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Corporate FX & Structured
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Highlights

Global	<p>Global risk sentiments remained supported yesterday if equity market performances were anything to go by, as Alibaba, BHP Billiton and D.R.Horton earnings extended the upbeat US earnings season streak. Also aiding the advance were firm manufacturing PMI cues globally – that for the US rose from 54.3 to 55.1 and the Eurozone also rose from 54.9 to 55.1, led by Germany which improved from 55.6 to 56.5 in Jan. The services PMI prints eased slightly but remained resilient at 53.6 (previously 53.7) for the Eurozone and 53.2 (previously 54.3) for Germany. Even news that China hiked the 6-month and 1-year MLF lending rates by 10bps and the UK Supreme Court's 8-3 decision that PM May must seek an act of parliament to trigger Article 50 (albeit Scotland and Northern Ireland do not get to vote on the Article 50 process) failed to shake markets elsewhere.</p> <p>Expect that Asian markets to trade on a fairly upbeat tone today. The economic data calendar today is light with only US' MBA mortgage applications and German IFO of note. BOE's Carney and ECB's Weidmann are also speaking.</p>
US	<p>Existing home sales fell more than anticipated by 2.8% mom in Dec, but the Nov data was revised up from +0.7% to +1.4%, and 2016 at 5.45m marked the best year in a decade. The current inventory will take 3.6 months to clear, which is below the 5 month supply that is consistent with a tight market. Meanwhile, the Congressional Budget Office forecast that the 2017 budget deficit will be US\$559b (2.9% of GDP), which is comparable to 2016's US\$587b, on the estimate that under current law, both revenues and outlays will rise by about 4% in 2017.</p>
SG	<p>Singapore's growth needs to be based on productivity and innovation, according to Minister for Education (Higher Education and Skills) Ong Ye Kung. Meanwhile, Hong Kong will return the 9 SAF Terrex vehicles that have been detained since November.</p>
CH	<p>PBoC raised interest rate for both 6 month medium term lending facility (MLF) and 1 year MLF by 10bps. This is the first time for PBoC to adjust one of its policy interest rates higher since July 2011.</p>
ID	<p>Government is considering an imposition of progressive tax for idle lands. This is to encourage landowners to cultivate land to boost productivity and increase employment opportunity, as reported by Investor Daily quoting the head of fiscal agency, Suahasil Nazara.</p>
MA	<p>Bank Negara has reportedly fined an unnamed financial institution MYR1.4mn for failing to promptly notify BNM of its dealers' misconduct involving the fixing of the USDMYR exchange rate, according to Bloomberg.</p>

Major Markets

- **US:** The S&P 500 and Nasdaq rose 0.66% and 0.87% to their respective highs, while the Dow also gained 0.57%, amid a series of good news to buoy markets. Energy stocks were supported by a climbing crude oil price and President Trump's go-ahead on the Keystone XL project. Material producers also rose with strong metals prices. Financials and housing stocks also marked gains. VIX lost 5.9% to close at 11.07, a low not seen since mid-2014. Meanwhile, US Treasuries yields recovered Monday's declines as a new 2-year auction saw less-than-stellar interest from direct bidders and weakness in European government bonds. Overall, yields climbed 5-7 bps, with the 2- and 10-year benchmarks closing at 1.19% and 2.47% respectively.
- **Singapore:** The STI extended gains to close up 0.54% at 3041.95 yesterday, and may make a run for the 3050 resistance today given positive overnight cues from Wall Street. The STI support is tipped at 3020. With the backup in UST bond yields overnight, expect that SGS bonds may follow suit today. There is a \$2.3b (with MAS taking \$200m) 2-year SGS bond re-opening to be auctioned on 26 Jan.

Bond Market Updates

- **Market Commentary:** The SGD swap curve traded lower yesterday, with swap rates decreasing by 1-2bps across all tenors. In the broader dollar space, the spread on JACI IG Corporates rose 2bps to 197bps, while the yield on JACI HY Corporates fell 2bps to 6.81%. 10y UST yield rose 7bps yesterday to 2.47%, amid supply-induced weakness in most European government bond markets.
- **New Issues:** Vedanta Resources Plc priced a USD1bn 5.5-year bond at par to yield 6.375%, tighter than initial guidance of 6.75%. The expected issue ratings are 'B+/B3/NR'. Fujian Zhanglong Group Co. Ltd. priced a USD150mn tap from its 4.5% '19s at 4.8%, in line with initial guidance. The expected issue ratings are 'NR/NR/BB+'. Neerg Energy Ltd. (operating entity under ReNew Power Ventures Private Limited) scheduled investor roadshows from 24 January – 1 February for a potential USD bond issue. The expected issue ratings are 'NR/Baa3/B+'.
- **Rating Changes:** S&P downgraded Toshiba Corp's corporate credit rating to 'CCC+' and short-term corporate credit and commercial paper program ratings to 'C', all by one notch. In addition, S&P downgraded Toshiba's senior unsecured debt rating to 'B-' from 'B+'. S&P continues to place Toshiba's ratings on CreditWatch with negative implications. The rating action reflects S&P's view that uncertainties are growing over Toshiba's ability to continue to fulfill its financial commitments in the long term, and the growing likelihood that the losses the company will recognize related to its U.S. nuclear power business will exceed JPY500 billion. S&P upgraded Australian REIT (AREIT) Vicinity Centres' corporate credit rating to 'A' from 'A-', with a stable outlook. In addition, S&P upgraded AREIT's issue rating on its unsecured debt to 'A+' from 'A'. The rating action reflects S&P's increased confidence that the group will deliver on its portfolio repositioning strategy, raising overall asset quality and enhancing earnings stability. Moody's has affirmed Bank of America Corporation's (BAC) 'Baa1' senior debt rating, and revised BAC's ratings outlook to Positive from Stable. The outlook change applies for BAC's subsidiaries and its principal bank subsidiary Bank of America N.A (BANA) as well. In addition, Moody's affirmed BANA's 'A1' deposit issuer and senior debt ratings, as well as their baseline credit assessment of 'Baa2'. The rating actions reflect Moody's view that there is an increased likelihood that Bank of America's profitability will strengthen on a sustainable basis over the next twelve to eighteen months, while the bank continues to adhere to its conservative risk profile, lowering its earnings volatility. Moody's has confirmed China Oilfield Services Limited's (COSL) 'Baa1' issuer rating and 'Baa1' senior unsecured debt rating on the bonds (guaranteed by COSL) issued by COSL Finance (BVI) Limited. The outlook on the ratings is

Negative. The rating action reflects Moody's view that the noticeable decline in COSL's standalone credit quality is offset by the resilience of its business franchise in China; the strong support from its parent, China National Offshore Oil Corporation, rated Aa3 negative (CNOOC); and the role it plays in the Chinese government's strategy to develop energy independence. Moody's has confirmed Shanghai Electric Power Company Limited's (SEP) 'Baa2' issuer rating. In addition, Moody's has confirmed the 'Baa2' guaranteed senior unsecured debt rating of Shanghai Electric Power Finance Limited. The outlook on the ratings is Negative. The rating action reflects SEP's weakened standalone credit profile, balanced by Moody's assessment of likely high support in a distressed situation from its parent State Power Investment Corporation (SPIC, A2 stable), which has the capability of providing such support. Fitch affirmed Wharf (Holdings) Limited's (Wharf) Issuer Default Rating (IDR) at 'A-', and revised the rating outlook to Positive from Stable. The rating action reflects Wharf's improved financial profile and the increasing stability of its China portfolio, on top of the disposal of Wharf T&T (Wharf's telecom business) that has strengthened its cash position.

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	100.350	0.19%	USD-SGD	1.4213	0.25%
USD-JPY	113.790	0.96%	EUR-SGD	1.5253	-0.06%
EUR-USD	1.0731	-0.32%	JPY-SGD	1.2491	-0.71%
AUD-USD	0.7582	-0.03%	GBP-SGD	1.7794	0.13%
GBP-USD	1.2520	-0.12%	AUD-SGD	1.0777	0.22%
USD-MYR	4.4360	-0.09%	NZD-SGD	1.0301	0.45%
USD-CNY	6.8590	0.08%	CHF-SGD	1.4199	-0.20%
USD-IDR	13322	-0.35%	SGD-MYR	3.1261	0.00%
USD-VND	22565	0.11%	SGD-CNY	4.8409	0.27%

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3720	--	O/N	0.6889	--
2M	-0.3390	--	1M	0.7711	--
3M	-0.3270	--	2M	0.8469	--
6M	-0.2410	--	3M	1.0379	--
9M	-0.1560	--	6M	1.3524	--
12M	-0.1010	--	12M	1.7212	--

Eurozone & Russia Update

	2Y Bond Ylds (bpschg)	10Y Bond Ylds (bpschg)	10Y Bund Spread
Portugal	0.08	-0.30	3.86
Italy	-0.09	0.20	6.80
Ireland	-0.44	0.90	1.64
Greece	6.87	-11.50	4.50
Spain	-0.29	-0.80	6.54
Russia	2.45	-2.60	1.10
			3.91

Equity and Commodity

Index	Value	Net change
DJIA	19,912.71	112.86
S&P	2,280.07	14.87
Nasdaq	5,600.96	48.01
Nikkei 225	18,787.99	-103.04
STI	3,041.95	16.47
KLCI	1,680.69	9.38
JCI	5,292.09	41.12
Baltic Dry	886.00	-28.00
VIX	11.07	-0.70

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.14 (+0.01)	1.19 (+0.05)
5Y	1.75 (-0.01)	1.93 (+0.07)
10Y	2.30 (-0.01)	2.47 (+0.07)
15Y	2.61 (-0.01)	--
20Y	2.70 (--)	--
30Y	2.71 (--)	3.05 (+0.06)

Financial Spread (bps)

	Value	Change
LIBOR-OIS	35.56	-0.58
EURIBOR-OIS	2.60	--
TED	54.05	--

Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	53.18	0.82%	Coffee (per lb)	1.524	-1.96%
Brent (per barrel)	55.44	0.38%	Cotton (per lb)	0.7357	-1.42%
Heating Oil (per gallon)	1.6415	0.92%	Sugar (per lb)	0.2058	-0.29%
Gasoline (per gallon)	1.5759	0.59%	Orange Juice (per lb)	1.6555	1.91%
Natural Gas (per MMBtu)	3.2790	1.11%	Cocoa (per mt)	2,201	1.66%
Base Metals	Futures	% chg	Grains	Futures	% chg
Copper (per mt)	5,943.0	2.55%	Wheat (per bushel)	4.2675	-1.50%
Nickel (per mt)	9,757.0	0.91%	Soybean (per bushel)	10.585	0.07%
Aluminium (per mt)	1,861.8	0.87%	Corn (per bushel)	3.6325	-1.69%
Precious Metals	Futures	% chg	Asian Commodities	Futures	% chg
Gold (per oz)	1,210.8	-0.39%	Crude Palm Oil (MYR/MT)	3,278.0	1.45%
Silver (per oz)	17.185	-0.01%	Rubber (JPY/KG)	306.0	-0.26%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Key Economic Indicators

Date	Time	Event		Survey	Actual	Prior	Revised
01/24/2017 05:00	SK	Consumer Confidence	Jan	--	93.3	94.2	94.1
01/24/2017 08:30	JN	Nikkei Japan PMI Mfg	Jan P	--	52.8	52.4	--
01/24/2017 12:30	TH	Customs Exports YoY	Dec	7.00%	6.20%	10.20%	10.19%
01/24/2017 12:30	TH	Customs Imports YoY	Dec	6.40%	10.30%	3.00%	2.97%
01/24/2017 12:30	TH	Customs Trade Balance	Dec	\$1480m	\$938m	\$1543m	--
01/24/2017 16:00	FR	Markit France Mfg PMI	Jan P	53.4	53.4	53.5	--
01/24/2017 16:00	FR	Markit France Services PMI	Jan P	53.2	53.9	52.9	--
01/24/2017 16:00	FR	Markit France Comp PMI	Jan P	53.2	53.8	53.1	--
01/24/2017 16:30	GE	Markit/BME Germany Mfg PMI	Jan P	55.4	56.5	55.6	--
01/24/2017 16:30	GE	Markit Germany Services PMI	Jan P	54.5	53.2	54.3	--
01/24/2017 16:30	GE	Markit/BME Germany Comp PMI	Jan P	55.3	54.7	55.2	--
01/24/2017 17:00	EC	Markit Eurozone Mfg PMI	Jan P	54.8	55.1	54.9	--
01/24/2017 17:00	EC	Markit Eurozone Services PMI	Jan P	53.8	53.6	53.7	--
01/24/2017 17:00	EC	Markit Eurozone Comp PMI	Jan P	54.5	54.3	54.4	--
01/24/2017 17:30	UK	Public Finances (PSNCR)	Dec	--	36.3b	13.5b	20.0b
01/24/2017 17:30	UK	Public Sector Net Borrowing	Dec	6.8b	6.4b	12.2b	10.8b
01/24/2017 17:30	UK	PSNB ex Banking Groups	Dec	6.7b	6.9b	12.6b	11.3b
01/24/2017 22:45	US	Markit US Mfg PMI	Jan P	54.5	55.1	54.3	--
01/24/2017 23:00	US	Existing Home Sales	Dec	5.52m	5.49m	5.61m	5.65m
01/24/2017 23:00	US	Existing Home Sales MoM	Dec	-1.60%	-2.80%	0.70%	1.40%
01/24/2017 23:00	US	Richmond Fed Manufact. Index	Jan	7	12	8	--
01/25/2017 07:00	SK	GDP SA QoQ	4Q P	0.30%	0.40%	0.60%	--
01/25/2017 07:00	SK	GDP YoY	4Q P	2.20%	2.30%	2.60%	--
01/25/2017 07:30	AU	Westpac Leading Index MoM	Dec	--	0.44%	0.02%	0.03%
01/25/2017 07:50	JN	Trade Balance	Dec	¥281.1b	--	¥152.5b	¥150.8b
01/25/2017 07:50	JN	Trade Balance Adjusted	Dec	¥209.9b	--	¥536.1b	--
01/25/2017 07:50	JN	Exports YoY	Dec	1.10%	--	-0.40%	--
01/25/2017 08:30	TA	GDP YoY	4Q P	2.85%	--	2.03%	--
01/25/2017 08:30	AU	CPI QoQ	4Q	0.70%	--	0.70%	--
01/25/2017 08:30	AU	CPI YoY	4Q	1.60%	--	1.30%	--
01/25/2017 08:30	AU	CPI Trimmed Mean QoQ	4Q	0.50%	--	0.40%	--
01/25/2017 08:30	AU	CPI Trimmed Mean YoY	4Q	1.60%	--	1.70%	--
01/25/2017 08:30	AU	CPI Weighted Median QoQ	4Q	0.50%	--	0.30%	--
01/25/2017 08:30	AU	CPI Weighted Median YoY	4Q	1.40%	--	1.30%	--
01/25/2017 10:00	NZ	Credit Card Spending YoY	Dec	--	--	4.10%	--
01/25/2017 15:45	FR	Manufacturing Confidence	Jan	106	--	106	--
01/25/2017 15:45	FR	Production Outlook Indicator	Jan	6	--	6	--
01/25/2017 17:00	GE	IFO Business Climate	Jan	111.3	--	111	--
01/25/2017 17:00	GE	IFO Expectations	Jan	105.8	--	105.6	--
01/25/2017 17:00	GE	IFO Current Assessment	Jan	117	--	116.6	--
01/25/2017 17:00	IT	Industrial Orders MoM	Nov	1.00%	--	0.90%	--
01/25/2017 17:00	IT	Industrial Orders NSA YoY	Nov	--	--	-3.20%	--
01/25/2017 17:00	IT	Industrial Sales MoM	Nov	--	--	0.80%	--
01/25/2017 17:00	IT	Industrial Sales WDA YoY	Nov	--	--	-0.90%	--
01/25/2017 20:00	US	MBA Mortgage Applications	Jan-20	--	--	0.80%	--
01/25/2017 22:00	US	FHFA House Price Index MoM	Nov	0.40%	--	0.40%	--
01/25/2017	VN	CPI YoY	Jan	5.00%	--	4.74%	--
01/25/2017	VN	Trade Balance	Jan	-\$34m	--	-\$300m	--
01/25/2017	VN	Imports YTD YoY	Jan	23.00%	--	4.60%	--
01/25/2017	VN	Exports YTD YoY	Jan	17.00%	--	8.60%	--
01/25/2017	VN	Retail Sales YTD YoY	Jan	--	--	10.20%	--
01/25/2017	VN	Industrial Production YoY	Jan	--	--	8.30%	--
01/25/2017 01/31	PH	Budget Balance PHP	Dec	--	--	-19.1b	--

Source: Bloomberg

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