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Highlights

Global	Wall Street slipped overnight amid a mixed earnings season and as market players decided that FOMC and BOJ' choice to sit on the fence this week did not bode well for the global economy. The US' 1Q16 GDP growth also disappointed at 0.5% qoq annualised (expected 0.7%), marking the weakest quarterly performance since 1Q14, as stronger personal consumption (1.9%) was offset by softer housing and government spending (1.2%), and business fixed investments (-5.9%) and exports (-2.6%) deteriorated further. This would raise the hurdle for 2Q growth to pick up the pace in order to deliver a potential June or July rate hike and to achieve the Fed's 2.2% growth forecast for the full year. Today's economic data calendar comprises of US' personal spending and income, University of Michigan confidence, Chicago PMI, 1Q ECI, and core PCE, Thai trade and Singapore's bank loans. ECB's Weidmann and Fed's Kaplan are also scheduled to speak today.
US	Initial jobless claims rose 9k to 257k, while the Bloomberg consumer comfort index rose from 42.9 to 43.4 in the latest reading on confidence about finances and considered it the best time to buy goods and services in two months. The Kansas City Fed manufacturing survey rose from -6 to -4, suggesting that expectations for future activity increased to their highest reading of the year.
EZ	The Eurozone's Economic Sentiment Indicator suggested continued recovery at the start of 2Q16, while the April economic and services confidence gauges both improved. Meanwhile, German CPI rose 0.2% mom (0.1% yoy) in April, largely in line with market expectations, but unemployment fell for the 7th straight month by 16k and kept the jobless rate at a low 6.2%.
SG	Bank loans may continue to contract for the 6th straight month by around 1-2% yoy in March amid a lacklustre business climate. Meanwhile, the STI fell for the 5th consecutive session by 0.43% to close at 2862.30 yesterday, and may continue to slide today given the overnight sell-off in Wall Street and morning declines in Kospi, following BOJ's inaction. STI may see support at 2820 and resistance at 2680. Meanwhile, SGS bonds chalked up nice gains yesterday, and may remain well-bid today amid the slight risk-off sentiments.
China	Given the Fed's dovish tone and the BoJ's decision to hold off on more stimulus measures, USDCNY is expected to face renewed downward pressures in near term. As such, we need to closely monitor the CFETS index to keep track of the PBOC's stance towards CNY. In addition, we will also keep an eye on the Fed's speech rhetoric over the next few weeks to gauge whether a June rate increase remains possible as an increase in the Fed funds rate is likely to inject greater upward risks for the USDCNY.
Macau	In line with expectations, the number of hotel guests rose by 12.7% yoy to 893.2K in March, registering the fourth consecutive month of double-digit yoy growth. Several new hotel projects are also scheduled to be completed in the coming two years. As such, we look forward to further increases in hotel guests. However, the greater amount of new hotel openings will also result in sharp increases in total amount of guest rooms, capping the occupancy rate at around 80%. Meanwhile, broader hotel choices may also force operators to continue cutting room rates to increase competitiveness. This in turn may dilute or even diminish hotel profits. Therefore, unless tourism activities regain solid momentum, downward risks still threaten the hotel sector.

Major Market

- **US:** Wall Street ended Thursday sharply lower, dragged down by several blue chip companies and technology stocks such as Apple, which missed earning expectations. Dow -1.17%, S&P500 -0.92% and Nasdaq -1.19% while the VIX rose by 10.53% to come in at 15.22. Meanwhile, UST bond strengthened, with 2- and 10-year bond yields at 0.78% (-4bps) and 1.82% (-3bps) respectively

Bond Market Updates

- **Market Commentary:** The SGD swap curve bull-flattened yesterday tracking moves in the US treasury market post-FOMC. Short-end rates traded 2bps-4pbs lower, while the belly-to-long-end rates traded 5bps-7bps lower. Flows in the SGD corporate space were light, with better buying in ABNANV 4.75%'26s, STANLN 4.4%'26s and GENSSP 5.125%'49s. In the broader dollar space, the spread on the JACI IG corporates widened by 1bp to 228bps, while the yield on the JACI HY corporates decreased by 6bps to 1.47%. 10y UST yield decreased by 3bps to 1.82%.
- **New Issues:** Cambridge Industrial Trust priced a SGD50mn 7-year bond at 3.95%, tightening from an initial guidance of 4.0%. The expected rating for the issue is "NR/Baa3/NR". China Aircraft Leasing priced a USD300mn 3-year bond at 5.90%, tightening from an initial guidance of 6.0%. The issue is unrated. Huawei priced a USD2bn 10-year bond at CT10+230bps, tightening from an initial guidance of CT10+240bps. The issue is expected to be unrated.

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	93.761	-0.66%	USD-SGD	1.3452	-0.30%
USD-JPY	108.110	-3.01%	EUR-SGD	1.5271	-0.05%
EUR-USD	1.1132	0.00%	JPY-SGD	1.2442	2.77%
AUD-USD	0.7625	0.45%	GBP-SGD	1.9652	0.14%
GBP-USD	1.4609	0.45%	AUD-SGD	1.0258	0.15%
USD-MYR	3.8970	-0.46%	NZD-SGD	0.9364	1.52%
USD-CNY	6.4759	-0.34%	CHF-SGD	1.3917	0.16%
USD-IDR	13190	-0.09%	SGD-MYR	2.9012	0.00%
USD-VND	22303	0.11%	SGD-CNY	4.8047	-0.13%

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3430	--	O/N	0.3802	--
2M	-0.2870	--	1M	0.4352	--
3M	-0.2510	--	2M	0.5243	--
6M	-0.1420	--	3M	0.6384	--
9M	-0.0780	--	6M	0.9139	--
12M	-0.0110	--	12M	1.2441	--

Eurozone & Russia Update

	2Y Bond Ylds (bpschg)	10Y Bond Ylds (bpschg)	10Y Bund Spread %
Portugal	0.65	-0.20	3.17
Italy	-0.03	-0.10	1.48
Ireland	-0.33	1.00	0.94
Greece*	10.75	-76.30	8.93
Spain	-0.04	-0.40	1.60
Russia^	3.10	-3.00	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	17,830.76	-210.80
S&P	2,075.81	-19.30
Nasdaq	4,805.29	-57.80
Nikkei 225	16,666.05	-624.40
STI	2,862.30	-12.40
KLCI	1,674.76	-17.60
JCI	4,848.39	2.70
Baltic Dry	710.00	-5.00
VIX	15.22	1.50

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.02 (-0.03)	0.78 (-0.04)
5Y	1.62 (-0.06)	1.29 (-0.03)
10Y	1.99 (-0.04)	1.82 (-0.03)
15Y	2.37 (-0.04)	--
20Y	2.44 (-0.05)	--
30Y	2.57 (-0.05)	2.68 (-0.02)

Financial Spread (bps)

	Value	Change
LIBOR-OIS	25.30	0.97
EURIBOR-OIS	9.40	0.20
TED	42.81	2.37

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	46.03	1.54%	Coffee (per lb)	1.204	-0.54%
Brent (per barrel)	48.14	2.03%	Cotton (per lb)	0.6369	-0.59%
Heating Oil (per gallon)	1.405	1.82%	Sugar (per lb)	0.1532	-1.48%
Gasoline (per gallon)	1.60	1.09%	Orange Juice (per lb)	1.2615	1.61%
Natural Gas (per MMBtu)	2.078	4.16%	Cocoa (per mt)	3,157	-0.41%
Base Metals	Futures	% chg	Grains	Futures	% chg
Copper (per mt)	4,942.0	0.80%	Wheat (per bushel)	4.7550	0.26%
Nickel (per mt)	9,268	1.04%	Soybean (per bushel)	10.180	-0.10%
Aluminium (per mt)	1,663.8	1.36%	Corn (per bushel)	3.8700	1.64%
Precious Metals	Futures	% chg	Asian Commodities	Futures	% chg
Gold (per oz)	1,266.4	1.38%	Crude Palm Oil (MYR/MT)	2,584.0	-1.19%
Silver (per oz)	17.553	1.53%	Rubber (JPY/KG)	187.0	-2.55%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Key Economic Indicators

Date Time	Event	Survey	Actual	Prior	Revised
04/28/2016 02:00	US FOMC Rate Decision	Apr-27	0.50%	0.50%	0.50%
04/28/2016 05:00	NZ RBNZ Official Cash Rate	Apr-28	2.25%	2.25%	2.25%
04/28/2016 07:30	JN Jobless Rate	Mar	3.30%	3.20%	3.30%
04/28/2016 07:30	JN Natl CPI YoY	Mar	0.00%	-0.10%	0.30%
04/28/2016 07:30	JN Tokyo CPI Ex-Fresh Food YoY	Apr	-0.30%	-0.30%	-0.30%
04/28/2016 07:50	JN Retail Trade YoY	Mar	-1.40%	-1.10%	0.50%
04/28/2016 07:50	JN Industrial Production MoM	Mar P	2.80%	3.60%	-5.20%
04/28/2016 10:00	SK Department Store Sales YoY	Mar	--	0.30%	-1.90%
04/28/2016 10:30	SI Unemployment rate SA	1Q	2.00%	1.90%	1.90%
04/28/2016 13:00	JN Housing Starts YoY	Mar	-0.60%	8.40%	7.80%
04/28/2016 14:00	UK Nationwide House PX MoM	Apr	0.40%	0.20%	0.80%
04/28/2016 15:55	GE Unemp Change (000's)	Apr	0k	-16k	0k
04/28/2016 17:00	EC Economic Confidence	Apr	103.4	103.9	103
04/28/2016 17:00	EC Consumer Confidence	Apr F	-9.3	-9.3	-9.3
04/28/2016 20:00	GE CPI YoY	Apr P	0.10%	0.10%	0.30%
04/28/2016 20:00	GE CPI EU Harmonized MoM	Apr P	-0.20%	-0.30%	0.80%
04/28/2016 20:00	GE CPI EU Harmonized YoY	Apr P	0.00%	-0.10%	0.10%
04/28/2016 20:30	US Initial Jobless Claims	Apr-23	259k	257k	247k
04/28/2016 20:30	US Continuing Claims	Apr-16	2136k	2130k	2137k
04/28/2016 20:30	US GDP Annualized QoQ	1Q A	0.70%	0.50%	1.40%
04/28/2016 20:30	US Personal Consumption	1Q A	1.70%	1.90%	2.40%
04/28/2016 20:30	US GDP Price Index	1Q A	0.50%	0.70%	0.90%
04/28/2016 20:30	US Core PCE QoQ	1Q A	1.90%	2.10%	1.30%
04/29/2016 06:45	NZ Building Permits MoM	Mar	--	-9.80%	10.80%
04/29/2016 07:00	SK Industrial Production YoY	Mar	0.30%	-1.50%	2.40%
04/29/2016 08:30	TA GDP YoY	1Q P	-0.65%	--	-0.52%
04/29/2016 09:00	NZ ANZ Business Confidence	Apr	--	--	3.2
04/29/2016 09:30	AU PPI QoQ	1Q	--	--	0.30%
04/29/2016 12:00	VN Nikkei Vietnam PMI Mfg	Apr	--	--	50.7
04/29/2016 13:30	FR GDP QoQ	1Q A	0.40%	--	0.30%
04/29/2016 13:30	FR GDP YoY	1Q A	1.00%	--	1.40%
04/29/2016 14:00	GE Retail Sales MoM	Mar	0.40%	--	-0.40%
04/29/2016 14:45	FR CPI EU Harmonized YoY	Apr P	-0.10%	--	-0.10%
04/29/2016 14:45	FR CPI MoM	Apr P	0.10%	--	0.70%
04/29/2016 14:45	FR CPI YoY	Apr P	-0.10%	--	-0.10%
04/29/2016 15:30	TH Foreign Reserves	Apr-22	--	--	\$176.6b
04/29/2016 15:30	TH Exports YoY	Mar	--	--	6.20%
04/29/2016 15:30	TH BoP Current Account Bal	Mar	\$4635m	--	\$7401m
04/29/2016 16:30	UK Mortgage Approvals	Mar	74.2k	--	73.9k
04/29/2016 17:00	EC Unemployment Rate	Mar	10.30%	--	10.30%
04/29/2016 17:00	EC CPI Estimate YoY	Apr	-0.10%	--	--
04/29/2016 17:00	EC CPI Core YoY	Apr A	0.90%	--	1.00%
04/29/2016 17:00	EC GDP SA QoQ	1Q A	0.40%	--	0.30%
04/29/2016 17:00	EC GDP SA YoY	1Q A	1.40%	--	1.60%
04/29/2016 17:00	IT CPI NIC incl. tobacco MoM	Apr P	0.20%	--	0.20%
04/29/2016 17:00	IT CPI NIC incl. tobacco YoY	Apr P	-0.20%	--	-0.20%
04/29/2016 17:00	IT CPI EU Harmonized MoM	Apr P	0.50%	--	2.00%
04/29/2016 17:00	IT CPI EU Harmonized YoY	Apr P	-0.10%	--	-0.20%
04/29/2016 18:00	IT PPI MoM	Mar	--	--	-0.50%
04/29/2016 20:30	US Employment Cost Index	1Q	0.60%	--	0.60%
04/29/2016 20:30	US Personal Income	Mar	0.30%	--	0.20%
04/29/2016 20:30	US Personal Spending	Mar	0.20%	--	0.10%
04/29/2016 20:30	CA GDP MoM	Feb	-0.20%	--	0.60%
04/29/2016 22:00	US U. of Mich. Sentiment	Apr F	90	--	89.7

Source: Bloomberg

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