

**Treasury Advisory**  
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**Highlights**

<b>Global</b>	Market sentiment remains largely guarded, as US equities pulled back somewhat, while dollar and Treasuries declined further after FOMC's move the day before. Focus is also on PBOC's move to raise a suite of key short-term interest rates, just hours after the Fed Funds rate was raised by 25bps. Other central banks which met yesterday chose to stand pat, including that of Japan and Indonesia. Meanwhile, early Dutch election results show that the incumbent VVD party managed to secure the largest number of seats at 33, while anti-EU PVV party won just 20 seats. For the day and weekend ahead, market will be focusing on the summit between German Chancellor Angela Merkel and US President Donald Trump, as well as G20 meetings in Baden-Baden, Germany.
<b>SG</b>	Non-domestic exports grew a strong 21.5% in February, up from a previous 8.6% in January and exceeding market-expectations of 12.5%. The surge, likely due to an early Chinese New Year (CNY) in January, gave rise to strong electronic (+17.2%) and petrochemical (+45.3%) exports last month. Across the export destinations, exports to China (+65.1%), Taiwan (+54.0%) and Korea (+32.3%) surged higher, while other export destinations which had seen export contractions in previous months were encouragingly back in positive zone (US: +1.4%, EU: +28.7%, Malaysia: +17.2%). Coupled with the strong NODX print, improvements in Singapore's economic fundamentals, led by the improving manufacturing sector (seen in both industrial production and manufacturing PMI prints) should continue to buoy growth and market sentiment.
<b>CH</b>	China parallelly shifted the money market curve on Thursday in its open market operation after the Fed rate hike. 7-, 14- and 28-days reverse repo rate was raised by 10bps to 2.45%, 2.60% and 2.75%. In addition, PBoC also increased the interest rates for both 6-month and 1-year MLF rate by 10bps to 3.05% and 3.20% after injecting CNY303 billion via the MLF.
<b>ID</b>	Bank Indonesia decided to keep its monetary policy unchanged yesterday, holding the 7-day reverse repo policy rate at 4.75% as widely expected. BI said that it is maintaining a cautiously accommodative stance and that it may use interest rates, exchange rate and/or macroprudential tools to anticipate global developments.
<b>MA</b>	Second Finance Minister, Johari Abdul Ghani, reportedly said that the government may not be able to reach its target of reaching a balanced fiscal budget in 2020. According to the Edge, he said that it may need additional 2 years because of factors such as volatile commodity prices, US rate policy uncertainties, China's growth slowdown and Brexit.
<b>KR</b>	BOK Jang Byung-wha commented that the recent Fed rate hike was expected, and will not have much impact on Korea's financial markets.
<b>Commodities</b>	The key performers were observably in the precious metal space. Gold rallied 2.2% to \$1,227.1/oz while silver gained 2.42% to \$17.296/oz. Platinum and palladium prices were also up in tandem. The gains were largely led by weakness in the greenback, which fell 0.38% to its weakest since early February. Elsewhere in the energy space, note that Saudi Arabia commented that OPEC may prolong its production cuts after the current agreement expires in June, especially if global oil stocks remain excessive.

## Major Markets

- US:** Market movements following the FOMC statement on Wednesday largely unwound yesterday as investors reassessed their options moving forward. Defensive stocks which led equity gains in the previous session turned biggest losers together with healthcare, as financials and technology stocks outperformed. Overall, the S&P 500 was lower by 0.16%, while the Dow and Nasdaq were essentially unchanged. VIX closed at 11.21. Meanwhile, US Treasuries were led lower by a sell-off in bunds and gilts across the pond. Benchmark yields were higher by 3-4 bps, with the 2- and 10-year yields at 1.33% and 2.54% respectively.
- Singapore:** STI edged higher yesterday by 0.83% as 33 of its members concluded the day printing gains, reversing previous day's losses of 0.19%. The index rose to 3163.52, largely led by gains from Keppel Corp Ltd (+3.47%), Jardine Cycle & Carriage Ltd (+2.9%) and Hongkong Land Holdings Ltd (+2.7%). On the other hand, losses from SATS Ltd (-0.82%), StarHub Ltd (-0.71%) and Singapore Telecommunications Ltd (-0.25%) limited the advance of the equity index.
- China:** The adjustment was mainly the result of market supply and demand to narrow the gap between auction rate and market rate to avoid arbitrage. We think China will not in rush to hike benchmark lending and deposit rates any time soon given muted inflationary pressure as well as demand for economic stability prior to 19<sup>th</sup> Party Congress. As such, we see the limited impact of recent money market rate hike on the market.
- Hong Kong:** The seasonally adjusted jobless rate held static at 3.3% in the three months through February. The boom in property market has underpinned hiring sentiment in the real estate sector, which therefore warranted a stable labor market. Combined with an improvement in the stock market and strong investment demand from Mainland China, the jobless rate in financing, insurance, real estate, professional and business services industry dipped to 2.2%. Besides, rebound in the number of inbound tourists have supported the tourism-related industry (retail, accommodation and food services) to create jobs and pushed its unemployment rate down further to a one-year low at 4.8%. As a result, the increase in the jobless rate of trade sector (2.9%) and construction sector (3.8%) was well offset. In the near term, recovery in the economy together with a tight labor supply may help to sustain the resilience in the labor market. However, an expected slowdown in China's growth in 2H and the looming global uncertainties are still likely to weigh.

## Bond Market Updates

- Market Commentary:** The SGD swap curve bull-flattened yesterday, with swap rates trading 5-9bps lower across all tenors. In the broader dollar space, the spread on JACI IG corporates rose 2bps to 193bps while the yield on JACI HY corporates fell 5bps to 6.73%. 10y UST yields rose 5bps yesterday to 2.54%, amid steeper declines for U.K. bonds after the Bank of England moved closer to raising rates.
- New Issues:** Retail real estate developer and owner Scentre Management Ltd. priced a USD500mn 10-year bond (guaranteed by Scentre Group Ltd.) at CT10+130bps tightening from initial guidance of CT10+150bps. The expected issue ratings are 'A/A1/NR'. Fortune Star (BVI) Ltd. priced a USD800mn 5NC3 bond (guaranteed by Fosun International Ltd.) at 5.25%, tightening from initial guidance of 5.5%. The expected issue ratings are 'BB/NR/NR'. APT Pipelines Ltd. priced a USD850mn 10-year bond (guaranteed by Australian Pipeline Ltd.) at CT10+180bps, tightening from initial guidance of CT10+200bps.
- Rating Changes:** S&P affirmed Beijing Enterprises Holdings Ltd.'s (BEH) 'BBB+' corporate credit rating and issue rating yesterday. In addition, S&P revised the ratings outlook of BEH to stable from

negative. The rating action reflects S&P's expectation for the company's parent, Beijing Enterprises Group Co. Ltd. (BEG), to maintain its credit profile over the next two years. S&P believes that BEG's importance to the Beijing municipal government has increased and the group's interest coverage will improve slightly after worsening in the past three years. S&P revised the stand-alone credit profile of Toho Bank Ltd. (Toho) to 'BBB+' from 'A-'. Subsequently, S&P withdrew the ratings at the bank's request. Moody's assigned a 'A3' issuer rating to BoCom Leasing Development Hong Kong Company Limited (BLDHK), with a negative outlook. The rating assignment reflects the very high likelihood of extraordinary support from its parent, BoCom Leasing, and ultimate parent, BoCom, given (1) BLDHK's integral role and strategic importance to the group's offshore leasing business, (2) BoCom's liquidity and capital commitments to BoCom Leasing, and (3) a keepwell agreement provided by BoCom Leasing, while the company has a relatively short history and weak standalone credit profile of 'b2'. Moody's revised the outlook on Alinta Energy Finance Pty Ltd.'s (AEF) 'Ba3' senior secured bank credit facility rating and Alinta Holdings' (Alinta) 'Ba3' corporate family rating to developing from positive. The rating action comes after an announcement by Chow Tai Fook Enterprises of its agreement to acquire 100% of Alinta's equity interests from existing shareholders. According to Moody's, "The developing outlook reflects the possibility that Alinta's credit profile could materially change post acquisition, which we (Moody's) believe would most likely result from changes to the company's capital structure under the new owner."

## Key Financial Indicators

### Foreign Exchange

	Day Close	% Change		Day Close	% Change
<b>DX</b>	100.360	-0.38%	<b>USD-SGD</b>	1.4013	0.01%
<b>USD-JPY</b>	113.310	-0.06%	<b>EUR-SGD</b>	1.5087	0.30%
<b>EUR-USD</b>	1.0766	0.30%	<b>JPY-SGD</b>	1.2367	0.06%
<b>AUD-USD</b>	0.7678	-0.40%	<b>GBP-SGD</b>	1.7321	0.56%
<b>GBP-USD</b>	1.2360	0.56%	<b>AUD-SGD</b>	1.0758	-0.42%
<b>USD-MYR</b>	4.4383	-0.24%	<b>NZD-SGD</b>	0.9790	-0.83%
<b>USD-CNY</b>	6.8980	-0.24%	<b>CHF-SGD</b>	1.4062	0.38%
<b>USD-IDR</b>	13347	-0.13%	<b>SGD-MYR</b>	3.1594	0.35%
<b>USD-VND</b>	22780	-0.21%	<b>SGD-CNY</b>	4.9180	0.43%

### Equity and Commodity

Index	Value	Net change
<b>DJIA</b>	20,934.55	-15.55
<b>S&amp;P</b>	2,381.38	-3.88
<b>Nasdaq</b>	5,900.76	0.71
<b>Nikkei 225</b>	19,590.14	12.76
<b>STI</b>	3,163.52	26.09
<b>KLCI</b>	1,737.14	19.78
<b>JCI</b>	5,518.24	85.86
<b>Baltic Dry</b>	1,172.00	25.00
<b>VIX</b>	11.21	-0.42

### Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
<b>1M</b>	-0.3710	--	<b>O/N</b>	0.6867	--
<b>2M</b>	-0.3410	--	<b>1M</b>	0.9428	--
<b>3M</b>	-0.3290	--	<b>2M</b>	0.9872	--
<b>6M</b>	-0.2410	--	<b>3M</b>	1.1482	--
<b>9M</b>	-0.1710	--	<b>6M</b>	1.4382	--
<b>12M</b>	-0.1100	--	<b>12M</b>	1.8276	--

### Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
<b>2Y</b>	1.24 (-0.05)	1.33 (+0.03)
<b>5Y</b>	1.60 (-0.07)	2.05 (+0.05)
<b>10Y</b>	2.35 (-0.08)	2.54 (+0.05)
<b>15Y</b>	2.48 (-0.08)	--
<b>20Y</b>	2.52 (-0.08)	--
<b>30Y</b>	2.54 (-0.08)	3.15 (+0.04)

### Eurozone & Russia Update

	2Y Bond Ylds (bpschg)	10Y Bond Ylds (bpschg)	10Y Bund Spread
<b>Portugal</b>	0.71	69.50	4.30
<b>Italy</b>	-0.01	1.00	2.37
<b>Ireland</b>	-0.32	4.60	1.15
<b>Greece</b>	8.10	-18.60	7.35
<b>Spain</b>	-0.15	1.90	1.90
<b>Russia</b>	2.03	-6.30	4.27

### Financial Spread (bps)

	Value	Change
<b>LIBOR-OIS</b>	24.25	0.91
<b>EURIBOR-OIS</b>	1.98	-0.02
<b>TED</b>	42.70	--

### Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	48.75	-0.23%	Coffee (per lb)	1.398	0.40%
Brent (per barrel)	51.74	-0.14%	Cotton (per lb)	0.7817	0.12%
Heating Oil (per gallon)	1.5043	-0.54%	Sugar (per lb)	0.1825	0.11%
Gasoline (per gallon)	1.5942	0.68%	Orange Juice (per lb)	1.7750	-0.34%
Natural Gas (per MMBtu)	2.9020	-2.65%	Cocoa (per mt)	2,027	-1.03%
<b>Base Metals</b>	<b>Futures</b>	<b>% chg</b>	<b>Grains</b>	<b>Futures</b>	<b>% chg</b>
Copper (per mt)	5,876.4	0.76%	Wheat (per bushel)	4.3600	--
Nickel (per mt)	10,182.5	0.16%	Soybean (per bushel)	10.015	0.35%
Aluminium (per mt)	1,894.0	0.68%	Corn (per bushel)	3.6600	0.69%
<b>Precious Metals</b>	<b>Futures</b>	<b>% chg</b>	<b>Asian Commodities</b>	<b>Futures</b>	<b>% chg</b>
Gold (per oz)	1,227.1	2.20%	Crude Palm Oil (MYR/MT)	2,963.0	-1.89%
Silver (per oz)	17.296	2.42%	Rubber (JPY/KG)	284.1	-1.11%

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

### Key Economic Indicators

Date	Time	Event		Survey	Actual	Prior	Revised
03/16/2017 02:00	US	FOMC Rate Decision (Upper)	Mar-15	1.00%	1.00%	0.75%	--
03/16/2017 02:00	US	FOMC Rate Decision (Lower)	Mar-15	0.75%	0.75%	0.50%	--
03/16/2017 04:00	US	Total Net TIC Flows	Jan	--	\$110.4b	-\$42.8b	-\$65.3b
03/16/2017 04:00	US	Net Long-term TIC Flows	Jan	--	\$6.3b	-\$12.9b	--
03/16/2017 05:45	NZ	GDP SA QoQ	4Q	0.70%	0.40%	1.10%	0.80%
03/16/2017 05:45	NZ	GDP YoY	4Q	3.20%	2.70%	3.50%	3.30%
03/16/2017 07:50	JN	Japan Buying Foreign Bonds	Mar-10	--	-¥703.9b	-¥1130.6b	-¥1129.5b
03/16/2017 07:50	JN	Japan Buying Foreign Stocks	Mar-10	--	-¥360.5b	¥76.3b	--
03/16/2017 07:50	JN	Foreign Buying Japan Bonds	Mar-10	--	-¥47.3b	¥608.3b	¥605.0b
03/16/2017 07:50	JN	Foreign Buying Japan Stocks	Mar-10	--	-¥722.7b	-¥167.1b	-¥165.9b
03/16/2017 08:30	AU	Employment Change	Feb	16.0k	-6.4k	13.5k	--
03/16/2017 08:30	AU	Unemployment Rate	Feb	5.70%	5.90%	5.70%	--
03/16/2017 08:30	AU	Full Time Employment Change	Feb	--	27.1k	-44.8k	-44.1k
03/16/2017 08:30	AU	Part Time Employment Change	Feb	--	-33.5k	58.3k	57.5k
03/16/2017 08:30	AU	Participation Rate	Feb	64.60%	64.60%	64.60%	--
03/16/2017 08:30	AU	RBA FX Transactions Market	Feb	--	A\$282m	A\$557m	--
03/16/2017 10:00	NZ	Non Resident Bond Holdings	Feb	--	62.60%	62.50%	--
03/16/2017 10:54	JN	BOJ Policy Balance Rate	Mar-16	-0.10%	-0.10%	-0.10%	--
03/16/2017 10:54	JN	BOJ 10-Yr Yield Target	Mar-16	0.00%	0.00%	0.00%	--
03/16/2017 14:00	JN	Machine Tool Orders YoY	Feb F	--	9.10%	9.10%	--
03/16/2017 15:00	EC	EU27 New Car Registrations	Feb	--	2.20%	10.20%	--
03/16/2017 16:30	HK	Unemployment Rate SA	Feb	3.30%	3.30%	3.30%	--
03/16/2017 18:00	EC	CPI MoM	Feb	0.40%	0.40%	--	--
03/16/2017 18:00	EC	CPI YoY	Feb F	2.00%	2.00%	2.00%	--
03/16/2017 18:00	EC	CPI Core YoY	Feb F	0.90%	0.90%	0.90%	--
03/16/2017 18:51	ID	BI 7D Reverse Repo	Mar-16	4.75%	4.75%	4.75%	--
03/16/2017 20:00	UK	Bank of England Bank Rate	Mar-16	0.25%	0.25%	0.25%	--
03/16/2017 20:00	UK	BOE Asset Purchase Target	Mar	435b	435b	435b	--
03/16/2017 20:30	CA	Int'l Securities Transactions	Jan	--	6.20b	10.23b	10.21b
03/16/2017 20:30	US	Housing Starts	Feb	1264k	1288k	1246k	1251k
03/16/2017 20:30	US	Building Permits	Feb	1268k	1213k	1285k	1293k
03/16/2017 20:30	US	Initial Jobless Claims	Mar-11	240k	241k	243k	--
03/16/2017 20:30	US	Continuing Claims	Mar-04	2050k	2030k	2058k	2060k
03/16/2017 20:30	US	Philadelphia Fed BizOutlook	Mar	30	32.8	43.3	--
03/16/2017 21:45	US	Bloomberg Consumer Comfort	Mar-12	--	51	50.6	--
03/16/2017 21:45	US	Bloomberg ECO Expectations	Mar	--	54	50	--
03/17/2017 05:30	NZ	BusinessNZ Mfg PMI	Feb	--	55.2	51.6	52.2
03/17/2017 08:30	SI	NODX SA MoM	Feb	-0.10%	1.40%	5.00%	--
03/17/2017 08:30	SI	Electronic Exports YoY	Feb	11.00%	17.20%	6.10%	--
03/17/2017 08:30	SI	Non-oil Domestic Exports YoY	Feb	12.50%	21.50%	8.60%	--
03/17/2017 15:30	TH	Foreign Reserves	Mar-10	--	--	\$181.8b	--
03/17/2017 15:45	FR	Wages QoQ	4Q F	0.10%	--	0.10%	--
03/17/2017 17:00	IT	Trade Balance Total	Jan	--	--	5798m	--
03/17/2017 18:00	EC	Trade Balance SA	Jan	22.0b	--	24.5b	--
03/17/2017 20:30	CA	Manufacturing Sales MoM	Jan	-0.30%	--	2.30%	--
03/17/2017 21:15	US	Industrial Production MoM	Feb	0.20%	--	-0.30%	--
03/17/2017 21:15	US	Capacity Utilization	Feb	75.50%	--	75.30%	--
03/17/2017 22:00	US	U. of Mich. Sentiment	Mar P	97	--	96.3	--
03/17/2017 22:00	US	Leading Index	Feb	0.50%	--	0.60%	--
03/17/2017	HK	Composite Interest Rate	Feb	--	--	0.32%	--
03/17/2017 03/31	IN	BoP Current Account Balance	4Q	-\$12.00b	--	-\$3.40b	--

Source: Bloomberg

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