

**MARKET SUMMARY**

FX	CLOSE(Asia)	CLOSE(NY)	Daily Δ*	Wkly Δ
JPY	141.81	141.23	▼0.91	+1.95
EUR	1.0265	1.0304	+0.0062	▼0.0045
AUD	0.6620	0.6649	+0.0044	▼0.0107
SGD	1.3805	1.3778	▼0.0039	+0.0071
CNY	7.1588	7.1399	▼0.0254	+0.0944
INR	81.73	81.67	▼0.17	+0.57
IDR	15707	15698	▼15	+160
MYR	4.5756	4.5745	▼0.0055	+0.0410
PHP	57.40	57.39	+0.03	+0.16
THB	36.13	36.09	▼0.14	+0.49

\*compared with previous day CLOSE(NY)

Govt Bond Yields	CLOSE	Daily Δ	Wkly Δ
USD (10YR)	3.756%	▼7.1 bp	▼1.4 bp
JPY (10YR)	0.249%	+0.2 bp	+0.4 bp
EUR* (10YR)	1.978%	▼1.6 bp	▼13.0 bp
AUD (5YR)	3.358%	+1.3 bp	▼9.7 bp
SGD (5YR)	2.931%	▼1.3 bp	▼16.7 bp
CNY (5YR)	2.614%	+0.0 bp	▼3.0 bp
INR (5YR)	7.164%	▼2.2 bp	+4.0 bp
IDR (5YR)	6.763%	▼9.0 bp	▼12.9 bp
MYR (5YR)	4.265%	+2.3 bp	+5.6 bp
PHP (5YR)	6.656%	▼11.6 bp	▼37.0 bp
THB (5YR)	2.432%	▼0.7 bp	+7.5 bp

\* German bunds

Equity Indices	CLOSE	Daily Δ	Wkly Δ
DJIA (US)	34,098.10	+1.18%	+1.50%
N225 (JP)	28,115.74	+0.61%	+0.45%
STOXX 50 (EU)	3,929.90	+0.53%	+0.38%
ASX (AU)	4,092.33	+0.87%	+0.90%
STI (SG)	3,259.56	+0.28%	▼0.48%
SHCOMP (CN)	3,088.94	+0.13%	▼1.44%
SENSEX (IN)	61,418.96	+0.45%	▼0.73%
JSE (ID)	7,030.59	▼0.46%	▼0.07%
KLSE (MY)	1,441.29	▼0.46%	▼0.64%
PSE (PH)	6,429.65	+0.41%	+0.17%
SET (TH)	1,615.33	▼0.22%	▼0.86%

Commodity	CLOSE	Daily Δ	Wkly Δ
CRB	279.24	+0.99%	▲1.80%
COPPER (LME)	7,975.25	+1.72%	▲4.47%
IRON ORE (CN)	92.18	▲0.63%	▲0.29%
GOLD	1,740.25	+0.13%	▲2.17%
OIL (WTI)	80.95	+1.53%	▼6.87%

**Cloudy and Cautious Outlook**

- Ahead of the release of Fed minutes, much focus has been placed on a slowing down on the pace of rate hikes with the Nasdaq and S&P 500 up 1.4% while the Dow rose 1.2%.

- Nonetheless, even if a Fed rate hike step down might be imminent, the picture on risk/growth outlook is far from certain. Looking at US treasuries overnight, UST 2Y yields slipped 1.7bp while 10Y yields declined 7.1bp as the 10Y-2Y inversion deepened to unprecedented levels not seen since 1980s adding to growth worries.

- Richmond Fed manufacturing survey continues to point to activity weaknesses as capacity utilisation decline with falling employment and lower wage pressures.

- Amid the decline in US yields, the USD ceded ground against all G10 currencies. The USD/JPY declined 0.7% to float above 141 while the EUR managed to close above 1.03.

- While the AUD rose to mid-0.66, the RBA Governor Lowe continues to re-iterate widening of policy considerations such as openness to bigger step hikes as well as leaving borrowing cost unchanged. Notably, he brought up that policy lags domestically might have lengthened which again opens up the wide range of possibilities of high policy rates to achieve their target or pausing for longer to allow a transmission to hold. Cloudy picture indeed.

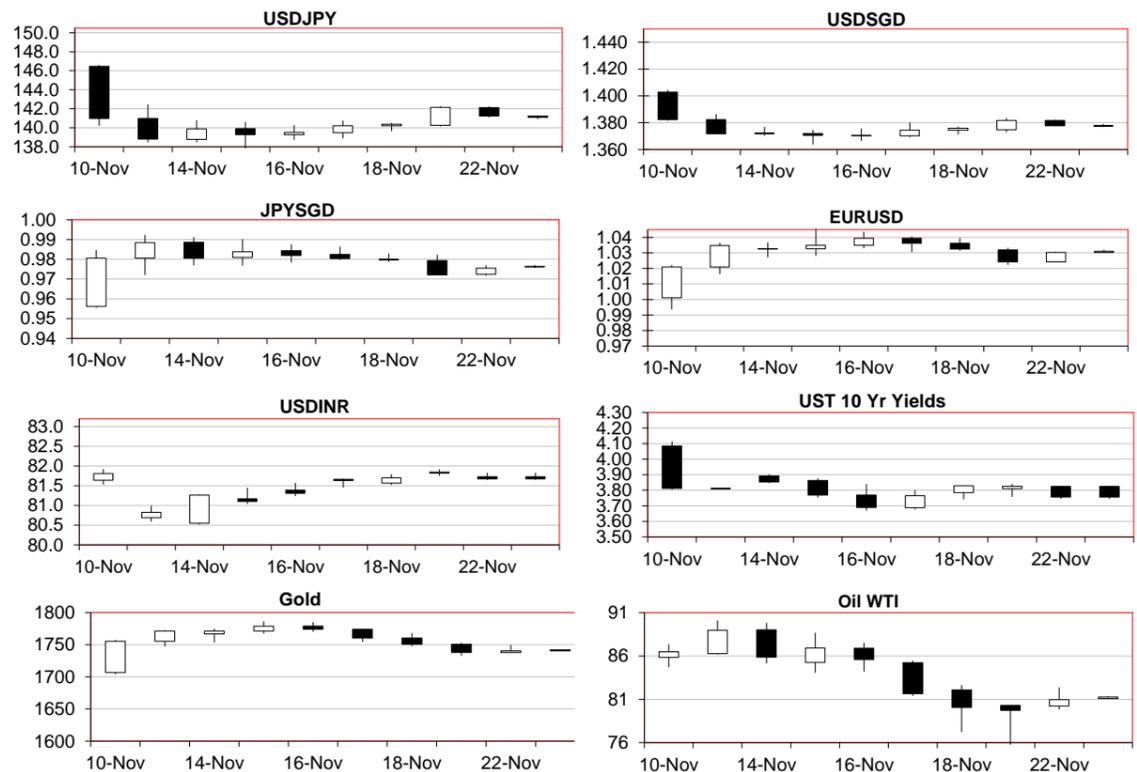
- In EM-Asia, the USD/SGD edged back towards mid-1.37. This morning's final print of Q3 GDP in Singapore was shaved downwards to 4.1% YoY coming in below expectations of 4.3%. The authorities' cautious forecast of 0.5%-2.5% growth in 2023 speaks to the challenges facing the very open economy.

- Certainly, the OECD's latest economic outlook also strikes a cautious tone stating that "risks are skewed to the downside".

- They project global growth at 2.2% in 2023. Underlying their projections, dependence on Asian EM economies is highlighted as they account for close to three quarters of global growth.

**OVERNIGHT RESULTS**

(SG) GDP YoY (Q3 F): 4.1% (Mkt: 4.3%; Prev: 4.4%) (US) Richmond Fed Mfg Index (Nov): -9.0 (Mkt: -8.0; Oct: -10.0) | (EZ) ECB Current Account SA (Sep): -8.1b (Aug: -26.9b) | (EZ) Consumer Confidence (Nov P): -23.9 (Mkt: -26.0; Oct: -27.5)

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

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

USD/JPY	141.17	EUR/USD	1.0310
USD/SGD	1.3779	USD/THB	36.11
JPY/SGD	0.9761	USD/MYR	4.573

**Forecast**

USD/JPY	140.40 - 143.00
EUR/USD	1.0200 - 1.0350
AUD/USD	0.6500 - 0.6700
USD/SGD	1.3750 - 1.3890
JPY/SGD	0.9615 - 0.9893
USD/CNH	7.1100 - 7.2800
USD/INR	81.40 - 82.50
USD/IDR	15650 - 15800
USD/MYR	4.550 - 4.650
USD/PHP	57.10 - 58.00
USD/THB	35.80 - 36.40

**Today's Direction**

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

- Squaring slowing growth in the US and Europe with EM-Asia support will land this responsibility to China and India. On the former, renewed implementation of Covid-Zero restrictions in Shanghai and Beijing does not bode well for a smooth re-opening.

- At best, EM-Asia may remain cautiously optimistic with 3/4 of caution and 1/4 of optimism.

**BSP Strikes Again With The Familiar Hawkish Tone**

- BSP Governor Medalla stated that the central bank would keep up rate hikes in lock-step with the US Fed in order backstop PHP volatility.

- The PHP has depreciated more than 10% versus the USD since the start of 2022 and has been a concern for BSP. Earlier in November, it drew a line in the sand at 60 for USD/PHP.

- While the currency pair has since adhered to this line, the pressures on the BSP are more pronounced than for some regional peers.

- Most obviously, headline inflation is showing signs of peaking for other regional peers such as Indonesia and Malaysia but has risen further to 7.7% YoY in October from 6.9% in September.

- This is mainly on account of food CPI remaining elevated, a further sign that imported inflation (given the Philippines imports much of its food needs) is weighing on overall price pressures.

- Core inflation and inflation expectations have also risen recently supported by strong domestic demand but also imported inflation pressures. Given the pressures from PHP depreciation, imported inflation, sticky domestic price pressures and still strong economic growth, it is no surprise that BSP continues to be emphatically hawkish in its policy bias.

**FX Daily Outlook**

- EUR/USD: Attempts will be made to stay above 1.03 though upside limited.

- USD/JPY: Any hawkish upside on FOMC minutes will pull the pair above 142.

- USD/SGD: CNH/CNY buoyancy may allow lower end consolidation of 1.37-1.38.

- AUD/USD: Challenge of 0.67 may fail as RBA's caution prevails.

**TODAY'S EVENTS**

(SG) CPI/Core YoY (Oct): (Mkt: 7.0%/5.3%; Sep: 7.5%/5.3%) | (TH) Customs Trade Balance (Oct): (Mkt: -\$1400; Sep: -\$853m)

(US) New Home Sales (Oct): (Mkt: 575k; Prev: 603k) | (US) Initial Jobless Claims (19 Nov): (Mkt: 225k; 222k)

(US) Uni of Mich. Current Conditions/Expectations (Nov F): (Mkt: 57.8/52.5; Prelim: 57.8/52.7) | (US) Uni of Mich Sentiment (Nov F): (Mkt: 55.0; Prelim: 54.7) | (US) Durable Goods/Non-def Ex-Air Orders (Oct P): (Mkt: 0.4%/0.1%; Prev: 0.4%/-0.4%)

Central Banks: FOMC Minutes

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