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Bank less

Macro Insights Livestream – June 2026

2H26 Outlook

Taimur Baig, PhD, Chief Economist



Your questions



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Outline

- War respite and damage done so far
- Global growth
- Global inflation
- Regional growth
- Regional inflation
- Our forecasts
- Trade watch
- Stock market valuation divergence
- A TOTUS update
- 2H26 outlook

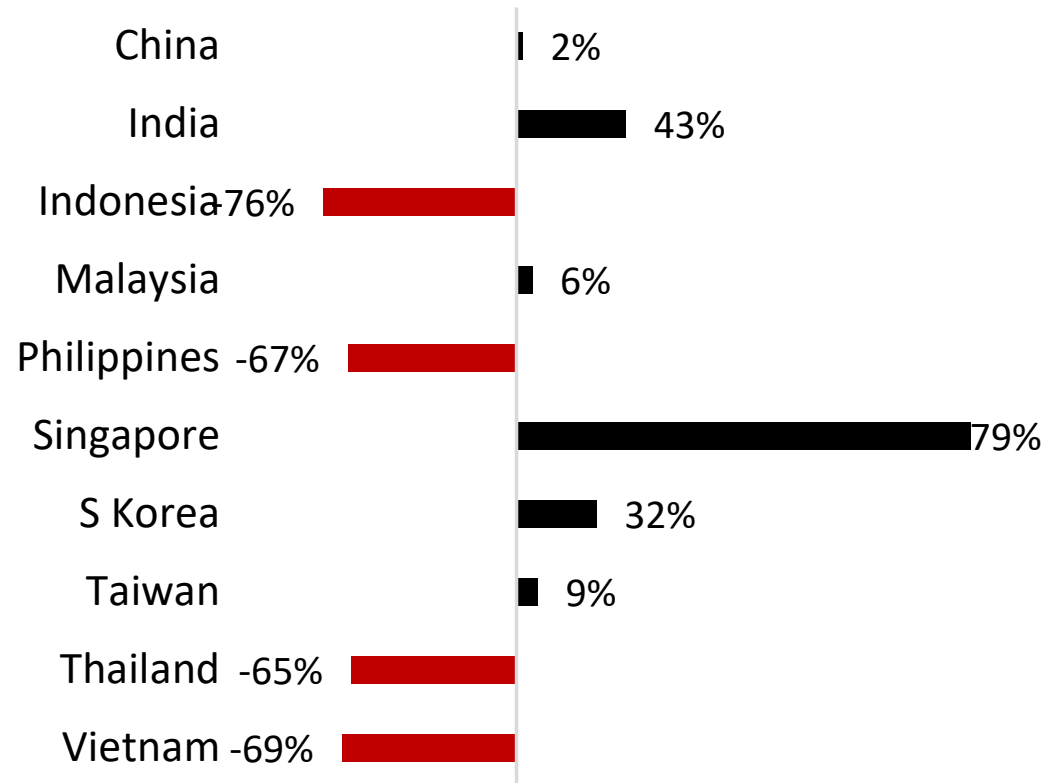
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Iran war respite and damage done so far

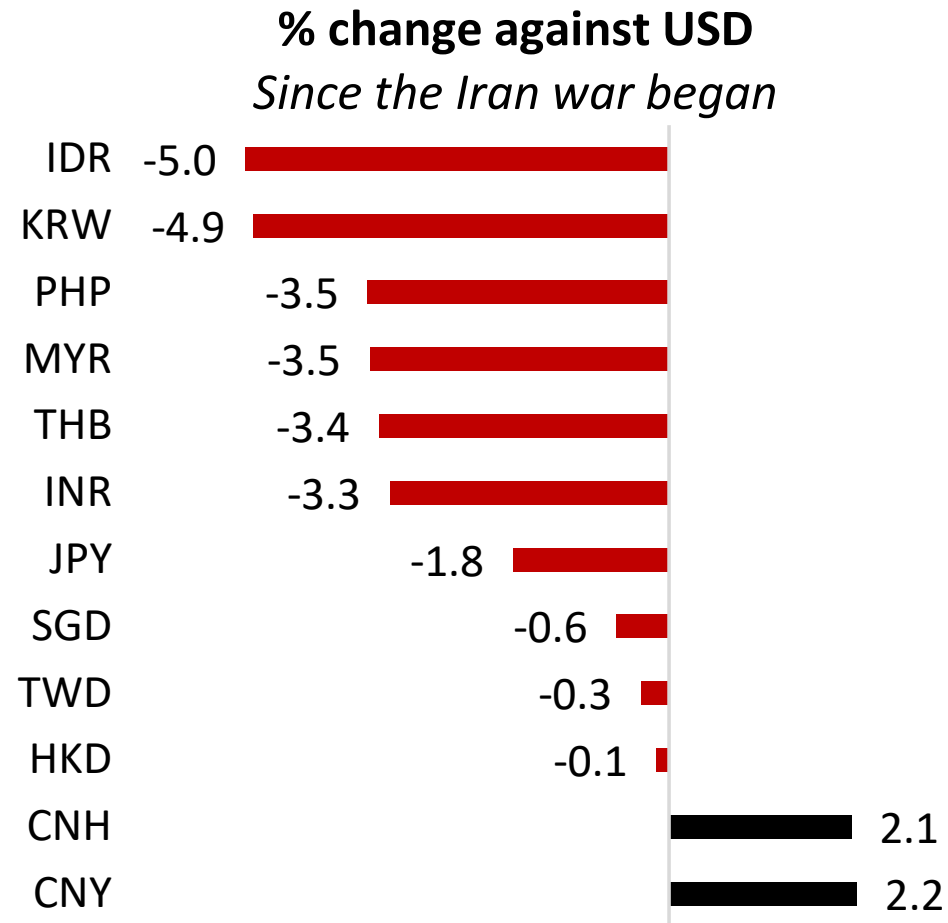
Change in oil+gas trade balance

March/Apr 2026 %yoy



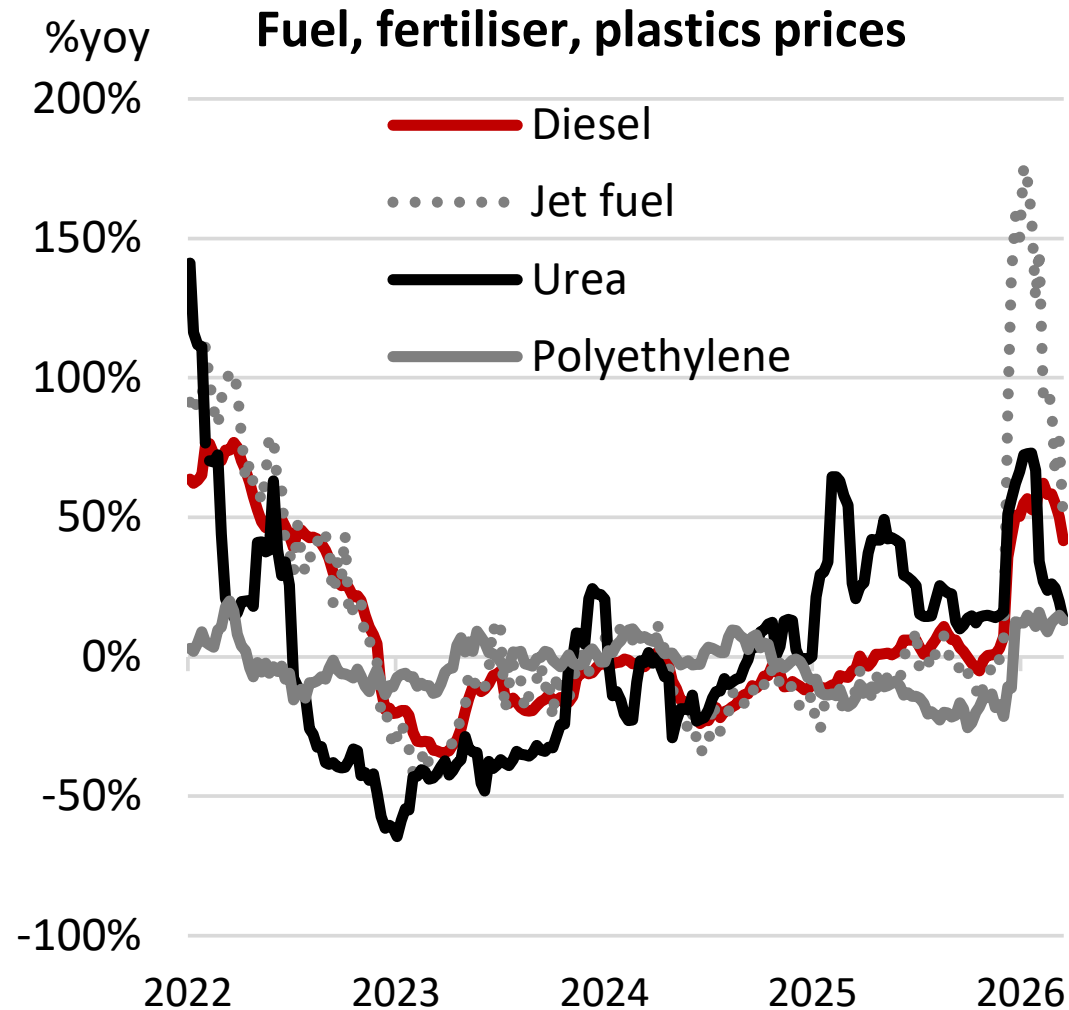
Source: CEIC, DBS

Iran war respite and damage done so far



Source: Bloomberg, DBS

Iran war respite and damage done so far



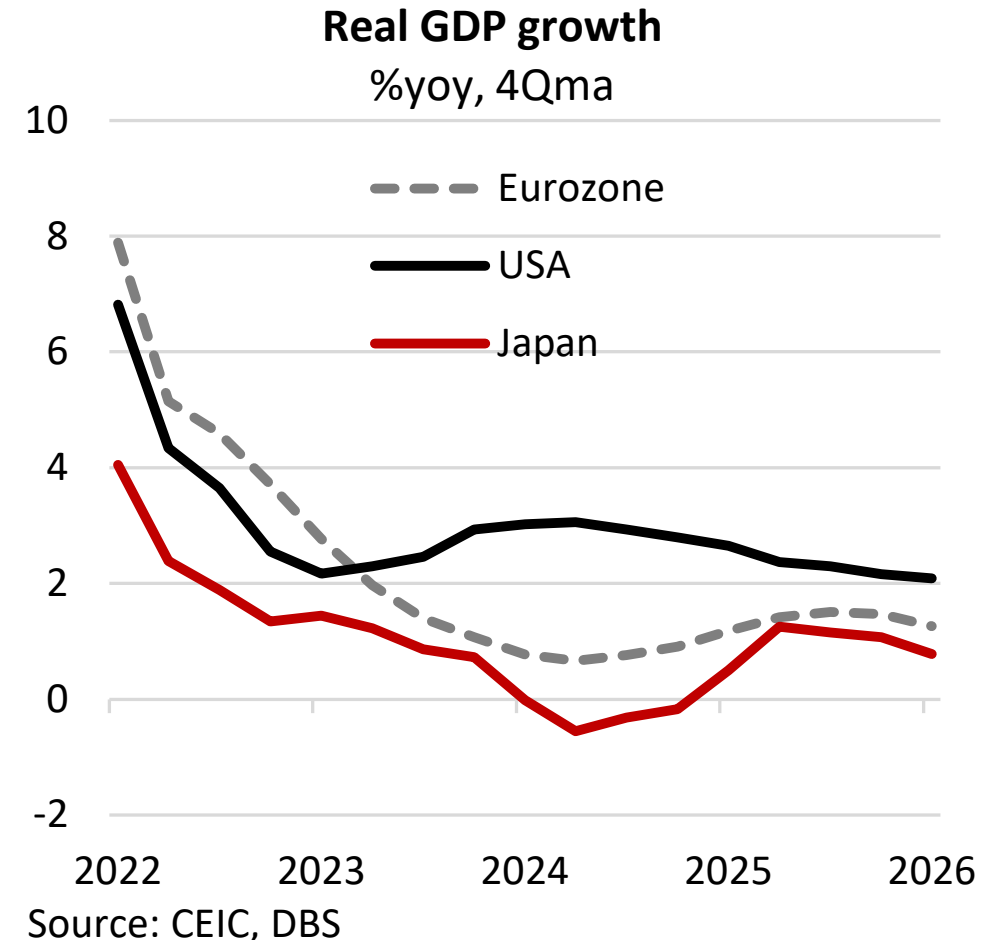
Source: Bloomberg, DBS

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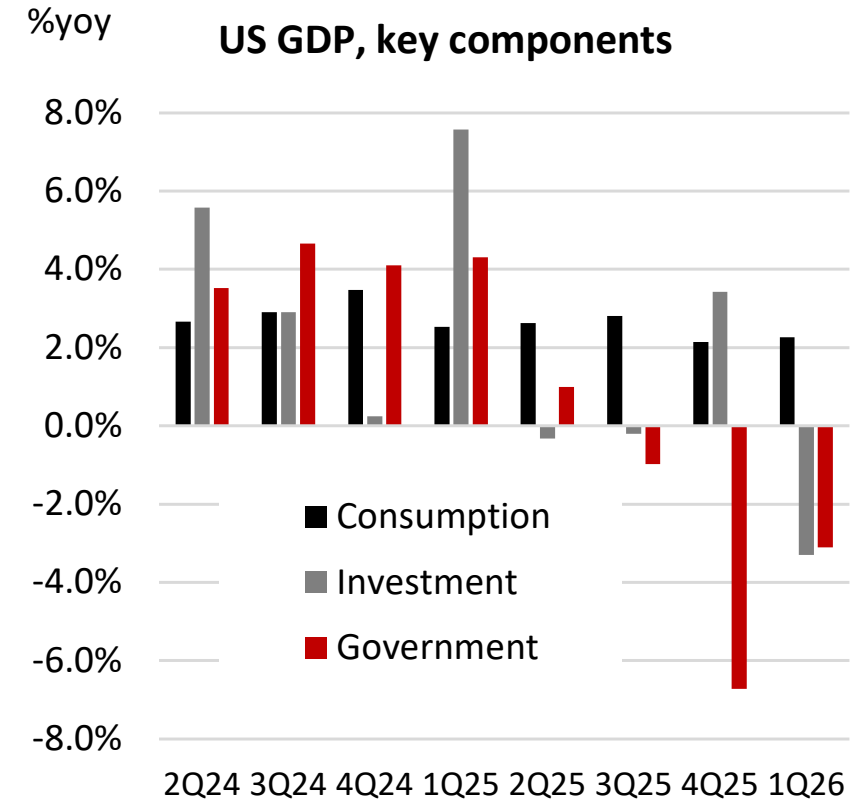
Stocktaking: Global growth

- *G3 growth steady, although US on a stronger footing than EU and Japan*
- *Will AI buildout boost growth?*
- *Will the Iran war subtract from growth while pushing up inflation?*



Stocktaking: Global growth

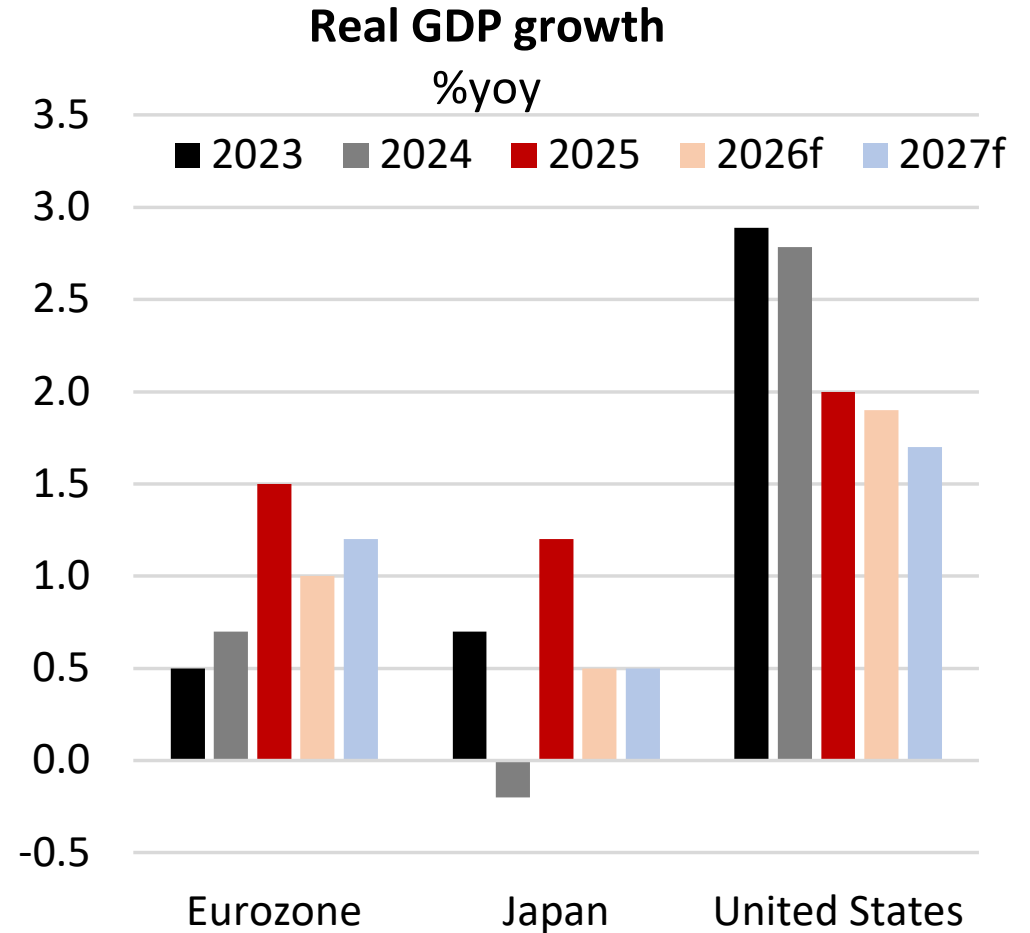
- *US consumers remain resilient*
- *Despite AI boom, overall investment numbers are not impressive*
- *Government spending a drag*



Source: CEIC, DBS

Stocktaking: Global growth

- *US growth to be steady despite no rate cuts, high inflation, and geopolitical uncertainty*
- *Last year's tax cut and this year stock market boom have helped consumption*
- *Eurozone and Japan on the steady side*



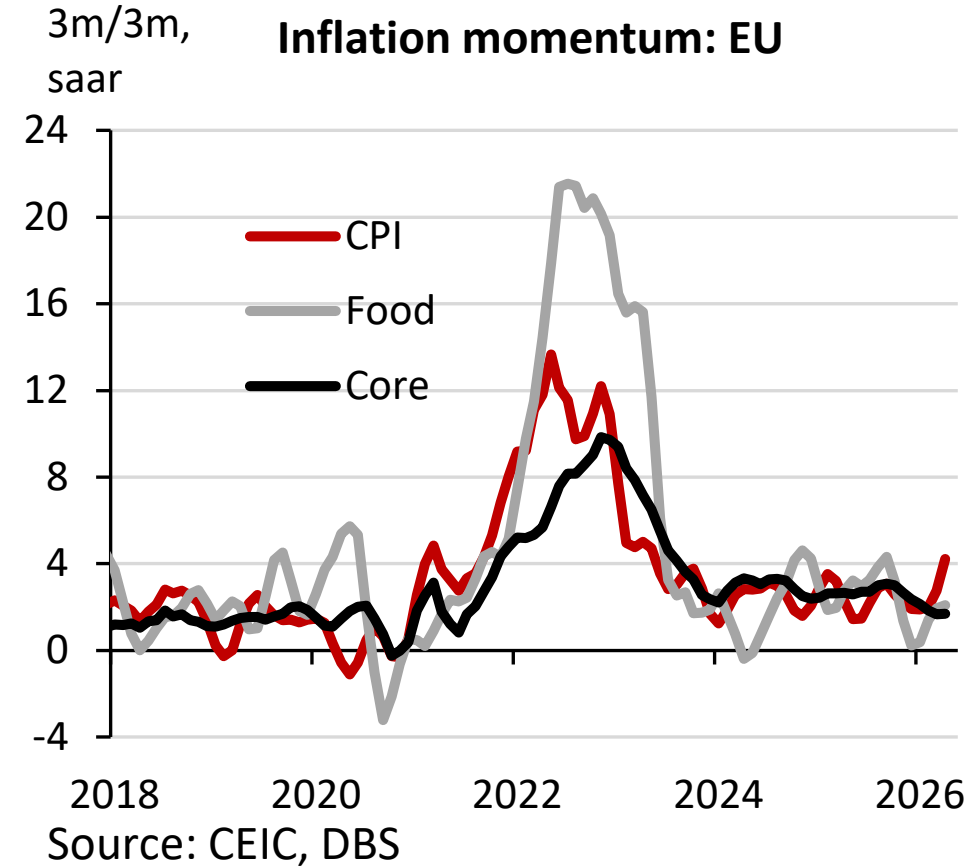
Source: CEIC, DBS

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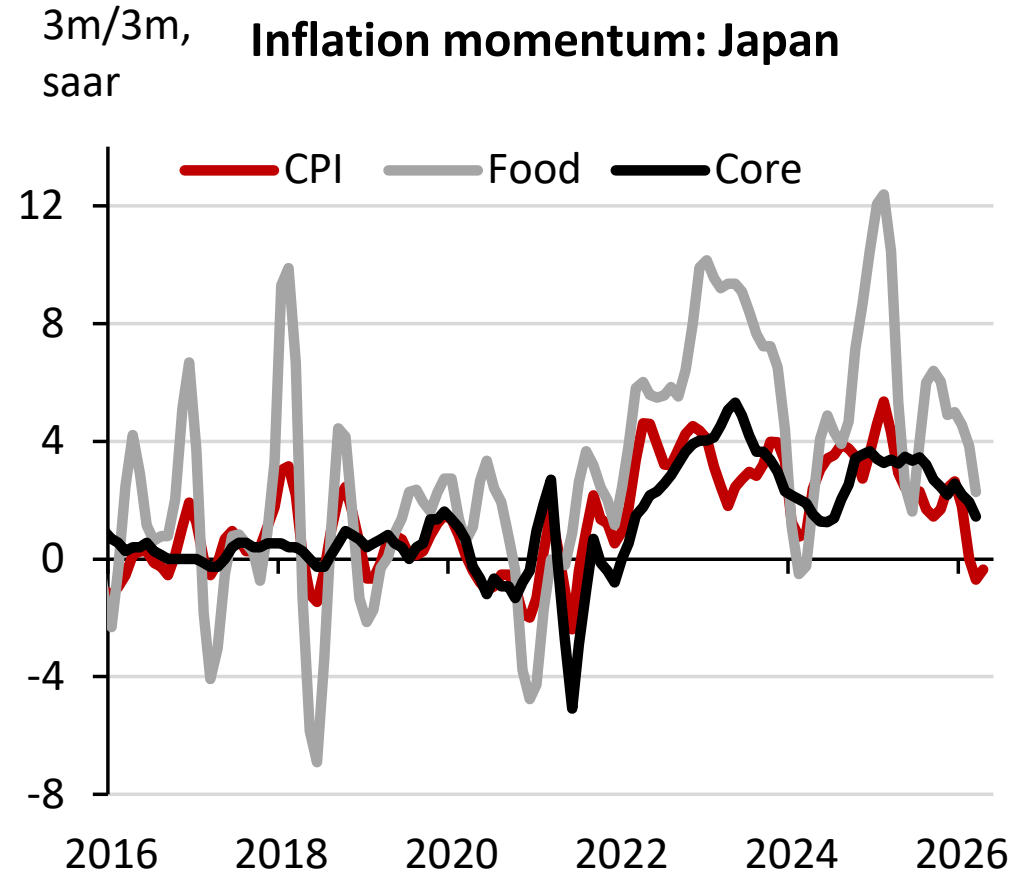
Stocktaking: Global inflation

- *ECB compelled to hike rates*
- *Expects 3% headline and 2.5% core inflation in 2026*



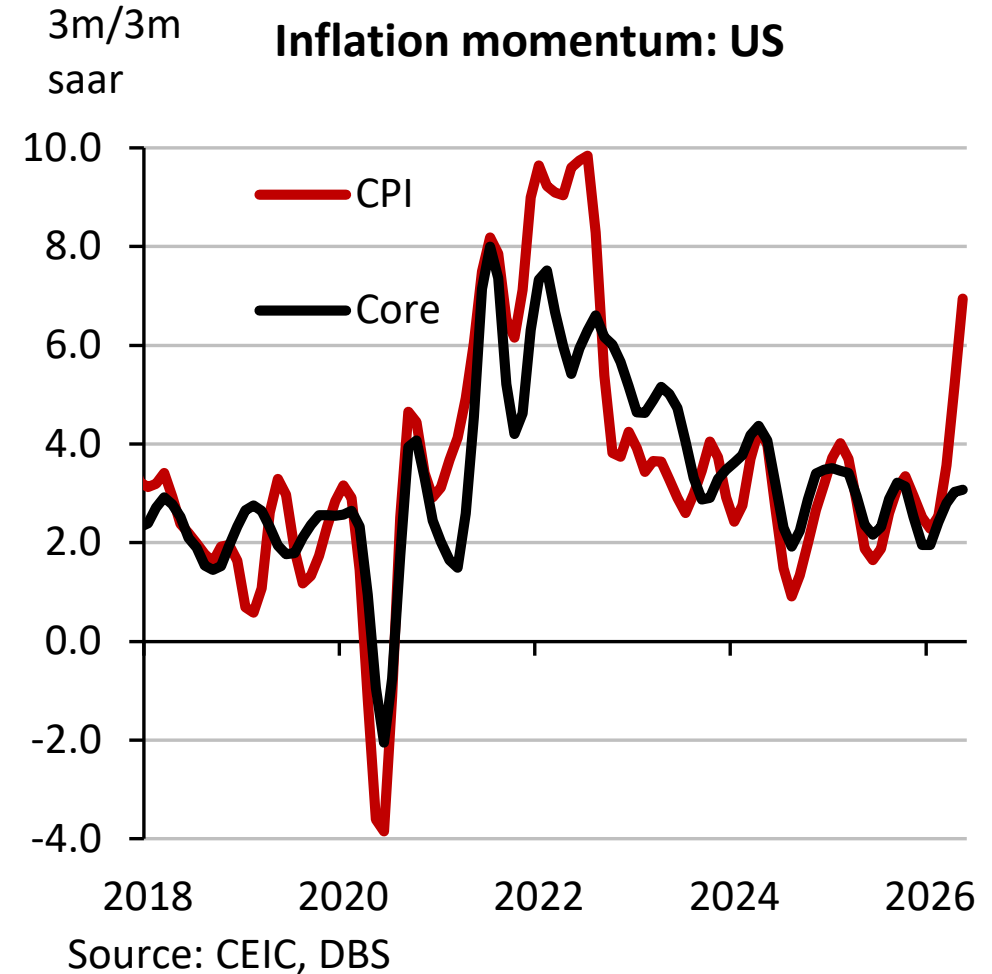
Stocktaking: Global inflation

- *BoJ takes policy rate to its highest in 31 years*
- *Inflation likely to remain below target; the hike should be seen as long-needed normalisation*



Stocktaking: Global inflation

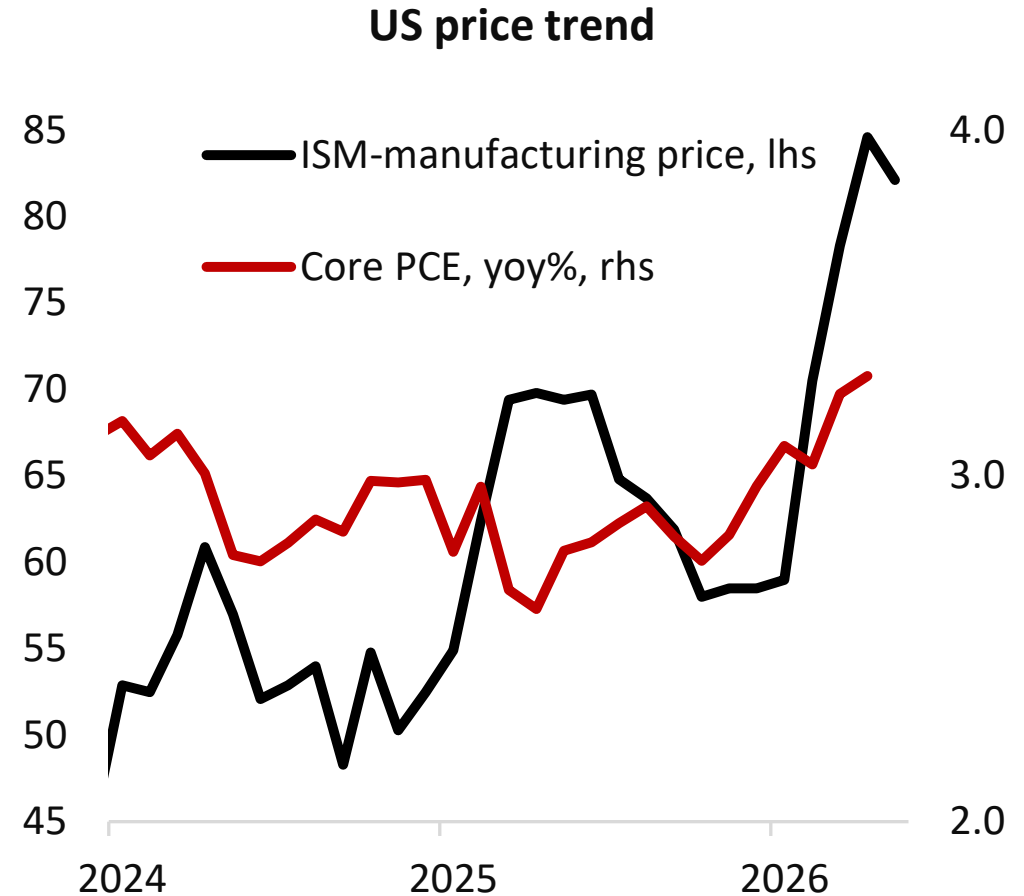
- *US headline inflation momentum soaring*
- *Core inflation still well behaved*
- *Warsh to face difficult policy climate*



Stocktaking: Global inflation

- *If US-Iran war settles into a prolonged ceasefire, inflation expectations may stabilise*
- *But beyond energy, there are other inflation risks:*

- Tariff*
- Immigration*
- Electronics*

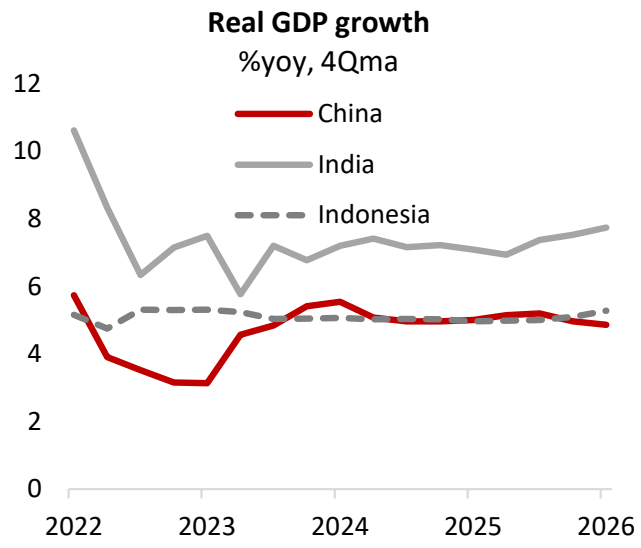


Source: CEIC, DBS.

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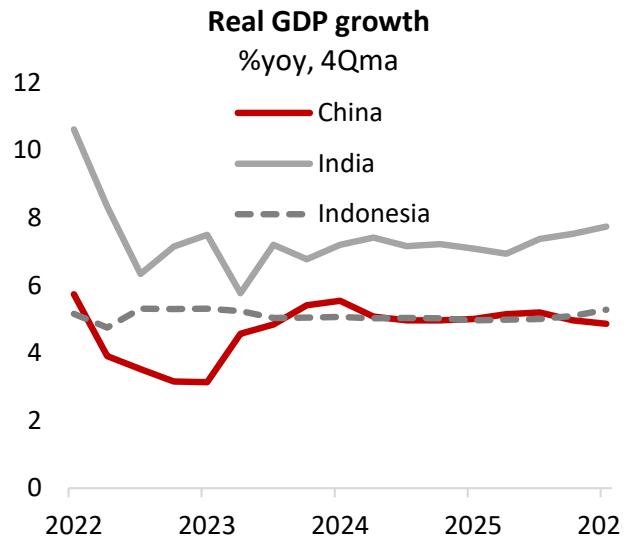
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Stocktaking: Regional growth

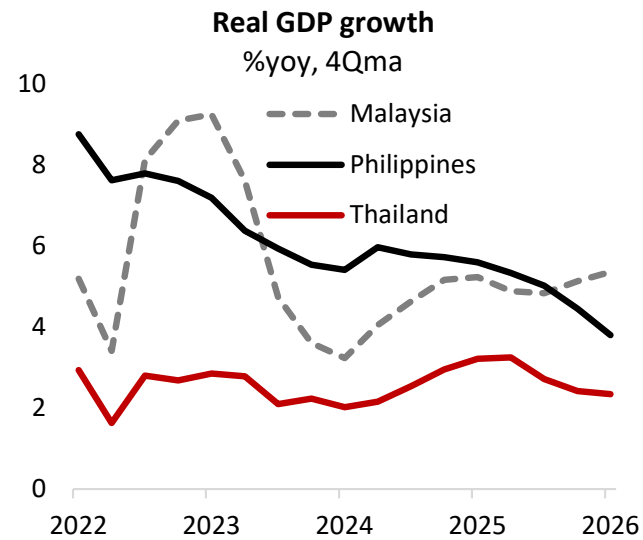


Source: CEIC, DBS

Stocktaking: Regional growth

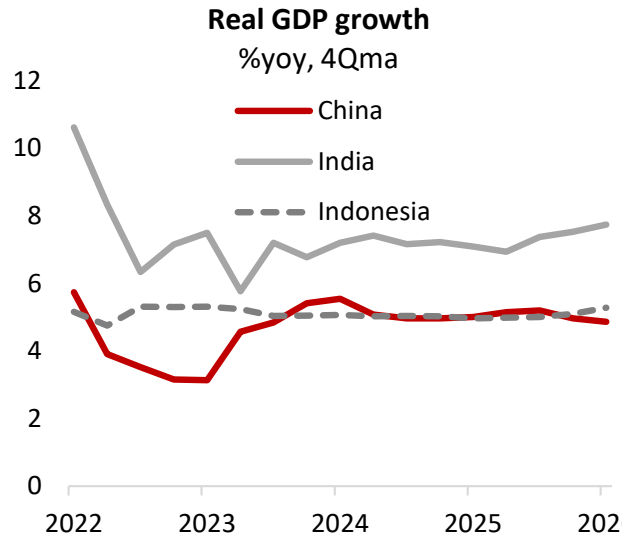


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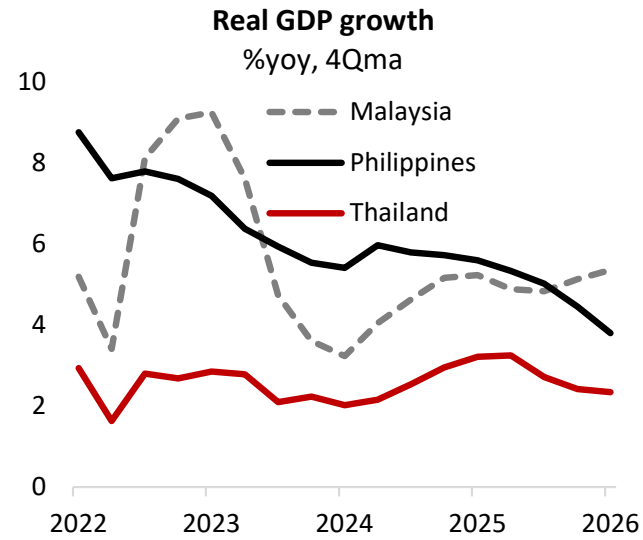


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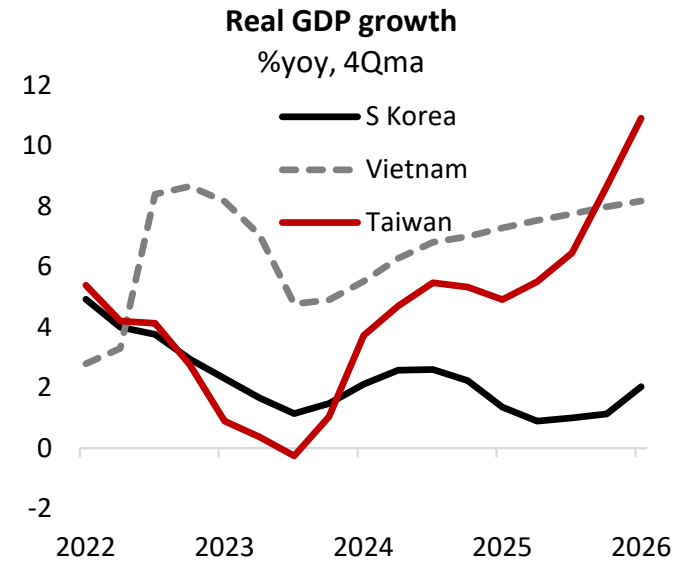
Stocktaking: Regional growth



Source: CEIC, DBS



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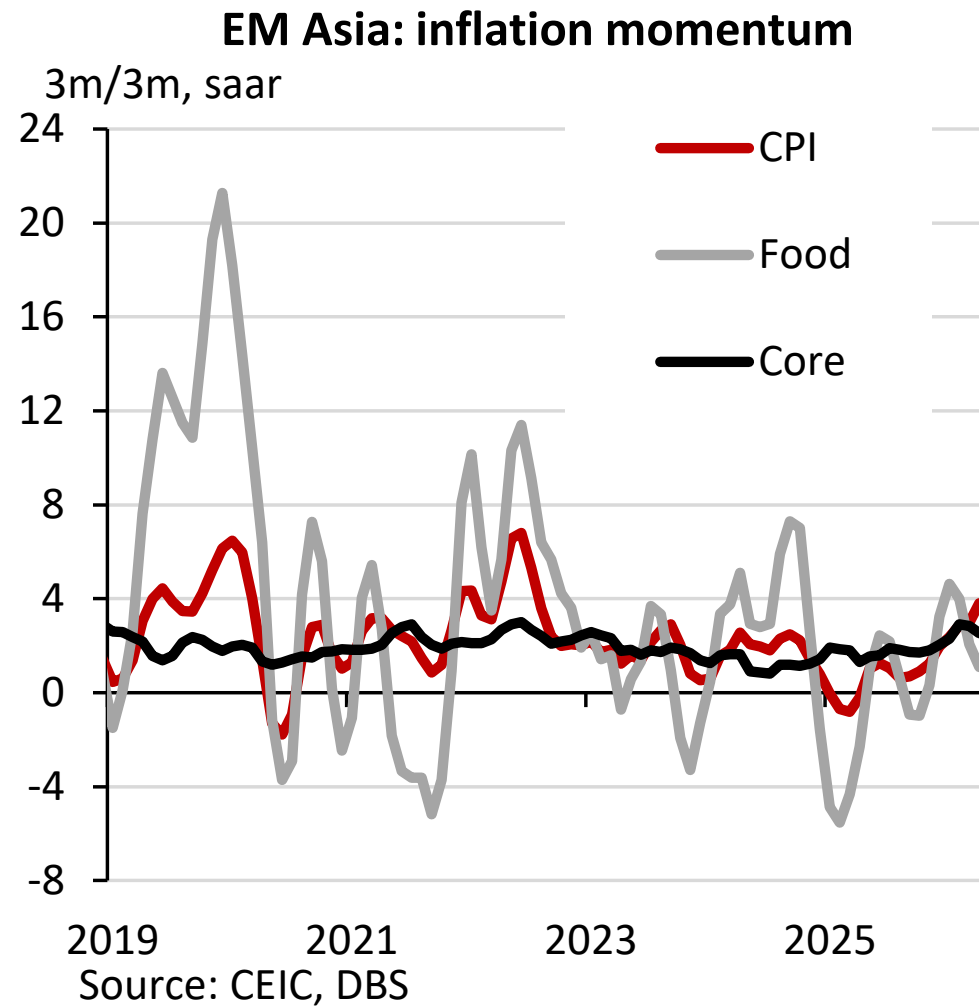


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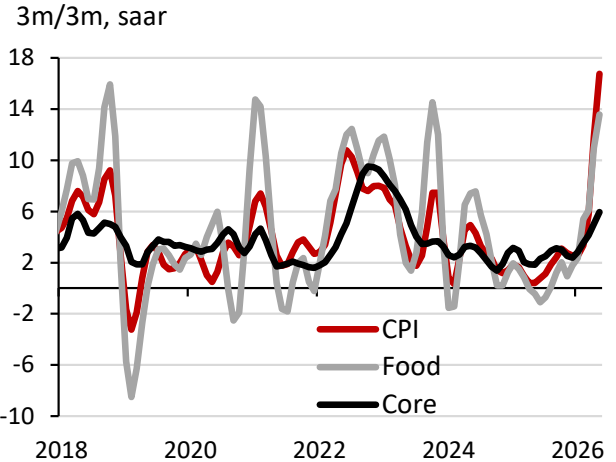
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Stocktaking: Regional inflation



Stocktaking: Regional inflation

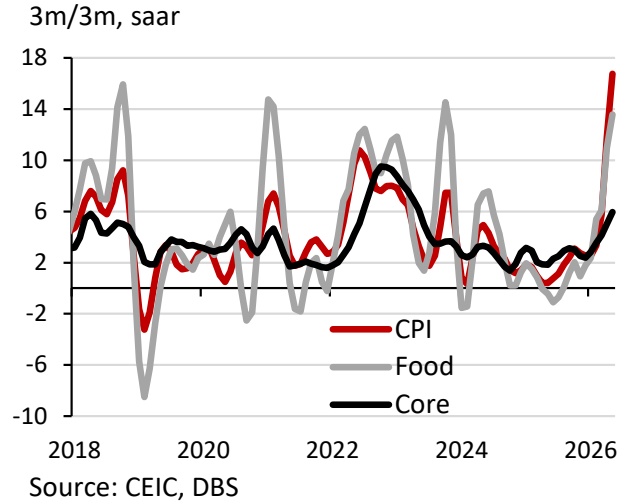
Inflation momentum: Philippines



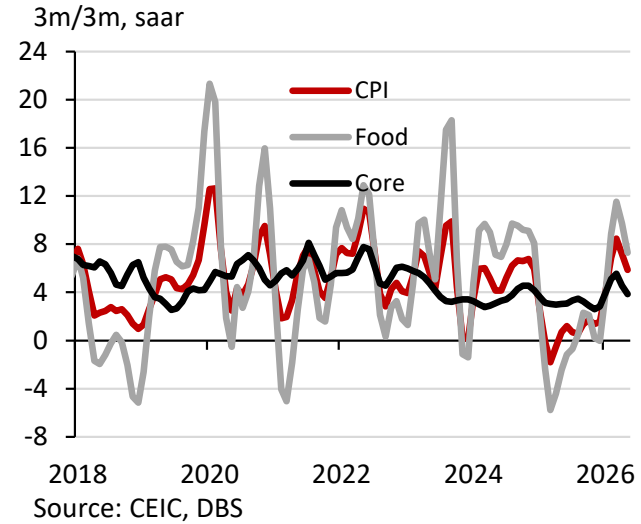
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Stocktaking: Regional inflation

Inflation momentum: Philippines

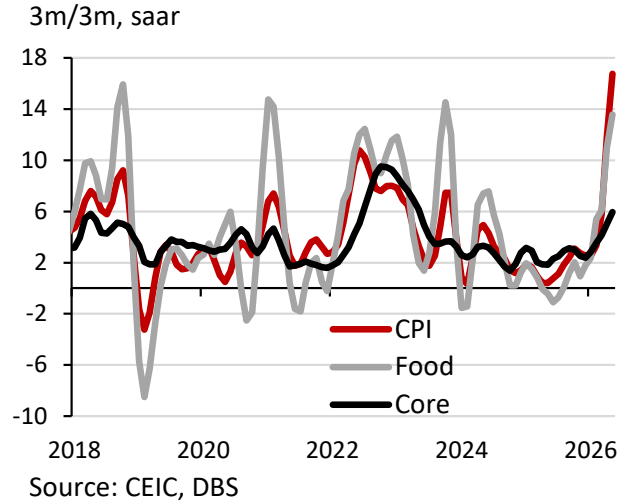


Inflation momentum: India

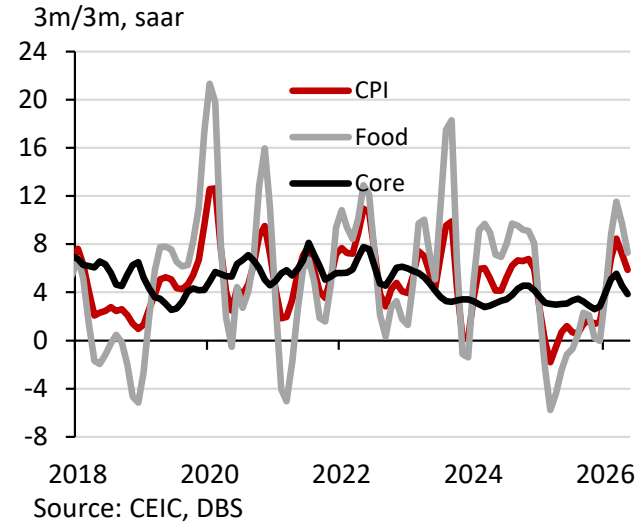


Stocktaking: Regional inflation

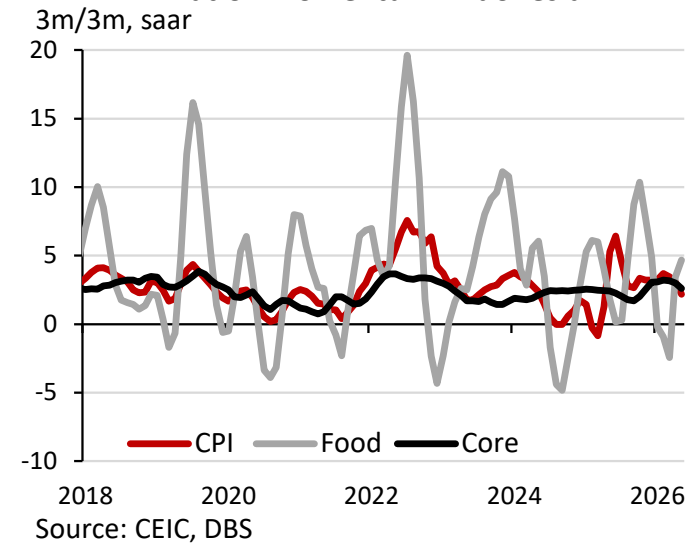
Inflation momentum: Philippines



Inflation momentum: India



Inflation momentum: Indonesia



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Our forecasts: Growth

	GDP growth, % YoY			
	2024	2025	2026f	2027f
China	5.0	5.0	4.5	4.0
Hong Kong SAR	2.5	3.5	3.0	2.8
India	6.7	7.8	6.5	6.4
India (FY basis)*	6.5	7.7	6.5	6.4
Indonesia	5.0	5.1	5.1	5.1
Malaysia	5.1	5.2	4.7	4.2
Philippines	5.6	4.5	4.7	5.0
Singapore	5.3	5.0	2.8	2.3
South Korea	2.0	1.0	2.6	2.0
Taiwan	5.3	8.8	9.4	3.5
Thailand	2.9	2.4	1.6	2.0
Vietnam	7.0	8.0	6.5	6.5
Eurozone	0.7	1.5	1.0	1.2
Japan	-0.2	1.2	0.5	0.5
United States	2.8	2.0	1.9	1.7

Our forecasts: Inflation

	CPI inflation, % YoY, ave			
	2024	2025	2026f	2027f
China	0.2	0.0	0.5	0.8
Hong Kong SAR	1.5	1.4	1.6	1.5
India	4.9	2.2	4.5	4.2
India (FY basis)*	4.6	2.1	4.9	4.0
Indonesia	2.3	1.9	3.2	2.2
Malaysia	1.8	1.4	2.0	2.0
Philippines	3.2	1.7	6.5	4.0
Singapore	2.4	0.9	2.2	2.0
South Korea	2.3	2.1	2.6	2.1
Taiwan	2.2	1.7	1.9	1.8
Thailand	0.4	-0.1	2.5	1.5
Vietnam	3.6	3.3	4.8	3.3
Eurozone	2.3	2.2	3.1	2.1
Japan	2.7	3.2	1.8	1.8
United States	3.0	2.7	3.5	3.0

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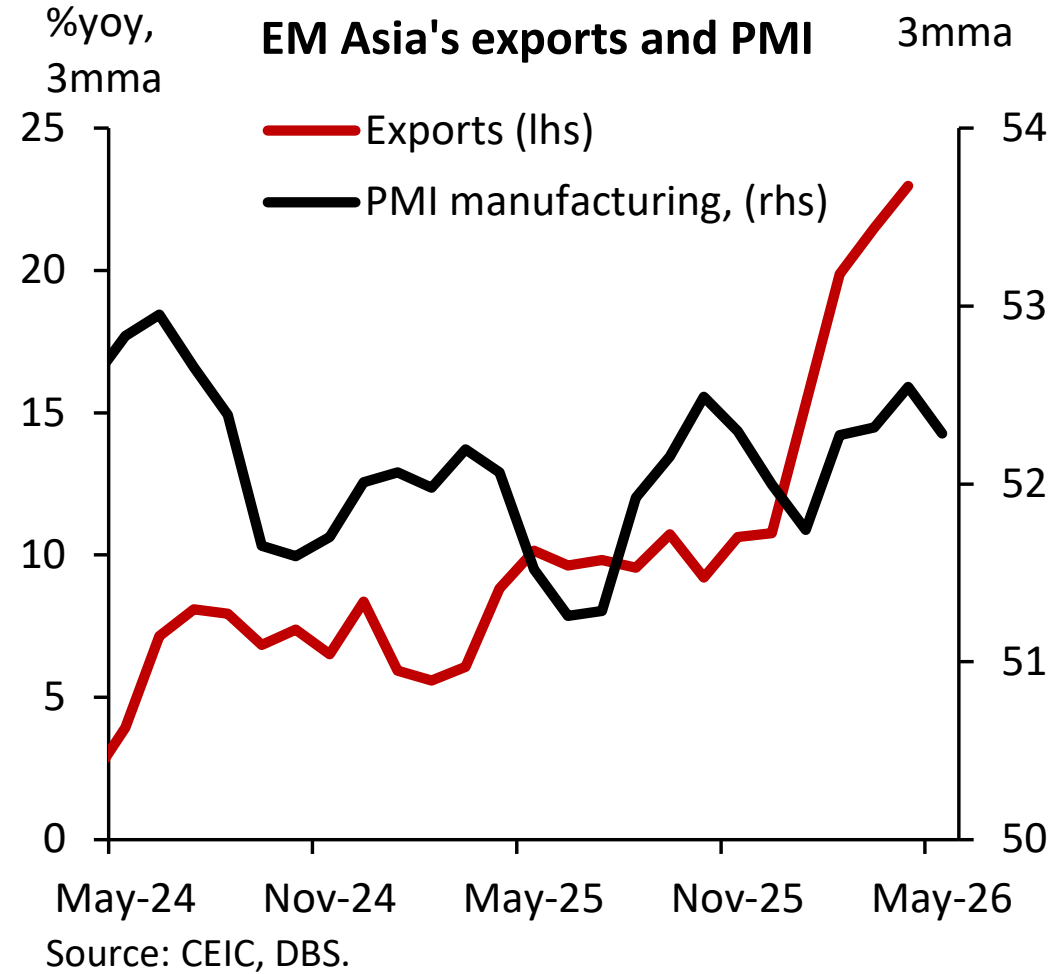
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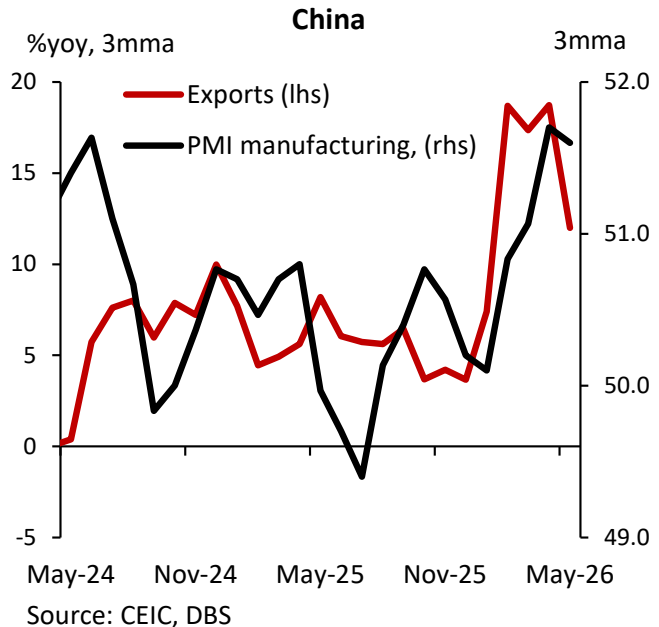
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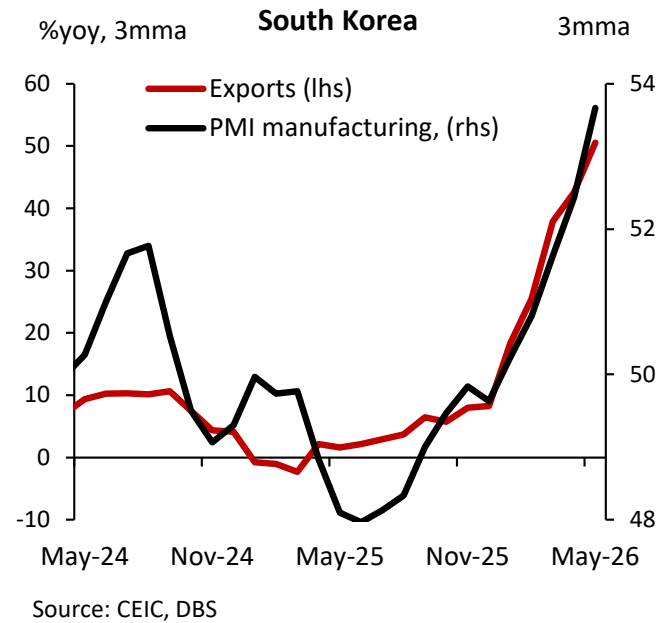
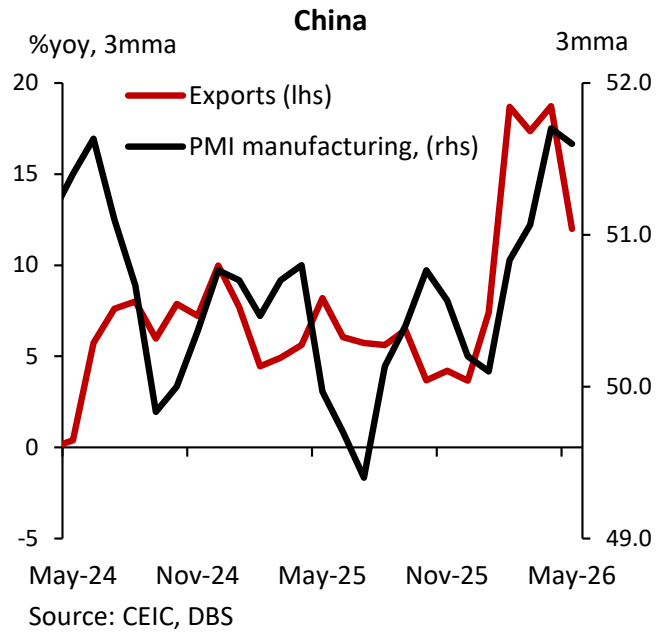
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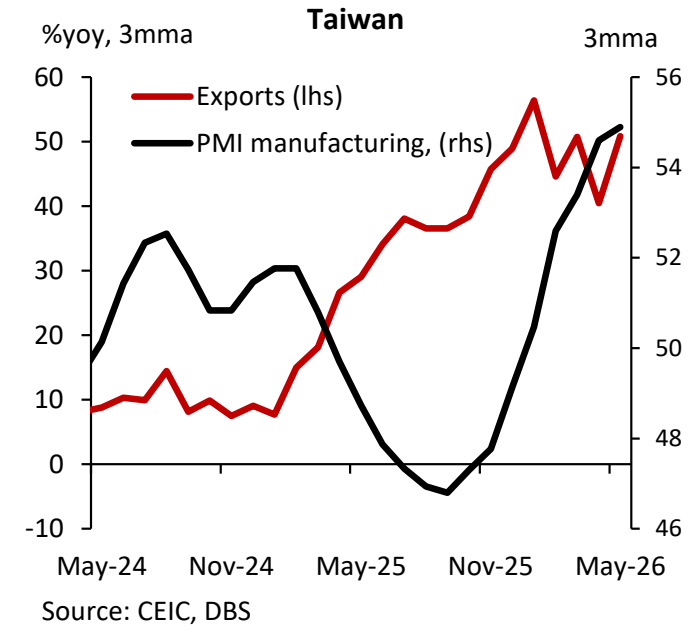
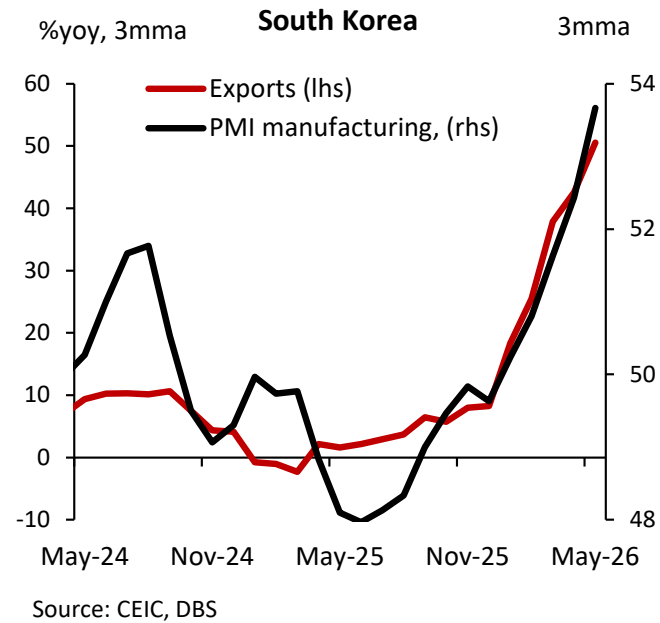
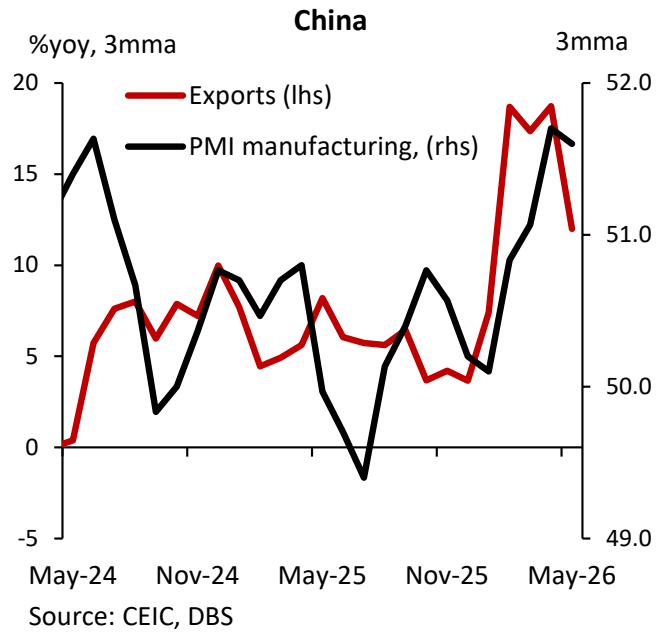
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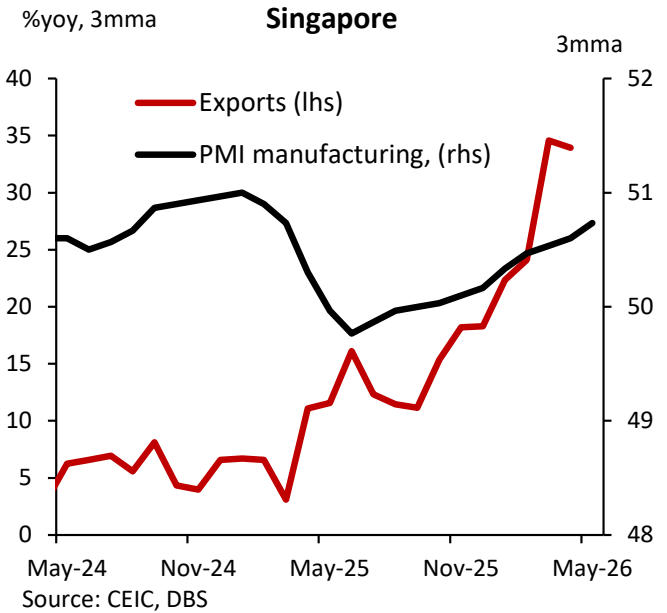
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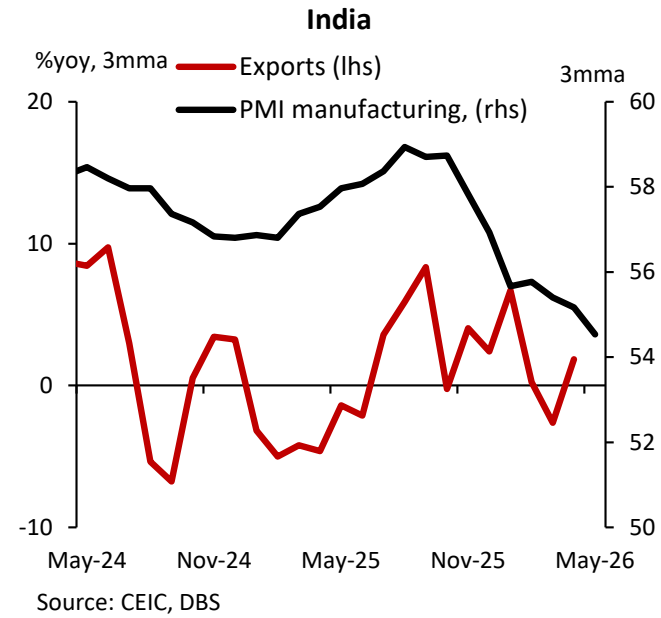
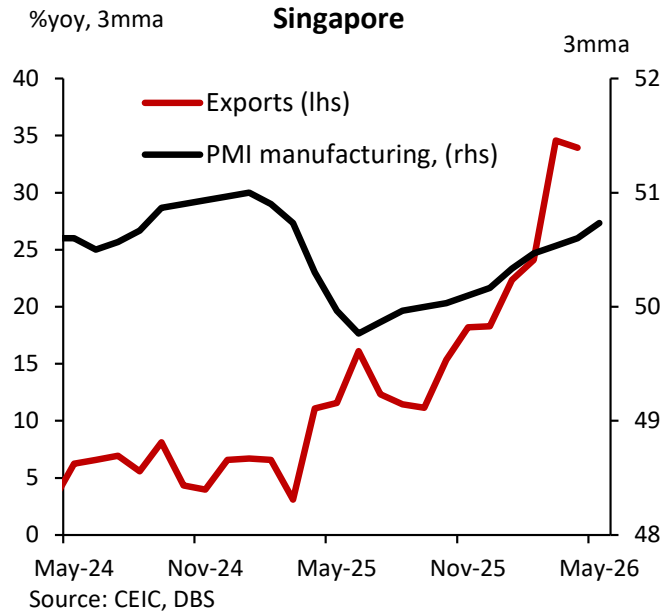
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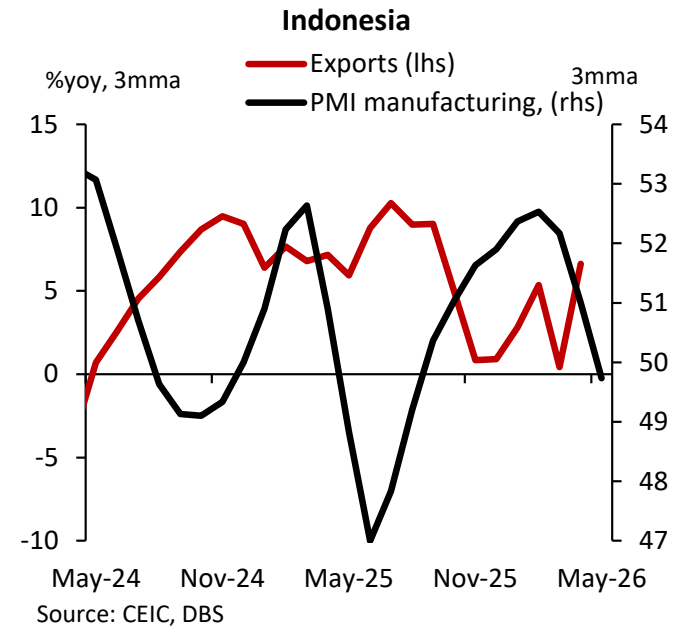
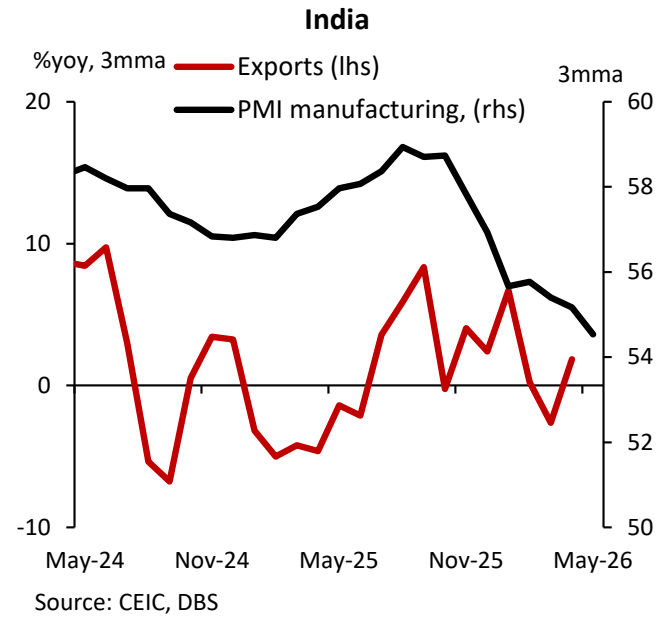
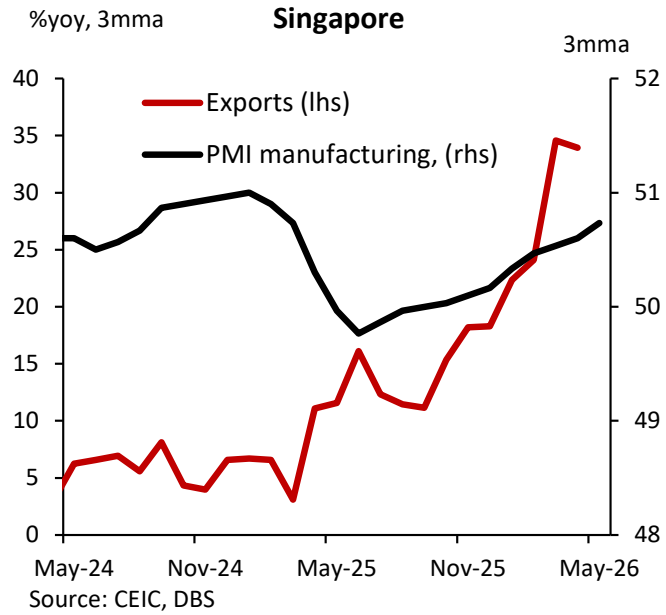
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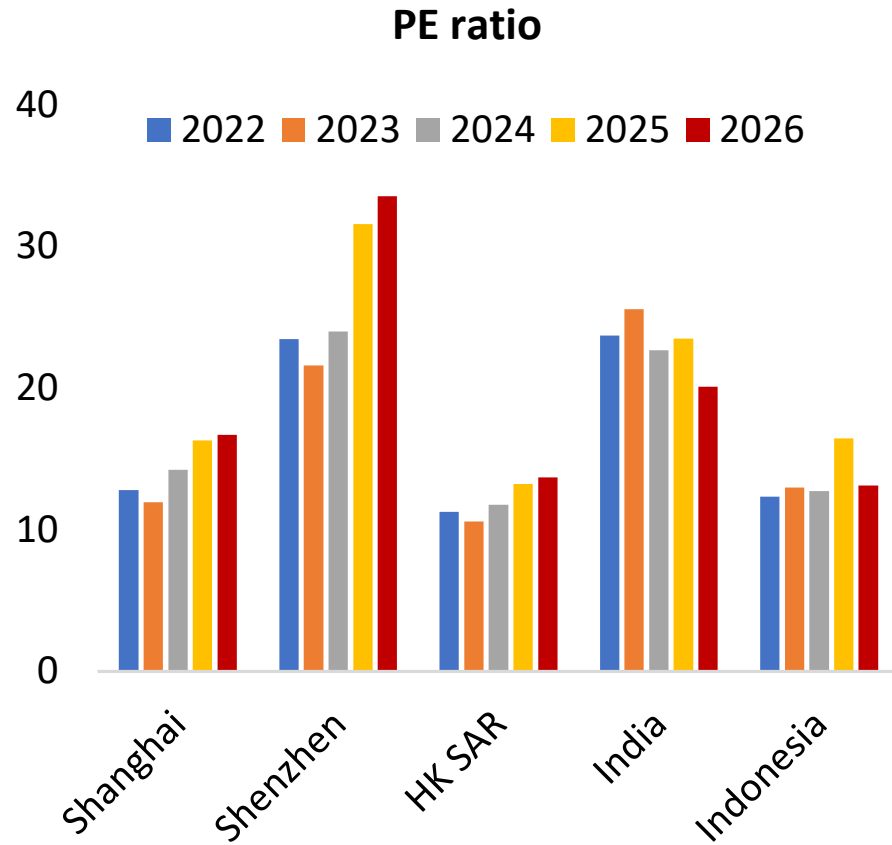
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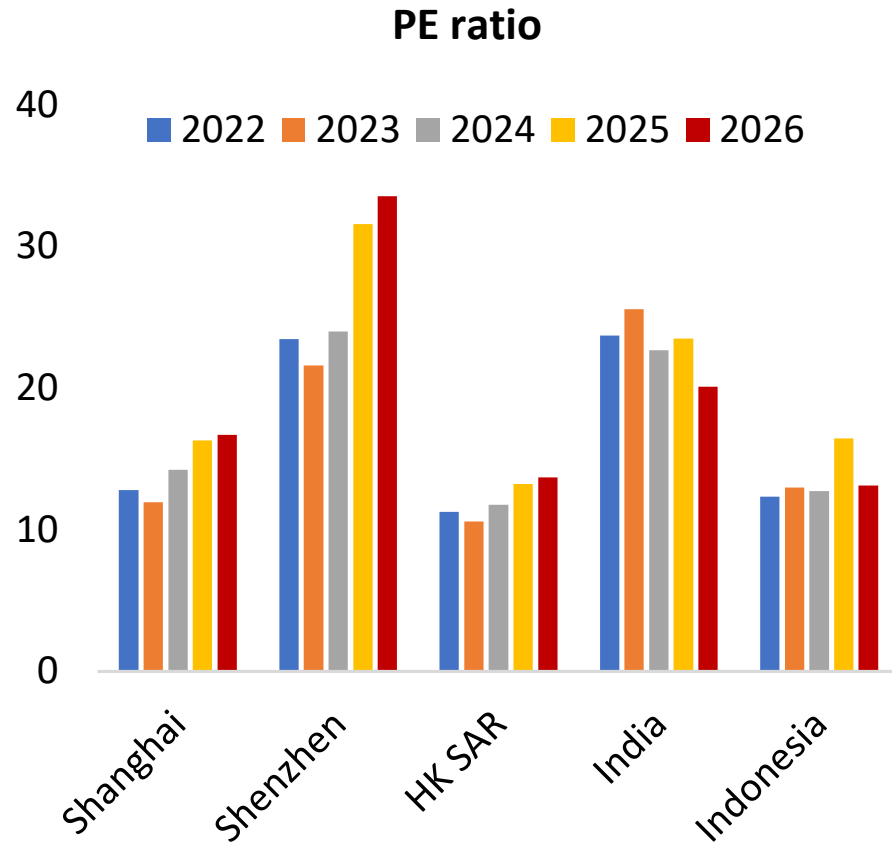
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AI wave and regional stock markets

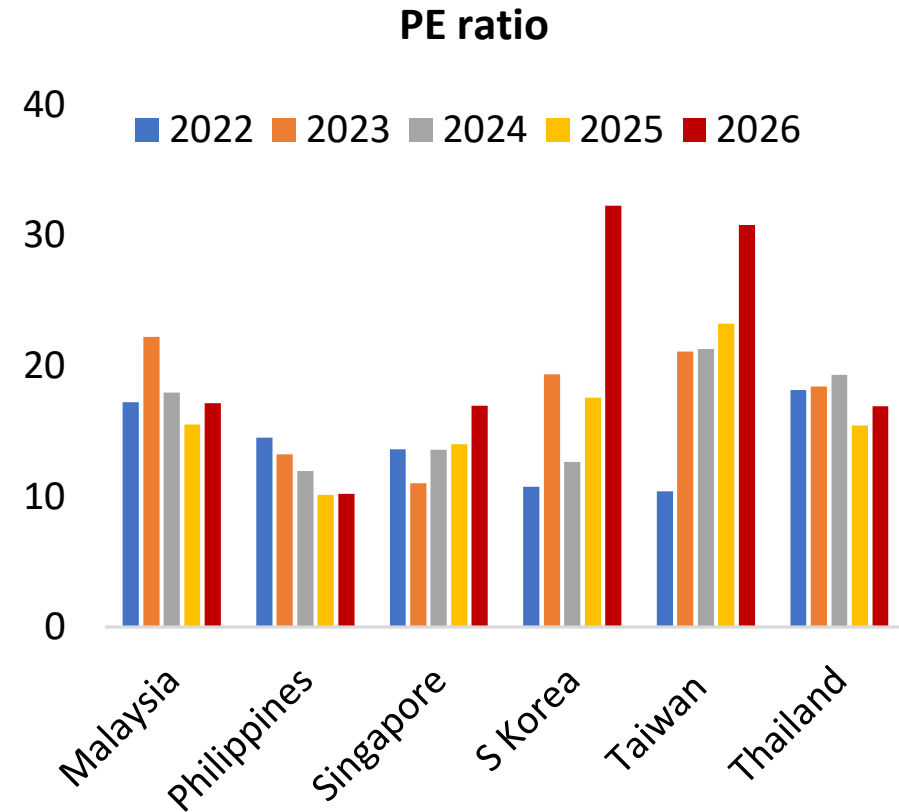


Source: CEIC, Bloomberg, DBS

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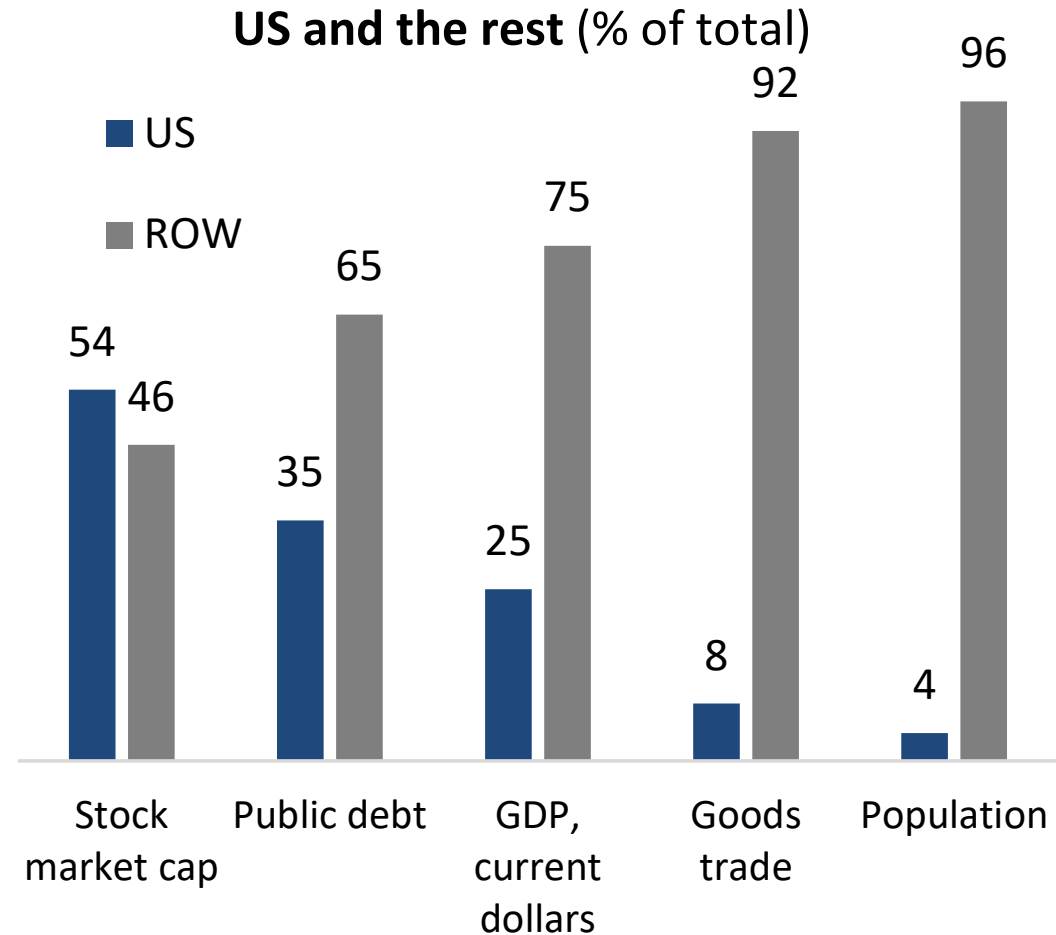
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A TOTUS update

Trade Outside the US (TOTUS)

The 'T' can also stand for:

- Tech
- Talent
- Travel
- Tourism



Source: WTO, DBS. In ppp terms, US GDP accounts for 15% of the world total.

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2H26 outlook

War pause

AI wave

China domestic demand

US inflation

Fed policy

Asian FX

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