

### Highlights

<b>Global</b>	<p>Risk sentiment improved further on trade talk hopes. President Trump announced on Sunday that he will extend the deadline to raise tariff on Chinese goods until his meeting with President Xi possibly in Florida to ink a final deal. As both Presidents said significant progress has been made, the chance for the US and China to reach a deal is getting higher. However, the key to medium term stability hinges on two areas including agreement on China's structural reforms and the enforcement of trade deals.</p> <p>Despite the positive risk sentiment, underlying fundamental continued to weaken with the latest economic data surprising the market on the downside. US existing home sales fell to 4.94 million below market expectation while the German IFO business sentiment fell for the sixth time to 98.5 in February, lowest since December 2014. Elsewhere, China said its imports of coal from Australia continued as per normal helping Australian dollar recoup some of the losses.</p> <p>RMB continued to benefit from the positive headline from the trade talk. RMB index recovered to above 94.85, recouping most of the losses since the start of trade war in July 2018. US Treasury Secretary Mnuchin's comments that US asked for RMB's stability may fuel further excitement. The probability for RMB to break 6.70 is getting higher as one of the key constraints US-China rate differential may diminish in the near term should China's bond market bull run pause.</p>
<b>UK</b>	<p>UK Prime Minister Theresa May has postponed the Brexit vote again to 12<sup>th</sup> March 2019, which is just 17 days before the Brexit deadline itself. Meanwhile, it has been reported that three EU officials have said that senior EU figures and several governments will back an extension of as much as 21 months from the scheduled 29<sup>th</sup> March 2019 exit. This would keep the UK in the bloc until 2021. However, it was also reported that there is no consensus among the 27 remaining governments over the length of the extension. It has also emerged at a summit in Sharm El-Sheikh that EU officials may be working to a new plan to get the deal through.</p>
<b>CH</b>	<p>PBoC reported a 31bps decline of weighed average loan rate in the last quarter of 2018 in its 4Q monetary policy report. Together with the easing monetary condition, we think there is no urgency for PBoC to cut benchmark interest rate in the near term. In addition to the significant decline of weighed average funding costs, loans priced below benchmark interest rate increased to 16.27% up from 9.59% in July, signalling easing monetary condition. The latest data show that monetary easing is taking effect in the last quarter of 2018. The 31bps decline of average funding costs is equivalent to one rate cut therefore there is no urgency for PBoC to cut benchmark interest rate at the current stage in my view.</p>
<b>MY</b>	<p>The government has announced that congestion charge with variable fees based on peak period and non-peak hours would be introduced to replace toll charges once the federal government succeeds in taking over the operations of four highways. The government also explained that the collections of the congestion charge would be used to pay for the cost of operating and maintaining the highways and loan repayments. They said the excess collections would be channeled into a public transport fund to be used to improve the quality of public transport nation-wide.</p>

## Major Markets

- **US:** Wall Street ended higher on Friday, with the S&P500 increasing 0.64%. The DJIA rose 0.7%, while the Nasdaq composite jumped 0.91%.
- **Hong Kong:** Inflation decelerated from 2.5% in Dec 2018 to 2.4% in Jan 2019. For the two most heavily-weighted items, food inflation accelerated significantly to 3.3% from 2.9% while housing inflation also picked up to 3% from 2.9%. The former was attributed to the rising food prices ahead of Lunar New Year while the latter was due to higher housing rentals. On the flip side, utility price index dropped by 4.6% yoy, the first decline since Nov 2017, as government provided electricity charge subsidy starting from January 2019. Moving ahead, we expect inflationary risks to remain well contained due to three reasons. Firstly, given the worries about global and domestic economic slowdown, consumer sentiment may remain subdued. Secondly, against the backdrop of property market correction, housing rental growth is expected to slow down further. Third, the resilient USD may also constrain the imported inflation. All in all, we expect overall inflation will decelerate from 2.4% in 2018 to 2.3% in 2019.
- **Indonesia:** Capital inflows for the first two months of 2019 have reportedly surpassed the level seen for the entire 2018, based on data from Bank Indonesia. Foreign funds inflow worth Rp45.9tn in portfolio investments for January and February 2019 were recorded compared to Rp13.9tn recorded for 2018.

## Bond Market Updates

- **Market Commentary:** The SGD swap curve steepened last Friday, with the shorter tenors trading 1bps higher while the longer tenors traded 2bps higher (with the exception of the 20-year swap rate trading only 1bps higher). The Bloomberg Barclays Asia USD IG Bond Index average OAS traded little changed at 144bps while the Bloomberg Barclays Asia USD HY Bond Index average OAS widened 12bps to 513bps. 10Y UST yields fell 3bps to 2.65%, on the back of comments made by members of the Federal Reserve regarding its monetary policy framework as the Fed begins a broad review of its approaches to keep inflation stable and unemployment low.
- **New Issues:** ReNew Power Ltd has scheduled investor meetings from 25 Feb for its potential USD bond issuance.

### Key Financial Indicators

#### Foreign Exchange

	Day Close	% Change		Day Close	% Change
<b>DX</b>	96.507	-0.10%	<b>USD-SGD</b>	1.3511	-0.16%
<b>USD-JPY</b>	110.690	-0.01%	<b>EUR-SGD</b>	1.5314	-0.18%
<b>EUR-USD</b>	1.1335	-0.01%	<b>JPY-SGD</b>	1.2201	-0.23%
<b>AUD-USD</b>	0.7129	0.52%	<b>GBP-SGD</b>	1.7632	-0.12%
<b>GBP-USD</b>	1.3053	0.08%	<b>AUD-SGD</b>	0.9630	0.33%
<b>USD-MYR</b>	4.0775	0.00%	<b>NZD-SGD</b>	0.9250	0.48%
<b>USD-CNY</b>	6.7137	-0.13%	<b>CHF-SGD</b>	1.3505	-0.12%
<b>USD-IDR</b>	14058	-0.09%	<b>SGD-MYR</b>	3.0150	0.03%
<b>USD-VND</b>	23215	0.03%	<b>SGD-CNY</b>	4.9677	0.04%

#### Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
<b>1M</b>	-0.3670	0.0010	<b>O/N</b>	2.3879	0.0054
<b>2M</b>	-0.3360	--	<b>1M</b>	2.4844	-0.0055
<b>3M</b>	-0.3100	--	<b>2M</b>	2.5764	0.0057
<b>6M</b>	-0.2310	--	<b>3M</b>	2.6463	-0.0047
<b>9M</b>	-0.1940	--	<b>6M</b>	2.7060	0.0017
<b>12M</b>	-0.1080	--	<b>12M</b>	2.8916	0.0030

#### Fed Rate Hike Probability

Meeting	Prob Hike	Prob Cut	2-2.25%	2.25-2.5%	2.5-2.75%
03/20/2019	3.6%	0.0%	0.0%	96.4%	3.6%
05/01/2019	3.4%	4.0%	4.0%	92.6%	3.4%
06/19/2019	3.4%	4.7%	4.7%	91.9%	3.4%
07/31/2019	3.4%	4.8%	4.8%	91.8%	3.4%
09/18/2019	3.3%	7.3%	7.1%	89.4%	3.3%
10/30/2019	3.3%	7.5%	7.4%	89.2%	3.3%

#### Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	57.26	0.53%	Coffee (per lb)	0.965	0.36%
Brent (per barrel)	67.12	0.07%	Cotton (per lb)	0.7184	-0.48%
Heating Oil (per gallon)	2.0311	-0.26%	Sugar (per lb)	0.1337	0.98%
Gasoline (per gallon)	1.6112	-0.20%	Orange Juice (per lb)	1.2130	1.04%
Natural Gas (per MMBtu)	2.7170	0.74%	Cocoa (per mt)	2,269	0.58%
Base Metals	Futures	% chg	Grains	Futures	% chg
Copper (per mt)	#N/A	#N/A	Wheat (per bushel)	4.8675	0.05%
Nickel (per mt)	12,939.5	1.08%	Soybean (per bushel)	9.103	-0.08%
Aluminium (per mt)	1,897.5	0.22%	Corn (per bushel)	3.7525	-0.07%
Precious Metals	Futures	% chg	Asian Commodities	Futures	% chg
Gold (per oz)	1,329.2	0.43%	Crude Palm Oil (MYR/MT)	2,138.0	-0.33%
Silver (per oz)	15.914	0.72%	Rubber (JPY/KG)	190.6	-3.79%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

#### Equity and Commodity

Index	Value	Net change
<b>DJIA</b>	26,031.81	181.18
<b>S&amp;P</b>	2,792.67	17.79
<b>Nasdaq</b>	7,527.55	67.84
<b>Nikkei 225</b>	21,425.51	-38.72
<b>STI</b>	3,269.90	-8.01
<b>KLCI</b>	1,721.42	-9.26
<b>JCI</b>	6,501.38	-36.39
<b>Baltic Dry</b>	634.00	4.00
<b>VIX</b>	13.51	-0.95

#### Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
<b>2Y</b>	1.95 (+0.01)	2.49 (-0.04)
<b>5Y</b>	2.00 (+0.02)	2.47 (-0.04)
<b>10Y</b>	2.17 (+0.02)	2.65 (-0.04)
<b>15Y</b>	2.39 (+0.02)	--
<b>20Y</b>	2.44 (+0.02)	--
<b>30Y</b>	2.58 (+0.01)	3.02 (-0.03)

#### Financial Spread (bps)

	Value	Change
<b>EURIBOR-OIS</b>	5.20	0.05
<b>TED</b>	35.36	--

### Economic Calendar

Date Time	Event	Survey	Actual	Prior	Revised	
02/22/2019 09:20	PH Budget Balance PHP	Dec	--	-81.0b	-39.1b	--
02/22/2019 09:30	CH New Home Prices MoM	Jan	--	0.61%	0.77%	--
02/22/2019 10:00	NZ Credit Card Spending MoM	Jan	--	1.40%	-0.50%	--
02/22/2019 10:00	NZ Credit Card Spending YoY	Jan	--	6.90%	4.50%	--
<b>02/22/2019 10:00</b>	<b>SL CBSL Standing Deposit Rate</b>	<b>Feb-22</b>	<b>8.00%</b>	<b>8.00%</b>	<b>8.00%</b>	--
02/22/2019 10:00	SL CBSL Standing Lending Rate	Feb-22	9.00%	9.00%	9.00%	--
02/22/2019 10:00	Bloomberg Feb. China Economic Survey (Table)					
02/22/2019 11:00	SK South Korea Household Credit	4Q	--	KR1534.6t	KR1514.4t	KR1513.9t
<b>02/22/2019 11:30</b>	<b>TH Customs Exports YoY</b>	<b>Jan</b>	<b>-2.10%</b>	<b>-5.65%</b>	<b>-1.72%</b>	--
02/22/2019 11:30	TH Customs Imports YoY	Jan	-1.00%	13.99%	-8.15%	--
02/22/2019 11:30	TH Customs Trade Balance	Jan	-\$326m	-\$4032m	\$1065m	--
<b>02/22/2019 12:00</b>	<b>MA CPI YoY</b>	<b>Jan</b>	<b>-0.40%</b>	<b>-0.70%</b>	<b>0.20%</b>	--
<b>02/22/2019 15:00</b>	<b>GE GDP SA QoQ</b>	<b>4Q F</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	--
<b>02/22/2019 15:00</b>	<b>GE GDP NSA YoY</b>	<b>4Q F</b>	<b>0.90%</b>	<b>0.90%</b>	<b>0.90%</b>	--
02/22/2019 15:00	GE GDP WDA YoY	4Q F	0.60%	0.60%	0.60%	--
02/22/2019 15:00	GE Private Consumption QoQ	4Q	0.10%	0.20%	-0.30%	--
02/22/2019 15:00	GE Government Spending QoQ	4Q	0.60%	1.60%	0.20%	-0.30%
02/22/2019 15:00	GE Capital Investment QoQ	4Q	0.70%	0.90%	0.80%	0.40%
02/22/2019 15:00	MA Foreign Reserves	Feb-15	--	\$102.3b	\$102.1b	--
<b>02/22/2019 15:30</b>	<b>TH Foreign Reserves</b>	<b>Feb-15</b>	<b>--</b>	<b>\$209.5b</b>	<b>\$210.3b</b>	--
02/22/2019 15:30	TH Forward Contracts	Feb-15	--	\$31.7b	\$30.6b	--
<b>02/22/2019 16:00</b>	<b>TA Export Orders YoY</b>	<b>Jan</b>	<b>-8.70%</b>	<b>-6.00%</b>	<b>-10.50%</b>	--
02/22/2019 16:20	TA BoP Current Account Balance	4Q	--	\$18648m	\$14040m	\$13602m
02/22/2019 16:26	CH FX Net Settlement - Clients CNY	Jan	--	103.1b	-56.0b	--
<b>02/22/2019 16:30</b>	<b>HK CPI Composite YoY</b>	<b>Jan</b>	<b>2.60%</b>	<b>2.40%</b>	<b>2.50%</b>	--
<b>02/22/2019 17:00</b>	<b>GE IFO Business Climate</b>	<b>Feb</b>	<b>98.9</b>	<b>98.5</b>	<b>99.1</b>	<b>99.3</b>
<b>02/22/2019 17:00</b>	<b>GE IFO Expectations</b>	<b>Feb</b>	<b>94.3</b>	<b>93.8</b>	<b>94.2</b>	<b>94.3</b>
<b>02/22/2019 17:00</b>	<b>GE IFO Current Assessment</b>	<b>Feb</b>	<b>103.9</b>	<b>103.4</b>	<b>104.3</b>	<b>104.5</b>
02/22/2019 18:00	EC CPI Core YoY	Jan F	1.10%	1.10%	1.10%	--
<b>02/22/2019 18:00</b>	<b>EC CPI MoM</b>	<b>Jan</b>	<b>-1.10%</b>	<b>-1.00%</b>	<b>0.00%</b>	--
<b>02/22/2019 18:00</b>	<b>EC CPI YoY</b>	<b>Jan F</b>	<b>1.40%</b>	<b>1.40%</b>	<b>1.40%</b>	--
02/22/2019 19:00	UK CBI Retailing Reported Sales	Feb	5	0	0	--
02/22/2019 19:00	UK CBI Total Dist. Reported Sales	Feb	--	14	13	--
<b>02/22/2019 21:30</b>	<b>CA Retail Sales MoM</b>	<b>Dec</b>	<b>-0.30%</b>	<b>-0.10%</b>	<b>-0.90%</b>	--
<b>02/22/2019 21:30</b>	<b>CA Retail Sales Ex Auto MoM</b>	<b>Dec</b>	<b>-0.30%</b>	<b>-0.50%</b>	<b>-0.60%</b>	<b>-0.70%</b>
02/24/2019 10:00	SK Discount Store Sales YoY	Jan	--	--	-3.60%	--
02/25/2019 05:45	NZ Retail Sales Ex Inflation QoQ	4Q	0.50%	1.70%	0.00%	0.30%
02/25/2019 07:50	JN PPI Services YoY	Jan	1.10%	--	1.10%	--
02/25/2019 13:00	SI CPI NSA MoM	Jan	0.10%	--	0.10%	--
<b>02/25/2019 13:00</b>	<b>SI CPI YoY</b>	<b>Jan</b>	<b>0.50%</b>	<b>--</b>	<b>0.50%</b>	--
02/25/2019 13:00	SI CPI Core YoY	Jan	1.80%	--	1.90%	--
02/25/2019 13:00	JN Coincident Index	Dec F	--	--	102.3	--
02/25/2019 13:00	JN Leading Index CI	Dec F	--	--	97.9	--
02/25/2019 21:30	US Chicago Fed Nat Activity Index	Jan	0.15	--	0.27	--
02/25/2019 23:00	CA Bloomberg Nanos Confidence	Feb-22	--	--	54.8	--
<b>02/25/2019 23:00</b>	<b>US Wholesale Inventories MoM</b>	<b>Dec P</b>	<b>0.30%</b>	<b>--</b>	<b>0.30%</b>	--
02/25/2019 23:00	US Wholesale Trade Sales MoM	Dec	-0.30%	--	-0.60%	--
02/25/2019 23:30	US Dallas Fed Manf. Activity	Feb	4.9	--	1	--
02/25/2019	KZ Money Supply M3 MoM	Jan	--	--	4.60%	--
02/22/2019 02/28	SL Exports YoY	Dec	--	--	4.10%	--
02/22/2019 02/28	SL Imports YoY	Dec	--	--	-9.10%	--
02/25/2019 02/28	VN Industrial Production YoY	Feb	--	--	7.90%	--
02/25/2019 02/28	VN Retail Sales YTD YoY	Feb	--	--	12.20%	--
<b>02/25/2019 02/28</b>	<b>VN CPI YoY</b>	<b>Feb</b>	<b>--</b>	<b>--</b>	<b>2.56%</b>	--
02/25/2019 02/28	VN Exports YoY	Feb	--	--	-1.30%	--
02/25/2019 02/28	VN Imports YoY	Feb	--	--	3.10%	--
02/25/2019 02/28	VN Trade Balance	Feb	--	--	-\$800m	--

Source: Bloomberg

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