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Highlights

Global	China's trade data revealed a larger-than-expected slump in exports (which is the worst since May09) in Feb which aggravated slowdown concerns and led global risk appetite to retreat across the board. The IMF's Lipton also warned that the "IMF's latest reading of the global economy shows again a weakening baseline" and "risks have increased further, with volatile financial markets and low commodity prices creating fresh concerns about the health of the global economy" and the global economy needs a three-part plan to bolster growth through monetary, fiscal and structural policies. Crude oil prices also slipped from 2-month highs ahead of the US oil inventories data. Expect Asian market sentiment to sour somewhat today amid renewed China growth concerns. Today's data focus will be BNM's policy decision (with OPR likely static), US' wholesale inventories, UK industrial production, and S'pore COE premium tender results. RBNZ's policy decision is also due early tomorrow morning and consensus is calling for no cut at this juncture.
US	The NFIB small business confidence fell by 1 point to a 2-year low of 92.9 in Feb amid concerns about sales growth, earnings and capex plans, as well as the political climate which weigh on company expansion plans.
UK	BOE governor Carney warned that Brexit would risk the UK's financial stability. Meanwhile Weale opined that the BOE is still more likely to hike rates than to cut them over the next two years.
EZ	4Q15 GDP growth was +0.3% qoq (+1.6% yoy sa), making its 11th straight quarter of growth, led by gross fixed capital formation (+1.3%), government spending (+0.6%) whereas private consumption and exports rose 0.2% each. Nevertheless, market anticipation of ECB adding to its monetary policy stimulus tomorrow remains rampant. Note the first non-government issuer Berlin Hyp AG has sold EUR500b of 3-year covered bonds at a negative yield of 0.162%.
China	February's Exports tumbled much faster than expected, printing -25.4% yoy due to the Lunar New Year. Imports also plunged by 13.8% yoy, narrowing the trade surplus to US\$32.59 billion (lowest since Mar 2015). Muted external demand coupled with recent rallies on commodity prices may continue to add downward risks to the trade surplus, which has acted as a support for the stability of the RMB. Elsewhere, though the USD/CNY mid-point has been fixed lower for four consecutive trading days, bringing the CFETS CNY Index down further from 99.1575 to 99.0308, it confirms that the basket of currencies play a vital role to reference the pricing of the CNY.
Malaysia	Bank Negara Malaysia is due to announce its monetary policy decision today. Incidentally, it is slated to be the last MPC decision with Governor Zeti, who is retiring in April, at the helm. We do not expect the central bank to cut its policy rate, but may see a further 50bps trim in the statutory reserve requirement ratio.
Commo-dities	Crude oil prices have fallen once again, as investors react to poor Chinese trade data amid some profit taking after Brent touched its \$40/bbl handle yesterday. Note that the US EIA reported that US crude oil production has fallen to 9.1 mbpd in February, a decline by 80,000 bpd. The agency has forecasted Brent to average \$34/bbl and \$40/bbl in 2016 and 2017 respectively.

Major Market

- **US:** Wall Street closed lower yesterday for the first time in five sessions, with the Dow -0.64%, S&P500 -1.12% and Nasdaq -1.26%. VIX +7.61% to 18.67. The UST bond market was lifted on flight to quality bids, with the 2- and 10-year bond yields up at 0.88% and 1.83% respectively, tracking the rally in JGBs (whose 10-year bond fell 5bps to -0.095%) and . The US\$24b 3-year note auction fetched a yield of 1.039% with a bid-cover ratio of 2.71x (low since Jul09). There is a US\$20b 10-year note sale today, followed by US\$12b 30-year bonds tomorrow.
- **Singapore:** The STI lost 1.58% yesterday to close at 2778.77, and may continue to retreat amid the de-risking mood. The new spate of SGD corporate bond issuances is likely to divert some investor attention from SGS bonds, albeit the recent unwinding of market optimism may led bond yields lower in tandem with the UST bond market rally overnight.
- **Thailand:** The Bank of Thailand governor Veerathai had commented that the central bank is likely to revise its growth forecast lower again, due to heightening downside economic risks, exacerbated by the inappropriateness of monetary policy to stimulate domestic growth.

Bond Market Updates

- **Market Commentary:** The SGD swap curve bull-flattened yesterday, with the short-end rates registering a 2bps gain while the long-end rates traded 4bps-5bps lower. In the broader dollar space, JACI IG corporates spread tightened by 2bps to 241bps, while the yield on the JACI HY corporates increased by 2bps to 7.98%. 10y UST yield fell by 8bps to 1.83%.
- **New Issues:** CBA came to the market with a three-tranche deal pricing a USD750mn 3-year fixed-rate bond at CT3+108bps, a USD750mn floating rate bond at 3mL+106bps and a USD1bn fixed-rate note at CT5+125bps. The tranches had an initial guidance of CT3+120bps, 3mL+108bps and CT5+140bps respectively and are expected to be rated "AA-/Aa2/AA-". Korea Export Import bank priced a EUR750mn 3-year bond at MS+58bps, tightening from an initial guidance of 65bps. The issue is expected to be rated "AA-/Aa2/AA-".

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	97.209	0.14%	USD-SGD	1.3848	0.47%
USD-JPY	112.620	-0.74%	EUR-SGD	1.5248	0.44%
EUR-USD	1.1132	0.00%	JPY-SGD	1.2295	1.20%
AUD-USD	0.7439	-0.40%	GBP-SGD	1.9686	0.12%
GBP-USD	1.4215	-0.35%	AUD-SGD	1.0302	0.08%
USD-MYR	4.1172	0.51%	NZD-SGD	0.9341	-0.34%
USD-CNY	6.5047	-0.19%	CHF-SGD	1.3908	0.43%
USD-IDR	13160	0.57%	SGD-MYR	2.9733	0.47%
USD-VND	22300	0.02%	SGD-CNY	4.6924	-0.64%

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.2850	--	O/N	0.3720	--
2M	-0.2480	--	1M	0.4405	--
3M	-0.2160	--	2M	0.5255	--
6M	-0.1360	--	3M	0.6361	--
9M	-0.0790	--	6M	0.9007	--
12M	-0.0240	--	12M	1.2123	--

Eurozone & Russia Update

	2Y Bond Ylds (bpschg)		10Y Bond Ylds (bpschg)		10Y Bund Spread %
Portugal	0.72	5.90	3.17	2.90	2.98
Italy	-0.07	-0.90	1.42	-4.00	1.24
Ireland	-0.35	-1.20	0.88	-5.50	0.69
Greece*	9.35	-53.70	9.41	-38.70	9.23
Spain	-0.02	-1.10	1.57	-2.20	1.39
Russia^	3.41	0.00	5.66	0.00	5.48

* 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

Equity and Commodity

Index	Value	Net change
DJIA	16,964.10	-109.90
S&P	1,979.26	-22.50
Nasdaq	4,648.83	-59.40
Nikkei 225	16,783.15	-128.20
STI	2,778.77	-44.70
KLCI	1,687.86	-10.10
JCI	4,811.04	-20.50
Baltic Dry	366.00	12.00
VIX	18.67	1.30

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.03 (+0.01)	0.87 (-0.04)
5Y	1.75 (-0.02)	1.34 (-0.08)
10Y	2.11 (-0.04)	1.83 (-0.08)
15Y	2.50 (-0.06)	--
20Y	2.58 (-0.06)	--
30Y	2.73 (-0.05)	2.63 (-0.07)

Financial Spread (bps)

	Value	Change
LIBOR-OIS	22.81	-0.04
EURIBOR-OIS	14.30	0.30
TED	33.51	-2.63

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	36.50	-3.69%	Coffee (per lb)	1.202	1.31%
Brent (per barrel)	39.65	-2.91%	Cotton (per lb)	0.5821	-1.21%
Heating Oil (per gallon)	1.200	-1.84%	Sugar (per lb)	0.1486	1.36%
Gasoline (per gallon)	1.39	-0.35%	Orange Juice (per lb)	1.1835	3.86%
Natural Gas (per MMBtu)	1.712	1.30%	Cocoa (per mt)	2,954	-1.34%
Base Metals	Futures	% chg	Grains	Futures	% chg
Copper (per mt)	4,868.0	-2.64%	Wheat (per bushel)	4.6125	0.76%
Nickel (per mt)	8,560	-8.57%	Soybean (per bushel)	8.775	0.46%
Aluminium (per mt)	1,560.3	-1.99%	Corn (per bushel)	3.5875	1.06%
Precious Metals	Futures	% chg	Asian Commodities	Futures	% chg
Gold (per oz)	1,262.9	-0.09%	Crude Palm Oil (MYR/MT)	2,491.0	-0.16%
Silver (per oz)	15.384	-1.53%	Rubber (JPY/KG)	161.5	-2.12%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Key Economic Indicators

Date Time		Event		Survey	Actual	Prior	Revised
03/08/2016 05:45	NZ	Mfg Activity SA QoQ	4Q	--	-1.90%	4.20%	3.60%
03/08/2016 07:50	JN	GDP SA QoQ	4Q F	-0.40%	-0.30%	-0.40%	--
03/08/2016 07:50	JN	GDP Annualized SA QoQ	4Q F	-1.50%	-1.10%	-1.40%	--
03/08/2016 07:50	JN	GDP Nominal SA QoQ	4Q F	-0.30%	-0.20%	-0.30%	--
03/08/2016 07:50	JN	GDP Deflator YoY	4Q F	1.50%	1.50%	1.50%	--
03/08/2016 07:50	JN	BoP Current Account Balance	Jan	¥715.5b	¥520.8b	¥960.7b	--
03/08/2016 07:50	JN	Trade Balance BoP Basis	Jan	-¥530.0b	-¥411.0b	¥188.7b	--
03/08/2016 08:30	TA	CPI YoY	Feb	0.80%	2.40%	0.81%	0.80%
03/08/2016 08:30	AU	NAB Business Conditions	Feb	--	8	5	--
03/08/2016 08:30	AU	NAB Business Confidence	Feb	--	3	2	3
03/08/2016 10:42	CH	Trade Balance	Feb	\$51.00b	\$32.59b	\$63.29b	--
03/08/2016 10:42	CH	Exports YoY	Feb	-14.50%	-25.40%	-11.20%	--
03/08/2016 10:42	CH	Imports YoY	Feb	-12.00%	-13.80%	-18.80%	--
03/08/2016 12:07	VN	Domestic Vehicle Sales YoY	Feb	--	16.30%	36.50%	--
03/08/2016 14:00	JN	Eco Watchers Survey Current	Feb	47.4	44.6	46.6	--
03/08/2016 14:00	JN	Eco Watchers Survey Outlook	Feb	49.3	48.2	49.5	--
03/08/2016 15:00	GE	Industrial Production SA MoM	Jan	0.50%	3.30%	-1.20%	-0.30%
03/08/2016 15:00	GE	Industrial Production WDA YoY	Jan	-1.60%	2.20%	-2.20%	-1.30%
03/08/2016 15:45	FR	Trade Balance	Jan	-4100m	-3712m	-3943m	-3680m
03/08/2016 18:00	EC	GDP SA QoQ	4Q P	0.30%	0.30%	0.30%	--
03/08/2016 18:00	EC	GDP SA YoY	4Q P	1.50%	1.60%	1.50%	--
03/08/2016 18:00	EC	Household Cons QoQ	4Q	0.30%	0.20%	0.40%	0.50%
03/08/2016 19:00	US	NFIB Small Business Optimism	Feb	94	92.9	93.9	--
03/08/2016 21:15	CA	Housing Starts	Feb	180.0k	212.6k	165.9k	165.1k
03/08/2016 21:30	CA	Building Permits MoM	Jan	-2.30%	-9.80%	11.30%	7.70%
03/09/2016 07:30	AU	Westpac Consumer Conf SA MoM	Mar	--	-2.20%	4.20%	--
03/09/2016 07:50	JN	Money Stock M2 YoY	Feb	3.20%	--	3.20%	--
03/09/2016 07:50	JN	Money Stock M3 YoY	Feb	2.60%	--	2.50%	--
03/09/2016 08:30	AU	Home Loans MoM	Jan	-3.00%	--	2.60%	--
03/09/2016 08:30	AU	Owner-Occupier Loan Value MoM	Jan	--	--	0.90%	--
03/09/2016 14:00	JN	Machine Tool Orders YoY	Feb P	--	--	-17.20%	--
03/09/2016 15:30	FR	Bank of France Bus. Sentiment	Feb	101	--	101	--
03/09/2016 16:00	SI	Automobile COE Open Bid Cat A	Mar-09	--	--	43000	--
03/09/2016 16:00	SI	Automobile COE Open Bid Cat B	Mar-09	--	--	46970	--
03/09/2016 17:30	UK	Industrial Production MoM	Jan	0.40%	--	-1.10%	--
03/09/2016 17:30	UK	Industrial Production YoY	Jan	0.00%	--	-0.40%	--
03/09/2016 17:30	UK	Manufacturing Production MoM	Jan	0.20%	--	-0.20%	--
03/09/2016 17:30	UK	Manufacturing Production YoY	Jan	-0.70%	--	-1.70%	--
03/09/2016 18:00	MA	BNM Overnight Policy Rate	Mar-09	3.25%	--	3.25%	--
03/09/2016 20:00	US	MBA Mortgage Applications	Mar-04	--	--	-4.80%	--
03/09/2016 23:00	CA	Bank of Canada Rate Decision	Mar-09	0.50%	--	0.50%	--
03/09/2016 23:00	UK	NIESR GDP Estimate	Feb	--	--	0.40%	--
03/09/2016 23:00	US	Wholesale Inventories MoM	Jan	-0.20%	--	-0.10%	--
03/07/2016 03/11	PH	Budget Balance PHP	Dec	--	--	6.0b	--

Source: Bloomberg

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