

Singapore Trip Report

April 10-13, 2023

Executive Summary

The majority of managers visited were Macro managers.

Several managers thought that many central banks were getting at the end of their tightening cycle. However, due to uncertainties regarding a potential US recession, they considered it was not the right time for large portfolio positions.

Several managers were not expecting a severe economic slowdown due to the recent US banking crisis. But if other US banks were to fail, the Fed would probably embark on a sizeable rates cut.

A recurring theme was BoJ's YCC (Yield Curve Control) program, which was perceived quite differently by several managers. On one side, some believed that BoJ cannot intervene too much, as it could create a debt crisis in Japan. Some others expected BoJ to normalize its policy and maintain YCC, while others expected BoJ to deliver more than expectations and to dismantle YCC.

Several managers were positive on the China reopening story, although it will take quite some time. They also expected the government to intervene in case of slowdown indications, but the stimulus would not be as large as in the past.

Elsewhere in Asia, some managers were more positive on South East Asian countries, as North Asia had more geopolitical issues. However, a popular trade was receiving rates in South Korea, as the market was pricing less rates cuts than they expected.