



December in ASEAN



- The Singapore market gained 5.2% in December, with all sectors posting positive returns led by Oil & Gas, Real Estate Investment Trusts (REITs) and Technology. The laggards were Utilities, Financials, and Consumer Goods.
- REITs were notable outperformer, buoyed by expectations of lower interest rates, with funding largely sourced from outflows in Financials.
- Singapore's Q4 2023 GDP growth accelerated to 2.8% year-on-year (YoY) (quarter-on-quarter (QoQ): 1.7%) beating market expectation of 1.8% YoY (QoQ: 0.7%), driven by an expansion in manufacturing activities.



- The Malaysia market did not experience a year-end rally as investors were concerned about cabinet reshuffling and fuel subsidy rationalisation which might dampen domestic consumption.
- The top three performing sectors were Utilities, Healthcare and Construction, while the laggards were Energy, Consumer and Plantations.
- For 2024, the potential lookout includes the government's implementation of fuel subsidy, the removal of power tariff rebates, and the impact of various tax measures announced in Budget 2024.



- In December, the Thailand market declined steadily in the first half of the month due to scepticism towards government measures.
- The risk of slower-than-expected growth was due to delayed and low tourist arrivals, exacerbating the already fragile economic condition of Thailand.
- Fortunately, the market rebounded in the latter half of the month, buoyed by external factors such as the Fed signalling the end of interest rate hikes and preparing for more rate cuts next year, which changed the market sentiment.



- The market continued its momentum in December with basic materials, energy, and infrastructure sectors being the main contributors amid peaking rates narratives both globally and domestically.
- Indonesia's Central Bank maintained its benchmark rate at 6% for the second consecutive month, reaffirming its commitment to Rupiah stability.
- Maintaining interest rates is seen as a preemptive and forward-looking measure to ensure inflation remains within the 1.5% to 3.5% target for 2024.

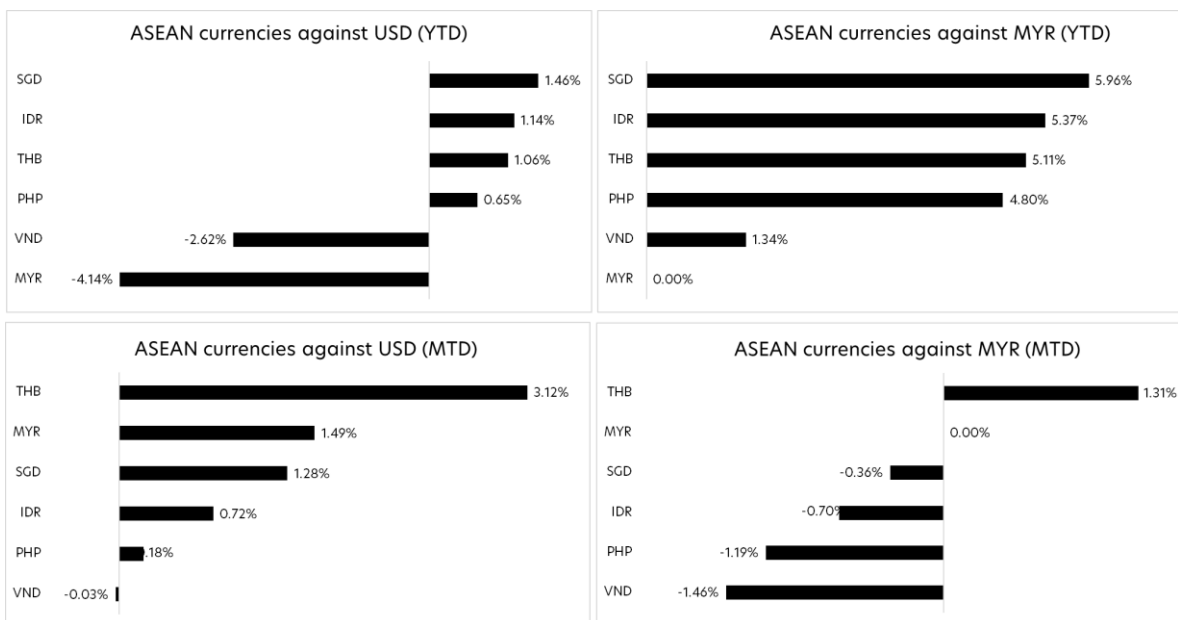


- The Philippine market saw a December rally (+3.7%), extending November's strong gain (+5.8%) due to the broad market optimism fuelled by the dovish Fed comments.
- Bargain hunters continued to pick up value stocks as the market is trading two standard deviations below its mean Price-Earnings Ratio (PER) valuations.
- Inflation eased further to 4.1%, beating both the market's expectations of 4.3% and the previous month's rate of 4.9%



- The Vietnam market had a strong final week of 2023, with uptrend movements almost every day, closing both the month and year with positive gains across all sectors.
- Vietnam's GDP grew by 5% YoY in 2023, thanks to strong Q4 growth (+6.7% YoY), the highest seen since 2019.
- Foreign Direct Investment (FDI) growth was resilient as Vietnam continues to attract inflows as a destination to diversify supply chains in addition to China, notably in semiconductor component manufacturing. Import-export activities further recovered toward the year-end.

ASEAN currencies: Riding the waves against USD and MYR



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