

**Highlights**

Global	<p>In the absence of major data release due to holidays in economies such as US and China yesterday, market focused on a number of central bank officials. In particular, market zoomed in on ECB President Mario Draghi's comments to the European parliament on how interest rates have to stay at 'extraordinary' low levels, including through forward guidance. According to him, even though there is a resurgence in the Eurozone economy, the uptick may not be sustainable. He added that underlying inflation pressures have remained subdued.</p> <p>Meanwhile, San Francisco Fed's President, John Williams, said that he sees a "much smaller" Fed balance sheet in about five years, with an unwinding process that would start later this year. He did emphasize, however, that the process of balance sheet reduction will begin with "baby steps" and that it will be "boring" enough to prevent market jitters.</p>
ID	<p>Bank Indonesia's Governor, Agus Martowardojo, said that the central bank expects a surplus in balance of payment this year. He added, however, that the level of surplus is expected to decline to USD3-4bn, compared to last year's USD12bn which was boosted by tax amnesty inflows.</p>
MA	<p>PM Najib Razak said that 8 ministries achieved 100% of their KPI target last year. He added that as many as 5 Government-Linked Investment Companies and 17 Government-Linked Companies demonstrated a level of maturity with positive results and more robust growth. The KPIs include seven key areas such as human capital, vendor development programme and Bumiputera equity ownership in the corporate sector.</p>
Bonds	<p><b>Market Commentary:</b> The SGD swap curve bear steepened yesterday, with swap rates trading 1-6bps higher across all tenors. Flows in SGD corporates were heavy, with mixed interest seen in GEMAU 5.5%'19s, FCLSP 4.15%'27s. The Itraxx Asia ex-Japan IG index closed at 91bps yesterday, changing little from last Friday's close. U.S markets were closed yesterday.</p> <p><b>New Issues:</b> Frasers Centrepoint Trust priced a SGD30mn 5-year at 2.645% yesterday. The expected issue ratings are 'BBB+/NR/NR'.</p> <p><b>Rating Changes:</b> S&amp;P upgraded Australia-based gaming machine maker Aristocrat Leisure Ltd.'s (Aristocrat) corporate credit rating to 'BB+' from 'BB'. The rating action reflects the company's stated commitment to financial policies that it believes are in line with an investment-grade rating and would support credit metrics in line with the 'BB+' rating. Fitch assigned Australia-based iron ore miner Fortescue Metals Group Limited's (Fortescue) USD1.5bn senior unsecured notes a 'BB+' final rating. The notes are rated at the same level as Fortescue's senior unsecured rating as they represent the company's unconditional, unsecured and unsubordinated obligations. Fitch assigned PT Agung Podomoro Land Tbk's (APLN) USD300mn unsecured, unsubordinated notes a 'BB-' final rating. According to Fitch, the notes are rated at the same level as APLN's 'BB-' Issuer Default Rating (IDR) because they constitute direct and unsubordinated obligations of the company.</p>

## Major Markets

- **Singapore:** The STI Index closed lower by 0.15% at 3,214.55. The losses were led largely by Golden Agri-Resources Ltd (-5.19%), likely from a 1.87% decline in crude palm oil prices. Other companies that weighed on the performance of the index would include Singapore Technologies Engineering Ltd (-1.61%) and Thai Beverage PCL (-1.16%). Nonetheless, some gains from CapitaLand Commercial Trust (+1.22%) and Sembcorp Industries Ltd (+0.95%) helped to cushion the fall of the index.

## Key Financial Indicators

### Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	97.442	--	USD-SGD	1.3863	0.32%
USD-JPY	111.270	-0.05%	EUR-SGD	1.5477	0.17%
EUR-USD	1.1164	-0.17%	JPY-SGD	1.2460	0.39%
AUD-USD	0.7440	-0.11%	GBP-SGD	1.7802	0.62%
GBP-USD	1.2840	0.28%	AUD-SGD	1.0314	0.23%
USD-MYR	4.2722	0.08%	NZD-SGD	0.9783	0.23%
USD-CNY	6.8555	--	CHF-SGD	1.4181	-0.04%
USD-IDR	13320	0.20%	SGD-MYR	3.0876	0.06%
USD-VND	22741	0.06%	SGD-CNY	4.9509	-0.20%

### Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3710	--	O/N	0.9300	--
2M	-0.3410	--	1M	1.0447	--
3M	-0.3290	--	2M	1.1208	--
6M	-0.2540	--	3M	1.2018	--
9M	-0.1810	--	6M	1.4138	--
12M	-0.1300	--	12M	1.7212	--

### Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)	Bund (chg)	FR (chg)	IT (chg)
2Y	1.21 (+0.02)	1.29 (--)	-0.72 (-0.03)	-0.50 (-0.01)	-0.18 (+0.02)
5Y	1.60 (+0.05)	1.79 (--)	-0.44 (-0.04)	-0.19 (-0.03)	0.89 (+0.05)
10Y	2.12 (+0.05)	2.25 (--)	0.29 (-0.03)	0.74 (-0.02)	2.18 (+0.09)
15Y	2.29 (+0.06)	--	0.54 (-0.03)	1.10 (-0.02)	2.65 (+0.06)
20Y	2.41 (+0.06)	--	0.84 (-0.03)	1.42 (-0.02)	2.77 (+0.06)
30Y	2.53 (+0.07)	2.91 (--)	1.13 (-0.02)	1.71 (-0.02)	3.25 (+0.06)

### Fed Rate Hike Probability

Meeting	Prob Hike	Prob Cut	1-1.25	1.25-1.5	1.5-1.75
14/06/2017	100.0%	0.0%	95.0%	5.0%	0.0%
26/07/2017	95.3%	0.0%	90.5%	4.8%	0.0%
20/09/2017	96.7%	0.0%	64.8%	30.5%	1.4%
13/12/2017	97.5%	0.0%	49.1%	38.9%	9.0%
31/01/2018	97.6%	0.0%	48.2%	39.1%	9.6%

### Commodities Futures

Energy	Futures	% chg	Base Metals	Futures	% chg
WTI (per barrel)	49.80	--	Copper (per mt)	5,642.7	--
Brent (per barrel)	52.29	0.27%	Nickel (per mt)	9,043.0	--
Heating Oil (per gallon)	1.5633	--	Aluminium (per mt)	1,944.3	--
Gasoline (per gallon)	1.6426	--			
Natural Gas (per MMBtu)	3.2360	--	Asian Commodities	Futures	% chg
			Crude Palm Oil (MYR/MT)	2,787.0	-1.87%
			Rubber (JPY/KG)	262.9	-4.40%
Precious Metals	Futures	% chg			
Gold (per oz)	1,268.1	--			
Silver (per oz)	17.283	--			

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

### Equity and Commodity

Index	Value	Net change
DJIA	21,080.28	--
S&P	2,415.82	--
Nasdaq	6,210.19	--
Nikkei 225	19,682.57	-4.27
STI	3,214.55	-4.87
KLCI	1,764.89	-7.41
JCI	5,712.33	-4.48
Baltic Dry	912.00	--
VIX	9.81	--

### Financial Spread (bps)

	Value	Change
LIBOR-OIS	12.14	0.58
EURIBOR-OIS	1.85	-1.45
TED	27.58	--

### Government CDS (USD)

	5Y	% Change
Germany	13.617	-8.55%
France	25.058	-10.77%
Italy	136.065	-14.50%

### Key Economic Indicators

Date	Time	Event	Survey	Actual	Prior	Revised
05/29/2017	10:30	VN <b>CPI YoY</b>	May	4.08%	3.19%	4.30%
05/29/2017	10:30	VN Trade Balance	May	--	-\$800m	-\$800m
05/29/2017	10:30	VN Retail Sales YTD YoY	May	--	10.20%	9.60%
05/29/2017	10:30	VN Imports YTD YoY	May	24.10%	23.90%	24.90%
05/29/2017	10:30	VN Exports YTD YoY	May	17.00%	17.40%	15.40%
05/29/2017	10:30	VN Industrial Production YoY	May	--	7.20%	7.40%
05/29/2017	16:00	EC <b>M3 Money Supply YoY</b>	Apr	5.20%	4.90%	5.30%
05/29/2017	16:58	MU GDP YoY	1Q	--	10.30%	7.00%
05/30/2017	06:45	NZ <b>Building Permits MoM</b>	Apr	--	-7.60%	-1.80%
05/30/2017	07:30	JN <b>Jobless Rate</b>	Apr	2.80%	--	2.80%
05/30/2017	07:30	JN <b>Job-To-Applicant Ratio</b>	Apr	1.46	--	1.45
05/30/2017	07:30	JN Overall Household Spending YoY	Apr	-0.90%	--	-1.30%
05/30/2017	07:50	JN Retail Sales MoM	Apr	-0.20%	--	0.20%
05/30/2017	07:50	JN Retail Trade YoY	Apr	2.30%	--	2.10%
05/30/2017	07:50	JN Dept. Store, Supermarket Sales	Apr	0.30%	--	-0.80%
05/30/2017	09:30	AU <b>Building Approvals MoM</b>	Apr	3.00%	--	-13.40%
05/30/2017	09:30	AU Building Approvals YoY	Apr	-18.10%	--	-19.90%
05/30/2017	10:00	SK Discount Store Sales YoY	Apr	--	--	2.50%
05/30/2017	10:00	SK Department Store Sales YoY	Apr	--	--	2.30%
05/30/2017	14:00	GE Import Price Index MoM	Apr	0.10%	--	-0.50%
05/30/2017	14:00	GE Import Price Index YoY	Apr	6.30%	--	6.10%
05/30/2017	14:45	FR <b>Consumer Confidence</b>	May	101	--	100
05/30/2017	14:45	FR Consumer Spending MoM	Apr	0.80%	--	-0.40%
05/30/2017	14:45	FR Consumer Spending YoY	Apr	0.60%	--	-1.00%
05/30/2017	14:45	FR <b>GDP QoQ</b>	1Q P	0.30%	--	0.30%
05/30/2017	14:45	FR <b>GDP YoY</b>	1Q P	0.80%	--	0.80%
05/30/2017	15:00	GE CPI Saxony MoM	May	--	--	-0.10%
05/30/2017	15:00	GE CPI Saxony YoY	May	--	--	2.10%
05/30/2017	16:00	GE CPI Brandenburg MoM	May	--	--	-0.10%
05/30/2017	16:00	GE CPI Brandenburg YoY	May	--	--	1.80%
05/30/2017	16:00	GE CPI Hesse MoM	May	--	--	0.00%
05/30/2017	16:00	GE CPI Hesse YoY	May	--	--	2.10%
05/30/2017	16:00	GE CPI Bavaria MoM	May	--	--	-0.10%
05/30/2017	16:00	GE CPI Bavaria YoY	May	--	--	1.90%
05/30/2017	16:00	IT PPI MoM	Apr	--	--	-0.10%
05/30/2017	16:00	IT PPI YoY	Apr	--	--	3.40%
05/30/2017	16:30	GE CPI North Rhine Westphalia YoY	May	--	--	2.10%
05/30/2017	17:00	EC Economic Confidence	May	110	--	109.6
05/30/2017	17:00	EC Business Climate Indicator	May	1.11	--	1.09
05/30/2017	17:00	EC Industrial Confidence	May	3.1	--	2.6
05/30/2017	17:00	EC Services Confidence	May	14.2	--	14.2
05/30/2017	17:00	EC <b>Consumer Confidence</b>	May F	-3.3	--	-3.3
05/30/2017	20:00	GE <b>CPI MoM</b>	May P	-0.10%	--	0.00%
05/30/2017	20:00	GE <b>CPI YoY</b>	May P	1.60%	--	2.00%
05/30/2017	20:00	GE CPI EU Harmonized MoM	May P	-0.10%	--	0.00%
05/30/2017	20:00	GE <b>CPI EU Harmonized YoY</b>	May P	1.50%	--	2.00%
05/30/2017	20:30	CA Current Account Balance	1Q	-\$12.00b	--	-\$10.73b
05/30/2017	20:30	US <b>Personal Income</b>	Apr	0.40%	--	0.20%
05/30/2017	20:30	US <b>Personal Spending</b>	Apr	0.40%	--	0.00%
05/30/2017	20:30	US Real Personal Spending	Apr	0.20%	--	0.30%
05/30/2017	20:30	CA Industrial Product Price MoM	Apr	--	--	0.80%
05/30/2017	20:30	CA Raw Materials Price Index MoM	Apr	--	--	-1.60%
05/30/2017	20:30	US PCE Deflator YoY	Apr	1.70%	--	1.80%
05/30/2017	20:30	US PCE Core MoM	Apr	0.10%	--	-0.10%
05/30/2017	20:30	US PCE Core YoY	Apr	1.50%	--	1.60%
05/30/2017	22:00	US <b>Conf. Board Cons Confidence</b>	May	119.8	--	120.3
05/30/2017	22:00	US Conf. Board Present Situation	May	--	--	140.6
05/30/2017	22:00	US Conf. Board Expectations	May	--	--	106.7
05/30/2017	22:30	US Dallas Fed Manf. Activity	May	15	--	16.8
05/30/2017		GE CPI Baden Wuerttemberg YoY	May	--	--	2.00%

Source: Bloomberg

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