Markets Monthly

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In this issue

Spotlight: Volatility ahead

Equities: Stay diversified

Fixed Income: Maintain a quality bias

Currencies: Dollar to strengthen further

Commodities: Negative backdrop for gold

Risk Warning Statement :
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Investors should not make an investment decision based solely on this document

ANZ

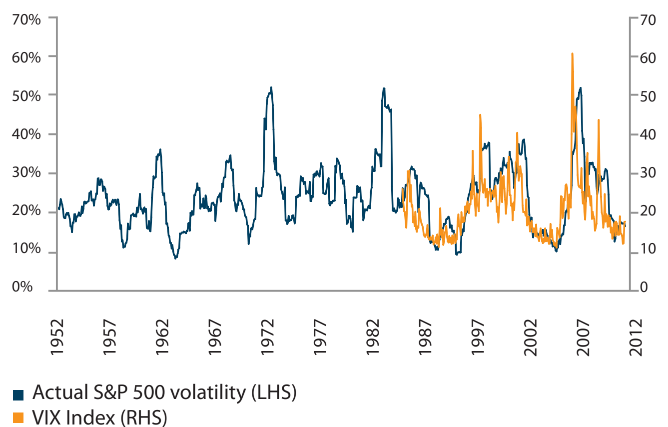
Volatility ahead

While the US economic recovery is likely to continue for some time yet, steady improvement in the US unemployment rate point to greater volatility ahead.

Much has been said of the low volatility environment seen in financial markets over the past few years. While abundant liquidity, the result of central banks' large scale bond purchases, is believed to be largely responsible for this phenomenon, it is interesting to note that the current low level of equity market volatility, as measured by the VIX index, is not unprecedented. See chart.

Similar low levels were reached mid last decade and in the mid-1990s. Combining the VIX index with actual S&P 500 volatility (since the VIX index only began in the early 1990s), we find that similar low levels of volatility were reached in the late 1950s through to the early 1970s.

US Equity Market Volatility



Source: Bloomberg, ANZ Global Wealth.

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Equity volatility has its own discernable peaks and troughs and is driven primarily by the state of the economy. Our analysis shows that market volatility tends to rise as the economic cycle enters a more mature phase. If we were to use the unemployment rate as a gauge of the economy, it is not surprising to note that historically, sharp spikes in unemployment volatility were accompanied by high levels of equity market volatility.

Notably, a sharp deterioration in the economy, as signalled by a sharp move upwards in unemployment, and the ensuing negative impact on earnings, have led to poor equity market performance and rising volatility.

Our analysis also shows that historically when the US unemployment rate is above 6%, the 2-year annualised returns for the S&P 500 is almost always positive. However, once the unemployment rate falls below 6%, the distribution of returns widens and includes both positive negative and positive returns. With the current US unemployment rate at 6.1%, we see the risk of rising volatility in the period ahead.

It would appear that, while we anticipate the US economic recovery to continue for some time yet, we are entering a more mature phase of the recovery, going by the steady improvement in the US unemployment rate. This tends to lead to increasing uncertainty about returns as the US Federal Reserve (Fed) begins to raise rates.

With markets being forward looking, the impending end of the Fed's quantitative easing programme could signal the turning point for equity market volatility and for asset prices in general.

Investment Summary

Global economic growth has moderated in recent months but this was not entirely unexpected, given the strong run in the second quarter, particularly in the United States. All in, we anticipate the moderate expansion in global growth to continue. We believe that the US recovery has solid foundations and will provide support for other regions, particularly Europe.

We have made no change to our asset allocation strategy this month. Relative value and the economic cycle continue to support the overweight to equity versus defensive assets. This overweight is concentrated in developed market equities including US, Europe and Japan. While there has been some loss in momentum and disappointing data, we expect this to be a short-term phenomenon. Global equity markets remain around fair value overall and earnings continue to rise at a moderate pace. Sentiment indicators, while remaining in slightly negative territory, do not suggest a major market correction.

We continue to expect global bond yields to move up from current levels, although we do not expect them to revisit the levels seen earlier in the year.

As we approach the end of quantitative easing and the start of US rate hikes, possibly by mid-2015, we are cognisant of the risks developing in the investment cycle and in particular, illiquidity risks. This means that our focus is on quality growth assets. We would caution against large exposures to higher beta and less liquid assets such as Emerging Market equities, high yield debt as well as the AUD and NZD.

Asset Allocation	3-12 month view
Equities	Moderately Overweight
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. September 2014.

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Equities

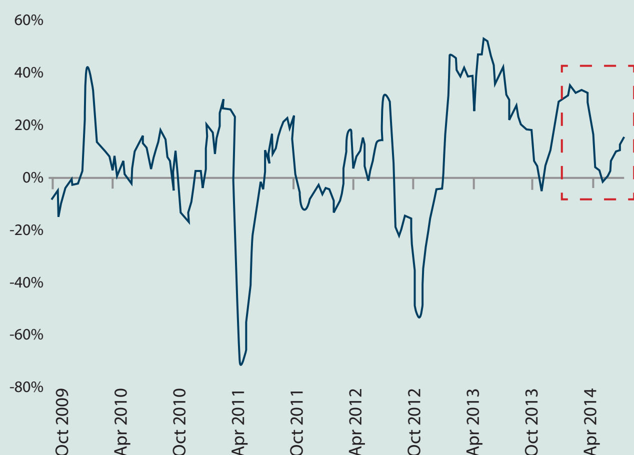
We advocate that investors diversify their equity exposure across US, Europe, Japan and Asia.

US - Economic indicators are showing strong positive momentum in the US, thereby signalling an acceleration in global growth momentum. With the US trailing PE around 18x, the market is not cheap. However, it is not significantly overvalued either, especially when we take into account the current low level of inflation. At the same time, valuations are justified by better earnings quality. These factors help to position US equities as a relatively more defensive way to benefit from global economic acceleration. Over the next 12 months, further PE expansion may be challenging but earnings are expected to grow by a very respectable 6-8%.

Europe - Investors took profit from their European equity investments in August as economic momentum weakened in the Eurozone and geopolitical worries heightened. Meanwhile, earnings revisions in Europe remain disappointing. That said, we are not overly bearish on the region at this stage - the selloff in Europe has made valuations cheaper. Over the medium term, there is room for some PE expansion and stronger earnings growth, in part due to the weaker euro. Further policy easing will also help boost sentiment.

Japan - Over in Japan, earnings revisions appear to be picking up and could benefit from a further decline in the JPY. See chart. The proposed cut in Japan's corporate tax rate, if instituted, will also likely have a meaningful impact on earnings. At the same time, Japan's inflation outlook is key. Prime Minister Abe's ability to push through reforms and lift inflationary expectations can be expected to have a direct positve impact on the Japanese market.

Japan: 4-weeks Earnings Revisions Relative to Global



Source: Thomson Reuters, Credit Suisse Research. July 2014.

Emerging Markets are set to come under pressure as US yields rise. However, within this asset class, our preference for Asia remains unshaken.

The return of the search for yield has clearly taken the pressure off Emerging Market (EM) economies and markets. However, they are not out of the woods yet. Despite expectations of stronger global growth in the second half of 2014, concerns linger over rising US bond yields and their potential impact on EM markets and currencies. Brazil, South Africa and Turkey look particularly vulnerable given expensive currencies and large current account deficits.

Meanwhile, in the wake of an 8.5% rally year to date, EM valuations do not appear excessively cheap. However, we note that on a price to book basis, Asian equities are about 20% cheaper now than they were at the end of the Fed's earlier quantitative easing programmes. Therefore, while we expect EM to come under pressure from rising US yields and falling capital inflows, we continue to maintain a preference for Asia within the emerging market asset class.

Within Asia

Taiwan – We remain positive on the Taiwan market. Valuations are fair and earnings continue to be revised higher. The global recovery, strong business investment and resilient exports have prompted our economists to revise up our 2014 GDP forecast for Taiwan to 3.6% from 3.1% previously. Meanwhile, the much awaited release of a string of new products by a major customer in the second half of the year is expected to boost the earnings outlook for the Taiwan technology supply chain.

Korea – The Korean market was flat in August after gaining close to 4% in the previous month. The rally in July was fuelled by foreign buying on optimism of higher dividend payouts. This followed the Korean government's tax code change to discourage corporates from hoarding cash. Currently, the KOSPI's dividend yield stands at 1.1%, one of the lowest in the region.

While we continue to monitor the progress of structural changes that are likely to appeal to medium term investors, we note that the market is not cheap relative to its historical levels and earnings continue to be revised lower. A recent survey by the Bank of Korea pointed to companies' ongoing caution about investing. A higher proportion (62%) of respondents this quarter, versus (55%) last quarter, believes that the won's appreciation has had a negative impact.

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China – The A-share market has been buoyed in August by the upcoming launch of the Shanghai-Hong Kong Stock Connect in October. The programme will allow foreign investors to buy Shanghai-listed shares via Hong Kong, while granting mainland Chinese access to Hong Kong-listed equities. Notably, sectors in China which were trading at a significant discount to their HK-listed peers have enjoyed a re-rating.

Nevertheless, we should not forget that macro fundamentals still matter in the medium term. On this front, the Chinese economy appears to be struggling post its improvement in the second quarter. Private sector investment remains weak while local-government driven infrastructure investment has also slowed on the back of the central government's anti-corruption campaign. This is compounded by the slowdown in the property sector. Further easing and even a cut to the reserve requirement ratio cannot be ruled out, if the economy continues to deteriorate. While this would potentially boost near term investor sentiment towards Chinese equities, we caution that longer term prospects are still challenging. More time and pain is probably required before China's current reforms bear fruit.

Hong Kong – The sentiment in the property market appears to have improved post the May relaxation of the double stamp duty. Following a slow start, sales in the physical market picked up in July and August, notwithstanding that these are traditional peak periods during the summer season. While property developers' dividend yields could be supportive of valuations, less compelling are companies with a large exposure to the retailing leasing segment. The downtrend in Mainland tourist arrivals is particularly weighing on luxury segment retailers.

India – We turned neutral on the Indian market last month, after being positive since the start of the year. On the macro front, a growth recovery is underway as evidenced by the move up in industrial growth in Q2 to 4.1%yoy, from an average -0.2% in the previous four quarters. Encouragingly, the downward revision in earnings forecasts has also moderated. However, the market is not cheap, having run up 26% year to date in local currency terms. Meanwhile the market appears to be turning more sceptical on Modi's ability to deliver on reforms. Greater progress on the reform front will therefore be needed before we would expect another leg up in the market.

ASEAN – While the ASEAN markets continued to perform well in August, we caution that earnings revisions appear to be deteriorating in most markets. This warrants some caution as most markets, barring Singapore and Malaysia, are relatively expensive. Thailand is one example where, despite the rebound in economic activity since the military coup, we believe that much of the positive news has been priced into the market. Valuations also appear expensive relative to history while earnings forecasts continue to be revised lower.

Over in Indonesia, the investment upswing expected by our economists in 2Q has not panned out. Further examination of the import data over June and July suggests that the economy may be bottoming out in 3Q instead. As such, there are downside risks to their 2014 GDP forecast of 5.4%. On the earnings front, earnings revisions seem to have weakened anew, which bears monitoring. Meanwhile, the market is expensive and the rupiah remains vulnerable to rising US bond yields given the country's still sizeable current account deficit.

Finally, the Singapore market, while not expensive, lack the catalysts needed to drive the market higher and earnings revisions have been deteriorating. We believe that the upside for Singapore banks is capped by prospects of weaker loans growth. Loans fell modestly in July, the first month-on-month decline in two years, driven mainly by weakness in business loans. In addition, amid slowing mortgage loans growth, consumer loans continued to grind lower.

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

Source: ANZ Wealth Asia. September 2014.

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Fixed Income

We look for global bond yields to back up from current levels, although they are unlikely to revisit the levels seen earlier in the year.

We see the risks skewed to the upside for bond yields. Over in the US, economic growth and inflation appear to be on the rise, which is supportive of higher yields. That said, the significant portfolio of bonds acquired by the Fed via its QE operations is likely to continue to counteract this upward pressure on yields. On balance therefore, unless inflation or growth surprises strongly on the upside, the rise in US yields is expected to be relatively contained.

For investors who desire USD exposure, US Financials still offer potentially higher returns than cash deposits, with room for modest spread tightening. Notably, the outlook for this sector is becoming increasingly attractive. A hike in interest rates would boost bank margins, while the improving cyclical backdrop is positive for loan demand. In fact, total loans growth in the US has since reached a post-crisis high.

Meanwhile, following the rally in German bunds in August, there is a limit to how much further Eurozone bond yields can fall. See chart. We look for yields to back up from current levels, but these are likely to end up lower than earlier in the year, given the weak recovery and the looming risk of deflation in the euro area.

10-yr German Bund Yield (%)

Source: Bloomberg. September 2014.

Within European fixed income, we continue to find value in European Financials. Quantitative Easing by the ECB, when it eventuates, has the potential to boost the banks' balance sheets, given that an ECB programme to buy sovereign bonds would lead to a rise in the value of the banks' sovereign bond holdings. Similarly, a programme to buy Asset Backed Securities has the potential benefit of removing risky assets off banks' books, thereby enhancing their solvency and in turn improving their ability to extend further loans to the economy. Meanwhile, we find the risk reward trade-off offered by bonds maturing between five to seven years to be attractive relative to other tenors.

Over in Australia, the liquidity and yield of Australian bonds continue to appeal to bond investors. Notably, foreign holdings of Australian sovereigns increased for the fourth successive quarter, with foreign ownership levels staying at an elevated 68%. The sector is now clearly vulnerable to any softening in demand from offshore investors and explains our cautious stance towards this sector. At the same time, our expectation of higher US bond yields and further progress in the non-mining recovery point to higher yields in Australia. Finally, for Asia-based investors, our negative view of the AUD could further undermine returns.

With US rate hikes looming, we are cognisant of the risks in the investment cycle, and in particular the possibility of increased volatility in the months ahead. This leads us to adopt a cautionary stance towards less liquid sectors such as high yield debt. High yielding bonds have benefited significantly from the search for yield this year. While this driver may not come to an abrupt end, even a mild waning of its intensity could have negative implications for high yield bond returns.

Within Asia, the Chinese property bond sector has seen much investor interest, but we would stress the need to be highly selective. Valuations are not attractive and market volatility may rise given the impact that developers' price discounting and negative headlines is having on sentiment. Gearing levels have also jumped for smaller developers. Against this deteriorating backdrop, large, investment grade-rated developers are expected to fare better than their smaller counterparts.

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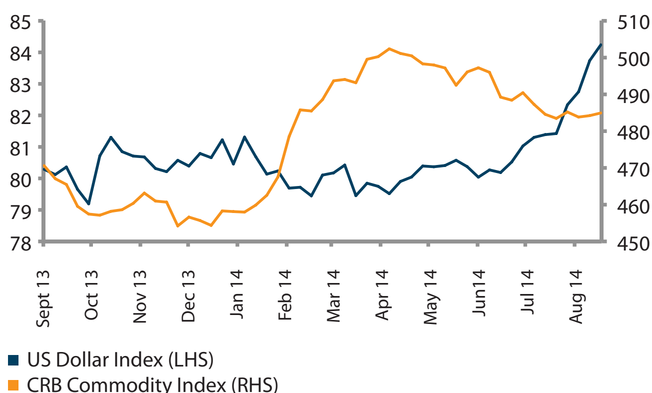
Further dollar strength plus China's growth trajectory would be key for commodities in the coming months.

Although commodities started 2014 as one of the best performing asset classes, since May, a large proportion of commodity markets gains have dissipated. See chart. Commodities could come under renewed pressure from a strengthening dollar as the start of Fed rate hikes nears.

Commodity Price Index vs US Dollar Index



Source: Bloomberg. September 2014.

In addition, China's economic trajectory is key for commodity markets over the next 12 months as it does account for about half of global industrial commodity demand. The country is also the world's second largest consumer of oil. Of late, China's real activity data has not been encouraging. Industrial production slowed to 6.9%yoy in August, the slowest pace since the global financial crisis. Fixed asset investment also slowed sharply to 16.5% yoy in the period from January to August compared to 17% in the period from January to July. According to our economists, short of an outright policy easing, there is risk that China will miss its 7.5% growth target this year.

While gold will remain sensitive to global geopolitical ructions, we expect rallies to be short-lived on the back of lacklustre Chinese demand.

We believe that the risk remains on the downside for gold over the next few months as physical demand from China, its largest consumer, is expected to remain lacklustre till year end. The Chinese market is currently well supplied, and in fact, gold inventory rose by 120 tonnes in Q2, adding to the 215 tonne stock build in Q1.On the other hand, gold demand from India, its second largest consumer, is likely to pick up in the coming months ahead of the November wedding season. That said, existing gold import restrictions are likely to help keep a lid on prices. Finally, expectations of a stronger dollar and higher US bond yields are also negative for the precious metal.

Meanwhile, within the precious metal complex, platinum prices have been falling since July, and although prices may decline some more in the near term, largely on the back of further profit taking, it is hard to see the fall becoming severe. After all, the loss of South African production for about six months this year has caused a significant run down in stocks. The decline in above ground stocks also makes the market more vulnerable to another supply shock. For these reasons, we believe that platinum is likely to trade in a higher range over the next 12-18 months.

Iron ore has been one of the weakest performing commodities this year, falling over 30% since January. In our view, while demand has been subdued, supply side factors have also weighed on prices.

Chinese iron ore port stockpiles have risen aggressively this year, fuelled partly by inventory financing activities. As widely reported in the press, a number of small steel producers resorted to importing and stockpiling iron ore as a means to obtain credit. High port inventories, coupled with an uncertain outlook for the Chinese property market, have also caused Chinese steel producers to be reluctant to restock their inventories.

On the supply front, iron ore exports rose as Australian producers significantly expanded their capacity. Surprisingly resilient Chinese iron ore supply has further exacerbated the situation. Notably, despite the weak price environment, Chinese iron ore production rose 10.4% year to date, which has in turn dampened China's demand for iron ore imports.

Going forward, while supply issues remain relevant, the worst is probably over, in our view. This raises the possibility of a small relief rally in prices towards year end, where iron ore imports tend to be seasonally high.

Saudi Arabia's ability to curb oil output may limit further energy price declines.

In the energy market, adequate supply, subdued demand and a stronger dollar have kept oil prices under pressure. The fall in Brent to below US$100/bbl has brought Saudi Arabian swing supply back into the spotlight as breaches of the threshold could see the country curb output. There was some evidence of this in August, with total Saudi output down 400 thousand barrels/day but some of the decline in output could be seasonal.

In the near term, both WTI and Brent prices may remain weak as northern hemisphere refineries tend to schedule maintenance works in September/October, hence keeping crude oil demand low. However, the transition to heating fuels later in the year could see prices move moderately higher as low inventories of these fuels are replenished.

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Currencies

Amid a firming of the US rates outlook and rise in short term bond yields, we expect the USD to strengthen, particularly against the commodity and Asian currencies.

USD – The Fed's commitment to maintain low rates for a "considerable period" looks set to be tested as US data continues to outperform. This could, in turn, unsettle the current low volatility, yield seeking environment. Indeed, institutions ranging from the Bank for International Settlements (BIS) to the Reserve Bank of Australia have warned against market complacency. More recently, Fed chairwoman Janet Yellen indicated that US analyses of labour market slack has become more challenging. We expect debates within the Fed on the timing of the first interest rate hike to intensify in the coming months.

EUR – The ECB lowered the corridor for its benchmark interest rates by 10bps in September and also confirmed that it will begin outright purchases of Asset Backed Securities (ABS) from October, in response to persistently low inflation and weakening activity indicators in the region. Outright purchases of ABS are a form of Quantitative Easing (QE) and, along with the Targeted Long Term Refinancing Operations, will help to expand the ECB's balance sheet, thereby providing credit to the real economy.

Evolution of ECB's Balance Sheet

Source Bloomberg, ECB, ANZ Research.

While the raft of measures announced by the ECB last week will likely see the central bank on hold for the foreseeable future, these policy measures will also help to anchor low bond yields and keep the euro weak.

Furthermore, in previous press conferences, ECB President Draghi pointed to the divergence in the monetary policies across major advanced economies as a key contributor to euro weakness. This implies that the ECB may be expecting the common currency to weaken further in the short term. At the point for writing, if the US Federal Reserve upgrades its assessment of inflation and activity at the FOMC meeting in September, we can expect the EUR/USD to decline further.

JPY – Wage pressures are building in Japan amid a tightening labour market, but in our view, the BoJ remains unlikely to achieve its 2% inflation target by FY2015. While the central bank has an opportunity to revise its inflation outlook in October, should the central bank remain committed to its inflation goal, it is likely to be pressured to ease policy further. We will monitor the BoJ's rhetoric closely in the coming months, but barring any surprises, we expect to see further USD strength and modest JPY weakness for the rest of the year.

GBP – At the time of writing, the outcome of the Scottish Independence Referendum is still unknown. However, we expect a pro-unionists win to produce a relief rally in the currency, and for the UK economy to continue on its path of economic recovery. In our view, the rapid fall in unemployment points to a recovery in wages growth. Given the lag in monetary policy, the BoE may view it prudent to raise rates before wage pressures rose. As such, we believe that the central bank is on track to raise interest rates over the next six months.

On the other hand, a pro Scottish independence vote may set the sterling on a path of weakness as the outcome will probably be viewed negatively by financial markets. In this scenario, the BoE could sit on the policy sidelines for longer than currently forecast, given the heightened economic and financial uncertainty.

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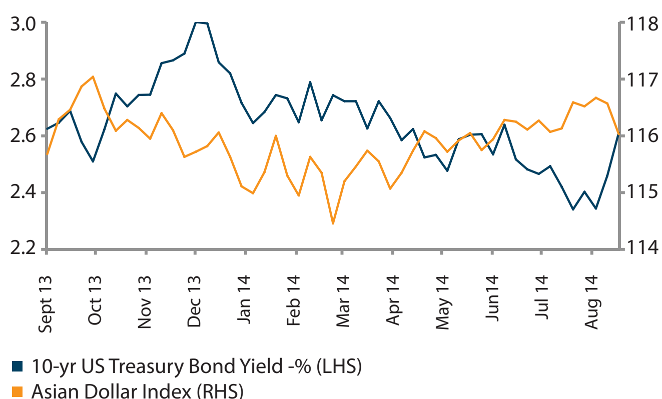
AUD – The recent release of a Fed paper highlighting the gap between Fed expectations of interest rate trends and those in the market triggered broad USD strength, particularly against the higher yielding "carry" currencies. Notably, the AUD's inability to sustain its spike despite Australia's robust August labour force report suggests to us that the AUD is forging a new, lower range. For now, the 0.922 level has the potential to be a strong resistance level. We remain cautious on the AUD, and it has been our view for some time that the currency had detached itself from its fundamentals.

NZD – We expect the NZDUSD to continue drifting lower in coming months. USD strength will be the main driver, as US economic data improves and the Fed prepares markets for the removal of monetary policy accommodation. Despite the recent turn in momentum, the NZ economy is still growing at above global averages, but the peak in growth is behind us and current momentum suggests further declines in activity are possible before the economy stabilises. Meanwhile, inflation pressures remain subdued.

As we edge closer to Fed tightening, there is risk that outflows from Asia will lead to downward pressure on the region's currencies, although we are not expecting the sort of selloff seen during last year's taper tantrum.

Asian Dollar Index vs US 10-yr Treasury Bond Yield (%)



Source: Bloomberg. September 2014.

CNY – In our view, the CNY is likely to weather an environment of rising US interest rates better than most of its regional peers. Despite the recent poor economic data, China's trade surplus and FDI flows imply there is steady demand for the currency. Then there are structural factors, notably, foreign portfolio inflows prompted by the Chinese authorities' ongoing relaxation of their capital restrictions, and global investors' underweight positions in Chinese assets.

IDR –The rupiah has been the best performing Asian currency year to date, benefiting from strong foreign portfolio inflows as investors factored in a Jokowi win at the Presidential election. However, in a rising US interest rate environment, Indonesia's current account deficit could yet return as a concern for investors. Under this scenario, Indonesia's high domestic interest rates will only insulate the rupiah to some extent. We expect some of the record portfolio inflows into Indonesian assets to unwind, dragging on the rupiah.

INR – India has been attracting foreign inflows, partly on speculation that the market will receive a credit upgrade from Standard & Poor's. This has been supportive of the rupee. At the same time, there are signs that the RBI may be actively intervening to contain the rupee's appreciation. This would have bolstered India's FX reserves, putting the central bank in a stronger position to handle any Fed-induced spike in market volatility.

SGD – Our view on the SGD remains one of modest, gradual appreciation for the SGD Nominal Effective Exchange Rate (NEER), although we expect the SGD to underperform the USD. An added impetus for a higher USD/SGD is the recent potentially euro-negative actions by the ECB. A much weaker euro would weigh on the SGD's trade weighted basket.

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Returns

Country Equity Markets	YTD	1-Yr	3-Yr
ASX 200	5.1%	9.6%	32.0%
FTSE 100	1.0%	6.3%	26.4%
Hang Seng	6.2%	13.9%	24.6%
India Sensex	25.8%	43.1%	62.3%
Jakarta Comp	20.2%	22.4%	33.7%
Korea KOSPI	2.8%	7.4%	13.1%
Malaysia KLCI	0.0%	8.0%	28.9%
Nikkei 225	-5.3%	15.2%	74.3%
S&P 500	8.4%	22.7%	65.6%
Shanghai-A	4.8%	5.7%	-13.9%
Singapore ST	5.0%	9.8%	19.2%
Taiwan Weighted	9.6%	17.6%	24.5%

Regional Equity Markets	YTD	1-Yr	3-Yr
MSCI World	5.6%	18.6%	41.5%
MSCI Europe	-0.4%	14.7%	34.2%
MSCI BRIC	8.7%	19.0%	1.0%
MSCI Emerging Market	8.5%	17.0%	8.3%
MSC AP ex Japan	9.2%	17.5%	19.6%

Fixed Income	Yield	1-mth chg	YTD chg
Aust Govt (10Y)	3.29	-21	-94
Bunds (10Y)	0.89	-27	-104
Gilts (10Y)	2.37	-23	-65
JGB (10Y)	0.50	-4	-25
NZ Govt (10Y)	4.07	-18	-65
SG Govt (10Y)	2.27	-19	-29
US Trsy (2Y)	0.49	-4	11
US Trsy (10Y)	2.34	-21	-69

Currencies	Level	1-mth chg	YTD chg
USD-JPY	104.09	-1.3%	1.2%
EUR-USD	1.31	-1.9%	-4.4%
AUD-USD	0.93	0.5%	4.7%
USD-SGD	1.25	-0.1%	1.1%
NZD-USD	0.84	-1.6%	1.8%
GBP-USD	1.66	-1.7%	0.2%
USD-CAD	1.09	0.3%	-2.4%
USD-TWD	29.93	0.3%	-0.4%
USD-IDR	11690.00	-0.9%	4.0%
USD-INR	60.52	0.1%	2.1%
USD-KRW	1013.88	1.4%	3.4%

Source: Bloomberg. As of 29 August 2014.

Commodities	Level	1-mth chg	YTD chg
Copper	6982	-1.9%	-5.1%
Gold	1287	0.4%	7.0%
WTI Oil	96	-2.3%	-2.5%

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	0.86
NZD-USD	0.81	0.78	0.77
USD-SGD	1.28	1.29	1.30
USD-TWD	30.6	30.7	30.7
USD-IDR	12000	12200	12300
USD-INR	59.5	60.0	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	10492	10445
NZDIDR	9720	9638	9594
EURIDR	15840	16226	16605
JPYIDR	109	110.9	111.8
GBPIDR	20160	20862	21525

Source: ANZ Economics & Markets Research. As of 15 Sep 2014. Forecasts are quarterly averages.

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