

## MARKET SUMMARY

FX	CLOSE(Asia)	CLOSE(NY)	Daily Δ*	Wkly Δ
JPY	150.70	151.36	+0.99	+0.38
EUR	1.0871	1.0848	▼0.0031	+0.0139
AUD	0.6508	0.6509	+0.0002	+0.0107
SGD	1.3486	1.3504	+0.0015	▼0.0060
CNY	7.2398	7.2468	▼0.0060	▼0.0293
INR	83.11	83.15	▼0.19	▼0.13
IDR	15550	15535	▼160	▼115
MYR	4.6657	4.6725	▼0.0447	▼0.0095
PHP	55.83	55.84	▼0.23	▼0.20
THB	35.47	35.45	▼0.61	▼0.15

\*compared with previous day CLOSE(NY)

Yields	CLOSE	Daily Δ	Wkly Δ
USD (10YR)	4.531%	+8.4 bp	+3.9 bp
JPY (10YR)	0.802%	▼6.0 bp	▼5.5 bp
EUR* (10YR)	2.644%	+4.4 bp	+2.7 bp
AUD (5YR)	4.231%	▼12.4 bp	▼1.3 bp
SGD (5YR)	2.954%	▼12.0 bp	▼16.8 bp
CNY (5YR)	2.517%	▼0.3 bp	▼1.5 bp
INR (5YR)	7.197%	▼5.4 bp	▼5.4 bp
IDR (5YR)	6.756%	▼17.1 bp	+1.9 bp
MYR (5YR)	3.637%	▼6.3 bp	▼4.9 bp
PHP (5YR)	6.312%	▼5.0 bp	▼20.9 bp
THB (5YR)	2.775%	+0.2 bp	▼3.1 bp

\* German bunds

Equity Indices	CLOSE	Daily Δ	Wkly Δ
DJIA (US)	34,991.21	+0.47%	+2.58%
N225 (JP)	33,519.70	+2.52%	+4.21%
STOXX 50 (EU)	4,315.53	+0.55%	+3.28%
ASX (AU)	4,083.22	+0.65%	+1.67%
STI (SG)	3,132.12	+0.88%	+0.08%
SHCOMP (CN)	3,072.84	+0.55%	+0.67%
SENSEX (IN)	65,675.93	+1.14%	+1.08%
JSE (ID)	6,958.21	+1.40%	+2.26%
KLSE (MY)	1,466.84	+1.04%	+0.63%
PSE (PH)	6,171.13	+0.99%	+0.26%
SET (TH)	1,415.17	+2.10%	+0.24%

Commodity	CLOSE	Daily Δ	Wkly Δ
CRB	276.82	▲0.23%	+1.26%
COPPER (LME)	8,172.25	+0.35%	+1.41%
IRON ORE (CN)	130.28	+0.79%	+2.66%
GOLD	1,959.85	▲0.23%	+0.49%
OIL (WTI)	76.66	▼2.04%	+1.77%

### Three Take-aways:

- 1) Excluding food and energy prices, US producers' prices stayed flat.
- 2) US retail sales contracted less than expected and enable a recalibration of earlier UST yield plunge.
- 3) BSP will stand pat as October CPI moderation provide room for patience.

### Less Energy?

- Unsurprisingly, the rally in US equities **lost momentum** as the rate sensitive Nasdaq held on to marginal gains to close 0.1% higher amid a resurgence in UST yields.  
 - Higher UST yields pulled USD/JPY back above 151 and pressured EUR towards mid-1.08. The pound underperformed as UK inflation declined to 4.6% and this underscores the point that any "Fed is done"/"Fed pivot" bets should not be viewed in isolation to tout one way Greenback weakness.  
 - Turning back to the US, the 7.6bp surge in 2Y UST yields to recover above 4.9% came despite Producer Prices showing a sequential MoM contraction of 0.5% which was below the 0.1% expansion expected by consensus. Nonetheless, once food and energy prices are excluded, producer prices essentially stayed flat. Taken together with headline retail sales which contracted less than expected in October and was revised upwards for previous months, this allowed for a recalibration for UST yields after the previous sharp plunge. Excluding Auto and Gas, retail sales grew 0.1% MoM. That said, this is still a slowdown from September's 0.8% print.

- Epitomising these macroeconomic conditions is perhaps US retailer Target's earnings report. While sales revenue was weaker, supply side management such as drawing down inventories and relief from costs such as freight helped to boost margins.

- The bottom line being that the macro picture of weakened consumers appear undeniable and much of the relief will need to stem from the ability to navigate supply side issues.

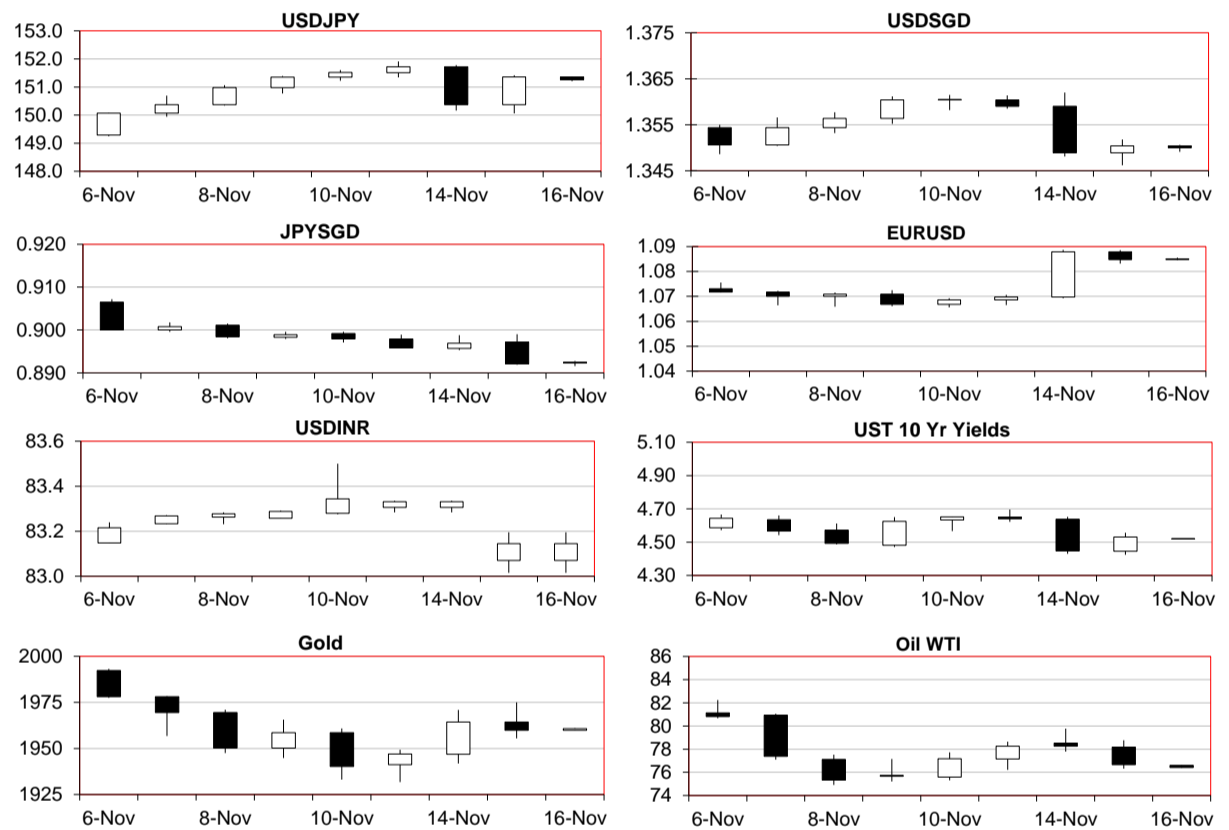
- On that note, Brent Crude prices fell 1.7% to US\$81/barrel as US crude stockpiles rose.

- In EM-Asia, USD/SGD hovered around 1.35 and AUD around 65 cents as China's retail sales beat was unable to excite amid the continued slump in property sales.

### OVERNIGHT RESULTS

(CH) Retail Sales YoY (Oct): 7.6% (Mkt: 7.0%; Sep: 5.5%) | (CH) Fixed Assets Ex Rural YTD YoY (Oct): 2.9% (Mkt: 3.1%; Sep: 3.1%) | (CH) Industrial Production YoY (Oct): 4.6% (Mkt: 4.5%; Sep: 4.5%) | (AU) Wage Price Index YoY (3Q): 4.0% (Mkt: 3.9%; 2Q: 3.6%) | (ID) Exports/Imports YoY (Oct): -10.4%/-2.4% (Mkt: -16.5%/-7.4%; Sep: -16.2%/-12.5%) | (US) PPI Final Demand/Core YoY (Oct): 1.3%/2.4% (Mkt: 1.9%/2.7%; Sep: 2.2%/2.7%) | (US) Retail Sales/Ex Auto & Gas MoM (Oct): -0.1%/0.1% (Mkt: -0.3%/0.2%; Sep: 0.7%/0.6%; Revised: 0.9%/0.8%) | (US) Empire Mfg (Nov): 9.1 (Mkt: \*3.0; Oct: -4.6) | (EZ) Ind. Pdt'n. WDA YoY (Sep): -6.9% (Mkt: -6.3%; Aug: -5.1%)

### Past Two Weeks Movement



## TODAY'S COMMENTS & FORECAST

### Open

USD/JPY	151.23	EUR/USD	1.0853
USD/SGD	1.3501	USD/THB	35.53
JPY/SGD	0.8928	USD/MYR	4.670

### Forecast

USD/JPY	150.50 - 152.00
EUR/USD	1.0800 - 1.0900
AUD/USD	0.6320 - 0.6530
USD/SGD	1.3450 - 1.3550
JPY/SGD	0.8849 - 0.9003
USD/CNH	7.2400 - 7.2900
USD/INR	83.00 - 83.30
USD/IDR	15500 - 15600
USD/MYR	4.660 - 4.720
USD/PHP	55.70 - 56.00
USD/THB	35.20 - 35.50

### Today's Direction

	Bull	Bear
USD/SGD	5	1
USD/JPY	5	1

### BSP: Patience

- This afternoon's policy meeting would reveal BSP's tolerance towards price swings as still-elevated inflation continues to test their patience. Inflation remains the highest in the region, even after the sharp moderation to 4.9% YoY in October after the spike to 6.1% in September looks to delay the return to the BSP's target.

- Our base case is for the BSP to be patient today, but do not preclude the possibility of another off-cycle hike. In its Oct off-cycle move, BSP's stated that it would keep monetary policy settings "tighter for longer until inflationary expectations are better anchored and sustained downtrend in inflation becomes evident". While a sustained downtrend in inflation is yet to be evident, the sharp inflation moderation in Oct has arguably bought the BSP some policy room.

- Notably, the wild swings in inflation in recent months has been concentrated in a small group of items with spillovers remaining contained. October's sharp moderation was driven by a fall in rice inflation (13.2% YoY, vs 17.9% in Sep) and tubers/bananas inflation (11.9% YoY, vs 29.6% YoY), each of which contributed -0.4%point to the drop in inflation print. The number of items with inflation >4% has also been edging downwards, suggesting that inflationary pressures has become less pervasive. In addition, growth concerns linger despite Q3 GDP upside surprise, as strong GFCF from construction activities and higher-than-expected government consumption may fade.

- As such, 2023 growth may still fall shy of the 6% target. Further hikes at subsequent meetings is however still on the table on El-Nino-induced inflation fears.

### FX Daily Outlook

- EUR/USD: Spillovers from lower UK CPI may continue to restrain rallies and weigh slips towards 1.08.
- USD/JPY: Growth contraction bolster continued BoJ hold and imparts buoyancy.
- USD/SGD: Mixed China data may allow for consolidation around 1.35.
- AUD/USD: Subdued full time job gains unable to move the RBA's policy needed. Stalled Rallies.

### TODAY'S EVENTS

(JP) Trade Balance (Oct): -¥662.5 (Mkt: ¥735.7b; Sep: ¥72.1b) |  
 (AU) Employment Change/Unemployment Rate (Oct): 55.0k/3.7% (Mkt: 24.0k/3.6%) |  
 (US) Industrial Production MoM (Oct): (Mkt: -0.4%; Sep: 0.3%) |  
 (US) Philadelphia Fed Business Outlook (Nov): (Mkt: -8.3; Oct: -9.0) |  
 (US) Initial Jobless Claims: (Mkt: 220k; Prev: 217k) |  
 Central Banks: BSP Policy Meeting

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