

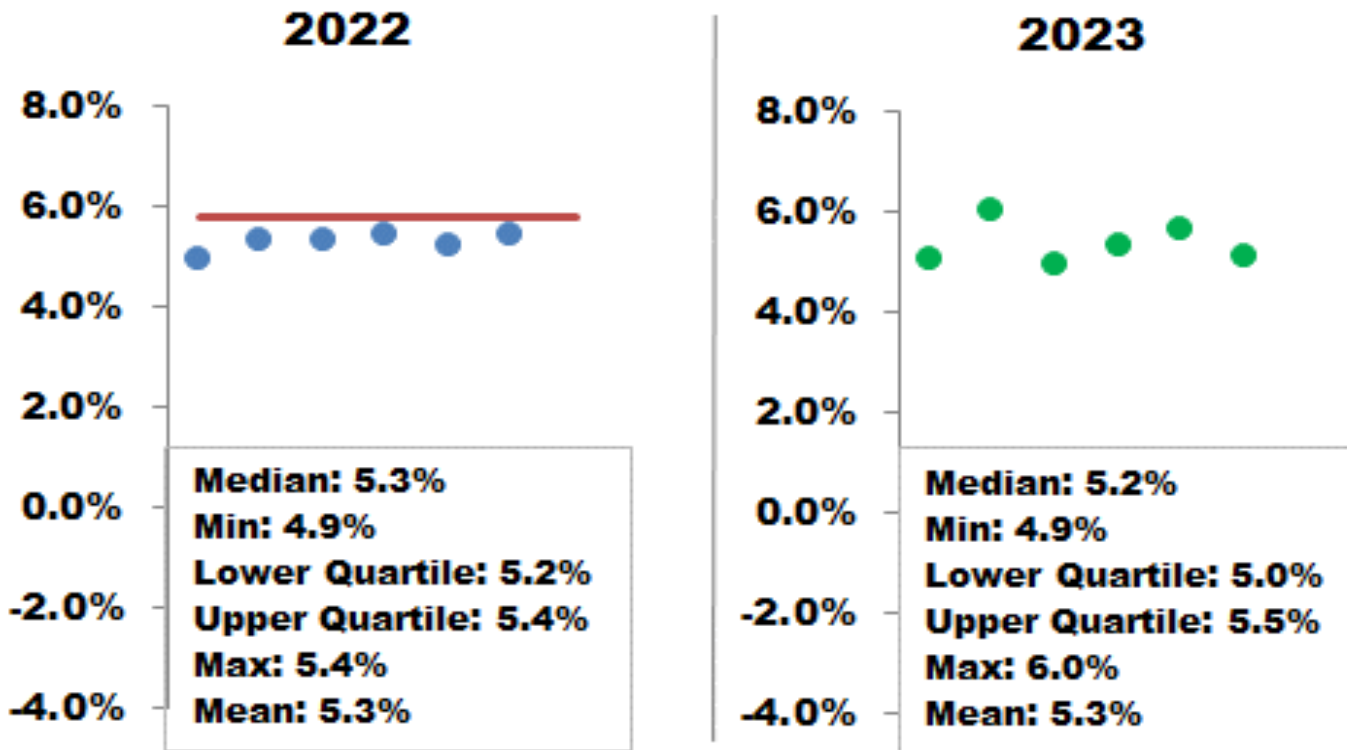
# ***The Sim Kee Boon Institute for Financial Economics (SKBI) Big5 Survey***

# Takeaways (February 2022 Survey)

- ❖ The latest survey results on the largest five economies (Big5), based on submissions prior to the ongoing Russia-Ukraine conflict, imply a more intricate growth, inflation and policy dynamic.
- ❖ The aggregate Big5 median real GDP growth forecast of more than 4.5% in 2022, while slower than previously, is still above-average (CN marked down, IN bumped up). In contrast, the upward revision to Big5 headline inflation, which is projected to rise above 3% in 2022, is noticeably sharper, mostly with upside risks (only CN revised down with balanced risks along with JP). In 2023, survey participants expect growth to revert to its decade average of roughly 4% and inflation to settle modestly above 2% for the Big5 overall (upside risk in IN), implying a seemingly peachy environment. But the reduced forecasts for US and EA relative to 2022 are visibly starker.
- ❖ The monetary policy stance across the Big5 is more-or-less reflective of the respective inflation forecasts in 2022 (looser in CN but firmer for the rest except JP). Although participants generally anticipate the PBoC to transition to a firmer stance by 2024, the rest of the central banks (with BoJ on-hold) are likely to continue raising rates in 2023 before pausing eventually. Broadly, the fiscal stance, while reinforcing monetary policy, seems to be less skewed except for US and CN.
- ❖ Notwithstanding modal expectations of softish landing, participants maintained their uneasiness over the prospect of sustained inflation surprises and upped the risk resulting from geopolitical events over the next 12-24 months. While the risk of COVID-19 escalation was scaled back, concerns over unintended policy tightening (monetary and fiscal) were raised.

# ***GDP Growth***

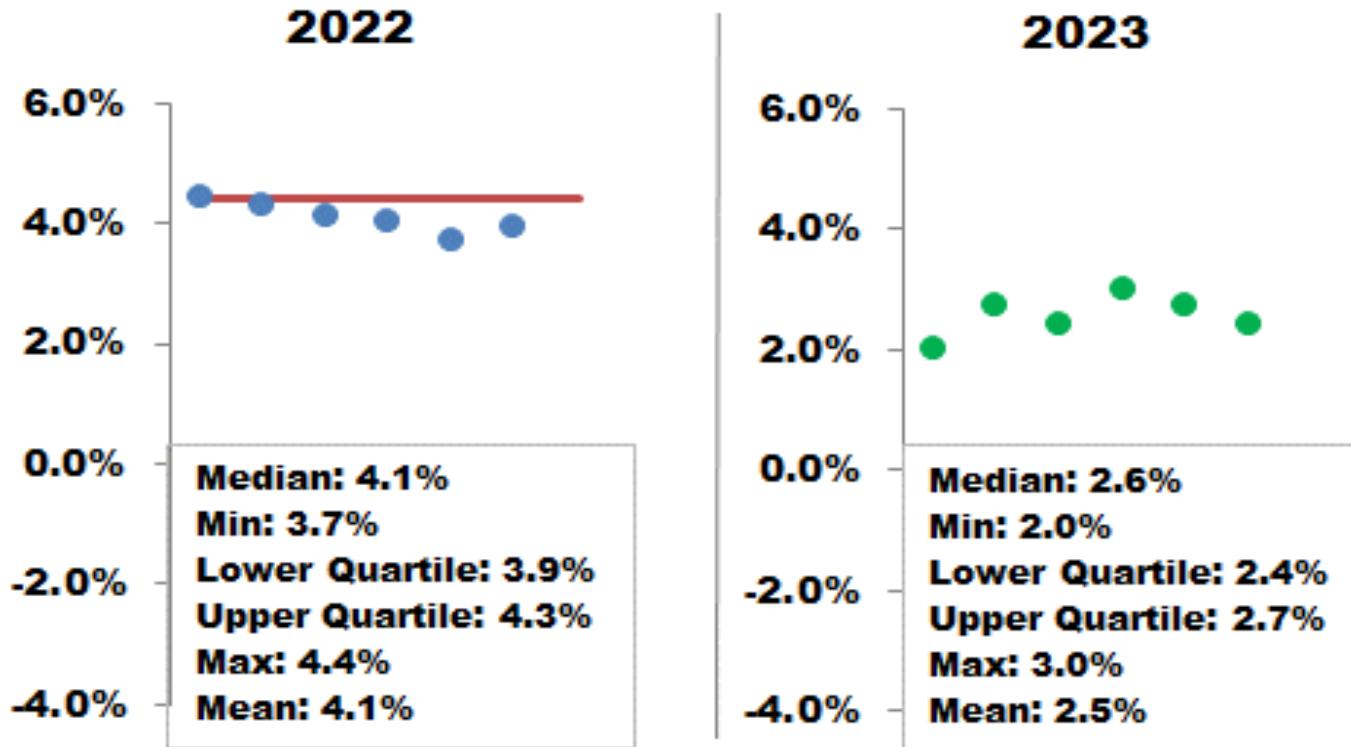
# China-Real GDP Growth



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

*Source: SKBI Big5 Survey (Feb 2022 and Aug 2021)*

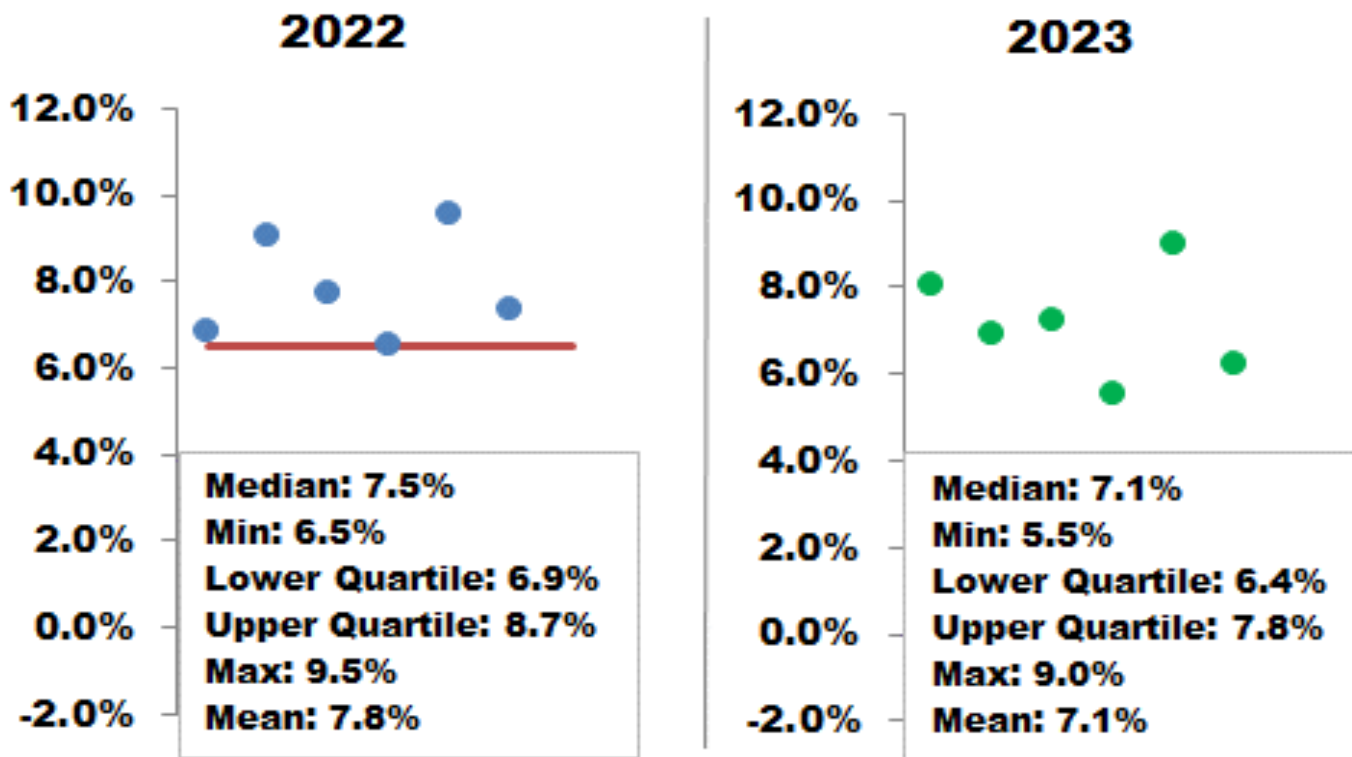
# Euro Area-Real GDP Growth



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

**Source: SKBI Big5 Survey (Feb 2022 and Aug 2021)**

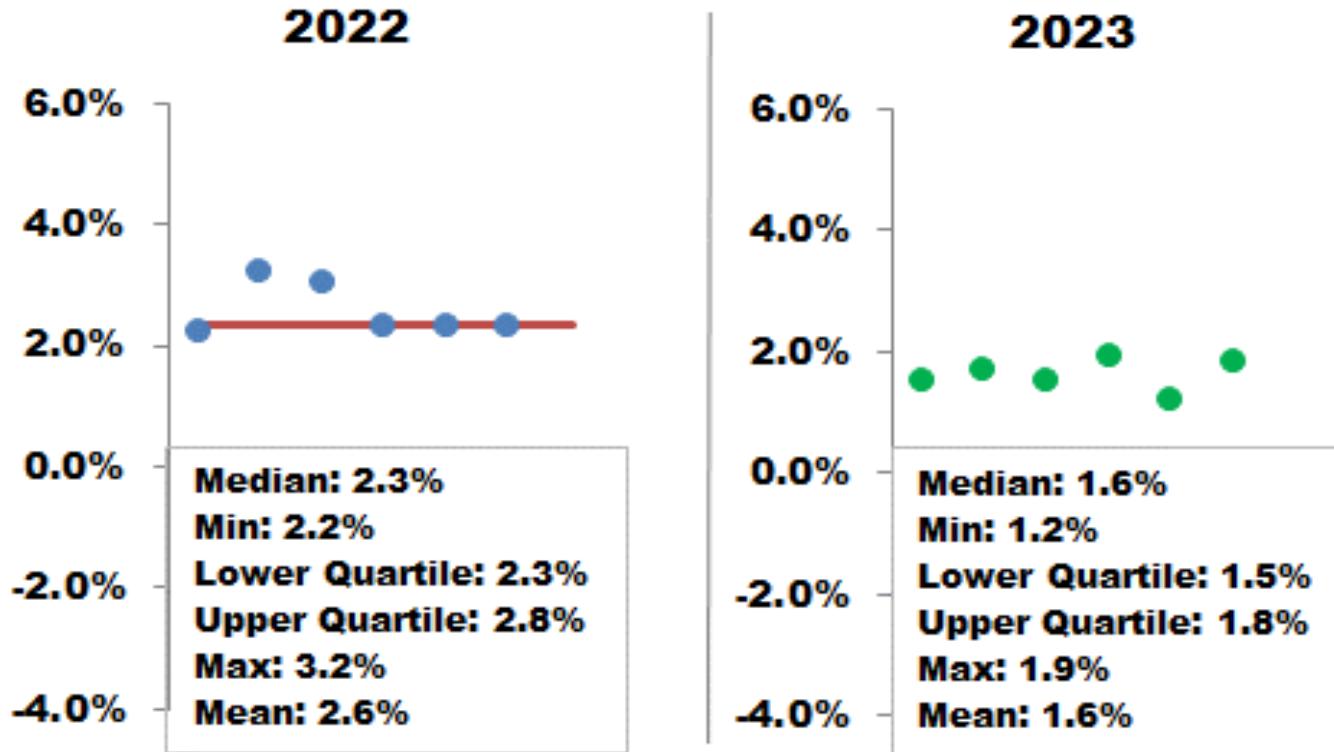
# India-Real GDP Growth



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

**Source: SKBI Big5 Survey (Feb 2022 and Aug 2021)**

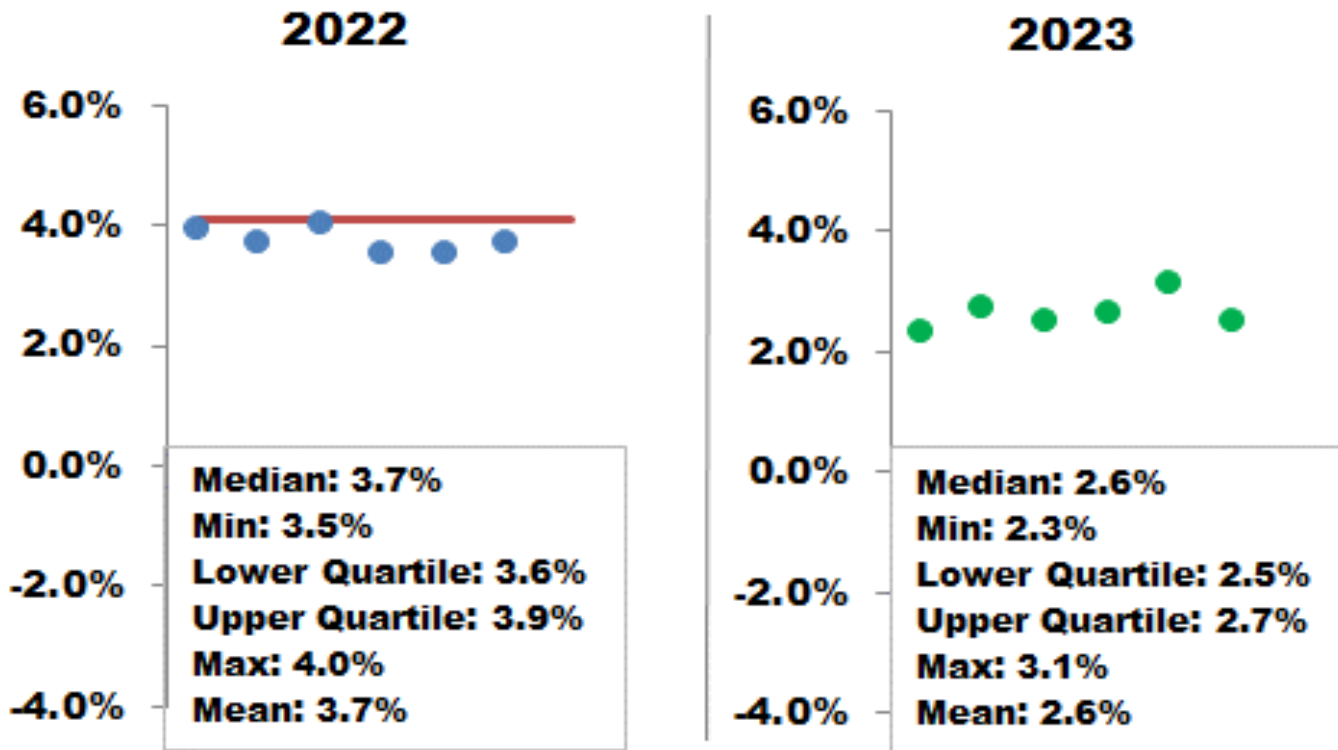
# Japan-Real GDP Growth



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

**Source: SKBI Big5 Survey (Feb 2022 and Aug 2021)**

# US-Real GDP Growth



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

**Source: SKBI Big5 Survey (Feb 2022 and Aug 2021)**

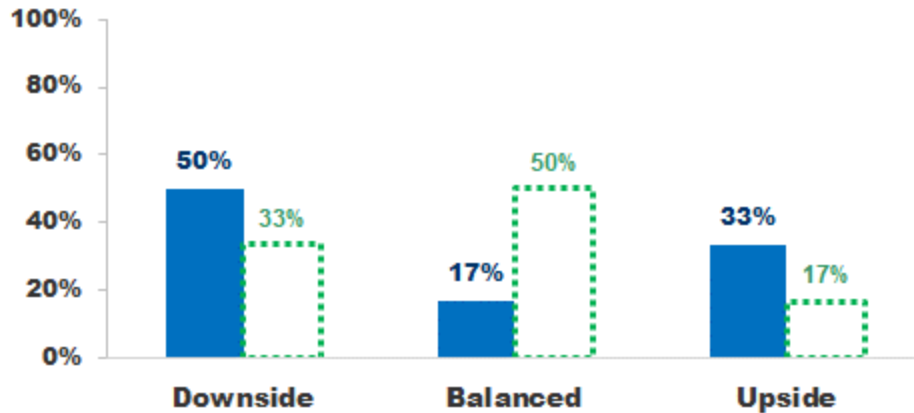


# ***GDP Growth Risk Assessment***

# Real GDP Growth Risks (2022)

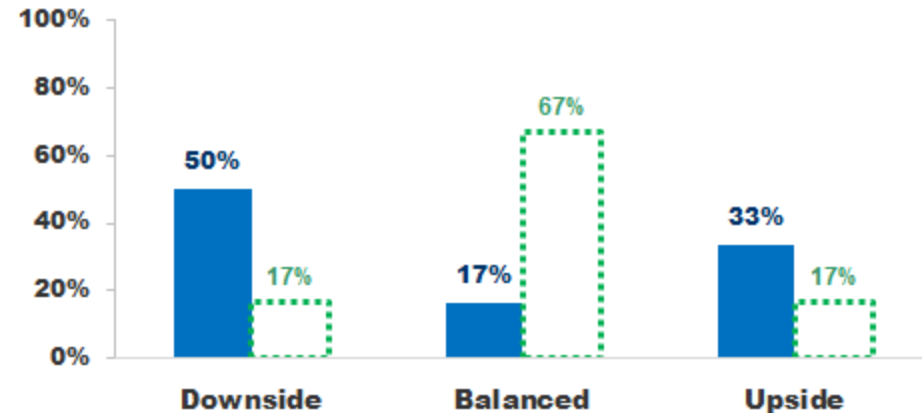
### China-Growth Risk Assessment (2022)

■ Current survey    ▤ Prior survey



### India-Growth Risk Assessment (2022)

■ Current survey    ▤ Prior survey



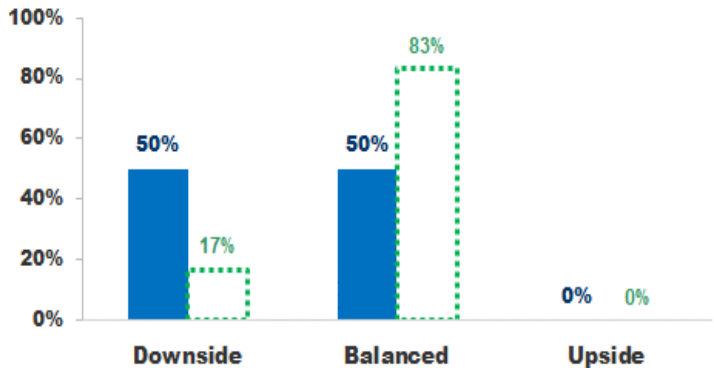
**Note: The percentages herein, which sum to 100%, represent the proportion of participants' responses in the current and prior (Aug) surveys.**

**Source: SKBI Big5 Survey (Feb 2022 and Aug 2021)**

# Real GDP Growth Risks (2022)

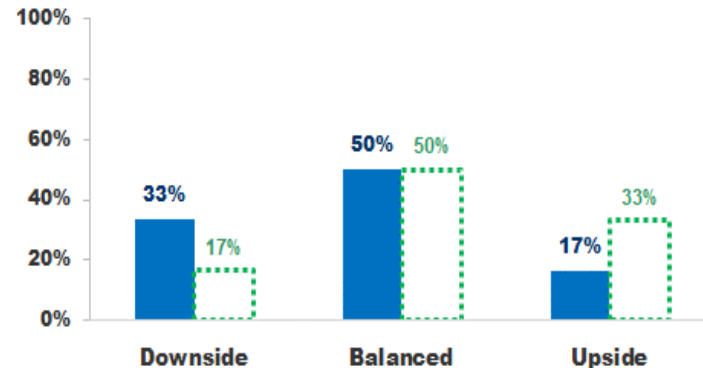
**Euro Area-Growth Risk Assessment (2022)**

■ Current survey    ▤ Prior survey



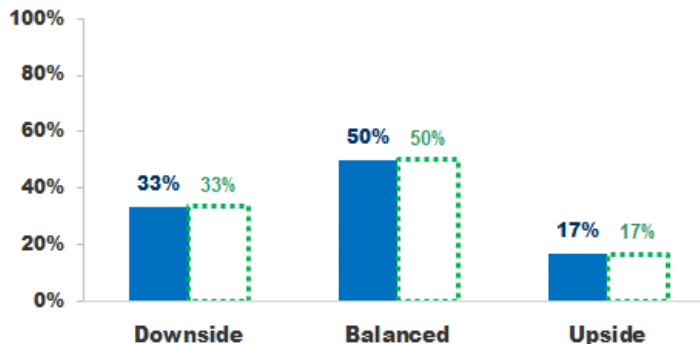
**Japan-Growth Risk Assessment (2022)**

■ Current survey    ▤ Prior survey



**US-Growth Risk Assessment (2022)**

■ Current survey    ▤ Prior survey



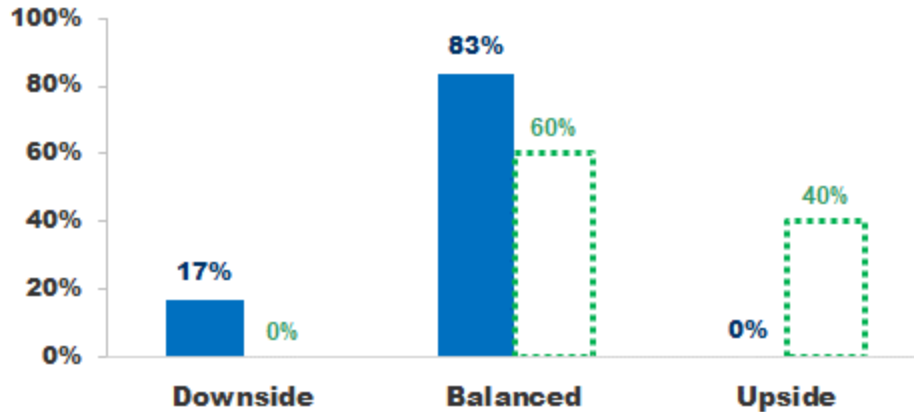
**Note: The percentages herein, which sum to 100%, represent the proportion of participants' responses in the current and prior (Aug) surveys.**

**Source: SKBI Big5 Survey (Feb 2022 and Aug 2021)**

# Real GDP Growth Risks (2023)

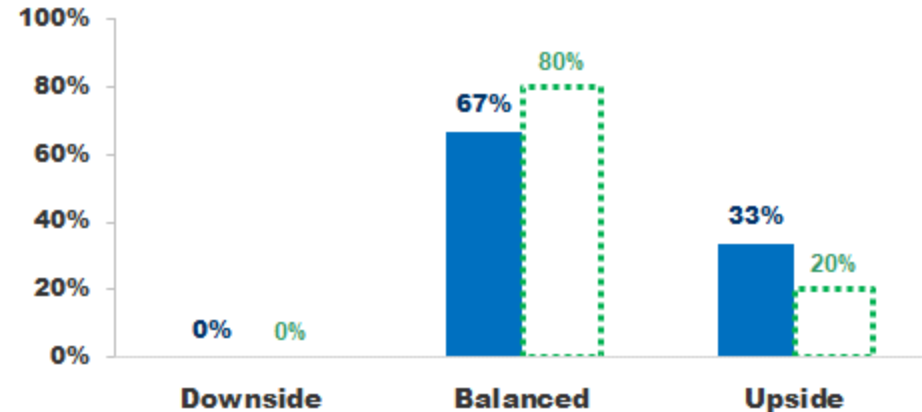
### China-Growth Risk Assessment (2023)

■ Current survey    ▤ Prior survey



### India-Growth Risk Assessment (2023)

■ Current survey    ▤ Prior survey



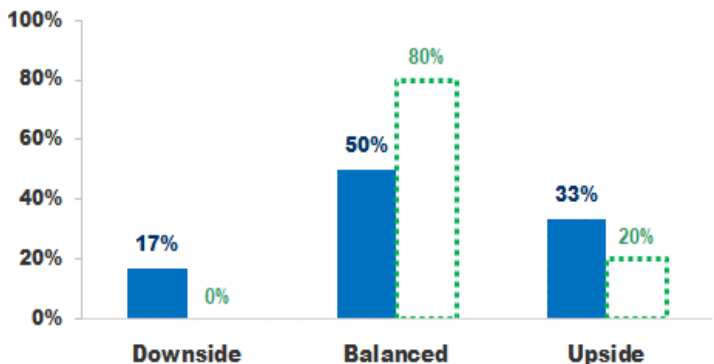
**Note: The percentages herein, which sum to 100%, represent the proportion of participants' responses in the current and prior (Aug) surveys.**

**Source: SKBI Big5 Survey (Feb 2022 and Aug 2021)**

# Real GDP Growth Risks (2023)

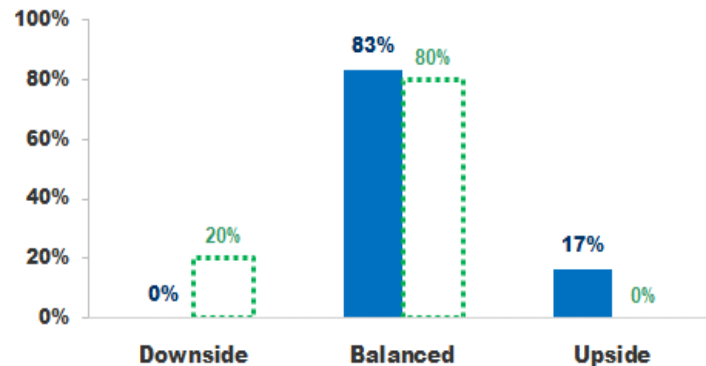
### Euro Area-Growth Risk Assessment (2023)

■ Current survey    ▨ Prior survey



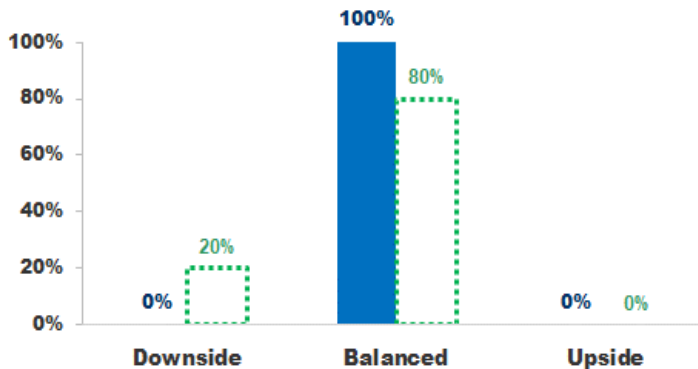
### Japan-Growth Risk Assessment (2023)

■ Current survey    ▨ Prior survey



### US-Growth Risk Assessment (2023)

■ Current survey    ▨ Prior survey

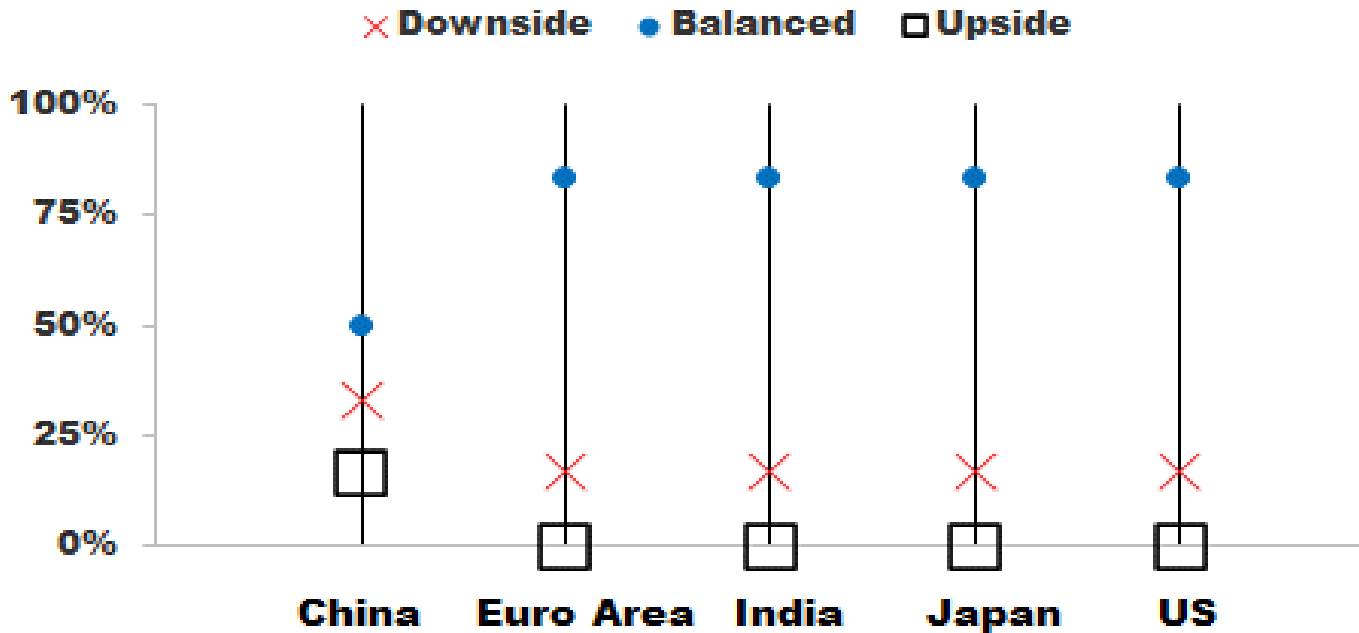


**Note: The percentages herein, which sum to 100%, represent the proportion of participants' responses in the current and prior (Aug) surveys.**

**Source: SKBI Big5 Survey (Feb 2022 and Aug 2021)**

# Real GDP Growth Risks (2024)

## Growth Risk Assessment (2024)



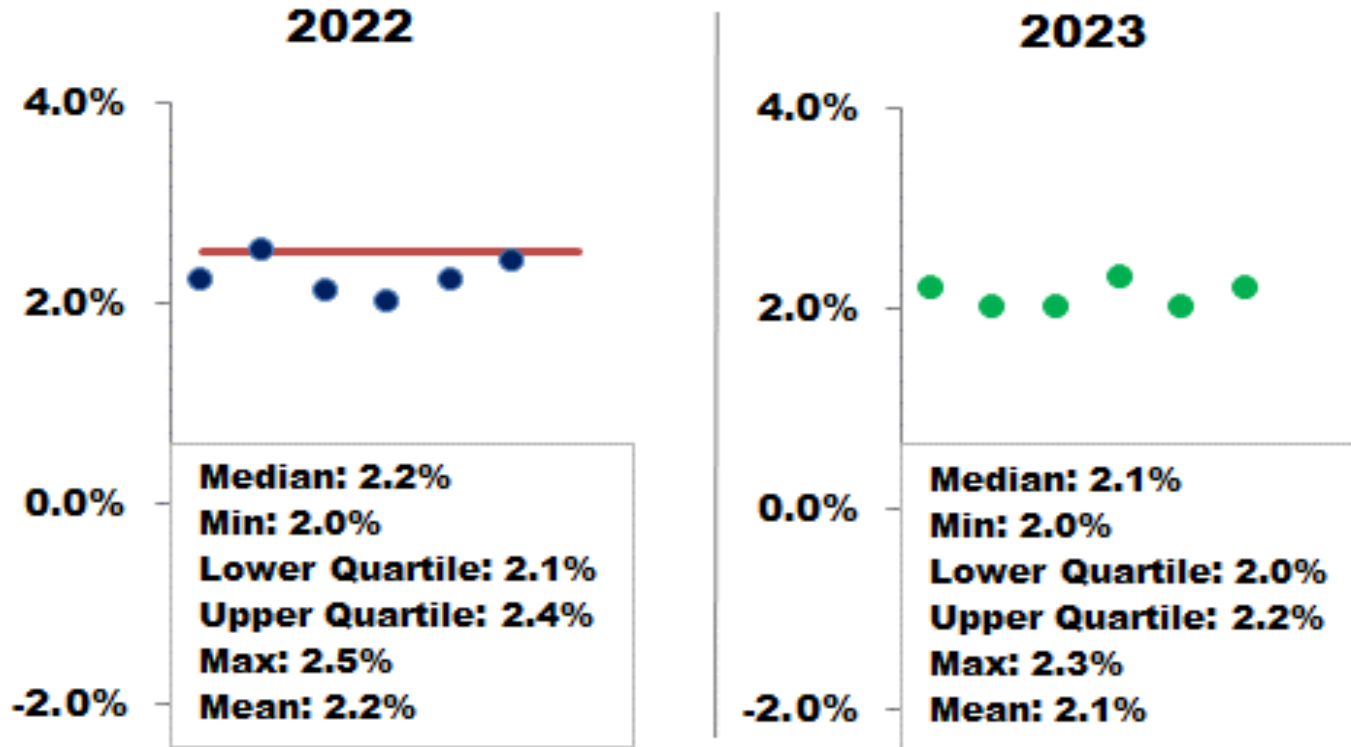
**Note: The percentages herein, which sum to 100%, represent the proportion of participants' responses in the current survey.**

**Source: SKBI Big5 Survey (Feb 2022)**

# ***CPI***

# ***Inflation***

# China-CPI Inflation

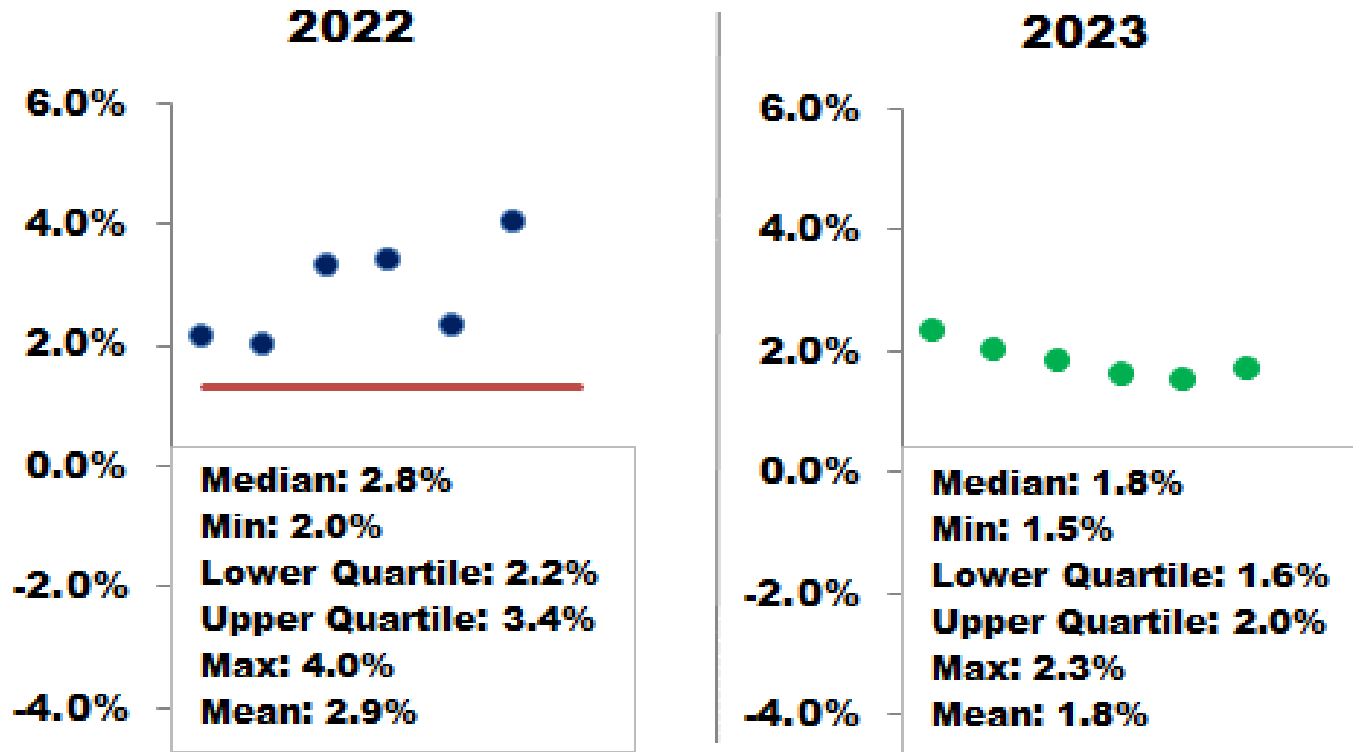


**Note: Each dot represents a random participant in the survey and the horizontal line in 2022 depicts the median result from the prior (Aug) survey.**

**Source: SKBI Big5 Survey (Feb 2022 and Aug 2021)**



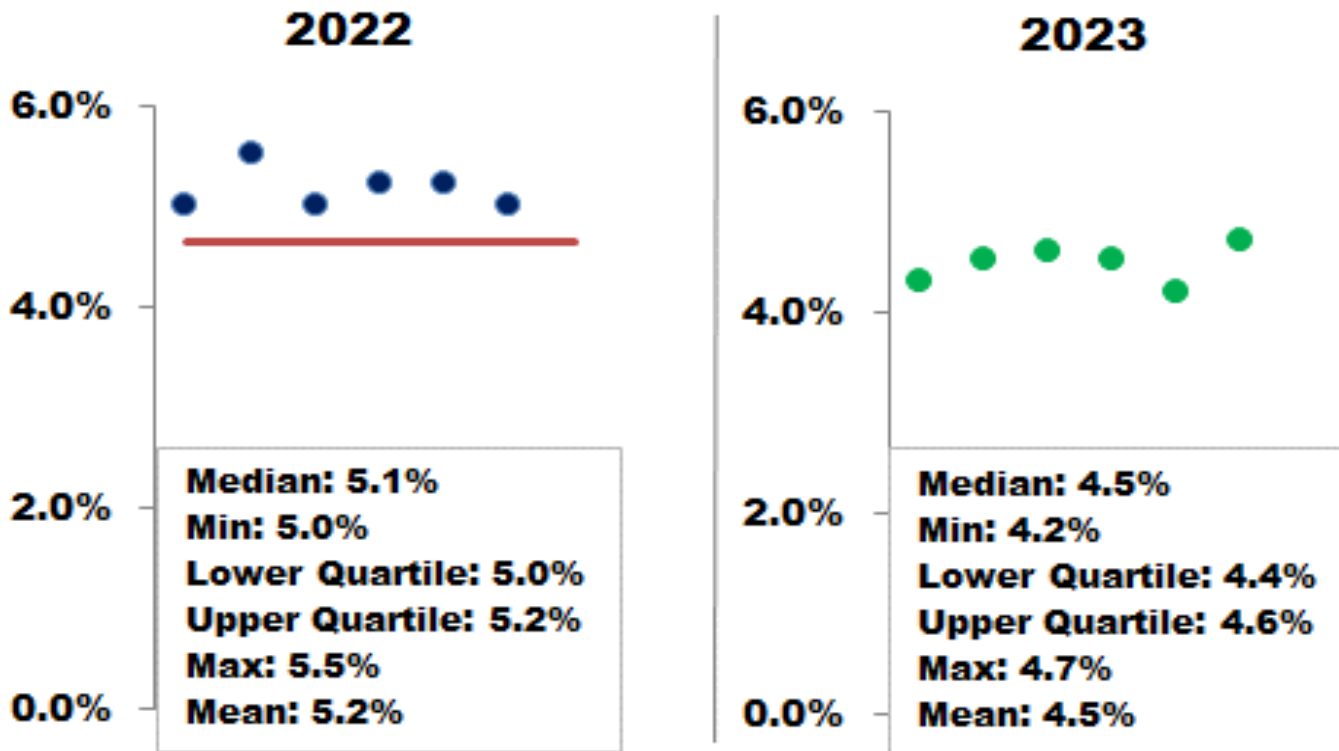
# Euro Area-CPI Inflation



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

**Source: SKBI Big5 Survey (Feb 2022 and Aug 2021)**

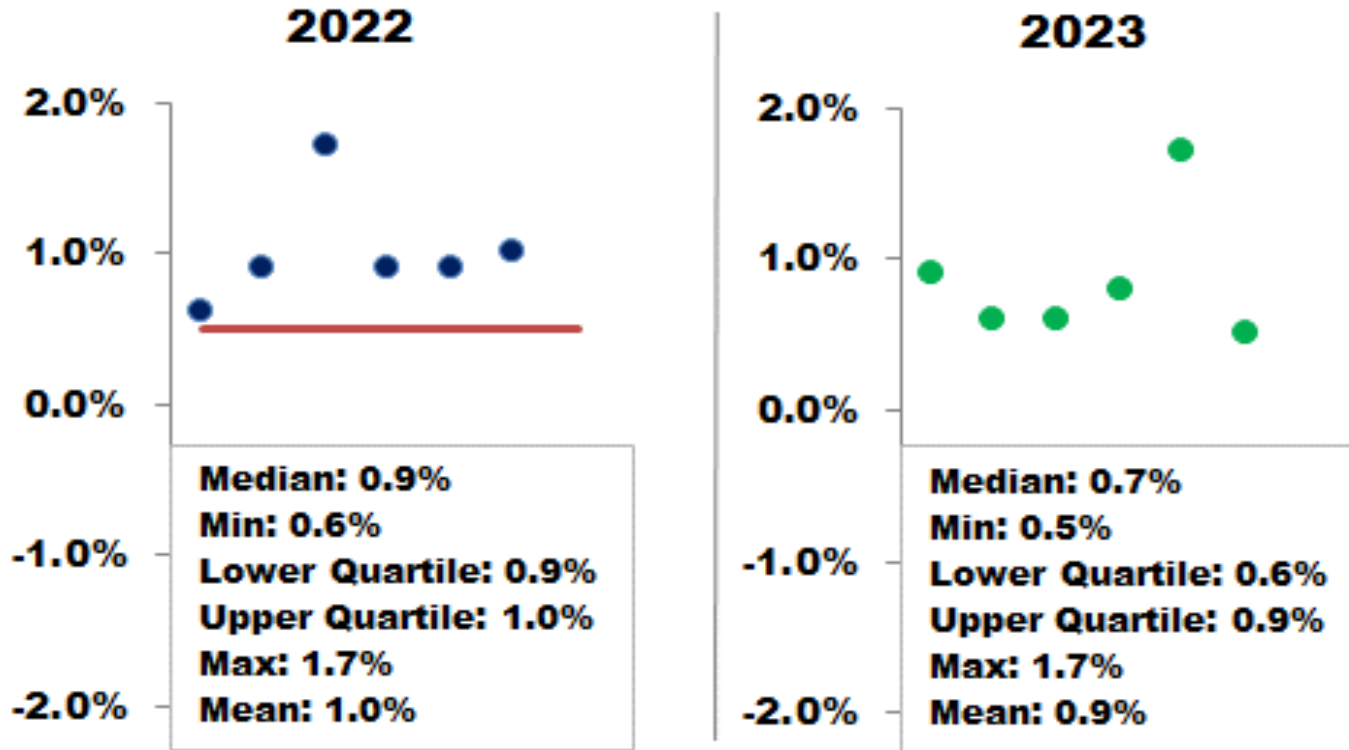
# India-CPI Inflation



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

**Source: SKBI Big5 Survey (Feb 2022 and Aug 2021)**

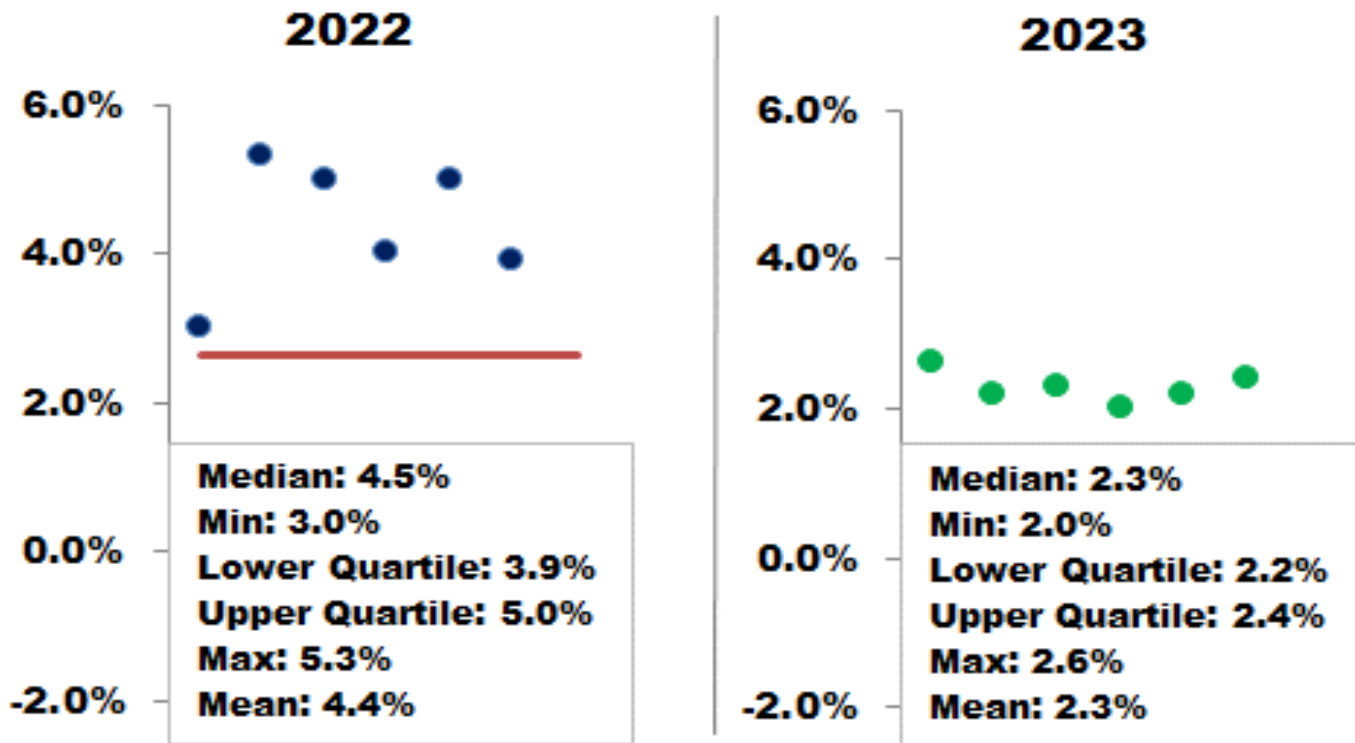
# Japan-CPI Inflation



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

**Source: SKBI Big5 Survey (Feb 2022 and Aug 2021)**

# US-CPI Inflation



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

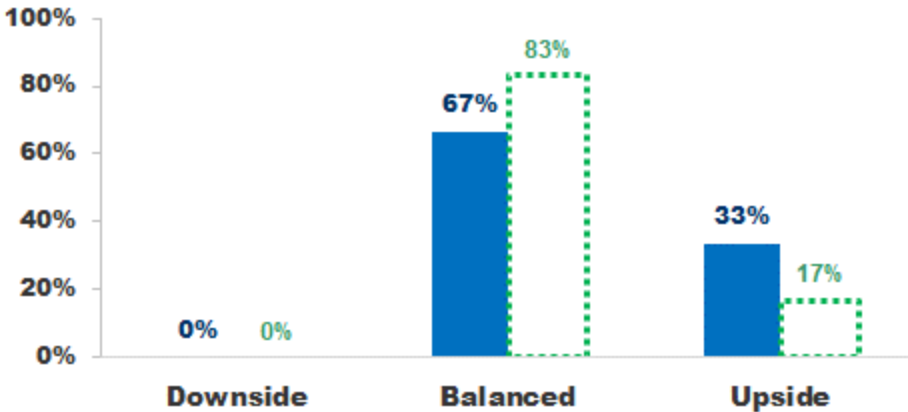
**Source: SKBI Big5 Survey (Feb 2022 and Aug 2021)**

# *Inflation Risk Assessment*

# CPI Inflation Risks (2022)

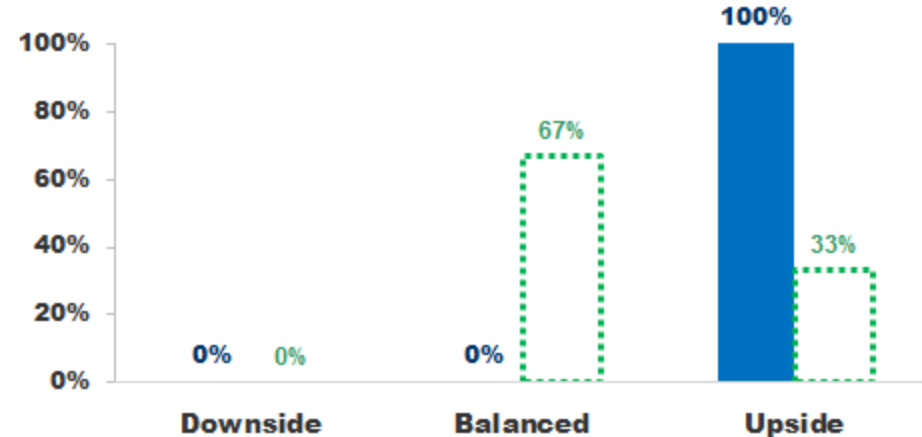
### China-Inflation Risk Assessment (2022)

■ Current survey    ▤ Prior survey



### India-Inflation Risk Assessment (2022)

■ Current survey    ▤ Prior survey

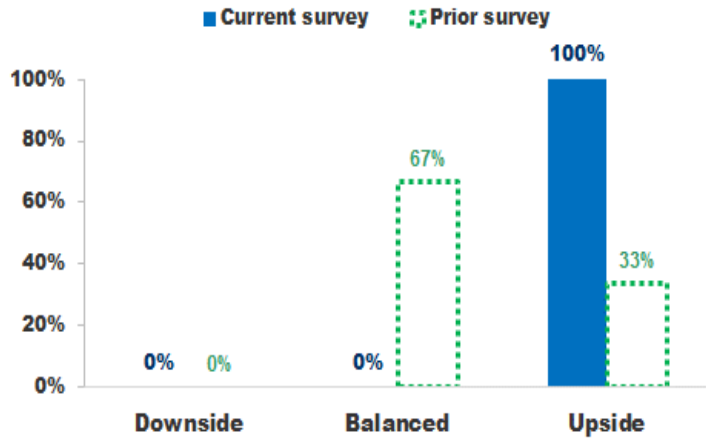


**Note: The percentages herein, which sum to 100%, represent the proportion of participants' responses in the current and prior (Aug) surveys.**

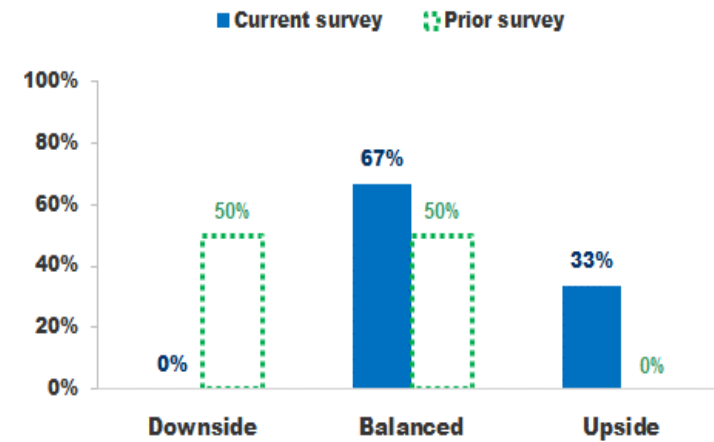
**Source: SKBI Big5 Survey (Feb 2022 and Aug 2021)**

# CPI Inflation Risks (2022)

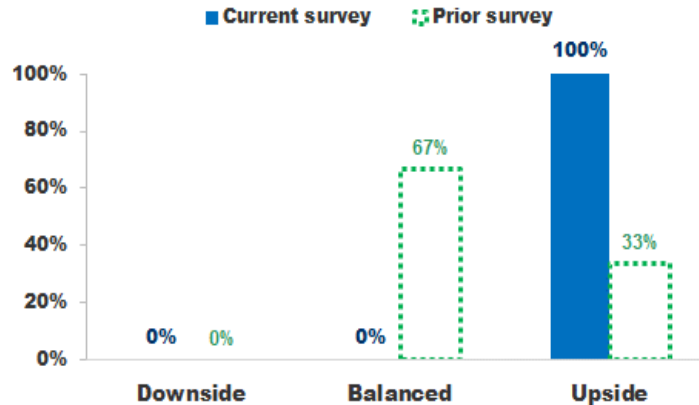
### Euro Area-Inflation Risk Assessment (2022)



### Japan-Inflation Risk Assessment (2022)



### US-Inflation Risk Assessment (2022)



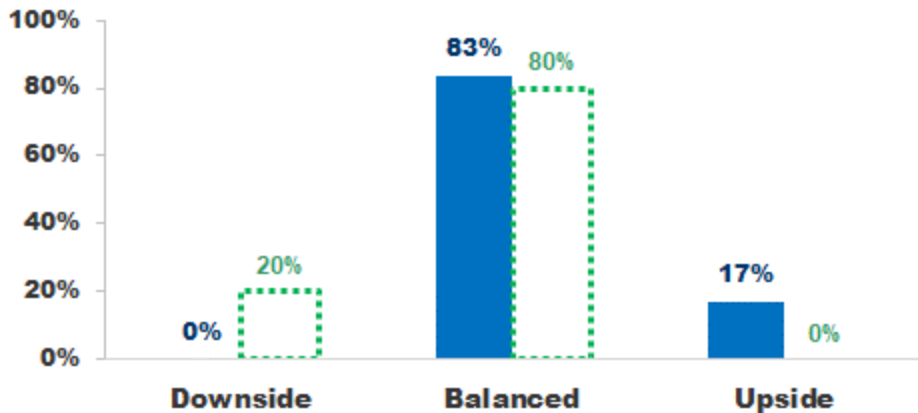
**Note: The percentages herein, which sum to 100%, represent the proportion of participants' responses in the current and prior (Aug) surveys.**

**Source: SKBI Big5 Survey (Feb 2022 and Aug 2021)**

# CPI Inflation Risks (2023)

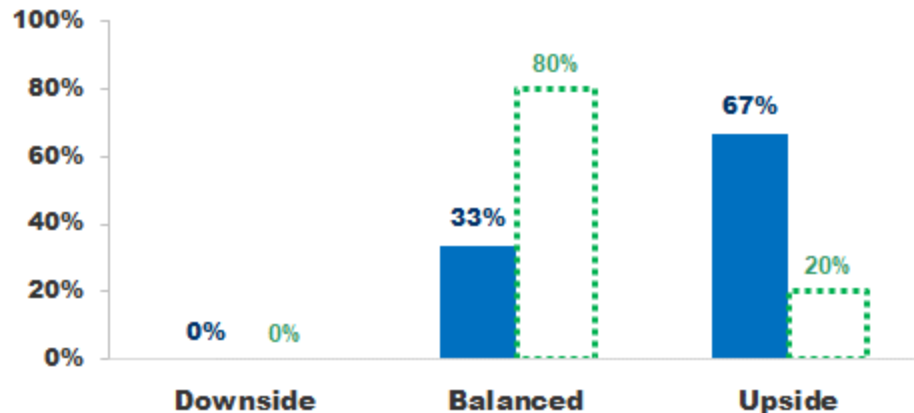
### China-Inflation Risk Assessment (2023)

■ Current survey    ▤ Prior survey



### India-Inflation 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 (Aug) surveys.**

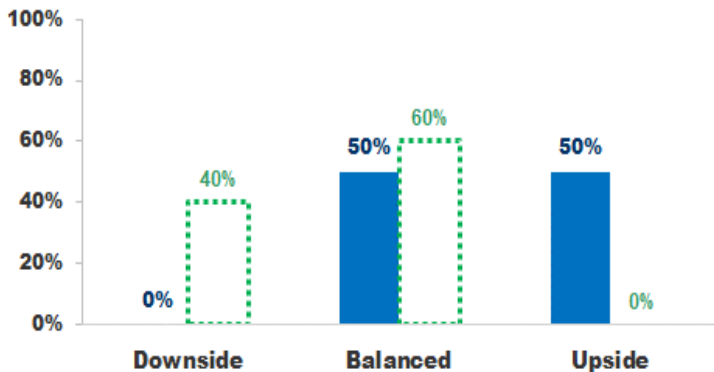
**Source: SKBI Big5 Survey (Feb 2022 and Aug 2021)**



# CPI Inflation Risks (2023)

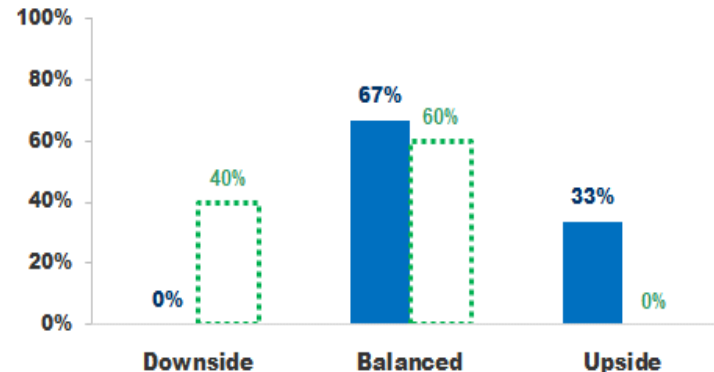
**Euro Area-Inflation Risk Assessment (2023)**

■ Current survey    ▤ Prior survey



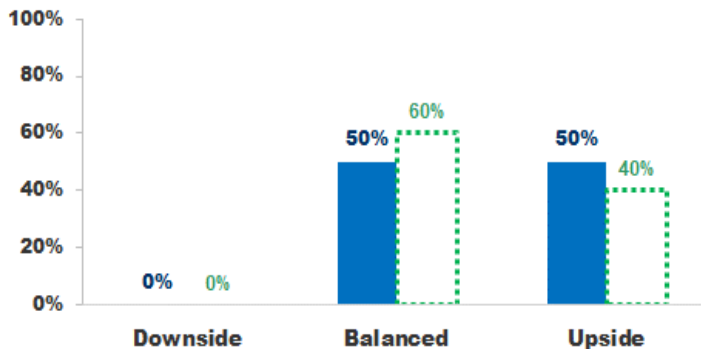
**Japan-Inflation Risk Assessment (2023)**

■ Current survey    ▤ Prior survey



**US-Inflation Risk Assessment (2023)**

■ Current survey    ▤ Prior survey

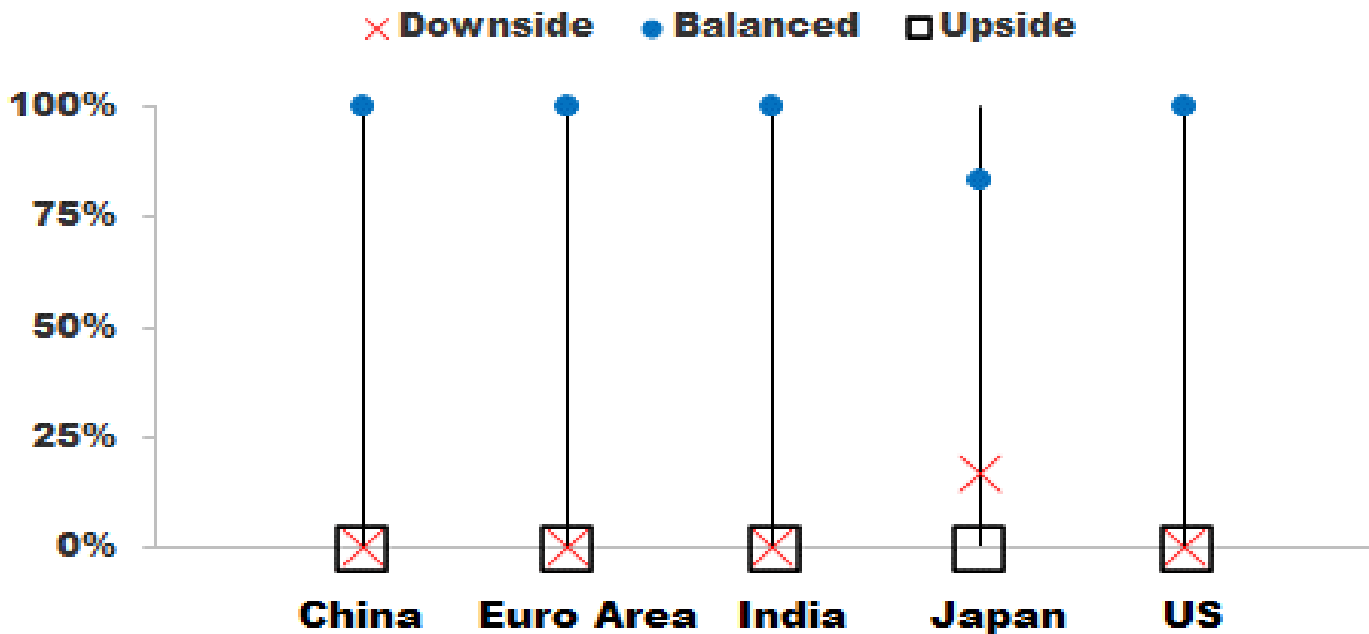


**Note: The percentages herein, which sum to 100%, represent the proportion of participants' responses in the current and prior (Aug) surveys.**

**Source: SKBI Big5 Survey (Feb 2022 and Aug 2021)**

# CPI Inflation Risks (2024)

## Inflation Risk Assessment (2024)



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

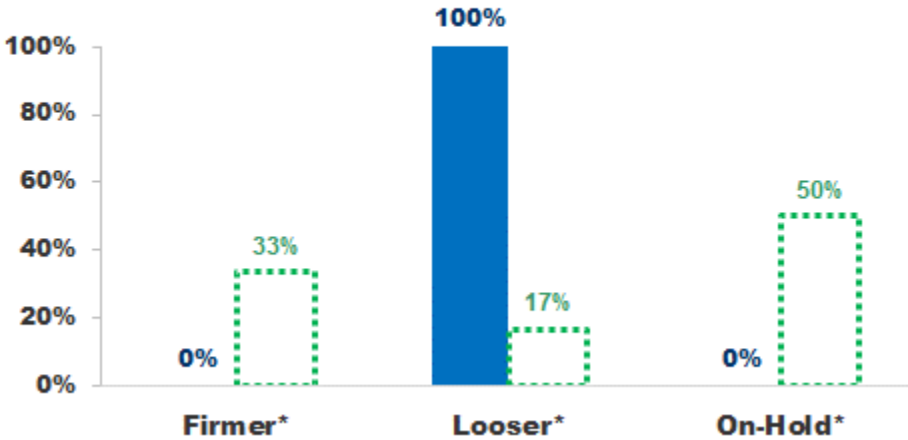
**Source: SKBI Big5 Survey (Feb 2022)**

# *Monetary Policy*

# Monetary Policy (2022)

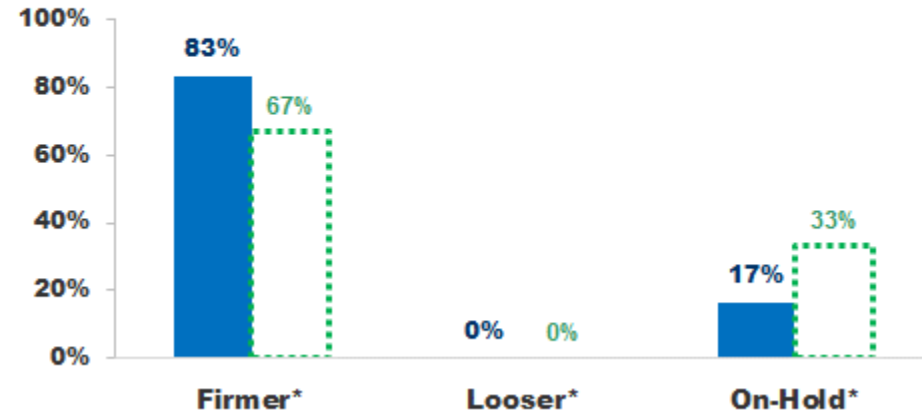
### China-Monetary Policy (end-2022)

■ Current survey    ▤ Prior survey



### India-Monetary 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 (Aug) surveys.**

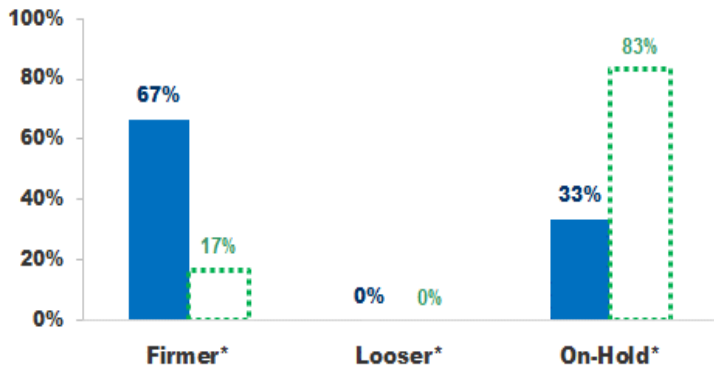
**\*Relative to the prevailing policy stance**

**Source: SKBI Big5 Survey (Feb 2022 and Aug 2021)**

# Monetary Policy (2022)

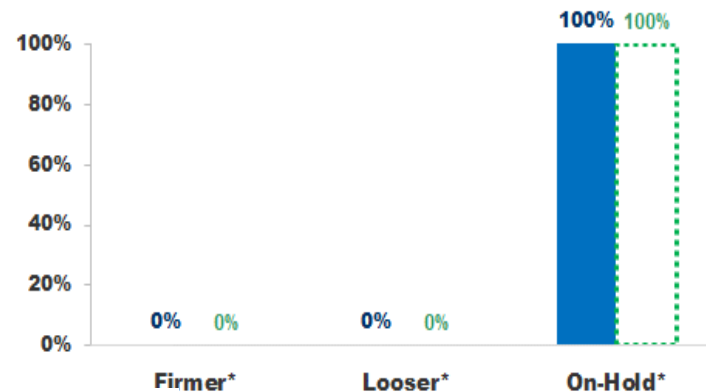
**Euro Area-Monetary Policy (end-2022)**

■ Current survey    ▨ Prior survey



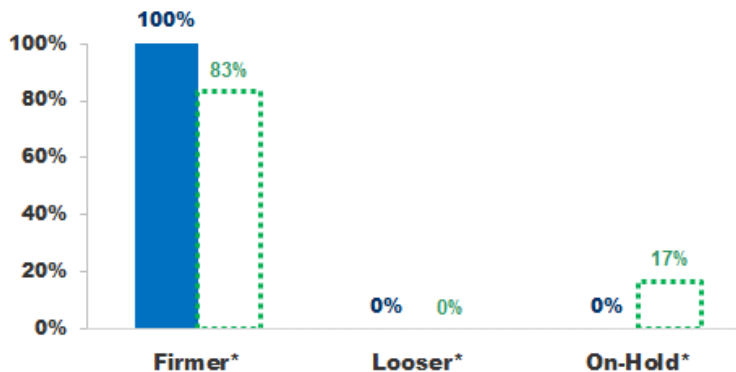
**Japan-Monetary Policy (end-2022)**

■ Current survey    ▨ Prior survey



**US-Monetary 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 (Aug) surveys.**

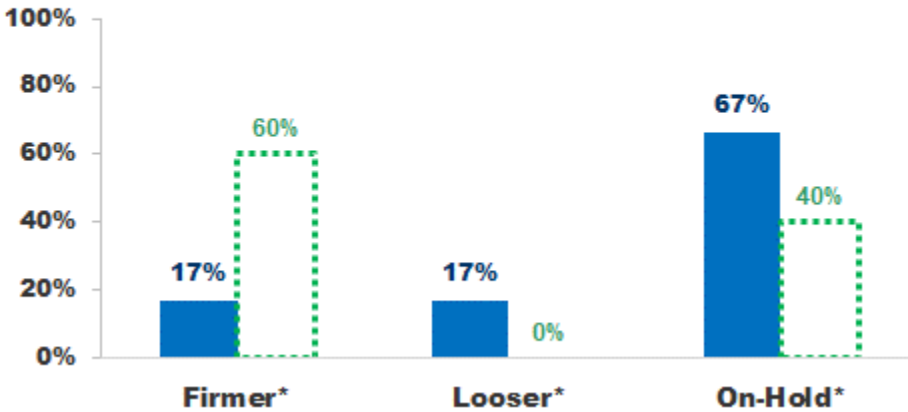
**\*Relative to the prevailing policy stance**

**Source: SKBI Big5 Survey (Feb 2022 and Aug 2021)**

# Monetary Policy (2023)

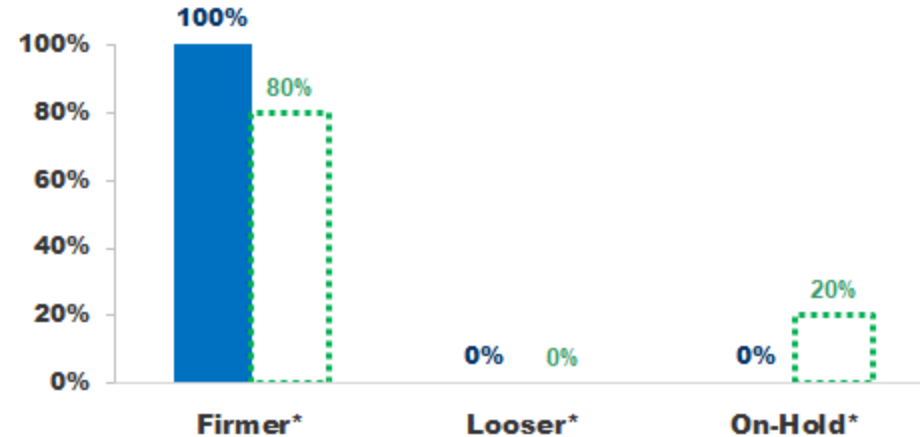
### China-Monetary Policy (end-2023)

■ 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 (Aug) surveys.**

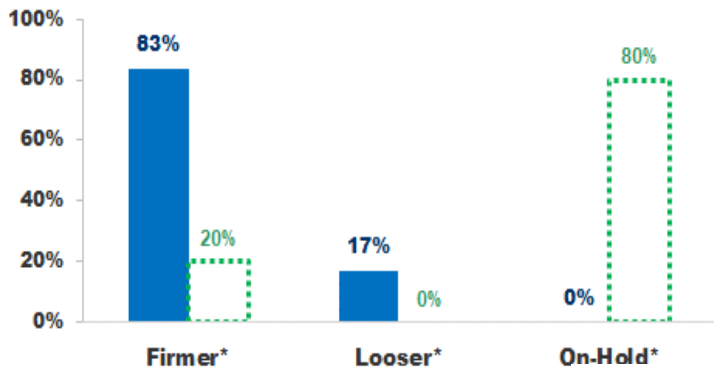
**\*Relative to the prevailing policy stance**

**Source: SKBI Big5 Survey (Feb 2022 and Aug 2021)**

# Monetary Policy (2023)

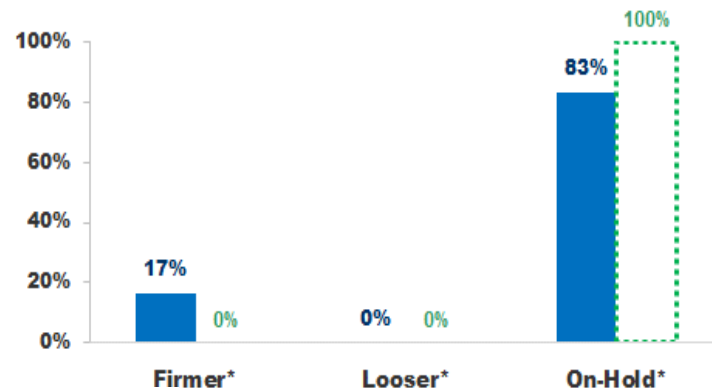
**Euro Area-Monetary Policy (end-2023)**

■ Current survey    ▨ Prior survey



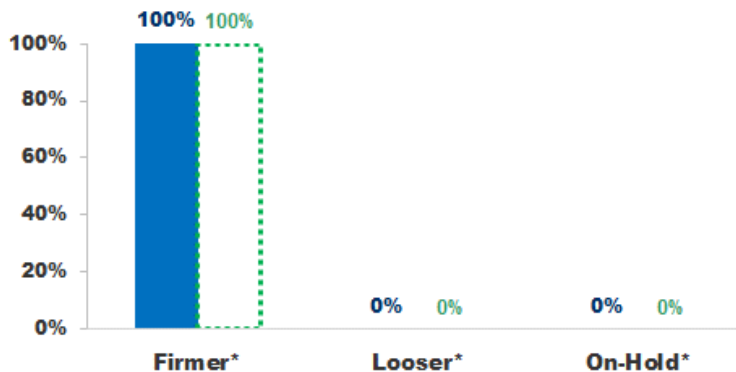
**Japan-Monetary Policy (end-2023)**

■ Current survey    ▨ Prior survey



**US-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 (Aug) surveys.**

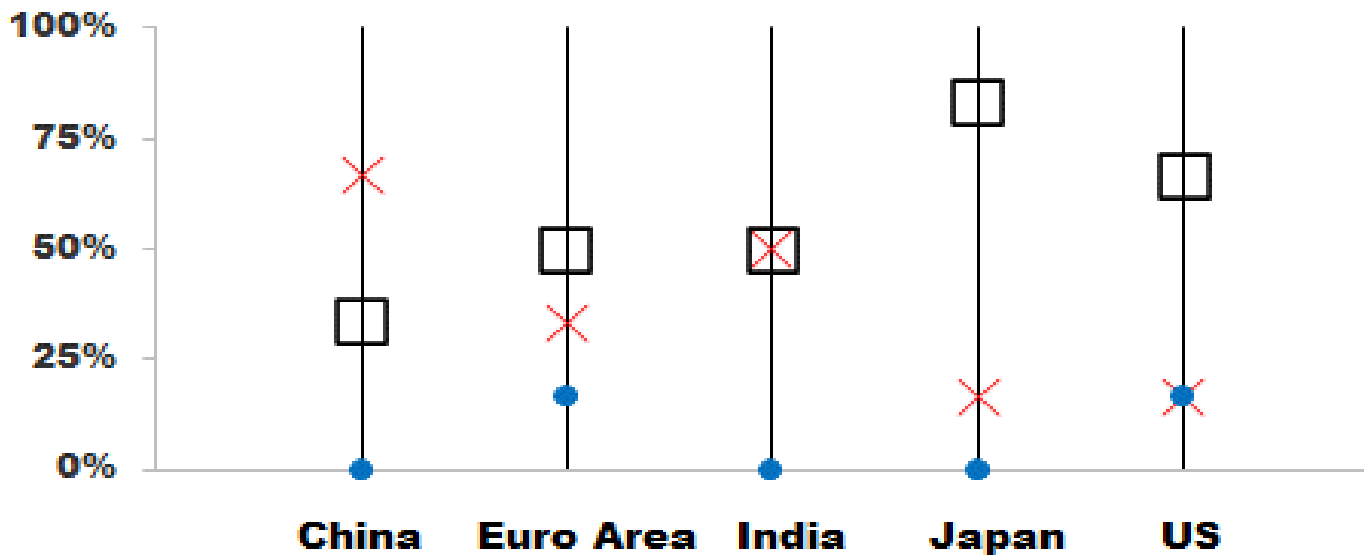
**\*Relative to the prevailing policy stance**

**Source: SKBI Big5 Survey (Feb 2022 and Aug 2021)**

# Monetary Policy (2024)

## Monetary Policy (end-2024)

× Firmer\* ● Looser\* □ On-Hold\*



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

\*Relative to the prevailing policy stance

**Source:** SKBI Big5 Survey (Feb 2022)

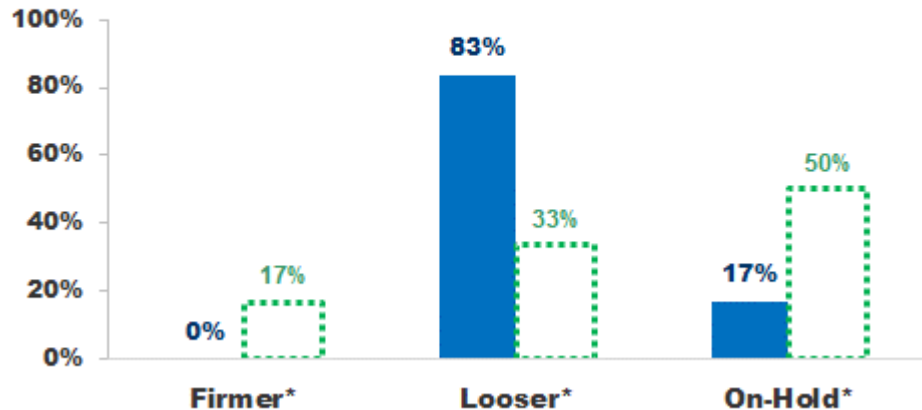


# *Fiscal Policy*

# Fiscal Policy (2022)

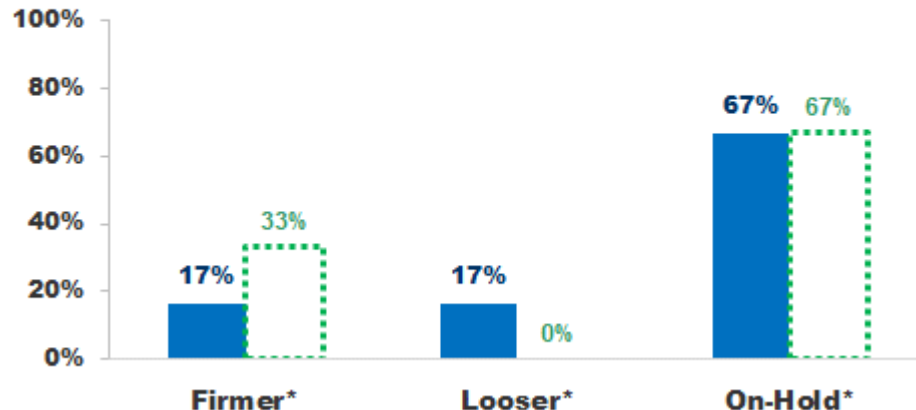
**China-Fiscal Policy (end-2022)**

■ 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 (Aug) surveys.**

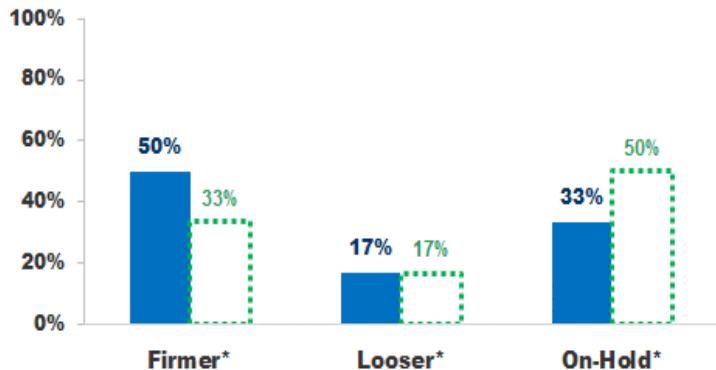
**\*Relative to the prevailing policy stance**

**Source: SKBI Big5 Survey (Feb 2022 and Aug 2021)**

# Fiscal Policy (2022)

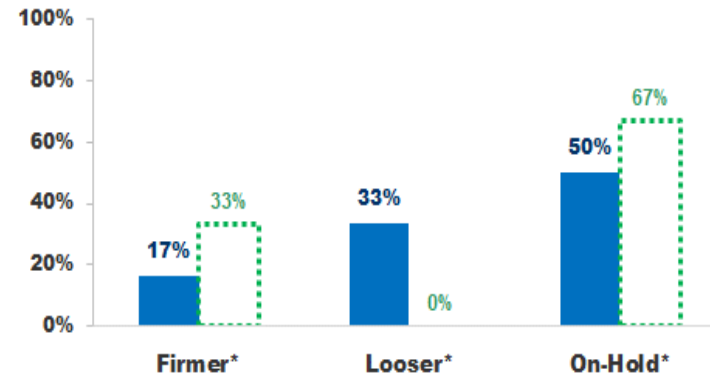
**Euro Area-Fiscal Policy (end-2022)**

■ Current survey    ▨ Prior survey



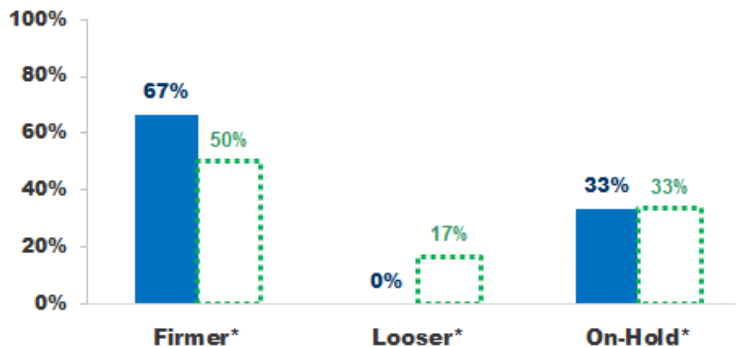
**Japan-Fiscal Policy (end-2022)**

■ 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 (Aug) surveys.**

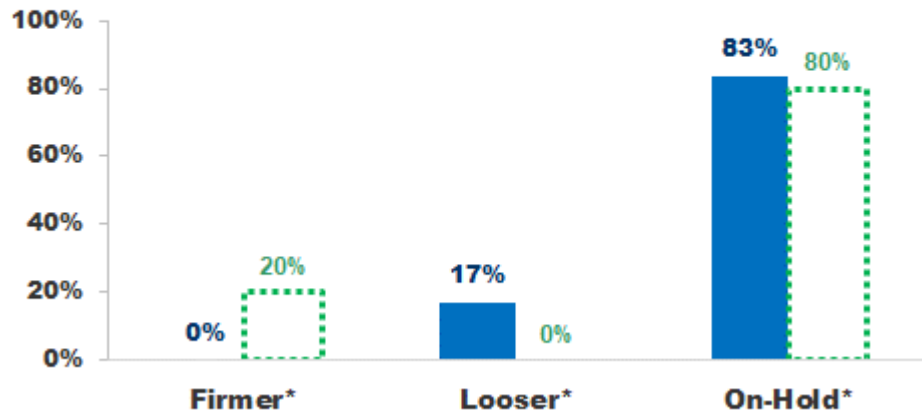
**\*Relative to the prevailing policy stance**

**Source: SKBI Big5 Survey (Feb 2022 and Aug 2021)**

# Fiscal Policy (2023)

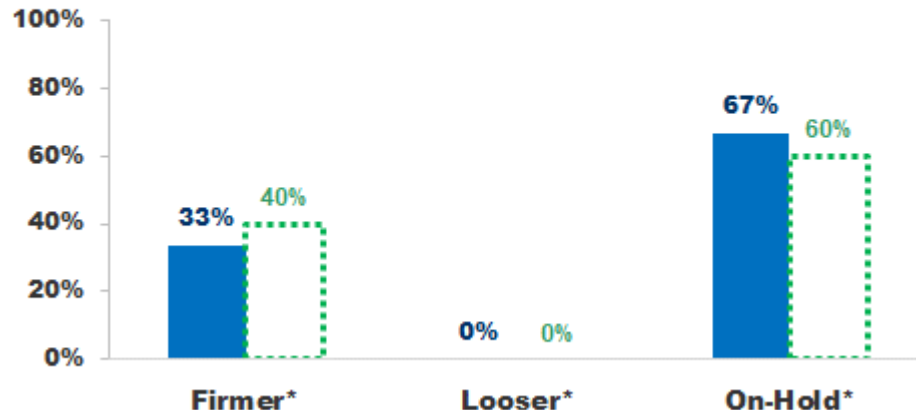
### China-Fiscal Policy (end-2023)

■ 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 (Aug) surveys.**

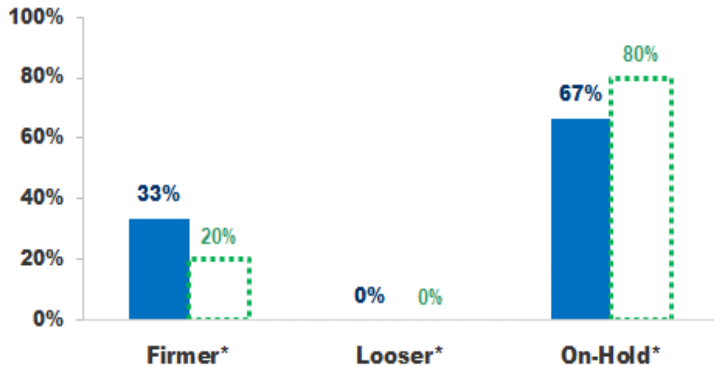
**\*Relative to the prevailing policy stance**

**Source: SKBI Big5 Survey (Feb 2022 and Aug 2021)**

# Fiscal Policy (2023)

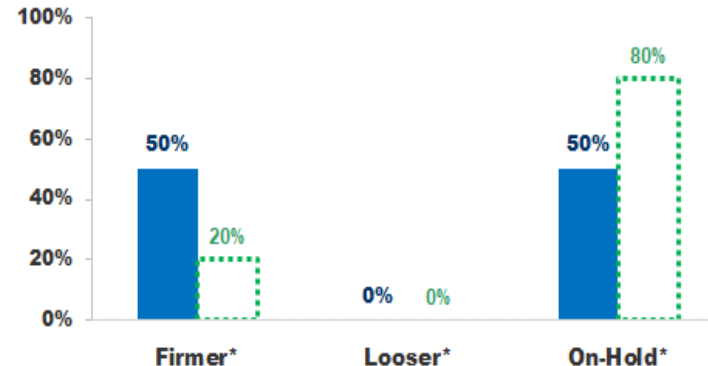
**Euro Area-Fiscal Policy (end-2023)**

■ Current survey    ▤ Prior survey



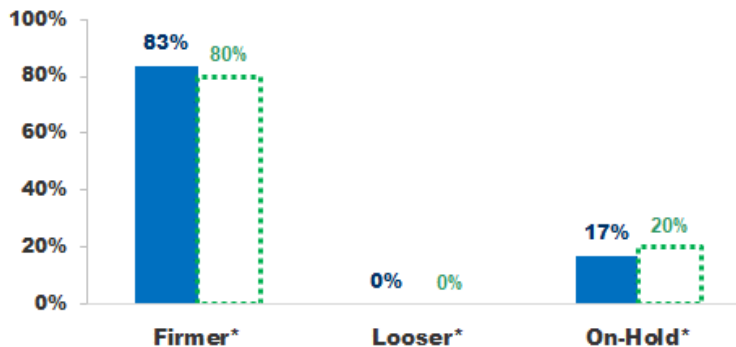
**Japan-Fiscal Policy (end-2023)**

■ Current survey    ▤ Prior survey



**US-Fiscal Policy (end-2023)**

■ Current survey    ▤ Prior survey



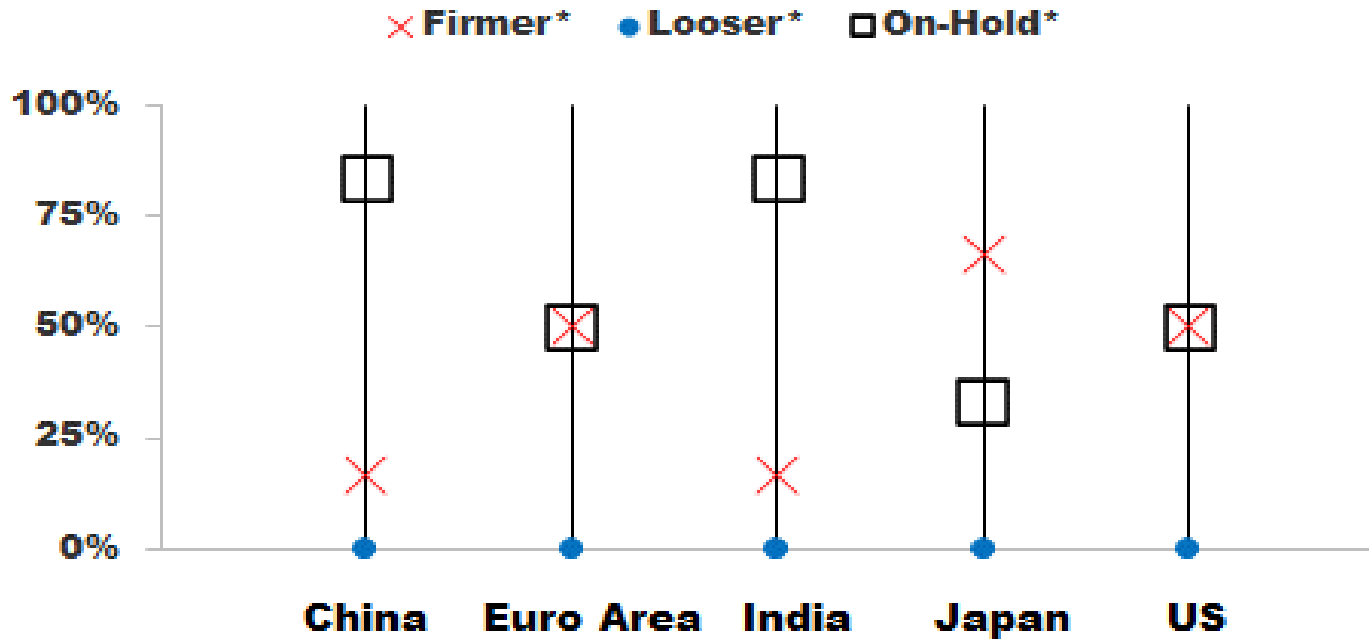
**Note: The percentages herein, which sum to 100%, represent the proportion of participants' responses in the current and prior (Aug) surveys.**

**\*Relative to the prevailing policy stance**

**Source: SKBI Big5 Survey (Feb 2022 and Aug 2021)**

# Fiscal Policy (2024)

## Fiscal Policy (end-2024)



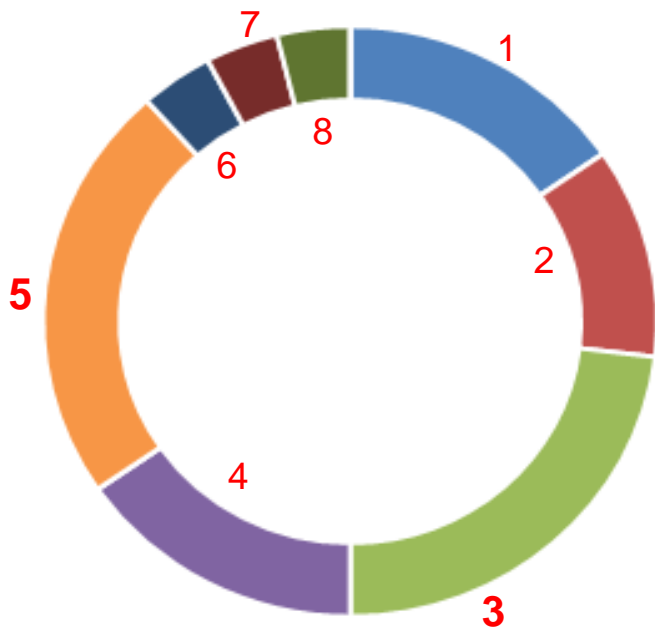
**Note:** The percentages herein, which sum to 100%, represent the proportion of participants' responses in the current survey.

\*Relative to the prevailing policy stance

**Source:** SKBI Big5 Survey (Feb 2022)

# *Special Questions*

**Survey participants listed the potential downside risk factors to the outlook of the “Big5” economies over the next 12-24 months:**



- \*1) COVID-19 escalation [15%]
- 2) Asset price misalignment (stretched valuations) [12%]
- \*3) Sustained inflation surprises (unanchored inflation expectations) [23%]
- 4) Unintended policy tightening (fiscal or/and monetary) [15%]
- 5) Geopolitical event [23%]
- 6) Abrupt and disorderly capital outflows [4%]
- 7) Large-scale cyber security attack [4%]
- 8) Other: "Successful disinflation in the US could result in a cyclical slowdown in demand" [4%]

\*Top two risks in the prior (Aug 2021) survey

**Source: SKBI Big5 Survey (Feb 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, Euro Area, India, Japan and United States.

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 February 2022.

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

### **List of Participants (February 2022 survey):**

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