

Highlights

Global	<p>Global risk appetite may take a backseat today after overnight US bank earnings results from Goldman Sachs and Citigroup. The S&P500 slipped from a six-month high while UST bonds gained with the 10-year yield at 2.55% and crude oil prices also retreated. Fed's Evans opined that interest rates could stay flat and unchanged into the fall of 2020, but suggested the Fed must be willing to embrace inflation modestly above 2% for 50% of the time and said there could be room to cut rates if inflation falls to 1-1.5%.</p> <p>Asian markets may trade sideways to lower today. Key economic data releases today comprise of US' industrial production, NAHB housing market index and TIC flows, UK' jobless claims and ILO unemployment rate, and German ZEW survey. ECB's Nowotny is speaking and Bank of America is also announcing earnings tonight.</p>
US	<p>Empire manufacturing index rose from 3.7 to 10.1 in April, as new orders and work hours rose, but prices paid and number of employees fell. The gauge for future business conditions also fell 17 points to 12.4, the lowest in more than three years.</p>
FR	<p>French president Macron has vowed to rebuild Notre-Dame Cathedral after a massive fire.</p>
ID	<p>Indonesia reported a second month of a trade surplus with the total amount rising to US\$540m from US\$330m but both exports (-10.01% yoy) and imports (-6.76% yoy) together still fell. The fall in exports continued to reflect the effect that the China and global slowdown is having on the country whilst the reduction in import levels could be seasonal. Overall, we remain vigilant of the trade data for Indonesia.</p>
CMD	<p>Energy: Crude prices fell yesterday, with WTI declining -0.8% to \$63.40/bbl and Brent down -0.5% to \$71.18/bbl. WTI-Brent spreads have now widened back to \$7.78/bbl from \$6.63/bbl just a week ago, although it is still narrower than the sub \$10/bbl we witnessed at the start of the year. Crack spreads on June have rallied from about \$12.50/bbl in February to about \$17/bbl, a marked improvement in appetite for energy but on a seasonal basis, still hovers below the average of \$20/bbl at this stage.</p> <p>Palm: Data from Malaysia this morning showed that palm exports from 1-15 April registered only 686.8k tonnes, or 1.373.6m tonnes on a monthly extrapolated basis. That is considerably lesser than the 1.62m tonnes that we exported in March, leading to concerns that the already-high stocks could rise above 3m tonnes again by end of April. High palm inventories in Malaysia have proved to be a drag on palm prices since the start of the year.</p>

Major Markets

- **US:** Wall Street ended lower on Monday, with the S&P500 declining 0.1%. The Nasdaq composite fell 0.1%.
- **Singapore:** The STI retreated 0.18% to close at 33325.86 yesterday and may consolidate lower within the familiar 3300-3240 range today. With the current equity rally momentum appearing to run out of momentum, UST bond yields fell around 1bp yesterday and SGS bonds may also be better supported today after selling off by up to 4bps yesterday led by the 10-year tenor.

Bond Market Updates

- **Market Commentary:** The SGD swap curve steepened yesterday, with the shorter tenors trading within 2bps higher while the belly and longer tenors traded 3-4bps higher (with the exception of the 12-year swap rate at 6bps higher). The Bloomberg Barclays Asia USD IG Bond Index average OAS traded little change at 133bps while the Bloomberg Barclays Asia USD HY Bond Index average OAS widened 2bps to 467bps. 10Y UST yields fell 1bps to 2.55%, with volatile range-bound trading as investors await US data on retail sales, industrial production and housing data in a holiday-shortened week.
- **New Issues:** China Evergrande Group has priced a USD200mn re-tap of its existing EVERRE 9.5%'22s at par, a USD400mn re-tap of its existing EVERRE 10%'23s at par and a USD400mn re-tap of its existing EVERRE 10.5%'24s at par. Central China Real Estate Limited has priced a USD300mn 4NC2 bond (subsidiary guarantors: certain of company's restricted subsidiaries outside the PRC) at 7.5%, tightening from IPT of 7.625% area. RongXingDa Development (BVI) Ltd has priced a USD325mn 3NC2 bond (parent guarantor: RiseSun Real Estate Development Co Ltd) at 8.375%, tightening from IPT of 8.5% area. Shinhan Bank has priced a USD400mn 10-year Tier 2 bonds at T+157.5bps, tightening from IPT of T+185bps area. Shriram Transport Finance Co Ltd has priced a USD500mn 3.5-year bond at 5.95%, tightening from IPT of 6.125% area. ARA Asset Management Ltd has priced a SGD100mn 5-year bond at 4.15%, tightening from IPG of 4.375% area. Tokyo Metropolitan Government has mandated banks for its potential USD or EUR bond issuance. Mirae Asset Daewoo Co Ltd has scheduled investor meetings from 18 April for its potential USD bond issuance. GLP Pte Ltd has scheduled investor meetings from 23 April for its potential USD bond issuance. Industrial & Commercial Bank of China Ltd has mandated banks for its potential USD, EUR and CNH green bond issuances.

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	96.942	-0.03%	USD-SGD	1.3530	0.01%
USD-JPY	112.040	0.02%	EUR-SGD	1.5294	0.05%
EUR-USD	1.1304	0.04%	JPY-SGD	1.2077	-0.01%
AUD-USD	0.7173	--	GBP-SGD	1.7722	0.18%
GBP-USD	1.3100	0.20%	AUD-SGD	0.9705	0.02%
USD-MYR	4.1080	-0.15%	NZD-SGD	0.9150	--
USD-CNY	6.7087	0.08%	CHF-SGD	1.3474	-0.16%
USD-IDR	14060	-0.25%	SGD-MYR	3.0384	0.00%
USD-VND	23199	--	SGD-CNY	4.9599	0.10%

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD Libor	Change
1M	-0.3670	--	O/N	2.3923	--
2M	-0.3360	--	1M	2.4774	--
3M	-0.3100	--	2M	2.5426	--
6M	-0.2320	--	3M	2.6010	--
9M	-0.1940	--	6M	2.6378	--
12M	-0.1120	--	12M	2.7484	--

Fed Rate Hike Probability

Meeting	Prob Hike	Prob Cut	1.75-2%	2-2.25%	2.25-2.5%
03/20/2019	0.0%	0.5%	0.0%	0.5%	99.5%
05/01/2019	0.0%	6.2%	0.0%	6.2%	93.8%
06/19/2019	0.0%	10.2%	0.3%	9.9%	89.8%
07/31/2019	0.0%	24.0%	1.8%	22.2%	76.0%
09/18/2019	0.0%	29.0%	3.1%	25.8%	71.0%
10/30/2019	0.0%	40.7%	6.8%	33.2%	59.3%

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	63.40	-0.8%	Corn (per bushel)	3.6275	0.5%
Brent (per barrel)	71.18	-0.5%	Soybean (per bushel)	8.988	0.4%
Heating Oil (per gallon)	2.0610	-0.5%	Wheat (per bushel)	4.5950	-1.1%
Gasoline (per gallon)	2.0118	-1.2%	Crude Palm Oil (MYR/MT)	2,100.0	3.0%
Natural Gas (per MMBtu)	2.5900	-2.6%	Rubber (JPY/KG)	186.4	0.0%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	6,480	-0.1%	Gold (per oz)	1,286.8	-0.3%
Nickel (per mt)	12,991	-0.2%	Silver (per oz)	14.975	0.1%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Equity and Commodity

Index	Value	Net change
DJIA	26,384.77	-27.53
S&P	2,905.58	-1.83
Nasdaq	7,976.01	-8.15
Nikkei 225	22,169.11	298.55
STI	3,325.86	-6.12
KLCI	1,631.33	1.16
JCI	6,435.15	29.28
Baltic Dry	726.00	--
VIX	12.32	0.31

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.88 (+0.01)	2.39 (--)
5Y	1.96 (+0.03)	2.37 (-0.01)
10Y	2.14 (+0.04)	2.55 (-0.01)
15Y	2.33 (+0.03)	--
20Y	2.39 (+0.03)	--
30Y	2.58 (+0.02)	2.97 (-0.01)

Financial Spread (bps)

	Value	Change
EURIBOR-OIS	5.49	0.09
TED	35.36	--

Secured Overnight Fin. Rate

SOFR	2.44
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Economic Calendar

Date Time	Event	Survey	Actual	Prior	Revised
04/15/2019 12:00	ID Exports YoY	Mar -11.17%	-10.01%	-11.33%	-11.16%
04/15/2019 12:00	ID Trade Balance	Mar -\$177m	\$540m	\$330m	\$330m
04/15/2019 20:30	US Empire Manufacturing	Apr 8	10.1	3.7	--
04/16/2019 04:00	US Net Long-term TIC Flows	Feb --	\$51.9b	-\$7.2b	--
04/16/2019 04:00	US Total Net TIC Flows	Feb --	-\$21.6b	-\$143.7b	--
04/16/2019 12:30	JN Tertiary Industry Index MoM	Feb -0.20%	--	0.40%	--
04/16/2019 16:30	UK Claimant Count Rate	Mar --	--	2.90%	--
04/16/2019 16:30	UK Jobless Claims Change	Mar --	--	27.0k	--
04/16/2019 16:30	UK ILO Unemployment Rate 3Mths	Feb 3.90%	--	3.90%	--
04/16/2019 17:00	EC ZEW Survey Expectations	Apr --	--	-2.5	--
04/16/2019 21:15	US Industrial Production MoM	Mar 0.20%	--	0.10%	0.00%
04/16/2019 21:15	US Capacity Utilization	Mar 79.20%	--	78.20%	79.10%

Source: Bloomberg

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