

出國報告（出國類別：研討會）

參加 J.P.Morgan2013 年投資者服務論壇
－當前經濟及監管環境下的風險管理
研討會出國報告

服務機關：公務人員退休撫卹基金監理委員會

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壹、前言

由於當前經濟情勢及監管環境變化迅速，亞洲的機構投資者於全球市場的投資正面臨著新的風險和擔憂，回顧金融風暴與歐債危機的發生，各國經濟飽受衝擊，金融市場與投資環境已經歷重大調整，對退休基金而言，如何兼顧投資獲利與風險控管成爲未來投資關注焦點。

本次所參加研討會之主辦單位爲摩根大通銀行，總部位於美國，是一家跨國金融控股公司，2000年由美國大通銀行及JP 摩根合併成立，合併後的摩根大通分爲兩大領域：投資銀行、現金管理及證券服務、資產管理等業務由JP 摩根執行；零售金融服務、信用卡服務及商業銀行等地區性業務則由大通銀行提供服務。

摩根資產管理負責摩根大通集團之全球資產管理業務，總管理資產超過12,487億美元，包括固定收益資產(Fixed Income)8,174億美元、股票資產(Equity) 965億美元、平衡資產417億、其他類型資產931億美元，爲全球前十大主動管理(Active Management)資產管理公司，摩根於全球40個城市超過671位專業投資研究人員(包括研究員、分析師及基金經理人等)，提供國際金融機構、法人及個人的資產管理服務，包括共同基金管理與專戶資產管理等。

本次2013年投資者服務論壇－當前經濟及監管環境下的風險管理研討會於102年11月14日假吉隆坡Mandarin Oriental 飯店舉辦全天之研討會，會議由摩根資產管理公司舉辦，討論重點主要針對全球和亞洲新興市場的宏觀展望、從投資者觀點管理外匯、目前市場上的流動性管理以及投資遵行，績效和風險分析等議題進行探討，對本基金之監管業務均有相當程度之啓發及助益。

貳、研討會重要內容摘述

一、宏觀展望—全球和新興亞洲市場的主題

主講人：Sin Beng Ong—摩根大通新興亞洲市場經濟和政策研究執行董事

主講人簡介：東協的高級經濟學家，宏觀主題同時也涵蓋新興亞洲的區域，還曾擔任摩根大通新興亞洲市場利率和主權的策略。在加入摩根大通之前，曾在香港波士頓諮詢團隊工作，並持有美國康乃爾大學的學士和碩士學位。

內容摘要：

（一）成熟市場溫和復甦，新興市場不確定性

2012 年引發市場動盪疑慮的歐元區解體、美國財政懸崖兩個風險在 2013 年暫獲解除，未來美國、歐元區及日本（G3）將進入更好的一年，商業氣氛及財務狀況改善，伴隨著量化寬鬆的縮減，預計 G3 利率將上升。但新興市場是憂喜參半的一年，中國成長放緩，中期趨勢則增長，新興市場的資本流入也放緩；出口方面，新興亞洲市場的出口仍然是憂喜參半，除中國外的新興市場出口仍是疲弱，但 G3 出口增長是明顯的，特別是歐元區。

（二）成熟市場成長對新興市場的影響

G3 在需求方面有兩件事情發生：1.自 2011 年上半年以來美國高科技的需求顯著放緩，導致於美國高科技投資增長放緩，因此美國傾向於向新興亞洲市場推動高科技產品出口。美國高科技的需求在企業和消費者的需求之間產生越來越多的不同，隨著 PC 和伺服器的需求減少，商業資本性支出顯著放緩，智慧型手機和平板電腦則有穩定的消費者需求。2.高科技產品週期的變動導致了高科技產品的出口在區域上的分歧，北亞區及中國更容易受到移動電腦設備的影響，東協國家則較少，但是，最近的數據顯示在移動電腦領域成長放緩，市場趨於飽和。東協國家由於強勁的國內需求和出口疲軟，導致自 2011 年以來經常帳收窄，必須依賴資本帳和資金流入。另一個趨勢轉變是在中國服務業，自 2009 年以來在中國的無形貿易餘額大幅下降，其中勞務收支餘額明顯下降，反映出服務業赤字上升，這在很大程度上是由於與旅遊相關的資金流出。中國的旅遊業正在蓬勃

發展，2009 年以來，中國旅遊暴增，60%是到香港，韓國和泰國等國，導致這些國家正向的資金流入，而印尼、日本、馬來西亞和菲律賓則沒有太明顯的增加。

（三）美國量化寬鬆縮減及新興亞洲市場

最近的觀察是，美國聯準會在更好的經濟數據之下縮減量化寬縮的談話中，已使新興市場當地貨幣計價債券型基金的資金流入造成震盪。另新興亞洲市場部份，印尼、印度、泰國和馬來西亞看到邊際經常帳的狀況惡化，匯率的績效與經常帳的相對變化狀況有相當的關聯性，反映在 2012 年和 2013 年即期外匯的變動就是這些國家匯率的下跌；印度、馬來西亞和印尼在過去 4 年中看到對外部資金流入的依賴度最高。

（四）馬來西亞的概況

儘管馬來西亞外部需求疲軟，從基礎建設相關支出和強勁的私人消費即可看出國內需求在 2013 年仍然強勁，然而從政治上財政和其他方面的改革可以看出馬來西亞在財政和對外收支結餘上的明顯弱點，馬來西亞財政政策委員會於九月初公佈更廣泛的改革，應可被視為一項積極措施，因其觸及所有關鍵的問題。摩根大通認為這些改革措施是正面的，因為這些改革主要專注於明顯的漏洞（1）在政府擔保的支持下，經濟轉型計劃（ETP）相關投資迅速增加；（2）縮小收入基數，增加補助、移轉和酬金支出；（3）及經常帳縮小的情況等。

二、從投資者觀點管理外匯

主講人：Michael Wynn—摩根大通投資者服務亞太區外匯技術關係管理的負責人

主講人簡介：Michael 目前擔任執行董事並已在摩根大通有 14 年年資，並曾在摩根大通的投資者服務和投資銀行服務。在此之前，Michael 是在倫敦負責摩根大通的全球被動型貨幣產品，並於 2012 年回到雪梨負責亞太地區投資者服務外匯銷售及客戶管理團隊，擁有廣泛的銷售和技術經驗。Michael 擁有超過 15 年銀行業經驗，FSA 註冊會計師資格，並持有商業學士學位。

內容摘要：

全球貨幣市場每天平均交易 5.3 兆美金，貨幣市場的參與者比任何其他市場更分散，美金仍是交易最多的貨幣，2010 年至 2013 年間的貨幣市場有了下列明顯的變化：1.日圓交易量大量的增加；2.歐元是交易量減少最多的國際貨幣；3.墨西哥披索和人民幣的交易量在主要新興市場貨幣中有顯著的上升。人民幣的國際化，使人民幣的交易量從 340 億元急速增加到 1,200 億元，在 2013 年交易量中排名第 9，主要是離岸人民幣交易有顯著的增加。倫敦仍然是目前最大的交易中心（41%），前五大交易中心的外匯交易量較 2010 年成長了 4%，新加坡在 2013 年超越日本成爲全球第三大，相較之下，瑞士交易量下滑了 13%，掉出了前五大交易中心。

2012 年 12 月時，退休金資產估計 29.754 兆美金，全球七大市場（澳洲、美國、英國、加拿大、日本、瑞士、荷蘭）的平均資產配置爲權益證券 47.3%、債券 32.9%、現金 1.2%和其他資產 18.6%（包括不動產和另類資產），配置在權益證券的比重持續的增加，而所有其他資產的配置比重則下降，隨著國外投資不斷增加，退休金資產投資組合權益證券配置在其國內權益證券的比重從 1998 年的平均 64.7%下降至 2012 年的平均 46.5%，使得外匯交易成爲退休金管理之重要項目。

摩根大通的自動外匯交易平台可以從交易指令有效率的自動完成外匯交易，其保管銀行資產服務中有關外匯收益或外匯支出都在其內部相關團隊的監管下執行有關股利、利息收入、活動支出等外匯收支及包含稅務的要求，並確保款項的收訖，對於外匯交易的執行有著嚴謹的管理程序，並提出外匯交易報告。

三、目前市場上的流動性管理

主講人：Hong Paterson—摩根大通投資服務流動性產品銷售執行董事

主講人簡介：Hong Paterson 是摩根大通新加坡投資者服務流動性產品團隊的執行董事，工作重點是在投資者服務推動客戶和產品的流動性議題。Hong 在摩根大通已經超過 13 年，她的職業生涯跨越自營交易，外匯交易以及市場戰略。在她亞太地區的 9 年，曾在新加坡、東京、雪梨及香港等地，涵蓋了包括私人銀行現金產品專家等的角色。除了自 2009 年以來擔任摩根大通綠色環保委員會的活躍成員，Hong 還擔任緬甸難民計畫（非營利）的財務秘書。Hong 能說流利的英語，法語和越南語，持有維吉尼亞大學會計學士學位。

內容摘要：

監管和環境的壓力正在推動新的方法來管理流動性，其中對市場而言，利率仍維持低檔，歐洲及美國經濟的不確定性仍持續，實質法規的變化，特別是巴塞爾協議 III；對客戶而言，交易對手風險的擔憂、有限的長期投資選擇、全球政府債的結構風險、收益目標難以達成等，均促使銀行必須推出各類新產品以因應環境需要。

以下分就各重點簡要說明：

（一）多德-弗蘭克華爾街改革和消費者保護法案（Dodd-Frank Act）的影響

Dodd-Frank Act 分別於 2010 年 6 月 30 日和 7 月 15 日獲美國眾議院和參議院通過，最後由美國總統簽署，被認為是 20 世紀 1930 年代以來美國改革力度最大、影響最深遠的金融監管改革。該法案旨在通過改善金融體系的透明度和增強金融機構的責任，以促進美國金融穩定性，解決金融機構“大而不倒”的問題，保護納稅人利益及保護消費者利益。該法案於 2010 年 7 月簽署成法律，許多 Dodd-Frank Act (DFA) 的規則已經生效，包括美國聯邦存款保險公司無條件的保險和 Q 條例的廢除。

Q 條例：美國 1929 年之後，經歷了一場經濟大蕭條。為恢復金融秩序、籌措戰爭資金和戰後經濟恢復，金融市場隨之也開始了一個管制時期，並頒佈了 Q 條例。規定銀行不得對活期存款支付利息，並對儲蓄存款和定期存款的利率規定了上限機制。但隨之而來的弊端是 1960 年代美國通膨脹率一度高達 20%，同期貨幣市場工具如國庫券、商業票

據的收益率高達 10%，但是 Q 條例的限制一方面使銀行存款對投資者的吸引力急遽下降，另一方面使銀行的存款業務受到很大的影響。

美國聯邦存款保險公司 (FDIC)：建立的背景是 20 世紀初的經濟大蕭條，全美先後有 9755 家銀行倒閉，存款人損失約 14 億美元，美國金融體系遭受重創。爲了應對危機，美國國會採取了一系列行動，包括 1933 年 6 月通過了《格拉斯—斯蒂格爾法》，其中很重要的一條就是成立美國聯邦存款保險公司 (FDIC)。1933 年 7 月，FDIC 正式成立。1934 年建立聯邦儲蓄信貸保險公司，負責向儲蓄信貸協會提供存款保險。FDIC 是美國一個獨立的聯邦政府機構，直接向美國國會負責，並接受美國會計總署的審計。FDIC 的首要職能是存款保險，它爲全美 9900 多家獨立註冊的銀行和儲蓄信貸機構的 8 種存款帳戶提供限額 10 萬美元的保險，全美約有 97% 的銀行存款人的存款接受 FDIC 的保險。

由於金融風暴的影響，Q 條例禁止銀行商業支票帳戶 (DDAS) 支付利息，但 Q 條例因爲 2010 年 7 月 21 日的 Dodd-Frank Act 廢除，並自廢止日期起生效一年，目前摩根大通已能夠在美國支付利息給商業支票帳戶。另外 Dodd-Frank Act 對美國聯邦存款保險公司提供無息存款的無條件保險於 2012 年 12 月 31 日到期，受到美國聯邦存款保險公司保險到期的影響，預計許多客戶將重新評估他們原先的短期投資，開始重視交易對手風險、投資程序及收益性。

(二) 巴塞爾協議 III 的影響

巴塞爾委員會的改革方案的主要內容：提高銀行業普通股的品質、一致性和的透明度到 7%；加強對衍生性工具，附買回和證券融資活動產生的交易對手信用風險的資本要求；引入短期（流動性覆蓋率）和長期（淨穩定資金比率）流動性標準需大於 100% 之要求，巴塞爾協議 III 的結果，使銀行業運營和穩定的資金餘額已大大增加。

巴塞爾協議 III 可能意味著：銀行對於長期資金的壓力增加，將使一些具有現金管理、結算和保管的存款產品，配合流動性效率的監管需要，將可對客戶產生額外誘因。流動性覆蓋率 (Liquidity coverage ratio, LCR) 和淨穩定資金比率 (Net stable funding ratio, NSFR) 將造成新產品的出現，“有效率監管”的產品將對營運現金提供更大的價值，更重要的是將投資在可以幫助預測流動性流量和具長期資金吸引力的產品，預計將增加長期存款的產品，以減輕對 LCR30 天資金流出的要求。尋找增加外國銀行存款的產品，尤

其是在像中國、印尼、巴西可以提供更有吸引力的報酬率的國家。預計銀行將嘗試更多流動性仲介機構，以有效地引導流動性至適當的水位，並更加重視覆蓋能力和資金效率。

四、投資遵行，績效和風險分析

主講人：John Fu—摩根大通投資者服務亞洲區全球基金服務高級產品經理人及執行董事

主講人簡介：John Fu 是摩根大亞太區投資者服務高級產品經理，在香港負責全球基金服務產品的產品管理和銷售支援，包括會計，遵行報告，投資分析和諮詢，並自 1998 年進入摩根大通至今；進入摩根大通之前，是所羅門美邦基金會計師及在 MacGregor 集團作為一個資深問答分析人員。John 曾就讀於中國和美國。他畢業於中國清華大學科學學士學位；美國紐約州立大學科學碩士；美國南方衛理公會大學工商管理碩士。

內容摘要：

（一）監控投資遵行

摩根保管銀行提供交易後的訊息，以便有效地監測投資組合與預先定義的投資組合方針、監管限制及限制範圍。監控報告工具提供投資遵行及違反結果動態圖形和表格報告，包括能提供從高水準的彙總資料至細部的資料。

（二）績效衡量

績效衡量部分，提供絕對報酬、相對報酬及複合帳戶及產業、客製化或複合基準的評估及比較，評估報告並可進一步深入至資產類別、行業及國家。在相關投資管理決策過程中可拆解投資組合淨報酬與對比基準的組成成分，並解釋在各市場經常的報酬，及歸屬預期及非預期報酬。

（三）風險報告

風險統計可在任何一段時間內執行，常見的風險報告包括衍生工具風險、交易對手風險、發行人風險、貨幣風險、國家風險、行業風險、商品風險、利率風險及信用風險等；其中交易對手信用風險存在於櫃檯交易（OTC）的衍生性金融商品交易，當擁有公開的衍生性金融商品有利於倖存的交易對手，此時交易對手違約就會產生交易對手信用風險；而發行人風險則是由發行人確定投資組合資產的市場風險。事前的風險衡量，經由風險值（VAR），計算在正常市場情況及特定的信賴水準下最大的預期損失，透過壓力測試確定極端事件可能引發災難性的損失，並透過回溯測試驗證實際損失是否在預期損失內。另外條件風險值（CVaR）可以簡稱為期望虧損或預計尾部損失或平均超額損失或

尾部 VaR 值，其衡量是指超出特定信賴水準下的平均損失，換句話說，CVaR 值是計算超出 VAR 值的所有損益狀況的平均數，在動盪的環境中，在特定的信賴水準被突破時，CVaR 值可能會意外地驚人。經驗證據表明，投資組合通常表現出偏離常態分配的報酬，實質上其損失可能會比單一風險值還高。相對風險值(RVaR)直接與明確的基準做比較，在衡量投資組合比基準承受更大損失的風險，RVAR 是投資組合相對於基準偏差的風險，當相對風險值以百分比表示，即得出事前追蹤誤差，事前追蹤誤差適合半主動或被動型的委託。

參、心得及建議

退休基金資產配置越來越全球化，希望透過全球化的投資以達成分散風險的目的，而跨國有價證券之買賣與保管必須倚重保管銀行提供之保管業務方能達成，因此，其保管業務是否能提供委託人資產的安全性及買賣股票的便利性至為重要，摩根大通銀行對旗下客戶投資或保管業務服務，透過高效率的自動外匯交易平台，以滿足跨國有價證券的買賣交割及結算，交易過程並執行嚴謹的監控，績效衡量及風險評估，並出具相關監控、績效評估及風險報告。

另外，近幾年全球集中市場之發展，衍生性金融商品工具不斷的開發及創新，在國際金融市場以飛快的速度成長，卻也造成 2008 年美國信貸事件引發之全球金融風暴，突顯過去金融機構使用過度的財務槓桿操作，導致資本適足率不足，其中一些國際性銀行之普通股權益占風險性資產甚至不到 1%，資產品質不佳，以及公司治理不足導致對信用與風險管理不足、財務缺乏透明度等，而導致全球經濟蒙受重大損失。自全球金融危機以來，各國終於痛定思痛，開始省思衍生性商品帶來的風險及管理問題，著手進行金融市場改革。而巴塞爾協議 III 改革方案的目標即為：提高銀行業承受金融和經濟壓力衝擊的能力，減少實體經濟對金融領域的風險；提高風險管理和治理，以及加強銀行的透明度和揭露；鼓勵銀行尋求長期的資金來源，確保銀行有足夠的高品質的流動性資源，以滿足其短期流動性需求，包括改革資本適足性規範，以提高資本品質及資本比率水準，增訂槓桿比率水準，及訂定全球流動性規範：(1)流動性覆蓋率(LCR)，目的在於強化銀行因應短期流動性需求之能力；(2)淨穩定資金比率(NSFR)，主要為改善銀行長期結構上流動性期限錯配問題。

近期美國財政僵局的協商解決、美國量化寬鬆（QE）政策的逐步退場、中國在第 18 屆三中全會後的經濟改革方向及日本安倍經濟學的效應等都將牽動全球經濟情勢，未來仍有可能面對劇烈波動的投資市場及不確定的投資環境，本基金在當前經濟情勢及監管環境的變局下，更應加強風險意識，妥善規劃風險控管機制，透過各項質、量化數據及嚴密的控管作業，有效降低信用風險、流動性風險及市場風險等風險因子，並注意條件風險值（CVaR）的發生，增進投資內部流程之運作效率，增加更多有利於投資決策之工具，並積極尋找有利於本基金的投資項目，在可接受風險水準下，追求本基金之最大利益，以達

本基金永續經營之目標。



INVESTOR SERVICES

J.P. Morgan Investor Services Forum 2013, Kuala Lumpur

Managing Risks in the Current Economic & Regulatory Environment

Thursday, 14 November, 2013

J.P.Morgan

Macro Outlook – Global and EM Asia themes

October 2013

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Agenda

The global view: modest lift in DM, uncertainty in EM	1
Impact of stronger DM on EM	13
US tapering and EM Asia – observations from a recent test run	23
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Main points

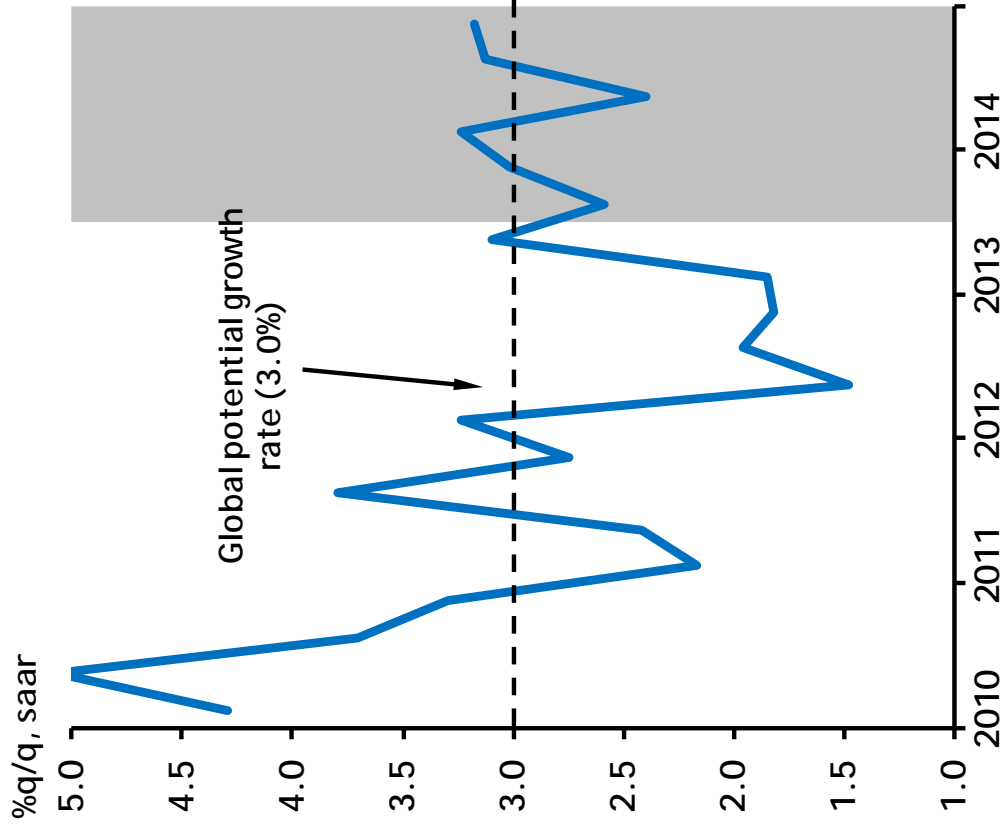
Lift will come with widening regional divergence – firmer G-3 and softer EM

- Two of the four 2012 macro tail risks have been removed: Euro area breakup; the US goes over the fiscal cliff
- A better year for G-3 – means a reduction in quantitative easing
- But a mixed year in EM – all eyes on China slowing and medium-term trend growth

A year of rising G-3 rates, easing China and slower capital inflows into EM

- Countries that run current account deficits and high funding needs will be under pressure
 - India, Indonesia
- Commodity currencies will also be under pressure
 - Australia, Indonesia and Malaysia
- Rates will likely rise in the region –in the countries most dependent on inflows and small domestic investor base
 - Indonesia

Global GDP



Source: J.P. Morgan estimates

Global GDP

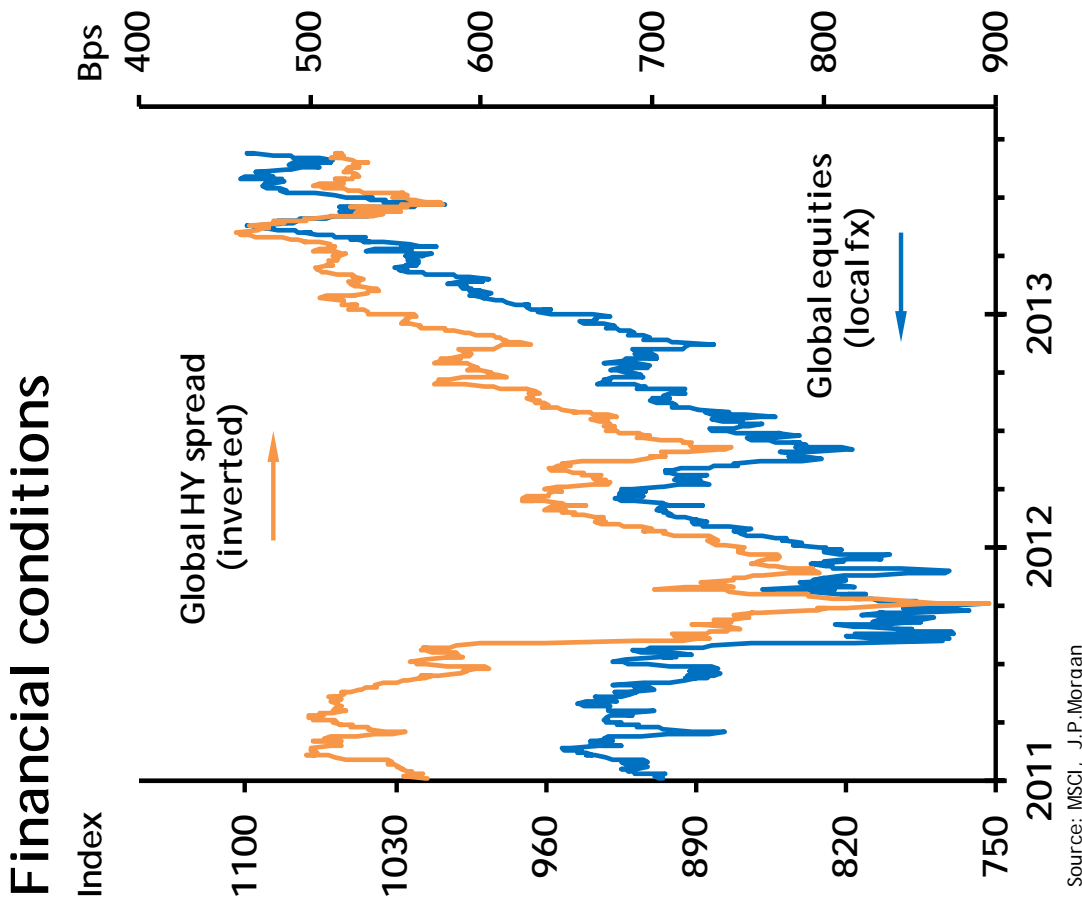
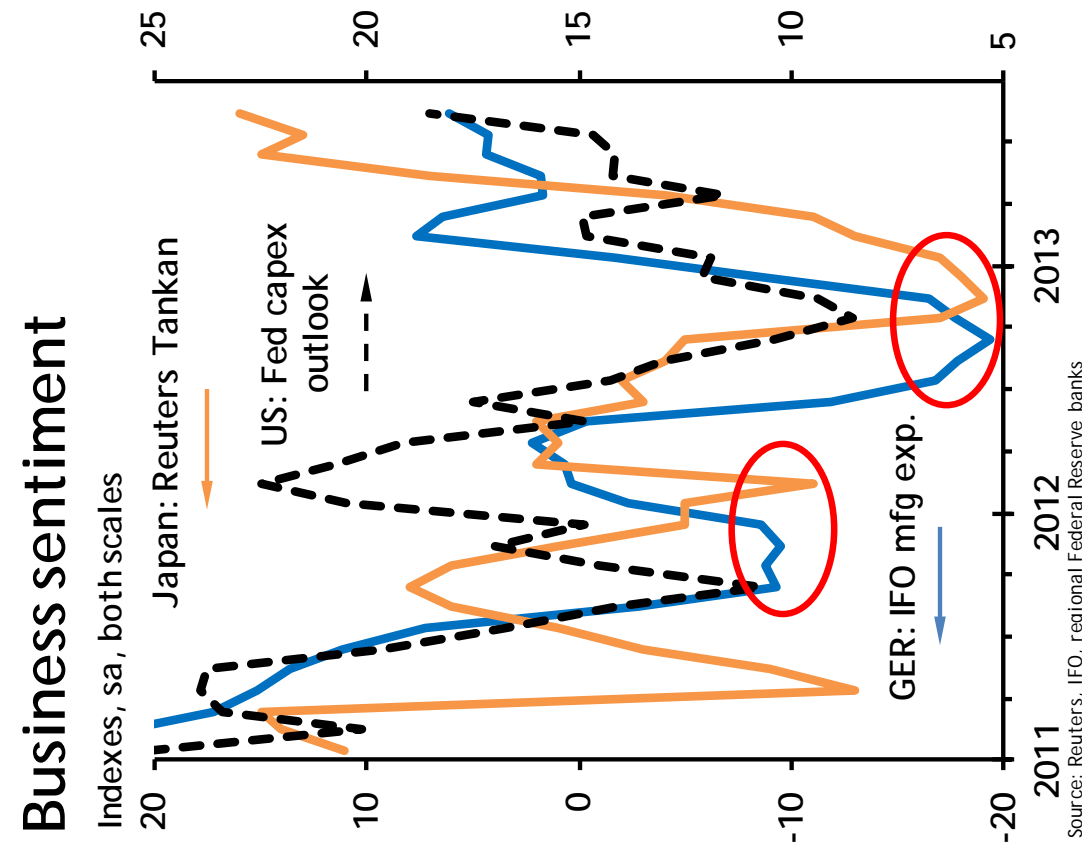
%q4/q4

	2011	2012	1H13	2H13	2014
Global (2.9)	2.8	2.1	2.5	2.8	3.0
DM (1.6)	1.3	0.6	1.7	1.9	2.0
US (2.0)	2.0	2.0	1.8	2.2	2.7
Euro area (1.3)	0.7	-1.0	0.3	0.7	1.5
Japan (0.7)	0.3	0.3	3.9	3.1	0.6
UK (1.5)	1.1	0.0	2.0	3.5	2.9
EM (5.2)	5.5	4.9	4.0	4.4	4.8
China (8.0)	8.8	7.8	6.4	7.8	7.1
EM Asia ex China (5.3)	4.1	5.2	3.4	3.8	4.5
Latam (3.5)	3.4	2.6	3.1	1.3	3.3
Brazil (3.2)	1.4	1.4	4.3	-0.2	3.0

Note: Trend growth in parentheses

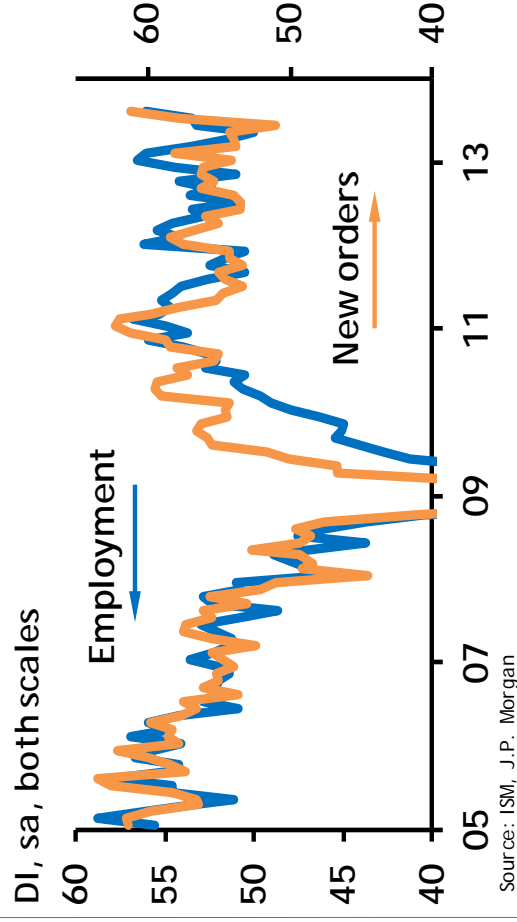
Source: J.P. Morgan, national statistics agencies

First the good news: business sentiment and financial conditions improving in G-3

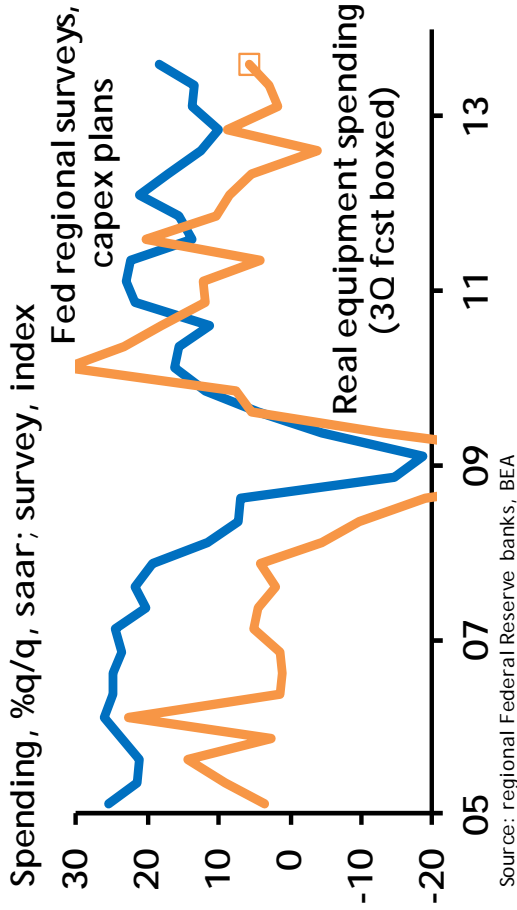


US corporate indicators look good

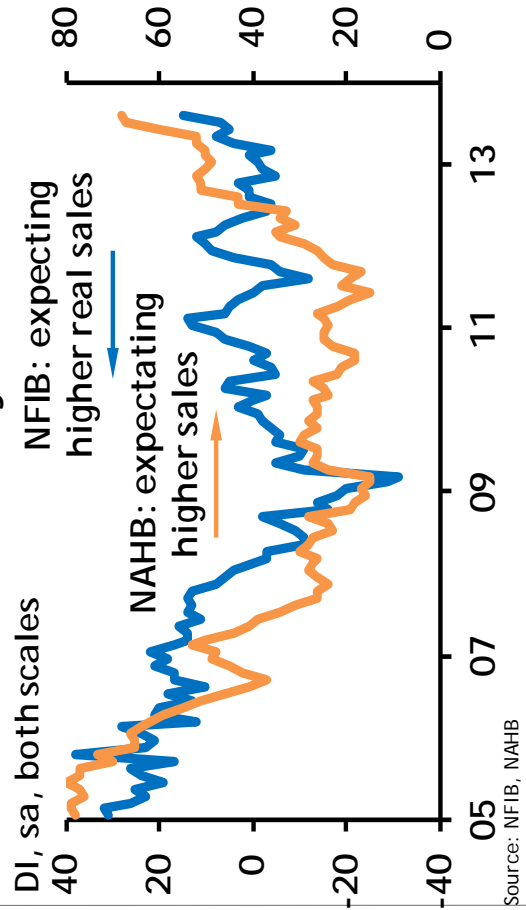
ISM composite new orders and employment



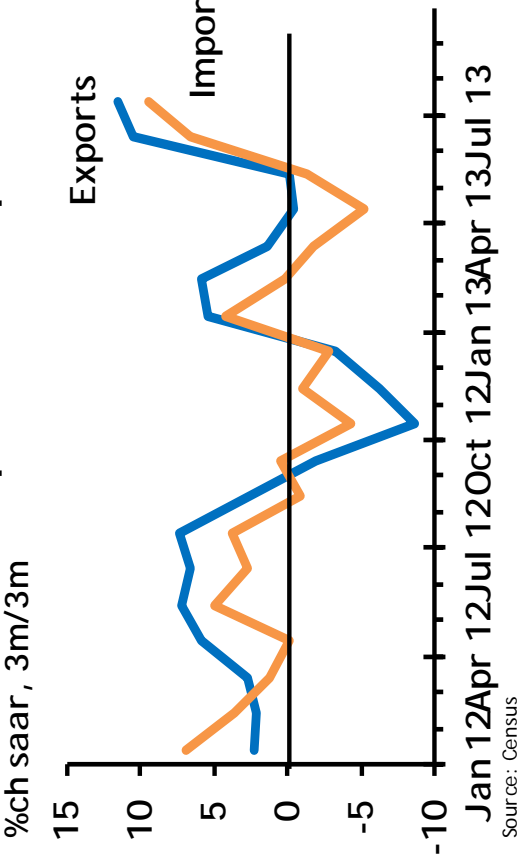
Fed capex plans and equip spending



NFIB and NAHB surveys



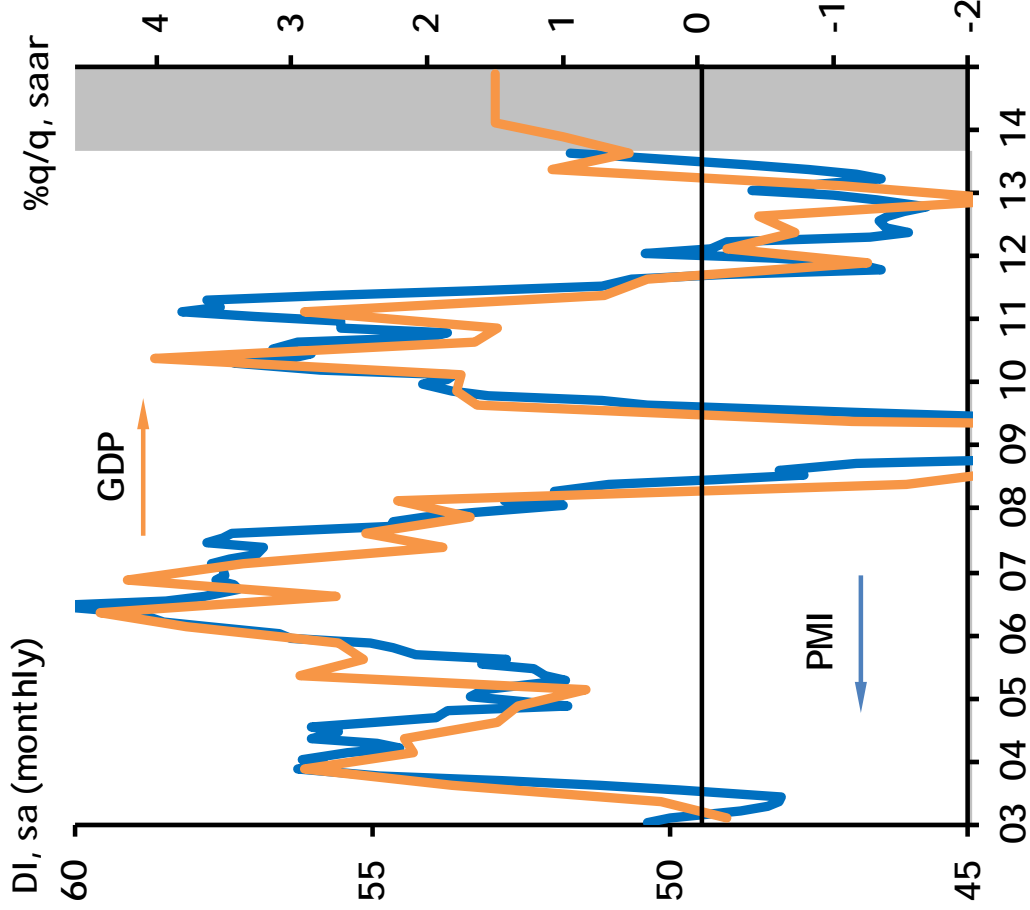
Merchandise export and import volumes



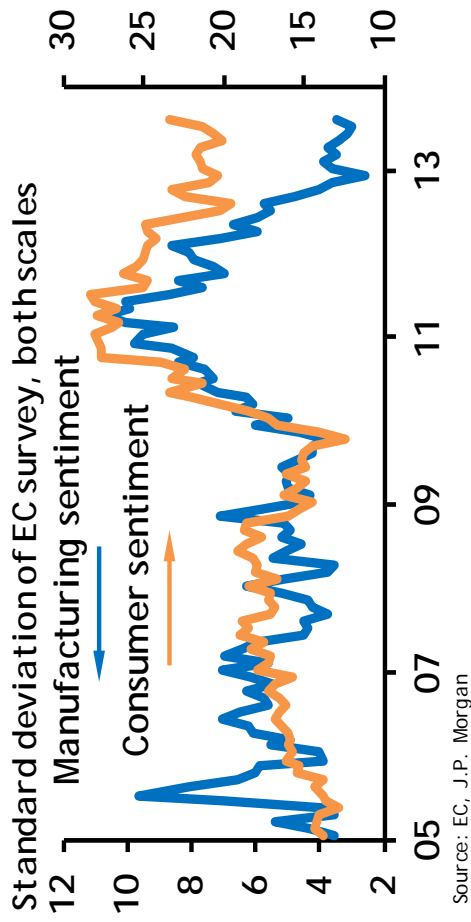
THE GLOBAL VIEW: MODEST LIFT IN DM, UNCERTAINTY IN EM

Europe is moving from -1% to +1% growth

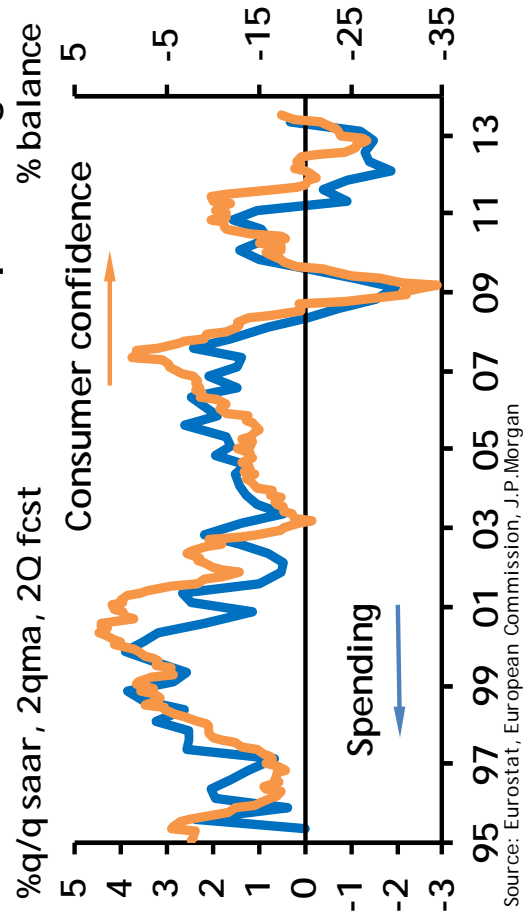
Euro area composite PMI and real GDP



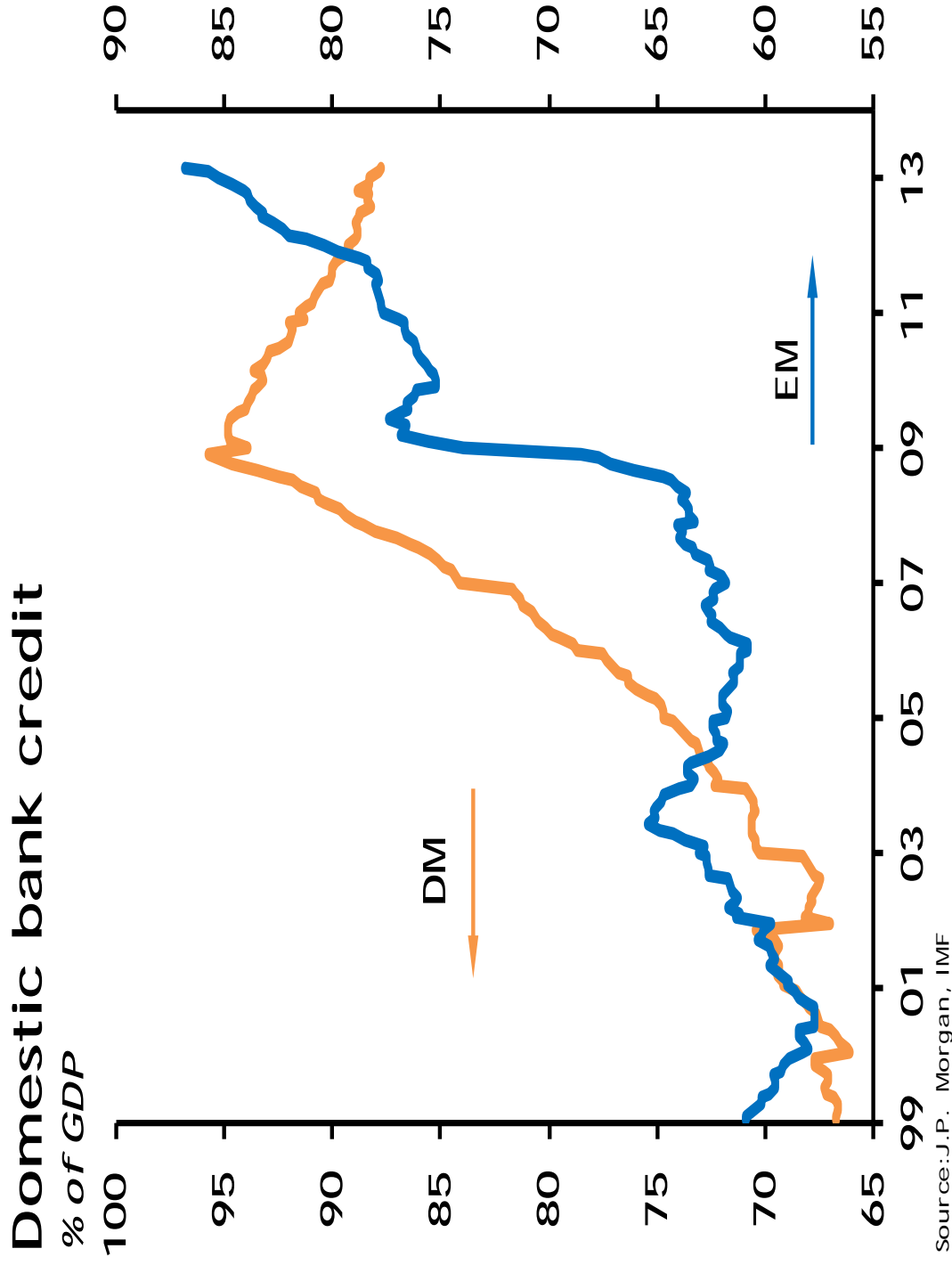
Euro area dispersion of mfg and consumer sentiment



Euro area confidence and spending

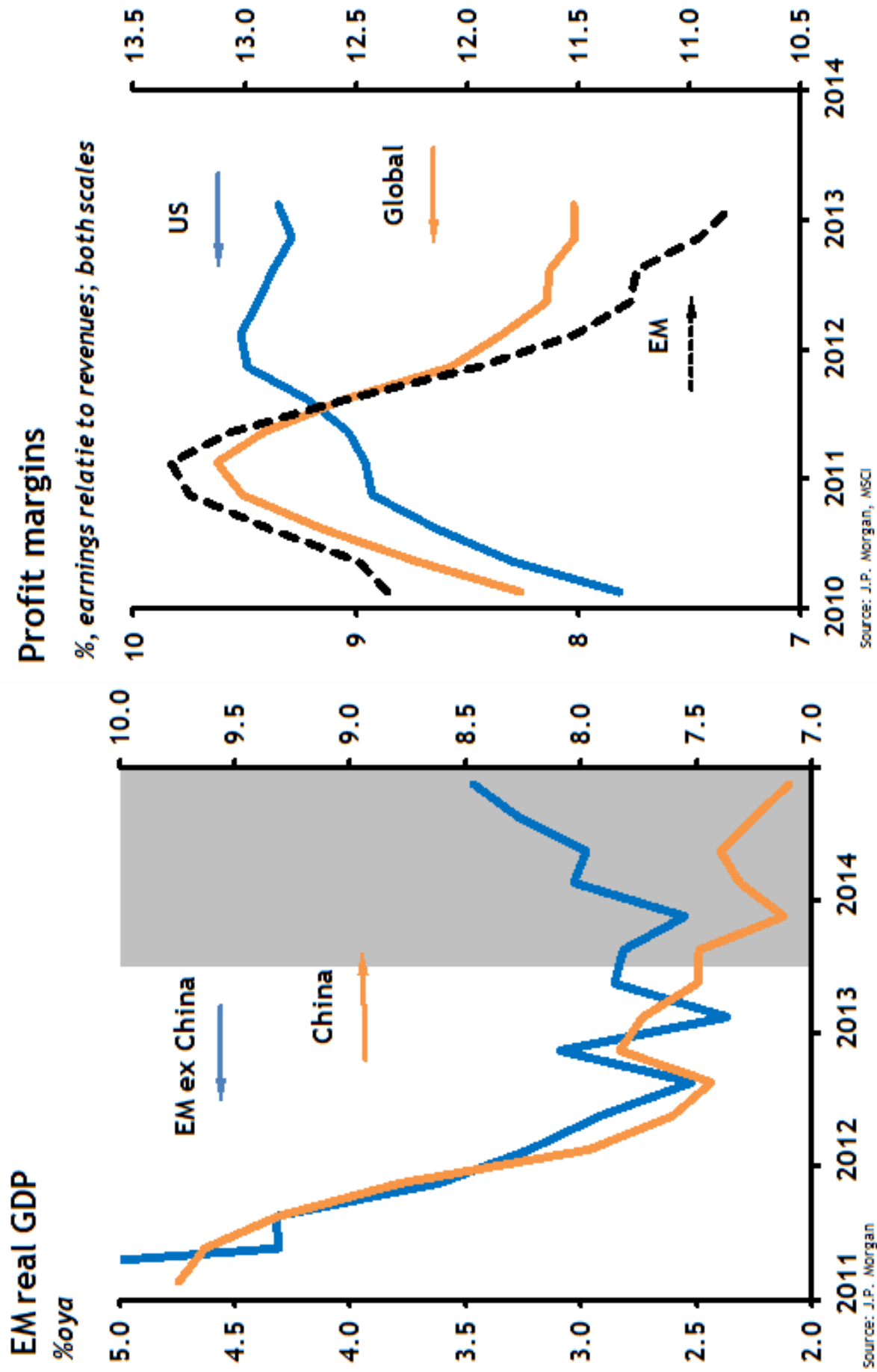


DM faces structural drags – EM faces legacy problems of credit excesses...



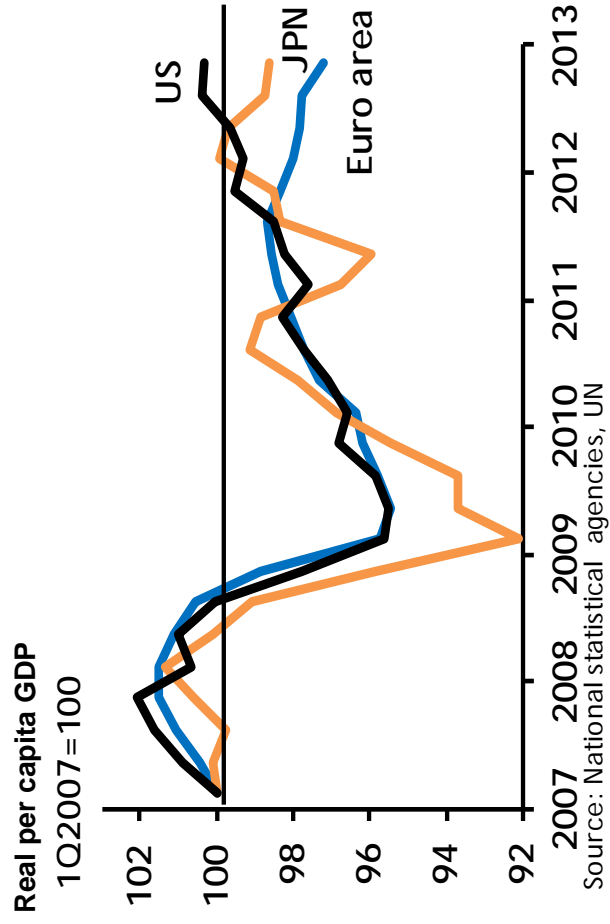
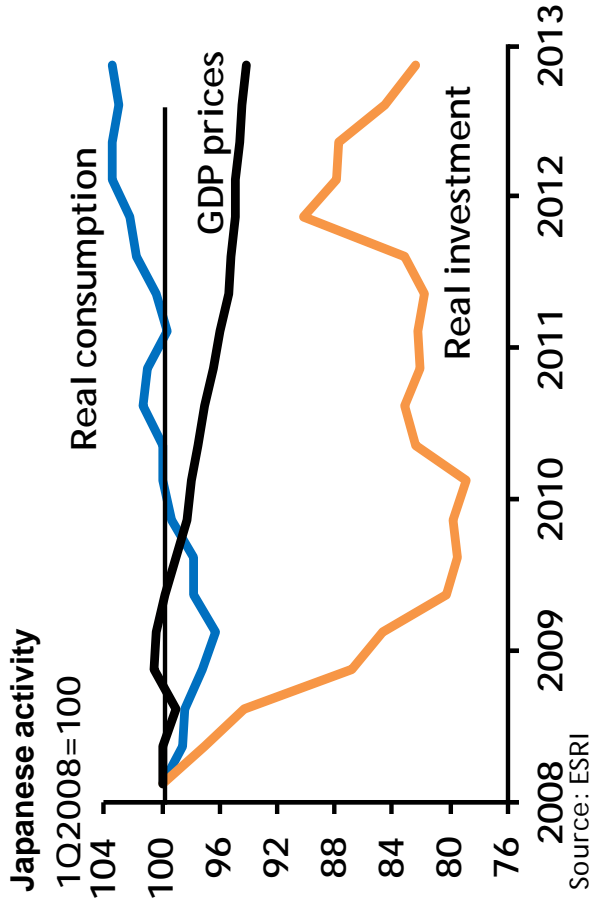
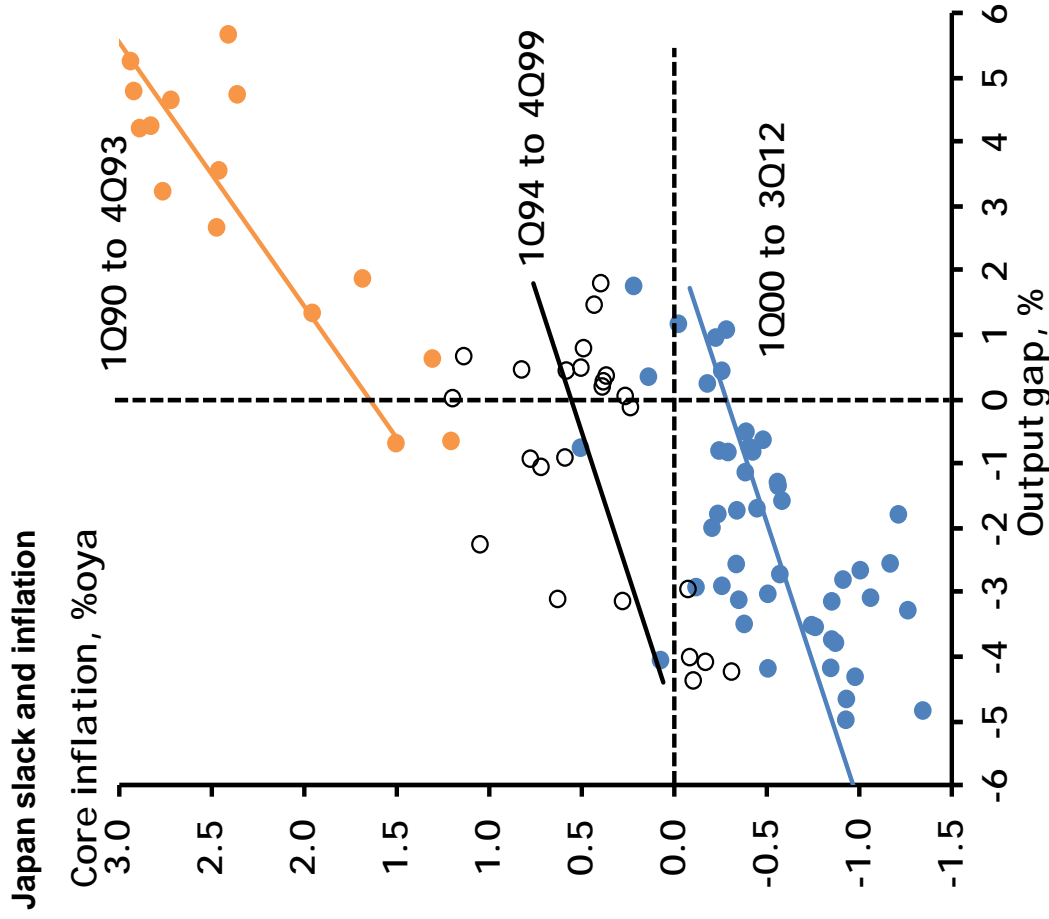
THE GLOBAL VIEW: MODEST LIFT IN DM, UNCERTAINTY IN EM

...leading to Chinese growth slowdown and EM profit margin squeeze



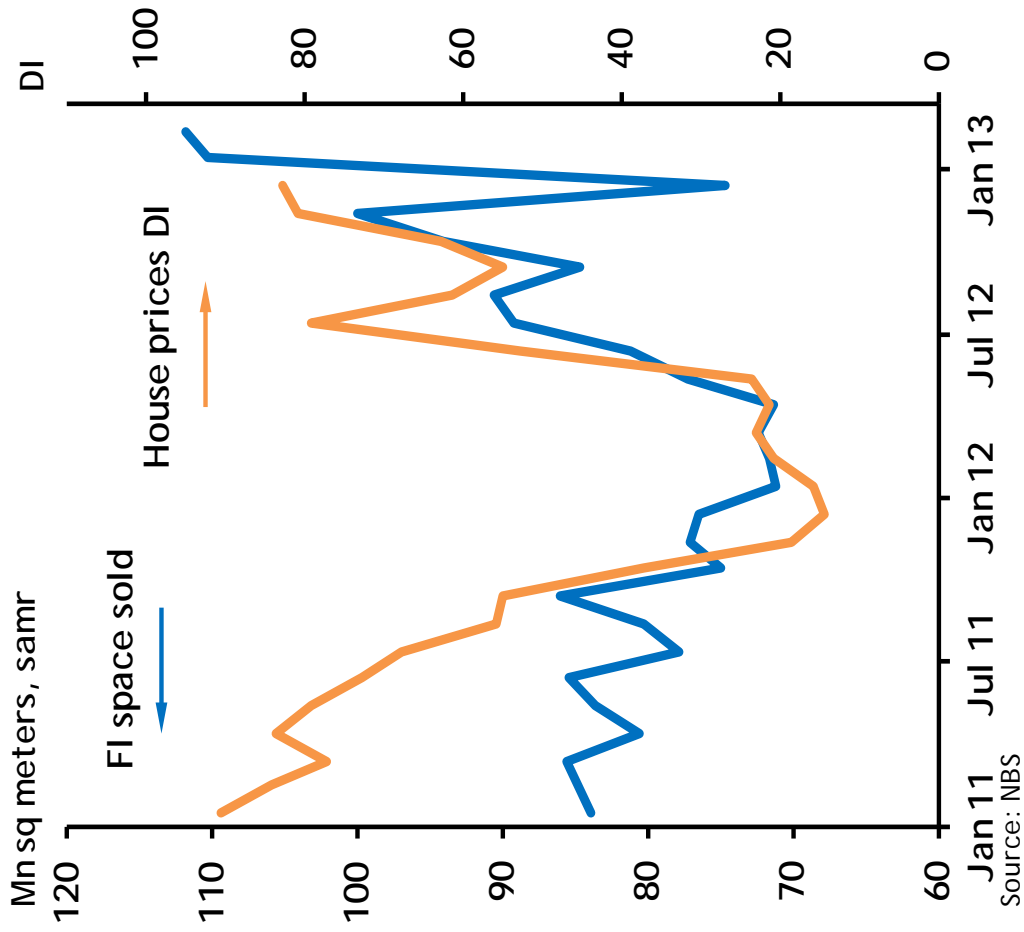
THE GLOBAL VIEW: MODEST LIFT IN DM, UNCERTAINTY IN EM

1. Japan reaching its Volcker moment

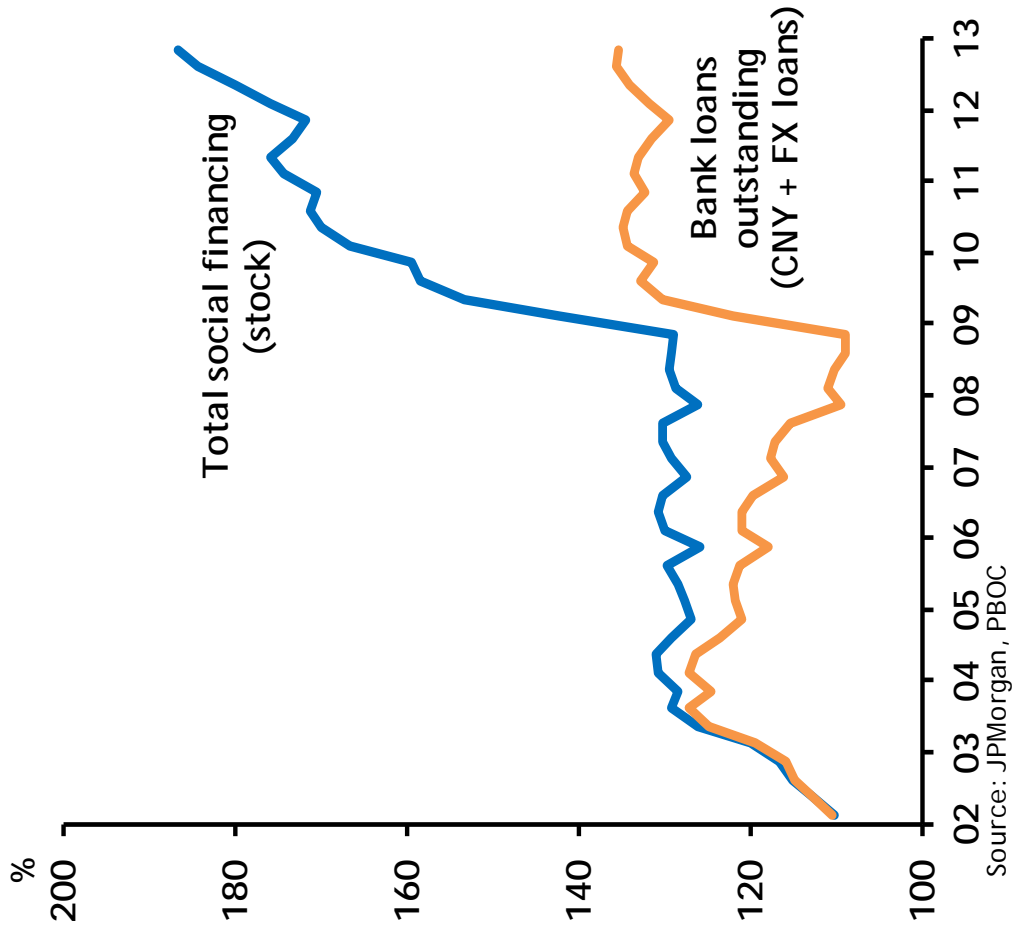


2. China – credit risks

China: Housing market indicators

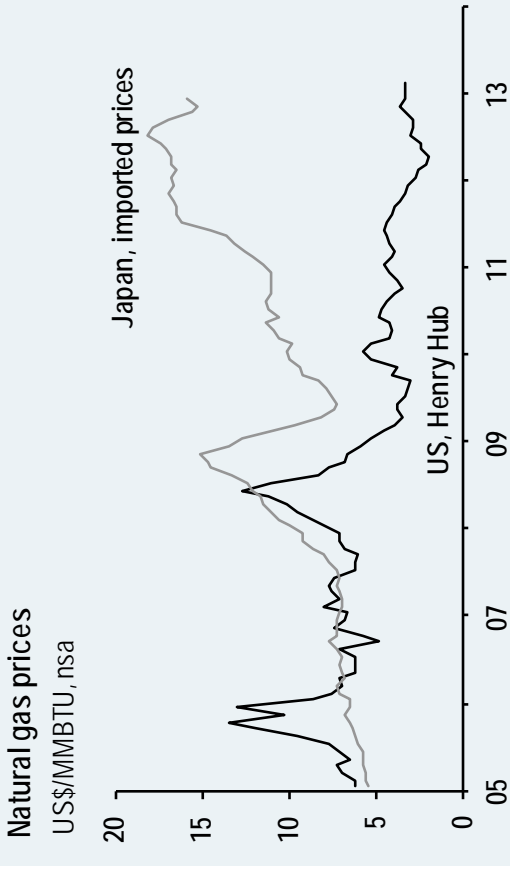


China: Credit/GDP ratios



3. Some dynamics around recent commodity prices – supply factors

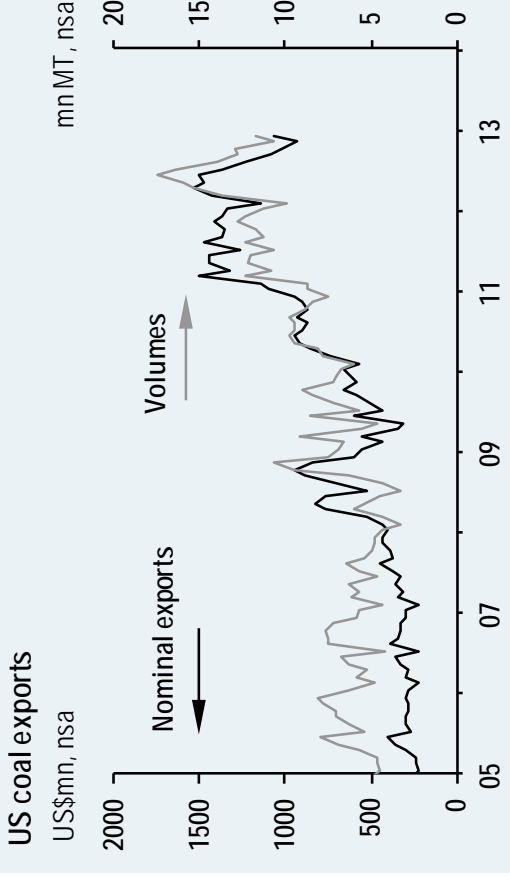
Large spread between US and Japan NG prices



Source: CEIC, J.P. Morgan

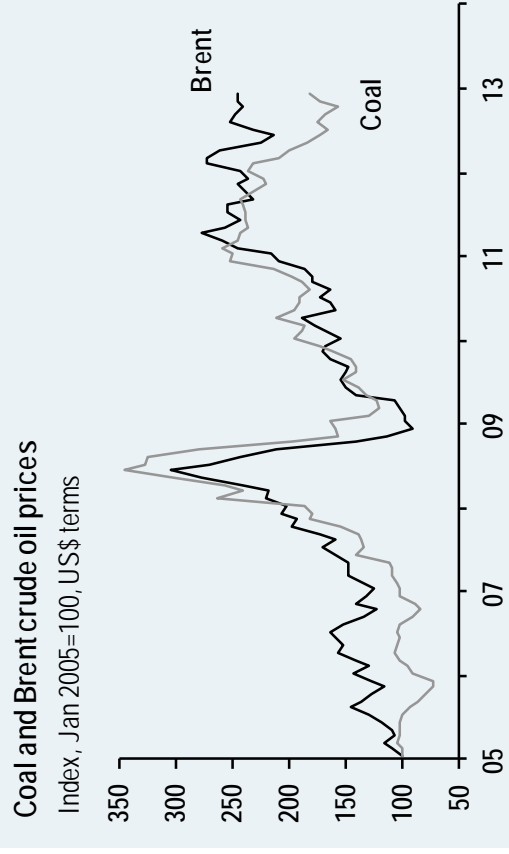
- US shale gas seems to be exerting second order impact on commodities
- US export volumes are rising – shipping into Europe
- Global production has thus increased
- Leading to slowing in coal prices relative to crude oil price

US coal exports rising



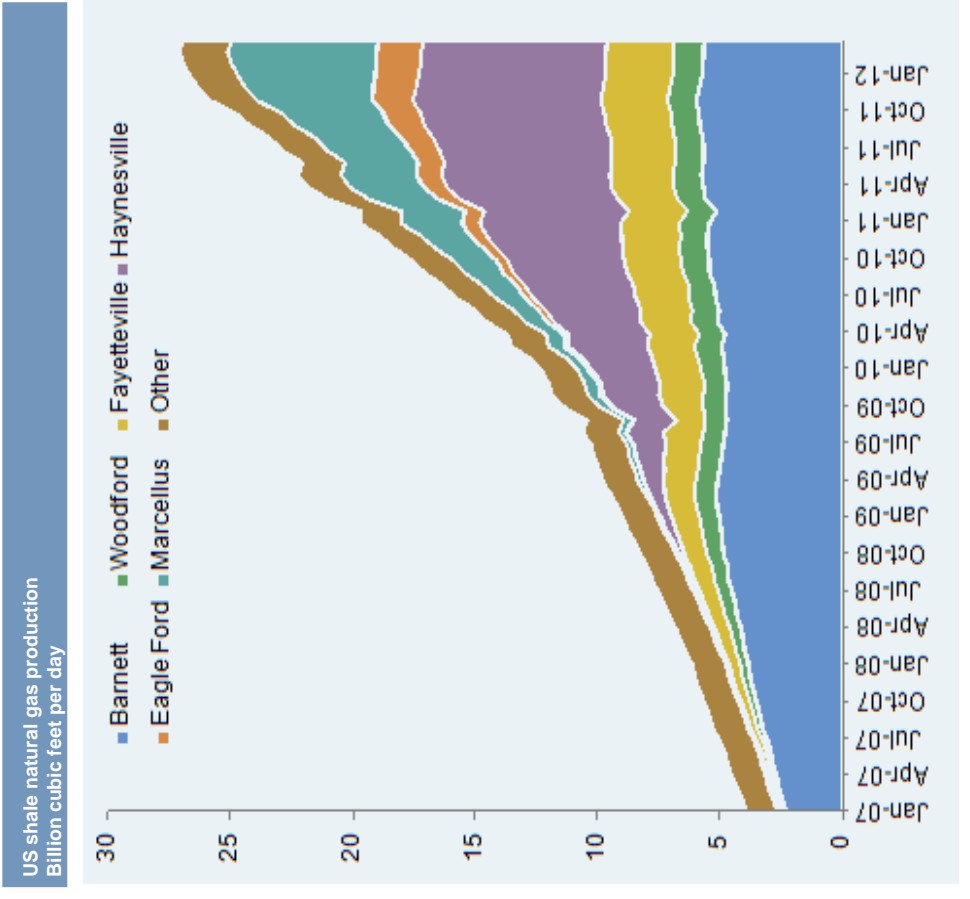
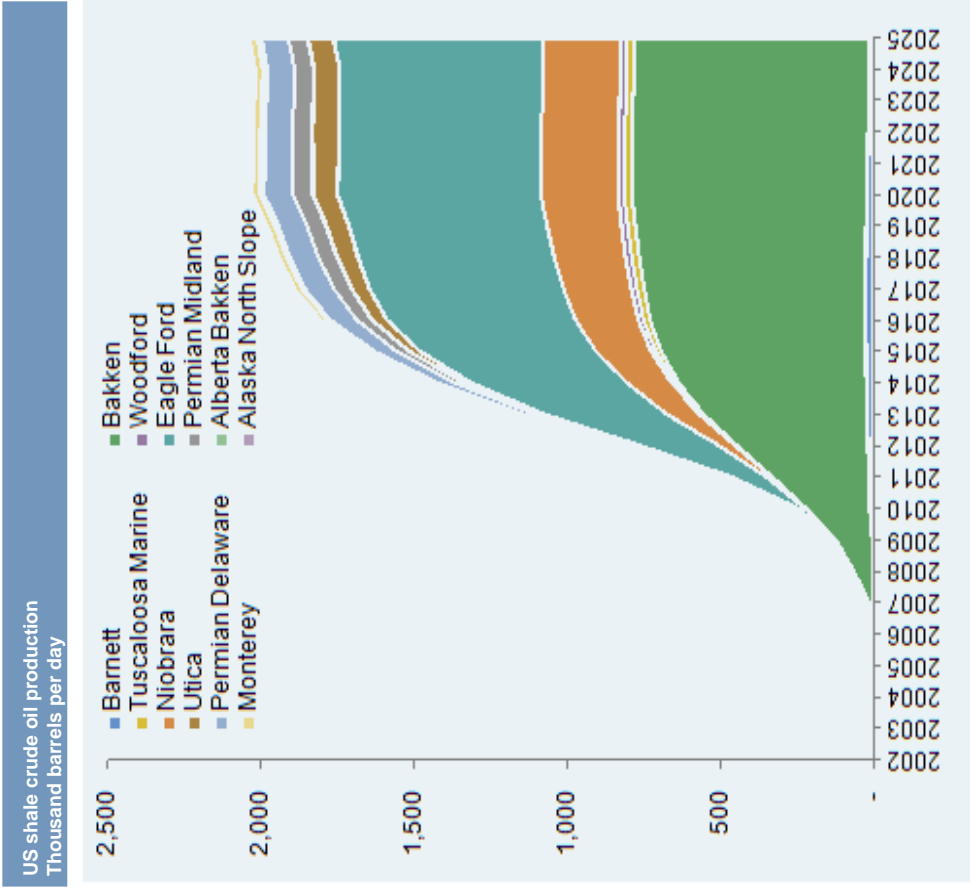
Source: CEIC, J.P. Morgan

Coal prices easing despite steady Brent prices



Source: CEIC, J.P. Morgan

Growth in the Bakken and Marcellus shales has been driving US crude and gas production

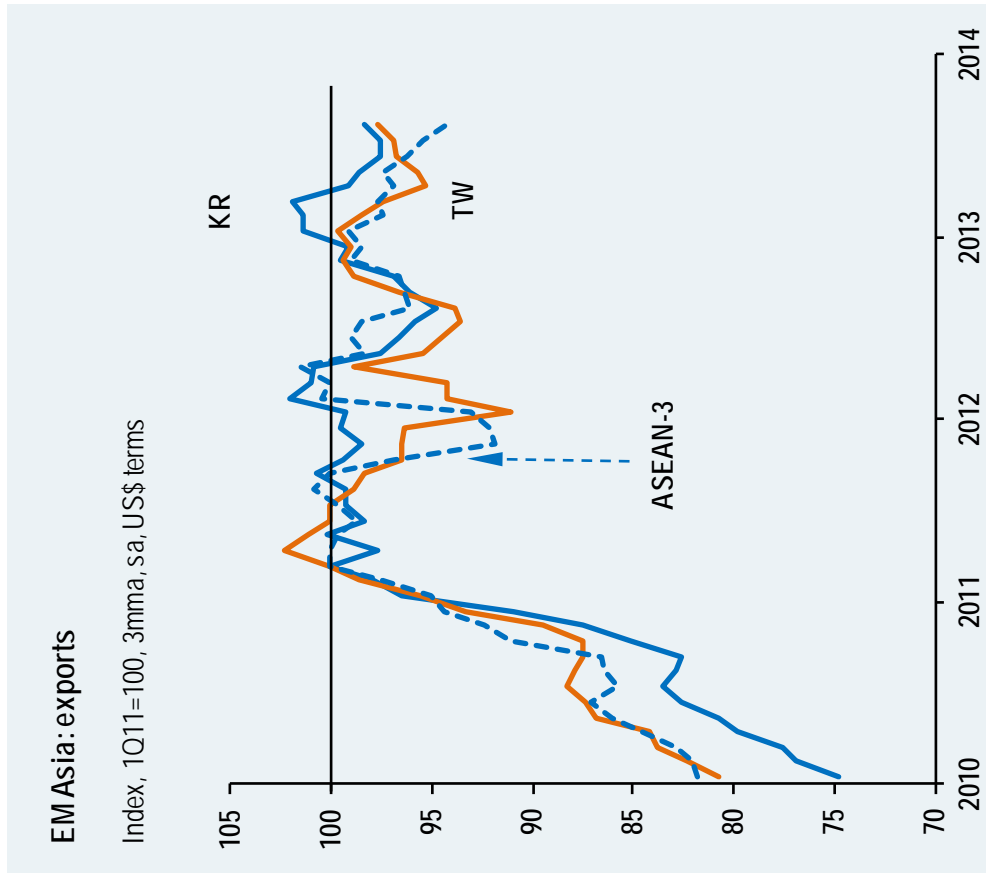


Agenda

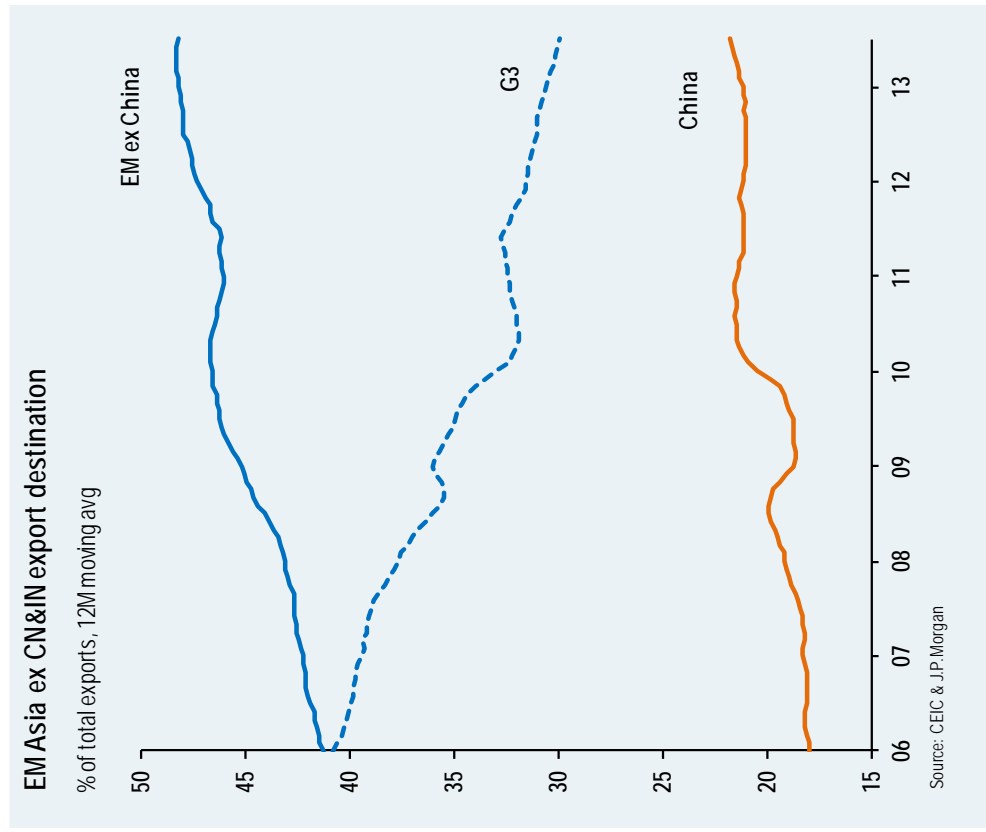
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Despite firmer tone from G-3, EM Asia's exports remain mixed

EM Asia's exports not fully responding to G-3 lift



Due in part to trade reorientation to non- G-3

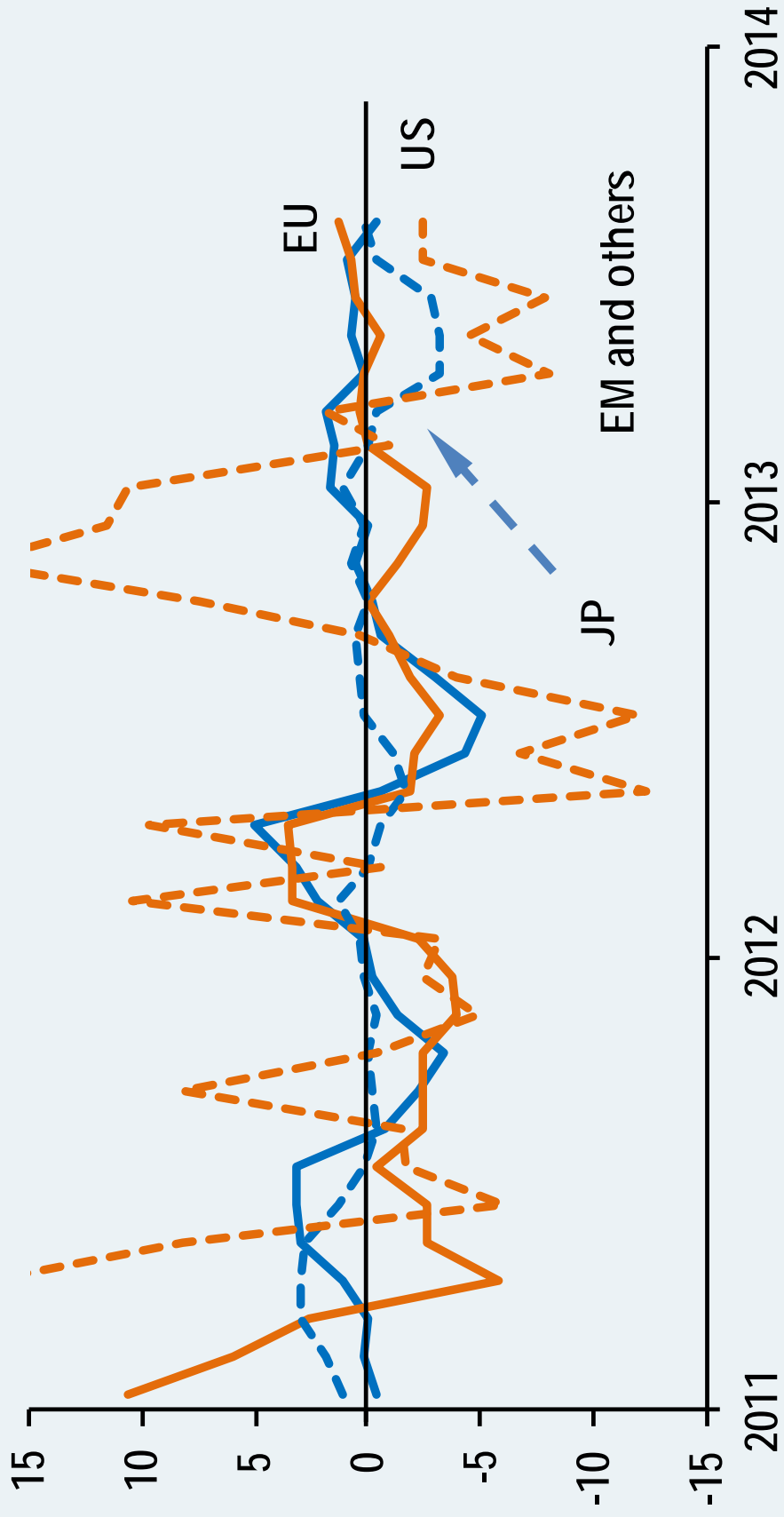


EU is providing lift but EM is the main drag

G-3 providing modest lift but EM drag is material

EM Asia: exports by destination

%pt contribution to headline %3m/3m, saar, US\$ terms

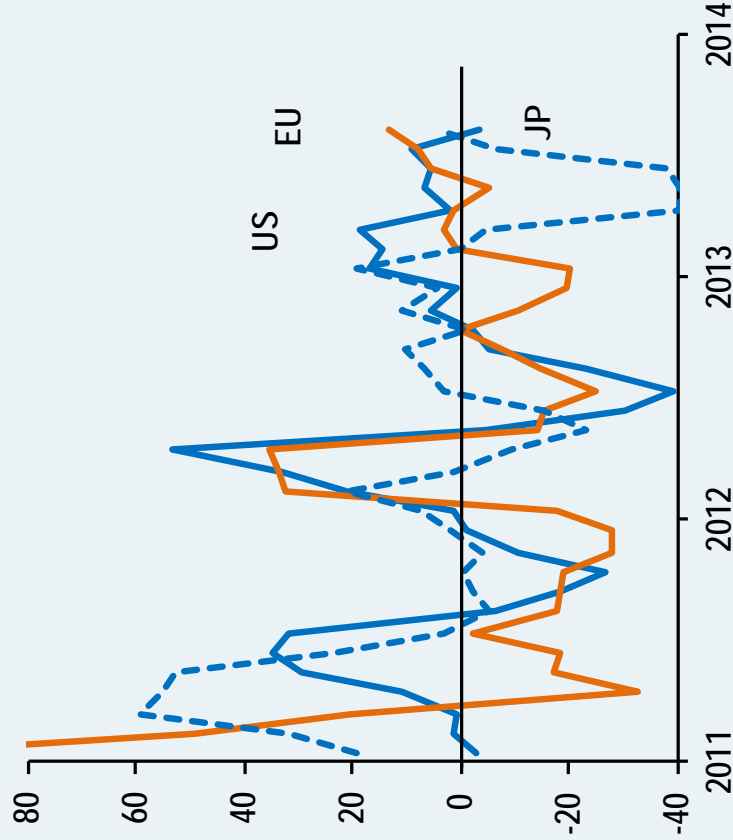


Source: CEIC, J.P. Morgan
ASIA ECONOMIC AND MARKETS RESEARCH

G-3 export pickup is apparent, especially EU, but EM remains a drag, except CN

EU and US lifting in G-3, JP has yet to add

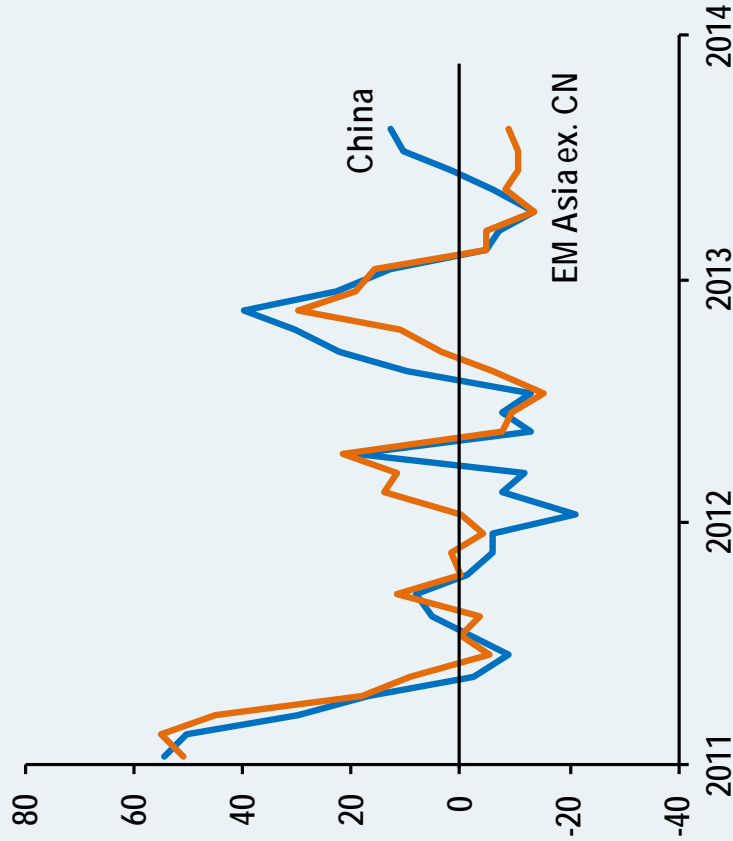
EM Asia: exports to G-3
%3m/3m, saar, US\$ terms



Source: CEIC, J.P. Morgan

Exports to EM Asia have been soft of late though China lifting

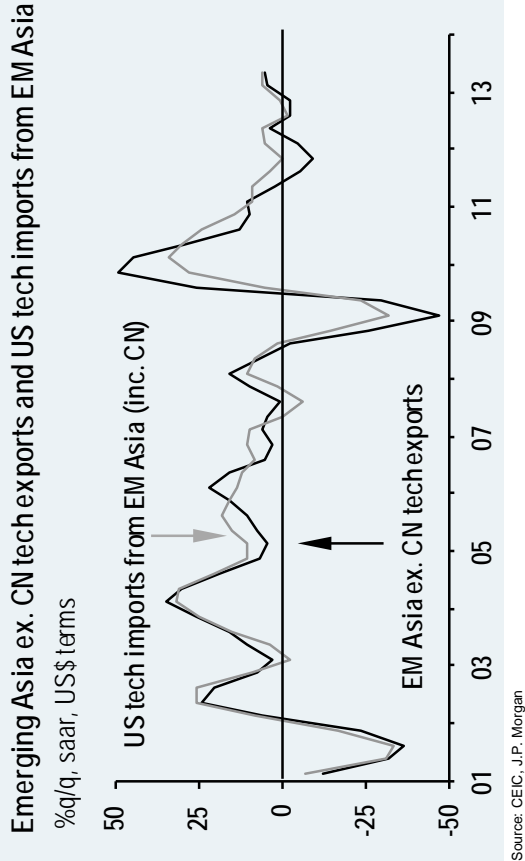
EM Asia: exports to China and EM Asia ex. CN
%3m/3m, saar, US\$ terms



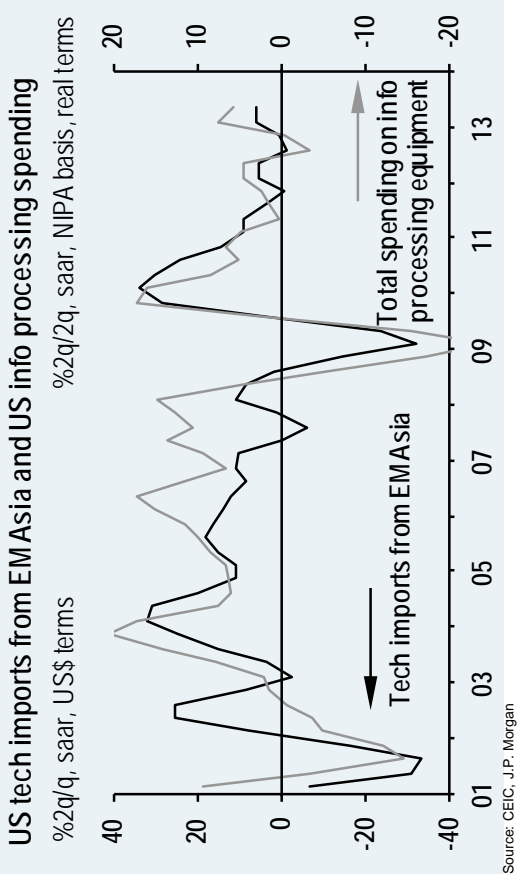
Source: CEIC, J.P. Morgan

Two things happening (1) a mixed demand picture in G-3...

US tends to drive tech exports in EM Asia

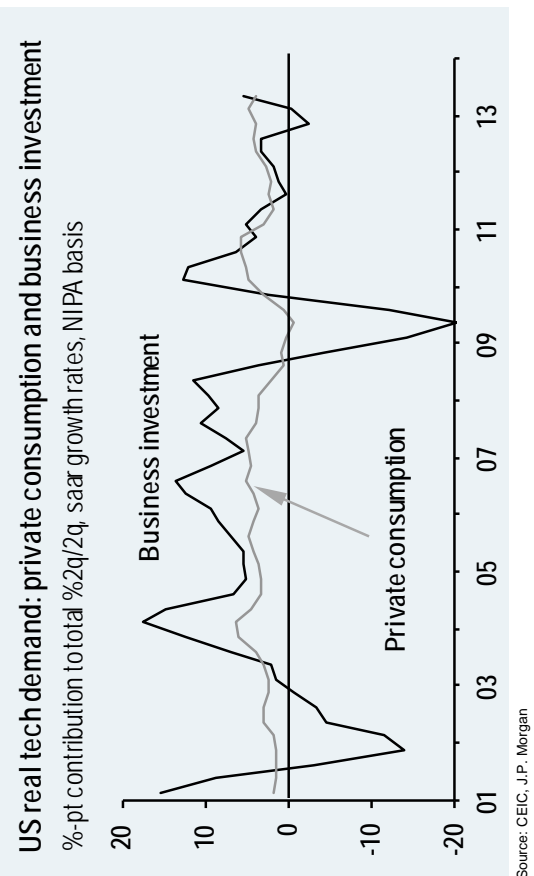


Slowing in US tech demand



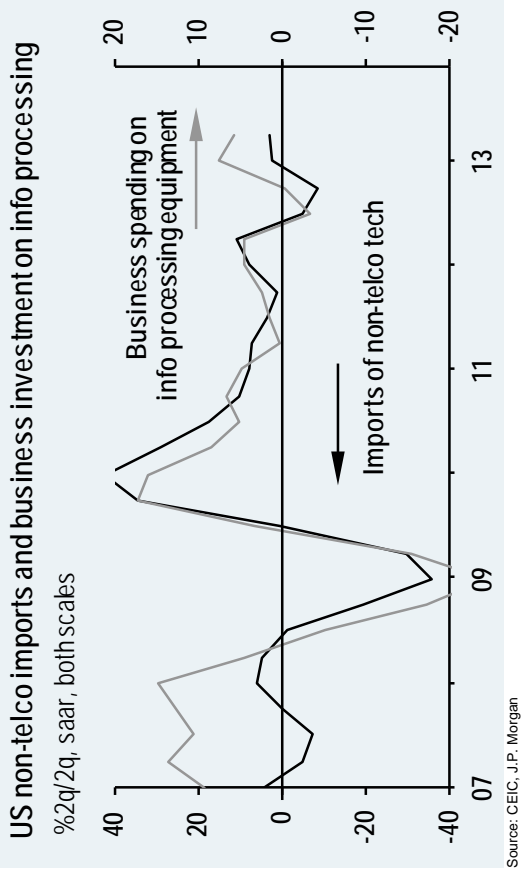
- US tends to be a useful proxy of tech demand
- Notable slowing since 1H11
- Due in large part to slowing US tech investment
- Consumer sector doing better on margin – but is only a third of total tech spending in the US

Traces to slowing in tech CAPEX

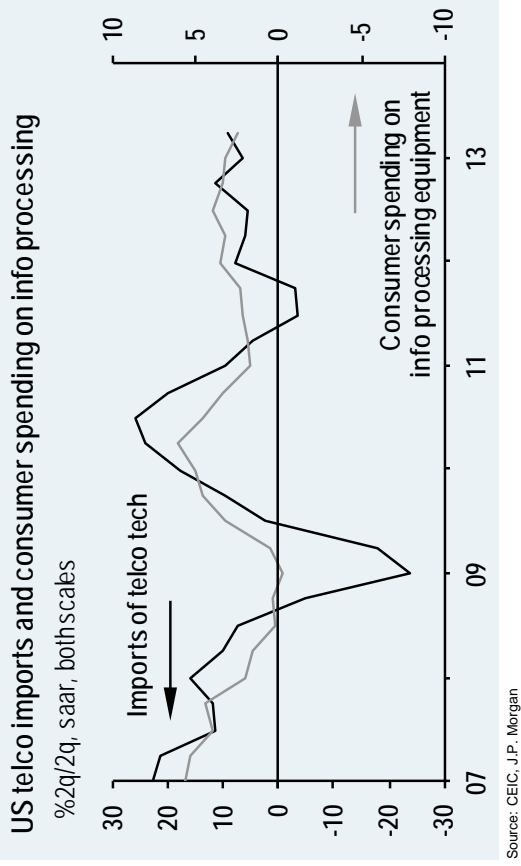


...leading to slowing in overall demand, with some exceptions

Business demand has eased

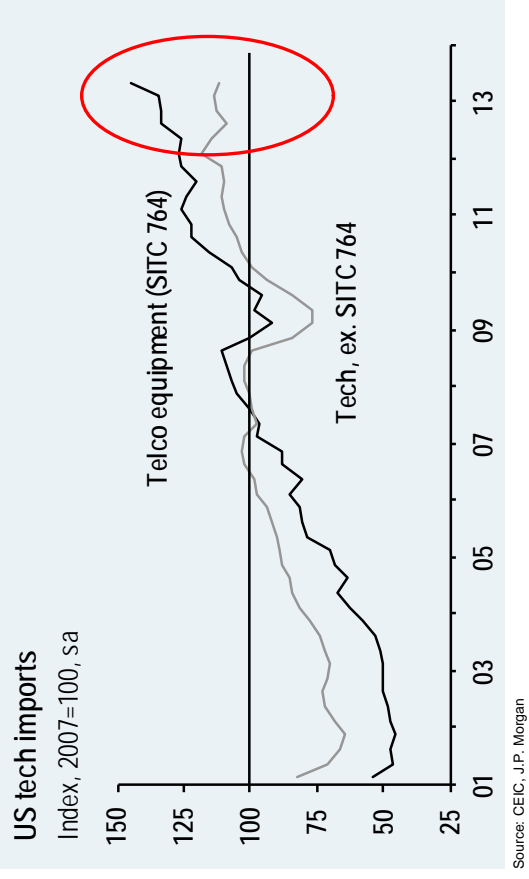


Consumer demand is firm



- US tech demand increasingly split between business and consumer demand
- With notable slowing in business CAPEX – less demand for PCs and servers
- Stable consumer demand – means a differential impact on products – smart phones and tablets

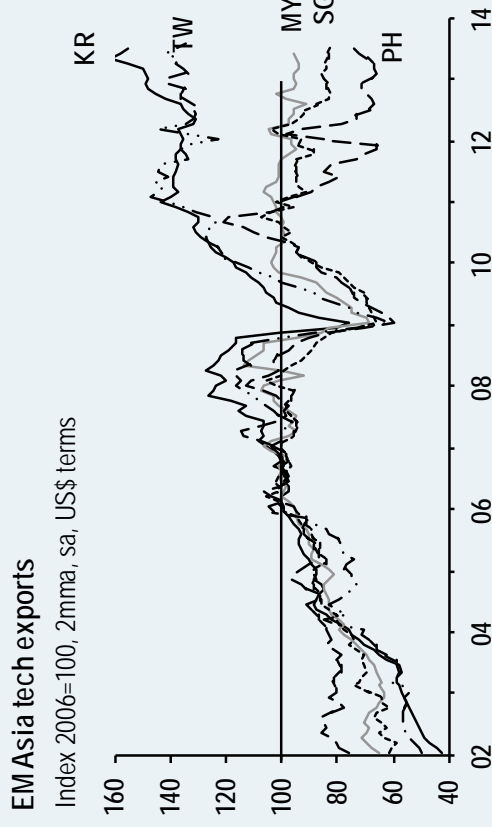
Leading to a two-speed demand cycle



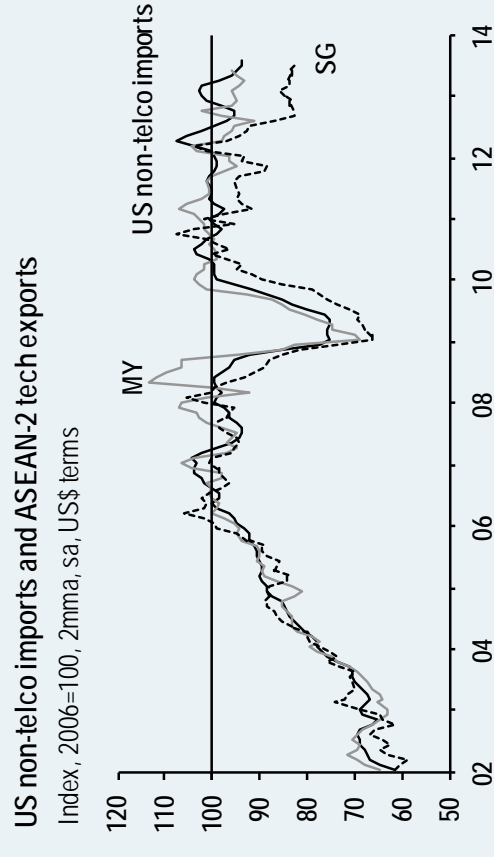
(2) Widening North-South divide in tech cycle

- A rise in G-3 demand may not lift all tech boats
- Shift in tech product cycles has led to increasing divergence in regional tech exports
- North Asia and China more exposed to mobile computing devices, ASEAN less so
- But recent data suggests slowing in the mobile computing segment as markets become saturated

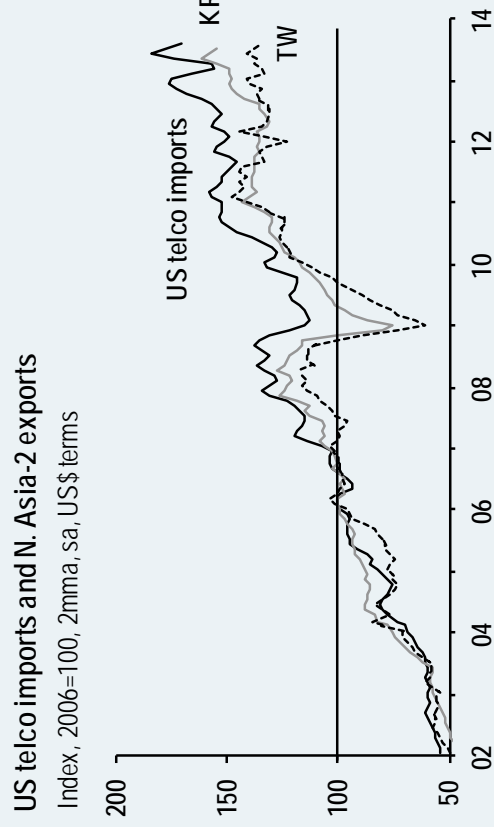
Increasing divergence in tech exports across EM Asia



Demand for ASEAN's traditional tech exports softening...

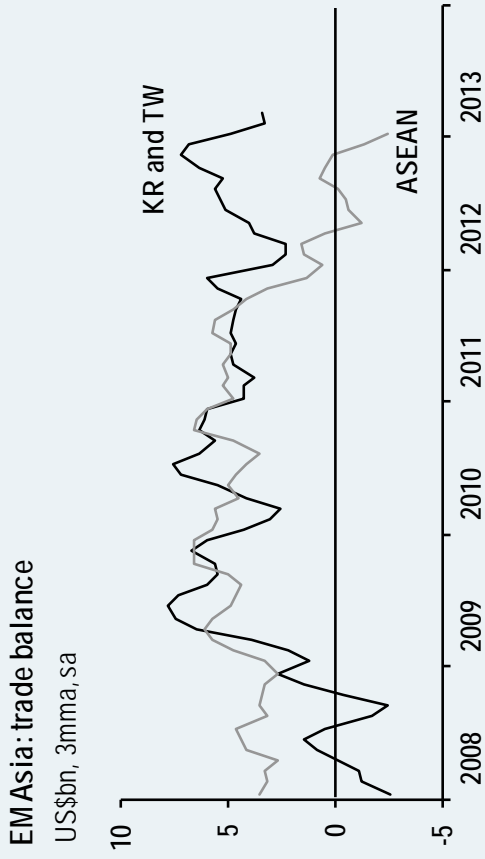


...while North Asian exports outperform



North-South splits on trade balance too

Narrowing in current accounts in ASEAN

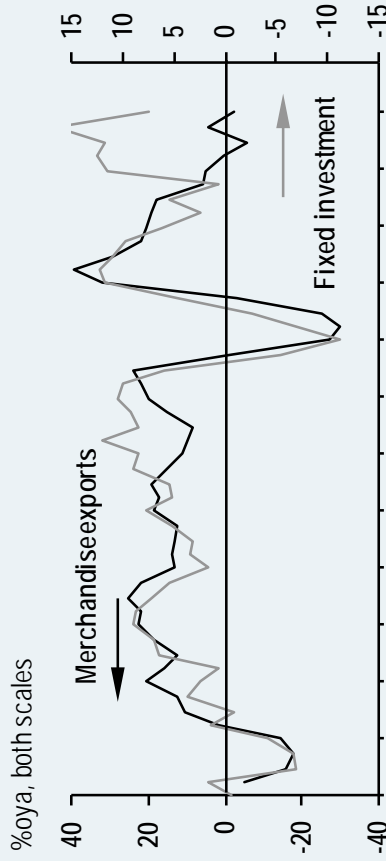


Source: CEIC, J.P. Morgan

- ASEAN CA narrowing since 2011
- Due to strong domestic demand and soft exports
- Leaning more on KA and inflows

Driven by rising domestic demand

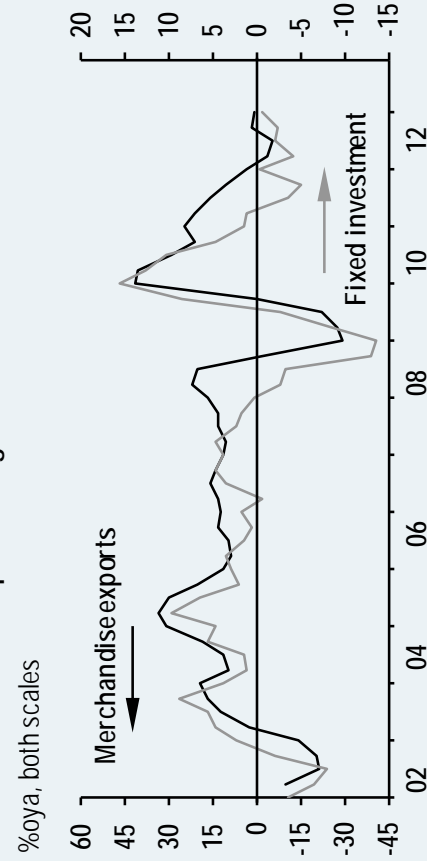
ASEAN ex. Indonesia: exports and gross fixed investment



Source: CEIC, J.P. Morgan

KR and TW seeing less domestic investment

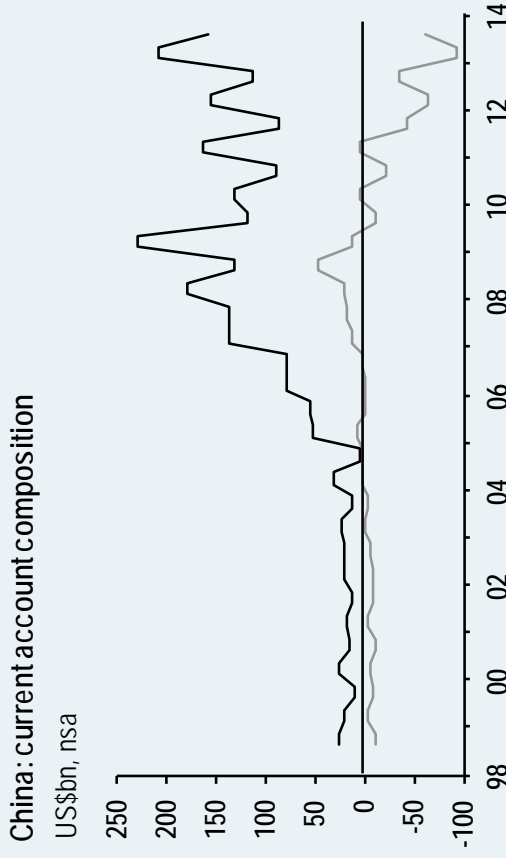
Korea and Taiwan: exports and gross fixed investment



Source: CEIC, J.P. Morgan

Another trend shift – services sector in China...

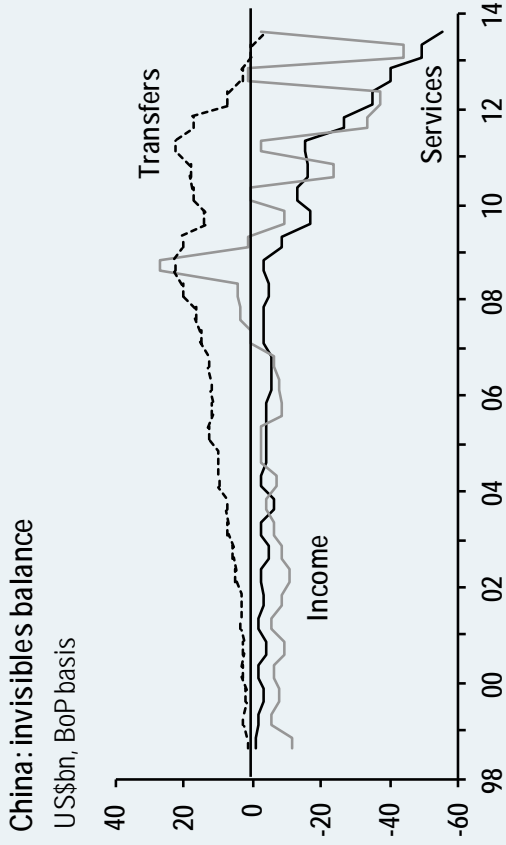
Sharp decline in China's invisibles balance



Source: CEIC, J.P. Morgan

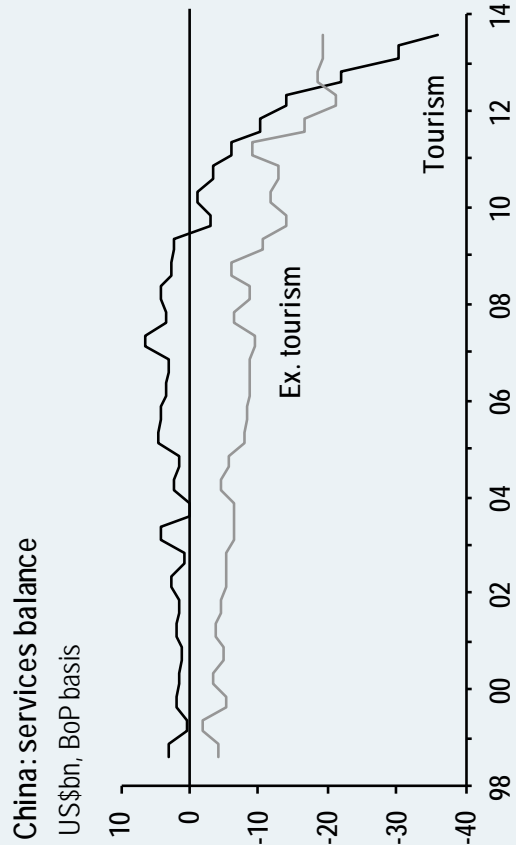
- A clear decline in China's invisibles balance since 2009
- Reflecting a rising services deficit rather than a worsening in the good balance
- Due in large part to tourism-related outflows

Due largely to services



Source: CEIC, J.P. Morgan

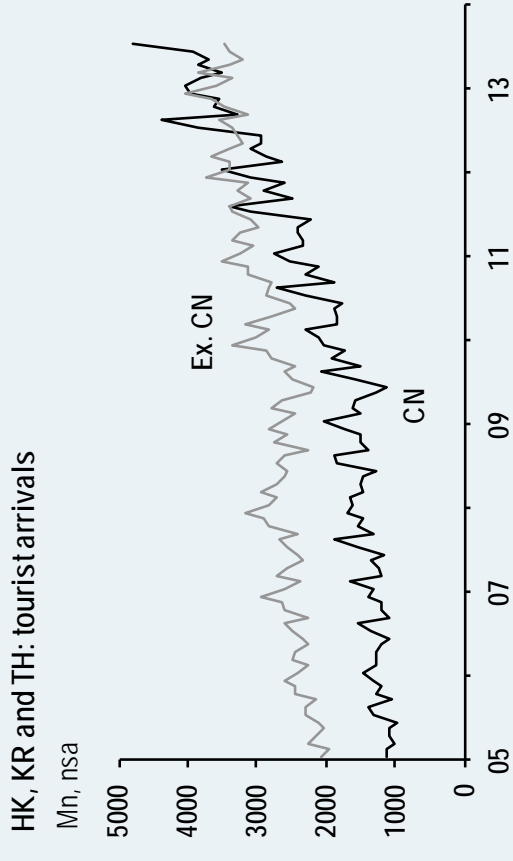
Tourism deficit is the main driver of services deficit



Source: CEIC, J.P. Morgan

Chinese tourism is booming

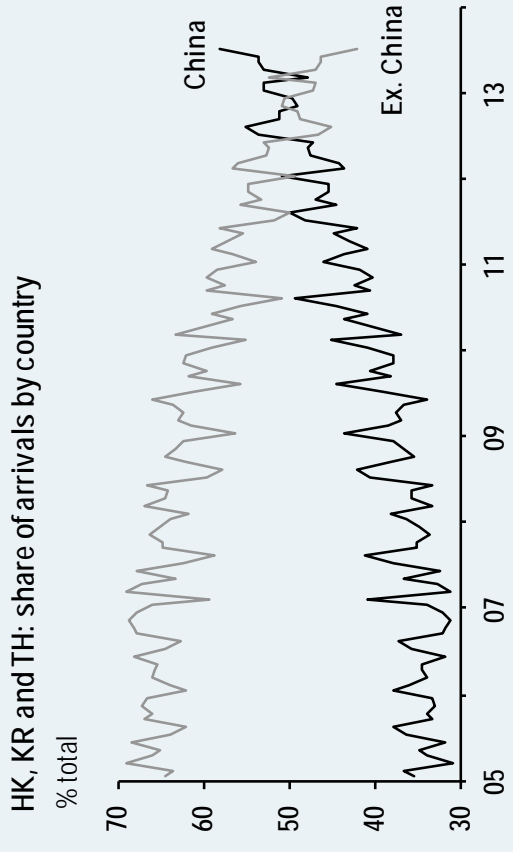
Sharp rise in Chinese tourism arrivals since 2010



Source: CEIC, J.P. Morgan

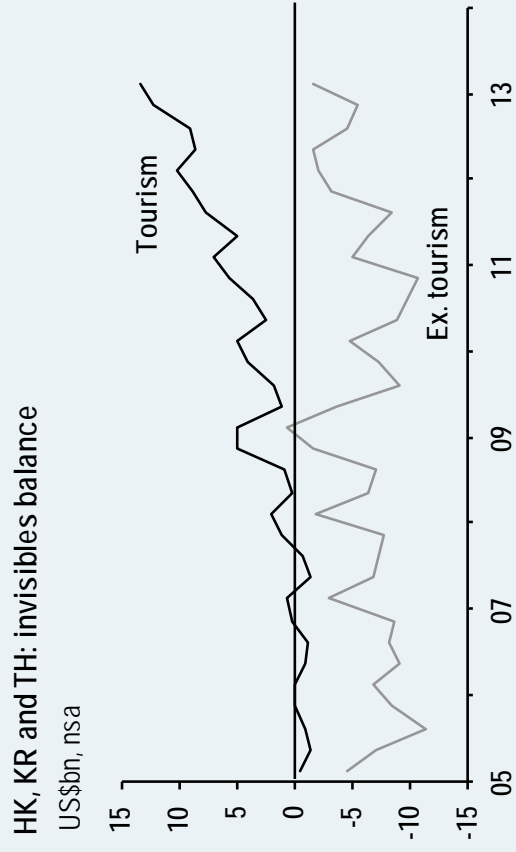
- Chinese are travelling a lot more, especially since 2009
- And now make up 60% of arrivals into HK, Korea and Thailand
- Leading to a positive inflow for recipient countries – less apparent in Indonesia, Japan, Malaysia and the Philippines

And now account for more than 50% of arrivals



Source: CEIC, J.P. Morgan

Tourism related receipts rising as tourism sector booms



Source: CEIC, J.P. Morgan

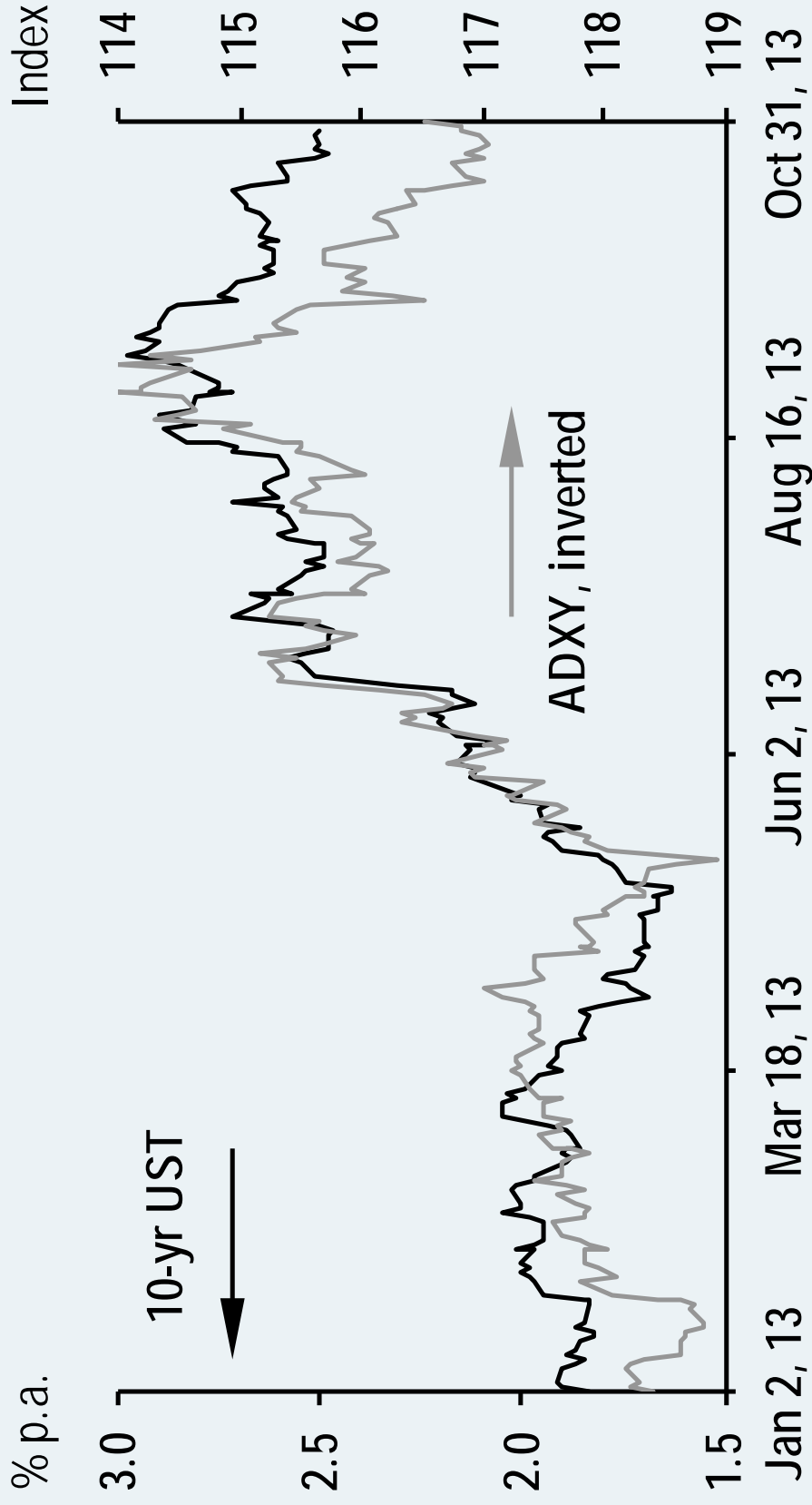
Agenda

The global view: modest lift in DM, uncertainty in EM	1
Impact of stronger DM on EM	13
US tapering and EM Asia – observations from a recent test run	23
Malaysia	29

US treasuries and Asian FX: a split personality

Talk of US Fed Tapering amid better DM data has sent foreign bond fund (local currency) inflows into a tailspin

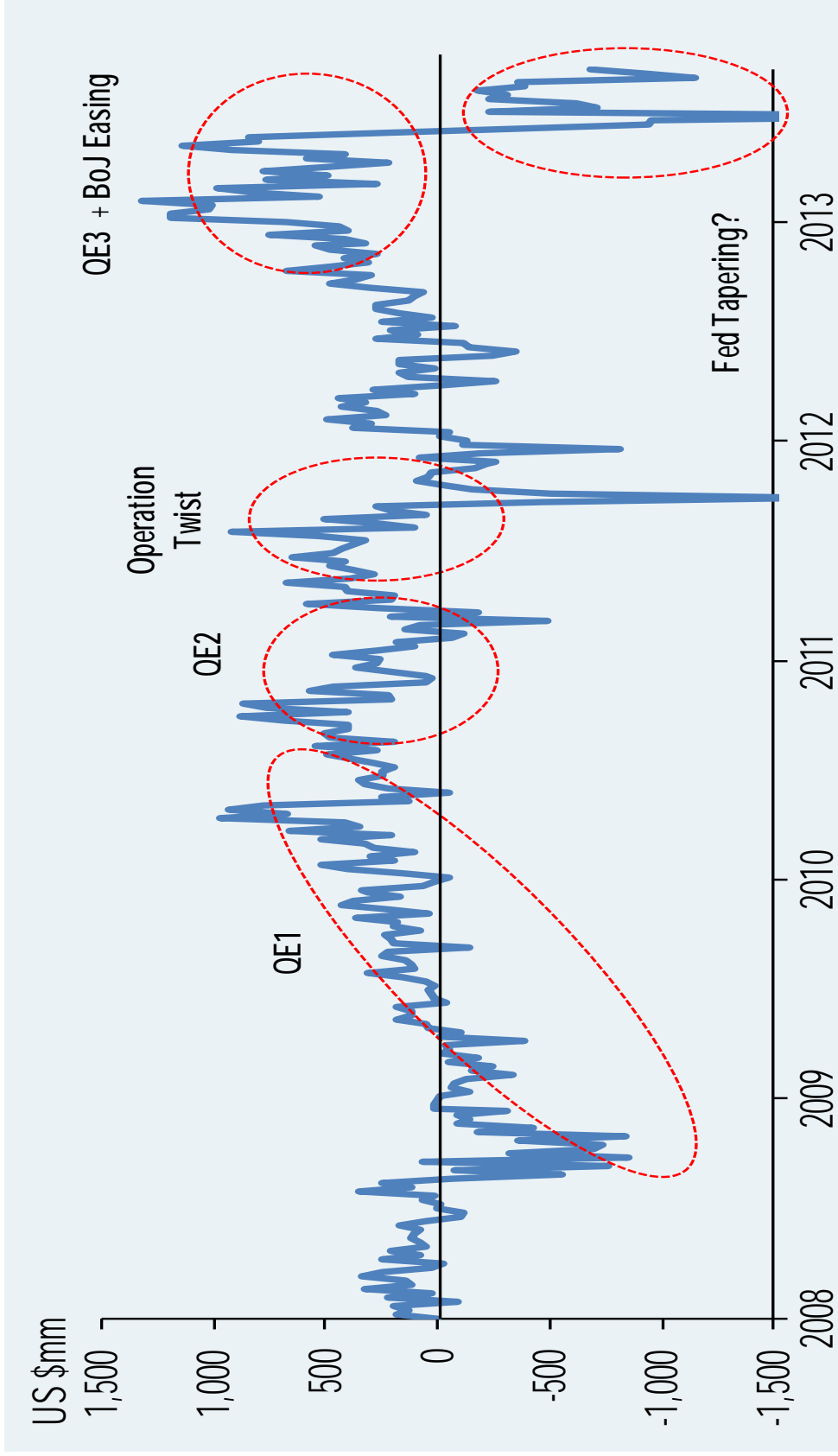
US 10-yr and ADXY



Source: J.P. Morgan

...data show EM local currency bonds funds suffering a “slow burn”

Talk of US Fed Tapering amid better DM data has sent foreign bond fund (local currency) inflows into a tailspin



Cumulative fund inflows to a defined subset of local currency EM bond funds

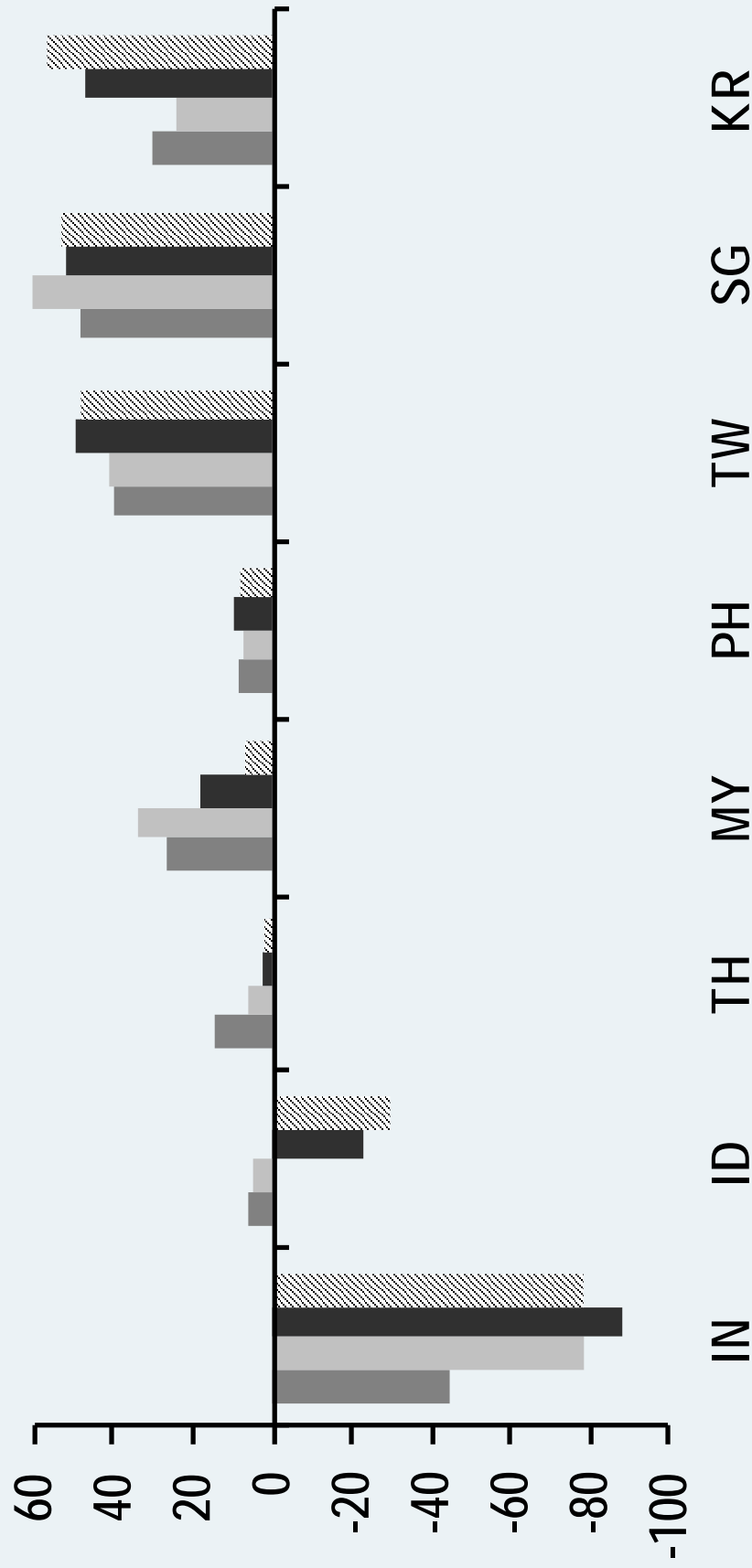
Source: J.P. Morgan

Current account best proxy of dependence on external funding needs

India and Indonesia the standouts in terms of funding needs

EM Asia: current accounts

US\$bn, 2010 to 2013

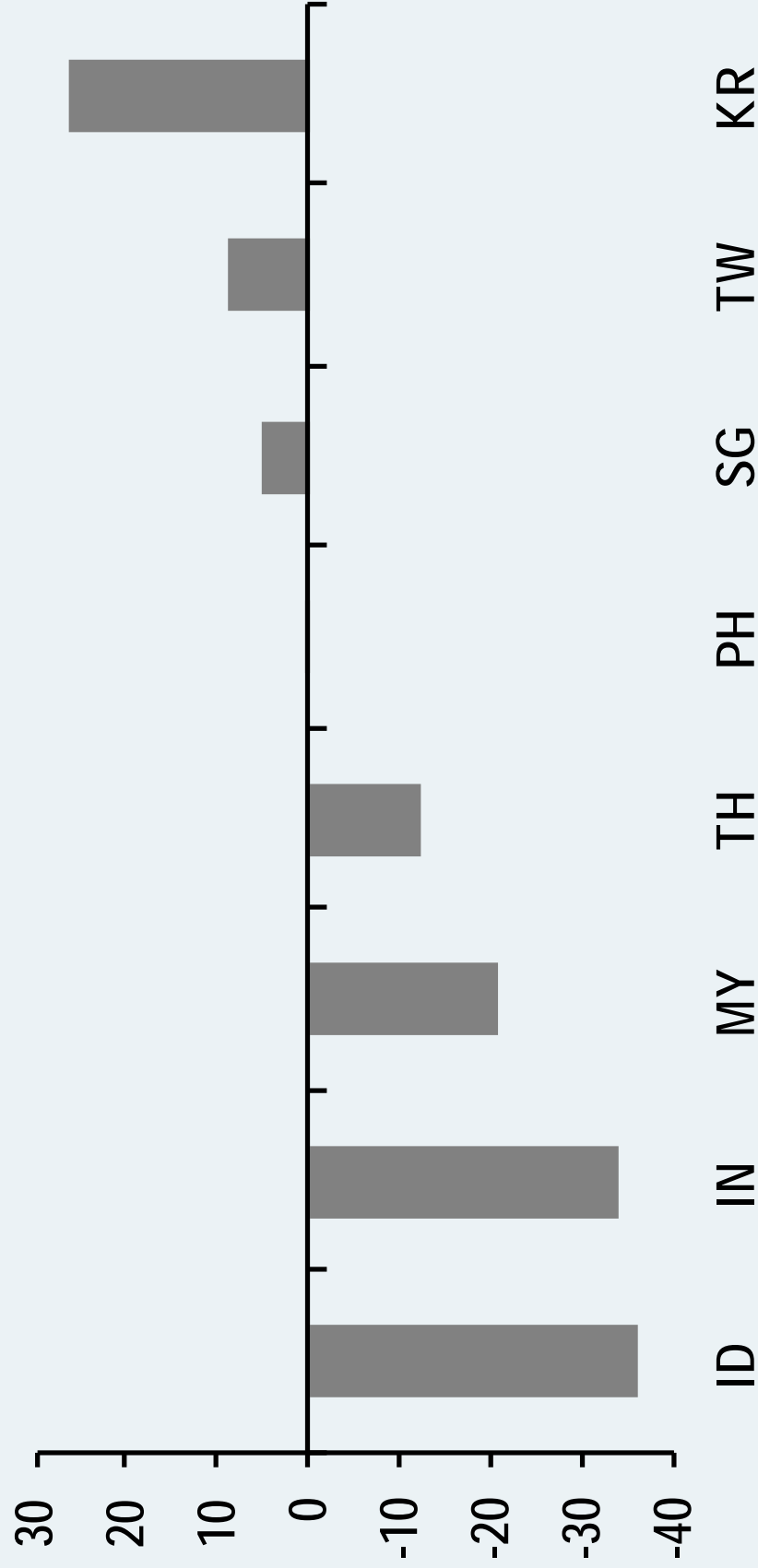


Source: CEIC, J.P. Morgan

IN, ID, TH and MY seeing marginal deterioration in current account positions

ID, MY and IN seen highest reliance on external capital flows in past 4 years

EM Asia: current account Changes, US\$bn, 2013 less 2010



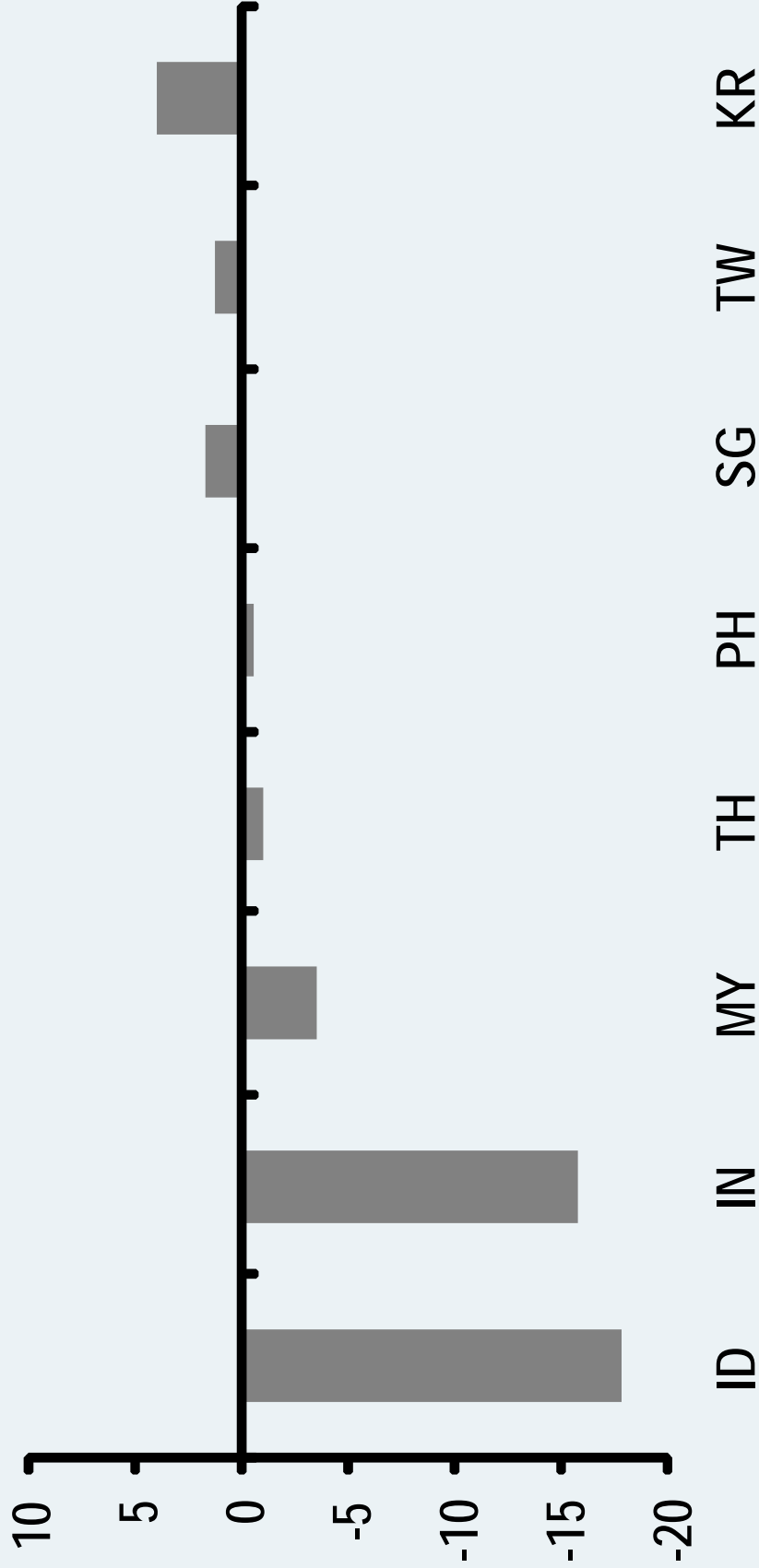
Source: CEIC, J.P. Morgan

And mirror spot FX movements from 2012 and the year-to-date

FX performance correlates well in relative change in current account positions

EM Asia: spot FX

Change, % move in spot FX vs US\$, 2012 and YTD 2013



Source: CEIC, J.P. Morgan

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Malaysia – Macro view

	Average				
	2006-10	2011	2012	2013f	2014f
Real GDP, % change	4.5	5.1	5.6	3.3	5.7
Consumption ¹	3.6	5.4	4.5	3.8	3.3
Investment ¹	1.6	0.9	5.0	3.2	4.1
Net trade ¹	-0.7	-1.1	-3.8	-3.8	-1.6
Consumer prices, %oya	2.7	3.2	1.7	2.1	2.5
% Dec/Dec	2.6	3.0	1.2	2.5	2.5
Producer prices, %oya	3.0	9.0	0.0	3.0	3.0
Government balance, % of GDP	-4.9	-5.4	-4.7	-4.0	-3.7
Merchandise trade balance (US\$ bn)	41.9	49.5	40.7	26.4	21.1
Exports	178.4	228.6	227.6	225.3	239.0
Imports	136.6	179.1	187.0	198.9	217.9
Current account balance	30.8	33.5	18.6	6.5	1.8
% of GDP	14.9	11.6	6.1	2.1	0.6
International reserves, (US\$ bn)	95.3	109.3	110.8	112.3	113.8
Total external debt, (US\$ bn)	68.3	65.0	64.5	61.5	58.5
Short term	26.2	32.3	32.3	32.3	32.3
Total external debt, % of GDP	32	24	21	21	19
Total external debt, % of exports	31	24	23	23	20
Interest payments, % of exports	1	1	2	2	2

Domestic demand surprised on the upside in 2012 and, though we expect some moderation, it could be an upside surprise again in 2014

Current account narrowing reflects both modest exports and rising imports – more compression in store in 2014/2015 as ETP kicks into higher gear

1. Contribution to growth of GDP.

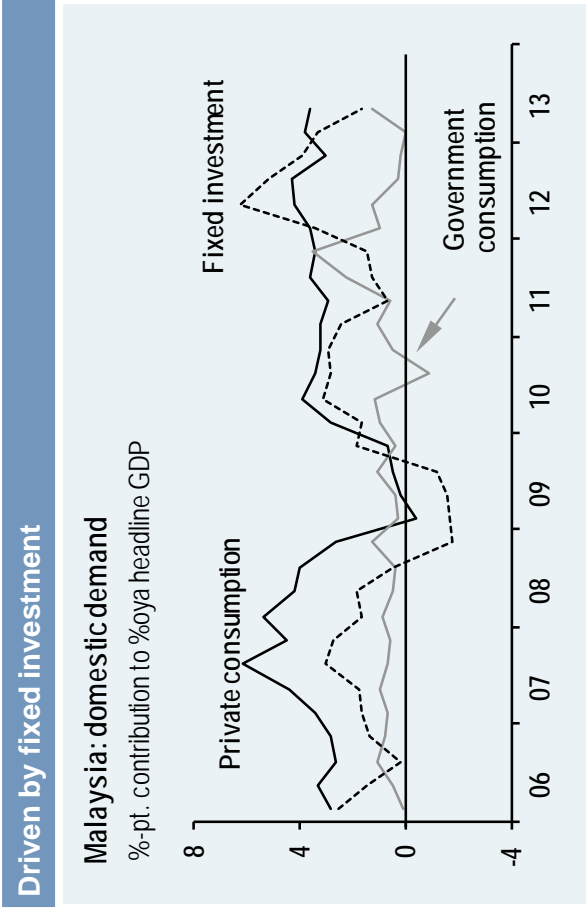
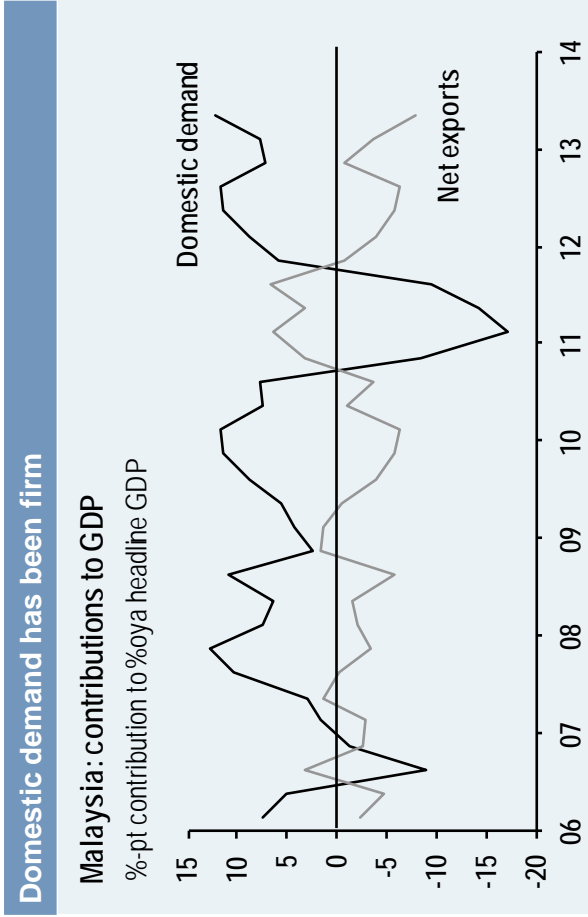
Source: J.P. Morgan estimates

Malaysia – Macro view

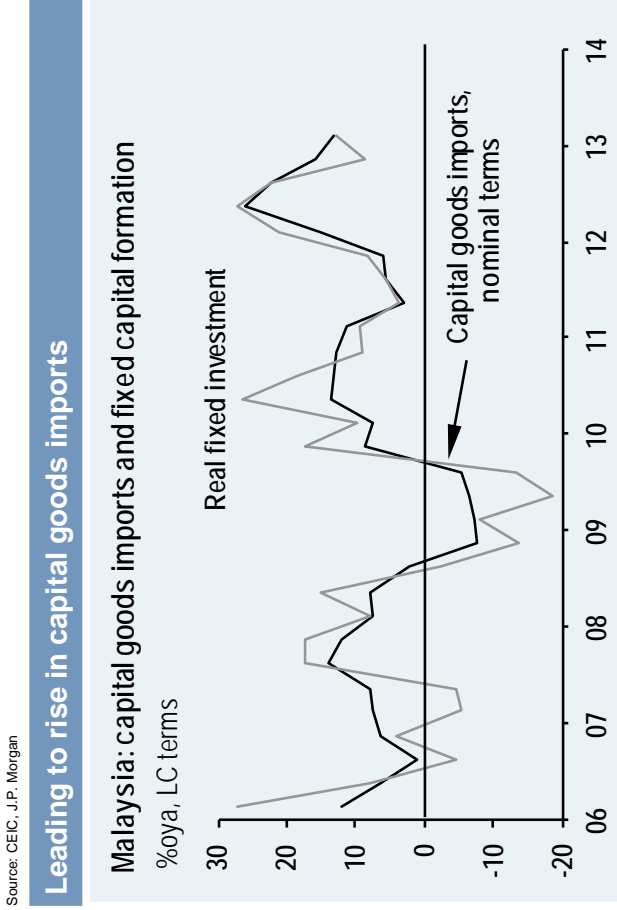
Malaysia macro highlights

- Despite the softness in external demand, domestic demand indicators during 2013 have not exhibited any softening, which has been bolstered by a combination of infrastructure-related investment outlays and firm private consumption.
- However, the potential macro weaknesses in Malaysia (fiscal and external balances) can be distilled down to political will and desire to bite the bullet on fiscal and other reforms. The FPC (Fiscal Policy Committee) announcement in early September touches on all the key issues and should be seen as a positive move towards broader macro reform.
- Measures focus on key macro vulnerabilities – J.P. Morgan views these moves as positive and these address some of the key vulnerabilities around the Malaysian economy. These vulnerabilities were focused around the (1) rapid rise in Economic Transformation Program (ETP) related investments with the support of government guarantees, (2) a narrowing revenue base, rising expenditures on subsidies, transfers and emoluments, and (3) a concomitant narrowing in the current account position
- Signposts to watch –
 1. **Fiscal reform** -both on the revenue side (widening the base away from oil and gas, raising taxes on incomes, and a move to the GST from the SST - which would take around 1-2 years to be accretive to revenues) and expenditure side (subsidy reform, cuts in transfers and emoluments).
 2. **ETP bunching** - The other shift that we were looking for was a delay and more orderly approach to the ETP investment program - which was at risk of pushing the current account into the red. All these points were hit on by the FPC, including going ahead with the RON95 and diesel price hike.
- The next step will be implementation

1. Some macro observations

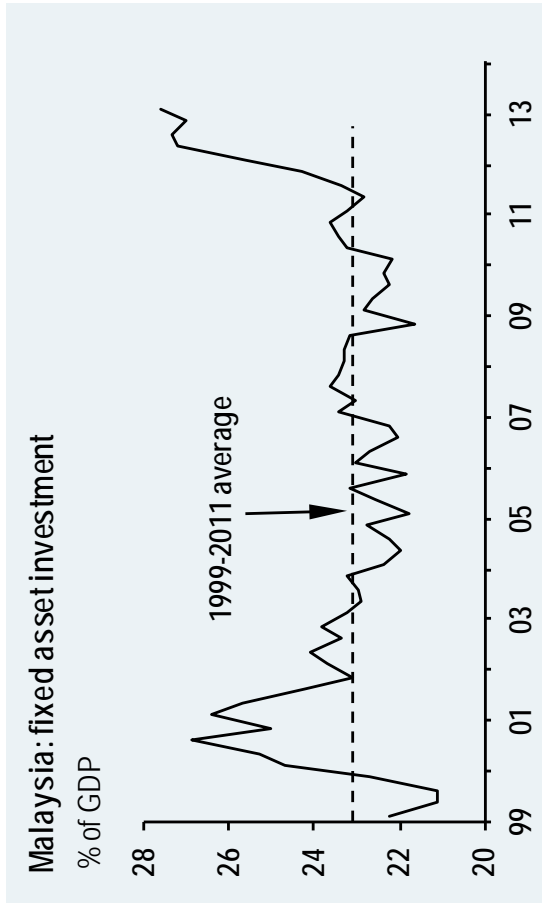


- Domestic investment to drive growth, inflationary pressures expected to be modest
- External balances taking brunt of adjustment – CA surplus expected to decline to 2.1% of GDP in 2013 and lower in 2014, capital account flows in focus
- Fiscal guarantees rising and overall fiscal position leans heavily on commodities

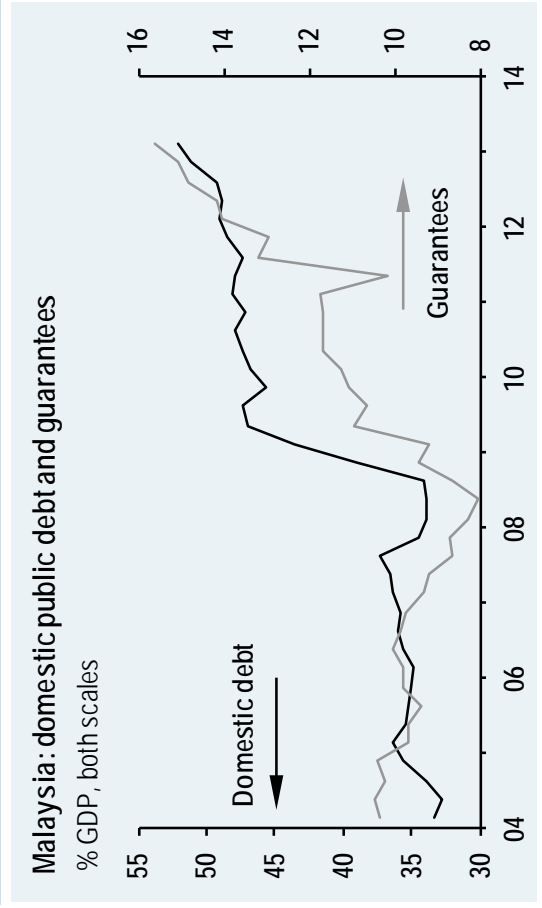


Macro underpinnings for domestic demand – ETP led

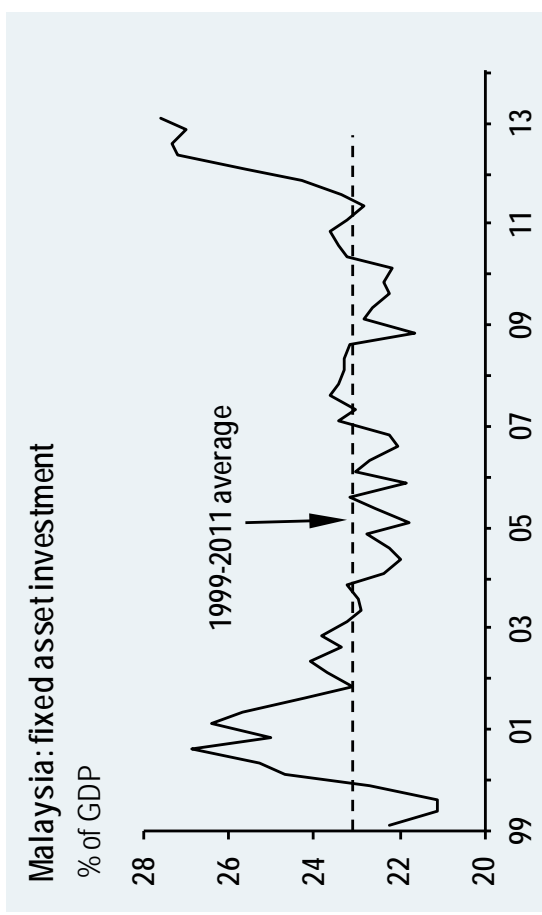
1. Sharp increase in FAI



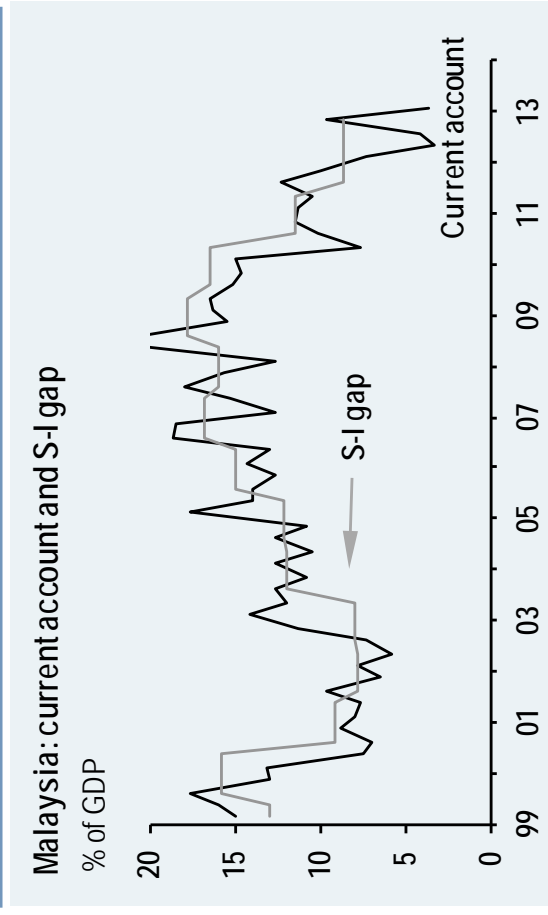
3. Debt issuance backed by fiscal guarantees



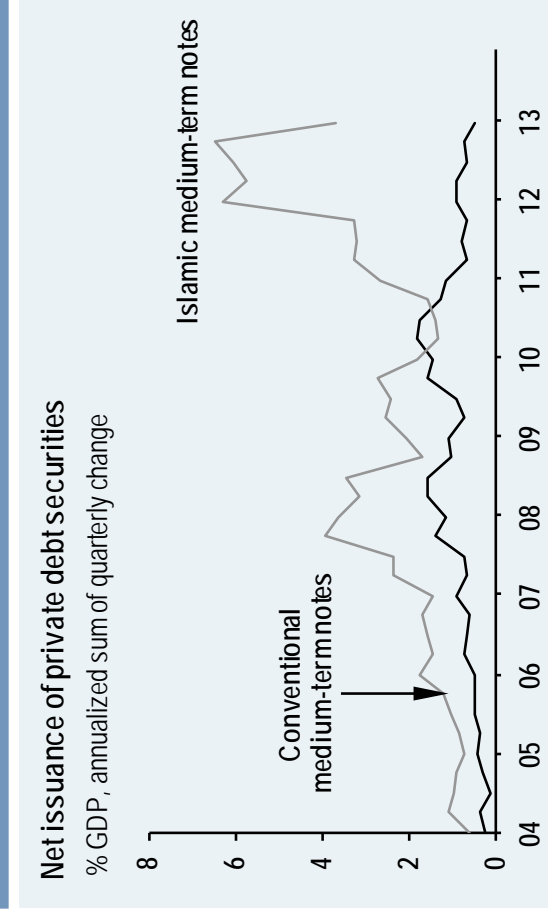
2. Leading to compression in S-I gap



4. Supported notably by issuance of IMTNs

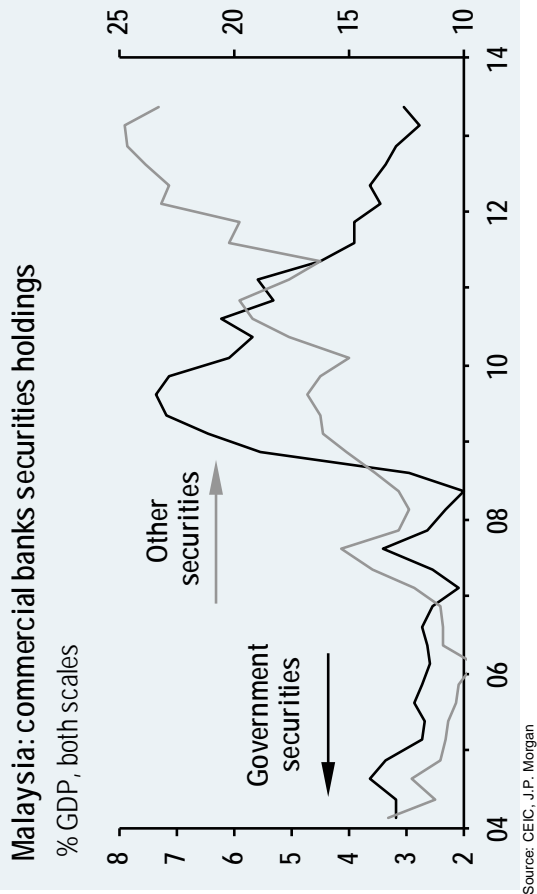


4. Supported notably by issuance of IMTNs

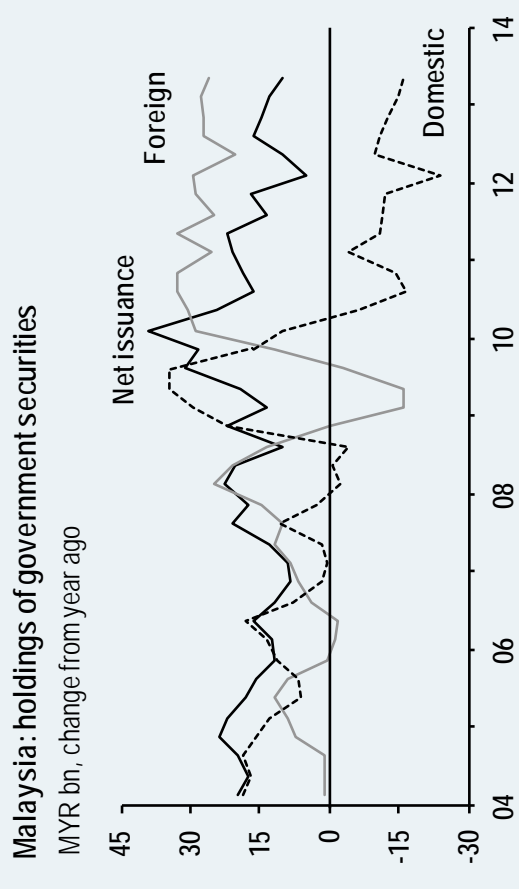


2. Impact on banking sector balance sheets

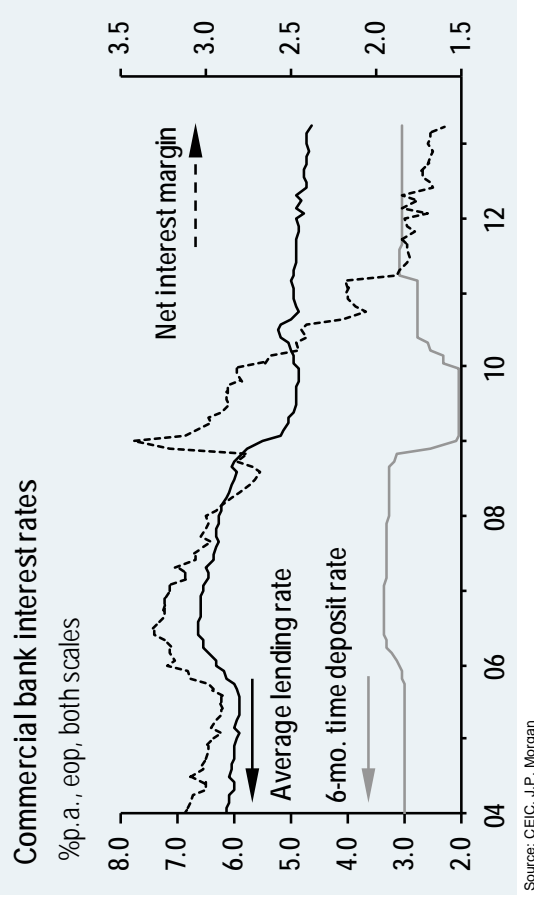
1. Sharp increase in bank holdings of other securities



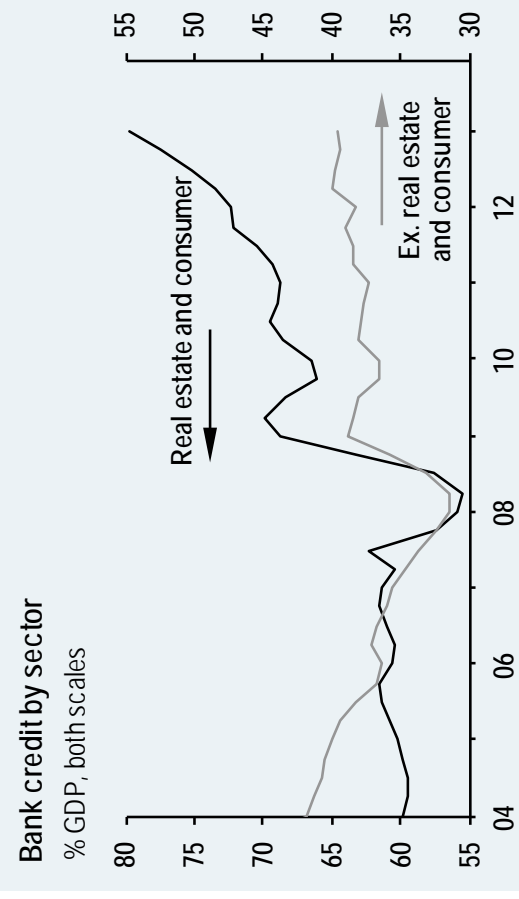
2. Trimming MGS holdings to make space



3. Bank NIMs are compressing

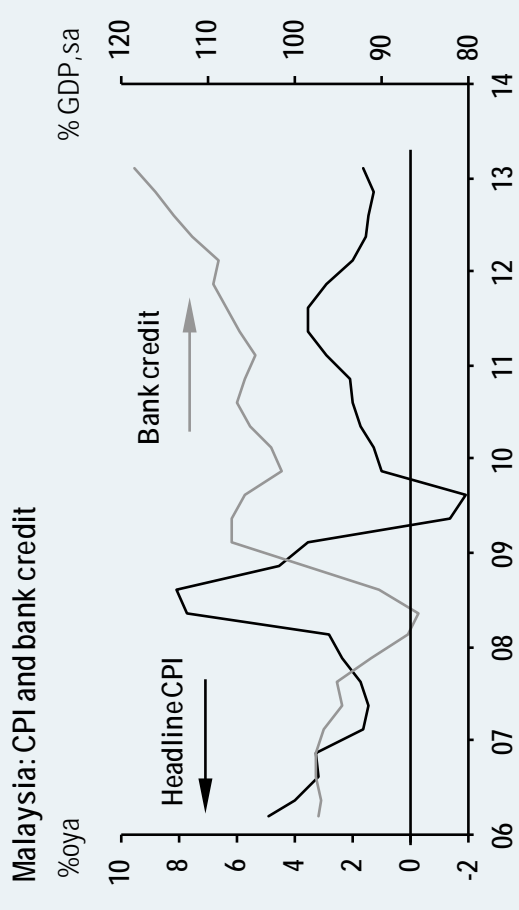


4. Reflecting rising competition in non-corporate space



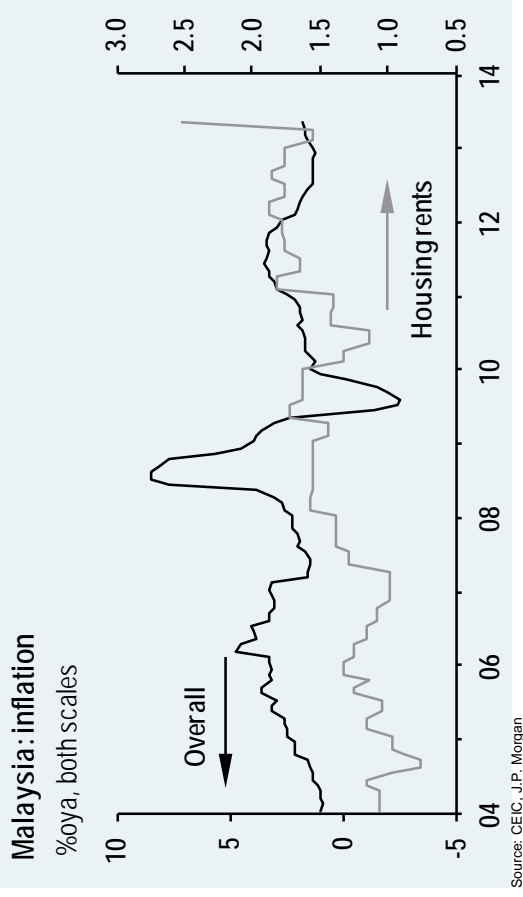
Leaving limited room to cut rates

1. CPI has eased even as credit has accelerated

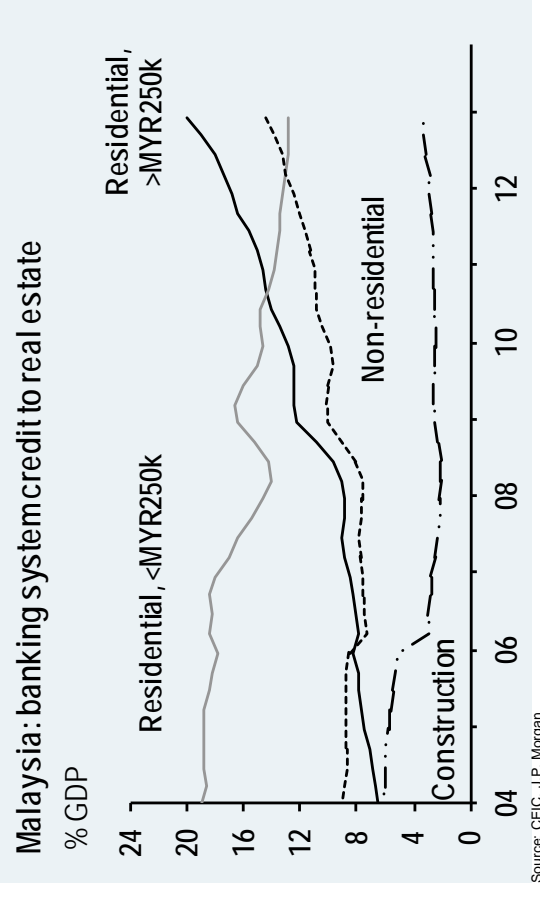


- Expect no change in policy rates despite modest inflation and downside risks to external demand
- Domestic credit cycle remains robust – more measures to rein in credit to be expected
- Domestic investment expected to accelerate in 2H13 and into 2014, peak import demand will be in 2015

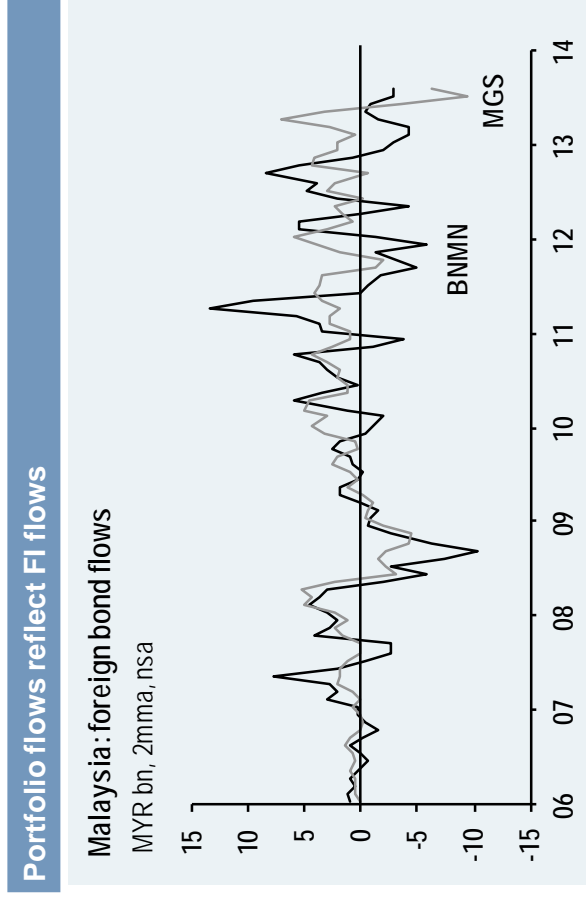
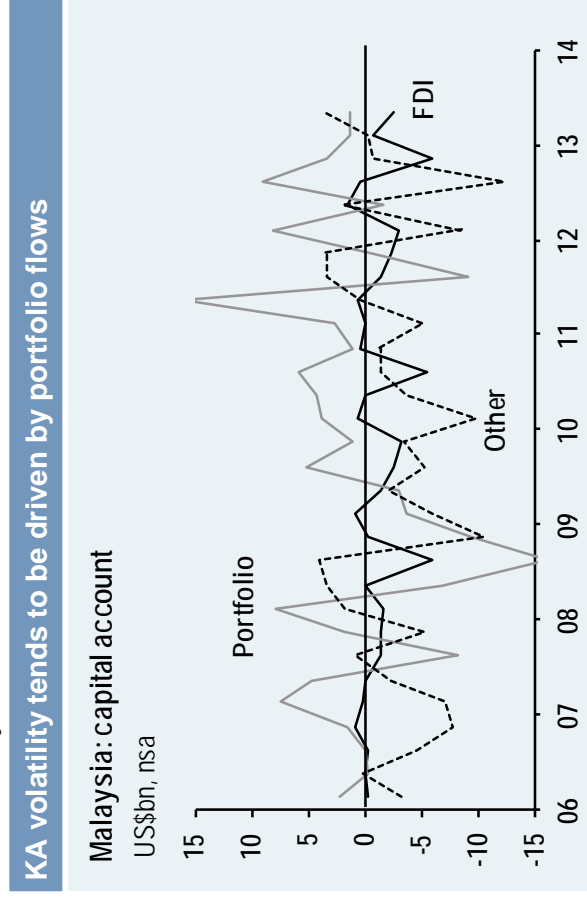
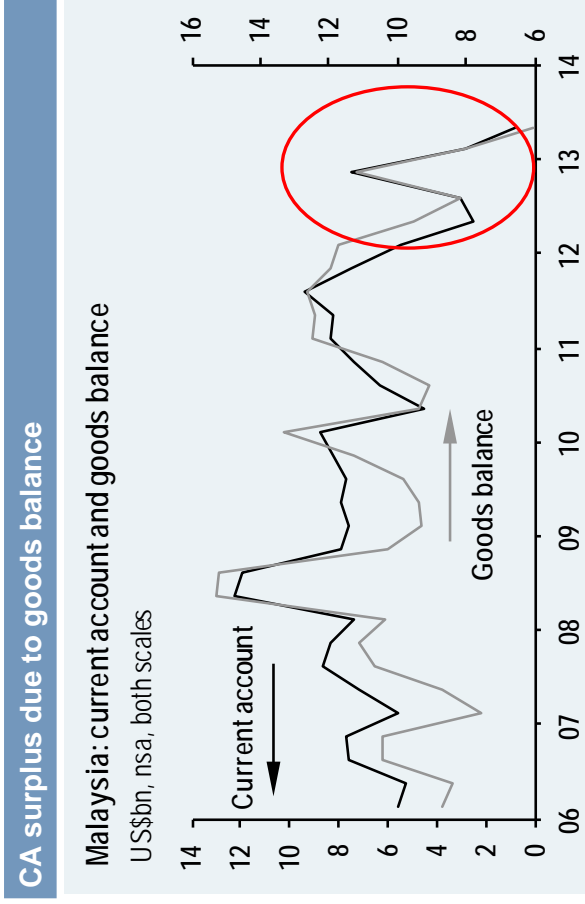
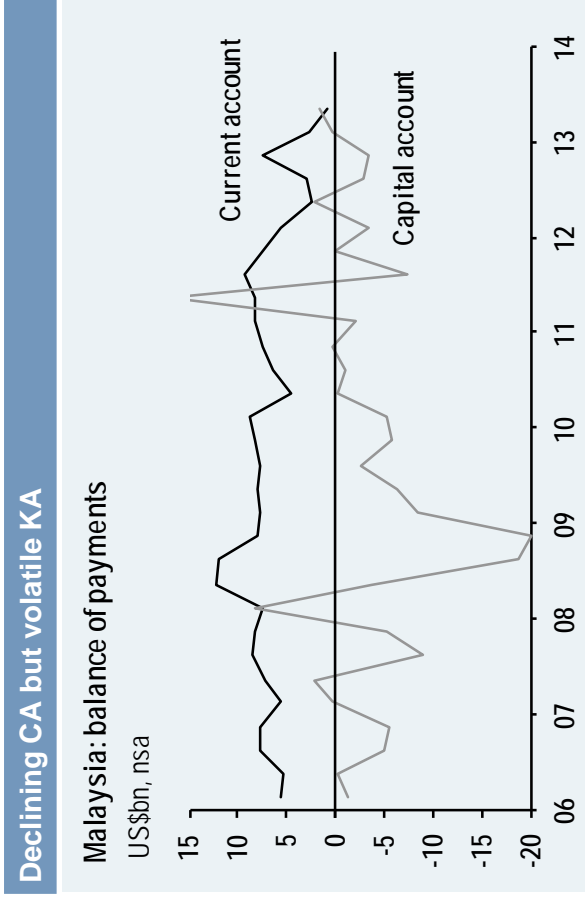
2. Unusual rise in housing rents in May and June CPI



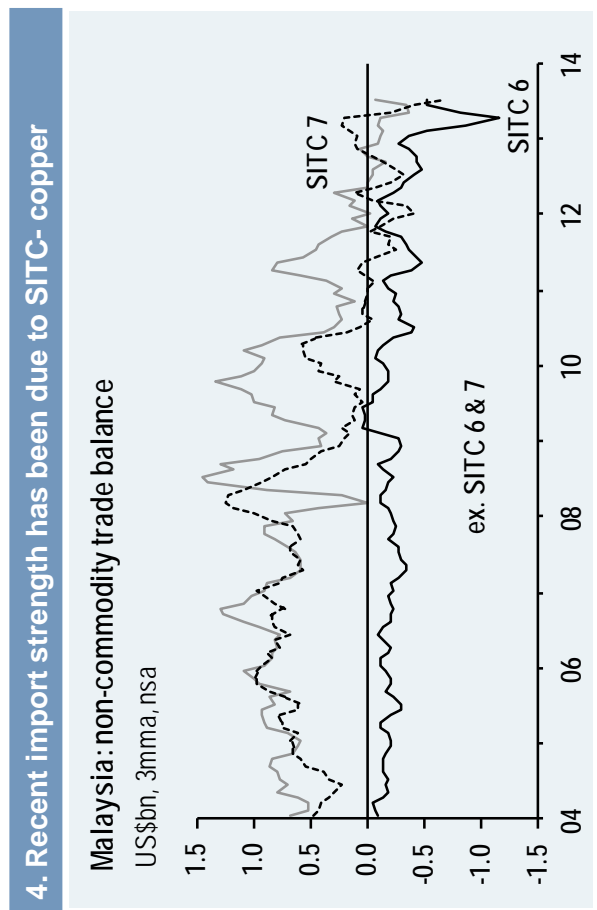
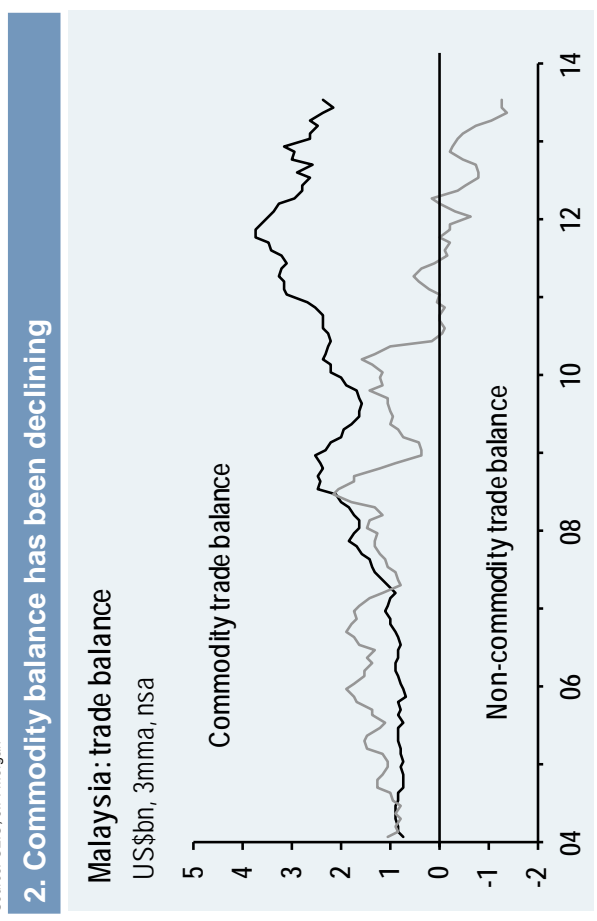
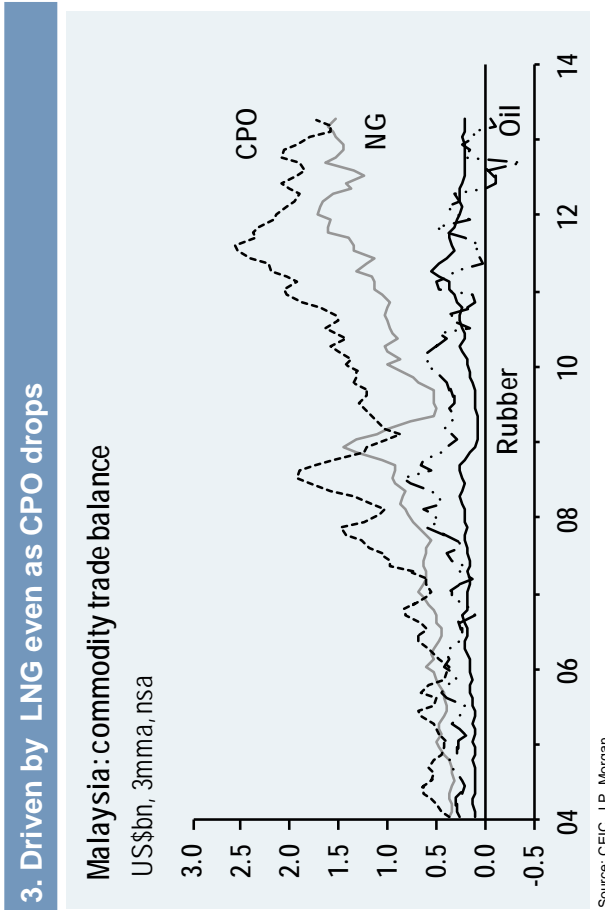
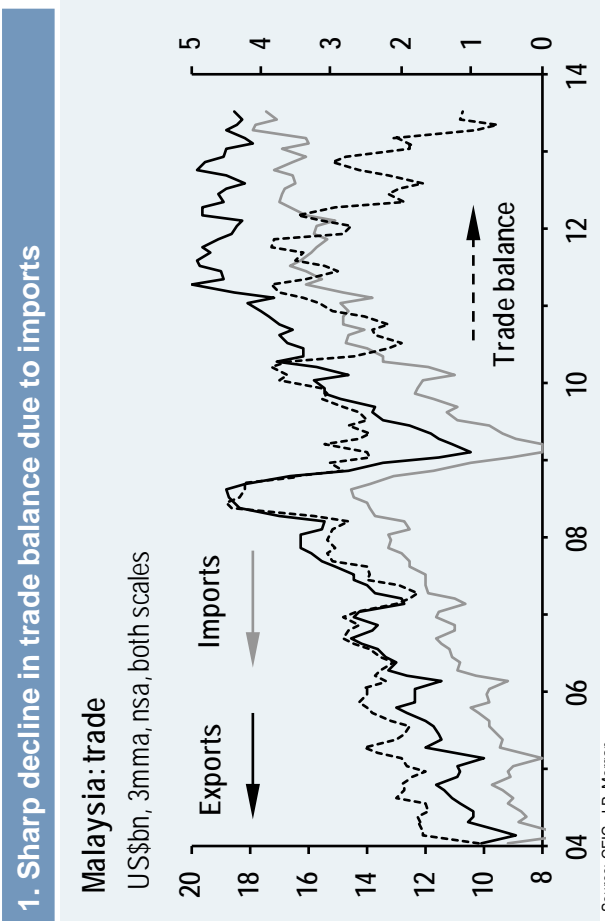
3. Non-residential and high-end housing credit rising



3. Stylized facts about Malaysia's BoP



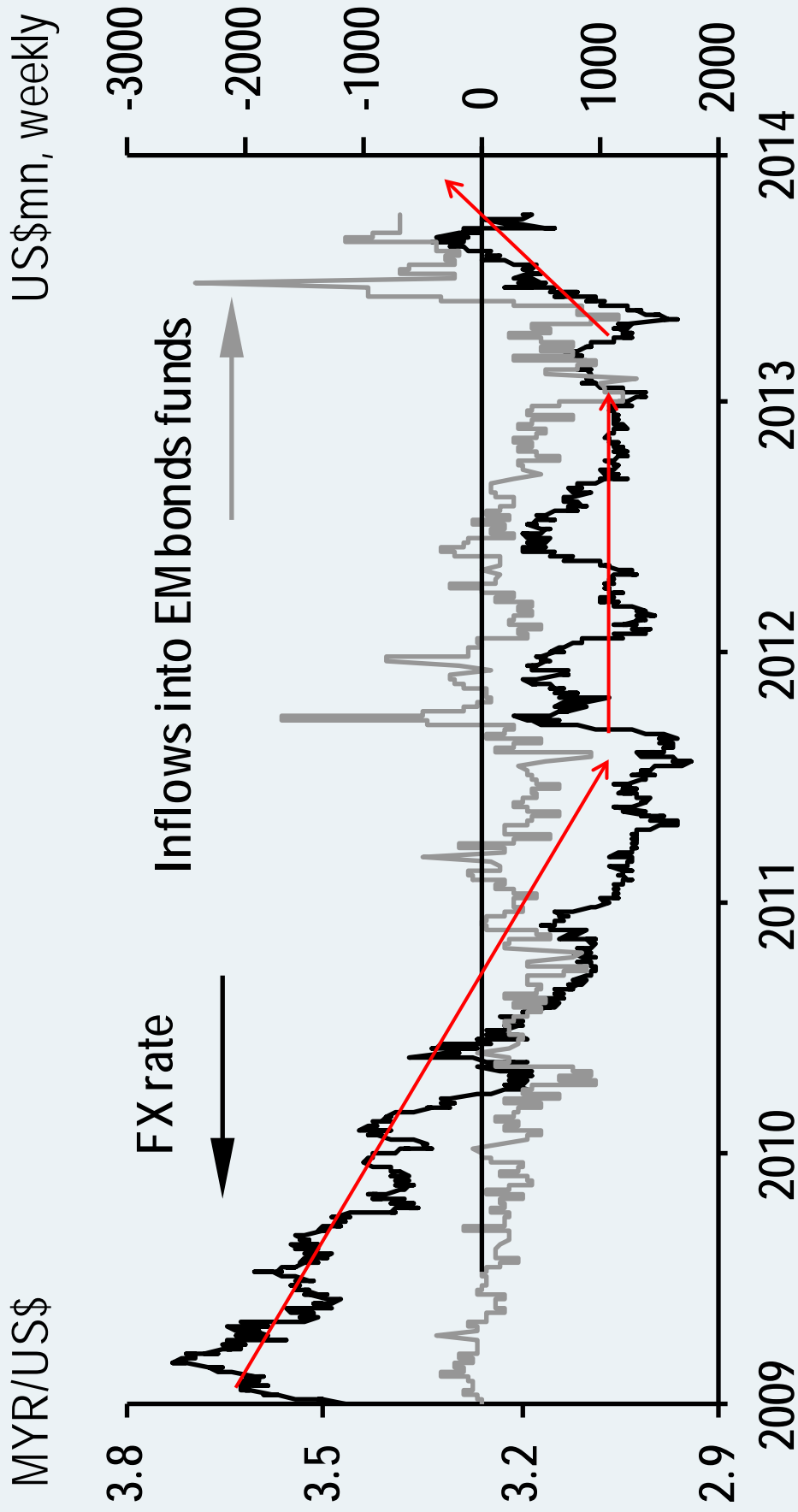
A closer look at the trade balance



Days of secular MYR appreciation are over

2009 to 1H11 – current account surplus country, a different trend post 2011

Malaysia: FX rate and EM bond inflows

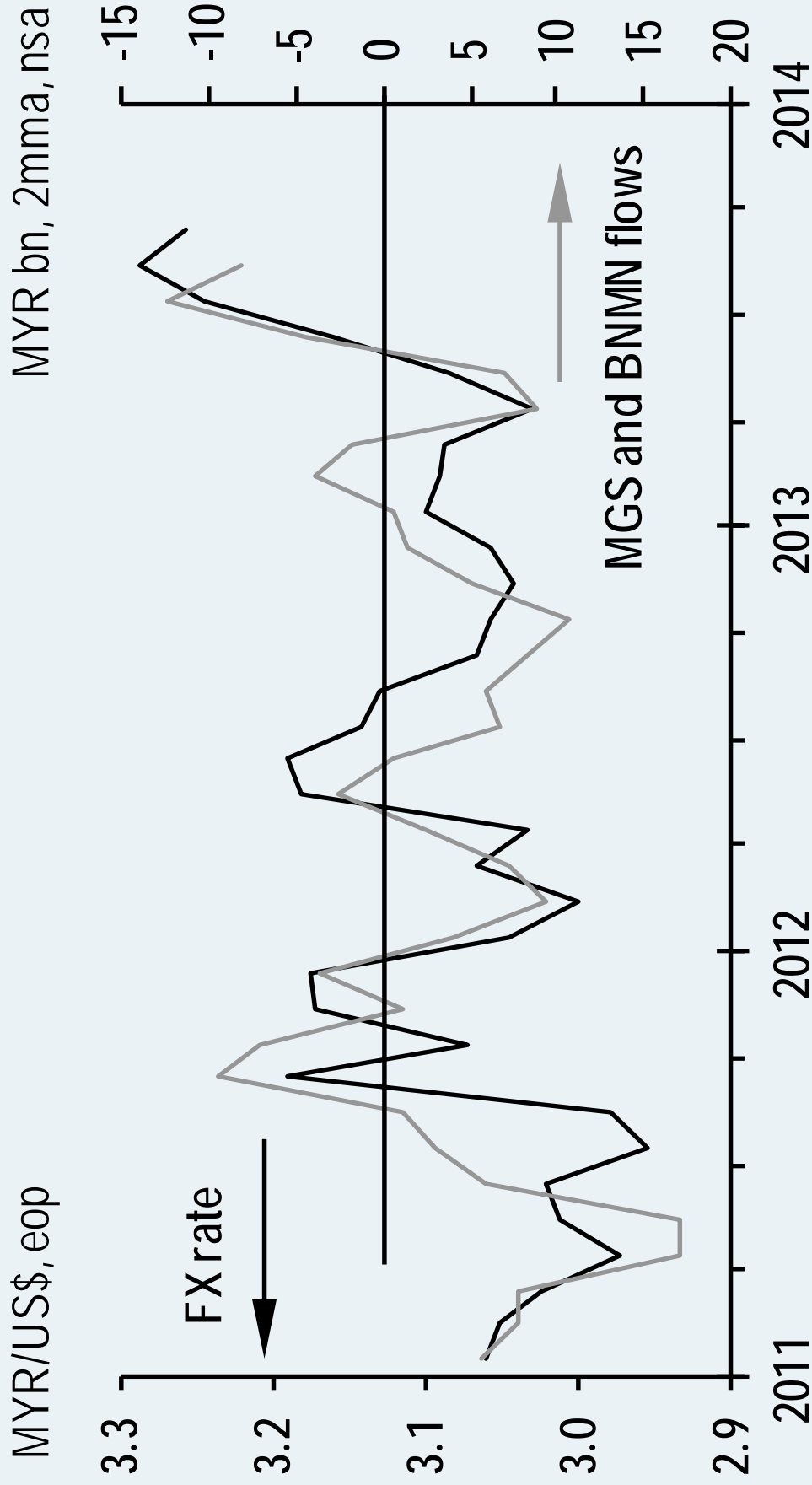


Source: J.P. Morgan

MYR trades more like a current account deficit country – portfolio flows are key

A closer snapshot is striking

Malaysia: MYR and FI inflows



Source: CEIC, J.P. Morgan

4. Budget impact: headline fiscal consolidation

Overall financing needs to ease with headline deficit

% GDP	Change				
	2011	2012	2013f	2013e	2014f
1. Revenue (1+2)	20.8	21.0	21.1	22.3	21.2
a. Tax	14.7	15.4	16.1	16.5	16.3
b. Non-tax	6.2	5.5	5.0	5.8	4.9
- Investments	4.3	3.7	3.2	3.5	3.0
- Others	1.9	1.8	1.8	2.2	1.9
2. Expenditure (a+b-c)	26.0	25.2	25.2	26.3	24.7
a. Current	20.5	20.8	20.4	21.9	20.6
- Interest	2.1	2.0	2.3	2.3	2.2
- Subsidies	3.7	4.5	3.8	4.7	3.7
- Transfers	3.6	3.6	3.4	3.6	3.7
b. Development	5.6	4.7	4.8	4.6	4.2
c. Loan recovery	0.1	0.3	0.1	0.1	0.1
3. Deficit (1-2)	5.2	4.3	4.0	4.0	3.5
Primary deficit	3.1	2.3	1.8	1.8	1.3
Net financing (1+2)	4.8	4.2	4.0	4.0	3.5
1. Change in assets ¹	-0.4	-0.1	0.0	-0.1	0.0
2. Change in debt	5.2	4.3	4.1	4.1	3.5
- Domestic	5.1	4.4	4.1	4.1	3.5
- Foreign	0.1	-0.1	0.0	0.0	0.0

1. + = drawdown

Source: CEIC, J.P. Morgan

- Overall fiscal consolidation – but does not take into account rise in guarantees
- Revenue structure highly dependent on commodities
- Issuance driven by GII not MGS

Net issuance leaning on GII in past couple years

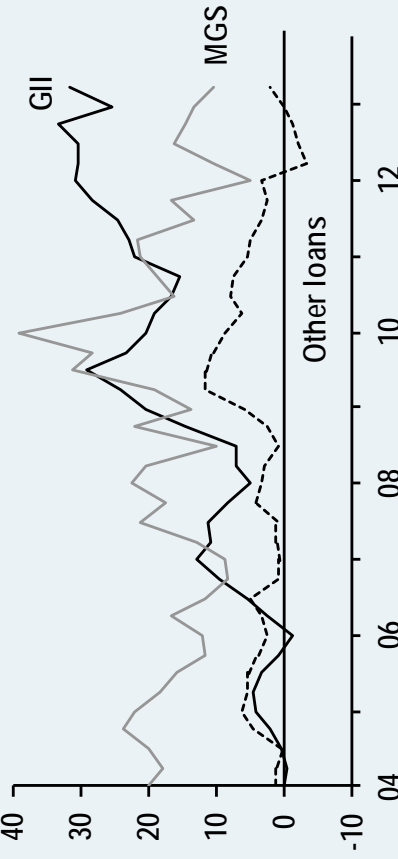
MYR bn	2011	2012	2013f	2013e	2014f	Change ¹
Total, net (1+2)	45.6	43.3	42.9	40.3	37.0	(3.2)
1. Domestic (a+b)	45.1	43.3	43.3	40.5	37.0	(3.5)
a. MGS, net	16.7	14.4	12.2	10.0	8.5	(1.5)
- Issuance	57.3	54.2	50.8	54.2	40.0	(14.2)
- Maturing	40.6	39.8	38.6	38.6	31.5	(7.1)
b. GII, net	28.4	28.9	30.3	30.5	28.5	(2.0)
GII, % net issuance	62.2	66.7	70.7	75.7	76.9	
2. Foreign, net	0.5	(0.0)	(0.4)	(0.2)	n/a	n/a
a. Project	(0.2)	(0.0)	n/a	(0.2)	n/a	n/a
b. Market	0.7	-	-	-	n/a	n/a

Shaded area denotes JPMorgan forecast

1. 2014 less 2013e, Source: J.P. Morgan

Malaysia: domestic debt

MYR bn, change from year ago



Source: CEIC, J.P. Morgan

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