

### Highlights

Global	A wall of worries ahead with the increasing probability of another US partial government shutdown, US-China trade talks later this week being complicated by South China Sea issues, and lingering uncertainties like Brexit, is likely to keep global risk sentiments in check for today. Overnight, the UK economy slowing to a tepid 0.2% qoq in 4Q18 (December: -0.2%) which brought full-year 2018 GDP growth to 1.4% yoy, the slowest since 2012. With S&P in a holding pattern, UST bonds softer and the USD underpinned overnight, expect Asian markets to tread carefully in the interim, even as Chinese stock markets re-opened on a firm tone yesterday. We do not expect that the US-China trade talks this week to yield any specific outcomes, but the US rhetoric of sufficient progress on structural issues amid the overshadowing clouds regarding the 5G/Huawei issue and South China seas tensions. Today's economic data calendar comprises of Philippines' December trade data, Singapore's retail sales, Malaysia's foreign reserves, Taiwan's January CPI, India's industrial production and CPI, and US' NFIB small business optimism and JOLTS job openings. Speakers include ECB's Lane, Weidmann, and Nowotny, Fed's Powell, and BOE's Carney who will discuss the latest developments in the global economy and risks to the outlook ahead of the Brexit deadline.
MY	The IPI rose by 3.4% yoy for December 2018 compared to 2.6% yoy in November 2018. The mining sector index rose by 1.0% yoy for the month after having declined by 0.7% in November 2018. The manufacturing sector index also grew faster at 4.4% yoy (Nov 2018: 3.7% yoy) whilst the electricity sector index grew slower at 2.7% yoy (Nov 2018: 3.2% yoy). The government has also unveiled a new economic action council that will scrutinise and act on the country's economic and financial issues on top of matters relating to the people's welfare.
ID	Pertamina has lowered the prices of both subsidized and non-subsidized fuels. Under the new policy, the price of non-subsidized Pertamina Turbo (RON 98) gasoline in Greater Jakarta has been set at Rp 11,200 per liter, Pertamina (RON 92) at Rp 9,850 per liter, while Peralite gasoline (RON 90) remains at Rp 7,650 per liter. The price of non-subsidized diesel fuel has been set at Rp 11,700 per liter for Dex and Rp 10,200 per liter for Dexlite. The company also lowered subsidized Premium gasoline to Rp 6,450 per liter in Java, Madura and Bali (Jabali) from Rp 6,550 per liter.
TH	Thailand's Electoral Committee has officially barred members of the Thai royal family from running for office, effectively ruling out Princess Ubolratana's bid to be the next PM. Political risks are starting to mount in Thailand with this development; the Thai Raksa Chart party, which nominated the Princess last week, has now retaliated by urging the Electoral Committee to review PM Prayuth Chan-ocha's candidacy.
CMD	WTI fell -0.6% after maritime dispute between the US and China threatened to derail high-level trade talks in Beijing this week. Two US warships sailed into waters of the South China Sea that are claimed by China, with China calling that patrol "illegal". The OPEC and EIA reports today will provide fresh impetus for oil's directional move; if the OPEC report shows that members have not kept up with the production cuts, there will possibly be heavy selling pressure on crude once more.

## Major Markets

- **US:** Wall Street ended mixed on Monday, with the S&P500 advancing 0.07%. The DJIA fell 0.21%, while the Nasdaq composite rose 0.13%.
- **Singapore:** Retail sales may have declined 3.6% yoy (0% mom sa) in December 2018, with sales excluding autos also shrinking 1.4% yoy. The BT-SUSS business climate survey saw growing gloominess about the 1H19 outlook.  
The STI clawed to a modest gain of 0.13% to close at 3206.27 yesterday, aided by banks, and may trade with a slightly firmer tone today between 3170-3230 for today amid slightly positive cues from S&P500 overnight and Kospi this morning. With UST bond yields retracing to 2bps higher overnight, this may pressure SGS bonds further today and extend yesterday's sell-off of 2-3bps.
- **Malaysia:** The council will be headed by Prime Minister Mahathir Mohamad himself and will also include Economic Affairs Minister Azmin Ali, Finance Minister Lim Guan Eng, former Bank Negara Malaysia Governor Zeti Akhtar Aziz and former International Trade and Industry Minister Rafidah Aziz among other members.
- **Thailand:** The baht lost -1% against the greenback yesterday, while we are seeing foreign funds outflow from both Thailand's equity and bond space since last Friday.

## Bond Market Updates

- **Market Commentary:** The SGD swap curve steepened yesterday, with the shorter tenors trading 1bps higher while the longer tenors traded 2bps higher (with the exception of the 12-year and 15-year swap rates trading only 1bps higher). The Bloomberg Barclays Asia USD IG Bond Index average OAS remained unchanged at 150bps while the Bloomberg Barclays Asia USD HY Bond Index average OAS widened 96bps to 524bps. 10Y UST yields rose 2bps to close the trading session at 2.65%, on the back of an anticipated release of data on Wednesday showing inflationary pressures in January as well as the continuation of trade talks between the US and China.
- **New Issues:** China Aoyuan Group Ltd has priced a USD225mn 4NC3 bond (subsidiary guarantors: certain non-PRC subsidiaries) at 7.95%, tightening from IPT of 8.375% area. Zhenro Properties Group Ltd has priced a USD230mn 2.5-year bond (subsidiary guarantors: certain non-PRC restricted subsidiaries) at 10.75%, tightening from IPT of 11.25% area. RHB Bank Berhad has mandated banks for its potential USD bond issuance.

### Key Financial Indicators

#### Foreign Exchange

	Day Close	% Change		Day Close	% Change
DXY	97.057	0.43%	USD-SGD	1.3610	0.35%
USD-JPY	110.380	0.59%	EUR-SGD	1.5346	-0.08%
EUR-USD	1.1276	-0.42%	JPY-SGD	1.2329	-0.25%
AUD-USD	0.7062	-0.37%	GBP-SGD	1.7492	-0.36%
GBP-USD	1.2855	-0.69%	AUD-SGD	0.9611	-0.04%
USD-MYR	4.0728	0.10%	NZD-SGD	0.9162	0.17%
USD-CNY	6.7923	0.70%	CHF-SGD	1.3558	0.05%
USD-IDR	14038	0.52%	SGD-MYR	2.9981	-0.04%
USD-VND	23211	0.03%	SGD-CNY	4.9953	0.41%

#### Interbank Offer Rates (%)

Tenor	EURIBOR	Change	Tenor	USD LIBOR	Change
1M	-0.3680	--	O/N	2.3858	--
2M	-0.3360	--	1M	2.5041	--
3M	-0.3080	--	2M	2.5939	--
6M	-0.2330	--	3M	2.6978	--
9M	-0.1940	--	6M	2.7419	--
12M	-0.1090	--	12M	2.9358	--

#### Fed Rate Hike Probability

Meeting	Prob Hike	Prob Cut	2-2.25%	2.25-2.5%	2.5-2.75%
03/20/2019	0.0%	2.0%	2.0%	98.0%	0.0%
05/01/2019	0.0%	4.0%	3.9%	96.0%	0.0%
06/19/2019	0.1%	4.0%	3.9%	95.9%	0.1%
07/31/2019	0.1%	4.0%	4.0%	95.8%	0.1%
09/18/2019	0.1%	4.0%	4.0%	95.8%	0.1%
10/30/2019	1.1%	4.0%	4.0%	94.9%	1.1%

#### Commodities Futures

Energy	Futures	% chg	Soft Commodities	Futures	% chg
WTI (per barrel)	52.41	-0.59%	Coffee (per lb)	1.002	-2.34%
Brent (per barrel)	61.51	-0.95%	Cotton (per lb)	0.7055	-2.76%
Heating Oil (per gallon)	1.8922	-0.85%	Sugar (per lb)	0.1267	-0.31%
Gasoline (per gallon)	1.4192	-1.88%	Orange Juice (per lb)	1.1835	-2.15%
Natural Gas (per MMBtu)	2.6420	2.28%	Cocoa (per mt)	2,224	1.28%
Base Metals	Futures	% chg	Grains	Futures	% chg
Copper (per mt)	#N/A	#N/A	Wheat (per bushel)	5.1825	0.19%
Nickel (per mt)	12,502.0	--	Soybean (per bushel)	9.050	-1.04%
Aluminium (per mt)	1,863.3	--	Corn (per bushel)	3.7275	-0.40%
Precious Metals	Futures	% chg	Asian Commodities	Futures	% chg
Gold (per oz)	1,307.0	-0.51%	Crude Palm Oil (MYR/MT)	2,195.0	0.23%
Silver (per oz)	15.690	-0.75%	Rubber (JPY/KG)	188.0	0.00%

Source: Bloomberg, Reuters

(Note that rates are for reference only)

#### Equity and Commodity

Index	Value	Net change
DJIA	25,053.11	-53.22
S&P	2,709.80	1.92
Nasdaq	7,307.91	9.71
Nikkei 225	20,333.17	--
STI	3,206.27	4.23
KLCI	1,688.56	2.04
JCI	6,495.00	-26.66
Baltic Dry	601.00	--
VIX	15.97	0.25

#### Government Bond Yields (%)

Tenor	SGS (chg)	UST (chg)
2Y	1.98 (+0.02)	2.49 (+0.02)
5Y	2.02 (+0.03)	2.47 (+0.02)
10Y	2.16 (+0.03)	2.65 (+0.02)
15Y	2.41 (+0.03)	--
20Y	2.47 (+0.03)	--
30Y	2.61 (+0.03)	2.99 (+0.01)

#### Financial Spread (bps)

	Value	Change
EURIBOR-OIS	5.33	--
TED	35.36	--

### Economic Calendar

Date Time	Event		Survey	Actual	Prior	Revised
02/11/2019 12:00	MA Industrial Production YoY	Dec	2.70%	3.40%	2.50%	2.60%
02/11/2019 12:00	MA Manufacturing Sales Value YoY	Dec	--	7.50%	7.70%	--
02/11/2019 15:30	FR Bank of France Ind. Sentiment	Jan	103	99	103	102
02/11/2019 16:30	HK Foreign Reserves	Jan	--	\$432.0b	\$424.6b	\$424.7b
<b>02/11/2019 17:30</b>	<b>UK GDP QoQ</b>	<b>4Q P</b>	<b>0.30%</b>	<b>0.20%</b>	<b>0.60%</b>	--
<b>02/11/2019 17:30</b>	<b>UK GDP YoY</b>	<b>4Q P</b>	<b>1.40%</b>	<b>1.30%</b>	<b>1.50%</b>	--
02/11/2019 17:30	UK Private Consumption QoQ	4Q P	0.30%	0.40%	0.50%	--
02/11/2019 17:30	UK Government Spending QoQ	4Q P	0.50%	1.40%	0.60%	-0.30%
02/11/2019 17:30	UK Gross Fixed Capital Formation QoQ	4Q P	-0.10%	-0.50%	0.80%	0.60%
02/11/2019 17:30	UK Exports QoQ	4Q P	1.00%	0.90%	2.70%	1.10%
02/11/2019 17:30	UK Imports QoQ	4Q P	1.00%	1.30%	0.00%	0.80%
02/11/2019 17:30	UK Total Business Investment QoQ	4Q P	-1.00%	-1.40%	-1.10%	--
02/11/2019 17:30	UK Total Business Investment YoY	4Q P	-3.00%	-3.70%	-1.80%	--
02/11/2019 17:30	UK Visible Trade Balance GBP/Mn	Dec	£11892m	£12102m	£12023m	£12400m
02/11/2019 17:30	UK Trade Balance Non EU GBP/Mn	Dec	£3800m	£3642m	£3925m	£4184m
02/11/2019 17:30	UK Trade Balance	Dec	£3000m	£3229m	£2904m	£3615m
<b>02/11/2019 17:30</b>	<b>UK Industrial Production MoM</b>	<b>Dec</b>	<b>0.10%</b>	<b>-0.50%</b>	<b>-0.40%</b>	<b>-0.30%</b>
02/11/2019 17:30	UK Industrial Production YoY	Dec	-0.50%	-0.90%	-1.50%	-1.30%
<b>02/11/2019 17:30</b>	<b>UK Manufacturing Production MoM</b>	<b>Dec</b>	<b>0.20%</b>	<b>-0.70%</b>	<b>-0.30%</b>	<b>-0.10%</b>
02/11/2019 17:30	UK Manufacturing Production YoY	Dec	-1.10%	-2.10%	-1.10%	-1.20%
02/11/2019 17:30	UK Index of Services MoM	Dec	0.00%	-0.20%	0.30%	--
02/11/2019 17:30	UK Index of Services 3M/3M	Dec	0.40%	0.40%	0.30%	0.40%
02/11/2019 21:01	PK Exports YoY	Jan	--	4.00%	4.50%	5.50%
02/11/2019 21:02	PK Imports YoY	Jan	--	-19.10%	-8.50%	-8.90%
02/11/2019 23:00	CA Bloomberg Nanos Confidence	Feb-08	--	54.3	54.2	--
			\$3080.00			
02/11/2019	CH Foreign Reserves	Jan	b	\$3087.92b	\$3072.71b	--
02/12/2019 05:45	NZ Card Spending Total MoM	Jan	--	2.00%	-1.90%	--
<b>02/12/2019 07:50</b>	<b>JN Money Stock M2 YoY</b>	<b>Jan</b>	<b>2.40%</b>	--	<b>2.40%</b>	--
<b>02/12/2019 07:50</b>	<b>JN Money Stock M3 YoY</b>	<b>Jan</b>	<b>2.10%</b>	--	<b>2.10%</b>	--
<b>02/12/2019 08:30</b>	<b>AU Home Loans MoM</b>	<b>Dec</b>	<b>-2.00%</b>	--	<b>-0.90%</b>	--
02/12/2019 08:30	AU Owner-Occupier Loan Value MoM	Dec	--	--	-1.40%	--
02/12/2019 08:30	AU NAB Business Conditions	Jan	--	--	2	--
02/12/2019 08:30	AU NAB Business Confidence	Jan	--	--	3	--
02/12/2019 09:00	PH Exports YoY	Dec	3.20%	--	-0.30%	--
02/12/2019 09:00	PH Exports	Dec	--	--	\$5568.8m	--
02/12/2019 09:00	PH Imports YoY	Dec	5.00%	--	6.80%	--
02/12/2019 09:00	PH Imports	Dec	--	--	\$9469.4m	--
02/12/2019 09:00	PH Trade Balance	Dec	-\$3800m	--	-\$3901m	--
<b>02/12/2019 12:30</b>	<b>JN Tertiary Industry Index MoM</b>	<b>Dec</b>	<b>-0.10%</b>	--	<b>-0.30%</b>	--
02/12/2019 13:00	SI Retail Sales SA MoM	Dec	0.00%	--	0.20%	--
02/12/2019 13:00	SI Retail Sales Ex Auto YoY	Dec	-0.30%	--	-0.20%	--
<b>02/12/2019 13:00</b>	<b>SI Retail Sales YoY</b>	<b>Dec</b>	<b>-3.60%</b>	--	<b>-3.00%</b>	--
02/12/2019 14:00	JN Machine Tool Orders YoY	Jan P	--	--	-18.30%	--
02/12/2019 15:00	MA Foreign Reserves	Jan-31	--	--	\$101.7b	--
<b>02/12/2019 16:00</b>	<b>TA CPI YoY</b>	<b>Jan</b>	<b>0.33%</b>	--	<b>-0.05%</b>	--
02/12/2019 16:00	TA WPI YoY	Jan	--	--	0.83%	--
02/12/2019 16:20	TA Foreign Reserves	Jan	--	--	\$461.78b	--
02/12/2019 19:00	US NFIB Small Business Optimism	Jan	103	--	104.4	104.4
02/12/2019 20:00	IN CPI YoY	Jan	2.54%	--	2.19%	--
<b>02/12/2019 20:00</b>	<b>IN Industrial Production YoY</b>	<b>Dec</b>	<b>1.50%</b>	--	<b>0.50%</b>	--
02/12/2019 23:00	US JOLTS Job Openings	Dec	6846	--	6888	--
02/11/2019 03/06	CA Int'l Merchandise Trade	Dec	--	--	-2.06b	--
02/08/2019 02/20	SL Exports YoY	Dec	--	--	4.10%	--
02/08/2019 02/20	SL Imports YoY	Dec	--	--	-9.10%	--
<b>02/11/2019 02/15</b>	<b>KZ Industrial Production YoY</b>	<b>Jan</b>	--	--	<b>0.10%</b>	--
02/11/2019 02/18	CH Foreign Direct Investment YoY CNY	Jan	--	--	24.90%	--
02/11/2019 02/15	CH Money Supply M0 YoY	Jan	8.40%	--	3.60%	--
02/11/2019 02/15	CH Money Supply M1 YoY	Jan	1.90%	--	1.50%	--
02/11/2019 02/15	CH New Yuan Loans CNY	Jan	3000.0b	--	1080.0b	--
<b>02/11/2019 02/15</b>	<b>CH Money Supply M2 YoY</b>	<b>Jan</b>	<b>8.20%</b>	--	<b>8.10%</b>	--
<b>02/11/2019 02/13</b>	<b>VN Domestic Vehicle Sales YoY</b>	<b>Jan</b>	--	--	<b>35.70%</b>	--

Source: Bloomberg

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