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Corporate FX & Structured
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Highlights

Global	<p>US nonfarm payrolls number was just 98k in March, much lower than the 180k that market expected and 219k of the revised February number. Market took the downside surprise relatively well however, with major equity indices barely moving on Friday. The fact that unemployment rate ticked down to the lowest in nearly a decade of 4.5% helped to cushion the blow. Average hourly earnings also rose 0.2% mom (+2.7% yoy) in line with market expectations. Meanwhile, crude oil prices stayed relatively buoyant with Brent trading above USD55 per barrel level due to geopolitical tensions. Fresh from ordering an airstrike involving 59 Tomahawk missiles at targets in Syria, US President Trump has reportedly ordered an aircraft carrier battle group toward the Korean Peninsula, having noted how he would deal with the North Korean issue on his own if needed.</p> <p>Today's economic data calendar comprises US' labor market conditions index, Taiwan's trade and Japan's Eco Watchers survey. Speakers for today include Fed's Bullard and Yellen, as well as ECB's Constancio. For this Easter-shortened holiday week, there are the Bank of Canada decision (likely static at 0.5%) on 12 Apr and MAS' monetary policy decision (likely to maintain its neutral stance) on 13 Apr.</p>
EZ	<p>ECB's Mersch said that "it is always better to have an orderly discussion based on thorough studies" than "to just have it through expressing personal preferences" on exit plans. She opined that "we have a recovery that is firming, that is broadening, this is gaining momentum. If this continues we would be within a whisker of not being able to speak of downward risks at some time in the future. When we last met there was still the opinion that we had downside risks".</p>
CH	<p>The first meeting between President Trump and President Xi is more about building personal relationship rather than setting any detailed direction for the bilateral relationship. The Trump Administration will use new dialogue framework to replace the current one under Obama Administration for future negotiation. The Press releases from both countries show that there is lack of details on highly watched trade policy.</p>
ID	<p>Foreign reserves rose to USD121.8bn in March, at its highest level since August 2011, due to tax revenue and government's global bond issuance. Strong capital inflows helped as well, with March seeing a net buying of USD2.3bn of bonds and USD759mn in equities.</p>
MA	<p>PM Najib Razak reportedly expressed his satisfaction that the country's economy is showing a very encouraging growth. He cited how exports in February showed an increase of 26.5% compared to the year before, as an example.</p>

Major Markets

- **US:** Equities ended relatively unchanged as S&P fell by 0.08%, Dow declined by 0.03%, and Nasdaq ending 0.02% lower. Markets could be seen moving into a risk-off mode after the US missile strike in Syria and weak employment growth prints but quickly recovered thereafter. VIX ended higher at 12.87. Meanwhile, US Treasury yields gained 4-5bps with the 10-year benchmark yield adding 4bps to close at 2.38% while the 2-year yield increased by 5 bps to close at 1.29%. However, risk-off events did bring 10-year and 2-year yields to as low as 2.27% and 1.20% respectively on an intraday basis, before climbing to close at an intraday high. The quick intraday climb could be due to Dudley's statement that the shrinking of the Fed's balance sheet is likely to bring "little" pause to the FOMC's pace of rate hikes.
- **Singapore:** STI traded flat (+0.05%) again to close at 3177.27 on Friday, and may meander amid mixed cues from Kospi and Nikkei. STI support and resistance are tipped at 3160 and 3200 respectively. The SGS bond yields dipped lower on Friday, but the UST bond market appeared to digest the weak NFP data by pushing yields some 1-6bps higher and this may cue SGS bonds to follow suit today.

Bond Market Updates

- **Market Commentary:** The SGD swap curve traded downwards on Friday with swap rates trading 1-4bps lower across the medium to long tenors. The short end of the curve was relatively flattish last Friday. Flows in SGD corporates were heavy, with better buying seen in BNP 3.65%'24s, SOCGEN 4.3%'26s, and mixed interest in FCLSP 4.15%'27s, GUOLSP 3.62%'21s. In the broader dollar space, the spread on JACI IG corporates rose 1bps to 198bps while the yield on JACI HY corporates fell 1bps to 6.56%. 10y UST yields rose by 4bps last Friday, after New York Federal Reserve President William Dudley downplayed the length of any pause in short-term rate normalization by the central bank when it starts to shrink its balance sheet. Earlier in the day, 10y UST yields fell after a report showed U.S. employers added far fewer jobs last month than forecast.
- **New Issues:** CITIC Securities Finance MTN Co. scheduled investor meetings on 10 April 2017 for potential USD bond issuance. The expected issue rating are 'NR/Baa1/NR'. CCB Life Insurance Company Limited hired banks for potential USD Core Tier 2 bond issuance. The expected issuance ratings are 'BBB/Baa3/NR'.
- **Rating Changes:** S&P upgraded Alumina Ltd.'s (Alumina) corporate credit rating and its associated issue ratings to 'BB+' from 'BB'. The rating outlook on the long-term rating is stable. The rating action reflects the sound performance of the joint venture (JV), Alcoa World Alumina and Chemicals (AWAC), and strategic alignment of Alumina and Alcoa Corp. S&P downgraded China Mengniu Dairy Co. Ltd.'s (Mengniu) corporate credit rating and issue rating on the company's senior unsecured notes to 'BBB+' from 'A-'. The outlook is negative. In addition, S&P removed all the ratings from CreditWatch (negative). The rating action reflects S&P's expectation that Mengniu's consolidated debt leverage will increase materially due to its purchase of additional shares of China Modern Dairy Holdings Ltd. (CMD) and the consolidation of the debt-heavy company. S&P upgraded Australia-based mining equipment rental company EMECO Holdings Ltd.'s (Emeco) corporate credit rating to 'B-' from 'SD'. In addition, S&P also assigned a 'B-' rating to the new senior secured bonds due 2022. The rating outlook on the long-term rating is negative. The rating action follows the post-recapitalization and merger with Orionstone and Andy's Earthmovers. According to S&P, the implementation of this arrangement has improved the sustainability of Emeco's capital structure through a reduction in leverage. Moody's affirmed Emeco Holdings Limited's Corporate Family Rating (CFR) at 'Caa1' and assigned a 'Caa1' senior secured debt rating to the Tranche B notes of Emeco Pty Limited. The rating outlook is stable. Moody's has assigned a 'Baa3(hyb)' rating to CCB

Life Insurance Company Limited's (CCB Life) proposed issuance of Core Tier 2 capital securities. The rating outlook is negative. The rating action reflects the securities' subordination to claims of policyholders, general creditors and the holders of any supplemental capital of CCB Life. S&P also assigned a 'BBB' issue rating to CCB Life's proposed issuance of USD core Tier 2 securities. In addition, S&P assigned an 'A-' local and foreign currency issuer credit rating to CCB Life. The rating outlook is stable. Moody's affirmed Golden Eagle Retail Group Ltd's 'B1' corporate family and 'B2' senior unsecured ratings. In addition, Moody's revised the ratings outlook to stable from negative. The rating action reflects Moody's expectation that Golden Eagle will demonstrate stable operating performance over the next 12-18 months, and that it will successfully refinance its syndicated loan due in April 2018. Moody's assigned '(P)Aa2/(P)P-1' ratings to Commonwealth Bank of Australia (CBA) Singapore Branch's USD5billion Asian Transferable Certificates of Deposit Program. The rating outlook is negative. According to Moody's, the ratings assigned to the program are aligned with CBA's existing 'Aa2/P-1' issuer ratings.

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	101.180	0.51%	USD-SGD	1.4051	0.20%
USD-JPY	111.090	0.25%	EUR-SGD	1.4864	-0.44%
EUR-USD	1.0591	-0.50%	JPY-SGD	1.2647	-0.06%
AUD-USD	0.7500	-0.60%	GBP-SGD	1.7364	-0.70%
GBP-USD	1.2371	-0.79%	AUD-SGD	1.0517	-0.58%
USD-MYR	4.4350	-0.03%	NZD-SGD	0.9747	-0.27%
USD-CNY	6.9005	0.04%	CHF-SGD	1.3922	-0.22%
USD-IDR	13321	-0.05%	SGD-MYR	3.1636	0.03%
USD-VND	22660	-0.13%	SGD-CNY	4.9205	0.02%

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3730	-0.0010	O/N	0.9306	0.0006
2M	-0.3390	--	1M	0.9900	0.0006
3M	-0.3300	--	2M	1.0261	-0.0006
6M	-0.2410	0.0010	3M	1.1576	0.0022
9M	-0.1780	-0.0020	6M	1.4296	0.0036
12M	-0.1160	-0.0010	12M	1.7990	0.0008

Eurozone & Russia Update

	2Y Bond Ylds (bpschg)	10Y Bond Ylds (bpschg)	10Y Bund Spread
Portugal	0.46	-2.40	3.87
Italy	-0.06	-1.10	2.22
Ireland	-0.35	-0.10	0.91
Greece	7.66	-24.00	6.86
Spain	-0.21	-1.80	1.61
Russia	2.04	3.80	4.10

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	52.24	1.04%	Coffee (per lb)	1.401	1.67%
Brent (per barrel)	55.24	0.64%	Cotton (per lb)	0.7346	-1.41%
Heating Oil (per gallon)	1.6284	0.96%	Sugar (per lb)	0.1677	1.95%
Gasoline (per gallon)	1.7462	0.96%	Orange Juice (per lb)	1.6740	3.30%
Natural Gas (per MMBtu)	3.2610	-2.10%	Cocoa (per mt)	2,006	-3.88%
Base Metals	Futures	% chg	Grains	Futures	% chg
Copper (per mt)	5,835.6	-0.41%	Wheat (per bushel)	4.2400	0.18%
Nickel (per mt)	10,129.0	0.99%	Soybean (per bushel)	9.420	0.05%
Aluminium (per mt)	1,948.5	0.37%	Corn (per bushel)	3.5950	-0.35%
Precious Metals	Futures	% chg	Asian Commodities	Futures	% chg
Gold (per oz)	1,254.3	0.32%	Crude Palm Oil (MYR/MT)	2,885.0	-0.83%
Silver (per oz)	18.151	-0.52%	Rubber (JPY/KG)	294.0	-4.08%

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

Equity and Commodity

Index	Value	Net change
DJIA	20,656.10	-6.85
S&P	2,355.54	-1.95
Nasdaq	5,877.81	-1.14
Nikkei 225	18,664.63	67.57
STI	3,177.27	1.68
KLCI	1,741.72	2.16
JCI	5,653.49	-26.75
Baltic Dry	1,223.00	8.00
VIX	12.87	0.48

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.23 (-0.01)	1.29 (+0.05)
5Y	1.66 (-0.02)	1.92 (+0.06)
10Y	2.20 (-0.02)	2.38 (+0.04)
15Y	2.35 (-0.02)	--
20Y	2.42 (-0.02)	--
30Y	2.44 (-0.02)	3.01 (+0.02)

Financial Spread (bps)

	Value	Change
LIBOR-OIS	20.89	-0.25
EURIBOR-OIS	2.23	0.01
TED	34.27	-1.02

CFTC Commodities Futures and Options

For the week ended: 04 Apr 2017

	Current	Previous	Net Chg		Current	Previous	Net Chg
Gold	161,183	143,887	17,296	Soybean	15,450	56,120	-40,670
Silver	102,469	91,450	11,019	Sugar	86,008	101,511	-15,503
RBOB Gasoline	56,341	50,194	6,147	Cotton	108,848	123,721	-14,873
Natural Gas	-17,543	-22,863	5,320	Lean Hogs	34,469	41,268	-6,799
Nymex Crude	462,560	458,008	4,552	Copper	26,842	29,821	-2,979
Cocoa	-9,733	-12,894	3,161	Coffee	11,989	12,890	-901
Corn	-42,020	-43,529	1,509	Platinum	26,607	27,486	-879
Heating Oil	27,027	25,935	1,092	Live Cattle	141,819	142,238	-419
Palladium	20,948	20,464	484	Wheat	-108,206	-108,024	-182

Date	Time	Event		Survey	Actual	Prior	Revised
04/07/2017	08:00	JN Labor Cash Earnings YoY	Feb	0.50%	0.40%	0.50%	0.30%
04/07/2017	13:00	JN Leading Index CI	Feb P	104.6	104.4	104.9	--
04/07/2017	13:51	PH Foreign Reserves	Mar	--	\$80.9b	\$81.1b	--
04/07/2017	14:00	GE Industrial Production WDA YoY	Feb	0.50%	2.50%	0.00%	-0.50%
04/07/2017	14:00	GE Trade Balance	Feb	17.7b	19.9b	14.8b	14.9b
04/07/2017	14:00	GE Current Account Balance	Feb	19.1b	20.4b	12.8b	14.2b
04/07/2017	14:00	GE Exports SA MoM	Feb	-0.50%	0.80%	2.70%	2.40%
04/07/2017	14:00	GE Imports SA MoM	Feb	0.20%	-1.60%	3.00%	2.80%
04/07/2017	14:30	AU Foreign Reserves	Mar	--	A\$80.0b	A\$66.8b	--
04/07/2017	14:45	FR Trade Balance	Feb	-4900m	-6568m	-7940m	-8055m
04/07/2017	14:45	FR Industrial Production YoY	Feb	1.40%	-0.70%	-0.40%	-0.20%
04/07/2017	14:45	FR Manufacturing Production YoY	Feb	0.90%	-0.50%	-1.30%	-1.10%
04/07/2017	15:00	MA Foreign Reserves	Mar-31	--	\$95.4b	\$94.9b	--
04/07/2017	15:30	UK Halifax House Price 3Mths/Year	Mar	4.00%	3.80%	5.10%	--
04/07/2017	15:30	TH Foreign Reserves	Mar-31	--	\$180.9b	\$180.8b	--
04/07/2017	15:47	CH Foreign Reserves	Mar	\$3011.0b	\$3009.1b	\$3005.1b	--
04/07/2017	16:00	IT Retail Sales YoY	Feb	0.50%	-1.00%	-0.10%	0.00%
04/07/2017	16:30	UK Industrial Production YoY	Feb	3.70%	2.80%	3.20%	3.30%
04/07/2017	16:30	UK Manufacturing Production YoY	Feb	3.90%	3.30%	2.70%	2.60%
04/07/2017	16:30	UK Visible Trade Balance GBP/Mn	Feb	£10,900	£12,461	£10,833	£11,971
04/07/2017	16:30	UK Trade Balance Non EU GBP/Mn	Feb	£2,500	£3,748	£2,447	£3,762
04/07/2017	16:30	UK Trade Balance	Feb	£2,200	£3,663	£1,966	£2,975
04/07/2017	17:00	SI Foreign Reserves	Mar	--	\$259.15b	\$253.35b	--
04/07/2017	17:01	HK Foreign Reserves	Mar	--	\$395.6b	\$390.5b	--
04/07/2017	17:07	ID Foreign Reserves	Mar	--	\$121.81b	\$119.86b	--
04/07/2017	20:00	UK NIESR GDP Estimate	Mar	0.60%	0.50%	0.60%	0.50%
04/07/2017	20:30	US Change in Nonfarm Payrolls	Mar	180k	98k	235k	219k
04/07/2017	20:30	CA Net Change in Employment	Mar	5.7k	19.4k	15.3k	--
04/07/2017	20:30	CA Unemployment Rate	Mar	6.70%	6.70%	6.60%	--
04/07/2017	20:30	US Change in Manufact. Payrolls	Mar	17k	11k	28k	26k
04/07/2017	20:30	US Unemployment Rate	Mar	4.70%	4.50%	4.70%	--
04/07/2017	22:00	US Wholesale Inventories MoM	Feb F	0.40%	0.40%	0.40%	--
04/07/2017	04/13	VN Domestic Vehicle Sales YoY	Mar	--	--	53.60%	--
04/09/2017	04/12	IN Local Car Sales	Mar	--	--	172623	--
04/10/2017	07:50	JN BoP Current Account Balance	Feb	¥2512.9b	--	¥65.5b	--
04/10/2017	07:50	JN Trade Balance BoP Basis	Feb	¥981.7b	--	¥853.4b	--
04/10/2017	09:30	AU Home Loans MoM	Feb	0.00%	--	0.50%	--
04/10/2017	09:30	AU Owner-Occupier Loan Value MoM	Feb	--	--	-0.20%	--
04/10/2017	16:00	IT Industrial Production WDA YoY	Feb	2.40%	--	-0.50%	--
04/10/2017	16:00	IT Industrial Production MoM	Feb	1.30%	--	-2.30%	--
04/10/2017	16:00	TA Exports YoY	Mar	15.90%	--	27.70%	--
04/10/2017	16:00	TA Imports YoY	Mar	23.80%	--	42.10%	--
04/10/2017	20:15	CA Housing Starts	Mar	215.5k	--	210.2k	--
04/10/2017	04/15	CH Money Supply M2 YoY	Mar	11.10%	--	11.10%	--
04/10/2017	04/15	CH New Yuan Loans CNY	Mar	1200.0b	--	1170.0b	--
04/10/2017	04/13	NZ REINZ House Sales YoY	Mar	--	--	-14.20%	--
04/10/2017	04/13	PH Budget Balance PHP	Feb	--	--	2.2b	--

Source: Bloomberg

<u>OCBC Treasury Research</u>	
<u>Macro Research</u> Selena Ling LingSSSelena@ocbc.com Emmanuel Ng NgCYEmmanuel@ocbc.com Wellian Wiranto WellianWiranto@ocbc.com Tommy Xie Dongming XieD@ocbc.com Barnabas Gan BarnabasGan@ocbc.com Terence Wu TerenceWu@ocbc.com	<u>Credit Research</u> Andrew Wong WongVKAM@ocbc.com Wong Liang Mian (Nick) NickWong@ocbc.com Ezien Hoo EzienHoo@ocbc.com Wong Hong Wei WongHongWei@ocbc.com

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