

### Highlights

<b>Global</b>	<p>Market appears to be in wait-and-see mode, with a dearth of data coming out from major economies as US was closed for Memorial Day holiday, and UK for Spring Bank Holiday. Market players will likely have to wait until tomorrow, June 1st, for clearer cues. A host of manufacturing PMI numbers will be watched closely, as market hopes to see a better set of prints that could suggest that the recent lacklustre performance is about to turn around. Expectation remains relatively dour, with consensus expecting China's Caixin PMI to print 49.2, compared to 49.4 before.</p> <p>On tap today we have a host of inflation prints from Italy, Eurozone and France. Additionally, US May Consumer Confidence index and Purchasing Manager Index will also be out later tonight, with both estimated to climb to 96.3 and 50.5 respectively.</p>
<b>Singapore</b>	<p>The STI closed below the 2800 handle, with a 5.76% loss to end the session at 2796.75. Hutchison Port Holdings Ltd (-2.25%), Thai Beverage PCL (-1.68%) and Hongkong Land Holdings Ltd (-1.63%) dragged the index down, while gains from Genting Singapore PLC (+3.40%), Global Logistics Properties (+1.40) and Jardine Cycle &amp; Carriage Ltd (+1.04%) cushioned some of the fall. For today, expect markets to remain relatively quiet given a closed Wall Street with support and resistance tipped at 2770 and 2820 respectively.</p>
<b>Japan</b>	<p>June's industrial production surprised on the upside, coming in at +0.3% mom (+0.5% yoy). Output from "information and communication equipment" and "General-purpose business machinery" drove overall production, climbing by 13.2% mom and 9.3% mom respectively. However, as supply chains were hit by earthquakes earlier in the year, any recovery in production may still lack strength as repairs continue.</p>
<b>Macau</b>	<p>With the bottoming out of the gaming sector, Macau's growth contracted at a slower pace, sliding 13.3% yoy in 1Q. The contraction was mainly attributed to muted visitor spending (-13.6% yoy), weak private consumption (-2.3% yoy), slowdown in private investment (-33.0% yoy) and the prolonged fall of gaming revenue. Looking ahead, as the gaming and tourism sectors continue to experience a gradual recovery, resilient government expenditure and an expected pick up in private investment will offset the impact of slackening domestic demand and subdued visitor expenditure. Therefore, we expect Macau's GDP to fall by around 5% in 2016.</p>
<b>Indonesia</b>	<p>Bank Indonesia's governor, Agus Martowardojo, said that Rupiah will strengthen in Q3 on seasonal factors. He added that seasonally large FX demand from corporate sector has pressured the currency in Q2.</p>

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## Bond Market Updates

- **Market Commentary:** SGD swap rates traded 6-10bps higher across the curve yesterday following Yellen's speech on Friday which reaffirmed the hawkish tone set in the FOMC minutes released last week. Flows in SGD corporates were heavy with better buying in HYFSP 6%'49s and SOCGEN 4.3%'26s and mixed interests in, MFCCN 3.85%'26s, PILLSP 5.9%'17s, BPCEGP 4.5%'26s and MLTSP 4.18%'49s. In the broader dollar space, the spread on JACI IG corporates remained unchanged at 222bps, while the yield on JACI HY corporates was also flat on the day at 7.21%. US treasury markets were closed for Memorial Day yesterday.
- **Rating Changes:** Moody's upgraded Atlas Iron Ltd's corporate family credit rating to "Caa3" from "Ca". The rating action follows Atlas's announcement on 6 May 2016 that it has implemented a creditors' scheme and completed its debt restructuring. The outlook is stable. Moody's assigned first time credit rating to China International Capital Corporation Ltd (CICC) of "Baa1". This reflects CICC's strong investment banking franchise, high proportion of revenue from fee business that have low risk exposures, low level of proprietary equity investment and relatively higher degree of geographic diversification when compared with Chinese peers. The outlook is negative. S&P revised its outlook on Fosun International Ltd to negative from stable. It also affirmed Fosun's "BBB-" corporate credit rating and "BB" issue rating on its outstanding notes. The outlook revision reflects Moody's assessment that the stand-alone credit profile of Fosun's industrial operations has weakened due to material increase in leverage following the completion of a few acquisitions. S&P downgraded its credit rating on Bank of India to "BB+" from "BBB-" due to continued pressure on asset quality, given the tough operating conditions for the corporate sector in India. The outlook is stable. Additionally, S&P lowered its credit rating on two other Indian Banks, Indian Overseas Banks to "B-" from "BB-" and Syndicate Bank to "BB+" from "BBB-", citing deteriorating asset quality and tough operating conditions in India.

## Key Financial Indicators

Foreign Exchange						Equity and Commodity		
	Day Close	% Change		Day Close	% Change	Index	Value	Net change
<b>DXY</b>	95.521	--	<b>USD-SGD</b>	1.3816	0.15%	<b>DJIA</b>	17,873.22	--
<b>USD-JPY</b>	111.120	0.73%	<b>EUR-SGD</b>	1.5389	0.37%	<b>S&amp;P</b>	2,099.06	--
<b>EUR-USD</b>	1.1132	0.00%	<b>JPY-SGD</b>	1.2434	<b>-0.60%</b>	<b>Nasdaq</b>	4,933.51	--
<b>AUD-USD</b>	0.7183	0.01%	<b>GBP-SGD</b>	2.0228	0.28%	<b>Nikkei 225</b>	17,068.02	233.20
<b>GBP-USD</b>	1.4640	0.12%	<b>AUD-SGD</b>	0.9924	0.12%	<b>STI</b>	2,796.75	<b>-5.80</b>
<b>USD-MYR</b>	4.1165	0.94%	<b>NZD-SGD</b>	0.9249	0.11%	<b>KLCI</b>	1,629.87	<b>-7.30</b>
<b>USD-CNY</b>	6.5833	0.27%	<b>CHF-SGD</b>	1.3925	0.40%	<b>JCI</b>	4,836.03	21.30
<b>USD-IDR</b>	13640	0.39%	<b>SGD-MYR</b>	2.9804	0.48%	<b>Baltic Dry</b>	606.00	--
<b>USD-VND</b>	22417	0.15%	<b>SGD-CNY</b>	4.7656	<b>-0.16%</b>	<b>VIX</b>	13.12	--

  

Interbank Offer Rates (%)						Government Bond Yields (%)		
Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change	Tenor	SGS (chg)	UST (chg)
<b>1M</b>	-0.3490	--	<b>O/N</b>	0.3850	--	<b>2Y</b>	1.11 (+0.05)	0.91 (--)
<b>2M</b>	-0.2990	--	<b>1M</b>	0.4567	--	<b>5Y</b>	1.80 (+0.09)	1.38 (--)
<b>3M</b>	-0.2600	--	<b>2M</b>	0.5580	--	<b>10Y</b>	2.24 (+0.07)	1.85 (--)
<b>6M</b>	-0.1490	--	<b>3M</b>	0.6731	--	<b>15Y</b>	2.51 (+0.08)	--
<b>9M</b>	-0.0820	--	<b>6M</b>	0.9781	--	<b>20Y</b>	2.56 (+0.08)	--
<b>12M</b>	-0.0150	--	<b>12M</b>	1.3167	--	<b>30Y</b>	2.60 (+0.07)	2.65 (--)

  

Eurozone & Russia Update						Financial Spread (bps)		
	2Y Bond Ylds (bpschg)		10Y Bond Ylds (bpschg)		10Y Bund Spread %		Value	Change
<b>Portugal</b>	0.52	<b>-0.10</b>	3.07	2.40	2.90	<b>LIBOR-OIS</b>	19.56	<b>-1.94</b>
<b>Italy</b>	<b>-0.07</b>	<b>-0.10</b>	1.36	0.90	1.20	<b>EURIBOR-OIS</b>	8.40	<b>-0.10</b>
<b>Ireland</b>	<b>-0.36</b>	0.60	0.80	2.80	0.63	<b>TED</b>	36.28	--
<b>Greece*</b>	7.21	4.90	7.26	<b>-0.60</b>	7.09			
<b>Spain</b>	<b>-0.09</b>	<b>-0.10</b>	1.49	0.50	1.32			
<b>Russia^</b>	2.96	<b>-1.40</b>	4.81	<b>-2.20</b>	4.64			

  

\* 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					
	Futures	% chg		Futures	% chg
<b>Energy</b>			<b>Soft Commodities</b>		
WTI (per barrel)	49.33	--	Coffee (per lb)	1.213	--
Brent (per barrel)	49.76	0.89%	Cotton (per lb)	0.6428	--
Heating Oil (per gallon)	1.494	--	Sugar (per lb)	0.1752	--
Gasoline (per gallon)	1.63	--	Orange Juice (per lb)	1.4650	--
Natural Gas (per MMBtu)	2.169	--	Cocoa (per mt)	3,005	--
<b>Base Metals</b>			<b>Grains</b>		
Copper (per mt)	4,695.0	--	Wheat (per bushel)	4.8150	--
Nickel (per mt)	8,387	--	Soybean (per bushel)	10.865	--
Aluminium (per mt)	1,547.3	--	Corn (per bushel)	4.1275	--
<b>Precious Metals</b>			<b>Asian Commodities</b>		
Gold (per oz)	1,213.8	--	Crude Palm Oil (MYR/MT)	2,621.0	1.31%
Silver (per oz)	16.269	--	Rubber (JPY/KG)	160.0	<b>-0.19%</b>

Source: Bloomberg, Reuters  
(Note that rates are for reference only)

### Key Economic Indicators

Date Time	Event	Survey	Actual	Prior	Revised	
05/30/2016 07:50	JN Retail Trade YoY	Apr	-1.20%	-0.80%	-1.10%	-1.00%
05/30/2016 09:00	AU HIA New Home Sales MoM	Apr	--	-4.70%	8.90%	--
05/30/2016 10:00	SK Department Store Sales YoY	Apr	--	4.30%	0.30%	--
<b>05/30/2016 14:45</b>	<b>FR GDP QoQ</b>	<b>1Q P</b>	<b>0.50%</b>	<b>0.60%</b>	<b>0.50%</b>	--
<b>05/30/2016 14:45</b>	<b>FR GDP YoY</b>	<b>1Q P</b>	<b>1.30%</b>	<b>1.40%</b>	<b>1.30%</b>	--
05/30/2016 16:00	IT PPI MoM	Apr	--	-0.90%	0.20%	--
05/30/2016 17:00	EC Economic Confidence	May	104.4	104.7	103.9	104
<b>05/30/2016 17:00</b>	<b>EC Consumer Confidence</b>	<b>May F</b>	<b>-7</b>	<b>-7</b>	<b>-7</b>	--
<b>05/30/2016 20:00</b>	<b>GE CPI MoM</b>	<b>May P</b>	<b>0.30%</b>	<b>0.30%</b>	<b>-0.40%</b>	--
<b>05/30/2016 20:00</b>	<b>GE CPI YoY</b>	<b>May P</b>	<b>0.10%</b>	<b>0.10%</b>	<b>-0.10%</b>	--
05/30/2016 20:00	GE CPI EU Harmonized MoM	May P	0.30%	0.40%	-0.50%	--
<b>05/30/2016 20:00</b>	<b>GE CPI EU Harmonized YoY</b>	<b>May P</b>	<b>-0.10%</b>	<b>0.00%</b>	<b>-0.30%</b>	--
05/30/2016 20:30	CA Industrial Product Price MoM	Apr	0.40%	-0.50%	-0.60%	--
<b>05/31/2016 06:45</b>	<b>NZ Building Permits MoM</b>	<b>Apr</b>	<b>--</b>	<b>6.60%</b>	<b>-9.80%</b>	<b>-9.70%</b>
05/31/2016 07:00	SK Industrial Production SA MoM	Apr	-0.30%	-1.30%	-2.20%	-1.30%
<b>05/31/2016 07:00</b>	<b>SK Industrial Production YoY</b>	<b>Apr</b>	<b>-1.30%</b>	<b>-2.80%</b>	<b>-1.50%</b>	<b>-0.60%</b>
<b>05/31/2016 07:30</b>	<b>JN Jobless Rate</b>	<b>Apr</b>	<b>3.20%</b>	<b>3.20%</b>	<b>3.20%</b>	--
<b>05/31/2016 07:30</b>	<b>JN Job-To-Applicant Ratio</b>	<b>Apr</b>	<b>1.3</b>	<b>1.34</b>	<b>1.3</b>	--
<b>05/31/2016 07:50</b>	<b>JN Industrial Production MoM</b>	<b>Apr P</b>	<b>-1.50%</b>	<b>0.30%</b>	<b>3.80%</b>	--
<b>05/31/2016 07:50</b>	<b>JN Industrial Production YoY</b>	<b>Apr P</b>	<b>-5.00%</b>	<b>0.50%</b>	<b>0.20%</b>	--
<b>05/31/2016 09:00</b>	<b>NZ ANZ Business Confidence</b>	<b>May</b>	<b>--</b>	<b>--</b>	<b>6.2</b>	--
<b>05/31/2016 09:30</b>	<b>AU BoP Current Account Bal</b>	<b>1Q</b>	<b>-19.5b</b>	<b>--</b>	<b>-21.1b</b>	--
<b>05/31/2016 09:30</b>	<b>AU Building Approvals MoM</b>	<b>Apr</b>	<b>-3.00%</b>	<b>--</b>	<b>3.70%</b>	--
05/31/2016 09:30	AU Building Approvals YoY	Apr	-6.70%	--	-6.50%	--
05/31/2016 09:30	AU Private Sector Credit MoM	Apr	0.50%	--	0.40%	--
05/31/2016 11:00	NZ Money Supply M3 YoY	Apr	--	--	7.80%	--
05/31/2016 13:00	JN Housing Starts YoY	Apr	4.10%	--	8.40%	--
05/31/2016 14:00	GE Retail Sales YoY	Apr	1.70%	--	0.70%	--
<b>05/31/2016 14:45</b>	<b>FR CPI EU Harmonized YoY</b>	<b>May P</b>	<b>0.00%</b>	<b>--</b>	<b>-0.10%</b>	--
<b>05/31/2016 14:45</b>	<b>FR CPI YoY</b>	<b>May P</b>	<b>-0.10%</b>	<b>--</b>	<b>-0.20%</b>	--
05/31/2016 15:30	TH Trade Balance	Apr	--	--	\$4687m	--
<b>05/31/2016 15:30</b>	<b>TH BoP Current Account Bal</b>	<b>Apr</b>	<b>\$2350m</b>	<b>--</b>	<b>\$4952m</b>	--
<b>05/31/2016 15:55</b>	<b>GE Unemp Change (000's)</b>	<b>May</b>	<b>-5k</b>	<b>--</b>	<b>-16k</b>	--
05/31/2016 15:55	GE Unemployment Claims Rate SA	May	6.20%	--	6.20%	--
<b>05/31/2016 16:00</b>	<b>EC M3 Money Supply YoY</b>	<b>Apr</b>	<b>5.00%</b>	<b>--</b>	<b>5.00%</b>	--
<b>05/31/2016 16:30</b>	<b>HK Retail Sales Value YoY</b>	<b>Apr</b>	<b>-10.00%</b>	<b>--</b>	<b>-9.80%</b>	--
05/31/2016 17:00	EC Unemployment Rate	Apr	10.20%	--	10.20%	--
<b>05/31/2016 17:00</b>	<b>EC CPI Estimate YoY</b>	<b>May</b>	<b>-0.10%</b>	<b>--</b>	<b>-0.20%</b>	--
05/31/2016 17:00	EC CPI Core YoY	May A	0.80%	--	0.70%	--
<b>05/31/2016 17:00</b>	<b>IT CPI NIC incl. tobacco MoM</b>	<b>May P</b>	<b>0.20%</b>	<b>--</b>	<b>0.00%</b>	<b>-0.10%</b>
05/31/2016 17:00	IT CPI NIC incl. tobacco YoY	May P	-0.40%	--	-0.40%	-0.50%
<b>05/31/2016 17:00</b>	<b>IT CPI EU Harmonized MoM</b>	<b>May P</b>	<b>0.30%</b>	<b>--</b>	<b>0.30%</b>	<b>0.20%</b>
<b>05/31/2016 17:00</b>	<b>IT CPI EU Harmonized YoY</b>	<b>May P</b>	<b>-0.30%</b>	<b>--</b>	<b>-0.40%</b>	--
<b>05/31/2016 18:00</b>	<b>IT GDP WDA QoQ</b>	<b>1Q F</b>	<b>0.30%</b>	<b>--</b>	<b>0.30%</b>	--
<b>05/31/2016 18:00</b>	<b>IT GDP WDA YoY</b>	<b>1Q F</b>	<b>1.00%</b>	<b>--</b>	<b>1.00%</b>	--
<b>05/31/2016 20:30</b>	<b>US Personal Income</b>	<b>Apr</b>	<b>0.40%</b>	<b>--</b>	<b>0.40%</b>	--
<b>05/31/2016 20:30</b>	<b>CA GDP MoM</b>	<b>Mar</b>	<b>-0.10%</b>	<b>--</b>	<b>-0.10%</b>	--
<b>05/31/2016 20:30</b>	<b>US Personal Spending</b>	<b>Apr</b>	<b>0.70%</b>	<b>--</b>	<b>0.10%</b>	--
<b>05/31/2016 20:30</b>	<b>CA Quarterly GDP Annualized</b>	<b>1Q</b>	<b>2.80%</b>	<b>--</b>	<b>0.80%</b>	--
05/31/2016 20:30	US PCE Core MoM	Apr	0.20%	--	0.10%	--
<b>05/31/2016 21:45</b>	<b>US Chicago Purchasing Manager</b>	<b>May</b>	<b>50.5</b>	<b>--</b>	<b>50.4</b>	--
<b>05/31/2016 22:00</b>	<b>US Consumer Confidence Index</b>	<b>May</b>	<b>96.3</b>	<b>--</b>	<b>94.2</b>	--
05/31/2016 22:30	US Dallas Fed Manf. Activity	May	-8	--	-13.9	--
05/31/2016	MU Hotel Occupancy Rate	Apr	--	--	76.5	--

Source: Bloomberg

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