

### Highlights

<b>Global</b>	<p>Wall Street slid yesterday amid continued concerns regarding the trade war after the US had earlier added Huawei on the blacklist. However, the US yesterday eased some restrictions on the company, possibly out of concerns of the far reaching effect that the ban could have. Meanwhile, Fed speakers Clarida, Bullard and Bostic didn't appear to express any view of a US inflation pick – up but Bullard did say he would advocate a rate cut if core prices are stuck at low levels whilst Bostic noted of little indication that inflation is a concern. Jerome Powell though did give a rather positive view of the US economy yesterday. At this point, it remains unclear just yet of a Fed easing. On the Brexit front, Theresa May is reportedly weighing on a closer customs union with the EU in order to shore up Labour support although this deadlock has already been ongoing for a while now. Asian markets are likely to open lower today amid the continuing trade tensions. For today, look out for the RBA May policy meeting minutes, Australian consumer confidence index, US home sales, Thai GDP 1Q 2019 result and South Korean 20 days trade data. Also, BoE Governor Mark Carney will testify to parliament on May inflation whilst RBA Governor Philip Lowe will speak in Brisbane.</p>
<b>CH</b>	<p>The tension between US and China may ease slightly today after US officials said it would grant 90-day reprieve from penalties to Huawei and its subsidiaries. Meanwhile, Google which signals plans to cut access to its Android system featured on new Huawei phones may put its plan on hold for now.</p>
<b>ID</b>	<p>Jokowi has been confirmed by the election commission as the winner of the presidential election, winning ~55.5% of the total vote and achieving a more than 10% margin of victory against his rival Prabowo. Given that this development was widely expected, we don't expect the result itself to have an impact on the market at this point but continue to closely watch for further policy announcements from Jokowi.</p>
<b>SG</b>	<p>Singapore's Q1 GDP grew at 1.2%, lower than the advance estimate of 1.3%, as upward revisions in the goods producing industries were not enough to offset the slowdown in the services industries. Manufacturing and construction posted growths of -0.5% and 2.9%, higher than the flash estimate of -1.9% and 1.4% respectively. However, services slowed to 1.5% compared to the flash estimate of 2.1% and Q4's growth of 2.9%. MTI has announced that it now expects Singapore's full-year 2019 growth at 1.5%-2.5% from its prior forecast of 1.5%-3.5%, effectively reducing the midpoint of its estimate from 2.5% to 2.0%. With trade tensions between the US and China mounting, demand for the cyclical sector of electronics is expected to take a hit and that will impact the export fortunes of countries in the region, Singapore included. Our estimate of Singapore's full-year 2019 GDP is now 1.8%, a downgrade from the previous forecast of 2.0%.</p>

## Major Markets

- **US:** Wall Street ended lower on Monday, with the S&P500 declining 0.7%. The DJIA fell 0.3%, and the Nasdaq composite tumbled 1.5%.
- **Hong Kong:** 1Q GDP growth was revised up from the initial reading of 0.5% yoy to 0.6% yoy. Moving ahead, the recent escalation of US-China trade war may continue to drag on HK's exports of goods while keeping the household spending and corporate investment cautious. However, the ongoing US-China trade talk and any further monetary and fiscal stimulus in China may help to ease some downside risks on HK's economy. Adding on the gradually abating high base effect, we expect GDP growth for 2019 will reach 2.1%-2.2% while the government also keeps their forecast for 2019 GDP growth unchanged at 2%-3%.

## Bond Market Updates

- **Market Commentary:** The SGD swap curve was higher on Friday, with most tenors trading up 1-2bps. The Bloomberg Barclays Asia USD IG Bond Index average OAS was unchanged at 134bps on Friday and tightened 1 bps yesterday to 133bps while the Bloomberg Barclays Asia USD HY Bond Index average OAS tightened 4bps to 486bps on Friday and tightened 1bps yesterday to 485bps. 10Y UST yields were unchanged on Friday at 2.39% but widened 2bps to 2.41%, on weakness in US stock markets led by technology and media names.
- **New Issues:** Oceanwide Holdings International Development III Co., Ltd has priced a USD134.97mn 2-year bond (PRC Parent Guarantor - Oceanwide Holdings Co., Ltd; Hong Kong Parent Guarantor - China Oceanwide Group Limited; Subsidiary Guarantor - Oceanwide Real Estate International Company Limited) at 14.5%, in line with guidance. Jiangsu Hanrui Investment Holdings Co., Ltd. scheduled investor meetings from 20 May. Pingxiang Urban Construction Investment Developing Company Limited scheduled investor meetings from 20 May for its potential USD bond issuance.

### Key Financial Indicators

#### Foreign Exchange

	Day Close	% Change		Day Close	% Change
<b>DXY</b>	97.933	-0.06%	<b>USD-SGD</b>	1.3766	-0.06%
<b>USD-JPY</b>	110.060	-0.02%	<b>EUR-SGD</b>	1.5372	0.03%
<b>EUR-USD</b>	1.1166	0.07%	<b>JPY-SGD</b>	1.2507	-0.10%
<b>AUD-USD</b>	0.6908	0.58%	<b>GBP-SGD</b>	1.7517	-0.05%
<b>GBP-USD</b>	1.2726	0.02%	<b>AUD-SGD</b>	0.9509	0.50%
<b>USD-MYR</b>	4.1765	--	<b>NZD-SGD</b>	0.8995	0.17%
<b>USD-CNY</b>	6.9123	-0.08%	<b>CHF-SGD</b>	1.3648	0.12%
<b>USD-IDR</b>	14458	0.03%	<b>SGD-MYR</b>	3.0360	-0.01%
<b>USD-VND</b>	23419	0.29%	<b>SGD-CNY</b>	5.0230	0.10%

#### Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD Libor	Change
<b>1M</b>	-0.3680	--	<b>O/N</b>	2.3558	--
<b>2M</b>	-0.3360	--	<b>1M</b>	2.4419	--
<b>3M</b>	-0.3130	--	<b>2M</b>	2.4879	--
<b>6M</b>	-0.2400	--	<b>3M</b>	2.5219	--
<b>9M</b>	-0.1940	--	<b>6M</b>	2.5538	--
<b>12M</b>	-0.1330	--	<b>12M</b>	2.6354	--

#### Fed Rate Hike Probability

Meeting	Prob Hike	Prob Cut	1.75-2%	2-2.25%	2.25-2.5%
06/19/2019	0.0%	6.3%	0.0%	6.3%	93.7%
07/31/2019	0.0%	19.4%	0.9%	18.5%	80.6%
09/18/2019	0.0%	45.6%	6.6%	38.7%	54.4%
10/30/2019	0.0%	54.6%	11.9%	41.3%	45.4%
12/11/2019	0.0%	71.5%	22.8%	42.8%	28.5%
01/29/2020	0.0%	77.4%	27.0%	39.8%	22.6%

#### Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	63.10	0.5%	Corn (per bushel)	3.8900	1.5%
Brent (per barrel)	71.97	-0.3%	Soybean (per bushel)	8.318	1.2%
Heating Oil (per gallon)	2.0736	-1.0%	Wheat (per bushel)	4.7825	2.8%
Gasoline (per gallon)	2.0099	-1.8%	Crude Palm Oil (MYR/MT)	2,049.0	--
Natural Gas (per MMBtu)	2.6730	1.6%	Rubber (JPY/KG)	200.6	-0.6%
<b>Base Metals</b>	<b>Futures</b>	<b>% chg</b>	<b>Precious Metals</b>	<b>Futures</b>	<b>% chg</b>
Copper (per mt)	6,029	-0.4%	Gold (per oz)	1,277.3	0.1%
Nickel (per mt)	11,975	-0.3%	Silver (per oz)	14.409	0.4%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

#### Equity and Commodity

Index	Value	Net change
<b>DJIA</b>	25,679.90	-84.10
<b>S&amp;P</b>	2,840.23	-19.30
<b>Nasdaq</b>	7,702.38	-113.91
<b>Nikkei 225</b>	21,301.73	51.64
<b>STI</b>	3,205.46	--
<b>KLCI</b>	1,605.36	--
<b>JCI</b>	5,907.12	80.25
<b>Baltic Dry</b>	1,040.00	--
<b>VIX</b>	16.31	0.35

#### Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
<b>2Y</b>	1.94 (--)	2.22 (+0.02)
<b>5Y</b>	1.98 (--)	2.20 (+0.03)
<b>10Y</b>	2.16 (--)	2.42 (+0.02)
<b>15Y</b>	2.42 (--)	--
<b>20Y</b>	2.49 (--)	--
<b>30Y</b>	2.67 (--)	2.84 (+0.01)

#### Financial Spread (bps)

	Value	Change
<b>EURIBOR-OIS</b>	5.33	-0.02
<b>TED</b>	35.36	--

#### Secured Overnight Fin. Rate

<b>SOFR</b>	2.42
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### Economic Calendar

Date Time	Event	Survey	Actual	Prior	Revised	
05/20/2019 07:50	JN GDP SA QoQ	1Q P	-0.10%	0.50%	0.50%	0.40%
05/20/2019 07:50	JN GDP Annualized SA QoQ	1Q P	-0.20%	2.10%	1.90%	1.60%
05/20/2019 12:30	JN Industrial Production MoM	Mar F	--	-0.60%	-0.90%	--
05/20/2019 12:32	PH BoP Overall	Apr	--	\$467m	\$627m	--
05/20/2019 16:00	TA Export Orders YoY	Apr	-6.50%	-3.70%	-9.00%	--
05/20/2019 16:30	HK Unemployment Rate SA	Apr	2.80%	2.80%	2.80%	--
05/21/2019 08:00	SI GDP YoY	1Q F	1.40%	--	1.30%	--
05/21/2019 08:00	SI GDP SAAR QoQ	1Q F	2.30%	--	2.00%	--
05/21/2019 10:30	TH GDP YoY	1Q	2.80%	--	3.70%	--
05/21/2019 22:00	EC Consumer Confidence	May A	-7.7	--	-7.9	--
05/21/2019 22:00	US Existing Home Sales	Apr	5.35m	--	5.21m	--

Source: Bloomberg

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