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Highlights

Global	Global risk appetite was generally soft amid mixed economic data – Indonesia's 1Q16 GDP growth disappointed at -0.34% qoq (+4.92% yoy), below market expectations for -0.22% qoq (+5.07% yoy), albeit an improvement from the -1.83% qoq (+5.04% yoy) seen in 4Q15. Meanwhile, US' non-manufacturing ISM beat expectations to surge from 54.5 to 55.7 in April, amid stronger orders (6-month high), prices paid (53.4 which is the highest since May 2015) and employment, which helped to mitigate the softer than expected ADP and trade data. Expect Asian markets to tread cautiously today. The economic data calendar will kick off with the China Caixin services and composite PMIs, as well as the other non-manufacturing PMIs for UK, HK, and Singapore, US' initial jobless claims and Challenger job cuts. Fed speakers include Bullard, Kaplan, Lockhart and Williams.
US	The trade deficit fell 13.9% to US\$40.4b in March, the smallest since February 2015, as imports plunged 3.6% (the most since February 2009) even as export growth fell for the fifth time in six months by 0.9%, albeit the petroleum deficit was the smallest since February 1999 as well. Productivity fell 1.0% in 1Q16. Separately, the ADP employment rose below expectations by 156k in April, the smallest increase in three years, and dampening market hopes for tomorrow's NFP data. Hiring at factories cooled whereas services providers remained resilient. 1Q16 productivity growth fell 1% after a 1.7% decline in 4Q15, as labor costs surged 4.1% (the largest gain in a year) following a 2.7% increase in 4Q15.
EZ	Composite PMIs stood at 53.0 in April, with the services PMI was steady at the 14-month low of 53.1. Retail sales dipped 0.5% mom (+2.1% yoy) as consumers pared back F&B and tobacco purchases in March, albeit the February data was revised higher to +0.3% mom (+2.7% yoy).
JP	PM Abe has said he is sticking with his three-pillar policy including efforts to consolidate the budget, but called for more expansionary stimulus measures for the global economy including "an expansive fiscal policy".
SG	The Nikkei whole economy PMI may soften from the March print of 52.0 reflecting that business confidence appears to have weakened a tad since 1Q16.
China	Concerns about the Yuan's fortune re-emerged this week after China unexpectedly guided the RMB Index down to 96.54 on Monday from 97.12 last Friday. The RMB index remained low at 96.56 with the USDCNY fixing spiked to 6.4943 from 6.4565 on Monday. Concerns that the Yuan may have to depreciate faster against the dollar should dollar regain strength in the global market worried investors, which in turn drove the Asian currencies higher.
Commodities	US crude oil inventories rose more than market expectations (+2.8 million barrels vs est of 750k), even as refinery utilisation rates rose by 1.6%, the fastest rate of increase in a week. Still, WTI futures rose 0.3% to \$43.8/bbl, as market-watchers likely eyed closely on higher implied gasoline demand seen in the week ended 29 th April, underscoring expectations of higher demand ahead of the driving season.

Major Market

- **US:** Economic concerns continue to weigh on investors as data released indicated weaker-than-expected hiring by US private companies. Led by financials and energy producers, equity markets fell across the board. S&P 500 (-0.59%), Dow (-0.56%) and Nasdaq (-0.79%). US Treasury yields fell, with the 2-year and 10-year Treasuries yielding 0.73% and 1.77% respectively. Volatility continues to climb, with VIX up 2.88%.
- **Singapore:** The STI fell 1.36% to break the 2800 handle and closed at 2773.07 yesterday, and is likely to continue to slide today given weak overnight cues from Wall Street. STI may test support and resistance at 2740 and 2780 respectively. Meanwhile, SGS bond yields chose to ignore UST bond cues and sold off yesterday, but may see the risk-off sentiments more overwhelmingly today.
- **Hong Kong:** Overall residential property price dipped further by 7.31% yoy in March while volume continued to rebound to 4,494 units in April from 2,369 units in the previous month. On a yearly basis, annual decline of residential property transaction moderated significantly from 45% to 1% in April. By segment, transaction volume for housing units priced between HKD 3 million and HKD 5 million was mainly responsible for the rebound, which surged from 1,031 units to 1,914 units, up 86% mom. Transaction volume for housing units of other size also witnessed broad-base increase. All-in-all, given (1) China's slowdown, (2) dimmer HK economic outlook on weak inbound tourism, (3) and poor investor sentiments given the possible interest rate normalization in US, we may need more data points in order to conclude a genuine recovery in housing transaction.
- **Indonesia:** 1Q GDP missed expectations to print +4.92%yoy (-0.34% qoq). On an annualized basis, growth contracted for the second straight quarter as government spending was cut by half while household expenditure grew by 0.17% qoq.
- **Malaysia:** An IMF statement published yesterday praises Bank Negara Malaysia for the appropriate use of both monetary and fiscal policy. IMF mentioned that BNM's response to both external and domestic shocks was not only timely but also decisive. In addition, IMF estimates that 2016 growth will continue to ease, but to a robust 4.4% on the back of "healthy, albeit moderating, domestic demand". Also, inflation is expected to pick up to about 3%, as "the impact of lower oil prices wanes and a more depreciated exchange rate passes through to prices."

Bond Market Updates

- **Market Commentary:** The SGD swap curve flattened yesterday, with the short-end rates trading 2bps-5bps higher while the rest of the curve remained relatively unchanged. Flows in the SGD corporates were moderate, where we saw better buyers in GENSSP 5.125%'49s, STANLN 4.4%'26s, better sellers in ANVAU 5.5%'76s and mixed interests in OLAM 6%'22s. In the broader dollar space, the spread on the JACI IG corporates widened by 1bp to 228bps, while the yield on the JACI HY corporates increased by 5bps to 7.36%. 10y UST yield decreased by 2bps to 1.78%.
- **New Issues:** Tianjin Rail priced a two-part deal yesterday, with the USD200mn 3-year bond tranche priced at CT3+162.5bps and the USD300mn 5-year bond tranche priced at CT5+182.5bps. The tranches tightened from initial guidance of CT3+190bps and CT5+210bps respectively. The expected rating for the issue is "A/A3/NR".
- **Rating Changes:** S&P initiated a 'BBB+' long-term corporate credit rating to CMB Financial Leasing Co Ltd ("CMBFL") and CMB International Leasing Management Ltd ("CMBILM"), as S&P considers China-based CMBFL and Hong Kong-based CMBILM to be core subsidiaries of their parent bank, CMB. Outlook is stable. S&P downgraded Indonesia-based diversified retail PT Multipolar Tbk

("Multipolar") and its 50.2%-owned subsidiary PT Matahari Putra Prima Tbk ("MPPA") to "B" from "B+". This is in light of interest coverage ratios being unlikely to recover in line with S&P's expectation for a "B+" rating level over the next 12 months. Outlook is stable. Moody's revised the outlook on Nord Anglia Education's "B1" corporate family rating to negative from stable. The change in outlook reflects Moody's expectations that acquisitions and modest pressure on margins will delay an expected deleveraging, with adjusted debt/EBITDA likely to remain near 7.0x for fiscal 2016.

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DX	93.179	0.25%	USD-SGD	1.3583	0.44%
USD-JPY	107.010	0.38%	EUR-SGD	1.5603	0.36%
EUR-USD	1.1132	0.00%	JPY-SGD	1.2693	0.06%
AUD-USD	0.7457	-0.37%	GBP-SGD	1.9690	0.17%
GBP-USD	1.4496	-0.27%	AUD-SGD	1.0128	0.06%
USD-MYR	3.9932	1.57%	NZD-SGD	0.9347	-0.02%
USD-CNY	6.5101	0.24%	CHF-SGD	1.4184	0.11%
USD-IDR	13261	0.55%	SGD-MYR	2.9456	0.60%
USD-VND	22405	0.52%	SGD-CNY	4.7895	-0.31%

Equity and Commodity

Index	Value	Net change
DJIA	17,651.26	-99.70
S&P	2,051.12	-12.30
Nasdaq	4,725.64	-37.60
Nikkei 225	16,147.38	--
STI	2,773.07	-38.10
KLCI	1,657.58	6.10
JCI	4,822.60	10.30
Baltic Dry	652.00	-30.00
VIX	16.05	0.50

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3430	--	O/N	0.3857	--
2M	-0.2900	--	1M	0.4359	--
3M	-0.2510	--	2M	0.5220	--
6M	-0.1420	--	3M	0.6329	--
9M	-0.0780	--	6M	0.9072	--
12M	-0.0120	--	12M	1.2318	--

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.03 (--)	0.74 (-0.02)
5Y	1.60 (-0.01)	1.23 (-0.02)
10Y	2.01 (+0.01)	1.78 (-0.02)
15Y	2.37 (-0.02)	--
20Y	2.44 (-0.01)	--
30Y	2.56 (-0.01)	2.63 (-0.03)

Eurozone & Russia Update

	2Y Bond Ylds (bpschg)	10Y Bond Ylds (bpschg)	10Y Bund Spread %
Portugal	0.61	1.80	3.16
Italy	-0.05	0.50	1.50
Ireland	-0.34	-0.70	0.92
Greece*	9.92	-54.50	8.75
Spain	-0.07	0.20	1.60
Russia^	3.15	5.30	4.87

Financial Spread (bps)

	Value	Change
LIBOR-OIS	24.39	-0.37
EURIBOR-OIS	9.40	-0.20
TED	44.59	1.13

* Greece's bond yields data reflect 3-year (instead of 2-year) tenor

^ Russia's bond yields data reflects 3-year and 15-year tenors instead

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	43.78	0.30%	Coffee (per lb)	1.191	0.42%
Brent (per barrel)	44.62	-0.78%	Cotton (per lb)	0.6217	-1.40%
Heating Oil (per gallon)	1.328	-0.39%	Sugar (per lb)	0.1665	2.46%
Gasoline (per gallon)	1.49	-1.55%	Orange Juice (per lb)	1.3980	4.72%
Natural Gas (per MMBtu)	2.141	2.64%	Cocoa (per mt)	3,159	-0.60%
Base Metals	Futures	% chg	Grains	Futures	% chg
Copper (per mt)	4,867.0	-1.08%	Wheat (per bushel)	4.6050	0.16%
Nickel (per mt)	9,412	-0.80%	Soybean (per bushel)	10.245	0.29%
Aluminium (per mt)	1,621.0	-0.11%	Corn (per bushel)	3.7325	-1.32%
Precious Metals	Futures	% chg	Asian Commodities	Futures	% chg
Gold (per oz)	1,274.4	-1.35%	Crude Palm Oil (MYR/MT)	2,600.0	3.17%
Silver (per oz)	17.277	-1.13%	Rubber (JPY/KG)	182.0	0.00%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Key Economic Indicators

Date Time	Event	Survey	Actual	Prior	Revised
05/04/2016 05:00	SK Foreign Reserves	Apr	--	\$372.48b	\$369.84b
05/04/2016 06:45	NZ Unemployment Rate	1Q	5.50%	5.70%	5.30%
05/04/2016 06:45	NZ Employment Change QoQ	1Q	0.60%	1.20%	0.90%
05/04/2016 06:45	NZ Employment Change YoY	1Q	1.30%	2.00%	1.30%
05/04/2016 08:00	NZ QV House Prices YoY	Apr	--	12.00%	11.40%
05/04/2016 09:00	NZ ANZ Commodity Price	Apr	--	-0.80%	-1.30%
05/04/2016 12:04	ID GDP QoQ	1Q	-0.22%	-0.34%	-1.83%
05/04/2016 12:04	ID GDP YoY	1Q	5.07%	4.92%	5.04%
05/04/2016 13:00	IN Nikkei India PMI Services	Apr	--	53.7	54.3
05/04/2016 13:00	IN Nikkei India PMI Composite	Apr	--	52.8	54.3
05/04/2016 14:45	FR Trade Balance	Mar	-4200m	-4368m	-5177m
05/04/2016 15:50	FR Markit France Services PMI	Apr F	50.8	50.6	50.8
05/04/2016 15:50	FR Markit France Composite PMI	Apr F	50.5	50.2	50.5
05/04/2016 15:55	GE Markit Germany Services PMI	Apr F	54.6	54.5	54.6
05/04/2016 16:00	EC Markit Eurozone Services PMI	Apr F	53.2	53.1	53.2
05/04/2016 16:00	EC Markit EZ Composite PMI	Apr F	53	53	53
05/04/2016 16:30	UK Markit UK Construction PMI	Apr	54	52	54.2
05/04/2016 17:00	EC Retail Sales MoM	Mar	-0.10%	-0.50%	0.20%
05/04/2016 17:00	EC Retail Sales YoY	Mar	2.60%	2.10%	2.40%
05/04/2016 17:46	ID Consumer Confidence Index	Apr	--	109	109.8
05/04/2016 19:00	US MBA Mortgage Applications	Apr-29	--	-3.40%	-4.10%
05/04/2016 20:15	US ADP Employment Change	Apr	195k	156k	200k
05/04/2016 20:30	US Trade Balance	Mar	-\$41.2b	-\$40.4b	-\$47.1b
05/04/2016 20:30	CA Int'l Merchandise Trade	Mar	-1.40b	-3.41b	-1.91b
05/04/2016 21:45	US Markit US Services PMI	Apr F	52.1	52.8	52.1
05/04/2016 21:45	US Markit US Composite PMI	Apr F	--	52.4	51.7
05/04/2016 22:00	US ISM Non-Manf. Composite	Apr	54.8	55.7	54.5
05/04/2016 22:00	US Factory Orders	Mar	0.60%	1.10%	-1.70%
05/04/2016 22:00	US Durable Goods Orders	Mar F	0.80%	0.80%	0.80%
05/04/2016 22:00	US Durables Ex Transportation	Mar F	-0.10%	-0.20%	-0.20%
05/04/2016 22:00	US Cap Goods Ship Nondef Ex Air	Mar F	--	0.50%	0.30%
05/05/2016 08:30	TA CPI YoY	Apr	1.50%	--	2.00%
05/05/2016 09:00	AU HIA New Home Sales MoM	Mar	--	--	-5.30%
05/05/2016 09:00	PH CPI YoY	Apr	1.20%	--	1.10%
05/05/2016 09:30	AU Trade Balance	Mar	-2900m	--	-3410m
05/05/2016 09:30	AU Retail Sales MoM	Mar	0.30%	--	0.00%
05/05/2016 09:45	CH Caixin China PMI Services	Apr	--	--	52.2
05/05/2016 09:45	CH Caixin China PMI Composite	Apr	--	--	51.3
05/05/2016 10:30	HK Nikkei Hong Kong PMI	Apr	--	--	45.5
05/05/2016 15:30	UK Halifax House Prices MoM	Apr	-0.30%	--	2.60%
05/05/2016 16:00	SI COE Open Bid Cat A	May-05	--	--	47300
05/05/2016 16:00	SI COE Open Bid Cat B	May-05	--	--	49602
05/05/2016 16:30	UK Markit/CIPS UK Services PMI	Apr	53.5	--	53.7
05/05/2016 16:30	HK Retail Sales Value YoY	Mar	-8.80%	--	-20.60%
05/05/2016 16:30	HK Retail Sales Volume YoY	Mar	-6.90%	--	-19.50%
05/05/2016 20:30	CA Building Permits MoM	Mar	-4.80%	--	15.50%
05/05/2016 20:30	US Initial Jobless Claims	Apr-30	260k	--	257k
05/05/2016 20:30	US Continuing Claims	Apr-23	2128k	--	2130k
05/05/2016 21:45	US Bloomberg Consumer Comfort	May-01	--	--	43.4
05/05/2016 05/06	PH Budget Balance PHP	Feb	--	--	-3.5b

Source: Bloomberg

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