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Macroeconomic and Geopolitical Risks: What Lies Ahead?

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Denise Cheok, Head of Southeast Asia Economics

April 2026

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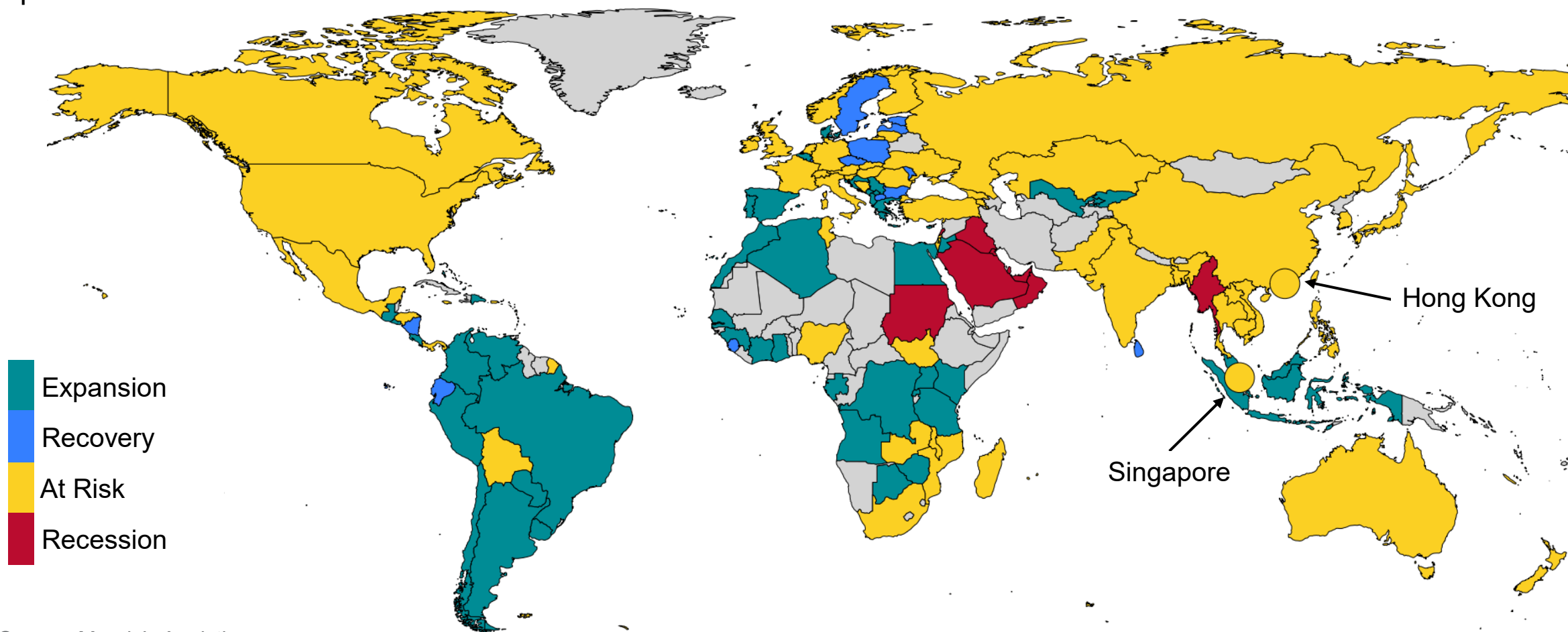
Risks

The background is a solid dark blue color. It features two abstract, wavy line patterns. The larger pattern on the left consists of many thin, overlapping lines that create a grid-like effect, with the lines curving and flowing across the frame. A smaller, similar pattern is located on the right side. The overall aesthetic is modern and technical.

Forecast Assumptions

Global Business Cycle Status

April 2026



Source: Moody's Analytics

The Largest Hit to Global Oil Supply in History

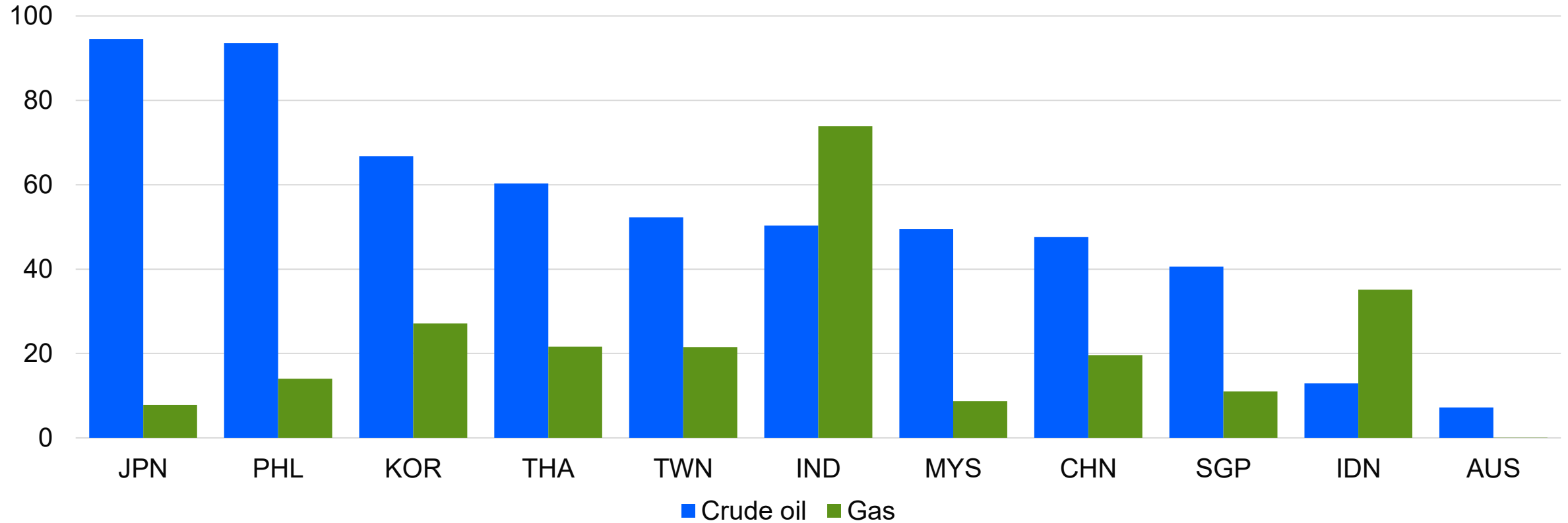
World oil production, mil bpd



Sources: IEA, 2025 Energy Institute Statistical Review of World Energy, Moody's Analytics

Asia-Pacific Depends on GCC Energy

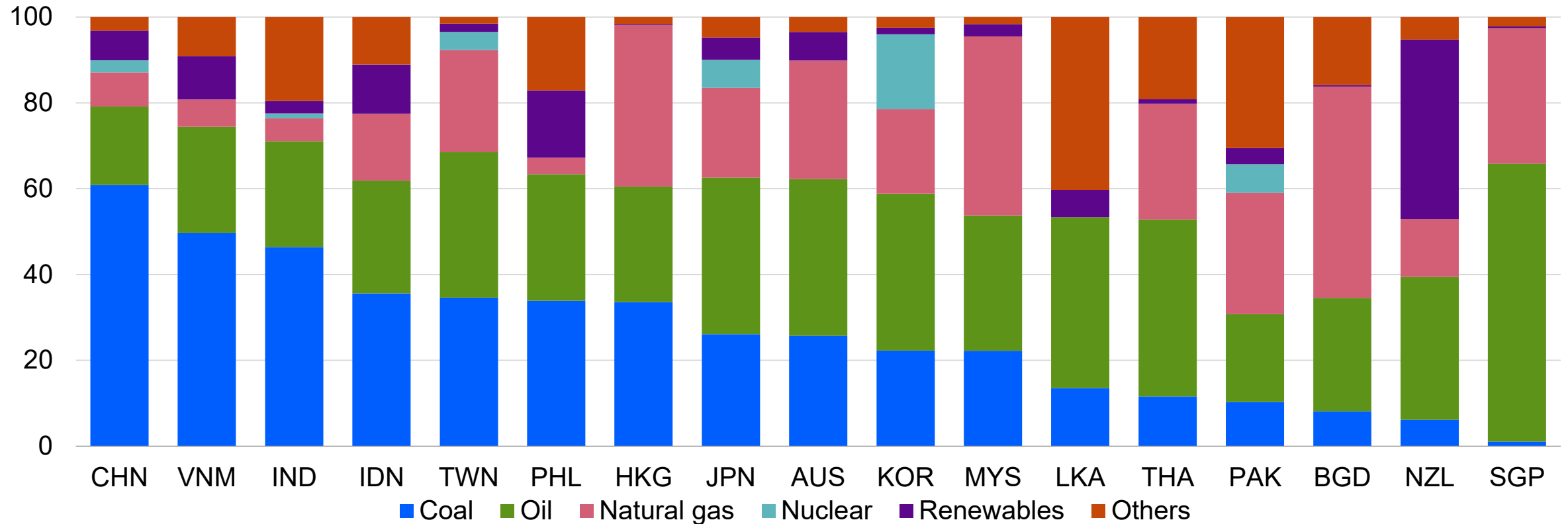
% share of imports from GCC economies, 2024



Sources: Atlas of Economic Complexity, Moody's Analytics

Fossil Fuels Dominate APAC Energy Mix

% share of total energy supply



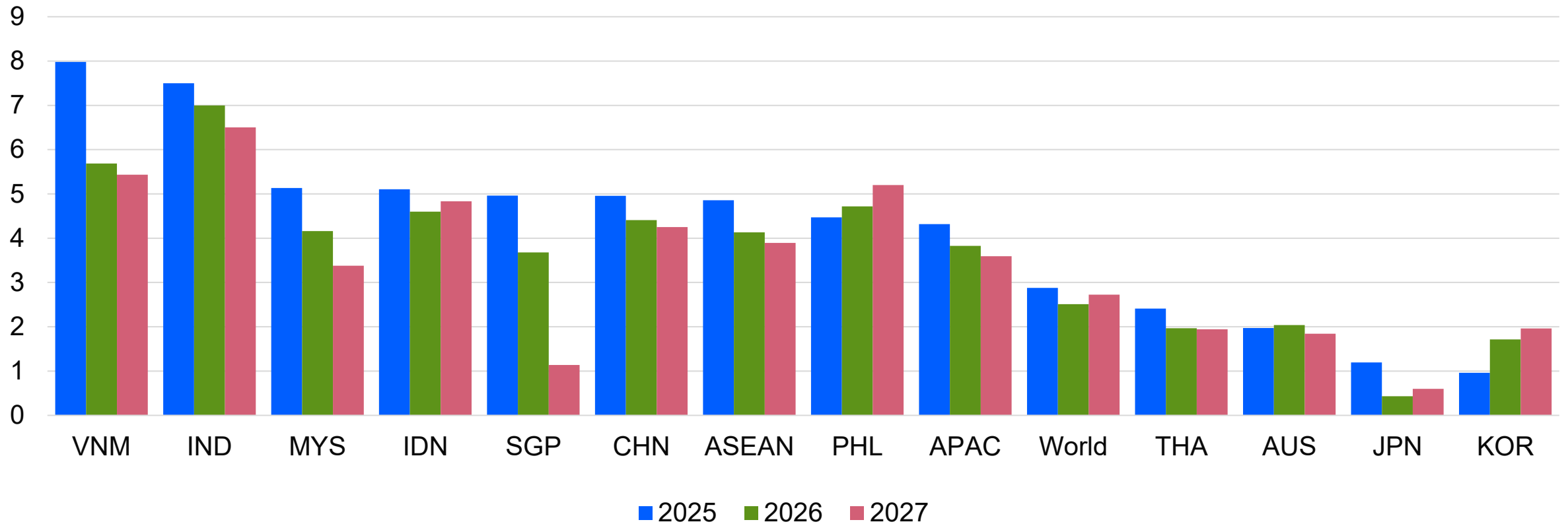
Sources: IEA, Moody's Analytics

The background is a solid dark blue color. It features two large, abstract, wavy patterns made of thin, light blue lines. One pattern on the left side is a dense grid of overlapping lines that creates a mesh-like effect. The other pattern on the right side consists of more widely spaced, parallel wavy lines. The word "Outlook" is written in a white, serif font in the lower-left quadrant.

Outlook

Growth Across Asia-Pacific Region Will Slow

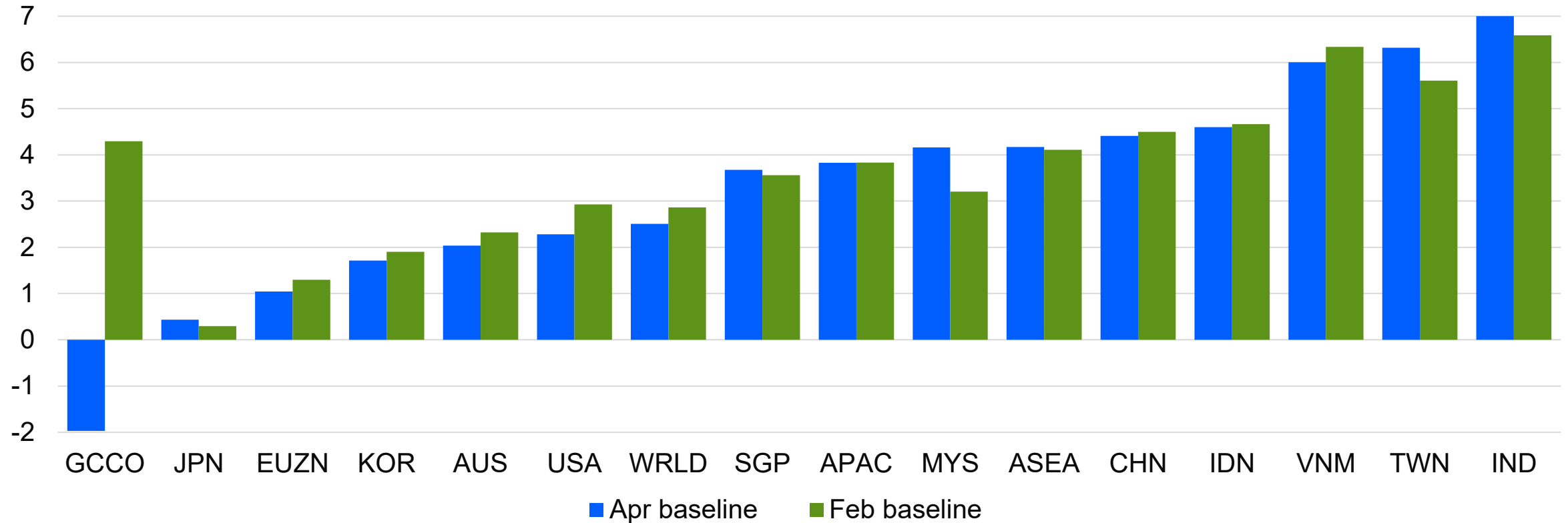
Real GDP, % change, Apr 2026 baseline



Source: Moody's Analytics

Growth Forecasts Have Been Cut

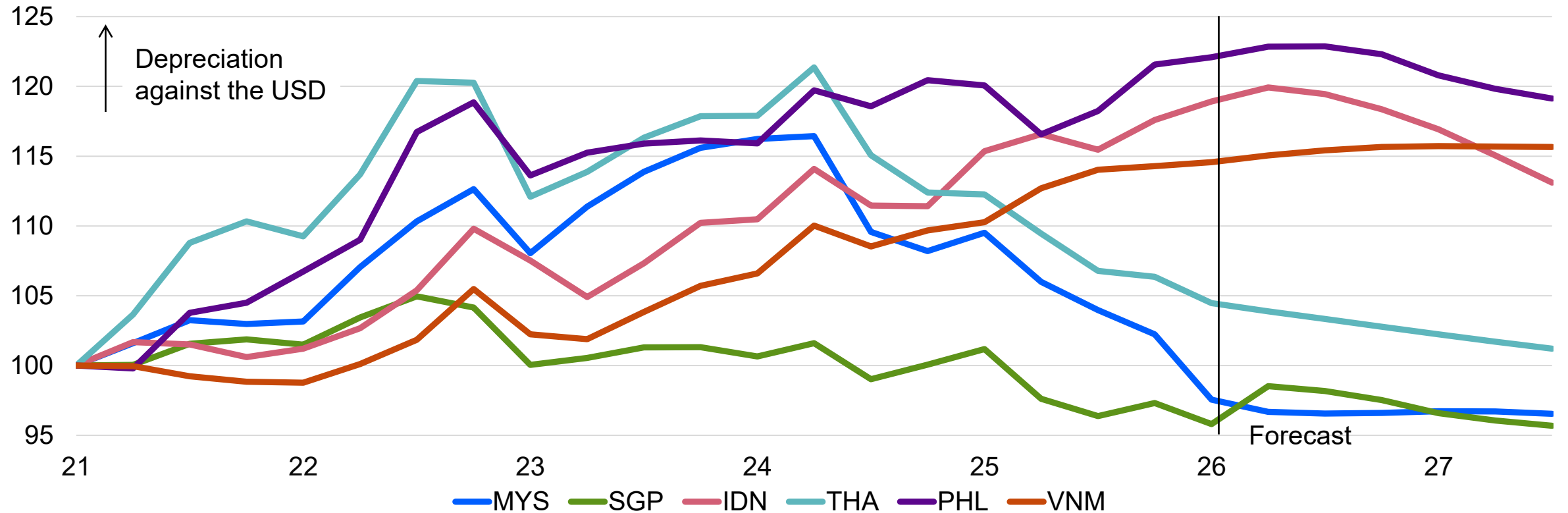
GDP growth, 2026. %



Sources: National statistics offices, Moody's Analytics

Most ASEAN Currencies Expected to Strengthen

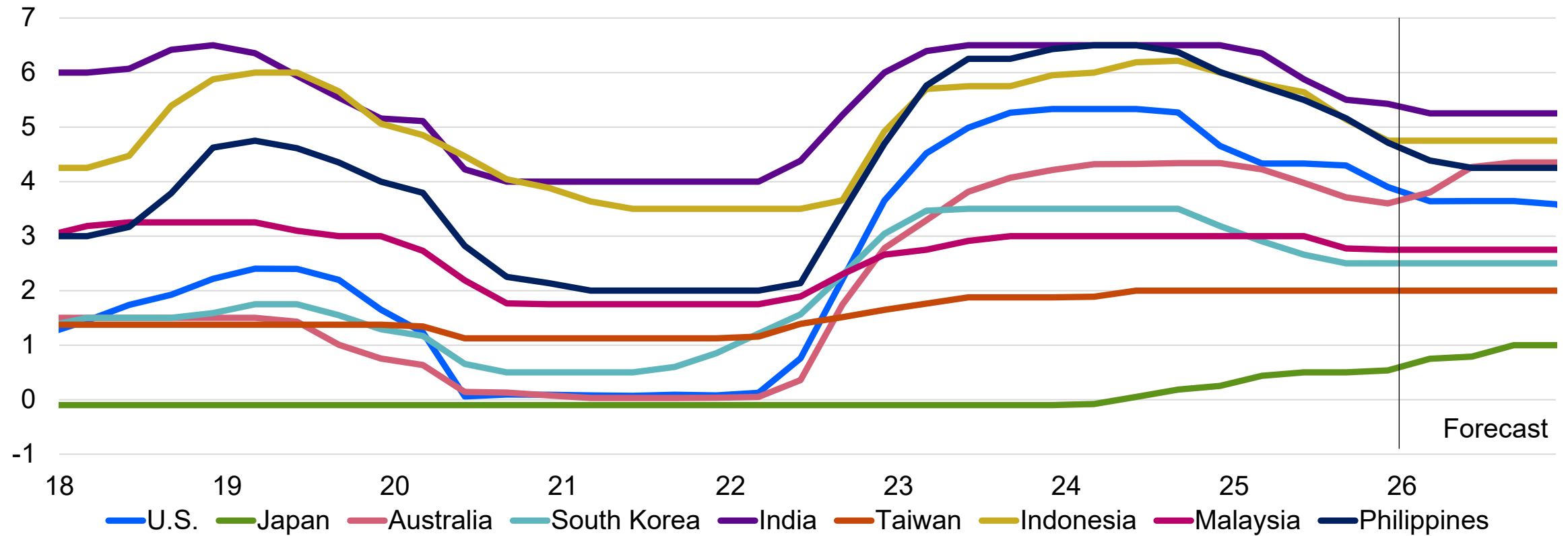
Exchange rate vs. USD, 2021Q1=100, April 2026 baseline



Source: Moody's Analytics

Central Banks Are Looking Through The Shock, For Now

Central bank policy rates, %, April 2026 baseline



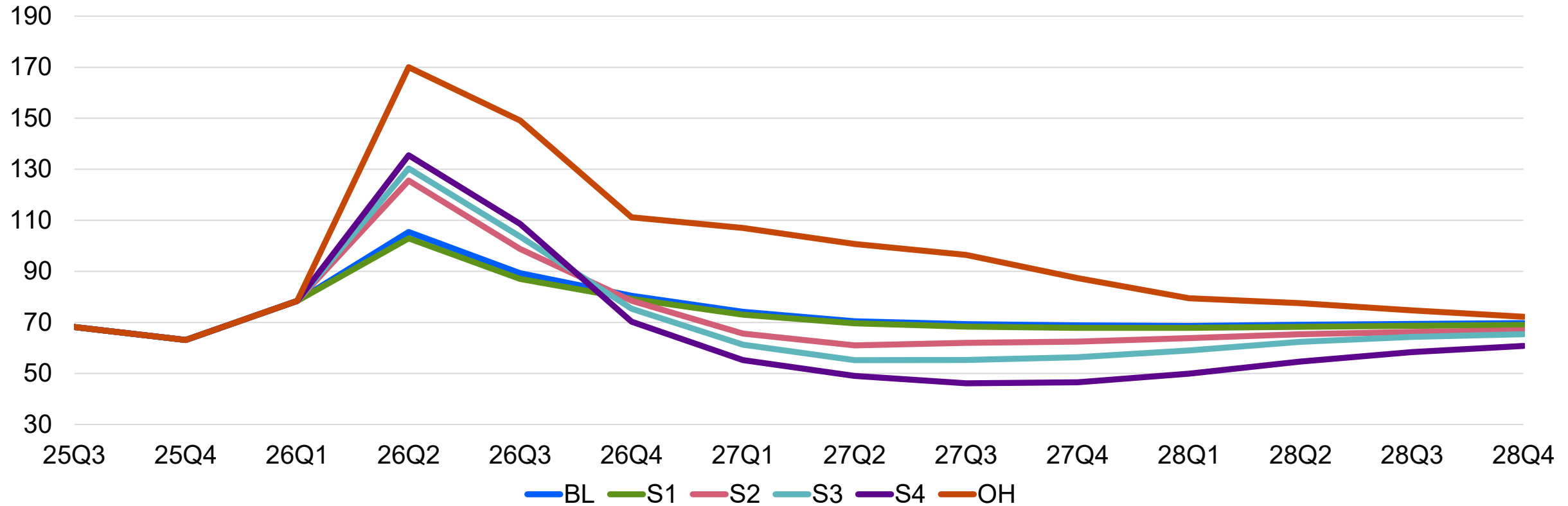
Sources: Central banks, Moody's Analytics

The background is a solid dark blue color. It features two large, abstract, wavy patterns made of thin, light blue lines. One pattern is on the left side, and another is on the right side. The lines in these patterns are closely spaced and create a sense of depth and movement, resembling a grid or a series of overlapping waves.

Risks

Prolonged Conflict Will Cause Oil Price Spike

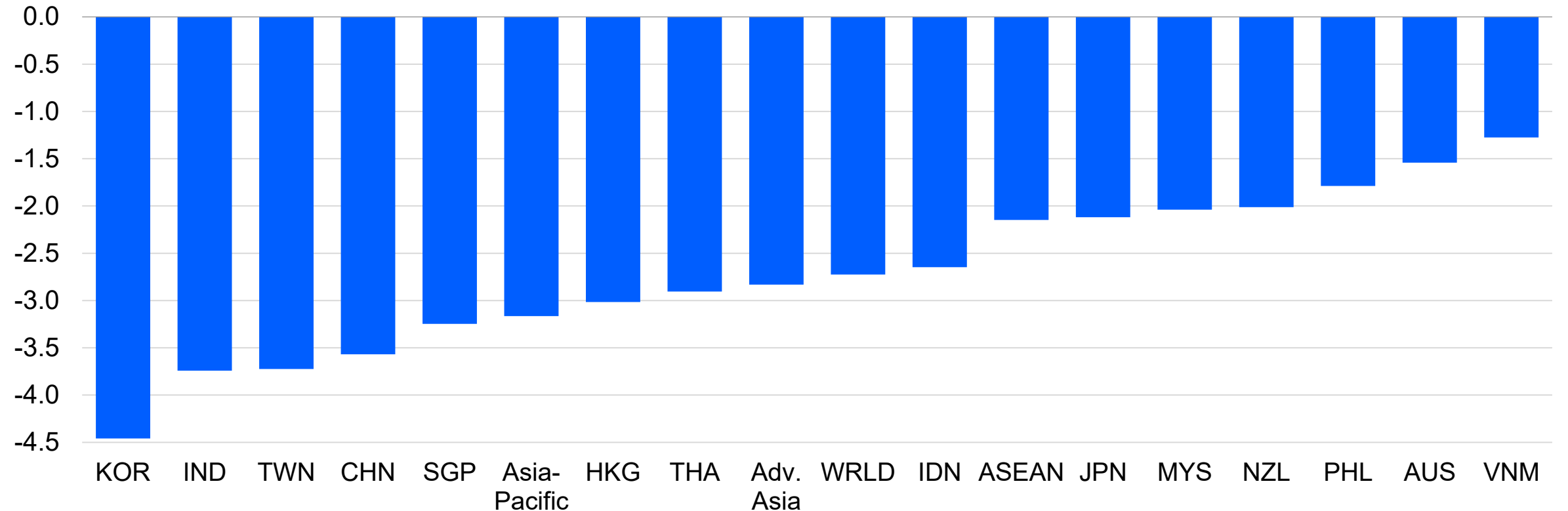
Brent crude price, USD per bbl, January baseline



Sources: Moody's Analytics

A Longer Middle East Conflict Would Hit Asia-Pacific Hard

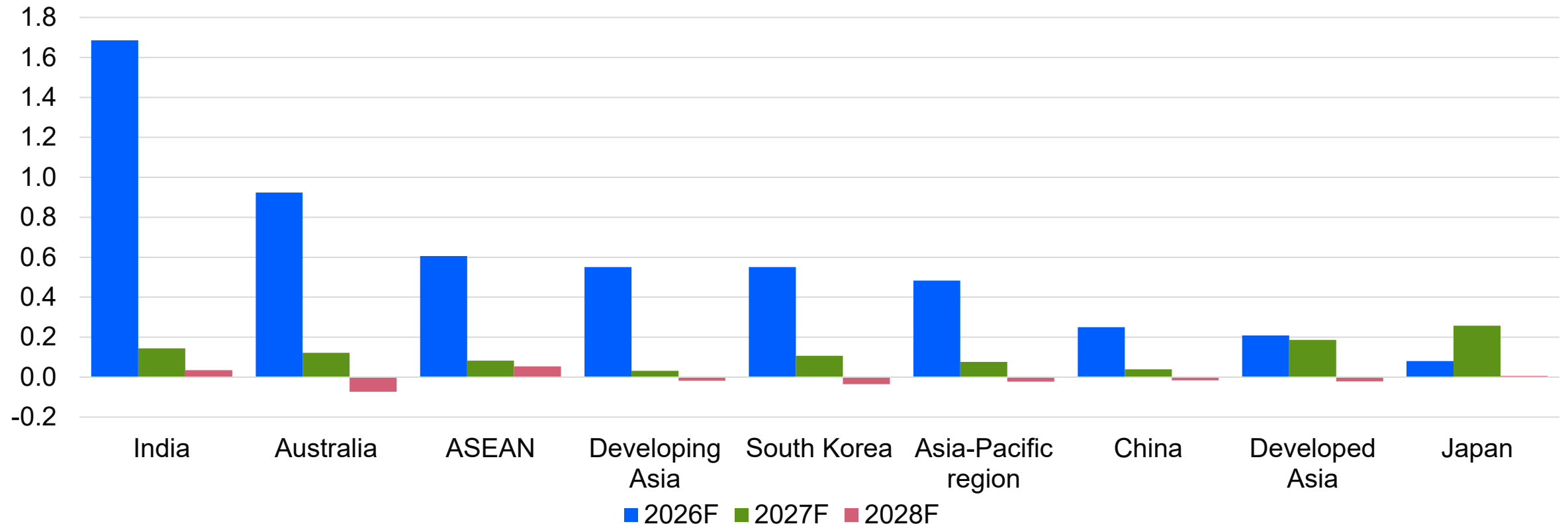
Real GDP response to a 64% increase in brent crude oil prices (S6 scenario peak deviation from baseline)



Source: Moody's Analytics

Consumer Price Inflation Will Reaccelerate

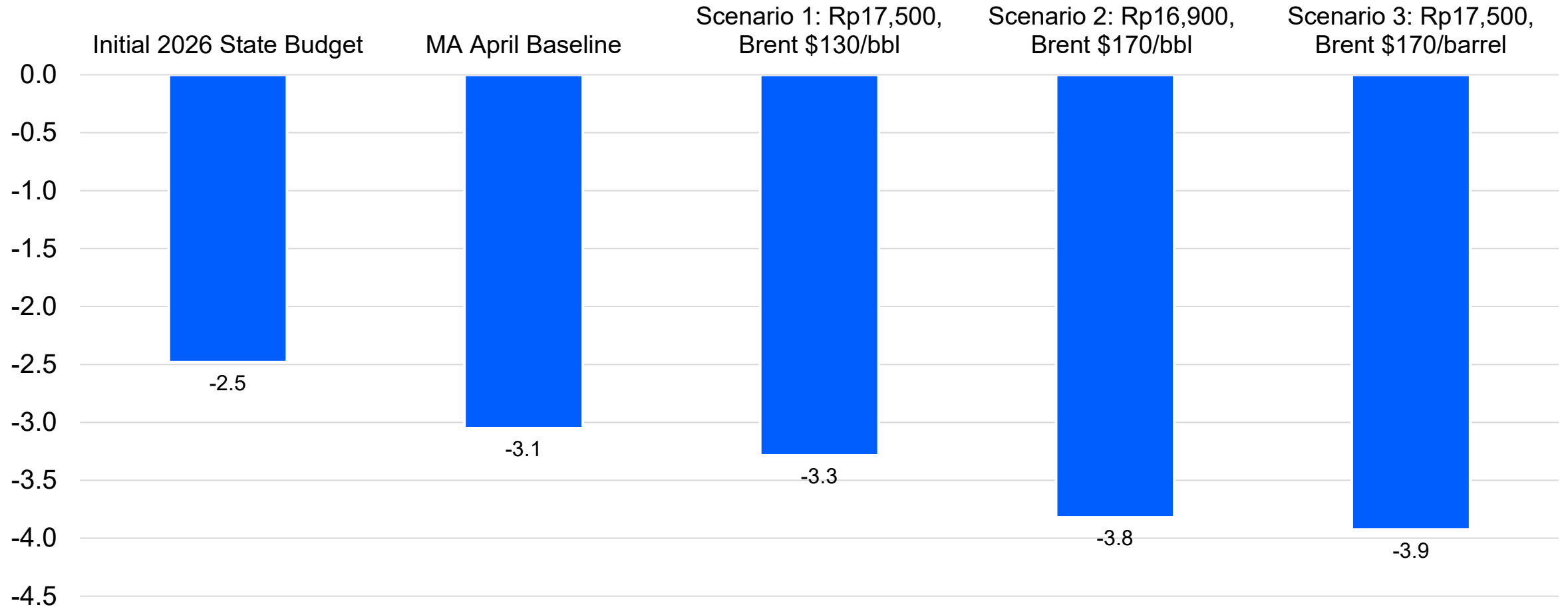
CPI, ppt change between Apr and Feb baseline



Source: Moody's Analytics

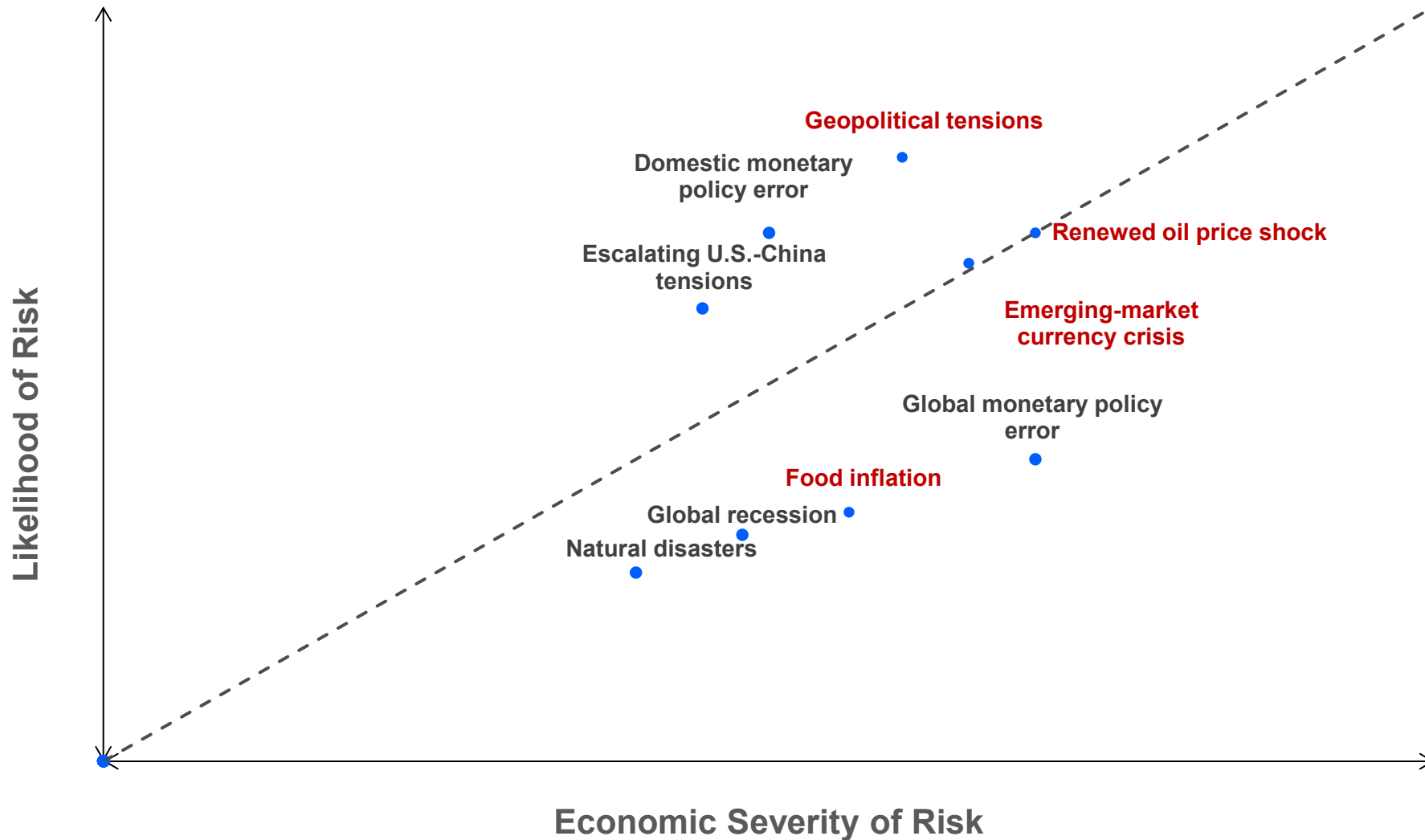
A Longer Conflict Will Inflate Subsidy Bill

Budget Deficit, % nominal GDP



Source: Moody's Analytics

Geopolitical and Trade Tensions Are Top of Mind



Source: Moody

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Thank you

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