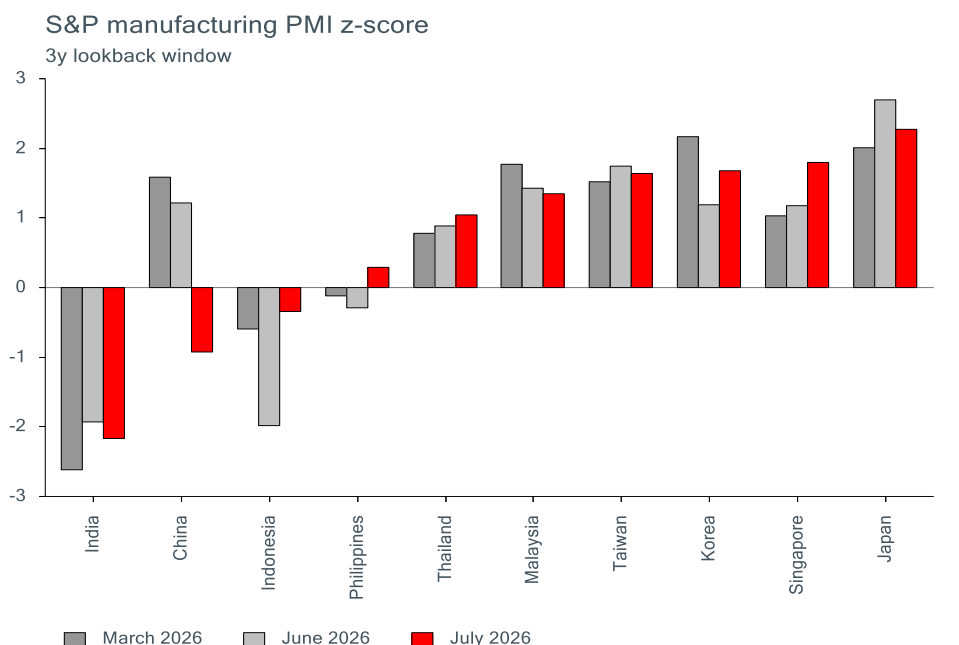


Asian growth outlook continues to improve

July's purchasing manager indexes (PMI) for Asian countries reinforced our outlook for strong growth, led by exports from the countries most geared to the Information Technology hardware sector, but with rising goods inflation pressure.

The chart below shows PMIs remain one standard deviation or more above their three-year average for Asia's IT exporters. Japan's PMI is two standard deviations above its norm, driven by its strong capex cycle and improving consumption outlook. In contrast, countries with less exposure to the electronics cycle – India, Indonesia, and the Philippines – display weaker industrial sector activity.



Exports into the global Artificial Intelligence (AI) infrastructure hardware boom dominate the current Asian industrial cycle. July PMI export order indexes remained strong or improved for most countries. Again, India, Indonesia, and the Philippines are the standouts for weakness.



Vis Nayar
Chief Investment Officer
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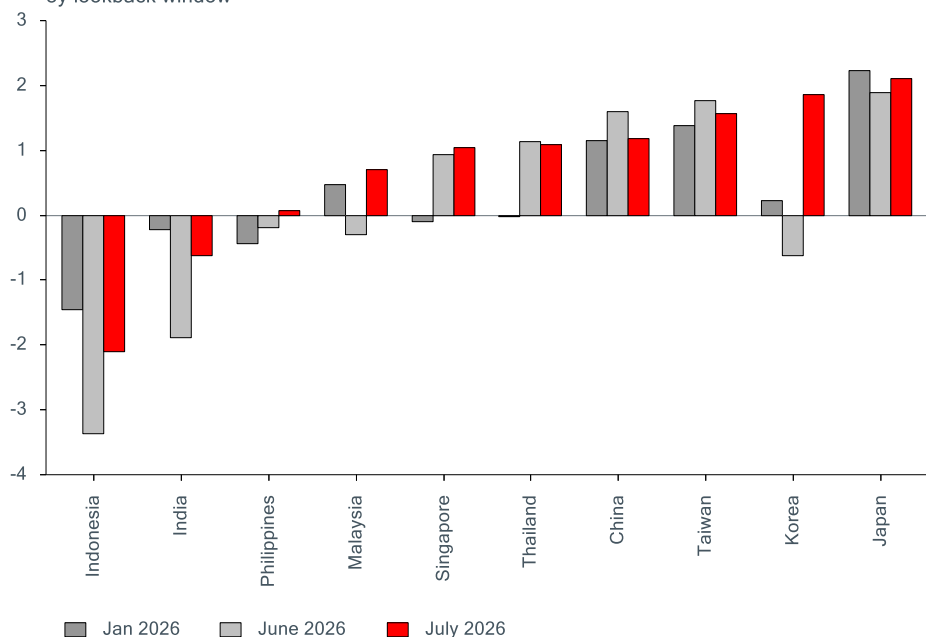
Viola Wang
Economist
Eastspring Investments

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S&P manufacturing PMI, new export orders, z-scores

3y lookback window

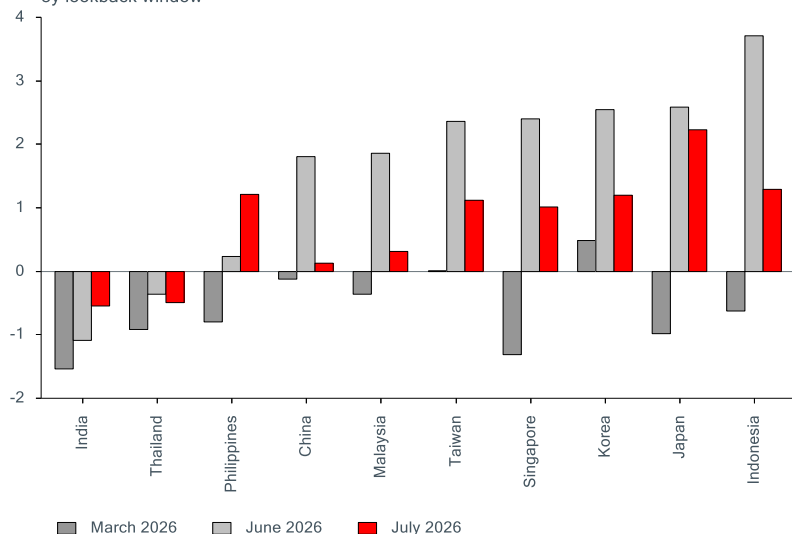


Source: LSEG Datastream, 11/08/2026

Goods inflation pipeline pressures eased with the fall in energy prices in late June and early July but generally remain high. We expect PMI input and output price indexes to rise in August in response to the jump in energy prices in the second half of July. Although oil prices have fallen from the late July highs, renewed escalation in Iran-US tensions appears likely to prevent significant further falls in the near future.

S&P manufacturing PMI, output prices, z-scores

3y lookback window



Source: LSEG Datastream, 11/08/2026

These developments have contributed to consensus forecasts for GDP growth to rise for most countries in the region over the past month. China is a notable exception, because the range of its domestic data continued to weaken in July and no new fiscal stimulus has yet to emerge.

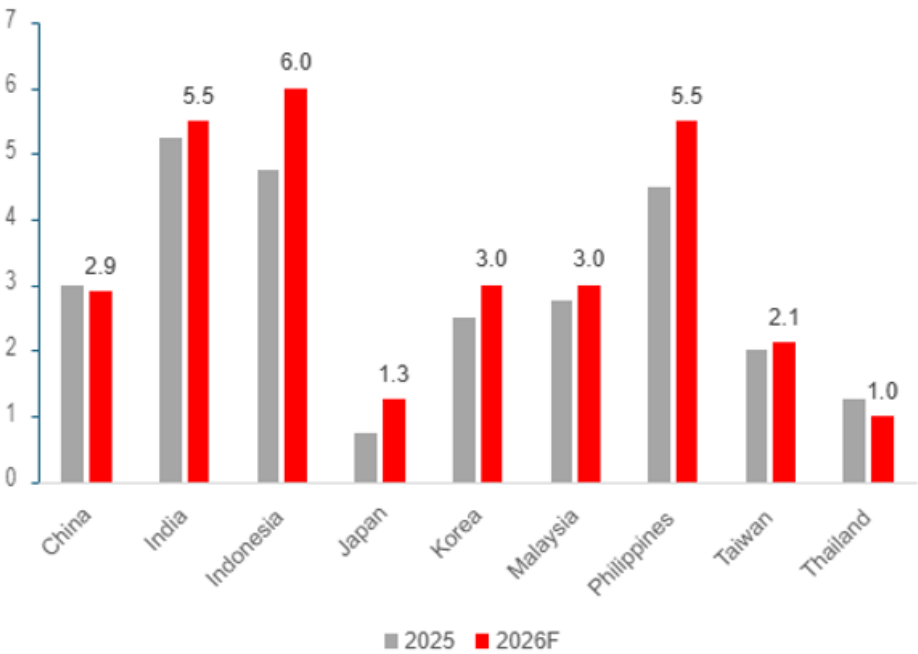
GDP Growth forecasts

	Consensus	1m change
China	4.6	0.0
Hong Kong	3.8	0.0
Japan	0.7	0.0
Korea	3.1	0.3
India	6.7	0.3
Indonesia	5.1	0.0
Malaysia	4.9	0.2
Philippines	3.6	-0.1
Singapore	4.3	0.3
Taiwan	10.2	0.6
Thailand	2.0	0.0
Vietnam	7.8	0.4

Source: Eastspring Investments. August 2026.

We expect this mix of robust growth and rising goods inflationary pressure to drive policy rate hikes in most countries in the region over the next several quarters.

Eastspring policy rate forecasts



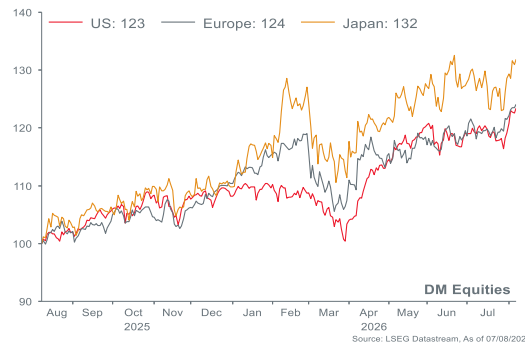
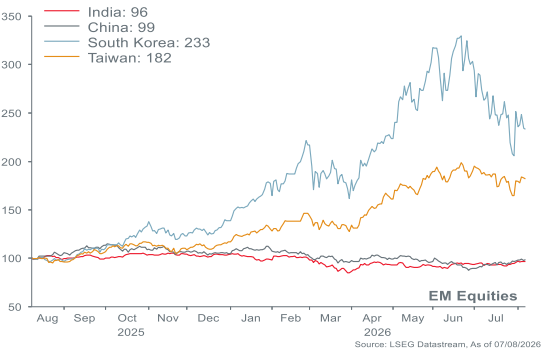
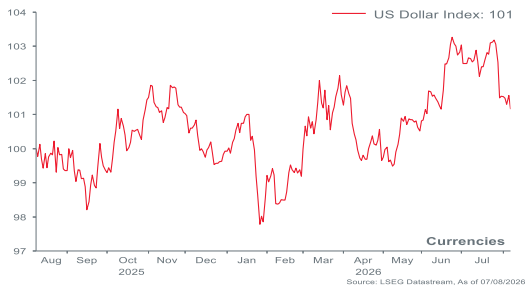
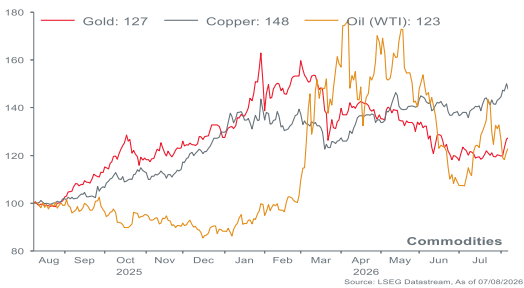
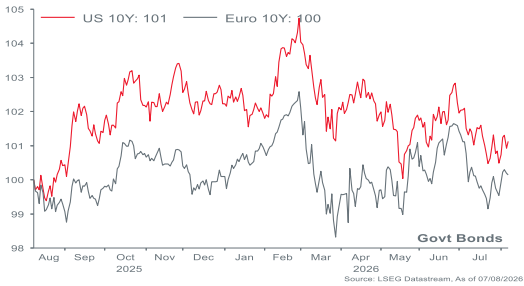
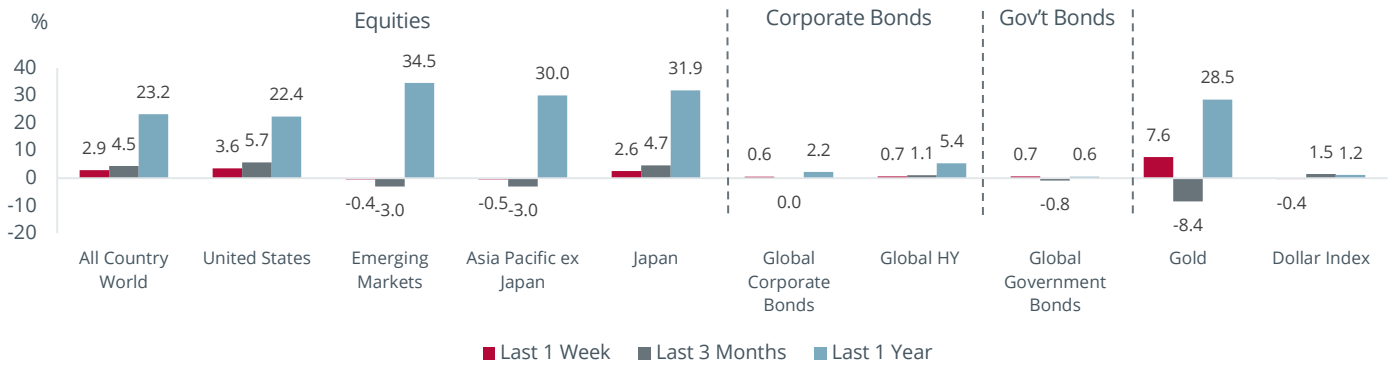
Source: Eastspring Investments. August 2026.

Market Review

Global equity markets advanced over the week, with the MSCI AC World Index gaining 2.9%. US equities rose, with the S&P 500 and Nasdaq gaining 3.6% and 5.2% respectively. Meanwhile, Emerging markets declined -0.4% followed by Asia Pacific (ex Japan) which lost -0.5% over the week. Japan gained 2.6%.

Gold posted a strong gain of 7.6% over the week, while the US dollar index weakened -0.4%. Bond markets were broadly positive with Global Corporate Bonds gaining 0.6% and Global High Yield bonds rising 0.7%. Global government bonds also increased 0.7%.

Asset Performance



Market Data

Government Bonds	Close	1 week change (%)	1 month change (%)	3 month change (%)	1 year change (%)	YTD change (%)	52 week high	52 week low
US Treasury Yield (%)								
10 Year	4.66	-1.83	2.85	6.01	9.75	12.16	4.75	3.95
10 Year Bond Yield (%)								
Japan	2.80	0.14	-1.75	13.54	87.92	35.27	2.88	1.49
China	1.70	-0.35	-1.79	-3.24	0.29	-8.54	1.93	1.70
Australia	4.99	0.91	3.29	1.20	17.24	4.73	5.12	4.10
Singapore	2.31	-2.30	8.12	10.82	17.37	3.69	2.47	1.75
Malaysia	3.74	0.79	3.14	4.94	10.81	7.01	3.74	3.36
Indonesia	7.30	-0.49	1.64	8.95	13.32	19.32	7.48	5.92
	Close	1 week change (%)	1 month change (%)	3 month change (%)	1 year change (%)	YTD change (%)	52 week high	52 week low
Bond Indices								
Bloomberg Global Aggregate USD	93.01	0.35	-0.46	-0.79	-1.76	-1.73	95.69	92.64
Bloomberg U.S. Aggregate USD	92.01	0.49	-0.53	-1.18	-0.95	-2.19	95.21	91.56
Equity Indices	Close	1 week change (%)	1 month change (%)	3 month change (%)	1 year change (%)	YTD change (%)	52 week high	52 week low
World								
MSCI AC World Index (USD)	1,152.49	2.85	2.78	4.46	23.20	13.59	1,152.49	935.47
North America								
US S&P 500 Index	7,757.64	3.58	3.38	5.73	22.36	13.32	7,793.68	6,310.32
US Nasdaq Composite Index	26,690.62	5.19	3.38	3.43	25.65	14.84	27,190.21	20,690.25
Europe								
MSCI Europe	2,901.78	2.09	3.05	5.38	20.45	9.80	2,901.78	2,407.08
Asia Pacific								
MSCI Asia Pacific ex Japan	860.01	-0.48	-1.06	-3.05	30.01	19.08	925.80	657.27
Japan Nikkei 225	65,606.71	1.93	-3.88	4.41	59.79	30.33	72,831.75	40,668.19
Shanghai Stock Exchange Composite	3,940.04	2.81	-1.26	-5.74	8.25	-0.73	4,258.86	3,622.52
Hong Kong Hang Seng	25,668.03	-0.84	9.24	-3.60	2.34	0.15	28,056.10	22,518.00
Taiwan TAIEX	44,225.91	2.57	-2.76	5.47	84.25	52.69	48,218.87	23,620.24
Korea KOSPI	6,258.77	-5.10	-18.25	-16.44	93.91	48.52	9,385.59	3,079.27
India NIFTY 50	24,570.65	0.77	0.70	1.00	-0.10	-5.97	26,373.20	22,182.55
Australia Stock Exchange 200	9,263.60	3.20	5.22	4.34	4.89	6.30	9,296.70	8,262.40
Indonesia Jakarta Composite	6,409.65	2.78	7.07	-10.66	-14.43	-25.87	9,174.47	5,317.91
Thailand SET	1,612.00	-0.72	0.49	6.93	27.42	27.97	1,657.55	1,228.43
Malaysia FTSE Bursa KLSE	1,735.75	0.63	3.14	-1.31	12.05	3.31	1,771.25	1,537.74
Philippines Stock Exchange PSE	6,290.35	0.86	0.69	4.24	-1.17	3.92	6,673.61	5,584.35
Singapore FTSE Straits Times Index	5,698.43	1.24	6.67	15.31	33.82	22.65	5,713.19	4,181.99
Currencies (vs USD)	Latest	1 week Change	1 Month Ago	3 Months ago	1 Year Ago	YTD	52 week high	52 week low
Developed Markets								
EUR	0.30	0.27	1.29	-1.42	-0.92	-1.59	1.20	1.14
GBP	0.26	0.06	1.02	-0.46	0.35	0.11	1.38	1.30
CHF	-0.53	0.04	-	3.54	0.16	1.94	0.82	0.76
JPY	-0.40	0.13	-2.66	0.55	7.26	0.72	163.85	146.48
Asia								
CNY	-0.02	-0.05	-0.68	-0.80	-6.04	-3.52	7.19	6.75
HKD	-0.01	0.03	0.03	0.15	-0.07	0.80	7.85	7.77
INR	0.05	-0.19	0.25	1.01	8.90	5.95	96.82	87.00
MYR	0.02	0.12	0.52	4.63	-3.36	0.79	4.24	3.88
KRW	-1.08	-2.40	-7.03	-3.50	1.73	-2.29	1,559.08	1,378.66
SGD	-0.42	-0.30	-1.11	0.73	-0.39	-0.59	1.31	1.26
TWD	0.00	-0.19	0.37	2.67	8.18	2.88	32.40	29.80
IDR	-0.14	-0.58	-0.47	3.20	9.82	7.29	18,170.00	16,106.00

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Sources

Asset performances: (bar charts) Eastspring Investments, Refinitiv, as of 7 August 2026. Equities: using MSCI indices in USD, United States is using the S&P 500. Corporate Bonds: using ICE BofA indices in USD. Government Bonds: using the FTSE Global Sovereign Bond index, in USD. Gold is London Bullion Market US Dollar per Metric Tonne. DXY is US Dollar Index. **(line charts)** Eastspring Investments, Refinitiv, as at the end of the prior week, rebased to 100 as at 1 year ago. Equities: MSCI indices, in USD. Corporate Bonds: using Bloomberg indices in USD. Government Bonds: using ICE BofA US 10 Year US Treasury and ICE BofA 7-10 Year Euro Government indices. Commodities: Gold is London Bullion Market US Dollar per Metric Tonne Ounce. Copper is LME Copper Grade A Cash US Dollar per Metric Tonne. Oil is Crude Oil WTI Spot Cushing US Dollar per Barrel. US Dollar is US Dollar Index.

Market data: Eastspring Investments, Refinitiv, as of 7 August 2026. Equities: MSCI indices in USD, other indices in local currency. Other indices or assets as stated. Please note that there are limitations to the use of such indices as proxies for the past performance in the respective asset classes/sector. The historical performance or forecast presented in this slide is not indicative of and should not be construed as being indicative of or otherwise used as a proxy for the future or likely performance of the Fund.



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