

### Highlights

<b>Global</b>	<p>Wall Street stumbled while the 10-year US Treasury bond yield rose to 2.93% (within 2bps of the year-to-date high in Feb) as investors set their sights on the elusive 3% handle again amid renewed market concerns about rising crude oil prices stoking inflation. The US is also weighing an emergency law to curb Chinese investments in sensitive technologies. At the IMF meetings, Christine Lagarde also warned that “what is extraordinarily meaningful is the questioning of the overall system under which operators have been operating in for decades...it’s the confidence that risks being eroded”. In Asia, BI kept its 7-day benchmark rate unchanged for the seventh straight month at 4.25% as widely expected, with deputy governor Waluyo saying that “we don’t want a change in the interest rate, in this case an increase, that would be overkill or be counterproductive towards economic growth or recovery momentum”. With the slight risk-off tone prevailing overnight, Asian bourses and bond markets may see some consolidation pressure today. The economic data calendar is also relatively light with only Thai and Malaysian foreign reserves data, so US earnings results and trade war rhetoric may continue to dominate market attention. Speakers include BOE’s Saunders and Fed’s Evans.</p>
<b>US</b>	<p>Initial jobless claims fell 1k to 232k, with continuing claims at 1.863m, pointing to sustained health in the labour market. Meanwhile the Philadelphia Fed business index unexpectedly improved from 22.3 in Mar to 23.2 in Apr, albeit the new orders gauge pulled back sharply from 35.7 to 18.4 and optimism for the six-month outlook slipped which could be a reaction to the trade war rhetoric.</p>
<b>UK</b>	<p>BOE governor Carney hinted that policymakers are “conscious that there are other meetings” where they could act this year, potentially implying that a May hike is not a done deal as already discounted by market players. The key to watch would be the 1Q18 GDP growth estimate due on 27 Apr.</p>
<b>JP</b>	<p>Core consumer price inflation slowed from 1% in Feb to 0.9% in Mar, suggesting the challenge ahead for BOJ governor Kuroda who just begun his second term in April.</p>
<b>CH</b>	<p>The tit-for-tat trade spat between US and China continued on a smaller scale. China’s Commerce Department announced to impose a 178.6% tariff on sorghum imports from the US effective from 18 Apr. In addition, US launched anti-dumping investigation on steel wheel from China while China announced temporary anti-dumping measures on synthetic rubber imports from US, EU and Singapore.</p>
<b>CMD</b>	<p>The rally in base metals finally caught its breather overnight, now that aluminium prices fell back below its \$2,500/MT handle, even as Nickel which rallied due to its association with Rusal dipped. However, it remains uncertain if base metal prices have ceased their rally momentum; much of the rally was underpinned by perceived supply shortfalls, which still remains largely unquantifiable (we estimate the shortfall to be around 350 thousand metric tons of aluminium, equal to 7% of global production in our April’s Commodity Outlook). Elsewhere, market-watchers will likely eye closely on today’s OPEC meeting in Saudi Arabia, and monitor on Riyadh’s potential confirmation of its \$80/bbl oil price goal. Note that market-expectations surrounding this meeting is dominated by OPEC’s likely rhetoric for further tightening of the oil market, despite the already improved fundamentals to-date.</p>

## Major Market

- **US:** Wall Street fell overnight as investor attention shifted to tech woes, dismal earnings reports and M&A news. The S&P500 & the Nasdaq composite slipped 0.57% and 0.78%, respectively, snapping 3 sessions of continuous gains. Similarly, the Dow fell 0.57% to close down at 24,664.89. VIX added 2.31% to 15.96, vs 15.60 on Wednesday. For the treasury market, the 10y yield rose 3bps to close at 2.910%, a couple of bps away from this year's high. Meanwhile, the 2y yield ended lower at 2.428%.
- **Singapore:** The STI rallied another 1.15% to close at 3598.73 yesterday, but the year-to-date high of 3609 seen on 24 Jan may prove elusive today amid the overnight slippage by Wall Street and morning declines in Kospi. STI may trade in a 3556-3600 range today. With UST bond yields higher by another 4bps, SGS bonds stay under the cloud of selling pressure today, especially ahead of the \$3b issue size (with MAS taking \$300m) for the new 10-year SGS bond due for auction on 26 Apr.
- **China:** The Commerce Department spokesman said in its regular press conference on Thursday that there are no bilateral negotiations yet between US and China on proposed tariff under section 301 investigations. Market is waiting for the USTR to announce additional list of US\$100 billion imports from China subject to tariff, which may mainly target at China's consumer goods. Lack of development on bilateral negotiations as well as China's reiteration on fighting to the end shows that the risk still cannot be ruled out.
- **Thailand:** Watch out for foreign reserves data out later this afternoon. Note that Thailand's international foreign reserves data has already grown to its all-time high at US\$215.6bn, or 11 months of imports.
- **Indonesia:** BI holds interest rates at 4.25% as expected yesterday as the central bank continues to monitor economic development. The central bank for the meantime does not feel any inflationary pressure to raise rates as the headline CPI was at 3.4% yoy in March and well within target. A series of anti-inflation measures rolled out by President Joko Widodo recently such as the freeze on fuel and electricity prices may probably help to control inflation for the time being and giving the central bank more space. BI Deputy Governor Dody Budi Waluyo was also quoted as saying, "We don't want a change in the interest rate, in this case an increase, that would be overkill or be counterproductive towards economic growth or recovery momentum."
- **Hong Kong:** Unemployment rate stayed at a two-decade low of 2.9% in 1Q 2018. Supported by further economic recovery of Asian countries and a weaker HKD, tourism related industries showed further improvement in its employment with its jobless rate unchanged at a three-year low of 4.2%. In contrast, as the conflict between US and China flared up and exerted further uncertainties on the HK's trade outlook, the jobless rate of trade sector rose slightly to 2.4% from 2.3%. Meanwhile, the unemployment rate of financial sector increased from 1.9% to 2.1%, mainly driven by the asset market fluctuations in 1Q which harmed the hiring sentiments of financial industries. Moving forward, we are still wary of US-China trade tension and slowing manufacturing activities of the globe as both could weigh on HK's trade sector and its overall economy, in turn taking a toll on the labor market. In addition, given high volatility of the asset markets and potential correction in housing market amid prospects for higher interest rates, the financial sector and its employment could also take a hit. Therefore, we expect unemployment rate to increase in the coming months.

## Bond Market Updates

- **Market Commentary:** The SGD swap curve steepened yesterday with swap rates for the shorter tenors 2-4bps higher while the longer tenors traded 4-6bps higher. The Bloomberg Barclays Asia USD IG Bond Index average OAS traded little changed at 1.27% while the Bloomberg Barclays Asia USD HY Bond Index average OAS widened 2bps to 349bps. 10Y UST yield rose 4bps to 2.91% as the Labor Department reported a fall in new applications for US unemployment benefits, suggesting continued job growth and a tight labour market which often is a precursor of wage inflation in the economy. The Philadelphia Fed Index also came in higher than expected at 23.2 for March compared to the market expectation of 20.5.
- **New issues:** Fragrance Group Ltd has priced a SGD125mn 3NC2 bond at 6.125%, tightening from its initial price guidance of 6.125%. ValueMax Group Ltd has priced a SGD50mn 3-year bond at 5.1%, tightening from its initial price guidance of 5.3%. Jiayuan International Group Ltd has priced a USD100mn re-tap of its JIAYUA 8.125%'19 (guaranteed by subsidiaries and the JV subsidiaries) at 7.2%, in line with its initial price guidance. Meiji Yasuda Life Insurance Company has priced a USD1bn 30NC10 bond at 5.1%, tightening from its initial price guidance of 5.25%. Philippine National Bank has priced a USD300mn 5-year + 1-day fixed rate bond at CT5+160bps, tightening from its initial price guidance of CT5+180bps area. Envision Energy Overseas Capital Co Ltd has priced a USD300mn 3-year bond (guaranteed by Envision Energy International Ltd) at 7.5%, in line with its initial price guidance. China Overseas Finance (Cayman) VII Ltd has priced a USD1.5bn deal (guaranteed by China Overseas Land & Investment Ltd) across two tranches, with the USD750mn 5-year bond at CT5+153bps, tightening from its initial price guidance of CT5+170bps and the USD750mn 10-year bond at CT10+188bps, tightening from its initial price guidance of CT10+210bps area. Stockland Trust Management Ltd (SGPAU) has priced an EUR300mn 8-year bond (guaranteed by Stockland Trust Management Ltd) at MS+85bps, tightening from its initial price guidance of MS+95bps. China Fujian has priced a USD 10-year general bond at 3.85%. State Grid Corp of China may raise a USD3bn bond issuance. Doosan Heavy Industries & Construction Co Ltd has scheduled for investor meetings from 23 Apr for its potential USD bond issuance. China Great Wall Asset Management Co Ltd is said to have sent requests for proposals to banks for its potential offshore bond issuance. China Construction Bank Corp has scheduled for investor meetings on 7 May for its potential bond issuance.

### Key Financial Indicators

#### Foreign Exchange

	Day Close	% Change		Day Close	% Change
<b>DXY</b>	89.940	0.35%	<b>USD-SGD</b>	1.3116	0.13%
<b>USD-JPY</b>	107.370	0.13%	<b>EUR-SGD</b>	1.6192	-0.10%
<b>EUR-USD</b>	1.2345	-0.23%	<b>JPY-SGD</b>	1.2216	0.01%
<b>AUD-USD</b>	0.7730	-0.69%	<b>GBP-SGD</b>	1.8476	-0.69%
<b>GBP-USD</b>	1.4087	-0.82%	<b>AUD-SGD</b>	1.0139	-0.56%
<b>USD-MYR</b>	3.8910	0.04%	<b>NZD-SGD</b>	0.9538	-0.52%
<b>USD-CNY</b>	6.2791	0.07%	<b>CHF-SGD</b>	1.3504	-0.14%
<b>USD-IDR</b>	13785	0.07%	<b>SGD-MYR</b>	2.9707	0.17%
<b>USD-VND</b>	22778	0.02%	<b>SGD-CNY</b>	4.7944	0.09%

#### Equity and Commodity

Index	Value	Net change
<b>DJIA</b>	24,664.89	-83.18
<b>S&amp;P</b>	2,693.13	-15.51
<b>Nasdaq</b>	7,238.06	-57.18
<b>Nikkei 225</b>	22,191.18	32.98
<b>STI</b>	3,598.73	40.91
<b>KLCI</b>	1,895.18	15.86
<b>JCI</b>	6,355.90	35.90
<b>Baltic Dry</b>	1,124.00	--
<b>VIX</b>	15.96	0.36

#### Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
<b>1M</b>	-0.3710	--	<b>O/N</b>	1.7050	--
<b>2M</b>	-0.3410	--	<b>1M</b>	1.8971	--
<b>3M</b>	-0.3280	--	<b>2M</b>	2.0463	--
<b>6M</b>	-0.2710	--	<b>3M</b>	2.3587	--
<b>9M</b>	-0.2190	--	<b>6M</b>	2.5031	--
<b>12M</b>	-0.1890	--	<b>12M</b>	2.7475	--

#### Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
<b>2Y</b>	1.92 (+0.03)	2.43 (--)
<b>5Y</b>	2.09 (+0.04)	2.75 (+0.02)
<b>10Y</b>	2.42 (+0.05)	2.91 (+0.04)
<b>15Y</b>	2.65 (+0.03)	--
<b>20Y</b>	2.67 (+0.02)	--
<b>30Y</b>	2.82 (+0.03)	3.10 (+0.04)

#### Fed Rate Hike Probability

Meeting	Prob Hike	1.75-2	2-2.25	2.25-2.5	2.5-2.75
05/02/2018	29.9%	29.9%	0.0%	0.0%	0.0%
06/13/2018	90.2%	64.5%	25.8%	0.0%	0.0%
08/01/2018	90.8%	61.1%	28.2%	1.6%	0.0%
09/26/2018	97.1%	25.9%	50.5%	19.6%	1.1%
11/08/2018	97.3%	24.0%	48.5%	22.1%	2.6%
12/19/2018	98.4%	15.1%	38.2%	33.1%	10.8%

#### Financial Spread (bps)

	Value	Change
<b>LIBOR-OIS</b>	56.50	-0.87
<b>EURIBOR-OIS</b>	2.20	--
<b>TED</b>	55.61	--

#### Commodities Futures

Energy	Futures	% chg	Base Metals	Futures	% chg
WTI (per barrel)	68.29	-0.26%	Copper (per mt)	6,953.4	-0.86%
Brent (per barrel)	73.78	0.41%	Nickel (per mt)	15,037.5	-1.35%
Heating Oil (per gallon)	2.1094	0.88%	Aluminium (per mt)	2,498.5	-1.94%
Gasoline (per gallon)	2.0774	0.44%			
Natural Gas (per MMBtu)	2.6600	-2.88%	<b>Asian Commodities</b>	<b>Futures</b>	<b>% chg</b>
			Crude Palm Oil (MYR/MT)	2,403.0	-0.21%
			Rubber (JPY/KG)	187.1	2.63%
<b>Precious Metals</b>	<b>Futures</b>	<b>% chg</b>			
Gold (per oz)	1,348.8	-0.35%			
Silver (per oz)	17.239	-0.05%			

Source: Bloomberg, Reuters

(Note that rates are for reference only)

### Economic Calendar

Date Time	Event		Survey	Actual	Prior	Revised	
04/19/2018 02:00	US	Federal Reserve Releases Beige Book					
04/19/2018 05:00	SK	PPI YoY	Mar	--	1.40%	1.30%	--
<b>04/19/2018 06:45</b>	<b>NZ</b>	<b>CPI QoQ</b>	<b>1Q</b>	<b>0.40%</b>	<b>0.50%</b>	<b>0.10%</b>	--
04/19/2018 07:50	JN	Japan Buying Foreign Bonds	Apr-13	--	¥797.6b	-¥609.4b	-¥594.7b
04/19/2018 07:50	JN	Japan Buying Foreign Stocks	Apr-13	--	¥214.4b	¥149.3b	--
04/19/2018 07:50	JN	Foreign Buying Japan Bonds	Apr-13	--	¥422.7b	¥818.9b	--
04/19/2018 07:50	JN	Foreign Buying Japan Stocks	Apr-13	--	¥308.3b	¥332.9b	¥332.6b
<b>04/19/2018 09:30</b>	<b>AU</b>	<b>Employment Change</b>	<b>Mar</b>	<b>20.0k</b>	<b>4.9k</b>	<b>17.5k</b>	<b>-6.3k</b>
<b>04/19/2018 09:30</b>	<b>AU</b>	<b>Unemployment Rate</b>	<b>Mar</b>	<b>5.50%</b>	<b>5.50%</b>	<b>5.60%</b>	<b>5.50%</b>
04/19/2018 09:30	AU	Full Time Employment Change	Mar	--	-19.9k	64.9k	20.1k
04/19/2018 09:30	AU	Part Time Employment Change	Mar	--	24.8k	-47.4k	-26.4k
<b>04/19/2018 09:30</b>	<b>AU</b>	<b>Participation Rate</b>	<b>Mar</b>	<b>65.70%</b>	<b>65.50%</b>	<b>65.70%</b>	<b>65.60%</b>
04/19/2018 09:30	AU	NAB Business Confidence	1Q	--	7	6	7
04/19/2018 09:30	AU	RBA FX Transactions Market	Mar	--	A\$874m	A\$310m	--
04/19/2018 16:00	EC	ECB Current Account SA	Feb	--	35.1b	37.6b	39.0b
04/19/2018 16:00	IT	Current Account Balance	Feb	--	839m	-1266m	-1360m
<b>04/19/2018 16:30</b>	<b>UK</b>	<b>Retail Sales Ex Auto Fuel MoM</b>	<b>Mar</b>	<b>-0.40%</b>	<b>-0.50%</b>	<b>0.60%</b>	<b>0.40%</b>
<b>04/19/2018 16:30</b>	<b>UK</b>	<b>Retail Sales Inc Auto Fuel MoM</b>	<b>Mar</b>	<b>-0.60%</b>	<b>-1.20%</b>	<b>0.80%</b>	--
04/19/2018 16:30	HK	Composite Interest Rate	Mar	--	0.38%	0.37%	--
<b>04/19/2018 16:30</b>	<b>HK</b>	<b>Unemployment Rate SA</b>	<b>Mar</b>	<b>2.90%</b>	<b>2.90%</b>	<b>2.90%</b>	--
<b>04/19/2018 18:30</b>	<b>PH</b>	<b>BoP Overall</b>	<b>Mar</b>	--	<b>-\$266m</b>	<b>-\$429m</b>	--
04/19/2018 19:48	ID	Bank Indonesia 7D Reverse Repo	Apr-19	4.25%	4.25%	4.25%	--
<b>04/19/2018 20:30</b>	<b>US</b>	<b>Initial Jobless Claims</b>	<b>Apr-14</b>	<b>230k</b>	<b>232k</b>	<b>233k</b>	--
04/19/2018 20:30	US	Continuing Claims	Apr-07	1845k	1863k	1871k	1878k
<b>04/19/2018 20:30</b>	<b>US</b>	<b>Philadelphia Fed Business Outlook</b>	<b>Apr</b>	<b>21</b>	<b>23.2</b>	<b>22.3</b>	--
04/19/2018 21:45	US	Bloomberg Economic Expectations	Apr	--	52.5	56	--
04/19/2018 21:45	US	Bloomberg Consumer Comfort	Apr-15	--	58.1	58	--
<b>04/19/2018 22:00</b>	<b>US</b>	<b>Leading Index</b>	<b>Mar</b>	<b>0.30%</b>	<b>0.30%</b>	<b>0.60%</b>	<b>0.70%</b>
<b>04/20/2018 07:30</b>	<b>JN</b>	<b>Natl CPI YoY</b>	<b>Mar</b>	<b>1.10%</b>	<b>1.10%</b>	<b>1.50%</b>	--
04/20/2018 07:30	JN	Natl CPI Ex Fresh Food YoY	Mar	0.90%	0.90%	1.00%	--
<b>04/20/2018 12:30</b>	<b>JN</b>	<b>Tertiary Industry Index MoM</b>	<b>Feb</b>	<b>0.00%</b>	--	<b>-0.60%</b>	--
04/20/2018 13:30	JN	Nationwide Dept Sales YoY	Mar	--	--	-0.90%	--
04/20/2018 13:30	JN	Tokyo Dept Store Sales YoY	Mar	--	--	0.60%	--
04/20/2018 14:00	GE	PPI MoM	Mar	0.20%	--	-0.10%	--
04/20/2018 15:00	JN	Convenience Store Sales YoY	Mar	--	--	0.30%	--
04/20/2018 15:00	MA	Foreign Reserves	Apr-13	--	--	\$107.8b	--
<b>04/20/2018 15:30</b>	<b>TH</b>	<b>Foreign Reserves</b>	<b>Apr-13</b>	--	--	<b>\$215.8b</b>	--
<b>04/20/2018 16:00</b>	<b>TA</b>	<b>Export Orders YoY</b>	<b>Mar</b>	<b>0.30%</b>	--	<b>-3.80%</b>	--
<b>04/20/2018 20:30</b>	<b>CA</b>	<b>Retail Sales MoM</b>	<b>Feb</b>	<b>0.40%</b>	--	<b>0.30%</b>	--
04/20/2018 20:30	CA	Retail Sales Ex Auto MoM	Feb	0.40%	--	0.90%	--
<b>04/20/2018 20:30</b>	<b>CA</b>	<b>CPI YoY</b>	<b>Mar</b>	<b>2.40%</b>	--	<b>2.20%</b>	--
<b>04/20/2018 22:00</b>	<b>EC</b>	<b>Consumer Confidence</b>	<b>Apr A</b>	<b>-0.1</b>	--	<b>0.1</b>	--
04/20/2018	MU	CPI Composite YoY	Mar	--	--	3.12%	--
04/19/2018 04/24	TH	Car Sales	Mar	--	--	75466	--

Source: Bloomberg

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