

Asia Macro & Market 4Q 2017 Outlook

SMAM comments & views

29 September 2017



SMAM

Sumitomo Mitsui Asset Management

Our Macro and Market Outlook

Macro Outlook

- China: We expect economic growth to decelerate in 2H17 after overheating in the first half, then stabilize in 2018.
- NIES 4: We see economic growth gradually slowing in 2018 in line with expected slower growth in China.
- ASEAN 5: We expect economic growth to accelerate in 2018 driven by domestic demand.
- India: We maintain our view of economic recovery in 2H17 and 2018 despite real GDP growth having slipped in 2Q17, mainly due to de-stocking.

Market Outlook

- China: The stable economy and upbeat corporate earnings spell positive development for the A-share market in the long term.
- NIES 4: Hong Kong and Singapore markets are expected to see sound corporate earnings. Korea and Taiwan are exposed to the peaking of the technology cycle.
- ASEAN 5: Domestic consumption is expected to drive markets while local currencies are poised to appreciate.
- India: Solid fundamentals and strong trust for the current administration are drivers for Indian equities, fixed income, and currency.

Macro Outlook

	Comment	GDP				CPI				Policy Rate									
		2015	2016	2017	2018	2015	2016	2017	2018	2015	2016	2017	2018	2017					
														1Q	2Q	3Q	4Q		
China	Almost all economic indicators for July and August came in below consensus. However, we maintain our view that economic momentum remained solid in 3Q17 , as the temporary softening was caused by bad weather. We believe economic growth outlook will stabilize in 2018 after gradually slowing in 2H17 . We expect the government to adopt a more aggressive fiscal policy to support the economy if growth is slower than expected. It is our view that the CNY will appreciate by end of 2017.	6.9	6.7	6.8	6.5	1.4	2.0	1.6	2.1	4.35	4.35	4.35	4.35	4.35	4.35	4.35	4.35	4.35	
India	We believe that the economy will return to a recovery phase in 2H17 , as the Nikkei Mfg PMI rebounded sharply in August. We expect RBI to hold its policy interest rate as it adopts a neutral stance amid expected acceleration of CPI inflation in 2H17. Piling international reserves can help to support domestic demands through greater liquidity in interbank markets.	8.0	7.1	6.8	7.8	4.9	4.9	3.7	5.6	6.75	6.25	6.25	6.50	6.25	6.25	6.00	6.00		
NIES 4	We expect economic momentum to begin to wane in 2H17 following expected slowing economic growth in China. The electronics cycle linked to the new iPhone can affect economic momentum of Korea, Taiwan and Singapore. We expect no change in monetary policies until the end of 2018.	2.2	2.3	2.7	2.3														
N		Korea	2.8	2.8	2.7	2.4	0.7	1.0	1.7	1.7	1.50	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
I		Taiwan	0.7	1.5	2.2	2.1	0.3	1.4	1.2	1.2	1.625	1.375	1.375	1.375	1.375	1.375	1.375	1.375	1.375
E		Singapore	1.9	2.0	2.5	2.2	0.5	0.5	0.7	0.7									
S		Hong Kong	2.4	1.9	3.3	2.7	3.0	2.4	1.7	2.4									
ASEAN 5	We expect economic momentum to start to build in 2H17 led by domestic demand. In Indonesia, Parliament has passed a revised, more aggressive budget for FY2017. We expect Philippine Central Bank to raise its policy interest rate in 1Q18 due to inflationary pressure caused by positive output gap. We see easing bias of monetary policy in Indonesia and Vietnam. In Malaysia, we expect to see PM Najib dissolve House in 1H18, and a positive catalyst for Malaysian financial markets should emerge with the expected win of current ruling parties BN at the next general election. In Thailand, we do not see serious political risk as PM Purayuth maintain firm political control.	4.9	5.0	5.2	5.4														
A		Indonesia	4.9	5.0	5.2	5.4	6.4	3.5	4.1	4.2	7.50	4.75	4.25	4.25	4.75	4.75	4.25	4.25	
S		Thailand	2.9	3.2	3.5	3.5	0.9	0.2	1.1	1.2	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	
E		Malaysia	5.0	4.2	5.5	5.5	2.1	2.1	3.6	2.6	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00	
N		Philippines	6.1	6.9	6.6	6.9	1.4	1.8	2.9	3.1	4.00	3.00	3.00	3.25	3.00	3.00	3.00	3.00	
S	Vietnam	6.7	6.2	6.5	6.6	0.9	2.7	4.3	2.8	6.50	6.50	6.25	6.25	6.50	6.50	6.25	6.25		

(Note) As of September 27th, 2017 and subject to updates thereafter without notice. 2015, 2016, 20171Q, 20172Q are actual figures. 2017, 2018, 20173Q and 20174Q are forecasts

(Source) Bloomberg, forecasts are by SMAM.

Currencies & Interest Rate Outlook

Weak USD leads to strong local currencies for 2017					
	Exchange Rate		Exchange Rate Outlook	Monetary Policy	Interest Rate Outlook
	9/26/2017	2017F			
China	6.628	6.500	Depreciation of the greenback, problematic imbalance in China-US trade, and Northbound Bond Connect in Hong Kong are expected to cause the CNY to appreciate for the rest of 2017.	Neutral (turning from easing to tightening)	We expect the PBoC to maintain its neutral stance under current fundamentals, and keep base policy rates unchanged for the rest of 2017.
Korea	1,137	1,130	KRW is expected to remain at current rates assuming no escalation of geopolitical tensions on the Korean peninsula.	Neutral	We expect the BoK to keep the current policy rate unchanged for the rest of 2017.
India	65.45	65.50	The current REER suggests the INR is overvalued. We see little room for the Rupee to appreciate further.	Neutral	We expect the RBI to keep the current policy rate unchanged for the rest of 2017.
Singapore	1.354	1.370	The expected appreciation of the MYR along with stabilization of the IDR should cause the SGD to appreciate.	Neutral	We expect the MAS to maintain its neutral policy stance.
Malaysia	4.206	4.180	We believe the MYR should be undervalued. However, the General Election in 1H2018 is expected to cause the Ringgit to appreciate.	Neutral	We expect the BNM to maintain its neutral stance under stable inflation expectations.
Thailand	33.36	33.00	The THB should face appreciation pressure. We expect BOT to intervene in FX markets to sell THB.	Neutral	We expect the BoT to keep the current policy rate unchanged for the rest of 2017.
Indonesia	13,374	13,300	We believe Bank Indonesia should prefer to keep the IDR stable , and would intervene in the FX market to sell IDR.	Neutral (with easing risk)	After back to back surprise rate cuts in August and September, we maintain our easing bias although we expect Bank Indonesia to keep the policy rate unchanged for the rest of the year.
Philippines	50.91	50.50	Remittance from overseas should ease depreciation pressure for the PHP. Going forward, passing of the tax reform bill at Congress is expected to be a positive catalyst for the PHP.	Tightening	Given inflationary pressure caused by the output gap, we expect the Philippine central bank to raise its policy rate in 1Q2018.
Australia	0.7886	0.8000	We expect AUD to hover around 0.80-0.81.	Neutral	We expect the RBA to maintain its current policy rate with a tightening bias.

(Note) Exchange rates (actual and forecast) are as of September 26th, 2017 and subject to updated thereafter without notice. (Source) Bloomberg, forecasts are by SMAM.

Equity Markets Outlook

We maintain an overall positive view of Asia for the time being. Chinese companies recorded robust earnings in the first half of the year, during which the economy expanded 6.9%, topping expectations. Southeast Asian economies are bottoming out and is expected to ride on the recovery of global markets including the US. We adjust our view for north Asia markets to negative towards the end of this year.

	OW	N	UW	Comment
China		○		Economic momentum is expected to ease gradually after solid growth in the first half of the year. However, we remain positive on the China equity market in the long term. Potential opportunities include structural reforms, such as supply side and mixed ownership reforms. We also expect the CNY to strengthen, which attracts foreign funds.
Hong Kong			○	Closely tied to the Chinese economy, Hong Kong will enjoy any upside in mainland China, which is expected to continue stable growth.
Korea			○	Domestic political uncertainty eased with the election of President Moon, though geopolitical uncertainties in the Korean peninsula casts a shadow. Corporate earnings and economic indicators remain solid.
Taiwan		○		Despite probable peaking of IT demand in the first half of the year, a healthy overall economy and ample liquidity in the stock market lend support to Taiwan equities.
Singapore			○	Solid growth of global markets including a recovery in the US will support the Singapore economy.
Malaysia		○		Political outlook is stable. Trade is improving and China's OBOR offers support to the Malaysian economy. Commodity prices are on an upward trend which is an upside for Malaysia. Foreign funds are expected to flow in after the 2018 general election.
Thailand	○			Economy is expected to bottom out, with export and domestic consumption leading recovery. We expect reasonable performance in the stock market.
Indonesia	○			Accommodative fiscal and monetary policies are expected to support economic recovery and the equities market.
Philippines	○			An increase in remittance from overseas Filipino workers (OFW) will boost domestic consumption. The Philippine central bank is expected to delay a rare rate hike given benign inflation outlook, which support appetite for stocks.
Vietnam	○			Vietnam's central bank, the State Bank of Vietnam, has cut interest rate to boost growth. Earnings in the stock market has bottomed out and is expected to begin to recover.
Australia			○	Due to geographical proximity, Australia has benefited from the rise of Asia more than most developed markets over the past decades, having maintained positive growth even during the 2007-08 financial crisis when most other rich nations saw negative growth. We expect stable growth to continue as mining bottoms out.
India		○		Solid macroeconomic indicators with stable inflation. Potential continuation of economic reform and acceleration in inward FDI are possible upsides for the economy and the equities market.

(Note) As of September 27th, 2017 and subject to updates thereafter without notice.

Topic to Watch: China's 19th National Congress

Personnel shuffle:

- Will Xi Jinping, currently the General Secretary of the Central Committee of the CCP, be reinstated as chairman of the party, a role that was phased out and once held by Mao Zedong.
- Will Wang Qishan, China's top anti-corruption chief, remain a member of the Standing Politburo Committee. Wang, widely regarded as a skilled politician, may leave to avoid conflict with Xi Jinping.
- Will Li Zhanshu, currently the Director of the General Office of CCP and a close ally of Xi Jinping, enter the Standing Politburo Committee, China's top decision making political body.
- Will Chen Min'er, currently Party Secretary of Chongqing and a close ally of Xi Jinping, enter the Standing Politburo Committee.
- Will Hu Chunhua, currently Party Secretary of Guangdong province, enter the Standing Politburo Committee.
- Will Wang Yang, currently Deputy Prime Minister, enter the Standing Politburo Committee.

Our comments:

We expect the party to continue its economic policy until the Central Economic Work Conference which is held one to two months after the First Plenary Session. A new anti-corruption body in the State Council is expected to be decided.

Upcoming events

	Event
18/10/2017	19th National Congress of the Chinese Communist Party
2020	End of the 13th Five-year Plan
2020	Start of the 14th Five-year Plan
2021	100th anniversary of Chinese Communist Party
2022	Beijing hosts Winter Olympics
2027	100th anniversary of the PLA

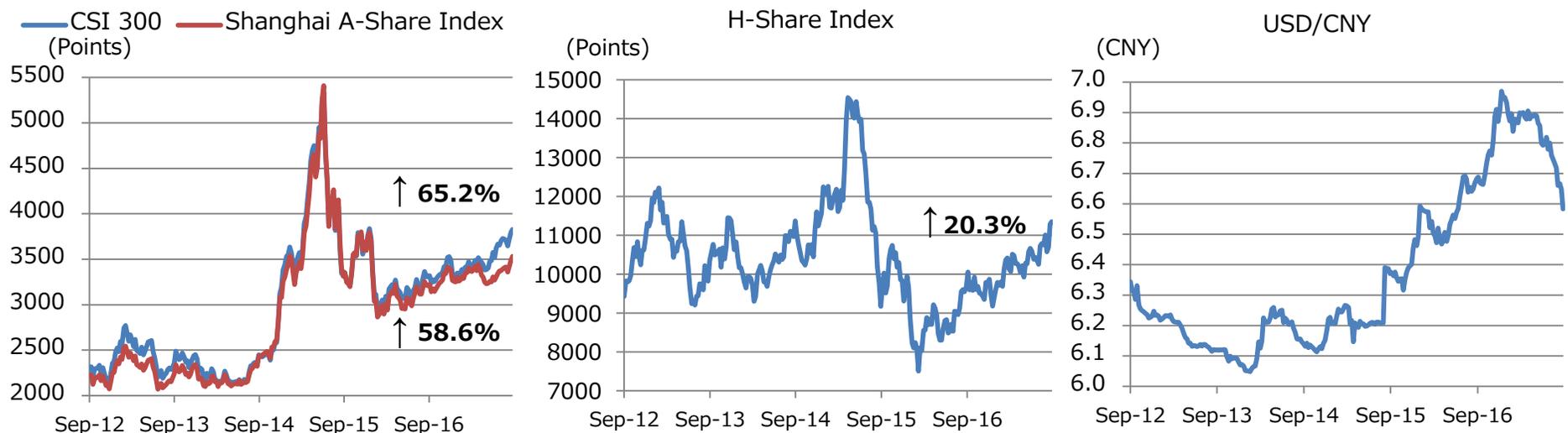
13th Five-year Plan

	2015 (actual)	2016-2020 (target)	Unit
GDP	67.7	92.7	CNY trillion
GDP growth	6.9	6.5	%
Service as % of GDP	50.5	56.0	%
Urbanization (<i>urban permanent residents</i>)	56.1	60.0	%
Urbanization (<i>registered urban residents</i>)	39.9	45.0	%
Broadband penetration	57.0	85.0	%
New non-farm payroll (annual)	13.0	10.0	Million people

Source: Press reports

Asia equities – China “New China” emerging

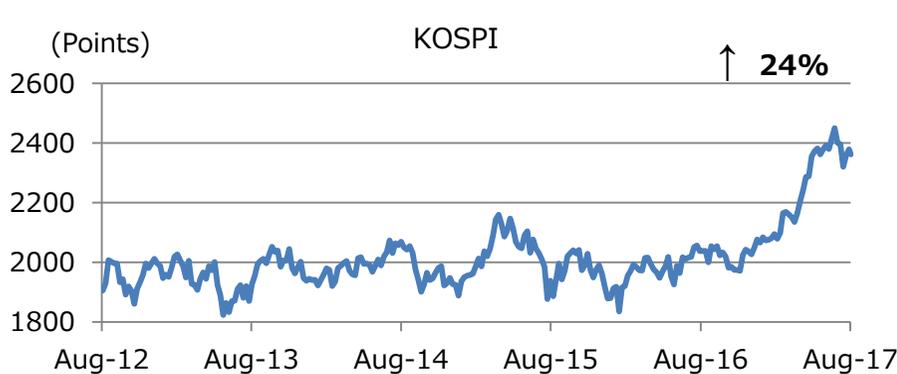
- Robust corporate earnings in the first half of the year; economic outlook stable with little risk of hard landing.
- Cautiously optimistic about H-Share market for the long-term, though structural reforms in the transition to a service oriented economy, such as shutdown of excess capacity, could cause temporary pain. We are optimistic on IT and consumer related stocks.
- Positive about A-Share market for the long-term. Further structural reforms are an incentive for global investors to buy A-Shares. Stable growth in consumption remains an ongoing theme. Sectors such as telecom, F&B (liquor), healthcare, retail, construction, electronics and chemicals are beneficiaries of ongoing development.
- Risks of capital outflow and sudden relatively large depreciation in the Chinese yuan have eased.



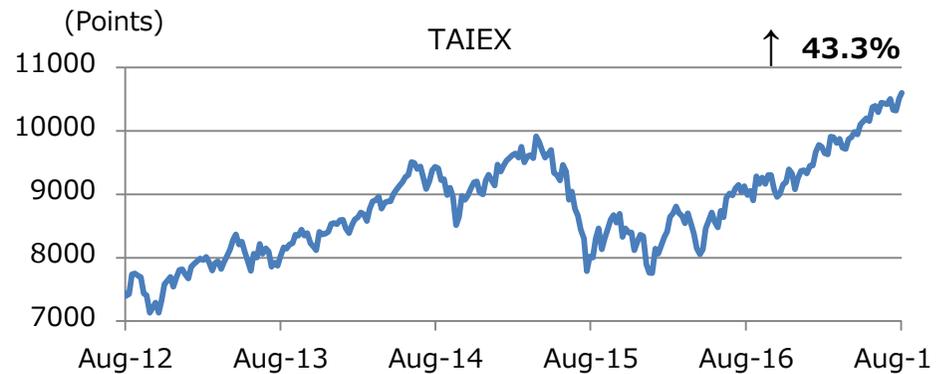
Note: Data period for all 3 charts are from 7th September 2012 to 1st September 2017. % shows price difference of data period. Source: Bloomberg

Asia equities – NIES 4 tech sector overstretched

- **Korea** The technology sector has a heavy weighting in the Korean equities market. Strong earnings in recent times have been priced in and valuation is stretched. We adjust Korea to underweight. Geopolitical concern also casts a shadow over the Korean market.
- **Taiwan** The technology sector now represents around half of total market capitalization of the Taiwan equities market, and given the Taiwanese economy’s vulnerability to changes in global economy (as export make up 30% of GDP), we downgrade Taiwan to neutral.



Note: Data period is from 31st August 2012 to 1st September 2017. % shows price difference of data period.



Source: Bloomberg



Note: Data period is from June 1996 to June 2017.

Source: Bloomberg

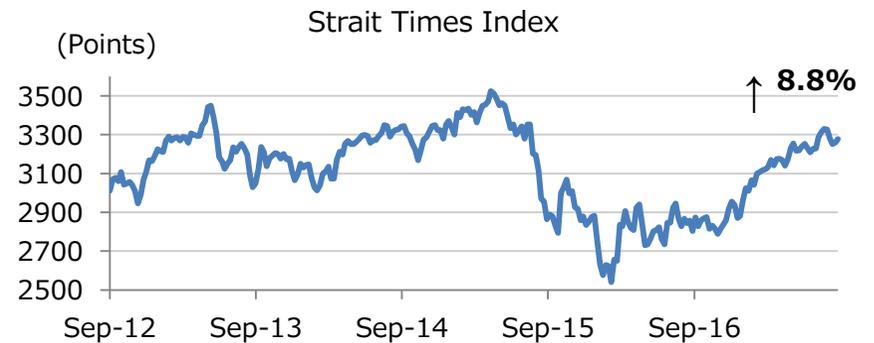
Asia equities – NIES 4 strong property market underpinning economy

- **Hong Kong** The Hong Kong economy is backed by China and growing at a steady pace. Property prices are stretched by strong demand from local as well as mainland buyers. The HKEX's Stock Connect attracts new money from mainland China.
- **Singapore** Singapore's economic growth is stable, as are corporate earnings which support steady growth in the equities market. A pickup in the residential property market is also expected to have a positive impact on the equities market and the economy as a whole.

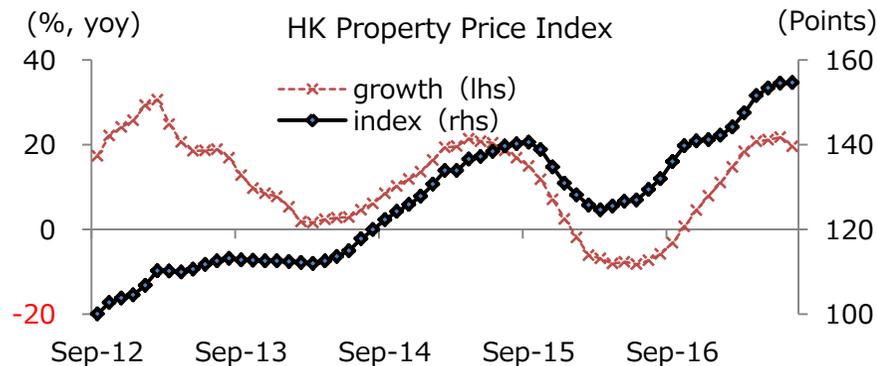


Note: Data period is from 7th September 2012 to 1st September 2017.
% shows price difference of data period.

Source: Bloomberg

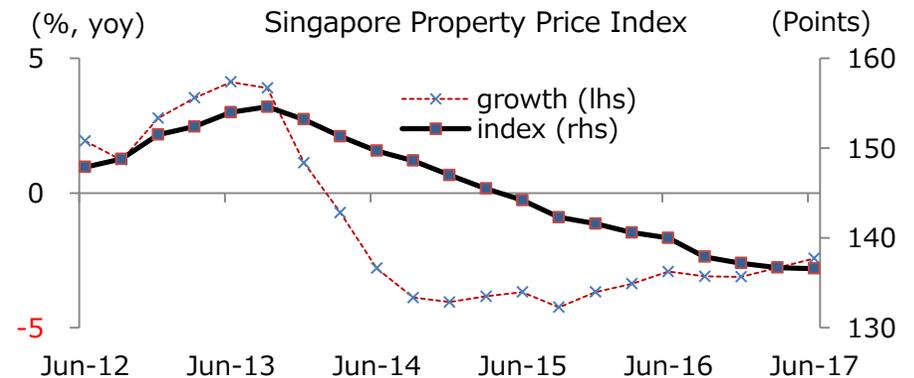


Note: Data period is from 7th September 2012 to 31st August 2017.
% shows price difference of data period.



Note: Data period is from September 2012 to July 2017.

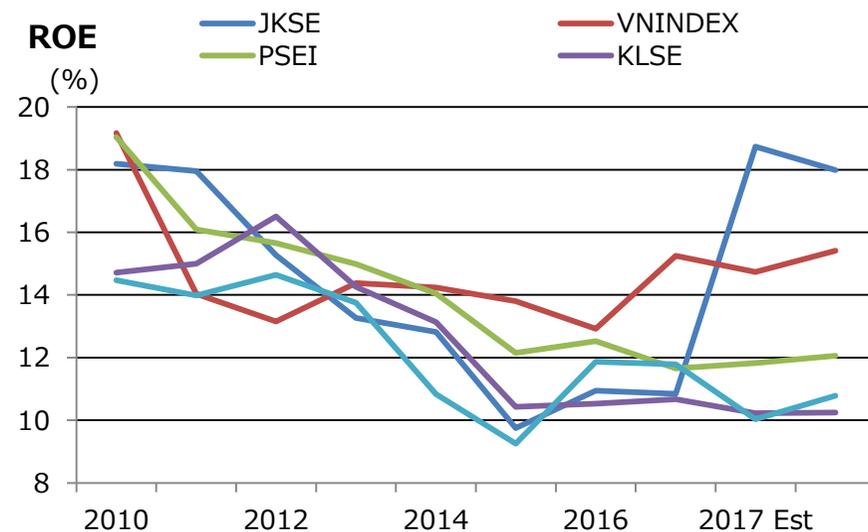
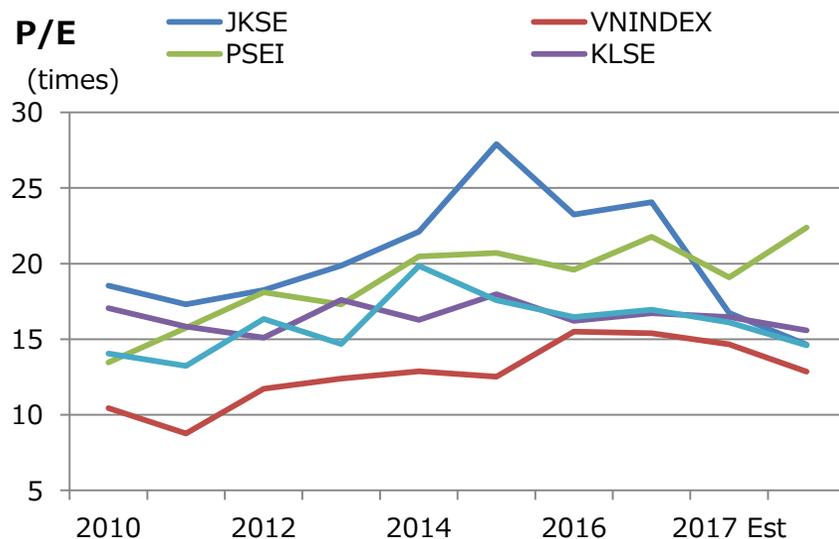
Source: CEIC



Note: Data period is from June 2012 to June 2017.

Asia equities – ASEAN 5 cause for optimism

- **Thailand** The Thai economy is expected to grow gradually backed by external demand. On the domestic side, consumption is expected to pick up after the King's cremation in mid-October.
- **Malaysia** Consolidation continues in the Malaysian equities market. Foreign funds are expected flow in after the General Election, expected for May 2018, boosting the equities market.
- **Indonesia** Easing of monetary policy, low inflation, along with infrastructure development initiatives led by the current administration are expected to boost GDP growth and the equities market.
- **Philippines** Favorable demographics, rising FDI inflow and infrastructure development are leading to robust growth in the economy and the equities market.
- **Vietnam** Deregulation in foreign ownership of domestic firms is expected to continue to raise interest in Vietnamese equities. Meanwhile, FDI inflow is rising on strong domestic consumption growth.

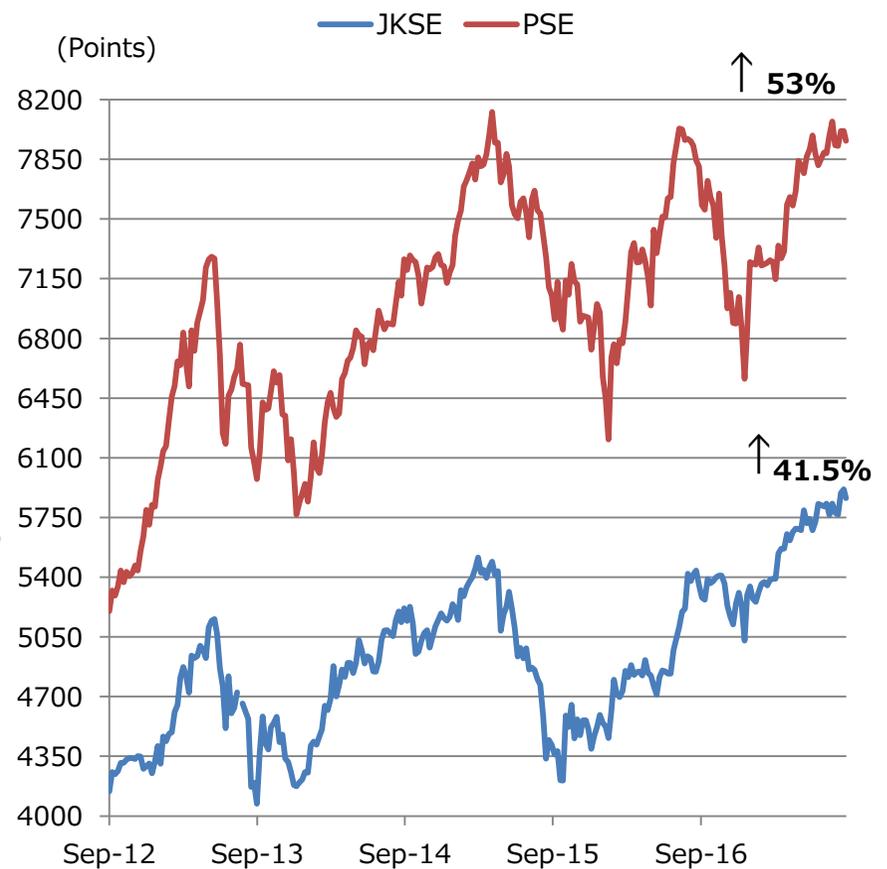
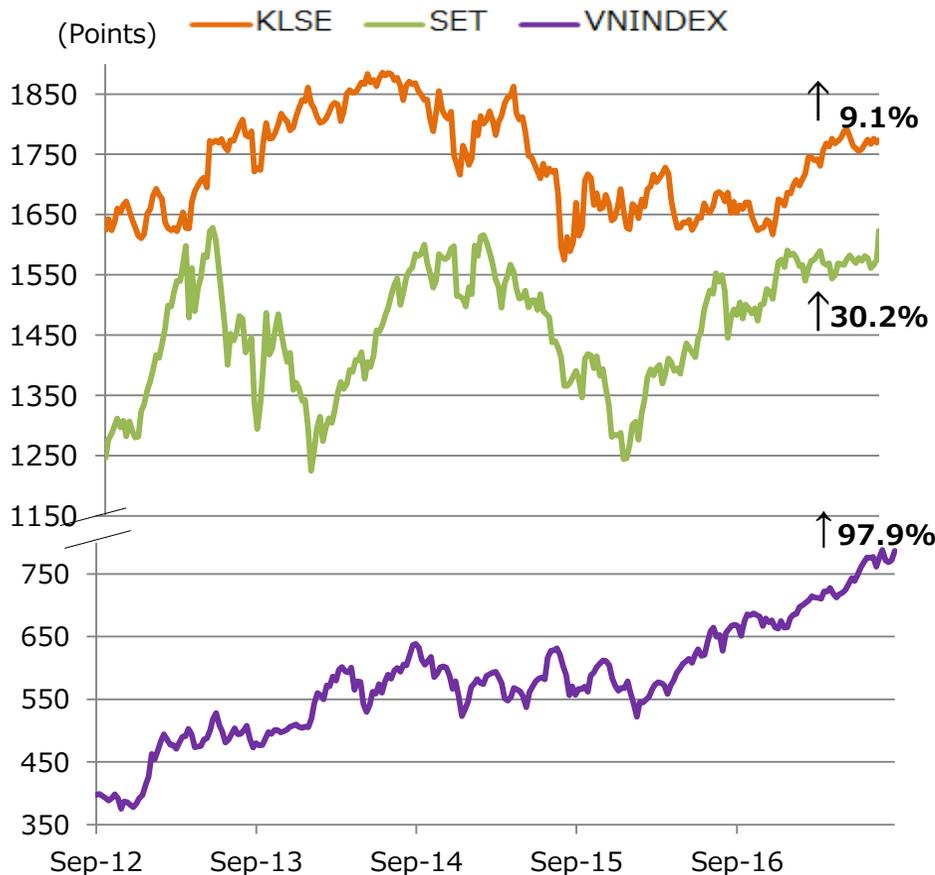


Note: Data period is from 2010 to 2018. 2017 and 2018 are estimate by Bloomberg.

Source: Bloomberg

Asia equities – ASEAN 5 cause for optimism

- **Valuation:** Malaysia, Thailand, Indonesia and Vietnam markets are on an upward trend, with PER of around 15 times. The Philippines market appears slightly stretched in terms of PER.
- **Profitability:** ASEAN companies are becoming more profitable, and is expected to drive markets to a higher level.



Note: Data period is from 7th September 2012 to 1st September 2017. % shows price difference of data period.

Source: Bloomberg

Asia equities – India solid growth continues

- Market expectation is stretched despite short-term impact of the introduction of GST having already been priced in.
- Corporate fundamentals are stable. Economic growth is solid and inflation is at a low 2% level. Favorable demographics and growing middle class remain cause for optimism, as is strong government support for infrastructure development.
- Monsoon rains have been normal across India and have had no extraordinary effect.
- After a rate cut of 25bps, RBI is expected to maintain the repo rate of 6% in the near term.
- The INR increased rapidly against in the USD in a short span of time.
- IT sector is facing an adverse effect from new difficulties in obtaining US visa for Indian nationals under the Trump administration. However, this is offset by strong domestic demand for IT services.

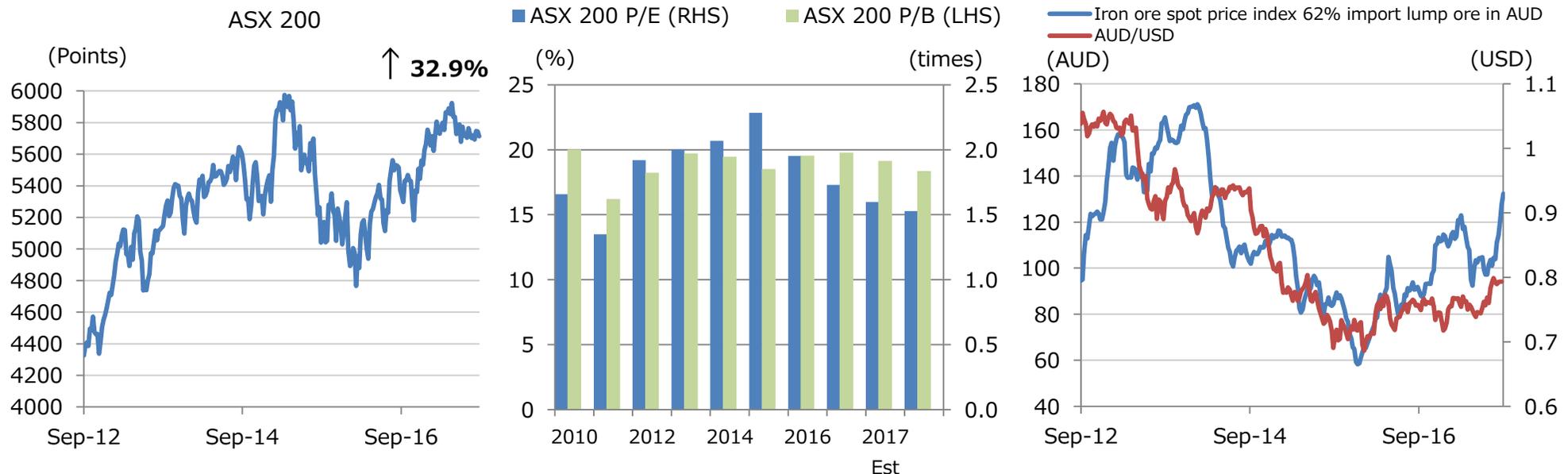


Note: Data period of Sensex is from 2nd September 2012 to 1st September 2017. % shows price difference of data period.
Data period of USD/INR is from 7th of September 2012 to 1st September 2017.

Source: Bloomberg

Asia equities – Australia short term upside limited

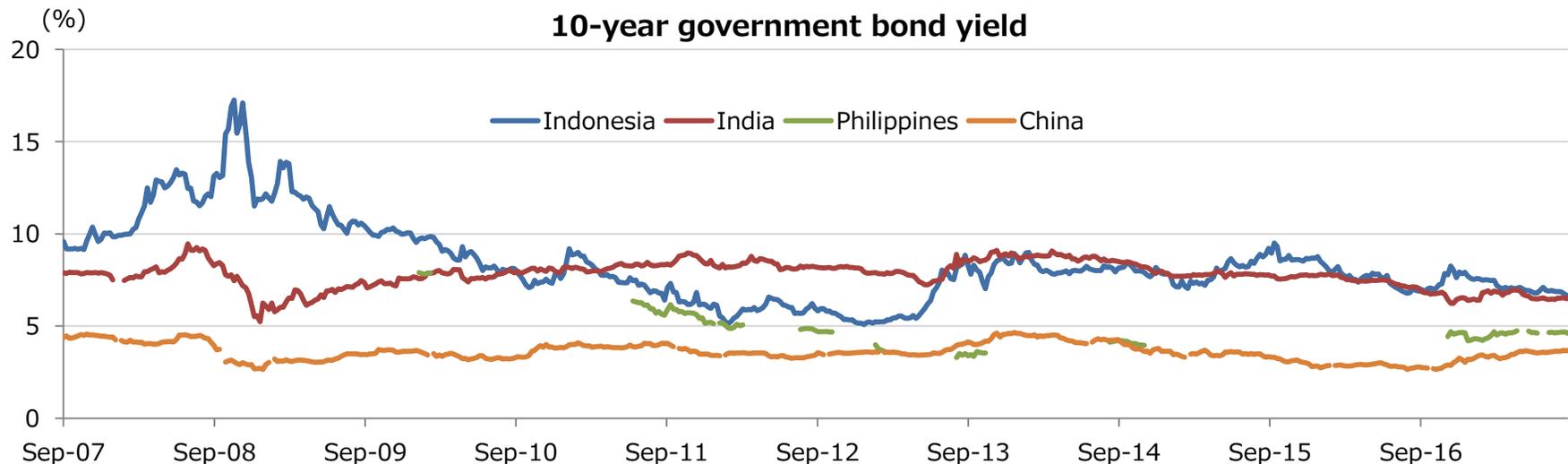
- Consumption linked companies in the ASX 200 are expected to see earnings growth of 4-5%, in line with nominal GDP growth in 2017, though further upside is limited.
- Earnings in the mining sector including iron ore is recovering as increasing demand from China drives up commodity prices.
- Increase in household and government spending is expected to support the overall economy in the second half of the year.
- P/E ratio of the ASX 200 is relatively expensive, while P/B ratio is fair.



Note: Data period: ASX 200 is from 7th September 2012 to 1st September 2017. % shows price difference of data period. P/E and P/B of ASX 200 are from 2010 to 2018. 2017 and 2018 are estimates by Bloomberg. Iron ore spot price and AUD/USD exchange rate are from 1st September 2012 to 31st August 2017. Source: Bloomberg

Government bond yields

- **India** The Reserve Bank of India (RBI) lowered the repo rate by 25bps to 6% in August. The central bank shaved 2 percentage points off the repo rate in the past two years to stimulate the economy. CPI inflation remains closer to the lower bound of the target of 2-4%, while the RBI holds a neutral outlook. We expect strong demand from foreign investors, which drives down yields for government bonds.
- **Indonesia** S&P in May 2017 upgraded Indonesia to full Investment Grade on government spending cuts. The upgrade is expected to drive foreign demand for Indonesian sovereign bonds. Bank Indonesia in August cut its policy rate by 25bps to 4.5% in August in an attempt to boost the economy. The Indonesian central bank is expected to maintain its dovish stance and we believe 10-year government bond yield will remain at the current level of around 6.8%.
- **Philippines** BSP is expected to keep its policy rate unchanged for the rest of 2017, as inflation is meeting target. Economic indicators are strong and a rate hike will depend on timing of tax reforms. Government bond yield is expected to remain at current level of around 4.6%.
- **China** China's economy has been robust while the PBoC adopts a slightly tightening bias on monetary policy. We think government bond yield will rise in conjunction with the strengthening of the Chinese yuan.



Note: Data period is from 14th September 2007 to 5th September 2017. Bond yield data for Philippines is incomplete as the data shown is what is available.

Asia: PMI

- Solid economic momentum in China was a positive factor for many other Asian economies.
- In India, turmoil with the introduction of GST appears to have no lasting impact.

ASIA Manufacturing PMI		Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17
China	NBS	51.2	51.7	51.4	51.3	51.6	51.8	51.2	51.2	51.7	51.4	51.7
	Caixin	51.2	50.9	51.9	51.0	51.7	51.2	50.3	49.6	50.4	51.1	51.6
Korea	Nikkei	48.0	48.0	49.4	49.0	49.2	48.4	49.4	49.2	50.1	49.1	49.9
Taiwan	Nikkei	52.7	54.7	56.2	55.6	54.5	56.2	54.4	53.1	53.3	53.6	54.3
ASEAN	Nikkei	49.3	49.5	49.4	50.0	50.3	50.9	51.1	50.5	50.0	49.3	50.4
Indonesia	Nikkei	48.7	49.7	49.0	50.4	49.3	50.5	51.2	50.6	49.5	48.6	50.7
Thailand	Nikkei	48.8	48.2	50.6	50.6	50.6	50.2	49.8	49.7	50.4	49.6	49.5
Malaysia	Nikkei	47.2	47.1	47.1	48.6	49.4	49.5	50.7	48.7	46.9	48.3	50.4
Philippines	Nikkei	56.5	56.3	55.7	52.7	53.6	53.8	53.3	54.3	53.9	52.8	50.6
Vietnam	Nikkei	51.7	54.0	52.4	51.9	54.2	54.6	54.1	51.6	52.5	51.7	51.8
India	Nikkei	54.4	52.3	49.6	50.4	50.7	52.5	52.5	51.6	50.9	47.9	51.2

Source: Bloomberg

Asia: International Reserves & Currency

- Central banks of ASEAN countries and India seems to have taken aggressive intervention to sell their currencies.
- In China, the pace of capital outflow continues to ease.

Asia International Reserves

(USDbn)

	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	Apr	May	Jun	Jul	Aug	change rate
China	3,212.6	3,205.2	3,166.4	3,010.5	3,009.1	3,056.8	3,029.5	3,053.6	3,056.8	3,080.7	3,091.5	2.7%
Hong Kong	362.0	360.7	362.5	386.2	395.5	408.0	400.1	402.7	408.0	413.3	413.7	7.1%
Korea	369.8	369.9	377.8	371.1	375.3	380.6	376.6	378.5	380.6	383.8	384.8	3.7%
Taiwan	431.6	433.6	436.7	434.2	437.5	441.9	438.4	440.3	441.9	444.5	446.4	2.8%
Philippines	83.0	85.3	86.1	80.7	80.9	81.3	82.0	82.2	81.3	81.1	81.5	1.0%
Thailand	175.1	178.7	180.5	171.9	180.9	185.6	184.5	184.1	185.6	190.4	196.9	14.6%
Malaysia	97.0	97.2	97.7	94.5	95.4	98.9	96.1	98.0	98.9	99.4	100.5	6.3%
Singapore	246.2	248.9	253.4	246.6	259.6	266.3	260.7	264.6	266.3	269.7	273.1	10.8%
Indonesia	107.5	109.8	115.7	116.4	121.8	123.1	123.2	125.0	123.1	127.8	128.8	10.7%
India	360.2	363.5	372.0	358.9	370.0	386.5	373.3	380.1	386.5	392.9	398.1	10.9%
DXY (MoM, QoQ)	-4.1%	1.6%	-0.7%	7.1%	-1.8%	-4.7%	-1.3%	-2.1%	-1.3%	-2.9%	-0.2%	
EUR (MoM, QoQ)	4.8%	-2.4%	1.2%	-6.4%	1.3%	7.3%	2.3%	3.2%	1.6%	3.6%	0.6%	
GBP (MoM, QoQ)	-2.6%	-7.3%	-2.5%	-4.9%	1.7%	3.8%	3.2%	-0.5%	1.0%	1.5%	-2.2%	
JPY (MoM, QoQ)	6.8%	9.1%	1.8%	-13.3%	5.0%	-0.9%	-0.1%	0.6%	-1.4%	1.9%	0.3%	

(note) End of period data. Change rate for year-to-date basis.

(source) CEIC

Asia: External balance

- Fundamentals of Balance of Payment in Asia have improved more than other regions.

Asia CA & FDI

Area		CY1996		
		A) CA	B) FDI	A)+B)
		[%]	[%]	
Asia	China	0.8	4.4	
	Korea	▲4.0	▲0.4	
	Taiwan	3.7	▲0.7	
	Indonesia	▲3.3	2.4	
	Thailand	▲8.1	0.8	
	Malaysia	▲4.4	5.0	
	Philippines	▲4.8	1.6	
	India	▲1.5	0.6	
	Other EM	Turkey	▲1.4	0.5
	South Africa	▲1.7	▲0.8	
	Brazil	▲2.4	0.5	
	Mexico	▲0.6	3.3	

Area		CY2016		
		A) CA	B) FDI	A)+B)
		[%]	[%]	
Asia	China	1.8	▲0.4	
	Korea	7.0	▲1.2	
	Taiwan	13.4	▲1.8	
	Indonesia	▲1.8	1.6	
	Thailand	11.5	▲2.6	
	Malaysia	2.0	1.5	
	Philippines	0.2	1.4	
	India	▲0.5	1.7	
	Other EM	Turkey	▲3.8	1.1
	South Africa	▲3.2	▲0.4	
	Brazil	▲1.3	4.0	
	Mexico	▲2.7	2.6	

Source:CEIC, CA = Current Account, FDI = Foreign Direct Investment

External Debt & International Reserve

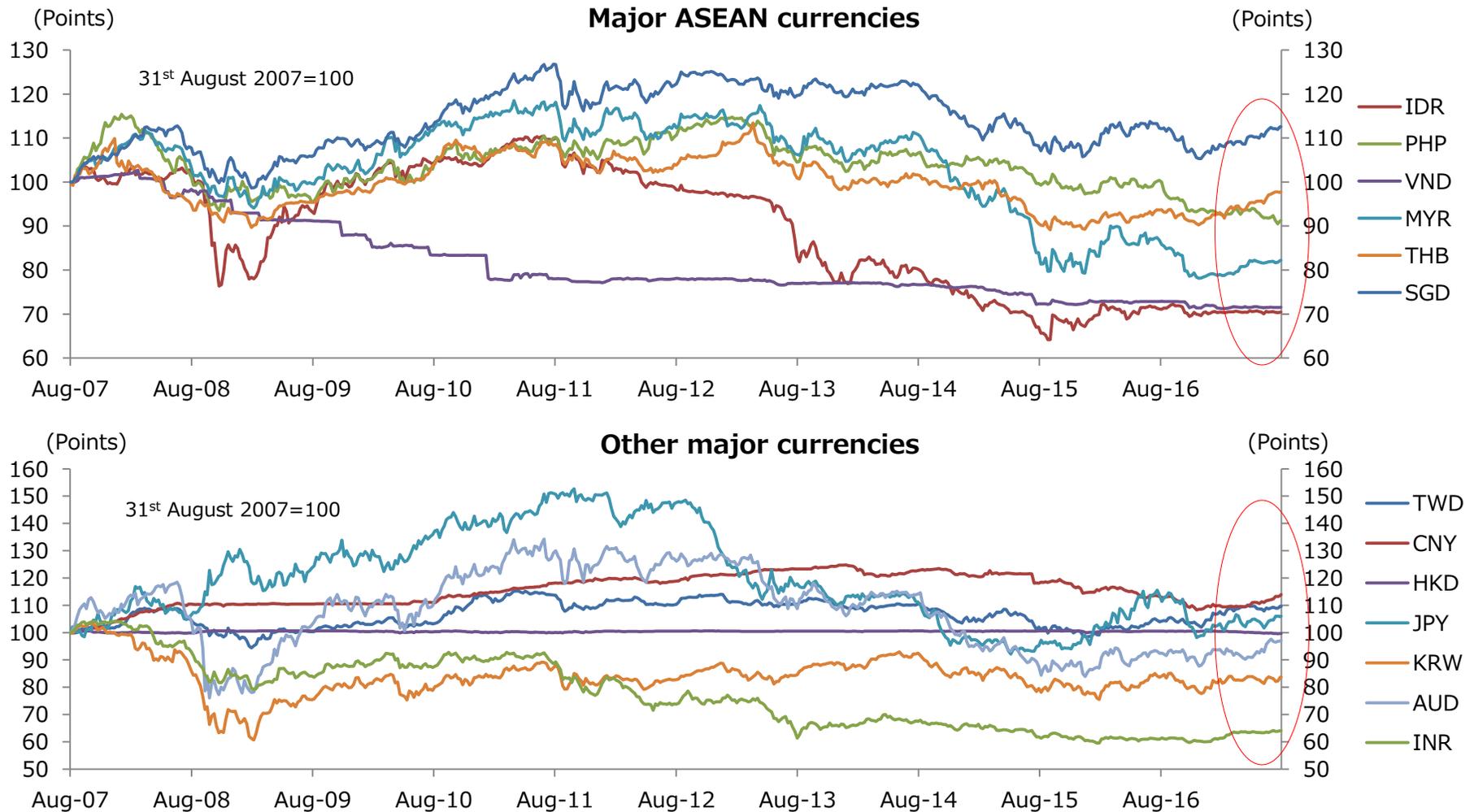
Area		CY1996		
		Debt to Reserve ratio		
		[%]	Debt Bil USD	Reserve Bil USD
Asia	China	13	14	108
	Korea	206	70	34
	Taiwan	#N/A	#N/A	89
	Indonesia	175	32	18
	Thailand	126	48	38
	Malaysia	41	11	27
	Philippines	77	8	10
	India	32	7	21
	Other EM	Turkey	103	17
	South Africa	957	11	1
	Brazil	61	36	59
	Mexico	153	30	19

Area		CY2016		
		Debt to Reserve ratio		
		[%]	Debt Bil USD	Reserve Bil USD
Asia	China	29	871	3,033
	Korea	29	105	366
	Taiwan	37	160	435
	Indonesia	37	42	114
	Thailand	32	53	166
	Malaysia	94	87	93
	Philippines	20	15	74
	India	25	84	342
	Other EM	Turkey	106	98
	South Africa	86	37	43
	Brazil	18	67	363
	Mexico	30	52	174

Source:CEIC, Debt = Short term external debt, Reserve = International Reserve

10-year exchange rate (against USD)

➤ Many Asian currencies have entered an appreciation cycle in 2017.



Note: Data period of both Major ASEAN currencies and Other major currencies are from 31st August 2007 to 28th August 2017. Source: Bloomberg

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