Research Monitor (December)

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Key Themes

1. November continued to see elevated volatility amid the escalating US-China trade war, but a 90-day ceasefire truce between the US and China was a positive outcome from the Trump-Xi meeting on the sidelines of G20 is likely to lend a positive spin to the start of December. Essentially, the US will call a hiatus on the plan to raise the current 10% tariffs on US$200b of Chinese imports from 1 January 2019 to 25%, as well as the earlier intention to levy tariffs on another US$267b later on. This was predicated on China agreeing to substantially increase imports from the US, especially for agricultural products “immediately”, but by no means addresses all the structural impediments to the US-China composition for strategic leadership. With this 90-day framework for negotiation, equity markets may see a relief rally, but any near-term back up in global yields are likely to be capped by the slowing global growth theme into 2019, as seen by the 10-year UST bond yield that closed below the key 3% handle at 2.99% at end-November amid a dovish FOMC. Global manufacturing PMIs remained disappointing. The G20 communique was also watered down with references to “room for improvement” in the multilateral trading system and support for “the necessary reform of the WTO to improve its functioning”, but dropping the reference to fight protectionism”.
2. Key events to watch into the year-end include the OPEC meeting on 6 December (potential agreement to production cuts following Russia and Saudi Arabia’s agreement on the sidelines of G20 and also oil price’s precipitous slump to around US$50 per barrel for WTI), US’ refunding deadline which expires at midnight of 7 December and could mean a partial government shutdown amid the deadlock over President Trump’s US$5 billion demand for a border wall (but this may be delayed amid the state funeral for former president George H.W. Bush, albeit Democrats will take control of the House of Representatives in early January), ECB policy meeting on 13 December (where the asset purchases will officially end, but 2019 rate hike intentions remain skimpy amid slowing growth cues), and FOMC meeting on 19 December (with the fourth 25bp hike this year already largely priced in, but futures markets have pared 2019 rate hike expectations to just 42% for one hike by June 2019, and 23% for a second hike by end-2019).
3. Into the year-end, the notable and sudden shift in the tone of the Federal Reserve has caught some quarters by surprise. The subsequent re-pricing of the Fed’s rate hike trajectory in 2019 is underway, and will continue well into December, possibly piling negative pressure on the USD. Looking ahead, the December FOMC is likely to add another layer of complication into the re-pricing process. Overall, expect the USD to remain range-bound as the markets continue to negotiate the shift in Fed rhetoric, pending further clarity from the December FOMC.
4. With the temporary US-China trade war truce, RMB rallied. However, market players may again start to look at the details of the trade negotiations. One risk for 2019 is whether the US will impose export ban on certain high tech products to China. On a positive note, China stepped up efforts to open up the financial market. Domestically, credit expansion declined sharply in October, partially due to seasonality. With China giving guidance to support private-owned enterprises (POEs) funding, credit growth may get a boost, but may again raise the concern about banks’ asset quality.

<table>
<tr><th></th><th colspan="2">House View</th><th>Trading Views</th></tr>
<tr><td rowspan="2">FX</td><td colspan="2">DXY and majors: The climate has started to shift towards an increasing awareness of downside risks to the global economy and a re-adjustment of rate hike expectations as a result. In particular, the Fed discussion abruptly shifted from how far beyond the neutral rate it can hike up to, to whether it is comfortable with being near to at the neutral rate. Going forward, expect the Fed to be more flexible with its guidance next year, and put across a less consistent message than the oft-seen “further gradual increases” script. This downshift in Fed gears extracted the expected market reaction – lower UST yields and marginally firmer equities. These combine to project a softer outlook for the USD.
Beyond the Fed-centric re-adjustment, we see a continuation of idiosyncratic developments driving the majors. The Brexit drama should have more episodes beyond the 11 Dec parliamentary vote, with the uncertainty weighing heavy on the GBP. Meanwhile, the Italy-EU budget issue may only start to alleviate slowly with a softening of stance on the Italian side. The AUD, notably, continues to outperform on improving risk sentiments, despite background concerns on global growth. Within the G10 space, we favour the AUD, expecting it to be the main beneficiary in the thaw in Sino-US trade tensions.</td><td>USD to range until further clarity in Fed’s intentions. Prefer to stay long AUD and other cyclicals. GBP and EUR to remain heavy on political uncertainties. JPY-crosses to be supported amidst improving risk sentiments.</td></tr>
<tr><td colspan="2">Asian FX and SGD: In Asia, lower DM yields, depressed crude prices and a stabilization of sentiments towards the EM space all point to a more benign environment for the EM Asia. Overall, expect EM Asian assets to become relatively more attractive from here, and sustain the ongoing improvement in the portfolio flow environment. In this context, we continue to favour the INR and IDR, with the real yields in these countries persisting higher. Positives, albeit temporary, from the Xi-Trump meeting should result in a pause in the USD-CNY ascent, potentially imparting some further stability to the Asian currencies. In the near term, watch for the 6.90 handle, a meaningful break lower from there may represent a turn in prospects in the RMB complex. For the USD-SGD, note that the SGD NEER is near the top end of the MAS’s tolerance band. As such, expect downside shifts in the USD-SGD to be relatively contained, barring a deeper capitulation in the broad USD.</td><td>Prefer the IDR and INR on stronger real yield environment and lower oil prices.</td></tr>
<tr><td rowspan="2">Rates</td><td rowspan="2">Global monetary policy tightening has become de riguer, but recent dovish signals from the FOMC and the oil price decline may upend the rising global bond yields and steeper curves trade. Watch if FOMC capitulates and ECB regains the lead in 2019.</td><td>US: The 10-year UST bond yield did not decisively break the 3.25% handle and has now retreated below the key 3% support level amid slowing global growth cues and less hawkish signals from FOMC. Even the US-China trade truce which spurred risk sentiments in the start of December did not deter the rethink on UST bond yields. While the fourth 25bp rate hike in December will likely materialize, nevertheless the fed funds futures probability for 2019 have been pared back to just 42% for one hike by June 2019, and 23% for a second hike by end-2019) as of early December. The 3-month LIBOR continues to stay elevated at 2.736% and the 3-5 year UST bond yield curve has inverted for the first time in more than a decade, albeit we see this more as a phenomenon of position unwinding on the back of the US-China trade truce. The latter is likely to complicate policy making, even if the Fed argues that its usefulness as a recession indicator may be irrelevant today, and may still lend a more cautious tone to the December FOMC statement even if the 25bp hike materializes.</td><td>→</td></tr>
<tr><td>SG: The 3M SIBOR remained relatively stable around 1.76%, but its SOR counterpart spiked to a fresh high of 1.95% as of 3 December. The 2019 SGS bond issuance calendar comprises of 8 re-openings (which are spread between two 2-year, two 5-year, one 7-year, two 10-year, and one 30-year) and 2 new issues (namely the 5-year on 1 February and the 20-year on 1 July 2019). There is no 15-year SGS bond issue planned for next year, as there was a re-opening of the 15-year SGS bond on 1 October 2018. In addition, there may be two mini-auctions on 3 June and 1 October which will comprises of re-openings.</td><td>→</td></tr>
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Credit	While October and the first week of November was characterised by a climb in the 10-yr US Treasuries, by mid-November, turbulences in equity markets and sustained fall in oil prices led investors to re-think their inflation and growth assumptions. This was compounded by less hawkish tones coming out of the Fed. 15 Nov saw a sharp fall of 6bps and had trended downwards since then to end at 2.99% on 30 Nov. Asiadollar-ex-Japan HY was dominated by Chinese property developers paying up to raise short term financing of 1.5 to 2 years for offshore refinancing needs while other corporates rushed to use up their NDRC quota during this short window. Issuance volumes were significant at USD27.2bn against USD20.5bn in October 2018. HY spreads continued to widen through most of November before stabilising at 6.2% for the Bloomberg Barclays Asia USD HY Bond Index average OAS. In the SGD space, a stronger footing prevailed in primary markets versus October with SGD2.3bn printed, though activity was dominated by two large sized crossover deals by foreign issuers, namely UBS's first SGD700mn AT1 issuance in the SGD-market and Shangri-La Hotel Limited's (guaranteed by Shangri-la Asia Ltd) SGD825mn 7-year bond. Sentiments in US markets and Asiadollar-ex Japan remains in bearish territory after being hammered out of a drunken stupor in the past two months. With the exception of certain HY names driven by idiosyncratic factors, the SGD secondary market had stayed relatively subdued. We expect market liquidity to recede as we enter into year-end.	**IG Pick: FCTSP 3.0% 21/01/2020 (Offer YTW 2.38%):** Frasers Centrepoint Trust ("FCT") is a pure-play suburban retail REIT in Singapore sponsored by Frasers Centrepoint Ltd ("FCL") which holds a 42% interest in FCT. As at 30 September 2018, portfolio value is SGD2.75bn comprising six suburban retail malls in Singapore – Causeway Point, Changi City Point, Northpoint, Bedok Point, Anchorpoint and YewTee Point. FCT also owns a 31.5%-stake in Malaysia-listed Hektar REIT. Aggregate leverage is low relative to peers at 28.6% while reported interest coverage is healthy at 6.3x. We think FCTSP 3.0% '20s looks interesting at 2.38% YTW, providing a 32bps pickup over its FCTSP 2.9% '19s. **IG Pick: OUESP 3.8% 15/04/2020 (Offer YTW 4.45%):** OUE Limited ("OUE"), 68.6%-owned by the Lippo Group, is a holding company with exposures in real estate development, investment holdings in property assets and healthcare. OUE is the sponsor and holds a significant stake in both OUE Hospitality Trust ("OUE-HT") and OUE Commercial REIT ("OUE-CT"). OUE also holds a ~64.4%-stake in OUE Lippo Healthcare. The OUE curve had widened following OUE and its subsidiary's purchases of SGD202mn in Indonesia-linked assets from its sister company Lippo Karawaci. While OUE is now more exposed to Indonesia, in our view, this is still a manageable quantum versus OUE's total asset base (eg: stakes in listed REITs, properties located in the developed markets of Singapore, US, Japan) against its debt levels. We are maintaining OUE's issuer profile at Neutral (4) until such time there are further material changes to its asset base (eg: sales of developed market assets to buy more in Indonesia).	↑

Macroeconomic Views

	House View	Key Themes
US	FOMC is primed to hike for a fourth time on 20 December, but given the recent oil prices slump and dovish turn in Fed chair Powell's rhetoric, a dovish hike may materialise later this month. The FOMC may reassume a more "data dependent" approach, but essentially stick to its gradual rate hike trajectory in 2019 if GDP growth and inflation parameters, especially on the wage front amid the tight labour market, remains on track notwithstanding President Trump's criticism of Fed rate hikes.	Fed chair Powell had commented that rates are "just below" the range of neutral estimates, which fuelled market speculation of fewer than 3 hikes in 2019. This is a change in tone from his recent 3rd October speech when he remarked that the Fed was "a long way from neutral" at that point of time. The November FOMC minutes also suggested that several Fed members were concerned about a further rise in the USD and high levels of debt in nonfinancial business sectors that could pose downside risks to the US economy. This is not unique to the US, as we also see global growth prospects having been impacted by the trade tensions and slowing manufacturing/electronics momentum across Europe and most parts of Asia. The US-China trade truce may lend risk sentiments a boost into the year-end, but note that top US officials such as Mnuchin and Kudlow have spoken out to clarify that moving forward it would take more effort and immediate action to ratify the Trump-Xi "commitments" on the sidelines of G20 summit.

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EU	ECB will end asset purchases by end-2018, but only hike rates through summer of 2019. Draghi has stated that there is no need to change neither inflation forecasts nor policy trajectory in the face of deteriorating economic data. However, the UK's parliamentary vote on the Brexit deal on 11 December and the Italian fiscal crisis remains clouds on the horizon.	Bank of England's 20 December meeting is not expected to pack any surprises on the rate decision front, but it will be interesting to see what else Governor Carney has to comment about Brexit's impact given his recent assessment, which faced stark criticism from Brexiteers who claimed that the forecasts were unrealistically pessimistic. Meanwhile, relations between Italy and the European Commission have been noticeably more affable recently, with Italian Deputy PM Salvini even praising Brussels for a "constructive attitude" in discussions. While it may take months for any significant EU penalty to be effected on Italy, note that the Italian economy had contracted in 3Q18 for the first time since 2Q14, which may further complicate matters.
Japan	BOJ governor Kuroda opined that the negative rate policy is "a necessary step", and the central bank will continue its monetary easing programme to stimulate the economy.	The preliminary 3Q18 GDP growth came in at -0.3% qoq sa (-1.2% annualised qoq) given weather and natural disasters which had pounded supply chains and exports in addition to trade drags from tariffs. Moreover, inflation remains stubbornly subdued at 1.0% in October, only half of the official 2% target and this is likely to keep the BOJ on its current path for quite some time still.
Singapore	2018 GDP growth of >3% growth appears to be in the bag notwithstanding the slight revision to the 3Q18 growth estimates. We tip growth to ease from 3.3% in 2018 to 2-3% in 2019. We expect the 2019 Budget to be an extension of the 2018 Budget in terms of prioritizing economic restructuring, infrastructure investment, skills up/re-skilling, aiding firms (especially SMEs) to regionalise/internationalise, and improving socioeconomic outcomes etc.	We expect local rates to continue to play catch-up to USD rates in 2019. MAS may remain on a tightening bias given the core inflation dynamics that will play into 2019 on the back of administrative prices adjustments (eg. public transport fares) and the tightening domestic labour market (given no short-term plans to lift foreign worker curbs and a still elevated wage growth trajectory), but the timing between the April and October 2019 MPS remains fluid at this juncture. We do not expect any major tax changes at the upcoming 2019 budget either or any pre-mature lifting of macro-prudential measures and/or foreign worker curbs. PM Lee has said that a cabinet reshuffle will be announced after the budget debate ends in March. At this juncture, the growth moderation is likely to be benign according to the official growth forecast which stands at 1.5-3.5% for 2019 versus 3-3.5% for 2018.
Indonesia	We see growth coming out at 5.2% yoy for 2018 and 5.3% yoy for 2019. The final quarter of 2018 is unlikely to see any pick-up as we see few factors that can lead to acceleration. 2019 growth should come out roughly similar with government consumption and investment remaining strong whilst private consumption should slightly strengthen. We believe BI will likely stay pat for December 2018.	The IDR saw significant strengthening in November and a variety of factors drove this including a surprise rate hike of 25bps and BI bond auctions. The central bank said the hike was done with expectations of rising global interest rates and to be in line with efforts to bring the current account deficit to manageable levels. BI has recently put out language such as "pre-emptive" and "ahead of the curve" again whilst they now try to focus on ensuring liquidity in the markets. They also believe the Fed will hike in December 2018 and March 2019 whilst also having factored in ECB normalization in their monetary policy analysis. The government meanwhile introduced new measures to support the economy including unveiling the 16th economic package which looked into making changes into tax holiday schemes and the negative investment list whilst creating incentives to repatriate earnings. Growth did slow in 3Q 2018 to 5.2% yoy although investment and government growth was strong whilst consumption growth was slightly weaker.
China	The economic growth surprised to the downside and printed at 6.5% yoy in 3Q 2018 and is expected to remain muted in 4Q. Growth may average around 6.6% yoy in 2018 due to rising uncertainties from the ongoing US-China trade war (notwithstanding the recent 90-day truce) and looming financial risks.	On a positive note, China has stepped up efforts to open up the financial market. Domestically, China will expand the list of systemically important financial institutions. The new list will include at least 30 banks, 10 security brokers and 10 insurance companies or aggregate asset sizes of those systemically important financial institutions cannot be lower than 75% of total assets. The expansion of list will help prevent those big financial institutions from leverage again to contain the possible systemic risk in future. In addition, NDRC also announced to increase medium to long term foreign debt quota for foreign banks to attract more long term funding to China.

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Hong Kong	Given the sharp slowdown in 3Q GDP growth, we revised our 2018 GDP growth forecast from 3.6% yoy to 3.4% yoy as the economy has been facing multiple headwinds including China's slowdown, monetary tightening and trade war. Elsewhere, recent rounds of HKD weakness are unlikely to cause market turmoil. With HIBOR to tick up gradually, HKD may rebound, while housing growth could moderate.	GDP growth continued to surprise to the downside and decelerated from 3.5% yoy in 2Q18 to a two-year low of 2.9% yoy in 3Q18. The economy has been facing multiple headwinds which could hit business/consumer sentiments, loan demand as well as inbound tourism. On a positive note, 2019 policy address delivers the government's promise to increase public housing supply which may translate into stronger public investments. This may help to ease some downside risks to the economy. On balance, we revised our 2018 GDP growth forecast from 3.6% yoy to 3.4% yoy and expect the growth will slow further to 2.7% yoy in 2019. Elsewhere, though ample liquidity drove 1M HIBOR down to the lowest since May, we expect it to top 2% again in Dec on year-end effect and possibly renewed bets on a prime rate hike.
Macau	With a strong MOP and Asia's muted economic outlook on trade war concerns, the growth of exports of goods and services may decelerate. On the other hand, the VIP-segment may succumb to policy risks. Adding on sluggish private investment and a high base effect, we expect GDP to grow by 5% in 2018 and by 2%-3% in 2019.	GDP growth decelerated notably from 5.9% yoy in 2Q18 to 1.6% yoy in 3Q18, the weakest level since 2Q16. The deceleration could be attributed to US-China trade war, stronger MOP, China's slowdown and completion of mega projects. These unfavourable factors may continue to weigh on tourism activities and recreational gambling demand, in turn weakening the economy in the coming quarters. In addition, VIP gaming demand might have been deterred by China's slowdown and higher interest rates. On a positive note, the government's plan to increase investment in infrastructure may allow some floor to the contraction of investment. We expect GDP to grow by 5% yoy this year and by 2%-3% yoy in 2019.
Malaysia	Growth further slowed in 3Q 2018 to 4.4% yoy and we pared our 2018 growth forecast to 4.5% yoy with 2019 expected to see similar growth prospects. We also expect that BNM should stay pat for 2019 even as inflation averages 1.2% yoy for 2018 and rise to 2.0% yoy for 2019.	The government announced that the fiscal deficit for 2018 will come out at 3.7% of GDP, an overshoot from the initial expectation of 2.8% of GDP, before easing to 3.4% in 2019, 3.0% in 2020 and 2.8% in 2021. In the medium term, they see it around 2.0% of GDP. Petroleum related revenue is expected to climb to make up 30.9% of revenue in 2019. The government will be receiving a special dividend of RM30bn from Petronas in 2019 and they have also allocated RM37bn for tax refunds. The rating agencies haven't made any changes yet to the sovereign ratings but Moody's has downgraded Petronas's outlook from stable to negative. Meanwhile, growth slowed to 4.4% yoy for 3Q 2018 due to production weaknesses in the mining and agricultural sector.
Thailand	The BoT believes that risks are titled to the downside of their 4.4% forecast and it will probably come out in the range 4.0 – 4.4%. This come after the 3Q 2018 GDP growth slowed to 3.3% yoy from 4.6% yoy in the previous quarter. Regardless, we believe that the BoT is still likely to hike in December.	The slower 3Q 2018 growth came as exports saw a decline of 0.1% yoy for 3Q 2018 as exports to China slumped 14% yoy in September amid the intensifying US-Sino trade war. Private consumption did see a pick-up to above 5.0% yoy whilst government consumption remained sustained around 2.0%. However, trade has picked up again in October with exports growing 8.7% yoy. The BoT though still look set at this point to raise interest rates as the Governor Veerathai Santiprabhob believes that higher rates won't be an impediment to growth. However, he appears to highlight issues related to financial vulnerabilities with regards to "maintaining low interest rates for protracted periods" such as excessive "search-for-yield behaviour". At the same time, headline inflation slowed to 0.94% yoy for November, below the central bank's target range of 1 – 4%.
Korea	BOK will likely stay pat for a while now following the 25bps hike in November given the risks to growth.	The BOK hiked the benchmark rate in November by 25bps to 1.75% as they aimed to try to contain the risk of financial imbalances caused by prolonged loose monetary policy. Recent rising property prices could have been a source of concern. Meanwhile, finalized GDP growth for 3Q 2018 came out at 2.0% yoy. Exports and imports growth slowed to 4.5% yoy and 11.4% yoy respectively for the month of November.

	House View	Key Themes
PH	GDP growth strengthened to 6.1% yoy for 3Q 2018 from 6.0% yoy the previous quarter. Inflation remains elevated at 6.7% yoy in October although expectations are for in to slowdown. Hence, we believe BSP will hold in December.	Growth continues to be driven by investment and public consumption amid the government's continued drive to develop infrastructure. Net exports were a drag on growth as imports growth remains strong amid this infrastructure development drive. Private consumption remains moderate at around 5% as inflation remains elevated and the benchmark interest rate continued to rise. Inflation is expected to slow going into the final quarter given lower commodity prices and normalization of supply conditions in rice and other agricultural commodities.
Myanmar	Retain a general sense of optimism around Myanmar. Keep close watch on legislative and reform developments to find opportunities.	Manufacturing PMI printed 51.3 for Nov, marking the first expansion of the manufacturing sector since June. Demand conditions improved, with businesses noting an increase in new businesses. Nevertheless, input price inflation continues to crimp profitability.

FX/Rates Forecast

USD Interest Rates	4Q18	1Q19	2019	2020
Fed Funds Target Rate	2.50%	2.75%	3.25%	3.50%
1-month LIBOR	2.58%	2.76%	3.30%	3.55%
2-month LIBOR	2.67%	2.84%	3.35%	3.65%
3-month LIBOR	2.75%	2.91%	3.40%	3.75%
6-month LIBOR	2.93%	3.06%	3.45%	3.80%
12-month LIBOR	3.15%	3.24%	3.50%	3.85%
1-year swap rate	3.00%	3.14%	3.55%	3.90%
2-year swap rate	3.03%	3.19%	3.68%	4.00%
3-year swap rate	3.04%	3.19%	3.65%	4.05%
5-year swap rate	3.05%	3.22%	3.72%	4.20%
10-year swap rate	3.07%	3.26%	3.83%	4.30%
15-year swap rate	3.12%	3.30%	3.85%	4.35%
20-year swap rate	3.15%	3.33%	3.87%	4.37%
30-year swap rate	3.16%	3.35%	3.90%	4.40%
SGD Interest Rates	**4Q18**	**1Q19**	**2019**	**2020**
1-month SIBOR	1.65%	1.81%	2.28%	2.80%
1-month SOR	1.80%	1.93%	2.30%	2.83%
3-month SIBOR	1.80%	1.93%	2.33%	2.85%
3-month SOR	1.95%	2.05%	2.35%	2.87%
6-month SIBOR	1.90%	2.03%	2.40%	2.88%
6-month SOR	2.00%	2.13%	2.50%	2.89%
12-month SIBOR	2.10%	2.21%	2.54%	2.92%
1-year swap rate	2.05%	2.18%	2.58%	3.00%
2-year swap rate	2.10%	2.24%	2.65%	3.20%
3-year swap rate	2.15%	2.30%	2.77%	3.26%
5-year swap rate	2.25%	2.44%	3.00%	3.38%
10-year swap rate	2.53%	2.70%	3.20%	3.50%
15-year swap rate	2.80%	2.93%	3.30%	3.70%
20-year swap rate	2.92%	3.03%	3.37%	3.76%
30-year swap rate	2.93%	3.07%	3.49%	3.84%
Malaysia	**4Q18**	**1Q19**	**2019**	**2020**
OPR	3.25%	3.25%	3.25%	3.50%
1-month KLIBOR	3.45%	3.51%	3.70%	3.75%
3-month KLIBOR	3.72%	3.76%	3.87%	3.95%
6-month KLIBOR	3.75%	3.80%	3.93%	4.00%
12-month KLIBOR	3.95%	3.96%	3.99%	4.05%
1-year swap rate	3.75%	3.79%	3.90%	4.02%
2-year swap rate	3.76%	3.81%	3.96%	4.10%
3-year swap rate	3.80%	3.87%	4.09%	4.17%
5-year swap rate	3.92%	3.99%	4.20%	4.35%
10-year swap rate	4.27%	4.33%	4.50%	4.67%
15-year swap rate	4.47%	4.50%	4.59%	4.75%
20-year swap rate	4.67%	4.70%	4.80%	4.90%

UST bond yields	4Q18	1Q19	2019	2020
2-year UST bond yield	2.85%	2.97%	3.32%	3.53%
5-year UST bond yield	2.88%	3.02%	3.44%	3.70%
10-year UST bond yield	3.00%	3.14%	3.55%	3.80%
30-year UST bond yield	3.25%	3.39%	3.80%	3.92%
SGS bond yields	**4Q18**	**1Q19**	**2019**	**2020**
2-year SGS yield	2.10%	2.21%	2.55%	2.75%
5-year SGS yield	2.15%	2.30%	2.75%	3.08%
10-year SGS yield	2.35%	2.46%	2.80%	3.15%
15-year SGS yield	2.63%	2.73%	3.03%	3.24%
20-year SGS yield	2.71%	2.82%	3.15%	3.36%
30-year SGS yield	2.80%	2.90%	3.20%	3.40%
MGS forecast	**4Q18**	**1Q19**	**2019**	**2020**
6-month yield	3.31%	3.35%	3.47%	3.50%
5-year MGS yield	3.85%	3.88%	3.95%	3.98%
10-year MGS yield	4.10%	4.11%	4.15%	4.17%

FX	Spot	Dec-18	1Q19	2Q19	3Q19
USD-JPY	113.49	113.8	114.29	112.76	111.22
EUR-USD	1.1364	1.1406	1.1322	1.1557	1.1792
GBP-USD	1.2781	1.2604	1.2669	1.2944	1.3219
AUD-USD	0.7367	0.7445	0.7425	0.7513	0.7601
NZD-USD	0.6913	0.6993	0.6989	0.7093	0.7196
USD-CAD	1.3204	1.3307	1.3283	1.3034	1.2786
USD-CHF	0.9976	0.9907	0.9958	0.9831	0.9704
USD-SGD	1.3673	1.3617	1.3643	1.3553	1.3462
USD-CNY	6.8984	6.86	6.8916	6.801	6.7104
USD-THB	32.8	32.7	32.86	32.44	32.01
USD-IDR	14229	14050	13968	13886	13805
USD-MYR	4.1722	4.1616	4.1810	4.1281	4.0752
USD-KRW	1110.65	1102	1109.33	1098.33	1087.33
USD-TWD	30.743	30.63	30.622	30.389	30.156
USD-HKD	7.8209	7.82	7.8091	7.7982	7.7873
USD-PHP	52.31	51.8	51.47	51.15	50.82
USD-INR	70.15	69.15	68.56	67.98	67.39
EUR-JPY	128.97	129.8	129.4	130.31	131.15
EUR-GBP	0.8891	0.905	0.8937	0.8928	0.892
EUR-CHF	1.1336	1.13	1.1274	1.1362	1.1443
EUR-SGD	1.5538	1.5532	1.5447	1.5663	1.5874
GBP-SGD	1.7475	1.7163	1.7284	1.7543	1.7796
AUD-SGD	1.0073	1.0138	1.013	1.0182	1.0233
NZD-SGD	0.9453	0.9522	0.9536	0.9613	0.9688
CHF-SGD	1.3706	1.3745	1.3701	1.3785	1.3872
JPY-SGD	1.2047	1.1966	1.1937	1.2019	1.2104
SGD-MYR	3.0515	3.0562	3.0646	3.046	3.0272
SGD-CNY	5.0453	5.0378	5.0514	5.0182	4.9846

Macroeconomic Calendar

Date Time		Event		Survey	Actual	Prior	Revised
12/03/2018 16:50	FR	Markit France Manufacturing PMI	Nov F	50.7	--	50.7	--
12/03/2018 23:00	US	ISM Manufacturing	Nov	57.5	--	57.7	--
12/04/2018 07:00	SK	GDP YoY	3Q F	2.00%	--	2.00%	--
12/04/2018 11:30	AU	RBA Cash Rate Target	Dec-04	1.50%	--	1.50%	--
12/05/2018 08:30	AU	GDP SA QoQ	3Q	0.60%	--	0.90%	--
12/05/2018 16:00	TA	CPI YoY	Nov	0.90%	--	1.17%	--
12/05/2018 17:00	IN	RBI Repurchase Rate	Dec-05	6.50%	--	6.50%	--
12/05/2018 23:00	CA	Bank of Canada Rate Decision	Dec-05	1.75%	--	1.75%	--
12/06/2018 21:30	US	Initial Jobless Claims	Dec-01	225k	--	234k	--
12/07/2018 15:00	GE	Industrial Production SA MoM	Oct	0.30%	--	0.20%	--
12/07/2018 21:30	US	Change in Nonfarm Payrolls	Nov	199k	--	250k	--
12/07/2018 23:00	US	U. of Mich. Sentiment	Dec P	97	--	97.5	--
12/09/2018 09:30	CH	CPI YoY	Nov	2.40%	--	2.50%	--
12/10/2018 07:50	JN	GDP SA QoQ	3Q F	--	--	-0.30%	--
12/10/2018 07:50	JN	GDP Annualized SA QoQ	3Q F	--	--	-1.20%	--
12/10/2018 07:50	JN	BoP Current Account Balance	Oct	--	--	¥1821.6b	--
12/11/2018 17:30	UK	Jobless Claims Change	Nov	--	--	20.2k	--
12/11/2018 18:00	GE	ZEW Survey Current Situation	Dec	--	--	58.2	--
12/11/2018 18:00	GE	ZEW Survey Expectations	Dec	--	--	-24.1	--
12/12/2018 07:50	JN	Core Machine Orders MoM	Oct	--	--	-18.30%	--
12/12/2018 21:30	US	CPI MoM	Nov	0.00%	--	0.30%	--
12/13/2018 15:45	FR	CPI YoY	Nov F	--	--	1.90%	--
12/13/2018 16:00	PH	BSP Overnight Borrowing Rate	Dec-13	--	--	4.75%	--
12/13/2018 20:45	EC	ECB Main Refinancing Rate	Dec-13	--	--	0.00%	--
12/13/2018 21:30	US	Initial Jobless Claims	Dec-08	--	--	--	--
12/14/2018 12:30	JN	Industrial Production MoM	Oct F	--	--	2.90%	--
12/14/2018 16:00	FR	Markit France Manufacturing PMI	Dec P	--	--	--	--
12/14/2018 18:00	IT	CPI EU Harmonized YoY	Nov F	--	--	1.70%	--
12/17/2018 08:30	SI	Non-oil Domestic Exports YoY	Nov	--	--	8.30%	--
12/17/2018 18:00	EC	CPI YoY	Nov F	--	--	2.20%	2.20%
12/18/2018 17:00	GE	IFO Business Climate	Dec	--	--	102	--
12/19/2018 15:05	TH	BoT Benchmark Interest Rate	Dec-19	1.75%	--	1.50%	--
12/19/2018 17:30	UK	CPI MoM	Nov	--	--	0.10%	--
12/19/2018 17:30	UK	CPI YoY	Nov	--	--	2.40%	--
12/19/2018 21:30	CA	CPI YoY	Nov	--	--	2.40%	--
12/20/2018 03:00	US	FOMC Rate Decision (Upper Bound)	Dec-19	2.50%	--	2.25%	--
12/20/2018 05:45	NZ	GDP SA QoQ	3Q	--	--	1.00%	--
12/20/2018 08:30	AU	Employment Change	Nov	--	--	32.8k	--
12/20/2018 08:30	AU	Unemployment Rate	Nov	--	--	5.00%	--
12/20/2018 20:00	UK	Bank of England Bank Rate	Dec-20	--	--	0.75%	--
12/20/2018 21:30	US	Initial Jobless Claims	Dec-15	--	--	--	--
12/21/2018 17:00	IT	Manufacturing Confidence	Dec	--	--	104.4	--
12/21/2018 17:30	UK	GDP QoQ	3Q F	--	--	0.60%	--
12/21/2018 17:30	UK	GDP YoY	3Q F	--	--	1.50%	--
12/21/2018 21:30	US	GDP Annualized QoQ	3Q T	--	--	3.50%	--
12/21/2018 23:00	US	U. of Mich. Sentiment	Dec F	--	--	--	--
12/24/2018 13:00	SI	CPI YoY	Nov	--	--	0.70%	--
12/27/2018 21:30	US	Initial Jobless Claims	Dec-22	--	--	--	--
12/27/2018 23:00	US	Conf. Board Consumer Confidence	Dec	--	--	135.7	--
12/28/2018 07:30	JN	Jobless Rate	Nov	--	--	2.40%	--
12/28/2018 07:50	JN	Industrial Production MoM	Nov P	--	--	--	--

Source: Bloomberg

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