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In this issue

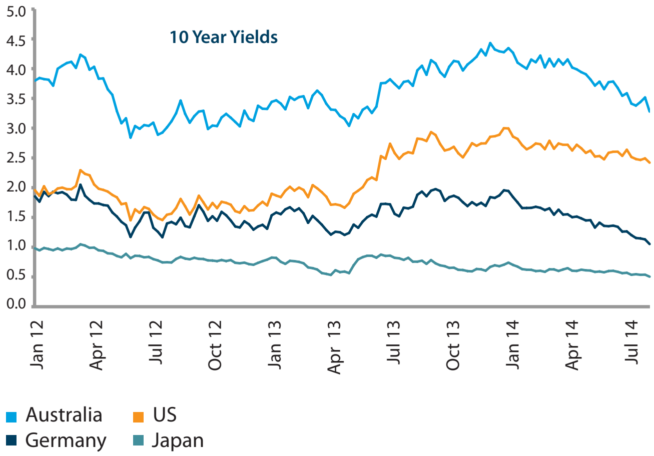
ANZ

Markets set low bar for bond yields

With bond markets pricing in subdued economic growth, the risks for yields are skewed to the upside.

Ten-year government bond yields across the major economies have fallen by at least 50 basis points this year, with the German Bund - the euro zone's benchmark interest - reaching an all-time low. Whether today's low bond yields can be sustained will largely depend on the evolution of the economic environment against current market expectations.

German Bund yields has reached an all-time low



Source: ANZ Global Wealth. August 2014.

The report is published by ANZ Wealth Asia. All charts and tables are individually sourced. "ANZ analysts" refer to investment professionals within the ANZ CIO Office, ANZ Economics & Markets Research and ANZ Wealth Asia. For more information, please contact your ANZ Relationship Manager.

To decipher market expectations, it is often useful to look at the difference between the 5-year and the 10-year spot bond yields. This helps to provide a glimpse of where markets believe shorter-term interest rates are heading, which are historically anchored by expectations of an economy's nominal GDP growth rate.

If we were then to compare the difference between the 5-year and 10-year spot bond yields with the current nominal GDP growth rates as well as the IMF's longer term GDP growth forecasts, the results would suggest that current bond yields are too low in the US, Japan and Australia. This means that current market pricing is consistent with subdued economic growth and in fact, with growth weakening further.

Given the relatively positive economic growth rates in the US and Japan, current depressed bond yields can be partially explained by the Fed's and BoJ's quantitative easing or bond buying programmes. Meanwhile, Australia's low bond yields could be reflecting expectations of weaker trend growth going forward as the surge in resource exports moderates. On the other hand, while Eurozone bond yields appear to be in line with its current growth rate, they are still well below the levels suggested by the IMF's longer term growth forecasts for the region.

Looking ahead, we see the risks skewed to the upside for bond yields. The "limbo bar" for rates is potentially set too low, and our expectations are for an economic recovery that is stronger than currently priced in by bond markets. As the Fed continues to move towards policy normalisation, a turn upwards may soon follow. That said, we need to watch for divergent inflation and growth trajectories that could result in yield trends parting ways across the major markets.

Investment Summary

We remain positive on the economic outlook. We expect the pace of world growth to strengthen over the rest of the year and head into 2015 to a modestly above-trend pace. With stronger growth supporting earnings and central banks set to retain rates at low levels for some time, we continue to expect this growth to be supportive of continued outperformance of equity markets over defensive assets. That said, it is important to note that as the US Federal Reserve begins the process of returning its policy settings to more normal levels, and with valuations already at a neutral level, investment returns are likely to be both more moderate and more volatile than 2013's.

We do believe, however, that we are approaching a near-term turning point for financial markets. With the US unemployment rate nearing 6%, some rise in labour costs is likely, pushing inflation higher. This is likely to see the Fed end its asset purchases in October, ahead of interest rate rises that we think will start in the first half of 2015. This in turn should bring about an end to the search for yield as the predominant driver of markets. Asset markets that have benefited the most from this search for yield are likely to come under pressure as US government bond yields move higher, similar to the shifts seen in the middle of 2013. This potentially includes high yielding bonds, Emerging Market equities, as well as the AUD.

Meanwhile, we now expect the US and European equity markets to perform in line with Asia and Japan. As for fixed income, outside of the US and Australia, we believe global markets will continue to be anchored by the still-accommodative policy stance of the ECB and BoJ. So some exposure to high quality investment grade corporates still makes sense for investor portfolios, particularly given the recent escalation of geopolitical risks.

Finally, despite the stabilising macro environment, the gains in commodity prices are expected to be more muted than in the past, tempered by lower liquidity and a stronger USD.

Asset Allocation	3-12 month view
Global Equities	Moderately Overweight
Global Bonds	Neutral
Cash	Moderately Underweight
Within Global Equities	
US	Neutral
Europe	Neutral
UK	Neutral
Japan	Neutral
Emerging Markets	Moderately Underweight
Asia ex Japan	Neutral

Source: ANZ Global Wealth. August 2014.

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Equities

We have turned neutral on the US and European markets. In the near term, we expect these markets to perform in line with other developed market regions.

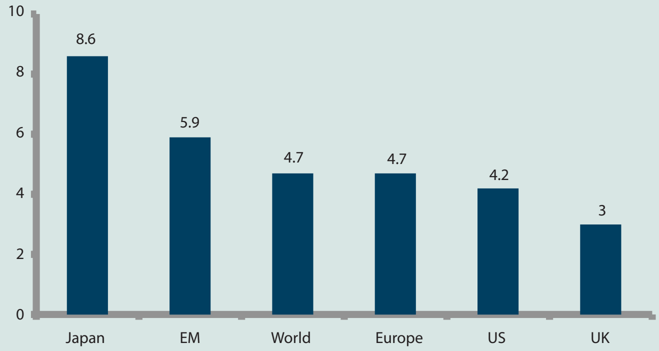
US - We have shifted our overweight US stance to neutral. The market has outperformed all other regions over the last 12 months and, based on almost all of our valuation metrics, appears to be relatively expensive. While the market's advance and valuations are justified by the improvement in underlying economic fundamentals and the relatively low risk associated with investing in the region, in our view, much of the good news is priced in for now.

Europe - We have likewise reduced our overweight Europe stance to neutral. The eurozone's economic momentum has slipped and the latest earnings results failed to trigger any positive momentum in earnings revisions, partly due to the persistently high EUR and the escalation of geopolitical tensions in the Ukraine.

That said, we have refrained from taking a more bearish stance on European equities at this stage. Given their high degree of operating leverage, they stand to gain the most from an uplift in global economic growth. In addition, the ECB's commitment to negative real interest rates and the potential expansion of the central bank's balance sheet towards the end of Q3 is likely to underpin economic prospects for the region.

Japan - Having underperformed since the start of the year, we think that the Japanese market may perform more in line with the other developed markets going forward. Given the large representation of exporters in the index, the market's earnings are highly leveraged to a global cyclical upswing. See Figure. While Japan typically outperforms when inflation expectations are rising, the relatively cheap valuations may be sufficient to offset uncertainty around the effectiveness of government and central bank policies.

Market beta to global industrial output



Source: Thomson Reuters. Credit Suisse Research. August 2014.

We continue to maintain an underweight stance in the emerging markets given the risks posed by rising US bond yields.

Emerging Markets (EM) appear vulnerable to a normalisation of US monetary policy. The search for yield to date has reduced the immediate need for many EM central banks to respond to external pressures and undertake credible policy steps, leaving these economies relatively vulnerable to a tightening in external financial conditions. Even if a sharp sell-off does not materialise, these markets are conspicuously lacking a healthy tailwind. Within EM, we continue to prefer Asia as it has better macro fundamentals and less political risk than its Eastern European counterpart. Asia may also be better equipped to cope if faced with a global taper tantrum similar to last year's.

Within Asia

Taiwan – We remain positive on Taiwan although the market has suffered from a bout of profit taking recently. Sentiment has also been hit recently following the Kaohsuing gas explosion. Despite its positive performance year to date, the market is not expensive as strong positive earnings revisions have been supportive of valuations.

On the macro front, June's export orders and industrial production point to a firm outlook for exports in the months ahead. Encouragingly, the improving economic outlook seems to be having a positive impact on other domestic sectors, such as the banks, which have also enjoyed positive earnings revisions recently.

Korea – We turned neutral on the Korean market last month amid concerns that the won has been strong, and earnings forecasts have seen downward revisions since the start of the year. Following the lower than expected 2QGDP reading, the government has announced a stimulus package worth KRW11.7 trillion. The Bank of Korea has also cut interest rates by 25 basis points in an attempt to boost consumer and business confidence which have flagged since the Sewol ferry accident. While a stronger Chinese economy will be positive for Korea, downward earnings revisions continue to be chunky and valuations are not cheap.

China – The market is cheap and market sentiment may be boosted by the government's easing bias and reform news. Indeed, the large loans earmarked for social housing purposes, the further lowering of housing purchase restrictions and new lending measures to support SMEs, are positives in the short term. At the same time, downward earnings revisions appear to be flattening out. That said, recent measures do not help to lower the amount of leverage in the system. As such, investors will need to be fleet footed if they intend to take advantage of any potential rallies.

Hong Kong – We have a neutral outlook on the HK market. Valuations are slightly expensive and fundamentals are not extremely compelling. We see HK banks being weighed down by weak credit growth and falling net interest margins. Meanwhile, the outlook for the property sector is equally lacklustre, given expectations of low rental growth and weak property prices/sales. That said, the market remains sensitive to upswings in the Chinese equity market given their high correlation.

India – We have been positive on the Indian market since the start of the year, but now believe that the market is due for a breather given extended valuations and weak sentiment in the near term. On the political front, reform-related newsflow may be limited until November, when the assembly polls in five major states are over. Meanwhile, although the monsoon rainfall has gradually improved, sowing was affected in the months of June and July. As such, we could see some pressure in food prices in the months ahead, although the impact is expected to be much less severe than in 2009. Notably, the government has taken steps to release its stockpile of rice and wheat for sale. Therefore, while we are not overly worried about inflation, the scope to cut rates, a positive driver for the market, seems limited.

ASEAN – The ASEAN markets may lose momentum as investor attention shifts to cheaper markets within the region, especially those with more positive newsflow, such as the North Asian region. That said, the underperforming Singapore and Malaysia markets are less likely to be susceptible to profit taking activities.

Over in Thailand, the SET has rebounded strongly post the military coup in late May and has more than recovered its losses since the onset of last November's political turmoil. Meanwhile, business and consumer confidence have based, although earnings forecasts continue to be revised lower. On the political front, a date has yet to be set for a fresh election. Given expensive valuations, the outlook for the market is relatively subdued.

Meanwhile, the macro picture is brightening for Indonesia. Although the 2QGDP was disappointing, economic activity appears to have picked up in 2H14 post the elections. Our economists believe that we may now be in the early stages of an investment upswing. Encouragingly, inflation has fallen within the central bank's target range for the first time in a year and is expected to remain so in the coming months. Earnings forecasts have also stabilised, which is another positive. However, the current account balance remains vulnerable. Stretched valuations also temper this otherwise positive backdrop.

Finally, the Singapore market is not expensive but catalysts to drive the market higher appear lacking. While Singapore banks look cheap, upside may be capped by weaker loans growth and the prospect of lower wealth and bond trading revenues. The outlook for the Singapore developers is also weighed down by tighter monetary conditions and the government's property cooling measures.

Within Asia	3-12 month view
China	Neutral
Hong Kong	Neutral
India	Neutral
Korea	Neutral
Taiwan	Positive
ASEAN	Neutral

Source: ANZ Wealth Asia. August 2014.

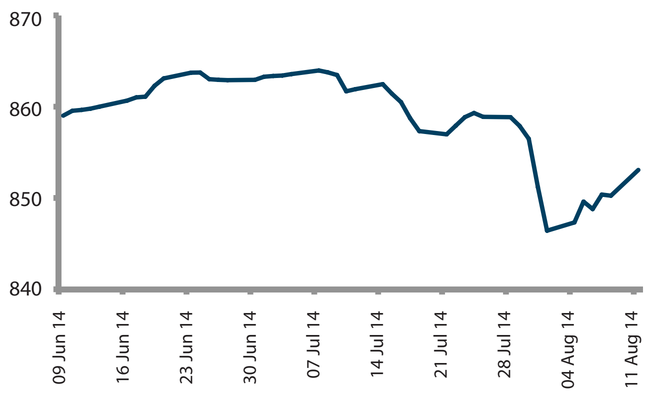
Fixed Income

We continue to find European financials attractive but caution against the US high yield bond segment.

Global fixed income markets performed solidly in July. While US 10-year bond yields rose modestly in July amid confirmation of a rebound in economic growth, this was more than offset by the broad-based rally in European government bonds. The latter saw yields fall to new cycle lows (and in some cases, record lows). Concerns over the situation in Eastern Europe caused the market to foresee an even more prolonged period of near-zero short term European Central Bank interest rates. There was little differentiation between countries, with the rally equally pronounced across France, Italy and Spain.

On the other hand, US high yield bonds have suffered a widening in credit spreads and fund outflows in recent weeks, with Lipper reporting a drain of US$7.1b of funds from US high yield bond funds and exchange traded funds in just the last week of July. Notably, this sell off in high yield bonds has come despite stronger than expected data in the US suggesting that the driver is a repricing of liquidity and volatility premium rather than a weakening of credit fundamentals . At the same time, heightened geopolitical tensions may have caused investors to take profits amid this extremely crowded trade.

US high yield bond index



Source: ANZ Wealth Asia. Bloomberg. August 2014.

Also worthy of attention is the fact that in the wake of the Global Financial Crisis, the more onerous capital requirements have led banks to trim down their bond inventories. Given these much tighter liquidity conditions, market corrections can be exacerbated by a rush for the exit. This means that despite US high yield bond valuations now looking more reasonable than they have been all year, caution is still warranted. In fact, as US bond yields rise, US investment grade credits are likely to look increasingly attractive as investors become less compelled to stretch for yield.

We continue to find the European bond markets more attractive than their US counterparts given the unfolding divergence in monetary policies. The economic data in the Eurozone disappointed in July and the ECB has committed to easing monetary policy further, including the launch of its own asset purchase program if necessary. In contrast, with the US unemployment rate nearing 6%, some rise in labour costs is likely, pushing inflation higher. We expect this to result in the Fed ending its asset purchases in October, and interest rates to start rising in the first half of 2015.

In particular, we favour the financials within European fixed income. The aim of the ECB's comprehensive assessment of the 128 euro area banks is to unearth capital shortfalls, under provisioning for loans or a mis-valuation of assets. Banco Espirito Santo's (BES) recent bail out by the Portugal central bank after suffering extensive losses in the first half of the year was a relatively contained incident which had little impact on the broader Eurozone bond markets. We caution that more skeletons could emerge from bank cupboards before or when the results of the Asset Quality Review (AQR) are released at the end of October. However, the exercise will help to restore confidence in the eurozone banking system and in the banks that pass the test.

However, investors should also bear in mind that EU rules on how banks can receive state aid are being tightened. A tougher set of bail-in rules will also be established for bondholders of failing banks. Already, the recent state bail-out of BES will leave shareholders and subordinated bondholders with losses, while sparing senior creditors and unsecured depositors. While many European banks have started raising capital since the AQR started, which should help to boost the banks' capital adequacy ratios, investors looking to subordinated bonds for additional yield pick-up should tilt towards the quality issuers.

Commodities

Despite the stabilising macro environment, the gains in commodity prices are expected to be more muted than in the past.

Commodity markets seem to be entering the second half on a positive note, helped by the stabilising macro environment. However, the recovery is expected to be relatively muted, tempered by lower liquidity and a strong USD, as the market starts to price in an earlier start to Fed normalisation.

A stronger USD, higher interest rates and still-weak Chinese demand for gold is likely to keep a lid on prices.

While gold prices will remain highly reactionary to developments in Eastern Europe, investment demand for gold is likely to remain relatively lacklustre in the face of a stronger USD, higher interest rates and a benign inflationary outlook.

Meanwhile, Chinese physical demand, a key supportive factor for the gold market last year, seems to be currently lacking. Notably, China's gold imports fell 14%yoy in the first half of the year caused by a domestic gold stockpile of over 100 tonnes. In India, another large gold consumer, demand is expected to stay subdued in the near term, given the lull in the festival/wedding season until November.

Despite ample supply, iron ore prices may have bottomed as Chinese steel mills start restocking in the months ahead.

We believe that iron ore prices have bottomed, and there is a possibility that Chinese steel mills may start restocking as Chinese iron ore port inventory declines. Seasonal considerations also suggest that Chinese iron ore imports tend to strengthen in the fourth quarter of the year. That may help to mitigate current swelling supplies. For example, the largest iron ore exporter in Australia grew its supplies by 27%yoy in the first five months of the year, having increased its capacity quicker than expected.

Copper may see further downside in the near term as end demand remains weak.

Having largely tracking sideways last quarter, base metals broke higher in late June, buoyed by positive economic data in China and the US. However, copper looks particularly vulnerable amid the normally quiet northern hemisphere summer. End user demand is still weak with operating rates at copper tube and pipe fabricators falling below 80% in June. China's copper imports also fell in June, as arbitrage opportunities closed up.

Energy markets could continue to ride on the wave of geopolitical news and a supportive macro backdrop.

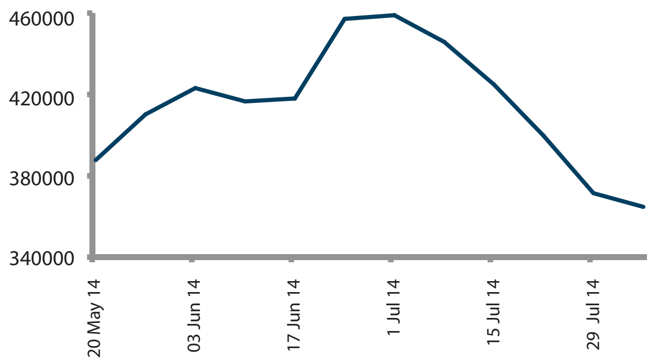
The tightening of physical supplies could add upside pressure and see Brent trade between US$109 and US$115/bbl and WTI between US$103 and US$107/bbl in the coming months. Given that Russia produces close to 12% of global oil supply, more onerous economic sanctions on Russia could cause prices to jump.

On the macro front, an improving demand backdrop in China and the US is also supportive of higher energy prices. Notably, US manufacturing activity has trended higher since the weather-affected start to the year. Adding to this, total crude inventories have fallen about 7% since their peak in May and stocks at Cushing are at a six-year low, although admittedly, European stocks are above 300m bbls for the first time since 2009.

Supply side dynamics also appear favourable with OPEC supply faltering. Libyan production is still far away from its long term average output levels and Iranian supply is unlikely to return in any meaningful fashion this year.

Finally, as of end July, net long positioning in WTI crude oil fell by 11.3k contracts to 378.8k. This is the fifth consecutive weekly decline in oil positioning since it reached historic highs in late June. This suggests that any seasonal stockpile tightness and supply issues in the Middle East/Russia could see long investors return.

Crude oil net non-commercial futures positioning



Source: Bloomberg. ANZ Wealth, Asia. August 2014.

Currencies

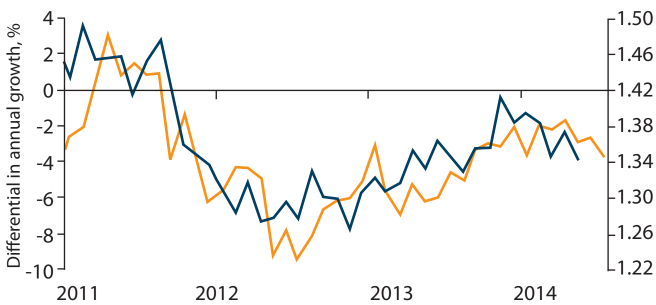
We maintain a USD bias as positive US data causes the market to start anticipating Fed tightening.

USD – We have a strong dollar bias and market volatility could surprise on the upside in the months ahead. In our view, the US rate lift off is nearing as the Fed's dual mandate of optimal employment and price stability appears likely to be met more quickly than expected. With tapering expected to end in October, the Fed is committed to provide more information, potentially at the Jackson Hole Symposium in September, on how it will tighten. Against this backdrop, we would expect commodity and Asian currencies to underperform.

EUR – We see the euro strengthening in the latter part of next year as the eurozone recovery firms. In our view, a successful Asset Quality Review is key to restoring confidence in the banking sector and facilitating greater homogeneity in bank lending rates across the euro area. This in turn will help improve small and medium sized enterprises' access to credit, which would be supportive of growth.

However, over the coming few months, softer activity and lower inflation readings in the Eurozone will be matched by stronger activity and policy developments in the US. This expected divergence between the forward guidance from the US and the euro area will weigh more on the euro than in the recent past. As such, a period of EUR underperformance relative to the USD may be warranted.

Euro area industrial production vs EURUSD



■ EZ-US industrial production growth differential (LHS)
■ EUR/USD (RHS)

Source: Eurostat, Federal Reserve Bank, Bloomberg, ANZ Research. August 2014.

JPY – As inflation peaks out in Japan, the BoJ may start to have second thoughts about its commitment to achieve its 2% inflation target by FY2015 through further quantitative easing. After all, further balance sheet expansion brings with it non-negligible risks. While we monitor the BoJ's rhetoric closely in the coming months, we are still expecting further, albeit modest, JPY weakness over the second half of the year, on the back of a firmer USD.

GBP – The sterling fell in August in response to the BoE's downward revision to the outlook for wage growth this year. Despite the strength in jobs creation, wage growth has remained subdued, in part due to the greater than expected slack in the labour market. The equilibrium level of unemployment in the UK is now forecast to be 5.5%. Given the dovish tone of the BoE's report and some signs of moderation in the pace of recovery, the sterling may be vulnerable in the short term. However, any signs of a re-acceleration in growth and pick-up in wages would once again lift expectations of a 4Q rate hike, and in turn the sterling.

AUD – While the AUD continues to trade above its fundamentals, a further rally has not been possible despite the low volatility environment. This suggests that carry and momentum may be losing their dominance as the main drivers for the currency, supporting our bearish stance on the AUD. In fact, with momentum investors building increasingly long AUD positions since April at average levels of USD0.9340, there is scope for these players to turn bearish relatively quickly, thereby exacerbating any decline in the AUD.

At the same time, the currency at current levels has not been providing as much stimulus to the economy, thereby limiting the recovery in the traded sectors of the economy. As such, our economists have recently pushed back the timing for the RBA's rate hike from February to May next year. This may also weigh on the currency.

NZD – Not only has the RBNZ signalled a pause in the hiking cycle, they have also been reluctant to rule out further intervention should the NZD strengthen further. Notably, on the domestic front, our economists' proprietary indicators for New Zealand, whilst elevated, are receding rapidly from their respective peaks.

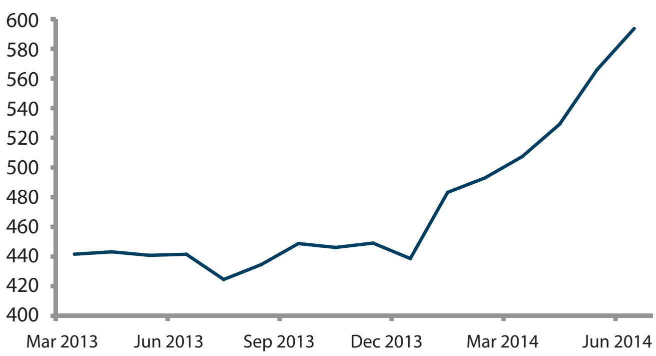
At the same time, falling commodity prices are a negative for the currency. While the domestic economy had previously been shielded from the impact of a high currency by rising commodity prices, this is no longer the case given recent declines in dairy prices. Against this backdrop and coupled with the prospect of a firmer USD, we expect the NZDUSD to decline further.

Most Asian currencies could come under pressure with US bond yields poised to rebound in the coming months.

CNY – While the CNY has appreciated since June, broadly tracking the improvement in the Chinese data flow, we believe that there is scope for further gains, even in the face of a stronger USD.

In our view, there are two potential sources of new demand for the currency, namely from foreign currency accounts, and the Shanghai-Hong Kong Stock Connect scheme. The surge in foreign currency deposits in 1H14 in China may be converted back into CNY as depreciation expectations diminish. See figure. The new Stock Connect scheme also becomes operational from October, which allows overseas investors to buy China A-shares without prior approval. While quotas are in place, these are relatively sizeable and expected to increase over time.

China foreign currency deposits (USD billions)



Source: Bloomberg ANZ Wealth Asia. August 2014.

IDR –Although the IDR yields will remain relatively attractive even with US yields moving higher, we caution that the IDR could weaken post the election-fuelled euphoria. For one, the economic reforms which the market is hoping for Jokowi to implement will only take place in 2015 at the earliest. In the meantime, Indonesia will have to grapple with a still large current account deficit and near- term growth challenges. Finally, it would be difficult to sustain the record foreign inflows which have been flowing into Indonesian assets to date.

INR – We believe that the Indian rupee is better placed to weather rising US interest rates. India's external balance has improved since the taper tantrum late last year. Notably, the Modi-led government refrained from reducing gold import duties which could have caused gold imports to surge and the trade balance to weaken. Meanwhile, the central bank has been reinforcing the country's foreign exchange reserves, now at their highest level since 2008.

The government's recent move to shift USD5 billion of underutilised Foreign Institutional Investor (FII) bond quota to replenish the near fully-utilised "other Investors" quota, will provide room for further buying and thereby, portfolio inflows into India. That said, a weak monsoon is a key risk to growth/ inflation and foreign interest in Indian equities.

SGD – Given the lower inflation trajectory through the first half of this year, and the relatively subdued outlook for both property and COE prices going forward, our economists have lowered their inflation forecast for 2014 to 1.7% yoy, from 2.7%. Nevertheless, the MAS is expected to maintain its modest, gradual appreciation policy for the S$NEER in the next policy review in October.

TWD – Taiwan's GDP rose 3.84% yoy in Q2, higher than market expectations. The stable growth reinforces our view that Taiwan's economy will continue to recover in the second half of the year on the back of a sustained recovery in advanced economies and Mainland China. Meanwhile inflation is likely to be relatively contained around 1.3% for the full year. Given this growth and inflation profile, we believe the CBC will continue to keep interest rates unchanged throughout 2014 although we have pencilled in the next Taiwan rate hike to take place in March 2015.

Returns

Country Equity Markets	YTD	1-Yr	3-Yr
ASX 200	5.2%	11.5%	27.3%
FTSE 100	-0.3%	1.6%	15.7%
Hang Seng	6.2%	13.1%	10.3%
India Sensex	22.3%	33.9%	42.3%
Jakarta Comp	19.1%	10.4%	23.2%
Korea KOSPI	3.2%	8.5%	-2.7%
Malaysia KLCI	0.2%	5.6%	20.8%
Nikkei 225	-9.5%	7.9%	49.9%
S&P 500	4.5%	14.5%	49.4%
Shanghai-A	4.0%	10.4%	-18.5%
Singapore ST	6.5%	4.7%	5.8%
Taiwan Weighted	8.2%	14.9%	7.8%

Regional Equity Markets	YTD	1-Yr	3-Yr
MSCI World	3.5%	13.6%	25.9%
MSCI Europe	-0.5%	12.8%	16.6%
MSCI BRIC	5.4%	13.9%	-14.5%
MSCI Emerging Market	6.3%	12.5%	-6.3%
MSC AP ex Japan	8.8%	15.8%	5.8%

Fixed Income	Yield	1-mth chg	YTD chg
Aust Govt (10Y)	3.51	-3	-73
Bunds (10Y)	1.16	-9	-77
Gilts (10Y)	2.60	-7	-42
JGB (10Y)	0.54	-3	-20
NZ Govt (10Y)	4.25	-16	-47
SG Govt (10Y)	2.46	14	-10
US Trsy (2Y)	0.53	7	15
US Trsy (10Y)	2.56	3	-47

Currencies	Level	1-mth chg	YTD chg
USD-JPY	102.80	-1.5%	2.4%
EUR-USD	1.34	-2.2%	-2.6%
AUD-USD	0.93	-1.5%	4.2%
USD-SGD	1.25	-0.1%	1.2%
NZD-USD	0.85	-2.9%	3.5%
GBP-USD	1.69	-1.3%	2.0%
USD-CAD	1.09	-2.2%	-2.7%
USD-TWD	30.02	-0.4%	-0.7%
USD-IDR	11580	2.5%	4.9%
USD-INR	60.56	-0.6%	2.0%
USD-KRW	1027.78	-1.6%	2.1%

Source: Bloomberg. As of 31 July 2014.

Commodities	Level	1-mth chg	YTD chg
Copper	7115	1.4%	-3.3%
Gold	1281	-3.1%	6.6%
WTI Oil	98	-6.8%	-0.3%

Forecasts

Precious Metals (US$/oz)	Dec-14	Mar-15	Jun-15
Gold	1180	1220	1260
Platinum	1520	1500	1590
Palladium	870	849	837
Silver	18.0	18.5	19.1

Energy (US$/bbl)	Dec-14	Mar-15	Jun-15
WTI Nymex	105	107	107

Currencies	Dec-14	Mar-15	Jun-15
USD-JPY	110	110	110
EUR-USD	1.32	1.33	1.35
GBP-USD	1.68	1.71	1.75
AUD-USD	0.88	0.86	0.85
NZD-USD	0.81	0.79	0.78
USD-SGD	1.28	1.29	1.30
USD-TWD	30.6	30.7	30.7
USD-IDR	12000	122000	123000
USD-INR	59.5	60	60.5

Cross Rates	Dec-14	Mar-15	Jun-15
AUDNZD	1.09	1.09	1.09
AUDSGD	1.13	1.11	1.11
NZDSGD	1.04	1.02	1.01
EURSGD	1.69	1.72	1.76
SGDJPY	85.94	85.27	84.62
GBPSGD	2.15	2.21	2.28
AUDIDR	10560	104920	104550
NZDIDR	9720	96380	95940
EURIDR	15840	162260	166050
JPYIDR	109	1109	1118
GBPIDR	20160	208620	215250

Source: ANZ Economics & Markets Research. As of 12 Aug 2014. Forecasts are quarterly averages.

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