

Treasury Research
Tel: 6530-8384

Highlights

Global	<p>Global risk sentiments may be lifted today after overnight gains in US equity markets as crude oil prices which hit six-month highs after the White House surprisingly announced it will scrap sanction waivers for the purchase of Iranian crude, albeit both Saudi Arabia and the UAE have said they are ready to offset any drop in output. Meanwhile, Sri Lanka has declared a state of emergency from midnight yesterday. That said, after China's equity market's underperformance yesterday on market speculation of less policy accommodation ahead, Asian markets like Hong Kong that re-open today may be off to a soft start. The economic data calendar for today comprises of US' new home sales and Richmond Fed manufacturing index, Eurozone's consumer confidence, HK CPI, and Taiwan's industrial production, Japan's machine tool orders and S'pore's March inflation.</p>
US	<p>US' existing home sales fell more than expected for the fourth time in five months by 4.9% mom in March to 5.21m annual rate, as the median sales price rose 3.8% yoy to \$259,400. This added to signs of a cooling property market. Meanwhile, president Trump has dropped his plan to nominate Hermain Cain to the Federal Reserve amid opposition from his own party.</p>
CH	<p>Both China's bond and equity markets were sold off on Monday due to concerns about fine-tuning of monetary policy. Market is expected to further digest the fine-tuning of policy stance this week, which may lead to higher volatility. However, on currency, we have turned more positive on RMB after global central banks have turned more easing in the past two months. The recent fine-tune of China's monetary policy stance further reinforce our positive outlook on RMB this year. We expect the USDCNY to test 6.68 again in the near term.</p>
SG	<p>Headline and core CPI likely rose 0.5% yoy (-0.1% mom nsa) and 1.7% yoy respectively in March, following February prints of 0.5% yoy (0.5% mom nsa) and 1.5% yoy. Given MAS' relatively dovish rhetoric at the April policy meeting, even any upside surprises from today's reading may not sway market convictions that policymakers are clearly on hold at this juncture.</p>
CMD	<p>The Trump administration has pulled a shocker by declaring no renewal of Iranian fuel sanction waivers to all of the 8 countries that were exempted. Most market observers expected 5 of the 8 countries – China, India, Turkey, Japan and South Korea – to receive a renewal of their waivers, albeit with reduced quotas. Italy, Greece and Taiwan were already importing none from Iran in Q1 and leaving them out of the renewals would have barely influenced crude trade flows. The non-renewals come as a surprise because ahead of the US elections next year, many expected the Trump administration to prioritise keeping gasoline prices low against keeping a strong stance on international diplomacy. Iran exported 1.3m bpd of crude in March and the onus is now on the likes of Saudi and Russia to pick up the slack left behind by Iran. It may prove to be a high hill to climb, given that there are also production outages from Venezuela and potentially Libya. WTI-Brent spreads have now widened to 8.3 c/bbl from 6.6 c/bbl just two week ago.</p>

Major Markets

- **US:** Wall Street ended mixed on Monday, with the S&P500 increasing by 0.1%. The DJIA tumbled 0.2%, and the Nasdaq composite jumped 0.2%.
- **Singapore:** The STI added 0.3% to close at 3357.70 yesterday and may continue to tread a 3320-3370 range today. With the UST bond yields climbing up by another 1-3bps and curve steepening overnight, SGS bonds may also mirror US underperformance today, with longer tenors likely to be weighed down by the upcoming larger-than-expected \$2.4 b re-opening of the 10-year SGS bond on 26 April and issued on 2 May.
- **Indonesia:** President Joko Widodo yesterday told a limited cabinet meeting that the state budget must provide stimulus for “quality, equitable economic growth”. In a way, this comes as little surprise as Jokowi has likely won a second term and he may wish to continue to push ahead with his infrastructure agenda. However, realized capital expenditure in 2018 was reportedly only at 90%. Meanwhile, the Ministry of Finance reportedly sees that 1Q 2019 growth will come out at 5.06% yoy, which if it is true would be much lower than our forecast 5.40% yoy.

Bond Market Updates

- **Market Commentary:** The SGD swap curve steepened yesterday, with the shorter tenors trading 1bps higher while the belly and longer tenors traded 2bps higher. The Bloomberg Barclays Asia USD IG Bond Index average OAS tightened 1bps to 129bps while the Bloomberg Barclays Asia USD HY Bond Index average OAS tightened 1bps to 465bps. 10Y UST yields rose 3bps to 2.59%, ahead of the USD237bn in new supply of treasury notes to be auctioned this week, as the US undertakes more debt to bridge the large budget deficit from President Donald Trump’s tax cuts.
- **New Issues:** There were no new issuances over 22 April 2019.

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	97.287	-0.09%	USD-SGD	1.3561	0.07%
USD-JPY	111.940	0.02%	EUR-SGD	1.5266	0.20%
EUR-USD	1.1257	0.11%	JPY-SGD	1.2115	0.05%
AUD-USD	0.7134	-0.25%	GBP-SGD	1.7605	-0.01%
GBP-USD	1.2982	-0.08%	AUD-SGD	0.9674	-0.22%
USD-MYR	4.1315	-0.04%	NZD-SGD	0.9059	0.02%
USD-CNY	6.7121	0.12%	CHF-SGD	1.3355	--
USD-IDR	14078	0.23%	SGD-MYR	3.0481	-0.04%
USD-VND	23215	0.02%	SGD-CNY	4.9485	0.04%

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD Libor	Change
1M	-0.3680	--	O/N	2.3911	--
2M	-0.3360	--	1M	2.4809	--
3M	-0.3110	--	2M	2.5411	--
6M	-0.2320	--	3M	2.5811	--
9M	-0.1940	--	6M	2.6290	--
12M	-0.1120	--	12M	2.7464	--

Fed Rate Hike Probability

Meeting	Prob Hike	Prob Cut	1.75-2%	2-2.25%	2.25-2.5%
05/01/2019	1.6%	0.0%	0.0%	0.0%	98.5%
06/19/2019	1.3%	16.0%	0.0%	16.0%	82.7%
07/31/2019	1.2%	20.0%	0.8%	19.2%	78.8%
09/18/2019	1.0%	34.7%	4.2%	30.3%	64.3%
10/30/2019	0.9%	38.8%	5.9%	32.5%	60.3%
12/11/2019	0.8%	50.5%	11.0%	37.9%	48.8%

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	65.70	2.7%	Corn (per bushel)	3.5475	-1.0%
Brent (per barrel)	74.04	2.9%	Soybean (per bushel)	8.770	-0.4%
Heating Oil (per gallon)	2.1040	1.6%	Wheat (per bushel)	4.3575	-1.9%
Gasoline (per gallon)	2.1298	2.8%	Crude Palm Oil (MYR/MT)	2,090.0	-0.9%
Natural Gas (per MMBtu)	2.5240	1.4%	Rubber (JPY/KG)	186.0	1.1%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	6,476	--	Gold (per oz)	1,273.5	0.1%
Nickel (per mt)	12,672	--	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	26,511.05	-48.49
S&P	2,907.97	2.94
Nasdaq	8,015.27	17.20
Nikkei 225	22,217.90	17.34
STI	3,357.70	10.12
KLCI	1,622.06	--
JCI	6,414.74	-92.48
Baltic Dry	790.00	--
VIX	12.42	0.33

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.88 (--)	2.39 (+0.01)
5Y	1.98 (--)	2.39 (+0.02)
10Y	2.17 (+0.02)	2.59 (+0.03)
15Y	2.37 (+0.02)	--
20Y	2.41 (+0.02)	--
30Y	2.61 (+0.01)	2.99 (+0.03)

Financial Spread (bps)

	Value	Change
EURIBOR-OIS	5.37	--
TED	35.36	--

Secured Overnight Fin. Rate

SOFR	2.50
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Economic Calendar

Date Time	Event	Survey	Actual	Prior	Revised	Relevance	
04/22/2019 11:30	TH Customs Exports YoY	Mar	-3.30%	-4.88%	5.91%	--	76.9231
04/22/2019 11:30	TH Customs Imports YoY	Mar	-2.25%	-7.63%	-10.03%	--	61.5385
04/22/2019 15:00	MA Foreign Reserves	Apr-15	--	\$103.5b	\$103.0b	--	61.5385
04/22/2019 20:30	US Chicago Fed Nat Activity Index	Mar	-0.1	-0.15	-0.29	-0.31	62.9921
04/22/2019 22:00	US Existing Home Sales	Mar	5.30m	5.21m	5.51m	5.48m	88.189
04/23/2019 13:00	SI CPI NSA MoM	Mar	0.10%	--	0.50%	--	65.5172
04/23/2019 13:00	SI CPI YoY	Mar	0.70%	--	0.50%	--	96.5517
04/23/2019 21:00	US FHFA House Price Index MoM	Feb	0.50%	--	0.60%	--	69.2913
04/23/2019 22:00	US Richmond Fed Manufact. Index	Apr	10	--	10	--	71.6535
04/23/2019 22:00	EC Consumer Confidence	Apr A	-7	--	-7.2	--	78.5714
04/23/2019 22:00	US New Home Sales	Mar	649k	--	667k	--	91.3386

Source: Bloomberg

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

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