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Can commodity prices hold at these levels with the fragile macroeconomic outlook?

We could see recessions kickoff in numerous economies across the globe in Q3 and that will only gallop ahead come Q4 and Q1 of 2023. Inflation is also going to be managed. I think commodities will come back and I think they'll be violent in their descent. We're setting ourselves up for a big short. USD will continue to climb and commodities will get hammered. There's going to be some very dynamic times ahead certainly over the next six to nine months with commodity prices.

How badly impacted are emerging Asian markets from a strengthening USD?

It's going to be difficult and will only increase over the next matter of months. The USD is back at 20-year highs and it's going to be a very difficult time for a lot of those Asian domestic economies to grow. That return to 'king dollar' is attracting all the traders and the momentum is aggressive. I think we're heading back to stagflationary times and that could be a global situation.

Ramifications of China's economic challenges on the rest of Asia?

The uncertainty for GDP going forward because of China lockdowns is having an impact. The Aussie dollar has cratered, sitting at 70. The Hong Kong market is down 4.3%, Jakarta down 4%. There's plenty of mayhem, given the interconnectedness of markets and logistics and supply chains, but also plenty of time to make money as well. Are we going to see 75 basis points in the next two months or 50? The general theme is one of tightening and we're looking at a lot of structural issues as far as inflation and high energy and high food prices are concerned. All of these impacts are global and are being absorbed by the consumer. ■

**Paraphrased Comments*

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