

# Monthly Highlights July 2023

Investors await the state of US corporates' 2Q earnings.

## Macro: Cooling US inflation and labour market raise odds of soft landing

### US dollar hits 15-month low on cooling inflation



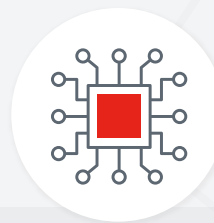
Signals expectations that US monetary tightening cycle is almost over.



Likelihood of just **one more rate hike** before year end.

## Markets: Global shares flat after Fed hikes by 25bps

### Tech stocks sell off as earnings disappoint



**Deepening slump** in semiconductor chip market weighs on sentiment



## Japan inflation holds above Bank of Japan's 2% target



**Wage hikes and corporate spending** are underpinning growth.



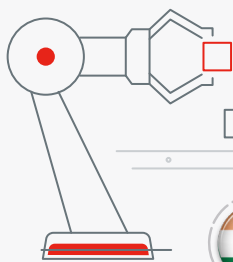
## Banking sector likely to see peak earnings this quarter



Net interest margins peak in



## India's manufacturing activity continues to shine



**Weak Chinese demand** takes a toll on Asia's factory activity except India.



**Foreign demand** for Indian products is on the rise.

## Asian bonds record net foreign inflows for 4th straight month



Investors expect Asian central banks to **move to accommodative stance** in coming quarters.



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