



SBF

Economic

Indicators Report

4Q 2019

Singapore

Preface

The purpose of this *SBF Economic Indicators Report (Singapore)* is to provide our business community with timely and relevant updates regarding key economic developments and trends in Singapore. The *Report* provides such updates via a series of selected charts depicting important economic indicators along with brief commentaries. By so doing, SBF strives to paint a broad picture of the prevailing general economic environment which businesses operate in.

The charts and corresponding commentaries are deliberately kept succinct to provide a quick and easy read.

Contributions of inputs and data in the *Report* were drawn from the SBF SMEC Research Subcommittee and DBS Group Research.

The *SBF Economic Indicators Report (Singapore)* shall be published on a quarterly basis.

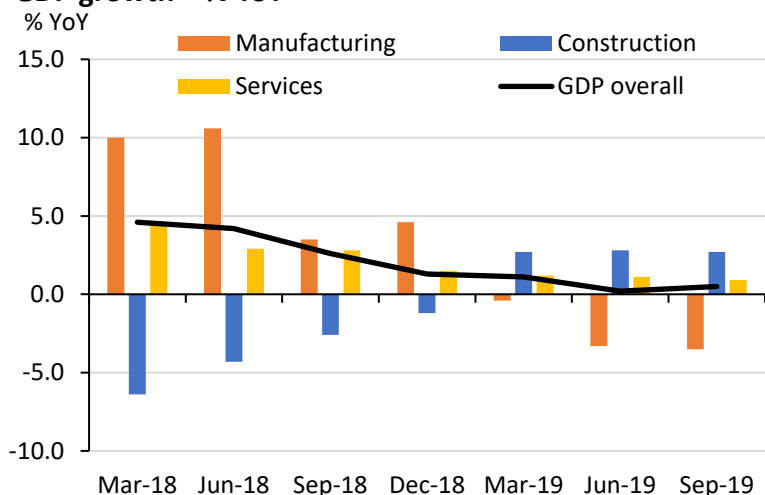
Overall GDP Growth

Median Forecasts of Macroeconomic Indicators 2019

Key Macroeconomic Indicators % YoY	September Survey	December Survey
GDP	0.6	0.7
Manufacturing	-2.4	-1.4
Finance & insurance	4.3	4.1
Construction	2.7	2.8
Wholesale & Retail Trade	-2.8	-3.0
Accommodation & Food Services	0.8	1.9
Private Consumption	3.4	4.1
Non-oil Domestic Exports	-9.2	-9.1

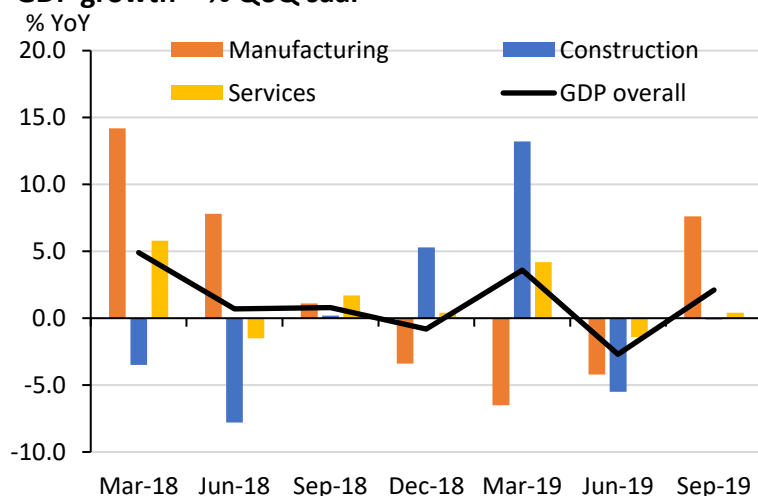
Respondents to the MAS Survey of Professional Forecasters, conducted among economists and analysts who closely monitor the Singapore economy, expect GDP growth to come in at 0.7% in 2019, up from 0.6% in the previous survey.

GDP growth - % YoY



GDP growth in the third quarter rose marginally to 0.5% YoY, from 0.2% previously. This growth momentum was supported by sustained expansion in the construction and services sectors.

GDP growth - % QoQ saar

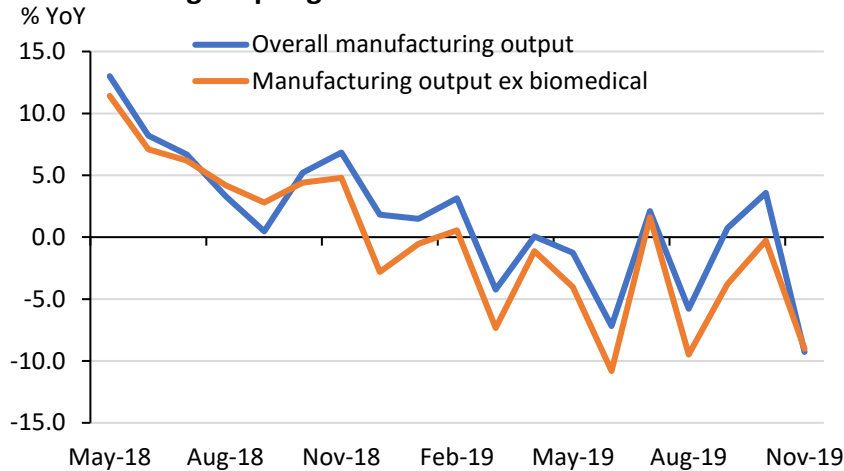


On a quarter-on-quarter (QoQ saar) basis, the economy rebounded from its -2.7% last quarter to register a growth of 2.1%, bolstered in large part by an expansion in the manufacturing sector.

Sources: Data for all charts and tables are from DBS Group Research, CEIC, URA, JTC, MAS and Department of Statistics (DOS).

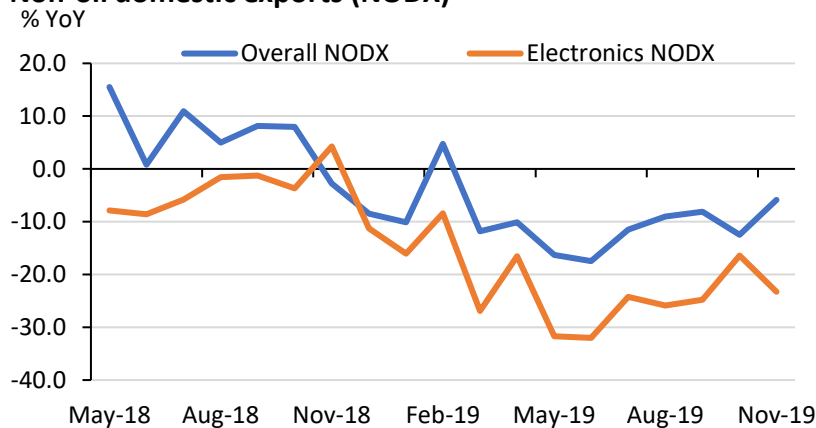
Manufacturing and Exports

Manufacturing output growth



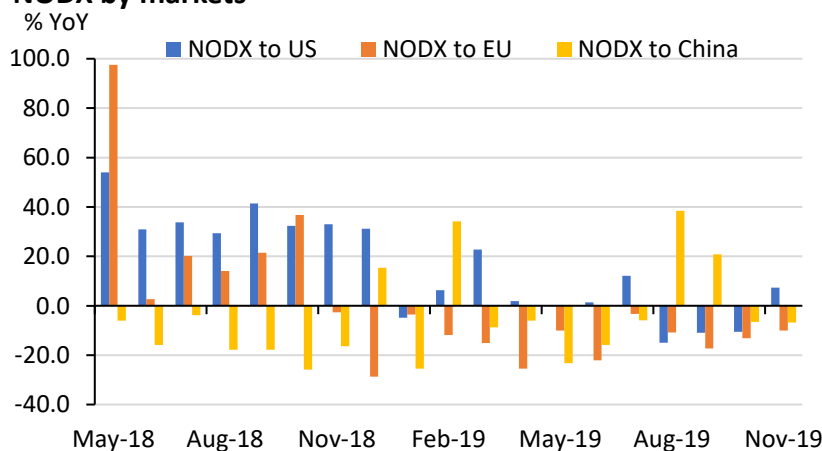
Manufacturing output growth continued to remain in the negative territory, with the YoY figure in November coming in at -9.3%, reversing its previous gain of 3.6% in the previous month.

Non-oil domestic exports (NODX)



The overall non-oil domestic exports (NODX) continued to shrink (-5.9% YoY in November) along with the sales of electronics exports (-23.3%).

NODX by markets

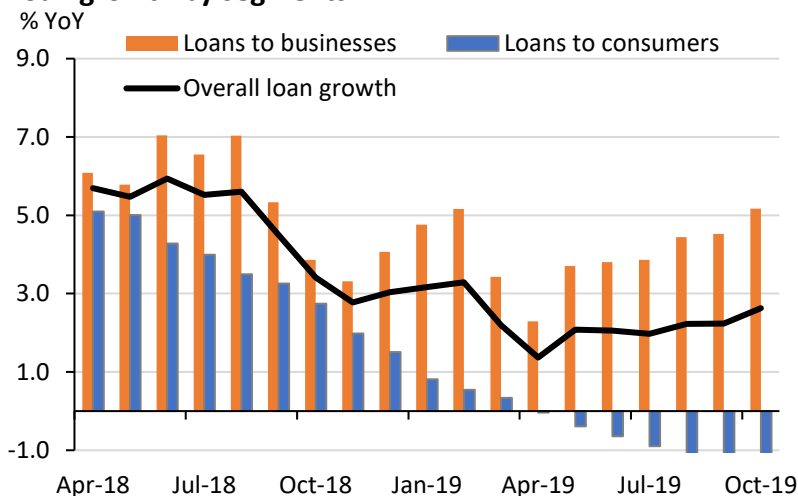


NODX to the US enjoyed a respite in November, registering a 7.3% YoY growth. On the contrary, NODX to China and the EU saw contractions of -6.8% and -10.0%, respectively.

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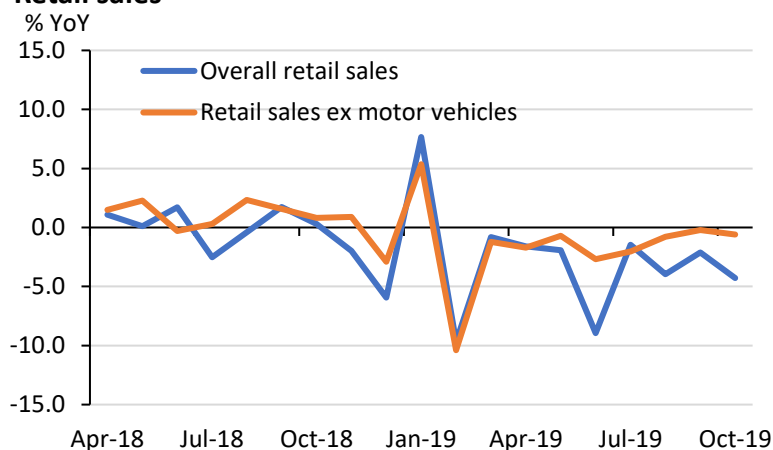
Loan Growth, Retail Sales and Visitor Arrivals

Loan growth by segments



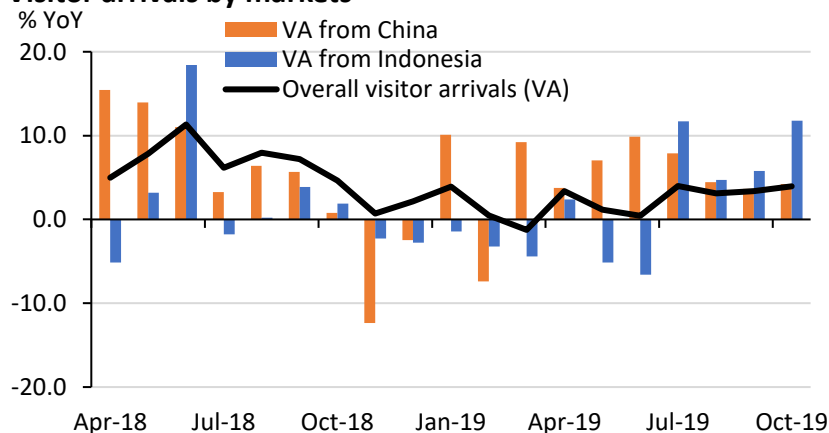
Overall loan growth continued to head north (2.6% YoY in October), supported in part by disbursements to businesses (5.2% YoY). Consumer loans continued to see sustained contraction (-1.2% YoY).

Retail sales



Overall retail sales saw a further contraction in October (-4.3% YoY, compared to -2.1% YoY in the previous month), dragged down in part by a decline in motor vehicle sales.

Visitor arrivals by markets

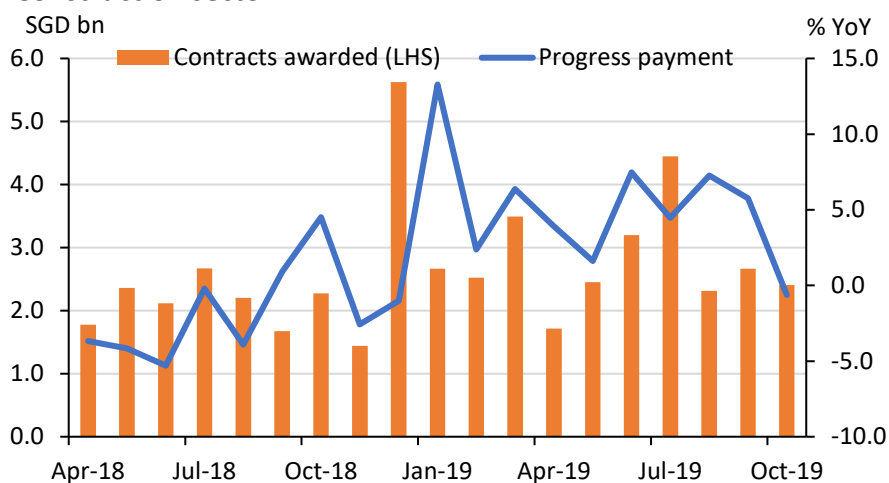


There was sustained growth in overall visitor arrivals (4.0% YoY in October, compared to 3.4% in the previous month). This comes on the back of stronger growth from key markets such as China (+4.2%) and Indonesia (+11.8%).

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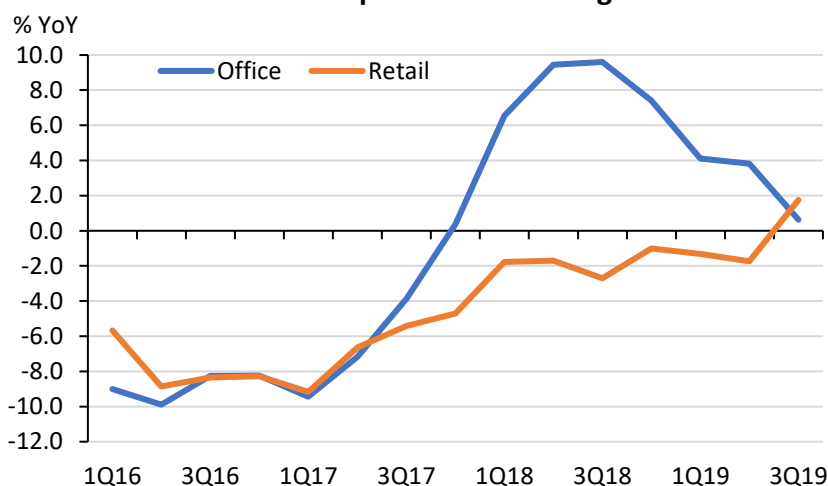
Construction and Real Estate

Construction sector



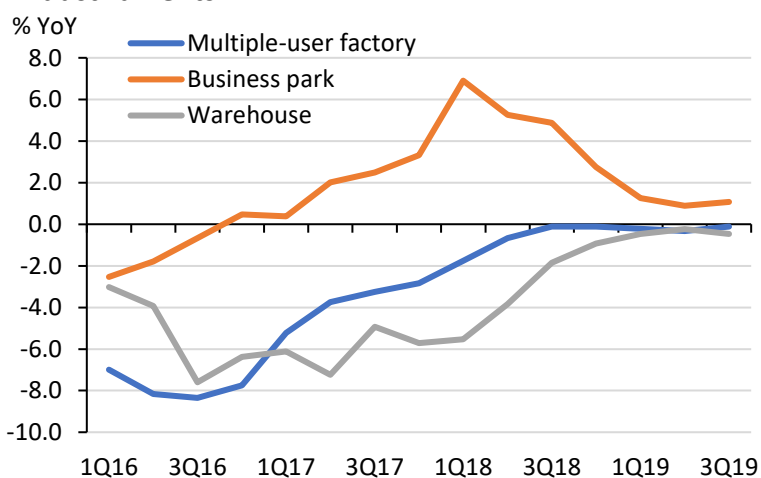
Contracts awarded amounted to SGD 2.4bn in October but progress payment saw a negative growth of 0.6% YoY, the first contraction this year.

Rents of office and retail space in Central Region



Office rents in Central Region continued to increase in 3Q19 albeit at a much slower pace (+0.6% YoY) while retail rents saw growth for the first time since 1Q15 (+1.8% YoY).

Industrial rents

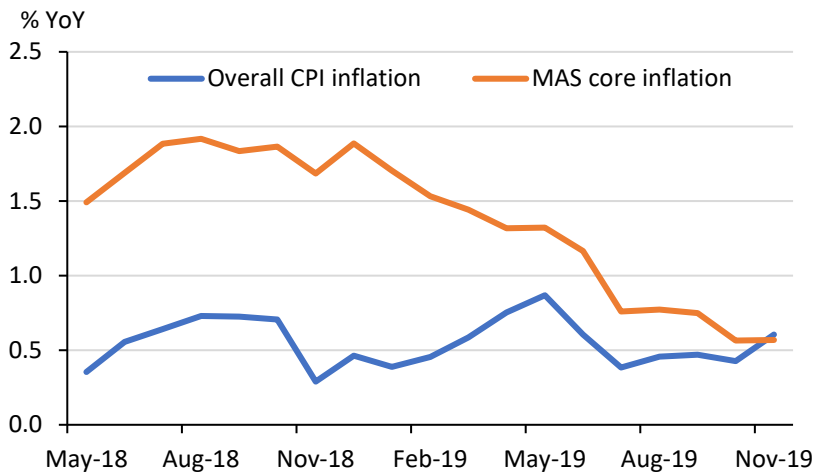


Overall industrial rental growth remains largely stable in 3Q19. Rents of business park space rose 1.1% YoY, while factory and warehouse rents continued to inch downwards.

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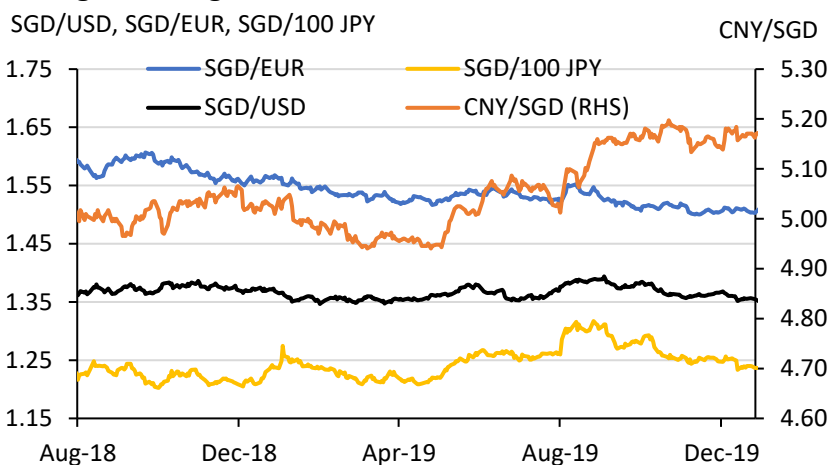
Inflation, FX and Interest Rates

CPI inflation



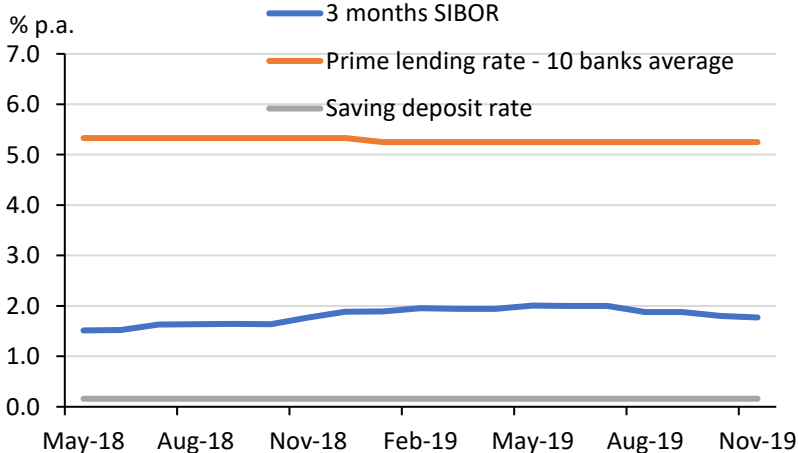
The headline Consumer Price Index (CPI) inflation registered an uptick of 0.2% point to 0.6% YoY in November, while core inflation remained stable and unchanged at 0.6%, compared to the previous month.

Foreign exchange



Over the last three months, the SGD largely held stable against the EUR and the CNY, but mildly strengthened against the USD and the JPY.

Interest rates



The three months SIBOR inched incrementally downwards to 1.77% in November, while the prime lending rate and the saving deposit rate remained stable at 5.25% and 0.16%, respectively.

Sources: Data for all charts and tables are from DBS Group Research, CEIC, URA, JTC and Department of Statistics (DOS)

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