

**Highlights**

Global	Wall street struggled for traction yesterday as markets await further earnings releases (incl Morgan Stanley, American Express and Taiwan semiconductor) and China's data dump today. Yesterday saw Blackrock rebound as the asset manager saw US\$65bn in net inflows in 1Q 2019 whilst Bank of America reported record quarterly profit although it did sound warnings on net interest income, sending its shares down initially before recovering again. Meanwhile, the US and Japan had "frank and good" talks whilst China reportedly considers lifting a US poultry ban but as a whole, few concrete signs of any major progress in global trade dispute resolutions. Regarding oil, US crude inventories rose amid the nation's shale boom. In South East Asia, Indonesians head to the polls today to vote for their President with the incumbent holding a double-digit lead in most opinion polling surveys. Chinese data today is expected to indicate stability as GDP will likely have slowed to 6.3% yoy from 6.4% yoy prior whilst consensus expects retail sales to be at 8.4% yoy and IP at 5.9% yoy. Asian markets would likely open cautious as they await these key news. Other releases today include US MBA mortgage applications and wholesale data, Japan IP, EC inflation and trade data and UK inflation and retail sales.
CH	PBoC net injected CNY40 billion liquidity to the system on 16 April after suspending open market operation for 18 trading days. However, short-end liquidity remained tight with overnight repo rose to 2.9% level. Interestingly, China's equity traders and bond traders reacted differently to this news. Equity market rallied again as market believed PBoC will not tighten its monetary policy. However, bond market tumbled as the mild liquidity injection failed to stop short-end liquidity from tightening further
MY	FTSE Russell may drop Malaysian government debt from the FTSE World Government Bond Index as part of a review into the accessibility of global bond markets, the company said in a statement. The company also said that Malaysia will be reassessed against the eligibility criteria at a review in September.
ID	The country gears up for the presidential elections today. Most recent polls are showing that Jokowi holds a double digit lead over his rival Prabowo. We believe that markets will rally in the short term if the incumbent achieves a comfortable and convincing victory as markets may favour continuity. In a Prabowo victory, there may be some knee-jerk reaction. However, we still see that markets will trend according to their fundamentals in the longer term. As at the end of yesterday, the USD – IDR was touching close to 14,000 whilst the JCI continues to hover in the range of 6,400 – 6,500. Election results likely out in the afternoon.
SG	Singapore NODX slumped -11.7% in March, with most of the drag arising from a huge slump of -26.7% in electronics exports. MoM NODX fell -14.3%. The three electronic exporting countries of South Korea, Taiwan and Singapore continue to face pressures on their exports as the electronic sector enters a cyclical downturn, exacerbated by the trade tensions between the US and China. COE data due later.

## Major Markets

- **US:** Wall Street ended higher on Tuesday, with the S&P500 advancing 0.1%. The DJIA jumped 0.3%, and the Nasdaq composite climbed 0.3%.
- **China:** Although the room for PBoC's marginal easing is limited, the current yield of 3.4% may look appealing to some investors. Market will watch how PBoC roll over the expiring CNY366.5 billion MLFs today ahead of the release of 1Q GDP at 10am.
- **Commodities:**  
Energy: Data showed US crude inventories reaching their highest level in since Nov 2017. Stock levels in the US reached a recent low of 394m bbl in mid Sep 2018, pushing Brent prices (among many other factors) above \$80/bbl briefly. Inventory levels have since risen by 62.4m bbl to 457m bbl but that is still a considerably lesser compared to its peak of 534m bbl in Mar 2017. With OPEC production (less Venezuela and Libya) expected to be relatively stable from now till its June meeting, US crude inventory levels may play an increasing front-seat role in driving oil prices.  
Gold: Prices of gold hit a new 2019 low of \$1,276.79/oz yesterday to close a fresh low for the precious metal in 2019. It also marked the first time this year that prices have broken below the key support of \$1,280/oz. Prices have tumbled by -2.4% in the short space of four trading days after recent data from China showed the economic slowdown is not as steep as initially feared.

## Bond Market Updates

- **Market Commentary:** The SGD swap curve steepened yesterday, with most tenors trading within 1bps higher with the exception of the 12-year swap rate inverting at 2bps lower. The Bloomberg Barclays Asia USD IG Bond Index average OAS tightened 1bps to 131bps while the Bloomberg Barclays Asia USD HY Bond Index average OAS tightened 3bps to 464bps. 10Y UST yields rose 4bps to four-week highs of 2.59%, on the back of improved risk sentiments ahead of the US retail sales and major Chinese economic data (gross domestic product, retail sales and others) this week.
- **New Issues:** Industrial & Commercial Bank of China Ltd (Singapore Branch) has priced a USD900mn 3-year FRN at 3-month US LIBOR +72bps (tightening from IPT of +95bps area) and a USD600mn 5-year 3-month LIBOR +83bps (tightening from IPT of +105bps area). New Dian Group Pte Ltd has priced a USD200mn 2-year bond (guarantor: Kunming Iron & Steel Holding Co Ltd) at 8.0%, in line with final guidance. San Miguel Corp has priced a USD500mn NC5-perpetual bond at 6.5%, tightening from IPT of 6.75% area.

### Key Financial Indicators

#### Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	97.043	0.10%	USD-SGD	1.3545	0.11%
USD-JPY	112.000	-0.04%	EUR-SGD	1.5279	-0.10%
EUR-USD	1.1281	-0.20%	JPY-SGD	1.2093	0.13%
AUD-USD	0.7175	0.03%	GBP-SGD	1.7674	-0.27%
GBP-USD	1.3048	-0.40%	AUD-SGD	0.9719	0.14%
USD-MYR	4.1325	0.60%	NZD-SGD	0.9160	0.11%
USD-CNY	6.7122	0.05%	CHF-SGD	1.3438	-0.27%
USD-IDR	14085	0.18%	SGD-MYR	3.0495	0.37%
USD-VND	23202	0.01%	SGD-CNY	4.9570	-0.06%

#### Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD Libor	Change
1M	-0.3670	--	O/N	2.3926	--
2M	-0.3360	--	1M	2.4739	--
3M	-0.3100	--	2M	2.5349	--
6M	-0.2310	--	3M	2.5880	--
9M	-0.1940	--	6M	2.6376	--
12M	-0.1110	--	12M	2.7549	--

#### Fed Rate Hike Probability

Meeting	Prob Hike	Prob Cut	1.75-2%	2-2.25%	2.25-2.5%
05/01/2019	0.0%	1.6%	0.0%	1.6%	98.5%
06/19/2019	0.0%	8.1%	0.1%	8.0%	91.9%
07/31/2019	0.0%	13.0%	0.5%	12.4%	87.0%
09/18/2019	0.0%	25.9%	2.3%	23.6%	74.1%
10/30/2019	0.0%	29.7%	3.4%	26.1%	70.3%
12/11/2019	0.0%	41.4%	7.2%	33.5%	58.6%

#### Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	64.05	1.0%	Corn (per bushel)	3.5900	-1.0%
Brent (per barrel)	71.72	0.8%	Soybean (per bushel)	8.880	-1.2%
Heating Oil (per gallon)	2.0822	1.0%	Wheat (per bushel)	4.4500	-3.2%
Gasoline (per gallon)	2.0317	1.0%	Crude Palm Oil (MYR/MT)	2,105.0	0.2%
Natural Gas (per MMBtu)	2.5720	-0.7%	Rubber (JPY/KG)	185.4	-0.5%
<b>Base Metals</b>	<b>Futures</b>	<b>% chg</b>	<b>Precious Metals</b>	<b>Futures</b>	<b>% chg</b>
Copper (per mt)	6,495	0.2%	Gold (per oz)	1,272.6	-1.1%
Nickel (per mt)	12,953	-0.3%	Silver (per oz)	14.915	-0.4%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

#### Equity and Commodity

Index	Value	Net change
DJIA	26,452.66	67.89
S&P	2,907.06	1.48
Nasdaq	8,000.23	24.21
Nikkei 225	22,221.66	52.55
STI	3,332.04	6.18
KLCI	1,629.46	-1.87
JCI	6,481.54	46.39
Baltic Dry	738.00	--
VIX	12.18	-0.14

#### Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.87 (-0.01)	2.41 (+0.02)
5Y	1.97 (+0.01)	2.41 (+0.03)
10Y	2.14 (--)	2.59 (+0.04)
15Y	2.33 (--)	--
20Y	2.38 (--)	--
30Y	2.57 (--)	2.99 (+0.02)

#### Financial Spread (bps)

	Value	Change
EURIBOR-OIS	5.46	-0.03
TED	35.36	--

#### Secured Overnight Fin. Rate

SOFR	2.47
------	------

### Economic Calendar

Date Time	Event	Survey	Actual	Prior	Revised
04/16/2019 12:30	JN Tertiary Industry Index MoM	Feb -0.20%	-0.60%	0.40%	0.60%
04/16/2019 16:30	UK Jobless Claims Change	Mar --	28.3k	27.0k	26.7k
04/16/2019 16:30	UK ILO Unemployment Rate 3Mths	Feb 3.90%	3.90%	3.90%	--
04/16/2019 21:15	US Industrial Production MoM	Mar 0.20%	-0.10%	0.10%	0.10%
04/17/2019 08:30	SI Non-oil Domestic Exports YoY	Mar -2.20%	--	4.90%	--
04/17/2019 10:00	CH GDP YoY	1Q 6.30%	--	6.40%	6.40%
04/17/2019 12:30	JN Industrial Production MoM	Feb F --	--	1.40%	--
04/17/2019 16:30	UK CPI YoY	Mar 2.00%	--	1.90%	--
04/17/2019 16:30	UK CPI Core YoY	Mar 1.90%	--	1.80%	--
04/17/2019 17:00	EC CPI YoY	Mar F 1.40%	--	1.40%	--
04/17/2019 19:00	US MBA Mortgage Applications	Apr-12 --	--	-5.60%	--

Source: Bloomberg

<b>OCBC Treasury Research</b>	
<b><u>Macro Research</u></b> <b>Selena Ling</b> LingSSSelena@ocbc.com <b>Emmanuel Ng</b> NgCYEmmanuel@ocbc.com <b>Tommy Xie Dongming</b> XieD@ocbc.com <b>Terence Wu</b> TerenceWu@ocbc.com <b>Howie Lee</b> HowieLee@ocbc.com <b>Alan Lau</b> AlanLau@ocbc.com	<b><u>Credit Research</u></b> <b>Andrew Wong</b> WongVKAM@ocbc.com <b>Ezien Hoo</b> EzienHoo@ocbc.com <b>Wong Hong Wei</b> WongHongWei@ocbc.com <b>Seow Zhi Qi</b> ZhiQiSeow@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 Bank, its related companies, their respective directors and/or employees (collectively "Related Persons") may or might have in the future interests in the investment products or the issuers mentioned herein. Such interests include effecting transactions in such investment products, and providing broking, investment banking and other financial services to such issuers. OCBC Bank and its Related Persons may also be related to, and receive fees from, providers of such investment products.

This report is intended for your sole use and information. By accepting this report, you agree that you shall not share, communicate, distribute, deliver a copy of or otherwise disclose in any way all or any part of this report or any information contained herein (such report, part thereof and information, "Relevant Materials") to any person or entity (including, without limitation, any overseas office, affiliate, parent entity, subsidiary entity or related entity) (any such person or entity, a "Relevant Entity") in breach of any law, rule, regulation, guidance or similar. In particular, you agree not to share, communicate, distribute, deliver or otherwise disclose any Relevant Materials to any Relevant Entity that is subject to the Markets in Financial Instruments Directive (2014/65/EU) ("MiFID") and the EU's Markets in Financial Instruments Regulation (600/2014) ("MiFIR") (together referred to as "MiFID II"), or any part thereof, as implemented in any jurisdiction. No member of the OCBC Group shall be liable or responsible for the compliance by you or any Relevant Entity with any law, rule, regulation, guidance or similar (including, without limitation, MiFID II, as implemented in any jurisdiction).