29 September 2016

Essential Asia

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Brace for "Trumpoline" effect

Talking Points

- **In the end, the swings in Asian currencies in September were dismal relative to the anticipation. Admittedly, intraday movements reflected nervous sentiment and general lack of conviction.**
- **The missing piece for a convincing rally in Asian currencies post FOMC was the lack of recovery in the RMB index, even though USD/CNY fell modestly. Our end September CNY forecast was overly bullish, but we believe the scope for significant CNY depreciation will remain narrow and maintain our end 2016 forecast at 6.70.**
- **The new sources of caution may increasingly be geo-political and geo-policy – from the uncertainties surrounding the US election result ("Trumpoline" effect?), Brexit negotiations and commodities.**

Recent Reports

- 27 September 2016 – FX Strategy: Hillary, Donald and the Dollar
- 23 September 2016 – China Special Update
- 21 September 2016 – China Economic Update
- 11 August 2016 – Trump, Tax and Australia

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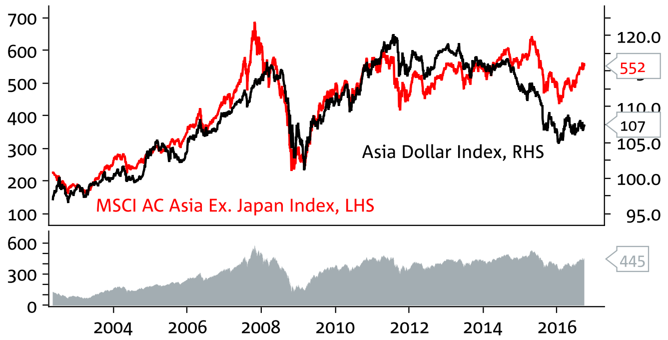
Trade recommendations

Entry Date	Currency pair	Recommendation	Opening level	Target	Stop
May 26	MYR/INR 6M NDF	Short	16.88 (spot ref 16.50)	15.20 (spot)	17.20 (spot)

Chart of the month



Source: National Australia Bank, Macrobond

Asia Policy Rates

	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Korea	1.50	1.25	1.25	1.00	1.00	1.00	1.00	1.00
Thailand	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.75
Malaysia	3.25	3.25	3.00	2.75	2.75	2.75	2.75	3.00
India	6.75	6.50	6.50	6.25	6.25	6.25	6.50	6.75
Indonesia	5.50	5.25	5.00	5.00	5.00	5.00	5.00	5.00
China	4.35	4.35	4.35	4.35	4.10	4.10	4.10	4.10

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Brace for "Trumpoline" effect

- **In the end, the swings in Asian currencies September were dismal relative to the anticipation. Admittedly, intraday movements reflected nervous sentiment and general lack of conviction.**
- **The missing piece for a convincing rally in Asian currencies post FOMC was the lack of recovery in the RMB index, even though USD/CNY fell modestly.**
- **The new sources of caution may increasingly be geo-political and geo-policy – from the uncertainties surrounding the US election result, Brexit negotiations and commodities.**

A cautious September was reflected more in Asian FX than in Asian equity markets. The MSCI Asia ex Japan index rose to 562.22, the highest in a year in early September and then lost all the gains in less than a week, before recovering to test the 560 level at the time of writing. A patient Fed lured risk seekers and yield hunters back into the arena and these may be supportive of selected currency strength in Asia. Inward portfolio flows sustaining will likely cushion the KRW, INR and IDR between now and the last FOMC meeting for the year.

China as a rising regional "pull"

The US is undoubtedly still the biggest and dominant influence on world markets especially during times of stress and represents a "global push" (according to the BIS's latest report). The next few months probably qualify as a potential "time of stress" with the US elections and FOMC meetings in November and December potentially causing large swings in risk appetite and global liquidity conditions.

Interestingly, the BIS report confirmed China's rising influence as a regional "pull". China's influence in Asian financial markets represents a third dimension – a regional dimension. Given its economic weight and integration in the Asian production chain, China's economic and financial developments affect investors' assessment of the region as a whole and fund flows to the region, thus driving financial markets in other Asian economies. Its working paper number 579 titled "Regional pull vs global push factors: China and US influence on Asia-Pacific financial markets" concluded that in non-stress periods, China's influence on Asian stock markets has risen to a level close to that of the United States. The RMB has also risen in terms of its impact on regional currencies. Nonetheless, China's bond market remains isolated from both the United States and Asia.

The BIS also raised concerns around China's financial stability with China's private sector debt credit gap widening to dangerous levels. NAB Group Economics Senior Economist Gerard Burg reasoned that the rising gap demonstrated falling efficiency of China's debt as lending to large SOEs was used to roll over existing debts or fund excess capacity. However, there seems minimal risk of a full blown financial crisis at this juncture, gauging from the low level of foreign debt and capital account restrictions (more details available in our China Special Update report of 23 September by Gerard Burg, NAB Group Economics Senior Economist - Asia).

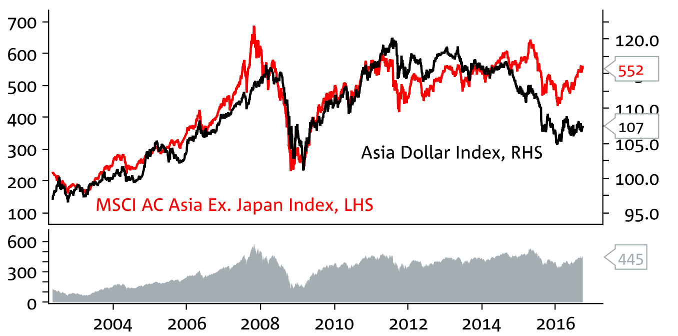
A managed RMB index kept Asian FX on their toes

It was then quite understandable that as tight management of the RMB index rendered a flat trading trajectory near the key psychological level of 94.0 (based on NAB estimates), other Asian currencies failed to stage a convincing rally post FOMC. The Golden Week holiday from 1-9 October will also mean that market players will look away from China for directional cues, while also building expectations that the PBoC may allow interbank liquidity to normalise and loosen its grip on CNY when China reopens. Admittedly, our end-September CNY forecast was overly bullish, but we believe the room for CNY depreciation will remain modest and maintain our end-2016 forecast at 6.70.

Brexit, commodities and US elections

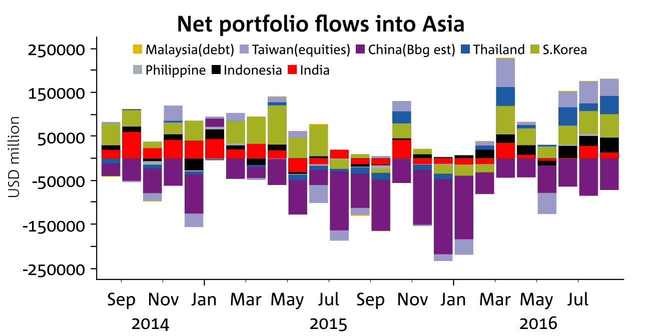
As the final quarter of the year beckons, it appears that concerns over Brexit, commodities prices and the US election results could come to the forefront, and these are just some of the "known unknowns". The GBP suffered some setbacks in September as markets looked beyond the stronger than expected macro data and refocused on the harsh realities of a lengthy and potentially rough negotiation process ahead. The VIX seems too low to indicate sufficient pricing in of a non-Clinton victory of the US elections. In addition, oil prices have been struggling to make a convincing recovery. More volatility could ensue in the run-up to the Fed's final FOMC in December.

Chart 1: Further room for money to follow risk



Source: National Australia Bank, Macrobond

Chart 2: Steady inflows into other non-China markets



Source: National Australia Bank, Bloomberg, Macrobond

China Spotlight: Cautiously steering ship

- **There is an old Chinese saying: "Caution will enable one to steer a ship for ten thousand years."**
- **Despite FOMC and BOJ risk events being out of the way, the PBoC extended its cautious stance in the FX market.**
- **While USD/CNY may be allowed to swing in a market determined manner, the tight grip on the RMB index will likely prevail.**

USD/CNY and USD/CNH have both fallen by about 15bp in September, but the RMB index has fallen by 26bp. As the USD and HKD account for a total of 34.3% of the total trade weighted index (based on NAB estimates), it suggests that the RMB has depreciated around 31bp versus the non-USD components in September. The different widths of the trading bands for different currencies within the basket pave the way for managing the RMB index dynamically. Essentially, the CNY is allowed to trade within +/-2% against the USD, but for non-USD currency pairs, the CNY is allowed to trade +/-3% (AUD, CAD, NZD, SGD), +/-5% (MYR, RUB, CHF, KRW) and +/10% (ZAR).

The currencies with the +/-3% band account for a 13.3% weight within the basket, the AUD taking the bulk with 6.3%. Specifically, AUD/CNY has appreciated 7.3% thus far this year and in the past three months has been trading largely within the 5.0-5.1 range. Further inclination by the Chinese authorities to push the RMB index lower will mean an upside bias for this cross.

Speculative attacks warded off

In addition to managing the RMB index, the Chinese authorities have resorted to tightening interbank liquidity and in consequence, the overnight CNH funding rates or CNH Hibor surged to as high as 23.7% in mid-September, and pushed USD/CNH lower accordingly. We expect the policy preference for currency stability to prevail, amid the forthcoming external uncertainties surrounding the US elections, FOMC decisions and also risks from Europe on Brexit.

It is interesting to note that CNY depreciation pressure was rather contained. The spike in USD/CNH 12m fwd points has not been accompanied by a widening of the CNH-CNY spread and could be indicative of a divergence between the expectations of the market versus those of the authorities. The authorities could be actively managing the spread but not the forwards.

A kickboard to achieve reserve currency status

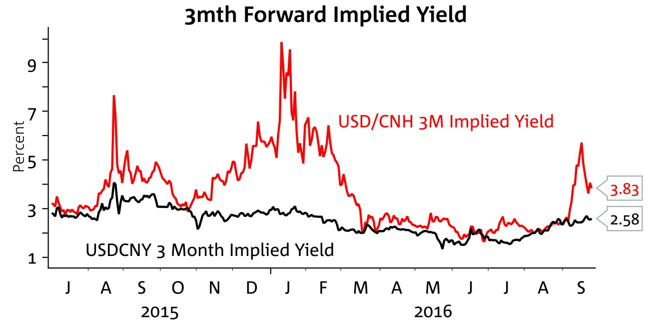
October 1st marks China's formal entry as an SDR member, with the CNY officially included in the IMF's SDR basket. The weight allocated is 10.92%, with the biggest deductions coming from EUR (from 37.4% to 30.93%) and GBP (from 11.3% to 8.09%), followed by the JPY (from 9.4% to 8.33%). The USD's weight was slightly reduced to 41.73% from 41.9%. It is important to note that this does not mean the CNY becomes a reserve currency immediately, nor does it mean an immediate shift by IMF members out of the EUR, GBP and JPY assets into CNY assets. The entry provides an additional option to sell SDRs for CNY, if they face balance of payments strains.

Over the medium term, the use of the RMB as both a trade settlement currency as well as a reserve currency remains a priority. This suggests the scope for an eventual "strong RMB policy". In the meantime though, the authorities seem to have settled on an FX regime that swaps the tight bilateral link with the USD with a looser link between the RMB and USD as measured against a basket of currencies.

Steps forward for China's bond market

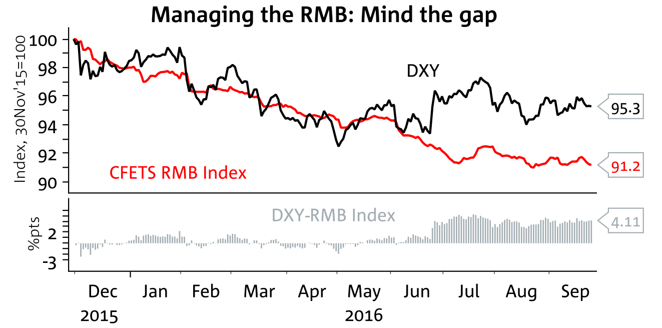
The efforts to boost interest and investments into China's interbank bond market (CIBM) have been stepped up. The PBOC and SAFE recently eased rules on RQFII's investment quota which is subject to "filing with" rather than "approval from" SAFE. RQFII will be automatically given quota (base quota) which is no greater than a certain portion of its assets size upon registration with CSRC and SAFE. Foreign investors like sovereign funds, central banks and other monetary authorities can obtain their investment quotas based on their needs rather than assets size.
In addition, the CSRC scrapped the guidelines on QFII's mainland asset allocations, which previously required QFII to put at least 50% of their assets into equities. This is expected to draw more QFII investments into alternative investments, including bonds.

Chart 1: Squeeze offshore limited USD/CNH strength



Source: National Australia Bank, Bloomberg, Macrobond

Chart 2: Maintaining the precautionary gap



Source: National Australia Bank, Macrobond

Korea Spotlight: Passing safety checks

- **Korea's economic profile may reflect reduced dependence on the external sector, while contribution from private consumption and the services sectors gains further strength.**
- **The KRW's strength, while an impediment to export competitiveness, reflects Korea's attractiveness as a financial investment destination in the region.**
- **NAB Economics expects 2016 GDP to grow 2.9% with downside risks, even with the supplementary fiscal stimulus, with further growth consolidation in 2017 and 2018.**

Korea's financial markets participated in the swings and volatility of September, with the USD/KRW first falling to a low of 1089.72 and then rising to a high of 1128.99 during the month. The 3Y KTB yields initially rose to 1.33, after bottoming out at 1.2% as the Bank of Korea held the policy rate unchanged in September, and then fell swiftly to 1.27% before the FOMC. The yield curve bear flattened led by the front end as the 3Y yield rose to test 1.35% before stabilising around 1.30%. Expectations of reduced dependence on exports may be rising and that will underpin sentiment for Korean assets. For what it's worth, construction investment was the biggest contributor to Q2 GDP, at 3.3%. However, the credit boom has raised sharply the risk of a property bubble and should now form part of investors' regular safety checks on Korea. We explore a few safety valves for Korea below.

Safety check 1 – Dichotomy in the external sector

Our Group Economist John Sharma has analysed the wide disparity in performance across Korea's industrial sectors. South Korea's heavy engineering firms such as Daewoo Heavy and Hanjin Shipping Line have been in the spotlight due to their corporate woes. In contrast, electronics giant, Samsung Electronics, has benefited from its premium smartphone sales. Further, sales in its semiconductor and display unit segments are expected to improve, further bolstering the company's prospects.

Meanwhile, on the positive side, international visitor arrivals have risen over 100% over the year to June, 2016. South Korea continues to remain very popular with Chinese tourists, with Chinese arrivals, in general, exceeding the overall average. Korea's cultural exports remain another promising area. Korean drama series, K-pop, games and animation are areas with strong commercial prospects. Despite the declining trend in exports, Korea has consistently maintained a positive trade balance, largely due to weak imports. Weakness in crude prices has also helped. Over the six months to June, South Korea's current account surplus amounted to USD49.98bn. Looking ahead, South Korea is projected to record high current account surpluses, around the 7-8% range, during the 2016-18 period.

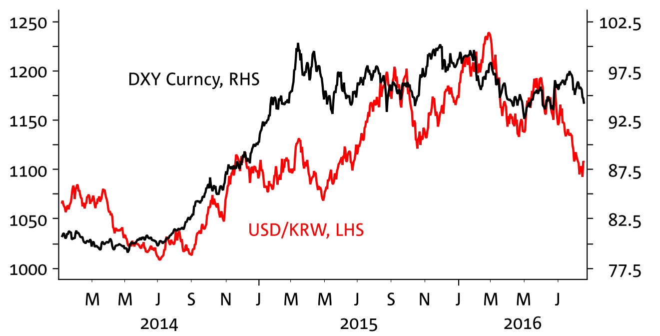
Safety check 2 – Household debt

South Korea's high household debt remains a key vulnerability. Q2 household debt including credit purchases rose to a record KRW1,257tn, exceeding the total extended in 2015 at KRW 1,166tn or 143% of disposable income, according to Bank of Korea data. This has occurred despite mitigating measures such as increase in the scale of fixed-rate and amortising loans, moving away from riskier floating-rate, interest only loans. The authorities have placed curbs on 'high-risk' lending, such as restricting interest only loans to those with lower incomes relative to property values.

Safety check 3 – Monetary and FX policy

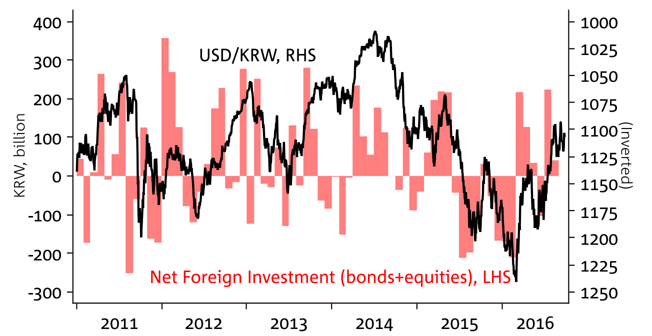
The KRW remains Asia's best performing currency year-to-date, reflecting the linkage between a strong JPY and easier monetary policy. We expect the Bank of Korea to remain on a policy easing path, although it will be careful not to stoke the overheating situation in the property market. The finance ministry recently warned that the property market is overshooting in some areas, but also provided reassurance that the government can take more steps to curb growth in household debt if necessary. The Bank of Korea will probably implement one more rate cut, and probably before the end of this year. This will continue to underpin positive sentiment for Korean debt and equities, especially in an environment that hunts for yield across emerging market assets. South Korea's FX reserves have also shown a continued uptrend over the past five years. As at July, 2016 Korea's FX reserves were USD371.4bn, covering over nine months' of goods and services imports.

Chart 1: KRW strength powers on



Source: National Australia Bank, Macrobond

Chart 2: KRW largely driven by portfolio flows



Source: National Australia Bank, Macrobond

India Spotlight: Patel's coming out party

- **The first RBI monetary policy meeting under the new governor might turn out to be an anti-climax, with a rate cut being deferred.**
- **The sharp fall in consumer price inflation creates room to bring forward rate cuts, but strong PMI numbers might convince the RBI to hold off.**
- **The introduction of the monetary policy committee could turn the spotlight onto India's relatively high interest rates as an attraction that the INR offers.**

The appointment of a relative hawk as the new Reserve Bank of India (RBI) governor followed by the passage of the Goods and Services Tax (GST) bill has done much to reassure the markets about the government's commitment to reform. If the new monetary policy committee is unveiled at the next RBI policy meeting on 4 October, it will further cement the image of structural reforms taking root.

It is in this context that the fall in August's CPI inflation could be seen as providing the RBI with the perfect license to bring forward interest rate cuts that many in the market (NAB included) are expecting by the end of the year. We suspect though that this is not going to happen given that PMI is indicating that sentiment in both the manufacturing and services sectors is still quite strong.

With expectations of a US interest rate hike expected to continue to increase over the next month and beyond, the INR's relatively high carry should put it in good stead relative to its other Asian counterparts.

First meeting to set the tone

Contrary to market expectations that the government of Nahrendra Modi would appoint a dove in contrast to previous RBI Governor Raghuram Rajan, it was his deputy and relative hawk Urjit Patel who was appointed. Patel's first monetary policy decision on 4 October will therefore be watched with some interest.

This first meeting could also see the unveiling of a new monetary policy decision making body. Rajan had been planning this shift to a Monetary Policy Committee (MPC) comprising of six members, three from the RBI and the other three to be appointed by the government. The three from the RBI will be the Governor, his Deputy Governor in charge of monetary policy and executive director in charge of monetary policy (Michael Patra). The other three members will be appointed based on the recommendations of a search-cum-selection committee which is to be headed by the Cabinet Secretary.

Within the MPC, the governor has a casting vote and doesn't enjoy veto power. Decisions will be taken on the basis of majority vote.

August inflation is a red herring

The fall in the CPI inflation rate in August to 5% yoy from 6.1% in July, brings it into line with the RBI's near-term target of 5% for March 2017. This is however, still some distance away from the March 2018 target range 4% +/-2%. Furthermore, the main driver was a fall in food inflation to 5.9% yoy from 8.3% in July.

Another impact of the robust inflation that might worry the RBI is that it seems to be causing the INR REER to continue to cleave further away from the NEER, indicating that the inflated-related loss of external competitiveness is growing.

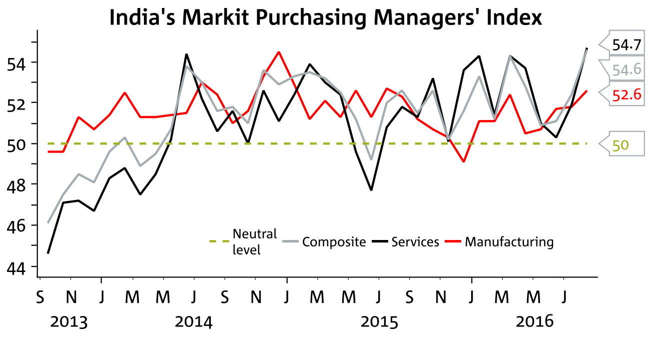
Business sentiment remains strong

Developments over August seem to have proved quite encouraging and both the PMIs for Services and Manufacturing rose meaningfully to 54.7 and 52.6 respectively, from 51.9 and 51.8 in July. With business confidence looking so resilient, and the government's fiscal targets looking a bit stretched, the RBI will want to exercise caution.

Indian assets should start to attract inflows

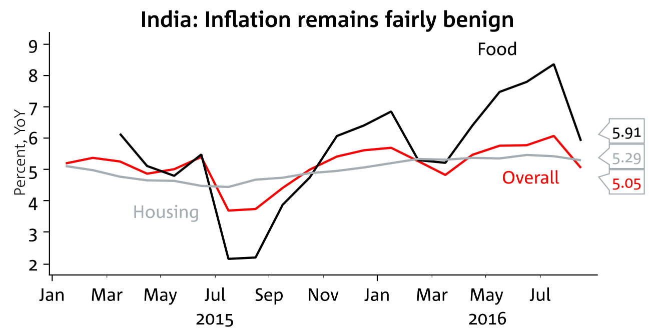
After the brouhaha surrounding Rajan's mildly tetchy departure, Patel might also want to take this opportunity to show his independence from the government, and also to perhaps demonstrate some dominance over the new MPC. A cut is thus quite unlikely and such a decision will serve to underline the carry as a key attraction, amongst others, of the INR.

Chart 1: Sentiment remains very strong



Source: National Australia Bank, Macrobond

Chart 2: Inflation dip driven by food



Source: National Australia Bank, Macrobond

Singapore Spotlight: Positioning for policy plasticity

- **As the US continues its very gradual normalization of interest rates, the MAS would be well justified in remaining in neutral mode and waiting to see how events play out.**
- **The MAS has its second biannual monetary policy meeting in October and is likely to maintain its current neutral stance. The option of an inter-meeting policy move remains available in the event of a major external shock.**
- **Both domestic and external fundamentals suggest that the MAS is likely to be comfortable with reasonable movements in either direction.**

Even as the discussion over a US interest rate hike moves away from "if" to "when", the Monetary Authority of Singapore's (MAS) loosening of mortgage refinancing constraints on homeowners, highlights the careful dance that many Asian central banks are currently having to perform. Come October, these conflicting imperatives are likely to see the MAS maintain its current neutral policy stance.

Singapore's Q2 GDP growth number was a bit of a mixed bag, with both manufacturing and construction showing strong sequential growth but services weighed down by a Brexit-linked withdrawal from Asian financial markets. Inflows into Asia seem to have recovered subsequently but it remains to be seen how much Singapore's services sector will have befitted.

Inflation meanwhile continues to provide cause for the MAS to remain somewhat cautious. While consumer prices on the whole remain in deflation, MAS' Core Inflation measure has been steadily creeping up but still remains below the MAS' medium term target of 2%.

At the April 2016 policy decision, the MAS said that the move to a neutral bias is not a policy to depreciate the domestic currency, and only removes the modest and gradual appreciation path of the S$NEER policy band that was in place. After the release of the Q2 GDP number, MAS reiterated that it felt its monetary policy stance was appropriate for the current situation. With the S$NEER holding steady in the vicinity of the mid-point of the policy band, MAS' view could well remain the case for some time.

Cyclical slowdown to persist but little to be done

While growth indicators are broadly rather weak, there are many reasons for the MAS to downplay the need for further monetary stimulus. For one, the unemployment rate has remained at a fairly low 2.1%, with many sectors experiencing tight labour constraints. Furthermore, the government is also running a fairly supportive fiscal policy focused on infrastructure spending. Additionally, the weakness in non-oil domestic exports (NODX), especially electronics NODX, seems to be in large part due to a combination of a weak global recovery in merchandise trade, and a structural decline in the once dominant electronics sector in Singapore, in favour of the biomedical sector.

Keeping it steady for now

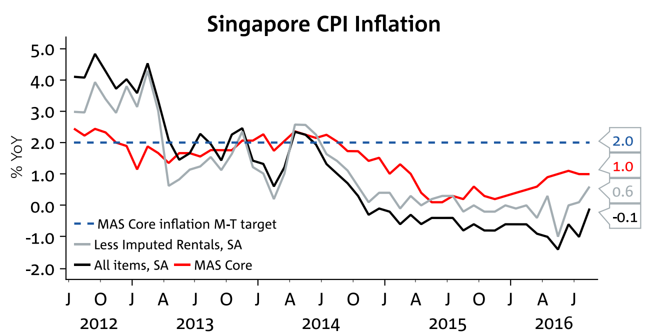
Aside from the fact that the output gap was estimated by the government to be only slightly negative, Singapore's economy has over the past few years become less dependent on external price competitiveness. Price-sensitive electronics exports have been supplanted by the less price-sensitive biomedical sector. The overall economy has also shifted away from merchandise exports and towards less price-sensitive services exports.

With the US Federal Reserve likely to take another step on the path towards normalizing interest rates, the MAS is quite likely to decide that the balance of factors gives the MAS more room to manoeuvre.

Room to drift lower

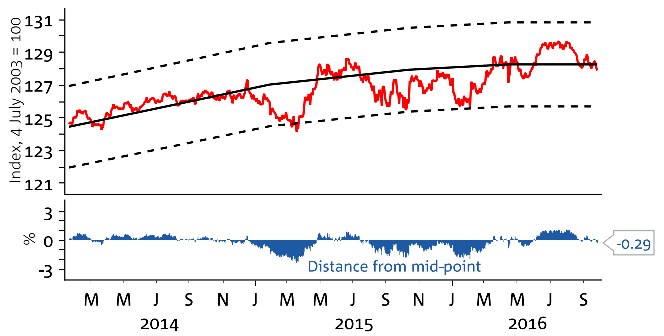
With the S$NEER now slightly below the middle of the policy band, the MAS has the luxury of letting the S$NEER drift lower within the policy band should the global economy take a turn for the worse. In an extreme situation, the MAS does also have the option of doing an inter-meeting policy change, as was the case in January 2015 after the Swiss central bank unexpectedly removed the EUR/CHF floor. The obvious risk events going forward are the US presidential elections and elections in France and Germany next year. A sudden deterioration in US or Chinese economic data could also necessitate a weaker SGD.

Chart 1: Inflation ticking up



Source: National Australia Bank, Macrobond

Chart 2: S$NEER winds down its vigour



Source: National Australia Bank, Bloomberg, Macrobond

Selected Indicators

Table 1: NAB Asian FX Forecasts

	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18
USD/CNY	6.70	6.70	6.68	6.65	6.65	6.65	6.63	6.60
USD/IDR	13300	13400	13400	13400	13300	13200	13150	13100
USD/INR	66.5	66.2	65.5	64.5	63.5	62.5	62.0	61.0
USD/KRW	1150	1180	1180	1180	1150	1100	1100	1100
USD/MYR	4.15	4.30	4.40	4.38	4.35	4.30	4.30	4.30
USD/PHP	46.5	46.5	46.4	46.2	46.0	46.0	45.5	45.5
USD/SGD	1.38	1.38	1.38	1.38	1.37	1.37	1.36	1.36
USD/THB	35.0	35.0	35.5	36.0	36.5	37.0	36.5	36.5
USD/TWD	32.0	32.2	32.5	32.5	32.5	32.0	32.0	31.5

	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18
AUD/CNY	5.03	4.89	4.81	4.66	4.66	4.59	4.51	4.49
AUD/IDR	9975	9782	9648	9380	9310	9108	8942	8908
AUD/INR	49.9	48.3	47.2	45.2	44.5	43.1	42.2	41.5
AUD/KRW	863	861	850	826	805	759	748	748
AUD/MYR	3.11	3.14	3.17	3.07	3.05	2.97	2.92	2.92
AUD/PHP	34.9	33.9	33.4	32.3	32.2	31.7	30.9	30.9
AUD/SGD	1.04	1.01	0.99	0.96	0.96	0.94	0.92	0.92
AUD/THB	26.25	25.55	25.56	25.20	25.55	25.53	24.82	24.82
AUD/TWD	24.00	23.51	23.40	22.75	22.75	22.08	21.76	21.42

Table 2: NAB Key FX Forecasts

		Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18
Australian Dollar	AUD/USD	0.75	0.73	0.72	0.70	0.70	0.69	0.68	0.68
New Zealand Dollar	NZD/USD	0.72	0.70	0.68	0.67	0.67	0.68	0.68	0.69
Japanese yen	USD/JPY	102	103	103	102	101	100	99	97
Euro	EUR/USD	1.12	1.10	1.09	1.07	1.06	1.06	1.07	1.08
British Pound	GBP/USD	1.26	1.22	1.20	1.17	1.16	1.16	1.16	1.18
Swiss Franc	USD/CHF	0.96	0.97	0.98	1.01	1.02	1.03	1.03	1.03
Canadian Dollar	USD/CAD	1.29	1.33	1.35	1.37	1.37	1.38	1.38	1.38
Chinese New Yuan	USD/CNY	6.70	6.70	6.68	6.65	6.65	6.65	6.63	6.60

Table 3: NAB Asia Macro Forecasts

	2013	2014	2015	2016	2017
Hong Kong	3.1	2.7	2.5	1.4	1.4
Indonesia	5.6	5.0	4.8	4.9	4.9
Singapore	4.6	3.3	2.0	2.7	2.7
Taiwan	2.2	3.9	0.7	0.3	0.3
Thailand	2.7	0.8	2.8	3.7	3.7
Malaysia	4.7	6.0	5.0	4.3	4.3
S Korea	2.9	3.3	2.6	2.7	2.7
Philippines	7.1	6.2	5.9	6.0	6.0
Total	**4.2**	**4.1**	**3.5**	**3.5**	**3.5**
China	7.7	7.3	6.9	6.7	6.5
India	6.3	7.0	7.2	7.7	7.7

Table 4: NAB Key Macro Forecasts

Country/region	2011	2012	2013	2014	2015	2016	2017
United States	1.6	2.2	1.7	2.4	2.6	1.5	2.1
Japan	-0.4	1.7	1.4	-0.1	0.6	0.5	0.6
Euro-zone	1.6	-0.8	-0.3	0.9	1.6	1.4	1.1
United Kingdom	1.5	1.3	1.9	3.1	2.2	1.6	0.6
Emerging Asia	4.4	4.6	4.2	4.1	3.5	3.6	3.6
Latin America	4.5	2.3	2.5	0.4	-0.6	-0.9	0.9
China	9.5	7.7	7.7	7.3	6.9	6.6	6.5
Canada	3.1	1.7	2.2	2.5	1.1	1.4	1.9
Australia	2.7	3.5	2.0	2.7	2.5	2.9	2.9
New Zealand	1.8	2.4	2.4	3.7	2.5	2.9	2.9
India	7.9	5.9	6.4	7.0	7.2	7.7	7.7
Africa	5.4	4.4	5.2	5.1	3.3	1.6	3.0
Eastern Europe	5.4	1.4	2.9	2.8	3.5	3.1	2.8
Middle East	3.9	4.8	2.4	2.8	2.3	2.3	1.8
Other advanced	3.3	2.0	2.2	2.8	2.5	2.4	2.5
World	**4.43**	**3.47**	**3.33**	**3.34**	**2.99**	**2.76**	**3.02**

Source all tables: National Australia Bank

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Important Notices