

### Highlights

<b>Global</b>	<p>Industrials led Wall Street higher overnight, with Boeing and Caterpillar climbing higher. Market-watchers were faced with more potential regulation changes, with the US Senate polling a 67 to 31 vote to pass a bipartisan bill to change the 2010 Dodd-Frank law. The bill, slated to benefit many community banks and regional lenders, would still need to be considered by the House lawmakers first before it heads for the President's endorsement. However, Chairman of the House Financial Services Committee Jeb Hensarling injected new uncertainty to the bill last night as he insisted to add about 30 additional measures to the bill passed by the Senate. Nevertheless, we think the loss of special Congress election in Pennsylvania may be the catalyst for the House to compromise, eventually passing the banking bill. Elsewhere, note that the special counsel, Robert Mueller, has reportedly subpoenaed the Trump Organisation in an effort to broaden his investigation. Data releases including the US empire manufacturing index (22.5 vs market est. 15.0) and higher-than-expected initial jobless claim (+226k vs market est 228k) could have also aided risk appetite.</p> <p>A rather heavy calendar day awaits us today. Top of the list includes US industrial production, housing starts, U. of Michigan sentiment prints, as well as EC CPI print. In Asia, look out for Japan's industrial production and Thailand foreign reserve.</p>
<b>SG</b>	<p>NODX unexpectedly fell 5.9% y/y (-2.6% momsa), as electronic exports plunged 12.3% in February. However, the decline in exports were likely on the back of Lunar New Year seasonal effects, as exports to China fell 23.6% over the same period even as exports to the US surged 54.7%. Meanwhile, MAS Chief Ravi Menon commented that cryptocurrencies does not currently "pose a significant risk to financial stability", and is still currently monitoring potential risks including financial stability, money laundering and investor protection.</p>
<b>CH</b>	<p>China cut its US Treasury holdings in January to US\$1.168 trillion from US\$1.185 trillion in 2017, lowest since July 2017. As trade tensions between US and China heightened, the risk for China to retaliate via the reduction of US Treasury holdings cannot be ruled out though we think the chance is low.</p>
<b>KR</b>	<p>Korea is reportedly planning an extra budget to aid young people in improving their employability, including aiding them in starting new companies and or to support firms that hire them. The budget will be at KRW4.0tn, and is to be paid with leftover tax revenue and spare public funds, and will not add to the government's debt burden nor hurt its fiscal soundness, according to Finance Minister Kim Dong-yeon.</p>
<b>CMD</b>	<p>A relatively stronger dollar (+0.48%) pressured precious metal prices lower overnight, although the stronger US-centric economic data likely aided the stronger dollar. Elsewhere, lower oil production out from OPEC and China buoyed oil prices; China's government data revealed that its domestic oil production fell (-1.9% y/y) in the first two months of this year, due to aging fields and higher production costs. The OPEC cartel also said that its efforts to cut supply continue to aid rebalancing, with February's oil production falling 77k barrels per day (bpd).</p>

## Major Market

- **US:** Wall Street ended mixed yesterday on the back of better than expected domestic data prints as well as market chatter over the US banking bill. Jobless claims declined 4k to 226k, allaying fears following the 20k increase in the week prior. The S&P 500 and Nasdaq Composite were weaker by 0.08% and 0.2%, respectively while the Dow inched 0.47% higher. The VIX index retreated to 16.59, down from 17.23 previously. Meanwhile, the US Treasury 10y benchmark yield and 2y yield closed firmer at 2.828% and 2.285%, respectively.
- **Singapore:** The STI Index inched 0.61% lower to close down at 3,517.73 on Thursday and may range trade today amid mixed overnight cues from Wall Street as well as its Asian counterparts this morning. Thai Beverage PCL (+1.23%) and Ascendas Real Estate Investment Trust (+0.76%) recorded gains. However, losses registered by Yangzijiang Shipbuildings Holdings Ltd (-2.99%) and DBS Group Holdings Lrd (-1.75%) pulled the index down.
- **Indonesia:** The country recorded a third straight month of trade deficits in February at -US\$116m (Jan 2018: -US\$677m) as imports grew faster than exports. Despite continued trade deficits, the strong import growth particularly of raw materials and capital goods could be suggesting that the economy is gradually improving as demand could be strengthening. Meanwhile, Indonesia's external debt stands at 34% of GDP in January.

## Bond Market Updates

- **Market Commentary:** The SGD swap curve flattened yesterday, with swap rates for the shorter tenors trading 1-2bps lower while the longer tenors traded 3-5bps lower. In the broader dollar space, the Bloomberg Barclays Asia USD IG Bond Index average OAS widened 1bps to 118bps while the Bloomberg Barclays Asia USD HY Bond Index average OAS tightened 1bps to 356bps. 10Y UST yields rose 1bps to 2.83% due to strong U.S employment and manufacturing data. The rise in yields were partially offset by the news that Robert S.Muller III has subpoenaed the Trump Organisation to turn over documents related to Russia and other topics he is investigating.
- **New issues:** Mapletree Commercial Trust Treasury Co Pte Ltd has priced a SGD120mn 6.5-year bond (guaranteed by DBS Trustee Ltd (in its capacity as trustee of Mapletree Commercial Trust) at 3.28%, tightening from its initial price guidance of 3.32%. Rural Electrification Corp Ltd (RECLIN) has priced a USD300mn 10-year bond at CT10+200bps, tightening from its initial price guidance of CT10+215bps area. Asciano Finance Ltd (AIOAU) has priced a USD400mn 10-year bond (guaranteed by Asciano Ltd (Parent) and other guarantors defined in the Offering Circular dated 28 Feb 2018) at CT10+205bps, tightening from its initial price guidance of CT10+215bps area. Shandong Xinheng International Co Ltd has scheduled for investor meetings from 16 Mar for its potential USD bond issuance (guaranteed by Shandong Iron & Steel Group Co Ltd).

### Key Financial Indicators

#### Foreign Exchange

	Day Close	% Change		Day Close	% Change
<b>DXY</b>	90.139	0.48%	<b>USD-SGD</b>	1.3135	0.32%
<b>USD-JPY</b>	106.340	0.02%	<b>EUR-SGD</b>	1.6162	-0.18%
<b>EUR-USD</b>	1.2305	-0.51%	<b>JPY-SGD</b>	1.2353	0.32%
<b>AUD-USD</b>	0.7798	-1.00%	<b>GBP-SGD</b>	1.8303	0.13%
<b>GBP-USD</b>	1.3937	-0.18%	<b>AUD-SGD</b>	1.0243	-0.69%
<b>USD-MYR</b>	3.9177	0.30%	<b>NZD-SGD</b>	0.9559	-0.42%
<b>USD-CNY</b>	6.3221	0.06%	<b>CHF-SGD</b>	1.3804	-0.37%
<b>USD-IDR</b>	13749	0.11%	<b>SGD-MYR</b>	2.9917	0.44%
<b>USD-VND</b>	22759	--	<b>SGD-CNY</b>	4.8233	0.02%

#### Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
<b>1M</b>	-0.3710	--	<b>O/N</b>	1.4450	--
<b>2M</b>	-0.3400	--	<b>1M</b>	1.7864	--
<b>3M</b>	-0.3270	--	<b>2M</b>	1.9008	--
<b>6M</b>	-0.2710	--	<b>3M</b>	2.1450	--
<b>9M</b>	-0.2230	--	<b>6M</b>	2.3211	--
<b>12M</b>	-0.1910	--	<b>12M</b>	2.5901	--

#### 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%	82.0%	18.0%	0.0%	0.0%
05/02/2018	100.0%	76.7%	22.1%	1.2%	0.0%
06/13/2018	100.0%	23.3%	60.1%	15.7%	0.8%
08/01/2018	100.0%	20.4%	55.6%	21.2%	2.7%
09/26/2018	100.0%	9.1%	36.0%	40.3%	13.0%
11/08/2018	100.0%	7.6%	31.6%	39.6%	17.5%

#### Commodities Futures

Energy	Futures	% chg	Base Metals	Futures	% chg
WTI (per barrel)	61.19	0.38%	Copper (per mt)	6,894.9	-0.98%
Brent (per barrel)	65.12	0.35%	Nickel (per mt)	13,576.0	-1.50%
Heating Oil (per gallon)	1.8929	0.31%	Aluminium (per mt)	2,064.3	-0.35%
Gasoline (per gallon)	1.9248	0.03%			
Natural Gas (per MMBtu)	2.6810	-1.83%	<b>Asian Commodities</b>	<b>Futures</b>	<b>% chg</b>
			Crude Palm Oil (MYR/MT)	2,445.0	0.20%
			Rubber (JPY/KG)	195.2	0.26%
<b>Precious Metals</b>	<b>Futures</b>	<b>% chg</b>			
Gold (per oz)	1,317.8	-0.59%			
Silver (per oz)	16.422	-0.70%			

Source: Bloomberg, Reuters

(Note that rates are for reference only)

#### Equity and Commodity

Index	Value	Net change
<b>DJIA</b>	24,873.66	115.54
<b>S&amp;P</b>	2,747.33	-2.15
<b>Nasdaq</b>	7,481.74	-15.07
<b>Nikkei 225</b>	21,803.95	26.66
<b>STI</b>	3,517.73	-21.68
<b>KLCI</b>	1,845.27	-11.79
<b>JCI</b>	6,321.90	-60.72
<b>Baltic Dry</b>	1,179.00	--
<b>VIX</b>	16.59	-0.64

#### Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
<b>2Y</b>	1.76 (-0.01)	2.28 (+0.03)
<b>5Y</b>	2.04 (-0.02)	2.62 (+0.02)
<b>10Y</b>	2.37 (-0.04)	2.83 (+0.01)
<b>15Y</b>	2.68 (-0.04)	--
<b>20Y</b>	2.72 (-0.03)	--
<b>30Y</b>	2.87 (-0.04)	3.06 (-)

#### Financial Spread (bps)

	Value	Change
<b>LIBOR-OIS</b>	46.77	1.00
<b>EURIBOR-OIS</b>	2.30	-0.80
<b>TED</b>	42.93	--

### Economic Calendar

Date Time	Event		Survey	Actual	Prior	Revised
<b>03/15/2018 05:45</b>	<b>NZ GDP SA QoQ</b>	<b>4Q</b>	<b>0.80%</b>	<b>0.60%</b>	<b>0.60%</b>	--
03/15/2018 07:50	JN Japan Buying Foreign Bonds	Mar-09	--	¥1090.0b	¥1188.5b	¥1175.8b
03/15/2018 07:50	JN Japan Buying Foreign Stocks	Mar-09	--	¥23.0b	¥201.5b	--
03/15/2018 07:50	JN Foreign Buying Japan Bonds	Mar-09	--	¥486.0b	¥1264.8b	¥1275.5b
03/15/2018 07:50	JN Foreign Buying Japan Stocks	Mar-09	--	¥432.5b	¥463.4b	--
03/15/2018 08:30	AU RBA FX Transactions Market	Feb	--	A\$310m	A\$529m	--
03/15/2018 12:00	JN Tokyo Condominium Sales YoY	Feb	--	7.80%	39.70%	--
03/15/2018 12:00	ID Imports YoY	Feb	26.00%	25.18%	26.44%	27.92%
<b>03/15/2018 12:00</b>	<b>ID Exports YoY</b>	<b>Feb</b>	<b>12.40%</b>	<b>11.76%</b>	<b>7.86%</b>	<b>8.59%</b>
<b>03/15/2018 12:00</b>	<b>ID Trade Balance</b>	<b>Feb</b>	<b>-\$124m</b>	<b>-\$116m</b>	<b>-\$677m</b>	<b>-\$756m</b>
03/15/2018 14:08	PH Overseas Workers Remittances	Jan	--	\$2379m	\$2741m	--
<b>03/15/2018 14:08</b>	<b>PH Overseas Remittances YoY</b>	<b>Jan</b>	<b>5.00%</b>	<b>9.70%</b>	<b>7.10%</b>	--
03/15/2018 15:00	EC EU27 New Car Registrations	Feb	--	4.30%	7.10%	--
<b>03/15/2018 15:45</b>	<b>FR CPI EU Harmonized YoY</b>	<b>Feb F</b>	<b>1.30%</b>	<b>1.30%</b>	<b>1.30%</b>	--
<b>03/15/2018 15:45</b>	<b>FR CPI YoY</b>	<b>Feb F</b>	<b>1.20%</b>	<b>1.20%</b>	<b>1.20%</b>	--
03/15/2018 15:45	FR CPI Ex-Tobacco Index	Feb	101.6	101.64	101.67	--
<b>03/15/2018 20:30</b>	<b>US Empire Manufacturing</b>	<b>Mar</b>	<b>15</b>	<b>22.5</b>	<b>13.1</b>	--
<b>03/15/2018 20:30</b>	<b>US Import Price Index MoM</b>	<b>Feb</b>	<b>0.20%</b>	<b>0.40%</b>	<b>1.00%</b>	<b>0.80%</b>
<b>03/15/2018 20:30</b>	<b>US Initial Jobless Claims</b>	<b>Mar-10</b>	<b>228k</b>	<b>226k</b>	<b>231k</b>	<b>230k</b>
03/15/2018 20:30	US Continuing Claims	Mar-03	1903k	1879k	1870k	1875k
<b>03/15/2018 20:30</b>	<b>US Philadelphia Fed Business Outlook</b>	<b>Mar</b>	<b>23</b>	<b>22.3</b>	<b>25.8</b>	--
<b>03/15/2018 21:33</b>	<b>IN Exports YoY</b>	<b>Feb</b>	--	<b>4.50%</b>	<b>9.10%</b>	--
03/15/2018 21:33	IN Imports YoY	Feb	--	10.40%	26.10%	--
03/15/2018 21:45	US Bloomberg Consumer Comfort	Mar-11	--	56.2	56.8	--
03/15/2018 22:00	US NAHB Housing Market Index	Mar	72	70	72	71
03/16/2018 04:00	US Total Net TIC Flows	Jan	--	\$119.7b	-\$119.3b	-\$122.5b
03/16/2018 04:00	US Net Long-term TIC Flows	Jan	--	\$62.1b	\$27.3b	\$23.3b
<b>03/16/2018 05:30</b>	<b>NZ BusinessNZ Manufacturing PMI</b>	<b>Feb</b>	--	<b>53.4</b>	<b>55.6</b>	<b>54.4</b>
03/16/2018 08:30	SI Non-oil Domestic Exports SA MoM	Feb	0.10%	--	-0.30%	--
03/16/2018 08:30	SI Electronic Exports YoY	Feb	2.80%	--	-3.90%	--
<b>03/16/2018 08:30</b>	<b>SI Non-oil Domestic Exports YoY</b>	<b>Feb</b>	<b>4.80%</b>	--	<b>13.00%</b>	--
03/16/2018 10:00	NZ Non Resident Bond Holdings	Feb	--	--	60.00%	--
<b>03/16/2018 12:30</b>	<b>JN Industrial Production MoM</b>	<b>Jan F</b>	--	--	<b>-6.60%</b>	--
03/16/2018 12:30	JN Capacity Utilization MoM	Jan	--	--	2.80%	--
<b>03/16/2018 15:30</b>	<b>TH Foreign Reserves</b>	<b>Mar-09</b>	--	--	<b>\$212.7b</b>	--
<b>03/16/2018 17:00</b>	<b>IT CPI EU Harmonized YoY</b>	<b>Feb F</b>	<b>0.70%</b>	--	<b>0.70%</b>	--
03/16/2018 18:00	EC CPI Core YoY	Feb F	1.00%	--	1.00%	--
<b>03/16/2018 18:00</b>	<b>EC CPI YoY</b>	<b>Feb F</b>	<b>1.20%</b>	--	<b>1.30%</b>	<b>1.30%</b>
03/16/2018 20:30	CA Manufacturing Sales MoM	Jan	-0.90%	--	-0.30%	--
03/16/2018 20:30	CA Int'l Securities Transactions	Jan	--	--	-1.97b	--
<b>03/16/2018 20:30</b>	<b>US Housing Starts</b>	<b>Feb</b>	<b>1290k</b>	--	<b>1326k</b>	--
03/16/2018 20:30	US Building Permits	Feb	1320k	--	1396k	1377k
<b>03/16/2018 21:15</b>	<b>US Industrial Production MoM</b>	<b>Feb</b>	<b>0.40%</b>	--	<b>-0.10%</b>	--
03/16/2018 21:15	US Capacity Utilization	Feb	77.70%	--	77.50%	--
03/16/2018 22:00	US JOLTS Job Openings	Jan	5917	--	5811	--
03/16/2018 22:00	US Revisions: JOLTS					
<b>03/16/2018 22:00</b>	<b>US U. of Mich. Sentiment</b>	<b>Mar P</b>	<b>99.3</b>	--	<b>99.7</b>	--
03/15/2018 03/28	IN BoP Current Account Balance	4Q	-\$15.85b	--	-\$7.20b	--

Source: Bloomberg

<b>OCBC Treasury Research</b>	
<p><b>Macro Research</b></p> <p><b>Selena Ling</b> LingSSSelena@ocbc.com</p> <p><b>Emmanuel Ng</b> NgCYEmmanuel@ocbc.com</p> <p><b>Tommy Xie Dongming</b> XieD@ocbc.com</p> <p><b>Barnabas Gan</b> BarnabasGan@ocbc.com</p> <p><b>Terence Wu</b> TerenceWu@ocbc.com</p>	<p><b>Credit Research</b></p> <p><b>Andrew Wong</b> WongVKAM@ocbc.com</p> <p><b>Wong Liang Mian (Nick)</b> NickWong@ocbc.com</p> <p><b>Ezien Hoo</b> EzienHoo@ocbc.com</p> <p><b>Wong Hong Wei</b> WongHongWei@ocbc.com</p>

This publication is solely for information purposes only and may not be published, circulated, reproduced or distributed in whole or in part to any other person without our prior written consent. This publication should not be construed as an offer or solicitation for the subscription, purchase or sale of the securities/instruments mentioned herein. Any forecast on the economy, stock market, bond market and economic trends of the markets provided is not necessarily indicative of the future or likely performance of the securities/instruments. Whilst the information contained herein has been compiled from sources believed to be reliable and we have taken all reasonable care to ensure that the information contained in this publication is not untrue or misleading at the time of publication, we cannot guarantee and we make no representation as to its accuracy or completeness, and you should not act on it without first independently verifying its contents. The securities/instruments mentioned in this publication may not be suitable for investment by all investors. Any opinion or estimate contained in this report is subject to change without notice. We have not given any consideration to and we have not made any investigation of the investment objectives, financial situation or particular needs of the recipient or any class of persons, and accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of the recipient or any class of persons acting on such information or opinion or estimate. This publication may cover a wide range of topics and is not intended to be a comprehensive study or to provide any recommendation or advice on personal investing or financial planning. Accordingly, they should not be relied on or treated as a substitute for specific advice concerning individual situations. Please seek advice from a financial adviser regarding the suitability of any investment product taking into account your specific investment objectives, financial situation or particular needs before you make a commitment to purchase the investment product. OCBC Bank, its related companies, their respective directors and/or employees (collectively "Related Persons") may or might have in the future interests in the investment products or the issuers mentioned herein. Such interests include effecting transactions in such investment products, and providing broking, investment banking and other financial services to such issuers. OCBC Bank and its Related Persons may also be related to, and receive fees from, providers of such investment products.

This report is intended for your sole use and information. By accepting this report, you agree that you shall not share, communicate, distribute, deliver a copy of or otherwise disclose in any way all or any part of this report or any information contained herein (such report, part thereof and information, "Relevant Materials") to any person or entity (including, without limitation, any overseas office, affiliate, parent entity, subsidiary entity or related entity) (any such person or entity, a "Relevant Entity") in breach of any law, rule, regulation, guidance or similar. In particular, you agree not to share, communicate, distribute, deliver or otherwise disclose any Relevant Materials to any Relevant Entity that is subject to the Markets in Financial Instruments Directive (2014/65/EU) ("MiFID") and the EU's Markets in Financial Instruments Regulation (600/2014) ("MiFIR") (together referred to as "MiFID II"), or any part thereof, as implemented in any jurisdiction. No member of the OCBC Group shall be liable or responsible for the compliance by you or any Relevant Entity with any law, rule, regulation, guidance or similar (including, without limitation, MiFID II, as implemented in any jurisdiction).

Co.Reg.no.:193200032W