FX

Global

FX Insight

SGD Preview: No Hurry to Ease

Analysts

Saktiandi Supaat
(65) 6320 1379
saktiandi@maybank.com

Shaun Lim
(65) 6320 1371
shaunlim@maybank.com

Fiona Lim
(65) 6320 1374
fionalim@maybank.com

Alan Lau, CFA
(65) 6320 1378
alanlau@maybank.com

In No Hurry to Ease

Given the current pace of growth and trajectory for inflation, MAS should be in no hurry to ease. We think that MAS continues to view current monetary policy settings as appropriate to guide core inflation to the historical 2%-2.5% mean. While most other central banks may have begun or are starting on their easing cycles, Singapore faces a different and unique situation with its exchange-rate regime. As such, we believe MAS will stand pat and view policy settings as appropriate on 26 Jul.

SGDNEER Trades in Upper-Half of Band

SGDNEER continues to remain robust and was last seen at +1.85% above the mid-point. On average, our SGDNEER model has been at +1.83% above the midpoint YTD. This can be further decomposed to the period before we recalibrated our SGDNEER weights and model (1 Jan 24 to 15 Mar 24) where the average was +2.12% and post-recalibration (18 Mar 24 to 22 Jul 24) where the average was +1.65%. We believe that the SGDNEER will remain firmly in the upper half of the band and will likely stay between +1.50% to +2.00% above the mid-point. Current growth and inflation dynamics are supportive for the SGD. Growth recovery appears to be broadening and our economists expect an upgrade to MTI's full year GDP forecast to 2.5% to 3.5% (from 1% to 3%). Recent core inflation prints were sticky at 3.1%. We think MAS being in no hurry to ease should be supportive of the SGD and keep the SGDNEER relatively firm. Nevertheless, we do still think that SGDNEER outperformance could taper if and when Fed rate cuts set in if the more rate sensitive components in the basket start to outperform the SGD i.e. appreciate by more against the USD than the SGD.

Maintain our USDSGD Forecasts

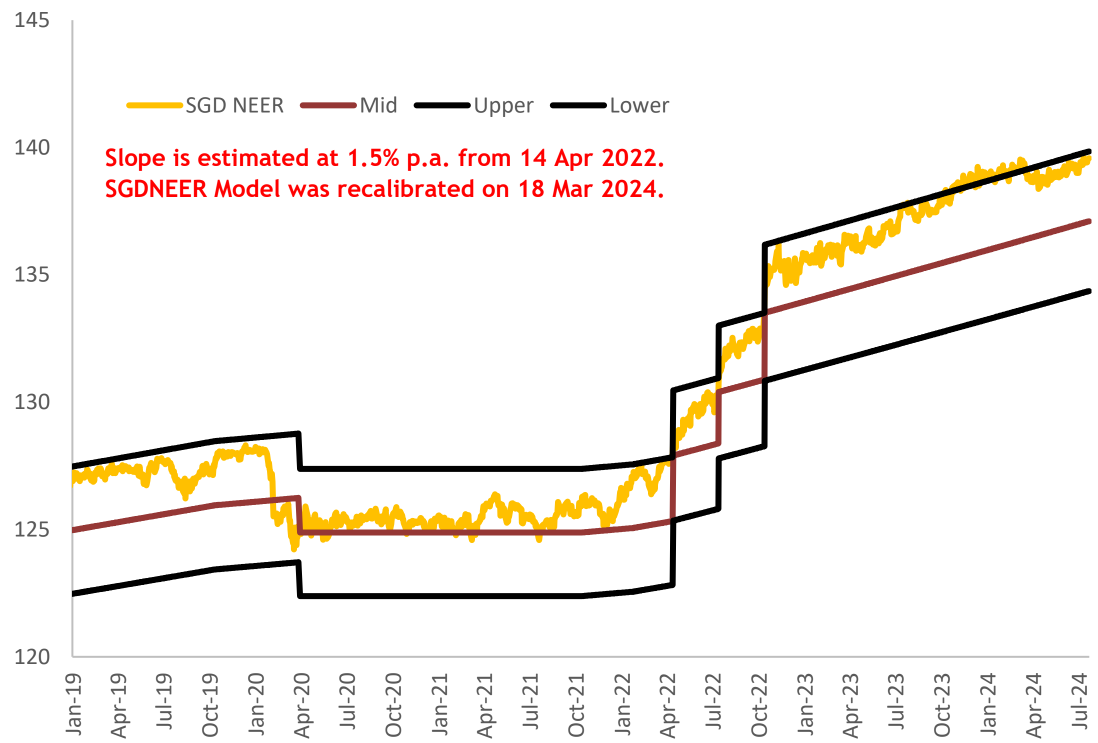
SGD has been one of the better performing and more resilient currencies in Asia YTD. We think that this largely continues in the current macroeconomic environment. We therefore maintain our forecast trajectory for USDSGD to come off through 2Q 2025. The current pace of SGDNEER appreciation (assumed to be 1.5%) should continue to be supportive of the SGD. Eventual Fed cuts should also be supportive of a lower USDSGD. SGD has exhibited safe-haven qualities and we think that the factors for SGD-resilience remain intact and will continue to be supportive of the SGD. Nevertheless, we highlight certain risks that we see for the SGD in 2024 that investors should be cautious about.

SGDNEER Buoyant Since Jul Stand Pat

In Jul, MAS stood pat as policy was assessed to be appropriate to guide core inflation back to historical levels against a backdrop of gradually improving growth and slowing, albeit bumpy, inflation. Thus far the outcomes for both growth and inflation remain broadly in line with MAS' expected trajectory. SGDNEER has remained firmly in the upper half of the band (Chart 1). We believe that MAS will stand pat once again at the Jul meeting given that current outcomes are in line with their expectations and there is therefore no hurry to ease policy or pivot to a more growth supporting stance.

Following MAS' decision to stand pat in Apr, SGDNEER has remained firm at an average of +1.63% above the midpoint. Over the same period, USDSGD has come off highs of 1.3670 levels and current trades at 1.3450 levels. SGDNEER should remain buoyant going forward, although we reiterate that outperformance could eventually taper off - especially if SGDNEER basket constituents start to do better against the USD (than the SGD) against a backdrop of Fed rate cuts.

Chart 1: SGDNEER Remains Firm in Top Half of Band

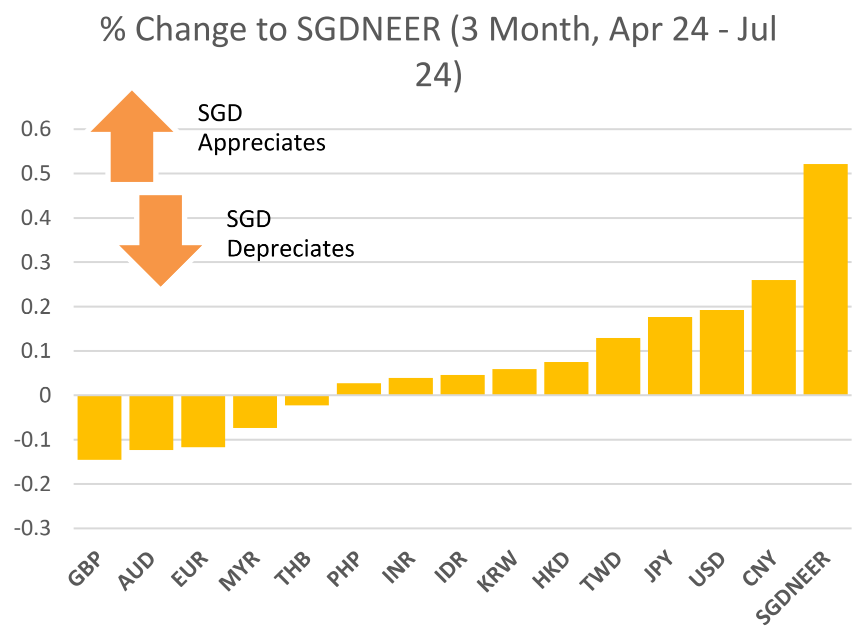


Source: Bloomberg, Maybank FX Research & Strategy

SGD resilience on both a trade-weighted and bilateral basis continues to hold. The SGDNEER demonstrated remarkable resilience primarily because the SGD served as a notably steadfast store of value compared to most other basket currencies amidst market fluctuations (Chat 2a, 2b and 2c). We attribute this resilience to Singapore's robust macro fundamentals, including fiscal discipline, and the credibility of MAS' unique exchange rate based monetary policy. Singapore remains shielded better shielded than other currencies from market vacillations over central bank rate decisions and this is due to the absence of an explicit interest rate policy and a robust correlation (estimated at 97%) between SG rates and US rates (Chart 4). Additionally, the SGD derived support from a positive crawl rate (assumed to be +1.5%) against its peers in the SGDNEER basket. Notably, this crawl rate has consistently stayed above 0%, further instilling investor confidence in the SGD and fortifying the credibility of MAS' policy.

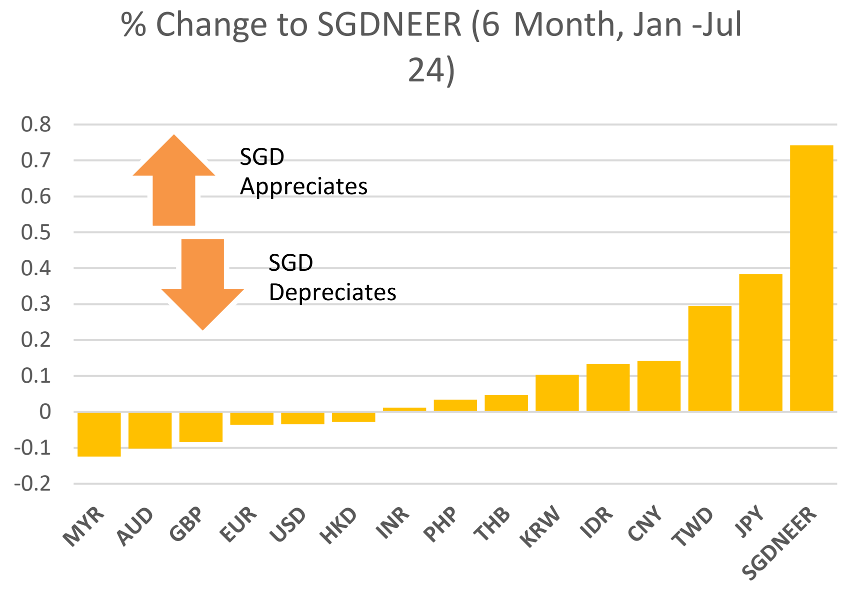
SGDNEER has remained robust and gained about 1.5% over a 12-month period (Chart 2c). While ASEAN FX volatility remained low, SGDNEER has remained at elevated levels (Chart 3). Over 3M, 6M and 12M periods, Asian currencies were largely the main contributors to SGDNEER strength. The USD-bloc (HKD and USD) has contributed to SGDNEER strength over the 3M period, but moderated SGDNEER strength over 6M and 12M periods. MYR has also been resilient over both the 3M and 6M period and has helped to moderate SGDNEER strength. We think that given these developments, other constituents could actually moderate the strength in the SGDNEER when rate cuts finally happen, and this should allow SGDNEER outperformance to taper.

Chart 2a: 3-Month SGDNEER Strength from CNY, USD and JPY



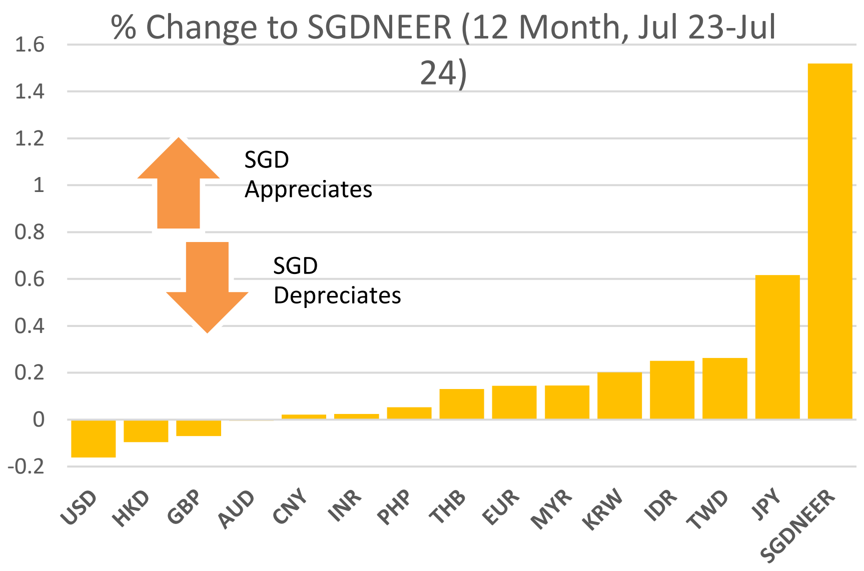
Source: Bloomberg, Maybank FX Research & Strategy

Chart 2b: 6-Month SGDNEER Strength from Asians (ex-MYR)



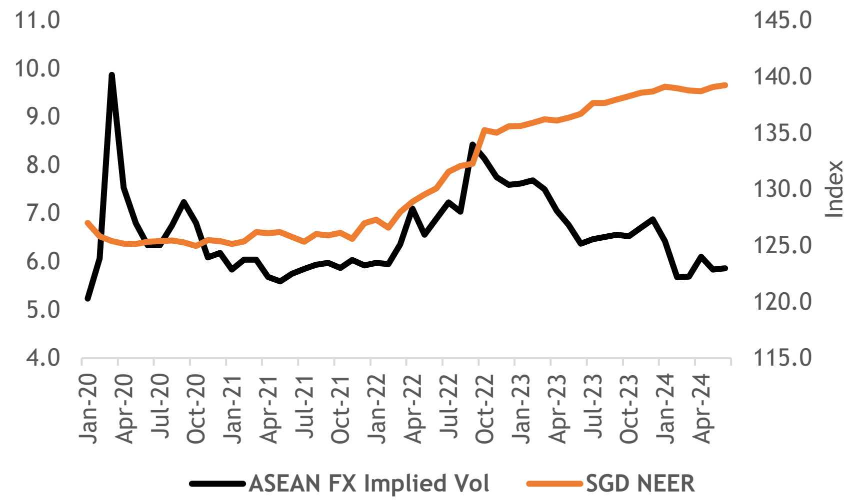
Source: Bloomberg, Maybank FX Research & Strategy

Chart 2c: 12-Month SGDNEER Strength from Asians and EUR, Offset by USD-Bloc, GBP and AUD



Source: Bloomberg, Maybank FX Research & Strategy

Chart 3: SGDNEER (RHS) Robust Amid Low Volatility for ASEAN Currencies



Source: Bloomberg, Maybank FX Research & Strategy

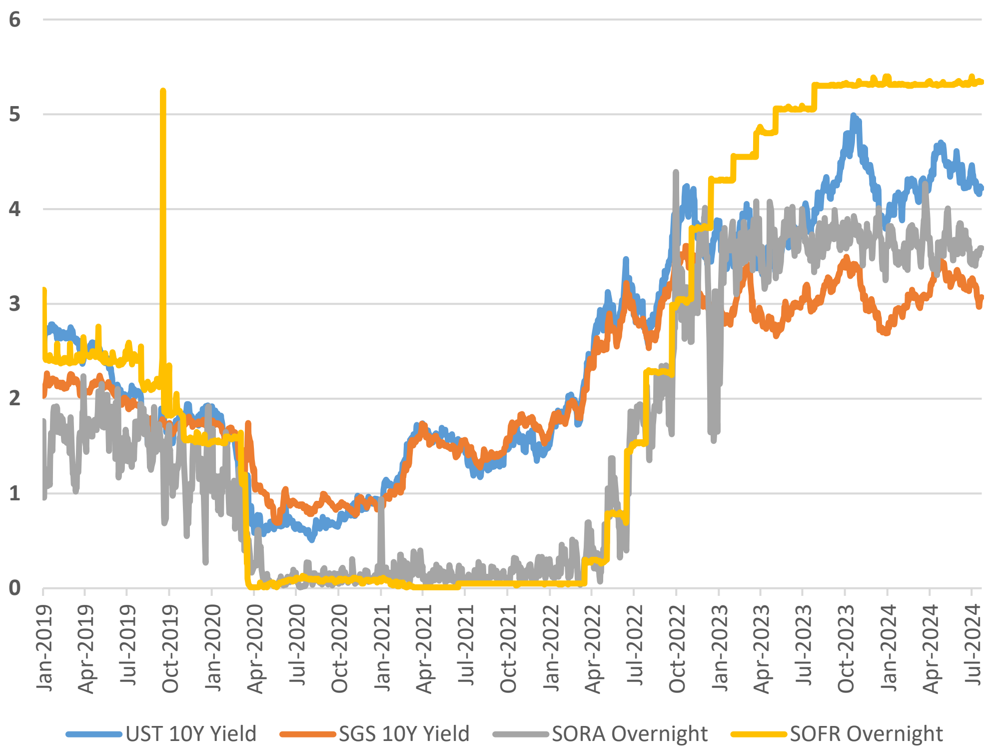
Since the Apr MAS policy decision, SGDNEER appreciation against Asians (ex-MYR) and the USD-bloc. Over the same period, SGDNEER strength was moderated by gains in the GBP, AUD, EUR and MYR. When Fed cuts eventually set in, we think that SGDNEER outperformance could eventually taper as the rate-sensitive constituents could then outperform the SGD vs the USD.

However, we do maintain that the SGDNEER should remain resilient amid market fluctuations, given that the Singapore's strong macroeconomic fundamentals such as persistent current account and fiscal surpluses. So while SGDNEER outperformance could taper, we do not expect SGDNEER strength to turn to weakness as long as MAS maintains its appreciating crawl of the SGDNEER. This remains in line with our economists' view of MAS not easing at all this year amid an improvement to growth and still sticky core inflation.

Global and domestic interests rates have largely remained within range although UST yields and SGS yields have recently turned lower (Chart 4). Our fixed income analysts are expecting US rates to decline in 2024 which should continue to weigh on the USD in 2024. Alongside this, growth and inflation are broadly in line with MAS' forecasts (Chart 5). These forecasts should be reflective of MAS' expectations that core inflation will reach the historical mean of about 2% in early 2025.

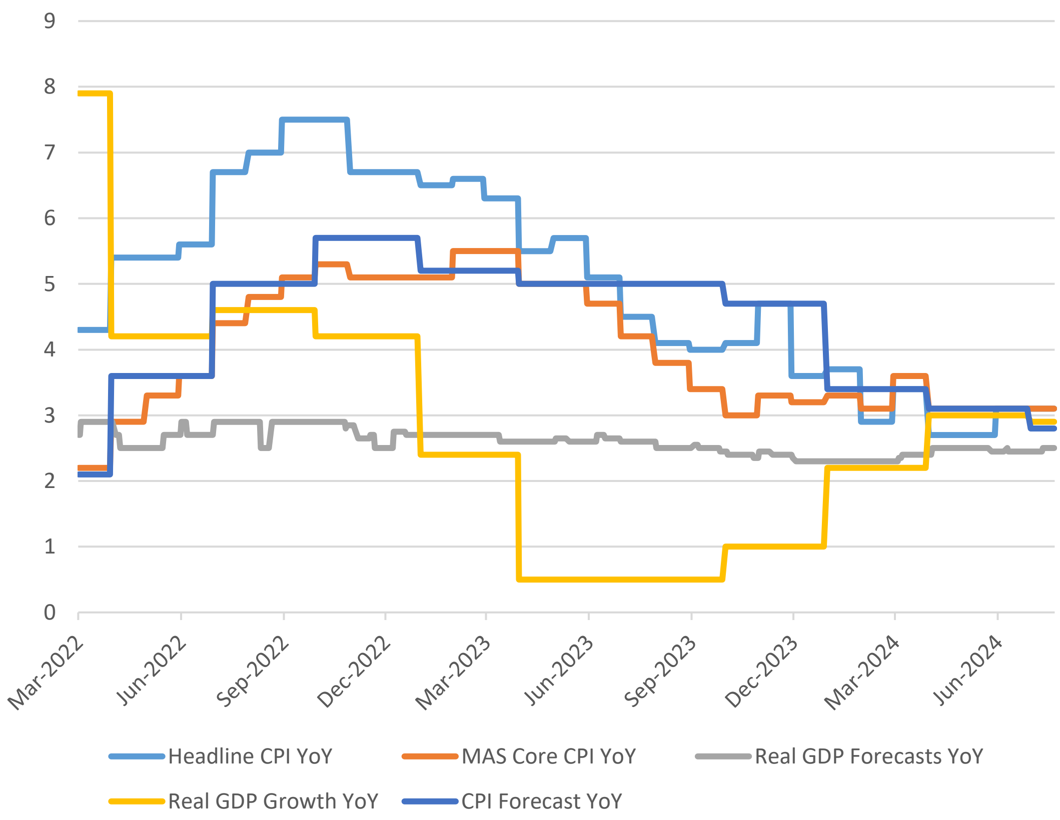
Therefore, it is likely MAS will stand pat in Jul, and the continued appreciating stance (assumed to be +1.5% p.a.) in the SGDNEER should continue to provide support for the SGD.

Chart 4: USD Rates and SGD Rates Remain Highly Correlated



Source: Bloomberg, Maybank FX Research & Strategy

Chart 5: Singapore Growth and Inflation Broadly in Line with MAS Forecasts



Source: Bloomberg, Maybank FX Research & Strategy

MAS is Likely to Stand Pat (26 Jul 2024)

While there remain risks to both growth and inflation. Actual growth and inflation prints have largely come in line with MAS' forecasts and we think that they will continue to view the current appreciating stance as appropriate given current balance of risks.

Our economists recently upgraded their 2024 GDP forecasts for Singapore to 3.0% (prev: 2.4%) given the broadening growth recovery with electronics gathering steam. MTI raised their 1Q2024 growth estimate to 3.0% (prev: 2.7%). Our economists expect MTI to upgrade full year GDP forecast range to 2.5% to 3.5% (from current of 1% to 3%) when 2Q final GDP is released in late Aug. From a growth perspective, MAS' forward looking policy stance therefore suggests there is no need to prematurely shift to a growth supporting stance (i.e. easing bias) and should continue to see the current stance as appropriate.

Core inflation was relatively sticky at +3.1% in May 24 (Apr 24: 3.1%). This is is line with our economists seeing that core inflation would likely remain sticky near current levels in the first half of the year. Our economists expect core inflation to come in at 2.8% and headline inflation to come in at 2.6% in 2024. In line with this view, our economists also expect MAS to stand pat in Jul and Oct policy meetings. Inflation remains sticky above historical norms as businesses continue to pass on increases in labour, taxes and administrative price increases (such as water tariffs) to the end consumer.

Market consensus based on the MAS survey (Table 1) has shifted in favour of a stand pat in Jul, with only a minority expecting an easing. There has also been a reduction in the percentage of respondents seeing an easing in Oct. We earlier suggested that MAS may not be able to ease as easily as the market is expecting given that growth and inflation outcomes are in line with their forecasts for core inflation to reach their comfort zone i.e. the historical 2% mean by early 2025.

Table 1: MAS Survey of Professional Forecasters (% of respondents)

MAS Actions	Mar Survey		Jun Survey	
	2024 Jul	2024 Octg	2024 Jul	2024 Oct
Increase slope	0.0	0.0	0.0	0.0
Reduce slope	14.3	30.0	11.1	6.3
Flatten slope	0.0	0.0	0.0	0.0
Unchanged slope	85.7	70.0	88.9	93.8
Re-center higher	0.0	0.0	0.0	0.0

Re-center lower	4.8	5.0	0.0	6.3
Unchanged centre	95.2	95.0	100.0	93.8
Widen band	0.0	0.0	0.0	0.0
Narrow band	0.0	0.0	0.0	0.0
Unchanged band	100.0	100.0	100.0	100.0

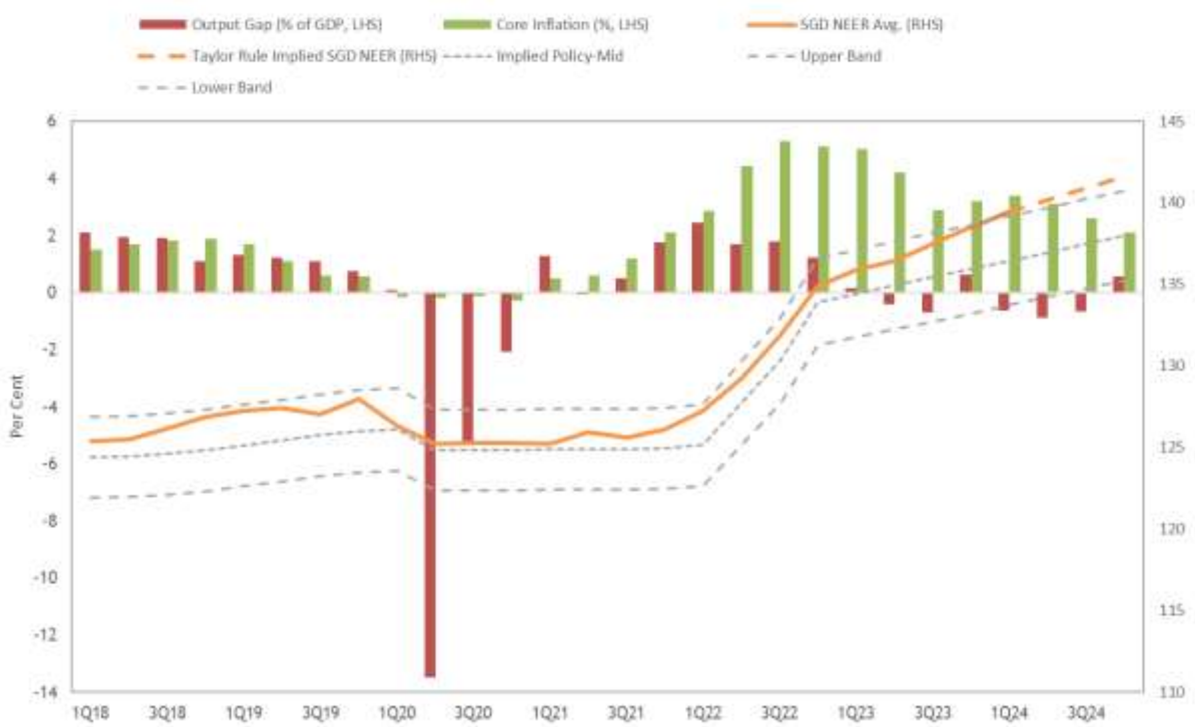
Source: MAS, Maybank FX Research & Strategy

SGDNEER Likely to Remain Elevated

For a check on the potential trajectory for SGDNEER going forward, we turn to our Taylor rule model to derive an implied SGDNEER (Chart 6). Core inflation (green bars) has exceeded 2% since Dec 2021 and looks to remain sticky above 2% through 2024. Our economist team's latest forecasts for core inflation and headline inflation in 2024 are 2.8% and 3.0%, respectively. Based on our estimates and our economists' growth forecasts, the small negative output gaps (red bars) should turn mildly positive by the end of 2024.

Given these macroeconomic conditions, our Taylor rule implied SGDNEER estimates (dotted orange line in Chart 6 below) suggest that SGDNEER is likely to continue seeing upward pressures in the coming quarters. Notably, our estimates imply that the SGDNEER could continue to see upward pressures into 2024. This is largely due to inflation remaining high for longer which in turn implies that the central bank should maintain a sufficiently restrictive monetary policy stance.

Chart 6: Upward Pressures on SGDNEER Persist (Taylor Rule Estimates)



Source: Bloomberg, Maybank FX Research & Strategy Estimates

Our assessment that MAS is likely to stand pat in Jul, and the continued appreciating stance (assumed to be +1.5% p.a.) in the SGDNEER should provide ample support for the SGD and result over time in a lower USDSGD. We continue to think that eventual Fed rate cuts could enable other basket constituents to outperform the SGD and we could see the SGDNEER outperformance taper as interest rate differentials narrow and support non-USD currencies. While the SGD should strengthen against the USD, it could then underperform basket constituents given that Singapore does not have an explicit interest rate policy and is a price taker for interest **rates. However, we also do not foresee a complete capitulation of** SGDNEER strength and think that SGDNEER should remain supported on dips.

USDSGD to Come Off Gradually

We maintain our forecast trajectory for USDSGD to come off gradually i.e. for SGD to strength against the USD gradually through 2024. This is reflected in a gradual easing in the USDSGD through 2024 as suggested in our latest forecasts for the next four quarters (Table 2) and is based on the belief that SGD will continue to stay resilient as MAS stands pat on policy and as the Fed cuts rates amid fading US exceptionalism. The current pace of SGDNEER appreciation (assumed to be 1.5%) should continue to be supportive of the SGD. Fed rate cuts should also be supportive of SGD strength, although cuts could benefit other basket constituents more than the SGD. SGD could also benefit from a manufacturing recovery that could be driven by the broader AI/tech upswing narrative.

Table 2: Quarterly USDSGD Forecasts

Forecast	3Q 2024	4Q 2024	1Q 2025	2Q 2025
USDSGD	1.3450	1.3350	1.3300	1.3300

Source: Maybank FX Research & Strategy Estimates

Salient Risks for the SGD Ahead

Salient risks for the SGD remain ahead. The bottoming of the electronics/chip cycle could fail to pan out and this would be less favourable for the SGD. Lingering inflationary risks also present a real risk for the Singapore economy and could affect the SGD. Should actual growth and inflation outcomes turn out contrary to MAS expectations, we do not rule out either further tightening or an earlier than expected easing.

US Presidential Elections are also ahead and the risk there is that the USD is better supported going into the elections and post elections. Uncertainty on Fed cuts could also continue and that could help to provide further support for the USD.

Lastly, there is the risk that trade wars escalate and weigh on the CNY, which in turn could weigh on the SGD. Our economists see the potential for a deflationary shock for the rest of the world as China's excess supply gets diverted. In this environment, we see potential for MAS easing given the potential deflationary shock.

Nevertheless, while it is good to be cautious and aware of these risks, we highlight that they are not our base case view going ahead, which is for a lower USDSGD and continued SGDNEER strength, although outperformance of SGDNEER could taper.

MAS Should See Current Policy as Appropriate

MAS core inflation is expected to decline gradually over 2024 setting aside the one-off impact from the 1% GST hike at the start of the year. MAS projections are for core inflation to slow to an average of 2.5% to 3.5% for 2024, unchanged from its Oct-23 projections. Setting aside the impact of the GST increase, core inflation is expected to average 1.5% to 2.5% in 2024. While MAS does not have an explicit inflation target, this is within the region of MAS' historical mean core inflation of around 2%, consistent with MAS' medium-term price stability objective. In essence, MAS is expecting inflation to return back to its 2% comfort zone by early 2025, which has been explicitly referred to in a 6 Mar speech on monetary policy by Chief Economist Edward Robinson.

Furthermore in Chief Economist Robinson's speech in Mar, the key difference highlighted between an interest rate based policy and exchange rate based policy was that the attainment of the inflation target in the former would likely induce a reduction in interest rates. However, in an exchange rate based policy, the cyclical neutral path was seen at some positive rate of appreciation to allow the exchange rate to converge to a natural steady state level in line with changing relative resource costs and productivity differentials. We infer that this suggests that MAS may not be able to ease as easily as an interest rate regime, even if inflation targets have been met. This position is also consistent with growth in Singapore expected to strengthen in 2024, which reduces the need for accommodation from monetary policy.

Looking at past easing moves by MAS, we can infer that easing by MAS in itself is a relatively rare phenomenon (Table 3). Of a total of 53 policy decisions from Feb 2001, there were only 11 instances of an easing (or roughly 20% of the time).Of these 11 instances, 3 instances were policy responses to external shocks (Covid-19, Global Financial Crisis and Dotcom Bubble). Taken together with the speech on monetary policy, we therefore suggest that it is unlikely that MAS eases at the upcoming Jul meeting. More generally, MAS may have neither the capacity nor the appetite to ease meaningfully even after inflation targets are achieved. There has historically only ever been one instance in 2016 where the slope was set to 0% when there was no major external shock. With current growth outcomes progressing in line with MAS' expectations, and inflation remaining elevated above MAS' comfort zone, we can therefore infer that an easing by MAS to a 0% slope is expressly unlikely. Our assessment is that MAS continues to see the current policy stance as appropriate going forward for the Jul meeting.

Table 3: Historical Easing by MAS

Date	Easing Action	Comments

30 Mar 2020	Set slope at 0% and Re-centre downwards at prevailing	Covid-19 response (not first instance of easing)
14 Oct 2019	Reduce slope slightly	First easing
14 Apr 2016	Set slope at 0%	Not first instance of easing
14 Oct 2015	Reduce slightly	Not first instance of easing
28 Jan 2015	Reduce slope	Off-cycle
14 Oct 2011	Reduce slope	Slowdown in demand
14 Apr 2009	Re-centre downwards at prevailing	Global downturn, not first instance of easing
10 Oct 2008	Set slope at 0%	Global Financial Crisis response
10 Jul 2003	Re-centre downwards at prevailing	Not first instance of easing
2 Jan 2002	Re-centre downwards at prevailing	Not first instance of easing
12 Jul 2001	Set slope at 0%	Dotcom Bubble response

Source: MAS, Maybank FX Research & Strategy

What is Likely for MAS?

We lay out the past policy moves since Apr 2016 (Table 4). Over the course of the next two (Jul and Oct) policy announcements by MAS for this year, we think a stand pat is the most likely outcome. This is our base case and should occur as long as growth and inflation continue on the trajectory that MAS expects. To recap, MAS can adjust the slope of the band, the level at which the band is centred or the width of the band. The latter is usually done to accommodate volatility, while adjustments to the slope or level at which the band is centred are to ease/tighten policy as appropriate. We think this policy stance for MAS could continue for an extended period going forward as inflation remains sticky and growth improves.

Table 4: Recent MAS Actions and *Possible Future Actions*

Date	Slope of Band	Width of Band	Level at Which Band is Centred	Comments
Oct 2024		***Likely Stand Pat***		
Jul 2024		***Likely Stand Pat***		
Apr 2024	-	-	-	-
29 Jan 2024	-	-	-	-

13 Oct 2023	-	-	-	-
14 Apr 2023	-	-	-	-
14 Oct 2022	-	-	Re-centre upwards at prevailing level	-
14 Jul 2022	-	-	Re-centre upwards at prevailing level	Off-cycle decision
14 Apr 2022	Increase slightly	-	Re-centre upwards at prevailing level	1.5% slope
25 Jan 2022	Increase slightly	-	-	Off-cycle decision 1% slope
14 Oct 2021	Increase slightly	-	-	0.5% slope
14 Apr 2021	-	-	-	-
14 Oct 2021	-	-	-	-
30 Mar 2020	Set at 0%	-	Re-centre downwards at prevailing level	Covid Period easing
14 Oct 2019	Reduce slightly	-	-	0.5% slope
12 Apr 2019	-	-	-	-
12 Oct 2018	Increase slightly	-	-	1% slope
13 Apr 2018	Increase slightly	-	-	0.5% slope
13 Oct 2017	-	-	-	-
13 Apr 2017	-	-	-	-
14 Oct 2016	-	-	-	-
14 Apr 2016	Set at 0%	-	-	-

Source: MAS, Maybank FX Research & Strategy

'-' denotes no change to the policy parameters

DISCLAIMER

APPENDIX I: TERMS FOR PROVISION OF REPORT, DISCLAIMERS AND DISCLOSURES

DISCLAIMERS

This research report is prepared for general circulation and for information purposes only and under no circumstances should it be considered or intended as an offer to sell or a solicitation of an offer to buy the securities referred to herein. Investors should note that values of such securities, if any, may fluctuate and that each security's price or value may rise or fall. Opinions or recommendations contained herein are in form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from the relevant jurisdiction's stock exchange in the equity analysis. Accordingly, investors' returns may be less than the original sum invested. Past performance is not necessarily a guide to future performance. This report is not intended to provide personal investment advice and does not take into account the specific investment objectives, the financial situation and the particular needs of persons who may receive or read this report. Investors should therefore seek financial, legal and other advice regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report.

The information contained herein has been obtained from sources believed to be reliable but such sources have not been independently verified by Maybank Investment Bank Berhad, its subsidiary and affiliates (collectively, "Maybank IBG") and consequently no representation is made as to the accuracy or completeness of this report by Maybank IBG and it should not be relied upon as such. Accordingly, Maybank IBG and its officers, directors, associates, connected parties and/or employees (collectively, "Representatives") shall not be liable for any direct, indirect or consequential losses or damages that may arise from the use or reliance of this report. Any information, opinions or recommendations contained herein are subject to change at any time, without prior notice.

This report may contain forward looking statements which are often but not always identified by the use of words such as "anticipate", "believe", "estimate", "intend", "plan", "expect", "forecast", "predict" and "project" and statements that an event or result "may", "will", "can", "should", "could" or "might" occur or be achieved and other similar expressions. Such forward looking statements are based on assumptions made and information currently available to us and are subject to certain risks and uncertainties that could cause the actual results to differ materially from those expressed in any forward looking statements. Readers are cautioned not to place undue relevance on these forward-looking statements. Maybank IBG expressly disclaims any obligation to update or revise any such forward looking statements to reflect new information, events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

Maybank IBG and its officers, directors and employees, including persons involved in the preparation or issuance of this report, may, to the extent permitted by law, from time to time participate or invest in financing transactions with the issuer(s) of the securities mentioned in this report, perform services for or solicit business from such issuers, and/or have a position or holding, or other material interest, or effect transactions, in such securities or options thereon, or other investments related thereto. In addition, it may make markets in the securities mentioned in the material presented in this report. One or more directors, officers and/or employees of Maybank IBG may be a director of the issuers of the securities mentioned in this report to the extent permitted by law.

This report is prepared for the use of Maybank IBG's clients and may not be reproduced, altered in any way, transmitted to, copied or distributed to any other party in whole or in part in any form or manner without the prior express written consent of Maybank IBG and Maybank IBG and its Representatives accepts no liability whatsoever for the actions of third parties in this respect.

This report is not directed to or intended for distribution to or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for distribution only under such circumstances as may be permitted by applicable law. The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. Without prejudice to the foregoing, the reader is to note that additional disclaimers, warnings or qualifications may apply based on geographical location of the person or entity receiving this report.

Malaysia

Opinions or recommendations contained herein are in the form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from Bursa Malaysia Securities Berhad in the equity analysis.

Singapore

This report has been produced as of the date hereof and the information herein may be subject to change. Maybank Research Pte. Ltd. ("MRPL") in Singapore has no obligation to update such information for any recipient. For distribution in Singapore, recipients of this report are to contact MRPL in Singapore in respect of any matters arising from, or in connection with, this report. If the recipient of this report is not an accredited investor, expert investor or institutional investor (as defined under Section 4A of the Singapore Securities and Futures Act), MRPL shall be legally liable for the contents of this report, with such liability being limited to the extent (if any) as permitted by law.

Thailand

Except as specifically permitted, no part of this presentation may be reproduced or distributed in any manner without the prior written permission of Maybank Securities (Thailand) Public Company Limited. Maybank Securities (Thailand) Public Company Limited ("MST") accepts no liability whatsoever for the actions of third parties in this respect.

Due to different characteristics, objectives and strategies of institutional and retail investors, the research products of MST Institutional and Retail Research departments may differ in either recommendation or target price, or both. MST reserves the rights to disseminate MST Retail Research reports to institutional investors who have requested to receive it. If you are an authorised recipient, you hereby tacitly acknowledge that the research reports from MST Retail Research are first produced in Thai and there is a time lag in the release of the translated English version.

The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey may be changed after that date. MST does not confirm nor certify the accuracy of such survey result.

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, MST does not confirm, verify, or certify the accuracy and completeness of the assessment result.

US

This third-party research report is distributed in the United States ("US") to Major US Institutional Investors (as defined in Rule 15a-6 under the Securities Exchange Act of 1934, as amended) only by Wedbush Securities Inc. ("Wedbush"), a broker-dealer registered in the US (registered under Section 15 of the Securities Exchange Act of 1934, as amended). All responsibility for the distribution of this report by Wedbush in the US shall be borne by Wedbush. This report is not directed at you if Wedbush is prohibited or restricted by any legislation or regulation in any jurisdiction from making it available to you. You should satisfy yourself before reading it that Wedbush is permitted to provide research material concerning investments to you under relevant legislation and regulations. All U.S. persons receiving and/or accessing this report and wishing to effect transactions in any security mentioned within must do so with: Wedbush Securities Inc. 1000 Wilshire Blvd, Los Angeles, California 90017, +1 (646) 604-4232 and not with the issuer of this report.

UK

This document is being distributed by Maybank Securities (London) Ltd ("MSUK") which is authorized and regulated, by the Financial Conduct Authority and is for Informational Purposes only. This document is not intended for distribution to anyone defined as a Retail Client under the Financial Services and Markets Act 2000 within the UK. Any inclusion of a third party link is for the recipients convenience only, and that the firm does not take any responsibility for its comments or accuracy, and that access to such links is at the individuals own risk. Nothing in this report should be considered as constituting legal, accounting or tax advice, and that for accurate guidance recipients should consult with their own independent tax advisers.

DISCLOSURES

Legal Entities Disclosures

Malaysia: This report is issued and distributed in Malaysia by Maybank Investment Bank Berhad (15938- H) which is a Participating Organization of Bursa Malaysia Berhad and a holder of Capital Markets and Services License issued by the Securities Commission in Malaysia. **Singapore:** This report is distributed in Singapore by MRPL (Co. Reg No 198700034E) which is regulated by the Monetary Authority of Singapore. **Indonesia:** PT Maybank Sekuritas Indonesia ("PTMSI") (Reg. No. KEP-251/PM/1992) is a member of the Indonesia Stock Exchange and is regulated by the Financial Services Authority (Indonesia). **Thailand:** MST (Reg. No.0107545000314) is a member of the Stock Exchange of Thailand and is regulated by the Ministry of Finance and the Securities and Exchange Commission. **Philippines:** Maybank Securities Inc (Reg. No.01-2004-00019) is a member of the Philippines Stock Exchange and is regulated by the Securities and Exchange Commission. **Vietnam:** Maybank Securities Limited (License Number: 117/GP-UBCK) is licensed under the State Securities Commission of Vietnam. **Hong Kong:** MIB Securities (Hong Kong) Limited (Central Entity No AAD284) is regulated by the Securities and Futures Commission. **India:** MIB Securities India Private Limited ("MIBSI") is a participant of the National Stock Exchange of India Limited and the Bombay Stock Exchange and is regulated by Securities and Exchange Board of India ("SEBI") (Reg. No. INZ000010538). MIBSI is also registered with SEBI as Category 1 Merchant Banker (Reg. No. INM 000011708) and as Research Analyst (Reg No: INH000000057). **UK:** Maybank Securities (London) Ltd (Reg No 2377538) is authorized and regulated by the Financial Conduct Authority.

Disclosure of Interest

Malaysia: Maybank IBG and its Representatives may from time to time have positions or be materially interested in the securities referred to herein and may further act as market maker or may have assumed an underwriting commitment or deal with such securities and may also perform or seek to perform investment banking services, advisory and other services for or relating to those companies.

Singapore: As of 22 July 2024, Maybank Research Pte. Ltd. and the covering analyst do not have any interest in any companies recommended in this research report.

Thailand: MST may have a business relationship with or may possibly be an issuer of derivative warrants on the securities /companies mentioned in the research report. Therefore, Investors should exercise their own judgment before making any investment decisions. MST, its associates, directors, connected parties and/or employees may from time to time have interests and/or underwriting commitments in the securities mentioned in this report.

Hong Kong: As of 22 July 2024, MIB Securities (Hong Kong) Limited and the authoring analyst do not have any interest in any companies recommended in this research report.

India: As of 22 July 2024, and at the end of the month immediately preceding the date of publication of the research report, MIBSI, authoring analyst or their associate / relative does not hold any financial interest or any actual or beneficial ownership in any shares or having any conflict of interest in the subject companies except as otherwise disclosed in the research report.

In the past twelve months MIBSI and authoring analyst or their associate did not receive any compensation or other benefits from the subject companies or third party in connection with the research report on any account what so ever except as otherwise disclosed in the research report.

Maybank IBG may have, within the last three years, served as manager or co-manager of a public offering of securities for, or currently may make a primary market in issues of, any or all of the entities mentioned in this report or may be providing, or have provided within the previous 12 months, significant advice or investment services in relation to the investment concerned or a related investment and may receive compensation for the services provided from the companies covered in this report.

OTHERS

Analyst Certification of Independence

The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

Reminder

Structured securities are complex instruments, typically involve a high degree of risk and are intended for sale only to sophisticated investors who are capable of understanding and assuming the risks involved. The market value of any structured security may be affected by changes in economic, financial and political factors (including, but not limited to, spot and forward interest and exchange rates), time to maturity, market conditions and volatility and the credit quality of any issuer or reference issuer. Any investor interested in purchasing a structured product should conduct its own analysis of the product and consult with its own professional advisers as to the risks involved in making such a purchase.

Published by:

Malayan Banking Berhad
(Incorporated In Malaysia)

Foreign Exchange
Singapore
Saktiandi Supaat
Head, FX Research
saktiandi@maybank.com
(+65) 6320 1379

Fiona Lim
Senior FX Strategist
Fionalim@maybank.com
(+65) 6320 1374

Alan Lau
FX Strategist
alanlau@maybank.com
(+65) 6320 1378

Shaun Lim
FX Strategist
shaunlim@maybank.com
(+65) 6320 1371

Indonesia
Juniman
Chief Economist, Indonesia
juniman@maybank.co.id
(+62) 21 2922 8888 ext 29682

Myrdal Gunarto
Industry Analyst
MGunarto@maybank.co.id
(+62) 21 2922 8888 ext 29695

Sales
Malaysia
Zarina Zainal Abidin
Head, Sales-Malaysia, Global Markets
zarina.za@maybank.com
(+60) 03- 2786 9188

Tan Yew Yan
Head, Sales Corporates & CFS
yewyan.tan@maybank.com

Singapore
Sheetal Dev Kaur
Head, Corporates Sales (MBS)
skaur@maybank.com
(+65) 63201335

Tan Huilin
Head, Sales FI
TanHuilin@maybank.com
(+65) 63201511

Janice Loh Ai Lin
Head, Sales (MSL)
jloh@maybank.com.sg
(+65) 6536 1336

Shanghai
Joyce Ha
Treasury Sales Manager
Joyce.ha@maybank.com
(+86) 21 28932588

Indonesia
Endang Yulianti Rahayu
Head of Sales, Indonesia
EYRahayu@maybank.co.id
(+62) 21 29936318 or
(+62) 2922 8888 ext 29611

Philippines
Angela R. Ofrecio
Head, Global Markets Sales
Arofrecio@maybank.com
(+632 7739 1739)

Fixed Income
Malaysia
Winson Phoon
Head, Fixed Income
winsonphoon@maybank.com
(+65) 6231 5831

Se Tho Mun Yi
Fixed Income Analyst
munyi.st@maybank-ib.com
(+60) 3 2074 7606

s