

Highlights

Global	Global risk sentiments was supported overnight by US Treasury secretary Mnuchin's comments that "whether health care gets done or doesn't get done, we're going to get tax reform done" and "we're pretty close to being able to bring forward what is going to be major tax reform". However, given that the first round of French elections will be held this Sunday (with results tipped before midnight), and the US government may be headed for a shutdown on 29 April (the 100 th day of the Trump presidency!) if a spending bill is not passed by 28 Apr, there may be some profit-taking emerging today. Today's economic data calendar comprises of US' existing home sales, manufacturing/services/composite PMIs from US and Europe, UK's retail sales, HK's CPI and unemployment rate, and foreign reserves data from Malaysia and Thailand.
US	Initial jobless claims rose 10k to 244k, likely affected by the Easter holiday timing. The Philadelphia Fed business index slipped from a 33-year high of 32.8 in Mar to 22.0 in Apr, and the leading index also eased from a revised 0.5% in Feb to 0.4% in Mar, suggesting that momentum has softened. Meanwhile, Fed's Kaplan opined that three rate hikes this year is "still a good baseline" and "we should be gradual and patient". Powell said "after years of raising capital and liquidity standards, and of stress tests and living wills, our financial system is much stronger now" and "we should protect these core reforms and avoid a return to the highly vulnerable system that existed before the crisis".
EZ	Eurozone's consumer confidence improved from -5 in Mar to -3.6 in Apr, the highest since 2007 and suggesting renewed optimism.
JP	BOJ governor Kuroda said that the current asset purchase rate will continue for some time and "it's premature to discuss in an exact way about exit strategy" and "the target is 2 percent – we're still around 0 percent. So it's a long way to go". He also opined that "I don't think our monetary policy is constrained by the fact that we have acquired 40 percent of JGBs already, or our balance sheet is about 80 percent of GDP".
CH	PBoC chief economist said any new rules to tackle shadow banking will be ruled out gradually and China will consider potential market impact. This may help ease concern on the dramatic change in regulations.
ID	BI maintained its 4.75% 7-day reverse repo benchmark rate for the sixth straight meeting.
KR	Exports in the first 20 days of April rose by a strong 28.4% yoy, up from March's 14.8%. The gains marks Korea's fifth straight month of export growth, and highlights that recovery in its external environment remains on track.
CMD	Crude oil prices took back some ground after falling a spectacular 4.0% over the last trading session. Note recent comments by Saudi's Al-Falih who said that "there is an initial agreement... to extend" production cuts, though the extension may not necessarily be a period of another six months.

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Major Markets

- **US:** Equities rose on Wednesday after remarks from Treasury Secretary Mnuchin reignited hopes that major tax reforms will soon take place. This brought some optimism to equity markets, which have recently been rather directionless. Overall, the Nasdaq set the pace with a 0.92% rise, while the S&P 500 and Dow closed 0.76% and 0.85% higher. Amongst industry sectors, a 6% surge in American Express pushed financials to outperform the broader market. Financials should continue to push ahead in the tonight's session as Visa Inc. also posted strong earnings after-hours. VIX closed lower at 14.15. Meanwhile, US Treasury yields firmed slightly as safe-haven flows subsided on Mnuchin's remarks and ahead of French elections. 2- and 10-year benchmark yields stand at 1.18% and 2.23% respectively.
- **Singapore:** STI added 0.37% to close at 3137.88 yesterday, and may attempt to continue to ride the momentum this morning. STI's support and resistance are tipped at 3120 and 3150 respectively today. As UST bond yields rose overnight, SGS bonds are likely to follow suit today.

Bond Market Updates

- **Market Commentary:** The SGD swap curve bear-steepened yesterday, with swap rates trading 1-4bps higher across all tenors. Flows in SGD corporates were heavy, with mixed interest in NAB 4.15%'28s, OUESP 3.75%'22s, UOBSP 3.5%'29s, FCLSP 4.15%'27s. In the broader dollar space, the spread on JACI IG corporates narrowed by 1bps to 204bps, while the yield on JACI HY corporates remained flattish at 6.55%. 10y UST yields rose 2bps yesterday to 2.23%, after U.S. Treasury Secretary Steven Mnuchin said a major tax reform plan will come soon. 10y UST yields also followed declines for most European government bond markets ahead of the French election on Sunday.
- **New Issues:** Huarong Finance 2017 Co. Ltd. priced a USD2.97bn 5-tranche deal (guaranteed by China Huarong International Holdings Ltd.); with a USD500mn 3-year piece at 3mL+165bps, tightening from initial guidance of 3mL+195bps; a USD570mn 5-year piece at CT5+200bps, tightening from initial guidance of CT5+225bps; a USD1bn 5-year piece at 3mL+185bps; a USD700mn 10-year piece at CT10+255bps, tightening from initial guidance of CT10+275bps; and a USD200mn 30-year piece at 5.50%. The expected issue ratings are "NR/Baa1/A". China Huarong priced a separate USD600mn 4-year bond at 3.2%, tightening from initial guidance of 3.4%. The expected issue ratings are also "NR/Baa1/A". Want Want China Finance Ltd. priced a USD500mn 5-year bond (guaranteed by Chinese food manufacturer Want Want China Holdings Ltd.) at CT5+135bps, tightening from initial guidance of CT+160bps. The expected issue ratings are "NR/A3/NR". QBE Insurance Group Ltd. priced a USD300mn 5.5-year green bond at CT5+125bps, tightening from initial guidance of CT+140bps. The expected issue ratings are "A-/NR/NR". China SCE Property Holdings Ltd priced a USD300mn re-tap of existing USD200mn notes due 10 Mar 2022 at 99.471.
- **Rating Changes:** S&P affirmed Zoomlion Heavy Industry Science and Technology Co. Ltd.'s (Zoomlion) 'B' corporate credit rating and issue rating on the senior unsecured notes (guaranteed by Zoomlion) that Zoomlion H.K. SPV Co. Ltd. issued. In addition, S&P revised its outlook on Zoomlion to stable from negative. The rating action reflects S&P's expectation for the company's cash flow and leverage to improve over the next 12 months, backed by a recovery in demand in the construction machinery sector in China because of a higher commencement rate of infrastructure projects. Moody's assigned Vicinity Centres RE Ltd's Unlimited AUD Medium Term Notes Programme a '(P)A2' rating. In addition, Moody's assigned a 'A2' senior unsecured rating to the inaugural issuances (guaranteed by Vicinity Limited) under the programme, totalling AUD400mn. The rating outlook is stable. The rating action reflects Vicinity Centres' strong market position in the

Australian retail property sector, following its creation with the merger of Novion Property Group (unrated) and Federation Centres (unrated) in June 2015. Moody's affirmed Queensland Treasury Corporation's (backed by the State of Queensland) 'Aa1' issuer and long-term senior unsecured ratings, '(P)Aa1' MTN program and shelf registration ratings. The rating action reflects Queensland's financial performance, which, although it is still registering deficits (on a net lending/borrowing basis), has shown improvements in recent years, following a period of large and consecutive budget gaps. Fitch affirmed Binhai Investment Company Limited's (BHI) 'BBB-' Foreign and Local Currency Issuer Default Ratings (IDR). Fitch also affirmed BHI's senior unsecured rating and the rating on its USD200 million senior unsecured bonds due 2018 at 'BBB-'. In addition, the rating outlook has been revised to negative from stable. The rating action reflects BHI's elevated capex and weakened credit metrics but also the company's ability to improve its financial profile to a level comfortable for its standalone credit profile of 'BB'. That said the credit profile is subject to execution risks related to the additional gas sales growth from its transmission business and new city-gas projects.

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DX	99.778	0.04%	USD-SGD	1.3978	-0.04%
USD-JPY	109.320	0.42%	EUR-SGD	1.4980	-0.01%
EUR-USD	1.0717	0.06%	JPY-SGD	1.2786	-0.48%
AUD-USD	0.7527	0.40%	GBP-SGD	1.7916	0.27%
GBP-USD	1.2813	0.28%	AUD-SGD	1.0521	0.34%
USD-MYR	4.3983	-0.05%	NZD-SGD	0.9801	0.04%
USD-CNY	6.8822	-0.08%	CHF-SGD	1.3997	-0.11%
USD-IDR	13323	0.03%	SGD-MYR	3.1495	0.08%
USD-VND	22730	-0.04%	SGD-CNY	4.9303	0.09%

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3710	--	O/N	0.9300	--
2M	-0.3400	--	1M	0.9911	--
3M	-0.3320	--	2M	1.0361	--
6M	-0.2510	--	3M	1.1557	--
9M	-0.1840	--	6M	1.3907	--
12M	-0.1230	--	12M	1.7357	--

Eurozone & Russia Update

	2Y Bond Ylds (bpschg)	10Y Bond Ylds (bpschg)	10Y Bund Spread
Portugal	0.42	3.78	-3.50
Italy	-0.02	2.27	-0.80
Ireland	-0.37	0.92	1.40
Greece	7.20	6.72	2.70
Spain	-0.19	1.70	2.30
Russia	2.06	4.02	-2.90

Commodities Futures

	Futures	% chg		Futures	% chg
Energy			Soft Commodities		
WTI (per barrel)	50.27	-0.34%	Coffee (per lb)	1.317	-4.60%
Brent (per barrel)	52.99	0.11%	Cotton (per lb)	0.8007	3.09%
Heating Oil (per gallon)	1.5789	-0.15%	Sugar (per lb)	0.1633	-0.55%
Gasoline (per gallon)	1.6705	0.69%	Orange Juice (per lb)	1.6105	-3.07%
Natural Gas (per MMBtu)	3.1590	-0.82%	Cocoa (per mt)	1,812	-4.33%
Base Metals			Grains		
Copper (per mt)	5,604.1	0.30%	Wheat (per bushel)	4.0625	-3.04%
Nickel (per mt)	9,440.0	1.55%	Soybean (per bushel)	9.468	-0.37%
Aluminium (per mt)	1,935.8	2.20%	Corn (per bushel)	3.5775	-1.11%
Precious Metals			Asian Commodities		
Gold (per oz)	1,281.9	0.04%	Crude Palm Oil (MYR/MT)	2,639.0	2.13%
Silver (per oz)	18.018	-0.79%	Rubber (JPY/KG)	239.6	4.63%

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

Equity and Commodity

Index	Value	Net change
DJIA	20,578.71	174.22
S&P	2,355.84	17.67
Nasdaq	5,916.78	53.74
Nikkei 225	18,430.49	-1.71
STI	3,137.88	11.60
KLCI	1,741.61	2.66
JCI	5,595.31	-11.21
Baltic Dry	1,243.00	-35.00
VIX	14.15	-0.78

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.23 (+0.03)	1.18 (+0.01)
5Y	1.62 (+0.03)	1.76 (+0.02)
10Y	2.12 (+0.03)	2.23 (+0.02)
15Y	2.25 (+0.03)	--
20Y	2.32 (+0.03)	--
30Y	2.35 (+0.04)	2.88 (+0.01)

Financial Spread (bps)

	Value	Change
LIBOR-OIS	20.29	-1.43
EURIBOR-OIS	3.00	0.20
TED	35.36	--

Key Economic Indicators

Date	Time	Event		Survey	Actual	Prior	Revised	
04/20/2017	02:00	US	Federal Reserve Beige Book					
04/20/2017	06:45	NZ	CPI QoQ	1Q	0.80%	1.00%	0.40%	--
04/20/2017	06:45	NZ	CPI YoY	1Q	2.00%	2.20%	1.30%	--
04/20/2017	07:50	JN	Trade Balance	Mar	¥608.0b	¥614.7b	¥813.4b	¥813.5b
04/20/2017	07:50	JN	Trade Balance Adjusted	Mar	¥172.0b	¥172.2b	¥680.3b	¥609.0b
04/20/2017	07:50	JN	Japan Buying Foreign Bonds	Apr-14	--	¥796.2b	¥2176.8b	¥2175.7b
04/20/2017	07:50	JN	Japan Buying Foreign Stocks	Apr-14	--	¥231.7b	¥82.9b	--
04/20/2017	07:50	JN	Foreign Buying Japan Bonds	Apr-14	--	¥410.5b	¥586.8b	¥587.2b
04/20/2017	07:50	JN	Foreign Buying Japan Stocks	Apr-14	--	¥315.2b	¥441.0b	¥442.3b
04/20/2017	09:30	AU	RBA FX Transactions Market	Mar	--	A\$1248m	A\$282m	--
04/20/2017	09:30	AU	NAB Business Confidence	1Q	--	6	5	6
04/20/2017	11:41	PH	Budget Balance PHP	Feb	--	-23.7b	2.2b	--
04/20/2017	13:30	JN	Nationwide Dept Sales YoY	Mar	--	-0.90%	-1.70%	--
04/20/2017	13:30	JN	Tokyo Dept Store Sales YoY	Mar	--	-0.20%	-3.10%	--
04/20/2017	14:00	GE	PPI MoM	Mar	0.20%	0.00%	0.20%	--
04/20/2017	14:00	GE	PPI YoY	Mar	3.20%	3.10%	3.10%	--
04/20/2017	16:00	TA	Export Orders YoY	Mar	8.80%	12.30%	22.00%	--
04/20/2017	18:15	ID	BI 7D Reverse Repo	Apr-20	4.75%	4.75%	4.75%	--
04/20/2017	20:30	US	Initial Jobless Claims	Apr-15	240k	244k	234k	--
04/20/2017	20:30	US	Continuing Claims	Apr-08	2024k	1979k	2028k	--
04/20/2017	20:30	US	Philadelphia Fed Business	Apr	25.5	22	32.8	--
04/20/2017	21:45	US	Bloomberg Consumer Comfort	Apr-16	--	49.9	51	--
04/20/2017	21:45	US	Bloomberg Economic Expectations	Apr	--	53.5	54	--
04/20/2017	22:00	EC	Consumer Confidence	Apr A	-4.8	-3.6	-5	--
04/20/2017	22:00	US	Leading Index	Mar	0.20%	0.40%	0.60%	0.50%
04/21/2017	08:30	JN	Nikkei Japan PMI Mfg	Apr P	--	--	52.4	--
04/21/2017	12:30	JN	Tertiary Industry Index MoM	Feb	0.30%	--	0.00%	--
04/21/2017	15:00	FR	Markit France Mfg PMI	Apr P	53.1	--	53.3	--
04/21/2017	15:00	FR	Markit France Services PMI	Apr P	57	--	57.5	--
04/21/2017	15:00	FR	Markit France Composite PMI	Apr P	56.2	--	56.8	--
04/21/2017	15:00	MA	Foreign Reserves	Apr-14	--	--	¥95.4b	--
04/21/2017	15:30	GE	Markit/BME Germany Mfg PMI	Apr P	58	--	58.3	--
04/21/2017	15:30	GE	Markit Germany Services PMI	Apr P	55.5	--	55.6	--
04/21/2017	15:30	GE	Markit/BME Germany Comp PMI	Apr P	56.8	--	57.1	--
04/21/2017	15:30	TH	Foreign Reserves	Apr-14	--	--	¥181.7b	--
04/21/2017	16:00	EC	Markit Eurozone Mfg PMI	Apr P	56	--	56.2	--
04/21/2017	16:00	EC	Markit Eurozone Services PMI	Apr P	55.9	--	56	--
04/21/2017	16:00	EC	Markit Eurozone Comp PMI	Apr P	56.4	--	56.4	--
04/21/2017	16:00	IT	Industrial Orders MoM	Feb	--	--	-2.90%	--
04/21/2017	16:00	IT	Industrial Orders NSA YoY	Feb	--	--	8.60%	--
04/21/2017	16:30	UK	Retail Sales Ex Auto Fuel MoM	Mar	-0.50%	--	1.30%	--
04/21/2017	16:30	UK	Retail Sales Ex Auto Fuel YoY	Mar	3.80%	--	4.10%	--
04/21/2017	16:30	UK	Retail Sales Inc Auto Fuel MoM	Mar	-0.50%	--	1.40%	--
04/21/2017	16:30	UK	Retail Sales Inc Auto Fuel YoY	Mar	3.30%	--	3.70%	--
04/21/2017	16:30	HK	CPI Composite YoY	Mar	0.50%	--	-0.10%	--
04/21/2017	16:30	HK	Unemployment Rate SA	Mar	3.30%	--	3.30%	--
04/21/2017	16:30	IT	Current Account Balance	Feb	--	--	-1913m	--
04/21/2017	20:30	CA	CPI NSA MoM	Mar	0.40%	--	0.20%	--
04/21/2017	20:30	CA	CPI YoY	Mar	1.80%	--	2.00%	--
04/21/2017	21:45	US	Markit US Mfg PMI	Apr P	53.8	--	53.3	--
04/21/2017	21:45	US	Markit US Services PMI	Apr P	53.2	--	52.8	--
04/21/2017	21:45	US	Markit US Composite PMI	Apr P	--	--	53	--
04/21/2017	22:00	US	Existing Home Sales	Mar	5.60m	--	5.48m	--
04/21/2017	22:00	US	Existing Home Sales MoM	Mar	2.20%	--	-3.70%	--
04/21/2017		HK	Composite Interest Rate	Mar	--	--	0.32%	--
04/21/2017		MU	CPI Composite YoY	Mar	--	--	0.37%	--
04/21/2017	04/27	TH	Car Sales	Mar	--	--	68435	--

Source: Bloomberg

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