International and Emerging Real Estate Semi-Annual Outlook

May 2023*

Overview

Some Bright Spots for Global Real Estate

The real estate sector faces many challenges, from a global slowdown to elevated interest rates. However, the global tightening cycle appears to have peaked, which should provide relief to real estate assets. Meanwhile, China's reopening is a boost to some ASEAN markets. Therefore, we think there is value in listed real estate.

Over the past six months, real estate returned 7.6% in US dollar terms as stronger-than-anticipated data buoyed stocks. Nonetheless, it was the second-weakest asset class after commodities, a repeat of the prior period. The headwinds of elevated rates and slowing growth are particularly acute for cyclical assets like real estate. Indeed, property service provider JLL note that global direct investment fell by 56% yoy in Q1 due to uncertainty and high borrowing costs, while the bid-ask gap is wide.

The outlook has improved since the last *Real Estate Semi-Annual*. First, the Fed has seemingly paused its tightening cycle, which should support valuations. Second, China's exit from its zero-Covid policy paves the way for a revival in Chinese activity and, more importantly, Chinese outbound tourism. As the biggest beneficiaries of the latter, we prefer ASEAN markets to gain exposure to China's reopening. Third, while real estate valuations (as measured by the FTSE EPRA Nareit Global Index) are less attractive than US 10-y yields, the spread to equities (as measured by the MSCI ACWI Index) has widened. As such, we think real estate as an asset class retains value, but we are selective at a market and sector level.

Office: Global office leasing activity slipped up in Q1, dropping by 18% yoy. Occupiers are reportedly pausing expansion plans due to the global slowdown and the continuing transition to hybrid working. Construction delays mean development cycles have yet to peak in Europe and Asia Pacific, which could weigh on rents. High-quality assets should continue to perform well, especially as sustainability requirements become more widespread.

Retail: The post-lockdown recovery in the retail sector has matured in the US and Europe but still has further to go in Asia. Consumption has been supported by tight labour markets, helping the retail sector fare better than anticipated in a rising cost environment. Following a sharp derating and slowing e-commerce growth, there is a case to be cautiously optimistic in specific segments of the market, namely luxury and those in high-quality locations.

Residential: Monetary tightening, while tempering house price growth in a number of markets, has not caused a collapse in house prices. Structurally undersupplied and benefiting from urbanisation trends in emerging markets (EM), the residential sector is still sought after by investors.

Industrial: Activity is starting to cool as the economic backdrop becomes less supportive. Also, vacancy rates could creep up as new supply feeds through. Longer term, nearshoring trends and scope for rising e-commerce rates in EM will drive occupier demand.

Market Strategy

EM real estate (as measured by the FTSE EPRA/NAREIT Emerging Index) outperformed DM (Developed Markets) ex-US real estate (as measured by the FTSE EPRA/NAREIT Developed ex-US Index) by 10.2% points over the past six months. The dividend yield gap between EM and DM ex-US real estate equities has narrowed, reflecting EM's large weighting to China, which has recovered sharply since reopening. As such, there are still good opportunities within EM and we maintain our *overweight*.

Among DM, we upgrade the **UK** to *overweight*, as we are cautiously optimistic towards the retail sector, and stocks appear very cheap. In **Hong Kong**, neutral valuations and an improved outlook mean that we upgrade our allocation to *neutral*. We downgrade **Singapore** to *underweight* as the new tax on foreign ownership means there is scope for real estate stocks to derate.

Among EM, we downgrade **China** to *underweight* due to structural weakness and **South Africa** to *underweight* due to energy disruptions. We upgrade **Indonesia** to *overweight* as we are constructive on the medium term, and current valuations provide an attractive entry point.

International Allocation Breakdown

		-2	-1	0	+1	+2
Dev. Europe ex. UK	-		■			
Japan	-		■			
UK	↑				■	
Australia	-			■		
Hong Kong	↑			■		
Singapore	↓		■			
EM	-				■	

EM Allocation Breakdown

		-2	-1	0	+1	+2
China	↓		■			
Philippines	-		■			
Thailand	-		■			
Malaysia	-				■	
Indonesia	↑				■	
India	-	■				
Brazil	-			■		
Mexico	-				■	
South Africa	↓		■			
UAE	-			■		

Note: Up/down arrows indicate a positive/negative change in our asset allocation compared to the previous semi-annual outlook. A dash indicates no change.

Source: CLIM

**The publication reflects asset performance up to April 28, 2023, and macro events and data releases up to May 15, 2023, unless indicated otherwise. Data about real estate rents, net absorption and supply are from JLL.*

Europe

Neutral

Recession risks still abound in Europe, but UK stocks are better placed to benefit from a retail recovery.

	3Y history	Latest	
EZ GDP, % yoy		1.3	Q1
EZ div yield, %*		7.4	Apr
UK GDP, % yoy		0.2	Q1
UK div yield, %*		4.5	Apr

**Based on the FTSE EPRA/NAREIT Indices.* *Source: Bloomberg*

Developed Europe ex. UK (*Underweight*)

The eurozone economy marginally grew at the start of the year as the region averted a winter energy crisis. However, the manufacturing PMIs point to a factory downturn, while sticky inflation will embolden the ECB to keep raising rates. In addition, energy price pressures may resurface this summer as the continent tries to refill its gas storage. As such, the growth outlook remains weak. Office rental growth continues to hold up in major cities, while there are signs that retail values have bottomed out.

Market Strategy: Real estate stocks in the region continue to screen cheap, particularly those in Germany, as forward P/E and trailing P/B ratios are below their five-year average. This cheapness likely reflects poor forward earnings, which have contracted over the past six months. While direct real estate market indicators have proven more resilient, a recession scenario cannot be ruled out. As such, we keep our *underweight*.

UK (*Overweight* ↑)

The UK has the weakest economic backdrop among DM, as activity is expected to continue to struggle in the face of high borrowing costs and inflation. The latter is running at 10.1%, more than double the pace in the US, which will keep the BoE in tightening mode. Rising mortgage costs will dampen house prices, which grew at 0.1% yoy in April, the weakest pace in over a decade. In the London office market, rents rose in Q1 despite negative net absorption. London has one of the largest office pipelines in Europe, which could temper rental gains. Retail is a bright spot, as the continued resumption of leisure travel and slowing online sales growth should boost demand for retail assets, particularly in core markets like the UK.

Market Strategy: UK real estate stocks are the cheapest in DM on an absolute forward P/E basis. While the economic backdrop is less than supportive, we add exposure in anticipation of a retail revival via good-quality names in the UK. We upgrade our allocation to *overweight*.

Japan

Underweight

Normalisation of monetary policy is a risk to the housing market, while the office market is still weak.

	3Y history	Latest	
GDP, % yoy		0.4	Q4
CPI, % yoy		3.2	Mar
10y JGB yield, %		0.4	Apr
NAREIT Japan*		5.9%	Apr
Dividend yield, %		3.8	Apr

**US$ net total return. Latest is 6M return.* *Source: Bloomberg*

Japan's economy is exhibiting a two-paced post-pandemic recovery as the manufacturing and services sector PMI surveys have diverged. The rise in negotiated wages during the fifth round should help sustain consumer spending and support retail demand as high street rents are rising.

The downturn in Tokyo's office market continued apace in Q1, as rents fell by more than 5% yoy. Around 9% of stock is due to be completed over the next two years, which should further dampen rental values, particularly as occupiers are reportedly indecisive over longer-term workplace plans. Similarly, logistics rental growth has been slowing as it has taken longer for landlords of new buildings to find tenants.

The low-interest rate environment meant that investment volumes in direct real estate rose in Q1 in Japan. With new governor Ueda at the helm, the BoJ is widely anticipated to adjust the Yield Curve Control (YCC) soon, assuming incoming data confirms rising price pressures. Nonetheless, the BoJ is expected to maintain its low-interest rate policy for at least this year, while changing the YCC this year. This policy path should limit the impact on the floating-rate household mortgage debt stock and, thereby, the housing market. However, BoJ policy remains a risk.

Market Strategy: Japan's real estate stocks appear attractively priced on a forward P/E basis, but its dividend yield is below that of DM. A change to the BoJ's YCC will put pressure on rates and thereby real estate. The economic outlook is not particularly encouraging, and the office market is one of the weakest in the region. Therefore, we maintain our *underweight* allocation.

APAC ex-Japan

Neutral

Reopening boost leaves Hong Kong looking attractive while the rest of region grapples with tight policy.

	3Y history	Latest	
AU GDP, % yoy		2.7	Q4
AU div yield, %*		6.1	Apr
SG GDP, % yoy		0.1	Q1
SG div yield, %*		5.8	Apr
HK GDP, % yoy		2.7	Q1
HK div yield, %*		5.6	Apr

**Based on the FTSE EPRA/NAREIT Indices.* *Source: Bloomberg*

Australia (*Neutral*)

A tight labour market and elevated inflation spurred the RBA to unexpectedly hike at its May meeting, hinting that further rate rises could follow. Nonetheless, housing values appeared to bottom out in April, as strong net migration flows and stock shortages have boosted prices. Meanwhile, enquiries for retail leasing have been firm in Sydney and Melbourne, despite subdued foot traffic in malls.

Market Strategy: Valuations for Australian real estate stocks are neutral, with both forward P/E and trailing P/B ratios close to their five-year average. Current pricing, and a relatively average economic picture, do not suggest a move in either direction. We stay *neutral.*

Singapore (*Underweight* ↓)

The MAS paused its tightening cycle in May, citing the risk of a "deeper than anticipated" economic slowdown. Singapore's dependence on trade leaves it vulnerable to the global downturn. In the local property market, large office occupiers have paused expansion plans due to economic concerns. In contrast, the tax rate on foreigners for private property was doubled to make property more affordable for locals.

Market Strategy: Valuation metrics are in line with their five-year average. The new tax could deter investment into the property market, leaving stocks vulnerable to derating. Therefore, with valuations appearing neutral, we reduce our allocation to *underweight*.

Hong Kong (*Neutral* ↑)

The sharp rebound in retail sales in March confirmed that the post-pandemic recovery in consumption is robust, which will likely lift other areas of the economy. Indeed, there has been an uptick in office enquiries while short-term leases are replaced by long-term ones in retail.

Market Strategy: Hong Kong's real estate sector valuations have deteriorated since the reopening but still screen neutral. With the outlook more optimistic than six months ago, we upgrade our position to *neutral*.

China

Underweight vs EM (↓)

The property market is struggling despite reopening, and the outlook is mired by structural issues.

	3Y history	Latest	
GDP, % yoy		4.5	Q1
CPI, % yoy		0.1	Apr
10y govt yield, %		2.8	Apr
NAREIT China*		46.3%	Apr
Dividend yield, %		5.9	Apr

**US$ net total return. Latest is 6M return.* *Source: Bloomberg*

As widely expected, economic activity picked up sharply in Q1 following the end of China's zero-Covid policy. Office leasing activity was still weak during the same period, but the rise in inspections and enquiries suggest firming demand. While the 2023 growth target of around 5% is achievable, the recovery is already showing signs of petering out in the April data. Imports dropped in annual terms, while softer credit demand points to weakening household confidence. Retailers are noted to be conservative about expanding.

Meanwhile, the recovery has been skewed towards the service sector, while the industrial and property sectors have lagged. While still cautious to avoid creating a bubble, policymakers relaxed the "three red lines" policy to revitalise the property market. Yet property investment continues to contract, and housing transactions have been weak. A pivot in the government's property strategy and a lack of will to implement necessary reforms like a housing tax leaves the sector vulnerable to future bouts of boom and bust.

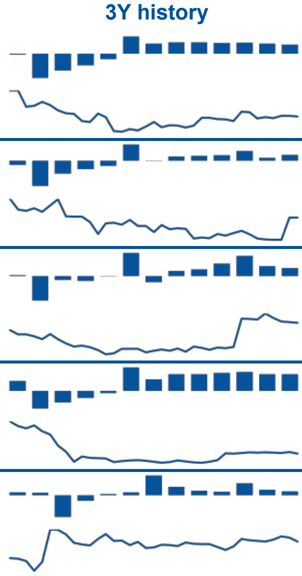
We are not constructive on China's longer-term outlook. An ageing demographic, high corporate debt and a sagging property market are set to weigh on potential growth. In addition, geopolitical risks between the US and China remain, which will drive supply chain readjustment away from China to "friendlier" countries.

Market Strategy: Chinese real estate stocks have outperformed EM over the past six months on the back of reopening optimism. As such, valuations have deteriorated as the forward P/E ratio trades significantly above its five-year average. The sharp rally since the last Outlook suggests that most of the positive news and expectations of policy support has been priced in. A further easing in the government's property strategy could sow the seeds of another property bubble. While this could support stocks in the near term, we are positioning ourselves for a more medium-term horizon given that current valuations provide an attractive exit point. We reduce our allocation to *underweight*.

South & Southeast Asia

Underweight vs EM

China reopening boost and robust fundamentals means we favour Malaysia and Indonesia in a region where valuations are either unattractive or the property market is weak.



	Latest	
PH GDP, % yoy	6.4	Q1
PH div yield, %*	1.0	Apr
TH GDP, % yoy	2.7	Q1
TH div yield, %*	3.2	Apr
MY GDP, % yoy	5.6	Q1
MY div yield, %*	4.8	Apr
ID GDP, % yoy	5.0	Q1
ID div yield, %*	1.6	Apr
IN GDP, % yoy	4.4	Q4
IN div yield, %*	2.7	Apr

**Based on the FTSE EPRA/NAREIT Indices.* *Source: Bloomberg*

The Philippines (*Underweight*)

The economy continues to be weighed down by its twin deficit problem, and activity indicators are starting to soften. Indeed, the manufacturing PMI fell to 51.4 in April, in expansionary territory but below its long-term average. A global slowdown could affect business processing and outsourcing (BPO) revenues and remittances. The ruling that allows BPO firms with work-from-home arrangements to retain tax benefits could dampen office occupier demand, which is already showing signs of downsizing. In the retail sector, net absorption was negative in Q1, and rental growth is expected to be slow given new supply. The BSP has likely ended its tightening cycle after hiking rates by 425 bps but will likely keep rates on hold due to high core inflation.

Market Strategy: Valuations for real estate stocks are cheap, while forward earnings momentum is not as soft as EM. With no improvement in the macro and property outlook, we keep our *underweight*.

Thailand (*Underweight*)

The fast recovery in arrivals, especially those from China, is a positive, while the landslide win for the opposition parties at the May general election is a market-friendly outcome. However, current valuations do not warrant a change in allocation. Despite the easing in inflation, the BoT is expected to continue hiking to rebuild policy space. Turning to property, the influx of tourists should help the retail sector, where rents have been flat. In contrast, industrial rents are under pressure from rising supply, making Thailand one of the weakest industrial markets.

Market Strategy: Valuations are mixed, with forward P/E lower than its five-year average but trailing P/B in line with it. Earnings momentum is robust, with earnings higher on a six-month basis. Much of the positive impact of China's reopening has been priced in and we maintain our *underweight* allocation.

Malaysia (*Overweight*)

Malaysian economic activity surprised on the upside in Q1 while the labour market continued to improve, which explains the BNM's unexpected hike in May. With fiscal policy expansionary and inflation risks skewed to the upside from upcoming food and fuel subsidy adjustments, the likelihood of another BNM hike is higher than a cut. In the Kuala Lumpur office market, outside of well-located units, rents are projected to contract further on the back of increased supply. In retail, footfall is back to pre-Covid levels, and vacancy is falling. The Malaysia My Second Home and Premium Visa Programme should support foreign demand for residential property.

Market Strategy: Forward real estate earnings have barely changed on a six-months basis. The forward P/E ratio is below its five-year average, but the trailing P/B is above. With a dividend yield higher than EM's and the macro backdrop relatively positive, we keep our *overweight*.

Indonesia (*Overweight* ↑)

Indonesia has a bright structural outlook due to its pro-business government and expanding downstream metals industry. In the near term, softening domestic demand and inflation should allow the BI to start easing rates in 2H. A solid fiscal position means that pre-election giveaways ahead of February 2024 are likely. Enquiries for office space are still healthy, but high supply points to a further correction in rents. In the retail sector, positive absorption has been driven by international brands. Despite the end of the government's tax incentive, landed residential developers are reportedly still active.

Market Strategy: Valuations are attractive, with forward P/E and trailing P/B ratios below their five-year average. Also, earnings momentum is robust. Current valuations provide an attractive entry point to build long-term exposure. We upgrade our allocation to *overweight*.

India (*Underweight*)

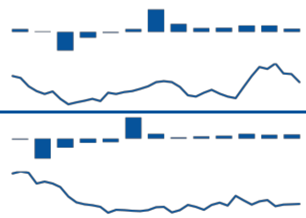
India has positive long-run dynamics; however, real estate stocks still screen expensive. Easing inflationary pressures mean that the RBI is likely to stand pat for the coming months before cutting, But the lagged impact of prior monetary tightening and DM slowdown point to a softer macro backdrop. Future office supply is high, but strong leasing demand means rents can still grow. Rental growth in the retail and industrial sectors is also healthy.

Market Strategy: India's real estate stocks appear richly priced, led by the residential sector. Despite the strength of the real estate market, we keep our *underweight* as we look for better opportunities in other EM Asian markets.

Latin America

Overweight vs EM

> *An uncertain policy outlook to weigh on Brazil, but we are optimistic towards Mexico's nearshoring trend.*



	3Y history	Latest	
BR GDP, % yoy		1.9	Q4
BR div yield, %*		4.5	Apr
MX GDP, % yoy		3.9	Q1
MX div yield, %*		6.6	Apr

**Based on the FTSE EPRA/NAREIT Indices.* *Source: Bloomberg*

Brazil (*Neutral*)

The robust composite PMI survey for April implies that the private sector held up at the start of Q2; however, manufacturing production remained in a downturn. Structural disinflation has been slow as the labour market is still tight. In addition, inflation expectations have risen in response to President Lula's new fiscal framework, which is awaiting Congress' approval. As such, the BCB is expected to keep rates on hold until cutting in Q4. Rents returned to growth in Sao Paulo in Q1 and are expected to accelerate as new completions are fairly contained. Similarly, in Sao Paulo's logistics market, rents grew in Q1 on the record leasing, while the market is softer in Rio de Janeiro.

Market Strategy: Brazilian real estate stocks appear cheap on a forward P/E and trailing P/B basis. Given the uncertainty surrounding its fiscal trajectory, we are still cautious towards Brazil, which is likely reflected in its cheap valuations. As a result, we maintain our *neutral* allocation vs EM.

Mexico (*Overweight*)

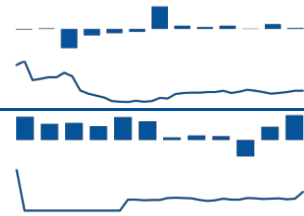
Activity surprised to the upside in Q1, but the much-awaited US slowdown and prior monetary tightening are set to weigh on economic momentum. These activity headwinds should allow core price pressures to ease, aiding the disinflation process and paving the way for the Banxico to start cutting rates by the end of the year. In the longer term, we are optimistic about the nearshoring trend in Mexico, with some tentative signs that it is underway. Sub-2% vacancy rates indicate further rental growth in Mexico City's industrial market as occupiers focus on last-mile logistics.

Market Strategy: Mexican real estate stocks are starting to appear richly priced on a forward P/E and trailing P/B ratio basis. Forward earnings have fallen in the past six months but are less weak than overall EM. Also, the market still provides a forward dividend yield of 6.6%. Positioning ourselves for the benefits of nearshoring, we maintain our *overweight* allocation to Mexico.

Middle East and Africa

Underweight vs EM (↓)

> *UAE's real estate sector is booming but appears expensive, while valuations could derate further given South Africa's poor economic backdrop.*



	3Y history	Latest	
ZA GDP, % yoy		0.9	Q4
ZA div yield, %*		10.2	Apr
AE GDP, % yoy**		7.4	2022
AE div yield, %*		4.2	Apr

**Based on the FTSE EPRA/NAREIT Indices.*
***12 years of annual GDP.* *Source: Bloomberg*

South Africa (*Underweight* ↓)

South Africa has one of the weakest EM economic outlooks. Ongoing power shortages, sticky inflation, fading commodity tailwinds and a global slowdown mean that a recession is likely. The SARB displayed its hawkish credentials with its larger-than-expected 50bps hike in March, with market pricing pointing to further rate rises. Johannesburg office vacancy is high, but barely any new supply could put a floor under rents.

Market Strategy: Valuations are neutral, with forward P/E and trailing P/B ratios slightly below their five-year averages. Earnings momentum is poor, and there is scope for further derating given recession risks. We therefore downgrade our allocation to *underweight* vs EM.

United Arab Emirates (*Neutral*)

The non-oil economy is expected to support activity this year as oil output falls in line with the OPEC+ voluntary cut. While it is unlikely to match last year's pace, the increase in the PMI to 56.6 in April implies healthy growth in the non-oil sector. The robust economic backdrop has lifted the property market. Office rents grew in Abu Dhabi and Dubai as the supply pipeline is small. The high share of off-plan transactions in total sales suggests that developers and investors are confident in the residential market. In Dubai, well-located primary malls fared better than the rest of the market.

Market Strategy: The deterioration in real estate stock valuations has left them looking richly priced. Both forward P/E and trailing P/B trade above their five-year averages, and the UAE's dividend yield is below that of EM. While we are constructive on the UAE economy and property market, valuations are too high to justify an upgrade. We keep our *neutral* allocation.

The information contained herein is obtained from sources believed by CLIM to be accurate and reliable. No responsibility can be accepted under any circumstances for errors of fact or omission. Any forward looking statements or forecasts are based on assumptions and actual results may vary from any such statements or forecasts.

KEY ECONOMIC AND FINANCIAL INDICATORS

		Macroeconomic Data													Market Performance and Forecast					
		% change on year ago																		
		Annual Real GDP	Quarterly Real GDP QoQ*	Industrial Production	Consumer Price Index	Broad Money (M2/M3) ***	Budget Balance % of GDP 2023F**	Current Account Balance	Unemployment Rate	Currency vs $ 2023 Latest	Currency vs $ 2022 Year ago	Short-Term Interest Rates	10-Year Government Bond Yield	Sovereign Rating S&P	% FTSE EPRA/NAREIT EM Capped Index	Stock Market (FTSE EPRA/ NAREIT) US$	Change since 12/30/22 US$	Change since 12/30/22 Local	Dividend Yield	2023 P/E Forecast**
		%	%	%	%	%		$ Bn	%			%	%		Apr. 28, 2023	Apr. 28, 2023	%	%	%	
Overweight	MEXICO	3.9	4.6	1.6	6.3	9.7	-3.8	-0.1	2.4	17.6	20.0	11.6	8.8	BBB	11.18	196	25.2	12.2	6.5	11.9
	INDONESIA	5.0	-3.6	6.0	4.3	6.4	-2.8	13.3	5.5	14879.0	14639.0	4.0	6.4	BBB	2.19	898	14.5	9.7	1.1	11.5
	MALAYSIA	5.6	3.6	3.1	3.4	4.0	-5.2	11.3	4.6	4.5	4.4	2.7	3.7	A-	1.53	1403	5.0	7.2	5.6	14.1
Neutral	BRAZIL	1.9	-0.9	0.9	4.2	16.9	-7.5	-52.3	8.8	4.9	5.0	8.4	11.8	BB-	5.95	742	22.47	14.60	3.66	11.85
	CHILE	-2.3	0.2	-5.9	9.9	10.2	-2.6	-27.1	8.4	796.7	852.3	11.6	n.a.	A	2.20	2972	10.6	3.9	2.7	12.8
	KUWAIT	-0.6	4.9	n.a.	3.7	6.0	-5.7	63.2	n.a.	0.3	0.3	3.7	n.a.	A+	1.62	n.a.	n.a.	n.a.	n.a.	n.a.
	QATAR	8.0	15.2	n.a.	3.7	12.3	8.0	62.6	n.a.	3.6	3.7	n.a.	n.a.	AA	1.52	n.a.	n.a.	n.a.	n.a.	n.a.
	ROMANIA	2.3	0.4	-3.4	11.2	8.2	-4.8	-27.2	5.4	4.6	4.7	6.4	7.0	BBB-	0.29	n.a.	n.a.	n.a.	n.a.	n.a.
	TURKEY	3.1	3.8	-0.1	43.7	60.3	-4.5	-54.2	10.2	19.8	15.8	61.0	9.9	B	1.07	823	-33.6	-30.0	n.a.	n.a.
	UAE	3.9	n.a.	n.a.	2.3	14.0	5.6	48.0	n.a.	3.7	3.7	5.2	n.a.	n.a.	6.70	6659	24.0	24.0	n.a.	10.7
Underweight	THAILAND	2.7	7.8	-4.6	2.7	2.7	-3.2	-10.8	1.2	34.3	34.5	1.6	2.5	BBB+	8.43	10141	1.0	-0.5	3.1	12.7
	SOUTH AFRICA	0.9	-1.3	-1.1	7.1	7.7	-4.8	-6.3	32.9	19.3	15.9	7.8	12.1	BB-	7.11	1485	-21.9	-12.5	13.0	5.3
	PHILIPPINES	6.4	n.a.	2.2	6.6	6.0	-6.4	-17.8	4.7	56.1	52.4	6.3	5.8	BBB+	11.77	4524	-8.4	-7.6	1.4	17.0
	CHINA	4.5	9.1	5.6	0.1	12.4	-5.0	398.5	4.0	7.0	6.7	1.1	2.7	A+	19.30	2971	-13.9	-12.9	5.2	6.9
	INDIA	4.4	15.0	1.1	4.7	9.7	-6.4	-80.4	n.a.	82.4	77.5	6.0	7.0	BBB-	11.75	961	7.1	6.6	2.8	28.6
	USA	1.6	1.1	0.2	4.9	-3.4	-5.3	-943.8	3.4	1.0	1.0	5.4	3.6	AA+	n.a.	6576	-0.6	-0.6	4.4	34.8

*Note: All data shown are as at May 17, 2023 unless otherwise stated. S&P credit rating shown is long-term foreign currency rating. * % change in GDP on previous quarter, annual rate. **Bloomberg consensus forecast. ***M3 is used. M2 is used if M3 is unavailable.*

†Any forecasts are based on Bloomberg consensus forecasts, where available, and assumptions. Actual results may vary from any such statements or forecasts. Past performance is no guarantee of future results.

Source: Bloomberg, CLIM, FTSE

KEY ECONOMIC AND FINANCIAL INDICATORS

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		%	%	%	%	%		$ Bn	%			%	%		Apr. 28, 2023	Apr. 28, 2023	%	%	%	
O/W	EMERGING MARKETS	3.6	n.a.	1.7	6.3	n.a.	-4.6	406.1	5.4	1682.8	1676.0	6.1	4.2	n.a.	18.44	2288	-3.9	-3.9	4.7	9.5
O/W	UK	0.2	0.4	-2.0	10.1	0.0	-5.4	-117.8	3.9	1.2	1.2	4.7	3.8	AA	9.19	1176	6.5	3.2	4.5	23.1
Neutral	AUSTRALIA	2.7	2.0	0.6	7.0	6.7	-1.1	20.4	3.5	0.7	0.7	2.0	3.4	AAA	7.88	3108	2.0	4.5	6.1	13.6
Neutral	CANADA	2.5	0.0	-5.7	4.4	7.4	-1.2	-7.5	5.0	1.3	1.3	4.7	3.1	AAA	5.68	7542	2.2	1.7	4.7	15.0
Neutral	HONG KONG	2.7	22.9	-0.1	1.7	0.9	-1.8	105.6	3.1	7.8	7.8	4.7	n.a.	AA+	10.52	3380	-3.1	-2.7	5.7	11.2
Neutral	SWEDEN	10.5	-2.0	-0.8	10.5	-1.5	-0.1	24.8	7.2	10.4	9.9	3.6	2.2	AAA	3.50	15207	-11.8	-11.9	3.7	18.5
U/W	SINGAPORE	0.1	-0.7	-4.2	5.5	2.6	-0.1	90.1	1.8	1.3	1.4	4.0	2.8	AAA	7.87	3690	3.1	3.2	5.9	15.9
U/W	DEV. EUROPE EX. UK****	1.3	0.4	-1.4	7.0	2.5	-6.9	-115.0	6.5	1.1	1.1	0.3	2.9	n.a.	16.71	1771	-5.8	-7.2	7.3	9.4
U/W	JAPAN	1.3	1.6	-0.6	3.2	2.1	-5.5	67.9	2.8	137.5	129.4	-0.1	0.4	A+	22.61	3292	0.7	5.0	3.9	15.8
	USA	1.6	1.1	0.2	4.9	-3.4	-5.3	-943.8	3.4	1.0	1.0	5.4	3.6	AA+	n.a.	6576	-0.6	-0.6	4.4	34.8

*Note: All data shown are as at May 17, 2023 unless otherwise stated. S&P credit rating shown is long-term foreign currency rating. * % change in GDP on previous quarter, annual rate. **Bloomberg consensus forecast. ***M3 is used. M2 is used if M3 is unavailable. ****Macro indicators for Eurozone.*

†Any forecasts are based on Bloomberg consensus forecasts, where available, and assumptions. Actual results may vary from any such statements or forecasts. Past performance is no guarantee of future results.

Source: Bloomberg, CLIM, FTSE

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