

Highlights

Global	Market is likely to focus on comments from Boston Federal Reserve's president, Eric Rosengren, that the market is underpricing the outlook for US interest rates. He said that the US economy is continuing to improve, and thus may imply more increases in interest rates than what is currently priced into the futures market. The voting governor added, however, that he is still looking for a gradual pace of increases. For today, market will be looking out for monetary policy decision by Reserve Bank of India. Tamer inflation and relative fiscal tightening should allow the central bank to ease rate today.
US	Despite the decent manufacturing data released overnight, US equity markets did not find upward momentum after hitting 2016 highs last week. Markets closed down, with S&P 500 -0.32%, Dow -0.31% and Nasdaq -0.46%. VIX rebounded +7.79%. US Treasury yields continued to drift downwards, 2-year US Treasury yield at 0.73% and 10-year at 1.73%.
Singapore	<p>Manufacturing PMI improved from 48.5 in Feb to 49.4 in March, as new orders and new export orders gauges rose, albeit still in the contraction territory for the 9th consecutive month. This is the strongest pick-up from February to March since 2013, albeit the March 2016 reading is still below the 3-year average of 50.3. The improvement was in line with the spring recovery seen in other global and regional manufacturing PMIs, namely US, Eurozone, China and across Asia, especially Taiwan and South Korea, which could be suggestive that manufacturing industry is attempting to base-build. The North American semiconductor book-to-bill ratio retraced slightly from 1.07 in January to 1.05 in February, but remained in expansion territory for the third straight month, which suggests demand is holding up for now. Nevertheless, both S'pore's new orders and new export orders gauges for headline and manufacturing and electronics remain in contraction territory despite the March improvement, suggesting that a full-fledged domestic recovery is still some way off.</p> <p>In all, 1H16 growth picture remains lackluster - GDP growth may expand by 2.2% yoy (+2.5% qoq saar) in 1Q16, dragged down by manufacturing which is tipped to shrink 2.1% yoy. However, the policy responses are likely to remain balanced and calibrated – the FY16 budget had planned for a fiscally prudent stance with a surplus equivalent to 0.8% of GDP and we do not anticipate any changes to the monetary policy settings in mid-April MPS.</p>
Indo-nesia	The deputy head of parliament's finance commission, Soepriyatno, reportedly said that banking law revision may not pass this year. He added that the parliament will focus on revising law on central bank, Financial Services Authority and Deposit Insurance Agency instead.
Commo-dities	Crude oil extended its losses overnight as market-watchers turn increasingly cautious over Saudi Arabia's rhetoric regarding the production freeze on contingent of Iran's participation. WTI and Brent fell 2.96% and 2.53% to touch \$35.7/bbl and \$37.69/bbl respectively. Elsewhere, gold prices remained subdued with the bullion closing \$1,218/oz yesterday.

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Major Market

- **Singapore:** The STI climbed by 0.6% to close at 2835.35, with City Development Ltd (+2.94%), Global Logistic Properties Ltd (+2.58%), and Genting Singapore PLC (+2.45%) leading the STI constituents as yesterday's top gainers. On the other hand, gains were weighed down as offshore marine names Keppel Corp Ltd (-1.38%) and Sembcorp Marine Ltd (-1.23%) saw some retreat as oil prices slipped. Given the lacklustre overnight cues from the US, do expect to see support and resistance tipped at 2800 and 2860 respectively.

Bond Market Updates

- **Market Commentary:** The SGD swap curve was mixed with rates trading in a 2bps range yesterday, mirroring the muted reaction in the treasury market to the jobs report. There was decent activity in the perp space yesterday with mixed interests in HYFSP 5.75%'49s while better buying was seen in GENSSP 5.125%'49s. In the broader dollar space, the spread on JACI IG corporates was level at 231bps, while the yield on the JACI HY corporates fell by 5bps to 7.63%, at the lows of the YTD range. 10y UST decreased by 1bp to 1.76%.
- **New Issues:** Croesus Retail Trust priced a SGD60mn 4-year bond at 5% with private banks from Singapore making up the bulk of the SGD100mn orderbook. The Trust entered into transactions to swap the SGD proceeds into JPY at forward rate of SGD/JPY82.5 at JPY fixed interest rate of 2.65%.
- **Rating Changes:** S&P affirmed the "B" foreign currency long-term corporate credit rating on Vedanta Resources, and removed all ratings from a negative CreditWatch. The rating action comes after Vedanta Resources arranged adequate funding at Vedanta Ltd for up-streaming to the holding company, addressing its refinancing risk. Outlook is stable. Moody's downgraded to "B2" from "B1" the corporate family rating of PT Alam Sutera Realty Tbk and the senior unsecured debt rating of Alam Synergy Pte Ltd. Alam Synergy is a wholly-owned subsidiary of Alam Sutera. The downgrade reflects the weak state of Alam Sutera's operating performance, led by a decline in its marketing sales for 2015, and delays in one-off transactions. The outlook for the ratings has been changed to stable from negative. Fitch cut JSW Steel to "BB" from "BB+" reflecting a rise in leverage and debt-funded investment in capacity expansion.

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	94.510	-0.12%	USD-SGD	1.3520	0.09%
USD-JPY	111.340	-0.31%	EUR-SGD	1.5400	0.10%
EUR-USD	1.1132	0.00%	JPY-SGD	1.2143	0.38%
AUD-USD	0.7605	-0.94%	GBP-SGD	1.9284	0.34%
GBP-USD	1.4264	0.26%	AUD-SGD	1.0283	-0.83%
USD-MYR	3.9005	0.26%	NZD-SGD	0.9241	-0.88%
USD-CNY	6.4818	0.00%	CHF-SGD	1.4100	-0.04%
USD-IDR	13190	0.17%	SGD-MYR	2.8839	-0.06%
USD-VND	22296	0.00%	SGD-CNY	4.7930	-0.16%

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3350	--	O/N	0.3791	--
2M	-0.2790	--	1M	0.4374	--
3M	-0.2450	--	2M	0.5210	--
6M	-0.1310	--	3M	0.6291	--
9M	-0.0680	--	6M	0.9011	--
12M	-0.0020	--	12M	1.2134	--

Eurozone & Russia Update

	2Y Bond Ylds (bpschg)	10Y Bond Ylds (bpschg)	10Y Bund Spread %
Portugal	0.56	-0.90	2.94
Italy	-0.02	0.70	1.24
Ireland	-0.31	0.00	0.72
Greece*	10.67	175.90	8.87
Spain	-0.00	0.40	1.46
Russia^	3.29	-2.70	5.27

* Greece's bond yields data reflect 3-year (instead of 2-year) tenor

^ Russia's bond yields data reflects 3-year and 15-year tenors instead

Equity and Commodity

Index	Value	Net change
DJIA	17,737.00	-55.80
S&P	2,066.13	-6.70
Nasdaq	4,891.80	-22.70
Nikkei 225	16,123.27	-40.90
STI	2,835.35	16.90
KLCI	1,725.24	14.70
JCI	4,850.18	7.00
Baltic Dry	471.00	21.00
VIX	14.12	1.00

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	0.84 (--)	0.74 (+0.01)
5Y	1.45 (-0.02)	1.20 (-0.01)
10Y	1.85 (--)	1.76 (-0.01)
15Y	2.24 (-0.01)	--
20Y	2.34 (-0.01)	--
30Y	2.52 (-0.01)	2.60 (--)

Financial Spread (bps)

	Value	Change
LIBOR-OIS	24.81	0.25
EURIBOR-OIS	9.50	-0.53
TED	43.68	3.15

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	35.70	-2.96%	Coffee (per lb)	1.228	-3.50%
Brent (per barrel)	37.69	-2.53%	Cotton (per lb)	0.5896	-0.41%
Heating Oil (per gallon)	1.089	-3.78%	Sugar (per lb)	0.1464	-3.56%
Gasoline (per gallon)	1.38	-1.76%	Orange Juice (per lb)	1.4370	-2.51%
Natural Gas (per MMBtu)	1.998	2.15%	Cocoa (per mt)	2,871	-0.35%
Base Metals	Futures	% chg	Grains	Futures	% chg
Copper (per mt)	4,760.5	-1.54%	Wheat (per bushel)	4.7475	-0.21%
Nickel (per mt)	8,331	0.54%	memb	9.135	-0.52%
Aluminium (per mt)	1,521.5	-0.18%	Corn (per bushel)	3.5450	0.14%
Precious Metals	Futures	% chg	Asian Commodities	Futures	% chg
Gold (per oz)	1,218.0	-0.34%	Crude Palm Oil (MYR/MT)	2,739.0	0.81%
Silver (per oz)	14.944	-0.68%	Rubber (JPY/KG)	172.8	1.35%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Key Economic Indicators

Date Time	Event	Survey	Actual	Prior	Revised	
04/04/2016 07:50	JN Monetary Base YoY	Mar	--	28.50%	29.00%	--
04/04/2016 09:00	AU Mel Institution Inflation MoM	Mar	--	0.00%	-0.20%	--
04/04/2016 09:30	AU Retail Sales MoM	Feb	0.40%	0.00%	0.30%	--
04/04/2016 09:30	AU ANZ Job Advertisements MoM	Mar	--	0.20%	-1.20%	--
04/04/2016 09:30	AU Building Approvals MoM	Feb	2.50%	3.10%	-7.50%	-6.60%
04/04/2016 09:30	AU Building Approvals YoY	Feb	-9.10%	-9.00%	-15.50%	-14.50%
04/04/2016 13:00	IN Nikkei India PMI Mfg	Mar	--	52.4	51.1	--
04/04/2016 17:00	EC PPI MoM	Feb	-0.50%	-0.70%	-1.00%	-1.10%
04/04/2016 17:00	EC PPI YoY	Feb	-4.00%	-4.20%	-2.90%	-3.00%
04/04/2016 17:00	EC Unemployment Rate	Feb	10.30%	10.30%	10.30%	10.40%
04/04/2016 21:00	SI Purchasing Managers Index	Mar	48.9	49.4	48.5	--
04/04/2016 22:00	US Factory Orders	Feb	-1.70%	-1.70%	1.60%	1.20%
04/04/2016 22:00	US Durable Goods Orders	Feb F	-2.80%	-3.00%	-2.80%	--
04/04/2016 22:00	US Durables Ex Transportation	Feb F	-1.00%	-1.30%	-1.00%	--
04/04/2016 22:00	US Cap Goods Ship Nondef Ex Air	Feb F	--	-1.70%	-1.10%	--
04/05/2016 05:00	SK Foreign Reserves	Mar	--	\$369.84b	\$365.76b	--
04/05/2016 08:00	JN Labor Cash Earnings YoY	Feb	0.20%	--	0.40%	0.00%
04/05/2016 09:00	NZ ANZ Commodity Price	Mar	--	--	0.40%	--
04/05/2016 09:00	PH CPI YoY	Mar	1.10%	--	0.90%	--
04/05/2016 09:30	AU Trade Balance	Feb	-2500m	--	-2937m	--
04/05/2016 10:00	JN Nikkei Japan PMI Services	Mar	--	--	51.2	--
04/05/2016 10:00	JN Nikkei Japan PMI Composite	Mar	--	--	51	--
04/05/2016 12:30	AU RBA Cash Rate Target	Apr-05	2.00%	--	2.00%	--
04/05/2016 13:30	IN RBI Cash Reserve Ratio	Apr-05	4.00%	--	4.00%	--
04/05/2016 13:30	IN RBI Repurchase Rate	Apr-05	6.50%	--	6.75%	--
04/05/2016 13:30	IN RBI Reverse Repo Rate	Apr-05	5.50%	--	5.75%	--
04/05/2016 14:00	GE Factory Orders MoM	Feb	0.30%	--	-0.10%	--
04/05/2016 14:00	GE Factory Orders WDA YoY	Feb	2.20%	--	1.10%	--
04/05/2016 15:50	FR Markit France Services PMI	Mar F	51.2	--	51.2	--
04/05/2016 15:50	FR Markit France Composite PMI	Mar F	51.1	--	51.1	--
04/05/2016 15:55	GE Markit Germany Services PMI	Mar F	55.5	--	55.5	--
04/05/2016 15:55	GE Markit GE Composite PMI	Mar F	54.1	--	54.1	--
04/05/2016 16:00	EC Markit Eurozone Services PMI	Mar F	54	--	54	--
04/05/2016 16:00	EC Markit EZ Composite PMI	Mar F	53.7	--	53.7	--
04/05/2016 16:30	UK Markit/CIPS UK Services PMI	Mar	53.5	--	52.7	--
04/05/2016 16:30	UK Markit UK Composite PMI	Mar	53.4	--	52.8	--
04/05/2016 17:00	EC Retail Sales MoM	Feb	0.00%	--	0.40%	--
04/05/2016 17:00	EC Retail Sales YoY	Feb	1.90%	--	2.00%	--
04/05/2016 20:30	US Trade Balance	Feb	-\$46.2b	--	-\$45.7b	--
04/05/2016 20:30	CA Int'l Merchandise Trade	Feb	-0.90b	--	-0.66b	--
04/05/2016 21:45	US Markit US Services PMI	Mar F	51.2	--	51	--
04/05/2016 21:45	US Markit US Composite PMI	Mar F	--	--	51.1	--
04/05/2016 22:00	US ISM Non-Manf. Composite	Mar	54.2	--	53.4	--
04/05/2016	ID Consumer Confidence Index	Mar	--	--	110	110

Source: Bloomberg

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