

Highlights

Global	<p>Trading volumes were soft into the new week: Wall Street was closed for President's Day, Canada shut for Family Day while China, Hong Kong and Taiwan were closed for Lunar New Year Holidays yesterday as well. Early trading in Asian equities this morning were relatively lower, seen in the Nikkei400, KOSPI and NIFTY50, suggesting that risk appetite is starting a tat soft in the early morning. Notable news include UK PM Theresa May's consideration to hold back £40bn of Brexit payments if trade deal negotiations meet further deadlock, although Brexit Secretary David Davis is slated to outline his collaboration plan on Tuesday. Elsewhere, RBA reiterated in its policy meeting minutes that inflation is expected to "only gradually" increase as growth strengthens.</p> <p>Today appears to be a light calendar day, with Germany's ZEW Survey and EC Consumer Confidence prints to give further colour on market direction.</p>
SG	<p>FY2017 budget balance came in at a surplus of \$9.6bn (2.1% of GDP), up from a budgeted \$1.9bn and higher than our estimate of \$5.4bn. For FY2018, overall budget balance is pencilled at a deficit of \$0.6bn (0.1% of GDP). The FY2018 budget remains to be expansionary; ministries' total expenditures are expected to be \$80.0bn (8.3% higher than FY2017). Even so, GDP grew by 3.6% in 2017, exceeding government's outlook of 1 – 3%, while productivity growth was 4.5%, highest since 2010. GST rate will be raised by 2% from 7% to 9% sometime in 2021 to 2025, as a measure of long-term planning. The exact timing of the rate hike will depend on the state of the Singaporean economy. Further, the much awaited e-commerce tax on imported goods did not materialize. "Lumpy investments" to be watched out for, including a Changi Airport Development Fund (\$4bn) to develop Terminal 5, as well as a new Rail Infrastructure Fund (\$5bn) to save up for major rail lines. Revenue initiatives include GST for imported services, Buyer's Stamp Duty hike to 4% and 10% increase in Tobacco excise duty.</p>
TH	<p>Pacing closely in line with our expectations, Thailand's economic growth in 4Q17 clocked 4.0% y/y (vs OCBC's 4.1%, market's 4.3%). On a seasonally adjusted basis, the economy grew at 0.5% q/q sa. In-all, our outlook for growth in 2018 remains unchanged at 3.5%, a tat lower than NESDB's growth projection of between 3.6 – 4.6%.</p> <p>We view that Thailand's growth outlook remains positive, on the back of a sanguine external demand backdrop. Inflation is also expected to return to BOT's target range of between 1 – 4% this year, up from 0.7% in 2017.</p>
CMD	<p>Brent continued to climb higher into the new week on the back of fresh OPEC comments that the rebalancing has gained "massive momentum", according to OPEC Secretary General Mohammad Barkindo. In Asia, crude palm oil prices rallied further as well amid sustained weak output outlook as exports look to expand further into February.</p>

Major Market

- **Singapore:** The STI rose 1.29% to end at 3,487.88 Monday. Yangzijiang Shipbuilding Holdings Ltd (+5.76%), Singapore Exchange Ltd (+4.61%) and Singtel (+3.00%) registered gains following the 2018 Budget Speech which highlighted further support for the maritime industry as well as ramping up infrastructure expenditure. Meanwhile, Jardine Strategic Holdings Ltd registered losses (-1.43%). The index may trade more cautiously today amid morning losses registered in Nikkei and Kospi today.

Bond Market Updates

- **Market Commentary:** The SGD swap curve steepened yesterday, with swap rates trading 1-2bps higher for the shorter tenors while the longer tenors traded 1 bps lower. In the broader dollar space last Friday, both the Bloomberg Barclays Asia USD IG Bond Index average OAS and the Bloomberg Barclays Asia USD HY Bond Index average OAS traded little changed at 112bps and 349bps respectively. 10Y UST yield remain unchanged as it was not traded yesterday.
- **Rating Changes:** Moody's has affirmed the 'Baa1' issuer rating of Woodside Petroleum Ltd and 'Baa1' backed senior unsecured ratings of Woodside Finance Ltd. The outlook has been revised to stable from negative. The rating action reflects Moody's expectation that Woodside's solid operating performance and low production costs of its assets will support strong margins and generate solid earnings and cash flow through the cycle.

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	89.100	--	USD-SGD	1.3135	0.18%
USD-JPY	106.590	0.36%	EUR-SGD	1.6298	0.18%
EUR-USD	1.2407	0.01%	JPY-SGD	1.2321	-0.16%
AUD-USD	0.7913	0.10%	GBP-SGD	1.8390	-0.01%
GBP-USD	1.4000	-0.19%	AUD-SGD	1.0393	0.23%
USD-MYR	3.8910	-0.08%	NZD-SGD	0.9683	-0.09%
USD-CNY	6.3415	--	CHF-SGD	1.4138	0.02%
USD-IDR	13560	0.27%	SGD-MYR	2.9662	-0.45%
USD-VND	22704	--	SGD-CNY	4.8251	-0.27%

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3690	--	O/N	1.4450	--
2M	-0.3410	--	1M	1.5938	--
3M	-0.3280	--	2M	1.7301	--
6M	-0.2740	--	3M	1.8849	--
9M	-0.2210	--	6M	2.1061	--
12M	-0.1920	--	12M	2.3906	--

Fed Rate Hike Probability

Meeting	Prob Hike	1.5-1.75	1.75-2	2-2.25	2.25-2.5
03/21/2018	100.0%	88.0%	12.0%	0.0%	0.0%
05/02/2018	100.0%	82.4%	16.9%	0.8%	0.0%
06/13/2018	100.0%	26.7%	61.1%	11.7%	0.5%
08/01/2018	100.0%	23.4%	56.9%	17.8%	1.9%
09/26/2018	100.0%	13.7%	42.9%	34.0%	8.5%
11/08/2018	100.0%	11.4%	38.1%	35.5%	12.7%

Commodities Futures

Energy	Futures	% chg	Base Metals	Futures	% chg
WTI (per barrel)	61.68	--	Copper (per mt)	7,205.8	--
Brent (per barrel)	65.67	1.28%	Nickel (per mt)	13,543.0	-2.36%
Heating Oil (per gallon)	1.9104	--	Aluminium (per mt)	2,264.0	2.07%
Gasoline (per gallon)	1.7509	--			
Natural Gas (per MMBtu)	2.5580	--	Asian Commodities	Futures	% chg
			Crude Palm Oil (MYR/MT)	2,515.0	0.36%
			Rubber (JPY/KG)	182.6	0.61%
Precious Metals	Futures	% chg			
Gold (per oz)	1,356.2	--			
Silver (per oz)	16.796	--			

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Equity and Commodity

Index	Value	Net change
DJIA	25,219.38	--
S&P	2,732.22	--
Nasdaq	7,239.47	--
Nikkei 225	22,149.21	428.96
STI	3,487.88	44.37
KLCI	1,857.32	19.04
JCI	6,689.29	97.70
Baltic Dry	1,084.00	--
VIX	19.46	--

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.56 (-0.01)	2.19 (-)
5Y	1.96 (+0.01)	2.63 (-)
10Y	2.30 (+0.01)	2.87 (-)
15Y	2.62 (-0.01)	--
20Y	2.69 (-)	--
30Y	2.79 (-0.01)	3.13 (-)

Financial Spread (bps)

	Value	Change
LIBOR-OIS	30.07	1.15
EURIBOR-OIS	2.80	0.60
TED	29.48	--

Economic Calendar

Date Time	Event	Survey	Actual	Prior	Revised	
02/19/2018 05:30	NZ Performance Services Index	Jan	--	55.8	56	--
02/19/2018 07:50	JN Trade Balance	Jan	¥1003.6b	¥943.4b	¥359.0b	¥358.7b
02/19/2018 07:50	JN Exports YoY	Jan	9.40%	12.20%	9.30%	--
02/19/2018 07:50	JN Imports YoY	Jan	7.70%	7.90%	14.90%	--
02/19/2018 08:01	UK Rightmove House Prices MoM	Feb	--	0.80%	0.70%	--
02/19/2018 10:30	TH GDP YoY	4Q	4.30%	4.00%	4.30%	--
02/19/2018 17:00	EC ECB Current Account SA	Dec	--	29.9b	32.5b	35.0b
02/19/2018 17:00	EC Current Account NSA	Dec	--	45.8b	37.8b	40.1b
02/19/2018 17:00	IT Current Account Balance	Dec	--	5872m	4881m	4752m
02/19/2018 17:37	PH BoP Overall	Jan	--	-\$531m	\$917m	--
02/19/2018 18:00	EC Construction Output MoM	Dec	--	0.10%	0.50%	0.20%
02/20/2018 05:45	NZ PPI Output QoQ	4Q	--	1.00%	1.00%	--
02/20/2018 05:45	NZ PPI Input QoQ	4Q	--	0.90%	1.00%	1.10%
02/20/2018 06:30	AU Confidence Index	Feb-18	--	115.3	119.5	--
02/20/2018 08:30	AU RBA February Meeting Minutes					
02/20/2018 13:00	IN Bloomberg Feb. India Economic Survey					
02/20/2018 14:00	JN Machine Tool Orders YoY	Jan F	--	--	48.80%	--
02/20/2018 15:00	JN Convenience Store Sales YoY	Jan	--	--	-0.30%	--
02/20/2018 15:00	GE PPI MoM	Jan	0.30%	--	0.20%	--
02/20/2018 18:00	GE ZEW Survey Current Situation	Feb	93.9	--	95.2	--
02/20/2018 18:00	GE ZEW Survey Expectations	Feb	16	--	20.4	--
02/20/2018 18:00	EC ZEW Survey Expectations	Feb	--	--	31.8	--
02/20/2018 19:00	UK CBI Trends Total Orders	Feb	11	--	14	--
02/20/2018 19:00	UK CBI Trends Selling Prices	Feb	--	--	40	--
02/20/2018 21:30	CA Wholesale Trade Sales MoM	Dec	0.40%	--	0.70%	--
02/20/2018 23:00	CA Bloomberg Nanos Confidence	Feb-16	--	--	58.6	--
02/20/2018 23:00	EC Consumer Confidence	Feb A	1	--	1.3	--
02/14/2018 02/20	ID Motorcycle Sales	Dec	--	--	550303	--
02/14/2018 02/20	ID Local Auto Sales	Dec	--	--	96148	--
02/19/2018 02/24	TH Car Sales	Jan	--	--	104302	--

Source: Bloomberg

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