Markets Monthly

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ANZ

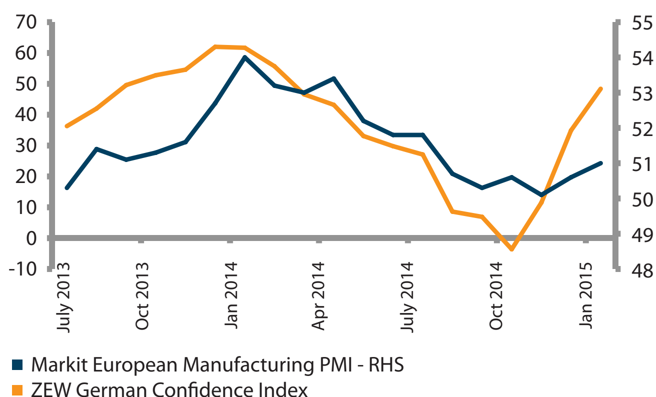
Draghi delivers a boost to European shares

A weaker euro is expected to provide an uplift to corporate earnings and ease deflation concerns.

The lack of policy action from European Central Bank (ECB) president Mario Draghi in 2014, in the face of rising deflationary risks and a deteriorating economy, made it challenging for investors to increase their exposure to European shares. In our view, some of those concerns have abated, following Draghi's larger than expected quantitative easing (QE) program, announced last month.

In light of this, we are now more positive on European shares. Not only did the size of the ECB's bond purchase program exceed market expectations, the announcement occurred at a time when economic leading indicators in the Eurozone are lifting, although from very depressed levels. See Figure 1. Meanwhile, the improving demand and supply of credit, together with the low rate environment bode well for an economy where 75% of financing is facilitated via the banks.

Figure 1. Europe's leading economic indicators are rising



Source: Bloomberg. February 2015.

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Importantly, the weak euro is expected to provide an uplift to corporate earnings, as 40% of the revenues of the companies listed on the Eurostoxx exchange is generated overseas.

That said, the market has anticipated the ECB's monetary easing action and European shares have outperformed year to date. As such, some near term consolidation cannot be ruled out. Meanwhile, the ongoing debt negotiations in Greece are likely to keep volatility high in the near term. However, we believe that there is further upside to European shares. Relative to the US, the European share market appears cheap on the back of forward price to earnings multiples as well as on long term valuation metrics. Meanwhile, with investor positioning in European shares far from being stretched, there is room for further inflows to lift the market, especially if deflation fears ease. However, for this to be more than a cyclical trade, we will need evidence of actual earnings growth, accompanied by waning deflationary fears and improving economic sentiment.

Finally as the success of the ECB's quantitative easing program hinges on a soft euro, investors in European shares may want to consider hedging their currency exposure.

Investment Summary

January was marked by a widespread easing in monetary policy against a backdrop of falling global inflation. The ECB led the way with an aggressive and effectively open-ended bond purchase program in an effort to avert deflation. Central banks in a number of countries including Switzerland, Denmark, Canada, India and Australia also cut interest rates.

The combination of central bank policy cuts, ECB quantitative easing, lower oil prices and weaker inflation drove yields sharply lower and in some instances, to negative levels. We feel that the historically low yields have been engineered by central banks and are part of the solution to assist the transition to stronger economic growth and higher inflation, rather than being symptomatic of a collapse in global growth.

Importantly, we consider that the US will maintain solid growth through 2015, supported by both lower yields and oil prices, opening the door for the US Federal Reserve (Fed) to modestly lift rates. This should continue to support the US Dollar, which while limiting US earnings, will not meaningfully erode the current US recovery.

Rather a stronger US dollar will support some recovery in growth and profits for the more troubled economies outside of the US. Even if the Fed tightens policy, we would not expect that US yields would meaningfully lift as easier policy outside of the US will act to cap yields.

While mindful of the risk of deflation, on balance, we see the outlook as remaining supportive of continued outperformance of growth assets over defensive assets. Therefore, we retain a moderate overweight to global developed market shares although we have shifted our exposure towards the euro zone and away from the US. A combination of a weaker Euro and more aggressive ECB policy action suggests that euro zone growth and earnings will likely lift through 2015. In contrast, the stronger US Dollar will likely start to curtail the robust growth in US earnings.

Asset Allocation	3-12 month view
Growth Assets/Shares	Moderate Overweight
Global Shares	Moderate Overweight
Emerging Market Equities	Moderate Underweight
Global REITs	Neutral
Global High Yield Debt	Moderate Underweight
Defensive Assets	Moderate Underweight
Global Fixed Income	Moderate Underweight
Australia Fixed Income	Moderate Underweight

Source: ANZ Global Wealth. February2015.

Shares

Europe and Japan are our favoured markets as central bank actions are expected to keep their currencies weak, and lift earnings.

Regional Share Markets	
US	Neutral
Europe	Moderate Overweight
Japan	Moderate Overweight
Emerging Markets	Moderate Underweight
Asia ex Japan	Neutral

Source: ANZ Global Wealth. February 2015. Tilts are within a total portfolio context.

US - Valuations look relatively expensive, although this is partly justified by better earnings quality. A stronger USD may constrain US corporate earnings over the course of the year, although lower energy costs may offer some offset. Meanwhile, the prospect of higher interest rates could be a potential source of volatility, although monetary conditions are still extremely accommodative.

Europe - We have moved to an overweight position in European shares and we believe that there is now sufficient evidence that the ECB will do "whatever it takes" to avoid deflation. Valuations are attractive and economic leading indicators in the euro area appear to be picking up. Finally, a weak euro should help lift earnings as a relatively high percentage of revenues are generated overseas. Given expectations of a weaker euro, a hedged exposure to European shares is preferred.

Japan - We continue to like the Japanese market. Valuations are relatively attractive as long as stimulus measures continue to weaken the yen, positively impacting corporate earnings. Encouragingly, Japan's real exports have picked up in recent months, largely due to robust motor vehicle demand in the US. With the US recovery still on track, Japan's exports should continue to benefit. Finally, there is potential for the market's earnings multiples to expand as Japan's inflation outlook improves and structural reforms gain further traction.

Low oil prices are likely to benefit Asia by boosting export demand, improving current and fiscal account balances as well as reducing inflationary pressures.

Emerging Markets (EM) are vulnerable to a rise in volatility and capital outflows should the Fed starts to raise interest rates sometime during the year as expected. China's transition towards a structurally lower growth trajectory also poses headwinds to the region. However, these negative dynamics may be somewhat tempered by investors' already low exposure in the region. In addition, as major central banks cut rates, the continued search for yield is likely to benefit EM assets.

Asia (ex Japan) remains favoured within EM, as we expect political and domestic issues to continue to weigh on large EM markets such as Brazil and Russia. For Asia, which is largely made up of oil importers, low oil prices can improve current and fiscal account balances as well as reduce inflationary pressures. The latter would in turn leave the window open for interest rate cuts, and be supportive of growth. Export demand may also rise as consumers in the developed markets enjoy higher disposable income.

Within Asia

Taiwan – We remain positive on Taiwan which continues to be the only market in Asia (excluding Japan) to enjoy upward earnings revision. That said, we are aware that earnings momentum is slowing from last year's heady pace given the uncertainty over the consumer tech product cycle going forward. The fall in volumes however, may be buffered by an improvement in margins. The fall in oil prices has lifted Taiwan's terms of trade, which has historically been highly correlated to earnings.

Korea – We stay neutral on the Korean market. Industrial production rose a little in December, reversing its previous month's contraction. This is worth monitoring although it is still too early to call for a reversal in the trend. Earnings forecasts for 2015 continue to be revised lower, although we understand that the inventory levels at a large Korean handset manufacturer may have normalised, which may mean better earnings momentum in the future. Despite a softer inflation outlook and a sluggish economy, the Bank of Korea continues to shy away from cutting interest rates, a move which we believe would be helpful for businesses and consumers.

China – We are neutral on the China market on a 3-12 month outlook, although we do not rule out the possibility of periodic rallies. On the macro front, the economy continues to slow with the Purchasing Managers Index (PMI) for both large and small companies, now in negative territory. The anti-corruption campaign and the challenges in obtaining financing for new projects may see growth slow even further in the first quarter of 2015, which may rattle investors. That said, the risk of very weak growth may trigger a more aggressive easing response from the government.

Hong Kong – The Hong Kong market has been surprisingly resilient since the start of the year, despite a challenging growth backdrop. The housing market looks particularly vulnerable in the face of a strengthening USD and higher interest rates. The recent suspension of an investment immigration program granting permanent residency to foreign citizens and mainland Chinese, is also expected to dampen property demand and be a headwind for house prices.

Despite the less than rosy outlook, we remain neutral for now. China's capital account liberalisation may continue to funnel Chinese savings into Hong Kong shares through the Hong Kong-Shanghai Connect program. A similar program linking Hong Kong and the Shenzhen Stock Exchange may also be established in the coming months. As such, the spillover of Chinese savings could further limit downside risks in Hong Kong shares.

India – India remains one of our favoured market. Falling oil prices have lowered the inflationary impulse, as well as improved the country's current account position. This allowed the central bank to surprise with a rate cut last month, and we are expecting another 50 basis points of rate cuts this year. We expect earnings growth to be driven by a recovery in economic growth, fuelled by a pick-up in capital spending, as reforms instil greater confidence.

Even though reforms announced by the Modi government to date may not have fully met the market's high expectations, we believe that there is sufficient momentum to lift growth from current levels. The recent jump in power production is also positive as insufficient power has been a key constraint of the manufacturing sector for many years. Finally, looking ahead, if the upcoming budget allocates additional funding to infrastructure investments, this will further boost market sentiment.

ASEAN – We are negative Asean given our concerns surrounding Fed tightening and expensive valuations. Year to date, the **Malaysian** market has underperformed within Asean. Falling oil revenues is likely to cut government spending and investments and therefore hurt growth prospects. This could weigh on the banks and domestic-related sectors.

January marked what is likely to be the start of a period of slowing inflation in **Indonesia**. This will give the central bank a window to cut rates in 2015. The budget reflects a policy shift to focus on growth, with a significant jump in infrastructure spending, partly funded by savings from the cut in fuel subsidies. While this could give a serious impetus to growth and eventually earnings, implementation is key and we will monitor the progress of these public work projects.

Finally, the much anticipated rebound of the **Thai** economy has yet to materialise and instead of a V-shape recovery, we are now expecting a U-shape recovery. Going forward, the timeliness of fiscal spending will determine the trajectory of Thailand's economic recovery. To date, we note that the market has outperformed within Asia – we will be cautious as analysts are revising down earnings forecasts relatively aggressively. Meanwhile, we note that the market and the currency are both not cheap.

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

Source: ANZ Wealth Asia. February 2015.

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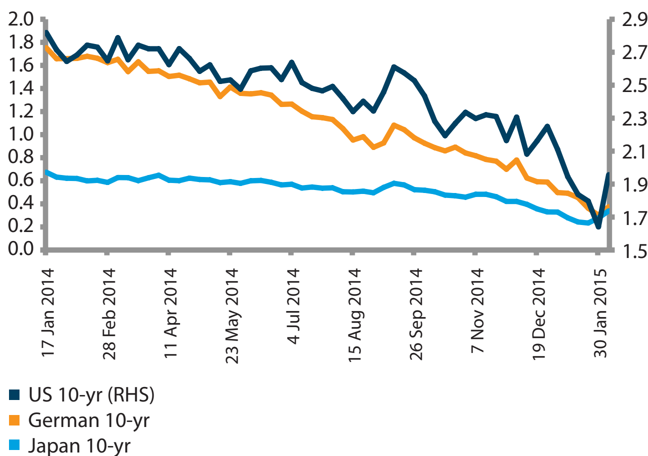
Fixed Income

We expect bond yields to rise, albeit gradually, over the coming year on the back of slightly stronger growth.

We have seen widespread easing in monetary policy since the start of the year. The ECB led the way with a more aggressive and effectively open-ended commitment to quantitative easing in an effort to move inflation back to its target of 2%. A range of countries including Switzerland, Denmark, Canada and Australia have also cut rates.

With bond yields at record lows and even negative in some instances, bonds seem to be signalling expectations for very low levels of growth going forward. See Figure 2. While we are of the view that the potential growth rate for the global economy has fallen post the global financial crisis, we believe that current bond yields have fully priced in this "new normal" of structurally lower global growth. As such, we expect bond yields to rise, albeit gradually, over the coming year.

Figure 2. Bond yields have fallen to record lows



Source: Bloomberg. February 2015.

We believe that inflation expectations can stabilise and move higher. Looking ahead, if the weak euro can help generate a pickup in growth in the euro area to above 1%, this would probably be sufficient to move the unemployment rate lower and keep deflation at bay.

Likewise in the US, inflation can pick up modestly once oil prices find a floor. In fact, we believe that the impact of low oil price on the US is a net positive as lower oil prices tend to boost household confidence and spending. The savings from oil, if fully spent could boost US GDP by 0.4% in 2105. Although a fall in investment spending in the oil and gas sector could subtract about 0.25% for growth, on balance, this suggests that the drop in oil prices will add up to 0.15% to 2015 US GDP growth from GDP.

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In the current environment of close to zero yields, the search for yield among investors appears to have intensified. Nevertheless, we maintain our cautious view towards high yield bonds, as the sector is likely to be vulnerable to rising volatility and falling liquidity. While the valuations of US high yields appear more reasonable following their recent correction, we expect the sector to come under continued pressure from low oil prices and heightened volatility as we approach the Fed's first rate hike.

Meanwhile, European high yields look expensive relative to historical levels, and companies with large exposures to the Russian economy could be particularly vulnerable. Low oil prices have weakened Russia's growth prospects and reduced its policy flexibility. Asian high yields face multiple headwinds too. China's slowing growth could weaken the credit fundamentals of Chinese corporates, which make up more than 50% of the Asian High Yield sector. Meanwhile, valuations do not look very attractive. Against this backdrop, investors may want to stay selective within the high yield space, and income seeking investors may want to consider diversifying their sources of yield.

Within fixed income, we prefer Euro-denominated bonds over USD-denominated bonds for the first half of 2015. Investors can expect the credit spread of European Investment Grade corporates to tighten modestly as the outlook for the eurozone economy picks up. Within European fixed income, valuations of European financials look attractive and subordinated issues offer a yield pick-up over senior debt. That said, investors would need to be selective and have a bias towards core and higher rated banks which have stronger fundamentals.

We also think there are selected opportunities in Asia for fixed income investors. For example, Indian corporates are one of the most likely contenders for spread tightening in 2015. This is on the back of a recovery in growth, a softer inflation outlook and an improvement in the current account position. That said, the Modi government must deliver on investors' high expectation of reforms in order for the rally to be sustained. We also see opportunities in Indonesian corporate bonds, where good news about the economy do not seem to be fully priced in yet. Similar to India, Indonesian corporate bonds should benefit from an improvement in growth prospects, fuelled by an upturn in the investment cycle. Nevertheless, bond investors should be mindful, not only of the potential risks emerging from Fed tightening, but also the many domestic political uncertainties in these two countries.

The outlook for iron ore remains subdued although demand-supply dynamics may improve for selected base metals in the latter part of this year.

Iron ore imports fell in January from record high levels in December. Even after adjusting for seasonal distortions, it appears that seasonal restocking demand for iron ore is weaker this year.

A smaller decline in iron ore port stocks in January implies that demand of iron ore from Chinese steel mills is drying up. This is further confirmed by the fall in daily steel production to its lowest levels since November 2014. Cold temperatures are hampering construction activity, while ongoing weakness in China's property sector has lowered demand.

While iron ore prices have fallen by 60% in the past 12 months, 85% of the seaborne industry is still making money. Large low cost expansions are still on stream, suggesting that key industry players are prepared to accept lower prices.

Against a backdrop of low bond yields and negative interest rates in selected major economies, gold's safe haven appeal has risen.

Despite USD strength, worries over global growth, uncertainty surrounding Greece and expectations of increased euro liquidity have supported gold prices since the start of the year. The Swiss National Bank's surprise move to de-peg from the euro also gave gold further impetus to rally as negative interest rates lowered the appeal of the Swiss Franc, and triggered inflows into other safe havens, including gold.

Correspondingly, speculative net-long positioning in gold has risen significantly to levels not seen since December 2012. Exchange traded funds have also added 75 tonnes to holdings this year, taking the holdings of gold backed ETFs to their highest in four months. With long-end bond yields globally likely to stay low relative to history, the opportunity cost of holding gold has fallen. Against this backdrop, our analysts believe that there could be some upside risks to their year-end gold price forecast of US$1280/bbl.

Oil prices may rise back over US$50/bbl in the second half of the year as supply discipline kicks in.

After falling by more than 60% since June 2014, reports of a large fall in the number of oil rigs triggered a sharp rally in oil prices in early February. However, these gains were subsequently pared back as a huge build of crude inventories in the US (now at 80-year highs) showed that demand was still soft. Our analysts caution that the impact of declining rig counts on output will be clearer only in June. It is possible that many of the rigs that are being removed may be unproductive or inefficient.

Our analysts believe that US shale gas producers may maintain output for the next couple of months given profitable hedging contracts, and equipment as well as lease obligations. Beyond that, US shale output could fall as most shale wells need to be replaced within 1-2 years. Given the substantial capital expenditure needed for deep drilling and hydraulic fracturing, low oil prices threaten the economics of new well exploration and development.

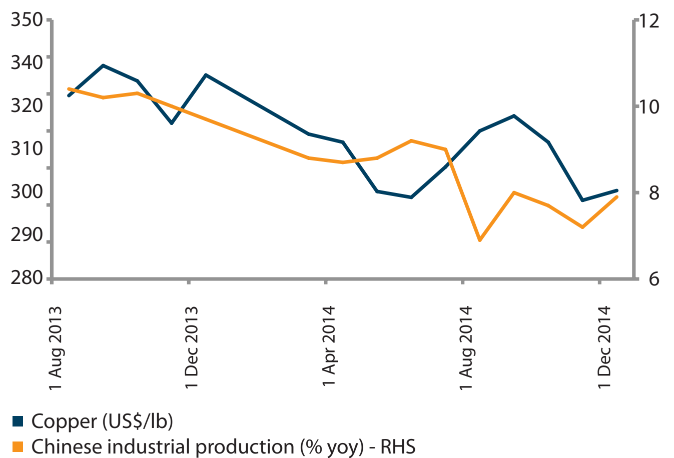
Meanwhile OPEC is likely to leave its oil wells flowing in a war for market share. In fact, Saudi Arabia has just reduced its March official selling prices to Asia to the lowest levels in at least 14 years. Finally, while investors in oil futures have reduced their exposure aggressively in the last five months, further selling is still possible. Our analysts see Brent ranging between US$40-60/bbl over the course of 2015.

If macro conditions stabilise in the second half of 2015, prices of selected base metals can push higher.

Concerns over falling economic growth in China have weighed on base metal markets over the past six months. With these concerns likely to persist, the headwinds for base metal markets are unlikely to ease in the short term. See Figure 3. That said, we believe that the selling may be overdone. Unlike oil and the bulk commodity markets, supply growth in base metals has been relatively contained. Therefore, if macro conditions stabilise in the second half of 2015, the prices of metals with supply shortages, such as zinc and nickel can push higher.

In the case of copper, significant supply disruptions caused output in 2014 to be flat or slightly higher than the previous year's. Going forward, further disruptions are expected to impact this year's production. Therefore, as China focuses on expanding its state power grid, there could be pockets of demand for copper, which can help to stabilise prices.

Figure 3. Copper prices vs Chinese industrial output



Source: Bloomberg. February 2015.

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We caution that the AUD may move lower as the Reserve Bank of Australia begins a fresh easing cycle.

USD – We maintain a strong USD bias. To date, there is little evidence that the USD's strength is a drag on exports, despite the widening trade deficit, which is being driven by strong import growth as private consumption accelerates. Exports account for roughly 13% of US GDP, materially less than in other economies, suggesting that USD strength may not yet be causing major headaches for policy-makers. At the same time, the US' broadening and deepening trade agreements may help to partly offset the exchange rate's appreciation.

That said, we acknowledge that there could be some consolidation in the short term as investor positioning in the greenback appears stretched. With US economic strength largely accepted among investors, the market could be more sensitive to weak, rather than strong US data.

EUR – The euro has recently shrugged off the oil driven sharp decline in headline inflation which suggests that the ECB has addressed deflation concerns for now through its bond purchase program. Activity indicators in the Eurozone are also beginning to show some signs of recovery. However, at the point of writing, Greek debt negotiations continue to be a potential source of volatility. While a lot of bad news has been priced into the euro, the trend remains down in the medium term.

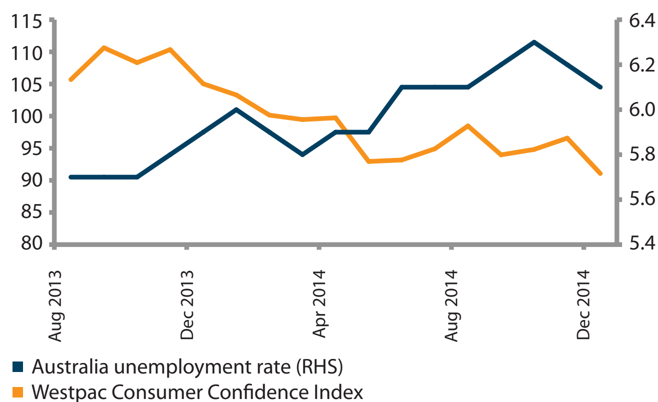
JPY – The JPY could find some stability in the near term as the currency has made a large adjustment following the Bank of Japan's stimulus measures last October. That said, the trend for the currency is still down as pension and private sector flows out of Japan are likely to continue over the medium term.

GBP – The sterling's slide against the US dollar has been closely correlated with the decline in the euro. This in part reflects the sharp oil-related drop in inflation and expectations that interest rates won't rise until 2016. The forthcoming May election has also weighed on the currency. Opinion polls show neither the Conservatives nor Labour winning an overall majority while Prime Minister Cameron has hinted at an early referendum on EU membership.

On the other hand, the domestic economy looks healthy. UK growth compares favourably with other G7 economies and is expected to rise 2.5% this year. Unemployment, which fell sharply last year to 6%, is trending lower. In the meantime, earnings growth is recovering and manufacturing output is trending higher. We see the GBP outperforming the EUR and the AUD.

AUD – The Reserve Bank of Australia (RBA) began a fresh easing cycle in February and downgraded its assessment of the domestic economy at the same time. The Bank now expects growth and inflation to remain below trend, and for unemployment to peak at a higher rate. See Figure 4. As such, we expect another 25 basis points rate cut at the March meeting. Historically, the AUD tends to decline in the 12 months following the first rate cut in easing cycle. This suggests that the AUD will move lower from current levels.

Figure 4. The RBA downgrades its assessment of the Australian economy



Source: Bloomberg. February 2015.

NZD – The NZD is now near our fair value estimate but we believe that the currency is vulnerable to a shift in RBNZ rhetoric to the possibility of rate cuts down the road. While jobs and dairy prices could provide some support, the direction of the currency is likely to be dictated by investor sentiment towards the USD. Against the majors and within a 12-month timeframe, we see the NZD gaining against the JPY and EUR, but weakening against the GBP and USD.

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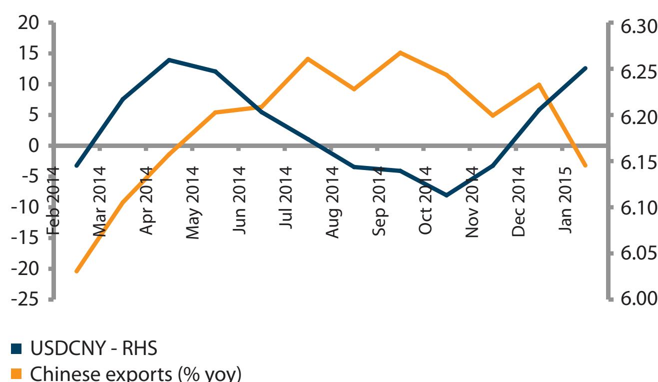
Barring near term pressure, we expect the CNY to outperform other Asian currencies and appreciate against the USD.

CNY – The CNY could continue to see upward pressure in the near term as concerns over China's slowing growth weighs on market sentiment. See Figure 5. However, we expect the People's Bank of China (PBoC) to intervene and support the currency should the need arise, as was the case in December.

Figure 5. CNY versus Chinese exports



Source: Bloomberg. February 2015.

Meanwhile, we do not see the PBoC widening the currency band in the near future, as it could be highly destabilising at this point. A sharply weaker CNY is not a desired outcome for the central bank, given the government's ultimate goal of internationalising the currency. Within Asia, we expect the CNY to outperform and appreciate against the USD. A strong trade surplus, Foreign Direct Investments and portfolio inflows mean there is still decent demand for the CNY over the medium term.

IDR – Strong foreign bond buying, in the wake of global interest rate cuts, has supported the IDR. In fact, foreign ownership of local currency bonds is close to last year's record highs. Nevertheless, going forward, we expect strong onshore demand for USD in order to meet debt servicing, repayment and hedging purposes. This is likely to push the IDR higher.

INR – The recent rebound in oil has taken some shine off the INR. More importantly, the extent of monetary easing, a major force behind the strong performance of the INR in the crosses, could be somewhat less than what the market has priced in. Indeed, a sharp upward revision in historical GDP growth rates for India has posed questions on the extent of slack capacity in the Indian economy. Indeed, the RBI sounded a tad more cautious in its policy statement in February. We look to the announcement of the budget on 28 February for further clues on monetary policy.

SGD – In a surprise announcement last month, the Monetary Authority of Singapore reduced the slope of the policy band for the SGD, while keeping the width and centre of the band unchanged. The move preceded the April policy meeting, and is likely to have been prompted by the disinflationary pressures experienced by the economy. We expect Singapore to continue to experience a significant downdraft from international oil prices going forward and see the SGD ending the year around 1.39.

Returns

Country Equity Markets	YTD	1-Yr	3-Yr
ASX 200	3.3%	7.7%	30.8%
FTSE 100	2.8%	3.2%	19.0%
Hang Seng	3.8%	11.2%	21.6%
India Sensex	6.1%	42.4%	73.1%
Jakarta Comp	1.2%	19.7%	35.1%
Korea KOSPI	1.8%	0.4%	0.4%
Malaysia KLCI	1.1%	-1.3%	17.7%
Nikkei 225	1.3%	17.8%	101.0%
S&P 500	-3.1%	11.2%	51.9%
Shanghai-A	-0.8%	57.9%	40.5%
Singapore ST	0.8%	12.0%	17.4%
Taiwan Weighted	0.6%	10.63	26.4%

Regional Equity Markets	YTD	1-Yr	3-Yr
MSCI World	-1.6%	4.2%	30.0%
MSCI Europe	-0.1%	-5.7%	23.0%
MSCI BRIC	1.1%	3.3%	-12.1%
MSCI Emerging Market	0.6%	2.7%	-4.4%
MSC AP ex Japan	1.5%	6.7%	10.8%

Fixed Income	Yield	1-mth chg	YTD chg
Aust Govt (10Y)	2.44	-30	-30
Bunds (10Y)	0.30	-24	-24
Gilts (10Y)	1.33	-43	-43
JGB (10Y)	0.28	-5	-5
NZ Govt (10Y)	3.18	-48	-48
SG Govt (10Y)	1.88	-40	-40
US Trsy (2Y)	0.45	-22	-22
US Trsy (10Y)	1.64	-53	-53

Currencies	Level	1-mth chg	YTD chg
USD-JPY	117.49	1.9%	1.9%
EUR-USD	1.13	-6.7%	-6.7%
AUD-USD	0.78	-5.1%	-5.1%
USD-SGD	1.35	-2.2%	-2.2%
NZD-USD	0.73	-6.9%	-6.9%
GBP-USD	1.51	-3.3%	-3.3%
USD-CAD	1.27	-9.6%	-9.6%
USD-TWD	31.53	0.4%	0.4%
USD-IDR	12672.00	-2.3%	-2.3%
USD-INR	61.87	1.9%	1.9%
USD-KRW	1093.68	-0.2%	-0.2%

Source: Bloomberg. As of 30 Jan 2015 .

Commodities	Level	1-mth chg	YTD chg
Copper	5495	-12.8%	-12.8%
Gold	1279	8.0%	8.0%
WTI Oil	48	-9.4%	-9.4%

Forecasts

Precious Metals (US$/oz)	Jun-15	Sep-15	Dec-15
Gold	1240	1260	1280
Platinum	1360	1400	1450
Palladium	805	810	815
Silver	19.1	19.5	20

Energy (US$/bbl)	Jun-15	Sep-15	Dec-15
WTI Nymex	43	51	55

Currencies	Jun-15	Sep-15	Dec-15
USD-JPY	118	119	120
EUR-USD	1.10	1.12	1.15
GBP-USD	1.52	1.54	1.55
AUD-USD	0.76	0.75	0.74
NZD-USD	0.74	0.73	0.72
USD-SGD	1.37	1.38	1.39
USD-TWD	30.6	30.7	30.7
USD-IDR	12950	13150	13250
USD-INR	64	64.5	65

Cross Rates	Jun-15	Sep-15	Dec-15
AUDNZD	1.03	1.03	1.03
AUDSGD	1.04	1.04	1.03
NZDSGD	1.01	1.01	1.00
EURSGD	1.51	1.55	1.60
SGDJPY	86.13	86.23	86.33
GBPSGD	2.08	2.13	2.15
AUDIDR	9842	9863	9805
NZDIDR	9583	9600	9540
EURIDR	14245	14728	15238
JPYIDR	110	111	110
GBPIDR	19684	20251	20538

Source: ANZ Economics & Markets Research. As of 10 Feb 2015. Forecasts are quarterly averages.

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