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**Highlights**

<b>Global</b>	<p>After a week of very weak market sentiments and market rout, Friday saw a slight improvement in risk appetite amid a 12% rebound in oil prices and stronger-than-expected US retail sales data. US' retail sales rose 0.2% mom (+3.4% yoy which is the fastest in a year) in Jan, similar to the revised print in Dec, lifted by low gas prices and strong auto sales and suggesting that consumption remained healthy despite the doom and gloom in financial markets, especially equities. This should also help smooth market nerves that 1Q15 GDP growth should rebound from the 4Q15 weakness. This contrasted with Japan's 4Q15 GDP growth which disappointed at -1.4% qoq annualised (-0.4% qoq sa), as weak private consumption (-0.8% qoq) offset higher business spending (+1.4% qoq).</p> <p>With the US markets closed for Presidents' Day holiday, Asia will look to China, whose markets re-open after the Golden Week holidays, for cues on how to trade today. Given PBOC governor Zhou's comments that there is no basis for the CNY to fall further, there will be some attention on how the CNY fixing materialises today. On tap today are China's Jan trade and monetary aggregates data, Thai's 4Q15 GDP growth and S'pore's Dec retail sales. Elsewhere, market speculation is building ahead of the G20 meeting next week that there may be some official jawboning, if not mild hopes of some coordinated action on the FX front given recent volatility. Central bank meetings include BOK (likely unchanged at 1.5% on 16/2) and BI (-25bps to 7% on 17-18/2).</p>
<b>US</b>	<p>Retail sales excluding autos rose 0.4% mom, with broad gains across electronics, clothing, general merchandise and miscellaneous retailers, whereas weakness was seen in furniture, department stores and sporting goods. Meanwhile, the University of Michigan sentiments index unexpectedly slid from 92.0 to 90.7 in Feb, as the current conditions gauge fell to its lowest since Nov, albeit the share of households reporting improved financial situation rose to a 6-month high. The expectations gauge also retreated from 82.7 to 81.0, albeit the 1-year and 5-10 year inflation gauges were subdued at 2.5% (unchanged) and 2.4% (down from 2.7% previously) respective. Separately, business inventories rose 0.1% in Dec as expected, up from a revised 0.1% decline in Nov.</p>
<b>EZ</b>	<p>Eurozone's advance 4Q15 GDP growth came in at 0.3% qoq sa (+1.5% yoy), driven by Germany (+0.3%) whereas Italy slowed to 0.1% and Greece tipped back into recession (-0.6%). Meanwhile, Dec industrial production also slumped 1% mom in its biggest drop since Aug 2014. Market players are awaiting the 10 Mar ECB meeting for fresh stimulus, with a further 10bp deposit rate cut already priced in, and updated economic forecasts.</p>
<b>SG</b>	<p>Dec retail sales, out later today, likely fell 3.8% mom sa (+1.4% yoy) following the Nov print of +1.4% mom sa (+4.7% yoy).</p>
<b>Commodities</b>	<p>Some risk-taking after the plummet in oil prices were seen late last week. Crude oil rebounded significantly, likely on short-covering behaviour, after WTI touched its July 2003 low late last week. Elsewhere, base metals also staged a recovery on favourable US labour and mortgage application prints, but more importantly likely in anticipation of strong new Yuan loans and M0 money supply out from China later today.</p>

## Major Market

- **US:** Wall Street recovered on Friday, as bargain hunting emerged in the badly beaten down commodity and banking stocks. The Dow +2.0%, S&P500 +1.95% and Nasdaq +1.66%. VIX -9.74% to 25.40. The UST bond market saw some position unwinding as risk appetite improved, with the 2- and 10-year bond yields higher across the board at 0.71% and 1.75% respectively, in its biggest one-day drop since December. Fed's Dudley said negative rates is "an extraordinarily premature conversation to be having" and "there are a lot of things that we would do long before we would really think about moving to negative interest rates". On the US, he opined that the central bank was "definitely aware of what's going on internationally" and "inflation is probably going to take a little bit longer to get back to our 2 percent objective, everything equal, than maybe what you thought a few months ago", which reinforced market speculation that a rate hike was off the table for March.
- **Singapore:** The STI ended nearly flat at 2539.95 (+0.07%) on Friday, and may continue to stabilise today, given the bounce in Wall Street on Friday and morning rallies in Kospi and Nikkei. The STI's support and resistance are 2500 and 2580 respectively. The SGS bonds are likely to track the UST bonds lower today, but it would be interesting to see if the improved risk sentiments sustain.
- **Indonesia:** Trade numbers for January are due to be published today. Market is expecting exports to continue contracting, but at a milder pace of -15.2%yoy compared to -17.7% the month before. Trade balance is expected to stay in a slight deficit of around USD240mn.
- **Thailand:** GDP growth for 4Q15 and full-year 2015 is slated to be out later this morning, where we expect 4Q15 growth to print 2.1% y/y, bringing full-year growth to a respectable 2.7%.

## Bond Market Updates

- **Market Commentary:** The SGD swap curve bear-steepened last Friday, with the shorter-end rates trading 8bps-10bps higher while the longer-end rates trading 12-15bps higher. In the broader dollar space, JACI IG corporates tightened 5bps to 255bps, while the yield on the JACI HY corporates widened 8bps to 8.43%. 10y UST yield increased by 9bps to 1.75%.
- **Rating Changes:** S&P downgraded Baiduri Bank Berhad long term issuer credit rating to "BBB" from "BBB+", reflecting S&P's belief that the Brunei government's ability to support Baiduri Bank has weakened. This is due to Brunei's high dependence on oil and gas, coupled with lower energy prices, which contributed to the sharp increase in Brunei's fiscal deficit in 2015. Outlook is stable. Fitch upgraded Panasonic Corp to "BBB" from "BBB-", reflecting Fitch's expectations of better credit profile due to improved margins and reduced debt. Panasonic's strength in its core product and low exposure to the volatile consumer electronics businesses, lower gross leverage and net cash position have made it more resilient to deteriorating macro conditions. Outlook is stable.

## Key Financial Indicators

### Foreign Exchange

	Day Close	% Change		Day Close	% Change
<b>DXY</b>	95.940	0.40%	<b>USD-SGD</b>	1.3980	0.60%
<b>USD-JPY</b>	113.250	0.74%	<b>EUR-SGD</b>	1.5735	-0.01%
<b>EUR-USD</b>	1.1256	-0.59%	<b>JPY-SGD</b>	1.2346	-0.14%
<b>AUD-USD</b>	0.7112	0.04%	<b>GBP-SGD</b>	2.0274	0.77%
<b>GBP-USD</b>	1.4503	0.18%	<b>AUD-SGD</b>	0.9940	0.61%
<b>USD-MYR</b>	4.1640	0.45%	<b>NZD-SGD</b>	0.9263	-0.76%
<b>USD-CNY</b>	6.5743	0.00%	<b>CHF-SGD</b>	1.4309	0.14%
<b>USD-IDR</b>	13490	0.20%	<b>SGD-MYR</b>	2.9833	0.05%
<b>USD-VND</b>	22317	0.05%	<b>SGD-CNY</b>	4.7036	-0.53%

### Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
<b>1M</b>	-0.2400	-0.0010	<b>O/N</b>	0.3708	-0.0007
<b>2M</b>	-0.2210	-0.0020	<b>1M</b>	0.4305	0.0035
<b>3M</b>	-0.1830	-0.0040	<b>2M</b>	0.5161	0.0032
<b>6M</b>	-0.1160	-0.0040	<b>3M</b>	0.6182	0.0010
<b>9M</b>	-0.0640	-0.0030	<b>6M</b>	0.8579	-0.0005
<b>12M</b>	-0.0090	-0.0030	<b>12M</b>	1.1156	-0.0014

### Eurozone & Russia Update

	2Y Bond Ylds (bpschg)	10Y Bond Ylds (bpschg)	10Y Bund Spread %
<b>Portugal</b>	1.20	-1.30	3.73
<b>Italy</b>	0.08	-4.50	1.65
<b>Ireland</b>	-0.24	4.30	1.04
<b>Greece*</b>	15.18	-78.00	11.52
<b>Spain</b>	0.05	-1.30	1.74
<b>Russia^</b>	3.72	-5.70	6.02

\* 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
<b>DJIA</b>	15,973.84	313.70
<b>S&amp;P</b>	1,864.78	35.70
<b>Nasdaq</b>	4,337.51	70.70
<b>Nikkei 225</b>	14,952.61	-760.80
<b>STI</b>	2,539.95	1.70
<b>KLCI</b>	1,643.74	-0.20
<b>JCI</b>	4,714.39	-61.50
<b>Baltic Dry</b>	291.00	1.00
<b>VIX</b>	25.40	-2.70

### Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
<b>2Y</b>	1.00 (+0.03)	0.71 (+0.06)
<b>5Y</b>	1.76 (+0.07)	1.21 (+0.08)
<b>10Y</b>	2.07 (+0.1)	1.75 (+0.09)
<b>15Y</b>	2.46 (+0.09)	--
<b>20Y</b>	2.51 (+0.1)	--
<b>30Y</b>	2.61 (+0.09)	2.60 (+0.11)

### Financial Spread (bps)

	Value	Change
<b>LIBOR-OIS</b>	24.52	0.41
<b>EURIBOR-OIS</b>	13.70	-0.70
<b>TED</b>	33.84	0.10

### Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	29.44	12.32%	Coffee (per lb)	1.156	2.26%
Brent (per barrel)	33.36	10.98%	Cotton (per lb)	0.5890	0.82%
Heating Oil (per gallon)	1.069	9.21%	Sugar (per lb)	0.1315	0.61%
Gasoline (per gallon)	1.04	10.78%	Orange Juice (per lb)	1.2980	-0.12%
Natural Gas (per MMBtu)	1.966	-1.40%	Cocoa (per mt)	2,827	2.21%
Base Metals	Futures	% chg	Grains	Futures	% chg
Copper (per mt)	4,500.0	1.24%	Wheat (per bushel)	4.5750	-0.16%
Nickel (per mt)	7,790	3.02%	Soybean (per bushel)	8.728	-0.09%
Aluminium (per mt)	1,498.5	1.11%	Corn (per bushel)	3.5875	-0.42%
Precious Metals	Futures	% chg	Asian Commodities	Futures	% chg
Gold (per oz)	1,239.1	-0.71%	Crude Palm Oil (MYR/MT)	2,548.0	2.33%
Silver (per oz)	15.790	-0.03%	Rubber (JPY/KG)	140.0	-1.55%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

### **CFTC Commodities Futures and Options**

For the week ended: 09 Feb 2016

	<b>Current</b>	<b>Previous</b>	<b>Net Chg</b>		<b>Current</b>	<b>Previous</b>	<b>Net Chg</b>
Gold	125,386	83,865	41,521	Corn	-37,158	13,153	-50,311
Silver	50,081	37,448	12,633	Soybean	-73,254	-28,517	-44,737
Copper	-26,852	-35,470	8,618	Wheat	-96,890	-66,771	-30,119
Natural Gas	-189,075	-196,442	7,367	Cotton	-528	27,296	-27,824
Platinum	28,924	22,230	6,694	Sugar	84,621	104,276	-19,655
Live Cattle	20,237	14,194	6,043	Nymex Crude	253,994	257,397	-3,403
Lean Hogs	37,085	31,344	5,741	Cocoa	21,706	22,876	-1,170
Coffee	-5,773	-9,333	3,560	Heating Oil	6,195	5,370	825
Palladium	5,563	4,058	1,505	RBOB Gasoline	77,482	76,102	1,380

Source: CFTC

### Key Economic Indicators

Date Time	Event	Survey	Actual	Prior	Revised	
02/12/2016 05:45	NZ Food Prices MoM	Jan	--	2.00%	-0.80%	--
02/12/2016 08:30	AU Home Loans MoM	Dec	3.00%	2.60%	1.80%	1.90%
02/12/2016 08:30	AU Owner-Occupier Loan Value MoM	Dec	--	0.90%	2.40%	2.20%
02/12/2016 13:00	IN Local Car Sales	Jan	--	168303	172671	--
02/12/2016 15:00	GE CPI MoM	Jan F	-0.80%	-0.80%	-0.80%	--
02/12/2016 15:00	GE CPI YoY	Jan F	0.50%	0.50%	0.50%	--
02/12/2016 15:00	GE GDP SA QoQ	4Q P	0.30%	0.30%	0.30%	--
02/12/2016 15:00	GE GDP WDA YoY	4Q P	1.40%	1.30%	1.70%	--
02/12/2016 15:00	GE GDP NSA YoY	4Q P	1.70%	2.10%	1.80%	1.70%
02/12/2016 15:30	TH Foreign Reserves	Feb-05	--	\$163.8b	\$160.1b	--
02/12/2016 15:45	FR Non-Farm Payrolls QoQ	4Q P	0.00%	0.20%	0.00%	--
02/12/2016 17:00	IT GDP WDA QoQ	4Q P	0.30%	0.10%	0.20%	--
02/12/2016 17:00	IT GDP WDA YoY	4Q P	1.20%	1.00%	0.80%	--
02/12/2016 18:00	EC Industrial Production SA MoM	Dec	0.30%	-1.00%	-0.70%	-0.50%
02/12/2016 18:00	EC Industrial Production WDA YoY	Dec	0.70%	-1.30%	1.10%	1.40%
02/12/2016 18:00	EC GDP SA QoQ	4Q A	0.30%	0.30%	0.30%	--
02/12/2016 18:00	EC GDP SA YoY	4Q A	1.50%	1.50%	1.60%	--
02/12/2016 20:00	IN Industrial Production YoY	Dec	-0.20%	-1.30%	-3.20%	-3.40%
02/12/2016 20:00	IN CPI YoY	Jan	5.40%	5.69%	5.61%	--
02/12/2016 21:30	US Import Price Index MoM	Jan	-1.50%	-1.10%	-1.20%	-1.10%
02/12/2016 21:30	US Retail Sales Advance MoM	Jan	0.10%	0.20%	-0.10%	0.20%
02/12/2016 21:30	US Retail Sales Ex Auto MoM	Jan	0.00%	0.10%	-0.10%	0.10%
02/12/2016 21:30	US Retail Sales Ex Auto and Gas	Jan	0.30%	0.40%	0.00%	0.10%
02/12/2016 23:00	US U. of Mich. Sentiment	Feb P	92.3	90.7	92	--
02/15/2016 07:50	JN GDP SA QoQ	4Q P	-0.20%	--	0.30%	--
02/15/2016 07:50	JN GDP Annualized SA QoQ	4Q P	-0.80%	--	1.00%	--
02/15/2016 07:50	JN GDP Nominal SA QoQ	4Q P	-0.10%	--	0.40%	--
02/15/2016 07:50	JN GDP Deflator YoY	4Q P	1.60%	--	1.80%	--
02/15/2016 08:01	UK Rightmove House Prices MoM	Feb	--	--	0.50%	--
02/15/2016 08:01	UK Rightmove House Prices YoY	Feb	--	--	6.50%	--
02/15/2016 08:30	AU New Motor Vehicle Sales MoM	Jan	--	--	-0.50%	--
02/15/2016 08:30	AU New Motor Vehicle Sales YoY	Jan	--	--	2.20%	--
02/15/2016 10:30	TH GDP SA QoQ	4Q	0.70%	--	1.00%	--
02/15/2016 10:30	TH GDP YoY	4Q	2.60%	--	2.90%	--
02/15/2016 12:30	JN Industrial Production MoM	Dec F	--	--	-1.40%	--
02/15/2016 12:30	JN Industrial Production YoY	Dec F	--	--	-1.60%	--
02/15/2016 12:30	JN Capacity Utilization MoM	Dec	--	--	-0.10%	--
02/15/2016 12:30	JN Tertiary Industry Index MoM	Dec	-0.10%	--	-0.80%	--
02/15/2016 13:00	SI Retail Sales SA MoM	Dec	-2.40%	--	1.40%	--
02/15/2016 13:00	SI Retail Sales YoY	Dec	3.50%	--	4.70%	--
02/15/2016 14:30	IN Wholesale Prices YoY	Jan	-0.13%	--	-0.73%	--
02/15/2016	CH Trade Balance	Jan	\$60.60b	--	\$60.09b	--
02/15/2016	CH Exports YoY	Jan	-1.80%	--	-1.40%	--
02/15/2016	CH Imports YoY	Jan	-3.60%	--	-7.60%	--
02/15/2016	ID Trade Balance	Jan	-\$241m	--	-\$236m	--
02/15/2016	ID Exports YoY	Jan	-15.20%	--	-17.66%	--
02/15/2016	PH Overseas Remittances YoY	Dec	-0.30%	--	3.20%	--
02/15/2016	PH Overseas Workers Remittances	Dec	--	--	\$2190m	--
02/12/2016 02/15	VN Domestic Vehicle Sales YoY	Jan	--	--	44.90%	--
02/12/2016 02/15	CH New Yuan Loans CNY	Jan	1900.0b	--	597.8b	--
02/12/2016 02/15	CH Money Supply M2 YoY	Jan	13.50%	--	13.30%	--
02/12/2016 02/15	IN Imports YoY	Jan	--	--	-3.90%	--
02/12/2016 02/15	IN Exports YoY	Jan	--	--	-14.70%	--

Source: Bloomberg

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