

MARKET SUMMARY

FX	CLOSE(Asia)	CLOSE(NY)	Daily Δ*	Wkly Δ
JPY	149.42	149.44	▼0.12	▼0.19
EUR	1.0908	1.0939	+0.0034	+0.0024
AUD	0.6561	0.6585	+0.0027	+0.0070
SGD	1.3418	1.3401	▼0.0007	▼0.0034
CNY	7.1535	7.1490	+0.0014	▼0.0653
INR	83.38	83.38	+0.03	+0.11
IDR	15566	15565	+10	+72
MYR	4.6838	4.6877	+0.0074	+0.0067
PHP	55.41	55.40	▼0.01	▼0.27
THB	35.47	35.49	+0.21	+0.39

*compared with previous day CLOSE(NY)

Yields	CLOSE	Daily Δ	Wkly Δ
USD (10YR)	4.467%	+6.2 bp	+3.1 bp
JPY (10YR)	0.777%	+5.2 bp	+2.1 bp
EUR* (10YR)	2.643%	+2.4 bp	+5.5 bp
AUD (5YR)	4.242%	+5.5 bp	+9.8 bp
SGD (5YR)	2.973%	+3.9 bp	+2.3 bp
CNY (5YR)	2.590%	▼0.1 bp	+7.5 bp
INR (5YR)	7.254%	+1.1 bp	+5.0 bp
IDR (5YR)	6.670%	+0.5 bp	+2.0 bp
MYR (5YR)	3.628%	+0.7 bp	+0.6 bp
PHP (5YR)	6.205%	▼1.7 bp	▼4.7 bp
THB (5YR)	2.689%	+2.9 bp	+3.6 bp

* German bunds

Equity Indices	CLOSE	Daily Δ	Wkly Δ
DJIA (US)	35,390.15	+0.33%	+1.27%
N225 (JP)	33,625.53	+0.52%	+0.12%
STOXX 50 (EU)	4,372.10	+0.25%	+0.72%
ASX (AU)	4,077.47	+0.03%	▼0.26%
STI (SG)	3,094.81	▼0.54%	▼0.96%
SHCOMP (CN)	3,040.97	▼0.68%	▼0.44%
SENSEX (IN)	65,970.04	▼0.07%	+0.27%
JSE (ID)	7,009.63	+0.08%	+0.46%
KLSE (MY)	1,453.92	+0.04%	▼0.46%
PSE (PH)	6,269.50	+0.37%	+0.93%
SET (TH)	1,397.43	▼0.65%	▼1.30%

Commodity	CLOSE	Daily Δ	Wkly Δ
CRB	272.00	▲1.13%	▲0.60%
COPPER (LME)	8,329.75	+0.28%	+1.98%
IRON ORE (CN)	131.23	+0.08%	+1.42%
GOLD	2,000.82	+0.43%	+1.01%
OIL (WTI)	75.54	▼2.02%	▼0.46%

Three Take-aways:

- 1) While USD slipped, risk assets remain muted heading into the lacklustre Black Friday weekend.
- 2) AUD rally faces restraints from doubts about China's economic recovery as shadow banking is back in focus.
- 3) Vietnam's year end economic uptick likely to remain on track but targets remain a stretch too far.

In the Black?

- Heading into Black Friday weekend, **US equities were barely in the black** as the Nasdaq edged 0.1% lower while Dow and Nasdaq rose 0.3% and 0.1% respectively – **hardly cheerful stuff**.

- Meanwhile, **Black Friday sales** which were expectedly higher appear to remain below the pace of growth seen in previous years. Reports of consumers leaning towards **Buy Now Pay Later** also add to signs of more constrained US consumers.

- That said, on the conflict front, the **hostage release** is very much welcomed relief especially on the geo-political front even though it may not be lasting. Consequently, the allure of haven USD was dampened as the Greenback slipped against all G10 peers despite rising UST yields.

- Across the Atlantic, while the **EUR is ascending towards mid-1.09**, **ECB President Lagarde** stating that they have already down a lot and **is at a point where they can pause and assess the impact of tightening will have EUR bulls** also assessing their potential for further rallies.

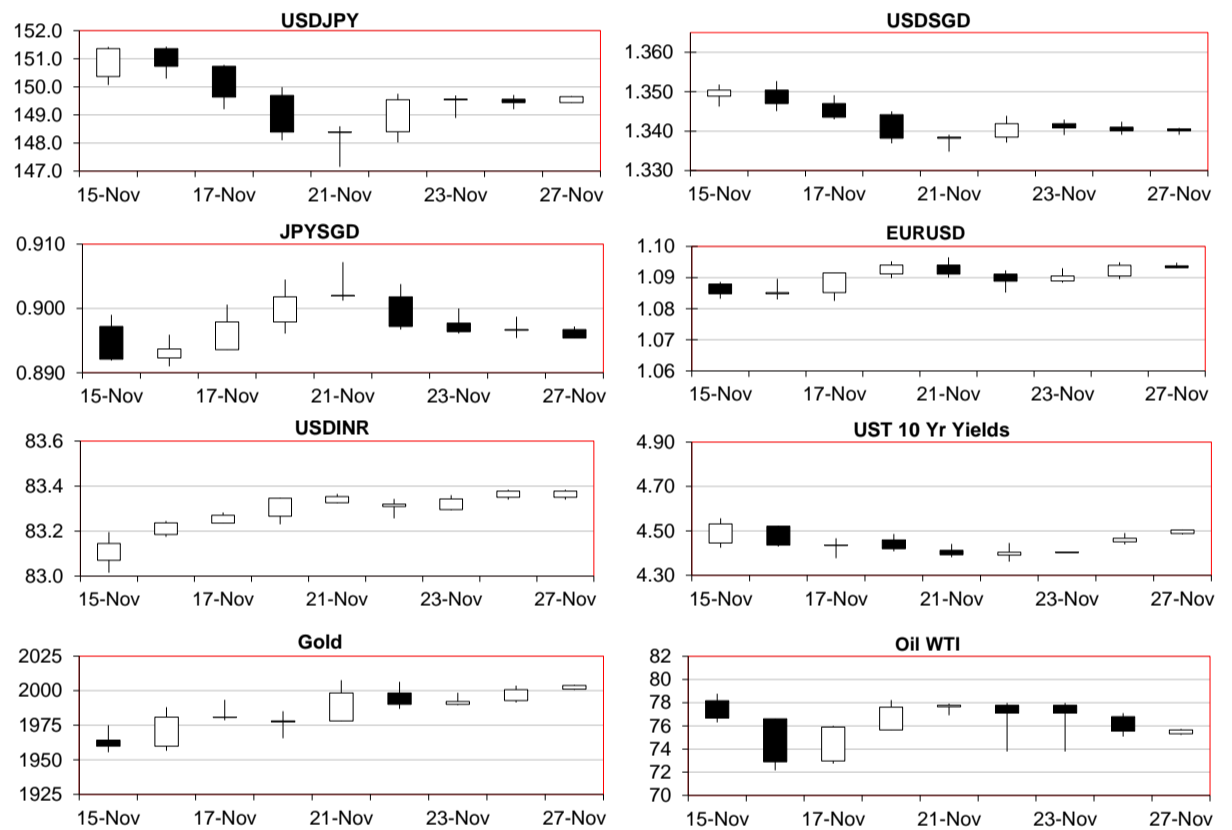
- Nonetheless, **fiscal accounts sinking deeper into the red** which continue to buoy EZ yields may also perversely not provide EUR a helping hand.

- Down under, the **AUD remains buoyed** in the upper half of mid-65 cents. While China's property measures and associated CNH gains may impart somewhat of a backstop for AUD bulls, the **inability of Chinese developers to be back in the black and shadow banking giant Zhongzhi being practically insolvent** prevent any signs of an all-clear for Chinese economic recovery.

- Furthermore, legislative tweaks to the RBA's mandate this week may add further complications on whether it represents a more overt focus on unemployment which may restrain hikes or if an explicit 2.5% inflation objective strengthens hawkish resolve.

OVERNIGHT RESULTS

(SG) Industrial Production YoY (Oct): 7.4% (Mkt: -2.3%; Sep: -2.1%) | (MY) CPI YoY (Oct): 1.8% (Mkt: 1.9%; Sep: 1.9%) | (JP) Coincident Index/Leading Index CI (Sep F): 114.7/108.9 (Mkt: -/-; prelim: 114.7/108.7) | (GE) IFO Business Climate/Expectations (Nov): 87.3/85.2 (Mkt: 87.5/85.9; Oct: 86.9/84.7)

*** Past Two Weeks Movement ***

TODAY'S COMMENTS & FORECAST
Open

USD/JPY	149.58	EUR/USD	1.0940
USD/SGD	1.3400	USD/THB	35.39
JPY/SGD	0.8958	USD/MYR	4.673

Forecast

USD/JPY	148.50 - 150.10
EUR/USD	1.0850 - 1.0970
AUD/USD	0.6500 - 0.6600
USD/SGD	1.3370 - 1.3450
JPY/SGD	0.8907 - 0.9057
USD/CNH	7.1100 - 7.2100
USD/INR	83.30 - 83.60
USD/IDR	15500 - 15700
USD/MYR	4.670 - 4.720
USD/PHP	55.20 - 55.60
USD/THB	35.20 - 35.60

Today's Direction

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

- In Asia, USD/JPY remains unchanged hovering around mid-149 as lower than expected headline and core CPI print in Japan dent hopes of JPY bulls to latch onto the USD weakness.

Vietnam: Targets

- Into the end of the year **seasonal demand tailwinds**, Vietnam's industrial production in **November is likely to continue steady expansion** from October's 4.1% YoY growth, albeit likely at a slower MoM pace than the 5.5% recorded in October.

- As for **retail sales**, it will be underpinned by robust tourism activity as well as **fiscal support from lower VAT rates**. The latter's impact has been particularly evident from the fiscal perspective. **VAT collection for the first 3 quarters of 2023 is 11.4% lower despite nominal retail sales being 9.7% higher**. As such, budget collections may also fall shy of the government's target. On balance, it remains the case that **2023 growth will fall short of the official target of 6.5%**. Looking ahead, the **National Assembly set the Growth target for 2024 at 6.0%-6.5%**.

- Aside from fiscal and monetary policy, growth prospects hinge on the ability to resolve property sector issues amid the persistent revelation of fraud issues which in turn dent broader sentiments around corporate bond issuances and consequent investment spending.

- Turning to **headline inflation**, it is expected to stay elevated around the 3.6% print seen in October amid **two way adjustments of fuel prices** and projected raises in education fee amid the new school year. That said, inflation remains comfortably below the SBV's 4.5% target. Into 2024, the target range is 4-4.5%.

FX Daily Outlook

- EUR/USD: ECB's patient rhetoric to restrain testing 1.10.
- USD/JPY: Japan CPI slippage added buoyancy above mid-148.
- USD/SGD: Chinese financial stability woes in focus to backstop 1.34.
- AUD/USD: Bulls held back by China woes amid changes to RBA's mandate leaning to dovish tendencies.

TODAY'S EVENTS

(CH) Industrial Profits YoY (Oct): (Sep: 11.9%)
 (TH) Customs Trade Balance (Oct): (Mkt: \$530m; Sep: \$2090m)
 (US) New Home Sales (Oct): (Mkt: 723k; Sep: 759k) | (US) Dallas Fed Manf. Activity (Nov): (Mkt: -16.0; Oct: -19.2)

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