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Highlights

Global	Risk appetite likely grew in tandem with the surge in oil prices overnight, with major equity bourses from Wall Street, Europe and Asia printing higher. Data-wise, the unexpectedly higher jobs opening reported by JOLTS and modest gains in US wholesale inventories could have also easily aided in lifting market spirit. Elsewhere, Fed official John Williams weighed in on US monetary stance, with the former commenting that the US is unlikely to introduce negative interest rates which are currently seen in the ECB, Switzerland and Japan. In China, CPI printed according to expectation, while FDI surprised on the upside at +6.0% yoy in April. On tap today, we have Australia's Westpac consumer confidence and Home loan data, UK's industrial and manufacturing production figures, US MBA Mortgage Applications and China's M2 money supply.
Singapore	The International Monetary Fund (IMF) pencils Singapore's GDP growth to slow further to 1.8% this year, adding that growth should improve to about 2.5% in 2017. The agency also commented that that the central bank's recent monetary policy moves were "appropriate", though policymakers should remain vigilant to signs of deflation.
China	CPI grew by 2.3% yoy in April, in line with market expectation, driven by rising pork prices as well as increasing travel and accommodation costs ahead of Labour Day long weekend. We expect the CPI to stay sub 2.5% in 2Q and 3Q. As such, inflation is unlikely to be the key concern for policy makers. The most eye-catching reading from China's price data is the strong recovery of PPI in both month-on-month and year-on-year readings. The consecutive two months' positive sequential growth was partially the result of recent commodity fever in China's onshore market driven by liquidity. Looking together with Monday's article from People's Daily, it may be too early to cheer about the rapid rebound of PPI as it may be the result of back to old investment driven growth model. Given commodity prices are expected to correct in May, the rebound of PPI may pause.
Indonesia	Finance Minister Bambang Brodjonegoro said that the government has spent 28% of its full-year budget up till mid-May. This is a relatively speedy disbursement rate, considering that government spending tends to be slow in the first half of the year usually. Meanwhile, for the same period, up to 23% of the full-year target for revenue has come in.
Thailand	Bank of Thailand is slated to meet today. We expect them to keep interest rates unchanged at 1.50%. Note that the economy's headline inflation has turned positive in April (+0.07% yoy) following 15 straight months of deflation.
Commodities	Oil prices surged as the market reacted to the fall in Nigeria's oil production to its 22-year low (below 1.7mbp) given series of attacks of its oil infrastructure, and thus highlighting that a supply outage from the Canadian oil sands were still experienced. These disruptions had likely shed off previous concerns over US ballooning oil inventories, where estimates point towards another week of increase.

Major Market

- **US:** Equity markets recorded the biggest gain in 2 months amid a broad-based advance. Investor sentiments turned positive as oil and other commodities rebounded. S&P 500 (+1.25%), Dow (+1.26%) and Nasdaq (+1.25%). US Treasury yields inched upwards, with 2-year and 10-year Treasuries yielding 0.72% and 1.76% respectively. Volatility continues to subside, with VIX -6.45%.
- **Singapore:** The STI slipped -0.9% on Tuesday to close the session at 2741.15, the lowest since March this year. The decline was led by Golden Agri-Resources Ltd (-3.95%), Jardine Cycle & Carriage Ltd (-3.56%) and Capitaland Mall Trust (-2.82%) but gains from Hutchison Port Holdings Trust (+2.35) and Yangzijiang Shipbuilding Holdings Ltd (+1.68%) cushioned the fall. Given the rebound in Wall Street overnight, we may see some consolidation through the day, with support and resistance at 2720 and 2760 respectively.

Bond Market Updates

- **Market Commentary:** The SGD swap curve bull-flattened yesterday, with the short-end rates trading 2bps lower while the belly-to-long-end rates traded 3bps-4bps lower. Flows in the SGD corporate space were heavy, with activity centred on the bank capital space ahead of the proposed new T2 issue from Societe Generale. There was better buying in STANLN 4.4%'26s and ABNANV 4.75%'26s, while better selling was seen in BNP 4.3%'25s. In the corporate space, there were mixed interests in GENSSP 5.125%'49s and FCLSP 4.25%'26s. In the broader dollar space, the spread on the JACI IG corporates was level at 229bps, while the yield on the JACI HY corporates decreased by 1bp to 7.33%. 10y UST yield increased by 1bp to 1.76%.
- **New Issues:** The Metropolis of Tokyo priced a USD1bn 5-year bond at MS+90bps, tightening from an initial guidance of MS+95bps. The issue is expected to be rated "A+/NR/NR". Mapletree Logistics Trust has scheduled investor meetings from May 12 2016 onwards in Singapore. Societe Generale held an investor call yesterday on a possible SGD T2 transaction.
- **Rating Changes:** Moody's placed on review for downgrade the "Baa2" issue rating of IOI Corporation Berhad (IOI), driven by uncertainty regarding IOI's operating performance, particularly on its downstream business. Outlook is negative. S&P sees that fiscal and economic policies under the incoming administration of Philippines supportive of its "BBB" rating with stable outlook. Along the same theme, Fitch released a statement that the outcome of the Philippines elections won't have immediate impact on its "BBB-" rating or outlook. This is as Fitch waits to see whether improvement in governance standards under President Benigno Aquino can be sustained.

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	94.290	0.17%	USD-SGD	1.3688	-0.22%
USD-JPY	109.270	0.88%	EUR-SGD	1.5566	-0.33%
EUR-USD	1.1132	0.00%	JPY-SGD	1.2525	-1.10%
AUD-USD	0.7363	0.64%	GBP-SGD	1.9768	0.02%
GBP-USD	1.4442	0.24%	AUD-SGD	1.0079	0.43%
USD-MYR	4.0468	0.86%	NZD-SGD	0.9252	-0.36%
USD-CNY	6.5208	0.06%	CHF-SGD	1.4025	-0.71%
USD-IDR	13286	-0.21%	SGD-MYR	2.9594	0.65%
USD-VND	22294	0.02%	SGD-CNY	4.7584	-0.02%

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3490	--	O/N	0.3850	--
2M	-0.2920	--	1M	0.4387	--
3M	-0.2580	--	2M	0.5190	--
6M	-0.1430	--	3M	0.6296	--
9M	-0.0790	--	6M	0.9054	--
12M	-0.0140	--	12M	1.2272	--

Eurozone & Russia Update

	2Y Bond Ylds (bpschg)	10Y Bond Ylds (bpschg)	10Y Bund Spread %
Portugal	0.64	1.10	3.35
Italy	-0.06	0.20	1.51
Ireland	-0.35	1.20	0.89
Greece*	7.66	-193.80	7.77
Spain	-0.06	1.00	1.64
Russia^	3.13	-2.40	4.86

* 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	17,928.35	222.40
S&P	2,084.39	25.70
Nasdaq	4,809.88	59.70
Nikkei 225	16,565.19	349.20
STI	2,741.15	-24.90
KLCI	1,635.84	3.60
JCI	4,763.12	13.80
Baltic Dry	594.00	-22.00
VIX	13.63	-0.90

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.05 (+0.01)	0.72 (+0.02)
5Y	1.64 (+0.01)	1.21 (+0.02)
10Y	2.02 (+0.01)	1.76 (+0.01)
15Y	2.38 (--)	--
20Y	2.45 (--)	--
30Y	2.55 (--)	2.61 (--)

Financial Spread (bps)

	Value	Change
LIBOR-OIS	24.75	0.39
EURIBOR-OIS	8.60	-0.10
TED	38.40	-3.20

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	44.66	2.81%	Coffee (per lb)	1.269	1.40%
Brent (per barrel)	45.52	4.33%	Cotton (per lb)	0.6090	-0.70%
Heating Oil (per gallon)	1.338	3.98%	Sugar (per lb)	0.1602	0.88%
Gasoline (per gallon)	1.49	2.98%	Orange Juice (per lb)	1.4545	2.39%
Natural Gas (per MMBtu)	2.158	2.86%	Cocoa (per mt)	3,081	0.72%
Base Metals	Futures	% chg	Grains	Futures	% chg
Copper (per mt)	4,680.0	-0.13%	Wheat (per bushel)	4.5150	1.01%
Nickel (per mt)	8,672	1.22%	Soybean (per bushel)	10.760	5.62%
Aluminium (per mt)	1,539.0	-0.47%	Corn (per bushel)	3.7850	2.92%
Precious Metals	Futures	% chg	Asian Commodities	Futures	% chg
Gold (per oz)	1,264.8	-0.14%	Crude Palm Oil (MYR/MT)	2,670.0	-0.19%
Silver (per oz)	17.075	0.03%	Rubber (JPY/KG)	175.4	-0.06%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Key Economic Indicators

Date Time	Event	Survey	Actual	Prior	Revised	
05/10/2016 09:30	CH CPI YoY	Apr	2.30%	2.30%	2.30%	--
05/10/2016 09:30	CH PPI YoY	Apr	-3.70%	-3.40%	-4.30%	--
05/10/2016 11:09	PH Budget Balance PHP	Feb	--	-34.6b	-3.5b	--
05/10/2016 13:38	VN Domestic Vehicle Sales YoY	Apr	--	38.10%	52.50%	--
05/10/2016 14:00	GE Industrial Prod SA MoM	Mar	-0.20%	-1.30%	-0.50%	-0.70%
05/10/2016 14:00	GE Industrial Production WDA YoY	Mar	1.10%	0.30%	1.30%	2.00%
05/10/2016 14:00	GE Trade Balance	Mar	20.6b	26.0b	20.3b	20.2b
05/10/2016 14:00	GE Current Account Balance	Mar	25.0b	30.4b	20.0b	21.1b
05/10/2016 14:00	GE Exports SA MoM	Mar	0.00%	1.90%	1.30%	--
05/10/2016 14:00	GE Imports SA MoM	Mar	-0.30%	-2.30%	0.40%	0.10%
05/10/2016 14:30	FR Bank of France Bus. Sentiment	Apr	100	99	99	--
05/10/2016 14:45	FR Industrial Production MoM	Mar	0.70%	-0.30%	-1.00%	-1.30%
05/10/2016 14:45	FR Industrial Production YoY	Mar	0.50%	-0.80%	0.60%	0.40%
05/10/2016 14:45	FR Manufacturing Production MoM	Mar	0.60%	-0.90%	-0.90%	-1.40%
05/10/2016 14:45	FR Manufacturing Production YoY	Mar	1.20%	-1.10%	1.60%	1.40%
05/10/2016 16:00	IT Industrial Production MoM	Mar	0.20%	0.00%	-0.60%	-0.70%
05/10/2016 16:00	IT Industrial Production WDA YoY	Mar	1.30%	0.50%	1.20%	1.10%
05/10/2016 16:00	IT Industrial Production NSA YoY	Mar	--	-0.40%	5.20%	5.10%
05/10/2016 16:30	UK Visible Trade Balance GBP/Mn	Mar	-£11,450	-£11,204	-£11,964	-£11,425
05/10/2016 16:30	UK Trade Balance	Mar	-£4,200	-£3,830	-£4,840	-£4,301
05/10/2016 16:46	ID Foreign Reserves	Apr	--	\$107.71b	\$107.50b	\$107.54b
05/10/2016 18:00	US NFIB Small Business Optimism	Apr	93	93.6	92.6	--
05/10/2016 22:00	US Wholesale Inventories MoM	Mar	0.10%	0.10%	-0.50%	-0.60%
05/11/2016 07:00	SK Unemployment rate SA	Apr	3.80%	3.70%	3.80%	--
05/11/2016 07:27	NZ REINZ House Sales YoY	Apr	--	18.40%	8.20%	--
05/11/2016 08:30	AU Westpac Cons Conf SA MoM	May	--	--	-4.00%	--
05/11/2016 09:00	PH Exports YoY	Mar	-9.10%	--	-4.50%	--
05/11/2016 09:30	AU Home Loans MoM	Mar	-1.50%	--	1.50%	--
05/11/2016 13:00	JN Leading Index CI	Mar P	96.3	--	96.8	--
05/11/2016 15:30	TH BoT Benchmark Rate	May-11	1.50%	--	1.50%	--
05/11/2016 16:30	UK Industrial Production MoM	Mar	0.50%	--	-0.30%	--
05/11/2016 16:30	UK Industrial Production YoY	Mar	-0.40%	--	-0.50%	--
05/11/2016 16:30	UK Mfg Production MoM	Mar	0.30%	--	-1.10%	--
05/11/2016 16:30	UK Manufacturing Production YoY	Mar	-1.90%	--	-1.80%	--
05/11/2016 19:00	US MBA Mortgage Applications	May-06	--	--	-3.40%	--
05/11/2016 22:00	UK NIESR GDP Estimate	Apr	--	--	0.30%	--
05/10/2016 05/15	CH New Yuan Loans CNY	Apr	800.0b	--	1370.0b	--
05/10/2016 05/15	CH Money Supply M1 YoY	Apr	21.50%	--	22.10%	--
05/10/2016 05/15	CH Money Supply M2 YoY	Apr	13.50%	--	13.40%	--
05/10/2016 05/20	ID Local Auto Sales	Apr	--	--	93990	--

Source: Bloomberg

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