

POCKETS OF RESILIENCE IN THE TECHNOLOGY SECTOR

- Macroeconomic headwinds are taking their toll on consumer sentiment. Intentions for big-ticket purchases are falling, and firms are experiencing smaller order books.
- Enterprise technology investment will be supported by a range of long-run factors. Demand from this segment will provide a buffer against cyclical challenges.
- Developments in China are a key source of uncertainty, we are concerned that the scars from previous policy missteps may remain even as the government attempts to pivot.
- The industry will face macroeconomic difficulties and slower growth, but opportunities exist in certain segments and geographies that can take advantage of secular trends.

HONG KONG AND CHINA'S REOPENINGS: BOON OR BANE FOR SINGAPORE?

- Singapore has been a beneficiary of Hong Kong and China's pandemic policy missteps, enjoying the relocation of businesses and high-worth individuals, as a result.
- Hong Kong and China's long-awaited re-openings do not imply a reversal of Singapore's fortunes, but Singapore will face increased competition from Hong Kong's efforts to reclaim some of its lost business and investment activity
- The re-openings are a positive-sum game for both of Asia's financial centres, but Singapore should take heed not to rest on its laurels. Relying on its rivals' mistakes is not a sustainable long-term economic strategy.

REGIONAL UPDATES

- Malaysia records respectable growth in industrial production and retail trade in Nov 22.
- South Korea's central bank hikes rates by 25bps. It has set a high bar for what it is willing to accept as satisfactory disinflationary progress before it considers hitting the brakes.
- India's industrial production rebounded after a previous contraction, and other indicators point to strong domestic demand at the end of 2022. Core inflation risks persist.
- China's policymakers are determined to support economic growth after years of misguided pandemic management. We are sceptical of their chances of success.

Centennial Asia Advisors is an independent research and advisory firm focused on emerging economies in the Asia Pacific. We specialize in the intersection of economics, politics, and international affairs.

www.centennialasia.com

Manu Bhaskaran
Chief Executive Officer
manu@centennialasia.com

Celine Tan
Economist
celine@centennialasia.com

Lok ChenYue
Economist
chenyue@centennialasia.com