tightening and should embark on rate cut cycle in due course. The scenario for a play-up of US-China trade tensions is becoming a real risk and should inject some uncertainty to markets, thereby implying that the downward path of USD may be bumpy and may even face intermittent USD upward pressure if US-China trade tensions escalate.	Expect range of 104.50 – 106.20 within wider perimeters of 103.20 – 106.60.
	EUR traded under pressure in June amid rebound in USD while French election uncertainty lingers. 10y OATS-Bund spread further widened to +79bps. This is a level not seen since 2012. The concern is still on potential fiscal direction far-right parties may be taking and if the 'cohabitation' outcome comes into play (when the President and PM are from opposing parties). To give it some context, even before the announcement for French snap elections, S&P had already downgraded France's credit rating to AA- from AA on the back of concerns that higher than expected deficits would push up debt. For France, its debt to GDP is around 111% and deficit to GDP is at 5.5%, much higher than the average in the euro-area of about 4% and Germany's about 2% deficit of GDP. A populist government may potentially seek to raise public spending and markets may not view this positively against the debt, deficit backdrop. France's deficit may take longer to recover and debt to GDP may grow further, risking another credit downgrade and a softer EUR. At point of writing, initial projections from polling companies suggest that far right Rassemblement National (RN) party was projected to get 33% and 34.2% of the vote, left wing coalition to get between 28.5% and 29.6% of the vote and Macron's centrist alliance to get between 21.5% and 22.4% of the vote. Outcome was more or less in line with what opinion polls were previously suggesting. Focus now shift to second round election (7 Jul). Risks for EUR are 2-way. Focus is on whether Marine Le Pen's far right party gets an absolute majority in the National Assembly, to allow it to pass legislation more easily. Potentially this scenario can be more negative for EUR than a hung parliament outcome.	Not ruling out a short squeeze in the short term but range should hold. 1.0660 – 1.0810 range within wider range of 1.06 – 1.09.
	GBP traded slightly softer for the month of June. Rebound in USD, softer UK CPI and a somewhat dovish BoE were amongst the factors weighing on GBP. BOE MPC voted 7-2 to keep bank rate unchanged at 5.25% (unchanged from previous) but for at least 3 of the remaining 7 members, the decision to hold was "finely balanced". There was suspicion that Governor Bailey, Deputy Governor Ben Broadbent were amongst those 3 members. Looking on, UK holds General election (4 Jul). So far, GBP has been fairly muted to election risks. We still caution that volatility may pick up as we get closer to election day, and this may then pose 2-way risks to GBP. Labour party is expected to win. Any surprise should see volatility pick up. We still hold to a mild upward trajectory for GBP. Though BoE may soon cut rates in Aug, we do not expect an aggressive rate cut cycle and still expect BoE to keep monetary policy restrictive overall as inflationary pressures remain (services inflation at ~5.7%).	2-way risks. Range of 1.2590 – 1.2790 within wider perimeters of 1.2460 – 1.28.

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USDJPY traded higher in June and at one point, traded above 161. This was the highest level since 1986. There are expectations that Japanese authorities could soon intervene. While the level of JPY is one factor to consider, officials do focus on the pace of depreciation as the intent of intervention is to curb excessive volatility. Falling and relatively lower realised vols vs previous intervention periods suggest that officials may adopt wait-and-see approach, alongside verbal jawboning instead of direct market intervention. That said, if realised vols start to pick up or USDJPY sees a rapid move towards 164-165, then actual intervention risks can potentially pick up. In the interim, USDJPY will look to USD, NFP data for directional cues. For USDJPY to turn lower, that would require the USD to turn/Fed to cut or for BoJ to signal an intent to normalise urgently (rate hike or increase pace of balance sheet reduction). None of the above appears to be taking place. As a result of BoJ not in a hurry to normalise and Fed not in a hurry to lower rates, the path of least resistance for USDJPY may still be to the upside, for now. That said, we are still looking for BoJ to announce a 10-15bps hike at the upcoming MPC (31 Jul). Over a medium term, we expect USDJPY to trend gradually lower on expectations that the next move for Fed is a cut and that the BoJ has room to further pursue policy normalisation amid higher services inflation and wage pressures in Japan. Elsewhere, Finance Ministry has appointed Atsushi Mimura as its new vice finance minister for international affairs, as Kanda retires (31 Jul). Mimura will also be the new Japan FX chief. Other new appointments include: Hirotsugu Shinkawa replacing Eiji Chatani as vice finance minister while Hideki Ito will replace Teruhisa Kurita as head of the Financial Services Agency. We monitor if intervention rhetoric, SOPs may change going forward.	Uptrend intact but not ruling out retracement. Range of 156.70 – 161.50 likely within wider perimeters of 155 – 164.
Asian FX and SGD: Widening yield, policy rate differentials between US and Asia remains a key driver of AXJ FX volatility and weakness. According to Reuters AXJ FX positioning polls, market short position in AXJs has been on a rising trend. Shorts are highest in IDR, PHP, CNY and KRW. Shorts in SGD and INR are least amongst AXJs. Softness in AXJs can persist if high for longer narrative lingers while weakness in RMB and JPY may also result in negative spillovers onto AXJ FX. But as Fed embarks on rate cut cycle in 3Q 2024, US-Asia yield, policy rate differentials can narrow, and this should be supportive of AxJ FX recovery. However, the risk of US-China trade tensions may restraint AXJ recovery momentum. Looking out, US-China trade tensions may rise, dependent on outcome of US elections in Nov-2024. Trump has threatened to impose 60% tariff on imports from China. Past experience of US-China trade tensions escalating suggests this can be a negative for RMB. This may result in AXJ FX facing downward pressure if RMB stability comes under threat. In the interim, Asian central banks will have to rely on different measures to smooth respective FX volatility. A blow-up in RMB may undermine AXJ FX.	
USDCNH traded higher for the month of June (+0.51%) as policymakers were seen to relax control of its daily CNY fix. The recent USDCNY fixings followed a pattern that continued to reinforce our view that authorities are pursuing a measured pace of RMB depreciation. Change in daily fix on average was about +15pips (19 Jun – 28 Jun) vs. average daily change of about 5pips/day since May 2024. This attempts to put an emphasis on RMB stability but yet allow for some pressure to be released on a measured basis. We believe the Intent is not to pursue a big bang approach so as not to undermine sentiments (for fear of accelerating outflows). Higher USDCNY fix and wider CNH-CNY spread gives the impression there could be further weakening in RMB ahead. Elsewhere, China announced third plenum will be held on 15 – 18 July to set long term policy on a wide range of economic and political issues. Economic recovery in China remains bumpy while industrial profits unexpectedly slowed. Property market has yet to recover/stabilise despite measures. Wide UST-CGB yield differentials was also another factor that continue to weigh on RMB. Not forgetting falling rates also make RMB an attractive funding currency for carry trade elsewhere. An eventual recovery in RMB (at some point) would require confidence to be "repaired", economic recovery to gain better momentum and for USD to turn lower. Greater clarity on US-China trade tensions would also be a plus.	Supported on dips. 7.27 – 7.31 range within wider range of 7.24 – 7.34 range.

	USDSGD traded higher for the month of June. Renewed pressure in JPY, RMB and the bump in in DXY were some of the catalysts undermining SGD. Weakness may linger should those drivers remain intact. This month's MAS MPC decision will be announced no later than 31 Jul. MAS core CPI remains sticky at 3.1% and we expect current policy stance to be maintained. Recent observation shows S$NEER appears to fluctuate in 1.5% to 1.9% above model-implied mid (vs. previously when the $NEER appears to fluctuate in 1.3% to 1.7%). S$NEER strength may linger and only fade at some point this year when core inflation in Singapore start to ease in 4Q.	Range of 1.3490 – 1.36 within wider range of 1.3390 - 1.3620.
	USDMYR traded a touch firmer for the month of June. Near term, there is some risks that MYR may trade subdued, alongside depreciation pressure seen in other Asian FX. The macro environment continues to be a case for high for longer (US rates) and this will continue to weigh on Asian FX until the Fed pivots. In the interim renewed weakness in RMB and JPY may somewhat undermine MYR. Despite some short term downside risks, we are still of the view that MYR may hold ground vs. its peers on expectations that 1/ Fed is closer to a pivot; 2/ improving UST-MGS yield differentials in favour of MYR (average of +45bps in 10y differentials in Jun vs. high of +72bps in May); 3/ still solid fundamentals at home (improved growth prospects, driven by broad based expansion, domestic demand and widening of current account surplus); 4/ relatively lower MYR sensitivity to negative market developments, RMB (as compared to previous episodes). In addition, foreign inflows into domestic equities have also been a driver of MYR stability lately (not forgetting KLCI was an outperformer in ASEAN YTD at ~+9.5%). If the inflows persist, then this can add to MYR stability.	Sideways. Range of 4.70 – 4.73 within wider perimeters of 4.68 – 4.74.

	House View	**Trading Views**	
Commodities	We believe the fundamental outlook for crude oil remains constructive for 2H24. Our forecast is for WTI and Brent oil prices to average USD80/bbl and USD86/bbl in 2H24 from 78.8/bbl and USD83.4/bbl in 1H24, respectively. The basis for higher oil prices in 2H24 is driven by our expectations that the crude oil market may remain in a supply deficit for the rest of 2024, if OPEC+ decides to keep its current output reduction for the rest of the year. Our projections show that the crude oil market may experience a sharp supply deficit in 3Q24 due to strong oil demand (related to increased transportation activities) and the extension of OPEC+ output reduction through September 2024, before narrowing in 4Q24. Despite de-escalation in Israel-Iran tensions, geopolitical tensions remained heightened in the Middle East. Markets are concerned that a broader regional war in the Middle East could lead to a disruption in global oil supply. Even so, we believe any potential short-term supply disruption to be temporary due to available spare crude oil capacity from OPEC.	Crude oil prices closed higher in June, as we had anticipated. At the start of June, oil prices were under downward pressure as markets responded negatively to OPEC+ announcements of its production plans (through 2025). Further clarity and reassurances from OPEC+ ministers helped stem the weakness in prices. WTI and Brent oil prices rose by ~6.0% for the month, closing higher at USD81.5/bbl and USD86.4/bbl respectively. Meanwhile, the backwardation in Brent time spreads (current month minus consecutive month) has strengthened significantly to USD0.8/bbl following a brief weakening into a bearish contango structure at late-May. This is an indication of tightness in the physical market that would underpin higher prices in the near-term. Looking ahead, we expect Brent oil prices to trade modestly higher in July, and within a range of USD84-88/bbl. We believe there could still be room for oil prices to climb higher, given the recent escalation in geopolitical tensions in the Middle East. More fundamentally, the oil balance in 3Q24 is anticipated to remain tight, which should keep prices supportive in the near-term.	→

<table>
<tr><th></th><th>House View</th><th>Trading Views</th><th></th></tr>
<tr><td rowspan="5">Rates</td><td rowspan="5">USTs rallied by 6-13bps across the curve over the past month, as US data printed softer than those in earlier months of the year. Market added mildly to rate cut expectation, with Fed funds futures pricing in around 45bps of Fed funds rate cuts by year-end, in line with our base-case of 50bps of cuts. May CPI inflation and PCE deflator suggest that the disinflation momentum has returned. Grant, the path to disinflation has proved to be bumpy and further easing in core services inflation is key which would require the labour market to loosen. Nevertheless, the development on this front looks encouraging. We are probably near the point where further falls in job vacancies would translate into adjustments in actual employment itself. The key swing factor is US elections, where the popular assumption is that there might be upside to inflation and fiscal deficits should Trump take presidency. Our view is that wide fiscal deficits are here to stay regardless; but market may reflect the perceived risk in higher term premium in the interim.

Bunds and Gilts outperformed USTs in the month, as data generally printed softer in Europe and the UK, supporting the case for the ECB to deliver additional rate cuts and for the BoE to start its own easing cycle. Our base-case remains for a total of 50bps cut each at the ECB and the BoE in 2H-2024. The EUR and GBP OIS markets each price around 44bps of rate cuts by year-end, which look fair to us.

The summary of opinions (aka meeting minutes) for BoJ’s June MPM suggested that the BoJ delayed additional policy rate hikes as it would like to wait for confirmation from the data; the base-case remains for additional rate hikes. Meanwhile, there is a strong intention to reduce JGB purchase amounts. We expect the BoJ target rate to be raised to 0.2-0.3% by year-end, while passive QT is also likely to be underway some time in Q3-2024. We continue to see the next support for the 10Y JGB at 1.15-1.25% in terms of yield.</td><td>USD rates: UST rally in the month was somewhat contained, as investors might have stayed sceptical about how the FOMC would react to some single month’s data given all the rhetoric about patience. With 10y real yield at 2.1% and breakeven at 2.3%, there does not seem to be much downside to the 10Y nominal yield near-term. Expect 10Y UST yield to trade in a range of 4.25-4.45% for now, before the next data surprises. On supply, we expect most of the additional financing needs from the wider fiscal deficit estimates to come from bills issuances which is likely to be manageable for the next quarter or two.</td><td>→</td></tr>
<tr><td>SGD rates fell across the curve over the past month, following USD rates; front-end SGD rates underperformed USD rates, in line with the usual pattern when rates went lower. Nevertheless, SGD-USD rates spreads have stayed deeply negative and are likely to remain so until USD rates fall more obviously. On bond side, demand for long-end SGS was seen, on decent asset-swap pick-up as the SGD basis curve is fairly inverted. Demand at the 5Y SGS auction was fair, which was not surprising as that was a non-benchmark while the 2s5s part of the curve was more inverted than most other parts.</td><td>→</td></tr>
<tr><td>IndoGBs underperformed in the past month as the IDR was under pressure; the domestic bonds have stabilised in recent days. Demand at the recent conventional bond auction was decent but the sukuk auction did not fare equally well. Nevertheless, YTD financing activities are on track assuming no change to fiscal deficit target. Auctioned SRBI rates rose again, last at 7.28384%, 7.38400% and 7.50583% for the 6M, 9M12M tenors respectively. These relatively high SRBI rates may lead to short-end IndoGBs underperformance.</td><td>→</td></tr>
<tr><td>MGS yields edged lower by 3-5bps in the past month, continuing with their relative stability as we had expected. The reopening of the 15Y MGII garnered a decent bid/cover ratio of 2.504x. Investors preference appeared to have remained at long duration. Short-end MGS yield shall stay stable and hence potentially underperform on the curve, with the spread between short-end bond yield and OPR looking roughly fair while we expect a steady OPR through to year-end.</td><td>→</td></tr>
<tr><td>CNY rates. CGBs have remained buoyant over the past month with the 10Y yield falling below the 2.2% handle at one point. With the subdued risk sentiment, CGBs benefitted from safe haven flows as investors probably did not see better investment alternatives at this juncture. We however do not prefer to chase long end yields lower; at current levels, long-end yields appear overly low compared to potential GDP.</td><td>↑</td></tr>
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	House View	Trading Views	
Credit	Asian investment grade credit spreads widened in June, turning from the year long decline until May. Bloomberg Asia IG spreads was wider m/m by 7bps, finishing the month at 82bps although HY spreads tightened 15bps m/m to reach 490bps at month end. Likely an indication of issuers' preference to issue while credit spreads remained relatively tight, June saw a deluge of new supply, especially in the second half of the month. USD18.4bn was priced in June against USD13.8bn in May per Bloomberg data (does not include Hyundai Motor Group's automotive finance subsidiary, Hyundai Capital America's five tranche deal that raised USD3.75bn). Significant sovereign issuers included Indonesia (USD2.35bn across three tranches of sukuk, including a USD600mn 30Y green sukuk) and South Korea (USD1.0bn 5Y bond, its first USD bond since October 2021) while financial institutions from the Greater China region were highly active in the issuance market in June. The SGD primary market was busy in June, with SGD3.81bn priced (May: SGD1.64bn). Capital instruments from financial institutions accounted for 68% of total supply in June, driven by (1) SGD1.5bn HSBC 5.25%-PERP (AT1), (2) SGD500mn Manulife Financial Corporation's MFCCN 4.275% '34s (Tier 2) and (3) SGD500mn UBS 5.6%-PERP (AT1). Besides, Mapletree Investments Pte Ltd issued SGD385mn across two tranches of senior unsecured bonds, a 12Y and a 20Y, priced a week apart from each other. Sabana Industrial REIT, which is undergoing a protracted REIT manager internalisation process priced SGD100mn of 5Y senior unsecured bond, guaranteed by Credit Guarantee and Investment Facility, a Trust Fund of the Asian Development Bank. iFast Corp Ltd made their debut in the SGD credit market, pricing SGD100mn of 5Y senior unsecured bonds. The SGD credit market continues to provide solid returns with lower SGD SORA yields, up +0.42% m/m in June, lifted by all segments except AT1s and Tier 2s due to high supply in the space and French election.	**KREITS 3.15%-PERP (SGD)** ▪ Sponsored by Keppel Ltd, Keppel Real Estate Investment Trust ("KREIT") has a market cap as at 28 June 2024 of SGD3.2bn. As at 31 March 2024, portfolio value was SGD9.2bn. In May 2024, KREIT bought a 50% interest in an iconic office asset located in Sydney, Australia for ~SGD321mn. ▪ While we expect KREIT's interest cover to thin and reported aggregate leverage to breach 40%, KREIT's resilient Singapore portfolio of Grade A offices continue to underpin its credit profile (~77% of AUM). In Singapore, its assets include Ocean Financial Centre ("OFC", 79.9% interest), Marina Bay Financial Centre ("MBFC", comprising of MBFC Towers 1, 2 and 3 and Marina Bay Link Mall, 33.3% interest) and One Raffles Quay ("ORQ", 33.3% interest). The remaining assets are in Australia, South Korea and Japan. ▪ Ask YTC of 5.55% is decent while the potential reset yield of ~5.8% (based on current forward rates, reset spread of 257.7bps and SORA adjustment) is likely to economically incentivise the issuer to call the perpetual. **LREIT 5.25 'PERP (SGD)** ▪ Lendlease Global Commercial REIT ("LREIT") owns Jem (contributes 60% of 1Q24 AUM, (2) 313@Somerset (28%) and Sky Complex (12%, grade A office in Milan). Performance of LREIT is well underpinned by the assets in Singapore. ▪ Overall 3QFY2024 (ended 31 Mar 24) operating metrics are improving though credit metrics weakened slightly amidst higher rates and capex. ▪ This perpetual is yielding (to call) 4.9%. The next reset and call date will be on 11 April 2025. The rest yield is expected to be 6.1% based on today SORA rates. ▪ There will be high chances of this perpetual being called amidst high reset yield. Even if this perpetual is not called, the potential reset yield of ~6% is still highly attractive to hold.	↑ ↑

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Macroeconomic Views

	House View	Key Themes
United States	After a strong start in 1Q24, we expect full-year 2024 growth to remain steady at 2.4% YoY (2023: 2.5%), with a slowdown in domestic activity likely in 2H24 as a cooler labour market and slower wage growth tampers consumption strength. The disinflation momentum is intact, and we keep our base case for 2024 headline inflation to print at 2.7% YoY (2023: 4.1%) although we caution that further easing may be bumpy as it still hinges on core-services prices. We still see two 25bps of Fed funds rate cuts this year, likely starting from the September FOMC meeting.	Data has started to show that growth is slowing and inflation subsiding. 1Q24 GDP was finalised at 1.4% QoQ, down from 3.4% in 4Q23. This was due to consumption which was revised to 1.5%. This was accompanied by May's retail sales (0.1% MoM; consensus: 0.2%) and personal spending (0.2% MoM; consensus: 0.3%) surprising to the downside. May headline PCE was unchanged from April, while core PCE increased 0.1% MoM. Unemployment rate ticked up in May to 4% from 3.9%. Adding to the uncertainty is the outcome of the first presidential debate which triggered some anxiety about how Trump's potential policy implications of tax cuts, immigration controls etc may affect inflation and future Fed policy for two 25bps Fed funds rates cuts this year.
Euro Area	We expect Euro Area GDP growth to improve to 1% YoY in 2024 (2023: 0.5%) as recovering domestic activity and global demand will give rise to stronger economic growth. However, higher interest rates continue to subdue demand and growth. Energy inflation has largely subsided from the 2022 energy crisis. However, services inflation remains sticky which may hold back disinflation momentum, while strong wage growth may lead to demand-side inflationary pressures. The ECB has begun its easing cycle but has remained cautious in its approach. Our house view remains for a further 50bps cut in 2H24, with the next cut being 25bps in September.	French election outcomes, inflation prints, and incoming activity data will be key ahead of the ECB's next meeting. The ECB Sintra Forum is likely to see officials hint at no intention to do back-to-back rate cuts. Composite PMI has gradually returned to expansionary territory (June: 50.8). Recovery has been led largely by the service sector, which posted its 5th consecutive month of expansion (June: 52.6), while manufacturing PMI remains in contraction (June: 45.6) Euro Area HICP for May surprised slightly to the upside at 2.6% YoY, mostly due to energy (0.3% vs -0.6% prior). Core HICP also accelerated from 2.7% to 2.9% YoY. 1Q24 wage growth was concerning at 5.3% YoY, the highest since 4Q22, while 4Q23 wage growth was revised upwards to 3.2% YoY (previous: 3.1%). However, we see a slight loosening of the labour market in the upcoming months as the vacancy/unemployment ratio ticks up and wage demand decrease, which would temper demand-side inflationary pressures.
Singapore	We see 2024 GDP growth increasing to 2.3% YoY, up from 1.1% in 2023. Manufacturing and trade-related sectors have shown improvements, with recent NODX and industrial production releases surprising to the upside after lacklustre performances in 1Q24. PMIs show electronics and manufacturing outlook should gradually improve in 2H24, while services remain in expansionary territory. Our inflation forecasts remain constant, with headline and core inflation at 2.8% YoY and 3.0% YoY respectively. Our base case remains for MAS to remain on pause mode, as core inflation proves to remain sticky, for the July meeting and likely the October meeting as well.	We see core inflation remaining sticky in the near-term and MAS to stay on hold for the upcoming July MPS. We expect manufacturing and trade-related sectors to continue growing in 2H24, May's data showed this trend, as NODX contracted - 0.1% YoY (consensus: -0.9% YoY; April: -9.6%) while industrial production grew 2.9% YoY (consensus: 1.4%; April: -1.2%), driven by a surge in electronics exports, a result of the global electronics upturn. May's headline inflation reaccelerated to 3.1% YoY (April:2.7%), largely due to rising private transport inflation. Core inflation maintained at 3.1% YoY as higher services inflation was offset by lower utility prices and retail goods inflation. Inflation risks remain two-sided - upside risk to inflation includes fresh geopolitical shocks and adverse weather events which could pressure global energy and food commodity prices, while any downside surprises to the global growth soft landing scenario could induce a faster pullback in demand conditions and subsequently price pressures

	House View	Key Themes
Japan	The economy is expected to expand moderately at 0.7% in 2024 (2023: 1.9%) held up by buoyant fixed investment plans by firms and supportive external demand. Private consumption will continue to be weighed down by inflation, but such pressures may ease as wage increases materialise in the coming quarters. We hold that a virtuous wage-inflation cycle is taking place, and inflation is likely to stay above or near the 2% YoY mark for the remaining months of the year amid spillovers from wage growth. We expect 2024 headline inflation at 2.3%. This should allow the BoJ to gradually move away from an ultra-loose monetary policy, and we expect the BoJ target rate to be raised to 0.2-0.3% by year-end.	The economy shrank by 0.5% QoQ sa in 1Q24, dragged mainly by the falls in private consumption and net exports (which deducted 0.4ppts from GDP growth each), while changes in inventory added 0.3ppts to seasonally adjusted sequential growth. Net exports continued to contribute positively to YoY growth, as imports fell more rapidly. Shunto results showed average wage growth at 5.17% vs 3.67% last year, and that for small companies (with <300 employees) was also decent at 4.66% vs 3.35% last year. April cash earnings accelerated to 2.1% YoY, while the March number was revised upward to 1.0% from 0.6% prior. Data in the months ahead should gradually reflect what was suggested by the Shunto results. Latest Tankan surveys show enterprises' medium (3-year) to long-term (5-year) inflation expectations have been stable at around/above the 2% level since 3Q22, suggesting that that sustainable inflation is more likely to be achieved to support gradual monetary policy normalisation.
South Korea	We expect growth accelerate to 2.2% YoY and 2.3% in 2024 and 2025, respectively, following some stabilisation in 2023 at 1.4%. Our expectations for growth are reinforced by the ongoing notable recovery in exports, partly reflecting stronger than-anticipated growth in the US and our house view for a recovery of the global electronics downcycle in 2H24. Easing CPI and an improving growth outlook opens the door for BoK cuts later this year. Our base case is for two 25bp cuts in 2024.	GDP growth accelerated meaningfully to 1.3% QoQ sa in 1Q24 from 0.6% QoQ sa in 4Q23, fuelled by robust exports and improvements in domestic demand. These factors more than compensated for weakness in government spending stemming from post-pandemic fiscal consolidation. Investment growth shifted from a 1.6% YoY contraction in 4Q23 to growth of 0.5% in 1Q24, highlighting some improvement in public sector investment. This offset the sluggish recovery in construction investment amid uncertainty over real estate project financing and restrictive financial conditions. External sector strength will keep growth figures buoyant, with May exports up 11.7% YoY to reach a 22-month high of USD58.2bn. Semiconductor shipments surged 54.5% in May, growing for the 7th straight month on strong demand for AI-related chips. Headline inflation eased to 2.4% YoY in June versus 2.6% in May, while core inflation remained steady at 2.2% YoY. The BoK commented in June that they continue to expect CPI to gradually slow down as projected, and easing inflation and an improving growth outlook will open the door for BoK cuts in 2H24.
Thailand	We expect higher 2024 GDP growth of 2.8% YoY in 2024 versus 1.9% in 2023 supported by tourism and government policies to boost consumption. This implies an increase to 3.3% YoY in 2Q-4Q24 versus 1.5% in 1Q24. We forecast 2024 headline CPI to average 1.2% YoY. This is similar to 2023 and within Bank of Thailand's (BOT) 1-3% target range. Even so, Inflationary pressures are set to accelerate in the coming months as the government unwinds some of its fiscal support measures. In terms of monetary policy, we see no urgency for the Bank of Thailand to adjust monetary policy despite political pressures. Favourable growth-inflation dynamics would provide BOT the impetus to hold for the rest of 2024.	May monthly activity data points to better government and export support while private sector growth was weak. Private consumption index growth eased to 1.2% YoY (April: 2.2%) while the private investment index declined by 3.0% YoY (April: +6.5%). Government spending jumped by 120.8% YoY (April: -11.4%) while export growth accelerated to 7.8% YoY in May (April: 5.8%). The normalisation of government spending as well as strong April-May trade data suggest that growth momentum should pick up in 2Q24. Our tracking estimates showed that the economy grew 2.8% YoY (1Q24: 1.5%). Meanwhile, May headline CPI returned to target at 1.5% YoY (April: 0.2%). We anticipate headline inflation to remain within BOT's 1-3% headline inflation target in June, and the rest of the year, as fiscal support measures are lifted. BOT kept its policy rate unchanged at 2.50% at its 12 June meeting, with a more hawkish shift in the MPC votes. Favourable growth-inflation dynamics suggest that the BOT is unlikely to budge on its stance in the near-term. Even so, the political pressure on the BOT is unlikely to subside.

	House View	Key Themes
China	The Chinese economy exceeded expectations, growing by 5.3% year-on-year in the first quarter, accompanied by a sequential quarter-on-quarter growth of 1.6% after seasonally adjusted. We maintain our outlook that China can attain its growth target for this year without overly depending on a recovery in the property market. Our forecast of 5% growth for the year remains unchanged.	Several listed companies have recently disclosed in filings with stock exchanges that they have received government notices requiring them to pay additional taxes ranging from tens of millions to several hundred million yuan. They have also warned investors that this may impact the companies' earnings, further weighing down market sentiment. To address external doubts and concerns, the State Administration of Taxation of China clarified that it has not organized any nationwide, industry-specific, or centralized tax inspections, nor are there plans to conduct retroactive inspections covering 20 or 30 years. Nevertheless, this clarification failed to calm the market, especially after photos surfaced showing the establishment of The Police-Tax Joint Operations Center at the local level. On data, Manufacturing has been a standout sector in the first half of this year, reflecting strong external demand for China's economy. The focus, however, was primarily on money supply, with both M1 and M2 growth slowing to record lows. M2 growth decelerated to 7% YoY in May from 7.2% YoY in April, while the contraction in M1 growth widened to 4.2% YoY in May from 1.4% YoY previously. The gap between M2 and M1 widened further. China may also redefine its M1 calculation after the M1 growth fell to the record low in May. According to Governor Pan personal demand deposits and some highly liquid financial products with direct payment functions should be considered for inclusion in M1 statistics to better reflect the true state of the money supply from the perspective of monetary functions. The PBOC took its first step to curb the recent rally in China’s bond market after verbal intervention failed to cool down the market. In June, China’s long-end bond yields fell by 9-15 basis points across the 10 to 30-year curve due to safe-haven demand. To maintain the stable operation of the bond market, the People's Bank of China (PBOC) announced on Monday that it will conduct government bond borrowing operations with selected primary dealers of open market operations in the near future. This indicates that the PBOC is prepared to sell bonds to curb the rally after borrowing from the primary dealers. Long-end bond yields rebounded following the central bank's announcement.
Hong Kong	The sluggish domestic demand and delayed Fed rate cut, together with further softening of labour and housing market, are not orchestrating a very bright near-term growth outlook for Hong Kong. That said, with green shoots emerging on regulatory front, it should help stabilise sentiment in the asset market. Growth is likely to remain patchy and uneven, with the external demand staying relatively firm, barring abrupt slowdowns in China or global economy. Our full year growth forecast for 2024 is now pitched at 2.3%. As for labour market, we tip the overall unemployment rate at 3.1% this year.	Rebound in housing prices was short lived, as sentiment turned south again amid tightened mortgage policies, competitive pricing strategy for newly launched projects and elevated mortgage rate. The official residential property price index fell by 1.2% MoM in May, the first monthly decline since February. Local commercial banks had quietly tightened mortgage policies, including reducing cash rebate, increasing scrutinization of mortgage applications and raising mortgage rate on specific type of residential units, over concerns for asset quality deterioration during the property market down cycle. On the other hand, developers have accelerated the launch of new projects, with some offering additional incentives on top of existing concessions, which was seen as a vote of non-confidence. As a result, we have revised downward the full year forecast for housing prices. We now expect the price index to fall by 3-6%. That said, the increased housing demand from talent inflows and rally in rental index should still render some support to the overall sentiment.

	House View	Key Themes
Macau	Macau's economy is set to recoup all the declines during the pandemic, as cyclical momentum stayed strong. We stick to our earlier growth forecast at 16% in 2024, assuming that the pace of recovery for inbound tourism and gaming sectors hold steady, offsetting the weakness in other sectors. We expect the total gross gaming revenue to grow by 33% YoY this year, while full-year tourist arrival may return to 89% of pre-pandemic level. Labour market is likely to return to a full employment status with unemployment rate falling back to 1.8% at year-end. Meanwhile, the inflation rate is tipped at 1.1%.	Macau's gross gaming revenue for the first six months of 2024 reached MOP113.75 billion, up by 41.9% from the same period last year, but was still down by 23.9% comparing with the same period in 2019. Separately, Macau's home price fell by a faster pace in April, despite the removal of property market cooling measures. On year-to-year basis, Macau's residential property price index dropped by 11.6% in three-month ending April 2024. Comparing with the high in 2018, the housing price fell cumulatively by 18.0%. Trading activities stayed at a subdued level, amid a lacklustre housing market. However, average rental prices bounced by 0.7% QoQ in the first quarter this year, as housing demand stemming from foreign workers continued to grow. In line with the ongoing recovery, the labour market remained tight. In March-May 2024, the overall unemployment rate stayed at 1.9%, just shy of the pre-pandemic level at 1.7%.
Indonesia	We expect a modest cyclical slowdown in 2H24 following robust 1Q24 growth of 5.1% YoY, bringing 2024 GDP growth to 4.8% before rising to 5.1% in 2025. Private sector investments are likely to be in a wait-and-see mode while fading commodity tailwinds have historically dragged on investment spending. On the flipside, stable inflation and rising real wages will keep private consumption robust. We expect inflation to average 3.1% YoY in 2024, within Bank Indonesia's 1.5%-3.5% target range. While the growth-inflation dynamics favour Bank Indonesia staying pat, rupiah stability will continue to dominate BI's near-term reaction function. To that end, we maintain our forecast for BI to ease its policy rates by a cumulative 125bp in late 2024 and into 2025.	Incoming activity for 2Q24 was mixed. Credit growth remained robust at 12.2% YoY in May along with cement sales (7.7% YoY). However, May trade data were mixed, as exports improved (2.9% YoY versus 1.9% in April) but imports fell notably (-8.8% YoY versus +10.1%). Retail sales contracted by 2.7% YoY in April, similar to car sales (-13.1% in May), while government spending slowed to 9.7% YoY in April/May (1Q24: 18.0%). Notwithstanding, GDP growth is likely to remain within BI's 4.7-5.2% forecast in 2024. This and easing headline inflation (2.5% YoY in June versus 2.8% in May), allows BI will remain focused on mitigating IDR depreciation pressures in the near-term. BI noted at its 20 June meeting that increased demand for foreign exchange by corporations and concerns about future fiscal sustainability weighed on IDR, while keeping the BI rate unchanged at 6.25%. The government has since alleviated some of these concerns, noting that President-elect Prabowo Subianto's free meal program will keep the budget deficit within a projected range of 2.3% to 2.8% of GDP in 2025 (2024: 2.3%). Meanwhile, Indonesia's improved ranking to 27th place in the 2024 IMD World Competitiveness Rankings, from 34th in 2023, will keep FDI prospects attractive.
Malaysia	We remain cautiously optimistic about growth prospects in 2024. Domestic factors including the government's commitment to infrastructure spending and resilient labour market will be complemented by a bottoming in the global electronics export downcycle. In addition, the authority's commitment to fiscal consolidation and medium-term reforms will support investor sentiment. Indeed, diesel subsidy rationalisation began with an increase in retail prices on 10 June. The next step would be for the government to push ahead with petroleum price rationalisation. We do not expect Bank Negara Malaysia (BNM) to change its policy rate in 2024.	The economy grew by 4.2% YoY according to final estimates. Upward revisions were made relative to the advance estimates for almost all key sectors. The revisions in the services and construction sectors underscored solid domestic demand conditions, corroborated by higher investment spending and resilient household spending. Indeed, the revised Employee Provident Fund (EPF) structure, introduced on 11 May, to allow for 'Account Flexible', could further support household spending and help mitigate the impact of subsidy changes. Subsidy rationalisation began with diesel in Peninsular Malaysia on 10 June. This move will help save MYR4bn (0.2% of GDP) per annum. Taken together with other fiscal measures, we estimate fiscal consolidation of 0.5% of GDP can be achieved in 2024. Further consolidation is possible in the coming months hence we still expect the fiscal deficit target of 4.3% of GDP to be reached versus 5.0% in 2023.

	House View	Key Themes
Vietnam	The stronger-than-expected 2Q24 GDP growth brings the 1H24 growth to average 6.4% YoY and is broadly supportive of our 2024 GDP growth forecast of 6.0%. The rebound in electronics exports and the demand recovery in key trading partners bode well for the manufacturing sector and the overall growth trajectory into 2H24. Meanwhile, our full-year average 2024 headline CPI forecast of 4.3% implies higher inflation in the coming months (1H24 CPI average 4.1%) but is expected to remain within the State Bank of Vietnam (SBV)'s target range of 4.0%-4.5%. In terms of monetary policy, the SBV's focus will likely remain on mitigating currency depreciation against a backdrop of relatively sticky inflation and improved growth. Our base case is for SBV to deliver a cumulative 50bp in rate cuts in late 2024. However, should growth momentum continue to improve, the risk is that SBV remains on hold for the rest of this year.	2Q24 GDP growth improved to 6.9% YoY versus an upwardly revised 5.9% in 1Q24. Notably, manufacturing sector growth accelerated to 10.0% YoY in 2Q24 versus 7.2% in 1Q24. This is in line with the robust growth seen in the industrial production during the period, IIP growth averaged 8.7% YoY in 2Q24 compared to 5.2% in 1Q24. Incoming FDI remained strong, with total registered FDI rising by 12.8% YoY, reaching USD 9.0bn in 2Q24, up from USD 6.2bn in 1Q24. The manufacturing industry continued to be the primary recipient of FDI, with investment into the sector up 50.8% YoY, reaching USD 6.8bn in 2Q24 versus -1.3% in 1Q24. The outlook remains encouraging, as bottoming of the global electronics export cycle and Vietnam's deeper integration in regional supply chains will continue to bolster electronics manufacturing growth. Meanwhile, the 6% increase in minimum wages, 30% hike in base salary for government employees, and 15% increase in pensions and social insurance benefits, effective 1 July 2024, along with continued tourism inflows, will likely be supportive of retail sales in the coming months.
Philippines	We expect 2024 GDP growth of 6.0% YoY, supported by better investment and export growth. Further out, we expect GDP growth of 6% to be sustained across the forecast horizon (2024-2026) supported by a focus on public infrastructure development, realignment of FDI priorities and solid household spending prospects. We forecast 2024 headline CPI to average 3.9% YoY from 6.0% in 2023. This implies a slight pickup in inflationary pressures of 4.1% YoY in the coming months, breaching the top end of BSP's 2-4% target range in some months. In terms of monetary policy, incoming data and FX moves will determine the timing of the cut relative to our baseline forecast of a cumulative 50bp in 4Q24 remains on track. We expect a cumulative 100bp in rate cuts in 2025.	Political noises remain elevated following a series of public rifts between the Marcos and Duterte families. In the latest twist, Vice President (VP) Sara Duterte has resigned from President Marcos Jr's cabinet ahead of the 2025 mid-term polls. Even so, real GDP growth grew 5.7% YoY in 1Q24 (4Q23: 5.5%), and we expect sustained growth momentum for the rest of the year. Indeed, high-frequency data remains encouraging. April exports and imports accelerated to 26.6% YoY (March: -7.3%) and 12.6% YoY (March: -17.7%) respectively, while loans growth increased by 10.2% YoY in April (March: 10.1%). Meanwhile, headline CPI rose less-than-expected to 3.9% YoY in May (April: 3.8%). Rice inflation which has been a source of concern over the last few months eased to 23.0% YoY in May (April: 23.9%). The disinflationary trend in rice prices is expected to continue with the implementation of government policies to enhance agricultural imports. A sustained improvement in the inflation outlook bodes well for the BSP to undertake a less restrictive monetary policy stance. At its 27 June meeting, BSP maintains its view that it sees cuts in 3Q24.
ASEAN-5	The ASEAN-5 (Indonesia, Malaysia, Philippines, Thailand and Vietnam) remained an attractive destination for FDI inflows and tourism. The diversification of global supply chains in the automotive, electronics, chemical and data analytics sectors continues to support investments into the region. We pay close attention to ASEAN-China FDI flows (*ASEAN-6:* Gauging ASEAN-China FDI Flows, 29 May 2024), which have improved in recent years, as a signal that the region is primed for further FDI inflows further integrating into global supply chains and carving out a stronger global position for itself.	Near-term challenges, however, remain. The balancing act for central banks has become more delicate on account of delays to the US Fed rate cutting cycle and geopolitical developments. Although 1Q24 GDP for the ASEAN-5 economies improved to 4.6% YoY on a weighted average basis, there are signs that further growth improvements may not be forthcoming. Growth in Indonesia may slow as the election related boost fades, Thailand is dealing with renewed political uncertainties, inflation may continue to extract its toll in the Philippines while Malaysia's growth remains subject to risks from geopolitical tensions particularly from the Middle East. As such, the ASEAN central banks are careful to thread a hawkish bias given currency/external vulnerabilities but are ready to embark on rate cutting cycles as soon as the US Fed does, given the risk of tight policy holding growth hostage.

Growth & Inflation Forecast

(% YoY)	GDP			Inflation		
	2023	2024	2025	2023	2024	2025
United States	2.5	2.4	1.5	4.1	2.7	2.3
Euro Area	0.5	1.0	1.3	5.5	2.7	2.2
China	5.2	5.0	4.6	0.2	0.5	2.4
Hong Kong	3.2	2.3	2.2	2.1	2.3	2.8
Macau	79.0	16.0	7.0	0.9	1.1	1.6
Taiwan	1.4	3.8	2.5	2.5	2.1	2.2
Indonesia	5.0	4.8	5.1	3.7	3.1	2.8
Malaysia	3.6	4.2	4.5	2.5	2.5	2.3
Philippines	5.5	6.0	6.0	6.0	3.9	3.0
Singapore	1.1	2.3	2.7	4.8	2.8	2.0
Thailand	1.9	2.8	3.3	1.2	1.2	2.2
Vietnam	5.1	6.0	6.2	3.3	4.3	4.0

Source: Bloomberg, OCBC Research (Latest Forecast Update: 2nd July 2024)

Rates Forecast

USD Interest Rates	Current	Q324	Q424	Q125	Q225
FFTR upper	5.50	5.25	5.00	4.75	4.50
SOFR	5.34	5.08	4.83	4.58	4.35
3M SOFR OIS	5.32	5.15	4.90	4.65	4.40
6M SOFR OIS	5.25	5.10	4.85	4.65	4.40
1Y SOFR OIS	5.05	4.88	4.63	4.48	4.30
2Y SOFR OIS	4.60	4.48	4.23	4.08	4.00
5Y SOFR OIS	4.11	4.08	4.03	3.93	3.90
10Y SOFR OIS	4.00	3.98	3.98	3.93	3.90
15Y SOFR OIS	4.00	4.03	4.03	3.98	3.95
20Y SOFR OIS	3.97	4.03	4.03	3.98	4.05
30Y SOFR OIS	3.78	3.83	3.88	3.88	3.95
SGD Interest Rates	**Current**	**Q324**	**Q424**	**Q125**	**Q225**
SORA	3.43	3.40	3.25	3.10	2.95
3M compounded SORA	3.63	3.52	3.34	3.18	3.03
3M SGD OIS	3.58	3.45	3.30	3.10	3.00
6M SGD OIS	3.54	3.40	3.25	3.10	3.00
1Y SGD OIS	3.40	3.30	3.15	3.05	3.05
2Y SGD OIS	3.18	3.15	3.08	3.00	2.95
3Y SGD OIS	3.08	3.10	3.05	3.00	2.95
5Y SGD OIS	3.02	3.10	3.05	3.00	3.00
10Y SGD OIS	3.02	3.10	3.10	3.10	3.05
15Y SGD OIS	2.99	3.05	3.10	3.10	3.00
20Y SGD OIS	2.88	2.90	2.90	2.90	2.90

MYR Interest Rates	Current	Q324	Q424	Q125	Q225
OPR	3.00	3.00	3.00	3.00	3.00
1M MYR KLIBOR	3.29	3.25	3.20	3.20	3.15
3M MYR KLIBOR	3.59	3.55	3.50	3.50	3.45
6M MYR KLIBOR	3.64	3.60	3.55	3.50	3.50
1Y MYR IRS	3.59	3.55	3.50	3.45	3.45
2Y MYR IRS	3.58	3.50	3.45	3.40	3.40
3Y MYR IRS	3.59	3.50	3.45	3.40	3.40
5Y MYR IRS	3.66	3.60	3.55	3.50	3.50
10Y MYR IRS	3.89	3.90	3.85	3.80	3.80
15Y MYR IRS	4.12	3.95	3.90	3.90	3.90
20Y MYR IRS	4.26	4.20	4.15	4.10	4.10
HKD Interest Rates	**Current**	**Q324**	**Q424**	**Q125**	**Q225**
1M HKD HIBOR	4.61	4.55	4.40	4.25	4.05
3M HKD HIBOR	4.75	4.65	4.50	4.40	4.20
2Y HKD IRS	4.23	4.15	4.00	3.85	3.75
5Y HKD IRS	3.84	3.90	3.90	3.80	3.80
10Y HKD IRS	3.78	3.85	3.85	3.80	3.80
UST yields	**Current**	**Q324**	**Q424**	**Q125**	**Q225**
2Y UST	4.75	4.50	4.25	4.10	3.95
5Y UST	4.39	4.25	4.15	4.00	3.95
10Y UST	4.41	4.20	4.05	4.05	4.00
30Y UST	4.57	4.40	4.30	4.20	4.15
SGS yields	**Current**	**Q324**	**Q424**	**Q125**	**Q225**
2Y SGS	3.33	3.15	3.00	2.85	2.80
5Y SGS	3.21	3.10	3.05	2.95	2.90
10Y SGS	3.24	3.10	3.05	3.00	2.90
15Y SGS	3.23	3.10	3.05	3.00	2.95
20Y SGS	3.11	3.05	3.00	3.00	3.00
30Y SGS	3.06	3.00	3.00	3.00	3.00
MGS yields	**Current**	**Q324**	**Q424**	**Q125**	**Q225**
3Y MGS	3.54	3.50	3.40	3.35	3.35
5Y MGS	3.66	3.60	3.55	3.45	3.45
10Y MGS	3.87	3.80	3.80	3.80	3.75
IndoGB yields	**Current**	**Q324**	**Q424**	**Q125**	**Q225**
2Y IndoGB	6.55	6.60	6.40	6.25	6.10
5Y IndoGB	6.89	6.80	6.70	6.60	6.50
10Y IndoGB	7.03	6.95	6.80	6.80	6.75

Source: OCBC Research (Latest Forecast Update: 2nd July 2024)

FX Forecast

Currency Pair	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
USD-JPY	159.00	157.00	154.00	152.00	149.00
EUR-USD	1.0850	1.0950	1.1000	1.1100	1.1150
GBP-USD	1.2710	1.2800	1.2800	1.2850	1.2900
AUD-USD	0.6750	0.6800	0.6850	0.6900	0.6950
NZD-USD	0.6200	0.6250	0.6300	0.6300	0.6350
USD-CAD	1.3600	1.3500	1.3400	1.3300	1.3200
USD-CHF	0.8950	0.9000	0.9000	0.9000	0.9000
USD-SEK	10.71	10.61	10.35	10.10	10.00
DXY	104.83	103.92	103.20	102.25	101.56
USD-SGD	1.3450	1.3420	1.3400	1.3350	1.3310
USD-CNY	7.3000	7.2800	7.2400	7.2200	7.2000
USD-CNH	7.3000	7.2800	7.2600	7.2400	7.2000
USD-THB	36.40	36.20	35.80	35.70	35.40
USD-IDR	16150	16050	15950	15800	15850
USD-MYR	4.6600	4.6400	4.6200	4.6000	4.6000
USD-KRW	1370	1360	1350	1340	1330
USD-TWD	32.30	31.05	31.95	31.80	31.65
USD-HKD	7.8000	7.8000	7.7900	7.7800	7.7600
USD-PHP	58.60	58.40	58.00	57.60	57.60
USD-INR	83.20	83.00	83.00	82.80	82.50
USD-VND	25200	25100	24900	24850	24700
EUR-JPY	172.52	171.92	169.40	168.72	166.14
EUR-GBP	0.8537	0.8555	0.8594	0.8638	0.8643
EUR-CHF	0.9711	0.9855	0.9900	0.9990	1.0035
EUR-SGD	1.4593	1.4695	1.4740	1.4819	1.4841
GBP-SGD	1.7095	1.7178	1.7152	1.7155	1.7170
AUD-SGD	0.9079	0.9126	0.9179	0.9212	0.9250
NZD-SGD	0.8339	0.8388	0.8442	0.8411	0.8452
CHF-SGD	1.5028	1.4911	1.4889	1.4833	1.4789
JPY-SGD	0.8459	0.8548	0.8701	0.8783	0.8933
SGD-MYR	3.4647	3.4575	3.4478	3.4457	3.4560
SGD-CNY	5.4275	5.4247	5.4030	5.4082	5.4095
SGD-IDR	12007	11960	11903	11835	11908
SGD-THB	27.06	26.97	26.72	26.74	26.60
SGD-PHP	43.57	43.52	43.28	43.15	43.28
SGD-VND	18736	18703	18582	18614	18557
SGD-CNH	5.43	5.4247	5.42	5.42	5.41
SGD-TWD	24.01	23.14	23.84	23.82	23.78
SGD-KRW	1018.59	1013.41	1007.46	1003.75	999.25
SGD-HKD	5.7993	5.8122	5.8134	5.8277	5.8302
SGD-JPY	118.22	116.99	114.93	113.86	111.95
Gold $/oz	2415.00	2445.00	2475.00	2500.00	2525.00

Source: OCBC Research (Latest Forecast Update: 2nd July 2024)

Note: These are not meant to serve as point forecast for the quarter-end but meant as trajectory bias of the currency pair

Macroeconomic Calendar

Date Time	C	Event	Period	Survey	Actual	Prior
01/07 12:00	ID	CPI YoY	Jun	2.70%	2.51%	2.84%
01/07 20:00	GE	CPI YoY	Jun P	2.30%	2.20%	2.40%
02/07 07:00	SK	CPI YoY	Jun	2.60%	2.40%	2.70%
05/07 09:00	PH	CPI YoY 2018=100	Jun	3.90%	--	3.90%
05/07 11:30	TH	CPI YoY	Jun	1.10%	--	1.54%
05/07 16:00	TA	CPI YoY	Jun	2.30%	--	2.24%
08/07 - 12/07	SI	GDP YoY	2Q A	--	--	2.70%
10/07 09:30	CH	CPI YoY	Jun	--	--	0.30%
11/07 14:00	GE	CPI YoY	Jun F	--	--	2.20%
11/07 20:30	US	CPI YoY	Jun	--	--	3.30%
12/07 20:00	IN	CPI YoY	Jun	--	--	4.75%
15/07 10:00	CH	GDP YoY	2Q	--	--	5.30%
16/07 20:30	CA	CPI YoY	Jun	--	--	2.90%
17/07 06:45	NZ	CPI QoQ	2Q	--	--	0.60%
17/07 14:00	UK	CPI YoY	Jun	--	--	2.00%
17/07 17:00	EC	CPI YoY	Jun F	--	--	2.60%
19/07 07:30	JN	Natl CPI YoY	Jun	--	--	2.80%
19/07 12:00	MA	GDP YoY	2Q A	--	--	4.20%
23/07 13:00	SI	CPI YoY	Jun	--	--	3.10%
25/07 - 31/07	VN	CPI YoY	Jul	--	--	4.34%
25/07 07:00	SK	GDP YoY	2Q A	--	--	3.30%
25/07 07:00	SK	GDP SA QoQ	2Q A	--	--	1.30%
25/07 20:30	US	GDP Annualized QoQ	2Q A	--	--	1.40%
26/07 07:30	JN	Tokyo CPI Ex-Fresh Food YoY	Jul	--	--	2.10%
30/07 17:00	EC	GDP SA QoQ	2Q A	--	--	0.30%
30/07 17:00	EC	GDP SA YoY	2Q A	--	--	0.40%
30/07 20:00	GE	CPI YoY	Jul P	--	--	--
31/07 09:30	AU	CPI YoY	2Q	--	--	3.60%
31/07 09:30	AU	CPI QoQ	2Q	--	--	1.00%
31/07 16:30	HK	GDP YoY	2Q A	--	--	2.70%

Source: Bloomberg

Central Bank Interest Rate Decisions

Date Time	C	Event	Period	Survey	Actual	Prior
10/07 10:00	NZ	RBNZ Official Cash Rate	Jul-10	--	--	5.50%
11/07 15:00	MA	BNM Overnight Policy Rate	Jul-11	--	--	3.00%
11/07 00:00	SK	BOK Base Rate	Jul-11	--	--	3.50%
17/07 15:20	ID	BI-Rate	Jul-17	--	--	6.25%
18/07 20:15	EC	ECB Main Refinancing Rate	Jul-18	--	--	4.25%
18/07 20:15	EC	ECB Deposit Facility Rate	Jul-18	--	--	3.75%
18/07 20:15	EC	ECB Marginal Lending Facility	Jul-18	--	--	4.50%
22/07 09:15	CH	1-Year Loan Prime Rate	Jul-22	--	--	3.45%
22/07 09:15	CH	5-Year Loan Prime Rate	Jul-22	--	--	3.95%
24/07 21:45	CA	Bank of Canada Rate Decision	Jul-24	4.75%	--	4.75%
31/07 00:00	JN	BOJ Target Rate (Upper Bound)	Jul-31	--	--	0.10%
31/07 00:00	JN	BOJ Target Rate (Lower Bound)	Jul-31	--	--	0.00%

Source: Bloomberg

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