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## Highlights

<b>Global</b>	<p>UK PM May will hold a third vote on her Brexit deal today, with no clearer sign of any light at the end of the tunnel, albeit this will not include the Political Declaration of the Future Relationship with the EU which will be voted on separately. Basically, the most likely scenarios in our view remain either that of a longer Article 50 extension with a potential preference for a permanent customs union, or a new election-cum-referendum if the stalemate remains. Meanwhile, US' 4Q18 GDP growth was revised down from 2.6% to 2.2 due to revisions in consumer and government spending. The S&amp;P500 saw modest gains overnight, while UST bond yields rose, with the 10-year up to 2.39% after touching a fresh year-to-date low of 2.34%. Amid Mnuchin and Lighthizer's ongoing trade talks with China, White House advisor Kudlow has warned that trade negotiations could extend for weeks or months to reach a deal.</p> <p>Given that it is the month/quarter-end, positioning flows may see Asian markets trade with a firmer tone today. For today's economic data calendar, watch for US' new home sales, Jan core PCE, personal spending and income, UK's final 4Q18 GDP growth estimates, German retail sales, Thai trade data, and S'pore's bank loans data for Feb. Fed's Kaplan and ECB's Coeure are also speaking.</p>
<b>US</b>	<p>Pending home sales fell more than expected by 1.0% mom (-5.0% yoy) in Feb, but initial jobless claims also fell 5k to 211k which suggested that the US labour market remained in good health for now. On the Fed front, Clarida noted that policymakers are "attuned to a number of prominent downside global risk, which include Brexit, a sharp slowdown in global growth prospects and trade tensions" and "we can afford to be patient and data-dependent". Williams also opined that "on the national outlook – 2% GDP growth, the economy continuing to add lots of jobs, low unemployment – that's the most likely case". Meanwhile, President Trump has asked some senators to create a "spectacular" health plan to replace Obamacare.</p>
<b>EU</b>	<p>Eurozone's consumer confidence slipped for the ninth month to -7.2 in March, marked by sharp sentiment deterioration in Italy and Germany, which suggested that the Eurozone economy was not out of the woods yet.</p>
<b>TH</b>	<p>The Thai Election Commission announced the unofficial vote results yesterday. Military-backed Palang Pracharat party won the popularity contest with 8.4 million votes, followed by Thaksin-linked Pheu Thai party with 7.9 million votes. Millennial-friendly Future Forward party exceeded expectations by coming in third with 6.3 million votes. The Democrat party, widely recognised as representative of Thailand's Yellow Shirts, won 4.0 million votes while the Bhumjaithai party got 3.7 million votes. An estimated 5.3 million votes went to other parties outside the top five.</p>
<b>SG</b>	<p>Depositors and insurance policy owners will enjoy enhanced protection up to \$75k per depositor per bank and extended protection to personal assets used for commercial purposes in case of failure of a bank, finance company or insurance company from 1 April.</p>

## Major Markets

- **US:** Wall Street ended higher on Thursday, with the S&P500 climbing 0.4%. The DJIA rose 0.4%, and the Nasdaq composite increased 0.3%.
- **Singapore:** The STI added 0.16% to close at 3203.58 yesterday and may continue to tread water today within a range of 3182-3220, amid positive cues from Wall Street overnight and morning gains in Kospi. With UST bond yields retracing 1-6bps across the curve, SGS bonds may also trim earlier gains today.
- **Hong Kong:** The USDHKD spot touched 7.85 again last Thursday with the return of carry trade and the strong USD demand across quarter-end. To defend the currency peg, the HKMA bought another HK\$3.925bn and drove aggregate balance to HK\$60.56bn on 1st Apr. Due to the continuous equity inflows, the rising speculation on a pause in global monetary tightening and the absence of large IPOs in near term, market increasingly expect that flushed HKD liquidity will sustain. As such, quarter-end effect abated sooner than expected and led the HIBOR to subside across the curve. Moving ahead, we expect 1M HIBOR and 3M HIBOR will fall below 1.5% and 1.7% respectively. With USD-HKD yield differential to widen further, we expect USDHKD spot will continually touch 7.85 and trigger liquidity withdrawal. However, different from last year when HKMA liquidity withdrawal coincided with large equity outflows, this time round, we see resilient equity inflows. This may help to weather some downside risk from carry trade to the HKD. As such, we still expect the intervention to be moderate and have limited impact of the sizeable monetary base (over HK\$1.6 trillion). Aggregate balance will likely fall towards HK\$50 billion in the coming months.
- **Thailand:** Overall, of 51.2 million eligible voters, 38.3 million voters voted (74.7%), of which 2.7 million ballots are deemed spoilt or unrecognised – leaving only 35.5 million ballots recognised of the total voting base (70% turnout). The EC is expected to announce further results today, while the official results will only be out by 9 May. In the interim, expect heightened political risks as coalition negotiations drag on.
- **Indonesia:** The central bank governor Perry Warjiyo has sought to distance Indonesia from the market tumult in Turkey by mentioning that what is happening there is “specifically a domestic issue”. He further added, “In the global market, the risk-off sentiment is related to concerns over the slowing global economy that has triggered profit taking, especially in emerging markets.” We are of the view that the value of the IDR against the USD would probably be ranged in the near term.
- **Commodities:**
  - **Oil:** US President Donald Trump engaged OPEC in a tweet yesterday, claiming that it was “very important that OPEC increase the flow of Oil. World Markets are fragile, price of Oil getting too high.” Crude prices were little changed on the day, with WTI declining -0.2%.
  - **Gold:** The precious metal tumbled below the key \$1,300/oz to \$1,290.42/oz yesterday. Gold has been highly moved by directions of the dollar in the past week. With a strong showing in the dollar index yesterday of +0.4%, the yellow metal took a hit and declined below \$1,300/oz to register a daily loss of -1.5%.

## Bond Market Updates

- **Market Commentary:** The SGD swap curve steepened yesterday, with the shorter tenors trading 2-3bps higher while the belly and longer tenors traded 4-5bps higher (with the exception of the 7-year swap rate trading 3bps higher). The Bloomberg Barclays Asia USD IG Bond Index average OAS traded little changed at 135bps while the Bloomberg Barclays Asia USD HY Bond Index average OAS widened 4bps to 466bps. 10Y UST yields rose 3bps to close the session at 2.39%, as market risk sentiments improved despite little change in the equity markets and slowing growth in US GDP for the fourth quarter. The yield curve between the 3-month and 10-year treasury yields remained inverted by 6bps.
- **New Issues:** Country Garden Holdings Co Ltd (subsidiary guarantors: certain of company's restricted subsidiaries outside the PRC) has priced a USD550mn 5NC3 bond at 6.50% (tightening from IPT of 6.75% area) and a USD950mn 7NC4 bond at 7.25% (tightening from IPT of 7.5% area). Vertex Capital Investment Ltd has priced a USD500mn 5-year bond (guarantor: Guangzhou Industrial Investment Fund Management) at 4.75%, tightening from IPT of 5.3% area. Bank of Baroda has priced a USD500mn 3-year bond at CT3+145bps (tightening from IPT of +165bps area) and a USD300mn 5-year bond at CT5+170bps (tightening from IPT of +190bps area). Caiyun International Investment Ltd has priced a USD800mn 3-year bond (guarantor: Yunnan Metropolitan Construction Investment Group Co Ltd) at 5.6%, tightening from IPT of 6.0% area. Power Best Global Investments Ltd has priced a USD100mn 2-year bond (guarantor: Hong Kong JunFa Property Co Ltd) at 13.0%, in line with the final guidance. ESR Cayman Ltd has priced a USD250mn 3-year bond at 8.0%, in line with IPT. IndusInd Bank Ltd has scheduled investor meetings from 29 March for its potential USD bond issuance.

### Key Financial Indicators

#### Foreign Exchange

	Day Close	% Change		Day Close	% Change
<b>DXY</b>	97.202	0.44%	<b>USD-SGD</b>	1.3565	0.08%
<b>USD-JPY</b>	110.630	0.11%	<b>EUR-SGD</b>	1.5222	-0.12%
<b>EUR-USD</b>	1.1221	-0.20%	<b>JPY-SGD</b>	1.2260	-0.04%
<b>AUD-USD</b>	0.7074	-0.14%	<b>GBP-SGD</b>	1.7695	-1.01%
<b>GBP-USD</b>	1.3044	-1.10%	<b>AUD-SGD</b>	0.9598	-0.05%
<b>USD-MYR</b>	4.0795	0.16%	<b>NZD-SGD</b>	0.9192	-0.22%
<b>USD-CNY</b>	6.7390	0.18%	<b>CHF-SGD</b>	1.3624	0.01%
<b>USD-IDR</b>	14243	0.34%	<b>SGD-MYR</b>	3.0090	-0.06%
<b>USD-VND</b>	23202	0.02%	<b>SGD-CNY</b>	4.9674	0.10%

#### Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD Libor	Change
<b>1M</b>	-0.3680	--	<b>O/N</b>	2.3921	--
<b>2M</b>	-0.3360	--	<b>1M</b>	2.4986	--
<b>3M</b>	-0.3090	--	<b>2M</b>	2.5590	--
<b>6M</b>	-0.2270	--	<b>3M</b>	2.6010	--
<b>9M</b>	-0.1940	--	<b>6M</b>	2.6508	--
<b>12M</b>	-0.1090	--	<b>12M</b>	2.6829	--

#### Fed Rate Hike Probability

Meeting	Prob Hike	Prob Cut	1.75-2%	2-2.25%	2.25-2.5%
03/20/2019	0.0%	8.3%	0.0%	8.3%	91.7%
05/01/2019	0.0%	31.3%	2.1%	29.2%	68.7%
06/19/2019	0.0%	37.9%	4.7%	33.0%	62.1%
07/31/2019	0.0%	61.8%	15.6%	44.2%	38.2%
09/18/2019	0.0%	67.0%	19.5%	43.4%	33.0%
10/30/2019	0.0%	76.8%	26.6%	40.3%	23.2%

#### Equity and Commodity

Index	Value	Net change
<b>DJIA</b>	25,717.46	91.87
<b>S&amp;P</b>	2,815.44	10.07
<b>Nasdaq</b>	7,669.17	25.79
<b>Nikkei 225</b>	21,033.76	-344.97
<b>STI</b>	3,203.58	5.19
<b>KLCI</b>	1,641.33	-1.40
<b>JCI</b>	6,480.79	36.05
<b>Baltic Dry</b>	692.00	2.00
<b>VIX</b>	14.43	-0.72

#### Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
<b>2Y</b>	1.90 (-)	2.24 (+0.04)
<b>5Y</b>	1.91 (-)	2.21 (+0.06)
<b>10Y</b>	2.05 (-)	2.39 (+0.03)
<b>15Y</b>	2.30 (-0.01)	--
<b>20Y</b>	2.36 (-0.01)	--
<b>30Y</b>	2.52 (-)	2.82 (+0.01)

#### Financial Spread (bps)

	Value	Change
<b>EURIBOR-OIS</b>	5.27	-0.10
<b>TED</b>	35.36	--

#### Secured Overnight Fin. Rate

<b>SOFR</b>	2.40
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#### Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	59.30	-0.2%	Corn (per bushel)	3.7400	0.1%
Brent (per barrel)	67.82	0.0%	Soybean (per bushel)	8.895	0.2%
Heating Oil (per gallon)	1.9720	-0.4%	Wheat (per bushel)	4.6450	-1.1%
Gasoline (per gallon)	1.8799	-0.8%	Crude Palm Oil (MYR/MT)	2,013.0	-0.9%
Natural Gas (per MMBtu)	2.7120	0.0%	Rubber (JPY/KG)	172.8	-2.7%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	6,360	0.4%	Gold (per oz)	1,289.8	-1.6%
Nickel (per mt)	12,887	-1.4%	Silver (per oz)	14.973	-1.7%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

### Economic Calendar

Date Time	Event	Survey	Actual	Prior	Revised	
03/28/2019 17:00	EC M3 Money Supply YoY	Feb	3.90%	4.30%	3.80%	--
03/28/2019 20:30	US GDP Annualized QoQ	4Q T	2.30%	2.20%	2.60%	--
03/28/2019 20:30	US Initial Jobless Claims	Mar-23	220k	211k	221k	216k
03/29/2019 07:30	JN Jobless Rate	Feb	2.50%	2.30%	2.50%	--
03/29/2019 07:30	JN Tokyo CPI Ex-Fresh Food YoY	Mar	1.10%	1.10%	1.10%	--
03/29/2019 07:50	JN Industrial Production MoM	Feb P	1.40%	1.40%	-3.40%	--
03/29/2019 15:00	UK Nationwide House PX MoM	Mar	0.00%	--	-0.10%	--
03/29/2019 15:00	UK Nationwide House Px NSA YoY	Mar	0.60%	--	0.40%	--
03/29/2019 15:30	TH BoP Current Account Balance	Feb	\$3000m	--	\$2285m	--
03/29/2019 17:30	UK GDP QoQ	4Q F	0.20%	--	0.20%	--
03/29/2019 17:30	UK GDP YoY	4Q F	1.30%	--	1.30%	--
03/29/2019 22:00	US New Home Sales	Feb	620k	--	607k	--
03/29/2019 22:00	US U. of Mich. Sentiment	Mar F	97.8	--	97.8	--

Source: Bloomberg

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