

Highlights

Global	<p>Global risk appetite may take a breather ahead of China's data dump today which includes 1Q16 GDP growth, industrial production and yuan loans. Wall Street was essentially on hold, even as Treasury yields initially higher, but a 30-year UST bond auction was well-taken post US' CPI data which reflected subdued inflationary pressures. US' CPI rose less than expected by 0.1% mom (+0.9% yoy) in Mar, versus -0.2% mom (+1.0% yoy) in Feb, notwithstanding higher energy costs (+0.9%) which was offset by food costs (-0.2%). Meanwhile core CPI also slowed to a tepid 0.1% (smallest increase since Aug), held back by cheaper apparel (-1.1%), airlines fares, used cars and trucks and communications, which puts little impetus for the FOMC to hike in April. Apart from Chinese economic data cues due today, expect market players to be also watchful for US' University of Michigan sentiments, Empire manufacturing, industrial production and capacity utilisation, and S'pore retail sales. Indian and Thai markets are closed today. This weekend, there will be the IMF-World Bank spring meetings and Doha talks on Sunday.</p>
US	<p>Initial jobless claims fell 13k to 253k, back to the level reached in early March, also the lowest since Dec 1973. Fed's Bullard (hawkish voter) opined the "key reason for normalising policy" that is the Fed's inflation and employment goals "have essentially been met", whereas Lockhart (non-voter) said "based on what I have seen, I am not going to be advocating a move in April" and consumer spending and business investment "seem to be softening and yes that gives me pause". He also noted that "there are enough meetings remaining this year that if the data were to suggest it's the appropriate policy to have three moves" and "two moves, three moves, both are possible at this stage" as "it's going to depend on how the economy evolves".</p>
UK	<p>BOE kept its policy settings steady yesterday and the MPC flagged that "there had been some signs that increased uncertainty might be beginning to weigh on demand", with "business surveys had reported a softening in investment, consistent with expenditure decisions being deferred pending the outcome of the referendum" and "the demand for finance from some large companies had dipped somewhat, partly reflecting EU referendum uncertainty". BOE officials also warned that Brexit could imply an "extended period of uncertainty" with "significant implications" for asset prices and GBP, with increased uncertainty about the supply side of the economy "reflecting any alterations to product or labour market regulation".</p>
SG	<p>Look out for February's retail sales print, anticipated at 7.4% yoy (+13.6% momsa), on the back of possibly higher by motor sales and Chinese New Year buying.</p>
China	<p>PBoC removed the limit for investments by offshore central banks and similar institutions in the onshore interbank bond market and interbank foreign exchange market. This is a step forward in opening up the onshore market. Signs of recovery in the world's second largest economy may also help lure capital inflows in the near term. Elsewhere, the recent stream of rosy data prints signal that GDP growth in 1Q may be slightly better than expected.</p>

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Major Market

- **US:** Wall Street traded sideways on Thursday, taking a breather after two consecutive days of strong gains. Investors appeared to prefer staying in the sidelines as they await more broad-based earnings improvement. Upside surprises from earnings releases are largely contained in the financial sector. S&P 500 +0.02% and Dow +0.10% edged up, while Nasdaq -0.03% closed lower. US Treasury bonds continued to slip. The yield on 2-year and 10-year notes rose to 0.76% and 1.79% respectively. VIX -0.87% also ended a shade lower.
- **Singapore:** The STI gained 0.81% to end at 2913.93 (high since Nov15) yesterday as market players digested the MAS move to shift its monetary policy stance to neutral. However it may sideline awaiting the Chinese economic data cues later this morning, amid non-committal signals from Wall Street overnight. The STI could see support and resistance at 2880 and 2920. Meanwhile, SGS bond yields surged 6-11bps yesterday after MAS' monetary shift, with the yield curve flattening as the sell-off was led by the front end, but things could settle a little assuming that the Chinese data doesn't surprise too much. The 3-month SOR jumped some 24bps to 1.04%, whereas the 3-month SIBOR was stable at 1% handle.
- **Indonesia:** Look out for external trade data today, where exports and imports growth should remain in contraction territory in March. Elsewhere, domestic auto sales rose to 93,990 units in March, up from 88,225 units in February.
- **Thailand:** The former People's Democratic Reform Committee (PDRC) had commented that it supports the proposed new constitution which was released last week. Note that other political parties including Pheu Thai Party and the Democrat Party had opposed the constitution.
- **FX Insights:** With the broad dollar regaining broad based traction on the back of a reactionary bounce after its recent losses, our 11 Apr 16 idea to be tactically short USD-JPY (spot ref: 107.72) was stopped out at 109.50 on Thursday for an implied -1.63% loss.
- Elsewhere, despite the broad dollar's attempt to recoup its most recent losses, we re-initiate a tactical short USD-CAD with crude attempting to base build off the 40.00 floor. From a spot ref of 1.2832 on Thursday, we target 1.2425 and place a stop at 1.3040.
- In the wake of the surprise easing move by the MAS on Thursday, we exit our prior 04 Mar 16 idea to be tactically short USD-SGD (spot ref:1.3881) at 1.3634, yielding a +1.81% gain.
- **Commodities:** The commodity complex fell across the board as some strength in the greenback was seen. Still, crude oil prices remained rather flattish as little rhetoric was made over production cues, nor were any made over what could have been discussed in the upcoming Doha Talks. Gold lost another 1.75% to \$1,225/oz.

Bond Market Updates

- **Market Commentary:** The SGD swap curve bear-flattened yesterday, with the short-end rates trading 11bps-14bps higher, while belly-to-long-end rates traded 6bps-8bps higher. In the broader dollar space, the spread on the JACI IG corporates tightened 1 bps to 229bps while the yield on the JACI HY corporates decreased by 5bps to 7.46%. 10y UST yield increased by 3bp to 1.79%.
- **New Issues:** Kia Motors priced a two-part deal, with the USD400mn 5-year tranche priced at CT5+145bps and the USD300mn 10-year tranche priced at CT10+152.5bps. The initial guidance for the tranches are CT5+170bps and CT10+185bps respectively. The expected rating for the issue is "A-/Baa1/NR". Frasers Centrepoint Ltd priced a SGD250mn 10-year bond at 4.25%, tightening from an initial guidance of 4.30%. There is no expected rating for the issue. Hungary priced a CNH1bn 3-

year bond at 6.25%, tightening from an initial guidance of 6.5%. The expected rating for the issue is "BB+/Ba1/BB+". BOC Aviation has scheduled for investor meetings for a possible USD bond issue starting today in Singapore and Hong Kong. Hong Kong Electric Co. has mandated four banks for a potential USD bond with investor meetings scheduled over April 18-20.

- **Rating Changes:** Moody's has revised the rating outlook on five Korean banks to negative from stable. They are Daegu Bank Ltd, KEB Hana Bank, Kyongnam Bank, Shinhan Bank and Busan Bank. On the same note, Moody's changed Jeonbuk Bank's rating outlook to stable from positive. The rating action reflects Moody's expectation that a more challenging operating environment for banks in Korea in 2016 will pressure banks' asset quality and profitability. On the other hand, Moody's downgraded Woori Bank to "A2" from "A1". Woori Bank's baseline credit assessment ("BCA") was lowered to "baa3" from "baa2". This is due to deteriorating financial metrics, with CET1 ratio declining. Outlook is negative. Moody's has also affirmed the credit ratings of Citibank Korea Inc; Industrial Bank of Korea (IBK); Jeju Bank; Korea Development Bank (KDB); KDB Asia Ltd.; Kookmin Bank; Korea Securities Finance Corporation (KSFC); NongHyup Bank; and Suhyup Bank. The rating outlooks for these banks remain stable. Moody's downgraded Binhai Investment Co Ltd ("BICL") corporate family rating to "Ba1" from "(P)Baa3", reflecting the fact that BICL's ratings no longer incorporate one-notch of uplift based on likely support from its parent and largest gas customer, Tianjin TEDA Investment Holdings. Outlook is negative. Fitch initiated a rating on Shaoxing City Investment Group Ltd at "BBB+".

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	94.902	0.17%	USD-SGD	1.3634	0.94%
USD-JPY	109.400	0.05%	EUR-SGD	1.5364	0.89%
EUR-USD	1.1132	0.00%	JPY-SGD	1.2463	0.88%
AUD-USD	0.7695	0.55%	GBP-SGD	1.9299	0.59%
GBP-USD	1.4155	-0.34%	AUD-SGD	1.0492	1.52%
USD-MYR	3.8898	0.45%	NZD-SGD	0.9336	-0.12%
USD-CNY	6.4826	0.06%	CHF-SGD	1.4101	0.94%
USD-IDR	13180	0.17%	SGD-MYR	2.8526	-0.67%
USD-VND	22320	0.04%	SGD-CNY	4.7513	-0.87%

Equity and Commodity

Index	Value	Net change
DJIA	17,926.43	18.20
S&P	2,082.78	0.40
Nasdaq	4,945.89	-1.50
Nikkei 225	16,911.05	529.80
STI	2,913.93	23.50
KLCI	1,723.78	0.70
JCI	4,814.85	-38.20
Baltic Dry	597.00	30.00
VIX	13.72	-0.10

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3420	--	O/N	0.3802	--
2M	-0.2880	--	1M	0.4328	--
3M	-0.2490	--	2M	0.5199	--
6M	-0.1380	--	3M	0.6284	--
9M	-0.0740	--	6M	0.8992	--
12M	-0.0130	--	12M	1.2176	--

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.04 (+0.11)	0.77 (+0.02)
5Y	1.67 (+0.12)	1.25 (+0.04)
10Y	2.01 (+0.09)	1.79 (+0.03)
15Y	2.37 (+0.08)	--
20Y	2.44 (+0.07)	--
30Y	2.61 (+0.06)	2.60 (+0.02)

Eurozone & Russia Update

	2Y Bond Ylds (bpschg)	10Y Bond Ylds (bpschg)	10Y Bund Spread %
Portugal	0.78	-2.60	3.25
Italy	0.00	1.10	1.36
Ireland	-0.31	0.20	0.86
Greece*	12.42	11.10	9.34
Spain	-0.01	0.70	1.51
Russia^	3.12	0.30	4.95

Financial Spread (bps)

	Value	Change
LIBOR-OIS	24.74	-0.42
EURIBOR-OIS	9.80	--
TED	41.42	0.96

* 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

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	41.50	-0.62%	Coffee (per lb)	1.232	1.15%
Brent (per barrel)	43.84	-0.77%	Cotton (per lb)	0.6064	-1.61%
Heating Oil (per gallon)	1.254	-0.89%	Sugar (per lb)	0.1413	0.86%
Gasoline (per gallon)	1.51	-1.56%	Orange Juice (per lb)	1.4070	-0.18%
Natural Gas (per MMBtu)	1.97	-3.24%	Cocoa (per mt)	2,953	1.20%
Base Metals	Futures	% chg	Grains	Futures	% chg
Copper (per mt)	4,831.0	0.02%	Wheat (per bushel)	4.5975	-0.38%
Nickel (per mt)	8,960	0.09%	Soybean (per bushel)	9.480	-0.81%
Aluminium (per mt)	1,548.3	-0.05%	Corn (per bushel)	3.7400	0.13%
Precious Metals	Futures	% chg	Asian Commodities	Futures	% chg
Gold (per oz)	1,225.0	-1.75%	Crude Palm Oil (MYR/MT)	2,626.0	-0.08%
Silver (per oz)	16.173	-0.93%	Rubber (JPY/KG)	185.5	-0.54%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

FX Trade Ideas

	Inception	B/S	Currency	Spot	Target	Stop/Trailing stop	Rationale	
1	30-Mar-16	B	EUR-USD	1.1297	1.1630	1.1130	Dollar negativity post-Yellen	
2	14-Apr-16	S	USD-CAD	1.2832	1.2425	1.3040	Bottoming crude prices	
STRUCTURAL								
3	03-Feb-16	S	GBP-USD	1.4401	1.3700	1.4755	Policy dichotomy, Brexit concerns, and space for further NEER depreciation	
4	18-Feb-16	B	EUR-USD	1.1137	1.1825	1.0790	Growing suspicion that the Fed will hesitate	
5	01-Mar-16	S	USD-JPY	112.91	105.00	116.90	Inconsequential G20, dented FOMC prospects, risk aversion, global growth worries	
6	07-Mar-16	B	AUD-USD	0.7412	0.7955	0.7135	Potential risk appetite, abating global growth concerns, static Fed expectations	
7	12-Apr-16	S	USD-CAD	1.2895	1.2045	1.3325	Stabilizing crude, soft USD, sanguine BOC	
8	12-Apr-16	B	NZD-USD	0.6885	0.7450	0.6600	Recovery in cyclical, search for yield	
RECENTLY CLOSED								
	Inception	Close	B/S	Currency	Spot	Close	Rationale	P/L (%)
1	14-Mar-16	15-Mar-16	B	GBP-USD	1.4380	1.4180	Abating Brexit concerns, potential for Yellen to underwhelm	-1.41
2	18-Mar-16	24-Mar-16	B	EUR-USD	1.1321	1.1150	Tilt in policy balance after ECB and FOMC	-1.53
3	18-Feb-16	31-Mar-16	S	USD-SGD	1.4034	1.4335	USD vulnerability, stabilization in RMB, equities/commodities	+4.54
4	03-Mar-16	08-Apr-16	B	AUD-USD	0.7284	0.7410	Stabilizing commodities/equities, coupled with recent upside aussie	+3.19
5	29-Feb-16	07-Apr-16	S	USD-CAD	1.3533	1.3139	Bottoming crude	+2.98
6	11-Apr-16	14-Apr-16	S	USD-JPY	107.72	109.50	JPY still not drastically overvalued, endemic USD weakness	-1.63
7	04-Mar-16	14-Apr-16	S	USD-SGD	1.3881	1.3634	Brightening risk appetite, vulnerable broad dollar	+1.81

Key Economic Indicators

Date Time	Event	Survey	Actual	Prior	Revised	
04/14/2016 06:30	NZ BusinessNZ Mftg PMI	Mar	--	54.7	56	55.9
04/14/2016 07:01	UK RICS House Price Balance	Mar	50%	42%	50%	--
04/14/2016 07:50	JN Foreign Buying Japan Stocks	Apr-08	--	¥146.5b	¥415.2b	--
04/14/2016 08:00	SI GDP YoY	1Q A	1.70%	1.80%	1.80%	--
04/14/2016 08:00	SI GDP SAAR QoQ	1Q A	0.00%	0.00%	6.20%	--
04/14/2016 09:30	AU Employment Change	Mar	17.0k	26.1k	0.3k	-0.7k
04/14/2016 09:30	AU Unemployment Rate	Mar	5.90%	5.70%	5.80%	--
04/14/2016 09:30	AU Participation Rate	Mar	65.00%	64.90%	64.90%	--
04/14/2016 11:00	NZ Non Resident Bond Holdings	Mar	--	67.40%	68.30%	--
04/14/2016 16:00	IT CPI EU Harmonized YoY	Mar F	-0.30%	-0.20%	-0.30%	-0.20%
04/14/2016 17:00	EC CPI MoM	Mar	1.20%	1.20%	0.20%	--
04/14/2016 17:00	EC CPI YoY	Mar F	-0.10%	0.00%	-0.10%	-0.20%
04/14/2016 17:00	EC CPI Core YoY	Mar F	1.00%	1.00%	1.00%	--
04/14/2016 17:26	ID Local Auto Sales	Mar	--	93990	88250	88225
04/14/2016 19:00	UK Bank of England Bank Rate	Apr-14	0.50%	0.50%	0.50%	--
04/14/2016 19:00	UK BOE Asset Purchase Target	Apr	375b	375b	375b	--
04/14/2016 20:30	US Initial Jobless Claims	Apr-09	270k	253k	267k	266k
04/14/2016 20:30	US Continuing Claims	Apr-02	2183k	2171k	2191k	2189k
04/14/2016 20:30	US CPI MoM	Mar	0.20%	0.10%	-0.20%	--
04/14/2016 20:30	US CPI Ex Food and Energy MoM	Mar	0.20%	0.10%	0.30%	--
04/14/2016 20:30	US CPI YoY	Mar	1.00%	0.90%	1.00%	--
04/14/2016 20:30	US CPI Ex Food and Energy YoY	Mar	2.30%	2.20%	2.30%	--
04/15/2016 07:00	SK Unemployment rate SA	Mar	3.90%	3.80%	4.10%	--
04/15/2016 10:00	CH Industrial Production YoY	Mar	5.90%	--	5.90%	--
04/15/2016 10:00	CH Industrial Production YTD YoY	Mar	5.50%	--	5.40%	--
04/15/2016 10:00	CH Retail Sales YoY	Mar	10.40%	--	--	--
04/15/2016 10:00	CH Retail Sales YTD YoY	Mar	10.20%	--	10.20%	--
04/15/2016 10:00	CH Fixed Assets Ex Rural YTD YoY	Mar	10.40%	--	10.20%	--
04/15/2016 10:00	CH GDP YTD YoY	1Q	6.70%	--	6.90%	--
04/15/2016 10:00	CH GDP YoY	1Q	6.70%	--	6.80%	--
04/15/2016 12:30	JN Industrial Production MoM	Feb F	--	--	-6.20%	--
04/15/2016 12:30	JN Industrial Production YoY	Feb F	--	--	-1.50%	--
04/15/2016 12:30	JN Capacity Utilization MoM	Feb	--	--	2.60%	--
04/15/2016 13:00	SI Retail Sales SA MoM	Feb	0.20%	--	-1.20%	--
04/15/2016 13:00	SI Retail Sales YoY	Feb	3.40%	--	7.50%	--
04/15/2016 14:00	EC EU27 New Car Registrations	Mar	--	--	14.30%	--
04/15/2016 16:00	IT Trade Balance Total	Feb	--	--	35m	--
04/15/2016 20:30	CA Manufacturing Sales MoM	Feb	-1.50%	--	2.30%	--
04/15/2016 20:30	US Empire Manufacturing	Apr	2	--	0.62	--
04/15/2016 21:15	US Industrial Production MoM	Mar	-0.10%	--	-0.50%	--
04/15/2016 21:15	US Capacity Utilization	Mar	75.30%	--	76.70%	75.40%
04/15/2016 22:00	US U. of Mich. Sentiment	Apr P	92	--	91	--
04/15/2016	ID Trade Balance	Mar	\$500m	--	\$1136m	--
04/15/2016	ID Exports YoY	Mar	-14.00%	--	-7.18%	--
04/15/2016	PH Overseas Remittances YoY	Feb	4.00%	--	3.40%	--
04/14/2016 04/15	CH New Yuan Loans CNY	Mar	1100.0b	--	726.6b	--
04/14/2016 04/15	CH Money Supply M1 YoY	Mar	18.40%	--	17.40%	--
04/14/2016 04/15	CH Money Supply M2 YoY	Mar	13.50%	--	13.30%	--

Source: Bloomberg

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