

Highlights

Global	True to form, US President tweeted that "Russia and China are playing the Currency Devaluation game as the US keeps raising interest rates...Not acceptable!" This came shortly after the US Treasury Department refrained from naming any nation as a currency manipulator. While this lent some brief support to Treasury bonds whose curve continued to flatten, the USD remained on the back foot and Wall Street rose (with S&P500 clawing back to positive territory for the year-to-date). China remained the largest foreign holder of US Treasuries and increased its purchases by US\$8.5b in Feb (most in six months), but this was prior to Trump's tariff salvos. Asian bourses may range trade today, awaiting China's data dump which includes 1Q18 GDP growth (market eyeing 6.8% yoy), retail sales, industrial production and fixed asset investments. Other economic data to watch include US' industrial production, building permits and housing starts, German ZEW survey, UK's ILO unemployment rate and jobless claims, and Japan's industrial production. Speakers include Fed's Quarles, Harker, Evans and Bostic.
US	Retail sales saw its first expansion since Nov, growing by 0.6% mom in Mar and rebounding from the -0.1% print in Feb. The Empire manufacturing index softened more than expected from 22.5 in Mar to 15.8 in Apr. President Trump plans to nominate Pimpc's Richard Clarida as the Fed vice-chair and Kansas State Bank Commissioner Michelle Bowman as a Fed governor, subject to US Senate confirmation. Meanwhile, Fed's Dudley opined that "I don't think we know exactly how many more rate hikes we are going to do this year", but "as long as inflation is relatively low, the Fed is going to be gradual" and "three or four seemed like a reasonable expectation this year".
SG	NODX unexpectedly fell for the second consecutive month by 2.7% yoy (-1.8% mom sa) in Mar, below market consensus expectations of +1.2% yoy (+2.4% mom sa) and our forecast for -0.4% yoy (5.1% momsa), which could be partly attributable to the high base in Mar17 (+16.5% yoy). The main drag was electronics NODX which fell for the fourth straight month by 7.1% yoy in Mar, but even non-electronics also extended declines at 1.3% yoy. Four of the top 10 NODX markets saw negative NODX growth in Mar, led by China (-12.2% yoy) with weakness in HK, Thailand and Malaysia as well, whereas NODX to the US (32.6% yoy), Japan (21.6% yoy), Indonesia (17.3% yoy) and EU (11.3% yoy) remained healthy.
CH	The bond market has entered a mini bull cycle recently as a result of improving interbank liquidity, contained inflationary pressure as well as expectations on the deceleration of China's growth. Market will closely watch out for the 1Q GDP due today.
CMD	Market-watchers were quick to bring crude oil prices lower yesterday, just a day after the weekend's US-led missile strike into Syrian territories. As iterated from yesterday's report, oil prices gain given the increased risk premiums from the intensified geopolitical tensions, though history reference has proved the rally to be very short-lived, thus explaining the fall in oil prices overnight. Moreover, conventional wisdom points towards the risk of higher US-led oil production should oil prices gain further, a reason we think, is adequate to cap oil prices in the foreseeable horizon.

Major Market

- **US:** Equities saw gains overnight following strong earnings reports and positive domestic data that aided market-watchers' risk appetite over simmering geopolitical tensions. The Dow and S&P 500 rose 0.87% and 0.81%, respectively to end higher. Similarly, the Nasdaq composite added 0.70%. VIX fell to 16.56, compared to 17.41 previously. Meanwhile, US Treasury saw the 2y yield add 2bp to end firmer at 2.377% while the 10y yield remained unchanged at 2.827%.
- **Singapore:** The STI lost 0.12% to close at 3497.19 and may continue to bounce around the 3500 handle for now despite stronger overnight cues from Wall Street and modest morning gains from Kospi. STI's range is tipped at 3480-3515. With the sustained flattening bias in the UST bond yield curve, SGS bonds may also continue to follow suit as investors await Thursday's issue size announcement for the new 10-year SGS bond due for auction on 26 Apr.
- **China:** On currency, RMB strengthened in the offshore market after President Trump criticized China's currency devaluation on twitter. As the impact of trade tension on RMB is likely to diminish, the near term driving factor for RMB may go back to the US dollar.
- **Indonesia:** The country posted a surprise trade surplus for March at US\$1092m after three months of reporting trade deficits. Exports rose by 6.14% yoy and imports increased by 9.07% yoy. In particular, this surplus was driven by a 8.2% yoy jump in non-oil and gas exports as exports of mining and others surged by 45%. This means that for the entire 1Q18, the trade balance was at a surplus of US\$238m.

Bond Market Updates

- **Market Commentary:** The SGD swap curve rose with swap rates trading 1-2bps higher across most tenors. The Bloomberg Barclays Asia USD IG Bond Index average OAS traded little changed at 127 bps while the Bloomberg Barclays Asia USD HY Bond Index average widened 2bps to 346bps. 10Y USTs traded little changed at 2.83%.
- **New issues:** United Overseas Bank Ltd has priced a USD1.2bn deal across two tranches, with the USD700mn 3-year Fxd at CT3+72bps, tightening from its initial price guidance of CT3+85-90bps area and the USD500mn 3-year FRN priced at 3mL+48bps, in line with its initial price guidance. Sunac China Holdings Ltd has priced a USD1.1bn deal across two tranches with the USD650mn 3.25NC2.25 note at 7.35% (tightening from its initial price guidance of 7.5%) and the USD450mn 5NC3 note at 8.35%, tightening from its initial price guidance of 8.5%. Commonwealth Bank of Australia has priced a EUR1bn 5-year covered bond (guaranteed by Perpetual Corporate Trustee Ltd) at MS+5bps, tightening from its initial price guidance of MS+7bps area. Hanwha Life Insurance Co Ltd has priced a USD1bn 30NC5 bond at 4.7%, tightening from its initial price guidance of 5% area. Central China Real Estate Ltd has priced USD300mn 2.5-year notes at 7%, tightening from its initial price guidance of 7.25%. Jingrui Holdings Ltd has priced a USD350mn 3-year bond (guaranteed by certain non-PRC subsidiaries of the issuer) at 9.45%, tightening from its initial price guidance of 9.5%. Yanlord Land HK Co Ltd has priced a USD300mn 5NC3 bond (guaranteed by Yanlord Land Group Ltd) at 6.75%, tightening from its initial price guidance of 7%. The Export-Import Bank of Korea has scheduled for investor meetings from 23-26 Apr for its potential USD bond issuance. Samsonite Finco Sarl has scheduled for investor meetings from 16-18 Apr for

its potential EUR300mn 8NC3 bond issuance. PT Alam Sutera Realty Tbk has scheduled for investor meetings from 17 Apr for its potential USD bond issuance. Easy Tactic Ltd (Guangzhou R&F Properties Co., Ltd acting as guarantor and provider of benefit of a Keepwell Deed and Equity Interest Purchase Undertaking) has scheduled for investor meetings on 16 Apr for its potential USD bond issuance. Vertex Capital Investment Ltd (Guarantor: Guangzhou Industrial Investment Fund Management Co., Ltd.) has scheduled for investor meetings from 17 Apr for its potential USD bond issuance. Yuexiu REIT MTN Company Ltd has scheduled for investor meetings from 17 Apr for its potential USD bond issuance (guaranteed by Yuexiu Real Estate Investment Trust). Meiji Yasuda Life Insurance Co Ltd has scheduled for investor meetings on 16 Apr for its potential USD bond issuance. Sydney Airport Finance Company Pty Ltd has scheduled for investor meetings on 16 Apr for its potential EUR 500mn 10-year bond. Indonesia seeks to raise around USD4bn from samurai and euro bonds.

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DX	89.425	-0.42%	USD-SGD	1.3102	-0.14%
USD-JPY	107.120	-0.21%	EUR-SGD	1.6220	0.25%
EUR-USD	1.2380	0.40%	JPY-SGD	1.2232	0.08%
AUD-USD	0.7781	0.22%	GBP-SGD	1.8787	0.57%
GBP-USD	1.4339	0.71%	AUD-SGD	1.0195	0.01%
USD-MYR	3.8877	0.20%	NZD-SGD	0.9647	-0.02%
USD-CNY	6.2765	0.02%	CHF-SGD	1.3649	0.09%
USD-IDR	13780	0.18%	SGD-MYR	2.9646	0.22%
USD-VND	22536	-1.05%	SGD-CNY	4.7853	0.03%

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3710	--	O/N	1.7019	--
2M	-0.3410	--	1M	1.8955	--
3M	-0.3290	--	2M	2.0375	--
6M	-0.2710	--	3M	2.3528	--
9M	-0.2190	--	6M	2.4900	--
12M	-0.1900	--	12M	2.7309	--

Fed Rate Hike Probability

Meeting	Prob Hike	1.75-2	2-2.25	2.25-2.5	2.5-2.75
05/02/2018	27.8%	27.8%	0.0%	0.0%	0.0%
06/13/2018	88.6%	65.2%	23.4%	0.0%	0.0%
08/01/2018	89.3%	61.9%	26.0%	1.5%	0.0%
09/26/2018	95.9%	30.2%	48.2%	16.6%	0.9%
11/08/2018	96.4%	27.4%	46.2%	20.1%	2.6%
12/19/2018	97.7%	18.6%	39.2%	29.8%	9.1%

Commodities Futures

Energy	Futures	% chg	Base Metals	Futures	% chg
WTI (per barrel)	66.22	-1.74%	Copper (per mt)	6,824.4	0.80%
Brent (per barrel)	71.42	-1.60%	Nickel (per mt)	14,307.0	2.95%
Heating Oil (per gallon)	2.0703	-1.42%	Aluminium (per mt)	2,411.0	5.24%
Gasoline (per gallon)	2.0399	-1.23%			
Natural Gas (per MMBtu)	2.7520	0.62%	Asian Commodities	Futures	% chg
			Crude Palm Oil (MYR/MT)	2,369.0	-1.25%
			Rubber (JPY/KG)	179.2	-3.03%
Precious Metals	Futures	% chg			
Gold (per oz)	1,350.7	0.21%			
Silver (per oz)	16.677	0.11%			

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Equity and Commodity

Index	Value	Net change
DJIA	24,573.04	212.90
S&P	2,677.84	21.54
Nasdaq	7,156.29	49.64
Nikkei 225	21,835.53	56.79
STI	3,497.19	-4.11
KLCI	1,878.76	10.29
JCI	6,286.75	16.42
Baltic Dry	1,014.00	--
VIX	16.56	-0.85

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.88 (--)	2.38 (+0.02)
5Y	2.06 (+0.01)	2.68 (+0.01)
10Y	2.40 (+0.01)	2.83 (--)
15Y	2.67 (+0.01)	--
20Y	2.72 (--)	--
30Y	2.84 (+0.01)	3.02 (--)

Financial Spread (bps)

	Value	Change
LIBOR-OIS	58.44	0.30
EURIBOR-OIS	2.77	0.67
TED	60.42	--

Economic Calendar

Date Time		Event		Survey	Actual	Prior	Revised
04/16/2018 06:45	NZ	Food Prices MoM	Mar	--	1.00%	-0.50%	--
04/16/2018 07:01	UK	Rightmove House Prices MoM	Apr	--	0.40%	1.50%	--
04/16/2018 12:00	JN	Tokyo Condominium Sales YoY	Mar	--	6.10%	7.80%	--
04/16/2018 12:00	ID	Imports YoY	Mar	13.50%	9.07%	25.18%	24.94%
04/16/2018 12:00	ID	Exports YoY	Mar	3.00%	6.14%	11.76%	12.04%
04/16/2018 12:00	ID	Trade Balance	Mar	-\$89m	\$1092m	-\$116m	-\$53m
04/16/2018 13:11	PH	Overseas Workers Remittances	Feb	\$2400m	\$2267m	\$2379m	--
04/16/2018 13:11	PH	Overseas Remittances YoY	Feb	10.60%	4.50%	9.70%	--
04/16/2018 14:30	IN	Wholesale Prices YoY	Mar	2.43%	2.47%	2.48%	--
04/16/2018 20:30	US	Empire Manufacturing	Apr	18.4	15.8	22.5	--
04/16/2018 20:30	US	Retail Sales Advance MoM	Mar	0.40%	0.60%	-0.10%	--
04/16/2018 20:30	US	Retail Sales Ex Auto MoM	Mar	0.20%	0.20%	0.20%	--
04/16/2018 20:30	US	Retail Sales Ex Auto and Gas	Mar	0.40%	0.30%	0.30%	--
04/16/2018 22:00	US	Business Inventories	Feb	0.60%	0.60%	0.60%	--
04/16/2018 22:00	US	NAHB Housing Market Index	Apr	70	69	70	--
04/17/2018 04:00	US	Total Net TIC Flows	Feb	--	\$44.7b	\$119.7b	\$122.6b
04/17/2018 04:00	US	Net Long-term TIC Flows	Feb	--	\$49.0b	\$62.1b	\$61.4b
04/17/2018 05:00	NZ	REINZ House Sales YoY	Mar	--	-9.90%	1.20%	--
04/17/2018 08:30	SI	Non-oil Domestic Exports SA MoM	Mar	2.40%	-1.80%	-2.60%	--
04/17/2018 08:30	SI	Electronic Exports YoY	Mar	--	-7.10%	-12.30%	--
04/17/2018 08:30	SI	Non-oil Domestic Exports YoY	Mar	1.20%	-2.70%	-5.90%	--
04/17/2018 10:00	CH	GDP YoY	1Q	6.80%	--	6.80%	--
04/17/2018 10:00	CH	GDP YTD YoY	1Q	6.80%	--	6.90%	--
04/17/2018 10:00	CH	Retail Sales YoY	Mar	9.70%	--	9.40%	--
04/17/2018 10:00	CH	Retail Sales YTD YoY	Mar	9.70%	--	9.70%	--
04/17/2018 10:00	CH	Industrial Production YoY	Mar	6.30%	--	6.20%	--
04/17/2018 10:00	CH	Industrial Production YTD YoY	Mar	6.90%	--	7.20%	--
04/17/2018 10:00	CH	Fixed Assets Ex Rural YTD YoY	Mar	7.70%	--	7.90%	--
04/17/2018 11:00	NZ	Non Resident Bond Holdings	Mar	--	--	59.70%	--
04/17/2018 12:30	JN	Capacity Utilization MoM	Feb	--	--	-7.30%	--
04/17/2018 12:30	JN	Industrial Production MoM	Feb F	--	--	4.10%	--
04/17/2018 16:00	IT	CPI EU Harmonized YoY	Mar F	1.10%	--	1.10%	--
04/17/2018 16:30	UK	Claimant Count Rate	Mar	--	--	2.40%	--
04/17/2018 16:30	UK	Jobless Claims Change	Mar	--	--	9.2k	--
04/17/2018 16:30	UK	Average Weekly Earnings 3M/YoY	Feb	3.00%	--	2.80%	--
04/17/2018 16:30	UK	ILO Unemployment Rate 3Mths	Feb	4.30%	--	4.30%	--
04/17/2018 17:00	GE	ZEW Survey Current Situation	Apr	88	--	90.7	--
04/17/2018 17:00	GE	ZEW Survey Expectations	Apr	-1	--	5.1	--
04/17/2018 17:00	EC	ZEW Survey Expectations	Apr	--	--	13.4	--
04/17/2018 17:00	IT	Trade Balance Total	Feb	--	--	-87m	--
04/17/2018 20:30	CA	Int'l Securities Transactions	Feb	--	--	5.68b	--
04/17/2018 20:30	CA	Manufacturing Sales MoM	Feb	0.80%	--	-1.00%	--
04/17/2018 20:30	US	Housing Starts	Mar	1267k	--	1236k	--
04/17/2018 20:30	US	Building Permits	Mar	1321k	--	1298k	1321k
04/17/2018 21:15	US	Industrial Production MoM	Mar	0.30%	--	1.10%	0.90%
04/17/2018 21:15	US	Capacity Utilization	Mar	77.90%	--	78.10%	77.70%

Source: Bloomberg

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

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