

macroeconomic



# REVIEW

briefing  
27 April 2018



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# International Economy

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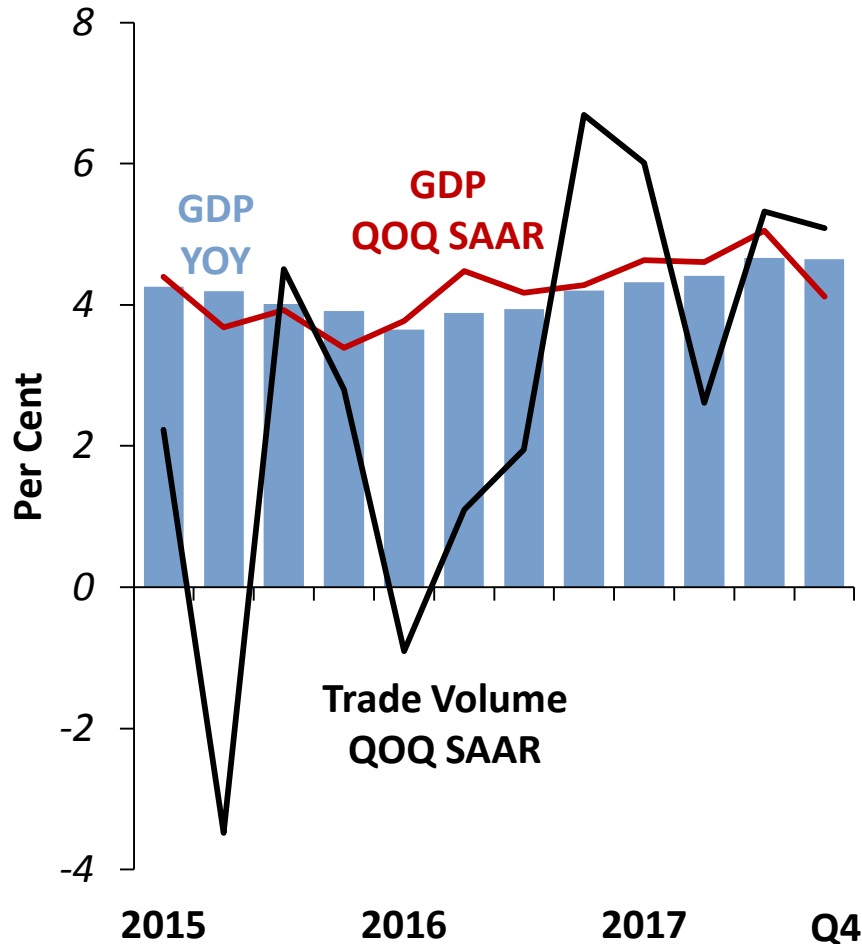
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The Global Economic Cycle Matures

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# Global growth in 2017 was at its strongest in recent years despite some consolidation in Q4

## Global GDP and Trade Growth



## GDP Growth Forecasts (%)

	2018F	2019F
<b>Total*</b>	<b>4.5</b>	<b>4.3</b>
<b>G3*</b>	<b>2.3</b>	<b>2.0</b>
US	2.8	2.6
Japan	1.4	1.1
Eurozone	2.4	1.9
NEA-3*	3.0	2.7
Hong Kong	3.2	2.7
Korea	2.9	2.8
Taiwan	2.7	2.5
ASEAN-4*	5.2	5.1
Indonesia	5.3	5.4
Malaysia	5.4	5.2
Philippines	6.6	6.5
Thailand	4.0	3.7
China	6.6	6.4
India**	7.4	7.6

Source: CEIC, Consensus Economics, Apr 2018 and EPG, MAS estimates

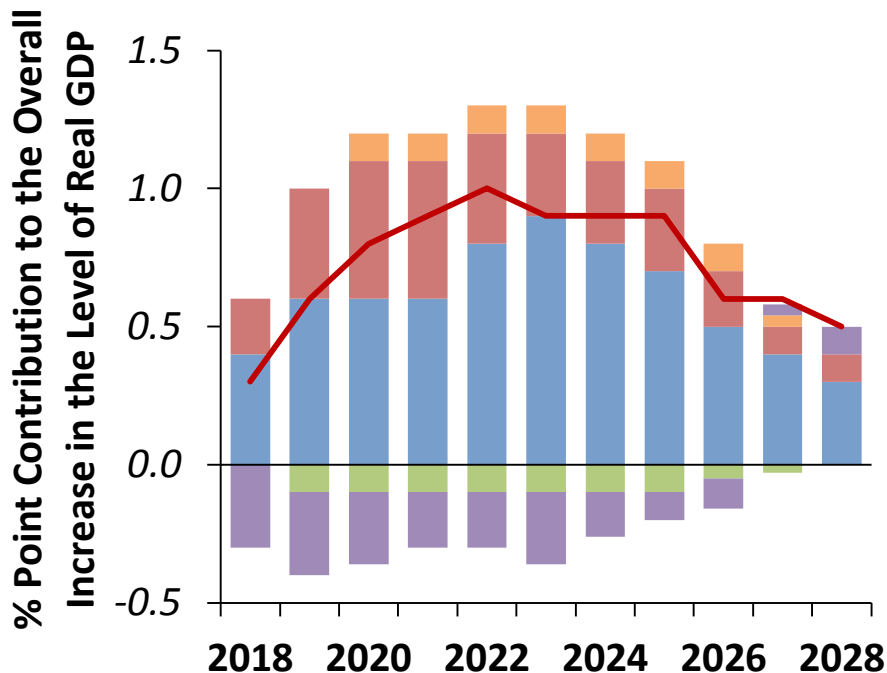
\* Weighted by shares in Singapore's NODX.

\*\* Figures are reported on a Financial Year basis; FY2018 refers to the period from April 2018 to March 2019.

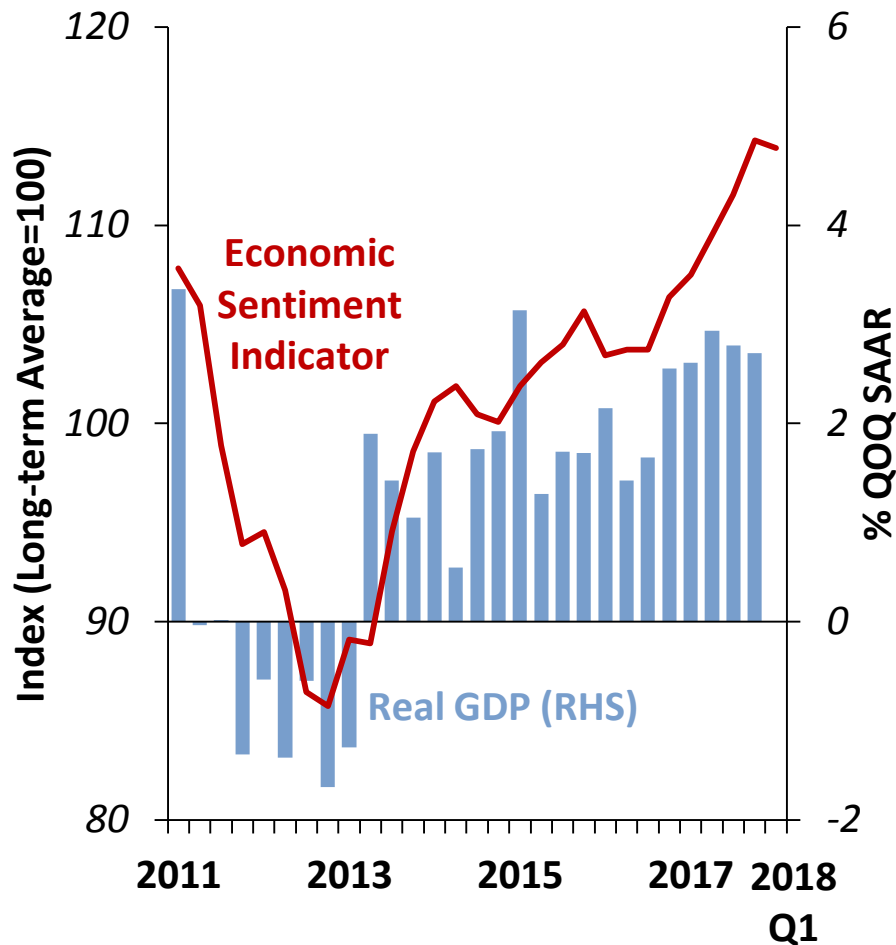
# In the G3, domestic demand and economic sentiments remained strong.

## Economic Effects of the US Tax Cuts and Jobs Act

- Net Exports
- Government Consumption & Investment
- Private Residential Investment
- Private Non-residential Fixed Investment
- Private Consumption
- Real GDP

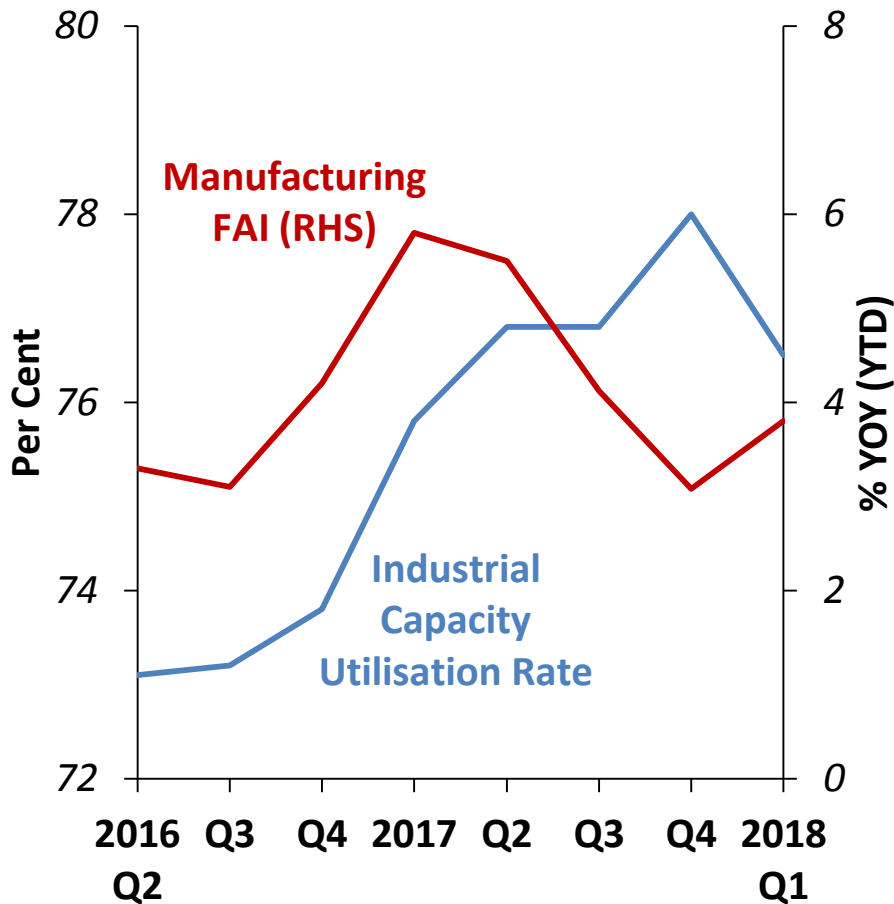


## Eurozone GDP Growth and Economic Sentiment Indicator

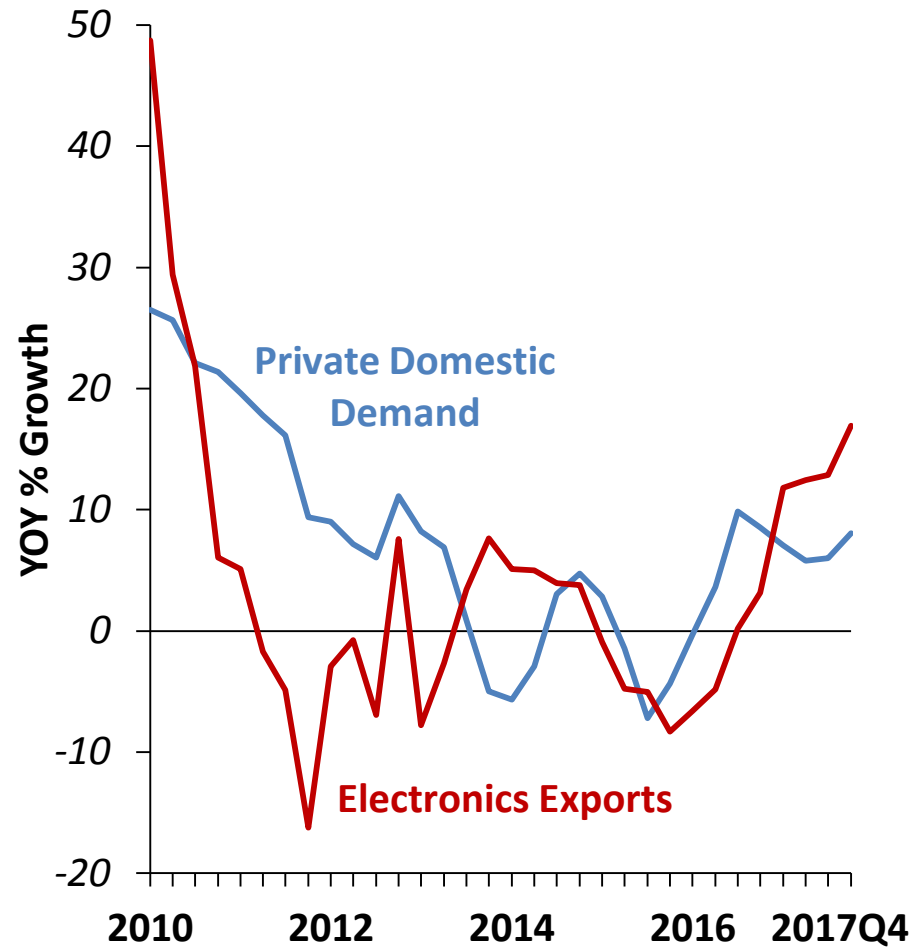


# Asia recorded sterling performances reflecting the tech cycle upswing and robust domestic demand.

**China's Industrial Capacity Utilisation Rate and Growth in Manufacturing Fixed Asset Investment (FAI)**



**ASEAN-4 Electronics Exports and Private Domestic Demand**





# Domestic Economy

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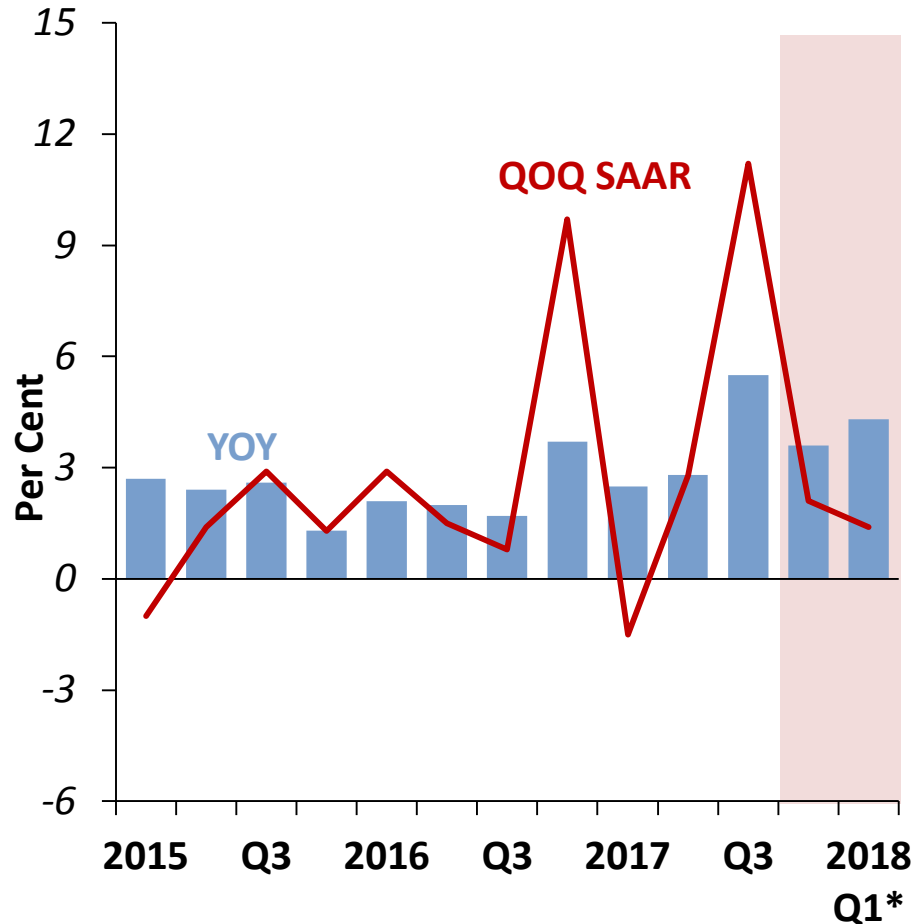
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On A Steady Course

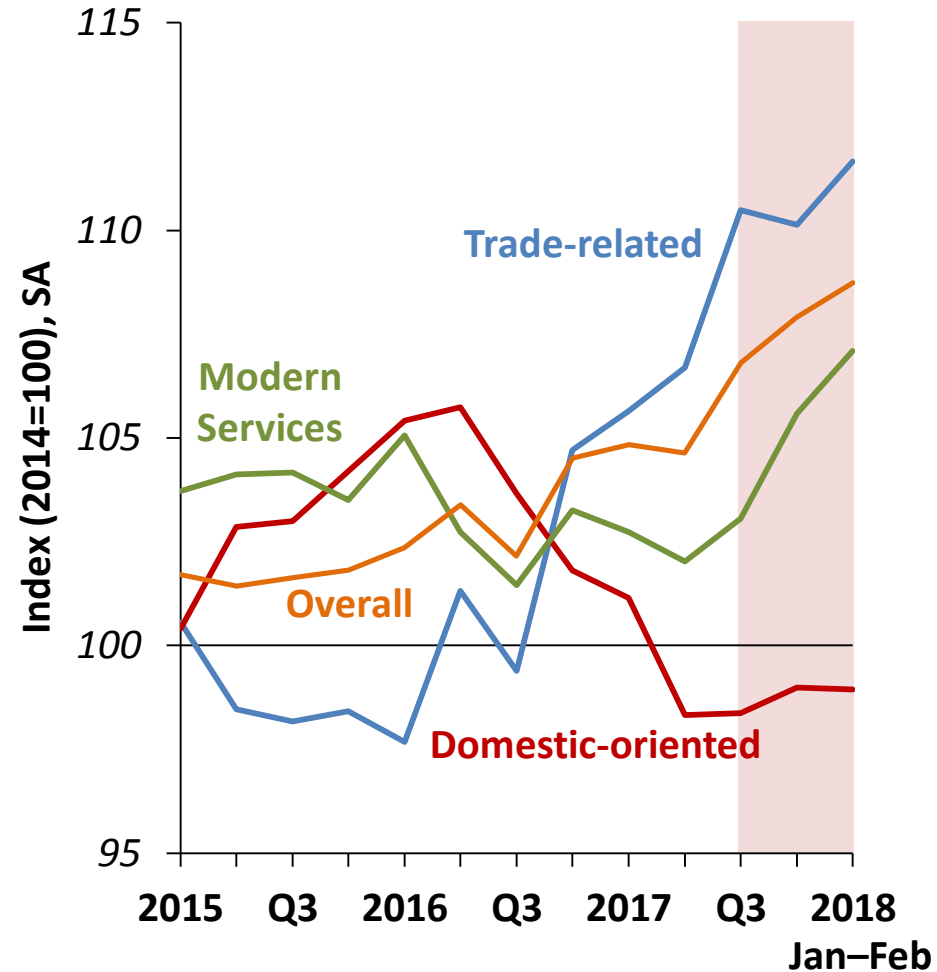
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# GDP growth was firm although it remained uneven across sectors.

## Singapore's GDP Growth



## EPG's Economic Activity Index

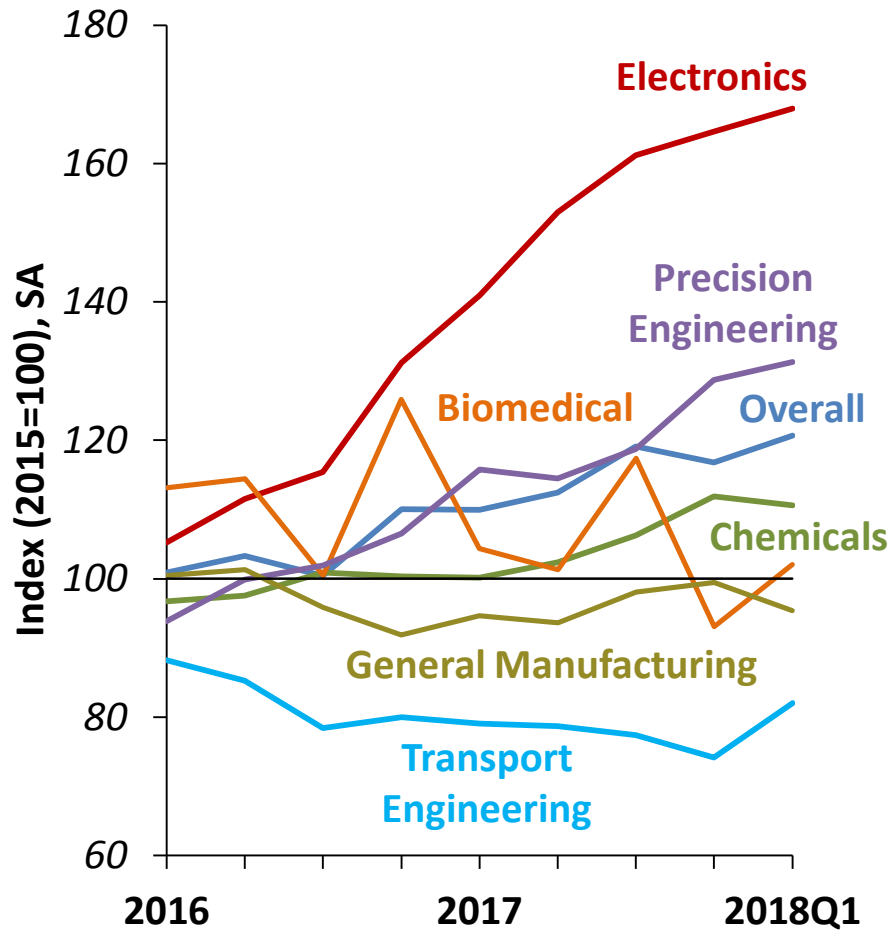


\* Advance Estimates



# The trade-related sectors will continue to be the main pillar of support in 2018.

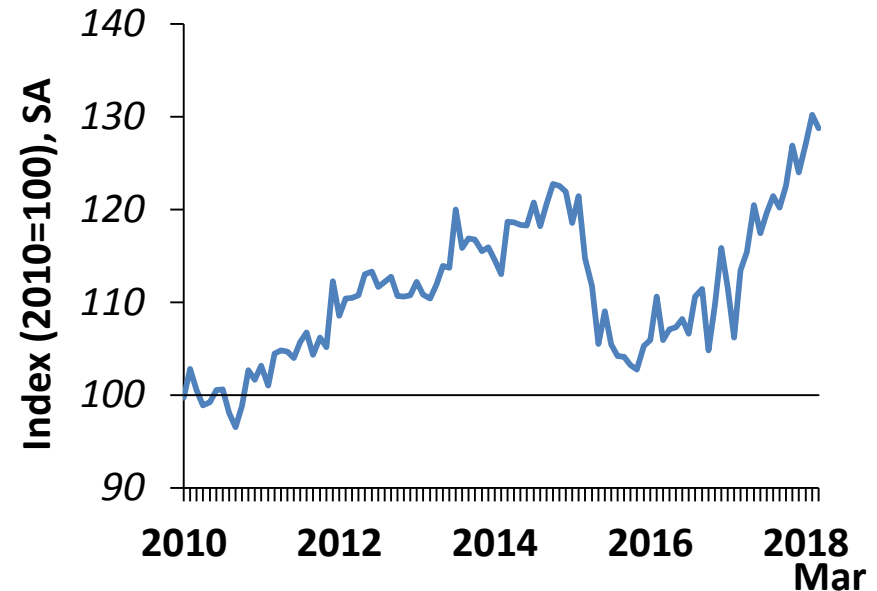
## Industrial Production



## Forecasts for Global Semiconductor Revenue Growth (%)

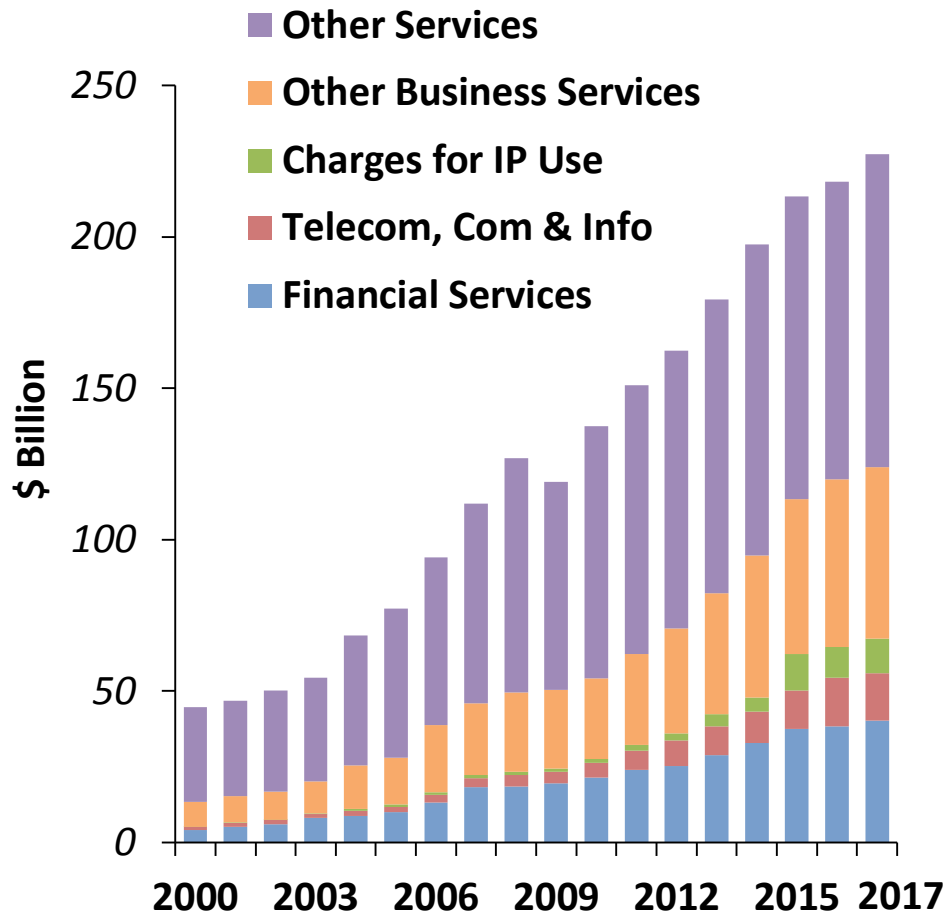
	As of	2018F
IHS Markit	January 2018	7.4
Gartner	January 2018	7.5
WSTS	February 2018	9.5

## Container Throughput in Singapore

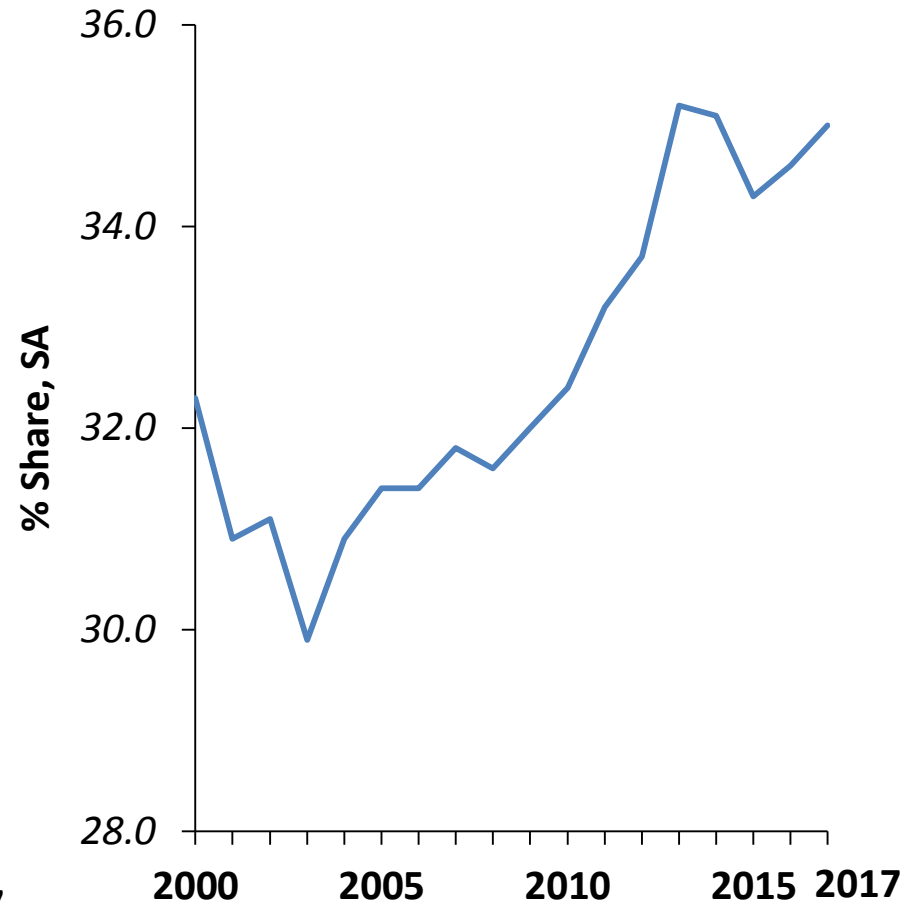


# Modern services and domestic-oriented sectors will become more important sources of growth over time.

## Singapore's Exports of Services



## Share of Non-tradable Services in PCE





# Labour Market and Inflation

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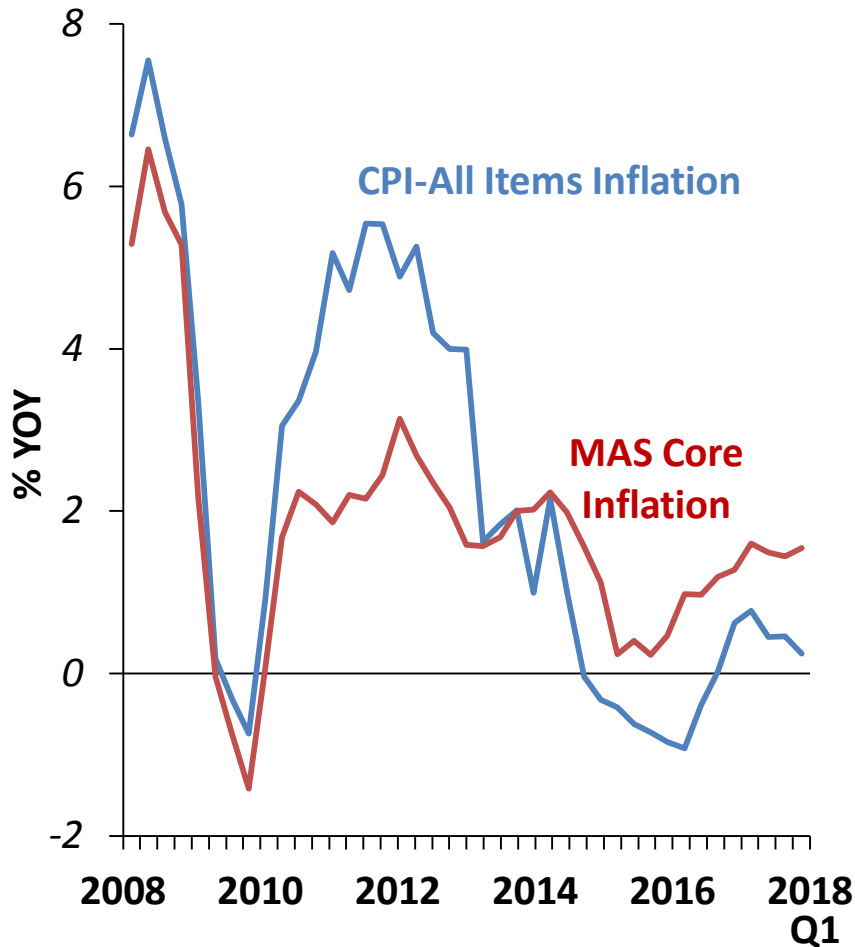
Inflation Is On A Mild Ascent

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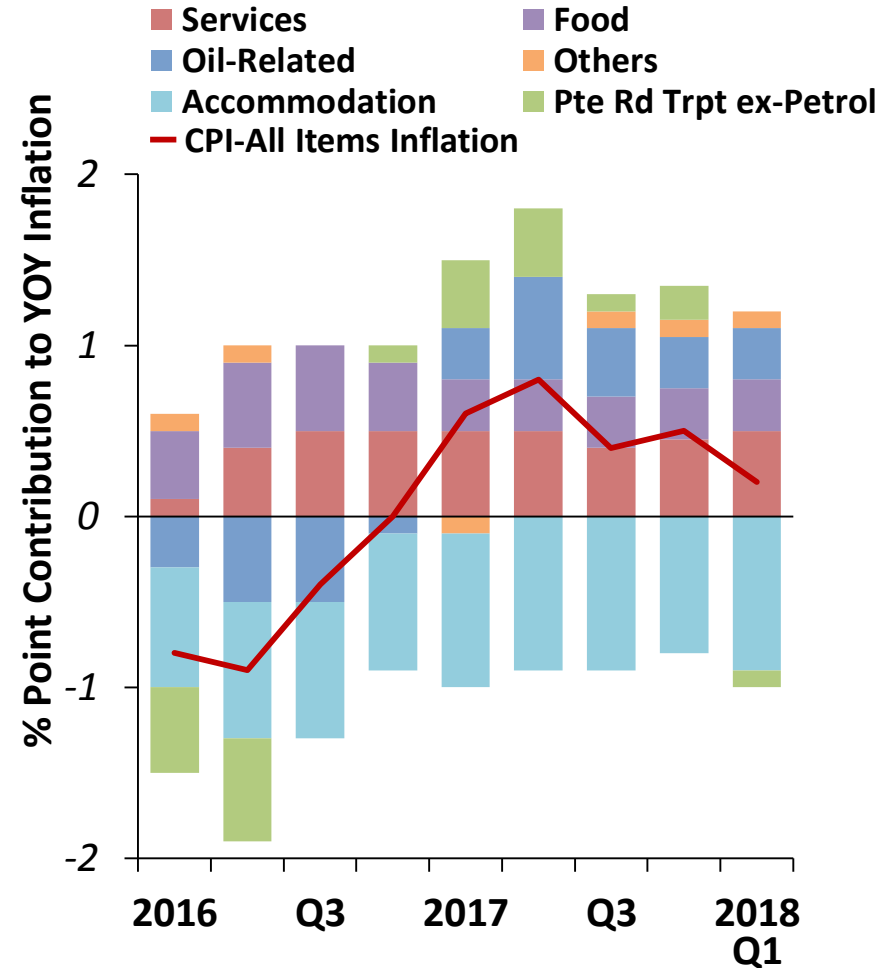


# MAS Core Inflation picked up in Q1 2018, while CPI-All Items inflation eased.

## CPI-All Items and MAS Core Inflation

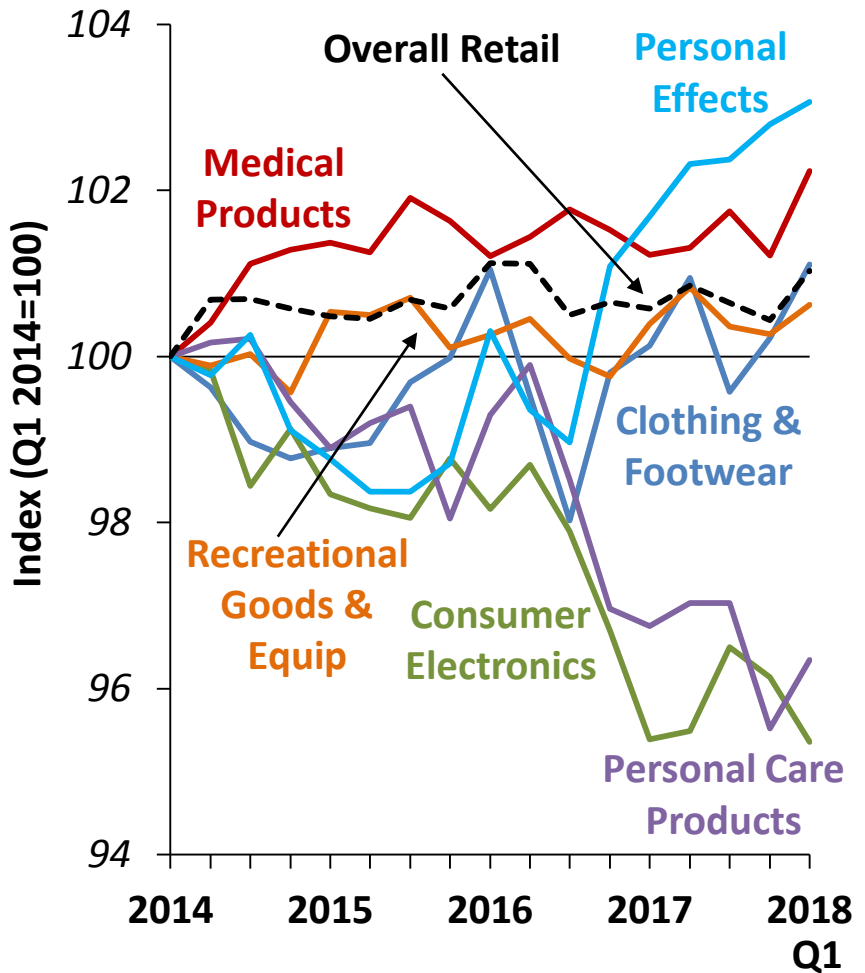


## Contribution to CPI-All Items Inflation

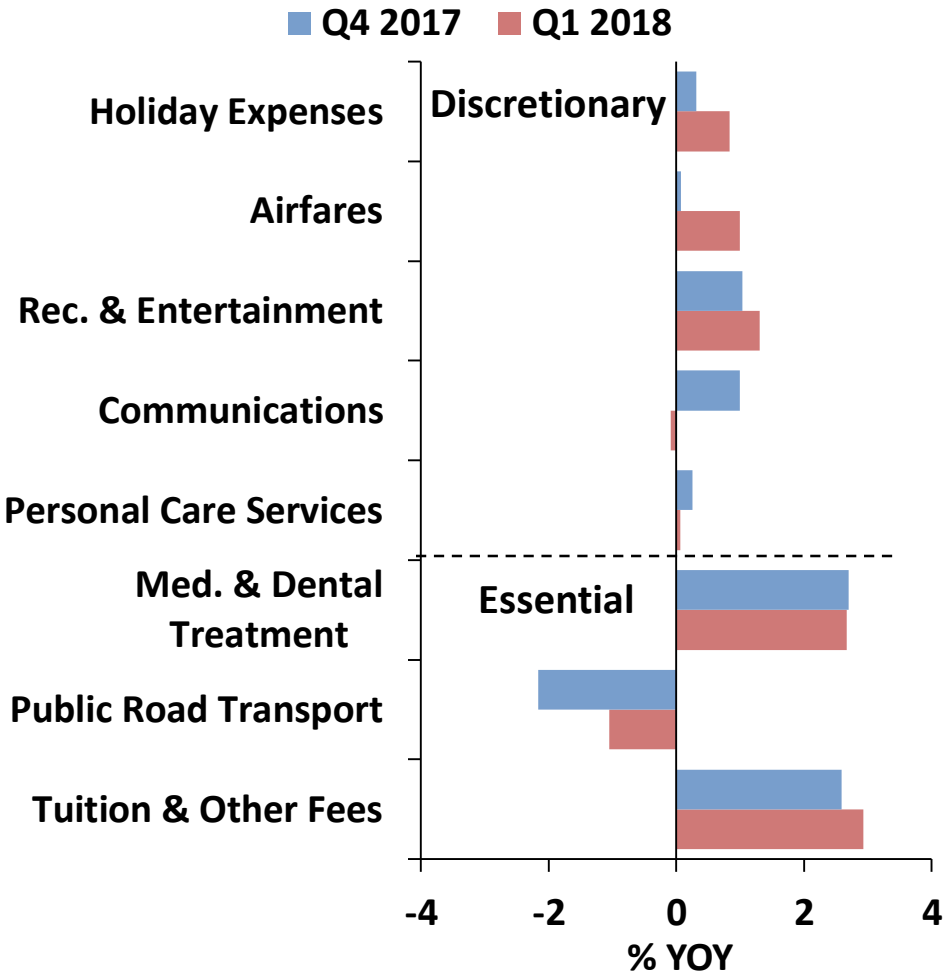


# Inflation has risen in retail and essential services, but declined in discretionary services.

**Selected Components of Retail CPI**

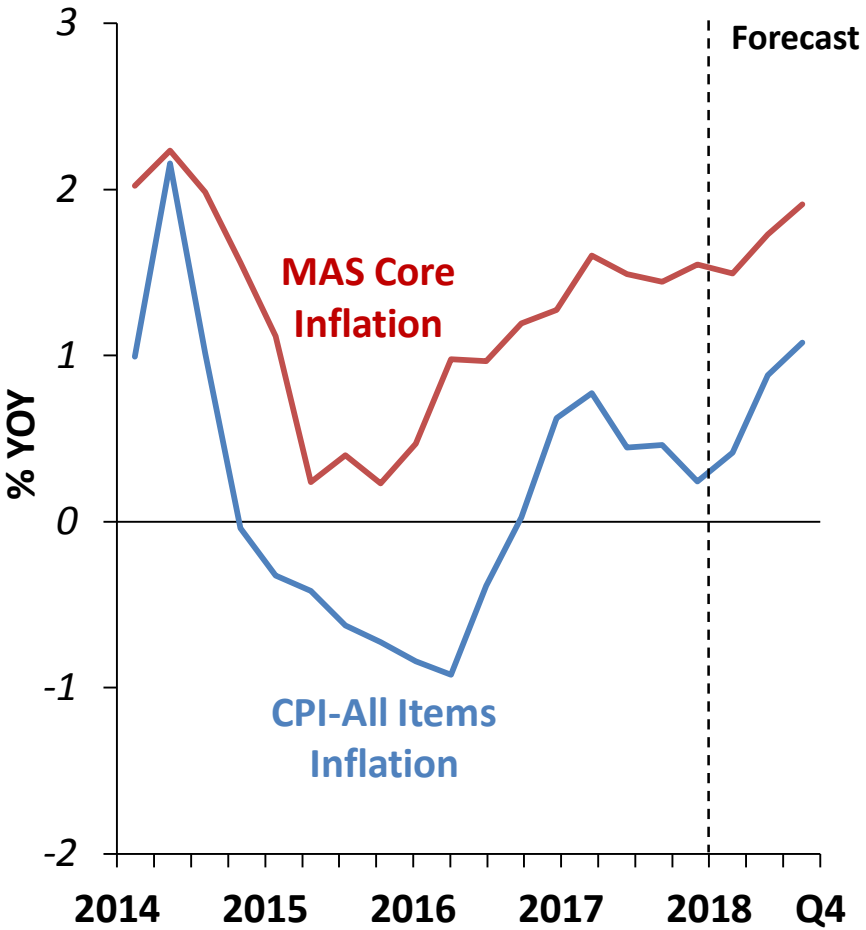


**Selected Components of Services CPI**

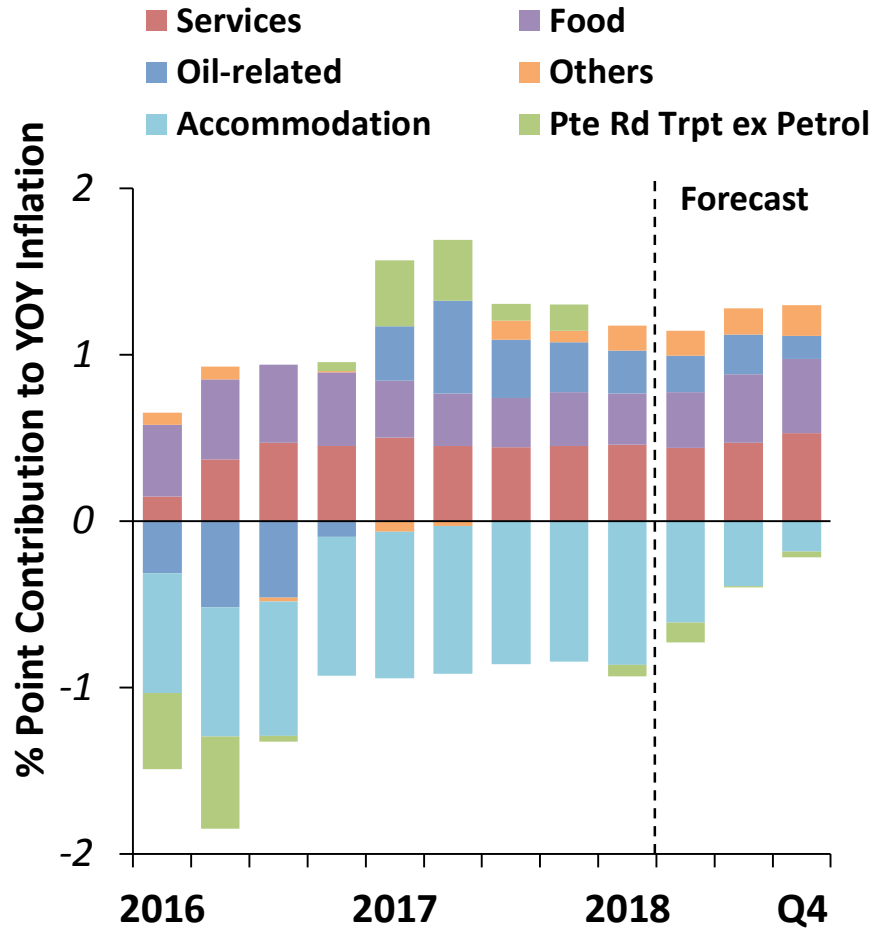


# The rise in core inflation this year is likely to be underpinned by improvements in the labour market.

**CPI-All Items and MAS Core Inflation**



**Contribution to CPI-All Items Inflation**





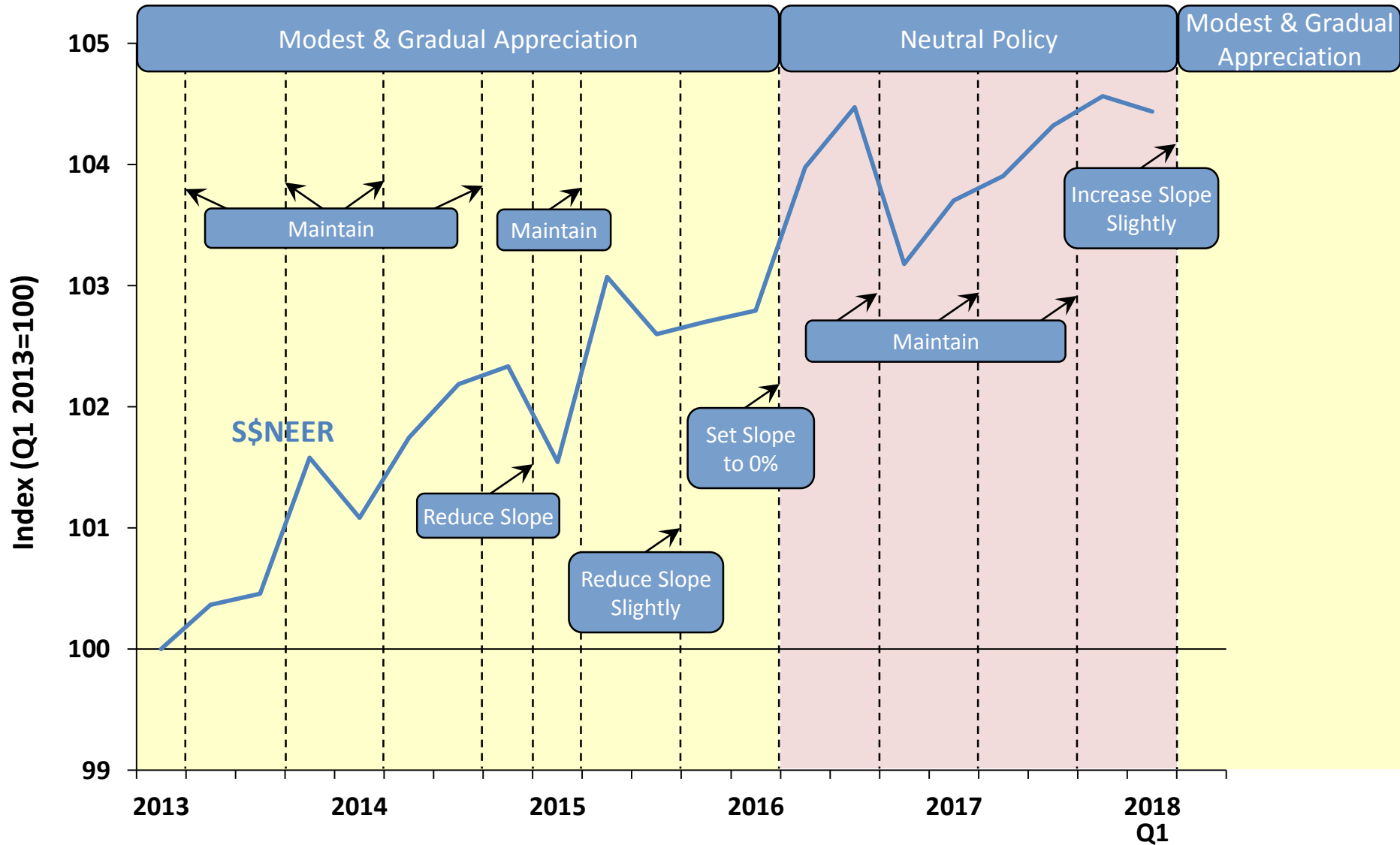
# Macroeconomic Policy

Calibrated Macroeconomic Policy Mix

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# Slight adjustment to the slope of the policy band.



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# REVIEW

Q&A



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