

Good MornING Asia - 2 July 2018

The euro is swinging around on the spat between German Chancellor Angela Merkel's CDU party and their Bavarian CSU coalition partners - a weaker euro typically means weaker Asian FX. We are revising our USD/CNY forecast to 7.0 by the end of 2018

In this bundle



Indonesia | Japan...

EUR whipped around by Merkel fears

The euro is swinging around on the spat between German Chancellor Angela Merkel's CDU party and their Bavarian CSU coalition partners - a weaker euro...

By Robert Carnell



China

Why we're revising our yuan forecast down again

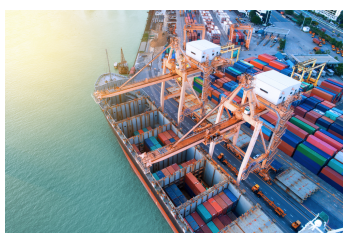
We are revising our USD/CNY forecast to 7.0 by the end of 2018. But there's no panic in the market and we don't expect a repeat of August 2015



Indonesia

Indonesia: A surprise 50 basis point rate hike

Bank Indonesia (BI) is aggressively promoting stability with a surprise 50 basis point rate hike. The move, together with a continued aggressive hawkish...



Thailand

Thailand: Current account surplus narrows in May

We don't think the recent revision of our end-2018 USD/THB forecast to 33.8 from 32.3 is the last revision. We are looking for a further downgrade...

EUR whipped around by Merkel fears

The euro is swinging around on the spat between German Chancellor Angela Merkel's CDU party and their Bavarian CSU coalition partners - a weaker euro typically means weaker Asian FX.



Source: Shutterstock

It's miles away, but the German political tussle could be important in Asia

One of the biggest selling jobs I have is to persuade a US-focussed Asian clientele that they also need to keep an eye out on Europe. Right now would be a very good time to do that. The political argument between Germany's Chancellor, Angela Merkel, her CDU party and the coalition CSU party over immigration has reached new heights, with the CSU's Horst Seehofer (Interior Minister under the coalition) threatening to resign over the deal struck by EU leaders at the end of last week. This deal, which would facilitate the removal of immigrants back to their country of arrival in the EU, does not seem to have gone far enough for some of the CSU leadership, including Seehofer.

At the moment, the CDU are overwhelmingly backing Merkel, and that is providing the EUR with a little support. But if that shifts and the coalition looks threatened, then as well as the EUR, which would soften abruptly, at stake would be Merkel's chancellorship, the Schengen border arrangement, some might even say the future of the EU itself (though that might be going a little far).

So what? Well if that happens and the US dollar strengthens by default, then Asian FX will be unilaterally weaker, inflation will rise, and central banks will need to take a more hawkish rate stance, weighing on domestic demand. Right now, that is the last thing the global market needs.

So, don't ignore Europe!

Worth also giving the Mexican elections a quick squiz

I am going well off-piste when I say that Asian investors might want to give the Mexican elections a once-over too. With the votes not yet counted, newswires seem to believe that the left-leaning Andres Manuel Lopez Obrador will win a landslide.

Markets are anxious. Left-leaning politicians are regarded as less market-friendly than right leaning ones. Moreover, Obrador has apparently taken a tough line on US trade policy and NAFTA negotiations. Opening up trade wounds with the US at this juncture seems like pouring fuel on the already smoldering trade fire. This could provoke a more generalized risk-off sentiment in financial markets. Not good for Asian FX.

Tankan - not so cheery now

Japan's Tankan survey still commands some interest in markets, given the choppiness of the GDP data, and its message today was a modestly negative one. I say modestly because although the headline index for large manufacturers was down more than expected, the 'outlook' index for the same group of firms actually ticked up a point (not clear why). Also, the capex intentions were also stronger than had been expected, though this is typically a back-weighted index, so it was always likely to rise to some degree as we move through the year. If nothing else, this data suggests that current momentum is stronger than was previously thought, though coming off faster. Smaller firms too and the non-manufacturing sector also held up better than the headline index. Though overall GDP growth in Japan is still tightly linked to the manufacturing production cycle, and this is clearly weakening.

Asia week ahead

After last week's Bank Indonesia 50bp hike, which could provide some (though perhaps short-lived) support to the rupiah today, there isn't too much central bank action in the region this week. Australia's Reserve Bank is thought unlikely to hike rates at all this year, so we doubt we will get so much as a hint at policy direction from them, though, following last week's RBNZ suggestion that rates can go down as well as up, there is always a risk their bigger neighbour might follow suit.

The week is otherwise dominated by PMI data (today) which could indicate the degree to which trade tensions are already hurting in advance of Friday's implementation of tariffs by China and the US (Canadian levies took effect on Sunday, whisky and jam...). Inflation data is the other big print this week. Today delivers Thai and Indonesian inflation, later in the week, Taiwan, Korea and the Philippines all release their price data. A soft print on the Indonesian figure (was 3.23% in May), may help BI to persuade markets that its hikes are working...

Korean trade figures released over the weekend weren't brilliant, but they weren't too bad either. The 0.1%YoY decline in exports overstates the downside for a choppy figure that seems in levels terms to be growing slowly, after flattening out through the second half of 2017 and early 2018. Imports are rising more strongly, and the trade surplus will likely narrow over the rest of the year if this pattern continues. That isn't particularly worrying if the import story reflects stronger domestic demand. Although that story could do with a bit more support to become convincing.

Author

Robert Carnell

Regional Head of Research, Asia-Pacific

robert.carnell@asia.ing.com

Why we're revising our yuan forecast down again

We are revising our USD/CNY forecast to 7.0 by the end of 2018. But there's no panic in the market and we don't expect a repeat of August 2015



Policies could attract foreign investments, reduce outflow worries

Our [previous argument](#) for a slight yuan depreciation was based on the concern that a weaker yuan could lead to massive capital outflows, which would then push the yuan down even further, resulting in a vicious cycle.

But new policies to open up the market for foreign investments reduce the risk of outflows. These policies could also help to offset any outflows that do occur as a result of the weaker yuan.

New policies cover a whole range of sectors including agriculture, rare earth, automobiles, shipbuilding, aviation, railway, shipping services, surveying and financial services. The scope is not only larger than expected, it targets sectors affected by tariffs. Foreign companies facing tariff risks could move production to China to avoid tariff hurdles.

These measures, together with potential inflows from more A-share inclusion into MSCI and China Depository Receipts (CDR) in 2H18, have led us to reassess our outlook for capital outflows. We

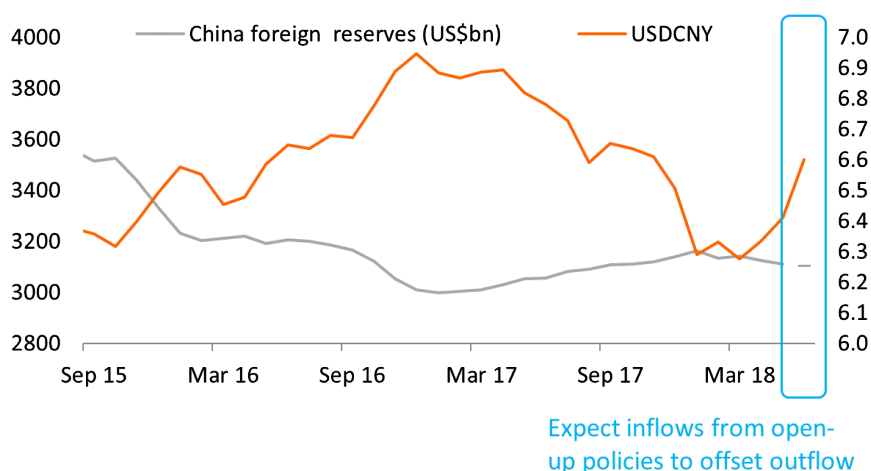
were overly pessimistic.

Limiting offshore dollar bond issuance signals further yuan weakening

It is reported in the media that China is going to restrict offshore dollar bond issuance to no less than 365 days. The objective is to reduce repayment risks as the yuan weakens against the dollar over 12 months' time.

We see this as a signal that the central government is increasingly prepared for a weaker yuan.

Foreign reserves may fall only mildly even as yuan depreciation speeds up



Source: ING, Bloomberg

Reintroducing counter-cyclical factor only if market panics

The central bank may reintroduce the counter-cyclical factor in the currency's fixing formula only if onshore and offshore yuan intraday activities signal panic in the market. The counter-cyclical factor would limit the volatility of the yuan at the start of the day. After the reintroduction of the counter-cyclical factor, intervention via the derivative market or the spot market would be likely to avoid further yuan depreciation.

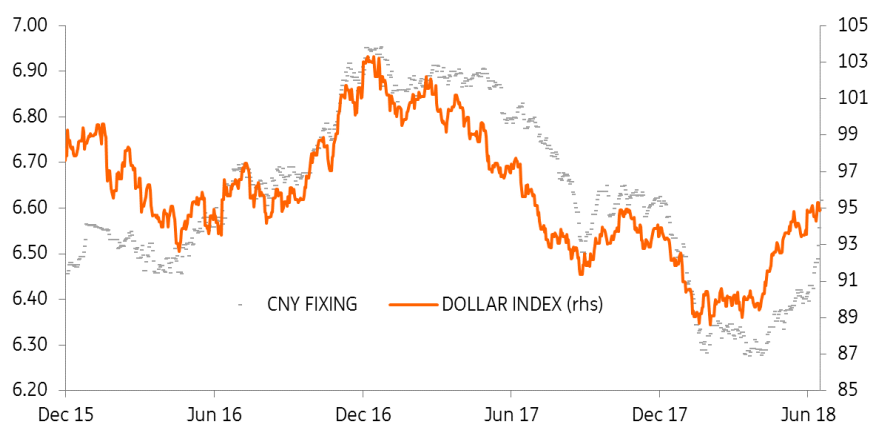
The yuan is the only a shield in a trade war

Yuan depreciation can't be described as a weapon in a US-led trade war, even if the currency were to fall by more than 7% per year.

Tariffs of 10% to 25% on \$450 billion of Chinese goods have a larger impact than just the tariff amount itself. They would reduce trade flows overall. Exporters wouldn't just see a 'mere' 10% to 25% reduction in profit margins, they could miss an entire export order.

A weaker currency would, at most, be a shield, safeguarding wider damage from a trade war and the hurdles faced by Chinese companies' operating in US.

Yuan fixing and dollar index



Source: ING, Bloomberg

Forecasting USD/CNY at 7.0

We are revising our USD/CNY forecast from 6.60 to 7.0 by the end of 2018, which is near a historical high since reform. The central bank's attempt to liberalise the yuan on 11 August 2015 drove USD/CNY to 6.9649 in 4Q 2016.

We think that this time USD/CNY at 7.0 won't create panic:

- 11 August 2015 was a crisis caused by the central bank. Today's depreciation is market-driven, reflecting the risks of a trade war. This implies that the central bank is allowing market forces to dictate the speed of the depreciation when there is room to do so.
- Since the escalation of a trade war and announced investment hurdles, China has allowed the yuan to weaken against the dollar, even when the dollar index itself has weakened. This confirms our view that yuan weakness reflects trade war risks.
- We hesitate to predict that the USD/CNY will surpass 7.0 because that could lead to market panic.

Author

Iris Pang

Chief Economist, Greater China

iris.pang@asia.ing.com

Indonesia: A surprise 50 basis point rate hike

Bank Indonesia (BI) is aggressively promoting stability with a surprise 50 basis point rate hike. The move, together with a continued aggressive hawkish stance, will moderate the currency's weakness



5.25%

Higher than expected

BI 7-day reverse repurchase rate

Market expected only a 25 bps hike to 5%

Precipitous slide of IDR required a more aggressive BI response

Bank Indonesia, under the leadership of the new BI Governor Perry Warjiyo, responded decisively to the urgency of the situation. BI has acted pre-emptively to stabilise Indonesia's financial markets in general and the Indonesian rupiah in particular. IDR has fallen by as much as 4.4% from the highs posted early this month following an out of cycle policy rate hike in late May. BI responded to the recent IDR slide with a surprise 50 basis point rate hike today. The market considers the surprise move akin to the aggressiveness that the Central Bank of Turkey demonstrated early this month to successfully stabilise the country's currency.

BI's move is not surprising and reflects the aggressiveness that the bank governor demonstrated in late May when, in his first action as governor not only called for an emergency policy rate meeting just two weeks after the normal monthly BI meeting but also followed through with a 25 basis point hike.

In the past two months, BI has raised policy rates by 100 basis points, which reverses the easing from September 2016 to September 2017, in a bid to pro-actively address risks from developments in the global economic environment. There are still around 100 basis points of policy rate easing still in the system from the easing cycle of January 2016 to September 2017. We expect BI to remain vigilant and to act pre-emptively to risks. We believe that the surprise 50 basis point hike together with other BI actions will help moderate IDR's weakness and allow the financial system to adjust to the challenges of the new global economic environment.

Author

Alissa Lefebre

Economist

alissa.lefebvre@ing.com

Deepali Bhargava

Regional Head of Research, Asia-Pacific

Deepali.Bhargava@ing.com

Ruben Dewitte

Economist

+32495364780

ruben.dewitte@ing.com

Kinga Havasi

Economic research trainee

kinga.havasi@ing.com

Marten van Garderen

Consumer Economist, Netherlands

marten.van.garderen@ing.com

David Havrlant

Chief Economist, Czech Republic

420 770 321 486

david.havrlant@ing.com

Sander Burgers

Senior Economist, Dutch Housing

sander.burgers@ing.com

Lynn Song

Chief Economist, Greater China

lynn.song@asia.ing.com

Michiel Tukker

Senior European Rates Strategist

michiel.tukker@ing.com

Michal Rubaszek

Senior Economist, Poland

michal.rubaszek@ing.pl

This is a test author

Stefan Posea

Economist, Romania

tiberiu-stefan.posea@ing.com

Marine Leleux

Sector Strategist, Financials

marine.leleux2@ing.com

Jesse Norcross

Senior Sector Strategist, Real Estate

jesse.norcross@ing.com

Teise Stellema

Research Assistant, Energy Transition

teise.stellema@ing.com

Diederik Stadig

Sector Economist, TMT & Healthcare

diederik.stadig@ing.com

Diogo Gouveia

Sector Economist

diogo.duarte.vieira.de.gouveia@ing.com

Marine Leleux

Sector Strategist, Financials

marine.leleux2@ing.com

Ewa Manthey

Commodities Strategist

ewa.manthey@ing.com

ING Analysts

James Wilson

EM Sovereign Strategist

James.wilson@ing.com

Sophie Smith

Digital Editor

sophie.smith@ing.com

Frantisek Taborsky

EMEA FX & FI Strategist

frantisek.taborsky@ing.com

Adam Antoniak

Senior Economist, Poland

adam.antoniak@ing.pl

Min Joo Kang

Senior Economist, South Korea and Japan

min.joo.kang@asia.ing.com

Coco Zhang

ESG Research

coco.zhang@ing.com

Jan Frederik Slijkerman

Senior Sector Strategist, TMT

jan.frederik.slijkerman@ing.com

Katinka Jongkind

Senior Economist, Services and Leisure

Katinka.Jongkind@ing.com

Marina Le Blanc

Sector Strategist, Financials

Marina.Le.Blanc@ing.com

Samuel Abettan

Junior Economist

samuel.abettan@ing.com

Franziska Biehl

Economist, Germany

Franziska.Marie.Biehl@ing.de

Rebecca Byrne

Senior Editor and Supervisory Analyst

rebecca.byrne@ing.com

Mirjam Bani

Sector Economist, Commercial Real Estate & Public Sector (Netherlands)

mirjam.bani@ing.com

Timothy Rahill

Credit Strategist

timothy.rahill@ing.com

Leszek Kasek

Senior Economist, Poland

leszek.kasek@ing.pl

Oleksiy Soroka, CFA

Senior High Yield Credit Strategist

oleksiy.soroka@ing.com

Antoine Bouvet

Head of European Rates Strategy

antoine.bouvet@ing.com

Jeroen van den Broek

Global Head of Sector Research

jeroen.van.den.broek@ing.com

Edse Dantuma

Senior Sector Economist, Industry and Healthcare

edse.dantuma@ing.com

Francesco Pesole

FX Strategist

francesco.pesole@ing.com

Rico Luman

Senior Sector Economist, Transport and Logistics

Rico.Luman@ing.com

Jurjen Witteveen

Sector Economist

jurjen.witteveen@ing.com

Dmitry Dolgin

Chief Economist, CIS

dmitry.dolgin@ing.de

Nicholas Mapa

Senior Economist, Philippines

nicholas.antonio.mapa@asia.ing.com

Egor Fedorov

Senior Credit Analyst

egor.fedorov@ing.com

Sebastian Franke

Consumer Economist

sebastian.franke@ing.de

Gerben Hieminga

Senior Sector Economist, Energy

gerben.hieminga@ing.com

Nadège Tillier

Head of Corporates Sector Strategy

nadege.tillier@ing.com

Charlotte de Montpellier

Senior Economist, France and Switzerland

charlotte.de.montpellier@ing.com

Laura Straeter

Behavioural Scientist

+31(0)611172684

laura.Straeter@ing.com

Valentin Tataru

Chief Economist, Romania

valentin.tataru@ing.com

James Smith

Developed Markets Economist, UK

james.smith@ing.com

Suvi Platerink Kosonen

Senior Sector Strategist, Financials

suvi.platerink-kosonen@ing.com

Thijs Geijer

Senior Sector Economist, Food & Agri

thijs.geijer@ing.com

Maurice van Sante

Senior Economist Construction & Team Lead Sectors

maurice.van.sante@ing.com

Marcel Klok

Senior Economist, Netherlands

marcel.klok@ing.com

Piotr Poplawski

Senior Economist, Poland

piotr.poplawski@ing.pl

Paolo Pizzoli

Senior Economist, Italy, Greece

paolo.pizzoli@ing.com

Marieke Blom

Chief Economist and Global Head of Research

marieke.blom@ing.com

Raoul Leering

Senior Macro Economist

raoul.leering@ing.com

Maarten Leen

Head of Global IFRS9 ME Scenarios

maarten.leen@ing.com

Maureen Schuller

Head of Financials Sector Strategy

Maureen.Schuller@ing.com

Warren Patterson

Head of Commodities Strategy

Warren.Patterson@asia.ing.com

Rafal Benecki

Chief Economist, Poland

rafal.benecki@ing.pl

Philippe Ledent

Senior Economist, Belgium, Luxembourg

philippe.ledent@ing.com

Peter Virovacz

Senior Economist, Hungary

peter.virovacz@ing.com

Inga Fechner

Senior Economist, Germany, Global Trade

inga.fechner@ing.de

Dimitry Fleming

Senior Data Analyst, Netherlands

Dimitry.Fleming@ing.com

Ciprian Dascalu

Chief Economist, Romania
+40 31 406 8990
ciprian.dascalu@ing.com

Muhammet Mercan
Chief Economist, Turkey
muhammet.mercan@ingbank.com.tr

Iris Pang
Chief Economist, Greater China
iris.pang@asia.ing.com

Sophie Freeman
Writer, Group Research
+44 20 7767 6209
Sophie.Freeman@uk.ing.com

Padhraic Garvey, CFA
Regional Head of Research, Americas
padhraic.garvey@ing.com

James Knightley
Chief International Economist, US
james.knightley@ing.com

Tim Condon
Asia Chief Economist
+65 6232-6020

Martin van Vliet
Senior Interest Rate Strategist
+31 20 563 8801
martin.van.vliet@ing.com

Robert Carnell
Regional Head of Research, Asia-Pacific
robert.carnell@asia.ing.com

Karol Pogorzelski
Senior Economist, Poland
Karol.Pogorzelski@ing.pl

Carsten Brzeski
Global Head of Macro
carsten.brzeski@ing.de

Viraj Patel
Foreign Exchange Strategist

+44 20 7767 6405
viraj.patel@ing.com

Owen Thomas
Global Head of Editorial Content
+44 (0) 207 767 5331
owen.thomas@ing.com

Bert Colijn
Chief Economist, Netherlands
bert.colijn@ing.com

Peter Vanden Houte
Chief Economist, Belgium, Luxembourg, Eurozone
peter.vandenhoute@ing.com

Benjamin Schroeder
Senior Rates Strategist
benjamin.schroeder@ing.com

Chris Turner
Global Head of Markets and Regional Head of Research for UK & CEE
chris.turner@ing.com

Gustavo Rangel
Chief Economist, LATAM
+1 646 424 6464
gustavo.rangel@ing.com

Carlo Cocuzzo
Economist, Digital Finance
+44 20 7767 5306
carlo.cocuzzo@ing.com

Thailand: Current account surplus narrows in May

We don't think the recent revision of our end-2018 USD/THB forecast to 33.8 from 32.3 is the last revision. We are looking for a further downgrade as we assess the impact on Asian currencies of an all-out trade war



Source: Shutterstock

\$958m Current account surplus in May

Lower than expected

A surprise narrowing of the current account surplus

We thought that the sharp positive swing in Thailand's customs-basis trade balance to a \$1.2 billion surplus in May from a deficit of similar size in April meant the current account was in for a wider surplus in the last month. But the balance of payments data for May revealed just the opposite; a narrower current surplus of \$958 million compared to the \$1.4 billion surplus in April. The consensus forecast was for a surplus of \$1.5 billion.

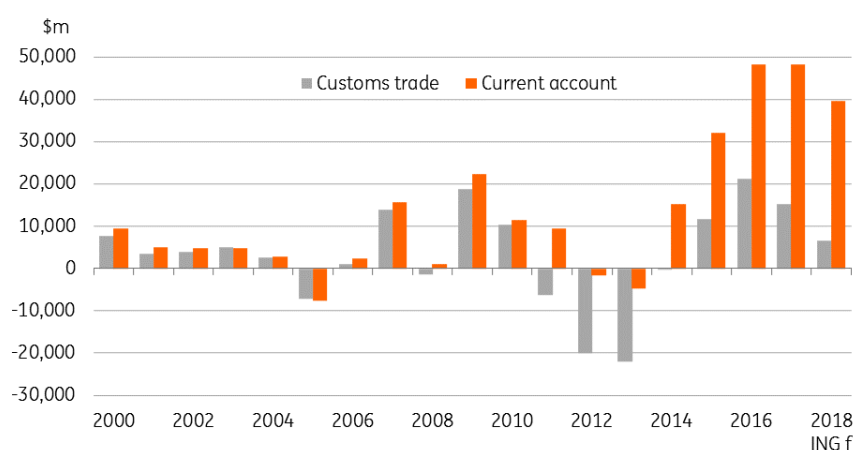
This puts the cumulative current surplus in the first five months of the year at \$19.4 billion, which is \$782 million wider on the year. The contrast with the \$3.8 billion narrowing in the trade balance over the same period reveals that services trade continued to perform well this year, thanks to the tourism sector, with a 14% year on year surge in international visitors in the first four months of 2018.

A reversal of fortune for the Thai baht

After a strong run in the last four years, Thailand’s external payments have started to weaken this year and foreign exchange reserves have started to fall in May after peaking over \$215 billion in the previous two months. These trends are here to stay as the global trade war threatens exports and confidence-sensitive capital inflows while rising oil prices boost imports. We forecast that the annual current surplus in relation to GDP will narrow to 7.5% in 2018 from 10.6% in 2017.

Weakening external payments are negative for the currency. The Thai baht (THB) is Asia’s worst performer in June with 3.4% depreciation against the USD, a reversal of fortune from being Asia’s outperformer last year through early this year. We don’t think the recent downgrade of our end-2018 USD/THB forecast to 33.8 from 32.3 will be the last (spot 33.1). We are looking for a further downgrade as we assess the impact on Asian currencies of an all-out trade war.

Narrowing external surpluses



Source: Bloomberg, ING

Author

Alissa Lefebvre

Economist

alissa.lefebvre@ing.com

Deepali Bhargava

Regional Head of Research, Asia-Pacific

Deepali.Bhargava@ing.com

Ruben Dewitte

Economist

+32495364780

ruben.dewitte@ing.com

Kinga Havasi

Economic research trainee

kinga.havasi@ing.com

Marten van Garderen

Consumer Economist, Netherlands

marten.van.garderen@ing.com

David Havrlant

Chief Economist, Czech Republic

420 770 321 486

david.havrlant@ing.com

Sander Burgers

Senior Economist, Dutch Housing

sander.burgers@ing.com

Lynn Song

Chief Economist, Greater China

lynn.song@asia.ing.com

Michiel Tukker

Senior European Rates Strategist

michiel.tukker@ing.com

Michal Rubaszek

Senior Economist, Poland

michal.rubaszek@ing.pl

This is a test author

Stefan Posea

Economist, Romania

tiberiu-stefan.posea@ing.com

Marine Leleux

Sector Strategist, Financials

marine.leleux2@ing.com

Jesse Norcross

Senior Sector Strategist, Real Estate

jesse.norcross@ing.com

Teise Stellema

Research Assistant, Energy Transition
teise.stellema@ing.com

Diederik Stadig
Sector Economist, TMT & Healthcare
diederik.stadig@ing.com

Diogo Gouveia
Sector Economist
diogo.duarte.vieira.de.gouveia@ing.com

Marine Leleux
Sector Strategist, Financials
marine.leleux2@ing.com

Ewa Manthey
Commodities Strategist
ewa.manthey@ing.com

ING Analysts

James Wilson
EM Sovereign Strategist
James.wilson@ing.com

Sophie Smith
Digital Editor
sophie.smith@ing.com

Frantisek Taborsky
EMEA FX & FI Strategist
frantisek.taborsky@ing.com

Adam Antoniak
Senior Economist, Poland
adam.antoniak@ing.pl

Min Joo Kang
Senior Economist, South Korea and Japan
min.joo.kang@asia.ing.com

Coco Zhang
ESG Research
coco.zhang@ing.com

Jan Frederik Slijkerman
Senior Sector Strategist, TMT

jan.frederik.slijkerman@ing.com

Katinka Jongkind

Senior Economist, Services and Leisure

Katinka.Jongkind@ing.com

Marina Le Blanc

Sector Strategist, Financials

Marina.Le.Blanc@ing.com

Samuel Abettan

Junior Economist

samuel.abettan@ing.com

Franziska Biehl

Economist, Germany

Franziska.Marie.Biehl@ing.de

Rebecca Byrne

Senior Editor and Supervisory Analyst

rebecca.byrne@ing.com

Mirjam Bani

Sector Economist, Commercial Real Estate & Public Sector (Netherlands)

mirjam.bani@ing.com

Timothy Rahill

Credit Strategist

timothy.rahill@ing.com

Leszek Kasek

Senior Economist, Poland

leszek.kasek@ing.pl

Oleksiy Soroka, CFA

Senior High Yield Credit Strategist

oleksiy.soroka@ing.com

Antoine Bouvet

Head of European Rates Strategy

antoine.bouvet@ing.com

Jeroen van den Broek

Global Head of Sector Research

jeroen.van.den.broek@ing.com

Edse Dantuma

Senior Sector Economist, Industry and Healthcare

edse.dantuma@ing.com

Francesco Pesole

FX Strategist

francesco.pesole@ing.com

Rico Luman

Senior Sector Economist, Transport and Logistics

Rico.Luman@ing.com

Jurjen Witteveen

Sector Economist

jurjen.witteveen@ing.com

Dmitry Dolgin

Chief Economist, CIS

dmitry.dolgin@ing.de

Nicholas Mapa

Senior Economist, Philippines

nicholas.antonio.mapa@asia.ing.com

Egor Fedorov

Senior Credit Analyst

egor.fedorov@ing.com

Sebastian Franke

Consumer Economist

sebastian.franke@ing.de

Gerben Hieminga

Senior Sector Economist, Energy

gerben.hieminga@ing.com

Nadège Tillier

Head of Corporates Sector Strategy

nadege.tillier@ing.com

Charlotte de Montpellier

Senior Economist, France and Switzerland

charlotte.de.montpellier@ing.com

Laura Straeter

Behavioural Scientist

+31(0)611172684

laura.Straeter@ing.com

Valentin Tataru

Chief Economist, Romania
valentin.tataru@ing.com

James Smith
Developed Markets Economist, UK
james.smith@ing.com

Suvi Platerink Kosonen
Senior Sector Strategist, Financials
suvi.platerink-kosonen@ing.com

Thijs Geijer
Senior Sector Economist, Food & Agri
thijs.geijer@ing.com

Maurice van Sante
Senior Economist Construction & Team Lead Sectors
maurice.van.sante@ing.com

Marcel Kloek
Senior Economist, Netherlands
marcel.kloek@ing.com

Piotr Poplawski
Senior Economist, Poland
piotr.poplawski@ing.pl

Paolo Pizzoli
Senior Economist, Italy, Greece
paolo.pizzoli@ing.com

Marieke Blom
Chief Economist and Global Head of Research
marieke.blom@ing.com

Raoul Leering
Senior Macro Economist
raoul.leering@ing.com

Maarten Leen
Head of Global IFRS9 ME Scenarios
maarten.leen@ing.com

Maureen Schuller
Head of Financials Sector Strategy
Maureen.Schuller@ing.com

Warren Patterson

Head of Commodities Strategy
Warren.Patterson@asia.ing.com

Rafal Benecki
Chief Economist, Poland
rafal.benecki@ing.pl

Philippe Ledent
Senior Economist, Belgium, Luxembourg
philippe.ledent@ing.com

Peter Virovacz
Senior Economist, Hungary
peter.virovacz@ing.com

Inga Fechner
Senior Economist, Germany, Global Trade
inga.fechner@ing.de

Dimitry Fleming
Senior Data Analyst, Netherlands
Dimitry.Fleming@ing.com

Ciprian Dascalu
Chief Economist, Romania
+40 31 406 8990
ciprian.dascalu@ing.com

Muhammet Mercan
Chief Economist, Turkey
muhammet.mercan@ingbank.com.tr

Iris Pang
Chief Economist, Greater China
iris.pang@asia.ing.com

Sophie Freeman
Writer, Group Research
+44 20 7767 6209
Sophie.Freeman@uk.ing.com

Padhraic Garvey, CFA
Regional Head of Research, Americas
padhraic.garvey@ing.com

James Knightley
Chief International Economist, US
james.knightley@ing.com

Tim Condon

Asia Chief Economist
+65 6232-6020

Martin van Vliet

Senior Interest Rate Strategist
+31 20 563 8801
martin.van.vliet@ing.com

Robert Carnell

Regional Head of Research, Asia-Pacific
robert.carnell@asia.ing.com

Karol Pogorzelski

Senior Economist, Poland
Karol.Pogorzelski@ing.pl

Carsten Brzeski

Global Head of Macro
carsten.brzeski@ing.de

Viraj Patel

Foreign Exchange Strategist
+44 20 7767 6405
viraj.patel@ing.com

Owen Thomas

Global Head of Editorial Content
+44 (0) 207 767 5331
owen.thomas@ing.com

Bert Colijn

Chief Economist, Netherlands
bert.colijn@ing.com

Peter Vanden Houte

Chief Economist, Belgium, Luxembourg, Eurozone
peter.vandenhoute@ing.com

Benjamin Schroeder

Senior Rates Strategist
benjamin.schroeder@ing.com

Chris Turner

Global Head of Markets and Regional Head of Research for UK & CEE
chris.turner@ing.com

Gustavo Rangel

Chief Economist, LATAM
+1 646 424 6464
gustavo.rangel@ing.com

Carlo Cocuzzo
Economist, Digital Finance
+44 20 7767 5306
carlo.cocuzzo@ing.com

Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("ING") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies)*. The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit www.ing.com.