

**MARKET SUMMARY**

FX	CLOSE(Asia)	CLOSE(NY)	Daily Δ*	Wkly Δ
JPY	148.28	146.82	▼1.38	▼2.62
EUR	1.0897	1.0884	▼0.0004	▼0.0055
AUD	0.6603	0.6675	+0.0070	+0.0090
SGD	1.3383	1.3335	▼0.0038	▼0.0066
CNY	7.1450	7.1285	▼0.0065	▼0.0205
INR	83.35	83.30	▼0.10	▼0.08
IDR	15501	15485	▼25	▼80
MYR	4.6850	4.6733	+0.0108	▼0.0144
PHP	55.41	55.41	▼0.08	+0.02
THB	35.25	35.03	▼0.16	▼0.46

\*compared with previous day CLOSE(NY)

Yields	CLOSE	Daily Δ	Wkly Δ
USD (10YR)	4.196%	▼13.1 bp	▼27.1 bp
JPY (10YR)	0.697%	+2.5 bp	▼8.0 bp
EUR* (10YR)	2.362%	▼8.5 bp	▼28.1 bp
AUD (5YR)	4.141%	+6.7 bp	▼10.1 bp
SGD (5YR)	2.928%	+1.0 bp	▼4.5 bp
CNY (5YR)	2.564%	▼0.7 bp	▼2.6 bp
INR (5YR)	7.270%	+1.6 bp	+1.6 bp
IDR (5YR)	6.639%	▼2.7 bp	▼3.1 bp
MYR (5YR)	3.624%	▼0.2 bp	▼0.4 bp
PHP (5YR)	6.011%	▼0.2 bp	▼19.4 bp
THB (5YR)	2.615%	+0.5 bp	▼7.4 bp

\* German bunds

Equity Indices	CLOSE	Daily Δ	Wkly Δ
DJIA (US)	36,245.50	+0.82%	+2.42%
N225 (JP)	33,431.51	▼0.17%	▼0.58%
STOXX 50 (EU)	4,418.51	+0.82%	+1.06%
ASX (AU)	4,094.48	+1.00%	+0.42%
STI (SG)	3,090.31	+0.56%	▼0.15%
SHCOMP (CN)	3,031.64	+0.06%	▼0.31%
SENSEX (IN)	67,481.19	+0.74%	+2.29%
JSE (ID)	7,059.91	▼0.29%	+0.72%
KLSE (MY)	1,456.38	+0.25%	+0.17%
PSE (PH)	6,245.18	+0.34%	▼0.39%
SET (TH)	1,380.31	+0.01%	▼1.23%

Commodity	CLOSE	Daily Δ	Wkly Δ
CRB	270.77	▲1.05%	▲0.45%
COPPER (LME)	8,538.52	+1.80%	+2.51%
IRON ORE (CN)	132.60	+1.64%	+1.04%
GOLD	2,072.22	+1.76%	+3.57%
OIL (WTI)	74.07	▼2.49%	▼1.95%

**Three Take-aways:**

- 1) Fed Chair Powell's cautious approach to hikes and allusion to soft landing sent UST yields plummeting.
- 2) Despite a backdrop of softer Greenback, the EUR was unable gain as ECB cuts are also weighed.
- 3) Australia Q3 GDP to soften as households remain stretched while investments and export lift.

**Soft Powell**

- With Fed Chair Powell ending the week with a confirmation of a dovish tilt, UST yields plummeted last Friday (2Y: -14.2bp ; 10Y: 13.1bp). Fed Chair Powell's speech not only signaled the diminished need for rate hikes as rates are well into restrictive territory and he also said that the Fed is on the path to get to 2% without large job loss.

- While the prospects of soft landing may still be debatable as US ISM manufacturing printed below expectations and essentially staying the same as October, the softer economic backdrop emboldening rate cut bets was not to be deterred.

- US equities started December rising across the board (Dow: +0.8%; S&P500 and Nasdaq: +0.6%).

- The Greenback weakened on the back of lower UST yields against most G10 peers. USD/JPY sank below mid-146. In contrast, the EUR was unable to make much headway as the prospects of ECB cuts was not lost on markets especially given an even softer headline inflation in the EZ.

- While the AUD rose above mid-66 cents, looming RBA decision tomorrow may in fact align with Fed Chair Powell and soften AUD ascendancy especially amid softer oil prices.

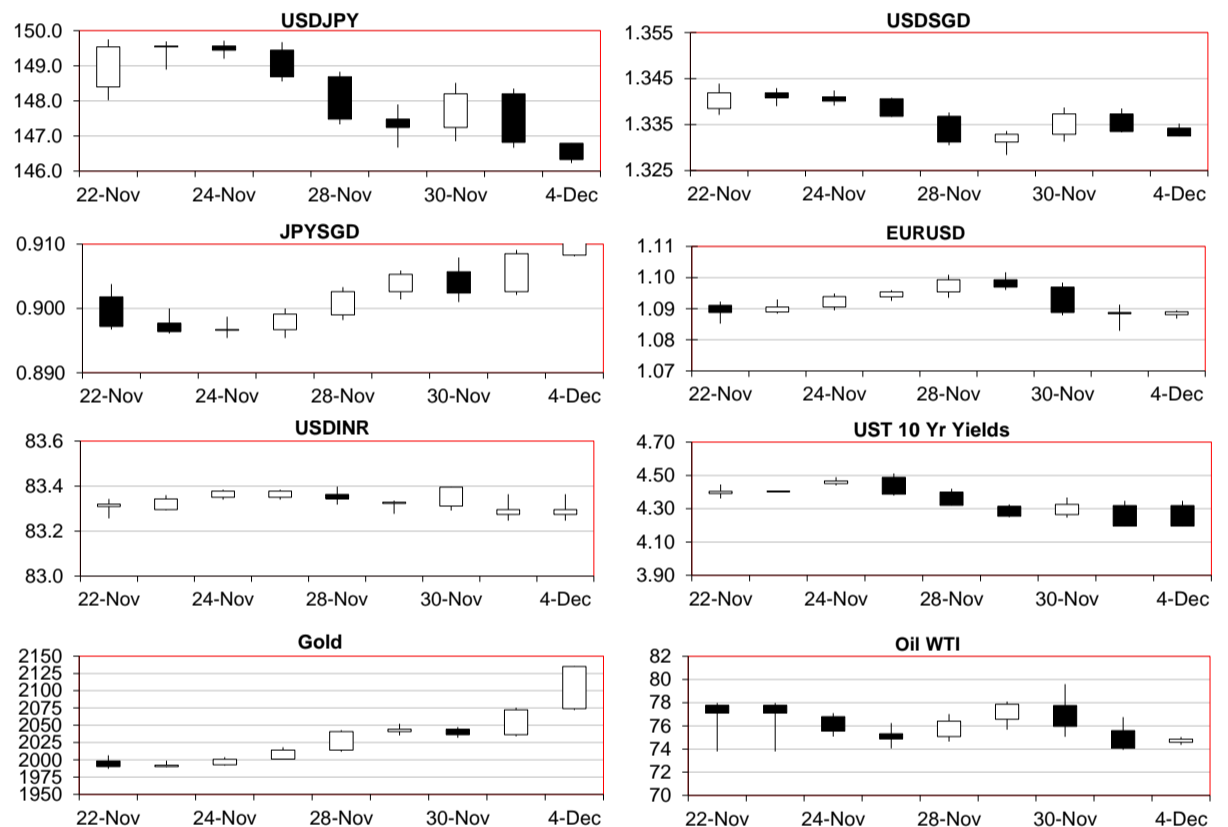
- In EM-Asia, the USD/SGD has dipped below 1.33 as regional peers look set to enjoy the tailwinds from the lower UST yields to start this week.

**Australia Q3 GDP: Down But Not Out**

- Australia's upcoming (6 Dec) Q3 GDP growth is expected to slip from Q2's 2.1%. That said, sequential QoQ momentum is still expected to hold up. Household consumption while supportive may erode at the margin as inflationary pressures, tight monetary environment and subdued external demand stretch consumers. Wages registered stronger growth in the Jul-Sep period, which could partially alleviate the higher cost of living pressures. Nonetheless, Q3 real retail sales is still lower than a year ago despite Q3's implied QoQ recovery from Q2.

**OVERNIGHT RESULTS**

(CH) Caixin China PMI Mfg (Nov): 50.7 (Mkt: 49.6; Oct: 49.5) | (ID) CPI/Core YoY (Nov): 2.9%/1.9% (Mkt: 2.7%/1.9%; Oct: 2.6%/1.9%) | (US) ISM Manufacturing/Prices Paid (Nov): 46.7/49.9 (Mkt: 47.8/46.1; Oct: 46.7/45.1)

**\* Past Two Weeks Movement \***

**TODAY'S COMMENTS & FORECAST**
**Open**

USD/JPY	148.02	EUR/USD	1.0892
USD/SGD	1.3371	USD/THB	35.28
JPY/SGD	0.9034	USD/MYR	4.645

**Forecast**

USD/JPY	146.00 - 147.50
EUR/USD	1.0800 - 1.1000
AUD/USD	0.6550 - 0.6700
USD/SGD	1.3310 - 1.3420
JPY/SGD	0.9024 - 0.9192
USD/CNH	7.1000 - 7.1600
USD/INR	83.20 - 83.50
USD/IDR	15400 - 15650
USD/MYR	4.640 - 4.660
USD/PHP	55.30 - 55.50
USD/THB	34.80 - 35.35

**Today's Direction**

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

- The durability of household spending remains suspect. While employment continued to increase in Jul-Sep, the increase was mainly due to an increase in part-time employment while full-time employment decreased.

- Moreover, more households appear to be seeking relief as new personal finance loans (which excludes mortgages and relates to discretionary expenses like vehicles, travel, household & personal goods etc.) and refinanced personal finance loans increased. Refinancing in a high interest rate environment suggests constraints to repay loans.

- Any seemingly robust consumption numbers may be a front-loading of consumption which has to be repaid in the future. Meanwhile, private investments should continue to support growth, albeit at a smaller magnitude compared to Q2 on a year-ago basis, as total new loans for the purchase of plant & equipment in Q3 edged down from Q2.

- In addition, net exports may improve slightly in real terms as price effects risks severely understates volume exports solely based on monthly trade data (reported in nominal terms). In particular, the average fall in coal and gas prices in Jul-Sep period on a year-ago basis is much greater than the fall in value of coal and gas exports.

- Nonetheless, steel exports would likely be a drag. Looking ahead, headwinds to the external sector remains as China's property sector (and attendant demand for steel) struggles. The tight financing environment would continue to suppress domestic consumption and may rein in private investments.

**FX Daily Outlook**

- EUR/USD: EUR's rally tire as sideways on both sides of 1.09 look the base case.
- USD/JPY: Lower UST yields see trading below mid-147 amid assistance from lower oil prices.
- USD/SGD: 1.33 remains backstops as CNH woes persist.
- AUD/USD: Air may thin above 67 cents as RBA look set to pause.

**TODAY'S EVENTS**

(US) Durable Goods/Non-def Ex Air (Nov): (Mkt: -5.4%/--; Oct: -5.4%/-0.1%)

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