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Highlights

Global	Global risk sentiments retreated overnight, with most equity bourses lower and the 10-year UST bond yield pushing lower to 2.168% (lowest this year) while the 10-year JGB bond yield also hit 0% for the first time since Nov. The US military is considering shooting down North Korean missile tests, according to the Guardian. The GBP surged to a 6-month high on UK PM May's announcement of snap elections on 8 June. Asian markets are set for a cautious open this morning amid the improved risk appetites. Today's economic data calendar is again light with only US' mortgage applications, Eurozone's CPI and trade data, and Malaysia's CPI. Speakers include Hanson, Coeure and Praet.
US	US' housing starts fell 6.6% mom sa to 1.22m units in Mar, dragged down by single-family homes in the Midwest, following unexpectedly strong Feb due to mild weather. Meanwhile, building permits rebounded 3.6% mom to 1.26m in Mar. Separately, industrial production jumped 0.5% mom in Mar despite a slowdown in auto and parts output, and drove capacity utilisation higher from 75.7% to 76.1%. Fed's Fischer opined that intentions to trim its US\$4.5t balance sheet may not result in another taper tantrum and should not affect monetary policy.
UK	Prime Minister Theresa May's announcement for the calling of an early general election on 8th June stunned the market and officials in EU. Theresa May blamed her opponents and the House of Lords for stalling her agenda for Brexit and seek to strengthen her hand in future negotiations with the EU by winning a direct mandate. However, whether Theresa May will win enough votes in Parliament to pass the motion remains questionable as she will need at least two thirds of the support from the House of Commons. Labour leader Corbyn and the Liberal Democrats welcomed the prime minister's decision. Liberal Democrats' Farron urges votes for his party in order to avert the direction of a "Hard Brexit". Should the motion pass through the lower House, it is widely expected that May's Conservatives will win the election according to a poll conducted by Telegraph during the weekend which showed that the majority of the population supports May's approach to the Brexit talks. In response to the sudden announcement, the pound rose sharply against the USD to a two-month high at the possibility of a "Soft Brexit" but FTSE 100 plummeted to a seven-week low as a result.
IMF	Meanwhile, the IMF hiked its global growth forecast by 0.1% point to 3.5% this year, on the back of more upbeat projections in Europe (+0.1% point to 1.7%), Japan (+0.4% point to 1.2%), China (+0.1% point to 6.6%) and UK (+0.5% points to 2.0%), and citing "buoyant" financial markets and a cyclical manufacturing and trade recovery, before accelerating to 3.6% next year (unchanged from three months ago). This prompted IMF's Lagarde to say "we see spring in the air of the global economy" and "we should not waste it". However, the IMF also warned of the risk of "trade warfare".
ID	Indonesia's market is closed today, for the final round of Jakarta's gubernatorial elections. Voting starts at 7am and closes at 1pm, whereby unofficial results are expected to stream out thereafter. The two contestants, incumbent governor Ahok and former education minister Anies Baswedan are running neck-and-neck, according to various opinion polls.

Major Markets

- **US:** Equities followed their European counterparts lower as politics moved back into focus, with UK PM May calling for early elections, and far-left candidate Melanchon emerging as a serious option in the French presidential elections. This was compounded by a miss in Goldman Sachs' earnings report, which put pressure on financials. Overall, the Dow led the indices lower, down 0.55%, while the S&P 500 and Nasdaq closed with declines of 0.29% and 0.13%. VIX shaded lower, down 1.6% to 14.42. Meanwhile, US Treasuries staged a strong rally, reinforcing the point that previously held trading ranges for US Treasury yields have all but shattered. 2- and 10-year yields softened by 4-8 bps as bond bears retreated for cover. Moving forward, the 0.618 Fibonacci levels at 2.13% and the 200DMA at 2.05% may continue to attract for the 10-year yield.
- **Singapore:** STI ended nearly flat (-0.02%) to close at 3137.54 yesterday and may continue to consolidate today amid the lingering risk-off market sentiments which dominated the overnight slippage in Wall Street and morning declines in Nikkei and Kospi. The STI's support is tipped at 3120, followed by 3100. The SGS bond market was rangebound yesterday and may trade in a muted fashion this morning as investors await the MAS's announcement for the issue size of the 20-year SGS mini-auction later today.
- **China:** Premier Li Keqiang said confidence in Yuan grows noticeably and China will continue to keep Yuan basically stable at reasonable levels.
- **Malaysia:** Malaysia Air has reportedly signed deals with a number of companies to help keep track of its fleets anywhere in the world. The system is scheduled to become operational in 2018.
- **Commodities:** Risk-related assets fell overnight as market-watchers digest UK PM May's call for a surprise snap election. Commodity classes across the energy and base metal spaces fell markedly, especially seen in WTI (-0.46%) and Brent (-0.85%), as well as in copper (-2.6%). Gold likely rallied further back into its \$1,290/oz handle on safe haven demand. Risk appetite may remain weak as investors eye closely on today's UK House of Commons vote on the approval for a snap election in June.

Bond Market Updates

- **Market Commentary:** The SGD swap curve was range-bound yesterday, with the shorter tenors trading around 1bps lower while the medium to longer tenors traded 1-3bps higher. Flows in SGD corporates were heavy, with better buying seen in OUESP 3.75%'22s, mixed interest in FCLSP 4.15%'27s, UOBSP 3.5%'29s, SOCGEN 4.3%'26s, BNP 3.65%'24s. In the broader dollar space, the spread on JACI IG corporates was flattish at 204bp, while the yield on JACI HY rose 1bps to 6.54%. 10y UST yields fell 8bps yesterday to 2.17%, as markets continued to be driven by declining expectations for tax reform as well as geopolitical concerns. Drivers included fading confidence in tax reform, North Korean missile tests, Sunday's first-round French election and a spate of weak U.S. economic data including March housing starts reported on Tuesday.
- **New Issues:** Korea Resources Corporation priced a USD425mn 5-year senior notes at CT5+130bps, tightening from initial guidance of CT5+140bps. The expected issue ratings are 'A+/A1/NR'. Cagamas Global PLC priced a USD350mn 3-year bond (guaranteed by Cagamas Berhad) at CT3+115bps, tightening from initial guidance of CT3+125bps. The expected issue ratings are 'NR/A3/NR'. China Huarong Asset Management scheduled investor meetings from 19 April for potential USD and SGD bond issuance. The expected issue ratings are 'NR/Baa1/A'. PT Saka Energi Indonesia scheduled investor meetings from 19 April for potential USD bond issuance. The expected issue ratings are 'BB/Baa1/BB+'. HPCL-Mittal Energy Ltd. scheduled investor roadshows

from 19 April for potential USD bond issuance. Rongshi International Finance Ltd scheduled investor meetings from 19 April for potential USD bond issuance (guaranteed by State Development & Investment Corporation). The expected issue ratings are 'A+/A1/A+'. State Grid Overseas Development (2016) Ltd. scheduled investor roadshow from 19-25 April for potential USD bond issuance (guaranteed by State Grid Corporation of China). The expected issue ratings are 'AA/Aa3/NR'. QBE Insurance Group Ltd has mandated banks for potential USD senior notes under green bond framework.

- Rating Changes:** S&P assigned Indonesia-based upstream oil and gas exploration and production (E&P) company PT Saka Energi Indonesia (Saka) a 'BB' corporate credit rating. In addition, S&P also assigned a 'BB' issue rating to the USD denominated senior unsecured notes that Saka proposed to issue. The outlook is positive. The rating action reflects S&P's assessment of the company's 'b+' stand-alone credit profile (SACP) and Saka's benefit from extraordinary support from its parent, Indonesia-based gas distributor PT Perusahaan Gas Negara (Persero) Tbk. Moody's assigned Saka a 'Ba1' corporate family rating and a Ba1 rating to the proposed USD denominated bonds, while Fitch assigned Saka a Foreign-Currency Issuer Default Rating (IDR) of 'BB+' and an expected rating of 'BB+(EXP)' to the proposed USD denominated bonds. Moody's assigned Sime Darby Plantation Sdn Bhd (SDP) a first-time 'Baa1' issuer rating. The rating outlook is stable. The rating action reflects SDP's market leadership position, firstly, as the largest listed oil palm plantation company by planted area and crude palm oil production, and secondly, as the leading producer globally of certified sustainable palm oil. Fitch expects to assign SDP a Foreign-Currency Issuer Default Rating (IDR) of 'BBB+(EXP)', and an expected senior unsecured rating of 'BBB+(EXP)'. Moody's assigned State Development & Investment Corporation (SDIC) a first-time 'A1' issuer rating and senior unsecured rating to the proposed USD notes (guaranteed by SDIC) to be issued by Rongshi International Finance Limited. The ratings outlook is negative. The rating action reflects (1) SDIC's solid standalone credit quality, as evidenced by its 'baa3' baseline credit assessment (BCA); and (2) Moody's assessment of the very high likelihood that SDIC will receive extraordinary support from the Chinese government in case of a need, which provides a five-notch uplift to the rating. Fitch assigned SDIC an 'A+' Foreign- and Local-Currency Issuer Default Ratings (IDR), as well as an expected rating of 'A+(EXP)' to the proposed US dollar senior unsecured guaranteed notes. Moody's upgraded China Metallurgical Group Corporation's (CMGC) issuer rating and senior unsecured rating on the bonds (guaranteed by CMGC) issued by China Jingye Construction Engineering (Singapore) Pte Ltd's to 'Baa2' from 'Baa3'. In addition, Moody's adjusted CMGC's baseline credit assessment (BCA) to 'ba2' from 'ba3'. The ratings outlook is stable. The rating action reflects Moody's expectation that CMGC's financial leverage will continue to improve over the next 12-18 months, given its steady revenue growth, improved earnings and reduced debt levels. Moody's affirmed Scentre Group's (Scentre) 'A1' issuer rating. In addition, Moody's revised the rating outlook to negative from stable. The rating action reflects Scentre's elevated financial leverage, which is above the tolerance level set for its 'A1' rating. Moody's stated that the absence of measures to reduce financial leverage to below 6 times within 6-12 months will lead to a likely downgraded to 'A2'. Moody's withdrew Far East Hospitality Trust's (Far East) 'Baa2' issuer rating. The rating outlook was negative at the time of its withdrawal. Moody's has withdrawn the rating for its own business reasons.

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DX	99.499	-0.79%	USD-SGD	1.3958	-0.16%
USD-JPY	108.430	-0.44%	EUR-SGD	1.4978	0.67%
EUR-USD	1.0730	0.82%	JPY-SGD	1.2874	0.29%
AUD-USD	0.7560	-0.38%	GBP-SGD	1.7924	2.04%
GBP-USD	1.2841	2.20%	AUD-SGD	1.0552	-0.56%
USD-MYR	4.4110	0.15%	NZD-SGD	0.9828	0.30%
USD-CNY	6.8820	0.02%	CHF-SGD	1.4010	0.66%
USD-IDR	13298	0.09%	SGD-MYR	3.1529	-0.07%
USD-VND	22746	0.19%	SGD-CNY	4.9251	-0.10%

Equity and Commodity

Index	Value	Net change
DJIA	20,523.28	-113.64
S&P	2,342.19	-6.82
Nasdaq	5,849.47	-7.32
Nikkei 225	18,418.59	63.33
STI	3,137.54	-0.76
KLCI	1,740.60	6.67
JCI	5,606.52	29.03
Baltic Dry	1,294.00	-2.00
VIX	14.42	-0.24

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3720	--	O/N	0.9261	--
2M	-0.3410	--	1M	0.9944	--
3M	-0.3310	--	2M	1.0350	--
6M	-0.2460	--	3M	1.1584	--
9M	-0.1820	--	6M	1.4032	--
12M	-0.1200	--	12M	1.7718	--

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.18 (+0.01)	1.16 (-0.04)
5Y	1.61 (+0.01)	1.70 (-0.08)
10Y	2.11 (+0.01)	2.17 (-0.08)
15Y	2.25 (+0.01)	--
20Y	2.32 (+0.01)	--
30Y	2.34 (+0.01)	2.84 (-0.07)

Eurozone & Russia Update

	2Y Bond Ylds (bpschg)	10Y Bond Ylds (bpschg)	10Y Bund Spread
Portugal	0.41	0.70	3.82
Italy	-0.04	-2.70	2.26
Ireland	-0.37	-4.40	0.90
Greece	7.35	11.40	6.79
Spain	-0.21	-2.70	1.67
Russia	2.09	-2.10	4.09

Financial Spread (bps)

	Value	Change
LIBOR-OIS	21.42	0.38
EURIBOR-OIS	2.90	--
TED	35.58	--

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	52.41	-0.46%	Coffee (per lb)	1.429	1.28%
Brent (per barrel)	54.89	-0.85%	Cotton (per lb)	0.7682	-0.27%
Heating Oil (per gallon)	1.6219	-0.67%	Sugar (per lb)	0.1670	1.40%
Gasoline (per gallon)	1.7110	-0.50%	Orange Juice (per lb)	1.6365	2.99%
Natural Gas (per MMBtu)	3.1450	-0.57%	Cocoa (per mt)	1,928	0.89%
Base Metals	Futures	% chg	Grains	Futures	% chg
Copper (per mt)	5,575.5	-2.58%	Wheat (per bushel)	4.2250	0.36%
Nickel (per mt)	9,265.5	-4.43%	Soybean (per bushel)	9.460	-0.76%
Aluminium (per mt)	1,881.8	-0.70%	Corn (per bushel)	3.6175	-1.30%
Precious Metals	Futures	% chg	Asian Commodities	Futures	% chg
Gold (per oz)	1,291.7	0.18%	Crude Palm Oil (MYR/MT)	2,597.0	-1.48%
Silver (per oz)	18.272	-1.31%	Rubber (JPY/KG)	246.5	-7.33%

Source: Bloomberg, Reuters
(Note that rates are for reference only)

Key Economic Indicators

Date	Time	Event		Survey	Actual	Prior	Revised
04/18/2017 04:00	US	Total Net TIC Flows	Feb	--	\$19.3b	\$110.4b	\$121.2b
04/18/2017 04:00	US	Net Long-term TIC Flows	Feb	--	\$53.4b	\$6.3b	\$5.9b
04/18/2017 09:30	CH	China March Property Prices					
04/18/2017 09:30	AU	RBA April Rate Meeting Minutes					
04/18/2017 11:00	NZ	Non Resident Bond Holdings	Mar	--	61.50%	62.60%	--
04/18/2017 20:30	CA	Int'l Securities Transactions	Feb	--	38.84b	6.20b	6.35b
04/18/2017 20:30	US	Housing Starts	Mar	1250k	1215k	1288k	1303k
04/18/2017 20:30	US	Housing Starts MoM	Mar	-3.00%	-6.80%	3.00%	5.00%
04/18/2017 20:30	US	Building Permits	Mar	1250k	1260k	1213k	1216k
04/18/2017 20:30	US	Building Permits MoM	Mar	2.80%	3.60%	-6.20%	-6.00%
04/18/2017 21:00	CA	Existing Home Sales MoM	Mar	--	1.10%	5.20%	--
04/18/2017 21:15	US	Industrial Production MoM	Mar	0.50%	0.50%	0.00%	0.10%
04/18/2017 21:15	US	Capacity Utilization	Mar	76.10%	76.10%	75.40%	75.70%
04/18/2017 21:15	US	Manufacturing (SIC) Production	Mar	0.00%	-0.40%	0.50%	0.30%
04/19/2017 05:00	SK	PPI YoY	Mar	--	4.20%	4.20%	4.30%
04/19/2017 06:30	NZ	Performance Services Index	Mar	--	59	58.8	58.7
04/19/2017 07:30	AU	ANZ Roy Morgan Weekly	Apr-16	--	112.6	114.8	--
04/19/2017 08:30	AU	Westpac Leading Index MoM	Mar	--	--	-0.07%	--
04/19/2017 09:30	AU	New Motor Vehicle Sales MoM	Mar	--	--	-2.70%	--
04/19/2017 09:30	AU	New Motor Vehicle Sales YoY	Mar	--	--	-4.10%	--
04/19/2017 12:00	MA	CPI YoY	Mar	5.30%	--	4.50%	--
04/19/2017 14:00	EC	EU27 New Car Registrations	Mar	--	--	2.20%	--
04/19/2017 16:00	IT	Trade Balance EU	Feb	--	--	317m	--
04/19/2017 16:00	IT	Trade Balance Total	Feb	--	--	-574m	--
04/19/2017 17:00	EC	Trade Balance SA	Feb	18.0b	--	15.7b	--
04/19/2017 17:00	EC	Trade Balance NSA	Feb	16.2b	--	-0.6b	--
04/19/2017 17:00	EC	CPI MoM	Mar	0.80%	--	0.40%	0.40%
04/19/2017 17:00	EC	CPI YoY	Mar F	1.50%	--	1.50%	--
04/19/2017 17:00	EC	CPI Core YoY	Mar F	0.70%	--	0.70%	--
04/19/2017 19:00	US	MBA Mortgage Applications	Apr-14	--	--	1.50%	--
04/19/2017	PH	BoP Overall	Mar	--	--	-\$436m	--
04/19/2017 04/21	PH	Budget Balance PHP	Feb	--	--	2.2b	--

Source: Bloomberg

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Co.Reg.no.:193200032W