

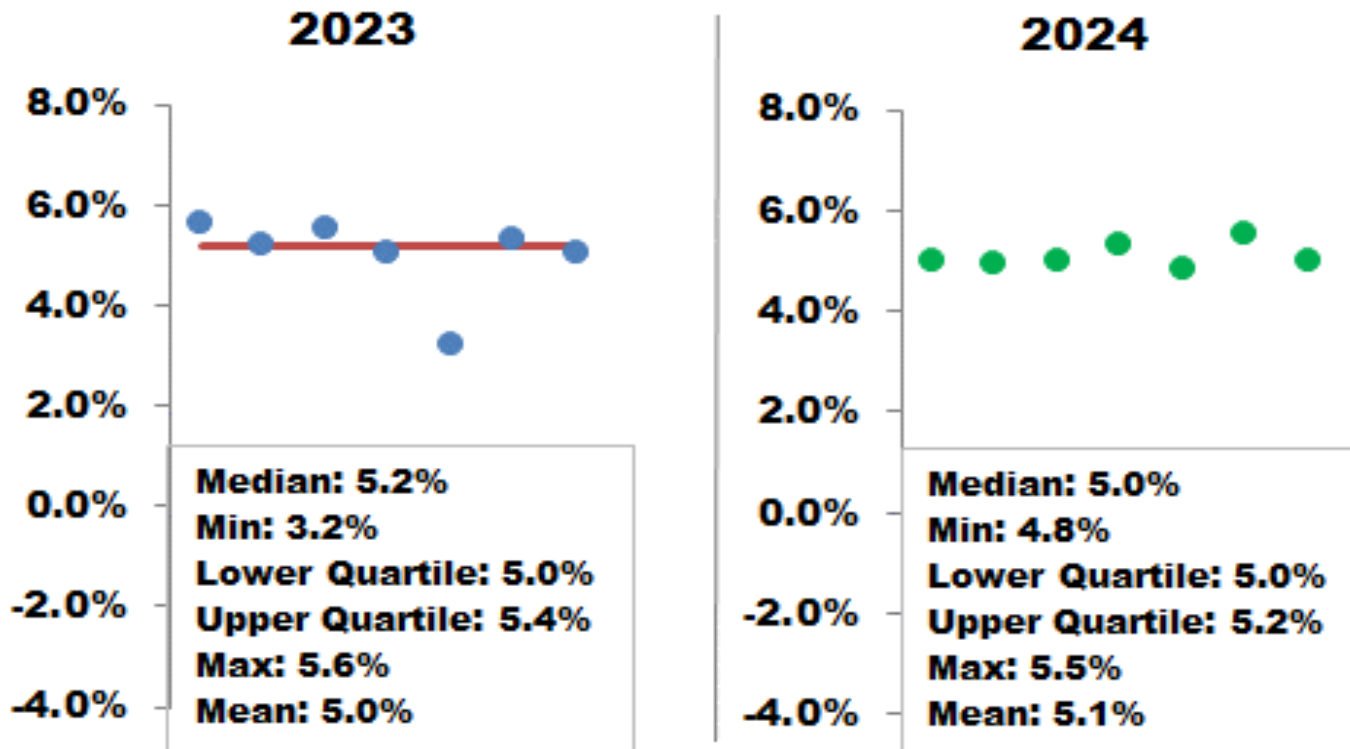
The Sim Kee Boon Institute for Financial Economics (SKBI) Big5 Survey

Takeaways (February 2023 Survey)

- ❖ The latest survey results on the biggest five economies (Big5) reflect a further downgrade in GDP growth, with uneven risk assessments, but an upgrade to headline inflation in 2023. While Big5 growth is expected to recover in 2024, accompanied by lower inflation, selective details imply greater caution.
- ❖ The aggregate Big5 median real GDP growth forecast of under 3% in 2023 is at least 1%-point less than the pre-pandemic average (led by reductions in EA, US, IN and JP; unchanged in CN). Although participants anticipate overall Big5 GDP growth to edge modestly above 3% in 2024, the country-specific pace of recovery and risk assessments appear more hesitant. The upward revisions to the aggregate Big5 median CPI inflation forecast to roughly 4% in 2023, while more conspicuous (higher in EA, JP, US and IN; unchanged in CN), might be followed by broad disinflation in 2024.
- ❖ Generally, the monetary policy backdrop in the Big5 is likely to remain fidgety, possibly disunited, over the next few years. The majority of participants expect the Fed and RBI to shift from a firmer stance in 2023 to a possibly looser stance over the subsequent two years. While the ECB is widely anticipated to be firmer relative to the current stance this year, the policy path next year might be less certain. The BoJ and PBoC might be the least inclined in the group to shift policy this year, though the former is still tilted slightly toward firmer policy. The PBoC, however, might remain on-hold for now with the possibility of firmer policy thereafter. The general trajectory on fiscal policy, however, appears to be more equivocal, with IN probably slanted toward a tighter stance after this year.
- ❖ Among the Big5 economies, both US and EA seem most at risk, while CN and IN appear least at risk, of slipping into a recession or a “sharp slowdown” between now and next year.

GDP Growth

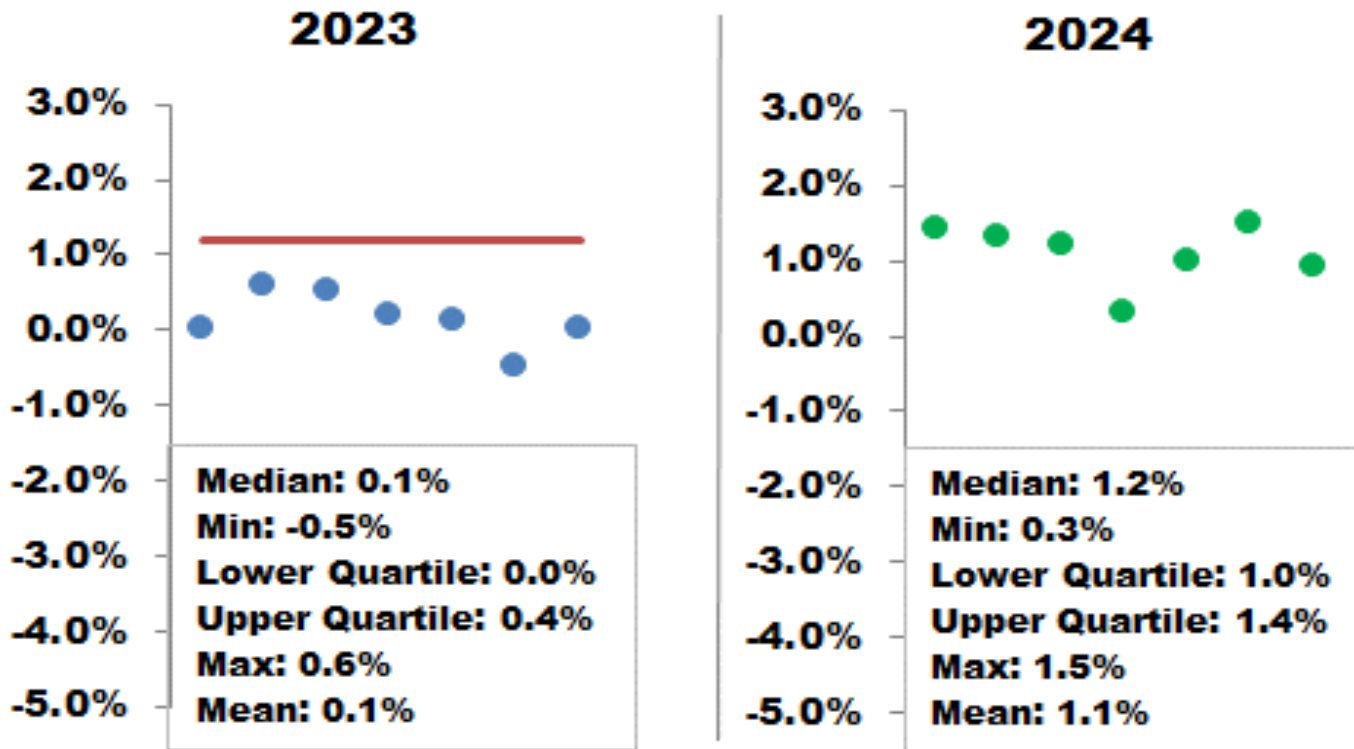
China-Real GDP Growth



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

Source: SKBI Big5 Survey (Feb 2023 and Aug 2022)

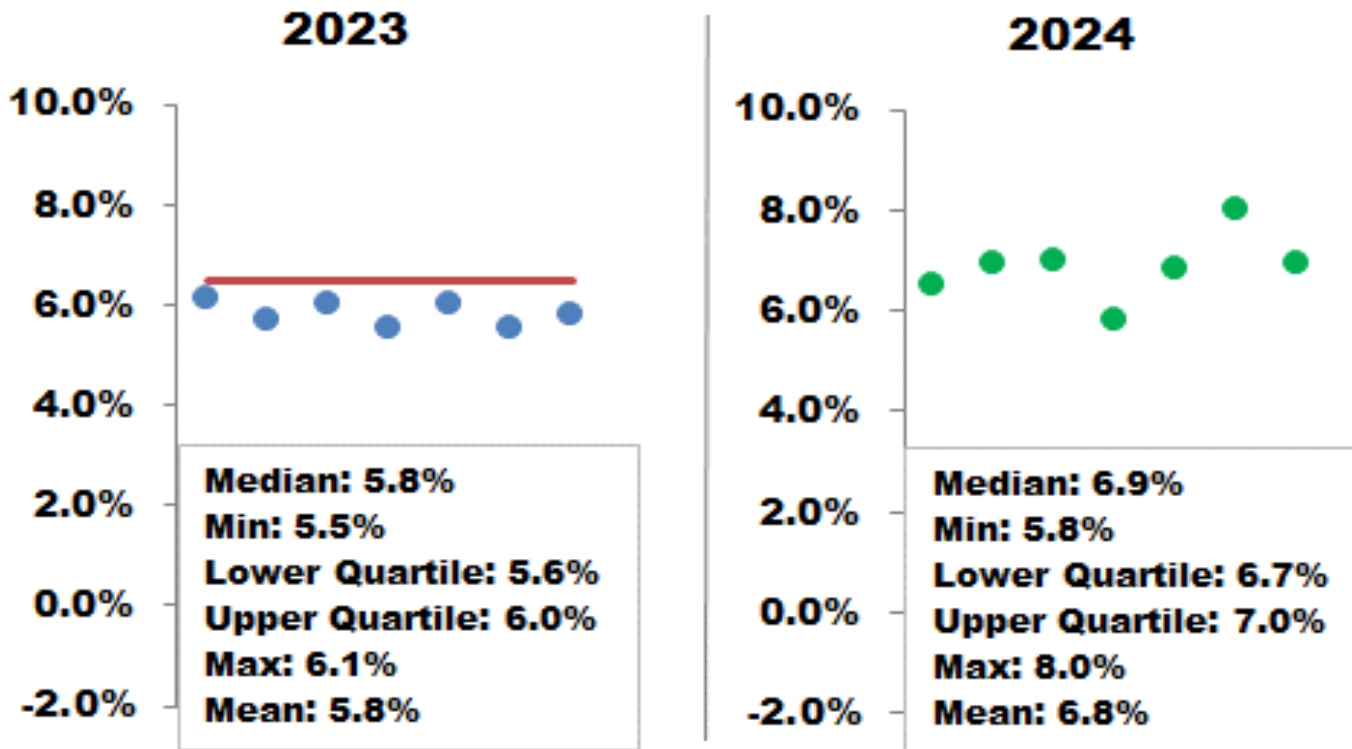
Euro Area-Real GDP Growth



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

Source: SKBI Big5 Survey (Feb 2023 and Aug 2022)

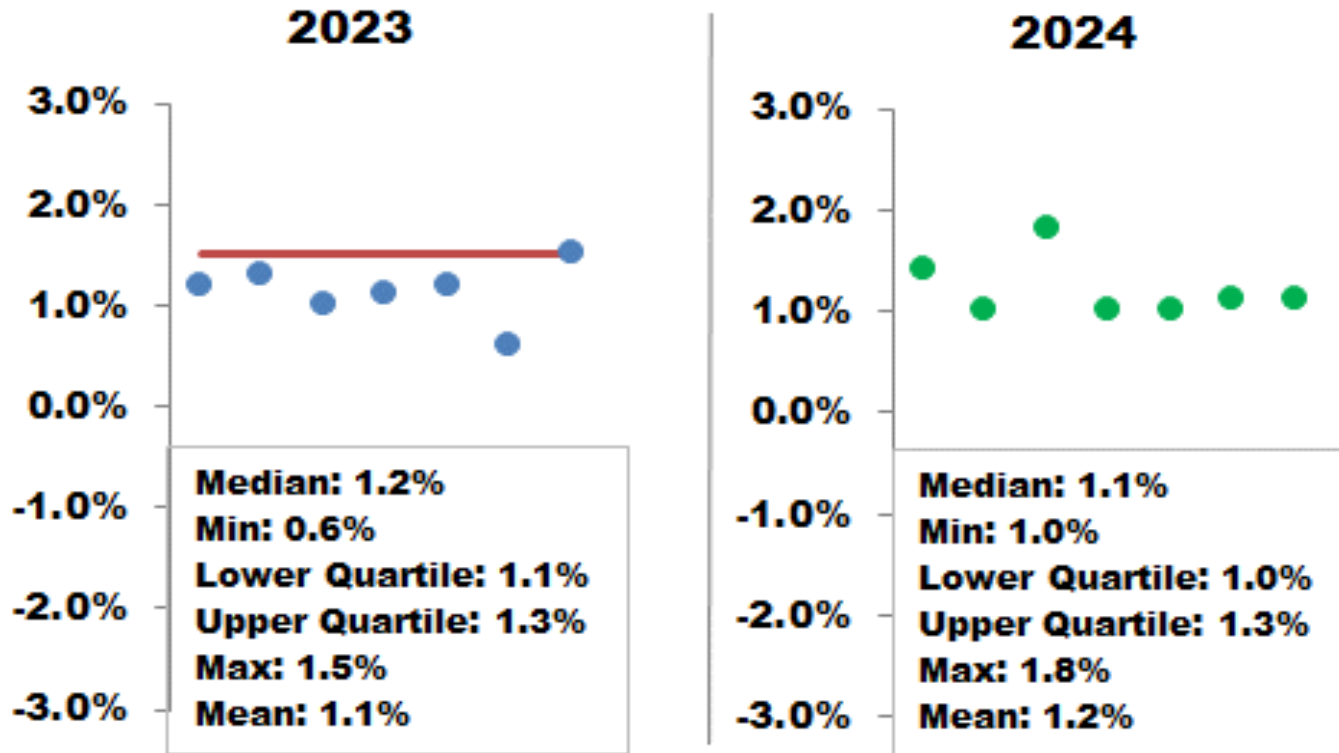
India-Real GDP Growth



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

Source: SKBI Big5 Survey (Feb 2023 and Aug 2022)

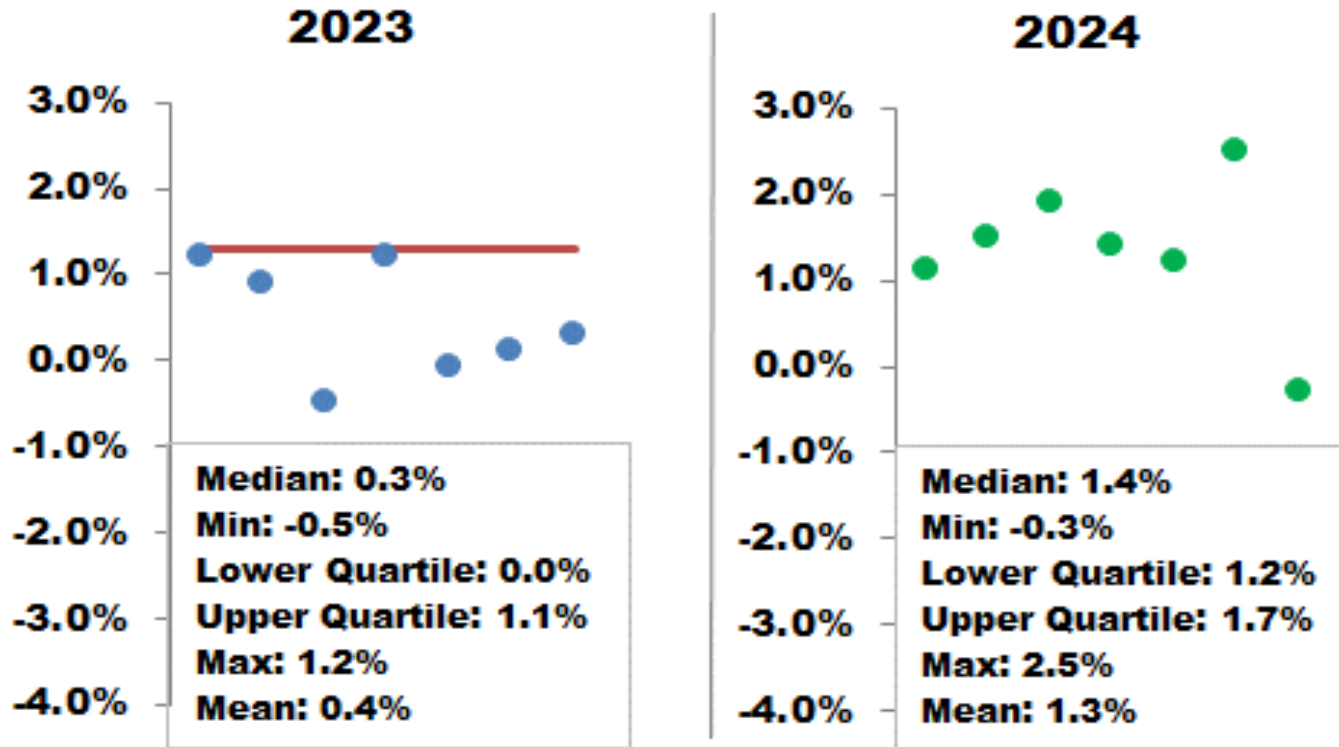
Japan-Real GDP Growth



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

Source: SKBI Big5 Survey (Feb 2023 and Aug 2022)

US-Real GDP Growth



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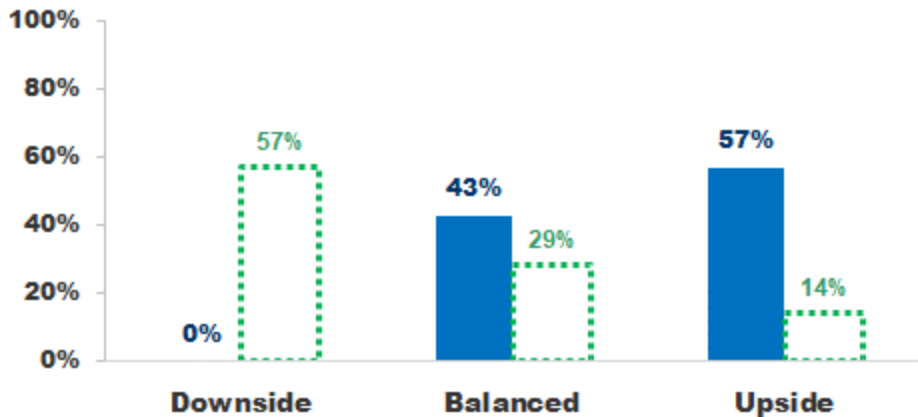
Source: SKBI Big5 Survey (Feb 2023 and Aug 2022)

GDP Growth Risk Assessment

Real GDP Growth Risks (2023)

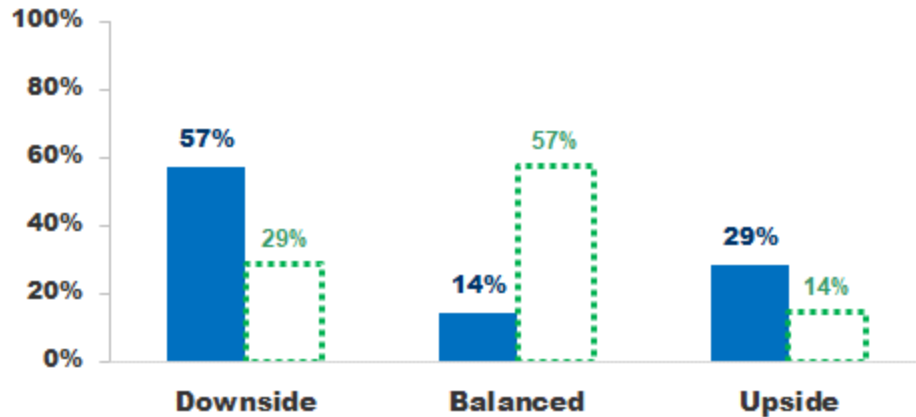
China-Growth Risk Assessment (2023)

■ Current survey ▤ Prior survey



India-Growth Risk Assessment (2023)

■ Current survey ▤ Prior survey



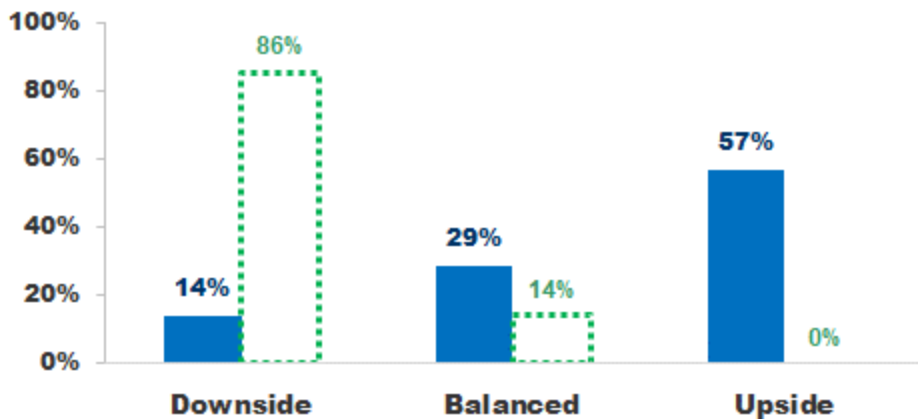
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Real GDP Growth Risks (2023)

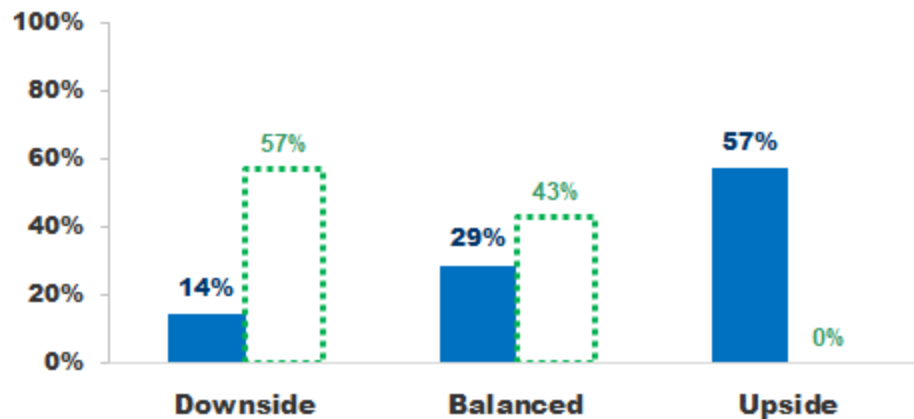
Euro Area-Growth Risk Assessment (2023)

■ Current survey ▨ Prior survey



US-Growth Risk Assessment (2023)

■ Current survey ▨ Prior survey

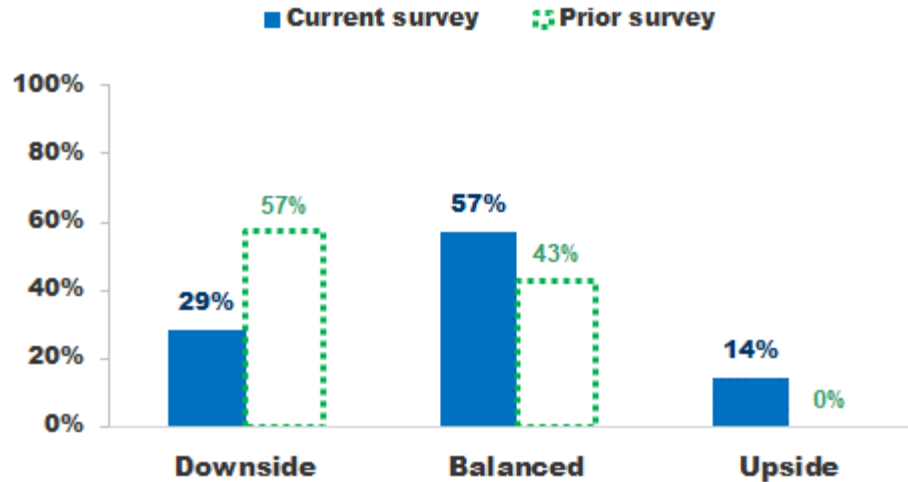


Note: The percentages herein, which sum to 100%, represent the proportion of participants' responses in the current and prior (Aug) surveys.

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Real GDP Growth Risks (2023)

Japan-Growth Risk Assessment (2023)



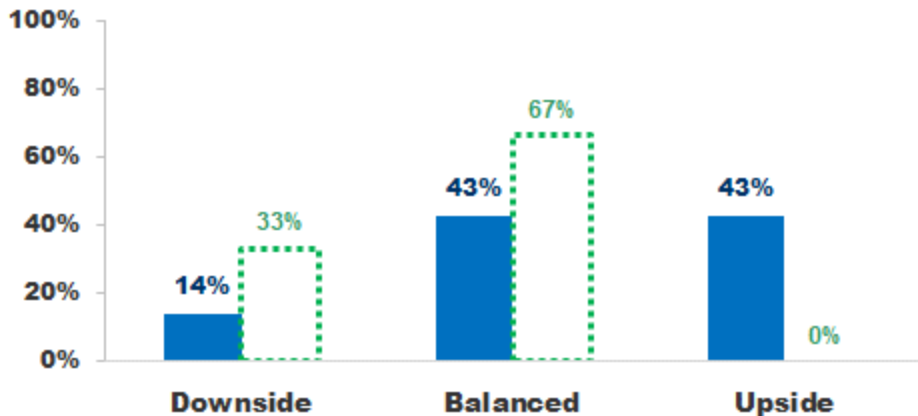
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Source: SKBI Big5 Survey (Feb 2023 and Aug 2022)

Real GDP Growth Risks (2024)

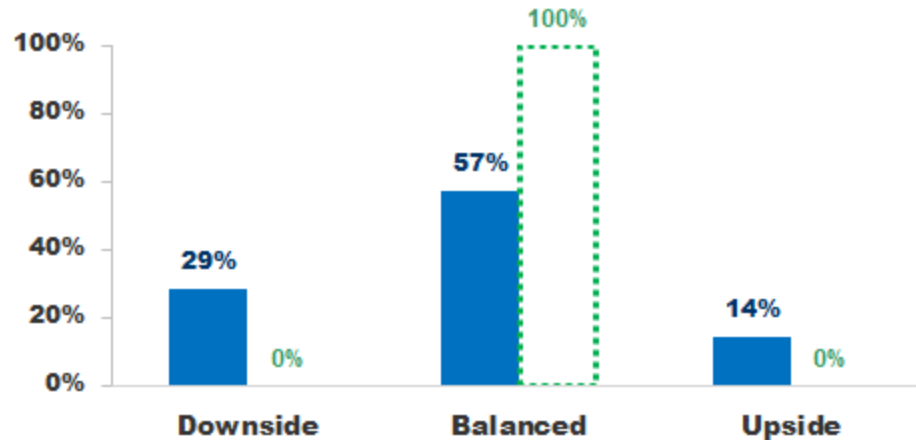
China-Growth Risk Assessment (2024)

■ Current survey ▤ Prior survey



India-Growth Risk Assessment (2024)

■ Current survey ▤ Prior survey



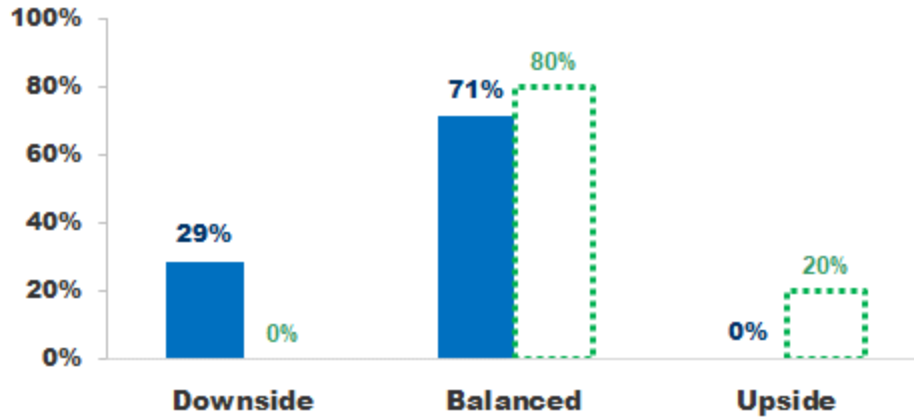
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Source: SKBI Big5 Survey (Feb 2023 and Aug 2022)

Real GDP Growth Risks (2024)

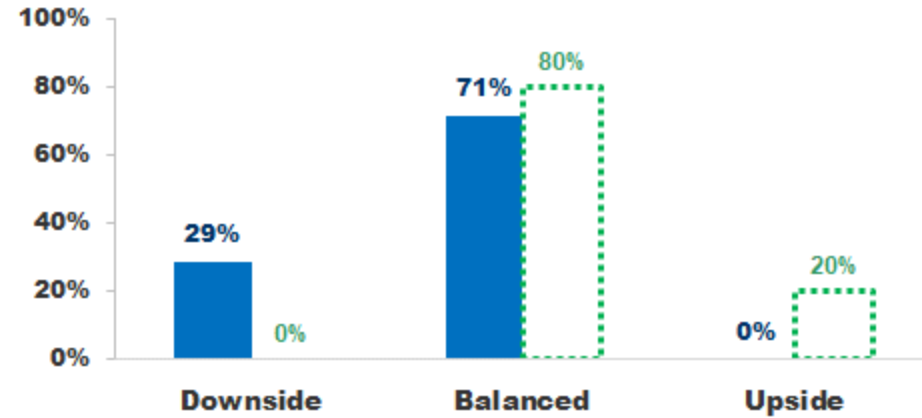
Euro Area-Growth Risk Assessment (2024)

■ Current survey ▤ Prior survey



US-Growth Risk Assessment (2024)

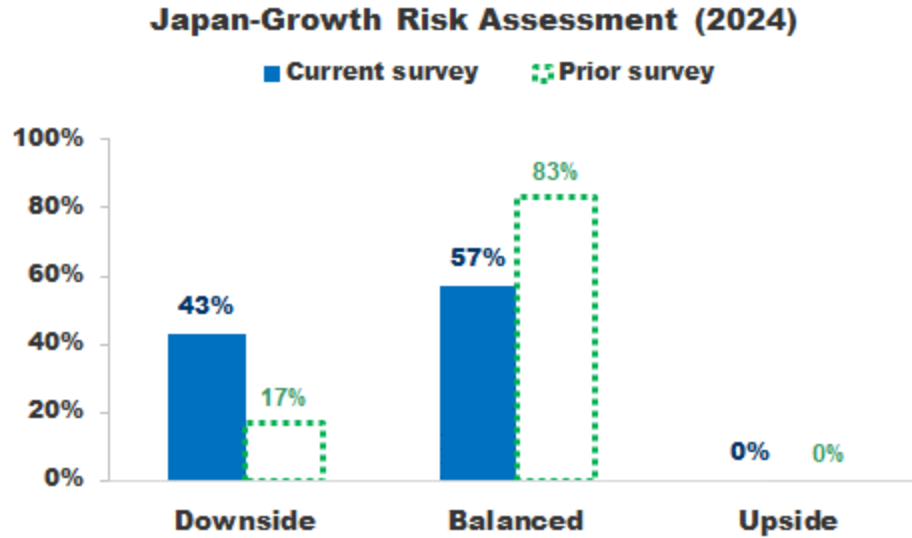
■ Current survey ▤ Prior survey



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Real GDP Growth Risks (2024)

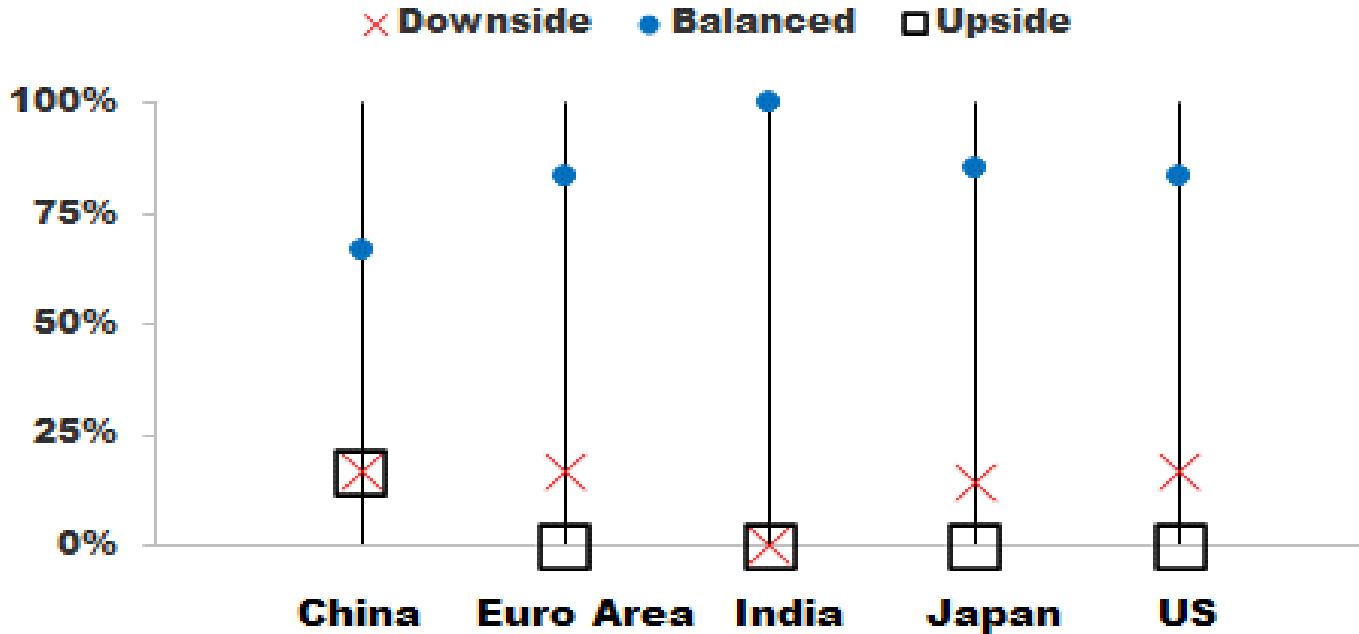


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Real GDP Growth Risks (2025)

Growth Risk Assessment (2025)



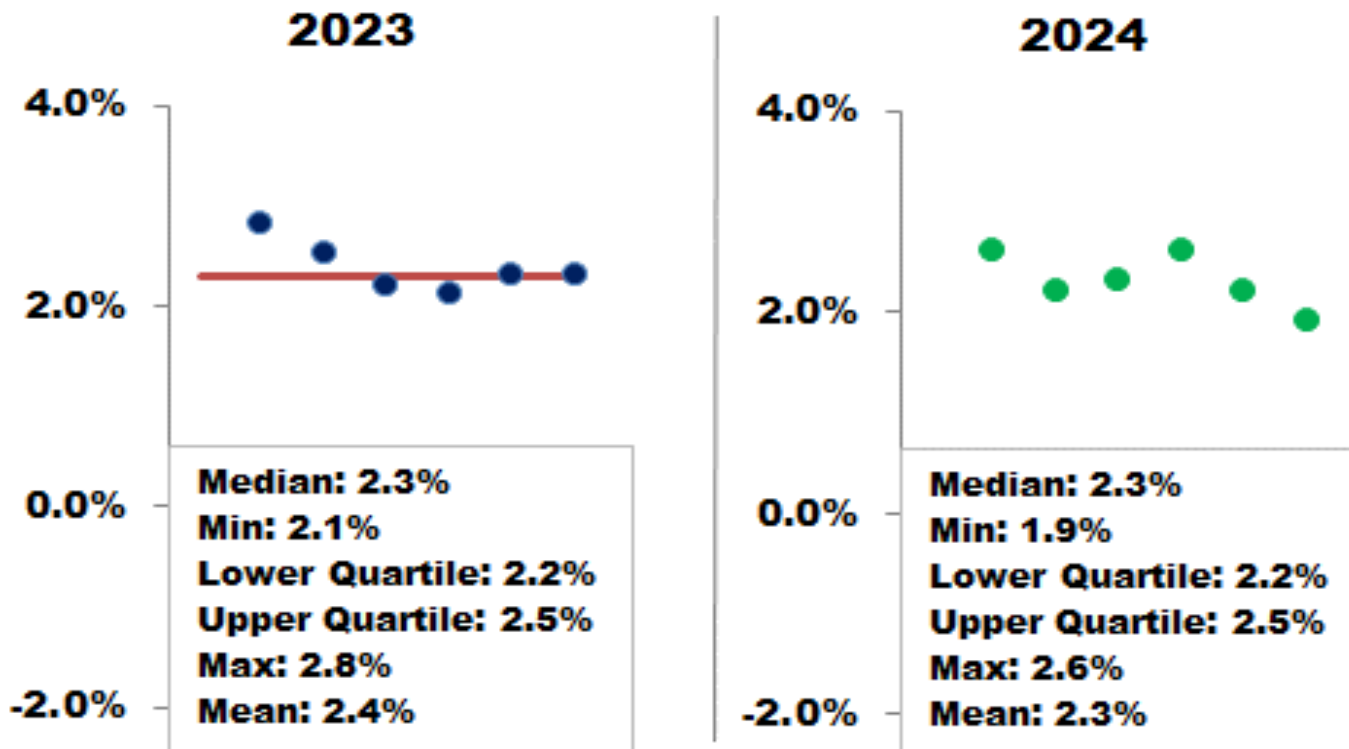
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Source: SKBI Big5 Survey (Feb 2023)

CPI

Inflation

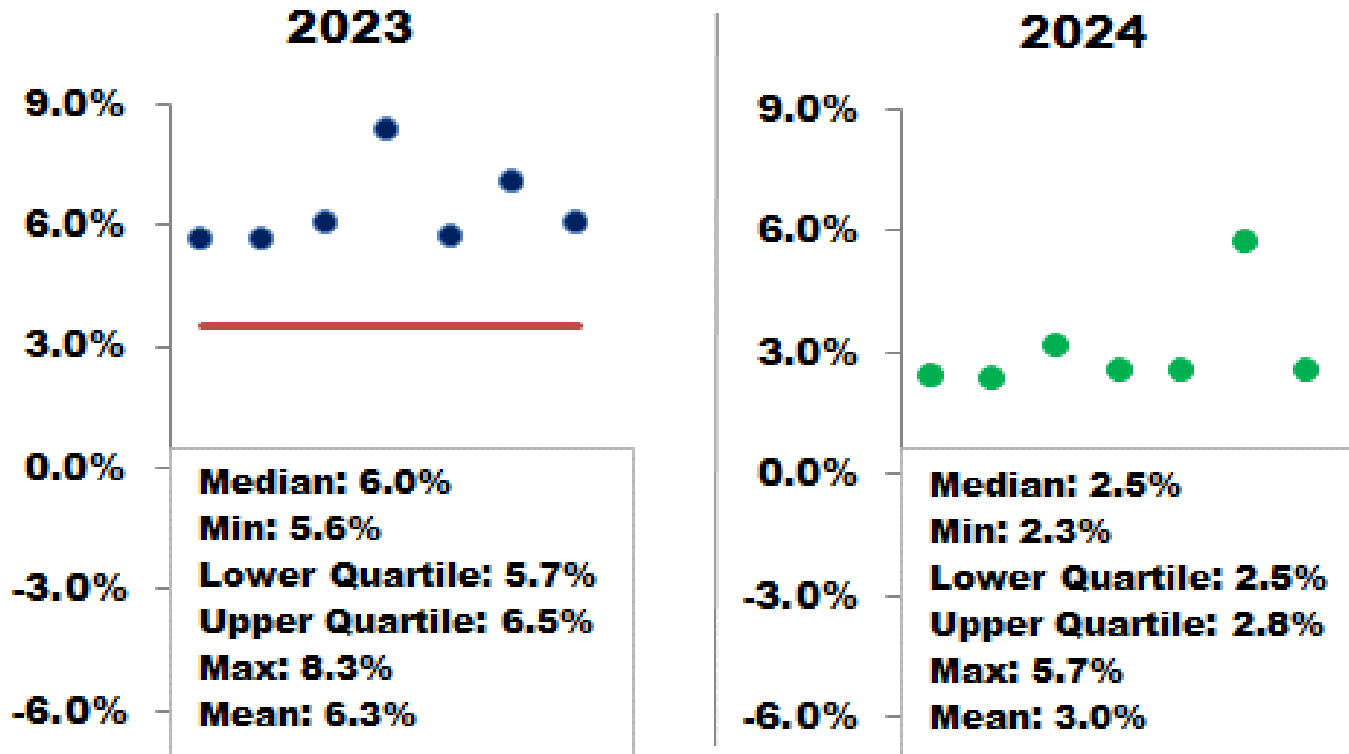
China-CPI Inflation



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

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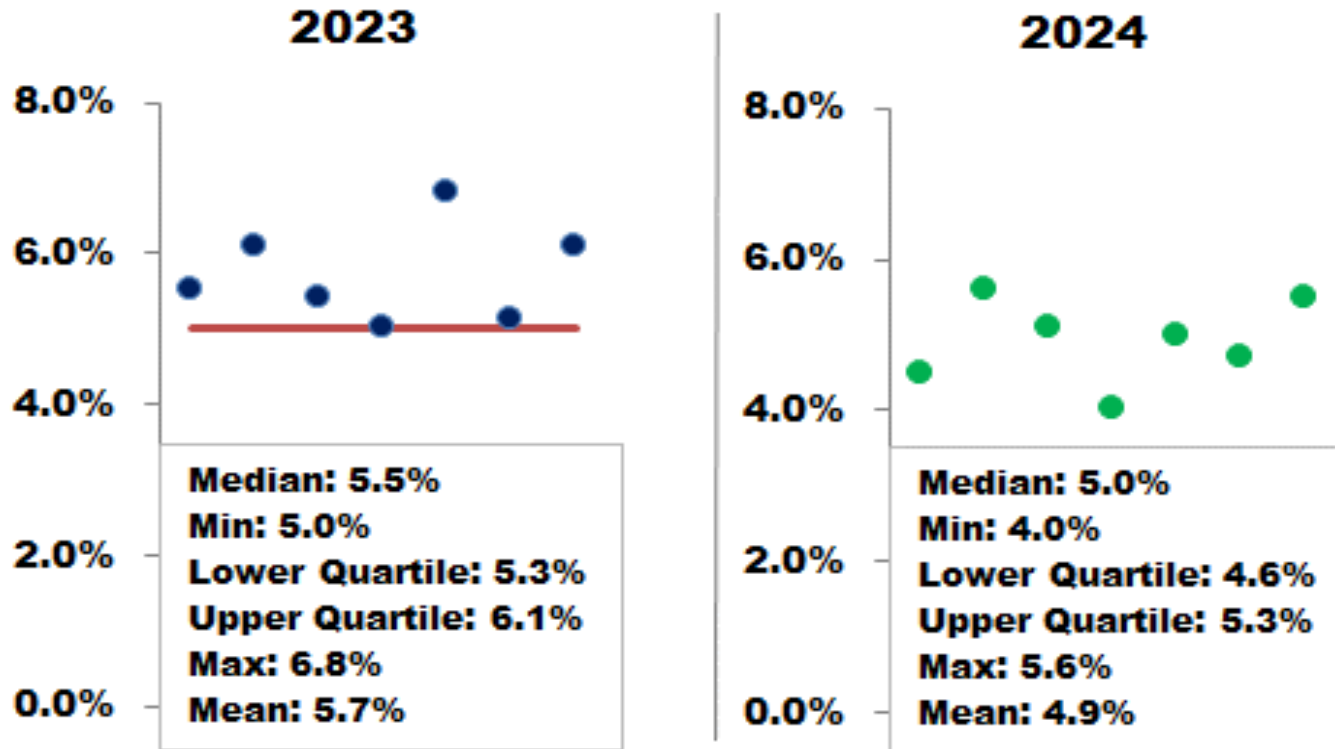
Euro Area-CPI Inflation



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

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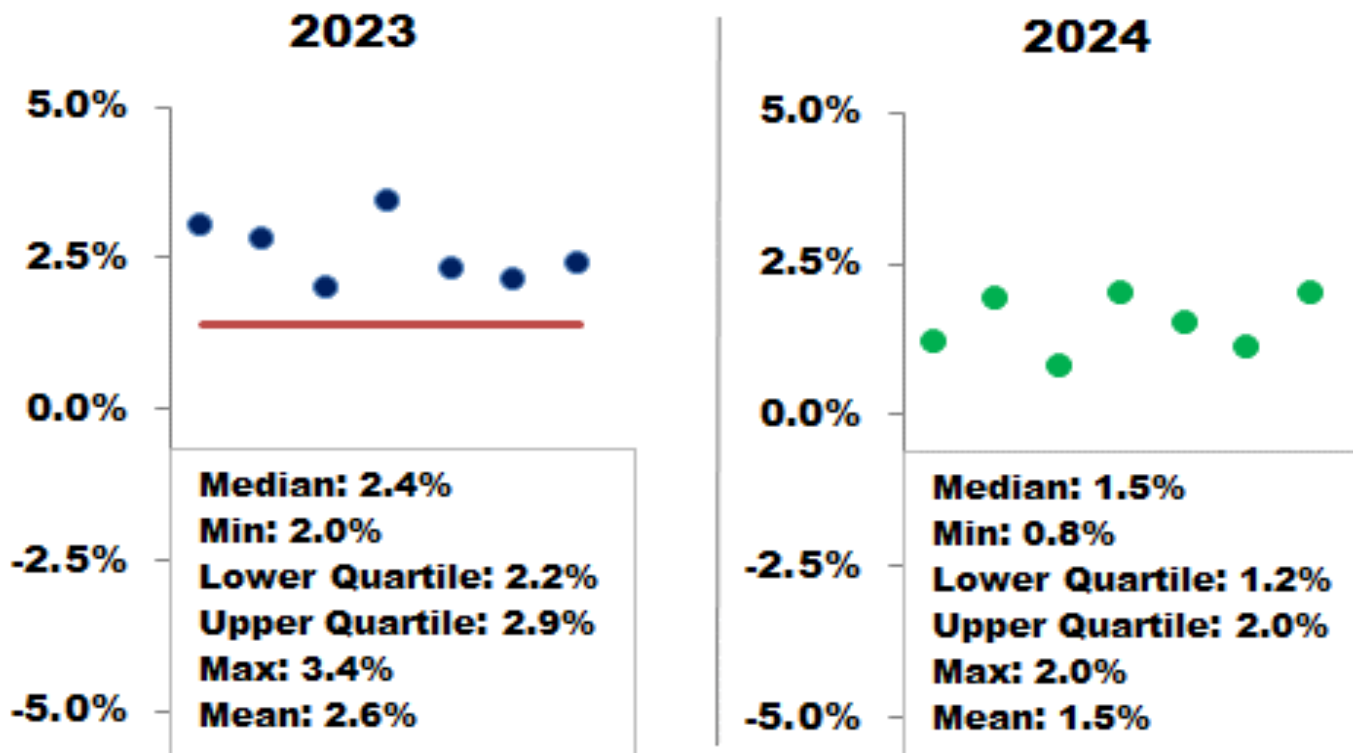
India-CPI Inflation



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

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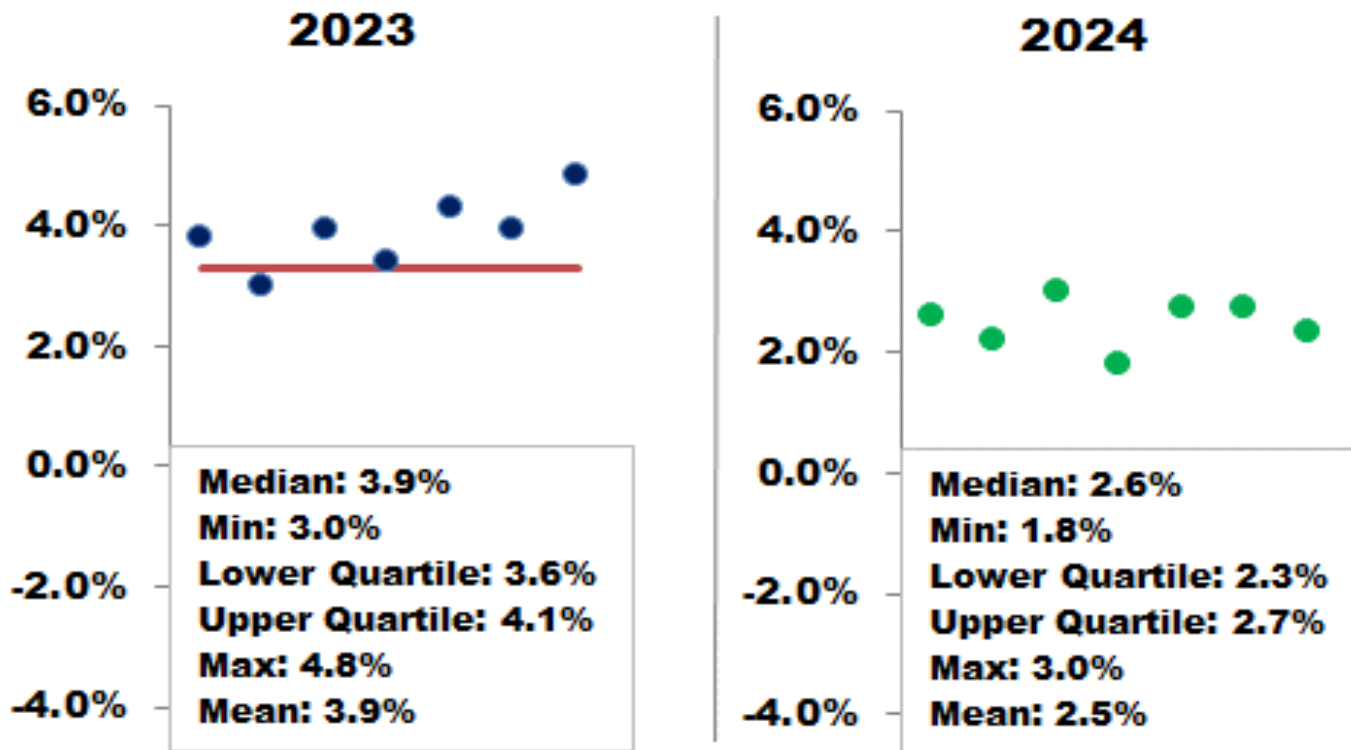
Japan-CPI Inflation



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

Source: SKBI Big5 Survey (Feb 2023 and Aug 2022)

US-CPI Inflation



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

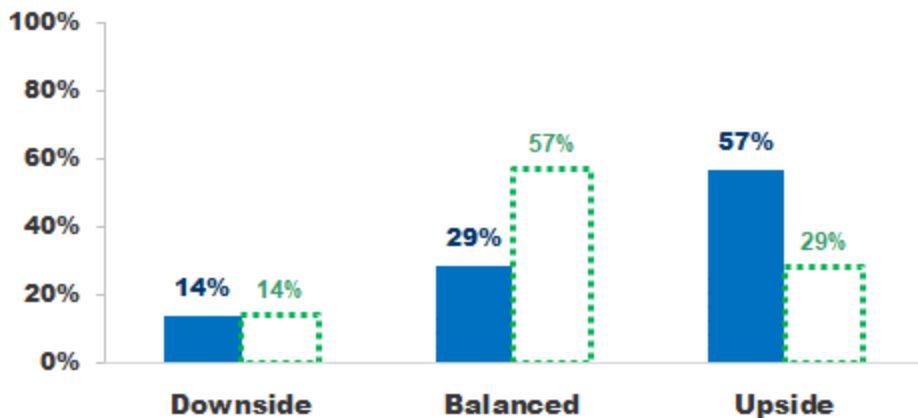
Source: SKBI Big5 Survey (Feb 2023 and Aug 2022)

Inflation Risk Assessment

CPI Inflation Risks (2023)

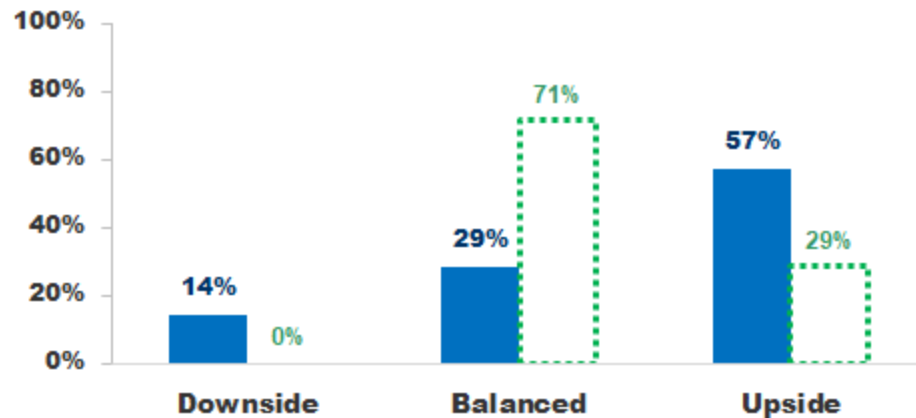
China-Inflation Risk Assessment (2023)

■ Current survey ▤ Prior survey



India-Inflation Risk Assessment (2023)

■ Current survey ▤ Prior survey



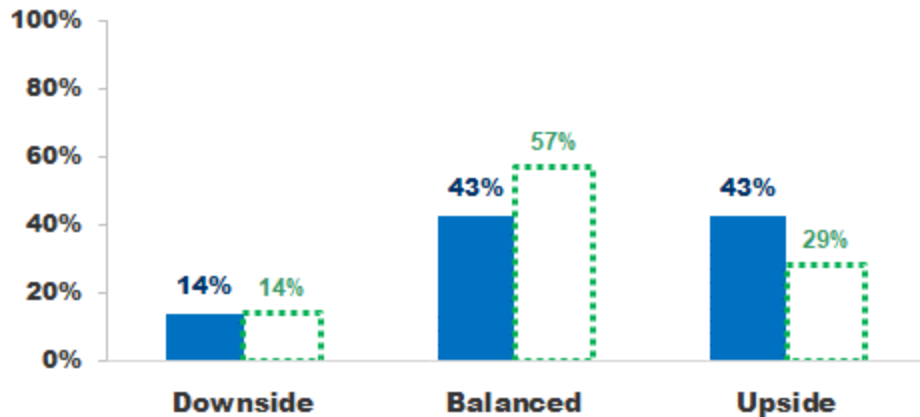
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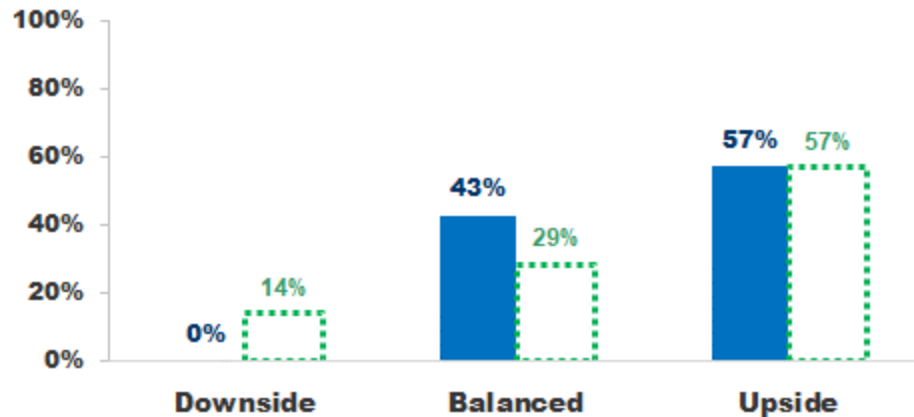
Euro Area-Inflation Risk Assessment (2023)

■ Current survey ▤ Prior survey



US-Inflation Risk Assessment (2023)

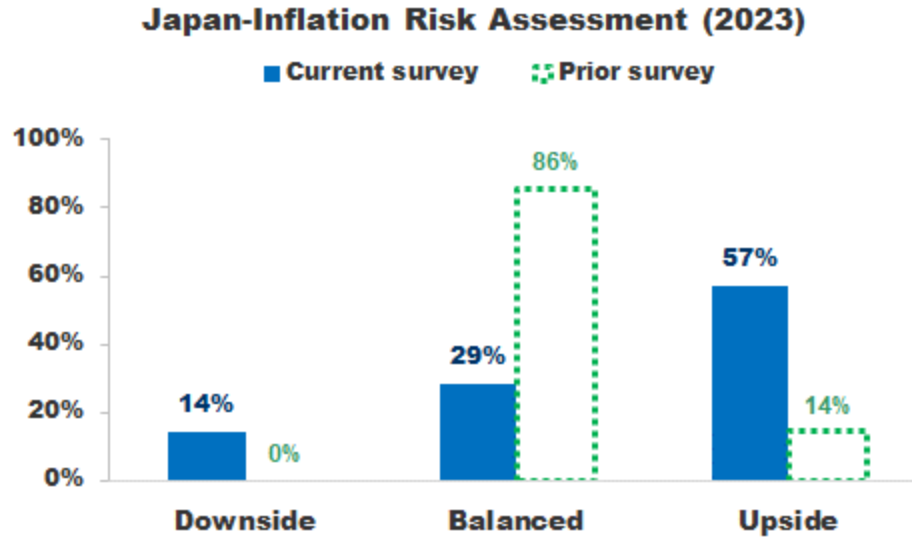
■ Current survey ▤ Prior survey



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CPI Inflation Risks (2023)

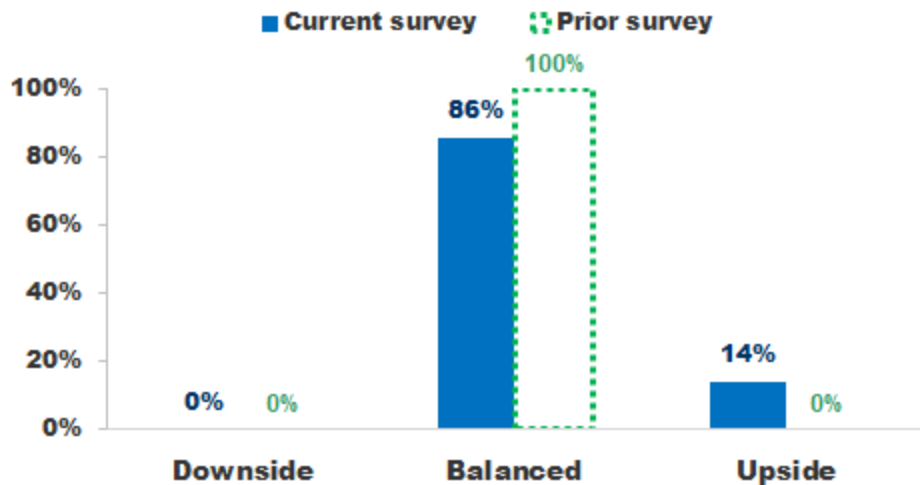


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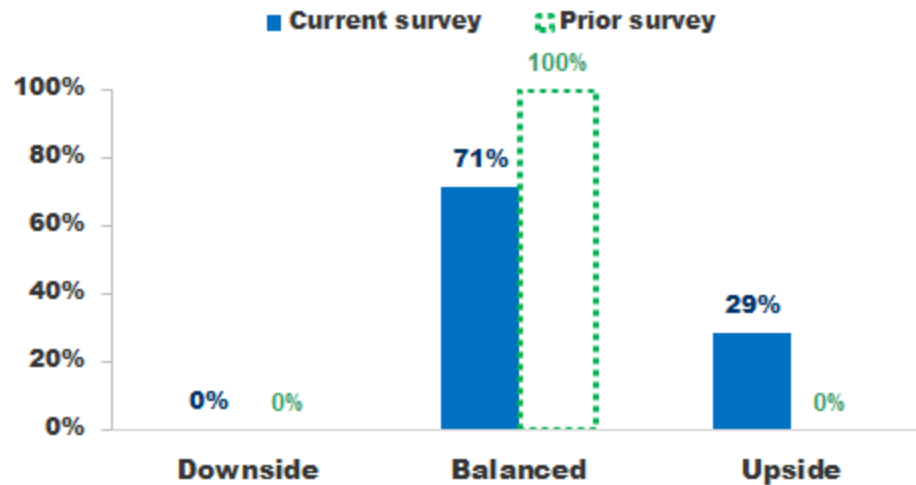
Source: SKBI Big5 Survey (Feb 2023 and Aug 2022)

CPI Inflation Risks (2024)

China-Inflation Risk Assessment (2024)



India-Inflation Risk Assessment (2024)

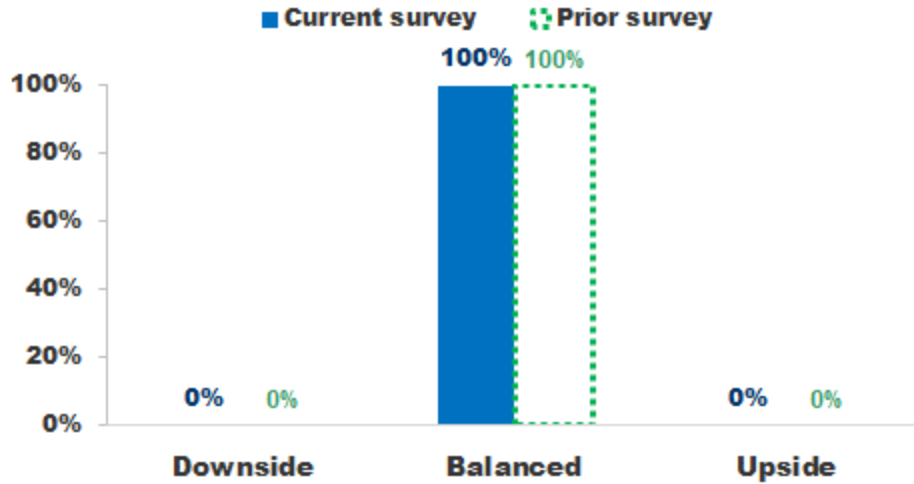


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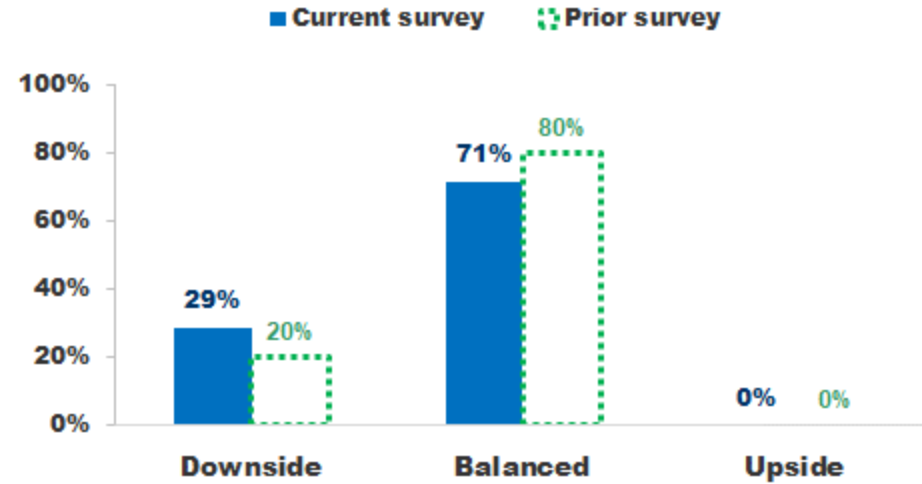
Source: SKBI Big5 Survey (Feb 2023 and Aug 2022)

CPI Inflation Risks (2024)

Euro Area-Inflation Risk Assessment (2024)



US-Inflation Risk Assessment (2024)

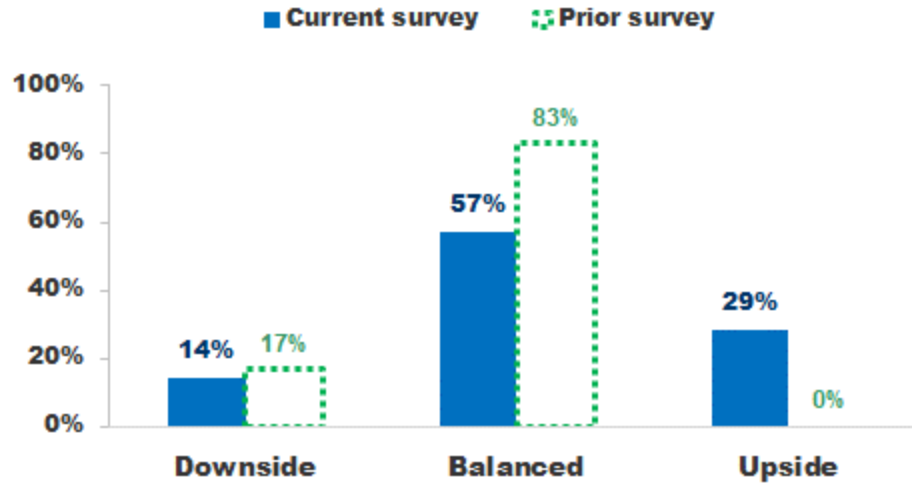


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CPI Inflation Risks (2024)

Japan-Inflation Risk Assessment (2024)

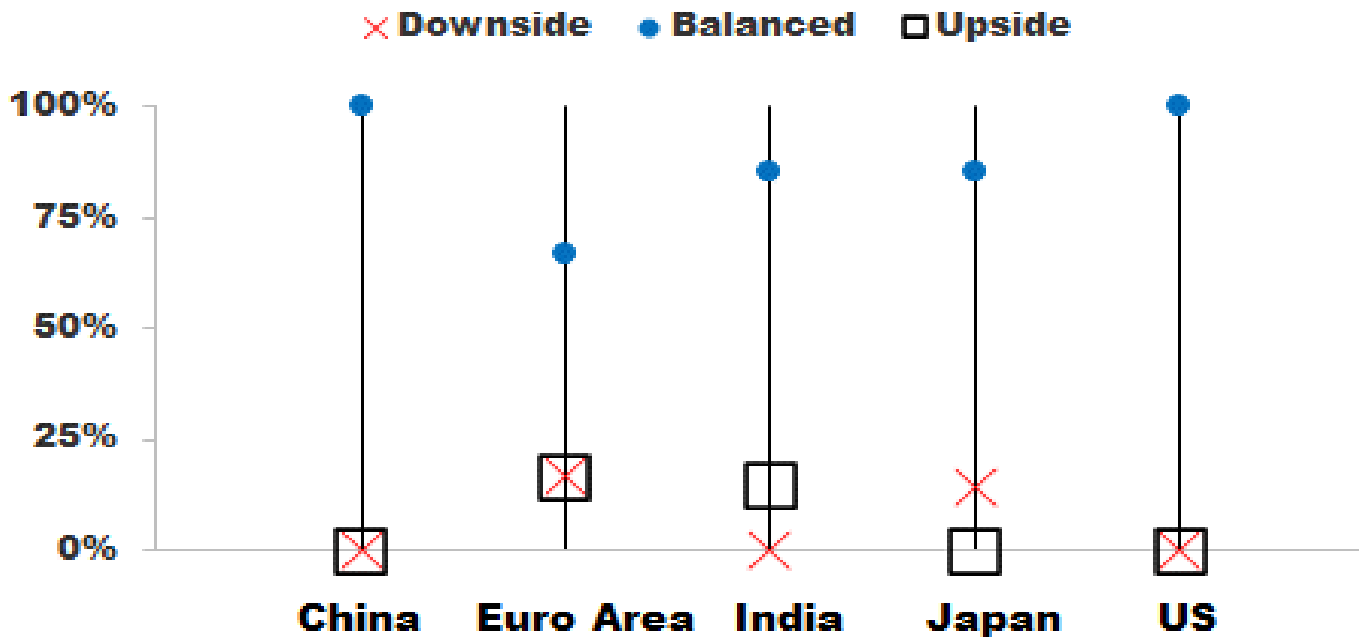


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CPI Inflation Risks (2025)

Inflation Risk Assessment (2025)



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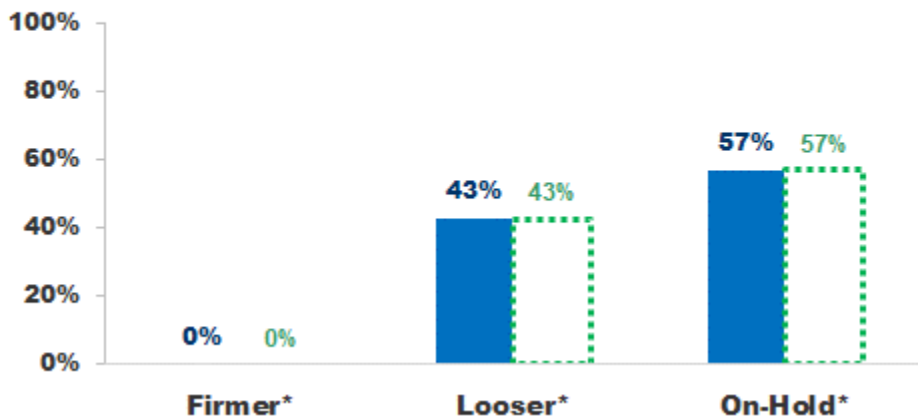
Source: SKBI Big5 Survey (Feb 2023)

Monetary Policy

Monetary Policy (2023)

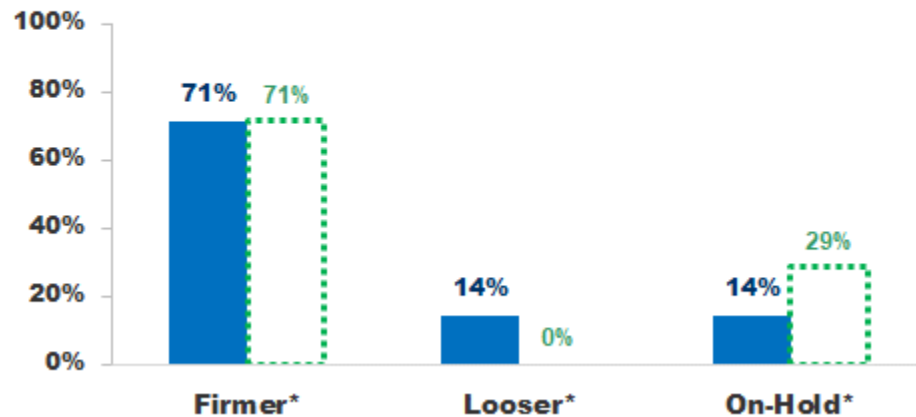
China-Monetary Policy (end-2023)

■ 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.

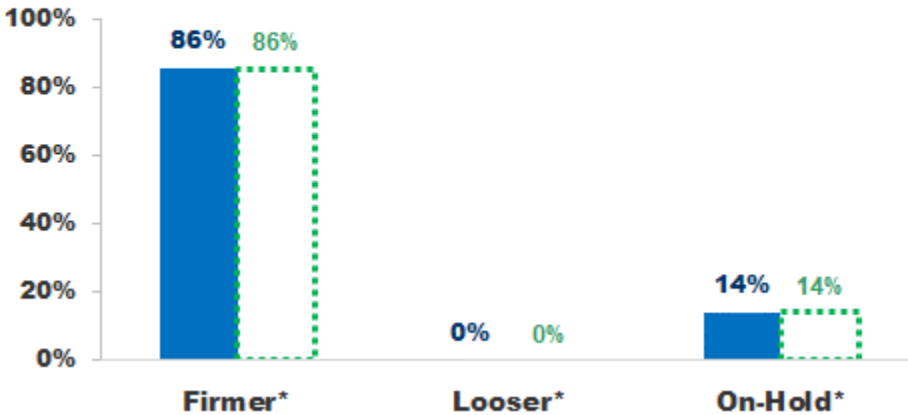
***Relative to the prevailing policy stance**

Source: SKBI Big5 Survey (Feb 2023 and Aug 2022)

Monetary Policy (2023)

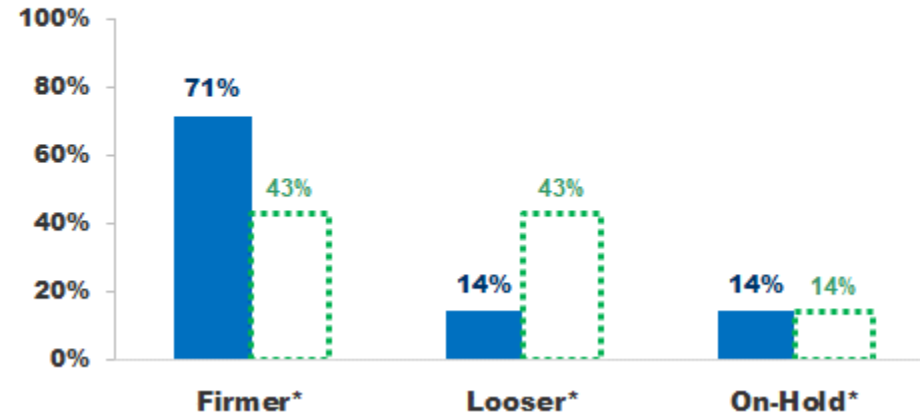
Euro Area-Monetary Policy (end-2023)

■ Current survey ▨ Prior survey



US-Monetary Policy (end-2023)

■ Current survey ▨ Prior survey

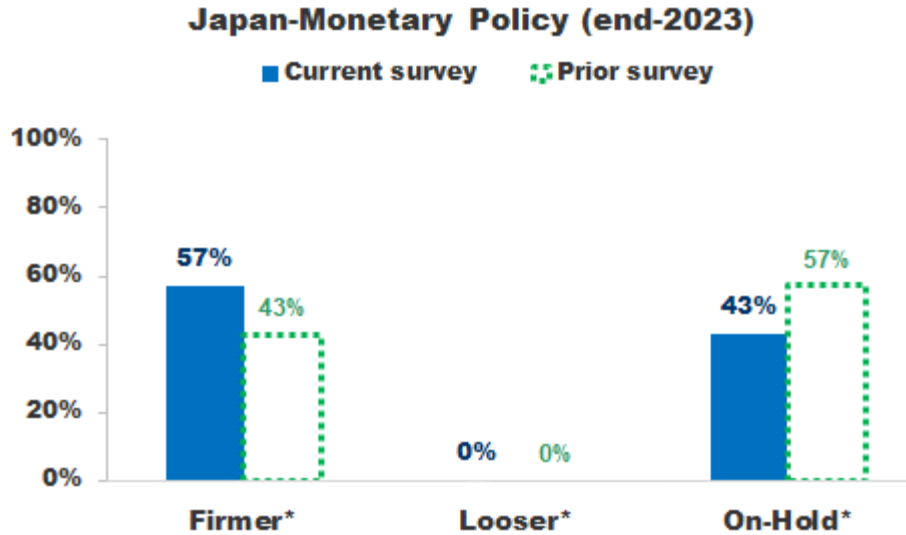


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***Relative to the prevailing policy stance**

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Monetary Policy (2023)



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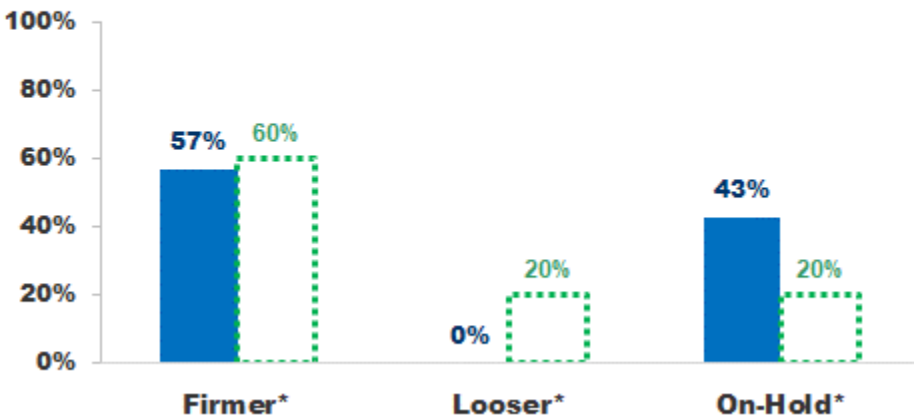
***Relative to the prevailing policy stance**

Source: SKBI Big5 Survey (Feb 2023 and Aug 2022)

Monetary Policy (2024)

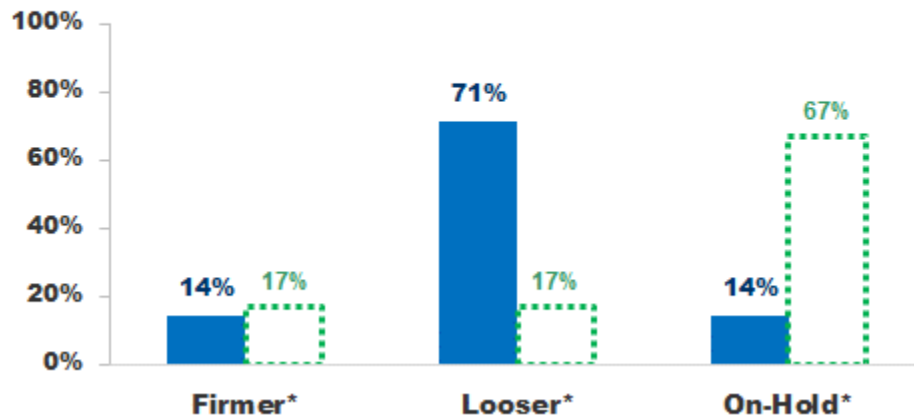
China-Monetary Policy (end-2024)

■ Current survey ▤ Prior survey



India-Monetary Policy (end-2024)

■ Current survey ▤ Prior survey



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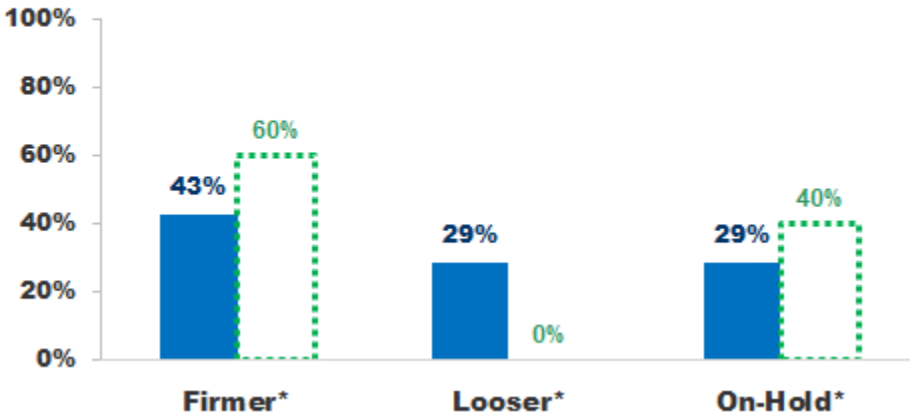
***Relative to the prevailing policy stance**

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Monetary Policy (2024)

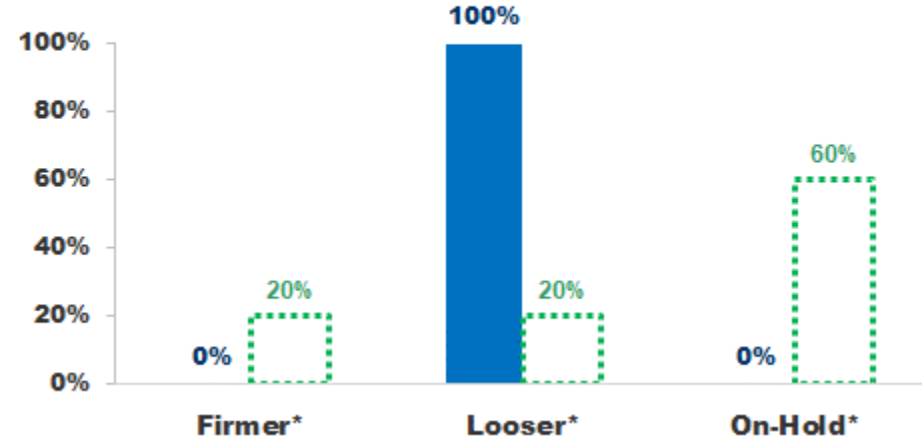
Euro Area-Monetary Policy (end-2024)

■ Current survey ▨ Prior survey



US-Monetary Policy (end-2024)

■ Current survey ▨ Prior survey

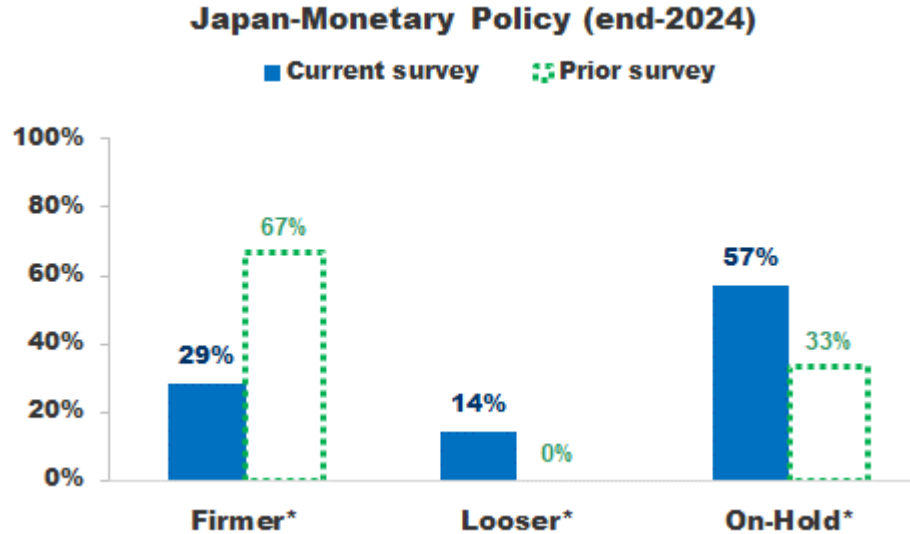


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***Relative to the prevailing policy stance**

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Monetary Policy (2024)



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

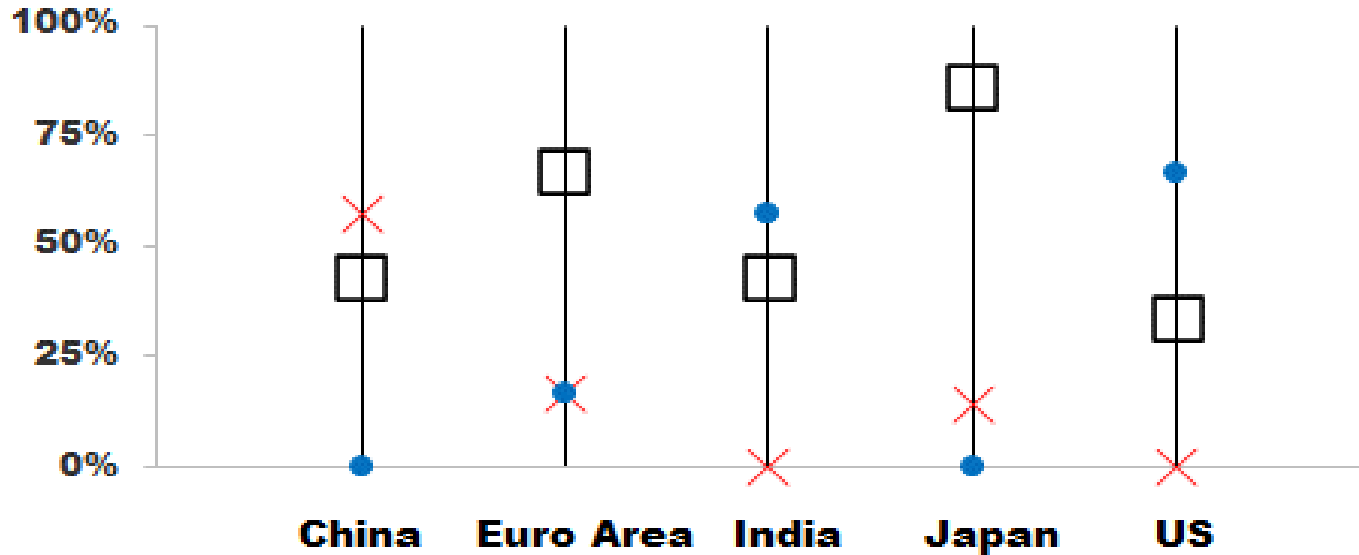
***Relative to the prevailing policy stance**

Source: SKBI Big5 Survey (Feb 2023 and Aug 2022)

Monetary Policy (2025)

Monetary Policy (end-2025)

× Firmer* ● Looser* □ On-Hold*



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

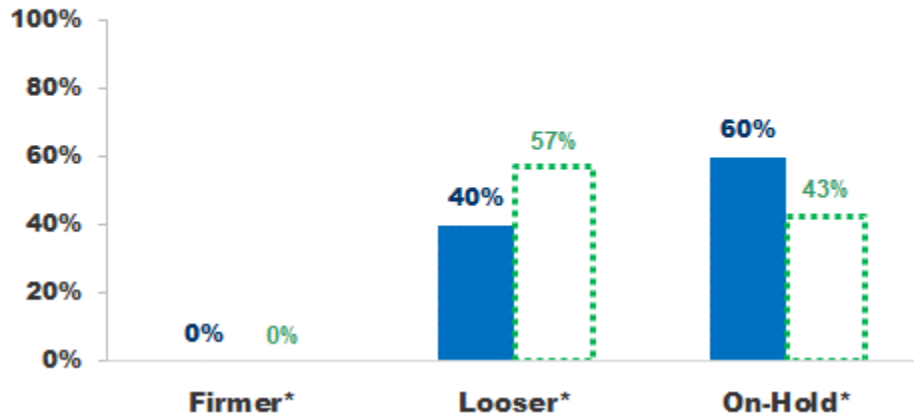
Source: SKBI Big5 Survey (Feb 2023)

Fiscal Policy

Fiscal Policy (2023)

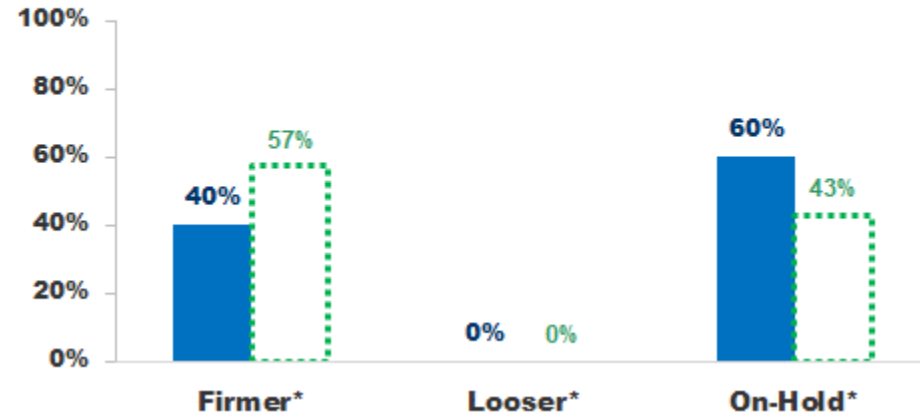
China-Fiscal Policy (end-2023)

■ 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.

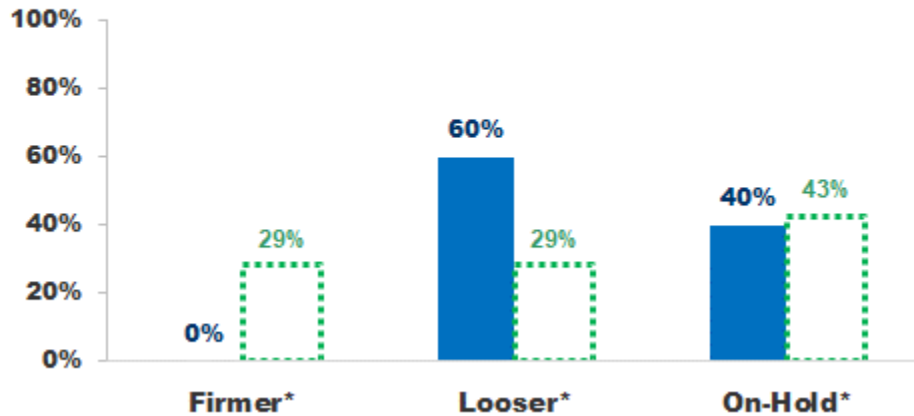
***Relative to the prevailing policy stance**

Source: SKBI Big5 Survey (Feb 2023 and Aug 2022)

Fiscal Policy (2023)

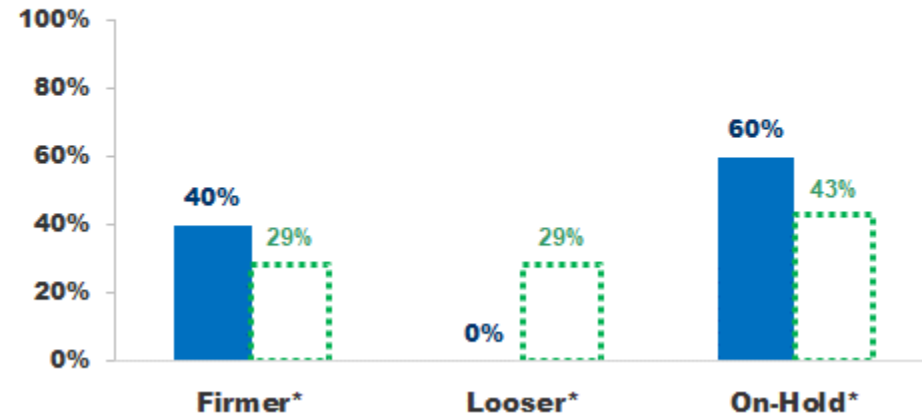
Euro Area-Fiscal Policy (end-2023)

■ Current survey ▤ Prior survey



US-Fiscal Policy (end-2023)

■ Current survey ▤ Prior survey

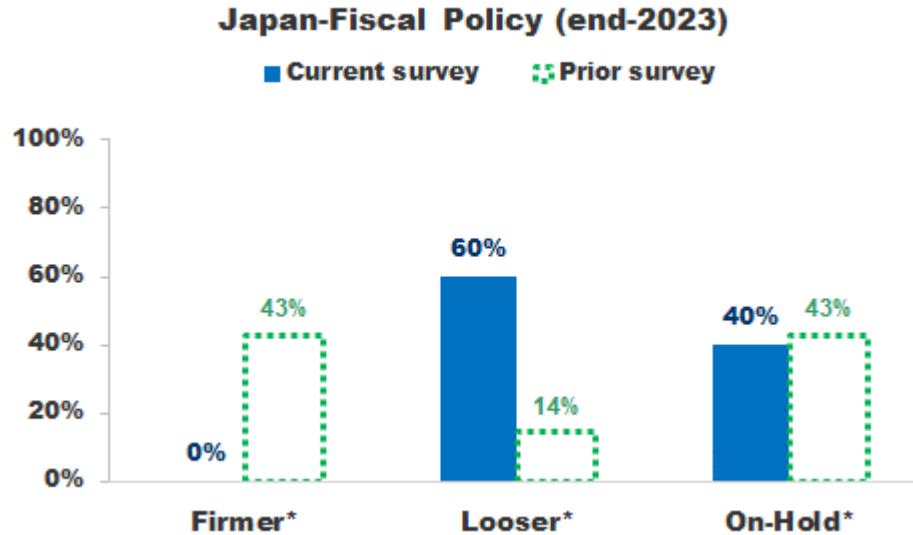


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***Relative to the prevailing policy stance**

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Fiscal Policy (2023)



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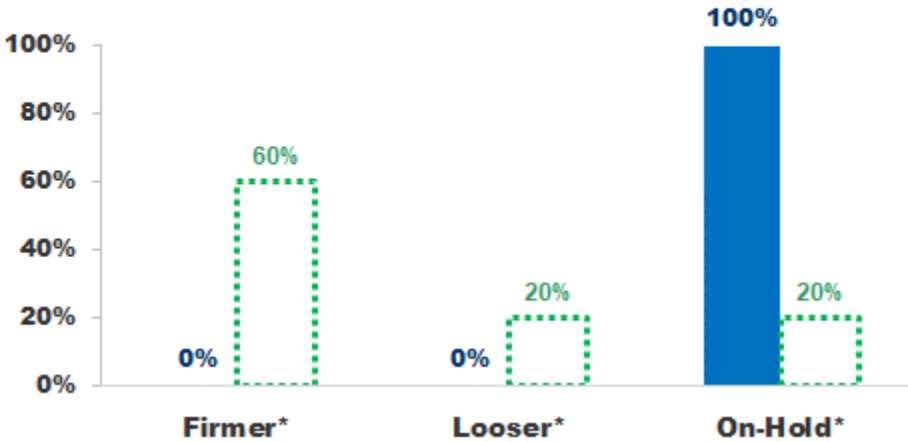
***Relative to the prevailing policy stance**

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Fiscal Policy (2024)

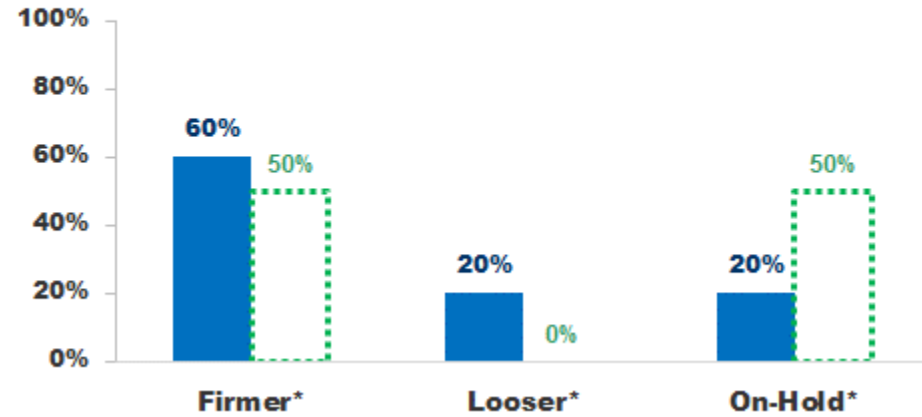
China-Fiscal Policy (end-2024)

■ 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 (Aug) surveys.

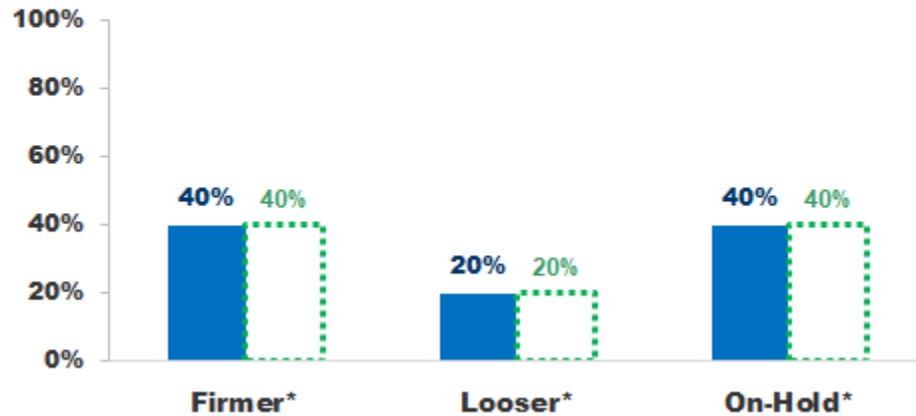
***Relative to the prevailing policy stance**

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Fiscal Policy (2024)

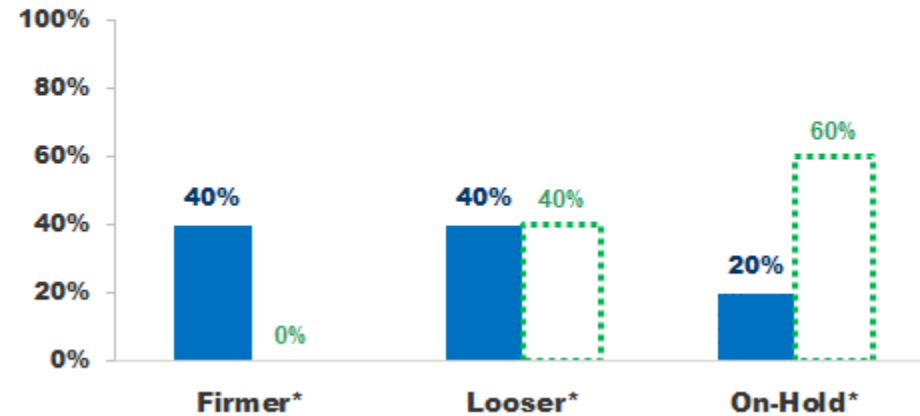
Euro Area-Fiscal Policy (end-2024)

■ Current survey ▤ Prior survey



US-Fiscal Policy (end-2024)

■ Current survey ▤ Prior survey

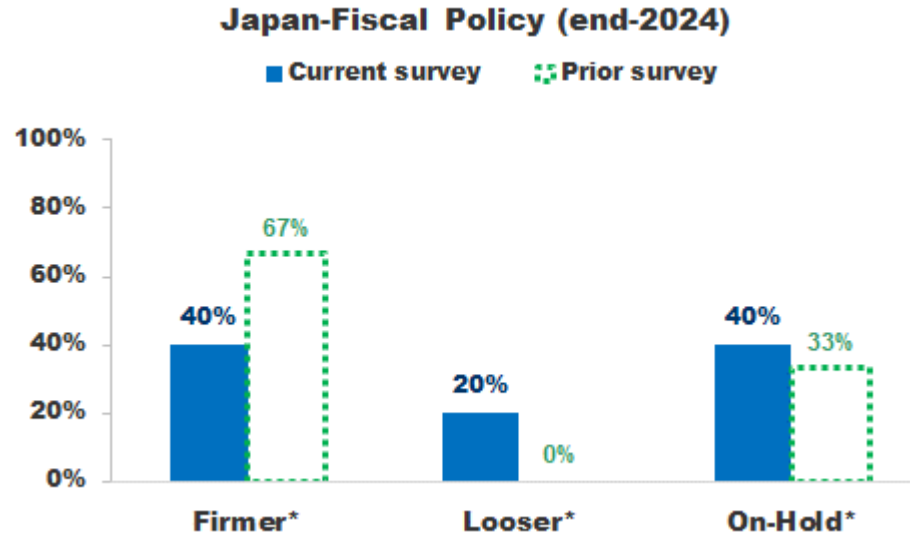


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***Relative to the prevailing policy stance**

Source: SKBI Big5 Survey (Feb 2023 and Aug 2022)

Fiscal Policy (2024)



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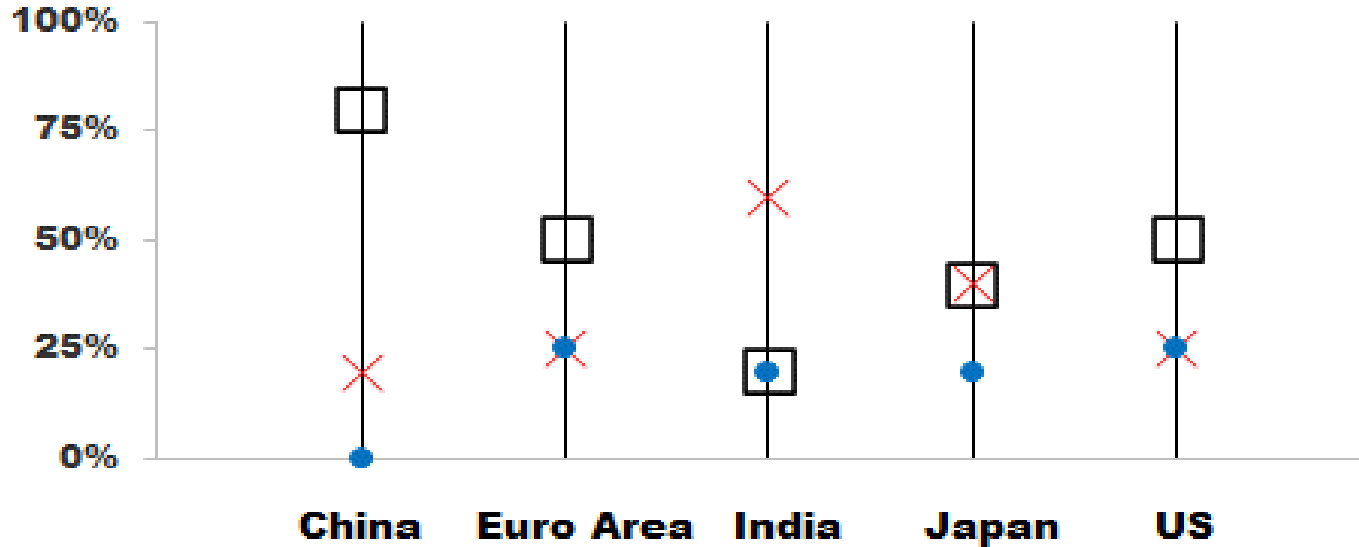
***Relative to the prevailing policy stance**

Source: SKBI Big5 Survey (Feb 2023 and Aug 2022)

Fiscal Policy (2025)

Fiscal Policy (end-2025)

× Firmer* ● Loser* □ On-Hold*



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

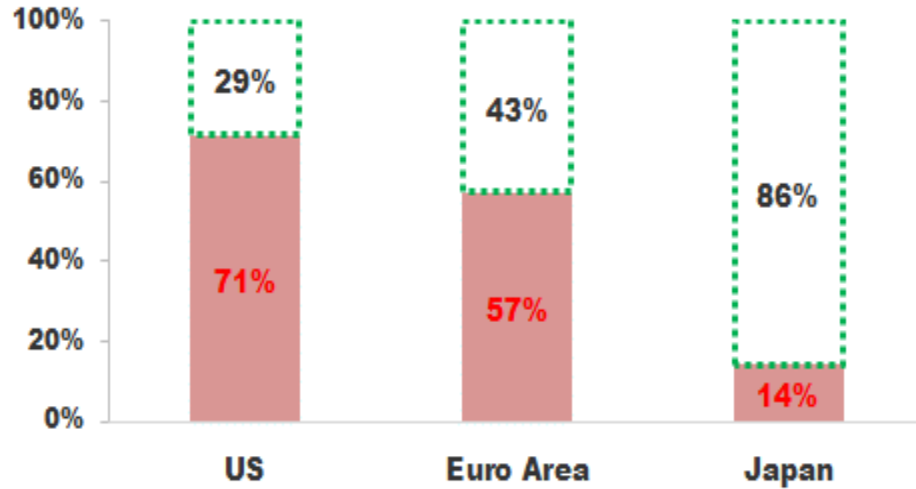
Source: SKBI Big5 Survey (Feb 2023)

Special Questions

Recession in US, Euro Area & Japan?

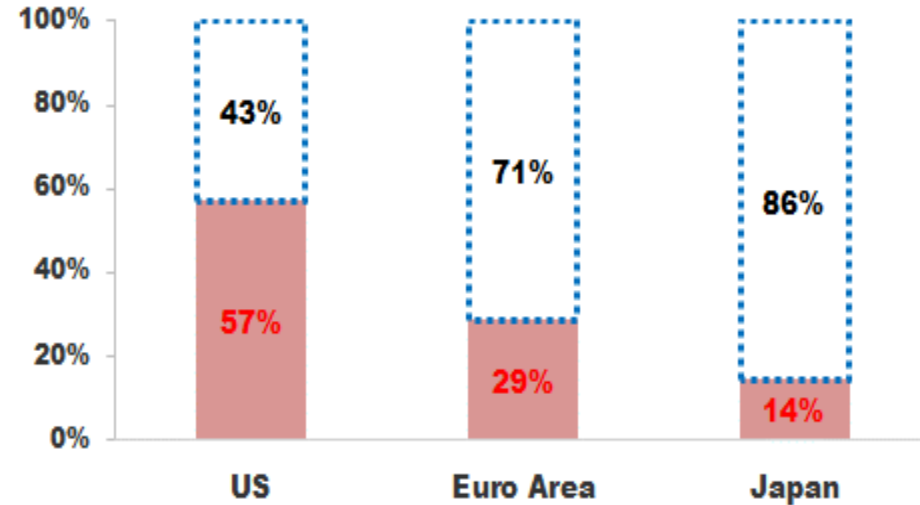
Recession by 2023?

■ Yes □ No



Recession by 2024?

■ Yes □ No

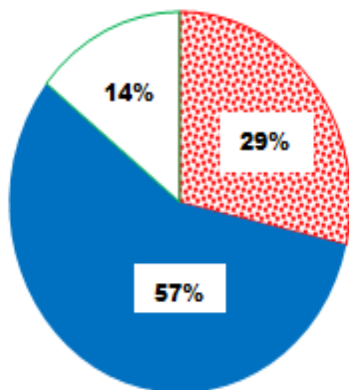


Note: The percentages herein, which sum to 100%, represent the proportion of participants' responses in the current survey.

Source: SKBI Big5 Survey (Feb 2023)

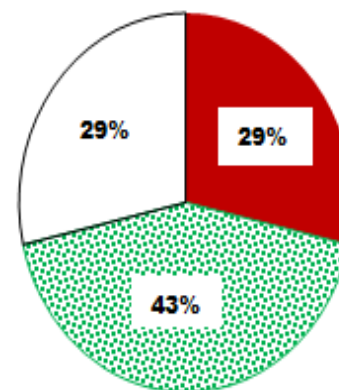
Business Cycle: China & India

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

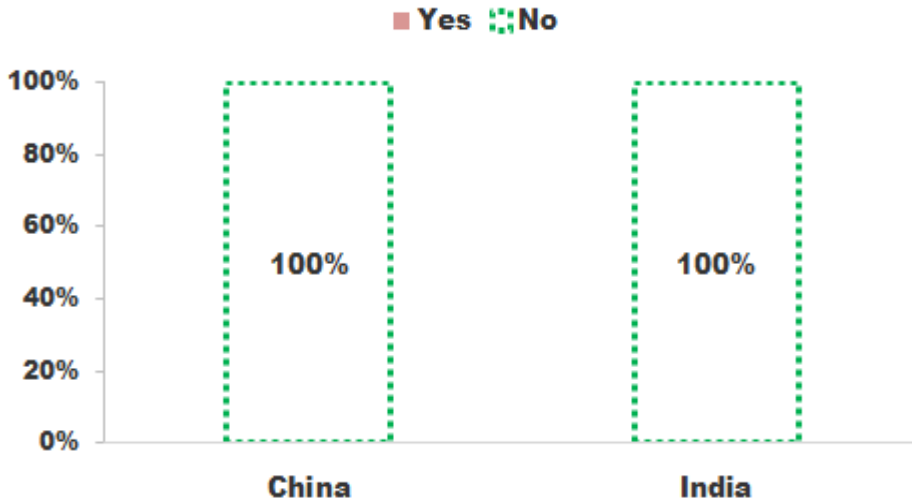
Note: The percentages herein, which sum to 100%, represent the proportion of participants' responses in the current survey.

Source: SKBI Big5 Survey (Feb 2023)

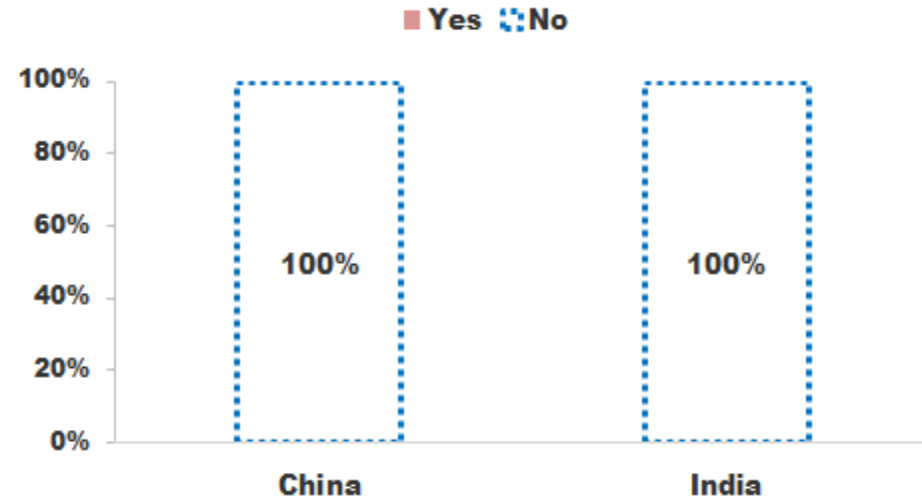
***Year-on-year, %-point change**

“Sharp Slowdown” in China & India?

“Sharp Slowdown” by 2023?



“Sharp Slowdown” by 2024?



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

Source: SKBI Big5 Survey (Feb 2023)

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 February 2023.

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

List of Participants (February 2023 survey):

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