# Focus on China data and US CPI

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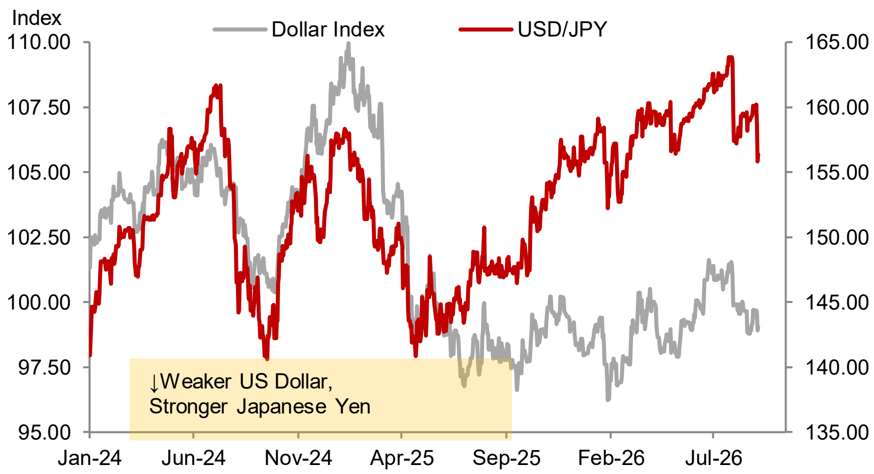
Asia's data calendar will be led by China, where the combination of trade, inflation and credit figures should highlight the economy's increasingly uneven growth mix. August exports are expected to remain strong, supported by global demand for AI-related hardware. CPI and PPI inflation could edge slightly higher, partly reflecting energy costs, AI-equipment prices and summer travel demand. In contrast, aggregate financing and new lending are likely to remain weak as subdued household and corporate borrowing offsets relatively resilient government bond issuance. Taken together, the releases may reinforce the divergence between China's export-oriented sectors and still-soft domestic demand. We continue to expect gradual appreciation in CNY, given strong trade surpluses, exporter conversion, and coupled with the general FX policy direction by Chinese authorities.

Elsewhere, Thailand's CPI is expected to rise on food and fuel costs but remain within the central bank's target band, while Malaysia's industrial production, Singapore retail sales, Taiwan's trade and inflation data, and South Korea's GDP and labour-market releases will provide additional signals on regional activity. Among these markets, we see the Bank of Korea remaining hawkish and the GDP numbers should validate that, with some chance also that Taiwan's central bank may communicate a more hawkish message moving forward. Meanwhile, we expect Bank of Thailand to keep rates accommodative at 1% for some time, and this should continue to anchor the front-end of the THB rates curve.

Outside of Asia, the most important global catalyst is the US August CPI inflation out on 11 September, which comes ahead of the FOMC policy meeting on 16 September. The US CPI inflation print has taken on increasing salience in the near-term, in part from the broader shift by Fed Chair Kevin Warsh to move away from explicit forward guidance – and as such also greater data dependence – and also from Fed Governor Waller's speech placing meaningful weight on this datapoint in guiding how he will vote in September.

We will also have the ECB policy decision, where consensus and ourselves are expecting a 25bps hike, while in Japan, July labour cash earnings, revised second-quarter GDP, coupled with BOJ Board Member Kazuyuki Masu's speech could be important catalysts for the market.

THE BIG MOVES IN GLOBAL FX MARKETS WAS A SHARP STRENGTHENING IN THE JAPANESE YEN COUPLED WITH SOME DOLLAR WEAKNESS

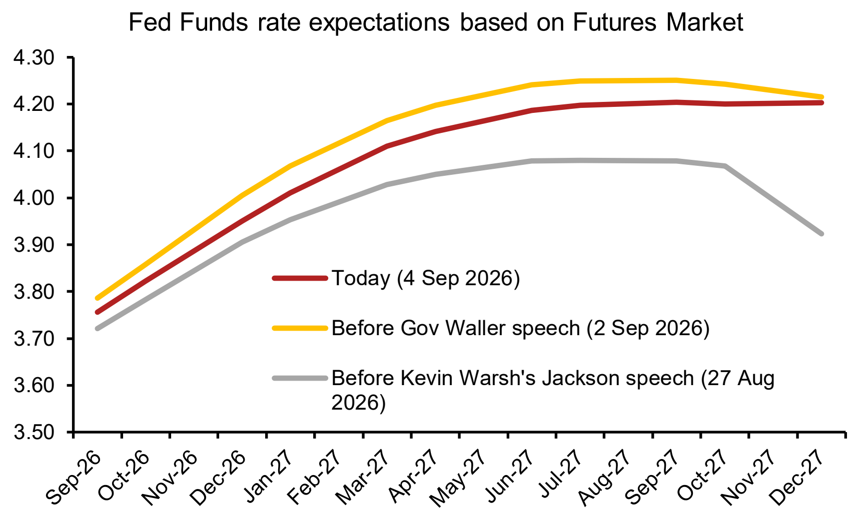



*Source: Bloomberg, MUFG GMR*

# FX views

There were significant moves in the FX market this past week, with the Japanese yen in particular strengthening sharply from the 160 level on 2 Sep all the way down to as low as 155.30, close to a 5 big figure move. Japan's top currency official Atushi Mimura did not comment whether authorities had conducted a rate check but said that Japan remains on alert over currency market developments, and warning that he was not yet comfortable with recent moves in the Yen. What also helped push the Dollar weaker and JPY and Asia FX stronger was Governor Waller's speech. Fed Governor Waller said he is inclined to leave interest rates unchanged as long as inflation continues to slow. In particular, he placed quite a lot of weight on the upcoming August inflation data much more so than labour market numbers, said he was leaning towards a rate hold in the September meeting, while also saying it might not take much acceleration in inflation to nudge him towards supporting tighter policy. Overall, these views and developments fit in with our global teams' views that pricing for Fed hike rate expectations are too excessive especially post the Jackson hole meeting, and the Dollar should weaken over time. In the Asia space, our analysis shows that KRW, followed by THB, SGD, and to a smaller extent PHP are likely to be bigger beneficiaries if JPY were to strengthen further, all things equal.

EXPECTATIONS FOR FED FUNDS RATE SHIFTED AFTER GOVERNOR WALLER'S SPEECH




*Source: Bloomberg, MUFG GMR*

FX PERFORMANCE

| Country / Region | Currency Inde | 4-Sep | %WTD | %MTD | %QTD | %YTD | %2025 | %2024 | %2023 |
|---|---|---|---|---|---|---|---|---|---|
| China | USDCNY | 6.7165 | -0.2 | 0.0 | -1.0 | -3.9 | -4.3 | 2.8 | 2.9 |
| Hong Kong | USDHKD | 7.8406 | 0.0 | 0.0 | 0.0 | 0.7 | 0.2 | -0.5 | 0.1 |
| Taiwan | USDTWD | 31.736 | 0.4 | 0.2 | -0.4 | 1.01 | -4.2 | 6.8 | 0.0 |
| South Korea | USDKRW | 1356.05 | -1.4 | -0.9 | -12.5 | -5.8 | -2.2 | 14.3 | 1.8 |
| India | USDINR | 94.468 | -1.0 | -0.7 | -0.2 | 5.1 | 5.0 | 2.9 | 0.6 |
| Indonesia | USDIDR | 17628.00 | -0.4 | -0.5 | -1.4 | 5.6 | 3.7 | 4.6 | -1.1 |
| Malaysia | USDMYR | 4.0440 | 0.5 | 0.5 | -1.0 | -0.4 | -9.2 | -2.7 | 4.3 |
| Philippines | USDPHP | 62.402 | 0.2 | 0.2 | 1.7 | 6.1 | 1.7 | 4.4 | -0.6 |
| Singapore | USDSGD | 1.2672 | -0.5 | -0.3 | -2.1 | -1.4 | -5.9 | 3.4 | -1.4 |
| Thailand | USDTHB | 32.960 | 0.1 | -0.6 | -0.8 | 4.6 | -7.6 | -0.1 | -1.3 |
| Vietnam | USDVND | 26085 | 0.0 | 0.0 | -0.9 | -0.8 | 3.2 | 5.0 | 2.7 |
| US | Dollar Index | 99.00 | -0.7 | -0.4 | -2.2 | 0.7 | -9.4 | 7.1 | -2.1 |
| Japan | USDJPY | 156.16 | -2.5 | -2.2 | -3.9 | -0.4 | -0.3 | 11.5 | 7.6 |
| Europe | EURUSD | 1.1626 | 0.4 | 0.1 | 1.8 | -1.0 | 13.4 | -6.2 | 3.1 |

*Source: Bloomberg, MUFG GMR | Note: Data retrieved at HKT4:00PM on 04 September 2026*

## USD/CNY: Mixed signals from August PMIs

**LIN LI**

**KHANG SEK LEE**

The release of August's official manufacturing PMI showed better-than-expected reading of 49.8, 0.6ppts up from prior month but remained in contractionary territory, for the second straight months. Encouragingly, both the production and new orders indices rebounded above the 50-threshold. Services and construction PMIs readings were largely flat from prior month, at 49.3 and 46.9 respectively. On the other hand, RatingDog survey, which has a greater representation of private firms, exporters and SMEs, posted faster-than-expected expansion across manufacturing and services at 51.5 and 51.4, respectively.

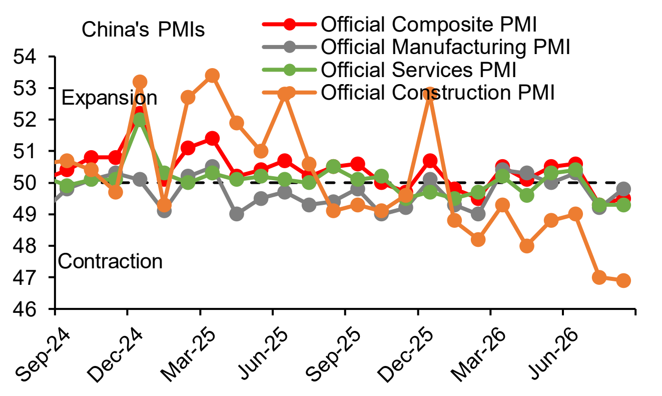
Policy wise, the official launching of the deployment of new RMB 800bn policy-based financial instrument starting this week is a positive news to support project construction work.  According to state-owned official media, the first batch of fund was dispatched across few provinces, with projects spanning across green and low-carbon development, new energy and new materials. These funds are used to supplement project equity capital, helping projects secure financing from banks and attract more private funding, to support investment. The full deployment of new RMB 500bn policy-based financial instrument in October last year supported more than 2,300 projects with a total investment of about RMB 7tn, implying a multiplier effect of 14 times. Assuming the same multiplier effect this time, RMB 800bn project equity capital could translate into a total investment of more than RMB 10tn. What is different from last year though, is the MoF providing 1.5% loan subsidies to micro, small and medium-sized private enterprises that take part in projects using new policy-based financial instrument, likely to help stabilize private FAI somewhat. That said, given the multi-year project timeline, the investment impact is likely to only unfold gradually over several years. By the end of the week, USD/CNY moved lower and toward 6.71 level as DXY index softened.

Next week, August exports number likely remain firm with growth potentially accelerating like Korea's exports in the month, benefitting from tech demand. On the other hand, sustained domestic demand weakness still implies soft CPI and whether core CPI inflation extends the gradual downward trend again is key to watch.

## USD/KRW: KRW outperformed its Asian peers again this week

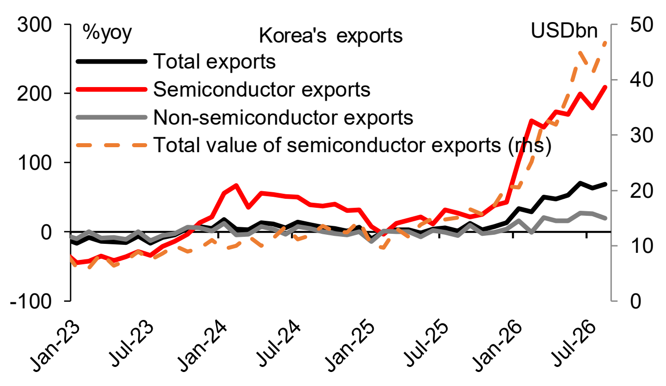
The continued exporters dollar-selling flow, spill-over from rapid JPY appreciation, better-than-expected August's exports/ trade balance and weaker DXY offset the drag from foreign equity selling flow, driving the USD/KRW pair lower toward the 1350 level. In particular, Korea's exports growth accelerated by 5.7ppts to 68.7%yoy as semiconductor grew by more than 200%yoy and computer expanded by more than 400%yoy. Beyond tech, automobile and vessel growth declined sharply to -30%yoy and -46%yoy, respectively. Meanwhile, Korea's headline CPI and core CPI inflation surged above 3.0%yoy level but largely in line with expectations, as the market was well aware of one-off discount on mobile charges in August last year.

CONSTRUCTION PMI HAS NOT IMPROVED IN AUGUST




*Source: CEIC, Bloomberg, MUFG GMR*

SEMICONDUCTOR EXPORTS UPTREND IS INTACT




*Source: CEIC, Bloomberg, MUFG GMR*

## USD/INR: FCNR(B) inflows support the rupee, but domestic rates face renewed upward pressure

**Michael Wan**

USD/INR declined from around 95.4 at the start of the week to below 94.5, as the broader USD weakened and markets pared some of the hawkish Fed repricing following Governor Waller's support for holding rates if inflation continues to moderate. The INR's appreciation remained orderly rather than exceptional, consistent with our view that the RBI's foreign-currency mobilisation measures are primarily designed to limit depreciation risks rather than engineer sustained rupee strength. Elevated US yields and oil prices remain important headwinds, but the larger external buffer has reduced the INR's immediate vulnerability to shifts in global risk sentiment.

The FCNR(B) measures have had a substantial impact across Indian asset classes, with related dollar inflows exceeding USD130bn as of 31 August, well above earlier expectations. These inflows have added rupee liquidity, supported government bonds and compressed domestic yields, while also strengthening the RBI's capacity to manage excessive INR volatility. However, we are less constructive on Indian rates from here. With the special window now closed, the incremental liquidity impulse should fade, while strong credit and GDP growth, supportive fiscal policy and adverse weather risks point towards higher yields. We therefore continue to expect 50bps of RBI tightening beginning in December. For equities, the larger external buffer and lower risk of sharp INR depreciation are supportive, but rising domestic yields should increase funding costs and weigh on valuations, particularly across rate-sensitive sectors.

In the week ahead, USD/INR will remain sensitive to US inflation, Treasury yields and oil prices. Softer US CPI would support Indian bonds and the INR, while another inflation surprise would revive Fed-hike expectations and challenge recent rupee gains. India's foreign-exchange reserves will provide further evidence of the scale of accumulated inflows and RBI balance-sheet management. We forecast USD/INR at 95.50 in Q4 2026, with stronger buffers limiting volatility but not eliminating depreciation pressures from import demand and portfolio outflows.

## USD/VND: Strong foreign inflows cushion the dong, but a record trade deficit limits appreciation

USD/VND remained near 26,100 this week despite broader USD weakness, as export and FDI receipts provided foreign-currency supply. The VND's restrained response reflected domestic credit growth, rising import demand and elevated US yields. This remains consistent with our view that the SBV will manage the currency's adjustment rather than resist depreciation outright, while maintaining firm liquidity conditions to discourage disorderly capital outflows.

Vietnam's August trade data reinforced the tension between strong activity and weakening external-balance dynamics. Exports rose 26.0%yoy to USD54.80bn, but imports increased 37.9%yoy to USD54.91bn, leaving a USD110mn monthly deficit. More importantly, the cumulative trade deficit reached a record USD20.46bn in the first eight months, as imports of machinery, components and production inputs absorbed much of the dollar supply generated by exports and FDI. Although these imports should expand future manufacturing capacity, their immediate effect is to increase corporate demand for foreign currency. Headline inflation also accelerated to 4.89%yoy, limiting the SBV's scope to loosen policy as demand and credit remain strong.

In the week ahead, the light domestic calendar leaves USD/VND sensitive to US CPI, Treasury yields, oil prices and the SBV's management of interbank liquidity. Softer US inflation and lower yields could provide temporary VND relief, while renewed oil-price pressure would worsen inflation and import costs. Nonetheless, persistent credit growth and the deteriorating trade balance should limit sustained appreciation. We forecast USD/VND at 26,100 in Q4 2026 and 26,200 in Q1 2027, implying gradual, managed depreciation rather than disorderly adjustment.

## USD/IDR: Rupiah rebound extends, but structural headwinds persist

**Lloyd Chan**

### 17,700 Break Improves the Near-Term Tone

The rupiah extended its recovery this week, with USDIDR closing below 17,700 for the first time since May 2026 and declining towards 17,640 level. Broad-based US dollar weakness reinforced the move, while the decisive break of 17,700 improved the pair's technical profile. Positioning has also helped, as crowded long-USD positions unwind. Portfolio flows turned more supportive, with net foreign bond inflows of about US$110mn versus a small outflow in the prior week, while net foreign equity inflows rose to US$132mn from a small inflow previously. These developments should keep near-term depreciation pressure contained, although they do not yet signal that the broader upward USDIDR trend is over.

### Domestic Buffers Are Helping, but Their Capacity Is Limited

Indonesia's external backdrop remains the main constraint on sustained rupiah appreciation. The goods trade balance returned to a marginal US$0.12bn surplus in July after two months of deficits, helped by the oil and gas deficit narrowing to US$2.9bn from US$3.5bn in June. However, the surplus remains well below the 2025 monthly average. Stronger coal, palm oil and base-metal balances are only partly cushioning the oil shock. Our estimates indicate that Indonesia's commodity trade balance begins to deteriorate once Brent exceeds roughly US$82/bbl. With Brent above US$90/bbl, external pressures are likely to persist.

The B50 biodiesel programme that began in July should improve energy security, but it is unlikely to deliver a large near-term trade windfall. Lower diesel imports could save around US$1.5-2.0bn in H2, but part of this benefit will be offset as palm oil is redirected from exports to domestic biodiesel production. The key question is whether CPO output can rise sufficiently to support both uses. Portfolio inflows therefore remain the more immediate IDR buffer. Yet this support may be nearing maturity: foreign ownership of SRBI has recovered to around 27%, close to late-2024 highs, while SRBI yields have eased from their June peak. BI's higher-return strategy has stabilised USDIDR, but its capacity to generate further appreciation may be diminishing as US yields and oil prices remain elevated.

### Week Ahead: US Data to Test the Rupiah's Recovery

Domestically, foreign reserves will be the key release. A stabilising rupiah may have reduced BI's intervention needs, while continued repatriation of commodity export proceeds under the DHE framework could support reserve accumulation. Consumer confidence and auto sales will provide additional signals on domestic demand. Externally, August nonfarm payrolls, released today, and next week's US CPI and PPI will be the final major data inputs before the 17 September FOMC policy decision. Inflation risks remain relevant after the ISM services prices-paid index rose to 72.6 in August from 70.3 in July, indicating persistent service-sector price pressures. Strong US labour or inflation readings would reinforce elevated real yields and could quickly challenge the break below 17,700; softer data would allow the positioning-led USDIDR correction to extend.

**Risk assessment:** MSCI's removal of GoTo from the Indonesia index, uncertainty around state-led commodity reforms under Danantara Sumber Daya Indonesia (DSI), and accelerating inflation of 3.19%yoy with a firmer core trend continue to argue against a structurally bullish IDR view. Further BI tightening may become necessary if energy and food pressures persist.

# Week in review

Markets reassessed the Fed outlook following Fed Chair Warsh's hawkish Jackson Hole speech. While stopping short of signalling a September hike, his view that inflation remains insufficiently contained encouraged a "high-for-longer" view. The probability of a September hike rose to around 60%, while roughly one-and-a-half hikes were priced by end-2026. The upcoming Non-Farm Payroll report and CPI release could still shift the balance towards a hold. We expect the Fed to remain on hold through 2026, although risks have increased.

The shift in Fed sentiment drove a broad bond-market repricing. Since Jackson Hole, the two-year Treasury yield rose by a peak of 17bps mid-week, compared with around 13bps and 8bps in the 10-year and 30-year yields respectively, flattening the curve as markets priced near-term tightening risk. Energy-price pressures broadened the sell-off, pushing the 10-year Treasury yield above 4.80% on Wednesday. We nevertheless judge that US rates are in overshoot territory and higher yields are creating value if employment data temper September hike expectations.

In Japan, JPY appreciated sharply to the 156 level after weakening beyond 160 against the dollar, as hawkish BoJ communication triggered a policy reassessment. Governor Ueda emphasised upside inflation risks, while Board Member Takata argued that hikes should be nimbler and data-dependent. A September hike is fully priced, with markets briefly pricing more than 25bps. We regard an outsized hike as unlikely and expect a 25bp move. A more hawkish BoJ, clearer US support and the threat of coordinated intervention have materially shifted risks for USD/JPY.

Elsewhere in Asia, China's official manufacturing PMI rose to 49.8 in August from 49.2 but remained in contraction. By contrast, the RatingDog manufacturing PMI increased to 51.5 from 50.9, signalling faster private-sector expansion as output, orders and exports improved. Private and externally oriented manufacturers are performing better than the broader sector.

In Indonesia, headline inflation accelerated to 3.19%yoy in August, while core inflation rose to 2.92%. July's trade balance returned to a modest surplus but remained below its 2025 average, while Brent above USD90/bbl weighs on the external position. In the Philippines, headline inflation eased for a fourth consecutive month to 6.1%yoy in August from 6.2%yoy in July. The softer reading will be welcomed by the BSP, although price pressures remain elevated.

In Vietnam, exports rose 26.0%yoy to USD54.80bn in August, but imports increased 37.9%yoy to USD54.91bn, leaving a USD110mn monthly deficit. The cumulative trade deficit reached a record USD20.46bn in the first eight months as production-input imports absorbed export and FDI-related dollar supply. While supporting future capacity, these imports increase near-term foreign-currency demand.

In Malaysia, Bank Negara Malaysia held its policy rate at 2.75%, while highlighting resilient growth and commodity-driven cost pressures. Malaysia remains relatively insulated through fuel subsidies, electronics exports and data-centre investment. We expect BNM to remain on hold through 2026, although risks tilt towards tightening if cost pressures pass through. Higher US yields may constrain near-term MYR gains, but the global technology cycle supports our constructive medium-term outlook.

# Capital Flows

**ASIAN EQUITY FLOWS VOLATILE, WITH UNCERTAINTY IN US YIELDS LEADING TO SOME OUTFLOWS**

Risk sentiment weakened across Asian equity markets, with foreign investors extending net selling for a third consecutive week. Outflows accelerated sharply and remained concentrated in North Asia, as investors reduced exposure to Taiwan and South Korea amid uncertainty over US yields, while ASEAN equity flows were broadly balanced.

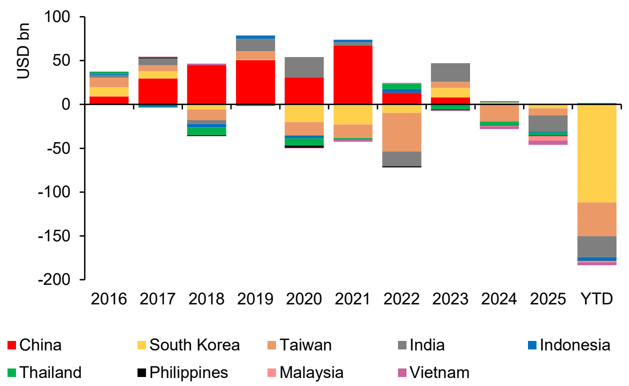
**Asia equities flows:** Asian equity markets recorded net foreign outflows of around $7.4bn in the week ended 4 September, widening from $2.0bn previously. Taiwan registered the largest outflow at around $4.2bn, reversing the prior week's $3.7bn inflow, while South Korea recorded outflows of $2.7bn, moderating from $5.7bn. India also shifted to an outflow of around $480mn after receiving $430mn previously. ASEAN markets recorded broadly neutral combined flows, as inflows into Indonesia and Thailand offset selling in Malaysia, the Philippines and Vietnam.

NET FOREIGN INSTITUTIONAL INVESTMENTS INTO ASIAN EQUITIES (USD MN)

| Country / Region | 4-Sep | 28-Aug | 21-Aug | 14-Aug | 7-Aug | MTD | QTD | YTD | 2025 |
|---|---|---|---|---|---|---|---|---|---|
| China | | | | | | | | | 0 |
| South Korea | -2,741 | -5,664 | -1,604 | 4,183 | -5,043 | -2,230 | -17,111 | -111,928 | -4,485 |
| Taiwan | -4,212 | 3,738 | 21 | 5,442 | 312 | -3,756 | -17,986 | -38,346 | -7,800 |
| India | -484 | 430 | 500 | 712 | 1,321 | 86 | 4,932 | -24,033 | -18,792 |
| Indonesia | 132 | 16 | 126 | -88 | 39 | 157 | 313 | -3,935 | -1,063 |
| Thailand | 92 | -372 | -105 | 13 | -271 | 102 | 815 | 1,696 | -3,211 |
| Philippines | -16 | -115 | -33 | -60 | -15 | -16 | -172 | -417 | -883 |
| Malaysia | -153 | -91 | -135 | -153 | -107 | -153 | -565 | -1,265 | -5,204 |
| Vietnam | -58 | 38 | -104 | -85 | 85 | -58 | -570 | -3,509 | -4,754 |
| Total flows | -7,440 | -2,021 | -1,335 | 9,965 | -3,679 | -5,870 | -30,344 | -181,737 | -46,192 |

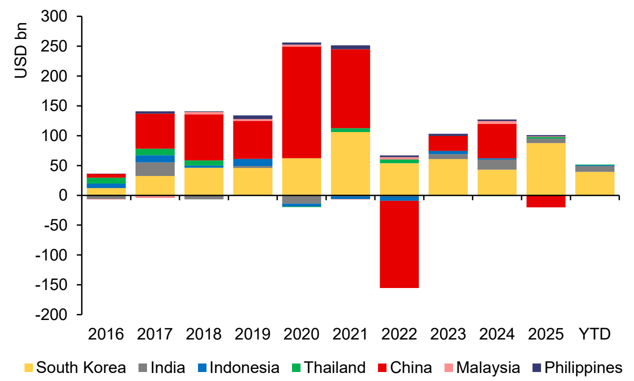
*Source: Bloomberg, MUFG GMR Note: China stopped publishing buy and sell transaction data for Northbound flows since August 2024; Data as of 4 September 2026 HKT4:00PM with a two-day lag for India and one-day lag for other countries*

ANNUAL NET FOREIGN INSTITUTIONAL INVESTMENTS INTO ASIA EQUITIES




*Source: Bloomberg, MUFG GMR. Note: Data is provided by respective countries' stock exchanges; *2025 data is the sum of flows between 1 Jan to 4-Sep-26 with a two-day lag for India and one-day lag for other countries. China stopped publishing Northbound flows since August 2024*

ANNUAL NET FOREIGN INSTITUTIONAL INVESTMENTS INTO ASIA BONDS




*Source: Bloomberg, MUFG GMR. Note: Data is provided by respective countries' Ministry of Finance and/or bond market association; *2025 data is the sum of flows between 1 Jan to 4-Sep-26 with a one-day lag for India and a three-day lag for Indonesia. China data reflects flows from Bond Connect.*

**Asia bond flows:** Asian bond markets recorded net foreign outflows of around $400mn in the week ended 4 September, reversing inflows of approximately $150mn previously. South Korea drove the reversal with outflows of roughly $370mn, compared with inflows of $360mn in the preceding week, while Thailand registered outflows of around $200mn. By contrast, Indonesia attracted inflows of approximately $110mn, reversing outflows of $70mn previously, while India recorded modest inflows of around $50mn following outflows of $150mn in the prior week.

NET FOREIGN INSTITUTIONAL INVESTMENTS INTO BONDS FOR KOREA, INDIA & THAILAND (USD MN)

| Country / Region | 4-Sep | 28-Aug | 21-Aug | 14-Aug | 7-Aug | MTD | QTD | YTD | 2025 |
|---|---|---|---|---|---|---|---|---|---|
| South Korea | -367 | 361 | -204 | -1,478 | -1,289 | -210 | 83 | 39,355 | 87,632 |
| India | 49 | -147 | -139 | -85 | 111 | 70 | 2,919 | 9,734 | 7,472 |
| Indonesia | 112 | -73 | 658 | 50 | 199 | 84 | 1,320 | 1,664 | 189 |
| Thailand | -200 | 5 | -42 | -417 | 316 | -225 | -607 | 942 | 2,346 |
| Total flows | -407 | 144 | 274 | -1,930 | -664 | -280 | 3,714 | 51,695 | 97,639 |

*Source: Bloomberg, MUFG GMR; Data as of 4 September 2026 with a one-day lag for Thailand, two day lag for South Korea and India, and a three-day lag for Indonesia.*

MONTHLY NET FOREIGN INSTITUTIONAL BOND INVESTMENTS FOR CHINA, MALAYSIA AND THE PHILIPPINES

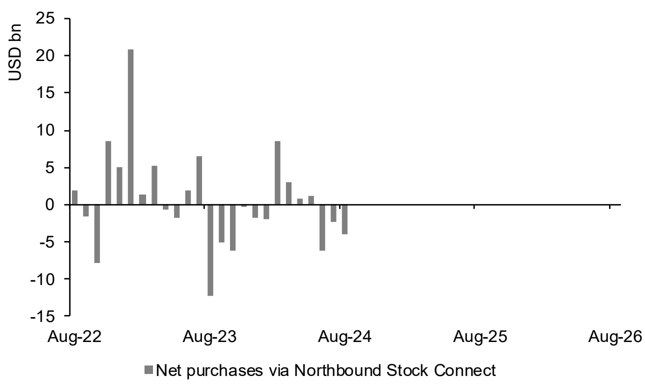
| Country / Region | Jul-26 | Jun-26 | May-26 | Apr-26 | Mar-26 | Feb-26 | Jan-26 | YTD | ~~2025~~ |
|---|---|---|---|---|---|---|---|---|---|
| China | | -720 | 15,805 | -5,698 | -18,864 | -182 | -10,356 | 0 | -20,014 |
| Malaysia | -1,817 | 837 | -499 | 177 | 1,279 | 136 | 970 | 0 | 1,083 |
| Philippines | 111 | 2,228 | -77 | 780 | 1,379 | -1,169 | 2,922 | 0 | 2,319 |

*Source: Bloomberg, CEIC, MUFG GMR*

**China Stock Connect & Bond Connect:**

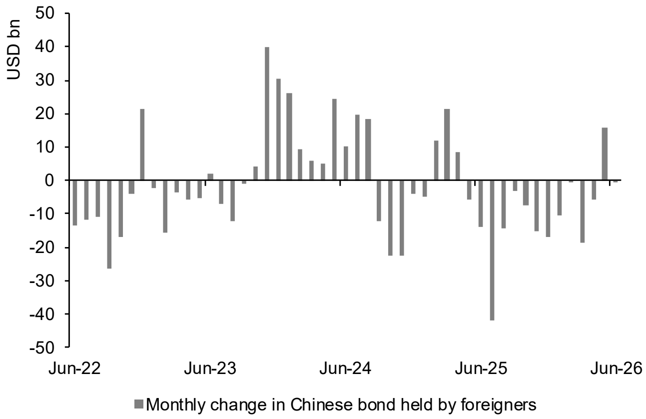
China's Bond Connect recorded USD$720mn of outflows in June, reversing USD$16bn of inflows in May, as softer growth expectations and equity-market resilience reduced demand for bonds. Stock Connect flow data remain unavailable following China's suspension of Northbound transaction disclosures since August 2024.

NET FOREIGN INSTITUTIONAL INVESTMENTS INTO CHINESE EQUITIES VIA HK-SHANGHAI & HK-SHENZHEN NORTHBOUND STOCK CONNECT




*Source: Bloomberg, MUFG GMR; Data as at 4 September 2026*

MONTHLY CHANGE IN FOREIGN HOLDINGS OF CHINESE BONDS VIA BOND CONNECT




*Source: CEIC, MUFG GMR*

## Government bond yield spreads: Mixed for 2y and 10y

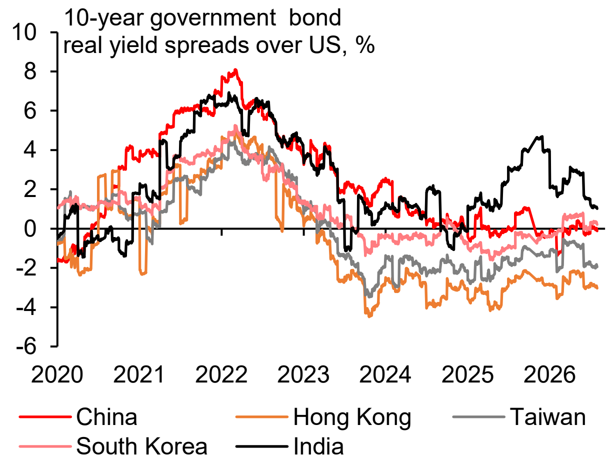
This week, the movement of Asia's 2-year and 10-year bond yield spread with US was mixed. For 2-year yields, we saw the biggest increase in Hong Kong (+17bps). For 10-year yields, China dropped the most (-6bps) whereas Indonesia rose the most by 7bps.

### EM ASIAN GOVERNMENT BOND YIELD SPREADS WITH THE US

| | Country / Region | Government bond yield difference over US, bps | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 2026 | | | | | | | | | | | |
| | | 4-Sep | 28-Aug | 21-Aug | 14-Aug | 7-Aug | 31-Jul | 24-Jul | 17-Jul | 10-Jul | 3-Jul | 26-Jun | 19-Jun |
| 10-Year | China | -309 | -303 | -304 | -301 | -294 | -303 | -296 | -282 | -283 | -275 | -265 | -273 |
| | Hong Kong | -125 | -122 | -126 | -118 | -114 | -129 | -118 | -114 | -125 | -118 | -112 | -117 |
| | Taiwan | -287 | -282 | -284 | -276 | -272 | -281 | -275 | -277 | -279 | -271 | -259 | -268 |
| | South Korea | -40 | -44 | -37 | -38 | -43 | -47 | -23 | -25 | -33 | -29 | -25 | -29 |
| | India | 218 | 219 | 214 | 207 | 213 | 207 | 215 | 220 | 216 | 223 | 241 | 243 |
| | Indonesia | 231 | 224 | 219 | 242 | 261 | 257 | 265 | 268 | 265 | 262 | 275 | 260 |
| | Malaysia | -83 | -86 | -95 | -96 | -92 | -103 | -98 | -92 | -95 | -87 | -77 | -86 |
| | Philippines | 252 | 254 | 257 | 263 | 262 | 269 | 293 | 273 | 270 | 266 | 256 | 251 |
| | Singapore | -240 | -240 | -240 | -243 | -236 | -240 | -224 | -234 | -245 | -237 | -237 | -241 |
| | Thailand | -258 | -261 | -264 | -266 | -261 | -269 | -260 | -256 | -261 | -248 | -235 | -237 |
| | Vietnam | -31 | -27 | -29 | -27 | -23 | -33 | -27 | -14 | -16 | -9 | 2 | -7 |
| 2-Year | China | -310 | -310 | -300 | -294 | -294 | -304 | -307 | -292 | -297 | -291 | -285 | -294 |
| | Hong Kong | -112 | -129 | -124 | -119 | -121 | -128 | -126 | -126 | -126 | -119 | -120 | -128 |
| | Taiwan | -262 | -263 | -252 | -245 | -257 | -266 | -270 | -259 | -303 | -296 | -292 | -300 |
| | South Korea | -64 | -68 | -53 | -54 | -62 | -64 | -54 | -49 | -57 | -47 | -44 | -55 |
| | India | 197 | 192 | 199 | 196 | 193 | 190 | 191 | 202 | 190 | 182 | 185 | 183 |
| | Indonesia | 234 | 227 | 237 | 261 | 278 | 270 | 271 | 287 | 294 | 295 | 296 | 282 |
| | Malaysia* | -101 | -104 | -96 | -92 | -93 | -105 | -107 | -95 | -99 | -92 | -84 | -94 |
| | Philippines | 209 | 199 | 210 | 218 | 232 | 241 | 239 | 237 | 222 | 221 | 223 | 212 |
| | Singapore | -265 | -269 | -258 | -253 | -253 | -261 | -255 | -255 | -264 | -255 | -254 | -258 |
| | Thailand | -317 | -322 | -311 | -307 | -309 | -317 | -320 | -308 | -311 | -302 | -297 | -303 |
| | Vietnam | -70 | -71 | -60 | -54 | -58 | -72 | -76 | -67 | -71 | -64 | -60 | -71 |

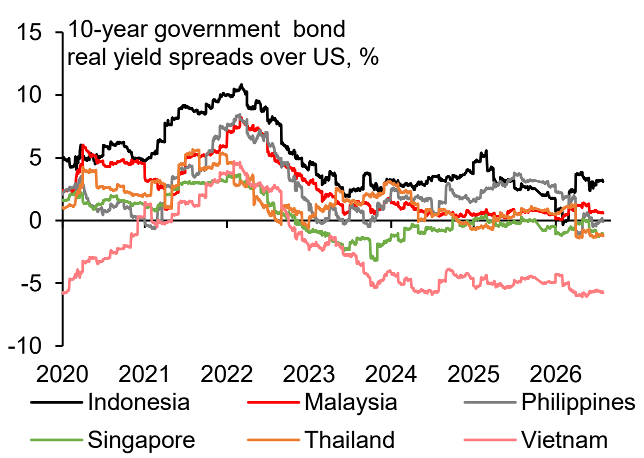
*Source: Bloomberg, MUFG GMR    Note: Data retrieved at HKT4:00PM on 4 September 2026*

### ASIA'S REAL YIELD SPREADS




*Source: Bloomberg, MUFG GMR*

### ASIA'S REAL YIELD SPREADS




*Source: Bloomberg, MUFG GMR*

## Central bank monitor

Global developments remain important for Asia's policy outlook following Fed Chair Warsh's mildly hawkish Jackson Hole speech. However, Fed Governor Waller's subsequent indication that he favours holding rates if inflation slows has tempered some market expectations for a September rate hike. Nevertheless, elevated US yields and Brent above USD95/bbl continue to tighten financial conditions and increase imported-inflation risks.

Bank Negara Malaysia held the policy rate at 2.75% this week and maintained a broadly neutral stance. A resilient growth outlook and contained inflation give BNM room to remain on hold. The growth outlook is partly underpinned by electronics exports and data-centre investment support. We expect BNM to keep the overnight policy rate unchanged through 2026 while remaining vigilant to broader commodity-cost pass-through.

Bank Indonesia faces a more challenging trade-off after headline inflation accelerated to 3.19%yoy in August and core inflation continued to rise. With growth above 5%, elevated oil prices weighing on the external balance and higher US yields challenging portfolio flows, we expect BI to maintain a tightening bias. Further hikes remain possible if inflation and rupiah pressures persist, alongside continued use of SRBI instruments and FX intervention.

In South Korea, headline inflation accelerated to 3.1%yoy in August, while core inflation rose to 3.4%yoy. Alongside robust AI-related semiconductor exports and a record trade surplus, persistent inflation should reinforce the BOK's tightening bias. We expect one further 25bp hike by year-end.

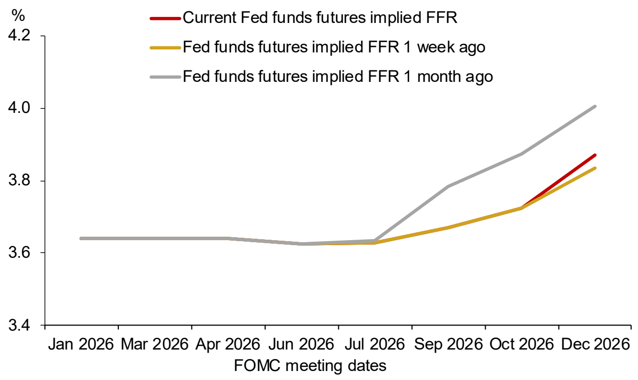
China remains the regional exception. Weak domestic demand and the prolonged property downturn should keep PBOC policy easing-biased, with support likely to remain targeted and incremental as elevated US yields constrain its room for manoeuvre.

CURRENT MARKET IMPLIED POLICY RATE

| Country / Region | Benchmark rate | Current | 3M | 6M | 1Y | 2Y | Next policy meeting |
|---|---|---|---|---|---|---|---|
| China | 7D reverse repo rate | **1.40%** | 1.41% | 1.42% | 1.39% | 1.43% | 20 Sep 26 |
| South Korea | 7D repo rate | **3.00%** | 3.19% | 3.48% | 3.75% | 3.95% | 22 Oct 26 |
| Taiwan | Discount rate | **2.00%** | 2.03% | 2.17% | 2.47% | 2.75% | 17 Sep 26 |
| India | Repo rate | **5.25%** | 5.79% | 6.18% | 6.41% | 6.74% | 7 Oct 26 |
| Thailand | 1D repo rate | **1.00%** | 1.05% | 1.07% | 1.27% | 1.68% | 28 Oct 26 |
| Malaysia | Overnight policy rate | **2.75%** | 2.83% | 2.96% | 3.01% | 3.04% | 5 Nov 26 |
| Philippines | Overnight reverse repo rate | **5.00%** | 4.40% | 4.43% | 3.56% | 3.92% | 22 Oct 26 |
| US | Fed funds rate | **3.625%** | 3.90% | 4.04% | 4.22% | 4.14% | 17 Sep 26 |

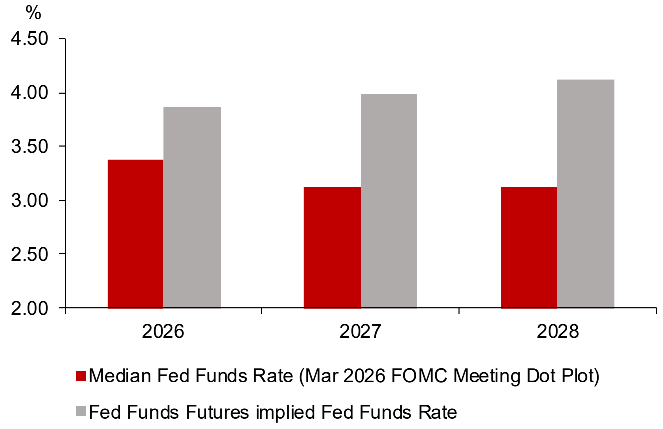
*Source: Bloomberg, MUFG GMR   Note: Implied rates as priced by overnight index swaps of respective countries, updated on 4 September 2026 4*:00 SGT/HKT

## FED FUNDS FUTURES MARKET PRICING




*Source: Bloomberg, MUFG GMR. Note: Fed funds futures pricing as at 4 September 2026*

## FED FUNDS FUTURES PRICING VS MEDIAN DOT




*Source: Bloomberg, US Federal Reserve, MUFG GMR. Note: Fed funds futures pricing as at 4 September 2026*

## CENTRAL BANK POLICY STANCE AND OUTLOOK

| Central bank | End-25 Actual | Now | Next policy meeting | Current policy stance and outlook | End-2026F |
|---|---|---|---|---|---|
| China | 7d reverse repo rate: 1.40% | 1.40% | N.A. | The government has softened its 2026 GDP growth target to 4.5%-5.0%, while emphasizing policy continuity. While PBOC could retain its easing bias, this could be expressed through other measures e.g. liquidity injection, credit easing, or LPR adjustments, rather than a policy rate cut. | 1.40% |
| South Korea | 2.50% | 3.00% | 22-Oct-26 | BoK raised its policy rate by 25bps to 3.00% in August, amid concerns about inflation that remains above the 2% target. | 3.25% |
| Taiwan | 2.000% | 2.000% | 17-Sep-26 | CBC held the policy rate at 2% in June. The central bank said growth remains strong and inflation to remain moderate. CBC likely to keep rates on hold for the balance of this year. | 2.00% |
| Indonesia | 4.75% | 5.75% | 23-Sep-26 | Recent rupiah stabilisation gives room for BI to hold rates at 5.75% in August. But resilient domestic demand and higher commodity prices could eventually require further policy tightening. | 6.25% |
| Malaysia | 2.75% | 2.75% | 5-Nov-26 | BNM held rates at 2.75% in September, expecting domestic demand to anchor growth while acknowledging downside risks from US-Iran conflict. BNM assessed that current policy rate supports growth and keeps inflation manageable. | 2.75% |
| Singapore | N.A. | N.A. | October | MAS has very slightly steepened the S$NEER slope in July to guard against inflation shock. Further policy action will likely rest on whether there are any second round inflation effects. | N.A. |
| Thailand | 1.25% | 1.00% | 28-Oct-26 | BoT held rates at 1.00% in August. We expect BOT to lean towards supporting growth by keeping the policy rate at 1%. | 1.00% |
| India | 5.25% | 5.25% | 7-Oct-26 | RBI held rates at 5.25% in August, against our expectation for a rate hike. We have pushed out the timing of RBI hike to Dec. | 5.75% |
| Philippines | 4.50% | 5.00% | 22-Oct-26 | BSP hiked rates for the third consecutive time to 5.00%. Inflation eased to 6.2%yoy in July after 7.2%yoy peak in April. Still, inflation is well above target and BSP is likely to tighten policy further if needed. | 5.25% |
| Vietnam | 4.50% | 4.50% | N.A. | Better stability in FX and capital inflows give the State Bank of Vietnam space to keep rates on hold despite strong credit growth. | 4.50% |

*Source: Bloomberg, MUFG GMR*

# The week ahead

## Asia and G3

Markets will focus on next week's US inflation data, which will represent the final major test for the Fed ahead of the 17 September FOMC meeting and follow the hawkish message delivered by Chair Warsh at Jackson Hole. Consensus expects headline CPI to remain unchanged at 3.4%yoy, while core inflation is projected to ease further to 2.4%yoy, the lowest rate since 2021. In contrast, producer prices are expected to accelerate as higher energy costs feed through into transportation and logistics expenses. A softer core inflation reading would be consistent with our view that the Fed remains on hold this month, while firmer inflation outcomes could strengthen market pricing for a 25bps rate hike in September.

In Japan, attention will be on July wage growth and revised Q2 GDP figures. Labour cash earnings growth is expected to slow modestly to 4%yoy, but still resilient. Meanwhile, Q2 GDP growth is likely to be revised higher to an annualised 1.8% from 1.1%, supported by stronger corporate investment spending. With BoJ Governor Ueda and Board Member Takata recently adopting a more hawkish tone, evidence of sustained wage growth and resilient economic activity would reinforce expectations for further policy normalisation. As a September rate hike is now fully priced by markets, the JPY's reaction will increasingly depend on whether incoming data point to a faster pace of tightening beyond September.

China's trade, inflation and credit data will provide important insights into the region's growth outlook. Export growth is expected to accelerate to 27.5%yoy, supported by continued strength in high-tech manufacturing exports, although stronger imports would narrow the trade surplus. CPI inflation is forecast to edge up to 0.9%yoy, while aggregate financing growth is expected to moderate amid still-soft borrowing demand from households and corporates.

Elsewhere in Asia, Taiwan's inflation is likely to remain above 2%yoy, keeping the possibility of further monetary tightening on the agenda. In Thailand, inflation is expected to rise to 2.4%yoy as higher food and energy prices feed through, but should remain comfortably within the BOT's target range, allowing policymakers to maintain an unchanged policy rate for now.

## WEEKLY CALENDAR

| Country | Date | Time (SGT) | Event | Period | Survey | Prior |
|---|---|---|---|---|---|---|
| China | 07/9/2026 | | Foreign Reserves | Aug | $3430b | $3418.78b |
| Philippines | 07/9/2026 | | Foreign Reserves | Aug | | $103.4b |
| Indonesia | 07/9/2026 | 11:00 | Foreign Reserves | Aug | | $145.3b |
| Thailand | 07/9/2026 | 11:30 | CPI YoY | Aug | 2.4% | 1.95% |
| Thailand | 07/9/2026 | 11:30 | CPI NSA MoM | Aug | 0.5% | -0.73% |
| Thailand | 07/9/2026 | 11:30 | CPI Core YoY | Aug | 1.4% | 1.34% |
| Japan | 07/9/2026 | 13:00 | Leading Index CI | Jul P | 118 | 116.5 |
| Singapore | 07/9/2026 | 13:00 | Retail Sales YoY | Jul | | 4% |
| Germany | 07/9/2026 | 14:00 | Industrial Production SA MoM | Jul | 0.1% | 0.2% |
| Germany | 07/9/2026 | 14:00 | Industrial Production WDA YoY | Jul | | -0.1% |
| Malaysia | 07/9/2026 | 15:00 | Foreign Reserves | Aug | | $132.7b |
| Eurozone Aggregate | 07/9/2026 | 17:00 | GDP SA QoQ | 2Q T | 0.4% | 0.4% |
| Eurozone Aggregate | 07/9/2026 | 17:00 | GDP SA YoY | 2Q T | 1% | 1% |
| China | 08/9/2026 | | Imports YoY | Aug | 32% | 27.5% |
| China | 08/9/2026 | | Trade Balance | Aug | $120.3b | $112.5b |
| China | 08/9/2026 | | Exports YoY | Aug | 27.5% | 23.9% |
| South Korea | 08/9/2026 | 7:00 | GDP SA QoQ | 2Q P | 0.6% | 0.6% |
| South Korea | 08/9/2026 | 7:00 | GDP YoY | 2Q P | 3.7% | 3.7% |
| Japan | 08/9/2026 | 7:30 | Labor Cash Earnings YoY | Jul | 3.95% | 3.4% |
| Japan | 08/9/2026 | 7:50 | GDP Annualized SA QoQ | 2Q F | 1.8% | 1.1% |
| Japan | 08/9/2026 | 7:50 | GDP SA QoQ | 2Q F | 0.4% | 0.3% |
| Japan | 08/9/2026 | 7:50 | GDP Deflator YoY | 2Q F | 2.6% | 2.6% |
| Japan | 08/9/2026 | 7:50 | BoP Current Account Balance | Jul | ¥2841.5b | -¥92.3b |
| Japan | 08/9/2026 | 7:50 | Trade Balance BoP Basis | Jul | -¥347.15b | -¥135.2b |
| Taiwan | 08/9/2026 | 16:00 | CPI YoY | Aug | 2.4% | 2.54% |
| United States | 08/9/2026 | 18:00 | NFIB Small Business Optimism | Aug | 99.2 | 99.8 |
| China | 09/9/2026 | | Money Supply M2 YoY | Aug | 7.7% | 7.7% |
| Vietnam | 09/9/2026 | | Domestic Vehicle Sales YoY | Aug | | -5% |
| South Korea | 09/9/2026 | 7:00 | Unemployment rate SA | Aug | 2.8% | 2.8% |
| Japan | 09/9/2026 | 7:50 | Money Stock M2 YoY | Aug | | 2.2% |
| Japan | 09/9/2026 | 7:50 | Money Stock M3 YoY | Aug | | 1.4% |
| China | 09/9/2026 | 9:30 | PPI YoY | Aug | 3.7% | 3.5% |
| China | 09/9/2026 | 9:30 | CPI YoY | Aug | 0.9% | 0.5% |
| Malaysia | 09/9/2026 | 12:00 | Industrial Production YoY | Jul | 6.1% | 6.5% |
| Japan | 09/9/2026 | 14:00 | Machine Tool Orders YoY | Aug P | | 50.4% |
| Singapore | 09/9/2026 | 16:00 | Automobile COE Open Bid Cat A | Sep | | 128501 |
| Taiwan | 09/9/2026 | 16:00 | Exports YoY | Aug | 33.7% | 32.86% |
| United States | 09/9/2026 | 19:00 | MBA Mortgage Applications | Sep | | 0.8% |
| Japan | 10/9/2026 | 7:50 | Japan Buying Foreign Bonds | Sep | | -¥824b |
| Germany | 10/9/2026 | 14:00 | CPI MoM | Aug F | | 0.2% |
| Germany | 10/9/2026 | 14:00 | CPI YoY | Aug F | 2.9% | 2.9% |
| Germany | 10/9/2026 | 14:00 | CPI EU Harmonized MoM | Aug F | | 0.2% |
| Germany | 10/9/2026 | 14:00 | CPI EU Harmonized YoY | Aug F | 2.9% | 2.9% |
| Eurozone Aggregate | 10/9/2026 | 20:15 | ECB Deposit Facility Rate | Sep | 2.5% | 2.25% |
| Eurozone Aggregate | 10/9/2026 | 20:15 | ECB Main Refinancing Rate | Sep | 2.65% | 2.4% |
| Eurozone Aggregate | 10/9/2026 | 20:15 | ECB Marginal Lending Facility | Sep | 2.9% | 2.65% |
| United States | 10/9/2026 | 20:30 | Initial Jobless Claims | Sep | 205k | 206k |
| United States | 10/9/2026 | 20:30 | Continuing Claims | Aug | | 1779k |
| United States | 10/9/2026 | 20:30 | PPI Final Demand MoM | Aug | 0.4% | 0% |
| United States | 10/9/2026 | 20:30 | PPI Ex Food and Energy MoM | Aug | 0.3% | 0.2% |
| United States | 10/9/2026 | 20:30 | PPI Final Demand YoY | Aug | 5.2% | 4.7% |
| United States | 10/9/2026 | 20:30 | PPI Ex Food and Energy YoY | Aug | 4.6% | 4.2% |
| United States | 10/9/2026 | 22:00 | Existing Home Sales | Aug | 3.99m | 4.06m |
| United States | 10/9/2026 | 22:00 | Wholesale Inventories MoM | Jul F | | 1.3% |
| Japan | 11/9/2026 | 7:50 | PPI MoM | Aug | 0% | 0.1% |
| Japan | 11/9/2026 | 7:50 | PPI YoY | Aug | 7.4% | 7.2% |
| Thailand | 11/9/2026 | 15:30 | Gross International Reserves | Sep | | |
| United States | 11/9/2026 | 20:30 | CPI MoM | Aug | 0.4% | 0.1% |
| United States | 11/9/2026 | 20:30 | Core CPI MoM | Aug | 0.2% | 0.2% |
| United States | 11/9/2026 | 20:30 | CPI YoY | Aug | 3.4% | 3.4% |
| United States | 11/9/2026 | 20:30 | Core CPI YoY | Aug | 2.4% | 2.5% |
| United States | 11/9/2026 | 22:00 | U. of Mich. Sentiment | Sep P | 51 | 51.7 |

*Source: Bloomberg, MUFG GMR*

## Forecasts

### MACRO FORECASTS (1/2)

| Country / Region | Real GDP (%yoy) | | | | Current Account (% of GDP) | | | | 10-Yr Bond (%, EOP) | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Actual | | Forecast | | Actual | | Forecast | | Actual | | Forecast | |
| | 2024 | 2025 | 2026E | 2027E | 2024 | 2025 | 2026E | 2027E | 2024 | 2025 | 2026E | 2027E |
| China | 5.0 | 5.0 | 4.7 | 4.7 | 2.3 | 3.8 | 3.5 | 3.3 | 1.7 | 1.9 | 1.9 | 2.1 |
| India** | 6.5 | 7.6 | 6.8 | 6.7 | -0.7 | -1.3 | -1.1 | -1.0 | 6.6 | 6.9 | 6.9 | 7.3 |
| Indonesia | 5.0 | 5.1 | 5.3 | 5.0 | -0.6 | -0.1 | -0.7 | -1.0 | 7.0 | 6.1 | 6.8 | 6.8 |
| Malaysia | 5.1 | 5.2 | 4.8 | 5.0 | 1.7 | 1.6 | 1.8 | 1.8 | 3.8 | 3.5 | 3.5 | 3.3 |
| Philippines | 5.6 | 4.7 | 3.5 | 5.0 | -4.0 | -3.0 | -2.5 | -2.0 | 6.2 | 5.8 | 7.2 | 6.5 |
| Singapore | 4.4 | 5.0 | 3.6 | 2.8 | 17.5 | 16.7 | 16.5 | 16.3 | 2.9 | 2.1 | 2.0 | 1.9 |
| South Korea | 2.1 | 1.0 | 2.8 | 2.2 | 5.3 | 6.6 | 12.0 | 8.0 | 2.9 | 2.8 | 3.8 | 3.5 |
| Taiwan | 4.6 | 8.6 | 9.8 | 3.7 | 14.1 | 19.7 | 19.0 | 16.0 | 1.6 | 1.4 | 1.7 | 1.7 |
| Thailand | 2.5 | 2.4 | 2.0 | 2.0 | 2.2 | 2.8 | 2.0 | 2.2 | 2.3 | 1..64 | 1.5 | 1.5 |
| Vietnam | 7.1 | 7.7 | 8.8 | 8.2 | 5.9 | 5.5 | 2.5 | 1.5 | 3.0 | 3.9 | 4.6 | 5.0 |

*Source: Bloomberg, MUFG GMR; *: Forecasts made on September 1, 2026; **Based on Financial Year Between Apr-Mar.*

### MACRO FORECASTS (2/2)

| Country / Region | Inflation (%yoy, average) | | | | Inflation (%yoy, EOP) | | | | Policy Rate (%, EOP) | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Actual | | Forecast | | Actual | | Forecast | | Actual | | Forecast | |
| | 2024 | 2025 | 2026E | 2027E | 2024 | 2025 | 2026E | 2027E | 2024 | 2025 | 2026E | 2027E |
| China | 0.2 | 0.1 | 1.2 | 1.2 | 0.1 | 0.8 | 1.0 | 1.2 | 1.50 | 1.40 | 1.40 | 1.40 |
| India** | 4.6 | 1.6 | 5.0 | 4.4 | 4.0 | 2.4 | 4.8 | 4.3 | 6.25 | 5.25 | 5.75 | 5.75 |
| Indonesia | 2.3 | 1.9 | 3.3 | 3.0 | 1.6 | 2.8 | 3.0 | 2.8 | 6.00 | 4.75 | 6.25 | 5.50 |
| Malaysia | 1.8 | 1.6 | 1.7 | 1.8 | 1.7 | 1.5 | 1.7 | 1.9 | 3.00 | 2.75 | 2.75 | 2.75 |
| Philippines | 3.2 | 1.8 | 5.4 | 3.9 | 2.9 | 2.2 | 5.9 | 3.7 | 5.75 | 4.50 | 5.25 | 4.50 |
| Singapore | 2.4 | 0.9 | 2.0 | 2.0 | 1.6 | 1.2 | 2.0 | 2.0 | 3.07 | 1.23 | 1.36 | 1.40 |
| South Korea | 2.3 | 2.1 | 2.7 | 2.1 | 1.9 | 2.1 | 2.7 | 2.0 | 3.00 | 2.50 | 3.25 | 3.25 |
| Taiwan | 2.2 | 1.5 | 2.0 | 1.7 | 2.1 | 1.6 | 1.8 | 1.7 | 2.00 | 2.00 | 2.00 | 2.00 |
| Thailand | 0.4 | -0.1 | 2.1 | 1.4 | 1.2 | -0.5 | 1.5 | 1.4 | 2.25 | 1.25 | 1.00 | 1.00 |
| Vietnam | 3.6 | 3.3 | 4.7 | 4.6 | 2.9 | 3.8 | 5.1 | 4.7 | 4.50 | 4.50 | 4.75 | 5.00 |

*Source: Bloomberg, MUFG GMR; *: Forecasts made on September 1, 2026; **Based on Financial Year Between Apr-Mar. Singapore policy rate refers to 3-month compounded SORA.*

### ASIA FX FORECASTS

| Currency pair | Q3 2026 | Q4 2026 | Q1 2027 | Q2 2027 |
|---|---|---|---|---|
| **Asia Dollar** | **93.39** | **92.51** | **93.34** | **94.39** |
| USD/CNY | 6.7000 | 6.6500 | 6.6000 | 6.6000 |
| USD/HKD | 7.8300 | 7.8300 | 7.8300 | 7.8300 |
| USD/INR | 95.500 | 95.500 | 96.000 | 96.500 |
| USD/IDR | 18100 | 18350 | 18500 | 18700 |
| USD/MYR | 4.0500 | 4.0300 | 4.0000 | 4.0000 |
| USD/PHP | 62.200 | 62.000 | 61.500 | 61.000 |
| USD/SGD | 1.2800 | 1.2750 | 1.2700 | 1.2700 |
| USD/KRW | 1380.0 | 1370.0 | 1360.0 | 1350.0 |
| USD/TWD | 31.500 | 31.400 | 31.000 | 30.700 |
| USD/THB | 33.500 | 34.100 | 34.000 | 33.800 |
| USD/VND | 26050 | 26100 | 26200 | 26300 |

*Source: MUFG GMR*

# Core indicators

## GOVERNMENT BOND YIELD

| Country / Region | Maturity | Yields | | | | Change, bps | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 4-Sep | 28-Aug | 21-Aug | 14-Aug | WTD | MTD | QTD | YTD | 2025 |
| China | 10-Year | 1.68 | 1.69 | 1.69 | 1.68 | -1 | -1 | -5 | -17 | 18 |
| Hong Kong | 10-Year | 3.52 | 3.50 | 3.47 | 3.51 | 2 | 1 | 29 | 47 | 77 |
| Taiwan | 10-Year | 1.90 | 1.90 | 1.90 | 1.93 | 0 | 0 | 12 | 55 | -26 |
| South Korea | 10-Year | 4.37 | 4.29 | 4.37 | 4.31 | 8 | 6 | 30 | 98 | 51 |
| India | 10-Year | 6.95 | 6.91 | 6.87 | 6.76 | 4 | 0 | 23 | 36 | -17 |
| Indonesia | 10-Year | 7.08 | 6.96 | 6.93 | 7.11 | 12 | 9 | -5 | 103 | -92 |
| Malaysia | 10-Year | 3.94 | 3.86 | 3.79 | 3.74 | 7 | 7 | 33 | 44 | -31 |
| Philippines | 10-Year | 7.28 | 7.26 | 7.31 | 7.32 | 2 | 2 | 37 | 121 | -10 |
| Singapore | 10-Year | 2.37 | 2.32 | 2.34 | 2.26 | 5 | 3 | 35 | 26 | -74 |
| Thailand | 10-Year | 2.19 | 2.11 | 2.10 | 2.04 | 8 | 6 | 15 | 55 | -61 |
| Vietnam | 10-Year | 4.45 | 4.45 | 4.45 | 4.42 | 0 | 0 | 6 | 41 | 107 |
| US | 10-Year | 4.77 | 4.72 | 4.74 | 4.69 | 4 | 1 | 30 | 60 | -40 |
| Japan | 10-Year | 2.90 | 2.92 | 2.88 | 2.87 | -3 | -4 | 22 | 84 | 97 |
| Europe | 10-Year | 3.34 | 3.28 | 3.26 | 3.20 | 6 | 2 | 48 | 49 | 49 |

*Source: Bloomberg, MUFG GMR   Note: Data retrieved at HKT4:00PM on 4 September 2026*

## STOCK MARKET INDEX PERFORMANCE

| Country / Region | Index | Value | | | | % change | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 4-Sep | 28-Aug | 21-Aug | 14-Aug | WTD | MTD | QTD | YTD | 2025 |
| China | CSI 300 | 4574 | 4609 | 4619 | 4666 | -0.8 | -1.1 | -8.1 | -1.2 | 17.7 |
| Hong Kong | Hang Seng | 25770 | 25585 | 26009 | 25117 | 0.7 | 0.8 | 12.6 | 0.5 | 27.8 |
| Taiwan | TAIEX | 46197 | 46331 | 45224 | 45811 | -0.3 | 0.1 | 0.2 | 59.5 | 25.7 |
| South Korea | KOSPI | 6662 | 6789 | 6913 | 6978 | -1.9 | -2.3 | -21.4 | 58.1 | 75.6 |
| India | SENSEX | 76153 | 77265 | 77541 | 78009 | -1.4 | -1.0 | -0.4 | -10.6 | 9.1 |
| Indonesia | JCI | 6662 | 6518 | 6526 | 6402 | 2.2 | 2.1 | 18.1 | -23.0 | 22.1 |
| Malaysia | FBM KLCI | 1708 | 1726 | 1736 | 1727 | -1.1 | -1.1 | 2.6 | 1.6 | 2.3 |
| Philippines | PSEi | 6084 | 5956 | 6238 | 6297 | 2.1 | 2.1 | 0.8 | 0.5 | -7.3 |
| Singapore | Straits Times | 5811 | 5700 | 5689 | 5744 | 1.9 | 1.0 | 12.4 | 25.1 | 22.7 |
| Thailand | SET | 1586 | 1588 | 1614 | 1609 | -0.2 | -0.6 | -0.3 | 25.9 | -10.0 |
| Vietnam | Ho Chi Minh | 1850 | 1832 | 1768 | 1729 | 1.0 | 1.0 | -0.5 | 3.7 | 40.9 |
| US | S&P 500 | 7748 | 7712 | 7674 | 7786 | 0.5 | 0.8 | 3.3 | 13.2 | 16.4 |
| Japan | Nikkei 225 | 64770 | 66406 | 66016 | 68714 | -2.5 | -2.3 | -7.6 | 28.7 | 26.2 |
| Europe | Stoxx 600 | 649 | 655 | 654 | 658 | -0.9 | -0.3 | 1.1 | 9.6 | 16.7 |

*Source: Bloomberg, MUFG GMR   Note: Data retrieved at HKT4:00PM on 4 September 2026*

## GLOBAL COMMODITY PRICES AND PRICE CHANGES

| Commodity | Units | Price | | | | % change | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 4-Sep | 28-Aug | 21-Aug | 14-Aug | WTD | MTD | QTD | YTD | 2025 |
| WTI Crude | USD/bbl. | 92 | 83 | 87 | 82 | 10.2 | 7.2 | 32.2 | 60.1 | -19.9 |
| Brent Crude | USD/bbl. | 96 | 89 | 94 | 89 | 7.4 | 6.0 | 31.6 | 57.7 | -18.5 |
| Natural Gas | USD/MMBtu | 3 | 3 | 3 | 3 | 1.2 | -0.4 | -10.7 | -20.7 | 1.5 |
| RBOB Gasoline | USD/gal. | 315 | 349 | 335 | 318 | -9.8 | -8.4 | 4.4 | 84.5 | -14.8 |
| Heating Oil | USD/gal. | 459 | 436 | 449 | 428 | 5.4 | 2.2 | 38.5 | 116.6 | -8.6 |
| Gold | USD/t oz. | 4485 | 4495 | 4624 | 4380 | -0.2 | 0.8 | 11.0 | 3.3 | 64.4 |
| Silver | USD/t oz. | 67 | 67 | 70 | 65 | 0.0 | 1.1 | 12.6 | -5.1 | 141.4 |
| Copper | USD/lb. | 658 | 656 | 659 | 661 | 0.2 | -0.3 | 6.2 | 15.8 | 41.1 |
| 3Mo Aluminum | USD/MT | 3312 | 3242 | 3238 | 3252 | 2.1 | 2.1 | 7.3 | 10.5 | 17.4 |
| 3Mo Copper | USD/MT | 14334 | 14294 | 14216 | 14160 | 0.3 | 0.3 | 7.2 | 15.4 | 41.7 |
| Corn | USD/bu | 515 | 512 | 484 | 459 | 0.6 | 0.0 | 24.8 | 17.0 | -4.0 |
| Wheat | USD/bu | 741 | 767 | 682 | 675 | -3.4 | -2.0 | 27.6 | 46.2 | -8.1 |
| Oats | USD/bu | 343 | 349 | 324 | 324 | -1.8 | -1.3 | 29.6 | 13.2 | -8.5 |
| Soybean | USD/bu | 1308 | 1276 | 1225 | 1174 | 2.5 | 2.6 | 17.1 | 26.9 | 3.2 |

*Source: Bloomberg, MUFG GMR   Note: Data retrieved at HKT4:00PM on 4 September 2026*

## ASIA INFLATION, %YOY

| Country / Region | CPI, %yoy | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Target | Jul-26 | Jun-26 | May-26 | Apr-26 | Mar-26 | Feb-26 | Jan-26 | Dec-25 | Nov-25 | Oct-25 |
| China | 2.0% | 0.5 | 1.0 | 1.2 | 1.2 | 1.0 | 1.3 | 0.2 | 0.8 | 0.7 | 0.2 |
| Hong Kong | N.A. | 1.7 | 2.0 | 2.0 | 1.7 | 1.7 | 1.7 | 1.1 | 1.4 | 1.2 | 1.2 |
| Taiwan | N.A. | 2.5 | 2.6 | 2.2 | 1.7 | 1.2 | 1.8 | 0.7 | 1.3 | 1.2 | 1.5 |
| South Korea | 2.0% | 2.8 | 3.2 | 3.1 | 2.6 | 2.2 | 2.0 | 2.0 | 2.3 | 2.4 | 2.4 |
| India | 4.0±2.0% | 4.5 | 4.4 | 3.9 | 3.5 | 3.4 | 3.2 | 2.7 | 1.2 | 0.5 | 0.0 |
| Indonesia | 2.5±1.0% | 2.9 | 3.3 | 3.1 | 2.4 | 3.5 | 4.8 | 3.6 | 2.9 | 2.7 | 2.9 |
| Malaysia | N.A. | 1.8 | 1.9 | 2.0 | 1.9 | 1.7 | 1.4 | 1.6 | 1.6 | 1.4 | 1.3 |
| Philippines | 3.0±1.0% | 6.2 | 6.4 | 6.8 | 7.2 | 4.1 | 2.4 | 2.0 | 1.8 | 1.5 | 1.7 |
| Singapore | N.A. | 2.2 | 1.9 | 1.8 | 1.8 | 1.8 | 1.2 | 1.4 | 1.2 | 1.2 | 1.2 |
| Thailand | 2.0±1.0% | 2.0 | 2.4 | 2.8 | 2.9 | -0.1 | -0.9 | -0.7 | -0.3 | -0.5 | -0.8 |
| Vietnam | 4.5% | 4.5 | 4.7 | 5.6 | 5.5 | 4.7 | 3.4 | 2.5 | 3.5 | 3.6 | 3.3 |

*Source: Bloomberg, MUFG GMR*

## MONTHLY TRADE BALANCES (USD BN)

| Country / Region | Trade balance (USD bn) | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Jul-26 | Jun-26 | May-26 | Apr-26 | Mar-26 | Feb-26 | Jan-26 | Dec-25 | Nov-25 | Oct-25 | Sep-25 |
| China | 112.3 | 125.5 | 105.2 | 84.5 | 50.0 | 89.5 | 120.2 | 111.9 | 109.9 | 88.0 | 88.7 |
| Hong Kong | -0.6 | -6.6 | -5.6 | -3.8 | -11.4 | -8.2 | -1.8 | -8.1 | -6.2 | -5.1 | -6.4 |
| Taiwan | 17.2 | 12.2 | 17.9 | 14.4 | 21.3 | 12.8 | 18.9 | 19.4 | 16.1 | 21.7 | 12.4 |
| South Korea | 30.4 | 35.9 | 26.8 | 23.6 | 26.6 | 15.7 | 8.7 | 12.1 | 9.5 | 6.0 | 9.5 |
| India | -32.0 | -30.4 | -28.2 | -28.4 | -20.7 | -27.1 | -34.7 | -25.0 | -24.5 | -41.7 | -32.1 |
| Indonesia | 0.1 | -0.5 | -1.6 | 0.1 | 3.3 | 1.3 | 1.0 | 2.5 | 2.7 | 2.4 | 4.2 |
| Malaysia | 5.5 | 3.9 | 10.2 | 7.2 | 6.0 | 4.3 | 5.6 | 5.4 | 1.5 | 4.9 | 4.8 |
| Philippines | -6.0 | -5.5 | -6.1 | -6.4 | -5.0 | -4.0 | -4.3 | -4.0 | -4.0 | -4.2 | -4.7 |
| Singapore | 80.7 | 76.5 | 73.5 | 74.8 | 72.8 | 68.7 | 69.6 | 62.1 | 63.2 | 61.5 | 59.0 |
| Thailand | 0.0 | -2.7 | -2.6 | -6.8 | -0.1 | 0.6 | -0.7 | 2.9 | -0.1 | -0.9 | 3.9 |
| Vietnam | -3.6 | -2.6 | -5.2 | -3.3 | -0.7 | -1.0 | -1.8 | -0.7 | 1.1 | 2.6 | 2.8 |

*Source: Bloomberg, MUFG GMR*

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