Research Monitor (June)

3 June 2024

Key Themes

1. **The 2H24 outlook remains supportive, albeit there are brewing headwinds to watch out for.** First, geopolitical tensions remain a wildcard, especially with the ongoing conflicts between Russia-Ukraine and Israel-Hamas, Houthi attacks in the Red Sea (leading to cargo diversions around the Cape of Good Hope) and increased military drills in the Taiwan Straits. In the run-up to the November US presidential elections, the Biden administration has already slapped tariffs ranging from 25% to 100% on items like steel, aluminium and lithium batteries, semiconductors, solar cells, and electric vehicles. While the new tariffs will have a limited impact on Chinese goods imports (estimated at ~4.2% of total US imports from China), the persistent de-risking measures could have more widespread implications for intermediary manufacturing/exporting economies in Asia/ASEAN who play an integral role in the regional supply chains. Note Trump has threatened 60% tariffs for China and 10% on the rest of the world if he wins in November. That said, the FOMC is still likely to trim interest rates later this year given softening inflation and growth momentum, even though the ECB may start earlier in June.

2. **Meanwhile, soaring shipping costs and potential trade route diversions may again impact global supply chains.** Some businesses are already trying to frontload their Christmas orders as port congestion in Asia have driven up May spot prices for ocean shipments – those heading from Asia to North America are approaching the US$5,000 handle per 40-foot equivalent unit, up from an average of about US$2,713 per FEU in January, according to Freightos. Some shippers are also said to be shifting some cargo to the West Coast due to labour negotiations at East and Gulf Coast ports. While the scale of these disruptions are not yet as severe as during the Covid pandemic, nevertheless it still creates uncertainties ahead. The surge in container prices, if sustained, could feed into prices for end-consumers and hamper disinflation and in turn, dash hopes for imminent interest rate cuts.

3. **Since mid-April, China's property stocks have rebounded sharply,** outperforming other sectors due to rising expectations of additional policy support. In mid-May, various ministries have unveiled what are currently the strongest property measures focusing on four key areas: increased financial support for home buyers, additional financial support for developers, measures to reduce housing inventory through state acquisition, and repurposing existing land holdings to aid developers in recycling capital. The current measures may still fall short of market expectations to bring the housing inventory to a healthier level within a short time frame. Overall, we do not expect a sharp rebound post-announcement as China may need more capital to digest high inventory and supply. However, these measures will establish a floor and help prevent systemic risk.

4. **Flash estimates* indicate that the OCBC SME Index slipped from 53.8 in April to 47.3 in May 2024.** SME performance in both the outward-oriented and consumer facing sectors likely weakened despite the anticipated gradual pickup in growth over the course of 2024. The operating environment has turned more competitive as businesses are faced with elevated input prices and manpower costs, while end-consumers have tightened their belts due to inflation. These factors would in turn compress profit margins of companies, making it more challenging for businesses in the near-term.

5. **We maintain our forecast for WTI and Brent oil prices to average USD79/bbl and USD85/bbl in 2024 versus USD78/bbl and USD82/bbl in 2023 respectively.** The basis for higher oil prices in 2024 is driven by our expectations for a tighter oil balance in 2024, relative to 2023. In the near-term, we expect the weakness in oil prices to reverse from current levels due to an anticipated tightness in oil balance in the coming quarter. With these factors in mind, we expect Brent oil prices to trade higher in June and within a range of USD81-85/bbl.

   **Using data until 21st May 2024*

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Asset Class Views

	House View	Trading Views
FX	**G-10 FX: DXY** traded softer for the month of May. Decline can be attributed to softer than expected core CPI, 1Q GDP, NFP and the ISM manufacturing, services reports. That said USD decline found limitations as USD still retains a carry advantage and Fed rhetoric remains hawkish. Nonetheless, US exceptionalism has somewhat softened (vs. last month when most data was still printing red hot) while growth and activity in other parts of the world, including Korea, Taiwan, Malaysia, Philippines, Germany, France are starting to show signs of stabilization. Given a slight shift in global growth dynamics, and skewed market pricing for fewer Fed cuts, risk-reward may favour selling USD on rallies. Our house view continues to expect a cut. The immediate risk is how recent bout of upward pressure on oil prices, freight cost translates into inflation. Persistent rise will mean that we may well have to live with high for longer (rates) for a while more and this will imply USD strength to linger on in the coming weeks. For the year, we still expect USD to trend slightly lower towards year-end as the Fed is done tightening and should embark on rate cut cycle in due course. Further USD weakness would require the blessing of weaker US data, in particular price/wage-related ones and or Fed's hawkish rhetoric to ease. The other risk we are mindful of is US elections in mid-Nov. The scenario for a play-up of US-China trade tensions is not ruled out and this may 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 geopolitical tensions rise.	Expect range of 104.20 – 105.30 within wider perimeters of 103.60 – 106.50.
	EUR closed higher for the month of May, as activity data continues to surprise to the upside. In the Euro-area, 1Q GDP came in higher. Recent prelim manufacturing PMI for Euro-area, services PMI for Germany rose to more than 1y high while ZEW survey expectation rose for 2y high. Even wage growth picked up in 1Q. Though the better-than-expected negotiated wage growth data for 1Q is not likely to affect ECB's decision on timing of first cut in June but likely this data may have added some uncertainty to ECB's rate cut trajectory beyond June. ECB chief Economist Lane told FT that ECB is ready to cut rates in June but policy must continue to be restrictive this year as wage growth will not normalise until 2026. Bundesbank President Nagel said that the ECB should probably wait till Sep for any subsequent cut if there is a rate cut in June, reiterating his caution against easing too quickly. De Cos is also looking for first cut in June but cautioned beyond that while Schnabel echoed similar – warned against lowering borrowing cost too quickly. Earlier, we had also flagged how growth conditions in the Euro-area is slowly stabilising and that a growth re-rating story may not have been adequately priced into EUR. A better growth story in Euro-area and a re-price for fewer ECB cuts should be supportive of EUR's upward trajectory.	Volatility may expand in the near term. Range of 1.0790 – 1.0900 range within wider perimeters of 1.0700 – 1.1000.
	GBP looks on track to trade firmer for the month of May. Hotter than expected CPI print pushed out the timing of first rate cut to Nov and even reduced the magnitude of cut for this year to 33bps (vs. 56bps 2 weeks ago). UK PM Sunak's unexpected call for early election on 4 Jul and higher inflation prints somewhat cemented the view that BoE may not be willing to cut rate during an election campaign. Typically, election risk does present 2-way risks to GBP but this time round, GBP's reaction was fairly muted, despite PM Sunak and ruling conservative party trailing well behind Labour party and its leader Starmer. We still caution that volatility may pick up as we get closer to the election campaign, and this may then pose 2-way risks to GBP. Our bias remains for a mild upward trajectory for GBP as BoE may still keep rates restrictive for a little longer as inflationary pressures remain (services inflation at over 6%) and UK growth proving resilient. Manufacturing PMI has also swung into expansionary territory of 51.3 in May (highest level in almost 2 years). Risk to our outlook: an earlier than expected BoE pivot; faster growth slowdown in UK, actual public finances turn out to be worse than expected and/or energy prices surge.	Bias to buy dips. Range of 1.2640 – 1.2790 within wider perimeters of 1.25 – 1.29.
	USDJPY continued to trade near recent high, tracking the move higher in UST yields. The Finance Ministry reported that Japan spend a record JPY9.8tn (of US$62.2bn) during 26 Apr – 29 May 2024	

to defend the JPY. This amount exceeded the total amount (JPY9.2tn) used in 2022 and JPY9.1tn used in 2011.The scale of intervention demonstrated Japan's readiness to defend the JPY but officials cannot be burning resources repeatedly. Intervention is an option to slow the pace of depreciation but not a tool to reverse the trend. Hence, for USDJPY to turn lower more meaningfully would require to kindness of the greenback or for BoJ to signal an intent to normalise urgently (rate hike or increase pace of balance sheet reduction). Near term risks for USDJPY are 2-way in light of upcoming FoMC (focus on dot plot for future expectations) and BoJ MPC (16 Jun). We are looking for a hike at the upcoming MPC in Jun. Inflation has also been on target and shunto wage negotiations for 2024 reported wage growth at 5.17% average, much higher than previous years.	2-way risks. Range of 156 - 158 likely within wider perimeters of 152 – 160.
AUDUSD traded higher for the month. Broad USD pullback, upswing in copper prices, uptick in AU CPI were some of the drivers underpinning AUD's rise. Recent release of RBA minutes also noted that inflation risks had risen somewhat and there are risks that CPI stay above target for longer. RBA also said that returning inflation to target remains highest priority. Outside of Australia, China's recently announced measures to support its real estate markets have also boosted sentiments. We remain broadly constructive on AUD outlook on the back of: 1/ RBA likely to be on hold for longer (possibly one of the last major central banks to cut rates), given still sticky inflation, stronger consumer confidence, retail sales and tight labour market; 2/ USD to trend slightly lower towards year-end as the Fed is done tightening and should embark on rate cut cycle soon; 3/ higher commodity prices 4/ potential case for China stabilisation story as China is sharpening its more targeted approach on real estate sector. Key downside risk factors that may affect AUD outlook are 1/ extent of CNH swings; 2/ if Fed keeps restrictive environment for longer than expected; 3/ global growth outlook; 4/ any market risk-off event (i.e., potential escalation in US-China trade tension, escalation in Israel-Hamas conflict, Red Sea developments).	2-way risks. Range of 156 - 158 likely within wider perimeters of 152 – 160.
Asian FX and SGD: There has been a number of support measures coming out of China in May, including the 300bn RMB in funding to help clear excess housing inventory and converting them into affordable housing while also relaxing downpayment and mortgage rules. This is a good start. China CSI 300 real estate index was up nearly 30% at one point in May but FX markets have yet to react positively. There is still some scepticism if such measures will repair sentiments/confidence and if it brings back demand. Some details are still missing over the funding source and if this amount may be sufficient. FX markets may prefer to see more progress on real estate, growth picking up before pricing in any optimism. Elsewhere for USDRMB, wide UST-CGB yield differentials is also another factor underpinning the rise in USDRMB. Markets continue to expect rates and yields in China to go lower while Fed not in a hurry to cut rates keeps the USD supported. On net, USDCNH may continue to see 2-way risks in the interim.	2-way trades. 7.22 – 7.28 range within wider range of 7.18 – 7.30 range.
USDSGD traded lower for the month of May. S$NEER has also somewhat strengthened slightly to about 1.72% above our model implied mid. We continue to expect the S$NEER to trade in the upper half of its band as MAS's policy stance (appreciation stance) remains intact as core inflation remains well above historical target. Recent observation shows S$NEER appears to fluctuate in 1.3% to 1.8% above model-implied mid. This may still persist and likely may ease lower at some point later this year when core inflation in Singapore start to ease. The next MPC is sometime in second half of July. The window to ease monetary policy is open for the second half of this year, but decision will be data dependent. If core inflation shows signs of subsiding earlier or more materially than anticipated, then policy could be eased in July or October. But at this point, our base case is still for MAS to remain on extended hold, unless there is an outside-expectation changes to inflation-growth dynamics. Looking out into our forecast horizon, we expect a milder downward trajectory for USDSGD, premised on our house view for Fed to lower rate in due course and on expectations that China economy may find some stabilisation.	Range of 1.3420 – 1.3570 within wider range of 1.3350 - 1.3660.

	PHP has been under pressure amid widening yield differentials in favour of US. Markets have pushed back on the timing of first Fed cut and reduced rate cut expectation. But BSP Governor recently spoke about 2 cuts, with the first cut possibly taking place as early as in Aug. We also noted that BSP officials had earlier indicated that the Peso's decline will not prompt the BSP to raise rates. Headline CPI peaked in 1Q 2023 and has been on disinflation trajectory until recently when CPI resumed its uptick to 3.8%. Current inflation sits near upper bound of BSP's inflation target range of 2% - 4% but BSP Governor struck a somewhat dovish tone at its recent MPC on 15 May. The dovish BSP guidance and divergence with US and some of the monetary policies in the region, including BI, BNM, MAS, BoK and even BoT may well subject the PHP to relative softness against USD and its peers though we note that PHP softness may technically retrace. PHP's fortunes may possibly turnaround if BSP reverses its dovish guidance/ USD turns lower/ Fed cuts earlier than market expectations.	Supported. Range of 57.90 - 59.60 within wider range of 57.20 – 59.00

	House View	Trading Views	
Commodities	We maintain our forecast for WTI and Brent oil prices to average USD79/bbl and USD85/bbl in 2024 versus USD78/bbl and USD82/bbl in 2023 respectively. The basis for higher oil prices in 2024 is driven by our expectations for a tighter oil balance in 2024, relative to 2023. On the demand side, we expect increased transportation activities (driven by the summer driving season) to be supportive of higher oil prices in the coming months. The stronger demand for oil will be complemented by a tighter supply: The full rollover of additional voluntary supply cuts by several OPEC+ member countries into 3Q24, as well as the extension of OPEC+ overall crude oil production cuts through 2025, will ensure that the global oil markets remain tight. Looking out into our forecast horizon, we expect global oil prices to move higher in 2Q24 and 3Q24 before moderating slightly in 4Q24 as the deficit in the physical oil balance narrows from moderating global oil demand.	Crude oil prices closed lower in May, as we had anticipated. Notably, this was also the first monthly drop for Brent oil prices in 2024. The pullback in crude oil prices was steep: WTI and Brent oil prices declined by over 6.0%, driven by softer macro sentiment and subsiding fears of a broader regional conflict in the Middle East. Meanwhile, Brent time spreads (current month minus consecutive month) briefly weakened into a bearish contango structure for the first time since early January. This is an indication of oversupply in the physical market which exerted additional downward pressure on oil prices. Given the weakness in crude oil prices, the extension of OPEC+ supply cuts does not come as a surprise. Looking ahead, we expect the weakness in oil prices to reverse from current levels. This is partly due to an anticipated tightness in oil balance in the coming quarter (i.e., the full rollover of OPEC+ supply cuts into 3Q24; increased demand for transportation fuel heading into northern hemisphere's summer driving season). With these factors in mind, we expect Brent oil prices to trade higher in June and within a range of USD81-85/bbl.	→

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	House View	Trading Views	
Rates	Recent US data releases exhibit the pattern that some of the Q1 data were revised downward while April data came in softer, which point to a more conductive environment for the Fed to deliver some rate cuts in the later part of the year. The conclusion of the Fed's beige book for May was that the "overall outlooks grew somewhat more pessimistic"; it noted "contacts in most Districts noted consumers pushed back against additional price increases". That said, recent Fed rhetoric suggest that FOMC members would need to see more months of soft data prints before they gain enough confidence to pull the easing trigger, given the bumps in the disinflation path. Meanwhile, we have further revised upward 2024 US GDP growth forecast to 2.1% from 1.5%. Accordingly, we remove one expected Fed funds rate cuts from our profile and **now see two 25bps of Fed funds rate cuts this year, likely starting from the September FOMC meeting**. **BoJ** has reduced the purchase size of 5-10Y bonds to JPY425bn, from the previous JPY475bn. Passive QT can start as soon as June if the BoJ further reduces purchase amounts towards the lower end and across more buckets, even under the current purchase plan; a separate announcement of QT may not be seen as necessary from the central bank's perspective. On policy rate, we now see the June MPC meeting as a live one for a 10bp rate hike and cannot rule out a slightly bigger hike. Updates on Shunto result showed average wage increase at 5.17%, and importantly that for small companies (with <300 employees) was also high at 4.66% which may be seen as meeting the BoJ's criteria for delivering a second policy rate hike.	**USD rates**: UST yields rebounded from intra-month lows in May, but still ended the month lower by 14-21bps across the curve on softer data prints. The next direction depends on May payroll and labour mark outcome, and June FOMC outcome which has the updated dot-plot. We monitor as to whether the 10Y UST yield manage to trade in a range below the 4.5% mark; long-end yields have remained driven more by real yields and breakeven. **SGD rates**. SGD rates mildly underperformed USD rates over the past month as rates edged lower. SGD-USD OIS spreads nevertheless stayed deeply negative. Recent MAS bills and T-bills auction outcome suggest that investors have added mildly to expectation for short-end SGD rates to edge lower on a multi-month horizon, a view that we agree with. Buying interests were seen at long-end SGS outperformed, partly on asset-swap flows from USD-funded investors. **IndoGBs** showed mixed performances over the past month, with short-end bonds underperforming when the 12M SRBI rate stayed high at above 7.40%. Demand at conventional auctions was supportive, with bonds awarded near or at indicative targets, when there was no pressure to upsize auctions given current fiscal positions. During the month (as of 27 May), banks' holdings of IndoGBs (and bills) fell by IDR86trn, which was taken up by BI, non-bank domestic investors, and foreign investors. Foreign flows continued to fluctuate by the day as yield differentials have yet to turn decisively appealing. **MGS** were fairly stable at the short-end anchored by a stable monetary policy outlook, while long-end yields were down by 8-9bps on the month. Auctions in the month drew decent demand, with the 20Y MGS and 15 MGII garnering bid/cover ratios of 3.09x and 3.02x respectively. spread between 3Y MGS yield and OPR is mildly on the high side; we see room for the spread to narrow somewhat and hence have a mild downward bias to the 3Y yield. For now, we assume limited impact of the recent fiscal measures and the introduction of EPF flexible account on the bond supply outlook. **CNY rates**. The CGB curve steepened as long-end yields traded in tight ranges while short-end yields fell. While we maintain a steepening bias on a multi-month horizon, the move may be losing some steam near-term as hope for imminent monetary policy easing faded. We still expect long-end yields to edge higher. The first batches of auctions of special government bonds were very well received, primarily as supply is well paced out. But after all, there is a line-up of supply over the coming months.	↓ ↓ → → ↑

	House View	Trading Views	
Credit	**In May, Asian credit spreads broke record lows.** Bloomberg Asia IG spreads fell to 76bps on 30 May, its tightest ever. Meanwhile, HY spreads fell to 501bps on 30 May, near the tightest level (28 May 24: 492bps) since 2020. **New issuances were forthcoming.** Prolific issuers included the Asian Development Bank (USD3.5bn), HSBC (USD3.25bn in senior unsecured TLAC) and the Republic of Philippines (USD2.0bn). Aside from higher grade issuers, borderline high-grade issuers include Indonesian steel producer PT Krakatau POSCO (USD1.4bn) as Indonesia government priced ~USD1.2bn in total. **China property saw good news.** China revealed the strongest support measures for the property market yet, including RMB300bn relending facility to purchase completed and unsold units. Bonds of developers such as VNKRLE 3.5% '29s surged to more than 60 cts from 40 cts. **SGD credit market issuance volume moderated slightly**, with SGD1.55bn priced (April: SGD1.75bn). Housing & Development Board was the largest issuer with SGD900mn priced. **Positive returns in the SGD credit market**, up 0.62% m/m partly helped by mild declines in SGD OIS SORA yields. All buckets by tenors/seniority/Issuer Profile rating rose, with subordinated papers and longer dated papers outperforming. **Company results mostly stable or positive**, including financials, REITs and property companies. A stable environment (company results, rates environment) continues to support cross-over credits and subordinated paper, which is also benefiting from the redemption of perpetuals. **Will spreads still tighten?** Spreads are tight relative to historical levels. While recent SGD issues have largely held up, buyers for now appear hesitant to chase yields much lower. If new issue volume does not substantially increase, spreads may remain tight till the rates environment changes.	**ACAFP 3.8% '31c26s (SGD Tier 2)** ▪ Credit fundamentals remain sound for Credit Agricole Group and Credit Agricole SA given its robust capital position and solid growth in its diversified business segments that comprises mostly domestic retail banking through its retail cooperative networks as well as international retail banking, asset gathering, specialized financial services and financing of large customers. ▪ Its phased in CET1 capital ratio of 17.5% (17.4% on a fully loaded basis) as at 31 March 2024 has a 780bps buffer to its 9.7% Supervisory Review and Evaluation Process threshold. ▪ 1Q2024 results show a 42.8% y/y rise in net income to EUR2.38bn on positive JAWS. On an underlying basis, net income was up 40.8% y/y to EUR2.38bn due to a 5.8% y/y rise in underlying revenues against a 5.4% y/y rise in underlying expenses. This translated to a 28.1% y/y rise in underlying gross operating income of EUR3.91bn which offset a 15.2% y/y rise in underlying cost of risk to EUR631mn. **SGREIT 3.85% 'PERP (SGD)** ▪ Starhill Global REIT ("SGREIT") is investing primarily in retail assets, both in Singapore and overseas. SGREIT owns nine properties across Singapore (62% revenue), Australia (22%), Malaysia (15%), Japan and China, valued at about SGD2.8 billion as at 31 Mar 2024. ▪ SGREIT reported 3QFY2024 business updates for the period ended 31 March 2024. Overall results are stable though with concerns over the potential lease termination of Myer Centre Adelaide (but likely manageable). ▪ This perpetual has a yield-to-call of 5.57%. We believe there is high chance that this perpetual will be called on 15 December 2025, which is the first callable and reset date. ▪ The potential reset yield is likely to be ~6.7% based on today rate, which is substantially higher than SGREIT's senior unsecured bond yields of 3.7%-3.9%.	↑ ↑

Macroeconomic Views

	House View	Key Themes
US	2024 GDP growth is expected to moderate to 2.1% from 2.5% YoY in 2023, with a meaningful slowdown in domestic activity likely from 2Q24 onwards as loosening 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 see two 25bps of Fed funds rate cuts this year, likely starting from the September FOMC meeting.	1Q24 real GDP growth was revised 0.3% points to 1.3% QoQ saar (1.6% prior). Consumption was revised lower from 2.5% QoQ to 2.0% QoQ, although upward revisions were made to non-residential fixed investment (6.0% from 5.3% prior), residential investment (15.4% from 13.9% prior) and government spending (1.3% from 1.2% prior). Looking ahead, weaker leading data also points to some softening – the services ISM slid into contraction at 49.4 in April, NFIB hiring intentions are at its lowest since May 2020 and industrial production contracted 0.3% YoY in April. The core PCE deflator printed at 2.8% YoY in April for the 2nd month running but rose a slower 0.2% MoM (lowest this year).
EU	We expect the bloc's GDP growth to improve to 1% YoY in 2024 even though subdued domestic activity and weaker global demand weigh on France and Germany's manufacturing exports. Stickier services inflation adds to downside risks as it may hold back disinflation momentum that could support consumer spending. The ECB's first rate for June has been well telegraphed, with the path beyond June less clear-cut. Our house view remains for a cumulative 75 bps cut this year starting from June.	1Q24 real GDP expanded 0.3% QoQ SA from -0.1% in 4Q23 according to Eurostat flash estimates, thus marking the bloc's exit from a technical recession as Germany, France, Italy and Spain all recorded stronger-than-expected expansions and southern Europe economies also posted stronger growth. The Euro Area's composite PMI has gradually returned to expansionary territory (May: 52.3), but the manufacturing PMI remains in contraction (May: 47.4) which suggests the sector is not yet out of the woods. The Euro Area HICP for May surprised slightly to the upside at 2.6% YoY, mostly due to energy (0.3% vs -0.6% prior) while non-energy industrial goods slowed (0.8% vs 0.9% prior). The core measure also accelerated from 2.7% to 2.9% YoY. ECB communications telegraph that a June cut is coming, but the rate path beyond that remains uncertain.
Singapore	We maintain our 2024 GDP growth of around 2.0% YoY, which is an improvement from 1.1% in 2023. The manufacturing and trade-related sectors should improve in 2H24, even though recent economic indicators remain lacklustre. Leading indicators like PMIs and the business outlook surveys remain positive despite pockets of softness in pharmaceuticals for instance. Meanwhile, we have revised our headline and core inflation lower to 2.8% YoY and 3.0% YoY respectively, from 3.0% and 3.1% previously, given benign inflation prints year-to-date and well-contained energy prices. Our base scenario remains for MAS to remain in a prolonged pause mode, with the July MPS unlikely to yield any monetary policy recalibration while waiting for more significant easing in core inflation in 4Q24.	1Q24 GDP growth picked up to 2.7% YoY versus 2.2% in 4Q24, unchanged from MTI's advance estimate. Strong growth in construction and services sectors more than offset weakness in the manufacturing sector. Nonetheless, we expect the manufacturing and external sectors to gradually improve in 2H24. Indeed, there are tentative signs of improvement in the April industrial production (-1.6% versus -9.2% YoY in March) and NODX (-9.3% versus -20.5% in March). April headline and core CPI held steady at 2.7% YoY and 3.1% YoY respectively. The 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. COE premiums are still hovering around $93k (Cat A) and $105k (Cat B) in late May.

	House View	Key Themes
Japan	We maintain our downside tilt for the growth outlook amid lacklustre domestic activity and the fading one-off factors (including the tourism surge) which had supported 2023 growth. 2024 GDP growth is tipped to average 1.0% YoY from 2.0% in 2023. The BoJ exited its Negative Interest Rate Policy (NIRP) and removed Yield Curve Controls (YCC) on 19 March. It judged that "it came in sight that the price stability target of 2 percent would be achieved in a sustainable and stable manner toward the end of the projection period". Our base-case is for additional 20bps of rate hikes for the rest of the year, and we now see the June MPC meeting as a live one for a potential 10bp hike.	1Q24 real GDP contracted 2.0% QoQ saar, compared to 0.0% in 4Q23 and -3.6% in 3Q23. Overall domestic activity remains sluggish as consumer spending fell a sharper 2.7% QoQ saar from -1.5% in 4Q23 and private investment returned to contraction at -3.2% from 7.4% in 4Q23. The external picture is slightly brighter, with exports up 8.3% YoY in April from 7.3% YoY in March, largely buoyed by demand for autos and semiconductor machinery. Headline CPI cooled in April to 2.5% YoY (March: 2.7%) while core inflation also slowed to 2.2% YoY (March: 2.6%). As core inflation has continued to print at or above the BoJ's 2% target for 25 consecutive months now, and there are some pipeline inflation pressures given the transmission of wage hikes in the coming months and as fees for utilities rise with the end of energy subsidies in late-May, the BOJ is likely to normalise policy rates further. The recent updates on Shunto results showed average wage increase at 5.17%, and that for small companies (with <300 employees) was also high at 4.66% which may be seen as meeting the BoJ's criteria for delivering another interest rate hike.
South Korea	We continue to expect growth to average 2.2% YoY in 2024, supported by a recovery in the electronics downcycle. We anticipate 2024 inflation to move closer towards the BoK's 2% target, with a projected easing to 2.4% YoY from 3.7% in 2023. The current disinflation momentum is intact and the BoK raised its growth outlook while maintaining its inflation forecast at the May MPC. We maintain our base-case of two 25bp cuts for 2024.	The advance 1Q24 GDP showed that the economy grew by 1.3% QoQ sa (4Q23: 0.6%) led by construction investment, exports and private expenditure. External sector strength is expected to keep growth figures buoyant, with latest exports data accelerating to 13.8% YoY in April from 3.1% in March. Semiconductor shipments surged 56.1% in April, growing for the sixth straight month on strong demand for AI-related chips. However, strength in domestic activity showed signs of fading, with March industrial production down 3.2% MoM sa (0.7% YoY) from a 2.9% MoM sa (4.6% YoY) rise in February. Headline inflation eased to 2.9% YoY in April versus 3.1% in March while core inflation also slowed to 2.3% versus 2.4% in March. BoK's press release highlighted that a sharp rise in oil and agriculture commodities could mean the inflation slowdown "could be bumpy rather than smooth."
China	The Chinese economy exceeded expectations with 5.3% YoY (1.6% QoQ SA) growth in 1Q24. 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.	April credit and monetary data have surprised to the downside. This paints a worrying picture across three key indicators. Firstly, China's new aggregate social financing fell by 198.7 billion yuan in April, marking the first monthly decline since October 2005. Secondly, M1, a measure of narrow money supply, experienced a 1.4% year-on-year decline in April, the second-lowest reading on record. Meanwhile, M2 growth decelerated to 7.2%, also marking a record low. The weak credit and money supply data, along with the recent reduction in the central bank's balance sheet, may indicate a potential requirement for the PBoC to further lower its policy rate. However, the PBoC's first-quarter monetary policy report has poured the cold water. The PBoC argues that due to the ongoing transformation, upgrading, and pursuit of high-quality development within China's economy, the traditional relationship between credit growth and economic expansion is diminishing. The higher tolerance for lower credit growth from PBoC and recent property measures may reduce the urgency for China to ease its monetary policy in the near term, though our call for additional 50bps RRR cut and 20bps LPR cut remains unchanged.

	House View	Key Themes
Hong Kong	Recent data suggested that domestic demand remained fairly weak in Hong Kong. The latest retail sales print continued to surprise to the downside, despite the sharp rebound in tourist arrivals. Local consumption sentiment stayed sluggish, as a result of the high interest rate environment and negative wealth effect. Meanwhile, residents' increased spending abroad also had some crowding out effect on their spending in domestic market. On that other hand, we suspect the newly-emerged weakness in labour market is likely to weigh further on the domestic demand and the unemployment rate may have further room to climb. Our full year growth forecast for 2024 is now pitched at 2.3%, down from the original forecast of 2.5%.	Hong Kong's real GDP grew by 2.7% YoY in the first quarter this year, compared to that of 4.3% YoY in the previous quarter, due to a higher base last year. On a seasonally adjusted basis, Hong Kong's real GDP rose by 2.3% QoQ, accelerating from 0.2% QoQ in the fourth quarter last year. External demand remained resilient in the first quarter, while domestic demand weakened notably. Breaking down, exports of services continued to be the growth driver. Exports of services continued to grow at a brisk pace of 8.4% YoY in 1Q (2023 4Q: +21.2% YoY). During the quarter, total exports of goods registered visible growth of 6.8% YoY as external demand remained resilient, though a very low base of comparison also played a part. On the flip side, private consumption expenditure expanded by a much slower 1.0% YoY (4Q: +3.5% YoY), amid weak local consumption sentiment and more outbound travels. Meanwhile, the pace of growth for gross domestic fixed capital formation also decelerated notably to 0.3% YoY (4Q: +17.5% YoY). During the quarter, major drags on growth stemmed from the government consumption expenditure, which fell by 3.0%YoY (4Q: -5.2% YoY), on the back of scaled back stimulus package.
Macau	We kept our full year growth forecast for Macau unchanged at 16%. The economy was expected to return to its pre-pandemic size later this year. Exports of gaming services continued to underpin growth. The gross gaming revenue recovered to MOP21.19 billion in May, the best performing month since the start of the pandemic. Specifically, the gross gaming revenue in the mass market, reached the record high in May. Based on the current trajectory, we expect to see around 20% year-on-year growth in gross gaming revenue in this year.	Underpinned by the stellar growth in exports of services, Macau's real GDP rose by 25.7% YoY in the first quarter this year (vs. our forecast at 24% YoY). Compared to the same period in 2019, Macau's economy still shrank by 12.8%. Exports of gaming services and other tourism services surged by 62.7% YoY and 14.8% YoY during the quarter, as visitor arrivals jumped by 79.4% over the low base last year. Meanwhile, domestic demand also contributed to growth, with private consumption expenditure and gross fixed capital formation recording solid year-on-year gains of 10.9% and 13.0% respectively. Separately, public consumption expenditure declined further, by 20.7% YoY in the first quarter, amid the conclusion of Covid period relief measures. We kept our full year growth forecast for Macau unchanged at 16%. The economy was expected to return to its pre-pandemic size later this year.
Indonesia	GDP growth improved to 5.1% YoY in 1Q24, compared to 5.0% in 4Q23. Looking ahead, as the election boost fades, we maintain our 2024 GDP growth forecast of 4.8%, implying a slowdown in the subsequent quarters. Admittedly, risk to this forecast is skewed modestly to the upside. On monetary policy, the solid 1Q24 GDP print will allow Bank Indonesia (BI) to prioritize external stability, given recent weakness in the currency. That said, room for any rate hike in the near term may be limited as BI faces sharper trade-offs between growth and external stability. On a multi-month horizon, however, we maintain our forecast for BI to ease its policy rates by a cumulative 50bps in late 2024 and 75bps in 2025.	Monthly activity data was mixed in 2Q24. For May, the consumer confidence index rose to an 11-month high, but retail sales were flat (0.1% YoY) while cement (-3.8%) and car sales (-17.5%) remained in contraction, similar to April. Both exports (1.7% YoY in April from -3.8% in March) and imports (4.6% YoY from -12.8%) growth improved in May, but it remains unclear if this is mainly due to price effects. Meanwhile, government spending fell to -4.0% YoY in April after rising 18% YoY in 1Q24. A normalisation of government spending following the February elections, combined with fading commodity price tailwinds suggests that growth momentum will slow for the remainder of the year. Indeed, revenue collections dropped significantly in April with tax and non-tax revenue collections slowing. The fiscal balance, however, remained in a small surplus in April. Meanwhile, BI was focussed on external stability risks and maintained it policy rate at 6.25% at its 22 May meeting. The USD/IDR rate remains elevated at 16,250 levels (30 May) necessitating a hawkish bias from BI. The window for BI to start cutting rates is closely tied to the US Federal Reserve's rate cutting cycle.

	House View	Key Themes
Vietnam	We maintain our forecast for GDP growth to accelerate to 6.0% YoY in 2024, compared to 5.0% in 2023, supported by higher electronics exports and improving domestic demand conditions. Our full-year average 2024 headline CPI forecast is 4.3% implying higher inflation in the coming months (January-May average is 4%). With inflation within the State Bank of Vietnam (SBV) target range of 4.0-4.5%, we expect the SBV to maintain its growth-supportive stance for the rest of the year. While there are some risks to our call for outright rate cuts this year, SBV will continue to urge banks to cut rates while supporting the currency.	Activity data in May were broadly supportive of growth, with retail sales, industrial production, and exports all showing accelerated growth, while inflation remained steady within the SBV's target range. Specifically, retail sales rose by 9.5% YoY in May, up from 9.0% in April; industrial production saw growth rising to 8.9% YoY in May from 6.3% in April, with most sectors, including manufacturing, showing improvement. On the trade front, both exports and imports increased in May, with exports rising by 15.8% YoY and imports by 29.9%, compared to 10.6% and 19.9% in April, respectively. As a result, the trade balance shifted to a deficit of USD1.0bn, compared to a surplus of USD0.7bn in April. Our tracking estimate suggests that the economy is expected to grow by 6.0% YoY in 2Q24(1Q24: 5.7%). SBV remains mindful of VND depreciation risks. It raised its reverse repurchase rate to 4.5% from 4.25% on 22 May through open market operations as an effort to stabilize the currency.
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, some details have started to trickle in regarding the targeted subsidy rationalisation scheme. We expect that the timeline for implementation is nearing as numerous details are becoming clearer. 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 (4Q23: 2.9% in 4Q23; advance estimate: 3.9%). 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 will begin with diesel in Peninsular Malaysia (date is unclear) and MYR200/month will be provided to eligible persons. 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.
Thailand	2024 GDP growth is expected to pick up to 2.8% YoY from 1.9% in 2023, implying better growth in the coming quarters. This comes on the back of the approval of FY2024 budget in April 2024 which will drive improvements in government and private consumption spending. Meanwhile, the stabilisation of the global electronics downcycle via electronics export, should also support growth to some degree. We maintain our headline CPI to average 1.2% YoY in 2024, implying higher inflation in the coming months. This will mainly emanate from domestic price changes in the transport component. With growth and inflation expected to pick up for the rest of 2024, we maintain our base case that the Bank of Thailand (BOT) will hold its policy rate in 2024. The risk, however, is that growth prospects disappoint, mainly in 2H24.	Fresh political events loom following the cabinet reshuffle in April. PM Srettha Thavisin and ex-PM Thaksin Shinawatra are facing separate court hearings. Although the outcomes are still uncertain, there are some potential risks to growth. GDP growth slowed modestly to 1.5% YoY in 1Q24 (4Q23: 1.7%). The biggest drags to growth came from the public sector spending and net export contribution. Looking ahead, the external picture paints a slightly brighter picture. Exports rose by 5.8% YoY in April from -10.2% in March, largely buoyed by demand for electronics, machinery & equipment, and automotive. Meanwhile, headline inflation rose by 0.2% YoY in April (March: -0.5% YoY) on higher food and fuel prices. We anticipate headline inflation to accelerate in May following policies to curb losses of the Oil Fuel Fund. To this end, the impetus for near-term monetary policy easing from the BOT is unlikely to be viewed as urgent. we expect BOT to keep its policy rate unchanged at 2.50% at its 12 June meeting. The focus will be the voting pattern by the MPC members.

	House View	Key Themes
Philippines	We maintain our 2024 GDP growth forecast of 6.0% YoY, versus 5.5% in 2023. This comes on the back of a stabilisation in household spending and a bottoming of the global electronics exports downcycle. We forecast 2024 headline CPI to average 3.9% YoY, implying a slight pickup in inflationary pressures in the coming months. Notwithstanding, Bankgo Sentral ng Pilipinas (BSP) Governor Remonola signalled that a rate cut could be delivered in 3Q24. The currency peso has underperformed regional peers since the comments. Our baseline forecast is for BSP to cut its policy rate by a cumulative 50bp starting in 4Q24 followed by 100bp in 2025.	The economy grew 5.7% YoY in 1Q24 (4Q23: 5.5%) led by higher government spending and better export demand. Normalisation of fiscal underspending in 2023 and an anticipated cyclical upturn in the electronics sector suggest that growth momentum should improve for the remainder of the year. Indeed, incoming data supports our view. Government expenditures accelerated further to 32.2% YoY in April versus 3.2% in March (1Q24: 10.7%). The S&P PMI (manufacturing) rose to its highest to date to 52.2 points in April (March: 50.9). Inflation remains bugbear, exacerbated by recent currency depreciation (versus the USD). Headline CPI rose to 3.8% YoY in April versus 3.7% in March, edging towards the top end of BSP's 2-4% target range. Rice inflation which has been a source of concern over the last few months but eased in May, suggesting policies to raise supplies via importation and monitoring are yielding some results. While we expect BSP to keep its policy rate unchanged at 6.50% at its 27 June meeting, its tone will be crucial in determining the timing of potential rate cuts.
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 these central banks has become more delicate on account of delays to the US Federal Reserve rate cutting cycle and geopolitical developments. Although 1Q24 GDP for the ASEAN-5 economies (Indonesia, Malaysia, Philippines, Thailand and Vietnam) 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	2.1	1.5	4.1	2.7	2.3
Eurozone	0.5	1.0	1.3	5.5	2.7	2.2
Singapore	1.1	2.3	2.7	4.8	2.8	2.0
China	5.2	5.0	4.6	0.2	1.2	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	1.6	2.6
Taiwan	1.4	3.5	2.5	2.5	2.1	2.2
Indonesia	5.0	4.8	5.1	3.7	3.1	2.8
Malaysia	3.7	4.2	4.5	2.5	2.5	2.3
Thailand	1.9	2.8	3.3	1.2	1.2	2.2
Philippines	5.5	6.0	6.0	6.0	3.9	3.0
Vietnam	5.0	6.0	6.0	3.3	4.3	4.0

Source: Bloomberg, OCBC Research (Latest Forecast Update: 3rd June 2024)

Rates Forecast

USD Interest Rates	Current	Q224	Q324	Q424	Q125
FFTR upper	5.50	5.50	5.25	5.00	4.75
SOFR	5.33	5.33	5.08	4.83	4.58
3M SOFR OIS	5.34	5.35	5.15	4.90	4.65
6M SOFR OIS	5.31	5.30	5.10	4.85	4.65
1Y SOFR OIS	5.18	5.08	4.88	4.63	4.48
2Y SOFR OIS	4.78	4.68	4.48	4.23	4.08
5Y SOFR OIS	4.27	4.28	4.23	4.03	3.93
10Y SOFR OIS	4.13	4.18	4.13	4.03	3.93
15Y SOFR OIS	4.12	4.18	4.18	4.08	3.98
20Y SOFR OIS	4.08	4.18	4.18	4.08	3.98
30Y SOFR OIS	3.89	3.98	4.03	3.98	3.88
SGD Interest Rates	**Current**	**Q224**	**Q324**	**Q424**	**Q125**
SORA	3.52	3.60	3.40	3.25	3.10
3M compounded SORA	3.66	3.61	3.52	3.34	3.17
3M SGD OIS	3.57	3.55	3.40	3.20	3.05
6M SGD OIS	3.51	3.55	3.40	3.20	3.10
1Y SGD OIS	3.40	3.40	3.25	3.05	3.05
2Y SGD OIS	3.25	3.28	3.23	3.08	3.00
3Y SGD OIS	3.17	3.23	3.23	3.08	3.00
5Y SGD OIS	3.13	3.18	3.23	3.08	3.00
10Y SGD OIS	3.13	3.18	3.18	3.13	3.10
15Y SGD OIS	3.10	3.13	3.13	3.10	3.10
20Y SGD OIS	2.98	2.95	2.90	2.85	2.85

MYR Interest Rates	Current	Q224	Q324	Q424	Q125
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	3.57	3.55	3.50	3.45
6M MYR KLIBOR	3.64	3.60	3.55	3.55	3.50
1Y MYR IRS	3.61	3.55	3.45	3.40	3.40
2Y MYR IRS	3.61	3.60	3.50	3.40	3.40
3Y MYR IRS	3.62	3.60	3.50	3.40	3.40
5Y MYR IRS	3.71	3.70	3.60	3.50	3.50
10Y MYR IRS	3.92	3.90	3.90	3.85	3.70
15Y MYR IRS	4.13	4.10	4.00	3.90	3.90
20Y MYR IRS	4.27	4.25	4.20	4.10	4.00
HKD Interest Rates	**Current**	**Q224**	**Q324**	**Q424**	**Q125**
1M HKD HIBOR	4.50	4.65	4.55	4.40	4.25
3M HKD HIBOR	4.72	4.80	4.65	4.50	4.40
6M HKD IRS	4.69	4.80	4.75	4.60	4.50
1Y HKD IRS	4.67	4.60	4.20	4.05	3.90
2Y HKD IRS	4.38	4.30	4.15	4.00	3.90
5Y HKD IRS	3.98	4.00	3.95	3.80	3.70
10Y HKD IRS	3.93	3.95	3.90	3.85	3.80
UST yields	**Current**	**Q224**	**Q324**	**Q424**	**Q125**
2Y UST	4.88	4.75	4.50	4.25	4.10
5Y UST	4.51	4.40	4.25	4.15	4.00
10Y UST	4.49	4.35	4.20	4.05	4.05
30Y UST	4.64	4.50	4.40	4.30	4.20
SGS yields	**Current**	**Q224**	**Q324**	**Q424**	**Q125**
2Y SGS	3.38	3.25	3.10	2.90	2.75
5Y SGS	3.28	3.15	3.05	2.90	2.85
10Y SGS	3.31	3.25	3.05	3.00	2.95
15Y SGS	3.28	3.20	3.00	2.95	2.95
20Y SGS	3.23	3.15	2.95	2.90	2.90
30Y SGS	3.17	3.10	3.00	3.00	3.00
MGS yields	**Current**	**Q224**	**Q324**	**Q424**	**Q125**
3Y MGS	3.58	3.50	3.40	3.30	3.30
5Y MGS	3.70	3.70	3.50	3.45	3.45
10Y MGS	3.90	3.90	3.90	3.80	3.80
IndoGB yields	**Current**	**Q224**	**Q324**	**Q424**	**Q125**
2Y IndoGB	6.62	6.65	6.60	6.40	6.20
5Y IndoGB	6.86	6.90	6.80	6.65	6.50
10Y IndoGB	6.90	6.95	6.90	6.75	6.70

Source: OCBC Research (Latest Forecast Update: 3rd June 2024)

FX Forecast

Currency Pair	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25
USD-JPY	156.00	154.00	152.00	150.00	148.00
EUR-USD	1.0800	1.0850	1.0950	1.1000	1.1100
GBP-USD	1.2660	1.2710	1.2800	1.2800	1.2850
AUD-USD	0.6650	0.6750	0.6800	0.6850	0.6900
NZD-USD	0.6100	0.6200	0.6250	0.6300	0.6300
USD-CAD	1.3600	1.3500	1.3450	1.3400	1.3300
USD-CHF	0.9050	0.9050	0.9000	0.9000	0.9000
USD-SEK	10.86	10.71	10.61	10.35	10.10
DXY	104.99	104.34	103.43	102.83	101.88
USD-SGD	1.3450	1.3420	1.3400	1.3350	1.3310
USD-CNY	7.2200	7.2200	7.2000	7.1800	7.1800
USD-CNH	7.2400	7.2400	7.2200	7.2000	7.1800
USD-THB	36.40	36.20	35.80	35.80	35.70
USD-IDR	16000	15900	15800	15700	15650
USD-MYR	4.6800	4.6600	4.6400	4.6200	4.6000
USD-KRW	1355	1345	1325	1320	1315
USD-TWD	32.20	32.10	31.85	31.75	31.60
USD-HKD	7.800	7.800	7.800	7.790	7.780
USD-PHP	59.00	58.60	58.40	58.00	57.60
USD-INR	83.20	83.10	83.00	83.00	82.80
USD-VND	25400	25200	25100	24900	24850
EUR-JPY	168.48	167.09	166.44	165.00	164.28
EUR-GBP	0.8531	0.8537	0.8555	0.8594	0.8638
EUR-CHF	0.9774	0.9819	0.9855	0.9900	0.9990
EUR-SGD	1.4526	1.4561	1.4673	1.4685	1.4774
GBP-SGD	1.7028	1.7057	1.7152	1.7088	1.7103
AUD-SGD	0.8944	0.9059	0.9112	0.9145	0.9184
NZD-SGD	0.8205	0.8320	0.8375	0.8411	0.8385
CHF-SGD	1.4862	1.4829	1.4889	1.4833	1.4789
JPY-SGD	0.8622	0.8714	0.8816	0.8900	0.8993
SGD-MYR	3.4796	3.4724	3.4627	3.4607	3.4560
SGD-CNY	5.3680	5.3800	5.3731	5.3783	5.3944
SGD-IDR	11896	11848	11791	11760	11758
SGD-THB	27.06	26.97	26.72	26.82	26.82
SGD-PHP	43.87	43.67	43.58	43.45	43.28
SGD-VND	18885	18778	18731	18652	18670
SGD-CNH	5.3829	5.3949	5.3881	5.3933	5.3944
SGD-TWD	23.94	23.92	23.77	23.78	23.74
SGD-KRW	1007.43	1002.24	988.81	988.76	987.98
SGD-HKD	5.7993	5.8122	5.8209	5.8352	5.8452
SGD-JPY	115.99	114.75	113.43	112.36	111.19
Gold $/oz	2350	2415	2445	2475	2500
Silver $/oz	30.52	31.78	32.17	33.00	33.33

Source: OCBC Research (Latest Forecast Update: 3rd June 2024)

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

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Macroeconomic Calendar

Date Time	C	Event	Period	Survey	Actual	Prior
03/06 12:00	ID	CPI YoY	May	2.98%	2.84%	3.00%
04/06 07:00	SK	CPI YoY	May	2.80%	--	2.90%
05/06 07:00	SK	GDP YoY	1Q P	--	--	3.40%
05/06 07:00	SK	GDP SA QoQ	1Q P	--	--	1.30%
05/06 09:00	PH	CPI YoY 2018=100	May	4.00%	--	3.80%
05/06 09:30	AU	GDP SA QoQ	1Q	0.20%	--	0.20%
05/06 09:30	AU	GDP YoY	1Q	1.20%	--	1.50%
05/06 11:30	TH	CPI YoY	May	--	--	0.19%
06/06 16:00	TA	CPI YoY	May	2.10%	--	1.95%
07/06 17:00	EC	GDP SA QoQ	1Q F	--	--	0.30%
07/06 17:00	EC	GDP SA YoY	1Q F	--	--	0.40%
10/06 07:50	JN	GDP SA QoQ	1Q F	--	--	-0.50%
10/06 07:50	JN	GDP Annualized SA QoQ	1Q F	--	--	-2.00%
10/06 07:50	JN	GDP Deflator YoY	1Q F	--	--	3.60%
12/06 09:30	CH	CPI YoY	May	--	--	0.30%
12/06 14:00	GE	CPI YoY	May F	--	--	2.40%
12/06 14:00	GE	CPI EU Harmonized YoY	May F	--	--	2.80%
12/06 20:00	IN	CPI YoY	May	--	--	4.83%
12/06 20:30	US	CPI YoY	May	--	--	3.40%
18/06 17:00	EC	CPI YoY	May F	--	--	--
19/06 14:00	UK	CPI YoY	May	--	--	2.30%
20/06 06:45	NZ	GDP SA QoQ	1Q	--	--	-0.10%
21/06 07:30	JN	Natl CPI YoY	May	--	--	2.50%
24/06 13:00	SI	CPI YoY	May	--	--	2.70%
25/06 10:00	VN	CPI YoY	Jun	--	--	4.44%
25/06 20:30	CA	CPI YoY	May	--	--	2.70%
27/06 20:30	US	GDP Annualized QoQ	1Q T	--	--	--
28/06 07:30	JN	Tokyo CPI Ex-Fresh Food YoY	Jun	--	--	--
28/06 14:00	UK	GDP QoQ	1Q F	--	--	0.60%
28/06 14:00	UK	GDP YoY	1Q F	--	--	0.20%

Source: Bloomberg

Central Bank Interest Rate Decisions

Date Time	C	Event	Period	Survey	Actual	Prior
05/06 21:45	CA	Bank of Canada Rate Decision	Jun-05	4.75%	--	5.00%
06/06 20:15	EC	ECB Main Refinancing Rate	Jun-06	--	--	4.50%
06/06 20:15	EC	ECB Deposit Facility Rate	Jun-06	--	--	4.00%
06/06 20:15	EC	ECB Marginal Lending Facility	Jun-06	--	--	4.75%
07/06 12:30	IN	RBI Repurchase Rate	Jun-07	6.50%	--	6.50%
07/06 12:30	IN	RBI Cash Reserve Ratio	Jun-07	4.50%	--	4.50%
12/06 15:05	TH	BoT Benchmark Interest Rate	Jun-12	--	--	2.50%
13/06 00:00	TA	CBC Benchmark Interest Rate	Jun-13	--	--	2.00%
13/06 02:00	US	FOMC Rate Decision (Upper Bound)	Jun-12	5.50%	--	5.50%
13/06 02:00	US	FOMC Rate Decision (Lower Bound)	Jun-12	5.25%	--	5.25%
14/06 00:00	JN	BOJ Target Rate (Upper Bound)	Jun-14	--	--	0.10%
14/06 00:00	JN	BOJ Target Rate (Lower Bound)	Jun-14	--	--	0.00%
18/06 12:30	AU	RBA Cash Rate Target	Jun-18	--	--	4.35%
20/06 09:15	CH	1-Year Loan Prime Rate	Jun-20	--	--	3.45%
20/06 09:15	CH	5-Year Loan Prime Rate	Jun-20	--	--	3.95%
20/06 15:20	ID	BI-Rate	Jun-20	--	--	6.25%
20/06 19:00	UK	Bank of England Bank Rate	Jun-20	--	--	5.25%
27/06 15:00	PH	BSP Overnight Borrowing Rate	Jun-27	--	--	6.50%
27/06 15:00	PH	BSP Standing Overnight Deposit Facility Rate	Jun-27	--	--	6.00%

Source: Bloomberg

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