

MARKET SUMMARY

FX	CLOSE(Asia)	CLOSE(NY)	Daily Δ*	Wkly Δ
JPY	150.68	150.98	+0.61	+0.03
EUR	1.0681	1.0709	+0.0009	+0.0139
AUD	0.6442	0.6402	▼0.0034	+0.0009
SGD	1.3552	1.3564	+0.0020	▼0.0117
CNY	7.2790	7.2761	▼0.0039	▼0.0399
INR	83.27	83.28	+0.01	▼0.01
IDR	15650	15650	+20	▼285
MYR	4.6830	4.6820	+0.0120	▼0.0897
PHP	56.02	56.04	▼0.10	▼0.70
THB	35.55	35.59	+0.03	▼0.63

*compared with previous day CLOSE(NY)

Yields	CLOSE	Daily Δ	Wkly Δ
USD (10YR)	4.493%	▼7.4 bp	▼24.2 bp
JPY (10YR)	0.857%	▼2.7 bp	▼10.4 bp
EUR* (10YR)	2.617%	▼4.1 bp	▼14.7 bp
AUD (5YR)	4.244%	▼9.8 bp	▼30.2 bp
SGD (5YR)	3.122%	▼0.9 bp	▼18.1 bp
CNY (5YR)	2.532%	▼0.9 bp	▼0.7 bp
INR (5YR)	7.251%	+0.5 bp	▼10.2 bp
IDR (5YR)	6.737%	+1.4 bp	▼26.3 bp
MYR (5YR)	3.686%	▼2.7 bp	▼16.3 bp
PHP (5YR)	6.521%	▼4.5 bp	▼12.5 bp
THB (5YR)	2.806%	▼2.8 bp	▼8.8 bp

* German bunds

Equity Indices	CLOSE	Daily Δ	Wkly Δ
DJIA (US)	34,112.27	▼0.12%	+2.52%
N225 (JP)	32,166.48	▼0.33%	+1.79%
STOXX 50 (EU)	4,178.49	+0.60%	+2.12%
ASX (AU)	4,016.24	▼0.03%	+1.23%
STI (SG)	3,129.72	▼1.39%	+1.72%
SHCOMP (CN)	3,052.37	▼0.16%	+0.97%
SENSEX (IN)	64,975.61	+0.05%	+2.18%
JSE (ID)	6,804.11	▼0.58%	+2.43%
KLSE (MY)	1,457.60	▼0.39%	+1.55%
PSE (PH)	6,155.03	+0.39%	+3.03%
SET (TH)	1,411.77	+0.25%	+2.31%

Commodity	CLOSE	Daily Δ	Wkly Δ
CRB	273.38	▲0.85%	▲2.04%
COPPER (LME)	8,058.50	▲0.52%	+0.35%
IRON ORE (CN)	126.91	+1.32%	+2.41%
GOLD	1,950.20	▲0.98%	▲1.63%
OIL (WTI)	75.33	▼2.64%	▼6.35%

TODAY'S COMMENTS & FORECAST

Open

USD/JPY	150.87	EUR/USD	1.0710
USD/SGD	1.3563	USD/THB	35.54
JPY/SGD	0.8992	USD/MYR	4.676

Forecast

USD/JPY	150.10 - 151.20
EUR/USD	1.0600 - 1.0750
AUD/USD	0.6360 - 0.6470
USD/SGD	1.3520 - 1.3600
JPY/SGD	0.8942 - 0.9061
USD/CNH	7.2600 - 7.3200
USD/INR	83.20 - 83.32
USD/IDR	15580 - 15740
USD/MYR	4.640 - 4.700
USD/PHP	55.80 - 56.40
USD/THB	35.30 - 35.80

Today's Direction

	Bull	Bear
USD/SGD	4	3
USD/JPY	4	3

Three Take-aways:

- 1) Risk sentiments dampened on mixed earnings season; 10Y UST yields lower on fall in oil prices.
- 2) USD/JPY tested 151 on dovish BoJ and EUR broke 1.07 after ECB speakers pushed back on rate cuts.
- 3) Philippines Q3 growth to remain below trend albeit higher consumption and improving trade balance.

Trudging Along

- Concerns over weaker demand and a tougher business climate amid a mixed earnings season dampened risk sentiments, evident from the mixed US equities.

- 10Y yields fell >7bps, as the fall in oil prices may have adjusted long-term inflation expectations lower. Brent crude dipped below US\$80/bbl, a level last seen in July, as US stockpiles climbed and spillovers in the Middle East conflict appear contained even as the fighting in Gaza intensifies.

- This was also reflected by the lower gold prices despite softer UST yields.

- Meanwhile, 2Y UST yields rose -1bp amid the absence of monetary policy outlook in FedSpeak.

- The Greenback largely held ground as the DXY hovers above mid-105.

- EUR had a brief respite after last month's contraction in retail sales was revised lower and the latest Sep print showed some signs of slowing contraction. EUR broke 1.07 after a chorus of ECB speakers pushed back against the idea of discussing rate cuts at this juncture.

- USD/JPY drifted upwards and tested 151 on dovish comments by BoJ. Governor Ueda commented that wage-inflation cycle is still somewhat weak and expected cost-push inflation to wane soon.

- AUD weakened and tested 63 cents, as the after-effects of RBA's dovish hike on Tuesday lingered on and troubles in the Chinese property sector continues. Conflicting reports on a Chinese insurance group stepping in to rescue the property developers underscored the difficulties of resolving the solvency issues of the wider property sector.

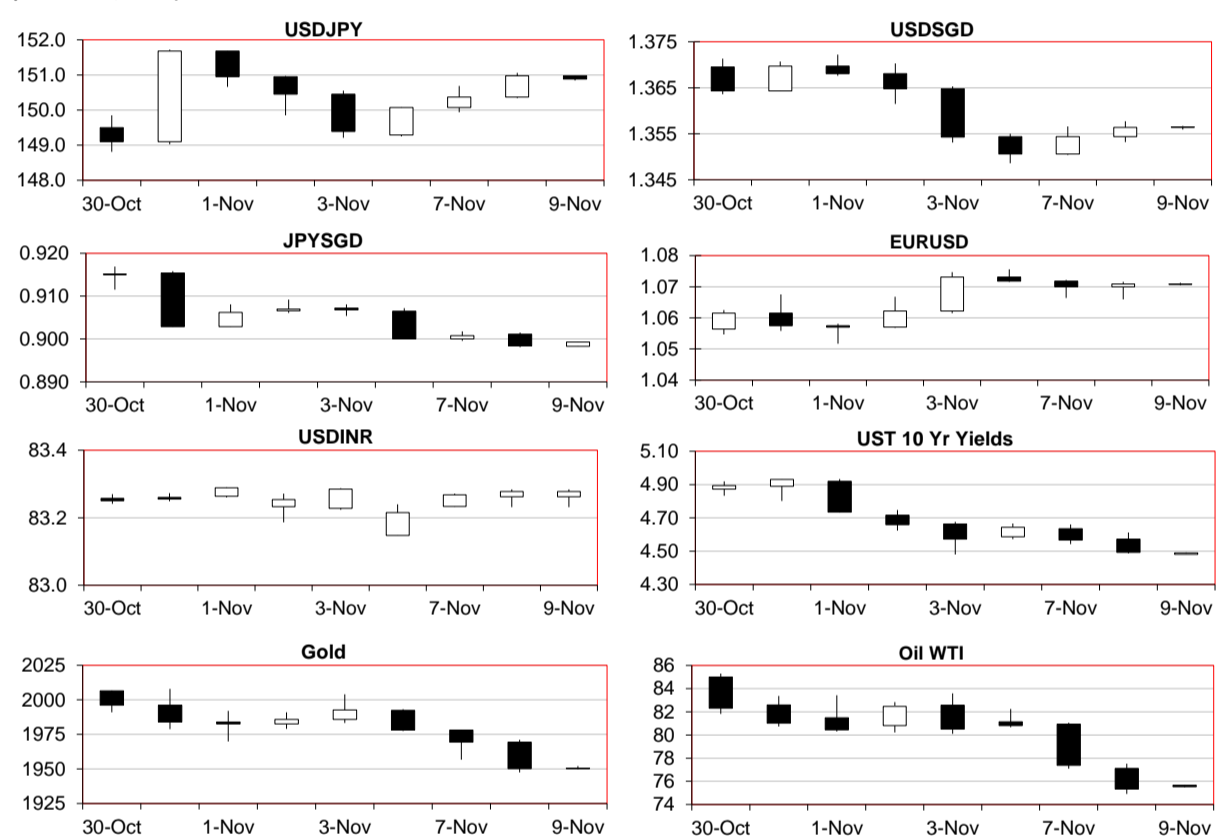
- Elsewhere, USD/SGD buoyed above mid-1.35 levels.

Philippines Q3 GDP: Below Trend

- While we expect Philippines Q3 GDP to improve to 4.8% from 4.3% in Q2, there isn't much to be cheerful about as this is much lower than the pre-pandemic (2015-2019) average quarterly growth of 6.6% YoY.

OVERNIGHT RESULTS

(KR) BoP Current Account Balance (Sep): \$5420.7 (Mkt: -, Aug: \$4984.6m) | (PH) Unemployment Rate (Sep): 4.5% (Mkt: -, Aug: 4.4%) | (EZ) Retail Sales MoM (Sep): -0.3% (Mkt: -0.2%; Aug: -0.7%) | (JP) Coincident Index / Leading Index CI (Sep P): 114.7/108.7 (Mkt: -114.7/108.8; prev: 114.7/108.7)



- Private consumption will continue to support growth, but outperformance unlikely. Domestic consumption has been growing at a slower pace since peaking at 10.0% YoY in Q1'22 amid intense cost pressures and a high interest rate environment, while consumer sentiments remain weak.

- Government consumption is expected to accelerate in Q3 2023 from a 7.1% YoY contraction in Q2 2023 as the government accelerates the execution of government programs and projects. This is likely to drive a modest improvement to gross fixed capital formation.

- In addition, a narrower trade deficit would imply a smaller drag on growth. Encouragingly, the export picture is showing some signs of recovery. Exports are likely to contract at a slower pace even as base effects are high, but a fuller recovery would take time. Regional electronics production has seen some nascent signs of recovery and similarly, electronics production has picked up in Philippines in recent months. Electrical and electronic equipment (which typically lags electronics) accounts for -55% of Philippines exports (in 2022) and may also recovery in the quarters ahead. As for services exports, continued tourism recovery is supportive.

- Arrivals of tourists for Q3'23 stood at 60.9% of Q3'19 levels, marginally higher than the 1H'23 tourists arrivals recovery of 60.3%. Nonetheless, given the relatively modest contribution (tourism receipts only accounted for 2.6% of GDP in 2019, against the ASEAN-5 average of 5.2%), the contribution to growth is not expected to be outsized.

- Finally, monthly trade data suggests that import compression persisted in July and August and goods imports would likely have contracted and flatter headline GDP growth.

FX Daily Outlook

- EUR/USD: Buoy above 1.07; two-way volatility expected on US initial jobless claims and FedSpeak.
- USD/JPY: Intervention risks temper momentum above 151 amid softer long-end UST yields.
- USD/SGD: Consolidation around 1.35 levels ahead of US data and FedSpeak.
- AUD/USD: Remain below mid-64 cents as RBA fails to convince markets of further hikes.

TODAY'S EVENTS

(CH) CPI / PPI YoY (Oct): (Mkt: -0.1%/-2.7%; Sep: 0.0%/-2.5%) | (PH) GDP YoY (3Q): (Mkt: 4.7%; 2Q: 4.3%) | (JP) BoP Current Account Balance (Sep): (Mkt: ¥2977.8b; Aug: ¥2279.7b) | (JP) Eco Watchers Survey Current / Outlook SA (Oct): (Mkt: 50.0/49.7; Sep: 49.9/49.5) | (US) Initial Jobless Claims: (Mkt: 219k; prev: 217k)

Central Banks: Fed's Powell, Bostic and Barkin Speak

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