

Highlights

Global	<p>The IMF cut its global growth forecast to 3.5% from 3.7% for 2019, which would represent a slowdown from their expected growth forecast of 3.7% for 2018. However, the fund left its forecast unchanged for the US and China whilst they adjusted the forecasts for Europe downwards. At this point, the IMF's cut is already just a confirmation of existing concerns of a slower 2019. This news also came just after China's fourth quarter GDP growth came in at 6.4% yoy, the slowest since 2009 and mainly driven by escalating trade tensions and the lingering effects of a previous crackdown on financial leverage. Overall, the entire 2018 growth slowed to 6.6% yoy from 6.8% yoy in 2017, which matched expectations though. At a Communist Party meeting, President Xi has warned, "We must maintain a high degree of vigilance and also take steps to prevent any grey rhino." On the Brexit front, the pound was higher after Theresa May refused to rule out delaying the UK's departure from the European Union whilst the Labour Party called for a vote in parliament that could pave the way for a second referendum. Asian markets are likely set for a muted start for today. Key economic data releases today include UK jobs and public finance data, Malaysian foreign reserves and German and EU Zew survey expectations results.</p>
CH	<p>GDP growth decelerated to the lowest since 2009 at 6.4% in 4Q 2018, mainly due to the escalated trade war and the persistent impact of previous crackdown on financial leverage. On a positive note, thanks to a raft of stimulus measures, fixed asset investment growth stabilized at 5.9% for 2018 as a whole while the growth of retail sales (+8.2% yoy) and industrial production (+5.7% yoy) rebounded in December. Private investment expanded by 8.7% during 2018, stronger than the growth of 6% over 2017. In addition, infrastructure investment growth accelerated to 3.8% in 2018. Moving ahead, with China to roll out more measures via investment, easing monetary policies and proactive fiscal policies, we expect the economy's downside risks to be eased. Nevertheless, given the external uncertainties especially with US-China trade relationship, the supportive policies may take some effect but will not be able to stop economic growth from slowing. Adding on high base effect, we expect GDP growth will moderate further from 6.6% in 2018 to 6.2% in 2019.</p>
SK	<p>South Korea 4Q GDP at +1% vs est +0.6%, but largely down to increased spending from the South Korean government. Government expenditure increased 3.1% in 4Q to offset the slump in exports of -2.2% in the same quarter. Going forward, the ongoing trade tensions will hurt South Korea's economy as demand for electronics and semiconductors slow.</p>
TH	<p>Thai exports in Dec at -1.7% vs est -0.2%, joining the rest of the region in the Dec export slump phenomenon. Trade tensions between US and China have defrayed nerves among businesses in the region, with many choosing to hold back on orders that are now manifesting in customs exports data.</p>
CMD	<p>Energy: OPEC put out its production cut target yesterday, which shows Saudi Arabia taking the lead in its plan to limit crude supply. While this news is not new, the publication of the report signals that OPEC is serious about its efforts to rein in production and to keep its Dec commitment in keeping to its supply cuts.</p>

Major Markets

- **US:** US stock markets closed in observance of Marthin Luther King Jr, Day on Monday.
- **Singapore:** The STI declined 0.12% to 3,220.56. Jardine Strategic Holdings Ltd (+0.25%) and Venture Corp Ltd (+0.17%) led gains, while Jardine Cycle & Carriage Ltd (-0.60%) and Jardine Matheson Holdings Ltd (-0.27%) registered losses.

Bond Market Updates

- **Market Commentary:** The SGD swap curve steepened yesterday, with swap rates trading 1-2bps higher across most tenors. The Bloomberg Barclays Asia USD IG Bond Index average OAS and the Bloomberg Barclays Asia USD HY Bond Index average OAS remained unchanged at 157bps and 572bps respectively. 10Y UST yields also remained unchanged at 2.78% as the market was closed yesterday to observe Martin Luther King, Jr. Day.
- **New Issues:** Pepper Group Ltd has scheduled for investor meetings in the week of 4 Feb for its potential EUR, AUD and USD bond issuance. Oil India Ltd has mandated banks for its potential USD bond issuance. GLP China Holdings Ltd has scheduled for investor meetings on 23 Jan for its potential USD and/or HKD bond issuance. Celestial Miles Ltd has scheduled for investor meetings from 21 Jan for its potential USD perpetual bond issuance (guarantor: NWS Holdings Ltd).

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DX	96.336	--	USD-SGD	1.3593	0.04%
USD-JPY	109.670	-0.10%	EUR-SGD	1.5449	0.06%
EUR-USD	1.1365	0.02%	JPY-SGD	1.2394	0.15%
AUD-USD	0.7159	-0.13%	GBP-SGD	1.7524	0.21%
GBP-USD	1.2892	0.16%	AUD-SGD	0.9730	-0.09%
USD-MYR	4.1130	--	NZD-SGD	0.9151	-0.07%
USD-CNY	6.7980	0.30%	CHF-SGD	1.3628	-0.14%
USD-IDR	14228	0.35%	SGD-MYR	3.0258	-0.27%
USD-VND	23200	0.03%	SGD-CNY	4.9972	0.07%

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3680	--	O/N	2.3839	--
2M	-0.3360	--	1M	2.5060	--
3M	-0.3080	--	2M	2.6296	--
6M	-0.2350	--	3M	2.7610	--
9M	-0.1940	--	6M	2.8519	--
12M	-0.1160	--	12M	3.0301	--

Fed Rate Hike Probability

Meeting	Prob Hike	Prob Cut	2.25-2.5%	2.5-2.75%	2.75-3%
01/30/2019	0.5%	0.0%	99.5%	0.5%	0.0%
03/20/2019	2.9%	0.0%	97.1%	2.9%	0.0%
05/01/2019	6.9%	0.0%	93.1%	6.8%	0.1%
06/19/2019	25.2%	0.0%	74.8%	23.8%	1.4%
07/31/2019	26.1%	0.0%	73.9%	24.4%	1.7%
09/18/2019	26.9%	0.0%	73.1%	24.9%	1.9%

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	53.80	--	Coffee (per lb)	1.050	--
Brent (per barrel)	62.74	0.06%	Cotton (per lb)	0.7389	--
Heating Oil (per gallon)	1.9160	--	Sugar (per lb)	0.1303	--
Gasoline (per gallon)	1.4528	--	Orange Juice (per lb)	1.1985	--
Natural Gas (per MMBtu)	3.4820	--	Cocoa (per mt)	2,307	--
Base Metals	Futures	% chg	Grains	Futures	% chg
Copper (per mt)	#N/A	#N/A	Wheat (per bushel)	5.1775	--
Nickel (per mt)	11,778.5	--	Soybean (per bushel)	9.168	--
Aluminium (per mt)	1,870.0	--	Corn (per bushel)	3.8175	--
Precious Metals	Futures	% chg	Asian Commodities	Futures	% chg
Gold (per oz)	1,282.6	--	Crude Palm Oil (MYR/MT)	2,142.0	--
Silver (per oz)	15.399	--	Rubber (JPY/KG)	201.3	3.23%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Equity and Commodity

Index	Value	Net change
DJIA	24,706.35	--
S&P	2,670.71	--
Nasdaq	7,157.23	--
Nikkei 225	20,719.33	53.26
STI	3,220.56	-3.78
KLCI	1,692.22	--
JCI	6,450.83	2.68
Baltic Dry	1,112.00	--
VIX	17.80	--

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	2.00 (+0.02)	2.61 (--)
5Y	2.07 (+0.03)	2.62 (--)
10Y	2.23 (+0.03)	2.78 (--)
15Y	2.48 (+0.03)	--
20Y	2.53 (+0.03)	--
30Y	2.64 (+0.03)	3.10 (--)

Financial Spread (bps)

	Value	Change
EURIBOR-OIS	5.38	0.05
TED	36.75	--

Economic Calendar

Date Time	Event		Survey	Actual	Prior	Revised
01/21/2019 07:59	SK Exports 20 Days YoY	Jan	--	-14.60%	1.00%	--
01/21/2019 07:59	SK Imports 20 Days YoY	Jan	--	-9.50%	2.20%	--
01/21/2019 08:01	UK Rightmove House Prices MoM	Jan	--	0.40%	-1.50%	--
01/21/2019 08:01	UK Rightmove House Prices YoY	Jan	--	0.40%	0.70%	--
01/21/2019 10:00	CH Retail Sales YoY	Dec	8.10%	8.20%	8.10%	--
01/21/2019 10:00	CH Retail Sales YTD YoY	Dec	9.00%	9.00%	9.10%	--
01/21/2019 10:00	CH Industrial Production YoY	Dec	5.30%	5.70%	5.40%	--
01/21/2019 10:00	CH Industrial Production YTD YoY	Dec	6.20%	6.20%	6.30%	--
01/21/2019 10:00	CH Fixed Assets Ex Rural YTD YoY	Dec	6.00%	5.90%	5.90%	--
01/21/2019 10:00	CH Property Investment YoY	Dec	--	9.50%	9.70%	--
01/21/2019 10:00	CH Surveyed Jobless Rate	Dec	--	4.90%	4.80%	--
01/21/2019 10:00	CH GDP YoY	4Q	6.40%	6.40%	6.50%	--
01/21/2019 10:00	CH GDP SA QoQ	4Q	1.50%	1.50%	1.60%	--
01/21/2019 10:00	CH GDP YTD YoY	4Q	6.60%	6.60%	6.70%	--
01/21/2019 11:30	TH Customs Exports YoY	Dec	-0.20%	-1.72%	-0.95%	--
01/21/2019 11:30	TH Customs Imports YoY	Dec	4.90%	-8.15%	14.66%	--
01/21/2019 11:30	TH Customs Trade Balance	Dec	-\$1000m	\$1065m	-\$1180m	-\$1178m
01/21/2019 15:00	JN Convenience Store Sales YoY	Dec	--	1.20%	0.60%	--
01/21/2019 15:00	GE PPI MoM	Dec	-0.10%	-0.40%	0.10%	--
01/21/2019 15:00	GE PPI YoY	Dec	2.90%	2.70%	3.30%	--
01/21/2019 16:00	TA Export Orders YoY	Dec	-3.60%	-10.50%	-2.10%	--
01/21/2019 17:30	SL Sri Lanka NCPI YoY	Dec	--	0.40%	1.00%	--
01/21/2019 23:00	CA Bloomberg Nanos Confidence	Jan-18	--	54.5	54.5	--
01/22/2019 05:00	SK PPI YoY	Dec	--	1.00%	1.60%	1.50%
01/22/2019 05:30	NZ Performance Services Index	Dec	--	53	53.5	53.4
	ANZ Roy Morgan Weekly Consumer Confidence Index	Jan-20	--	115.7	116.8	--
01/22/2019 06:30	AU Confidence Index	Jan-20	--	115.7	116.8	--
01/22/2019 07:00	SK GDP SA QoQ	4Q P	0.60%	1.00%	0.60%	--
01/22/2019 07:00	SK GDP YoY	4Q P	2.70%	3.10%	2.00%	--
01/22/2019 12:00	JN Tokyo Condominium Sales YoY	Dec	--	--	2.80%	--
01/22/2019 13:00	JN Supermarket Sales YoY	Dec	--	--	-2.50%	--
01/22/2019 15:00	MA Foreign Reserves	Jan-15	--	--	\$101.4b	--
01/22/2019 16:00	TA Unemployment Rate	Dec	3.70%	--	3.69%	--
01/22/2019 16:30	HK CPI Composite YoY	Dec	2.50%	--	2.60%	--
01/22/2019 17:30	UK Claimant Count Rate	Dec	--	--	2.80%	--
01/22/2019 17:30	UK Jobless Claims Change	Dec	--	--	21.9k	--
01/22/2019 17:30	UK Average Weekly Earnings 3M/YoY	Nov	3.30%	--	3.30%	--
01/22/2019 17:30	UK Weekly Earnings ex Bonus 3M/YoY	Nov	3.30%	--	3.30%	--
01/22/2019 17:30	UK ILO Unemployment Rate 3Mths	Nov	4.10%	--	4.10%	--
01/22/2019 17:30	UK Employment Change 3M/3M	Nov	87k	--	79k	--
01/22/2019 17:30	UK Public Finances (PSNCR)	Dec	--	--	4.4b	--
01/22/2019 17:30	UK Central Government NCR	Dec	--	--	8.4b	--
01/22/2019 17:30	UK Public Sector Net Borrowing	Dec	1.1b	--	6.3b	--
01/22/2019 17:30	UK PSNB ex Banking Groups	Dec	1.9b	--	7.2b	--
01/22/2019 18:00	GE ZEW Survey Current Situation	Jan	43	--	45.3	--
01/22/2019 18:00	GE ZEW Survey Expectations	Jan	-18.5	--	-17.5	--
01/22/2019 18:00	EC ZEW Survey Expectations	Jan	--	--	-21	--
01/22/2019 21:30	CA Wholesale Trade Sales MoM	Nov	-0.30%	--	1.00%	--
01/22/2019 21:30	CA Manufacturing Sales MoM	Nov	-1.00%	--	-0.10%	--
01/22/2019 23:00	US Existing Home Sales	Dec	5.24m	--	5.32m	--
01/22/2019 23:00	US Existing Home Sales MoM	Dec	-1.50%	--	1.90%	--
01/22/2019	MU CPI Composite YoY	Dec	--	--	3.12%	--

Source: Bloomberg

OCBC Treasury Research	
Macro Research Selena Ling LingSSSelena@ocbc.com Emmanuel Ng NgCYEmmanuel@ocbc.com Tommy Xie Dongming XieD@ocbc.com Terence Wu TerenceWu@ocbc.com Alan Lau AlanLau@ocbc.com	Credit Research Andrew Wong WongVKAM@ocbc.com Ezien Hoo EzienHoo@ocbc.com Wong Hong Wei WongHongWei@ocbc.com Seow Zhi Qi ZhiQiSeow@ocbc.com

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