CITY OF LONDON
Investment Management Company Limited

International and Emerging Real Estate Semi-Annual Outlook

November 2023*

Overview

Pockets of Resilience

A global slowdown suggests a challenging near-term outlook for real estate. However, real estate is well placed once the cycle turns, given the abundance of dry powder and positive sentiment in sectors such as residential and logistics.

Real estate stocks (as measured by the FTSE EPRA Nareit Global Index) underperformed all major asset classes over the past six months, declining by 11.8%. While the Fed has likely reached the end of its tightening cycle, the impact of past tightening will still take time to feed through into activity. Therefore, we maintain our baseline view of a global slowdown. In addition, recent events in the Middle East have raised geopolitical risks. We don't expect the conflict to spill over; however, the elevated likelihood of this scenario should keep a risk premium in oil prices.

Real estate stocks will continue to face a challenging outlook. Heightened uncertainty and the high cost of capital have led to subdued transactions. Global direct investment volumes fell by 46% yoy in Q3, while cross-border investment recorded the lowest proportion on record.

Beyond the near-term challenges, however, real estate stocks are well placed to recover once the economic cycle shifts in their favour. Indeed, there is ample dry powder waiting for the right opportunities. In terms of valuations, real estate maintains its value against equities. While real estate pricing looks stretched compared to US bond yields, the peak in the Fed's tightening cycle and an eventual slowdown should provide a ceiling on yields. Also, there are significant discounts on the listed market that should dissipate. Across sectors, there are pockets of strength in industrial and residential. For example on the latter, the German residential market should be boosted by chronic undersupply. Moreover, there are signs of retail recovering from its pandemic slump.

Office: Leasing activity at the global level stabilised, with transactions in line with Q2 volumes but 6% lower on the year. The weakness was in Europe and the US. A softening economy and large supply pipelines will be a drag on activity. High-quality spaces should continue to do well as occupiers become selective due to hybrid working and sustainability requirements.

Retail: The resilience of labour markets in the face of tighter policy has boosted footfall and retail sales. Footfall in several markets in Europe has returned to their pre-pandemic levels. A global slowdown will take some of the heat out of the retail recovery, but sentiment on the sector is improving. Indeed, retail was the only sector where the bid and ask prices were in line on average during Q3, suggesting buyer and seller pricing are consistent with one another.

Residential: Monetary tightening will reduce affordability and house price growth. However, the market is still structurally undersupplied outside the US, which should limit price declines.

Industrial: Leasing activity is cooling in Europe and North America as supply catches up to demand. As such, rental growth is set to moderate but not fall, as the sector will be supported by demand from e-commerce and nearshoring.

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 2.4% points over the past six months. Relative valuations for EM real estate look stretched. The dividend yield spread to DM ex-US has disappeared, while the six-month decline in forward EM earnings is much sharper. However, EM is dragged down by China's plunge in forward earnings. We maintain our overweight to EM as we see good opportunities to take advantage of supply-chain readjustment (Mexico, Malaysia, Indonesia) and diversification efforts (UAE).

Among DM, we make no changes to our allocations. In EM, we move **Thailand** to *neutral* due to cheap valuations and abating political risks. In the **UAE**, improving valuations provide a good entry point to build exposure to the reform process and healthy real estate market. We upgrade our allocation to *overweight*.

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 October 31, 2023, and macro events and data releases up to November 13, 2023, unless indicated otherwise. Data about real estate rents, net absorption and supply are from JLL.*

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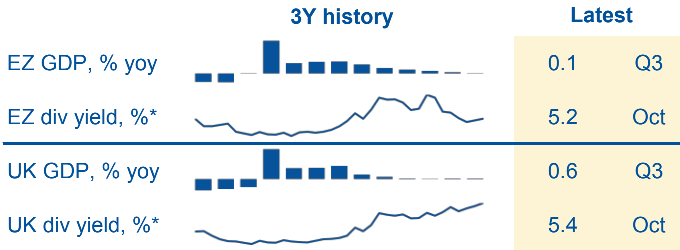
Europe

A eurozone recession seems likely, while we favour the UK as it stands to benefit from a retail recovery.



	3Y history	Latest	
EZ GDP, % yoy		0.1	Q3
EZ div yield, %*		5.2	Oct
UK GDP, % yoy		0.6	Q3
UK div yield, %*		5.4	Oct

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

Eurozone *(Underweight)*

After contracting in Q3, the below-50 PMI reading in October is consistent with a recession in the eurozone. Softness in activity has meant that inflation continues to fall, emboldening the ECB to keep rates on hold. Nonetheless, prior tightening and fading fiscal stimulus suggest slowing mortgage loans and further residential price drops. In the office market, while take-up volumes have been resilient, the dip in economic sentiment points to a slowdown. Also, construction delays have pushed the office pipeline further out, which will be a headwind for rental growth. In contrast, the undersupplied residential market continues to record rental growth.

Market Strategy: The growing likelihood of a recession is reflected in real estate stocks. Valuations are cheap, with forward P/E and trailing P/B ratios below their five-year averages in Germany and France. Additionally, earnings momentum is negative on a six-month basis. With limited upside for equities in the near term, we remain *underweight*.

UK *(Overweight)*

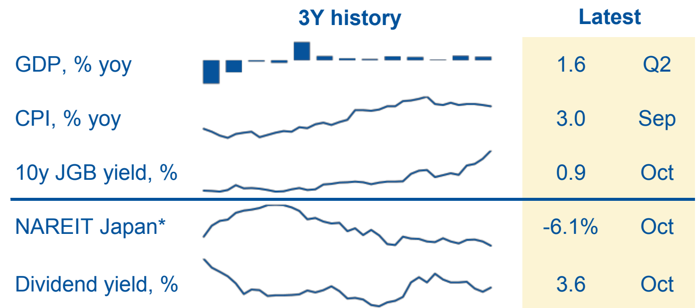
While the BoE has likely reached the end of its tightening cycle, the large share of households due to refinance their mortgage implies further pain in the residential market, dragging on overall economic activity. The RICS survey for October revealed that house price expectations were deeply negative across most of the UK. Leasing activity in prime London offices has been robust as larger transactions have increased. Vacancy rates have been stable; however, London has one of the largest supply pipelines in Europe, so vacancies are likely to trend up. The West End, however, is likely to be more resilient than the City and Canary Wharf. In the retail market, vacancy rates are falling albeit remain high compared to history. Also, retail rents edged up compared to a year ago.

Market Strategy: The 12m forward P/E multiple for UK real estate stocks have started to trend up but remain below their five-year average. Meanwhile, forward earnings are higher on a six-month basis. We are cautiously optimistic that the retail sector is turning a corner and seek to gain exposure with our UK *overweight*.

Japan

Underweight

The soft office market and the likelihood of a change to the BoJ's ultra-loose policy keep us cautious.



	3Y history	Latest	
GDP, % yoy		1.6	Q2
CPI, % yoy		3.0	Sep
10y JGB yield, %		0.9	Oct
NAREIT Japan*		-6.1%	Oct
Dividend yield, %		3.6	Oct

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

Japan's economy has fared comparatively better than its DM peers. Generous government support has propped up household spending, offsetting the impact of rising inflation. The strength in the services PMI meant that the composite PMI posted a 50.5 reading in October. The retail market in Tokyo has been buoyed by luxury goods sales and the recovery in tourism. Given the limited supply, prime retail rental growth is expected to continue to grow.

The BoJ expects inflation to remain above its 2% target over the coming years. However, with inflation not yet deemed sustainable, the BoJ has only gradually tweaked its ultra-loose monetary policy. Moreover, the BoJ is cautious not to reverse its accommodative policy ahead of a global slowdown.

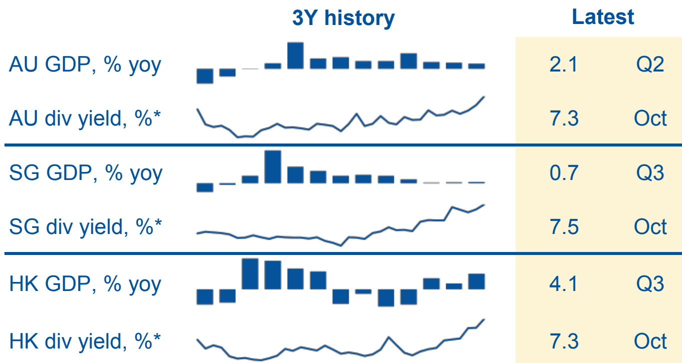
Japan's residential market, where mortgages are predominantly floating-rate, is vulnerable to changes in BoJ's policy. Residential rents have been stable in Tokyo due to migration, while condominium prices have been propped up by foreign buyers taking advantage of the weak yen. The proposed residential tax cut, effective in June 2024, could provide another buffer.

Rents in Tokyo's Grade A office market fell for the 14th consecutive quarter in Q3 despite healthy leasing demand. As large-scale projects are completed, rising vacancies will likely put downward pressure on rents.

Market Strategy: Japan's real estate stocks screen slightly cheap, with the forward P/E and trailing P/B ratios trading a touch below their five-year averages. Like stocks in Europe, forward earnings are lower than six months ago. The BoJ's gradual pace of normalisation reduces the risk to the housing market. However, the well-supplied office market is still weak. With valuations not particularly attractive, we keep our *underweight* allocation and favour developers over REITs as they have more avenues of growth.

APAC ex-Japan

Tight monetary policy is still filtering through the economy, which should drag on housing markets.



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

Australia ***(Neutral)***

Stubbornly high inflation spurred the RBA to restart its hiking cycle in November after keeping rates on hold for four meetings. Following a trough in January, house prices in Australia continue to rise. Given the high share of outstanding mortgages with variable rates, the impact of tight policy should start to feed through into the housing market. In Sydney's office market, a spike in 2024 aside, there are no projected completions for 2025-26.

Market Strategy: Past monetary tightening is set to weigh on Australia's residential market. Reflecting this headwind, real estate stock valuations have cheapened. We keep our *neutral* allocation.

Singapore ***(Underweight)***

Economic activity increased sharply in Q3, and October's 53.7 composite PMI reading suggests this momentum continued in Q4. However, as a small and open economy, Singapore is exposed to the expected global slowdown. Private apartment sales fell in annual terms in September following the hike in stamp duty for foreigners. In the office market, CBD rents fell for the first time in 10 quarters in Q3.

Market Strategy: Valuation metrics look cheap compared to their five-year average. However, Singapore's real estate market is vulnerable to a global slowdown and weakness in China; therefore, we keep our *underweight*.

Hong Kong ***(Neutral)***

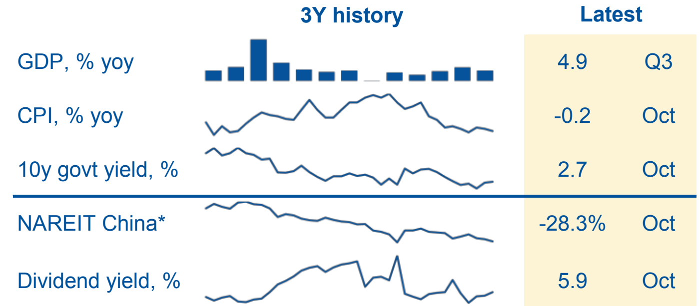
The momentum in recovery is softening, with the composite PMI below 50 in October. In late October, the government relaxed stamp duties to help the struggling property market. However, mortgage rates are still elevated. Residential transaction volumes fell in September, while office market sentiment was weak in Q3.

Market Strategy: Forward earnings are lower on a six-month basis and the outlook remains depressed on China's sluggish recovery. However, as Hong Kong is one of the cheapest DM markets, we remain *neutral*.

China

Underweight vs EM

The economic recovery is fragile, while the property market continues to be the weakest link.



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

Following a disappointing post-lockdown rebound, Chinese activity appears to be bottoming out on the back of generous policy support. Q3 GDP expanded at 4.9% yoy, beating expectations and leaving the government's growth target of around 5% for this year comfortably within reach. However, the recovery is fragile. Indeed, exports contracted sharply in October, while the official and Caixin manufacturing PMIs dipped below 50. As such, the government is likely to continue providing targeted support.

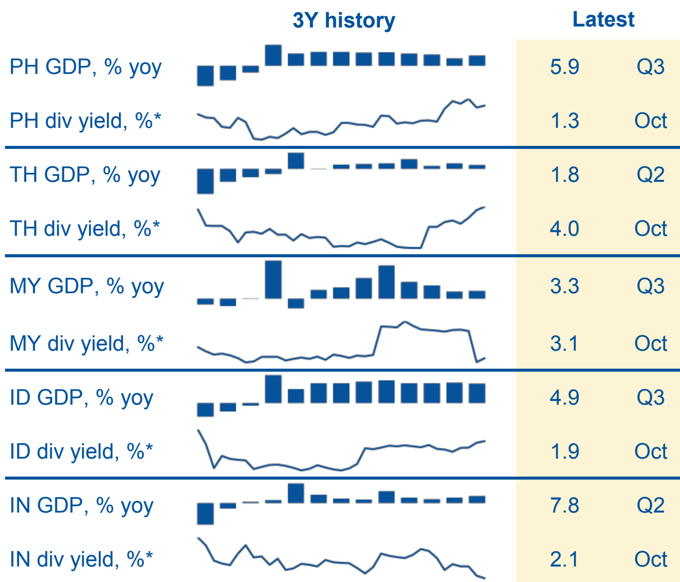
The property sector has yet to recover despite the government's best efforts. Measures have ranged from relaxing home purchase restrictions to reducing mortgage rates. Both property sales and investment were lower than a year prior in October. Sentiment is depressed amid debt crises in a number of privately-owned enterprises, reflected in the year-on-year drop in property loans in Q3 for the first time on record. In the direct market, commercial real estate investment grew by 12% yoy in renminbi terms in Q3, according to CBRE. This was driven by corporations and developers. Institutions and property funds were noted to be cautious, contributing only 22% of the total.

Within the sectors, soft leasing activity struggled to keep pace with robust office completions, pushing the national vacancy rate to a historic high of 24.4% in Q3. Supply pipelines are large in Shenzhen and Shanghai, weighing on office rents. The retail sector is faring better as net absorption has returned to its five-year pre-pandemic average. As such, average rents have stabilised.

Market Strategy: Chinese real estate stocks have underperformed EM over the past six months as the property sector rebound has failed to materialise. Nevertheless, valuations continue to look stretched as the forward P/E ratio is trading above its five-year average. Forward earnings are down by close to 30% compared to six months ago, with a lot of negative sentiment priced in. The property sector is the economy's weakest link; therefore, further government support will likely be needed to lift confidence. We remain *underweight*.

South & Southeast Asia

A handful of central banks in the region have yet to end their tightening cycle, which will weigh on economic activity and the property market.



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

Philippines ***(Underweight)***

The economy is expanding at a decent pace, with the manufacturing PMI above 50 in October for the second consecutive month. High rice prices have added to inflationary pressures, prompting the BSP to deliver an off-cycle rate hike in October. Hawkish messaging suggests another rate increase is likely. The impact of prior monetary tightening is expected to be felt in the coming quarters. Manila's office supply pipeline is one of the smallest in the region, but rents have been flat. Rents also moved sideways in the logistics and retail sectors. In the medium term, the infrastructure projects under the government's "Build Better More" programme could support real estate activity.

Market Strategy: The Philippine real estate stocks have one of the cheapest valuations in EM. Forward earnings momentum is also robust. However, we are cautious given that the BSP's aggressive tightening cycle has yet to be fully felt. Thus, we keep our *underweight*.

Thailand ***(Neutral ↑)***

Thailand's tourism recovery is petering out earlier than expected, as Chinese tourist arrivals have been slow to return to their pre-pandemic levels. The appointment of a new Prime Minister reduces some political risk. Generous fiscal giveaways should support activity while widening the budget deficit. The BoT appears to be done with its tightening cycle. Bangkok has a significant office pipeline for 2024-25, equivalent to 33% of the current stock. Nonetheless, rents are projected to stay flat due to rising net absorption. Retail rents should grow as food and beverage providers fill vacant units in prime malls.

Market Strategy: Valuations screen cheap, and forward earnings are lower than six months ago but still stronger than the EM aggregate. The outlook has marginally improved over the last six months as political uncertainty has abated. With attractive valuations, we take profit and upgrade our allocation to *neutral*.

Malaysia ***(Overweight)***

Malaysian economic activity is holding up relatively well, reflected in robust net absorption in the office market in Q3. Prime office rents rose by 26.3% yoy, and tenants moving into new spaces should continue to drive rental growth. Logistics and retail rental values are also projected to edge higher. Regarding inflation, subsidy savings will push inflation higher, meaning the BNM is more likely to hike than cut over the coming months. There is pressure for the government to improve the Malaysia My Second Home programme to attract foreign nationals, especially if PM Anwar Ibrahim's ten-year goal of placing Malaysia among the top 30 global economies is to be met.

Market Strategy: Valuations are mixed. The forward P/E multiple is below its five-year average, but the trailing P/B is above. The macro backdrop is neutral, while all property sectors are expected to record rental growth. We favour the out of index residential developers due to their wide discounts. We stay *overweight*.

Indonesia ***(Overweight)***

Beyond near-term economic softness, we are optimistic about Indonesia's structural story as it enhances its EV battery supply chain. The top contenders in next year's election are part of incumbent President Jokowi's coalition, suggesting political continuity. The BI will maintain its hawkish stance amid rupiah weakness and deteriorating current account balance. Office rents have fallen due to high vacancy and lack of new demand. In contrast, retail rents are rising as there is limited supply.

Market Strategy: Valuations appear attractive, and forward earnings are higher than six months ago. While the Jakarta office market looks soft, retail is set to fare better. We stay *overweight*.

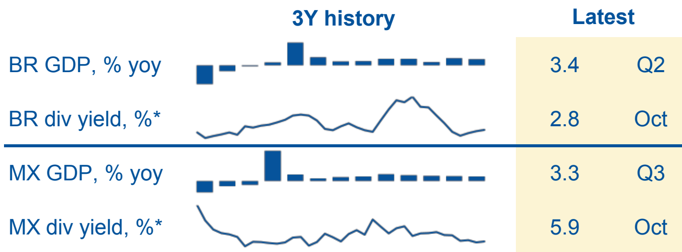
India ***(Underweight)***

India's real estate stocks continue to trade at stretched valuations, likely partly reflecting the strength of India's long-term drivers (demographics and stable politics). The RBI has likely concluded its tightening cycle, but previous rate hikes will still feed through to activity. Office leasing demand has been strong in Delhi and Bangalore, pushing rents higher. Demand for malls has been stable, with retail vacancy in Delhi very tight.

Market Strategy: With a forward P/E and trailing P/B multiple significantly above its five-year average, India is one of the most expensive EM real estate stocks, albeit this reflects the residential sector. There is more value in offices and retail REITs. While we are positive on India's structural story, current pricing does not provide an attractive entry point. We therefore keep our *underweight*.

Latin America

A deteriorating fiscal picture is a risk in Brazil, while Mexico benefits from nearshoring trends.



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

Brazil *(Neutral)*

The pick-up in composite PMI to 50.3 in October suggests the economy started Q4 on solid footing. The labour market is tight, which should keep inflation sticky. The higher-for-longer global interest rates will prevent the BCB from easing policy aggressively. Weak revenues mean the government is at risk of missing its neutral primary fiscal target for next year. In the Sao Paulo office market, rents are expected to continue to grow as there is barely any new supply in the pipeline. In the logistics sector, leasing was stable, and rents increased over the year as the supply picture remains favourable. President Lula's social housing policy has helped developers focused on affordable housing. In Sao Paulo, re-zoning has benefited a few of the higher quality developers.

Market Strategy: Brazil's real estate equity market has a forward P/E and trailing P/B multiple trading below its five-year average. We are still cautious about Brazil's fiscal outlook but are aware that stocks could rally in line with monetary easing. As such, we stay *neutral*.

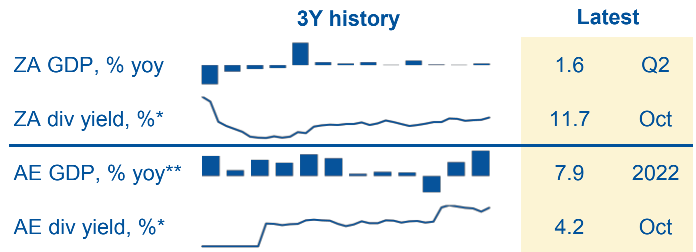
Mexico *(Overweight)*

Domestic demand has proven resilient due to low unemployment and robust remittances. As such, inflation has proven sticky, meaning the Banxico is likely to start cutting rates later than its Latin American peers. The public deficit is set to widen, suggesting growth is favoured over fiscal prudence ahead of next year's election. Mexico City office rents grew on the year in Q3, and the supply pipeline is small. Nearshoring trends are a long-term positive and continue to support the logistics market, where rents are recording double-digit growth. However, infrastructure constraints could limit nearshoring from achieving its full potential.

Market Strategy: Mexican real estate stocks are expensive, and forward earnings are lower on a six-month basis. Nonetheless, stocks have been outperforming EM over the past nine months. We are optimistic about the nearshoring boost to Mexico's real estate market and maintain our *overweight*.

Middle East and Africa

An improvement in valuations allows us to build a position in the UAE, while South Africa struggles with an energy crisis.



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

South Africa *(Underweight)*

The slow improvement in the energy crisis means that activity is set to stay depressed over the coming quarters. Mall owners are offsetting energy shortages by bringing forward their solar and battery investment plans. The SARB will keep rates on hold as inflation is still elevated. Pre-election spending could widen the already meaningful budget deficit. The office vacancy rate in Johannesburg is high, but the fact that there is no new supply should allow rents to continue to climb higher.

Market Strategy: Valuation metrics suggest that South Africa's real estate stocks are neutral, while forward earnings have fallen over the past six months. With a poor macro backdrop, we keep our *underweight*.

United Arab Emirates *(Overweight ↑)*

Growth is set to moderate as oil output is curbed following the OPEC+ cut. The non-oil economy is healthy, with the PMI increasing to 57.7 in October, its highest level since June 2019. Strong demand and limited availability drove office rental growth in Q3 in Abu Dhabi and Dubai. Residential transactions were robust, and the growth in new developments suggests ample interest in this sector. Dubai and Abu Dhabi mall operators have been introducing amenities such as gyms, clinics and entertainment to offset limited footfall in some market segments.

Market Strategy: The valuation of UAE's real estate stocks has improved over the past six months. The forward P/E multiple is closer to its five-year average, while the trailing P/B ratio is about one standard deviation above its five-year average. Forward earnings are higher on a six-month basis. We are positive on the UAE real estate market and the country's reforms as part of its strategy to diversify away from oil. With current valuations offering a more attractive entry point than before, we upgrade our allocation to *overweight*.

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	%			%	%		Oct. 31, 2023	Oct. 31, 2023	%	%	%	
Overweight	MEXICO	3.3	3.7	3.9	4.3	10.1	-3.5	-0.1	2.9	17.7	19.3	11.5	9.7	BBB	11.79	204	29.3	19.6	5.7	13.4
	UAE	7.9	n.a.	n.a.	2.3	13.8	4.9	48.0	n.a.	3.7	3.7	2.9	n.a.	n.a.	6.64	6618	27.4	27.4	n.a.	11.1
	INDONESIA	4.9	6.6	-1.3	2.6	6.0	-2.3	9.4	5.5	15715.0	15559.0	4.1	6.9	BBB	2.38	784	-2.8	-0.1	1.9	10.0
	MALAYSIA	3.3	6.1	-0.5	1.9	2.9	-5.0	13.3	3.9	4.7	4.7	2.7	3.9	A-	1.07	1298	0.5	8.7	3.7	15.3
Neutral	BRAZIL	3.4	3.7	0.6	4.8	16.4	-7.6	-39.8	7.7	4.9	5.3	7.6	11.3	BB-	6.87	849	28.5	22.5	2.8	9.5
	CHILE	-1.1	-1.2	1.5	5.0	4.7	-2.4	-13.6	8.9	913.0	893.1	9.3	n.a.	A	1.99	2800	0.7	6.4	2.8	10.5
	KUWAIT	-0.6	4.9	n.a.	3.7	4.0	-5.6	63.2	n.a.	0.3	0.3	4.9	n.a.	A+	1.81	n.a.	n.a.	n.a.	n.a.	n.a.
	QATAR	2.7	-14.7	n.a.	1.8	1.6	7.6	55.4	n.a.	3.6	3.7	n.a.	n.a.	AA	1.50	n.a.	n.a.	n.a.	n.a.	n.a.
	ROMANIA	1.0	6.9	-5.6	8.1	10.1	-5.0	-22.4	5.4	4.7	4.7	6.2	6.9	BBB-	0.97	n.a.	n.a.	n.a.	n.a.	n.a.
	THAILAND	1.8	0.8	-6.1	-0.3	1.8	-3.4	3.5	1.1	36.0	35.8	2.5	3.1	BBB+	7.05	8792	-13.5	-9.9	3.7	11.5
	TURKEY	3.1	14.8	4.0	61.4	64.4	-5.7	-51.7	8.9	28.6	18.6	46.9	29.2	B	1.15	890	-29.2	7.0	n.a.	n.a.
Underweight	SOUTH AFRICA	1.6	0.4	-4.3	5.4	6.9	-5.2	-22.0	32.6	18.7	17.3	9.0	12.0	BB-	5.91	1236	-27.0	-20.0	11.5	8.1
	PHILIPPINES	5.9	n.a.	9.1	4.9	7.9	-5.9	-13.6	4.5	56.1	57.2	6.5	6.7	BBB+	10.61	4177	-13.8	-12.1	1.6	16.3
	CHINA	4.9	5.3	4.5	-0.2	10.3	-4.5	312.0	4.0	7.3	7.1	1.1	2.6	A+	18.97	2130	-33.8	-29.8	6.2	13.7
	INDIA	7.8	-26.6	5.8	5.0	10.8	-6.4	-58.2	n.a.	83.3	81.0	6.0	7.3	BBB-	14.89	1162	25.26	26.14	2.10	37.62
	USA	2.9	4.9	0.1	3.7	-3.1	-6.1	-867.4	3.9	1.0	1.0	5.7	4.6	AA+	n.a.	5894	-7.6	-7.6	4.7	33.2

*Note: All data shown are as at November 13, 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

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		%	%	%	%	%		$ Bn	%			%	%		Oct. 31, 2023	Oct. 31, 2023	%	%	%	
O/W	EMERGING MARKETS	5.3	n.a.	2.9	3.1	n.a.	-4.0	348.9	5.3	1685.6	1627.4	6.4	4.4	n.a.	19.37	2025	-12.5	-12.5	4.6	13.2
O/W	UK	0.6	0.0	1.5	6.7	-2.9	-5.1	-57.6	4.3	1.2	1.2	5.4	4.3	AA	8.77	965	-10.3	-10.6	5.2	16.0
Neutral	AUSTRALIA	2.1	1.6	1.6	5.4	5.0	0.4	20.5	3.6	0.6	0.7	3.5	4.7	AAA	7.29	2463	-19.6	-13.5	6.9	17.3
Neutral	CANADA	0.9	-0.2	2.1	3.8	5.8	-1.2	-20.4	5.7	1.4	1.3	5.1	3.9	AAA	5.31	6161	-14.9	-12.7	5.5	15.1
Neutral	HONG KONG	4.1	0.4	2.6	2.0	2.3	-2.1	110.4	2.8	7.8	7.8	5.3	n.a.	AA+	8.94	2507	-26.7	-26.5	7.2	9.8
Neutral	SWEDEN	6.5	-3.2	2.7	6.5	-4.2	-0.1	29.2	8.1	10.9	10.5	4.1	2.9	AAA	3.47	12195	-20.4	-14.6	2.7	25.4
U/W	SINGAPORE	0.7	0.3	-2.1	4.1	4.1	-0.1	85.5	2.0	1.4	1.4	4.0	3.1	AAA	7.76	3096	-12.0	-10.0	6.3	15.8
U/W	DEV. EUROPE EX. UK****	0.1	-0.4	-5.1	2.9	-1.2	-3.5	139.2	6.5	1.1	1.0	0.6	3.3	n.a.	18.02	1641	-6.5	-5.3	6.4	10.1
U/W	JAPAN	1.6	4.9	-4.6	3.0	1.8	-5.5	117.9	2.6	151.8	140.3	-0.2	0.9	A+	23.24	3092	-5.9	8.8	4.0	17.4
	USA	2.9	4.9	0.1	3.7	-3.1	-6.1	-867.4	3.9	1.0	1.0	5.7	4.6	AA+	n.a.	5894	-7.6	-7.6	4.7	33.2

*Note: All data shown are as at November 13, 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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