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8-2022

SKBI Big 5 Survey 2022 August

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The Sim Kee Boon Institute for Financial Economics (SKBI) Big5 Survey

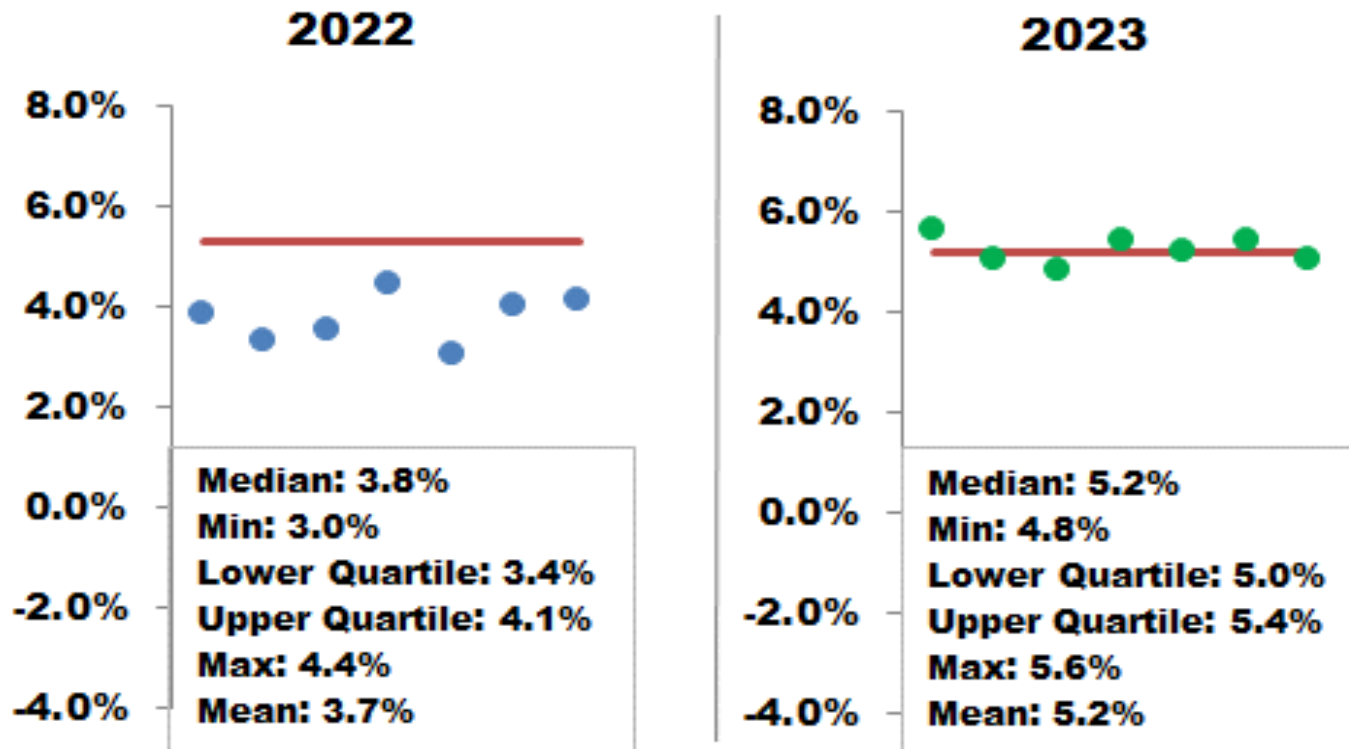
Released on 1 September, 2022

Takeaways (August 2022 Survey)

- ❖ The latest survey results on the largest five economies (Big5) were revised markedly relative to the prior release (pre-Russia-Ukraine conflict), generally indicating weaker growth and higher inflation coupled with incremental ambiguity on the policy front.
- ❖ The aggregate Big5 median real GDP growth forecast was downgraded across-the-board to slightly under 3.5% in 2022, more than 1%-point lower than the previous survey (bigger reductions in US, CN and EA, to a lesser extent IN). The noticeable revisions to the Big5 headline inflation forecasts of more than 2%-points to above 5% were even starker (most in EA, least in CN). In view of further growth slippage, with the exception of a recovery in CN, in 2023, participants generally anticipate inflation to partially and unevenly reverse, but remain relatively elevated.
- ❖ The lack of uniformity on monetary and fiscal policies among the Big5 implies that policymakers are facing multiple challenges with difficult tradeoffs. Still, the ECB, given its price stability slant, is likely to adopt a firmer policy stance at least through 2023. While participants overwhelmingly expect the RBI and Fed to focus on elevated inflation, conversely the PBoC to emphasize growth concerns, in 2022, the policy path beyond this year might be incrementally more ambiguous.
- ❖ The Big5 economies tend to display disparate business cycle characteristics. Generally, participants attach the highest risk of a recession occurring in the EA (almost a coin-flip by this year)--to a lesser extent in the US and least likely in JP--by 2023. Separately, most participants anticipate a “sharp slowdown” (defined variedly in the survey) in CN by this year, but unanimously do not expect IN to experience a “sharp” deceleration in growth by 2022 or 2023.

GDP Growth

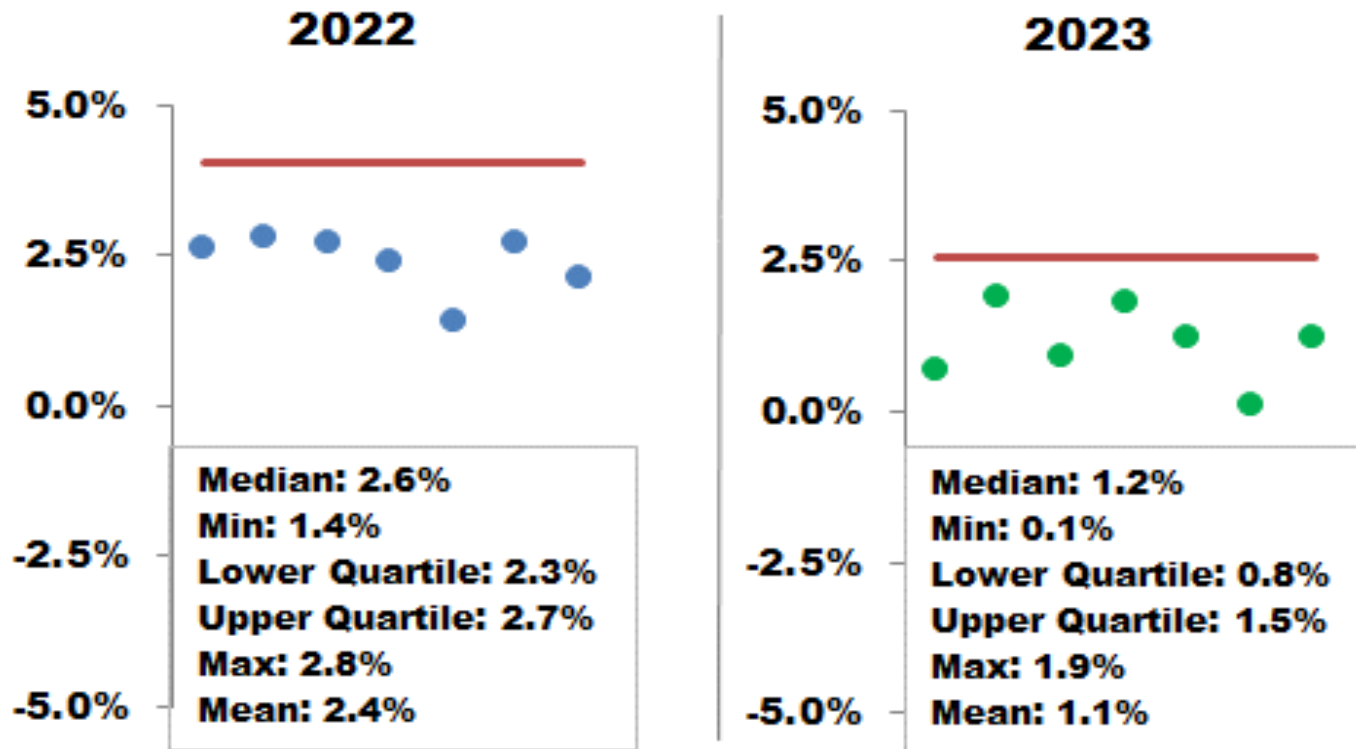
China-Real GDP Growth



Note: Each dot represents a random participant in the survey and the horizontal line in 2022 and 2023 depicts the median result from the prior (Feb) survey.

Source: SKBI Big5 Survey (Feb 2022 and Aug 2022)

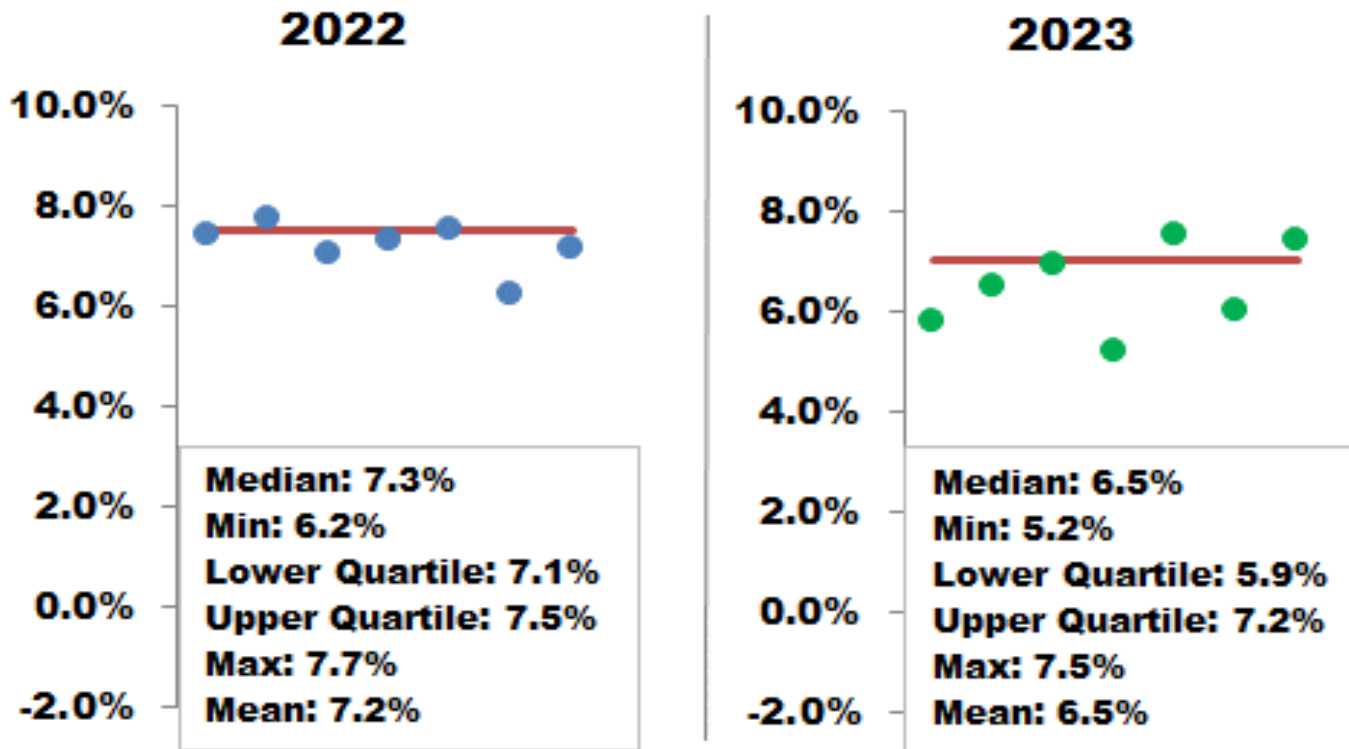
Euro Area-Real GDP Growth



Note: Each dot represents a random participant in the survey and the horizontal line in 2022 and 2023 depicts the median result from the prior (Feb) survey.

Source: SKBI Big5 Survey (Feb 2022 and Aug 2022)

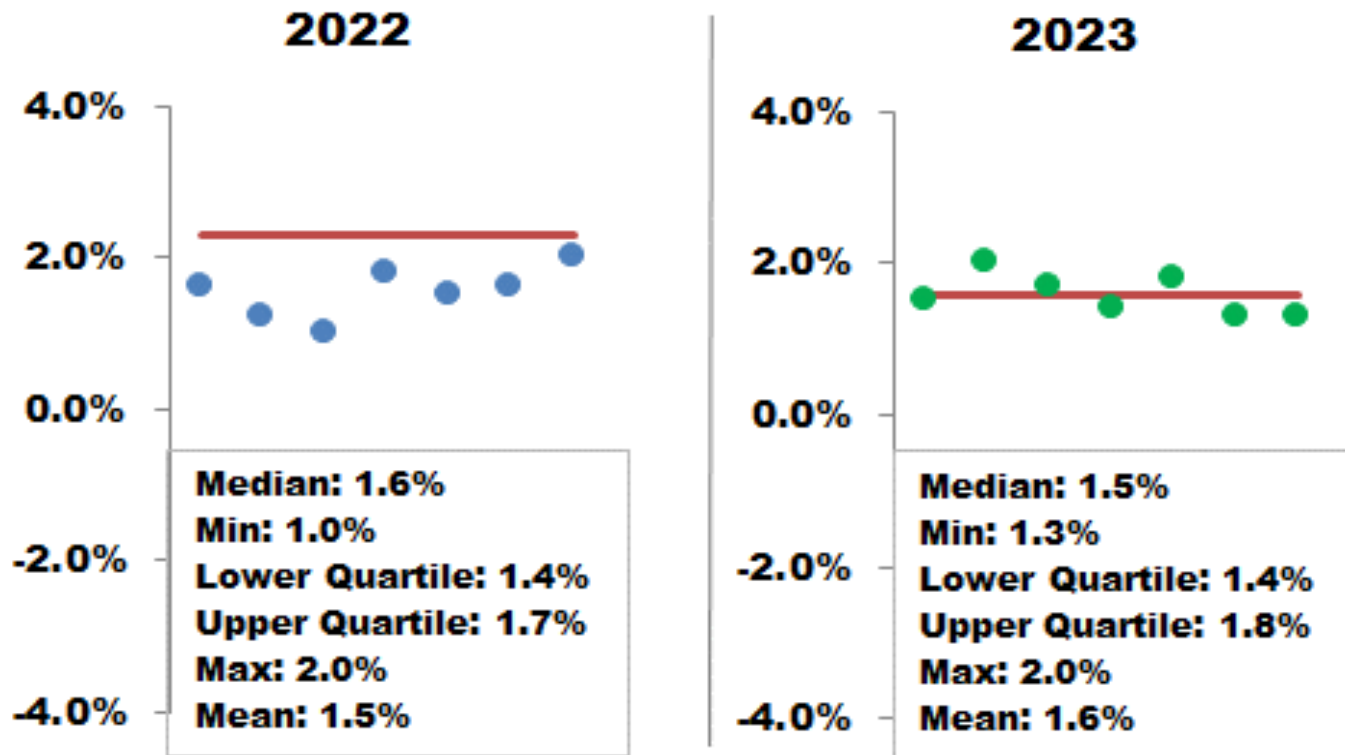
India-Real GDP Growth



Note: Each dot represents a random participant in the survey and the horizontal line in 2022 and 2023 depicts the median result from the prior (Feb) survey.

Source: SKBI Big5 Survey (Feb 2022 and Aug 2022)

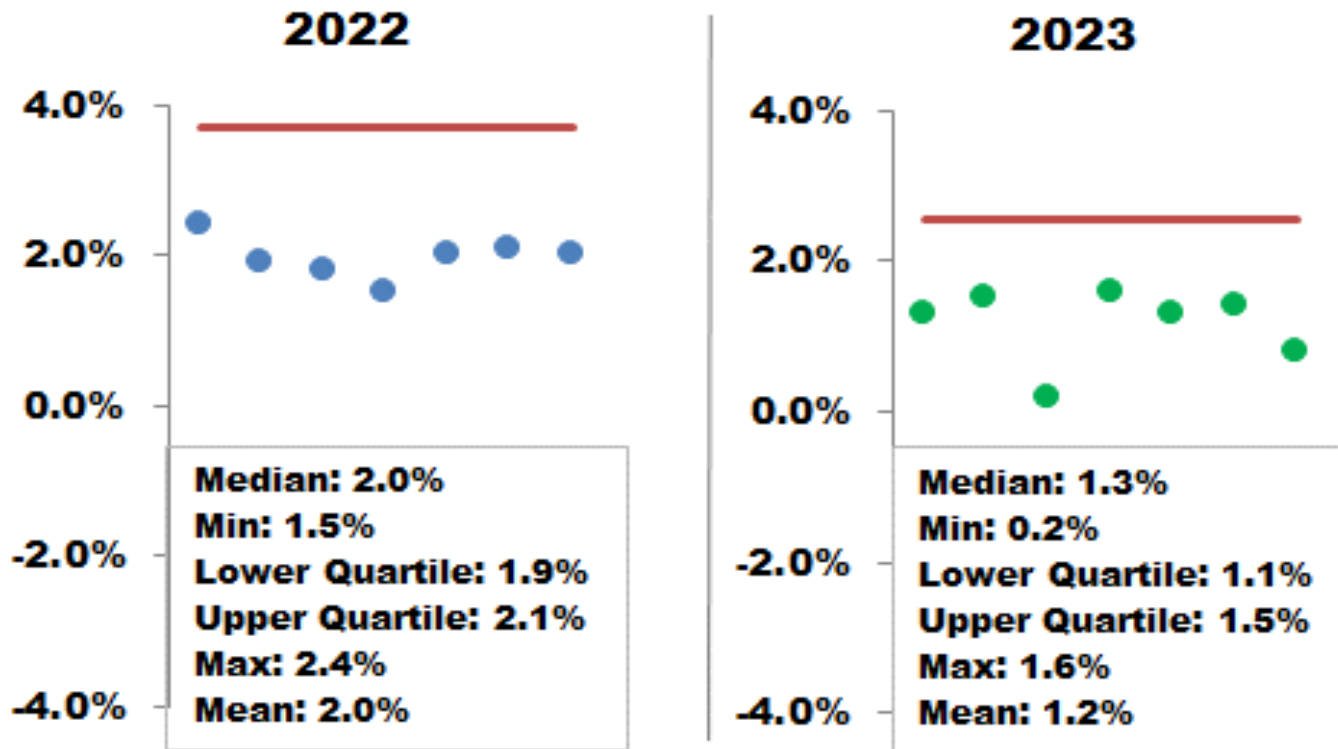
Japan-Real GDP Growth



Note: Each dot represents a random participant in the survey and the horizontal line in 2022 and 2023 depicts the median result from the prior (Feb) survey.

Source: SKBI Big5 Survey (Feb 2022 and Aug 2022)

US-Real GDP Growth



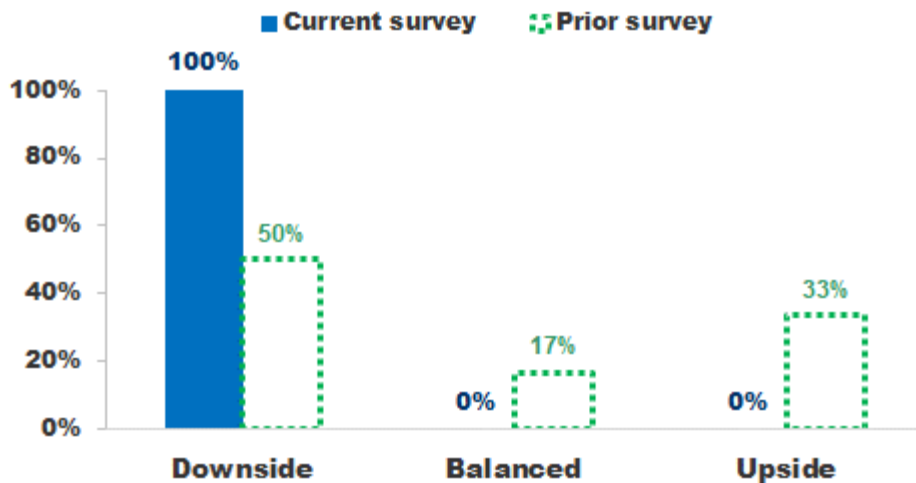
Note: Each dot represents a random participant in the survey and the horizontal line in 2022 and 2023 depicts the median result from the prior (Feb) survey.

Source: SKBI Big5 Survey (Feb 2022 and Aug 2022)

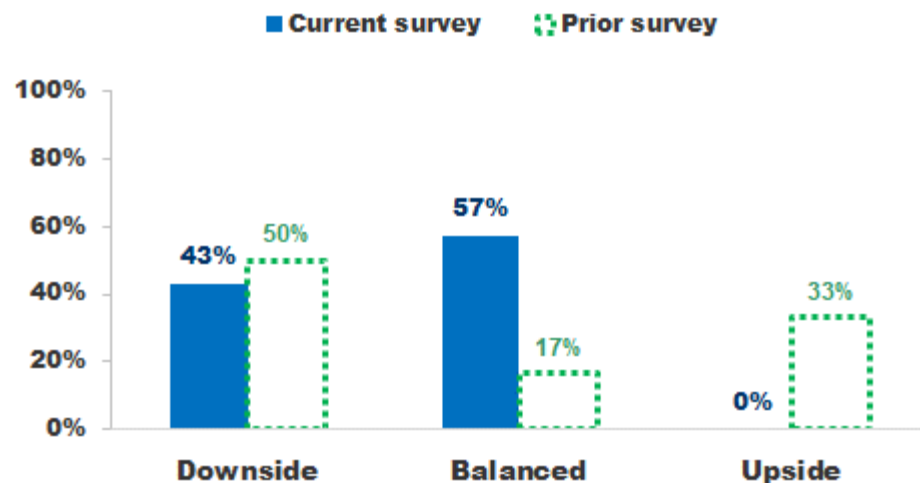
GDP Growth Risk Assessment

Real GDP Growth Risks (2022)

China-Growth Risk Assessment (2022)



India-Growth Risk Assessment (2022)

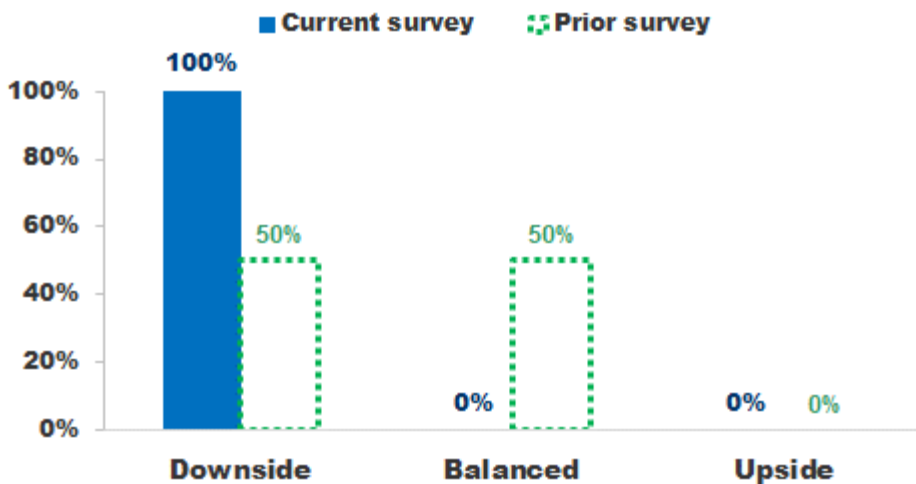


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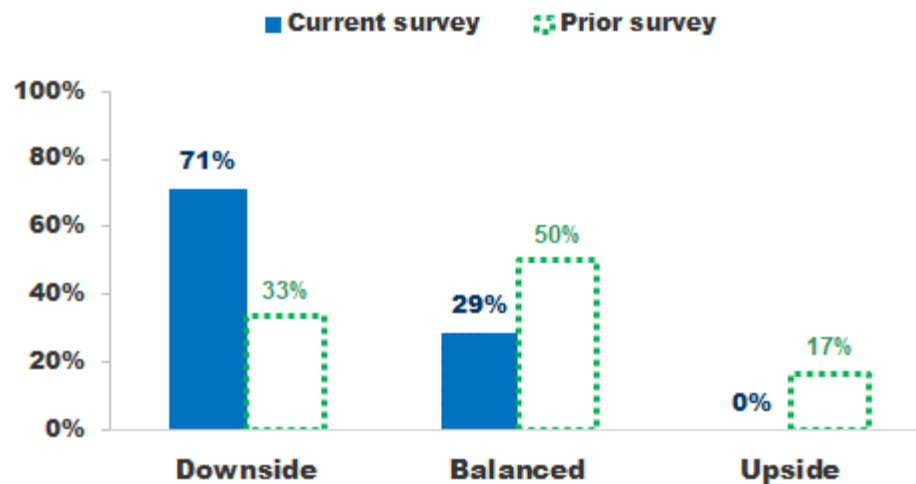
Source: SKBI Big5 Survey (Feb 2022 and Aug 2022)

Real GDP Growth Risks (2022)

Euro Area-Growth Risk Assessment (2022)



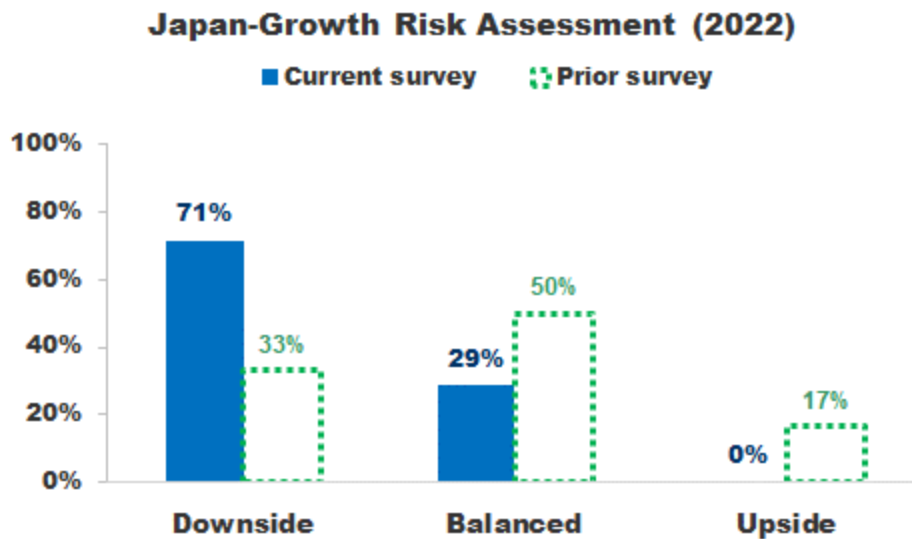
US-Growth Risk Assessment (2022)



Note: The percentages herein, which sum to 100%, represent the proportion of participants' responses in the current and prior (Feb) surveys.

Source: SKBI Big5 Survey (Feb 2022 and Aug 2022)

Real GDP Growth Risks (2022)



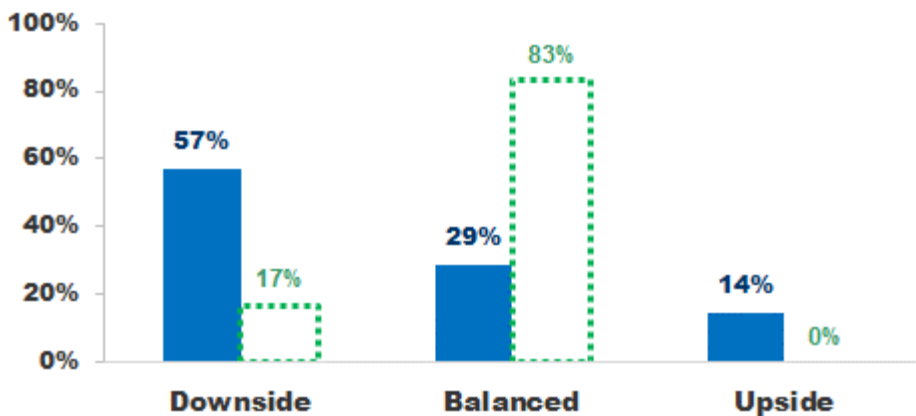
Note: The percentages herein, which sum to 100%, represent the proportion of participants' responses in the current and prior (Feb) surveys.

Source: SKBI Big5 Survey (Feb 2022 and Aug 2022)

Real GDP Growth Risks (2023)

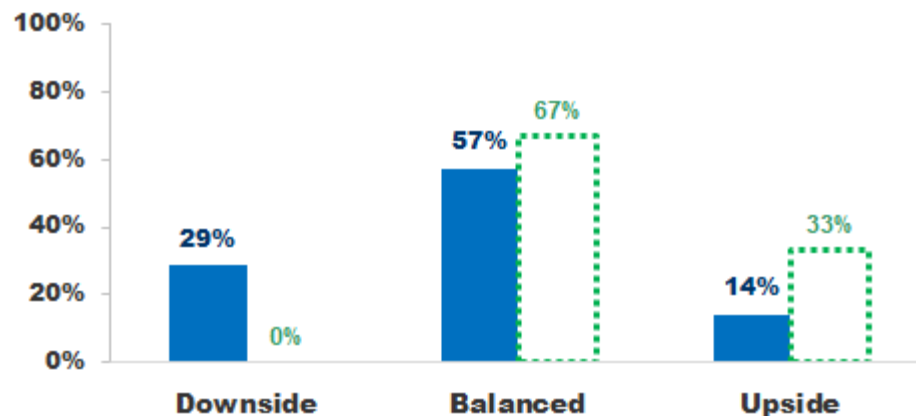
China-Growth Risk Assessment (2023)

■ Current survey ▤ Prior survey



India-Growth Risk Assessment (2023)

■ Current survey ▤ Prior survey



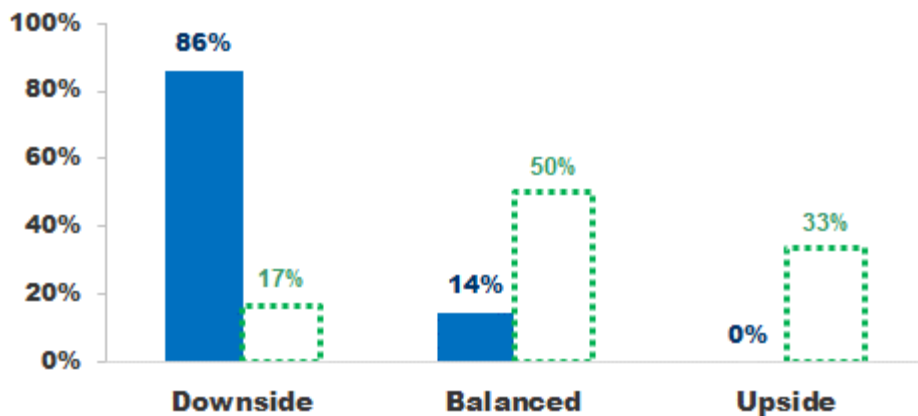
Note: The percentages herein, which sum to 100%, represent the proportion of participants' responses in the current and prior (Feb) surveys.

Source: SKBI Big5 Survey (Feb 2022 and Aug 2022)

Real GDP Growth Risks (2023)

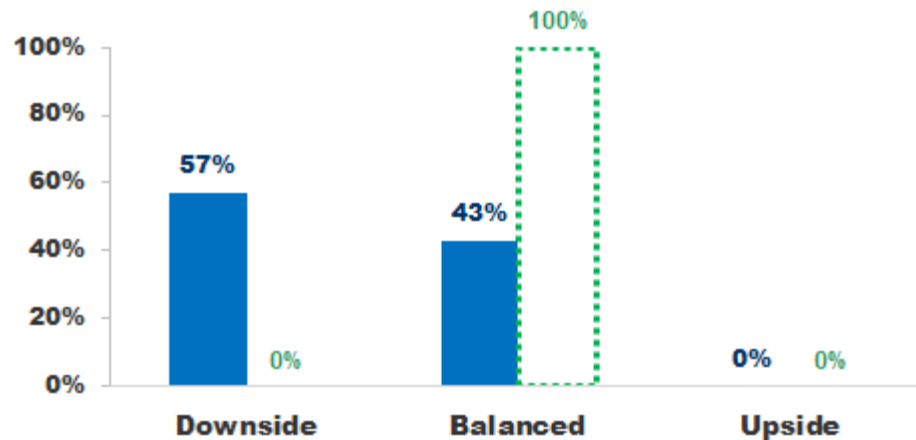
Euro Area-Growth Risk Assessment (2023)

■ Current survey ▤ Prior survey



US-Growth Risk Assessment (2023)

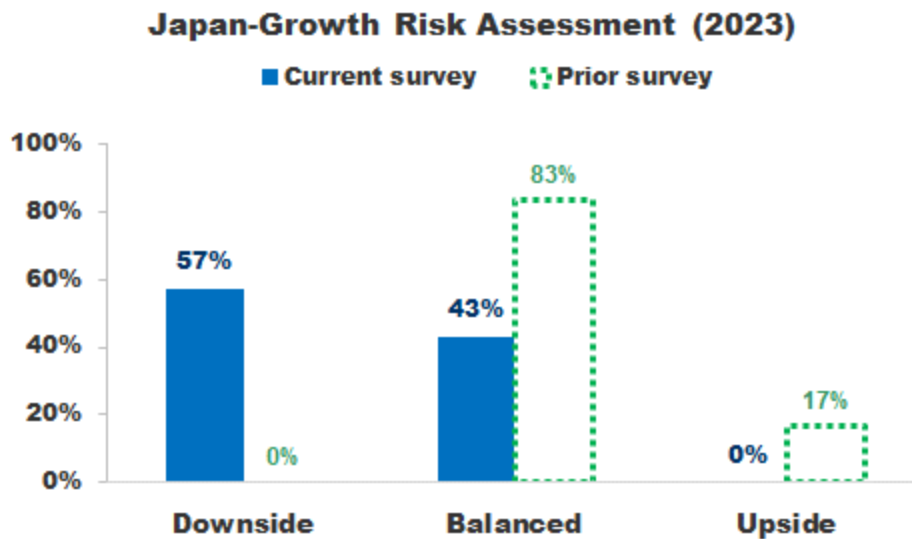
■ Current survey ▤ Prior survey



Note: The percentages herein, which sum to 100%, represent the proportion of participants' responses in the current and prior (Feb) surveys.

Source: SKBI Big5 Survey (Feb 2022 and Aug 2022)

Real GDP Growth Risks (2023)



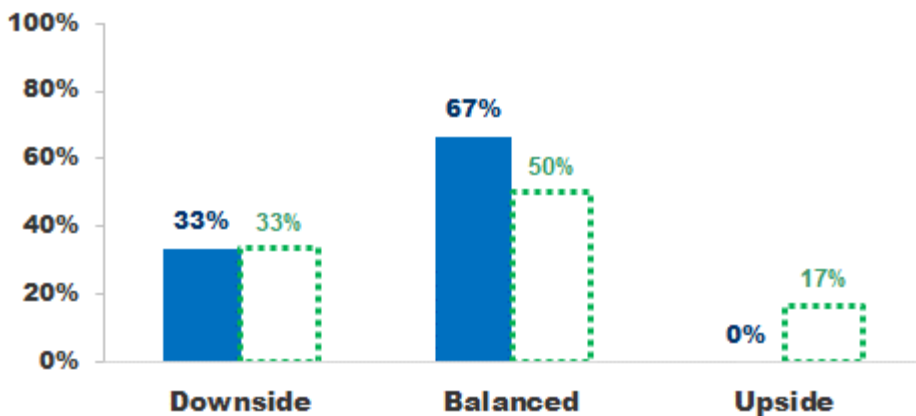
Note: The percentages herein, which sum to 100%, represent the proportion of participants' responses in the current and prior (Feb) surveys.

Source: SKBI Big5 Survey (Feb 2022 and Aug 2022)

Real GDP Growth Risks (2024)

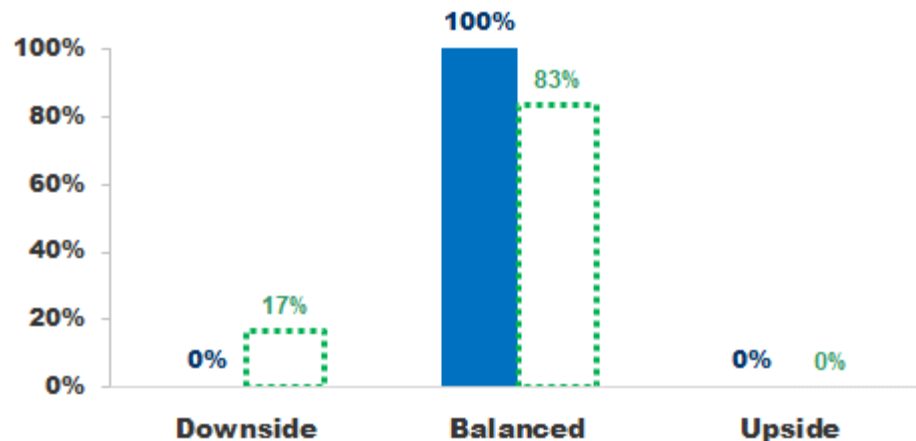
China-Growth Risk Assessment (2024)

■ Current survey ▤ Prior survey



India-Growth Risk Assessment (2024)

■ Current survey ▤ Prior survey



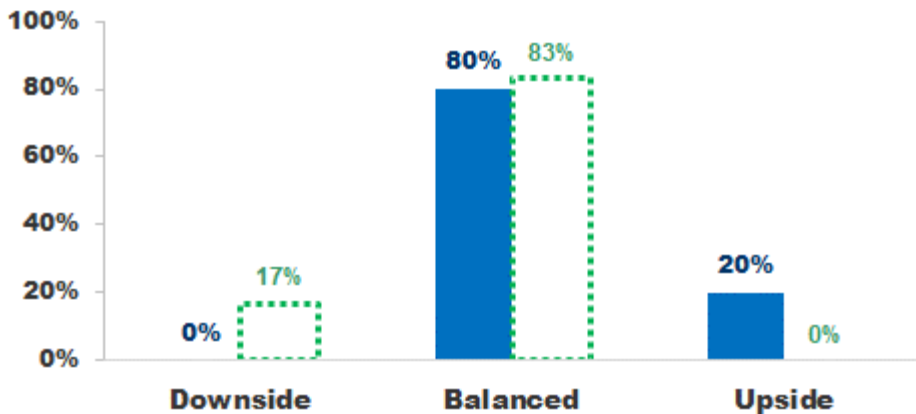
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Real GDP Growth Risks (2024)

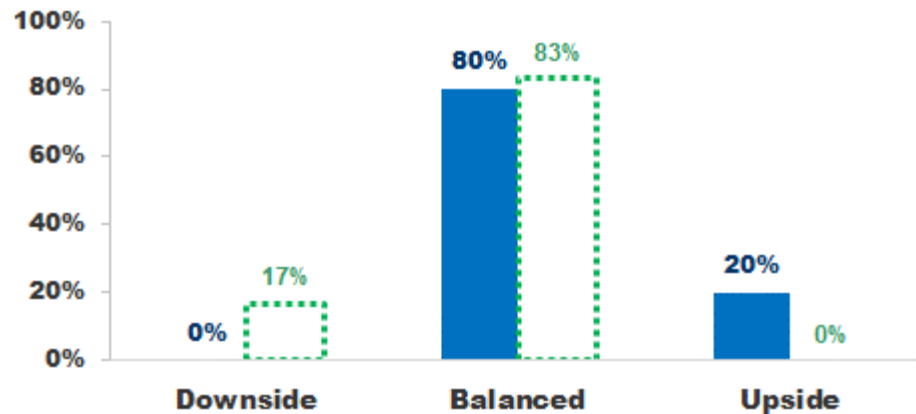
Euro Area-Growth Risk Assessment (2024)

■ Current survey ▤ Prior survey



US-Growth Risk Assessment (2024)

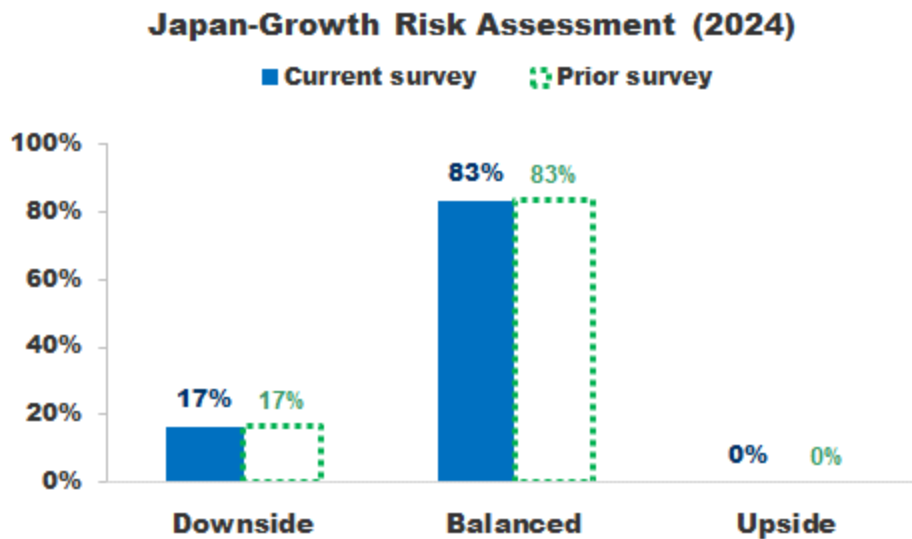
■ Current survey ▤ Prior survey



Note: The percentages herein, which sum to 100%, represent the proportion of participants' responses in the current and prior (Feb) surveys.

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Real GDP Growth Risks (2024)



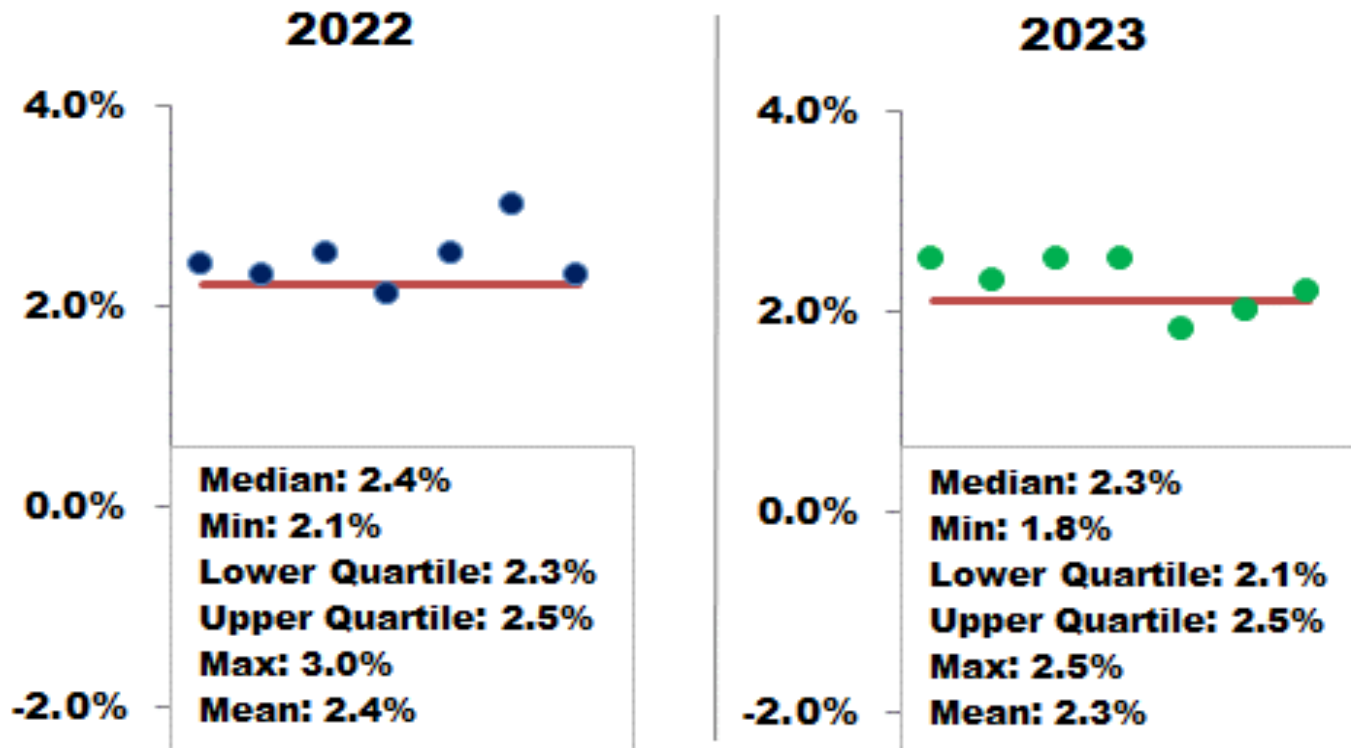
Note: The percentages herein, which sum to 100%, represent the proportion of participants' responses in the current and prior (Feb) surveys.

Source: SKBI Big5 Survey (Feb 2022 and Aug 2022)

CPI

Inflation

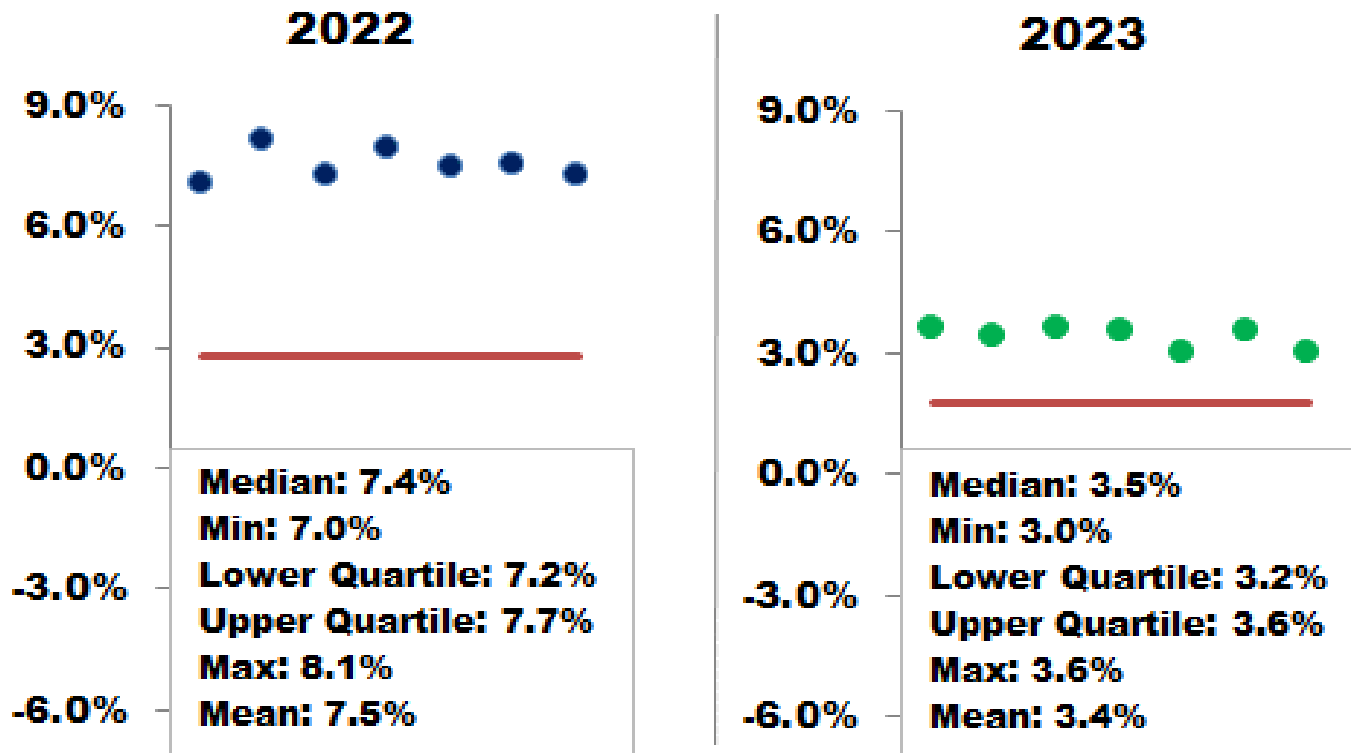
China-CPI Inflation



Note: Each dot represents a random participant in the survey and the horizontal line in 2022 and 2023 depicts the median result from the prior (Feb) survey.

Source: SKBI Big5 Survey (Feb 2022 and Aug 2022)

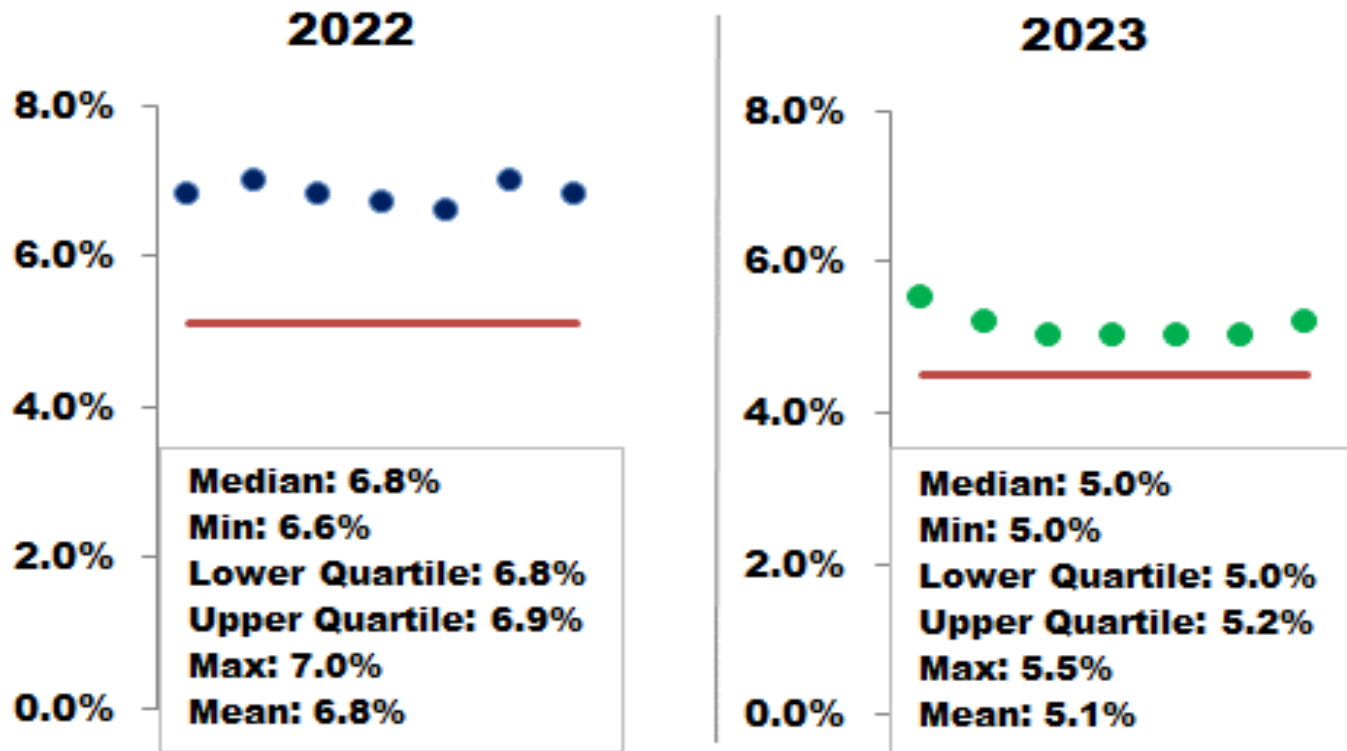
Euro Area-CPI Inflation



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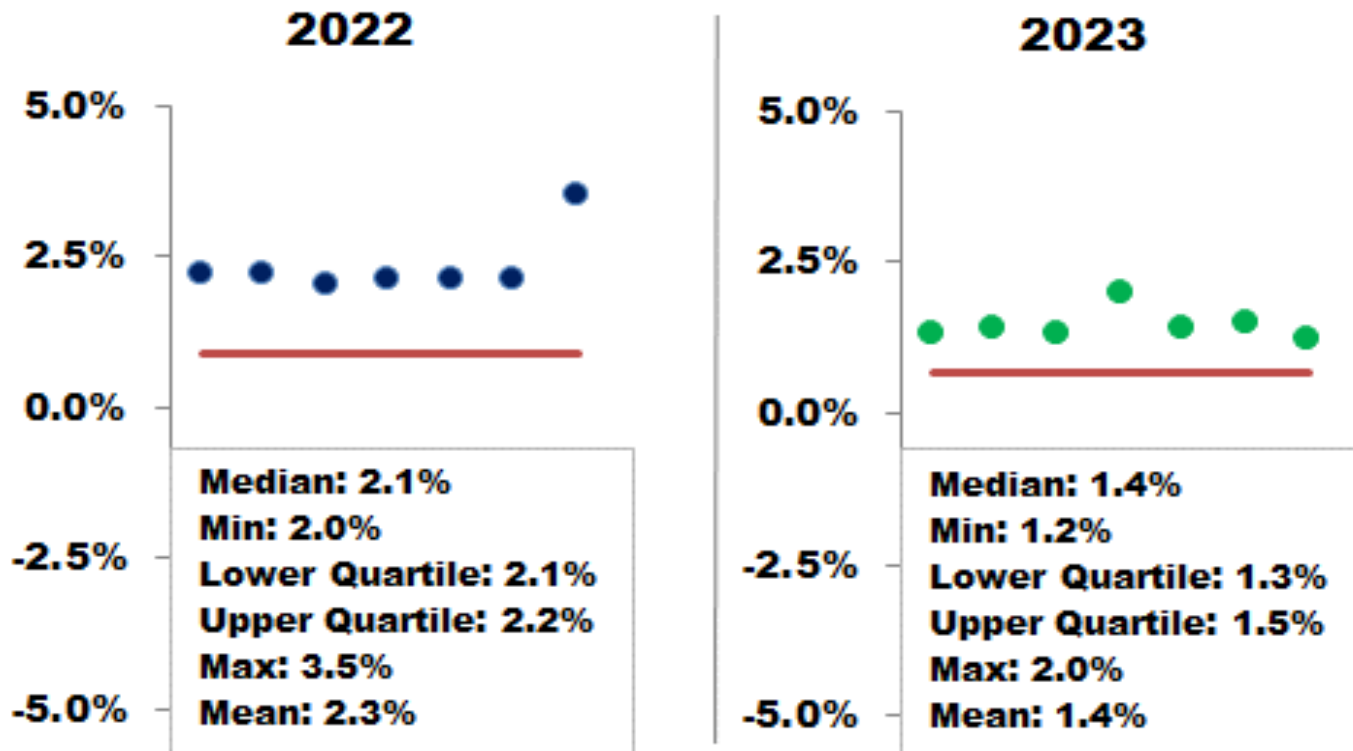
India-CPI Inflation



Note: Each dot represents a random participant in the survey and the horizontal line in 2022 and 2023 depicts the median result from the prior (Feb) survey.

Source: SKBI Big5 Survey (Feb 2022 and Aug 2022)

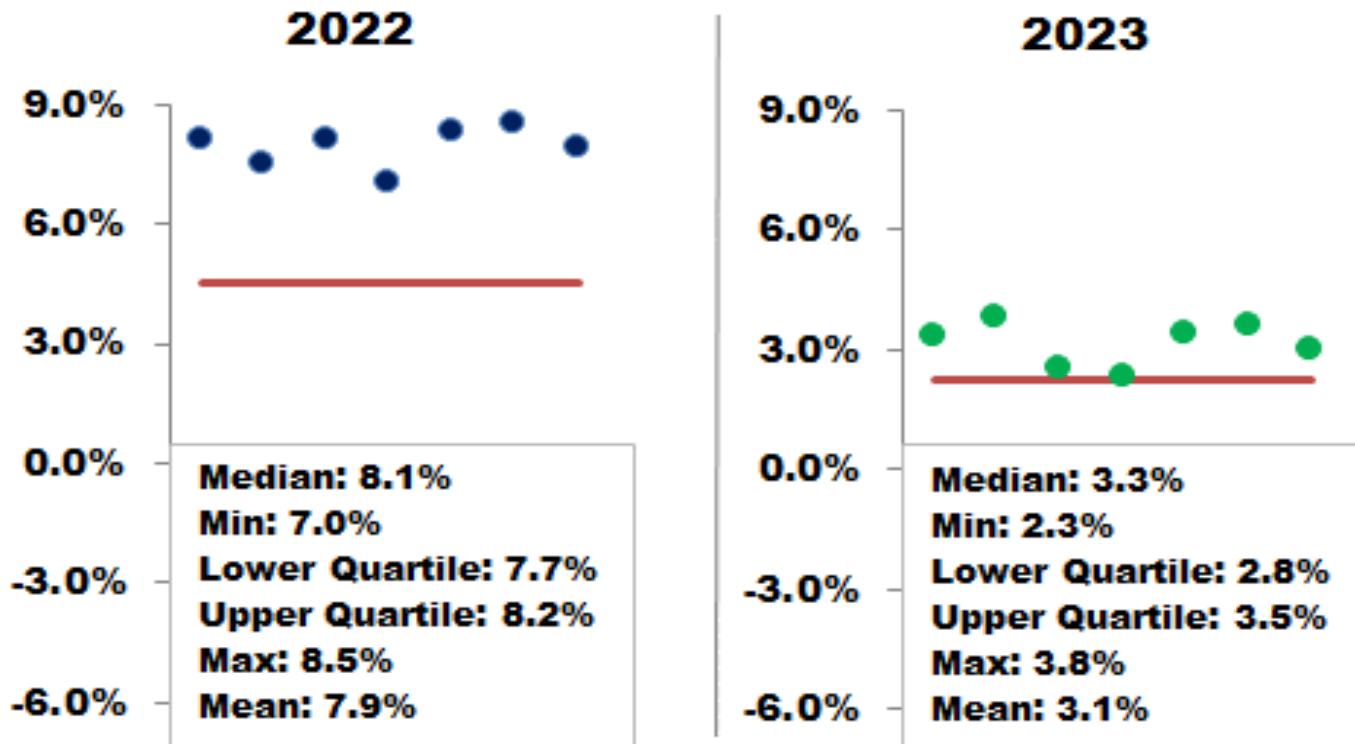
Japan-CPI Inflation



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Source: SKBI Big5 Survey (Feb 2022 and Aug 2022)

US-CPI Inflation



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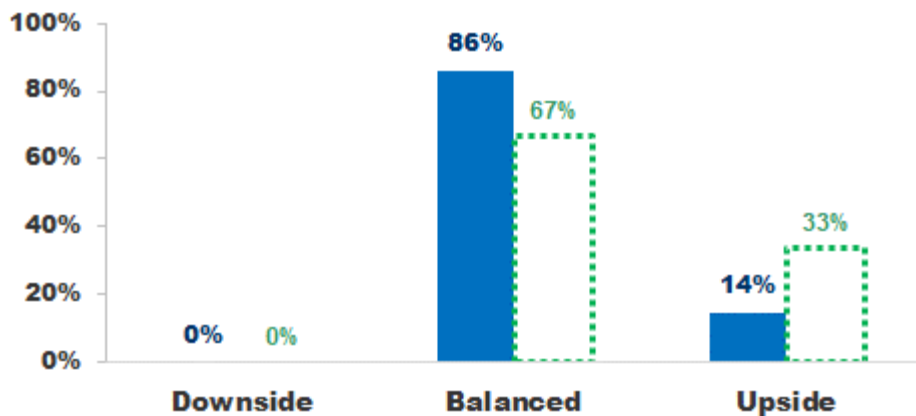
Source: SKBI Big5 Survey (Feb 2022 and Aug 2022)

Inflation Risk Assessment

CPI Inflation Risks (2022)

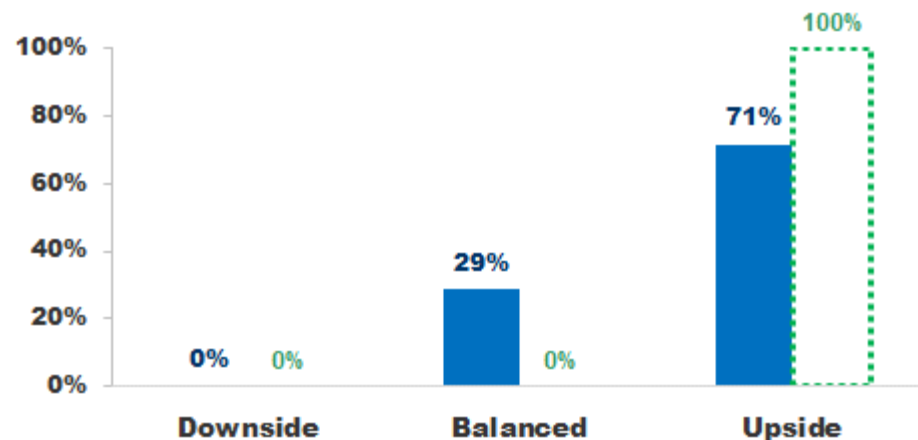
China-Inflation Risk Assessment (2022)

■ Current survey ▤ Prior survey



India-Inflation Risk Assessment (2022)

■ Current survey ▤ Prior survey



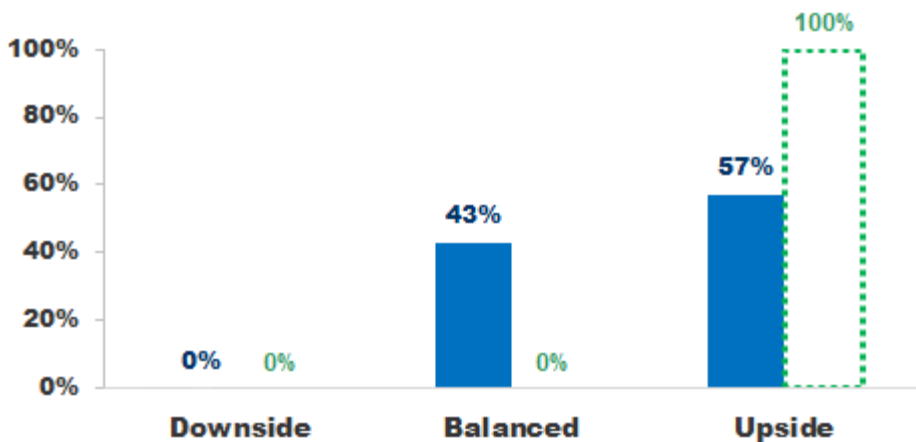
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CPI Inflation Risks (2022)

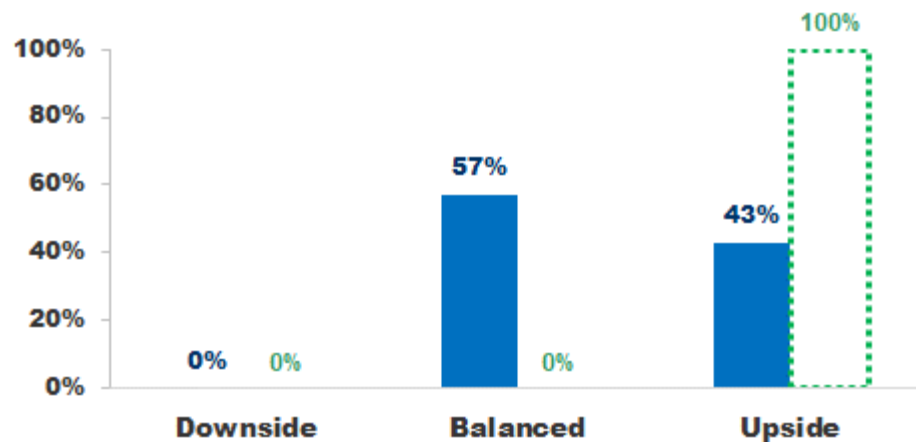
Euro Area-Inflation Risk Assessment (2022)

■ Current survey ▤ Prior survey



US-Inflation Risk Assessment (2022)

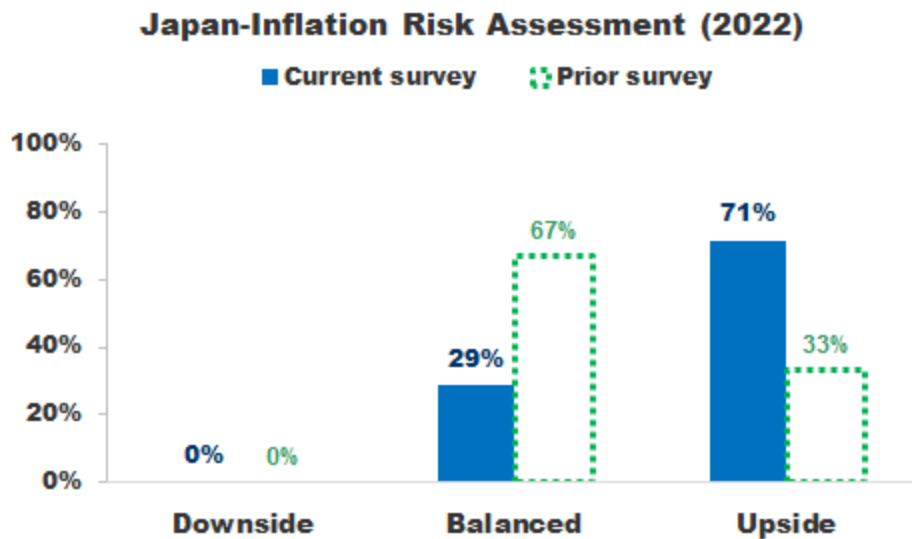
■ Current survey ▤ Prior survey



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CPI Inflation Risks (2022)



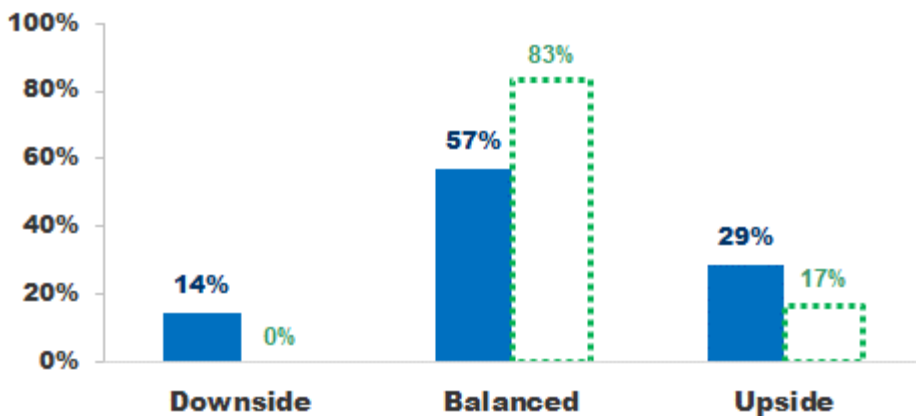
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CPI Inflation Risks (2023)

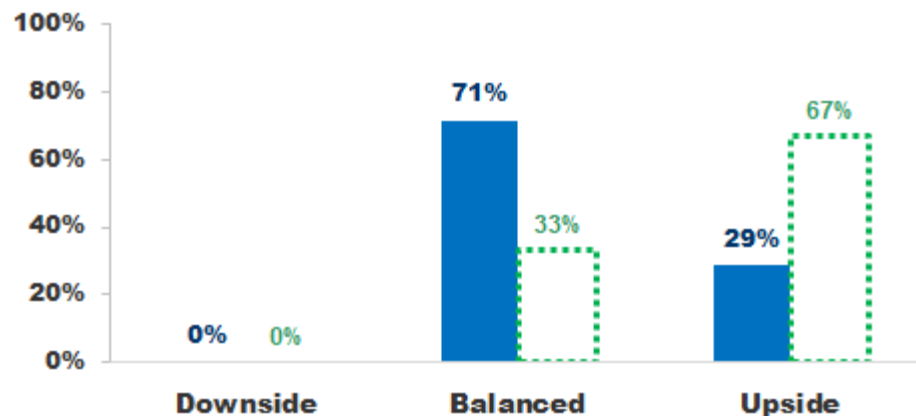
China-Inflation Risk Assessment (2023)

■ Current survey ▤ Prior survey



India-Inflation Risk Assessment (2023)

■ Current survey ▤ Prior survey



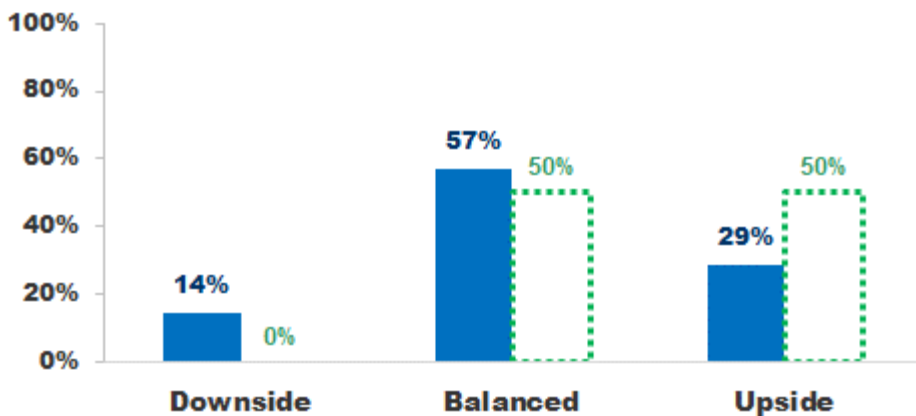
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CPI Inflation Risks (2023)

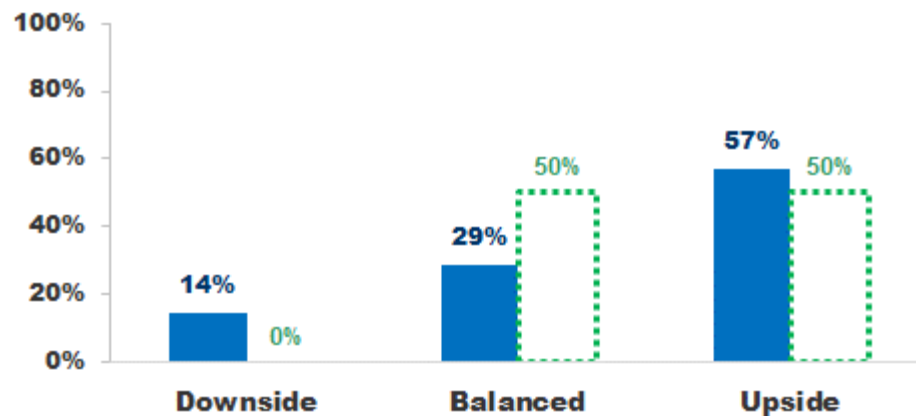
Euro Area-Inflation Risk Assessment (2023)

■ Current survey ▤ Prior survey



US-Inflation Risk Assessment (2023)

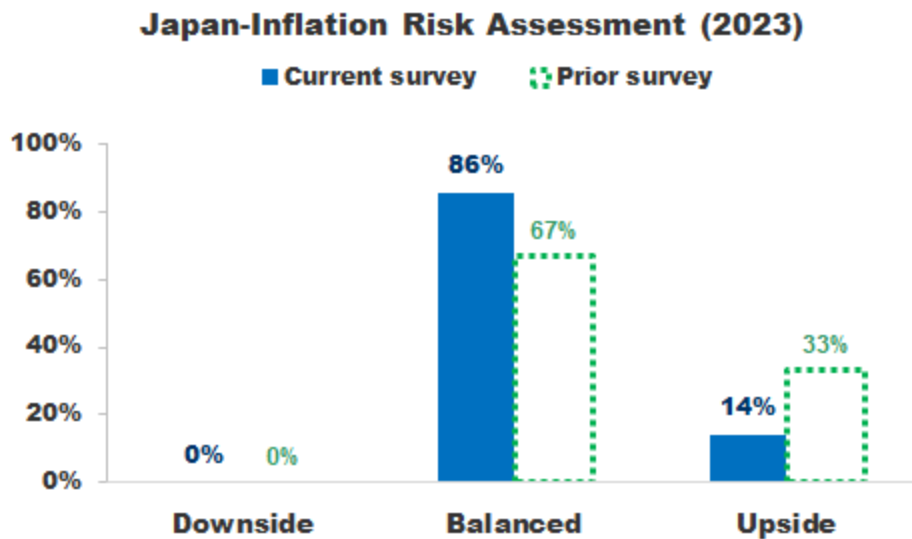
■ Current survey ▤ Prior survey



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CPI Inflation Risks (2023)

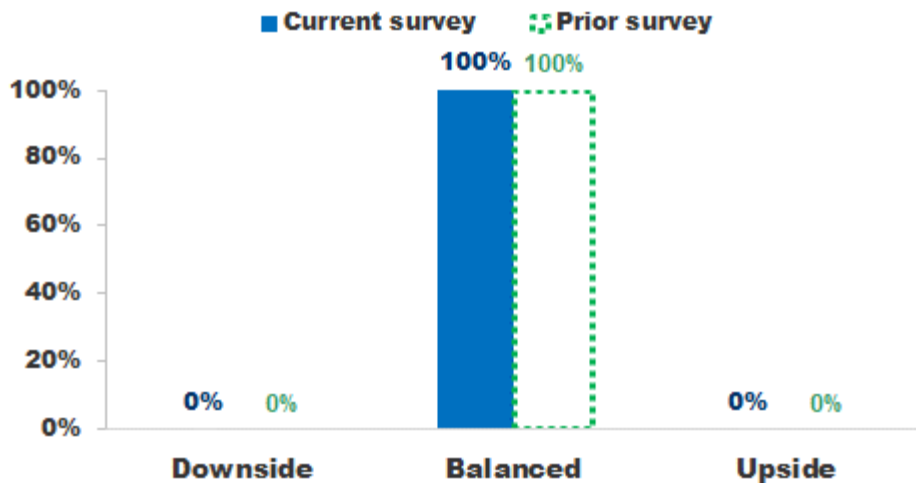


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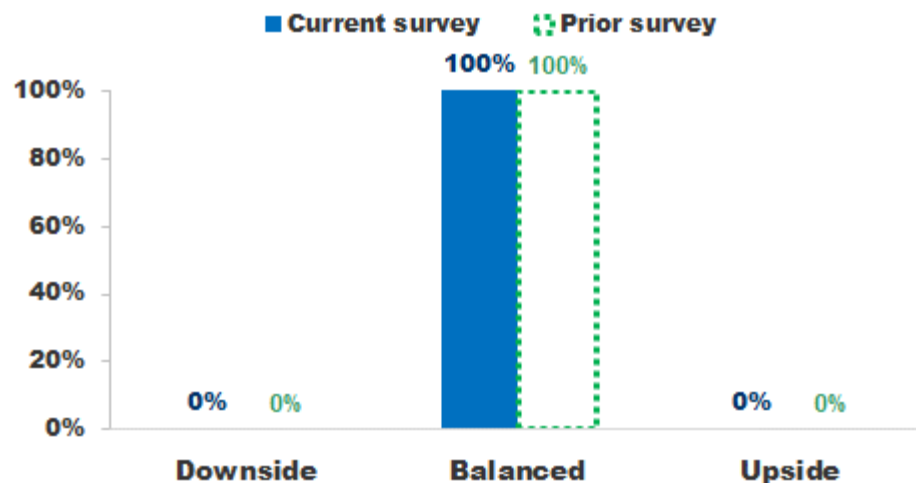
Source: SKBI Big5 Survey (Feb 2022 and Aug 2022)

CPI Inflation Risks (2024)

China-Inflation Risk Assessment (2024)



India-Inflation Risk Assessment (2024)

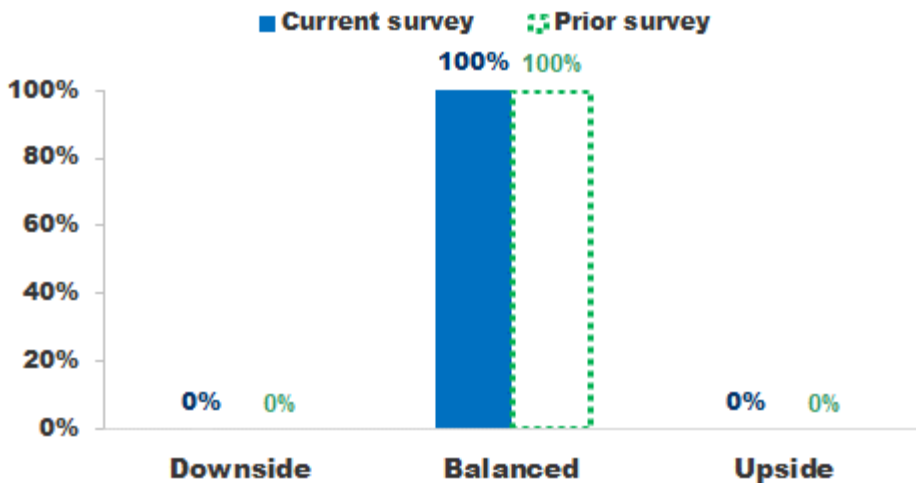


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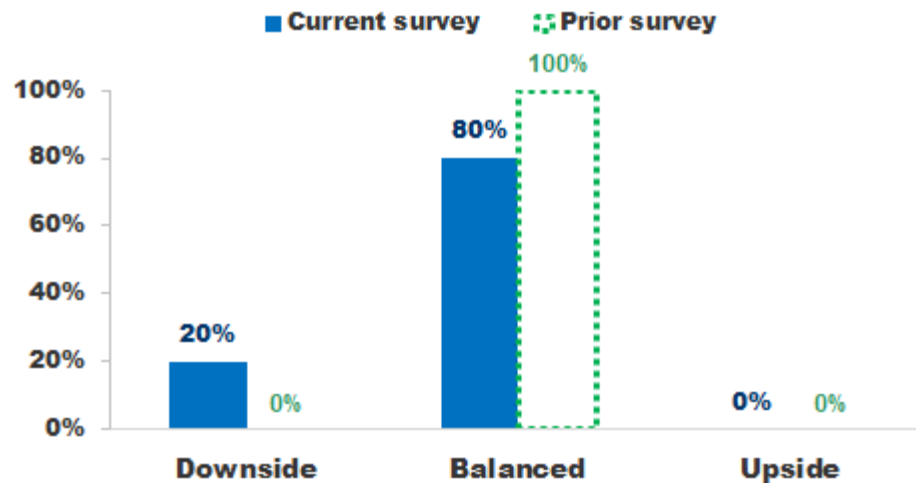
Source: SKBI Big5 Survey (Feb 2022 and Aug 2022)

CPI Inflation Risks (2024)

Euro Area-Inflation Risk Assessment (2024)



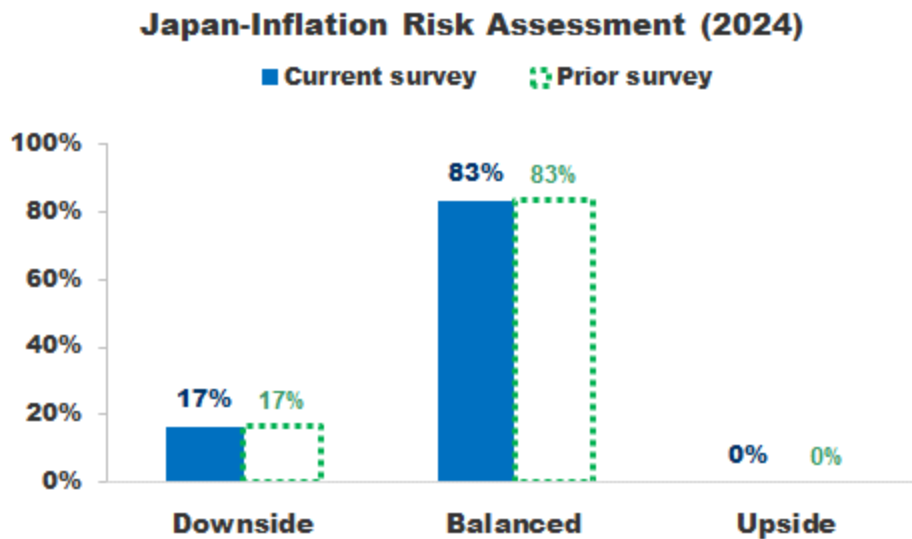
US-Inflation Risk Assessment (2024)



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CPI Inflation Risks (2024)



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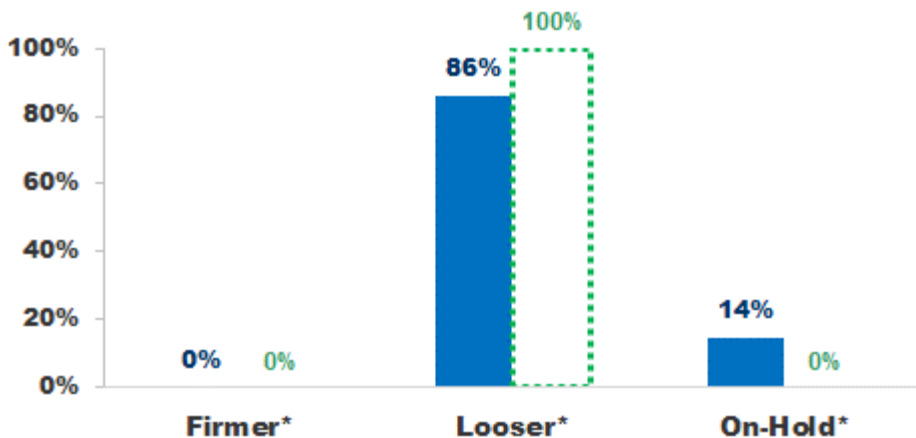
Source: SKBI Big5 Survey (Feb 2022 and Aug 2022)

Monetary Policy

Monetary Policy (2022)

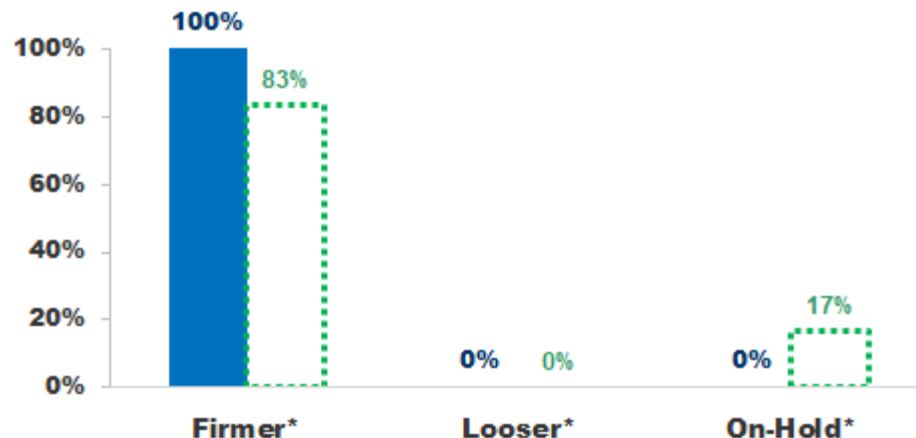
China-Monetary Policy (end-2022)

■ Current survey ▤ Prior survey



India-Monetary Policy (end-2022)

■ Current survey ▤ Prior survey



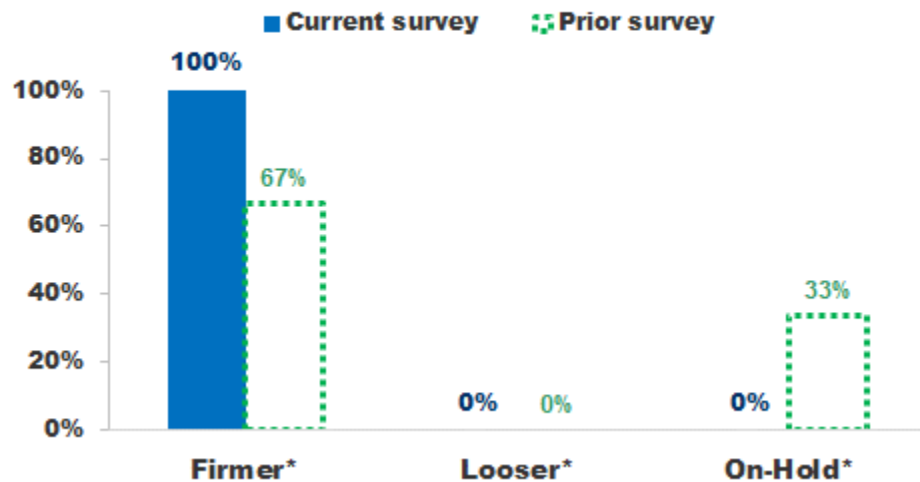
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***Relative to the prevailing policy stance**

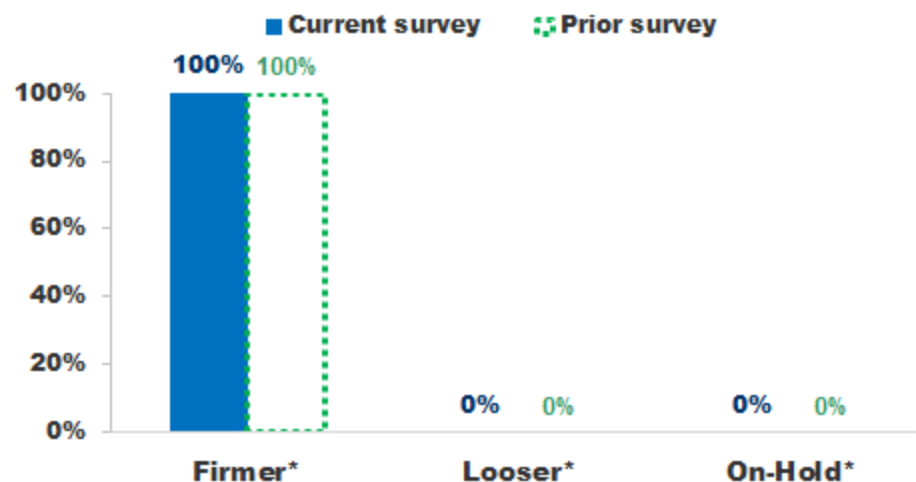
Source: SKBI Big5 Survey (Feb 2022 and Aug 2022)

Monetary Policy (2022)

Euro Area-Monetary Policy (end-2022)



US-Monetary Policy (end-2022)

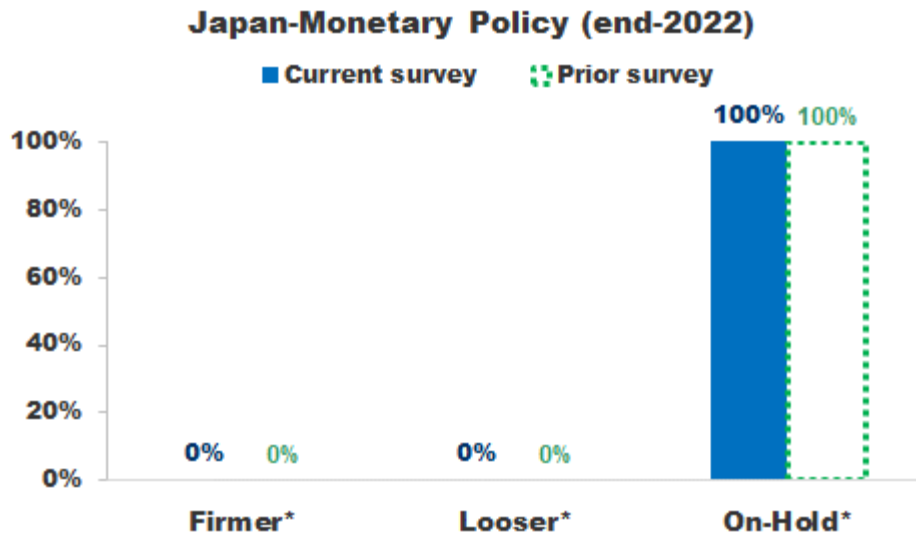


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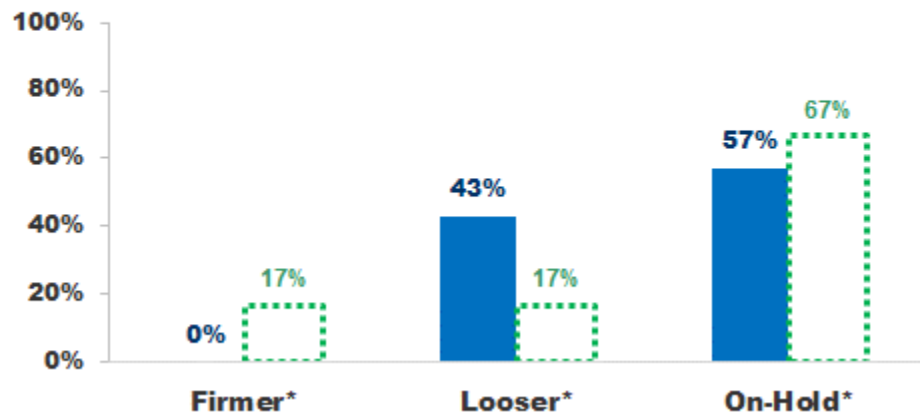
***Relative to the prevailing policy stance**

Source: SKBI Big5 Survey (Feb 2022 and Aug 2022)

Monetary Policy (2023)

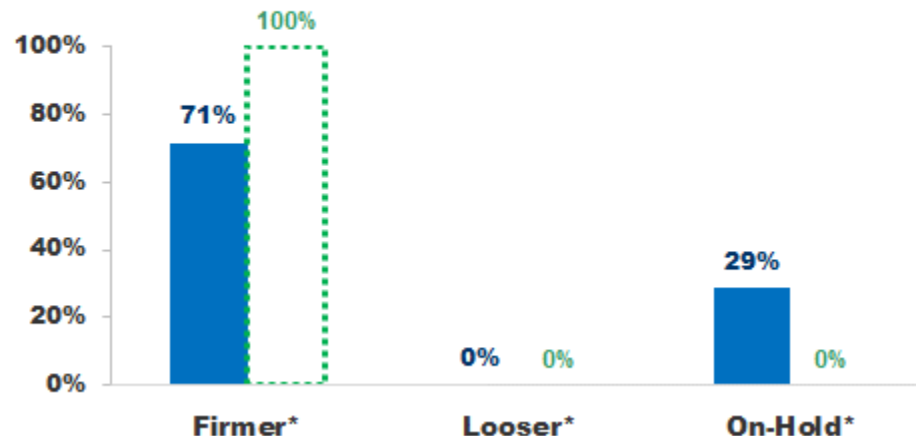
China-Monetary Policy (end-2023)

■ Current survey ▤ Prior survey



India-Monetary Policy (end-2023)

■ Current survey ▤ Prior survey



Note: The percentages herein, which sum to 100%, represent the proportion of participants' responses in the current and prior (Feb) surveys.

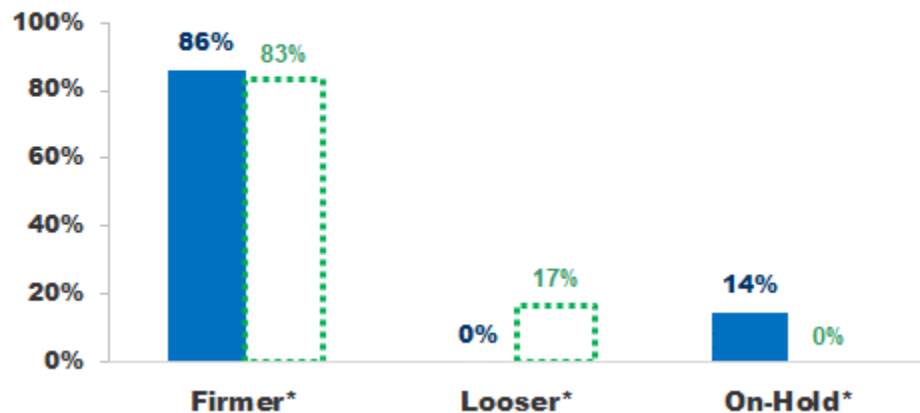
***Relative to the prevailing policy stance**

Source: SKBI Big5 Survey (Feb 2022 and Aug 2022)

Monetary Policy (2023)

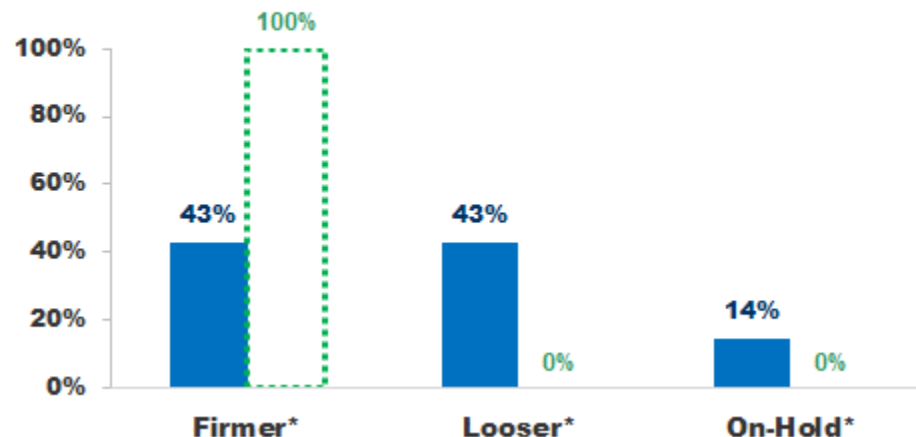
Euro Area-Monetary Policy (end-2023)

■ Current survey ▤ Prior survey



US-Monetary Policy (end-2023)

■ Current survey ▤ Prior survey

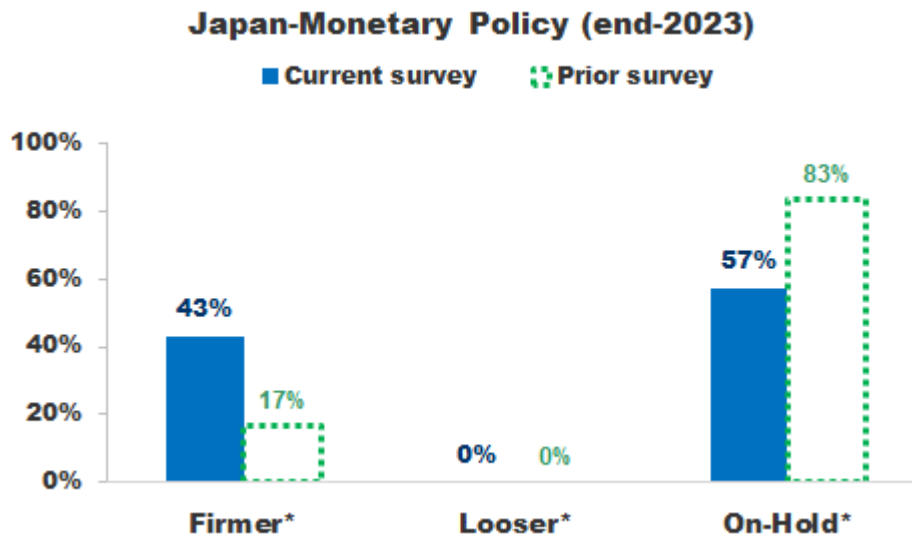


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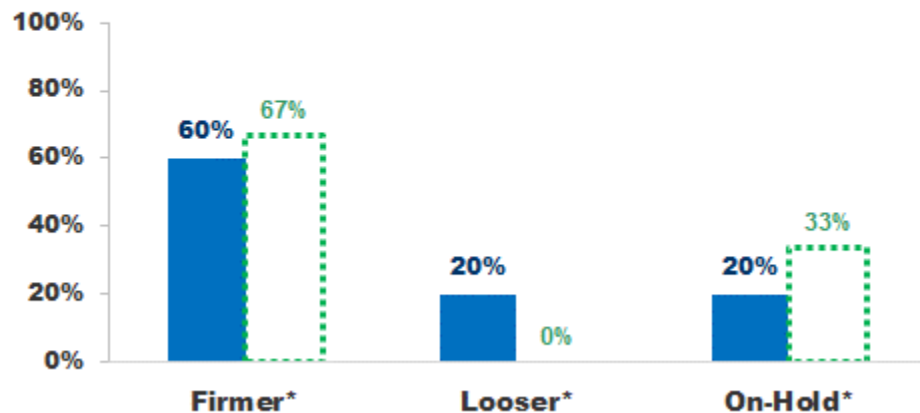
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Monetary Policy (2024)

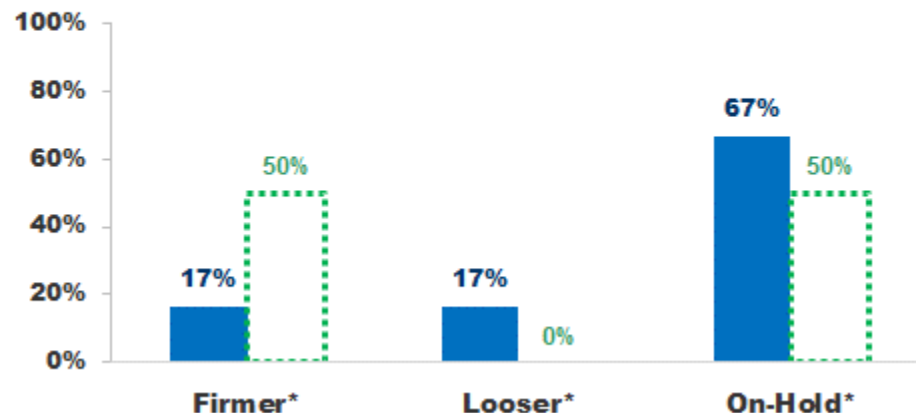
China-Monetary Policy (end-2024)

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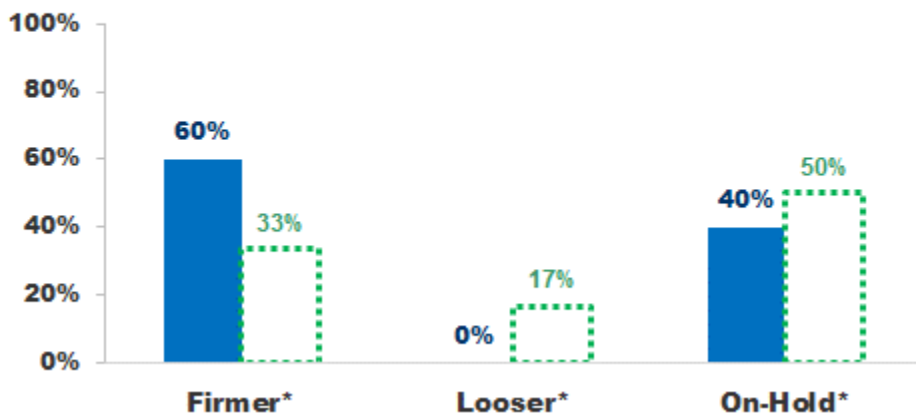
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Monetary Policy (2024)

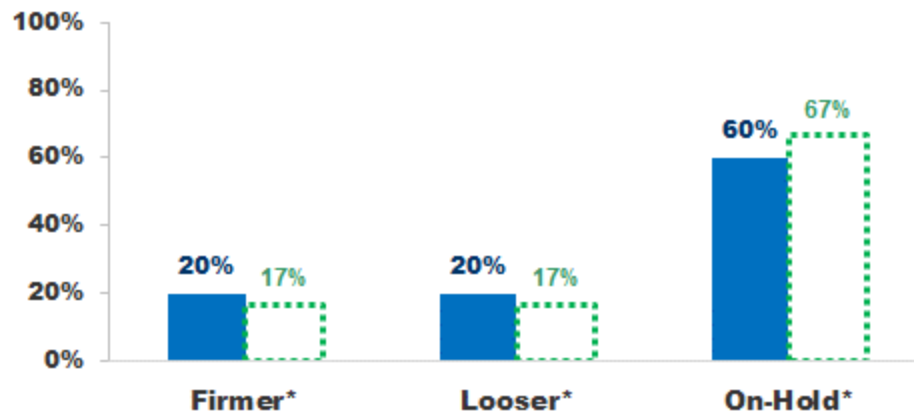
Euro Area-Monetary Policy (end-2024)

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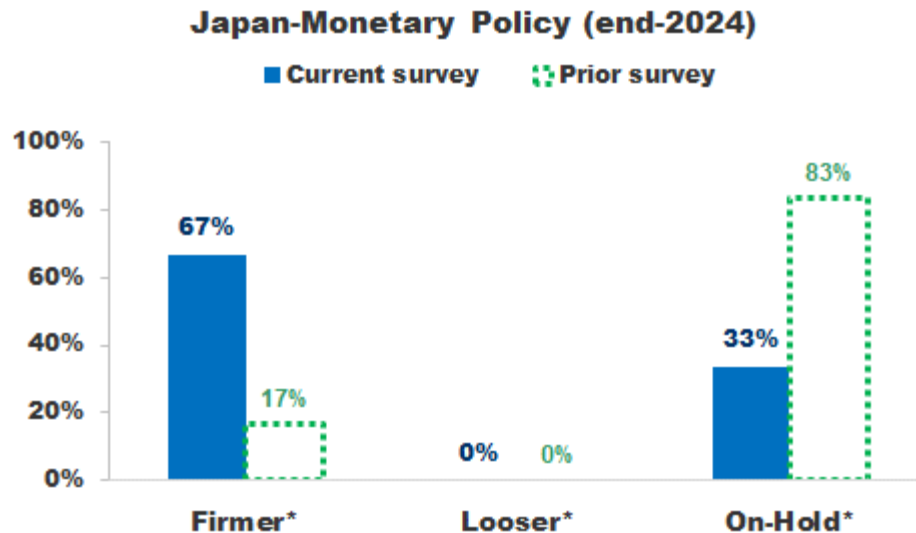


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***Relative to the prevailing policy stance**

Source: SKBI Big5 Survey (Feb 2022 and Aug 2022)

Monetary Policy (2024)



Note: The percentages herein, which sum to 100%, represent the proportion of participants' responses in the current and prior (Feb) surveys.

***Relative to the prevailing policy stance**

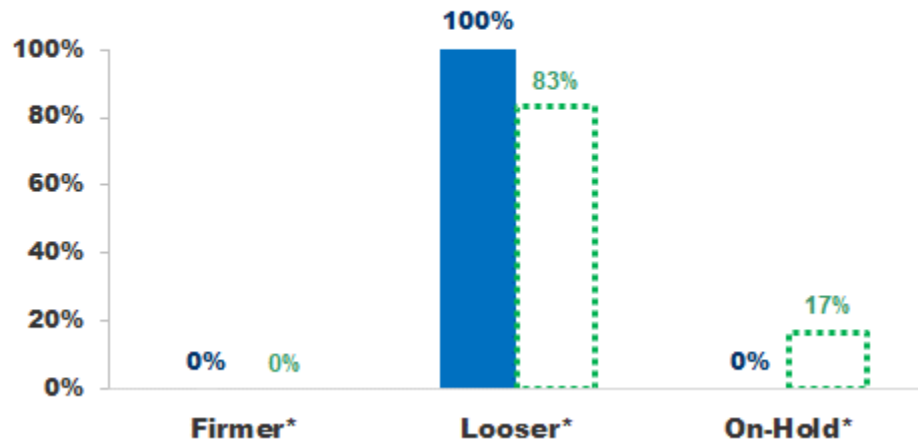
Source: SKBI Big5 Survey (Feb 2022 and Aug 2022)

Fiscal Policy

Fiscal Policy (2022)

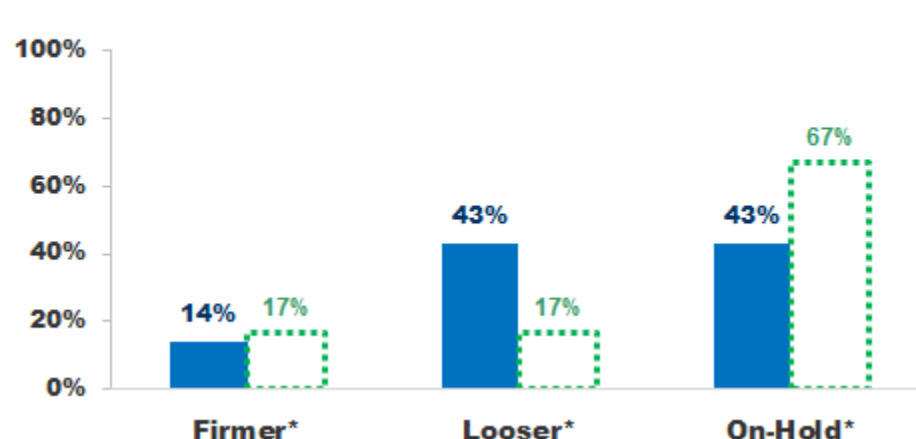
China-Fiscal Policy (end-2022)

■ Current survey ▤ Prior survey



India-Fiscal Policy (end-2022)

■ Current survey ▤ Prior survey



Note: The percentages herein, which sum to 100%, represent the proportion of participants' responses in the current and prior (Feb) surveys.

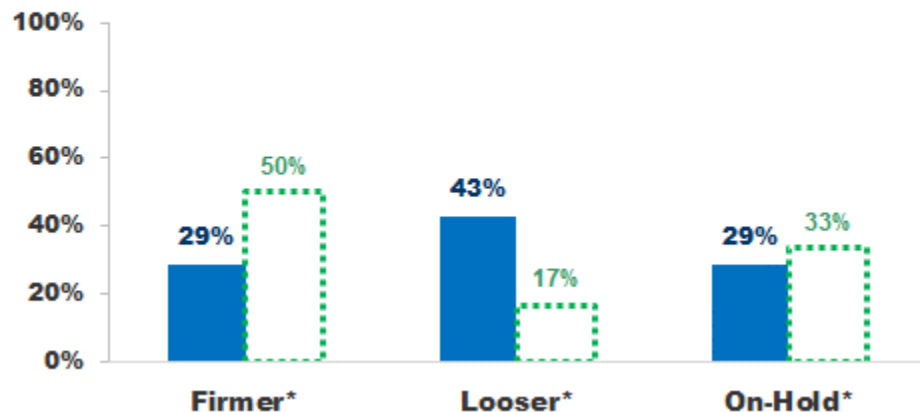
***Relative to the prevailing policy stance**

Source: SKBI Big5 Survey (Feb 2022 and Aug 2022)

Fiscal Policy (2022)

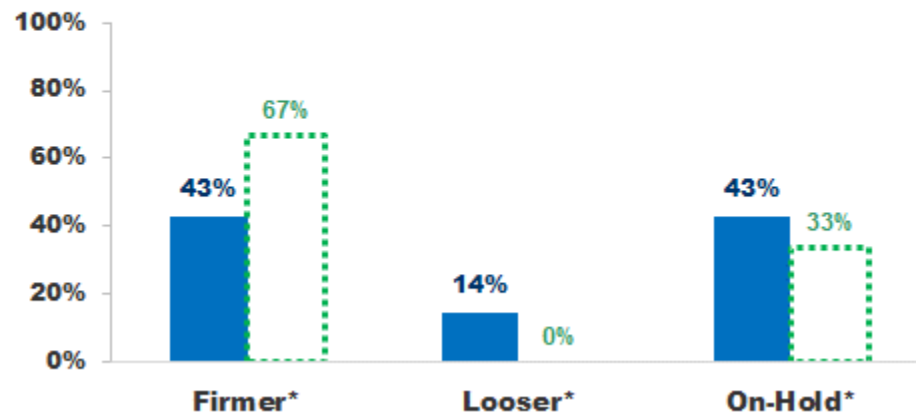
Euro Area-Fiscal Policy (end-2022)

■ Current survey ▤ Prior survey



US-Fiscal Policy (end-2022)

■ Current survey ▤ Prior survey

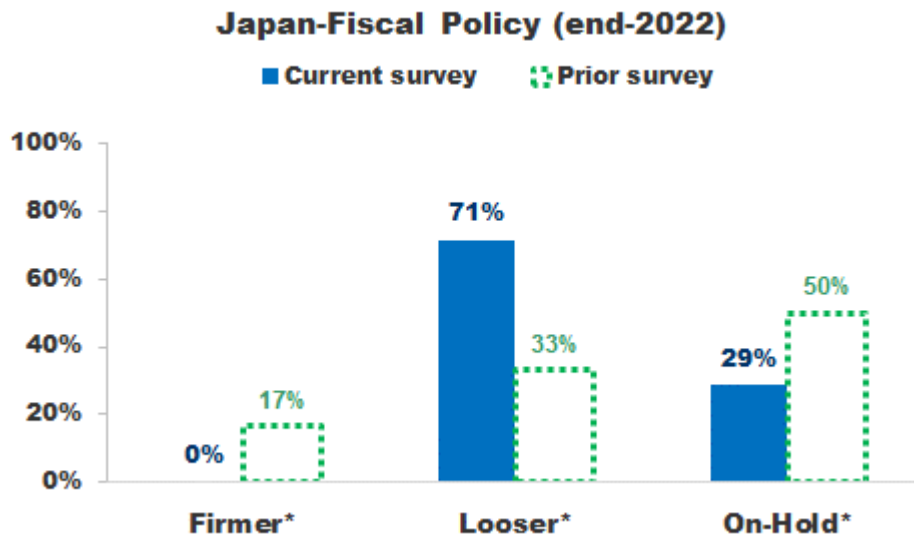


Note: The percentages herein, which sum to 100%, represent the proportion of participants' responses in the current and prior (Feb) surveys.

***Relative to the prevailing policy stance**

Source: SKBI Big5 Survey (Feb 2022 and Aug 2022)

Fiscal Policy (2022)



Note: The percentages herein, which sum to 100%, represent the proportion of participants' responses in the current and prior (Feb) surveys.

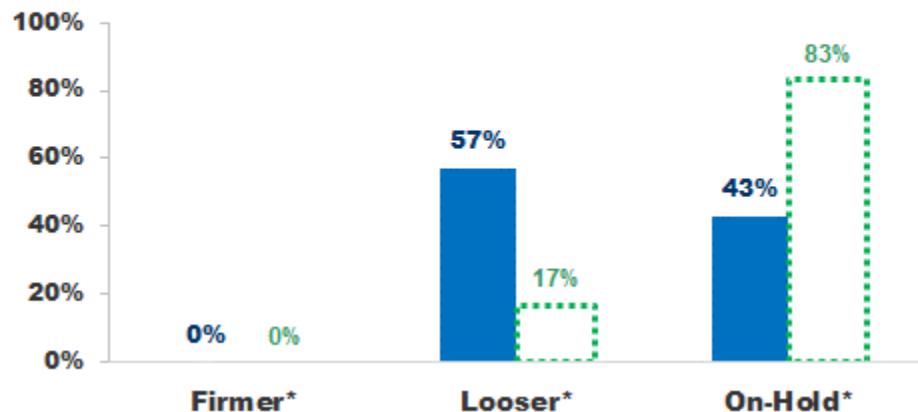
***Relative to the prevailing policy stance**

Source: SKBI Big5 Survey (Feb 2022 and Aug 2022)

Fiscal Policy (2023)

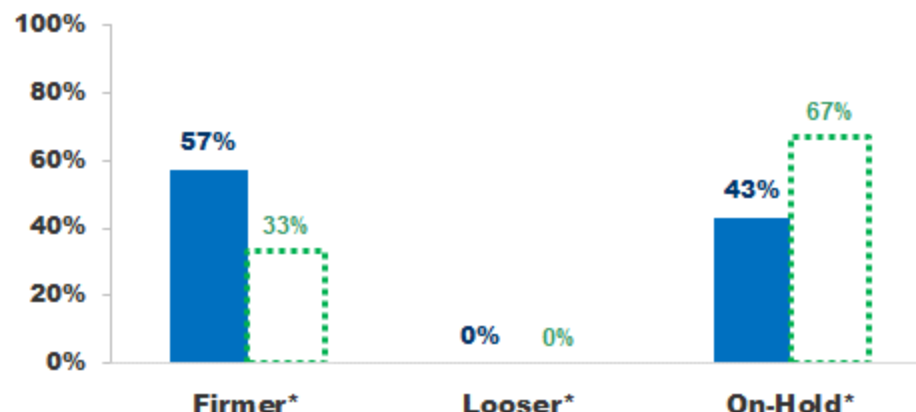
China-Fiscal Policy (end-2023)

■ Current survey ▤ Prior survey



India-Fiscal Policy (end-2023)

■ Current survey ▤ Prior survey



Note: The percentages herein, which sum to 100%, represent the proportion of participants' responses in the current and prior (Feb) surveys.

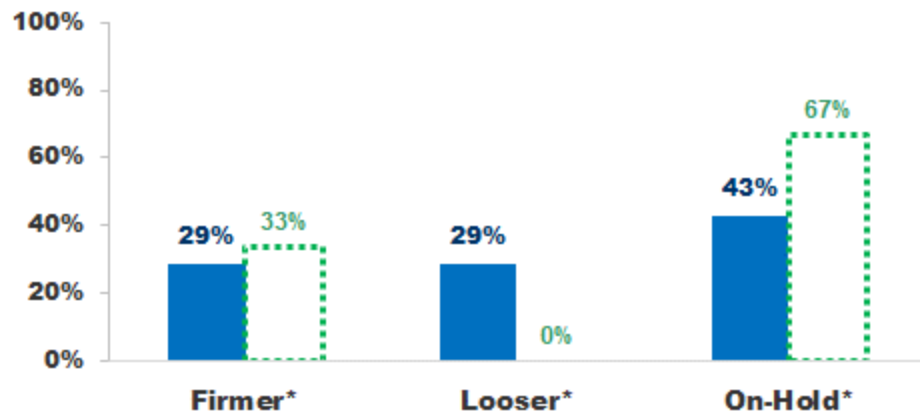
***Relative to the prevailing policy stance**

Source: SKBI Big5 Survey (Feb 2022 and Aug 2022)

Fiscal Policy (2023)

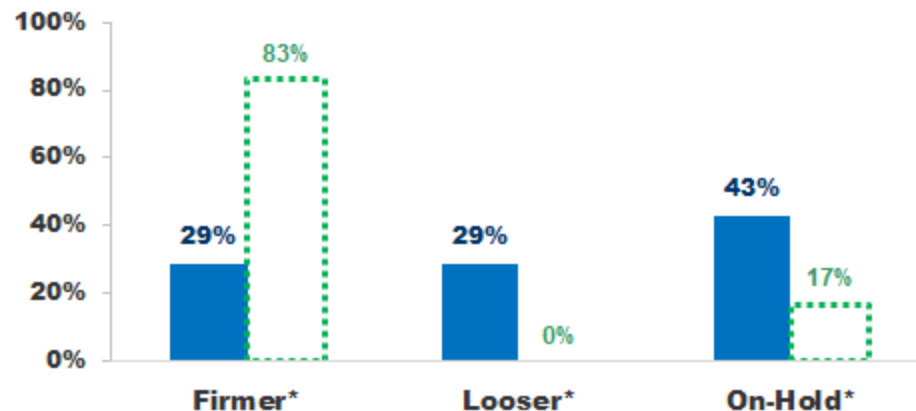
Euro Area-Fiscal Policy (end-2023)

■ Current survey ■ Prior survey



US-Fiscal Policy (end-2023)

■ Current survey ■ Prior survey

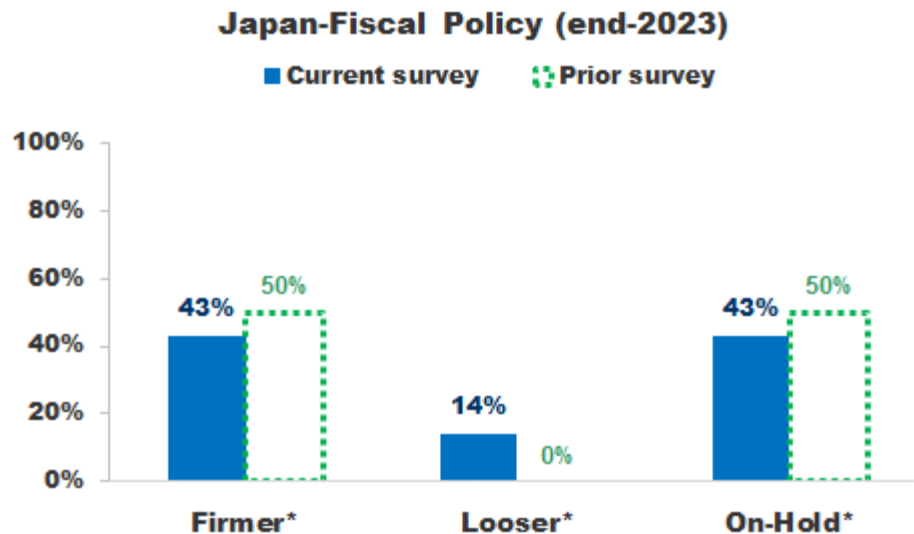


Note: The percentages herein, which sum to 100%, represent the proportion of participants' responses in the current and prior (Feb) surveys.

***Relative to the prevailing policy stance**

Source: SKBI Big5 Survey (Feb 2022 and Aug 2022)

Fiscal Policy (2023)



Note: The percentages herein, which sum to 100%, represent the proportion of participants' responses in the current and prior (Feb) surveys.

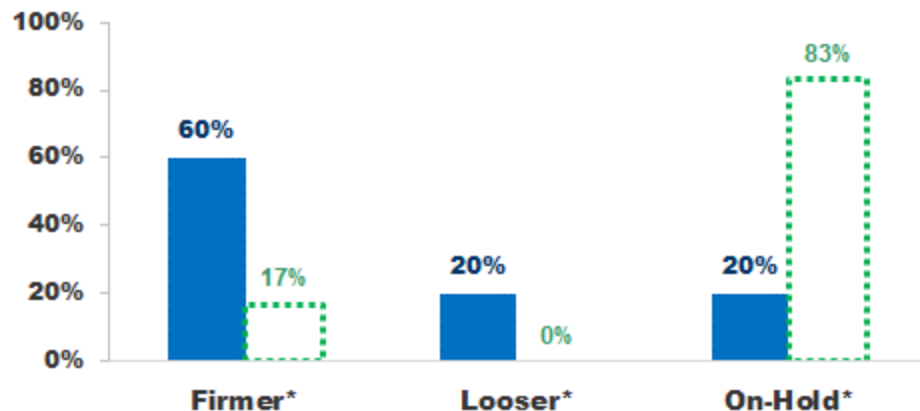
***Relative to the prevailing policy stance**

Source: SKBI Big5 Survey (Feb 2022 and Aug 2022)

Fiscal Policy (2024)

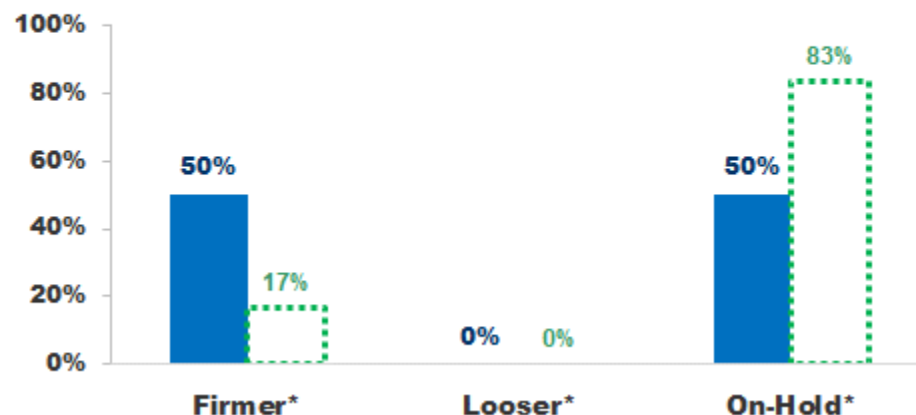
China-Fiscal Policy (end-2024)

■ Current survey ▤ Prior survey



India-Fiscal Policy (end-2024)

■ Current survey ▤ Prior survey



Note: The percentages herein, which sum to 100%, represent the proportion of participants' responses in the current and prior (Feb) surveys.

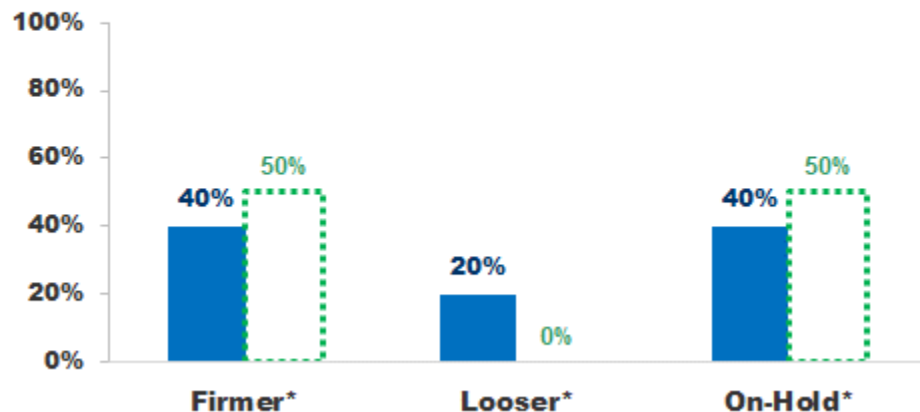
***Relative to the prevailing policy stance**

Source: SKBI Big5 Survey (Feb 2022 and Aug 2022)

Fiscal Policy (2024)

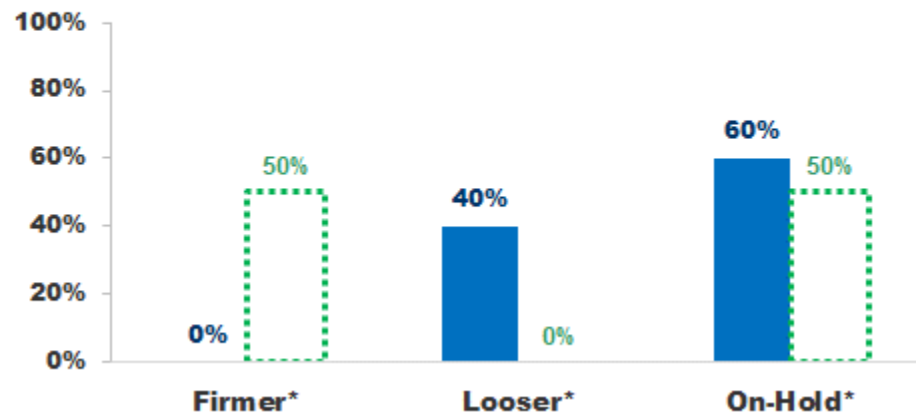
Euro Area-Fiscal Policy (end-2024)

■ Current survey ▤ Prior survey



US-Fiscal Policy (end-2024)

■ Current survey ▤ Prior survey

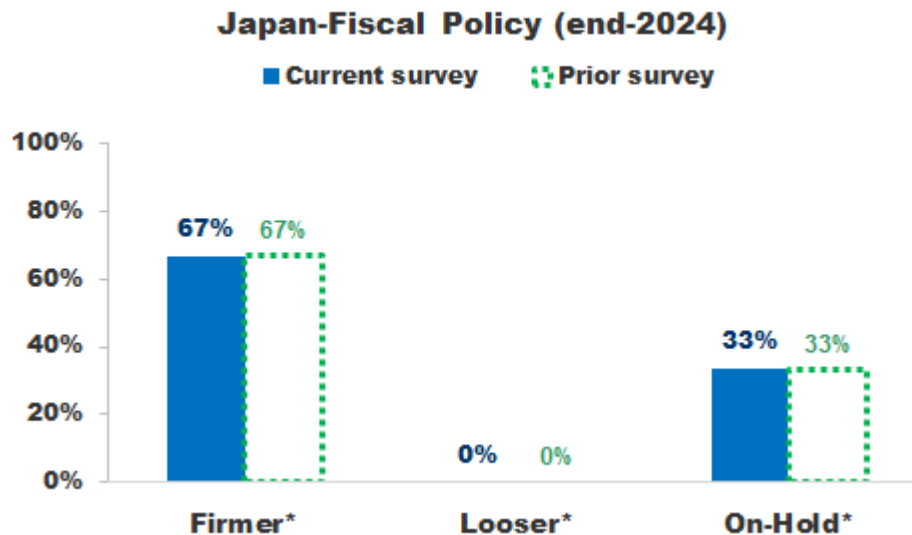


Note: The percentages herein, which sum to 100%, represent the proportion of participants' responses in the current and prior (Feb) surveys.

***Relative to the prevailing policy stance**

Source: SKBI Big5 Survey (Feb 2022 and Aug 2022)

Fiscal Policy (2024)



Note: The percentages herein, which sum to 100%, represent the proportion of participants' responses in the current and prior (Feb) surveys.

***Relative to the prevailing policy stance**

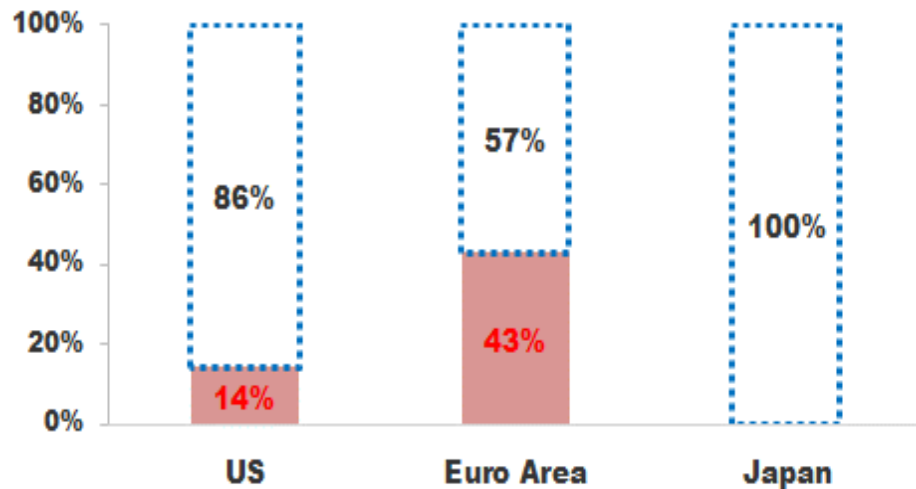
Source: SKBI Big5 Survey (Feb 2022 and Aug 2022)

Special Questions

Recession in US, Euro Area & Japan?

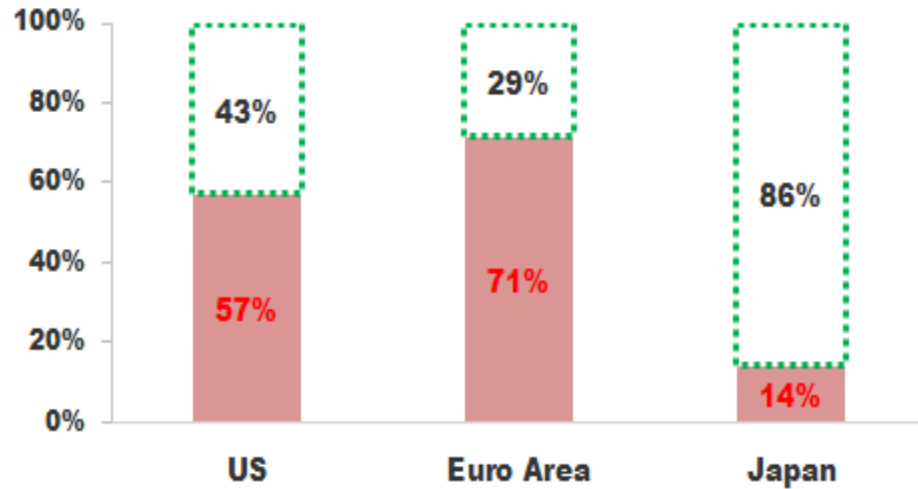
Recession by 2022?

■ Yes ■ No



Recession by 2023?

■ Yes ■ No

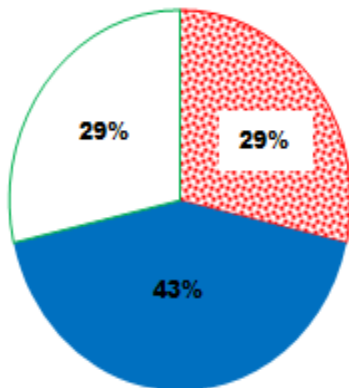


Note: The percentages herein, which sum to 100%, represent the proportion of participants' responses in the current survey.

Source: SKBI Big5 Survey (Aug 2022)

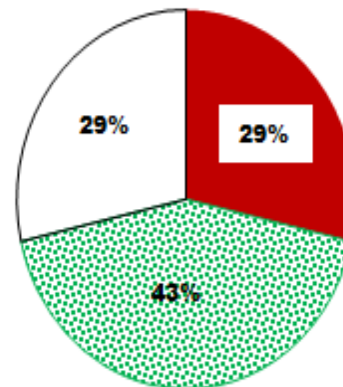
Business Cycle: China & India

A "Sharp Slowdown" in China is Equivalent to a Deceleration in Real GDP Growth* of...



■ Less than 2%-pt ■ Roughly 2%-pt □ More than 2%-pt

A "Sharp Slowdown" in India is Equivalent to a Deceleration in Real GDP Growth* of...



■ Less than 3%-pt ■ Roughly 3%-pt □ More than 3%-pt

Note-1: The percentages herein, which sum to 100%, represent the proportion of participants' responses in the current survey.

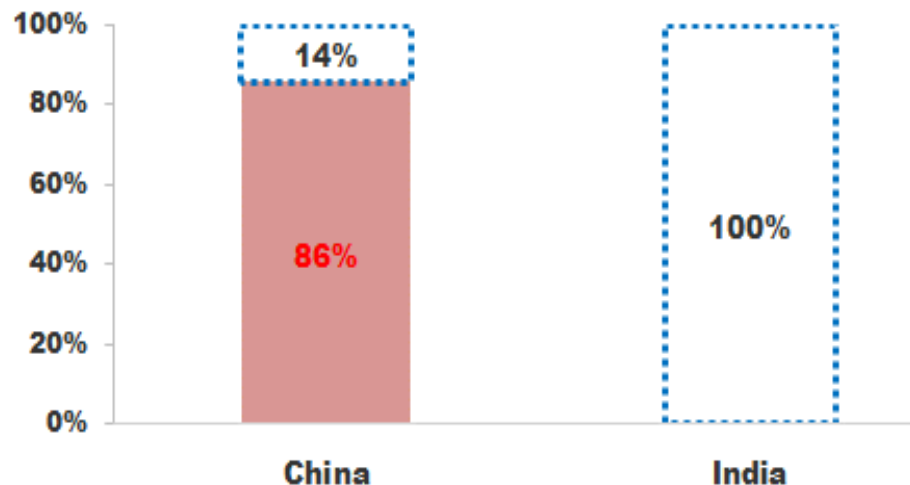
Note-2: The earlier charts herein have been updated to correct for typos, specifically, the legend should read 2%-pt and 3%-pt, respectively, for China and India, not 1%-pt and 2%-pt.

Source: SKBI Big5 Survey (Aug 2022)
***Year-on-year, %-point change**

“Sharp Slowdown” in China & India?

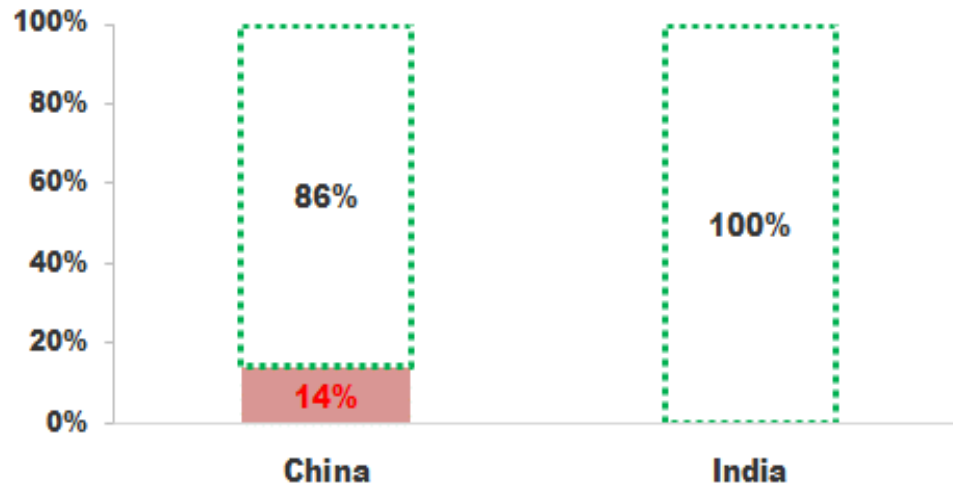
“Sharp Slowdown” by 2022?

■ Yes ■ No



“Sharp Slowdown” by 2023?

■ Yes ■ No



Note: The percentages herein, which sum to 100%, represent the proportion of participants' responses in the current survey.

Source: SKBI Big5 Survey (Aug 2022)

Background Information

The SKBI Big5 survey focuses on the multiyear outlook and assessment of the biggest five economies in the world (in PPP-terms), namely China (CN), Euro Area (EA), India (IN), Japan (JP) and United States (US).

The Institute, via the Big5 survey and Post-Survey event, seeks to establish a recurrent platform in Singapore for a diverse group of participants to explore the relevant risks and opportunities surrounding the global economic landscape. The latest survey questionnaire was sent out, with all responses received, in August 2022.

Should you have any inquiries, please contact Tom Lam (thomaslam@smu.edu.sg) or Dave Fernandez (dfernandez@smu.edu.sg).

List of Participants (August 2022 survey):

- 1) DBS Group**
- 2) ING Bank NV**
- 3) Moody's Investors Service**
- 4) S&P Global Ratings**
- 5) TD Securities**
- 6) UBS**
- 7) United Overseas Bank Group**