Economics & Strategy Research

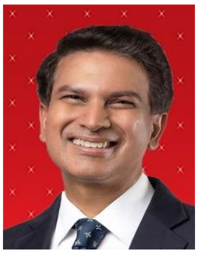
Macro Insights Weekly

Singapore's Census: Older, richer, smarter

Economics/Strategy/Rates/FX/Credit

Group Research

June 21, 2021



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Key data release and events this week:

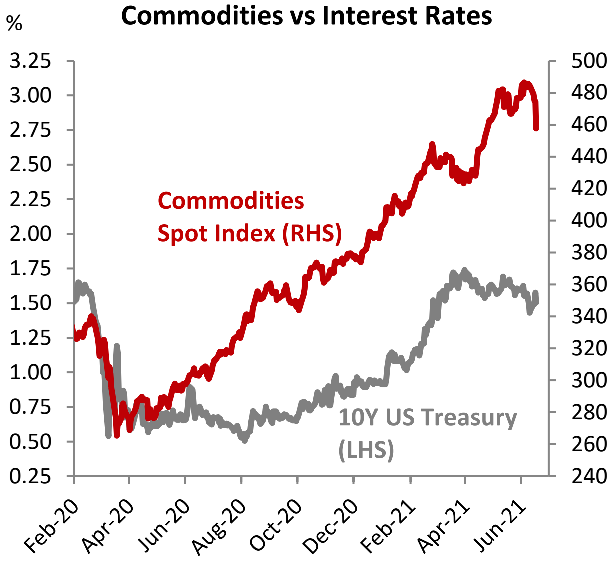
- The CPI of Singapore is expected to ease to 1.7% YoY in May from 2.1% previously.
- Hong Kong's CPI is expected to edge up from 0.7% in April to 1.0% in May.
- Taiwan's May export orders are expected to post 40% YoY, a similar rate compared to 42.6% in April.

- *Singapore's 2020 Census reveals a society that continues to attain more wealth and education, with a marked rise in the proportion of elderly population and a steady shrinkage of family size.*
- *Real annual household income has grown by an average of 2.8% during the course of the last decade*
- *33% of the above 25 population are university graduates, from 23.7% a decade ago*
- *Aging continues; the proportion of resident households with at least one member aged 65+ rose from 24.1% in 2010 to 34.5% in 2020*
- *Households are becoming smaller; between 2010 and 2020, the average household size decreased from 3.5 persons to 3.2 persons*
- *Women's role in the society is becoming more prominent; share of married couples with a working wife increased from 52.9% to 60% over the past decade.*

Chart of the Week: Commodities and US rates take a breather

Commodities took a break over the past week after a few months of relentless rise. In a similar vein, US long-term interest rates, despite ever higher inflation rates, have been on a flat path lately. China has bene taking measures, including releasing stockpiles, to tackle commodity price inflation; US treasuries remain well supported by the Fed's asset purchase programme.

Commodities vs Interest Rates



Source: Bloomberg, DBS

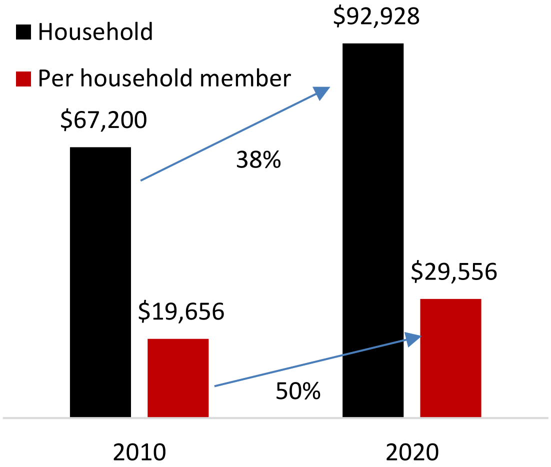
Commentary: Singapore's 2020 Census

With per capita income heading toward USD60,000, Singapore is one of the richest societies in the world. Its social and economic standard of living indicators, physical infrastructure, human capital, and financial assets are world class, topping many international tables. Yet it has many moving parts, with the population aging, income inequality high, and some degree of job insecurity with growing skills mismatch.

Singapore's 2020 Census is a useful stock-taking exercise of a society that continues to attain more wealth and education, yet with a marked rise in the proportion of elderly population and shrinkage of family size. Some highlights:

Income: Real annual household income has grown by an annual average of 2.8% during 2010-20.

Annual income from work, median



Source: Sing Stats, DBS. Note:Household income from work includes employer CPF contributions.

Median annual income, which includes CPF contribution by employers, rose to nearly SDG91,000 during this period, a 38% rise in nominal terms. This constitutes a 50% increase in household per capita income, as households have become smaller (from 3.5 to 3.2).

Aging: Singaporeans are richer, but also older. The proportion of resident households with at least one member aged 65+ rose from 24.1% in 2010 to 34.5% in 2020. Those over 65- years and older made up 15.2% of residents last year, the corresponding figure was 9% in 2010. If current trend persists, this age cohort will become Singapore's largest by the middle of this decade, with profound implications for healthcare, retirement-related services, fiscal policy (particularly the magnitude of government transfers), and the labour force.

Education: 33% of the above-25 population are university graduates, up from 23.7% a decade ago. Although education attainment varies widely among the three major ethnic groups, it is heartening to note that all groups have made sizeable gains in recent decades. Nearly half the residents speak English primarily at home, a remarkable jump from 23% two decades ago.

Role of women: Women's role in the society is becoming more prominent; share of married couples with a working wife increased from 52.9% to 60% over the past decade. The share of resident married couples where both husband and wife have equal qualifications rose to 46.6%. Indeed, in 22.5% of households comprising of married couples, women have more education qualification than their spouses. There are many areas of improvement though, for example the need to provide women with more flexibility and financial incentive to meet their needs for childcare and elderly care. As the Covid pandemic has clearly demonstrated worldwide, health and financial crises affect women disproportionately; a compassionate and generous societal response is needed to address such headwinds.

Taimur Baig

This Week in key data releases and events

Event	DBS	Previous
Jun 21 (Mon)		
Taiwan: export orders (May)	40.3% y/y	42.6% y/y
Jun 22 (Tue)		
Hong Kong: CPI (May)	1.0% y/y	0.7% y/y
Jun 23 (Wed)		
Taiwan: industrial prod (May)	10.3% y/y	13.6% y/y
Singapore: CPI (May)	1.7% y/y	2.1% y/y
Thailand: BOT benchmark rate	0.50%	0.50%
Jun 25 (Fri)		
Singapore: industrial prod (May)	18.9% y/y	2.1% y/y

Taiwan: May export orders are expected to post 40% YoY, a similar rate compared to 42.6% in April. Industrial production, meanwhile, is expected to ease slightly to 10.3% from 13.6%. Overseas demand for electronics products and components is still strong. WSTS recently has revised its forecast for global semiconductor sales to grow 19.7% in 2021, up from 10.9% previously. On the supply side, the Covid outbreak in Taiwan has caused some production cut/delay issues. King Yuan Electronics, one of the major chip testing companies, forecasts 30-35% decline in its production capacity in June, due to the quarantine of migrant workers. For the time being, we think the supply-side disruptions remain manageable and temporary, with limited impact on global chip supply and prices. Demand will likely drive supply and lead to a growth rebound in the second half of this year.

Singapore: CPI inflation and industrial production figures for May21 are on tap this week. The headline gauge for price pressure is expected to register a slight easing to 1.7% YoY in the month, down from 2.1% previously. Low base effect is still at work given that transport inflation, driven by higher COE premium, has been the main driver of inflation in recent months. That largely stem from the slump in COE premium during the Circuit Breaker period. That said, core inflation is also picking up, on the back of increasingly higher imported inflation. If core inflation reading continues to trend higher, the MAS will be on "heightened alert" in the coming months. Industrial production for May is likely to remain strong. The headline number is expected to print an expansion of 18.9% YoY on the back of low base last year. Industrial output in May20 recorded the second lowest reading last year due to a simultaneous decline in production in clusters such as petroleum, petrochemicals, transport engineering and medical technology. A gradual moderation in growth is on the cards for the manufacturing sector as supply side bottlenecks are expected to put a lid on the pace of expansion.

Hong Kong: CPI is expected to edge up from 0.7% in April to 1.0% in May. The economy continued to improve, with GDP rose by 7.9% YoY in 1Q. Surge in producer prices worldwide and China could progressively feed-through the local consumer prices. Also, rent should rebound alongside the improving labour market, with latest jobless rate dropped from the peak of 7.2% in Dec20-Feb20 to 6.0% in Mar-May21.

Thailand: The Bank of Thailand meets on Wednesday, where we expect rates to be held unchanged. While the third wave of the pandemic has eased off highs, the scale of vaccination remains below desirable levels, suggesting growth will take a while to take off. Fiscal policy has meanwhile taken a supportive role as the parliament approved a fresh THB500bn borrowing program, which is likely to add 1.5ppt to growth according to the Finance Ministry.

Economics Team

Data review

India: High inflation to complicate policy

India's May CPI inflation posted a strong upside surprise, quickening to 6.3% y/y to a six-month high, breaching the upper bound of the inflation target range (2-6%). Inflationary pressures are evident in certain food components (edible oils, protein items), successive increases in retail fuel prices spurred by tax rigidity as well as spurt in core to past 6% to 6.6%.

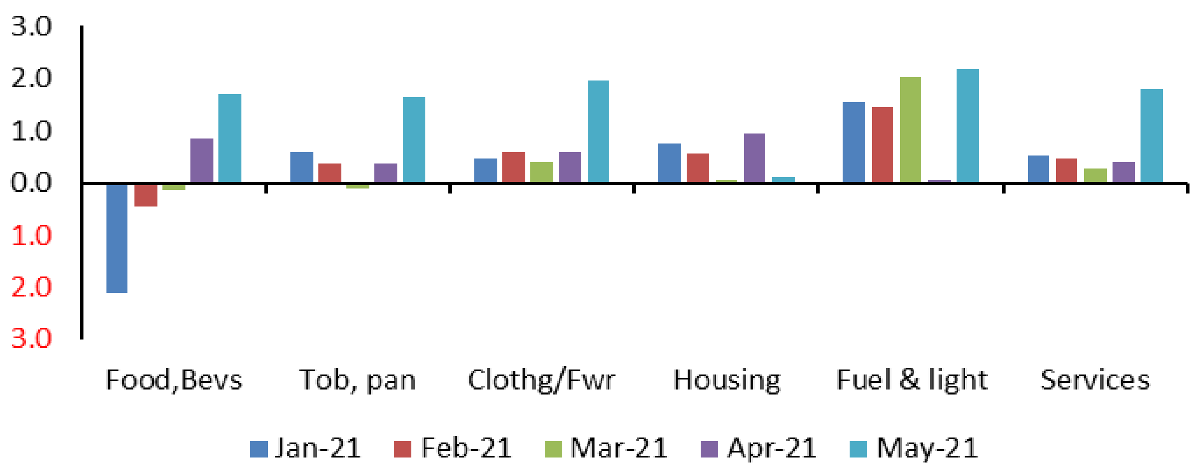
Besides higher transport, the latter also likely reflects anecdotal signs that selected non-food categories especially medical inputs (medicines etc.) and hospitalisation costs rose this quarter in midst of the second pandemic wave. Data issues could also have distorted the May readings; to recall Apr-May 2020 were 'imputed readings' as surveys could not be conducted due to the nationwide lockdown. Sequential increases, nonetheless, suggest there were material price pressures as well especially in fuel and services (including transport, medical etc.), in midst of localised lockdowns in multiple states – see chart. The statistics agency also noted that market-wise prices were collected from 68% for rural and 67.5% in urban areas in May2021 vs 84.6% and 87.4% respectively.

Easing restrictions and better data collection from June is expected to iron out the upside bias, with inflation readings to come off highs. The higher trend, nonetheless, of year-to-date prints prompt us the revise up our FY22 inflation projection to 5.5% for FY22 vs 4.8% earlier. Firm inflation complicates the direction of monetary policy, but the RBI is likely to stick with the US Fed's playbook on opting to pin this spurt on transient cost-push pressures and stay focused on the negative output gap, amidst weak demand impulses. The recent unexpected hawkish undertones in the Fed's commentary is likely to keep regional central banks on alert especially as extraordinary stimulus is yet to be fully withdrawn in light of the pandemic waves.

Policy normalisation expectations in India are likely to be priced in as vaccination approaches critical mass in first quarter of 2022 but brought forward if growth recovers sharply from the second wave and fears of subsequent waves turn out to be unfounded.

– Radhika Rao

Broad-based acceleration in price pressures (m-o-m nsa%)



Source: CEIC, DBS

Macro Strategy

FX: USD reverses into a buy-on-dips currency

USD bears rushed out the door after the Fed penciled in two rate hikes in 2023 at its FOMC meeting last week. According to the dot plot, 7 out of the 18 Fed governor and presidents voted for an earlier rate hike in 2022. This included St Louis Fed President James Bullard who will be speaking again this week together with nine other colleagues. The most closely watched event will be Fed Chair Jerome Powell's testimony to Congress on 23 June. Post-FOMC, DXY appreciated best whenever US stocks and bond yields rose or fell together.

A busy lineup of Fed speeches this week

Speakers	Mon	Tue	Wed	Thu	Fr
James Bullard	✓			✓	
Robert Kaplan	✓			✓	
John Williams	✓			✓	✓
Loretta Mester		✓			✓
Mary Daly		✓			
Jerome Powell		✓			
Michelle Bowman			✓		
Eric Rosengren			✓		✓
Raphael Bostic			✓	✓	
Patrick Harker				✓	

EUR is under pressure after the 2% sell-off to 1.1864 last week. The next support level is fragile around 1.1750 or the neckline of a potential head-and-shoulders formation. With EUR below 1.20, bulls are under pressure to unwind their long positions. European Central Bank President Christine Lagarde has a busy schedule this week. She has been correct about the Fed leading the ECB in rolling back of pandemic crisis measures. Last week, ECB Chief Economist Philip Lane signaled no urgency for any shifts on the pandemic emergency purchase programme (PEPP) at its September meeting which will instead showcase the ECB's new monetary policy strategy. Moreover, Brussels has only signed off on the first wave of the EUR800bn EU recovery fund last week. ECB speakers this week see the EU economy turning the corner but also want to preserve favorable financing conditions for the recovery to gain traction. To this end, the ECB is unlikely to mind the EUR shedding more of its strength.

ECB speakers this week

Speakers	Mon	Tue	Wed	Thu	Fr
Christine Lagarde	✓	✓	✓		
Philip Lane		✓			
Isabel Schnabel		✓		✓	
Luis de Guindos			✓		
Fabio Panetta				✓	
Pablo Hernandez					✓

GBP is on the defensive and at risk of giving back this year's gains. GBP plunged to 1.38 after it failed to break above 1.42 this month. Speculators will be forced to unwind their long GBP positions if the Bank of England does not bring forward, at its meeting on 24 June, rate hike expectations into 2022. Although UK CPI and core inflation hit the official 2% target in May, they were nowhere near the 5.0% high posted by US CPI in May.

AUD is a sell-on-rally after it gave back this year's gains. AUD plunged to 0.7480 last Friday, its lowest level since 9 December. Sellers will probably appear if AUD squeezes back up to 0.7560. Although Australia's unemployment rate fell to a pre-pandemic low of 5.1% in May, it was still far from the "low 4s, high 3s" jobless rate needed by the central bank (RBA) for a rate hike. RBA Governor Philip Lowe reaffirmed 2024 as the base scenario for a hike, a view that RBA Assistant Governor Luci Ellis is likely to concur on 23 June.

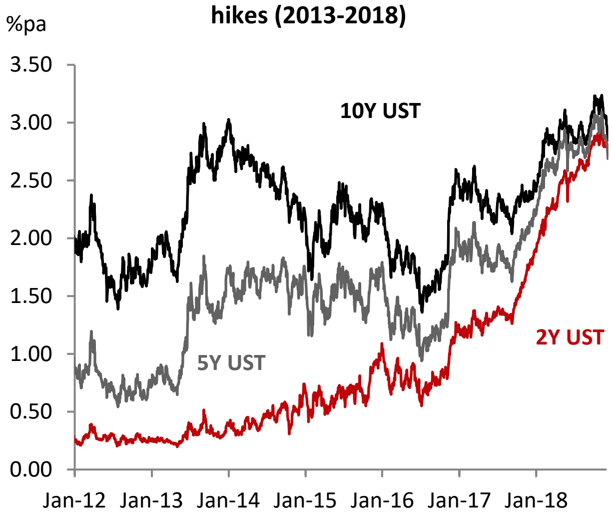
Philip Wee

Rates: Fed's pivot

The US Federal Reserve's shifting tone is prompting us to reassess our rates view. Notably, **the pivot was more hawkish than expected** with the Fed's dotplot guiding two hikes in 2023 and a significant proportion of FOMC members looking for a hike in 2022. This came even **before there was clear communication on taper**. As such, the UST curve flattened aggressively as Fed hikes get frontloaded (driving up 3Y-5Y yields) while the back of the curve (10Y and 30Y) saw strong receiving demand. To put things into context, the 5Y/30Y segment of the curve flattened by >20bps post FOMC to 121bps, with 30Y yields hovering at a four-month low of close to 2%. Meanwhile, 10Y breakeven has fallen to 2.24%, from 2.56% in May. This flattening is motivated by the view that if the Fed hikes earlier and more aggressively, inflation expectations would be curtailed, driving down long-term yields in the process. We wrote on this phenomenon a few years back (A Hawkish Fed can be good for Treasuries). However**, the sudden turn in the Fed's stance, essentially bringing forward rate hike expectations by a year did catch the market (and us) by surprise.**

We acknowledge downside risks to our 2% 10Y UST yield forecast even as we are unconvinced that the Fed has abandoned its recently adopted Average Inflation Targeting (AIT) framework. Multiple Fed speakers are lined up for next week and we will be seeking clarity on the Fed's stance. We suspect that there will be some pushback against the view that rate hikes are imminent as the market skipped taper and went directly to price rate hikes. If the Fed and the market decides that significantly tighter policy is coming, flatter curves are inevitable. **Historically, the UST curve tends to flatten after taper gets hinted** and this tends to continue as the Fed proceeds with the rate hike cycle. Events could play out similarly as the Fed prepares for less loose monetary policy in the coming years. If we take June's FOMC meeting as a clear hint that taper is likely over the coming two quarters, **peak steepness in the UST curve is probably behind us.** Our strategy (USD Rates: Inflation and taper strategies) would also have to shift to flattening in the back of the curve (5Y/30, 2Y/10Y, 10Y/30Y) over the medium term. **Upward pressures would be more acute in the 2Y-5Y tenors while the glide path higher in 10Y and 30Y yields could be more muted.** Stay tuned.

The UST curve flattens once the Fed is serious on rate hikes (2013-2018)



Source: Bloomberg, DBS

Eugene Leow & Duncan Tan

Credit: Pressure on Asian high yield

This week's FOMC came with a shift in tone, as more FOMC members expressed expectations of rate hikes to come earlier than compared to forecasts in March. Beyond a flattening credit curve as short end rates reprice higher, Asian credit spreads have been mostly stable, but we see **scope for widening in the short term**, as heightened expectations of an earlier Fed taper may trigger outflows from EM fixed income funds.

On top of the FOMC surprise**, Asian HY credit has seen pressures recently**. Our Indonesian HY DACS show a substantial widening in spreads this week, as Garuda Indonesia's sukuk bonds tumbled with a deferral of its distribution amount beyond the 14-day grace period that ended yesterday. Indonesia has said in early June that its flag carrier will seek a debt standstill while it evaluates a massive restructuring, given that air travel remains hobbled by COVID19. In China, CBIRC unveiled new rules for public feedback yesterday.

These rules aim **to restrict undue influence on banks by their major shareholders**, and prohibit banks from buying non-public debt of its major shareholders or giving guarantees on their behalf. CBIRC's proposed tightening of rules could link to previous concerns over related-party transactions between Evergrande and Shengjing bank (see Macro Strategy – Credit: Evergrande's credit wobbles, 11 Jun 2021). Without clarity on these transactions, it is hard to see if there could be implications to loan rollovers for the mega developer. Regulatory tightening could thus cast some uncertainty over the Chinese HY market.

Chang Wei Liang

Last week's reports

Singapore: Towards mass vaccination and economic recovery

Surging flows in and out of China

The Fed's shifting tone and rates implications

Bank Indonesia: a balancing act

Asian rates primed to rise in 2H

Growth, Inflation, Policy Rates & FX forecasts

	GDP growth, % YoY				CPI inflation, % YoY, ave			
	2019	2020	2021f	2022f	2019	2020	2021f	2022f
China	6.1	2.3	10.5	5.5	2.9	2.3	2.5	2.5
Hong Kong	-1.2	-6.1	6.0	2.3	2.9	0.3	2.0	2.5
India	4.7	-7.1	8.0	6.0	3.7	6.6	5.3	4.7
*India (FY basis)**	*4.0*	*-7.8*	*9.5*	*5.8*	*4.8*	*6.2*	*5.5*	*4.5*
Indonesia	5.0	-2.1	4.0	4.5	2.8	2.0	2.2	2.8
Malaysia	4.3	-5.6	5.2	4.8	0.7	-1.1	1.4	2.0
Philippines**	5.9	-9.5	6.0	6.5	2.5	2.4	4.0	3.0
Singapore	0.7	-5.4	6.3	3.2	0.6	-0.2	1.4	1.5
South Korea	2.0	-1.0	3.8	2.8	0.4	0.5	1.7	1.0
Taiwan	3.0	3.1	5.0	2.8	0.6	-0.2	1.5	1.0
Thailand	2.4	-6.1	2.1	3.5	0.7	-0.8	1.0	1.3
Vietnam	7.0	2.9	6.7	6.8	2.8	3.2	3.3	3.6
Eurozone	0.9	-6.8	4.0	4.2	1.2	0.3	1.8	1.0
Japan	0.3	-4.8	2.8	1.5	0.5	0.0	0.0	0.5
United States***	2.2	-3.5	6.0	2.5	2.3	1.3	3.5	2.2

* refers to fiscal years i.e. 2020 represents FY21 - year ending March 2021 ** new CPI series *** eop for CPI inflation

Policy interest rates, eop

	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22
China*	3.85	3.85	3.85	3.85	3.85	3.85	3.85	4.05
India	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Indonesia	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Malaysia	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Philippines	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Singapore**	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12
South Korea	0.50	0.50	0.50	0.50	0.50	0.50	0.75	0.75
Taiwan	1.13	1.13	1.13	1.13	1.13	1.13	1.13	1.25
Thailand	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Vietnam***	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Eurozone	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Japan	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10
United States	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25

* 1-yr Loan Prime Rate; ** 3M SORA OIS ; *** refinancing rate

Exchange rates, eop

	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22
USD/CNY	6.55	6.45	6.60	6.58	6.57	6.55	6.54	6.52
USD/HKD	7.77	7.76	7.77	7.78	7.78	7.79	7.79	7.80
USD/INR	73.1	73.4	75.0	74.8	74.6	74.4	74.2	74.0
USD/IDR	14550	14450	14700	14600	14500	14400	14300	14200
USD/MYR	4.15	4.16	4.20	4.18	4.16	4.14	4.12	4.10
USD/PHP	48.5	48.4	49.0	48.7	48.3	48.0	47.7	47.3
USD/SGD	1.34	1.33	1.36	1.35	1.35	1.35	1.34	1.34
USD/KRW	1130	1125	1150	1145	1145	1140	1140	1140
USD/THB	31.2	31.4	31.8	31.6	31.5	31.3	31.2	31.0
USD/VND	23070	23060	23100	23070	23030	23000	22960	22930
AUD/USD	0.76	0.77	0.75	0.76	0.77	0.78	0.79	0.80
EUR/USD	1.17	1.21	1.17	1.18	1.19	1.20	1.21	1.22
USD/JPY	111	110	109	109	108	108	107	107
GBP/USD	1.38	1.40	1.36	1.37	1.38	1.38	1.39	1.40

Interest rate forecasts

		2021				2022			
		Q1	Q2	Q3	**Q4**	Q1	Q2	Q3	**Q4**
US	3M SOFR OIS	0.10	0.10	0.10	**0.10**	0.10	0.10	0.10	**0.10**
	2Y	0.16	0.20	0.23	**0.25**	0.30	0.35	0.50	**0.65**
	10Y	1.74	1.67	1.84	**2.00**	2.12	2.25	2.37	**2.50**
	10Y-2Y	158	147	161	**175**	182	190	187	**185**
Japan	3M TIBOR	0.07	0.07	0.07	**0.07**	0.07	0.07	0.07	**0.07**
	2Y	-0.12	-0.10	-0.10	**-0.10**	-0.10	-0.10	-0.10	**-0.10**
	10Y	0.10	0.10	0.10	**0.15**	0.15	0.18	0.20	**0.20**
	10Y-2Y	22	20	20	**25**	25	28	30	**30**
Eurozone	3M EURIBOR	-0.54	-0.50	-0.50	**-0.50**	-0.50	-0.50	-0.50	**-0.50**
	2Y	-0.69	-0.65	-0.65	**-0.60**	-0.60	-0.60	-0.60	**-0.60**
	10Y	-0.29	-0.15	-0.10	**-0.05**	0.00	0.00	0.00	**0.00**
	10Y-2Y	40	50	55	**55**	60	60	60	**60**
Indonesia	3M JIBOR	3.68	3.63	3.65	**3.70**	3.75	3.80	3.85	**3.90**
	2Y	4.88	4.53	4.55	**4.70**	4.80	4.85	4.95	**5.00**
	10Y	6.78	6.47	6.64	**7.00**	7.00	6.90	6.80	**6.70**
	10Y-2Y	190	194	209	**230**	220	205	185	**170**
Malaysia	3M KLIBOR	1.94	1.95	1.95	**1.95**	1.95	1.95	1.95	**1.95**
	3Y	2.13	2.25	2.25	**2.30**	2.30	2.35	2.35	**2.35**
	10Y	3.27	3.42	3.59	**3.75**	3.87	4.00	4.12	**4.25**
	10Y-3Y	114	117	134	**145**	157	165	177	**190**
Philippines	3M PHP ref rate	1.29	1.40	1.50	**1.60**	1.70	1.85	2.00	**2.15**
	2Y	2.41	2.15	2.25	**2.35**	2.45	2.60	2.75	**2.90**
	10Y	4.44	4.17	4.34	**4.50**	4.62	4.75	4.87	**5.00**
	10Y-2Y	203	202	209	**215**	217	215	212	**210**
Singapore	3M SORA OIS	0.15	0.15	0.15	**0.15**	0.15	0.15	0.15	**0.15**
	2Y	0.52	0.40	0.40	**0.40**	0.40	0.40	0.45	**0.60**
	10Y	1.74	1.52	1.59	**1.65**	1.72	1.80	1.87	**2.00**
	10Y-2Y	122	112	119	**125**	132	140	142	**140**
Thailand	3M BIBOR	0.62	0.62	0.62	**0.62**	0.62	0.62	0.62	**0.62**
	2Y	0.45	0.50	0.50	**0.50**	0.55	0.55	0.65	**0.75**
	10Y	1.97	1.97	2.14	**2.30**	2.42	2.55	2.67	**2.80**
	10Y-2Y	152	147	164	**180**	187	200	202	**205**
China	1Y LPR	3.85	3.85	3.85	**3.85**	3.85	3.85	3.85	**4.05**
	2Y	2.83	2.65	2.70	**2.75**	2.80	2.85	2.90	**2.90**
	10Y	3.19	3.10	3.20	**3.30**	3.35	3.40	3.40	**3.40**
	10Y-2Y	36	45	50	**55**	55	55	50	**50**
Hong Kong	3M HIBOR	0.23	0.40	0.40	**0.40**	0.40	0.40	0.40	**0.40**
	2Y	0.27	0.20	0.23	**0.25**	0.30	0.35	0.50	**0.65**
	10Y	1.41	1.17	1.34	**1.50**	1.62	1.75	1.87	**2.00**
	10Y-2Y	114	97	111	**125**	132	140	137	**135**
Korea	3M CD	0.75	0.65	0.65	**0.65**	0.65	0.65	0.90	**0.90**
	3Y	1.13	1.35	1.35	**1.40**	1.40	1.45	1.70	**1.70**
	10Y	2.06	2.27	2.39	**2.55**	2.62	2.75	2.77	**2.90**
	10Y-3Y	93	92	104	**115**	122	130	107	**120**
India	3M MIBOR	3.74	3.75	3.75	**3.85**	3.90	4.00	4.05	**4.15**
	2Y	4.67	4.75	4.75	**4.90**	4.95	5.10	5.15	**5.30**
	10Y	6.17	6.00	6.05	**6.10**	6.20	6.30	6.40	**6.50**
	10Y-2Y	150	125	130	**120**	125	120	125	**120**

%, eop, govt bond yield for 2Y and 10Y, spread bps

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Sources: Data for all charts and tables are from CEIC, Bloomberg and DBS Group Research (forecasts and transformations)