

### Highlights

<b>Global</b>	<p>There was much to digest overnight, with US president Trump signing executive orders on steel and aluminium tariffs to be effected on 23 March with Canada and Mexico exempted for the time being pending NAFTA renegotiations, while the ECB adjusted its forward guidance to drop its pledge to increase the size of its asset purchases if conditions deteriorate or if financial conditions become inconsistent with further progress towards a sustained adjustment in the inflation path, but kept the other reference to continue reinvesting principal payments for an extended period of time after the end of net asset purchases. In particular, ECB president Draghi tips 2018 growth to be faster than expected at 2.4% (previously 2.3%), but opined regional inflation as still subdued and flagged the biggest risks as a global trade war and efforts to ease bank regulation. He opined that subdued inflation amid strong growth meant victory cannot be declared yet, and this was interpreted as slightly dovish and weighed on the EUR. Wall Street gained while UST bond yields were around 1-2bps lower.</p> <p>Expect Asian bourses to attempt to claw higher today amid modest gains in S&amp;P overnight. The market focus ahead will be the BOJ policy decision (likely static but watch Kuroda's comments on any exit strategy and/or timing), while the economic data releases will comprise China's CPI/PPI, US' nonfarm payrolls (consensus forecast: 205k), unemployment rate (likely lower by 0.1% point to 4.0%), average hourly earnings (see if the Jan spike of 2.9% yoy and 0.3% mom was an anomaly and would normalise back to 2.8% yoy and 0.2% mom) and wholesale inventories, and German/UK Jan industrial production and trade deficit. Speakers include Fed's Rosengren and Evans.</p>
<b>US</b>	Initial jobless claims rose from a 48-year low by 21k to 231k. Meanwhile, the Challenger job cuts fell 4.3% yoy in Feb.
<b>EZ</b>	German factory orders fell more than expected by 3.9% mom in Jan, following a revised 3.0% gain in Dec17, marking the steepest decline in a year.
<b>SG</b>	The TPP-11 pact was officially signed in Chile, with some saying that the accord could be implemented by year-end.
<b>CH</b>	Trade data surprised markets on the upside despite the Chinese New Year effect. Export in dollar terms grew by 44.5% yoy while import in dollar terms grew by 6.3%. China's trade surplus with the US increased to US\$20.96 billion, its highest February reading on record. This probably explains why the Trump administration has escalated trade tensions between US and China.
<b>CMD</b>	Crude oil prices see-sawed lower again overnight, as market-watchers digested the news over US Department of Energy's intention to sell 7 million barrels of crude oil from its petroleum reserves amid yesterday's stronger oil production and overnight's a stronger greenback. Gold also fell on dollar strength, after the EUR weakened on Draghi's comments that ECB's normalisation of its monetary policy will remain very gradual. Elsewhere in Asia, Malaysia's Plantation Industries and Commodities Minister Datuk Seri Mah commented that the nation will respond with a trade restriction if the European Union proceeds with its plan to limit the use of palm oil in biodiesel.

## Major Market

- **US:** Equities recovered on Thursday, with the exception of the steel and aluminium-related companies, as Trump's tariffs came in milder than expected. Concessions were made for Canada and Mexico, while the door is left open for other countries to negotiate an exclusion. This watered-down version of the tariff policy may ward off significant retaliation and the deterioration of the global trade picture. Overall, the S&P 500 added 0.45%, while the Dow and Nasdaq Composite gained 0.38% and 0.42% respectively. The VIX continued to slip, closing at 16.54, compared to 17.76 previously. Meanwhile, US Treasury yields were softer, led by the long end. The 10y benchmark slipped 2.5 bps to 2.857%, while the 2y yield closed marginally lower at 2.250%.
- **Singapore:** The STI rebounded 0.86% to close up at 3480.44 yesterday on hopes of country exemptions by US president Trump for the steel and aluminium tariffs, and may continue to trade in a 3450-3500 range awaiting fresh market cues. Although UST bonds are still trading water for now, SGS bonds which had sold off by up to 4bps yesterday are likely to focus on the tightening in short-term funding conditions.
- **China:** Imports of electronic integrated circuit by value grew by 14.8% yoy in February. For the first two months, it grew at a strong pace of 36.5%. As imports of electronic integrated circuit tend to lead exports by one month, this suggests that China is likely to benefit from the global recovery further in the coming months.
- By destination, exports to US, EU and Japan surged by 46.1%, 42.4% and 31.2%, respectively; a sign that China continued to benefit from the synchronized growth story. The deceleration of imports was mainly the result of the Chinese New Year effect. Imports of crude oil and iron ore by volume only increased by 1.5% and 0.9%. However, as a result of higher oil prices, imports of crude oil by value grew at a strong pace of 26.4%.

## Bond Market Updates

- **Market Commentary:** The SGD swap curve bear-steepened yesterday, with swap rates for the shorter tenors trading 2-3bps higher while the longer tenors traded 4-5bps higher. In the broader dollar space, the Bloomberg Barclays Asia USD IG Bond Index average OAS traded little changed at 115bps while the Bloomberg Barclays Asia USD HY Bond Index average OAS widened 40bps to 352bps, reversing from the prior day's sharp contraction of 18bps. 10Y UST yield fell 3bps to 2.86%, tracking its German counterpart as the ECB dropped a long-standing pledge to increase bond buying if economic circumstances warrant it.
- **New issues:** The Export Import Bank of Korea has priced its USD400mn 5-year FRN at 3mL+74bps, tightening from its initial guidance of 3mL+90bps area. The expected issue ratings are 'AA/Aa2/NR'. Rizal Commercial Banking Corporation has priced a USD300mn 5-year + 1day bond at CT5+150bps, tightening from its initial guidance of CT5+165bps area. The expected issue ratings are 'NR/Baa2/NR'. Tewoo Group No 5 Ltd has priced a USD450mn Perp NC3 at 5.8%, tightening from its initial guidance of 6%. The expected issue ratings are 'NR/NR/BBB-'. Taizhou Huaxin Pharmaceutical Investment Co Ltd has priced a USD150mn 3-year bond (guaranteed by Huaxin Pharmaceutical (HK) Co Ltd) at 6.8%, tightening from its initial guidance of 6.9%. The expected issue ratings are 'NR/NR/BB+'. Shimao Property Ltd has priced a CNH950mn 3NC2 bond (guaranteed by certain of the company's restricted subsidiaries outside the PRC) at 5.75%, tightening from its initial guidance of 6.125%. The expected issue

ratings are 'NR/NR/BBB-'. SKI Carbon Black (Mauritius) Ltd has scheduled for investor meetings from 9-13 Mar for its potential USD bond issuance. The expected issue ratings are 'BB/Ba2/BB'. The Republic of Indonesia has hired banks for its potential Euro-Denominated bond issuance.

- **Rating changes:** S&P has assigned its 'BBB' long-term issue rating to two proposed senior unsecured guaranteed notes under the global medium-term notes (GMTN) program of Thai Oil Public Co Ltd (Thai Oil). The outlook is stable. The rating action reflects Thai Oil's sound domestic competitive position, robust cash flow generation capacity and support from its controlling shareholder PTT Public Co Ltd. S&P has assigned 'BBB' long-term corporate credit rating to GLP and 'BBB-' long-term issue rating to the GLP's MTN program and all debt drawdowns from this program. The outlook is stable. The rating action reflects GLP's position as one of the largest operators of modern logistics centres globally. Its large portfolio spread across China, Japan, US, Brazil and Europe should mitigate the impact of increase in GLP's debt leverage following its privatisation in early 2018. Moody's has affirmed Singapore Management University's (SMU) 'Aaa' issuer and senior unsecured ratings. The outlook is stable. The rating action reflects SMU's ample level of internal liquidity, favourable operating performance and a significant share of subsidized debt, minimizing its debt burden. Moody's has downgraded Scentre Group's long-term ratings and its subsidiaries to 'A2' from 'A1'. The outlook is stable. The rating action reflects Moody's view that Scentre's current credit metrics are more indicative of an 'A2' rating as well as the company's previously announced changes to its financial policy.

### Key Financial Indicators

#### Foreign Exchange

	Day Close	% Change		Day Close	% Change
<b>DXY</b>	90.179	0.60%	<b>USD-SGD</b>	1.3175	0.26%
<b>USD-JPY</b>	106.230	0.15%	<b>EUR-SGD</b>	1.6221	-0.54%
<b>EUR-USD</b>	1.2312	-0.80%	<b>JPY-SGD</b>	1.2403	0.11%
<b>AUD-USD</b>	0.7789	-0.46%	<b>GBP-SGD</b>	1.8196	-0.37%
<b>GBP-USD</b>	1.3811	-0.61%	<b>AUD-SGD</b>	1.0264	-0.18%
<b>USD-MYR</b>	3.9085	0.09%	<b>NZD-SGD</b>	0.9569	-0.05%
<b>USD-CNY</b>	6.3422	0.27%	<b>CHF-SGD</b>	1.3853	-0.54%
<b>USD-IDR</b>	13816	0.41%	<b>SGD-MYR</b>	2.9705	0.09%
<b>USD-VND</b>	22757	-0.04%	<b>SGD-CNY</b>	4.8159	0.14%

#### Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
<b>1M</b>	-0.3710	--	<b>O/N</b>	1.4469	--
<b>2M</b>	-0.3410	--	<b>1M</b>	1.7179	--
<b>3M</b>	-0.3270	--	<b>2M</b>	1.8486	--
<b>6M</b>	-0.2720	--	<b>3M</b>	2.0573	--
<b>9M</b>	-0.2230	--	<b>6M</b>	2.2455	--
<b>12M</b>	-0.1910	--	<b>12M</b>	2.5186	--

#### Fed Rate Hike Probability

Meeting	Prob Hike	1.5-1.75	1.75-2	2-2.25	2.25-2.5
03/21/2018	100.0%	86.0%	14.0%	0.0%	0.0%
05/02/2018	100.0%	82.3%	17.1%	0.6%	0.0%
06/13/2018	100.0%	23.3%	63.9%	12.4%	0.4%
08/01/2018	100.0%	20.9%	59.7%	17.7%	1.7%
09/26/2018	100.0%	8.8%	37.3%	41.9%	10.9%
11/08/2018	100.0%	7.4%	32.6%	41.2%	16.0%

#### Commodities Futures

Energy	Futures	% chg	Base Metals	Futures	% chg
WTI (per barrel)	60.12	-1.68%	Copper (per mt)	6,788.0	-1.82%
Brent (per barrel)	63.61	-1.13%	Nickel (per mt)	13,220.0	-2.36%
Heating Oil (per gallon)	1.8591	-0.83%	Aluminium (per mt)	2,090.8	0.40%
Gasoline (per gallon)	1.8677	-2.23%			
Natural Gas (per MMBtu)	2.7560	-0.76%	<b>Asian Commodities</b>	<b>Futures</b>	<b>% chg</b>
			Crude Palm Oil (MYR/MT)	2,410.0	-1.35%
			Rubber (JPY/KG)	191.7	-0.05%
<b>Precious Metals</b>	<b>Futures</b>	<b>% chg</b>			
Gold (per oz)	1,321.7	-0.44%			
Silver (per oz)	16.500	0.04%			

Source: Bloomberg, Reuters

(Note that rates are for reference only)

#### Equity and Commodity

Index	Value	Net change
<b>DJIA</b>	24,895.21	93.85
<b>S&amp;P</b>	2,738.97	12.17
<b>Nasdaq</b>	7,427.95	31.30
<b>Nikkei 225</b>	21,368.07	115.35
<b>STI</b>	3,480.44	29.75
<b>KLCI</b>	1,839.62	1.72
<b>JCI</b>	6,443.02	74.75
<b>Baltic Dry</b>	1,191.00	--
<b>VIX</b>	16.54	-1.22

#### Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
<b>2Y</b>	1.75 (+0.04)	2.25 (--)
<b>5Y</b>	2.07 (+0.03)	2.63 (-0.02)
<b>10Y</b>	2.42 (+0.04)	2.86 (-0.03)
<b>15Y</b>	2.72 (+0.04)	--
<b>20Y</b>	2.74 (+0.04)	--
<b>30Y</b>	2.90 (+0.05)	3.12 (-0.03)

#### Financial Spread (bps)

	Value	Change
<b>LIBOR-OIS</b>	41.58	0.14
<b>EURIBOR-OIS</b>	3.16	0.13
<b>TED</b>	40.29	--

### Economic Calendar

Date Time	Event	Survey	Actual	Prior	Revised	
<b>03/08/2018 07:50</b>	<b>JN BoP Current Account Balance</b>	Jan	<b>¥437.4b</b>	<b>¥607.4b</b>	<b>¥797.2b</b>	--
03/08/2018 07:50	JN Trade Balance BoP Basis	Jan	¥695.5b	¥666.6b	¥538.9b	--
03/08/2018 07:50	JN Japan Buying Foreign Bonds	Mar-02	--	¥1188.5b	¥201.3b	¥205.4b
03/08/2018 07:50	JN Foreign Buying Japan Stocks	Mar-02	--	¥463.4b	¥53.6b	¥53.7b
<b>03/08/2018 07:50</b>	<b>JN GDP SA QoQ</b>	<b>4Q F</b>	<b>0.20%</b>	<b>0.40%</b>	<b>0.10%</b>	--
<b>03/08/2018 07:50</b>	<b>JN GDP Annualized SA QoQ</b>	<b>4Q F</b>	<b>1.00%</b>	<b>1.60%</b>	<b>0.50%</b>	--
03/08/2018 07:50	JN GDP Nominal SA QoQ	4Q F	0.10%	0.30%	0.00%	--
<b>03/08/2018 07:50</b>	<b>JN GDP Deflator YoY</b>	<b>4Q F</b>	<b>0.00%</b>	<b>0.10%</b>	<b>0.00%</b>	--
03/08/2018 08:01	UK RICS House Price Balance	Feb	7%	0%	8%	7%
<b>03/08/2018 08:30</b>	<b>AU Trade Balance</b>	Jan	<b>A\$160m</b>	<b>A\$1055m</b>	<b>-A\$1358m</b>	<b>-A\$1146m</b>
<b>03/08/2018 11:13</b>	<b>CH Trade Balance</b>	Feb	<b>-\$5.70b</b>	<b>\$33.74b</b>	<b>\$20.34b</b>	<b>\$20.35b</b>
03/08/2018 11:13	CH Exports YoY	Feb	11.00%	44.50%	11.10%	11.20%
03/08/2018 11:13	CH Imports YoY	Feb	8.00%	6.30%	36.90%	36.80%
<b>03/08/2018 15:00</b>	<b>GE Factory Orders MoM</b>	Jan	<b>-1.80%</b>	<b>-3.90%</b>	<b>3.80%</b>	<b>3.00%</b>
03/08/2018 15:30	FR Bank of France Ind. Sentiment	Feb	104	105	105	--
<b>03/08/2018 20:45</b>	<b>EC ECB Main Refinancing Rate</b>	<b>Mar-08</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	--
<b>03/08/2018 20:45</b>	<b>EC ECB Marginal Lending Facility</b>	<b>Mar-08</b>	<b>0.25%</b>	<b>0.25%</b>	<b>0.25%</b>	--
<b>03/08/2018 20:45</b>	<b>EC ECB Deposit Facility Rate</b>	<b>Mar-08</b>	<b>-0.40%</b>	<b>-0.40%</b>	<b>-0.40%</b>	--
<b>03/08/2018 21:15</b>	<b>CA Housing Starts</b>	Feb	<b>215.0k</b>	<b>229.7k</b>	<b>216.2k</b>	<b>215.3k</b>
03/08/2018 21:30	CA New Housing Price Index MoM	Jan	0.10%	0.00%	0.00%	--
<b>03/08/2018 21:30</b>	<b>CA Building Permits MoM</b>	Jan	<b>-1.50%</b>	<b>5.60%</b>	<b>4.80%</b>	<b>2.50%</b>
<b>03/08/2018 21:30</b>	<b>US Initial Jobless Claims</b>	<b>Mar-03</b>	<b>220k</b>	<b>231k</b>	<b>210k</b>	--
03/08/2018 21:30	US Continuing Claims	Feb-24	1920k	1870k	1931k	1934k
03/08/2018 22:45	US Bloomberg Consumer Comfort	Mar-04	--	56.8	56.2	--
03/09/2018 07:30	JN Overall Household Spending YoY	Jan	-1.00%	2.00%	-0.10%	--
<b>03/09/2018 07:50</b>	<b>JN Money Stock M2 YoY</b>	Feb	<b>3.30%</b>	--	<b>3.40%</b>	--
<b>03/09/2018 07:50</b>	<b>JN Money Stock M3 YoY</b>	Feb	<b>2.80%</b>	--	<b>2.90%</b>	--
03/09/2018 08:00	JN Labor Cash Earnings YoY	Jan	0.70%	--	0.70%	--
03/09/2018 09:00	PH Trade Balance	Jan	-\$3500m	--	-\$4017m	--
03/09/2018 09:00	PH Exports YoY	Jan	-3.10%	--	-4.90%	--
<b>03/09/2018 09:30</b>	<b>CH PPI YoY</b>	Feb	<b>3.80%</b>	--	<b>4.30%</b>	--
<b>03/09/2018 09:30</b>	<b>CH CPI YoY</b>	Feb	<b>2.50%</b>	--	<b>1.50%</b>	--
03/09/2018 15:00	GE Trade Balance	Jan	18.1b	--	18.2b	18.1b
03/09/2018 15:00	GE Current Account Balance	Jan	17.2b	--	27.8b	--
03/09/2018 15:00	GE Exports SA MoM	Jan	0.30%	--	0.30%	0.00%
<b>03/09/2018 15:00</b>	<b>GE Industrial Production SA MoM</b>	Jan	<b>0.60%</b>	--	<b>-0.60%</b>	--
<b>03/09/2018 15:30</b>	<b>TH Foreign Reserves</b>	<b>Mar-02</b>	--	--	<b>\$213.3b</b>	--
<b>03/09/2018 15:45</b>	<b>FR Industrial Production MoM</b>	Jan	<b>-0.30%</b>	--	<b>0.50%</b>	--
03/09/2018 15:45	FR Manufacturing Production MoM	Jan	0.30%	--	0.30%	--
03/09/2018 17:00	IT PPI MoM	Jan	--	--	0.00%	--
03/09/2018 17:30	UK Visible Trade Balance GBP/Mn	Jan	£11,900	--	£13,576	--
03/09/2018 17:30	UK Trade Balance Non EU GBP/Mn	Jan	£4,500	--	£5,178	--
03/09/2018 17:30	UK Trade Balance	Jan	£3,400	--	£4,896	--
<b>03/09/2018 17:30</b>	<b>UK Industrial Production MoM</b>	Jan	<b>1.50%</b>	--	<b>-1.30%</b>	--
<b>03/09/2018 17:30</b>	<b>UK Manufacturing Production MoM</b>	Jan	<b>0.20%</b>	--	<b>0.30%</b>	--
03/09/2018 20:00	UK NIESR GDP Estimate	Feb	0.40%	--	0.50%	--
03/09/2018 21:30	CA Capacity Utilization Rate	4Q	85.20%	--	85.00%	--
<b>03/09/2018 21:30</b>	<b>CA Net Change in Employment</b>	Feb	<b>21.0k</b>	--	<b>-88.0k</b>	--
<b>03/09/2018 21:30</b>	<b>US Change in Nonfarm Payrolls</b>	Feb	<b>205k</b>	--	<b>200k</b>	--
<b>03/09/2018 21:30</b>	<b>CA Unemployment Rate</b>	Feb	<b>5.90%</b>	--	<b>5.90%</b>	--
03/09/2018 21:30	US Change in Manufact. Payrolls	Feb	15k	--	15k	--
<b>03/09/2018 21:30</b>	<b>US Unemployment Rate</b>	Feb	<b>4.00%</b>	--	<b>4.10%</b>	--
<b>03/09/2018 23:00</b>	<b>US Wholesale Inventories MoM</b>	Jan F	<b>0.70%</b>	--	<b>0.70%</b>	--
03/09/2018	JN BOJ Policy Balance Rate	Mar-09	-0.10%	--	-0.10%	--
<b>03/08/2018 03/13</b>	<b>VN Domestic Vehicle Sales YoY</b>	Feb	--	--	<b>29.40%</b>	--

Source: Bloomberg

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