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**Highlights**

Global	Global risk appetite appears to have finally paused for a breather this week after ECB and BI both kept policy settings static yesterday and US earnings results from Alphabet Inc, Microsoft Corp and Visa Inc disappointed market expectations. A somewhat prickly Draghi opined that “any time the credibility of a central bank is perceived as being put into question, the result is a delay in the achievement of its objectives – and therefore the need for more expansion...our policies work, they are effective. Just give them time”. He also stressed that “we have a mandate to preserve price stability for the whole of the euro zone, not only for Germany” and “we obey the law, not the politicians, because we are independent”. Expect a potentially lacklustre Asian session today, amid the retreating oil prices and a more reticent Draghi on further policy stimulus whipsawed the euro. The economic data calendar for today include US’ Markit manufacturing PMI, Canadian CPI, Eurozone’s manufacturing/services/composite PMIs Japan’s Nikkei manufacturing PMI and Malaysia’s foreign reserves.
US	Initial jobless claims fell 6k to 247k (lowest since 1973 and below 300k for 59 straight weeks), with the 4-week average at 260.5k, whilst continuing claims also declined 39k to 2.137m (low since Nov 2000), suggesting that the labour market should remain supportive of growth. However, the Philadelphia Fed business index unexpectedly slipped from 12.4 in March to -1.6 (forecast: +9.0) in April, as new orders stalled (0 versus 15.7) and employment fell sharply (-18.5 versus -1.1), albeit the 6-month outlook improved – this threw some cold water on 2Q growth expectations. Meanwhile, the FHFA house price index rose 0.4% in Feb, the same as the revised January print. The leading index also rebounded less than expected by 0.2% in March, from a revised -0.1% in February, as a decline in building permits weighed.
EZ	ECB’s corporate bond purchase program will start in June with both primary and secondary markets. The issuer must be a corporation established in the euro area, and insurers will be eligible. The issue limit is up to 70% per bond, with a maturity ranging from 6 months to 30 years. Instruments can be purchased if they are eligible as collateral for the Eurosystem, are euro denominated and have at least one rating of BBB- or above.
SG	MND minister Lawrence Wong said the government is prepared to respond when needed in the property market.
China	With both the renminbi and China’s economy showing signs of stabilization, China commercial banks’ net foreign exchange sales on behalf of clients decreased further in March to CNY218.7 billion (USD33.6 billion) as compared to the beginning of this year. Data from SAFE also indicated that the needs of FX purchases and external debt repayment became less imminent for China’s companies. However, the private sector’s cautiousness with investment and a certain possibility of Fed’s rate hike in June remain headwinds to China’s economy. As such, we think the upside risk for USDCNY is still live.
Indonesia	BI kept its reference rate unchanged at 6.75% as widely expected, with the 7-day reverse repo rate at 5.5% in anticipation of the new benchmark rate kicking in from August.

## Major Market

- **US:** Equity markets took a breather after the recent strong run amid a fall in the price of crude oil. Investors look to refocus back on corporate earnings after disappointing results were announced by major corporates after regular trading hours. S&P 500 (-0.52%), Dow (-0.63%) and Nasdaq (-0.05%). US Treasuries continued their decline on the back of a fall in new jobless claims. 2-year and 10-year US Treasuries yield 0.81% and 1.86% respectively. Meanwhile, the VIX (+5.05%) rebounded off its recent lows.
- **Singapore:** The STI added 0.37% to close at a fresh year-to-date high of 2960.47 yesterday, but may sober up today given weak overnight cues from Wall Street. Meanwhile, SGS bonds may tread a more cautious path today given sustained slippage by UST bonds.
- **Hong Kong:** Headline CPI decreased slightly from 3.1% to 3.0% in March due to the smaller increase in fresh vegetable prices while underlying CPI inflation registered 2.9%. However, the Easter holidays, which fell in early April last year but in late March this year, drove up prices for package tours in March. Food inflation (4.4%) continued to be the key support for headline inflation while housing rental inflation declined further to 3.8% amid sour market sentiments. Clothing prices slowed for the 12th consecutive month to -3.7% in March, while alcoholic drinks and tobacco inflation fell to a 6-month low of 0.2%. Looking forward, we expect HK inflation risks to be moderate this year given soft external price pressure and dampened consumer sentiments amid HK dimmer economic outlook. In all, CPI inflation is forecast to be around 3% in 2016.
- **Macau:** After the Lunar New Year Holidays, food prices (+3.78%) normalized while travel agencies were propelled to cut prices for package tours. Adding the winter seasonal sales of clothing and footwear (-2.88%), as well as a near five-year low growth in housing and fuel prices, Macau's CPI inflation slowed sharply to 3.31%, the lowest since August 2010. Looking ahead, the uncertain economic outlook at home and abroad coupled with the dimmer prospects of both the gaming and tourism sector, would continue to cloud the housing market and consumer sentiments. As such, we expect the CPI inflation to stay below 4% for most of this year.

## Bond Market Updates

- **Market Commentary:** The SGD swap curve traded upwards yesterday across the curve, with the short-end rates trading 6bps-10bps higher, while the belly-to-long-end rates traded 10bps-12bps higher. Flows in the SGD corporates were moderate, where we saw better buyers in WSTP 4%'27s, SINTEC 4.05%'25s, better sellers in FCLSP 5%'49s and mixed interests in GENSSP 5.125%'49s and ABNAV 4.75%'26s. In the broader dollar space, the spread on the JACI IG corporates tightened by 2bps, while the yield on the JACI HY corporates increased by 6bps to 7.49%. 10y UST yield increased by 1bp to 1.86%.
- **New Issues:** Sydney Airport priced a USD900mn 10-year bond at CT10+175bps, tightening from an initial guidance of CT10+200bps. The expected rating for the issue is "BBB/Baa2/NR". Hongkong Electric Co Ltd priced a USD750mn 10-year bond at CT10+112.5bps, tightening from an initial guidance of CT10+135bps. The expected rating for the issue is "A-/NR/NR".
- **Rating Changes:** Moody's downgraded Nippon Steel & Sumitomo Metal Corp ("NSSM") to "Baa1" from "A3", concluding the review for downgrade initiated on 3 Feb 2016. The rating downgrade principally reflects the consideration that NSSM's announced initiatives, which Moody's expect will be largely debt funded, will strain the company's key financial metrics and its ratings. Fitch has affirmed the "BBB-" ratings on two major Philippine banks – Bank of the Philippine Islands ("BPI") and Metropolitan Bank & Trust Company ("Metrobank"). Outlook is stable. At the same time, Fitch

has upgraded BDO Unibank Inc's issuer default rating to "BBB-" from "BB+". These ratings take into account the steady improvement in the Philippine operating environment over the last several years. Outlook is stable for BDO Unibank Inc.

## Key Financial Indicators

### Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	94.599	0.11%	USD-SGD	1.3494	0.37%
USD-JPY	109.460	-0.35%	EUR-SGD	1.5232	0.29%
EUR-USD	1.1132	0.00%	JPY-SGD	1.2327	0.71%
AUD-USD	0.7738	-0.72%	GBP-SGD	1.9328	0.32%
GBP-USD	1.4323	-0.06%	AUD-SGD	1.0442	-0.33%
USD-MYR	3.8853	0.48%	NZD-SGD	0.9327	-0.58%
USD-CNY	6.4823	0.21%	CHF-SGD	1.3838	0.07%
USD-IDR	13153	0.07%	SGD-MYR	2.8853	0.01%
USD-VND	22240	-0.24%	SGD-CNY	4.8072	-0.37%

### Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3420	--	O/N	0.3822	--
2M	-0.2880	--	1M	0.4413	--
3M	-0.2490	--	2M	0.5275	--
6M	-0.1410	--	3M	0.6351	--
9M	-0.0740	--	6M	0.9042	--
12M	-0.0110	--	12M	1.2248	--

### Eurozone & Russia Update

	2Y Bond Ylds (bpschg)	10Y Bond Ylds (bpschg)	10Y Bund Spread %
Portugal	0.67	-1.20	3.20
Italy	0.00	0.80	1.46
Ireland	-0.31	0.70	0.91
Greece*	10.90	-140.50	8.79
Spain	-0.02	2.60	1.60
Russia^	3.11	0.40	4.92

\* 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	17,982.52	-113.80
S&P	2,091.48	-10.90
Nasdaq	4,945.89	-2.20
Nikkei 225	17,363.62	457.10
STI	2,960.78	10.80
KLCI	1,721.47	12.60
JCI	4,903.09	26.50
Baltic Dry	670.00	1.00
VIX	13.95	0.70

### Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.02 (+0.05)	0.81 (+0.01)
5Y	1.68 (+0.1)	1.33 (+0.02)
10Y	1.99 (+0.07)	1.86 (+0.02)
15Y	2.37 (+0.1)	--
20Y	2.45 (+0.1)	--
30Y	2.62 (+0.07)	2.68 (+0.03)

### Financial Spread (bps)

	Value	Change
LIBOR-OIS	24.81	-0.47
EURIBOR-OIS	9.60	-0.20
TED	40.92	-0.21

### Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	43.18	1.29%	Coffee (per lb)	1.236	-2.83%
Brent (per barrel)	44.53	-2.77%	Cotton (per lb)	0.6349	-0.49%
Heating Oil (per gallon)	1.300	-2.43%	Sugar (per lb)	0.1558	0.06%
Gasoline (per gallon)	1.52	0.60%	Orange Juice (per lb)	1.2740	-1.66%
Natural Gas (per MMBtu)	2.068	-0.05%	Cocoa (per mt)	3,061	0.03%
<b>Base Metals</b>	<b>Futures</b>	<b>% chg</b>	<b>Grains</b>	<b>Futures</b>	<b>% chg</b>
Copper (per mt)	4,997.0	0.32%	Wheat (per bushel)	4.9575	-1.69%
Nickel (per mt)	9,074	-2.44%	Soybean (per bushel)	10.188	0.89%
Aluminium (per mt)	1,630.8	0.66%	Corn (per bushel)	3.8450	-2.60%
<b>Precious Metals</b>	<b>Futures</b>	<b>% chg</b>	<b>Asian Commodities</b>	<b>Futures</b>	<b>% chg</b>
Gold (per oz)	1,249.0	-0.34%	Crude Palm Oil (MYR/MT)	2,712.0	0.74%
Silver (per oz)	17.090	-0.26%	Rubber (JPY/KG)	193.5	1.84%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

### Key Economic Indicators

Date Time		Event		Survey	Actual	Prior	Revised
04/21/2016 10:31	MU	CPI Composite YoY	Mar	--	3.31%	3.88%	--
04/21/2016 11:00	NZ	Credit Card Spending YoY	Mar	--	4.80%	7.30%	--
<b>04/21/2016 14:45</b>	<b>FR</b>	<b>Manufacturing Confidence</b>	<b>Apr</b>	<b>101</b>	<b>104</b>	<b>101</b>	<b>102</b>
<b>04/21/2016 16:18</b>	<b>ID</b>	<b>Bank Indonesia Ref Rate</b>	<b>Apr-21</b>	<b>6.75%</b>	<b>6.75%</b>	<b>6.75%</b>	--
04/21/2016 16:30	UK	Retail Sales Ex Auto Fuel YoY	Mar	3.80%	1.80%	4.10%	3.70%
<b>04/21/2016 16:30</b>	<b>UK</b>	<b>Retail Sales Inc Auto Fuel YoY</b>	<b>Mar</b>	<b>4.40%</b>	<b>2.70%</b>	<b>3.80%</b>	<b>3.60%</b>
04/21/2016 16:30	UK	PSNB ex Banking Groups	Mar	6.0b	4.8b	7.1b	6.9b
<b>04/21/2016 16:30</b>	<b>HK</b>	<b>CPI Composite YoY</b>	<b>Mar</b>	<b>2.90%</b>	<b>3.00%</b>	<b>3.10%</b>	--
<b>04/21/2016 19:45</b>	<b>EC</b>	<b>ECB Main Refinancing Rate</b>	<b>Apr-21</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	--
<b>04/21/2016 19:45</b>	<b>EC</b>	<b>ECB Deposit Facility Rate</b>	<b>Apr-21</b>	<b>-0.40%</b>	<b>-0.40%</b>	<b>-0.40%</b>	--
04/21/2016 19:45	EC	ECB Marginal Lending Facility	Apr-21	0.25%	0.25%	0.25%	--
<b>04/21/2016 20:30</b>	<b>US</b>	<b>Initial Jobless Claims</b>	<b>Apr-16</b>	<b>265k</b>	<b>247k</b>	<b>253k</b>	--
04/21/2016 20:30	US	Continuing Claims	Apr-09	2173k	2137k	2171k	2176k
<b>04/21/2016 20:30</b>	<b>US</b>	<b>Phil Fed Business Outlook</b>	<b>Apr</b>	<b>9</b>	<b>-1.6</b>	<b>12.4</b>	--
04/21/2016 21:00	US	FHFA House Price Index MoM	Feb	0.40%	0.40%	0.50%	0.40%
<b>04/21/2016 22:00</b>	<b>EC</b>	<b>Consumer Confidence</b>	<b>Apr A</b>	<b>-9.3</b>	<b>-9.3</b>	<b>-9.7</b>	--
<b>04/21/2016 22:00</b>	<b>US</b>	<b>Leading Index</b>	<b>Mar</b>	<b>0.40%</b>	<b>0.20%</b>	<b>0.10%</b>	<b>-0.10%</b>
04/22/2016 08:30	TA	Unemployment Rate	Mar	3.94%	--	3.94%	--
<b>04/22/2016 10:00</b>	<b>JN</b>	<b>Nikkei Japan PMI Mfg</b>	<b>Apr P</b>	<b>49.5</b>	--	<b>49.1</b>	--
<b>04/22/2016 12:30</b>	<b>JN</b>	<b>Tertiary Industry Index MoM</b>	<b>Feb</b>	<b>-0.50%</b>	--	<b>1.50%</b>	--
<b>04/22/2016 15:00</b>	<b>FR</b>	<b>Markit France Mftg PMI</b>	<b>Apr P</b>	<b>49.9</b>	--	<b>49.6</b>	--
04/22/2016 15:00	FR	Markit France Services PMI	Apr P	50.1	--	49.9	--
04/22/2016 15:00	FR	Markit France Composite PMI	Apr P	50.2	--	50	--
<b>04/22/2016 15:30</b>	<b>GE</b>	<b>Markit/BME GE Mftg PMI</b>	<b>Apr P</b>	<b>51</b>	--	<b>50.7</b>	--
<b>04/22/2016 15:30</b>	<b>TH</b>	<b>Foreign Reserves</b>	<b>Apr-12</b>	--	--	<b>\$176.7b</b>	--
04/22/2016 15:30	GE	Markit Germany Services PMI	Apr P	55.1	--	55.1	--
04/22/2016 16:00	TA	Industrial Production YoY	Mar	-5.50%	--	-3.65%	--
04/22/2016 16:00	IT	Industrial Orders NSA YoY	Feb	--	--	0.10%	--
04/22/2016 16:00	IT	Industrial Orders MoM	Feb	--	--	0.70%	--
<b>04/22/2016 16:00</b>	<b>EC</b>	<b>Markit Eurozone Mftg PMI</b>	<b>Apr P</b>	<b>51.9</b>	--	<b>51.6</b>	--
04/22/2016 16:00	EC	Markit Eurozone Services PMI	Apr P	53.3	--	53.1	--
04/22/2016 17:00	IT	Retail Sales YoY	Feb	--	--	-0.80%	--
<b>04/22/2016 17:00</b>	<b>IT</b>	<b>Retail Sales MoM</b>	<b>Feb</b>	--	--	<b>0.00%</b>	--
04/22/2016 18:00	MA	Foreign Reserves	Apr-15	--	--	\$97.0b	--
<b>04/22/2016 20:30</b>	<b>CA</b>	<b>Retail Sales MoM</b>	<b>Feb</b>	<b>-0.80%</b>	--	<b>2.10%</b>	--
04/22/2016 20:30	CA	Retail Sales Ex Auto MoM	Feb	-0.70%	--	1.20%	--
<b>04/22/2016 20:30</b>	<b>CA</b>	<b>CPI NSA MoM</b>	<b>Mar</b>	<b>0.50%</b>	--	<b>0.20%</b>	--
<b>04/22/2016 20:30</b>	<b>CA</b>	<b>CPI YoY</b>	<b>Mar</b>	<b>1.20%</b>	--	<b>1.40%</b>	--
<b>04/22/2016 20:30</b>	<b>CA</b>	<b>CPI Core MoM</b>	<b>Mar</b>	<b>0.40%</b>	--	<b>0.50%</b>	--
04/22/2016 20:30	CA	CPI Core YoY	Mar	1.70%	--	1.90%	--
<b>04/22/2016 21:45</b>	<b>US</b>	<b>Markit US Manufacturing PMI</b>	<b>Apr P</b>	<b>52</b>	--	<b>51.5</b>	--
<b>04/22/2016</b>	<b>MU</b>	<b>Visitor Arrivals</b>	<b>Mar</b>	--	--	<b>2644t</b>	--

Source: Bloomberg

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