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Highlights

Global	<p>Global risk appetite continued to sustain on Friday, as investors digested a more dovish FOMC slant, albeit crude oil prices eased. The US' University of Michigan sentiments unexpectedly retreated from 91.7 to a 5-month low of 90.0 (forecast: 92.2), as current conditions and expectations gauges both softened to 105.6 and 80.0 (low since Sep15) in Mar, although the 1-year and 5-10 year inflation expectations gauges recovered from 2.5% to 2.7% which suggests that households are not expecting low inflation to persist over the medium term.</p> <p>With Japan out for holiday today, today's data calendar is also light with only the US' existing home sales and Chicago Fed national activity index in focus. For this week, key central bank meetings to watch include BOT (likely static at 1.5%) and BSP (also expected to be on hold at 4%) on 23 Mar, but CBC may trim its benchmark interest rate by another 12.5bps to 1.5% on 24 Mar. Comments from the Boao Forum in Hainan on 24 Mar may also draw some market attention, whilst Singapore announces its FY16 Budget on 24 Mar too.</p>
US	Fed's Bullard opined that "prudent policy suggests edging the policy rate and the balance sheet toward more normal levels" and "while the FOMC's goals have been met, the FOMC's policy settings remain extreme".
EZ	ECB's Praet opined that the bank can still cut rates if necessary, while Weidmann has warned that "helicopter money isn't manna falling from heaven, but would rip huge holes in central bank balance sheets" and "the euro area states and taxpayers would pay the bill in the end". On ECB's recent policy easing, Weidmann also opined that "the effect of ultra-loose monetary policy gets weaker the longer it lasts" and "the more you put your foot on the gas, the bigger the risks and side effects become".
AU	PM Turnbull has brought forward the budget announcement by one week to 3 May and threatened to call an early election on 2 July unless the Senate passes legislation to regulate unions.
SG	MAS will announce the details of the 2-year SGS bond re-opening due 29 Mar.
China	PBoC Governor said yesterday that China's leverage ratio is relatively on the high side and acceleration of development of capital market is one of the ways to lower the leverage ratio via increasing the share of equity financing in national savings. Meanwhile, China revived the margin lending in the stock market. China Securities Finance Corp made an announcement to restart its offerings of loans to securities companies ranging from 7 days to 182 days with reduced interest rate. The borrowing cost for 182 days is only 3%. China's Finance Minister Lou Jiwei said he did not care that much about the latest credit rating outlook downgrade and said it has a limited impact.
Indonesia	BI's Governor, Agus Martowardojo, was quoted by Kompas daily as saying that the banking sector would take 1-3 months to pass on the policy rate cuts to lending rates as banks would need to lower their costs of fund first.
Commodities	The commodity complex fell across the board after the dollar rallied on Friday amid likely some profit-taking as well after the notable gains in the previous trading day. Crude oil fell below \$40/bbl once again, while the unexpected gain in US oil rigs, the first gain since late last year, could have spooked some market-watchers as well.

Major Market

- **US:** Wall Street rallied on Friday, adding to a 5th straight week of gains, with the Dow +0.69%, S&P500 +0.44% (turning positive for the year-to-date) and Nasdaq +0.43%. Laggards like healthcare and financial shares rose. VIX -2.91% to 14.02. The UST bond market gained on Friday, with the 2- and 10-year bond yields at 0.84% and 1.88% respectively.
- **Singapore:** The STI rose 0.92% to close at 2906.80 on Friday, and may attempt to tick higher today given positive leads from Wall Street on Friday and modest morning gains by Kospi. STI could trade in a 2880-2920 range today. Meanwhile, SGS bonds may tread more lightly today, awaiting MAS' auction details for the 2-year SGS bond re-opening.
- **Thailand:** A tax incentive is said to be forwarded for cabinet approval in the coming weeks, to entice Thai consumers to spend in local retails during the upcoming Songkran festival.

Bond Market Updates

- **Market Commentary:** The SGD swap curve traded 3bps lower last Friday. Flows in the SGD corporate space was heavy where we saw mixed interest in GENSSP 5.125%'49s, PREHSP 4.9%'19s, F 3.7%'19s, FCLSP 5%'49s, OOCLIN 4.1%'22s. There was also better buyers of ANVAU 5.5%'76s, and better sellers of ABNANB 4.7%'22s. In the broader dollar space, JACI IG corporates spread tightened by 2bps to 231bps, while the yield on the JACI HY corporates decreased by 3bps to 7.81%. 10y UST decreased by 2bps to 1.87%, with the market continuing to digest the relatively dovish FOMC statement.
- **New Issues:** Korea Development Bank priced a dual tranche USD floating rate note. The USD150mn 3-year tranche was priced at 3mL+85bps while the USD150mn 5-year tranche was priced at 3mL+95bps. The expected rating for the issue is "AA-/Aa2/AA-". UOB Ltd re-tapped the 3.5%'26s bond at CT10+213bps, tightening from an initial guidance of CT10+215bps. TMB Bank plans for a potential USD bond issue and has scheduled investor meetings in Hong Kong and Singapore today.
- **Rating Changes:** Moody's affirmed Tokyo Electric Power Company Inc. (TEPCO) "Ba3" corporate family rating, "Ba2" senior secured debt rating and "B1" issuer rating. Outlook is stable. Concurrently, Moody's has withdrawn TEPCO's "B1" issuer rating, in line with Moody's practice on other speculative grade issuers. The change in outlook reflects Moody's view that TEPCO's credit profile has shown a greater degree of stability. Moody's has concluded rating reviews for Thai Oil Public Co Ltd ("Thai Oil"), PTT Global Chemical Public Co Ltd ("PTTGC"), IRPC Public Co Ltd ("IRPC"). This follows a confirmation on the ratings of parent, PTT Public Co Ltd ("PTT") on 17 Mar 2016. As such,
 - Thai Oil's "Baa1" senior unsecured rating incorporates a one-notch uplift, based on the expected support from PTT.
 - PTTGC's "Baa2" rating incorporates a one-notch uplift, reflecting the likelihood of PTT providing credit support in the event of distress.
 - IRPC "Ba1" ratings incorporate a two-notch uplift that reflects PTT's willingness to provide additional working capital and extraordinary credit support in a situation of stress.
- Moody's placed Canon's "Aa1" rating on review for downgrade following Canon's announce of JPY665.5bn acquisition of Toshiba Medical Systems, due to the issuance of debt that will lead to pressure on Canon's financial profile. Moody's also confirmed Energi Mega Persada Tbk ("EMP") "B2" corporate family rating in light of its support by the increasing proportion of earnings and cash flows from stable gas producing blocks in Indonesia.

- S&P placed Manulife Japan “AA-“ rating and Falcon Insurance Co. “A-“ financial strength rating on CreditWatch with negative implications, as the policyholder guarantee provided by its parent company no longer meets the guarantee criteria in paragraph 104 of S&P’s group rating methodology. S&P downgraded Rolta India (“Rolta”) to “B+” from “BB-“, reflecting S&P’s expectation that Rolta’s rising uncollected receivables and uncertain capital expenditure needs will push up leverage over the next 12 months. Outlook is stable

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	95.086	0.34%	USD-SGD	1.3581	0.61%
USD-JPY	111.550	0.14%	EUR-SGD	1.5315	0.24%
EUR-USD	1.1132	0.00%	JPY-SGD	1.2183	0.53%
AUD-USD	0.7608	-0.54%	GBP-SGD	1.9664	0.58%
GBP-USD	1.4476	-0.04%	AUD-SGD	1.0331	0.06%
USD-MYR	4.0533	-0.07%	NZD-SGD	0.9242	-0.09%
USD-CNY	6.4716	-0.09%	CHF-SGD	1.4017	0.46%
USD-IDR	13117	0.32%	SGD-MYR	2.9835	-0.16%
USD-VND	22293	0.04%	SGD-CNY	4.7692	-0.41%

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3240	-0.0020	O/N	0.3743	-0.0005
2M	-0.2750	-0.0020	1M	0.4283	-0.0038
3M	-0.2350	-0.0010	2M	0.5142	-0.0012
6M	-0.1310	--	3M	0.6243	0.0009
9M	-0.0690	-0.0010	6M	0.8912	0.0029
12M	-0.0030	--	12M	1.2115	0.0092

Eurozone & Russia Update

	2Y Bond Ylds (bpschg)	10Y Bond Ylds (bpschg)	10Y Bund Spread %
Portugal	0.66	-0.40	2.92
Italy	-0.02	-0.40	1.26
Ireland	-0.34	-0.70	0.80
Greece*	8.90	-50.80	8.61
Spain	0.03	-0.90	1.43
Russia^	3.27	-2.40	5.48

* 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

Equity and Commodity

Index	Value	Net change
DJIA	17,602.30	120.80
S&P	2,049.58	9.00
Nasdaq	4,795.65	20.70
Nikkei 225	16,724.81	-211.60
STI	2,906.80	26.60
KLCI	1,716.34	13.10
JCI	4,885.71	--
Baltic Dry	395.00	3.00
VIX	14.02	-0.40

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	0.93 (+0.01)	0.84 (-0.03)
5Y	1.70 (+0.01)	1.33 (-0.04)
10Y	2.03 (-0.01)	1.87 (-0.02)
15Y	2.40 (-0.02)	--
20Y	2.52 (-0.02)	--
30Y	2.69 (-0.01)	2.68 (-0.01)

Financial Spread (bps)

	Value	Change
LIBOR-OIS	23.93	-0.81
EURIBOR-OIS	11.10	0.27
TED	33.94	-0.42

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	39.44	-1.89%	Coffee (per lb)	1.339	1.40%
Brent (per barrel)	41.20	-0.82%	Cotton (per lb)	0.5716	-2.06%
Heating Oil (per gallon)	1.239	-1.23%	Sugar (per lb)	0.1597	-0.13%
Gasoline (per gallon)	1.43	-0.76%	Orange Juice (per lb)	1.2775	0.16%
Natural Gas (per MMBtu)	1.907	-1.50%	Cocoa (per mt)	3,118	0.06%
Base Metals	Futures	% chg	Grains	Futures	% chg
Copper (per mt)	5,042.0	-0.54%	Wheat (per bushel)	4.6300	0.11%
Nickel (per mt)	8,634	-2.66%	Soybean (per bushel)	8.975	-0.03%
Aluminium (per mt)	1,509.5	-0.76%	Corn (per bushel)	3.6700	-0.41%
Precious Metals	Futures	% chg	Asian Commodities	Futures	% chg
Gold (per oz)	1,254.3	-0.85%	Crude Palm Oil (MYR/MT)	2,633.0	0.69%
Silver (per oz)	15.806	-1.35%	Rubber (JPY/KG)	165.1	2.61%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

CFTC Commodities Futures and Options

For the week ended: 15 Mar 2016

	Current	Previous	Net Chg		Current	Previous	Net Chg
Soybean	25,696	-36,009	61,705	Gold	203,422	212,857	-9,435
Corn	-116,837	-154,297	37,460	Cotton	-28,157	-24,250	-3,907
Sugar	164,292	133,736	30,556	Platinum	32,418	34,255	-1,837
Nymex Crude	330,787	303,758	27,029	RBOB Gasoline	91,546	92,792	-1,246
Wheat	-89,999	-110,686	20,687	Silver	57,020	57,971	-951
Coffee	14,865	-4,560	19,425	Palladium	6,967	5,926	1,041
Live Cattle	56,346	40,133	16,213	Heating Oil	2,115	580	1,535
Lean Hogs	65,450	52,381	13,069	Copper	-624	-2,949	2,325
Cocoa	32,446	28,792	3,654	Natural Gas	-205,093	-207,953	2,860

Source: CFTC

Key Economic Indicators

Date Time	Event	Survey	Actual	Prior	Revised	
03/18/2016 05:00	SK PPI YoY	Feb	--	-3.40%	-3.30%	--
03/18/2016 13:30	JN Tokyo Dept Store Sales YoY	Feb	--	2.70%	0.20%	--
03/18/2016 13:30	JN Nationwide Dept Sales YoY	Feb	--	0.20%	-1.90%	--
03/18/2016 15:00	GE PPI MoM	Feb	-0.10%	-0.50%	-0.70%	--
03/18/2016 15:00	GE PPI YoY	Feb	-2.60%	-3.00%	-2.40%	--
03/18/2016 15:30	TH Foreign Reserves	Mar-11	--	\$170.9b	\$169.6b	--
03/18/2016 15:45	FR Wages QoQ	4Q F	0.10%	0.10%	0.10%	--
03/18/2016 18:37	PH BoP Overall	Feb	--	-\$316m	-\$813m	--
03/18/2016 20:30	CA Retail Sales MoM	Jan	0.60%	2.10%	-2.20%	-2.10%
03/18/2016 20:30	CA Retail Sales Ex Auto MoM	Jan	0.40%	1.20%	-1.60%	-1.70%
03/18/2016 20:30	CA CPI NSA MoM	Feb	0.40%	0.20%	0.20%	--
03/18/2016 20:30	CA CPI YoY	Feb	1.50%	1.40%	2.00%	--
03/18/2016 20:30	CA CPI Core MoM	Feb	0.50%	0.50%	0.30%	--
03/18/2016 20:30	CA CPI Core YoY	Feb	2.00%	1.90%	2.00%	--
03/18/2016 22:00	US U. of Mich. Sentiment	Mar P	92.2	90	91.7	--
03/21/2016 05:00	NZ Westpac Consumer Confidence	1Q	--	109.6	110.7	--
03/21/2016 08:01	UK Rightmove House Prices MoM	Mar	--	--	2.90%	--
03/21/2016 08:01	UK Rightmove House Prices YoY	Mar	--	--	7.30%	--
03/21/2016 10:00	NZ Credit Card Spending YoY	Feb	--	--	8.90%	--
03/21/2016 16:00	TA Export Orders YoY	Feb	-10.00%	--	-12.40%	--
03/21/2016 16:30	HK CPI Composite YoY	Feb	2.60%	--	2.70%	--
03/21/2016 17:30	IT Current Account Balance	Jan	--	--	6141m	--
03/21/2016 20:30	US Chicago Fed Nat Activity Index	Feb	0.25	--	0.28	--
03/21/2016 22:00	US Existing Home Sales	Feb	5.31m	--	5.47m	--
03/21/2016 22:00	US Existing Home Sales MoM	Feb	-2.90%	--	0.40%	--
03/21/2016	MU CPI Composite YoY	Feb	--	--	3.81%	--
03/20/2016 03/27	TH Car Sales	Feb	--	--	51821	--
03/16/2016 03/31	IN BoP Current Account Balance	4Q	-\$3.00b	--	-\$8.21b	--

Source: Bloomberg

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