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Highlights

Global	<p>Amid a light economic data calendar, the key market focus was on Fed rhetoric overnight, with Evans throwing his support behind “two or three rate increases in 2017” citing “labor markets have been very strong” and even though “tax reform legislation is expected but many, many important details are still up in the air”. Meanwhile, Harker also opined that “I don’t want to get behind the curve, but we’re not in any rush either” and favours paring the balance sheet when the federal funds rate is “well north” of 1% in addition to preferring the balance sheet to “tilt” further away from MBS to UST bonds. Separately, Kashkari clarified that his dissent against the March FOMC rate hike was “because the key data I look at to assess how close we are to meeting our dual mandate goals haven’t changed much at all since our prior meeting” and “we are still coming up short on our inflation target, and the job market continues to strengthen, suggesting that slack remains”. Of note elsewhere, is UK PM May plans to trigger Article 50 of the Lisbon Treaty on 29 March, formally starting the Brexit negotiation process.</p> <p>Asian markets are likely to trade sideways awaiting fresh catalysts. Today’s economic data calendar comprises of US’ 4Q16 current account deficit, UK’s CPI/PPI/RPI and HK’s CPI. Speakers due today include Fed’s Dudley, George and Mester, and BOE’s Carney.</p>
US	<p>The Chicago Fed national activity index rebounded from a revised -0.02 in Jan to +0.34 in Feb. Meanwhile, a SF Fed research paper suggested that “the labor market may not be quite as tight as the headline unemployment rate suggests” as 4.7% is still 0.3-0.4% higher than levels reached during past labor-market peaks after accounting for demographic changes.</p>
FR	<p>The presidential debate saw the five candidates sparring over immigration, security and money issues. Polls suggest that Macron and Le Pen are frontrunners for the 23 April ballot.</p>
SG	<p>STI slipped 0.12% to close at 3165.70 yesterday and may continue to slide modestly today amid weak morning cues from Kospi and Nikkei. STI range is tipped to be between 3140-3180. With the UST bond yield curve continue to flatten led longer-dated bonds, the SGS market is likely to follow suit today.</p>
ID	<p>World Bank has reportedly approved a USD450mn loan to support Indonesia’s plan to develop low-income housing. The funding will partly go into a mortgage-linked down payment assistance program as well as a home improvement assistance program run by the government.</p>
MA	<p>PM Najib Razak said that Bank Negara will keep providing liquidity to the domestic financial market to ensure it remains orderly. He added that the various moves by the central bank have helped to stabilize the ringgit, and that it will introduce “liberalization” moves from time to time to develop the FX and bond markets to enable businesses to manage currency exposure.</p>

Major Markets

- **US:** Led by declines in financials, the S&P 500 slipped 0.20% on Monday. The Dow and Nasdaq were essentially unchanged. VIX closed marginally higher at 11.34. The return of Fed speak after the March FOMC, starting from Harker and Evans yesterday, will drive market sentiments this week. The overall message last night appeared somewhat mixed though, with Harker not ruling out more than three hikes, while Evans telegraphed a more dovish “two or three rate increases in 2017” message. This is in contrast to the coordinated voice before March FOMC. Meanwhile, US Treasuries extended the post-FOMC rally, with benchmark yields shading lower. 2- and 10-year yields stand at 1.29% and 2.46% respectively.

Bond Market Updates

- **Market Commentary:** The SGD swap curve bull-flattened yesterday, with swap rates trading 4-9bps lower across all tenors. In the broader dollar space, the spread on JACI IG corporates held steady at 194bps while the yield on JACI HY corporates fell 2bps to 6.70%. 10y UST yields fell 4bps yesterday to 2.46%, extending last week's rally as investors weigh the path of monetary policy. Yesterday, Minneapolis Fed President Neel Kashkari, the lone dissenter on a rate hike, said growth was still too slow, while Chicago Fed President Charles Evans said inflation is his main concern, noting that labour markets have not been “very strong” and he can support “two or three rate increases in 2017”.
- **New Issues:** Golden Legacy Pte. Ltd. priced USD150mn 7NC4 senior guaranteed notes (guaranteed by PT Sri Rejeki Isman Tbk and PT Sinar Pantja Djaja) at 7.00%, tightening from initial guidance of 7.375%. Rock International Investment Inc. priced a USD300mn 3-year bond (guaranteed by Shandong Yuhuang Chemical Co., Ltd.) at 6.875%, tightening from initial guidance of 7.25%. The expected issue ratings are ‘B+/NR/B’. Korea National Oil Corporation priced a USD1.5bn 3-tranche deal; with the USD500mn 3-year piece at 3mL+60bps, tightening from initial guidance of 3mL+80bps; the USD500mn 5-year piece at CT5+100bps, tightening from initial guidance of CT5+115bps; and the USD500mn 10-year piece at CT10+92.5bps, tightening from initial guidance of CT10+115bps. The expected issue ratings are ‘AA/Aa2/AA-’. PT Japfa Comfeed Indonesia Tbk. scheduled investor roadshows from 21 March for a potential USD bond issuance. The expected issue ratings are ‘NR/NR/BB-’. ABN AMRO Bank NV hired banks for a potential USD 11NC6 bond issuance. The expected issue ratings are ‘BBB-/Baa2/A-’. Korea South-East Power Co. Ltd. scheduled investor meetings from 27 March for a potential USD bond issuance.
- **Rating Changes:** S&P placed Indonesia-based animal feed and poultry producer PT Japfa Comfeed Indonesia Tbk.'s (Japfa) ‘B+’ corporate credit rating and ‘B+’ issue rating on Japfa's guaranteed senior debt on CreditWatch with positive implications. In addition, S&P assigned a preliminary ‘BB-’ foreign currency issue rating to Japfa's proposed issuance of USD senior unsecured notes. The ratings action reflects the proposed partial refinancing of Japfa's U.S. dollar bond due May 2018, which should lengthen its debt maturity profile and reduce refinancing risk and likely result in the corporate credit rating on Japfa improving to ‘BB-’ if the bond issuance is successful. Fitch has also assigned a ‘BB-(EXP)’ rating to Japfa's proposed USD senior unsecured notes. S&P affirmed SOHO China Ltd.'s (SOHO) ‘BB’ corporate credit rating with a negative outlook. Subsequently, S&P withdrew all ratings at SOHO's request. The affirmed ratings at the time of the withdrawal reflected SOHO's execution risk associated with a shift in the business model, high leverage, and weak financial strength. Moody's downgraded CAR Inc.'s (CAR) corporate family and senior unsecured rating to ‘Ba2’ from ‘Ba1’. The ratings outlook is negative. The rating action reflects Moody's view that CAR will continue to show lower gross profit margins because of strong competition in China's auto rental industry over the next 12-18 months. Moody's assigned DBS Bank Ltd., Australia Branch's (DBS Australia) 3-year AUD300mn senior unsecured floating rate notes an

'Aa1' rating. The rating assigned is in line with DBS Bank's Aa1 foreign currency deposit rating, and the (P)Aa1 foreign currency rating assigned to the GMTN Programme. Moody's affirmed the 'A3' issuer rating of Anhui Transportation Holding Group Company Limited and the 'Baa1' senior unsecured rating on the USD bond issued by Anhui Transportation's wholly owned subsidiary, Anhui Transportation Holding Group (H.K.) Limited (ATHK). The rating outlook is negative. The rating action reflects Moody's expectation that the company will receive support from the Anhui provincial government, despite its weakened credit metrics from slow revenue growth. Moody's affirmed Guangzhou Communication Investment Group's (GCIG) 'Baa1' issuer rating and 'Baa2' senior unsecured rating on the USD bond issued by Express (BVI) 2015 Ltd. The ratings outlook is negative. The rating affirmation balances Guangzhou Communications' weak standalone financials, with Moody's expectation that it will also receive a high level of support from the Guangzhou Municipal government, when in need.

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DX	100.410	0.11%	USD-SGD	1.3967	-0.38%
USD-JPY	112.550	-0.13%	EUR-SGD	1.5001	-0.36%
EUR-USD	1.0739	0.01%	JPY-SGD	1.2411	-0.24%
AUD-USD	0.7731	0.35%	GBP-SGD	1.7261	-0.68%
GBP-USD	1.2358	-0.31%	AUD-SGD	1.0799	-0.03%
USD-MYR	4.4265	-0.20%	NZD-SGD	0.9853	0.16%
USD-CNY	6.9085	0.07%	CHF-SGD	1.3987	-0.40%
USD-IDR	13314	-0.23%	SGD-MYR	3.1645	-0.10%
USD-VND	22793	0.04%	SGD-CNY	4.9454	0.38%

Equity and Commodity

Index	Value	Net change
DJIA	20,905.86	-8.76
S&P	2,373.47	-4.78
Nasdaq	5,901.53	0.53
Nikkei 225	19,521.59	--
STI	3,165.70	-3.68
KLCI	1,749.41	4.21
JCI	5,533.99	-6.44
Baltic Dry	1,205.00	9.00
VIX	11.34	0.06

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3710	--	O/N	0.9242	--
2M	-0.3400	--	1M	0.9761	--
3M	-0.3290	--	2M	1.0217	--
6M	-0.2410	--	3M	1.1518	--
9M	-0.1700	--	6M	1.4316	--
12M	-0.1090	--	12M	1.8132	--

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.21 (-0.01)	1.29 (-0.03)
5Y	1.54 (-0.03)	1.98 (-0.03)
10Y	2.27 (-0.05)	2.46 (-0.04)
15Y	2.40 (-0.05)	--
20Y	2.44 (-0.04)	--
30Y	2.48 (-0.04)	3.08 (-0.03)

Eurozone & Russia Update

	2Y Bond Ylds (bpschg)	10Y Bond Ylds (bpschg)	10Y Bund Spread
Portugal	0.66	-0.30	4.24
Italy	0.01	-0.20	2.36
Ireland	-0.33	0.30	1.15
Greece	8.59	25.40	7.48
Spain	-0.14	-0.60	1.85
Russia	2.01	-1.90	4.21

Financial Spread (bps)

	Value	Change
LIBOR-OIS	24.06	-0.12
EURIBOR-OIS	2.04	-0.08
TED	42.56	--

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	48.22	-1.15%	Coffee (per lb)	1.440	2.27%
Brent (per barrel)	51.62	-0.27%	Cotton (per lb)	0.7733	-1.31%
Heating Oil (per gallon)	1.5141	0.37%	Sugar (per lb)	0.1770	-2.59%
Gasoline (per gallon)	1.6113	0.78%	Orange Juice (per lb)	1.8285	1.05%
Natural Gas (per MMBtu)	3.0410	3.15%	Cocoa (per mt)	2,116	5.12%
Base Metals	Futures	% chg	Grains	Futures	% chg
Copper (per mt)	5,854.4	-0.90%	Wheat (per bushel)	4.3025	-1.38%
Nickel (per mt)	10,125.8	-0.95%	Soybean (per bushel)	9.995	-0.05%
Aluminium (per mt)	1,916.3	0.41%	Corn (per bushel)	3.6350	-1.09%
Precious Metals	Futures	% chg	Asian Commodities	Futures	% chg
Gold (per oz)	1,234.0	0.31%	Crude Palm Oil (MYR/MT)	2,939.0	-0.91%
Silver (per oz)	17.403	0.14%	Rubber (JPY/KG)	287.0	0.00%

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

Key Economic Indicators

Date	Time	Event	Survey	Actual	Prior	Revised
03/20/2017 05:00	NZ	Westpac Consumer Confidence	1Q	--	111.9	113.1
03/20/2017 05:00	SK	PPI YoY	Feb	--	4.20%	3.70%
03/20/2017 05:30	NZ	Performance Services Index	Feb	--	58.8	59.5
03/20/2017 08:01	UK	Rightmove House Prices MoM	Mar	--	1.30%	2.00%
03/20/2017 08:01	UK	Rightmove House Prices YoY	Mar	--	2.30%	2.30%
03/20/2017 14:06	PH	BoP Overall	Feb	--	-\$436m	-\$9m
03/20/2017 15:00	GE	PPI MoM	Feb	0.40%	0.20%	0.70%
03/20/2017 15:00	GE	PPI YoY	Feb	3.20%	3.10%	2.40%
03/20/2017 16:00	TA	Export Orders YoY	Feb	16.10%	22.00%	5.20%
03/20/2017 18:00	EC	Labour Costs YoY	4Q	--	1.60%	1.50%
03/20/2017 20:30	CA	Wholesale Trade Sales MoM	Jan	0.50%	3.30%	0.70%
03/20/2017 20:30	US	Chicago Fed Nat Activity Index	Feb	0.03	0.34	-0.05
03/20/2017 22:00	CA	Bloomberg Nanos Confidence	Mar-17	--	59.2	58.2
03/20/2017 03/31	IN	BoP Current Account Balance	4Q	-\$12.00b	--	-\$3.40b
03/20/2017 03/31	ID	Local Auto Sales	Jan	--	--	86573
03/20/2017 03/31	ID	Motorcycle Sales	Jan	--	--	437764
03/21/2017 05:45	NZ	Net Migration SA	Feb	--	6000	6460
03/21/2017 08:00	SK	Exports 20 Days YoY	Mar	--	14.80%	26.20%
03/21/2017 08:00	SK	Imports 20 Days YoY	Mar	--	29.40%	26.00%
03/21/2017 08:30	AU	House Price Index QoQ	4Q	2.50%	4.10%	1.50%
03/21/2017 08:30	AU	House Price Index YoY	4Q	6.30%	7.70%	3.50%
03/21/2017 08:30	AU	RBA March Rate Meeting Minutes				
03/21/2017 10:00	NZ	Credit Card Spending MoM	Feb	--	--	0.20%
03/21/2017 10:00	NZ	Credit Card Spending YoY	Feb	--	--	7.10%
03/21/2017 15:00	JN	Convenience Store Sales YoY	Feb	--	--	0.10%
03/21/2017 16:30	HK	CPI Composite YoY	Feb	0.70%	--	1.30%
03/21/2017 17:30	UK	CPI MoM	Feb	0.50%	--	-0.50%
03/21/2017 17:30	UK	CPI YoY	Feb	2.10%	--	1.80%
03/21/2017 17:30	UK	CPI Core YoY	Feb	1.70%	--	1.60%
03/21/2017 17:30	UK	Retail Price Index	Feb	267.5	--	265.5
03/21/2017 17:30	UK	RPI MoM	Feb	0.80%	--	-0.60%
03/21/2017 17:30	UK	RPI YoY	Feb	2.90%	--	2.60%
03/21/2017 17:30	UK	RPI Ex Mort Int.Payments (YoY)	Feb	3.10%	--	2.90%
03/21/2017 17:30	UK	PPI Input NSA MoM	Feb	0.10%	--	1.70%
03/21/2017 17:30	UK	PPI Input NSA YoY	Feb	20.10%	--	20.50%
03/21/2017 17:30	UK	PPI Output NSA MoM	Feb	0.30%	--	0.60%
03/21/2017 17:30	UK	PPI Output NSA YoY	Feb	3.70%	--	3.50%
03/21/2017 17:30	UK	PPI Output Core NSA MoM	Feb	0.20%	--	0.50%
03/21/2017 17:30	UK	PPI Output Core NSA YoY	Feb	2.50%	--	2.40%
03/21/2017 17:30	UK	House Price Index YoY	Jan	6.40%	--	7.20%
03/21/2017 17:30	UK	Public Finances (PSNCR)	Feb	--	--	-26.5b
03/21/2017 17:30	UK	Central Government NCR	Feb	--	--	-27.8b
03/21/2017 17:30	UK	Public Sector Net Borrowing	Feb	2.8b	--	-9.8b
03/21/2017 17:30	UK	PSNB ex Banking Groups	Feb	3.2b	--	-9.4b
03/21/2017 19:00	UK	CBI Trends Total Orders	Mar	5	--	8
03/21/2017 19:00	UK	CBI Trends Selling Prices	Mar	32	--	32
03/21/2017 20:30	CA	Retail Sales MoM	Jan	1.50%	--	-0.50%
03/21/2017 20:30	US	Current Account Balance	4Q	-\$129.0b	--	-\$113.0b
03/21/2017 20:30	CA	Retail Sales Ex Auto MoM	Jan	1.30%	--	-0.30%
03/21/2017 21:00	CH	Conf Board Leading Eco Index				
03/21/2017	MU	CPI Composite YoY	Feb	--	--	1.76%

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Co.Reg.no.:193200032W