

Highlights

Global	<p>Friday's US nonfarm payrolls data surprised on the upside at 196k (forecast: 177k) in March while the February data was also revised up from 20k to 33k (net two month revision was +14k). The US' unemployment rate was unchanged at 3.8%, with the average hourly earnings rising by a subdued 0.1% mom (3.2% yoy) which should reinforce the Fed's "patient for longer" stance. Crude oil prices also pushed higher amid Libyan supply concerns, whilst White House advisor Kudlow kept up the positive rhetoric on the US-China trade talks saying that the two countries are moving "closer and closer" to a trade deal and talks will continue this week via "a lot of teleconferencing". On Brexit, the stalemate continues with a meaningful vote unlikely ahead of the 10 April's EU leaders summit where an extension may be granted, albeit it remains unclear if it will be to 30 June (May's short extension preference) or a longer extension (which will involve the UK participating in the 23 May European Parliament elections). Wall Street rose on Friday, with UST bonds whipsawed by the NFP data (10-year yield closed at 2.5%). Asian markets may trade with a firm tone this morning, following the robust US labour market prints. The data calendar comprises US' factory orders and durable goods orders, German and Taiwan's trade data and Japan's Eco Watchers survey. Fed's Clarida and ECB's Villeroy are also speaking. For the week ahead, watch for ECB's policy meeting and FOMC minutes on 10 April, the start of US' 1Q19 earnings season, and S'pore's 1Q19 GDP growth and MAS MPS decision on 12 April.</p>
US	<p>The US' labor participation rate eased from 63.2% to 63.0% in March, while the private payrolls also added 182k (previously 28k), led by education and health services, professional and business services. Meanwhile, president Trump reiterated that the Fed "should get rid of quantitative tightening" and "drop rates" since "there's no inflation", while defending his Fed picks of Herman Cain and Stephen Moore as "very smart people". Separately, US homeland chief Kirstjen Nielsen has quit amid a dispute with president Trump over border walls.</p>
EM	<p>Norway's \$1 trillion sovereign wealth fund will cut emerging-market bonds, including Chile, Mexico, Russia, South Korea and Thailand, from its fixed income benchmark. The EM under review account for some 8% of the \$313b currently in the benchmark debt index, but still allow active investment of up to 5% of the fixed-income portfolio into EM bonds outside the benchmark.</p>
CH	<p>China's FX reserve rose for the five-consecutive month in March to US\$3.098 trillion, up from US\$3.090 trillion in February. The negative impact of stronger dollar on reserve is likely to be offset by the stronger mark to market gain from rally in equity and bond markets in March. Overall, we think China's capital flow remained balance in March.</p>
SG	<p>We see 1Q19 GDP growth at 1.8% yoy (1.1% qoq saar), slower than the 4Q18 growth of 1.9% yoy (1.4% qoq saar), with MAS likely to remain cautious and keep the S\$NEER policy unchanged for this April meeting.</p>

Major Markets

- **US:** Wall Street ended higher on Friday, with the S&P500 climbing 0.5%. The DJIA rose 0.2%, and the Nasdaq composite increased 0.6%.
- **Singapore:** The STI gained 0.19% to close at 3322.64 on Friday, and given Wall Street's Friday rally and morning gains in Kospi, the STI may be off to a firmer start as well to start the week. STI's resistance and support are seen at 3340 and 3300 respectively. With UST bond yields generally lower on Friday, led by the longer tenors, SGS bonds may take a backseat due to the better risk sentiments today.
- **China:** In addition, China's tourism market remains strong. Total 110 million populations travelled domestically or went overseas during the Qingming long weekend according to CCTV news. Meanwhile, the number of railway passengers in the first day of the long weekend was reported to increase by 9.4% yoy to 15.23 million, highest in record for Qingming festival.
- **Malaysia:** Foreign reserves rose to US\$103.0bn as of 29th March 2019 from US\$102.6bn as of 15th March 2019.
- **Indonesia:** Bank Indonesia (BI) and the central banks of the Philippines, Malaysia and Thailand signed on Friday a deal on a local currency settlement (LCS) framework in an effort to boost the use of local currencies for their respective bilateral trade transactions. Indonesian transactions that use the Thai baht had increased to US\$13 million in the first quarter of 2019 from US\$7 million in the same period, last year, while transactions using Malaysia's ringgit reached US\$70 million in the first quarter of 2019, up from US\$6 million in the same period in 2018.
- **Philippines:** Data last Friday showed CPI in March rose 3.3%, matching the lowest end of estimates in a Bloomberg poll that ranged from 3.3% to 3.7%. This is the second month in which the Philippines CPI registered below the BSP's upper range target of 4%, after inflation in the country rose to a high of 6.7% last October. With the inflation rate in Philippines now nearing the mid-point of BSP's target range, a rate movement to the downside now looks more likely than ever, with BSP governor Benjamin Diokno having constantly preached a dovish rhetoric. We expect that the BSP may want to monitor the inflation for one more month in April and may likely pull the rate trigger in June's meeting if inflation this month stays near the 3.5% handle.
- **Thailand:** The Thai Election Commission (EC) released a statement claiming that no less than 25 parties will have gotten at least one of the 500 MP seats in the latest general elections. External independent estimates have previously forecasted only about 16 parties getting seats, the final result which is yet to be announced by the EC. This means a more fragmented Lower House than expected. It also puts into question whether the 7-party pro-democracy coalition, led by the Pheu Thai party, can now match its earlier claims of having garnered at least 255 seats with its alliance. Meanwhile, six polling stations in five constituencies that have experienced voting irregularities are due for re-polling on 21 April.
- **Energy:** WTI closed above the \$63 handle last Friday as its rally continues. The benchmark only recently closed above \$60 at the end of Q1 and has managed to eke out a further \$3/bbl of upside gains within the space of a week. Brent closed above the key-level of \$70/bbl for the first time since mid-November 2018. A strong US jobs report

on Friday lent further legs to crude oil's rise. Further into the quarter, we expect more volatility to take hold in the energy markets as questions surround the continuation of OPEC+ supply cuts and the impact of continued Iranian oil waivers for certain key importers.

Bond Market Updates

- **Market Commentary:** The SGD swap curve steepened last Friday, with the shorter tenors trading little change while the belly and longer tenors traded 1bps higher. The Bloomberg Barclays Asia USD IG Bond Index average OAS and the Bloomberg Barclays Asia USD HY Bond Index average OAS were little changed at 135bps and 464bps respectively. 10Y UST yields fell 2bps to close the session at 2.50%, as evidence of subdued inflation offset the initial rise in yields from the better-than-forecast US payrolls increase. Yield curve between the shorter-dated and longer-dated US treasury notes narrowed.
- **New Issues:** JSW Steel Ltd has scheduled investor meetings from 8 April for its potential USD bond issuance.

Key Financial Indicators

Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	97.395	0.09%	USD-SGD	1.3549	0.01%
USD-JPY	111.730	0.06%	EUR-SGD	1.5199	-0.03%
EUR-USD	1.1216	-0.04%	JPY-SGD	1.2127	-0.05%
AUD-USD	0.7105	-0.10%	GBP-SGD	1.7668	-0.28%
GBP-USD	1.3038	-0.30%	AUD-SGD	0.9630	-0.06%
USD-MYR	4.0885	0.15%	NZD-SGD	0.9122	-0.30%
USD-CNY	6.7170	--	CHF-SGD	1.3548	-0.01%
USD-IDR	14133	-0.35%	SGD-MYR	3.0185	0.10%
USD-VND	23200	--	SGD-CNY	4.9517	-0.17%

Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD Libor	Change
1M	-0.3670	--	O/N	2.3938	-0.0004
2M	-0.3360	-0.0004	1M	2.4716	-0.0019
3M	-0.3100	-0.0019	2M	2.5443	-0.0100
6M	-0.2310	-0.0100	3M	2.5921	0.0035
9M	-0.1940	0.0035	6M	2.6446	-0.0012
12M	-0.1120	-0.0012	12M	2.7511	0.0146

Fed Rate Hike Probability

Meeting	Prob Hike	Prob Cut	1.75-2%	2-2.25%	2.25-2.5%
03/20/2019	0.0%	4.7%	0.0%	4.7%	95.4%
05/01/2019	0.0%	11.8%	0.3%	11.4%	88.2%
06/19/2019	0.0%	17.4%	1.1%	16.3%	82.6%
07/31/2019	0.0%	35.7%	4.4%	31.0%	64.3%
09/18/2019	0.0%	40.1%	6.3%	33.3%	59.9%
10/30/2019	0.0%	54.3%	12.7%	39.6%	45.7%

Equity and Commodity

Index	Value	Net change
DJIA	26,424.99	40.36
S&P	2,892.74	13.35
Nasdaq	7,938.69	46.91
Nikkei 225	21,807.50	82.55
STI	3,322.64	6.43
KLCI	1,641.81	-3.26
JCI	6,474.02	-20.61
Baltic Dry	711.00	12.00
VIX	12.82	-0.76

Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.89 (--)	2.34 (--)
5Y	1.93 (--)	2.31 (-0.01)
10Y	2.09 (+0.01)	2.50 (-0.02)
15Y	2.30 (+0.01)	--
20Y	2.36 (+0.01)	--
30Y	2.55 (+0.01)	2.90 (-0.02)

Financial Spread (bps)

	Value	Change
EURIBOR-OIS	5.50	0.08
TED	35.36	--

Secured Overnight Fin. Rate

SOFR	2.46
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Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	63.08	1.6%	Corn (per bushel)	3.6250	-0.8%
Brent (per barrel)	70.34	1.4%	Soybean (per bushel)	8.990	-0.8%
Heating Oil (per gallon)	2.0424	1.4%	Wheat (per bushel)	4.6775	-0.6%
Gasoline (per gallon)	1.9687	1.5%	Crude Palm Oil (MYR/MT)	2,129.0	1.4%
Natural Gas (per MMBtu)	2.6640	0.8%	Rubber (JPY/KG)	179.9	-0.4%
Base Metals	Futures	% chg	Precious Metals	Futures	% chg
Copper (per mt)	6,401	-0.8%	Gold (per oz)	1,290.4	0.1%
Nickel (per mt)	13,071	-0.7%	Silver (per oz)	15.086	0.0%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

Economic Calendar

Date Time	Event		Survey	Actual	Prior	Revised
04/05/2019 09:00	PH CPI YoY 2012=100	Mar	3.50%	3.30%	3.80%	--
04/05/2019 15:30	UK Halifax House Prices MoM	Mar	-2.80%	-1.60%	5.90%	6.00%
04/05/2019 15:30	TH Foreign Reserves	Mar-29	--	\$212.2b	\$212.6b	--
04/05/2019 20:30	US Change in Nonfarm Payrolls	Mar	177k	196k	20k	33k
04/05/2019 20:30	US Change in Manufact. Payrolls	Mar	10k	-6k	4k	1k
04/05/2019 20:30	US Unemployment Rate	Mar	3.80%	3.80%	3.80%	--
			\$3090.00			
04/07/2019	CH Foreign Reserves	Mar	b	\$3098.76b	\$3090.18b	--
04/08/2019 07:50	JN BoP Current Account Balance	Feb	¥2633.5b	¥2676.8b	¥600.4b	--
04/08/2019 22:00	US Factory Orders	Feb	-0.50%	--	0.10%	--
04/08/2019 22:00	US Durable Goods Orders	Feb F	-1.60%	--	-1.60%	--
04/08/2019	ID Foreign Reserves	Mar	--	--	\$123.30b	\$123.27b

Source: Bloomberg

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