

APAC Economic Outlook: Looking Forward to Looking Back

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Agenda

1. Current Conditions
2. 2024 Outlook
3. Risks
4. Q&A

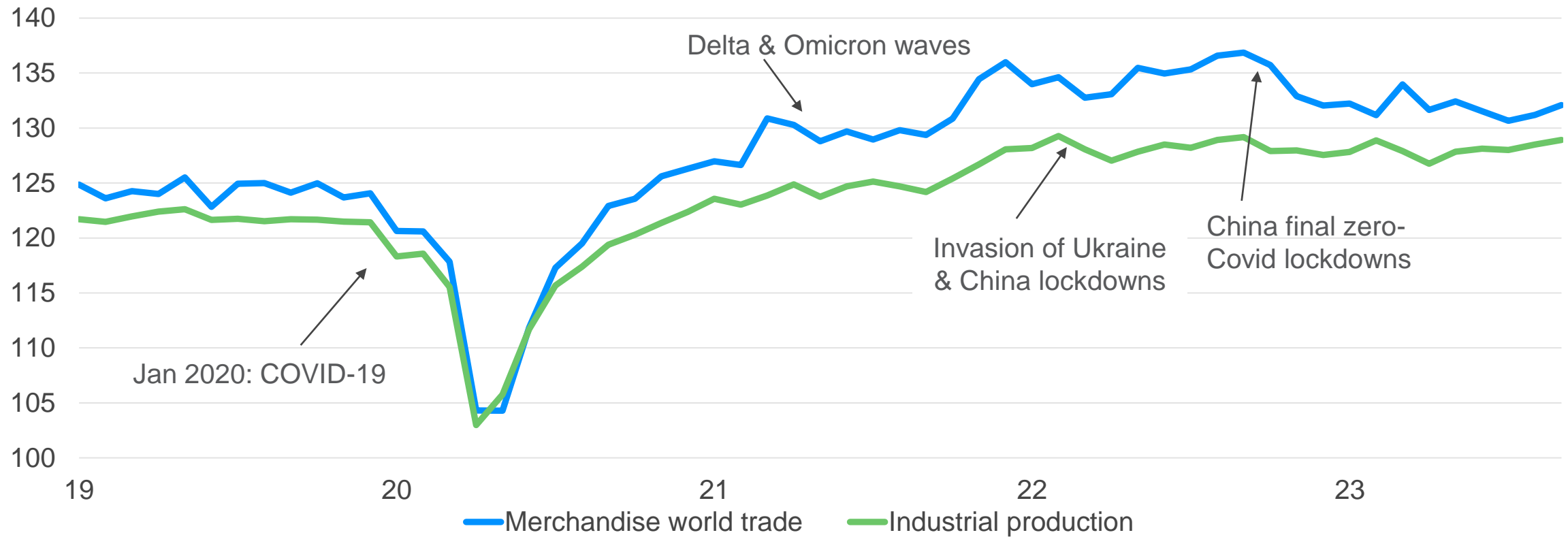


Current Conditions: Tepid Enthusiasm



Still Below Peak, But Global Trade and IP Are Improving

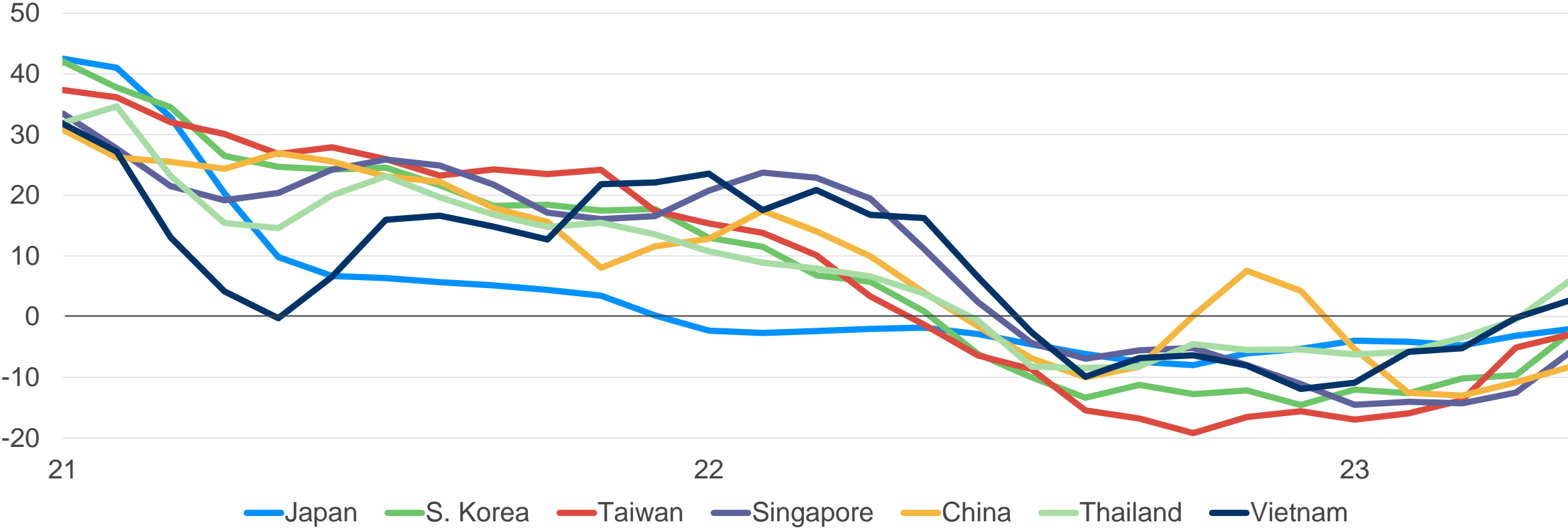
Global trade and industrial production, volume basis, 2010=100



Sources: CPB World Trade Monitor, Moody's Analytics

Green Shoots of Growth

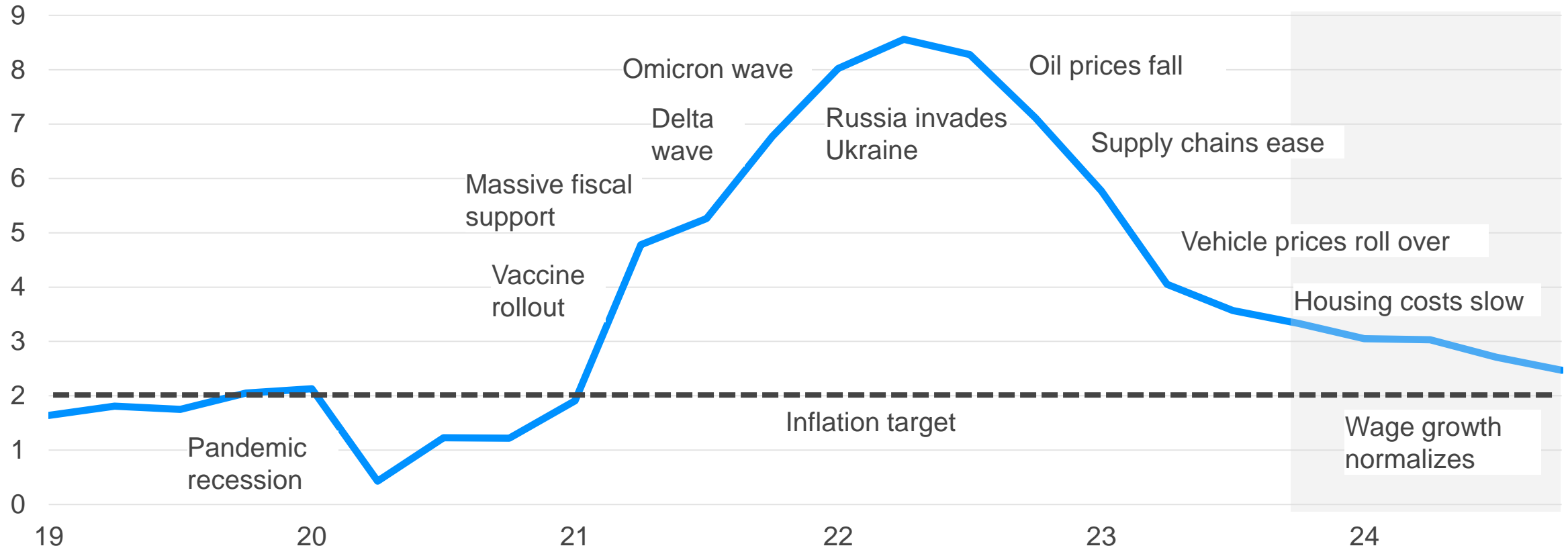
Nominal goods exports, \$, 3-mo MA, % change yr ago



Sources: National statistical offices, Moody's Analytics

U.S. Inflation Heads Back to Central Bank's Target

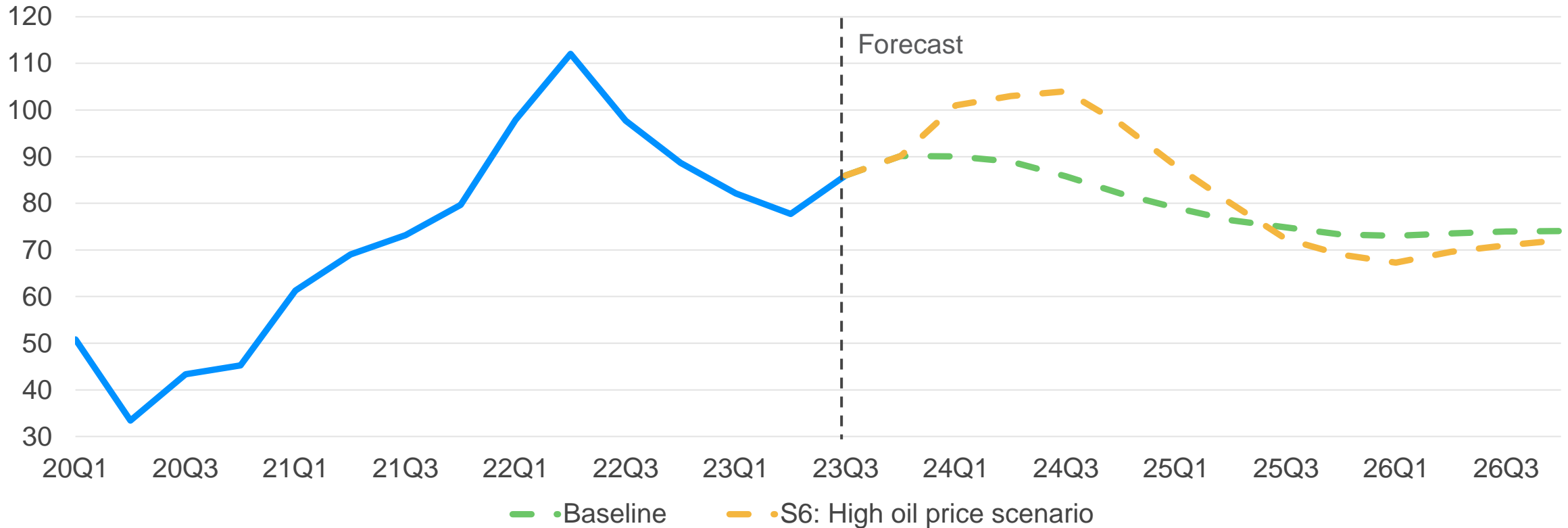
U.S. consumer price inflation, % change yr ago, Nov baseline forecast



Sources: BLS, Moody's Analytics

Stable Energy Outlook, but Risks Abound

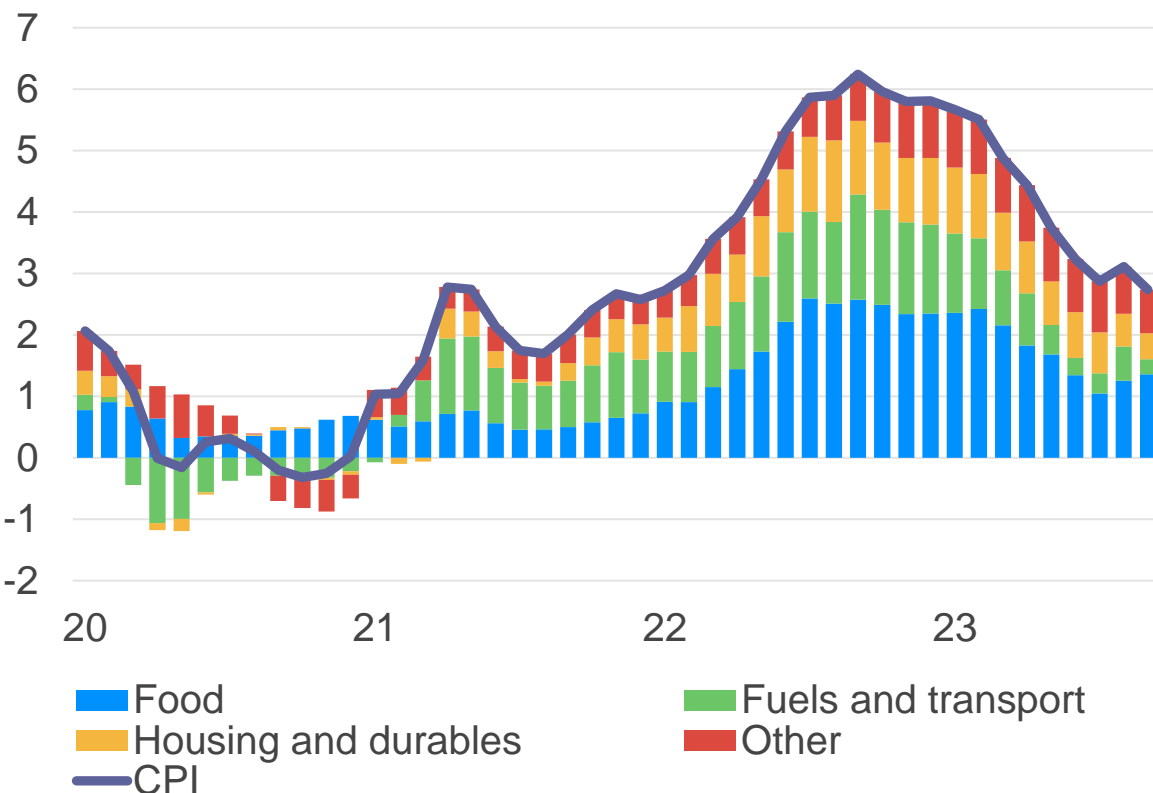
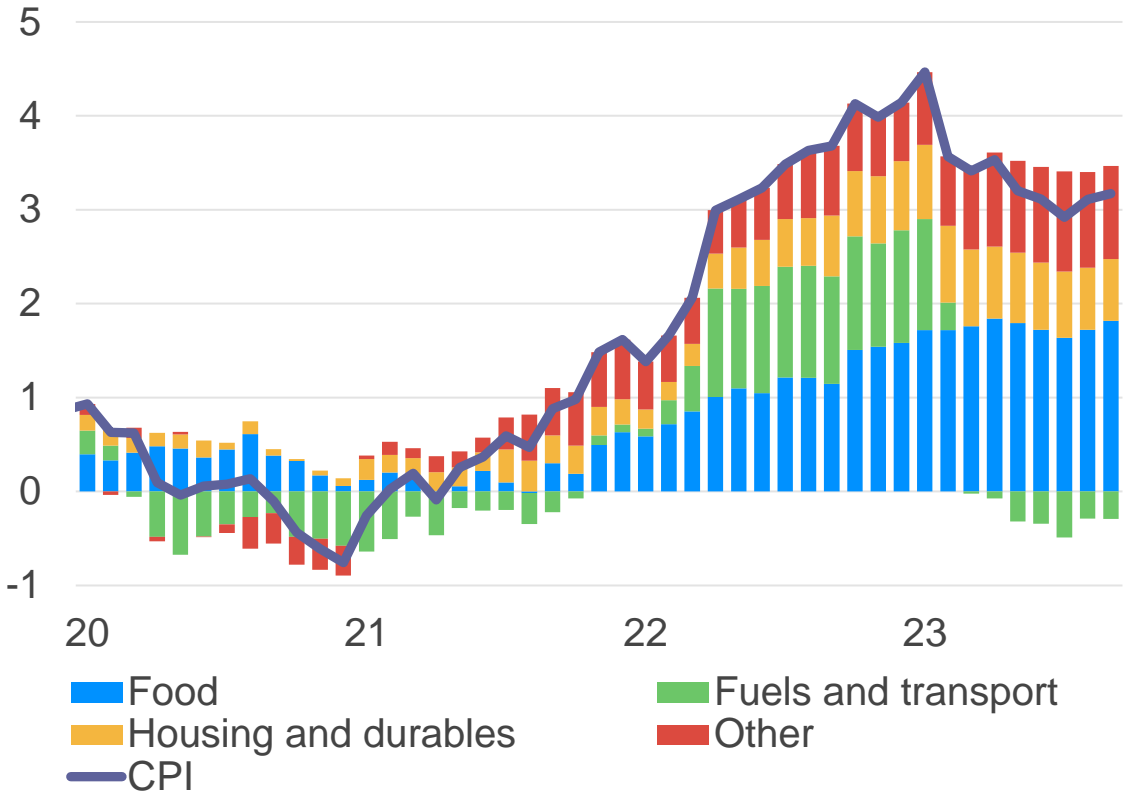
Brent crude, \$ per bbl, Nov 2023 forecast



Source: Moody's Analytics

Food Inflation Is Proving Sticky

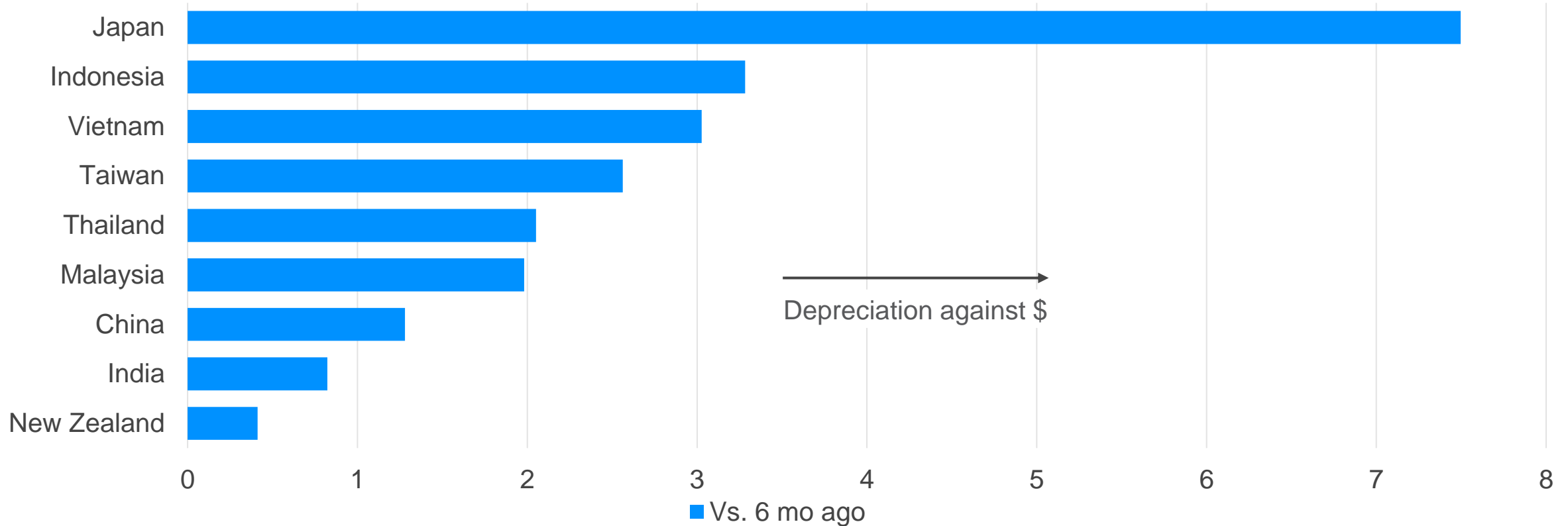
% change yr ago, CPI, ppt contribution by component, Developed Asia (L), ASEAN-5 (R)



Sources: National statistical offices, Moody's Analytics

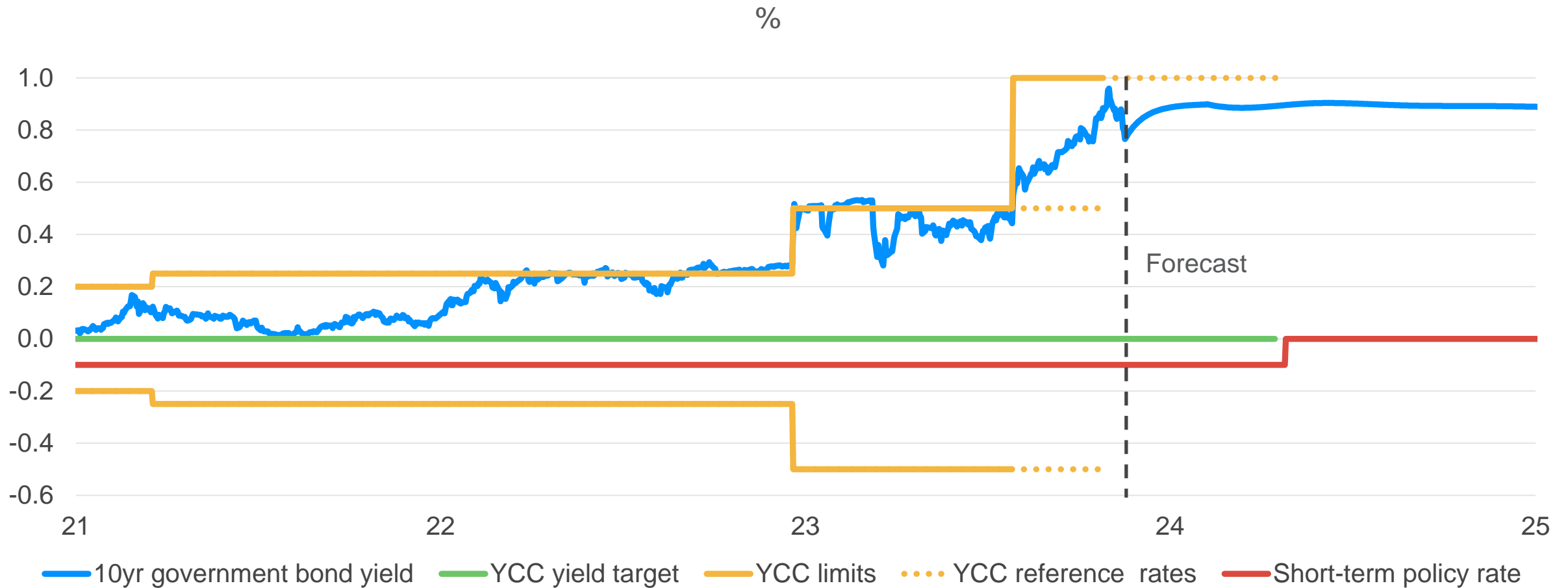
Currency Weakness Is Still a Concern

% change in exchange rate (local currency/\$)



Sources: Federal Reserve, Moody's Analytics

Weak Yen Creates Dilemma for Bank of Japan



Sources: Bank of Japan, Moody's Analytics

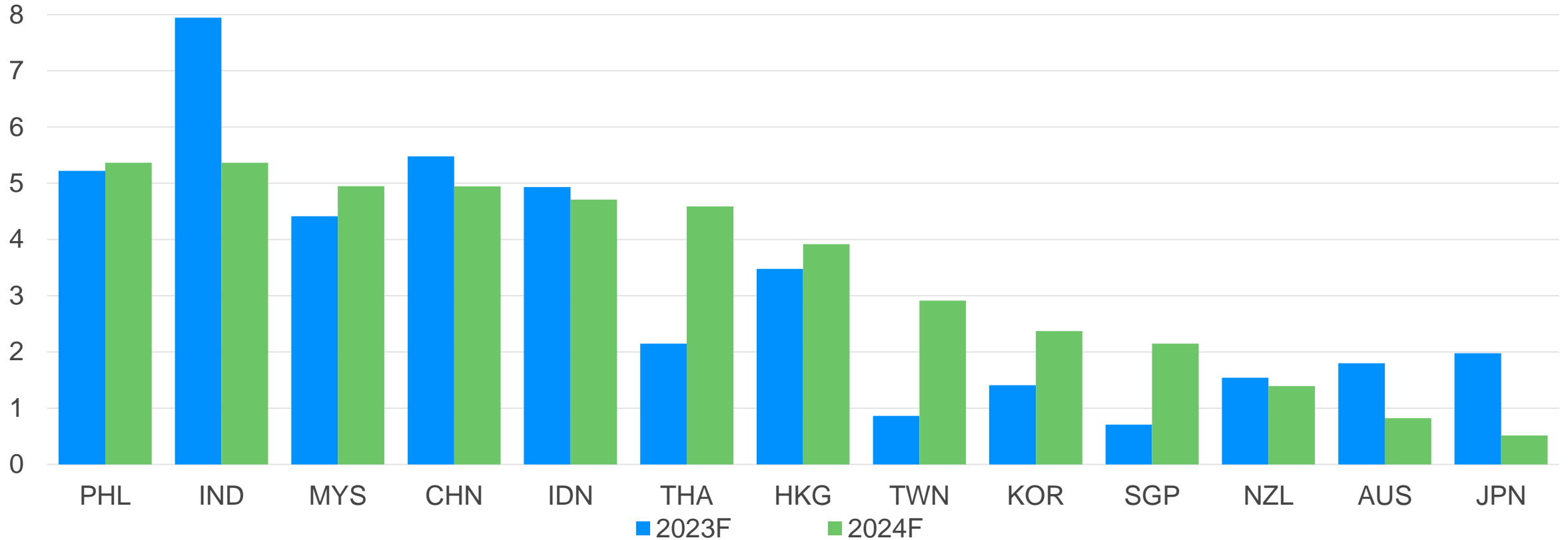
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Outlook 2024



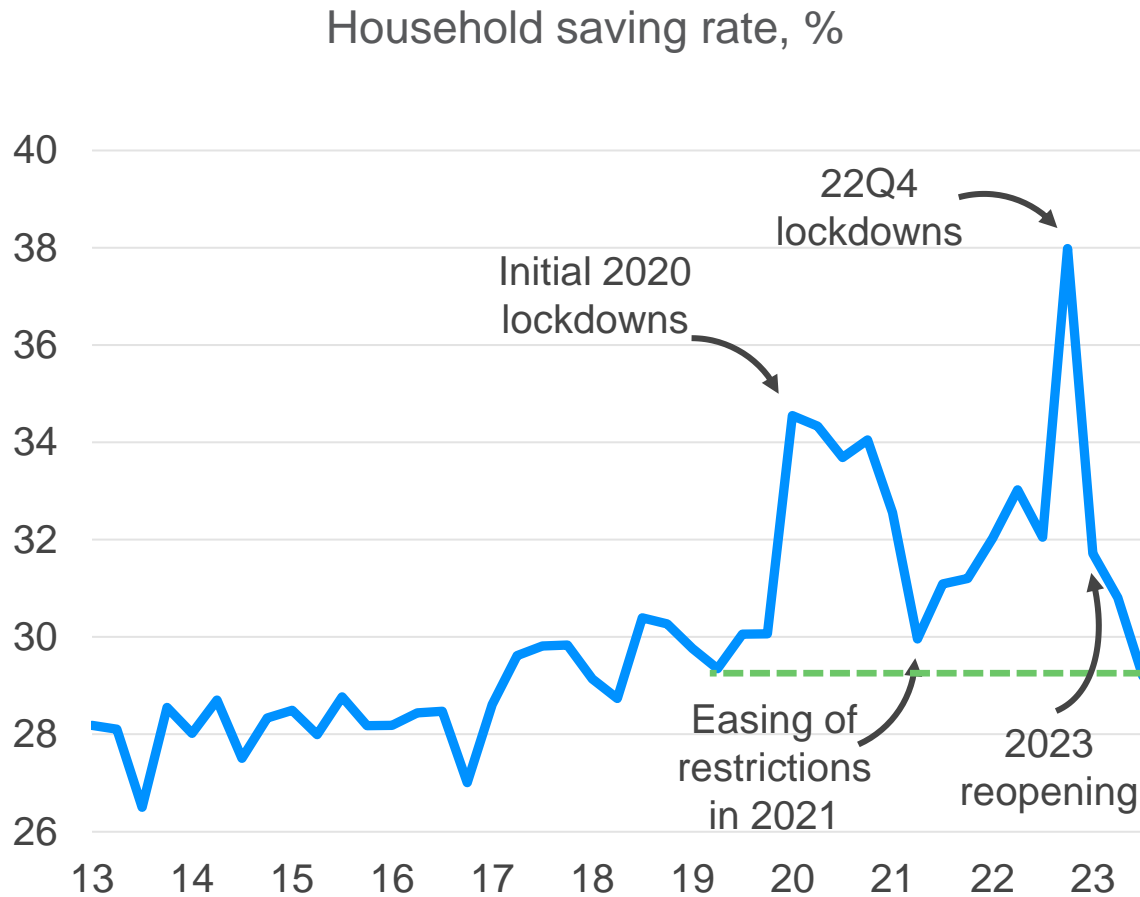
A Heterogeneous Bunch

Real GDP, % change, Nov baseline, ranked by 2024 growth



Sources: National statistical offices, Moody's Analytics

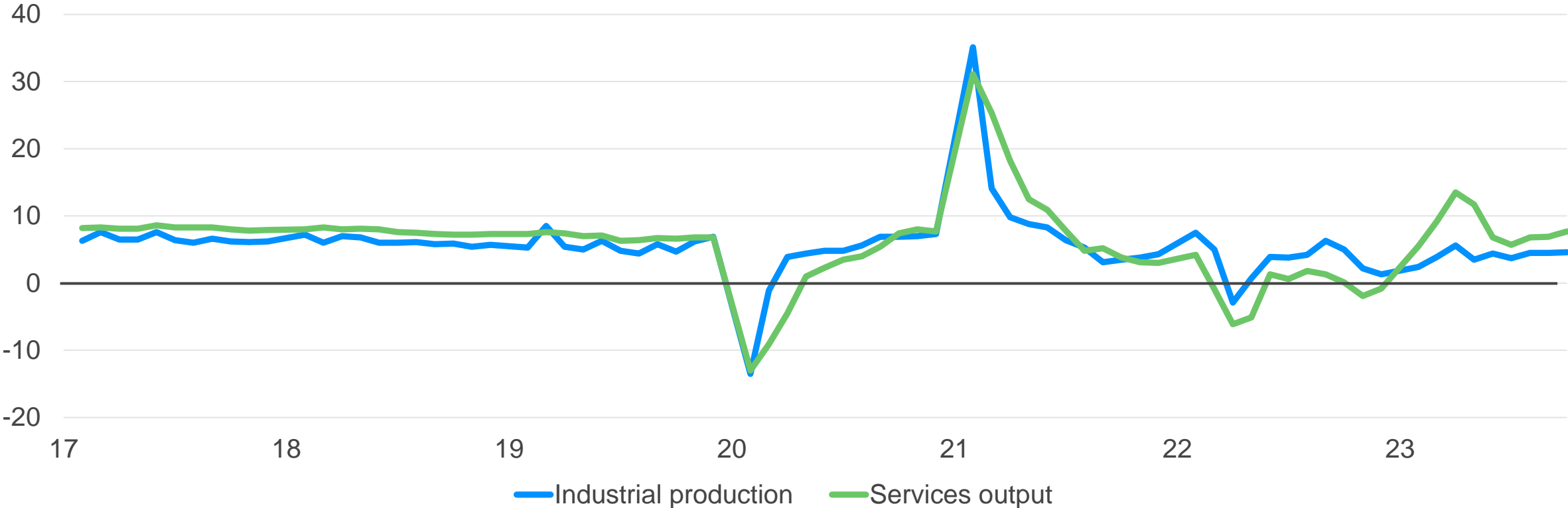
China's Households Slowly Gaining Confidence



Sources: China National Bureau of Statistics, Moody's Analytics

Chinese Firms Lifting Production...

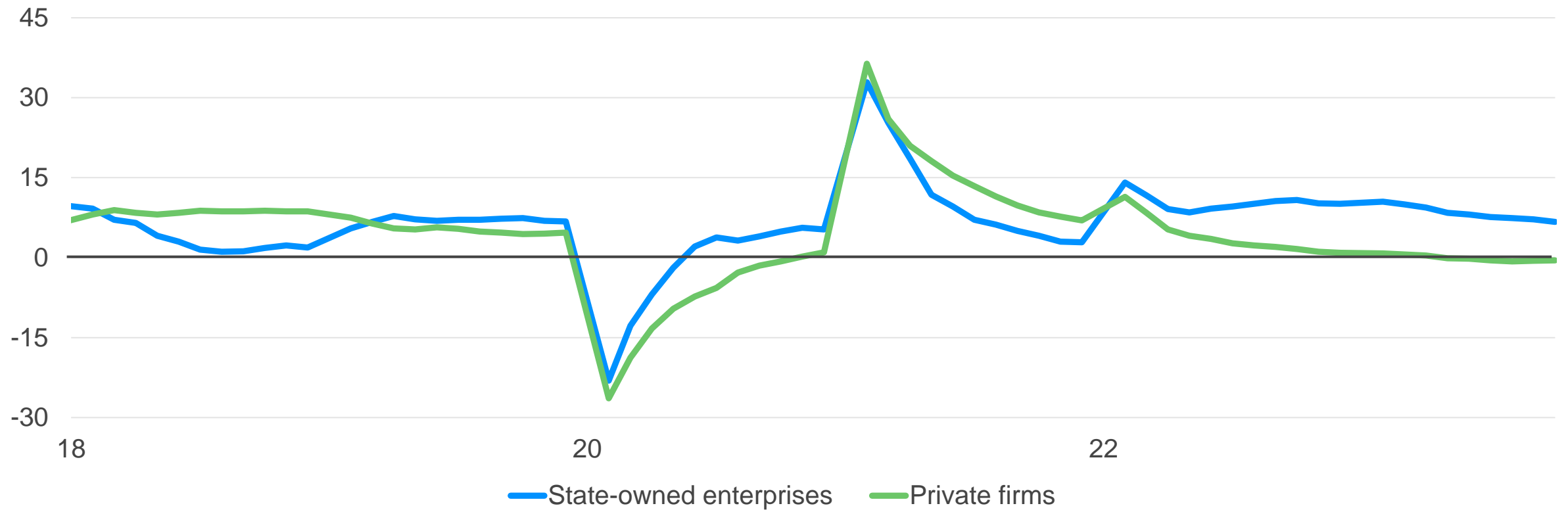
Industrial production and services output, real, % change yr ago



Sources: China National Bureau of Statistics, Moody's Analytics

...But Not Yet Willing to Ramp Up Investment

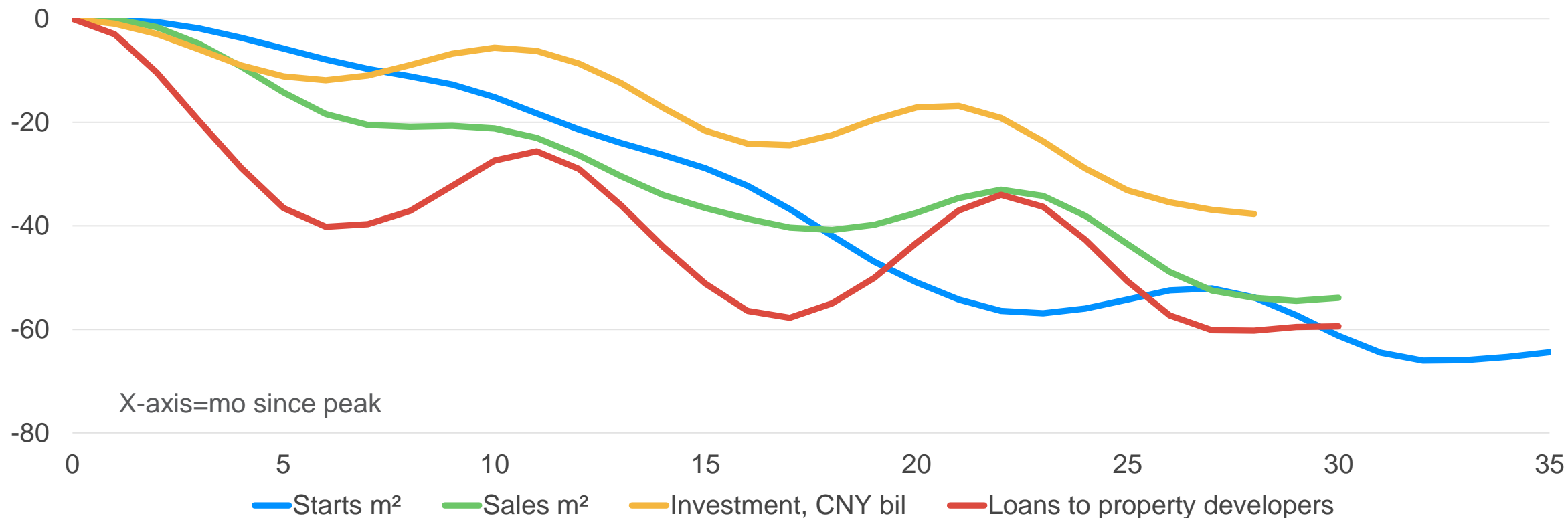
China's fixed asset investment, YTD, % change yr ago



Sources: China National Bureau of Statistics, Moody's Analytics

China's Real Estate Woes

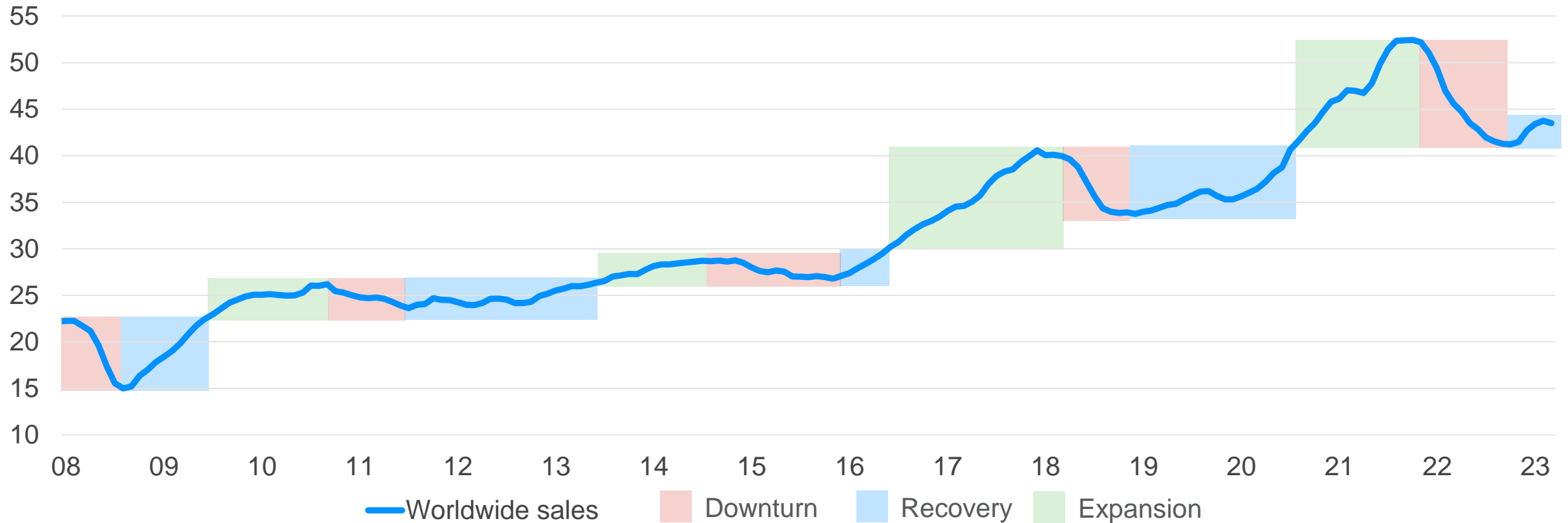
Real estate measures, % change from peak



Sources: China National Bureau of Statistics, Moody's Analytics

Global Electronics Cycle Is Turning Around

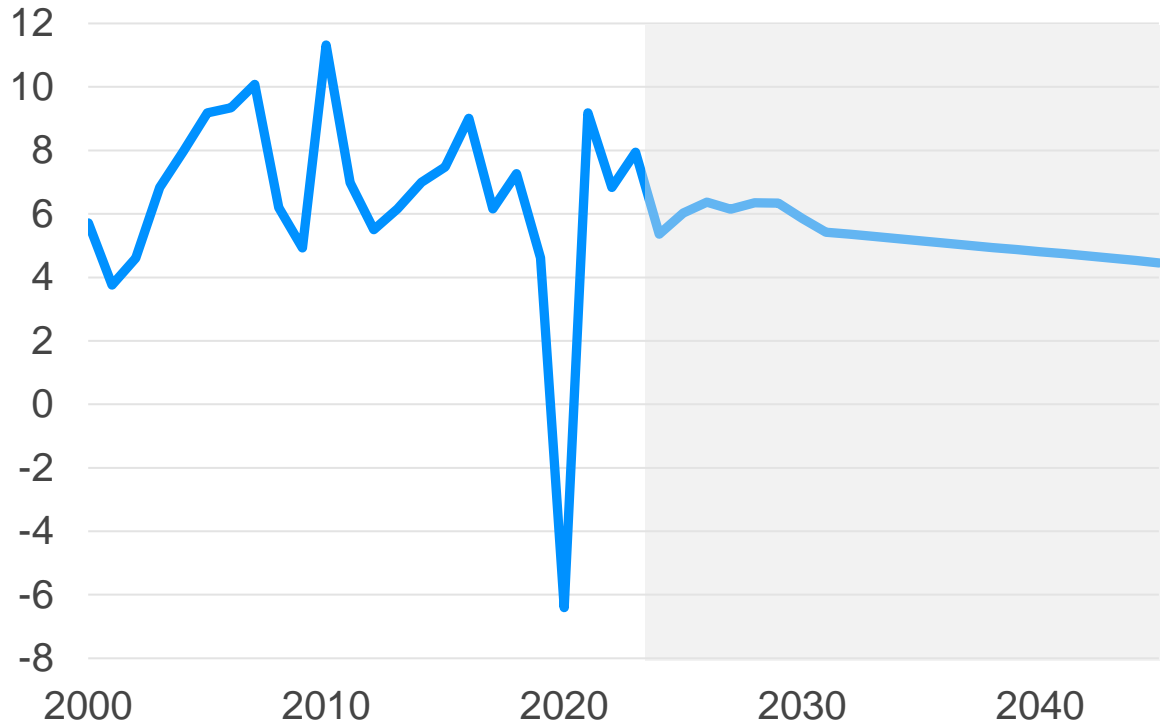
Global semiconductor billings, \$ bil, 3-mo MA, SA by Moody's Analytics



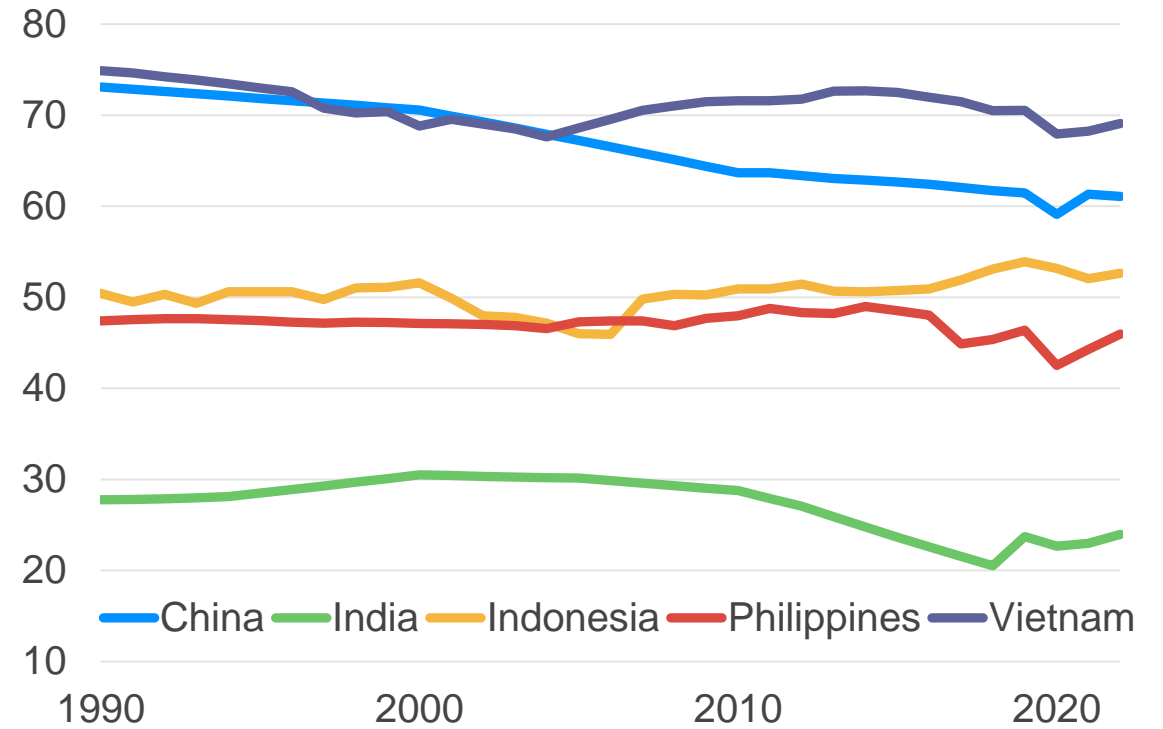
Sources: SIA, Moody's Analytics

India's Untapped Potential

India real GDP, % change yr ago



Labor force participation rate, select economies, %



Sources: Ministry of Statistics and Programme Implementation, ILO, Moody's Analytics

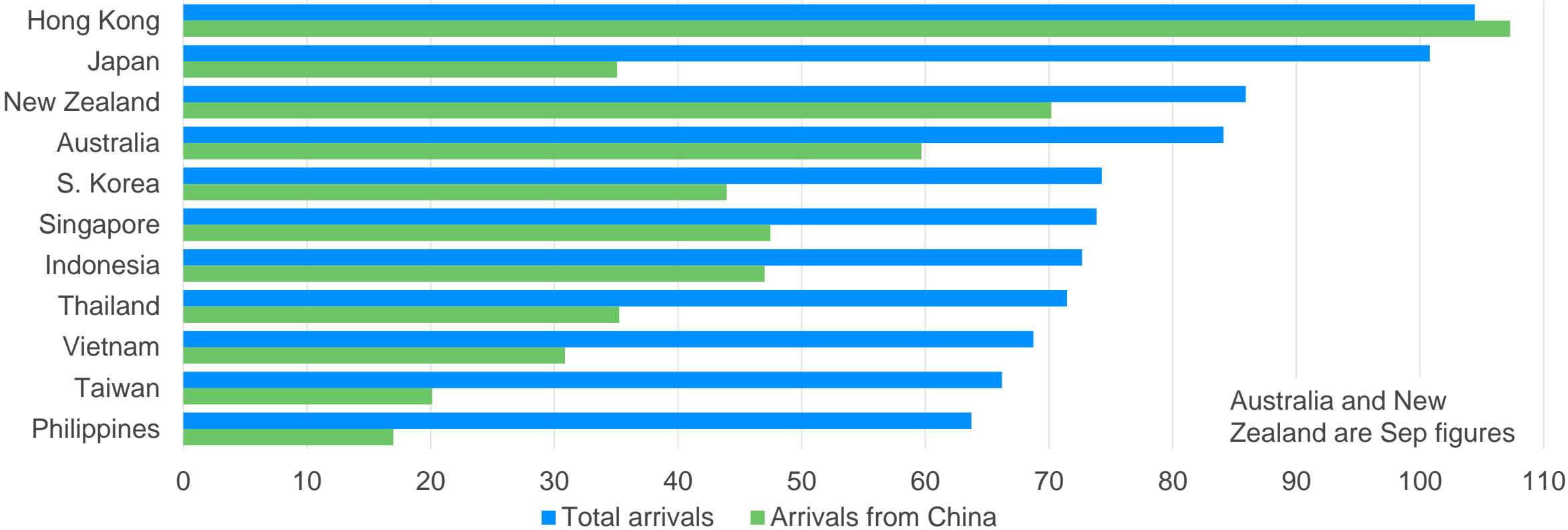
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Risks



Inbound Arrivals From China Still Have Some Ways to Go

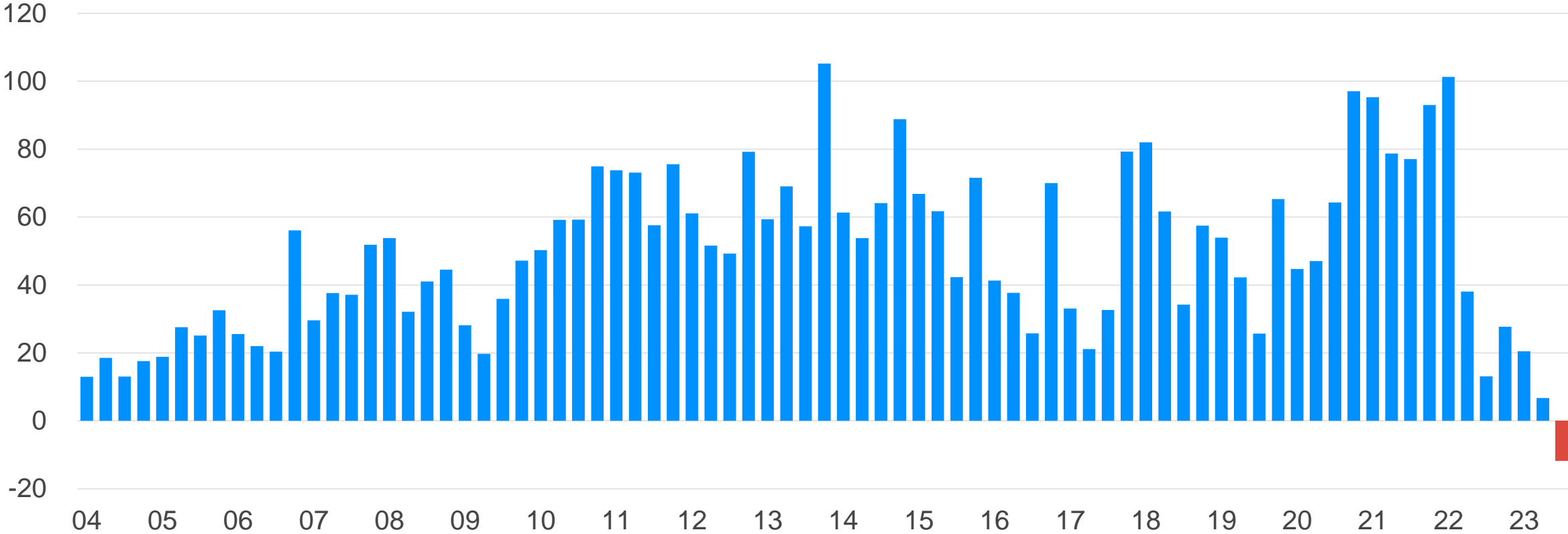
Oct 2023, % of Oct 2019 arrivals



Sources: National statistical agencies, Moody's Analytics

Foreign Investment in Retreat

Quarterly direct investment liabilities, China, \$ bil



Sources: China State Administration of Foreign Exchange, Moody's Analytics

Global Geopolitical Risk Events

Date	Country	Event	Economic Importance	Financial Market Risk
13-Jan	Taiwan	Presidential election	Medium	Medium
14-Feb	Indonesia	General election (including presidential election)	Low	Low
Mar	China	Two Sessions (meetings of China's top legislative body and political advisory body)	High	Medium
10-Apr	South Korea	General election	Low	Low
May	India	Election (Lok Sabha, lower house)	Medium	Low

Source: Moody's Analytics

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Q&A



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