

Asia: Trends in housing and finance

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Data sources: Data for all charts and tables are CEIC and Bloomberg. Estimates are by DBS Group Research.

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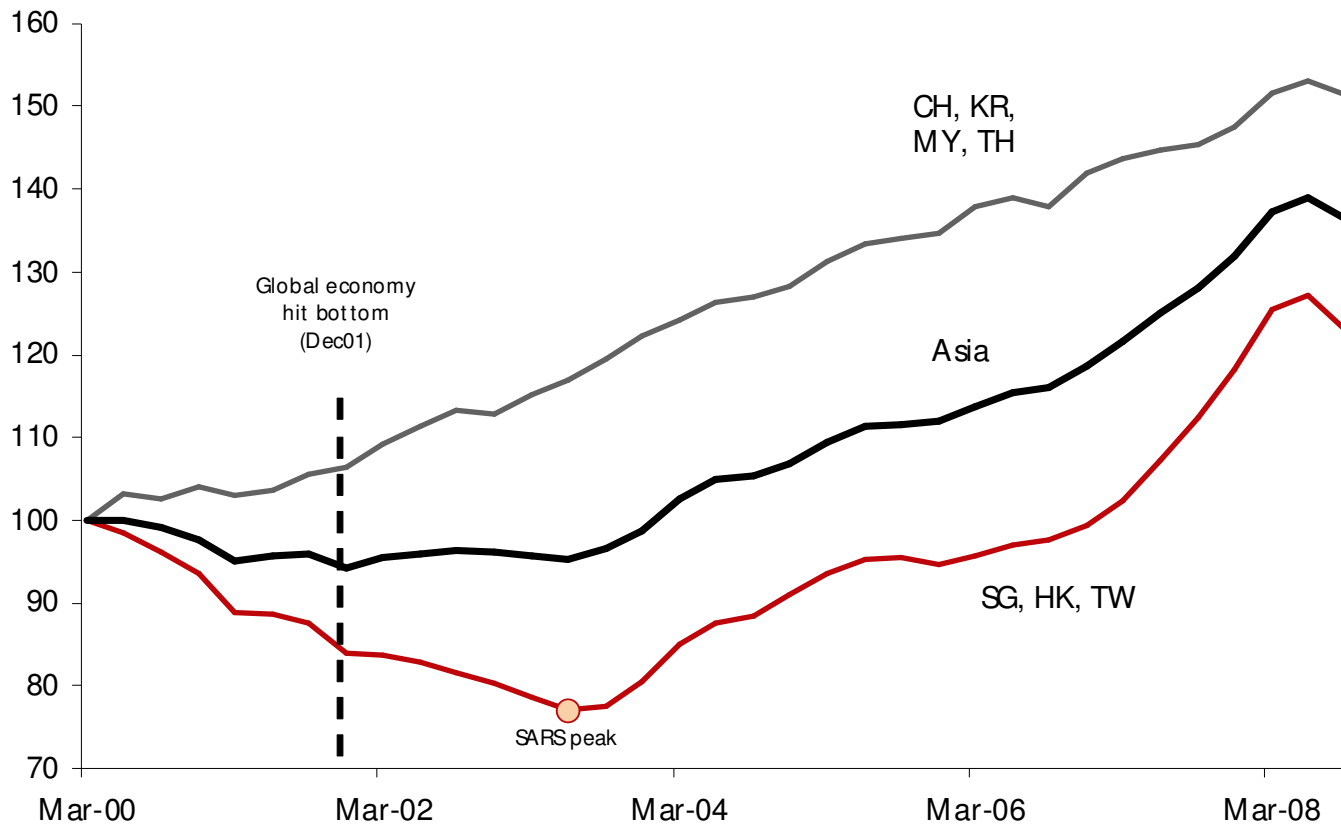
Trends in housing and finance

- Price trends
- Bank exposure trends
- GDP / lending outlook

Price trends since 2000/01

Asia ? property prices

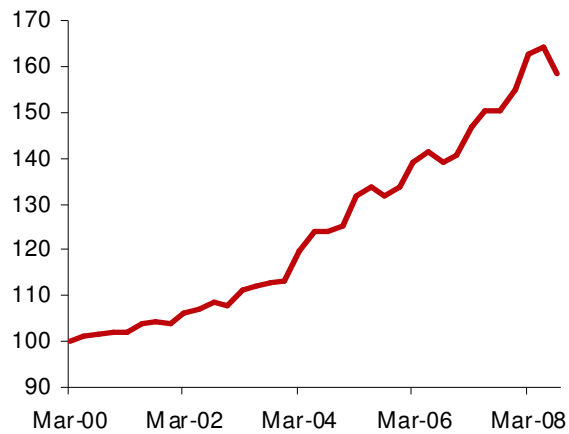
Mar00=100, nsa, residential, simple avg



Some steady climbers

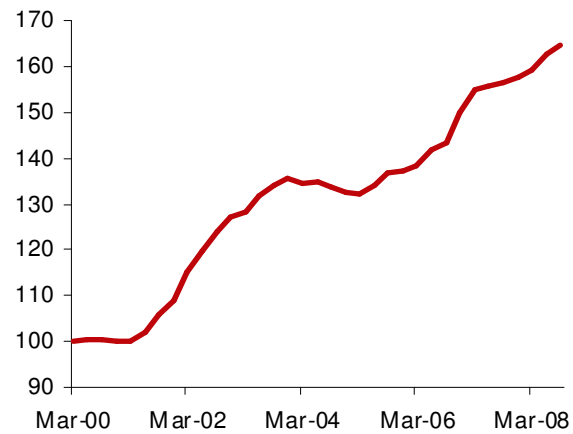
China ? property prices

Mar00=100, nsa, general buildings



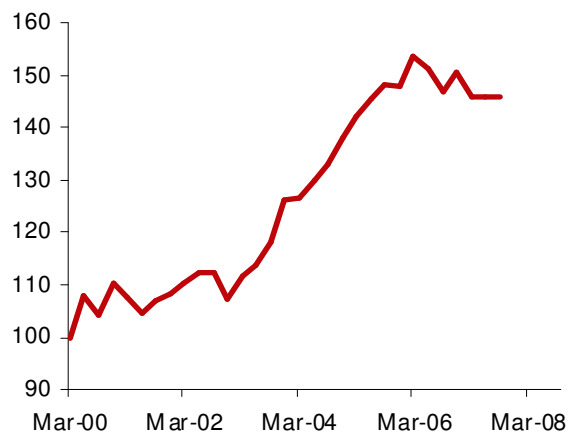
Korea ? property prices

Mar00=100, nsa, residential



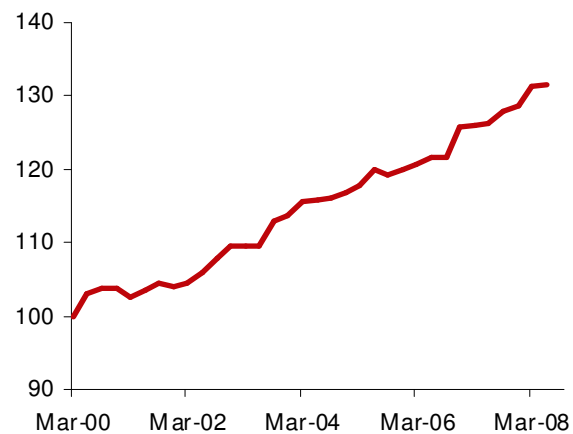
Thailand ? property prices

Mar00=100, nsa, residential, single detached



Malaysia ? property prices

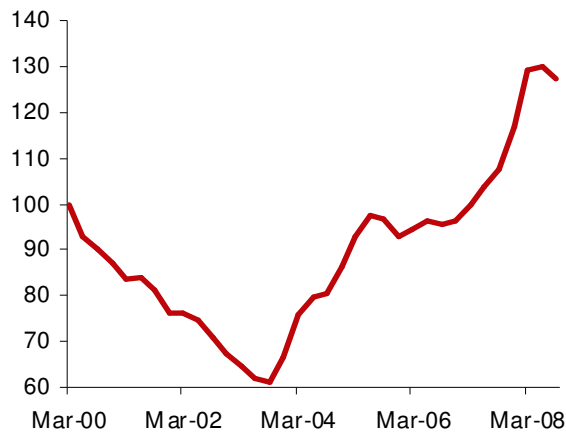
Mar00=100, nsa, residential



Some U-shaped, V-shaped climbers

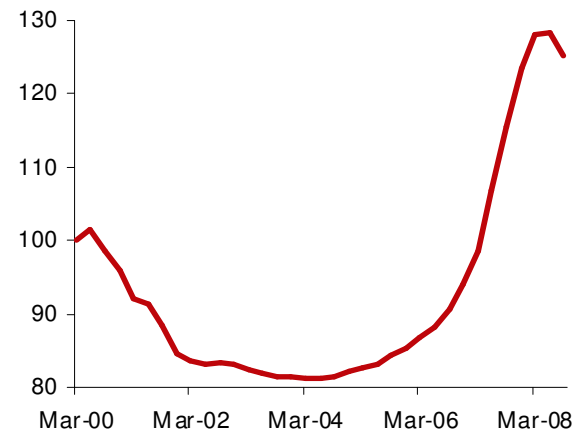
Hong Kong ? property prices

Mar00=100, nsa, domestic premises



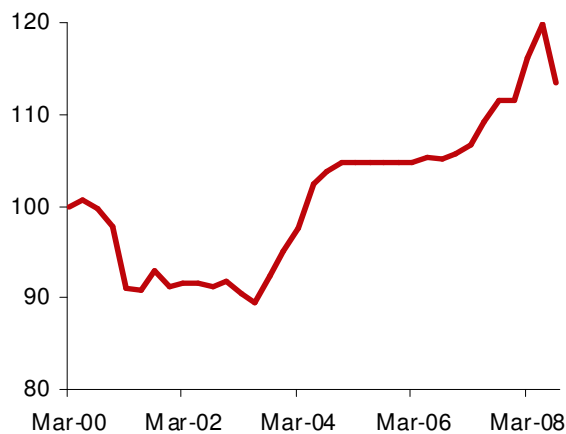
Singapore ? property prices

Mar00=100, nsa, residential



Taiwan ? property prices

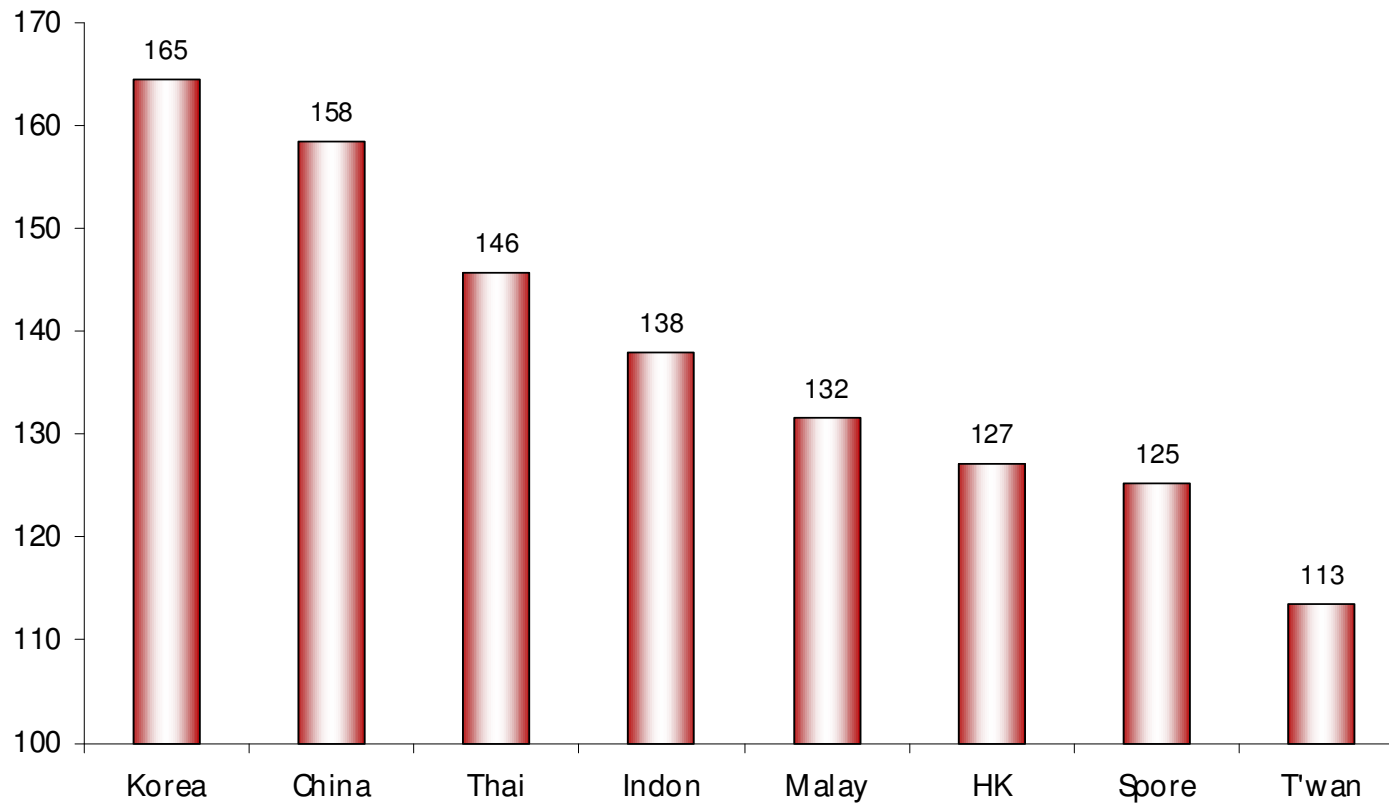
Mar00=100, nsa, residential



Prices relative to Mar00

Asia ? residential property price levels as at 3Q08

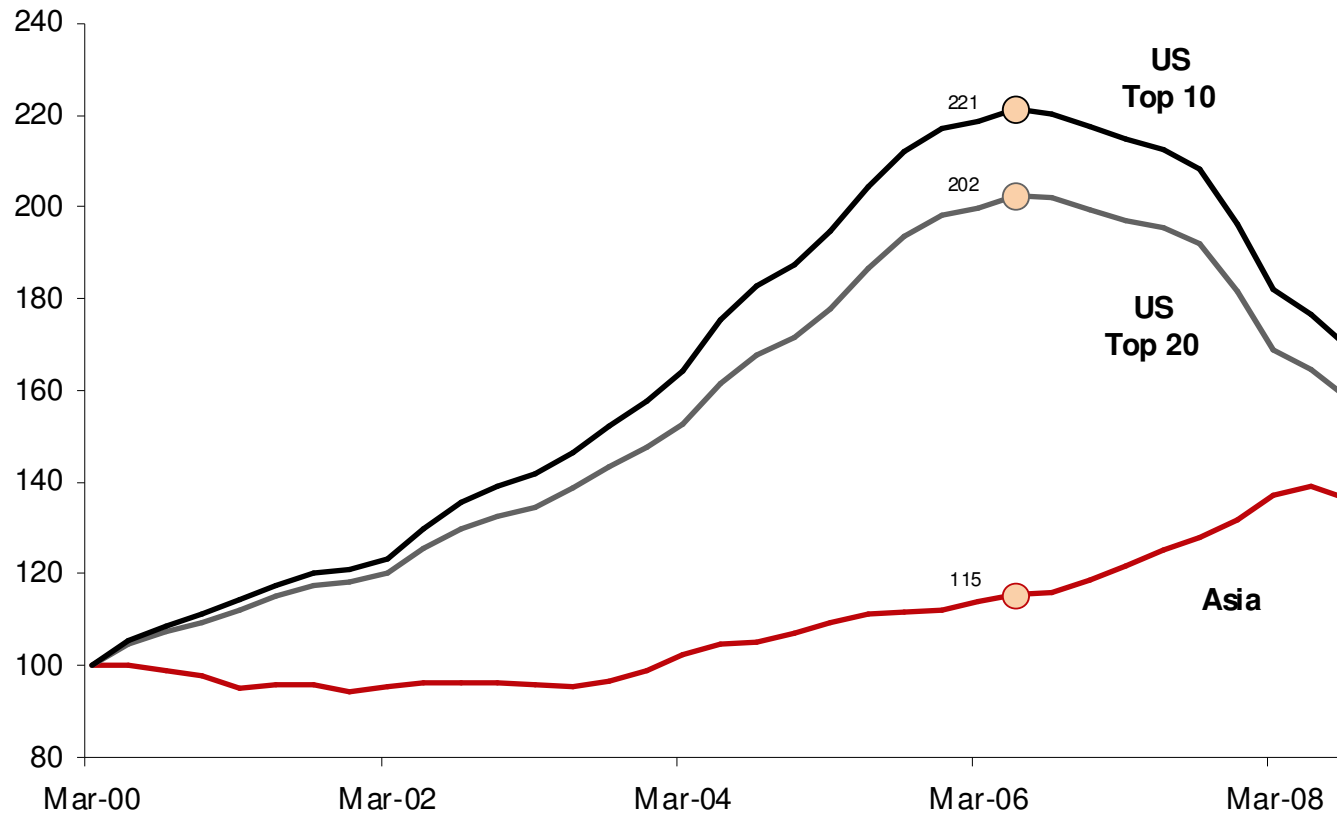
Mar00=100



No bubble, at least by US standards

Asia and US ? property prices

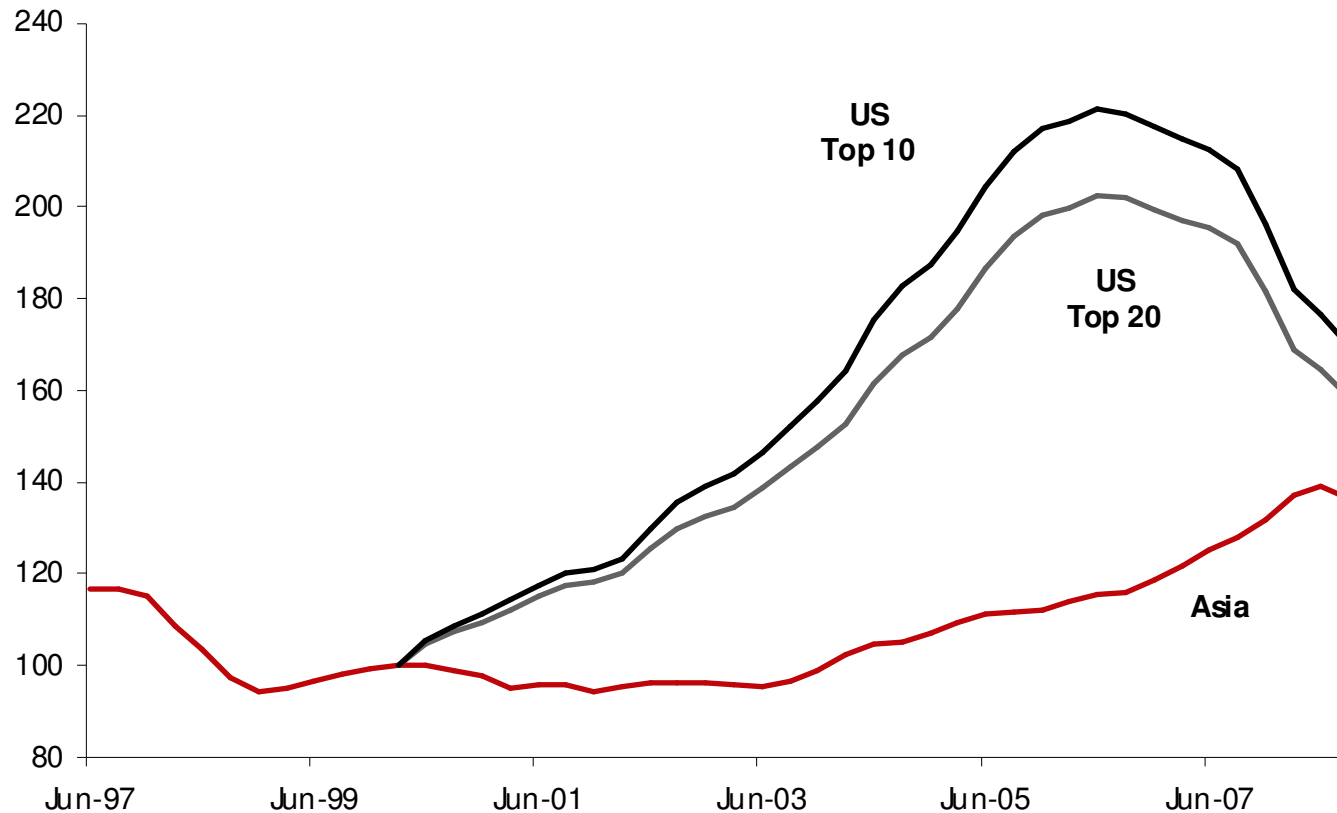
Mar00=100, nsa, residential, Asia is simple avg, US is Case Shiller, qtr avg data



Price trends since 1997/98

Asia and US ? property prices

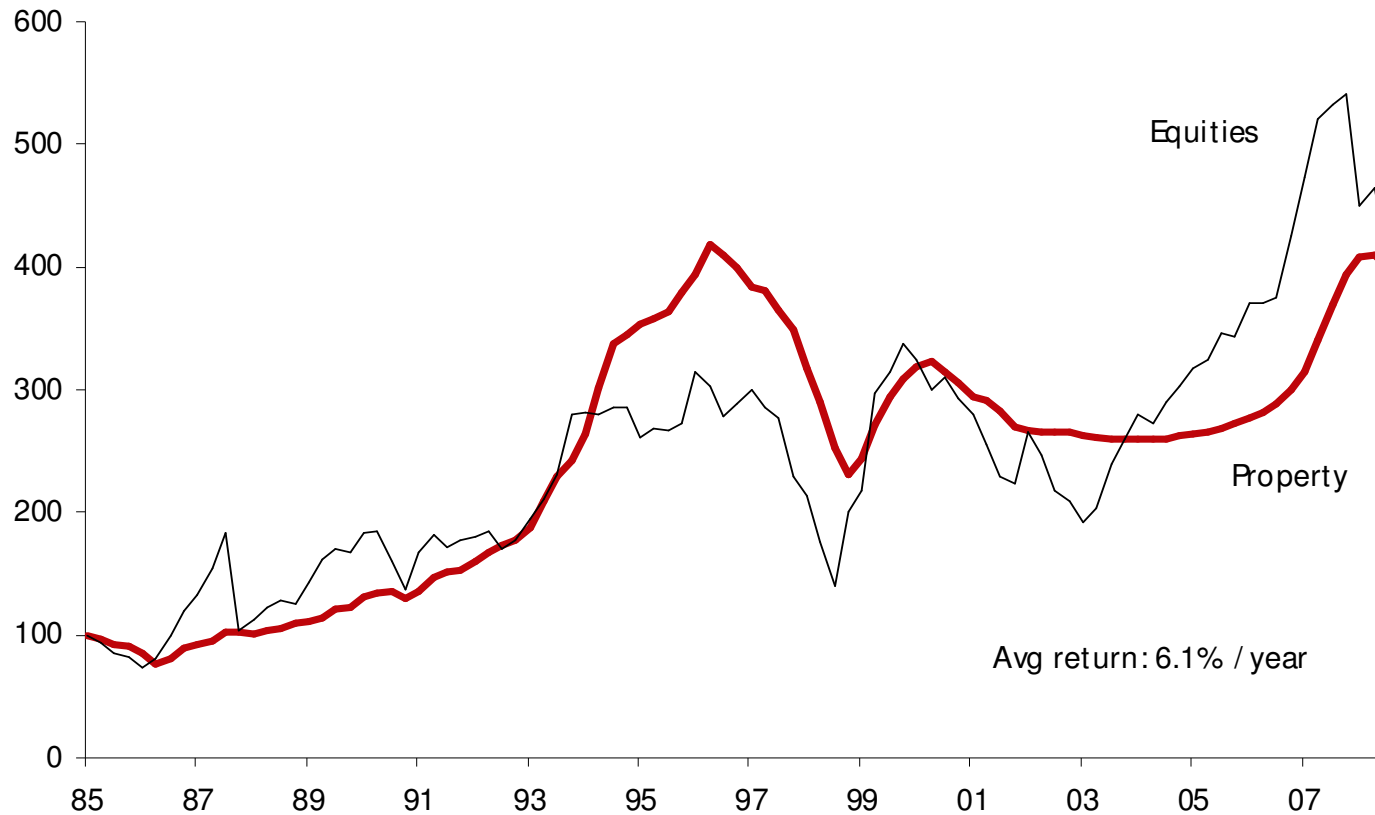
Mar00=100, nsa, residential, Asia is simple avg, US is Case Shiller, qtr avg data



Singapore since 1997/98

Singapore ? property prices and equity markets

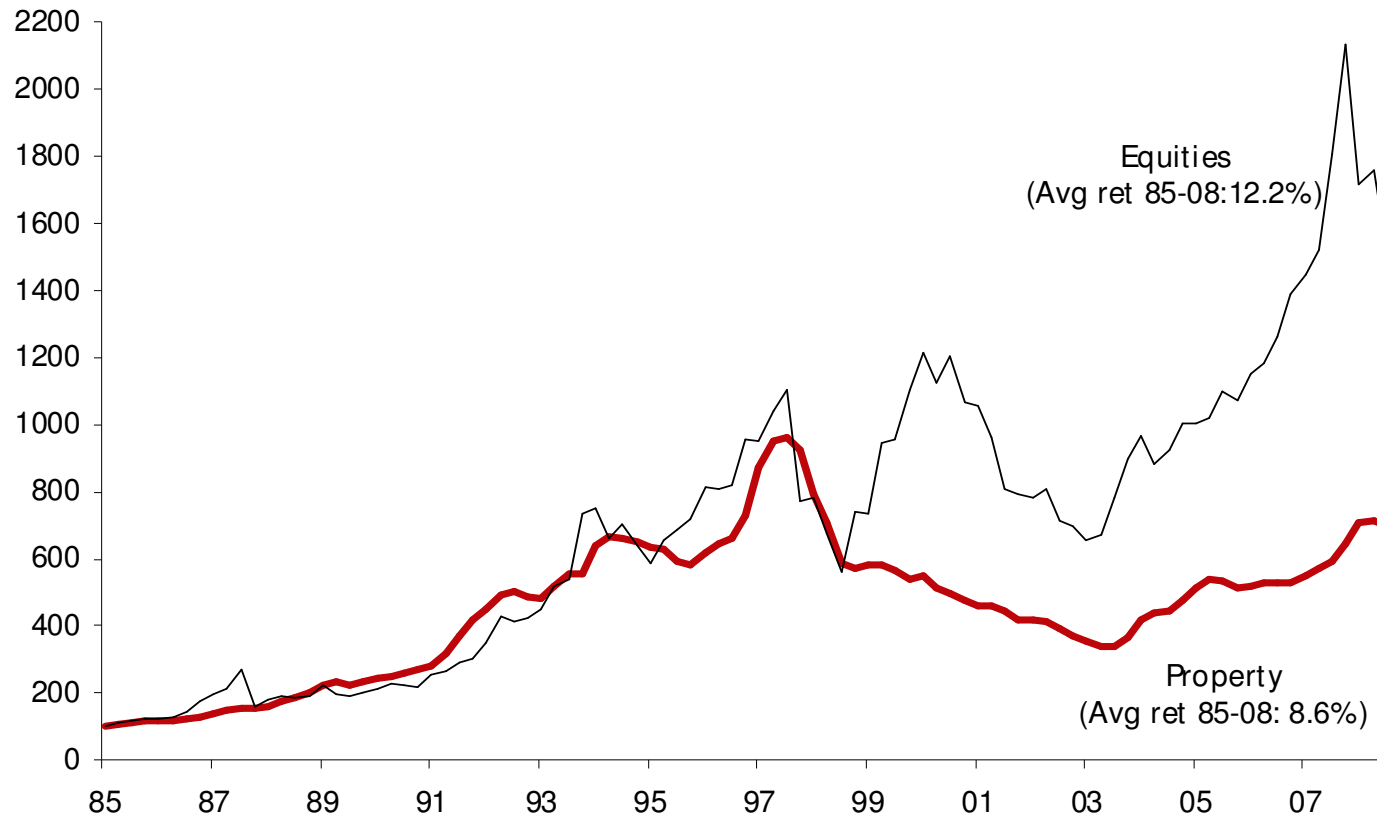
Mar85=100, nsa, residential, local ccy terms



Hong Kong since 1997/98

Hong Kong ? property prices and equity markets

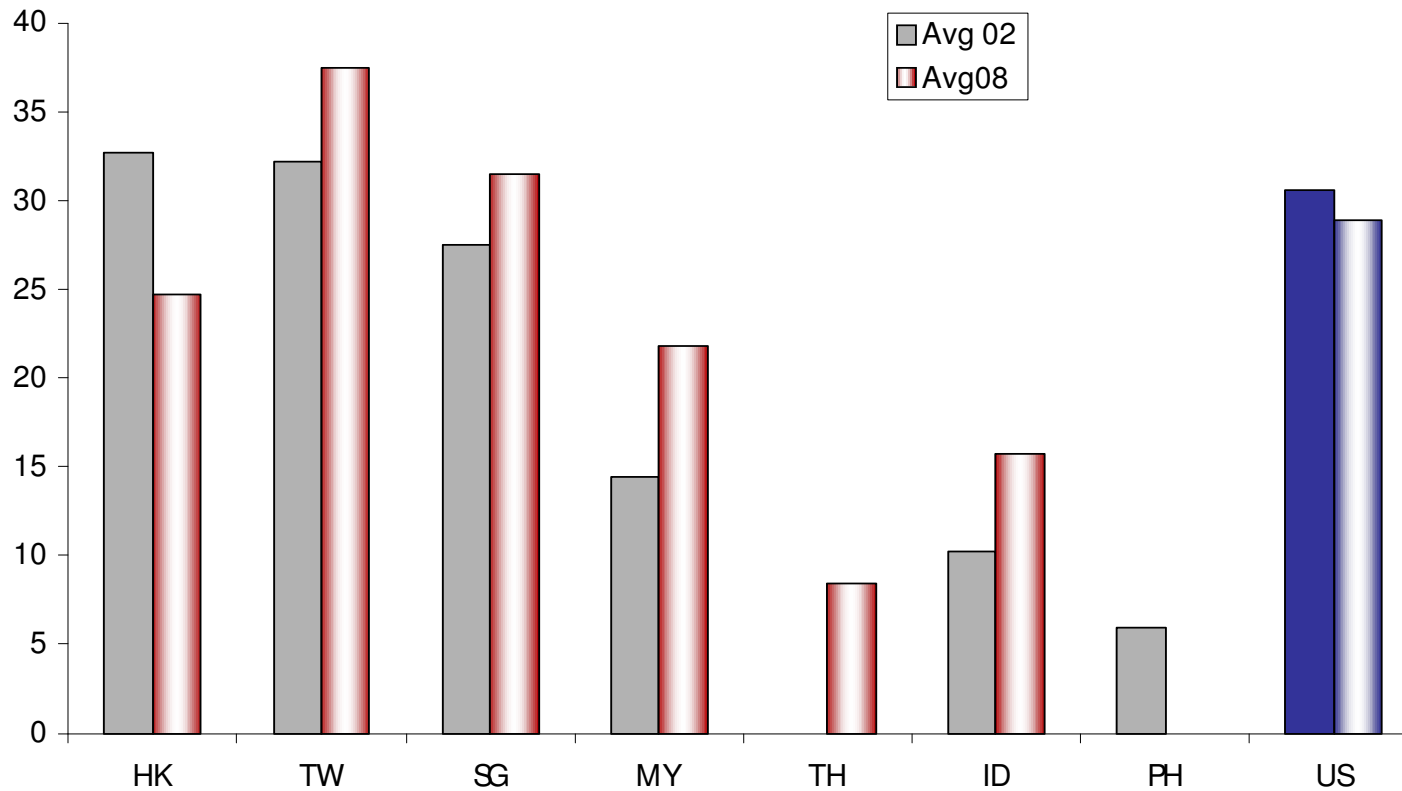
Mar85=100, nsa, residential, local ccy terms



Bank exposure since 2002

Asia ? bank exposure to residential property

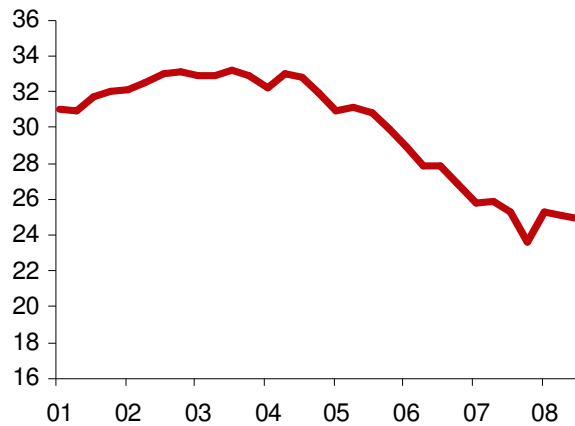
housing loans as % of total comm bank loans



Bank exposure since 2002

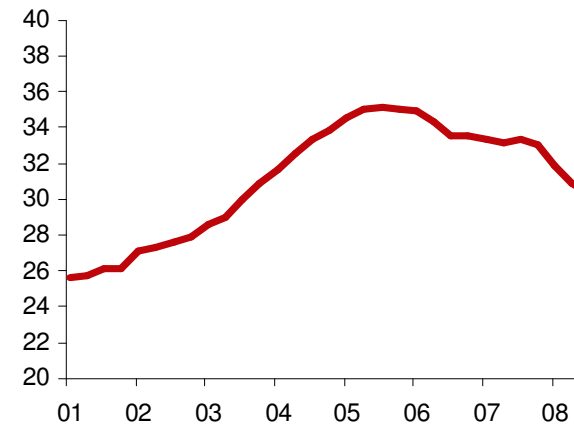
HK ? bank exposure to property

housing loans as % of total CB loans



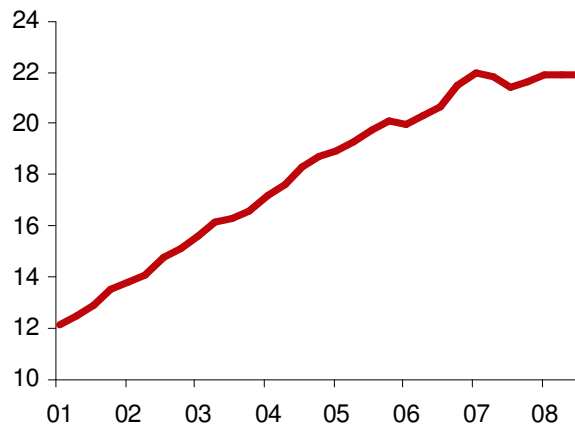
Singapore ? bank exposure to property

housing loans as % of total CB loans



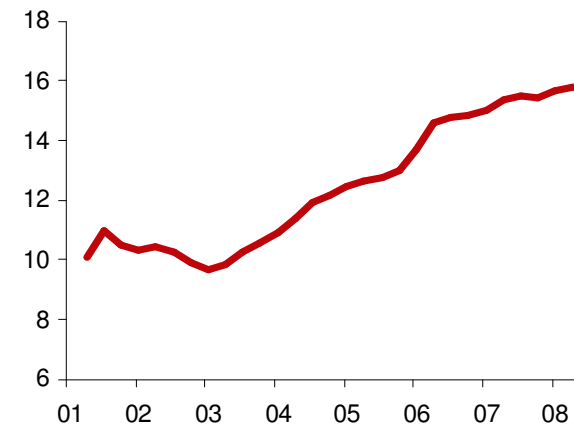
Malaysia ? bank exposure to property

housing loans as % of total CB loans



Indonesia ? bank exposure to property

housing loans as % of total CB loans



Outlook for 2009

Asia 10 ? 2008, 2009 GDP growth forecasts

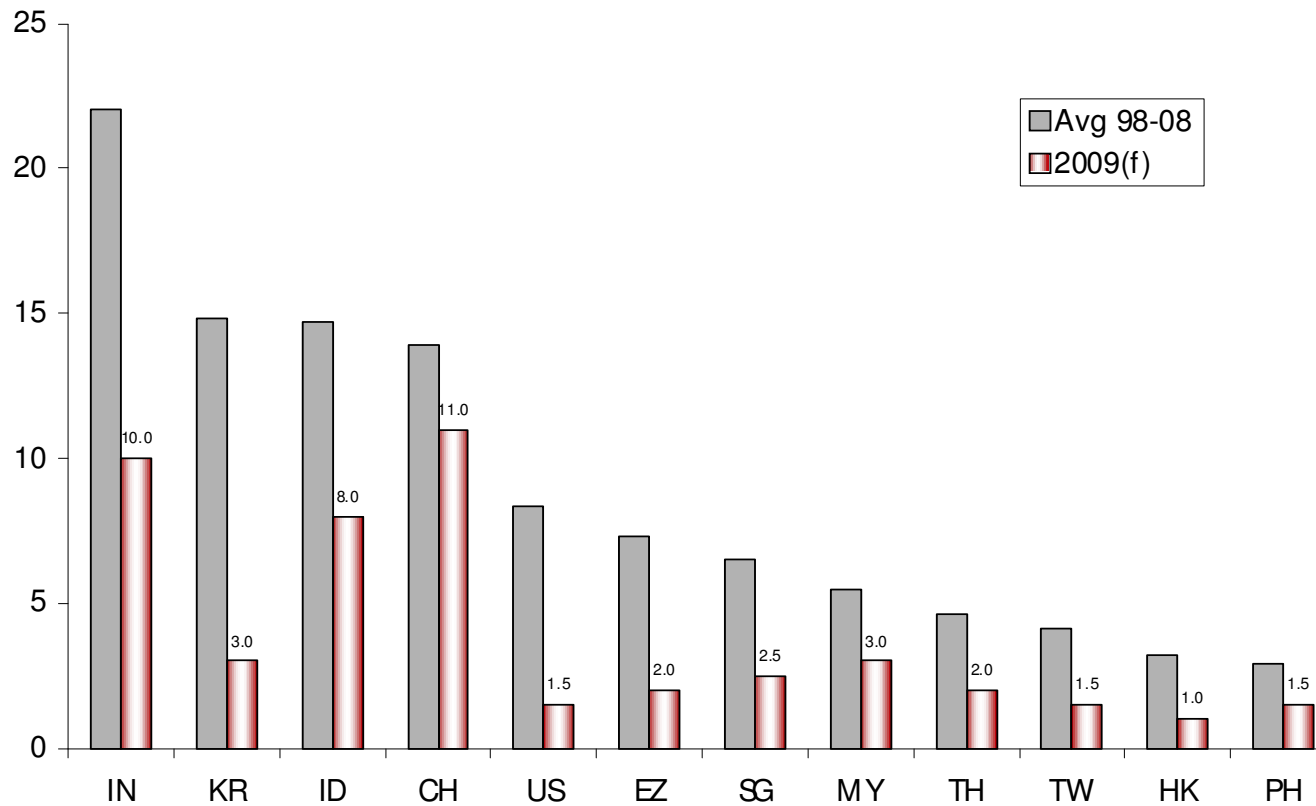
% YoY



Loan growth: 2009

Asia ? nominal bank loan growth

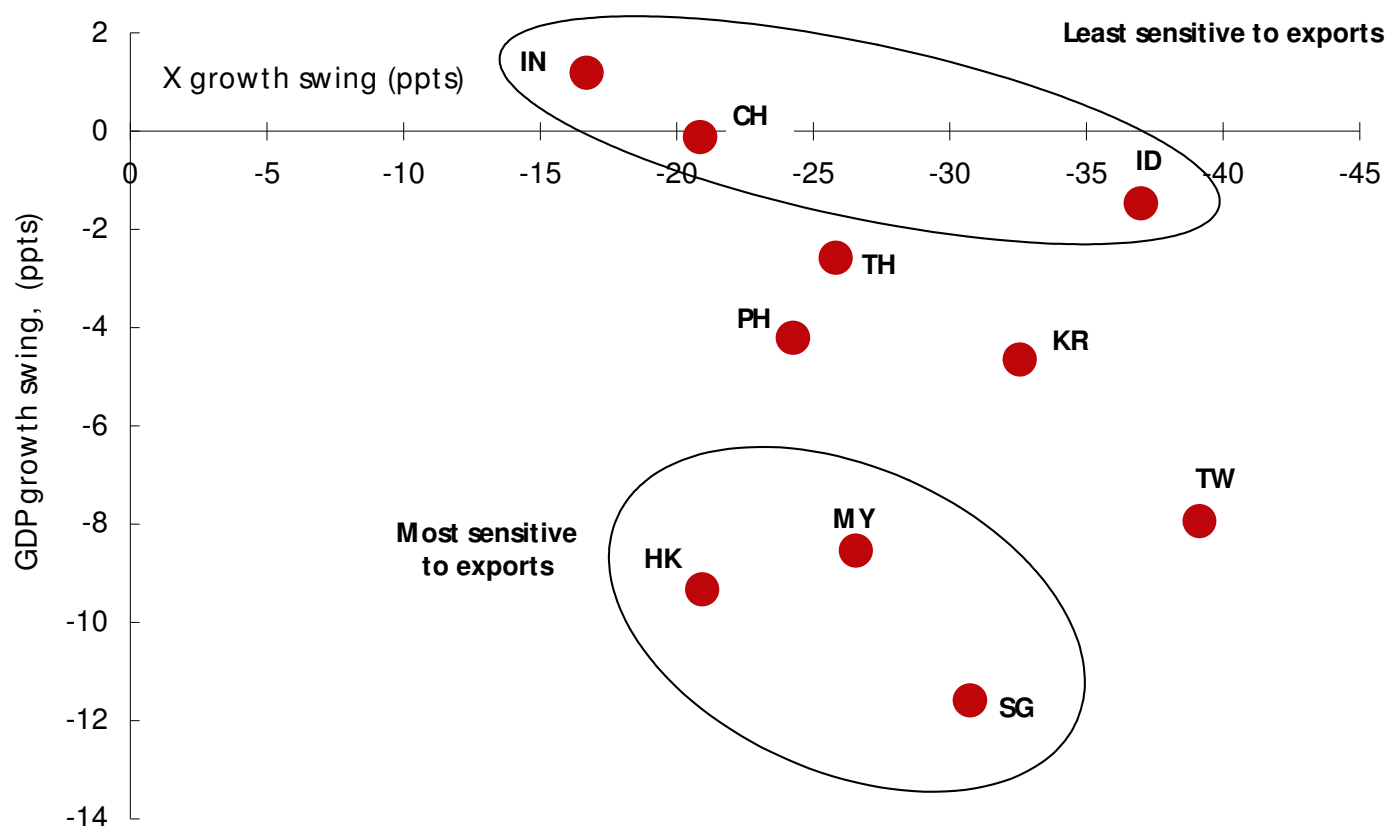
% YoY, local ccy terms



Asia: who's vulnerable?

Asia ? export swings and GDP swings in 2000-2001 downturn

percentage point swings in X and GDP growth, 2000-2001, annual avg data



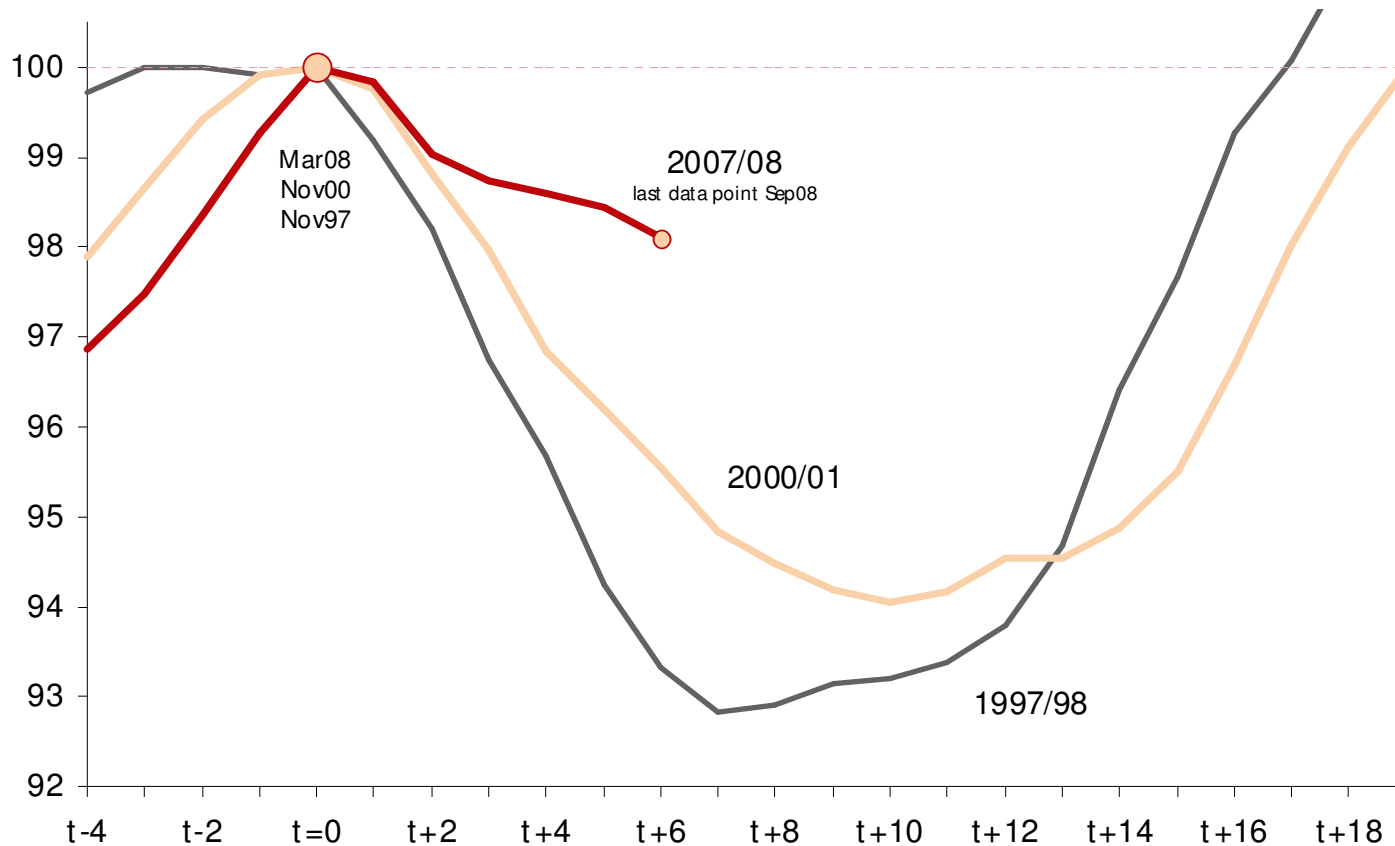
Slowdown milder than 2000. Why?

- **1. US matters less than ever before**
 - Asia's incremental domestic demand growth now nearly equal to the US
- **2. Housing-led vs hi-tech led**
 - Much more indirect hit to Asia
 - Real vs financial
- **3. Asia not just emerging from crisis as in 99/00**
 - Asia's domestic demand nearly comatose in 1998/99
 - The only growth it enjoyed came from exports / the US tech boom
 - When that went, so did Asia's growth

Asia: milder slowdown

Asia 8 ? industrial production

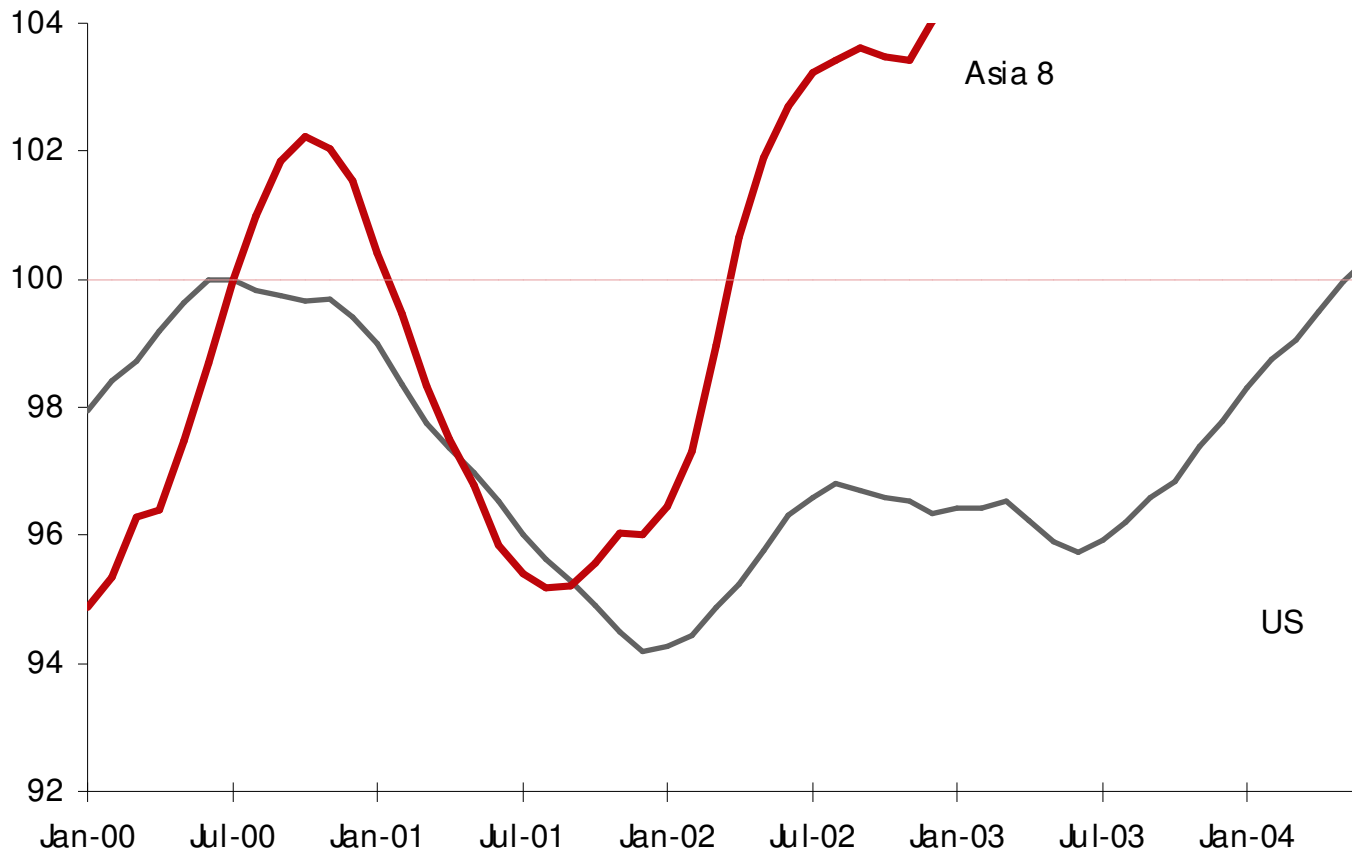
cyclical peak = 100, sa, 3mma, simple avg



Asia: recovery before US

US and Asia ? industrial production in 2000/01

cyclical peak = 100, sa, 3mma



Summary

- **Prices increases have been modest in most countries**
- **Asia has spent the past 10 years deleveraging**
- **But GDP growth outlook for 2009 very low**
- **Loan growth will be below average**
- **Downturn in Asia should be less sharp than in 2000/01**
- **Last-in, first-out: Asia to recover more quickly**

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