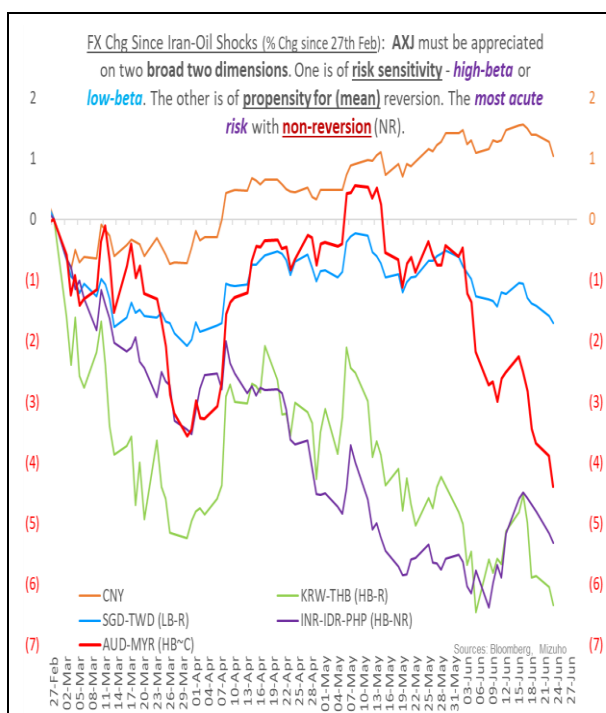


## Silver Linings, Not Bullets

### FX Forecast

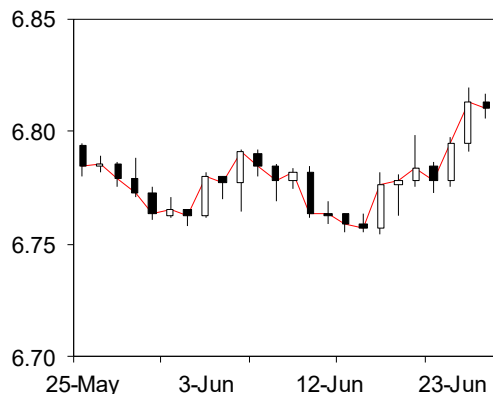
	Q1 26	Q2 26	Q3 26	Q4 26	Q1 27	Q2 27	Q3 27	Q4 27
USD/CNH	6.84-6.994	6.74-6.89	6.63-6.87	6.5-6.85	6.40-6.90	6.35-6.87	6.30-6.85	6.20-6.85
	6.89	6.80	6.75	6.65	6.65	6.62	6.55	6.45
USD/HKD	7.7843-7.8415	7.82-7.85	7.78-7.85	7.77-7.84	7.76-7.83	7.76-7.83	7.76-7.83	7.76-7.83
	7.84	7.83	7.82	7.80	7.80	7.80	7.80	7.80
USD/INR	89.7-95.2	92.5-97.1	92.2-96.5	92.8-97.3	92.5-98.6	90.4-98.8	89.4-98.2	89.4-97.8
	94.5	94.3	93.8	94.3	95.6	95.8	96.2	94.6
USD/KRW	1419-1520	1360-1580	1360-1570	1350-1560	1340-1520	1340-1510	1340-1510	1340-1510
	1519	1530	1510	1490	1480	1460	1450	1460
USD/SGD	1.258-1.294	1.251-1.305	1.249-1.305	1.252-1.295	1.25-1.288	1.242-1.289	1.245-1.295	1.242-1.295
	1.287	1.292	1.278	1.280	1.273	1.268	1.265	1.266
USD/TWD	31.2-32.2	31.2-32.2	30.5-32.7	28.7-32.6	29.1-32.5	29.1-32.5	29.1-32.4	29.1-32.5
	32.0	31.6	31.7	31.4	31.3	31.1	30.8	30.9
USD/IDR	16690-17015	16950-18200	17400-18600	17500-18800	17300-18750	17360-18350	17250-18280	17150-18050
	16995	17880	18150	17960	17950	17550	17600	17400
USD/MYR	3.88-4.08	3.89-4.25	4.04-4.26	3.99-4.2	3.97-4.15	3.97-4.14	3.95-4.12	3.94-4.09
	4.05	4.16	4.18	4.12	4.04	4.02	3.99	4.01
USD/PHP	57.4-60.83	60.3-62.7	60.8-63.4	60.5-63.2	60.2-62.8	60-62.5	59.8-62.2	60.1-62.1
	60.7	61.6	62.5	62.1	61.6	61.1	61.0	61.2
USD/THB	30.8-33.06	30.9-33.7	30.5-33.8	30.6-33.5	30.2-33.5	30.2-33.5	30.2-33.5	30.2-33.5
	33.0	33.3	32.5	32.1	31.9	31.8	31.5	31.6
USD/VND	25870-26363	26000-26375	25700-26900	25500-27000	25500-27000	25500-27000	25500-27000	25500-27000
	26340	26350	26650	26550	26600	26600	26550	26600
AUD/USD	0.663-0.7187	0.691-0.735	0.686-0.738	0.68-0.745	0.685-0.748	0.705-0.762	0.71-0.764	0.705-0.76
	0.690	0.701	0.713	0.722	0.735	0.738	0.743	0.741

Note: For FX forecasts, level in parentheses pertains to period end forecasts; and the period's range precedes this.



The **US-Iran MOU**, which has **re-started** (but far from fully restored) **energy and critical goods flow** through the Straits of Hormuz, is **welcome silver lining**. *Especially for the most beleaguered AXJ* (INR, IDR and PHP). *But* crucially, it is **not a ubiquitous silver bullet** – failing to inspire distinct and durable AXJ turnaround. On the contrary, *many AXJ* (KRW, MYR, THB, AUD) *have fallen further despite softer oil prices* accompanying the MOU. Fact is, **record low starting points** of IDR, INR and PHP (worst-hit by the “Hormuz” disruptions), and **short-covering** arguably **exaggerate relief bounce**. What’s more, **“MOU-Hormuz relief” fortuitously coinciding with intervention, forceful currency support measures** (RBI, BI) and **hawkish action/talk** (BSP and BI) *have accentuated rebound in IDR, INR and PHP*. **But** **payback for FX interventions** conspiring with lagged “Hormuz shocks” that will **disadvantage Asia-US inflation spreads** cast a pall. Especially as **hawkish “Warsh Fed” perceptions despite lingering uncertainty warns of AXJ headwinds**. The corresponding **front-end led, spike in UST yields, has already hobbled a broad swathe of AXJ elsewhere**. Most prominently, **AI shakedown risks intensifying pain** (for AUD, MYR, KRW, THB, SGD, TWD) via **adverse feedback between real, financial and commodity channels**.

### USD/CNH



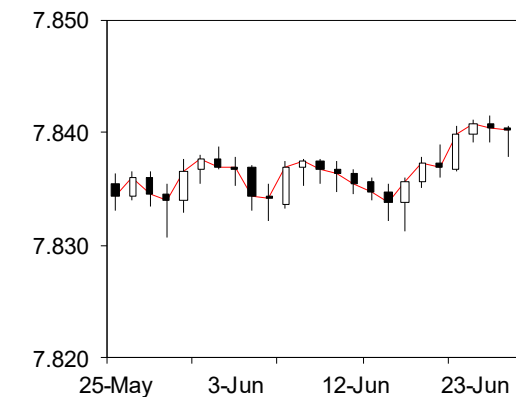
CNH Appreciation(+)/Depreciation(-)					
YTD	+2.4%	QTD	+1.1%	MTD	-0.7%

**Recap:** Despite progress in US-Iran peace talks, USD/CNH has traded sideways in June, confined to a 6.75-6.82 range. While the dollar index has risen above 101 following the hawkish FOMC meeting, CNH has held relatively firm, with the RMB trade-weighted climbing to an 18-month high. This resilience persisted despite the PBoC leaning against RMB appreciation. Month-to-date, the daily fixing has been set 0.6% weaker on average than CFETS-implied levels. Demand for renminbi continues to favour the CNH spot, with the PBoC's FX purchase position rising for five months in a row.

**Outlook:** We expect the RMB to retain a modest appreciation bias, with USD/CNH declining to 6.65 by year-end. Structural demand for RMB assets should remain supported by global geopolitical risks and policy uncertainty, while the PBoC's focus on curbing excessive FX volatility should keep the appreciation path gradual.

Risks to our outlook are relatively balanced. Downside risks could come from a sharper domestic slowdown or a more hawkish Fed policy trajectory. Upside risks could emerge if RMB appreciation expectations become self-reinforcing, though such momentum likely tempered by PBoC intervention.

### USD/HKD

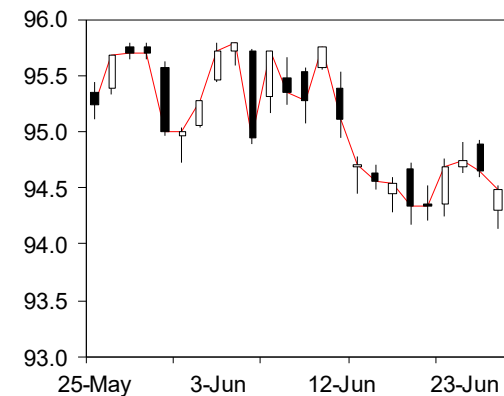


HKD Appreciation(+)/Depreciation(-)					
YTD	-0.7%	QTD	-0.0%	MTD	-0.0%

**Recap:** USD/HKD has briefly crossed above the 7.84 level after the hawkish FOMC meeting. On the liquidity side, the Aggregate Balance has stayed broadly stable around HK\$54bn, suggesting no major structural shift in banking system liquidity. IPO activity remains active, while funding conditions remained relatively tight in the second half of the month. 1-month and 3-month HIBOR moved closer to 3% level.

**Outlook:** The recent strengthening in the USD, driven by a market repricing toward a more aggressive Fed hiking path, has proven stronger than expected, outweighing the impact of tighter HKD liquidity. This dynamic has been further reinforced by the underperformance of the Hang Seng Index and subdued Southbound Stock Connect inflows, which have dampened HKD demand. Against this backdrop, we revise our end-June USD/HKD forecast to 7.83 from 7.82 previously, and lift our 3Q forecast to 7.82.

### USD/INR

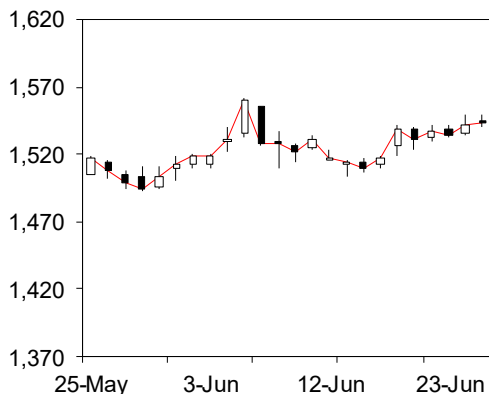


INR Appreciation(+)/Depreciation(-)					
YTD	-5.1%	QTD	+0.4%	MTD	+0.5%

**Recap:** What appeared to be unremitting rupee pressures, during which USD/INR surged to 97, finally abated (to ~94 USD/INR) as a series of rupee support measures by the RBI coincidentally conspired with softening oil prices - the latter on glimmers of hope that the Straits of Hormuz would re-open.

**Outlook:** This however is far more likely to be measured interim relief than an unqualified full recovery to pre-Iran levels (on either side of 90). And it is certainly not the start of sustained rupee "take-off" towards 85 from a year ago. Three key reasons why. First, the "Iran crisis" has merely been alleviated, not durably resolved. So, further energy shocks alongside pipeline fertilizer-food shocks (further compounded by monsoon delays) cast a pall - via inflation as well as external balance deterioration. Second, RBI itself is likely to limit rupee gains give the exceptionally (and unsustainably) high cost of the FCNR program, aimed at attracting inbound flows, will entail payback. Finally, RBI's resistance to hike, juxtaposed against hawkish Fed perceptions, could further pressure rupee via rate differential expectations. As such, we expect USD/INR relief consolidation around 92-94 to drift back up to 94-97 levels later.

### USD/KRW

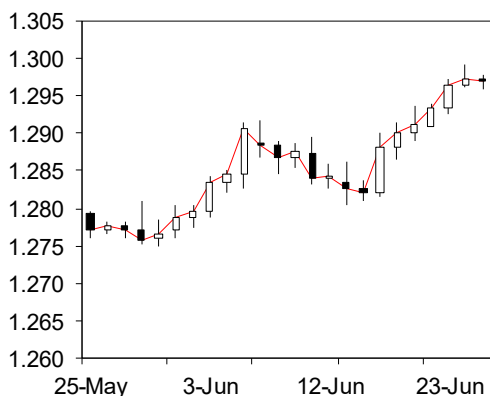


KRW Appreciation(+)/Depreciation(-)			
YTD	-7.2%	QTD	-1.5%
		MTD	-2.6%

**Recap:** KRW underperformed in June on continued outflow from equities amid episodes of wobbly risk sentiments and the drag from higher UST yields. The Bank of Korea had a hawkish hold in late May displaying clear signals on the potential of a rate hike in July. Accelerating inflation prints troubled the BoK with core inflation rising to 2.5% YoY for May.

**Outlook:** While the US-Iran MoU has pared back the upside risks to the inflation outlook, the **initial energy shock coupled with the fiscal stimulus passthrough** imply that inflation may remain elevated with core inflation unlikely to see much reversion from lower fuel prices. Furthermore, with growth of housing prices in Seoul staying elevated, the **BoK remains likely to tighten monetary policy in July**. To be clear, this will be a **measured hike** as authorities will likely take a period of assessment to examine the impact of the increase in rate. In short, Governor Shin is expected to push back on speculation of a hiking cycle but retain the usual vigilance on macroprudential risks from rising household debt levels. On balance, **KRW recovery likely to remain laboured** with intervention risks being mild backstops especially amid potential AI shakedown risks amplified by extended leverage.

### USD/SGD

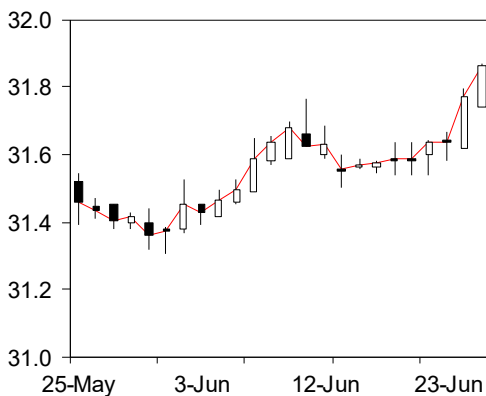


SGD Appreciation(+)/Depreciation(-)			
YTD	-0.9%	QTD	-0.8%
		MTD	-1.6%

**Recap:** SGD pressures from the “Hormuz crisis” have been relatively moderate (vs. AXJ), reflecting; 1) strong external position; 2) some degree of buffer (albeit on limited inventories) to energy shocks, and; 3) the MAS’ FX-driven policy, which by design limits volatility. But despite broader relief on Iran-US MOU, SGD has weakened. Rather than quasi-haven unwind, SGD weakness derives from sharp MYR depreciation, which features prominently in S\$NEER

**Outlook:** To be sure, SGD weakness ought to be backstopped by CNH appreciation (feeding through S\$NEER), strong exports-driven external dynamics and continued capital/wealth inflows. And barring sweeping USD strength, should limit SGD slippage (to 1.30-1.31). What’s more, if we are right impending MAS tightening in October – via “step\* appreciation” and slope increment, likely in that sequence – a level shift up in S\$NEER, and correspondingly SGD (to 1.27-1.28) may be on the cards. Nonetheless, with markets perceiving a hawkish Fed, this lift may be one-off, succumbing to wider, two-way consolidation in AXJ generally.

### USD/TWD

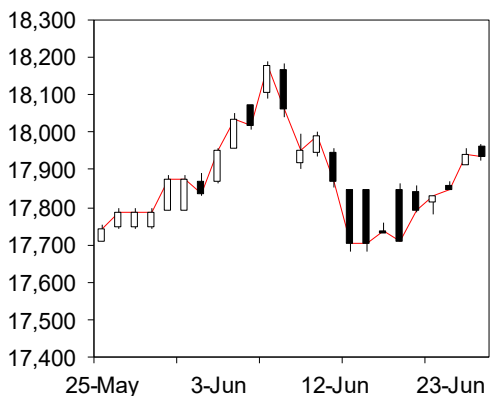


TWD Appreciation(+)/Depreciation(-)			
YTD	-1.4%	QTD	+0.4%
		MTD	-1.6%

**Recap:** Modest slippage for the TWD was largely expected as the rate differentials with USTs widened alongside foreign outflows from equities. A CBD rate hold in Q2 with 2 dissenters (out of 15) reflected both strong economic growth amid semiconductor tailwinds and persistent underlying inflationary pressures. Notably, CBC has flagged the build-up of credit towards equity investment lending as an area to watch for risks management.

**Outlook:** The TWD is expected to remain pressured with USD/TWD buoyant above 31 driven by the structural outflows from yield seeking funds. Nonetheless, the authorities remain on course to stem excessive volatility and weakness with their substantial FX reserves. While current account surpluses remain supportive at face value, **preferences for retaining export proceeds in USD** in view of supply chain diversification needs as well as investments into the US imply that TWD tailwinds are rather limited. USDTWD testing 32 is par for the course on noise of hawkish Fed tendencies and threats on a smaller Fed balance sheet. Subsequent recovery hinges on shifts in perspectives on Kevin Warsh.

**USD/IDR**

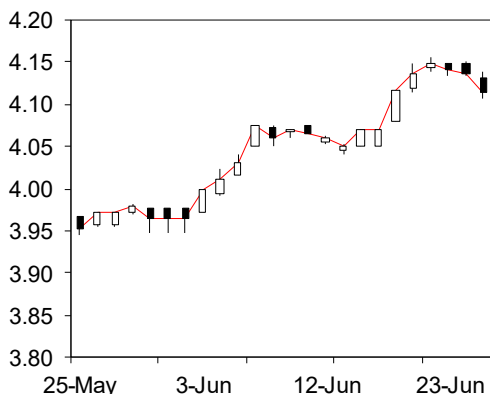


IDR Appreciation(+)/Depreciation(-)					
YTD	-7.5%	QTD	-5.5%	MTD	-0.3%

**Recap:** The IDR continued to depreciate to successive record weakness against the USD amid a confluence of fiscal concerns, capital outflows driven by weakening investor confidence and a worsening current account deficit. To stabilise the rupiah, BI delivered an off cycle 25bp hike with complementary market measures followed by a further 25bp rate hike at its scheduled meeting. These moves helped ease depreciation pressures, allowing the IDR to recover some losses, which was further supported by a decline in oil prices.

**Outlook:** The IDR outlook remains challenging amid persistent underlying domestic vulnerabilities and risks from potential Fed policy tightening. Investor sentiment has been eroded, with broader concerns over policy credibility following recent policy changes, including the closer oversight of commodity exports and increased legislative oversight over BI. S&P's sovereign credit review in July and MSCI's delayed equities market classification review in November are key watch points, though MSCI downgrade risks have eased. As such, we expect two more rate hikes in H2 2026 to assist the IDR to withstand bouts of USD strength. Overall, the IDR is likely to remain pressured in the near term while recovery in 2027 will likely fall short of regional peers.

**USD/MYR**

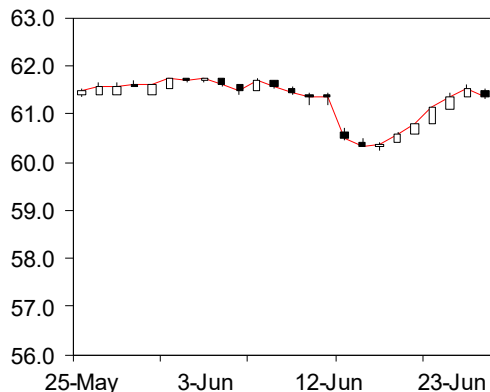


MYR Appreciation(+)/Depreciation(-)					
YTD	-1.3%	QTD	-1.6%	MTD	-3.8%

**Recap:** MYR came under intensified depreciation pressures, emerging as the worst performer among regional peers in June and reversing its earlier gains for the year. This was driven by softer oil prices weighing on its status as an energy exporter, alongside unfavourable rate differentials as UST yields remained elevated while BNM has stayed on hold since July 2025. Political uncertainties have also increased, with two upcoming state elections set to test domestic stability.

**Outlook:** MYR is likely to see underperformance in the near term amid softer oil prices and elevated UST yields with BNM's policy pause providing little backstop. BNM is likely to remain on a prolonged hold given muted inflation pressures and downside risks to growth from potential slowing of the semiconductor cycle. Additionally, the recent reintroduction of a blanket diesel subsidy in Peninsular Malaysia risks derailing ongoing fiscal consolidation efforts. While volatility may rise ahead of key political events, the MYR could subsequently stabilise and rebound towards 4.05 as these uncertainties ease, supported by Malaysia's relatively strong macro fundamentals.

**USD/PHP**

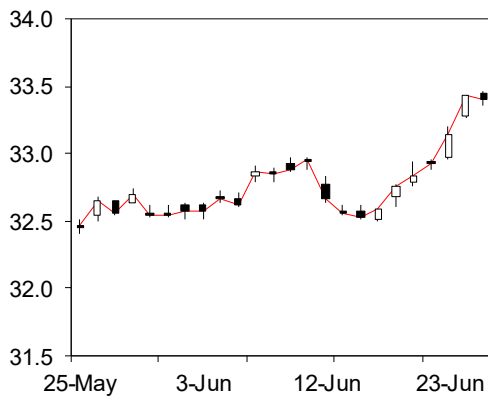


PHP Appreciation(+)/Depreciation(-)					
YTD	-4.3%	QTD	-1.0%	MTD	+0.4%

**Recap:** PHP eked out marginal gains, appreciating in early June on softer oil prices but surrendering some gains following the hawkish FOMC meeting. Headline inflation eased slightly to 6.8% in May but elevated core inflation print (4.1% YoY) indicate that second round effects have not dissipated. The recent softer inflation print and oil prices likely led BSP to opt for a more measured tightening pace to provide marginal support for growth.

**Outlook:** PHP is likely to remain under pressure in the near term amid higher front-end UST yields even as oil prices remain subdued. Additionally, second round inflationary pressures and a more gradual pace of tightening by BSP provide limited backstop with negative real rates. With inflation expected to remain above the 2-4% target range through 2026-2027, this sets BSP up for a longer tightening cycle that risks weighing on growth. A modest recovery consolidation is par for the course on Fed checking hawkish tendencies and cost shocks being contained further out.

### USD/THB

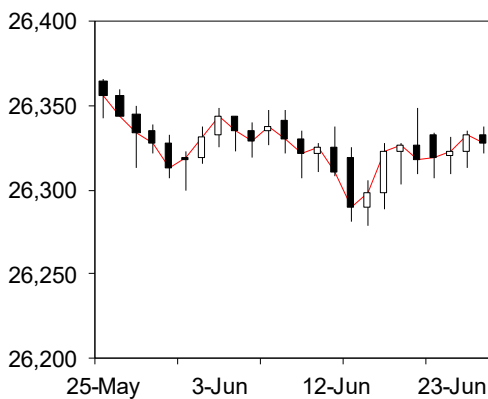


THB Appreciation(+)/Depreciation(-)			
YTD	-6.0%	QTD	-1.3%
		MTD	-2.6%

**Recap:** With **higher UST yields decimating gold prices, the THB underperformed in June.** USDTHB soared above 33 despite economic growth coming in better than initially envisaged. Various measures such as the Thai Help Thai plus and Thailand FastPass have also been launched to boost consumption and encourage investments. The BoT's widely expected rate hold also reflected the need to keep monetary policy stance accommodative to support the still nascent growth recovery.

**Outlook:** Consequently, with a rate hold till late 2026 being our base case, THB's recovery to below mid-32 in the near term is a hobbled one on a lacklustre gold price performance. Elevated UST yields continue to dent the assets allure while fading global inflation worries also dampens demand for inflation hedge. Furthermore, potential reversal of USD debasement trades under Fed Chair Kevin Warsh also tempers gold demand and props up USD. THB's gain in 2027 is premised on firmer economic recovery on consumption and investment spending as well as improving tourism arrivals amid lower jet fuel cost and restoration of routes accentuating on-going recovery in the Chinese tourist inflows.

### USD/VND

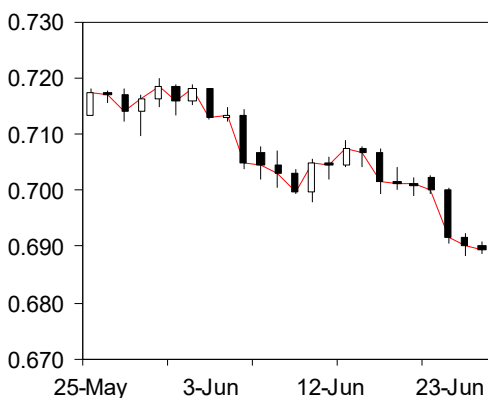


VND Appreciation(+)/Depreciation(-)			
YTD	-0.1%	QTD	+0.0%
		MTD	-0.1%

**Recap:** Inflation prints showed acceleration with May headline and core inflation at 5.6% and 4.7% YoY respectively reflecting both supply side shocks from higher energy prices and supply chain disruptions and buoyant domestic demand. Robust industrial production and growing tourism arrivals continue to imply broad based economic growth. The VND traded sideways in a very narrow range despite sharp volatility in global markets. Notably, the VND is trading with more headroom to its upper limit implying little need for intervention in the near term.

**Outlook:** Consequently, the **VND is likely to remain stable in the near term** with softer oil prices reducing the threat on their current account surplus and FX reserves. While inflation prints are likely to remain elevated, calls by the SBV to commercial banks urging them to lower lending rates reflecting continued focus on growth. Accordingly, a prolong rate hold is par for the course into 2026 and 2027. With **EI Nino effect being upgraded into a potential super EI-Nino**, we watch for potential droughts disrupting hydropower generations as well as agricultural yields.

### AUD/USD



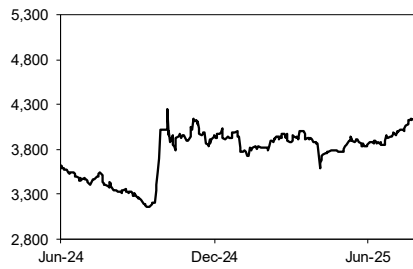
AUD Appreciation(+)/Depreciation(-)			
YTD	+3.3%	QTD	-0.1%
		MTD	-4.1%

**Recap:** The AUD has underperformed in June as the surge in USTs and softer oil prices conspired with a dismal GDP growth print which pare back odds of the RBA hiking rates in August. To be clear, the RBA signalled a clear openness to further hikes in August. **Higher trimmed mean inflation in May alongside lower unemployment rate** implies that RBA may not call time on their hiking cycle just yet.

**Outlook:** While the recent setbacks to the AUD on wobbly risks sentiment necessitate a recalibration of near-term AUD levels, a trajectory of recovery is still envisaged. To be clear, an August hike is not an outright given as the July CPI print which reflects the price pressures following the expiry of the fuel excise tax cut will only be released after the August meeting. This in turn puts a rate hike in play at the September meeting even though it is a meeting without a full set of revised forecasts. Further out in 2027, the RBA is likely to keep a dovish hold as the restrictive stance transmits through the economy. Further out, firm commodity demand amid the resilient semiconductor cycle ought to backstop the AUD in the medium term even though rallies may be more lethargic in the shorter term as risks sentiments wobble.

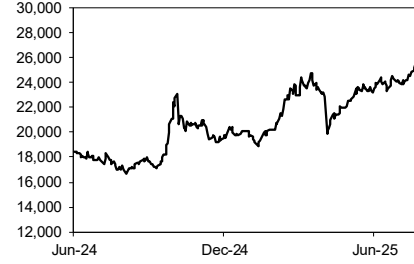
# Annex A - Equities

## China



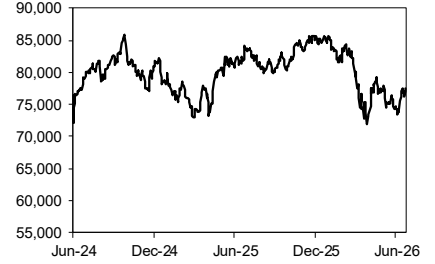
SHSZ300 Index					
YTD	+8.1%	QTD	+12.5%	MTD	+2.3%

## Hong Kong



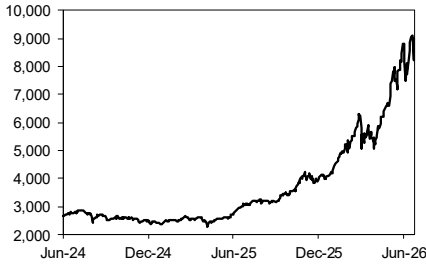
Hang Seng Index					
YTD	-10.2%	QTD	-7.2%	MTD	-8.6%

## India



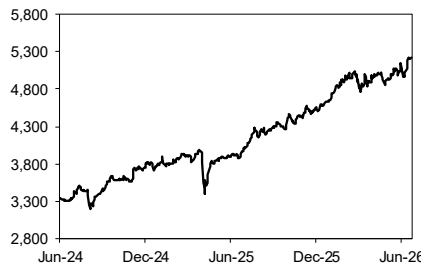
Sensex Index					
YTD	-9.1%	QTD	+7.7%	MTD	+3.6%

## South Korea



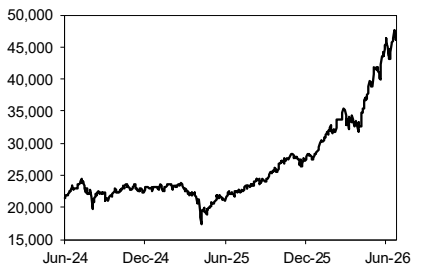
KOSPI Index					
YTD	+13.4%	QTD	+78.0%	MTD	+6.1%

## Singapore



STI Index					
YTD	+12.3%	QTD	+6.8%	MTD	+3.6%

## Taiwan



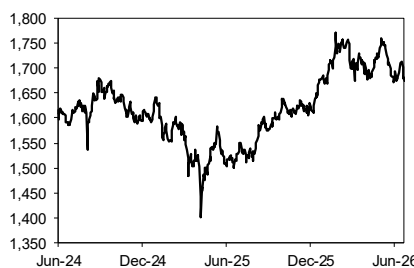
TWSE Index					
YTD	+60.6%	QTD	+46.6%	MTD	+4.0%

## Indonesia



JCI Index					
YTD	-30.1%	QTD	-14.3%	MTD	-1.4%

## Malaysia



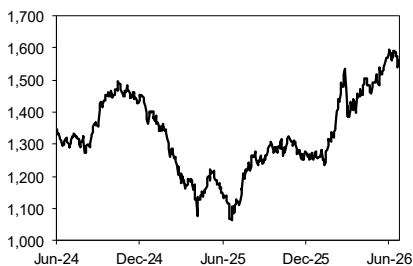
FBKLCI Index					
YTD	-0.3%	QTD	-0.9%	MTD	-0.5%

## Philippines



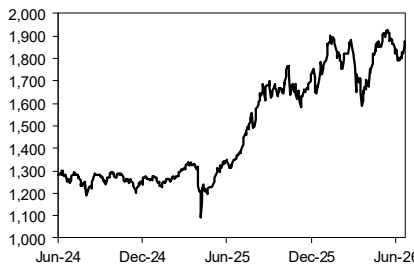
PCOMP Index					
YTD	+0.4%	QTD	+2.2%	MTD	+5.4%

## Thailand



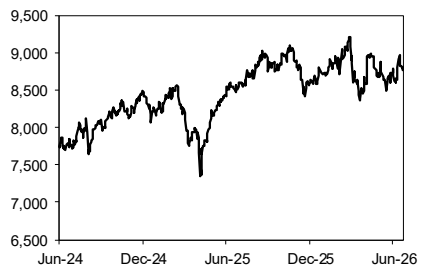
SET Index					
YTD	+23.9%	QTD	+7.7%	MTD	-0.5%

## Vietnam



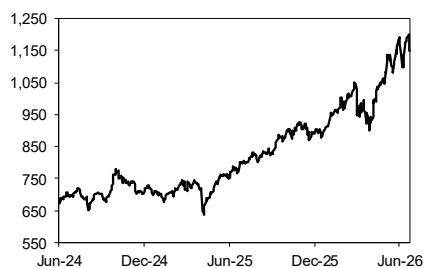
VNINDEX Index					
YTD	+4.3%	QTD	+11.2%	MTD	-0.1%

## Australia



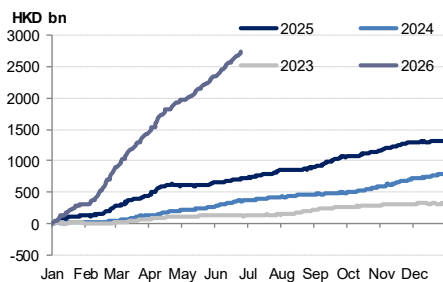
AS51 Index					
YTD	+0.5%	QTD	+3.3%	MTD	+0.3%

MSCI Asia ex-Japan

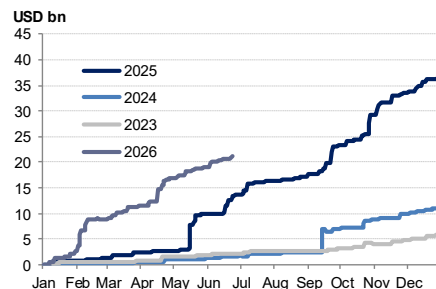


MXASJ Index					
YTD	+26.0%	QTD	+27.8%	MTD	-0.9%

Stock Connect (SH+SZ) net Inflow to HK



IPO Syndicated in HK



## Annex B – Forecasts

### Central Bank Policy Rate Outlook

Country	Q3 25	Q4 25	Q1 26	Q2 26	Q3 26	Q4 26	Q1 27	Q2 27	Q3 27	Q4 27
China	1.40%	1.40%	1.40%	1.40%	1.40%	1.30%	1.30%	1.30%	1.30%	1.30%
India	5.50%	5.25%	5.25%	5.25%	5.50%	5.75%	5.75%	5.75%	5.75%	5.75%
Korea	2.50%	2.50%	2.50%	2.50%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Singapore	M: Hold	M: Hold	M: Hold	M: Hold	M: Hold	M: Upward Recentering	M: Hold	M: Hold	M: Hold	M: Hold
	S: 1.0%	S: 1.0%	S: 1.0%	S: 1.5%	S: 1.5%	S: 1.5%	S: 1.5%	S: 1.5%	S: 1.5%	S: 1.5%
	W: Hold	W: Hold	W: Hold	W: Hold	W: Hold	W: Hold	W: Hold	W: Hold	W: Hold	W: Hold
Taiwan	2.00%	2.00%	2.00%	2.125%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%
Indonesia	4.75%	4.75%	4.75%	5.75%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%
Malaysia	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Philippines	5.00%	4.50%	4.25%	4.75%	5.00%	5.25%	5.25%	5.25%	5.25%	5.25%
Thailand	1.50%	1.25%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%	1.25%	1.25%
Vietnam	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Australia	3.60%	3.60%	4.10%	4.35%	4.60%	4.60%	4.60%	4.60%	4.60%	4.60%

\*The MAS conducts monetary policy via FX. Specifically, it adopts a trade-weighted SGD appreciation at "modest and gradual" pace (estimated at 2% per annum as default).

S: Slope (expressed as per annum % appreciation), M: Mid Point, W: Width of S\$NEER

### GDP Forecast (% YoY)

	Q4 25	Q1 26	Q2 26	Q3 26	Q4 26	Q1 27	Q2 27	Q3 27	Q4 27	2024	2025	2026	2027
China	4.5	5.0	4.6	4.4	4.5	4.5	4.7	5.0	5.0	5.0	5.0	4.6	4.8
Hong Kong	3.8	5.9	2.8	3.0	2.8	1.8	2.3	2.2	2.1	2.6	3.5	3.6	2.1
India	7.8	7.8	5.8	5.6	5.8	6.2	6.5	6.4	6.7	6.7	7.1	6.0	6.5
Korea	1.6	3.8	3.0	2.5	3.3	2.4	3.4	2.9	3.1	2.0	1.1	3.2	2.9
Singapore	5.7	6.0	3.9	3.1	2.5	2.8	2.4	2.3	2.2	4.4	4.8	3.9	2.4
Taiwan	12.7	14.5	11.3	10.4	5.7	3.2	3.4	3.1	3.1	5.3	8.7	10.5	3.2
Indonesia	5.4	5.6	4.6	4.4	4.6	5.1	5.1	4.9	5.1	5.0	5.1	4.8	5.1
Malaysia	6.3	5.3	5.0	4.6	4.4	4.2	4.3	4.2	4.5	5.1	5.2	4.8	4.3
Philippines	3.0	2.8	2.1	4.2	6.1	7.0	7.6	6.3	5.2	5.7	4.4	3.8	6.5
Thailand	2.5	2.8	2.6	3.6	2.0	2.2	2.5	2.6	2.7	2.5	2.4	2.7	2.5
Vietnam	8.5	7.8	7.4	7.6	7.7	7.0	7.2	6.8	7.0	7.1	8.1	7.5	7.0
Australia	2.6	2.5	2.3	2.5	2.1	2.0	2.1	2.1	2.2	1.1	1.8	2.4	2.1

**Inflation (% YoY)**

	Q4 25	Q1 26	Q2 26	Q3 26	Q4 26	Q1 27	Q2 27	Q3 27	Q4 27	2024	2025	2026	2027
China	0.6	0.8	1.2	0.9	0.4	0.4	0.5	1.3	1.7	0.2	0.1	0.8	1.0
Hong Kong	1.3	1.7	2.1	2.0	2.0	2.2	1.6	1.9	2.1	1.8	1.4	2.0	1.9
India	0.6	3.1	3.8	5.4	6.3	5.6	4.7	4.4	4.2	4.9	2.2	4.7	4.7
Korea	2.4	2.1	2.9	3.1	3.0	2.8	2.5	2.4	2.4	2.3	2.2	2.8	2.5
Singapore	1.2	1.5	1.9	2.6	2.7	3.1	2.5	2.4	2.4	2.4	0.9	2.2	2.6
Taiwan	1.3	1.2	2.2	2.6	2.4	1.9	1.7	1.6	1.7	2.2	1.7	2.1	1.7
Indonesia	2.8	3.9	2.8	3.2	3.3	2.8	3.0	2.5	2.3	3.7	1.9	3.3	2.7
Malaysia	1.4	1.6	2.0	2.3	2.7	2.6	2.2	2.1	2.1	1.8	1.4	2.1	2.2
Philippines	1.7	3.0	7.0	7.3	7.6	6.6	3.9	3.8	3.6	3.2	1.7	6.2	4.5
Thailand	-0.5	-0.5	3.0	3.8	3.6	3.9	2.6	0.5	1.1	0.4	0.1	2.5	1.6
Vietnam	3.4	3.4	5.5	4.8	4.7	4.6	4.0	3.8	4.1	3.6	3.3	4.6	4.1
Australia	3.6	4.1	4.6	4.5	4.3	3.9	3.4	3.3	3.3	3.2	2.8	4.4	3.5

**Macro Assumptions**

	Q4 25	Q1 26	Q2 26	Q3 26	Q4 26	Q1 2027	Q2 2027	Q3 2027	Q4 2027
Fed	3.50-3.75%	3.50-3.75%	3.50-3.75%	3.50-3.75%	3.25-3.50%	3.00%-3.25%	2.75%-3.00%	2.75%-3.00%	2.75%-3.00%
ECB	2.00%	2.00%	2.25%	2.25%	2.50%	2.50%	2.50%	2.25%	2.25%
BoJ	0.75%	0.75%	1.00%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
DXY	98.32	99.96	101.2	100.6	99.2	96.5	96.8	96.3	96.2
	97.5-100.4	95.5-100.7	97.5-102.5	97.2-102.5	97.0-101.5	93.8-101.3	94.2-98.3	94.2-98.8	93.8-98.8
Brent Crude (US\$/bbl)	60.85	118.35	80.6	88.5	86.8	78.8	74.6	78.5	78.5
	58.7-66.8	59.9-118.4	71.5-126.5	72.6-105.8	69.5-95.6	66.8-94.5	60.5-88.6	62.0-84.5	62.5-92.6

## Macro Research, Asia ex-Japan

Vishnu Varathan

Managing Director, Head of Macro Strategy

vishnu.varathan@mizuho-cb.com

Tan Boon Heng

Director, Senior Macro Strategist

boonheng.tan@mizuho-cb.com

Serena Zhou

Director, Senior China Strategist

serena.zhou@mizuho-cb.com

Ng Jing Wen

Associate, Macro Strategist

jingwen.ng@mizuho-cb.com

Johnny Wong

Vice President, Macro Strategist

johnny.wong@mizuho-cb.com

**MARKET COMMENTARY DISCLAIMER****THIS DOCUMENT IS NOT A RESEARCH REPORT AND IS NOT INTENDED AS SUCH.**

Unless stated otherwise in the country specific distribution information below, this document has not been prepared in accordance with legal requirements in any country or jurisdiction designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research. It is intended for informational purposes only and does not purport to make any investment recommendations.

This document has been prepared solely for the information of the intended recipients. Recipients in any jurisdiction should contact your usual Mizuho contact in relation to any matters arising from, or in connection, with this document.

This document has been prepared by Mizuho Bank, Ltd., Singapore Branch ("**MBSG**"), a full bank, exempt capital markets services entity and exempt financial adviser regulated by the Monetary Authority of Singapore ("**MAS**"), Mizuho Bank, Ltd., Hong Kong Branch ("**MBHK**"), a licensed bank regulated by the Hong Kong Monetary Authority, with business address at 12/F, K11 Atelier, 18 Salisbury Road, Tsim Sha Tsui, Kowloon, Hong Kong, Mizuho Bank, Ltd., Sydney Branch, an authorised deposit-taking institution regulated by the Australian Prudential Regulation Authority and holder of an Australian financial services licence ("**MBAU**"), Mizuho Securities Asia Limited ("**MHSA**"), licensed and regulated by the Hong Kong Securities and Futures Commission and/or Mizuho Securities (Singapore) Pte. Ltd. ("**MHSS**"), a holder of a capital markets services licence and an exempt financial adviser regulated by the MAS, as the case may be.

**This does not constitute investment or personal advice.**

This document has been prepared solely for the purpose of supplying general market information and/or commentary for general information purposes to clients of MBSG, MBHK, MBAU, MHSA, MHSS and their affiliates (collectively, "**Mizuho**") to whom it is distributed, and does not take into account the specific investment objectives, financial situation or particular needs of any client or class of clients and it is not prepared for any client or class of clients.

**This is not an offer or solicitation.**

This document is not and should not be construed as an offer to buy or sell or solicitation to enter into any transaction or adopt any hedging, trading or investment strategy, in relation to any securities or other financial instruments.

**Mizuho shall have no liability for contents.**

This document has been prepared solely from publicly available information. Information contained herein and the data underlying it have been obtained from, or based upon, sources believed by Mizuho to be reliable, but no assurance can be given that the information, data or any computations based thereon are accurate or complete and Mizuho has not independently verified such information and data. Mizuho is not obliged to update any of the information and data contained in this document.

Mizuho makes no representation or warranty of any kind, express, implied or statutory, regarding, but not limited to, the accuracy of this document or the completeness of any information contained or referred to in this document. Mizuho accepts no liability and will not be liable for any loss or damage arising directly or indirectly (including special, incidental or consequential loss or damage) arising from or in connection with any person's use or reliance of this document or the information contained in this document.

**Information contained herein is no indication of future performance.**

Some of the statements contained in this document may be considered forward-looking statements which provide current expectations or forecasts of future events. Any opinions, projections, forecasts and estimates expressed in the document are solely those of Mizuho based on factors it considers relevant as at the date of the document and are subject to change without notice. Past performance is not indicative of future performance. Consequently, no expressed or implied warranty can be made regarding the projections and forecasts of future performance stated therein.

**This material is confidential.**

This document is intended for the exclusive use by the recipients, and is provided with the express understanding that the information contained herein will be regarded and treated as strictly confidential. All recipients may not reproduce or use this document in whole or in part, for any other purpose, nor disclose, furnish nor distribute this document to any other persons without the prior written permission of Mizuho. Any such reproduction, use, delivery or distribution in form or to any jurisdiction may be effected only in accordance with all applicable laws and regulations in the relevant jurisdiction(s).

**Disclosure regarding potential conflicts of interest.**

Mizuho, its connected companies, employees or clients may at any time, to the extent permitted by applicable law and/or regulation, take the other side of any order by you, enter into transactions contrary to any recommendations contained herein or have positions or make markets or act as principal or agent in transactions in any securities mentioned herein or derivative transactions relating thereto or perform or seek financial or advisory services for the issuers of those securities or financial instruments referred therein. Accordingly, Mizuho, its connected companies or employees may have a conflict of interest that could affect the objectivity of this document. This document has been prepared by employees who may interact with Mizuho's trading desks, sales and other related personnel when forming the views and contents contained within.

**Financial instruments may not be for sale to all categories of investors.**

There are risks associated with the financial instruments and transactions referred to in this document. Investors should not rely on any contents of this document in making any investment decisions and should consult their own financial, legal, accounting and tax advisors about the risks, the appropriate tools to analyse an investment and the suitability of an investment in their particular circumstances. Mizuho is not responsible for assessing the suitability of any investment. Investment decisions and the responsibility for any investments are the sole responsibility of the investor. Neither Mizuho nor of its directors, employees or agents accepts any liability whatsoever with respect to the use of this document or its contents.

**WARNING: THE CONTENTS OF THIS DOCUMENT HAVE NOT BEEN REVIEWED BY ANY REGULATORY AUTHORITY. YOU ARE ADVISED TO EXERCISE CAUTION IN RELATION TO SUCH CONTENTS. THIS DOCUMENT IS NOT INTENDED TO CONSTITUTE ANY INVESTMENT, LEGAL, FINANCIAL, BUSINESS, ACCOUNTING, TAXATION OR OTHER ADVICE. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD SEEK PROFESSIONAL ADVICE FROM YOUR RELEVANT ADVISERS ABOUT YOUR PARTICULAR CIRCUMSTANCES. YOU ARE RESPONSIBLE FOR YOUR OWN INVESTMENT CHOICES.**

This document is not directed to, or intended for distribution to or use by, any person who is a citizen or resident of, or entity located in, any locality, territory, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to or restricted by law or regulation. Persons or entities into whose possession this document comes should inform themselves about and observe such restrictions.

**COUNTRY SPECIFIC DISTRIBUTION INFORMATION**

**Australia:** This document is intended only for persons who are sophisticated or professional investors for the purposes of section 708 of the *Corporation Act 2001* (Cth) of Australia ("**Corporations Act**"), or "wholesale clients" for the purpose of section 761G of the *Corporations Act*. It is not intended for and should not be passed on, directly or indirectly, to other classes of persons/investors in Australia. In Australia, Mizuho Bank, Ltd. Sydney Branch ("**MBSO**") is an authorised deposit-taking institution regulated by the Australian Prudential Regulation Authority in accordance with the *Banking Act 1959* (Cth), and holds an Australian financial services licence number 231240 (**AFSL**). Mizuho Securities Asia Limited (ABRN 603425912) and Mizuho Securities (Singapore) Pte. Ltd. (ARBN 132105545) are registered foreign companies in Australia and are each exempt from the requirement to hold an AFSL under the *ASIC Corporations (Repeal and Transitional) Instrument 2023/588*. MHSA is licensed by the Hong Kong Securities and Futures Commission under Hong Kong laws and MHSS is licensed by the Monetary Authority of Singapore under Singapore laws, which laws differ from Australian laws respectively.

**Costa Rica:** Nothing in this document constitutes a representation that any investment strategy or recommendation contained herein is suitable or appropriate to a recipient's individual circumstances or otherwise constitutes a personal recommendation. This document is published solely for information purposes, it does not constitute an advertisement and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. In accordance with local laws, it does not constitute a public offering of securities under Regulations for Public Offering of Securities (National Counsel of Financial System Supervision, article 11 of Session Act 571-2006), and therefore cannot be understood and interpreted as an implicit or explicit offering that intends to place, issue, negotiate or trade securities transmitted by any means to the public or to certain groups. This document will not be disclosed to groups of more than 50 investors.

**Guatemala:** This document does not constitute an offering under the rules of the Ley del Mercado de Valores y Mercancías (Stock Exchange Act, Decree 34-96 of the Congress of the Republic of Guatemala), and any of its amendments, including without limitation, Decree 49-2008 of the Congress of the Republic of Guatemala, and its applicable regulation (Governmental Accord 557-97). The document will not be registered for public offering with the Securities Market Registry of Guatemala (Registro del Mercado de Valores y Mercancías), because the products will not be offered or sold: (1) to any person in an open market, directly or indirectly, by means of mass communication; (2) through a third party or intermediary to any individual person or entity that is considered an institutional investor, including entities that are under the supervision of the Guatemalan Superintendency of Banks (Superintendencia de Bancos), the Guatemalan banking regulator, the Guatemalan Social Security Institute (Instituto Guatemalteco de Seguridad Social) and its affiliates; (3) through a third party or intermediary to any entity or vehicle used for purposes of collective investment; or (4) to more than 35 individual persons or entities.

**Hong Kong:** This document, when distributed in Hong Kong ("HK"), is distributed by MHSA or MBHK, depending of the Mizuho entity which you are a client of.

**Japan:** This document is intended only for certain categories of persons to whom a foreign securities broker is allowed to carry out regulated activities under the relevant articles of the Financial Instruments and Exchange Act (the "Act") and the subordinate legislative instruments (as amended), including but not limited to Financial Services Providers who are engaged in an Investment Management and certain Financial Institutions subject to conditions and limitations in Article 17-3(i) of the Order for Enforcement of the Act. It is solely for the use of such investors and shall not be distributed, forwarded, passed on or disseminated to any other person. This document is solely for the purpose of supplying general information and shall not constitute any investment or financial advice in relation to any products or services.

**Malaysia:** These documents shall be distributed solely to existing subscribers or clients of Mizuho Securities, and do not constitute an invitation, offer, or recommendation to subscribe for or purchase any securities mentioned therein. These materials also do not, whether directly or indirectly, refer to a prospectus in respect of securities of a corporation; in the case of a unit trust scheme or prescribed investment scheme, a prospectus in respect of any unit of the unit trust scheme or prescribed investment scheme, as the case may be; an issue, intended issue, offer, intended offer, invitation or intended invitation in respect of securities; or another notice that refers to a prospectus in relation to an issue, intended issue, offer, intended offer, invitation or intended invitation in respect of securities. Whilst there may be statements concerning securities and/or derivatives of a certain corporation or entity in these materials, we wish to highlight that these do not constitute, whether directly or indirectly, any form of advice, recommendation, encouragement, promotion, analysis, report or inducement to take any action, i.e., to buy, sell, or hold any securities and/or derivatives, nor is it a form of inducement for the reader to take any position regarding a particular class, sector, or instrument in relation to the securities and/or derivatives so mentioned.

**New Zealand:** This document is intended only for persons who are "wholesale investors" and "wholesale clients" under the Financial Markets Conduct Act 2013 ("FMCA"), as persons who are an "investment business", meet relevant investment activity criteria, are "large" or are a "government agency", in each case within the meaning of clauses 37 to 40 of Schedule 1 of the FMCA. It is not intended for, and should not be reproduced or distributed in any form to any other person in New Zealand. This document is distributed in New Zealand by MHSA or MHSS, which are licensed in their respective jurisdictions but are not registered as overseas companies or financial service providers in New Zealand or licensed under the FMCA. Nothing in this document constitutes or is supplied in connection with a regulated offer nor an offer to the public within the meaning of the FMCA.

**Singapore:** This document is distributed in Singapore by MBSG or MHSS, a holder of a capital markets services licence and an exempt financial adviser regulated by the MAS. Nothing in this document shall be construed as a recommendation, advertisement or advice to transact in any investment product mentioned herein.

Where the materials may contain a recommendation or opinion concerning an investment product, MHSS is exempted from complying with sections 34, 36 and 45 of the Financial Advisers Act 2001 of Singapore. This document is only intended for distribution to "institutional investors", "accredited investors" or "expert investors", as defined under the Financial Advisers Regulations, and is solely for the use of such investors. It shall not be distributed, forwarded, passed or disseminated to any other person.

**South Korea:** This document is distributed in South Korea by Mizuho Securities Asia Limited, Seoul branch solely acting as a broker of debt securities under the Korea Financial Investment Services and Capital Markets Act.

**Switzerland:** This document is not intended to be relied upon as a forecast, research or investment advice, and is not a recommendation, offer or solicitation to buy or sell any financial instrument or to adopt any investment strategy mentioned in this document. The information contained on this document shall not be construed to be an advertisement for any of the financial instruments or services mentioned herein.

**Taiwan:** This document distributed via MHSA or MHSS from outside Taiwan shall not be re-distributed within Taiwan and does not constitute recommendation of, and may not be used as a basis for recommendation of, securities within Taiwan. This document may not be distributed to the public media or used by the public media without prior written consent of MHSA or MHSS (as the case may be).

**Thailand:** This document does not constitute any investment or financial advice or any general advice in relation to any products or services and, when distributed in Thailand, is intended only for "institutional investors", as defined in the Notification of the Office of the Securities and Exchange Commission No. Gor Thor. 1/2560 Re: Provision of Advice to the Public which is not classified as the undertaking of Investment Advisory Business dated 12 January 2017 (as amended). It is solely for the use of such investors and shall not be distributed, forwarded, passed on or disseminated to any other person. The distribution of this document to such institutional investors in Thailand, is solely for the purpose of supplying general information, without charge. It neither constitutes any intention to conduct, or any engagement in any securities business, service business, investment or financial advisory business, or any other business in Thailand, for which Thai licensing is required, nor marketing, offering, solicitation or sale of any products, securities, or services to customers, potential customers or any person in Thailand.

**United Arab Emirates (excluding the Dubai International Financial Centre and the Abu Dhabi Global Market):** This document is intended only for persons who qualify as professional investors as defined in the Securities and Commodities Authority ("SCA") Rulebook. It is not intended for or should not be passed on, directly or indirectly, to other classes of persons/investors in the United Arab Emirates. The contents of this document have not been reviewed or approved by, or deposited with, the Central Bank of the United Arab Emirates, SCA or any other regulatory authority in the United Arab Emirates. If you do not understand the contents of this document you should consult an authorised financial adviser.

**United Kingdom / Germany / European Economic Area:** This document is being distributed in the United Kingdom by Mizuho International plc ("MHI"), 30 Old Bailey, London EC4M 7AU. MHI is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority and is a member of the London Stock Exchange. This document may be distributed in the European Economic Area by MHI or Mizuho Securities Europe GmbH ("MHEU"), Taunustor 1, 60310 Frankfurt, Germany. MHEU is authorised and regulated by the Bundesanstalt für Finanzdienstleistungsaufsicht ("BaFin"). For the avoidance of doubt this report is not intended for persons who are Retail Clients within the meaning of the FCA's or the BaFin's rules. Details of organizational and administrative controls for the prevention and avoidance of conflicts of interest can be found at <https://www.mizuhoemea.com>.

**United States:** This document is being distributed in the United States by Mizuho Securities USA LLC ("MSUSA") and is the responsibility of MSUSA. The content of publications distributed directly to US customers by non-US members of Mizuho Securities is the responsibility of such member of Mizuho Securities which distributed it. US investors must affect any order for a security that is the subject of this document through MSUSA. For more information, or to place an order for a security, please contact your MSUSA representative by telephone at 1-212-209-9300 or by mail at 1271 Avenue of the Americas, New York, NY 10020, USA. MSUSA acts as agent for non-US members of Mizuho Securities for transactions by US investors in foreign sovereign and corporate debt securities and related instruments. MSUSA does not guarantee such transactions or participate in the settlement process.

© Mizuho Bank, Ltd. ("MHBK"), MHSA and MHSS. All Rights Reserved. This document may not be altered, reproduced, disclosed or redistributed, or passed on to any other party, in whole or in part, and no commercial use or benefit may be derived from this document without the prior written consent of MHBK, MHSA or MHSS.