

**Treasury Advisory**  
**Corporate FX & Structured**  
**Products**

Tel: 6349-1888 / 1881

**Interest Rate Derivatives**

Tel: 6349-1899

**Investments & Structured**  
**Products**

Tel: 6349-1886

**GT Institutional Sales**

Tel: 6349-1810

**Highlights**

<b>Global</b>	With the FOMC rate hike prospects looming straight ahead, Wall Street continued to slide for the third session in a row while the 10-year US Treasury bond yield lifted above the 2.5% handle. US President Trump's comments of a "new system where there will be competition in the drug industry" weighed on healthcare shares. Global risk appetite remains muted for now, awaiting fresh catalysts. Expect Asian markets to trade on a consolidative mode ahead of tomorrow's ECB policy decision and Friday's nonfarm payrolls data. Today's economic data calendar is relatively light with only US' ADP employment data and wholesale inventories, China's trade, Germany's industrial production and Japan's Eco Watchers survey.
<b>US</b>	Consumer credit unexpectedly moderated from a revised US\$14.758b in Dec to US\$8.794b in Jan, marking the smallest increase since Jul12, as revolving debt saw its largest decline since Dec12. Meanwhile, the trade deficit widened 9.6% to US\$48.5b, the biggest since Mar12, as imports saw its biggest surge (2.3%) since 2015. This prompted the Commerce Secretary Ross to say the data shows "there is much work to be done" on trade agreements and enforcement.
<b>UK</b>	PM May lost two votes in the House of Lords within one week as new conditions were added to her draft bill to trigger Brexit, namely to protect rights of EU citizens living in Britain and to give Parliament a "meaningful vote" on the Brexit talks.
<b>AU</b>	The RBA kept its 1.5% cash rate target unchanged as anticipated, citing "borrowing for housing by investors has picked up over recent months" and "in some markets, conditions are strong and prices are rising briskly". Reinforcing RBA's neutral for longer stance, it noted that "the improvement in the global economy has contributed to higher commodity prices, which are providing a significant boost to Australia's national income", but "with growth in labor costs remaining subdued, underlying inflation is likely to stay low for some time".
<b>CH</b>	China's FX reserve rebounded above US\$3 trillion in February, up by US\$6.9 billion to US\$3.005 trillion, despite the unfavourable valuation effect. The appreciation of dollar in Feb suggested a negative valuation effect which is due to fall of the value of non-dollar reserve assets, however, according to the SAFE, the appreciation of asset prices more or less offset the impact of stronger dollar. In addition, FX reserve denominated in SDR also rebounded. This signalled a reduced pressure for capital outflows as a result of stabilized RMB exchange rate and tighter surveillance on capital outflows.
<b>ID</b>	Foreign reserves came in at USD 119.86bn in February, stronger than USD 116.89bn the month before. It also marks the highest level since August 2011. The number has been boosted by tax revenue, oil and gas government revenue and receipts from Bank Indonesia's FX bills. It should help to bolster Indonesia's resilience against capital outflow risks, as global markets prepare for an imminent Fed rate hike.
<b>MA</b>	Foreign reserves printed USD 95bn, as of the end of February. This is the exact same level as the prior level. According to Bank Negara, this is sufficient in financing 8.5 months of retained imports and is 1.1 times the economy's short-term external debt.

## Major Markets

- **US:** Equities continued to slip on Tuesday as investors found no fresh impetus to drive the rally. Healthcare and biotech led declines as the new Republican healthcare policy was unveiled. Overall, the S&P 500 retreated 0.29%, while the Dow and Nasdaq fell 0.14% and 0.26% respectively. VIX nudged higher again, closing at 11.45, up 1.87%. US Treasuries were dragged lower by weak demand in an auction for new 3-year notes. 2- and 10-year benchmark yields rose 2-3 bps to close at 1.33% and 2.52% respectively. With new auctions for 10- and 30-year tenures, and a heavy pipeline of IG corporate issuance coming up this week, expect Treasuries to remain pressured.
- **Singapore:** STI added 0.29% yesterday to close at 3130.44, but may remain stuck in a 3100-3150 range as investors remain sidelined ahead of key events/data later this week. The SGS bond yield curve finally bear-flattened yesterday, with yields higher by around 2-3bps. With UST bonds reluctant to do much ahead of ECB and NFP, we may see a lacklustre session for SGS bonds today as well.

## Bond Market Updates

- **Market Commentary:** The SGD swap curve traded upwards yesterday, with swap rates trading 1-7bps higher. In the broader dollar space, the spread on JACI IG corporates rose 1bps to 193bps while the yield on JACI HY corporates rose 3bps to 6.69%. 10y UST yields rose 1bps to a YTD high at 2.51%, amid soft demand for 3-year USTs during monthly auctions and a strong IG credit supply pipeline.
- **New Issues:** The Export-Import Bank of China priced a USD2bn 2-tranche deal; with the USD1.15bn 5-year piece at CT5+85bps, tightening from initial guidance of CT5+110bps; and the USD850mn 10-year piece at CT10+110bps, tightening from initial guidance of CT10+130bps. The expected issue ratings are 'AA-/Aa3/NR'. Eros Films Ltd. set final guidance for its USD 5NC2 bond (guaranteed by Eros International Plc) at 9%, against earlier guidance in the 8.25% area. The expected issue ratings are 'B+/NR/NR'.
- **Rating Changes:** S&P affirmed Yanlord Land Group Ltd.'s (Yanlord) 'BB-' corporate credit rating and issue rating on Yanlord's outstanding senior unsecured notes. In addition, S&P revised the rating outlook on Yanlord to positive from stable. The rating action reflects S&P's expectation for Yanlord to sustain its improved leverage over the next 12 months and continue to demonstrate satisfactory sales execution and disciplined land acquisitions. S&P placed KWG Property Holding Ltd.'s (KWG) 'BB-' corporate credit rating and 'B+' issue rating on the company's outstanding senior unsecured notes on CreditWatch with negative implications. The rating action reflects the expectation that KWG's financial position will weaken more than earlier expected under the base-case scenario for the rating. The likely deterioration follows the company's recent significant land acquisition in Hong Kong and its active land purchases in mainland China in 2016. S&P announced that the ratings and outlook on China Reinsurance (Group) Corp. (China Re Group) and its subsidiaries are not affected following the USD800mn senior unsecured notes issuance by its indirect subsidiary. S&P commented that the issuance has limited impact on China Re Group's gearing and interest coverage, given its strong capitalization. Moody's has placed JD.com Inc's (JD) 'Baa3' issuer rating and senior unsecured bond ratings on review for upgrade. The rating action reflects the planned deconsolidation of JD Finance, which will improve JD.com's profitability and credit profile. Moody's affirmed Times Property Holdings Limited's (Times Property) 'B1' corporate family rating and 'B2' senior unsecured rating on its existing rated notes. In addition, Moody's revised the ratings outlook of Times Property to positive from stable. The rating action reflects Moody's expectation that the company will show an improvement in its credit metrics, supported by strong revenue growth and stable gross margins over the next 12-18 months.

## Key Financial Indicators

### Foreign Exchange

	Day Close	% Change		Day Close	% Change
<b>DX</b>	101.810	0.17%	<b>USD-SGD</b>	1.4113	-0.06%
<b>USD-JPY</b>	113.980	0.08%	<b>EUR-SGD</b>	1.4913	-0.21%
<b>EUR-USD</b>	1.0566	-0.15%	<b>JPY-SGD</b>	1.2381	-0.13%
<b>AUD-USD</b>	0.7588	0.12%	<b>GBP-SGD</b>	1.7219	-0.36%
<b>GBP-USD</b>	1.2200	-0.29%	<b>AUD-SGD</b>	1.0710	0.06%
<b>USD-MYR</b>	4.4480	--	<b>NZD-SGD</b>	0.9814	-0.64%
<b>USD-CNY</b>	6.9025	0.08%	<b>CHF-SGD</b>	1.3930	-0.15%
<b>USD-IDR</b>	13350	--	<b>SGD-MYR</b>	3.1526	-0.10%
<b>USD-VND</b>	22805	--	<b>SGD-CNY</b>	4.8904	0.04%

### Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
<b>1M</b>	-0.3740	--	<b>O/N</b>	0.6828	--
<b>2M</b>	-0.3400	--	<b>1M</b>	0.8467	--
<b>3M</b>	-0.3290	--	<b>2M</b>	0.9256	--
<b>6M</b>	-0.2410	--	<b>3M</b>	1.1062	--
<b>9M</b>	-0.1700	--	<b>6M</b>	1.4210	--
<b>12M</b>	-0.1110	--	<b>12M</b>	1.8001	--

### Eurozone & Russia Update

	2Y Bond Ylds (bpschg)	10Y Bond Ylds (bpschg)	10Y Bund Spread
<b>Portugal</b>	0.01	-1.30	3.97
<b>Italy</b>	-0.05	-1.60	2.19
<b>Ireland</b>	-0.43	-2.70	1.02
<b>Greece</b>	8.28	33.30	7.21
<b>Spain</b>	-0.17	0.10	1.74
<b>Russia</b>	1.83	2.00	4.16

### Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	53.14	-0.11%	Coffee (per lb)	1.390	-0.47%
Brent (per barrel)	55.92	-0.16%	Cotton (per lb)	0.7728	-1.42%
Heating Oil (per gallon)	1.6139	0.59%	Sugar (per lb)	0.1840	-3.92%
Gasoline (per gallon)	1.6798	0.45%	Orange Juice (per lb)	1.7900	-0.44%
Natural Gas (per MMBtu)	2.8240	-2.65%	Cocoa (per mt)	1,950	-0.91%
<b>Base Metals</b>	<b>Futures</b>	<b>% chg</b>	<b>Grains</b>	<b>Futures</b>	<b>% chg</b>
Copper (per mt)	5,773.0	-1.45%	Wheat (per bushel)	4.3600	-0.51%
Nickel (per mt)	10,595.8	-4.08%	Soybean (per bushel)	10.148	-1.17%
Aluminium (per mt)	1,866.5	-0.01%	Corn (per bushel)	3.6950	-0.87%
<b>Precious Metals</b>	<b>Futures</b>	<b>% chg</b>	<b>Asian Commodities</b>	<b>Futures</b>	<b>% chg</b>
Gold (per oz)	1,216.1	-0.77%	Crude Palm Oil (MYR/MT)	2,974.0	-1.20%
Silver (per oz)	17.492	-1.31%	Rubber (JPY/KG)	305.0	-0.65%

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

### Equity and Commodity

Index	Value	Net change
<b>DJIA</b>	20,924.76	-29.58
<b>S&amp;P</b>	2,368.39	-6.92
<b>Nasdaq</b>	5,833.93	-15.25
<b>Nikkei 225</b>	19,344.15	-34.99
<b>STI</b>	3,130.44	8.93
<b>KLCI</b>	1,728.66	1.30
<b>JCI</b>	5,402.62	-7.20
<b>Baltic Dry</b>	1,033.00	54.00
<b>VIX</b>	11.45	0.21

### Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
<b>2Y</b>	1.25 (-)	1.33 (+0.02)
<b>5Y</b>	1.64 (+0.03)	2.05 (+0.03)
<b>10Y</b>	2.32 (+0.04)	2.52 (+0.02)
<b>15Y</b>	2.44 (+0.04)	--
<b>20Y</b>	2.44 (+0.05)	--
<b>30Y</b>	2.47 (+0.05)	3.12 (+0.02)

### Financial Spread (bps)

	Value	Change
<b>LIBOR-OIS</b>	24.27	-0.80
<b>EURIBOR-OIS</b>	2.20	--
<b>TED</b>	40.54	--

### Key Economic Indicators

Date	Time	Event	Survey	Actual	Prior	Revised	
03/07/2017 06:30	AU	AIG Perf of Construction Index	Feb	--	53.1	47.7	--
03/07/2017 07:50	JN	Official Reserve Assets	Feb	--	\$1232.3b	\$1231.6b	--
<b>03/07/2017 08:30</b>	<b>TA</b>	<b>CPI YoY</b>	<b>Feb</b>	<b>0.70%</b>	<b>-0.04%</b>	<b>2.25%</b>	--
03/07/2017 08:30	TA	WPI YoY	Feb	3.00%	2.19%	2.72%	2.71%
<b>03/07/2017 09:00</b>	<b>PH</b>	<b>CPI YoY</b>	<b>Feb</b>	<b>3.20%</b>	<b>3.30%</b>	<b>2.70%</b>	--
03/07/2017 09:00	PH	CPI NSA MoM	Feb	0.30%	0.30%	0.30%	--
<b>03/07/2017 11:30</b>	<b>AU</b>	<b>RBA Cash Rate Target</b>	<b>Mar-07</b>	<b>1.50%</b>	<b>1.50%</b>	<b>1.50%</b>	--
03/07/2017 13:30	AU	Foreign Reserves	Feb	--	A\$66.8b	A\$68.6b	--
<b>03/07/2017 15:00</b>	<b>GE</b>	<b>Factory Orders MoM</b>	<b>Jan</b>	<b>-2.50%</b>	<b>-7.40%</b>	<b>5.20%</b>	--
03/07/2017 15:00	GE	Factory Orders WDA YoY	Jan	4.30%	-0.80%	8.10%	8.00%
03/07/2017 15:00	MA	Foreign Reserves	Feb-28	--	\$95.0b	\$95.0b	--
03/07/2017 15:04	PH	Foreign Reserves	Feb	--	\$81.1b	\$81.0b	--
03/07/2017 15:45	FR	Budget Balance YTD	Jan	--	-5.4b	-69.0b	--
03/07/2017 16:00	CH	Foreign Reserves	Feb	\$2969.0b	\$3005.1b	\$2998.2b	--
03/07/2017 16:00	TA	Trade Balance	Feb	\$3.80b	\$3.36b	\$3.50b	\$3.49b
03/07/2017 16:00	TA	Exports YoY	Feb	16.40%	27.70%	7.00%	--
03/07/2017 16:00	TA	Imports YoY	Feb	24.90%	42.10%	8.40%	8.60%
<b>03/07/2017 16:30</b>	<b>UK</b>	<b>Halifax House Prices MoM</b>	<b>Feb</b>	<b>0.40%</b>	<b>0.10%</b>	<b>-0.90%</b>	<b>-1.10%</b>
03/07/2017 16:30	UK	Halifax House Price 3Mths/Year	Feb	5.30%	5.10%	5.70%	--
03/07/2017 16:38	HK	Foreign Reserves	Feb	--	\$390.5b	\$391.5b	--
03/07/2017 17:00	SI	Foreign Reserves	Feb	--	\$253.35b	\$252.74b	--
03/07/2017 17:00	IT	PPI MoM	Jan	--	1.10%	0.60%	--
03/07/2017 17:00	IT	PPI YoY	Jan	--	2.80%	0.90%	--
<b>03/07/2017 17:55</b>	<b>ID</b>	<b>Foreign Reserves</b>	<b>Feb</b>	<b>--</b>	<b>\$119.86b</b>	<b>\$116.89b</b>	--
03/07/2017 18:00	EC	Household Cons QoQ	4Q	0.50%	0.40%	0.30%	--
<b>03/07/2017 18:00</b>	<b>EC</b>	<b>GDP SA QoQ</b>	<b>4Q F</b>	<b>0.40%</b>	<b>0.40%</b>	<b>0.40%</b>	--
<b>03/07/2017 18:00</b>	<b>EC</b>	<b>GDP SA YoY</b>	<b>4Q F</b>	<b>1.70%</b>	<b>1.70%</b>	<b>1.70%</b>	--
<b>03/07/2017 21:30</b>	<b>US</b>	<b>Trade Balance</b>	<b>Jan</b>	<b>-\$48.5b</b>	<b>-\$48.5b</b>	<b>-\$44.3b</b>	--
03/07/2017 21:30	CA	Int'l Merchandise Trade	Jan	0.75b	0.81b	0.92b	0.45b
03/07/2017 23:00	CA	Ivey PMI SA	Feb	58.5	55	57.2	--
<b>03/07/2017 03/13</b>	<b>VN</b>	<b>Domestic Vehicle Sales YoY</b>	<b>Feb</b>	<b>--</b>	<b>--</b>	<b>-10.50%</b>	--
03/08/2017 04:00	US	Consumer Credit	Jan	\$17.250b	\$8.794b	\$14.160b	\$14.758b
03/08/2017 05:45	NZ	Mfg Activity SA QoQ	4Q	--	0.80%	0.40%	1.10%
<b>03/08/2017 07:50</b>	<b>JN</b>	<b>BoP Current Account Balance</b>	<b>Jan</b>	<b>¥270.0b</b>	<b>--</b>	<b>¥1112.2b</b>	--
03/08/2017 07:50	JN	BoP Current Account Adjusted	Jan	¥1464.1b	--	¥1669.2b	--
03/08/2017 07:50	JN	Trade Balance BoP Basis	Jan	-¥800.2b	--	¥806.8b	--
<b>03/08/2017 07:50</b>	<b>JN</b>	<b>GDP SA QoQ</b>	<b>4Q F</b>	<b>0.40%</b>	<b>--</b>	<b>0.20%</b>	--
<b>03/08/2017 07:50</b>	<b>JN</b>	<b>GDP Annualized SA QoQ</b>	<b>4Q F</b>	<b>1.50%</b>	<b>--</b>	<b>1.00%</b>	--
03/08/2017 07:50	JN	GDP Nominal SA QoQ	4Q F	0.50%	--	0.30%	--
<b>03/08/2017 07:50</b>	<b>JN</b>	<b>GDP Deflator YoY</b>	<b>4Q F</b>	<b>-0.10%</b>	<b>--</b>	<b>-0.10%</b>	--
03/08/2017 07:50	JN	Bank Lending Incl Trusts YoY	Feb	--	--	2.50%	--
03/08/2017 07:50	JN	Bank Lending Ex-Trusts YoY	Feb	--	--	2.60%	--
03/08/2017 12:30	JN	Bankruptcies YoY	Feb	--	--	-10.37%	--
03/08/2017 13:00	JN	Leading Index CI	Jan P	105.4	--	104.8	--
03/08/2017 13:00	JN	Coincident Index	Jan P	114.3	--	114.8	--
<b>03/08/2017 15:00</b>	<b>GE</b>	<b>Industrial Production SA MoM</b>	<b>Jan</b>	<b>2.70%</b>	<b>--</b>	<b>-3.00%</b>	--
03/08/2017 15:00	GE	Industrial Production WDA YoY	Jan	-0.60%	--	-0.70%	--
03/08/2017 15:45	FR	Trade Balance	Jan	-3800m	--	-3421m	--
03/08/2017 16:00	SI	Automobile COE Open Bid Cat A	Mar-08	--	--	49430	--
03/08/2017 16:00	SI	Automobile COE Open Bid Cat B	Mar-08	--	--	50621	--
03/08/2017 16:00	SI	Automobile COE Open Bid Cat E	Mar-08	--	--	51000	--
<b>03/08/2017 20:00</b>	<b>US</b>	<b>MBA Mortgage Applications</b>	<b>Mar-03</b>	<b>--</b>	<b>--</b>	<b>5.80%</b>	--
<b>03/08/2017 21:15</b>	<b>US</b>	<b>ADP Employment Change</b>	<b>Feb</b>	<b>187k</b>	<b>--</b>	<b>246k</b>	--
<b>03/08/2017 21:15</b>	<b>CA</b>	<b>Housing Starts</b>	<b>Feb</b>	<b>200.0k</b>	<b>--</b>	<b>207.4k</b>	--
03/08/2017 21:30	US	Nonfarm Productivity	4Q F	1.50%	--	1.30%	--
03/08/2017 21:30	US	Unit Labor Costs	4Q F	1.60%	--	1.70%	--
03/08/2017 21:30	CA	Labor Productivity QoQ	4Q	0.40%	--	1.20%	--
03/08/2017 21:30	CA	Building Permits MoM	Jan	3.00%	--	-6.60%	--
<b>03/08/2017 23:00</b>	<b>US</b>	<b>Wholesale Inventories MoM</b>	<b>Jan F</b>	<b>-0.10%</b>	<b>--</b>	<b>-0.10%</b>	--
03/08/2017	ID	Consumer Confidence Index	Feb	--	--	115.3	--
03/08/2017	CH	Imports YoY	Feb	20.00%	--	16.70%	--
03/08/2017	CH	Exports YoY	Feb	14.00%	--	7.90%	--
<b>03/08/2017</b>	<b>CH</b>	<b>Trade Balance</b>	<b>Feb</b>	<b>\$27.00b</b>	<b>--</b>	<b>\$51.35b</b>	<b>\$51.34b</b>

Source: Bloomberg

<b><u>OCBC Treasury Research</u></b>	
<b><u>Macro Research</u></b> <b>Selena Ling</b> LingSSSelena@ocbc.com <b>Emmanuel Ng</b> NgCYEmmanuel@ocbc.com <b>Wellian Wiranto</b> WellianWiranto@ocbc.com <b>Tommy Xie Dongming</b> XieD@ocbc.com <b>Barnabas Gan</b> BarnabasGan@ocbc.com <b>Terence Wu</b> TerenceWu@ocbc.com	<b><u>Credit Research</u></b> <b>Andrew Wong</b> WongVKAM@ocbc.com <b>Wong Liang Mian (Nick)</b> NickWong@ocbc.com <b>Ezien Hoo</b> EzienHoo@ocbc.com <b>Wong Hong Wei</b> WongHongWei@ocbc.com

This publication is solely for information purposes only and may not be published, circulated, reproduced or distributed in whole or in part to any other person without our prior written consent. This publication should not be construed as an offer or solicitation for the subscription, purchase or sale of the securities/instruments mentioned herein. Any forecast on the economy, stock market, bond market and economic trends of the markets provided is not necessarily indicative of the future or likely performance of the securities/instruments. Whilst the information contained herein has been compiled from sources believed to be reliable and we have taken all reasonable care to ensure that the information contained in this publication is not untrue or misleading at the time of publication, we cannot guarantee and we make no representation as to its accuracy or completeness, and you should not act on it without first independently verifying its contents. The securities/instruments mentioned in this publication may not be suitable for investment by all investors. Any opinion or estimate contained in this report is subject to change without notice. We have not given any consideration to and we have not made any investigation of the investment objectives, financial situation or particular needs of the recipient or any class of persons, and accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of the recipient or any class of persons acting on such information or opinion or estimate. This publication may cover a wide range of topics and is not intended to be a comprehensive study or to provide any recommendation or advice on personal investing or financial planning. Accordingly, they should not be relied on or treated as a substitute for specific advice concerning individual situations. Please seek advice from a financial adviser regarding the suitability of any investment product taking into account your specific investment objectives, financial situation or particular needs before you make a commitment to purchase the investment product. OCBC and/or its related and affiliated corporations may at any time make markets in the securities/instruments mentioned in this publication and together with their respective directors and officers, may have or take positions in the securities/instruments mentioned in this publication and may be engaged in purchasing or selling the same for themselves or their clients, and may also perform or seek to perform broking and other investment or securities-related services for the corporations whose securities are mentioned in this publication as well as other parties generally.

Co.Reg.no.:193200032W