

**Highlights**

<b>Global</b>	<p>The drag from weak oil prices on investor sentiments may also keep Asian bourses on the sidelines today. On the FOMC's tapering of its balance sheet, Harker opined the unwind could start in September and "it is prudent for us to pause on the next rate increase; at some point", but Fed officials "don't have to be in a rush".</p> <p>Key market focus today will be the CBC and BSP policy decisions (likely static at 1.375% and 3% respectively), while on the economic data calendar, we have US' initial jobless claims, FHFA house price and leading index, Eurozone's consumer confidence, Thai trade, Malaysia's reserves, and HK balance of payments. Speakers include Fed's Powel and BOE's Forbes.</p>
<b>NZ</b>	RBNZ was static at 1.75% as widely anticipated, citing that "global economic growth has increased and become more broad-based" and "monetary policy will remain accommodative for a considerable period", albeit "a lower New Zealand dollar would help rebalance the growth outlook towards the tradeables sector".
<b>UK</b>	BOE chief economist Andy Haldane sounded a tad more hawkish and that he had considered voting for a rate hike earlier in June, in contrast to BOE governor Carney's earlier dovish remarks. Meanwhile, the Queen's speech outlined the legislative program for the next two years, with eight new laws to ease the Brexit process. This follows PM May's precarious position after the recent elections, and may be complicated by giving Scotland possibly getting a separate vote on the Repeal Bill.
<b>SG</b>	<p>Indonesian Finance Minister Sri Mulyani Indrawati will lead negotiations with Singapore for an agreement to exchange access to financial information of taxpayers, according to a report by Kontan.</p> <p>COE premiums closed lower for categories A, B and E in yesterday's tender.</p>
<b>ID</b>	Darmin Nasution, Coordinating Minister for Economic Affairs, has reportedly said that government has plans to revise its negative investment list of sectors closed to foreigners, as part of its effort to boost FDI inflows. Separately, the Kontan reports that Transport Minister Budi Karya Sumadi said that his ministry is proposing an opening up of airport management to more foreign investment.
<b>MY</b>	CPI for the month of May printed 3.9%yoy, lower than the 4.1% anticipated by market and 4.4% recorded in April. According to the statistics department, the seasonally adjusted sequential inflation came in at -0.2%mom.
<b>TH</b>	Custom trade data is slated to be out later today, where we pencil in a strong export growth of 16.5%, and a trade balance of \$2.6 billion in May.
<b>Commodities</b>	There appears no respite for the bearish oil trend, as investors jumped on the bandwagon as prices fell 20% from its February peak. WTI and Brent fell to \$42.53/bbl (-1.62%) and \$44.82/bbl (-2.61%), respectively. The fall in oil prices came despite API's inventory report indicating that US oil supplies fell 2.7 million barrels for the week ended 16 <sup>th</sup> June. Moreover, US official inventory data signalled similar decline of 2.4 million barrels, with gasoline even falling 578k barrels over the same period. Importantly, the Joint Technical Committee of OPEC and non-OPEC nations now sees a rebalancing only in 2Q18, should there be any failure to fully implement the agreed supply cuts.

## Major Markets

- **US:** Existing home sales unexpectedly rebounded 1.1% mom to 5.62m in May, while a shortage of inventory (-8.4% yoy to 1.96m) sent median sales prices up 5.8% yoy to a record US\$252,800.
- The bearish sentiments surrounding the crude oil market worsened as Brent closed below US\$45, adding pressure to energy and industrial stocks. This is offset by a continuing rally in the tech sector, while the biotech companies also benefited on signs that the Trump administration may be softening its stance on drug pricing. Overall, equities closed mixed, with the S&P 500 and Dow lower by 0.06% and 0.27% respectively, and the Nasdaq Composite notching a gain of 0.74%. VIX at 10.75, down 1.0%. US Treasuries ended mixed, with the 30y long end yields pressured due to fading inflation expectations and the slump in oil prices. 2y and 10y yields inched higher by 0.5 bps to stand at 1.35% and 2.16%. The yield curves are at the flattest in more than nine years.
- **Singapore:** STI slipped another 0.89% to close at 3201.77 yesterday and may surrender the 3200 support today amid weak overnight leads from Wall Street, albeit Kospi is off to a modestly positive start this morning. STI's support and resistance are tipped at 3180 and 3220. SGS bonds rallied yesterday by up to 5bps, but may be vulnerable to the ongoing curve flattening bias in the UST bond market.

## Bond Market Updates

- **Market Commentary:** The SGD swap curve traded downwards yesterday, with rates trading 3-5bps lower across all tenors. Flows in SGD corporates were heavy, with better buying seen in HSBC 4.7%-PERPs, STHSP 3.95%-PERPs, mixed interest seen in and GUOLSP 3.85%'23s, LBBW 3.75%'27s. In the broader dollar space, the spread on JACI IG corporates changed little at 196bps. Likewise, the yield on JACI HY corporates changed little at 6.76%. 10y UST yields rose by 1bps to 2.16%, closing little changed as markets lack a clear direction.
- **New Issues:** Westpac Banking Corp priced a USD1.5bn two-tranche deal, with the USD1bn 5-year tranche at CT5+77 bps, tightening from initial guidance of CT5+87.5bps; the USD500mn 5-year tranche is priced at 3mL+71bps. The expected issue ratings are 'AA-/Aa3/NR'. Suntory Holdings Ltd priced a 5-year bond at CT5+82bps, tightening from the initial guidance of CT5+100-105bps area. China Reinsurance Finance Corp. Ltd. has set final guidance for its USD700mn re-tap of existing CNREFI 3.375%'22s at CT5+195bps, tightening from initial guidance of CT5+220bps. NTT Finance has scheduled investors calls from 21 Jun for potential USD 3-year bond issuance. Frashion Brilliant Ltd has scheduled investor roadshows from 21 Jun for potential USD Perp NC5.5 issuance (guaranteed by China Jinmao Holdings Group Ltd). The expected issue ratings are 'NR/Baa3/NR'. CSCEC Finance (Cayman) II Ltd has scheduled investor meetings for potential USD bond issuance (guaranteed by China State Construction Engineering Corp Ltd). The expected issue ratings are 'A/A2/A'. Kyobo Life Insurance Co. Ltd has scheduled investor roadshows from 26 Jun to 7 Jul for potential USD bond issuance. The expected issue ratings are 'NR/A3/A-'.
- **Rating Changes:** Moody's upgraded DIC Corporation's (DIC) issuer rating to 'Baa2' from 'Baa3'. The rating outlook is stable. The rating action reflects the meaningful progress that the company has made in reducing its financial leverage over the last few years, while improving its cash flow and profitability. Moody's assigned a definitive 'B1' corporate family rating to Huachen Energy Co. Ltd. and a definitive 'B2' rating to its senior unsecured bonds. The rating outlook is stable. The rating action follows the company's completion of its USD bond issuance, the final terms and conditions of which are consistent with Moody's expectations. Moody's affirmed United Urban Investment Corporation's (UUR) 'A3' issuer rating and revised its rating outlook to stable from positive. The rating action reflects Moody's expectation that, over time, UUR will maintain leverage around the

current range. Moody's assigned an 'A2' senior unsecured debt rating to the proposed USD notes to be issued by CSCEC Finance (Cayman) II Limited and guaranteed by China State Construction Engineering Corporation Limited. The rating outlook is stable. Fitch has assigned China Gezhouba Group Company Limited (CGGCL) a Foreign-Currency Issuer Default Rating (IDR) and senior unsecured rating of 'BBB+'. The Outlook is Stable. The rating action reflects Fitch's expectation that China Energy Engineering Corporation Limited (CEEC), which indirectly owns 42.34% of CGGCL, will continue to support CGGCL, as CGGCL's strategic importance to CEEC is reflected in its status as the sole hydropower engineering and construction (E&C) company of CEEC.

## Key Financial Indicators

### Foreign Exchange

	Day Close	% Change		Day Close	% Change
<b>DXY</b>	97.559	-0.21%	<b>USD-SGD</b>	1.3893	--
<b>USD-JPY</b>	111.380	-0.06%	<b>EUR-SGD</b>	1.5515	0.30%
<b>EUR-USD</b>	1.1168	0.31%	<b>JPY-SGD</b>	1.2473	0.06%
<b>AUD-USD</b>	0.7553	-0.36%	<b>GBP-SGD</b>	1.7603	0.32%
<b>GBP-USD</b>	1.2671	0.33%	<b>AUD-SGD</b>	1.0494	-0.36%
<b>USD-MYR</b>	4.2875	0.09%	<b>NZD-SGD</b>	1.0040	-0.20%
<b>USD-CNY</b>	6.8295	0.00%	<b>CHF-SGD</b>	1.4286	0.26%
<b>USD-IDR</b>	13318	0.20%	<b>SGD-MYR</b>	3.0831	-0.23%
<b>USD-VND</b>	22726	--	<b>SGD-CNY</b>	4.9097	-0.03%

### Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
<b>1M</b>	-0.3720	--	<b>O/N</b>	1.1761	--
<b>2M</b>	-0.3410	--	<b>1M</b>	1.2156	--
<b>3M</b>	-0.3290	--	<b>2M</b>	1.2494	--
<b>6M</b>	-0.2710	--	<b>3M</b>	1.2872	--
<b>9M</b>	-0.2000	--	<b>6M</b>	1.4396	--
<b>12M</b>	-0.1590	--	<b>12M</b>	1.7359	--

### Fed Rate Hike Probability

Meeting	Prob Hike	Prob Cut	1-1.25	1.25-1.5	1.5-1.75
07/26/2017	0.0%	0.7%	0.0%	0.7%	99.3%
09/20/2017	16.0%	0.6%	0.0%	0.6%	83.4%
11/01/2017	18.4%	0.6%	0.0%	0.6%	81.0%
12/13/2017	41.3%	0.4%	0.0%	0.4%	58.3%
01/31/2018	40.9%	1.1%	0.0%	1.1%	58.0%
03/21/2018	56.1%	0.8%	0.0%	0.8%	43.1%

### Commodities Futures

Energy	Futures	% chg	Base Metals	Futures	% chg
WTI (per barrel)	42.53	-1.62%	Copper (per mt)	5,736.4	1.86%
Brent (per barrel)	44.82	-2.61%	Nickel (per mt)	8,966.0	2.11%
Heating Oil (per gallon)	1.3648	-2.16%	Aluminium (per mt)	1,858.3	-1.03%
Gasoline (per gallon)	1.4105	-0.95%			
Natural Gas (per MMBtu)	2.8930	-0.48%			
			<b>Asian Commodities</b>	<b>Futures</b>	<b>% chg</b>
			Crude Palm Oil (MY R/MT)	2,587.0	-0.61%
			Rubber (JPY/KG)	197.0	0.00%
<b>Precious Metals</b>	<b>Futures</b>	<b>% chg</b>			
Gold (per oz)	1,243.4	0.19%			
Silver (per oz)	16.374	-0.26%			

Source: Bloomberg, Reuters

(Note that rates are for reference only)

### Equity and Commodity

Index	Value	Net change
<b>DJIA</b>	21,410.03	-57.11
<b>S&amp;P</b>	2,435.61	-1.42
<b>Nasdaq</b>	6,233.95	45.92
<b>Nikkei 225</b>	20,138.79	-91.62
<b>STI</b>	3,201.77	-28.65
<b>KLCI</b>	1,775.57	-5.14
<b>JCI</b>	5,818.55	26.65
<b>Baltic Dry</b>	847.00	--
<b>VIX</b>	10.75	-0.11

### Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
<b>2Y</b>	1.18 (-0.04)	1.35 (--)
<b>5Y</b>	1.47 (-0.05)	1.77 (+0.01)
<b>10Y</b>	1.99 (-0.05)	2.16 (+0.01)
<b>15Y</b>	2.17 (-0.05)	--
<b>20Y</b>	2.25 (-0.04)	--
<b>30Y</b>	2.32 (-0.04)	2.73 (-0.01)

### Financial Spread (bps)

	Value	Change
<b>LIBOR-OIS</b>	12.25	0.41
<b>EURIBOR-OIS</b>	2.98	-0.15
<b>TED</b>	26.37	--

### Key Economic Indicators

Date	Time	Event	Survey	Actual	Prior	Revised	
<b>06/21/2017 08:30</b>	<b>AU</b>	<b>Westpac Leading Index MoM</b>	<b>May</b>	--	<b>-0.02%</b>	<b>-0.12%</b>	<b>-0.0008</b>
06/21/2017 11:08	MU	CPI Composite YoY	May	--	0.0095	0.80%	--
<b>06/21/2017 12:00</b>	<b>MA</b>	<b>CPI YoY</b>	<b>May</b>	<b>4.10%</b>	<b>0.039</b>	<b>4.40%</b>	--
<b>06/21/2017 12:30</b>	<b>JN</b>	<b>All Industry Activity Index MoM</b>	<b>Apr</b>	<b>0.016</b>	<b>0.021</b>	<b>-0.60%</b>	<b>-0.007</b>
06/21/2017 13:00	JN	Supermarket Sales YoY	May	--	-0.018	0.60%	--
06/21/2017 14:00	JN	Machine Tool Orders YoY	May F	--	0.245	0.244	--
06/21/2017 16:00	SI	Automobile COE Open Bid Cat A	44348	--	42801	45201	--
06/21/2017 16:00	SI	Automobile COE Open Bid Cat B	44348	--	47501	50110	--
06/21/2017 16:00	SI	Automobile COE Open Bid Cat E	44348	--	48001	50526	--
06/21/2017 16:30	UK	Public Finances (PSNCR)	May	--	13.4b	-15.2b	--
06/21/2017 16:30	UK	Public Sector Net Borrowing	May	7.0b	6.0b	9.6b	8.7b
06/21/2017 16:30	UK	PSNB ex Banking Groups	May	6.8b	6.7b	10.4b	9.4b
<b>06/21/2017 19:00</b>	<b>US</b>	<b>MBA Mortgage Applications</b>	<b>1-Jun</b>	--	<b>0.006</b>	<b>0.028</b>	--
<b>06/21/2017 22:00</b>	<b>US</b>	<b>Existing Home Sales</b>	<b>May</b>	<b>5.55m</b>	<b>5.62m</b>	<b>5.57m</b>	<b>5.56m</b>
06/21/2017 22:00	US	Existing Home Sales MoM	May	-0.004	0.011	-0.023	-0.025
06/21/2017	TH	Car Sales	May	--	--	63267	--
<b>06/22/2017 05:00</b>	<b>NZ</b>	<b>RBNZ Official Cash Rate</b>	<b>1-Jun</b>	<b>0.0175</b>	<b>0.0175</b>	<b>0.0175</b>	--
06/22/2017 07:50	JN	Japan Buying Foreign Bonds	1-Jun	--	¥1090.1b	¥526.6b	¥534.1b
06/22/2017 07:50	JN	Japan Buying Foreign Stocks	1-Jun	--	¥367.1b	¥50.4b	¥50.8b
06/22/2017 07:50	JN	Foreign Buying Japan Bonds	1-Jun	--	¥601.8b	¥309.6b	--
06/22/2017 07:50	JN	Foreign Buying Japan Stocks	1-Jun	--	¥331.6b	¥143.1b	¥142.5b
06/22/2017 08:30	TA	Unemployment Rate	May	0.038	--	0.0378	--
06/22/2017 11:00	NZ	Credit Card Spending YoY	May	--	--	0.064	--
<b>06/22/2017 14:45</b>	<b>FR</b>	<b>Manufacturing Confidence</b>	<b>Jun</b>	<b>109</b>	--	<b>109</b>	--
06/22/2017 14:45	FR	Production Outlook Indicator	Jun	--	--	7	--
06/22/2017 15:00	MA	Foreign Reserves	1-Jun	--	--	\$98.0b	--
<b>06/22/2017 15:30</b>	<b>TH</b>	<b>Customs Exports YoY</b>	<b>May</b>	<b>0.08</b>	--	<b>0.085</b>	<b>0.0849</b>
06/22/2017 15:30	TH	Customs Imports YoY	May	0.1175	--	0.134	0.1338
06/22/2017 15:30	TH	Customs Trade Balance	May	\$1161m	--	\$60m	\$57m
<b>06/22/2017 16:00</b>	<b>TA</b>	<b>CBC Benchmark Interest Rate</b>	<b>1-Jun</b>	<b>0.01375</b>	--	<b>0.01375</b>	--
<b>06/22/2017 16:00</b>	<b>PH</b>	<b>BSP Overnight Borrowing Rate</b>	<b>1-Jun</b>	<b>0.03</b>	--	<b>0.03</b>	--
<b>06/22/2017 20:30</b>	<b>US</b>	<b>Initial Jobless Claims</b>	<b>1-Jun</b>	<b>240k</b>	--	<b>237k</b>	--
<b>06/22/2017 20:30</b>	<b>CA</b>	<b>Retail Sales MoM</b>	<b>Apr</b>	<b>0.003</b>	--	<b>0.007</b>	--
06/22/2017 20:30	US	Continuing Claims	1-Jun	1928k	--	1935k	--
06/22/2017 20:30	CA	Retail Sales Ex Auto MoM	Apr	0.007	--	-0.002	--
06/22/2017 21:00	US	FHFA House Price Index MoM	Apr	0.005	--	0.006	--
06/22/2017 21:45	US	Bloomberg Consumer Comfort	1-Jun	--	--	50	--
06/22/2017 21:45	US	Bloomberg Economic Expectations	Jun	--	--	49.5	--
<b>06/22/2017 22:00</b>	<b>EC</b>	<b>Consumer Confidence</b>	<b>Jun A</b>	<b>-3</b>	--	<b>-3.3</b>	--
<b>06/22/2017 22:00</b>	<b>US</b>	<b>Leading Index</b>	<b>May</b>	<b>0.003</b>	--	<b>0.003</b>	--
06/19/2017 06/30	PH	Budget Balance PHP	May	--	--	52.8b	--

Source: Bloomberg

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