Research Monitor (March)

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Monday, March 05, 2018

Key Themes
1. Financial markets took a roller-coaster ride in February but gradually stabilised towards the month-end. The S&P500 corrected 10% in early Feb, but has recovered year-to-date losses, even though the DXY regained the 90 handle and the 10-year US Treasury bond yield touched a high of 2.95% in the process. US president Trump's recent intention to impose 25% tariffs on steel imports and 10% tariffs on aluminium, coming closely on the back of tariffs on washing machines and solar panels, have sparked fears of a trade war, especially with retaliatory comments from its key trading partners.
2. New FOMC chair Powell's congressional testimony struck an upbeat tone, citing that "the robust job market should continue to support growth in household incomes and consumer spending" and "fiscal policy is becoming more stimulative", but "in gauging the appropriate path for monetary policy over the next few years, the FOMC will continue to strike a balance between avoiding an overheated economy and bringing PCE price inflation to 2 percent on a sustained basis". He reiterated that "further gradual increases in the federal funds rate will best promote attainment of both of our objective" and "as always, the path of monetary policy will depend on the economic outlook as informed by incoming data". However, market interpretation was somewhat nervous about the prospect of more hawkish intentions. The futures market has priced in the next 25bp rate hike at the 22 March FOMC, and the following hike in June, but the probability of third and fourth hikes currently stand at around 42% and 25% respectively.
3. In China, the political development dominated the later part of February after the Communist Party of China Central Committee proposed to remove the term limit for President paving the way for President Xi to extend its term beyond 2023. Market will closely monitor the reshuffle of China's financial regulatory bodies, due in early March after the NPC. Despite change of political landscape, we think China is unlikely to derail from its commitment to reform.
4. The broad USD is likely to be buffeted by a range of headline distractions in March. However, continue to keep a close watch on central bank positioning for more structural directionality. Meanwhile, without fund inflows as a back-stop, Asian FX will be subjected to global leads, especially on developments on the trade front.

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Asset Class Views

	House View	Trading Views
FX	**DXY and majors:** FX dynamics going into March promises to be a minefield of distractions. US Treasury yields almost round tripped in the past month but are slightly firmer nevertheless. Meanwhile, despite aggregated rate differentials also moving in favour of USD resilience in the past month, the broad dollar has only managed to the top of its recent range. Certainly, the news flow out of the US (data releases, FOMC statement/minutes, Fed-speak, especially	The USD may attempt to base build against the majors in the coming weeks as we head into the 21st March 2018 FOMC.

	House View	Trading Views
FX	from Powell) has been constructive for USD prospects, and to this end, continue to monitor market implied odds for a 4th rate hike this year and/or the 10y UST yield breaching 3.00% in the coming weeks. However, the prospect of heightened global trade tensions (from US imposition of tariffs on steel and aluminium for example) may threaten to erode any bounce in the USD as a first reaction. Structurally however, the broad weak dollar narrative may continue to hum in the background and the rallying point for this construct we think may remain squarely on the shoulders of the ECB given how the other cyclical central banks have remained less than hawkish. On this front, investors may remain on the lookout for any expected change in the ECB's forward guidance or intent to change in the coming months. In this environment, sensitivity to perceived cues from the other global central banks is also expected to be heightened and the resulting interplay of central bank dynamics may remain in a flux.	
	Asian FX and SGD: The positive impetus for regional currencies from net portfolio inflows has petered out in recent weeks and may not witness a resurgence just yet as risk appetite levels remain subdued. In addition, market caution towards a stronger USD outcome against the RMB complex has heightened slightly of late. As such, expect the regional currencies (including the SGD) to remain relatively vulnerable to potential USD strength.	USD-Asia pairs may remain hesitant on the downside.

Rates	Monetary policy normalisation concerns have been overtaken by market fears of a global bond rout. Inflation data cues have to sustain uptrend to warrant a further sell-off.	**US:** Amidst emerging inflation and monetary policy normalisation concerns, the 2-10 year US Treasury yield curve has steepened by some 10bps since the start of 2018, even though the 2-year bond yield has risen by 38bps in anticipation that any inflation uptick amid a still resilient economy would drive the FOMC to act earlier and more hawkishly. The 3-month LIBOR has hit 1.98% (highest since 2008) which should continue to pressure the front-end of the curve. The 10-year US Treasury bond yield looks set to test the 3% psychological handle soon (last high at 3.03% was at end-13), so it remains to be seen if it would stabilise subsequently as it remains handicapped by a weak USD. ECB's Draghi. On the other hand, reiterated the need to persist in policy accommodation for now. Going forward, barring strong signs of a near-term inflation uptick, the steepening bias may run out of steam.	↓
		SG: As short-term interest rates continued to track higher, with the 3-month SIBOR and SOR at around 1.30-1.33% region, the SGS bond yield curve may reprice higher as well. If the overnight SOR funding rate sustains around the 1.6% handle, the 2-year SGS yield at 1.64% appears rich. The belly to the longer-dated tenors may offer better value for now. The recent $1.7b re-opening of the 30-year SGS bond maturing on 1 March 2046 saw a cut-off yield of 2.74% with a bid-cover ratio of 2.21x (highest since Mar12) and a short tail of 5bps. The median yield was 2.90%, which was close to where the bond had closed the day before, and within market expectations. There is a 2-year SGS re-opening on 2 April.	↓

	House View	Trading Views	
Commodities	Crude oil fundamentals continue to improve, while global inventories narrows as demand picks up. Geopolitical tensions could sway prices quickly, while OPEC's soft-deadline to extend oil curbs by another 9 months injects uncertainty to future supply trajectory. We think upside risks to WTI & Brent remains possible at $65 and $70/bbl, respectively.	**Crude Oil:** Oil prices remained volatile in February, although we remain hopeful over OPEC+ efforts to keep prices supported. Official rhetoric to "seek continuity" after market rebalances against this year's rosy economic backdrop are tell-tale signs of further rally into the month ahead.	↑

	House View	Trading Views	
	The mix of global growth and yield-chasing behaviour are effective drivers to drive gold prices lower into 2018. Safe haven demand could however be supported should geopolitical tensions escalate. A relatively weak La Nina has been seen in early 2018, while Asia's crude palm oil production levels seasonally declines into early 2Q18. A stronger MYR however, has been dragging palm oil prices of late. We downgrade our CPO outlook to MYR2,400/MT.	**Gold:** Our bearish view on gold prices remains unchanged, reinforced by US Fed Chairman Powell's relatively hawkish comments of late. Ebbing geopolitical risks also contributed to gold's weakness as a safe haven asset. While we still pencil three FOMC rate hikes, any upside surprise in the number of hikes can potentially weigh further on gold prices.	↓
		Crude Palm Oil: The absence of an observable rally in the first two months of 2017 reinforces a key aspect: falling CPO production in Asia over the said period did little to lift prices given a stronger MYR. Overall CPO production is expected to rise by 5% – 10% in our view and further drag CPO prices further.	↓
Credit	After a feverish start in 2018, markets turned cautious in February with SGD secondary markets trading soft and low SGD primary issuance activities. In February, SGD610mn was raised (significantly down from SGD3.1bn issued during the same period last year). Three IG SGD issuers priced bonds at a "take it or leave it" basis in February (we think with some level of comfort over the orderbook prior to launch). By investor type, more than 30% of the deals were placed with agencies/banks, indicative of arrangers providing a backstop. In contrast, 2017 saw broad-based chase for yield, leading to tightening from IPT at final pricing for most deals. Going into March, investors are likely to be more discerning in credit selection and demand wider new issue concessions against existing curves. For the first time, the SGD market also saw an issuer opting to defer redemption on subordinated paper in the face of stresses in its financial profile. In February 2018, Hyflux, announced its intention to defer redemption on its preference shares come April 2018, opting to pay the 200bps step-up. We see the sell-off as idiosyncratic with little immediate spill-over to the broader market. Going forward, it is less likely that investors would take it for granted that perpetuals would be redeemed at first call. With 10yr USTs climbing further in February to 2.86% by end-February, investors have become increasingly cautious over longer dated papers and are demanding to be compensated for taking duration risk. We expect to see widening in spreads between seniors and subordinated papers going forward (reversing back to 100-150bps). Activity in the Asia dollar space was similarly slower y/y with USD17.3bn issued against USD20.5bn last year.	**HY Pick: HTONSP 6.08% '21s (Offer YTM 5.94%):** Heeton Holdings Ltd ("HHL") is a property developer with a portfolio of investment and hospitality properties in Singapore, UK and other countries. While HHL has raised this SGD118mn issue with no specific use of proceeds, we believe it may further expand its hospitality portfolio in UK/Europe and/or acquire more land sites for development in Singapore. We expect net gearing to rise to ~0.8x (4Q2017: 0.65x), which looks manageable still as HHL's profile is backed by recurring income and hard assets. These include Tampines Mart (100%-stake), Sun Plaza (50%-stake) and 7 hotels (884 rooms) in operations that HHL has a majority stake. With the recovery in the Singapore property market, we believe it will continue to move more units at the 100%-owned Onze@Tanjong Pagar. Trading at 5.94%, HTONSP 6.08% '21s offer the highest yield in the SGD property sector space while its net gearing compares favourably with peers such as Chip Eng Seng Corp Ltd (1.58x) and Oxley Holdings Ltd (1.86x).	↑
		HY Pan: GUOLSP 4.6% PERP (Bid YTC 4.72%): GuocoLand Ltd ("GUOL") is a property developer headquartered in Singapore, with investments in residential properties, commercial properties and integrated developments. Having completed the tallest building in Singapore (Tanjong Pagar Centre), GUOL will embark on another large commercial site at Beach Road (SGD1.6bn bid). GUOL may continue to expand its development portfolio, which could put pressure on its net gearing (2QFY2018: 0.84x). While we remain comfortable with GUOL given the rebounding Singapore property market, we think GUOLSP 4.6% PERP is trading too rich, in comparison to EREIT 4.6% PERP (Offer 5.08% YTC) and CACHE 5.5% PERP (Offer 5.21% YTC). In addition, GUOLSP 4.6% PERP (Offer YTC: 4.60%) only offers 68bps pickup over GUOLSP 3.85% '23s (Offer YTM: 3.92%), which appears too tight. We think the upside of the GUOL curve may be capped as GUOL may continue to issue more debt given SGD2.2bn of loans are borrowings are due within 12 months while only SGD400mn of perpetuals have been raised in YTD2018.	↓

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	That said, owing to spectacular activity in January, 2018 YTD issuance volumes still remain 20% above 2017. Indonesia featured strongly in February, with USD3.0bn raised by a government linked entity. Despite the Chinese new year slow down, Chinese issuers continued to feature strongly, particularly from financial services and property developers.	

Macroeconomic Views

	House View	Key Themes
US	A more sanguine economic assessment, coupled with fiscal stimulus, may mean the 22 March FOMC updates to forecasts and the median dots graph will be key.	Powell's congressional testimony was the key market focus last week. He struck an upbeat tone, citing that "the robust job market should continue to support growth in household incomes and consumer spending" and "fiscal policy is becoming more stimulative", but "in gauging the appropriate path for monetary policy over the next few years, the FOMC will continue to strike a balance between avoiding an overheated economy and bringing PCE price inflation to 2% on a sustained basis". He reiterated that "further gradual increases in the federal funds rate will best promote attainment of both of our objective" and "as always, the path of monetary policy will depend on the economic outlook as informed by incoming data". However, market interpretation of Powell's speech was somewhat hawkish.
EU	ECB is looking more upbeat on growth, but less so on inflation for 2018. That said, growing ECB rhetoric suggesting that asset purchases would wind down after Sep18.	Economic confidence declined for a second month from 114.9 to 114.1 in Feb, albeit from a 17-year high in Dec17. Economic sentiments fell in core economies like Germany, France and Spain, but rose in Italy despite elections this weekend. ECB's Draghi reiterated the need to persist with monetary policy accommodation, whereas Weidmann (likely Draghi's successor next year) insists that ECB rate guidance should be strengthened and sees no reason why QE can't be halted this year.
Japan	With JPY strength, soft inflation prints, and BOJ leadership continuity, market expectations for any BOJ policy exit have been pushed back yet again.	With BOJ governor Kuroda being nominated for another term, with the appointments of new deputy governors Amamiya and Wakatabe, the expectation is that the dovish bias will be maintained for longer. However, Kuroda also opined inflation would hit its 2% target in FY19. Recent economic prints have been disappointing - industrial production also slumped 6.6% in January (largest decline since March 2011) while retail sales also fell more than expected.
Singapore	FY18 fiscal policy is tipped to remain mildly expansionary at $0.6b (0.1% of GDP). With the government now anticipating GDP growth slightly above the mid-point of 1.5-3.5% forecast, next to watch would be the MAS MPS in mid-April.	4Q17 GDP growth was revised up to 3.6% yoy (2.1% qoq saar) to bring full-year 2017 growth to 3.6%. MTI opined that 2018 growth could be slightly above the mid-range of its 1.5-3.5% forecast. The FY2018 Budget saw a bumper $9.6b surplus, but announced a 2% GST hike between 2021-2025 (depending on economic conditions), a GST on imported services from 1 Jan 2020 and $5 per tonne of carbon taxes from 2019-2023.

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ID	Indonesia's GDP growth for 2017 disappointed at 5.19% yoy as South East Asia's largest country failed to experience the acceleration in growth that was felt elsewhere in the region. Private consumption was sluggish as the lack of pick-up in this area has perplexed most economists. Meanwhile, Bank Indonesia (BI) held rates at 4.25% in February as the central bank mentioned that it believes pervious monetary policy easing is sufficient. Going forward, we believe any rate increase would be highly contingent on the Fed's decision in March.	Heightened Rupiah volatility and the risks of rising food prices now spook Indonesia's central bank for the coming year limiting any opportunities to undertake further monetary easing. Regardless, it may also be a more prudent action that the central bank focuses on improving the monetary transmission mechanism rather than engaging in further easing in order to boost growth. BI has also chosen to use its high level of foreign reserves to defend the Rupiah as it continues to believe that the Rupiah pressure is temporary. However, if the Fed raises rates in March, BI would find itself under significant pressure to similarly raise rates just as other Asian central banks may do similarly.
China	The Chinese economy is expected to slow down to 6.5% yoy in 2018 from 6.9% in 2017 as China's government is likely to continue to withdraw its support via tighter credit and monetary policy.	The proposal from the Communist Party of China Central Committee to remove the term limit for President paved the way for President Xi to extend its term beyond 2023. Political reshuffle is likely to dominate in 2018. Market is waiting for the announcement of overhaul of financial regulatory bodies after the upcoming NPC meeting in early March, which central bank is expected to take a bigger role to contain financial risk. Despite change of political landscape, China is unlikely to derail from its commitment to reform. China's banking regulator unveiled the revised rules to standardize and clarify procedures for foreign banks operation and investment in China, marking further openness. RMB appreciation has turned from passive to active with the RMB rallied against its major trading partners. However, China's foreign currency deposits surged in January, showing the divergent outlook. This could be the foundation for RMB's two-way movement.
Hong Kong	Fiscal stimulus, a stable labour market, improved tourism activities and resilient external demand may continue to support the economy. However, due to high base effect and potential impact of global monetary tightening and trade conflicts, GDP growth may moderate to 2.9% in 2018. As we expect HIBOR to tick up gradually, banks will face more pressure to lift prime rate this year.	Strong trading activities, resilient asset markets and positive global economic outlook may continue to support local loan demand in 1H 2018. In addition, A stronger RMB and prospects for tight onshore liquidity condition may continue to shift Mainland companies' funding demand to overseas markets. On the other hand, recent crash in HK stock market signals that southbound equity inflows may be unable to shield the market from external shocks. In other words, should global liquidity tighten at a faster pace than expected, the resultant stock market correction and prime rate hike may hit housing demand. Finally, USD/HKD topped its key resistance level of 7.83 for the first time since 2005 due to a wider yield differential on HK's flush liquidity. Concerns about potential trade conflicts also weighed on the HKD. However, as there is little sign of capital outflows, USD/HKD may refrain from reaching 7.85 in the near term.

	House View	Key Themes
Macau	Upcoming completion of mega projects and Hong Kong-Zhuhai-Macau Bridge is likely to support tourism activities and mass-market segment. VIP segment may be hit by liquidity and policy risks. We expect GDP to expand 7% in 2018 after growing 9.1% in 2017.	Government unveiled three property control measures, which could have two implications. First, homeowners will be encouraged to lease their properties while first-home buyers will increase and lower the rental housing demand. Therefore, housing rents are likely to be suppressed. Second, the cooling measures will reduce secondary housing supply. Adding on limited new home supply, an expected increase in first-home buyers could keep the property price elevated. Elsewhere, despite holiday effect, gaming revenue growth missed expectations in February. This signals that without strong VIP demand, rosy performance of the mass-market segment may only support moderate growth in gaming revenue.
MA	Malaysia achieved an outstanding growth of 5.9% yoy in 2017 on top of the pick-up in global trade that started in late 2016. Private consumption was once again the primary anchor of growth whilst private investment growth also strengthened due to improving business sentiments. Going forward, we expect Malaysia's growth to ease to 5.0% yoy in 2018 as global trade slows. Given the strong economic numbers for 2017, it won't be surprising if elections are called soon.	Malaysia's small open economy positioned the country in an excellent position to benefit from the global pick up in trade in 2017. However, for 2018, growth will ease as trade growth is expected to slow due to both a higher base and a growth slow-down in Malaysia's major trading partners such as China and the EU. We are expecting that the government would frontload expenditure for the first half of the year ahead of the election via both the Federal Government ministries and the state owned enterprises (SOEs). Some of this expenditure could come in the form of bonus pay-outs for government servants or employees of the SOEs and therefore, boosting private consumption. Bonus pay-outs by SOEs was the case just prior to the 2013 election when Petronas had given a special bonus to staff. As a result, don't be surprise to see growth remaining rather elevated for the first half of 2018 before slowing down moving into the second half.
TH	Official call for growth stands at 3.6 - 4.6% in 2018. Growth outlook remains positive, and underpinned by both private and public investments, tourism, manufacturing, and trade. We tip growth & inflation at 3.5% and 1.4%, respectively.	4Q17 GDP growth disappointed at 4.0% y/y (vs mkt consensus of 4.3%). Full-year came in at 3.9% in 2017, accelerating from 2016's 3.3%. While growth pillars including consumption, tourism and manufacturing remain strong, uncertainties pertaining to US foreign trade policies and geopolitical tensions remain on the cards. BOT also kept its rate unchanged at 1.50%, citing that conditions remained accommodative and conducive to growth.
Korea	We remain cautiously optimistic on Korea; while growth may print at a respectable 3.0% in 2018, ongoing geopolitical tensions could weigh on confidence. Inflation is likely to stay tame at ~2.0%.	The Bank of Korea kept interest rate unchanged at 1.50%, in line with our expectation. We note that recent weakness in inflation pressures and elevated household debt levels should persuade policy-makers to stay pat for an extended period. Note that this meeting is Lee Ju-yeol's last meeting as governor.
PH	The BSP still looks to resist pressures to hike rates. This resolve may soften ahead of the March and May meetings.	The BSP cut reserve requirement ratios (RRR) by 1% (eff. 2 Mar 2018) to 19%, initiating a paced movement to reduce RRR to below 10% over time. Meanwhile, with inflation above target, market expectations for the BSP to hike rates continue to build. However, the BSP still retains a firm rhetoric, and expects inflation to fade in the coming months.
Myan	Retain a general sense of optimism around Myanmar. Keep close watch on legislative and reform developments to find opportunities.	The draft Yangon City Development Committee (YCDC) Law has been submitted to the Yangon regional parliament. The law seeks to be the overarching legislation in governing and developing Yangon City. However, the legislation runs into conflict with a number of Union-level laws. Further clarity will be needed, as the legislative confusion may hamper businesses in the city.

FX/Rates Forecast

USD Interest Rates	2Q18	3Q18	4Q18	2019	2020
Fed Funds Target Rate	2.00%	2.00%	2.25%	2.75%	3.00%
1-month LIBOR	1.93%	2.10%	2.28%	2.80%	3.10%
2-month LIBOR	2.00%	2.14%	2.29%	2.85%	3.17%
3-month LIBOR	2.20%	2.35%	2.50%	2.96%	3.25%
6-month LIBOR	2.40%	2.55%	2.70%	3.05%	3.35%
12-month LIBOR	2.65%	2.80%	2.95%	3.15%	3.45%
1-year swap rate	2.47%	2.63%	2.80%	3.00%	3.50%
2-year swap rate	2.67%	2.83%	3.00%	3.32%	3.68%
3-year swap rate	2.81%	2.95%	3.09%	3.60%	3.90%
5-year swap rate	2.92%	3.08%	3.25%	3.85%	4.20%
10-year swap rate	3.13%	3.32%	3.50%	4.00%	4.35%
15-year swap rate	3.20%	3.38%	3.55%	4.10%	4.40%
20-year swap rate	3.23%	3.42%	3.60%	4.20%	4.45%
30-year swap rate	3.28%	3.49%	3.70%	4.30%	4.65%
SGD Interest Rates	**2Q18**	**3Q18**	**4Q18**	**2019**	**2020**
1-month SIBOR	1.33%	1.41%	1.49%	1.89%	2.28%
1-month SOR	1.34%	1.44%	1.55%	2.00%	2.48%
3-month SIBOR	1.44%	1.51%	1.58%	1.96%	2.45%
3-month SOR	1.44%	1.54%	1.63%	2.18%	2.50%
6-month SIBOR	1.62%	1.71%	1.81%	2.22%	2.60%
6-month SOR	1.63%	1.84%	2.05%	2.40%	2.75%
12-month SIBOR	1.82%	1.96%	2.09%	2.45%	2.90%
1-year swap rate	1.72%	1.88%	2.03%	2.58%	3.00%
2-year swap rate	1.90%	2.02%	2.13%	2.60%	3.20%
3-year swap rate	2.06%	2.17%	2.29%	2.73%	3.26%
5-year swap rate	2.37%	2.49%	2.60%	3.00%	3.38%
10-year swap rate	2.73%	2.82%	2.90%	3.25%	3.64%
15-year swap rate	2.91%	2.95%	3.00%	3.30%	3.70%
20-year swap rate	2.98%	3.02%	3.07%	3.37%	3.76%
30-year swap rate	3.05%	3.11%	3.17%	3.49%	3.80%
Malaysia	**2Q18**	**3Q18**	**4Q18**	**2019**	**2020**
OPR	3.25%	3.25%	3.25%	3.50%	3.50%
1-month KLIBOR	3.50%	3.53%	3.57%	3.70%	3.75%
3-month KLIBOR	3.77%	3.81%	3.85%	3.88%	3.95%
6-month KLIBOR	3.86%	3.88%	3.91%	3.95%	4.00%
12-month KLIBOR	3.93%	3.95%	3.96%	3.98%	4.05%
1-year swap rate	3.83%	3.86%	3.88%	3.90%	4.02%
2-year swap rate	3.87%	3.88%	3.90%	4.00%	4.10%
3-year swap rate	3.90%	3.93%	3.95%	4.09%	4.17%
5-year swap rate	3.97%	3.98%	4.00%	4.20%	4.35%
10-year swap rate	4.30%	4.35%	4.40%	4.75%	4.95%
15-year swap rate	4.46%	4.49%	4.53%	4.80%	5.00%

UST	2Q18	3Q18	4Q18	2019	2020
2-year	2.33%	2.42%	2.50%	2.73%	3.00%
5-year	2.74%	2.81%	2.88%	3.15%	3.45%
10-year	2.95%	3.00%	3.05%	3.55%	4.00%
30-year	3.25%	3.31%	3.36%	3.75%	4.15%
SGS	**2Q18**	**3Q18**	**4Q18**	**2019**	**2020**
2-year	1.82%	1.93%	2.05%	2.55%	2.86%
5-year	2.14%	2.23%	2.32%	2.75%	3.00%
10-year	2.54%	2.64%	2.75%	2.95%	3.30%
15-year	2.78%	2.87%	2.95%	3.15%	3.45%
20-year	2.83%	2.92%	3.00%	3.25%	3.50%
30-year	2.98%	3.07%	3.15%	3.40%	3.60%
MGS	**2Q18**	**3Q18**	**4Q18**	**2019**	**2020**
6-month	3.27%	3.29%	3.31%	3.38%	3.45%
5-year	3.71%	3.82%	3.92%	3.90%	4.00%
10-year	4.02%	4.09%	4.15%	4.30%	4.50%

FX	Spot	1Q18	2Q18	3Q18	4Q18
USD-JPY	106.79	107.85	105.88	107.61	109.34
EUR-USD	1.2188	1.2100	1.2250	1.2400	1.2550
GBP-USD	1.3753	1.3615	1.3972	1.4069	1.4166
AUD-USD	0.7726	0.7655	0.7644	0.7778	0.7911
NZD-USD	0.7200	0.7125	0.7356	0.7417	0.7479
USD-CAD	1.2842	1.2960	1.2961	1.2694	1.2428
USD-CHF	0.9455	0.9525	0.9324	0.9278	0.9231
USD-SGD	1.3259	1.3315	1.3134	1.3071	1.3007
USD-CNY	6.3432	6.3988	6.3532	6.3281	6.3030
USD-THB	31.53	31.70	31.14	30.98	30.81
USD-IDR	13784	13830	13828	13761	13694
USD-MYR	3.9303	3.9530	3.8739	3.8406	3.8072
USD-KRW	1086.38	1095.00	1094.44	1077.78	1061.11
USD-TWD	29.32	29.400	28.967	28.867	28.767
USD-HKD	7.8277	7.8270	7.8278	7.8286	7.8295
USD-PHP	52.028	51.90	52.29	51.81	51.32
USD-INR	65.24	65.50	65.58	64.91	64.24
EUR-JPY	130.16	130.50	129.70	133.44	137.23
EUR-GBP	0.8862	0.8887	0.8767	0.8814	0.8860
EUR-CHF	1.1524	1.1525	1.1422	1.1504	1.1585
EUR-SGD	1.6160	1.6111	1.6089	1.6207	1.6324
GBP-SGD	1.8235	1.8128	1.8351	1.8389	1.8425
AUD-SGD	1.0244	1.0193	1.0040	1.0166	1.0290
NZD-SGD	0.9546	0.9487	0.9661	0.9695	0.9728
CHF-SGD	1.4023	1.3979	1.4085	1.4088	1.4091
JPY-SGD	1.2416	1.2346	1.2405	1.2146	1.1896
SGD-MYR	2.9643	2.9688	2.9495	2.9383	2.9270
SGD-CNY	4.7841	4.8057	4.8373	4.8415	4.8458

FX Trading Views

	Inception	Close	B/S	Currency	Spot	Target	Stop/Trailing Stop	Rationale	P/L (%)*
	TACTICAL								
1	22-Feb-18		B	USD-CAD	1.2696	1.2960	1.2560	Post FOMC minutes, rising implied valuations for the pair	
	STRUCTURAL								
2	19-Jan-18		B	EUR-USD	1.2274	1.2865	1.1975	ECB likely to alter its forward guidance into the spring	
3	31-Jan-18		S	USD-JPY	108.67	102.35	111.85	Market fixation on USD weakness, despite mitigating factors and the BOJ	
4	15-Feb-18		B	GBP-USD	1.4014	1.4855	1.3590	Borad dollar vulerability coupled with hawkish BOE expectations.	
	RECENTLY CLOSED TRADE IDEAS								
	Inception	**Close**	**B/S**	**Currency**	**Spot**		**Close**	**Rationale**	**P/L (%)***
1	27-Nov-17	26-Jan-18	B	GBP-USD	1.3344		1.4135	Investors may imputeBrexit talks in December. Prevailing USD weakness.	+5.56
2	16-Jan-18	02-Feb-18	S	USD-SGD	1.3230		1.3175	Heay dollar, positive risk appetite, SGD NEER not excessively strong	+0.39
3	15-Jan-18	07-Feb-18	B	EUR-USD	1.2199		1.2305	"Hawkish" ECB expectations, positive German poloitical news flow	+0.72
4	12-Feb-18	14-Feb-18	S	AUD-USD	0.7829		0.7915	Unstable equity/risk appetite environment. Less than hawkish RBA	-1.09
5	09-Feb-18	15-Feb-18	B	USD-CAD	1.2600		1.2470	Softer crude and fragile appetite towards the cyclicals	-1.03

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Source: OCBC Bank

Macroeconomic Calendar

Date Time		Event		Survey	Actual	Prior	Revised
03/01/2018 16:50	FR	Markit France Manufacturing PMI	Feb F	56.1	5590.00%	5610.00%	--
03/01/2018 21:30	US	Initial Jobless Claims	45323	225k	210k	222k	220k
03/01/2018 23:00	US	ISM Manufacturing	Feb	5870.00%	6080.00%	5910.00%	--
03/02/2018 07:30	JN	Jobless Rate	Jan	2.80%	2.40%	2.80%	2.70%
03/02/2018 16:30	HK	Retail Sales Value YoY	Jan	5.20%	4.10%	5.80%	--
03/06/2018 11:30	AU	RBA Cash Rate Target	38777	0.015	--	0.015	--
03/07/2018 16:00	TA	CPI YoY	Feb	2.00%	--	0.88%	--
03/07/2018 23:00	CA	Bank of Canada Rate Decision	39142	0.0125	--	0.0125	--
03/08/2018 07:50	JN	BoP Current Account Balance	Jan	¥437.4b	--	¥797.2b	--
03/08/2018 07:50	JN	GDP SA QoQ	4Q F	0.002	--	0.001	--
03/08/2018 20:45	EC	ECB Main Refinancing Rate	39508	0.00%	--	0.00%	--
03/08/2018 21:30	US	Initial Jobless Claims	37681	220k	--	210k	--
03/09/2018 09:30	CH	CPI YoY	Feb	0.025	--	0.015	--
03/09/2018 21:30	US	Change in Nonfarm Payrolls	Feb	205k	--	200k	--
03/13/2018 20:30	US	CPI MoM	Feb	0.10%	--	0.50%	--
03/15/2018 05:45	NZ	GDP SA QoQ	4Q	--	--	0.60%	--
03/15/2018 20:30	US	Initial Jobless Claims	40238	--	--	--	--
03/16/2018 12:30	JN	Industrial Production MoM	Jan F	--	--	-6.60%	--
03/16/2018 18:00	EC	CPI YoY	Feb F	--	--	0.013	0.013
03/20/2018 17:30	UK	CPI YoY	Feb	--	--	3.00%	--
03/20/2018 18:00	GE	ZEW Survey Expectations	Mar	--	--	17.8	--
03/22/2018 02:00	US	FOMC Rate Decision (Upper Bound)	44256	0.0175	--	0.015	--
03/22/2018 04:00	NZ	RBNZ Official Cash Rate	44621	1.75%	--	1.75%	--
03/22/2018 08:30	AU	Employment Change	Feb	--	--	16.0k	--
03/22/2018 08:30	AU	Unemployment Rate	Feb	--	--	5.50%	--
03/22/2018 16:00	FR	Markit France Manufacturing PMI	Mar P	--	--	5590.00%	--
03/22/2018 16:00	PH	BSP Overnight Borrowing Rate	44621	--	--	0.03	--
03/22/2018 17:00	GE	IFO Business Climate	Mar	--	--	115.4	--
03/22/2018 20:00	UK	Bank of England Bank Rate	44621	--	--	0.50%	--
03/22/2018 20:30	US	Initial Jobless Claims	42795	--	--	--	--
03/23/2018 13:00	SI	CPI YoY	Feb	--	--	0.00%	--
03/23/2018 20:30	CA	CPI YoY	Feb	--	--	1.70%	--
03/27/2018 16:00	IT	Manufacturing Confidence	Mar	--	--	11060.00%	--
03/28/2018 15:05	TH	BoT Benchmark Interest Rate	46813	0.015	--	0.015	--
03/28/2018 20:30	US	GDP Annualized QoQ	4Q T	--	--	2.50%	--
03/29/2018 16:30	UK	GDP QoQ	4Q F	--	--	0.004	--
03/29/2018 16:30	UK	GDP YoY	4Q F	--	--	1.40%	--
03/29/2018 20:30	US	Initial Jobless Claims	45352	--	--	--	--
03/30/2018 07:30	JN	Jobless Rate	Feb	--	--	2.40%	--
03/30/2018 07:50	JN	Industrial Production MoM	Feb P	--	--	--	--

Source: Bloomberg

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