

Highlights

Global	Global risk sentiments continued to improve as crude oil prices sustained above US\$ per barrel amid lower US crude production (8.95m bpd which is the lowest since Oct14) and Iraqi Deputy Oil Minister suggested possible talks in Russia next month to agree on an output freeze. Elsewhere, Taiwan's export orders fell less than expected by 4.7% yoy in March, versus a 7.4% fall in February. Asian markets may be emboldened to continue to trade firmer in the interim. Main focus today will be the ECB policy meeting albeit market expectations for additional easing are minimal after the March bazooka, as well as the BI policy meeting which is also likely to be static as market prepares for the shift to the new 7-day repo rate come 18 August. On the economic data front, watch out for US' initial jobless claims, continuing claims, Philadelphia Fed, Chicago Fed national activity index and FHFA house price index, and UK's retail sales.
US	Existing home sales rebounded more than expected by 5.1% mom in March to 5.33m, up from a revised 7.3% decline in February, which helped to alleviate some of the earlier concerns with the new home sales data. The rebound was led by single-family sales and suggested broad-based gains across the regions, suggesting that the housing market should still provide some growth momentum this year as low inventory levels continued to push home prices higher and median prices jumped 5.7% yoy.
MY	CPI rose less than expected by 2.6% yoy in March (market consensus: +3.4%), sharply lower than the 7-year high of 4.2% seen in February, after accelerating for the past four months. Key driver was lower transport cost (-8.2% yoy) which offset higher prices for alcohol & tobacco (+22.7%) and F&B (+5.0%).
UK	Jobless claims unexpectedly rose for the first time in seven months by 6.7k in March, while the February print was revised down from -18k to -9.3k, which suggested that the labour market is cooling. Meanwhile, the ILO unemployment rate was unchanged at 5.1%, with employment growing by 20k (weakest since June 2015) and the average weekly earnings softening from 2.1% to 1.8% in February reflecting a sharp decline in financial-sector bonuses. This comes ahead of the Brexit referendum on 23 June which could have weighed on investment and hiring plans.
Singapore	Redundancies rose for the second straight quarter by 5,370 workers to total 15,580 for the whole of last year, due to ongoing business restructuring, the economic slowdown (particularly for the manufacturing and construction firms) and global economic uncertainties. Basically there were 7.4 workers made redundant for every 1,000 workers, which is the 4 th straight year of increase, albeit it is still well below the cyclical highs seen during the GFC at 11-14 handle for 2008-2009. The Bukit Batok by-election will be held on 7 May, with nomination day on 27 April. Separately, MAS will re-open \$1.3b 7-year bonds maturing 1 July 2023, with MAS taking \$200m, for tender on 27 April noon.

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Major Market

- **US:** Led by energy producers and financials, US equities continued their climb. Optimism prevailed due to the recent strength in oil prices, and increasing signs of stabilization in China. The S&P 500 (+0.08%) has recovered 15% since its February lows, and is within touching distance of its all-time high reached in May 2015. Nasdaq (+0.16%) resumed its upward climb after a stumble on Tuesday. Dow (+0.24%). US Treasuries fell, with 2-year and 10-year US Treasury bonds yielding 0.79% and 1.83% respectively. Meanwhile, VIX (+0.30%) continues to stabilize near its recent lows.
- **Singapore:** The STI ended marginally lower by 0.06% to close at 2949.95 yesterday as investors remained reluctant to push the index from the year-to-date highs. Given positive overnight cues from Wall Street and morning gains in Kospi, the STI may attempt another fresh high today. Meanwhile, SGS bonds may stay subdued amid more buoyant risk appetite, especially with the overnight sell-off in UST bond market, and the upcoming 7-year SGS re-opening.
- Layoffs in 2015 rose across the board for all sectors including manufacturing (+31% yoy to 5,210) and services (+17% yoy to 8,510). The re-entry rate also dipped, with 8 in 10 residents securing their new job within three months which is broadly similar to past cohorts, albeit most changed industry from the one they were made redundant from. By residential status, resident redundancies rose 26% yoy to 9,090 in 2015, accounting for 58% of total redundancies, but normalising by their share of employment was equivalent to 7.1 per 1,000 employees. Among residents made redundant, those aged 40 and above formed the bulk (65%) and PMETs remained more vulnerable to redundancy (accounting for 8.9 layoffs per 1,000 employees compared to the overall 7.4) since 2012, particularly for professional services, wholesale trade, financial & insurance services and manufacturing, and also took longer to find a new job. However, the domestic labour market is softening from a strong position, with the unemployment rate still low and vacancies still outnumbering job seekers, so there is no need to panic yet. Nevertheless, the need to reskill and up-skill PMETs remains urgent given that the bulk of PMETs made redundant were mostly tertiary educated (82%) of which mainly degree-holders (61%), and competition for jobs among degree holders remained strong.
- **China:** As liquidity was tight in the onshore market, the PBoC injected CNY250 billion via seven-day reverse repos on top of the CNY40 billion reverse repos which mature on Wednesday. Elsewhere, recent economic data out of China broadly surprised on the upside, as the need to further loosen monetary policy seems less urgent to the PBoC now. As such, we expect that the central bank will continue to use reverse repos and MLFs rather than cut RRR as tools to inject liquidity in the near term.

Bond Market Updates

- **Market Commentary:** The SGD swap curve was range-bounded yesterday, with the short-end rates trading 1bp higher, while the belly-to-long-end rates traded 1bp-2bp lower. Flows in the SGD corporates were moderate, where we saw better buyers in the recently issued FCLSP 4.25%'26s, GENSSP 5.125%'49s, ABNANV 4.75%'26s, mixed interests in FCLSP 3.95%'21s and SHGSP 5.25%'17s. In the broader dollar space, the spread on the JACI IG corporates widened by 1bp to 229bps, while the yield on the JACI HY corporates increased by 6bps to 7.52%. 10y UST yield increased by 6bps to 1.85%.
- **New Issues:** BOC Aviation priced a USD750mn 10-year bond at CT10+215bps, tightening from an initial guidance of CT10+235bps. The expected rating for the issue is "BBB+/NR/A-". The Government of Malaysia priced a 2-part sukuk, with the USD1bn 10-year sukuk priced at CT10+135bps, tightening from an initial guidance of CT10+150bps, USD500mn 30-year sukuk priced at CT30+145bps, tightening from an initial guidance of CT30+165bps. The expected rating for the issue is "A-/A3/A-". Vimpelcom came to market with a 2-part deal, with the USD500mn 4-year

bond priced at 6.25% and the USD700mn 7-year bond priced at 7.25%. The deals tightened from an initial guidance of 6.875% and 7.875% respectively, with an expected rating of “B+/B1/BB+”.

- **Rating Changes:** S&P placed CAR Inc’s “BB+” long-term corporate credit rating on CreditWatch with negative implications. This is following the recent change in the company’s controlling shareholding and senior management. S&P aims to resolve the CreditWatch within 90 days once they assess the credit profile of UCAR and the relationship between UCAR and CAR. Moody’s withdrew all ratings on PT Berau Coal Energy TBK (“Berau”), as Moody’s believes it has insufficient or otherwise inadequate information to support the maintenance of the rating. Fitch has withdrawn Winsway Enterprises Holdings Ltd’s (“Winsway”) ratings, as Winsway has chosen to stop participating in the rating process. Winsway’s stock has been suspended since 20 April 2016.

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	94.492	0.55%	USD-SGD	1.3444	0.53%
USD-JPY	109.840	0.58%	EUR-SGD	1.5188	-0.01%
EUR-USD	1.1132	0.00%	JPY-SGD	1.2240	-0.03%
AUD-USD	0.7794	-0.24%	GBP-SGD	1.9267	0.08%
GBP-USD	1.4332	-0.46%	AUD-SGD	1.0477	0.27%
USD-MYR	3.8668	-0.49%	NZD-SGD	0.9381	-0.37%
USD-CNY	6.4684	0.13%	CHF-SGD	1.3828	-0.49%
USD-IDR	13144	0.06%	SGD-MYR	2.8850	-0.17%
USD-VND	22294	-0.01%	SGD-CNY	4.8252	-0.18%

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3430	--	O/N	0.3827	--
2M	-0.2870	--	1M	0.4412	--
3M	-0.2500	--	2M	0.5265	--
6M	-0.1390	--	3M	0.6349	--
9M	-0.0720	--	6M	0.9037	--
12M	-0.0110	--	12M	1.2247	--

Eurozone & Russia Update

	2Y Bond Ylds (bpschg)		10Y Bond Ylds (bpschg)		10Y Bund Spread %
Portugal	0.68	2.00	3.14	1.40	2.99
Italy	-0.00	0.50	1.40	-0.70	1.24
Ireland	-0.32	-0.40	0.85	-1.20	0.70
Greece*	12.30	-25.70	9.29	-0.50	9.14
Spain	-0.05	-1.00	1.53	-0.60	1.38
Russia^	3.11	-0.20	4.91	0.30	4.75

* 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	18,096.27	42.70
S&P	2,102.40	1.60
Nasdaq	4,948.13	7.80
Nikkei 225	16,906.54	32.10
STI	2,949.95	-1.90
KLCI	1,708.91	-2.20
JCI	4,876.60	-5.30
Baltic Dry	669.00	-2.00
VIX	13.28	--

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	0.96 (+0.03)	0.79 (+0.04)
5Y	1.58 (+0.02)	1.31 (+0.06)
10Y	1.91 (--)	1.85 (+0.06)
15Y	2.28 (--)	--
20Y	2.35 (--)	--
30Y	2.54 (--)	2.65 (+0.06)

Financial Spread (bps)

	Value	Change
LIBOR-OIS	25.28	-0.15
EURIBOR-OIS	9.70	-0.08
TED	41.13	-1.50

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	42.63	3.77%	Coffee (per lb)	1.272	1.03%
Brent (per barrel)	45.80	4.02%	Cotton (per lb)	0.6380	1.77%
Heating Oil (per gallon)	1.332	5.46%	Sugar (per lb)	0.1557	2.64%
Gasoline (per gallon)	1.51	1.82%	Orange Juice (per lb)	1.2955	-3.50%
Natural Gas (per MMBtu)	2.069	-0.91%	Cocoa (per mt)	3,060	0.56%
Base Metals	Futures	% chg	Grains	Futures	% chg
Copper (per mt)	4,981.0	0.91%	Wheat (per bushel)	5.0425	3.70%
Nickel (per mt)	9,301	0.61%	Soybean (per bushel)	10.098	2.46%
Aluminium (per mt)	1,620.0	2.14%	Corn (per bushel)	3.9475	2.67%
Precious Metals	Futures	% chg	Asian Commodities	Futures	% chg
Gold (per oz)	1,253.2	0.02%	Crude Palm Oil (MYR/MT)	2,692.0	0.75%
Silver (per oz)	17.135	0.96%	Rubber (JPY/KG)	190.0	0.80%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Key Economic Indicators

Date Time	Event	Survey	Actual	Prior	Revised	
04/20/2016 05:00	SK PPI YoY	Mar	--	-3.30%	-3.40%	--
04/20/2016 07:50	JN Trade Balance	Mar	¥834.6b	¥755.0b	¥242.8b	¥242.2b
04/20/2016 07:50	JN Trade Balance Adjusted	Mar	¥450.0b	¥276.5b	¥166.1b	¥150.4b
04/20/2016 08:30	AU Westpac Leading Index MoM	Mar	--	-0.12%	-0.15%	-0.23%
04/20/2016 12:00	MA CPI YoY	Mar	3.40%	2.60%	4.20%	--
04/20/2016 14:00	JN Machine Tool Orders YoY	Mar F	--	-21.20%	-21.20%	--
04/20/2016 14:00	GE PPI MoM	Mar	0.20%	0.00%	-0.50%	--
04/20/2016 14:00	GE PPI YoY	Mar	-2.90%	-3.10%	-3.00%	--
04/20/2016 16:00	TA Export Orders YoY	Mar	-8.00%	-4.70%	-7.40%	--
04/20/2016 16:00	SI COE Open Bid Cat A	Apr-20	--	47300	46009	--
04/20/2016 16:00	SI COE Open Bid Cat B	Apr-20	--	49602	47000	--
04/20/2016 16:30	UK Claimant Count Rate	Mar	2.10%	2.10%	2.10%	--
04/20/2016 16:30	UK Jobless Claims Change	Mar	-10.0k	6.7k	-18.0k	-9.3k
04/20/2016 16:30	UK ILO Unemp Rate 3Mths	Feb	5.10%	5.10%	5.10%	--
04/20/2016 19:00	US MBA Mortgage Applications	Apr-15	--	1.30%	10.00%	--
04/20/2016 20:30	CA Wholesale Trade Sales MoM	Feb	-0.40%	-2.20%	0.00%	0.20%
04/20/2016 22:00	US Existing Home Sales	Mar	5.28m	5.33m	5.08m	5.07m
04/20/2016 22:00	US Existing Home Sales MoM	Mar	3.90%	5.10%	-7.10%	-7.30%
04/21/2016 11:00	NZ Credit Card Spending YoY	Mar	--	--	7.30%	--
04/21/2016 14:45	FR Manufacturing Confidence	Apr	101	--	101	--
04/21/2016 16:30	UK Retail Sales Inc Auto Fuel YoY	Mar	4.40%	--	3.80%	--
04/21/2016 16:30	UK PSNB ex Banking Groups	Mar	6.0b	--	7.1b	--
04/21/2016 16:30	HK CPI Composite YoY	Mar	2.90%	--	3.10%	--
04/21/2016 19:45	EC ECB Main Refinancing Rate	Apr-21	0.00%	--	0.00%	--
04/21/2016 19:45	EC ECB Deposit Facility Rate	Apr-21	-0.40%	--	-0.40%	--
04/21/2016 19:45	EC ECB Marginal Lending Facility	Apr-21	0.25%	--	0.25%	--
04/21/2016 20:30	US Initial Jobless Claims	Apr-16	265k	--	253k	--
04/21/2016 20:30	US Continuing Claims	Apr-09	2173k	--	2171k	--
04/21/2016 20:30	US Phil Fed Business Outlook	Apr	9	--	12.4	--
04/21/2016 22:00	EC Consumer Confidence	Apr A	-9.3	--	-9.7	--
04/21/2016 22:00	US Leading Index	Mar	0.40%	--	0.10%	--
04/21/2016	ID Bank Indonesia Ref Rate	Apr-21	6.75%	--	6.75%	--
04/21/2016	MU CPI Composite YoY	Mar	--	--	3.88%	--

Source: Bloomberg

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