

Highlights

Global	<p>While awaiting to see how the US Trump administration will target China's investments into strategic technology sectors, S&P fell for a second session yesterday, led by tech stocks as Amazon lost US\$53b in market cap on the back of a Axios report that President Trump is "obsessed" with regulating the company. With the lingering risk-off tone and news that the US trade deficit had widened more than expected to US\$75.4b in Feb, the 10-year UST bond yield also closed below the 2.8% support at 2.77%. Meanwhile, President Trump heralded the revised US FTA with South Korea as "a great deal for American and Korean workers", but market perception is that the concessions given were modest and this could bode well for the 1 May deadline for other trading partners including, Argentina, Australia, Brazil and the EU to reach similar agreements or face higher steel and aluminium tariffs. Elsewhere, the North Korea-Japan summit talk may occur as early as early June, according to an Asahi report, while BOT kept its policy rate unchanged at 1.5% in a 6-1 vote with the sole dissenter calling for a 25bp rate hike on the rationale that "prolonged monetary accommodation might induce households and businesses to underestimate potential changes in financial conditions". Asian bourses are likely to range trade today ahead of the long Easter holiday weekend. Today's economic data calendar will comprise US' personal spending and income, initial jobless claims, core PCE deflator, Chicago PMI and University of Michigan sentiments, final 4Q17 GDP prints from UK, German CPI and unemployment rate, and S'pore bank loans growth. Fed's Harker is also speaking on the economic outlook.</p>
US	<p>Final 4Q17 GDP growth printed at 2.9% qoq annualised, exceeding the previous estimate of 2.5% and market expectations for 2.7%. Meanwhile, pending home sales also rebounded more than expected to grow for the first time in three months by 3.1% mom (-4.4% yoy nsa) in Feb. Wholesale inventories also edged up 1.1% mom in Feb versus a revised 1.0% in Jan.</p>
SG	<p>Bank loans growth may have moderated further in Feb from the 5.4% yoy print in Jan, given the Chinese New Year festive season timing. Business sentiments may have also taken a bit of a hit from the Jan sell-off in financial markets.</p>
CH	<p>China will cut its value added tax for manufacturing sector to 16% from 17% effective from 1 May '18. In addition, profit for state owned companies rose by 25.3% in the first two months of 2018. Global times, a main government linked newspaper, said China is about to complete the list of US products for additional tariff.</p>
ID	<p>Incoming BI Governor Perry Warjiyo made mention that Indonesia should pursue a growth rate above 6.0% in the next five years and that the country should find ways to ensure borrowers benefitted from reductions in the central bank's interest rate. Warjiyo also said that the central bank should not hesitate to intervene in the market to stabilize the currency. Perry Warjiyo was elected the BI governor yesterday after the House Commission XI conducted a fit and proper test on him for five hours earlier in the day.</p>

Major Market

- **US:** The decline seen in equities overnight was relatively calm compared to previous four sessions. The Nasdaq Composite led losses with a 0.85% decline, compounded by further pressure on the tech mega-caps. The S&P 500 was down 0.29%, while the Dow was only lower by 0.04%. Continue to watch for headlines surrounding the tech mega-caps, as they may spill-over to broader market sentiment. Amazon took the latest hit, with Trump said to be “obsessed” with impact. VIX continued to climb, closing at 22.87 compared to 22.50 previously. US Treasury yields were also higher across the board, with the 2y and 10y benchmark yields standing at 2.284% and 2.781% respectively.
- **Singapore:** The STI declined 1.64% to close below the 3400 support at 3382.78 yesterday amid the sea of red ink across Asian bourses, but may attempt to regain the 3400 resistance today amid more positive morning cues from Nikkei. STI could still trade in a range of 3380-3420. With the UST bond yields higher by 1-2bps amid a lacklustre 7-year auction overnight, SGS bonds may also unwind yesterday’s rally today.
- **Malaysia:** Parliament passed the re-delineation bill yesterday despite heavy protests from both opposition lawmakers and NGOs. The government is also looking to pass a fake news bill this week that will impose up to 10 years imprisonment and/or fine of up to RM500,000 for those found guilty of creating, publishing or disseminating fake news. It seems that once the fake news bill is also passed, the government is likely to dissolve parliament and call for elections. Meanwhile, BNM raised its growth forecast to 5.5-6.0% for 2018.

Bond Market Updates

- **Market Commentary:** Yesterday, the SGD swap curve bull flattened, with the shorter tenors trading 1-3bps lower while the longer tenors traded 4-5bps lower. Flows in SGD corporates remained moderate, with better buying in UOBSP 4.9% PERP. The Bloomberg Barclays Asia USD IG Bond Index average OAS traded 1bp higher at 125bps while the Bloomberg Barclays Asia USD HY Bond Index average OAS compressed 23bps to 357bps. 10Y UST traded around 2.75%-2.78% region and ended the day unchanged at 2.78% (lowest in over six weeks), supported by safe haven flows amidst risk-off sentiments.
- **New issues:** Shougang Group Co Ltd priced a USD500mn 360-day bond at 3.95%, tightening from its initial price guidance of 4%-4.1%. Jiangxi Copper Co Ltd is proposing to issue USD800mn to USD1bn of bonds, either on one-off basis or in tranches.

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	90.058	0.77%	USD-SGD	1.3120	0.15%
USD-JPY	106.850	1.43%	EUR-SGD	1.6151	-0.60%
EUR-USD	1.2308	-0.77%	JPY-SGD	1.2282	-1.25%
AUD-USD	0.7662	-0.22%	GBP-SGD	1.8470	-0.42%
GBP-USD	1.4077	-0.57%	AUD-SGD	1.0052	-0.09%
USD-MYR	3.8647	-0.32%	NZD-SGD	0.9463	-0.71%
USD-CNY	6.2980	0.24%	CHF-SGD	1.3715	-0.90%
USD-IDR	13764	0.16%	SGD-MYR	2.9520	-0.39%
USD-VND	22825	0.05%	SGD-CNY	4.8095	0.19%

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3710	--	O/N	1.6975	--
2M	-0.3410	--	1M	1.8769	--
3M	-0.3290	--	2M	1.9944	--
6M	-0.2710	--	3M	2.3020	--
9M	-0.2210	--	6M	2.4530	--
12M	-0.1910	--	12M	2.6714	--

Fed Rate Hike Probability

Meeting	Prob Hike	1.75-2	2-2.25	2.25-2.5	2.5-2.75
05/02/2018	25.7%	25.7%	0.0%	0.0%	0.0%
06/13/2018	79.4%	60.9%	18.6%	0.0%	0.0%
08/01/2018	80.7%	58.4%	21.2%	1.2%	0.0%
09/26/2018	91.5%	36.6%	41.9%	12.3%	0.6%
11/08/2018	92.2%	34.3%	41.5%	14.8%	1.6%
12/19/2018	95.1%	24.3%	38.8%	24.9%	6.6%

Commodities Futures

Energy	Futures	% chg	Base Metals	Futures	% chg
WTI (per barrel)	64.38	-1.33%	Copper (per mt)	6,618.3	0.05%
Brent (per barrel)	69.53	-0.83%	Nickel (per mt)	13,086.0	1.01%
Heating Oil (per gallon)	2.0148	-0.38%	Aluminium (per mt)	2,011.8	-0.76%
Gasoline (per gallon)	2.0116	-0.09%			
Natural Gas (per MMBtu)	2.6980	0.26%	Asian Commodities	Futures	% chg
			Crude Palm Oil (MYR/MT)	2,418.0	-0.53%
			Rubber (JPY/KG)	180.2	0.45%
Precious Metals	Futures	% chg			
Gold (per oz)	1,330.0	-1.33%			
Silver (per oz)	16.253	-1.74%			

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Equity and Commodity

Index	Value	Net change
DJIA	23,848.42	-9.29
S&P	2,605.00	-7.62
Nasdaq	6,949.23	-59.58
Nikkei 225	21,031.31	-286.01
STI	3,382.78	-56.57
KLCI	1,857.87	-4.58
JCI	6,140.84	-68.51
Baltic Dry	1,117.00	--
VIX	22.87	0.37

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.80 (-0.03)	2.28 (+0.02)
5Y	2.08 (-0.06)	2.60 (+0.03)
10Y	2.32 (-0.06)	2.78 (+0.01)
15Y	2.60 (-0.06)	--
20Y	2.65 (-0.06)	--
30Y	2.80 (-0.05)	3.02 (-0.01)

Financial Spread (bps)

	Value	Change
LIBOR-OIS	58.67	0.91
EURIBOR-OIS	3.23	0.14
TED	54.27	--

Economic Calendar

Date Time	Event	Survey	Actual	Prior	Revised	
03/28/2018 07:00	SK GDP YoY	4Q F	3.00%	2.80%	3.00%	--
03/28/2018 08:00	NZ ANZ Business Confidence	Mar	--	-20	-19	--
03/28/2018 10:19	PH Bank Lending YoY	Feb	--	17.60%	18.30%	18.40%
03/28/2018 14:00	GE GfK Consumer Confidence	Apr	10.7	10.9	10.8	--
03/28/2018 14:45	FR Consumer Confidence	Mar	100	100	100	--
03/28/2018 15:05	TH BoT Benchmark Interest Rate	Mar-28	1.50%	1.50%	1.50%	--
03/28/2018 16:00	IT Industrial Orders MoM	Jan	--	-4.50%	6.50%	4.60%
03/28/2018 19:00	US MBA Mortgage Applications	Mar-23	--	4.80%	-1.10%	--
03/28/2018 20:30	US GDP Annualized QoQ	4Q T	2.70%	2.90%	2.50%	--
03/28/2018 20:30	US Personal Consumption	4Q T	3.80%	4.00%	3.80%	--
03/28/2018 20:30	US GDP Price Index	4Q T	2.30%	2.30%	2.30%	--
03/28/2018 20:30	US Core PCE QoQ	4Q T	1.90%	1.90%	1.90%	--
03/28/2018 20:30	US Wholesale Inventories MoM	Feb P	0.50%	1.10%	0.80%	1.00%
03/28/2018 22:00	US Pending Home Sales MoM	Feb	2.00%	3.10%	-4.70%	-5.00%
03/29/2018 05:00	SK Business Survey Manufacturing	Apr	--	78	82	--
03/29/2018 05:45	NZ Building Permits MoM	Feb	--	5.70%	0.20%	0.00%
03/29/2018 07:01	UK GfK Consumer Confidence	Mar	-10	-7	-10	--
03/29/2018 07:50	JN Retail Trade YoY	Feb	1.70%	1.60%	1.60%	1.50%
03/29/2018 07:50	JN Japan Buying Foreign Bonds	Mar-23	--	¥790.1b	¥853.8b	--
03/29/2018 07:50	JN Foreign Buying Japan Bonds	Mar-23	--	¥2174.1b	¥352.3b	--
03/29/2018 07:50	JN Foreign Buying Japan Stocks	Mar-23	--	¥2161.6b	¥1153.2b	--
03/29/2018 08:30	AU Private Sector Credit MoM	Feb	0.30%	0.40%	0.30%	--
03/29/2018 10:00	SK Department Store Sales YoY	Feb	--	--	-9.60%	--
03/29/2018 10:00	SK Discount Store Sales YoY	Feb	--	--	-20.20%	--
03/29/2018 10:00	VN Exports YTD YoY	Mar	21.60%	--	22.90%	--
03/29/2018 10:00	VN CPI YoY	Mar	3.25%	--	3.15%	--
03/29/2018 10:00	VN GDP YTD YoY	1Q	5.60%	--	6.81%	--
03/29/2018 14:00	UK Nationwide House PX MoM	Mar	0.20%	--	-0.30%	--
03/29/2018 15:55	GE Unemployment Change (000's)	Mar	-15k	--	-22k	--
03/29/2018 16:00	IT PPI MoM	Feb	--	--	0.80%	--
03/29/2018 16:30	UK Mortgage Approvals	Feb	66.0k	--	67.5k	--
03/29/2018 16:30	UK Money Supply M4 MoM	Feb	--	--	1.50%	--
03/29/2018 16:30	UK M4 Money Supply YoY	Feb	--	--	4.30%	--
03/29/2018 16:30	UK GDP QoQ	4Q F	0.40%	--	0.40%	--
03/29/2018 20:00	GE CPI YoY	Mar P	1.70%	--	1.40%	--
03/29/2018 20:00	GE CPI EU Harmonized YoY	Mar P	1.60%	--	1.20%	--
03/29/2018 20:30	CA GDP MoM	Jan	0.10%	--	0.10%	--
03/29/2018 20:30	US Initial Jobless Claims	Mar-24	230k	--	229k	--
03/29/2018 20:30	CA Industrial Product Price MoM	Feb	--	--	0.30%	--
03/29/2018 20:30	US Continuing Claims	Mar-17	1870k	--	1828k	--
03/29/2018 20:30	CA Raw Materials Price Index MoM	Feb	--	--	3.30%	--
03/29/2018 20:30	US Personal Income	Feb	0.40%	--	0.40%	--
03/29/2018 20:30	US Personal Spending	Feb	0.20%	--	0.20%	--
03/29/2018 20:30	US PCE Core MoM	Feb	0.20%	--	0.30%	--
03/29/2018 21:45	US Chicago Purchasing Manager	Mar	62	--	61.9	--
03/29/2018 21:45	US Bloomberg Consumer Comfort	Mar-25	--	--	56.8	--
03/29/2018 22:00	US U. of Mich. Sentiment	Mar F	102	--	102	--
03/29/2018	MU Hotel Occupancy Rate	Feb	--	--	90.3	--

Source: Bloomberg

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