

Highlights

Global	Global risk sentiment improved on Monday on the back of relief from the US-Mexico immigration deal. Dow Jones rose for the sixth consecutive day. Yields on 10-year US Treasury recovered to the 2.15% range. The biggest news overnight was Trump's threaten to push ahead the scheduled meeting with President Xi in the upcoming G20 meeting. He said the US will impose an additional round of tariff on the remaining US\$300 billion Chinese goods if President Xi skips the meeting. Nevertheless, President Trump said he thinks President Xi will go. "China is going to make a deal because they are going to have to make a deal."
EU	Euro has risen since the ECB meeting last Thursday as markets scaled back their expectations on the ECB rate cut after the ECB said interest rate would stay at their present levels until mid-2020. However, Reuters reported yesterday quoting sources that ECB policy makers are still open to rate cut if growth weakens.
CN	May export rose by 1.1% yoy. However, import fell by 8.5% yoy. As a result of weak imports, the trade surplus widened to US\$41.6 billion. The weak import was mainly the result of the re-escalation of US-China trade war. Imports of electronic integrated circuit fell by 10.8% yoy in May although China's import of crude oil remains steady up by 5.5% yoy. The re-escalation of US-China trade war may also dampen the market sentiment, which may weaken China's domestic demand. The prospect of imports may depend on the progress of US-China trade talk
SG	According to a survey by recruitment company ManpowerGroup Employment, 15% of employers intend to increase hiring, while 77% expect no changes to staffing levels in Q3. 3% said they plan to decrease staffing levels, while 5% remained unsure. QoQ, the percentage of businesses stating they are unsure have increased from 1% to 5%, reflecting the uncertainty in the current business climate. All seven industries expect to increase net hiring in 3Q this year, with the biggest gains likely to come from the public administration & education sector, and the services sector. Overall Singapore's employment outlook remains slightly optimistic in the midst of external headwinds from US-China tensions and a slowing global economy.
CMD	Crude oil prices tumbled again yesterday, with WTI falling to -1.4% to \$53.26/bbl and Brent declining -1.6% at \$62.29/bbl. News that the US may proceed with tariffs on the remaining \$300bn of Chinese exports sparked an increase in risk-off sentiment. Saudi Arabia has said that OPEC is most likely to extend its production cuts into 2H – the magnitude of which will likely be discussed at the G20 meeting. An uncertain demand and supply outlook environment in the crude oil space is adding downward pressure on crude oil prices as uncertainty grips the market.

Major Markets

- **US:** Wall Street continues its gain, with the S&P500 up 0.47%. The DJIA climbed 0.28%, and the Nasdaq composite was positive 1.05%.
- **Malaysia:** Industrial production for April will be released today at 12pm, with Bloomberg poll suggesting an increase of 2.5% YoY. The estimates range from 1.7% to 3.4%, which is roughly in the wider range of 1.4%-4.0% recorded in the past 12 months.
- **Thailand:** We continue to observe foreign bond inflows into Thailand, which now stands at \$1.54bn in the first ten days of June. With regional central banks likely to tilt towards dovishness following the poor US NFP showing, the Bank of Thailand's relatively less dovish stance is partially the reason for attracting fund inflows into the country's fixed income space.
- **Indonesia:** CPI in May at 3.32% was higher than the Bloomberg median consensus of 3.13% and even higher than the highest estimate of 3.23%. That is the highest inflation rate in more than a year, but still remains within BI's inflation target range of 2.5% to 4.5%. Core inflation rose to 3.12% YoY, the highest since June 2017. Higher inflation may have been largely a result of climbing crude oil prices, but given the collapse in energy prices in early June, we may expect inflationary pressures in Indonesia to ease in the following months.

Bond Market Updates

- **Market Commentary:** The SGD swap curve bear-steepened over yesterday, with the shorter tenors and belly trading 1-2bps higher while the longer tenors traded 2bps higher. The Bloomberg Barclays Asia USD IG Bond Index average OAS tightened 3bps to 137bps while the Bloomberg Barclays Asia USD HY Bond Index average OAS tightened 11bps to 504bps. 10Y UST yields gained 7bps to 2.15%, on the back of easing trade tensions between the US and Mexico, lifting investors' risk appetite. Spread between 3-month treasury bills and 10-year treasury notes continued to be inverted, albeit narrower at -10bps.
- **New Issues:** Easy Tactic Ltd has priced a USD425mn re-tap (guarantor: R&F Properties (HK) Company Limited) of its existing 8.125% '23s at 8.5%, to a total outstanding amount of USD875mn, tightening from IPT at 8.75% area. Tus-Holdings Co. Ltd has scheduled an investor conference call on 10 June for its potential USD bond issuance. Pingdingshan Tianan Coal Mining Co., Ltd has scheduled investor meetings commencing on 11 June for its potential USD bond issuance. Power Construction Corporation of China (Guarantor) has scheduled investor meetings commencing on 11 June for its potential USD bond issuance (issuer: Dianjian Haiyu Limited). Jinke Property Group Co., Ltd has scheduled investor meetings commencing on 11 June for its potential USD bond issuance.

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	96.761	0.22%	USD-SGD	1.3664	0.32%
USD-JPY	108.450	0.24%	EUR-SGD	1.5456	0.14%
EUR-USD	1.1312	-0.19%	JPY-SGD	1.2596	--
AUD-USD	0.6961	-0.57%	GBP-SGD	1.7332	-0.07%
GBP-USD	1.2685	-0.41%	AUD-SGD	0.9509	-0.28%
USD-MYR	4.1642	0.13%	NZD-SGD	0.9026	-0.57%
USD-CNY	6.9311	0.31%	CHF-SGD	1.3799	0.07%
USD-IDR	14250	-0.16%	SGD-MYR	3.0455	0.08%
USD-VND	23376	-0.09%	SGD-CNY	5.0622	-0.21%

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD Libor	Change
1M	-0.3810	--	O/N	2.3518	--
2M	-0.3360	--	1M	2.4121	--
3M	-0.3190	--	2M	2.4301	--
6M	-0.2560	--	3M	2.4506	--
9M	-0.1940	--	6M	2.3718	--
12M	-0.1750	--	12M	2.3461	--

Fed Rate Hike Probability

Meeting	Prob Hike	Prob Cut	1.75-2%	2-2.25%	2.25-2.5%
06/19/2019	0.0%	19.7%	0.0%	19.7%	80.3%
07/31/2019	0.0%	66.3%	11.4%	54.8%	33.7%
09/18/2019	0.0%	92.8%	45.6%	38.2%	7.2%
10/30/2019	0.0%	95.8%	42.5%	25.4%	4.2%
12/11/2019	0.0%	98.2%	32.9%	13.5%	1.8%
01/29/2020	0.0%	98.7%	26.7%	9.8%	1.3%

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	53.26	-1.4%	Corn (per bushel)	4.1575	--
Brent (per barrel)	62.29	-1.6%	Soybean (per bushel)	8.585	0.3%
Heating Oil (per gallon)	1.8063	-1.0%	Wheat (per bushel)	5.0750	0.6%
Gasoline (per gallon)	1.7303	-0.5%	Crude Palm Oil (MYR/MT)	1,971.0	-1.6%
Natural Gas (per MMBtu)	2.3570	0.9%	Rubber (JPY/KG)	227.4	0.6%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	5,874	1.3%	Gold (per oz)	1,324.7	-1.2%
Nickel (per mt)	11,646	0.2%	Silver (per oz)	14.639	-2.6%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Equity and Commodity

Index	Value	Net change
DJIA	26,062.68	78.74
S&P	2,886.73	13.39
Nasdaq	7,823.17	81.07
Nikkei 225	21,134.42	249.71
STI	3,188.11	21.82
KLCI	1,655.47	6.14
JCI	6,289.61	80.49
Baltic Dry	1,138.00	--
VIX	15.94	-0.36

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.74 (+0.02)	1.90 (+0.05)
5Y	1.82 (+0.02)	1.92 (+0.06)
10Y	2.05 (+0.02)	2.15 (+0.07)
15Y	2.28 (+0.01)	--
20Y	2.36 (--)	--
30Y	2.54 (--)	2.63 (+0.06)

Financial Spread (bps)

	Value	Change
EURIBOR-OIS	4.57	-0.43
TED	35.36	--

Secured Overnight Fin. Rate

SOFR	2.39
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Economic Calendar

Date Time	Event	Survey	Actual	Prior	Revised
06/11/2019 16:30	UK Jobless Claims Change	May	--	--	24.7k
06/11/2019 16:30	UK ILO Unemployment Rate 3Mths	Apr	3.80%	--	3.80%
06/11/2019 20:30	US PPI Final Demand MoM	May	0.10%	--	0.20%
06/11/2019 14:00	DE CPI MoM	May	0.20%	--	0.30%
06/10/2019 06/13	VN Domestic Vehicle Sales YoY	May	--	--	-0.028
06/10/2019 06/15	CH Money Supply M2 YoY	May	0.086	--	0.085
06/11/2019 16:30	UK Claimant Count Rate	May	--	--	3.00%
06/11/2019 07:50	JN Money Stock M2 YoY	May	2.50%	0.027	2.60%
06/11/2019 07:50	JN Money Stock M3 YoY	May	0.022	0.023	0.022
06/10/2019 06/30	SL Exports YoY	Apr	--	--	0.026

Source: Bloomberg

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