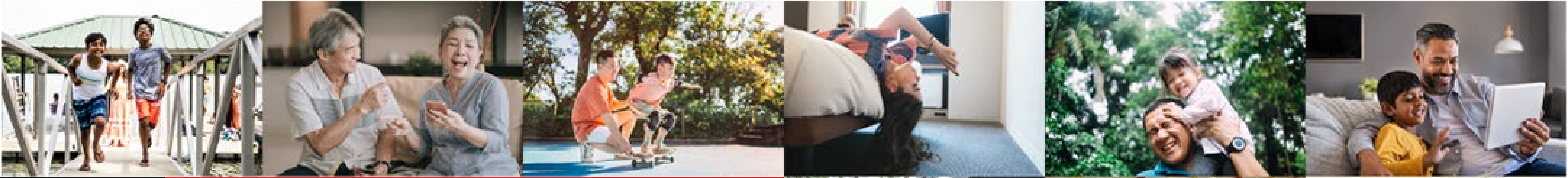

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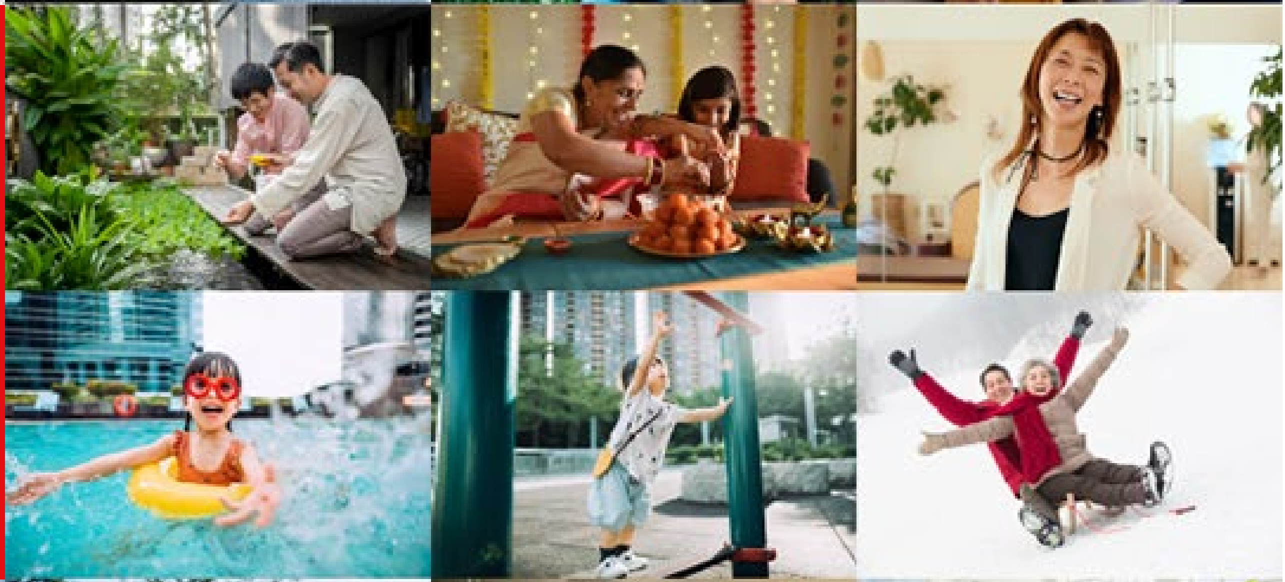
Live more,
Bank less

Macro Insights Livestream – July 2026

Summer Respite?

Taimur Baig, PhD, Chief Economist
Chua Han Teng, Senior Economist
Eugene Leow, Senior Rates Strategist



Outline

- **A faltering ceasefire in the middle-east**
  Taimur Baig

- **Asia's growth and trade landscape**
  Chua Han Teng

- **Rates outlook**
  Eugene Leow

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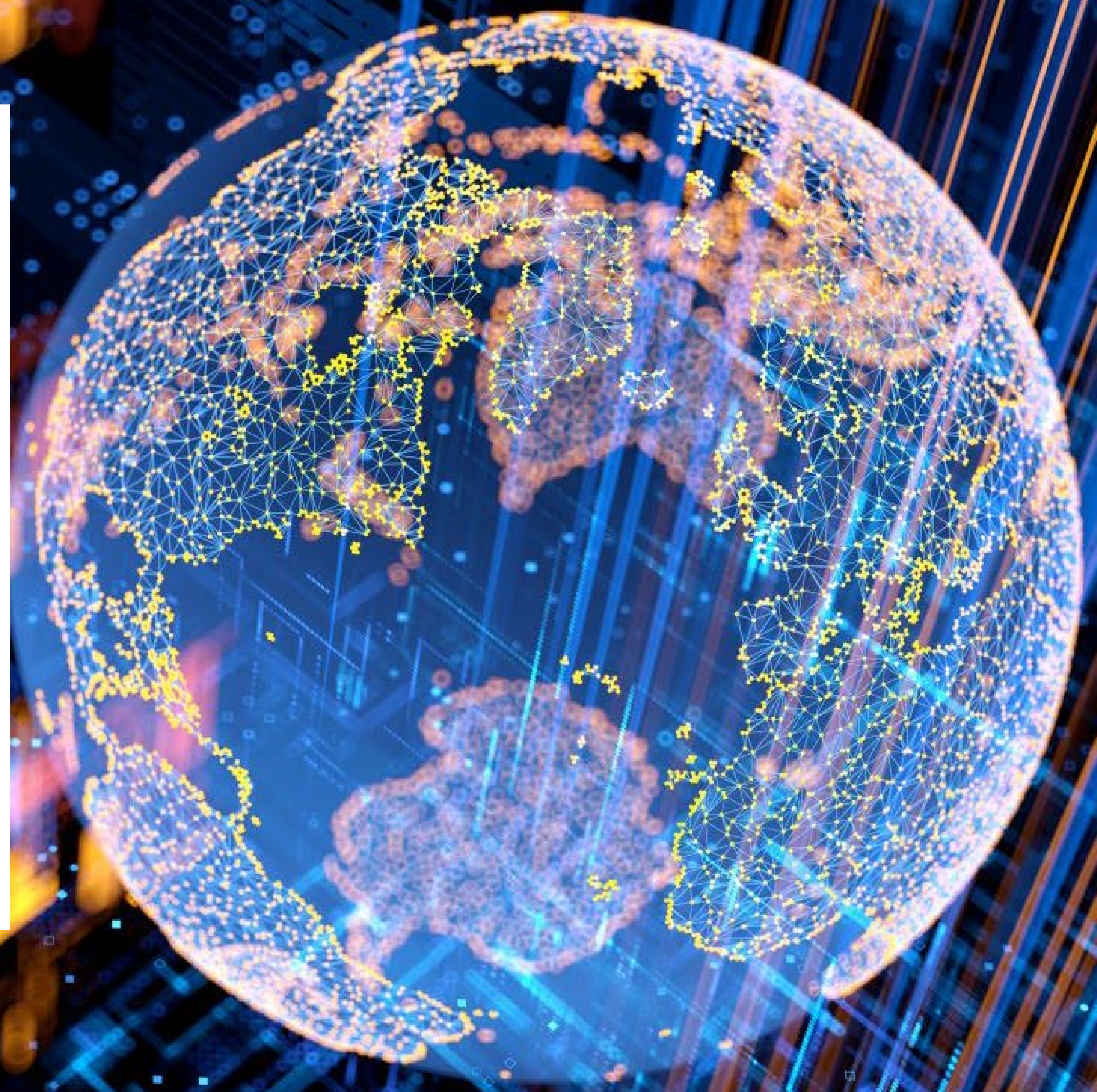
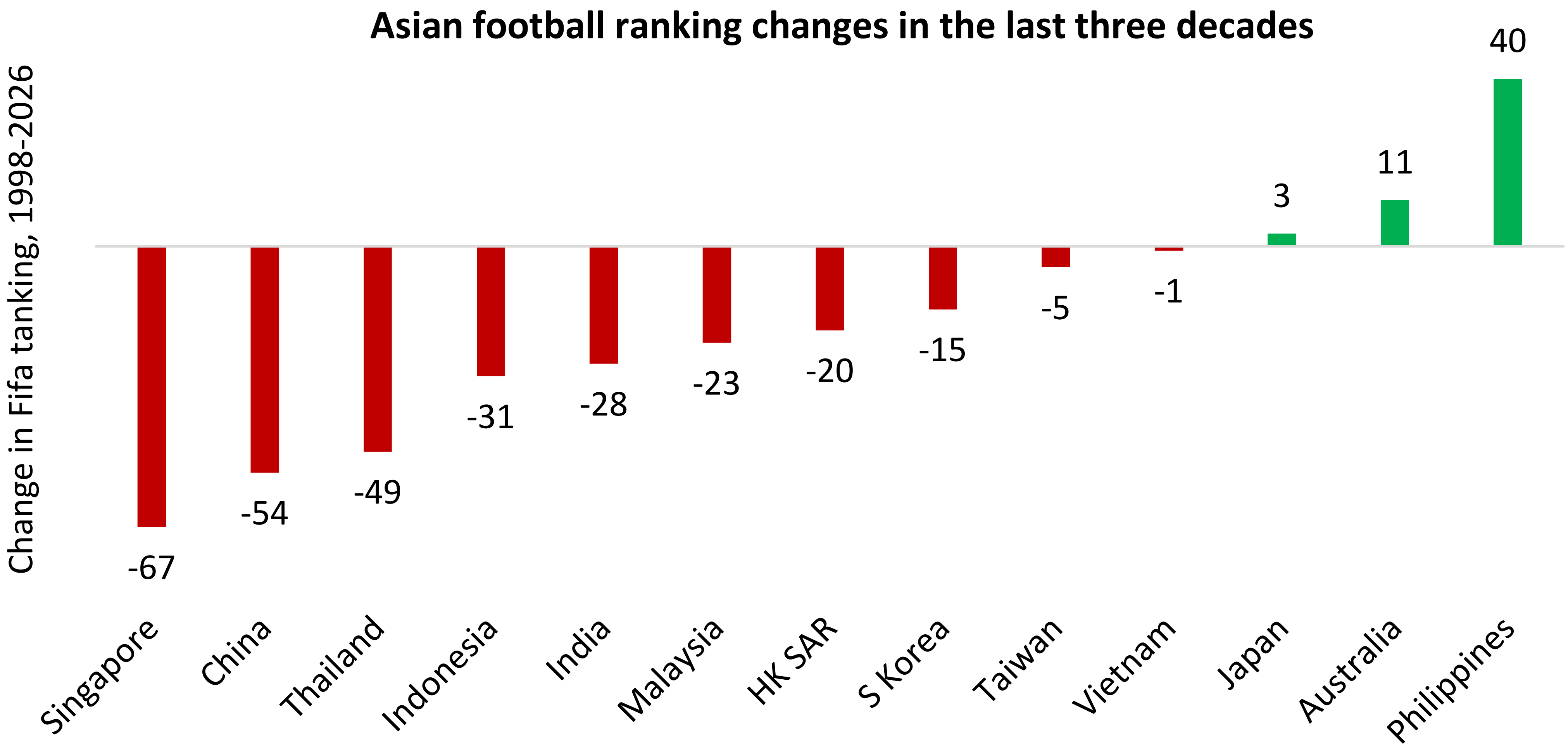
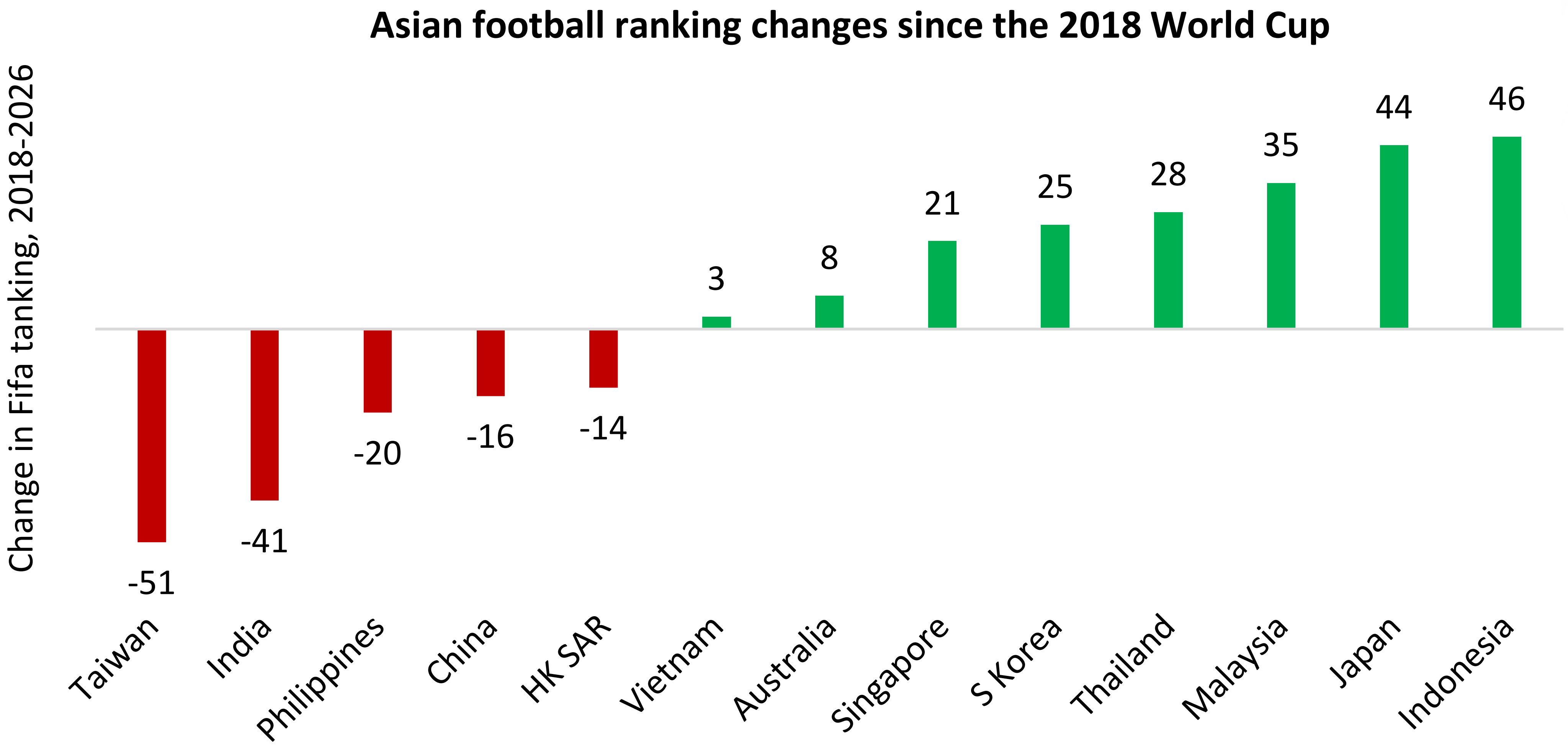


First, a little football



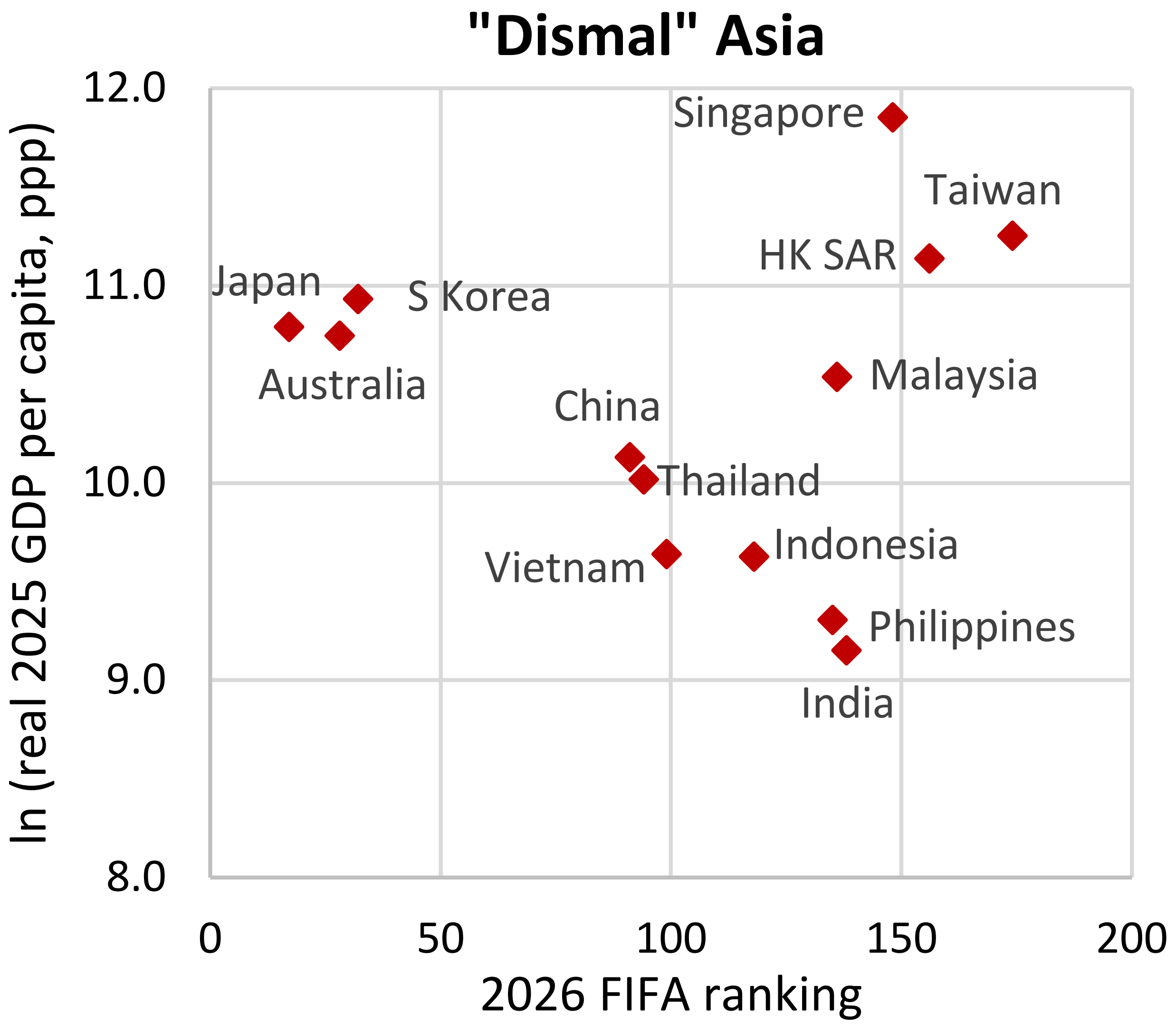
Source: FIFA, DBS

First, a little football



Source: FIFA, DBS

Income and FIFA ranking



US-Iran: A faltering ceasefire

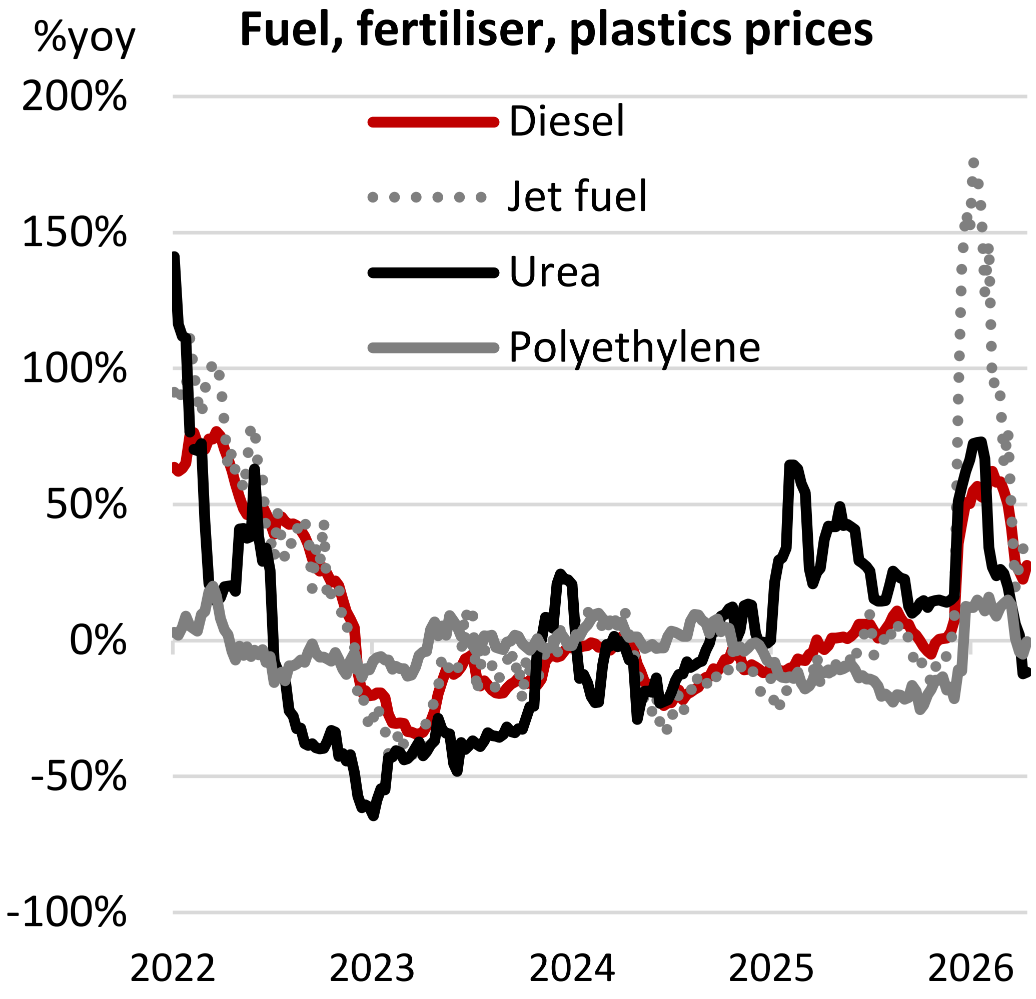
Return of violence less than a month after the “deal”

Appetite for full-blown escalation still limited

Mid-terms are looming

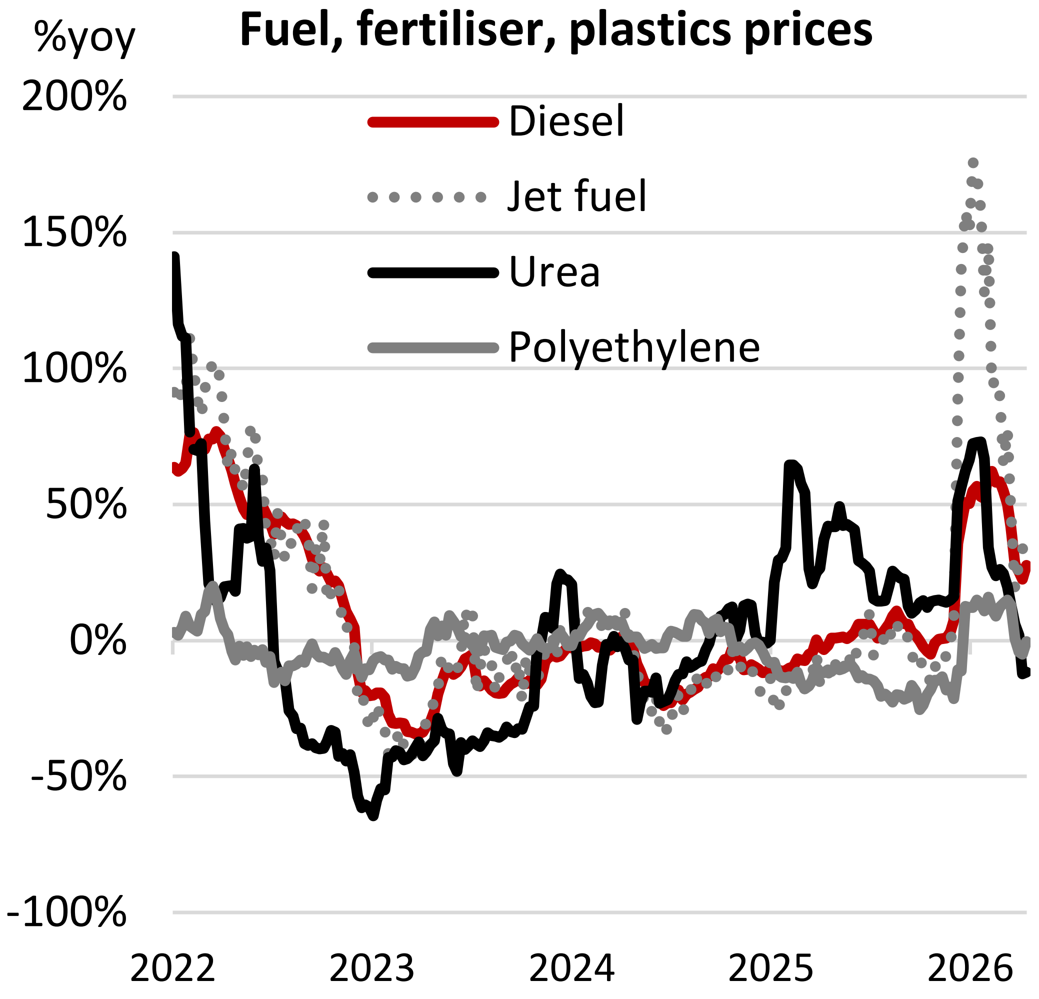
Erratic US response

US inflation watch

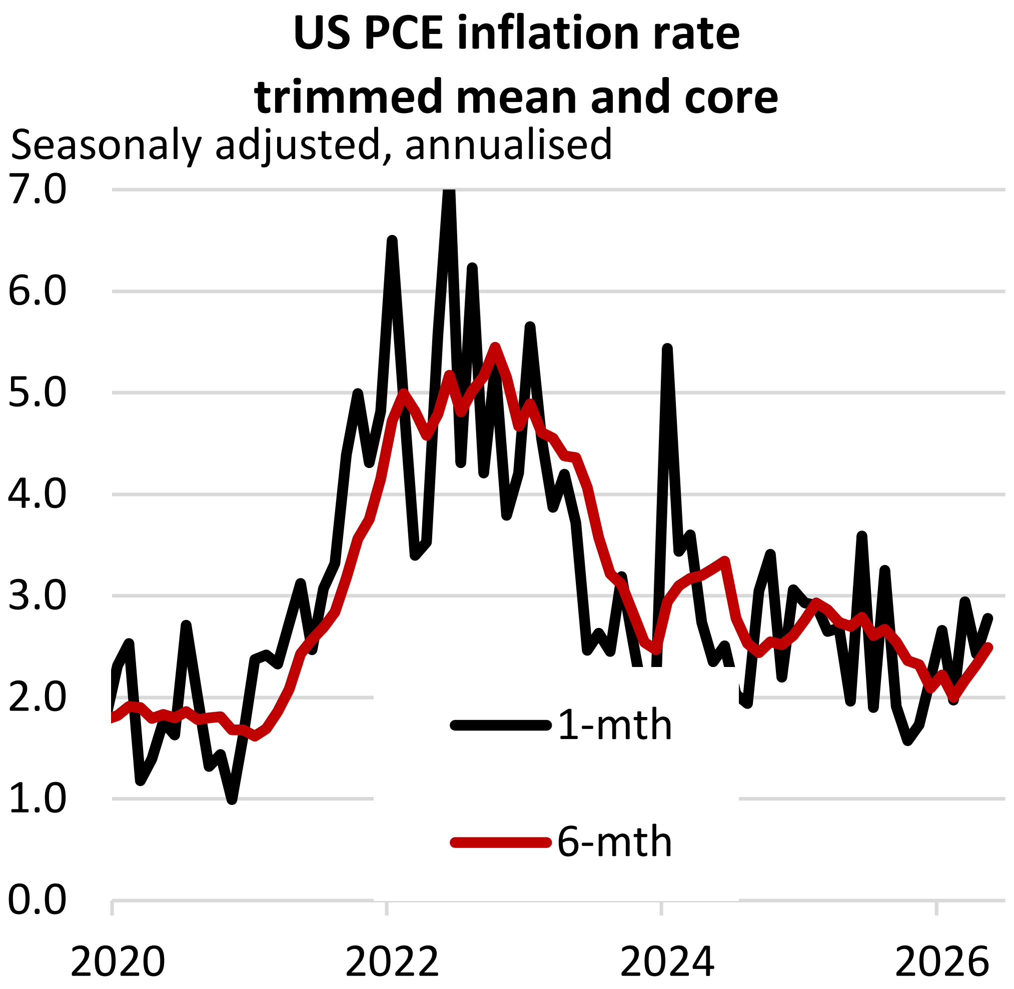


Source: Bloomberg, DBS

US inflation watch

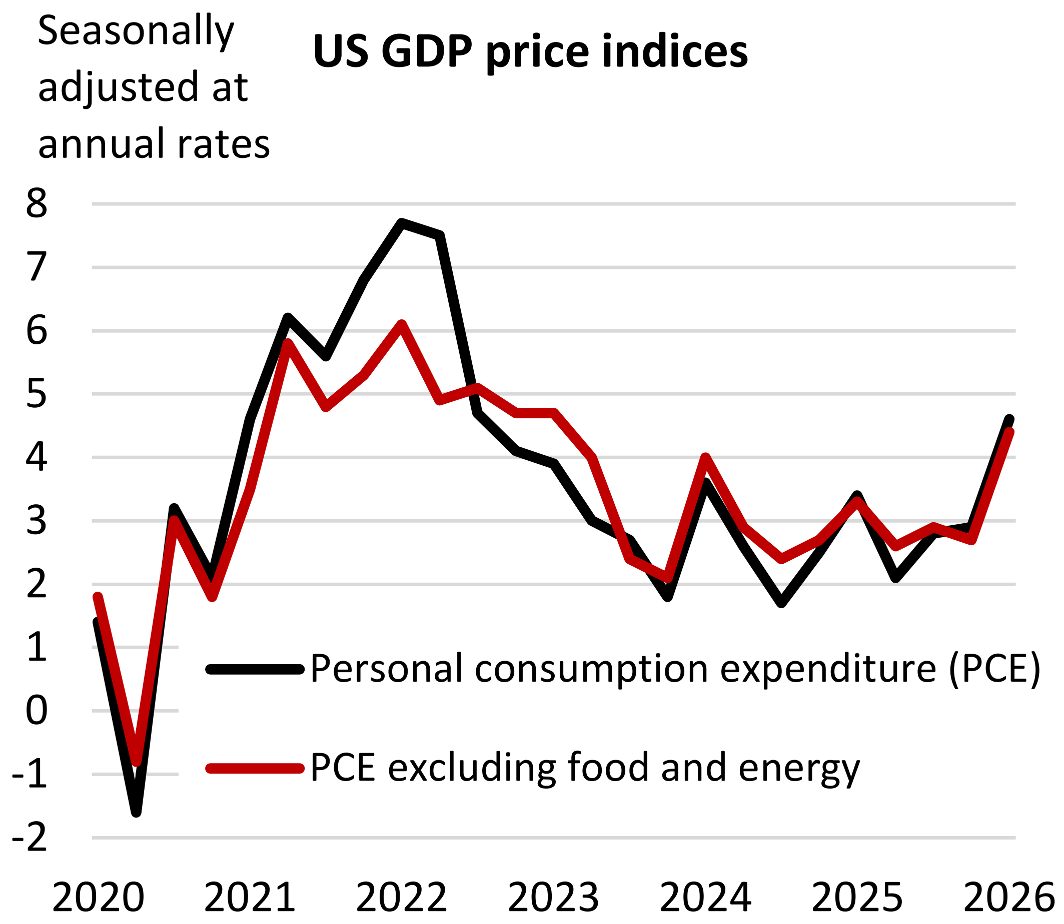


Source: Bloomberg, DBS



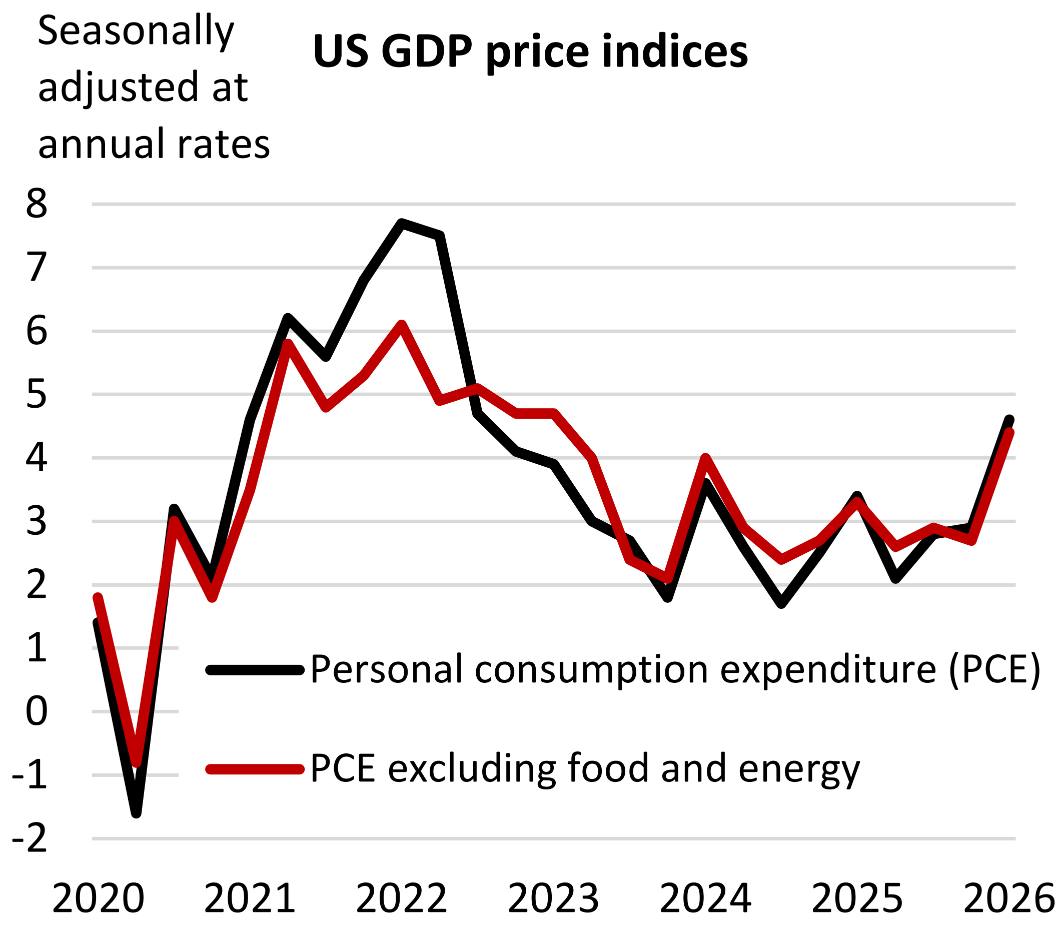
Source: Dallas Fed, CEIC, DBS

US inflation watch

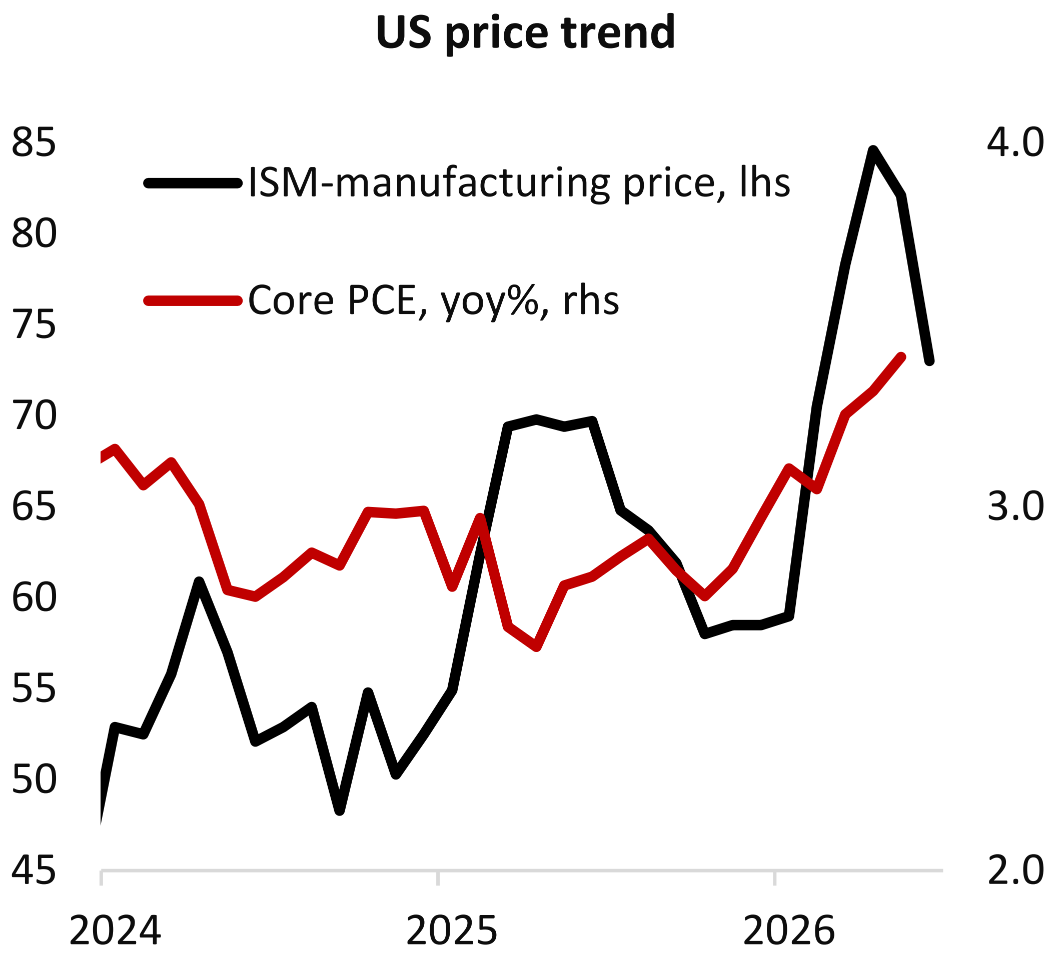


Source: US Bureau of Economic Analysis, DBS

US inflation watch

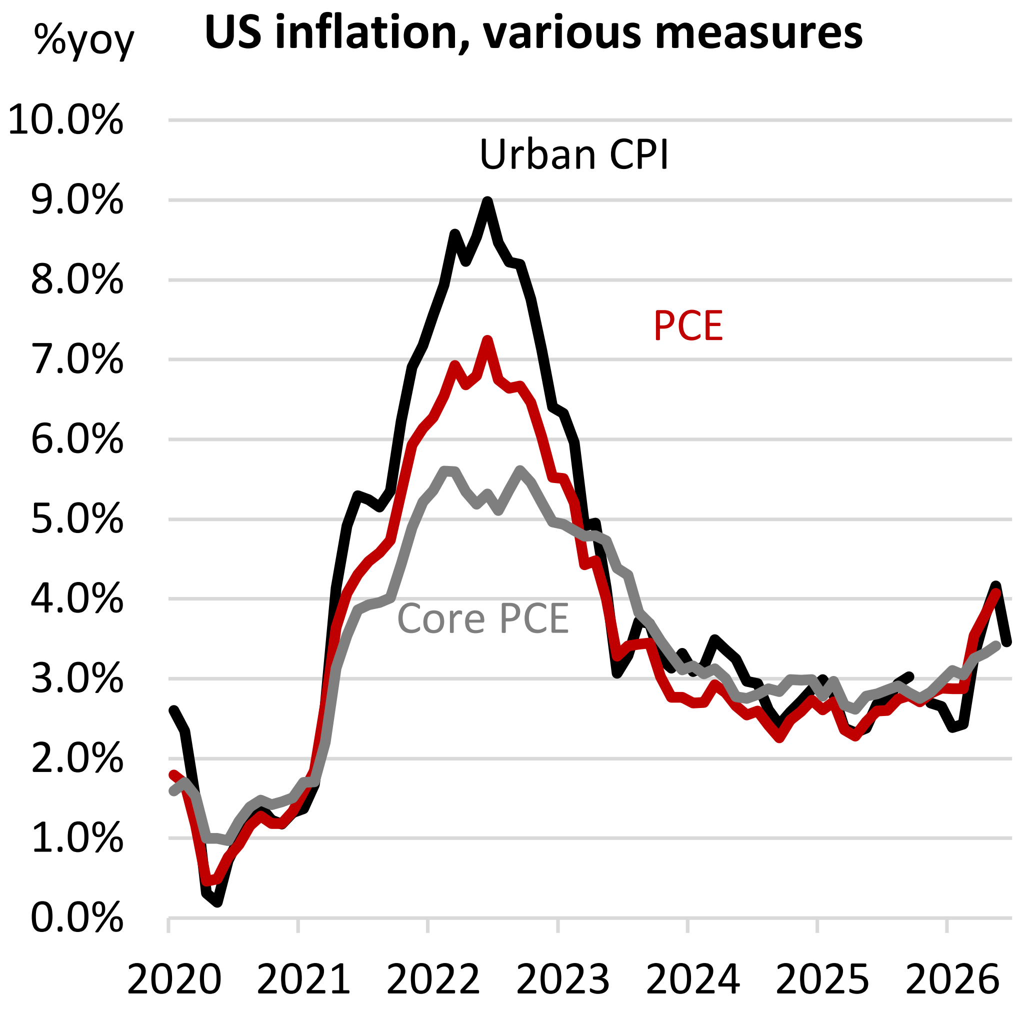


Source: US Bureau of Economic Analysis, DBS



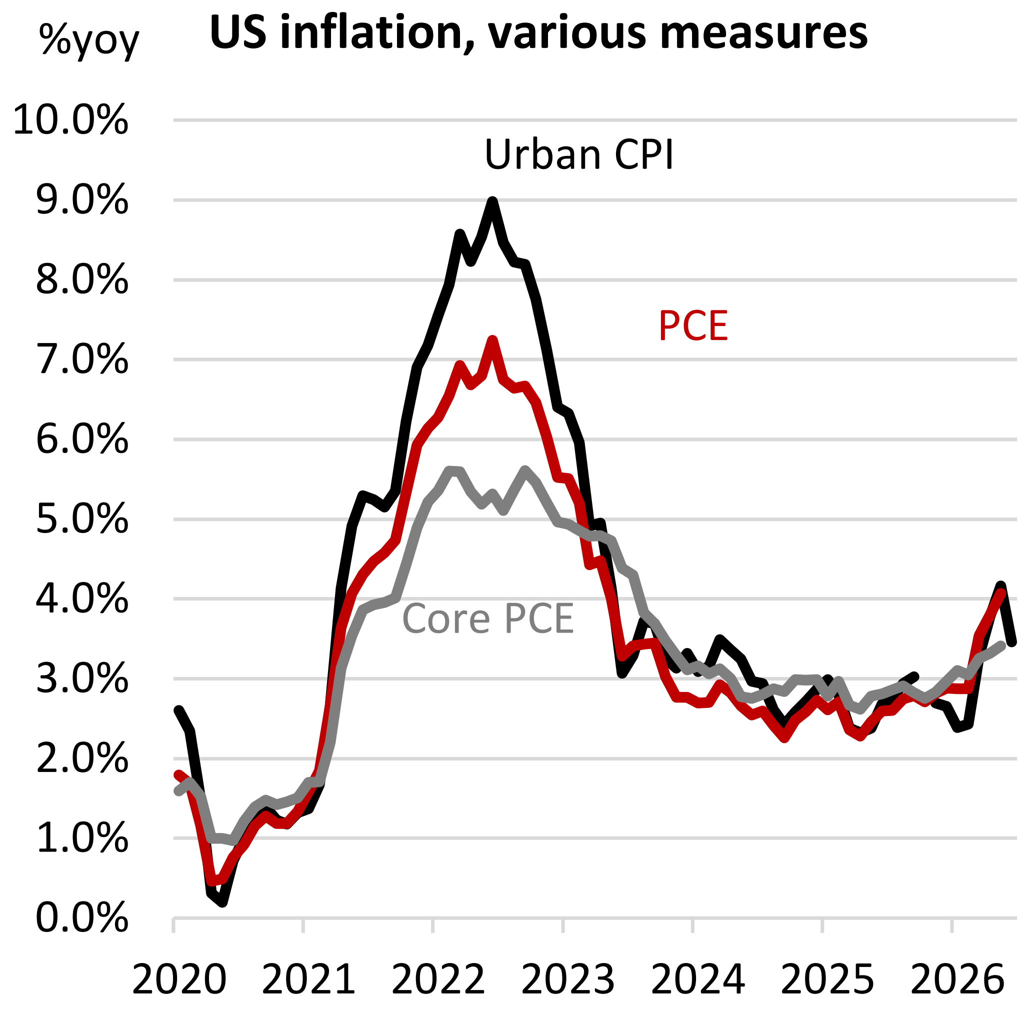
Source: CEIC, DBS.

US inflation watch

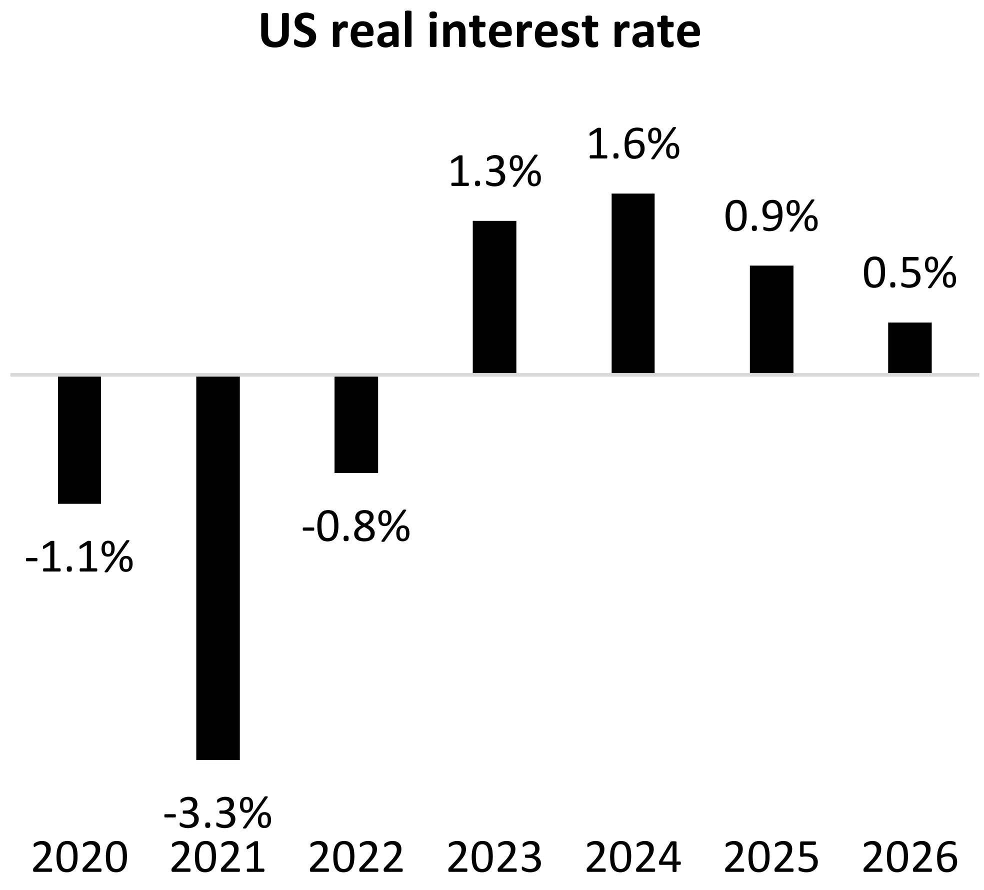


Source: CEIC, DBS

US inflation watch



Source: CEIC, DBS



Source: CEIC, DBS. Real rate calculated as the difference between end-year Fed funds rate and annual average core PCE inflation

Inflation watchlist

Core PCE, if it heads past 3.5% and toward 4%

Immigration inflation

Electronics inflation

Energy inflation

Tariff inflation

Fed policy under Warsh

Sound hawkish but do nothing?

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Five advisory task forces covering communications, the Fed balance sheet, economic data, productivity and employment, and inflation. Members of the FOMC remain free to accept or reject the recommendations.

Sound hawkish but do nothing?

Five advisory task forces covering communications, the Fed balance sheet, economic data, productivity and employment, and inflation. Members of the FOMC remain free to accept or reject the recommendations.

In September, the US Bureau of Economic Analysis is scheduled to introduce a revised methodology for calculating PCE inflation, with revisions extending back to 2021.

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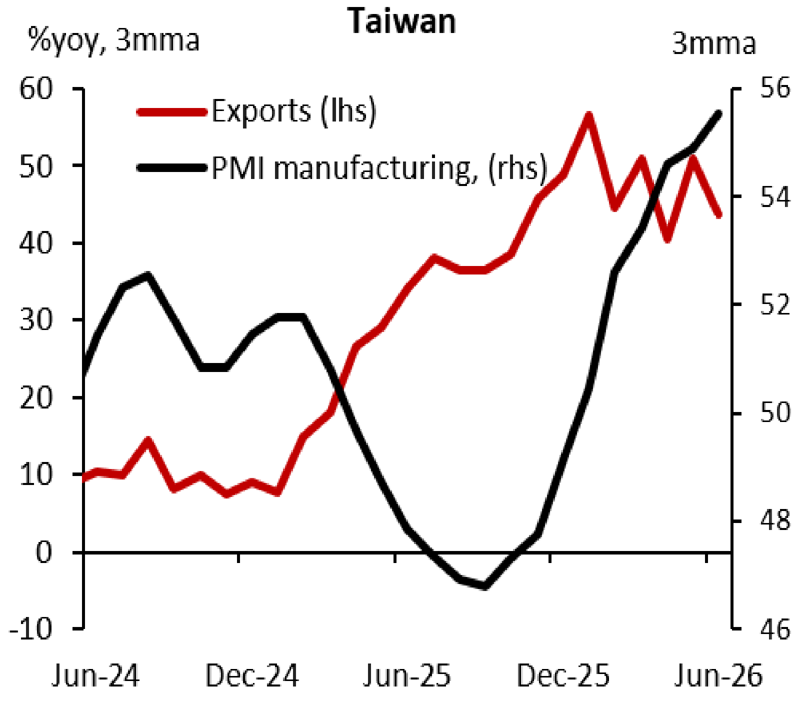
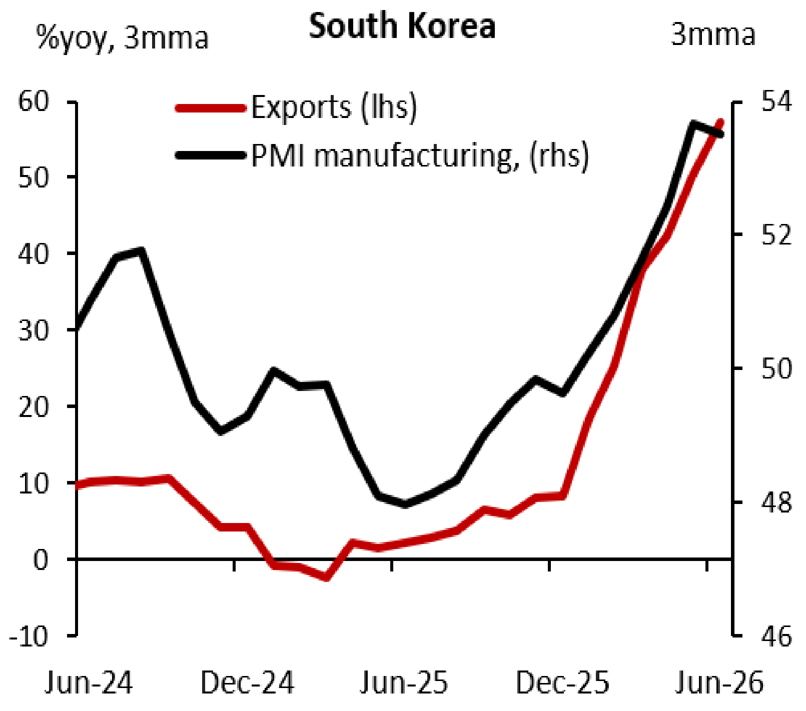
North Asia's exports: Strong upcycle

Source: CEIC, DBS

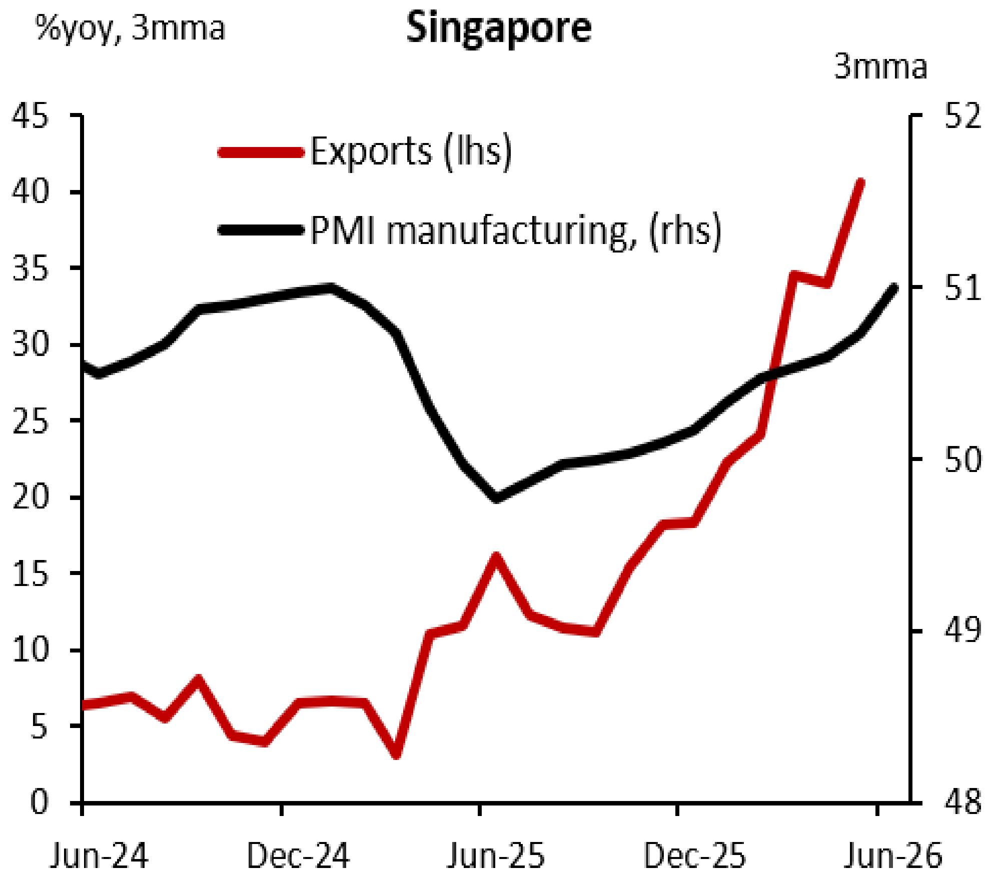


Source: CEIC, DBS

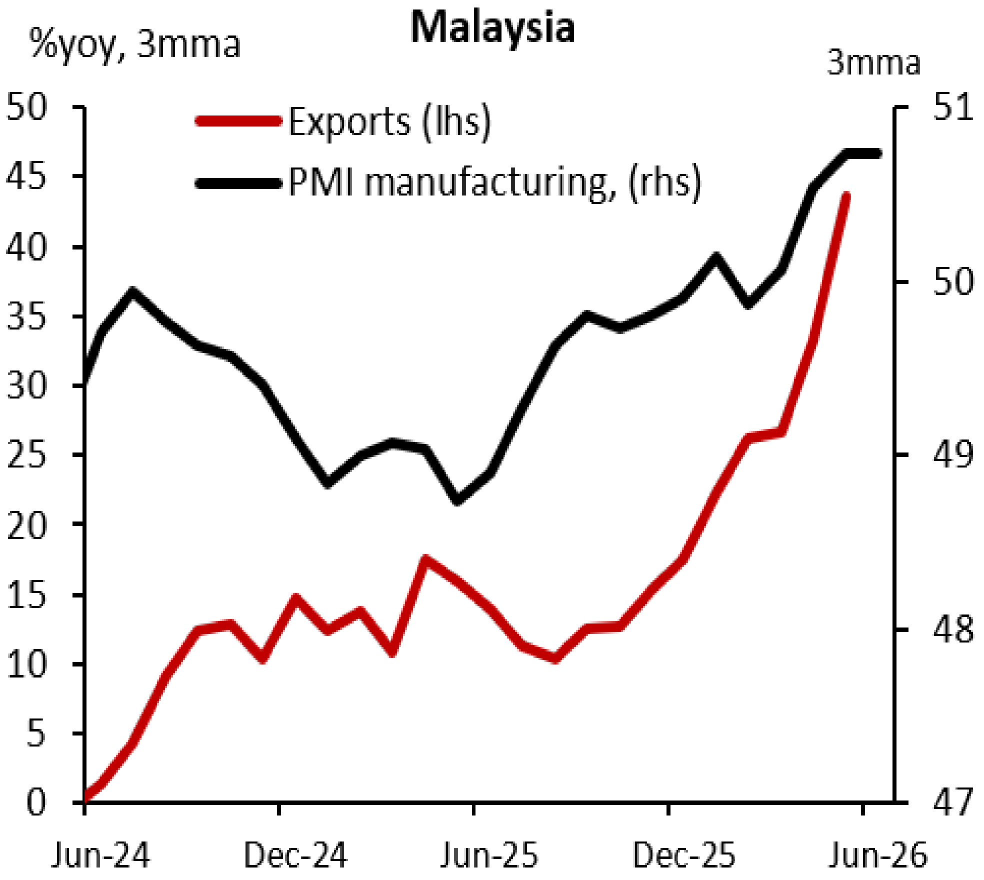


Source: CEIC, DBS

Key ASEAN exporters: Robust performance



Source: CEIC, DBS



Source: CEIC, DBS

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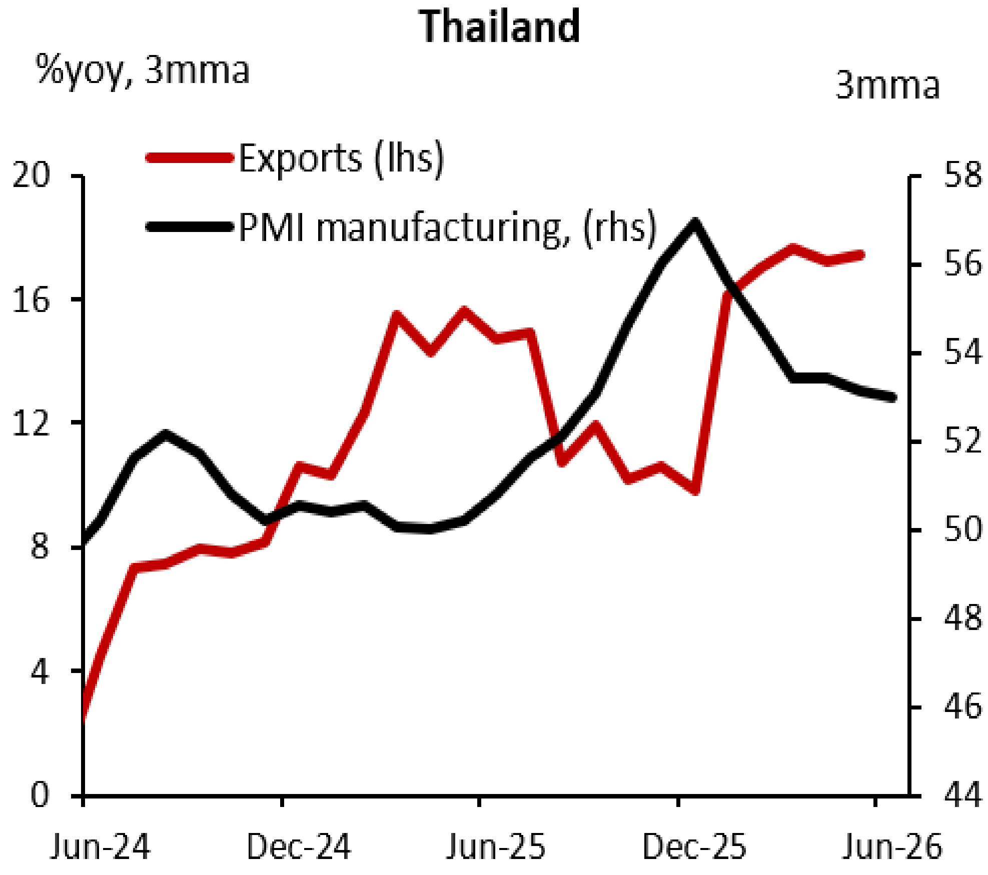
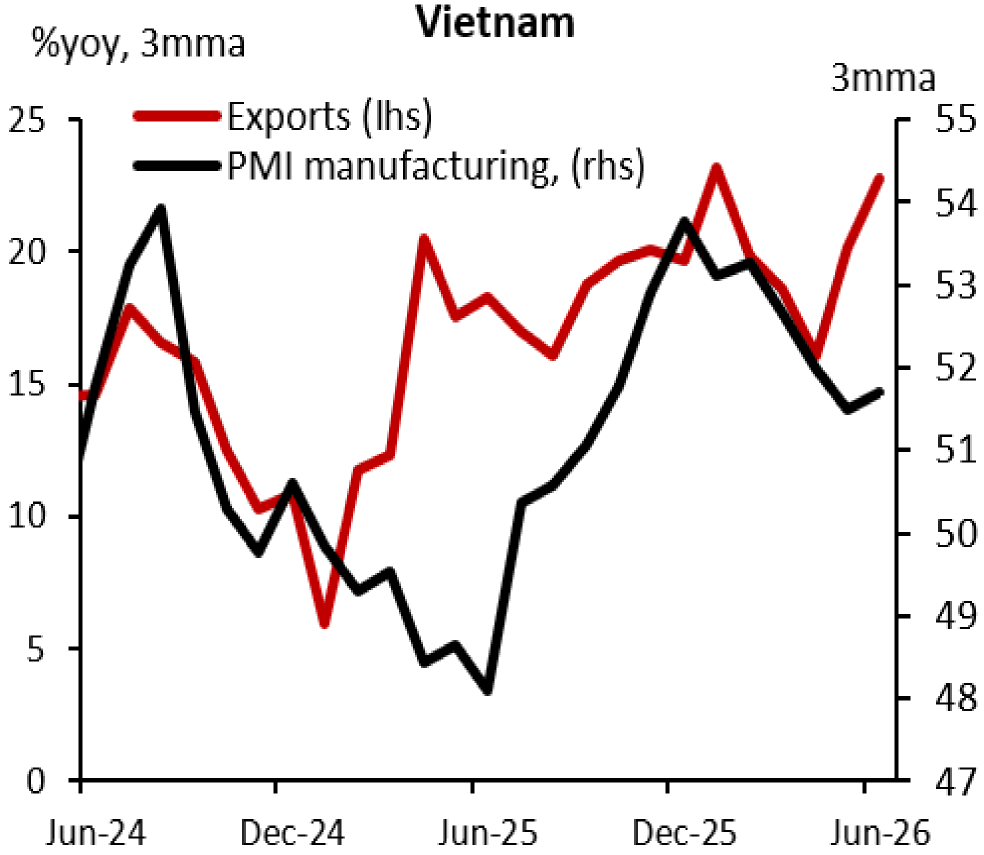
Key ASEAN exporters: Robust performance



Source: CEIC, DBS



Source: CEIC, DBS

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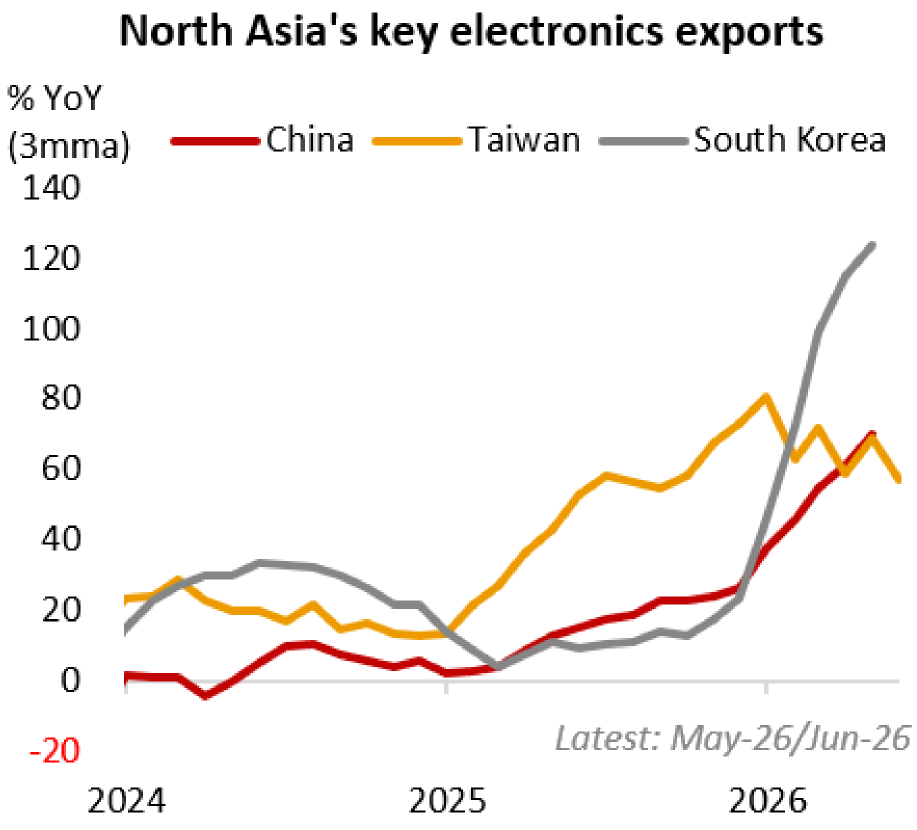
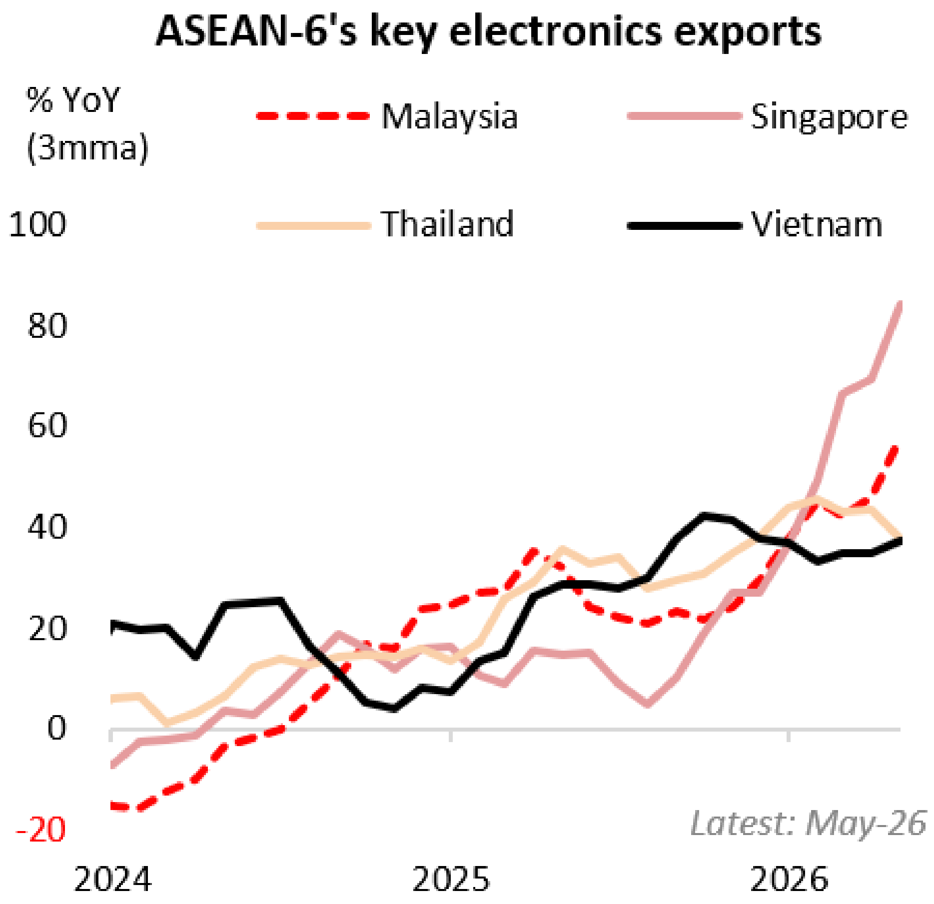
Regional electronics strength is driven by hyperscaler AI capex



Source: CEIC, DBS. Note: % YoY (3mma) in USD terms, Taiwan data include ICT products.



Source: CEIC, DBS. Note: % YoY (3mma) in USD terms

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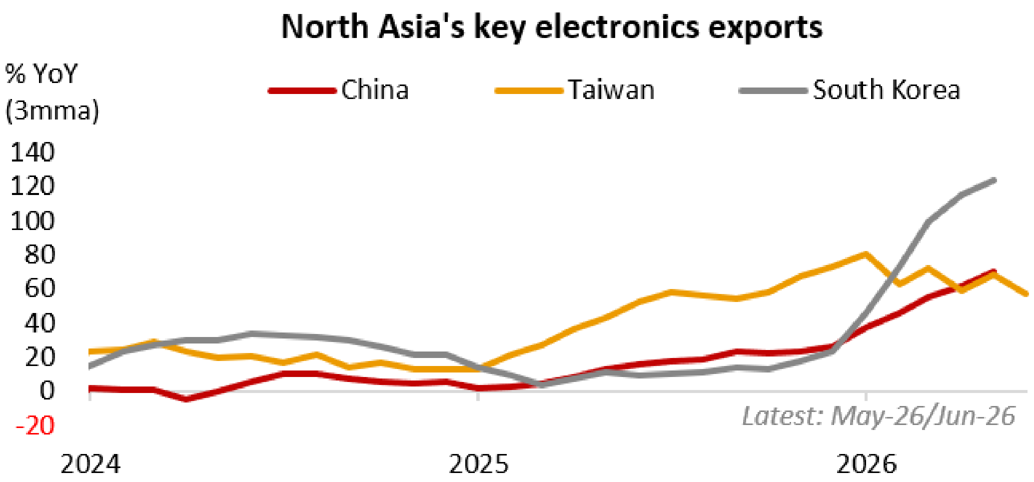
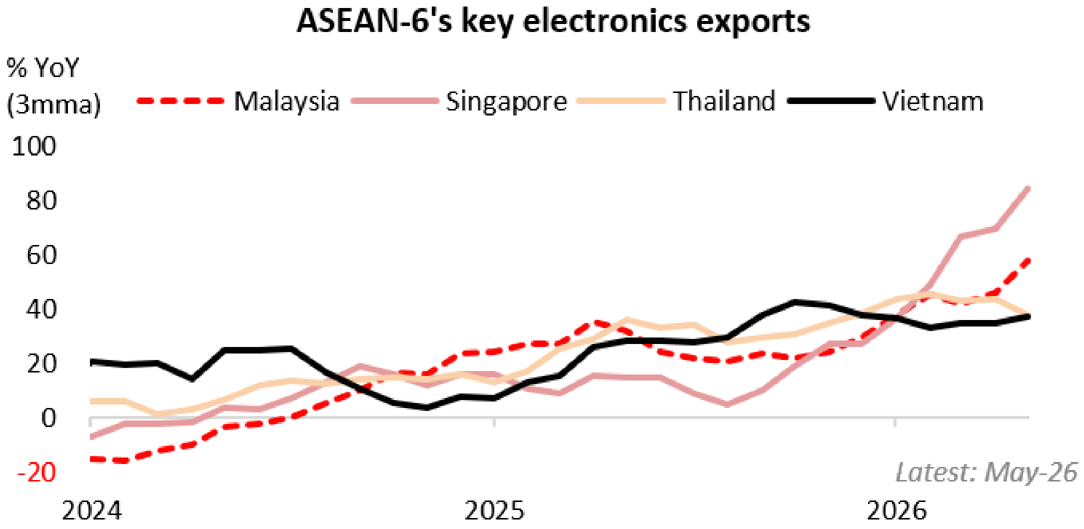
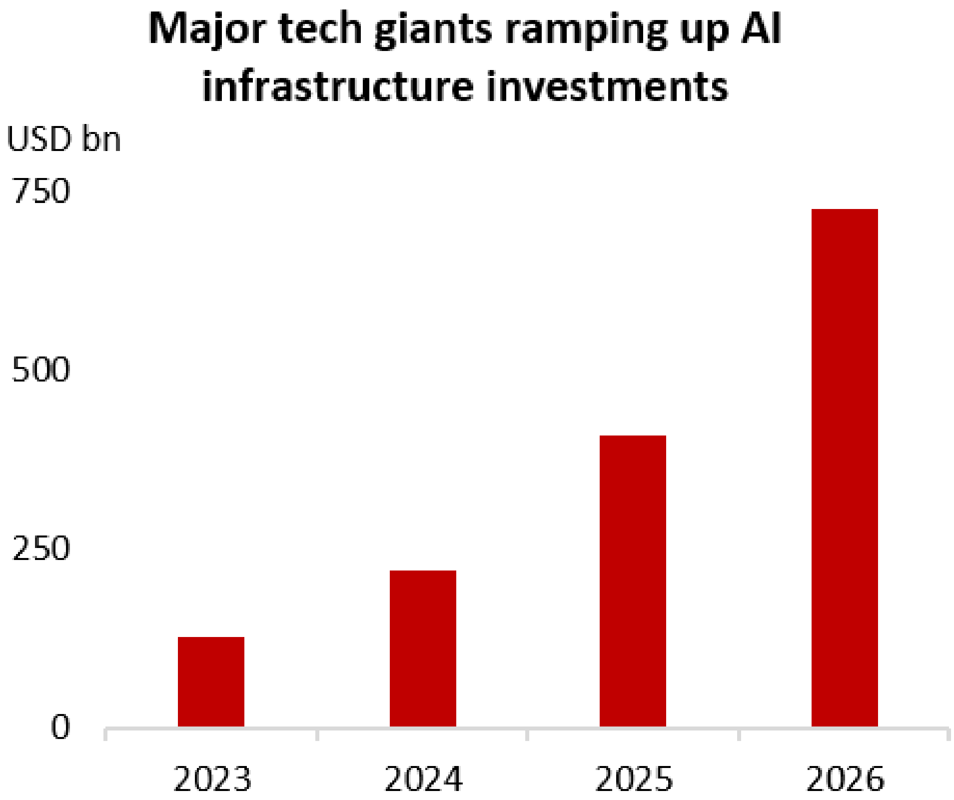


Source: CEIC, DBS. Note: % YoY (3mma) in USD terms, Taiwan's data include ICT products.



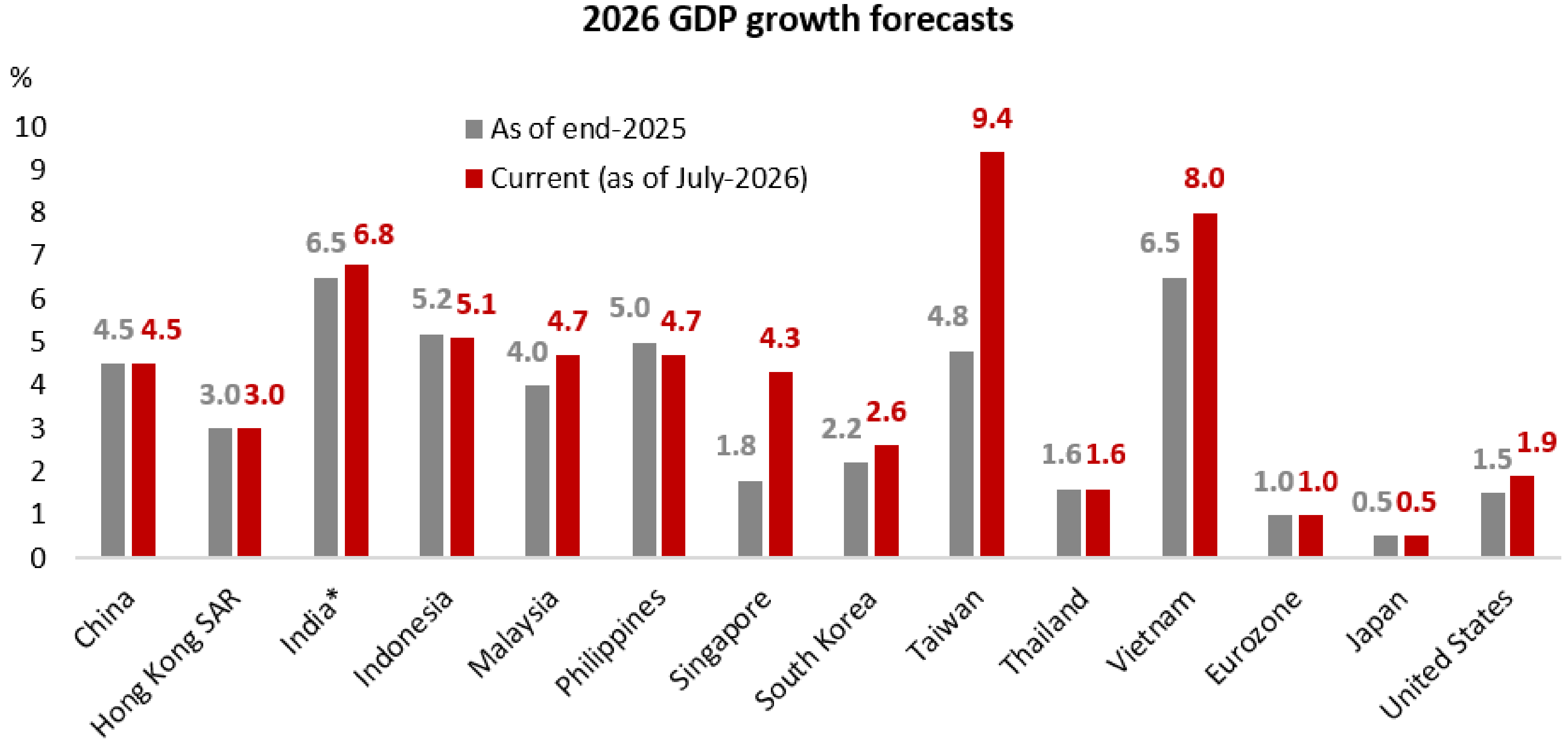
Source: CEIC, DBS. Note: % YoY (3mma) in USD terms



Source: Bloomberg, DBS

Note: Data refers to big four US hyperscalers; 2026 refers to guidance

2026 GDP growth upgrades despite Middle East shock



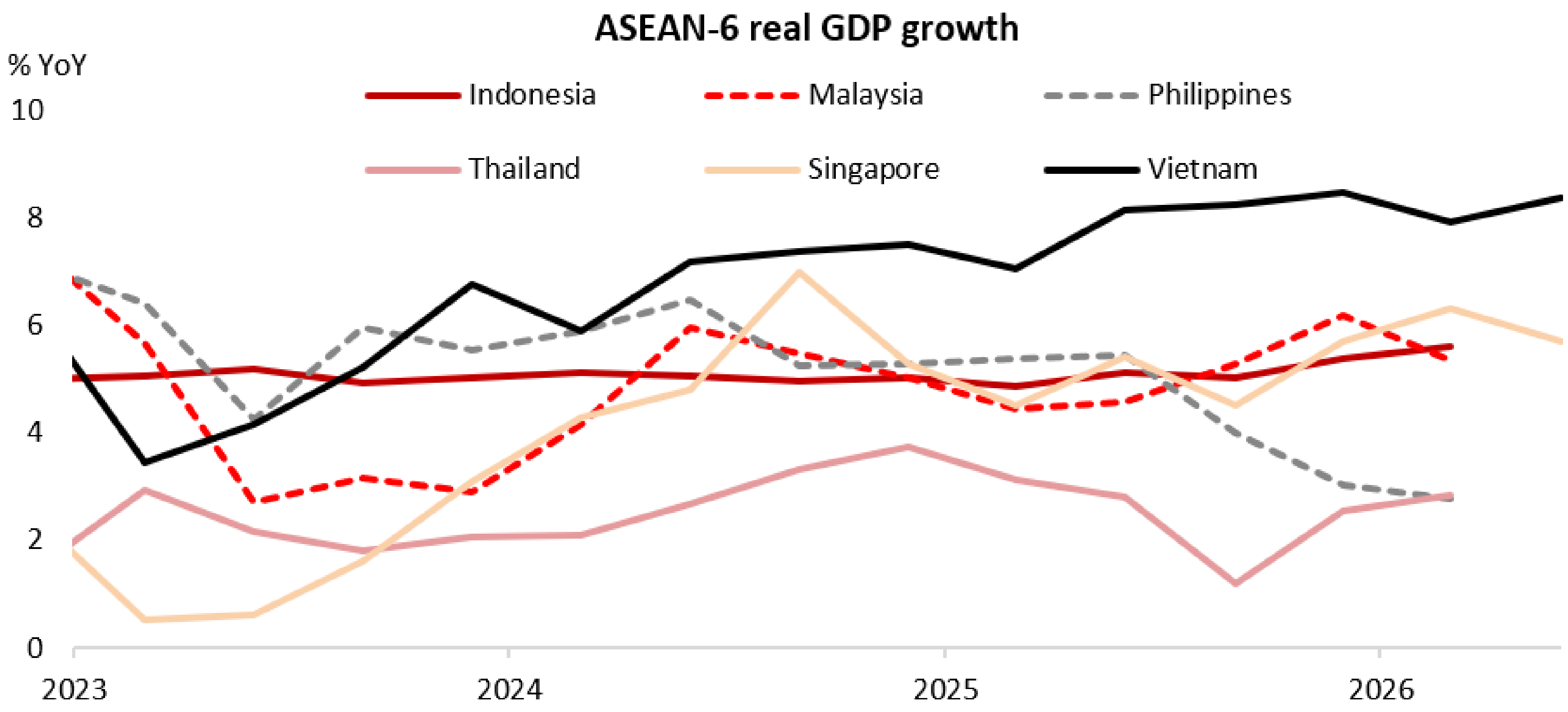
Source: DBS Research forecasts. *: India refers to fiscal year

Notable upgrades

North Asia: *Taiwan*

Southeast Asia:
Singapore, Vietnam

Tracking available 2Q26 GDP growth in ASEAN



Source: CEIC, DBS
Note: Latest 2Q26 for Singapore and Vietnam, others were 1Q26.

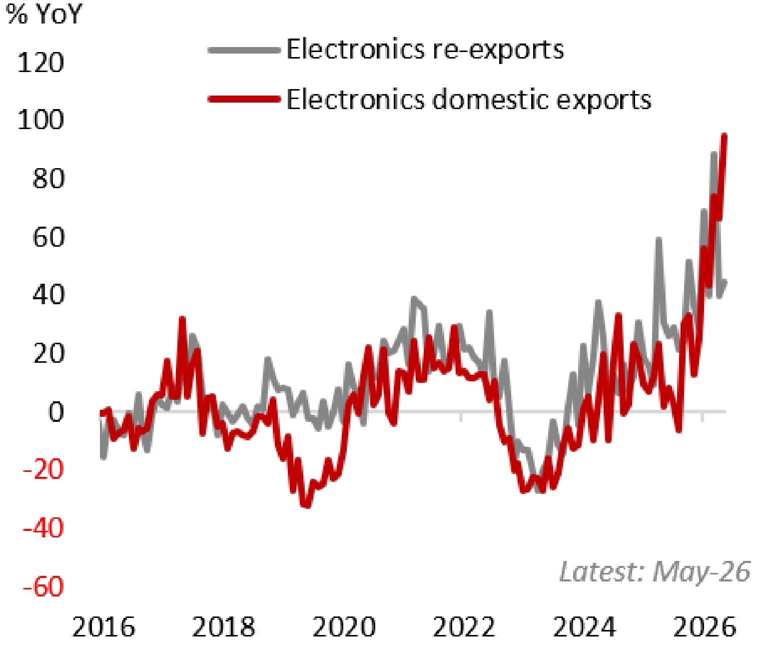
Singapore: Firm growth despite geopolitical turbulence

Real GDP growth by sectors

	1Q25	2Q25	3Q25	4Q25	2025	1Q26	2Q26*
% YoY							
Overall GDP	4.5	5.4	4.5	5.7	5.0	6.3	5.7
Manufacturing	8.6	10.5	4.6	11.4	8.7	8.0	12.2
Construction	4.2	6.6	5.6	4.6	5.2	12.9	6.2
Services	3.5	4.5	4.3	4.8	4.3	6.2	4.6
% QoQ sa							
Overall GDP	0.6	1.8	1.9	1.3	5.0	1.3	1.1
Manufacturing	0.6	1.2	4.5	4.5	8.7	-2.2	5.3
Construction	-0.8	4.8	0.6	0.2	5.2	7.4	-2.1
Services	0.7	1.9	1.2	1.0	4.3	2.0	0.3

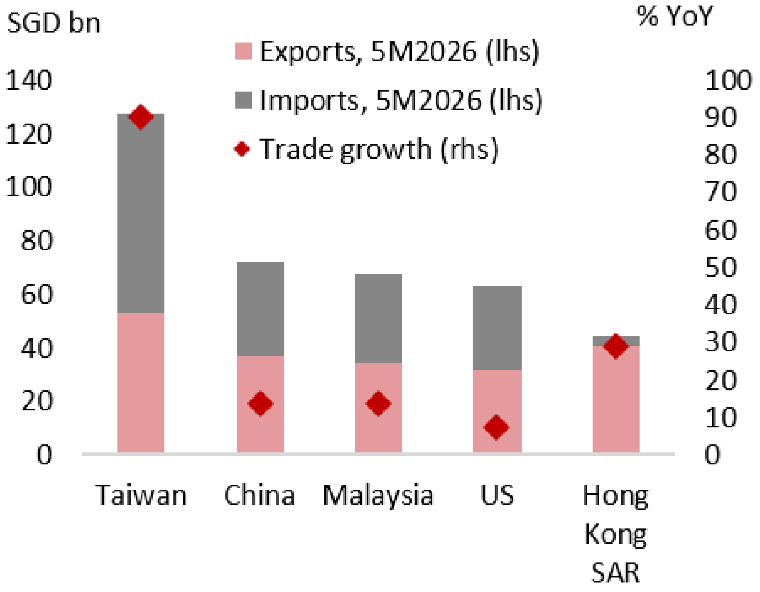
Source: MTI, CEIC, DBS. *:advance estimate

Electronics exports experiencing exceptional strength



Source: CEIC, Singstat, DBS

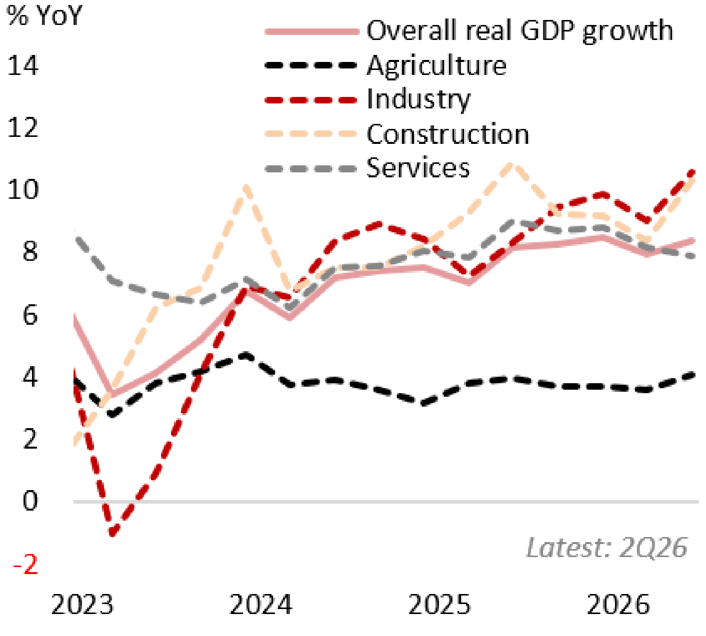
Blistering goods trade expansion with Taiwan



Source: Singstat, DBS
Note: Singapore's top five goods trade partners.

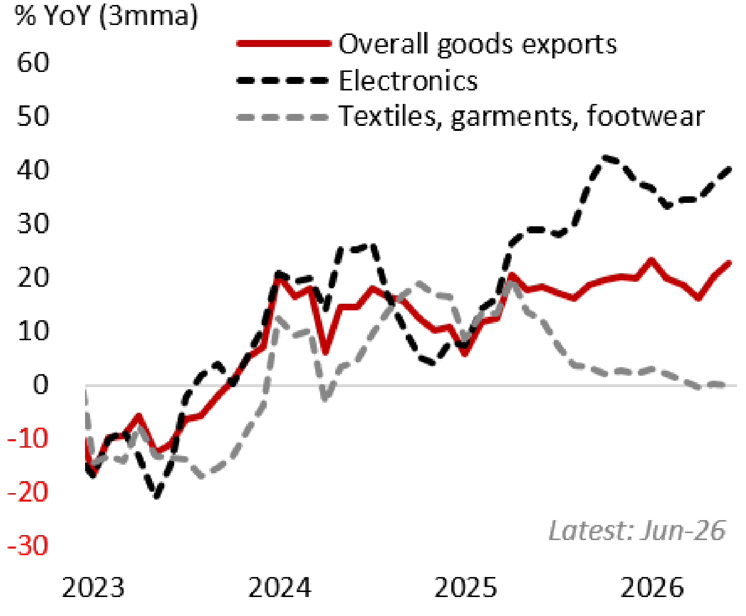
Vietnam: Growth to hit 8.0% in 2026

Industrial and construction sectors driving overall GDP growth momentum



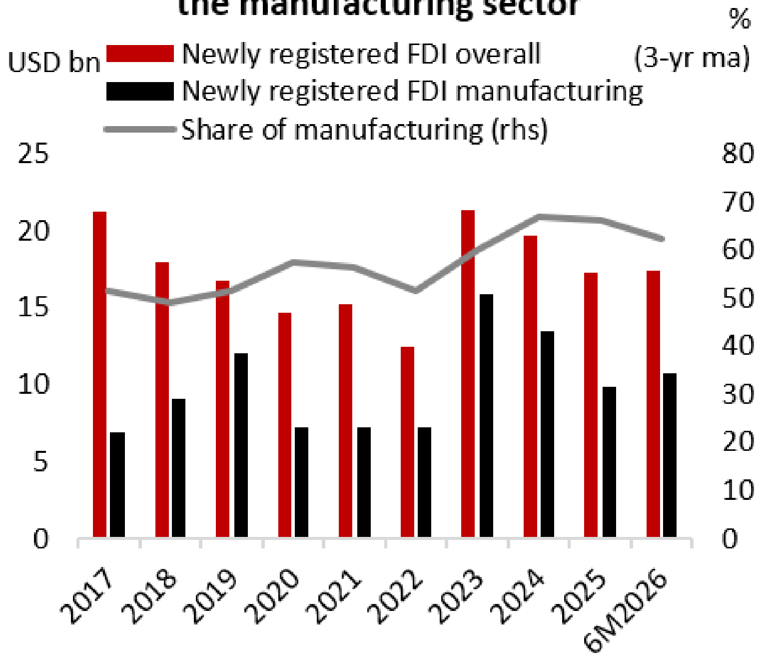
Source: CEIC, DBS

Electronics exports outperforming



Source: CEIC, DBS
Note: dotted lines are selected sub-components.

Robust new FDI towards the manufacturing sector



Source: CEIC, DBS

Key takeaways

Strong exports growth across most of Asia in 1H26

Global AI-related tailwinds have outweighed energy headwinds

Robust hyperscaler capex to sustain AI exports demand in 2H26

More GDP upgrades than downgrades, but watching Middle East risks

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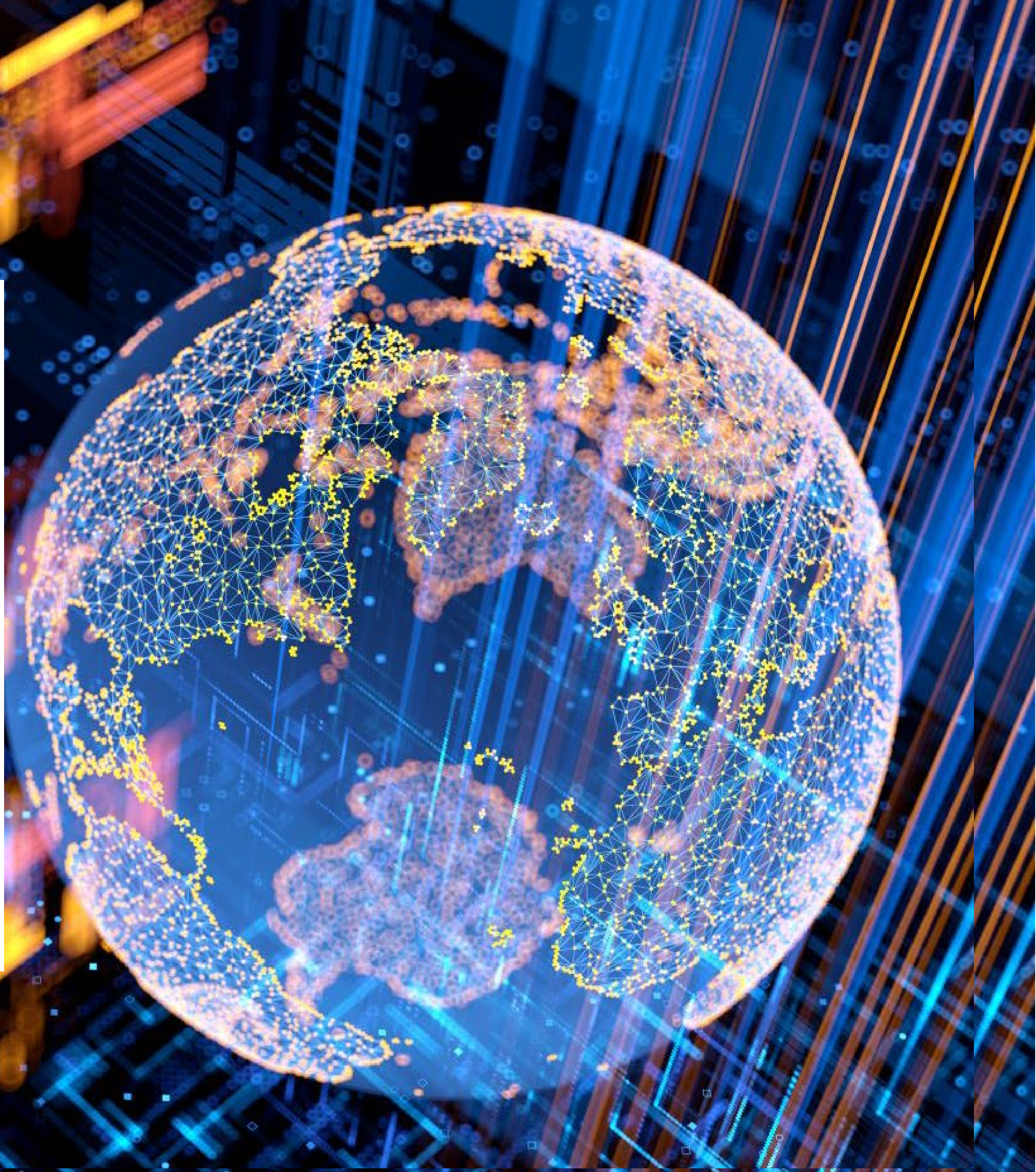
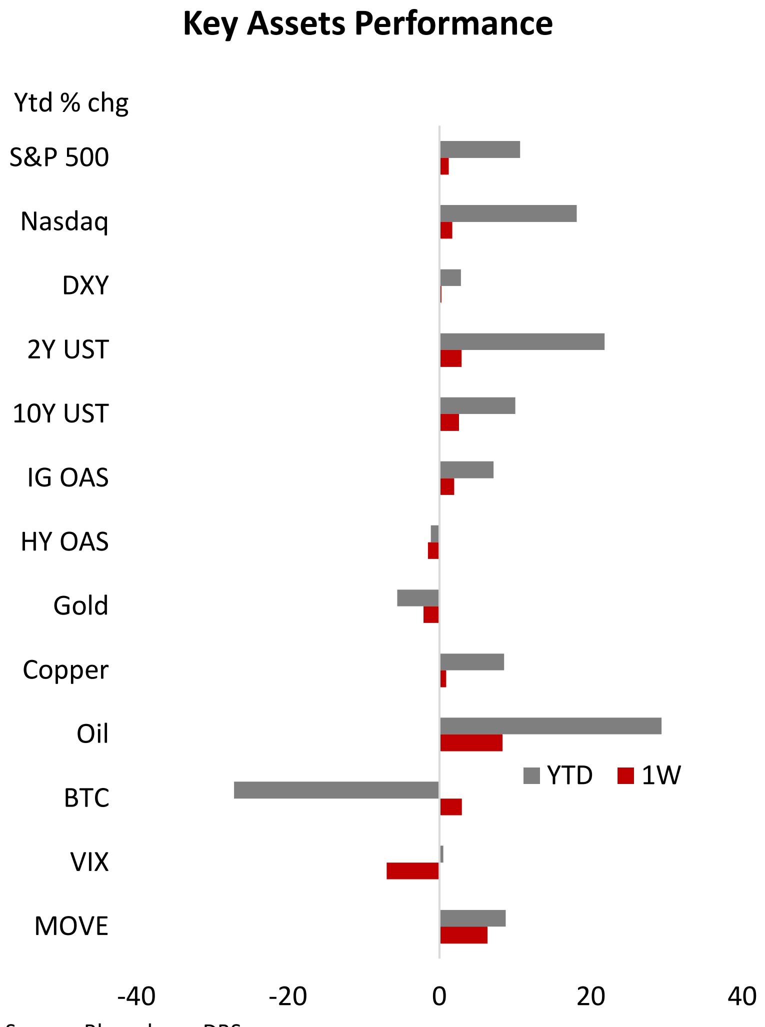
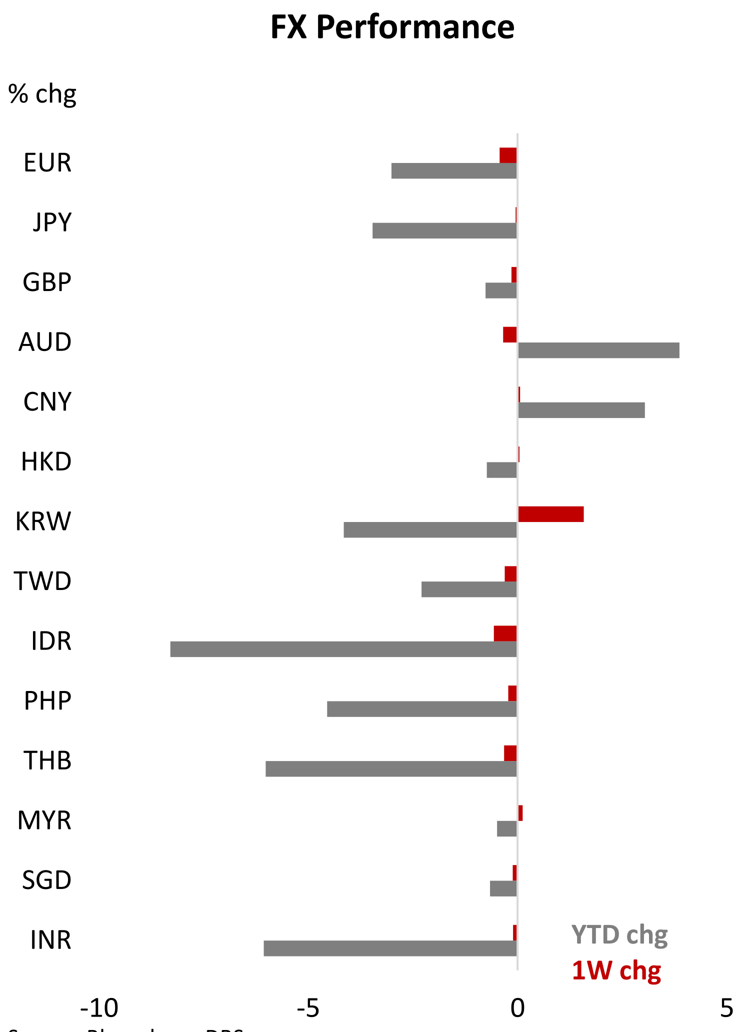


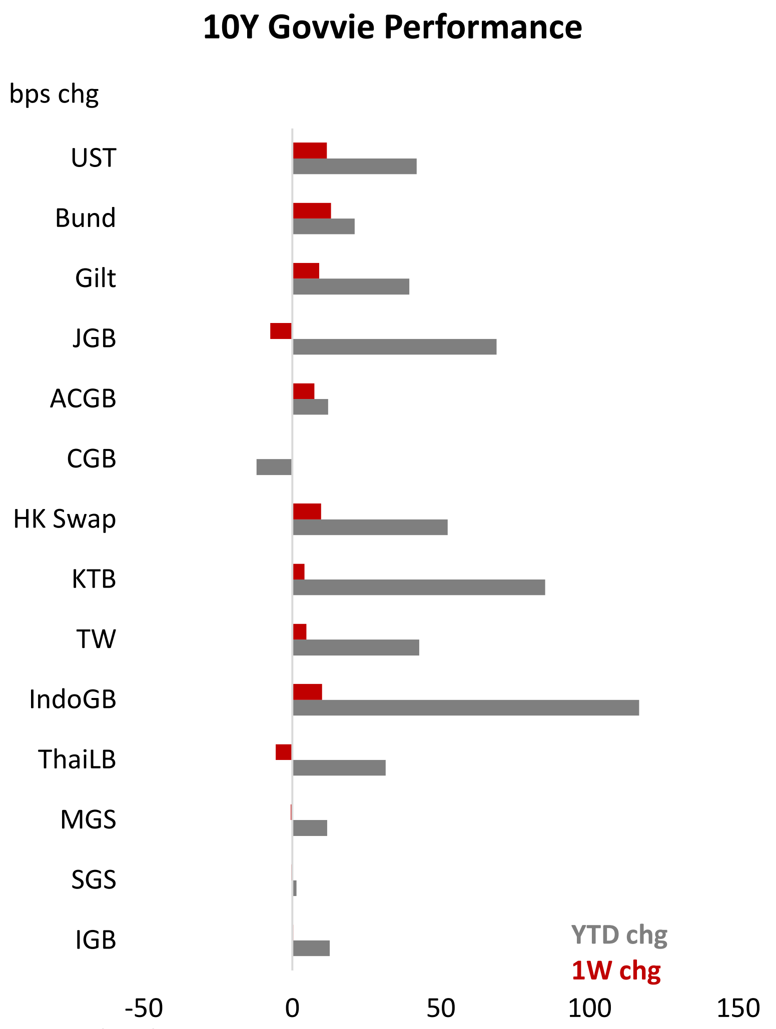
Market Performance



Source: Bloomberg, DBS



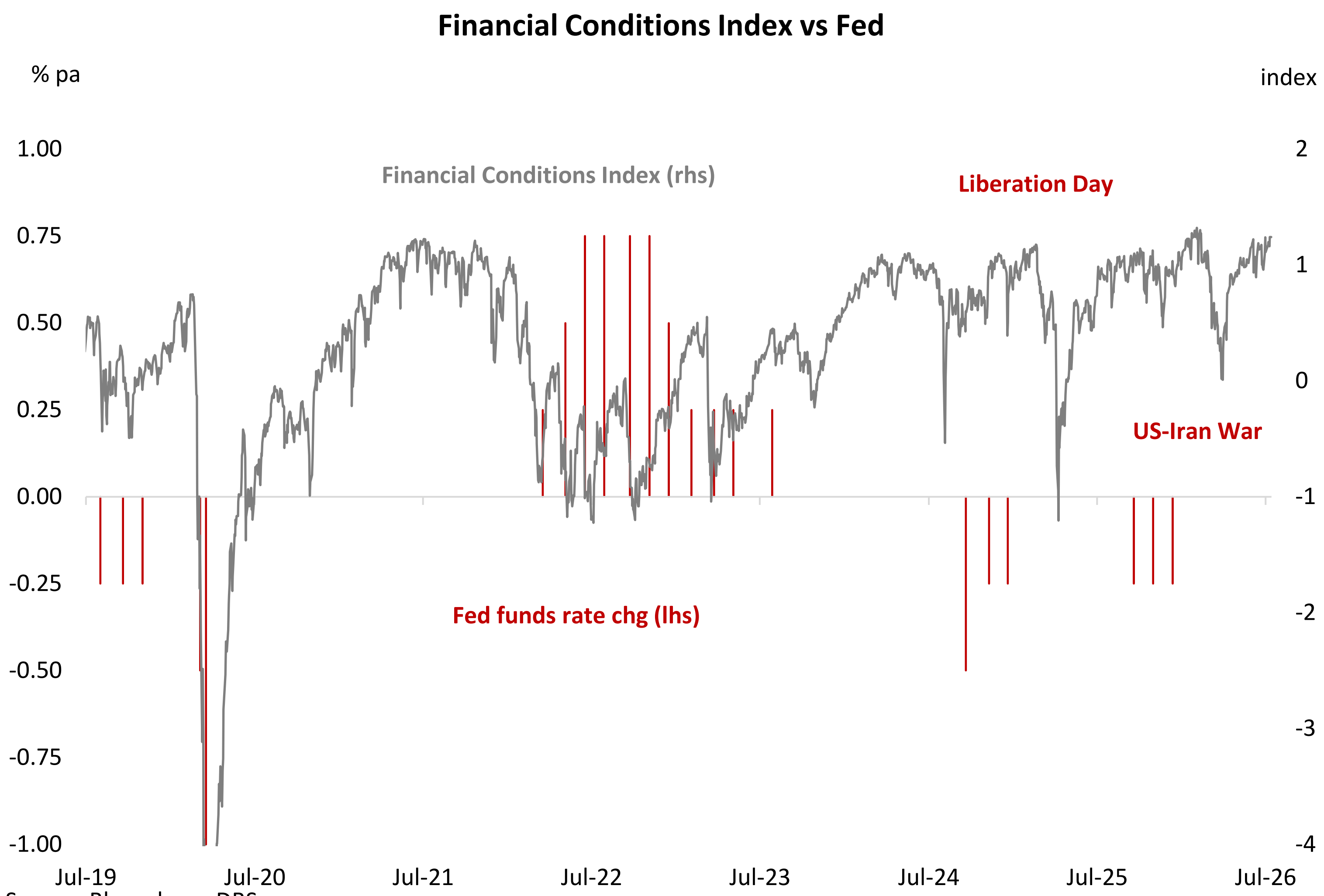
Source: Bloomberg, DBS



Source: Bloomberg, DBS

Financial Conditions

Financial conditions have been benign over the past few quarters.



Source: Bloomberg, DBS

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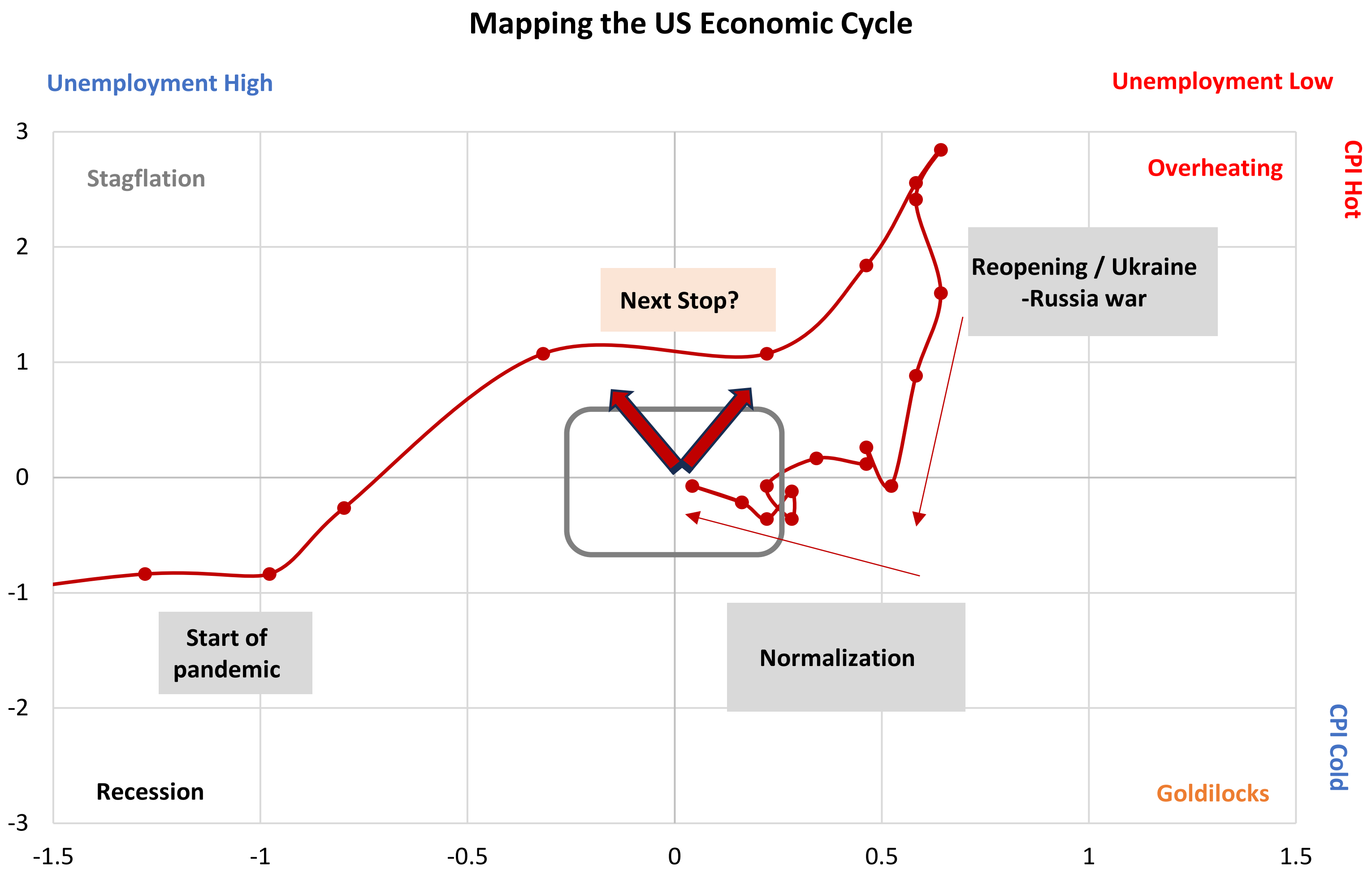
Where do economic conditions go?

Overheating or Goldilocks?



Source: Bloomberg, DBS

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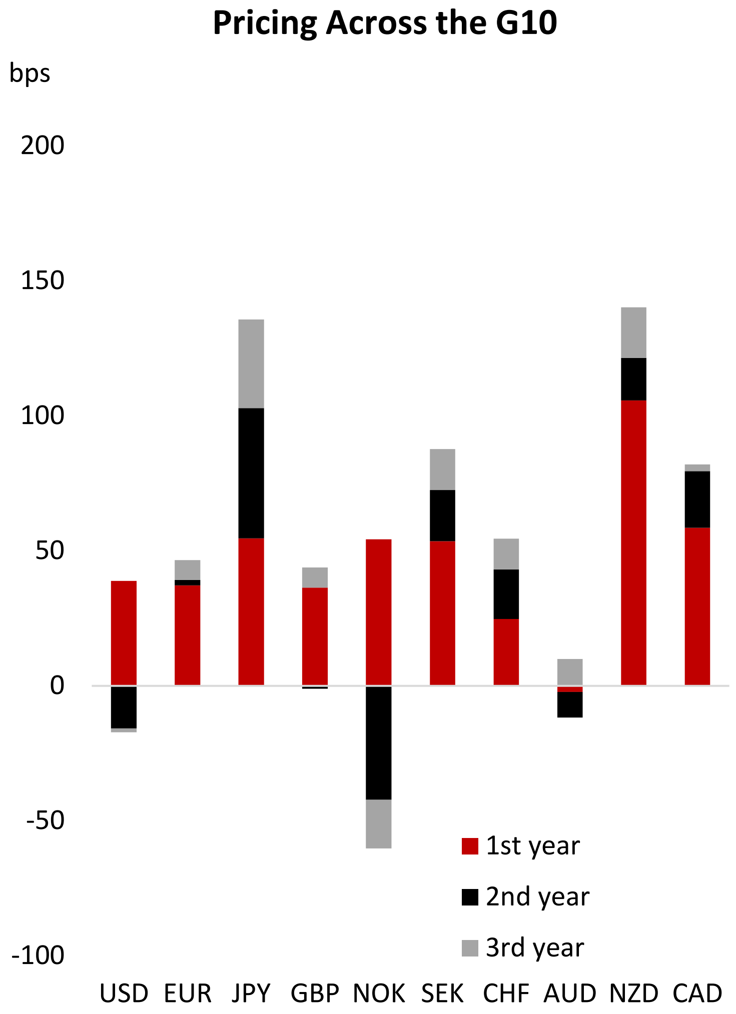
Rates Watch

Divergences are starting to appear



Source: Bloomberg, DBS

	Current Settings*	Market Pricing**	Central Bank Stance***
Fed	0.0	3.8	6.0
ECB	7.7	3.7	7.0
BOJ	7.6	5.3	9.0
BOE	7.7	3.6	8.0
SNB	9.4	2.5	4.0
RBA	5.1	0.0	8.0
RBNZ	3.7	10.0	8.0
BOC	4.6	5.6	4.0
Norges	5.9	5.2	9.0
RiksBank	10.0	5.2	3.0

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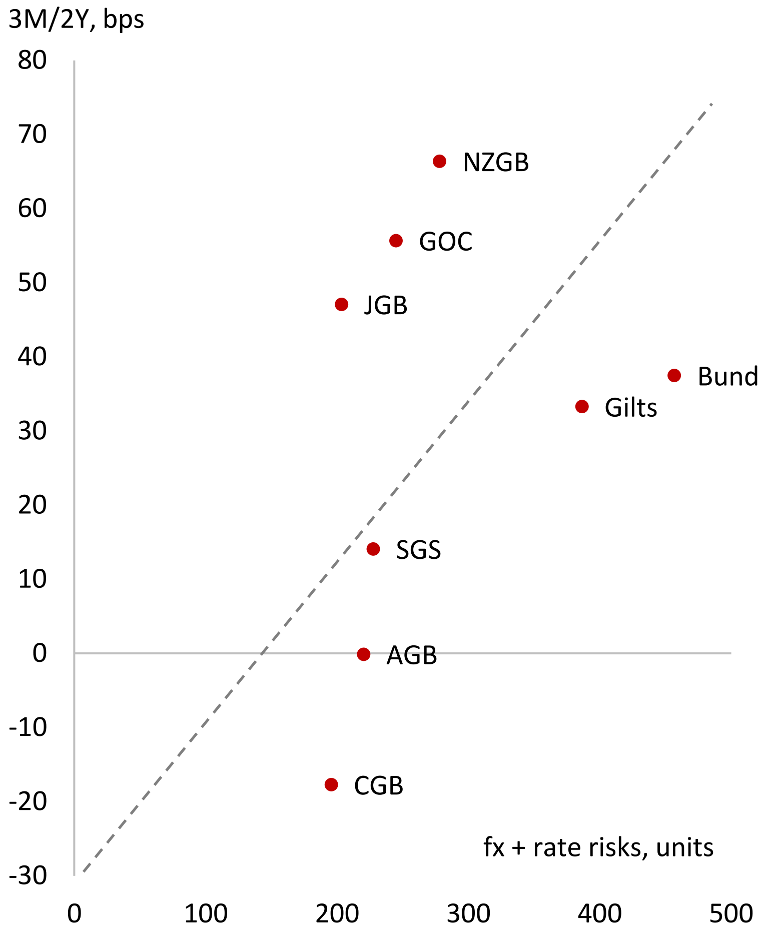
DM Govvies

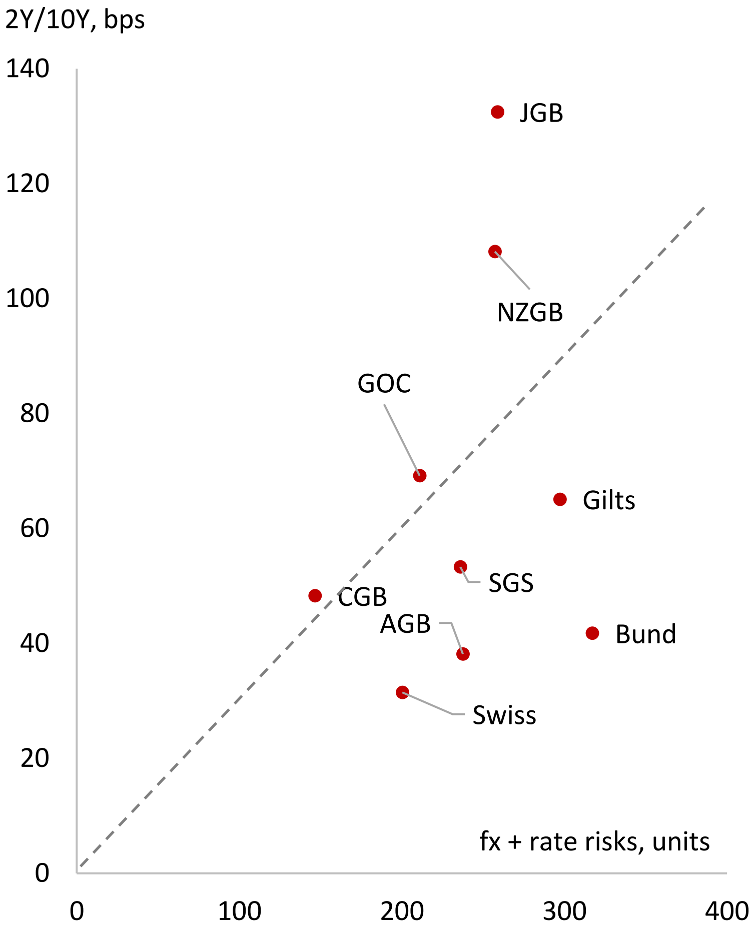
Flattening may be the theme for hawkish central banks

Frontend Govvie Risk/Reward



Source: Bloomberg, DBS

Belly to Back Govvie Risk/Reward

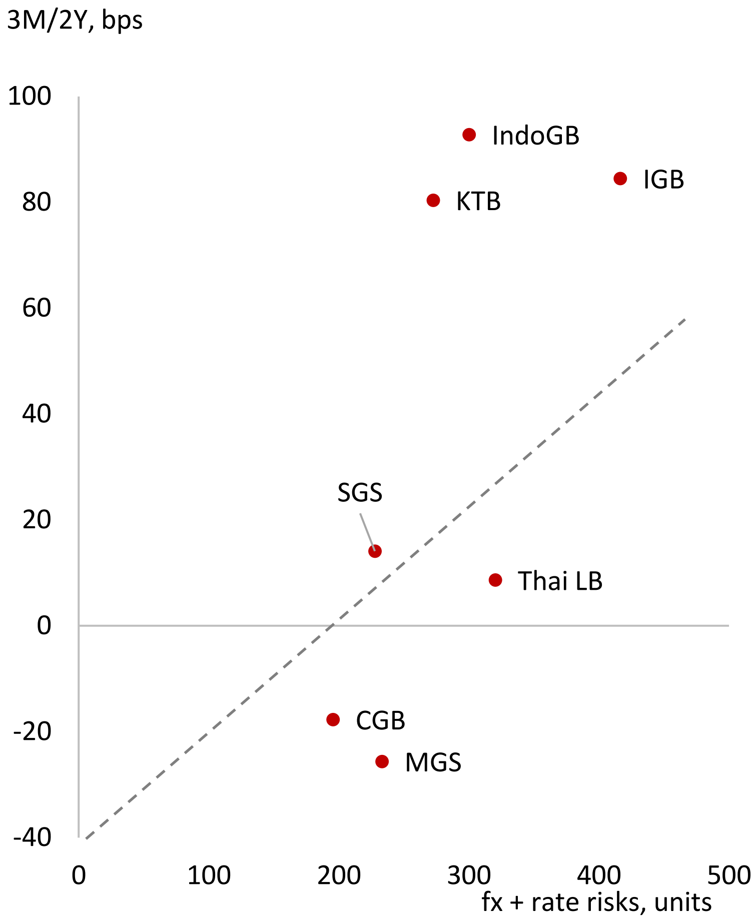


Source: Bloomberg, DBS

Asia Govvies

Stresses still apparent in Asia

Frontend Govvie Risk/Reward



Source: Bloomberg, DBS

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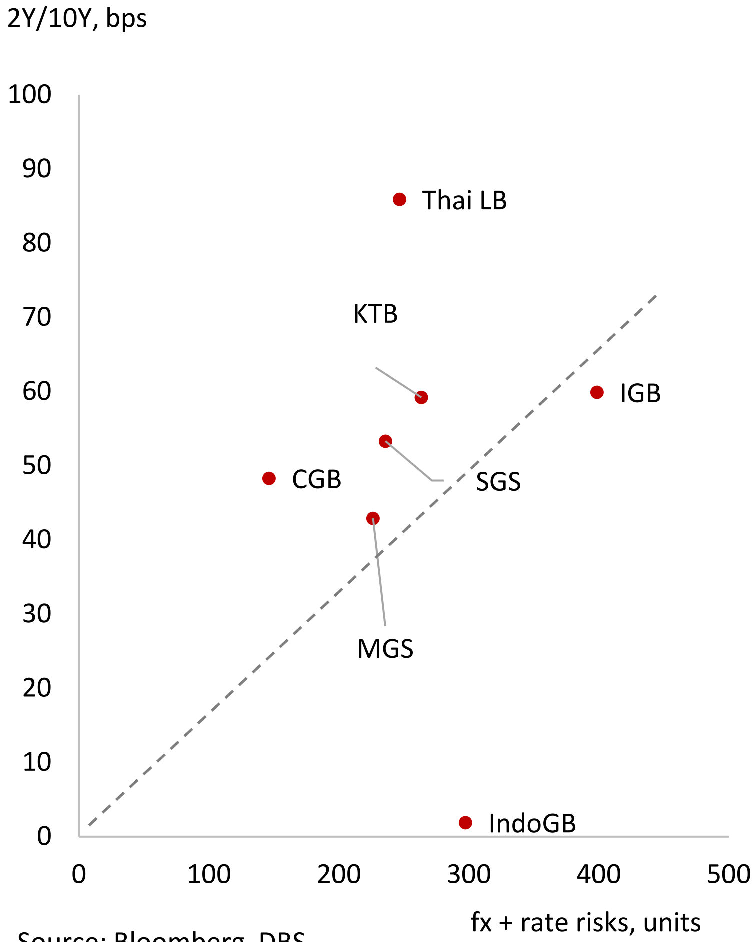

Source: Bloomberg, DBS

Events / Themes to Watch

Events to Watch	Timeline	Consequences	Impact
US-Iran	War restarts on 14 July	Oil price premium could linger for some time.	Moderate
Findings from Fed Committee	Tentatively end-2026	What will the committee find that could affect the way the Fed operates? Will Warsh get to shrink the b/s, reduce forward guidance while looking at trimmed mean CPI (very low)? Each of this impacts the curve differently and generally point to steepening	Moderate

Themes	Description	Consequences	Impact
K-shaped economy	AI optimism in equities + AI optimism in real investments. Other segments may not be doing that well	One-legged economy that is too dependent on AI. K-shape snaps back in two ways. One - AI hype collapses and a recession happens and yields fall. Two - AI hype broadens out into a healthier economic activity mix and yields rise	High
US exceptionalism	Despite all its flaws, investors are still gravitating towards US assets as the economy stays firm	USD stays somewhat firm, risky assets do well. US yields somewhat buoyant as Goldilocks becomes the key theme	Moderate
Fed independence	Fed becomes compromised and becomes overly dovish	Much lower interest rates than the economy needs. Steeper curves and inflation risks. Possible loss of confidence in USD assets	High

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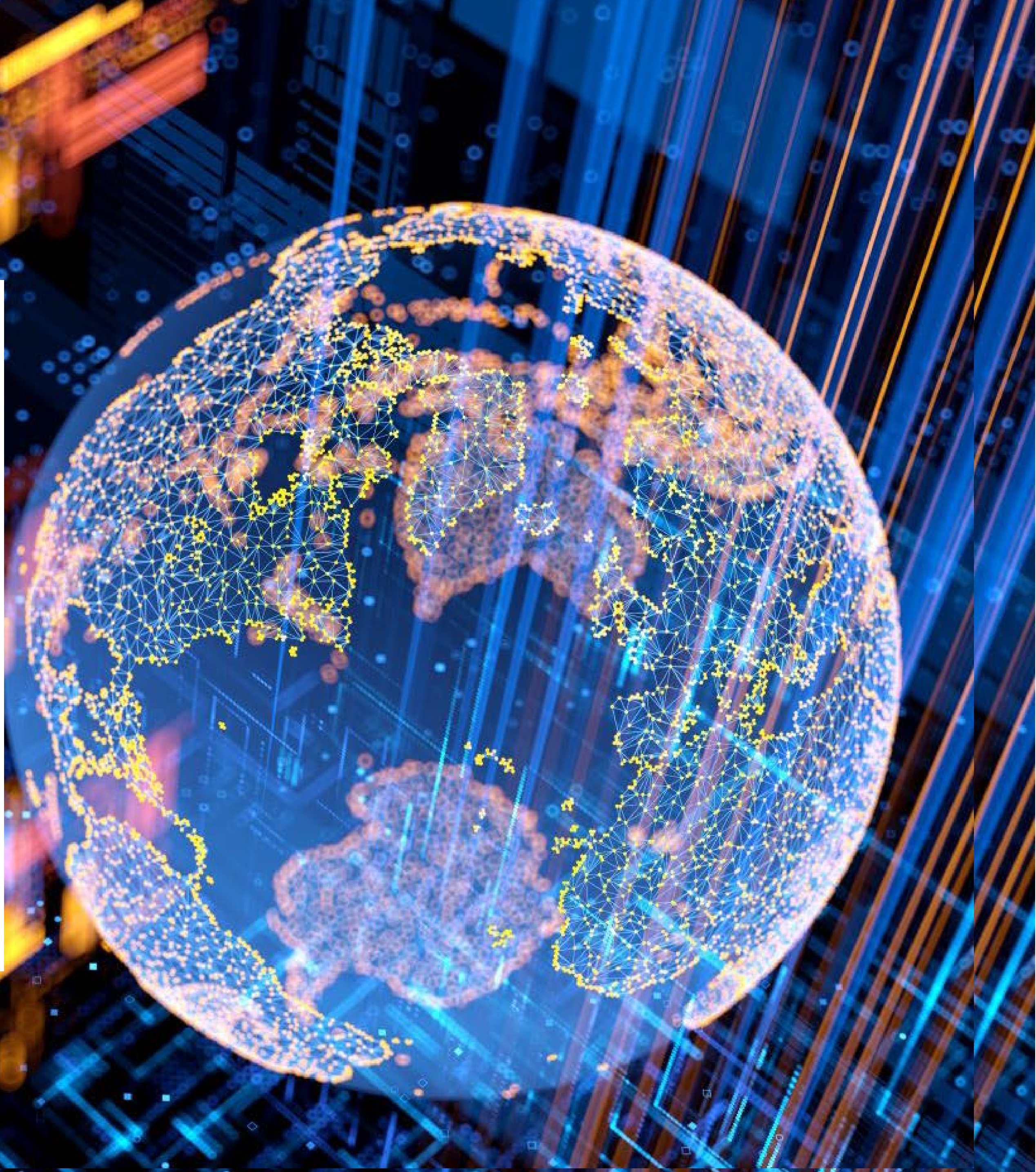

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