

MARKET SUMMARY

FX	CLOSE(Asia)	CLOSE(NY)	Daily Δ*	Wkly Δ
JPY	150.45	149.63	▼1.10	▼1.89
EUR	1.0837	1.0915	+0.0063	+0.0229
AUD	0.6469	0.6515	+0.0045	+0.0154
SGD	1.3481	1.3435	▼0.0035	▼0.0170
CNY	7.2467	7.2143	▼0.0284	▼0.0712
INR	83.28	83.27	+0.03	▼0.07
IDR	15505	15493	▼52	▼202
MYR	4.6842	4.6810	▼0.0065	▼0.0277
PHP	55.68	55.67	▼0.10	▼0.28
THB	35.23	35.10	▼0.37	▼0.79

*compared with previous day CLOSE(NY)

Yields	CLOSE	Daily Δ	Wkly Δ
USD (10YR)	4.435%	▼0.0 bp	▼21.6 bp
JPY (10YR)	0.756%	▼3.5 bp	▼9.4 bp
EUR* (10YR)	2.588%	▼0.2 bp	▼12.9 bp
AUD (5YR)	4.144%	▼9.0 bp	▼16.0 bp
SGD (5YR)	2.950%	▼2.3 bp	▼14.4 bp
CNY (5YR)	2.515%	+0.5 bp	▼0.5 bp
INR (5YR)	7.204%	+0.6 bp	▼6.5 bp
IDR (5YR)	6.650%	▼6.7 bp	▼22.0 bp
MYR (5YR)	3.622%	▼2.6 bp	▼6.6 bp
PHP (5YR)	6.252%	▼5.8 bp	▼14.7 bp
THB (5YR)	2.653%	▼2.0 bp	▼9.1 bp

* German bunds

Equity Indices	CLOSE	Daily Δ	Wkly Δ
DJIA (US)	34,947.28	+0.01%	+1.94%
N225 (JP)	33,585.20	+0.48%	+3.12%
STOXX 50 (EU)	4,340.77	+0.89%	+3.42%
ASX (AU)	4,088.05	+1.24%	+2.26%
STI (SG)	3,124.67	▼0.27%	+0.58%
SHCOMP (CN)	3,054.37	+0.11%	+0.51%
SENSEX (IN)	65,794.73	▼0.28%	+1.37%
JSE (ID)	6,977.67	+0.28%	+2.47%
KLSE (MY)	1,460.67	▼0.27%	+1.07%
PSE (PH)	6,211.89	+0.33%	+0.81%
SET (TH)	1,415.78	+0.03%	+1.89%

Commodity	CLOSE	Daily Δ	Wkly Δ
CRB	273.63	+0.85%	+0.10%
COPPER (LME)	8,168.20	+0.57%	+2.68%
IRON ORE (CN)	129.39	▲0.91%	+0.84%
GOLD	1,980.82	▲0.00%	+2.09%
OIL (WTI)	75.89	+4.10%	▼1.66%

Three Take-aways:

- 1) Housing activity resilience backstop front end UST yields.
- 2) Patient and cautious Fed speakers spill to USD weakness.
- 3) Thailand Q3 GDP growth may pick-up amid cautious optimism.

Lags

- Last Friday, a barrage of Fed speakers **espousing uncertainty over policy lags and confidence over labour supply** have emboldened USD bears. Notably, San Francisco Fed President Daly emphasized on the need to **practise gradualism**.

- Amid this backdrop, **USD lost ground** against all G10 peers despite higher front end UST yields. (2Y: +4.8bp). A pick-up in housing market activity indicated by higher building permits is also a reminder that while the lack of a housing crash is relief, **cooling the economy via housing is an intricate and gradual process** as buyers switch from existing homes to new constructions.

- The dent on the Greenback was in part driven by the **recovery in oil prices with Brent crude** back above US\$80/barrel which aid the likes of NOK and AUD to outperform. The latter rose above 65 cents.

- USD/JPY dropped below 150 while EUR ascended above 1.09. This broad USD weakness last Friday should also be viewed in the wider context of UST yields being still nearly 20bps down last week. Nonetheless, like policy, it is unclear whether the FX impact on yields have truly passed or simply slightly lagged.

- As for US equities, they were unable to make much ground after the early week jump as the Dow stayed flat and the S&P500 and Nasdaq eked out a 0.1% gain last Friday.

- In EM-Asia, the USD/SGD slipped below towards mid-1.34. That said, the sight of higher oil prices and higher UST yields (from last Friday) is not an ideal picture to start the week in this region.

Thailand Q3 GDP: Wary Optimism?

- With the sight of tourism inflows and goods exports recovery which aided strong of current account surplus, one might be tempted to be outrightly optimistic about the Q3 GDP growth print.

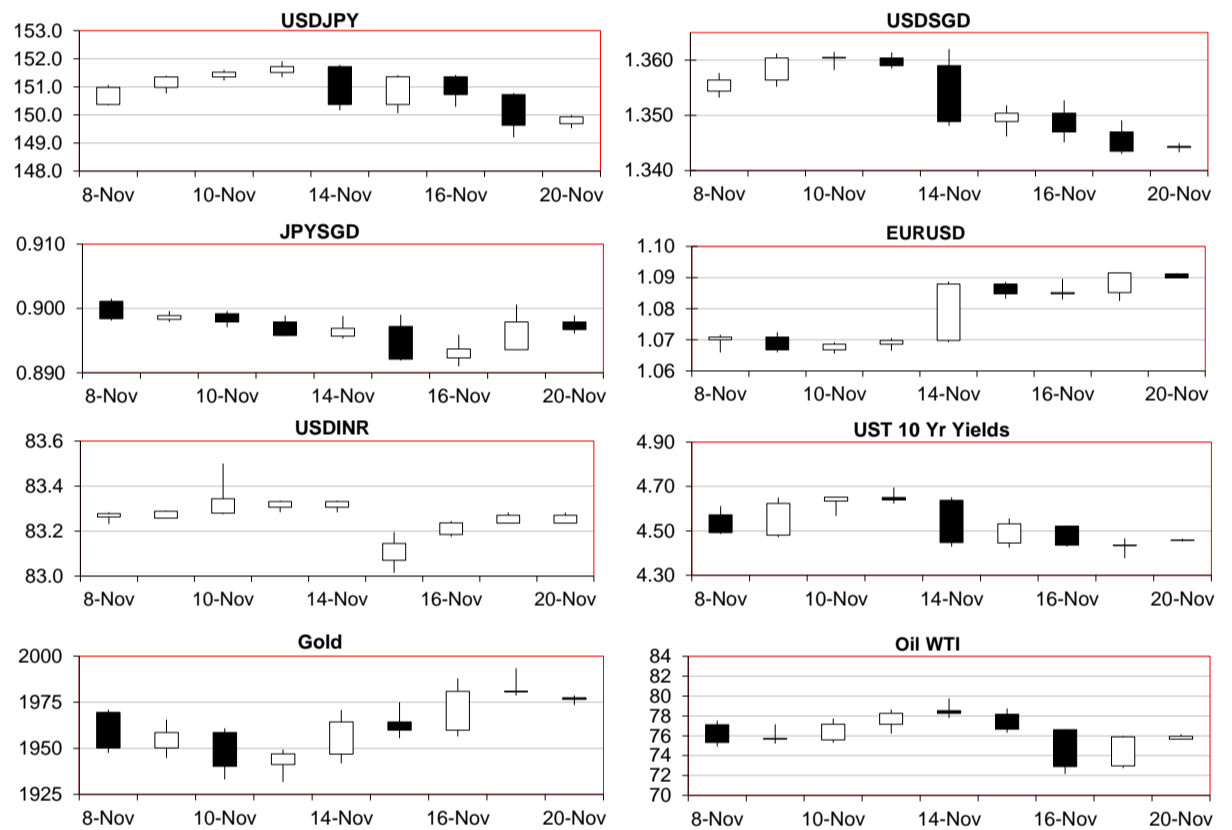
OVERNIGHT RESULTS

(SG) Non-oil Domestic / Electronics Exports YoY (Oct): -3.4% / -5.6% (Mkt: -6.0%/-; Sep: -13.2%/-11.6%)

(MY) BoP Current Account Balance MYR (3Q): 9.1b (Mkt: -; 2Q: 9.1b) | (MY) GDP YoY (3Q F): 3.3% (Mkt: 3.3%; prev: 3.3%)

(US) Building Permits / Housing Starts (Oct): 1487k/1372k (Mkt: 1450k/1350k; Sep: 1471k/1358k) | (US) Kansas City Fed Manf. Activity (Nov): 1 (Mkt: -; Oct: -8.0) | (EZ) CPI / Core YoY (Oct F): 2.9%/4.2%; (Mkt: 2.9%/4.2%; prev: 2.9%/4.2%)

* Past Two Weeks Movement *



TODAY'S COMMENTS & FORECAST

Open

USD/JPY	149.95	EUR/USD	1.0906
USD/SGD	1.3437	USD/THB	35.11
JPY/SGD	0.8961	USD/MYR	4.668

Forecast

USD/JPY	149.50 - 151.50
EUR/USD	1.0790 - 1.0940
AUD/USD	0.6400 - 0.6530
USD/SGD	1.3420 - 1.3550
JPY/SGD	0.8858 - 0.9064
USD/CNH	7.2100 - 7.2800
USD/INR	83.10 - 83.30
USD/IDR	15450 - 15600
USD/MYR	4.660 - 4.720
USD/PHP	55.50 - 56.00
USD/THB	35.00 - 35.60

Today's Direction

	Bull	Bear
USD/SGD	4	1
USD/JPY	2	3

- To be upfront, our examination of underlying data details **cautious optimism**.

- **We expect Q3 GDP growth to improve from Q2's 1.8% YoY print** to post a tad above 2%.

- Notably, considering the high base effects from a year ago, this **already represents a robust sequential QoQ expansion** of about 1% by our own estimates.

- On the underlying growth drivers, **private consumption is likely to remain strong** as the **impulse from tourism activity recovery feeds through domestic employment and activity**.

- Moderation of the decline in exports revenue is also a relief.

- Nonetheless, the industrial base still appears to be wary and strained. First, **business sentiments have slipped in Q3** and was also reflected in the 2.4% contraction of private investments compared to Q3 2022.

- Furthermore, the recovery in exports demand may also have been met by an inventory drawdown rather than more optimistic ramp up in production.

- This point is also underscored by a muted recovery in value added production may also hint at rising input costs chipping away margins. As such, the manufacturing base remains pressured.

- Meanwhile, aside from the tourism-related food and accommodation services being supportive, the financial sector's value added is likely to have continued improving amid strong net interest income growth. All in, while an expansion from the dismal 0.2% QoQ growth in Q2 is on the cards, **Q3 GDP growth has perhaps been a steady drive at in traffic speeds** rather than unrestrained acceleration.

FX Daily Outlook

- EUR/USD: Air above 1.09 thins as higher UST yields look to re-assert.

- USD/JPY: 150 consolidation par for the course as UST yields and oil buoys.

- USD/SGD: China rate focus assist backstops near mid-1.35.

- AUD/USD: Slippage below 65 cents as UST yields re-assert.

TODAY'S EVENTS

(TH) GDP YoY (3Q): (Mkt: 2.2%; 2Q: 1.8%)

(MY) Trade Balance MYR (Oct): (Mkt: 21.67b; Nov: 24.5b) |

(US) Leading Index (Oct): (Mkt: -0.7%; Sep: -0.7%)

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