

Highlights

Global	<p>Global risk appetite may remain subdued for the start of this week as some markets return from the long Easter weekend while awaiting the key US' nonfarm payrolls and unemployment rate report on Friday where market consensus is eyeing +208k and 4.9% respectively. US' 4Q15 GDP growth was revised up more than expected to 1.4% qoq annualised and yoy on the back of better than estimated personal consumption growth of 2.4%. Over in Asia, the Nikkei suggested that Japanese PM Abe is planning a stimulus package before the G7 summit to be hosted on 26-27 May.</p> <p>Today's data calendar is relatively light with only US' pending home sale, personal income and spending and core PCE data. Of focus will be the central bank rhetoric from Fed's Williams, Kaplan, Evans, Dudley and Mester, as well as BOE's Evans.</p>
Singapore	<p>The FY16 Budget plans to raise expenditure by \$5b (+7.3%) but may see a surplus of \$3.4b (or 0.8% of GDP) as the NIRC also surged more than expected to \$14.7b as well as increase in tax revenue to 14.4%. Key initiatives include a \$4.5b Industry Transformation Package to adopt technology and innovate faster, come up with common industry solutions, seek new markets overseas and deepen industry partnerships, as well as a next-generation Jurong Innovation District. SMEs were the key beneficiaries for the increase in corporate income tax relief to 50% capped at \$20k for YA16-17, a 100% investment allowance for qualifying automation equipment, equity divestment relief as part of corporate restructuring, extension of the double tax deduction for the internationalisation scheme and the land intensification allowance etc. In addition, there were enhancements to the Workfare Income Support, the Silver Support Scheme, as well as introducing a "pilot Business and IPC Partnership Scheme" from 1 July 2016, and also capping personal income tax relief at \$80k per YA from 2018.</p>
China	<p>China's Industrial profit growth rebounded by 4.8% yoy in the first two months after contracting for the whole year of 2015. The recovery was mainly led by oil processing, electrical machinery and food companies. Profit for manufacturing companies rebounded by 12.9% yoy thanks to improving sales as well as increasing producer prices. The stronger than expected industrial profit is positive and is expected to be supportive of investment sentiment. Challenges remain given the worsening account receivable.</p>
Taiwan	<p>The central bank cut its benchmark interest rate again last week by 12.5bps to 1.5% from 1.625%, the third consecutive rate cut since September's quarterly meeting due to softening global recovery momentum as well as stable inflation outlook.</p>
Indonesia	<p>Energy Minister Sudirman Said said that the government is seeking to remove diesel subsidies in 2016 budget revision. The government currently subsidizes diesel fuel at the rate of IDR1000 per litre. If removed, it could save the government IDR15-16tn in expenditure, he added.</p>
Malaysia	<p>Bank Negara's Deputy Governor Sukhdave Singh reportedly said that he is not in the running for the post of governor that is going to be vacated by Zeti Aziz in April. He mentioned that the central bank had selected an internal candidate who is fully capable of taking over, but the decision is up to the government. Meanwhile, February CPI inflation came in at 4.2% yoy, higher than the 4.1% that market expected, as food prices picked up.</p>

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Major Market

- **US:** Wall Street ended flat last Thursday, ending a 5-week winning streak, as the Dow +0.08%, S&P500 -0.04% and Nasdaq +0.10%. VIX -1.34% to 14.74. The 2- and 10-year US Treasury bond yields ended higher in thin trade at 0.89% and 1.90% respectively. Fed's Bullard had opined that "the next rate increase may not be far off provided that the economy evolves as expected".
- **Singapore:** The STI slid 1.2% at 2847.39 on Thursday, and may trade sideways today given a lack of fresh leads after the Easter weekend. The STI could see support at 2820 and resistance at 2860. Meanwhile, SGS bonds may also range trade with a slightly softer bias today.
- **Hong Kong:** Thanks to a slew of positive news from China's "two sessions" and the expectations of "Shenzhen-Hong Kong Stock Connect", the Hang Seng Index registered positive growth for three consecutive trading days and closed at 20684.15 on 21 Mar. However, despite China's Premier Li Keqiang confirmation that the stock connect will be launched within this year on the Boao Forum, Hang Seng Index tumbled by 1.31% to 20345.61 on Thursday, erasing previous gains amid escalating geopolitical risks and the Fed members' hawkish tone on rate hike.

Bond Market Updates

- **Market Commentary:** The SGD swap curve bull-flattened last Thursday with the short-end rates trading 3bps lower while the long-end rates traded 4bps-5bps lower. Flows in the SGD corporate space was heavy where we saw better buyers in ABNANV 4.75%'26s, ABN 4.7%'22s, GENSSP 5.125%'49s, BNP4.3%'25s and mixed interest in SINTEC 4.05%'25s, ANVAU 5.5%'76s, STANLN 4.4%'26s and ASPSP 4.5%'17s. 10y UST increased by 3bps to 1.90%.
- **New Issues:** Yunnan Provincial Investment Holdings Group priced a USD300m 3 year bond at 3.375%, with an orderbook of over USD3.3bn from 109 accounts.
- **Rating Changes:** S&P lowered Japan-based general trading and investment company ("GTIC") Mitsui & Co Ltd's long-term corporate credit and senior unsecured ratings to "A" from "A+". At the same time, S&P has also placed their long-term "A" rating and short-term "A-1" ratings on CreditWatch with negative implication. The downgrade reflects Mitsui's expectation that it will suffer a JPY70bn net loss for fiscal 2015 due to an additional impairment loss of JPY260bn. Along the same theme, S&P lowered its long-term corporate credit rating on Mitsubishi Corp to "A" from "A+". This rating action follows Mitsubishi Corp's revision of its earnings forecast for fiscal 2015 (ending 31 Mar 2016) to a net loss of JPY150bn (from net profit of JPY300bn). This is because of impairment losses from large-scale projects, including copper mining in Chile and iron ore and LNG businesses in Australia. Outlook is negative. Moody's too placed Mitsubishi Corp's issuer and senior unsecured rating of "A1" on review for downgrade. This was prompted by Moody's increasing concern over Mitsubishi's ability to generate adequate earnings and cash flow, as well as its ability to reduce its leverage to a level consistent with its "A1" rating. Fitch lowered China Properties Group Ltd ("CPG") to "CCC" from "B-", with the rating on its outstanding USD250mn senior notes also downgraded to "CCC" from "B-" (with a Recovery Rating of 'RR4'). The downgrade reflects CPG's lack of a contracted sales track record and not reaching sales target communicated to Fitch. CPG's lack of operational cash flow provides limited visibility of its ability to meet debt-servicing obligations.

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	96.273	0.14%	USD-SGD	1.3717	0.15%
USD-JPY	113.080	0.16%	EUR-SGD	1.5322	0.12%
EUR-USD	1.1132	0.00%	JPY-SGD	1.2134	0.02%
AUD-USD	0.7507	-0.28%	GBP-SGD	1.9393	0.04%
GBP-USD	1.4132	-0.15%	AUD-SGD	1.0303	-0.07%
USD-MYR	4.0370	0.19%	NZD-SGD	0.9173	-0.07%
USD-CNY	6.5160	0.02%	CHF-SGD	1.4036	0.00%
USD-IDR	13246	-0.09%	SGD-MYR	2.9449	0.19%
USD-VND	22315	-0.05%	SGD-CNY	4.7533	0.02%

Equity and Commodity

Index	Value	Net change
DJIA	17,515.73	--
S&P	2,035.94	--
Nasdaq	4,773.51	--
Nikkei 225	17,002.75	110.40
STI	2,847.39	--
KLCI	1,703.79	-11.70
JCI	4,827.09	--
Baltic Dry	406.00	--
VIX	14.74	--

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3310	--	O/N	0.3745	--
2M	-0.2770	--	1M	0.4350	--
3M	-0.2420	--	2M	0.5195	--
6M	-0.1340	--	3M	0.6286	--
9M	-0.0720	--	6M	0.9109	--
12M	-0.0050	--	12M	1.2312	--

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	0.90 (--)	0.87 (--)
5Y	1.67 (--)	1.38 (--)
10Y	1.98 (--)	1.90 (--)
15Y	2.38 (--)	--
20Y	2.48 (--)	--
30Y	2.66 (--)	2.67 (--)

Eurozone & Russia Update

	2Y Bond Ylds (bpschg)	10Y Bond Ylds (bpschg)	10Y Bund Spread %
Portugal	0.63	0.00	2.96
Italy	0.02	0.00	1.30
Ireland	-0.36	0.00	0.82
Greece*	9.70	0.00	8.77
Spain	0.03	0.00	1.52
Russia^	3.37	-1.00	5.57

Financial Spread (bps)

	Value	Change
LIBOR-OIS	23.06	-0.65
EURIBOR-OIS	10.33	--
TED	34.88	--

* 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

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	39.46	--	Coffee (per lb)	1.276	--
Brent (per barrel)	40.44	--	Cotton (per lb)	0.5772	--
Heating Oil (per gallon)	1.198	--	Sugar (per lb)	0.1587	--
Gasoline (per gallon)	1.47	--	Orange Juice (per lb)	1.3590	--
Natural Gas (per MMBtu)	1.806	--	Cocoa (per mt)	2,962	--
Base Metals	Futures	% chg	Grains	Futures	% chg
Copper (per mt)	4,945.0	--	Wheat (per bushel)	4.6300	--
Nickel (per mt)	8,622	--	Soybean (per bushel)	9.105	--
Aluminium (per mt)	1,469.3	--	Corn (per bushel)	3.7000	--
Precious Metals	Futures	% chg	Asian Commodities	Futures	% chg
Gold (per oz)	1,221.6	--	Crude Palm Oil (MYR/MT)	2,660.0	1.68%
Silver (per oz)	15.191	--	Rubber (JPY/KG)	167.0	0.12%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

CFTC Commodities Futures and Options

For the week ended: 22 Mar 2016

	Current	Previous	Net Chg		Current	Previous	Net Chg
Sugar	215,444	164,292	51,152	Wheat	-102,370	-89,999	-12,371
Soybean	67,426	25,696	41,730	RBOB Gasoline	86,670	91,546	-4,876
Corn	-77,105	-116,837	39,732	Platinum	32,971	32,418	553
Nymex Crude	364,597	330,787	33,810	Live Cattle	57,101	56,346	755
Natural Gas	-181,595	-205,093	23,498	Copper	787	-624	1,411
Coffee	28,693	14,865	13,828	Palladium	8,895	6,967	1,928
Gold	216,341	203,422	12,919	Cotton	-25,951	-28,157	2,206
Silver	62,747	57,020	5,727	Heating Oil	5,347	2,115	3,232
Lean Hogs	70,517	65,450	5,067	Cocoa	36,784	32,446	4,338

Source: CFTC

Key Economic Indicators

Date Time	Event		Survey	Actual	Prior	Revised
03/24/2016 05:45	NZ Trade Balance	Feb	90m	339m	8m	13m
03/24/2016 05:45	NZ Exports	Feb	4.01b	4.25b	3.90b	3.89b
03/24/2016 05:45	NZ Imports	Feb	3.90b	3.91b	3.89b	3.88b
03/24/2016 09:50	VN CPI YoY	Mar	1.55%	1.69%	1.27%	--
03/24/2016 13:00	SI Industrial Production SA MoM	Feb	-0.70%	-4.80%	9.30%	9.90%
03/24/2016 13:00	SI Industrial Production YoY	Feb	-1.50%	-4.70%	-0.50%	0.10%
03/24/2016 15:00	GE GfK Consumer Confidence	Apr	9.5	9.4	9.5	--
03/24/2016 15:45	FR Manufacturing Confidence	Mar	103	101	103	--
03/24/2016 16:30	TA CBC Interest Rate	Mar-24	1.50%	1.50%	1.63%	--
03/24/2016 17:00	IT Industrial Orders MoM	Jan	--	0.70%	-2.80%	--
03/24/2016 17:30	UK Retail Sales Ex Auto Fuel YoY	Feb	3.50%	4.10%	5.00%	5.10%
03/24/2016 17:30	UK BBA Loans for House Purchase	Feb	47900	45892	47509	46916
03/24/2016 18:00	IT Retail Sales YoY	Jan	--	-0.80%	0.60%	0.70%
03/24/2016 18:00	IT Retail Sales MoM	Jan	--	0.00%	-0.10%	--
03/24/2016 20:30	US Initial Jobless Claims	Mar-19	269k	265k	265k	259k
03/24/2016 20:30	US Continuing Claims	Mar-12	2235k	2179k	2235k	2218k
03/24/2016 20:30	US Durable Goods Orders	Feb P	-3.00%	-2.80%	4.70%	4.20%
03/24/2016 20:30	US Durables Ex Transportation	Feb P	-0.30%	-1.00%	1.70%	1.20%
03/24/2016 21:45	US Markit US Composite PMI	Mar P	--	51.1	50	--
03/25/2016 07:00	SK GDP SA QoQ	4Q F	0.60%	0.70%	0.60%	--
03/25/2016 07:00	SK GDP YoY	4Q F	3.00%	3.10%	3.00%	--
03/25/2016 07:30	JN Natl CPI YoY	Feb	0.30%	0.30%	0.00%	--
03/25/2016 07:30	JN Natl CPI Ex Food, Energy YoY	Feb	0.80%	0.80%	0.70%	--
03/25/2016 07:30	JN Tokyo CPI YoY	Mar	0.00%	-0.10%	0.10%	--
03/25/2016 11:30	TH Customs Exports YoY	Feb	-8.70%	10.27%	-8.91%	--
03/25/2016 11:30	TH Customs Imports YoY	Feb	-9.90%	-16.82%	-12.37%	--
03/25/2016 11:30	TH Customs Trade Balance	Feb	\$700m	\$4986m	\$238m	--
03/25/2016 12:00	MA CPI YoY	Feb	4.10%	4.20%	3.50%	--
03/25/2016 13:00	JN Leading Index CI	Jan F	--	101.8	101.4	--
03/25/2016 14:35	VN GDP YTD YoY	1Q	6.10%	5.46%	6.68%	--
03/25/2016 14:45	VN Exports YTD YoY	Mar	--	4.10%	2.90%	--
03/25/2016 15:30	TH Foreign Reserves	Mar-18	--	\$172.8b	\$170.9b	--
03/25/2016 15:45	FR Consumer Confidence	Mar	96	94	95	--
03/25/2016 15:45	FR GDP QoQ	4Q F	0.30%	0.30%	0.30%	--
03/25/2016 15:45	FR GDP YoY	4Q F	1.40%	1.40%	1.40%	--
03/25/2016 20:30	US GDP Annualized QoQ	4Q T	1.00%	1.40%	1.00%	--
03/25/2016 20:30	US Personal Consumption	4Q T	2.00%	2.40%	2.00%	--
03/25/2016 20:30	US GDP Price Index	4Q T	0.90%	0.90%	0.90%	--
03/25/2016 20:30	US Core PCE QoQ	4Q T	1.30%	1.30%	1.30%	--
03/28/2016 20:30	US Personal Income	Feb	0.10%	--	0.50%	--
03/28/2016 20:30	US PCE Core MoM	Feb	0.20%	--	0.30%	--
03/28/2016 22:00	US Pending Home Sales MoM	Feb	1.10%	--	-2.50%	--
03/28/2016 22:30	US Dallas Fed Manf. Activity	Mar	-26	--	-31.8	--

Source: Bloomberg

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