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Highlights

Global	<p>Market sentiment appears to continue tracking sideways, with major US stock indices barely moving overnight, ahead of the January nonfarm payrolls print due out tonight. Market has penciled in an increase of 180k in US employment, compared to the 156k reported for the month before. Meanwhile, unemployment rate is expected to stand pat at 4.7%. Attention will be paid as well to the wage data, whereby the average hourly wage picked up by more than expected in December, for the market to gauge the degree of inflationary uptick in the US, with an eye on how that would change Fed's rate hike trajectory this year. Expect that Asian markets to be potentially sidelined ahead of tonight's key US' nonfarm payrolls and unemployment data. Other data to watch on the economic data calendar comprises of US' durable goods orders and factory orders, as well as services/composite PMIs for US/Europe/UK/China/Asia. Speakers include Fed's Evans (the first Fed official speaking post-FOMC) and ECB's Constancy.</p>
US	<p>US' initial jobless claims fell 14k from a revised 260k print to 246k, with continuing claims at 2.064m. Meanwhile, Challenger job cuts fell 38.8% in Jan. Nonfarm productivity moderated from a revised 3.5% to 1.3% in 4Q, with unit labor costs accelerated from +0.2% to 1+1.7% which pointed to firming wage costs.</p>
UK	<p>BOE kept its monetary policy settings unchanged but upgraded its growth forecasts for the second time since the Brexit referendum and now see GDP growth rising 2% this year, up from 1.4% back in Nov16. Nevertheless, Carney warned that "the Brexit journey is really just beginning, while the direction of travel is clear, there will be twists and turns along the way" and "we can see scenarios in either direction".</p>
SG	<p>S'pore's manufacturing and electronics PMI chalked up gains to 51.0 (+0.4 points) and 51.8 (+0.6 points) respectively. All the new orders, export orders and production gauges saw improvements. This tallies with the modest improvement seen in the recent business expectations survey where a net 2% of manufacturers were optimistic about the Jan-Jun17 outlook, led by mainly by electronics. This data bodes well for at least 1Q17 momentum. Separately, EDB tips 2017 investment commitments to be comparable to the \$9.4b seen last year, which would add about \$12-14b to the S'pore economy annually. However, total business expenditure per annum is expected to be lower at \$5-7b, down from \$8.3b in 2016 as large shipyard projects committed last year will not recur in the near future.</p> <p>Given strong Dec IP at 21.3%, we upgrade our 4Q16 manufacturing growth to 11.5% from the previous flash print of 6.8%. As such, 4Q16 GDP growth is upgraded to 2.3% yoy (+12.6% qoqsaar), up from flash's 1.8% yoy (9.1% qoqsaar). For the full year, we should see growth to print 2.0% yoy, up from flash's 1.8%. We maintain our 2017 GDP growth forecast at 1-2% for now, given US and China economic policy uncertainties.</p>
TH	<p>Consumer confidence climbed to its 11-month high and gained for the second consecutive month to 74.5 in January (from 73.7 in December), according to the Thai Chamber of Commerce. Sentiments were boosted by improving exports and better economic growth outlook.</p>

Major Markets

- **US:** Equities were little-changed on Thursday as the major equity indices moved 0.11% or less. Rallies in utilities and consumer staples were offset by declines in financials. Bank stocks marked the third day of losses this week, down 1.8% as a whole. The largely uneventful FOMC statement gave the markets little directionality, and the focus will shift towards non-farm payrolls on Friday. VIX nudged higher to 11.93, up 1.0%. Meanwhile, US Treasuries gained in early trade alongside gilts as rate hike expectations from BOE subsided. Gains were then pared with corporate issuance led by Apple Inc. Overall, the yield curve steepened marginally as the 2-year benchmark yield traded lower at 1.20%, while the 10-year yield stood at 2.47%.
- **Singapore:** The STI surrendered its previous day's gain to print 3,044.08 yesterday. Key losers included Ascendas Real Estate Investment Trust (-2.4%), Wilmar International (-2.3%) and Thai Beverage (-1.7%), though gains in YZJ Shipbuilding (+0.6%) and SATS (+0.57%) limited the losses. The STI may continue to range trade between 3,010 and 3,070 given the softer Wall Street equity prints seen overnight, amid the stronger-than-expected Singapore manufacturing PMI prints. SGS bond yield curve may steepen in line with the overnight UST bond market performance.
- **Hong Kong:** As developers launched new projects in January, housing total transactions grew significantly by 61% yoy to 3286 units. The growth was mainly driven by the notable increase in transactions of homes priced above HKD5 million. Nevertheless, total transactions dropped for the second straight month by 7.4% on a monthly basis. This reinforces that the housing cooling measures from November continued to take effect and in particular, hit the demand for smaller flats. As tightening measures have also dampened home supply in the secondary market, housing prices appeared to remain resilient with the home price index refreshing its record high in December. Moving forward, given our expectations on a rate hike by banks in HK around mid-June combined with China's tightening grip on capital outflows, housing transactions are likely to retreat further while housing prices may also drop from their highest levels.
- **Indonesia:** Tax authority has reportedly been sending out warning emails to almost one million individual taxpayers that it claims as having undeclared assets. This comes as the March 31 final deadline for tax amnesty program draws near.
- **Malaysia:** Nikkei Manufacturing PMI for Malaysia came in at 48.6 in January, indicating that sentiment for the sector remains in contraction territory, even though it marks the highest reading in 20 months. New export orders picked up for the first time in eight months.
- **Commodities:** Gold took the highlights yesterday, with the yellow metal jumping to its 12-week high as market-watchers continued to digest Wednesday's FOMC monetary policy statement amid little cues over Donald Trump's previously-promised fiscal & infrastructure spending plans. Elsewhere, the crude oil rally lost some of its steam after two consecutive days of gains on little news to trade on. On agricultural, palm oil prices may see some interim support, noting that flooding has affected palm oil operations in central Johor and Pahang, though conditions are improving and under control.

Bond Market Updates

- **Market Commentary:** The SGD dollar swap curve traded downwards yesterday, with swap rates trading 2-4bps lower across all tenors. In the broader dollar space, the spread on JACI IG Corporates held steady at 196bps. Likewise, the yield on JACI HY Corporates changed little at 6.86%. 10y UST yields also ended little changed at 2.47%, although it dropped 3.9bps after market-implied odds of a Bank of England (BoE) rate hike faded following its policy meeting and news conference. Treasuries later erased gains after Apple Inc.'s 6-tranche bond issuance.

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DX	99.790	0.15%	USD-SGD	1.4114	-0.10%
USD-JPY	112.800	-0.40%	EUR-SGD	1.5184	-0.20%
EUR-USD	1.0759	-0.09%	JPY-SGD	1.2512	0.30%
AUD-USD	0.7658	0.95%	GBP-SGD	1.7681	-1.14%
GBP-USD	1.2527	-1.04%	AUD-SGD	1.0808	0.85%
USD-MYR	4.4230	-0.12%	NZD-SGD	1.0286	0.02%
USD-CNY	6.8840	--	CHF-SGD	1.4217	-0.06%
USD-IDR	13351	-0.13%	SGD-MYR	3.1425	0.25%
USD-VND	22643	0.22%	SGD-CNY	4.8871	0.56%

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3720	--	O/N	0.6911	--
2M	-0.3400	--	1M	0.7800	--
3M	-0.3280	--	2M	0.8417	--
6M	-0.2440	--	3M	1.0346	--
9M	-0.1590	--	6M	1.3504	--
12M	-0.1030	--	12M	1.7151	--

Eurozone & Russia Update

	2Y Bond Ylds (bpschg)	10Y Bond Ylds (bpschg)	10Y Bund Spread
Portugal	0.09	0.10	4.12
Italy	0.00	-4.10	2.23
Ireland	-0.47	-2.40	1.14
Greece	8.35	-15.10	7.56
Spain	-0.27	-2.00	1.64
Russia	2.34	-5.00	4.31

Equity and Commodity

Index	Value	Net change
DJIA	19,884.91	-6.03
S&P	2,280.85	1.30
Nasdaq	5,636.20	-6.45
Nikkei 225	18,914.58	-233.50
STI	3,044.08	-23.41
KLCI	1,673.48	1.94
JCI	5,353.71	26.55
Baltic Dry	770.00	-16.00
VIX	11.93	0.12

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.25 (-0.04)	1.20 (-0.01)
5Y	1.69 (-0.04)	1.92 (-0.01)
10Y	2.28 (-0.02)	2.47 (-)
15Y	2.56 (-0.02)	--
20Y	2.64 (-0.02)	--
30Y	2.68 (-0.01)	3.09 (+0.01)

Financial Spread (bps)

	Value	Change
LIBOR-OIS	35.08	0.99
EURIBOR-OIS	2.20	--
TED	52.19	--

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	53.54	-0.63%	Coffee (per lb)	1.460	-2.80%
Brent (per barrel)	56.56	-0.42%	Cotton (per lb)	0.7691	0.61%
Heating Oil (per gallon)	1.6518	-1.33%	Sugar (per lb)	0.2055	-1.39%
Gasoline (per gallon)	1.5329	-2.93%	Orange Juice (per lb)	1.6640	-2.89%
Natural Gas (per MMBtu)	3.1870	0.60%	Cocoa (per mt)	2,084	-1.19%
Base Metals	Futures	% chg	Grains	Futures	% chg
Copper (per mt)	5,886.0	-0.99%	Wheat (per bushel)	4.3450	0.17%
Nickel (per mt)	10,349.0	1.43%	Soybean (per bushel)	10.373	0.05%
Aluminium (per mt)	1,815.8	0.54%	Corn (per bushel)	3.6750	-0.20%
Precious Metals	Futures	% chg	Asian Commodities	Futures	% chg
Gold (per oz)	1,216.7	0.92%	Crude Palm Oil (MYR/MT)	3,258.0	0.87%
Silver (per oz)	17.429	-0.12%	Rubber (JPY/KG)	332.0	-0.60%

Source: Bloomberg, Reuters
(Note that rates are for reference only)

Key Economic Indicators

Date	Time	Event	Survey	Actual	Prior	Revised	
02/02/2017	01:00	IT New Car Registrations YoY	Jan	--	10.08%	13.06%	--
02/02/2017	03:00	US FOMC Rate (Upper Bound)	Feb-01	0.75%	0.75%	0.75%	--
02/02/2017	07:00	SK CPI MoM	Jan	0.30%	0.90%	0.10%	--
02/02/2017	07:00	SK CPI YoY	Jan	1.50%	2.00%	1.30%	--
02/02/2017	07:50	JN Monetary Base YoY	Jan	--	22.60%	23.10%	--
02/02/2017	07:50	JN Japan Buying Foreign Bonds	Jan-27	--	¥1359.3b	¥539.0b	¥538.1b
02/02/2017	07:50	JN Foreign Buying Japan Bonds	Jan-27	--	¥446.2b	¥168.5b	¥168.2b
02/02/2017	07:50	JN Foreign Buying Japan Stocks	Jan-27	--	¥143.9b	¥376.1b	¥376.0b
02/02/2017	08:30	AU Trade Balance	Dec	A\$2000m	A\$3511m	A\$1243m	A\$2040m
02/02/2017	08:30	AU Building Approvals MoM	Dec	-1.50%	-1.20%	7.00%	7.50%
02/02/2017	08:30	AU Building Approvals YoY	Dec	-10.80%	-11.40%	-4.80%	-4.40%
02/02/2017	08:30	VN Nikkei Vietnam PMI Mfg	Jan	--	51.9	52.4	--
02/02/2017	08:30	TA Nikkei Taiwan PMI Mfg	Jan	--	55.6	56.2	--
02/02/2017	09:45	VN CPI YoY	Jan	5.00%	5.22%	4.74%	--
02/02/2017	09:45	VN Exports YTD YoY	Jan	17.00%	7.60%	8.60%	--
02/02/2017	17:30	UK Markit/CIPS UK Construction PMI	Jan	53.8	52.2	54.2	--
02/02/2017	18:00	EC PPI MoM	Dec	0.50%	0.70%	0.30%	--
02/02/2017	18:00	EC PPI YoY	Dec	1.20%	1.60%	0.10%	--
02/02/2017	20:00	UK Bank of England Bank Rate	Feb-02	0.25%	0.25%	0.25%	--
02/02/2017	20:00	UK BOE Asset Purchase Target	Feb	435b	435b	435b	--
02/02/2017	21:00	SI Purchasing Managers Index	Jan	50.5	51	50.6	--
02/02/2017	21:30	US Nonfarm Productivity	4Q P	1.00%	1.30%	3.10%	3.50%
02/02/2017	21:30	US Initial Jobless Claims	Jan-28	250k	246k	259k	260k
02/02/2017	21:30	US Continuing Claims	Jan-21	2063k	2064k	2100k	2103k
02/02/2017	22:45	US Bloomberg Consumer Comfort	Jan-29	--	46.6	45.2	--
02/03/2017	05:00	SK Foreign Reserves	Jan	--	\$374.04b	\$371.10b	--
02/03/2017	07:00	SK BoP Current Account Balance	Dec	--	\$7869.2m	\$8989.2m	\$8892.2m
02/03/2017	08:00	NZ ANZ Commodity Price	Jan	--	--	0.70%	--
02/03/2017	08:30	JN Nikkei Japan PMI Services	Jan	--	--	52.3	--
02/03/2017	08:30	JN Nikkei Japan PMI Composite	Jan	--	--	52.8	--
02/03/2017	08:30	HK Nikkei Hong Kong PMI	Jan	--	--	50.3	--
02/03/2017	09:45	CH Caixin China PMI Mfg	Jan	51.8	--	51.9	--
02/03/2017	13:00	IN Nikkei India PMI Services	Jan	--	--	46.8	--
02/03/2017	13:00	IN Nikkei India PMI Composite	Jan	--	--	47.6	--
02/03/2017	15:30	TH Foreign Reserves	Jan-27	--	--	\$176.9b	--
02/03/2017	16:30	HK Retail Sales Value YoY	Dec	-4.90%	--	-5.50%	--
02/03/2017	16:30	HK Retail Sales Volume YoY	Dec	-5.00%	--	-5.60%	--
02/03/2017	16:45	IT Markit/ADACI Italy Services PMI	Jan	52.5	--	52.3	--
02/03/2017	16:45	IT Markit/ADACI Italy Composite PMI	Jan	53	--	52.9	--
02/03/2017	16:50	FR Markit France Services PMI	Jan F	53.9	--	53.9	--
02/03/2017	16:50	FR Markit France Composite PMI	Jan F	53.8	--	53.8	--
02/03/2017	16:55	GE Markit Germany Services PMI	Jan F	53.2	--	53.2	--
02/03/2017	16:55	GE Markit/BME Germany Comp PMI	Jan F	54.7	--	54.7	--
02/03/2017	17:00	EC Markit Eurozone Services PMI	Jan F	53.6	--	53.6	--
02/03/2017	17:00	EC Markit Eurozone Comp PMI	Jan F	54.3	--	54.3	--
02/03/2017	17:30	UK Markit/CIPS UK Services PMI	Jan	55.8	--	56.2	--
02/03/2017	17:30	UK Markit/CIPS UK Composite PMI	Jan	56	--	56.7	--
02/03/2017	18:00	EC Retail Sales MoM	Dec	0.30%	--	-0.40%	--
02/03/2017	18:00	EC Retail Sales YoY	Dec	1.80%	--	2.30%	--
02/03/2017	18:00	IT CPI EU Harmonized MoM	Jan P	-1.80%	--	0.40%	--
02/03/2017	18:00	IT CPI NIC incl. tobacco MoM	Jan P	0.30%	--	0.40%	--
02/03/2017	18:00	IT CPI NIC incl. tobacco YoY	Jan P	0.90%	--	0.50%	--
02/03/2017	18:00	IT CPI EU Harmonized YoY	Jan P	0.80%	--	0.50%	--
02/03/2017	21:30	US Change in Nonfarm Payrolls	Jan	180k	--	156k	--
02/03/2017	21:30	US Change in Manufact. Payrolls	Jan	5k	--	17k	--
02/03/2017	21:30	US Unemployment Rate	Jan	4.70%	--	4.70%	--
02/03/2017	22:45	US Markit US Services PMI	Jan F	--	--	55.1	--
02/03/2017	22:45	US Markit US Composite PMI	Jan F	--	--	55.4	--
02/03/2017	23:00	US ISM Non-Manf. Composite	Jan	57	--	57.2	56.6
02/03/2017	23:00	US Factory Orders	Dec	0.50%	--	-2.40%	--
02/03/2017	23:00	US Durable Goods Orders	Dec F	--	--	-0.40%	--
02/03/2017	23:00	US Durables Ex Transportation	Dec F	--	--	0.50%	--
02/03/2017	23:00	US Cap Goods Orders Nondef Ex Air	Dec F	--	--	0.80%	--
02/03/2017	23:00	US Cap Goods Ship Nondef Ex Air	Dec F	--	--	1.00%	--
02/02/2017	02:10	PH Budget Balance PHP	Dec	--	--	-19.1b	--

Source: Bloomberg

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