

Highlights

Global	<p>Asian markets may start this week with a slight risk-off mood given the unsuccessful Doha meeting over oil production, disappointing US' economic data, G20 warnings about global growth remaining "modest and uneven and downside risks and uncertainties to the global outlook persist against the backdrop of continued financial volatility, challenges faced by commodity exporters and low inflation", complicated by "geopolitical conflicts, terrorism, refugee flows, and the shock of a potential UK exit from the European Union". The G20 also reaffirmed its "previous exchange rate commitments, including that we will refrain from competitive devaluations and we will not target our exchange rates for competitive purposes". Fed's Evans also suggested that "the fundamentals of the economy are still pretty good and consistent with a gradual normalization...maybe it is June...maybe it is a little later". He also opined a bounce back from the weak first quarter but a need to assess the effects of a stronger dollar.</p> <p>Today's economic data calendar is rather light with only US' NAHB housing market index, Indian wholesale prices, and Thai foreign reserves data. Only Fed's Dudley is speaking today. Central bank meetings this week include BOK tomorrow (expected to be static at 1.5% albeit a dovish stance is anticipated), ECB on Thurs (likely to be a non-event given Mar easing), BI (likely on hold after recently shifting from the existing BI 12-month policy rate with the 7-day reverse repo rate from 19 Aug). Both the RBA minutes and ECB bank lending survey are also due tomorrow.</p>
US	<p>US' University of Michigan sentiments softened from 91.0 in Mar to 89.7 in Apr (low since Sep), with the expectations gauge taking a hit from 81.5 to 79.6 amid concern about the impact of elections on economic policy as well as wages, whereas the current conditions gauge was less affected at 105.4 (previously 105.6). Notably, the 5-10year inflation expectations fell from 2.7% to 2.5%, matching lowest in records to 1979. Meanwhile, industrial production fell for the second month by 0.6%, affected by soft global demand which pushed capacity utilisation down to 75.1% (lowest since Apr14).</p>
Singapore	<p>Retail sales unexpectedly declined 3.2% yoy in Feb (weakest since Jan15), below Bloomberg market consensus forecast of +3.4% yoy, albeit it rebounded 1.7% mom sa from a revised 1.1% mom dip in Jan. Excluding autos, retail sales slumped 9.6% yoy (worst since Feb14). Auto sales surged 51.3% yoy (+15.0% mom) in Feb. Retail sales growth averaged +2.2% for Jan-Feb 2016, softer than the +4.6% seen for the same period last year. Key drags were department stores, mini-marts & convenience stores, and supermarkets, as well as discretionary consumption for furniture & household equipment, recreational goods, watches & jewellery and optical goods. Another poor March retail sales showing could endanger the services growth more than initially estimated and potentially tip the 1Q flash growth estimates into a qoq contraction subsequently.</p> <p>NODX slumped more than expected by 15.6% yoy (+0.2% mom sa) in Mar, the worst showing since Mar13, as electronics exports fell 9.1% yoy and non-electronics also dived 18.0% yoy (with pharmaceuticals -30.9% yoy), and suggesting no light at the end of the tunnel for sluggish external demand conditions. Only 2 of the top 10 NODX markets, namely Japan and HK saw positive growth whereas the other 7 registered double-digit yoy contractions.</p>

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Major Market

- **US:** Weighed down by energy producers and technology companies, major US equity markets closed lower on Friday, with S&P 500 -0.10%, Dow -0.16% and Nasdaq -0.16%. Friday's slip trimmed gains from a good week for Wall Street. S&P 500 rose 1.6% for week, led mainly by financials. Unexpectedly weak US industrial output data contributed to falling US Treasury yields. Investors viewed the weakness as further evidence that it would be difficult for the Federal Reserve to hike rates. 2-year and 10-year US Treasury bond yield fell to 0.73% and 1.75% respectively. Elsewhere, VIX -0.73% closed a shade lower.
- **China:** Finance Minister Lou Jiwei considered the recent outlook downgrade by rating agencies as biased as he said market performance of most of China's sovereign debt was higher than the assessment of rating agencies. The Chinese economy decelerated to 6.7% yoy in 1Q, however, the economy has entered a stabilization zone. For details, please refer to our Week in Review report.
- **Singapore:** The STI ended last week on a positive note with 0.34% gain to close at 2923.94, but the test of the pudding is to stay above the 2900 support this week amid the disappointing NODX data and the upcoming swathe of US earnings results. The STI could see support and resistance at 2900 and 2940. Meanwhile, SGS bonds could trade a little firmer today given weak data cues.
- **Indonesia:** Bank Indonesia formally announced a change to its monetary policy framework on Friday. With a transition period of around four months, a new policy rate in the form of 7-day Reverse Repo Rate will become the effective target on August 19th. The move is to help strengthen the effectiveness of monetary policy transmission by impacting short term money market and bank rates more directly.
- **Malaysia:** Governor Zeti Aziz of Bank Negara said that the central bank has "a high degree of confidence" with regard to its 2016 growth target of 4.0-4.5%, adding that the economy is affected less by oil price than before. For good measure, the outgoing governor who is due to retire at the end of this month said that until there is more clarity to the growth and inflation outlook, the current monetary policy stance remains accommodative and supportive.

Bond Market Updates

- **Market Commentary:** The SGD swap curve bull-steepened last Friday retracing some of the increases in the previous session in the wake of the surprise easing by the MAS. Short-end rates traded 4bps-5bps lower, while belly-to-long-end rates traded 2bps-3bps lower. Flows in the SGD corporate space were moderate, with good activity around the ARTSP perps post results release. We saw better buyers in OLAMSP 6%'22s, better sellers in ARTSP 4.68%'49s and mixed interests in FCL4.88%'49s, GENSSP 5.125%'49s, STANLN 4.4%'26s, ABNANV 4.75%'26s and ARTSP 5%'49s. In the broader dollar space, the spread on the JACI IG corporates tightened 1 bps to 228bps while the yield on the JACI HY corporates decreased by 2bps to 7.44%. 10y UST yield decreased by 4bps to 1.75%.
- **New Issues:** Maybank is holding investor meetings in Singapore and Hong Kong starting today for a possible USD tier 2 bond.
- **Rating Changes:** Moody's affirmed the "Baa3" issuer rating of China National Gold Group Corporation ("CNG"), concluding the review for downgrade initiated on 22 January 2016. The rating action reflects Moody's expectation that CNG will maintain a relatively stable operating and financial profile under Moody's assumption of gold price and the company's plan to scale back on capex in the next one to two years. Outlook is negative.

Key Financial Indicators

Foreign Exchange						Equity and Commodity		
	Day Close	% Change		Day Close	% Change	Index	Value	Net change
DXY	94.696	-0.22%	USD-SGD	1.3575	-0.43%	DJIA	17,897.46	-29.00
USD-JPY	108.760	-0.59%	EUR-SGD	1.5318	-0.30%	S&P	2,080.73	-2.10
EUR-USD	1.1132	0.00%	JPY-SGD	1.2478	0.12%	Nasdaq	4,938.22	-7.70
AUD-USD	0.7725	0.39%	GBP-SGD	1.9275	-0.12%	Nikkei 225	16,848.03	-63.00
GBP-USD	1.4202	0.33%	AUD-SGD	1.0484	-0.08%	STI	2,923.94	10.00
USD-MYR	3.9030	0.34%	NZD-SGD	0.9394	0.62%	KLCI	1,727.99	4.20
USD-CNY	6.4755	-0.11%	CHF-SGD	1.4030	-0.50%	JCI	4,823.57	8.70
USD-IDR	13178	-0.02%	SGD-MYR	2.8714	0.66%	Baltic Dry	635.00	38.00
USD-VND	22305	-0.07%	SGD-CNY	4.7698	0.39%	VIX	13.62	-0.10

Interbank Offer Rates (%)						Government Bond Yields (%)		
Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change	Tenor	SGS (chg)	UST (chg)
1M	-0.3420	--	O/N	0.3807	0.0010	2Y	1.02 (-0.02)	0.73 (-0.03)
2M	-0.2870	--	1M	0.4363	--	5Y	1.64 (-0.03)	1.21 (-0.04)
3M	-0.2490	0.0020	2M	0.5238	0.0010	10Y	1.99 (-0.03)	1.75 (-0.04)
6M	-0.1400	-0.0020	3M	0.6331	0.0002	15Y	2.34 (-0.02)	--
9M	-0.0730	--	6M	0.9019	-0.0005	20Y	2.41 (-0.02)	--
12M	-0.0110	--	12M	1.2213	0.0004	30Y	2.59 (-0.03)	2.56 (-0.04)

Eurozone & Russia Update						Financial Spread (bps)		
	2Y Bond Ylds (bpschg)		10Y Bond Ylds (bpschg)		10Y Bund Spread %		Value	Change
Portugal	0.70	-7.80	3.17	-7.90	3.04	LIBOR-OIS	25.31	0.50
Italy	-0.01	-1.00	1.33	-2.10	1.21	EURIBOR-OIS	10.08	0.48
Ireland	-0.34	-2.30	0.82	-4.20	0.69	TED	41.44	0.02
Greece*	11.64	-77.70	8.97	-37.40	8.84			
Spain	-0.01	-0.70	1.50	-0.80	1.37			
Russia^	3.14	2.40	4.94	-1.50	4.81			

Commodities Futures					
Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	40.36	-2.75%	Coffee (per lb)	1.230	-0.16%
Brent (per barrel)	43.10	-1.69%	Cotton (per lb)	0.6003	-1.01%
Heating Oil (per gallon)	1.232	-1.76%	Sugar (per lb)	0.1504	6.44%
Gasoline (per gallon)	1.46	-2.95%	Orange Juice (per lb)	1.3725	-2.45%
Natural Gas (per MMBtu)	1.902	-3.45%	Cocoa (per mt)	2,941	-0.41%

Base Metals	Futures	% chg	Grains	Futures	% chg
Copper (per mt)	4,807.5	-0.49%	Wheat (per bushel)	4.5975	--
Nickel (per mt)	8,881	-0.88%	Soybean (per bushel)	9.560	0.84%
Aluminium (per mt)	1,545.0	-0.21%	Corn (per bushel)	3.7850	1.20%

Precious Metals	Futures	% chg	Asian Commodities	Futures	% chg
Gold (per oz)	1,233.1	0.66%	Crude Palm Oil (MYR/MT)	2,638.0	0.46%
Silver (per oz)	16.313	0.87%	Rubber (JPY/KG)	183.0	-1.35%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

CFTC Commodities Futures and Options

For the week ended: 12 Apr 2016

	Current	Previous	Net Chg		Current	Previous	Net Chg
Corn	-60,198	-97,854	37,656	Wheat	-122,852	-90,526	-32,326
Soybean	123,113	87,840	35,273	Sugar	190,534	218,835	-28,301
Gold	242,724	213,348	29,376	Copper	-22,309	-9,969	-12,340
Cotton	-3,346	-24,315	20,969	Coffee	11,462	17,973	-6,511
Silver	62,746	51,435	11,311	Natural Gas	-144,869	-140,047	-4,822
Heating Oil	8,782	2,013	6,769	Lean Hogs	62,961	65,710	-2,749
Platinum	29,912	28,810	1,102	Palladium	3,160	5,690	-2,530
Nymex Crude	349,788	349,450	338	Cocoa	28,241	30,368	-2,127
Live Cattle	36,115	37,328	-1,213	RBOB Gasoline	73,410	75,260	-1,850

Source: CFTC

Key Economic Indicators

Date Time	Event		Survey	Actual	Prior	Revised	
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%	6.80%	--	--
04/15/2016 10:00	CH	Industrial Production YTD YoY	Mar	5.50%	5.80%	5.40%	--
04/15/2016 10:00	CH	Retail Sales YoY	Mar	10.40%	10.50%	--	--
04/15/2016 10:00	CH	Fixed Assets Ex Rural YTD YoY	Mar	10.40%	10.70%	10.20%	--
04/15/2016 10:00	CH	GDP YTD YoY	1Q	6.70%	6.70%	6.90%	--
04/15/2016 10:00	CH	GDP YoY	1Q	6.70%	6.70%	6.80%	--
04/15/2016 10:01	CH	New Yuan Loans CNY	Mar	1100.0b	1370.0b	726.6b	--
04/15/2016 10:01	CH	Money Supply M2 YoY	Mar	13.50%	13.40%	13.30%	--
04/15/2016 10:01	CH	Money Supply M1 YoY	Mar	18.40%	22.10%	17.40%	--
04/15/2016 10:48	ID	Trade Balance	Mar	\$465m	\$497m	\$1136m	--
04/15/2016 11:03	ID	Exports YoY	Mar	-14.00%	-13.51%	-7.18%	-7.07%
04/15/2016 12:30	JN	Industrial Production MoM	Feb F	--	-5.20%	-6.20%	--
04/15/2016 12:30	JN	Industrial Production YoY	Feb F	--	-1.20%	-1.50%	--
04/15/2016 12:30	JN	Capacity Utilization MoM	Feb	--	-5.40%	2.60%	--
04/15/2016 13:00	SI	Retail Sales SA MoM	Feb	0.20%	1.70%	-1.20%	-1.10%
04/15/2016 13:00	SI	Retail Sales YoY	Feb	3.40%	-3.20%	7.50%	7.60%
04/15/2016 13:19	PH	Overseas Remittances YoY	Feb	4.00%	9.10%	3.40%	--
04/15/2016 14:00	EC	EU27 New Car Registrations	Mar	--	6.00%	14.30%	--
04/15/2016 16:00	IT	Trade Balance Total	Feb	--	3856m	35m	34m
04/15/2016 20:30	CA	Manufacturing Sales MoM	Feb	-1.50%	-3.30%	2.30%	--
04/15/2016 20:30	US	Empire Manufacturing	Apr	2	9.56	0.62	--
04/15/2016 21:15	US	Industrial Production MoM	Mar	-0.10%	-0.60%	-0.50%	-0.60%
04/15/2016 21:15	US	Capacity Utilization	Mar	75.30%	74.80%	76.70%	75.30%
04/15/2016 22:00	US	U. of Mich. Sentiment	Apr P	92	89.7	91	--
04/18/2016 06:45	NZ	CPI QoQ	1Q	0.10%	0.20%	-0.50%	--
04/18/2016 06:45	NZ	CPI YoY	1Q	0.40%	0.40%	0.10%	--
04/18/2016 07:01	UK	Rightmove House Prices MoM	Apr	--	1.30%	1.30%	--
04/18/2016 07:01	UK	Rightmove House Prices YoY	Apr	--	7.30%	7.60%	--
04/18/2016 08:30	SI	Non-oil Domestic Exports YoY	Mar	-12.30%	--	2.10%	--
04/18/2016 08:30	SI	NODX SA MoM	Mar	3.00%	--	-4.10%	--
04/18/2016 14:30	IN	Wholesale Prices YoY	Mar	-0.70%	--	-0.91%	--
04/18/2016 15:30	TH	Foreign Reserves	Apr-08	--	--	\$175.5b	--
04/18/2016 04/22	PH	Budget Balance PHP	Feb	--	--	-3.5b	--
04/18/2016 04/20	IN	Imports YoY	Mar	--	--	-5.00%	--
04/18/2016 04/20	IN	Exports YoY	Mar	--	--	-5.70%	--

Source: Bloomberg

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