

**MARKET SUMMARY**

FX	CLOSE(Asia)	CLOSE(NY)	Daily Δ*	Wkly Δ
JPY	141.19	138.81	▼2.17	▼7.81
EUR	1.0245	1.0347	+0.0138	+0.0390
AUD	0.6653	0.6703	+0.0084	+0.0233
SGD	1.3771	1.3718	▼0.0106	▼0.0351
CNY	7.1055	7.0973	▼0.0892	▼0.0878
INR	80.81	80.82	▼0.98	▼1.61
IDR	15496	15494	▼197	▼244
MYR	4.6138	4.6220	▼0.0758	▼0.1260
PHP	57.27	57.26	▼0.93	▼1.30
THB	35.96	35.95	▼0.93	▼1.62

\*compared with previous day CLOSE(NY)

Govt Bond Yields	CLOSE	Daily Δ	Wkly Δ
USD (10YR)	3.813%	+0.0 bp	▼34.6 bp
JPY (10YR)	0.242%	▼1.1 bp	▼1.5 bp
EUR* (10YR)	2.160%	+15.1 bp	▼13.5 bp
AUD (5YR)	3.336%	▼8.9 bp	▼18.5 bp
SGD (5YR)	3.191%	▼13.0 bp	▼14.0 bp
CNY (5YR)	2.549%	+4.5 bp	+5.9 bp
INR (5YR)	7.201%	▼7.6 bp	▼22.0 bp
IDR (5YR)	6.966%	▼18.8 bp	▼16.1 bp
MYR (5YR)	4.219%	▼7.7 bp	+5.0 bp
PHP (5YR)	7.057%	▼21.3 bp	+28.9 bp
THB (5YR)	2.408%	▼11.0 bp	▼22.9 bp

\* German bunds

Equity Indices	CLOSE	Daily Δ	Wkly Δ
DJIA (US)	33,747.86	+0.10%	+4.15%
N225 (JP)	28,263.57	+2.98%	+3.91%
STOXX 50 (EU)	3,868.50	+0.57%	+4.88%
ASX (AU)	4,036.84	▼0.44%	+0.87%
STI (SG)	3,228.33	+1.74%	+3.14%
SHCOMP (CN)	3,087.29	+1.69%	+0.54%
SENSEX (IN)	61,795.04	+1.95%	+1.39%
JSE (ID)	7,089.21	+1.76%	+0.62%
KLSE (MY)	1,468.21	+1.27%	+2.08%
PSE (PH)	6,286.77	+1.93%	+1.64%
SET (TH)	1,637.29	+1.12%	+0.67%

Commodity	CLOSE	Daily Δ	Wkly Δ
CRB	285.79	+1.30%	▲0.61%
COPPER (LME)	8,501.90	+2.65%	+4.50%
IRON ORE (CN)	90.47	+3.70%	+4.02%
GOLD	1,771.24	+0.90%	+5.31%
OIL (WTI)	88.96	+2.88%	▼3.94%

**Shifting Focus**

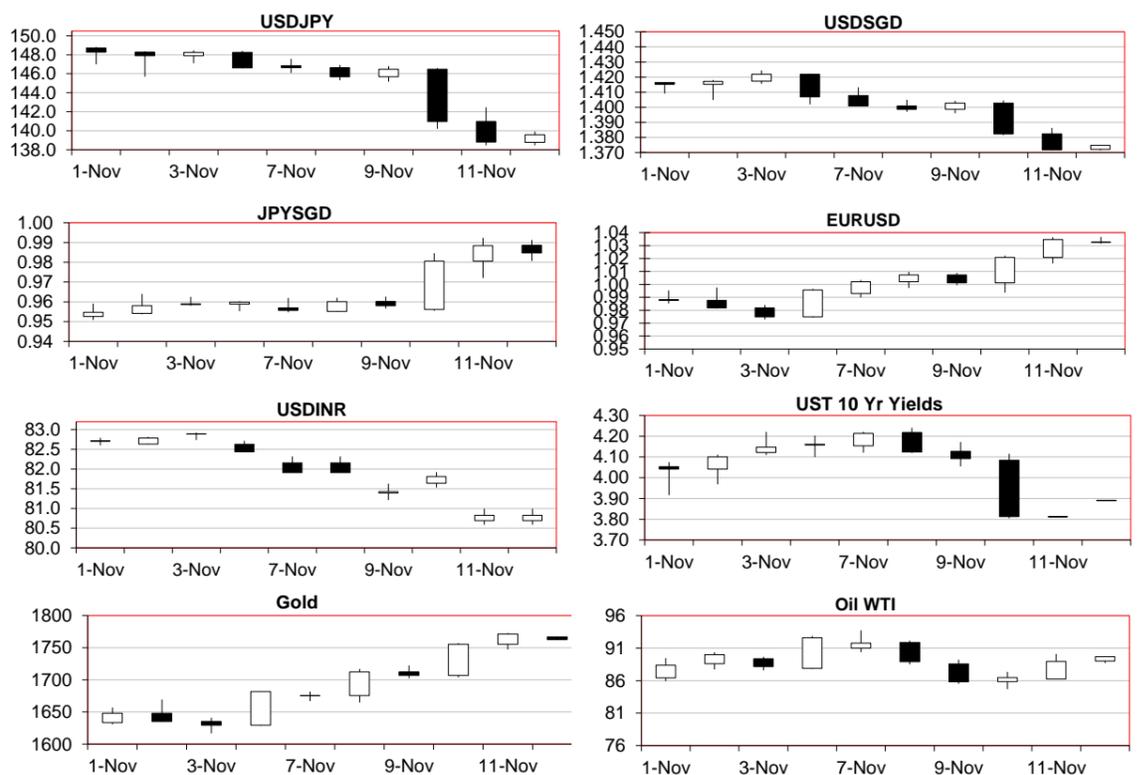
- While Fed Vice Chair Brainard signalled for slowing rate hikes to 50bps in December, she joined the slew of Fed speakers who have attempted to **shift the focus on the need to do more rate hikes** as they sought to dampen euphoria from a reduction in pace of rate hikes.
- With the initial euphoria from last week's CPI print fading, US equities suffered a pushback as the Nasdaq led losses declining 1.1% while the S&P500 and Dow dropped 0.6%.
- Aside from sentiments, corporate downsizing reports continue to filter through with the latest coming from Amazon, will increasingly **shift investors focus to the health of the economy and weighing the extent of savings from labor cost reductions against shrinking topline**.
- Amid the Fed pushback, 2Y and 10Y UST yields rose 5.7bp and 4.1bp respectively.
- Consequently, the Fed's favoured recession indicator (18M-3M spread) hovered precariously above inversion territory and will be of **keen focus in the coming weeks**.
- Concomitant with the higher US yields, the **USD gained back ground against all G10 peers as the NOK landed near the bottom of the pile alongside the 3% slip in Brent crude prices**.
- The **USD/JPY rose above 140, displaying the evident one sided vulnerabilities to US yield movements**. That said, BoJ Governor Kuroda displayed satisfaction that the rapid weakening of JPY has halted and highlighted their need to keep a close watch on wage gains.
- The EUR edged down slightly to float above 1.03 as the ECB continued to stress on the need for further rate hikes with the inflation trajectory yet to show a peak.
- Downunder, the AUD traded in a narrow range around 0.67 as uncertainty surrounds several moving parts: i. RBA minutes with likelihood to discuss rate pausing conditions, ii. efficacy of Chinese property relief measures and iii. Australia PM and Chinese President Xi Jinping's in person meeting which may allow a thaw in trading relations.
- In EM-Asia, the USD/SGD edged higher trading in a narrower range above 1.37.

**Australia: Labour Tightness to Abate**

- Australia's impending labor market report for October looks to retain familiar tones as gains (if any) are likely to be muted.

**OVERNIGHT RESULTS**

(EZ) Industrial Production WDA YoY (Sep): 4.9% (Aug: 2.5%) | (IN) CPI YoY (Oct): 6.8% (Mkt: 6.7%; Sep: 7.4%)

**Past Two Weeks Movement**

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

USD/JPY	139.59	EUR/USD	1.0328
USD/SGD	1.3745	USD/THB	36.04
JPY/SGD	0.9847	USD/MYR	4.612

**Forecast**

USD/JPY	138.00 - 142.00
EUR/USD	0.9900 - 1.0400
AUD/USD	0.6500 - 0.6750
USD/SGD	1.3750 - 1.3900
JPY/SGD	0.9683 - 1.0072
USD/CNH	7.0000 - 7.1500
USD/INR	80.50 - 82.00
USD/IDR	15480 - 15600
USD/MYR	4.580 - 4.660
USD/PHP	57.00 - 58.00
USD/THB	35.70 - 36.80

**Today's Direction**

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

- On the resource sector front, with coal prices slipping, **further job growth and wage gains may be hard to come by**.

- In fact, due to spillovers to other auxiliary sectors such as retail and business services, overall employment could soon see **modest declines** if historical precedents hold up.

- What's more, domestically, activity and employment in the construction sector will slow as the impact of higher interest rates weigh on housing markets.

- Turning to possible sources for employment growth: Manufacturing sector, Arts and Recreation sector and Agricultural sector have yet to see employment recovery above pre-Covid levels.

- With tourism recovery continuing steadily as short term visitor arrivals reach 44% of pre-Covid 2019 levels, employment in the Arts and Recreation sector may continue to make up more ground.

- The same though may not be forth coming in the manufacturing sector as external demand wanes.

- With the RBA now increasingly comfortable in their 25bp hike, the attention will turn to the strength of wage growth underpinning pipeline inflationary pressures.

- To that end, we continue to hold on to expectations of an edge up in unemployment rate stemming from higher participation rates which in turns creates slack to keep a lid on wage pressures. **Falling consumer confidence surrounding households' finances will push marginal workers to return to the labour force**.

- With labour market conditions likely to align with the RBA's policy stance, the AUD's recovery could end up being more bungled as commodity prices fade.

**FX Daily Outlook**

- EUR/USD: China data may seep pessimism and allow sub-1.03 slips.

- USD/JPY: Waking up to higher US yields and acknowledging high energy prices see pair above 140.

- USD/SGD: Pair may attempt to consolidate mildly higher above mid-1.37 on UST yields pull.

- AUD/USD: With RBA minutes and China data looming, falling below 0.67 likely amid volatility.

**TODAY'S EVENTS**

(JP) GDP Annualised SA QoQ (3Q P): -1.2% (Mkt: 1.2%; 2Q: 3.5%) | (JP) Industrial Production YoY (Sep F): (Prelim: 9.85) | (CH) Industrial Production/Retail Sales YoY (Oct): (Mkt: 5.3%/0.7%; Sep: 6.3%; 2.5%) | (CH) 1-Yr Medium Term Lending Facility Rate: (Mkt: 2.75%; Prev: 2.75%) | (ID) Trade Balance (Oct): (Mkt: \$4500n; \$4990m) | (EZ) GDP SA YoY (3Q P): (Mkt: 2.1%; Prev: 2.1%) | (US) Empire Manufacturing (Nov): (Mkt: -6.0; Oct: -9.1) | (US) PPI Final Demand/Ex Food and Energy YoY (Oct): (Mkt: 8.4%/7.2%; Sep: 8.5%; 5.6%) | **Central Banks: RBA Minutes, Fed's Williams, Harker, Cook Speaks; ECB's Villeroy & Elderson Speaks**

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